

STATEMENT OF PURPOSE

RS20730

This bill sets out the conditions for the state to meet the maintenance of effort requirements in Title 14 of the American Recovery and Reinvestment Act of 2009, and the Education Jobs Fund, Title 1, Public Law 111-226 of 2010.

FISCAL NOTE

At the current FY 2011 General Fund forecast of \$2.350 billion, approximately \$6.5 million would need to be directed to Public Schools to satisfy the waiver of the maintenance of effort (MOE) for ARRA Title 14 funds. After that point, each \$5 million increment of additional General Fund revenues would require approximately \$3.1 million to be directed to Public Schools.

If General Fund Revenues reach \$2.375 billion, then additional money would need to be directed to higher education to satisfy the MOE requirements of the Education Jobs Fund moneys. Each \$5 million of additional General Fund revenue would require approximately \$575,000 to be directed to Higher Education.

Below are potential scenarios and approximate amounts of additional moneys needed to satisfy the federal MOE requirements.

1) \$2.350 billion FY 2011 General Fund Revenue (current forecast) would require \$6.5 million for education (public schools). Thereafter, each \$5 million increment would require \$3.1 million for public schools.

2) \$2.380 billion FY 2011 General Fund Revenue, or \$30 million above forecast, would require an additional \$25.78 million for Public Schools and \$245,000 for Professional-Technical Education.

3) \$2.385 billion FY 2011 General Fund Revenue, or \$35 million above forecast, would require \$28.88 million for Public Schools, \$641,000 for PTE, and \$159,000 for Community Colleges.

Any additional increases in General Fund revenues would increase distributions to Public Schools and Community Colleges. Professional-Technical Educations distribution would be the amount necessary to satisfy the FY 2011 Perkins MOE, which is currently estimated at \$641,000.

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