

**SACRAMENTO TRIP – WEDNESDAY, JANUARY 21, 2009  
FULL REPORT**

**12 Attendees:**

Kim Anderson	CUCPTSA Legislative Chair Legislative Chair – Dana Hills HS & Niguel Hills MS
Kathy Fischer	CUCPTSA State Legislative Co-Chair Legislative Chair – Aliso Niguel HS
Lori Abbott	Legislative Chair – Wagon Wheel Elem
Marilyn Amato	PTA President, Dana Hills HS
Colleen Del Pizzo	Legislative Chair – Don Juan Avila Elem & MS
Erin Kutnick	Legislative Chair – San Juan Hills HS
Alli Maier	Legislative Chair – Malcom Elem & Marco MS
Sabrina Medrano-Erb	Legislative Chair – San Juan Elem & Las Flores MS
Cindy Morgan	Legislative Chair – Hidden Hills Elem
Maryanne Rose	Legislative Chair – Crown Valley Elem & Aliso Niguel HS
Kathi Thomas	Legislative Chair – Las Flores Elem
Julia Walsh	Legislative Chair – George White Elem & Niguel Hills MS

**Jeff Corless, Chief of Staff, and George Andrews, Capitol Director to  
Assemblywoman Diane Harkey**

**Report by: Maryanne Rose**

Kim mentioned how helpful the assemblywoman has already been and how such help is appreciated. Former CUCPTSA Leg Rep, Jody Vaughn is on her district staff.

Harkey's office in San Juan will open next week. It will be located on Rancho Viejo Road in the Mammoth Equities Building. She will also have an Oceanside office that will be open on Fridays.

As Jeff and George are "new to our district", Kim explained our strengths.....the only district with more than 30,000 students with over an 800 API.

Ms Harkey's experience is in corporate bank and finance. Her goal is to help legislate fiscal reform in the state. Currently, the state is in what she calls "undeclared bankruptcy", meaning the state is really bankrupt but a state cannot declare bankruptcy. We are over committed to bond debt service and that is why we have no cash. It is much like having a third and/or fourth mortgage on a home. We've already done so much internal borrowing, that we cannot borrow any more internally. We can't tax our way out of it. We need fiscal reform. Some of her ideas are to reform debt capacity and thresholds. They feel the mind set is changing for reform, i.e. a willingness to move away from "tax and spend". Any proposed new programs need to be tied to a revenue source from the very beginning. She hopes to propose a bill for reform in 2010, and feels she will have some Democratic support. Her ideas are being well received in the Republican caucuses, and she is beginning to present them to the Democrats. She is

thinking in terms of 2 or three bills: one for voter disclosure, and one or possibly two for fiscal reform.

Kim offered to help get Democratic support, if the State PTA agrees with Harkey's position. She suggested that the Assemblywoman get a Democratic co-author. Kim also offered to share this information with State PTA, and suggested that maybe Ms. Harkey should meet with State PTA.

Kim asked if Harkey's reform would entail "Undoing anything." Jeff said, "No" and stated that what needs to be done is more disclosure to voters when a bond is proposed. It was pointed out that the ballot explanations can mislead voters into believing there is no cost to the initiative when there actually is. Erin suggested the League of Women Voters as a good source to educate voters.

George explained that if we show the banks that we are being more responsible with our money, they will lend to us again.

Kim emphasized that the PTA (CUCPTSA AND State) are asking for a balanced approach, i.e. taxes as well as cuts.

Any feed back from us should go via Jeff or George.

**Susanna Cooper**  
**Principal Education Consultant to**  
**Senate President pro Tem, Darrell Steinberg**

**Report by: Erin Kutnick**

#### The Budget

- Negotiations will begin again tomorrow with the big five
- She believes they are getting closer to a solution
- Doesn't know exactly what that will be
- Environmental and labor issues seem to be big sticking points
- Thinks that some republicans in the senate might be willing to accept a tax increase
- Seems more encouraging than a few weeks ago

#### Education

- Thinks our financing system is absurd
- Wants to see certain categoricals go where they need to go
- Legislative staff on the democratic side only want to see partial flexibility in categoricals not temporary or permanent
- Does want to preserve flexibility for schools: try to focus on priorities for cuts
- Hoping that the Governor will not make a permanent cut to the maintenance factor in Prop. 98
- Would like to see flexibility in K-3 class size reduction to 22-23 students

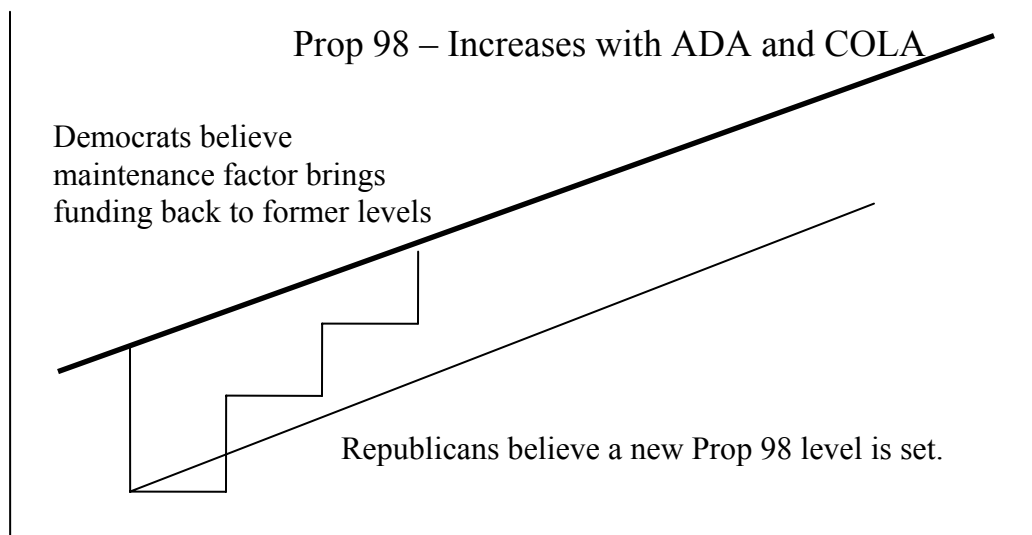
**Rick Simpson, Deputy Chief of Staff, Speaker Karen Bass**

**Report by: Kathy Fischer**

We met with Rick Simpson over lunch to get an update on the budget negotiations. According to Simpson, there are still lots of issues to be resolved. Republicans and Democrats are both using negotiating tactics of matching up taxes and cuts to reach some sort of compromise and resolution. They have a long way to go, but both sides are discussing and exchanging ideas.

Mr. Simpson does not believe that the Assembly will adopt Senator Steinberg's proposal of limiting the number of bills per legislator per session because legislators come to Sacramento to sponsor and pass legislation. He is also not optimistic about Senator Wyland's biennial bill session proposal. It's too difficult to pass a single year budget and the legislature would have to come back into session for many revisions. Democrats like the idea of a simple majority to pass the budget. Arkansas and Rhode Island are the only other states, along with California, which require a 2/3 vote.

There was a lot of discussion and explanation regarding the Governor's budget proposal to lower the Proposition 98 guarantee and the effects on the Prop 98 "maintenance factor." Normally, under Prop 98, school funding grows with ADA and COLA (Test 2). However, in a poor revenue year Test 3 is used to set funding with the understanding that the decline in school revenue is made up under the "maintenance factor." The Democrats believe that the "maintenance factor" would come into play in future years to restore the \$10 billion in cuts proposed to Education over the next 18 months. The Department of Finance and the republicans do not agree. They believe that the cuts to Education under Test 3 are permanent and that there is no "IOU" for future years. This is huge difference of opinion and we'll have to wait and see how it is resolved. See graph below.



There is a philosophical difference in how to make cuts. Republicans want to make cuts to Education and also unleash all restrictions on categoricals - in essence giving districts

one lump sum to spend as the local school board and superintendent see fit. Democrats prefer to make targeted cuts in categoricals in order to protect and preserve programs such as CSR, GATE, ELL, etc.

When asked his opinion about shortening the school year in 2009-10, Rick Simpson asked, "What part of the curriculum are you willing to give up?" He did, however, find the suggestion of giving up the week of testing in a shortened school year as interesting idea to consider. That way, subject matter would not be lost.

We also discussed K-3 CSR which is extremely popular with legislators, teachers, and parents. It's been difficult to truly assess the value of smaller class sizes since past studies have confounding variables, lack of control group, or no pre/post measures. However, the legislature is supportive of the program and wants to see it continue. Mr. Simpson believes that a graduated penalty to districts which go above 20-1 in classes may help during this financial crisis.

The new Assembly Accountability and Administrative Review Committee, chaired by Hector Del La Torre, has yet to meet and start its search for waste, fraud, and duplication in government. Mr. Simpson is not sure that money will be found in the State Department of Education which receives 60% of its operating funds from the federal government and is the smallest state department of education relative to population in the U.S.

Mr. Simpson wonders "what is the alternative to taxes?" in resolving the current budget crisis. Economists say that cutting government spending is worse than raising taxes in a bad economy. Some of Mr. Simpson's suggestions on how to fix the problem long-term include a majority vote for the budget, taxing services, and undoing Proposition 13.

As always, our PTA group had an excellent meeting with Rick Simpson who is open and honest giving us an "inside look" at the legislature and the workings of state government. We all look forward to the legislature resolving the current budget crisis and continuing work on the 2009-10 budget.

### **Gerry Shelton, Chief Education Consultant – Assembly Committee on Education**

#### **Report by: Alli Maier**

Kim Anderson asked: What's on your radar in terms of education?

Gary Shelton: This year is no different from last year in terms of focus. It's budget, budget, budget – the elephant in the room. It's all negative. \$40 billion – 35% of total budget. Additional cuts in education are beyond what we have seen. One thing to add: there are good indications that there will be an education component to the Federal budget package. There are allocations in a couple of areas. 1. A supplemental allocation in IDEA. The number is in the ten's of billions which translates to about \$2-3 million for CUSD. Caveat: It's money on top of '09 allocations, but we are not sure what the '09 appropriation is. 2. Possible Title 1 grant increases that can be used to moderate reductions at the state level. This can be used as an offset mechanism. Caveat: We haven't seen the language on this i.e. No supplanting - the money must be

spent in such and such a way. Speaker Bass wants restrictions on this money. The federal government is working fast on this.

There will be additional cuts in the current year to education and likely to be continuing cuts into 09-10 – then it's fuzzy after that because there is no crystal ball for increasing revenue. The problem is the structural budget. These are economy-based problems. State Controller John Chiang is holding up payments and we are first in line.

The Governor is proposing cutting all categoricals about 20% (except Special Ed) and giving complete flexibility.

Dems want limited flexibility and targeted – not across the board – cuts.

One topic to be considered: there may be continuing discussions on categorical reform or flexibility. There has been talk about a fairly aggressive block grant bill:

AB 2933 Committee on Education

AB 2890(or 2980) Duvall – which is the Rep. proposal for categorical reform.

The legislature has limited capacity on how many big issues it can focus on at one time, but it's a hot topic right now.

The Governor's proposal on categoricals is in perpetuity, which means that categoricals will just go away. He (Gerry) would not be surprised to see that much flexibility, but in the current year only as a negotiation between the two sides. In terms of flexibility: why should be bind the hands of the policy makers?

**Evan Oneto**

**Legislative Director, Assembly Member Jeff Miller**

**Report by: Lori Abbott**

Evan Oneto is the Legislative Director for Assembly Member Jeff Miller. He recently joined Mr. Miller's staff and was previously the Press Secretary for Assembly Member Rick Keene. Since Mr. Miller was in the off-site Republican caucus, Mr. Oneto represented the Assemblyman.

Mr. Oneto welcomed our group and told us how Mr. Miller and the staff were still "moving in" and adjusting to his new office and position. He indicated there were no carryovers from Mr. Spitzer's (Assemblyman Miller's predecessor) staff.

Kathy Fischer presented him with a packet of education information specific to CUSD and asked him to share it with Assemblyman Miller. Kim Anderson then gave him some background information on CUSD.

Mr. Oneto indicated that Assemblyman Miller was still trying to determine his priorities and that the number of issues to be looked at was "a little overwhelming". He told us we were the first education advocacy group to meet with him, and that "education was not an issue they looked into yet". They don't want to just jump into areas where they haven't done some research. Mr. Oneto indicated that so far transportation was Mr. Miller's biggest issue.

Our CUSD group then did some education advocacy with Mr. Oneto and he was receptive to the ideas presented to him. We asked him to pass along the message to Assemblyman Miller that we are interested in a balanced approach to the budget and that we would like to know that he is open to a solution. We told him that we can help the Assemblyman get a message out.

Mr. Oneto informed us that the Assemblyman has no education bills to write yet, and that he was reluctant to do so because Republican ideas on education are usually not well received. Mr. Miller was also surprised to find out how slow it is to get anything done at the state level.

We asked what Mr. Oneto thought it would take to help bi-partisanship in Sacramento and he replied it would take new leadership, and indicated that meant an entirely new "Big 5". We also brought up the subject of bond debt (how to limit and how to clearly/simply explain the financial implication to voters), which had been discussed with Assembly Member Diane Harkey's representative earlier, and he indicated Assemblyman Miller would be interested in pursuing that.

**Senator Mark Wyland's Office**  
**Dave Loudon – Chief of Staff**  
**Tanya Wolters – Legislative Assistant**

**Report by: Marilyn Amato**

- Something may come down next week toward finalizing a budget
  - 80% there, 20% not (but that 20% comprises potential deal breakers
    - Problems: Republicans –taxes, Democrats – cuts
  - February 1<sup>st</sup> is the deadline so there is definitely a need to push things forward.
- Ten years ago individual members negotiated with leaders on their vote
  - Dave Cogdill has stated it could be political suicide to vote against party lines
  - If so, who will be there to support a budget if they vote partisan?
  - Governor is not from the political world
    - Changes mean that legislators need to know someone is out there watching their backs.
- Tax increase would equal a significant reform.
- So far they haven't seen a split tax roll on the ballot
- There seems to be an understanding that there will have to be some cuts.
- If categorical spending is included, it must be across the board.
- They haven't heard much regarding the Proposition 98 maintenance factor.

- Two Year Budget
  - Introduced in all sessions
  - Twenty-one states currently have 2-year budgets.
  - Give legislators a chance to think long term
  - Offers better planning.
    - One-year to work on the budget
    - One-year to concentrate on legislation
  - If would force the legislators to be more prudent.
  - Currently there is not enough time to delve into the budget
    - They need time to develop expertise
    - Most is done behind close doors
    - Many are not sure what it going on
  
- The state is governable, but in need of major changes.
  - Can cut some bills
  - Little to no legislation costing money will be getting out of committees
  
- CTE
  - Introduced a lot of legislation last year that didn't go anywhere.
  - Focus this year is on Civic Education as well as science & math
    - Lack of student interest in government and history
  - Next year state will be adopting new materials for science and history.
  
- Wyland is a big supporter of redistricting
  - Waiting to see what happens.

Steinberg, Torlakson and Wyland are working together.

**Paul Navarro, Deputy Legislative Secretary to Gov. Schwarzenegger**

**Report by: Julia Walsh**

- Negotiations between the Big 5 are moving along and general parameters are being set up in their meetings. Everyone is earnestly trying to reach an agreement on the budget. There has been an honest exchange of negotiating pieces.
  
- The Big 5 still has some very big issues to resolve, including the Prop. 98 maintenance factor and whether this applies to the current situation. However, the letter of the law supports the governor's position on this issue.
  
- There are other ways to approach our budget situation, including lower cuts to Prop. 98 and more compromise on other points. We need to make the economic climate better for businesses.
  
- The Governor wants to see local control and flexibility in the education budget. "It is the right public policy to return local control to the schools."

- Since 80-90% of funds go to teachers/personnel, allowing categorical flexibility would give school districts the most flexibility.
- The Governor vetoed the first budget proposal because it did not include an economic stimulus package.
- The Governor wants to sell surplus property, but the environmentalists want CEQA review prior to the sale. For decades, California has sold surplus property without CEQA review.
- With respect to a budget spending cap on the ballot, Navarro believes that special interests will fight the proposal and no one will spend money in favor of it. "There is no constituency group for good public policy."