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2018-19 LEGISLATIVE BUDGET CONFERENCE COMMITTEE

PHIL TING, CHAIR

ROOM 4202
THURSDAY, MAY 31, 2018

K-12 EDUCATION & HIGHER EDUCATION

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Overview of Education Issues

LEGISLATIVE ANALYST'S OFFICE

Presented to:
Budget Conference Committee
Hon. Philip Ting, Chair



Key Aspects of Education Budget Packages

- Higher General Fund Revenue.** Over the 2016-17 through 2018-19 period, General Fund revenue counting toward the Proposition 98 minimum guarantee is \$2.6 billion higher than the administration under the Senate plan and \$2.8 billion higher under the Assembly plan.
- Higher Property Tax Revenue.** Both houses adopt LAO property tax estimates, which are \$647 million higher than the administration (\$12 million lower in 2016-17, \$163 million higher in 2017-18, and \$496 million higher in 2018-19). Higher property tax revenue reduces Proposition 98 General Fund spending dollar for dollar.
- Almost Identical Overall Proposition 98 Spending.** The Governor and both houses fund at the same level for 2017-18 and 2018-19. For 2016-17, the Assembly provides \$34 million less than the Governor and Senate.
- Higher Non-Proposition 98 Spending.** The houses have substantially more General Fund resources available for non-Proposition 98 programs. In particular, both houses spend substantially more than the Governor on the universities and child care programs.



Overview of General Fund Spending by Segment

2018-19 (In Millions)

	Governor	Senate	Assembly	Difference ^a
Proposition 98 General Fund				
K-12 Education	\$47,894	\$47,391	\$47,330	-\$60
California Community Colleges	5,915	5,922	5,922	—
Preschool	1,215	1,215	1,276	60
Subtotals	(\$55,025)	(\$54,529)	(\$54,529)	(—)
Difference from Governor		-\$496	-\$496	
Non-Proposition 98 General Fund				
California State University	\$3,956	\$4,189	\$4,143	-\$46
University of California	3,666	3,856	3,838	-18
Child Care and Development	1,364	1,590	1,696	106
Student Aid Commission	1,296	1,302	1,310	8
California State Library	38	39	41	3
Hastings College of the Law	16	21	16	-5
Subtotals	(\$10,336)	(\$10,996)	(\$11,044)	(\$47)
Difference from Governor		\$660	\$708	
Totals	\$65,361	\$65,525	\$65,572	\$47
Difference from Governor		\$164	\$211	

^a Reflects difference between the houses, comparing Assembly to Senate.

Overview of Proposition 98 Spending

(In Millions)

	Governor	Senate	Assembly	Difference ^a
2016-17				
General Fund	\$50,234	\$50,246	\$50,211	-\$34
Local property tax	21,407	21,396	21,396	—
Totals	\$71,642	\$71,642	\$71,607	-\$34
2017-18				
General Fund	\$53,381	\$53,219	\$53,219	—
Local property tax	22,236	22,399	22,399	—
Totals	\$75,618	\$75,618	\$75,618	—
2018-19				
General Fund	\$55,025	\$54,529	\$54,529	—
Local property tax	23,368	23,864	23,864	—
Totals	\$78,393	\$78,393	\$78,393	—
New ongoing spending	\$4,347	\$5,159	\$5,725	\$566
One-time spending	2,821	2,009	1,408	-601

^a Reflects difference between the houses, comparing Assembly to Senate.

Key Aspects of Proposition 98 Packages

- Both Houses Have Very Small Proposition 98 Cushions.*** Whereas the Governor dedicates nearly \$1 billion in 2018-19 Proposition 98 funding for one-time purposes, the Senate dedicates about \$160 million and the Assembly dedicates about \$120 million. Designating some 2018-19 Proposition 98 funding for one-time purposes helps mitigate potential cuts to ongoing Proposition 98 programs were the guarantee to drop midyear or next year.
- Assembly Supports Some Ongoing Costs With One-Time Funds.*** The Assembly covers \$526 million in ongoing special education costs with one-time funds. This action allows the Assembly to spend more on ongoing programs than growth in the Proposition 98 guarantee otherwise would allow but creates a hole in the Proposition 98 budget moving forward.
- Continuous Appropriation of Local Control Funding Formula (LCFF) in All Plans.*** The Governor and both houses make providing a cost-of-living adjustment (COLA) to LCFF automatic. Providing LCFF in 2019-20 with a 2.57 percent COLA (reflecting the administration's projected COLA rate) costs \$1.5 billion.
- Above Three Factors Leave Ongoing Proposition 98 Programs More Vulnerable to Cuts.*** Under a moderate 2019-20 recessionary scenario, we estimate the minimum guarantee could drop roughly \$5 billion (more than 5 percent).
- New Proposition 98 Certification Rules in All Plans.*** The Governor and both houses adopt a new process for certifying and truing up the minimum guarantee. The houses also adopt placeholder language giving the Legislature additional time to review the administration's Proposition 98 calculations.

K-12 Education: Spending Overview

2016-17 Through 2018-19 (In Millions)

	Governor	Senate	Assembly	Difference ^a
Ongoing Increases Over Period	\$3,764	\$4,576	\$5,102	\$526
Difference from Governor		812	1,338	
One-Time Increases Over Period	\$2,393	\$1,581	\$1,020	-\$561
Difference from Governor		-812	-1,373	
Total Increases Over Period	\$6,157	\$6,157	\$6,122	-\$34
Difference from Governor		—	-34	
2018-19 Proposition 98 Spending	\$69,390	\$69,390	\$69,390	—

^a Reflects difference between the houses, comparing Assembly to Senate.

K-12 Education: Major Commonalities and Differences

- ☑ ***About Same Level of Overall K-12 Education Spending in All Plans.*** The Governor and both houses increase K-12 spending by \$6.1 billion over the period.
- ☑ ***Less One-Time, More Ongoing Spending in Both Houses' Plans.*** Both houses spend substantially less on one-time K-12 initiatives and more on ongoing K-12 programs than the Governor.
- ☑ ***More LCFF Funding in Both Houses' Plans.*** Both houses increase LCFF funding above the Governor (Senate by \$813 million and Assembly by \$306 million). Assembly plan also includes intent language substantially increasing LCFF target rates in 2019-20.
- ☑ ***Different Approaches to Career Technical Education (CTE).*** The Governor and Senate provide \$214 million for high school CTE through the Strong Workforce Program administered by the California Community Colleges. The Assembly provides \$400 million for the CTE Incentive Grant Program administered by the California Department of Education.
- ☑ ***Different Approaches to Supplemental Grants for Low-Performing Students.*** The Senate provides \$150 million one time for schools serving many low-performing students who are not low income or English learners. The Assembly provides \$360 million ongoing to non-low-income African American students.
- ☑ ***Assembly Funds Special Education Equalization.*** The Assembly provides \$200 million to help equalize special education per-student funding rates.

K-12 Education: Detailed Budget Comparison

2018-19 (In Millions)

	Governor	Senate	Assembly	Difference ^a
Ongoing				
Local Control Funding Formula ^b	\$3,259	\$4,071	\$3,565	-\$506
Supplemental funding for lowest performing student subgroup	—	—	360	360
Special education equalization	—	—	200	200
Career technical education ^c	214	214	400	186
Full-day kindergarten	—	—	150	150
After-school programs	—	—	76	76
Preschool rate and slot increases	40	40	100	60
2.71 percent COLA for select categorical programs	144	144	144	—
Regional and county support for low-performing districts	69	68	68	—
Charter School Facility Grant Program	25	25	25	—
California Collaborative for Educational Excellence	12	12	12	—
Online educational resources	1	1	1	—
Support for districts in fiscal distress	1	1	1	—
Teacher dismissals ^d	—	—	—	—
Totals	\$3,764	\$4,576	\$5,102^e	\$526

^a Reflects difference between the houses, comparing Assembly to Senate.
^b Includes General Fund and formerly excess property tax revenue reclassified as Proposition 98 funds.
^c Senate provides funding through the Strong Workforce Program whereas the Assembly provides funding through the Career Technical Education Incentive Grant Program.
^d All three packages provide \$60,000 for this purpose.
^e The Assembly plan covers \$526 million in ongoing spending using one-time funds associated with 2017-18.
COLA = cost-of-living adjustment.

2016-17 Through 2018-19 (In Millions)

	Governor	Senate	Assembly	Difference ^a
One Time				
Discretionary grants	\$2,042	\$1,029	\$487	-\$542
Grants for schools serving low-performing students	—	150	—	-150
Teacher scholarship program	—	—	50	50
Teacher residency program ^b	50	50	75	25
After-school computer coding courses	—	—	25	25
Charter Authorizer Regional Support Network	—	—	10	10
School climate initiative	15	15	20	5
Professional development for bilingual teachers	—	—	5	5
Farmworker Institute of Education and Leadership Development	—	—	3	3
Labor history pilot project	—	—	3	3
Food literacy program at Sacramento City Unified School District	—	—	2	2
Special Olympics	—	—	2	2
Suicide prevention training	—	—	2	2
Breakfast After the Bell program	—	—	1	1
Inclusion of genocide awareness in social science frameworks	—	1	—	-1
Provide early education expansion grants	167	167	167	—
Support for classified employees during summer break	—	50	50	—
Professional development for classified employees	—	50	50	—
Computer-based ELPAC	22	22	22	—
Charter School Facility Grant Program	21	21	21	—
Community engagement	13	13	13	—
Alternative ELPAC for students with disabilities	6	6	6	—
Fire-related property tax decline in basic aid districts	4	4	4	—
Southern California Regional Occupational Center	3	3	3	—
Special education teacher shortage local solution grants	50	—	—	—
Totals	\$2,393	\$1,581	\$1,020^c	-\$561

^a Reflects difference between the houses, comparing Assembly to Senate.
^b Governor and Senate earmark all funds for special education. Assembly earmarks \$50 million for special education and \$25 million for other teacher shortage areas.
^c The Assembly plan also uses \$526 million in 2017-18 funds to cover ongoing spending in 2018-19.

ELPAC = English Language Proficiency Assessments for California.

California Community Colleges: Spending Overview

2016-17 Through 2018-19 (In Millions)

	Governor	Senate	Assembly	Difference ^a
Ongoing Increases Over Period	\$583	\$583	\$623	\$40
Difference from Governor		—	40	
One-Time Increases Over Period	\$428	\$428	\$388	-\$40
Difference from Governor		—	-40	
Total Increases Over Period	\$1,012	\$1,011	\$1,011	—
Difference from Governor		—	—	
2018-19 Proposition 98 Spending	\$9,003	\$9,003	\$9,003	—
Difference from Governor		—	—	

^a Reflects difference between the houses, comparing Assembly to Senate.

California Community Colleges: Major Commonalities and Differences

- ☑ **Same Overall Spending Level in All Three Plans.** The Governor and both houses increase community college spending by \$1 billion over the period.
- ☑ **Different Approaches to Increasing Apportionments Funding.** Both houses rejected the Governor's proposed new funding formula and an associated \$279 million in hold harmless funding. The Senate instead provides a \$108 million base apportionment increase. The Assembly provides a \$175 million apportionment increase and targets the funding to districts experiencing declining enrollment.
- ☑ **Different Approaches to New Online Programs.** The Governor and Senate provide \$120 million (\$100 million one time, \$20 million ongoing) for a new online community college. The Senate provides an additional \$44 million one time for districts to develop content for the new college and provide associated faculty training. The Assembly rejects the online college proposal and instead provides \$60 million one time for a new institute at a college or consortium of colleges to develop online programs that lead to short-term stackable credentials and industry certifications.
- ☑ **Both Houses Provide More for Faculty.** Both houses provide \$40 million for colleges to employ more full-time faculty. Additionally, the Senate provides \$26 million and the Assembly provides \$14 million for part-time faculty salary, benefits, and office hours.
- ☑ **One-Time Funding for Support Services.** Both houses provide one-time funding for mental health services (\$20 million), legal services for undocumented students (\$15 million), and re-entry programs for formerly incarcerated students (\$5 million). The Assembly also provides one-time funding for student hunger and basic needs (\$20 million) and veteran resource centers (\$15 million).

California Community Colleges: Detailed Budget Comparison

2018-19 (In Millions)

	Governor	Senate	Assembly	Difference ^a
Ongoing				
Apportionments (above COLA and enrollment growth)	\$175	\$108	\$175	\$67
New online college	20	20	—	-20
Part-time faculty programs	—	26	14	-12
Fund for Student Success	—	— ^b	6	6
Armenian Genocide remembrance holiday	—	1	—	-1
2.71 percent COLA for apportionments	173	173	173	—
1 percent enrollment growth	60	60	60	—
AB 19 fee waivers for first-time full-time students	46	46	46	—
Consolidated financial aid program	41	41	41	—
Full-time faculty	—	40	40	—
2.71 percent COLA for select student support programs	34	34	34	—
Apprenticeships	19	19	19	—
Adult education data system alignment	5	5	5	—
Financial aid processing improvements	5	5	5	—
NextUp program for foster youth	5	5	5	—
Course identification numbering system ^c	1	1	1	—
Academic Senate ^d	—	—	—	—
Totals	\$583	\$583	\$623	\$40

^a Reflects difference between the houses, comparing Assembly to Senate.
^b Provides \$235,000.
^c Governor provides one-time funds for this purpose.
^d Governor provides no funding for this purpose. Both houses provide \$232,000.

COLA = cost-of-living adjustment.

2016-17 Through 2018-19 (In Millions)

	Governor	Senate	Assembly	Difference ^a
One Time				
Online programs	\$100	\$144	\$60	-\$84
Deferred maintenance and instructional equipment	144	144	171	28
Student hunger and basic needs	—	—	20	20
Innovation Awards	20	20	—	-20
P-Tech	—	20	—	-20
Veteran resource centers	—	—	15	15
El Camino College public safety training center	—	—	15	15
Norco Community College early education center	—	—	5	5
Ventura Community College District, Santa Paula site	—	—	1	1
Apprenticeship prior-year shortfalls	36	36	36	—
Mental health services	—	20	20	—
Legal services for undocumented students	—	15	15	—
Financial aid technology improvements	14	14	14	—
Open educational resources	6	6	6	—
Re-entry programs for formerly incarcerated students	—	5	5	—
Certified nursing assistant program slots	2	2	2	—
Fire-related property tax declines	2	2	2	—
Puente program	1	1	1	—
Apportionment increase	104	—	—	—
Totals	\$428	\$428	\$388	-\$40

^a Reflects difference between the houses, comparing Assembly to Senate.

2018-19 and New 2017-18 One-Time Funds^a (In Millions)

	Governor	Senate	Assembly	Difference ^b
Ongoing Increases	\$263	\$595	\$656	\$60
Difference from Governor		332	393	
One-Time Increases	\$200	\$326	\$420	\$94
Difference from Governor		125	220	
Total Increases	\$463	\$921	\$1,075	\$154
Difference from Governor		458	612	
Total Spending	\$3,689	\$4,146	\$4,301	\$154
Spending by Fund Source				
Proposition 98 General Fund	\$1,383	\$1,385	\$1,445	\$60
Non-Proposition 98 General Fund	1,333	1,557	1,763	206
Federal Child Care and Development Fund	644	875	763	-112
Federal Temporary Assistance for Needy Families	330	330	330	—

^a All plans include \$167 million in 2017-18 Proposition 98 funding.
^b Reflects difference between the houses, comparing Assembly to Senate.

Early Education: Major Commonalities and Differences

- ☑ **All Plans Implement Final Year of Previous Budget Agreement.** All plans implement a previous agreement to increase State Preschool slots (\$28 million) and raise child care and preschool reimbursement rates (\$86 million).
- ☑ **Both Houses Fund More Slots.** The houses provide \$216 million for more child care slots.
- ☑ **Both Houses Fund Additional Rate Increases.** Both houses adopt a package of further rate increases totaling \$116 million. The rate adjustments benefit certain license-exempt providers, providers serving infants and toddlers, and providers serving children with special needs.
- ☑ **All Plans Cover Higher CalWORKs Caseload Costs.** Last year's policy decisions to expand eligibility resulted in significantly higher-than-expected California Work Opportunity and Responsibility to Kids (CalWORKs) caseload. The Governor and both houses provide \$105 million ongoing to cover these cost increases.
- ☑ **All Plans Fund Early Education Expansion Grants.** The Governor and both houses provide \$167 million one time for these grants.
- ☑ **Other One-Time Priorities Differ Notably.** The Senate provides \$100 million one time to help providers comply with federal requirements whereas the Assembly provides \$200 million one time to expand the availability of preschool and kindergarten facilities.

Early Education: Detailed Budget Comparison

2018-19 and New 2017-18 One-Time Funds (In Millions)

	Governor	Senate	Assembly	Difference ^a
Ongoing				
State preschool slots for local education agencies	\$28	\$28	\$88	\$60
Alternative Payment slots	—	166	166	—
CalWORKs caseload and average cost of care	105	105	105	—
Adjustment factor rate increases	—	80	80	—
COLA for certain child care and preschool programs	54	54	54	—
General Child Care slots	—	50	50	—
Standard Reimbursement Rate increase	48	48	48	—
Regional Market Rate increase	38	38	38	—
Part-day license-exempt rate increase	—	36	36	—
Non-CalWORKs slots adjustment	-9	-9	-9	—
Subtotals	(\$263)	(\$595)	(\$656)	(\$60)
One Time				
Kindergarten facilities expansion	—	—	\$100	\$100
Preschool facilities expansion	—	—	100	100
Compliance with federal requirements	—	\$100	—	-100
Quality services	\$26	41	26	-15
Inclusive early care support pilot	—	10	—	-10
County office planning	—	—	6	6
Child Care Initiative Project	—	—	5	5
Licensed child development teacher professional development	—	—	5	5
Child development database	—	—	4	4
Early education expansion grants	167	167	167	—
Technical adjustments	7	7	7	—
Subtotals	(\$200)	(\$326)	(\$420)	(\$94)
Totals	\$463	\$921	\$1,075	\$154

^a Reflects difference between the houses, comparing Assembly to Senate.
COLA = cost-of-living adjustment.



California State University: Spending Overview

2018-19 (In Millions)

	Governor	Senate	Assembly	Difference ^a
Ongoing Increases^b	\$135	\$361	\$361	-\$1
Difference from Governor		226	226	
One-Time Increases	\$100	\$107	\$62	-\$45
Difference from Governor		7	-38	
Total Increases	\$235	\$468	\$423	-\$46
Difference from Governor		233	188	
2018-19 General Fund Spending	\$3,956	\$4,189	\$4,143	-\$46

^a Reflects difference between the houses, comparing Assembly to Senate.

^b Includes increased funding for pensions and retiree health benefits. The Senate is at \$361.2 million, compared to the Assembly at \$360.6 million.

California State University: Major Commonalities and Differences

- Both Houses Provide Higher Base Increase Than Governor.** Both houses provide a higher unrestricted base increase (\$153 million) than the Governor (\$92 million). The houses indicate the additional funding is to support staff salary and benefit increases.
- Both Houses Fund Enrollment Growth.** Both houses provide \$90 million for 3 percent enrollment growth of resident undergraduate students in 2018-19 (equating to 10,923 full-time equivalent students). The Governor does not earmark any new funding for enrollment growth.
- Both Houses Fund Graduation Initiative.** Both houses provide \$75 million for this initiative, bringing total ongoing funding for the initiative up to \$198 million. The Governor has signaled that California State University is to use its unrestricted base increase to support the initiative.
- Different Amounts for Deferred Maintenance.** The Governor and Senate approve \$100 million one-time funds for deferred maintenance. The Assembly provides \$35 million one time for this purpose.
- Different Remaining One-Time Spending Priorities.** The Senate spends \$7 million for one initiative whereas the Assembly spends a total of \$26 million for four initiatives.

California State University: Detailed Budget Comparison

2018-19 (In Millions)

	Governor	Senate	Assembly	Difference ^a
Ongoing				
Unrestricted base increase	\$92	\$153	\$153	—
Enrollment growth	—	90	90	—
Graduation initiative	—	75	75	—
Pension cost increase	23	23	23	—
Retiree health cost increase	20	20	20	—
Mervyn Dymally Institute	—	1 ^b	1 ^b	— ^b
Center for California Studies	— ^c	— ^c	— ^c	— ^c
Totals	\$135	\$361	\$361	—^d
One Time				
Deferred maintenance	\$100	\$100	\$35	-\$65
Rapid rehousing pilot project	—	—	14	14
Undocumented legal services	—	7	—	-7
Student hunger and basic needs	—	—	5	5
Shark Lab at CSU Long Beach	—	—	5	5
Equal opportunity best practices	—	—	2	2
Totals	\$100	\$107	\$61	-\$46
^a Reflects difference between the houses, comparing Assembly to Senate. ^b The Senate provides \$665,000 ongoing while the Assembly provides \$700,000 one time, for a difference in the budget year of \$35,000. ^c The Governor and Senate provide \$186,000 while the Assembly provides \$210,000, for a difference of \$24,000. ^d Difference of \$59,000.				



University of California: Spending Overview

2018-19 (In Millions)

	Governor	Senate	Assembly	Difference ^a
Ongoing Increases	\$103	\$252	\$221	-\$31
Difference from Governor		149	118	
One-Time Increases	\$156	\$197	\$210	\$13
Difference from Governor		41	54	
Total Increases	\$259	\$449	\$431	-\$18
Difference from Governor		190	172	
2018-19 General Fund Spending	\$3,666	\$3,856	\$3,838	-\$18

^a Reflects difference between the houses, comparing Assembly to Senate.

University of California: Major Commonalities and Differences

- Both Houses Provide Higher Base Increase Than Governor.*** The houses indicate the additional funding is for compensation increases, academic quality initiatives, and other cost increases. The Assembly ties \$50 million of the increase to the University of California (UC) implementing certain recommendations made by the State Auditor.
- Both Houses Fund Resident Enrollment Growth.*** Both houses fund (1) additional enrollment growth in 2018-19, (2) enrollment growth in 2019-20, and (3) enrollment above budgeted levels in 2016-17 and 2017-18. The houses differ, however, in the level of enrollment they support and the amount of corresponding state funding they provide. The Senate also directs the university to adopt a plan to reduce nonresident enrollment over the next ten years.
- Different Approaches to Augmenting Medical Education and Residency Programs.*** The Governor and Senate provide funding for physician residency programs, with the Senate providing more one-time and ongoing support. The Assembly provides mostly one-time funding for medical education programs.
- Assembly Links UC Retirement Plan Funding to Budget Condition.*** The Assembly provides \$120 million one time to help pay down a portion of UC's unfunded pension liability. It conditions the funding on UC eliminating a defined contribution option for represented employees.
- Different Amounts for Deferred Maintenance.*** The Governor and Senate provide \$100 million one time for deferred maintenance. The Assembly provides \$35 million.
- Different Priorities for Other One-Time Spending.*** The Senate spends \$43 million and the Assembly \$45 million on various research and student service initiatives.

University of California: Detailed Budget Comparison

2018-19 (In Millions)

	Governor	Senate	Assembly	Difference ^a
Ongoing				
Physician residency programs	\$10	\$40 ^b	\$10	-\$30
Enrollment growth in 2019-20 ^c	—	5	25	20
Overenrollment in recent years	—	25	13	-13
Undergraduate enrollment growth in 2018-19 ^d	—	14	5	-9
Medical school postbaccalaureate program	—	—	1	1
Base increase	92	162	162	—
Graduate student enrollment growth ^e	—	5	5	—
Center for Global Conflict and Cooperation	1	1	1	—
Totals	\$103	\$252	\$221	-\$31
One Time				
UC Retirement Plan	—	—	\$120	\$120
Deferred maintenance	\$100	\$100	35	-65
Psychiatric residency programs	55	55	—	-55
Mental health services	—	25	—	-25
Research initiatives ^f	—	12	32	20
UC Programs in Medical Education ^g	—	—	10	10
Student hunger and basic needs	—	—	5	5
Undocumented legal services	—	4	—	-4
Aggie Square preliminary plans	—	—	3	3
Equal employment opportunity activities	—	—	2	2
Ralph Bunch Center for African American Studies	—	—	2	2
Anti-bias training	1	1	1	—
Totals	\$156	\$197	\$210	\$13
^a Reflects difference between the houses, comparing Assembly to Senate. ^b The Senate also provides \$50 million one time in 2017-18 for this purpose. ^c The Senate funds 500 resident students, whereas the Assembly funds 2,500 resident students. The Senate specifies the growth is for undergraduate students only, whereas the Assembly does not specify the mix of undergraduate and graduate students. ^d Both houses fund enrollment growth of 2,000 resident undergraduate students and share the associated cost (\$20 million) between new General Fund support and redirected funds from UC's existing budget. The share of new General Fund support is greater in the Senate than the Assembly. ^e Both houses require UC to increase at least 500 graduate students. The Senate prioritizes resident students. ^f Both houses provide \$12 million to the UC Davis Institute of Regenerative Cures but pass the monies through different agencies (the Senate through the California Department of Public Health and the Assembly through the Office of Planning and Research). The Assembly also provides \$7.5 million for non-opioid pain medication, \$7.5 million for health effects of sugar, \$3 million for Valley Fever, \$2 million for firearm violence, and \$100,000 for transportation research. ^g Part of plan to provide \$30 million one time over three years to support 393 full-time students.				

STAFF COMMENTS

ISSUE 1: LOCAL CONTROL FUNDING FORMULA AND SPECIAL EDUCATION

California Department of Education

ASSEMBLY

SENATE

-
- \$3.565 billion ongoing Proposition 98 for LCFF implementation, \$306 million above the Governor's proposed level and \$472 million above full implementation of LCFF.
 - Legislative intent TBL to increase the LCFF target base rates in 2019-20 to reach the top ten percent of states on average per-student spending.
 - \$360 million ongoing Proposition 98 to apply the supplemental grant also to the lowest performing student subgroup (currently African American students).
 - \$200 million to equalize special education funding rates.
-

GOVERNOR: The Governor provides \$3.259 billion for LCFF implementation, \$166 million above full implementation of LCFF.

The Governor does not have a proposal on low-performing students or special education equalization.

STAFF COMMENTS

ISSUE 2: ONE-TIME FUNDING AUGMENTATIONS

California Department of Education/ Commission on Teacher Credentialing

One-time Funding 2016-17 Through 2018-19 (In Millions)

	Governor	Senate	Assembly	Difference ^a
One Time				
Discretionary grants	\$2,042	\$1,029	\$487	-\$542
Grants for schools serving low-performing students	—	150	—	-150
Teacher scholarship program	—	—	50	50
Teacher residency program ^b	50	50	75	25
After-school computer coding courses	—	—	25	25
Charter Authorizer Regional Support Network	—	—	10	10
School climate initiative	15	15	20	5
Professional development for bilingual teachers	—	—	5	5
Farmworker Institute of Education and Leadership Development	—	—	3	3
Labor history pilot project	—	—	3	3
Food literacy program at Sacramento City Unified School District	—	—	2	2
Special Olympics	—	—	2	2
Suicide prevention training	—	—	2	2
Breakfast After the Bell program	—	—	1	1
Inclusion of genocide awareness in social science frameworks	—	1	—	-1
Provide early education expansion grants	167	167	167	—
Support for classified employees during summer break	—	50	50	—
Professional development for classified employees	—	50	50	—
Computer-based ELPAC	22	22	22	—
Charter School Facility Grant Program	21	21	21	—
Community engagement	13	13	13	—
Alternative ELPAC for students with disabilities	6	6	6	—
Fire-related property tax decline in basic aid districts	4	4	4	—
Southern California Regional Occupational Center	3	3	3	—
Special education teacher shortage local solution grants	50	—	—	—
Totals	\$2,393	\$1,581	\$1,020^c	-\$561

^a Reflects difference between the houses, comparing Assembly to Senate.

^b Governor and Senate earmark all funds for special education. Assembly earmarks \$50 million for special education and \$25 million for other teacher shortage areas.

^c The Assembly plan also uses \$526 million in 2017-18 funds to cover ongoing spending in 2018-19.

ELPAC = English Language Proficiency Assessments for California.

Source: Legislative Analyst's Office

STAFF COMMENTS

ISSUE 2: ONE-TIME FUNDING AUGMENTATIONS (CONT.)

California Department of Education/ Commission on Teacher Credentialing

ASSEMBLY

SENATE

-
- \$487 million one-time Proposition 98 discretionary funding for school districts, charter schools and county offices of education.
 - \$183 million one-time Proposition 98 for additional one-time activities not included in the Governor's budget.
 - \$526 million one-time Proposition 98 for ongoing Special Education costs.
- \$1 billion one-time Proposition 98 discretionary funding for school districts, charter schools and county office of education.
 - \$201 million one-time Proposition 98 for additional one-time activities not included in the Governor's budget.
-

GOVERNOR: The Governor provides \$2 billion one-time Proposition 98 discretionary funding for school districts, charter schools and county offices of education. This funding is provided on a per student basis and offsets any applicable mandate reimbursement claims.

STAFF COMMENTS

ISSUE 3: CAREER TECHNICAL EDUCATION

California Department of Education/ California Community Colleges

ASSEMBLY

SENATE

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- Rejects Governor's proposal to allocate \$214 million to create the K-12 Strong Workforce Program within the California Community Colleges.
 - Provides \$400 million ongoing Proposition 98 to make permanent the Career Technical Education (CTE) Incentive Grant program, administered by the CDE, and adopts TBL to add accountability and reporting requirements.
- Approves Governor's proposal to allocate \$214 million to create the K-12 Strong Workforce Program within the California Community Colleges with modified placeholder TBL to require half of funds to be used for CTE courses tied to regional workforce priorities and half for other types of high-quality CTE courses and to identify a more significant role for CDE in allocating the funds.
-

GOVERNOR: The Governor provides a total of \$214 million in ongoing Proposition 98 funding for K-12 CTE programs. The funds would be distributed through the Strong Workforce Program operated by the Chancellor's Office of the California Community Colleges. \$200 million would be allocated to each consortia of the Strong Workforce Program based on three factors: the unemployment rate in the region, the region's total ADA for students in grades seven through 12, and the proportion of projected job openings in the region. Grantees must align CTE programs with regional consortia plan and meet a local match requirement.

The Governor also provides \$14 million (ongoing) to establish K-12 Workforce Pathway Coordinators and K-14 Technical Assistance Providers within each regional consortium and support consortia's administrative costs.

STAFF COMMENTS

ISSUE 4: KINDERGARTEN, PRESCHOOL AND AFTER SCHOOL

California Department of Education

ASSEMBLY

SENATE

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- \$150 million ongoing Proposition 98 for increased full-day Kindergarten rate.
 - \$100 million one-time non-Proposition 98 General Fund for facility grants for full-day Kindergarten programs.
 - \$100 million one-time non-Proposition 98 General Fund for facility grants for school-based State Preschool programs.
 - Approves the Governor's proposed slot and rate increases for State Preschool.
 - \$60.3 million for additional 5,000 State Preschool Slots, exempts Title I (low-income) schools from eligibility requirements for these slots.
 - \$6 million one-time General Fund for county offices of education to assist school districts in expanding pre-Kindergarten programs.
 - \$76.3 million ongoing Proposition 98 to augment the After School Education and Safety Program.

GOVERNOR: The Governor provides \$28 million ongoing Proposition 98 for 2,959 additional State Preschool slots and \$32 million ongoing Proposition 98 for increased State Preschool reimbursement rates.

STAFF COMMENTS

ISSUE 5: CHILD CARE

California Department of Education

ASSEMBLY

SENATE

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- \$166 million (\$110 million General Fund and \$56 million federal funds) for Alternative Payment slots and \$50 million federal funds for General Child Care Slots.
 - Approves \$167 million one-time Proposition 98 for Inclusive Early Education Expansion Grants.
 - Did not appropriate additional federal Child Care Development Block Grant for compliance.
 - \$26 million in federal funds for Quality Improvement Activities.
 - \$5 million one-time federal funds for the Child Care Initiative Project.
 - \$5 million one-time federal funds for Licensed Child Development Teacher Professional Development.
 - \$3.5 million one-time federal funds for a Child Development Database.
 - \$166 million (\$110 million General Fund and \$56 million federal funds) for Alternative Payment slots and \$50 million federal funds for General Child Care Slots.
 - Approves \$167 million one-time Proposition 98 for Inclusive Early Education Expansion Grants.
 - Up to \$100 million in federal funds to meet federal Child Care Development Block Grant requirements, any remaining funds must be used for slots.
 - \$41 million in federal funds for Quality Improvement Activities.
 - \$10 million in one-time federal funds for an Inclusive Early Care Support Pilot Program to support County Offices of Education in coordinating and supporting children with exceptional needs and their families in accessing child care.
 - Converted the Child Care Facilities Revolving Loan Fund into a grant program.

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- **GOVERNOR:** The Governor did not provide additional child care slots or schedule the expenditure of an increase in the federal Child Care Development Block Grant, but provided \$167 million one-time Proposition 98 for Inclusive Early Education Expansion Grants.

STAFF COMMENTS

ISSUE 6: ONLINE COLLEGE

California Community Colleges

ASSEMBLY

SENATE

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| <ul style="list-style-type: none">• Rejected Governor's proposal.• \$60 million Prop 98 to the existing Online Education Initiative. Chancellor would select a college or consortium of colleges to create a new Institute to develop online programs for low-wage workers to earn short-term credentials that lead to promotion or higher-wage jobs.• The new Institute would develop competency-based courses and programs that are not duplicative of existing programs, distribute competitive grants to other colleges developing programs and courses, develop appropriate student support services, provide professional development. | <ul style="list-style-type: none">• Approved the Governor's proposal with modifications.• Requires new CEO to be part of collective bargaining.• Establishes a 10-year sunset.• Establishes timeline for accreditation.• Prohibits the new college from charging fees higher than a traditional college.• Requires new college to develop short-term programs that lead into pathways offered at existing community colleges.• Also approved \$44 million one-time Prop 98 for the Online Education Initiative for competitive grants for community college districts to develop online content to allow a student to continue their education in a career pathway at an existing college, and for professional development for faculty to develop and teach online content.• Requires the Chancellor's Office to review noncredit funding rates, and make recommendations to encourage the development of competency-based programs. |
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GOVERNOR: The Governor proposed \$100 million one-time and \$20 million ongoing Prop 98 for a new online college to be overseen by the Board of Governors.

STAFF COMMENTS

ISSUE 7: COMMUNITY COLLEGE APPORTIONMENT

California Community Colleges

ASSEMBLY

SENATE

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- Rejects new funding formula.
 - Provides \$175 million base increase, with the first call on dollars to insulate colleges that are experiencing declining enrollment from funding reductions (on top of growth and COLA).
 - Requires the Chancellor's Office and Board of Governors to create a task force and report back to the Legislature by March 1, 2019. Most notably, the task force would be required to consider options that: provide supplemental funding for certain student populations, minimize the volatility due to fluctuations in enrollment, and provide colleges no less than their aggregate 2018-19 funding levels. The task force would be directed not to consider options for including performance outcomes in the formula.

GOVERNOR: Provides \$175 million ongoing apportionments funding to hold districts harmless for transitioning to a new apportionments funding formula. New formula would distribute 60 percent of apportionment funding based on enrollment, 20 percent based on the number of low-income students, and 20 percent based on outcome measures. Also provides \$104 million one-time to ensure that all districts in 2018-19 receive no less than their 2017-18 apportionments funding, adjusted by COLA.

STAFF COMMENTS

ISSUE 8: UC AND CSU ENROLLMENT

University of California and California State University

ASSEMBLY

SENATE

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- Approved May Revision proposal to shift \$8.6 million GF from UC Office of the President to campus budget to support 2018-19 enrollment per 2017 Budget Act. UC shifted \$6.4 million internally to support 2018-19 enrollment growth per 2017 Budget Act.
 - Provided \$25 million GF to support 2,500 more California students at UC in 2019-20.
 - Provided \$12.5 million GF to address campus over-enrollment and added budget bill language directing UC to review expenditures and distribute funds to campuses to address over-enrollment.
 - Provided \$89.5 million GF to support 10,923 more California students at CSU in 2018-19.
 - Shifted \$6 million GF from UC Office of the President to campus budget and provided \$9 million new GF to support 2018-19 enrollment growth.
 - Provided \$5 million GF to support 500 more California undergraduate students at UC in 2019-20.
 - Provided \$25 million GF to UC to address over-enrollment.
 - Adopted supplemental reporting language requiring UC to develop a plan to reduce nonresident enrollment to 10% of every freshmen class beginning in 2029-30.
 - Provided \$89.5 million GF to support 10,923 more California students at CSU in 2018-19.
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GOVERNOR: The Governor's Budget provides a \$92.1 million GF base increase to UC and CSU with no enrollment target. The May Revision proposed shifting \$8.6 million GF from the UC Office of the President to the campus budget to support 2018-19 enrollment growth per the 2017 Budget Act.