



SREB

Legislative Report

Governors' legislative and budget proposals

Florida (<http://www.boldvisionforabrighterfuture.com/>)

In late January, prior to releasing his budget proposal, the governor issued two education-related executive orders. One ordered the Commissioner of Education and state Department of Education to begin improving the state's workforce education system through such actions as auditing the state's current CTE course offerings and aligning them to market demands, placing a priority on additional workforce funding, adopting a reverse transfer policy to award more associate degrees, and expanding computer science education offerings. The other ordered the Commissioner to review Florida's current state education standards and offer recommended revisions by January 1, 2020.

Bearing the title Bold Vision for a Brighter Future, the governor's recommended budget for 2019-20 would increase statewide general fund spending 4.3 percent over the original 2018-19 budget to nearly \$33.8 billion. With an emphasis on savings to taxpayers, it includes a proposed \$289.7 million reduction in the property taxes required from local jurisdictions for education funding and would provide a three-day back-to-school sales tax holiday, projected to reduce revenues by \$39.5 million.

Under the proposal, general funds directed to Florida Education Finance Program formula funding to school districts and charter schools would rise 9.9 percent to \$8.7 billion. The increase offsets a proposed reduction in lottery funds directed to FEFP, which would fall 47.3 percent to \$273.7 million. The combined general and lottery funds would provide nearly \$212 million for school safety programs (up 30.9 percent) and \$79.2 million for school mental health services (up 14.4 percent). General funds for class size reduction would fall 0.1 percent to \$2.9 billion, while lottery funds for that purpose would remain at \$103.8 million. General funds for the voluntary prekindergarten program for four-year-olds would rise 1.8 percent to \$405.4 million.

The Gardiner Scholarship Program for K-12 students with disabilities would receive \$147.1 million, up 14.6 percent. The Best and Brightest Teacher Scholarship Program would receive just under \$423 million, up 80.8 percent — this would allow the program to provide awards in excess of \$9,000 to nearly 45,000 highly effective teachers, as well as up to \$6,500 for effective school principals. The governor also recommended \$10 million to establish the Teacher Talent Pipeline in Florida — a loan and tuition forgiveness program for as many as 1,700 new teachers per year who commit to working as a teacher in Florida for five years.

General funds to state colleges would decline 4.7 percent to \$911.8 million, but lottery funding would rise 31.6 percent to \$358.2 million. An additional \$10 million in lottery funds would be provided as performance-based incentives to colleges based on their students earning industry certifications in certain high-demand fields. General funds to universities would decline 0.4 percent to under \$2.8 billion, while lottery funds would increase 15.6 percent to nearly \$317 million. The proposal assumes that state colleges and universities will not raise tuition in 2019-20.

Lottery funding for merit-based Bright Futures scholarships would increase 46.7 percent to \$582.8 million, and merit-based Florida Student Assistance Grant awards would rise 1.4 percent to \$70.8 million. General funds for FSAG grants would rise 0.8 percent to \$163 million, while Benacquisto scholarships for National Merit students at state universities would receive \$21.2 million, a 34.1 percent increase.

Louisiana (<https://www.doa.la.gov/Pages/opb/Index.aspx>)

The governor's budget, as submitted to the Legislature, is organized around his commitment to health care and education and includes pay raises for teachers and school personnel, an increase in financial support to state colleges and universities and full funding of merit-based TOPS scholarships. The statewide 2019-20 general fund budget would increase 1.9 percent over the current-year budget to \$9.7 billion; statutory dedications would rise 0.5 percent to \$4.3 billion.

General funds to the state Department of Education would rise 3.9 percent to \$3.7 billion while statutory dedications would fall 0.7 percent to \$285 million. This includes a total of under \$3.9 billion for Minimum Foundation Program formula funding to school districts, up 3.9 percent; that amount in turn includes \$101.3 million to provide annual salary increases of \$1,000 for teachers and \$500 for other school employees.

Higher education would receive just over \$1 billion in general funds, a 2.5 percent increase, along with \$153.6 million in statutory dedications, a 3.5 percent increase. These amounts include \$245.9 million and \$62.1 million, respectively, for TOPS scholarships — an overall increase of 4.6 percent.

North Carolina (<https://www.osbm.nc.gov/>)

For the 2019-21 biennium, the governor urged the Legislature to invest in efforts to provide economic opportunity for all areas of the state, such as: improving access to quality health care and expanding Medicaid, improving school safety and student mental health, treating and paying educators in a manner that reflects their status as trained professionals, increasing higher education graduation rates, and creating well-paying jobs through workforce development efforts. The recommendation includes \$565.4 million over the biennium (\$197.9 million in 2019-20 and \$367.5 million in 2020-21) to increase teacher salaries by an average of 9.1 percent. It also lays out education goals for the state to reach by 2025: increase statewide enrollment of children four years of age in the prekindergarten program to 55 percent; raise the high school graduation rate above 90 percent; and increase the percentage of adults with an associate degree or greater to 55 percent.

Statewide general funds would total \$25.2 billion in 2019-20, a 5.7 percent increase over the revised 2018-19 total, and then rise another 2.9 percent in 2020-21 to over \$25.9 billion. Community colleges would receive over \$1.2 billion in each year of the biennium, with increases of 3.4 percent and 2.7 percent respectively; the latter year includes \$30 million to establish NC GROW scholarships to cover tuition and fees for students in programs leading to degrees in fields with high employer demand and competitive wages. State universities would receive nearly \$3.2 billion in the first year, up 5 percent, and over \$3.3 billion in the second, up 4.9 percent. This includes \$7 million in the first year and \$14 million in the second year for the NC Promise Tuition Plan (\$500 per semester for state residents) at Elizabeth City State University, UNC-Pembroke and Western Carolina University.

General funds to the Department of Public Instruction for K-12 education statewide would total \$10.2 billion in 2019-20, a 7.1 percent increase. In 2020-21 that amount rises 3.3 percent to nearly \$10.5 billion. In addition to funds for teacher salary increases, this also includes for the biennium: \$31 million to raise school principal and assistant principal salaries; \$64.7 million to provide salary increases and cost-of-living adjustments to school and school district administrative personnel; \$13.6 million to provide additional compensation to teachers who hold advanced degrees in the subjects they teach; and \$80 million for local school districts to hire more nurses, school counselors, psychologists, social workers and school resource officers.

Oklahoma (<https://www.ok.gov/governorstitt/>)

In early February the governor set out his proposed budget for 2019-20 while in his State of the State address he promised accountability, transparency and results from state government. Priorities in the budget for increased spending include education and criminal justice reform. The proposal recommends directing \$250 million from a projected budget surplus to the rainy day fund, bringing its total to \$1.1 billion; the governor also proposed asking Oklahoma voters to increase the fund's cap.

While the Board of Equalization decreased the revenue projection by \$37.8 million two weeks after the governor's speech, the governor's budget took this expected reduction into account. The governor's proposed general fund budget for 2019-20 would total \$7.9 billion, a 3.4 percent increase.

Total funding for education and workforce development for 2019-20 would be \$3.9 billion, up 2.5 percent. Funding for the State Department of Education would rise 3.3 percent to \$3 billion, including \$70.5 million to fund the governor's plan for a \$1,200 per-teacher annual pay raise as part of an effort to make Oklahoma teachers the best paid in the region, and \$5 million for a program to provide a state match of \$5,000 for recruitment bonuses to certified teachers.

General funds to the Oklahoma State Regents for Higher Education and the Department of Career and Technology Education would remain flat at \$776.7 million and \$124.3 million, respectively. The Office of Educational Quality and Accountability would be flat funded at \$1.6 million.

Tennessee (<https://www.tn.gov/finance/>)

The letter to the General Assembly that accompanied the new governor's recommended budget for 2019-20 outlined his budgetary priorities: improving workforce readiness, reforming the state's criminal justice system, addressing the opioid abuse epidemic, increasing the amount of services provided to those in need, and supporting struggling rural communities. He also recommended putting enough money into the state's rainy day reserve fund to bring its balance to \$1.1 billion to help the state prepare for any future economic downturn.

The governor recommended a total state-funded budget of \$15.6 billion for 2019-20, up 3.4 percent from the prior year estimated. State funds for K-12 education would rise 2.5 percent to \$5.3 billion, including \$4.9 billion for Basic Education Program formula funding to school districts, a 2.2 percent increase. The latter includes \$71.3 million for teacher salary increases, sufficient to provide an average 2.5 percent salary increase for all teachers. Teacher salary schedules and increases are determined by local school districts. The recommendation also includes \$5 million in non-recurring funding to support student services and to improve academics at the lowest performing 5 percent of schools, \$12 million in non-recurring funding for charter school facilities, \$25.3 million to establish education savings accounts, and \$30 million for school safety grants.

State funds to higher education would increase 6.9 percent to over \$2.1 billion. Need-based Tennessee Student Assistance Awards would receive \$113.3 million, up 12.2 percent, sufficient to provide awards to nearly 64,000 students. The University of Tennessee System would operate with \$643.8 million in state funds, up 7.2 percent, while the state university and community college system would receive \$893 million, up 6.6 percent. The higher education budget includes \$25 million in non-recurring funds to support the Governor's Investment in Vocational Education grant program for community partnerships of K-12, higher education institutions and local industry. The governor also recommends \$4 million in lottery funds to double the amount of dual enrollment courses that high school juniors and seniors are eligible to take.

Texas (<https://gov.texas.gov/organization/bpp>)

In his budget proposal for the 2020-21 biennium, the governor indicated his goals of elevating education, expanding economic opportunity, ensuring public safety and strengthening disaster management to allow Texas to continue its current trend of fast economic growth and job creation in the coming biennium and beyond. The proposal includes several education priorities, including long-awaited reforms of public school finance and property taxes, increasing funding for special education and teacher retirement, improving school safety programs, and investing in higher education to create a work-ready population and encourage research.

The governor proposed an additional \$3 billion to school districts, beyond the statutorily required amount, to improve early childhood education, reward school districts for improved outcomes and attract effective educators to remain in the classroom. To support the districts with higher poverty and more English learners, he recommended tying individual student funding formula allocations to the needs of individual students. He also supports the recommendation of the Texas Commission on Public School Finance that school districts offer incentives that would provide effective teachers the opportunity to earn six-figure salaries.

The proposal also calls for replacing the growth in certain property tax revenues above 2.5 percent with \$3 billion in state funds over the biennium, providing tax relief to property owners while still increasing school funding. In addition, the governor wants to reform the state's school finance formula by providing state revenues in place of increased recapture payments — which redistribute local property tax revenues from wealthier school districts to poorer districts.

To ensure school safety, the governor recommended \$4 million for Advanced Law Enforcement Rapid Response Training, which provides research-based active shooter response training, and \$7.2 million for the School Safety Center to help schools to create safe, secure, and healthy learning environments.

The proposal continues support for the Texas Higher Education Coordinating Board's 60x30TX plan, with a goal that 60 percent of Texas' workforce ages 25 to 34 will achieve a postsecondary credential by 2030. It also continues to support the Governor's University Research Initiative (GURI) — which has drawn talented faculty and researchers to Texas and brought external research investments and jobs to the state — recommending full funding of \$40 million.

Notes from other SREB states

With the legislatures in Alabama and Florida convening on March 5, legislatures in all but one SREB state have begun their regular 2019 legislative sessions. The Louisiana State Legislature convenes its session on April 8. Legislatures in several states are either scheduled or expected to adjourn in April, including Arkansas, Georgia, Maryland and Mississippi; the Kentucky General Assembly is expected to adjourn at the end of March.

By early March, both Virginia and West Virginia had completed their 2019 regular legislative sessions. The General Assembly in Virginia is scheduled to reconvene in early April to consider any gubernatorial vetoes. Legislators in West Virginia, upon conclusion of the regular legislative session in early March, immediately convened in a special session to consider legislation “improving, modifying, and making efficiencies to the state's public education system and employee compensation” and then went into recess; legislators have not yet determined when they will return to conclude the special session.

In Virginia, legislators approved amendments to the second year of the biennial budget, 2019-20, including providing \$72.8 million to enact a 2 percent teacher pay raise that takes effect September 1, which is in addition to the previously budgeted 3 percent increase that takes effect July 1. Legislators also provided \$52.5 million to be allocated to state universities that do not raise tuition for 2019-20. General funds for all levels of education in 2019-20 are up 1.9 percent over the originally appropriated amount to under \$8.9 billion, including \$6.5 billion in direct aid to public education, up 1 percent. Student financial aid receives \$92.2 million, a 9.2 percent increase over the original amount.

Legislation approved by the Virginia General Assembly includes House Bill 2140, which requires school counselors to spend at least 80 percent of their time directly counseling students; House Bill 2053 and Senate Bill 1406, which reduce the permitted maximum number of students per school counselor; House Bill 1732 and Senate Bill 1215, which require each district to provide annual training on safety procedures to all students and school faculty and staff; House Bill 1737 and Senate Bill 1220, which require school boards to involve local public safety officials in the development of crisis and emergency response plans; House Bill 2609 and Senate Bill 1130, which require the state Department of Criminal Justice Services to develop minimum training standards for school resource officer certification; House Bill 2217 and Senate Bill 1419, which allow the state Department of Education to establish a teacher microcredential program in STEM endorsement areas; Senate Bill 1433, which requires the Department to report certain employment statistics of graduates of each teacher preparation program in the state; House Bill 2018 and Senate Bill 1434, which require the state Board of Education to review and revise the Career and Technical Education Work-Based Learning Guide; and House Bill 2123, which allows school districts to enter into College and Career Access Pathways Partnerships with colleges and universities that offer a career and technical curriculum.

The statewide general budget approved by the Legislature and signed by the governor in West Virginia totals \$4.6 billion, up 5.7 percent. Legislators provided just over \$2 billion for K-12 education, up 1.5 percent, including \$1.8 billion in state aid to schools, up 0.6 percent. State colleges and universities receive \$282.2 million, up 8.6 percent. The \$82.9 million for community and technical colleges is a 26.5 percent increase and includes \$10 million to establish the WV Invests Grant Program established by Senate Bill 1 — a last-dollar-in scholarship for in-state students at community and technical colleges and at four-year state colleges and universities that offer associate degrees.

Other legislation passed in West Virginia includes House Bill 2009, which allows the creation of Innovation in Education schools that award credit based on demonstrated mastery of concepts and skills; House Bill 2541, which requires schools to provide first aid and active shooter training to all school personnel and students annually; House Bill 2665, which appropriates \$105 million in general funds to the Public Employees Insurance Agency Rainy Day Fund, and House Bill 3139, which creates the fund; Senate Bill 267, which requires the State Board of Education to adopt and implement a K-12 computer science curriculum; and Senate Bill 624, which permits school districts to use an alternative to the SAT for assessing students in grade 11.

More on final actions in these and other SREB states will be featured in future editions of *Legislative Report*.

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

(19S02)