

	January Budget Proposal	May Revision (MR) Proposal	Assembly Budget Committee	Senate Budget Committee	Final Budget Compromise
Prop. 98 Minimum Guarantee	\$71.2 Billion	\$71.873 Billion	\$71.937 Billion	\$71.937 Billion*	\$71.9 Billion
Local Control Funding Formula	\$2.8 Billion (reduces 49% gap funding)	\$3.052 Billion (reduces 54% gap funding)	\$3.054 Billion	\$3.084 Billion	\$2.94 Billion
Prop. 98 Discretionary Grants (K-12 mandates backlog repayment)	\$1.2 Billion (one-time)	\$1.416 Billion (one-time)	\$1.25 Billion	\$1.248 Billion	\$1.28 Billion
Adult Education Block Grant	\$500 Million	No change	No change	No change	\$500 Million
Child Care and Early Education	\$0	\$0	\$618.6 Million (\$405 M GF & \$213.5 M Prop. 98)**	\$64 M GF and \$35 M Prop. 98***	\$7.8 M****
Early Education Block Grant	Consolidate \$1.6 Billion	Consolidate \$1.6 Billion, eliminate TK by July 1, 2017	Reject MR Proposal	Reject MR Proposal	Reject MR Proposal
Selected Categorical Program COLA	\$22.9 Million (0.47%)	\$0 Million (0%)	Approve MR Proposal	Approve MR Proposal	\$0
K-12 Prop. 39 Energy Efficiency Grants	\$365.4 Million (one-time)	\$398.8 Million (one-time)	Approve MR Proposal	Approve MR Proposal	\$398.8 Million (one-time)
School Facilities Revolving Loan Program	\$0 Million	\$100 Million Prop. 98 (one-time)	Reject MR Proposal	Reject MR Proposal	Reject MR Proposal
Prop. 47 Truancy and Dropout Prevention Grant Program (+Restorative Justice Grants)	\$7.3 Million (one-time)	\$9.9 Million (one-time)	Approve MR Proposal + \$20 M (one-time), rebench Prop. 98 by \$9.9 M	Approve MR Proposal, rebench Prop. 98 by \$9.9 M	\$18 million Prop. 98 (one time)
Multi-Tiered Systems of Learning and Behavioral Supports (MTSS)	\$30 Million (one-time) to Orange County COE for technical assistance	No change	Approve MR Proposal, TBL min. amount for LEAs	\$10 Million Prop. 98 (one-time) for direct grants to LEAs	\$20 Million Prop. 98 (one time)
Teacher Workforce: Four-Year Integrated Degree (AB 1756)	\$0	\$10 Million General Fund (one-time)	Approve MR Proposal	\$10 Million Prop. 98 (one-time) to CCC	\$10 Million General Fund (one-time)
Teacher Workforce: California Center on Teaching Careers (SB 915)	\$0	\$2.5 Million Prop. 98 (one-time)	Approve MR Proposal	\$7 Million Prop. 98 (one-time), TBL to include chronic teacher shortage	\$5 Million Prop. 98 (one-time)
Teacher Workforce: California Classified School Employee Teacher Credentialing Program (AB 2122)	\$0	\$0	\$20 Million Prop. 98 (one-time)	\$0	\$20 Million Prop. 98 (one-time)
Teacher Workforce: Teacher Residency (SB 933)	\$0	\$0	\$0	\$60 Million Prop. 98 (one-time)	\$0
California Collaborative for Educational Excellence (SB 871)	\$0	\$0	\$0	\$45 Million Prop. 98 (one-time)	\$24 Million Prop. 98 (one-time)

K-12 College Readiness Block Grant (SB 1050)	\$0	\$0	\$0	\$200 Million Prop. 98 (one-time)	\$200 Million Prop. 98 (one-time)
After School Education and Safety (ASES) Program (AB 266 (\$550 M guaranteed funding annually))	\$0	\$0	\$73 Million Prop. 98 (ongoing)	\$0, TBL to apply COLA in future years	\$0 and no statutory COLA
School Breakfast Startup Grant Program (over four years)	\$0	\$0	\$4 Million Prop. 98 (one-time)	\$0	\$2 Million Prop. 98 (one-time)
Prop. 63 Three-Year Pilot Program for Integrated Mental Health, Special Ed & School Climate Intervention	\$0	\$0	\$6 Million Prop. 63 (one-time)	\$0	\$0
Career Technical Education Incentive Grant Program	\$400 M, 1:1 match FY 15-16 \$300 M, 1.5:1 match FY 16-17 \$200 M, 2:1 match FY 17-18	No change, TBL to allow SPI to verify dollar-for-dollar match met. If not met, SPI to reduce the following year's grant allocation	No change	No change	\$300 M, 1.5:1 match in FY 16-17
Child Care Single System Plan	Proposal to move state-subsidized child care to vouchers only	No change	Reject MR Proposal	Reject MR Proposal	Reject MR Proposal
Math Readiness Challenge Program (5 regional partnerships/competitive grants to prepare 12 <sup>th</sup> grade students for placement into college-level courses in math)	\$3.1 Million federal Title II carryover (one-time)	\$6.4 Million federal Title II carryover (one-time)	Approve MR Proposal	Approve MR Proposal, TBL preference for LEAs with concentration of unduplicated students	\$6.4 Million federal Title II carryover (one-time)
Charter School Start-Up Grant Funding	\$20 Million Prop. 98 (one-time)	No change, to be administered by CA School Finance Author.	Reject MR Proposal, use federal carryover funds, revisit next yr	Reject MR Proposal, use federal carryover funds instead	\$20 Million Prop. 98 (one-time)
California Association of Student Councils (CASC)	\$0	\$0	\$150,000 (ongoing)	\$150,000 Prop. 98 (one-time)	\$0
Student Friendly Services Website (college planning and preparation)	\$1 Million Prop. 98 (one-time)	\$2 Million Prop. 98 (ongoing)	\$1 Million Prop. 98 (one-time) & \$1 Million (ongoing)	\$1.5 Million Prop. 98 (ongoing)	\$2 Million Prop. 98 (ongoing)
Exploratorium (funding to SFUSD to provide PD to implement NGSS)	\$3.5 Million Prop. 98 (ongoing)	No change	Approve MR Proposal	Approve MR Proposal	\$3.5 Million Prop. 98 (ongoing)

**Final Budget Compromise Notes (June 9, 2016):**

\*\*\*\*\$100 million in Proposition 98 funding for 8,877 additional full-day State Preschool Slots to be phased in over 4 years. Specifically, \$7.8 million in 2016-17, \$39.6 million in 2017-18, \$73.0 million in 2018- 19, and \$100 million in 2019-20.

**Early Care and Education Final Budget Compromise Package (June 9, 2016):**

- 1) Increases Regional Market Rates to the 75 percentile of the 2014 survey as of January 1, 2017—with a two year hold-harmless.
- 2) Increase Licensed Exempt Rates from 65 percent to 70 percent of the Family Child Care Home Rate as of January 1, 2017.
- 3) Increase Standard Reimbursement Rates by 10 percent across-the-board effective January 1, 2017.
- 4) Adopt placeholder trailer bill to implement the above provisions and express legislative intent on setting the 85th percentile of the Regional Market Rate as the long term goal for reimbursement rate.
- 5) May Revision language regarding the priority for federal quality funding.
- 6) No funding for the CDE to develop statewide plan for providing one year of pre-kindergarten for all four-year-olds.

**Assembly and Senate Budget Proposal Notes (May 26, 2016)**

\*The Senate used the LAO's revenue estimates to build their budget and the Assembly used the Governor's May Revision revenue estimates. However, both the Assembly and Senate Budget Committees both adopted the LAO's higher estimated property tax revenues of \$385 million over the three-year period (2014-15, 2015-16 and 2016-17), thus freeing up General Funds for other non-Prop. 98 priorities. These property tax revenue projections results in \$63.5 Million higher Prop. 98 guarantee.

\*\*Assembly Child Care and Early Education Proposal to address rates, eligibility and access:

- Increases the Regional Market Rate (RMR) to the 80<sup>th</sup> percentile of the 2014 survey
- Increase the Standard Reimbursement Rate by 15 percent (Prop. 98 cost of \$130.250 Million)
- Increased Licensed Exempt rates to 80 percent of the current Family Child Care Home rate
- Implements streamlined 12 month eligibility reporting
- Increase income eligibility 85 percent of the current State Median Income
- Adds 10,000 new preschool slots (7,500 part day and 2,500 full day)
- Add 6,000 Alternative Payment Program slots
- \$25 million for additional Quality Rating Improvement System Investments (ongoing)

\*\*\*Senate Child Care and Early Education Proposal to address rates and access:

- Increase the Regional Market Rate (RMR) to the 75th percentile of the 2014 survey, effective January 1, 2017
- Increase the Standard Reimbursement Rate by 4 percent, effective July 1, 2016 (Prop. 98 cost of \$34.73 Million)
- Adds 2,000 Alternative Payment Program slots, effective October 1, 2016

**Kindergarten Program:**

The Assembly Budget Prop. 98 Package creates a plan to transition to a differentiated funding rate for full-day and part-day kindergarten programs in order to incentivize schools to provide full-day kindergarten. Adopts placeholder trailer bill language directing the CDE to develop a differentiated funding rate for full-day and part-day kindergarten programs, and report to the Legislature by September 1, 2016. The new funding rate would go into effect for the 2018-19 school year. This change would not impact the overall K-12 education funding level. Speaker Rendon will also be establishing a Blue Ribbon Commission on Early Care and Education, to improve services for children 0-3, and to develop options for establishing Universal Pre-K for all 4 year olds.

**Foster Youth Services Coordinating Program:**

The May Revision, supported by the Senate and Assembly, includes language that would direct that, commencing with the 2016-17 fiscal year, the allocation for the Foster Youth Services Coordinating Program funds would provide a base grant amount of \$75,000 for each participating county office of education. In addition, 70% of the annual funding allocation would be based on the number of foster youth in the county and 30% of the allocation on the number of school districts.