Brown wants to add teeth to Prop. 98

By Kimberly Beltran, Cabinet Report

Last year Gov. Jerry Brown set out to fundamentally remake the state's funding relationship with schools – this year the Democratic governor has set his sights on remaking the state's seminal school funding guarantee, Proposition 98.

Perhaps best known for its byzantine formula that adjusts for economic growth, student enrollment and political temperament – the 25-year-old voter-approved spending measure has been criticized for decades because it limits the Legislature's flexibility to deal with overall budget conflicts and at the same time setting a de facto floor – not ceiling – on how much gets spent on public education.

As part of his 2013-14 state budget formally released Thursday, Brown proposed putting a new constitutional amendment before voters that would strengthen the state's existing Rainy Day fund but also put regulations on Proposition 98 in an effort to smooth revenue spikes.

Brown's plan would to create a Proposition 98 reserve account, where deposits would be made when capital gains revenues rise to more than 6.5 percent of general fund tax revenues.

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