



January 18, 2008

## **Governor’s Budget**

### Current Status Report on the Governor’s Education Budget Proposal

This is a status report of the governor’s budget as of January 18, 2008. We are currently in the process of analyzing the impact of the governor’s proposal on San Jose Unified and we will periodically update you with information regarding the impact of the budget proposals. This involves gathering information and interacting with organizations that have expertise in school finance and Sacramento politics

#### Governor’s Education Budget 2007-2008

#### **1.) What do we know about Governor Schwarzenegger’s proposed cuts to education?**

The governor’s 2008-09 budget proposal would be the largest reduction to K-12 spending in history. The cuts would total over \$4.4 billion dollars to K-14 statewide and require a suspension of the Proposition 98 minimum guarantee (the second this decade). The governor proposes to tackle the state’s estimated \$14 billion deficit through spending cuts alone and no tax increases. This leaves public education and other vital state services to bear the brunt and responsibility of the state’s current fiscal crisis.

The governor proposes to lower the Prop.98 guarantee by \$1.4 billion and to reduce current-year education spending by \$400 million. Approximately \$360 million of this would be directed at K-12 with the remaining \$40 million directed at community colleges. The administration’s proposal does not indicate exactly where these reductions are to occur.

#### **2.) What will be the short-term effect of the loss of Prop. 98 dollars for SJUSD?**

Fortunately, the San Jose Unified Board of Education has been fiscally responsible in its spending and building a reserve from one-time money. This has been the result of aggressively claiming reimbursement for state mandated programs. These reserves combined with increased student enrollment, will help offset any mid-year cuts proposed by the Governor for 2007-08 and give us an opportunity to plan for the fiscal challenges outlined in the 2008-09 budget.

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**3.) What will be the long-term effect of the loss of Prop. 98 dollars for SJUSD?**

The governor’s proposed suspension of Prop.98 funds, beginning in school year 2008-09, will have a detrimental effect on funding for schools throughout California.. We are in the process of determining the long-term impact of the Governor’s budget proposal and we will make recommendations for possible reductions in the 2008-09 school year. We do know the governor’s proposal includes cuts to special education, after school programs, class size reduction and other essential programs and services.

The proposed budget will be discussed and debated in Sacramento. If Prop 98 is suspended, there is an anticipated major political battle that will ensue over the Governor’s proposal during the next 45 days. Depletion of reserves and long term fiscal viability will be critical challenges for San Jose Unified as we move forward.

In spite of the financial challenges we will face if the governor’s budget comes to fruition, San Jose Unified School District is committed to providing a quality education for all students in a safe environment with quality facilities conducive to learning.