

March 4, 2020

The Honorable Richard D. Roth, Chair
Senate Budget Subcommittee #1 on Education
State Capitol, Room 2080
Sacramento, CA 95814

The Honorable Kevin McCarty, Chair
Assembly Budget Subcommittee #2 on Education Finance
State Capitol, Room 2136
Sacramento, CA 95814

RE: The 2020-21 Proposed K-12 Education Budget

Dear Senator Roth and Assembly Member McCarty,

My tenure as Superintendent of San Diego Unified began the day when the Local Control Funding Formula (LCFF) was signed into law, July 1, 2013. While I have witnessed steady progress to ensure the full and successful implementation of LCFF, I am concerned that current funding and long-term efforts to improve student outcomes are not sustainable under the proposed levels and types of investments. The Governor's 2020-21 Proposed Budget represents the first reduction in LCFF investment to our school district, since overall investment is lower than last year's multi-year projections. The 2020-21 Proposed Budget does not provide any additional pension offsets from *non-Proposition 98 sources*, and creates a competitive grant program that results in the underinvestment in a policy that we know works to improve student outcomes, LCFF. In fact, the 2020-21 Proposed Budget currently allocates nearly half of total K-12 education funding towards mostly competitive programs rather than direct investments to support students. These proposals create a sense of *urgency* and *deep concern* for San Diego Unified, since they limit our ability to conduct financial planning to effectively sustain existing and long-term efforts to better serve students and to improve academic outcomes. For these reasons, I urge your consideration of the following recommendations and requests in response to the Governor's Proposed Budget ahead of the May Revise.

Create A Funding Formula Based on the Moderate to Severe Disabilities of Students: Special education is significantly underfunded in California. According to the Legislative Analyst's Office (LAO), two-thirds of the increasing costs in special education is attributable to the increase in the number of students with moderate to severe disabilities. In fact, the LAO notes that the prevalence of students with relatively severe disabilities has almost doubled since 2000-01. The 2020-21 Proposed Budget acknowledges the need to increase funding for students with disabilities, but we recommend allocating funding for students with moderate to severe disabilities. A new funding formula that allocates funding consistent with the needs of students with moderate to severe disabilities will assist school districts in better serving and improving outcomes for all students. As a result, we request that the 2020-21 Proposed Budget create an allocation based on the number of students with moderate to severe disabilities, and that any funding for special education be provided on an ongoing rather than a one-time basis.

Make One-Time Funds Available to Fund Priorities: San Diego Unified is supportive of the goals that many of the competitive grant initiatives in the 2020-21 Proposed Budget aim to achieve. Nonetheless, we remain concerned that many of the grant programs are intended for new and ongoing programs, and its competitiveness will limit any opportunities to maximize funding and achieve desired goals. Additionally, these competitive grant programs will not be immediately available for school districts to achieve the Administration's goals ahead of an economic downturn. Instead, redirecting the funds from competitive grants to a one-time allocation on the basis of average daily attendance will allow school districts to more effectively improve conditions of learning for students. This approach will also allow school districts to sustain and improve existing programs aligned with the Administration's goals. Achieving these goals requires a statewide investment rather than competitive grants, otherwise piecemeal efforts will not be sustainable in an economic downturn. We recommend distributing competitive grants as one-time funds on the basis of average daily attendance.

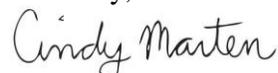
Increase LCFF Base Grant and the Cost-of-Living Adjustment (COLA) to a Higher Level: The estimated statutory COLA of 2.29% amounts to a \$6.7 million reduction to San Diego Unified at first interim. The statutory COLA is below 3.00%, which many school districts included in their first interim reports due to multi-year projections when the 2019-20 State Budget was enacted. In an environment of increasing State mandates and fiscal pressures, funding LCFF at a lower level will adversely impact ongoing efforts to close academic achievement gaps. As a result, we request increasing the LCFF base grant and the COLA to a higher level.

Provide Supplemental Pension Payments: According to the LAO, total school district pension costs are expected to increase by another \$1 billion during the 2020-21 school year. San Diego Unified appreciated the supplemental pension payments that were provided during the 2019-20 Enacted Budget. This investment provided meaningful relief. As a result, we recommend continuing to provide supplemental pension payments. In fact, the LAO also recommends supplemental pension payments, since such investments provide the greatest sustained fiscal health for school districts. We request that the 2020-21 Proposed Budget provide supplemental pension payments from a *non-Proposition 98 source* to continue making meaningful progress for the long-term fiscal stability of schools.

Additionally, San Diego Unified expresses support for the proposal to provide \$60 million to increase funding for school nutrition and \$10 million to provide training for food service workers. As the 2020-21 Proposed Budget acknowledges, school nutrition is the primary safety net for all income-eligible students and research shows that well-nourished students are more likely to show up for class, stay in school, and succeed academically. For these reasons, we support this investment.

We look forward to discussing with you how to best serve students in California, while improving outcomes and closing the academic achievement gap. Please feel free to contact me or my Director of Government Relations, Enrique Ruacho (eruacho@sandi.net), if you have any questions or if we can be of assistance to you.

Sincerely,



Cindy Marten
Superintendent, San Diego Unified School District

cc: Governor Gavin Newsom
Superintendent of Public Instruction Tony Thurmond
Senate President Pro Tempore Toni Atkins
Assembly Speaker Anthony Rendon
Senator Holly Mitchell, Chair, Senate Budget & Fiscal Review Committee
Assembly Member Phil Ting, Chair, Assembly Budget Committee
Members, Senate Budget Subcommittee #1 on Education Finance
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