

## ***EXECUTIVE DIRECTOR’S REPORT***

**December 7, 2020**

*The mission of the YPI Charter Schools (YPICS) is to prepare students for academic success in high school, as well as post--secondary education; prepare students to be responsible and active participants in their community; and enable students to become life-long learners. Students at YPI Charter Schools will become active citizens who characterize the ideals of a diverse and democratic society. Students will provide service to their community, take responsibility for their own learning, and develop the habits of mind and body that will empower them to be successful in high school and beyond.*

### **State:**

#### **“PPIC Report Examines K-12 Education Funding During Recessions”**

**posted October 26, 2020**

A recently released Public Policy Institute of California (PPIC) report, entitled *Funding California Schools When Budgets Fall Short*, examines the state’s K—12 funding structure, analyzes the cost pressures and potential cuts that school districts face under the COVID-19 recession, and offers policy recommendations that could help make K—12 education a less volatile funding system.

### **Funding Sources**

While all states fund their K—12 systems by a combination of state, local, and federal funds, California’s system relies more significantly on state funding than the average state does. The report highlights that of the \$88 billion spent on K—12 education during the 2017-2018 school year, 58% (\$50.8 billion) came from the state, 34% (\$29.8 billion) came from local sources, and 8% (7.5 billion) came from the federal government. For the average state on the other hand, state and local contributions to K—12 education are roughly equal.

Since nearly 60% of California’s K—12 funding comes from the state’s General Fund, that means that the bulk of education funding is reliant on the volatile revenue structure that makes up the General Fund, which is financed by the “Big Three” state taxes—personal income (about 70% of the total), sales and use (20%), and corporation (10%). Since approximately 40% of the General Fund is allocated to K—14 education, this means that education funding is especially vulnerable to this volatility and is hit harder during economic recessions than other states that rely more on local resources than California does.

## Local Impacts

The report explains that the best policy tool that school districts have to prevent cuts to programs and staff during a weak economy is to build a healthy local reserve during good economic times and to draw down from that reserve during an economic downturn when lawmakers are likely to cut spending or utilize deferrals in order to balance the State Budget. However, the report also recognizes that, while many of the state's school districts were able to build healthy reserves during the economic recovery from the Great Recession, the COVID-19 recession has the potential to be significantly worse on district finances, as there are a lot of new, unique fiscal and safety challenges that districts must consider.

For starters, school districts are facing new technological demands under distance learning, such as ensuring each student has a computer and reliable internet service in order to provide adequate and will need to implement new health, safety, and cleaning measures in order to mitigate the potential prolonged closures as well as the mental health issues students are likely facing as a result of schools being shut down. Districts will need to deal with all of these new demands and cost pressures while also continuing to provide expanded access to school meals for students.

The next SBE meeting will take place January 13—14, 2021.

To adequately address these key issues, school districts will need significant additional resources at a time when districts are bracing themselves for potential cuts to state k—12 spending over the next several fiscal years.

## Recommendations

The report highlights the dire fiscal realities that school districts are facing during this unprecedented time and challenges lawmakers to consider actions that lessen the volatility in school funding. The report offers the following broad recommendations for the Legislature to consider:

- Avoid policies that disproportionately impact disadvantaged students when balancing budgets
- Develop a more robust statewide K—12 reserve to insure against large, system-wide shocks
- Encourage districts to build up local reserves in the next recovery

While these recommendations have merit, it is important to point out that state K—12 education spending is almost entirely funded via the local Control Funding Formula (LCFF), which provides more funding to school districts that have high percentages of low-income, English learner, and foster youth students through supplemental and concentration grants. This means that it may be difficult for lawmakers to reduce state K—12 spending without disproportionately affecting these disadvantaged student populations that generate more LCFF dollars.

The other two recommendations may conflict with each other under current state law. The state's K—14 reserve, the Public-School System Stabilization Account (PSSSA), was created

under Proposition 2 (2014) and ensures that a deposit is made into the account if four criteria are met. However, Senate Bill (SB) 751 (Chapter 674, 2017) caps school district reserve levels (except for basic aid and small school districts) to 10% of their combined assigned or unassigned ending General Fund balance.

To have both a robust statewide reserve for school districts and allow districts to significantly build their reserves at the same time, lawmakers would need to either amend SB 751 to allow districts more leeway in building their reserves or establish a new statewide reserve for school districts and allow districts to significantly build their reserves at the same time, lawmakers would need to either amend SB 751 to allow districts more leeway in building their reserves or establish a new statewide reserve account that is separate from the PSSSA, and thus, does not have reserve cap implications from school districts.

Nevertheless, the report concludes that it is prudent for state policymakers to consider a long-term view of school finance policy and enact corresponding legislation to maintain a stable funding structure and ensure that the cycle of education cuts during an economic recession does not become the long-term status quo.

**“SBE Adopts Condensed Smarter Balanced Exams for Springs 2021”  
Posted November 10, 2020**

At its November 5, 2020, meeting, the State Board of Education (SBE) unanimously adopted a condensed, temporary version of the English language arts (ELA) and mathematics Smarter Balanced assessments for the 2020-21 school year, which will reduce the length of the exams by approximately half.

While the U.S. Department of Education (ED) allowed states to waive their summative assessment requirements for the 2019-20 school year due to COVID-19, ED Secretary Betsy DeVos sent a [letter](#) to all chief state school officers on September 3, 2020, informing them that they should not be anticipating such a waiver for the 2020-21 school year and setting the expectation for states to administer exams this upcoming spring.

To balance the federal requirement of testing with the additional burdens on students and teachers during this unique school year, the California Department of Education (CDE) proposed a condensed version the ELA and mathematics Smarter Balanced assessments that seeks to maximize flexibility for local educational agencies (LEAs) while also keeping critical elements of the infrastructure intact. The revised blueprints will ensure that LEAs are able to meet the federal testing requirements, but also reduce the length of the exams from about seven or eight hours down to three or four. In addition, the timeline for administering the shorter Smarter Balanced assessments will be delayed as the revised assessments are not expected to be released until late February 2021.

According to CDE staff, these shorter assessments provide results comparable to their full versions with little loss of precision when evaluating the performance of LEAs and schools. The CDE also provided an example of the type of student progress report that will be sent to families so that they can gauge how well their student did on these exams.

During the public comment period, the California Teachers Association recommended that the SBE push for another assessment waiver rather than adopting the condensed testing blueprint. Other stakeholders—including the Association of California School Administrators and the California County Superintendents Educational Services Association—testified that they were supportive of the shortened LEAs and parents is consistent. They also requested that the CDE provide guidance and training for administering these condensed assessments that will be administered using multiple options: in-person, remote, or a hybrid of the two.

There were a handful of equity organizations and SBE members that wanted to know how the modified assessments would affect both the 2021 California School Dashboard (Dashboard) and the student growth model that the CDE is currently developing. CDE staff said that they do not have a definitive answer as to how the condensed exams will affect the growth model and Dashboard, but that they will be able to decouple the results of these exams from the other testing data in order to analyze its effect on the state’s accountability system.

SBE President Linda Darling-Hammond also said that a change in presidential administrations could alter the framework around how spring testing is viewed federally. This response could be foreshadowing that the SBE may eventually pursue a waiver under the Biden Administration once a new ED Secretary is confirmed by the U.S. Senate.

While there is a chance that the new Biden Administration will consider a waiver for the 2020-21 testing, we recommend that LEAs operate as if they will be administering these SBE-approved condensed Smarter Balanced assessments (for which you can find more information on the blueprints at [cde.ca.gov](http://cde.ca.gov))The CDE has committed to working with LEAs on the administration of these exams and will be issuing guidance that includes flexible options to meet the unique contexts of each LEA and school.

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### **District:**

On November 2, 2020, two LAUSD board races were decided: Board District 3 and Board District 7. The results: Marilyn Koziatek was unsuccessful in BD 3 and Tanya Ortiz Franklin was successful in BD 7. This result has significantly changed the composition of the board and hopefully, a future review and revision to LAUSD’s plans for implementation of AB 1505 will become a reality.

The first wave of charter renewal went before the LASUD Board on November 24, 2020. There are forty-two (42) renewals up this year. We will watch carefully as we plan for the renewal of Monseñor Oscar Romero CS in the 2021-22 school year.

**YPICS:**

***June 30, 2020 Audit-***

The California Department of Education (CDE) and State Controller's Office (SCO) has extended the submission deadline for the June 30, 2020 audit from December 15, 2020 to March 31, 2021 due to changes in federal compliance requirements. Our Auditors, CLA, are awaiting an addendum related to federal compliance standards related to CARES Act funding which may also impact audit procedures for other federal program. The YPICS Consolidated audit will be presented to the YPICS Board of Trustees at the March regular board meeting.