INSERT DATE

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| The Honorable Kevin McCarty, Chair  Assembly Budget Subcommittee 2  State Capitol, Room 2136  Sacramento, CA 95814 | The Honorable Anthony Portantino, Chair  Senate Budget Subcommittee 1  State Capitol, Room 5019  Sacramento, CA 95814 |

Dear Chairs McCarty and Portantino:

My name is XXX and I am the XXX for XXX Charter School, located in XXX…. *[Provide short background of the school, any compelling facility challenges and how the school has benefited from the SB 740 Facility Grant funding.]*

I am writing to you regarding Budget Item 0985-220-0001 and the associated proposed Education Trailer Bill language to amend Education Section 47614.5 regarding the Charter School Facility Grant Program (SB 740 Grant Program) administered by the California School Finance Authority within the State Treasurer’s Office.

This year, the Governor proposed a base increase of $28.3 million to the program appropriation to provide funding at the COLA adjusted rate. **We strongly support the Governor’s Budget increase in funding for the program and urge you to consider any necessary additional funds needed to fully meet eligibility in the current and budget year.** However, we are also concerned about proposed Trailer Bill language that could eliminate or reduce the impact of the much-needed rate increase that was enacted in last years’ budget. **We encourage you to reject the proposed Trailer Bill Language to Education Code section 47614.5.**

The SB 740 Grant Program has been a highly successful program in providing partial rent and lease cost reimbursement to charter schools in areas with high Free and Reduced Price Meal Eligibility that must operate in private leased facilities, due to insufficient access to school district facilities. Last year, the Legislature and the Governor recognized that this program had never received an adjustment to allowable cost caps since the program was established in 2001 and provided a much-needed rate increase to keep pace with the average statewide cost of living. However, additional funding was not included in the budget to accommodate the rate adjustment.

Under the current statute, if the program is oversubscribed in a given year, the shortfall must be backfilled in the subsequent funding round before new grants may be funded. This provides necessary predictability for grant recipients when participation is not fully known when the budget is enacted. With the new rate increase, CSFA is predicting a funding shortfall in 2017-18 that could be as much as twenty percent. Proposed Trailer Bill language would eliminate the backfill provision and, as a result, schools would face real cuts to their 2017-18 funding. Enacting this change would impose a current year cut that will pull the rug out from under schools that have assumed full funding under the provisions of current law. Imposing such a drastic and unplanned cut to current year budgets is particularly alarming in a year in which there are significant increases projected in Proposition 98 funding overall.

We have additional concerns about the Trailer Bill language that would cap program eligibility to statewide COLA rates. While we appreciate the concern of controlling program growth, the proposed language is too restrictive because it does not take into account the many reasons a school’s lease may increase in excess of a statewide COLA, such as local real estate conditions or changes in the condition or size of the facility, such as additional space or facility improvements. Without consideration of these conditions, some schools could face disproportionate reductions in their eligibility even thought their total lease cost is completely reasonable. We request an amendment to allow the Authority some discretion to consider and accommodate local circumstances that may reasonably cause an increase in a lease cost beyond the statewide COLA rate.

**We urge you to work with CSFA and other stakeholders such as the California Charter Schools Association to allocate a funding level that will fully fund program eligibility based on the policy changes that you enacted last year, and to ensure predictable program funding for schools by rejecting the proposed Trailer Bill amendments**.

If you have any further questions, please do not hesitate to contact me by phone at XXX-XXX-XXXX or by email at XXX@XXX.XXX. Thank you for your consideration.

Sincerely,

[Insert Name, Tile and School]

CC: The Honorable Rocky Chavez

The Honorable Monique Limon

The Honorable Jose Medina

The Honorable Al Muratsuchi

The Honorable Patrick O’Donnell

The Honorable Randy Voepel

The Honorable Hannah-Beth Jackson

The Honorable John M. W. Moorlach

Jennifer Lam, Assembly Republican Caucus

Cheryl Black, Senate Republican Caucus