



April 18, 2023

The Honorable Al Muratsuchi
Chair, Assembly Education Committee
1021 O Street, Suite 5610
Sacramento, CA 95814

RE: AB 938 (Muratsuchi): Education Finance: local control funding formula: base grants: classified and certificated staff salaries (as amended April 7, 2023)

Position: **Support if Amended**

Set for Hearing in the Assembly Education Committee: April 26, 2023

Dear Assembly Member Muratsuchi:

On behalf of the statewide education organizations and local educational agencies reflected on this letter, we are writing to express a **Support if Amended** position on Assembly Bill 938. We applaud your effort to set aspirational Local Control Funding Formula (LCFF) rates more closely aligned with the true costs of educating California students. We also commend you for highlighting the issue of compensation for the state's classroom teachers, who play an integral role in the success of our students.

As outlined in the fact sheet that accompanies AB 938, the bill is intended to "raise school staff salaries to close the existing wage gap that exists between teachers and similarly educated college graduates in other fields." The bill would achieve that goal by creating new LCFF funding targets, with specific legislative intent stating that the funding would be used to increase school site staff salaries by 50 percent. The bill also includes reporting requirements, under which school employers would report the changes in wages over time.

Many of us have supported your previous efforts to increase LCFF targets, including AB 1614 (2022), AB 39 (2019), and AB 2018 (2018). However, we are unable to support AB 938 in its current form, as it is contrary to the principles of the LCFF. The LCFF was intended to improve outcomes by providing more resources to meet the educational needs of low-income students, English language learners, and foster youth. The law also provided more autonomy to local school districts by providing them greater flexibility over how they choose to spend state funding. In exchange for that flexibility, school districts are required to provide greater transparency to local communities on how the money will be spent, in the Local Control and Accountability Plan.

Presuming the state has sufficient resources to fund progress towards reaching the new funding targets, the legislative intent language in AB 938 would restrict any additional funding received by school districts over that period to being used for employee compensation. In addition to being inconsistent with the core tenets of LCFF, this would create a "one size fits all" solution when each of the state's school districts faces different circumstances, and different local priorities based on the welfare of students and the community. Local collective bargaining considers local conditions

based on the community, sometimes resulting in lower compensation levels that offset lower class sizes, increased employer contributions for health benefits, or other support structures. Again, this is a local preference and priority based on the welfare of the students and community.

In addition to this fundamental concern, we have the following specific concerns with AB 938:

- Many local educational agencies (LEAs) would likely not see the full increase due to declining enrollment and average daily attendance (ADA) losses.
- The funds are intended to increase salaries for classified and certificated staff by 50 percent by the 2030-31 fiscal year, but the bill is unclear whether that includes the corresponding impact on the cost of the statutory benefits that also would be factored into the cost of total employee compensation.
- It is unclear whether this would result in a mandate on community-funded school districts that would not receive additional funding under this model.

In closing, we are in full agreement that the issue of school employee compensation is one that is worthy of discussion, with the goal of closing the wage gaps that have been identified. However, for the reasons outlined above, we cannot support a proposal to address compensation wage gaps by setting new LCFF targets and then restricting the use of increased funds for that purpose.

Should Section 1 be removed from the bill, we would be pleased to support AB 938. Please contact Elizabeth Esquivel at eesquivel@casbo.org if you have any questions.

Sincerely,



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



Jeffrey A. Vaca
Chief Govt. Relations Officer
Riverside County Supt. of Schools



Dalia Gadelmawla
Assistant Superintendent, Business Services
Corona - Norco Unified School District



Jeff Frost
Legislative Advocate
Central Valley Education Coalition



Andrea Ball
Legislative Advocate
California Association of Suburban School Districts
Orange County Department of Education



Michelle McKay Underwood
Legislative Advocate
California School Funding Coalition

cc Members, Assembly Education Committee
Marguerite Ries, Principal Consultant, Assembly Education Committee
Robert Becker, Consultant, Assembly Republican Caucus