

The facts:

- The Governor proposed over \$4.8 billion in cuts to California's public schools. That comes to over \$24 million to San Luis Obispo County's schools
- Over 6,000 full and part-time employees work in our County's public schools. The monthly payroll countywide is \$22 million. Much of this money is either spent or invested locally. The total of annual budgets of local school districts is over \$325 million per year. Since over 85% of those budgets are personnel, there will have to be staff reductions.

Why should the business community care?

Impacts to our economy right now

- Fewer school employees means less people spending on goods and services locally.
- Projects will be delayed, which means that money will not be flowing into our local economy.
- Purchasing new equipment such as school buses will delay environmental improvements.

Impacts to our economy in the long term

- Investing in preparing of our upcoming workforce now means that industry will have to absorb less of the cost later.
- Failing to educate our children today means they are more likely to be a drain on society later. Statistics are fairly clear; the vast majority of prison inmates are high school dropouts.
- Weaker schools will not attract or keep young families; families that are employers, employees, and consumers in our local economy.
- Studies show that an educated population earns more, and spends more.
- Future costs due to reduced maintenance on facilities and equipment may be higher.

What the changes will look like at our schools

- There will be fewer teachers, counselors, administrators, clerical staff, classroom aides, bus drivers, food service workers, custodians, and maintenance staff.
- Fewer teachers means larger classes, and less individual help for each individual student. A class of 20 could go to 27; a class of 30 could go to 41; a class of 40 could go to 54.
- Fewer teachers means fewer specialists in art, music, and P.E.; but it also means fewer specialists in English, Math, Social Science, and Science.
- Reductions will also be made in staff training (a key component in retaining and attracting high quality teachers), classroom materials, technology, and building maintenance.
- The formula for the "floor" for education funding will be affected from this point forward.

The State Budget Crisis

1. It's not just a "spending problem", as the Governor keeps saying. Remember he supported the elimination of the Vehicle License Fee (VLF), and a reduction in fees for state parks, and for higher education.
 - a. The VLF alone would now yield over \$ 5 billion, which would eliminate the cuts to education.
 - b. An increase of \$1 in the entrance fee for state parks would keep all 48 parks open with some money to spare.
 - c. There are also numerous "tax loopholes" that should be examined with the same scrutiny as is given to the expense side of the budget. When a business or a family faces hard times, they look at both the expense and the income side of the budget. The state needs to do the same.

Finally, remember that it is this Governor who championed several billion dollars in both revenue and state infrastructure bonds (borrowing) that are being paid off from the general fund. Although these may be worthwhile investments, it is not fair to now make education pay for the deficit that these helped create.

2. "Across the board" cuts avoid having to prioritize. There needs to be funding of high priority efforts and reductions to lower priority programs. The Governor and the Legislature should look at targeted reductions, such as those suggested by the Legislative Analyst Office. Should funding for prisons be an equal priority to funding for public schools? In fact, if we had invested more in schools we probably would not have such a need for prisons! *www.lao.ca.gov*.
3. Budget reform proposal (the "rainy day fund") doesn't address this year's problem. School districts are required to have a minimum reserve, so why not the State? While the proposal to establish such a fund to reform the State's budget process may be part of the solution in the long run. Discussion about reforming the State budget process diverts time and energy away from the problem facing us right now. The Governor admits that any proposal to change the current budget process will not deal with next year's budget situation and does nothing to reduce the devastating cuts to education and our local schools.

What to do now

1. Take an official position opposing any reduction in funding for public schools in California. Specifically, take a position to oppose any reduction in the Proposition 98 Guarantee (minimum funding level for schools) as a way to solve the state budget crisis.
2. Send a letter from the Chamber stating the above position to:
 - a. Assemblyman Sam Blakeslee
 - b. Senator Abel Maldonado
 - c. Governor Arnold Schwarzenegger

Easy access to addresses and e-mails can be found at *saveSLOcountyschools.org*

3. Be an advocate for this position during any visits (Legislative Action Days, etc.) that the Chamber may have with state legislators or the Governor.