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April 12, 2017

*By electronic mail*

The Honorable Ben Allen  
Chair, Senate Education Committee  
State Capitol, Room 2083  
Sacramento, California 95814

### RE: SB 751 (Hill) – SUPPORT

Dear Senator Allen:

Public Advocates supports SB 751 (Hill), the proposal to modify the limit or “cap” on the amount of funds school districts can reserve in their budgets.

Public Advocates is a civil rights legal organization that challenges the systemic causes of poverty and discrimination by strengthening community voices in public policy and achieving tangible policy and legal victories advancing equitable opportunity. Since its founding in 1971, Public Advocates has served as a key voice for educational equity in California on behalf of and in partnership with grassroots community based organizations in low-income communities statewide. We are committed to the new school funding system, the Local Control Funding Formula (LCFF), and its faithful implementation to ensure equity and accountability through transparency and community engagement.

SB 751 would fix the restrictions in Education Code Section 4127.01 imposed on school districts as part of the 2014-15 budget trailer bill, SB 858. With the passage of Proposition 2 by the voters, this code section requires school districts to spend their fiscal reserves (assigned and unassigned account balances) down to no more than two to three times the minimum recommended reserve for economic uncertainties in any fiscal year following a fiscal year in which the State makes a payment of any amount to the Public School System Stabilization Account.

This provision is inconsistent with the principle of local control over resource allocation. Further, it will have a disproportional impact on schools serving low income students, English learners and foster youth, the very students that LCFF was intended to provide additional support. LCFF is giving local communities an opportunity to engage in healthy conversations about what makes a good budget, including what a

prudent fiscal reserve should be. Taking away that decision from local communities is a step in the wrong direction, and it flies in the face of recent experience in the Great Recession and our highest need students being impacted the most.

SB 751 is a reasonable compromise to the restrictions on local communities and districts' authority to maintain a prudent fiscal reserve. For these reasons, we support SB 751. Please do not hesitate to contact me if you have any questions about our position.

Sincerely,

A handwritten signature in cursive script that reads "Liz Guillen".

Liz Guillen  
Director of Legislative & Community Affairs  
(916) 803-5596 – cell

Cc: Senate Education Committee  
Senator Jerry Hill