



Updated  
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## Education Coalition Position Paper: 2012-13 State Budget

Working together to support and improve California's public schools

### **Association of California School Administrators (ACSA)**

*representing more than 16,000 school administrators*

### **California Association of School Business Officials (CASBO)**

*representing more than 4,000 school business officials*

### **California County Superintendents Educational Services Association (CCSESA)**

*representing all 58 county superintendents throughout California*

### **California Federation of Teachers (CFT-AFL-CIO)**

*representing nearly 90,000 education employees*

### **California School Boards Association (CSBA)**

*representing nearly 1,000 K-12 school districts and county offices of education throughout California*

### **California School Employees Association (CSEA)**

*representing more than 230,000 classified school employees*

### **California State PTA**

*representing more than one million parents, teachers, and students in California*

### **California Teachers Association (CTA)**

*representing over 325,000 educators*

### **Service Employees International Union (SEIU)**

*representing more than 50,000 school employees in California*

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In the last four years, funding for our schools has been cut by more than \$20 billion. We recognize the substantial budget problem facing the Governor and the Legislature to close the 2012-13 budget deficit estimated at \$15.7 billion.

While we have concerns on the budget proposal, we appreciate the Governor and Legislature's willingness to incorporate changes urged by the Education Coalition, including his recent signing of SB 81, which replaced the current year school transportation cut with an across-the-board reduction to the revenue limit. We look forward to continued discussions on the Coalition's concerns during budget deliberations.

We believe the budget should not cut K-12 education below current year levels nor should it contain policy changes which result in some districts receiving additional funds at the expense of others.

### Revenues

It is clear that the state has a revenue problem stemming from a major economic recession. The Education Coalition believes that this year marks a key turning point where Californians must decide whether to continue the devastating cuts to our education system and other vital state programs, or to rebuild the infrastructure that helped us become the 8<sup>th</sup> largest economy in the world. We believe that some form of revenue enhancement must be passed to re-invest in our public schools and to return our economy and our schools to national prominence. Without significant new revenues, our schools and students will suffer from a cut that would be equivalent to three weeks of instruction. This is simply unacceptable.

It is important to understand that the Education Coalition, representing parents, teachers, classified staff, administrators, and other school employees, is willing to fight for more revenues to prevent any further cuts. Substantial new revenues are essential to begin restoring these cuts to our schools. In the last four years, funding for schools has been cut by more than \$20 billion. California continues to be the 8<sup>th</sup> largest economy in the world, and our academic standards are among the most rigorous in the country, but our investment in education is among the lowest compared to other states. New revenues are needed to replenish K-14 school funding.

### No Further Cuts

The budget proposes cuts to K-12 education in 2012-13. It is important that there be no further cuts to the K-12 education budget and programs. This is particularly critical if the tax initiatives fail. Preserving the remaining resources to education will be essential for districts to survive.

### Maintaining the Integrity of Proposition 98

We urge protecting the integrity of the Proposition 98 guarantee. For example, inclusion of \$2.4 billion of debt service payments in the Proposition 98 guarantee is both inappropriate and unconstitutional. Debt service payments are made by the state and do not flow through local districts as required by Proposition 98. We have the same concerns with the May Revision proposal to include QEIA and Early Start in the Proposition 98 guarantee.

### Deferrals

Many school districts are on the edge of fiscal insolvency due to existing apportionment deferrals. The additional intra-year borrowing (as much as \$3.2 billion on a monthly basis) required of school districts and county offices called for in the Governor's budget proposal presents additional, significant challenges for schools. It is essential that when the Legislature and Governor enact a final budget in June, there can be no additional reductions in monthly cash apportionments.

### Policy Changes Proposed in the Budget Should Get a Full Policy Hearing.

There are a number of proposals in the budget which represent major policy changes to how education and program operations will operate in the 2012-13 year and beyond. Such proposals include:

- A weighted student formula to finance the K-12 system
- Changing the mandates from a reimbursement to an incentive program
- Implementation of transitional kindergarten

These issues require legislative deliberation through the policy making committees of the legislature.

There should be an opportunity for all concerned parties to both hear and respond to the rationale for the policy changes being proposed.

### Trigger Reductions:

The Education Coalition has two concerns with regard to the trigger:

Trigger Reductions are Disproportionate to K-14 Education. We oppose the disproportionate \$5.5 billion in trigger reductions to K-14 education should the Governor's proposed tax initiative fail. As noted by the Legislative Analyst, "Proposition 98 funding for schools and community colleges would bear the brunt of such reductions: \$5.5 billion (90 percent) of the \$6.1 billion in total trigger cuts." Moreover, the trigger reductions would go back to the pattern of disproportionate cuts to education that have devastated services to school children since the budget crisis began.

Trigger Reductions Should Not Be Acceptable Practice. In addition, we are concerned that for the second year in a row, the budget contains essentially two budgets for school districts, opening the door for mid-year cuts well into the middle of the fiscal year. This makes it difficult for districts to effectively plan their resource mix for the school year. Specifically, it will force districts to adopt their budgets based on the lower funding levels [i.e. the triggers are pulled] rather than on the assumption the Governor's tax initiative passes. Trigger cuts should not be continued as a standard budgeting practice.