



April 4, 2013

The Honorable Edmund G. Brown, Jr.
Governor , State of California
California State Governor
State Capitol
Sacramento, CA 95814

CSBA Budget Recommendations

Dear Governor Brown, Jr.:

This letter outlines priorities and recommendations of the California School Boards Association (CSBA) on our priority Proposition 98 budget issues. We have already testified on a number of these issues in hearings before the Budget Committee and Subcommittee and look forward to working with the Legislature as the budget process continues.

As an association of close to 1,000 school districts and county offices of education, CSBA strongly supports a budget that will pay down the state's Wall of Debt. Schools in communities across the state have undergone critical funding reductions over the course of the recession. Although passage of Proposition 30 allowed districts and county offices of education to avoid the drastic cuts that would have occurred had it failed, California's per pupil funding level is still significantly below pre-recession levels and was ranked 49th nationally in the January 2013 Quality Counts survey published by *Education Week*. Districts and counties continue to face challenges in funding the high quality education programs we need for California's six million public school students, especially as we embark on implementation of the Common Core State Standards and affirm the focus on closing achievement gaps.

The Governor's proposed allocation of \$1.8 billion in the budget year to pay down K-12 deferrals and a commitment to paying off all K-12 deferrals in three years will make a significant positive impact to cash flow at the local level. Once deferrals are all paid, Prop 98 funds will be freed up at the state level to be used for programmatic purposes, including further investment in the Local Control Funding Formula (LCFF).

Local Control Funding Formula and Greater Investment in Base Grant

CSBA supports the goal of LCFF to improve state support to schools by simplifying the funding system and focusing on equity, local decision-making, accountability and transparency.

However, with that goal in mind, we recommend a greater investment in the base grant than is included in the current proposal. The base grant is used by districts to fund programs and services for all students and is needed so that all districts can, for example, offer a full 180-day school year, eliminate staff furlough days, and reinvest in instructional materials and professional development. This calls for investment in the target base grant that is commensurate with the need.

Schools and county offices need to know that the state is committed to restoring all of the funding that was lost during the recession. This includes revenue limit deficits and the 20 percent cut to categoricals and means each local education agency, not simply the system, would be restored.

CSBA urges a formulation of the LCFF that is clear in its commitment to restoring district and county office funding levels and to a target for the base grant level of the national average. We recognize that establishing this priority may delay full implementation of the LCFF but the need for programmatic restoration is so great in every community that it really does need to be addressed.

Timing

Districts have been working with categorical flexibility for the last four years and are well positioned to handle the local control and accountability measures called for in the LCFF.

We support beginning implementation of the LCFF in 2013-14 and acknowledge that the timeline for full implementation including a higher target for the base grant will take more than the seven years currently projected by the Administration.

As you are aware, the flexibility for Class Size Reduction is scheduled to sunset at the conclusion of the 2013-14 fiscal year and the flexibility for the remainder of the categorical programs in Tier 3 is scheduled to sunset in 2014-15. It would create havoc for school communities to have to return to full categorical program requirements or have to plan to do so as they develop their budgets in subsequent years. We recommend the Legislature have trailer bill language prepared to extend all flexibility for an additional three years should LCFF implementation be placed on a slower track.

Clarity and Objectivity in Local Accountability Plan Process

Governing boards appreciate that local communities and state policymakers will hold districts to high expectations for sound and transparent decision-making to meet the needs of students. We urge the Legislature to retain the focus on subsidiarity and accountability for outcomes.

The trailer bill calls for the State Board of Education to adopt a template by January 1, 2014, for the Local Control and Accountability Plan. We recommend the Legislature to adopt language that calls for a stakeholder advisory group to assist with the development and adoption of the template. It is critical to have clear, objective elements in the plan template that can be articulated and easily comprehended by local communities. Clarity in the plan elements and requirements will also help ensure that districts and counties understand that the county superintendent's role in review of the local plan is to ensure its alignment to the district budget and cost projections so that the county's role does not devolve into a subjective review of the district's curriculum, instruction and other programmatic decisions.

Career Technical Education and Regional Occupation Centers and Programs

CSBA supports outcome measures for Career Technical Education and Regional Occupational Centers and Programs (ROC/Ps). Looking for outcomes will encourage all districts and counties to address the vital need to ensure students are career ready upon completion of their education.

Our concern is that proposed trailer bill language would repeal statutes related to ROC/Ps and will result in the loss by county offices of education of the ability to use excess property taxes for these programs, which they are authorized to fund under current statutes. CSBA looks forward to working with the Legislature to craft a solution to this issue as part of the Local Control Funding Formula.

Joint Powers Authorities

The January trailer bill language eliminates provisions of the Education Code that allow the direct funding of entities that operate under a Joint Powers Agreement (JPA). This would affect ROC/Ps and transportation JPAs which receive funding directly on behalf of their participating school districts. There needs to be an allowance for this practice to continue for JPAs that provide these types of services. Even with elimination of statutes pertaining to ROC/Ps and transportation, the direct funding statute needs to be retained even without referencing the specific programs.

Adult Education

CSBA does not support the Governor's proposal to shift adult education programs to the community colleges and augment the community colleges budget with a \$300 million shift in funds from K-12. The K-12 system provides valuable and accessible programs in adult education tailored to meet local needs. English language instruction, remedial math and English courses as well as credit recovery are well suited to be provided by K-12 school districts at locations that are geographically accessible and familiar to adults and high school students. While a call for greater collaboration and alignment with community colleges may be sound policy, the current proposal deserves greater discussion and debate and should not be considered as part of the budget process. Similar to our view on Career/Technical Education, Adult Education is a program that fits well into the LCFE with inclusion of an adult learning measurement in the state's accountability system. This will ensure the school districts reestablish their commitment to Adult Education programs.

Proposition 39

CSBA supports the Governor's calculation of the increase in the Proposition 98 guarantee based on the total amount of revenue generated by Proposition 39. CSBA also supports the Governor's proposed methodology of allocation for energy project funds in a simple transparent manner, based on a per student or Average Daily Attendance (ADA) basis. We do recommend that to make the allocation system work for small school districts, the proposal include a minimum grant level.

Additionally, we remain concerned that the proposal combines the increase in the Proposition 98 guarantee and the newly created "Clean Energy Job Creation Fund." While we do appreciate that the proposed focus of the project money is schools, this method effectively crowds out the ability to use the Proposition 39 increase to the guarantee for desperately needed program restoration.

May Revision

As the state's revenues continue to improve, it looks increasingly as if there will be some level of additional funds available for Proposition 98 at the May Revision. Assuming that this will occur, we urge the Legislature to consider allocating new funds on an ADA basis for the costs associated with implementing the Common Core State Standards. WestEd has estimated that one-time Common Core start-up costs could top \$1 billion and include professional development, instructional materials, technology, assessments, etc. The Legislature does not need to create a categorical program for this, but only to provide funding for it. This is a critical need that cries for attention and can be treated as a one-time allocation which keeps those funds available in the following fiscal year for continued efforts to payoff deferrals, restore funding and implement LCFF.

Thank you for your efforts in support of California's education system. Please don't hesitate to call upon CSBA if we can provide additional information on these or other budget issues.

Sincerely,

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

Andrea Ball
Legislative Advocate
Office of Governmental Relations