

June 14, 2010

K-12 Categorical Flexibility

L E G I S L A T I V E A N A L Y S T ' S O F F I C E

Presented to:
Budget Conference Committee



Last Year State Removed Many K-12 Categorical Program Requirements

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- As part of February 2009 budget package, the state allowed school districts to use the funding associated with about 40 categorical programs for any education purpose.
- Essentially means districts can use about \$4.5 billion in former categorical funding for any high priority.
- This flexibility is authorized through 2012-13.
- About 20 state-funded categorical programs excluded from this flexibility. State provides about \$7.5 billion for these standalone programs.

K-12 Categorical Programs in Flexibility Item

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| Programs | |
|---|---|
| Targeted Instructional Improvement Block Grant | Community Based English Tutoring |
| Adult education | Physical Education Block Grant |
| Regional Occupational Centers and Programs | Alternative Credentialing/Internship programs |
| School and Library Improvement Block Grant | Peer Assistance and Review |
| Supplemental instruction | School Safety Competitive Grants |
| Instructional Materials Block Grant | California Technology Assistance Projects |
| Deferred maintenance | Certificated Staff Mentoring |
| Professional Development Block Grant | County offices of education Williams audits |
| Grade 7-12 counseling | Specialized Secondary Programs |
| Charter schools categorical block grant | Principal Training |
| Teacher Credentialing Block Grant | American Indian Education Centers |
| Arts and Music Block Grant | Oral health assessments |
| School Safety Block Grant | Advanced Placement fee waivers |
| Ninth-Grade Class Size Reduction | National Board certification incentive grants |
| Pupil Retention Block Grant | Bilingual teacher training assistance program |
| California High School Exit Exam supplemental instruction | American Indian Early Education Program |
| California School Age Families Education | Reader services for blind teachers |
| Professional Development Institutes for Math and English | Center for Civic Education |
| Gifted and Talented Education | Teacher dismissal apportionments |
| Community Day Schools | California Association of Student Councils |

K-12 Categorical Programs Excluded From Flexibility Item

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| Programs |
|--------------------------------------|
| Special education |
| K-3 Class Size Reduction |
| Economic Impact Aid |
| After School Safety and Education |
| Home-to-School Transportation |
| Quality Education Investment Act |
| Child nutrition |
| Student assessments |
| English Language Acquisition Program |
| Year-Round school grants |
| Charter school facility grants |
| Partnership Academies |
| Apprentice programs |
| Foster youth programs |
| Adults in correctional facilities |
| County office oversight |
| K-12 High-Speed Network |
| Agricultural vocational education |

Comparing Flexibility Plans

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- Governor's Plan.** Contains two flexibility components—easing restrictions on (1) contracting out for noninstructional services and (2) hiring/ pay rates for substitute teachers. Recommend adopting both proposals.
- Assembly Plan.** Contains no additional flexibility for school districts.
- Senate Plan.** Provides significant additional flexibility for school districts (see next page). Recommend adopting five of the proposals.

Senate Flexibility Package

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| Recommend Adopting Most of Senate Flexibility Package | | | |
|--|---|---|---------------------------|
| Page | Program | Senate Action | LAO Recommendation |
| 8 | K-3 Class Size Reduction | Makes flexible through 2012-13. | Adopt (Senate) |
| 9 | Home-to-School Transportation | Makes flexible through 2012-13. | Adopt (Senate) |
| 31 | After school programs | Approves language to place measure on ballot to remove automatic funding formula in Proposition 49, with intent to make program flexible through 2012-13. | Adopt (Senate) |
| 10 | Career Technical Education (CTE) | Consolidates five existing CTE programs into one large CTE block grant. | Adopt (Senate) |
| 11 | English Learner Assistance Program | Folds into Economic Impact Aid. | Adopt (Senate) |
| 12 | California School Age Families Education child care | Pulls component out of the flex item. | Reject (Assembly) |
| 13 | California High School Exit Exam supplemental instruction | Pulls program out of flex item. | Reject (Assembly) |