

Dan Walters: A worst-case scenario for schools

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THOUSANDS of California teachers were given layoff notices a few weeks ago because state law requires the slips to be sent out each spring if administrators and trustees believe cuts are needed to balance their budgets.

Later this month, the districts must decide whether to continue or rescind those layoffs on the assumption that by then they'll know the state of their 2012-13 finances.

That's problematic in any year, because the Legislature, which supplies most of the schools' money, typically doesn't settle the state budget until weeks or even months later.

A law passed by voters in 1988 is supposed to govern what schools receive, but its numbers are subject to annual manipulation, such as "deferring" payments for a year or more.

State and local school financing has dropped by about \$700 per pupil since 2008 and 20 percent of state appropriations are being deferred, thus requiring districts to use their reserves or borrow money.

This mess precludes even diligent officials from making rational decisions about staffing levels, building maintenance or other cost factors. At best, they can only guess and hope to adjust if they're wrong.

This year is even worse than usual.

The 2011-12 budget assumed revenues that everyone knew at the time were most likely falsely optimistic and that has proved to be the case. The 2012-13 budget now being formulated will assume that voters pass Gov. Jerry Brown's tax package in November, and he's hinging passage on the false assertion that it will give a big boost to schools.

As the Legislature's budget analyst and others have pointed out, passage of taxes would give K-12 education only \$2.2 billion to catch up on some deferrals, not any new operational funding.

But if taxes are rejected, Brown wants school districts to lose that and another \$2.4 billion, and also be forced to eat \$2.6 billion in school bond payments now paid out of the state general fund. The total hit would be \$7-plus billion, or more than \$1,000 per pupil.

However, that's just Brown's proposal, and no one knows whether legislators will write a contingency plan for rejection of taxes. Nor does anyone know whether they'll enact another Brown proposal to give more money to low-performing districts and, therefore, less to everyone else.

So, one wonders, how do school officials make valid decisions in May and June on teacher layoffs and other fiscal matters?

They can't. So many, if not most, districts appear to be adopting worst-case scenarios. If they didn't and taxes failed, they'd have to make midyear cuts and, more than likely, be forced to negotiate them with unions for teachers and other employees.

If California voters and politicians had set out to create the most convoluted, irrational school finance system possible, they could not have done a better job.

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