

**ACTIONS**

**ASSEMBLY BUDGET SUBCOMMITTEE NO. 2  
ON EDUCATION FINANCE**

**Assemblymember Susan Bonilla, Chair**

**TUESDAY, MAY 8, 2012**

**9:00 AM - STATE CAPITOL ROOM 444**

**NOTE: ASSEMBLYMEMBER BLUMENFIELD SUBSTITUTING FOR ASSEMBLYMEMBER BROWNLEY.**

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**MEMBERS OF THE SUBCOMMITTEE: BONILLA, BERRYHILL, BROWNLEY, NESTANDE, AND SWANSON**

<b>Vote Only</b>		
<b>ITEM</b>	<b>DESCRIPTION</b>	
<b>6110</b>	<b>DEPARTMENT OF EDUCATION</b>	<b>2</b>
ISSUE 1	DOF APRIL LETTERS – VARIOUS STATE OPERATIONS AND LOCAL ASSISTANCE ADJUSTMENTS  <b>ACTION: Approve April Letters as proposed in the agenda.</b>  <b>Vote: 4-0 (Berryhill not voting)</b>	<b>2</b>

<b>ITEMS TO BE HEARD</b>		
<b>ITEM</b>	<b>DESCRIPTION</b>	
<b>6110</b>	<b>DEPARTMENT OF EDUCATION</b>	<b>4</b>
ISSUE 1	LAO REPORTS ON SCHOOL DISTRICT FINANCE ( <i>INFORMATION ONLY</i> )	<b>4</b>
ISSUE 2	ANNUAL UPDATE FROM THE FISCAL CRISIS MANAGEMENT ASSISTANCE TEAM (FCMAT): PRESENTATION ON DISTRICT FINANCIAL HEALTH ( <i>INFORMATION ONLY</i> )	<b>8</b>
ISSUE 3	GOVERNOR'S 2012-13 PROPOSAL: K-14 MANDATE BLOCK GRANT  <b>ACTION: Held Open pending May Revision</b>	<b>14</b>
ISSUE 4	APRIL LETTER: OPEN ISSUES: MIGRANT EDUCATION PROGRAM <b>ACTION: Held Open pending May Revision</b>	<b>21</b>

VOTE ONLY CALENDAR

6110 DEPARTMENT OF EDUCATION

**ISSUE 1: DOF APRIL LETTERS – VARIOUS STATE OPERATIONS AND LOCAL ASSISTANCE ADJUSTMENTS**

The issues for the Subcommittee to consider are various technical amendments proposed by the Department of Finance (DOF) to the 2012-13 Budget Act.

**BACKGROUND**

As part of the annual budget process, DOF submits a letter to the Legislature on April 1 that includes proposed changes to the Governor's January Budget. The proposed revisions are largely technical and include adjustments to state operations and local assistance funding.

1	<p><b>Add Support Carryover for the Striving Readers Comprehensive Literacy Program (Issue 611)</b>—It is requested that Item 6110-001-0890 be increased by \$424,000 Federal Trust Fund and that Item 6110-001-0001 be amended to reflect the availability of one-time carryover funds for the Striving Readers Comprehensive Literacy Program. The program provides support to the State Literacy Team in developing California’s State Literacy Plan. In order to finalize the plan, the SDE requests \$424,000 to update the ten-year old California Recommended Reading List.</p> <p>It is further requested that provisional language be added to Item 6110-001-0890 as follows to conform to this action:</p> <p>X. Of the funds appropriated in this item, \$424,000 is provided in one-time federal <del>Title I</del> carryover funds for the Striving Readers Comprehensive Literacy program.</p>
	<p><b>Staff Comments:</b> On April 24<sup>th</sup>, the Subcommittee took action to strike all provisional language. This action corrects that action by only striking the words "Title I" in the DOF proposed provisional language</p>
2	<p><b>Item 6110-161-0890, Local Assistance, Special Education Individuals with Disabilities Education Act (IDEA) 611 Grant Awards (Issue 643)</b>—It is requested that Provision 1 of this item be amended to align future IDEA 611 grant awards with the amended allocation table provided by the federal government. This request would provide the SDE with flexibility so that in instances where IDEA 611 amended grant awards received are lower than the initial grant award, reductions can be made according to the intent set forth by the federal Office of Special Education Programs.</p> <p><del>“1. If the funds for Part B of the federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.) (IDEA) that are actually received by the state exceed \$1,237,042,000, at least 95 percent of the funds received in excess of that amount shall be allocated for local entitlements and to state agencies with approved local plans. Up to 5 percent of the amount received in excess of \$1,237,042,000 may be used for state administrative expenses upon approval of the Department of Finance. If the funds for Part B of the IDEA that are actually received by the state are less than \$1,237,042,000, the reduction shall be taken in other state level activities, unless otherwise specified in the amended grant award.”</del></p>

	<p><b>Staff Comments:</b> Upon further review of the provisional language, it was determined the entire provision is unnecessary. The Part B grant has specific spending requirements, which are reflected in the budget act authority provided to the CDE. To the extent the actual grant amount received changes from what is budgeted, the CDE is required to submit a budget revision for approval by the DOF and the legislature. This language does not reflect current state or federal budgeting practice. This change has been agreed to by CDE, DOF, and the LAO.</p>
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