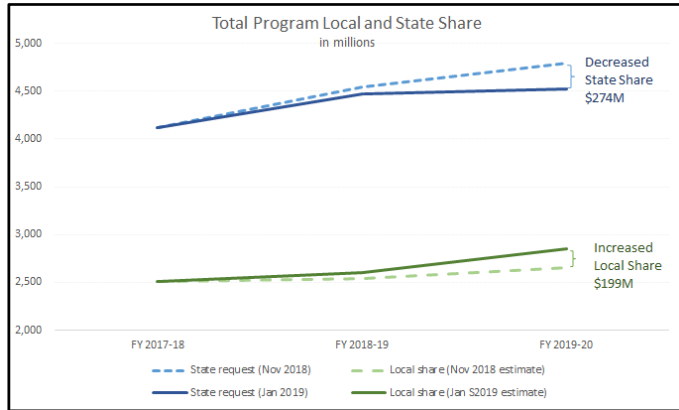


Funding for Full-Day Kindergarten is Sustainable

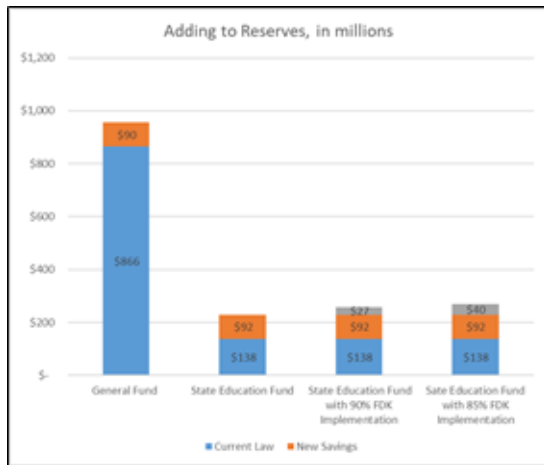
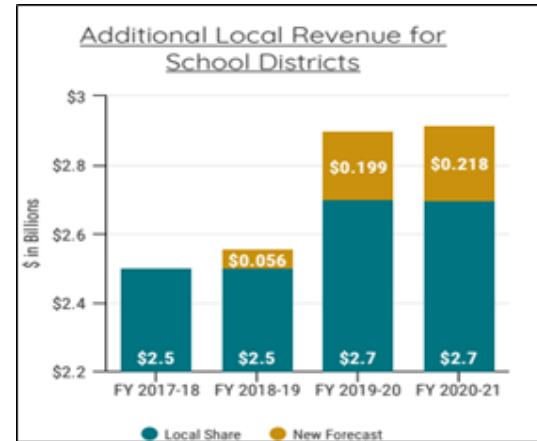
The proposed budget in front of the JBC fully funds full-day kindergarten in a responsible, sustainable manner. Over the past three years, the local share of funding under the School Finance Act has increased steadily because of increasing property values, freeing up additional state dollars to spend on full-day kindergarten and other priorities.[i]



As shown in the graph to the left, this additional revenue for local governments has reduced the state share of education funding required by the constitution. Thus, the state will have an additional \$274 million in funds available for FY 2019-20, and an estimated additional \$327 million in funds available for FY 2020-21.

Property tax revenues are less volatile than other state revenues like sales and income taxes. Also, property tax revenues lag downturns in the economy, meaning other General Fund revenue sources are on the upswing before property taxes have declined.

Property tax revenues are



In order to further protect education funding, the Governor’s budget request also adds \$90 million in General Fund reserves and \$92 million to the State Education Fund, doubling the increase in reserves. Because this proposal is not a mandate and knowing we currently have about 80% of children enrolled, enrolling fewer than 100% of children in full-day kindergarten will allow more funding to be transferred to the State Education Fund. If 5% more children enroll, there will be an

additional \$40 million in reserves, and if 10% more children enroll, there will be an additional \$27 for reserves.

[i] Because commercial property values have risen in addition to residential property values rising, the residential assessment rate that is triggered by the Gallagher amendment did not decline as much as forecast.