

To: CABE Board Members
From: Martha Zaragoza Diaz, Lobbyist
Subject: Update on 2016-17 State Budget
Date: June 23, 2016
Cc: Jan Gustafson Corea, Executive Director

The Legislature forwarded to the Governor, on time, a 2016-17 State Budget and trailer bills. The Governor should sign the budget since it was negotiated with his staff, the Department of Finance. The Legislature forwarded a \$171 billion dollar package starting July 1, 2016, the beginning of the fiscal year for the state. We are still waiting for the Governor to take action, hopefully there will be minimal “blue penciling” of budget items.

Proposition 98 Guarantee:

- \$71.9 billion: This is \$2.8 billion more than the revised total for 2015-16 and \$3.5 billion more than the Legislature appropriated a year ago for the current year.
- \$10,657: Per student funding, up to 4.3 percent from \$10,217 in 2015-16 per the Legislative Analyst Office.
- \$63.5 billion: Portion of Prop 98 to K-12
- \$8.3 billion: Portion of Prop 98 to community colleges.

Local Control Funding Formula:

- \$2.94 billion: Increase in funding for the LCFF, the primary source of general funding for school districts, bringing total LCFF funding to \$55.8 billion.
- With this increase, progress toward reaching full implantation of LCFF. This is the point where school districts will be restored to pre-recession levels, plus cost-of-living adjustments.
- \$506: Per student LCFF funding increase for an average district in which 63% of students draw extra funding as high needs students. This figure breaks down to \$84 in supplemental and concentration dollars for high needs students and \$422 in the base dollars.
- Zero: No cost-of-living adjustments, based on federal formula for non-LCFF programs, including special education and child nutrition,

Early Learning/Child Care:

- The final budget does not include the Governor’s proposed \$1.6 billion block grant, which would have combined funding for the state’s preschool and transitional kindergarten, but giving districts discretion over which programs to support.

- The final budget does not eliminate funding for transitional kindergarten.
- The Legislative Women’s Caucus along with the Early Learning/Child Care community, were successful in pushing for \$500 million additional funding over the next 4 years.
- Additional funding results in: a) 8,877 additional full-day state preschool slots by 2019-20, starting with 2,959 in March 2017.

Funding Addressing Teacher Shortages:

- \$20 million: Grants for teacher’s aides and other school employees to pursue a teaching credential.
- \$10 million: Grants for colleges and universities to establish an integrated or blended teacher preparation program providing a bachelor’s degree and teaching credential in four years.
- \$5 million: Re-establishing and funding the California Center on Teaching Careers, a recruitment and marketing effort for individuals interested in becoming teachers.
- No money for loan forgiveness program for teachers or the Assumption Program of Loans for Education (APLE).

Other:

- \$1.2 million in one-time federal Title III state level carryover for CDE to develop a best practices video series to provide guidance to LEAs on effective ELD instruction for English learners and to revise the CDE’s guidance document on instruction for English learners.
- Partnering with community colleges, pending approval of legislation: a) \$25 million for Funding for Innovation Awards to address equity issue and encourage the use of technology, and 2) \$30 million for “Transformation Grants” to campuses for programs helping students progress from remedial math and English courses to college-level instruction.
- \$1.28 billion: Discretionary district funding, which also counts towards paying down previously mandated costs the state had not reimbursed.
- \$200 million: K-12 college readiness grants to low-income students to add AP courses and A-G courses that UC and CSU systems require for admission.
- \$18 million: Grants for dropout and truancy prevention programs.