Overview

As of February 18, 2019, governors in 36 states have released their budget recommendations for fiscal 2020. Most states saw strong revenue growth in fiscal 2018 and early fiscal 2019, resulting in more “new money” to spend on key priorities. In their budget proposals for fiscal 2020, governors are choosing to direct a significant portion of these new resources into early education, K-12, higher education, and workforce development. Below are some of the most common areas of investment, based on governors’ budgets released to date. The state examples provided are meant to be illustrative but not exhaustive.

Early Education

Expanding Preschool Access: At least 20 governors so far have proposed new funding for expanding access to public preschool, with many aiming to put the state on a path toward universal access for all eligible-age children. California, Iowa, Maine, Nevada, New York, Oregon, Pennsylvania and Rhode Island are among the states where governors are calling for significant investments in preschool programs.

Full-Day Kindergarten: Colorado’s new governor has made it his top priority to provide universal access to free, full-day kindergarten for all school districts statewide. California’s governor has proposed $750 million in one-time funding to retrofit facilities for full-day kindergarten programs, and Pennsylvania’s governor has called for a study on statewide, full-day kindergarten.

K-12 Education

Teacher Pay Increases: At least 18 governors so far have recommended pay raises for teachers in their states, including governors in Georgia, Nevada, New Mexico, South Carolina and Virginia. In some cases, these represent the continuation of a phased-in increase that was previously decided upon, such as in Arizona and West Virginia. Idaho’s governor also recommended funding for the fifth year of teacher pay raises, in addition to setting aside money to increase starting teacher salaries in the state. Oklahoma’s new governor recommended an additional $71 million towards another pay raise for teachers following its teacher-pay legislation passed last year, and Mississippi’s governor is calling for $50 million over two years towards a teacher pay raise. Texas’s governor called for placing the highest premium on excellent teachers in the poorest communities.

Teacher Recruitment and Retention Strategies: In addition to increases in pay, governors are proposing a variety of programs aimed at recruiting and retaining teachers, in response to statewide shortages as well as in targeted subjects and in rural areas. Florida’s new governor has proposed spending $423 million for a new initiative to recruit and retain educators. West Virginia has called for incentives to recruit and retain math, science, foreign language and special education teachers. Colorado and Montana have recommended funding student loan repayment or forgiveness programs to help recruit and retain teachers in rural areas, and Delaware proposes to expand a similar incentive program to recruit more high-need educators. Maine’s governor also proposes steps to deal with the state’s severe teacher shortage.
**School Formula Funding**: Governors in many states are calling for increasing and adjusting formula funding that gets distributed to school districts.

- **Formula Funding Increases**: In **Utah**, the governor has recommended $127 million to increase per-pupil funding by 4 percent, and in **Maryland**, the governor proposed a 5.3 percent increase in direct aid to local schools. Governors in some states that have had to restrict school funding in recent years are calling for “fully funding” their school formulas or restoring previous reductions. In **Kansas**, a state that has wrestled with school finance litigation in recent years, the new governor’s budget recommends adding $271 million in K-12 student funding compared to fiscal 2019, which is $134 million more than called for current law. **Nebraska**’s governor proposes a 10.7 percent increase over two years.

- **More Funding for At-Risk Students**: Some governors have called for changing the weighted amounts and directing more money toward educating economically disadvantaged students, with an emphasis on closing the achievement gap. **New Mexico**’s governor recommended $113 million in additional resources for at-risk students in the state’s funding formula. The governors of **Delaware** and **Massachusetts** also want to see weighted funding increases for low-income students and English language learners (ELL).

- **Special Education**: Several governors have specifically called for increases in special education funding. **Washington**’s governor includes a $145 million increase for special education in his budget, and **Pennsylvania**’s governor calls for a $50 million increase. **California**’s governor includes one-time funding to support a better alignment of a patchwork of special education services. In **Virginia**’s supplemental budget for the biennium, the governor proposes to establish a pilot program to encourage the use of robots to help educate students on the autism spectrum.

- **Funding Other Education Reforms**: In some cases, the additional funding is tied to other education reforms. In **Oregon**, the governor is proposing $800 million in new money for schools to lengthen the school year to 180 days and reduce class sizes for K-3 grades. **New Mexico**’s governor also proposed $139 million in new funding to lengthen the school year, as well as additional funding for other strategies aimed at boosting college readiness.

**School Safety Initiatives**: Growing attention has been paid to school safety concerns in recent years, and at least nine governors have proposed more resources dedicated to school safety efforts for the upcoming fiscal year. Some of these proposals are for recurring expenditures, such as **South Carolina**’s recommendation to provide funds to place school resource officers in schools that cannot afford them. In other instances, such as in **Utah**, the spending is one-time for safety-related facility upgrades.

**Student Mental Health and Counseling Services**: Another area that has received increased attention recently – in part related to school safety concerns – is mental health services in schools. The **Massachusetts** governor plans in fiscal 2021 to phase in increased school funding for counseling and psychological services, adding about $75 million. **Iowa**’s governor proposes additional funding to train teachers to better recognize early signs of mental illness. **Washington**’s governor’s budget includes a six-year phase-in of higher staffing for student supports including counselors and psychologists, beginning with the lowest-income districts.

**School Facilities**: In states that provide support for capital construction of K-12 school facilities, this is another area where governors are choosing to put additional resources in their budgets for next year. **Hawaii** proposed more than $400 million over the biennium for school infrastructure improvements. **New Hampshire**’s governor recommended $63 million in one-time funds to provide school building grants to property-poor school districts. **Georgia** and **Maryland** are also among the states proposing sizeable investments in school facilities.

**Pension Relief**: Some states, such as **California**, **Indiana** and **Oregon**, are proposing to use one-time funds to reduce school district pension liabilities and/or employer contribution rates. In **Indiana**, this is estimated to save local schools $140 million over the biennium that can instead be
directed toward teacher pay increases.

**Computer Science Programs:** Arkansas’s governor recommended continued funding for his computer science initiative, guaranteeing computer coding classes in all high schools. Other states, such as Florida, Missouri and South Carolina, also proposed funding to train teachers in computer science and coding education.

**Charter Schools:** States including Georgia, New Hampshire, and South Carolina proposed additional funding for charter schools.

**Career Pathways:** In some states, such as Massachusetts, Nebraska, North Dakota, and South Dakota, governors proposed additional resources for expanding work experiences and other career-oriented opportunities for high school students.

**Postsecondary**

**“Promise” / Free Tuition Programs:** So far, at least seven governors have proposed additional resources to create or expand a state-level “Promise” program, which operates as a state-funded, last-dollar scholarship program to guarantee free tuition, typically for in-state residents only. These programs may be need-based or universal. While these programs generally started at the community college level, some states have expanded or are considering expanding to four-year institutions. New York’s governor’s budget includes the third phase of its four-year institution free tuition program by expanding eligibility to households with income up to $125,000, while the governors of Hawaii and Maryland are also proposing to expand their existing Promise programs to cover four-year institutions. Washington’s governor proposes to overhaul the state’s need-based financial aid program and replace it with the Washington College Promise Scholarship, and California’s governor set aside $40 million for a second year of free community college tuition under its Promise program. Rhode Island’s governor proposed to expand its Promise program to include adults over 25 attending community college. While Michigan’s governor has not yet released her budget, her State of the State address announced a new scholarship program that would guarantee “debt-free” community college or two years at a four-year institution.

**Other Student Financial Aid:** Aside from “Promise” proposals, governors in at least 16 states have proposed funding increases for other state financial aid programs. Oregon’s governor proposed to double the amount of money available in the need-based Oregon Opportunity Grant program, while Utah’s governor recommended using one-time funds to endow a new need-based scholarship fund. Some governors, such as Missouri and Nebraska, have proposed scholarship funding for students receiving training in specific, high-demand areas.

**Operating Support for Institutions:** Governors in at least 17 states so far have proposed budgets that target additional resources to higher education institutions to help them cover student enrollment, personnel and other operating costs and to restrict the need to increase tuition.

**Tuition Freeze and Limits:** In some instances, governors proposed increased operating funds for institutions in combination with a freeze or limit on tuition rates. For example, Colorado’s governor proposes a $121 million investment in postsecondary institutions to freeze tuition. South Carolina’s governor proposes a 6 percent increase to the annual base budget for those institutions that freeze tuition levels for in-state students. The governors of Montana and Vermont also proposed tuition freezes in their budgets. Maryland and Oregon proposed limits on tuition growth.

**Workforce Development / Career and Technical Education:** Governors across the country are proposing investments aimed at aligning their education systems with current and future workforce demands. In Florida, Iowa, and Missouri, for example, governors have proposed additional funding to help prepare residents for in-demand careers. A number of executive budget proposals also invest in increasing apprenticeships and other work-based learning efforts, such as the Create Connect Washington initiative. Along these lines, governors’ budgets are also recommending more resources for their career and technical education systems. Oregon’s executive budget, for example, includes $133 million in additional spending on career and technical education, in line with a ballot measure passed in November, and an additional $70 million in career and technical education pathway programs at postsecondary institutions.
**Capital Construction and Deferred Maintenance:** In addition to operating funds, states also provide financial support to higher education institutions through spending on capital and deferred maintenance. For example, Arizona’s governor’s budget provides capital to community colleges to help them expand certain workforce training programs, while the governors of Georgia and Hawaii proposed bonds for capital projects at their public institutions. Additionally, the governors of California, Delaware and Missouri set aside funding in their budgets to support deferred maintenance projects at colleges and universities.

**Closing**

Aside from the categories above, governors’ budgets have directed additional resources into other education-related areas as well, including literacy programs, accountability systems, and school transportation. Governors in some states have proposed governance and policy changes in their education systems as well.

NASBO will continue to monitor, analyze and report on governors’ budget recommendations as they are released.

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