

Fourth District PTA Advocacy Communicator



FOURTH DISTRICT PTA ADVOCACY TEAM

JANUARY 2024

California schools may be facing budget cuts yet again

After several years of record-high education budgets, California schools may again be dealing with serious funding cuts.

As the governor and legislators begin the budget process for 2024-25, they face a \$68 billion deficit, according to a [report](#) by the nonpartisan Legislative Analyst's Office (LAO). This translates into a \$19 billion decrease over three years for schools and community colleges.

Why the big drop in state revenues? Higher interest rates have reduced home sales and business investments, including new startups in Silicon Valley. California businesses had much less funding available to expand operations or hire new employees. The incomes of the top 1 percent of earners in the state went down, and since they represent 50 percent of personal income tax receipts, state revenues went down as well.

This year the personal income tax filing deadline was extended from April to November, so legislators had no clear idea of how much revenue would come in until the state was well into the next fiscal year. When the revenues arrived, they were \$26 billion lower than what the lawmakers had estimated. That means some of the cuts will have to come out of this year's budget.

This revenue shortfall is the largest the state has seen

since the Great Recession of 2008. The state is in a somewhat better position this time because during the fat years lawmakers put nearly \$24 billion in a general purpose rainy-day fund and \$8.1 billion in a Prop. 98 reserve (which covers schools and community colleges). This doesn't solve the problem, but it gives lawmakers some options to work with.

The LAO report lists several ideas for dealing with the shortfall. One obvious solution is to use all or part of the reserve money. The LAO cautions that deficits could extend over several years. "As a result, preserving a substantial portion—potentially up to a half—of reserves would provide a helpful cushion in light of the anticipated shortfalls that lie ahead," the LAO says.

Lawmakers should immediately look for monies the state has committed but not yet spent and hold those back, the LAO says. These may include unallocated funding for community schools, learning recovery or after-school extended learning time. The state could also raise taxes on a temporary or permanent basis.

"These options and others, like cost shifts, would allow the Legislature to solve most of the deficit largely without impacting the state's core ongoing service level," the report states.

Why is the California state budget a roller coaster?

The California State Budget is often compared to a roller coaster. One year the revenues are up and the following year they plummet. Years of plenty are followed by years of drastic funding cuts.

About 40 percent of every state budget goes to K-12 schools and community colleges. Schools get about 60 percent of their funding from the state. As a result, financial troubles at the state level almost always have a serious impact on education.

School districts have limited ability to raise operational funds at the local level and must cope with constantly fluctuating state funds. This complicates long-term planning and the development of new programs. School reforms—such as class-size reduction—have been implemented and then dismantled as funding increased and declined. For several years during the Great Recession of 2008, districts were told to borrow money needed to run schools and wait for repayment by the state.

The reason for this volatility is California's taxation

system, which relies heavily on income taxes from high-income earners. About half of state income taxes come from the wealthiest one percent of residents, whose earnings are based largely on how well the stock market is doing. As the stock market goes up and down, so do the tax receipts for California. (continued on page 2)

Fourth District PTA
Sacramento Safari
February 26 and 27



Information and registration
at fourthdistrictpta.org

Use Your
Voice

**Don't miss out! Registration closes January 31,
or when 100 places are filled.**

Six candidates are running for Orange County School Board seats

Six candidates are running for three seats on the Orange County Board of Education. Voting will take place in the Primary Election, March 5.

The candidates are as follows:

Trustee Area 1, covering portions of Anaheim, Santa Ana, Orange, Stanton, Garden Grove and Tustin:

Beatriz Mendoza (beamendoza.com)

Jorge Valdez (incumbent) (jorgevaldes4ocschools.com)

Trustee Area 3, covering Brea, Yorba Linda, Villa Park, and portions of Irvine, Fullerton, Orange, Anaheim and La Habra:

Nancy Watkins (nancywatkins4oc.com)

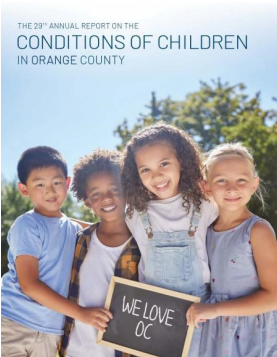
Ken Williams (incumbent) (drken4ocbe.com)

Trustee Area 4, covering portions of Buena Park, Fullerton, La Habra, Garden Grove, Stanton and Westminster:

David Johnson (vote-david.com)

Tim Shaw (incumbent) (shawforschools.com)

Annual report on OC children



The 29th Annual Report on the Conditions of Children in Orange County was released last month by the Orange County Social Services Agency.

The [report](#) covers the areas of good health, economic well-being, educational achievement and safe homes and communities. Much of the information is broken down by city or school district.

The report has a number of positive indicators:

- More Orange County children are covered by health insurance.
- High school dropout rates are declining.
- College readiness among high school graduates is higher than the state average.

There is also negative news:

- Chronic school absenteeism has increased.
- More 11th grade students are experiencing depression, especially those who identify as lesbian, gay or bisexual.
- Suicide is the leading cause of death among 10-to-14-year-old children.

The Orange County Board of Education oversees the work of the Orange County Department of Education (OCDE). In addition to approving the OCDE budget, the trustees serve as an appeal board for local cases involving expulsions or inter-district transfers. The county board also has the power to approve charter school applications that have been denied by local school boards.

The OCDE plays an important role in Orange County education. The department reviews the finances and operation of school districts and approves each district's budget and LCAP. The OCDE also provides an array of services and resources to students and school districts. These include teacher training, technical support, legal services, and alternative education programs for certain students.

PTA does not support or oppose candidates for office but does encourage members to be informed voters.

Fourth District PTA Advocacy Forum

Friday, January 19

9:30 a.m.

Fountain Valley School District

10055 Slater Avenue

Fountain Valley



Advocacy Idea-Sharing Roundtable

Come hear about the work your fellow PTA advocates are doing in their own schools. Come prepared to share a few ideas of your own!

No charge. You must be a PTA member to attend.

California's budget roller coaster

(continued from page 1)

It doesn't have to be this way. Other states have taxation systems that are broad-based and more dependent on stable sources of funding.

The fluctuating state budget has been a concern for California State PTA for decades. There have been numerous CAPTA advocacy efforts to encourage the development of a tax system that would create a more stable source of education funding. With so much at stake for our children and schools, it's important for PTA members to be informed and active advocates regarding funding.

Chapter 8 of Ed100.org is a detailed description of California's school funding system and the complex issues associated with it.