Inadequate state funding of education and growing mandated expenses are causing numerous school districts throughout California to enter into budget reduction mode. WestEd has named this unfortunate phenomenon, “The Silent Recession.” BUSD has cut $4.2 million in the last 2 years; $2 million in 2016-17 and another $2.2 million in 2017-18. Our current projections require an additional reduction of $1.7 million for 2019-20 and another $1 million for 2020-21. In addition, any additional expense in our budget will require a corresponding reduction elsewhere. There are multiple factors contributing to the continuing need for reductions.

- California schools are amongst the lowest funded in the nation.
- Brentwood Union School District is one of the lowest funded districts in California (467th out of 490).
- Legislation enacted to reduce state pension deficits requires $1 million additional dollars in BUSD expenses each and every year with no corresponding funding source.
- Step and column raises occur each school year in addition to negotiated increases for all staff.
- Special Education expenses have increased by an average of $1.8 million additional dollars each year over the last three years with no corresponding funding source.

These and other factors are causing districts across the state to call on the state and federal legislatures to adequately fund schools. Until that happens, many school districts, including BUSD, will be making significant reductions to maintain solvency.

### How California and BUSD Compare in Education Funding

- California has ranked in the bottom 20% of funding per student since the passage of Proposition 13 in 1978. Prior to Proposition 13, California ranked consistently as one of the 5 highest funded states in the country.
- After the Great Recession, California fell to between the 40th-49th lowest funded state. If BUSD was located in New York, it would receive more than two-times our current funding.

The change in funding to the Local Control Funding Formula (LCFF) model in 2013 was originally proposed by a researcher at Stanford, in conjunction with a large enough increase in funding, to bring California to or above the national average. The large increase in funding never happened, making the LCFF simply a redistribution model without the corresponding increase in funds. When the LCFF was “fully-funded” this year, it brought districts back to 2007-08 spending levels only.

- 60% of students in the average California district are listed in what the state calls the “unduplicated count” (live below the poverty line, are English Learners, are homeless or are foster students.) This is what drives most new state funding. Brentwood’s unduplicated population is 30%; meaning that BUSD has received a significantly lower amount of any new money coming to education.
- BUSD is amongst the lowest funded districts in the state, ranking 460 out of 483 districts. BUSD is actually even lower because many of the districts below us have local parcel taxes that bring in additional money.
- BUSD is the lowest overall funded district in Contra Costa County. Antioch and Liberty School Districts receive $1,837 and $1,419 more for each student respectively (based on 2017-18).

### How the state Pension shortfall impacts BUSD

- In 2013, California enacted pension reform to attempt to backfill the projected shortfall in funding for the State Teacher’s Retirement System (STRS) and California Public Employee Retirement System (CalPERS). Investment projections, rules and contribution rates are decided at the state level.
- From 2013-2021, STRS Employer Contributions will increase each year in increments to climb from 8.25% to 19.1%. Since 2013, employee rates have risen from 8% to 10.25%.
- From 2013-2021, CalPERS Employer Contributions increase each year in increments to climb from 11.4% to 24.9%. This is in addition to the amounts employees contribute which since 2013, employee rates have stayed at 7%.
- 69 cents of every dollar in BUSD go to employee salaries. This means that the percentage of the rising employer contribution is added each year to STRS and PERS impacting 69% of every dollar BUSD spends.
- These increased costs come from the BUSD general fund and have added $4.7 million to our expenditures over the last 5 years. Over the next 3 years this increase will cost BUSD an additional $3.4 million.
- By 2021, our costs will have increased by $8.1 million a year with no corresponding funding. There is no additional revenue source for these expenditures. School districts are expected to find a way to pay for these mandated increases.

### Step and Column

- Every school district is required to have a uniform salary schedule that pays employees based on years of service and additional education units earned.
- “Step” refers to the number of years served in the school district. “Column” refers to employees moving up in salary based on new education units earned.
- Step and Column for all employees in BUSD is estimated to increase expenses by an additional $780,000 each school year.
- Step and Column is in addition to any negotiated salary increase.
How Can I Help

The Individuals with Disabilities Act (IDEA) passed as a Federal Law in 1978. The Federal Government estimated that special education students would cost, on average, twice as much as a general education student. They set a funding target of 40% of the costs to be supported directly from the federal government. The Federal Government currently provides 16%, leaving districts to cover the rest of costs out of their general fund. **BUSD currently contributes an additional $16.1 million dollars annually over what it receives to fund special education programs. In 2016-17, it was $10.5 million.**

Ten years ago, students requiring Special Education services comprised about 10% of all students. That percentage is currently 15% with an increasing number of students requiring more intensive and expensive supports. This is a nationwide and statewide trend. The population of students in California is decreasing while the overall population of students qualifying for special education is increasing.

• The cost of providing special education services to BUSD students has increased dramatically each year, with no corresponding funding increase, and is likely to continue to rise.

<table>
<thead>
<tr>
<th>Annual Special Education Cost Increases</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-2017</td>
</tr>
<tr>
<td>$1,600,000 increase each year</td>
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<tr>
<td>2017-2018</td>
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<tr>
<td>$2,300,000 increase</td>
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<tr>
<td>2018-2019</td>
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<tr>
<td>$3,200,000 increase</td>
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</tbody>
</table>

What about Measure B?

• Measure B provides money for facility improvements, modernization and new construction. Legally, Bond dollars cannot be used to backfill any of the budget challenges faced by districts. This is why we might be spending money on construction while we are making budget reductions.

• The annual escalation in construction costs is currently estimated to be at about 10% per year. That means that the earlier we build, the more we can build for less money.

• Had Measure B not passed, we would have been required to use additional district dollars to update district facility needs like the wireless network (as an example). Measure B provided those funds instead.

What Can Change?

• The district’s budget is driven by multiple major factors including enrollment, state and federal budget health as well as the expense factors listed above.

• State revenues can change suddenly. Our 2018-19 budget was built based on the May Revise. The actual budget provided an increase in ongoing funds of $497,340 but a decrease in one-time funds of $1.4 million. There was also an additional allocation in restricted one-time funds targeted for underperforming students which will total approximately $893,000. This, along with increased expenditures, has complicated the plans the board approved to use the one-time money to cover 2 years of expenditures for certain programs and could speed up the reductions.

• The District’s enrollment continues to increase. BUSD’s 2018-19 enrollment has increased by approximately 142 students. Districts are funded on Average Daily Attendance (ADA) which only pays districts when students are in school. 2018-19 ADA for TK-3 students in BUSD is $8,733; ADA for 4-6 students $8,029 and ADA for 7-8 students $8,267. If more students continue to come, and they attend elsewhere. The longer this pattern continues, the more difficult and painful the reductions will be.

• Federal revenues are very unpredictable at this point. There are multiple proposals both within education and outside (i.e. health care) that could dramatically reduce federal education funding as well as lead to a reduction in state education funding as a result.

What is BUSD Doing?

• BUSD has reduced $4.2 million dollars in expenditures during the past two years. These reductions have meant fewer support personnel, fewer student and staff computer purchases, significant deficit spending and a reduction in professional development opportunities for our staff. A Budget Focus Committee, made up of staff, parents and board members, met last year to prepare a proposal for the Board of Education. Reducing earlier means fewer reductions in the years to come.

• Our current projections require an additional reduction of $1.7 million for 2019-20 and another $1 million for 2020-21. In addition, any additional expense in our budget will require a corresponding reduction elsewhere. The longer this pattern continues, the more difficult and painful the reductions will be.

• The BUSD Board has joined the California School Funding Coalition, a group of school districts who are actively lobbying for California education funding to be amongst the top ten states. BUSD actively lobbied the legislature for the support of AB 2808, which would have established aspirational funding targets for state education funding. We will continue to support efforts to reintroduce the bill in January 2019.

• BUSD has actively sought out projects that will reduce general fund expenditures (i.e. Solar).

How Can I Help?

• BUSD is one of the lowest funded districts in one of the lowest funded states. The inadequacy and inequity of the funding formula is causing the school district to make millions of dollars in cuts.

• For BUSD and many school districts, the revenue increases coming in to the district are smaller than the combined mandated costs increases in state pension costs, special education funding and step and column increases.

• State legislators continue to publically share that they have fully-funded education knowing full well that most districts have more mandated expense increases than funding provided.

• **Contact your state representatives and tell them schools need adequate funding.**
Dear <Legislator>:

As a <parent><staff member><community member> in the Brentwood Union School District, I am writing to express my strong support for funding schools appropriately. As you know, the full-funding of LCFF only returned school districts to 2008-2009 funding levels.

In 1988, voters enacted Proposition 98, establishing a minimum funding level guarantee for public schools. That law added goals to the State Constitution:

- **California would provide** public schools with funding matching the top 10 states.
- **Average class sizes would be** equal to or lower than the average class size of the 10 states with the smallest class sizes.

In 2015-16, the top ten states spent $20,909 per average daily attendance (ADA), while California spent $11,357 per ADA*, a deficit of nearly $10,000. In Brentwood, our students get far less, averaging around $8,400 a student. **California is failing to fund education** commensurate with its status among the nation’s wealthiest and most economically stable states.

We call on California policy makers to establish an aspirational funding level based on those top ten states and financed over time using the growth in Proposition 98 funds.

- **An aspirational model** ensures that the Brentwood Union School District can grow and enrich its “best, first instructional programs” to provide an exceptional education for ALL students.
- **Increasing the base grant allows the** Brentwood Union School District to keep pace with otherwise crippling growth in fixed costs: STRS/PERS; special education; new textbooks; health care; minimum wage; and other “must fund” expenditures.

It is time for the legislature to stop pronouncing they have fully-funded education after providing the absolute minimal level of funding required under law to a state education system that has ranked at or near the bottom in funding for over forty years. California is the fifth largest economy in the world. Surely, we can all do better.

Thank you for your consideration,

<parent><staff member><community member>
Government Representatives

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