

May 6, 2009

Dear School Directors and Superintendents in the 39<sup>th</sup> Senatorial District:

I am writing to clear up some misstatements made in a May 5, 2009 email from the Secretary of Education that was sent to all superintendents regarding Senate Bill 850 (the Senate's 2009-10 Budget Proposal) and its use of federal stabilization funds.

In austere times like these, we -- as a government -- must balance our budget just like working families do -- eliminating new spending, controlling current spending, and when necessary, cutting spending based on priorities. Borrowing should be done only for specific long-term capital projects and not for short-term bailouts. One thing that has gotten us in trouble in the past is raising taxes during difficult times.

This year, there is another option, utilization of federal stimulus dollars. And while an infusion of federal dollars sounds like salvation to all of our problems, we cannot in good conscience commit to spending at a level we will not be able to sustain when the federal spigot stops.

Senate Bill 850 adheres to these basic principles. Basic education funding is maintained at the 2008-09 level by using a combination of state funds and federal stimulus funds. Special education funding is also maintained, as the Governor recommended. It is also important to note that the federal stimulus law requires state funds for education (basic and higher) to be appropriated at least at the 2005-06 level. Furthermore, state and federal funds must be appropriated at the greater of the FY 2007-08 or FY 2008-09 levels in FY 2008-09, FY 2009-10, and FY 2010-11.

The State Fiscal Stabilization Fund application submitted by the Governor establishes the state's maintenance of effort for FY 2005-06 at the same level as the basic education funding appropriation that year -- \$4,497,335,000. The application sets the maintenance of effort level for use of state and federal funds for FY 2009-10 and FY 2010-11 at the same level as the basic education funding appropriation in FY 2008-09 -- \$5,226,142,000. The federal stimulus law provides great flexibility to school districts for utilization of the AARA funds with only a few prohibitions. These are:

- 1) payment of maintenance costs;

- 2) stadiums or other facilities primarily used for athletic contests or exhibitions or other events for which admission is charged to the general public;
- 3) purchase or upgrade of vehicles;
- 4) improvement of stand-alone facilities whose purpose is not the education of children, including central office administration or operations or logistical support facilities;
- 5) school modernization, renovation or repair that is inconsistent with state law.

I take the responsibility of passing a balanced budget very seriously and am unwilling to increase funding to levels that are unsustainable when the federal dollars evaporate. Attached you will find a spreadsheet of what school districts are expected to receive under SB 850.

While I support public education, tough decisions have to be made in this budget. The Senate Republican leadership has taken a fiscally aggressive approach to balancing the state budget. Senate Bill 850 which passed the Senate today now goes to the House of Representatives. In other words, this is the first step in the budget process. There will be negotiations and changes as we progress toward passing a final state budget.

While I 'm not completely satisfied with the funding levels of certain programs that will be cut, the bottom line is we can either make cuts or raise taxes. This is a tough year all around and there are "wants" and there are "needs" across the spectrum of what our state government has traditionally funded. I am confident that we will be funding what is necessary to ensure the health, safety and welfare of our constituents.

Senate Republicans are committed to passing a budget that cuts spending in a responsible manner across the board. This version of the FY09-10 budget does that by holding the line on taxes and leaving the State's emergency reserve fund untouched. I am open to new and creative ways to find funding for certain programs, but not at the expense of taxpayers who are already feeling the burden of a struggling economy.

Thank you for your work in educating our students. Please check my website at [www.SenatorWard.com](http://www.SenatorWard.com) for information as we move through the 2009/10 budget process. If you have any questions, please contact my office.

Sincerely,

Kim Ward  
Senator  
39<sup>th</sup> Senatorial District

KLW/vw