

Budget Realities

(Superintendent message to all employees, February 8, 2012)

If You Hear This...	The reality is...
1. The District “lacks comprehensive and reliable budget information” ...	There is NO reason to assume any significant improvement in education funding. Next year the state is facing a \$9 billion budget deficit. The Governor’s January proposal provides the framework for the preparation of the 2012/13 budget. The Legislature can and will make budget adjustments, however, changes will likely be minor and not offset the need for layoffs and/or concessions. San Diego Unified must resolve a budget shortfall that is far above \$100 million including midyear cuts. Should there be any questions about the accuracy of budget projections, our employee unions have been invited to meet with our finance staff with their external audit experts to review all budget information in detail.
2. The district will “receive additional monies based on the elimination of redevelopment agencies.”	There are no additional funds provided to school districts as a result of the elimination of redevelopment agencies. The Governor’s proposed budget uses redevelopment funds to balance the state budget rather than increase funding to schools. The Governor intends to maintain K-12 education funding at the current, flat, level with the threat of a significant midyear reduction if the tax ballot measure fails in November.
3. Governor Brown’s budget “replaces the current categorical funding model with a weighted formula wherein districts with high proportions of low income students and English learners may receive even more funding.”	No additional funding is expected from the consolidation of categorical funds into a weighted student formula. The State Finance Department has indicated that the transition to this new formula distribution will be designed to <i>redistribute</i> funds with more flexibility but not to increase or decrease current K-12 education funding levels. The transition to the new model will be phased in over a five-year period resulting in very limited impacts, if any, in 2012/13.
4. “Legislation has been passed that will restore more than \$4 million in transportation cuts “	This legislation does not help the district’s budget because the restoration of transportation formula funding is paid for with an across-the-board cut of \$42 per student. In fact, this legislation may cost San Diego Unified an <i>additional</i> \$100,000 in funding this year because we receive slightly less than the average district in transportation funds. Furthermore, this legislation only deals with 2011/12 funding, and has no effect on 2012/13 funding. The Governor’s proposed budget will eliminate 100% of transportation funding, a cut of \$9.2 million to our district.
5. The November ballot measures will increase education funding. Layoffs should be delayed until after the election.	The Governor’s proposed budget already assumes revenue from a November ballot measure. Even with the passage of the measure, San Diego Unified will still face a deficit of \$81 million. Unfortunately, school districts cannot assume the passage of a ballot measure and must balance their budget based on the assumption the measure will fail. We must plan for a budget shortfall of \$122 million and the necessary staff reductions to meet the March 15 layoff notice deadline.