



OUSD BUDGET UPDATE

GOVERNOR AND DEMOCRATIC COMPROMISE

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If revenues come in up to \$3 billion short of projections, K-12 education will be included in the “trigger”:

- Up to \$1.5 billion in cuts to revenue limits, tied to an (up to) 7-day reduction in the school year
- \$72 million to Community College Apportionments
- \$248 million (or 50%) to Home-to-School Transportation

CHILD CARE REMOVED FROM PROPOSITION 98

The major fiscal change in education is the removal of childcare from the calculation of Proposition 98. Child care will be funded at the same level as proposed in the June 15th budget, but those dollars no longer count toward the Proposition 98 guarantee.

OTHER EDUCATION PROVISIONS BASED ON EARLIER BUDGETS

Aside from the removal of Childcare from Proposition 98 funding and the “trigger list,” the major education components of this package are very much like earlier versions of budget proposals put forward by the Governor and the Legislature, including the deferral schedule, the AB 3632 shift, and mandate reforms.

Deferrals: This budget utilized the deferral structure proposed by the Governor in his January Budget by deferring \$2.2 billion in K-14 Proposition 98 funds from 2011-12 to the following year.

Student Mental Health Services Realignment (AB 3632): The budget shifts the requirement to provide mental health services from counties to education agencies, providing an additional \$222 million in Proposition 98 funds to “cover” the cost of providing these services.