

DPI Alert: Conference Budget Proposal 6-24-08

Discussions continue on the Budget with a lot of items being flagged by the Big Chairs. However, this does not mean that we are getting more funding for Public Schools. In fact, we have not heard anything that will change the information shared with you yesterday (included at the bottom of this e-mail).

Attached please find the revised comparison document that outlines the differences in the State Board through Conference Budgets. We need to warn you that if the Budget remains as it is now, your local budget will be impacted.

The key items:

1) \$30 million short on expected needs: This level of shortage, along with other non-funded items, would require us either to pass the cost to the local district or require you to return some of your Initial Allotments.

2) \$37 million shortage for expected ABC Bonus needs: This level of shortage, along with other non-funded items, we would need to reduce the amount of the payments to teachers or require you to return some of your Initial Allotments.

3) \$13,473,512 reduction to the At-Risk Student Services/Alternative Schools: Continuation Budget will lead to a reduction in your Planning Allotments (the Planning Allotments included this as an appropriation).

4) If the language remains in the Conference Budget. There could be an additional pay raise for teachers around November. The Senate Budget allows the Governor to award an additional pay raise to teachers if revenue is coming in higher than projected. This raise would be based on 1/2 of the excess up to \$200 million.

We will keep you posted as we receive more information.

Philip Price

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The House and Senate Education Appropriation Committee distributed a version of the Conference Budget this afternoon. Unfortunately, public schools received less funding in the Conference Budget than was included for public schools in the House or the Senate passed Budgets. The Conference Budget is \$33.9 million less than the Budget passed by the House for public schools (that is more concerning since the Conference funding target was \$14 million more than the House Education Budget). The Conference Budget is \$10.2 million less than the Budget passed by the Senate for public schools (the Senate Budget for Education was \$20+ million higher than the Conference funding target)

Increased funding for bus fuel was established at \$30 million (\$26 million once you take into account the \$4 million transportation ADM adjustment). With a possible short fall of \$56 million (if diesel fuel is around \$4.08 per gallon next year), this additional \$26 million will leave the fuel budget short around \$30 million. ABC Bonus funding was set at the House level (\$70 million) which leaves this funded short of our projected needs by \$37 million. Combining this with other unfunded items (and reductions to the reserves), we do not believe that reversions will be able to cover the budget shortages.

With this large of a budget hole, we will need to hold back some of the Initial Allotments. If we set the reduction at \$50 million, this would convert to \$33.86 per ADM (where the smallest school district would need to return \$19,437 and the largest school district would need to return \$4,726,304). We will keep you posted as to what we hear; but, if you have concerns, please contact your legislators.

Please note that the Conference Budget does adjust the Continuation Budget for At-Risk (\$13.5 million) which means that your Planning Allotment for At-Risk Student Services/Alternative Schools is overstated.

More information later,

Philip Price