

MAJOR GENERAL FUND ACTIONS OF SUBCOMMITTEE No. 2 ON EDUCATION FINANCE

(IN MILLIONS)

		GOVERNOR'S REVISED 2000-2001 BUDGET	ASSEMBLY SUBCOMMITTEE ACTION	DIFFERENCE
6110	DEPARTMENT OF EDUCATION	\$27,952.2	\$28,074.2	\$122
6120	CALIFORNIA STATE LIBRARY	102	118.3	16.3
6360	COMMISSION ON TEACHER CREDENTIALING AND LICENSING	127.6	141.3	13.7
6420	CALIFORNIA POSTSECONDARY EDUCATION COMMISSION	3.7	3.7	0
6440	UNIVERSITY OF CALIFORNIA	3,300	3,175.1	-124.4
6600	HASTINGS COLLEGE OF LAW	14.3	14.3	0
6610	CALIFORNIA STATE UNIVERSITY	2,467.5	2,514.9	47.4
6870	CALIFORNIA COMMUNITY COLLEGES	2,657.3	2,852.1	194.8
7980	STUDENT AID COMMISSION	503.5	582	78.6

6110 DEPARTMENT OF EDUCATION

Highlights. As approved by Subcommittee on Education Finance, the budget contains a total K-12 spending level of \$30.5 billion, for a \$3.7 billion increase over the funding level originally proposed in the Governor's January budget. This total fully funds growth and COLA and includes the following highlights.

- **Discretionary Funds.** \$1.84 billion in ongoing discretionary funds. This amount eliminates the revenue limit deficit, a debt the state incurred in the early 1990's from underfunding cost-of-living increases in the K-12 area.
- **Deferred Maintenance/Education Technology.** \$425 million in one-time current year funds that schools may use for either 1) technology hardware, 2) linkages to the Internet, or 3) deferred maintenance on school facilities.
- **Education Technology.** \$175 million in one-time funds for education technology hardware and \$25 million for education technology staff development, in accordance with AB 1942 (Reyes), which is sponsored by the Governor. The budget also includes \$25 million for districts to use for technical support for new and existing computer systems, and \$2.25 million for a survey of education technology and for technical assistance.
- **English Learners.** \$250 million in one-time funds for a new grant program proposed by the Governor to assist English learners in grades K-12. Grant recipients for the K-12 program may use the funds over a three-year period.
- **School Site Block Grants for Classroom Materials.** \$150 million in one-time funds for block grants that will go directly to school site accounts that classroom teachers can use to pay for classroom and instructional materials.
- **Full-Day, Full-Year Childcare/Preschool.** \$50 million for half-year costs of 16,000 additional slots in full-year, full-day childcare programs that contain a preschool component. This will help working poor parents who would normally qualify for existing half-day preschool programs, but might not be able to attend because of a lack of wrap-around childcare for the remainder of the day. This augmentation is in addition to the \$23.8 million half-year expansion in half-day preschool programs proposed by the Governor.
- **School Safety: Nurses, Counselors.** \$50 million for a school safety block grant that districts may use to pay for school nurses and counselors.
- **Summer School/Supplemental Instruction.** \$43 million to pay for additional enrollment in existing summer school and supplemental instruction programs that help students that are below grade level. This augmentation is part of a proposal to eliminate enrollment caps on existing programs and would pay for the additional enrollment that might result.

Total Proposition 98

The total Proposition 98 spending level for the budget year includes spending for K-12, community colleges and certain education activities carried out by other agencies and reflects a level that is approximately \$1.4 billion above the minimum funding level guaranteed by law.

- As approved by the Subcommittee on Education Finance, the budget contains a total K-12 Proposition 98 funding level of approximately \$30.5 billion for the 2000-01 year. Per-pupil spending for K-12 is approximately 6,700 per student – six percent more than the per-pupil spending level in the current year.
- Growth and COLA. The budget provides a 3.17 percent COLA. It also provides full funding for growth in K-12 programs, at 1.45 percent.

Governor's Reform Proposals. In addition to the education technology initiative highlighted above, the budget provides funding for the Governor's education reform initiatives, as proposed in January, as well as some funding for further initiatives proposed in the May Revise listed below.

- Teacher Recruitment Programs, as delineated in SB 1505 (Alarcon). \$68.8 million for the Teachers as a Priority program, \$9.4 million for Teacher Recruitment Initiative Programs, \$9 million for a teacher outreach and media campaign, \$15 million for incentives for National Board Certified Teachers, \$3.5 million for new Governor's Teaching Fellowships, a \$20.8 million increase for the existing teacher internship program, and \$1 million to FCMAT to support technical assistance to school districts in improving their personnel systems for hiring teachers.
- Professional Development and Support, as delineated in AB 1941 (Wright). \$80.5 million to expand professional development institutes that are run by UC for teachers. (This augmentation includes a \$5 million augmentation to expand the English Learner Institutes to teachers who teach English learners in grades K-3).
- Improving Student Performance, as delineated in SB 1503 (Polanco). \$24.7 million for new intensive algebra academies for pupils in grades 7-8, including \$3.5 million for small school districts that wish to participate.
- Improving Access to Advanced Placement Courses, as delineated in SB 1504 (Escutia). \$26 million in total assistance to schools with few or no Advanced Placement (AP) courses, including \$17 million for grants to help schools adopt AP courses, \$4 million to UC to continue development and certification of on-line AP courses and \$5 million to expand AVID programs to providing tutoring in AP courses.

- \$100 million in one-time funds for rewards to teachers in schools that show significant progress in their Academic Performance Index (API). The original amount requested by the Governor in his May Revise was \$500 million.
- \$2 million augmentation to double the number of awards available under the Governor's Reading Awards Program.

Other Assembly Priorities. In addition to the highlights above, the budget contains the following augmentations to implement Assembly policy priorities.

- \$15 million to expand educational support programs for students in foster care statewide, (pursuant to legislation).
- \$32 million for equalization and rate increases for regional occupational centers and programs (ROC/P's), plus \$50 million in one-time funds for equipment replacement in ROC/P's, (pursuant to legislation).
- \$8 million for growth and expansion of Indian Education Centers (pursuant to legislation).
- \$7.5 million to pay for three staff development days in adult education programs, whose teachers do not currently receive any state support for staff development.
- \$10 million in one-time funds to expand Alternative Work Education Clinics—dropout recovery programs that recruit dropouts back into alternative high school education programs.
- \$4 million for the statewide costs of implementing a new beginning school administrator training program, modeled after the successful BTSA program.
- \$4 million for a new beginning counselor training programs, also modeled after the successful BTSA program.
- \$4 million to waive the CBEST fee for prospective teachers statewide.
- \$4.4 million for growth in apprenticeship programs.
- \$3 million for the statewide costs of implementing an existing outdoor education program that subsidizes low income children who wish to attend outdoor science programs.
- \$3 million for a school recycling program.
- \$96,000 for the creation of an Office of Environmental Education within SDE to support the above two augmentations.

- \$2.2 million for a new tolerance education program, including SDE state operations support to run the new program.
- \$1 million to provide start-up grants for schools to implement summer food programs and new after school snack programs, both of which are federally-funded.

Special Education. The budget contains the following significant appropriations related to special education.

- An increase of \$36.7 million for special education equalization, as proposed by the Governor.
- An increase of \$31.1 million for low-incidence disabilities adjustment, which provides additional funding to districts with a higher-than-average number of students with high-cost, low-incidence disabilities.
- \$3.4 million in federal funds to fund 44 new positions to monitor local compliance with federal special education law. (This is 25 positions over the increase proposed by the Governor in his May Revise.) This augmentation includes supplemental report language specifying how SDE is to carry out their monitoring activities.
- \$1 million for an independent evaluation of funding for Licensed Children's Institutions, to be administered by DOF.
- Budget control language that allows districts with a large number of students who reside in licensed children's institutions to receive full funding for special education assessment and identification.
- \$7 million for the Work Ability Program, which provides special education students with the skills needed to successfully enter the workforce. This funding was proposed in the Governor's January budget.

Childcare. The budget contains the following provisions related to childcare for both CalWORKs participants and the working poor.

- \$50 million for full-day, full-year childcare that contains a preschool component (see above in highlights).
- A \$28.5 million augmentation as the half-year costs of a second-year expansion of the state preschool program, which provides half-day programs to low-income three- and four-year-olds. This expansion was proposed by the Governor in his January budget and brings the total number of children served by the state program to more than 100,000.
- \$10 million in half-year costs to assist migrant families learn English and parenting skills (\$2.5 million) and to provide them with childcare linked to existing migrant

education centers (\$7.5 million). In addition, the budget contains \$200,000 in state operations funding to support this expansion.

- Full funding for CalWORKs childcare caseload, including full funding for the childcare needs of former CalWORKs participants who have now transitioned off of aid.
- \$6 million for a new childcare working salary increase incentive program, to match Proposition 10 funds that are available for this purpose to help retain childcare workers, whose high turnover rate jeopardizes childcare quality.
- \$300,000 to help childcare centers access existing childcare facilities funding available through different state departments.
- An increase of \$50 million for the Child Care Facilities Revolving Loan Fund, as proposed by the Governor, for a total funding level of \$56.2 million.
- \$10 million to implement the first year of a new CalWORKs center-based pilot initiative, as proposed by the Governor in his May Revise.
- \$5 million for a childcare center accreditation incentive program, as proposed by the Governor.
- Budget control language that establishes that federal funds that are part of the Workforce Investment Act are to be implemented pursuant to legislation.

Trailer Bill Language. The Subcommittee approved the following trailer bill provisions, to accompany the budget.

- Language that gives flexibility to school districts in claiming funding under the Instructional Time and Staff Development Reform Program, so that they can distribute available staff development days among different grades, as needed.
- Language that allows certificated employees who do not teach classes to receive staff development under the Instructional Time and Staff Development Reform Program.
- Language that expands the eligibility criteria for the state school breakfast start-up program, so that more schools can participate to begin or expand programs, which are funded by the federal government.
- Clean-up language to ensure that the English Language Development Test can be administered in the budget year.

Other Appropriations.

- A \$25 million increase in one-time funds for the Charter School Revolving Loan Fund, as proposed by the Governor in his May Revise. The budget also approves the Governor's proposal to fully fund the new charter school categorical block grant.
- Full funding of the California School Information Systems (CSIS) program, at \$12.8 million, as proposed by the Governor, plus \$1.2 million for SDE to improve its information technology systems related to CSIS.
- \$5 million in federal Migrant Education carryover funds to expand the Minicorps program, which pays college students to tutor migrant education students.
- \$4.5 million for a Lewis Center Science Research Campus, as proposed by the Governor in his May Revise.
- \$1 million for a Hi-Tech High charter school, as proposed by the Governor in his May Revise.
- \$500,000 in one-time funds to provide state special schools with the equivalent of what they would be eligible for in categorical programs that other schools receive.
- \$239,000 to fund the state operations costs of operating the partnership academies program. These costs were previously funded out of federal funds, for which SDE received an audit exception because the partnership academies program is a state-run program and therefore should be administered with state funds.
- \$450,000 to improve SDE's management of federal funds that it administers by auditing high-risk funding recipients and addressing a backlog of required childcare audits.
- \$450,000 for an evaluation of dropout prevention programs, to address a veto message in last year's budget.
- \$333,000 in federal Goals 2000 funding for a statutorily-required evaluation of charter schools.
- \$200,000 augmentation above the \$250,000 proposed by the Governor for an evaluation of the Public Schools Accountability Act, with corresponding budget control language that the evaluation look at whether the Act increases enrollment in alternative schools.
- \$33,000 to fund a COLA for International Baccalaureate Programs.

6120 CALIFORNIA STATE LIBRARY

The budget for the California State Library contains the following augmentations.

- \$15.3 million to fully fund the Public Library Fund, which provides operations funding to local libraries.
- \$10 million for a new program proposed by the Governor to teach English as a Second Language to adults.
- \$3.2 million in one-time funds to expand the Families for Literacy Program, as proposed by the Governor in his May Revise.
- \$2.1 million in bond funds to pay for positions to implement the California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2000 (Proposition 14). Voters approved the \$350 million bond in March of this year, to provide build library facilities, with priority given to joint projects between school districts and local libraries.

6360 Commission on teacher credentialing

The budget contains the following augmentations for the Commission on Teacher Credentialing.

- \$5 million to pay for the cost of eliminating the fee for teachers to renew their credential, as well as accompanying trailer bill language to make statute conform to this change.
- \$1.8 million for information technology that will eventually allow credential applicants to apply and make inquiries about their application over the Internet. This proposal was part of the Governor's May Revision.
- Two two-year limited-term positions for CTC to reduce its credential processing time to 50 working days over a two-year period. (The current processing time is 75 working days.)
- \$160,000 for CTC to hire a consultant to make its documents regarding credentialing requirements more easy-to-read.
- \$5 million to expand the existing paraprofessional program, which provides financial support for the education costs of paraprofessionals who wish to pursue teaching careers.

In addition, the budget reduces the teacher credentialing fee from \$60 to \$55.

6440 University of California

Expanding Access

- Provides \$51.2 million to fully fund enrollment growth of 3.65 percent -- thus accommodating 6,000 additional students.
- Provides \$29.3 million (\$19.3 million in new funds) to continue with the development of the 10th UC Campus in Merced.
- Provides \$11 million to expand student academic outreach efforts; \$3.5 million for professional and graduate school programs, \$2.5 million for community college transfer programs, and \$1 million for the Mathematics, Engineering, Science, Achievement (MESA) program, and \$4 million for AP on-line high school programs
- Provides \$13.8 million to reduce summer session student fees, thus helping develop year-round operations at UC.

Improving Quality

- Provides \$26 million to expand UC research activities including; \$8 million for Internet2, \$5 million for California-Mexico research, \$5 million for engineering and computer science, \$1 million for alcohol and substance abuse research, \$2 million for research on the state's natural resources, \$2 million to expand the Cooperative (Agriculture) Extension program, \$1 million for Lupus research, \$1 million for Leukemia research, and \$1 million for spinal cord injury research. The budget also contains \$50 million in one-time funds to create three California Institutes for Science and Innovation.
- Provides \$137.2 million to increase employee compensation and benefits for all UC employees.
- Provides \$26 million for core UC needs; \$8 million for instructional equipment and technology, \$8 million for ongoing maintenance, \$5 million for instructional equipment and \$5 million for library materials. The budget also contains \$25 million (one-time) for deferred maintenance, including \$5 million for the UC Davis Veterinary Medicine program.
- Provides \$54.6 million to expand UC teacher professional development programs
- Provides \$25 million (one-time) for UC teaching hospitals to purchase medical equipment. The budget also adopted language authorizing lease revenue bond authority of up to \$600 million for UC to address seismic issues at their teaching hospitals.
- Provides \$6 million to expand geriatric medicine programs.

Capital Outlay

- \$212.6 million, in Proposition 1A funds, for UC capital outlay expenditures. This amount includes funding for UC to address 39 projects at 11 campuses, placing priority on seismic safety, fire/life safety, and vital infrastructure projects.

6610 California State University

Expanding Access

- Provides \$73.1 million to fully fund enrollment growth of 4.5 percent, thus accommodating 12,577 new students.
- Provides \$19.9 million to reduce summer session student fees, thus helping develop year-round operations at CSU.
- Provides \$38.5 million to expand CSU K-12 programs including: \$10 million to expand teacher recruitment efforts through the California Center for Teaching Careers (CalTeach), \$3.5 million to establish the Governor's Teaching Fellowships, and \$25 million in one-time funds to create a Technology Training program for K-12 Teachers.
- Provides \$10 million in new funding to continue with development of the CSU Channel Islands campus.
- Provides \$2.3 million in new funding to continue with development of the CSU Monterey Bay campus.
- Provides \$380,000 in new funding for a permanent facility for the Coachella Valley off-campus center associated with CSU San Bernardino.
- Provides \$11.3 million in new funding for the CSU Stanislaus Stockton Off-Campus Center.
- Provides \$7 million in new funding to begin development of joint the Off-Campus San Diego State/Southwestern Community College Higher Education Center – which is also a partnership with the Sweetwater High School District.

Improving Quality

- Provides \$113.2 million to increase the employee compensation pool – for a six-percent compensation pool for all employees.

- Provides \$15 million for high cost programs. This will allow CSU to improve and expand instruction in high cost programs such as engineering, agriculture, architecture and nursing.
- Provides \$15 million to expand technology initiatives at CSU – helping wire more libraries, residential halls and classrooms.
- Provides \$2.8 million to augment the base budget for deferred maintenance and \$3 million for more library books and materials.

Capital Outlay

- Provides \$153.3 million, in Proposition 1A funds, for CSU capital outlay expenditures. This amount includes funding for CSU to address 26 projects at 22 campuses and one system-wide project, placing priority on seismic safety, fire/life safety, and vital infrastructure projects. The budget also contains \$25 million for other capital improvement including technology build up and \$5.1 million for fire damage at CSU Hayward.

6870 Community Colleges

Expanding Access

- Provides \$144.4 million to fund a four-percent growth in enrollments and categorical programs – thus accommodating roughly 38,000 more students.
- Provides \$115.05 million to fund the Cost-of-Living Adjustment (COLA) at 3.17 percent for general apportionment and categorical programs.
- Provides \$38.3 million to fund expansion of student outreach and access programs and disabled students programs.

Improving Quality

- Provides \$155 million to expand the Partnership for Excellence Program (PFE). With the increase, the PFE program would have \$300 million in their base budget going out to the 107 Community Colleges on a per full time equivalent student (FTES) basis.
- Provides \$80 million in new funding to support a human resources program; with \$48 million for improvements in compensation, benefits and office hours for part time faculty and \$32 million to recruit and hire more full time faculty.

- Provides \$50 million (one-time) for the Instructional Equipment and Scheduled Maintenance Block Grant program.
- Provides \$45 million for Community College equalization – helping to create funding parity for many districts.
- Provides \$16.3 million to expand the Telecommunications and Technology Infrastructure program.
- Provides \$12.8 million to increase noncredit education courses such as naturalization, English as a second language (ESL), basic skills and vocational training.
- Provides \$25 million to expand industry-driven regional economic development collaboratives.
- Provides \$11 million to expand student transfer activities and programs between four-year segments and Community Colleges.

Capital Outlay

\$307.2 million for capital projects from Proposition 1A funds. This funding level would allow the colleges to address 88 projects at 63 campuses and two system-wide projects. Projects include program expansion, correction of fire/life safety deficiencies, and installation of equipment to complete previously funded projects.

7980 California Student Aid Commission

Making College Affordable

- Provides \$150.2 million to expand the Cal Grant programs; \$76.6 million to provide 22,549 new financial aid awards for A, B and C recipients, \$63.6 million to increase grant levels, and \$10 million to continue the Cal Grant T teacher training program. In addition, the budget provides \$40 million to expand the number of awards pursuant to past budget acts.
- Provides \$250,000 to begin allowing Cal Grant recipients to use financial aid grants during summer session.

Investing in Teacher Training

- Provides authorization to grant 1,000 new loan forgiveness awards Assumption Program of Loans for Education (APLE) for teachers who serve four years teaching in designated subjects and areas - bringing the total number or awards to 6,500.

Expanding Access

- Provides \$2.6 million to augment the California Work-Study Program and double the total budget to \$5.2 million.
- Provides \$5 million to expand the Cal-SOAP student academic outreach program.