



IS EDUCATION FULLY FUNDED?

In March, lawmakers approved a package of funding increases that included **pay raises for teachers** (HB 1023xx), **school support staff** (HB 1026xx), and **state workers** (HB 1024xx), along with additional money for **school operations** and increases in the **flexible benefit allowance for school employees** (HB 3705). They have also passed a number of measures that generate **new tax revenues** (HB 1010xx, HB 1011xx, HB 1019xx, and HB 3375). There has been considerable debate as to whether the new revenue fully funds the new spending commitments. Here's what you should know:

FY 2019

AMOUNT COMMITTED TO EDUCATION & STATE WORKERS: **\$543.3 M**

NEW REVENUE AVAILABLE IN FY 2019: **\$530.7 M**

-\$12.6 M
SHORTFALL IN YEAR 1

The revenue measures are projected to generate a total of \$530.7M in new revenue that is available for the Legislature to appropriate in FY 2019, which begins July 1, 2018. **That is about \$13M shy of the total cost of the new spending obligations in FY 2019, which is Year 1 of the plan.**

FY 2020

COMMITTED TO EDUCATION, STATE WORKERS, & HEALTH CARE: **\$688.7 M**

ANNUALIZED REVENUE: **\$573.0 M**

-\$115.7 M
SHORTFALL IN YEAR 2

In Year 2 of the plan, fuel tax and cigarette tax revenues are both shifted from the General Revenue Fund to dedicated funds. In the case of the fuel tax, legislation spells out that this new revenue will simply replace other revenue currently being used to support roads and bridges, freeing up general revenue that can be used for education. **Conversely, the money generated by the \$1 per-pack increase in the cigarette tax - \$145 million - will be shifted from supporting the education funding plan in year 1 to the Health Care Enhancement Fund to be used for health care services beginning in Year 2.** Therefore, to keep the increases for education and state employees fully funded in Year 2, that \$145 million in tobacco money must be replaced with new revenue. There is now a \$116 M shortfall in Year 2.

The funding approved by lawmakers for education is just a start and doesn't come close to fully funding education. There is widespread agreement that lawmakers must do more to fund our schools and provide teachers and other employees a fair and competitive salary.

Since 2008, state aid funding has been cut by \$179 million, which has led to fewer teachers, counselors, librarians, and teacher aides; larger class sizes; fewer courses and programs; and outdated textbooks, among other effects. The \$50 million in new funding for school operations that has already been approved makes up **less than one-third** of the amount that has been cut since 2008 without accounting for increased enrollment and higher costs.

For more information and resources visit www.okpolicy.org/walkout