

Assembly & Senate Education Finance Subcommittees Submit 2008-09 Budget Proposals

Both of the Education Finance Subcommittees have approved an education funding package that is much improved over the May Revision and vastly better than the Governor's original proposal in January. In both cases they added funding to the Proposition 98 guarantee, not specifying where the additional funding comes from—presumably from new state revenue.

They partially fund a K-14 COLA at 1.6 percent in the Assembly proposal and 3.68 percent in the Senate package. (Because the statutory COLA is 5.66 percent, a deficit factor would be imposed—but a smaller one than recommended by the governor in May). The K-12 categorical cuts of 6.5% are eliminated in both budget versions and categorical programs receive a partial COLA as well. Special education funding is restored without suspending state funding for deferred maintenance. Both the Assembly and Senate Subcommittees eliminated all of the proposed flexibility language that was being considered to help keep districts solvent in the face of such drastic cuts.

Both packages include \$75 million to backfill the community college property tax shortfall and switch child care funding from one-time dollars to on-going dollars. Community college categorical cuts (including the three part-time faculty programs) were rejected as well as the flexibility proposals in the May Revision that involved the part-time programs. There is an additional \$18 million for growth in the community college proposal.

The differences between the two budget proposals will be resolved by a budget conference committee composed of two Democrats and one Republican legislator from each house. In the event that the conference committee cannot agree on a budget that can be passed with the required two-thirds vote in both houses, the Governor and the four legislative leaders (the "Big Five") will work to find a budget that can garner the necessary votes.

Once a budget has been approved by both the Assembly and the Senate, it goes to the governor for signature. At this point, he has the authority to remove specific items (blue-pencil) before signing.

Patty Cox
Research Specialist
June 4, 2008