

Calif. schools grappling with growing pension costs

By Jessica Calefat, CALmatters

California's public schools have enjoyed a remarkable restoration of funding since the bone-deep cuts they endured during the recession, but many now face a grave financial threat as they struggle to pay the escalating costs of teachers' pensions.

Over the next three years, schools may need to use well over half of all the new money they're projected to receive to cover their pension obligations, leaving little extra for classrooms, state Department of Finance and Legislative Analyst's Office estimates show.

Some districts are predicting deficits and many are already bracing for what's to come by cutting programs, reducing staff or drawing down their reserves even though per-pupil funding is at its highest level in three decades and voters recently extended a tax hike on the rich to help pay for schools.

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