

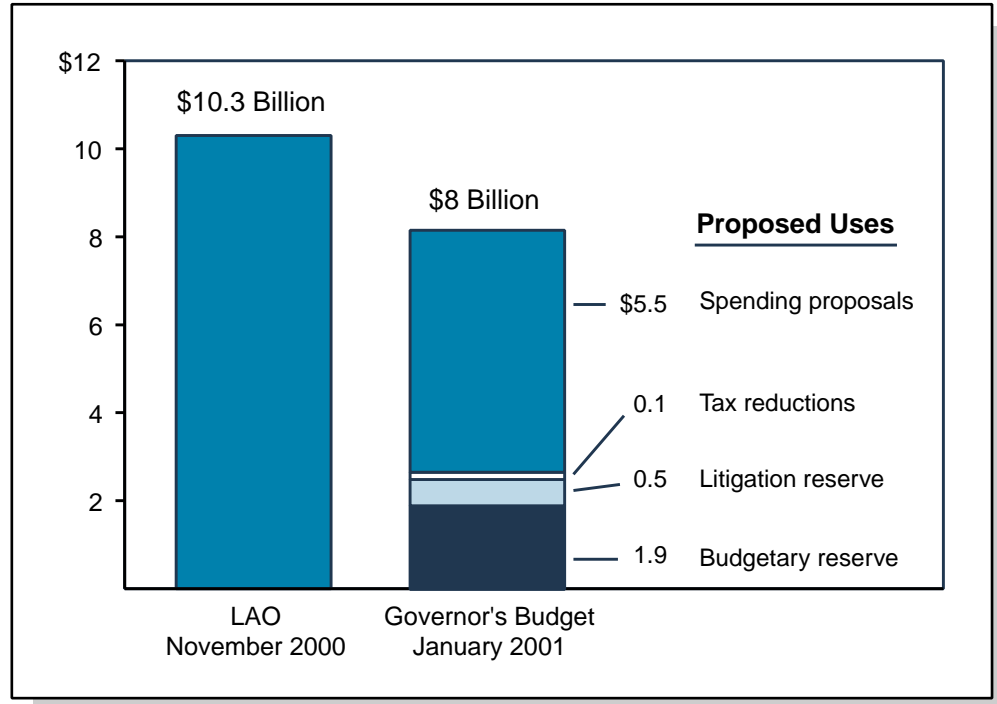


Overview of *2001-02* Governor's Budget

Presented To
Joint Hearing of the Assembly and
Senate Education Committees



Overview of the Budget





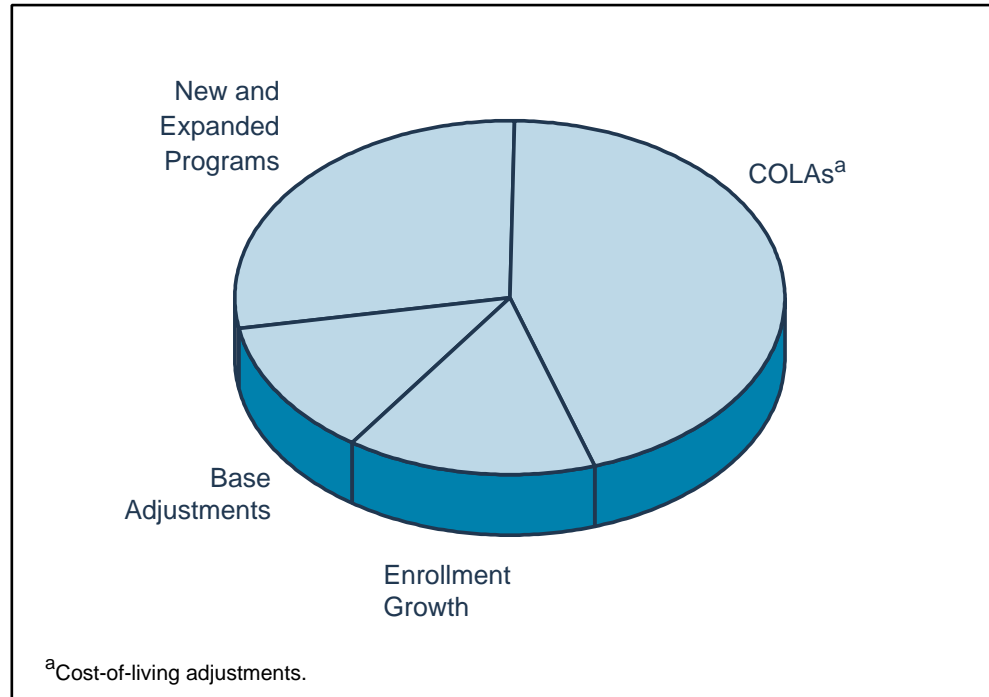
K-12 Education Budget Summary

**1999-00 Through 2001-02
(Dollars in Millions)**

	Actual 1999-00	Estimated 2000-01	Proposed 2001-02	Change From 2000-01	
				Amount	Percent
K-12 Proposition 98					
State (General Fund)	\$25,269.7	\$27,192.2	\$29,471.0	\$2,278.7	8.4%
Local property tax revenue	10,100.4	10,894.9	11,779.1	884.2	8.1
Subtotals, Proposition 98	(\$35,370.1)	(\$38,087.1)	(\$41,250.1)	(\$3,163.0)	8.3%
Other Funds					
General Fund					
Teachers' retirement	\$864.4	\$833.8	\$807.2	(\$26.6)	-3.2%
Bond payments	877.9	1,075.7	1,141.6	65.9	6.1
Other programs	165.0	745.8	661.1	(84.6)	-11.3
State lottery funds	769.4	826.4	826.4	—	—
Other state funds	50.6	54.4	61.0	6.6	12.1
Federal funds	4,131.7	4,681.8	4,542.9	(138.9)	-3.0
Other local funds	3,454.2	3,454.2	3,454.2	—	—
Subtotals, Other Funds	(\$10,313.3)	(\$11,672.2)	(\$11,494.5)	(\$177.7)	-1.5%
Totals	\$45,683.3	\$49,759.3	\$52,744.6	\$2,985.2	6.0%
K-12 Proposition 98					
Average Daily Attendance (ADA)	5,606,894	5,688,675	5,750,105	61,430	1.1%
Amount per ADA (excluding loan)	\$6,308	\$6,695	\$7,174	\$479	7.1%



Proposed Uses of New K-12 Proposition 98 Funds





Longer School Year for Middle Schools

- The budget proposes extending the school year for “middle school grades” from 180 days to 210 days (grades 6 through 9, depending on school configuration).
- Provides \$770 per pupil as incentive.
- Three-year phase-in:
 - \$100 million in 2001-02 (about 10 percent of eligible enrollment).
 - \$450 million spending level in 2002-03 (about 50 percent).
 - At least \$900 million spending level in 2003-04 (nearly universal participation).



Considerations Regarding Longer School Year Proposal

- Research findings indicate that extending school year has limited effect on student achievement. If an educational program uses existing time ineffectively, or is seriously deficient in quality, simply adding days can be futile.
- Does proposal correctly identify, and then address, the key problems in middle school grades? The administration has not provided meaningful detail to the Legislature on this and other important questions.
- High Opportunity Cost. Proposal would commit state to spending as much as \$1 billion (or more) annually for one improvement strategy in up to four grades. Under the administration's proposed approach, this very large share of new Proposition 98 funds would not be available for any other strategies for improvement.
- Proposal does not target "pockets" of educational failure. The proposal assumes nearly universal participation by eligible schools, regardless of the fact that many schools and students are doing a relatively good job, while other schools and students face severe challenges.
- School district participation is optional, but only in the most limited sense. Districts are not given option to access funds for any other possible strategies to improve achievement of middle school students.



Professional Development in Reading and Math

- The Governor proposes a three-year \$830 million initiative to train over 250,000 K-12 teachers and 22,000 aides in mathematics and reading instruction based on the state's new content standards.
- The 2001-02 budget adds \$335 million to train 140,000 multiple-subject K-6 teachers, 23,500 single-subject mathematics and English teachers, and 7,000 instructional aides. The administration expects to spend \$335 million in year two and \$160 million in year three.
- Proposal utilizes existing professional development institutes managed by University of California for part of effort, but also gives school districts authority and flexibility to use other training providers.
- Considerations:
 - Does the proposal provide districts with incentives to leverage their existing staff development funds for the purpose of standards-based training?
 - Is the proposal based on a realistic time frame? Can districts' training programs be properly reviewed and operational by summer 2001? Can more than 170,000 teachers and aides be served in year one of the program?
 - Are criteria clearly identified to determine which districts and teachers will receive priority for funding?