

Overview

- Finally, some good news!
 - Many unknowns
- Preliminary Information
 - Details are still forthcoming
- Timing may be difficult
 - Signed state budget
 - Desire to rescind layoff notices

Stability for Education

- Is this a more stable Budget for education?

Less reliance on tax extensions – \$4 billion at election risk instead of \$12 billion

More reliance on ongoing revenues of \$6.6 billion

Stability for Education cont'd

\$13.4 billion in cuts to non - Proposition
98 side proposed in January have been
made

Less exposure to suspension of
Proposition 98

No political will to suspend

- Safer in May than in January
- Continued vigilance through enactment and beyond

May Revise

- \$3 Billion Increase for Education
 - Not what it seems but still good news
- Eliminates cash deferral
 - No new money but helps cash flow
- No suspension of Proposition 98
- Eliminates projected \$349 per Average

May Revise cont'd

- Provides funding for mental health and out-of-home care for Special Education students (AB 3632)
 - Districts now pick up the cost
- Suspension of funding for CALPADS and CALTIDES
- Funding for Charter School growth and categorical block grant funding
- Potential reductions to Child Development programs

Assumptions

- \$6.6 billion in additional state revenue
- Proposition 98 increase from \$49.4 billion to \$52.4 billion
- Efficiencies at the state level
- Extension of higher tax levels
 - Reforming enterprise zones
 - Sales tax
 - Vehicle license fees
 - Personal income taxes

Risks to the Revised Budget Proposal

- Tax proposals worth \$4 billion could be rejected by the Legislature or state voters with increasing revenue projections
- Litigation challenging special fund shifts, social services grant cuts, and realignment proposals

Next Steps

- Recommendation to restore Co-Curricular Support
- Recommendation to restore Home - to - School Transportation
 - Both programs impact enrollment and Average Daily Attendance
 - Both programs can be reduced or eliminated fairly quickly if necessary
- Schools plan staffing for best and worst case
- Continue to analyze May Revise information

Next Steps cont'd