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OFFICE OF GOVERNOR RONNIE MUSGROVE  
INTEROFFICE MEMORANDUM

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**TO:** GOVERNOR  
**FROM:** RILEY  
**SUBJECT:** NATIONAL BOARD FOR PROFESSIONAL TEACHING STANDARDS: 2003 BUDGET  
**DATE** 9/27/02  
**CC:** FILE

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We have received an email from NBPTS regarding its budget that I needed to make you aware of. In preparing the 2003 budget, NBPTS staff reviewed the candidate count and found that applications are lagging behind last year at this time. Thus, NBPTS will likely not reach its target of 23,700 first time applicants for the 2002-03 cycle. The anticipated 20,500 first time applicants will have a significant impact on the budget. In addition, foundation and corporate philanthropic giving is down. NBPTS will fully expend its research and development grant from the U.S. Department of Education in 2003.

The Finance Committee has delayed approval of the budget beyond the October board meeting and is requiring NBPTS staff to present a revised budget based on priorities in October. The Finance Committee will review the revised budget in November and then make a recommendation for approval of the budget to the Executive Committee. A resolution for adoption of the budget based on the Finance Committee's review of the budget and the Executive Committee's concurrence will be mailed to the Board and a vote will be taken by mail.

NBPTS staff is implementing plans for both revenue increases and cost-savings. These plans include implementing a hiring freeze on selected vacancies; restrictions on travel; review of contracts, leases, licenses, etc.; and, identifying additional sources of potential revenue. It is also likely that NBPTS will secure a line of credit to ensure that the organization has sufficient cash to get through the few months of the year when it is likely that cash could be tight.

I'll keep you posted as to additional information or details that I may receive.