

'Funding Cliff' Facing State Education Budgets

Shortfall in State Support for Education in 2011 under Two Scenarios



As states prepare their budgets for FY 2011, they face record-setting declines in revenue and the depletion of Recovery Act funds. Most states will be unable to provide the same support for education in 2011 as was done in 2008 or 2009. The magnitude of the deficiency is all that is in question. The accompanying table attempts to quantify the shortfall using data from the applications submitted by the states under the State Fiscal Stabilization Fund (SFSF). Two scenarios are assumed. Under the "better case," states are able to support education in 2011 at the 2010 level; and this level is compared to the greater of 2008 or 2009 to determine any shortfall. Under the "worse case," states reduce their support for education in 2011 to match the level in 2006, that is, the maintenance-of-effort (MOE) level required under the SFSF. Similarly, this level of support is compared to the greater of 2008 or 2009 to determine the shortfall. Somewhere between the two scenarios will most states fall. The final two columns in the table present the net shortfall after accounting for any remaining education stabilization funds available to the state in 2011. What about a "best case" or "worst case" scenario? A few states may fall outside the ranges below. For example, a "worst case" scenario, which is probable for a few states, would result in the state being unable to support education in 2011 even at the 2006, or MOE, level required under the SFSF, and necessitate the state to seek a waiver.

in millions

Funding Needed to Restore State Support for Education in 2011 to the Greater of 2008 or 2009

State	Elementary & Secondary Education		Public Institutions of Higher Education		Total, Elementary, Secondary, & Higher Education		Total, Net of Remaining Education Stabilization Funds*	
	Better Case Scenario	Worse Case Scenario	Better Case Scenario	Worse Case Scenario	Better Case Scenario	Worse Case Scenario	Better Case Scenario	Worse Case Scenario
U.S. Total	\$20,081.0	\$38,654.2	\$6,906.1	\$11,453.2	\$26,987.1	\$50,107.3	\$23,415.3	\$44,716.1
Alabama	492.3	819.6	355.7	454.1	848.0	1,273.7	848.0	1,273.7
Alaska	0.0	148.0	0.0	63.5	0.0	211.5	0.0	118.5
Arizona /a	208.2	670.3	236.3	236.3	444.5	906.6	444.5	906.6
Arkansas	0.0	103.2	0.0	116.0	0.0	219.3	0.0	0.0
California /a	5,154.0	5,154.0	2,433.0	2,433.0	7,587.0	7,587.0	7,587.0	7,587.0
Colorado	0.0	522.9	97.6	97.6	97.6	620.5	0.0	452.0
Connecticut	269.5	269.5	0.0	100.1	269.5	369.6	95.8	195.9
Delaware	51.4	144.4	15.9	22.3	67.3	166.7	24.3	123.7
District of Columbia	0.0	849.5	0.7	1.5	0.7	851.0	0.0	797.2
Florida /b	1,195.0	1,195.0	305.7	463.2	1,500.7	1,658.2	1,500.7	1,658.2
Georgia	422.2	1,404.5	188.4	300.5	610.5	1,704.9	610.5	1,704.9
Hawaii	240.8	411.9	101.9	135.7	342.8	547.6	342.8	547.6
Idaho	194.0	449.6	24.3	47.8	218.3	497.4	218.3	497.4
Illinois /a	619.8	619.8	52.6	52.6	672.3	672.3	672.3	672.3
Indiana	0.0	2,106.3	9.2	62.7	9.2	2,169.0	0.0	2,022.0
Iowa	0.0	206.4	95.4	125.5	95.4	331.8	70.1	306.5
Kansas	251.4	306.5	63.7	80.7	315.0	387.2	282.4	354.6
Kentucky /a	223.0	458.5	70.0	70.0	293.0	528.5	53.3	288.8
Louisiana	94.9	648.1	331.6	332.5	426.5	980.6	287.3	841.4
Maine	19.0	147.4	1.7	19.7	20.7	167.1	16.0	162.4
Maryland	95.7	1,414.4	0.0	336.5	95.7	1,750.8	0.0	1,328.4
Massachusetts /a	0.0	247.9	124.5	124.5	124.5	372.4	13.6	261.5
Michigan /a	767.8	767.8	78.6	78.6	846.4	846.4	846.4	846.4
Minnesota	509.6	567.1	140.0	180.9	649.6	748.0	649.6	748.0

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	Better Case Scenario	Worse Case Scenario	Better Case Scenario	Worse Case Scenario	Better Case Scenario	Worse Case Scenario	Better Case Scenario	Worse Case Scenario
Mississippi	\$174.5	\$207.3	\$58.7	\$183.6	\$233.2	\$391.0	\$211.2	\$369.0
Missouri	409.3	409.3	104.8	130.5	514.1	539.8	325.2	350.9
Montana	18.8	109.8	29.8	31.2	48.6	141.0	0.0	74.4
Nebraska	0.0	138.8	0.0	89.4	0.0	228.2	0.0	87.9
Nevada /a	63.4	319.8	200.8	200.8	264.2	520.6	264.2	520.6
New Hampshire	24.6	56.9	4.1	24.7	28.7	81.7	0.0	1.6
New Jersey	835.8	886.0	22.1	50.2	857.8	936.2	857.8	936.2
New Mexico	165.1	392.0	3.9	132.5	169.0	524.5	77.6	433.1
New York /a	766.6	766.6	83.1	975.4	849.7	1,742.0	804.7	1,697.0
North Carolina	721.4	1,020.0	0.0	353.8	721.4	1,373.9	407.8	1,060.3
North Dakota	90.1	144.1	0.0	43.9	90.1	188.0	90.1	188.0
Ohio	399.4	496.2	308.6	313.1	707.9	809.2	0.0	53.5
Oklahoma	173.4	292.0	77.1	150.1	250.5	442.1	28.2	219.8
Oregon	477.5	477.5	98.7	98.7	576.2	576.2	576.2	576.2
Pennsylvania	354.8	734.0	61.5	97.2	416.3	831.1	0.0	83.2
Rhode Island /a	57.7	57.7	15.1	15.1	72.8	72.8	72.8	72.8
South Carolina /b	311.6	311.6	207.2	207.2	518.7	518.7	518.7	518.7
South Dakota	6.4	38.5	7.5	14.3	13.9	52.8	0.0	19.0
Tennessee	112.8	629.3	165.1	165.1	277.9	794.4	0.0	457.1
Texas	2,593.3	6,654.1	0.0	1,220.9	2,593.3	7,875.0	2,466.3	7,748.0
Utah	220.6	634.7	125.0	128.6	345.6	763.2	345.6	763.2
Vermont	14.3	146.8	0.0	4.2	14.3	151.0	0.0	112.4
Virginia /a	395.0	1,058.6	212.4	212.4	607.4	1,271.0	607.4	1,271.0
Washington	219.6	1,109.6	268.2	271.1	487.8	1,380.7	487.8	1,380.7
West Virginia	0.0	131.4	9.9	55.6	9.9	187.0	0.0	1.9
Wisconsin /a	307.0	307.0	0.0	147.5	307.0	454.5	307.0	454.5
Wyoming	0.0	519.7	8.4	92.9	8.4	612.6	0.0	553.4
Puerto Rico /b	359.3	972.7	107.4	107.4	466.7	1,080.1	403.6	1,017.0

* Excludes the Government Services Fund under the SFSF. Data on actual uses by state is incomplete.

/a Data not available to calculate "worse case" scenario for either K-12 or higher education or both. Instead, estimates reflect "better case" scenario.

/b The state is unable to meet MOE requirements in one or more years for either K-12 or higher education or both. Instead, estimates reflect "better case" scenario.

Source: Approved State applications for the State Fiscal Stabilization Fund (available at www.ed.gov/programs/statestabilization/resources.html).

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