

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

Assembly Member Susan Bonilla, Chair

**THURSDAY, MAY 23, 2013
UPON CALL OF THE CHAIR - STATE CAPITOL ROOM 444**

HEARING ATTACHMENTS

Attachments

1. Local Control Funding Formula Assembly Package Principles
2. Proposition 98 Package

Local Control Funding Formula Assembly Package Principles

- **Additional Investment in Low-income Children.** Improvements in other areas of the Budget – including funding for child care and child poverty adjustments in CalWORKs – must be made in order for targeted education funds to have their intended benefit for low income and English Learner students.
- **Base Grant.** Provide a base grant target that achieves the goal of providing per pupil spending based on the national average. Adjusts funding using the Governor's grade span differentials.
 - K-3 Supplement: Moves towards a K-3 class sizes target of 20:1 ratio, commensurate with current law funding.
 - CTE Supplement: Funding same as the Governor's Proposal. Require districts participating in an ROC/P operated by a JPA to use this funding adjustment for the purpose of funding the ROC/P.
 - "Fixed-Costs" add-on: Provide an Add-on for "base categorical" programs – Instructional materials, professional development, deferred maintenance, etc.
- **Establish Economic Recovery Target.** All schools get paid back deficit factor (including foregone cost of living adjustment) and 19.8% categorical program reduction.
- **Supplemental Grant.** Provide a supplemental grant for English learner (EL) and low income pupils (LI) and foster children. A weight will be used that reflects the best available research on additional costs of meeting the unique costs associated with helping these students become academically successful.
- **Concentration Grant.** Provide a concentration grant for English learner (EL) and low income pupils (LI) and foster children. A weight will be used that reflects the best available research on additional costs of meeting the unique costs associated with helping these students become academically successful.
- **Uses duplicated counts.** Uses duplicated rather than unduplicated counts of EL, LI and foster youth.
- **Expenditure Accountability.** Require funds to be spent on services for LI, EL and foster children.
- **Excluded Programs.** Excludes the same programs from the formula as the Governor with the addition of Foster Youth Services. Also excludes Adults in Correctional Facilities, Apprenticeship programs and Adult Education but maintains program requirements.
- **Home To School Transportation and Targeted Instructional Improvement Grant (TIIG).** Maintain TIIG as a separate add-on program per the Governor's proposal. Maintain the Home-to-School Transportation program as a separate program with the goal of equalizing funding formulas.
- **Accountability.**
 - Require school districts to adopt a plan consistent with the Single Plan for Student Achievement and other federal planning requirements.
 - Require EL and LI Master Plan within overall accountability plan regarding use of Supplemental Grant Funds.
 - Provide funds to develop a statewide accountability infrastructure that supports school districts and their ability to build local capacity to improve academic achievement for all pupils, including but not limited to providing technical assistance.

Proposition 98 Changes - Ongoing Funds

(in Millions)

2012-13 Budget Act	Governor	Assembly	Comment
	53,548,789	53,548,789	
Pay down additional K-12 deferrals	1,602,666	1,961,208	\$623 million of this amount is set aside pursuant to placeholder BBL/TBL authorizing DOF to make payments only if LAO revenues materialize
Pay down additional CCC deferrals	179,861	220,089	\$77 million of this amount is set aside pursuant to placeholder BBL/TBL authorizing DOF to make payments only if LAO revenues materialize
Fund Common Core Implementation	1,000,000	1,500,000	Allocate pursuant to legislation
Revenue limit adjustments	292,893	292,893	
Other technical adjustments	-144,385	-144,385	
Revised 2012-13 Spending	56,479,824	57,378,604	
Technical Adjustments	-4,007,402	-4,406,182	
Adjust for deferral paydowns	-1,000,000	61,500,000	
Adjust for one-time Common Core payment	-20,412	-20,412	
Other technical adjustments	55,534	55,534	
Growth in SPED, Nutrition, American Indian programs	42,612	42,612	
Revenue limit adjustments			
K-12 Education			
Implement LCFF (Districts)	1,838,201	3,584,613	Balance
Implement LCFF (County Offices)	32,021	32,021	
LCFF Accountability			Provide \$10 million to CDE to develop the capacity to provide technical assistance, professional and leadership development pursuant to LCFF accountability provisions
Pay down K-12 deferrals	856,036	501,122	\$500 million of this amount would be "set-aside" pursuant BBL/TBL authorizing DOF to make payments only if LAO revenues materialize
Allocate funds to energy efficiency projects	413,000	413,000	
Augment mandate block grant	100,000	0.000	conforms to A. action to reject Gov's proposal
Backfill SPED sequestration out	60,696	0.000	
Provide a COLA for SPED, Nutrition, American Indian programs	59,821	59,821	
Swap one-time funds for SPED	-39,684	-55,150	
Update Special Ed STR		1,687	Provides a total of \$3 million (MR included \$1,333m)
Restore Early Mental Health Initiative		15,000	
Re-establish Adult Education Program		0.000	Provide \$935 million for 13-14. All LEAs receiving adult education funding shall continue to receive the same level of funding. Those districts operating adult education programs shall maintain the same 12-13 spending level for those programs. Beginning in 2014-15 adult education program and funding requirements are restored.
Foster Youth Services		3,735	Reflects program funding level \$18,831 million
Adults in Correctional Facilities		0.000	Provide \$14,967 million Reflects 12-13 reimbursements. Intent to restore 12.42 reduction in 2014-15.
Apprenticeship		3,883	Reflects program funding level \$19,557 million
Child Care		731,044	
Fund child care (all except Stage 1) within Proposition 98		250,000	
Child care increase			Swap one-time for ongoing
California Community Colleges		0.500	
Student Friendly Services		89,421	
Fund 2.2 percent enrollment growth		87,517	
Provide 1.57 percent COLA		19,833	
Pay down CCC deferrals		63,699	
Allocate funds to energy efficiency projects		51,000	
Augment Student Success and Support categorical program		50,000	
Fund adult education planning grant		30,000	
Fund CCC technology initiative		16,910	
Augment categorical programs		190,700	
Establish common assessment system		0.000	
		10,000	
2013-14 Proposition 98 Spending Level	55,258,784	57,661,790	

One-time Proposition 98 Funds

(In Millions)

Available P98 one-time funds	Governor	Assembly	Senate	Comments
Reversion Account balance	9,669	9,669		
January unspent funds	17,204	17,204		
Additional unspent funds at May Revision	44,320	44,320		
Total P98 one-time funds	71,193	71,193	0,000	

Use of P98 one-time funds	Governor	Assembly	Senate	Comments
Williams	9,669	9,669		
Special Education	39,684	55,150		Increase to reflect swap in ongoing funds for Student friendly services and adults in correctional facilities
CSIS	6,873	6,374		
Adults in Correctional Facilities	14,967	0,000		Restore with ongoing funds
Total P98 one-time funds used	71,193	71,193	0,000	

California Community Colleges			
Categorical Budget			
Assembly Plan			
(Dollars in thousands)			
BUDGET ITEMS	2007-08	2013-14	Assembly Plan
	Budget Act	May Revise	
Categorical Funding			
Student Financial Aid Administration	51,640	67,537	72,140
Foster Care Education Program	5,254	5,254	5,336
CaWORKs	43,580	26,695	44,264
Fund for Student Success (MESA/Puente)	6,158	3,792	6,255
Student Success Initiative - Basic Skills	33,100	20,037	33,620
Nursing Support	22,100	13,378	22,447
Disabled Students	115,011	69,223	126,817
Extended Opportunity Programs & Services	122,291	73,605	134,211
Telecom & Technology Services	26,197	15,290	15,530
Academic Senate	467	318	474
Childcare Tax Bail Out	6,836	3,350	7,655
Equal Employment Opportunity	1,747	767	779
Economic Development	46,790	22,929	23,289
Apprenticeship	15,229	7,174	15,468
Part-time Faculty Office Hours	7,172	3,514	7,285
Part-time Faculty Health Insurance	1,000	490	1,016
Part-time Faculty Compensation	50,828	24,907	51,626
Transfer Education and Articulation	1,424	698	1,446
Matriculation - Student Success	101,803	99,183	113,401
Total Categorical Funding	705,972	520,745	681,411