

September 13, 2012

# 2012-13 Spending Plan: Education Detailed Budget Tables

---

LEGISLATIVE ANALYST'S OFFICE





**Figure 1**  
**Major Adjustments to Proposition 98 Minimum Guarantee**

*(In Millions)*

<b>2011-12 Budget Act</b>	<b>\$48,651</b>
Update for changes in baseline revenues	-\$2,220
Update for changes in other Proposition 98 factors <sup>a</sup>	-339
Eliminate gas tax rebenching	-609
Use consistent rebenching approach	103
Add Governor's new revenues accrued to 2011-12	1,330
<b>2011-12 Revised</b>	<b>\$46,916</b>
Baseline growth	\$3,702
Add Governor's new revenues attributed to 2012-13	2,878
Additional student mental health services rebenching	99
<b>2012-13 Budget Act</b>	<b>\$53,595</b>
<sup>a</sup> Includes updated estimates of revenues from local property taxes and redevelopment agencies, which affect the guarantee when Test 1 is operative. Also includes updated estimate of the amount of sales tax revenue that would have been raised from gasoline.	

**Figure 2****Proposition 98 Funding***(Dollars in Millions)*

	2010-11	2011-12	2012-13	Change From 2011-12	
				Amount	Percent
<b>K-12 Education</b>					
General Fund	\$29,995	\$29,361	\$32,828 <sup>a</sup>	\$3,468	12%
Local property tax revenue	12,191	11,856	14,342	2,487	21
Subtotals	(\$42,186)	(\$41,216)	(\$47,170)	(\$5,954)	(14%)
<b>California Community Colleges</b>					
General Fund	\$3,885	\$3,279	\$3,415 <sup>a</sup>	\$136	4%
Local property tax revenue	1,965	1,971	2,403	432	22
Subtotals	(\$5,850)	(\$5,251)	(\$5,818)	(\$568)	(11%)
<b>Preschool</b>	\$380	\$368	\$481	\$113	31%
<b>Other Agencies</b>	87	82	79	-3	-3
<b>Totals, Proposition 98</b>	<b>\$48,503<sup>b</sup></b>	<b>\$46,916</b>	<b>\$53,549<sup>c</sup></b>	<b>\$6,633</b>	<b>14%</b>
General Fund	\$34,346	\$33,089	\$36,804 <sup>a</sup>	\$3,714	11%
Local property tax revenue	14,157	13,827	16,745	2,918	21

<sup>a</sup> Includes revenues from the Education Protection Account.  
<sup>b</sup> In 2010-11, the state also provided \$872 million in Proposition 98 funding for child care programs.  
<sup>c</sup> Due to Governor's vetoes (\$46 million), funding level is slightly below minimum guarantee.

**Figure 3****Major 2012-13 Proposition 98 Spending Changes***(In Millions)***Technical Changes:**

Backfill one-time actions	\$3,334
Make revenue limit adjustments	238
Backfill Proposition 63 mental health funding	99
Fund growth in certain categorical programs <sup>a</sup>	60
Other adjustments	-25
Subtotal	(\$3,705)

**Policy Changes:**

Pay down K-14 deferrals	\$2,225
Fund QEIA program within Proposition 98	361
Fund all preschool slots within Proposition 98	164
Create K-14 mandate block grant	110 <sup>b</sup>
Backfill for lower CCC fee revenues	82
Fund CCC enrollment growth (0.9 percent)	50
Reduce preschool slots and collect family fees	-50
Eliminate Early Mental Health Initiative	-15
Subtotal	(\$2,928)

**Total Changes****\$6,633**

<sup>a</sup> Applies to Charter School Categorical Block Grant, supplemental categorical grant for new charter schools, Child Nutrition, and preschool.

<sup>b</sup> An additional \$90 million in base funding is provided—for total block grant funding of \$200 million.  
QEIA = Quality Education Investment Act.

**Figure 4****Proposition 98 Trigger Reductions***(In Millions)*

<b>New Proposition 98 Spending:</b>	
Fund K-14 debt service payments within Proposition 98	\$2,518
Fund Early Start program within Proposition 98	197
Subtotal	(\$2,715)
<b>Proposition 98 Reductions:</b>	
Rescind K-12 deferral pay downs	-\$2,065
Rescind CCC deferral pay downs	-160
Reduce K-12 revenue limits	-2,740
Reduce CCC apportionments	-339
Rescind apportionment funds for CCC enrollment growth	-50
Subtotal	(-\$5,354)
<b>Total Changes</b>	<b>-\$2,639</b>



**Figure 5**  
**Certain Proposition 98 Payments**  
**Deferred Until Next Fiscal Year<sup>a</sup>**

*(In Millions)*

	K-12 Education	Community Colleges	Total
<b>Original Schedule of Payments (2012-13):</b>			
January	—	\$126	\$126
February	\$532	135	667
March	1,029	135	1,164
April	1,359	135	1,494
May	1,977	135	2,112
June	2,507	135	2,642
<b>Totals</b>	<b>\$7,404</b>	<b>\$801</b>	<b>\$8,205</b>
<b>Revised Schedule of Payments (2013-14):</b>			
July	\$4,258	\$801	\$5,059
August	3,146	—	3,146
<b>Totals</b>	<b>\$7,404</b>	<b>\$801</b>	<b>\$8,205</b>

<sup>a</sup> Reflects scheduled payments if Proposition 30 goes into effect.

**Figure 6****Tracking the State's Outstanding K-14 Obligations***(In Millions)*

	2009-10	2010-11	2011-12	2012-13
<b>K-12 Education</b>				
Revenue limit deficit factor	\$7,296	\$7,029	\$8,175	\$9,247 <sup>a</sup>
Revenue limit deferrals	5,686	7,406	9,470	7,405
Mandates	3,284	3,551	3,732	3,760 <sup>b</sup>
Emergency Repair Program	462	462	462	462
Subtotals	(\$16,728)	(\$18,448)	(\$21,839)	(\$20,874)
<b>Community Colleges</b>				
Apportionment deferrals	\$703	\$832	\$961	\$801 <sup>a</sup>
Mandates	315	325	355	355 <sup>c</sup>
Subtotals	(\$1,018)	(\$1,157)	(\$1,316)	(\$1,156)
<b>Chapter 751 Obligation<sup>d</sup></b>	<b>\$1,981</b>	<b>\$1,531</b>	<b>\$410</b>	<b>\$410</b>
<b>Totals</b>	<b>\$19,727</b>	<b>\$21,136</b>	<b>\$23,564</b>	<b>\$22,439</b>

<sup>a</sup> Assumes Proposition 30 goes into effect.

<sup>b</sup> Assumes state required to pay claims for Graduation Requirements mandate through 2010 based on approved reimbursement methodology (although state is challenging these costs in court). Assumes reduced payments for Graduation Requirements after 2010 due to statutory changes (although statutory changes are being challenged in court). Assumes full participation in mandate block grant in 2012-13.

<sup>c</sup> Assumes full participation in mandate block grant in 2012-13.

<sup>d</sup> Associated with outstanding 2004-05 and 2005-06 obligation and the Quality Education Investment Act.



Figure 7

## K-12 "Programmatic" Funding

	2010-11	2011-12	2012-13	
			Without Trigger Cuts	With Trigger Cuts
<b>Total Programmatic Funding (In Millions)</b>				
K-12 ongoing funding	\$42,588	\$42,512	\$47,170	\$42,365
Payment deferrals	1,719	2,064	-2,065	—
Settle-up payments	267	—	—	—
Federal ARRA funding <sup>a</sup>	1,192	—	—	—
Federal education jobs funding <sup>a</sup>	421	781	—	—
<b>Totals</b>	<b>\$46,187</b>	<b>\$45,357</b>	<b>\$45,106</b>	<b>\$42,365</b>
<b>Per-Pupil Programmatic Funding (In Dollars)</b>				
K-12 average daily attendance	5,948,038	5,969,792	5,990,352	5,990,352
<b>Per-Pupil Funding</b>	<b>\$7,765</b>	<b>\$7,598</b>	<b>\$7,530</b>	<b>\$7,072</b>
Percent change from prior year	-2%	-2%	-1%	-6%
Percent change from 2007-08	-6	-8	-9	-14

<sup>a</sup> Reflects LAO estimates of funds spent in each year.  
ARRA = American Recovery and Reinvestment Act.



**Figure 8****California Community College (CCC) Programmatic Funding**

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	
						Without Trigger Cuts	With Triggers Cuts
<b>Total Programmatic Funding (In Millions)</b>							
CCC ongoing funding	\$6,145	\$5,995	\$5,714	\$5,898	\$5,372	\$5,818	\$5,270
Payment deferrals	—	340	163	129	129	-160	—
Settle-up payments	—	—	—	32	—	—	—
Federal ARRA funding	—	—	35	4	—	—	—
Student fees	291	303	354	317	354	374	374
One-time backfills <sup>a</sup>	69	—	—	—	—	—	—
Oil and mineral revenues	9	9	7	8	11	11	11
<b>Totals</b>	<b>\$6,514</b>	<b>\$6,647</b>	<b>\$6,273</b>	<b>\$6,388</b>	<b>\$5,866</b>	<b>\$6,043</b>	<b>\$5,655</b>
<b>Funded Enrollment Levels (In FTES)</b>							
<b>CCC Funded Enrollment</b>	<b>1,169,606</b>	<b>1,205,741</b>	<b>1,168,364</b>	<b>1,190,221</b>	<b>1,114,654</b>	<b>1,124,686</b>	<b>1,045,211</b>
Percent change from prior year	—	3.1%	-3.1%	1.9%	-6.3%	0.9%	-6.2%
Percent change from 2007-08	—	3.1	-0.1	1.8	-4.7	-3.8	-10.6
<b>Per-FTES Programmatic Funding (In Dollars)</b>							
<b>Per-FTES Funding</b>	<b>\$5,570</b>	<b>\$5,513</b>	<b>\$5,369</b>	<b>\$5,367</b>	<b>\$5,263</b>	<b>\$5,373</b>	<b>\$5,410</b>
Percent change from prior year	—	-1.0%	-2.6%	0.0%	-1.9%	2.1%	2.8%
Percent change from 2007-08	—	-1.0	-3.6	-3.6	-5.5	-3.5	-2.9

<sup>a</sup> Various funds designated to partially backfill local property tax shortfall in 2007-08.  
ARRA = American Recovery and Reinvestment Act and FTES = Full-Time Equivalent Students.



**Figure 9**  
**Child Care and Preschool Budget Summary**

(Dollars in Millions)

	2010-11	2011-12 <sup>a</sup>	2012-13	Change From 2011-12	
				Amount	Percent
<b>Expenditures</b>					
CalWORKs child care					
Stage 1	\$486	\$429	\$409	-\$20	-5%
Stage 2	458	442	419	-23	-5
Stage 3	288	152	148	-3	-2
Non-CalWORKs child care					
General child care	\$785	\$675	\$465 <sup>b</sup>	-\$210	-31%
Alternative payment	271	213	174	-39	-18
Other child care	28	30	28	-3	-9
Subtotals, Child Care	(\$2,315)	(\$1,941)	(\$1,643)	(-\$298)	(-15%)
Preschool	\$397	\$368	\$481 <sup>b</sup>	\$113	31%
Support programs	100	76	76	—	—
<b>Totals</b>	<b>\$2,812</b>	<b>\$2,385</b>	<b>\$2,199</b>	<b>-\$185</b>	<b>-8%</b>
<b>Funding</b>					
State General Fund					
Proposition 98	\$1,253	\$368	\$481	\$113	31%
Non-Proposition 98	29	1,069	771	-298	-28
Other state funds	350	8	—	-8	100
Federal funds					
CCDF	602	533	549	16	3
TANF	467	406	398	-8	-2
ARRA	110	—	—	—	—

<sup>a</sup> Includes midyear trigger reductions totaling \$23 million across all programs. Also includes \$8 million midyear augmentation to Stage 3.

<sup>b</sup> Funds \$164 million for preschool slots within part-day State Preschool Program rather than General Child Care Program.  
CCDF = Child Care and Development Fund; TANF=Temporary Assistance for Needy Families; and ARRA=American Recovery and Reinvestment Act.

**Figure 10****Major 2012-13 Child Care and Preschool Spending Changes***(In Millions)*

	Child Care <sup>a</sup>	Preschool <sup>a</sup>
Fund all part-day preschool slots within Proposition 98	-\$163.9	\$163.9
Reduce child care slots by 8.7 percent	-80.0 <sup>b</sup>	—
Veto reductions	-20.0 <sup>c</sup>	-30.0 <sup>d</sup>
Technical/caseload adjustments	-34.5	-0.9
Extend family fee policy to preschool	—	-19.8 <sup>e</sup>
<b>Total Changes</b>	<b>-\$298.5</b>	<b>\$113.2</b>

<sup>a</sup> Child care programs are funded with non-Proposition 98 General Fund and federal funds. Preschool is funded with Proposition 98 funds.  
<sup>b</sup> Excludes CalWORKs Stage 1 and Stage 2 programs.  
<sup>c</sup> Reduces non-CalWORKs Alternative Payment Program by total of 18 percent.  
<sup>d</sup> Reduces preschool slots by 8.7 percent for estimated savings of \$46 million. Estimate combines \$30 million in vetoed state funding and corresponding loss of about \$16 million in parent fee revenue that would have supported slots.  
<sup>e</sup> Reflects reduction in Proposition 98 funding to account for new fee revenue. Estimated fee revenue falls to \$3.4 million as a result of associated Governor's veto.

**Figure 11****Funded Slots in Child Care and Preschool Programs<sup>a</sup>**

	2011-12	2012-13	Change From 2011-12			
			Caseload Adjustment <sup>b</sup>	Policy Decision <sup>c</sup>	Total	Percent
<b>Child Care Program:</b>						
CalWORKs Stage 1	45,394	46,054	660	—	660	1%
CalWORKs Stage 2	67,547	64,627	-2,920	—	-2,920	-4
CalWORKs Stage 3	26,095	24,998	1,298	-2,395	-1,097	-4
General Child Care	72,244	46,816	-182	-25,246	-25,428	-35
Alternative Payment	35,532	28,944	-89	-6,499	-6,588	-19
Migrant <sup>d</sup>	3,000	2,732	-8	-260	-268	-9
Handicapped	184	168	—	-16	-16	-9
<b>Totals, Child Care</b>	<b>249,996</b>	<b>214,339</b>	<b>-1,241</b>	<b>-34,416</b>	<b>-35,657</b>	<b>-14%</b>
<b>Preschool</b>	<b>97,741</b>	<b>129,126</b>	<b>-247</b>	<b>31,632</b>	<b>31,385</b>	<b>32</b>

<sup>a</sup> All estimates are for full-time equivalent (FTE) slots, except for State Preschool Program, which only funds part-day/part-year slots.

<sup>b</sup> For CalWORKs programs, reflects caseload changes. For all other programs, reflects statutory decrease of 0.25 percent based on projected decline in statewide population of children ages 0-4.

<sup>c</sup> Includes transition of about 21,000 FTE slots from General Child Care to about 44,000 part-day slots in State Preschool Program. Also includes 18 percent cut to Alternative Payment program and 8.7 cut for all other programs except CalWORKs Stage 1 and Stage 2. For CalWORKs Stage 1 includes extension of short-term exemptions.

<sup>d</sup> LAO estimates.



**Figure 12**  
**Higher Education Funding**

*General Fund (Dollars in Millions)*

	2010-11	2011-12	2012-13	Change From 2011-12	
				Amount	Percent
University of California	\$2,910.7	\$2,273.6	\$2,378.1	\$104.5	5%
California State University	2,577.6	2,002.7	2,010.7 <sup>a</sup>	8.0	0
California Community Colleges	4,060.8	3,366.9	3,531.6 <sup>b</sup>	164.7	5
Hastings College of the Law	8.4	6.9	7.8	0.9	13
California Postsecondary Education Commission	1.9	0.9	—	-0.9	—
California Student Aid Commission	1,251.0	1,486.2	678.5	-807.6 <sup>c</sup>	-54
General obligation bond debt service	809.9	724.3	700.5	-23.8	-3
Lease-revenue bond debt service <sup>d</sup>	(335.0)	(330.9)	(346.7)	(15.7)	(5)
<b>Totals</b>	<b>\$11,620.3</b>	<b>\$9,861.5</b>	<b>\$9,307.3</b>	<b>-\$554.2</b>	<b>-6%</b>

<sup>a</sup> In addition to this amount, the budget includes \$240 million in General Fund support in a new item for CSU retired annuitant health care costs. These costs were previously funded through a statewide appropriation and not displayed separately for CSU.

<sup>b</sup> Includes revenues from Education Protection Account.

<sup>c</sup> Includes \$804 million General Fund reduction that is backfilled with federal Temporary Assistance for Needy Families funding.

<sup>d</sup> Amounts in parentheses are shown for reference only, as they already are included in the segments' General Fund appropriations.

**Figure 13****Lower Maximum Amounts for Many New Cal Grant Awards<sup>a</sup>**

	2011-12	2012-13	2013-14	2014-15	Cumulative Percent Change
<b>Maximum New Cal Grant A and B Tuition Awards<sup>b</sup></b>					
Nonprofit and WASC-accredited for-profit institutions	\$9,708	\$9,223	\$9,084	\$8,056	17%
All other for-profit institutions	9,708	9,223	4,000	4,000	-59
<b>Other Maximum Awards</b>					
Cal Grant B access awards	1,551	1,473	Amounts to be		-5
Cal Grant C tuition and fee awards	2,592	2,462	specified in annual		-5
Cal Grant C book and supply awards	576	547	budget act		-5

<sup>a</sup> Represents new award amounts. Current law allows renewal awards up to the maximum amount in effect when the student first receives a Cal Grant award.

<sup>b</sup> Maximum award amounts at public universities continue to cover full systemwide tuition and fees as established by the universities' respective governing boards. As of July 2012, these amounts are \$5,970 for the California State University and \$12,192 for the University of California.

WASC = Western Association of Schools and Colleges.