LAO predicts $26 billion state budget windfall, more or less

In a surprising development, California is expecting a $26 billion budget windfall in the next fiscal year. This is good news for K-12 schools, at least in the short term.

State tax receipts are coming in at levels higher than expected, leading to $26 billion in unanticipated revenue, according to a recent report by the non-partisan Legislative Analyst’s Office. The LAO emphasizes that the windfall is “entirely one time” and could end up being $10 billion smaller or larger than current estimates.

However, California schools are still desperately in need of additional funds to deal with the impacts of the pandemic. The economic outlook for the state is filled with uncertainties that could lead to a $17 billion deficit within five years, the LAO says.

The COVID-19 pandemic brought California’s economy to a halt in the spring and state leaders assumed there would be a $54 billion shortfall in revenues. The current-year budget used about half of the state’s rainy day fund and included $11 billion in spending reductions, in the hopes that these would be reversed with additional funding from Washington, D.C. To date, Congress has not approved the new pandemic relief funding.

The state maintained the level of education funding by issuing $12.5 billion in “deferrals” to school districts. These are essentially IOUs that the state promises to repay when revenues increase. In the meantime, school districts cover the difference by dipping into their reserve funds or borrowing money, which results in additional costs.

The LAO recommends that half of the windfall be used to repay the state’s reserve funds, so they can be used in future years. The other half should be used for one-time purposes, “focusing on activities that mitigate the adverse economic and health consequences of the public health emergency,” the LAO report states.

Since Prop 98 requires K-12 schools and community colleges to receive 40 percent of the state budget, the windfall could mean a $13.1 billion increase in education funding. Most of this will likely go to repay deferrals.

How did the windfall happen? The financial impacts of the pandemic have not been as severe as expected. The state’s economy rebounded in the summer. High-wage employees—many of whom can work from home—kept working and businesses were able to continue operating. Unemployment numbers have not been as high as anticipated. A booming stock market resulted in higher income for the top 10 percent of income earners, who provide about 80 percent of personal income tax revenue in California. All of this has resulted in higher than expected tax collections.

California State PTA
Advocacy Goals 2019-21

- The expansion of quality preschool programs
- Programs that promote the health and welfare of all children and families
- Stable and sustainable public education funding comparable to the top ten states
- A full curriculum for all students that includes P.E. and the arts
- Legislation to reduce the effects of poverty on children and families

A call to action from California State PTA

Unless Congress acts, schools are about to experience major budget cuts triggered by the pandemic. That’s why we need your help.

We need you to contact your federal representatives ASAP to support money for schools. Your action will help prevent layoffs, larger class sizes and the reduction or elimination of important programs and services for our students.

Please join with education leaders around the country in asking for $200 billion to support education funding, including special education, distance learning, Title 1 for low-income students and other programs.

Click here to send a message to your U.S. senators and representatives, and help ensure that robust education funding is included in the next COVID-19 relief package.

Get ready for Sacramento Safari!

Visit with education experts and get lots of information from the comfort of your home.

**Sneak Peek**
February 5, 9:30 a.m. to 11 a.m.

**Safari Days**
February 22, 9:30 a.m. to noon
February 23, 1 p.m. to 4 p.m.

Free and open to all PTA members. More information coming soon.
You can advocate for children with an email or a phone call

There are 120 lawmakers in the California Legislature: 40 in the Senate and 80 in the Assembly. As they introduce, consider, discuss, and vote on hundreds of bills each year, the legislators get input from about 2,000 registered lobbyists representing California cities, counties, businesses, and organizations. Most of those lobbyists are paid.

In the midst of that throng are six volunteer advocates representing California State PTA, including one from Orange County: Donna Artukovic. These advocates work diligently to persuade legislators to pass laws that benefit children and public schools. (To learn how State PTA takes positions on bills go to the CAPTA Toolkit.)

Needless to say, the five advocates have a huge job to do, with few resources. One of their most important resources is YOU, the PTA member.

You can play a role in making sure that laws supporting the welfare of children are passed. You can do this by contacting your legislators whenever you get an action alert from Fourth District PTA or CAPTA.

In most cases, this can be done easily and quickly by sending an email to your state senator or assembly member or by making a quick phone call to his or her Sacramento office.

You don’t need to talk to the legislator. Simply tell the staff person who answers the phone: “Hi, I’m Jane Doe and I live in the senator’s/Assembly member’s district. I would like him/her to vote yes/no on AB 999.” The staffer may ask for your address to verify that you are a constituent. The phone call shouldn’t take more than a minute.

Staffers tabulate the information they get from phone calls. “Burning up the phones” with an organized campaign can definitely influence the voting decisions of legislators, according to a former Assembly member who spoke at one of our Advocacy Forums.

Sign up for Fourth District and State PTA legislative alerts here.

It’s a good idea to know in advance the names of your senator and Assembly member and how to contact them. Include their email addresses in your email address list. Program their phone numbers in your cell phone. That way you can respond quickly when action is needed.

You can find out the names of your legislators here.

General Election Results

The results of the General Election in Orange County were certified by Registrar of Voters Neal Kelley on November 25. There were a few changes in Orange County legislative districts.

In the State Senate, Josh Newman replaced Ling Ling Chang in the 29th District and Dave Min replaced John Moorlach in the 37th District.

In the State Assembly 72nd District, Janet Nguyen replaced Tyler Diep, who did not run. Laurie Davies was elected in the 73rd District, replacing William Brough, who also did not run.

Assembly members Phillip Chen (55th District), Sharon Quirk-Silva (65th District), Steven Choi (68th District), Tom Daly (69th District), and Cottie Petrie-Norris (74th District) were re-elected.

In the meantime, the tobacco industry will have two more years to sell their addictive flavored products to children and adults.

A 2018 study by the Centers for Disease Control and Prevention found that 67 percent of high school students and 49 percent of middle school students who use tobacco used flavored products.

CAPTA worked hard to support the passage of SB 793, which prohibits the sale of flavored smoking products to adults and children. It passed the state legislature with bipartisan support and was signed into law by Gov. Gavin Newsom in August.

According to a recent article in the Los Angeles Times, the tobacco industry has spent more than $21 million fighting SB 793.

“This is Big Tobacco’s latest attempt to profit at the expense of our kid’s health,” said Gov. Newsom.