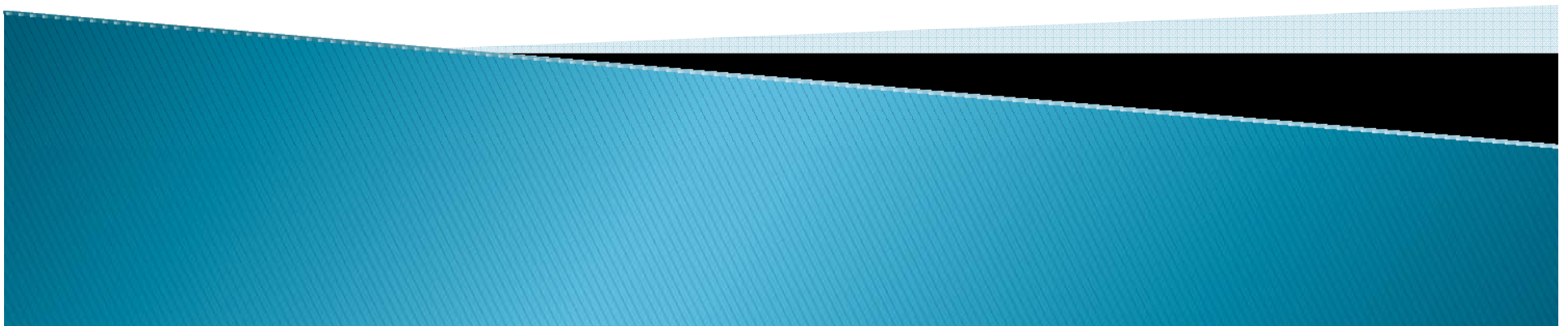
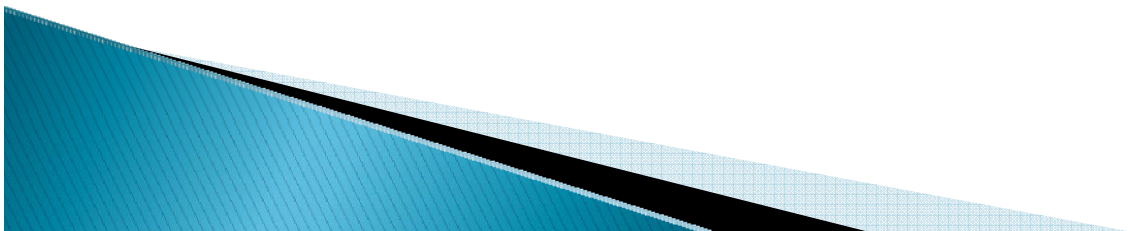


# Governor's Budget Proposal



- ▶ The analysis of the proposal appears to be very positive for school districts. The key to making the budget work would be the generation of additional revenue for the state in FY2010. The additional revenue would come mainly from a 1 cent increase in the state sales tax rate and implementation of the County Tax Rate for education at  $\frac{2}{3}$  of the rate for FY2010 and  $\frac{1}{3}$  of the rate for FY2011. The following are some of the major components of the Governor's school funding proposal:



- ▶ Provides for a 2% increase in the base level and transportation which will increase funding by \$110 million and will increase M&O and K-3 override amounts
- ▶ Cuts to M&O and soft capital net out to a total \$73 million cut by a lump sum reduction to M&O of \$100 million (covers cuts from this year) and a \$175 million cut to soft capital being mitigated by almost 75% because of the use of \$220 million of federal stimulus dollars
- ▶ Allows local district funding, including property taxes, to fund up to 50% of the utility funding formula that was passed last year
- ▶ Continues the homeowners rebate (additional state aid) for Deseg., Career Ladder and the TRCL



- ▶ No cuts to additional assistance for charter schools
- ▶ No Career Ladder phase out
- ▶ Contains some formula changes that we will analyze which could mean additional cuts
- ▶ Caps on Deseg. and no funding for early K students who repeat kindergarten are also included
- ▶ \$10 million in grants for building renewal

