

Board of Education Agenda Item

Item: R.

Date: July 23, 2009

Topic: First Review of the Direct Aid to Public Education Budget for the 2010-2012 Biennium

Presenter: Mr. Kent C. Dickey, Assistant Superintendent for Finance

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Origin:

Topic presented for information only (no board action required)

Board review required by

State or federal law or regulation

Board of Education regulation

Other: _____

Action requested at this meeting Action requested at future meeting: _____

Previous Review/Action:

No previous board review/action

Previous review/action

date _____

action _____

Background Information:

The Direct Aid to Public Education budget for the 2010-2012 biennium is being presented to the Board of Education for first review. In each odd-numbered year, the Direct Aid to Public Education budget is rebenchmarked for the next biennium. This rebenchmarking is part of the biennial budget development process that involves the Board of Education, the Governor, and the General Assembly. The rebenchmarked budget represents the state cost of continuing the existing Direct Aid to Public Education programs with updates in the input data used to determine the cost of the programs. In addition, appropriation act language adopted by the 2009 General Assembly requires the Department of Education to calculate a 2010-2012 rebenchmarking cost with the support position funding cap applied and a 2010-2012 rebenchmarking cost with the support position funding cap removed.

Summary of Major Elements:

The cost projections presented in this item represent changes in funding based on standard technical revisions made to Direct Aid accounts for each year of the 2010-2012 biennium. These cost projections do not reflect any changes in policy or technical methodology. The projections are based strictly on current approved methodologies or directives specifically approved and directed by the General

Assembly and the Governor. The budget figures presented in this item represent the state cost of continuing the current Direct Aid programs in the 2010-2012 biennium with the required revisions and updates to input data using the approved funding methodologies, as well as the state cost to remove the support position funding cap.

A technical briefing presented on July 22, 2009, to the Board's SOQ Committee outlines the rebenchmarking process and the Direct Aid cost projections for the 2010-2012 biennium.

Superintendent's Recommendation:

The Superintendent of Public Instruction recommends that the Board waive first review and adopt these proposed budget projections that continue current Direct Aid programs in the 2010-2012 biennium rebenchmarking for standard technical revisions and showing the cost of removal of the support position funding cap without proposing permanent changes in funding policy. It is further recommended that staff be directed to update and revise costs as additional technical revisions are completed consistent with the current funding methodology and policy adopted by the Board. In addition, as required by the General Assembly, it is recommended that the department report the final calculations and related costs of rebenchmarking (with the support position funding cap applied and removed) to the Governor and the Chairmen of House Appropriations and Senate Finance Committees prior to September 1, 2009.

Impact on Resources:

The 2010-2012 Direct Aid budget approved by the Board will be sent to the Governor for action and ultimately for inclusion in his budget for the 2010-2012 biennium. This budget will establish the level of state funding required by the foundation program established in the Standards of Quality (SOQ), as well as other Direct Aid accounts. The final state cost of the 2010-2012 Direct Aid budget is dependent on final technical updates to be made in fall 2009 and any funding policy decisions affecting cost.

Timetable for Further Review/Action:

None.