

2012-2013 BUDGET OVERVIEW

Where have we been?

The Los Angeles Unified School District (LAUSD) faces its **5th consecutive year** of budget deficits, facing a \$557 Million deficit in 2012-13. If you added up our deficits since 2008-09, you'd get over \$2.8 Billion! Each year, California continues to balance the State's budget on the backs of our children.

State funding for education has suffered cuts of 16%, beginning in 2008-09.

- No other portion of the State Budget has been cut as much as K-12 education.
- In 1965, California ranked 5th in the nation in per student funding.
- Today, we are ranked 46th in the nation in funding per student and 50th in student to teacher ratios.

Research and common sense demand that we need...

- a longer school year – not a shorter one
- lower class sizes – not higher ones
- stability for our professional teachers, administrators, and classified staff – not layoff notices

LAUSD's Deficit History (8,000 layoffs over the last four years)

YEAR	DEFICIT	BALANCING SOLUTIONS
2008-09	\$427 M	415 Non-Instructional layoffs and one-time cuts
2009-10	\$838.2M	Over 2,900 layoffs (2,520 Instructional + 398 Non-Instructional positions), furloughs, Federal Stimulus funding, and program cuts
2010-11	\$620 M	Over 1,600 layoffs (619 Instructional + 989 Non-Instruction positions), furloughs, Federal Stimulus funding, program cuts and one time savings
2011-12	\$408 M	Over 3,000 layoffs (1,914 Instructional + 1,109 Non-Instructional positions), one time federal education jobs money, furloughs, and one time savings
2012-13	\$557 M	Potential loss of over 7,500 employees*

*The deficit dollar amount represents the General Fund shortfall referenced in the Superintendent's Final Budget document. Balancing Solutions represents balancing solutions for all funds, including those associated with expiring grants and other discontinuing or eliminated restricted funding sources.

What are we facing now?

The Governor's Budget Proposals for 2012-13 cuts LAUSD's transportation budget and relies on a temporary tax initiative

- 100% reduction of home to school transportation funding
- The Governor's budget proposal depends on the passage of a November temporary tax which will pay down existing deferrals (money owed to schools already), there will be no new funding for schools, next year

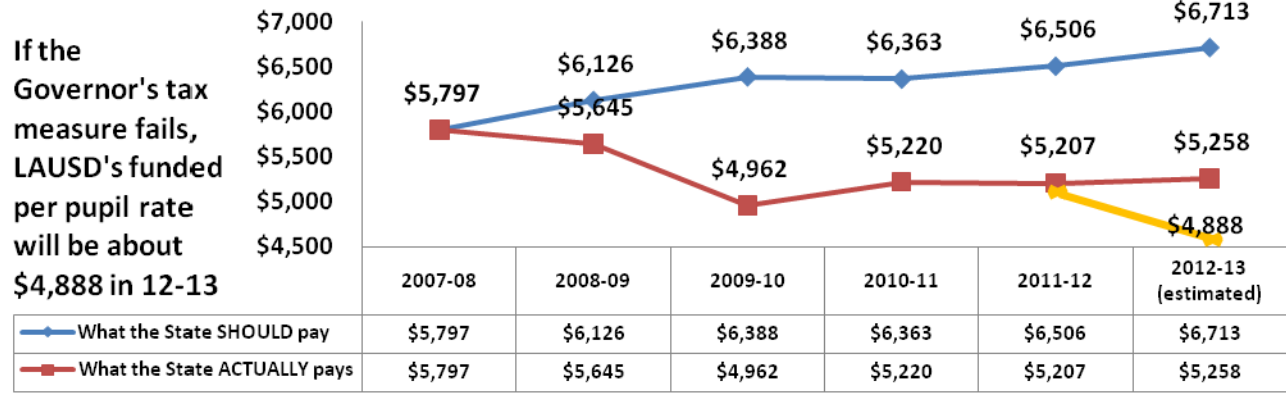
What if the Governor's tax measure fails?

- Education is cut an additional \$2.4 billion, about \$370 per student (average daily attendance (ADA))

What would it take for education funding to fully recover?

- First, the economy would need to continue improving – the trend is positive but slow.
- Second, the State needs to eliminate a \$9.2 billion State deficit for next year and start paying the current- year Cost of Living Adjustment (COLA).
- Next, the State would need to pay schools the amount owed by paying off the deficit factors, now at 21.7%, for past amounts owed.
- In addition, the State must start paying the cash owed to schools in State IOUs and deferrals (\$9.3 billion of 2012-13 funding for schools will not be paid until the following year) on time

LAUSD's Unrestricted Revenue Per Child



FACT: LAUSD students should be getting \$6,713 for education; the State is only authorizing \$5,258, or \$4,888 if the ballot measure fails, and of this amount the State provides only \$3,224 in cash, giving us IOUs for the remainder.

FACT: In the 90's when the deficit factor was half what it is today, it took the State 6 years to pay schools back.

FACT: Only after the State has fully restored education funding, would California once again rise to 46th in education spending in the U.S.

Deficit Factor: Law makers use what's called a "deficit factor" when the state is unable to fund the minimum education funding guarantee in Proposition 98. The money not paid to schools is still owed, so a debt to schools accrues.

Why are things different now? Why can't you solve this problem yourselves again?

We have already laid off 8,000 employees, reduced central office expenditures to 5% of the budget and all employees have taken unpaid days (furloughs). In addition, the one-time Federal funds we have been relying on have expired. Every additional cut will have a dramatic impact on our students.

Why do we need a temporary parcel tax as well as the Governor's temporary initiative?

The Governor's proposal provides no new funding for education, it only prevents the problem from getting worse. The temporary parcel tax will be used to stabilize our local schools:

- Smaller class sizes
- Safety
- Instructional Services and Support
 - o Arts
 - o Early Education
 - o High School Graduation and Career Tech programs
- School Support Services
 - o Transportation for magnet students and students with disabilities
 - o Nurses and Librarians
 - o Cafeteria services
 - o School maintenance

Even if both the Governor's tax measure AND the parcel tax succeed, we will still be forced to make \$250-300 million in cuts, including those required by reductions in state and federal categorical sources, expiring grants and other limited funding.

What can you do to help?

- Learn more about Local and State revenue initiatives
- **Your elected representatives speak for YOU. They need to know your opinions in order to carry your message in Sacramento.** To find and contact your elected representative to express your position on public education and funding for public education please visit this website: <http://www.leginfo.ca.gov/yourleg.html>.
- Encourage perfect attendance for students, teachers and staff.
- Contribute to the LA Fund for Public Education to support individual schools or programs.