



ONCE UPON A TIME



A story about Proposition 30

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RATED R

❖ R – Restricted

- Due to graphic details, of a political nature, this presentation is for mature audiences only.

❖ R – Revealing

- Let's discover a nugget of new information tonight!

❖ R – Romantic

- I have a silly, romantic notion that California **can** adequately fund the education of its children.



THE SETTING

- ❖ State budget crisis continues
- ❖ Since '07-08 state general fund revenues down about 15%
- ❖ Deficits persist
- ❖ Tax system flawed

A DARK AND STORMY NIGHT

	Rank	California	Rest of U.S.
K-12 Spending Per Student ('09-10)	44	\$8,826	\$11,372
K-12 Spending as a % of Personal Income ('08-09)	46	3.28%	4.25%
Number of K-12 Students per Teacher ('09-10)	50	21.3	13.8
Number of K-12 Students per Administrator ('07-08)	46	358	216
Number of K-12 Students per Guidance Counselor ('07-08)	49	809	440
Number of K-12 Students per Librarian ('07-08)	50	5,038	809

Information courtesy of School Services of California, Inc.



2012-2013 EDUCATION BUDGET

- ❖ \$6.7 billion increase in Prop. 98
- ❖ \$3.7b from normal revenue growth in the state general fund
- ❖ **\$2.9b from Prop. 30**
- ❖ \$0.1b re-bench due to Mental Health
- ❖ \$5.9b to K-12 (rest to Community Colleges)
 - \$3.4b from the State
 - \$2.5b from local property taxes

A decorative white floral border with intricate scrollwork and leaf patterns surrounds the central text on a black background.

TENSION RISING

- ❖ No additional *program* funds for K-12
- ❖ \$5.9b increase in *State* budget
- ❖ How?
- ❖ About \$3.8b is used up to cover on-going commitments from the prior year.
- ❖ The last \$2.1 billion is used to pay down the deferral credit card.



OUR HERO(?)

- ❖ Proposition 30

- ❖ Estimated by the LAO to generate about \$6 billion annually.
 - Could vary wildly
 - 1% mental health tax generated \$730m in '09-10 but double that in previous years.

- ❖ Already included in the State's adopted budget!



OUR ANTI-HERO(?)

- ❖ ¼ cent sales tax increase beginning January 1, 2013 lasting through January 1, 2017.
- ❖ Up to a 3% increase in the Personal Income Tax rate for single earners earning over \$250,000. Retroactive to January 1, 2012 and lasting through January 1, 2019.



THE VILLAIN

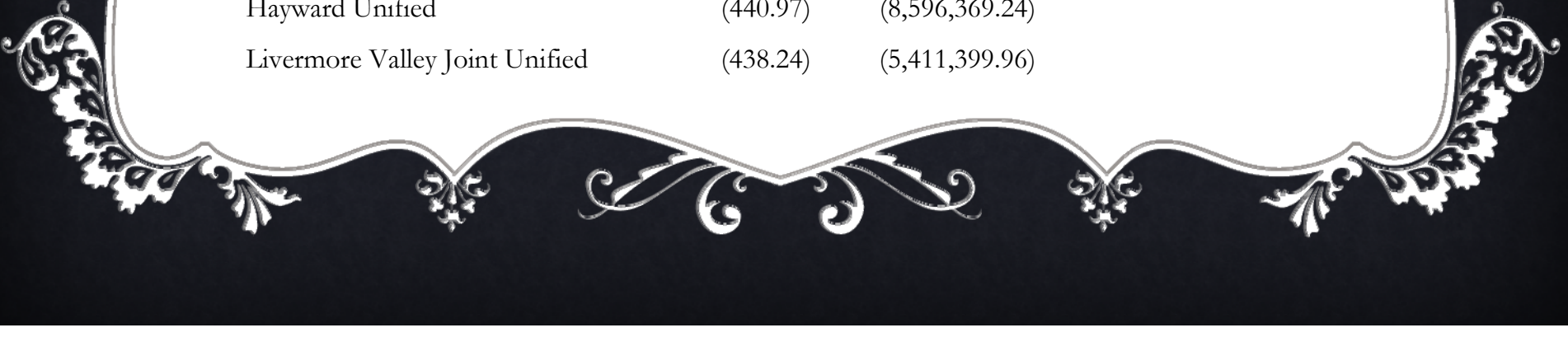
- ❖ Trigger Cuts!
- ❖ The adopted state budget states that a cut of \$5.4 billion will apply to K-14 education if the taxes from Prop. 30 do not go into effect.
 - Note: the trigger cuts are specific to Prop. 30.
- ❖ \$2.2 billion will be applied as an additional K-14 deferral
- ❖ The balance will be a mid-year cut of approximately \$457 per student!! (6.5% of revenue limit entitlement)



THE NIGHTMARE



<u>District</u>	<u>Cut per Student</u>	<u>Estimated Total Loss of Funding</u>
Alameda Unified	(438.19)	(3,895,249.27)
Albany Unified	(439.45)	(1,615,704.70)
Berkeley Unified	(451.91)	(4,042,196.99)
Castro Valley Unified	(440.09)	(3,850,469.76)
Dublin Unified	(497.23)	(3,290,180.01)
Emery Unified	(492.47)	(356,655.00)
Fremont Unified	(438.76)	(13,870,130.19)
Hayward Unified	(440.97)	(8,596,369.24)
Livermore Valley Joint Unified	(438.24)	(5,411,399.96)



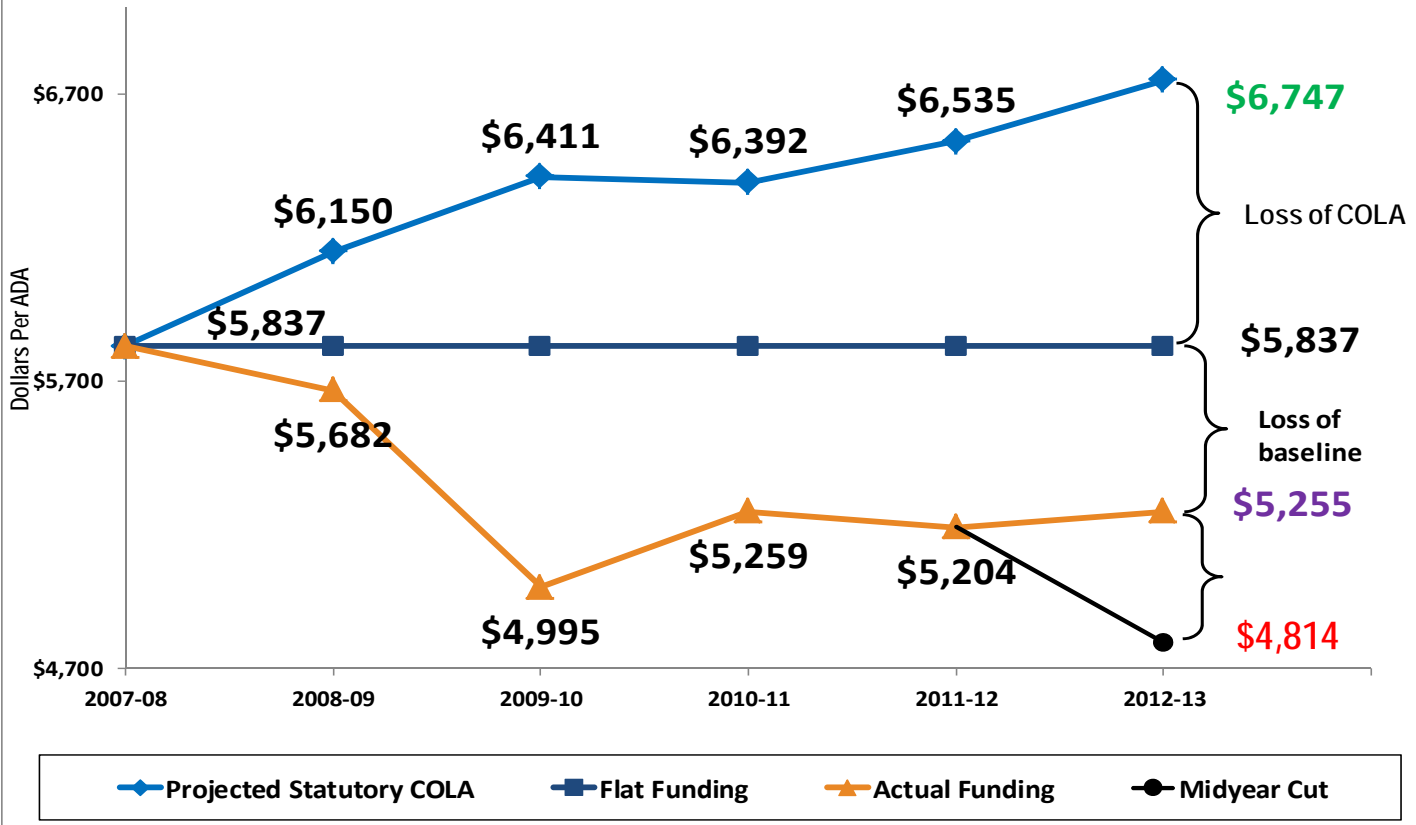


NIGHTMARE



<u>District</u>	<u>Cut per Student</u>	<u>Estimated Total Loss of Funding</u>
Mountain House Elementary	(482.99)	(22,294.94)
New Haven Unified	(439.14)	(5,458,665.93)
Newark Unified	(439.49)	(2,811,732.64)
Oakland Unified	(439.06)	(15,811,007.94)
Piedmont Unified	(442.14)	(1,097,061.80)
Pleasanton Unified	(476.83)	(6,912,581.29)
San Leandro Unified	(440.48)	(3,734,678.19)
San Lorenzo Unified	(440.13)	(4,714,717.04)
Sunol Glen Unified	(466.94)	(119,290.29)

Piedmont Unified District Revenue Limit History





A QUICK TRIP DOWN THE RABBIT HOLE

- ❖ Realignment
- ❖ Constitutionally ratifies the realignment of services and sales tax from the State to County government implemented with the '11-12 budget.
- ❖ Shifted over \$6 billion from the State General Fund to Local Agencies.
- ❖ Reduced Proposition 98
 - CSBA lawsuit

OUR HEROINE(?)

- ❖ Proposition 38
- ❖ Estimated by the LAO to generate about \$10 billion annually.
 - Could vary wildly
- ❖ Funding is in addition to Prop. 98 and must be spent at the school site level.
- ❖ Split among K-12, Early Childhood Education, and Paying down state debt. (60/10/30 for four years then 85/15/0)



ANTI-HEROINE (?)

- ❖ Provides for an increase in Personal Income Tax for most incomes, ranging from a low increase to the marginal tax rate of 0.4% to high of 2.2%.
- ❖ Begins 2013 and last through 2024.



WHAT IF BOTH THE HERO AND HEROINE SURVIVE?

- ❖ The initiative with the most votes prevails

- ❖ At least as to conflicting provisions....



OUR CONCLUSION...

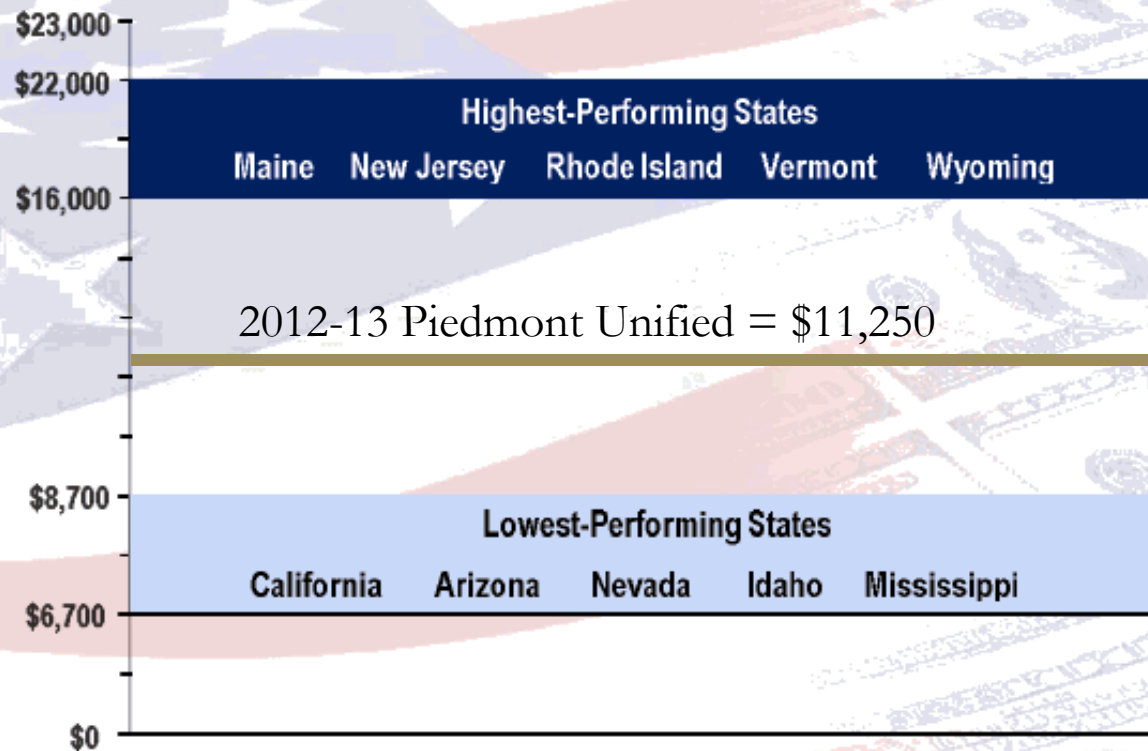


- ❖ To be decided at the ballot on November 6, 2012.
- ❖ Please be sure to vote and have your say to this story's ending!

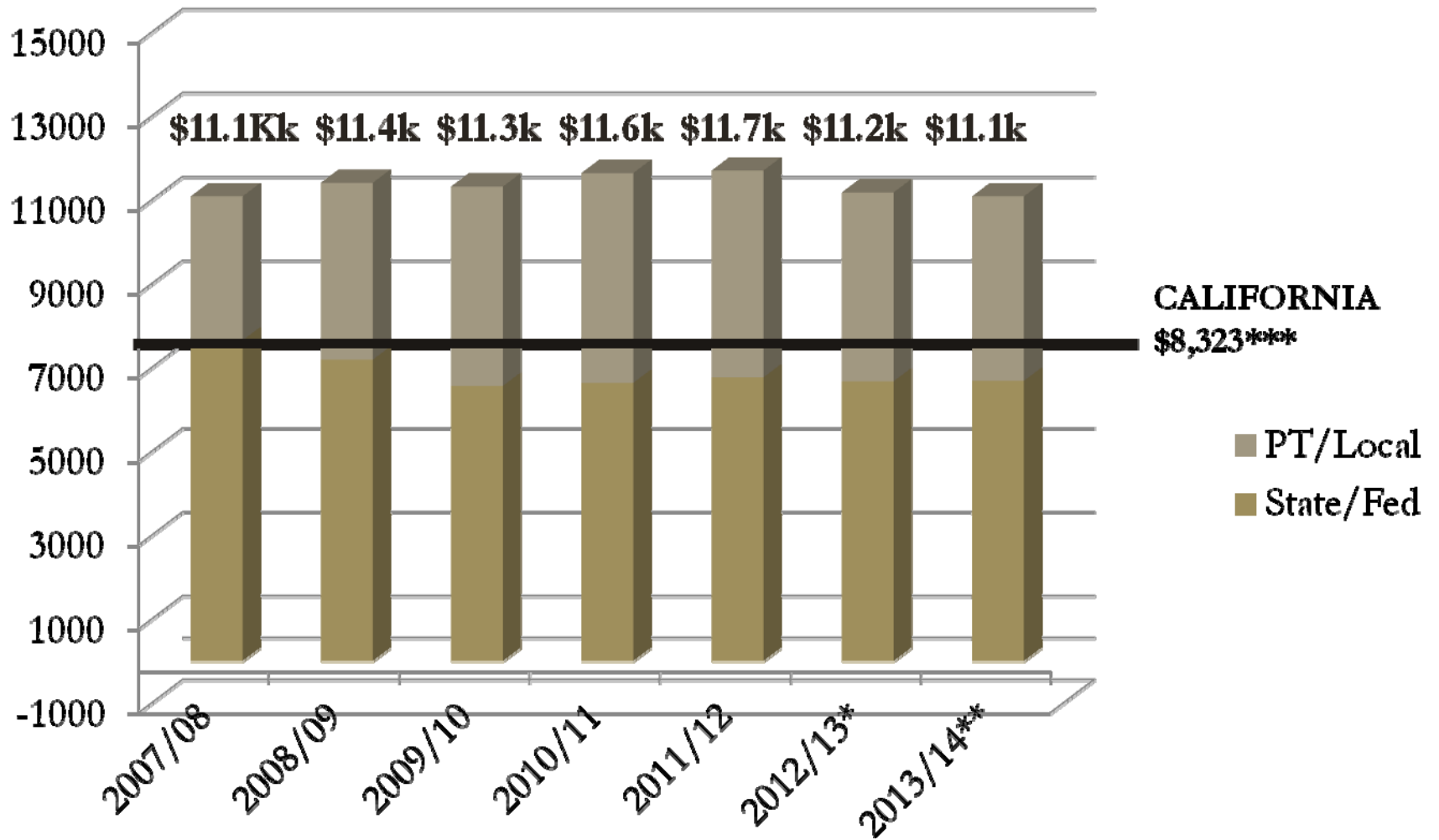
Money Matters in Student Performance

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Test Scores vs. Dollars Per Student



PUSD FUNDING COMPARISON: STATE/FEDERAL VS. LOCAL FUNDING



*2012/13 Adopted Budget **Multi-Year Projections

*** Source: California Department of Education Feb, 2012

PER PUPIL EXPENDITURES

Saint Helena Unified	17,590
Carmel Unified	17,295
Woodside Elementary	16,624
Tamalpais Union High	14,787
Emery Unified	14,226
Laguna Beach Unified	13,670
Hillsborough City Elementary	13,463
Palo Alto Unified	12,994
Calistoga Joint Unified	12,806
Sequoia Union High	12,473
Berkeley Unified	12,236
San Rafael City High	11,958
Los Gatos-Saratoga Joint Union High	11,659
Beverly Hills Unified	11,464
Menlo Park City Elementary	11,457
<u>Piedmont City Unified</u>	<u>11,248</u>
Saratoga Union Elementary	11,138
Oakland Unified	10,583
Mill Valley Elementary	10,328