

GOVERNOR'S MAY REVISE

Folsom Cordova Unified School District
Board Meeting
May 19, 2011

OVERALL PERSPECTIVE

- × \$6.6 billion in additional state revenue
- × \$3.5 billion in reductions to tax extensions and borrowing proposed in January
- × \$3 billion in additional Prop 98 spending to “buyout” some cash deferrals
- × Assumes \$9.321 billion in tax extensions with vote by June 30, 2012
- × Temporary 0.25% increase in personal income taxes effective 2012-13

K - 12 OVERVIEW

- ✘ If the tax extensions fail, Prop 98 guarantee drops by at least \$2 billion
 - ✘ Dept. of Finance estimates \$5 billion cut to education would be needed (\$649/student)
 - ✘ No “Plan B” for education from the Governor
 - ✘ Legislature could, once again, do short-term gimmicks/”solutions” to pass 11/12 budget
 - + Could result in mid-year cuts to education
- More diverse scenarios = chaos

WHAT'S NEXT...

- × Gather more information from workshop on Friday
- × Keep all budget options available
- × Wait