

SACRAMENTO TRIP - APRIL 22, 2009

Capistrano Unified Council PTSA (CUCPTSA) Legislative Team

Six CUCPTSA Attendees:

Lori Abbott – Wagon Wheel Elementary Legislative Chair
Marilyn Amato - Dana Hills HS Family Mentor & PTA President
Kim Anderson – CUCPTSA Legislative Chair; Dana Hills HS Legislative Chair
& Niguel Hills MS Legislative Co-Chair
Ingrin Currie – Lobo Elementary Legislative Co-Chair
Alli Maier – Malcom Elementary & Marco Forster MS Legislative Chair
Julia Walsh – CUCPTSA Federal Leg Co-Chair; George White Elementary
Legislative Chair & Niguel Hills MS Legislative Co-Chair

We had seven meetings:

Ana Matosantos – Chief Deputy Director, Dept of Finance,
and Ryan Stone - Principal Budget Analyst, Dept of Finance
Mike Villines – Assembly Minority Leader (unscheduled)
Colleen Haley – Legislative Aide to Assembly Member Joan Buchanan
Rick Simpson – Deputy Chief of Staff to Speaker, Karen Bass
Rebecca Baumann – Education Consultant to Sen. Loni Hancock
Ismael Diaz Herrera, Legislative Aide to Assembly Member Jose Solorio
Kris Kuzmich – Education Consultant to Senator Joe Simitian

Walking back from lunch with Rick Simpson, we bumped into Susan Kennedy,
Governor Schwarzenegger's Chief of Staff, who Rick very graciously introduced us to.

Ana Matosantos – Chief Deputy Director, Dept of Finance
Ryan Stone, Principal Budget Analyst, Dept of Finance

Report by: by Marilyn Amato & Julia Walsh

Julia Walsh led the meeting.

Section 28 Letters

- These letters allow the Finance Department to approve the release of unanticipated federal funds without legislative approval or action to amend the budget.
 - Finance sends the letter to the legislature to provide notice
 - After 30 days, Finance can approve the release of funds.
 - If the legislature chooses to act, the funds can be released sooner, but most of the time they wait for the full 30 days.
- The governor wants to get the Federal Stimulus money out as fast as possible.
- The Finance Department also is committed to releasing the federal funds as quickly as possible.

- Section 28 letters can be used this year and next year to approve the release of federal funds.
- Finance Department uses an Honor System in administering
 - They take input from legislators before issuing the letter
 - Mostly they are just a clearing house for the money
 - Legislature does not need to approve – no need to create a bill for budget changes
- At least one more letter must be done for the current distribution of McKinney-Vento Homeless Assistance money
- Districts must apply for the state fiscal stabilization funds
- **Finance does not agree with the LAO proposal to withhold federal money until after the May revise**
 - Want to get the money out NOW

Stabilization Money

- Will be based on what school district's lost - a proportional distribution to school districts
- Back-fill
 - Don't have a number of how large the shortfall may be.
 - Prop. 98 is not related to the Federal funds.
 - Prop. 98 is tied to the general fund.
 - Federal funds – includes a maintenance of effort requirement
 - Can't be used to supplant the General Fund
 - **May 28th is date of the May Revise**

May 19th Propositions

- If the propositions fail, state will have a \$14 Billion shortfall (\$6 billion from propositions & \$8 billion deficit as identified by LAO).
- Purposes of the economic stimulus package
 - The DOF has no budget shortfall \$ number of their own. For them, the budget deficit was solved in Feb, and Finance is still analyzing the current economic information
- Starting point – economic data tied in with cash
 - Personal income, taxable sales etc affect revenue
 - Plug into model to figure out funds
 - Capital gains, stock market, etc.
- Federal funds are a bridge, along with the propositions, to get us through the next several years.

Multi-year Projections

- Are done on a regular basis, one will be done with the May Revise, and will provide the Finance Department's estimates of state budget deficits over several years.

Timing for the Three Pots of Money

- Section 28 – clock started ticking on April 8th for the release of the IDEA and Title I monies and April 10th for the State Fiscal Stabilization monies.
 - The beginning of the 30 day wait period required by the Section 28 letters.
 - Don't have to wait the full time if the legislature gives permission to send out

 - At the end of 30 days the money is sent to the State Controller.
 - Usually it takes two weeks for State Controller to turn that money around, but can be shortened if deemed “high priority.”
 - Money is then sent to the California Dept. of Education to be distributed to school districts.
 - Best case scenario = when Section 28 period expires, which will be May 8 for IDEA and Title I, and May 10 for State Fiscal Stabilization funds.
- Fiscal Stabilization Funds
 - Finance encouraged CDE to get applications on-line immediately
 - Currently working with CDE to calculate allocations for districts – each pot of money has different formula.
 - Charter schools can be a trouble spot, which could slow things down – must be factored in before distribution.
- Much of the money is just pass through money
- Goal is to have everything available as soon as possible on the www.recovery.ca.gov
 - Need to set up what is to come next, but still do not have information from the federal government about many of the issues like “Race to the Top” grants
 - Reporting rules not yet clarified
 - Applications for competitive grants and phase two payments are not available

Laura Chick

- Has been appointed to be an independent watchdog, working as an oversight auditor & is coming on board in 5 days.
- She is part of the governor's commitment to use funds properly.
 - OSAE – (Office of State Audit & Evaluations)
 - Readiness audits, standard checklists, plans, etc.
 - Dealing with some groups who are receiving funds and are not used to moving such large amounts of money
- Is here through the process to make sure there are no problems (stories that can arise regarding the monies)
 - Money creates opportunities for things to become questionable.
 - Best effort is a preventative one.
- State must use funds wisely to qualify for any future funds.

Different Distributions

- Timeline for spending funds varies according to the program: some are short (120 days), but most are up to three years
- 300 different programs
- Sept. 30, 2011 – drop off date for most education funds

GAO (Government Accountability Office)

- Doing review every two months on how the money is being spent.
 - Follow up on where monies are going
 - DOF goal is to be able to be audited off California recovery website (want good transparency)
 - Level of deal
 - People will be able to see just where money goes.

Money Great Opportunity For Districts

- Encourage prudence as we don't yet know what else is coming
- Make sure districts put money to good use
- One positive spot in economy to help manage getting through the next few years.
- Not to look at money on top of base
 - If thought in that way, could be setting themselves for hard choices in the future

Mike Villines – Assembly Minority Leader

Report by: Kim Anderson

We were waiting for the elevator when Assembly member Mike Villines happened to come by. We introduced ourselves and as the Capitol was very busy and the wait for an elevator very long, he very kindly took our whole group to the “members only” elevator. That afforded us the opportunity of a brief dialogue:

- We thanked him for finding the votes for, and voting for himself, the Feb 19 budget. He told us he believed it was the right thing to do.
- He shared that there would be no way that any members of his caucus would be willing to vote for tax increases in the upcoming summer budget. They went over a cliff once and can't do it again.
- The spending on the propositions is about to really ramp up – with \$20 million targeted at Prop 1A and \$19 million for 1B. Much of the money is coming from the Governor and the CTA.
- This will likely be the first time ever that pink slips have been given out and will not be rescinded. BUT...maybe that's what it will take for people to wake up & really comprehend what is going on in this state.

Colleen Haley – Legislative Aide to Assembly Member Joan Buchanan
Report by: by Lori Abbott

Alli Maier led the meeting.

Assembly Member Buchanan is a member of the Assembly Education Committee.

Colleen's statement to start the meeting was: "Are you the group that comes up here once a month?" The purpose of the meeting was to introduce ourselves and our district to this office, determine Assembly member Buchanan's education priorities and see if she had any ideas about the upcoming budget deficit and stimulus money.

Colleen indicated that the Assembly Member's top priority is to keep the stimulus money in education, not the general fund. We told Colleen about the watchdog system that has been established to make sure the money is being spent in the intended areas.

The Assemblywoman has not taken a public position on the propositions because she is concerned about the groups coming out against them.

A special budget session will most likely be convened once the deficit is made known. There was some frustration in that budget matters are discussed only among the "Big 5" and that they (the assembly members) are not included in decisions and reform discussions.

Assembly member Buchanan believes in local control – let school boards make their own decisions.

We encouraged Colleen to tell the Assemblywoman to support SCA 6 (Simitian's parcel tax threshold reduction). Colleen again stated that Ms. Buchanan is supportive, but can't vocalize it.

Assembly Member Buchanan has introduced AB 826, for which State PTA has taken a support position. This bill would require the Superintendent of Public Instruction to make different computations to determine the amount of General Fund money that a special education local plan area could claim for the 2009/2010 fiscal year and beyond.

Ismael Diaz Herrera, Legislative Aide to Assembly Member Jose Solorio
Report by: Kim Anderson

Alli Maier led the meeting.

Assembly Member Solorio is a member of the Assembly Education Committee.

- Solorio ran on an education platform – that is very important to him. He believes strongly in programs that make English Language Learners (ELL) successful in school and therefore in life.

- AB 272 would allow school districts to establish a leadership program. The focus is on administrators & counselors re how to address the needs of ELLs.
- Huge marriage between public safety & education. If we provide kids early on in life with a good education that will prevent a lot of juvenile delinquency and high recidivism rates.
- Also part of the equation is the availability of jobs. We must have a stimulated economy to provide jobs in all sectors.
- Three things form the foundation for all of Assembly Member Solorio's work:
 1. Economic Development
 2. Public Safety
 3. Education
- A/M Solorio believes in standards of education – basics first and then Career Technical Education (CTE).
- Need to address our ELL's needs and also create an incentive for them to go beyond a high school diploma...they need to go on to college.
- More courses need to be developed that would be a "two for one" thing – where students can actually apply a subject that they learn to a career.
- A/M Solorio has an "insiders view" of public schools as his wife is a teacher.
- He is a huge proponent of public education

Rick Simpson – Deputy Chief of Staff to Speaker, Karen Bass

Report by: Ingrin Currie

The California High School Exit Exam (CAHSEE) was first mandatorily implemented in 2006. It is considered a "high stakes" exam and can cause a panic effect. A recent study by Stanford University found that it was not necessarily indicative of the students' true abilities due to the panic factor. This was found to be especially true for women/girls and minorities. The idea is that when a test has so much riding on it, for example, it could be used to determine parts of the rest of the students' lives therefore they do poorly on it

Rick agrees that the Federal Stimulus money should be sent out right away.

The following was discussed: There's not much money against props: 1A, 1B, 1C, 1D, 1E. He was informed that there is \$20,000,000 backing the first three props. Rick said in light of the money backing these props, he thought they would pass.

When there is a request to spend unspecified funds a certain way, the legislators have 30 days to review that request and get back to the requestor.

The departments of Education and Finance cooperate on Federal money plans i.e. applying them, etc.

When asked, "What is the plan if the prop's fail?" Simpson replied, "It depends on how much the governor is prepared to consider revenue options if ballot props fail. Governor will be more reluctant to accept tax increases."

He said that we need to be pushing 1A, 1B, and 1C. Voter turnout needs to be pushed.

When asked if there are plans B and C, he answered that recently there was a Democratic Assembly caucus meeting offsite, at U.C. Med. Ctr. Two scenarios were presented: \$8 billion gap and \$14 billion gap. Even if all the measures pass an \$8 billion gap will still exist.

Re: Class Size Reduction (CSR), he said someone would have to pursue litigation to get equal class sizes. Rick Simpson thinks that retrofitting to increase class sizes may be a poor choice in the long run, because CSR should return in possibly 2 years.

Cash flow will be a serious problem in July. We need to pass another bill to close budget gap.

He said that to make a projection would be difficult. Approx. 1,000 bills are sent to the governor in one average year.

Rebecca Baumann – Education Consultant to Sen. Loni Hancock
Report by Lori Abbott

Kim Anderson led the meeting.

Senator Loni Hancock is a member of the Senate Education Committee.

Due to overcrowding in the Senator's office, we met with Rebecca in the 6th floor cafeteria.

After introducing ourselves to her, and giving her some background information on our group and our district, Rebecca informed us that SB 800 failed (4 yes and 5 no). This was the bill to stop 2nd grade STAR testing. Rebecca told us that Senator Hancock feels passionately that it is wrong to give standardized tests to children under 8. The opposition feels there should be a diagnostic test instead, for accountability purposes. Most school districts already offer diagnostic testing. The bill was granted reconsideration status by a 9-0 vote.

Senator Hancock is not a fan of high-stakes tests, for any age. She would be in agreement with the recent CAHSEE study results. Using multiple measures is a better way to go. She is also no in favor of the NCLB standards.

Rebecca indicated the Senator would be in favor of a simple majority vote for the budget. Also, we should be using the results of the adequacy study, for reform.

Rebecca wondered why our district doesn't have a parcel tax – there are only a handful in southern CA. Her perception of CUSD is that CUSD was once an innovative school district, doing great things. Now it's thumbs down.

One of Senator Hancock's passions is Career Tech Education (CTE). If you have A-G requirements, then you also need a career tech requirement. Adjudicated youth also need help

In terms of the federal stimulus money, she indicated that we need to look at school district budgets and see where the money is going. Please keep a watchful eye on the federal money.

Kris Kuzmich – Education Consultant to Senator Joe Simitian

Report by: Julia Walsh

Kim Anderson led the meeting.

Senator Simitian is an Education Committee Member

Budget and Deficit Issues: The deficit is probably bigger than the \$8 billion reported so far by the LAO. If the propositions do not pass, we are looking at \$14 to \$15 billion in cuts in the May Revise. She has worked for the legislature for 18 years, and has never seen a budget situation this bad. The outlook for education is “ugly” and the budgeting process will be brutal. There is a sense of impending doom in Sacramento.

Education Reform: “We don't need another study.” It is difficult to see which reforms would work, and which changes are possible when things are so bad. Right now, everyone is focused on the May Revise and people are not focusing on long-term planning or reform.

Legislation:

SCA 6 (Simitian) proposes a constitutional amendment that would allow school districts, community college districts, and county boards of education to impose a parcel tax with 55% voter approval, instead of the 2/3 vote that is required now.

SB 19 (Simitian) proposes to develop a strategic plan to link educational data systems across all segments (K-12, UC, CSU, community colleges, etc.) and maximize the use of federal stimulus grant funds for the development of this longitudinal data system.

Federal Stimulus Funds: The federal funds will help a little bit, but we will be standing on a cliff in two years when the funds run out, so districts should plan carefully.