

# 2011-12 State Budget Preliminary Analysis

## Glendale Unified School District Board Meeting – July 12, 2011

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# 2011-12 State Budget Overview

- **Assumes \$4 Billion Revenue Increase**
- **Flat Funding – 2010-11**
- **Prop. 98 – Manipulated to Reduce Education Entitlement**
- **Trigger Language & Automatic Cuts**
- **New State Restrictions/Rules on Local Governance**

# 2011-12 State Budget

**Assumes \$4 Billion Revenue Increase**

- **State Revenue Projection for 2011-12**

**\$4 Billion Over the \$6.6 Billion Increase in May Revise**

# 2011-12 State Budget

## Flat Funding – 2010-11

- **\$19 Per ADA Cut Restored**
- **\$2.1 Billion School Funding Deferred to 2012-13**

# 2011-12 State Budget

## Prop. 98 – Manipulated to Reduce Education Entitlement

- **Removed Child Care - \$1.2 Billion Reduction**
- **Shifted Sales Tax Revenue to “Local” - \$2.096 Billion Reduction**
  - Continuation Dependent on Election Occurring prior to November 2012
  - Reversion and Repayment Plan If No Election

**Prop. 98 is no longer a “minimum guarantee”**

# 2011-12 State Budget

## Trigger Language & Automatic Cuts

- **If \$4 Billion Revenue Increase Is Not Realized → Mid-Year Cut**  
**January 2012 - \$1.5 Billion Cut In Education**

**Potential Reduction to Glendale - \$6.4 Million**

# 2011-12 State Budget

## New State Restrictions/Rules on Local Governance

- **Districts Prohibited from Making Program Reductions**
- **Must Assume 2010-11 Funding Continues**
- **Must Assume No 2011-12 Mid Year Cut**
  - **No Reduction Allowed to Prepare for Trigger Language**
- **Not Required to Demonstrate Solvency for Two Subsequent Years**

# 2011-12 State Budget

## New State Restrictions/Rules on Local Governance

- **County Office of Education Not Allowed to Withhold Budget Approval Based on Insolvency in Future Years**



# 2011-12 State Budget

**State Policy Limiting Boards Authority & County's to be Fiscally Responsible**

**Prudent Fiscal Management is No Longer Encouraged**

**Not Allowed to Prepare for Potential Mid-Year Cuts**