Governor’s Proposals for the 2016-17 State Budget and Education

Preface

Governor Jerry Brown has met his legal obligation to present his January Governor’s Budget by January 10. In fact, the proposals were actually provided on January 7. In the not so distant past, we came to view the release of the Governor’s Budget as a potentially stressful event because, for five consecutive years, this was the forum for the announcement of planned reductions to education funding. However, all that changed in 2013-14 when the state and national economies each staged a major reversal. The Budget for 2016-17 continues to reflect both stability for and growth in education funding.

Education Funding

The Governor is careful to point out that education funding has grown by 51% over the past five years. As we know, property taxes have gone up faster than the education funding increases in recent years, so even though the increases have been large, they have been funded by growth in property taxes, not the state General Fund. This is the case for 2015-16, the largest increase to education in history, and will very likely again be true for 2016-17.

Nonetheless, the Governor was able to increase the gap funding rate for 2016-17 to 49.08% of the remaining gap. This will continue to put the state years ahead of its planned implementation schedule for the Local Control Funding Formula (LCFF) and bring districts to within 94.76% of their full implementation targets. Restoration has come quickly.

In past years, even the good ones, the state’s efforts to meet the minimum Proposition 98 guarantee have been a major focus of the Governor’s press conference on the Budget. This year, he barely mentioned education funding in his prepared remarks and got few questions from the press on education; this is a mark that education is stabilizing and may telegraph that the Governor is moving on to other priorities.

Yet in the big picture, the Governor provides hefty amounts of both ongoing and one-time funding for schools. Education clearly marks another year of major funding recovery. And the discussion is turning, as it should, more toward education policy and student performance than district solvency.

The Next Recession

It is rare to hear high powered political figures, especially a Governor, begin to prepare for the next recession before it is upon them. But the Governor took great pains to explain the relationship between state revenues, particularly capital gains revenues, and ongoing state expenditures. He asserted that even a moderate recession could quickly produce huge deficits in the State Budget.

As a result, the Governor plans to continue to make major additions to the Rainy Day Fund. By the way, the
statutory target for the Proposition 2 reserve is 10% of state expenditures, about twice the percentage the average school district would be allowed to maintain under the potential activation of the caps on district reserves. And the Proposition 2 reserve is in addition to other reserves held by the state. The Budget tells state-funded agencies to prepare for the next downturn, builds state-level reserves, but leaves local school districts without relief on the reserve policy.

As anticipated by School Services of California, Inc., the state now projects that the entire maintenance factor will be repaid in 2015-16 leaving only the condition of a Test 1 year, the last of the four criteria for activation of the school district reserve limits unmet. Neither the state nor the Legislative Analyst’s Office (LAO) project a Test 1 year over the next five years, but no one anticipated the last Test 1 year either. We are disappointed that the Governor did not address repeal or modification of the reserve policy in either his Budget or his remarks.

Summary

Below we detail the major funding and policy changes the Governor has proposed for 2016-17. As usual, at this point, many of the Governor’s proposals are not yet fleshed out and questions about them go begging. But each day we are able to put the pieces together a bit better. Some of the proposals will flourish and some will fall away as the Legislature considers its own priorities along with those of the Governor.

Overview of the Governor’s Budget Proposals

Governor Brown released his 2016-17 proposed State Budget on Thursday, January 7, 2016, making a brief presentation and fielding questions in a press conference, which began just after 10:00 a.m.

In his “prepared” remarks, the Governor spent significant time warning of the effects of a recession and the volatility of capital gains tax revenues. He acknowledged that no one ever predicts a recession, but he had asked his Department of Finance (DOF) to estimate the effects of an average recession on the State Budget. He warned that within three years the Budget deficit would grow to more than $43 billion. He also noted that the average economic recovery lasts about five years and that the longest recovery since World War II was ten years. The current recovery has now lasted over 6.5 years. His tutorial was designed to emphasize the importance of building the state’s Rainy Day Fund, which would reach $8 billion under his 2016-17 Budget.

He spent very little time highlighting other programs in his proposed spending plan. He indicated that the LCFF would receive an increase of $2.8 billion and that the Earned Income Tax Credit would be funded at $400 million. After a discussion on economists’ efforts to eliminate the business cycle, the Governor concluded with, “There it is. What more can I say.” He then moved to press questions.

On the specifics of the Budget, General Fund revenues and transfers are proposed at $120.6 billion (a 2.6% increase) compared to expenditures of $122.6 billion (a 5.6% increase). The state would end the 2016-17 fiscal year with a fund balance of $3.2 billion, plus $8 billion in the Rainy Day Fund.

The Governor’s Budget notes that the managed care tax is set to expire at the end of the current year and proposes a package of tax reforms, including a three-year managed care organization tax. The proposal is expected to provide a net tax reduction for the private health care industry.

Consistent with the promise of Proposition 30, the Budget also holds tuition at the University of California and the California State University at current levels, which have not increased since 2011-12.

The Governor continues to provide significant resources to address climate change. His Budget would
appropriate $3.1 billion in Cap and Trade funds to reduce emissions through programs that support clean transportation, reduce climate pollutants, protect natural ecosystems and benefit disadvantaged communities.

During the Q&A, the Governor was asked about the proposal to extend Proposition 30 temporary taxes in light of his earlier comments on the effects of a potential recession on state revenues. It was noted that the compromise proposal worked out between the California Teachers Association (CTA) and the Hospital Association would exempt tax revenues attributable to the extended taxes from contributions to the state’s Rainy Day Fund. The Governor responded sharply that the exemption was a “fatal flaw” and that the extension proposal would make matters worse. This could be interpreted as advising the sponsors to amend their proposal, although time may be running out.

The Economy and Revenues

Economic Outlook

The Governor’s Budget recognizes that the economy, both locally and nationally, continues to recover from the recession. However, the message to Senate and Assembly members, as well as the message delivered at his press conference, continues to include the underlying tone of “cautious optimism.” This is evidenced by the fact that the average recovery period is five years, and California is currently at 6.5 years. The Governor further emphasizes his point by noting that, since 2000, the sum of annual state deficits exceeds the sum of annual state surpluses sevenfold.

The current Budget highlights that the state was facing a $26.6 billion deficit when the Governor took office in 2011, which has been corrected by permanent spending cuts, a solid economic recovery and the passage of Proposition 30. By the end of the 2016-17 fiscal year, the Governor anticipates a balance in the Rainy Day Fund of $8 billion; a far cry from the state’s position only six years ago.

The good news at the local level is combated by warning signs at the global and national levels. At the global level, China’s economic growth has been fueled by a rallying stock market and significant amounts of debt. Their stock market; however, has been in full retreat since the beginning of 2016. Additionally, the supply and demand for oil has been thrown off kilter as the demand for oil has drastically decreased, while production is higher than ever. The result is that oil prices have tumbled to less than $33 per barrel. This represents a 70% decrease from June 2014 when oil was over $100 per barrel. Prices this low have not been experienced in almost six years.

There are still plenty of indications that the current economic status of the state will continue in the near future. The unemployment rate for the country is hovering around 5% while California’s unemployment rate has dropped to a respectable 5.7% as of November 2015. Further, the country added 257,000 jobs in December 2015, the largest increase in more than a year. The Governor’s Budget anticipates modest growth for the California economy, with the state’s unemployment rate falling to 5.1% by the end of 2016.

State Revenues

The Governor’s Budget presents a picture that we have grown accustomed to seeing; General Fund revenues were understated in the 2015-16 adopted Budget when compared with receipts-to-date and projections for the remainder of the year. The difference is primarily attributable to personal income taxes (PIT) that have exceeded initial projections by $3.7 billion, or 4.7%. Additional PIT are expected in 2016-17 in the amount of $2.2 billion over previous estimates.

The Governor’s Budget has factored in the expiration of Proposition 30 temporary taxes in the upcoming
years, along with a less vigorous stock market. Projected capital gains in 2016-17 are expected to decrease by $1.0 billion from the high watermark of $13.4 billion in 2015-16. The Governor’s Budget also reflects a decrease in PIT revenues in the 2018-19 fiscal year of $1.9 billion resulting from the second leg of Proposition 30 expiring.

The LAO’s forecast released in November 2015 comments that the state budget is in a decidedly better position than it has been at any point in decades. This is the result of a Governor who has prudently allocated resources and only recognizes revenues once they have materialized. Both the LAO and Governor’s DOF believe the economy will continue to expand, and while there are indicators that the growth may be slowing, a downturn is not on the immediate horizon. By 2019-20, the DOF forecasts General Fund revenues of $128.0 billion from the three major taxes (the income tax, the sales and use tax, and the corporation tax). The LAO forecasts $130.8 billion, a difference of 2.1%.

**Proposition 98**

Adopted by state voters in 1988, Proposition 98 sets in the State Constitution a series of complex formulas that establish the minimum funding level for K-12 education and the community colleges from one year to the next. This target level is determined by prior-year appropriations that count toward the guarantee and (1) workload changes as measured by the change in average daily attendance (ADA), and (2) inflation adjustments as measured by the change in either per capita personal income or per capita state General Fund revenues, whichever is less. Over the last three years, Proposition 98 has provided significant gains to schools as funding cuts endured through the Great Recession are restored.

**Current-Year Minimum Guarantee**

For the current year, the Governor’s Budget acknowledges that the strengthening economy is boosting the minimum guarantee above the level adopted in the 2015-16 Budget Act. For the current year, the Proposition 98 guarantee is now estimated at $69.2 billion, up $766 million from the enacted level. This increase is based on rising state per capita personal income (Test 2), which is consistent with a recovering state economy.

Proposition 98 also requires the state to account for state funding that falls below the long-term target established by Test 2 (i.e., adjustments required by annual changes in per capita personal income). This cumulative shortfall is termed Maintenance Factor. As of June 30, 2014, the state owed K-14 education approximately $6.4 billion in Maintenance Factor payments. The Governor’s Budget indicates that the Maintenance Factor will be fully repaid by the end of the current fiscal year.

**2016-17 Minimum Guarantee**

For 2016-17, the Governor’s Budget proposes a Proposition 98 guarantee of $71.6 billion, an increase of $2.4 billion, or 3.5%, from the revised current-year level. The guarantee is based on Test 3, the change in per capita General Fund revenues, plus 0.5%, which is estimated at 2.88%, and the change in K-12 ADA, which is expected to be flat in the budget year. The Budget also acknowledges that Maintenance Factor payments are again created in 2016-17, with $548 million that will be owed to K-14 education.

According to the Governor’s Budget, K-12 Proposition 98 funding per pupil will rise from $10,223 in the current year to $10,591 in 2016-17, a 3.6% increase as contracted to 11.8% growth in 2015-16.

**Proposition 2 and Proposition 98 Reserves**

With California’s improving economic conditions and the passage of Proposition 2, which revised the state’s
Rainy Day Fund, the Governor’s Budget proposes an additional $2 billion deposit into the state’s reserve beyond the state’s constitutionally required deposit, leaving the Rainy Day Fund balance at $8 billion by the end of the year. Proposition 2 also established a state reserve specifically for K-14 education, the Proposition 98 reserve that, among other things, would trigger a cap on local school district reserves in any fiscal year following a deposit into the reserve.

Certain conditions must be met before the state could make a deposit into the Proposition 98 reserve, including:

- Extinguishing the existing Maintenance Factor
- Requiring that the Proposition 98 Minimum Guarantee be determined using Test 1
- Fully paying increases in student enrollment and funding the statutory cost-of-living adjustment (COLA)
- Capital gains tax revenues account for more than 8% of General Fund revenues

As a result of robust state revenues that have significantly benefited Proposition 98, coupled with a lower-than-anticipated COLA and a decline in statewide enrollment, three of these four conditions will be met in 2015-16. The Governor’s Budget extinguishes the existing Maintenance Factor and Proposition 98 resources meet full ADA and COLA obligations. In addition, capital gains revenue is projected to account for 10% of General Fund revenues. The sole unmet condition is that in 2016-17 the Proposition 98 Minimum Guarantee is determined using Test 3, not Test 1.

The 2016-17 Budget is silent on education’s Proposition 98 reserve and the recently enacted trigger capping what school districts can set aside in their local reserves. Although the conditions for imposing the cap have not yet been met, it continues to be an important issue for school districts statewide.

**Local Control Funding Formula**

The Governor’s 2016-17 Budget continues implementation of the LCFF with an infusion of $2.825 billion in additional Proposition 98 revenues. The LCFF provides funding to transition all school districts toward target funding levels, and provides supplemental revenues through percentage weighting factors to increase or improve services for students who are not English language proficient, who are from low-income families, or who are in foster care.

**LCFF Target Entitlements for School Districts and Charter Schools**

The target base grants by grade span for 2016-17 are increased over 2015-16 by 0.47% to reflect the estimated statutory COLA:

<table>
<thead>
<tr>
<th>Grade Span</th>
<th>2015-16 Target Base Grant per ADA</th>
<th>0.47% COLA</th>
<th>2016-17 Target Base Grant per ADA</th>
</tr>
</thead>
<tbody>
<tr>
<td>TK-3</td>
<td>$7,083</td>
<td>$33</td>
<td>$7,116</td>
</tr>
<tr>
<td>4-6</td>
<td>$7,189</td>
<td>$34</td>
<td>$7,223</td>
</tr>
</tbody>
</table>
In addition, the 2016-17 Transitional Kindergarten (TK)-3 grant increase for the class-size reduction (CSR) grade-span adjustment is $740 per ADA, and the grade 9-12 base grant per ADA is increased by $224 in recognition of the need for career technical education (CTE) courses provided to students in the secondary grades.

School districts and charter schools are entitled to supplemental increases equal to 20% of the adjusted base grant (includes CSR and CTE funding) for the percentage of enrolled students who are English learners, eligible for the free and reduced-price meals program, or in foster care. An additional 50% per-pupil increase is provided as a concentration grant for each eligible student enrolled beyond 55% of total enrollment.

Bear in mind that the LCFF target entitlement is the full funding level for each local educational agency (LEA), in today’s dollars, that the state intends to provide at some point in the future under the formula. It is not the amount an LEA will receive in 2016-17, which is based on the difference, or “gap,” between the current-year LCFF funding level, the LEA’s target entitlement, and the proportion of the gap that can be funded with the LCFF increase.

**LCFF Transition Entitlements and Gap Funding**

The difference between LEAs current funding and its target entitlement is called the LCFF gap, and it is this gap that is funded with the additional dollars dedicated each year to implementation of the LCFF. For 2016-17, the Governor’s Budget proposes to spend $2.825 billion to close 49.08% of the gap remaining to full implementation of the LCFF.

The following table shows the estimated new funding for the LCFF and corresponding gap closure percentages as reported by the DOF with the introduction of the 2016-17 Governor’s Budget:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>LCFF Funding</td>
<td>$4,722</td>
<td>$5,994</td>
<td>$2,825</td>
<td>$1,839</td>
<td>$222</td>
<td>$1,667</td>
</tr>
<tr>
<td>Gap Closure %</td>
<td>30.16%</td>
<td>51.97%</td>
<td>49.08%</td>
<td>45.34%</td>
<td>6.15%</td>
<td>34.21%</td>
</tr>
<tr>
<td>COLA</td>
<td>0.85%</td>
<td>1.02%</td>
<td>0.47%</td>
<td>2.13%</td>
<td>2.65%</td>
<td>2.72%</td>
</tr>
</tbody>
</table>

Pupil transportation and Targeted Instructional Improvement Grants continue as separate add-ons to the
LCFF allocations and do not receive a COLA.

**Community-Funded School Districts**

School districts with property tax revenues that exceed the formula funding levels will continue to retain their local tax growth, and will receive a minimum state-aid allocation that is reduced by the cuts incurred during the recession which, under the LCFF, are carried forward into future years for these districts.

**County Offices of Education**

County offices of education (COEs) receive funding under a similar formula, with funding provided in recognition of direct instructional services for pupils in juvenile court schools and community schools and an allocation for countywide services based on the number of school districts and total ADA within the county. As of 2014-15, the LCFF for COEs is fully implemented and, therefore, LCFF increases for COEs in 2016-17 are provided through the estimated COLA only, with COEs that are at their LCFF target receiving a 0.47% increase (those COEs that are more than 0.47% above their LCFF target will receive no additional funding through the formula in the budget year.)

COE funding for 2016-17 is increased under the Governor’s Budget proposal by a net of $1.7 million to account for a COLA on LCFF entitlements and changes in ADA.

**K-3 Grade Span Adjustment**

The requirements to receive the K-3 Grade Span Adjustment are unchanged in the Governor’s Budget. With a proposal to fund the LCFF gap at 49.08% for 2016-17, down slightly from the prior-year requirement—but still a significant investment, and a significant reduction in class size for those school districts still making progress to the average school site enrollment target of 24. Remember that school districts (excluding charter schools) will need to prepare to further reduce class sizes in these grade levels by 49.08% of the difference between the current-year class size and the school site average of 24 students per class target, unless the collective bargaining exception applies to your district. Also, the Governor’s Budget proposed gap closure percentage should be used for planning staff and class loading purposes, but ultimately districts will be required to make the progress of the gap percentage identified in the upcoming Governor’s May Revision, which could be higher or lower than 49.08%.

**Cost-of-Living Adjustment and Average Daily Attendance**

The estimated statutory COLA for K-12 education programs in 2016-17 is 0.47%, and is applied to the LCFF base grant targets as well as to determine increases for other education programs that are funded outside of the LCFF. Those programs include Special Education, Child Nutrition, Foster Youth, Preschool, American Indian Education Centers, and the American Indian Early Childhood Education program, all of which are proposed to receive the statutory COLA.

Statewide, ADA is expected to decrease slightly in 2016-17, by 4,935 from 2015-16 levels, to an estimated ADA of 5,671,292.

**Special Education and Technology**

**Special Education**

The Governor’s 2016-17 proposed Budget offers no significant funding increases for special education
programs and provides only a minimal 0.47% COLA.

**Systems of Learning and Behavioral Supports**

The Governor proposes $30 million in one-time funding to expand last year’s $10 million Systems of Learning and Behavioral Supports initiative. These funds are intended to be used by school districts to provide academic and behavioral supports in a coordinated and systematic way with an emphasis on (1) improving student outcomes by more effectively recognizing the various ways students can learn, engage with, and demonstrate mastery of academic content; (2) promoting behavioral interventions that reduce student referrals to special education or other isolated setting; and, (3) improving school climate by focusing on social and emotional learning.

**Child Care**

The Governor’s Budget proposes to increase funding by a total of $47.8 million ($30.9 million from Proposition 98 and $16.9 million in non-Proposition 98 General Fund) to support 7,030 full-day preschool slots. These slots were created as part of the 2015 Budget Act and became effective January 1, 2016. The $47.8 million reflects the difference in the full-year cost for these slots in 2016-17.

The Governor proposes to increase funding for the CalWORKs Stage 2 and 3 programs in 2016-17 to reflect adjustments in the number of cases, as well as increases in the cost per case. Lastly, a net increase of $10.4 million in federal Child Care and Development funds is expected in 2016-17 to reflect a slight increase to the base grant.

**Preschool/Early Education**

The Governor’s Budget proposes consolidating various preschool programs and funding sources in an effort to reduce the administrative and programmatic challenges LEAs face when managing the fiscal and program requirements associated with them. Governor Brown proposes a $1.6 billion Early Education Block Grant, by consolidating the Proposition 98 funding from the State Preschool Program, TK, and the Preschool Quality Rating and Improvement Grant. This proposal is intended to allow greater financial flexibility and might provide for more targeted programs to address the needs of individual communities and provide for the lowest-income and most at-risk children. It appears that the to-be-determined block grant funding formula intends to mirror the core tenets of the LCFF, ensuring that funds would be provided equitably to schools with higher percentages of disadvantaged students. Similar to the LCFF, it is proposed that no LEA would receive less funding under the Block Grant than was received under prior funding models. Program details should be available by the May Revision, after the Administration seeks input from stakeholders.

**Charter Schools**

The Governor’s Budget includes an increase of $61 million in Proposition 98 funding to support the projected charter school ADA growth. In addition, the Budget includes an additional $20 million in one-time Proposition 98 General Fund for charter school start up grants that will support operation startup for new charter school in 2016 and 2017. The intent is to offset the loss of federal funding that was previously available.

**Discretionary Funds**

The Governor’s Budget includes more than $1.2 billion in one-time Proposition 98 funding for school districts, charter schools and county offices. The funds are unrestricted and the use of the dollars are
discretionary. Funding is estimated at $214 per ADA. Consistent with prior-year proposals, the funds provided will offset outstanding mandate reimbursement claims.

School Facilities and Proposition 39

On the issue of school facilities, Governor Jerry Brown reiterates his criticisms of the existing state School Facility Program (SFP), identifying the following four major concerns:

- The program is overly complex and therefore costly to school districts
- The program creates incentives for school districts to build new schools rather than absorb enrollment growth through capacity in existing schools
- The SFP’s allocation model of appropriating funding on a first-come, first-served basis advantages districts that have the resources to invest in dedicated facilities staff
- The SFP does not provide sufficient flexibility to school districts to design schools that reflect their local needs

The Governor’s Budget expresses these criticisms in a larger demographic and fiscal context, noting that the state’s student enrollment is projected to decline by more than 8% over the next ten years and pays over $2 billion annually to service the debt on existing school bonds. He briefly notes that the $9 billion bond that is eligible for the November 2016 ballot would add $500 million to the existing debt service obligations.

Building on the two design tenets of local flexibility and targeting resources to areas of need that he discussed in his 2015-16 Budget proposal, Governor Brown commits to continuing a “dialogue with the Legislature and education stakeholders to shape a future state program.”

Finally, the Governor’s Budget proposes a continued investment to support the implementation of energy efficiency measures, including the construction or modernization of buildings in a manner that uses less energy, purchasing energy efficient equipment, and undertaking renewable energy projects. Specifically, Governor Brown proposes $365.4 million toward school district and charter school energy efficiency projects under the California Clean Energy Jobs Act program (Proposition 39), with an additional $73.9 million for community colleges.

Career Technical Education

The Governor’s Budget proposes $200 million in Proposition 98 funding allocated to the California Community Colleges in support of the Strong Workforce Program for the purpose of expanding access to additional CTE courses and programs, and implementing a regional accountability structure. The Budget also proposes an increase of $48 million to support the CTE Pathways Program providing resources for community colleges to develop, enhance, and expand CTE programs that build upon existing regional labor market demands.

For K-12 schools, the Governor’s Budget continues the planned $300 million 2016-17 investment in the CTE Incentive Grant Program, established as part of the 2015-16 State Budget. The Governor’s Budget Summary notes that for the initial 2015-16 school year, the California Department of Education has received nearly 400 applications representing more than 660 LEAs and 2.3 million students, with many applications from areas where drop-out and unemployment rates are higher than average. Current-year grants will be awarded this spring.

Federal Programs
At the tail end of 2015, Congress and the President reached agreement on a 2016 Federal Budget that includes funding increases for both Title I and Special Education programs. California will receive an estimated $50 million increase in Title I funding and an estimated $42 million for special education programs. Several other federal programs will receive negligible funding increases, except for the School Improvement Grant. This program was eliminated in the recently enacted Every Student Succeeds Act; however, it is funded one last time in 2016, but faces an 11% funding reduction over the 2015 level.

Another last minute agreement reached by Congress in 2015 was the reauthorizaion of the Elementary and Secondary Education Act which overhauls many of the provisions contained in the No Child Left Behind Act. Now called the Every Student Succeeds Act, there are significant policy shifts encapsulated in the compromise. Chiefly, the act will provide states greater flexibility to design and implement a multiple measures accountability system that promotes continuous improvement in instructional practices and delivery to improve student learning and achievement.

In Closing

The Governor’s Budget proposals continue to reflect his conservative attitude toward maintaining the fiscal progress that he has made. And we intentionally credit that progress to the Governor. The recent economic improvements have helped, but when the state and national economies turned, Governor Brown had already positioned California for recovery. The man who pulls himself and his state from the depths of a depression and creates a vibrant, fertile field for economic and social growth remembers how hard the climb was and is careful not to fall. Governor Brown made that climb, and he remembers.

We celebrate progress, but, like the Governor, we recommend caution. We are very close to full implementation of the LCFF, after which all districts simply get COLA each year. Even a return to a 2% to 4% COLA rate will cause most districts to make program cuts each year because ongoing costs increase by more than that.

While we applaud the Governor’s insight and recognition of the inherent economic volatility in our state, and his advice to be mindful of the next recession, we still wish he would show the same leadership in repealing the portion of Senate Bill (SB) 858 that restricts local school district reserves. Current law is totally inconsistent with the magnificent job the Governor has done in other areas. We need SB 858 provisions to be repealed; then it will be possible to once again hold locally elected boards accountable for their fiscal solvency. And local boards and administrations have proven they are the best in the world at handling that responsibility.

Money is a facilitator for public education, but it takes more to provide a world class education, there is plenty of room for applause in other areas as well. We applaud the California PTA for taking the lead on student engagement and parental involvement; who better to engage families. We applaud CASBO and CSBA for their leadership on the reserve cap issue. We applaud CSBA and CTA for their long-term efforts to ensure adequacy of funding for every child. We applaud CASH for continuing to fight, year after year, for even the most basic facilities for our children.

There is plenty of room for applause when we are succeeding, and most of all, we applaud the administrators, teachers, classified employees, and board members who fight the good fight for our children every day. They are the real soldiers in the fight for a better life for our children.

—SSC Staff