

Del Mar Union School District

Brief Summary from Governor's Proposed Mid-year cuts for 07-08 and Proposed Budget for 08-09

On January 10, 2008, Governor Schwarzenegger unveiled a plan to reduce K-12 education funds for the current school year (2007-2008) and fiscal year 2008-2009. The total proposed reduction to K-12 education is \$360 million for 2007-2008, while the proposed K-12 reduction for 2008-2009 is \$4 billion.

Staff has been studying the Governor's proposed plan carefully to determine its impact on DMUSD students if the legislature approves the Governor's proposals.

Based on January 16, 2008 information from School Services of California, Inc. the Governor's 2007-2008 mid-year cuts will include the following.

2007-08 Proposed Mid-year cuts

- The original State 07-08 budget provided about \$4.1 million in categorical funds to the Del Mar Union School District
- The Governor's proposed Mid-year cuts lower the \$4.1 million down to about \$4 million
- Programs that receive this reduction include Class Size Reduction, School and Library Improvement Block Grant, Instructional Materials and Gate
- Specific reduction "rules" must be approved by the Governor and State Legislature by March 1, 2008.
- Probability is that DMUSD's reduction will be accomplished by withholding allocated, but not apportioned funds
- Options for dealing with Mid-year cuts include, but are not limited to:
 - Reducing expenditure budgets in categorical programs to reduced revenue amounts
 - Maintain current expenditure budgets by contributing Unrestricted General Fund Reserves to the categorical programs
 - Reduce spending in selected categorical programs and use Unrestricted General Fund Reserves contributions for others
 - Reduce spending in various Unrestricted General Fund programs and make contributions to categorical programs without reducing Unrestricted General Fund Reserves

07-08 Budget Timeline

January 10, 2008 – Proposed mid-year cuts announced by Governor Schwarzenegger

March 1, 2008 – Deadline for State Legislature must act on Governor's proposed mid-year cuts

March 15, 2008 – Deadline for submission of 07-08 Second Interim report to DMUSD board

March 27, 2008 – Recommendation of 07-08 mid-year cuts at Regular Board Meeting of DMUSD board of trustees

2008-09 Proposed Governor's Budget

- It is anticipated that Del Mar Union School District will retain its Basic Aid status in 2008-2009. Property tax revenue has been increasing over the past few years, but the sub-prime mortgage problem may eventually impact the value of Del Mar and Carmel Valley real estate. As a result, it is likely that property taxes will continue increasing, but at a slower rate
- Governor's Proposed 08-09 Budget lowers DMUSD categorical program revenues from \$4.1 million in 07-08 down to \$3.5 million in 08-09. This \$600,000 reduction will impact Class Size Reduction, School and Library Improvement Block Grant, Instructional Materials and Gate
- The cuts in 08-09 will be finalized when the Governor signs the Adopted 08-09 Budget sometime this summer

08-09 Budget Timeline

Mid February – Board workshop to discuss 08-09 budget assumptions

February 27, 2008 – Staff to present 08-09 budget calendar to board with assumptions

March – June, 2008 – Board review of 08-09 DMUSD proposed budget and updates

June 30, 2008 – Deadline for DMUSD Board to approve 08-09 Adopted Budget

June 30, 2008 – Deadline for Governor to sign 08-09 State Budget that may reduce DMUSD funds by \$600,000

Help Save Proposition 98

The Education Coalition is in the process of determining how to oppose Governor Schwarzenegger's attack on Proposition 98 that will harm the children in California's public schools by cutting K-12 education funding by 10% or \$4 billion. More information will be coming in the next few weeks regarding steps that individuals can take to educate Sacramento officials regarding the damage that the suspension of Proposition 98 will create. Proposition 98 was approved by California's voters to provide stable funding for K-12 public education. Governor Schwarzenegger's effort to suspend Proposition 98 again and cut K-12 education funding by 10% (\$4 billion) in 2008-2009 will harm students in all California K-12 classrooms. More information will be available in future updates at this web site. Other links include CSBS, ACSA, CTA and CASBO.