

The Education Coalition appreciates the Governor and Legislature for their continued investments in TK-12 public education. The Governor's May Revision includes \$19.6 billion in additional Proposition 98 funding for TK-14 education above the January Budget over the 2020-21 2021-22 and the 2022-23 years. The proposed 2022-23 funding level of \$128.3 billion for TK-12 education is the highest level of school funding since the inception of Proposition 98 in 1989.

In January, the Education Coalition urged the state "to use additional revenues to address the social-emotional and academic needs of our students, strengthen recruitment and retention efforts of our school staff, and propel our educational system to the top 10 in the nation in per-pupil funding, further distinguishing the contributions the Governor and Legislature has made in our state." The May Revision moves the state in this direction, and we look forward to working with the Governor and Legislature in achieving these goals.

MAY REVISION PROPOSALS: EDUCATION COALITION PRIORITIES

The additional revenues available within Proposition 98 provides the opportunity to further invest in our schools. We urge the Legislature and Governor to consider the following Education Coalition priorities during the final budget deliberations.

Local Control Funding Formula [LCFF]: The Education Coalition supports the Governor's May Revision proposal to: 1) increase the Local Control Funding Formula (LCFF) cost-of-living adjustment from 5.33% to 6.56% with \$1.1 billion; 2) provide an additional \$2.1 billion increase to the LCFF base; and 3) provide \$101.2 million to augment base funding for county offices of education. This funding is essential for local educational agencies (LEAs) to be able to manage rising ongoing costs, attract and retain staff, implement new programs/mandates, and address the changing needs of students in a COVID-19 environment.

Request: The Education Coalition urges the Legislature and Governor to continue prioritizing ongoing funding for the LCFF in the 2022-23 budget and beyond.

COVID ADA Relief in the Current Year: The Education Coalition supports the Governor's May Revision proposal to allow school districts and classroom-based charter schools to be funded at the greater of their current year or pre-pandemic absence rates, adjusted for the 2021-22 enrollment. The impacts of the Delta and Omicron variants on attendance were not self-inflicted, but rather a responsibility and requirement to put the health and safety of our most vulnerable children first, which is why the statewide ADA decline was 8.5 percent, according to the California Department of Education. Absent this proposal, any gains included in the May Revision will be immediately lost to the

tune of \$3.3 billion (4.4% loss to LCFF) and will negatively impact the long-term 3-year rolling average declining ADA proposal.

Request: The Education Coalition urges the Legislature to adopt the Governor's May Revision proposal to provide COVID ADA relief.

Declining Enrollment Adjustment: The Education Coalition supports the Governor's January proposal to allow school districts to use the greater of their current year, prior year, or the average of three prior years' average daily attendance (ADA) for purposes of the LCFF. Combined with the COVID ADA Relief proposal, this will mitigate the impacts of declining enrollment and ensures school districts and charter schools are not penalized for COVID-related absences.

Request: The Education Coalition urges the same enrollment protection for alternative education pupils served by county offices of education.

School Nutrition: The Education Coalition supports the May Revision proposal to add \$611.8 million to increase the state meal reimbursement rate for 2022-23. This is in addition to the \$596.0 million proposed in the January budget, which brings total funding to \$1.2 billion. The higher rate of reimbursement will enable local educational agencies to continue offering higher-quality and more diverse meals for students or allow for needed school kitchen infrastructure if the federal waiver is extended.

School Facilities: The Education Coalition supports the Governor's January budget proposal to allocate the remaining Proposition 51 bond funds for school facilities and the May Revision proposal to provide an additional \$3.9 billion General Fund for school facilities.

Transitional Kindergarten:

We appreciate that the Governor's budget proposes, and the May Revision sustains the commitment to "re-bench" the Proposition 98 guarantee to accommodate the expansion of transitional kindergarten (TK). The Education Coalition believes additional funding is needed to support the implementation of TK, including for the construction and modernization of TK facilities which require specified modifications and accommodations for these new students.

Request: The Education Coalition urges additional non-Proposition 98 General Fund dedicated for TK facilities to fully implement universal TK.

Home-to-School Transportation:

The May Revision does not address the lack of funding associated with the existing home-to-school transportation program. The current LCFF add-on

funding has remained frozen since 2012-13, does not allocate funds based on updated transportation metrics, and does not include a cost-of-living adjustment. We recognize that the program was folded into the LCFF formula, but it was never adequately funded to ensure school districts can serve their students properly. Many school districts have given up on providing transportation to general education students and are only providing the legally required transportation service to students with disabilities.

Additionally, with the implementation TK and the Extended Learning Opportunities Program, all LEAs need more resources to train and recruit new staff to transport our youngest learners. Home-to-school transportation is the safest way to transport students and helps reduce chronic absenteeism for students with limited access to reliable transportation.

Request: The Education Coalition requests additional ongoing funding to meet the state's school transportation needs.

Special Education: The Coalition is appreciative of Governor's January and May Revision proposals to invest \$500 million to increase the base rate and provide a 6.56 percent COLA. The Coalition is disappointed, however, that the base rate in the AB 602 formula was not increased at the May Revision.

Request: We urge the Legislature and Governor to increase the base rate in the AB 602 formula to incorporate the full impact of the 6.56 percent COLA.

CalPERS and CalSTRS School Employer Contribution Rates: Two years ago, the state provided General Fund support to TK-12 schools and community colleges by reducing the employer contribution rates that school employers are required to pay into the California State Teachers' Retirement System (CalSTRS) and California Public Employees' Retirement System (CalPERS). That funding is scheduled to expire in 2022-23, and school districts will face a significant increase in retirement costs equal to \$1.2 billion that will diminish the impact of the investment in LCFF. Reducing the long-term unfunded pension obligations allows limited local funds to remain in the classroom to support student services, staffing needs, and updated learning environments.

Request: The Education Coalition urges the Legislature and Governor to allocate non-Proposition 98 General Fund to sustain and reduce the CalSTRS and CalPERS Schools Pool employer contribution rates to ensure education dollars remain in the classroom.