



Overview of Budget Trigger Cuts

December 13, 2011

Overview

As part of the 2011-2012 budget, the legislature and the Governor agreed to make either \$600 million or \$2.5 billion in deeper cuts if revenue appeared to be falling short of projections, depending on the severity of the projected shortfall.

These cuts were listed in two tiers, the first tier (\$600 million) triggered by a shortfall of between \$1 and \$2 billion, and the second tier (\$1.9 billion) added to the first if the shortfall is between \$2 and \$4 billion.

In the end, the Department of Finance projected a \$2.2 billion shortfall and chose to pull the trigger on approximately \$1 billion in additional cuts total.

Timeline

- Most of the cuts will take effect on Jan. 1, 2012
- Cuts to home care are currently not being implemented, pending a court hearing and a ruling, which could happen in the next 4-6 weeks

Trigger Cuts Affecting SEIU Members

SEIU members will be affected by several of these cuts, including:

- \$101.5 million from home care (General Fund)
- \$100 million from California State University
- \$100 million from the Department of Developmental Services
- \$67.7 million from the Division of Juvenile Justice (DJJ) by collecting additional “sliding scale” fees paid by counties that commit youths to DJJ facilities
- \$102 million from California Community Colleges (CCC) and increasing student fees by \$10 per unit, from \$36 per unit to \$46 per unit, beginning in the winter term of the 2011-12 academic year
- \$23 million from child care programs administered by the California Department of Education
- \$16 million from the California State Library for library grants
- \$79.6 million from K-12 education.
- \$248 million by eliminating funding for home-to-school transportation.

Affected Locals

Affected locals include:

- SEIU 99: Child Care, K-12, Community Colleges, Home-to-School Transportation
- SEIU Local 221: Juvenile Justice, K-12, Home-to-School Transportation, Libraries
- SEIU Local 521: Home Care, Child Care, DD, Juvenile Justice, K-12, Home-to-School Transportation, Libraries
- SEIU Local 721: Community Colleges, DD, Juvenile Justice, Libraries
- SEIU Local 1000: DD (depending on the cut, SEIU 1000 members could be affected)
- SEIU Local 1021: Community Colleges, DD, K-12, Home-to-School Transportation, Libraries
- SEIU-UHW: Home Care
- SEIU-ULTCW: Home Care
- CFA: CSU
- CSUEU: CSU

Impacts

NOTE: All of the cuts are slated to take place over the course of half a year; therefore, the actual depth of each cut on an annualized basis is twice as large. Likewise, for programs with matching funds from the federal government or county governments, multiply the lost matching funds by two to understand the scale of the cut on an annual basis.

- **Home care.** The \$128 million cut in general funding for the final 6 months of the fiscal year in reality represents a much larger cut on an annualized basis, and if federal and county shares are factored in, the total annual equivalent is over \$700 million.
 - This amounts to a 20% across the board cut to home care, and it will affect 370,000 IHSS recipients.
- **California State University.** The \$100 million cut slated for California State University comes after \$650 million in cuts already made in 2011. Despite providing higher education to 90,000 more students, state support for CSU will be at its lowest level for 14 years. CSU's 23,000 faculty members CSUEU's more than 15,000 classified workers, both currently in bargaining, are likely to find an even tougher bargaining environment on core issues such as salary and workload if the trigger is pulled.
- **Developmental Disability Services**
 - The additional \$100 million in cuts would come on the heels of \$527 million in cuts already passed in 2011¹.
 - SEIU members at regional centers will be severely affected by the current budget cuts to regional center operating expenses; depending on how the additional

¹ Disability Rights California, <http://www.disabilityrightsca.org/legislature/budget/2011/BudgetChart2011-09-08.html>

\$100 million cut is made, the 3,000 SEIU members working in the 10 regional centers and 5 service providers we represent face possible layoffs, furloughs, and caseload increases.

- Potential future SEIU members in our organizing world of developmental disability service provision and regional centers will also be seriously affected, with many provider agencies potentially going out of business.
- **General K-12 education cut**
 - The additional \$79.6 million in cuts would come on the heels of \$18 billion in cuts already made in the last three years; although this amount is relatively small, especially compared to what was proposed in the trigger legislation, schools will continue to struggle.
 - SEIU members working in school districts throughout the state will continue to contend with seriously restricted local school budgets.
- **Home to school transportation.** The \$248 million cut represents a 70% cut in total funding for home to school transportation. Since schools will only have an estimated 25% of the funding needed to run these programs, this will make many programs unsustainable and will have a devastating impact on SEIU school transportation workers. Some school districts may backfill their transportation programs, but this will mean making cuts in other areas.
- **California Community Colleges.** The total trigger cuts to community colleges will add up to \$102 million.
 - The cuts come on top of a \$400 million cut in the budget agreement.
 - The trigger translates into an additional 2.3% state funding cut for community colleges. Taken together, the cuts this year will amount to nearly 7% and will result in 182,000 fewer students:²
- **Department of Juvenile Justice.** The \$72 million cut takes the form of increased fees counties must pay the state for incarcerating their youths and will have an overall hit on county general funds, affecting the bottom line for every county that pays the state for such incarceration, predominantly large, urban counties.
- **Child care.** Child care cuts (to programs administered by CDE): this would create a 4% across the board cut³ and would affect school based, private center-based and family child care providers that Local 99 members work in.
- **Libraries.** The \$17 million in lost grants from the state library will most likely have a significant impact on small and rural libraries. The effect will be smaller for urban libraries. By way of example, Los Angeles County Public Library system, with a budget of over \$100 million (FY 09-10) received just \$327,000 in state assistance in FY 2011-12).

² Community College League of California, <http://www.ccleague.net/district-budget-impact/>

³ Child Care Law Center, http://www.childcarelaw.org/files/Overview_of_Child_Care_Provisions_in_2011-2012_Budget.pdf