

Report on the Budget Act of 2004

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California Department of Education
Fiscal and Administrative Services Division

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Overview

On July 31, 2004, Governor Arnold Schwarzenegger signed the 2004 budget Act, Senate Bill 1113 (Chapter 208, Statutes of 2004). This measure, along with various budget trailer bills, sets the conditions for allocating state funds for California public schools through June 30, 2005.

This report provides a brief overview of the state budget for 2004-05 and the major budget changes affecting kindergarten through twelfth grade (K–12) education, then detailed information regarding the funding available in the budget for individual programs. This report is available solely on the California Department of Education's (CDE's) Web site (<http://www.cde.ca.gov/fg/fr/eb>) rather than in printed form. The report includes numerous hyperlinks enabling a reader to refer immediately to additional information, such as the *Education Code* section authorizing a particular program and a program's Web site. Copies of budget documents themselves are available through the Department of Finance's (DOF's) Web site (<http://www.dof.ca.gov/>).

This part of the report contains an overview of the state budget for 2004-05 and the major budget changes affecting K–12 education. The second part of the report consists of individual sections describing the funding available and relevant budget provisions for each major program. Each program section contains (1) the Budget Act item number; (2) the *Education Code* sections authorizing the expenditures; (3) the standardized account code structure (SACS) resource code to be used in accounting for them locally; (4) the funding level and pertinent budget provisions; (5) program information and comments concerning implementation schedules and reporting deadlines; (6) the names, telephone numbers, and e-mail addresses of program contacts; and (7) the program's Web site address, if available.

The Fiscal and Administrative Services Division prepared this report with contributions from other staff throughout the CDE. For general budget questions, please contact the fiscal policy staff at (916) 445-0541.

STATE GENERAL FUND BUDGET

The 2004-05 budget authorizes a total spending plan of over \$105.4 billion, including \$78.7 billion from the state General Fund. The budget package addresses the state's multi-billion General Fund budget shortfall through a combination of \$4 billion in program cuts, \$4.4 billion in "cost avoidance", \$2.1 billion in loans and borrowing, \$1.6 billion in funding shifts, and \$1.8 billion in transfers and other revenues. The budget package includes the use of \$11.3 billion of the \$15 billion in economic recovery bonds authorized by the voters in March 2004 and \$1.2 billion in bond proceeds related to newly approved tribal gaming compacts.

Table 1 shows total General Fund revenues, expenditures, and year-end reserves for both 2003-04 and 2004-05. The table shows that, under the 2004 Budget Act, the budget year is expected to end with a reserve of approximately \$768 million (1 percent of General Fund revenues).

Table 1 - General Fund Summary
(in Millions)

	2003-04	2004-05
Prior-Year Balance	\$4,178	\$3,127
Revenues	74,570	77,251
Economic Recovery Bonds	2,012	—
Total Resources	\$80,760	\$80,378
Expenditures	75,621	80,693
Fund Balance	\$3,127	\$1,697
Budget Reserves:		
Reserve for Liquidation of Encumbrances	\$929	\$929
Special Fund for Economic Uncertainties	2,198	768

PROPOSITION 98

Under Proposition 98, the revenues assumed in the budget result in required funding levels of \$46.7 billion (state and local funds) in 2003-04 and \$49.3 billion in 2004-05 for ongoing program purposes in K-12 schools, other educational agencies, and community colleges. These figures are based on "Test 2" under Proposition 98 in both 2003-04 and 2004-05. The 2004-05 budget package reflects the suspension of Proposition 98 for the 2004-05 fiscal year, as provided in Senate Bill 1101 (Chapter 213, Statutes of 2004). The suspension authorizes spending at a level \$2 billion below what would otherwise be required for K-14 education programs. The Constitution allows the state to suspend the minimum guarantee requirements of Proposition 98 through a separately enacted statute, although the full Test 2 funding level must eventually be restored in later years when revenues grow faster than state personal income.

The funding level provided in the budget package for 2004-05 is \$302 million below the minimum level required by Proposition 98, as adjusted for the \$2 billion suspension. The funding level for 2003-04 is \$481 million below the minimum level required by Proposition 98. Chart 1 provides basic information about the calculation of the Proposition 98 guarantee.

Chart 1 • Proposition 98

Basic Principles

Proposition 98, approved by the voters in 1988, provides a constitutionally guaranteed minimum level of funding to K–12 schools and community colleges.

In years of “normal” state revenue growth, K–14 education is guaranteed a level of state and local funding at least equal to the funding level received in the prior year, adjusted for changes in enrollment and per capita personal income.

In years of extraordinarily good or bad revenue growth, K–14 education participates in the state’s gains or losses according to specified “fair share” formulas.

Proposition 98 may be suspended in a statute passed with a two-thirds vote, enacted separately from the budget.

Following a “fair share” reduction in the level of the Proposition 98 funding guarantee or a suspension of the guarantee, the state eventually must restore K–14 education funding to the level that would have been provided had no reduction occurred. The pace of this restoration is tied to the pace of the state’s economic recovery.

The Specifics: Test 1, Test 2, Test 3, and Restoration

Specifically, K–14 education is guaranteed a minimum funding level based on the greater of:

- Test 1—Percent of General Fund Revenues: The percentage of state General Fund tax revenues received by schools and community colleges in 1986-87 as adjusted for the impact of shifts in property taxes from local governments to schools (currently about 34.6 percent), or
- Test 2—Maintenance of Prior-Year Service Levels: The prior-year level of funding from state aid and local property taxes increased for enrollment growth and inflation as measured by the change in per capita personal income

However, in years when the percentage growth in per capita General Fund revenues is less than the percentage growth in per capita personal income and the difference exceeds 0.5 percent, the following alternative test is substituted for Test 2:

- Test 3—Adjustment Based on Available Revenues: The prior-year level of funding from state aid and local property taxes increased for enrollment growth and inflation as measured by the change in per capita General Fund revenues plus 0.5 percent. Test 3 ensures that K–14 education bears a fair share of the state’s General Fund revenue growth or decline in extraordinarily good or bad revenue growth years.

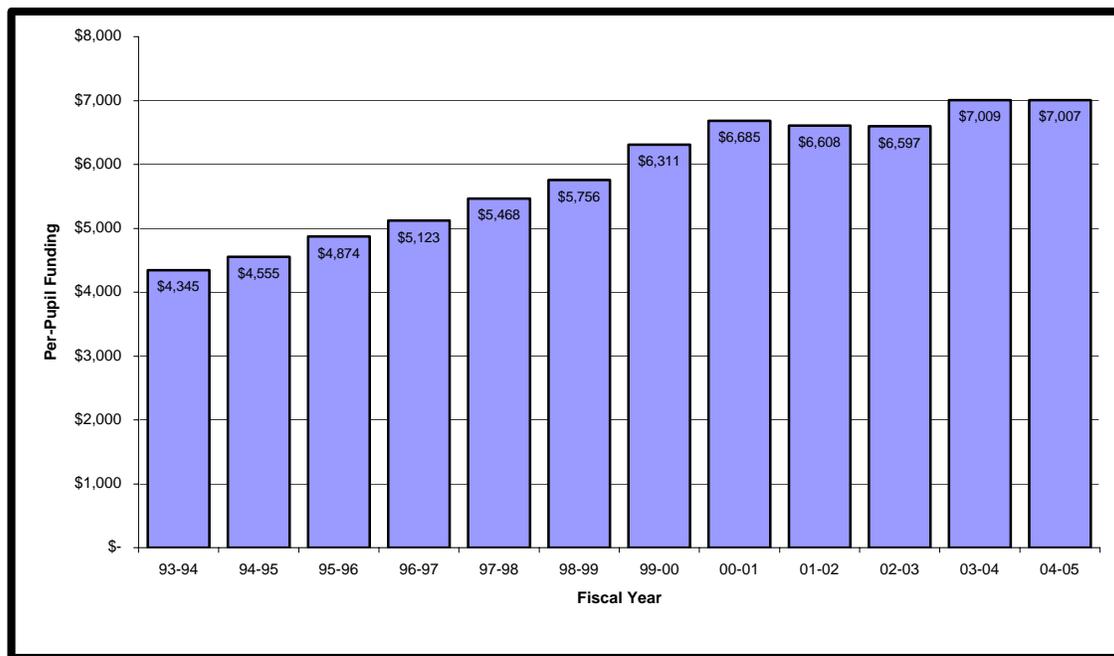
Restoration: If the Proposition 98 guarantee is reduced because of the application of Test 3 or a suspension of the guarantee, the amount lost is never repaid. The funding level must eventually be restored in the future, however, according to a formula that is tied to the pace of the state’s economic recovery.

K-12 EDUCATION HIGHLIGHTS

Focusing on Proposition 98 funding for K-12 education, the budget assumes spending of \$41.7 billion (state and local funds) in 2003-04 and provides \$42.1 billion in 2004-05 for K-12 education under Proposition 98. The funding level for 2003-04 is \$455 million above the budget for that year enacted in July 2003. The funding level for 2004-05 is \$145 million higher than the amount proposed in January 2004 and \$833 million higher than the 2003-04 budgeted level.

Chart 2 shows the trend in Proposition 98 funding per pupil in K-12 schools from 1992-93 through 2004-05. The chart shows that, under the 2004 Budget Act, schools will receive Proposition 98 funding averaging \$7,009 per pupil in average daily attendance (ADA) in 2003-04 (slightly above the 2003-04 Budget Act level of \$7,002) and \$7,007 in 2004-05 (slightly below the revised 2003-04 level).

Chart 2 • Proposition 98 Funding per Pupil



In addition to Proposition 98 funding, the budget package includes one-time funds for K-12 education in 2004-05. These funds are reverted from previous Proposition 98 appropriations and must be spent for Proposition 98 purposes, but they do not count in the Proposition 98 totals. The 2004-05 funding level from this source is \$582.2 million.

The budget also includes changes to funding levels for various education programs funded from federal funds and other state funds. Including all funding sources, one-time as well as ongoing, and excluding the effect of funding deferrals, the budget provides funding of \$9,528 per pupil in 2003-04 and \$9,811 per pupil in 2004-05, an increase of \$283, or 3 percent, over revised 2003-04 per-pupil funding. Table 2 summarizes total funding for K-12

education from all sources in 2004-05. The table shows that the budget projects total funding of \$58.9 billion.

Table 2 - Funding for K–12 Education
All Sources and Proposition 98 (in Thousands)

Sources of Funding	Funding from All Sources	Proposition 98 Sources
State General Fund	\$34,050,000	\$30,873,601
State Lottery	793,400	—
Other State Funds	85,800	—
Federal Funds	7,572,800	—
Local Property Tax	11,441,100	11,213,733
Local Debt Service Tax	1,195,500	—
Other Local Funds	3,794,900	—
Total	\$58,933,500	\$42,087,334

Note: Includes funds for California Department of Education state operations, state special schools, state school facilities bond repayments, state contributions to STRS, State Library, and Commission on Teacher Credentialing.

2004-05 PROPOSITION 98 FUNDING CHANGES

The major 2004-05 changes are shown in Table 3. The changes include:

- Decreased expenditures of \$1 billion due to a net reduction in deferral costs
- Decreased expenditures of \$456 million due to fund shifts and program reductions
- Increased expenditures of \$1.5 billion to fund ADA growth and a 2.41 percent cost-of-living adjustment (COLA) for revenue limits and most categorical programs
- Increased expenditures of \$270 million for revenue limit deficit reduction, \$109 million for district revenue limit equalization, and \$120 million to fund increases in local educational agency (LEA) unemployment insurance rates
- Increased expenditures of \$188 million for instructional materials
- Increased expenditures of \$173 million for deferred maintenance
- Increased expenditures of \$188 million in one-time funding specifically to satisfy the settlement of the *Williams* lawsuit

Table 3 - 2004-05 Proposition 98 Changes
Compared to 2003-04 Enacted Budget (in Millions)

	One-Time Funds	Ongoing Funds
Fund shifts and other savings		
Net reduction of deferral costs		-\$1,048.3
One-time funds used for ongoing programs	\$218.1	-218.1
Special education federal funding increase		-126.6
Beginning teacher support and assessment, reduced participation		-46.6
Class size reduction K–3, reduced participation		-46.4
Miscellaneous other changes	101.6	-18.2
Subtotal	\$319.7	-\$1,504.2
Growth		508.5
COLA		979.9
Williams lawsuit settlement		
Instructional materials	138.0	
School facilities needs assessments	25.0	
County office of education oversight and review	15.0	
School facilities emergency repair	5.0	
Revolving account for textbook purchases	5.0	
Subtotal	\$188.0	
Program increases		
Revenue limit deficit factor reduction		270.0
Instructional materials		188.0
Deferred maintenance	12.6	160.8
Unemployment insurance		120.1
Equalization		109.9
Subtotal	\$12.6	\$848.8
Prior-year mandate claims	58.4	
Total	\$578.7	\$833.0

HIGHLIGHTS OF CHANGES BY PROGRAM AREA

The following sections address the impact of the 2004-05 budget changes on specific program areas.

Second Principal Apportionment Payment Deferral

The 2004-05 budget continues the deferral of the June payment for the Second Principal Apportionment (P-2) to July of the following fiscal year. This affects all programs funded through the principal apportionment.

The vast majority of state funding for LEAs is allocated through the principal apportionment process, which provides a steady stream of funding throughout the year. The bulk of the funding allocated through the principal apportionment process is unrestricted funding. Specific programs are school district and county office of education (COE) revenue limits and charter school block grants, both the general purpose and categorical portions. The remaining programs include some of the larger categorical programs funded based on current-year ADA and a number of programs funded based on actual hours of instruction.

Revenue Limits

School district and COE revenue limits received a COLA of 2.41 percent and full funding for K–12 ADA growth, projected by DOF to be 0.93 percent for school districts and 3.99 percent for COEs. COLA amounts for 2004-05 school district base revenue limits, prior to deficit, are elementary districts, \$112 per ADA; unified districts, \$117 per ADA; and high school districts, \$135 per ADA.

In addition to growth and COLA, the 2004-05 budget includes \$270 million to reduce the revenue limit deficit for school districts and COEs from 3 percent to 2.14 percent and \$110 million for equalization of district revenue limits, based on post-Senate Bill 727 base revenue limits.

The 2004-05 budget also includes adjustments to school district and COE revenue limits for changes in employer contribution rates for unemployment insurance and the Public Employee Retirement System (PERS). However, in calculating the PERS reduction to revenue limit funding, *Education Code* Section [42238.23](#), as amended by Senate Bill 1108, now requires that LEAs include the salaries of employees of joint power authorities (JPAs) for positions that, in absence of the JPA, would otherwise be considered school employees.

Basic Aid Districts. The 2004-05 budget package continues to apply all state funding allocated to school districts towards the minimum state aid required by the Constitution (the greater of \$120 per ADA or \$2,400).

School districts whose local revenues were greater than or equal to their revenue limit entitlements as of 2003-04 (“excess tax districts”) are subject to an additional statewide reduction of \$2.7 million, which will be applied as a reduction to one or more of their state-funded categorical programs, as determined by the affected school districts, excluding programs subject to

federal maintenance-of-effort requirements. This reduction is significantly less than the \$9.9 million reduction required in 2003-04.

Charter School Block Grants

General-Purpose Funding. General-purpose funding for charter schools funded through the block grant will be automatically adjusted to reflect the impact of the increases to school district revenue limits for COLA, equalization, and deficit reduction. Estimated per-ADA block grant entitlements will be available in late February 2005.

Categorical Funding. The budget provides \$58.1 million for categorical block grants for 2004-05. This includes funding for a 12 percent increase in charter school ADA as projected by DOF. Provisional language in the 2004-05 budget item for charter school categorical block grants provides a single per-ADA amount, not to exceed \$292 per ADA, for the base portion of the categorical block grant. The disadvantaged pupil portion of the block grant will continue to be calculated according to existing law. Estimates for both rates will be available in late February 2005.

Special Education

The 2004-05 budget fully funds estimated pupil growth of 0.95 percent and provides a 2.41 percent COLA for special education programs. In addition, the budget provides \$31 million from the General Fund to partially offset costs to counties of providing mental health services for special education students. This funding is in addition to \$69 million in federal funds for this purpose provided initially in 2003-04. Finally, the budget provides \$38.4 million from the General Fund for a new funding model for special education services provided to children in non-relative foster care.

Community Day Schools

The 2004-05 budget provides funding for a 2.41 percent COLA for community day school programs. It also provides \$12.1 million for a base adjustment related to Section 32 of Senate Bill 1108, which provides for an adjustment to LEA entitlements to fund deficiencies for 2002-03 and 2003-04.

Other Principal Apportionment Programs

The budget provides funding for growth and a COLA for five additional programs allocated through the principal apportionment process: Apprenticeship Program, Adult Education Program, Gifted and Talented Education (GATE), Regional Occupational Centers and Programs, and Summer School/Supplemental Instruction. The amounts are shown in Table 4.

Categorical Deferrals

Most of the remaining state funding for LEAs is allocated through various categorical programs. In contrast to revenue limit funding, funds distributed through categorical programs have restrictions on their use.

The 2004-05 budget continues the practice of the past few years of deferring a portion of the funding for certain categorical programs into the following year. For the 2004-05 fiscal year, the deferrals apply to three programs:

- Targeted Instructional Improvement Grants, \$95.4 million deferred, 13 percent of total funding.
- Home-to-School Transportation, \$50.1 million deferred, 9.2 percent of total funding.
- School Safety and Violence Prevention Grants, \$36.9 million deferred, 42 percent of total funding.

Assessment and Accountability

The 2004-05 budget reduces funding for the Standardized Testing and Reporting System (STAR) by \$6.5 million to reflect the elimination of the norm-referenced portion of STAR for all grades except grades three and eight.

The budget reduces funding for Public School Accountability Act programs by \$71.3 million to reflect reduced participation rates in the Immediate Intervention/Underperforming Schools Program and the High Priority Schools Grant Program.

Charter School Facilities

The 2004-05 budget provides \$7.7 million from one-time funds for the third and last year of the charter school facilities grant program. This funding provides up to \$750 per student to defray rent or lease costs for classroom-based charter schools serving primarily low-income pupils.

Child Development

The 2004-05 budget provides \$29.5 million for a 2.41 percent COLA and \$15.8 million for 1.34 percent growth, based on the change in the state population through age four. In addition, the budget increases funding for the state preschool program by \$10 million, restoring a reduction made by the 2003-04 budget. The budget also restructures the mix of funding sources, with a net decrease in funding of \$71 million for Stage 2 child care and a net decrease of \$20.6 million for Stage 3 child care.

The 2004-05 budget also reflects reforms contained in Senate Bill 1104 (Chapter 229, Statutes of 2004), which changes eligibility rules and addresses issues surrounding child care fraud and overpayments.

Deferred Maintenance

The 2004-05 budget increases state funding for deferred maintenance by \$173.4 million. Including funding from excess bond payments and school site utilization fund transfers, total funding for deferred maintenance in 2004-05 is estimated to be \$262.9 million, which almost fully funds LEA entitlements for this program.

Instructional Materials

The 2004 Budget Act increases funding for instructional materials by \$188 million compared to 2003-04 levels. Of this amount, \$30 million is one-time funding to provide supplemental instructional materials for English learners. Senate Bill 1108 provides an additional \$138 million as part of the settlement of the *Williams* case (discussed below) for allocation to schools in deciles 1–2 of the Academic Performance Index (API).

Education Technology

The budget provides \$21 million for the Imperial County Office of Education to provide high-speed Internet connectivity and network infrastructure for LEAs.

Williams Settlement

The *Eliezer Williams, et al., vs. State of California, et al. (Williams)* case was filed as a class action in 2000 in San Francisco County Superior Court against the State of California and state education agencies, including the CDE. The plaintiffs included nearly 100 San Francisco County students. The basis of the lawsuit was that the agencies failed to provide public school students equal access to instructional materials, safe and decent school facilities, and qualified teachers.

The case was settled in 2004 and will be implemented through legislation enacted in September 2004: Senate Bill 6, Senate Bill 550, Assembly Bill 1550, Assembly Bill 2727, and Assembly Bill 3001. In compliance with the settlement agreement, the budget package contains \$138 million (appropriated in Senate Bill 1108) in additional funding for standards-aligned instructional materials for schools in deciles 1–2 of the API and another \$50 million (\$30 million appropriated in Senate Bill 6 and \$20 million appropriated in Senate Bill 550) for implementation costs and oversight of schools in deciles 1–3. Another \$800 million will be provided for critical repair of facilities in future years for schools in deciles 1–3.

Up to 2.3 million California public school students may benefit from funding from the *Williams* case settlement. More information on the *Williams* case is available on the CDE Web site (<http://www.cde.ca.gov/eo/ce/wc/index.asp>).

Other Categorical Programs

Most programs received growth adjustments and a COLA, as shown in Table 4.

The 2004-05 budget makes significant reductions to several K–12 programs compared to their 2003-04 funding levels due to reduced participation:

- Beginning Teacher Support and Assessment, \$46.6 million, 5.9 percent
- Class Size Reduction, K–3, \$46.4 million, 2.8 percent

The 2004-05 budget eliminates funding for the following programs that were funded in 2003-04:

- Local Arts Education Partnership (Arts Work Grants), \$6 million
- Academic Improvement and Achievement Act, \$5 million
- Early Intervention for School Success, \$2.2 million
- School-to-Career Partnerships, \$1.7 million

Table 4 - COLA and Growth Adjustments

Program	COLA	Growth
Adult Education Program	2.41%	2.50%
Adults in Correctional Facilities Program	1.96%	2.50%
Advanced Placement Examination Fees	2.41%	0.95%
Agricultural Career Technical Education Programs	2.41%	0.95%
American Indian Early Childhood Education	2.41%	0.95%
Apprenticeship Program	--	2.13%
Beginning Teacher Support and Assessment	2.41%	--
Bilingual Teacher Training Program	2.41%	0.95%
Cal-SAFE	2.41%	0.95%
Charter School Categorical Block Grant	N/A	12.0%
Child Development	2.41%	1.34%
Child Nutrition	2.41%	6.67%
Class Size Reduction, Grade Nine	2.41%	--
Class Size Reduction, K–3	2.41%	--
College Readiness Program and Comprehensive Teacher Institutes	2.41%	0.95%
Community Day Schools	2.41%	--
Continuation High Schools	2.41%	0.95%
County Office Oversight	2.41%	0.95%
Dropout Prevention and Recovery	2.41%	0.95%
Economic Impact Aid	2.41%	5.00%
Education Technology—California Technology Assistance Project and Statewide Education Technology Services	2.41%	0.95%
English-Language Acquisition Program	2.41%	0.95%
Fiscal Crisis and Management Assistance Team	2.41%	--
Foster Youth Services	2.41%	0.95%

Program	COLA	Growth
Gifted and Talented Education (GATE)	2.41%	0.95%
High Risk Youth Education and Public Safety Program	2.41%	0.95%
Instructional Time and Staff Development Reform	2.41%	0.77%
International Baccalaureate Diploma Program	2.41%	0.95%
Opportunity Classes and Programs	2.41%	0.95%
Peer Assistance and Review	2.41%	0.95%
Pupil Residency Verification	2.41%	0.95%
Pupil Transportation	2.41%	0.95%
Regional Occupational Centers and Programs	2.41%	3.67%
Revenue Limits, School Districts	2.41%	0.95%
Revenue Limits, County Offices of Education	2.41%	3.99%
School Breakfast and Summer Food Service Program Start-up Grants	--	0.95%
School Improvement Program, Grades K–6	2.41%	--
School Improvement Program, Grades 7–12	2.41%	2.56%
School Safety and Violence Prevention Act Block Grants	2.41%	0.95%
Special Education	2.41%	0.95%
Specialized Secondary Programs	2.41%	0.95%
School Safety and Violence Prevention Grants	2.41%	0.95%
Summer School/Supplemental Instruction	2.41%	0.95%
Supplemental Grants	2.41%	0.95%
Targeted Instructional Improvement Grants	2.41%	0.95%
Teacher Dismissal Apportionments	2.41%	--
Tenth-Grade Counseling	2.41%	0.95%

Note: Actual rate adjustments may differ from COLA percentages shown based on program requirements and available funds.

Programs Administered by Other Agencies

The 2004 Budget Act reduces funding to the Department of Mental Health for Early Mental Health Initiative grants by \$5 million (a 50 percent reduction from the 2003-04 budgeted level). In addition, the 2004 Budget Act reduces funding to the Commission on Teacher Credentialing by \$6.9 million to reflect the elimination of new participants in the pre-internship program and increases funding by \$2.4 million for internships to support an additional 955 interns.

Mandates

The budget continues to defer over \$1.5 billion in accumulated state mandate reimbursement obligations indefinitely. However, the budget does provide \$58.4 million from one-time funds to partially fund prior years' state obligations for K–12 education mandates.

Categorical Program Flexibility

Section 12.40(b) of the Budget Act again provides funding flexibility for selected programs, as listed in Table 5. Local educational agencies may transfer up to 20 percent of the state funds apportioned in 2004-05 for any of the listed programs into any other listed program, provided that the receiving program's state funding does not increase to a level exceeding 125 percent of the 2004-05 state apportionment for that program. The flexibility is conditioned on the LEA's reporting to the CDE by October 15, 2005, any amounts shifted between programs. The CDE must provide this information to the Legislature and the Department of Finance by February 1, 2006.

Table 5 - Programs Eligible for Flexibility Provisions
Section 12.40 of the 2004 Budget Act

Budget Act Item	Program	Resource Code
6110-167-0001	Agricultural Career Technical Education Programs	7010
6110-131-0001	American Indian Early Childhood Education (moved to Item 6110-151-0001)	
6110-151-0001	California Indian Education Centers and American Indian Early Childhood Education	7015
6110-203-0001	Child Nutrition	5310
6110-120-0001	Dropout Prevention and Recovery	7060, 7065, 7070, 7075
6110-163-0001	Early Intervention for School Success	7130
6110-128-0001	Economic Impact Aid	7090, 7091
6110-181-0001	Education Technology	7110, 7120
6110-119-0001	Foster Youth Services	7365, 7366
6110-124-0001	Gifted and Talented Education (GATE)	7140
6110-197-0001	Intersegmental Programs—	
	College Readiness	7335
	Comprehensive Teacher Education Institutes	7345
6110-127-0001	Opportunity Classes and Programs	0000

Budget Act Item	Program	Resource Code
6110-116-0001	School Improvement Program	7260
6110-122-0001	Specialized Secondary Programs	7370
6110-193-0001	Staff Development—	
	Peer Assistance and Review	7271
	Bilingual Teacher Training Program	7275
	Reader Services for Blind Teachers	7295
6110-132-0001	Targeted Instructional Improvement Grants	7045
6110-209-0001	Teacher Dismissal Apportionments	0000
6110-108-0001	Tenth-Grade Counseling	7375
6110-111-0001	Transportation—	
	Home-to-School	7230
	Small School District Bus Replacement	7235
	Special Education	7240
6110-224-0001	Year-Round Education Grants	7380, 0000

Note: Funds may be transferred into the following two programs: Healthy Start (*Education Code* Section 8800, resource codes 6240 and 6245) and Conflict Resolution (*Education Code* Section 32260, resource code 6315).

2004-05 FEDERAL FUNDING CHANGES

The budget includes the following significant increases in federal funds.

- \$140 million for special education, of which \$126.6 million is used to offset state General Fund costs for growth and COLA
- \$120 million increase to Title I funding, most of which is passed through to school districts
- \$67 million in federal support for low-performing schools, set aside pending legislation creating a school district accountability system

BUDGET ACT AND TRAILER BILLS

Table 6 provides a listing of the bill number and chapter numbers for the Budget Act and major trailer bills.

Table 6 - Budget Act and Related Legislation

Budget Act		
SB 1113	Chapter 208	2004 Budget Act
2004-05 Education Trailer Bills		
SB 1096	Chapter 211	Local government trailer bill
SB 1101	Chapter 213	Proposition 98 suspension
SB 1104	Chapter 229	Social services/child development trailer bill
SB 1108	Chapter 216	Omnibus education trailer bill
SB 1448	Chapter 233	STAR reauthorization
SCA 4	Proposition 1A	Local government constitutional amendment
<i>Williams Lawsuit Related Bills</i>		
AB 1550	Chapter 901	Phase-out of "Concept 6" year-round schools
AB 2727	Chapter 903	Uniform complaint process for facilities issues
AB 3001	Chapter 902	State and LEA reporting of teacher misassignment
SB 6	Chapter 899	School facilities needs assessment and emergency repair for low performing schools
SB 550	Chapter 900	County office of education oversight of adequacy of facilities and textbooks in low-performing schools
Other Related Education Bills		
AB 825	Chapter 871	Categorical reform
AB 1554	Chapter 263	Emergency loans and infrastructure bank
AB 1858	Chapter 914	Nonpublic school funding reform
AB 2525	Chapter 896	Education technical bill
AB 2756	Chapter 52	School district funding oversight
SB 311	Chapter 910	K-3 class size reduction penalties

Adult Education Program

Budget Act Item: 6110-156-0001 and statutory appropriation

Resource code: 6390

Education Code sections [52610 through 52616.24](#)

2004-05 Budget Provisions

- The budget provides \$563.5 million from the General Fund. An additional \$8.7 million available from reimbursements is apportioned to serve recipients eligible for California Work Opportunity and Responsibility to Kids (CalWORKs). A portion of the CalWORKs funds may be transferred to regional occupational centers and programs, depending on local needs.
- Section 36(a)(1)(G) of Senate Bill 1108 (Chapter 216, Statutes of 2004) defers an additional \$43 million to 2005-06.
- Funding provided includes a 2.41 percent COLA increase and a growth adjustment of 2.50 percent.
- CalWORKs funding must be used for educational activities designed to increase self-sufficiency, provide job training, and serve employment. The funds will be apportioned only after LEAs have fully claimed their regular funding caps.

Program Information

This program is funded through the principal apportionment system. Funding is based on ADA as reported on the Attendance School District Data Entry Screen and Attendance County Office of Education Data Entry Screen, which reflects the conversion to a software-based system for reporting ADA and hourly data through the implementation of the new Integrated Apportionment System. These data entry screens replace the former Form J-18/19, Report of Attendance for districts, and Form J-27/28, Report of Attendance for county offices of education. The total funding amount is calculated in the Principal Apportionment Revenue Software and displayed on the School District Adult Education Report and County Adult Education Report.

Funding will be apportioned at the First Principal (P-1) Apportionment on February 20, 2005, and the Second Principal (P-2) Apportionment on July 2, 2005. However, final funding is based on annual ADA amounts and will be adjusted at the P-1 Apportionment on February 20, 2006. See the [“Calendar of Key Deadlines, 2004-05 Apportionments”](#) for information regarding reporting dates.

This program is not included in the charter school categorical block grant.

Staff Contact: Secondary, Postsecondary, and Adult Leadership Division,
(916) 322-2175 (program)

Halena Le, School Fiscal Services Division; (916) 324-4535;
hle@cde.ca.gov (school districts)

Daphne Kelley, School Fiscal Services Division; (916) 324-
6178; dakelley@cde.ca.gov (county offices of education)

Web Site: <http://www.cde.ca.gov/fg/fr/eb/> (fiscal)
<http://www.cde.ca.gov/sp/ae/> (program)
<http://www.cde.ca.gov/fg/sf/> (software)

Adult Education Program—Federal Funds

Budget Act Item: 6110-156-0890
Resource codes: Various
Education Code Section: None

2004-05 Budget Provisions

- The budget authorizes an expenditure of \$81.7 million in federal funds for adult education and literacy services. Of this amount, \$4.2 million represents one-time carryover funds.

Program Information

Supplementary funding for adult education and literacy services will be available to eligible agencies currently providing one or more of the following programs: Adult Basic Education, English as a Second Language that includes English as a Second Language—Citizenship, Vocational Literacy, Family Literacy, Adult Secondary Education, Citizen Preparation, or Civic Preparation.

Grants are awarded using qualification criteria identified in the *California State Plan for Adult Education: 1999–2005*.

This program is not included in the charter school categorical block grant.

Staff Contact: Secondary, Postsecondary, and Adult Leadership Division;
(916) 322-2175.

Web Site: <http://www.cde.ca.gov/sp/ae/>

Adults in Correctional Facilities Program

Budget Act Item: 6110-158-0001

Resource code: 6015

Education Code sections 1900 through 1909.5, [41840 through 41841.8](#), 46190, 46191, and 52610 through 52616.24

2004-05 Budget Provisions

- The budget provides \$14.6 million from the General Fund. This amount includes \$349,000 for growth (2.5 percent) and \$281,000 for a COLA (1.96 percent).
- The apportionment for each LEA is a reimbursement for services provided in the 2003-04 fiscal year based on the amount received in the 2002-03 fiscal year and comparisons of the ADA for the past two years to determine growth or decline. The allowable growth is capped at 2.5 percent for ADA of over 20.
- Growth funding will first be allocated to LEAs with an ADA of 20 or less, up to an additional 20 ADA.
- Section 12.60 of the 2004 Budget Act permits the transfer of unobligated funds to cover shortfalls and fully fund eligible participation among specified programs. The Adults in Correctional Facilities Program is included under this provision.

Program Information

Funding for this program is based on amounts received in prior years, prior year annual ADA, and a factor of 80 percent of the revenue limit for adult education plus COLA. The CDE will apportion these funds in January 2004.

This program is not included in the charter school categorical block grant.

Staff Contact: Kimberley Garth-Lewis, Secondary, Postsecondary, and Adult Leadership Division; (916) 323-2213; kgarthle@cde.ca.gov (program)

Melissa Collier, School Fiscal Services Division; (916) 445-7354; mcollier@cde.ca.gov (fiscal)

Advancement via Individual Determination (AVID)

Budget Act Item: 6110-130-0001

Resource code: 7340

Education Code Section: None

2004-05 Budget Provisions

- The budget provides \$9 million for the Advancement Via Individual Determination (AVID) program. Of the funds appropriated, \$1.3 million is

available for the administration for the AVID centers, and \$6 million is available for competitive outreach grants to local educational agencies for the AVID program. The remaining balance of \$1.7 million must be used solely for the provision of Advanced Placement (AP) teacher training or tutoring services.

- County offices of education that are currently serving as AVID regional centers are eligible for funds.

Program Information

The purpose of this funding is threefold: to provide adequate statewide professional development support to maintain the high quality of program and student outcomes; to support district-wide articulation thereby serving more schools and students; and to provide AP teacher training or tutoring services to promote access to rigorous courses such as AP, International Baccalaureate, and honors.

This program is not included in the charter school categorical block grant.

Staff Contact: Marjorie McConnell, Secondary, Postsecondary, and Adult Leadership Division; (916) 323-5830; mmcconne@cde.ca.gov

Web Site: <http://www.avidonline.org/>

After School Education and Safety Program

Budget Act Item: None—statutory appropriation
Resource codes: 6010 (state funds)
Education Code sections [8482 through 8484.6](#)

2004-05 Budget Provisions

- The budget package includes \$121.6 million from the General Fund for after-school education and enrichment programs.

Program Information

After-school programs provide educational support and safe, constructive alternatives for students in grades K–9. The after-school component of the grants is calculated based on \$5 per day per student, with the maximum grant for one school year totaling \$75,000 for elementary schools and \$100,000 for middle schools. The before-school component is calculated based on \$3.33 per day per student, with the statutory maximum grant for one school year totaling \$25,000 for elementary schools and \$33,000 for middle schools. Elementary schools with enrollments exceeding 600 students and middle schools with enrollments exceeding 900 students are eligible for additional large school funding.

The school district administration and the principal of each school must approve applications to ensure full integration with the academic program of the schools. Schools will be eligible to receive a supplemental grant to operate

the program during any combination of the summer, intersession, or vacation periods.

Applicants may include LEAs or cities, counties, or nonprofit organizations in partnership with, and with the approval of, an LEA or LEAs. The three-year grants are eligible for renewal, which is contingent on fiscal and program information provided by the grantees. A local match (cash or in-kind) from the school district, governmental agencies, community organizations, or the private sector is required in an amount equal to 50 percent of the state grant.

Priority for funding programs is given to elementary and middle schools in which a minimum of 50 percent of the students are eligible for free or reduced-price meals.

This program is not included in the charter school categorical block grant.

Staff Contact: Joyce Evans, Learning Support and Partnerships Division; (916) 319-0729; jevans@cde.ca.gov

Delia Marmosh, Learning Support and Partnerships Division;
(916) 319-0205; dmarmosh@cde.ca.gov

Web Site: <http://www.cde.ca.gov/ls/ba/>

Agricultural Career Technical Education Program

Budget Act Item: 6110-167-0001

Resource code: 7010

Education Code sections [52460 through 52462](#)

2004-05 Budget Provisions

- The budget provides \$4.4 million from the General Fund to assist and to improve secondary agricultural vocational programs in California. Funds may be expended on books and supplies, services and other operating expenses, and capital outlay.
- To receive funds, a school district must certify that it will provide matching funds from non-salary agricultural expenditures. Funds expended on books and supplies must be matched in total; funds expended on other items must be matched by line item.

Program Information

Funding applications are normally available in May through the CDE Agricultural Education Unit's regional supervisors and on the Web site identified below. Completed applications are due to the regional supervisor on or before June 30. The allocation of funds is based on the amount requested by the high school and the amount of funds available. The degree of funding to eligible schools is based on the size of the agricultural staff, the number of students enrolled in the program, and the compliance of the school in meeting

specific criteria verified and approved by the regional supervisor. The district must match these funds unless a waiver citing financial hardship is approved.

CDE regional and state agricultural education consultants are available to assist districts in starting new programs or providing technical assistance to ongoing programs.

This program is included in the charter school categorical block grant.

Staff Contact: Bob Heuvel, Secondary, Postsecondary, and Adult Leadership Division; (916) 319-0673; bheuvel@cde.ca.gov

Web Site: <http://www.calaged.org>

Alternative Certification Programs

Budget Act Items: 6360-101-0001(1) and 6360-485 (Commission on Teacher Credentialing)

Resource code: 6360

Education Code sections [44325 through 44329](#), [44830.3](#), [44450 through 44467](#) (internships); and [44305 through 44308](#) (pre-internships)

2004-05 Budget Provisions

- The budget provides \$24.9 million from the General Fund for alternative certification or internship teacher preparation programs administered by local educational agencies (LEAs).
- The budget provides \$3.5 million from one-time funds for the pre-internship program, which assists emergency teachers in meeting prerequisites for entry into internship programs. In the 2004-05 fiscal year only, continuing (second year) pre-interns are eligible for funds.
- The California Commission on Teacher Credentialing (CTC) accredits and oversees these programs. [Senate Bill 1666 \(Chapter 70, Statutes of 2000\)](#) allows the CTC to shift funds as needed from internship to pre-internship programs based on candidate needs. Internship and pre-internship programs share a combined funding resource of \$28.4 million.

Program Information

Internship programs are accredited through the same procedures as traditional teacher preparation programs and result in the same credential as is awarded on completion of traditional programs. These programs differ from traditional programs in that teacher preparation course work is completed concurrent with a candidate's first two years of paid teaching. Internship programs generally attract nontraditional students, thereby contributing to the diversity of the teacher workforce. These programs also show higher retention rates than traditional programs exhibit. Linking theory to practice is more immediate in internship programs than in traditional programs, and the overall cost to candidates in internship programs is generally lower than that of traditional programs.

Pre-internship programs provide support for and assistance to persons serving in emergency teaching positions who have not met prerequisites for internship programs. These programs connect pre-interns with experienced teachers who serve as coaches, provide basic pedagogical training, and focus on providing instruction toward candidates' completion of subject matter prerequisites for entry into internship programs.

This program is not included in the charter school categorical block grant.

Staff Contact: Michael McKibbin, California Commission on Teacher Credentialing; (916) 445-4438; mmckibbin@ctc.ca.gov

Web Site: <http://www.ctc.ca.gov>

American Indian Early Childhood Education

Budget Act Item: 6110-151-0001(2)

Resource code: 7210

Education Code sections [52060 through 52067](#)

2004-05 Budget Provisions

- The budget provides \$570,000 from the General Fund, including funds for growth (0.95 percent) and COLA (2.41 percent).
- The program is designed to improve the educational accomplishments of American Indian pupils in the educational systems in California. The program establishes projects to develop and to test methods that increase competence in reading and mathematics. The projects must be provided in prekindergarten and grades K–4.

Program Information

The program currently funds 12 sites. Funds are provided through a competitive process for three-year cycles.

This program is not included in the charter school categorical block grant.

Staff Contact: Maria Amor, Child Development Division; (916) 319-0606; mamor@cde.ca.gov
Barbara Stolz, Child Development Division; (916) 319-0374; bstolz@cde.ca.gov

Web Site: <http://www.cde.ca.gov/sp/ai/>

Apprenticeship Education

Budget Act Item: 6110-103-0001 and statutory appropriation
Resource code: 0000
Education Code sections [8150 through 8156](#)

2004-05 Budget Provisions

- The budget provides \$10.4 million from the General Fund.
- Section 36(a)(1)(A) of Senate Bill 1108 (Chapter 216, Statutes of 2004) defers an additional \$5.9 million to 2005-06.
- No COLA was provided.
- The reimbursement rate for each 60 minutes of teaching time is \$4.86.
- To be eligible for state funding, new or expanded programs must obtain the approval of the State Superintendent of Public Instruction.
- This program is included in the categorical block grant for charter schools.

Program Information

This program is funded through the principal apportionment system. Funding is based on the number of teaching hours per student as reported on the Attendance School District Data Entry Screen and Attendance County Office of Education Data Entry Screen, which reflects the conversion to a software-based system for reporting ADA and hourly data through the implementation of the New Integrated Apportionment System. These data entry screens replace the former Form J-18/19, Report of Attendance for districts, and Form J-27/28, Report of Attendance for county offices of education. The total funding amount is calculated in the Principal Apportionment Revenue Software and is displayed on the School District Apprenticeship Funding Report and County Apprenticeship Funding Report.

Funding will be apportioned at the First Principal (P-1) Apportionment on February 20, 2005, and the Second Principal (P-2) Apportionment on July 2, 2005. However, final funding is based on annual hours, and amounts will be adjusted at the P-1 Apportionment on February 20, 2006. See the "[Calendar of Key Deadlines, 2004-05 Apportionments](#)" for information regarding reporting dates.

This program is not included in the charter school categorical block grant.

Staff Contact: Al Tweltridge, Office of Regional Occupational Centers and Program; (916) 327-5711; atweltri@cde.ca.gov (program)
Halena Le, School Fiscal Services Division; (916) 324-4535; hle@cde.ca.gov (school districts)
Daphne Kelley, School Fiscal Services Division; (916) 324-6178; dakelley@cde.ca.gov (county offices of education)

Web Site: <http://www.cde.ca.gov/ci/ct/ap/> (program)
<http://www.cde.ca.gov/fg/> (fiscal)
<http://www.cde.ca.gov/fg/sf/> (software)

Beginning Teacher Support and Assessment

Budget Act Item: 6110-191-0001
Resource code: 7280
Education Code sections [44279.1 through 44279.7](#)

2004-05 Budget Provisions

- The budget provides \$80.8 million from the General Fund.
- The funding rate is \$3,526 per beginning teacher.

Program Information

The Beginning Teacher Support and Assessment program is designed to enhance the success and the retention of beginning teachers. The 2004-05 fiscal year funding level is projected to be sufficient to serve 22,000 beginning teachers.

The grant award notifications for ongoing and new programs are sent after the Department of Finance approves the expenditure plan. The grant award letters were mailed, and the first grant payment was processed in the fall, when local educational agencies received 50 percent of their proposed 2004-05 budget. The second allocation (25%) was processed in January 2005, and the final allocation will be an adjusted amount based on the number of actual beginning teachers served (determined by the number of beginning teacher consent forms submitted in February). This allocation will be processed in March 2005.

This program is included in the charter school categorical block grant.

Staff Contact: Alice Cervantes, Professional Development and Curriculum Support Division; (916) 323-5549; alcervan@cde.ca.gov

Web Site: <http://www.btsa.ca.gov>

Bilingual Teacher Training Program

Budget Act Item: 6110-193-0001(1)
Resource code: 7275
Education Code sections [52180 through 52186](#)

2004-05 Budget Provisions

- The budget provides \$1.85 million from the General Fund.

Program Information

The Bilingual Teacher Training Program (BTTP) was established to prepare teachers in the appropriate methodologies to facilitate the acquisition of English and academic development of English learners. The BTTP training modules were developed to assist teachers acquire the Cross-Cultural, Language, and Academic Development (CLAD) and Bilingual Cross-Cultural, Language, and Academic Development (BCLAD) certificates.

Grants are awarded through an application process to 14 centers that provide specialized training to teachers who are assigned to English learners. The funding formula is based on prior-year data for each center and evaluative criteria demonstrating the center's ability to provide appropriate training services.

This program is not included in the charter school categorical block grant.

Staff Contact: Terry Delgado, Professional Development and Curriculum Support Division; (916) 319-0267; tdelgado@cde.ca.gov
Paula Jacobs, Professional Development and Curriculum Support Division; (916) 319-0270; pjacobs@cde.ca.gov
Patti Claxton, Professional Development and Curriculum Support Division; (916) 319-0249; pclaxton@cde.ca.gov

Web Site: <http://www.cde.ca.gov/sp/el/bt/>

California Indian Education Centers

Budget Act Items: 6110-151-0001(1) and 6110-152-0001
Resource code: 7015
Education Code sections [33370](#) and [33380 through 33383](#)

2004-05 Budget Provisions

- The budget provides \$4.1 million from the General Fund.
- The California Indian Education centers are established to serve as educational resource centers in American Indian communities to the American Indian pupils, parents, and the public schools.
- The program is designed to improve both the academic achievement of American Indian students; provide American Indian students with tutorial assistance in reading and mathematics; coordinate programs with the public schools; provide adult classes and activities; and improve the self-concept of American Indian students and adults.

Program Information

Any tribal group or incorporated Indian association can apply to the State Board of Education to establish a California Indian education center using forms provided by the CDE.

This program is not included in the charter school categorical block grant.

Staff Contact: Judy Martinez, Learning Support and Partnerships Division;
(916) 319-0506; jmartinez@cde.ca.gov

Web Site: <http://www.cde.ca.gov/sp/ai/re/aidirectory.asp>

California Longitudinal Pupil Achievement Data System (CALPADS)

Budget Act Item: 6110-113-0890(4)
Resource code: 0000
Education Code section 60900

2004-05 Budget Provisions

- The budget provides \$2.5 million for grant funds to reimburse local educational agencies for their costs in acquiring Statewide Student Identifiers (SSIDs) as required by Senate Bill 1453 (Chapter 1002, Statutes of 2002).
- The budget also provides \$522,000 to the California School Information Services (CSIS) program to assign and maintain the SSID database.

Program Information

Senate Bill 1453 (Chapter 1002, Statutes of 2002) requires: (1) the CDE to contract for the development of CALPADS to collect and maintain statewide student assessment data and other data required to meet federal No Child Left Behind (NCLB) reporting requirements; and (2) all public California local educational agencies (LEAs) to acquire and maintain a SSID for each enrolled student in kindergarten through grade 12. The CSIS program is tasked with assigning all SSIDs.

LEAs are required to acquire SSIDs for all students by April 2005. One-time grant funds are provided to reimburse LEAs for their costs in acquiring SSIDs. LEAs will receive funding according to their size as follows:

- LEAs with total enrollment of less than 5,000 students will receive \$1 per student
- LEAs with total enrollment of 5,001 to 30,000 students will receive \$0.75 per student
- LEAs with total enrollment of more than 30,000 students will receive \$0.50 per student

LEAs will receive the one-time grant funds based on their certified California Basic Educational Data System (CBEDS) enrollment count in the year that the SSIDs were acquired. LEAs do not have to apply for this grant funding. Once an LEA has acquired SSIDs for all its students, the CSIS program will notify the CDE, and the CDE will process the grant. This is the last year that funding will be available to reimburse LEAs for their costs in acquiring SSIDs.

Once an LEA acquires its SSIDs, it will receive annual maintenance funding of \$0.25 per student based on the certified CBEDS enrollment count in the year that the SSIDs were maintained. LEAs do not have to apply for this grant funding. In spring 2005 the CDE will send out grant funds to all LEAs that acquired SSIDs in 2003-04.

Staff Contact: Bruce Gordon, Data Management Division; (916) 319-0529;
bgordon@cde.ca.gov

Web Site: <http://www.cde.ca.gov/ds/sp/cl/>

California School Information Services

Budget Act Items: 6110-113-0890(11) and (12), and 6110-140-0001
Resource code: 6020
Education Code sections [49080 through 49084](#)

2004-05 Budget Provisions

- The budget (Item 6110-113-0890(11)) provides \$1 million to provide first-year funding to implement the California School Information Services (CSIS) program in a new cohort of up to 53 districts. Provisional language specifies that it is the intent of the Legislature to appropriate \$2.9 million in the Budget Act of 2005 to provide second-year implementation funding for the same districts.
- The budget also provides \$4.4 million for CSIS operational costs, including \$3.9 million for operations, \$299,000 to support the new cohort, and \$150,000 for independent project oversight.

Program Information

Funding will be available to LEAs that are accepted to participate in the CSIS program in fall 2004.

This program is not included in the charter school categorical block grant.

Staff Contact: Annette Liccardo, Data Management Division; (916) 319-0327;
aliccard@cde.ca.gov

Web Site: <http://www.cde.ca.gov/ds/sd/cs/>

Cal-SAFE (California School Age Families Education) Program

Budget Act Item: 6110-198-0001

Resource codes: 6091, 6092, and 6093

Education Code sections [54740 through 54749.5](#)

2004-05 Budget Provisions

- The budget provides \$50.5 million from the General Fund to implement the California School Age Families Education (Cal-SAFE) program in 136 school districts and county offices of education.

Program Information

The Cal-SAFE program, established by Chapter 1078, Statutes of 1998, is a comprehensive, community-linked school program for expectant and parenting students and their children. It began in July 2000 and replaced the Pregnant Minors, School Age Parenting and Infant Development, and Pregnant and Lactating Students programs.

The Cal-SAFE program is designed to increase the availability of support services to help students improve their academic achievement and parenting skills and to provide a high-quality child care and development program for them. Cal-SAFE builds on education reform initiatives, ensures an education program with high standards, and mandates accountability of LEAs for the performance of students and their children. Cal-SAFE couples quantifiable program goals with an evaluation for guiding program implementation and determining cost effectiveness and student results.

The Cal-SAFE program is not included in the charter school categorical block grant.

Staff Contact: Nancy Christophel, Learning Support and Partnerships Division; (916) 319-0541; nchristo@cde.ca.gov (program)

Julie Klein, School Fiscal Services Division; (916) 323-1314; jklein@cde.ca.gov (fiscal)

Web Site: <http://www.cde.ca.gov/ls/cg/pp/> (program)

<http://www.cde.ca.gov/fg/aa/ca/calsafe.asp> (fiscal)

CalServe—Learn and Serve America

Budget Act Item: 6110-102-0890

Resource code: 5575

Education Code Section: Not applicable

2004-05 Budget Provisions

- California receives \$2.3 million annually from the federal Learn and Serve America grants program. Of this amount, 95 percent is available for local assistance and capacity building.
- This program promotes an instructional strategy known as service learning, through which students learn the content standards as they address community needs in education, public safety, the environment, and health.

Program Information

Through the CalServe Initiative, the CDE provides direct funding assistance to district-wide school-community partnerships that involve approximately 100,000 students and 9,000 community volunteers and a wide variety of public and private agencies in urban, rural, and suburban communities. CalServe grant funds are awarded for the purpose of promoting the institutionalization of service learning district-wide through securing school board policies, full integration of service learning as an instructional strategy, and district financial support.

This program is not included in the charter school categorical block grant.

Staff Contact: Barbara Eining, Learning Support and Partnerships Division;
(916) 319-0544; beining@cde.ca.gov

Web Site: <http://www.cde.ca.gov/ci/cr/sl/>

Charter School Revolving Loan Fund

Budget Act Item: None

Resource code: 0000

Education Code Section [41365](#)

2004-05 Budget Provisions

- \$12 million is available from previous appropriations.

Program Information

The loan program provides loans of up to \$250,000 to help fulfill the purposes established in a school's charter. Interest is charged on all loans made after January 1, 2001. Repayments are deducted from apportionments made to the school or the district. A loan information packet may be found at the charter school Web site (see below).

This program is not included in the charter school categorical block grant.

Staff Contact: Jacqueline Henderson, Charter School Division; (916) 324-7139; [jhenders@cde.ca.gov](mailto:jhenderson@cde.ca.gov)

Web Site: <http://www.cde.ca.gov/sp/cs/>

Charter School Block Grants

Budget Act Item: 6110-211-0001 and statutory appropriation
Resource code: 0000
Education Code sections [47630](#) through [47664](#)

2004-05 Budget Provisions

- The budget funds general-purpose block grants for charter schools through the continuous statutory appropriation for revenue limits.
- The budget also contains a separate appropriation of \$52.8 million for categorical block grants for participating charter schools. These funds are provided in lieu of funding from specified categorical programs.
- Funds provided in lieu of funding for Economic Impact Aid are also included as a component of the categorical block grant. These funds are allocated to charter schools based on the number of educationally disadvantaged pupils enrolled in the charter school.
- Section 36(a)(1)(I) of Senate Bill 1108 (Chapter 216, Statutes of 2004) defers an additional \$5.3 million to 2005-06.
- Block grant funds may be used for any public school purpose determined by the governing body of the charter school.

Program Information

Assembly Bill 1115 (Chapter 78, Statutes of 1999) created the charter school funding model. Participation in the model is required for most charter schools. Charter schools may apply for state and federal funds from categorical programs not included within the block grant, subject to the specific terms and conditions of those programs.

The 2004 Budget Act authorized a change to the funding calculations for the categorical block grant. This change is effective beginning with the current fiscal year and includes using a single funding rate per unit of ADA. This rate may not exceed \$292 per unit of ADA and will be prorated downward as necessary to reflect changes in charter school ADA. The budget also includes a new list of programs that are included in the block grant.

An advance apportionment for continuing charter schools was made in July. Newly operational charter schools are eligible to receive a special advance apportionment pursuant to authorization provided in *Education Code* Section [47652](#). The special advance apportionment was initially made in August and adjusted in November, based on actual charter school data reported for the

first 20 school days. Sponsoring school districts (defined as the district that granted the charter or, in the case of charters granted by a county office of education or the State Board of Education, the district that initially denied the charter application) are also required to transfer a pro rata share of property taxes to charter schools in monthly installments.

The charter school block grants are funded through the principal apportionment system. Funding is based on ADA as reported on one or more of the Attendance Charter School Data Entry Screens and on educationally disadvantaged pupil data as reported on the Educationally Disadvantaged Pupil Data Entry Screen through the implementation of the new Integrated Apportionment System. These data entry screens replace the former J-18/19CH, J-18/19CH/BG, J-18/19CH/BG/U, J-27/28CH/BG, J-18/19CH/E, Worksheet CH/D, and Schedule CH/BA reports of attendance and other data for charter schools. See the "[Calendar of Key Deadlines, 2004-05 Apportionments](#)" for additional information regarding reporting dates.

Staff Contact: Charter School Division, (916) 322-6029 (program)
James Kong, School Fiscal Services Division; (916) 323-0498;
jkong@cde.ca.gov

Web Site: <http://www.cde.ca.gov/sp/cs/> (program)
<http://www2.cde.ca.gov/principalapp/> (fiscal)
<http://www.cde.ca.gov/fg/sf/> (software)

Charter School Facility Grant Program

Budget Act Item: 6110-485(3)
Resource code: 6030
Education Code Section [47614.5](#)

2004-05 Budget Provisions

- The budget provides \$7.7 million in one-time funds for grants to charter schools to support the costs of facilities rental and leasing incurred during the prior year (2003-04).

Program Information

Under [Senate Bill 740](#) (Chapter 892, Statutes of 2001), charter schools located in low-income areas may receive up to \$750 per unit of ADA to reimburse them for up to 75 percent of actual facilities rental and leasing costs. Allocations would be prorated if the demand for funds from eligible charter school were to exceed available funding. The final year is 2004-05.

This program is not included in the charter school categorical block grant.

Staff Contact: Aiden Ely, Charter Schools Division; (916) 322-6029;
aely@cde.ca.gov

Web Site: <http://www.cde.ca.gov/sp/cs/>

Charter Schools—Public Charter Schools Grant Program

Budget Act Item: 6110-112-0890

Resource code: 4610

Education Code Section: None

2004-05 Budget Provisions

- The budget authorizes an expenditure of \$37.8 million in federal funds.

Program Information

The federal Public Charter Schools Grant Program (PCSGP) makes grant awards available to public charter schools and charter school developers through a competitive grant application process to establish high quality charter schools in underserved areas and areas where the local public school is in Program Improvement, years 1–4. The application process heavily emphasizes start-up costs. These costs may be associated with release time for teachers and other staff to complete special projects, the purchase of books and supplies, the purchase of computers and other equipment, consultants' time and expenses, and some capital outlay expenses.

Federal law prohibits these funds from being used to lease or buy school facilities.

The PCSGP also provides funds to establish high quality charter schools for the dissemination of best practices that have shown to improve student achievement.

This program is not included in the charter school categorical block grant.

Staff Contact: Carol Barkley, Charter Schools Division; (916) 323-6028;
cbarkley@cde.ca.gov

Web Site: <http://www.cde.ca.gov/sp/cs/>

Child Care and Development Programs

CHILD CARE AND DEVELOPMENT PROGRAMS AND ACTIVITIES

Budget Act Items: 6110-196-0001, 6110-196-0890, 6110-485, 6110-494 and 6110-495

Resource codes: Various

Education Code Section [8200](#) *et seq.*

2004-05 Budget Provisions

- The budget provides funding of \$2.2 billion, including \$1.4 billion from the General Fund and \$874.4 million in federal funds.

- Child development programs received the 2.41 percent statutory COLA for K–12 education programs. All programs receive the COLA except for CalWORKs child care programs and quality improvement funding.
- For the first time child care and development programs received a growth adjustment based on the increase of the state's zero-through-4-year-old population. The total adjustment is \$15.8 million to be allocated among existing contractors in direct services programs except for CalWORKs child care programs.
- The budget provides one-time funding of \$19 million to restore funding from estimated savings due to proposed child care reforms that were not adopted by the Legislature.
- The budget reverts \$13.2 million from the Child Care and Facilities Revolving Fund.

Program Information

Income eligibility limits for child care programs remain at the 2003-04 limits based on the state median income from fiscal year 2000-01.

Most of the Administration-proposed child care reforms were not adopted by the Legislature. However, a budget trailer bill (Senate Bill 1104, Chapter 229, Statutes of 2004) stated that the preferred placement for 11- and 12-year-old children is after-school programs. The CDE will issue a management bulletin to direct contractors on how to implement this provision. Senate Bill 1104 also changed eligibility rules for children receiving child care and development services based on being a recipient of child protective services (CPS) or being "at risk" of abuse, neglect or exploitation. The new rules limit eligibility based on being "at risk" not to exceed three months unless certified by a county child welfare department as a CPS case, in which case the child is eligible for 12 months of child care services. The bill also limits the permissive exemption from family fees to no more than 12 months of service.

Senate Bill 1104 added *Education Code* Section 8385 to address issues surrounding child care fraud and overpayments. The CDE is required to conduct an error rate study in consultation with the Department of Social Services, county fraud investigators, and other fraud investigative experts. The study is to estimate the percentage of errors that occur in the determination of eligibility for child care services and the calculation of family fees and reimbursement payments. Based on the results of the error rate study, and additional positions provided in the budget, The CDE will implement changes to and increase ongoing monitoring and review activities for both alternative payment programs and general child care and development programs.

The CDE must also conduct a survey of best practices for the prevention of fraud and overpayments and make identified best practices available on the its Web site. Then beginning July 1, 2005, all contracts and their funding terms and conditions shall require implementation of best practices identified by the survey and posted to the CDE's Web site.

This program is not included in the charter school categorical block grant.

Staff Contact: Mike Fuller, Child Development Division; (916) 322-6248;
mfuller@cde.ca.gov

Web Site: <http://www.cde.ca.gov/sp/cd/>

CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS (CALWORKS) CHILD CARE

Budget Act Items: 6110-196-0001, 6110-196-0890, and 6110-494

Resource codes: Various

Education Code Section [8200](#) *et seq.*

2004-05 Budget Provisions

- The budget provides \$875.3 million for alternative payment program (APP) services provided to CalWORKs recipients. The budget restructures the mix of funding sources, with a net decrease in funding of \$71 million for Stage 2 child care and a net decrease of \$20.6 million for State 3 child care.
- The budget provides \$526 million for services in CalWORKs Stage 2 child care, including \$208.6 million from the General Fund and \$317.3 million in federal funds.
- The budget provides \$349.3 million for services in CalWORKs Stage 3 child care, including \$95.3 million from the General Fund and \$254 million in federal funds.
- The budget includes \$26.4 million for Stage 2 child care in the Temporary Assistance for Needy Families (TANF) reserve as part of the Department of Social Services budget. This amount represents 5 percent of the estimated need for Stage 2 funding. If additional funds are needed, a request for an allocation from the TANF reserve account must be made to the Department of Finance.

Program Information

Eligible families who are transferred into Stage 2 receive services until they have been off cash aid for 24 months in Stage 1 and/or Stage 2 or until otherwise deemed ineligible. Families are then eligible for Stage 3 services and may remain eligible until their income exceeds 75 percent of the state median income, a child exceeds the age limit, or until otherwise deemed ineligible. Funding for CalWORKs child care will be distributed to alternative payment programs on the basis of required monthly expenditure and caseload reports.

CalWORKs families are also subject to the new trailer bill provisions described above for all child care and development programs.

This program is not included in the charter school categorical block grant.

Staff Contact: Mike Fuller, Child Development Division; (916) 322-6248;
mfuller@cde.ca.gov

Web Site: <http://www.cde.ca.gov/ds/sh/cw/>

STATE PRESCHOOL PROGRAMS

Budget Act Item: 6110-196-0001

Resource code: 6055

Education Code Section: [8200](#) et seq.

2004-05 Budget Provisions

- The budget increases the state preschool program by \$10 million to restore prior year cuts, and with COLA and growth adjustment, provides \$325.4 million.

Program Information

A Request for Applications was issued for unallocated balances and the growth adjustment funds in fall 2004.

This program is not included in the charter school categorical block grant.

Staff Contact: Terry Miller, Child Development Division; (916) 323-1306;
temiller@cde.ca.gov

Web Site: <http://www.cde.ca.gov/sp/cd/>

Child Nutrition

FEDERAL CHILD NUTRITION PROGRAM

Budget Act Item: 6110-201-0890

Resource code: 5310

Education Code sections [41311](#) and [49540](#) through [49547.5](#)

2004-05 Budget Provisions

- The budget authorizes an expenditure of \$1.6 billion in federal funds for child nutrition programs, including child and adult care, school nutrition, and summer food service programs. The authorization includes \$200 million for increases in the projected number of meals to be served to low-income children.

Program Information

Federal funding for child nutrition programs is based on rates calculated by the U.S. Department of Agriculture. This funding provides reimbursement for meals served to children in public and private schools, child care centers, family day care homes, residential child care institutions, and to adults in adult care facilities. Participating agencies are reimbursed for each meal served based on the family income of each recipient who is eligible for the program.

Reimbursement is available to entities that have successfully applied to participate in the federal child nutrition program. For more information

regarding this application process, please contact the Nutrition Services Division at (916) 445-0850.

This program is not included in the charter school categorical block grant.

Staff Contact: Deborah Meeker, Nutrition Services Division, (916) 322-2178, dmeeker@cde.ca.gov

Phyllis Savage, Fiscal and Administrative Services Division;
(916) 322-8326; psavage@cde.ca.gov

Web Site: <http://www.cde.ca.gov/ls/nu/>

STATE CHILD NUTRITION PROGRAM

Budget Act Items: 6110-202-0001 and 6110-203-0001

Resource code: 5310

Education Code sections [41311](#), [49501](#), [49536](#), [49550](#), [49552](#), and [49559](#)

2004-05 Budget Provisions

- The budget provides \$10.7 million from the General Fund (non-Proposition 98) for the state child nutrition program for nonpublic entities.
- The budget provides \$80 million from the General Fund for the state child nutrition program for public sponsors (school districts).

Program Information

The state child nutrition program for both public and nonpublic entities is funded at a rate of \$0.1356 for each free and reduced-price breakfast and lunch served. This reimbursement may be in addition to federal nutrition reimbursements.

The above rate of reimbursement is available to public and nonpublic entities that have successfully applied to participate in the state child nutrition program.

This program is not included in the charter school categorical block grant.

Staff Contact: Deborah Meeker, Nutrition Services Division; (916) 322-2178; dmeeker@cde.ca.gov

Phyllis Savage, Fiscal and Administrative Services Division;
(916) 322-8326; psavage@cde.ca.gov

Web Site: <http://www.cde.ca.gov/ls/nu/>

SCHOOL BREAKFAST AND SUMMER FOOD SERVICE PROGRAM START-UP GRANTS

Budget Act Item: 6110-201-0001

Resource code: 5310, 5375, and 5380

Education Code sections [49550.3](#) and [49547.5](#)

2004-05 Budget Provisions

- The budget provides \$1 million from the General Fund for School Breakfast or Summer Food Service Program start-up grants.

Program Information

Any public school wishing to apply for a School Breakfast or Summer Food Service Program start-up grant should contact the Nutrition Services Division at (916) 445-0850.

This program is not included in the charter school categorical block grant.

Staff Contact: Deborah Meeker, Nutrition Services Division; (916) 322-2178;
dmeeker@cde.ca.gov

Phyllis Savage, Fiscal and Administrative Services Division;
(916) 322-8326; psavage@cde.ca.gov

Web Site: <http://www.cde.ca.gov/ls/nu/>

YEAR ROUND AFTER SCHOOL SNACK PILOT PROGRAM

Budget Act Item: None

Resource code: None

Education Code sections: None

2004-05 Budget Provisions

- This program is not separately identified in the budget. The program is administered as part of the main child nutrition services program.

Program Information

Section 123 of the Richard B. Russell National School Lunch Act (NSLA) established, effective October 1, 2004, a year-round, after-school snack pilot program. Specifically, the new pilot program, operating only in California, allows local governments and private nonprofit organizations to receive reimbursements (subsidies) for snacks served after school hours and on weekends and school holidays during the regular school year. The program operates using Summer Food Service Program rules and reimbursement rates. Congress is providing the funding necessary to carry out this pilot program for fiscal years 2005-2009.

This program is not included in the charter school categorical block grant.

Staff Contact: Deborah Meeker, Nutrition Services Division; (916) 322-2178;
dmeeker@cde.ca.gov

Phyllis Savage, Fiscal and Administrative Services Division;
(916) 322-8326; psavage@cde.ca.gov

Web Site: <http://www.cde.ca.gov/ls/nu/>

Class Size Reduction, Grade Nine

Budget Act Item: 6110-232-0001

Resource code: 1200

Education Code sections [52080](#) through [52090](#)

2004-05 Budget Provisions

- The budget provides \$110.2 million from the General Fund.
- The funding rate is \$184 per participating full-year-equivalent enrollment.
- The funding supports class size reduction in one or two courses in grade nine. The first course must be a required English course; the other course may be a mathematics, science, or social studies course that also counts toward the completion of graduation requirements.
- The average class size for ninth-grade courses selected for reduction must be no greater than 20 students per certificated teacher, and no more than 22 pupils in any participating class. Students enrolled full-time in special education special day classes and students enrolled in schools that qualify as necessary small schools are excluded.
- School districts that continue to operate class size reduction in grades 10–12 may receive up to \$184 per participating pupil, but the total funding is not to exceed that received by the school district for the program in grades 10–12 during the 1997-98 fiscal year. School districts operating programs in grades 10–12 must certify that the goals for class size reduction have been met district-wide.

Program Information

Advance program payments, to be made in February 2005, will be based on implementation plans reported on the program application. Final apportionment adjustments reflecting actual annual participation data reported on Form J-9 MH-A, Report of Enrollment, will be made after the close of the fiscal year.

Staff Contact: John Merris-Coots, Secondary, Postsecondary & Adult Leadership Division; (916) 319-0461; jmerris@cde.ca.gov (program)

Janice Huarte, School Fiscal Services Division; (916) 322-9128; jhuarte@cde.ca.gov (fiscal)

Web Site: <http://www.cde.ca.gov/ls/cs/mh/> (program)

<http://www.cde.ca.gov/fg/aa/ca/mhcsr9thgrade.asp> (fiscal)

Class Size Reduction, K–3

Budget Act Items: 6110-234-0001

Resource code: 0000

Education Code sections [52120 through 52128.5](#)

2004-05 Budget Provisions

- The budget provides \$1.65 billion from the General Fund.
- The funding rates are \$928 per pupil in classes reduced to 20 or fewer pupils per teacher for the full day (Option 1) and \$464 per pupil in classes reduced to 20 or fewer pupils per teacher for one-half of the instructional minutes offered each day (Option 2).
- Funding is provided for implementation of class size reduction at all four grade levels, K–3.
- If other than a self-contained classroom is used, the square footage provided must be no less than the average square footage per pupil provided at the grade level at that site in 1995-96.
- An annual audit is required, and loss of funding occurs if program requirements such as teacher credentialing and training or grade level implementation priorities have not been met, or if the average class size exceeds 20.44, or 22.44 if the school district qualifies under *Education Code* Section [52122\(h\)](#).

Program Information

Applications and information packages are available 30 days after the Budget Act is signed. The due date for return of postmarked applications to the CDE is 90 days after the Budget Act is signed. School districts must apply annually in order to participate.

This program is not included in the charter school categorical block grant. However, charter schools (both direct and locally funded) may participate in the program.

Staff Contact: Lynn Piccoli, School Facilities Planning Division; (916) 323-3926; lpiccoli@cde.ca.gov

Web Site: <http://www.cde.ca.gov/ls/cs/k3/>

College Preparation

ADVANCED PLACEMENT EXAMINATION FEES

Budget Act Item: 6110-240-0001(2)

Resource code: 0000

Education Code sections [52240 through 52244](#)

2004-05 Budget Provisions

- The budget provides \$1.5 million for school districts to cover Advanced Placement examination fees for economically disadvantaged students.

Program Information

If the total applications exceed the funds available, the CDE will prorate the grants.

This program is included in the charter school categorical block grant.

Staff Contact: Eva Schrepel, Secondary, Postsecondary, and Adult Leadership Division; (916) 323-5146; eschrepe@cde.ca.gov

Web Site: <http://www.cde.ca.gov/ci/gs/ps/apgen.asp>

INTERNATIONAL BACCALAUREATE DIPLOMA PROGRAM

Budget Act Item: 6110-240-0001(1)

Resource code: 7286

Education Code sections [52920 through 52922](#)

2004-05 Budget Provisions

- The budget provides \$1.1 million from the General Fund.
- Under this program, school districts may receive up to \$25,000 (plus COLA) for each school that offers the International Baccalaureate (IB) Middle School or Diploma Program to cover the ongoing costs of professional development required by the program.
- The 2004-05 allocation will be insufficient to fully fund IB grants for all eligible local agencies and awards will be allocated consistent with the priorities established in *Education Code* Section 52922(e).

Program Information

The award process is not competitive. The International Baccalaureate organization provides the CDE an updated list of authorized IB programs in California. Eligible schools complete a Request for Grant Award form and agree to annually provide data regarding the program.

This program is not included in the charter school categorical block grant.

Staff Contact: Joy Salvetti Wolfe, Secondary, Postsecondary, and Adult Leadership Division; (916) 323-5635; jsalvett@cde.ca.gov
Karen Baquera, Secondary, Postsecondary, and Adult Leadership Division; (916) 323-5144; kbaquera@cde.ca.gov

Web Site: <http://www.ibo.org/>

Community-Based English Tutoring Program (Proposition 227)

Budget Act Item: None—statutory appropriation
Resource code: 6285
Education Code sections [315](#) and [316](#)

2004-05 Budget Provisions

- The budget includes \$50 million from the General Fund. The funds are allocated to local educational agencies (LEAs) for free or subsidized English-language instruction for parents and other community members who pledge to provide English-language tutoring to school-aged children who are English learners.

Program Information

The governing boards of LEAs must notify the CDE of their intent to participate in the program. A letter to the field notifying LEAs of the 2004-05 Intent to Participate in the Community-Based English Tutoring (CBET) Program was mailed in March, and the final filing date was May 28, 2004. Funds were disbursed in December 2004.

Funds are allocated according to the number of English learners reported in the annual Language Census (Form R-30 LC) of the previous year, 2003-04. For fiscal year 2004-05, there are 584 LEAs participating in the program with a total of 1.54 million English learners. The rate for this fiscal year is \$31.98 per pupil.

This program is not included in the charter school categorical block grant.

Staff Contact: Alice Ng, Professional Development and Curriculum Support Division; (916) 319-0603; ang@cde.ca.gov (fiscal)
Jorge Gaj, Professional Development and Curriculum Support Division; (916) 319-0268; jgaj@cde.ca.gov (program)
David Dolson, Professional Development and Curriculum Support Division; (916) 319-0266; ddolson@cde.ca.gov (program)

Web Site: <http://www.cde.ca.gov/sp/el/cb/>

Community Day Schools Program

Budget Act Item: 6110-190-0001 and statutory appropriation
Resource code: 2430
Education Code sections [48660](#) through 48667

2004-05 Budget Provisions

- The budget provides \$40.5 million from the General Fund.
- Section 36(a)(1)(H) of Senate Bill 1108 (Chapter 216, Statutes of 2004) defers an additional \$4.6 million to 2005-06.
- Funding provided includes a 2.41 percent COLA.
- Sections 12.60 of the Budget Act permits the transfer of unobligated funds to cover shortfalls and fully fund eligible participation among specified programs. Community day schools are included under this provision.
- School districts with less than 2,501 ADA may apply for a waiver to receive funding not to exceed the amount for the necessary small high school formula for up to one teacher (\$88,460).

Program Information

This program is funded through the principal apportionment system. Community day schools are funded at \$4,753.42 per ADA—for fifth- and sixth-hour additional attendance—for school districts and at \$3,606.94 per ADA for county offices of education. The hourly rate for the seventh and eighth hours of attendance is \$4.55. Community day schools are required to document costs and to certify that 90 percent of the funds received were spent on the program.

Funding for this program is based on fifth- and sixth-hour ADA and seventh- and eighth-hour pupil hours as reported on the Attendance School District Data Entry Screen and Attendance County Office of Education Data Entry Screen, which reflects the conversion to a software-based system for reporting ADA and hourly data through the implementation of the new Integrated Apportionment System. These data entry screens replace the former Form J-18/19, Report of Attendance for districts, and Form J-27/28, Report of Attendance for county offices of education. The total funding amount is calculated in the Principal Apportionment Revenue Software and displayed on the School District Community Day School Additional Funding Report and County Community Day School Additional Funding Report. Funding will be apportioned at the First Principal (P-1) Apportionment on February 20, 2005, and the Second Principal (P-2) Apportionment on July 2, 2005. However, final funding is based on annual data, and amounts will be adjusted at the P-1 Apportionment on February 20, 2006. See the [“Calendar of Key Deadlines, 2004-05 Apportionments”](#) for information regarding reporting dates.

This program is included in the charter school categorical block grant.

Staff Contact: Dan Sackheim, Learning Support and Partnerships Division; (916) 445-5595; dsackhei@cde.ca.gov (program)

Halena Le, School Fiscal Services Division; (916) 324-4535; hle@cde.ca.gov (school districts)

Daphne Kelley, School Fiscal Services Division; (916) 324-6178; dakelley@cde.ca.gov (county offices of education)

Web Site: <http://www2.cde.ca.gov/principalapp/> (fiscal)

<http://www.cde.ca.gov/sp/eo/cd/> (program)

<http://www.cde.ca.gov/fg/sf/> (software)

Continuation High Schools

Budget Act Item: 6110-187-0001

Resource code: 2200

Education Code Section [42243.7](#)

2004-05 Budget Provisions

- The budget provides \$787,000 from the General Fund for a 2.41 percent COLA.

Program Information

This program is funded through the principal apportionment system. The amount to be allocated to each eligible district is determined by dividing the amount specified in the budget by the total amount of continuation high school ADA reported at the Second Principal Apportionment of the 2003-04 fiscal year. The funds are allocated on a dollar basis rather than as a percentage increase. Funding for new necessary small continuation high schools approved for the first time by the CDE for 2004-05 will be calculated in the Necessary Small Continuation High School portion of the new Integrated Apportionment System. See the "[Calendar of Key Deadlines, 2004-05 Apportionments](#)" for information regarding reporting dates.

This program is included in the charter school categorical block grant.

Staff Contact: Dennis Fisher, Secondary, Postsecondary & Adult Leadership Division; (916) 445-5613; dfisher@cde.ca.gov (program)

Terri Emery, School Fiscal Services Division; (916) 324-4551; temery@cde.ca.gov (fiscal)

Web Site: <http://www.cde.ca.gov/sp/eo/> (program)

<http://www2.cde.ca.gov/principalapp/> (fiscal)

<http://www.cde.ca.gov/fg/sf/> (software)

County Office Oversight (Assembly Bill 1200)

Budget Act Item: 6110-107-0001(1)
Resource code: 0000
Education Code sections 42127.6 and 42127.8

2004-05 Budget Provisions

- The budget provides \$5.3 million from the General Fund.
- Funds will first be used to offset any state-mandated reimbursable costs that may otherwise be claimed through the state mandates reimbursement process for implementing *Education Code* sections 42100, 42127, 42127.5, 42127.6, 42128 and 42131, and Government Code section 3540.2.
- The apportionment for each county office is based on amounts established in prior years and by amounts calculated based on county offices' annual Other Purpose Fund ADA.

Program Information

Funding for this program is provided due to the requirements placed on county offices in Assembly Bill 1200 (Chapter 1213, Statutes of 1991).

This program is not included in the categorical block grant for charter schools.

Staff Contact: Melissa Collier, School Fiscal Services Division; (916) 445-7354; mcollier@cde.ca.gov

Deferred Maintenance

Budget Act Item: 6110-188-0001
Resource code: 0000
Education Code Section: [17584](#)

2004-05 Budget Provisions

- The budget provides \$205.7 million from the General Fund for applications received by the Office of Public School Construction, Department of General Services.

Program Information

The 2004 Budget Act appropriation, excess bond payments, and school site utilization fund transfers are projected to be about \$223.6 million. About 10 percent of the Budget Act appropriation is held back for critical hardship apportionments. The state match is calculated by multiplying the appropriate statewide average total expenditures per pupil for the district's size and type by the district's ADA and multiplying that product by 0.005.

This program is not included in the charter school categorical block grant.

Staff Contact: Bill Johnstone, Office of Public School Construction,
Department of General Services; (916) 323-8176;
bill.johnstone@dgs.ca.gov (program)

Kathy Mathews, School Fiscal Services Division; (916) 322-
1647; kmathews@cde.ca.gov (match calculation)

Web Site: <http://www.cde.ca.gov/fg/aa/ca/deferredmain04.asp>

Dropout Prevention and Recovery

Budget Act Item: 6110-120-0001

Resource codes: 7060, 7065, 7070, and 7075

Education Code sections [54720 through 54734](#), [52890 through 52904](#), and
[58550 through 58562](#)

2004-05 Budget Provisions

- The budget provides \$22.6 million from the General Fund.
- The School-Based Pupil Motivation and Maintenance Program provides grants to 320 schools to implement dropout prevention programs. Grants are used to hire a dropout prevention specialist known as an outreach consultant (*Education Code* Section [52890](#)).
- The Alternative Education and Work Center Program provides grants to 50 school districts to implement dropout prevention and recovery programs. Grant funds are used to hire an outreach consultant who provides direct services, such as educational referrals and counseling, to students.
- The Educational Clinic Program provides grants to five programs that serve students who have dropped out of school or who have been expelled.
- The Dropout Prevention and Recovery Model Program provides grants to schools implementing any of the three programs mentioned above to acquire information about model programs, instructional strategies, and effective practices for working with high-risk pupils.

Program Information

School districts must have received a substantial amount of categorical funds or be eligible for Title I funds to apply for these grants.

The School-Based Pupil Motivation and Maintenance Program and the Dropout Prevention and Recovery Model Program are included in the charter school categorical block grant. The Alternative Education and Work Center Program, and the Educational Clinic Program are not included.

Staff Contact: Marco Orlando, Learning Support and Partnerships Division;
(916) 323-2212; morlando@cde.ca.gov

Margarita Garcia, Learning Support and Partnerships Division;
(916) 323-5029; mgarcia@cde.ca.gov

Web Site: <http://www.cde.ca.gov/ls/ai/dp/>

Early Mental Health Initiative

Budget Act Item: 4440-102-0001 (Department of Mental Health)

Resource code: 6250

Welfare and Institutions Code sections [4370 through 4372](#), [4380 through 4383](#), and [4390](#)

2004-05 Budget Provisions

- The budget provides \$5 million for early mental health intervention and prevention services for pupils in grades K–3 who are experiencing mild to moderate school adjustment difficulties.

Program Information

County offices of education, school districts, and state special schools are eligible for these funds. These local educational agencies are required to develop applications and provide services in cooperation with the local mental health programs or private nonprofit mental health agencies. The Early Mental Health Initiative provides three-year grants with the state share of funding not to exceed 50 percent of the total program cost.

This program is not included in the charter school categorical block grant.

Staff Contact: Robin Mandella, Department of Mental Health; (916) 654-2131; robin.mandella@dmh.ca.us

Economic Impact Aid

Budget Act Item: 6110-128-0001

Resource codes: 7090 and 7091

Education Code sections [54000](#) through [54041](#)

2004-05 Budget Provisions

- The budget provides \$536.2 million from the General Fund, with a 2.41 percent COLA and a 5 percent growth increase.
- The minimum rate per CalWORKs plus English-learner student will increase from \$220.78 to \$236.17.
- The minimum funding totals per district will still be \$5,901 for districts with ten or fewer CalWORKs plus English-learner students and \$7,533 for districts with more than ten CalWORKs plus English-learner students.

Program Information

Funding will be apportioned within the Special Purpose Apportionment in ten monthly installments, which began in September 2004. Entitlements will be

included on Part II of the 2004-05 Consolidated Application, which was released in October 2004.

The Economic Impact Aid program is included in the charter school categorical block grant.

Staff Contact: Leroy Hamm, School and District Accountability Division; (916) 319-0192; lhamm@cde.ca.gov (program—English language learners)

Richard Graham, School and District Accountability Division; (916) 319-0420; rgraham@cde.ca.gov (program—compensatory education)

Ross Valentine, School Fiscal Services Division; (916) 327-4405; rvalenti@cde.ca.gov (fiscal)

Web Site: <http://www.cde.ca.gov/fg/aa/ca/eia.asp>

Education Technology

Budget Act Item: 6110-181-0001

Resource code: 7110

Education Code sections [44730 through 44731](#), and [51871 through 51874](#)

2004-05 Budget Provisions

- The budget provides \$15.3 million from the General Fund, including \$370,526 for growth (0.95 percent) and \$145,454 for a COLA (2.41 percent).
- The funds support the California Technology Assistance Project (CTAP) regions to provide technology assistance to local educational agencies and Statewide Education Technology Services authorized by the State Board of Education.

Program Information

Funding for the 11 CTAP regions was awarded competitively in 2001 for a three-year grant period. Awards are subject to allocation of funding in the state budget and approval by the State Board of Education.

Multi-year funding for Statewide Education Technology Services is also awarded competitively. Currently, the state funds Statewide Education Technology Services in the following areas: (1) electronic learning resources; (2) administrator training in technology leadership; and (3) professional development and resources for technical support staff.

The charter school categorical block grant does not include funds for these programs.

Staff Contact: Kimberlee Handren, Data Management Division; (916) 319-0214; khandren@cde.ca.gov

Web Site: <http://www.cde.ca.gov/ls/et>

Education Technology—Enhancing Education Through Technology

Budget Act Item: 6110-180-0890

Resource code: 4045

Education Code Section: None

2004-05 Budget Provisions

- The budget authorizes an expenditure of \$91.1 million in federal funds for local assistance in education technology. Funds are to be used for formula and competitive grants pursuant to the federal Enhancing Education Through Technology program. Of the funds appropriated, \$2.1 million is to be allocated to the California Technology Assistance Project.

Program Information

Fifty percent of the local assistance funding will be allocated by using a formula based on the school district's proportionate share of Title I funding. Districts must apply for the grants and must meet program requirements to receive funding. The remaining 50 percent of funds will be allocated through competitive grants.

This program is not included in the charter school categorical block grant.

Staff Contact: Kimberlee Handren, Data Management Division; (916) 319-0214; khandren@cde.ca.gov

Web Site: <http://www.cde.ca.gov/ls/et>

Education Technology—K–12 High Speed Network

Budget Act Item: 6110-182-0001

Resource code: 7126

Education Code Section: None

2004-05 Budget Provisions

- The budget authorizes an expenditure of \$21 million from the General Fund to provide a grant to a lead county office of education selected on a competitive basis to provide high-speed Internet connectivity and network infrastructure for local educational agencies. The Imperial County Office of Education was selected to be the lead agency for the K-12 High Speed Network.

Program Information

The budget specifies that 85 percent of the funding will be released to the lead agency. The remainder of the funds will be released to the lead agency upon verification that the lead agency has submitted a financial and program audit

report of the network to the fiscal and policy committees of the Legislature, the Department of Finance, and the CDE. The audit and report are due March 1, 2005.

Staff Contact: Barbara Thalacker, Data Management Division; (916) 323-5072; bthalack@cde.ca.gov

Web Site: <http://www.cde.ca.gov/lis/et>

English-Language Acquisition Program

Budget Act Item: 6110-125-0001

Resource code: 6286

Education Code sections [400 through 410](#)

2004-05 Budget Provisions

- The budget provides \$54.9 million from the General Fund for the English-Language Acquisition Program (ELAP), which provides instructional support and coordination of services for students enrolled in grades 4–8 and identified as English learners.
- Participating LEAs receive \$100 for each student in grades 4–8 served in the program.

Program Information

To receive ELAP funds, LEAs must certify that they will do all of the following:

- Conduct academic assessments of English learners.
- Provide a program of instruction in English-language development.
- Provide supplemental instructional support (e.g., intersession, after school) to assist English learners in achieving English proficiency.
- Coordinate existing services and funding sources available to English learners.

All school districts are required to reapply for funding annually.

This program is not included in the charter school categorical block grant.

Staff Contact: Pamela Lucas, Professional Development and Curriculum Support Division; (916) 319-0610; cmacchia@cde.ca.gov (program)

Nancy Cook, School Fiscal Services Division; (916) 324-4549; ncook@cde.ca.gov (fiscal)

Web Site: <http://www.cde.ca.gov/sp/el/ii/>

Environmental Education

Budget Act Item: 6110-181-0140

Resource code: 7135

Education Code Section 8700 et seq.

2004-05 Budget Provisions

- The budget provides \$360,000 from the Environmental License Plate Fund for the Environmental Education Grant Program. The purpose of the grant program is to enhance the environmental literacy of students in grades K–12.

Program Information

Funds are available for state priority environmental education (EE) grants and contracts to support regional projects that will potentially serve all of California's educators and students. State priority grant funds are primarily awarded to the 13 California Regional Environmental Education Community (CREEC) Network offices, which identify high quality environmental education resources and professional development opportunities for educators in public schools and other institutions, such as zoos, museums, nature centers, and outdoor science schools.

The State Priority Environmental Education "Guidelines for Application" for fiscal years 2004-07 was distributed to all county offices of education and other eligible applicants who requested them. The guidelines are available through the Web site below. Thirteen EE grant applications were submitted to the CDE, approved, and awarded by the CDE. No new state priority grant applications to support the CREEC Network will be considered until 2007-08 unless one of the 13 grant recipients declines its grant or cannot fulfill its CREEC responsibilities described in the guidelines.

This program is not included in the charter school categorical block grant.

Staff Contact: Bill Andrews, Professional Development and Curriculum Support Division; (916) 322-9503; bandrews@cde.ca.gov

Web Site: <http://www.cde.ca.gov/pd/ca/sc/oeaintrod.asp>

Foster Youth Services

Budget Act Item: 6110-119-0001

Resource codes: 7365 (six core projects) and 7366 (countywide foster youth services program)

Education Code sections [42920 through 42925](#)

2004-05 Budget Provisions

- The budget provides \$9 million from the General Fund for the foster youth services program, including \$83,000 for growth (0.95 percent) and \$213,000 for a COLA (2.41 percent).
- Of the \$9 million, \$1.9 million is allocated for six core projects that were established initially in 1973. The purpose of these core projects is to support foster youths' educational and emotional needs and to reduce multiple changes in placement.
- The remaining funds are allocated to the countywide foster youth services program to make foster youth services available to every child or youth, ages four through twenty-one, who resides in a California group home (approximately 12,000 children and youths).

Program Information

Funding for the six core projects is based on the number of foster children in the project's service area. Funding for the countywide foster youth services program is based on the number of children under the county's jurisdiction who are placed in group homes, regardless of whether the group home is in or out of the county. Services that have proven to be effective in stabilizing educational placement are provided through interagency collaboration and include tutoring, mentoring, assessment, and counseling services.

This program is included in the charter school categorical block grant.

Staff Contact: David Kopperud, Learning Support and Partnership Division;
(916) 327-5930; dkopperu@cde.ca.gov

Web Site: <http://www.cde.ca.gov/ls/pf/fy/>

Gifted and Talented Education (GATE)

Budget Act Item: 6110-124-0001 and statutory appropriation

Resource code: 7140

Education Code sections [52200 through 52212](#)

2004-05 Budget Provisions

- The budget provides \$44 million from the General Fund.

- Section 36(a)(1)(E) of Senate Bill 1108 (Chapter 216, Statutes of 2004), as amended by Senate Bill 550 (Chapter 900, Statutes of 2004), defers an additional \$4.1 million to 2005-06.
- Funding includes a 2.41 percent COLA and a growth adjustment of 0.95 percent.

Program Information

This program is funded through the principal apportionment system. Funding is based on Second Period (P-2) prior-year ADA. Local educational agencies with less than 1,500 ADA receive \$2,500 or not less than the amount received in fiscal year 1998-99. No district receives less per ADA than the amount received in fiscal year 1999-00. Certification of GATE approved participation is reported in the new Integrated Apportionment Software for the first, second and annual Reporting periods. See the "[Calendar of Key Deadlines, 2004-05 Apportionments](#)" for additional information regarding reporting dates.

This program is included in the categorical block grant for charter schools.

Staff Contact: Sandra Frank, Professional Development and Curriculum Support Division; (916) 323-5505; sfrank@cde.ca.gov (program)

Gary Miyamura, School Fiscal Services Division; (916) 324-4543; gmiyamur@cde.ca.gov (fiscal)

Web Site: <http://www.cde.ca.gov/sp/gt/> (program)

<http://www2.cde.ca.gov/principalapp/> (fiscal)

<http://www.cde.ca.gov/fg/sf/> (software)

Grants to Local Educational Agencies, Elementary and Secondary Education Act, Title I

Budget Act Item: 6110-136-0890(1)

Resource codes: Various

Education Code Section: None

2004-05 Budget Provisions

- The budget authorizes an expenditure of \$1.8 billion in federal funds from the Elementary and Secondary Education Act, Title I. Of this amount, 1 percent is reserved for state administration, 4 percent is reserved for school improvement, an estimated 1 percent is reserved for direct-funded charter schools, and an estimated 0.5 percent is reserved for state academic achievement awards. The balance is allocated to local educational agencies (LEAs) to provide educational services to disadvantaged children in public schools, private schools, and local institutions for neglected or delinquent children (Part A) and to children in correctional facilities for youths (Part D, Subpart 2).

- The formulas used to allocate the funds are based on counts and percentages of children who are in low-income families or in institutions for neglected or delinquent children and the state's per-pupil expenditures on education.
- A "hold harmless" provision is applied on the federal level prior to the state reserve adjustments and specifies that eligible LEAs shall receive at least a specified percentage of their prior-year grant. The hold harmless percentages for 2004-05 are 85, 90, or 95 percent, depending on the LEA's percentage of disadvantaged children.

Program Information

Application for funding must be made through Part I of the Consolidated Application, which was due in June 2004. Title I funds are not included in the charter school categorical block grant. Charter schools that are direct-funded may apply on their own behalf through the Consolidated Application. All other charter schools may participate through their chartering agencies.

The funds are apportioned in three payments: 40 percent in December 2004, 40 percent in April 2005, and 20 percent in June 2005.

Staff Contact: Maria Reyes, School and District Accountability Division; (916) 319-0380; mreyes@cde.ca.gov (program)

Bill Meyers, School Fiscal Services Division; (916) 323-4977; wmeyer@cde.ca.gov (fiscal)

Web Site: <http://www.cde.ca.gov/fg/aa/ca/nclbttitlei.asp>

Healthy Start Support Services for Children

Budget Act Item: 6110-485(10)

Resource code: 6240

Education Code sections [8800 through 8807](#)

2004-05 Budget Provisions

- The budget provides \$2 million from one-time funds for Healthy Start grants.
- Collaborative planning grants of up to \$50,000 are awarded to applicants who demonstrate a need to plan for school-integrated services and supports in a community that has committed to the planning effort. Collaborative planning grants may be expended over a period up to two years.
- Operational grants of up to \$300,000 and one-time, start-up funding of up to \$100,000 (a total maximum of \$400,000) are awarded to applicants who demonstrate readiness to begin or to expand a system of comprehensive school-integrated services and supports to assist children, youths, and

families in achieving educational success and well-being. Operational grants may be expended over a period up to five years.

- All Healthy Start grantees must match the state funds they receive by at least 25 percent in cash, services, or resources. Healthy Start grant funds must supplement, not supplant, existing services.

Program Information

Healthy Start assists schools and their collaborative partners to develop and expand comprehensive, integrated, school-linked services and supports. Grantees work to establish local systems of school and community integrated services that meet desired results for children, youth, and families. Some of the services include academic education, youth development, medical and mental health care, and employment. Evaluation is a key component of local Healthy Start initiatives.

Elementary, middle, and secondary schools, including charter schools that do not participate in the block grant funding model, are eligible to apply for funding. Feeder preschools may be a part of an application that includes their partner elementary schools. School districts, county offices of education, and their collaborative partners may apply on behalf of a single school or a group of schools. Schools must meet specific eligibility criteria for needy students or English learners, or they must demonstrate special factors that warrant consideration.

This program is not included in the charter school categorical block grant.

Staff Contact: Jane Ross, Learning Support and Partnerships Division; (916) 319-0277 jaross@cde.ca.gov

Shirley Day, Learning Support and Partnerships Division; (916) 319-0255; sday@cde.ca.gov

Web Site: <http://www.cde.ca.gov/lsp/hs/>

High Priority Schools Grant Program

Budget Act Item: 6110-123-0001(2)

Resource code: 7258

Education Code sections [52055.600 through 52055.660](#)

2004-05 Budget Provisions

- The budget provides \$193 million from the General Fund.

Program Information

Implementation funding is provided for schools that applied for the program by January 15, 2002. Funding is awarded to schools ranking lowest on the 2001 Academic Performance Index (API) and is calculated at \$400 per enrolled student as reported to the California Basic Educational Data System. Schools

that already receive \$200 per enrolled student through the Immediate Intervention/Underperforming Schools Program or the Comprehensive School Reform Demonstration Program will receive an additional \$200 per enrolled student.

This program is not included in the charter school categorical block grant.

Staff Contact: Wendy Harris, School Improvement Division; (916) 319-0830; wharris@cde.ca.gov (policy issues)

Jeffrey Zettel, School Improvement Division; (916) 324-3236; jzettel@cde.ca.gov (technical assistance, funding issues, application process)

Web Site: <http://www.cde.ca.gov/ta/lp/>

Immediate Intervention/Underperforming Schools Program

Budget Act Items: 6110-123-0001(1) and 6110-123-0890(1)

Resource codes: 7255 and 3170

Education Code sections [52053 through 52055.51](#)

2004-05 Budget Provisions

- The budget provides \$53.1 million from the General Fund and authorizes an expenditure of \$72.4 million in federal funds (Elementary and Secondary Education Act, Title I) for the Immediate Intervention/Underperforming Schools Program (II/USP).
- No new cohort of II/USP schools is planned for 2004-05. General Fund monies appropriated for the program will be used to fund implementation grants for schools in the first, second, and third cohorts, which received planning grants in 2000-01, 2001-02, and 2002-03.
- Of the federal funds mentioned above, \$28.7 million will be used to fund cohort three and \$15.1 million will be used to fund cohort four of Comprehensive School Reform (CSR) program schools.

Program Information

The II/USP provides funding to selected schools whose scores are in deciles 1 through 5 on the Academic Performance Index (API). Funds are expended for planning and implementation of a school action plan leading to increased student achievement. The first year of the grant is devoted to planning, with schools receiving a state grant of \$50,000 to work with an external evaluator and develop a school action plan. The action plan must be approved by the school district governing board before submission to the CDE. Years two and three are devoted to implementation. Schools receive \$200 per student or a minimum of \$50,000 each year for years two and three. There are 859 schools participating in the II/USP.

The federally funded schools receive \$200 per student or a minimum of \$50,000 to implement a CSR program. They can receive grants for up to three years as long as the students make the necessary academic improvement each year. There are 69 schools in the third cohort and 84 schools in the fourth cohort of CSR schools.

This program is not included in the charter school categorical block grant.

Staff Contact: Wendy Harris, School Improvement Division; (916) 319-0830; wharris@cde.ca.gov (policy issues)

Fred Balcom, School Improvement Division; (916) 324-3456; fbalcom@cde.ca.gov (technical assistance, funding issues, application process)

Web Site: <http://www.cde.ca.gov/ta/lp/>

Improving Teacher Quality

Budget Act Item: 6110-195-0890

Resource code: 4035

Education Code Section: None

2004-05 Budget Provisions

- The budget authorizes a cumulative expenditure of \$330.3 million in federal funds from the Elementary and Secondary Education Act, Title II. This amount includes \$324 million for LEA entitlements.
- Under federal law, entitlements are calculated in two parts. The first part consists of the amount they received in 2001-02 for the Eisenhower Professional Development and federal class size reduction programs. Any remaining funds will then be allocated with 20 percent awarded on the basis of child population (ages five to seventeen) and 80 percent awarded on the basis of child poverty.
- Indirect costs may be charged at the LEA's approved rate. Funds are available for a period of 27 months with no restriction on carryover.

Program Information

This program focuses on preparing, training, and recruiting high-quality teachers. The program provides flexibility to allocate funds among professional development, class size reduction, and other teacher-quality activities. These activities may include, among others, teacher and principal recruitment and retention initiatives, signing bonuses and other financial incentives, teacher and principal mentoring, reform of tenure systems, merit pay, teacher testing, and pay differentiation initiatives. Use of funds for class size reduction is no longer limited to grades 1–3.

Application for funding must be made through Part I of the Consolidated Application. Direct-funded charter schools wishing to participate must also apply through the Consolidated Application.

The funds will be apportioned in three payments: 40 percent in February 2005, 40 percent in April 2005, and 20 percent in June 2005.

Staff Contact: Robert Lee, Professional Development and Curriculum Support Division; (916) 323-5799; rlee@cde.ca.gov (program)
Shirley McGuire, School Fiscal Services Division; (916) 323-1385; smcguire@cde.ca.gov (fiscal)
Elena Fong, Professional Development and Curriculum Support Division; (916) 323-5808; efong@cde.ca.gov (fiscal)

Web Site: <http://www.cde.ca.gov/nclb/sr/tq/>

Innovative Programs

Budget Act Item: 6110-123-0890(2)
Resource code: 4110
Education Code Section: None

2004-05 Budget Provisions

- The budget authorizes an expenditure of \$40.2 million in federal funds from Title V, Part A, of the No Child Left Behind Act of 2001. Of this amount, \$31 million is available for distribution to local educational agencies under the entitlement formula.
- The funding rate is anticipated to be approximately \$2.09 per unit, with a minimum funding amount of \$2,823. Funding is allocated based on California Basic Educational Data System public school enrollment as of October 2003, enrollment of participating private schools, and a factor based on the percentage of students receiving free and reduced-price meals.
- Title V, Part A, Innovative Programs funds are available to support educational reform and improvement efforts and to meet the needs of at-risk and high-cost students.

Program Information

Application for funding must be made through Part I of the Consolidated Application, which was due in June 2004. Title V, Part A, Innovative Programs funds are not included in the charter school categorical block grant. Charter schools that are direct-funded may apply on their own behalf through the Consolidated Application. All other charter schools may participate through their chartering agencies.

The funds will be apportioned in three payments: 40 percent in December 2004, 40 percent in March 2005, and 20 percent in June 2005.

Staff Contact: Jerry Cummings, Specialized Programs Division; (916) 319-0381; jcumming@cde.ca.gov (program)

Felisha Zuniga, School Fiscal Services Division; (916) 324-4555; fzuniga@cde.ca.gov (fiscal)

Web Site: <http://www.cde.ca.gov/fg/aa/ca/nclbttitlev.asp>

Instructional Materials, *Williams* Settlement

Budget Act Item: None—statutory appropriation

Resource code: 7158

Education Code sections: 60240 through 60313, and 60420 through 60424

2004-05 Budget Provisions

- Senate Bill 550 (Chapter 900, Statutes of 2004) allocates \$138 million to eligible school districts based on an equal amount per pupil enrolled in grades K–12 in schools in deciles 1–2 of the Academic Performance Index (API) as ranked based on the 2003 base API score.

Program Information

The *Eliezer Williams, et al., vs. State of California, et al. (Williams)* case was filed as a class action in 2000 in San Francisco County Superior Court. The plaintiffs included nearly 100 San Francisco County students, who filed suit against the State of California and state education agencies, including the CDE. The basis of the lawsuit was that the agencies failed to provide public school students with equal access to instructional materials, safe and decent school facilities, and qualified teachers.

The case was settled in 2004. Senate Bill 550, which implemented part of the settlement agreement for the lawsuit, included funding for low-performing schools in deciles 1–2 of the API to purchase adopted standards-aligned instructional materials.

This program is not included in the charter school categorical block grant.

Staff Contact: Susan Martimo, Curriculum Frameworks and Instructional Resources Division; (916) 319-0446; smartimo@cde.ca.gov (program)

Suzanne Rios, Curriculum Frameworks and Instructional Resources Division; (916) 319-0665; srios@cde.ca.gov (program)

Shirley McGuire, School Fiscal Services Division; (916) 3231385; smcguire@cde.ca.gov (fiscal)

Web Site: <http://www.cde.ca.gov/ci/cr/cf/englearnrs.asp>

Instructional Materials, English Learners (One-Time)

Budget Act Item: 6110-189-0001, Provision (2)(a)
Resource code: 7157
Education Code Section: None

2004-05 Budget Provisions

- \$30 million is available on a one-time basis to provide supplemental instructional materials for English learners in grades K–12.

Program Information

The one-time funding will be allocated based on the most recently certified language census number of English language learners in those districts that submit an intent to purchase supplementary instructional materials for English learners by March 31, 2005. The State Board of Education will approve distribution of the funds to districts that demonstrate alignment of the instructional materials they plan to purchase with the English language development and English language arts standards.

Staff Contact: Susan Martimo, Curriculum Frameworks and Instructional Resources Division; (916) 319-0446; smartimo@cde.ca.gov (program)

Suzanne Rios, Curriculum Frameworks and Instructional Resources Division; (916) 319-0665; srios@cde.ca.gov (program)

Shirley McGuire, School Fiscal Services Division; (916) 3231385; smcguire@cde.ca.gov (fiscal)

Web Site: <http://www.cde.ca.gov/ci/cr/cf/englearnrs.asp>

Instructional Materials, K–12

Budget Act Item: 6110-189-0001
Resource code: 7156
Education Code sections [60240 through 60313](#), and 60420 through 60424

2004-05 Budget Provisions

- The budget provides \$333 million from the General Fund.

Program Information

The funds will be allocated to eligible school districts based on an equal amount per pupil enrolled in grades K–12 for the purchase of standards-aligned materials for grades K–12.

The IMFRP funds are included in the charter school categorical block grant.

Staff Contact: Susan Martimo, Curriculum Frameworks and Instructional Resources Division; (916) 319-0446; smartimo@cde.ca.gov (program)

Shirley McGuire, School Fiscal Services Division; (916) 3231385; smcguirel@cde.ca.gov (fiscal)

Web Site: <http://www.cde.ca.gov/fg/aa/ca/imfrp.asp>

Instructional Time and Staff Development Reform

Budget Act Item: 6110-112-0001

Resource code: 0000

Education Code sections [44579 through 44579.5](#)

2004-05 Budget Provisions

- The budget provides \$237 million from the General Fund, including \$5.6 million for a COLA (2.41 percent) and \$1.7 million for a growth increase.
- The funding rate per day for up to three days of staff development will increase to \$306.50 for each certificated classroom teacher. The funding rate for one day of staff development for each classified instructional aide and each certificated teaching assistant will increase to \$158.92.

Program Information

A 25 percent advance apportionment for districts continuing participation was made in December 2004. A second apportionment bringing all participating districts up to 75 percent will be made in April 2005. A final report of participation will be due by June 30, 2005, from school districts and county offices of education. The final apportionment for the difference between the total amount claimed and funds previously apportioned will be made in September 2005.

This program is now included in the charter school categorical block grant. As of July 1, 2004, direct-funded charter schools may not apply separately for this program.

Staff Contact: Patty Stevens, Professional Development and Curriculum Support Division; (916) 323-5595; pstevens@cde.ca.gov (program)

Ross Valentine, School Fiscal Services Division; (916) 327-4405; rvalenti@cde.ca.gov (fiscal)

Web Site: <http://http://www.cde.ca.gov/pd/te/ce/itsdr03.asp>
<http://http://www.cde.ca.gov/fg/aa/ca/itsdr.asp>

Language Instruction for Limited-English-Proficient (LEP) and Immigrant Students, Title III

Budget Act Item: 6110-125-0890(3)

Resource codes: 4203 (LEP students) and 4201 (immigrant students)

Education Code Section: None

2004-05 Budget Provisions

- The budget authorizes an expenditure of \$155 million in federal funds from the Elementary and Secondary Education Act, Title III, for supplementary programs and services to LEP students and eligible immigrant students. One funding strand is directed to LEP students, who are called English learners in California. The other funding strand targets eligible immigrant pupils, defined as those students who are foreign-born and who have been enrolled in any school in the United States for three years or less.

Program Information

A local educational agency, meaning any school district, county office of education, or direct-funded charter school, that receives Title III funds, is required to provide a language education program to enable participating LEP and immigrant students to achieve the same state academic and language standards as mainstream students.

This program is not included in the charter school categorical block grant.

Staff Contact: David Dolson, Specialized Programs Division; (916) 319-0266; ddolson@cde.ca.gov

Jorge Gaj, Specialized Programs Division; (916) 319-0268; jgaj@cde.ca.gov (program)

Web Site: <http://www.cde.ca.gov/sp/el/>

Lottery Education Fund

Budget Act Item: 6110-101-0814

Resource codes: 1100 and 6300

Education Code sections [14600](#) and [14700 through 14701](#) and *Government Code* sections [8880 through 8880.14](#)

2004-05 Budget Provisions

- The budget provides \$806.7 million from the Lottery Education Fund.

Program Information

Lottery funds are distributed quarterly by the State Controller's Office. Funding is based on annual ADA multiplied by the statewide average excused-absence factor of 1.04446. Lottery allocations during the current year are estimated

based on prior-year annual ADA multiplied by the excused absence factor. In the first quarter of the subsequent fiscal year, funding for the prior year is recomputed based on actual annual ADA multiplied by the excused absence factor.

Lottery funds are identified as either Proposition 20 or non-Proposition 20. Proposition 20 lottery funds must be used to purchase instructional materials only. Non-Proposition 20 lottery funds are unrestricted, except that they may not be used for acquisition of property, construction of facilities, financing of research, or for other non-instructional purposes.

This program is not included in the charter school categorical block grant.

Staff Contact: Janet Finley, School Fiscal Services Division; (916) 323-5091; jfinley@cde.ca.gov

Web Site: <http://www.cde.ca.gov/fg/aa/lo>

Mandates

Budget Act Item: 6110-295-0001
Resource code: 0000
Education Code sections: Various

2004-05 Budget Provisions

- The budget provides \$39,000 from the General Fund.

Program Information

The California Constitution (Article XIII B, Section 6) requires the state to reimburse the cost of any new program or increased level of service of an existing program mandated by statute or executive order.

In the *2003 Budget Act* and again this year the Legislature deferred reimbursements to school districts. Under current law, school districts must carry out state-mandated requirements, regardless of delays in state reimbursement. The Legislative Analyst's Office estimates that the state will owe school districts over \$1 billion for deferred mandate reimbursements.

Additionally, the budget suspends five mandates: Investment Reports, School Crimes Reporting II, School Bus Safety II and I; Law Enforcement Sexual Harassment Training; and County Treasury Oversight Committee mandates.

This program is not included in the charter school categorical block grant.

Staff Contact: Don Killmer, Fiscal and Administrative Services Division; (916) 323-2591; dkillmer@cde.ca.gov

Mathematics and Reading Professional Development Program

Budget Act Item: 6110-137-0001

Resource code: 7294

Education Code sections [99230 through 99242](#)

2004-05 Budget Provisions

- The budget provides \$31.7 million from the General Fund.

Program Information

The Mathematics and Reading Professional Development Program (Assembly Bill 466) is a reimbursement program focusing on the instructional materials most recently adopted by the State Board of Education. Teachers can receive 40 hours of intensive professional development from providers approved by the State Board and 80 hours of follow-up practicum. Public school districts and county offices of education may apply for reimbursement.

This program is included in the charter school categorical block grant beginning in 2004-05.

Staff Contact: Craig Heimbichner, Professional Development and Curriculum Support Division; (916) 323-6269; cheimbic@cde.ca.gov

Web Site: <http://www.cde.ca.gov/pd/ca/ma/mard03.asp>

Mathematics and Science Partnership Grants

Budget Act Item: 6110-193-0890

Resource code: 4050

Education Code Section: None

2004-05 Budget Provisions

- The budget provides \$20.3 million for Mathematics and Science Partnership Grants. The federal funding source is Title II, Part B of the Elementary and Secondary Education Act.

Program Information

The California Mathematics and Science Partnership (CaMSP) program seeks to establish partnerships to improve the academic achievement of students in mathematics and science by providing a minimum of 80 hours of intensive and 24 hours of follow-up professional development for mathematics teachers (grade five through Algebra I) and science teachers (grades four through eight). A partnership must include an eligible LEA and an institution of higher education and may include additional partners.

This program is not included in the charter school categorical block grant.

Staff Contact: Yvonne Evans, Professional Development and Curriculum Support Division; (916) 323-5252; yevans@cde.ca.gov

Web Site: <http://www.cde.ca.gov/pd/ca/ma/camspintrod.asp>

Migrant Education Program

Budget Act Item: 6110-125-0890(1)

Resource codes: Various

Education Code Section: None

2004-05 Budget Provisions

- The budget authorizes expenditure of \$135.6 million in federal funds from the Elementary and Secondary Education Act, Title I, for migrant education program (MEP) services.

Program Information

The general purpose of the MEP is to ensure that children of migrant workers, including children of preschool age and children from eighteen through twenty-one years of age, can gain access to the same public education provided to other students. The MEP is designed to ensure that migrant children have an opportunity to meet the same challenging state content standards that all children are expected to meet.

The CDE distributes federal funds to 22 regional offices and five statewide programs. These grants are allocated to the regions based on the number of migrant students served. The MEP provides program support to approximately 600 school districts and 290,000 migrant students.

This program is not included in the charter school categorical block grant.

Staff Contact: Ernesto Ruiz, Learning Support and Partnerships Division; (916) 319-0190; eruiz@cde.ca.gov

Web Site: <http://www.cde.ca.gov/sp/me/mt/>

National Board for Professional Teaching Standards Certification Incentive Program

Budget Act Item: 6110-195-0001

Resource code: 6267

Education Code sections [44395-44399](#)

2004-05 Budget Provisions

- The budget provides \$7.5 million for incentives to teachers who become certified by the National Board for Professional Teaching Standards (NBPTS) and agree to teach in high-priority schools. High-priority schools are defined as schools that are ranked in the bottom half of all schools on

the Academic Performance Index. Grants of \$20,000 to eligible teachers are paid in four annual installments through an LEA grant process.

Program Information

The California Department of Education is required to administer a grant process, provide public notification, make regular contact with the National Board, respond to inquiries, and distribute funds. The federally funded NBPTS Candidate Subsidy Program requires a state-level advisory committee to govern program policy, provide public notification, respond to inquiries, make regular contact with the National Board, develop a statewide infrastructure to support teachers in the process, and distribute the funds.

This program is not included in the charter school categorical block grant.

Staff Contact: Kay Garcia, Professional Development and Curriculum Support Division; (916) 323-5832; kgarcia@cde.ca.gov

Web Site: <http://www.cde.ca.gov/pd/ps/te/nbpts.asp>

Necessary Small School Funding

Budget Act Item: None—statutory appropriation
Resource code: 0000
Education Code sections [42280 through 42289.5](#)

2004-05 Budget Provisions

- The budget provides a 2.41 percent COLA.

Program Information

This program is funded through the principal apportionment system. Entitlements for this program are calculated in the new Integrated Apportionment System software and displayed on the exhibit for Necessary Small School Allowance Report, accompanying the principal apportionment.

For an elementary school district that consists of a single school with less than 97 ADA and for each qualifying necessary small elementary school in a school district with less than 2,501 ADA, the 2004-05 necessary small-school amounts will be computed on the basis of either the school's ADA or the number of full-time teachers, whichever provides the lesser amount.

For a high school district that consists of a single school or a single high school maintained by a unified school district with less than 287 ADA and for each qualifying necessary small high school in a district with less than 2,501 ADA, the 2004-05 necessary small-school amounts will be computed on the basis of either the school's ADA or the number of full-time-equivalent (FTE) certificated employees providing services in grades 9 through 12, whichever provides the lesser amount. If the ADA is under 20 and the number of FTE certificated employees is less than four, however, the amount is computed on the number of FTE certificated employees.

See the “[Calendar of Key Deadlines, 2004-05 Apportionments](#)” for information regarding reporting dates.

This program is included in the general-purpose block grant for charter schools.

Staff Contact: Terri Emery, School Fiscal Services Division; (916) 324-4551;
temery@cde.ca.gov

Neglected or Delinquent Children

Budget Act Item: 6110-119-0890

Resource code: 3090

Education Code Section: None

2004-05 Budget Provisions

- The budget provides \$3.3 million in federal Title I funds for Neglected or Delinquent Children. These funds are allocated to state agencies that provide compensatory educational services to neglected or delinquent youth in state-operated institutions.

Program Information

Applications for funding were due in June 2004. The funds will be apportioned in two payments: 50 percent in January 2005 and 50 percent in April 2005.

Staff Contact: Valta Adger, Education Programs Consultant, (916) 657-3747;
vadger@cde.ca.gov (program)

Bill Meyer, School Fiscal Services Division; (916) 323-4977;
wmeyer@cde.ca.gov (fiscal)

Web Site: <http://www.cde.ca.gov/fg/aa/ca/nclbttitlei.asp>

Opportunity Classes and Programs

Budget Act Item: 6110-127-0001

Resource code: 0000

Education Code sections [48643 through 48644.5](#)

2004-05 Budget Provisions

- The budget provides \$2.7 million from the General Fund. This amount includes \$25,000 for growth (0.95 percent) and \$64,000 for a COLA (2.41 percent).
- The funding rate is \$518 per unit of ADA.

Program Information

School districts may receive incentive funding to provide identified students in grades 7–9 with increased opportunity classes and programs. These funds help districts in recovering some of the costs related to the educational interventions and guidance services designed to effect positive changes in student behavior through a specialized and structured learning environment. Reimbursement forms are due to be submitted to the California Department of Education by March 31, 2005.

This program is included in the categorical block grant for charter schools.

Staff Contact: Jacie Ragland, Secondary, Postsecondary, and Adult Leadership Division; (916) 323-2568; jragland@cde.ca.gov (program)

Melissa Collier, School Fiscal Services Division; (916) 445-7354; mcollier@cde.ca.gov (fiscal)

Web Site: <http://www.cde.ca.gov/sp/eo/oe/>

Partnership Academies

Budget Act Item: 6110-166-0001

Resource codes: 7220

Education Code sections [54690 through 54696](#)

2004-05 Budget Provisions

- The budget provides \$23 million from the General Fund for grants to 290 existing partnership academies. These grants are targeted to partnership academies in high schools of eligible school districts that serve the highest proportions of at-risk pupils.
- If any funds are not allocated, the CDE may allocate those funds as one-time grants to state-funded partnership academies to be used for one-time purposes.

Program Information

Currently, 289 funded programs are in place in 204 California high schools in 105 California school districts in 35 counties. The California Partnership Academy model is a three-year program for grades 10–12 that is structured as a school-within-a-school and incorporates (1) rigorous integrated academics with a career focus; (2) business partnerships that provide support through curriculum resources, classroom speakers, field trips, mentors, and internships; and (3) teachers who work as a team in preparing students for careers and postsecondary education. Academies have been shown to have positive effects on school performance. A request for application will only be executed when at least ten of the currently funded Partnership Academies choose to close or are closed due to non-compliance.

Staff Contact: Barbara Weiss, Secondary, Postsecondary, and Adult Leadership Division; (916) 319-0481, bweiss@cde.ca.gov

Web Site: <http://www.cde.ca.gov/ci/g/hs/cpagen.asp>

Peer Assistance and Review

Budget Act Item: 6110-193-0001(2)

Resource code: 7271

Education Code sections [44500 through 44508](#)

2004-05 Budget Provisions

- The budget provides \$26 million from the General Fund for the Peer Assistance and Review (PAR) program, including \$239,000 for growth (0.95 percent) and \$613,000 for a COLA (2.41 percent).
- Funding will be distributed based on the number of positions calculated for each LEA. Positions are calculated based on 5 percent of the October 2003 California Basic Educational Data System count of certificated classroom teachers.
- LEAs that submitted their Notification of Intent to Implement a California Peer Assistance and Review Program for Teachers form for the 1999-00 fiscal year and that also certified successful implementation of a PAR program beginning on July 1, 2000, will receive PAR funding of \$1,669 per calculated position (including the COLA).
- LEAs that submitted a Notification of Intent to Implement form during the 2000-01 fiscal year and that also certified successful implementation of a PAR program beginning on July 1, 2001 will receive PAR funding of \$1,313 per calculated position (including the COLA).
- If funding is not sufficient, the funding rates will be reduced on a pro rata basis.

Program Information

The PAR program became fully operational on July 1, 2001, when it replaced the California Mentor Teacher program. To participate in the PAR program, LEAs must have submitted a Notification of Intent to Implement form and a Certification of Implementation form by the final deadline of August 1, 2001.

This program is included in the charter school categorical block grant.

Staff Contact: Shoshanna Fuentes, Professional Development and Curriculum Support Division; (916) 323-6420; sfuentes@cde.ca.gov (program)

Janice Huarte, School Fiscal Services Division; (916) 322-9128; jhuarte@cde.ca.gov (fiscal)

Web Site: <http://www.cde.ca.gov/fg/aa/ca/par.asp>

Principal Training Program

Budget Act Items 6110-144-0001, 6110-195-0890 and 6110-485(17)
Resource code: 7325
Education Code sections [44510 through 44517](#)

2004-05 Budget Provisions

- The budget provides \$5 million from the General Fund; \$1.6 million in federal funds from the Elementary and Secondary Education Act, Title II; and \$4 million in one-time funds to support incentive grants to LEAs for professional development for administrators.

Program Information

Administrators assigned to and practicing in low-performing or hard-to-staff schools will be given the highest priority for funding.

This program is not included in the charter school categorical block grant.

Staff Contact: Joy Allingham, Professional Development and Curriculum Support Division; (916) 324-5689; jallingh@cde.ca.gov (program)
Marcela Obregon-Enriquez, Professional Development and Curriculum Support Division; (916) 323-5846; mobregon@cde.ca.gov (program)
Patty Stevens, Professional Development and Curriculum Support Division; (916) 323-5838; pstevens@cde.ca.gov (fiscal)

Web Site: <http://www.cde.ca.gov/pd/ai/pt/>

Pupil Residency Verification

Budget Act Item: 6110-139-0001
Resource code: 7810
Education Code sections 48204.5, 48204.6, and Chapter 309, Statutes of 1995

2004-05 Budget Provisions

- The budget provides \$168,000 from the General Fund.
- The apportionment for each school district of the two affected counties is based on amounts established according to ADA.

Program Information

Funding for this program is provided to assist school districts adjacent to the international border with their pupil residency verification.

This program is not included in the categorical block grant for charter schools.

Staff Contact: Melissa Collier, School Fiscal Services Division; (916) 445-7354; mcollier@cde.ca.gov

Reading First

Budget Act Item: 6110-126-0890
Resource code: 3030
Education Code sections [51700](#) through [51702](#)

2004-05 Budget Provisions

- The budget authorizes an expenditure of \$174.2 million in federal funds from the Elementary and Secondary Education Act, Title I, Part B.
- Of the funds appropriated in this item, \$13.6 million is available for bilingual programs pursuant to Section 51701 of the *Education Code*.
- The State Board of Education shall ensure parity in the duration and level of funding between grants for bilingual classrooms and grants for non-bilingual classrooms.
- Of the funds appropriated in this item, \$29.5 million is available from prior years. The first priority for this funding is to increase the grant amount provided to existing grantees to \$8,000 per full-time-equivalent classroom teacher.

Program Information

The funds may be used to select and administer reading assessments and scientifically based programs of reading instruction. The funds may also be used to provide standards-aligned professional development in reading to K–3 classroom teachers and to K–12 teachers of special education.

This program is not included in the charter school categorical block grant.

Staff Contact: Jeff Cohen, Professional Development and Curriculum Support Division; (916) 323-5799; jcohen@cde.ca.gov

Web Site: <http://www.cde.ca.gov/pd/ca/rl/>

Regional Occupational Centers and Programs (ROC/Ps)

Budget Act Item: 6110-105-0001 and statutory appropriation
Resource code: 6350
Education Code sections [52300](#) through [52335.10](#)

2004-05 Budget Provisions

- The budget provides \$356.2 million from the General Fund. An additional \$7.3 million is available from reimbursements of which \$1.2 million is designated to serve recipients eligible for CalWORKs. Additional funds that

may be used for ROC/Ps are appropriated in the adult education item (Item 6110-156-0001) for recipients eligible for CalWORKs.

- Section 36(a)(1)(C) of Senate Bill 1108 (Chapter 216, Statutes of 2004) defers an additional \$37.1 million to 2005-06.
- Funding provided includes a 2.41 percent COLA and a growth adjustment of 3.67 percent.
- CalWORKs funding must be used for educational activities designed to increase self-sufficiency, provide job training, and secure employment. The funds will be apportioned only after LEAs have fully claimed their regular funding caps.
- An indirect cost rate charged to an ROC/P may not exceed the prior-year indirect cost rate approved by the CDE, the school district, or the county office of education (COE), as appropriate.
- The combined indirect cost rate charged by the school districts and COE that provide ROC/P services on behalf of the COE or a joint powers authority may not exceed the prior-year indirect cost rate approved by the CDE for the school district or COE, whichever is higher.
- ROC/P revenue limit funding must be expended on programs and services offered by the ROC/P.

Program Information

This program is funded through the principal apportionment system. Funding is based on ADA reported on the Attendance School District Data Entry Screen and Attendance County Office of Education Data Entry Screen, which reflect the conversion to a software-based system for reporting ADA and hourly data through the implementation of the new Integrated Apportionment System.

These data entry screens replace the former Form J-18/19, Report of Attendance for districts, and Form J-27/28, Report of Attendance for county offices of education. The total funding amount is calculated in the Principal Apportionment Revenue software and displayed on the Regional Occupational Centers and Programs Report. Funding will be apportioned at the First Principal (P-1) Apportionment on February 20, 2005 and the Second Principal (P-2) Apportionment on February 20, 2006. See the "[Calendar of Key Deadlines, 2004-05 Apportionments](#)" for information regarding reporting dates.

This program is not included in the charter school categorical block grant.

Staff Contact: Al Tweltridge, Secondary, Postsecondary & Adult Leadership Division; (916) 327-5711; atweltri@cde.ca.gov (program)

Halena Le, School Fiscal Services Division; (916) 324-4535; hle@cde.ca.gov (school districts)

Daphne Kelley, School Fiscal Services Division; (916) 324-6178; dakelley@cde.ca.gov (county offices of education)

Web Site: <http://www.cde.ca.gov/ci/ct/rp/> (program)

<http://www2.cde.ca.gov/principalapp/> (fiscal)

<http://www.cde.ca.gov/fg/sf> (software)

Revenue Limits

Budget Act Item: None—statutory appropriation

Resource code: 0000

Education Code sections [2550](#) through [2573](#) and [42238](#) through [42250.2](#)

2004-05 Budget Provisions

- The budget provides a 2.41 percent COLA. This amount is equivalent to \$112 per ADA for elementary school districts, \$135 per ADA for high school districts, and \$117 per ADA for unified school districts, based on statewide average base revenue limits for the prior fiscal year.

Program Information

Under California's school finance system, general-purpose education funding is apportioned to school districts and county offices of education through a revenue limit system. Each school district and county office of education has a general-purpose funding amount per unit of ADA. These amounts are supported through a combination of local property taxes and state General Fund aid. In effect, the state makes up the difference between property tax revenues and the general-purpose funding amount for each LEA. Revenue limits are funded through the principal apportionment system via calculations made in the new Integrated Apportionment System.

See the "[Calendar of Key Deadlines, 2004-05 Apportionments](#)" for additional information regarding reporting dates.

Charter schools receive general-purpose block grants in lieu of revenue limits (see the charter school block grants write-up).

Staff Contact: Daphne Kelley, School Fiscal Services Division; (916) 324-6178; dakelley@cde.ca.gov (county offices of education)

Julie Brucklacher, School Fiscal Services Division; (916) 322-5906; jbruckla@cde.ca.gov (school districts)

Web Site: <http://www2.cde.ca.gov/principalapp/> (fiscal)

<http://www.cde.ca.gov/fg/sf> (software)

Rural Education Assistance Program

Budget Act Item: 6110-137-0890
Resource code: 4126
Education Code Section: None

2004-05 Budget Provisions

- The budget provides \$2.7 million in federal funds.

Program Information

The purpose of these funds is to address the unique needs of rural school districts that frequently lack the personnel and resources needed to compete effectively for federal competitive grants and receive formula grant allocations in amounts too small to be effective in meeting their intended purposes.

Application for funding must be made through Part I of the Consolidated Application, which was due in June 2004. Title VI, Rural Education Achievement Program funds are not included in the charter school categorical block grant. Eligible charter schools that are direct-funded may apply on their own behalf through the Consolidated Application.

The funds will be apportioned in three payments: 40 percent in December 2004, 40 percent in March 2005, and 20 percent in June 2005.

Staff Contact: Julie Klein, School Fiscal Services Division; (916) 323-1314;
jklein@cde.ca.gov (school districts)

Web Site: <http://www.cde.ca.gov/fg/aa/rp/>

Safe and Drug-Free Schools and Communities

Budget Act Item: 6110-183-0890
Resource code: 3710 and 3715
Education Code Section: None

2004-05 Budget Provisions

- The budget authorizes an expenditure of \$47.5 million in federal funds from the Elementary and Secondary Education Act, Title IV, Part A.
- \$39.6 million of the federal funds are available for distribution to local educational agencies (LEAs) as entitlements and for the support of drug abuse and violence prevention programs. Of the entitlement amount, 60 percent will be allocated based on the amount LEAs received under Title I, Part A, for the preceding fiscal year and 40 percent will be allocated based on enrollments in public and private nonprofit elementary and secondary schools within the boundaries of each LEA.

- \$1.6 million are used either directly or through grants and contracts to plan, develop, and implement capacity building, technical assistance and training, evaluation, program improvement services, and coordination activities.
- \$6.3 million is for the Community Service Grant Program.

Program Information

Application for funding must be made through Part I of the Consolidated Application (ConApp), which was due in June 2004. Title IV, Part A funds are not included in the charter school categorical block grant. Charter schools that are direct-funded may apply on their own behalf through the Consolidated Application. All other charter schools may participate through their chartering agencies.

The funds will be apportioned in two payments: 40 percent in November 2004 and 60 percent in June 2005.

Staff Contact: Patty Macias, Learning Support and Partnerships Division; (916) 319-0198; pmacias@cde.ca.gov (program)

Ross Valentine, School Fiscal Services Division; (916) 327-4405; rvalenti@cde.ca.gov (fiscal)

Web Site: <http://www.cde.ca.gov/fg/aa/ca/nclbttitleiv.asp>

School Facilities Needs Assessment Grant Program and Emergency Repair Account (*Williams* Settlement)

Budget Act Item: None—statutory appropriation

Resource code: 6226

Education Code sections [17592.70](#) through [17592.72](#) and [41207.5](#)

2004-05 Budget Provisions

- Senate Bill 6 (Chapter 899, Statutes of 2004) provides \$25 million to the State Allocation Board for the School Facilities Needs Assessment Grant Program. The program awards grants to school districts on behalf of school sites ranked in deciles 1–3 on the Academic Performance Index (API), to conduct a one-time comprehensive assessment of school facilities needs.
- Senate Bill 6 also provides \$5 million to the State Allocation Board for the Emergency Repair Account to reimburse school districts with schools ranked in deciles 1–3 on the API for emergency facility repairs.

Program Information

The *Eliezer Williams, et al., vs. State of California, et al. (Williams)* case was filed as a class action in 2000 in San Francisco County Superior Court. The plaintiffs included nearly 100 San Francisco County students, who filed suit against the State of California and state education agencies, including the CDE. The basis of the lawsuit was that the agencies failed to provide public

school students with equal access to instructional materials, safe and decent school facilities, and qualified teachers.

The case was settled in 2004. Senate Bill 6, which implements part of the settlement agreement for the *Williams* lawsuit, included funding for low-performing schools in deciles 1–3 of the API to assess facilities needs and make emergency facility repairs.

This program is not included in the charter school categorical block grant.

Staff Contact: Kathleen Moore, School Facilities Planning Division; (916) 322-2470; kmoore@cde.ca.gov (program)

Scott Hannan, School Fiscal Services Division; (916) 322-3024; shannan@cde.ca.gov (fiscal)

School Improvement Program

Budget Act Item: 6110-116-0001

Resource code: 7260 and 7265 (optional)

Education Code sections [52010 through 52049.1](#) and [62000 through 62005.5](#)

2004-05 Budget Provisions

- The budget provides \$328.1 million from the General Fund for grades K–6 (resource code 7260).
- The budget provides \$70.2 million from the General Fund for grades 7–12 (resource code 7265).
- The budget provides \$9.4 million for a COLA (2.41 percent) for both grades K–6 and 7–12.
- The budget provides \$1.7 million for growth (2.56 percent) for grades 7–12.
- Funding for grades K–6 reflects each district’s fiscal year 2003-04 entitlement with a COLA increase of 2.41 percent. Districts exceeding their fiscal year 2004-05 “ceiling” do not receive a COLA increase. The ceiling is calculated by multiplying the district’s October 2003 California Basic Educational Data System grade K–6 enrollment by the ceiling rate of \$121.04
- Funding for grades 7–12 utilizes ADA counts from the 2003-04 First Period (P1) Report of Attendance for participating schools. For grades 7–8 the per-ADA rate will be approximately \$33.05 or \$117.43, depending on the year the district entered the program. For grades 9–12, the per-ADA rate will be approximately \$84.73. All rates reflect the COLA of 2.41 percent.

Program Information

School Improvement Program entitlements are printed on Part II, page 23, of the Consolidated Application. Statute requires the 2004-05 funds to be

apportioned within the Special Purpose Apportionment in ten monthly installments beginning in September 2004 and ending in June 2005.

This program is included in the charter school categorical block grant.

Staff Contact: Robert Lee, Professional Development and Curriculum Support Division; (916) 323-5799; rlee@cde.ca.gov (program)

Felisha Zuniga, School Fiscal Services Division; (916) 327-4406; fzuniga@cde.ca.gov (fiscal)

Web Site: <http://www.cde.ca.gov/fg/aa/ca/sip.asp>

School Library Materials

Budget Act Items: 6110-149-0001

Resource code: 6296

Education Code sections [18175](#) through [18184](#)

2004-05 Budget Provisions

- The budget provides \$4.2 million from the General Fund to acquire school library materials.
- To be eligible for this funding, school districts, county offices of education, and direct-funded charter schools must apply through the Consolidated Application, Part I, process and develop a school library plan. Local governing boards must certify approval of the plan as well as provide the school site library information using the CDE online school library survey as noted in the Consolidated Application, Part II.
- Funds may be expended for library resources, including books, periodicals, microforms, audiovisual materials, computer software, CD-ROMs, online resources, and equipment to provide access to school library resources within the school library. Materials purchased with these funds must be circulated from, or used in, the school library media center.
- The funding rate per ADA, excluding regional occupational centers/programs and adult education ADA, is approximately \$0.70 using the prior year Second Period ADA.

Program Information

The application process is part of the Consolidated Application. Information to assist with library planning has been prepared by the CDE and is posted on the Web site below. Funds will be apportioned early in 2005.

This program is not included in the charter school categorical block grant.

Staff Contact: Barbara Jeffus, Curriculum Frameworks and Instructional Resources Division; (916) 319-0445; bjeffus@cde.ca.gov (program)

Shirley McGuire, School Fiscal Services Division; (916) 323-1385; smcguire@cde.ca.gov (fiscal)

Web Site: <http://www.cde.ca.gov/ci/cr/lb/>

School Safety Programs

GANG RISK INTERVENTION PROGRAM (GRIP)

Budget Act Item: 6110-228-0001(4)

Resource code: 6215

Education Code sections [58730 through 58736](#)

2004-05 Budget Provisions

- The 2004 Budget Act provides \$3 million from the General Fund for grants to county offices of education to provide services to youths at risk of involvement in gangs.

Program Information

The GRIP programs are required to include counseling, sports and cultural activities, job training and information, positive interaction with law enforcement, and teacher in-service training. The programs must also include a community-based coordinator who is familiar with local gang structures.

Funding for this program is allocated to county offices of education through a competitive grant process. Currently, 15 counties receive support. Requests for applications for funds to operate programs in 2004-05 were mailed to county offices of education in November 2004.

This program is not included in the charter school categorical block grant.

Staff Contact: Chuck Nichols, Learning Support and Partnerships Division; (916) 323-1026; cnichols@cde.ca.gov

HIGH-RISK YOUTH EDUCATION AND PUBLIC SAFETY PROGRAM

Budget Act Item: 6110-212-0001

Resource code: 6575

Education Code sections 47750 through 47773

2004-05 Budget Provisions

- The budget provides \$11.3 million from the General Fund.
- The High-Risk Youth Education and Public Safety Program includes the High-Risk First-Time Offenders Program and the Transitioning High-Risk Youth Grant Program. These grant programs provide funding for county offices of education or school districts to run after-school programs for high-risk youths who are transitioning out of youth correctional facilities. Students receive a minimum of eight hours of individualized programming each day, including at least four hours of academic instruction.

- The High-Risk First-Time Offenders Program provides education, probation, and social services for first-time offenders who are fifteen years of age or younger and meet specified criteria.
- The Transitioning High-Risk Youth Program targets youths who have been committed to a detention facility and who are at a high risk of committing offenses again.

Program Information

Funding for this program has been allocated to county offices of education and school districts through a grant application process. Currently, 17 programs are designated for funding in 2004-05. Grant funding is for five years. No new applications will be taken.

Staff Contact: Bill Lane, Learning Support & Partnerships Division; (916) 323-5721; blane@cde.ca.gov (program)

Melissa Collier, School Fiscal Services Division; (916) 445-7354; mcollier@cde.ca.gov (fiscal)

Web Site: <http://www.cde.ca.gov/sp/eo/hr>

SCHOOL COMMUNITY POLICING PARTNERSHIP GRANTS

Budget Act Item: 6110-228-0001(5)

Resource codes: 6330

Education Code Section 32296 et seq.

2004-05 Budget Provisions

- The 2004 Budget Act provides \$11.6 million from the General Fund for School Community Policing Partnership grants.

Program Information

The School Community Policing Partnership program funds local educational agencies and their law enforcement partners to implement or expand a school community policing approach to school crime and safety issues. The program provides grants of up to \$300,000 over a three-year period and additional start-up funds of up to \$25,000. At least 30 three-year competitive grants are awarded each year. The applications were available in November 2004.

This program is included in the charter school categorical block grant.

Staff Contact: Pat Rainey, Learning Support and Partnerships Division; (916) 323-1025; prainey@cde.ca.gov

Steve Jeffries, California Department of Justice; (916) 322-2781; Steve.Jeffries@doj.ca.gov

Web Site: <http://www.safestate.org/>

SCHOOL SAFETY AND VIOLENCE PREVENTION ACT GRANTS

Budget Act Items: 6110-228-0001(1), 6110-485(3), and statutory appropriation
Resource code: 6405
Education Code sections [32228 through 32228.5](#)

2004-05 Budget Provisions

- The Budget Act provides \$50.1 million from the General Fund, including \$47.9 million from one-time funds. Section 36(a) of Senate Bill 1108 (Chapter 216, Statutes of 2003) defers an additional \$36.9 million to 2005-06.
- Allocations are based on enrollment in grades 8–12, with minimum allocations of \$5,000 per school or \$10,000 per district, whichever is greater.

Program Information

Although funding allocations are generated according to enrollment in grades 8–12, funds may be used for any purpose that reduces violence among students and need not be limited to benefiting students only in those grades.

School Safety and Violence Prevention Act grant applications are included on Part I, and expenditures are reported on Part II, of the Consolidated Application. Funds will be disbursed through a special apportionment.

This program is included in the charter school categorical block grant.

Staff Contact: Pat Rainey, Learning Support and Partnerships Division; (916) 323-1025; prainey@cde.ca.gov (fiscal)

Nancy Cook, School Fiscal Services Division; (916) 324-4549; ncook@cde.ca.gov (fiscal)

Web Site: <http://www.cde.ca.gov/fg/aa/ca/ssvpp.asp>

Special Education Programs

AGES 3–21 SPECIAL EDUCATION FUNDING

Budget Act Items: 6110-161-0001 and 6110-161-0890
Resource codes: Various
Education Code Section [56000](#) *et seq.*

2004-05 Budget Provisions

- The budget provides \$2.7 billion from the General Fund and \$1.1 billion from federal funds for special education programs for individuals with exceptional needs.

Program Information

The special education funding model apportions state aid to LEAs based on their ADA; the per-ADA funding rates are recomputed annually. The funding model is based on the assumption that, over reasonably large geographic areas, the incidence of disabilities is relatively uniformly distributed. The model also provides funding adjustments to compensate for those areas in which there are concentrations of individuals with high-cost, low-incidence disabilities.

Funding for special education may be apportioned directly to an LEA or to the administrative unit of the special education local plan area (SELPA) with which it is affiliated. Entitlements are calculated by multiplying the SELPA's base-funding rate by the prior-year funded K-12 ADA for each school district, county office of education, and charter school in the SELPA. Funding is adjusted for changes in enrollment and incidence of disabilities. The entitlement will be certified to the State Controller's Office at the First Principal (P-1) Apportionment by February 20, 2005.

Growth. The budget includes \$34.9 million to fund growth. The special education growth calculation is based on the difference between the SELPA's prior-year ADA and current-year ADA.

Cost-of-Living Adjustment. The budget provides a 2.41 percent COLA increase for 2004-05 for the following special education programs: Low Incidence, Program Specialist/Regionalized Services (PS/RS), Regional Occupational Centers and Programs (ROC/Ps), Workability, and Necessary Small SELPAs with declining enrollment.

Special Disabilities Adjustment. The budget fully funds a special disabilities adjustment; however, the calculation methodology has not been determined for the 2004-05 fiscal year.

Mandated Cost Settlement. The budget provides \$25 million to fund the fourth of ten annual installments required by Senate Bill 982 (Chapter 203, Statutes of 2001). This is one-time funding to be allocated to school districts on a per-pupil basis.

Out-of-Home Care Funding. The Legislature created a new funding model in 2004 to replace the nonpublic school/licensed children's institution funding program. An additional \$34 million in state funds was added to the budget to pay SELPAs based on the capacity of foster care facilities and other similar facilities, and the number of students in the facilities, as of April 1, 2005. SELPAs will receive funds based on the new funding model at the Second Principal Apportionment certified on July 2, 2005. Total 2004-05 funding for this new funding model is \$159.6 million.

Nonpublic School Extraordinary Cost Pool. One million dollars has been set aside to defray the extraordinarily high costs associated with some single nonpublic school placements. For 2004-05, the threshold amount is \$63,465, which equals the 2003-04 threshold amount multiplied by the 2004-05 COLA of 2.41 percent. The final filing date for nonpublic school extraordinary cost pool claims for 2004-05 is November 30, 2005. If the total amount of eligible claims

to the extraordinary cost pool exceeds the \$1 million appropriation, SELPA funding will be prorated accordingly.

Program Specialist/Regionalized Services. Program specialist/regionalized services (PS/RS) entitlements will be paid at the First Principal (P-1) Apportionment in February 2005. The 2004-05 rate is calculated by increasing the 2003-04 rate by the 2004-05 COLA percentage. Each SELPA will receive the 2004-05 PS/RS rate multiplied by its total current year K–12 ADA. The budget provides a total of \$77.4 million for PS/RS entitlements. The budget provides an additional \$1.8 million for necessary small SELPAs. In most cases if a SELPA has a total ADA of 15,000 or less, it qualifies as a necessary small SELPA. The calculation for PS/RS for schools that belong in that category will use 15,000 as the ADA number by which to multiply the 2004-05 PS/RS rate.

Mental Health Funding: The 2004-05 budget includes \$100 million for mental health services, \$31 million in state funds, and \$69 million in federal funds to be used to provide mental health services to students with an individualized education program that identifies the need for mental health services. The state funds will be provided to SELPAs on a per-ADA basis.

Regional Occupational Centers and Programs. The budget provides a total of \$4.6 million for regional occupational centers and programs (ROC/Ps) that serve students with disabilities.

Necessary Small SELPAs with Declining Enrollment. The budget provides a total of \$161,808 to fully fund an adjustment for necessary small SELPAs with declining enrollment pursuant to *Education Code Section 56213* (Assembly Bill 303, Chapter 551, Statutes of 2001).

This program is not included in the charter school categorical block grant.

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Justina Gould, School Fiscal Services Division; (916) 324-4557; jgould@cde.ca.gov

Web Site: <http://www.cde.ca.gov/fg/aa/se/> (fiscal)

<http://www.cde.ca.gov/fg/sf/> (software)

AGES 0–2 SPECIAL EDUCATION INFANT FUNDING

Budget Act Item: 6110-161-0001

Resource code: 6510

Education Code sections [56425 through 56432](#)

2004-05 Budget Provisions

- The budget provides \$60.6 million, plus a 2.41 percent COLA, from the General Fund for infant programs for children from birth through two years of age. This amount includes \$703,000 for growth in instructional personnel service units (IPSUs).

Program Information

Infant programs for children from birth through two years of age use instructional unit rates as their basis for entitlements. Entitlements for current-year operations will be certified at the First Principal (P-1) Apportionment by February 20, 2005.

Growth. In early October 2004 the CDE mailed forms that advise SELPAs of the estimated additional infant units for which they are eligible in 2004-05. The final spreadsheet identifying the additional growth units that SELPAs will receive is mailed in November 2004.

Small or sparse SELPAs (*Education Code* Section [56432\[g\]](#)) will continue to be eligible for infant growth units. Small or sparse SELPAs that have infant units identified for recapture and that wish to retain those units must file a waiver request with the Special Education Division by October 2004. A SELPA may apply for a waiver if any of the standards or criteria for growth would prevent it from receiving a unit and, as a result, would prevent the SELPA from complying with the federal mandate to provide a free and appropriate education or would create a hardship for the SELPA.

Cost-of-Living Adjustment. The budget provides a 2.41 percent COLA for special education infant programs for 2004-05.

This program is not included in the charter school categorical block grant.

Staff Contact: Justina Gould, School Fiscal Services Division; (916) 324-4557; jgould@cde.ca.gov

Web Site: <http://www.cde.ca.gov/fg/aa/se/> (fiscal)
<http://www.cde.ca.gov/fg/sf/> (software)

LOW-INCIDENCE FUNDING

Budget Act Item: 6110-161-0001, Provision 2
Resource code: 6500
Education Code sections [56026.5](#) and [56836.22](#)

2004-05 Budget Provisions

- The budget provides \$11.2 million, plus a 2.41 percent COLA, from the General Fund for specialized books, materials, and equipment for students with a severe disabling condition (i.e., for which the incidence rate is less than 1 percent of the total statewide K–12 enrollment).

Program Information

The appropriation is based on the December 2003 low-incidence pupil count.

This program is not included in the charter school categorical block grant.

Staff Contact: Dennis Kelleher, Special Education Division; (916) 327-0842; dkellehe@cde.ca.gov

Web Site: <http://www.cde.ca.gov/fg/aa/se/> (fiscal)
<http://www.cde.ca.gov/fg/sf/> (software)

SPECIAL EDUCATION WORKABILITY

Budget Act Item: 6110-161-0001, Provision 3
Resource code: 3405
Education Code sections [56470 through 56474](#)

2004-05 Budget Provisions

- The budget provides \$8.6 million, plus a 2.41 percent COLA, from the General Fund for vocational training and job placement (WorkAbility I and transition services).

Program Information

This program currently funds 21,251 students at 48 sites. Funds are allocated to WorkAbility I sites through formula-driven grants that coordinate student access to vocational education and transition services. The competitively awarded grants are used to fund the excess cost of the program and complement other mandated programs, such as the vocational education Job Training Partnership Act. The number of secondary school special education students provided employment-training services; an equal base amount per program; and an additional \$50 determines allocations for each student with a severe disability. The COLA for vocational training and job placement is calculated by multiplying the prior-year rate for the program by the COLA percentage.

This program is not included in the charter school categorical block grant.

Staff Contact: Bob Snowden, Special Education Division; (916) 327-4221;
bsnowden@cde.ca.gov

Specialized Secondary Programs

Budget Act Item: 6110-122-0001
Resource code: 7370
Education Code sections [58800 through 58806](#)

2004-05 Budget Provisions

- The budget provides \$5.3 million from the General Fund for Specialized Secondary Programs.
- The Budget Act specifies that \$1.5 million shall be allocated to Specialized Secondary Programs established before the 1991-92 fiscal year that operate in conjunction with the California State University system.

Program Information

Specialized Secondary Programs provide opportunities for students to obtain advanced learning opportunities in core academic courses and training in technology. The programs are designed to be rich in curriculum content and innovative instructional methodology. They provide experiences that go well beyond those usually found in a high-quality, comprehensive high school. The range and depth of instruction in the designated subjects and career field have a positive impact on other curriculum areas, and the quality of teaching is higher throughout the school as a result.

Specialized Secondary Programs enable students who demonstrate ability, interest, or potential to use their talent as they prepare for postsecondary education and careers. The programs are structured so that participating students can explore subject areas in a deeper, more intensive way, thereby using and expanding their unique talents. It is recommended that research be used as a guide to develop and implement Specialized Secondary Program proposals. Requests for applications are sent to county offices of education, school districts, and all high school principals annually.

This program is included in the charter school categorical block grant.

Staff Contact: Barbara Weiss, Secondary, Postsecondary and Adult Education Division; (916) 319-0481; bweiss@cde.ca.gov

Web Site: <http://www.cde.ca.gov/ci/gs/hs/sspgen.asp>

Summer School/Supplemental Instruction

Budget Act Item: [6110-104-0001](#) and statutory appropriation

Resource code: 0000

Education Code sections [37252](#) through [37253](#) and [42239](#)

2004-05 Budget Provisions

- The budget provides \$157.4 million from the General Fund for remedial instruction programs for students enrolled in grades 7–12 who do not demonstrate sufficient progress toward passing the high school exit exam (*Education Code* Section [37252](#)).
- The budget provides \$38 million from the General Fund for supplemental instructional programs for students in grades 2–9 who are retained or recommended for retention (*Education Code* Section [37252.2](#)).
- The budget provides \$14.4 million from the General Fund for students in grades 2–6 who have low Standardized Testing and Reporting (STAR) scores and/or who have been identified as being at risk of retention (*Education Code* Section [37252.8](#)). The maximum amount of funding is 5 percent of the school district's or charter school's enrollment in grades 2–6 for the prior fiscal year, multiplied by 120 hours and the current hourly rate.

- The budget provides \$67.9 million from the General Fund for core supplemental instructional programs (*Education Code Section 37253*). This program is capped at 5 percent of a school district's or charter school's prior-year enrollment, multiplied by 120 hours and the current hourly rate. A minimum funding level of \$7,573 is provided for small school districts that have prior-year enrollment of less than 500 hours and offer at least 1,500 hours of instruction. Small school districts that offer less than 1,500 hours will be reimbursed at the hourly rate of \$5.05.
- Section 36(1)(B) of Senate Bill 1108 (Chapter 216, Statutes of 2004) defers to 2005-06 an additional \$48.7 million for remedial instruction programs for students enrolled in grades 7–12 who do not demonstrate sufficient progress toward passing the high school exit exam; an additional \$11.7 million for supplemental instruction programs for students in grades 2–9 who are retained or recommended for retention; an additional \$4.5 million for students in grades 2–6 who have low STAR scores and/or who have been identified as being at risk of retention; and an additional \$21 million for core supplemental instructional programs.
- The CDE will allocate any unexpended balances for deficits in mandated programs (remedial grades 7–12 and students in grades 2–9 who have been retained or recommended for retention).
- The 2004-05 budget provides a 2.41 percent COLA and a growth adjustment of 0.95 percent.
- The hourly rate for supplemental instructional programs is \$3.53.
- Section 12.60 of the Budget Act permits the transfer of unobligated funds to cover shortfalls and fully fund eligible participation among specified programs. Supplemental instruction programs are included under this provision.

Program Information

Local educational agencies are required to offer supplemental instruction to students in grades 2–9 who are retained or recommended for retention and to students in grades 7–12 who do not demonstrate sufficient progress toward passing the California High School Exit Examination. Classes may be offered during the summer, before or after school, on Saturday, or during intersession. Services may not be provided during the student's regular instructional day.

Funding for supplemental instructional programs is based on the number of student hours reported on the Attendance School District Entry Screen, Attendance County Office Entry Screen, or one or more of the Attendance Charter School Data Entry Screens via the Principal Apportionment Attendance Software, multiplied by the hourly rate. See the [“Calendar of Key Deadlines, 2004-05 Apportionments”](#) for information regarding reporting dates.

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Daphne Kelley, School Fiscal Services Division; (916) 324-6178; dakelley@cde.ca.gov (county offices of education)

James Kong, School Fiscal Services Division, (916) 323-0498; jkong@cde.ca.gov (charter schools)

Supplemental Grants

Budget Act Item: 6110-235-0001

Resource codes: Various

Education Code sections [54760 through 54762](#)

2004-05 Budget Provisions

- The budget provides \$167.2 million from the General Fund, with a 2.41 percent COLA and a 0.95 percent growth increase.
- Table 7 shows the statewide allocation of supplemental grant funds by program.

**Table 7 - Allocation of Supplemental Grant Funding
Before District Redesignations**

Program	Amount	Resource Code
Agricultural Vocational Education Incentive Grants	\$162,223	7010
Beginning Teacher Support and Assessment	315,893	7280
Child Nutrition	2,396,427	5310
Demonstration Programs in Intensive Instruction	0	7050
Dropout Prevention and Recovery	3,278,437	7060, 7065, 7070, 7075
Economic Impact Aid	6,915,693	7090, 7091
Education Technology	33,315,275	7110
Environmental Education	142,728	7135
Gifted and Talented Education (GATE)	6,100,223	7140
Instructional Materials, K–12	18,784,672	7155, 7160
Miller-Unruh Basic Reading Program	0	7200
Opportunity Classes and Programs	4,145,562	0000
Partnership Academies	167,920	7220

Program	Amount	Resource Code
Peer Assistance and Review	128,451	7270, 7271
Reader Services for Blind Teachers	0	7295
School-Based Management	146,621	7810
School Improvement Program	10,276,835	7260, 7265
School/Law Enforcement Partnership	2,608,325	6310
Specialized Secondary Programs	37,895	7370
Student Vocational Education Organizations	4,786	7360
Tenth-Grade Counseling	3,183,630	7375
Transportation—Home-to-School	74,374,109	7230
Total	\$166,485,705	

Program Information

The 2003-04 education trailer bill, Assembly Bill 1266 (Chapter 573, Statutes of 2003), provides each school district receiving supplemental grant funds the opportunity to change its designation of supplemental grant funds from any categorical education program to any other categorical education program set forth in *Education Code* Section 54761(i). Note that this legislation does not allow school districts to redesignate supplemental grant funds into or out of the revenue limit. Designations cannot be changed in fiscal year 2004-05.

Supplemental grant funds will be allocated in a single payment in the spring of 2005.

Supplemental grants are included in the charter school categorical block grant.

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Web Site: <http://www.cde.ca.gov/fg/aa/ca/suppgrant.asp>

Targeted Instructional Improvement Grants

Budget Act Items: 6110-132-0001, 6110-485(4), and statutory appropriation
Resource code: 7045
Education Code sections [54200 through 54203](#)

2004-05 Budget Provisions

- The budget package includes \$667.6 million from the General Fund including \$98.6 million from one-time funds.
- The appropriation includes \$7 million for growth (0.95 percent) and \$17.9 million for a COLA (2.41 percent).
- Section 36(a)(1)(F) of Senate Bill 1108 (Chapter 216, Statutes of 2004) defers an additional \$95.4 million to 2005-06.

Program Information

The first priority for expenditure of grant funds is a desegregation program required under a court order currently in force. Funds not needed for this purpose must be used to improve instruction for the lowest-achieving students. The grant for each district will be calculated by multiplying actual second period (P-2) ADA by the 2001-02 district-specific per-student rate adjusted as appropriate for COLA increases.

Funding will be apportioned in two categorical apportionments: an advance apportionment based on estimated Second Period (P-2) ADA followed by a final apportionment after certification of the actual Second Period (P-2) ADA. The final payment will be made in 2005-06.

This program is not included in the charter school categorical block grant.

Staff Contact: Felisha Zuniga, School Fiscal Services Division; (916) 324-4555; fzuniga@cde.ca.gov

Web Site: <http://www.cde.ca.gov/fg/aa/ca/targinst.asp>

Tenth-Grade Counseling

Budget Act Item: 6110-108-0001
Resource code: 7375
Education Code sections [48431.6 and 48431.7](#)

2004-05 Budget Provisions

- The budget provides \$11.8 million from the General Fund, including \$109,000 for growth (0.95 percent) and \$278,000 for a COLA (2.41 percent). If growth funds are insufficient, the CDE may adjust the per-pupil growth rates to conform to available funds.
- The funding rate per grade-ten enrollment as of October 2003 according to the California Basic Educational Data System will be \$25.89.

- Growth funding will be allocated equally for each tenth grade student. If growth funding is not sufficient to fund all growth units, the growth funding will be reduced on a pro rata basis.

Program Information

A single allocation to all school districts based on the number of students enrolled in grade ten as of October 2003 was made in December 2004.

This program is included in the charter school categorical block grant.

Staff Contact: David Kopperud, Learning Support and Partnerships Division; (916) 327-5930; dkopperu@cde.ca.gov (program)

Nancy Cook, School Fiscal Services Division; (916) 324-4549; ncook@cde.ca.gov (fiscal)

Web Site: <http://www.cde.ca.gov/fg/aa/ca/tenthgrade.asp>

Testing Programs

ENGLISH LANGUAGE DEVELOPMENT ASSESSMENT

Budget Act Items: 6110-113-0001(4) and 6110-113-0890(5.5) and (9)

Resource code: 0000

Education Code sections [313](#) and [60810 through 60812](#)

2004-05 Budget Provisions

- The budget provides \$11.4 million from the General Fund and \$10.4 million in federal funds (Title VI, Elementary and Secondary Education Act) for administration, continued development, scoring, reporting, and apportionment.

Program Information

The assessment identifies five levels of English proficiency. It is to be given within 30 days of enrollment to pupils who speak a home language other than English to designate them as English learners. Then it is administered annually to all English learners during a window period set by the State Board of Education to measure their progress in reaching English proficiency.

This program is not included in the charter school categorical block grant.

Staff Contact: Mark Fetler, Standards and Assessment Division; (916) 319-0562; mfetler@cde.ca.gov

Web Site: <http://www.cde.ca.gov/ta/tg/el/>

HIGH SCHOOL EXIT EXAMINATION

Budget Act Item: 6110-113-0001(5) and 6110-113-0890(3), (6), and (8)
Resource code: 0000
Education Code sections [60605.6](#), and [60850 through 60859](#)

2004-05 Budget Provisions

- The budget provides \$10.3 million from the General Fund for approved contract costs and apportionment costs for the administration of the California High School Exit Examination (CAHSEE).
- The budget provides \$10.8 million from federal funds (Title VI, Elementary and Secondary Education Act) for approved contract and district apportionment costs related to the CAHSEE (\$7.8 million); for printing and distribution of CAHSEE workbooks (\$2.5 million); and for an evaluation to determine the progress of middle schools and high schools in implementing instruction and curriculum aligned to those standards (\$498,000).

Program Information

The State Board of Education (SBE) approved the CAHSEE in December 2000. In spring 2001, the first test was offered to ninth-grade students, who took it voluntarily. Assembly Bill 1609 (Chapter 716, Statutes of 2001) removed the option for ninth grade students to take the CAHSEE, provided one opportunity to delay the CAHSEE, and required an independent evaluation. In July 2003, the SBE delayed the requirement that students pass the CAHSEE from 2004 to 2006. Students in the class of 2006 and beyond have up to six opportunities to take the CAHSEE prior to graduating.

School districts must notify parents about CAHSEE testing. Materials for assistance are posted at the CAHSEE Web site (see below). Materials include English-language arts and mathematics study guides, teacher guides, and staff development and training materials, as well as a number of released test questions.

Workbooks for the CAHSEE are to be distributed each year to all grade ten students. All school districts and county offices of education with high school programs receive both English-language arts and mathematics study guides for their grade ten students by the end of November. These workbooks contain frequently asked questions about the CAHSEE, studying tips and test-taking tips, released test questions and explanations about how to answer the questions correctly, released writing tasks and explanations of how the writing is scored, and practice test questions and answers.

This program is not included in the charter school categorical block grant.

Staff Contact: Lily Roberts, Standards and Assessment Division; (916) 319-0569; lroberts@cde.ca.gov

Web Site: <http://www.cde.ca.gov/ta/tg/hs/index.asp>

STANDARDIZED TESTING AND REPORTING (STAR) PROGRAM

Budget Act Items: 6110-113-0001(3) and (6), and 6110-113-0890(2), (2.5), and (7)

Resource code: 0000

Education Code sections [60640 through 60649](#)

2004-05 Budget Provisions

- The budget provides \$53.8 million from the General Fund and \$8.5 million from federal funds (Title VI, Elementary and Secondary Education Act) for administration, continued development, scoring, reporting, and apportionment associated with the Standardized Testing and Reporting (STAR) program.
- The budget provides an additional \$1.4 million from the General Fund and \$535,000 from federal funds for STAR test development.
- The budget provides \$2.2 million from federal funds for the administration, continued development, scoring, reporting, and apportionment associated with the California Alternate Performance Assessment.

Program Information

The STAR program consists of four examinations: California Standards Tests; California Achievement Test Sixth Edition Survey; California Alternate Performance Assessment; and Spanish Assessment of Basic Education/Second Edition. These examinations are administered statewide to students in grades 2–11. Results for all students are reported by August 15 of each year.

This program is not included in the charter school categorical block grant.

Staff Contact: Jan Chladek, Standards and Assessment Division; (916) 445-8765; jchladek@cde.ca.gov

Web Site: <http://www.cde.ca.gov/ta/tg/sr/>

Tobacco Use Prevention Education

Budget Act Items: 6110-101-0231 and 6110-102-0231

Resource codes: 6650, 6660, 6670, and 6680

Health and Safety Code sections [104350 through 104480](#)

2004-05 Budget Provisions

- The budget provides \$22.1 million from the Cigarette and Tobacco Products Surtax Fund to administer tobacco use prevention education and intervention programs for students in grades 4–12. To receive these funds, school districts must have a board-adopted policy that prohibits tobacco use anytime, anywhere on district-owned or leased facilities, grounds, and vehicles.

- County offices of education will be allocated \$3.1 million of the \$22.1 million to hire a coordinator to provide oversight, technical assistance, and training for school districts in the county.
- School districts will be allocated \$18.9 million of the \$22.1 million. The funding for grades 4–8 is based on ADA and is allocated as a part of the Consolidated Application process. The funding for grades 9–12 is allocated through a competitive request-for-applications process.

Program Information

The purpose of the Tobacco Use Prevention Education program is to reduce youth tobacco use by providing accurate information and social skills development to help students in making healthy tobacco-related decisions. Collaboration with community-based tobacco control programs is an integral part of the program planning. The school, parents, and the larger community must be involved in the program so that students are aware of a cohesive effort and concern for their health and, consequently, for their ability to succeed in school.

This program is not included in the charter school categorical block grant.

Staff Contact: Patty Macias, Learning Support and Partnerships Division; (916) 319-0198; pmacias@cde.ca.gov

Web Site: <http://www.cde.ca.gov/lr/he/at/tupe.asp>

Transportation

PUPIL TRANSPORTATION (HOME TO SCHOOL AND SPECIAL EDUCATION)

Budget Act Item: 6110-111-0001 and statutory appropriation

Resource codes: 7230 and 7240

Education Code sections [39800 through 39860](#), and [41850 through 41857](#)

2004-05 Budget Provisions

- The budget package provides \$487.1 million from the General Fund for pupil transportation, including \$5 million for growth (0.95 percent) and \$12.8 million for a COLA (2.41 percent).
- Section 36(a)(1)(D) of Senate Bill 1108 (Chapter 216, Statutes of 2004) defers an additional \$50.1 million to 2005-06.

Program Information

The advance apportionment for pupil transportation was made in September 2004, followed by monthly payments through June 2005. In April 2005, the advance apportionment will be recertified to reflect actual 2003-04 costs.

The transportation program is not included in the charter school categorical block grant.

Staff Contact: Marcie Gregory, School Fiscal Services Division; (916) 324-4537; mgregory@cde.ca.gov

Web Site: <http://www.cde.ca.gov/fg/aa/ca/pupiltransport.asp>

SMALL SCHOOL DISTRICT AND COUNTY OFFICE OF EDUCATION BUS REPLACEMENT

Budget Act Item: 6110-111-0001(2)

Resource code: 7235

Education Code sections [42290 through 42293](#) and [42300 through 42303](#)

2004-05 Budget Provisions

- The budget provides \$4.7 million from the General Fund for bus replacement in small school districts and county offices of education.

Program Information

Applications were submitted in September 2003 for the 2004-05 bus replacement program in small school districts and funds have been awarded according to the rankings assigned in January 2004 and contract prices for school buses prepared by the California Department of General Services.

The transportation program is not included in the charter school categorical block grant.

Staff Contact: Janice Huarte, School Fiscal Services Division; (916) 322-9128; jhuarte@cde.ca.gov

Web Site: <http://www.cde.ca.gov/fg/aa/ca/pupiltransport.asp>

Twenty-First Century Community Learning Center Program

Budget Act Item: 6110-197-0890

Resource code: 4124

Education Code sections [8482 through 8484.6](#)

2004-05 Budget Provisions

- The budget provides \$162.7 million in federal funds (Title IV, Elementary and Secondary Education Act) for the Twenty-First Century Community Learning Center program.

Program Information

After-school programs provide educational support and safe, constructive alternatives for students in grades K–12. The after-school component of the grants is calculated based on \$5 per day per students, with the statutory maximum grant for one school year totaling \$75,000 for elementary schools and \$100,000 for middle schools. The before-school component is calculated based at \$3.33 per day per student, with a statutory maximum grant for one school year totaling \$25,000 for elementary schools and \$33,000 for middle

schools. Elementary schools with enrollments exceeding 600 students and middle schools with enrollments exceeding 900 students are eligible for additional large school funding.

The Twenty-First Century Community Learning Center program offers two types of competitive grants to supplement grants for before- and after-school programs at elementary and middle schools. A maximum of \$20,000 per site is available for family literacy and a maximum of \$25,000 per site is available for improving students' access to the programs.

The school district and the principal of each school must approve applications to ensure full integration with the academic program of the schools. Schools will be eligible to receive a supplemental grant to operate the program during any combination of the summer, intersession, or vacation periods.

Applicants may include local educational agencies, cities, counties, faith-based organizations, community-based organizations, colleges, universities, private nonprofit or private for-profit agencies. The program provides one-year grants for up to five years, contingent on fiscal and program information provided by the grantees.

To qualify for funding, the school in the students' attendance area must be eligible for Title I funding or serve students from a high poverty area.

The program also includes funding for high school programs. The statutory maximum grant amount is \$25,000 per high school site.

These programs are not included in the charter school categorical block grant.

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Delia Marmosh, Learning Support and Partnerships Division; (916) 319-0205; dmarmosh@cde.ca.gov

Web Site: <http://www.cde.ca.gov/lr/ba/cp/>

Vocational Education

Budget Act Item: 6110-166-0890

Resource codes: 3505, 3510, 3515, 3540, 3550, and 3555

Education Code sections [12050 through 12060](#)

2004-05 Budget Provisions

- The budget authorizes an expenditure of \$136.6 million in federal funds (Carl D. Perkins Vocational and Technical Education Act of 1998) to improve secondary and postsecondary vocational and technical education programs in California. The amount available for allocation to local programs is \$16.8 million, which includes \$109.6 million for a basic grant and \$11.6 million for "Tech Prep" (technical preparation).

- Eighty-five percent of the basic grant funds are distributed to secondary and postsecondary public school agencies based on allocation formulas established in the Perkins Act. Ninety-four percent of the Tech Prep funds are allocated to local Tech Prep consortia administered by community college districts. The funds are cooperatively distributed and administered by the CDE and the Chancellor's Office of the California Community Colleges.

Program Information

The California Department of Education distributes annual allocation letters and required applications, reporting forms, and instructions to school districts, charter schools, correctional institutions, regional occupational centers and programs, and adult education agencies. Detailed information regarding the Perkins Act; requirements of participating local educational agencies; allocation formulas; and timelines for funding-related notices, applications, claims, and reports is available on the Perkins Web page (see below).

This program is not included in the charter school categorical block grant.

Staff Contact: Lee Murdock, Secondary, Postsecondary, and Adult Leadership Division; (916) 445-5736; lmurdock@cde.ca.gov

Mary Brown, Secondary, Postsecondary, and Adult Leadership Division; (916) 323-5741; mabrown@cde.ca.gov

Web Site: <http://www.cde.ca.gov/ci/ct/pk/>

Year-Round Education Grants

Budget Act Item: 6110-224-0001

Resource codes: 0000

Education Code sections [42260 through 42268](#)

2004-05 Budget Provisions

- The budget provides \$84.1 million from the General Fund for operational grants.
- Applications for grants are received annually. If claim requests exceed funds available, payments are prorated.

Program Information

Information on the 2004-05 grant program was mailed to local educational agencies, and the application was posted to the program's Web site in June. The postmark date to return applications to the CDE was September 1, 2004.

The State Allocation Board increased the lease-purchase program costs avoided per pupil to \$1,649 in December 2002. This increase was implemented beginning in the 2004-05 grant year.

This program is not included in the charter school categorical block grant.

Staff Contact: Thomas Payne, School Facilities Planning Division; (916) 322-6249; tpayne@cde.ca.gov

Web Site: <http://www.cde.ca.gov/ls/fa/yr/>