



# CALIFORNIA COMEBACK





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# California Comeback: A New Series

By Steven Mikulan

To this day Marisa Oste, an elementary school teacher in Pico Rivera, struggles to explain how hard it was, during the Great Recession, to report to class every day. She was so uncertain about her future that she cried at school. In Cerritos, budget cuts meant that parents had to buy the schools printer ink cartridges, pens and facial tissues. In Riverside County, Alan Underwood, a young elementary school music instructor, gamely wore a pink shirt to school on the day pink slips were handed out to the staff. And Tom Torlakson had just taken office as the state's new Superintendent of Public Instruction when he was forced to declare a state of financial emergency.

These and countless other scenes played out in California's public school classrooms and on its playgrounds in the wake of the 2008 financial meltdown. But there would have undoubtedly been far more similar stories had not state voters passed Proposition 30 in November, 2012. The ballot measure rescued California's public education system and temporarily secured its future by imposing a tax on the wealthy, while slightly boosting the state sales tax. Moreover, by saving our schools, Prop. 30 also gave a reprieve to other California agencies, including those whose services provide health care and relieve overcrowding in prisons. Because public education is constitutionally guaranteed to draw funds from other state agencies in times of financial crisis, low-income adults suddenly found themselves without Denti-Cal coverage during the Great Recession, while single adults were frozen out of Medi-Cal protection. By replenishing public education coffers, Prop. 30 took the pressure off these and other programs benefiting California's children and low-income residents – and even provided a surplus for the state's rainy day fund.

But with Prop. 30's tax increases being phased out over the next

two years, California faces the very real possibility of falling back to the lean, uncertain years of the recession. Today Capital & Main launches "California Comeback," a series that examines the devastation that followed the banking collapse, and how one proposition played a critical role in reversing the state's slide into

bankruptcy and allowing it to rebuild its public education system. The stories also look at Proposition 55, a successor measure to Prop. 30, that will appear on the November ballot – and what could await California should it not pass.

"California Comeback" includes the following features:

**Bill Raden** reminds readers of just how badly California was hit by the recession that began in 2008, and follows with a second feature, in which leading state education officials and classroom teachers talk about the damage done to schools and to teachers themselves.

**Bobbi Murray** finds that just beyond the front steps of schools, communities, parents and non-teaching school staff were hurt by the initial budget cuts that, to this day, have not been fully restored.

**Judith Lewis Mernit** reports on the ways that Prop. 30 restored funding to health and human services programs, particularly the state's Denti-Cal program, by stopping the budgetary free-fall of California's public schools and community colleges.

**Dean Kuipers** talks to budget experts about Prop. 30's decisive role in saving community colleges from becoming overcrowded waiting rooms for students hoping to advance to other colleges, as well as to one grateful mechanical engineering student who was faced with having to wait five years to transfer to a four-year college until Prop. 30 turned the funding taps back on.



San Francisco's Galileo public high school.

Photo by Bahn Mi



Superintendent of  
Public Instruction  
Tom Torlakson

# How a Ballot Measure Brought America's Largest Public School System Back From the Brink

By Bill Raden

**F**our years ago California voters overwhelmingly passed Proposition 30, the emergency ballot measure that Governor Jerry Brown and state education leaders had argued was needed to rescue public schools and community colleges from the fiscal free-fall of the 2008 Great Recession.

The good news, according to the California school teachers and officials, parents, college professors, health-care advocates and economic researchers interviewed by Capital & Main for this series, is that the initiative not only performed as advertised, but it may be the most spectacularly successful ballot initiative in the state's notoriously uneven history of direct democracy.

By raising income taxes on the wealthy and the sales tax on

everyone, Prop. 30 dramatically stabilized school funding in the wake of the recession, averting thousands of new teacher layoffs while beginning the work of restoring the jobs and programs lost during the first years of the crisis. It was also instrumental in allowing the state legislature to balance its budget for the first time in years without slashing social programs.

Together with a recovering economy, the temporary tax measure has to date reinvested more than \$31.2 billion in preschool, K-12, and community colleges. By boosting per-pupil funding by more than 14 percent, Prop. 30 bumped the state's Great Recession-battered national ranking from dead last in 2010-11 to 40th among all states at \$10,493 per student in 2016-17. It's still a far cry from

California's long-ago position as a top funder of public education, and a 2016 report estimates that merely moving California to the average funding level of the top 10 states would require roughly a doubling of current state funding under Prop. 30.

But the measure is scheduled to expire at the end of 2018. And that, say Great Recession survivors, will again place California's still-wobbly public schools on the edge of the same fiscal precipice that made the system so vulnerable in 2008.

"There was a cluster of bad things happening simultaneously as districts struggled to balance their budgets," Tom Torlakson, the State Superintendent of Public Instruction, recalled in a phone call to Capital & Main. "We saw a suspension of money for curricular materials, so teachers had to do with somewhat outdated text books. Parents who wanted to see their children in a small class of 25 or 30 students were seeing classes with 38 and 40 students."

Those memories are still fresh for Torlakson, who took office in January 2011, when the shock waves of the global financial crisis had opened up a two-year, \$18 billion budgetary abyss — at a cost of nearly \$3,000 per student — beneath the state's already badly strapped public schools. Barely three days into his new job, he declared a state of financial emergency.

It was the most significant economic crisis for California public education since the Great Depression. But because California schools were in a very different place than they were in the 1930s, in many ways, it was the most devastating financial blow ever to hit the system. What had begun in 2008 as a "\$28 billion hole," according to numbers provided by California's Department of Finance, by the 2011-12 budget, ballooned to a \$98.3 billion cumulative deficit. Balancing the budget meant all services in the state felt the impact of cuts — cuts so deep that they quickly spilled over into the constitutionally protected funding for K-12 education

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Public Instruction



and community colleges.

California public schools arguably had already been among the leanest in the nation. Considered a "low-spending" education state even before the crisis, the system had ranked among the lowest in terms of per-pupil K-12 spending (41st in 2007) on the eve of the crash. The nearly 14 percent budget hit (compared with nine percent to health and human services and nine percent to the prison system) had, by the 2009–10 school year, seen the state drop to 46th place.

How individual schools coped depended on how fiscally sound their parent agencies had been going into the crash, or whether or not a school had the kind of robust PTA that could offset crippling shortfalls with parental fundraising. Most quickly

burned through their cash reserves as superintendents and school boards desperately attempted to insulate classroom instruction; 188 districts — including some of the state's largest — teetered on the brink of insolvency.

"Nobody was spared," remembered current Los Angeles Unified School District (LAUSD) board president Steve Zimmer. "And poor children were hurt the most often and the most severely. And they were hurt in ways that affluent families cannot understand. Because we don't have the type of educational safety net that is available to folks living in communities of economic stability. The savage inequities of these cuts can't be logged."

Some school districts lost as much as a week of instructional days. Art, music and even athletic programs were eliminated. Afterschool and summer school were cut — programs essential to keeping in school students who were on the verge of dropping out or who lacked the credits needed to graduate or advance to the next grade.

"Seeing teachers laid off who had gone through their teacher training, had passion about helping kids, making a better life for their students — that was hard," Torlakson admitted. "Those

teachers were demoralized by the fact that they had worked so hard to become a teacher and then were laid off.”

Before it was over, California schools would bleed 82,000 teaching and classified jobs — teachers, counselors, psychologists, school nurses, custodial staff, cafeteria workers, bus drivers and librarians.

“The pinkslips — we called it the ‘March 15th letter,’” recalled Torlakson’s predecessor, Jack O’Connell. “What’s that do to the morale, not just to the teachers leaving but even to those that are staying when their peers, their colleagues, their classroom neighbors have to look for a job while they’re still expected to teach for the last quarter of the year?”

In 2009 alone, the California Teachers Association estimated that approximately 17,000 teachers (or five percent of the state’s teaching force) had been laid off. The following year, another 22,000 teachers (approximately nine percent of the state’s teaching force) had received layoff notices. More were on the way. (Disclosure: CTA is a financial supporter of this website.)

“The impact was extraordinarily personal,” Zimmer remembered. The devastation [to LAUSD] in terms of layoffs — well over 3,000 teachers; well over 8,000 classified employees — was one layer. But the other layer was that the displacement of people, especially of our classified staff, resulted in the destruction and dismantling of school communities in a way that was absolutely unprecedented.”

“We cut supplemental services,” remembered Matt Navo, superintendent of rural Sanger Unified School District outside of Fresno. “We did not fill back counselors; we didn’t backfill all of our speech pathology, all of our school psyches. We ended up cutting classified services and food service and school supervision. Every department cut 14 percent of their budget to try to make ends meet. For me, the most difficult cuts were in people ... [especially] the youngest, new teachers that were just starting in the profession and

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who lost their jobs with no place to go.”

California’s education-funding troubles didn’t begin with the Great Recession. To get to its roots, one has to go back to 1978 and Proposition 13. The popular “taxpayers’ revolt” stripped local school boards and other entities of their authority to levy taxes by dramatically lowering property taxes 67 percent to a uniform one percent of assessed value. In most districts, however, the new assessment was not enough, and it forced Sacramento to step into the breach by shifting the burden for education to regressive sales taxes and income tax revenues.

By 1988, schools had deteriorated to such an extent that state voters narrowly passed Proposition 98. Rather than adding new revenues to

the state budget, however, the ballot measure merely amended the constitution to require that a larger and more consistent piece of the state budget pie go to K-12 education and community colleges. Good for schools, but not so good for other discretionary line items during a deep recession.

“Everything was on the table,” said Chris Hoene, executive director of California Budget & Policy Center, of the Great Recession cuts. “It was not like there was some sort of part of the state budget that was sacrosanct.”

California can, for the time being, enjoy the \$6 billion-per-year sigh of relief that Prop. 30 has bought for the state’s 6.23 million school children.

A recent policy brief by the California Budget & Policy Center makes clear that the law helped California reinvest in preschool, K-12 schools and community colleges by more than half. It also says that Proposition 30 has allowed California to begin restoring funding for other public services hurt by the recession, including state universities and essential health and human services. And it has significantly boosted the state’s rainy day



“There’ll be elimination again of arts and athletics at some schools. To me, those aren’t electives. Those are essential services.”

– Jack O’Connell,  
Former Superintendent  
of Public Instruction



cushion against the next global banking disaster.

But Prop. 30 was never intended as the cure for returning the system to its pre-Proposition 13 heyday. According to Hoene, education finances aren’t quite to where they were in 2007: “You can see this when you look at the Local Controlling Funding Formula, the governor’s restructuring of how we fund school districts.”

“We were short when I first took office,” Torlakson concurred. “There was a study that showed we should have been adding \$10 billion and not cutting \$10 billion. Once we get done with backfilling the cuts there’s still a need to have the [Common Core-driven] new kinds of teaching, the new kind of science laboratories in the schools [and] vocational shop classes. You can’t do that on thin air. You do need resources.”

How rosy or bleak the future looks in a post-Prop. 30 world depends on who is making the forecast, and whether or not that prediction includes the passage of Proposition 55. That measure, which a coalition including labor, doctors and California hospitals placed on the November ballot, would extend Proposition 30’s progressive income tax on the 1.5 percent of Californians with a single income filing of at least \$263,000, or a joint income filing of at least \$526,000, but without Prop. 30’s regressive sales tax component.

What will happen in the short term when Proposition 30 revenues expire on December 31 of 2018 — halfway through the 2018/19 fiscal year — is a matter of simple arithmetic: The state will lose half of the year’s funding that it would have received under Proposition 30. That’s in the range of \$4.5 billion. For 2019-20, the first full fiscal year without Proposition 30 funding, double that amount, multiply it by every year into the foreseeable future and cross your fingers.

“The worst [scenario] is the economy experiences some significant recession again,” Hoene warned. “Even a moderate recession would have a dramatic impact on the state’s finances and if Proposition’s 30 revenues aren’t also there, you’re talking about really significant budget shortfalls once again.”

Even if the economy doesn’t tank in a new recession, the state’s moderate economic growth projections would still leave its budget barely balanced or with modest surpluses — and many districts on the critical list.

“My fear is that we will plunge our schools back into crisis,” Zimmer offered. “We will lose our ability to fulfill the American Dream. And that in the long term, the people that we need to go into public education on all levels will turn away again, because we cannot offer [them] stable employment.”

“It’ll be a ripple effect,” O’Connell agreed, “and affect our way of life. ... [Proposition 30] helps the state general fund, so that we can basically keep the prisons closed and the schools open. Career technical education will become a thing of the past. There’ll be elimination again of arts and athletics at some schools. To me, those aren’t electives. Those are essential services.”

For Chris Eftychiou, the public information director of Long Beach’s Unified School District, the words of an LBusB board member during the peak of the recession layoffs best sum up what is at stake for California:

“He said that these hundreds of people who we’ve laid off have just paid a 100 percent tax — they gave up all their salaries and all their benefits so that all of us could enjoy lower tax rates. I found that a powerful statement. We don’t have to go through that again.”



Long Beach teacher  
Sherrri Gonser

# For Teachers, Invisible Scars and Wary Hopes

By Bill Raden

“I had known it was coming,” remembers Alan Underwood.

In the spring of 2008, Underwood was an eager and popular young assistant band director at a high school in Moreno Valley, a suburban enclave in Riverside County, but the first clouds of what would soon be called the Great Recession were gathering in far off New York — and were clearly visible to Underwood. The music teacher, only four years out of college, decided to check in at the Val Verde Unified School District offices for reassurance.

“They’re like, ‘Hey, you have a job for as long as you want in the district,’” he says in a phone call.

By October, however, the Dow Jones Industrial Average had

plunged 18 percent in a single week, and California’s nearly 300,000 public school teachers found themselves in the full fury of a financial storm that saw the state teetering on the precipice of a record \$28.1 billion deficit. It would get far worse.

“It started to become a little bit clearer that things weren’t great,” Underwood dryly recalls. “I wore a pink shirt the day they were handing out the first round of pink slips. This was just the reality: They were going to have to cut somewhere, and they weren’t going to cut English and math teachers.”

Underwood was right. He, along with every music teacher in Val Verde Unified except for one was pink-slipped — three high

school teachers, six middle school and 13 elementary school teachers. The entire elementary school music program was eliminated and middle school music electives were cut back to one.

Throw a dart at a California Department of Education map and it will be impossible to hit a school and not hear similar stories. Until 2008 most California teachers believed teaching was recession-proof when they chose to enter the profession.

But by 2012, the state’s general fund revenues had plummeted by more than \$40 billion. That resulted in a debilitating 14 percent cut at the district level and, according to the Census Bureau’s Survey of Public Employment, 70,787 (or 7.9 percent) fewer people working in the state’s K-12 schools in 2011 than in 2006, including 38,703 fewer teachers.

And by the end of the 2011-12 school year, 2.6 million California children were attending schools in a record 188 districts that were on the point of collapse. Another \$6 billion education shortfall in the 2012-13 budget loomed.

In November of 2012, however, California voters came to the rescue with Proposition 30, the temporary tax measure that dramatically pulled state public schools from the brink. The initiative, which raised the state sales tax rate by one-quarter cent through 2016, and added three new personal income tax rates for the richest Californians through 2018, has to date reinvested more than \$31.2 billion in preschool, K-12 and community colleges.

Alan Underwood got a job as band director at Chaparral High School in Temecula soon after Prop. 30 passed. (He now teaches at Vail Ranch Middle School.) It was no accident. Located in the wine country of southern Riverside County, the area’s stable economy and reputation for supporting the arts seemed ideal. It had been the third time he had applied during his three-year

“We were working already at a minimum budget reserve, so when the recession hit we had nothing. We were throwing things off a sinking ship to keep afloat”

– Marisa Oste,  
15-year veteran kindergarten teacher



odyssey as an unemployed teacher.

“Temecula was in shambles,” he says. “They had gone through different directors every year. Prop. 30 passes, they’re able to shift some money over, we’re able to get some much-needed equipment that the band had been lacking.”

Underwood adds that Temecula is even starting to bring back some elementary school music positions, and Val Verde, the district he left, has started to reinvest in its own music programs.

I got ‘March 15th letters’ every year for eight years,” 15-year veteran kindergarten teacher Marisa Oste tells Capital & Main of her district’s annual warning notice, which alerted

teachers if their job was on the budget-cutting block. “Two or three of the years I actually got the May 15th [layoff letter]. I wasn’t a brand-new probationary teacher. I was six years in when it first started happening, and it happened every year after that.”

Oste had been teaching at South Ranchito Elementary School in Pico Rivera, a largely poor, immigrant community 11 miles southeast of downtown Los Angeles and part of the then-9,866-student El Rancho Unified School District.

“We were working already at a minimum budget reserve, so when the recession hit we had nothing,” she explained. “We were throwing things off a sinking ship to keep afloat: Out went the buses; out went GATE [Gifted and Talented Education] programs; out went class-size reduction; support staff went. I sat on those budget advisory councils and it was painful the things we were having to cut just to keep the lights on.”

The most hurtful cuts were to South Ranchito’s summer school program. For a 99-percent Latino school that in 2012 had been performing at 42 percent proficient in English and 54 percent proficient in math, it was a disaster. In April of 2008, El Rancho Unified had already been forced to close four elementary schools to cover the shortfall, and much of the district’s afterschool

interventions and tutoring programs were jettisoned, along with over a week of school.

“We were decimated,” Oste remembers. “I can’t tell you how awful those years were for me — the uncertainty, just being at work and crying.”

Soon it was her turn. Of 100 pink-slipped teachers, Oste and about 20 others with the same seniority date and credentials would draw lots. Eventually, Oste and 56 fellow teachers (out of a 425-member teaching force) drew the short straw and lost their jobs.

Things were only marginally better at more affluent schools. Sherri Gonser had been teaching fifth grade at the highly regarded Longfellow Elementary School in Long Beach, 20 miles south of Los Angeles. Unlike South Ranchito, Longfellow was a model of both racial and economic diversity.

“We did have some Title I students that were on free and reduced lunch,” Gonser says. “We had students that are anywhere from million-dollar homes to homeless. Lots of parental support. Lots of PTA participation. It’s a very neighborhood school.”

Long Beach Unified (LBUSD), the state’s third largest school district, had struggled to keep the recession out of the classroom. But by early 2012, after cutting central office personnel to the bone and eliminating librarians, nurses, psychologists, counselors and assistant principals, the school board began issuing teacher pink slips.

Teaching had been a second career for Gonser. She had gone back to school and gotten a bachelor’s degree, then a teaching credential, before landing her first job at Longfellow in 2003. By

“We were looking at a potential one-month reduction in the school year, at elimination of entire programs like high school sports and elementary music. In fact, to this day we have a very flat administrative staff at the central office.”

– Chris Eftychiou,

LBUSD’s public information director



2008, she was fully tenured.

“I had always heard [in] college that once you got tenure you were good, you were safe, everything was fine,” Gonser says. “Tenure comes the first day of your third year. I had also been told that there was a huge shortage of teachers, so never in my wildest dreams did I imagine that [with] eight years [seniority] I would be losing my job. When we got the information in 2008 that things were rocky, I thought, ‘I have tenure. I’ve been [at Longfellow] five years now, I should be fine.’ I wasn’t.”

When Gonser’s turn came, the response from parents took the young teacher by surprise.

“Parents came to me and said, ‘What can we do? How much money do we have to raise to keep you here?’” Gonser recalls. “I had one mom come in crying and I’m like, ‘What’s the matter? What can I do for you?’ She said, ‘I just heard that you’re not going to be here next year, and I’m devastated because we’ve been waiting since second grade to have you.’”

The Longfellow PTA was able to salvage music instruction but not Gonser’s job. Eventually, \$300 million in district cuts claimed about 1,000 jobs — over 500 of them teachers. Class sizes expanded while the number of credits required to graduate were lowered. Had voters rejected Prop. 30, even more Draconian cuts were planned.

“We were looking at a potential one-month reduction in the school year, at elimination of entire programs like high school sports and elementary music,” recalls Chris Eftychiou, LBUSD’s public information director. “In fact, to this day we have a very flat administrative staff at the central office.”

Silver Creek High School math teacher Don Dawson was one of California's luckier teachers. Although located in San Jose, Silver Creek High is in the East Side Union High School District that straddles some of East San Jose's highest poverty neighborhoods, as well as its tonier, suburban golf-course enclaves.

When the 2008 crash came, Dawson's 17 years of seniority had given him an enviable measure of immunity. (He retired in May of 2014 after 24 years.) It also gave him a front-row seat for the impact of the cuts. Librarians and counselors were cut, along with county social services on which the district was a partner, including anger-management intervention and good-parenting classes for young mothers. Elementary schools lost their music programs. All the schools had a week cut from the academic year. Even the technician hired to maintain the district's new computers was fired.

"It [was] more like a death by a thousand cuts, when you think about thousands of students," Dawson recalls. "And each one of those students was affected in some way — it wasn't that, 'Oh, there's this dramatic case of this kid who committed suicide because we hadn't been there for him.' It was more like you saw kids not being able to get the classes they needed to give them the best chance to go to college. Kids missing out on some technical-career-type classes — because that's another area that got cut. For them, that's what they needed to move on as young adults."

With Prop. 30, the school district was able to restore the full school year. Arts and music programs were recovered, library services began to return and, more crucially, class sizes started to come back down. "There were times when I had more students than I had chairs," Dawson remembers of the time before Prop. 30.

"They're not completely back down to where they used to be," he adds.

"If we continue roller-coasting, people just aren't going to want to go into teaching. It's not going to be worth it. Kids are going to suffer."

— Alan Underwood  
Teacher, Chaparral High School



Dawson remains troubled, knowing that even before the Great Recession, California schools weren't up to full funding — and now face the possibility that Prop. 30 money will run out at the end of 2018.

"I think it will lead to probably at least a generation of students who get cheated out of the best education they could get," he predicts. "What's the consequence for us as a society for crippling a generation of youth by giving them a substandard education?"

On a personal and professional level, the most immediate effect of Prop. 30, Marisa Oste remembers, was the end to the layoffs: "We stopped receiving March 15th/May 15th notices. I've been able to stay in the same school [Birney Tech Academy]

for three years now."

But the recession damaged more than careers: "There're still a lot of pieces missing that never came back," Oste says. "Class sizes never came back down, neither did the GATE program. A lot of the programs that we have for English language learners are not back and special ed funding hasn't been returned to its normal state. The buses were important and we never got those back either."

Even Alan Underwood, who landed a job in Temecula after Prop. 30 passed, cautions that should those revenues expire, the music program that he pieced back together at Chaparral High will again find itself facing the budget ax during the next recession.

"There are kids that don't do sports, who need a place to go and be with people like them," he warns. "Music is definitely one of those places. Not everyone is going to be an English major or a math major. Some people are going to be artists. If we continue roller-coasting, people just aren't going to want to go into teaching. It's not going to be worth it. Kids are going to suffer."



Parent Maria Ruiz

# When Budgets Shrank and Classrooms Exploded

By Bobbi Murray

Parents manage a huge pile of details to guide their children’s education, from lunch logistics to transportation to homework—all while holding down jobs and the home front.

What, then, happens when a recession hits, state education funding is drastically cut, class sizes reduced, parents are called upon to replace library staff and you’re worried that the teacher who provided crucial support for your special needs student may be laid off?

That was the picture in California during the 2008-2011 recession. Parents can still provide a shell-shocked description of how the cuts showed up hard and fast in the classroom and destabilized school communities.

Passed by voters in 2012, Proposition 30 forestalled \$6 billion in education cuts and halted the downward defunding spiral. Now

Proposition 55, which will be on the November ballot, proposes a 12-year extension of the funding created by Prop. 30 by continuing its tax increases for households with \$250,000-plus incomes.

A “yes” vote could generate \$4 billion to \$9 billion annually. A recent USC Dornsider/Los Angeles Times poll showed public support at 57 percent.

Maria Ruiz knows all about school cuts. “I remember exactly what happened in 2010,” says Ruiz, whose three sons attended school in the Boyle Heights area of Los Angeles. She was active in the Prop. 30 voter education campaign organized by the nonprofit community organization InnerCity Struggle, has lobbied in Sacramento as part of LA Voice PICO and is a leader in voter education and mobilization efforts around this year’s ballot measure.

The Los Angeles Unified School District was already suffering a deficit when the recession hit, Ruiz says. Proposals to eliminate teachers and increase class sizes to 45 students worried her—she was particularly concerned for her son Angel, a seventh grade special needs student at Hollenbeck Middle School.

“He’s autistic,” Ruiz says. “He’s in a regular curriculum but receives services.” His teacher, Tony Semaan, who marks 15 years in the district this year, helped Angel complete his assignments and worked closely with the family.

“I was worried about it—he might have another teacher,” says Ruiz. “And with a bigger class size, how’s that going to be? I was worried about my son.”

Ultimately none of her sons’ teachers were laid off but Ruiz recalls how the situation created anxiety in the school community. “For three or four months we were in limbo,” she says.

One critical shift supported by Prop. 30 is the Local Control Funding Formula, signed into law by Governor Jerry Brown in 2013 that allows parents to work with local districts to determine priorities and share the funding that Prop. 30 provides. The LCFF focuses funds on high-needs areas—schools with a large percentage of English learners, foster kids or students receiving free or reduced-cost meals.

“That changed the story,” Ruiz notes. “Here in LAUSD, applying that formula, there’s more funding for all students.”

Prop. 30 restored arts classes, she says. If Prop. 55 doesn’t pass, Ruiz adds, “We’ll go backwards—we’ll lose teachers.”

Veronica Carrizales is another Prop. 30 proponent and fan the LCFF structure it supports. Carrizales, policy and campaign development director of California Calls, an alliance of 31 local

“When professional staff is keeping track, you have inventory. When you have all these books walking away—you’re trying to save pennies but you have dollars walking out the door.”

– Letetsia Fox,  
Senior financial manager, LAUSD



organizations statewide that, along with allies, mobilized more than a half-million voters in a get-out-the-vote campaign, was happily surprised when she learned that her daughter was able to begin college-credit psychology classes at Alhambra High School.

“I worked for this and now my daughter’s benefiting. That’s all additional funding from Prop. 30.”

But LAUSD remains injured by budget cuts. Support staff, known as classified workers, came under the axe throughout the district.

“2009 was the last year of full-staff library aides,” says Letetsia Fox, a senior financial manager with LAUSD whose two daughters graduated from LAUSD schools. “They run the libraries in the elementary schools.” Fox is also chair

of the Los Angeles chapter of the California School Employees Association. “Our entire unit was cut by 4,000 employees,” Fox says—office workers, technical support, accounting and financial staff, down from 8,000.

The library aides that run the school lending system were reduced to three hours a day, splitting their time between two schools in a given week. Schools recruited parents and other volunteers to check out books. Previously library aides ran the system that keeps tabs on where the books go—to what teacher or classroom or student, when they leave the shelves and when they come back.

“When professional staff is keeping track,” Fox explains, “you have inventory. When you have all these books walking away—you’re trying to save pennies but you have dollars walking out the door.”

Prop. 30 slowed down staff reductions. Many school staff had been cut from a 12-month work year down to 10 months. “It slowed down the reductions,” Fox says. “We were able to restore workers to 11 months from 10.”

Twenty miles down the freeway from Los Angeles in Cerritos, the ABC Unified School District of 30 schools and 21,000 students managed to avoid recession-triggered pink slips for teachers and to evade other destabilizing cuts.

The district has a unique governing partnership between teachers and management, says Tanya Golden, a sixth grade teacher and parent of two girls who have since graduated. Golden had been part of previous teacher negotiating teams but was not on the one that foresaw looming disaster and proposed furlough days for teachers and staff to save money. In the end, however, ABC was able to preserve art and band programs, and didn't threaten staff layoffs.

Lay-off threats "throw the parents into a tailspin," says Ray Gaer, President of the ABC Federation of Teachers. "Pink slips are detrimental to kids in the classroom." (Disclosure: The ABC Federation of Teachers is part of a union that financially supports this website.)

The day-to-day classroom crunch in Cerritos was still tough as the recession took a \$45 million bite out of a \$210 million annual budget over four years, Gaer says.

Golden recalls those days: "We were running out of paper, running out of printer ink. [Parents were donating] ink cartridges. Tissues. Pens. Things that people who don't work in schools don't think about."

Class sizes increased from a 20-to-1 ratio, to 32 students, Golden says. Prop. 30's passage gradually reduced class sizes and the district was able to reinvigorate technical education classes and arts. The district kept its librarians throughout the lean years, but classified staff left through attrition and were not replaced, Golden says.

Gaer notes that his district now has new math and science

"Throughout their schooling they knew they were going to get that teacher. Now they were crammed into a classroom with 35 seats. It was pretty rough."

– Alma Berrospe,  
Parent



textbooks as well as online resources. He's particularly pleased that it has one of few infant centers in the state—young parents can bring their infants in for care, then attend school themselves. "Without Prop. 30, child development would have been on the chopping block," he says.

In the San Gabriel Valley some 11 miles east of downtown Los Angeles, recession-era cuts fell more harshly and permanently.

Alma Berrospe had two children in the El Rancho Unified School District in Pico Rivera, where she says was a teacher's aide for eight years. Four schools were eventually closed after news of budget cuts came "out of the blue," Berrospe

recalls. "All the kids were in shock. My daughter was upset more than anything that the teachers she was used to seeing were not going to be there next year.

"Throughout their schooling they knew they were going to get that teacher," Berrospe adds. "Now they were crammed into a classroom with 35 seats. It was pretty rough."

Schools combined kindergartners with first graders and classes increased from about 20 students to over 30. Older students also doubled up. Berrospe's youngest daughter, now in seventh grade, was placed in a classroom that combined fourth and fifth graders, where class sizes also climb as high as 36 students, Berrospe says.

The public outrage after the cuts spilled onto the streets, with some demonstrations organized by parents, others coordinated with staff. "We did a big one right at the corner of Rosemead and Washington—we had a very strong showing at our first picket," Berrospe remembers, adding that Prop. 30 calmed the district down but didn't hold the answers for her community: "It was like people are getting used to it. My daughter is still in a combination class."

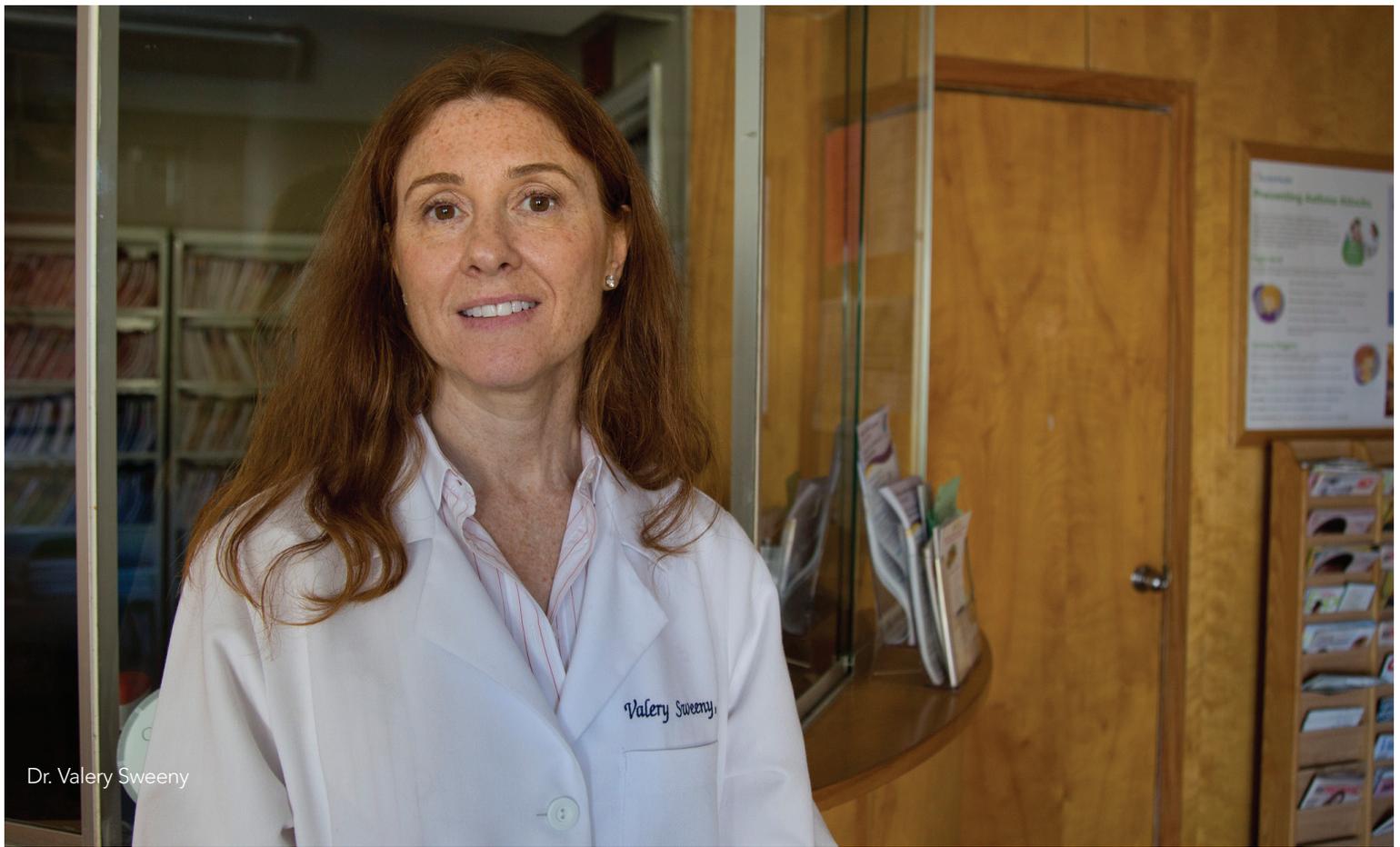


Photo by Pandora Young

# Will Health & Human Services Escape Future Cuts?

By Piper McDaniel

On the same July day in 2009 when President Obama held a prime-time press conference on health-care reform, Governor Arnold Schwarzenegger tweeted a video of himself showing off a hunting knife. The symbolism wasn't hard to discern: More than a year into the Great Recession, the state was facing a budget shortfall of \$26 billion, and Schwarzenegger was about to sign one of the most austere funding packages the state had ever seen. He meant the knife — and his concomitant offer of personally autographed cards as a revenue source — to inject some light-hearted fun into an otherwise dire message.

Except it wasn't funny. Before the metaphorical knife was sheathed, California legislators had eliminated \$15 billion from health and human services, including vital assistance for children, seniors and lower-income adults. Domestic violence shelters, daycare for

disabled adults, children's health insurance and rural community clinics were all shredded in that historic budget deal, as were vision, podiatry and acupuncture benefits for people enrolled in Medi-Cal, California's implementation of Medicaid, the federal health-care program for people living near the poverty line.

The most dramatic cut of all, however, went to the program that paid for Medi-Cal participants' teeth. The \$109 million cut to Denti-Cal completely eliminated everything but emergency care for adults, limiting the program exclusively for children. It left three million people stranded without a means to pay for their dental care — even if, as was true in some cases, that dental care was already in process.

Six years later, in May of 2015, some of the same legislators — albeit under a different governor — were no longer bickering over

painful but necessary budget cuts, but arguing about what to do with a projected state-budget surplus of \$8 billion. That same year, the legislative analyst's office projected that a temporary tax hike, passed by voters in 2012 as Proposition 30, would contribute roughly \$9 billion to the state treasury.

Prop. 30, which increased the personal income tax on wealthy individuals for seven years and added a quarter-cent to the sales tax for four years, was explicitly meant to raise revenue for education and public safety. But by taking the burden off school funding, which is constitutionally guaranteed a percentage of general fund revenues every year, the tax hike has also helped lawmakers restore some of those services gutted in the summer of 2009. A drug-treatment program suspended during the budget crisis has been brought back in full; acupuncture is covered once again under Medi-Cal. This summer, the legislature reinstated cost-of-living adjustments to the state supplementary program for seniors, the blind and disabled. When it kicks in on January 1, 2018, it will mark the first cost-of-living increase to the program in a decade.

Some dental services are back, too: Provider reimbursements for subsidized dental care were raised by 10 percent in 2014, and the program will once again pay for at least some adult dental care.

Prop. 30 isn't the only reason access to health care has improved overall in the past few years in California. The Affordable Care Act brought low-income single adults under the umbrella of Medi-Cal, and an overall improved economy has added income tax revenues to the state's coffers. But its contribution, however indirect, remains critical to the ongoing restoration of health and human services.

“It’s only because of Prop. 30 and a strengthening economy that we’ve been able to have the conversation about raising provider rates and partially restoring dental care for adults. If we lose that revenue source, we worry that conversation will be over.”

– Anthony Wright,  
Executive Director  
of Health Access California



“To the extent that we have seen increases in those areas, it’s fair to say some of it was made possible because Prop. 30 brought additional revenues into the state treasury,” says Scott Graves, director of research at the California Budget and Policy Center, an independent and nonpartisan think tank that looks at how tax and budget policies affect low- and middle-income Californians. “If those revenues go away, there would likely be cuts [to health services] at some point down the road.”

That worries some health advocates, who say health-care benefits for economically disadvantaged Californians are still far below where they need to be.

“We’re not even at the baseline that existed before the Great Recession,” says Anthony Wright, executive director of Health Access California, which advocates for health-care consumers in the state. With both of Prop. 30’s tax increases expiring in the next two years, Wright worries that that baseline will be forever out of reach. “Education has its Prop 98 formula,” he says, referring to the 1988 ballot measure that wrote guaranteed school funding into the state constitution. “Health and human services have no such provision.”

Wright and other health-care advocates are hoping that, in November, California voters extend at least some of Prop. 30’s revenues with Proposition 55, which will continue the personal income tax on people with incomes higher than \$250,000 for the next 12 years. “It’s only because of Prop. 30 and a strengthening economy that we’ve been able to have the conversation about raising provider rates and partially restoring dental care for adults,” Wright

says. “If we lose that revenue source, we worry that conversation will be over.”

If the state again runs into a deficit, Denti-Cal in particular “will be in the crosshairs.”

If you’ve ever had a debilitating toothache, you might question the extent to which dental care is an option, as opposed to a medical necessity. Bad teeth have been linked to chronic headaches, heart disease and systemic infections; they can stand in the way of your getting a decent job, eroding both self-image and confidence. For children, they also mean days missed from school and lower academic performance. A 2009 study by University of California, Los Angeles researchers found that children who need dental care and can’t afford it missed two or more school days during the year due to dental problems. Among children whose families could afford care, only 36 percent of children needing dental care missed two or more school days.

Even with California’s robust economy, however, Denti-Cal remains inaccessible for many of the 14 million adults and children who depend on it. Nearly half of California’s counties have inadequate numbers of dentists to serve Medi-Cal patients. Humboldt, Mendocino and Alpine counties have no Medi-Cal dentists listed with the state at all.

Patients sometimes wait weeks, or even six months, for an appointment. When they finally do get in to see a dentist, they’re often shocked to learn about the program’s arbitrary coverage rules. Denti-Cal will cover root canals on front teeth, for example, but not rear teeth – if those hurt too much, the dentist will have to pull them out. It will pay for a full mouth restoration, but not a partial set of dentures or a bridge.

Dr. Valery Sweeny, a Los Angeles dentist who accepts Denti-Cal,

“It always shocks me to see people who have these issues, people who have jobs and they still can’t finance their dental-health needs. I look in people’s mouths and I see so much need.”

– Dr. Valery Sweeny,  
Dentist



can’t finance their dental-health needs. I look in people’s mouths and I see so much need.”

recently had to explain to a patient why he’d been denied coverage for a partial set of dentures. “I wasn’t willing to extract all of his remaining healthy teeth just so Denti-Cal would approve it,” she says. “It’s not really in keeping with what proper dentistry should be.”

Sweeny says she aspires to do “ideal dentistry” on all the patients who come into her Silver Lake office, but Denti-Cal reimbursements are so low (dentists get paid, on a national average, anywhere from two to seven times as much as Denti-Cal dentists), and the paperwork so burdensome, that she ends up losing money on them. “I explain to [Denti-Cal patients] what they need, and then I tell them what Denti-Cal will pay for.” There’s often a big gap, and the patients leave upset.

“It always shocks me to see people who have these issues,” Sweeny says, “people who have jobs and they still

Efforts are in the offing to fix Medi-Cal’s dental coverage, to make it more rewarding for the dentists who provide services, to expand access for people in rural counties, to prioritize preventative care. The federal government has agreed to invest \$750 million in Denti-Cal over the next five years to pay dentists more and encourage professional care. A bill to increase provider rates, carried by Assemblymember Brian Maienschein (R-San Diego) died in the state Senate. The reason, Assemblyman Tony Thurmond told Capital Public Radio’s Ben Bradford, is that there wasn’t enough left in the budget to cover its \$200 million price tag.

There will be even less left two years from now should Proposition 55 fail. Anthony Wright prays that doesn’t happen. “What we hope is that it keeps the conversation open,” he says, “and that it keeps us from having to make more cuts to Denti-Cal. But we also hope it’s an opportunity to fully restore what we’ve lost.”



Eduardo Vargas

Photo by Pandora Young

# Healing a Crippled Community College System

By Dean Kuipers

**E**duardo Vargas enrolled at East Los Angeles College in Monterey Park during the fall of 2011 looking to help his financially troubled family, but then found he had to wrestle with a problem he had not foreseen: a crippled community college system.

“I started off as a mechanical engineering student, then realized that it was going to take me at least five years to transfer,” said Vargas, now 23. “Because of the cuts to the math classes, there wasn’t enough access. One semester becomes one year, because if you can’t access that class in the fall or the spring, you have to wait and come back to take that class the next year.”

When the Great Recession hit in 2008, Vargas and other students at California’s 113 community colleges were faced with severe cutbacks in class offerings, leaving overcrowded classes often filled by lottery and with scores of students left out and no prioritized wait lists for the next offering. There was no tutoring for the math he needed. Basic services like the library, print shops and English as a Second Language aid were all but nonexistent. Community College funding, the bulk of which comes from state guarantees under California’s Proposition 98 education funding law, and from local property tax revenues, shrank with the economy. Funding of \$6.1 billion in 2007-8

plummeted to \$5.3 billion in 2011-12, and was only projected to fall further. (Dollar amounts cited in this article have not been adjusted for inflation.)

Then came Proposition 30, which passed in November 2012. It boosted funds earmarked for K-14 education (years 13 and 14 are considered to be community college years) via a quarter-cent increase in the state sales tax and accompanied by a “millionaire tax” – an increase in state income taxes on the wealthiest Californians. Both were enacted as temporary measures, with the sales tax increase phasing out at the end of this year and the income tax sunseting in 2018. Vargas saw everything turn around.

“With Prop. 30 we saw the increase in classes and access to other resources come into place,” he noted. “If a course was offered once a year, now it would be offered twice a semester. We got rid of the big classes so it reduced the student-to-professor ratio, and it gave us access to counseling, tutoring, computer labs, printing that wasn’t there before.”

The effects were immediate: community college funding has bounced back by over \$2 billion per year to around \$7.8 billion in the 2016-17 academic year (this amount does not include a \$500 million adult education fund also now shifted to community colleges). An analysis of Prop. 30, issued in September by the independent California Budget and Policy Center, found that overall K-14 funding increased from \$47.2 billion in 2011-12 to \$71.9 billion in 2016-17; community college funding is usually around 11 percent of that total. While this increase is certainly due in part to a slowly recovering economy – Prop. 98 funding is figured as a percentage of state general fund revenues – it is also in large part due to Prop. 30 money.

“I am not given to hyperbole, but just the truth, here? Prop.

“The cuts were like a tsunami. They just grabbed money back for five years. The money came back to us sorta lapping like little waves on a lake; the restoration was much more gradual.”

– Joanne Waddell,  
President, Los Angeles College  
Faculty Guild, AFT 1521



30 saved public education as we know it,” said Joanne Waddell, president of the Los Angeles College Faculty Guild, AFT 1521. Her union represents about 5,000 faculty on the nine campuses in the Los Angeles Community College District. (Disclosure: AFT’s California organization is a financial supporter of this website.)

According to Chris Hoene, executive director of the California Budget and Policy Center, Prop. 30 currently adds \$5-\$9 billion per year to the state’s general fund – an amount roughly equal to what the state pays to the University of California (UC) and California State University (CSU) systems combined. That frees up money for many other programs and adds to the state’s rainy day fund.

Waddell said this has been a godsend but added that community colleges are still not quite up to the funding levels that would have existed had there been no recession. “The cuts were like a tsunami,” she said. “They just grabbed money back for five years. The money came back to us sorta lapping like little waves on a lake; the restoration was much more gradual. I would say [in terms of services] we’re back where we were in 2011-2012.”

Adjunct faculty, who make up from two-thirds to three-quarters of community college professors in California, and oftentimes string together careers by teaching two or three classes in several different districts, were stripped back during the recession to one class – or none. The administrative euphemism for this was “workload reduction.” The number of both faculty members and classes has been partially restored. Services have come back. Vargas noted that his tuition, which was \$26 per credit hour in 2011, jumped to \$46 per credit hour in 2012, but then leveled off because of Prop. 30 money.

Still, the five years of reductions were a shock to the stated



Photo by Pandora Young

mission of the community colleges. Whereas the UC and CSU systems both take students with academic performance in the top third of their high school graduating classes, the community college system takes everybody — anybody who wants more education is supposed to get in. A small percentage like Vargas look to complete a two-year degree and then transfer to the UC or CSU systems. Most others are enrolled in “career and technical education” — vocational training — and certificate programs to enhance skills in, say, plumbing, or as veterinary technicians or electricians. Community colleges supply many of the state’s nurses, firefighters and first-responders. Recessions drive more people back to school to get that better job; but when they got there in the years immediately after 2008, they found the doors wedged shut.

“Statewide, the community colleges locked out 500,000 students,” said Joanne Waddell. “In our district, we lost about

8,000 sections during the recession (a section is one class that might meet several times per week). And if you put about 40 students in every one of those sections, we lost out on what I like to call 320,000 learning opportunities. It was taking students five and six years to do two [years of coursework], just because they couldn’t get the classes.”

The state’s community colleges had 2.5 million enrolled students just prior to the Great Recession, and 2.1 million now. This is partly due to reduced offerings but, ironically, also due to an improving economy; as most community colleges students are working class, they tend to stay out of school and take jobs when jobs are available.

Educators would like to continue the slow recovery. Proposition 55, on the ballot this November, would extend the Prop. 30 income tax hike on those making \$250,000 or more per year (and couples making \$500,000 or more) for 12 more years,

to expire in 2030. Not everyone is happy about extending what was supposed to be a “temporary” tax.

CalTax, a policy group that fights increased taxation in California, released a policy analysis opposing Prop. 55, mostly on the grounds that the improved economy makes it unnecessary and that it increases school funding volatility by hanging more funding on the rich, whose incomes rise and fall the most in good times and bad. Also, the report noted, everyone from the authors of the bill to the governor had sold it on the premise that it was temporary.

“We think that if we avoid increasing this tax again, just let it expire as it was scheduled to do, the state will still have the benefit of the improving economy and now we’ll have the even bigger benefit of taxes going down, as was promised, instead of them being increased for 12 more years,” said David Kline, CalTax’s vice president of communications and research. “That sends a much better signal to people who are thinking of living here or doing business here.”

Advocates point out that Prop. 55 does not “increase” taxes for next 12 years but rather maintains current tax levels, extending the tax that was put in place in 2012.

“If Prop. 55 passes there will be an extension of the personal income tax rates; it’s not an increase of those rates, it’s just an extension of them moving forward from 2018-19 to 2030,” noted Jonathan Kaplan, a policy analyst at the California Budget and Policy Center. “So what it means for schools is that there would be a predictable source of revenue moving forward, as opposed to a decline in revenue.”

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– Jonathan Kaplan,  
Policy analyst at the California  
Budget and Policy Center.



That \$5-\$9 billion mentioned earlier would go away if Prop. 55 fails, and that’s not an easy to hole to fill.

“Our Prop. 30 money this year is around \$100 million in our district, so if Prop. 55 fails to pass, our district will wake up and find itself cutting \$100 million in classes and services,” said Waddell. “The law is very specific about how the money can be spent, and it’s not spent on administrators, it’s spent in the classroom and it’s spent on direct services to students. So we will find ourselves in that cycle again, of cutting services to the most vulnerable of our students.”

Eduardo Vargas is exactly that kind of student. When the Great Recession struck in 2008, his father had medical issues and the family lost its home and car; Vargas was a fresh high school graduate and knew he had to get a degree and a

good job. He spent three years at East L.A. College, transferred to California State University at Long Beach, and got a degree in finance. He is now working on a master’s degree. His plan is to advise people in working-class communities how to manage their finances and not lose their homes during bad times. He is also planning to work on the campaign supporting Prop. 55.

“It’s not only helping students like myself, but it’s helping the whole economy,” said Vargas. “As we become more educated we go out and receive better jobs, we’re able to invest in the economy, we have more disposable income and everybody’s thriving. Jobs are created. It overall stimulates our economy. That’s why Prop. 55 is so important to me.”

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