



## **May 19 Election Results, May Revise Implications, State Budget**

**May 20, 2009**

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## **Revenues Continue to Deteriorate (Assumes 1C, 1D & 1E Pass)**

- 2008-09 down
  - \$4 billion - \$6 billion
- 2009-10 down
  - \$8 billion - \$10 billion
- Two-year total
  - \$12 billion - \$16 billion
- Add \$6 billion if Propositions 1C, 1D, and 1E fail

## Expenditures Up

■ Property Tax Loss	\$1.1 B
■ Increased Non-Proposition 98	\$2.3 B
Total	\$3.4 B

## Propositions and Budget Impact Years

- Proposition 1C, 1D, and 1E – 2009-2010
- Proposition 1A and 1B – 2010-2011

## Balancing 2008-09 and 2009-10

- Cuts (Schools a mix of revenue limit and categorical aid)
- Bigger Deferrals
- Borrowing
- Majority vote tax?

## K-12 Revenue Limit

- If 1A through 1E pass:
  - 2008-09      -\$694 M (one-time)
  - 2009-10      -\$950 M
  - 2009-10      -\$640 M (deferral to 2010-11)
  - 2009-10      +\$940 M (to reflect  
property tax adjustment)

## K-12 Revenue Limit

- Additional if 1A through 1E fail:
  - 2008-09                   -\$617 M (one-time)
  - 2009-10                   -\$475 M
  - 2009-10                   \$1,038 B  
(deferred to 2010-11)

## Stimulus: Operational

- Budget cuts and stimulus
- One-time money to be used for 2-3 years – Federal point of view
- IDEA and Title 1
- Guidance at [www.ed.gov](http://www.ed.gov)

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