



April 18, 2014

The Honorable Jerry Brown, Jr.
Governor, State of California
State Capitol, First Floor
Sacramento, CA 95814

Budget Recommendations

Dear Governor Brown:

On behalf of the California School Boards Association (CSBA), which represents close to 1,000 school districts and county offices of education statewide, I am writing to express our positions and recommendations on issues related to the 2014-15 state budget.

Last year CSBA worked with the Education Coalition, the broader education community, civil rights groups, the Legislature and your administration to enact the Local Control Funding Formula (LCFF). LCFF and the Local Control and Accountability Plan (LCAP) process, represent an unprecedented change in the way funds are allocated to local education agencies (LEAs). By expressly recognizing conditions of children and the need to provide additional resources for students with greater challenges, LCFF and LCAP address issues of equity. CSBA appreciates your leadership and continued commitment to this issue. The priority for funding should be to get LEAs to their LCFF targets and to now start to consider how the state will fund public education at an adequate level.

With that goal in mind, CSBA supports fully funding the Proposition 98 guarantee and your proposal to provide \$4.5 billion to school districts and charter schools and \$25.9 million for county offices for LCFF. This funding should get districts another 28% of the amount needed to reach their LCFF targets and would fully fund the county offices of education. Given the most recent state revenue receipts and projections for continued improved state revenues, CSBA encourages an even greater allocation to move all districts to their LCFF targets as quickly as reasonable and prudent.

CSBA believes one-time funds in the budget year should be allocated to:

- *Deferrals.* Pay down half of the remaining deferrals in 2014-15, estimated at \$2.8 billion in the budget year. CSBA believes this schedule is preferable to paying off all the deferrals in the budget year. Eliminating apportionment deferrals is a recognized priority for CSBA because it improves cash flow for LEAs. However, CSBA believes that using some portion of state funds to provide an allocation for implementation of the Common Core State Standards and paying outstanding mandate claims is a better use of

funds and has a broader positive impact across the diverse situations of districts and county offices of education in California.

- *Common Core State Standards.* Provide an allocation to LEAs for continued implementation of the Common Core State Standards, e.g., for continued technology needs, professional development and instructional materials. CSBA recommends an allocation of at least the same amount as provided in the 2013-14 budget of \$1.25 billion.
- *Outstanding Mandate Claims.* Provide a payment to the outstanding mandate claims.

Some portion of new ongoing funds should be used to increase funding for transportation.

- CSBA is working with a broad coalition including California School Employees Association, California Teachers Association, California Association of School Business Officials, and the Small School Districts Association to support equalizing recipients to 50% of their approved costs and providing a COLA each year to all recipients.
- The proposal is reflected in SB 1137 (Torres), which received strong bipartisan support in the Senate Education Committee. *Estimates are that it would take about \$30 million a year over a seven year period to complete the equalization to 50%.*
- The home-to-school transportation funding formula is based on historic expenditure levels. According to the Legislative Analyst's Office (LAO) recent report, the state allocates approximately \$490 million a year, while districts report spending over \$1 billion annually. Funding has not kept pace with increased costs so districts must use monies from their general purpose funds to meet the expenses. Transportation funding is an add-on to LCFF. Providing an increase in funding will not modify LCFF and will allow districts to avoid using general purpose dollars that could be spent in classrooms, to fund transportation.

The unique structure of Career Technical Education and Regional Occupational Centers and Programs (ROC/Ps) needs to be recognized and addressed before the two-year maintenance of effort requirement comes to an end. CSBA supports a funding stream to address the unique situation of ROC/Ps around the state, especially those that are structured as Joint Powers Authorities. CSBA is working with a coalition in support of the policy bill, AB 1950 (Campos), which has the potential to address this issue. As the bill continues through the legislative process, we urge you to recognize and provide support to these programs that meet the needs of California students as well as of California business and industry.

Support for early learning and care. Through legislation and budget hearings, both houses of the Legislature have expressed support for early learning and care programs. CSBA has long been a proponent of expanded access to high quality preschool and early learning opportunities. In communications with Senate President pro Tempore Steinberg regarding his bill to expand transitional kindergarten to all four-year olds, CSBA has shared concerns about

starting a new, mandatory transitional kindergarten grade level in this era of LCFF and subsidiarity. CSBA understands this issue is likely to be part of budget conversations and will continue to participate as these discussions transpire.

CSBA also supports the following aspects of your budget proposal.

- Provide a COLA to the following programs that are outside of the LCFF: Special Education, Child Nutrition, American Indian Education Centers, and the American Indian Early Childhood Education Program.
- Provide \$46.5 million to implement the provisions of AB 484 (Bonilla) of 2013 for the revised student assessment system.
- Transfer \$211 million in remaining state bond authority from programs that are underutilized to the new construction and modernization programs. CSBA also supports a school construction bond on the November 2014 ballot.
- Allocate \$363 million from Proposition 39 for energy efficiency projects. Your January proposal calls for \$316 million to be allocated for K-12 projects.

Issues of concern to CSBA

LCFF and annual counts of low income students in Provision 2 schools. CSBA continues to be concerned with the potential for undercounting low income students in schools that operate Provision 2 of the school meals program. Schools in high-poverty areas are eligible for the Provision 2 program, which allows schools to serve free meals to all students, and to verify family income on a two, three or four year cycle. With enactment of LCFF and pursuant to direction from the California Department of Education (CDE), all schools were required to provide forms documenting family income via the California Longitudinal Pupil Achievement and Data System (CALPADs) and will be required to do so annually. We have been in discussions with the Department of Finance and look forward to finding a way to ensure accurate counts of students in a manner that is not detrimental to schools' participation in the federal school meals program and the ability to provide free meals to needy students. Undercounts in the Provision 2 schools will also mean a loss of LCFF funding for which these LEAs are eligible.

Special education deficit. CSBA understands there may be a deficit in state funding for special education. As the details of this are confirmed, CSBA urges your administration address this issue so that districts are provided with the funding they are entitled to in order to serve students with disabilities.

Trailer bill language regarding materials for visually-impaired students. CSBA opposes the language in Section 27 of the Omnibus Trailer Bill, which would make the central clearinghouse for specialized instructional materials optional, rather than mandatory, and would require the CDE to charge a fee on LEAs that acquire materials from the clearinghouse. Our opposition is

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based on two primary concerns: 1) if optional, the clearinghouse will fall to the CDE's other fiscal pressures. The absence of the clearinghouse will lead to significant delays in providing the necessary instructional materials for visually impaired students, precluding these students from accessing the content and standards they need to stay on pace with their peers; 2) the fee will impose a new cost to LEAs and, in the absence of a state clearinghouse, the economies of scale for these materials will be lost, driving up the costs for LEAs.

Thank you for your consideration of our requests. Please do not hesitate to contact me if you would like additional information or to discuss these issues further. I can be reached at (916) 616-3116 or aball@csba.org.

Sincerely,

A handwritten signature in cursive script that reads "Andrea Ball".

Andrea Ball, J.D.
Legislative Advocate

Copy: Nancy McFadden, Executive Secretary, Office of the Governor
Cathy McBride, Deputy Legislative Secretary, Office of the Governor
Karen Stapf-Walters, Executive Director, California State Board of Education
Nick Schweizer, Education Program Budget Manager, California Department of Finance