

K THRU 12 EDUCATION

California provides instruction and support services to roughly six million students in grades kindergarten through twelve in more than 10,000 schools throughout the state. A system of 58 county offices of education, more than 1,000 local school districts, and more than 1,000 charter schools provide students with instruction in English, mathematics, history, science, and other core competencies to provide them with the skills they will need upon graduation for either entry into the workforce or higher education.

The Budget includes total funding of \$76.6 billion (\$45.3 billion General Fund and \$31.3 billion other funds) for all K-12 Education programs.

PROPOSITION 98

A voter-approved constitutional amendment, Proposition 98, guarantees minimum funding levels for K-12 schools and community colleges. The guarantee, which went into effect in the 1988-89 fiscal year, determines funding levels according to multiple factors including the level of funding in 1986-87, General Fund revenues, per capita personal income, and school attendance growth or decline.

The Budget includes Proposition 98 funding of \$60.9 billion for 2014-15, an increase of \$5.6 billion over the 2013 Budget Act level. When combined with increases of \$4.4 billion in 2012-13 and 2013-14, the Budget provides a \$10 billion increased investment in K-14 education. Proposition 98 funding for K-12 education grows by more than \$12 billion

from the 2011-12 fiscal year to the 2014-15 fiscal year, representing an increase of more than \$1,900 per student.

K-12 BUDGET ADJUSTMENTS

Significant Adjustments:

- **Local Control Funding Formula**—An increase of \$4.75 billion Proposition 98 General Fund to continue the State’s landmark transition to the Local Control Funding Formula. This formula commits most new funding to districts serving English language learners, students from low-income families, and youth in foster care. This increase will close the remaining funding implementation gap by more the 29 percent. Additionally, the Budget addresses an administrative problem related to the collection of income eligibility forms that are used to determine student eligibility for free or reduced-price meals.
- **K-12 Deferrals**—The Budget repays nearly \$4.7 billion Proposition 98 General Fund for K-12 expenses that had been deferred from one year to the next during the Great Recession, leaving an outstanding balance of less than \$900 million in K-12 deferrals. Further, the Budget includes a trigger mechanism that will appropriate any additional funding resources attributable to the 2013-14 and 2014-15 fiscal years subsequent to the enactment of the Budget for the purpose of retiring this remaining deferral balance.
- **Independent Study**—The Budget streamlines the existing independent study program, reducing administrative burdens and freeing up time for teachers to spend on student instruction and support, while making it easier for schools to offer and expand instructional opportunities available to students through non-classroom based instruction.
- **K-12 Mandates**—An increase of \$400.5 million in one-time Proposition 98 General Fund to reimburse K-12 local educational agencies for the costs of state-mandated programs. These funds will make a significant down payment on outstanding mandate debt, while providing school districts, county offices of education, and charter schools with discretionary resources to support critical investments such as Common Core implementation.
- **K-12 High-Speed Internet Access**—An increase of \$26.7 million in one-time Proposition 98 General Fund for the K-12 High Speed Network to provide technical assistance and grants to local educational agencies to address the technology

requirements necessary for successful Common Core implementation. Based on an assessment by the K-12 High Speed Network, these funds will be targeted to those local educational agencies most in need of help with securing required internet connectivity and infrastructure to implement the new computer adaptive tests under Common Core.

- Career Technical Education Pathways Program—An increase of \$250 million in one-time Proposition 98 General Fund to support a second cohort of competitive grants for participating K-14 local educational agencies. Established in the 2013 Budget Act, the Career Pathways Trust Program provides grant awards to improve career technical programs and linkages between employers, schools, and community colleges.

CHILD CARE AND STATE PRESCHOOL

Subsidized Child Care includes a variety of programs designed to support low-income families so they may remain gainfully employed. These programs are primarily administered by the State Department of Education. Additionally, the State Preschool program is designed as an educational program to help ensure children develop the skills needed for success in school.

Significant Adjustments:

- Child Care and State Preschool Slots—The Budget includes \$57 million General Fund and \$30 million Proposition 98 General Fund for 500 slots for the Alternative Payment program, 1,000 slots for General Child Care, 7,500 part-day State Preschool slots, and 7,500 part-day wrap around care slots. The Budget also specifies that an additional 4,000 part-day State Preschool slots and 4,000 part-day wrap around care slots will be provided in 2015-16.
- Provider Rates and State Preschool Fees—The Budget includes \$24 million General Fund and \$25 million Proposition 98 General Fund to increase the standard reimbursement rate for state contracted providers by 5 percent, effective July 1, 2014, and \$19 million General Fund to update the regional market rate for voucher-based providers, effective January 1, 2015. The Budget also repeals part-day State Preschool family fees and backfills them with \$15 million Proposition 98 General Fund.

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- Child Care and State Preschool Quality—The Budget includes \$50 million Proposition 98 General Fund for local block grants for locally driven quality improvement processes. The Budget also includes \$25 million Proposition 98 General Fund one-time for preschool and transitional kindergarten teacher training in early childhood development and \$10 million Proposition 98 General Fund one-time to provide loans for State Preschool facility expansion.