

**MAJOR DEPARTMENT GENERAL FUND COMPARISON
SUBCOMMITTEE No. 2
EDUCATION FINANCE**

(IN MILLIONS)

		GOVERNOR'S REVISED 2002-2003 BUDGET	ASSEMBLY SUBCOMMITTEE ACTION	DIFFERENCE
6110	DEPARTMENT OF EDUCATION	29,490.8	29,540.8	50.0
6120	CALIFORNIA STATE LIBRARY	69.2	75.9	6.7
6360	COMMISSION ON TEACHER CREDENTIALING AND LICENSING	55.8	51.5	-4.3
6420	CALIFORNIA POSTSECONDARY EDUCATION COMMISSION	0.5	1.9	1.4
6440	UNIVERSITY OF CALIFORNIA	3,204.7	3,196.5	-8.2
6600	HASTINGS COLLEGE OF LAW	15.4	15.4	0.0
6610	CALIFORNIA STATE UNIVERSITY	2,686.4	2,678.9	-7.5
6870	CALIFORNIA COMMUNITY COLLEGES	2,854.4	2,873.1	18.7
7980	STUDENT AID COMMISSION	654.9	662.6	7.7

0558 OFFICE OF THE SECRETARY FOR EDUCATION

- **Academic Volunteer and Mentor Service Program.** Adopted a \$4.3 million reduction to the Academic Volunteer and Mentor Service Program, as proposed in the May Revise, to eliminate funding for new grants. The reduction leaves \$5.7 million for existing grantees.

4220 CHILD DEVELOPMENT POLICY ADVISORY COMMITTEE

- Provided an increase of \$133,000 General Fund and 1.1 personnel year to restore this committee, which was proposed to be eliminated in the January budget.

6110 DEPARTMENT OF EDUCATION

- **Proposition 98 Funding.** Approved a total of \$47.2 billion in Proposition 98 expenditures for the 2002-03 fiscal year. This assumes a deferral of \$1.15 billion in undisbursed current year expenditures, until the budget year, to help meet the minimum Proposition 98 funding requirements in the budget year. This shift requires separate legislation to be adopted by the end of the fiscal year.
- **Additional General Fund Savings.** Assumes the use of \$503 million in Proposition 98 reversion account funds, originally proposed in January to be spent in the budget year, to replace current year General Fund expenditures for Proposition 98. This is the Governor's proposal presented in May Revise and would free up \$503 million in General Fund from the current year, without affecting total expenditures in the current year. This proposal requires separate legislation to be adopted by the end of the fiscal year.
- **Current Year Reductions.** Assumed the following current year reductions in order to recapture General Fund savings: Some of these reductions were proposed by the Governor in his May Revise, and most are proposed because the funding is expected to be unused in the current year. These reductions require separate legislation to be adopted by the end of the fiscal year.
- **Independent Study.** Restored a cut proposed by the Governor in January to independent study programs run by school districts and county offices of education. The cost of the restoration is \$37.9 million.
- **COLA.** Provided \$26 million above the Governor's proposed May Revise spending for cost-of-living adjustments, to bring the COLA rate for categoricals up to 2 percent, the same rate proposed by the Governor for revenue limits and special education in the May Revision.
- **Healthy Start.** Provided \$19 million for Healthy Start programs, restoring a \$38 million reduction adopted by the Legislature as part of the current year reductions and proposed to

be continued by the Governor in January. (The subcommittee approved corresponding control language that would change the funding structure for the program, such that the \$19 million would provide as many grants as the original \$38 million.)

- **Adult Education.** Provided \$13 million to partially restore a \$26 million reduction in adult education funding for CalWORKs participants, which was proposed by the Governor in January. The subcommittee also approved a \$10 million reduction to the base funding level for adult education, along with control language specifying that if adult education programs face a deficit in the budget year as a result of the cut, they shall receive priority in addressing their deficit.
- **PERS and Equalization.** Provided \$35 million to reinstate a PERS offset augmentation, and \$40 million for revenue limit equalization for the budget year, both of which the Governor proposed to eliminate in the January budget. These amounts restore school district revenue limits to the current-year level.
- **High Priority Schools Grant Program.** Approved \$197 million for a new High Priority Schools Grant Program to serve low-performing schools, as proposed by the Governor in January. (This amount was approved in last year's budget, but was mostly eliminated as part of the current-year reductions to address the budget deficit.)
- **High Priority Planning Grants.** Reinstated \$20 million for planning grants for Decile I low-performing schools that were not expected to receive funding from the \$200 million in the High Priority Schools Grant Program, and Decile II low-performing schools, which was proposed to be deleted by the Governor in May Revise. This \$20 million was provided in SB 3X 1 (Peace), as part of the current-year adjustments.
- **Performance Awards.** Eliminated funding for the Governor's Performance Awards (\$157 million), Certificated Staff Performance Awards (\$50 million) and the Governor's Reading Awards (\$4 million); as proposed by the Governor in his May Revise.
- **School Library Materials.** Approved \$75 million for school library materials to be distributed pursuant to current law, with the intent that the funding be ongoing. This is in contrast to the Governor's May Revise proposal of \$80 million for library materials on a one-time basis, with the intent that in the future school districts pay for library materials out of a new instructional materials block grant.
- **Instructional materials.** Approved the following amounts for instructional materials, as proposed by the Governor: \$150 million in one-time funds for Reading/Language Arts instructional materials, and \$250 million for a new Instructional Materials Block Grant, pursuant to legislation currently being considered by the Legislature.
- **Federal Funds.** Approved the following increases in federal funding: 1) \$260.9 million in Title I basic grants, 2) \$131 million for Reading First competitive grants to improve reading in grades K-3, 3) \$315 million in Title II funds for professional development programs and for offsetting the local costs of administering the K-3 class size reduction program and 4) \$110 million in Title III funds to help schools improve the achievement of English learners.

- **Sanctions/Interventions/Assistance Teams.** Approved a total of \$35.1 million in combined Proposition 98 and federal funds for support and assistance to schools subject to state intervention due to lack of improvement.
- **Math and Reading Professional Development Program.** Approved \$31.7 million in Proposition 98 funding for the Math and Reading Professional Development Program, as proposed by the Governor in the May Revise. Reduced current-year funding for the program by \$24.2 million, leaving \$7.5 million.
- **Professional Development Institutes.** Eliminated \$54 million in the General Fund support for the professional development institutes, as proposed in the May Revise. These programs will be eligible for federal funds.
- **Principal Training.** Approved a total of \$5 million from Proposition 98 for the principal training program, approximately \$2.5 million less than the level proposed in the May Revise.
- **Staff Development for Classified Employees.** Approved \$1 million for training and staff development for classified employees pursuant to local collective bargaining agreements.
- **Charter Schools.** Reinstated a \$5 million current-year reduction to the Charter School Facilities Grant Program, proposed by the Governor in May Revise. Also adopted change to the charter school direct funding model, such that the amount for the charter school categorical block grant is calculated based on actual expenditures for that budget year.
- **AVID.** Provided \$6.3 million to fully restore a reduction to the AVID program, which the Governor proposed in May Revise.
- **School Bus Safety II Mandate.** Suspended the School Bus Safety II mandate in the budget year, and adopted State Auditor's recommendation to amend the parameters and guidelines that shape the claiming instructions for the mandate.
- **School Crimes Reporting Mandate.** Suspended the school crimes reporting mandate for one year, due to changes in the federal law that will require different school safety data.
- **English Language Development Test Rate.** Provided \$3.5 million in federal Title VI assessment funds to increase the rate that school districts receive for administering the new English Language Development Test to \$5 per pupil.
- **County Office COLA's.** Approved \$3 million to provide COLA's to county offices of education that have not received COLA's in recent years due to equalization.
- **Program Eliminations.** Eliminated the following programs, as proposed by the Governor: School Personnel Staff Development Plans (\$17.3 million), Regional Professional Development Consortia (\$4.3 million), Demonstration Programs in Intensive Instruction (\$6.1 million) and Secondary Schools Reading Program (\$8 million).
- **Budget-Year Program Reductions.** Reduced funding for the following programs, as proposed by the Governor: Teaching as a Priority Block Grant (\$30 million), Student Academic Partnership Program (\$2 million), Administrator Training and Evaluation Program

and Exploratorium (\$3 million), Education Technology Staff Development (\$9.65 million), California Reads Program (\$750,000).

Childcare:

- Adopted Governor's May Revise proposal to pay for a shortfall in funding for childcare for former CalWORKs participants.
- Adopted the Governor's May Revise changes to reverse his January childcare reform proposal.
- Adopted a \$35 million reduction for the CalSAFE program for pregnant and parenting teens, as proposed in the May Revise, to reflect an expected slow ramp-up of the program.

6120 CALIFORNIA STATE LIBRARY

- **Public Library Foundation.** Rejected the Governor's May Revision proposal to reduce the Public Library Foundation by \$11.8 million and restored \$5.9 million in funding.
- **Civil Liberties Public Education Grants.** Rejected the Governor's May Revision proposal to reduce Civil Liberties Public Education Grants by \$750,000 and maintained funding at current level of \$1 Million.
- **Library of California and California Library Services Act.** Adopted the Governor's May Revision reductions to the Library of California and the California Library Services Act, reducing these programs by \$2.4 million and \$610,000 respectively.

6360 COMMISSION ON TEACHER CREDENTIALING

- **Alternative Credentialing Programs.** Adopted a \$24.35 million current-year reduction to capture savings in alternative credentialing programs, as proposed in the May Revise. Approved a budget-year funding level only \$2 million below the funding level approved in last year's budget, as proposed by the May Revise.

6420 CALIFORNIA POSTSECONDARY EDUCATION COMMISSION

- **Operating Expenses.** Rejected the Governor's proposed reduction of \$2.7 million for operating expenses and equipment and maintained \$1.7 million in CPEC support budget.

6440 UNIVERSITY OF CALIFORNIA

- **Enrollment Growth.** Increased funding for enrollment growth by \$5.4 million, insuring that an additional 600 full-time equivalent students receive state supported instruction at UC.
- **K-12 Minority Outreach Programs.** Rejected the Governor's proposal to reduce K-12 Minority outreach programs by \$33 million and restored \$20.6 million in equity programs with proven results in increasing access to UC.
- **Administrative Reductions.** Due to the state's fiscal situation, reduced UC executive management by 0.5% or \$2.4 million with accompanying budget bill language protecting instructional programs and students services.
- **Base Support.** Due to the state's fiscal situation, reduced UC base support by \$10.3 million in areas that do not impact directly the state's commitment to instruction and student support services. This reduction also assumes a planned non-resident fee increase of 6% by the UC Board of Regents which will make up for a portion of the general fund reduction.
- **Research.** Adopted the Governor's 10% reduction in research funding and further reduced research funding by an additional 5% for a total reduction of \$48.1 million.
- **K-12 Internet2.** Adopted the Governor's May Revision proposal to reduce funding for the K-12 Internet2 project by \$5.2 million.
- **Teacher Preparation Programs.** Adopted the Governor's May Revision proposal to reduce funding for the Subject Matter Projects by \$11.3 million, leaving \$20 million for the program, and reducing the Professional Development Institutes by \$50.9 million given that this program will be eligible for federal funds.
- **Information Technology, Instructional Equipment, Library Materials and Deferred Maintenance Programs.** Approved the Governor's May Revision proposal to decrease by \$29 million on a one-time basis funding for Information Technology, Instructional Equipment, Library Materials and Deferred Maintenance programs.

6610 CALIFORNIA STATE UNIVERSITY

- **Enrollment Growth.** Increased funding for enrollment growth by \$19.5 million, insuring that an additional 3,008 full-time equivalent students receive state supported instruction at the CSU.
- **Administrative Reductions.** Due to the state's fiscal situation, reduced CSU executive management by 0.5% or \$2.9 million with accompanying budget bill language protecting instructional programs and students services.

- **Governor's Teaching Fellowships.** Converted Governor's Teaching Fellowships (run out of the CSU) into 1,000 additional APLE awards (loan assumption awards) through the Student Aid Commission, providing a general fund savings of \$21 million.
- **Information Technology, Instructional Equipment, Library Materials and Deferred Maintenance Programs.** Approved the Governor's May Revision proposal to decrease by \$43 million on a one-time basis funding for Information Technology, Instructional Equipment, Library Materials and Deferred Maintenance programs.
- **Education Technology Professional Development Program.** Approved the Governor's May Revision proposal to eliminate \$6 million in funding for the Education Technology Professional Development Program.
- **California Center for Teaching Careers.** Reduced \$4 million in advertising funds for the California Center for Teaching Careers, leaving \$2 million in the program to provide assistance to those wishing to become teachers.
- **Excess Student Fee Revenue.** Due to the state's fiscal situation, reduced CSU's base support by \$800,000 in excess student fee revenue.

6870 COMMUNITY COLLEGES

- **COLA for Apportionments and Categorical Programs.** Adopted the Governor's May Revision proposal on changes to Cost-of-Living Adjustments for Community Colleges apportionments and categorical programs, funding the COLA at 2% instead of the statutorily required 1.66%.
- **CalWORKs Services.** Adopted the Governor's May Revision proposal to restore funding to CalWORKs by \$20 million in general fund support, matched by \$20 million in local district funds. In addition, the Subcommittee added an addition \$9 million without a local match for CalWORKs, bringing the restoration of funds to \$49 million.
- **Matriculation Services.** Restored \$7.9 million for matriculation services that help students achieve their educational goals. The Governor's January proposal reduced matriculation services funding by \$26.8 million.
- **Faculty and Staff Development.** Restored \$1 million for faculty and staff development. The Governor's January proposal reduced funding for the program by \$5 million and would have eliminated the program.

7980**CALIFORNIA STUDENT AID COMMISSION**

- **Cal Grant Entitlement and Competitive Awards.** Adopted the Governor's May Revision proposal to reduce funding for the Cal Grant Entitlement and Competitive Awards due to savings in the programs from lower than anticipated demand and lower acceptance rates.
- **California Student Opportunity and Access Program (CalSOAP).** Adopted the Governor's May Revision proposal to shift \$7.6 million in General Fund support for CalSOAP to the Student Loan Operating Fund, achieving a general fund savings.
- **Student Aid Commission Operating Expenses.** Shifted \$1.6 million in General Fund support for Student Aid Commission operating expenses to the Student Loan Operating Fund, achieving a General Fund savings without adversely impacting the Student Aid Commission's operations.
- **California Work-Study Program.** Rejected the Governor's proposal to reduce by \$5.3 million in funding for the California Work-Study Program. The Governor's proposal would have eliminated the program for financially needy students.
- **Cal Grant C: Vocational Education Grants.** Given the need for retraining and workforce development during an economic downturn, Rejected the Governor's May Revision proposal to reduce funding for the Cal Grant C program by \$4 million, maintaining the current level of funding.
- **Cal Grant T: Teacher Education Grants.** Adopted the Governor's May Revision proposal to reduce by \$3 million funding for the Cal Grant T, due to under-utilization of the program.