



Governor's Budget Proposal for 2012-13

Talking Points

- The Governor's budget attempts to close a \$9.2 billion budget shortfall, by increasing revenues by \$6.9 billion through a voter-approved initiative and making \$4.2 billion in cuts primarily to education and health and human services.
- Funding for Prop. 98 increases to \$52.5 billion up from \$47.6 billion in 2011-12.
 - This includes a natural increase in the guarantee regardless of any new revenues, as well as the increase generated by the new revenues.
- The increase doesn't equate to new resources for school districts and county offices of education.
 - The natural increase in the guarantee would be consumed primarily to pay for the \$2.1 billion inter-year deferral approved with the 2011-12 budget; these are expenses districts incurred in 2011-12, but the State is paying for in 2012-13.
 - The increase in funding from the new revenues would be used to reduce inter-year deferrals by \$2.3 billion.
- Original budget proposal included the elimination of funding for home-to-school transportation. Governor has since backtracked on that and restores funding for one year only and incorporates transportation funding in the weighted student formula.
- Budget proposal once again includes trigger reductions that would be automatically enacted if revenues are not approved.
 - Result in a \$4.8 billion cut to Prop. 98, which is 90 percent of the trigger cuts.
 - Elimination of the deferral reduction.
 - Include debt service on school facilities bond in the Prop. 98 guarantee, which would require \$2.4 billion in cuts to schools as the guarantee isn't adjusted for this shift.

Major Policy Proposals

- *Weighted Student Formula:* Includes base funding, a weight for English learner and students that qualify for free and reduced priced meals. Also includes a concentration factor for districts that have a significant number of students that qualify for the weights.
 - Would be phased in over 5 years beginning in 2012-13.
- *Mandates:* Provides an alternative to the current claiming process by establishing a block grant that includes 22 mandates.
 - \$178 million would go out on a per ADA basis (\$30 per student for districts, \$89 for county offices of education and \$26 for charters) for districts that opt in.
 - Additionally would also eliminate 23 mandates.
- *Transitional Kindergarten:* Maintains the date change for kindergarten (moving it to November 1 in 2012-13, October 1 in 2013-14 and September 1 in 2014-15), but eliminates the requirement that districts offer transitional kindergarten for students affected by the date change.
 - Districts could offer a two year kindergarten if they choose and would receive funding for those students.
 - Districts would have to waive the age restriction for students who have not yet turned five and would need to have parents sign a "continuance form" for the students to receive funding for the second year of kindergarten
 - Requires a change in law for Governor's proposal. Absent legislative action, in 2012-13 districts must still offer TK for students who turn 5 in November.