

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 \$88.3 billion (\$51.6 billion General Fund and \$36.7 billion other funds) for all K-12 education programs.

PROPOSITION 98

Proposition 98 is a voter-approved constitutional amendment that 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 Local Control Funding Formula is the primary mechanism for distributing funding to support all students attending K-12 public schools in California.

The Budget includes Proposition 98 funding of \$71.9 billion for 2016-17, an increase of \$3.5 billion over the 2015-16 Budget Act level. When combined with increases of

\$1.5 billion in 2014-15 and 2015-16 as well as other one-time savings and adjustments in those years, the Budget provides a \$5.9 billion increased investment in K-14 education. Since 2011-12, Proposition 98 funding for K-12 education has grown by more than \$21.7 billion, representing an increase of more than \$3,600 per student.

The Proposition 98 maintenance factor—an indicator of past reductions made to schools and community colleges—totaled nearly \$11 billion as recently as 2011-12. The Budget reduces this obligation to \$908 million.

K-12 BUDGET ADJUSTMENTS

Significant Adjustments:

- Local Control Funding Formula—An increase of more than \$2.9 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 bring the formula to 96 percent of full implementation.
- College Readiness Block Grant—An increase of \$200 million one-time Proposition 98 General Fund for grants to school districts and charter schools serving high school students to provide additional services that support access and successful transition to higher education. These funds can be spent over the next three years. Allocation of the funding will be based on the number of students in grades 9 through 12 that are English-learners, low-income, or foster youth, with no school district or charter school receiving less than \$75,000. The University of California will work to increase admissions of students who were enrolled in schools in which enrollment of English-learners, low-income students, or foster youth is greater than 75 percent of total enrollment.
- Teacher Workforce—A combined increase of \$35 million one-time General Fund (\$10 million non-Proposition 98 and \$25 million Proposition 98) to fund several programs aimed at recruiting additional teachers and streamlining teacher preparation programs:
 - Integrated Teacher Preparation Grant Program—An increase of \$10 million one-time non-Proposition 98 General Fund for the Integrated Teacher Preparation Grant Program to provide competitive grants to colleges and universities to develop or improve four-year integrated teacher credential

programs enabling credential candidates to receive both a teaching credential and a bachelor's degree.

- Classified School Employees Credentialing Program—An increase of \$20 million one-time Proposition 98, available for five years, to establish the California Classified School Employees Credentialing Program, and provide grants to K-12 local educational agencies to support recruitment of non-certificated school employees to participate in a teacher preparation program and become certificated classroom teachers in California public schools.
- California Center on Teacher Careers—An increase of \$5 million one-time Proposition 98 General Fund for a multi-year competitive grant to a local educational agency to establish and operate the California Center on Teaching Careers to recruit qualified and capable individuals to the teaching profession. The center will host a referral database for teachers seeking employment, develop and distribute recruitment publications; conduct outreach activities to high school and college students; provide statewide public service announcements related to teacher recruitment; and provide prospective teachers information on credential requirements, financial aid, and loan assistance programs.
- Charter School Start Up Grants—An increase of \$20 million one-time Proposition 98 General Fund to support operational startup costs for new charter schools in 2016 and 2017, which will help offset the loss of federal funding previously available for this purpose. These funds will be available for distribution after all current federal funding for startup costs has been exhausted.
- California Collaborative for Educational Excellence—An increase of \$24 million one-time Proposition 98 General Fund for the California Collaborative for Educational Excellence to: (1) support statewide professional development training on use of the evaluation rubrics by local educational agencies, and (2) implement a pilot program to inform the Collaborative's long-term efforts related to advising and assisting local educational agencies in improving pupil outcomes. This funding will build local and state capacity to implement a system of continuous improvement in the eight state priority areas upon which the Local Control Funding Formula is based.
- Multi-Tiered Systems of Support—An increase of \$20 million one-time Proposition 98 General Fund to allow local educational agencies to provide services that assist and encourage multi-tiered systems of supports. These services support academic, behavioral, social, and emotional needs and have been successful in

improving outcomes for all students. This funding builds upon the \$10 million included in the 2015 Budget Act, which was awarded to the Orange County Office of Education to develop guidance and supportive services for schools statewide in implementing these systems.

- Restorative Justice Grants—An increase of \$18 million one-time Proposition 98 General Fund for truancy and dropout prevention grants, consistent with Proposition 47, the Safe Neighborhoods and School Act.
- Safe Drinking Water in Schools—An increase of \$9.5 million one-time Proposition 98 General Fund to create a grant program to improve access to safe drinking water for schools located in isolated and economically disadvantaged areas. The program will be developed and administered by the Water Resources Control Board in consultation with the State Department of Education.
- K-12 Mandates—An increase of \$1.3 billion one-time Proposition 98 General Fund to reimburse K-12 local educational agencies for the costs of state-mandated programs. These funds, combined with previous years' investments, will substantially reduce outstanding mandate debt owed to schools, while providing school districts, county offices of education, and charter schools with discretionary resources to support critical investments at the local level. These funds can be used for activities such as deferred maintenance, professional development, induction for beginning teachers, instructional materials, technology, and the implementation of new educational standards.

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 Department of Education. Additionally, the State Preschool program is designed as an educational program to help children develop the skills needed for success in school. The Department of Education and the Department of Social Services jointly administer the three-stage CalWORKs child care system to meet the child care needs of recipients of aid while they participate in work activities and as they transition from cash aid. Families can access services through centers that contract directly with the Department of Education, or by receiving vouchers from county welfare departments or alternative payment program providers.

Significant Adjustments:

- **Provider Reimbursement Rates**—An increase to child care provider reimbursement rate ceilings to reflect a corresponding increase in the cost of providing care related to changes in the state minimum wage. The Budget includes the following amounts which are expected to grow with future minimum wage increases:
 - **Standard Reimbursement Rate**—An increase of \$67.6 million General Fund (\$43.7 million Proposition 98, \$23.9 million non-Proposition 98) to provide a 10-percent increase to the reimbursement rate for State Preschool and other direct-contracted child care and development providers, beginning January 1, 2017.
 - **Regional Market Reimbursement Rate**—An increase of \$69.9 million General Fund to (1) increase the maximum reimbursement ceiling for voucher-based child care providers to reflect more recent estimates of the cost of doing business and (2) increase the rate for license-exempt providers from 65 to 70 percent of the licensed family child care home rate, both beginning January 1, 2017. This increase in funding includes a provision that ensures providers in areas where the estimated cost of doing business has decreased in recent years will not receive a lower reimbursement rate through June 30, 2018.
- **Full-Day State Preschool**—An increase of \$7.8 million Proposition 98 to provide access to full-day State Preschool for an additional 2,959 children from low-income working families, starting March 1, 2017. Over a period of four years, a total of 8,877 new full-day State Preschool slots will be added at a total cost of \$100 million Proposition 98.

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