

Fourth District Legislative Advocacy Communicator



FOURTH DISTRICT PTA ADVOCACY TEAM

FEBRUARY 2012

Governor's Budget proposes dramatic school funding change

Governor Jerry Brown's budget proposal for 2012-13 would dramatically change the way California's schools are funded, eliminating revenue limits and most categoricals, and changing the way mandates are handled.

The budget would pay down the money owed to schools, leaving education funding essentially flat, unless the governor's initiative fails to win voter approval. In that case, public schools would see \$4.8 billion in trigger cuts next year. Also, the budget provides no funding for the new Transitional Kindergarten program.

It is important to remember, however, that these proposals are only the beginning of the budget process. The legislature may or may not endorse any of these ideas. The numbers could change in May, when the majority of tax payments have come in and the governor presents his "May revise."

Proposed changes in education funding

Currently, the state provides funding for K-12 education primarily in two ways. Each school district has a "revenue limit," a specific amount of funding based on a 1972 formula. When a local school district does not receive enough money from its share of local property taxes, the state provides additional funding up to the revenue limit, based on the average daily attendance.

In addition, the state provides categorical funding that can only be used for specific programs, such as special education, class size reduction, English learners, or mental health. Until recently, there were about 60 categorical programs, accounting for about a third of each district's state funding. Since 2009, the state has allowed school districts to use funds from about 40 categorical programs for other purposes. This gave districts more flexibility in dealing with tight budgets.

The governor's proposal would suspend requirements for up to 10 additional programs, essentially eliminating most categoricals. A few programs, including special education, school nutrition and the Prop. 49 after school program, would remain.

In place of revenue limit funding and categoricals, the governor proposes that all school districts and charter

(continued on page 2)

Calendar of Events

Our Children, Our Future Initiative Event

Wednesday, February 15, 10:30 a.m. to 12:30 p.m.

Clifton C. Miller Community Center

300 Centennial Way, Tustin 92780

★ **All PTA members are urged to attend.**

Sacramento Safari Orientation

Friday, March 16, 9:30 a.m. to 11 a.m.

Fountain Valley School District

10055 Slater Avenue, Fountain Valley 92708

★ **All Safari participants should attend.**

Sacramento Safari

March 26 and 27 in Sacramento

More information and registration at:

www.fourthdistrictpta.org

Advocacy Roundtable

Friday, April 27, 9:30 a.m. 11:30 a.m.

Fountain Valley School District

10055 Slater Avenue, Fountain Valley 92708

★ **All PTA members are welcome to attend.**

**Don't miss this exciting opportunity to visit
our beautiful State Capitol and hear from
knowledgeable speakers, including:**

- **Molly Munger** – The leading force behind the "Our Children, Our Future" Initiative
- **Sue Burr** - Executive Director, State Board of Education and Gov. Brown's "go-to" expert on education
- **Mac Taylor** - California State Legislative Analyst
- **John Fensterwald** – Editor and Co-Writer of *Thoughts on Public Education*, a leading source of California education policy reporting and opinion
- **Rick Simpson**, Deputy Chief of Staff to Assembly Speaker John Perez

Sacramento Safari 2012
It's where you'll want to be!

For more information and registration, go to:
www.fourthdistrictpta.org

Governor's Budget...

(continued from page 1)

schools receive an equal base amount for each pupil, plus an additional amount for all low-income and English language learner students. This new “weighted student formula” would be phased in over five years, beginning in 2012-13. In 2013-14, the governor proposes to add a performance component, providing fiscal incentives for districts to improve or sustain high academic performance.

The new funding system would simplify and streamline education funding in California. It would give school districts local control over how they spend the weighted funding. It would also create winners and losers among districts, with some gaining more funding and others getting less than they do now.

Replacing mandates with a block grant

Mandates are activities that the state requires school districts to perform each year, such as collective bargaining, state testing programs, and student health screenings. The state is supposed to repay districts for the expenses involved in fulfilling these mandates. However, in recent years the state has deferred these payments, resulting in a debt to the school districts of more than \$3.6 billion.

The governor's budget proposal would eliminate 31 of the 57 existing education mandates, including two of the costliest mandates – one relating to high school science graduation requirements and one relating to behavioral intervention plans for special education students. The remaining 26 mandates would be suspended, although they are still considered high priority.

School districts that complete all of the 26 mandates would be eligible for a “mandate block grant.”

Prop. 98 Funding for 2012-13

Prop. 98 generally guarantees that K-14 schools get about 40 percent of each year's state budget, calculated through complex formulas. Increases in school funding must be added to the following year's calculations. However, the state has flexibility in applying these formulas during times of fiscal crisis.

The governor's budget increases Prop. 98 funding by \$4.9 billion, an increase of about 10 percent over last year. Of that, \$2.2 billion goes to repay past debts to education. His plan eliminates funding for Transitional Kindergarten, home to school transportation, and the Advancement Via Individual Determination (AVID) program, among others.

This plan depends on the passage of the governor's tax increase initiative (See article at right). If the voters do not approve the measure, the governor would cut school funding by \$4.8 billion.

Transitional Kindergarten funding

In response to concerns that children were starting school too young, the state lawmakers in 2010 passed legislation that requires children to be five years old when they begin Kindergarten. This change is being phased in over three years, with the birthday cutoff date moving back from December 1 one month each year.

Since there will be fewer students in Kindergarten, there is a cost saving for the state, estimated at \$224 million for 2012-13. The legislature plans to use that to create a new Transitional Kindergarten program, which would offer a year of public school to children who miss the cutoff. This program also would be phased in over three years.

The change in Kindergarten ages will continue, but the governor proposes not to begin the Transitional Kindergarten, saving about \$675 million per year by 2014-15, when the program would have been fully implemented. School districts would be able to create their own Transitional Kindergarten programs, but they would have to do it without state funding.

Potential 2012 Tax Initiatives

Three initiatives that would raise taxes to benefit schools have been filed with the state. All need to collect signatures to qualify for the November 2012 ballot.

Our Children, Our Future Act

This initiative by attorney Molly Munger is supported by California State PTA. It would raise about \$10 billion a year through a sliding scale income tax increase. The funding would be placed in a separate trust fund and distributed directly to schools. For more information, see the January issue of the *Advocacy Communicator*.

The Schools and Local Public Safety Protection Act

Proposed by Governor Brown, this measure would increase the state sales tax by 0.5 percent for four years and increase the state personal income tax rate by 1 to 2 percent, depending on the level of income, for five years. The anticipated \$6.9 billion increase funds school districts, community college districts, county offices of education and charter schools.

Millionaires Tax to Restore Funding for Education and Essential Services Act of 2012

Sponsored by the California Federation of Teachers, this initiative ballot measure would increase tax rates on personal incomes over \$1 million per year, raising an estimated \$6 billion per year for schools, seniors, child and disabled services, public safety, and roads and bridges.