



Balanced Budget Proposal Includes Critical Revenues for Schools and Students

Governor Brown's budget proposal is a balanced approach to solving the deficit and it provides for an extension of temporary revenues our students need and deserve. The budget proposal acknowledges that during the last decade other areas of the budget have grown while education funding has suffered.

While the budget proposal limits cuts to schools in 2011-12, it defers more than \$2 billion in funding owed to schools and students until 2012-13. Over the last several years alone, more than \$7 billion in funding owed to K-12 students has been deferred. Schools now receive about 80 cents for every dollar promised under state law.

Schools and students face ongoing cuts as a result of these deferrals. This comes on top of the loss of approximately \$7 billion in one-time federal stimulus funding that has helped districts avoid the most severe cuts to schools and students. The Governor's budget proposal also calls for deep cuts in special education, child development and mental health programs, and it cuts more than \$1.4 billion from higher education. All of these cuts harm students and families, especially those most at risk.

The unprecedented levels of cuts to our schools and students are real and have been harmful throughout California. In the last three years alone, funding for schools has been cut by more than \$18 billion, or about \$1,900 per student. California continues to be the 8th largest economy in the world, but our investment in education is among the lowest compared to other states.

Drastic Cuts have Changed California's Once Revered Public Education System

Students in school today face a reality much different than even three years ago. Larger class sizes, fewer support services and fewer courses to help students develop critical 21st century skills are the norm. Students also confront a lack of transportation services, shorter school years, outdated instructional materials, and fewer opportunities to obtain a complete education that includes the arts, music and athletics.

State Superintendent of Public Instruction Tom Torlakson has declared a fiscal emergency for public schools, with 174 of the state's 1,077 school districts on the brink of financial disaster in the next three years. Of the state's 30 largest school districts, 16 are reducing the number of days in the academic year, according to a survey by California Watch. This loss of critical instructional time is expected to affect more than 1 million students.

California's schools rank at the very bottom of all 50 states in staff-to-student ratios, and California ranks 43rd in the nation in per-pupil spending. In the last three years, more than 30,000 teachers and 10,000 other educators have been laid off.

Investment in Education Must Be a Priority

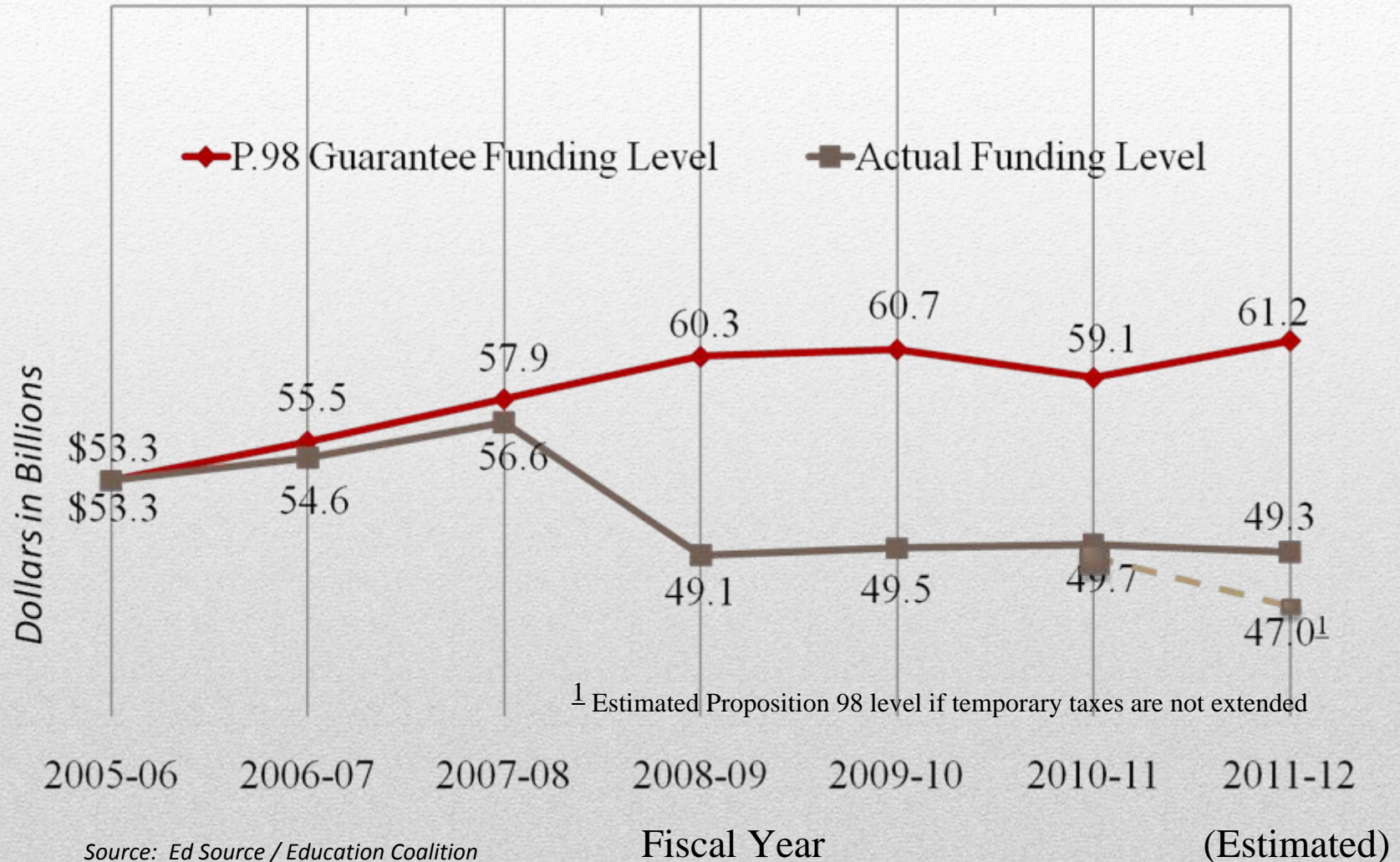
We need great schools in California. Governor Brown says education is a priority, and we expect lawmakers to work with him to protect schools from further cuts and to ensure the continued investment our students deserve.

Voters understand the importance of investing in education as the foundation of a strong economy and a well-educated workforce. According to a statewide Public Policy Institute of California poll, 82 percent of Californians oppose reductions in K-12 schools to fix California's budget deficit.

An initiative to extend temporary revenues will help prevent further cuts to schools and students. The Legislative Analyst reports that, without this extension, funding for schools would fall by more than \$2 billion, or more than \$335 per student.

To begin to reverse this downward spiral, Californians must retain the revenues that enable us to invest in our schools and students.

The Constitutional Guarantee versus Actual Funding

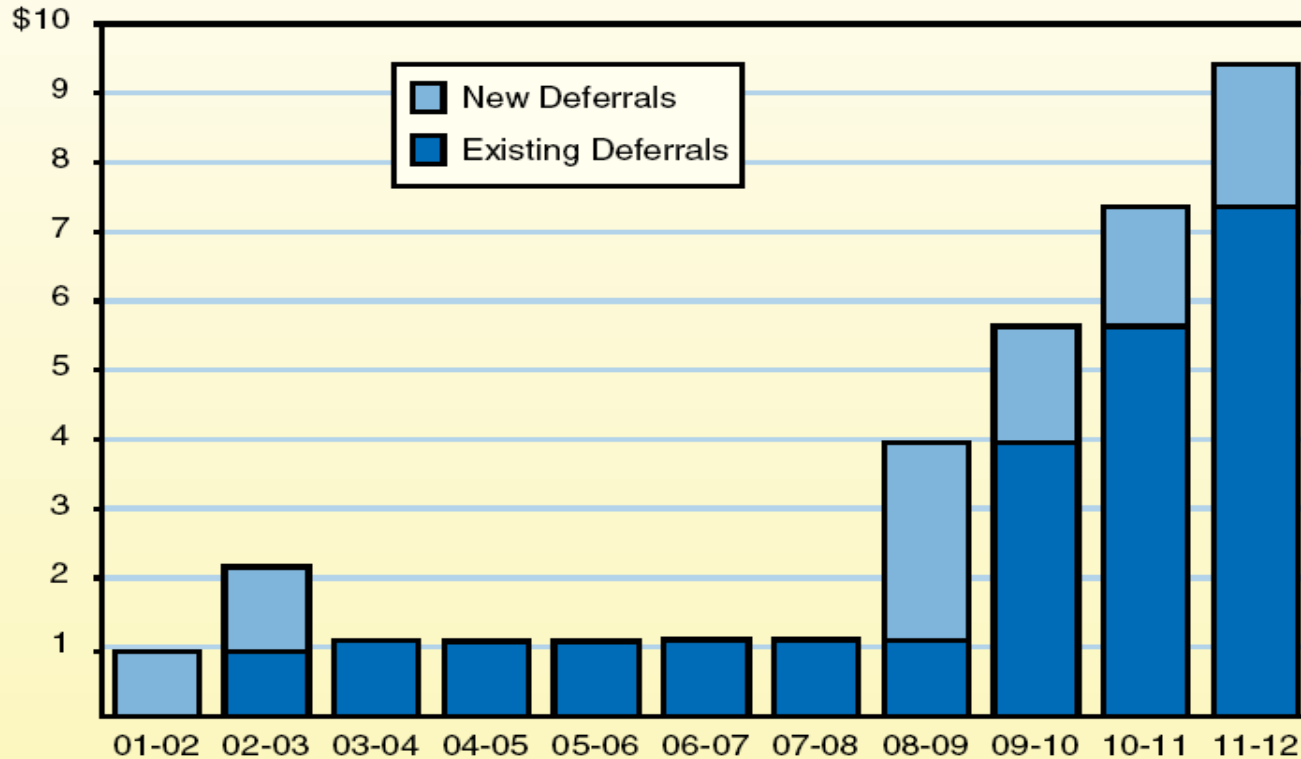


Source: Ed Source / Education Coalition

Figure 2

In Recent Years, State Has Increased Its Reliance on K-12 Payment Deferrals to Avoid Cuts

(In Billions)

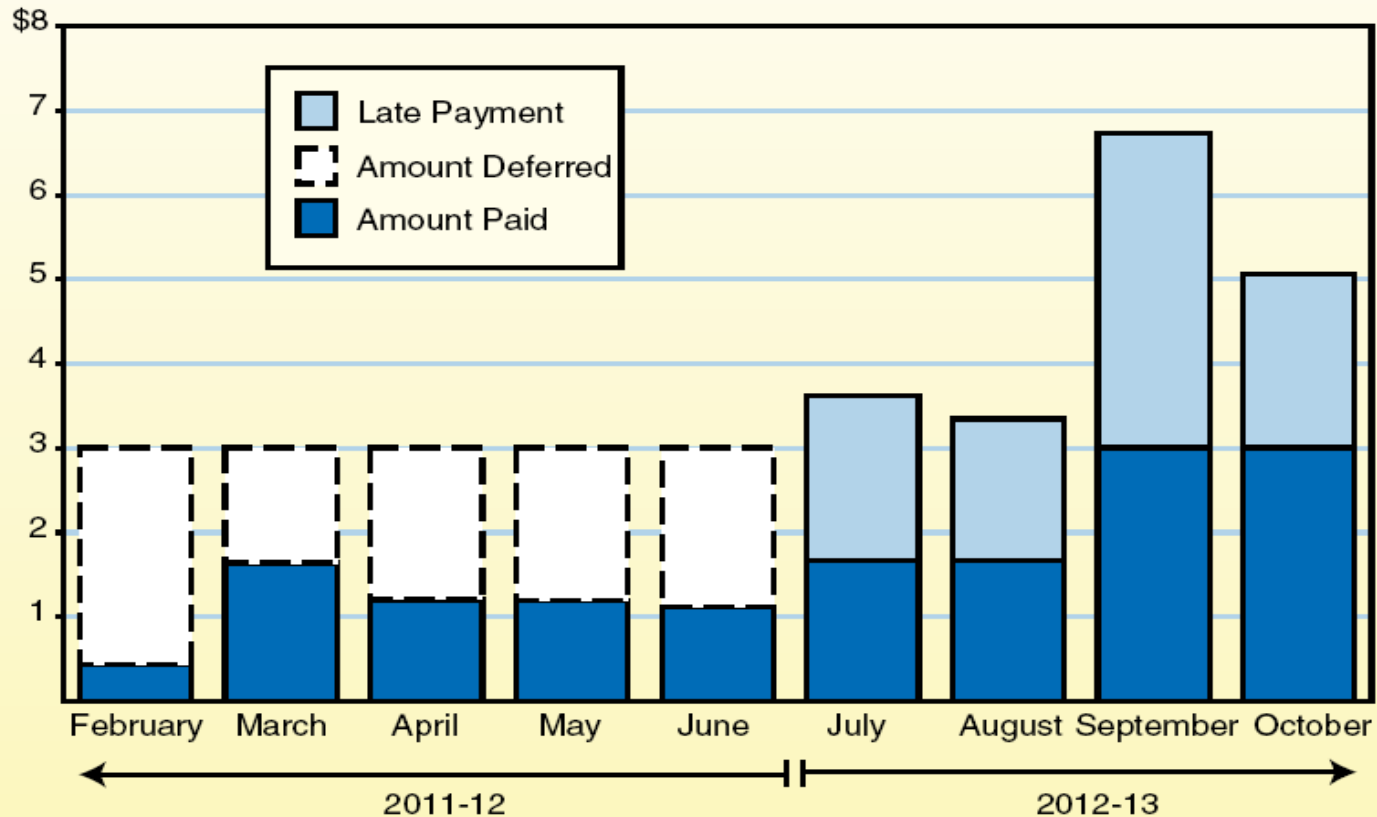


Source: Legislative Analyst's Office

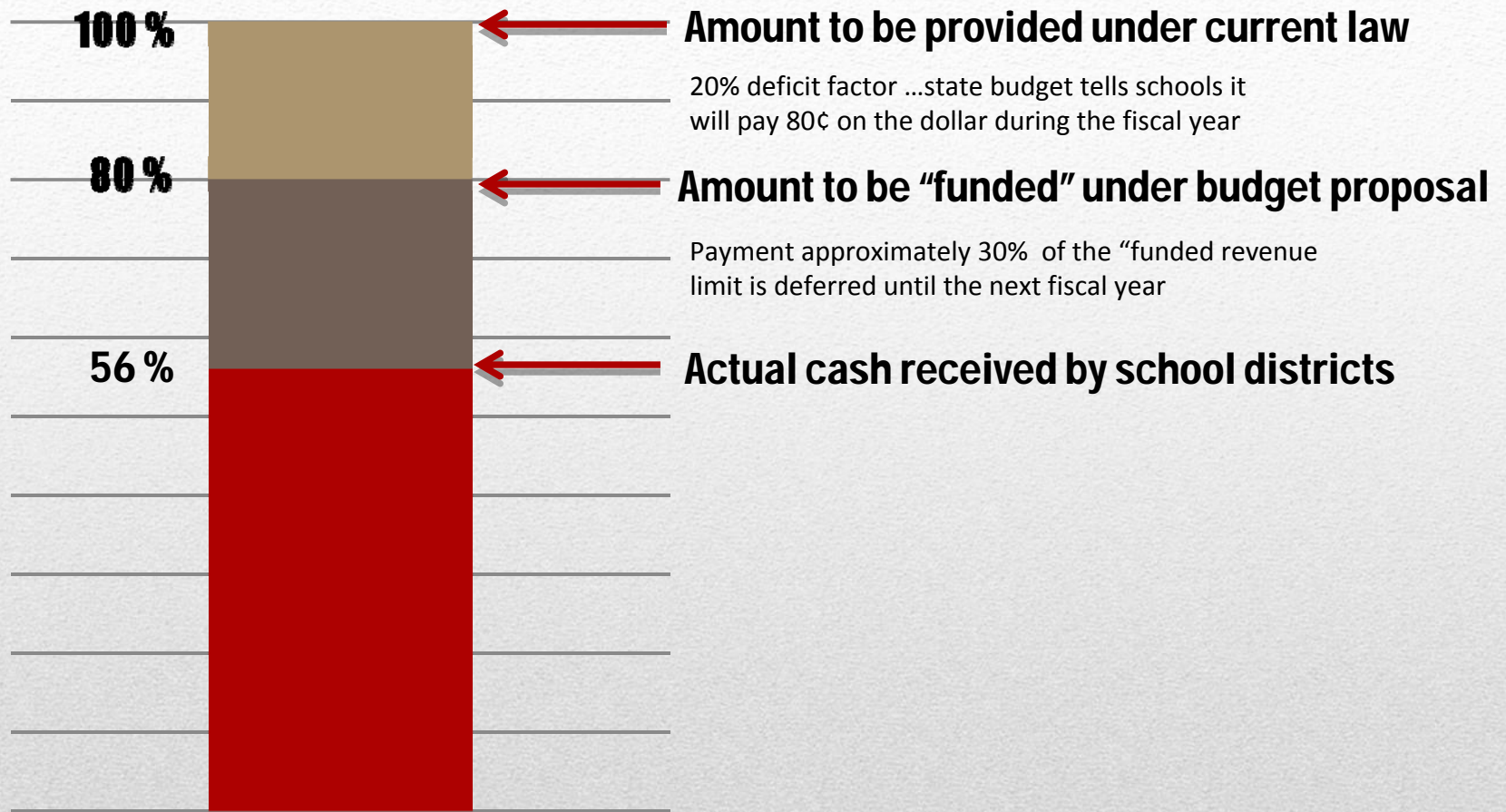
Figure 3

K-12 Amounts Paid and Deferred by Month

(In Billions)



Source: Legislative Analyst's Office



Revenue Limit Funding

California's Pupil-Staff Ratios are Among the Highest in the Nation

	Students per Teacher	Rank	Students per Counselor	Rank	Students per Librarian	Rank	Students per School Administrator	Rank
California	20.8	49	809.2	49	5,038.5	50	433.1	47
Florida	15.8	37	433.3	30	912	36	333.3	37
New York	13.1	9	463.1	37	876.8	32	294.6	28
Texas	14.5	26	249.7	29	922.8	37	231.7	9
All other states	15.1		440.0		782.8		312.3	

Source: National Center for Education Statistics, Common Core Data, 2007-08

Note: Rankings based on all 50 states. The "all other states" category includes all states except California, Florida, New York, and Texas. The District of Columbia is excluded.