April 24, 2020

The Honorable Gavin Newsom
Governor, State of California
State Capitol, First Floor
Sacramento, CA 95814

RE: 2020-21 K-12 Budget Augmentation

Dear Governor Newsom:

During this unprecedented time of crisis, you have continued to show remarkable leadership. The COVID-19 pandemic has tested every public official and resident of this state in ways that we haven’t seen in recent memory. We thank you for your sound leadership and advocacy on behalf of all Californians.

Today, I write you on behalf of the California School Boards Association (CSBA) and more than 5,000 local school district and county office of education board members that represent our state’s most valuable asset: our public schools and the 6 million students who attend them. In short, our schools have been operating in a silent funding recession for the last decade, that has now been greatly exacerbated by the coronavirus crisis. Our schools cannot adequately educate students, provide health and wellness support to students and contribute to our economic engine without a commitment to fund them for their real costs during this crisis.

To that end, I urge you to fund K-12 public schools not based on an outdated formula that relies on current year funding levels or a “workload budget,” but rather based on the actual need of schools in light of COVID-19. Resources dedicated to cover the actual needs of schools, should, at a minimum, cover the period of time from your first Executive Order on COVID-19 through the next fiscal year.

The COVID-19 pandemic has dramatically altered the way we educate students. Depending on the assumptions contained in the upcoming May Revision, not only do our schools need additional funding beyond the current workload, that funding must be flexible to meet local needs and challenges
during this crisis. This flexibility will be essential to safely reopen schools in the fall for our students, staff and parents.

Our recent survey of local educational agencies in March showed fiscal stress in the current year, even before COVID-19. That survey revealed that 77 percent of districts were (and are) deficit spending in the current year, and that more than one-third were considering layoffs based on the January budget proposal.

It was in this environment that LEAs then faced the COVID-19 pandemic and shut down schools while going live with distance learning, transforming school nutrition programs, ensuring the deep cleaning of school sites, providing training for school staff, locating devices and wireless access and revamping curriculum and instruction to conform to the new distance learning environment.

Using conservative cost estimates from the state's two largest school districts, we estimate that districts have assumed added costs of approximately $400 per student. Through today, this equates to statewide costs as high as $2.4 billion above the Proposition 98 Guarantee.

Your January budget proposed a 2.29 percent cost-of-living increase for the Local Control Funding Formula and other statutory programs, the largest being special education. It is important to note that the rule of thumb estimate from the Fiscal Crisis and Management Assistance Team is that a “workload” budget for LEAs increases year-over-year in the 4 percent range, not at the federal COLA percentage.

In addition, the January budget proposed to use $1.5 billion in one-time funds to establish several new categorical programs and grants. CSBA opposed the creation of these new categoricals because we understand the dire fiscal situation many school districts and county offices of education are currently facing, and their need for discretionary dollars to support students and cover operational costs. These needs for LEAs have not gone away since the January proposal — rather, they have been exacerbated by COVID-19.

Our request:

1. **Stay committed to the $1.2 billion** allocated in on-going Proposition 98 funds for a statutory 2.29 percent COLA.
2. **Repurpose the $1.5 billion in one-time proposals** from the January budget to discretionary funding that schools can use to cover costs associated with COVID-19. This request is being made with full understanding that if you anticipate lower General Fund revenues, the appropriation to K-12 schools would exceed the Proposition 98 minimum guarantee.

3. **Utilize dollars within the State Reserve Fund to support schools.** The state’s reserve totals more than $17 billion and was established for this very type of financial crisis.

4. **Place a bond on the November ballot of at least $2 billion to:**
   (a) address broadband access needs in schools, particularly in rural areas;
   (b) purchase computer hardware; and
   (c) support school health and safety activities related to COVID-19.

The COVID-19 crisis has put a spotlight on the inequities in our schools, and our schools deserve financial support from the state that reflects the realistic challenges they are currently facing, and will still be confronting in the fall when we hope to reopen our classrooms.

We stand ready to help you move our state and our schools beyond this crisis. We recognize that California cannot reopen and recover until our schools are positioned to safely resume on-site instruction.

Thank you for your ongoing leadership and consideration of this request.

Sincerely,

Vernon M. Billy
CEO & Executive Director

CC: Tony Thurmond, Superintendent of Public Instruction
    Sen. Toni Atkins, President pro Tempore, California State Senate
    Asm. Anthony Rendon, Speaker, California State Assembly
    Sen. Connie Leyva, Chair, Senate Education Committee
    Sen. Scott Wilk, Vice Chair, Senate Education Committee
    Sen. Holly Mitchell, Chair, Senate Budget Committee
Sen. Jim Nielsen, Vice Chair, Senate Budget Committee
Sen. Richard Roth, Chair, Senate Budget Subcommittee 1, Education
Asm. Patrick O’Donnell, Chair, Assembly Education Committee
Asm. Kevin Kiley, Vice Chair, Assembly Education Committee
Asm. Phil Ting, Chair, Assembly Budget Committee
Asm. Jay Obernolte, Vice Chair, Assembly Budget Committee
Asm. Kevin McCarty, Chair, Assembly Budget Subcommittee 2, Education
Linda Darling-Hammond, State Board President, State Board of Education
Keely Bosler, Director of Finance, Department of Finance
Jeff Bell, Program Budget Manager of Education, Department of Finance