

CCSESA FOCUS

A Weekly Update to County Superintendents of Schools

Thursday, May 15, 2014

Major Policy/Fiscal Issues Raised in May Revision

CCSESA and other education organizations will be facing some important issues as they make recommendations to the Legislature and the Governor on the final state budget for 2014-15. Fortunately, the schedule of various CCSESA meetings allows for timely review and discussion of those issues.

Most dramatic is the Governor's plan to eliminate the unfunded liability of the State Teachers' Retirement System (STRS). It seems virtually certain that legislation on this topic will be enacted as part of the budget package. Key questions for CCSESA concern the phase-in plan. For example, is it appropriate to ask school districts to significantly increase their employer contribution in 2014-15, given that the proposed increase was only announced on May 13? Most important for the long-term financial health of school districts and county offices is the length of the phase-in. Stopping the deterioration of the STRS financial condition is an urgent concern, but what is the correct balance of building STRS reserves compared to funding current services for students? These issues will be discussed at a meeting of BASC on Friday and the CCSESA Board of Directors on Monday, May 19.

The other pressing issue is funding for common core implementation. The May Revision does not contain a one-time common core implementation grant similar to the one provided in the 2013-14 budget. Discussion has already begun about eliminating the inter-year deferrals over two years (rather than in one year as proposed by the Governor), in order to redirect some funds to pay for another round of common core one-time grants. This issue will be reviewed by CISC at their meeting this week, by BASC on Friday, and by the Board of Directors next Monday.

Finally, it should be noted that the May Revision includes \$26.7 million in additional one-time funding for the K-12 High Speed Network to support LEAs "most in need of help with securing required internet connectivity and infrastructure..." While modest, this proposal recognizes both the need for improved connectivity and the important role played by the High Speed Network in supporting school districts and county offices.

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