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Students, Schools Bear Brunt of Governor's Proposed Budget Cuts

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Sacramento, CA – The governor's budget proposal released today calls for unprecedented cuts to K-12 students and schools by reducing Proposition 98 funding by \$400 million in the current year and suspending Proposition 98 funding for 2008/09.

"The governor's proposed budget cuts are the worst California's students and schools have ever faced in the history of our state," said CSBA President Paul H. Chatman. "CSBA wants very much to contribute to solutions to the current fiscal crisis, but at the same time call upon the governor and Legislature to put all options on the table, including revenues and expenses. Until this happens, developing an honest and long-term solution to this crisis will not be possible."

Mid-year budget cuts

The governor proposes mid-year budget cuts on K-12 schools by reducing Proposition 98 funding by \$400 million in the current year. Of this, \$360 million would be applied to K-12 schools and county offices of education, and \$40 million would be applied to community colleges.

"Cuts to schools in the middle of the fiscal year, when the public school year is nearly half over, are unrealistic and unacceptable," said Chatman. "Teachers are in the classroom, bus drivers are transporting children to and from school, and school personnel are serving students and parents at all levels."

Suspension of Proposition 98 funding for 2008/09

For the 2008/09 budget year, the governor proposes a \$4 billion, or 9.2 percent reduction from the Proposition 98 "workload" budget. The workload budget is defined as the prior year (2007/08) budget as adjusted for changes in enrollment and a cost-of-living adjustment. In other words, the \$4 billion reduction is applied to the amount K-12 schools would receive if Proposition 98 were fully funded.

Since the Proposition 98 guarantee will grow by less than \$4 billion next year, there will be an actual year-to-year reduction of \$865 million. Accordingly, budget documents show a reduction of total per pupil spending of \$309 (2.6 percent), from \$11,935 to \$11,626. This "total" includes spending from all state revenue sources, not just Proposition 98.

"Proposition 98 did not cause the budget crisis California is facing," said Chatman. "By suspending Proposition 98 and making crucial cuts to education, the governor's budget will drive us even lower and reveals a shocking lack of recognition of the real needs of kids and schools."

List of major education reductions in the budget proposal

- \$2.6 billion from the K-12 the revenue limit
- \$1.1 billion from categorical programs
- \$357.9 million from special education
- \$198.9 million from Child Development
- \$59.6 million from the Proposition 49 Before and After School Programs
(this would require a ballot initiative that the Administration will propose)
- \$14.2 million from Child Nutrition Programs
(by reducing the reimbursement rate from 21 cents to 19 cents)

The governor also proposes further reductions to revenue limit funding, in addition to a zero COLA.

One-time funding

In the current year, \$555.6 million in one-time funding was used to support several ongoing programs, such as home-to-school transportation and deferred maintenance. The budget proposes to backfill these one-time funds with Proposition 98 funds in 2008-09.

Addressing the overall budget proposal and its impact on public schools, CSBA Executive Director Scott P. Plotkin stated, “twice this week, Governor Schwarzenegger has invoked the name of Franklin D. Roosevelt. The governor would do well to remember that President Roosevelt once referred to education as ‘the real safeguard of democracy.’”

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