

Opinion: Craziness governs school financing in California

By Dan Walters, Sacramento Bee

The state budget's 800-pound gorilla is the task of educating 6 million elementary and high school students.

It consumes between 35 and 40 percent of the general fund. The money is allocated by a bizarre combination of power politics and a constitutional provision so complex that only a few in and around the Capitol even profess to understand it – and rarely agree.

Since the budget usually can't meet its full constitutional obligation each year, even when the economy is healthy, politicians and education lobbyists hammer out some number. They include a proviso that any unpaid amount will go on what they call "the credit card" to be repaid at some point in the future.

To complicate matters even more, one of the factors determining the obligation is how much money hundreds of districts are receiving in local property taxes, which are also affected by the economy. A huge chunk of the money is allocated for specific purposes called "categorical aids."

Finally, the school aid numbers budget are subject to change at any moment if the state's revenue estimates are off the mark – which they usually are.

It's completely irrational, and effectively forces local school officials to operate on a month-to-month basis – even though they are also tied into labor contracts, especially with teachers, that assume longer-term financial stability.

The current situation is a classic example, and even more convoluted than usual. The 2011-12 state budget adopted in June assumed that the state would receive an extra \$4 billion in revenues. But it also provided that should those dollars not appear, there would be up to \$2.5 billion in automatic spending cuts, three-quarters of it school aid.

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