

# Conference Report on the Biennium Budget

Overview: 2003 Session Fiscal and Budgetary Actions

## Public Education

	GENERAL FUND	
	FY 2003-04	FY 2004-05
<b>Recommended Budget</b>	<b>\$6,086,682,250</b>	<b>\$6,211,172,835</b>
<b>Legislative Changes</b>		
<b>A. State Public School Fund - Adjustments</b>		
<b>1 Average Daily Membership (ADM)</b>	(\$12,561,172) R	(\$30,753,953) R
Revise projected increase in ADM for FY 2003-04 to reflect (3,210) fewer students than originally projected. Dollar amount of reduction includes decrease to all position, dollar, and categorical allotments.		
Total funded ADM for FY 2003-04 is 1,342,806, an increase over FY 2002-03 of 15,941.		
Due to downward adjustment in ninth grade ADM, reduce receipts from Highway Fund budgeted for Driver's Education by (\$199,298) in FY 2003-04 and (\$170,291) in FY 2004-05.		
<b>2 Budgeted Average Salary</b>	(\$37,352,516) R	(\$68,781,087) R
Revise budgeted funding for certified personnel salaries based on actual salary data from December 2002. Adjustment does not decrease any salary paid to certified personnel.		
<b>3 Exceptional Children</b>	(\$2,934,637) R	(\$2,934,637) R
Revise budgeted funding for children with special needs to reflect actual April 1, 2003 headcount. Continuation budget was based on projected headcount. Adjustment does not reduce funding per child.		
<b>4 Principals</b>	(\$6,269,239) R	(\$6,269,239) R
Revise allotment to LEAs for Principals to reflect projected 2,242 schools for FY 2003-04 and 2,302 schools for FY 2004-05.	-83.00	-83.00
<b>5 Assistant Principal Allotment</b>	(\$5,061,578) R	(\$5,061,578) R
Revise allotment to LEAs for Assistant Principals to reflect funding only of certified personnel. Continuation budget included funds for 131 Assistant Principal Intern positions which are eliminated.	-131.00	-131.00
<b>6 Teacher Assistants</b>	(\$2,349,271) R	(\$2,349,271) R
Revise dollar allotment for Teacher Assistants to be in accordance with Public Schools allotment formula of \$828.45 per ADM. Continuation budget reflected an increase based on additional funds per student.		

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<b>7 At-Risk Student Services</b>	(\$852,723)	R	(\$852,723)	R
Revise portion of categorical allotment for At-Risk Student Services that is based on number of students in poverty to reflect a 1% decrease in this population, as per most recent estimates.				
<b>8 School Resource Officers</b>	(\$151,352)	R	(\$302,704)	R
Revise funding for School Resource Officers to reflect opening of four fewer new high schools in FY 2003-04 than originally projected. This revision anticipates 16 new high schools per year for FY 2003-04 and FY 2004-05.				
	-4.00		-8.00	
<b>9 Personnel Services</b>	(\$3,715,895)	R	(\$3,715,895)	R
Revise budgeted reserve for workers compensation/short term disability based on actual expenditures in FY 2001-02 and FY 2002-03 year-to-date expenditures.				
<b>B. State Public School Fund - Reductions</b>				
<b>10 Central Office Administration</b>	(\$1,949,154)	R	(\$1,949,154)	R
Reduce allotment to LEAs for Central Office Administration by 2%.				
	-26.00		-26.00	
<b>11 Classroom Materials, Supplies, &amp; Equipment</b>	(\$2,497,619)	R	(\$2,497,619)	R
Reduce dollar allotment for Materials, Supplies, & Equipment to reflect funding of FY 2003-04 ADM at dollars-per-ADM ratio budgeted in FY 2002-03. Eliminate inflationary increase in dollars-per-ADM ratio reflected in FY 2003-04 continuation budget.				
<b>12 Formula for PSAT Funding</b>	(\$1,557,910)	R	(\$1,557,910)	R
Reduce funding for PSAT by restoring allotment rate to FY 2001-02 level of \$2.69 per eighth and ninth grade ADM.				
<b>13 Textbooks</b>	(\$3,990,911)	R	(\$3,990,911)	R
Reduce dollar allotment for Textbooks to reflect funding of FY 2003-04 ADM at dollars-per-ADM ratio budgeted in FY 2002-03. Eliminate inflationary increase in dollars-per-ADM ratio reflected in FY 2003-04 continuation budget.				
<b>14 Non-Instructional Support</b>	(\$13,000,000)	R	(\$13,000,000)	R
Reduce the allotment to LEAs for clerical and custodial support by \$13 million. Continue funding for substitute teachers at FY 2002-03 level.				
	-533.00		-533.00	
<b>15 Technology Fund</b>	(\$2,500,000)	NR		
Reduce appropriation for State School Technology Fund.				

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FY 2003-04

FY 2004-05

**16 School Bus Replacement**

Revise school bus replacement schedule for FY 2003-04 to reflect replacement of 692 buses with a three-year lease purchase contract.

(\$11,000,000) NR

**17 Transportation**

Reduce allotment to LEAs for mechanics, garage operations, fuel costs, parts, bus drivers' salaries and benefits, and other operational costs for school bus operations.

(\$5,000,000) NR

**18 School Bus Driver Physicals**

Eliminate appropriation for bus driver physicals. The Department of Transportation has eliminated the requirement that school bus drivers receive physicals.

(\$560,000) R (\$560,000) R

**19 Bonding of Fiscal Officers**

Eliminate funds allotted to LEAs for bonding of fiscal officers.

(\$48,944) R (\$48,944) R

**20 School Breakfast Program**

Reduce funds for no-cost breakfast for kindergarten students who do not qualify for free or reduced lunch to align funding with anticipated pattern of utilization.

(\$800,000) R (\$800,000) R

**21 Department of Public Instruction**

Reduce appropriation for Department of Public Instruction by 1%. Department has flexibility to determine what budget items are reduced.

(\$311,331) R (\$311,331) R

**22 Local Education Agency Discretionary Reduction**

Reduce funds allotted by the State Board of Education to local education agencies (LEAs), who will have discretion in determining what budget items are reduced. The State Board shall distribute the reduction based upon average daily membership (ADM) and shall require allotment reductions in this amount within 30 days of budget passage for FY 2003-04 and by September 1, 2004 for FY 2004-05. By August 15, 2004, for FY 2005-06 and subsequent fiscal years, the State Board shall determine changes to the allotment categories that will make the \$44,291,248 reduction permanent. These changes will be subject to the approval of the General Assembly.

(\$44,291,248) R (\$44,291,248) R

LEA flexibility to adjust budgets precludes identification of number of positions that will be affected by this reduction.

**23 Vocational Education**

Reduce categorical allotment to LEAs for Vocational Education.

(\$8,000,000) R (\$8,000,000) R

-173.18

-173.18

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<b>24 Vocational Education Program Support</b>	(\$448,038)	R	(\$448,038)	R
Reduce categorical allotment to LEAs for Vocational Education Program Support.				
<b>25 Teacher Assistants</b>	(\$8,000,000)	R	(\$8,000,000)	R
Reduce dollar allotment to LEAs for Teacher Assistants.				
<b>26 Teachers and Instructional Support On-Loan</b>	(\$746,384)	R	(\$746,384)	R
Reduce funding for teachers and instructional support on-loan from LEAs to the Department of Public Instruction to align with level of utilization in FY 2002-03.				
	-16.50		-16.50	
<b>27 At-Risk Student Services</b>	(\$352,819)	R	(\$352,819)	R
Reduce categorical allotment for At-Risk Student Services by 50% of the adjusted continuation budget increase in FY 2003-04.				
<b>28 Testing</b>	(\$1,000,000)	R	(\$1,000,000)	R
Reduce appropriation for testing to reflect increase in federal receipts for that purpose.				
<b>29 ADM &amp; Charter School Contingency Reserves</b>	(\$1,405,501)	R	(\$1,405,501)	R
Combine ADM Contingency Reserve (\$6,000,000) & Charter School Contingency Reserve (\$2,405,501) into one reserve that can be used to address unexpected increases in either Public School or Charter School ADM. Reduce consolidated reserve.				
<b>C. Reductions to Other Funds</b>				
<b>30 Literary Loan Fund</b>				
Utilize cash balance in Literary Loan Fund for public school operations.				
	(\$1,000,000)	NR		
<b>D. Expansion</b>				
<b>31 ABC Bonuses</b>				
Provide funding for ABC bonuses for schools that in FY 2002-03 meet or exceed expected growth.				
	\$96,000,000	NR		
<b>32 Second Grade Class Size</b>	\$25,303,294	R	\$25,303,294	R
Provide funds to support reduction of the teacher to student allotment ratio for second grade from 1:20 to 1:18.				
	571.00		571.00	
<b>33 Low Wealth Supplemental Funding</b>	\$5,000,000	R	\$5,900,000	R
Increase categorical allotment for Low Wealth Supplemental Funding.				

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<b>34 Small County Supplemental Funding</b>	\$1,000,000	R	\$1,900,000	R
Increase categorical allotment for Small County Supplemental Funding.				
<b>35 LEA Assistance Program and Aid to Implement No Child Left Behind</b>	\$500,000	R	\$500,000	R
Provide funds to DPI to establish an assistance program for LEA's that are identified by the State Board of Education as low-performing and to assist in meeting Adequate Yearly Progress requirements of the federal No Child Left Behind legislation.				
<b>36 Financial Literacy Pilot Program</b>	\$73,000	NR		
Provides funds to the State Board of Education to establish a pilot program to assist LEAs in teaching personal financial literacy.				
<b>37 ExplorNet</b>	\$200,000	R	\$200,000	R
Provide increased funds to support ExplorNet, a non-profit organization that promotes effective use of information technology in the public schools.				
<b>Total Legislative Changes</b>	<b>(\$128,204,948)</b>	<b>R</b>	<b>(\$176,177,652)</b>	<b>R</b>
	<b>\$76,573,000</b>	<b>NR</b>		
<b>Total Position Changes</b>	<b>-395.68</b>		<b>-399.68</b>	
<b>Revised Budget</b>	<b>\$6,035,050,302</b>		<b>\$6,034,995,183</b>	

