

The Education Coalition

Working together to support and
improve California's public schools

**Association of California School
Administrators (ACSA)**

representing more than 17,000
school administrators

**California Association of School
Business Officials (CASBO)**

representing more than 23,000 school
business officials

**California County Superintendents
Educational Services Association
(CCSESA)**

representing all 58 county
superintendents throughout
California

**California Federation of
Teachers (CFT-AFL-CIO)**

representing nearly 120,000
education employees

**California School Boards
Association (CSBA)**

representing nearly 1,000 K-12 school
districts and county offices of
education throughout California

**California School Employees
Association (CSEA)**

representing more than 250,000
classified school employees

California State PTA

representing 700,000 parents,
teachers, and students in
California

**California Teachers Association
(CTA)**

representing over 325,000 educators

**Service Employees International
Union (SEIU)**

representing more than 50,000 school
employees in California

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Memorandum

TO: CA State Policymakers

FM: The Education Coalition

RE: Governor's Budget Proposal

The Education Coalition is comprised of the nine statewide K-12 education associations to provide consensus positions protecting the integrity of Proposition 98 and funding in the budget for K-12 public education.

The nine statewide organizations include:

- Association of California School Administrators [ACSA]
- California Association of School Business Officials [CASBO]
- California County Superintendents Educational Services Association [CCSESA]
- California Federation of Teachers [CFT]
- California School Boards Association [CSBA]
- California School Employees Association [CSEA]
- California State Parent Teachers Association [PTA]
- California Teachers Association [CTA]
- Service Employees International Union [SEIU]

Each year, the Education Coalition issues budget position papers and meets with legislative members of the budget and policy committees to share our consensus position on the major budget proposals in education in the state budget.

Attached is the Education Coalition's Statement on the Governor's Budget Proposal. For further information contact Dale Shimasaki, the Consultant to the Education Coalition at 916-441-3909

Governor's Budget Proposal for 2021-22 a Good Starting Point

The Governor's Budget for 2021-22 for K-12 education is a step in the right direction. According to the Legislative Analyst, it provides \$19 billion new ongoing and one-time funding for K-14 schools. The budget proposes a compounded 3.84 percent cost-of-living-adjustment (COLA) for the local control funding formula (LCFF) and county offices of education (COE), and support for special education. It also proposes to eliminate two-thirds of the deferrals in the budget year. Finally, there are indications that revenues are higher than estimated in the Governor's Budget Proposal. Given this, the budget is a good starting point for deliberations and the Education Coalition looks forward to working with the Administration and Governor on the budget in the upcoming months.

Proposition 98

The Education Coalition opposes making the supplemental payment of \$2.3 billion in State General Fund a one-time commitment. Last year, the Budget Act included an ongoing commitment to make supplemental payments until the Proposition 98 guarantee grew under Test 1 from 38 percent to 40 percent of state General Fund revenues. The Education Coalition urges the Legislature and Governor to maintain its commitment to fund K-14 education above the minimum guarantee.

COLA

Cost increases occur in all education programs. For that reason, the Education Coalition supports using ongoing Proposition 98 funds to provide a 3.84 percent COLA uniformly to the following programs:

- COLA for the LCFF and COEs. The Education Coalition supports a 3.84 percent COLA for the Local Control Funding Formula and for County Offices of Education that is included in the Governor's Budget.
- Categorical Programs. The Education Coalition also requests that the COLA for special education, Adult Education, and other categorical programs outside the LCFF be increased from 1.5 percent to 3.84 percent, if additional ongoing funding is available.
- Child Nutrition and School Transportation. Finally, the Education Coalition requests that a 3.84 percent COLA for the Child Nutrition and School Transportation Programs.

Paying Down of Deferrals

The Education Coalition supports the Governor's proposal to use one-time Proposition 98 funds for the paydown of \$7.3 billion in K-12 deferrals. Further, if additional one-time funds are available, the Education Coalition supports paying down the remaining K-12 balance of \$3.8 billion in deferrals.

Special Education

The Education Coalition supports investing \$300 million in ongoing Proposition 98 funds to fund special education services for preschool-age students. Additionally, the Education Coalition supports the Governor's budget proposal of \$5.3 million in one-time

Proposition 98 funds for Professional Learning Networks.

Mental Health

Students and staff are experiencing unprecedented mental health needs due to the COVID-19 pandemic. The Education Coalition supports investing in mental health services in K-12 schools. We are appreciative of the Governor's inclusion of mental health funding but would like to see greater ongoing funds provided in order for schools to best establish strong and consistent resources. We look forward to working with the Legislature and Administration to better address the mental health needs of students through a coordinated statewide system.

Educator Professional Development and Teacher Pipeline

The Governor's Budget proposes \$540.3 million in one-time Proposition 98 funds for several programs to address the teacher shortage and provide professional development. The Education Coalition acknowledges the need for resources to address the teacher pipeline and provide training for educators and staff, especially given the unique challenges due to COVID-19. We believe that the Governor and Legislature should take a balanced approach in providing targeted dollars for specific one-time proposals and providing flexible dollars for local educational agencies (LEA) to use at their discretion to address long-standing needs.

School Facilities

The Education Coalition supports the Governor's Budget proposal for \$ 1.5 billion in Proposition 51 bond funds for school facilities.

Trailer Bill Language

- ADA Collection. The Governor's Budget includes trailer bill language on the calculation of ADA that assumes in-person instruction is the default mode of instruction in 2021-22. The Education Coalition wants to work with the Legislature and Administration in crafting language that will provide distance learning options for families in 2021-22 year and at the same time, maintain funding stability to districts and county offices of education, given the COVID-19 pandemic.

Issues Not in Governor's Budget

- ERAF. The State Controller has interpreted state law in her guidance to counties to allow counties to exclude charter school ADA from the Educational Revenue Augmentation Fund [ERAF] calculations. The effect of this interpretation results in an immediate reduction of K-14 funding by \$350-500 million annually. The funding lost as a result of this guidance could increase drastically should more counties become excess ERAF. Further, the Controller's guidance to counties will undo the Budget Act of 2020 that includes repayment of approximately \$1.1 billion over a three-year period to schools. The Education Coalition requests budget trailer bill language to ensure that charter school ADA is included in the ERAF calculations as well as proper calculation of redevelopment agency revenue, and calculation of minimum state aid.

CalSTRS and CalPERS Fiscal Relief

The existing buy down of pension rates for both CalSTRS and CalPERS continue to be one of the most significant reliefs to LEAs. With the near future fiscal concerns of declining enrollment and ending of an ADA hold-harmless year that reflects pre-COVID19 attendance compounded by expiration of the current pension buy downs, the Education Coalition urges the administration and the legislature to provide additional General Fund to further buy down out-year employer contributions on behalf of schools in order to soften the impending fiscal cliff.