

State of Rhode Island and Providence Plantations  
**DEPARTMENT OF EDUCATION**  
Shepard Building  
255 Westminster Street  
Providence, Rhode Island 02903-3400

Deborah A. Gist  
Commissioner

May 17, 2010

Dear Colleagues:

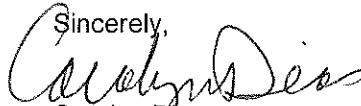
As we have reported to you previously, the FY 2010 revised and FY 2011 budgets are currently being negotiated by the General Assembly. Although state revenues have improved, we are still facing a projected deficit of \$150M for FY 2010. Therefore, we anticipate education aid reductions in the current year. The Governor's, House, and Senate versions of the budget propose to shift a portion of FY 2011 stabilization funds into FY 2010 and reduce state general revenues by an equivalent amount. This has created a logistical problem for both the districts and the Department, as districts are required to submit an application for a specific amount of federal stabilization funds that must be approved by the Department.

With very few weeks left in this fiscal year and the expectation that the General Assembly may not pass the FY 2010 revised budget until mid to late June, we would like to survey districts to see how many would need to access these stabilization funds in FY 2010 to balance their budgets. The Governor had proposed to shift \$5M, the House shifted an additional \$9M, which was later reduced to \$6M. Therefore, for this analysis, we have assumed that the final FY 2010 budget will shift the entire proposed amount of \$14M of federal stabilization funds from the FY 2011 allocation to FY 2010 as shown in Column D of the attached spreadsheet.

Please review the attached document and let us know if your education aid was reduced by the amount indicated for your district, would you need to amend your current federal stabilization funds application in FY 2010 to balance your budget? If the answer is yes, please enter the amount you anticipate you will need in FY 2010 in Column E – "DISTRICT ESTIMATED AMOUNT NEEDED FOR FY 2010" and email it back to David Luther at [david.luther@ride.ri.gov](mailto:david.luther@ride.ri.gov) by **Friday May 28th, 2010**. Since we will use the figure that you will provide in this exercise to determine a revised FY 2010 and FY 2011 SFSF allocations in AcceleGrants, the deadline to submit an additional amendment to your FY 2010 application and a new submission of your FY 2011 SFSF application has now been extended to **Friday June 18, 2010**.

**Please note that no district will lose their allocation.** This is just a logistical issue that will determine if we allow access to the amount in AcceleGrants in FY 2010 or FY 2011. Although we realize districts with large allocations may need to modify their FY 2010 grants, some of the districts receiving smaller allocations may prefer that we just reflect the allocation in FY 2011. These estimates are subject to change depending on how the General Assembly enacts the budget.

Please contact David Luther at 222-4652 if you have any questions. Thank you for your support.

Sincerely,  
  
Carolyn Dias  
Chief of Fiscal Integrity and Efficiencies

Telephone (401)222-4600 Fax (401)222-6178 TTY 800-745-5555 Voice 800-745-6575

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