

2012-13 Education Budget

It all hinges on Proposition 30—The Schools and Local Public Safety Protection Act of 2012. While passage does not provide new money for most of the education sector in the budget year, failure of Prop 30 sets devastating trigger cuts in motion that would take place midyear--\$5.4 billion from Proposition 98 and \$250 million each from the University of California and California State University.

Facing a higher deficit than anticipated in January or May, the enacted budget makes additional cuts of \$8 billion from health and human services, child care, redevelopment assets, the judiciary and state employee compensation. Education is protected **if** Proposition 30 passes, reflecting legislative and the governor’s priorities.

Child Care and Development

2012-13 Enacted Budget	
COLA	Zero funded COLA
State Preschool	Families lose exemption from fees for state preschool program services; funding for state preschool is moved back into the Proposition 98 guarantee. The governor used his line-item veto to remove \$30 million from state preschool in 2012-13—eliminating 12,500 preschool slots
Provider Contracts	Child care contracts are cut by 8.7 percent across the board, impacting general child care, the alternative payment program and CalWORKs Stage 3 child care. Cal WORKs Stages 1 and 2 are exempt
Realignment	Realignment proposed in January and May is not implemented

K–12 Education

2012-13 Enacted Budget	
COLA	No funded COLA for 2012-13, but promises to fund COLA with increased revenue from the initiative in 2013-14. Statutory COLA is 3.24%
Revenue Limit Deficit	The deficit factor will be increased to 22.272% reflecting the lack of COLA and other cuts. Half of increased Proposition 98 funding in 2013-14 will be used to restore funding cuts, deficits and COLAs if initiative passes
Categorical Programs	No additional cuts; flexibility unchanged
Weighted Student Formula (WSF)	The budget does not include the governor’s proposal to make significant changes to the school funding mechanism
Transitional Kindergarten (TK)	Transitional kindergarten is required and funded in revenue limit funding

Home-to-School Transportation	Home to School Transportation funding is continued at the 2010-11 level. Funds remain restricted
Special Education	Any funding recaptured from SELPAs losing ADA will be redistributed to fund increased SELPA ADA.
Mandates	Budget includes a \$200 million block grant proposal for K-12 and community college mandates after eliminating nearly half of them. Districts can choose to continue current filing process or a block grant of \$28 per student. (Per student amount is \$14 for charter schools and \$29 for county offices of education)
Charter Schools	\$50 million to cover increased costs for charter school block grants and categorical block grants because of charter school growth. Modifies surplus property conveyance to give districts an incentive to sell property to charter schools if that property was purchased with state funds
Deferrals	Uses increased Proposition 98 funding to buy out part of the state's debt to education in 2012-13
Basic Aid Districts	Basic Aid districts will see a "fair share" reduction of 9.57% in 2012-13 taken from categorical funds, subject to the requirement that the state must provide at least \$120 per pupil in basic aid. Districts will also be subject to an additional cut of \$457 per ADA if trigger cuts are implemented
Advancement Via Individual Determination Program (AVID)	The governor vetoed \$8.1 million in funding for the AVID program. The current year is the final year of a three-year grant cycle. AVID is funded on calendar year so it is funded until the end of 2012. AVID College Readiness System states that they will provide a transition plan that will support districts through the end of the 2012-13 school year and that districts will be able to transition to the national model of AVID membership in 2013-14
<i>If Proposition 30 does not pass...</i>	
Deferrals continue	Deferral continues, saving the state \$2.5 billion—districts face on-going cash problems
Additional cut	Proposition 98 (K-14) cut by additional \$2.7 billion if initiative fails. Districts would be authorized to reduce the school year by an additional 15 days in both 2012-13 and 2013-14, reducing the required school year to 160 days. Teachers would receive a full year of service credit if the year is shortened

Adult Education

2012-Enacted Budget

Flexibility	Since the Weighted Student Formula was not enacted, Adult Education funds are not included. Former flexibility language remains, leaving this funding vulnerable to district manipulation
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Community College

2012-13 Enacted Budget

COLA	No funded COLA
Growth/Restoration	\$50 million is included for growth in enrollment

Deferrals	Inter-year deferrals reduced by \$159 million—this isn't new funding, but will relieve district borrowing costs and reduces the state's "wall of debt".
Flexibility/Categorical Programs	No policy changes to categorical programs; flexibility unchanged
Property Tax Adjustment Redevelopment Funds	Community colleges are protected from shortages in redevelopment funds
Good Neighbor fees	Nonresident students' from neighboring states (currently Oregon and Arizona) tuition increases from \$46 per unit to \$92 per unit in 2012-13. In 2013-14, it goes to three times the resident per unit fee
Mandates	Budget creates a \$200 million block grant program for K-12 and community college mandates after eliminating nearly half of them. Districts have the option to receive a \$28 per student grant or to continue filing claims
<i>If Proposition 30 does not pass...</i>	
Deferral continues	Deferral continues saving the state \$159.9 million—actual cut is reinstatement of any district costs for borrowing
Growth	\$50 million for growth/restoration would be lost
Triggered Cut	If the tax initiative fails, community colleges would be cut \$338.6 million mid-year, representing a workload reduction of 7.5%

University of California

2012-13 Enacted Budget	
Eliminate Set-Asides	Budget removes set-asides for specific programs and purposes such as Drew Medical Program, AIDS research, Summer School for Mathematics and Science, etc. in order to provide UC with greater flexibility
Higher Education Compact	The January budget proposal for a new "long-term funding plan" was rejected by the legislature
Fiscal Incentives to Freeze Tuition Levels	The budget appropriates \$125 million for the 2013-14 fiscal year if UC maintains student tuition at the 2012-13 level and Proposition 30 is enacted
<i>If Proposition 30 does not pass...</i>	
Unallocated Reduction	UC funding is cut by an unallocated \$250 million

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