



SREB

Legislative Report

Governors' legislative and budget proposals

Arkansas (<https://governor.arkansas.gov/>)

In the final budget proposal of his term, released in November, the departing governor indicated the state is heading into the 2023-24 fiscal year with a solid financial position including over \$2.7 billion in reserve funds. One of the highlights of the proposal is increased education funding of \$550 million over the biennium, allowing the new governor and legislators to raise starting teacher salaries to a level competitive with neighboring states. Other budget priorities of the departing governor were increasing the state police budget, providing additional funding to the state's corrections and military departments, and providing new funding for children and family services to address foster care needs.

The statewide general fund budget would total \$6.3 billion in 2023-24, up 5.2% from 2022-23. In 2023-24, public K-12 schools would receive nearly \$2.5 billion (up 8.7%) and the Department of Career and Technical Education would receive \$22.8 million (up 0.3%). General funds for the Division of Elementary and Secondary Education would total \$18.3 million (up 6.2%), for the Division of Academic Facilities & Transportation would total \$2.9 million (up 7.2%), and for technical institutes would total \$3.5 million (up 12.9%). Funding for Education Facilities Partnership and Succeed Scholarship would remain flat at the 2022-23 level of \$70.3 million and \$3.3 million, respectively.

The governor proposed an increase of 6.3% for higher education institutions to nearly \$762.9 million, including \$627.5 million (up 0.5%) for four-year universities and \$32.8 million (up 1.9%) for technical colleges. However, the nearly \$118 million for two-year colleges would be a 1% decrease.

Georgia (<https://opb.georgia.gov/>)

Positioned as an investment in the education, health and safety of the state's citizens, the governor's budget would provide over \$28.1 billion general funding in the 2022-23 fiscal year, up 8.8% from the original appropriation, and \$27.8 billion in 2023-24 — while down 1.1% from the proposed current-year amount, that amount is 7.6% over the original appropriation.

Statewide general funds for K-12 education would rise 7% in the current year to \$11.4 billion and would increase 3.7% over that amount to \$11.9 billion in 2023-24. This includes state Quality Basic Education formula funding of \$10.2 billion in 2022-23 (up 6.1% over the original) and nearly \$10.6 billion in 2023-24 (4.3% above the proposed current year amount).

The proposed amendments to 2022-23 appropriations include one-time funding of \$115.7 million for school security grants of \$50,000 per school campus, \$25 million for grants to support student achievement and address learning loss, and \$15 million for support staff with bachelor's degrees seeking teaching certificates. The proposal for 2023-24 includes funding for a statewide \$2,000 teacher pay increase as well as \$26.9 million to ensure school counselor support ratios meet requirements in state law.

Funding for the Technical College System of Georgia would increase nearly 30% to \$573.7 million in the current year, the result of \$129.4 million in one-time funding to establish two new Quick Start employee training centers and expand another existing Quick Start center. While overall TCSG general funding would decline 0.3% in 2023-24 from the current approved amount, general funds for technical education would rise 0.7% to \$385.8 million.

University System of Georgia general funds would rise 3.2% to in 2022-23 and a further 0.8% in 2023-24, \$3.2 billion in each year; the latter amount includes \$87.4 million to provide a \$2,000 cost of living increase for all full-time USG staff. Current-year general funds to the Georgia Student Finance Commission would decline 1.4% in the current fiscal year to \$121.6 million, while increasing 2.6% over that amount in 2023-24 to \$124.8 million; both amounts include flat funding of \$82.8 million for the statewide dual enrollment program.

Lottery funds to GSFC are projected to rise 6.2% in 2023-24 to nearly \$1.1 billion. HOPE scholarships for students at public institutions would receive \$885.9 million (up 7%) while HOPE scholarships for students at private institutions would receive \$74.5 million (up 2%). HOPE grants for students at technical colleges would be funded at \$80.6 million (up 4.2%).

Maryland (<https://dbm.maryland.gov/>)

Soon after his inauguration, the governor released his proposed 2023-24 budget, calling education central to fighting poverty and powering the state's economy. While the statewide general fund budget would decline 3.6% to \$27.1 billion, general funded state aid for K-12 education would rise 2% to \$7.2 billion, and state colleges and universities would receive \$2.2 billion, up 12.8%.

General-funded state aid for education includes \$3.8 billion in Foundation Program formula funding, a 4.5% increase; \$497.9 million for students with disabilities, up 1.7%; \$34.8 million for innovative programs, up 75.5%; and \$22.4 million for teacher development, more than 5 times the current-year appropriation. While general funds for compensatory education — which provides additional school funding for students eligible for free and reduced meals — remains essentially level at \$1.3 billion, the proposal would provide the program with an additional \$390.8 million in special funds. Special funds directed toward the Concentration of Poverty Grant Program — which provides additional funding

to schools with 75% or more students eligible for free and reduced meals — would rise 44.1% to \$274.3 million. While overall funding for Blueprint for Maryland’s Future transition grants would decline 3.2% to \$111 million, they would be entirely funded with dedicated revenues (the \$114.6 million in 2022-23 includes \$46 million in federal funding and \$2 million in general funds).

General funds for the community college funding formula would increase 10.7% to \$413.6 million, while nonpublic postsecondary institution formula funding would rise 15.6% to \$137.1 million. Need-based Educational Excellence Awards scholarships would receive \$112 million, up 12%, sufficient to serve over 30,000 students in 2023-24.

Mississippi (<http://www.dfa.ms.gov/>)

The governor’s executive budget recommendations for fiscal year 2023-24 would provide nearly \$7.3 billion, down 9.4% from 2022-23 — the reduction would largely stem from eliminating vacant state government positions, reducing travel and contractual services, and eliminating one-time expenditures. In his budget presentation, the governor highlighted that his proposed budget reflects his administration’s key priorities for 2023-24, including providing Mississippi children a first-rate education, building a high-quality workforce, eliminating the state income tax, and lowering healthcare costs.

State funds for K-12 education would rise 0.3% to nearly \$3 billion. The budget would include \$16 million to double the number of career coaches from approximately 80 to 160 to place at least one career coach in every school district; \$2 million to encourage cross-district coordination and virtual learning; \$1 million towards computer science education initiatives; and \$3 million to expand the Education Scholarship Account program to include children in foster care. The governor encouraged the legislators to establish a Parents’ Bill of Rights for recognizing parents’ authority over their children’s lives and education.

Overall higher education funding would total nearly \$1.1 billion, down 5.3%. Allocations for state universities and colleges would decrease 7.4% to \$763.7 million, and community college funding would remain flat at \$336.1 million.

South Carolina (<https://governor.sc.gov/>)

Among the specific recommendations in the governor’s proposed budget, characterized as transformative investments, are a \$2,500 salary increase for all teachers, a large increase in school formula funding, \$25 million to establish education scholarship accounts, and doubling to \$78 million the lottery funds for workforce scholarships in the technical college system. The passage of a constitutional amendment in 2022 increased the required amount in state reserves from 5% to 7% of current-year general appropriations; the governor recommended that legislators set aside an additional \$500 million to increase reserve funds to 10% of the 2023-24 general appropriations total. Overall, state general funds would rise 9.9% to \$11.4 billion in 2023-24.

The \$3.9 billion (up 4.5%) general funding that would go to the state department of education in 2023-24 includes \$3.7 billion (up 4.7%) in State Aid to Classrooms formula funding. General funds for state universities and to the technical college system would rise 5% to \$704.9 million and \$205.4 million, respectively.

State Aid to Classrooms formula funding would be supplemented with an additional \$649.8 million from the 1% of sales tax dedicated for Education Improvement Act programs. Overall EIA receipts are projected to rise 14.8% to nearly \$1.2 billion in 2023-24. Included in the EIA funding proposal is \$32.6 million for career and technical education (up 16.5%), \$5.8 million for teacher professional development (slightly more than doubled), \$20.7 million for teacher supplies (up 40.6%) and \$74.3 million for the Child Early Reading and Development Education Program at the state department of education (up 39.6%).

Virginia (<http://dpb.virginia.gov/budget/>)

The governor's proposed budget amendments for the 2023-24 biennium, delivered in December, would see overall statewide general funds in 2022-23 increase 2.2% over the current amount to \$29.9 billion, while the 2023-24 total of \$30.5 billion would be a 7.8% increase over the current appropriation. General funds for education increase 1.4% over the approved amount in 2022-23 to \$12.2 billion; the \$12 billion proposed for 2023-24 would be up 2.8% from the approved appropriation and would reduce the year-over-year reduction from over \$400 million to approximately \$200 million.

The proposal would provide in 2023-24 an additional \$5.1 million for VDOE's Virtual Virginia distance learning program, to \$40.7 million. It also includes \$20 million for a pilot public-private preschool services program for at-risk children in two school districts; \$50 million to provide teacher bonus awards of \$5,000 to each top-performing teacher; and \$10 million for incentive payments of \$5,000 each for teachers who take hard-to-fill positions or positions at hard-to-staff schools.

State assistance for K-12 education in 2022-23 would be up 1.7% over the approved amount to \$9.9 billion, and in 2023-24 would increase 2.2% from the approved amount to \$9.4 billion. Standards of Quality formula funding to districts would be \$7.2 billion in both years, with increases over the approved amount of 1.8% in 2022-23 and 2% in 2023-24. Included in general funds for state assistance to education are, in 2023-24, \$7.2 million for math instructional specialists at underperforming schools and \$45 million for a 1% retention bonus to teachers and school support staff in September 2023.

The State Council of Higher Education for Virginia would receive a one-time appropriation of \$9 million in 2023-24 to support student mental health services in elementary schools, secondary schools, and institutions of higher education. SCHEV would be permitted to seek a single statewide vendor for service provision.

The Virginia Community College System would receive \$3 million in 2023-24 for career placement centers on college campuses, and \$15 million to increase the availability and attainment of industry-recognized certifications or credentials for high school students. VCCS would establish five pilot programs, beginning in 2023-24, that partner community colleges with local school districts to provide courses that lead to attainment of locally in-demand, industry-recognized certifications or credentials.

West Virginia (<https://budget.wv.gov/>)

In his State of the State address in early January, the governor recommended a mostly flat budget for 2023-24 which includes the biggest income tax cut in the history of the state, which he termed the "West Virginia tsunami." The tax cut proposal would reduce personal income tax by 50% over the next three years, with a 30% reduction in 2023 followed by 10% in each of the two consecutive years.

Other budget highlights include a 5% pay raise for state employees including teachers and adding \$100 million to the reserves of the Public Employee Insurance Agency, the health insurance provider for government employees and their families.

The governor proposed adding \$35 million to the state school aid formula, \$15 million to the Hope Scholarship education savings account program, and \$75 million for deferred maintenance at state colleges and universities. The governor also requested that the Legislature approve legislation allowing parents to view public school curricula online before they are used in schools.

The statewide general fund budget would total nearly \$4.9 billion, 5.4% above the enrolled 2022-23 budget. Funding for public K-12 education would rise 8.1% to \$2.2 billion, including \$4.3 million for increased enrollment (up 30.4%), \$53.6 million for teachers' retirement savings (up 32.4%), and \$2.3 million for attendance incentive bonuses (up 10%). Funding for early literacy programs and communities in schools would remain close to the previous year amounts, both up 0.1% to \$5.7 million and \$4.9 million, respectively.

State-funded institutions of higher education would receive \$439 million, up 0.9%, which includes \$85.1 million for community and technical colleges (up 3.2%) and \$279.6 million for state colleges and universities (up 0.4%).

Notes from other SREB states

Gubernatorial budget proposals have been released in Delaware, Florida, Oklahoma and Tennessee; look for summaries in the next *Legislative Report*.

At the time of this writing, regular 2023 legislative sessions are underway in 13 of the 16 SREB states; Alabama and Florida will convene in March while Louisiana's regular session begins in April.

Teacher compensation is once again a top issue among policymakers. States where proposals to increase teacher salaries are under consideration include Arkansas, Florida, Georgia, South Carolina, Tennessee, Texas, Virginia and West Virginia. Measures relating to education savings accounts, scholarship tax credits and similar topics have been proposed in Florida, Louisiana, Maryland, Oklahoma, Tennessee and Virginia.

Other common legislative issues across the region in 2023 include dual enrollment, school finance, career readiness and workforce development, and early literacy. Summaries of final actions will feature in forthcoming issues of *Legislative Report*.

This report was prepared by Jeffrey Grove, SREB program specialist (Jeffrey.Grove@SREB.org), Kimiya Munni, SREB research associate (Kimiya.Munni@SREB.org), and Lee Posey, vice president of state strategies (Lee.Posey@SREB.org). All can be reached at (404) 875-9211.

(23S01)