



**CALIFORNIA STATE PTA
STATE BUDGET ACTION ALERT-
CALL YOUR STATE LEGISLATORS BEFORE THIS TUESDAY!
July 25, 2008**

Word is out in Sacramento: there may be a vote on the state budget in the legislature next **Tuesday, July 29.**

We urge you to contact your state assembly member and senator before then to communicate the following:

- **Stand up for children!**
- **Support the conference committee budget because it takes a balanced approach and prevents deeper cuts to education and children's services.**
- **Any final adopted budget package must include revenue enhancements.**

Please call right away! It will only take a few seconds to lend your voice. If you're feeling shy, you can write or type your message to your legislators and fax it to them. If you don't know your elected state representatives' phone, fax or address, you can find it here:

<http://www.leginfo.ca.gov/yourleg.html>

Background:

Legislative leaders and the Governor have been meeting to try to work out a solution to the state's \$15.2 billion deficit. A legislative conference committee (made up of Assembly and Senate representatives) has released a budget proposal that takes a more balanced approach to solving the deficit than previous "cuts-only" proposals. The conference committee budget includes a significant amount of new revenues to help prevent against any deeper cuts to education and children's services. As you know, in January and again in May, the Governor proposed massive cuts to education and children's programs. The Conference Committee budget eliminates some of the deepest cuts. For example, it would restore \$2.4 billion of the Governor's proposed \$4.3 billion in cuts. Given the current economic and political climate in the state, this conference committee budget represents the best proposal on the table so far. It generates new revenues to prevent even deeper cuts. It is a major step forward from the earlier proposals – thanks to the strong voice of PTA members throughout the state. California State PTA will watch closely to make sure that the revenue components of any budget deal are included in the "trailer bills" that follow. We also remain deeply committed to raising awareness and advocating for the state to fully fund the education and support services necessary to ensure the future health of our state.

Conference Committee Budget

- Takes a more balanced approach to solving the state's \$15.2 billion deficit. It closes tax loopholes and rolls back tax breaks for corporations and the wealthiest Californians and restores money to education, health care and public safety.
- Rejects deep cuts in education and health care and includes \$9.7 billion in new revenue, which is \$2.7 billion more in new revenue than what the Governor proposed.

On the expenditure side, the committee's plan:

- Provides \$2.3 billion more for K-12 education than proposed by the Governor.
- Restores \$1.5 billion in cuts to health and human services. This includes restoring nearly \$200 million in health care services to some of the state's most vulnerable residents, the reimbursement rate for Medi-Cal providers and federal pass-through funds for the aged, blind and disabled.
- Reduces corrections spending by \$300 million with a reform package that helps lower the prison population.
- Restores drastic cuts to home care services.
- Restores funds for at-risk kids.
- Restores \$57 million in financial assistance for college students.

On the revenue side, the committee's plan:

- Reinstates the tax brackets on the wealthiest Californians by reinstating the 10% and 11% tax brackets. Revenue generated: \$5.6 billion.
- Closes a corporate tax loophole for large corporations. Revenue generated: \$1.1 billion.
- Suspends a tax adjustment for upper-income Californians. Revenue generated: \$815 million.
- Rolls back a tax loophole for upper-income Californians. Revenue generated: \$215 million.
- Restores the franchise tax. Revenue generated: \$470 million.
- Steps up tax enforcement. Revenue generated: \$1.5 billion. This is one-time revenue.

For more information on the conference committee budget compared to the Governor's proposals, visit the California Budget Project at <http://www.cbp.org/> .

State Budget Key Messages

July 24, 2008

- **Support the Legislative Conference Committee Budget to Avoid Deeper Cuts to Education and Other Children's Services. The final adopted package must include revenue enhancements.**
- Time is running out for our students and schools. With the new school year approaching, our students and their education can't afford to wait any longer. In order to open the door to learning, schools need the funding and resources to start the school year. It's time for lawmakers to put partisan politics aside and support a budget plan that closes tax loopholes and increases revenues to protect public education and other vital services.
- In the midst of California's \$15.2 billion budget deficit, the Education Coalition supports a balanced approach to solving our state's budget problems in order to protect our schools and safeguard our students' futures.
- With the revenues generated in the Legislature's Conference Committee budget plan, \$2.4 billion of the Governor's proposed \$4.3 billion in cuts would be restored. This plan reinstates funding for important student programs such as Class Size Reduction and provides a partial cost-of-living-increase to help attract and retain quality teachers and offset rising gasoline and transportation costs.
- The Conference Committee budget plan closes tax loopholes for large corporations and provides new and steady sources of revenue to help protect our public schools and community colleges from deeper cuts and further deterioration.
- Our public schools have already experienced more than \$500 million in unexpected budget cuts this year—forcing many schools to lay off teachers and education support professionals as well eliminating art, music, and vocational education programs that help students learn and succeed. These cuts come at a time when California already ranks 46th in per-pupil spending, and dead last in the number of counselors, librarians and school nurses per student. The simple fact is California's schools need additional revenues to provide our students with the education they deserve.
- The recent "Getting Down to Facts" studies from Stanford University show that California seriously underfunds its public schools and would need to spend 40 percent more to ensure that all students meet the state's rigorous academic standards. The studies also show that other states like New York spend 75 percent more on students than California.
- Our students and schools need real state budget solutions, not gridlock. *Our students didn't create this budget crisis and their futures shouldn't be sacrificed to solve it.* It's time to take a balanced approach of cuts and revenue increases in order to solve the state's budget crisis!