Spending Plan & Straw Man Proposals

Joint Task Force on Education Funding

Spending Need

(dollars in millions)	2013-15	2015-17	2017-19
Outlook balance	**($904)**	**($168)**	**$516**
HB 2776 spending:			
Transportation	(142)	(226)	(232)
MSOC	(597)	(1,411)	(1,555)
K-3 class-size reduction	(220)	(662)	(1,151)
Full-day kindergarten	(89)	(228)	(349)
Career & college ready plan	(142)	(330)	(472)
↑ comp. for admin. & classified	(413)	(478)	(496)
K-12 spending enhancements	(1,603)	(3,335)	(4,255)
Outlook balance with K-12 enhancements	**($2,507)**	**($3,504)**	**($3,739)**

Straw Man #1

Levy swap, $100 million in annual budget reductions, remainder in additional state revenue

(dollars in millions)	2013-15	2015-17	2017-19
Outlook balance w/K-12	**($2,507)**	**($3,504)**	**($3,739)**
Levy swap			
State assumes $1.1b local spending	$1,735	$2,266	$2,358
Budget reductions *(no cuts to K-12, higher ed., early learning)*			
Savings from Affordable Care Act	100	100	100
Reductions in health & human services	50	50	50
Reductions in gen. govt. & natural resources	50	50	50
Additional state revenue			
Retain 0.3% B&O service surtax	533	588	648
Retain beer tax	120	120	120
Extend sales tax to consumer services	219	244	264
Admissions tax (exempt K-12 & non-profits)	63	72	78
Total resources:	**$2,870**	**$3,490**	**$3,668**
Biennial over/under	363	(13)	(71)
Cumulative over/under	363	350	279

Straw Man #2

Increase state property tax, $100 million in annual reductions, remainder in addn'l state revenue

(dollars in millions)	2013-15	2015-17	2017-19
Outlook balance w/K-12	**($2,507)**	**($3,504)**	**($3,739)**
No levy swap – ↑state property tax; no change to school districts' statutory authority			
Remaining state property tax capacity	$1,868	$2,553	$2,680
Budget reductions *(no cuts to K-12, higher ed., early learning)*			
Savings from Affordable Care Act	100	100	100
Reductions in health & human services	50	50	50
Reductions in gen. govt. & natural resources	50	50	50
Additional state revenue			
Retain 0.3% B&O service surtax	533	588	648
Retain beer tax	120	120	120
Extend sales tax to consumer services	219	244	264
Admissions tax (exempt K-12 & non-profits)	63	72	78
Total resources:	**$3,003**	**$3,777**	**$3,990**
Biennial over/under	496	273	251
Cumulative over/under	496	769	1,021

Straw Man #3

Reduce planned expenditures, levy swap, $100 million in reductions, addn'l state revenue

(dollars in millions)	2013-15	2015-17	2017-19
Outlook balance w/K-12	**($2,507)**	**($3,504)**	**($3,739)**
Reduce planned expenditures			
Addn'l instr hrs, instead of career & college ready	79	183	262
Do not address compensation	413	478	496
Adjusted outlook balance	**(2,015)**	**(2,842)**	**(2,981)**
Levy swap *(state assumes $1.1b local spending)*	$1,735	$2,266	$2,358
Budget reductions *(no cuts to K-12, higher ed., early learning)*			
Savings from Affordable Care Act	100	100	100
Reductions in health & human services	50	50	50
Reductions in gen. govt. & natural resources	50	50	50
Additional state revenue			
Retain 0.3% B&O service surtax	533	588	648
Retain beer tax	120	120	120
Total resources:	**$2,588**	**$3,174**	**$3,326**
Biennial over/under	573	332	345
Cumulative over/under	573	905	1,250