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O.C. schools angry over state budget deal's \$6 billion cut

Officials say further reductions will leave students, schools vulnerable.

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The tentative state budget agreement reached Monday will continue to devastate California's cash-strapped public schools, forcing local leaders to make billions of dollars in additional cuts, education officials said.

Although legislative leaders and Gov. Arnold Schwarzenegger touted Monday's budget deal as preserving constitutionally protected minimum funding levels for education, Orange County leaders say it's largely a game of accounting tricks. While the Proposition 98 funding guarantee would not be suspended under the plan, the state would still cut \$6 billion from K-12 public schools and community colleges over the next two years.

"There's a lot of smoke and mirrors going on to make this budget," Orange County schools Superintendent Bill Habermehl said. "It's not good for kids, not good for teachers. You're going to see the dropout rate start to go up, and support staff will be gone, so kids won't get attention they need to stay moving in the right direction."

Because Prop. 98 funding levels are determined by how much schools were given in the year prior, the state budget deal has simply yanked \$1.6 billion retroactively from last year's education budget, which automatically lowers the coming year's funding allocation.

Monday's proposed \$6 billion education cut would come on top of the \$8.4 billion that was slashed from public education in February. The February cuts forced school districts to lay off hundreds of teachers and other employees; now local education leaders worry that with the new anticipated reductions, they haven't cut deeply enough/

"When we passed our budget for 2009-10, we knew we were still facing a deficit in the out years," said Ian Hanigan, a spokesman for the Irvine Unified School District, which has made \$18.3 million in cuts already this year. "You used to never see school districts passing budgets with deficits in the out years. Now, based on what we've seen from the state, we would not be surprised by mid-year cuts."

Monday's budget agreement also was touted as restoring \$9.8 billion to public schools when the economy improves, but school officials aren't taking that promise very seriously. The state has reneged in the past on retroactive payments to schools, and in lean economic times, it could easily happen again, they say.

"Here we go again – borrowing out of our funds and promising to repay at a future date, probably after the governor is no longer in office," said Superintendent Steve Fish of the Saddleback Valley Unified School District, which faced a \$20 million deficit this year. "The Legislature and the governor, who can't do their business, have a short memory when it comes to payback."

And the worst may not be over. The blow of school budget cuts thus far has been softened by federal stimulus dollars, which have been flowing to school districts over a two-year period that ends in 2010. But this fall, when school districts begin planning for the 2010-11 school year, they won't be able to count on additional stimulus money to help balance their ledgers, officials say.

"The only thing keeping many school districts afloat are the federal stimulus monies," said Superintendent Dennis Smith of the Placentia-Yorba Linda Unified School District, which has made \$8.6 million in budget cuts this year.

"If we thought this was a difficult budget year, this is a walk in the park compared to what the Legislature is going to have to deal with in 2010. We will be faced with the reality of many school districts not being able to stay afloat."

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