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Governor's Proposed 2018-19 Budget Good For Schools!

On January 10, 2018 the Governor presented his initial 2018-19 budget plan to the Legislature. Key elements of the Governor's budget plan specific to K-12 public education are outlined below.

K-12 per-pupil spending

- Sets Proposition 98 per-pupil expenditures at \$11,614 in 2018–19, a \$465 per-pupil increase over the level provided in 2017-18.
- Projects total expenditures (all sources) to be \$16,085 per pupil in 2018–19, including funds provided for prior year settle-up obligations; compared to \$15,654 in 2017–18.

Proposition 98

- Proposes K–14 Proposition 98 funding of \$78.3 billion in 2018–19, an increased investment of \$4.6 billion compared to 2017-18.
- Proposes almost \$1.8 billion in discretionary one-time Proposition 98 funding for school districts, charter schools, and county offices of education for continued investment in implementing academic state content standards, upgrading technology, providing professional development, supporting beginning teacher induction and addressing deferred maintenance projects.
- \$70 million in ongoing Proposition 98 funding to expand the state system of technical support for local educational agencies.

- An increase of \$300,000 Proposition 98 to improve the user interfaces of the California School Dashboard.

Cost-of-Living Adjustment (COLA)

- Funds COLA at 2.51 percent for specified categorical programs funded outside of LCFF, including:
 - \$133.5 million for Special Education, Child Nutrition, Foster Youth, American Indian Education Centers, and the American Indian Early Childhood Education Program.

Local Control Funding Formula (LCFF)

The Governor proposes to provide an additional \$3 billion in ongoing Proposition 98 General Fund to reach full funding of the LCFF and provides \$1.8 billion in additional one-time discretionary resources to be allocated on a per pupil basis.

Fiscal Transparency

The Governor addressed concerns about the linkage between LCFF funds and direct services being provided to the students generating those funds. To improve fiscal transparency and complement the new accountability system, the Budget proposes requiring local educational agencies (LEAs) to show how their budget expenditures align with the strategies detailed in their Local Control and Accountability Plans (LCAPs) for serving students generating supplemental grants. The Budget also proposes calculating and reporting on a single website the total amount of supplemental and concentration funding provided to each LEA under the LCFF.

Early Childhood Education & Child Care

For child care and pre-school, the Governor proposes \$61 million to fund the full-year costs of the rate and slot investments made in the 2017 Budget Act. Additionally, the Governor proposes to increase the Standard Reimbursement Rate by 2.8 percent (\$48 million) and extend the home harmless provision for the Regional Market Reimbursement Rate. Other elements include those below:

- ***Provides One-time Funding for Early Education Expansion Grant.***
The budget includes \$167 million in one-time funding (\$125 million Proposition 98 General Fund and \$42 million TANF) for a competitive grant to increase the availability of inclusive early education care to children ages 0 to 5. The grant will be open to both LEA and non-LEA

providers, and can be used for a variety of activities, including facility renovations, training and equipment.

- ***Transitional Kindergarten:*** The budget also includes an increase of \$41 million (for a total of \$79 million Prop 98 General Fund) for Transitional Kindergarten, reflecting ADA Growth and cost-of-living adjustments. This funding is included within the LCFF totals.
- ***Annualizes Funding and Adds New Slots for Full-Day State Preschool*** administered by LEAs. The budget includes \$19 million to annualize the 2,959 full-day State Preschool slots for local educational agencies set to be initiated April 1, 2018 and an additional \$8 million to add an additional 2,959 full-day State Preschool slots at local education agencies starting April 1, 2019.
- ***Annualizes Funding for Emergency Child Care Bridge Program.*** The budget includes an additional \$20 million to annualize the emergency child care bridge program initiated January 1, 2018, for total program funding of \$40 million statewide.
- ***Includes a One-time Increase for Quality Services.*** The budget includes \$9 million in one-time federal carryover funds for quality improvement activities.
- ***Applies COLA and Statutory Growth Adjustment for Non-CalWORKs Child Care Programs.*** The budget includes a 2.51 percent COLA for non-CalWORKs child care and State Preschool programs. Unfortunately, there is also a decrease proposed in non-CalWORKs child care and preschool slots to reflect a 0.48 percent negative growth factor based on decreased child population.
- ***A Decrease of Federal Child Care and Development and TANF Funds***—A decrease from \$120.1 million in 2017-18 to \$70.6 million in 2018-19. Total TANF and federal Child Care and Development Fund is \$707 million.
- ***Creation of a Fully Online Community College that Offers Child Development Credentialing***--An increase of \$120 million to establish a fully online community college that provides scheduling flexibility and more accessible learning options for the child development workforce.

Career Technical Education

An increase of \$200 million in Proposition 98 is proposed to go to the California Community Colleges (CCC) Strong Workforce Program to operate a new high school CTE program to be administered by the CCC in collaboration with CDE. The K-12 specific component of the Strong Workforce encourages the establishment and support of K-12 CTE programs that are aligned with needed industry skills and proposes an ongoing increase of \$12 million to fund local industry experts who will provide technical support to local LEAs operating or starting CTE programs.

K-12 Special Education

Recently there have been two comprehensive efforts to evaluate special education in California: the California Statewide Special Education Task Force and the Public Policy Institute of California's report on Special Education Finance. In addition, the Department of Finance held four special education stakeholder meetings last spring. To address the various recommendations from these efforts, the budget proposes to:

- Strengthen the linkages between special education and general education planning by requiring Special Education Local Plan Areas (SELPA) to complete a SELPA local plan template that aligns the services noted in their local plans with the goals identified in their members district LCAPs.
- Improve special education budgeting transparency and accountability by requiring a SELPA to summarize how its planned expenditures and services align with the improved student outcomes strategies noted in its plan.
- Provide \$10 million ongoing Proposition 98 for SELPAs to work with COE to provide technical assistance to LEAs to improve student outcomes as part of the statewide system of support.
- Provide \$100 million to increase and retain special education teachers.

K-12 Accountability and Support

Provides \$70.5 million in ongoing Proposition 98 to further implement the state system of support, including:

- \$55.2 million to help COEs facilitate the improvement of school districts identified as being in need of differentiated assistance.

- To address the varying capacity of COEs to do this work, the Budget allocates \$4 million for a competitive grant process to identify eight lead COE, who will provide training, resources, and support for other COEs.
- \$11.3 million (an increase of \$6.5 million) for the California Collaborative for Educational Excellence (CCEE), to work with COE to provide assistance to school districts, and when necessary, provide direct assistance to school districts in specified extraordinary circumstances.

Teacher Workforce

- The budget proposes \$100 million investment to increase and retain special education teachers:
 - Teacher Residency Grant Program - \$50 million one-time Proposition 98 to support locally sponsored, one-year intensive, mentored, clinical teacher preparation programs aimed at preparing and retaining special education teachers.
 - Local Solutions Grant Program - \$50 million one-time Proposition 98 to provide one-time competitive grants to LEAs to develop and implement new or expand existing, locally identified solutions that address a local need for special education teachers.

K-12 School Facilities

The budget proposes \$640 million in board authority for 2018-19 to fund: new construction, modernizations, CTE, and charter facility projects based upon the Office of Public School Construction progress and State Allocation Board approval.

Charter School Facilities

The budget proposes an ongoing increase of \$28.3 million in Proposition 98 to align available Charter School Facility Grant Program funding with estimated programmatic participation.

Mandate Block Grant

Proposes \$1.8 billion in one-time Prop 98 to pay down the outstanding K-12 mandate debt thereby reducing the mandate debt to less than \$1 billion.

Instructional Quality Commission (IQC)

A one-time increase of \$938,000 general fund to continue its work on the development of state content standards, frameworks, and model curriculum.

California Collaborative for Educational Excellence (CCEE)

An increase of \$6.5 million Proposition 98 General Fund for the California Collaborative for Educational Excellence to help build capacity within county offices of education to provide technical assistance and improve student outcomes.

Many of the Governor's budget education proposals relate to issues of longstanding interest and concern to the Legislature, such as prioritized implementation of the LCFF, expanding Career Technical Education and addressing backlog of mandates. However please remember the Legislature may have different priorities for the 2018-19 state budget, such as increasing per student funding for special education services, that may change what has been proposed by the Governor. Additionally, concern still remain regarding the support and improvement of low-performing school districts, the role of COEs in the state's new K-12 accountability system and the elimination of the mandate backlog. So, the "budget dance" begins and budget subcommittee hearings on the proposed 2018-19 state budget begins. Stay tuned for further updates and action alerts on budget items of concern to CABE.

