

Senate proposed k-12 budget for FY 2011

March 15, 2010

- The Senate Committee proposes to add \$734 million due to declining property value in local school districts.
- School districts must maintain their current millages.
- It assumes school districts levy the additional 0.25 mills for operations.
- The proposed budget goes down by 1.62% due to 19,000 students increase.
- Added \$187 million for FRS.
- Added \$39 million for CSR statewide.
- All categorical programs, instructional materials, transportation, reading programs, safe schools and teacher lead program, etc., will be reduced by up to 2%.
- The budget includes the Federal Stimulus Funds, \$858 million (\$17 million less than last year)

House proposed budget for FY 2011

March 8, 2010

- Budget shortfall between \$1.1 and \$3.2 billion.

The contributors to the shortfall are:

- Reductions in federal stimulus funding in the Healthcare budget which begin January 2011 (\$924 million in Medicaid)
- A significant increase in Medicaid enrollment (\$842 million)
- A significant loss of ad valorem revenues supporting K-12 education (\$778 million)
- The long range financial outlook anticipates a shortfall exceeding \$5 billion for the 2011/12 Fiscal Year

The following principles were followed in making the House budget allocations:

- No new or increased fees or taxes
- State funds must offset the loss of ad valorem revenues supporting K-12 education funding to ensure no increase in the RLE millage rate (9% increase)
- State funds must offset lost federal stimulus funding for Medicaid to ensure the continuation of mandatory programs (19% increase)
- Provide a 5% reserve to help maintain bond ratings
- Prioritize education, health and public safety over other programs
- The Speaker allocated an increase of \$902 million to offset the projected shortfall in local and trust fund money for public schools
- This proposed budget does reduce a projected budget cut of 6% to only about 1% in total funding
- The House PreK-12 Appropriations Committee will probably release a more detailed budget next week for discussion. Included in that release will be a conforming bill