

Fourth District Legislative Advocacy Communicator



FOURTH DISTRICT PTA ADVOCACY TEAM

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CAPTA has concerns about Governor's revised budget proposal

California's tax revenues have increased by \$2.4 billion over what was forecast in January, but it won't mean much more money for schools if Governor Brown's new budget proposal is approved.

The governor's May revise budget plan increases Prop. 98 funding for K-12 and community colleges by \$242 million from his January proposal. Enrollment increases will use up most of that.

As in the January budget proposal, Prop. 98 funding for K-12 and community colleges would increase by about \$10.5 billion. The governor wants to use \$5.6 billion of that to repay school districts for the Prop. 98 funding that was deferred during the past several years. Since this is money that school districts have borrowed and spent, the repayments will not increase local budgets. The bulk of the remaining K-12 funding, about \$4.5 billion, would go to districts primarily through the new Local Control Funding Formula.

Average per-pupil funding would increase from \$7,936 this year to \$8,724 next year, according to the state's Legislative Analyst's Office (LAO). Funding increases will vary significantly among school districts due to the new funding formula, which allocates additional money to districts with students who are low income, English learners or in foster care.

For the education community, the most controversial proposal in Gov. Brown's May revise is his plan to begin paying off the \$74 billion unfunded liability for the California State Teachers' Retirement System (CalSTRS). According to the LAO, the 101-year-old pension system has never been properly funded and does not have enough money to pay future obligations. CalSTRS lost about 40 percent of the value of its investments when the stock market dropped in 2008.

Gov. Brown's proposal would fully fund CalSTRS in 30 years, starting in the next fiscal year with a \$450 million payment coming from the state, school districts and individual teachers. The amount each of those contributes to the system would go up next year and increase during the next several years.

The percentage of teacher salaries that school districts contribute would increase over seven years from 8.25 per-

cent to 19.1 percent. The share teachers pay would increase in three years from 8 percent to 9.21 or 10.25 percent (depending on when the teacher was hired) and the state's share would go from 3.29 percent to 6.33 percent.

The 2014-15 contribution from school districts would be \$337 million, paid out of Proposition 98 funding. Districts would have just a few weeks to cope with this new expense at a time when they are still trying to recover from the drastic budget cuts of the past several years.

Some larger districts worry that the new requirement will consume 8 to 10 percent of their anticipated funding increases.

California State PTA has expressed its concerns about the proposed plan in a letter to Gov. Brown signed by Director of Legislation Kathy Moffat.

"PTA recognizes the vital importance of a fully funded pension system for our teachers, and a comprehensive solution to the unfunded liability is warranted," the letter says. "However, the state's entire education system remains woefully underfunded. The state's

focus must continue to be directing as much funding as possible toward programs and services for students."

The proposal requiring school districts to increase their percentage of CalSTRS contributions this year will have a dramatic impact on local students and schools as they implement the new Local Control Funding Formula, Moffat writes.

"Potential increased obligations for districts beginning in the 2014-15 year would occur only six weeks prior to the new fiscal year and would require districts and stakeholders in the Local Control and Accountability Plan process to make last minute, major adjustments to their spending plans, diverting resources from other district initiatives.

"This proposal should be delayed and a more equitable approach established, one that would not steer already scarce Prop. 98 dollars away from student programs at a time when we are still chronically underfunding our students."

The letter also asks for additional funding to implement Common Core State Standards and to support early education programs.



Early education bills advance in Sacramento and Washington D.C.

A scaled down proposal to create a prekindergarten program for four-year-olds in California was approved by the State Senate and is headed to the Assembly for debate.

“Fair Start” is the revised version of SB 837 by Senator Darrell Steinberg (D-Sacramento). While the original bill would have required school districts to provide transitional kindergarten to all four-year-olds, the new version would offer a program only to low-income children. This would reduce the cost from about \$990 million to \$378

million.

About 234,000 children would benefit from the program, double the number of children currently eligible for Transitional Kindergarten, Steinberg said. A five-year implementation process would begin in the fall of 2015.

While a recent survey shows that the majority of Californians support the idea of pre-school for four-year-olds, Gov. Brown has been silent on the issue. His May revise proposal for the State Budget, like his initial proposal in January, makes no mention of the program and does not provide additional funding for early education.

California State PTA continues to support AB 837.

Meanwhile, at the federal level the Strong Start for Children Act was passed by the Senate Health, Education, Labor and Pensions Committee. This bill would create a federal grant program for states to create or expand publicly funded high-quality preschool programs. It would also provide funding for infant through age three child care and training for child care workers. National PTA supports this bill.

PTA Advocacy Dates for 2014-15

Get ready for another exciting year of advocacy with Fourth District PTA. Important dates:

Advocacy Roundtables

September 26, November 14, January 23, April 24

Sacramento Safari

March 16-17

Ask your PTA to include \$600 in next year's budget for each person you plan to send to Sacramento Safari.

CAPTA supports school facilities bond, Governor Brown does not

California State PTA supports a state bill that would place a \$9 billion school facilities bond on the November ballot.

AB 2235, authored by Assembly members Joan Buchanan (D-Alamo) and Curt Hagman (R-Chino Hills), was passed by the Assembly. It must be approved by a two-thirds majority of the Senate to go before the voters.

The \$9 billion would be divided as follows:

- \$6 billion for K-12 facilities (\$3.25 billion for modernization, \$2.25 billion for new construction and \$500 million for charter school facilities).
- \$2 billion for community college facilities.
- \$500 million each for the University of California and California State University.

As with past bond measures, school districts would be required to contribute 40 percent of the cost for modernization projects and 50 percent for new construction.

Voters passed a \$10.4 billion school facilities bond in 2006, but that funding has been depleted.

AB 2235 has bipartisan support among state legislators and backing from education groups, businesses and the construction industry, but may not have the support of the governor. In his January state budget proposal, Gov. Brown criticized the current system of funding K-12 construction through bonds, which cost the state \$2.4 billion

in debt service annually. The existing system is overly complex, encourages districts to build more facilities than they need, favors large districts with staff dedicated to facilities programs and discourages non-standard school design, the Governor said.

The Governor wants a re-examination of the current system, “including consideration of what role, if any, the state should play in the future of school facilities funding.” He proposes that any future program be easy to understand and provide school districts “appropriate local control and fiscal incentives.”

Stay in touch with California PTA

The PTA year is almost over, but work on the state budget continues in Sacramento. State legislators must complete their version of the budget by June 15. If the Governor receives the budget on time, he must sign or reject it by June 30.

As this important process unfolds, there may be opportunities for PTA members to voice their concerns, opposition or support. Please continue to watch your email for action alerts from California State PTA and/or Fourth District PTA.

Make sure your voice is heard!