



January 20, 2021

The Honorable Kevin McCarty
 Chair, Assembly Budget Subcommittee 2 on Education Finance
 State Capitol, Room 6026
 Sacramento, California 95814

RE: 2021-22 State Budget Proposal – Deferrals

Dear Chairman McCarty:

We represent organizations that advocate on behalf of students, parents, community members, and educators in our state’s public schools. We are united by a common belief that all schools and districts must address long-standing inequities of opportunity and should offer every student an excellent education that prepares them for college, career, and civic life. The 2020-21 budget took over \$12.5 billion from public schools to balance a projected state general fund revenue shortfall. Our coalition strongly urges California leaders to put the money back where it belongs and stop the exacerbated financial pressure on teachers, school leaders and the millions of California students who each have a

fundamental right to an equal opportunity to get a basic education guaranteed by the California Constitution.

The Governor's [Department of Finance](#) (DOF) and the [Legislative Analyst Office](#) project unanticipated general fund tax revenues of over \$20 billion—more than enough to immediately pay schools back all the cash deferrals held back from schools this year. The Governor's proposed 2021-22 budget does not put kids and teachers first. By not paying down all \$12.5 billion in deferrals, the proposal continues to plan to balance the state general fund now and in the future on the backs of students and teachers as schools struggle to provide equitable opportunities and safely restore in-person instruction.

Leaving nearly \$4 billion owed to schools next year even though revenues are available now to payback all the current year funding schools are owed is unwise and negatively impacts equity because deferrals disproportionately impact schools with low property wealth. Uncertainty in current and future funding makes it harder to return to in-person instruction, result in more staffing turmoil, fewer counseling and library hours, continued elimination of music, arts, and sports, and fewer hours before and after school tutoring in the state's high-poverty neighborhoods.

“Teach now and we'll pay you later” is not practical policy as schools address equity, learning loss and the challenges of planning to safely return to in-person instruction. Maintaining any current year deferrals while proposing new programs that cannot be funded over time and offering \$2 billion to incentivize schools to get back to in-person instruction with money they're already owed is not a feasible plan.

The Legislative Analyst Office (LAO) overview of the budget cautions about future multi-year deficits and encourages the Legislature to consider paying back all the deferrals immediately, *“Paying down deferrals would better position districts and the state to weather economic volatility by reducing pressure on future Proposition 98 budgets.”*

In these uncertain times, schools need predictability in planning for 2021 and beyond, for reopening, addressing learning loss and reimagining a system that puts kids-first and gives every child an equitable opportunity to learn.

We strongly urge you to stand up for all the kids and teachers and school leaders in our public school system and put the money back where it belongs to ensure districts have predictable resources necessary to provide access to a quality learning environment for every student.

California's economy cannot fully re-open until schools re-open. Balancing the budget on the backs of kids and teachers is never a good idea and it's unacceptable if state leaders can reverse this bad policy and fail to do so.

We respectfully request you and your colleagues in Sacramento prioritize students and teachers and keep our schools on a path of financial stability so that our schools and economy can reopen and California's students, families and communities have the schools they deserve.

Respectfully,

Abriendo Puertas – Opening Doors

Alliance for a Better Community

Center for Powerful Public Schools

Children Now

Communities in Schools – Los Angeles

Educators for Excellence – Los Angeles

EdVoice

El Centro Del Pueblo

Families In Schools

Future Is Now

GO Public Schools

Great Public Schools Now

Innercity Struggle

Innovate Public Schools

Latino Equality Alliance

Los Angeles Coalition for Excellent Public Schools

Los Angeles Urban League

One Family LA

Our Turn

Para Los Niños

Parent Revolution

Speak Up