

School Transportation, ARB and the State Budget

CASBO and School Transportation Coalition Presentation

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October 7, 2008

Today's Agenda

- 📅 2008-09 State Budget
- 📅 State's Fiscal Condition
- 📅 Mid-Year Reductions
- 📅 2009-10 Predictions
- 📅 ARB's School Bus 2008 Guidelines (Prop. 1B)
- 📅 ARB's School Bus Regulations

Presentations and Materials

- 📅 Home-to-School Transportation Program:
The Funding Formula Should Be Modified to Be More Equitable
California State Auditor (March 2007, Report # 2006-109)
- 📅 Key Points, State Auditor Report and other Studies, School Transportation Facts *
- 📅 School Transportation Issues, paper delivered at the Getting From Facts to Policy: An Education Policy Convening, October 19, 2007, by Kirk Hunter (STC) and Michael G. Rea (CASTO)

Presentations and Materials (cont.)

- 📅 School Transportation – Legislative Rural Caucus, for the Getting From Facts to Policy: An Education Policy Convening, October 19, 2007, by Assemblywoman Jean Fuller, Chair of the Caucus
- 📅 Rough Road (CASBO) by Linda A. Estep – Summer Edition *
Quotes by Kirk Hunter, Bob Wigginton, Stephen Rhoads, Charlie Ott, Dave Randall, Charles Bedner, and John Biggie
Paper mentions Senator Gogdill and Assemblymember Fuller

Presentations and Materials (cont.)

- 📄 School can't spare time or dimes for field trips, *LA Times* by Seema Mehta, May 19, 2008 *
- 📄 School districts tense over new diesel rules, by John Howard, June 12, 2008 *Capital Weekly* *
- 📄 California school districts ending or reducing bus service for students, *Los Angeles Times*, July, 28, 2008 *
- 📄 Regular Home-to-School Transportation Issues, Tri County Perspective – Fresno, Kings and Tulare Presentation to State Superintendent Jack O'Connell, by Kirk Hunter CEO Southwest Transportation Agency September 16, 2008 *

Presentations and Materials (cont.)

📄 Forthcoming Materials:

1. *School transportation apportionments by school district (CDE)*
2. *School Bus Fleets (ARB and CHP)*

Sometime in October!

2008-09 Budget History

Governor's January Proposal

- Cut 2007-08 revenue limit by \$1 billion
- Cut Categorical Programs by \$1 billion
- *Cut Transportation Funding by \$40.9 million or 6.5% (Could have been \$72 million or 10.9%)*

2008-09 Budget History (continued)

Governor's May Revision Proposal

- Restored the cut to the 2007-08 revenue limit by \$1 billion
- Cut Categorical Programs by \$1 billion
- *Restored the Special Education cut but decreased the cut to deferred maintenance by \$277 million or -80%*

2008-09 Budget History (continued)

Democratic Legislature's Conference Report

- Provided a 2% COLA for both the revenue limit and all the categorical programs including school transportation
- Included Income Tax Increases

2008-09 Budget History (continued)

Governor's August Revision

- Restored the revenue limit and the categorical programs to their 2007-08 level of funding. No COLA
- Included three year sales tax increase of 1 cent.

2008-09 Budget History (continued)

Republican Budget Proposal

- Cut revenue limit by \$ 1 billion and cut categorical programs by \$ 1 billion. Impact very similar to Governor's original January budget
- Included no tax increases.

2008-09 Final Budget

Final 2008-09 Budget (page 1)

- Restored revenue limit and categorical funding to their 2007-08 funding levels
- Provided .68% COLA for Revenue Limits - \$40 per ADA for unified districts, \$38 per ADA for elementary school districts and \$46 per ADA for high school districts. No COLA for categorical programs
- Included no tax increases.

Major Program Spending Increases Between Current and Budget Years

■ K-12 Education	-1.5%
■ Higher Education	+2.5%
■ Legislature, Judicial, and Ex	-2.2%
■ Environmental	+10.0%
■ Resources	-7.1%
■ <i>Health and Human Services</i>	+4.7%
■ <i>Corrections</i>	+1.3%
■ <i>Business, Transportation</i>	+8.4%
■ <i>All Other</i>	-75%
■ Total State Expenditures	0.1%

2008-09 Final Budget

Final 2008-09 Budget (page 2)

- Budget Stabilization Measure – reserve of 12% - Initiative
- Lottery Proposal Initiative
- An Additional School Transportation Funding Problem!
2007-08 Funding \$629.7 million
2008-09 Funding \$618.7 million

2008-09 Final Budget

Final 2008-09 Budget Observations

- It looks as though the Republicans won the day. However, they may end up losing the war.
- Legislator and the Governor's ratings are extremely low.
- The public understands that Sacramento is broken.

School Transportation Cuts

- 📦 Mid-Year one-time cut of \$11 million
- 📦 LAO proposed \$11 million permanent cut to Home-to-School Transportation
- 📦 Need Legislation to stop this nonsense. Can combine efforts with K-3 Class Size Reduction Program

2009-10 Budget Predictions

1. Legislature may be facing a part-time initiative
2. No more negotiating with Republicans for tax increases. Democratic leaders realize that it will be a waste of time.
3. Majority vote for budget initiative – waste of time
4. Tax Increase Initiatives tied to Education/School Transportation Funding.
5. Possible Adequacy Initiative
6. Governor's January Budget will propose sales tax increases
7. Mid-year cuts

2009-10 Budget STC Next Steps

1. Contact Governor's office and the Department of Finance ASAP.
2. Must contact 30 new legislative members.
3. Must contact USC Study Group.
4. Must contact existing democratic and republican members and staff.
5. Must get involved with Adequacy Initiative.
6. Must prepare for ARB hearings.

ARB Actions on the School Bus Program

- 🚌 Proposition 1B contained \$200 million for school bus replacement and retrofits – traps
- 🚌 Hearing was on March 27
- 🚌 The following individuals represented you:
 - Kirk Hunter – Southwest Transportation
 - Ralph Meza – Fresno Unified
 - Tom Carroll - Shasta Union High District
 - Stephen Rhoads – STC
 - Nikke Hughes – San Juan Unified
 - John Clements – Kings Canyon Unified

ARB Actions on the School Bus Program (cont.)

- 🚌 We emphasized 1) current transportation crisis in our schools, 2) current fiscal crisis, 3) impact on poor and disadvantaged children
- 🚌 The board was sympathetic but did not change the staff's recommendation
- 🚌 However, they did ask the executive director to address any hardship case.

ARB Actions on the School Bus Program (cont.)

- 📄 ARB imposed a district match of \$25,000
- 📄 ARB imposed a cost cap of \$140,000
- 📄 ARB recommended that 25% of the funds be spent on traps.
- 📄 ARB is spending \$2.4 million of state bond funds for public outreach for the traps.

ARB Actions on the School Bus Program (cont.)

After much internal deliberation, ARB will now recommend that the air quality districts can if they wish eliminate the match for up to 20% of the school buses.

STC Proposed Next Steps for ARB's School Bus Program (cont.)

1. Use Government Codes 11340.6 or 11340.7 to petition ARB to justify why the match is not a underground regulation. Time to response is 30 days.
2. Petition Office of Administrative Law to investigate if the match is an underground regulation. Time frame is 60 days of notice to public and 120 days to act.
3. Prepare Court Action
4. Prepare Legislative Action

STC Proposed Next Steps for ARB's School Bus Program (cont.)

Focus on our school districts that serve the largest number of poor and disadvantage children

Enlist the aid of all the coalition members, CSEA, SEIU, PTA, Farm Workers, MALDEF, Public Advocates, Acorn, Pico, and other public interest groups

Draft Heavy-Duty Vehicle Regulation

This is a disaster!

This is scheduled for ARB Board approval on December 11 and 12.

ARB staff must have their report ready by October 27 (45 days prior to December 11).

The new regulations give us until December 31, 2017 to replace the buses that cannot be retrofitted with a trap.

Draft Heavy-Duty Vehicle Regulation STC Next Steps

1. Districts and organizations should be ready to submit their testimony by October 27
2. **Again the emphasis should be on the school districts with the largest number of poor children.**
3. Focus is on "if funds are available"
4. Set the stage for mandated claim and future court case.
5. Seek the help of public advocates and others to file their own suit.

Draft Heavy-Duty Vehicle Regulation STC Next Steps (continuation)

6. ARB needs to identify the "total" cost of traps – downtime, additional energy cost, etc.
7. There needs to be an appeal process if say five or more school districts believe the traps are malfunctioning.
8. Has ARB investigated if the traps increase the pollution inside school buses?
9. What is the total impact of the traps on greenhouse emissions?
10. Do we or do we want to push others to argue to speed up ARB's implementation schedule as long as funds are made available?