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June 4, 2009

The Honorable Howard "Buck" McKeon
United States House of Representatives
2184 Rayburn House Office Building
Washington, D.C. 20515

Dear Representative McKeon:

The California Small School Districts' Association (SSDA) appreciates President Obama's and your efforts in providing additional funding to education as part of the American Recovery and Reinvestment Act (ARRA). SSDA is concerned, however, that the investment made in the ARRA may not be able to be sustained if the Administration's budget for education funding is adopted by Congress. SSDA supports many parts of the Administration's education appropriations proposals. SSDA does not support, however, the cuts and redirections to education programs that are incorporated within the specific appropriations proposals.

Specifically, SSDA has concerns in the following five areas:

- Title I Basic Grants: \$1.5 Billion Cut
- Educational Technology Funding Cut
- Safe and Drug Free Schools Elimination
- Level of Funding for Ongoing Special Education Program
- Shift from Formula Grants to Competitive Grants

While SSDA has concerns, the Association wants to thank the President for continued funding for the Rural Education Achievement Program (REAP). We hope that in the appropriations process, REAP can be funded at the full authorized appropriations level of \$300 million rather than the budget proposed \$173 million. We appreciate that the program is not being cut in the Administration's budget.

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Title I Basic Grant

The budget proposal reduces Title I basic grant funding by \$1.5 billion and reallocates those funds to other programs. The basic grant cut will affect all school districts, but primarily smaller, rural school districts. For the last eight years, most of the new Title I funds have gone to larger school districts rather than to smaller school districts. This is because the formulas that were used provide supplemental funding based upon district size rather than percentage of students of poverty. The effect has been school districts, particularly small and rural school districts that have 60%, 70% and 80% of their students eligible for free and reduced priced meals, are receiving lower proportion of funds than larger school districts with only 20% of students eligible for free and reduced priced meals. The budget proposal continues this reallocation to shift away funds needed to support students living in poverty in rural America.

Cut in Educational Technology

The budget proposal reduces Educational Technology from an ongoing \$269 million to \$100 million. This has the effect of not only reducing funding, but causing all the funds to be used for competitive grants.

Small school districts do not have grant writers. Large school districts have grant writers. When funds are allocated on the basis of competitive grants rather than formula grants, funding shifts from small districts to large districts. If the federal government believes there needs to be a shift to competitive grants, SSDA urges that competition be among similar sized districts rather than a district of 500 students without a grant writer competing against a district of 25,000 students with grant writers on staff. SSDA believes at a minimum, education technology funding needs to be retained at the \$269 million dollar level; else the ARRA investment could be lost.

Elimination of Safe and Drug Free Schools

The budget proposed to eliminate the almost \$295 million for Safe and Drug Free Schools. The reasoning behind the elimination is that school districts would receive only approximately \$10,000 rendering the amount useless.

This raises the questions of: 1) why not increase funding for Safe and Drug Free Schools in order to have a more appropriate amount of money so schools can do something; or 2) why not allow school districts more flexibility in the use of these funds in order to make them more effective?

Level Funding Special Education

SSDA appreciates the significant funding for special education that is in the ARRA. This ARRA funding, however, is effectively one-time money and cannot be used to build ongoing programs.

The budget proposal is the ongoing program funding level. Not increasing the ongoing program funding level means school districts cannot risk using the ARRA funds for ongoing programs because there is no assurance that the program level will be continued. Consequently, the level of funding for special education in the budget could have the unintended consequence of undermining the investment made in the ARRA. SSDA believes that the federal government should be moving toward its commitment to fund 40% of special education excess cost, rather than moving away from that commitment.

Shift from Formula Grants to Competitive Grants

As stated earlier, small school districts do not have grant writers on staff. Consequently, shifting more federal funds into competitive grants puts these districts at a disadvantage and provides a greater advantage for federal funding to larger school districts. SSDA requests that if the federal government is intending to shift more resources into competitive grants, then similar sized districts should be able to compete against similar sized districts. Specifically, SSDA proposes that funds be set aside for school districts between:

- 1,000-5,000
- 5,000-25,000
- Greater than 25,000

The school districts in each size category would compete against each other for the funds set aside for their size category. This ensures that: 1) there are competitive grants and that the best grants are funded; and

2) the best projects are funded, rather than the best grant writers. Without providing a more equitable competitive process, SSDA is concerned the outcome will reward the grant writers in large districts, rather than quality program proposals made by smaller school districts.

Conclusion

SSDA requests you support the maintenance and expansion of Title I Basic Funding, the maintenance and expansion, if possible, of Safe and Drug Free Schools as well as Education Technology funding. Finally, SSDA requests that Congress increase the ongoing funding commitment for special education.

SSDA believes there are many new program proposals in the Administration's budget presented to the appropriations committees. SSDA also believes that these new program proposals should be funded only after authorization legislation has been enacted. SSDA believes these policy committees should be the first committees to review the Administration's new program proposals rather than Appropriations being the first committee for review.

Thank you for your consideration.

Sincerely,



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