



CSFC Connection

CSFC Set to Participate in Special Education Meeting with CDE

Representatives from the County School Facilities Consortium (CSFC) will be participating in a stakeholder meeting with the California Department of Education (CDE) on special education facilities issues on January 26, 2010.

Issues to be discussed include the current state process for special education site approval, and CDE's interpretation of the state and federal law with regard to facilities for these students.

CDE has stated that early coordination between the architect, local education agencies, the CDE School Facilities Planning Division and state program staff is critical on both the facility and program side

of the process. Continued communication is essential as projects may change during the planning process and this could present a problem in the final review for approval.

By discussing these issues in the context of the timelines and process for receiving school construction funding, especially for those schools under financial hardship, CSFC hopes that the group will listen to all sides and work together to reach solutionsj that will make the process more transparent and fluid.

We look forward to providing a detailed summary of that meeting in the weeks to come. We will also have a CSFC-moderated workshop on the Special Education facility sit-

ing and approval issues on Wednesday, February 24 at 2:00 p.m. at the Sacramento Convention Center during the upcoming C.A.S.H. Annual Conference.

Your Input Requested

As we prepare for this meeting and workshop, we would like your thoughts on the COE issues surrounding the planning, placement and approval of special education facilities. This includes least restrictive sites, full inclusion, working with school districts and local special education staff, Individualized Education Programs and balancing student needs with the realities of funding, SFP process and financial hardship. Please forward your comments to aferrera@m-w-h.com.

Attend a CSFC Membership Meeting

When: February 24, 2010

Time: 9:00 a.m. to 10:20 a.m.

Where: Sacramento Convention Center

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Governor's January 2010 State of the State: "No Education Cuts in Budget"

After slashing education funding over the past year, Governor Arnold Schwarzenegger said in his State of the State address last week that he will not cut schools any further in his upcoming budget. The Governor delivered his annual State of the State address before a joint session of the California Legislature on Wednesday, January 6. He also proposed a constitutional guarantee that California will never spend more money on prisons than on higher education.

Schwarzenegger praised the State "teamwork" that has worked to face the current recession and outlined his priorities and vision for California in 2010.

"This coming year can be summarized in one word: priorities. As we face another round of fiscal challenges, we must get our priorities straight and keep them straight. Creating jobs and getting our economy back on track, protecting education, reforming our tax and pension systems and putting an end to our boom and bust budget cycle must all be priorities," said Schwarzenegger. "I know that if we can recreate the teamwork we built last year and focus together on these priorities, California, already seeing clear signs of recovery, will emerge from these difficult times stronger and more vibrant than ever."

The Governor announced two new California initiatives: the *California Jobs Initiative*, designed to create

jobs and ensure California is a better partner to the economy, and *Operation Welcome Home*, a program to ensure returning veterans are provided access to the services and opportunities they deserve.

The Governor stated California's budget deficit stands at \$19.9 billion over the next 18 months, a slightly lower figure than estimated by the nonpartisan Legislative Analyst. Schwarzenegger asked lawmakers to back a budget reform initiative submitted by California Forward. Among other things, that proposal would drop the threshold for passing the state budget from a two-thirds vote to majority vote. This would reduce the power of his own Republican Party in the Legislature, although the plan would still require a two-thirds vote for tax increases.

The Governor cited two other components of the initiative. First, a requirement that lawmakers review outcomes of past spending and second, using one-time revenue increases only for one-time uses such as paying down debt or building a rainy-day fund.

Schwarzenegger also asked the Legislature to overhaul the tax system, using a plan submitted last year by a commission that recommended flattening the income tax structure and capturing more taxes from services. He also asked lawmakers to reduce the state's long-term pension obligations, suggesting that he wants to take aim at cutting benefit packages

for employees hired in the future.

CSFC will monitor budget proposals as they impact county school facilities. We will forward more information on the state budget as we receive it over the next few weeks.

CSFC Executive Committee

Andrea Sullivan, Chair
Orange County Dept. of Ed.

Jenny Hannah
Kern County
Supt. of Schools

Kathy Lasiter
Stanislaus COE

Mamie Starr
San Joaquin COE

Lindsay Currier
Riverside COE

Jeff Becker
Fresno COE

Dave Keil
San Luis Obispo COE

The Reality:

The Governor's 2010-2011 Budget

The Governor's budget proposal is subject to many changes as it is based on a number of expectations that may not be based in reality. For instance, the expectation that the state will receive their "fair share" and counts on \$6.6 billion in federal funds. Some of the proposals could subject the State to litigation, such as redefining the gas tax so schools and local government get less.

Another legal issue would be the manipulation of Proposition 98 that is contrary to current law that the Governor negotiated and signed last year. The budget expectation for additional law changes regarding classified employee pensions and teacher employment rights will not find a lot of support.

According to our resident state budget guru, Dave Walrath:

"The Governor is a realist. Consequently, the conclusion I reach on this budget is that he is saying 'I do not have an answer to the fiscal problems we face and I can not find enough Republican or Democratic votes to have a balanced budget based on realistic assumptions.' The budget ball is being kicked into the Legislature's court with a hope that they can find a solution."

Summary of Education Provisions:

Child Care

The major General Fund workload adjustments for Child Care are as follows:

- CalWORKs Child Care Adjustments – A decrease of \$13.8 million to reflect revised estimates in the caseload-driven CalWORKs Stage 2 (\$12.6 million) and Stage 3 programs (\$1.2 million).
- Extended Day / Latchkey Program – A decrease of \$5 million in one-time funding appropriated for the phase-out of the program that was enacted in 2009-10.
- Backfill One-Time Funds for Pre-School – An increase of \$65.5 million to backfill a like amount of one-time funds used in the current year.
- Cost-of-Living Adjustment (COLA) – A decrease of \$5.9 million to reflect a -0.38 percent COLA for applicable programs.

Mandates

An increase of \$14.5 million for K-12 mandates. As a result of a lawsuit that requires all education mandates be paid or suspended, the Administration proposes to suspend all K-14 education mandates with the exception of the following mandates which will be fully funded:

- An increase of \$7.7 million for mandated costs related to inter-district and intradistrict transfers.
- An increase of \$6.8 million for mandated costs related to the California High School Exit Exam.

Behavioral Intervention Plans – An increase of \$65 million for the ongoing costs of mandated behavioral assessments and intervention plans.

New Schools

\$29.5 million in funding for new schools established after the categorical base year was created last year.

School Facilities

\$51 million for funding the 2008-09 Emergency Repair Fund required by the *Williams* settlement.

Class Size Reduction

Capture of current and budget year savings from school districts increasing class sizes (\$340 million for 2009-10 and \$550 million for 2010-11).

What is Not Proposed

- Any Changes to Tier 1, Tier 2 and Tier 3 categorical aid deficits (other than for the negative COLA) or flexibility provisions.
- No new state school facility bond.
- Possibly no new funding for approved but unfunded School Facility Program projects after December 18, 2008.
- No changes to school district apportionment deferrals.
- No funding for the Maintenance Factor that was supposed to start being repaid in 2010-11.
- No change to State Teachers' Retirement System contributions or benefits.

CSFC 2010-11 Meeting Calendar

General Membership Meetings

February 24, 2010
Sacramento Convention Center
Time: 9:00-10:30 a.m.
Sacramento, CA

October 2010
Westin South Coast Plaza (Tent.)
Time: TBD
Costa Mesa, CA

Executive Board Meetings (open to all)

January 6, 2010 (conference call)
February 3, 2010 (in-person)
March 3, 2010 (conference call)
March 31, 2010 (in-person)
May 5, 2010 (conference call)
June 2, 2010 (in-person)
June 30, 2010 (conference call)
August 4, 2010 (in-person)
September 1, 2010 (conference call)
October 6, 2010 (in-person)
November 3, 2010 (conference call)
December 1, 2010 (in-person)

Executive Board Meetings: All meetings begin at 3:30 p.m. In-person meetings will be held at the Office of Murdoch Walrath & Holmes, 1130 K Street, Suite 210, Sacramento. All meetings will be available via conference call.

State Allocation Board Meetings

Wednesday, January 27, 2010 • 4:00 p.m.

Full 2010 Calendar not yet released

The SAB meets in different rooms within the State Capitol at 4:00 p.m. when the State Legislature is in the session and at 2:00 p.m. when the State Legislature is out on recess. Due to scheduling changes within the Legislature, some of the SAB meetings may be cancelled or changed with short notice.

Implementation Committee Meetings

A partial 2010 calendar has been released:

Thursday, February 4, 2010

Thursday, April 1, 2010

Thursday, June 3, 2010

All Implementation Committee Meetings are located at the State Capitol in Room 126, unless noted. Meeting times are scheduled from 9:30 a.m. to 3:30 p.m. with a 1-hour lunch break.

