

AGENDA
ASSEMBLY BUDGET SUBCOMMITTEE NO. 2
ON EDUCATION FINANCE

K-12

Assemblymember Joe Simitian, Chair

THURSDAY, JANUARY 16, 2003
 STATE CAPITOL, ROOM 447
 UPON ADJOURNMENT OF SESSION.

CONSENT CALENDAR

ITEM	DESCRIPTION	PAGE
6110	DEPARTMENT OF EDUCATION	2
ISSUE 1	CAPTURING FEDERAL REVENUE FOR CALWORKS STAGE 3 CHILD CARE	2
ISSUE 2	FUND-SHIFTS	2
	➤ PRIOR YEAR SAVINGS FOR REGIONAL OCCUPATIONAL CENTERS AND PROGRAMS (ROC/PS)	2
	➤ ADULT EDUCATION	2
ISSUE 3	REVERSION OF PRIOR-YEARS SAVINGS	2
ISSUE 4	GOVERNOR'S VETO – PROPOSITION 98 RESERVE	4

ITEMS TO BE HEARD

ITEM	DESCRIPTION	PAGE
6110	DEPARTMENT OF EDUCATION	5
ISSUE 1	ALTERNATIVE K-12 MID-YEAR PROPOSAL	5

CONSENT CALENDAR

ITEM # 6110 DEPARTMENT OF EDUCATION

ISSUE1: RESTORATION OF CALWORKS STAGE 3 CHILDCARE

- The Administration proposes to reduce \$98,806,000 from the Proposition 98 General Fund appropriated for CalWORKs Stage 3 childcare to eliminate Stage 3 childcare services, effective April 1, 2003. The Legislative Analyst Office and the Department of Finance have identified \$79.1 million in one-time federal child care funds that are available in the current year. These funds can be appropriated for CalWORKs Stage 3 Childcare, which offsets \$79.1 million in Proposition 98 funds.

ISSUE 2: FUND SHIFTS

- \$356.8 million in funds for Regional Occupational Centers and Programs (ROC/Ps)
Of appropriations made in 2001-02 and prior years, the Administration has identified \$356.8 million, which they believe can be or has been reverted to the Proposition 98 Reversion Account. The Administration proposes that these funds be shifted to replace an equal amount of current year appropriations from 2002-03 Proposition 98 funding dedicated for ROC/Ps. This fund shift has no programmatic impact on these programs.
- \$81.1 million in funds for Adult Education
The Administration has identified \$81.1 million in prior year savings since the December mid-year proposals to support adult education.

ISSUE 3: REVERSION OF PRIOR YEAR SAVINGS

- The Administration proposes additional reversions of Proposition 98 savings from prior years into the Proposition 98 Reversion Account to capture a variety of existing savings, which would not otherwise revert until a future date. The reversions total \$241.4 million from Department of Education K-12 programs. When combined with the Controller's balance and savings in the Teacher Credentialing Commission and Community Colleges, \$356.8 million of available funding is provided in the current year. These funds provide the resources to shift funding from Proposition 98 in the current year to the Reversion Account for ROC/Ps in an identical amount. Programs with savings include:
 - **Community Day Schools:** \$14 million in 2001-02 program savings.
 - **Tenth Grade Counseling:** \$97,000 in 2001-02 program savings.

- **Pupil Dropout Prevention Program:** \$210,000 in 2001-02 program savings.
- **Academic Improvement and Achievement Act:** \$603,000 in 2001-02 program savings.
- **High Risk Youth Education and Public Safety Program:** \$10.1 million in 2000-01 program savings and \$6.4 million in 2001-02 program savings.
- **College Preparation Partnership Program:** \$4.1 million in 2000-01 program savings, \$6.2 million in 2001-02 program savings, and \$6.2 million in savings from Chapter 795, Statutes of 1998.
- **Opportunity Programs:** \$1.2 million in 2001-02 program savings.
- **Classroom Library Materials/K-4 Classroom Libraries:** \$6,000 in 2001-02 program savings.
- **Education Technology:** \$3.8 million in 2000-01 program savings and \$23,000 in 2001-02 program savings.
- **Digital High School:** \$392,000 in 2001-02 program savings.
- **Mandates:** \$20 million in 2001-02 program savings for mandates where claims were less than budgeted.
- **Mathematics and Reading Professional Development Program:** \$31.7 million in 2001-02 program savings. These funds were proposed for reversion during the 2002-03 budget process but were inadvertently deleted from Chapter 99, Statutes of 2002. The 2002 Budget Act will continue to provide \$62.2 million for this program.
- **Child Care Education Code Section 8278 Carryover:** \$79 million of the remaining 2001-02 un-liquidated contract savings from Child Care and Development Programs with the exception of CalWORKs child care programs.
- **CalWORKs Child Care Carryover:** \$17.7 million of the remaining 2001-02 unliquidated balances of the General Fund appropriated for CalWORKs Stage 2 and Stage 3.
- **Child Care Facilities Revolving Fund:** \$22 million from the balance established pursuant to Education Code Section 8278.3 which are not anticipated to be committed in the current year.
- **Child Care Savings:** \$6.8 million in 2001-02 program savings.

- **Charter School Facilities Block Grant:** \$5 million in 2001-02 program savings, which are available as a result of a delay in program implementation.
- **Adults in Correctional Facilities:** \$2.8 million in 2001-02 savings.
- **California Information Technology Academies:** \$3.1 million in 2001-02 savings from prior reappropriations for the program.

ISSUE 4: GOVERNOR'S VETO- PROPOSITION 98 RESERVE

In December the Governor vetoed \$143 million of Proposition 98 funding. The K-12 portion of this veto is \$132 million.

ITEMS TO BE HEARD**ITEM # 6110 DEPARTMENT OF EDUCATION**

ISSUE 1: ALTERNATIVE K-12 MID-YEAR PROPOSAL**BACKGROUND:**

On December 4, 2002, the Governor released a proposal for cuts to General Fund expenditures, transfers and fund shifts totaling nearly \$10.2 billion. For K-12, the Governor proposed to reduce spending by \$1.51 billion.

On January 10, 2002, the Governor released his Proposed 2003-04 Budget, which included **additional** mid-year reductions to Proposition 98. The total **additional** reductions for K-12 are \$692.6 million.

The January and December proposals combined total \$2.5 billion in current year reductions to Proposition 98, with the **K-12 portion being \$2.2 billion.**

Please review to the Alternative K-12 Mid-Year Proposal document for specific reductions.