



# SREB

# Legislative Report

## Governors' legislative and budget proposals

### *Alabama* (<http://budget.alabama.gov/>)

In his State of the State address, the governor introduced his 2016 legislative agenda and strategic plan through 2019. The strategic plan would increase funding for the First Class Pre-K program, continue to aid the early development of basic student skills and set the foundation for a better future. The governor proposed the FUTURE Scholarship program, a last dollar tuition scholarship program that would cover tuition at community colleges for qualified high school graduates, and the Alabama HOPE (Helping Our People Excel) initiative, which would provide Internet access to the rural areas of the state.

The governor's recommended general fund budget, which supports state operations excluding education, would increase 5.2 percent to \$1.9 billion. For the Education Trust Fund budget that funds all levels of education and a number of other programs, the governor recommended \$6.3 billion, an increase of 6 percent. Elementary and secondary schools would receive nearly \$4 billion, an increase of 4 percent. Funding for two-year colleges would increase 3.3 percent to \$354.3 million, while four-year colleges and universities would operate at \$1.1 billion, a 3 percent increase. The proposal includes a 2 percent pay raise for K-12 and community college employees and state employees.

### *Delaware* (<http://governor.delaware.gov>)

The governor's proposed budget for the coming year highlights his priorities, including investing in job growth, creating stronger schools and improving the performance of technology within public education. The 2016-17 budget proposal should meet the growing demand for services and maintain fiscal responsibility by recommending a \$4.1 billion general fund budget, a 5.2 percent increase over 2015-16. Colleges and universities would receive \$235.1 million, a 2 percent increase. The state Department of Education, which includes the Higher Education Office, would see a 6.1 percent increase, bringing general funds to nearly \$1.4 billion. This includes \$1.1 billion for school district operations, up 6.6 percent.

The increase in public education funding includes \$15.8 million for 188 new teachers to meet the demand of increased student enrollment, \$9.6 million for salary step increases for public education and Delaware Technical Community College employees. The proposal also includes \$3 million for technology upgrades and \$1 million for technology support in districts and charter schools.

*Louisiana* (<http://doa.louisiana.gov/OPB/pub/ebsd.htm>)

The governor addressed the financial challenges facing the state in his opening address for the February special legislative session, which he called to address budget shortfalls in the current and upcoming fiscal years and the structural budget deficit. He called for greater fiscal responsibility and a bipartisan effort to fix the budget as the state confronts a \$960.5 million shortfall for 2015-16 and a projected \$2.2 billion deficit in 2016-17. To resolve part of the 2015-16 shortfall, the governor ordered \$21.7 million in executive expenditure reductions and enacted another \$38.5 million with approval from the Joint Legislative Committee on the Budget. Legislators continued working into March on the remaining shortfalls in the special session and will meet for the regular legislative session in mid-March.

The governor's \$29.6 billion 2016-17 statewide budget, up 4 percent over the original 2015-16 budget, includes \$15.6 billion in state funds, down 6.7 percent. General funds would total \$8.2 billion, down 8.5 percent. The state Department of Education would receive \$3.8 billion in state funds, a 1.6 percent decrease from 2015-16. Schools would receive \$3.7 billion through the Minimum Foundation Program funding formula, up 0.6 percent. The proposal would continue to fund, with \$42.1 million, the Student Scholarships for Education Excellence Program, which provides scholarships to eligible low-income families to enroll in a participating, state-approved private school.

Postsecondary education state funding would decrease 15.5 percent for 2016-17, down to \$2.1 billion. The plan devotes \$589.2 million to the state Board of Regents, up 1214.7 percent. The Board of Regents holds constitutional authority to establish a formula for equitable distribution of funds as part of its master plan for higher education, but the Legislature previously appropriated general funds for postsecondary education directly to the four postsecondary systems. The governor's executive budget would allocate general funds for all postsecondary education to the board for distribution according to the formula, accounting for the large increase. The proposal would fully fund TOPS, the state's merit-based scholarship program, with \$293.5 million out of earmarked and general funds (a 10.6 percent increase) for 57,000 recipients in 2016-17.

## Notes from other SREB states

The Arkansas governor announced that the Legislature will meet for a special session in early April to consider changes to the state Medicaid program; the regular session will convene a week later. The governor also released his budget proposal for 2016-17 in March. Information on this proposal and the governor's proposed budget amendments in North Carolina will appear in a future edition of *Legislative Report*. Legislatures in Florida, Virginia and West Virginia were scheduled to adjourn their regular sessions in March, and Georgia was projected to end its regular session before the end of the month. Upcoming editions of *Legislative Report* will include information on final actions in these and other SREB states.

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*This report was prepared by Jeffrey Grove, SREB research associate (Jeffrey.Grove@SREB.org), Sandra Murray, SREB administrative/research assistant (Sandra.Murray@SREB.org) and Gabrielle Whitney, SREB research associate (Gabrielle.Whitney@SREB.org), with assistance from Gale Gaines, vice president, state services (Gale.Gaines@SREB.org). All can be reached at (404) 875-9211.*