



SREB

# Legislative Report

## *Governors' legislative and budget proposals*

### **Delaware** (<https://budget.delaware.gov/>)

The governor's proposed budget for 2020-21 continues to promote his priorities of protecting quality of life, improving schools for all children, and strengthening Delaware's economy. In his State of the State address he highlighted several areas of focus: investing in three historic priority areas (clean water, Wilmington education initiatives and economic development); providing better schools for all children; building a strong and stable workforce; ensuring safe communities; and maintaining a stronger economy.

The budget proposal highlights several education priorities including continuing opportunity funds for low-income students and English language learners, providing mental health support, increasing access to prekindergarten, raising state employee and educator salaries 2%, investing in school and school technology infrastructure, waiving tuition and fees for former foster children at state universities, and partnering with higher education institutes to improve job growth and economic development.

The statewide general fund budget for 2020-21 would total \$4.6 billion, up 4%. The state Department of Education would receive \$1.7 billion, up 5.3%. Funding to school districts and charter schools would rise by 5.2% to \$1.5 billion, including an Opportunity Fund allocation of \$15.5 million, up 24.2%. The increase in the latter amount is due to \$5.5 million (up 120.9%) for the provision of mental health services and additional reading supports in grades K-5 at schools with low socioeconomic status and English-learner students.

The governor proposes \$39.2 million (up 8.3%) to support the Delaware Stars for Early Success quality rating improvement system for early care and education, while the Early Childhood Assistance Program for children ages 3 and 4 would receive \$8.1 million (up 32.5%) to increase the number of children served.

Adult education and workforce training would receive \$8.7 million, up 1.9%, while general funds for Wilmington school initiatives would rise 2% to \$1.6 million.

Higher education funding would increase 4.3% to \$257.8 million. The University of Delaware would receive \$130 million, up 3.8%, and Delaware State University would receive \$39.1 million, up 7.1%. Funding for Delaware Technical and Community College would increase 4% to \$88.2 million. The merit-based SEED scholarship for students at DTCC and the University of Delaware remains funded at \$7 million; the merit-based Inspire program for Delaware State University students receives nearly \$2.5 million, up 11%.

## Florida (<http://www.bolderbrighterbetterfuture.com/>)

The Bolder, Brighter, Better Future executive budget proposal for 2020-21 was released in November 2019, recommending a statewide general fund budget of nearly \$35 billion, up 2.8% over the approved 2019-20 total. The back-to-school sales tax holiday would be extended from five to eight days in length, and a reduction in property tax levies for Florida Education Finance Program formula funding for schools would lower revenues from those taxes by an estimated \$247.3 million. In October, prior to the proposal's release, the governor announced his intention to establish a statewide minimum teacher salary of \$47,500 — currently, teacher salaries are determined at the local level.

The budget proposal would provide nearly \$13 billion in general funds for K-12 education, a 4.4% increase, including \$602.3 million to implement the statewide minimum teacher salary. General funding for state colleges — administered through the state department of education — would total \$1.1 billion (up 1.1%)

With available lottery funds projected to increase 7.6% to over \$2.2 billion, the governor wants to increase funding for the merit-based Bright Futures financial aid program 3.9% to \$618.2 million, and to provide \$10 million to establish incentives for state colleges to improve access to and completion rates in dual enrollment programs.

While the lottery funds directed toward FEFP formula funding would decline 33.4% (to \$235.2 million), the proposal would direct \$169.1 million in lottery funds, along with \$121.5 million in general funds, to establish the Florida Classroom Teacher Bonus Program, which would replace the current Florida Best and Brightest Teacher Scholarship Program. Under the proposal, teachers in Title I schools would receive bonuses of \$1,000 to \$7,500 while teachers at non-Title I schools would receive bonuses of \$500 to \$3,700; eligibility to receive awards under the program and the award amounts would be determined by a school's performance in the state's school grading system.

Another \$9.4 million in general funds would establish the Florida School Principal Bonus Program, which would provide bonuses of \$2,500 to \$10,000 for principals at Title I schools and \$1,250 to \$5,000 for principals at non-Title I schools. Eligibility and award amounts would be determined on the same basis as the Teacher Bonus Program; this program would replace the Florida Best and Brightest Principal Scholarship Program.

Combined lottery and general funding provided under FEFP for safe schools activities would increase 0.8% to \$181.4 million, while the amount of combined funds for the mental health assistance allocation would total \$100 million — a 33.3% increase. The proposal would, however, eliminate the funding allocation to districts whose full-time equivalent student count has declined from the prior year.

General funds for Gardiner Scholarships, which allow disabled students to purchase specialized educational programs and services such as occupational therapy, instructional materials and private school tuition, would rise 16.8% to \$172.8 million. Early learning services general funding would rise

2% to \$570.5 million, including \$415 million for the statewide voluntary prekindergarten program, up 3.2%.

The proposal includes \$1.5 million for the Last Mile College Completion Program, which provides aid for former state college students who are within 12 credit hours of completing their first degree to return and complete their degrees. The program was established in 2019, and colleges agreed to use existing resources to fund it until the legislature could provide appropriations for 2020-21 and beyond.

Within the \$2.8 billion the proposal would direct to state universities (up 0.9%) is \$660 million (up 17.9%) for performance-based incentives. Another \$152 million would be allocated to universities that have achieved preeminent state research university or emerging preeminent state research university designation. General funds for student financial aid would rise 2.7% to \$267.7 million, including \$27.8 million (up 30.1%) for the Benacquisto Scholarship Program for high school graduates who receive National Merit Scholar recognition. Combined lottery and general funds for need-based Florida Student Assistance Grants would rise 0.9% to \$170.8 million.

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

The message accompanying the governor's budget proposal stressed the importance of a strong educational foundation as Georgia builds a work-ready labor force to sustain the state's personal income increases and job growth, both of which have been above the national average. One of his key priorities, reiterated in his State of the State Address, is enacting a statewide \$2,000 salary increase for certified teachers in 2020-21, which would come on the heels of a \$3,000 increase that took effect in 2019-20.

The proposed teacher salary increase, which would also provide raises of \$1,000 for non-certified school personnel earning less than \$40,000 annually, would cost an expected \$362.2 million. Other salary increases highlighted in the proposal include \$1,000 for all state employees earning less than \$40,000 annually (\$40.7 million), the same increase for university and technical college system employees (\$4.3 million and \$1.6 million, respectively), and \$2,000 for all certified prekindergarten teachers as well as 5% for prekindergarten assistant teachers (\$14.1 million).

The proposal would amend the 2019-20 budget to increase general fund appropriations for K-12 education 1.3% over the originally appropriated amount, to nearly \$10.8 billion. This includes \$9.6 billion for Quality Basic Education formula funding to school districts, a 1.5% increase.

However, as several changes to the state tax code (exemptions, reductions and increases in the amount of certain revenues directed to localities) have taken effect over the last year, revenue collections have leveled off and the governor has indicated the need to make budget reductions — including reducing the 2019-20 statewide general fund budget 0.6% under the originally approved amount, to just under \$23.6 billion.

General funds to the University System of Georgia would decline 0.9%, to \$2.5 billion, and would decline 0.6% for the Technical College System of Georgia to \$371.8 million. Lottery funding to the Georgia Student Finance Commission would also decrease 1.8% from the original amount to \$854 million, including a 1.4% decrease in funds for Hope Scholarships to students at public universities, to \$693.2 million.

For 2020-21, the governor is proposing a statewide general fund budget of \$24.1 billion, up 2.3% over the proposed amended amount, including increases in most categories of education funding.

General funds for K-12 education through the Georgia Department of Education — including funding for the proposed school employee salary increases — would rise 1.2% over the amended amount to \$10.9 billion, with \$9.7 billion for QBE formula funding, a 1% increase. QBE equalization funding to low-wealth school districts would total \$726.1 million, up 4.7%. University system funding would rise 3.3% to \$2.6 billion, including \$2.3 billion for education activities, a 0.8% increase.

While technical colleges would receive a 0.4% increase, to \$373.3 million, the amount for technical education would decline 7.2% to \$309.8 million. This decline is largely due to one-time funding of \$35 million that was provided in 2019-20 to establish an aviation academy.

General funds for the Student Finance Commission would hold essentially level at \$138.8 million; of that amount, \$100.8 million would be for the dual enrollment program, unchanged from the prior year. Lottery funds to the commission, however, would increase 8.1% to \$923.3 million, with \$752.6 million provided for Hope Scholarships to public university students.

The lottery-funded, statewide, voluntary prekindergarten program for children age four, administered by the Department of Early Care and Learning, would receive \$392.2 million — a 3.8% increase from the amended 2019-20 amount.

## Kentucky (<https://osbd.ky.gov/>)

In late January, the governor delivered the first executive budget recommendation of his term, for the 2020-22 biennium, with education as a stated first priority — with others including health care, children and families, the creation of well-paying jobs in the commonwealth, and public employee pensions and retirement benefits. Revenue recommendations include increases in taxes on tobacco products, instating a tax on e-cigarette products, increasing taxes on limited liability entities, and authorizing sports wagering; those measures would raise nearly \$150 million in general fund revenues over the biennium.

Total general funds would rise 3% over the revised 2019-20 amount to just under \$12 billion in 2020-21, and a further 2.5% to \$12.3 billion in 2021-22. This would include a \$781.6 million investment in the Kentucky Teachers' Retirement System in the first year, up 8.6%, and \$802.7 million in the second year, a 2.7% increase.

General funds for K-12 education would rise 1% in each year of the biennium, to under and just over \$4.2 billion, respectively. SEEK formula funding, however, would rise 5.3% to \$3.1 billion in 2020-21, declining 1.1% in 2021-22 to under \$3.1 billion. This includes \$435.9 million (up 4.4%) in the first year and \$444.6 million (up 2%) in the second for teacher benefit expenses, and \$85.3 million and \$79.3 million, respectively, for the cost increases associated with a proposed \$2,000 teacher salary increase.

Overall postsecondary education funding would rise 4.1% in 2020-21 and 1.5% in 2021-22, totaling approximately \$1.2 billion in each year. State-funded postsecondary institutions would receive \$888.8 million (up 3.3%) and then a slight (under 0.1%) increase to \$889.1 million. The governor proposes suspending the legislation enabling, and providing no funding for, the Postsecondary Education Performance Fund, a performance funding model that was approved in 2017 and first funded in 2018-19.

General funds directed to the Kentucky Higher Education Assistance Authority in each year would total \$274 million (up 14.6%) and \$280 million (up 2.2%) respectively. Of those amounts, merit-based Kentucky Educational Excellence Scholarships would receive \$113.8 million and \$116.2 million; the Work Ready Scholarship program would receive \$9.3 million and \$10.3 million; dual credit scholarships would receive \$1.5 million and \$4 million; and in each year the teacher scholarship program would receive \$1 million for teacher scholarships and \$2.1 million for teacher student loan forgiveness.

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

Highlighting multiple investments in education as well as transportation infrastructure and protections for natural resources and vulnerable populations, the governor's 2020-21 budget proposal would also direct more surplus revenues than required by statute into reserve funds, increasing their balance to over \$1.3 billion. The state general fund budget would grow 1.5% to nearly \$19.7 billion, while \$350.8 million in special funds (up 39.8%) would be provided for the Blueprint for Maryland's Future Grant Program, which is designed to enact recommendations of the Commission on Innovation and Excellence in Education (known as the Kirwan Commission). The latter amount includes \$65.5 million for special education grants, \$65.2 million to expand community schools and the programs they provide for students eligible for free- and reduced-price meals, \$64 million for prekindergarten supplemental grants, and \$45.6 million to fund prekindergarten expansion.

General funds for state aid to K-12 education would rise 3.4% to nearly \$6.6 billion, including a 5.9% increase in foundation program formula funding to \$3.2 billion. Aid to districts with greater numbers of disadvantaged students would rise 2.5% to \$1.4 billion, and funding would also increase for educating students with disabilities (up 3.1% to \$474.3 million), educating Limited English Proficient students (up 11.9% to \$348.2 million), and innovative programs (up 12.8% to \$20.2 million). Innovative programs would also receive \$9.2 million from the Blueprint for Maryland's Future special fund (unchanged from the prior year). Funding to school districts for school employee benefits would decline 2.3% to \$750.3 million.

Grants from the Maryland Center for School Safety Grants, which assist school systems with the costs of implementing the Maryland Safe to Learn Act of 2018, would receive \$12 million in general funds, up 20%. An additional \$10.6 million would be provided from the safe schools fund, unchanged from the prior year.

State supported colleges and universities would receive \$1.6 billion, a 7.1% increase and sufficient to limit in-state undergraduate tuition increases to 2% for 2020-21. Combined general funds and allocations from the need-based student financial assistance fund for the need-based Educational Excellence Awards student grant program would rise 2% to \$88.1 million.

General fund aid to Community Colleges would increase 13.7% to \$304.8 million, while funding for community college employee benefits would decline 0.9% to \$62.4 million. Formula funding to non-public postsecondary institutions would remain level at \$59 million.

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

The executive budget recommendation for 2020-21, which builds on the work of the Joint Legislative Budget Committee released in late 2019, reflects the governor's commitment to closely guarding taxpayer money. Many of the budget funding priorities and recommendations are related to educators — providing a \$1,500 per teacher pay increase, doubling the amount provided for classroom supplies, increasing the salary supplements provided to National Board Certified teachers, and one-time bonuses of \$10,000 to new teachers who serve in a critical shortage area (either geographic location or subject area).

In addition, the governor's proposal designates \$100 million in one-time funding for several initiatives to grow the workforce and move workers into quality, high-paying jobs. Among the proposed initiatives are modernizing community college workforce training equipment and facilities, providing child-care and transportation assistance to low-income families, encouraging high school graduates to earn

industry credentials, assisting communities in becoming certified as work-ready, investing in K-12 computer science education, standardizing dual credit programs, incentivizing high school students to take more career technical education courses, and creating low-cost undergraduate degree programs in high-growth industries.

Statewide general funds would total over \$5.8 billion, up 1.7% over the revised prior-year amount. The Education Enhancement Fund, which receives earmarked proceeds from statewide sales and use taxes, is projected to increase 1.5% to \$411.5 million. EEFF proceeds are allocated for the purchase and maintenance of school facilities and buses, for repaying school district issued debt, for procurement of instructional materials and classroom supplies, and for general support to state colleges and universities and community colleges.

State support funds for Mississippi Adequate Education Program formula funding to schools would rise 3.7% to \$2.3 billion, while \$244.8 million would be directed to statewide programs administered through the state Department of Education, a 3.7% increase. State support funds for vocational and technical education would remain level at \$81.6 million.

State support for state colleges and universities would decline 4.6% to \$357.5 million, though student financial aid funding would remain level at \$41.7 million. Funding to community colleges would decline 3.7% to \$236.4 million.

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

With the state's rapidly growing economy and population as well as the unexpectedly large growth in state tax revenues, the governor's budget proposal for 2020-21 calls for \$250 million in surplus revenues to be returned to taxpayers via rebate checks. He expressed his desire to cut the state personal income tax rate over the next five years — reducing state revenues by an expected \$160 million in 2020 and by \$2.6 billion over those five years. He also proposed investing in education to improve teacher retention rates by providing \$3,000 teacher salary increases in 2020-21.

For 2020-21, the governor proposes a statewide general fund budget of \$9.4 billion — up 7.8% from the approved prior-year budget. K-12 funding through the state department of education rises 11.9% to \$3.7 billion, including state aid to school districts totaling \$3.5 billion, up 11.9%. Those funds include \$213.4 million for the proposed \$3,000 teacher salary increase.

Education Improvement Act funds — from an earmarked 1% sales tax — are projected to increase 11.6% to \$961.6 million. Programs receiving increased EIA funding would include: the South Carolina Public Charter School District (up 4.4% to \$132 million), funding for teacher supplies (up 45% to \$21.3 million), supplemental funding for teacher benefits (up 10.1% to \$43.5 million), assessment and testing (up 7.3% to \$29.3 million) and funds for industry certification and credentials, which would rise from \$550,000 to \$5.5 million (over 900%). Additionally, the childhood development education pilot program, designed to provide full-day prekindergarten for at-risk children age four, would receive a 90.8% increase to \$79.1 million — sufficient to meet the governor's desire to provide such services to all lower-income children statewide.

To extend a tuition freeze for a second year, higher education funding would rise 12.2% to \$815.5 million. Universities would receive \$542.3 million, up 10.7%, with technical colleges receiving \$194.6 million, up 19.6%. The Higher Education Grants Commission would receive \$29.3 million, up 5.1%.

Lottery funds for merit-based scholarship programs would be up 1.3% to \$243.2 million for LIFE Scholarships and would rise 12.6% to \$69.6 million for Palmetto Fellows Scholarships; HOPE Scholarship lottery funds would decline 10.3% to \$13.1 million. Need-based grants would receive \$53.1 million, a 156.4% increase, while tuition grants to private institution students would rise 11.3% to \$11.1 million. Lottery funding to the SC Workforce Industry Needs Scholarship and for 2-year tuition assistance would be level at \$17 million and \$51.1 million, respectively.

With \$815.5 million in general revenue surplus funds available, the governor proposes directing \$78.3 million to the technical college system — \$50 million for career and technology centers, \$18 million for equipment for high-demand job skills training, and \$10.3 million for the readySC workforce training program that partners with local employers. The readySC funding is in lieu of lottery funds but represents a 2.5% increase in program funding. Surplus general funds of \$40 million would be provided for instructional materials, as would non-recurring EIA surplus funds of \$30.5 million.

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

In his budget preview, the governor described his recommended 2020-21 budget as a cautious budget that will bring total reserve fund balances to approximately \$1.9 billion, over 8% of the total budget and 4% revenue growth each year over the biennium. The governor identified several priorities for the biennial legislative session and significant investments in those key priorities, such as K-12 education, providing a free community college education to certain students, transforming the early childhood education system, addressing housing affordability, protecting the environment, and combating maternal and infant mortality.

The statewide general fund would total \$23.5 billion for 2020-21, up 3.5% from the 2019-20 amended budget, and \$24.6 billion for 2021-22, up 4.6%. General funds for direct aid to public education would increase 7% to nearly \$7 billion in the first year and 4.8% to \$7.3 billion in the second year of the biennium. This includes an allocation of \$145.1 million to provide a 3% pay raise to public school teachers and support staff, effective from July 1, 2021, and an investment of \$576.2 million over the biennium to fund an assessment of the state's contribution to K-12 schools.

The governor proposes including \$37.5 million and \$50.9 million in 2020-21 and 2021-22, respectively, in aid to public education to expand prekindergarten access for three- and four-year old children, including increased funding to the Virginia Preschool Initiative, creating a VPI pilot program for at-risk three-year-olds and incentivizing an expansion of service delivery through private providers.

Aid to public education also would include \$21.2 million in the first year and \$78.1 million in the second year to support statutorily required student-to-staff ratios; the larger amount for 2021-22 is to help schools comply with a required ratio of one counselor for every 250 students.

General funds to state colleges and universities would rise 10.5% to \$1.5 billion in 2020-21, and 1.2% to nearly \$1.7 billion in 2021-22. In each year of the biennium the State Council of Higher Education for Virginia would receive \$116.8 million, 6.8% above the amended 2019-20 amount. The budget also increases funding for need-based financial aid to \$15.1 million in the first year and \$30.3 million in the second year of the biennium for public undergraduate students, and \$3 million for private undergraduate students, in order to support Virginia's degree completion goals.

The Virginia Community College System would receive \$546.3 million (up 21.1%) and \$547.5 million (up 0.2%). This would include \$72.5 million in each year to establish the Get Skilled, Get a Job, Give Back initiative to cover the tuition, fee and book costs of community college for students from lower-income families enrolled in selected pathways that lead to high-demand jobs.

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

In his State of the State address the governor outlined a conservative budget for the 2020-21 fiscal year compared to previous years but also indicated that the state is on a path of continued economic growth with positive growth in personal income, revenue collection, and job creation. The governor highlighted his priorities for the coming year and announced the establishment of the Medicaid Families First Reserve Fund — using Medicaid surpluses to ensure recipients continue to get healthcare services if Medicaid funding runs short in the future.

He also proposed eliminating waitlists for services to children with intellectual and developmental disabilities. Other priorities include improving child protection services, cracking down on drug trafficking, providing food security to school children, and continuing expansion of communities in schools.

The governor's proposed budget for 2020-21 would decrease total general fund appropriations 2.1% from 2019-20, to nearly \$4.6 billion.

For K-12 education, the governor recommended \$2.1 billion in general funds, down 1.2%, including budget cuts for 21st Century Learners (by 63.9% to \$1.8 million) and Safe Schools (by 43.2% to \$4.7 million). However, the governor proposes \$4.9 million, up 41.4%, for communities in schools and \$5.1 million, up 66.3%, for enrollment growth. The proposal also includes \$5 million funding to the state department of education to continue the childhood drug abuse prevention education component of Jim's Dream.

Funding for state colleges and universities would remain the same as the 2019-20 appropriation, at \$479.1 million.

## *Notes from other SREB states*

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

At the time of this writing, twelve SREB states have convened their 2020 regular legislative sessions. Louisiana convenes in early March, Arkansas convenes in early April, and North Carolina will convene in late April. Texas does not hold regular legislative sessions in even-numbered years. Florida, Virginia and West Virginia are all expected to adjourn their regular legislative sessions in March, though Virginia will hold its reconvened session in April to consider vetoes and other gubernatorial actions.

Legislators in Kentucky sent to the governor Senate Bill 8, which would require a school resource officer to carry a firearm, allows district superintendents to hire individuals from outside district administration to serve as a district school safety coordinator, and specifies that goals for student-to-staff ratios include one school counselor or mental health services provider per 250 students.

Some other notable bills in SREB states that have passed their originating chamber:

Florida House Bill 115 would prohibit state authorities from revoking professional licenses or registrations based on student loan delinquency or default.

Georgia House Bill 444 (which was filed in 2019 but approved in modified form by the Senate in January of this year) would place restrictions on the statewide dual enrollment program to contain costs.

Kentucky Senate Bill 101 would require state colleges and universities to develop articulation agreements for each high school career pathway leading to a credential or degree.

Mississippi Senate Bill 2001 would increase teacher and assistant teacher salaries in 2020-21.

Oklahoma Senate Bill 148 would specify enrollment periods for virtual charter schools and also establish exceptions under which students may enroll outside of those periods.

Oklahoma Senate Bill 748, the Educational Accountability Reform Act, would merge the Office of Educational Quality and Accountability into the state department of education and charge the department with carrying out the provisions of the Oklahoma Teacher Preparation Act and the Education Reform Act of 1990.

South Carolina House Bill 3257 would require mental health and wellness instruction for students in grades seven and nine.

South Carolina House Bill 4753 would establish the Teacher Bill of Rights.

Tennessee Senate Bill 1637 would allow a student with an individualized education program that includes testing accommodations to use those accommodations for any comprehensive or end-of-course assessments required by the state board of education.

Virginia House Bill 753 would require the state department of education to develop standards for social-emotional learning that apply to all K-12 students.

Virginia Senate Bill 880 would establish minimum staffing ratios for school counselors at all public schools.

West Virginia House Bill 4069 would enact the West Virginia Student Religious Liberties Act.

West Virginia Senate Bill 303 would require the state board of education to compile and distribute information on in-demand jobs as well as average cost and student loan debt information for colleges and vocational schools in the state.

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