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Background

- ☒ Under the No Child Left Behind Act of 2001, schools and districts must meet annual performance targets towards the goal of all students reaching proficiency by 2014.
- ☒ Title I schools and districts that fail to meet annual federal performance targets for two consecutive years enter “Program Improvement (PI).”
- ☒ Schools and districts that fail to meet performance targets after being in PI for two years are subject to federal sanctions/ “corrective action.”
 - Schools are subject to one of five sanctions, including replacing staff, implementing a new curriculum, and appointing an external expert to advise the school.
 - Districts are subject to one of six sanctions, including replacing school district personnel, instituting a new curriculum, and appointing a trustee in place of the superintendent.
- ☒ Schools that fail to improve after entering corrective action are required to “restructure.” Schools have five restructuring options, including replacing most school staff, reopening the school as a charter, and turning operation over to the state.

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Almost \$600 Million in Federal Funding Available



A total of \$596 million in federal funds is available to California in 2009-10 for school improvement.

- \$127 million is “regular” ongoing federal funding for school improvement activities.
- \$391 million is one-time stimulus funding—\$346 million School Improvement Grant (SIG) funding and \$45 million Title I set-aside funding.
- \$78 million is carryover funding.

Federal School Improvement Funding	
<i>2009-10 (In Millions)</i>	
Ongoing Funding	
Title I set-aside	\$65
School Improvement Grant (SIG)	62
Subtotal	(\$127)
One-time Funding	
Stimulus SIG	\$346
Carryover-SIG	78
Stimulus Title I set-aside	45
Subtotal	(\$469)
Total Funding	\$596

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LAO Recommendations

- ☒ Use as much federal funding as possible to support Quality Education Investment Act /PI schools in 2009-10. Achieve \$282 million in state General Fund savings.
- ☒ Cover base program costs.
- ☒ Save remainder (\$286 million) to achieve future state savings.

Federal School Improvement Expenditures	
<i>2009-10 (In Millions)</i>	
Program Expenditures	
Quality Education Investment Act	\$282
Corrective Action Program	18
Statewide System of School Support	10
Evaluation	0.3
Total Expenditures	\$310