

STATEMENT OF PURPOSE

RS19104

This bill appropriates the federal stimulus funds in the American Reinvestment Fund to Public Schools/Division of Operations in conformance with the latest guidance received from the federal Department of Education. The Legislature had appropriated monies from the American Reinvestment Fund to keep Public Schools whole for FY 2009. The federal agency is concerned about the state's ability to spend all of the funds in FY 2009. They have approved a plan to use Public Education Stabilization Funds for FY 2009; use the same amount of American Reinvestment Funds for FY 2010 to replace General Funds; and then transfer the General Funds that had originally been appropriated in FY 2010 back to the Public Education Stabilization Fund. This does not change the amount of total funds available to the Division of Operations for FY 2009 and FY 2010; just the combination of different fund sources over the two years.

FISCAL NOTE

This bill reduces the amount appropriated from the American Reinvestment Fund and increases the amount from the Public Education Stabilization Fund by \$85,097,600 for FY 2009, reduces the amount appropriated from the General Fund and increases the amount from the American Reinvestment Fund by \$85,097,600 for FY 2010, and transfers \$85,097,600 from the General Fund cash balance to the Public Education Stabilization Fund cash balance in FY 2010.

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