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## The Birmingham News

### **State school superintendent says fiscal 2011 budget likely to include third year of cuts, while expenses - especially health benefits - to increase dramatically**

State needs \$282.6 million more for health premiums

Friday, September 25, 2009

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State school Superintendent Joe Morton warned school board members Thursday that the fiscal 2011 budget will likely include a third year of cuts, while expenses - mainly employee health benefits - will increase dramatically.

Morton estimated the state will have to come up with an additional \$282.6 million to pay the increasing health insurance premiums.

Meanwhile, state officials are struggling to maintain funding levels for programs like the Alabama Reading Initiative, the Alabama Math, Science and Technology Initiative and the Advanced Placement initiative.

"It gets emotional when you talk to a teacher with no money for teaching supplies and she's 23 years old with \$30,000 in student loans," Morton said at a state Board of Education work session. "There are demands from all areas and not enough money to cover all the costs."

The state will start fiscal 2010 on Oct. 1, and will begin budget talks the same month for fiscal 2011. The state's K-12 education budget for 2010 is \$3.67 billion - almost \$500 million less than the appropriated 2009 budget of \$4.15 billion.

Morton said he expects 6 percent proration, or across-the-board cuts, to the 2010 budget, which would bring the budget down an additional \$219.6 million. Gov. Bob Riley is the only person who can declare proration and has said he expects to do so soon.

Riley declared proration of 11 percent to the 2009 budget.

Even before proration is declared for 2010, some areas of the budget took major hits, including AMSTI, the English as a Second Language program, teacher recruitment incentives, Advanced Placement classes and the teacher mentoring program.

Fiscal 2011 will be much the same, said Craig Pouncey, assistant superintendent of administrative and financial services. Pouncey said he expects the 2011 budget to be \$1 billion less than the 2008 budget of \$4.15 billion.

Meanwhile, health care costs will increase by 32 percent from 2010 to 2011, officials say.

"This is not a slam toward anybody and I'm not trying to get into a health care debate," Morton told the board. "I'm just telling you that we have demands for funds that far outstrip the available revenue. I hope to make recommendations to the board next month on how to handle this."

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