

The State of K-12 and Higher Education Budget: Implications for Latinas

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Overview of Budget Process

Formal timeline: who does what

- Fiscal year 2007-08: July 1, 2007 – June 30, 2008
- Governor proposes budget January 10
- Subcommittees review, make changes: March – May
- Both houses pass their own version; reconcile differences in conference committee: June.

Overview of Budget Process continued. . .



■ Bills

- Budget-related bills - seek sponsorship in fall, January, February
- Work bills and parallel issue through the budget.

■ Budget

- Governor's Jan 10 – lobby for inclusion.
- Subcommittee process – testify, letters, meetings
- Conference committee/ closed-door negotiations – letters, meetings



Overview of Budget Process continued. . .

Challenges for advocates:

- Process less transparent as time goes on.
- Conference committee – no public comment.
- After conference committee – discussions behind closed doors



Proposition 98 Funding Model

- Requires that the state provide a minimum funding level every year for K-12 and community colleges.
- Formula considers enrollment, growth of the economy, availability of budget revenues.
- Intended to ensure education funding keeps up with the growth in the economy.



Proposition 98 Funding Model (cont.) Timing of Formula

- **Governor's January 10 budget**
 - Governor estimates Proposition 98 minimum
 - LAO presents its own estimate of Prop. 98 minimum (more or less than Gov.)
- **May Revision**
 - State has more updated information on available revenues.
 - Governor proposes "new" Prop. 98 minimum – sometimes more, sometimes less than Jan 10.

2006-07 K-12 Budget

Highlights: ELL Initiatives

- **P98 Funding: \$55.1b** - allowed the state to provide significant program expansions.
- **ELL Initiatives:**
 - Economic Impact AID: \$350m augmentation (50% increase) to program that provides instructional support to low-socio economic and/or ELL pupils. Total program funding is approximately \$1 billion.
 - ELL Prof. Development: \$25m augmentation to existing program to provide teachers of ELL pupils with training in reading and math.
 - ELL Research Pilot Project: \$20m to provide school districts to implement "best instructional practices" for ELL students pilot project.
 - Supplemental Instructional Materials for ELL pupils: \$30m to for districts to purchase off-the-shelf supplemental instructional materials that help English learners learn English, so that they can better benefit from the state-approved instructional materials



2006-07 K-12 Budget Highlights (cont.) Preschool / QEIA

- Preschool: \$50m for the expansion of current state preschool program targeted at low-performing schools.
- Quality Investment Education Act (QEIA): Participating schools in Deciles 1-3 of the Academic Performance Index will receive approximately \$1000 per student to meet requirements in the areas of class size, teacher quality, and counselor ratios. This program implements the terms of the CTA, et al. v. Schwarzenegger, et al. settlement and pays the outstanding balance of funding owed to P98 (\$3 billion over 7 yrs).



Proposed 2007-08 K-12 Budget Highlights

- Maintenance budget: growth and COLA but little else.
- Maintains significant increases from last year's budget.
- Significant "shifts" moving money in and out of Proposition 98. Of note:
 - Public Transportation Funds – Using these for school busing to save General Fund.



Proposed 2007-08 K-12 Budget Highlights

- **Jan 10 budget includes Childcare “shift”**
 - Childcare currently funded with mix of state funds, Proposition 98 (state education funds) and federal funds.
 - Governor proposes to increase share of childcare funded with Proposition 98, but no overall increases to childcare.
 - Conflict between K-12 and childcare communities.



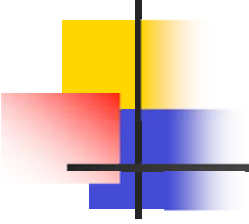
UC / CSU Budget Overview

- Funding for UC and CSU is based on the Governor's Compact Agreement:
 - Extends from 2005-06 thru 2010-11.
 - Provides for annual growth in state funding for basic funding and enrollment growth.



2007-08 Proposed UC / CSU Budget Overview

- 4 % increase for basic support budget.
- 2.5% enrollment growth (5,340 FTES for the UC and 8,355 FTES for the CSU)
- Assumes revenues from a 7% (UC) and 10% student fee increase.



2007-08 Proposed UC / CSU Budget Overview (cont.)

Does Not Include:

- \$19.3 million (UC) and \$7 million (CSU) in General Fund for academic preparation programs.
- \$6 million for labor research funding.
- *Funding above the Compact:* \$95 million for the Governor's Research and Innovation Initiative.



2007-08 Proposed CCC Budget Overview

- \$109.1 million for enrollment growth (23,000 additional students).
- \$244.5 million for Growth and COLA for apportionments and categorical programs.
- \$33.3 million (for a total of \$73.3 million) backfill for student fee reduction.
- \$52 million for Career Technical Education.

[NOTE: CCC funding source is Proposition 98]



2007-08 Proposed Student Aid Commission Budget

- \$61.3 million increase for Cal Grant Entitlement program.
 - The increase covers anticipated program growth and the recently approved undergraduate fee increases for UC and CSU students.



K-12 Education Budget & Policy Issues: "Test 1"

- Proposition 98 formula – Test 1 has only been triggered once.
- Requires that a percentage of General fund revenues go to education.
- Significant increases to K-14 education, beginning as early as 2009-10.
- Increases of up to \$6 billion above growth and COLA.



K-12 Education Budget & Policy Issues: Test 1 Challenges

- Legislature needs road map for how to spend, instead of reacting to Governor
- Will be difficult to get consensus on priorities.
- Achievement gap likely to be high on the list.
- Next couple of years important for advocates to give input.



K-12 Education Budget & Policy Issues: Adequacy Studies

- Joint request by Governor, Assembly Speaker, Senate Leader.
- Numerous studies by academicians.
- Mixed reception by requestors.
- To read studies:
<http://irepp.stanford.edu/projects/capfinance.htm>



K-12 Education Budget & Policy Issues: Adequacy Studies (cont.)

■ Findings on Costs:

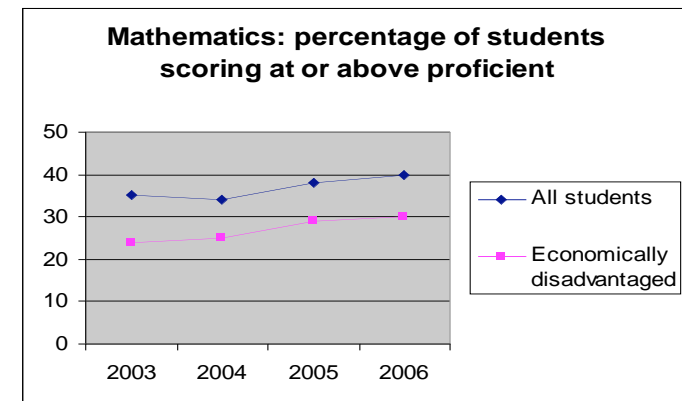
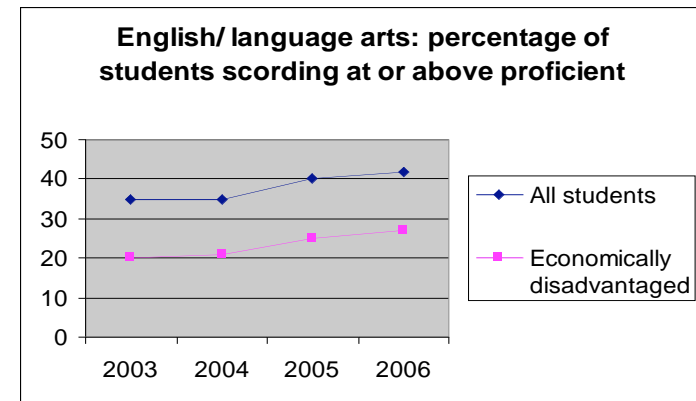
- California doesn't spend enough.
- Needed increase is in dispute.
- Need to spend more on economically disadvantaged students.

■ Findings on Structure:

- Structure is inefficient.
- Too many categoricals (programs earmarked for specific purposes).
- Need to reform laws.

K-12 Education Budget & Policy Issues: Achievement Gap

- The achievement gap has persisted over the past four years, putting economically disadvantaged students at least 10 percentage points behind the overall population in terms of those meeting the state achievement target.





K-12 Education Budget & Policy Issues: Preschool

- 2.7 million children are btw. 0-5 yrs of age. (40% are Latino).
 - More than 1/3 of children ages 3-5 are ELL children.
 - Only about 42% of 3-4 yr. olds attend preschool (35% of Latinos).
 - Preschool is critical for low-socio economic children, children of color, and ELL children.



Higher Education Budget & Policy Issues

- Access
- Financial Aid
- Academic preparation programs
- Student services that foster retention and graduation such as advising, EOP, tutoring.



Questions / Comments

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