

REVISED 1/17/2012

Governor's 2012-13 Budget Proposal

Preliminary Analysis

**Glendale Unified School District
Board of Education Meeting – January 17, 2012
Information Report No. 3**

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Governor's 2012-13 Budget Proposal

- **Mid-Year Reduction – 2011-12 - Continues**
- **Assumes \$6.9 Billion Revenue Increase**
- **Prop. 98 – Manipulated to Reduce Education Entitlement**
- **Additional Proposed Reduction/
Restructuring of Revenue Sources**
 - **Mandated Programs**
 - **Transitional Kindergarten**
 - **Home-to-School Transportation**
 - **Weighted Student Funding**
- **Trigger Language and Automatic Cuts**

Governor's 2012-13 Budget Proposal

- **No increase in funding for K-12 Education**
- **Maintain \$13/ADA cut**
- **Eliminate transportation and other funding, and begin weighted student average**
 - **If November Election Fails → Severe Cuts to Education**

Governor's 2012-13 Budget Proposal

Mid-Year Reductions – 2011-12

- **Cut – 50% of Transportation Revenue – deleted and re-distributed**
- **Cut - \$13 per ADA of Revenue Limit - continues**

Impact to the District

- **Transportation ↓ \$365,686**
- **Revenue Limit ↓ \$330,405**

Governor's 2012-13 Budget Proposal

- **Governor's tax measure would generate \$6.9 billion annually over the next five years.**

BUT

- **Legislative Analyst's Office (LAO) Analysis**
 - **\$4.8 billion in 2012-13**
 - **\$5.5 billion in following years**

Governor's 2012-13 Budget Proposal

Prop. 98 – Manipulated to Reduce Education Entitlement

- **Reduction in Child Care – Alignment of eligibility with federal welfare-to-work participation requirements and reduced reimbursement rates, resulting in a decrease of \$447 million non-Prop. 98 funds and \$70 million Prop. 98 funds.**
- **Deferrals – Redirect \$2.3 billion to reduce inter-year deferrals (Not an increase in funding)**
- **Shift Redevelopment funding to “Local” - \$24.3 million in 2011-12 (Not an increase in funding)**

Prop. 98 is no longer a “minimum guarantee”

Governor's 2012-13 Budget Proposal

Additional Proposed Reductions/Restructuring of Revenue Sources

- **Mandated Programs**
- **Transitional Kindergarten**
- **Home-to-School Transportation**
- **Weighted Average Funding**

Governor's 2012-13 Budget Proposal

Additional Proposed Reductions/Restructuring of Revenue Sources

Mandated Programs

- **Elimination of more than half of existing mandated programs**
- **Creation of a new K-12 and community college mandate incentive block grant**

Governor's 2012-13 Budget Proposal

Additional Proposed Reductions/Restructuring of Revenue Sources

Transitional Kindergarten

- **No funding is provided**
- **November eligibility is retained**

Potential Impact to the District

- **Student** ↓ **(140)**
- **Revenue** ↓ **(\$725,000)**
- **Options will be reviewed**

Governor's 2012-13 Budget Proposal

Additional Proposed Reductions/Restructuring of Revenue Sources

Elimination of Home-to-School Transportation

- **Proposes a complete elimination of funding for the program in 2012-13**
- **50% was cut in 2011-12 (\$365,686)**
- **Balance to be cut in 2012-13 (\$365,686)**

Governor's 2012-13 Budget Proposal

Additional Proposed Reductions/Restructuring of Revenue Sources

Weighted Student Formula

- **Phased in over five years and will include:**
 - **Base level funding for all students**
 - **Additional weighting for English learners**
 - **Additional weighting for students on free and reduced-price lunch**

Additional weighting for schools with high concentration of the above two categories

2012-13 State Budget Overview

Trigger Language & Automatic Cuts

- **If the Tax Measure Fails, the \$6.9 Billion is Not Realized → Deep Cuts**

2012-13 mid-year cut of up to \$4.8 billion

~~Potential Reduction to Glendale Between~~

- ~~▪ \$11.3 Million (\$450/ADA) Ongoing~~
- ~~▪ \$18.9 Million (\$750/ADA) Ongoing~~

~~(Source: California Institute for School Improvement (CISI),
and Frost Davis & Donnelly)~~

2012-13 State Budget Overview

Trigger Language & Automatic Cuts

2012-13 mid-year cut of up to \$4.8 billion

As of January 12, 2012:

- **Potential Reduction to Glendale**
 - **\$9.40 Million (\$370/ADA) Ongoing**

[Source: Department of Finance (DOF) and School Services of California (SSC)]

Governor's 2012-13 Budget Proposal

Known Factors

- **Budget assumes voter approval of the Governor's tax initiative**
- **Schools will need to plan for two budget scenarios**

Unknown Factors

- **Weighted Student Funding → impact to the District**
- **Legislature response to the Governor's proposed budget**