



March 13, 2023

The Honorable Anthony Portantino
State Senator
1021 O Street, Suite 7630
Sacramento, CA 95814

RE: SB 98: Education Finance: supplemental education funding
Position: **Oppose**
Location: Senate Education Committee – March 22, 2023 Hearing

Dear Senator Portantino,

On behalf of the California Association of School Business Officials (CASBO), representing over 24,000 school business leaders in K-14 education, we oppose your Senate Bill 830. The bill would create a new funding formula using enrollment data and average daily attendance (ADA) to determine a supplemental funding allocation that is to be distributed utilizing the Local Control Funding Formula (LCFF) with an emphasis on chronic absenteeism and truancy.

Our concern stems from the approach that this bill takes to divert Proposition 98 funds, creating a new formula to generate supplemental resources, in a manner that can create unintended consequences for local education agencies (LEAs). The bill would provide additional funding to LEAs with lower attendance rates, without any state or county office of education analysis or review prior to distribution of funds to determine that LEAs with high chronic absenteeism rates have made strides in reducing their chronic absenteeism and/or truancy rates.

The bill also creates a new funding source outside of the LCFF, which will complicate how LEAs report all available funds on their local control and accountability plans (LCAPs) to address each statewide priority. Lastly, the bill allows for “supplanting” of these resources, which will have varying results on how LEAs will determine how they address this one LCFF statewide priority, whether that is to spend additional funds on their current chronic absenteeism services and programs or maintain current funding and divert available local funds for other purposes, neither of which are tied to chronic absenteeism or truancy.

The California Department of Education (CDE) estimates that allocating LCFF funds based on enrollment instead of attendance could cost approximately \$3 billion in Proposition 98 General Fund each year.

We recommend that you conduct an enrollment-based funding study that:

- Accounts for federal and state programs that are dependent on ADA information,
- Creates a minimum funding threshold to protect small school districts with low enrollment numbers,
- Reviews basic aid districts which generate funds through local property taxes instead of the LCFF and assesses how these districts monitor and establish accountability metrics for attendance purposes, and

- Reviews other geographically and demographically similar states on their accountability system for enrollment-based funding.

For the reasons outlined above, we must respectfully oppose SB 98. Should you have any questions, please contact Elizabeth Esquivel at eesquivel@casbo.org.

Sincerely,

A handwritten signature in black ink, consisting of the letters 'E', 'E', and 'E' in a stylized, cursive font.

Elizabeth Esquivel
Assistant Executive Director of Governmental Relations
California Association of School Business Officials