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ADVOCATE

Newsletter of the Hemet Teacher's Association / CTA / NEA

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Assembly Bill 114 and Budget TRIGGERS

I know many of you are reading news reports or hearing from your local school districts about how state revenues are coming in lower than expected and if that will “trigger” additional state budget cuts. Since early August, we have all witnessed the extreme volatility of the stock market. It is normal to be anxious about how this will affect our lives, the California economy, the generation of tax revenues, and the funding of public education and other essential services. So I wanted to provide you with some additional background information on the state budget bill and how the triggers were written into law. **A quick fact sheet is on the back of this paper.**

In short, AB 114—the education budget trailer bill—attempts to stabilize school funding for 2011-12 and stop the hemorrhaging of state budget cuts. However, the approved state budget also “triggers” budget cuts if projected revenues don’t materialize.

Elements of AB114 and the budget triggers have generated a hue and cry bordering on hysteria from some individuals and school business organization. As leaders, members, and staff of the California Teachers Association and its local chapters, we must counter the panic and advocate for and pursue our mission on behalf of our students, our members, public education and our communities. We must carefully examine the world around us to understand the likelihood of this “what if” and we must be prepared to be the voice of calm during this period.

The market, tax revenue reports and the underlying economy.

In early August, the stock market witnessed daily triple digit swings creating panic around the world. While it is a cause for serious concern, the market’s volatility is not necessarily directly or immediately linked to what’s going on in the underlying California economy and the structures funding public education.

When the state budget was passed in June, it was built on the projection that tax revenues would be \$4 billion greater than those contained in the Governor’s May Revision. At that time, revenues were already ahead of projections by \$1.3 billion. On August 9, State Controller John Chiang released his monthly report covering California’s cash balance, receipts and disbursements in July, showing revenues were down \$538.8 million. This was followed by two other reports—one by the State Board of Equalization (BOE) and the other by the Department of Finance—that saw these projections move yet again.

The BOE contends the state received \$1.64 billion in sales and use tax revenues for the month of July, although the controller recorded only about \$1 billion. The discrepancy comes from the different ways that state agencies account for revenue.

So what’s it all mean? Who to believe? What to do?

First, we must not overreact to daily ‘factoids’ but should keep an eye on the trends in state revenue between now and December 15. December 15 is the date when the Department of Finance must determine whether subdivision © of Section 3.94 of the Budget Act of 2011 is operative or if state revenues have met the necessary projections.

Second, we must not rush or be pushed into acting prematurely. Trends in state tax revenue will be clearer by early November.

Third, we must remember that the triggers are tiered and reductions are bargained.

- If revenues are \$500 million below projections nothing will happen.
- If revenues are more than \$500 million but less than \$2 billion below projections nothing will happen to K-12 education funding.
- Any cuts to public education are proportional. If revenues are more than \$2 billion below projections, any changes will be determined by how much revenues fall below the projection. (Remember at the time the budget was passed, that state was already \$1.3 billion of where revenues needed to be to insulate K-12 spending from any reduction.)
- Any reductions in the length of the school year must be bargained locally. February 1, 2012 is the date when the ability to bargain a reduction of up to 7 days becomes operative. It closes
- for all practical purposes by mid-June and negotiations should be concluded by June 30, 2012

I know that being the voice of reason in the room can be challenging with some school district officials, but we must not overreact. We must also stay focused on our broader efforts of tax fairness and increasing revenues for public education and other essential services.

Written by Dean E. Vogel, President of California Teachers Association (CTA)

Facts about AB 114 and State Budget TRIGGERS

In short, AB 114—the education budget trailer bill—attempts to stabilize school funding for 2011-12 and stop the hemorrhaging of state budget cuts. However, the approved state budget also “triggers” budget cuts if projected revenues don’t materialize.

Facts about AB 114:

- AB 114 provides for the ‘flat funding’ of education and specifies that “**each school district shall project the same level of revenue per unit of average daily attendance as it received in the 2010-11 fiscal year and shall maintain staffing and program levels commensurate with that level.**”
- It closed the August ‘RIF window.’
- It suspends the ability of County Superintendents to use the Multiyear Fiscal Projection requirements of AB 1200 employed against us in the recent past to certify local district budgets as “qualified” or ‘negative’ and undermine our collective bargaining agreements.
- According to Governor Brown’s signing message “AB114 directs schools to adhere to the level of state funding provided in the Budget and not assume a different, or lower, state funding level.” He goes further in saying that “school boards may nevertheless need to make reductions due to cost increases, loss of federal funds, enrollment declines or other factors.”

Facts about state budget TRIGGERS:

- Any cuts required by reduced state revenues are tiered:
 - If revenues are \$500 million below projections nothing will happen.
 - **If more than \$500 million but less than \$2 billion below projections nothing will happen to K-12 education funding.**
- Any cuts to public education are proportional:
 - If revenues are more than \$2 billion below projections, any changes will be determined by how much revenues fall below the projection.
- When the state budget was passed in June, the state was already \$13 billion ahead of where revenues needed to be to insulate K-12 spending from any reduction.
- Any reductions in the length of the school year must be bargained locally.

Important AB 114 dates related to bargaining:

- **December 15, 2011:** The date by which the Department of Finance determines whether revenue projections met goals and if triggers are pulled.
- **February 1, 2012:** The date when the ability to bargain a reduction of up to 7 days becomes operative.
- **June 30, 2012:** The date by when negotiations (including, one would argue, and bargaining, impasse, mediation and fact-finding) should be concluded.

Know Your Contract



VOLUNTEER TRANSFER OF PERSONNEL

- 10.1.2** A **voluntary transfer** is one in which the transfer proceedings are initiated or agreed to by the unit member.
- 10.1.5** A **vacancy** is a bargaining unit position the District has decided to fill through either transfer or the employment of a certificated employee.
- 10.2** **Teacher Initiated Request.** To facilitate requests for transfer of certificated personnel, a list of vacancies shall be maintained in the office of the Personnel Administrator. The list of vacancies shall be kept as current as possible at all times and it shall be available to all teachers. This list will be posted on bulleting boards at each school during the regular school year. During summer recess, notices of vacancies will be posted at the District Office. Copies of all notices of vacancies for certificated bargaining unit positions will be mailed to the Association at the time they are posted. Except in emergency cases, the deadline for responding to a notice of vacancy shall be at least five (5) days after the notice is posted, and no vacancy shall be filled before this deadline.
- 10.2.1** Teachers’ requests for transfer shall be made in writing to the Personnel Administrator. Such requests shall be acknowledged in writing.
- 10.2.2** Teachers’ requests for transfer to vacant position shall be given careful consideration, and when qualifications are substantially equal and in the best interests of the District, employees shall be given preference in placement in such positions over persons not currently employed in the District. Seniority shall be one of the determining factors in granting transfers and reassignments. Changes in assignment caused by voluntary transfers will occur either at semester break or prior to the beginning of the instructional year for secondary teachers or at trimester break or prior to the beginning of the instructional year for elementary teachers. At the District’s discretion, voluntary transfers may occur at other times during the year.
- 10.2.3** A teacher who requests a transfer and is qualified for the position shall be granted an interview with the principal of the school where the vacancy exists or with an appropriate administrator. A teacher shall be notified verbally or in writing of the decision to grant or deny a request within ten (10) days of the decision. If the decision is unsatisfactory to the teacher a conference with the principal and the Personnel Administrator may be held if the teacher so requests. If a teacher initiated transfer request is denied, the employee shall be provided with specific reasons for the denial within ten (10) days by the appropriate administrator upon the teacher’s request.
- 10.2.4** Transfer requests shall remain in effect for the school year in which they are made unless the teacher provides written notification to the Personnel Administrator that she/he no longer wants to be considered for transfer. All transfer requests will expire the day before the first instructional day of the new school year.
- 10.3.1** When a teacher has been transferred involuntarily, consideration will be given to a future request for voluntary transfer.