

## **CUCPTSA Newsletter Report – March 2009**

### **LOCAL**

#### **Feb 25 – Special School Board Meeting:**

Joel Montero, CEO of Fiscal Crisis and Management Assistance Team (FCMAT), spoke about the economic crisis and the growing structural deficit that dramatically impact school districts in all of CA. He cautioned our school board to look at long term cuts and to overshoot the projected cuts because the state budget is based on contingencies.

Ron Lebs presented an update on the 17- month budget and gave a list of areas to possibly cut in order to find the \$25 million needed in ongoing funds. Decisions must be made that protect the most basic CORE values.

#### **March 2 – Special School Board Meeting and Facilities Workshop:**

W.L.C. Architects, Inc. presented an update on the final designs of the new performing arts centers for Capo Valley and Dana Hills High Schools as well as an overview of the master facilities plan.

Ron Lebs presented information about the impact of CSR on facilities. If class size is raised, 9 schools with a total of about 67 classrooms, would not be able to support over 25 children in a classroom. If CSR is maintained at 20:1, about 16 new portables would be needed, costing the district about \$2.8 million.

#### **CUCPTSA Budget Survey:**

Our PTSA council asked all legislation representatives and PTA presidents from each unit to complete a survey together – based on projected impact at their school only – listing potential budget cuts as manageable, barely tolerable, or devastating. 19 elementary schools out of 37, 7 out of 12 middle schools including K – 8, and 5 out of 6 high schools participated. Input from all of the surveys was averaged and compiled into categories of elementary, middle, or high school. The cuts were listed in priority order of programs to keep, with #1 being the highest priority. At the elementary level CSR was a priority followed by principals and assistant principals. At the middle school level #1 priority was principals and assistant principals, #2 class size, #3 counselors, and #4 psychologists. At the high school level the #1 priority was activities directors, #2 class size, #3 principal and assistant principals, #4 psychologists, and #5 counselors. The survey was submitted to the school board Friday, March 6.

**Guest speaker, Dr. David Long - CUCPTSA and 4<sup>th</sup> District PTA  
CUSD Education Center - March 6, 2009**

*Dr. Long is the former California Secretary of Education and current senior advisor to State PTA and California School Boards Association*

**Latest in education – fast moving, changing situation** – impacted by happenings at both the state and federal levels

**CA State** – “The good news is we have a budget, and the bad news is we have a budget.”

There is a lot of follow-up and clean up that needs to happen, and legislators are still working out details. Flexibility with CSR is not as high as legislators have been touting, and specifications are changing daily. Penalties are now lower than before for higher number of students, but the funding level still remains at 20 students, even though some classrooms could have over 30 students.

The state budget is about \$114 - \$116 billion, out of which \$57 or \$58 billion goes to education. Some of the deals cut in order to pass the budget are not in the best interest of the California children. Groups like the PTA can make an impact by reminding Sacramento of our priorities.

**Federal** – Recovery Act and Stabilization Dollars

There is conflicting information about how the money can be spent, so be conservative in planning even when the dollars have been received.

18% of the money is scheduled to go through the state, and 82% should go directly to the districts. Track that 18%!

**Question:** What is the best advocacy action for us to take?

**Dave Long:** Pay close attention to CSR. Put pressure on Sacramento not to play with the 18% and 82% from the Recovery Act dollars. Make sure that 82% comes to the local districts. Give feedback on parameters for spending the federal money in the local districts. In this time of crisis don't miss the opportunity to make a difference here in this district.

## STATE

### State PTA Legislative Conference:

- Three of us from Capistrano Unified PTSA Legislative Team attended the State PTA Legislative Conference, held in Sacramento February 22 – 24, 2009. Outstanding event with many excellent speakers and also time spent advocating to our legislators about the importance of school finance reform and lowering the parcel tax vote threshold from 2/3 to 55% supermajority.

### State Budget:

- A two-year budget was passed on Thursday, February 19, making it the earliest in state history for the budget year.
- For the 17-month period from now – June 2010, it contains \$14.5 billion of spending cuts, \$12.5 billion in tax increases, \$5.4 billion in borrowing and \$7.8 billion of federal stimulus money.
- Prop 98 programmatic reductions are \$2.4 billion but when a combination of deferred payments or backfill with one-time funds are added in, the total = \$8.4 billion.
- The budget deal offers some categorical flexibility – including less severe K-3 CSR penalties; allows districts to postpone purchases of new instructional materials; lowers spending requirement for routine maintenance; allows access to prior year categorical ending balances.

### May 19, 2009 Ballot Propositions (excerpted from [www.LAO.org](http://www.LAO.org)):

- **1A – State Finance:** This measure would make major changes to the way in which the state sets aside money in one of its “rainy day” reserve accounts and how this money is spent.
- **1B – Education Finance:** Amends the state constitution as it relates to Proposition 98, providing “supplemental education” payments in place of recent “maintenance factor” payments. If Proposition 1A is not approved by the voters, the provisions of this measure would not go into effect, and there would be no obligation to make \$9.3 billion in supplemental payments
- **1C – California State Lottery:** The measure would allow the state to borrow \$5 billion in the 2009-10 fiscal year from future lottery profits. Under the measure, lottery profits now dedicated to schools and colleges would be used to pay back the borrowing. The measure would increase state payments to education from the state General Fund to make up for the loss of these lottery payments.
- **1D - Budget Act of 2008. California Children and Families Act: Use of Funds: Services for Children:** This measure would temporarily redirect a significant portion of Proposition 10 (First 5 program) funds to achieve budgetary savings and would make permanent changes to state and local First 5 commission operations.

- **1E – The Mental Health Services Act: Proposition 63 Amendments:** Proposition 63 provides state funding for certain new or expanded mental health programs through a personal income tax surcharge of 1 percent on the portion of a taxpayer’s taxable income in excess of \$1 million. This measure allows for the temporary redirection of some Proposition 63 funds—specifically, \$226.7 million in 2009-10, and between \$226.7 million and \$234 million in 2010-11.
- **1F - State Officer Salary Increase:** This proposition amends the Constitution to prevent the California Citizens Compensation Commission from approving increases in the annual salary of elected state officials in certain cases when the state General Fund is expected to end the year with a deficit.

*State PTA is analyzing these propositions and will make their positions known as soon as possible.*

## FEDERAL

### Federal Stimulus Package

- California's Department of Education estimates that California will get close to \$8 billion dollars for education under the ARRA.
- Final numbers for CUSD are not available yet.
- OCDE has told school districts to not include the federal stimulus money in their budget calculations at this point because the amounts are still to be determined.
- Based on estimates, CUSD will get at least \$11.4 million (\$2.1 Title I, \$9.3 IDEA).
- There should be funds for McKinney-Vento (Homeless Assistance) and Education Technology under the federal stimulus packages as well.
- The state stabilization fund allocation for California must be divided between education and government services (81.8% to education, 18.2% for government services, which can include public safety and modernization/repair of schools).
- State stabilization funds cannot be used to pay maintenance costs, build stadiums or athletic facilities, or improve non-educational buildings like office or administrative buildings.
- The state fiscal stabilization fund does have several conditions to funding, including a maintenance of effort for elementary and secondary education at 2006 funding levels for 2009, 2010 and 2011.
- However, it appears that the maintenance of effort requirement can be waived by the federal government IF the state still provides the same percentage of total revenues for education as it did in the prior fiscal year.
- Timeline for funds distribution of funds:
  - Title I and IDEA – 50% of funds will be released by March 31 without requiring new state application
  - State Fiscal Stabilization Funds (SFSF) – Application will be read by March 31, and 67% of funds will be released within two weeks of the receipt of an approvable application.
  - Title I, IDEA and SFSF – Remaining funds to be released between July 1 and Sept 30, 2009, conditioned on states providing additional information.
  - Other funding will be released based on the category of funds: IDEA Part C and Voc Rehab – 50% by the end of March
  - Impact Aid Construction, Independent Living Services, Education for Homeless Youth – all formula funds by the end of March
  - Title I School Improvement funds, Educational Technology – fall 2009, conditioned on receipt of further information
  - Teacher Incentive Fund, Teacher Quality Enhancement, Statewide Data Systems – fall 2009, based on competitive grant process
- Since things are changing quickly, you can get updates at one of three websites: [ed.gov](http://ed.gov) (federal Department of Education), [recovery.gov](http://recovery.gov) (White House website for ARRA), and [cde.ca.gov](http://cde.ca.gov) (California Department of Education).