



LAUSD
UNIFIED



**OAKLAND UNIFIED
SCHOOL DISTRICT**
Community Schools, Thriving Students



**Fresno Unified
School District**
Preparing Career Ready Graduates



LONG BEACH
UNIFIED • SCHOOL • DISTRICT



San Diego Unified
SCHOOL DISTRICT

December 20, 2024

The Honorable Gavin Newsom
Governor, State of California
1021 O Street, Suite 9000
Sacramento, CA 95814

Dear Governor Newsom,

Thank you for your leadership and support for California's students, their families and school staff. Recent state investments in TK-12 education, including expansions in Expanded Learning, Community Schools, Universal School Meals and Universal Transitional Kindergarten (UTK), have provided schools with unprecedented opportunities to serve children and families. These ongoing investments are particularly important at a time when our students and communities face significant uncertainty and threats to federal funding. As the new year gets underway, we look forward to continuing to partner with your Administration to ensure that all children receive the support they need to thrive.

As leaders of large urban districts in California, serving nearly twenty percent of California's students, we offer the following recommendations in developing the 2025-26 state budget.

Maintain and Increase Investments in the Local Control Funding Formula (LCFF)

- **Fund the Annual Cost of Living Adjustment (COLA) At or Above the Statutory Level**
The projected COLA for the 2025-26 fiscal year was originally 2.93 percent. However, more recent estimates place the COLA at an estimated 1.79 percent. School districts have already developed their 2025-26 budget estimates using the original 2.93 percent COLA projection. With the simultaneous expiration of federal pandemic relief funding in September 2024, ongoing increases for employee health care, pension and insurance costs that run far ahead of inflation, and existing negotiated agreements with our labor partners, maintaining planned investments in the LCFF or providing increased investments in the LCFF is critical.
- **Support Move to Enrollment-Based Funding Methodology**
We appreciate your signature this year on Senate Bill 98 which will result in a report by the Legislative Analyst's Office related to changing pupil count methodology from average daily attendance to pupil enrollment. We encourage consideration of the move to enrollment-based funding, which is used in most other states, and would be happy to engage our fiscal offices in these discussions to understand the challenges and identify solutions.

- **Other Local Control Funding Formula (LCFF) Improvements**

As we pass the tenth anniversary of the LCFF, it is an appropriate time to reflect on the successes and challenges of California's innovative funding model. The conversation is especially salient given that ongoing declining enrollment will produce funds that can be expended in new ways or allow for increased investments in existing programs. We welcome the conversation about ways that LCFF can be more efficiently allocated to support vulnerable students.

Consider Using one-time Proposition 98 Surplus Funds to Create a Flexible Discretionary Block Grant

The Legislative Analyst's Office estimates that \$2.8 billion in Proposition 98 funds will be available for new commitments in 2025-26. To best meet the diverse needs of districts, we recommend that a portion of these funds be put into a block grant with flexible uses, including explicitly allowing districts to use funds to pay for the costs of liabilities associated with wildfire damage, civil judgments for childhood sexual assault, and other unprecedented district costs. This flexible funding will enable local educational agencies to be responsive to the unique needs of their school community and will help support district programs and services as federal pandemic relief funds expire, and districts implement new or expanded programs including the ethnic studies graduation mandate and the Children and Youth Behavioral Health Initiative.

Fund the Reduced 10:1 Transitional Kindergarten Ratios

The expansion of UTK has been a highlight of the Newsom Administration and our school districts are pleased to support the successful implementation of this new grade level. We are in full agreement with offering lower student to staff ratios to provide better quality early learning experiences to our youngest students. We urge your Administration to uphold the commitment to provide additional funding to permit the hiring necessary to lower the adult to child ratio to 1:10 starting in the 2025-26 school year. Adequate funding is especially critical as some of our districts face ongoing financial penalties for failure to comply with strict TK ratio and class size requirements.

Increase Investment to Support Special Education Services

Across the state, the number and percent of students requiring special education services is increasing. In particular, diagnosis of moderate and severe special needs are increasing as a percentage of the overall student population, and as a percentage of the overall students with disabilities. The services and supports needed to provide students with moderate and severe disabilities with a high-quality public education are often some of the most costly special education services to provide. The existing AB 602 funding model does not account for the increasing share of students with moderate or severe special needs, nor does it provide supplementary funding for students whose needs require greater investments. We urge the Administration to open a conversation with districts and the Legislature on how best to adequately fund services for students with special needs.

Protecting Immigrant Students and Families

As highly diverse districts serving many immigrant and mixed-status families, we believe it is imperative that schools remain safe places for children to learn. We appreciate the proactive steps your Administration has taken to update and disseminate guidance on these issues, and our districts stand

ready to partner with your Administration to protect students and families from oppressive and unjust immigration actions.

Thank you for your consideration of these important issues. We look forward to ongoing conversations on how to continue progress towards making the California Dream a reality for all.

Sincerely,

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