association of california school administrators

ACSA COUNCIL OF BUSINESS SERVICES LEADERS

Wednesday, October 14, 2026
10:00 AM - 1:00 PM

Via Zoom
Meeting ID: 965 7230 8297
Passcode: BSC2627

Sean Martin, Council President

Agenda

I. Welcome & Introductions
Sean Martin, Council President
Attendees: ACSA President Rene Rickard, ACSA Board Liaison Amy Alzina (Cold Spring), Region 1 Representative Greg Bowen (Del Norte), Region 2 Representative Carrie Carlson (Western Placer), Region 17 Representative Rick Champion (Brea Olinda), Region 3 Representative Ryan DiGiulio (Twin Rivers), Region 13 Representative Maureen Fitzgerald (Cold Spring), Region 11 Representative Vivian Hamilton (Tulare Joint), Region 10 Representative Shannon Hansen (San Benito COE), Region 17 Representative Ruben Hernandez (Fullerton Joint), Region 18 Representative Bradley Johnson (Dehesa), Region 9 Representative Kraig Magnussen (Kerman), Region 5 Representative Minette Manio (San Mateo COE), BSC President Sean Martin (Fulsom-Cordova), Region 14 Representative Dawnalyn Murakawa-Leopard (Manhattan Beach), Region 16 Representative Ron Tanimura (LAUSD), Region 7 Representative Kristin Tiger (Escalon), Region 15 Representative Frances Ufondu (Palmdale), Region 8 Representative Rebecca Westover (Mountain View Whisman)
ACSA Staff: Kristy Gilmore, Kordell Hampton, Dorothy Johnson

II. Opening Thoughts
Mike Fine, FCMAT CEO (retired)

Mike shared that during his tenure at FCMAT, he took his responsibility to speak for education very seriously and was committed to saying sometimes difficult things to the people who needed to hear it. He thanked BSC members for the work that they do every day and shared that a lot of changes are coming. The new governor will be someone whose positions related to schools are unknown. CTA declined to endorse Becerra twice and only did so in this final round; this may have a lasting impact. He is not as familiar with schools as he is with other state and federal sources. The SPI change will also be interesting; Barrera has a history of supporting his people in their advocacy for the use of one-time funds for ongoing purposes. The SPI's office will be less impactful going forward, but having the right leader in place who will be the primary spokesperson for education from early education through TK-14 is important. Education is not funded or structured to be everything to everybody, but that seems to be the expectation, and this will cause some tension.

BSC members shared their appreciation for Mike's work on AB 218, and Mike shared that this has been some of the most rewarding work he's done.

Mike shared his appreciation for a plaque that ACSA sent to him, as well as his gratitude for the work that ACSA does. BSC members offered their thanks and congratulations on his retirement.

Rene Rickard, ACSA State President
Rene introduced herself and thanked the BSC for allowing her to attend today's meeting.

III. Council Business & Orientation

Sean Martin, Council President
Kordell Hampton, ACSA Legislative Advocate & Staff Liaison
Kristy Gilmore, ACSA Political Affairs Coordinator & Staff Support

a. Region Representative Roles & Responsibilities
- Council Toolkit

Sean went through some roles and responsibilities. He emphasized that region representatives' primary responsibility is to attend meetings and share information back to their regions and charters. Additionally, ACSA Legislative Advocates will periodically ask for feedback, and BSC members are expected to review these and provide responses whenever possible. Kraig Magnussen serves as the BSC representative to ACSA's Legislative Action Committee.

There is an opportunity for the BSC to provide presentations at ACSA conferences and events; the committee was asked to consider whether there are topics that the council feels are important to share with wider ACSA membership.

b. Attendance & Alternate Policy: Alternate & Vacancy Database
It is important for every BSC member to have an alternate who will attend any time the member can't attend. Adding them to the database will allow them to receive communications.

c. Reimbursement Process: Travel Reimbursement Form
Forms should be sent to Kristy; the second page of the form provides information about what is allowed. There will be an updated form before the BSC's first in-person meeting.
- 2026-27 Meeting Dates (see below)

d. Approval of Prior Minutes
Moved by Brad and seconded by Vivian; approved unanimously

e. Approval of Council Purpose
Moved by Frances and seconded by Greg; approved unanimously

f. Process for President-Elect Nominations
The President-Elect nomination process will begin in February. Kristy will send out a self-nomination form; this can be found here: /8LpFRunRcPRZYX3P7.

IV. End of Session Wrap-Up & State Budget Forecast

Ken Kapphahn, Principal Fiscal & Policy Analyst, Legislative Analyst's Office

The June 2026 budget contained $14 billion in budget solutions including fund shifts, the use of reserves, revenue increases, and the Proposition 98 "settle up." Spending reductions is a relatively small portion of this, and most of the solutions were one-time. There were also program expansions which included $6 billion in increased non-school

spending. Reserves are at $15 billion, approximately 6% of the annual budget, which the LAO describes as "relatively modest."

For 2024-25, 2025-26, and 2026-27, Proposition 98 funding is up $29.2 billion. The increase, however, is not all ongoing. Including the settle-up obligation and baseline adjustments, this leads to $33.2 billion in available funds, but reserve deposits, the unpaid settle-up obligation, and other factors decrease this to $18.2 billion. Of this, $8 billion was provided in ongoing funding (largely for the LCFF, Special Education base increase, community schools, and State Preschool shift), and $10.2 billion was provided on a one-time basis (largely for Student Support and Professional Development Discretionary Block Grant (SSPDDBG), the deferral elimination, and Learning Recovery Emergency Block Grant (LREBG) repayment).

The S&P remains at a historic high, reflecting technology strength as well as a large level of reliance on the technology sector (and related risk). Inflation is still below the 2022 peak of 8% but has been increasing and is now at approximately 3.5%. These increases are caused largely by increases in energy and gasoline prices. The jobs picture has been negative since January 2025; this is a warning sign for the overall economy. Annualized income tax withholding reflected a huge increase in 2021 and 2022, a decrease in 2023, and steady but slower growth around 7% over the past year. Revenues are tracking largely with the LAO's expectation, up slightly in 2025-26 and 2026-27 and down in 2027-28, for a net loss of about $2 billion over the three-year period – with a wide range of uncertainty.

Because we are likely in a Test 1 year, attendance declines will not affect Proposition 98. There was about $4 billion in ongoing revenue used for one-time costs in the current budget, and these will be expiring, freeing up funding for other costs. The COLA was projected at 3.3%; this is likely low given the recent increase in energy prices with the possibility that the COLA will be "a few percentage points" higher ("in the 4-5-6% range"). Barring a significant stock market downturn, the state should be able to pay these costs. Enrollment declines are ongoing – the DOF projects 1.5% decline in 2026-27 and 1.1% in 2027-28, with declines continuing after that.

The state is still showing deficits over the next several years. There is a $10 billion deficit projected for 2027-28 and there will not be funding for new programs outside of Proposition 98 over the coming years. The LAO states that the state is facing a new "Wall of Debt" with approximately $29.2 billion in new liabilities that need to be addressed. It was noted that Proposition 2, if passed, may increase deposits into the Proposition 98 reserve cap rather than bringing all revenue into active spending; it would also provide funding to cover some or all of the $3.9 billion settle-up obligation.

It was noted that the DOF and LAO have been relatively well-aligned over the past few years, so there is not much dissonance between the two groups' projections and analysis.

State revenues are very volatile, which are likely to create continued underestimates of revenue. This will lead to one-time funds continuing to be available. However, there is no guarantee that these will be provided to schools as unrestricted/discretionary block grants in the same way that the SSPDDBG was.

V. Legislative Update & Looking Ahead

Kordell Hampton, ACSA Legislative Advocate

Kordell spoke about the $3.9 billion withholding from 2025-26, which follows the $1.9 billion that was repaid in 2026-27. CTA's lawsuit is focused on whether one-time money can satisfy the guarantee for the year owed, whether a planned deferral is an

unconstitutional withholding, and whether it's legal to underfund an acknowledged estimate. CSBA's lawsuit challenges the constitutionality of the withholding, saying that Test 2 and Test 3 calculations will be consequently underfunded as a result of this maneuver.

He also spoke about the COLA and Special Education Funding. He noted that AB 560 requires the SPI to recommend rations for special day classrooms. CDE is seeking CBO and administrative staff input on this, with responses required by October 30. The survey can be found here: https://surveys3.cde.ca.gov/go/leacbos.asp. Everyone is encouraged to complete this survey as it will have an impact on future staffing ratios.

There was discussion of the required public hearing connected with SSPDDBG. Districts and charters with current or projected enrollment declines within 5 years must hold a hearing alongside the LCAP public hearing. There must be a plan that addresses student retention, courses/programs, class size, facilities (including closures) and local revenues; failure to have this plan and public hearing may jeopardize SSPDDBG funding. It's not clear whether this needs to happen every year that SSPDDBG is open or only when there are unspent funds remaining; ACSA recommends erring on the sign of caution and doing this for the full 5-year period.

Kordell provided reminders regarding the new ELOP Tier 2 floor, the LREBG restoration, and the Necessary Small Schools funding increase. He also noted that schools that want to opt in or continue to receive Community Schools funding, there is a notification requirement with a November 1 deadline. The link for this notification can be found here: https://www5.cde.ca.gov/ccspp. The CDE also has a list of eligible schools available. There are updated requirements related to charter contracts and oversight which are in place annually and as of July 2027; there are also revised audit deadlines and disclosures as well as requirements for contract approval for charter schools. Finally, there is funding supporting the educator pipeline, including student teacher stipends, teacher residency grants, and pathway programs.

SB 330 (Padilla), a CTA-sponsored bill, would have eliminated the 3-year MYP. This bill was blocked and did not receive a committee hearing, but there are rumors that CTA will be bringing this back again.

ACSA is looking into ways to modernize the CEA formula and to adjust the denominator appropriately (excluding all funds that cannot be used for educator salaries, for instance). There is also consideration of looking at the appeal process.

ACSA is also considering advocacy related to the imposition of sales taxes on software purchases.

VI. ACSA One Voice for Students Legislative Platform Discussion

Kraig Magnussen, Legislative Policy Committee Liaison
Kordell Hampton, ACSA Legislative Advocate

ACSA's Legislative Policy Committee is in the process of drafting the next iteration of the One Voice for Students Legislative Platform which will guide policy decisions and advocacy throughout the next legislative cycle. Kordell led a discussion with the council and asked the following three questions. Below, Kordell has provided a summary of the conversation and identified challenges, opportunities, and priorities that will be submitted to the Legislative Policy Committee on behalf of the council.

1. What are the most significant challenges facing students, schools, and school leaders?

- **Erosion of Local Control and Increasing Reliance on Categorical Funding**
    - Increasing reliance on categorical funding limits districts' ability to allocate resources based on local priorities and student needs.
    - Categorical programs often come with additional expenditure restrictions, reporting obligations, and compliance requirements.
    - There is a need to shift more resources into LCFF base funding, allowing districts greater flexibility in addressing local challenges.
    - *State policies and funding initiatives are often developed in silos, without sufficient consideration of how new requirements interact with existing programs, district operations, and competing financial obligations*.
- **Declining Enrollment and Fiscal Instability**
    - Declining enrollment continues to create financial challenges, particularly as districts struggle to reduce fixed costs at the same rate as declining revenues.
    - Additional reporting and procedural requirements can complicate districts' efforts to respond to enrollment declines.
    - Financial distress among larger school districts could create broader pressure for changes in school funding and fiscal oversight.
    - Districts need more sustainable solutions beyond one-time grants or temporary funding adjustments.
- **Rising Expenditures and Compliance Costs**
    - School districts face growing operational costs, including personnel, benefits, technology, infrastructure, and collective bargaining obligations.
    - New state requirements, including those related to public records, artificial intelligence, and broadband, can create additional costs and administrative responsibilities.
    - It is important to distinguish between market-driven costs (such as insurance, utilities, and personnel) and compliance-driven costs associated with new laws and regulations.
    - Increasing expenditures without corresponding increases in ongoing funding can undermine financial sustainability.
    - Growing costs associated with Public Records Act (PRA) requests, legal representation, and responding to misconduct allegations place additional financial and administrative burdens on school districts, diverting resources and staff time away from other priorities.
- **Funding Adequacy and Student Needs**
    - Current funding levels may not adequately reflect the actual costs of providing educational services.
    - Growing student behavioral and mental health needs place additional demands on existing resources.
    - School leaders face increasing expectations to improve outcomes without necessarily receiving the flexibility or resources needed to meet those expectations.

2. What are the greatest opportunities to improve outcomes and experiences for students, and what would schools need to take full advantage of those opportunities?

- **Increase Base Funding and Strengthen Local Control**
    - Prioritize investments in LCFF base funding over the continued expansion of restricted categorical programs.
    - Provide school leaders with greater discretion to direct funding toward locally identified student needs.
    - Reduce reliance on short-term grants that establish programs or expectations without ensuring long-term financial support.
    - Revisit school funding adequacy research, including *the LAO Report*, to better understand the resources necessary to improve student outcomes.

- **Modernize Funding to Reflect Actual Costs**
    - Develop a better understanding of what it costs districts to deliver educational services, including both direct instructional expenses and essential operational costs.
    - Explore approaches to addressing declining enrollment that recognize districts' ongoing fixed costs.
    - Identify opportunities to stabilize funding and improve districts' ability to maintain programs, staffing, and services over time.
- **Reduce Administrative Burdens and Support Cost Containment**
    - Examine existing requirements to identify opportunities to streamline reporting, eliminate duplicative processes, and reduce unnecessary costs.
    - Consider the financial implications of new legislation before imposing additional requirements on schools.
    - Distinguish between rising market costs and expenditures driven by state-imposed mandates to identify where policy changes could provide meaningful relief.
    - Allow administrators to dedicate more time and resources to supporting students rather than managing compliance.
    - Encourage a more coordinated and comprehensive approach to policymaking that considers how education policies intersect, their cumulative financial and operational impacts on school districts, and opportunities to better align requirements across programs.
- **Strengthen Student Supports and Educational Equity**
    - Ensure schools have the resources and flexibility to respond to growing behavioral and mental health needs.
    - Better connect funding decisions to student needs and desired educational outcomes.
    - Expand opportunities for schools to invest in effective services and programs without imposing unnecessary restrictions on how those resources must be used.

3. What are the three issues ACSA should prioritize in its advocacy over the next two years?
Priority 1: Strengthen Funding Adequacy and Preserve Local Control

- Advocate for increased, ongoing LCFF base funding that reflects the actual cost of educating students.
- Reduce reliance on categorical funding that limits district flexibility and creates additional administrative obligations.
- Promote funding structures that support educational equity while recognizing the different needs and circumstances of individual districts.
- Advance a more sustainable approach to education funding that does not rely on one-time grants to address ongoing needs.

Priority 2: Address Declining Enrollment and Long-Term Fiscal Sustainability

- Explore changes to school funding policies that better account for declining enrollment and the difficulty of adjusting fixed costs.
- Identify sustainable approaches to stabilizing school district finances and protecting essential educational services.
- Examine the expenditure side of school finance, including rising personnel, benefits, operational, and infrastructure costs.
- Evaluate opportunities for cost containment and greater financial flexibility, recognizing the distinction between market-driven expenditures and costs that can be addressed through policy changes.

Priority 3: Reduce Unfunded Mandates and Administrative Compliance Burdens

- Advocate for greater scrutiny of new state requirements that impose additional administrative or financial obligations on school districts.
- Identify opportunities to reduce duplicative reporting, streamline compliance requirements, and eliminate unnecessary expenditures.
- Focus on mandates related to public records, technology, artificial intelligence, and other emerging policy areas that may increase administrative workloads.
- Ensure that new policy requirements are accompanied by adequate resources, realistic implementation timelines, and meaningful local flexibility.
- Reinforce that reducing unnecessary compliance burdens allows administrators to focus more attention and resources on student success.

ACSA's Power of One Voice document was shared: https://content.acsa.org/power-of-one-voice-2026/

VII. Adjournment

2026-27 Council Meeting Dates

Date	Meeting | *Location*	Time
October 14, 2026 Wednesday	**Council of Business Services Leaders Meeting** Virtual | Zoom Meeting	10:00am-1:00pm
January 13, 2027 Wednesday	**Governor's Proposed Budget Reaction Call** Virtual | Zoom Meeting	2:00pm-3:00pm
February 24, 2027 Wednesday	**Council of Business Services Leaders Meeting** *1029 J Street, Sacramento, CA 95814* *3rd Floor Conference Room*	10:00am-2:00pm
May 19, 2027 Wednesday	**Council of Business Services Leaders Meeting** *1029 J Street, Sacramento, CA 95814* *3rd Floor Conference Room*	10:00am-2:00pm

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