



the AASB

The Alabama Association of School Boards



So Far to Fall: Alabama's Public Schools Face State Education Budget Cut of Close to \$1 Billion

Alabama, like the rest of the United States, is reeling from the economic recession. Comparatively, Alabama fares somewhat better than other states. The December unemployment figures showed Alabama at 6.7 percent, below the national average of 7.2 percent. But that provides little solace when latest figures show the education budget could be cut anywhere from \$800 million to \$1 billion for the 2010 school year.

Schools survived the 2008 fiscal budget year only because the state was able to tap into its education savings account to the tune of more than \$440 million. That account is depleted.

Last December, Gov. Riley called proration of 12.5 percent for the 2009 school year. School systems are making painful cuts at the local level to absorb that loss of state funding from their budget mid-year. Even with the governor's plan to fully borrow some \$437 million from the Education Rainy Day Fund (a line-of-credit against Alabama's oil and gas trusts), schools will come up 5.7 percent short of their budget.

For 2010, the picture is much worse. With no education savings and line of credit tapped out, the state Legislature has no choice but to severely cut the education budget when it convenes Feb. 3. Projections include another \$341 million in cut for the 2010 school year leading to the total cuts in excess of \$800 million.

Alabama has been here before. In fact, this is the 16th time the state has called proration for education since 1950. The 2008 budget year technically should have been a year of proration but was saved by the education savings account nest egg. The funding for education is at the mercy of economic cycles of ups and downs. Primarily funded through income taxes and sales taxes, it is highly susceptible to upswings and downturns. The cuts in the budget come on the heels of astounding growth in the education fund. Spending grew from \$4.2 billion to \$6.7 billion over four years. 2010 is projected to have \$5.9 billion to spend.

The growth in dollars invested in Alabama's K-12 programs resulted in excellent progress. Innovative state programs have demonstrated measurable gains that make our state a role model. Pockets of success are the norm in places where before there was every traditional reason for failure. With every indicator such as high poverty, diversity

and special education, we see excellence. We're making progress, we see excitement. Alabama schools are no longer last on education achievement lists.

But here we are. Throughout our state, tough choices are being made every day to absorb this year's proration. There are no easy places to cut, which is what our state Legislature learned when it went through the process of culling out non-state agencies and programs in the last round of lean years. Every cut will hurt programs and the very core foundation of K-12 education.

Local boards of education are at the table cutting personnel, the biggest cost item in the education budget. It's also the most painful for several reasons. First, it directly impacts students and learning in the classroom. It also will further the downward spiral in local economies where often, the school system is the largest employer. Unemployed personnel will further dampen the local economy, and the cycle worsens.

Local boards are suspending any plans for their capital repairs and improvements; expect to see a significant decrease in transportation fleet renewal dollars; and take a significant hit in operations and maintenance funding.

Education leaders are proposing additional cuts, keeping the following priorities in mind: keeping teachers in the classroom; maintaining programs that provide statewide benefits to students; and protecting proven programs.

On the cut list:

- Freeze textbook selection and purchases: \$42 million
- Reduce/suspend programs outside the state Foundation formula: \$83.3 million
- Increase education employee's monthly contribution for insurance from \$2 to \$25 and the family coverage by \$23 per month: \$28.5 million
- Suspend 5 student instructional days from 180 days to 175 days: \$92 million
- Raise the Divisors (means higher student/teacher ratios): \$93 million

A local, state and federal commitment to public education must be made to keep Alabama from falling behind once again. We've got so far to fall.