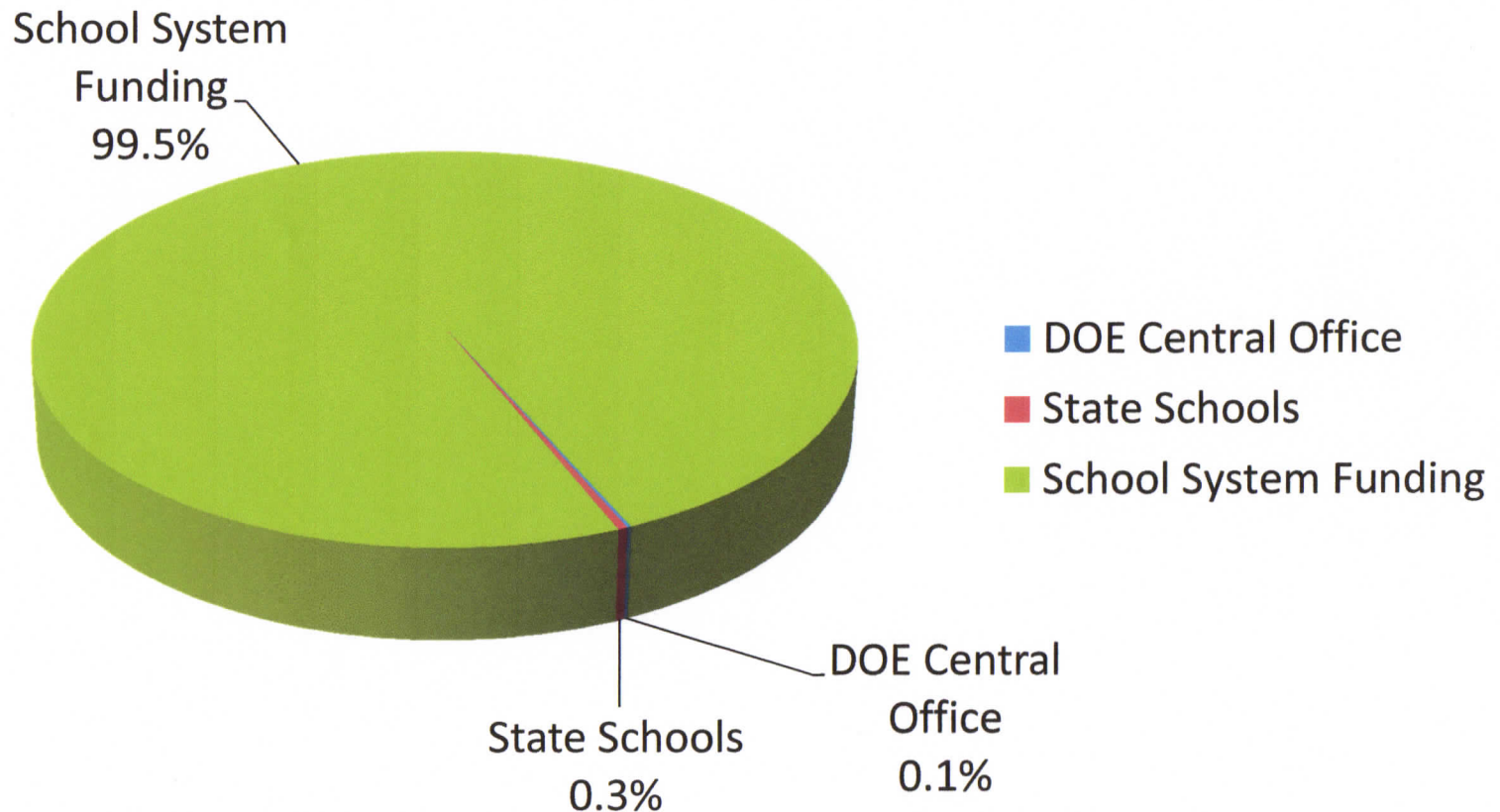


# Department of Education Appropriation



***School system funding is 99% of the Department of Education's appropriation and 43% of the FY 14 state general funds appropriation.***

# QBE Austerity Reductions

- What is an austerity reduction?
  - Difference between state QBE *Earnings* and actual *Appropriation*
  - Will remain until restored or formula changed

FY 14 QBE Formula	
FY 13 Formula Earnings	\$9.5 Billion
Less Local Five Mill Share	(\$1.7 Billion)
FY 13 Austerity Reduction	(\$1.1 Billion)
FY 13 State Appropriation for QBE	\$6.7 Billion

# QBE Austerity Reductions

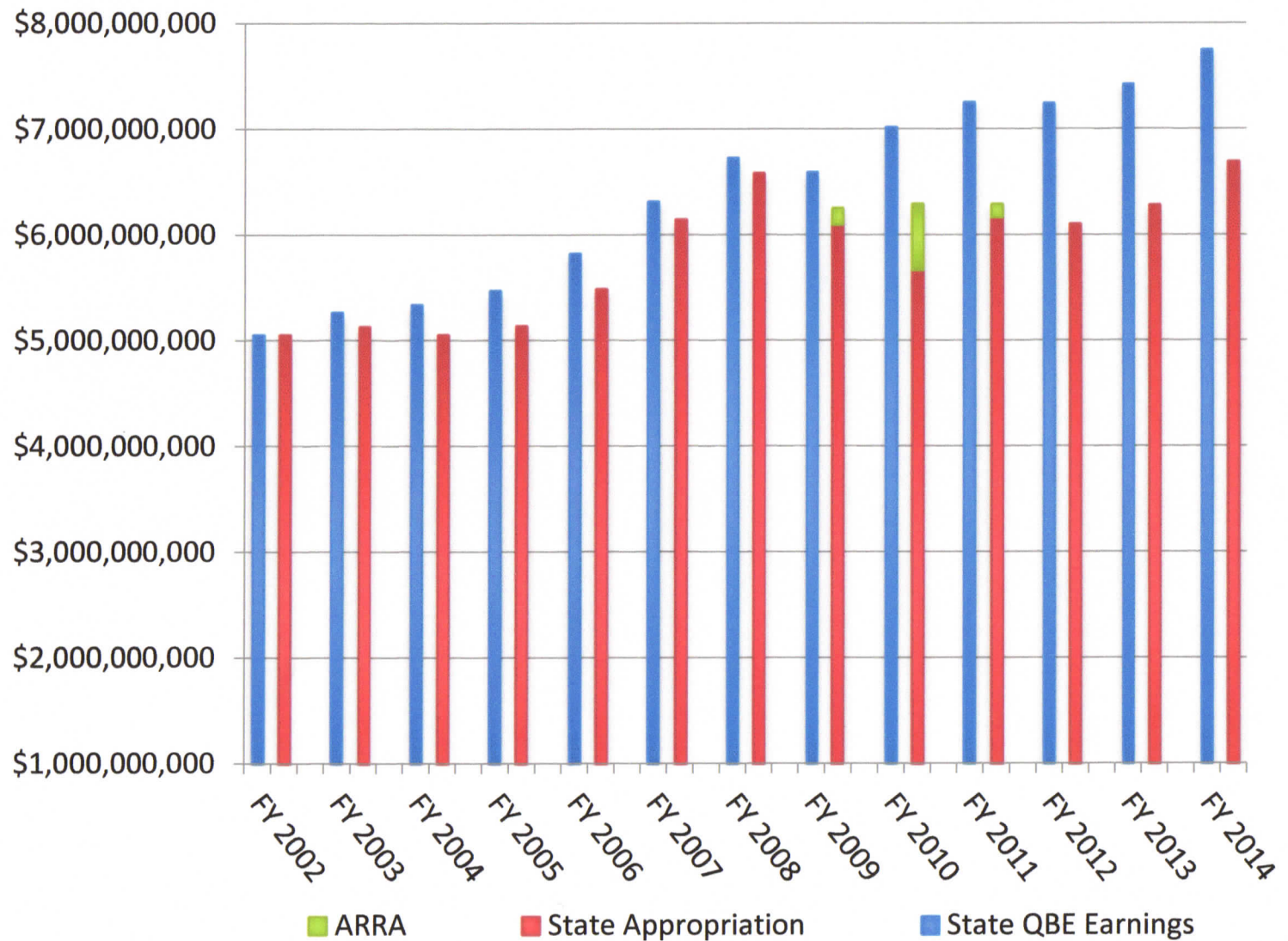
Fiscal Year	State Austerity Reduction	Federal Stimulus (ARRA)	Net Austerity
FY 2003	\$ (134,594,245)		\$ (134,594,245)
FY 2004	\$ (283,457,474)		\$ (283,457,474)
FY 2005	\$ (332,835,102)		\$ (332,835,102)
FY 2006	\$ (332,835,102)		\$ (332,835,102)
FY 2007	\$ (169,670,315)		\$ (169,670,315)
FY 2008	\$ (142,968,687)		\$ (142,968,687)
FY 2009	\$ (495,723,830)	\$ 157,931,192	\$ (337,792,638)
FY 2010	\$(1,355,168,599)	\$ 629,608,969	\$ (725,559,630)
FY 2011	\$(1,082,872,651)	\$ 126,163,182	\$ (956,709,469)
FY 2012	\$(1,143,389,712)		\$(1,143,389,712)
FY 2013	\$(1,143,389,712)		\$(1,143,389,712)
FY 2014	\$(1,061,127,407)		\$(1,061,127,407)



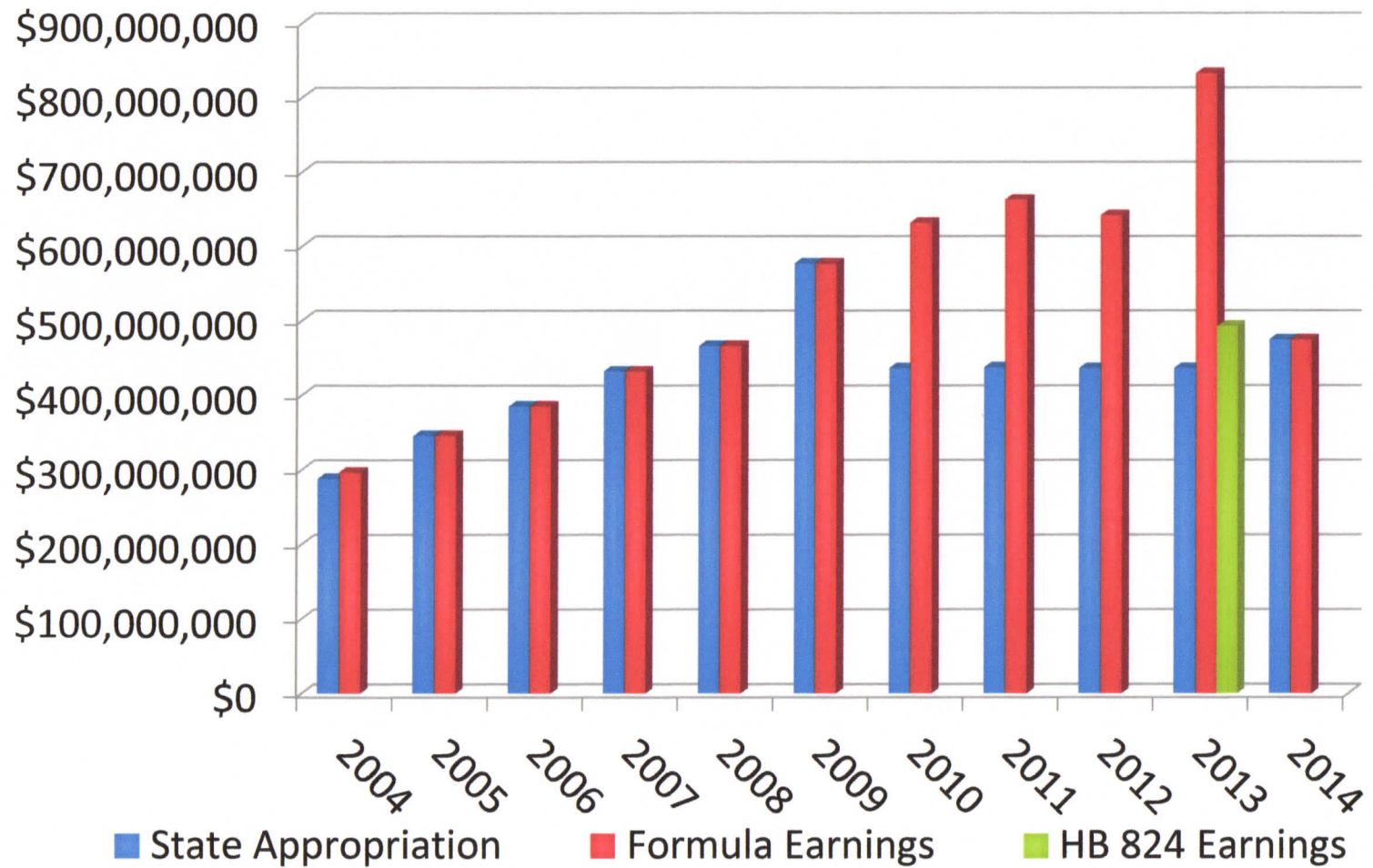
# 2013 Education Legislative Listening Sessions

- Eight sessions across the state
- Joint House and Senate Education Committees listened to local school superintendents, local school board members, and the general public
- Top Budget Issues of concern:
  - Austerity reductions resulting in less than 180 day school calendars
  - Accountability and flexibility

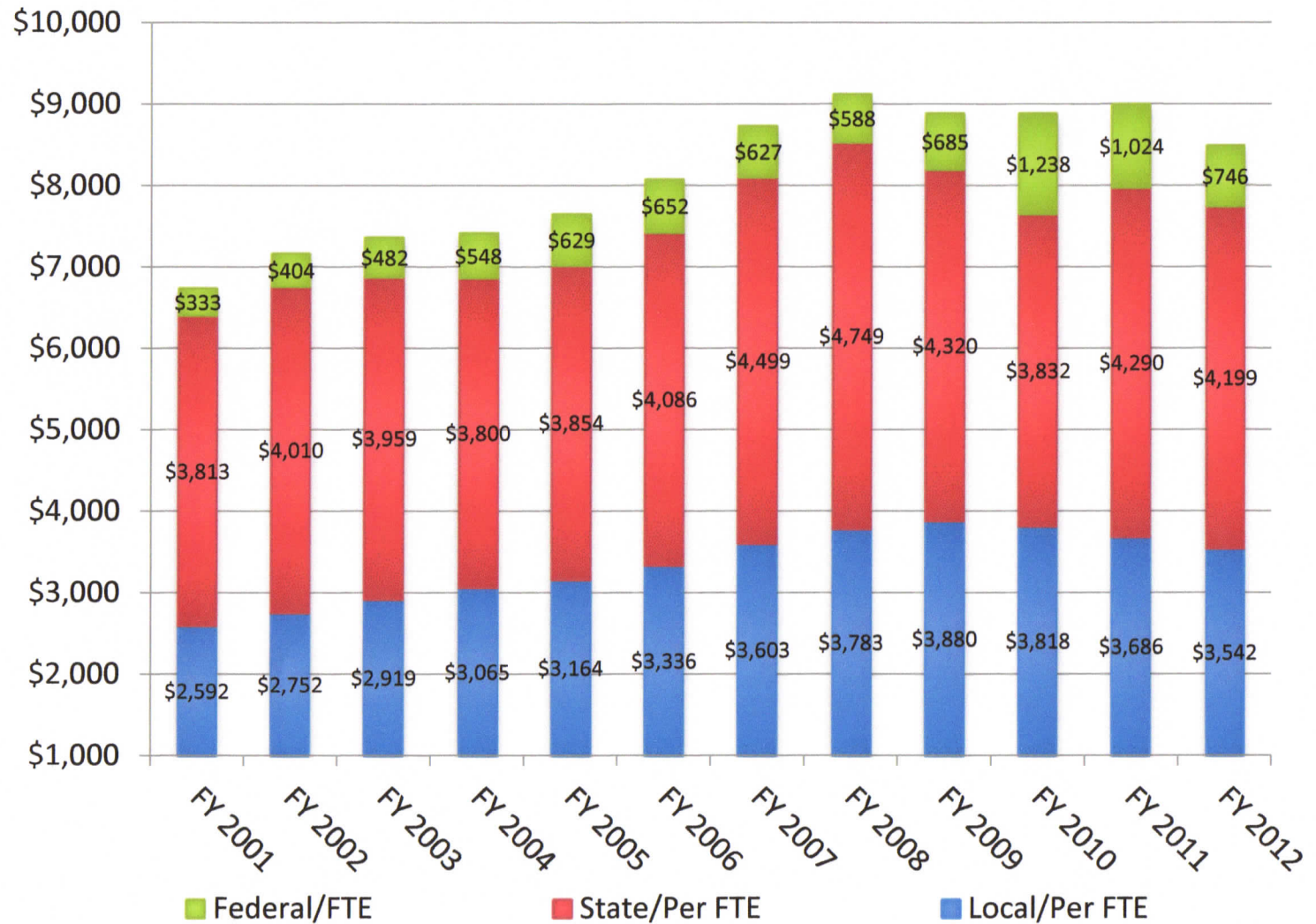
# State QBE Earnings vs. Appropriations



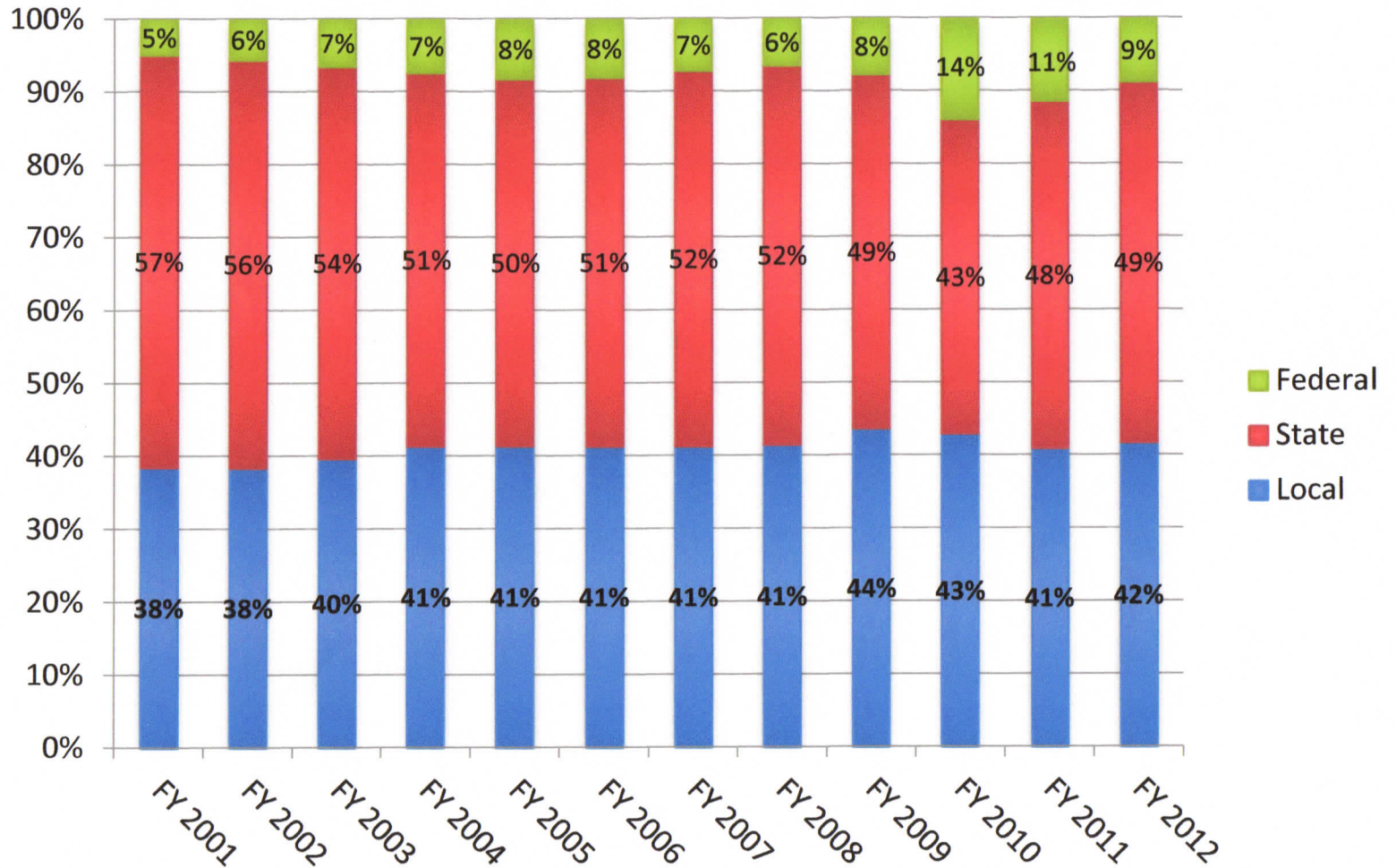
# Equalization



# School System Revenue per FTE



# School System Revenue by Source







# Impact on K12 Education

- QBE is largest source of state funding.
  - Current austerity is 14.13% of earnings.
  - 91% of QBE funding is for personnel.
- School System Options:
  - Trim local programs/nice to do items.
  - Reduce local salary supplements.
  - Reduce instructional and non-instructional days.
  - Increase class size/Hire fewer teachers.
  - Use reserves/Increase millage.



# Instructional Days

- Typical school year is 180 days.
- In FY13:
  - 57 of the 180 school systems, or 33%, were operating a full 180-day school year.
  - For those with less than 180 days, the range was from 179 – 144 days.
  - Most systems, 56%, are operating between 170 and 179 days.
  - 7% are operating between 160 – 169 days.
  - 3% are operating between 144 – 150 days.

# Student Enrollment vs. Educators

