



# 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

