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[State could owe \\$2 billion to schools over five years](#)

No wonder the last bill of the night took so long.

The education bill associated with the Democratic budget came to the [Senate](#) floor shortly after 10 p.m. last night. [Assembly](#) Bill 114 is chock full of interesting provisions, including one that would make the state liable for roughly \$2.1 billion in retroactive school funding if voters reject or never get the chance to vote on a 2012 ballot measure that increases taxes and shifts responsibilities to counties in the constitution.

Under the majority-vote budget, the state will shift \$5.6 billion in taxes to local governments to pay for various services, including a redirect of inmates to county jails. By sending that money to counties, the budget no longer counts that \$5.6 billion as state revenue - and thereby does not have to give a roughly 40 percent share to K-12 schools and community colleges.

Gov. [Jerry Brown](#) and Democratic leaders have pledged to pursue a 2012 ballot measure that puts this "realignment" plan in the constitution, giving counties sufficient assurances that they will continue receiving money for providing services in lieu of the state. Based on AB 114, that measure also will include [tax increases](#) to pay for realignment in future years, just as Brown's original budget sought to do.

AB 114 says that if the voters reject this measure - or if it never reaches the ballot - the state must determine in November 2012 how much it would have owed schools for 2011-12 had the \$5.6 billion never gone to local governments. Right now, that amount stands at about \$2.1 billion. The money would be repaid over five years with 20 percent of it dedicated to paying off deferrals, mandates and other onetime purposes.

If the ballot measure fails, the bill seems to ensure that schools are essentially held harmless by the tax shift - and that their base will effectively be \$2 billion higher this year and in future years than Brown's original January budget proposed.

If the measure passes, schools will not get repaid that \$2 billion, but they stand to get more money from voter-approved taxes in future years.

Teachers won other concessions in the [budget deal](#), particularly provisions that prevents school districts from laying off any more teachers over the course of the next fiscal year. AB 114

suspends district powers to issue layoffs between now and August and ignore the possibility of mid-year cuts for revenue projection purposes. As previously reported, it also requires that districts deal with a potential mid-year "trigger" cut by slashing school days and bus transportation rather than teacher jobs.

Read more: <http://blogs.sacbee.com/capitolalertlatest/#ixzz1QgImsDHW>