

Viewpoints

Bargaining in 2024? Make it Work.



While California's school districts deal with declining student enrollment and a systemwide effort to make salaries competitive for educators, the Governor is looking at creative ways to soften the impact of a shortfall in funding the TK-12 system and its community college system. So while the Legislature, the Governor, and bargaining unions like CTA and CFT, look at solutions, the local school districts are planning for a difficult round of bargaining with its labor partners. Should the proposed deferrals agreed to conceptually by the Governor and CTA, be approved by the Legislature, California schools will get their funding in the form of some monies and some IOUs. Districts will have to prioritize how to spend the actual ongoing monies received and use some of their carryover ending fund balances to cover the shortfall. Bottom line for school budgets, districts will have to find ways to cut and limit non-essential expenditures. Most districts are already looking at options without sacrificing offerings of programs while increasing employee compensation. For California to maintain its vibrant schools, prioritizing its students and employees is a must.

You can read the full article at:

Challenging is an understatement. Because the state will fall short of full funding for the current year, 2023-24, the Legislature would suspend Proposition 98 for the first time since the height of the Great Recession in 2010-11 by \$5.5 billion. The money owed, an IOU called the “maintenance factor” under Proposition 98 terminology, would be repaid over multiple years, as determined by the growth in state revenue. The repayments would start with \$1.3 billion in 2024-25.

The deal would reintroduce funding deferrals — another accounting maneuver from the Great Recession, though at a smaller magnitude. As opposed to a funding suspension, a deferral is a late payment, in which the Legislature shifts funding by days or months from one fiscal year to the next, and districts are on the hook for money they’ve already spent.

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