



association of california school administrators

ACSA Budget Position Paper 2011-12 Budget Proposal

The Association of California School Administrators (ACSA) is a statewide nonprofit association representing over 15,000 county office, school district, and school site education leaders. ACSA continues to be a primary stakeholder in the annual K- adult education budget process and provides analysis, input, and advocacy on behalf of its members to the executive, legislative and regulative branches of state government. ACSA looks forward to working with the administration and the Legislature on the Governor's 2011-12 State Budget and Proposition 98.

Below are ACSA's policy positions in response to the governor's budget proposals and the discussion of the current budget deficit:

Prioritizing Public Education

ACSA supports the governor's plan to prioritize public education. In the past two years, the state budget has cut education funding by \$18 billion. Public education which amounts to almost 40 percent of the state budget has absorbed over 60 percent of the cuts. We appreciate the governor acknowledging this fact and prioritizing public education in his January Budget Proposal. School leaders have been forced to decimate programs and services to students in the last several years in an effort to balance their budgets. The state's students have experienced the loss of instructional support and services ranging from the elimination of intervention programs to summer school. Further, school leaders have been forced to increase class sizes and layoff thousands of teachers, instructional aides, librarians, counselors, janitors and administrators. Therefore, we fully support the governor's budget proposal to prioritize public education and funding of the minimum guarantee.

Extend the tax revenues

ACSA supports the extension of the temporary tax revenues adopted as part of the 2009 Budget Act. The state is again facing a budget deficit that has reached \$25 billion. ACSA believes it is time for the Legislature to solve the structural problems with the state's finances and eliminate ongoing shortfalls. We support Governor Brown's approach of balancing the budget. The state should not solve the deficit with a "cuts" only approach and should provide stable revenues. The Legislature must put before the voters a ballot measure that extends the tax revenues. ACSA believes it is imperative to extend the tax revenue package to ensure that there are no additional reductions to school budgets. A failure to extend the existing tax revenues will result in public education facing cuts of \$2 billion, or \$350 per student.

Funding Deferrals

While ACSA supports the limited reductions to public education, we are concerned that the budget proposal defers more than \$2 billion in funding owed to schools and students until 2012-13. The state budget has consistently deferred funding to school districts for the past several years. Currently, the total amount deferred from one fiscal year to the next has reached more than \$7 billion. The governor's proposal would bring the total amount of Proposition 98 funding deferred each year to more than \$10 billion (Because of deferrals, for every Prop 98 dollar, school districts only receive 80 cents). In addition, deferrals require districts to rely heavily on borrowing from external entities such as private lenders, County Offices of Education or County Treasurers. Borrowing from external sources can often be expensive and forces districts to spend resources paying for borrowing costs instead of dedicating those resources to instruction.

State-Local Government Realignment Proposal

A central component to the governor's proposal is the realignment of state and local responsibilities. ACSA believes that the governor's proposal has merit and deserves serious discussion as the budget process continues. ACSA would note that this realignment proposal could have an important impact on students and school leaders. The proposal would move the responsibilities of mental health services and the education of wards of the juvenile justice system to local cities, counties and school boards. ACSA contends that appropriate funding should follow the student to ensure that those students with mental health needs receive services and those juvenile offenders are provided a quality education.

Redevelopment Agency Proposal

The governor proposes to eliminate redevelopment agencies. While ACSA believes this is one of the many tough decisions facing state policymakers, we look forward to working with the governor and the Legislature on the details of the proposal. ACSA's goal with regard to the elimination of the redevelopment agencies is to ensure that the financial commitments for schools are honored. Further, the funding generated with the elimination of redevelopment agencies should not impact school district revenue limit funding. We agree with the governor's proposal that the funding derived from the elimination of redevelopment agencies should be an augmentation to school budgets and not offset by state funding.

Categorical Funding Flexibility

ACSA has supported broad flexibility in the use of categorical programs, which we believe is a tool to keep districts solvent and maintain services to the state's students. Flexibility is imperative to ensure that districts have the ability to mitigate any possible cuts and maintain district solvency. However, we continue to note that the implementation of flexibility does present many challenges with "categorical" programs that maintain their own revenue limits and are revenue generating programs (i.e. regional occupation centers and programs or adult education) distinct from traditional categorical programs. State lawmakers should examine other methods of implementing reductions to revenue limit programs instead of including them in any type of flexibility proposal.

In addition, even though categorical flexibility has provided districts with tools to keep their districts solvent, ACSA believes that the state should look at the next iteration of categorical reform and flexibility. ACSA believes that the state needs to take the time to review categorical programs and funding, and determine if the current method is the best avenue to meet the needs of students.

AB 3632 Funding

The budget proposal uses General Fund resources to pay for prior year mandated costs for AB 3632 services and the Proposition 63 funds for the budget year as part of the governor's realignment proposal. While ACSA supports the governor's realignment proposal, we are concerned and dismayed that the governor has not attempted to address the current year fiscal concerns due to Governor Schwarzenegger's veto of the funding in the 2010 Budget Act. ACSA recognizes the pending legal challenges to the veto, however, we believe that the state should make a clear statement about the importance of these services and provide current year funding for the AB 3632 mandate. The failure to address this issue has caused an ongoing disagreement between the county mental health offices and local school districts regarding how the services will be provided and reimbursed. This failure has placed special education students without access to much needed mental health services.