

BALTIMORE COUNTY PUBLIC SCHOOLS

DATE: November 6, 2007

TO: **BOARD OF EDUCATION**

FROM: Dr. Joe A. Hairston, Superintendent

SUBJECT: **LEGISLATIVE/THORNTON REVENUE UPDATE**

ORIGINATOR: Dr. Joe A. Hairston, Superintendent

RESOURCE PERSON(S): Donald A. Peccia, Assistant Superintendent, Human Resources and Government Relations
Barbara Burnopp, Chief Financial Officer

INFORMATION

The following will provide background information on the current Special Session of the Maryland General Assembly. A more in-depth report will be provided as the session progresses.

Attachment I – Legislative Update
Attachment II – History of Thornton Revenues
Attachment III – Narrative Summary of Thornton Expenditures
Attachment IV – Graphical Summary of Thornton Expenditures
Attachment V – Impact of FY2009 Adjustments to Thornton, Department of Legislative Services
(Exhibits 1 and 2)
Attachment VI – Background on Thornton Inflation Factor, MABE

LEGISLATIVE UPDATE

October 28, 2007

MARYLAND GENERAL ASSEMBLY

The 2007 Special Session is scheduled to begin on Monday, October 29, 2007. Draft legislation has been released by the administration as follows:

Transportation Investment Act
Tax Reform Act of 2007
Budget Reconciliation Act
Maryland Education Trust Fund – Video Lottery Terminals
Video Lottery Terminals – Authorization and Limitations
Working Families and Small Business Health Coverage Act

Draft Legislation Summary

Transportation Investment Act – This legislative draft among other things would alter the motor fuel tax rate as follows:

- (1) 24 cents (from 23.5 cents) for each gallon of gasoline other than aviation gasoline;
- (2) 24.75 (from 24.25) cents for each gallon of special fuel other than clean-burning fuel or turbine fuel; and
- (3) 24 (from 23.5) cents for each gasoline-equivalent gallon of clean burning fuel except electricity.

Would apply to the motor fuel tax rate effective beginning January 1, 2009. An increase in the motor fuel tax rate shall be effective for a period of one year.

Tax Reform Act of 2007 – This legislative draft among other things would include the following:

- ◆ **Income Tax** – Alters a provision relating to the calculation of the income tax required to be withheld on wages.
 - (1) The total income tax required to be withheld on wages for purposes of the withholding tables and withholding schedules shall be calculated without regard to the Marginal State income tax rates less than 4%.

Alters the rates and rate brackets under the State income tax on individuals.

- (1) The State income tax rate would be:
 - (I) Remains at 2% of Maryland taxable income \$1 through \$1,000;
 - (II) Remains at 3% of Maryland taxable income of \$1,001 through \$2,000;
 - (III) 4% of Maryland taxable income of \$2,001 through \$15,000 (from \$3,000);
 - (IV) 4.75% of Maryland taxable income of \$15,001 through \$150,000 (new);
 - (V) 6% of Maryland taxable income of \$150,001 through \$500,000 (new); and
 - (VI) 6.5% for Maryland taxable income in excess of \$500,000 (new).

Alters the rates and rate brackets under the State income tax for spouses filing a joint return or for a surviving spouse or head of household. This is all new language.

- (1) The State income tax rate is:
 - (I) 2% of Maryland taxable income of \$1 through \$2,000;
 - (II) 3% of Maryland taxable income of \$2,001 through \$4,000;
 - (III) 4% of Maryland taxable income of \$4,001 through \$22,500;
 - (IV) 4.75% of Maryland taxable income of \$22,501 through \$200,000;
 - (V) 6% of Maryland taxable income of \$200,001 through \$500,000; and
 - (VI) 6.5% of Maryland taxable income in excess of \$500,000.

Nonresidents - The rates specified above would apply to the nonresident's Maryland taxable income. If an individual or a married couple filing a joint return has federal adjusted gross income for the taxable year that does not exceed \$30,000, or \$15,000 in the case of a married individual filing a separate return, the individual or married couple filing a joint return may claim a credit against the State income tax for the taxable year in an amount equal to \$50.

State Retirement and Pension System Death Benefit – The Board of Trustees of the State Retirement and Pension System shall withhold from a payment of a death benefit to a resident payee the sum of 4.75% of the payment (from the top marginal State income tax rate for individuals); and the county income tax rate applied to the payment.

- ◆ **Tobacco Tax** – All cigarettes used, possessed, or held in the State on or after January 1, 2008, by any person for sale or use in the State, shall be subject to the full tobacco tax of \$2 (from \$1) on cigarettes.
- ◆ **Sales and Use Tax** – For a taxable price of \$1 or more the sales tax is 6 cents (from 5 cents); and if a retail sale of tangible personal property or a taxable service is made through a vending machine or other self-service machine, the sales and use tax rate is 6% (from 5%), applied to 94.5% (from 95.25%) of the gross receipts from the vending machine sales.
 - (1) **Taxable Service** – The draft legislation also includes real property management service; or a tanning, massage, physical fitness, sauna, or steam bath facility or service.
 - (2) **Tax Free Weekends (Energy)** – The weekend that consists of the first Saturday in October and the following Sunday and the weekend that consists of the first Saturday in May and the following Sunday each year shall be tax-free weekends during which the sales and use tax would not apply on the sale of any Energy Star Product; or Solar Water Heater.
 - (3) **Tax Free Weekend (Clothing and Footwear)** – The 7-day period from the second Sunday in August through the following Saturday and the 7-day period from the first Sunday in May through the following Saturday shall be tax-free periods for shopping in Maryland. During the tax-free periods for shopping, the sales and use tax would not apply to the sale of any item of clothing or footwear, excluding accessory items, if the taxable price of the item of clothing or footwear is \$100 or less.
- ◆ **Higher Education** – Establishes a Higher Education Investment Fund. The fund will consist of revenues from the income tax on corporations and any other money from any other source accepted for the benefit of the fund.
- ◆ **Constitutional Amendment (Property Tax)** – If the voters of the State of Maryland at the next general election to be held in November 2008 adopt a constitutional amendment that allows the operation of video lottery gaming in the State:
 - (1) The Budget bill for fiscal 2010 include a General Fund appropriation for the payment of debt service on State bonds in an amount no less than the amount estimated to be sufficient to allow the Board of Public Works to establish a property tax rate of 10.2 cents per \$100 of assessed value for real property other than operating property of a public utility; and
 - (2) The budget Bill for fiscal 2012 include a General Fund appropriation for the payment of debt service on State bonds in an amount not less than the amount estimated to be sufficient to allow the Board of Public Works to establish a property tax rate of 8.2 cents per \$100 of assessed value for real property other than operating property of a public utility.
- ◆ **Constitutional Amendment (Video Lottery Dedicated Revenues)** – If the votes of the State at the next general election to be held in November 2008 adopt a constitutional amendment that allows the operation of video lottery gaming in the State, then the distribution of corporate income tax revenues to the Higher Education Investment Fund and the Gasoline and Motor Vehicle Revenue Account in the Transportation Trust Fund continue in fiscal year 2010 and each subsequent fiscal year.

Budget Reconciliation Act – The administrative draft among other things defines “target per pupil foundation amount” to mean in fiscal years 2008, 2009, and 2010, \$6,694 and in subsequent fiscal years:

- (1) the target per pupil foundation amount for the prior fiscal year increased by the same percentage as the increase in the consumer price index for all urban consumers for the Washington-Baltimore Metropolitan area, or any successor index, for the second previous fiscal year; or
- (2) if there is no increase in the consumer price index for all urban consumers for the Washington-Baltimore Metropolitan area, or any successor index, for the second previous fiscal year, the target per pupil foundation amount for the prior fiscal year.

The bill further defines “state financial assistance for public education” to mean the total financial assistance provided by the state to a county board under the following programs:

- (1) funding for the foundation program;
- (2) funding received under the GCEI adjustment grant program;
- (3) transportation aid;
- (4) funding for compensatory education;
- (5) funding for students with limited English proficiency;
- (6) funding for special education students;
- (7) funding for the guaranteed tax base program;
- (8) state payments for retirement contributions for employees of a local school system in accordance with the provisions of Division II of the State Personnel and Pensions Article; and
- (9) funding for supplemental grants.

For fiscal years 2009 and 2010 only, the State shall provide a supplemental grant to a county board that does not receive at least a 1% increase in State Financial Assistance for public education over the amount received by the county board in the previous fiscal year. The supplemental grant shall be the amount necessary to increase a county board’s state financial assistance for public education by 1% over the amount received by the county board in the previous fiscal year. For fiscal year 2011 and each fiscal year thereafter, a county board shall receive a supplemental grant equal to the amount the county board received in fiscal 2010.

Maryland Education Trust Fund – Video Lottery Terminals – This Administration bill among other things establishes the Education Trust Fund. Money in the Education Trust Fund shall be used to:

- (1) provide funding for public elementary and secondary education, through continuation of the funding and formulas establishes under the programs commonly known as the Bridge to Excellence in Public Schools Act, first enacted by Chapter 288 of the Acts of the General Assembly of 2002, including the funding for regional differences in the cost of education;
- (2) provide funds to construct public school buildings and provide public school capital improvements; and
- (3) provide funds for capital projects at community colleges and public senior higher education institutions.

Expenditures from the Education Trust Fund shall be made each fiscal year in accordance with the State Budget.

Video Lottery Terminals – Authorization and Limitations – This Administration draft among other things would add a new article to the Maryland Constitution to authorize up to five video lottery operation licenses throughout the State for the primary purpose of raising revenue for:

- (1) education for the children of the State in public schools, pre-kindergarten through grade 12;
- (2) public school construction and public school capital improvements; and
- (3) construction of capital projects at community colleges and 4-year public institutions of higher education.

The State may not authorize the operation of more than 15,000 video lottery terminals in the State. A video lottery operation license only may be awarded for the following locations:

- (1) Anne Arundel County, within 2 miles of MD Route 295;
- (2) Cecil County, within 2 miles of Interstate 95;
- (3) Worcester County, within 1 mile of the intersection of Route 50 and Route 589;
- (4) On State property associated with the Rocky Gap Lodge and Gold Resort in Allegany County; or

- (5) Baltimore City, in a nonresidential area within one-half mile of Interstate 95 and MD Route 295, and not adjacent to or within one-quarter mile of residential property.

This amendment to the Constitution would be submitted to the qualified voters of the State of Maryland for their adoption or rejection at the next general election to be held in November 2008.

Working Families and Small Business Health Coverage Act – This Administration draft among other things would establish a Small Employer Health Insurance Premium Subsidy program and require the Maryland Medical Assistance Program to provide certain health care subject to the limitations of the State budget, and as permitted by federal law, comprehensive medical care and other health care services for all parents and caretaker relatives:

- (1) who have a dependent child living in the parents' or caretaker relatives' home; and
- (2) whose annual household income is at or below 116 percent of the poverty level.

Instructions for Public Testimony on Administration Bills Being Heard October 30 through November 2 in the Joint Hearing Room

Oral Testimony – Anyone wishing to testify on any bill must sign the witness register at least 15 minutes before the scheduled start time of the hearing.

Written Testimony – 100 copies are to be provided by 3:00 p.m. on the day prior to the scheduled hearing. Advance testimony may be brought to Room 214 of the Legislative Services Building. If unable to provide testimony on the prior day, please submit 100 copies no later than 90 minutes before the hearing start time and no later than one hour before the hearing start time. Testimony must be brought to the Joint Hearing Room and placed on the designated table. Please do not deliver to the committees any written testimony for the administration bills being heard in the joint hearing room.

At the discretion of the Chairs, any late testimony will not be distributed during the hearing but may be delivered to the members' offices if time permits. Also clearly mark on each copy of the written testimony the subject matter (in lieu of a bill number) as listed in the hearing schedule.

BRIEFINGS and HEARINGS SCHEDULED Subject to Change

Monday, October 29, 2007

Senate and House convene at 8:00 p.m.

Tuesday, October 30, 2007

10:00 a.m., Joint Hearing Room

House Appropriations Committee, House Ways and Means Committee, Senate Budget and Taxation Committee, and the Spending Affordability Committee

- (1) Spending Affordability Presentation – State Budget Overview
- (2) Briefing on Governor's Cost of Delay Budget Reductions
- (3) Governor's Proposed Budget Solution – Overview

1:00 p.m., Joint Hearing Room

House Appropriations Committee, House Ways and Means Committee, Senate Budget and Taxation Committee

- (1) Hearing on the Governor's Budget Reconciliation and Financing Act
 - a. Freeze on Education Implicit Price Deflator for State and Local Governments
 - b. Elimination of Electric Utility Property Tax Grant and Repeal of Electric Utility Company Property Tax Exemption

Wednesday October 31, 2007

9:00 a.m., Joint Hearing Room

House Ways and Means Committee, House Appropriations Committee, and the Senate Budget and Taxation Committee

- (1) Hearing on Governor's Transportation Funding legislation
 - a. Vehicle Excise Tax
 - b. Motor Fuel Tax Indexing
 - c. General Fund Transfers

1:00 p.m., Joint Hearing Room

House Ways and Means Committee, House Appropriations Committee, and the Senate Budget and Taxation Committee

- (1) Hearing on Governor's Corporate Tax legislation
 - a. Controlling Interest
 - b. Corporate Income Tax Rate – dedication to Higher Education and Transportation
 - c. Combined Reporting

Thursday, November 1, 2007

10:00 a.m., Joint Hearing Room

House Ways and Means Committee, House Appropriations Committee, and the Senate Budget and Taxation Committee

- (1) Hearing on Governor's Property Tax Reduction legislation

House Ways and Means Committee and the Senate Budget and Taxation Committee

- (2) Hearing on Governor's Tobacco Tax legislation

1:00 p.m., Joint Hearing Room

House Ways and Means Committee and the Senate Budget and Taxation Committee

- (1) Hearing on Governor's Income Tax Restructuring legislation
 - a. Increase of Refundable Earned Income Tax Credit
 - b. Restructuring of Income Tax Rates
 - c. Refundable Sales Tax Credit
 - d. Senior Income Tax Exemption
- (2) Hearing on Governor's Sales Tax legislation
 - a. Sales Tax Rate
 - b. Expansion of Sales Tax to Certain Services
 - c. Sales Tax Holidays

1:00 p.m., 3 East, Miller Senate Building

House Health and Government Operations Committee and the Senate Finance Committee

- (1) Hearing on Governor's Health Care Reform legislation

1:00 p.m., Room 120 House Office Building

House Appropriations Committee

- (1) Briefing and hearing on further budget reduction options

Friday November 2, 2007

11:00 a.m., Joint Hearing Room

House Ways and Means Committee and the Senate Budget and Taxation Committee

- (1) Hearing on Governor's Video Lottery Terminal legislation

11:00 a.m., Room 250, House Office Building

House Environmental Matters Committee

- (1) Hearing on Green Fund legislation

11:00 a.m., Room 120, House Office Building

House Appropriations Committee

- (1) Briefing on Mandated Budget Appropriations

Saturday November 3, 2007

10:00 a.m., 3 West, Miller Senate Building

Senate Budget and Taxation Committee

Work Session

10:00 a.m., Room 130, House Office Building

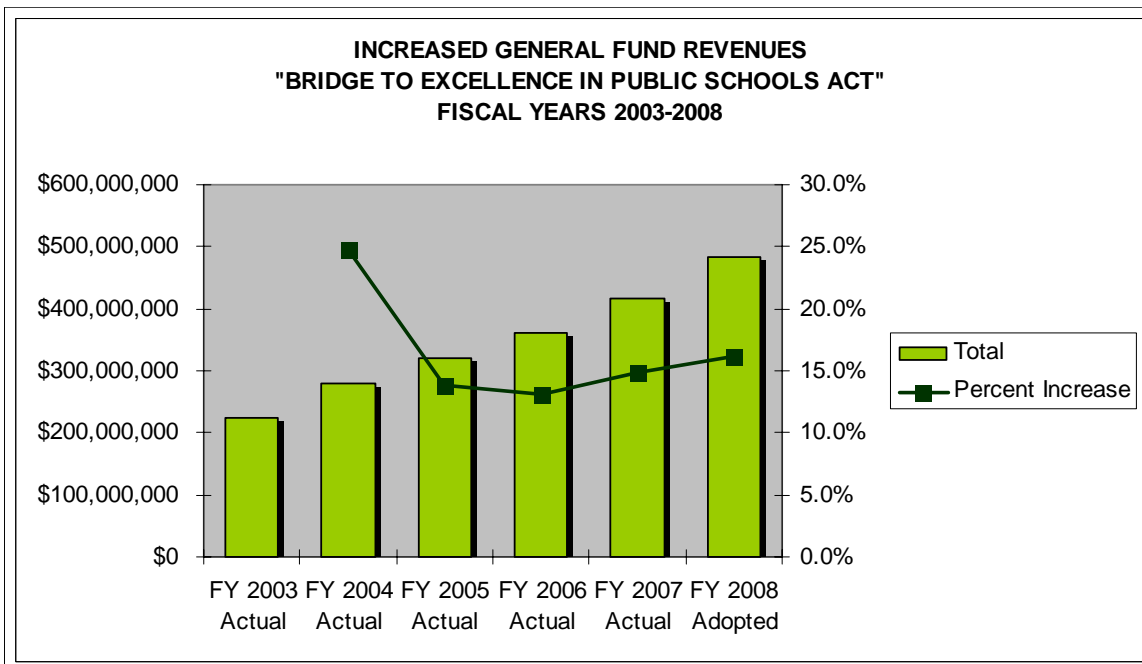
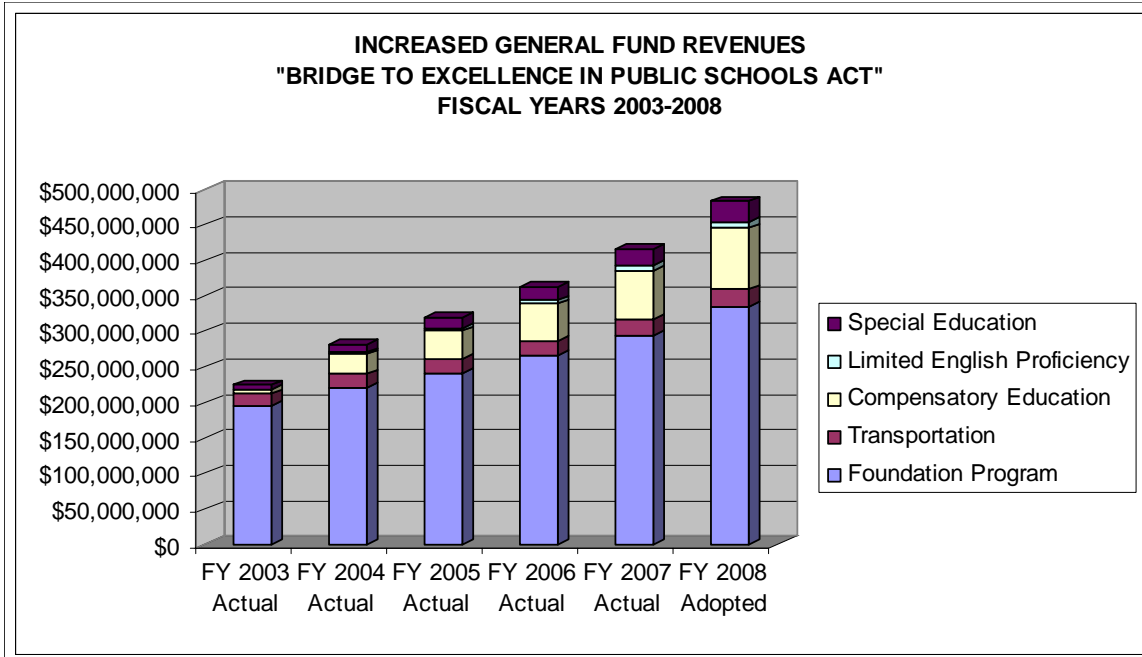
House Ways and Means Committee

Bill hearings to be announced

10:00 a.m., Room 120, House Office Building

House Appropriations Committee

Bill hearings to be announced



**Baltimore County Public Schools
Thornton Expenditures, 2003-2008**

All day kindergarten has been implemented in all 104 elementary schools.

Pre-kindergarten has been implemented as required by the Maryland State Department of Education.

Special Education resources have been increased more than any other single program area and include additional teachers, related service providers, and new initiatives in Infants & Toddlers, Child Find assessments, and non-public placements.

Advancement Via Individual Determination (AVID) has been implemented in every high school and is being expanded to middle schools to increase the number of students pursuing college after graduation.

ESOL has been expanded to serve significantly increased numbers of English language learners.

Three new schools have been opened and staffed at New Town High School, Woodholme Elementary School, and Windsor Mill Middle School.

The Bridge Center has been opened to assist students-in-transition that are relocating as a result of changes in their residential placements.

The Crossroads Center has been opened to serve disruptive students who are under-performing by two or more grade levels, improving their retention and graduation rates.

Expansion of Maryland's Tomorrow program established the AdvancePath Academy in-school alternative program to educate, recover, and graduate at-risk youth.

Implementation of the assessTrax short-cycle assessment program has been initiated to assist teachers with improving classroom instruction.

INCREASED GENERAL FUND EXPENDITURES BY CATEGORY
"BRIDGE TO EXCELLENCE IN PUBLIC SCHOOLS ACT"
FISCAL YEARS 2002-2007

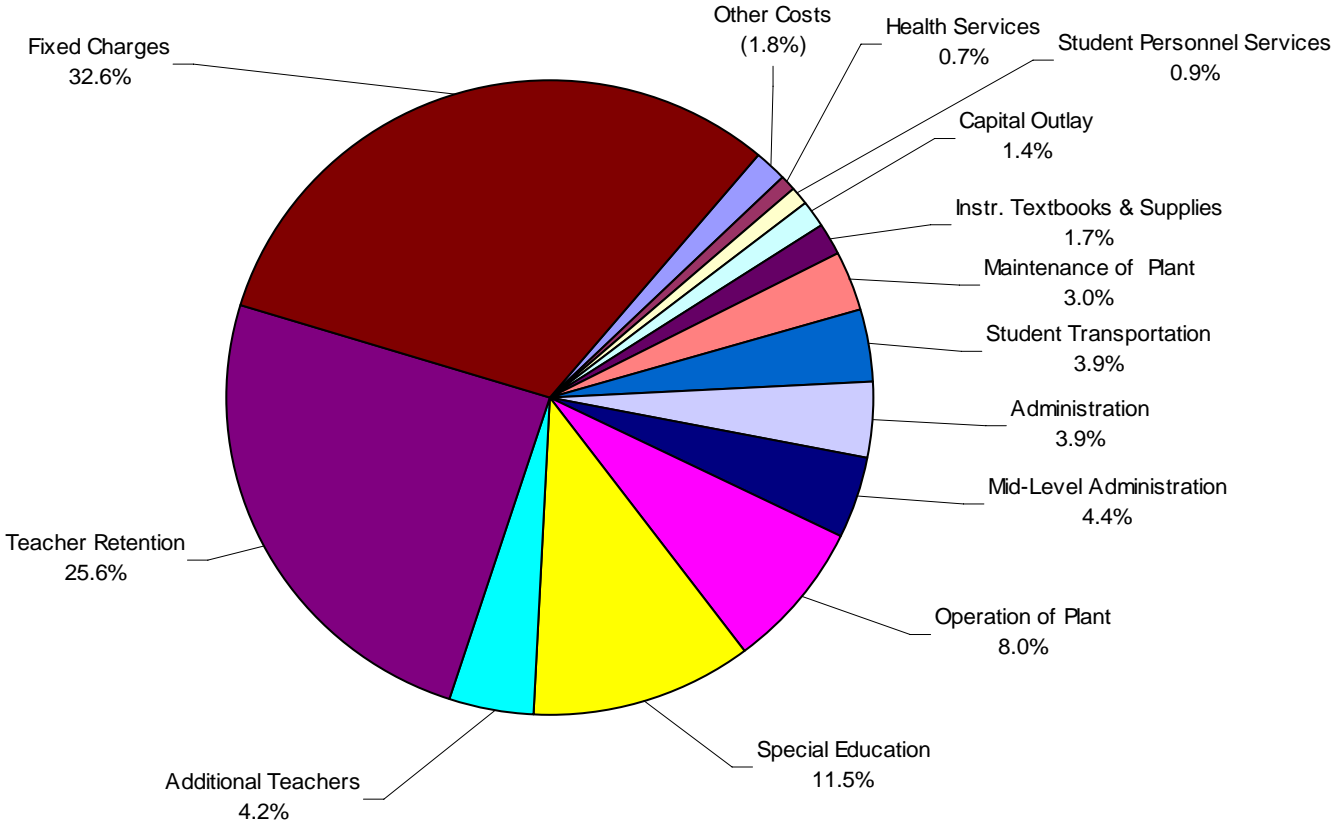


Exhibit 1
Impact of Fiscal 2009 Adjustments to Thornton Funding
Direct State Education Aid
(\$ in Thousands)

<u>County</u>	<u>FY 2008</u>	<u>Current Law</u>		<u>No IPD Increase</u>		<u>No IPD + GCEI</u>	
		<u>FY 2009</u>	<u>FY08-09 Change</u>	<u>FY 2009</u>	<u>FY08-09 Change</u>	<u>FY 2009</u>	<u>FY08-09 Change</u>
Allegany	\$83,091	\$86,636	\$3,545	\$83,412	\$322	\$83,412	\$322
Anne Arundel	266,232	276,527	10,295	264,503	(1,729)	267,081	849
Baltimore City	832,695	853,316	20,621	819,496	(13,199)	826,095	(6,599)
Baltimore	509,543	534,195	24,652	510,333	790	511,950	2,407
Calvert	83,879	87,933	4,053	83,946	66	84,665	786
Caroline	41,789	43,730	1,941	41,952	163	41,952	163
Carroll	141,123	146,695	5,573	140,132	(990)	140,926	(196)
Cecil	97,135	103,459	6,324	98,980	1,846	98,980	1,846
Charles	144,670	154,210	9,541	147,518	2,848	148,565	3,895
Dorchester	29,901	30,722	821	29,375	(525)	29,375	(525)
Frederick	197,120	210,804	13,684	201,098	3,978	203,026	5,906
Garrett	25,262	25,556	293	24,462	(801)	24,462	(801)
Harford	207,058	216,061	9,003	206,223	(835)	206,223	(835)
Howard	183,319	194,357	11,039	185,682	2,363	187,142	3,823
Kent	10,217	10,020	(196)	9,635	(581)	9,678	(539)
Montgomery	396,452	426,563	30,111	407,962	11,511	417,176	20,724
Prince George's	901,536	948,164	46,628	907,539	6,003	919,442	17,906
Queen Anne's	29,572	31,133	1,561	29,788	216	29,954	382
St. Mary's	88,746	94,166	5,420	89,919	1,173	89,983	1,237
Somerset	23,424	24,556	1,132	23,575	151	23,575	151
Talbot	10,296	10,727	431	10,294	(2)	10,294	(2)
Washington	135,218	145,194	9,976	138,877	3,658	138,877	3,658
Wicomico	104,133	111,731	7,598	107,114	2,981	107,114	2,981
Worcester	16,949	17,629	680	16,919	(30)	16,919	(30)
Unallocated	42,269	50,667	8,399	50,667	8,399	50,667	8,399
Total	\$4,601,626	\$4,834,750	\$233,124	\$4,629,402	\$27,776	\$4,667,536	\$65,910

Notes:

- County estimates reflect *projected* enrollments and wealth figures and will change when the final figures are available.
- Current law estimates assume no funding for the Geographic Cost of Education Index (GCEI).
- IPD = Implicit price deflator for state and local government purchases.

Exhibit 2
Impact of Fiscal 2009 Adjustments to Thornton Funding
Per Pupil Direct State Education Aid

<u>County</u>	<u>FY 2008</u>	<u>Current Law</u>		<u>No IPD Increase</u>		<u>No IPD + GCEI</u>	
		<u>FY 2009</u>	<u>FY08-09 Change</u>	<u>FY 2009</u>	<u>FY08-09 Change</u>	<u>FY 2009</u>	<u>FY08-09 Change</u>
Allegany	\$9,339	\$9,950	\$611	\$9,580	\$241	\$9,580	\$241
Anne Arundel	3,729	3,893	163	3,723	(6)	3,760	30
Baltimore City	10,603	11,164	561	10,722	119	10,808	205
Baltimore	5,051	5,330	279	5,092	41	5,108	57
Calvert	4,905	5,148	243	4,915	10	4,957	52
Caroline	7,900	8,189	289	7,856	(43)	7,856	(43)
Carroll	4,995	5,211	216	4,978	(17)	5,006	11
Cecil	6,037	6,426	389	6,148	111	6,148	111
Charles	5,537	5,832	296	5,579	43	5,619	82
Dorchester	6,811	7,046	235	6,737	(74)	6,737	(74)
Frederick	4,916	5,206	291	4,967	51	5,014	99
Garrett	5,692	5,864	172	5,613	(79)	5,613	(79)
Harford	5,374	5,635	261	5,379	5	5,379	5
Howard	3,780	3,993	214	3,815	35	3,845	65
Kent	4,797	4,936	140	4,747	(50)	4,768	(29)
Montgomery	2,934	3,154	220	3,016	82	3,084	150
Prince George's	7,255	7,692	438	7,363	108	7,459	205
Queen Anne's	3,906	4,070	163	3,894	(13)	3,916	9
St. Mary's	5,526	5,820	294	5,557	32	5,561	35
Somerset	8,487	8,897	410	8,542	55	8,542	55
Talbot	2,463	2,610	147	2,505	41	2,505	41
Washington	6,337	6,725	389	6,433	96	6,433	96
Wicomico	7,251	7,775	524	7,453	202	7,453	202
Worcester	2,648	2,781	132	2,669	20	2,669	20
Unallocated	51	62	10	62	10	62	10
Total	\$5,593	\$5,901	\$308	\$5,651	\$57	\$5,697	\$104

Notes:

- County estimates reflect *projected* enrollments and wealth figures and will change when the final figures are available.
- Current law estimates assume no funding for the Geographic Cost of Education Index (GCEI).
- IPD = Implicit price deflator for state and local government purchases.

Prepared by the Department of Legislative Services, October 2007

Background on the "Thornton" Inflation Factor - and why it should be funded

What is inflation and how does it impact public school budgets in Maryland?

Inflation is defined as the persistent rise in the general price level as measured against a standard level of purchasing power. School systems experience inflation as the costs of goods and services increase from year to year. Current examples of major school budget items experiencing significant inflation include utilities (gas & electricity), bus fuel, and employee health insurance costs.

To mitigate the impact of inflation - to maintain the prior year's level of purchasing power - annual adjustments must be made. The most widely used indices for calculating these adjustments are the Consumer Price Index (CPI), which measures the change in nominal consumer prices, and the Gross Domestic Price (GDP) deflator, which measures inflation in products and services. In Maryland, the "Thornton" Bridge to Excellence in Public Schools Act of 2002, which controls state education funding, includes an annual adjustment based on the GDP deflator, referred to in the Act as the "implicit price deflator for state and local government expenditures" (§5-202(a)13 of the Education Article). The statute refers to the specific GDP deflator calculated and reported by the U.S. Department of Commerce, Bureau of Economic Analysis.

Why is the inflation factor so important to next year's education budget and beyond?

In general, without annual increases in funding adjusted for inflation, less money would be available than in the prior year to pay for the same amount of goods and level of services. For Maryland's public schools, the fiscal year 2009 state budget being prepared now will be the first budget in 5 years that will not include a significant increase due to the phased-in increase in "Thornton" funding. So, while most school systems have arrived at the plateau of "adequate" funding called for by the "Thornton" Commission and mandated by the Act, without any inflationary factor these gains will be short-lived.

Importantly, the rationale for the inflation factor extends beyond the need to keep pace with routine increases in routine expenditures such as transportation, facilities, and employee benefits. Maryland's 24 local school systems are confronting major, new budget demands that were not foreseen, or able to be foreseen, by the "Thornton" Commission or legislation. For example, the federal No Child Left Behind Act was enacted in early 2002, simultaneously with the Bridge to Excellence Act, which was developed over the previous two years. Therefore, many of the costly changes required by NCLB in standardized testing, teacher training, and school restructuring were not included in the State's cost projections. In addition, Maryland's legislature and State Board of Education have continued to expand the scope of local school system responsibilities in areas ranging from master planning requirements, to charter school funding, to "high stakes" high school assessments, to purchasing automated external defibrillators (AEDs).

Other reasons to fully fund the inflation factor?

County funding is required by law to keep pace with enrollment, but not inflation. In fact, counties are allowed, but not required, to cut funding from year to year based on declining enrollment. In this light, the state inflation factor is now the only required increase in public school funding not tied to increasing enrollment. Fully funding the inflation factor is now more important than ever.

How much less will school systems receive in the 2008-2009 school year if the inflation factor is not funded?

The implicit price deflator currently stands at between 5 and 6 percent. Eliminating this percentage increase in state education aid in fiscal year 2009, which funds the 2008-2009 school year, would result in drastic cuts in anticipated funding, and erode the progress underway in every school system.