

EXHIBIT 19
DATE 01/18/2005
HB 2

For the 2005 Budget Presentation:

PRESENT LAW ADJUSTMENTS (PROGRAM 09)

DP1 K-12 BASE AID

This is "DP 1 K-12 BASE Aid" on page E-18. This request funds the statutory increases of per-student and basic entitlements for schools that were enacted by the 2003 Legislature. Using the statutory formula, the inflator rates are 2.1% in FY 2006 and 2.19% in FY 2007. The cost of the package was adjusted downward by 2 things: First, enrollment is expected to decline by 1.5% for the first year of the biennium and 1.2% for the second year. The savings on entitlements has been netted from the request. Second, the state expects there will be an increase in guarantee fund revenues of \$0.6 million in FY 2006 and \$0.4 million in FY 2007. This revenue will offset the general fund's increased costs, so it was netted from the anticipated costs of the adjusted entitlements in determining the net general fund cost. The net request is \$5.7 million in FY 2006 and \$10.7 million in FY2007, for a total of \$16.4 million for the biennium. This is a biennial appropriation.

[Bob Runkel—"DP 5 Special Ed Increase to FY 2005 Level"]