

The California Association of School Business Officials (CASBO) actively engages in legislative and policy issues important to California school districts and county offices of education, particularly within its area of expertise – the business and fiscal functions of local educational agencies.

CASBO will continue to be a leader on issues affecting public education finance by contributing our specialized fiscal and business expertise to assist the state and federal governments in providing a quality education system for California's children.

CASBO will work with the Education Coalition and other organizations to support proposals that improve the quality of education in California and to oppose proposals that we believe are detrimental to the future of public education and the school children in California.

Funding Adequacy/Proposition 98

Funding adequacy: California continues to rank below the national average in K-12 education funding. CASBO supports efforts to increase state education funding to the national average as reflected through per pupil funding adjusted for state cost of living indexes. As a long-term goal, education funding in California must reach the average of the top ten states to enable schools to adequately educate all students to be successful in a 21st Century economy.

CASBO supports a state and local system of funding education that recognizes the costs and sufficiently funds the state's high academic standards.

Since 2002, the legislature has relied heavily on gimmicks and manipulations to reduce funding to schools while maintaining public perception of maintaining school funding. The increasing reliance on inter- and intra-year apportionment deferrals is taking its toll on the ability of local educational agencies to provide a quality education program and to meet immediate and long term cash flow needs.

Protection of Proposition 98: CASBO is committed to protecting the provisions of Proposition 98, which includes full funding of the Proposition 98 guarantee, protection of the Proposition 98 maintenance factor, and the timely appropriation of school funding. CASBO will oppose any proposals to reduce, manipulate, or suspend the Proposition 98 minimum funding guarantee for education.

Funding Priorities

CASBO supports funding core programs before funding new programs or program expansions. As such, CASBO's funding priorities are:

- **Deferrals:** Elimination of the state's reliance on apportionment deferrals.
- **COLA:** Full funding of the statutory COLA for both revenue limits and categorical programs, including prior-year deficits.
- **Growth:** Full funding of enrollment growth for all programs.
- **Special Education:** Funding sufficient to provide an increase at least equivalent to that provided to regular education programs.
- **Mandates:** Full and timely state funding of all current and past-due mandated cost reimbursements.
- **Declining Enrollment:** Fiscal support for districts impacted by significant, multi-year enrollment declines.
- **Equalization:** Full funding of the remaining district revenue limit equalization.
- **Deferred Maintenance:** Full funding of the state's statutory match for deferred maintenance.

Funding Reform

California must move toward a funding model that supports the goal of raising student achievement and away from the current funding model driven by costly state micromanagement of school practices and procedures.

Accordingly, CASBO recommends the following key funding reforms:

- **Average Daily Attendance:** De-link funding from attendance by moving from an attendance-based funding formula for revenue limits (ADA) to an enrollment-based funding formula;
- **Student Centered Budgeting:** Any new funding model designed to link funding to individual student educational costs, whether a weighted student average or categorical program funding model must:
 - Hold districts harmless from losses in total funding.
 - Direct dollars to the district not site level, to ensure economies of scale and cost effectiveness; and
 - Maximize district flexibility in the use of funding to ensure educational effectiveness.
- **K-3 class size reduction:** Increase flexibility in the class size reduction program to allow school districts to maximize their educational, operational, and fiscal effectiveness;
- **Funding flexibility:** Continued flexibility over the use of categorical program funds not only in the short term as a way to assist LEAs with cash flow during uncertain fiscal times, but long term as well to give local communities the ability to decide how best to meet local educational priorities.
- **Contracting Out:** Remove overly restrictive limitations on contracting out for personal services;
- **Reserves:** Change the formulas required for calculating district reserves for economic uncertainties and restricted reserves for routine maintenance to address the impact that categorical program restrictions have on the ability of districts to fund reserve requirements;
- **Bid Limits:** Increase the current \$15,000 competitive “bid limit” for public works projects performed pursuant to PCC 20111 and include an annual COLA.

Educational Data

CASBO supports the rapid completion of the state’s long-overdue comprehensive statewide educational data system.

CASBO supports a comprehensive system that:

- Is fully accessible to both local education agencies and state policymakers; and
- Fully integrates student demographic and academic data, school expenditure and revenue data, and personnel data that impact student achievement.

Special Education

Adequate Funding for Special Education

CASBO supports state funding increases for special education sufficient to keep pace with growth in costs. CASBO strongly urges the federal government to honor its commitment to fund 40 percent of special education program costs.

Special Education Funding - Effects of Declining Enrollment

CASBO supports a change in state law to provide SELPAs with special education funding based on the funded revenue limit for each member school district. Under the current (AB 602) funding formula, insufficient dollars are provided to fund both growing and declining districts. In SELPAs where both declining enrollment and growth districts are members, a decline in ADA in some districts offsets the growth in ADA for other districts. The result is inadequate funding, forcing SELPAs to choose whether to fund growth districts for their current ADA, or fund declining districts for their prior year ADA. Funding based upon funded ADA for each member district would help mitigate this problem.

Mandates

Ensure Funding for Mandated Costs

CASBO supports the full and timely reimbursement of all approved school district and county office of education mandated cost claims.

Mandate Reimbursement Reform

CASBO supports systemic reforms to:

- Streamline the reimbursement process to provide more timely state reimbursement guidelines, and to reduce the costs, paperwork, and personnel time required to obtain state reimbursement.
- Assure full and timely funding of approved mandated costs;
- Assure a fair, timely, and open audit process; and
- Impose restrictions and limits on the imposition of new state mandates.

Home to School Transportation

CASBO supports increased funding and program reforms for home-to-school transportation, including:

- Increased base funding to bring state support in line with current costs;
- An updated allocation formula that more accurately reflects geographical and demographic cost differences among local education agencies; and
- Statutory COLA and growth to ensure school transportation funding keeps pace with cost increases.

School Facility Funding/ Program Reforms

CASBO supports an ongoing commitment of state funding for school construction and modernization through general obligation bonds and other sources.

CASBO supports facility program reforms to ensure funding formulas provide sufficient dollars for the construction and modernization of complete schools, and to remove current barriers to the efficient use of that funding at the local level.

Employee Retirement/ Health Benefit Costs

For school districts with large unfunded liabilities, retiree health benefits pose a significant fiscal challenge.

CASBO supports state policy that ensures the fiscal health of school employee retirement and health benefit programs without negative impact on educational programs.

CASBO supports state policy reforms to require actuarial studies, public reporting of the findings, and locally developed plans to meet outstanding post-retirement health benefit liabilities.

Charter Schools

CASBO supports legislation to ensure that charter schools are both educationally and fiscally viable, provide added value to the community at large, and do not impose undue fiscal hardships on sponsoring and other affected districts.

CASBO supports an increase in funding for state and local education agency oversight of charter schools, recognizing that the growth in the number of charter schools has created a significant increase in the charter oversight responsibilities of the State Department of Education, school districts, and county offices of education.

School Meal Reimbursement/ Nutritional Standards

CASBO supports an increase in state reimbursement for both paid and free and reduced price meals, including the provision of a statutory cost of living increase (COLA) to ensure funding keeps pace with inflation. CASBO supports linking such funding increases to nutritional improvements that can be met within the funding provided and within achievable timeframes.

CASBO supports state bond funding targeted to ensuring that new and existing school food service facilities are sufficient to meet changing school food program requirements.

School Business Training

CASBO supports state funding and statutory changes necessary to provide viable, accessible, and high quality programs for training current and future school business officials.

Quality Education Investment Act (SB 1133)

CASBO supports those statutory and administrative changes needed to ensure the effective implementation of the Quality Education Investment Act, established pursuant to SB 1133, Chapter 751, Statutes of 2006).

NCLB Funding

CASBO supports changes to the federal No Child Left Behind (NCLB) Act to reflect the following:

- Secure funding for states to make multi-year investments for both short- and long-term student improvements, including data systems.
- Resources sufficient to help schools put in place proven programs to close achievement gaps.
- Deferral of sanctions relating to corrective action and restructuring (including the withholding of funds) in any year that appropriations for NCLB are not increased over the previous year, until the program is fully funded.
- If funding decreases, hold schools harmless for programs that could not be implemented; as funding fades, the requirements should fade.

Provide adequate funding for schools and districts to provide the necessary professional development for teachers, paraprofessionals and administrators.