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ASSISTANCE TEAM



MARIN COUNTY
OFFICE OF EDUCATION
building the future... one student at a time

School Funding Forum

Marin County Office of Education
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Budget At A Glance

K12 At A Glance

- Revised three-year revenue forecast - \$5.8B higher
- Proposition 98 growth (K14) - \$3.0B to \$84B / +\$496 per-K12 pupil
- 2.29% COLA on LCFF, remaining categoricals and county offices – \$1.3B
- Special Education reform and investment - \$748M
- School Nutrition Programs - \$70M
- Numerous one-time Proposition 98 investments (60% of new P98 revenue)
 - Special Ed studies - \$5M
 - Professional Development and Educator Recruitment - \$900M
 - Addressing Achievement Gap - \$600M

Revenues

- Estimates state revenues will increase by \$5.8B for the three-year period 2018-19 through 2020-21 over the estimate used in June's adopted budget.
 - At least \$819M is one-time and likely more
- Concerns continue to be raised about the impact on the economy by increased federal debt, lower interest rates, trade matters, 2017 federal tax changes, global economic slowdown and fundamental policy differences with Washington
- “Economy is not contracting, but continued growth is” provides the backdrop to the “constrained growth” assumptions in the budget

Reserves

- Increase in the state's rainy day fund of \$2.0B to \$18B
 - Plan is to get to \$19.4B by 2023-24
- Net increase to the Proposition 98 rainy day fund over two years of \$110M
 - Additional contribution for 2019-20 over plan -\$147.7M
 - Withdrawal in 2020-21 - \$37.6M
 - Insufficient to trigger LEA reserve cap

Proposition 98

- Test 1 environment – funding based on K14’s proportion of GF revenues
- Proposition 98 growth - \$3.0B to \$84B
 - Net of \$443.6M in ADA losses over two-years
- \$1.2B to statutory COLA of 2.29% for LCFF
- \$122.4M to COLA of 2.29%% for categoricals
- \$5.7M to COLA for county offices
- \$743M recurring, \$5M one-time to Special Education reform and investment
- \$1.6B+ one-time investments in state priorities that the governor sees as too important to leave to local discretion

Cost of Living Adjustment (COLA)

- COLA of 2.29%
 - Applied to LCFF, other categoricals and county offices
 - Cost to keep LEAs flat is around 4%
- Higher than November LAO estimate of 1.79% (.5%) but lower than
 - June adopted budget 3.26% for current 2019-20
 - June adopted budget estimate of 3.00% for 2020-21
- For May:
 - Little upside opportunity, more downside risk
 - Don't forget COLA is a national calculation and P98 is a state calculation, so don't be surprised if the data is ignored and 2.29% is the funded COLA

Special Education

- Appears to be the highest priority; lively debate to follow
- Three-phased, multiyear plan to reform the current funding system providing increased funding to some, but not all, but also expecting increases for all in the area of equity, accountability and inclusivity
- \$645M from 2019-20 continues but is used to fund a new formula that provides an overall 15% increase in LEA funding
 - Funding to be based on three-year rolling average of LEA ADA
 - Distributed to SELPAs
 - All but an estimated 100 districts will receive an increase; those 100 to be held harmless (no increase)

Special Education

- \$250M to be distributed to LEAs based on the number of three to five-year old preschoolers with exceptional needs
 - Down from \$493M in 2019-20
 - Described as one-time for LEAs (similar to 2019-20)
 - No longer flexible, but tied to increased or improved services
 - Described as “allocated on a one-time basis”
- \$4M one-time for dyslexia research, training and a statewide conference
- \$500,000 one-time to study current SELPA governance and accountability structure
- \$600,000 one-time for two workgroups to study improved accountability for special education service delivery and student outcomes

Professional Development and Ed Recruit

- Cites Linda Darling-Hammond's conviction that a well-prepared teacher workforce is a significant factor in predicting high student achievement and in closing the achievement gap
- Most African American students are concentrated in the highest poverty schools in 23 districts where there are fewer experienced teachers
- Special education, math and science shortages are more heavily impacted in some regions of the state, including rural and high poverty districts

Professional Development and Ed Recruit

\$900M one-time, multi-prong investment (up from \$147.4M in 2019-20)

- \$350M Educator Workforce Investment competitive grants to LEAs to build upon the 2019-20 funding for professional development in high need areas of special education, STEM, mental health, MTSS, affirmative supports for marginalized students
- \$18M CCEE to bolster awareness of available services and supports
- \$193M for Workforce Development Grant Program to address shortages in high-need subjects and areas
- \$175M to expand Teacher Residency Program
- \$100M for Teacher Credential Award Program
- \$64M to expand the Classified School Employees Credentialing Program

Addressing the Achievement Gap

\$600M one-time

- \$300M to establish Community School competitive grants for LEAs that implement innovative community school models
- \$300M to establish Opportunity Grants for lowest performing schools and districts identified for differentiated assistance, and expand the capacity of the CCEE in its role within the statewide system of support
 - To be paired with Title 1 and existing statewide system of support funds to provide integrated and intensive interventions to close the gaps

Computer Science

\$19M (\$1.6M is non-P98) to support the implementation of the new Computer Science standards

- \$15M for grants to LEAS to support preparation of 10,000 K12 teachers to earn a supplementary authorization on their credential to teach computer science
- \$2.5M for a county office within the statewide system of support to identify, compile and share resources and best practices
- \$1.6M (non-P98) to develop a new UC Subject Matter Project and for one cohort of 1,200 teachers to participate

School Nutrition

\$80.5M (\$10M is non-P98) to enhance student food service programs and establish a Farm-to-School grant program

- \$60M to increase funding for school nutrition (to an estimated rate of \$0.3357 per meal), with reporting requirements
- \$10M to provide training to nutrition workers to promote healthier and more nutritious meals
- \$10M (non-P98) (\$1.5M ongoing) to establish Farm-to-School Grant Program to support farmers and expand healthy food access

Early Education and Childcare

Expanded early education and childcare opportunities

- \$75M (P98) to expand Inclusive Early Ed program created in 2018 for LEAs to construct or modify preschool facilities to serve students with exceptional needs or severe disabilities
- \$31.7M (growing to \$127M) (non-P98) to expand 10,000 preschool slots at non-LEAs beginning in April 2021
- \$8.5M (non-P98) to establish transition team at CHHS to carry out collective bargaining activities for childcare providers (AB 378)
- \$53.8M (non-P98) to support changes in Stage 2 and 3 caseloads
- \$60.3M from the Cannabis fund  to replace general fund for 3,000 and add 621 childcare slots

Implications for LCFF/LCAP

Background: Accountability Concerns

- 2013: LCFF Debate – Inputs and Outputs
- State Audit report based on three districts: Oakland, Clovis and San Diego
 - Conclusion: State’s approach “has not ensured that funding is benefiting students as intended.”
 - Increased and improved services don’t roll over
 - Lack of clear explanations for how LEAs will serve high-need students – overly broad and vague
 - Base funding concerns

Responses to Concerns – State Board of Ed

- State Board of Education adopted revised LCAP and Annual Update templates last week for 2020-21 through 2022-23 cycle
 - Revisions pursuant to AB 1840 (2019) and stakeholder input
 - Streamlined – shorter and more accessible
 - Goal: strategic plan – can choose focus goals
 - Explain how stakeholder input shaped the decisions
 - Greater focus on analysis of results and actual services and expenditures
 - Aims to clarify where increased or improved services are being targeted to specific school sites vs. districtwide
 - Note: link to Comprehensive Support and Improvement (CSI)

Responses to Concerns – SPI and Legislature

- State Superintendent has convened a workgroup
- Assemblymembers Weber (San Diego) and Quirk-Silva (Fullerton) introduced AB 1834 and 1835 to track expenditures of supplemental and concentration grant funds and limit use of unexpended funds from one year to the next
- Core debate remains:
 - SBE response to audit: don't return to categorical approach “driven by year-to-year accounting procedures...rather than a focus on whether spending decisions lead to improved outcomes”
 - Require funds “to be expended to increase and improve services” for “unduplicated pupils” (AB 1835)

Responses to Concerns – Governor’s Budget

Proposes \$600k one-time Proposition 98 General Fund to:

- Make statewide LCAP information easily accessible to the public through the development of an online LCAP portal. Co-locate the School Accountability Report Card (SARC) and the LCAP online to make it easier for the public to access and compare both accountability tools.
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- “[O]ver the coming months, the Administration will engage in a process to identify potential avenues for strengthening accountability around the requirement for local educational agencies to provide increased or improved services for high-need students, particularly when actions described in an LCAP are not implemented as planned.”

Submitted Questions

Questions

- With lost instructional days becoming a new norm due to wildfires and public safety power shutoffs, what are the state's expectations from schools moving forward? For example, will school calendars need to be extended? Will schools receive funding for generators or for summer programs to make up lost instructional days?
- Special education costs continue to rise without promised federal funding. How can California districts support the \$13B costs of providing special education, \$62M in excess costs for Marin County, while also providing quality educational programs for general education students? Is the federal government expected to increase funding?

Questions

- What are the parameters for the school bond measure on the March ballot? Could it fund the cost of generators for schools?
- I am concerned about the impact of pension liabilities on districts' ability to pass local parcel tax and bond measures. Do you expect the governor to continue to support pension liabilities with an additional offset to the CalPERS/CalSTRS liability or additional funding to reduce the burden on district general funds?
- If the Schools and Communities First initiative makes it to the ballot in November, what impact will it have on Marin County? What is the likelihood that it will pass?

Questions

- Other questions...

Thank you!