

ETF ROLLING RESERVE ACT FY 2019 CAP

FY 2017 Net Recurring Revenues \$6,327,327,215

PLUS:

Average growth for the 14 highest years out of the last 15 (4.25%) \$268,911,407

New recurring revenue measures -24,320,000

PACT appropriation for FY 2019 \$61,539,000

FY 2019 ETF Appropriations Cap \$6,633,457,622

ETF Appropriations for FY 2018 \$6,417,000,027

Cap Difference: FY 2019 vs. FY 2018 \$216,457,595



Alabama State Department of Education

Comparative Budget Analysis

Line Item	Budget/ Appropriation	ALSDE Request	House W&M - Education Substitute	House W&M Over/(Under) ALSDE Request	House W&M Over/(Under) 2018 Budget
	2018	2019	2019	2019	2019
Administrative Services Program					
SDE Operations and Maintenance	\$ 24,000,000	\$ 24,000,000	\$ 24,000,000	\$ -	\$ -
Children First Trust Fund	3,050,000	3,050,000	3,050,000	-	-
Alabama Reading Initiative	40,799,601	45,799,601	45,799,601	-	5,000,000
Alabama Math, Science, and Technology Initiative	29,049,318	29,049,318	29,049,318	-	-
Arts Education	1,300,000	1,500,000	1,300,000	(200,000)	-
Alabama Holocaust Commission	50,000	50,000	50,000	-	-
Student Assessment	16,405,117	16,405,117	16,405,117	-	-
Governor's Local School/System Improvement (At-R)	8,740,633	8,740,633	9,240,633	500,000	500,000
English Language Learners (ELL)	2,955,334	3,955,334	3,255,334	(700,000)	300,000
Military Children Support Plan	800,000	800,000	800,000	-	-
Tenure Personnel Hearings	200,000	200,000	200,000	-	-
Children's Eye Screening and Follow-Up Eye Care	2,696,460	2,696,460	2,896,460	200,000	200,000
ACCESS - Distance Learning	20,865,768	21,865,768	18,165,768	(3,700,000)	(2,700,000)
Advanced Placement	6,471,179	6,671,179	6,671,179	-	200,000
State Charter School Commission	200,000	200,000	200,000	-	-
Juvenile Probation Officers	750,000	750,000	750,000	-	-
Ear Institute Alabama	150,000	150,000	150,000	-	-
Catastrophic Special Education Support	2,150,000	2,150,000	2,150,000	-	-
Total Administrative Services Program	160,633,410	168,033,410	164,133,410	(3,900,000)	3,500,000
Financial Assistance Program					
Pre-School Program (Special Education)	1,623,062	1,623,062	1,623,062	-	-
Teacher-in-Service Centers	2,584,080	2,584,080	2,584,080	-	-
National Board for Professional Teaching Standards	9,427,424	9,427,424	10,927,424	1,500,000	1,500,000
National Board Certification of Teachers	450,000	450,000	450,000	-	-
Professional Development/Computer Training	1,648,913	2,000,000	2,398,913	398,913	750,000
Jobs for Alabama's Graduates	800,742	2,794,976	1,800,742	(994,234)	1,000,000

Alabama State Department of Education

Comparative Budget Analysis

Line Item	Budget/ Appropriation	ALSDE Request	House W&M - Education Substitute	House W&M Over/(Under) ALSDE Request	House W&M Over/(Under) 2018 Budget
	2018	2019	2019	2019	2019
Governor's High Hopes for Alabama Students	7,480,287	7,480,287	7,980,287	500,000	500,000
Southwest School of Deaf and Blind	198,865	198,865	198,865	-	-
Teach for America	622,000	797,000	697,000	(100,000)	75,000
Alabama Football Coaches Association	125,000	-	125,000	125,000	-
Alabama Baseball Coaches Association	50,000	-	50,000	50,000	-
Helping Families Initiative	425,000	425,000	425,000	-	-
Career Tech Initiative	4,115,967	5,115,967	5,460,339	344,372	1,344,372
Children's Hospital	703,546	703,546	703,546	-	-
Principal and Teacher Preparation and Evaluation	-	325,000	-	(325,000)	-
Special Education Program Initiatives	-	300,000	-	(300,000)	-
Gifted Students Program	2,500,000	2,500,000	2,500,000	-	-
Principal Mentoring Program	500,000	500,000	-	(500,000)	(500,000)
Reading is Fundamental Program	30,000	30,000	30,000	-	-
Liability Insurance Program	5,000,000	5,000,000	7,000,000	2,000,000	2,000,000
Alabama Teacher Mentor Program	3,000,000	3,000,000	3,000,000	-	-
Hudson Alpha Institute	750,000	750,000	750,000	-	-
Alabama School of Cyber and Engineering	-	-	1,500,000	1,500,000	1,500,000
Southern Research Institute	750,000	750,000	750,000	-	-
Virtual Library Project (AVL)	2,897,627	2,897,627	2,897,627	-	-
Total Financial Assistance Program	45,682,513	49,652,834	53,851,885	4,199,051	8,169,372
Alabama Science in Motion Program	1,583,796	1,583,796	1,583,796	-	-

Alabama State Department of Education
 Comparative Budget Analysis

Line Item	Budget/ Appropriation	ALSDE Request	House W&M - Education Substitute	House W&M Over/(Under) ALSDE Request	House W&M Over/(Under) 2018 Budget
	2018	2019	2019	2019	2019
Local Education Agencies					
Foundation Program	3,645,558,255	3,764,154,445	3,751,123,848	(13,030,597)	105,565,593
Transportation - Fleet Renewal	37,934,608	40,571,063	40,571,063	-	2,636,455
Transportation - Operations	301,294,330	309,842,235	305,234,532	(4,607,703)	3,940,202
At-Risk	20,267,734	20,267,734	20,267,734	-	-
Current Units	9,609,561	9,609,561	9,609,561	-	-
Board of Adjustment	750,800	750,800	750,800	-	-
School Nurses	31,184,889	31,808,587	31,964,511	155,924	779,622
Career Tech Operations & Maintenance	5,000,000	5,000,000	5,000,000	-	-
Technology Coordinator	5,851,369	8,506,800	7,775,573	(731,227)	1,924,204
Total Local Education Agencies - ETF	4,057,451,546	4,190,511,225	4,172,297,622	(18,213,603)	114,846,076
Capital Purchase - Public School Fund	180,000,000	185,000,000	185,000,000	-	5,000,000
Education Advancement and Technology Fund	-	41,297,782	41,190,275	(107,507)	41,190,275
Total Local Education Agencies	4,237,451,546	4,416,809,007	4,398,487,897	(18,321,110)	161,036,351
Grand Total	\$ 4,445,351,265	\$ 4,636,079,047	\$ 4,618,056,988	\$ (18,022,059)	\$ 172,705,723
Fund Breakout					
Education Trust Fund	4,265,351,265	4,409,781,265	4,391,866,713	(17,914,552)	126,515,448
Public School Fund	180,000,000	185,000,000	185,000,000	-	5,000,000
Education Advancement and Technology Fund	-	41,297,782	41,190,275	(107,507)	41,190,275
	4,445,351,265	4,636,079,047	4,618,056,988	(18,022,059)	172,705,723

Alabama State Department of Education

Comparative Budget Analysis -Foundation Program Detail

	Actual	ALSDE Request	House W&M Ed Substitute	House W&M Ed Sub Over (Under)
	2018	2019	2019	ALSDE Request
Foundation Program Units				
Teachers	42,183.36	42,113.05	42,081.77	(31.28)
Principals	1,325.00	1,326.00	1,326.00	-
Assistant Principals	841.00	833.00	833.00	-
Counselors	1,477.00	1,471.00	1,471.00	-
Librarians	1,346.00	1,343.50	1,343.50	-
Career Tech Directors	193.25	196.75	196.75	-
Career Tech Counselors	62.00	66.00	66.00	-
	47,427.61	47,349.30	47,318.02	(31.28)

Foundation Program

Salaries	\$ 2,360,226,524	\$ 2,404,888,970	\$ 2,415,108,106	\$ 10,219,136
Fringe Benefits	\$ 947,623,986	\$ 966,495,723	\$ 964,928,378	\$ (1,567,345)
Other Current Expense	\$ 831,526,119	\$ 858,662,732	\$ 854,231,252	\$ (4,431,480)
Classroom Instructional Support				
Student Materials	\$ 19,991,409	\$ 24,858,506	\$ 25,365,539	\$ 507,033
Technology	\$ 10,031,574	\$ 16,572,517	\$ 14,195,406	\$ (2,377,111)
Library Enhancement	\$ 1,443,688	\$ 9,469,860	\$ 4,548,998	\$ (4,920,862)
Professional Development	\$ 3,678,095	\$ 4,261,502	\$ 4,258,691	\$ (2,811)
Common Purchases	\$ -	\$ 7,102,663	\$ -	\$ (7,102,663)
Textbooks	\$ 40,022,524	\$ 54,819,492	\$ 51,164,998	\$ (3,654,494)
Total State and Local Funds	\$ 4,214,543,919	\$ 4,347,131,965	\$ 4,333,801,368	\$ (13,330,597)
Line Item Earmarks	\$ 1,339,666	\$ -	\$ 300,000	\$ 300,000
Local Contribution Requirement	\$ (570,325,330)	\$ (582,977,520)	\$ (582,977,520)	\$ -
Foundation Program ETF	\$ 3,645,558,255	\$ 3,764,154,445	\$ 3,751,123,848	\$ (13,030,597)

Alabama State Department of Education

Comparative Budget Analysis -Foundation Program Detail

Actual	ALSDE Request	House W&M Ed Substitute	House W&M Ed Sub Over (Under)
2018	2019	2019	ALSDE Request

Foundation Variables

Divisors

K-3	14.25	14.25	14.25	-
4-6	21.43	20.92	21.00	0.08
7-8	19.70	19.70	19.70	-
9-12	17.95	17.95	17.95	-

Other Current Expense \$ 17,533.00 \$ 18,135.00 \$ 18,053.00 \$ (82.00)

Classroom Instructional Support Per Unit

Student Materials	\$ 421.51	\$ 525.00	\$ 536.07	\$ 11.07
Technology	\$ 211.51	\$ 350.00	\$ 300.00	\$ (50.00)
Library Enhancement	\$ 30.44	\$ 200.00	\$ 96.14	\$ (103.86)
Professional Development	\$ 77.55	\$ 90.00	\$ 90.00	\$ -
Common Purchases	\$ -	\$ 150.00	\$ -	\$ (150.00)
Textbooks	\$ 54.52	\$ 75.00	\$ 70.00	\$ (5.00)

Pay Raise 0.00% 2.00% 2.50% 0.50%

Leave Rates

Certified Leave Rate	\$ 60	\$ 80	\$ 70	\$ (10.00)
Transportation Leave Rate	\$ 40	\$ 60	\$ 50	\$ (10.00)

CONDITION OF THE ETF FY 2017 AND FY 2018

	Actual FY 2017	Estimated FY 2018	Difference
Beginning Balance	5,041,468	6,919,305	1,877,837
Regular Receipts (FY 2018 reflects Fiscal Division revised estimates)	6,327,327,215	6,516,000,000	188,672,785
TOTAL AVAILABLE (beginning balance plus regular receipts)	6,332,368,683	6,522,919,305	190,550,622
TOTAL ETF EXPENDITURES (FY 2018 as of 12/31/2017)	6,332,041,468	6,419,124,473	87,083,005
ENDING BALANCE BEFORE REVERSIONS AND ADJUSTMENTS	327,215	103,794,832	103,467,517
Reversions and Adjustments	6,592,090		
DISTRIBUTION OF ENDING BALANCE BEFORE REVERSIONS AND ADJUSTMENTS			
Budget Stabilization Fund		63,320,415	63,320,415
Advancement and Technology Fund		40,474,417	40,474,417



CONDITION OF THE ETF FY 2018 AND FY 2019

	Estimated FY 2018	Estimated FY 2019	Difference
Beginning Balance	6,919,305		-6,919,305
Regular Receipts (Reflects Fiscal Division estimates)	6,516,000,000	6,720,000,000	197,000,000
TOTAL AVAILABLE (beginning balance plus regular receipts)	6,522,919,305	6,720,000,000	197,080,695
TOTAL ETF EXPENDITURES	6,419,124,473	6,633,457,622	214,333,149
ENDING BALANCE BEFORE REVERSIONS AND ADJUSTMENTS	103,794,832	86,542,378	-17,252,454
ESTIMATED DISTRIBUTION OF ENDING BALANCE			
Budget Stabilization Fund	63,320,415	64,191,245	870,830
Advancement and Technology Fund	40,474,417	22,351,133	-18,123,284



BUDGET STABILIZATION FUND

- ▶ Established by the ETF Rolling Reserve Act
- ▶ A portion of any revenues deposited into the ETF in excess of the fiscal year appropriation cap for the immediately preceding fiscal year is transferred to the Budget Stabilization Fund
 - ▶ For FY 2015, up to 2% of the previous year's ETF appropriations (\$118,305,984)
 - ▶ Thereafter, up to 1% of the previous year's ETF appropriations (\$59,595,211 in FY 2016, no transfer in FY 2017) until the fund reaches 7.5% of the previous year's ETF appropriations
 - ▶ Total current balance of approximately \$179 million
- ▶ Amounts in the Budget Stabilization Fund may be withdrawn only to prevent proration in the ETF



ADVANCEMENT AND TECHNOLOGY FUND

- ▶ Also, established by the ETF Rolling Reserve Act
- ▶ Any funds remaining after the transfer to the Budget Stabilization Fund are transferred to the Advancement and Technology Fund
 - ▶ For FY 2016, the transfer was \$56,386,922
 - ▶ No transfer for FY 2017



ADVANCEMENT AND TECHNOLOGY FUND

- ▶ Funds must be appropriated through an independent supplemental appropriation bill for:
 - ▶ repairs and deferred maintenance of facilities;
 - ▶ for classroom instructional support;
 - ▶ for insuring facilities;
 - ▶ for transportation; and
 - ▶ for the acquisition or purchase of educational technology and equipment
- ▶ The annual appropriation of these funds is divided between the public schools and institutions of higher education in accordance with the percentage split between these two sectors of education
- ▶ The supplemental appropriation bill to appropriate these funds did not pass during the 2017 Regular Session

