



June 3, 2014

The Honorable Nancy Skinner, Chair
Budget Conference Committee
State Capitol, Room 6026
Sacramento, CA 95814

The Honorable Mark Leno, Vice Chair
Budget Conference Committee
State Capitol, Room 5100
Sacramento, CA 95814

RE: Budget Conference Recommendations

Dear Assembly Member Skinner and Senator Leno:

On behalf of the California School Boards Association (CSBA), which represents close to 1,000 school districts and county boards of education statewide, I write to provide the association's recommendations on K-12 education issues for consideration by the Conference Committee.

CSBA appreciates the support for strengthening California's education system that both the Assembly and Senate Budget Committees demonstrated in crafting their respective K-12 budget proposals. As schools across the state strive to improve outcomes for California's six million students by implementing Local Control Funding Formula (LCFF) and the Common Core State Standards (CCSS), it is critical to now expand the conversation from a focus on equity to include funding adequacy. The LCFF and the requirements of the Local Control Accountability Plans (LCAPs) set school districts and counties on a path to addressing equity, yet California's per pupil funding rate remains woefully low.

Prudent budgeting considerations and paying off deferrals over the next two years.

Given this context, as well as the imperative to continue prudent budgeting, CSBA recommends the Legislature adopt a plan to pay off remaining apportionment deferrals over 2014-15 and 2015-16. This schedule was initially put forward by the Governor last year and will provide the Legislature and administration with the opportunity to make the following critical funding allocations.

California State Teachers' Retirement System (CalSTRS) and augmentation to LEAs.

CSBA appreciates the work of the Legislature and the Governor in addressing the unfunded liability of the state teachers' pension fund. However, CSBA is troubled by the proposal to implement the increased contributions in a fiscal year that is less than a month away and to ramp up the employers' contribution to 19 percent.

School districts and counties are finalizing their budgets and their initial LCAPs for adoption by their governing boards this month. The rate increase reflected in the May Revision and the Legislature's modified plan will necessitate LEAs re-opening LCAPs and budgets to make adjustments. This has the potential to undermine the engagement and trust that governing boards have been building in their local communities. Moreover, the employers' rate increase will likely prolong the timeframe for full implementation of the Local Control Funding Formula.

CSBA urges the conference committee to provide an augmentation outside of LCFF to offset the increase in cost of employers' contributions.

CSBA emphasizes that increasing the appropriation to the LCFF to help mitigate the employers' STRS rate increase will result in many districts not receiving enough to cover the higher costs because of

the distributional variances of the formula. In addition, basic aid districts, which make up about 10 percent of the districts in the state, will not benefit at all from an increase in LCFF funding. We urge you to keep this in mind as you consider various options and craft a final proposal.

CSBA also recommends that the Conference Committee adopt trailer bill language to require reports at regular intervals on the CalSTRS funding plan, including analysis by the Legislative Analyst's Office.

Below are CSBA recommendations on items in the K-12 Budget Conference Agenda.

Local Control Funding Formula including Transportation (Item 6110, Issues 454, 462 and TBL. Agenda page 1)

- CSBA supports the Governor's \$4.5 billion for district LCFF. This funding will move districts another 28 percent towards their target funding levels.
- CSBA urges the Committee to adopt the Senate Budget allocation of \$29 million to equalize Home-to-School Transportation Funding. This allocation would provide the initial funding to raise the reimbursement rate for severely underfunded districts up to 50 percent over a seven year period and provide a cost-of-living-adjustment (COLA) for transportation funding for all recipients.
- CSBA supports and appreciates the adoption of Trailer Bill Language to address requirements and procedures for counts of low-income students in Provision 2 and 3 schools.
 - This language will allow these schools to establish base year counts every four years and directs the State Superintendent to make adjustments to the years used in calculating the three-year rolling average.
 - CSBA supports the Senate language to explore alternative means of identifying eligible students in high schools. We know that high school students are often reluctant to and do not return income eligibility forms.
 - We respectfully request the Committee adopt a current year hold harmless to ensure Provision 2 and 3 schools' funding is not reduced in this transition year.

Common Core State Standards (Item 6110, Issues 562 and 612. Agenda page 5).

We urge the committee to adopt the Assembly version, which provides \$1.25 billion for local implementation of Common Core State Standards and \$26.7 million for the Governor's proposal for high-speed network connectivity.

The transition to Common Core State Standards is an ambitious and critically important goal. Based on surveys conducted by statewide associations as well as reports from CSBA's members across the state, there remains a significant need for funds to provide professional development, instructional materials and education technology. Recent estimates by the California Department of Education indicate that \$3 billion statewide will be needed. A budget year augmentation combined with the current year allocation will be vital to student success.

Mandate Backlog Payments (Item 6110, Issue 616. Agenda page 6)

CSBA supports a budget year payment on the education mandate backlog. Schools have provided required services and expended funds. Payments of these claims is consistent with the commitment of the Legislature and the Governor to pay down the wall of debt.

Early Education and Shift of Child Care into Proposition 98 (Item 6110, various issues. Agenda pages 8 and 9).

CSBA recognizes the critical role that quality early learning opportunities play in a child's success in school and in bridging achievement gaps of California's diverse student population. We understand the desire to improve and strengthen early education and care opportunities. However, the association continues to have serious concerns about starting new programs and about shifting child care into Proposition 98, as this would put pressure on funding existing education programs.

Career Technical Education and Regional Occupational Centers and Programs and Career Pathways Trust. (Item 6110, Issues 369 and 400. Agenda pages 2 and 3)

CSBA has been a longstanding advocate for Regional Occupational Centers/Programs and Career Technical Ed, Linked Learning and Career Pathways Trust. The association urges the conference committee to develop a funding allocation that will promote and maintain students' access to these options that advance readiness for college and career.

State Operations on Free and Reduced Price Meal Eligibility Direct Certification Pilot Program (Item 6110. Issue 609. Agenda page 13)

CSBA has been part of a stakeholder group convened to examine and provide advice on improving California's direct certification process. Moving ahead on improvements in this program will help ensure more eligible children receive the free and reduced price meals they need. We urge the committee to adopt the Assembly version.

Item not in conference to improve outcomes for foster youth: Aligning definitions in Foster Youth Services (FYS) and LCFF

The FYS program and the LCFF are currently misaligned in their definitions of "foster youth". While the LCFF definition includes all foster youth, regardless of where they are placed, the FYS definition and funding are limited to foster youth placed in traditional foster care settings.¹ This is a technical problem with major policy impact. The misalignment is creating confusion for school districts and county offices of education. More importantly, it means that foster youth placed with relatives are not eligible or funded to receive supports provided by FYS programs. Only 48% of foster youth – or about 19,000 children – may be served by FYS; another 20,000 foster youth are not eligible to receive the supports the FYS program provides, supports critical to their educational success.

Studies have found that foster youth do better emotionally when placed with people they know, so over time we have placed more foster youth with relatives. Unfortunately, studies have also found the educational outcomes of foster children living with relatives to be similar to those living in non-relative foster homes, significantly worse than the general student population and worse than other at-risk student subgroups. WestEd's recently released report "The Invisible Achievement Gap Part Two" details how foster youth in ALL placement types, including those placed with relatives, have poor educational outcomes and need additional services and supports.

¹ See Cal. Educ. Code § 42238.01 for the LCFF definition of foster youth and § 42921 for the FYS definition of foster youth.

June 3, 2014
Page 4
CSBA Letter to Budget
Conference Committee

We respectfully urge the Legislature and Governor to align the FYS definition of foster youth to match the LCFE definition of foster youth and increase funding for FYS by \$13.6 million to ensure all foster youth can be served by this essential program.

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

Sincerely,


Andrea Ball
Legislative Advocate

Copy: Members, Budget Conference Committee
Members, Assembly Budget Committee
Members, Senate Budget Committee
Senate President pro Tempore Darrell Steinberg
Assembly Speaker Toni Atkins
Craig Cornett, Chief Fiscal Advisor, Office of the Senate President pro Tempore
Chris Woods, Budget Director, Office of the Speaker of the Assembly
Erin Gabel, Consultant, Office of the Senate President pro Tempore
Rick Simpson, Deputy Chief of Staff, Office of the Speaker of the Assembly
Mark Ibele, Staff Director, Senate Budget and Fiscal Review Committee
Jennifer Troia, Deputy Staff Director, Senate Budget and Fiscal Review Committee
Joe Stepenshaw, Consultant, Senate Budget and Fiscal Review Committee
Christian Griffith, Chief Consultant, Assembly Budget Committee
Katie Hardeman, Consultant, Assembly Budget Committee
Cheryl Black, Budget Consultant, Senate Republican Caucus
Amy Rutschow, Fiscal Consultant, Assembly Republican Caucus
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
Judy Cias, Chief Counsel, California State Board of Education
Brooks Allen, Deputy Policy Director & Assistant Legal Counsel, California State Board of Education
Keely Bosler, Deputy Director, California Department of Finance
Nick Schweizer, Education Program Budget Manager, California Department of Finance
Thomas Todd, Education Unit, Department of Finance
Chris Ferguson, Education Unit, Department of Finance
Jennifer Kuhn, Deputy Legislative Analyst – Education, Legislative Analyst’s Office
Edgar Cabral, Principal Fiscal & Policy Analyst, Legislative Analyst’s Office