

May 1, 2009

FY 08-09 Budget Shortfall Status Update

The Office of State Budget has been monitoring the state of our FY 2008-09 State Budget. As a result, they have implemented the following actions to balance the budget that impacts the State Public School Fund:

1. The Department of Education's Required Reversion has been increased to \$200 million (from \$159 million). Based on this increase, the LEAs will be required to revert an additional \$41 million. The reversion will be taken from your Non-instructional support allotment. The Department will present a request to the State Board at the May meeting for broader flexibility to transfer funds from other categories to cover this reversion. If approved, the LEA will be required to use the ABC transfer process to transfer funds with the new flexibility. Please see the chart attached to this email for the impact of the reversion by LEA. The allotment reductions will be distributed next Thursday (May 7) after State Board action.
2. Flexible Furlough - We are still compiling guidance on the Flexible Furlough. We expect to have this guidance available on our Web page by early next week.

To mitigate the impact of these recent actions, LEAs can use their flexibility allowed by the Title-I Recovery and IDEA VI-B funds to ensure no teachers are impacted by this reduction.

The 50% Federal Award of these funds were allocated in Allotment Revision 23, on April 30, 2009. These funds are in the BUD system and are available for budgeting.

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