

Categorical Reform

LEGISLATIVE ANALYST'S OFFICE

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The Governor's Categorical Program Reform Proposal



Positives

- Greater fiscal flexibility.
- Greater program flexibility.
- Clearer state/local relationship.
- Administrative savings.
- Improved focus on student learning.



Negatives

- Proposal ignores negative local incentives.
- Categorical dollars would become general purpose funds.
- Effectiveness of accountability systems still unproven.
- Proposal misses opportunity to further clarify district responsibilities.
- Programs are excluded unnecessarily.



LAO Alternative Proposal



Basic Principles

- Preserve core purpose of programs.
- Address accountability through outcome or expenditure data.
- Keep block grants as large as possible.
- Maintain district shares of funding.
- Equalize funding levels over time.



Academic Improvement Block Grant

Composition

- Combines 22 programs totaling \$2.8 billion. Includes K-3 Class Size Reduction (CSR), staff development, school improvement, and GATE funds.

Allowable Uses

- Staff development, school curriculum and instructional support, CSR, or other schoolwide improvement activity.

Accountability Provisions

- **Fiscal Data**—Expenditure data on the amount used for CSR, staff development, and all other uses.
- **Program Data**—Staff quality indicators, including:
 - ***Underqualified Teachers***—Percent of teachers with preintern certificates or emergency permit.
 - ***Retention Rate*** of new teachers.
 - ***High Quality Staff Development***—Percent of teachers participating in qualifying training.
 - ***Academic Success***—Percent of teachers with annual test score increases.



Programs Included in LAO Academic Improvement Block Grant

(In Millions)

Program	2003-04 Governor's Budget
Class Size Reduction, Grades K-3	\$1,479.7
School Improvement Program, Grades 1-12	386.0
Core Academic Summer School, Grades K-12 ^a	211.0
Staff Development Day Buyout	202.2
Class Size Reduction, Grade 9	97.0
Teaching as a Priority Block Grant	78.0
Peer Assistance and Review	76.6
Beginning Teacher Support and Assessment	75.4
Gifted and Talented	49.8
Mathematics and Reading Professional Development	27.9
Principal Training	26.2
National Board Certification	10.3
Tenth Grade Counseling	10.1
Local Arts Education Partnership Grant	5.7
College Preparation Partnership	4.8
Academic Improvement and Achievement Act	4.8
Advanced Placement Teacher Training	3.2
Intersegmental Staff Development	1.9
Bilingual Teacher Training	1.6
Advanced Placement Fee Waivers	1.4
International Baccalaureate	0.9
Institute for Computer Technology	0.5
Total	\$2,754.8

^a We place core summer school programs in this block grant and remedial summer school programs in the compensatory block grant



Compensatory and Alternative Education Block Grant

Composition

- Combines 19 programs totaling \$1.8 billion. Includes Economic Impact Aid, Targeted Instructional Improvement Grants, Community Schools, and Community Day Schools.

Allowable Uses

- Provide additional services to underperforming students or students in need of additional services, including English language learner (ELL) students, students with disciplinary problems, and students “at risk” of dropping out.

Accountability Provisions

- **Program Data:**
 - **Academic Progress** of low-income and ELL students, and students placed in alternative programs. Measured by standards-aligned tests.
 - **Dropout** data.
 - **Truancy** data, as an indicator of district success with at risk students.
 - **Students Attending Alternative Schools**, in order to track the number of students served in alternative settings.



Programs Included in LAO Compensatory And Alternative Education Block Grant

(In Millions)

2003-04 Governor's Budget	
District Programs	
Targeted Instructional Improvement Grant	\$662.4
Economic Impact Aid	439.0
Summer School Programs (remedial only) ^a	225.9
English Language Learner Implementation	47.0
California School Age Families Education	43.0
Continuation Schools	35.0
Community Day Schools	28.4
K-4 Intensive Reading	26.9
Miller-Unruh Reading	25.5
Dropout Prevention	19.3
Grade 7-8 Math Academies	11.2
American Indian Education Centers	3.5
Opportunity Programs	2.3
Native American Indian Education	0.5
Healthy Start	—
Subtotal	(\$1,569.9)
County Programs	
Community Schools	\$123.0
Community Day Schools	55.2
Opportunity Programs	7.4
Subtotal	(\$185.6)
Total	\$1,755.5
^a We place the remedial summer school programs in this block grant and the core summer school programs in the academic improvement block grant.	



Core Services Block Grant

Composition

- Combines 12 programs totaling \$1.4 billion. Includes instructional materials, transportation, and deferred maintenance funds.

Allowable Uses

- Any basic district and school service that are currently supported by existing programs.

Accountability Provisions

- **Fiscal Data**—Expenditure data on the amount used for instructional materials, major maintenance, school library materials. Expenditures would be compared to a reasonable standard for the level of services (or expenditures) in these areas.
- **Program Data**
 - ***Students Receiving Subsidized Meals*** to gauge district success in this area.
 - ***School Safety Data***, using data required by federal law.



Programs Included in LAO Core Services Block Grant

(In Millions)

Program	2003-04 Governor's Budget
Home-to-School Transportation	\$467.3
Instructional Materials Block Grant	204.5
Mandates	198.9
Deferred Maintenance	181.0
Meals for Needy Pupils	116.4
School Safety	84.8
Child Nutrition	71.6
Year Round Schools	56.3
School Library Materials	20.4
School Law Enforcement Partnership	13.1
Pupil Residency Verification	0.1
Teacher Dismissal Grants	— ^a
Total	\$1,414.6

^a Less than \$100,000.



Vocational Education Block Grant



Composition

- Combines five programs totaling \$385 million. Includes Regional Occupation Centers/Programs, Partnership Academy, and Agricultural Vocational Education funds.



Allowable Uses

- Vocational training, career counseling, course placement, and other vocational activities.



Accountability Provisions

- **Fiscal Data**—Expenditure data on the amount used for counseling, vocational classes, and all other vocational costs.
- **Program Data**
 - **Academic Progress** of vocational students measured by state assessments.
 - **Wage Rates** of student summer employment.
 - **Post-High School Employment Rates** and earnings (if the data can be easily collected).



Programs Included in LAO Vocational Education Block Grant

(In Millions)

Program	2003-04 Governor's Budget
Regional Occupational Centers and Programs	\$342.3
Partnership Academies	20.3
Apprentice Programs	14.0
Specialized Secondary	4.5
Agricultural Vocational Education	3.8
Total	\$384.9



Regional Support Block Grant

Composition

- Combines six programs totaling \$31 million. Includes Education Technology, Teacher Recruitment, and Administrator Training program funds.

Allowable Uses

- Technical assistance or coordinating activities as determined by county offices and school districts. Administered through the county office regional structure.

Accountability Provisions

- None recommended.



Programs Included in LAO County Support Block Grant

(In Millions)

Program	2003-04 Governor's Budget
Education Technology	\$13.9
Teacher Recruitment Centers	8.3
Administrator Training	4.7
Beginning Teacher (base funding)	2.2
Early Intervention for School Success	1.9
Civic Education	0.2
Total	\$31.2