Report on the

Budget Act of 2002

Prepared by the

Fiscal and Administrative Services Division

California Department of Education

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Overview

On September 5, 2002, Governor Gray Davis signed the 2002 Budget Act, Assembly Bill 425 (Chapter 379, Statutes of 2002). This measure, along with various budget trailer bills, sets the conditions for allocating state funds for California public schools through June 30, 2003. This report provides a brief overview of the state budget for 2002-03 and the major budget changes affecting K–12 education, then detailed information regarding the funding available in the budget for individual programs. In a change from previous years, the report will be available solely on the California Department of Education'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.

This part of the report contains an overview of the state budget for 2002-03 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.

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

STATE GENERAL FUND BUDGET

Like the 2001 Budget Act, the 2002 Budget Act reflects a reduction in projected state tax revenues relative to the Governor's original budget proposal. In the May revision of the budget, the state Department of Finance (DOF) projected a $23.6 billion gap between projected revenues and projected expenditures over the two-year period ending in 2002-03. This was almost double its January estimate of a $12.5 billion gap. The DOF blamed the increase in the size of the gap on "a precipitous decline in revenues from the personal income tax on capital gains and stock options" and a national recession.

To bridge this gap, the May revision proposed a mix of program reductions ($7.6 billion), tax increases, and "the maximum fiscally responsible level of fund shifts, loans, accelerations, transfers, and deferrals." In June and July, the Legislature passed a portion of the budget package involving reductions, funding shifts, and deferrals affecting various 2001-02 appropriations for Proposition 98 purposes. This action was taken in addition to reductions affecting 2001-02 appropriations that had been passed in February. These actions affecting 2001-02 spending had the effect of freeing up non-Proposition 98 funds because Proposition 98 funding in 2001-02 was significantly higher than the guarantee amount.

As enacted, the budget for 2002-03 includes program reductions of $7.5 billion and a mix of other changes that are substantially the same as those proposed in the May revision, with greater amounts of loans, transfers, and deferrals and lesser amounts of tax increases. The budget decreases year-to-year spending by 0.2 percent.

Table 1 shows total General Fund revenues, expenditures, and year-end reserves for both 2001-02 and 2002-03. The table shows that, under the 2002 Budget Act, the budget year is expected to end with a reserve of approximately $1 billion (1.3 percent of General Fund revenues).

Table 1 - General Fund Summary

(In Millions)

	2001-02	2002-03
Prior-Year Balance	$3,037	$72
Revenues	73,898	79,158
Total Resources	**$76,935**	**$79,230**
Expenditures	**$76,863**	**$76,722**
Fund Balance	**$72**	**$2,508**
Other Obligations	1,473	1,473
Reserve	**-$1,401**	**$1,035**

PROPOSITION 98

Under Proposition 98, the revenues assumed in the budget result in required funding levels of $37.7 billion (state and local funds) in 2001-02 and $46.5 billion in 2002-03 for ongoing program purposes in K-12 schools, other educational agencies, and community colleges. These figures are based on “Test 3” under Proposition 98 in 2001-02 and “Test 2” in 2002-03. As part of the Proposition 98 calculation, the Constitution allows the state to provide a lower funding level (Test 3) than otherwise required in years when personal income growth exceeds General Fund revenue growth, although the full Test 2 funding level must eventually be restored in later years as revenues improve. The funding level provided in the budget package for 2002-03 is at the minimum level required by Proposition 98. The funding level for 2001-02, even after the reductions enacted in February and June, exceeded the minimum requirement by $5.5 billion. Chart 1 provides basic information about the calculation of the Proposition 98 guarantee.

K–12 EDUCATION HIGHLIGHTS

Focusing on Proposition 98 funding for K–12 education, the budget assumes spending of $38.3 billion (state and local funds) in 2001-02 and provides $41.6 billion in 2002-03 for K–12 education under Proposition 98. The funding level for 2001-02 is $2.1 billion below the budget for that year, enacted in July 2001. This figure consists of $454 million in reductions that were approved by the Legislature in February and $1.7 billion in reductions, funding shifts, and deferrals approved in June.

The funding level for 2002-03 is $350 million higher than the amount proposed in January and $1.1 billion higher than the 2001-02 budgeted level.

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.

Following a "fair share" reduction in the level of the Proposition 98 funding 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

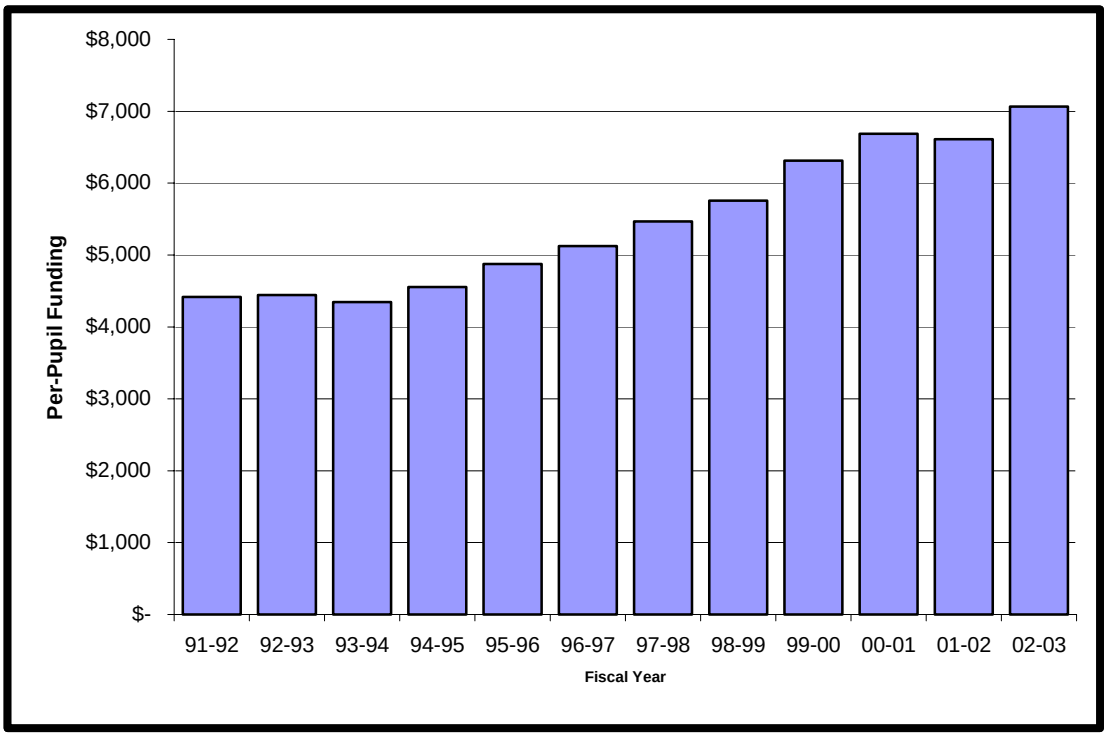
However, in years when the growth in personal income exceeds the growth in General Fund revenues by more than 0.5 percent, the following alternative test is substituted for Test 2:

- 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.

Chart 2 shows the trend in Proposition 98 funding per pupil in K–12 schools from 1991-92 through 2002-03. The chart shows that, under the 2002 Budget Act, schools will receive Proposition 98 funding averaging $6,610 per pupil in average daily attendance (ADA) in 2001-02 (5.6 percent below the 2001-02 Budget Act level of $7,002) and $7,067 in 2002-03 (0.9 percent above the 2001-02 Budget Act 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 2002-03. 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 2001-02 funding level from one-time funds was $1.1 billion, an increase of $106 million from the amount appropriated in the 2001 Budget Act. This increase is the net effect of $397 million in reductions that were approved by the Legislature in February and an increase of $503 million to fund adult education that was approved in June. The 2002-03 funding level from one-time funds is $73 million, $1 billion less than the amount that was appropriated in the 2001 Budget Act from one-time funds.

Including one-time funds and Proposition 98 funds and excluding the effect of funding deferrals, the budget provides funding of $6,965 per pupil in 2001-02 (3 percent below the 2001 Budget Act level of $7,178) and $7,037 per pupil in 2002-03 (2 percent below the 2001 Budget Act level).

The budget also includes reductions in non-Proposition 98 General Fund education programs. Finally, the budget includes $737 million in new federal funds related to the No Child Left Behind Act.

Table 2 summarizes total funding for K–12 education from all sources in 2002-03. The table shows that the budget projects total funding of $55.7 billion.

Table 2 - Funding for K–12 Education

All Sources and Proposition 98
(In Millions)

Sources of Funding	Funding from All Sources	Funding Guaranteed by Proposition 98
State General Fund	$30,770	$28,647
State Lottery	813	—
Other State Funds	102	—
Federal Funds	6,462	—
Local Property Tax	13,037	12,912
Local Debt Service Tax	828	—
Other Local Funds	3,716	—
Total	**$55,728**	**$41,559**

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.

2001-02 Changes In Detail

Significant changes affecting 2001-02 spending were made by three pieces of legislation: Senate Bill 1 (Chapter 1, Statutes of 2002, Third Extraordinary Session) enacted in February, Assembly Bill 3008 (Chapter 99, Statutes of 2002) enacted in June, and Assembly Bill 3011 (Chapter 101, Statutes of 2002) enacted in July. Table 3 displays in detail the changes for 2001-02, which may be categorized as follows:

- Deferrals totaling $1 billion. Assembly Bill 3008 eliminated 2001-02 appropriations for five programs. Assembly Bill 3011 replaced all or a portion of each of these appropriations with 2002-03 funds.
- Net shifts from ongoing to one-time funding totaling $400.6 million. In addition to other changes, Assembly Bill 3008 replaced $503 million in ongoing adult education funding with one-time funds.
- Funding reductions involving ongoing funds that total $677.1 million.
- Funding reductions involving one-time funds that total $294 million.

Table 3 - 2001-02 Budget Changes

(In Thousands)

	One-Time Funds	Ongoing Funds
Deferrals from 2001-02 to 2002-03		
Targeted instructional improvement grants		-$713,360
High achieving/improving schools		-144,300
Instructional time and staff development reform		-76,000
Testing—STAR		-60,643
Beginning teacher support and assessment		-39,000
Subtotal		**-1,046,003**
Funding shifts		
PERS offset	-$35,000	35,000
Categorical programs per ADA allocation	-67,831	67,831
Adult education	503,433	-503,433
Subtotal	**400,602**	**-400,602**
Reductions		
High priority schools grant program		-179,000
Energy assistance	-175,000	
Teaching as a priority block grant		-118,650
Certificated staff performance incentive		-100,000
School bus safety mandate	-66,728	
Peer assistance and review		-50,000
Mathematics and reading professional development	-48,272	
Cal-SAFE implementation delay		-44,233
Healthy start		-38,000
Ninth-grade class size reduction		-35,000
Digital high school		-26,000
Before- and after-school programs expansion		-22,200
Child development		-20,014
Beginning teacher support and assessment		-20,000

	One-Time Funds	Ongoing Funds
High achieving/improving schools		-12,700
Charter school facilities grants		-5,000
National Board for Professional Teaching Standards		-5,000
Testing—STAR contract		-5,000
Advanced Placement challenge grants		-4,000
High-risk youth education and public safety		-4,000
High-tech high schools	-4,000	
High school coach training		-1,000
Subtotal	**-294,000**	**-677,097**
Baseline, technical, and miscellaneous changes		**-2,377**
Total	**$106,602**	**-$2,126,079**

2002-03 CHANGES IN DETAIL

The major 2002-03 changes are shown in Table 4. The changes include:

- Increased expenditures of $1 billion due to deferral of expenditures from 2001-02 to 2002-03.
- Reduced expenditures of $681 million due to deferral of expenditures from 2002-03 to 2003-04.
- Reduced expenditures of $120.8 million due to funding shifts.
- Program reductions totaling $430.7 million.
- Full funding of ADA growth and a 2 percent cost-of-living adjustment (COLA) for apportionments and most categorical programs.
- Net reductions in spending for instructional materials totaling $173.5 million.

The 2002-03 Proposition 98 spending level cited in this report includes $132.2 million "set aside" by the Governor for allocation in the future.

Table 4 - 2002-03 Budget Changes

Compared to 2001-02 Enacted Budget (In Thousands)

	One-Time Funds	Ongoing Funds
Deferrals from 2001-02 to 2002-03		
Targeted instructional improvement grants		$713,360
High achieving/improving schools		144,300
Instructional time and staff development reform		76,000
Testing—STAR		60,643
Beginning teacher support and assessment		14,000
High-tech high schools	$4,000	
Subtotal	**4,000**	**1,008,303**
Deferrals from 2002-03 to 2003-04		
Supplemental grants		-241,739
Targeted instructional improvement grants		-184,399
Transportation		-139,579
School improvement program		-115,283
Subtotal		**-681,000**
Funding shifts	**-43,266**	**-120,812**
Reductions		
Digital high school		-76,000
Categorical programs per-ADA allocation	-67,831	
Peer assistance and review		-50,000
CalWORKs adult education		-46,000
Mandates—suspension		-41,522
Revenue limit equalization	-40,000	
Healthy start		-37,000
Cal-SAFE implementation delay		-35,000
Ninth-grade class size reduction		-35,000
PERS offset	-35,000	
School development plans and resource consortia		-21,622
Beginning teacher support and assessment		-20,000

	One-Time Funds	Ongoing Funds
Testing—contract savings		-14,786
Education technology staff development (delay to 2003-04)		-9,650
Advanced Placement teacher training		-8,250
Secondary schools reading		-8,000
Demonstration programs in intensive instruction		-6,097
College preparation partnership program		-5,000
National Board for Professional Teaching Standards		-5,000
Governor's reading awards (delay to 2003-04)		-4,750
Paraprofessional training		-4,000
Student academic partnerships		-2,000
High school coach training		-1,000
Subtotal	**-142,831**	**-430,677**
Growth		**731,123**
COLA		**789,408**
Instructional materials	**13,870**	**-187,336**
Child development		**74,013**
Accountability and professional development		
Immediate intervention/underperforming schools		29,585
High priority schools grant program		20,000
High achieving/improving schools (delay to 2003-04)		-157,000
Certificated staff performance incentive (delay to 2003-04)		-100,000
Mathematics and reading professional development	-48,272	31,728
Principal training	-12,500	5,000
Subtotal	**-60,772**	**-170,687**
Set-aside		**132,221**
Eliminate one-time programs	**-779,005**	
Baseline, technical, and miscellaneous	**20,598**	**-60,621**
Total	**-$987,406**	**$1,083,935**

Funding Deferrals

The June and July actions deferred $1 billion in expenditures from 2001-02 to 2002-03. The budget package deferred an additional $681 million in spending for four programs from 2002-03 to 2003-04. The budget package appropriates the funds needed in 2003-04 for the 2002-03 costs of these programs. The programs were chosen so as to minimize cash flow disruptions for school districts. For two of the programs (transportation and school improvement), spending will be reduced by deferring the last three payments in this fiscal year to 2003-04, thus allowing cash to flow to school districts as usual for most of the year. For a third program (targeted instructional improvement grants), spending will be reduced by deferring funds for one final payment to 2003-04. The final payment for this program normally would not be distributed until 2003-04 anyway. For the fourth program (supplemental grants), the entire amount needed for the program is deferred until 2003-04. Funding for this program normally is not distributed until the latter part of the fiscal year.

Funding Reductions

The budget imposes funding reductions in 2002-03. Some of the reductions are technical and reflect lower expenditures than originally budgeted. The most significant of the program reductions include $76 million from operational funding for the digital high school program, $50 million from peer assistance and review, $46 million from CalWORKs adult education, $40 million for revenue limit equalization, and $37 million from Healthy Start.

The budget eliminates state funding for some programs. These programs include the categorical programs per-ADA allocation ($67.8 million), school development plans and resource consortia ($21.6 million), secondary schools reading ($8 million), demonstration programs in intensive instruction ($6.1 million), student academic partnerships ($2 million), and high school coach training ($1 million).

General-Purpose Funding (Revenue Limits)

Under California's school finance system, a majority of the funds schools receive may be used for any purpose. These funds are apportioned to school districts, county offices of education, and charter schools based on average daily attendance (ADA). The budget fully funds ADA growth, now estimated at 1.37 percent in 2002-03, and a 2 percent cost-of-living adjustment (COLA), which is above the statutory level of 1.66 percent. For school district revenue limits, the estimated 2002-03 COLA amounts (2 percent) per unit of ADA are $89 for elementary school districts, $108 for high school districts, and $93 for unified school districts.

The budget does not contain any funding in 2002-03 for either revenue limit equalization or for any partial "buyout" of the Public Employee Retirement System (PERS) reduction offset to revenue limits. However, the budget package includes legislation requiring funding for both programs in 2003-04.

For the PERS reduction buyout, 2001-02 budget reduction legislation restores in 2003-04 the $35 million for this purpose that was funded in 2001-02 and makes that funding permanent, adjusted annually for growth and COLA.

For equalization, the 2001-02 budget reduction legislation contained parallel provisions restoring in 2003-04 the $40 million provided in 2001-02. However, these provisions were superseded by provisions in Assembly Bill 2781 (Chapter 1167, Statutes of 2002). Assembly Bill 2781 appropriates $203 million for equalization in 2003-04. The funding will be allocated based on an equalization formula using current, "post-Senate Bill 727," base revenue limits per ADA. The Governor vetoed an equivalent amount of funding for equalization based on pre-Senate Bill 727 base revenue limits.

The California Department of Education distributes funds for revenue limits using the principal apportionments system. Other programs distributed through the principal apportionments system are the Adult Education Program, Apprenticeship Program, Charter School Block Grant, Community Day Schools Program, Continuation High Schools, Elementary School Intensive Reading Program, Gifted and Talented Education (GATE), Intensive Algebra Instruction Academies, Necessary Small School Funding, Regional Occupational Centers and Programs (ROC/Ps), and Summer School/Supplemental Instruction.

Categorical Programs

In contrast to revenue limit funding, funds distributed through categorical programs have restrictions on their use. Categorical programs typically are governed by statutes specifying the methodology for allocating funds to local educational agencies (LEAs) and how the funds may be spent. In addition, each program allocation is controlled by provisional language in the budget item containing the appropriation.

For most categorical programs, the budget provides funds for a 2 percent COLA. When an appropriation is provided for a COLA, the program funding rate will be adjusted to reflect the COLA. The factor for growth varies by program, but frequently it is 1.37 percent—the statewide average growth rate in ADA. Growth funding is reserved by the state to cover actual increased program participation. For additional details, please refer to specific program sections.

Funding 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 2002-03 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 2002-03 state apportionment for that program. The flexibility is conditioned on the LEA's reporting to CDE by October 15, 2003, any amounts shifted between programs. The California Department of Education must provide this information to the Legislature and the Department of Finance by February 1, 2004.

Table 5 - Programs Eligible for Flexibility Provisions

Section 12.40 of the 2002 Budget Act

Budget Act Item	Program	Resource Code
6110-167-0001	Agricultural Vocational Education Incentive Grants	7010
6110-131-0001	American Indian Early Childhood Education	7210
6110-151-0001	California Indian Education Centers	7015
6110-203-0001	Child Nutrition	5310
6110-146-0001	Demonstration Programs in Intensive Instruction	7050
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
6110-180-0001	Institute for Computer Technology	7125
6110-197-0001	Intersegmental Programs—	
	College Readiness	7335
	Comprehensive Teacher Education Institutes	7345
6110-126-0001	Miller-Unruh Basic Reading Program	7200
6110-127-0001	Opportunity Classes and Programs	0000
6110-116-0001	School Improvement Program	7260
6110-122-0001	Specialized Secondary Programs	7370
6110-193-0001	Staff Development—	
	Peer Assistance and Review	7271
	Advanced Placement Challenge Grant Program	7274
	Bilingual Teacher Training Program	7275
	High School Coaching Education and Training Program	7282
	Reader Services for Blind Teachers	7295
	School Development Plans and Resource Consortia	7305, 7315
	Administrator Training and Evaluation Program	7320
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 (OH/SH)	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).

Charter Schools. Charter schools receive categorical block grant funding in lieu of aid from specified state categorical programs pursuant to *Education Code* Section 47630 *et seq.* The individual program sections identify which categorical programs are and are not included in the charter school categorical block grant funding. Federally funded programs are not included in the categorical block grant. Any direct-funded charter school may apply on its own behalf for categorical funding from programs that are not included in the categorical block grant, subject to the specific terms and conditions of those programs. A locally funded charter school may apply as a part of its chartering agency.

Instructional Materials

The budget restructures instructional materials funding. The program changes are implemented in Assembly Bill 1781 (Chapter 802, Statutes of 2002). Overall, the funding level will be $432.9 million ($419 million in ongoing funds plus $13.9 million in one-time funds), a reduction of $173.5 million since 2001-02. Specifically, the budget:

- Reduces school library funding from $158.5 million to $32.7 million ($23.2 million in ongoing funds plus $9.5 million in one-time funds).
- Eliminates funding for classroom libraries, the previous instructional materials program, and standards-based instructional materials, totaling $447.8 million in 2001-02.
- Establishes a new instructional materials block grant at a $400.1 million level in 2003-03. This grant consists of $250 million in ongoing funds, $145.8 million in ongoing funds designated to sunset in 2002-03, and $4.4 million in one-time funds.

Child Development

The Governor withdrew the child care restructuring proposals he included in the January budget. As enacted, the budget provides funding of $2.3 billion (state and federal funds) for child care and development programs, including $24.3 million for a 2 percent COLA. Of this amount, $308 million is for state preschool programs. There is no expansion funding for preschool programs this year.

The budget provides $998 million for alternative payment program services provided to CalWORKs recipients. The budget restructures the mix of funding sources, with a net decrease in funding of $65.7 million for Stage 2 child care and a net increase of $103.5 million for Stage 3 child care. The budget provides an additional $108.4 million in the CalWORKs reserve account if needed for Stage 1 and/or Stage 2.

Finally, the budget redirects $42 million from the surplus balance in the Child Care Facilities Revolving Fund for non-child development purposes.

Accountability and Professional Development

Immediate Intervention/Underperforming Schools. The budget provides an increase of $29.6 million. This increase is the net effect of reductions in funding for first-cohort schools and increases in funding for implementation at third-cohort schools. Of this amount, $6 million is set aside to support schools working with school assistance and intervention teams or schools subject to state or federal sanctions.

High Priority Schools Grants. This new program was originally funded at $197 million in 2001-02. In the 2001-02 budget reductions, this amount was reduced to $18 million, which was allocated for planning costs in schools in decile 1 of the 2001 Academic Performance Index (API). The 2002-03 funding level is $217 million, which consists of the originally anticipated level of $197 million plus $20 million that will be used for costs in schools in deciles 1 and 2 of the 2001 API, as specified in budget language.

High Achieving/Improving Schools (Governor's Performance Awards). This program was originally funded at $157 million in 2001-02. This amount was eliminated as a part of the 2001-02 budget reductions. However, Assembly Bill 3011 provided $67.3 million in 2002-03 to fund roughly half of the awards that were planned for distribution in 2001-02. The Budget Act provides another $77 million to fund the remaining cost of the awards for 2001-02. There are no funds currently budgeted for awards for 2002-03. According to budget documents, however, the Governor intends to propose funding for 2002-03 awards in the 2003-04 budget.

Certificated Staff Performance Incentive. This program was originally funded at $100 million in 2001-02. This amount was eliminated as part of the 2001-02 budget reductions. There are no funds currently budgeted for awards for 2002-03. According to budget documents, however, the Governor intends to propose funding for 2002-03 awards in the 2003-04 budget.

Mathematics and Reading Professional Development. The budget provides $63.5 million (half one-time funds and half ongoing funds) for this purpose. The program originally was funded at a level of $80 million (one-time funds) in 2001-02; however, this amount was reduced to $31.7 million in the 2001-02 budget reductions.

Principal Training. The budget provides $7.5 million ($2.5 million one-time funds and $5 million ongoing funds) for this purpose. The program was funded at a level of $15 million (one-time funds) in 2001-02.

Professional Development Institutes (University of California). The budget does not provide any funds for stipends for UC professional development institutes. Funding for this purpose was $54 million (non-Proposition 98) in 2001-02.

Mandates

The budget contains $125.5 million for mandate reimbursements. This figure reflects a reduction of $41.5 million due to elimination of some mandates, suspension of some mandates, and deferral of payment for others.

The budget package eliminates funding for three mandates repealed by Assembly Bill 3005 (Chapter 1032, Statutes of 2002): absentee ballots, school discipline rules, and school district choice transfer/appeals.

The budget package suspends the school bus safety and school crimes reporting mandates for one year. Suspension is authorized in Assembly Bill 2781.

The budget defers payment to future years for the following six mandates: pupil suspensions ($1 million), intradistrict attendance ($5.4 million), interdistrict attendance ($1.8 million), interdistrict transfer—parent's employment ($1.1 million), mandate reimbursement process ($12.1 million), and habitual truants ($5.5 million).

The budget does not include any funds to reimburse school districts for retroactive costs for the school bus safety II mandate. The 2001-02 budget had originally included $66.7 million in one-time funds for this mandate, with allocation subject to a report by the State Auditor and approval by the Department of Finance. However, these funds were eliminated as part of the 2001-02 budget reductions. Language in Assembly Bill 2781 directs the Commission on State Mandates to revise the parameters and guidelines of this mandate to specify that costs associated with implementation of transportation plans are not reimbursable. Assembly Bill 2781 also requires application of the amended parameters and guidelines retroactively as well as prospectively.

Federal Changes

The budget contains $737 million in new federal funds for local assistance related to the new No Child Left Behind Act. The major federal appropriations for local assistance purposes are as follows:

- Title I, Part A, basic grants—$1.5 billion. This is a $301.4 million increase over the January budget and includes $29.1 million for school improvement and intervention programs contingent on passage of legislation after federal regulations are issued.
- Title I, Part B, reading first—$131.6 million. This is a new program.
- Title I, Part C, migrant education—$134.4 million. This is a $17.8 million increase over the January budget.
- Title I, Part F, comprehensive school reform demonstration programs—$39.7 million. This is a $6.8 million increase over the January budget.
- Title II, improving teacher quality—$321.4 million. This replaces the Eisenhower program ($45.8 million) and class size reduction ($174.7 million), with a net increase of $100.9 million over the amount in the January budget.
- Title III, language instruction for limited-English-proficient and immigrant students—$108.8 million. This is an increase of $67.6 million over the amount in the January budget.
- Title IV, Part A, safe and drug-free schools—$52.2 million. This is an $11.7 million increase over the amount in the January budget and includes an allocation for a new program to support community service for suspended and expelled students ($6.3 million).
- Title IV, Part B, 21st century community learning centers—$40.9 million. This is a new program.
- Title V, innovative programs—$39.1 million. This is a $1.6 million decrease compared with the amount in the January budget.
- Title VI, assessment—$28.8 million. This is a new program. A portion of these funds is appropriated for local assistance purposes in the testing program.
- Enhancing education through technology—$83 million. This is a $28.1 million increase over the amount in the January budget.

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		
AB 425	Chapter 379	2002 Budget Act
2001-02 changes		
SBX3 1	Chapter 1, Third Extraordinary Session	2001-02 reductions, round 1
SBX3 5	Chapter 2, Third Extraordinary Session	2001-02 reductions, round 1: PERS, equalization, and other changes
AB 3008	Chapter 99	2001-02 reductions, round 2
AB 3011	Chapter 101	2002-03 changes related to 2001-02 reductions
AB 2785	Chapter 444	Technical cleanup to AB 3008
2002-03 changes		
AB 593	Chapter 1023	Unallocated reductions in state operations
AB 1781	Chapter 802	Instructional materials
AB 2781	Chapter 1167	Omnibus education trailer bill
AB 3005	Chapter 1032	Mandates

Academic Improvement and Achievement Act

Budget Act Item 6110-243-0001
Resource Code 7337
Education Code sections 11020 through 11024.5

2002-03 Budget Provisions

- The budget provides $5 million from the General Fund to support third-year funding for 12 regional partnerships that received implementation grants under the Academic Improvement and Achievement Act (AIAA).
- These AIAA regional partnerships include the funded LEA, the LEA's qualifying high schools, institutions of higher education in the region, and community and business partners. Partners match grant funds on a one-for-one basis.

Program Information

The California Department of Education will be conducting an intensive review and evaluation process to determine which partnerships will receive continued funding. This review and evaluation process will also identify unmet needs to determine how alternative sites might be found. An evaluation report is due to be submitted to the Legislature in December 2004.

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

Staff Contact: *Marsha Devine,* Professional Development and Curriculum Support Division; (916) 323-5467; *mdevine@cde.ca.gov*

Academic Volunteer and Mentor Service Program

Budget Act Item 0650-111-0001
Resource Code 6270
Government Code sections 96100 through 96114

2002-03 Budget Provisions

- The budget provides $5.7 million from the General Fund for school-based academic mentoring programs.

Program Information

Funding for this program is based on a competitive bid process. Grants are awarded to local educational agencies, up to $125,000 each year for three years, to recruit, screen, and place academic mentors and to evaluate the program.

The Academic Volunteer and Mentor Service Program is not included in the charter school categorical block grant.

Staff Contact: *Rachael Flores,* Office of the Secretary for Education; (916) 323-0611; *rflores@ose.ca.gov*

Web Site: *http://www.ose.ca.gov/*

Adult Education Program

Budget Act Item 6110-156-0001
Resource Code 0000
Education Code sections 52610 through 52616.24

2002-03 Budget Provisions

- The budget provides $582 million from the General Fund. This amount includes $15 million for growth (2.5 percent) and $12.3 million for a COLA (2 percent). Of these funds, $8.7 million is apportioned to serve recipients eligible for California Work Opportunity and Responsibility to Kids (CalWORKs), with an additional $8.7 million available from reimbursements. Local educational agencies must first meet CalWORKs maintenance-of-effort requirements to be eligible for these funds. A portion of these funds may be transferred to regional occupational centers and programs, depending on local needs.
- 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 existing funding caps.

Program Information

This program is funded through the principal apportionment system. Funding is based on ADA as reported on the new Attendance School District Data Entry Screen, which reflects the conversion to a software-based system for reporting ADA and hourly data through the implementation of the Principal Apportionment System Rewrite (PASR) project. This data entry screen replaces the former Form J-18/19, Report of Attendance. The adult education block entitlements are calculated on Form S. These funds are planned for apportionment at the First Principal (P-1) Apportionment on February 20, 2003. The entitlements will be calculated on the Adult Education School District PASR software for the Second Principal (P-2) Apportionment on June 25, 2003. See the "Calendar of Key Deadlines, 2002-03 Apportionments" for information regarding reporting dates.

This program is not included in either the general-purpose block grant or the categorical block grant for charter schools.

Staff Contact: *Halena Le*, School Fiscal Services Division; (916) 324-4535; *hle@cde.ca.gov*

Web Site: *http://www.cde.ca.gov/adulteducation*

Adult Education Program—Federal Funds

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

2002-03 Budget Provisions

- The budget authorizes an expenditure of $91.8 million in federal funds for adult education and literacy services. Of this amount, $18 million represents one-time authority to use 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, English as a second language—citizenship, adult secondary education, or English literacy and civics education.

Grants are awarded on a competitive basis by using qualification criteria identified in the *California State Plan for Adult Education: 1999–2004*.

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

Staff Contact: *Kathy Block-Brown*, Education Support Systems Division; (916) 322-2175; *kblock@cde.ca.gov*

Web Site: *http://www.cde.ca.gov/adulteducation*

Adults in Correctional Facilities Program

Budget Act Item 6110-158-0001
Resource Code 6015
Education Code sections 41840 through 41841.8

2002-03 Budget Provisions

- The budget provides $19.1 million from the General Fund. This amount includes $448,000 for growth (2.5 percent) and $710,000 for a COLA (2 percent).
- The apportionment for each local educational agency is capped at the 1998-99 level, adjusted for growth and COLA.
- Growth funding will first be allocated to LEAs with an ADA of 20 or less, up to an additional 20 ADA.

Program Information

Funding for this program is based on the lesser of (1) 2001-02 expenses; (2) 80 percent of the adult education statewide average revenue limit multiplied by reported 2001-02 Annual ADA; or (3) the amount received in 2000-01 adjusted for growth and COLA. Expenditure data needed to calculate this apportionment must be submitted on Form CORR generated through the standardized account code structure (SACS) software or Form J-152-A by December 1, 2002. The California Department of Education will apportion these funds in January 2003.

This program is not included in either the general-purpose block grant or the categorical block grant for charter schools.

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

Advancement via Individual Determination (AVID)

Budget Act Item 6110-130-0001
Resource Code 7340
Education Code Section: None

2002-03 Budget Provisions

- The budget provides $10.3 million from the General Fund (non-Proposition 98) to assist 11 regional centers in expanding and supporting the AVID program in middle schools and high schools through regional coordination and delivery of service.
- Eligible applicants include all county offices of education. In Los Angeles County, individual school districts or consortia of districts with combined K–12 student populations greater than 150,000 students may apply.

Program Information

The purpose of this funding is threefold: (1) to provide adequate statewide professional development support for meeting the demands of the growth of the AVID program while maintaining the high quality of program and student outcomes; (2) to expand AVID to more schools and students; and (3) to provide essential support for expanding Advanced Placement (AP) programs.

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

Staff Contact: *Marjorie McConnell*, Professional Development and Curriculum Support Division; (916) 323-5830; *mmcconne@cde.ca.gov*

Web Site: *http://www.avidonline.org/*

After School Learning and Safe Neighborhoods Partnerships Program

Budget Act Items 6110-196-0001(3) and 6110-197-0890
Resource codes 6010 (state funds) and 4124 (federal funds)
Education Code sections 8482 through 8484.6

2002-03 Budget Provisions

- The budget provides $121.6 million from the General Fund for after-school education and enrichment programs.
- Of this amount, $4.1 million is for expansion of the program.
- The budget also provides $40.9 million in federal funds for the 21st Century Community Learning Center program.

Program Information

After-school programs provide educational support and safe, constructive alternatives for students in grades K–9. The state and federal programs are similar in many respects, but they are operated separately.

In both programs, 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 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 funding.

Also in both programs, applications must be approved by the school district and the principal of each school 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.

For state funds, 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 require annual 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.

In the state program, 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.

For federal funds, applicants may include LEAs, cities, counties, faith-based organizations, community-based organizations, colleges, universities, private nonprofit or private for-profit agencies. The five-year grants require annual renewal, which is contingent on fiscal and program information provided by the grantees.

In the federal program, the school of students' attendance must be eligible for Title I funding. Schools are usually eligible for Title I funding if a minimum of 40 percent of the students are eligible for free or reduced-price meals.

The federal 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 federal program also includes $2.5 million for high school before- and after-school programs. The maximum amount is $250,000 per site for a high school grant.

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

Staff Contact: *Amy Cameron*, Learning Support and Partnerships Division; (916) 319-0205; *acameron@cde.ca.gov*

Marcie Gregory, Learning Support and Partnerships Division; (916) 319-0289; *mgregory@cde.ca.gov*

Marc Riera, Learning Support and Partnerships Division; (916) 319-0203; *mriera@cde.ca.gov*

Web Site: *http://www.cde.ca.gov/afterschool*

Agricultural Vocational Education Incentive Grants

Budget Act Item 6110-167-0001
Resource Code 7010
Education Code sections 52460 through 52462

2002-03 Budget Provisions

- The budget provides $4.3 million from the General Fund, including $58,000 for growth (1.37 percent) and $84,000 for a COLA (2 percent), 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 nonsalary 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 Agricultural Education Unit's Web site. 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.

The California Department of Education 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*, High School Leadership Division; (916) 657-5358; *bheuvel@cde.ca.gov*

Web Site: *http://www.calaged.org*

AIDS Education

Budget Act Item 4260 (Department of Health Services)
Resource Code 6781
Education Code sections 51201.5 and 51229.8

2002-03 Budget Provisions

- The California Department of Education receives approximately $1.5 million annually to plan and to coordinate human immunodeficiency virus (HIV) prevention education for school-aged youths through a Standard Agreement with the Department of Health Services, Office of AIDS, and a grant from the Centers for Disease Control and Prevention.
- A portion of the funds are available for grants to local educational agencies to develop and implement effective and innovative programs that target youths at risk of infection by HIV and other sexually transmitted diseases (STDs). These grants are awarded on a competitive basis.

Program Information

The HIV and STD prevention program helps local educational agencies in providing education on HIV and acquired immunodeficiency syndrome (AIDS) as required by *Education Code* Section 51201.5. This legislation mandates that students receive HIV prevention instruction at least once in the middle grades and once in high school.

The functions of the HIV prevention program are varied. Staff provide up-to-date information on policy, instructional resources, and curricula. Program staff also identify training needs and coordinate training for districts, schools, and community-based organizations working with youths. The program recognizes the importance of linking educational agencies with community-based organizations to ensure the most effective and appropriate delivery of education and services related to HIV and other STDs.

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

Staff Contact: *Christine Berry*, Learning Support and Partnerships Division; (916) 319-0285; *cberry@cde.ca.gov*

Web Site: *http://www.cde.ca.gov/cyfsbranch/lsp/health/hiv.htm*

Alternative Certification Programs

Budget Act Item 6360-101-0001 (Commission on Teacher Credentialing)
Resource Code 6260
Education Code sections 44235 through 44329, 44830.3, 44450 through 44467 (internships); and 44305 through 44308 (pre-internships)

2002-03 Budget Provisions

- The budget provides $29.8 million from the General Fund ($4.2 million from one-time funds) for alternative certification or internship teacher preparation programs administered by colleges, universities, and LEAs.
- The budget provides $16 million ($4.2 million from one-time funds) for the pre-internship program, which assists emergency teachers in meeting prerequisites for entry into internship programs.

- The California Commission on Teacher Credentialing (CTC) accredits and oversees these programs. Senate Bill 1666 (Chapter 70, Statues of 2000) allows the CTC to shift funds as needed from internship to preinternship programs based on candidate needs. Internship and preinternship programs share a combined funding resource of $45.8 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. They 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.

Preinternship 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*, Professional Services Division, 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 6110-131-0001
Resource Code 7210
Education Code sections 52060 through 52067

2002-03 Budget Provisions

- The budget provides $551,000 from the General Fund, including $8,000 for growth (1.37 percent) and $11,000 for a COLA (2 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: *Andrew Andreoli*, Specialized Programs Division; (916) 319-0621; *aandreol@cde.ca.gov*

Web Site: *http://www.cde.ca.gov/iasa/inece.html*

Apprenticeship Program

Budget Act Item 6110-103-0001
Resource Code 0000
Education Code sections 8150 through 8156

2002-03 Budget Provisions

- The budget provides $15.9 million from the General Fund.
- 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.

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 new Attendance School District Data Entry Screen, which reflects the conversion to a software-based system for reporting ADA and hourly data through the implementation of the Principal Apportionment System Rewrite (PASR) project. This data entry screen replaces the former Form J-18/19, Report of Attendance. The first period (P-1) report of data is due on January 15, 2003. See the "Calendar of Key Deadlines, 2002-03 Apportionments" for additional information regarding reporting dates.

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

Staff Contact: *Halena Le*, School Fiscal Services Division; (916) 324-4535; *hle@cde.ca.gov*

Beginning Teacher Support and Assessment

Budget Act Item 6110-191-0001
Resource Code 7280
Education Code sections 44279.l through 44279.7

2002-03 Budget Provisions

- The budget provides $88.1 million from the General Fund, including $1.6 million for a COLA (2 percent).

- The funding rate will be increased to $3,443 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 2002-03 funding level is projected to be sufficient to serve 25,000 beginning teachers, approaching 100 percent of the target population.

Grant award notifications for ongoing programs will be sent after the Department of Finance approves the expenditure plan. It is anticipated that the grants will be processed in August, when local educational agencies will receive 75 percent of their proposed 2002-03 budget. 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 December). This allocation will be processed in February 2003.

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*

California Indian Education Centers

Budget Act Items 6110-151-0001 and 6110-152-0001
Resource Code 7015
Education Code sections 33370 and 33380 through 33383

2002-03 Budget Provisions

- The budget provides $4.2 million from the General Fund, including $50,000 for growth (1.37 percent) and $74,000 for a COLA (2 percent).
- The program is designed to improve both the academic achievement of American Indian students and the self-concept of American Indian students and adults and provide American Indian students with tutorial assistance in reading and mathematics.

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 CDE.

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

Staff Contact: *Andrew Andreoli*, Specialized Programs Division; (916) 319-0621; *aandreol@cde.ca.gov*

Web Site: *http://www.cde.ca.gov/iasa/indir.html*

California School Information Services

Budget Act Items 6110-101-0349 and 6110-140-0001
Resource Code 6020
Education Code sections 10554 and 49080 through 49083

2002-03 Budget Provisions

- The budget provides $7 million to the Fiscal Crisis and Management Assistance Team for allocation to LEAs participating in the California School Information Services (CSIS) program.
- The budget also provides $4.3 million for CSIS operational costs and $250,000 for project management.

Program Information

Funding will be available to a consortia of LEAs that use the same data collection software. The next funding cycle will be in spring 2003.

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

Staff Contact: *Nancy Sullivan*, Data Management Division; (916) 324-6738; *nsulliva@cde.ca.gov*

Web Site: *http://www.csis.k12.ca.us*

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

2002-03 Budget Provisions

- The budget provides $48.8 million from the General Fund to implement the California School Age Families Education (Cal-SAFE) program in 141 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 Program, School Age Parenting and Infant Development Program, and Pregnant and Lactating Students program.

The Cal-SAFE program is designed to increase the availability of support services to help students in improving their academic achievement and parenting skills and to provide a quality child care and development program for them. Cal-SAFE builds on education reform initiatives, ensures a quality 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)

Gary Kennedy, School Fiscal Services Division; (916) 324-4555; *gkennedy@cde.ca.gov* (fiscal)

Web Site: *http://www.cde.ca.gov/calsafe*

CalServe—Learn and Serve America

Budget Act Item 6110-102-0890
Resource Code 5575
Education Code Section: Not applicable

2002-03 Budget Provisions

- California receives $2.6 million annually from the federal Learn and Serve America grants program. Of this amount, 95 percent is available for local assistance and capacity building. The next grant cycle is scheduled for 2003.
- This program promotes 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, CDE provides direct funding assistance to district-wide school-community partnerships that involve approximately 65,000 students and 5,000 community volunteers and agencies in urban, rural, and suburban districts. As of October 1999, CalServe had reached its goal of 25 percent of all districts offering community service or service-learning as a part of their educational programs. The program's goal for 2004 is that 50 percent of all California school districts will include service-learning as a part of their regular instructional practice by engaging students in at least one service-learning experience at each grade span (K–5, 6–8, and 9–12).

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

Staff Contact: *Mike Brugh*, Learning Support and Partnerships Division; (916) 319-0543; *mbrugh@cde.ca.gov*

Carol Ginzburg, Learning Support and Partnerships Division; (916) 319-0540; *cginzbur@cde.ca.gov*

Barbara Eining, Learning Support and Partnerships Division; (916) 319-0554; *beining@cde.ca.gov*

Web Site: *http://www.cde.ca.gov/calserve*

Charter School Revolving Loan Fund

Budget Act Item: None
Resource Code 0000
Education Code Section 41365

2002-03 Budget Provisions

- $12 million is available from previous appropriations.

Program Information

The loan program provides loans of up to $250,000 to help in fulfilling 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*, School Fiscal Services Division; (916) 324-7139; *jhenders@cde.ca.gov*

Web Site: *http://www.cde.ca.gov/charter*

Charter School Block Grants

Budget Act Item 6110-211-0001 and statutory appropriation
Resource Code 0000
Education Code sections 47630 through 47664

2002-03 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 $35.6 million for categorical block grants for participating charter schools. These funds are provided in lieu of funding from specified categorical programs.
- Block grant funds may be used for any purpose.

Program Information

Assembly Bill 1115 (Chapter 78, Statutes of 1999) created the charter school funding model. Participation in the model is required for all charter schools with the exception of a school district that has converted all of its schools to 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.

This program is funded through the principal apportionment system. 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. 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.

Staff Contact: *Cindy Chan*, School Fiscal Services Division; (916) 324-4541; *cchan@cde.ca.gov*

Web Site: *http://www.cde.ca.gov/charter*

Charter Schools Facilities

Budget Act Item 6110-102-0001
Resource Code 6030
Education Code Section 47614.5

2002-03 Budget Provisions

- The budget provides $10 million for grants to charter schools to support the costs of facilities rental and leasing incurred during the prior year (2001-02).

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 California Department of Education will notify charter schools about eligibility requirements and the application process.

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

Staff Contact: *Kathy Mathews*, School Fiscal Services Division; (916) 322-6029; *kmathews@cde.ca.gov*

Web Site: *http://www.cde.ca.gov/charter*

Charter Schools—Public Charter Schools Grant Program

Budget Act Item 6110-112-0890
Resource Code 4610
Education Code Section: None

2002-03 Budget Provisions

- The budget authorizes an expenditure of $22.9 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. 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 established charter schools having best practices programs that have been judged beneficial to share.

Grant applicants are required to apply for PCSGP awards jointly with local educational agencies, which act as fiscal agents and provide some oversight to the grant.

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

Staff Contact: *Janet Wadley*, School Fiscal Services Division; (916) 323-6028; *jwadley@cde.ca.gov*

Web Site: *http://www.cde.ca.gov/charter*

Child Care and Development Programs

GENERAL PROGRAMS

Budget Act Items 6110-196-0001, 6110-196-0890, and 6110-494
Resource codes: Various
Education Code Section 8200 *et seq.*

2002-03 Budget Provisions

- The budget provides funding of $2.3 billion, including $1.4 billion from the General Fund and $918.3 million in federal funds.
- The budget provides $24.3 million for a 2 percent COLA for specified state and federal programs.
- The budget redirects $42 million from the surplus balance in the Child Care Facilities Revolving Fund for non-child development purposes.

Program Information

The Governor withdrew his child care restructuring proposals for this year.

The $24.3 million in COLA funds will be distributed to providers of child care and development programs as specified in the budget, with the exception of the following programs: California Work Opportunity and Responsibility to Kids (CalWORKs) Stages 2 and 3, base Quality, and the California Child Care Initiative. Local planning council contracts will receive COLA funds as well. Distribution will be made through amendments to existing contracts.

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/cyfsbranch/child_development/index.html*

CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS (CALWORKS)

Budget Act Items 6110-196-0001, 6110-196-0890, and 6110-494
Resource codes: Various
Education Code Section 8200 *et seq.*

2002-03 Budget Provisions

- The budget provides $997.5 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 $65.7 million for Stage 2 child care and a net increase of $103.5 million for Stage 3 child care.
- The budget provides $639 million for APP services in CalWORKs Stage 2 child care. The budget restructures the Stage 2 funding mix by increasing the federal Child Care and Development Fund by $24.3 million, decreasing the General Fund by $38.1 million, increasing the Temporary Assistance for Needy Families transfer for child care by $64.9 million, and adding reappropriations of one-time funding of $98.5 million from both state and federal funds. An additional $108.4 million for Stage 1 and/or Stage 2 is held in the CalWORKs reserve account if needed.
- The budget increases CalWORKs Stage 3 child care by $103.5 million to $358.5 million, again from a variety of sources, for families reaching the end of their 24 months of eligibility for Stage 1 and/or Stage 2.

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 APP providers on the basis of required monthly expenditure and caseload reports.

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.dss.cahwnet.gov/calworks/default.htm*

STATE PRESCHOOL PROGRAMS

Budget Act Item 6110-196-0001
Resource Code 6055
Education Code Section 8200 *et seq.*

2002-03 Budget Provisions

- The budget provides $308 million from the General Fund for the state preschool program.

Program Information

There is no expansion funding this year for preschool programs.

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/cyfsbranch/child_development/index.html*

Child Nutrition

FEDERAL CHILD NUTRITION PROGRAM

Budget Act Item 6110-201-0890
Resource Code 5310
Education Code sections 41311 and 49540 through 49547.5

2002-03 Budget Provisions

- The budget authorizes an expenditure of $1.4 billion in federal funds for child nutrition programs, including child and adult care, school nutrition, and summer food service programs. The authorization includes $4.2 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: *Phyllis Savage*, Fiscal and Administrative Services Division; (916) 322-8326; *psavage@cde.ca.gov*

Web Site: *http://www.cde.ca.gov/nsd*

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

2002-03 Budget Provisions

- The budget provides $12.8 million from the General Fund (non-Proposition 98) for the state child nutrition program for nonpublic entities.
- The budget provides $71.6 million from the General Fund for the state child nutrition program for public sponsors (school districts). This appropriation includes $1.4 million for a 2 percent COLA.

Program Information

The state child nutrition program for both public and nonpublic entities is funded at a rate of $0.1343 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. 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: *Phyllis Savage*, Fiscal and Administrative Services Division; (916) 322-8326; *psavage@cde.ca.gov*

Web Site: *http://www.cde.ca.gov/nsd*

SCHOOL BREAKFAST AND SUMMER FOOD SERVICE PROGRAM START-UP GRANTS

Budget Act Item 6110-201-0001
Resource codes 5310, 5375, and 5380
Education Code sections 49550.3 and 49547.5

2002-03 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: *Phyllis Savage*, Fiscal and Administrative Services Division; (916) 322-8326; *psavage@cde.ca.gov*

Web Site: *http://www.cde.ca.gov/nsd*

Class Size Reduction, Grade Nine

Budget Act Item 6110-232-0001
Resource Code 1200
Education Code sections 52080 through 52090

2002-03 Budget Provisions

- The budget provides $110.2 million from the General Fund.
- The funding rate is increased from $177 to $180 per participating full-year-equivalent enrollment. This increase reflects the 2 percent COLA.
- The funding supports class size reductions 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 teacher. In addition, no single class may exceed an average of 22 students per teacher. 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 maintaining class size reduction in grades 10–12 may receive up to $180 per participating pupil, but the amount 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 districtwide.

Program Information

Districts should receive the 2002-03 program applications in July 2002. The applications are due to CDE in mid-August. Advance program payments, to be made in December 2002, 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: *Mary Ann Goodwin*, High School Leadership Division; (916) 445-7757; *mgoodwin@cde.ca.gov* (program)

Julie Anne Woonacott, School Fiscal Services Division; (916) 323-1314; *jwoonaco@cde.ca.gov* (fiscal)

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

Web Site: *http://www.cde.ca.gov/hart*

Class Size Reduction, K–3

Budget Act Items 6110-234-0001 and 6110-485-0001(2)
Resource Code 0000
Education Code sections 52120 through 52128.5

2002-03 Budget Provisions

- The budget provides $1.7 billion from the General Fund, including $36 million for a COLA.
- The funding rate is increased by a COLA of 2 percent to $906 per actual 2002-03 enrollment in classes reduced to 20 or fewer pupils per teacher for the full day (Option 1) and to $453 per actual 2002-03 enrollment 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.
- Self-contained classroom square footage is required to be no less than the 1995-96 amount provided at that grade level and at that site.
- An audit of average daily enrollment is required, and loss of funding occurs if the average class size is greater than 20.44—or 22.44 if the school district qualifies under the provisions of *Education Code* Section 52122(h).
- The budget also provides $10.2 million in one-time funds to cover a 2001-02 deficit.

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 CDE is 90 days after the Budget Act is signed.

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

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

Julie Anne Woonacott, School Fiscal Services Division; (916) 323-1314; *jwoonaco@cde.ca.gov* *(fiscal)*

Web Site: *http://www.cde.ca.gov/classsize*

College Preparation

ADVANCED PLACEMENT EXAMINATION FEES

Budget Act Item 6110-240-0001(3)
Resource Code 0000
Education Code sections 52240 through 52244

2002-03 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, CDE will prorate the grants.

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

Staff Contact: *Eva Schrepel*, Professional Development and Curriculum Support Division; (916) 323-5765; *eschrepe@cde.ca.gov*

Web Site: *http://www.cde.ca.gov/pr/ap/*

COLLEGE PREPARATION PARTNERSHIP PROGRAM

Budget Act Item 6110-240-0001(2)
Resource Code 7336
Education Code sections 60830 through 60830.9

2002-03 Budget Provisions

- The budget provides $5 million from the General Fund.

Program Information

The College Preparation Partnership Program (CPPP) was established to award 2:1 matching grants to school districts, consortia of school districts, or county offices of education on behalf of local public high schools. The grants fund preparation courses for college admissions examinations, which include *ACT*, *SAT I*, and *SAT II*. The California Department of Education administers the program through a competitive grant process, giving priority to schools with low college-attendance rates, high numbers of low-income students, and demonstrated school-based efforts to improve the college preparatory curriculum and college attendance rates.

The CPPP is entering its fourth year. During its first year, programs in 530 schools enrolled more than 17,000 students who completed more than 12,000 college admission tests.

Continuation grant awards for 2002-03 were released in March 2002.

The program is in effect through January 1, 2005, and its impact will be evaluated.

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

Staff Contact: *Joy Salvetti Wolfe*, Professional Development and Curriculum Support Division; (916) 323-5635; *jsalvett@cde.ca.gov*

Web Site: *http://www.cde.ca.gov/pr/cppp/rfa.html*

INTERNATIONAL BACCALAUREATE DIPLOMA PROGRAM

Budget Act Item 6110-240-0001(1)
Resource Code 7286
Education Code sections 52920 through 52922

2002-03 Budget Provisions

- The budget provides $1.1 million from the General Fund.
- Under this program, school districts may receive up to $26,399 for each high school that offers an International Baccalaureate (IB) Diploma Program to cover the ongoing costs of professional development required by the program.
- The program also provides start-up grants of up to $15,839.

Program Information

School districts that operate an IB Diploma Program are required to submit, by October 1 of each school year, the number of students enrolled in courses leading to an IB diploma, the number of teachers attending IB training programs, the number of teachers participating in pre-IB support programs, and the amount of money spent to support the participating students and teachers.

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

Staff Contact: *Pat Boncella*, Professional Development and Curriculum Support Division; (916) 323-4695; *pboncell@cde.ca.gov*

Web Site: *http://www.ibo.org* (This Web site is operated by the International Baccalaureate Organization.)

College Readiness Program and Comprehensive Teacher Education Institutes

Budget Act Item 6110-197-0001
Resource codes 7335 and 7345
Education Code Section: None

2002-03 Budget Provisions

- The budget provides $861,000 from the General Fund for the College Readiness Program (CRP), which provides professional development support to teachers of middle grade students in meeting the algebra standards and the college entrance requirements in mathematics.
- The budget also provides $1.1 million from the General Fund for 17 Comprehensive Teacher Education Institutes (CTEIs), which are operated by school districts in collaboration with institutions of higher education.

Program Information

The CRP is a four-year professional development program that targets teachers in clusters of schools that serve underperforming students in grades 6–8. The goal of teachers in the clusters is to increase the enrollment and completion of Algebra I by eighth-grade students. Toward this goal, each cluster must have a mathematics coach whose responsibilities are to implement a long-term professional development program for the teachers that includes mathematics content and pedagogy and to provide support through coaching and reflective practice.

The CTEIs are partnerships between school districts, colleges and universities that develop, research, and disseminate innovative models of teacher preparation and induction for teacher candidates. Additionally, the CTEIs seek to reform teacher education courses, improve teacher retention, and attract teacher candidates from underrepresented populations. Their overall objective is to develop high-quality teachers who are able to effectively serve students and enhance K–12 student achievement.

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

Staff Contact: *Susan J. Iida,* Professional Development and Curriculum Support Division; (916) 323-4694; *siida@cde.ca.gov* (College Readiness Program)

Tom Rose, Professional Development and Curriculum Support Division; (916) 323-5822; *trose@cde.ca.gov* (Comprehensive Teacher Education Institutes)

Web Site: *http://www.cde.ca.gov/pr/crp*
http://www.cde.ca.gov/pd/ctei

Community-Based English Tutoring Program (Proposition 227)

Budget Act Item: None—statutory appropriation
Resource Code 6285
Education Code sections 315 and 316

2002-03 Budget Provisions

- The budget includes $50 million from the General Fund. The funds are allocated to local educational agencies 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 CDE of their intent to participate in the program. A letter to the field notifying LEAs of the 2001-02 Intent to Participate in the Community-Based English Tutoring (CBET) Program was mailed in February, and the final filing date was June 7, 2002. Funds will be disbursed in September 2002.

Funds are allocated according to the number of English learners reported in the "Annual Language Census Survey" (Form R-30) of the previous year. Last year

$50 million was allocated to 518 school districts having more than 1.5 million English learners. The rate was approximately $35 per pupil.

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

Staff Contact: *Alice Ng*, Specialized Programs Division; (916) 319-0603; *ang@cde.ca.gov* (fiscal)

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

Web Site: *http://www.cde.ca.gov/cilbranch/cbet*

Community Day Schools Program

Budget Act Item 6110-190-0001
Resource Code 2430
Education Code sections 48660 through 48664

2002-03 Budget Provisions

- The budget provides $42.2 million from the General Fund.
- 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 ($84,800).

Program Information

This program is funded through the principal apportionment system. Community day schools are funded at $4,641.55 per ADA (fifth- and sixth-hour additional attendance) for school districts and at $3,522.06 per ADA for county offices of education. The hourly rate for the seventh and eighth hours of attendance is $4.44. 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 new 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 Principal Apportionment System Rewrite (PASR) project. 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. Entitlements are calculated on Schedule Z of the K–12 Revenue Limit forms for districts and Schedule C of Form O, Revenue Limit forms for county offices of education at the First Principal (P-1) Apportionment on February 20, 2003. The entitlements will be calculated on the Community Day School, School District and Community Day School, County Office of Education PASR software for the Second Principal (P-2) Apportionment on June 25, 2003. See the "Calendar of Key Deadlines, 2002-03 Apportionments" for information regarding reporting dates.

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

Staff Contact: *Dan Sackheim*, Education Support Systems 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://www.cde.ca.gov/spbranch/essdiv/dcds_index.html*

Continuation High Schools

Budget Act Item 6110-187-0001
Resource Code 2200
Education Code Section 42243.7

2002-03 Budget Provisions

- The budget provides $563,000 from the General Fund for a COLA.
- The revenue limit for each LEA will be increased by a constant dollar amount determined by dividing the amount appropriated by the statewide 2001-02 second period (P-2) continuation high school ADA. The estimated amount per ADA equals $10.75.

Program Information

This program is funded through the principal apportionment system. School districts that operated a continuation high school in 2001-02 are eligible for this increase in revenue limit funding. The amount to be allocated is in addition to the amount funded last year. Funding for new continuation high schools approved for the first time by CDE for 2002-03 is calculated on Schedule E of the K–12 Revenue Limit forms at the First Principal (P-1) Apportionment on February 20, 2003. The entitlements will be calculated on the Necessary Small Continuation High School PASR software for the Second Principal (P-2) Apportionment on June 25, 2003. See the "Calendar of Key Deadlines, 2002-03 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*

Deferred Maintenance

Budget Act Item 6110-188-0001
Resource Code 0000
Education Code Section 17584

2002-03 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 2002 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: *Robert Young,* Office of Public School Construction, Department of General Services; (916) 445-0083; *robert.young@dgs.ca.gov* (program)

Richard Zeiszler, School Fiscal Services Division; (916) 324-4533; *rzeiszle@cde.ca.gov* (match calculation)

Web Site: *http://www.cde.ca.gov/fiscal/categorical/program26.htm*

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

2002-03 Budget Provisions

- The budget provides $21.9 million from the General Fund, including $290,000 for growth (1.37 percent) and $429,000 for a COLA (2 percent). These funds are allocated for the following programs:
  - 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 nine 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 1 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,* Education Support Systems Division; (916) 323-2212; *morlando@cde.ca.gov*

Margarita Garcia, Education Support Systems Division; (916) 323-5029; *mgarcia@cde.ca.gov*

Web Site: *http://www.cde.ca.gov/spbranch/ssp*

Early Intervention for School Success

Budget Act Item 6110-163-0001
Resource Code 7130
Education Code sections 54685 through 54686.2

2002-03 Budget Provisions

- The budget provides $2.2 million from the General Fund, including $28,000 for growth (1.37 percent) and $43,000 for a COLA (2 percent).

Program Information

This program is administered by the Orange County Office of Education (OCOE) under contract with CDE. The purpose of the Early Intervention for School Success (EISS) program is to help all children succeed in school. Under the contract, OCOE:

- Conducts a competitive grant application process in which 80 percent of the available funding is equitably distributed to school district applicants among all ten county superintendent regions
- Ensures that each EISS site uses a collaborative school team approach to provide a supportive environment in which active learning takes place
- Identifies learning materials and instructional strategies appropriate to students' instructional levels, learning styles, and individual learning needs
- Identifies model demonstration sites in each of ten county superintendent regions
- Ensures that EISS training fulfills the professional growth requirement specified in *Education Code* Section 44277(b)

- Certifies at least one primary teacher for each site to serve as local and regional trainer
- Submits an annual evaluation and expenditure reports to CDE

The goal is to implement the EISS program in 300 public schools by June 30, 2004.

The charter school categorical block grant does not include funds for this program.

Staff Contact: *Ada Hand*, Education Support Systems Division; (916) 319-0923; *ahand@cde.ca.gov*

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

2002-03 Budget Provisions

- The budget provides $15 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) 654-2149; *rmandell@dmhhq.state.ca.us*

Economic Impact Aid

Budget Act Item 6110-128-0001
Resource codes 7090 and 7091
Education Code sections 54000 through 54041

2002-03 Budget Provisions

- The budget provides $498.7 million from the General Fund, including a 2 percent COLA and $23.3 million for growth (5 percent).
- The minimum rate per CalWORKs plus English-learner student will increase from $199.56 to $203.55.

- The minimum funding totals per district will be $4,901 for districts with ten or fewer CalWORKs plus English-learner students and $7,356 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 beginning in September 2002. Entitlements will be included on Part II of the 2002-03 Consolidated Application, which will be released in September 2002.

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

Staff Contact: *Lauri Burnham,* School and District Accountability Division; (916) 654-8787; *lburnham@cde.ca.gov* (program—English language learners)

Gary Kennedy, School Fiscal Services Division; (916) 324-4555; *gkennedy@cde.ca.gov* (fiscal)

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

Web Site: *http://www.cde.ca.gov/fiscal/categorical/program5.htm*

Education Technology

Budget Act Item 6110-181-0001
Resource Code 7110
Education Code sections 44730 through 44731 and 51871 through 51874

2002-03 Budget Provisions

- The budget provides $15.8 million from the General Fund, including $210,000 for growth (1.37 percent) and $311,000 for a COLA (2 percent) to support:
  - The California Technology Assistance Project (CTAP) regions, for technology assistance given to local educational agencies
  - The Statewide Education Technology Services, for services authorized by the State Board of Education

Program Information

Funding for the 11 CTAP regions was awarded competitively in 1998-99 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.

Multiyear 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 and standards-based lesson plans; (2) buying and licensing of electronic resources and technology hardware;

(3) administrator training in technology leadership; and (4) professional development and resources for technical support staff.

The Education Technology Staff Development Program for grades 4–8, previously funded in Item 6110-181-0001, has been suspended for 2002-03.

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

Staff Contact: *Nancy Sullivan*, Data Management Division; (916) 323-5715; *nsulliva@cde.ca.gov*

Web Site: *http://www.cde.ca.gov/edtech*

Education Technology—Enhancing Education Through Technology

Budget Act Item 6110-180-0890
Resource Code 4045
Education Code Section: None

2002-03 Budget Provisions

- The budget authorizes an expenditure of $83 million in federal funds from Title II, Part D, of the Elementary and Secondary Education Act 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, $1.5 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 formula-funded grants and must meet program requirements to receive funding. The remaining funds will be allocated through competitive grants. The Request for Application for the competitive grants is subject to approval by the State Board of Education. The State Board action is not anticipated until fall 2002.

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

Staff Contact: *Nancy Sullivan*, Data Management Division; (916) 323-5715; *nsulliva@cde.ca.gov*

Web Site: *http://www.cde.ca.gov/edtech*

Elementary School Intensive Reading Program

Budget Act Item 6110-205-0001
Resource Code 0000
Education Code sections 42239.1, 42239.2, and 53025 through 53031

2002-03 Budget Provisions

- The budget provides $30.5 million from the General Fund for intensive reading programs for kindergarten and grades 1–4.
- District entitlements for the programs are capped at 10 percent of prior-year enrollment multiplied by 120 hours and the supplemental instruction hourly rate of $3.45.
- A minimum funding level of $7,395 is provided for small school districts with prior-year enrollments of less than 500 and that offer at least 1,500 hours of instruction per year. Small school districts that offer less than 1,500 hours will be reimbursed at the hourly rate of $4.93.
- The Budget Act authorizes not more than 20 school districts to receive funds as a block grant in an amount not to exceed 2001-02 funding levels. As a part of the application, a district may request a waiver of specific requirements of this program. Participating school districts must provide data reporting the advantages and disadvantages of the block grant approach.

Program Information

This program is funded through the principal apportionment system. Funding for elementary school intensive reading programs for 2002-03 is based on the number of student hours reported on the new Attendance School District Data Entry Screen, which reflects the conversion to a software-based system for reporting ADA and hourly data through the implementation of the Principal Apportionment System Rewrite (PASR) project. This data entry screen replaces the former Form J-18/19, Report of Attendance. See the "Calendar of Key Deadlines, 2002-03 Apportionments" for information regarding reporting dates.

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

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

Pamela Routhier, Professional Development and Curriculum Support Division; (916) 327-4408; *prouthie@cde.ca.gov* (program)

Web Site: *http://www.cde.ca.gov/ci/esir/*

English-Language Acquisition Program

Budget Act Item 6110-125-0001
Resource Code 6286
Education Code sections 400 through 410

2002-03 Budget Provisions

- The budget provides $53.2 million from the General Fund to continue funding the English-Language Acquisition Program (ELAP) for instructional support and

coordination of services for students enrolled in grades 4–8 and for reclassification of students to English-fluent status in grades K–12.

- Participating LEAs receive $100 for each student in grades 4–8 served in the program. Districts may also apply for and receive a one-time bonus of $100 for every student in grades K–12 who is reclassified as fluent in English. To be eligible, students must be reclassified on the basis of their performance on the English-language development test adopted by the state.

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.

Agencies selected for funding can anticipate receiving award letters by the end of October 2002. All school districts are required to reapply for funding annually.

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

Staff Contact: *Carolyn Macchiavelli*, Specialized Programs Division; (916) 319-0370; *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/cilbranch/elap*

Environmental Education

Budget Act Item 6110-181-0140
Resource Code 7135
Education Code Section 8700 *et seq.*

2002-03 Budget Provisions

- The budget provides $400,000 from the Environmental License Plate Fund for the Environmental Education Grant Program. The purpose of the grants is to enhance the environmental literacy of students in grades K–12.

Program Information

Of the $400,000 appropriated, approximately $360,000 is available for state priority grants to support regional projects that will potentially serve all of California's educators and students. State priority grant funds operate along with the California Regional Environmental Education Community Network, which identifies environmental education resources and provides professional development to educators.

Grant applications for fiscal year 2002-03 have already been received. The next application will be available on the Environmental Education Web site by November 15, 2002, and must be postmarked on or before March 3, 2003.

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/cilbranch/oee*

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

2002-03 Budget Provisions

- The budget provides $8.8 million from the General Fund for the foster youth services program, including $116,000 for growth (1.37 percent) and $172,000 for a COLA (2 percent).
- Of the $8.8 million, $1.8 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: *Yvette Rowlett*, Education Support Systems Division; (916) 445-5737; *yrowlett@cde.ca.gov*

Web Site: *http://www.cde.ca.gov/spbranch/ssp/fysp_index.html*

Gifted and Talented Education (GATE)

Budget Act Item 6110-124-0001
Resource Code 7140
Education Code sections 52200 through 52212

2002-03 Budget Provisions

- The budget provides $56.5 million from the General Fund. This amount includes $749,000 for growth (1.37 percent) and $1.1 million for a COLA (2 percent).

Program Information

This program is funded through the principal apportionment system. Funding is based on second period (P-2) prior-year ADA. Districts with an ADA of less than 1,500 will receive an amount no less than the amount that they received in the Annual 1998-99 apportionment. This information is reported on the Form J-22 Supplement for the First Principal (P-1) Apportionment, which must be sent to CDE by January 15, 2003. The information is reported on the Gifted and Talented Education PASR software for the Second Principal (P-2) Apportionment. See the "Calendar of Key Deadlines, 2002-03 Apportionments" for additional information regarding reporting dates.

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

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

Web Site: *http://www.cde.ca.gov/cilbranch/gate*

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

2002-03 Budget Provisions

- The budget authorizes an expenditure of $1.5 billion in federal funds from the Elementary and Secondary Education Act, Title I. Excluding carryover funds, the net appropriation is $1.4 billion. Of this amount, 1 percent is reserved for state administration, 2 percent is reserved for school improvement, an estimated 1 percent is reserved for direct-funded charter schools, and an estimated 1 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 2002-03 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 2002. 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 will be apportioned in three payments: 40 percent in December 2002, 40 percent in April 2003, and 20 percent in June 2003.

Staff Contact: *Carolyn Livingston*, Specialized Programs Division; (916) 319-0594; *clivings@cde.ca.gov* (program)

Judith Bell, School Fiscal Services Division; (916) 323-5833; *jubell@cde.ca.gov* (fiscal)

Web Site: *http://www.cde.ca.gov/fiscal/categorical/program19.htm*

Healthy Start Support Services for Children

Budget Act Item 6110-200-0001
Resource Code 6240
Education Code sections 8800 through 8807

2002-03 Budget Provisions

- The budget provides $2 million from the General Fund to local educational agencies and their partners by awarding one-to-two-year planning grants and three-to-five-year operational grants.
- 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.
- 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.

- 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

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 families or for English learners, or they must demonstrate special factors that warrant consideration.

Grantees work to measurably improve the lives of children and their families through education. Grantees also provide health, mental health, social, and other services located at or near schools. Evaluation is a key component of local Healthy Start initiatives.

A Request for Applications for grants will be issued in November 2002.

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

Staff Contact: *Juliet Barbero*, Learning Support and Partnerships Division; (916) 319-0211; *jbarbero@cde.ca.gov*

Kim Tuttle, Learning Support and Partnerships Division; (916) 319-0210; *ktuttle@cde.ca.gov*

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

Web Site: *http://www.cde.ca.gov/healthystart*

High Achieving/Improving Schools Program (Governor's Performance Awards)

Budget Act Item 6110-123-0001(2) and Assembly Bill 3011 (Chapter 101, Statutes of 2002)
Resource Code 0000
Education Code sections 52056 through 52058

2002-03 Budget Provisions

- The budget package provides $144.3 million from the General Fund for the High Achieving/Improving Schools Program established by Senate Bill 1X (Chapter 3, Statutes of 1999, First Extraordinary Session). This amount includes $67.3 million that has already been distributed in 2002-03 pursuant to Assembly Bill 3011.
- Monetary and nonmonetary awards will be provided to schools that meet or exceed the greater of specified growth targets or required minimum point gains as measured by the Academic Performance Index (API). The $144.3 million will support awards originally planned for distribution in 2001-02. These awards are based on the 2000-01

API Growth Report, which uses data from the 1999-00 and 2000-01 school years, including test results from spring 2000 and spring 2001.

- Monetary awards are made on a per-pupil basis, not to exceed $150 for each pupil who received a score on the appropriate assessment.
- For 2000-01 API growth, a total of approximately $79 per pupil (with valid test scores) will be allocated to schools.
- No funds are currently budgeted for awards based on the 2001-02 API Growth Report. According to budget documents, however, the Governor intends to propose funding for 2002-03 awards in the 2003-04 budget.

Program Information

All schools with a "base API" and a corresponding "growth API" are eligible to participate in the High Achieving/Improving Schools Program. The form of and manner in which awards are made have been established in *Title 5* of the *California Code of Regulations*. In addition to or in lieu of monetary awards, the State Superintendent of Public Instruction may, with the approval of the State Board of Education, establish non-monetary awards. The apportionment for the awards is expected to be completed in fall 2002.

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

Staff Contact: *William L. Padia*, Policy and Evaluation Division; (916) 319-0869; *bpadia@cde.ca.gov*

Web Site: *http://www.cde.ca.gov/ope/awards/govperf/*

High Priority Schools Grant Program

Budget Act Item 6110-123-0001(3)
Resource Code 7258
Education Code sections 52055.600 through 52055.660

2002-03 Budget Provisions

- The budget provides $217 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/iiusp*

High-Tech High Schools

Budget Act Item 6110-485-0001(5)
Resource Code 7105
Education Code sections 51725 through 51728

2002-03 Budget Provisions

- The budget provides $4 million from the General Fund to fully fund the grants provided as the result of a competitive process to establish five high-tech high schools. The five high schools were selected in fiscal year 2001-02 and have been approved by the State Board. No new grant recipients will be funded.

Program Information

The bill specifies that funded schools must be operational by September 30, 2002.

Staff Contact: *Doug Jann,* Data Management Division; (916) 445-6815; *djann@cde.ca.gov*

Web Site: *http://www.cde.ca.gov/edtech*

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

2002-03 Budget Provisions

- The budget provides $184.6 million from the General Fund and authorizes an expenditure of $39.7 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 2002-03. 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 1999-00, 2000-01, and 2001-02.
- Of the federal funds mentioned above, $27.4 million will be used to fund a third cohort of Comprehensive School Reform Demonstration (CSRD) program schools.

The remaining federal funds will support implementation grants for the second cohort of CSRD schools and possibly fund a fourth cohort. The first cohort of schools has finished with CSRD funding.

Program Information

The II/USP provides funding to selected schools whose scores are in deciles 2 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 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 940 schools participating in the II/USP.

The federally funded schools receive $200 per student or a minimum of $50,000 to implement a CSRD program. They can receive grants for up to three years as long as the students make the necessary academic improvement each year. There are 47 schools in the second cohort of CSRD schools. Approximately 67 new schools will participate in the third cohort.

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)

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Web Site: *http://www.cde.ca.gov/iiusp/index.html*

Improving Teacher Quality

Budget Act Item 6110-195-0890
Resource Code 4035
Education Code Section: None

2002-03 Budget Provisions

- The budget authorizes an expenditure of $321.4 million in federal funds from the Elementary and Secondary Education Act, Title II. This amount includes $315 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 is a new program that combines the Eisenhower Professional Development and federal class size reduction programs into one program that focuses on preparing, training, and recruiting high-quality teachers. The new program will provide increased 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 2003, 40 percent in April 2003, and 20 percent in June 2003.

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

Carol Presnell, School Fiscal Services Division; (916) 323-6191; *cpresnel@cde.ca.gov* (fiscal)

Web Site: *http://www.cde.ca.gov/fiscal/categorical/program20.htm*
http://www.cde.ca.gov/fiscal/categorical/program22.htm

Innovative Programs

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

2002-03 Budget Provisions

- The budget authorizes an expenditure of $39.1 million in federal funds from the Elementary and Secondary Education Act, Title V, Part A.
- The actual amount available for distribution to local educational agencies under the entitlement formula is $39.7 million.
- The funding rate is anticipated to be approximately $2.72 per unit, with a minimum funding amount of $3,889. Funding is allocated based on California Basic Educational Data System public school enrollment as of October 2001, 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 2002. 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 February 2003, 40 percent in April 2003, and 20 percent in June 2003.

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

Julie Brucklacher, School Fiscal Services Division; (916) 327-4406; *jbruckla@cde.ca.gov* (fiscal)

Web Site: *http://www.cde.ca.gov/fiscal/categorical/program23.htm*

Instructional Materials, K–12

Budget Act Items 6110-189-0001 and 6110-485-0001(6)
Resource Code 7156 (*Note:* updated to remove resource code 7183)
Education Code sections 60240 through 60313 and 60420 through 60424

2002-03 Budget Provisions

- The budget provides $400.1 million from the General Fund ($4.4 million from one-time funds), including $250 million to be provided on an ongoing basis and $150.1 million to be provided on a one-time basis.
- The funds will be allocated to eligible school districts and charter schools based on an equal amount per pupil enrolled in grades K–12 for the purchase of standards-aligned materials for grades K–12.

Program Information

Assembly Bill 1781 (Chapter 802, Statutes of 2002) restructures the state's instructional materials programs. The funds will be allocated in a single apportionment planned for fall 2002.

The instructional materials programs are not included in the charter school categorical block grant.

Staff Contact: *Larry Dunn*, Curriculum Frameworks and Instructional Resources Division; (916) 657-2919; *ldunn@cde.ca.gov* (program)

Carol Presnell, School Fiscal Services Division; (916) 323-6191; *cpresnel@cde.ca.gov* (fiscal)

Web Site: *http://www.cde.ca.gov/fiscal/categorical/program6.htm*

Instructional Time and Staff Development Reform

Budget Act Item 6110-112-0001
Resource Code 0000
Education Code sections 44579 through 44579.5

2002-03 Budget Provisions

- The budget provides $229.7 million from the General Fund, including $4.5 million for a COLA (2 percent).
- The funding rate per day for up to three days of staff development will increase to $299.29 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 $155.18.

Program Information

An information letter and payment request forms were mailed to school districts in August 2002. A 25 percent advance apportionment for districts continuing participation will be made in October 2002. A second apportionment bringing all participating districts up to 75 percent will be made in February 2003. A final report of participation will be due by June 30, 2003, from school districts, county offices of education, and direct-funded charter schools. The final apportionment for the difference between the total amount claimed and funds previously apportioned will be made in September 2003.

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

Staff Contact: *Rebecca Parker*, Professional Development and Curriculum Support Division; (916) 323-5595; *rparker@cde.ca.gov* (program)

Carol Presnell, School Fiscal Services Division; (916) 323-6191; *cpresnel@cde.ca.gov* (fiscal)

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

Web Site: *http://www.cde.ca.gov/pd/par/itsdr.html*
http://www.cde.ca.gov/fiscal/categorical/program25.htm

Intensive Algebra Instruction Academies

Budget Act Item 6110-204-0001
Resource Code 0000
Education Code sections 53091 through 53094

2002-03 Budget Provisions

- The budget provides $12.8 million from the General Fund for intensive algebra instruction academies for grades seven and eight.
- School district and charter school entitlements for the programs are capped at 6 percent of total enrollment in grades seven and eight for the prior year multiplied by 120 hours and the supplemental instruction hourly rate of $3.45.
- A minimum funding level of $7,406 is provided for small school districts with prior-year enrollment of less than 333 for students in grades seven and eight and that offer at least 1,500 hours of instruction per year. Small school districts that offer less than 1,500 hours will be reimbursed at the hourly rate of $4.93.

Program Information

This program is funded through the principal apportionment system. Funding for intensive algebra instruction academies for grades seven and eight for 2002-03 is based on the number of student hours reported on the new Attendance School District Data Entry Screen, which reflects the conversion to a software-based system for reporting ADA and hourly data through the implementation of the Principal Apportionment System Rewrite (PASR) project. This data entry form replaces the former Form J-18/19, Report of Attendance. See the "Calendar of Key Deadlines, 2002-03 Apportionments" for information regarding reporting dates.

This program is not included in either the general-purpose block grant or the categorical block grant for charter schools.

Staff Contact: *Shelley Goode*, School Fiscal Services Division; (916) 324-4530; *sgoode@cde.ca.gov*

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

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

Budget Act Item 6110-125-0890(2)
Resource codes 4203 (LEP students) and 4201 (immigrant students)
Education Code Section: None

2002-03 Budget Provisions

- The budget authorizes an expenditure of $108.8 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/el/title3/*

Local Arts Education Partnership (Arts Work Grants)

Budget Act Item 6110-177-0001
Resource Code 7018
Education Code sections 8810 through 8820

2002-03 Budget Provisions

- The budget provides $6 million from the General Fund for Arts Work grants to local educational agencies to support arts education programs.

Program Information

The Arts Work Visual and Performing Arts Education Grant Program funds comprehensive visual and performing arts programs.

The program builds on the successful Local Arts Education Partnership (LAEP) program, which is a joint endeavor of the California Arts Council and CDE and is funded by sales of an arts license plate to California motorists. The goal of the Arts Work grants program is to encourage school districts to plan and implement a comprehensive and inclusive arts education program in California public schools to strengthen students' and teachers' basic arts skills and knowledge.

Arts Work grants are available in four categories:

1. Local Arts Education Partnership Assistance Grants (up to $30,000). Award of this grant is conditional on the LEA's receiving an LAEP grant in which the LEA is named as the grant partner.
2. Local Arts Education Partnership Expansion Grants (up to $60,000). These grants fund arts education programs in school districts that have completed their third and final year of the LAEP program.

3. Arts Education Implementation Grants (four categories up to $25,000):

   Category 1 Visual and performing arts standards development and implementation

   Category 2 Student assessment in the visual and performing arts

   Category 3 Model arts program network project

   Category 4 Special projects in the visual and performing arts

4. Online arts resource center grants (one or two grants of up to $600,000). The grant or grants are to be used to plan and implement a statewide online arts resource center.

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

Staff Contact: *Don Doyle*, High School Leadership Division; (916) 323-2469; *ddoyle@cde.ca.gov*

Web Site: *http://www.cde.ca.gov/shsd/arts*

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

2002-03 Budget Provisions

- The budget provides $812.7 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. Funding during the current year is allocated based on prior-year Annual ADA because current-year ADA is not known. As a result, in the first quarter of each subsequent fiscal year, funding for the prior year is recomputed based on actual ADA.

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 to acquire real property, construct facilities, finance research, or for other noninstructional 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/fiscal/financial/corresp.htm*

Mandates

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

2002-03 Budget Provisions

- The budget provides $125.5 million from the General Fund.

Program Information

The California Constitution (Article XIIIB, Section 6) requires the state to reimburse local governmental agencies for the costs they incur when the state mandates a new program or higher level of service. A mandate can exist as a result of changes in statutes, regulations, or administrative policies.

The budget package eliminates funding for three mandates repealed by Assembly Bill 3005 (Chapter 1032, Statutes of 2002): absentee ballots, school discipline rules, and school district choice transfer/appeals.

The budget package suspends the school bus safety and school crimes reporting mandates for one year. Suspension is authorized in Assembly Bill 2781 (Chapter 1167, Statutes of 2002).

The budget defers payment for six mandates to future years. The affected mandates are pupil suspensions ($1 million), intradistrict attendance ($5.4 million), interdistrict attendance ($1.8 million), interdistrict transfer—parent's employment ($1.1 million), mandate reimbursement process ($12.1 million), and habitual truants ($5.5 million).

The budget does not include any funds to reimburse school districts for retroactive costs for the school bus safety II mandate. The 2001-02 budget had originally included $66.7 million in one-time funds for this mandate, with allocation subject to a report by the State Auditor and approval by the Department of Finance. However, those funds were eliminated as part of the 2001-02 budget reductions. Language in Assembly Bill 2781 directs the Commission on State Mandates to revise the parameters and guidelines of this mandate to specify that costs associated with implementation of transportation plans are not reimbursable. Assembly Bill 2781 also requires application of the amended parameters and guidelines retroactively as well as prospectively.

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

Staff Contact: *Juan Sanchez*, Fiscal and Administrative Services Division; (916) 322-3074; *jsanchez@cde.ca.gov*

Mathematics and Reading Professional Development Program

Budget Act Items 6110-137-0001, 6110-485-0001(4)
Resource Code 7294
Education Code sections 99230 through 99242

2002-03 Budget Provisions

- The budget provides $63.5 million from the General Fund ($31.7 million in ongoing funds and $31.7 million in one-time funds).

Program Information

The Mathematics and Reading Professional Development Program is a three-year effort 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. Professional development in mathematics and reading is also available for instructional aides and paraprofessionals.

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

Staff Contact: *Terry Emmett*, Professional Development and Curriculum Support Division; (916) 323-6269; *temmett@cde.ca.gov*

Web Site: *http://www.cde.ca.gov/pd/ab466/index.html*

Migrant Education Program

Budget Act Item 6110-125-0890(1)
Resource codes: Various
Education Code Section: None

2002-03 Budget Provisions

- The budget authorizes expenditure of $134.4 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 Migrant Education/International Office (CDE/MEIO) 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 CDE/MEIO provides program support to approximately 600 school districts and 270,000 migrant students.

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

Staff Contact: *Lorraine Itow*, Specialized Programs Division; (916) 319-0609; *litow@cde.ca.gov*

Web Site: *http://www.cde.ca.gov/iasa/migrant.html*

Miller-Unruh Basic Reading Program

Budget Act Item 6110-126-0001
Resource Code 7200
Education Code sections 52859 and 54100 through 54145

2002-03 Budget Provisions

- The budget provides $28.9 million from the General Fund, including $567,000 for a COLA (2 percent).
- The rate per full-time reading specialist teacher will increase to $26,769 and the number of state-funded reading specialist positions will remain the same at 1,079.

Program Information

Local educational agencies must apply for Miller-Unruh reading specialist positions. Applications should be submitted to Pamela Routhier, telephone (916) 327-4408 and e-mail *prouthie@cde.ca.gov*. The School Fiscal Services Division will apportion funding in December 2002.

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

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

Web Site: *http://www.cde.ca.gov/cilbranch/eltdiv/millerunruh.htm*

National Board for Professional Teaching Standards Certification Incentive Program

Budget Act Item 6110-195-0001
Resource Code 6267
Education Code sections 44395 through 44397

2002-03 Budget Provisions

- The budget provides $10 million for incentives for teachers to become certified by the National Board for Professional Teaching Standards (NBPTS). Of this amount, $5 million provides one-time awards of $10,000 to teachers who achieve National Board certification, and $5 million provides grants of $20,000 to teachers who have achieved the certification and agree to teach in low-performing schools. Low-performing schools are defined as schools that are ranked in the bottom half of all schools on the Academic Performance Index.

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.

In addition, CDE may provide fee assistance from funds appropriated in the annual Budget Act for the NBPTS to defray the fees of teachers seeking certification from the National Board. The California Department of Education is to provide fee assistance in the amount of $1,000 to each applicant, not to exceed $2 million in total.

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/nbpts*

Necessary Small School Funding

Budget Act Item: None—statutory appropriation
Resource Code 0000
Education Code sections 42280 through 42289.5

2002-03 Budget Provisions

- The budget provides a 2 percent COLA.

Program Information

This program is funded through the principal apportionment system. Entitlements for this program are calculated on Schedule F of the K–12 Revenue Limit forms at the First Principal (P-1) Apportionment on February 20, 2003. The entitlements will be calculated on the Necessary Small Elementary School and Necessary Small High School PASR software for the Second Principal (P-2) Apportionment on June 25, 2003.

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 2002-03 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 2002-03 necessary small-school amounts will be computed on the basis of either the school's ADA or the number of full-time-equivalent certificated employees assigned to the school, whichever provides the lesser amount.

See the "Calendar of Key Deadlines, 2002-03 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*

Opportunity Classes and Programs

Budget Act Item 6110-127-0001
Resource Code 0000
Education Code sections 48643 through 48644.5

2002-03 Budget Provisions

- The budget provides $2.6 million from the General Fund. This amount includes $107,000 for growth (4.34 percent) and $51,000 for a COLA (2 percent).
- The funding rate is $518 per ADA.

Program Information

School districts may receive incentive funding to provide identified students in grades 7–9 with 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 CDE by November 30, 2002.

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

Staff Contact: *Jacie Ragland*, Education Support Systems Division; (916) 323-2568; *jragland@cde.ca.gov*

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

Web Site: *http://www.cde.ca.gov/spbranch/essdiv/opped.html*

Partnership Academies

Budget Act Item 6110-166-0001
Resource codes 7220 (implementation/existing) and 7225 (planning)
Education Code sections 54690 through 54696

2002-03 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, CDE may allocate those funds as one-time grants to state-funded partnership academies to be used for one-time purposes.

Program Information

Currently, 290 funded programs are in place in approximately 202 California high schools. The California Partnership Academies represent the aspect of the high school reform movement that is focused on smaller learning communities. 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 post-secondary education. Academies have been shown to have positive effects on school performance.

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

Staff Contact: *Karen Shores,* High School Leadership Division; (916) 651-8800; *kshores@cde.ca.gov*

Web Site: *http://www.cde.ca.gov/partacad*

Peer Assistance and Review

Budget Act Item 6110-193-0001(3)
Resource Code 7271
Education Code sections 44500 through 44508

2002-03 Budget Provisions

- The budget provides $87 million from the General Fund for the Peer Assistance and Review (PAR) program, including $1.2 million for growth (1.37 percent) and $1.7 million for a COLA (2 percent).
- Funding will be distributed based on the number of positions calculated for each LEA. Positions are calculated based on 5 percent of the LEA's October 2001 California Basic Educational Data System count of certificated classroom teachers.
- Local educational agencies 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 $5,630 per calculated position (including the COLA).
- Local educational agencies 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 $4,430 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 completely 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: *Rebecca Parker*, Professional Development and Curriculum Support Division; (916) 323-5595; *rparker@cde.ca.gov* (program)

Julie Brucklacher, School Fiscal Services Division; (916) 327-4406; *jbruckla@cde.ca.gov* (fiscal)

Web Site: *http://www.cde.ca.gov/fiscal/categorical/program2.htm*

Principal Training Program

Budget Act Items 6110-144-0001, 6110-195-0890, and 6110-485-0001(3)
Resource Code 7325
Education Code sections 44510 through 44517

2002-03 Budget Provisions

- The budget provides $7.5 million from the General Fund ($5 million in ongoing funds and $2.5 million in one-time funds) and $1.6 million in federal funds from the Elementary and Secondary Education Act, Title II, 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*

Marcela Obregon-Enriquez, Professional Development and Curriculum Support Division; (916) 323-5846; *mobregon@cde.ca.gov*

Patty Stevens, Professional Development and Curriculum Support Division; (916) 323-5838; *pstevens@cde.ca.gov* (fiscal)

Web Site: *http://www.cde.ca.gov/pd/prin*

Reading First

Budget Act Item 6110-126-0890
Resource Code 3030
Education Code sections 51700 through 51702

2002-03 Budget Provisions

- The budget authorizes an expenditure of $131.6 million in federal funds from the Elementary and Secondary Education Act, Title I, Part B, for competitive grants to improve reading in grades K–3.

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/readfirst/index.html*

Regional Occupational Centers and Programs (ROC/Ps)

Budget Act Item 6110-105-0001
Resource Code 6350
Education Code sections 52300 through 52335.10

2002-03 Budget Provisions

- The budget provides $373.2 million from the General Fund. This amount includes an increase of $5.8 million for growth (1.62 percent) and $7.3 million for a COLA (2 percent). An additional $7.3 million is available from reimbursements. Of these funds, $8.5 million ($1.2 million from the General Fund and $7.3 million from reimbursements) 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.
- 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 met CalWORKs maintenance-of-effort requirements and have fully claimed their existing funding caps.
- An indirect cost rate charged to an ROC/P may not exceed the prior-year indirect cost rate approved by 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 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 new Attendance School District Data Entry Screen, which reflects the conversion to a software-based system for reporting ADA and hourly data through the implementation of the Principal Apportionment System Rewrite (PASR) project. This data entry screen replaces the former Form J-18/19, Report of Attendance. Entitlements are calculated on Form R at the First Principal (P-1) Apportionment on February 20, 2003. The entitlements will be calculated on the Regional Occupational Classes/Programs PASR software for the Second Principal (P-2) Apportionment on June 25, 2003.

Education Code Section 52335.4 prescribes the formula to calculate an ROC/P's share of the growth funding. The share of an ROC/P will be calculated based on the ratio of the prior-year ADA in grades 9–12 for school districts served by the ROC/P to the statewide prior-year ADA in grades 9–12. Funding will be apportioned at the First Principal (P-1) Apportionment on February 20, 2003.

The state's portion of the CalWORKs funds will be apportioned at the First Principal (P-1) Apportionment on February 20, 2003. See the "Calendar of Key Deadlines, 2002-03 Apportionments" for information regarding reporting dates.

This program is not included in either the general-purpose block grant or the categorical block grant for charter schools.

Staff Contact: *Halena Le*, School Fiscal Services Division; (916) 324-4535; *hle@cde.ca.gov*

Web Site: *http://www.cde.ca.gov/rocp*

Revenue Limits

Budget Act Item: None—statutory appropriation
Resource Code 0000
Education Code sections 2550 through 2573 and 42238 through 42250.2

2002-03 Budget Provisions

- The budget provides a 2 percent cost-of-living adjustment (COLA). For school districts, this amount is equivalent to $89 per ADA for elementary school districts, $108 per ADA for high school districts, and $93 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, county offices of education, and charter schools through a revenue limit system. Each school district, county office of education, and charter school 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 local educational agency (LEA). Revenue limits are funded through the principal apportionment system.

The final date to correct 2001-02 Annual and second period (P-2) ADA for inclusion in the 2002-03 First Principal (P-1) Apportionment is October 15, 2002. See the "Calendar of Key Deadlines, 2002-03 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)

Steve Kotani, School Fiscal Services Division; (916) 322-5906; *skotani@cde.ca.gov* (school districts)

Safe and Drug-Free Schools and Communities

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

2002-03 Budget Provisions

- The budget authorizes an expenditure of $52.2 million in federal funds from the Elementary and Secondary Education Act, Title IV, Part A.
- The actual amount available for distribution to LEAs under the entitlement formula calculation is $45.8 million. Of this 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.
- Title IV, Part A, provides support to drug abuse and violence prevention programs.

Program Information

Application for funding must be made through Part I of the Consolidated Application, which was due in June 2002. 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 three payments: 40 percent in February 2003, 40 percent in April 2003, and 20 percent in June 2003.

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

Julie Brucklacher, School Fiscal Services Division; (916) 327-4406; *jbruckla@cde.ca.gov* (fiscal)

Web Site: *http://www.cde.ca.gov/fiscal/categorical/program21.htm*

School Improvement Program

Budget Act Item: None—appropriation in Assembly Bill 2781 (Chapter 1167, Statutes of 2002)
Resource Code 7260
Education Code sections 52000 through 52049.1 and 62000 through 62008

2002-03 Budget Provisions

- The budget package provides $355.1 million from the General Fund for grades K–6 (resource code 7260), including $7 million for a COLA (2 percent). The budget does not designate an amount for growth.
- The budget package provides $74.1 million from the General Fund for grades 7–12 (resource code 7265), including $2.3 million for growth (3.27 percent) and $1.5 million for a COLA (2 percent).
- The K–6 ceiling rate (i.e., the funding rate above which school districts do not receive additional COLA or expansion funds) will increase to approximately $130.01.
- K–6 entitlements for districts under the ceiling rate will increase by a minimum of 2 percent.
- The estimated funding rates per ADA for grades 7–8 will be approximately $123.18 for fully funded districts and approximately $34.67 for later program entrants. For grades 9–12, the per-ADA rate will be approximately $88.87. These increased rates reflect the COLA. If sufficient COLA funding is not available, rates will be reduced on a pro rata basis.
- Available growth funding will be allocated on an equal basis per ADA at a rate not to exceed the applicable rate shown above. If growth funding is not sufficient to fund all growth units at the applicable rate, the funding rate for growth will be reduced on a pro rata basis.
- Of the total appropriation, $313.9 million is provided in 2002-03 and $115.3 million is provided in 2003-04.

Program Information

School Improvement Program entitlements are printed on Part II of the Consolidated Application, which is distributed each September. Statute requires the 2002-03 funds to be apportioned in the months of September through March with just over 14 percent of the annual entitlement in each month. No funds will be distributed in April, May, or June.

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

Staff Contact: *Tom Rose*, Professional Development and Curriculum Support Division; (916) 323-4987; *trose@cde.ca.gov* (program)

Julie Brucklacher, School Fiscal Services Division; (916) 327-4406; *jbruckla@cde.ca.gov* (fiscal)

Web Site: *http://www.cde.ca.gov/fiscal/categorical/program13.htm*

School Library Materials

Budget Act Items 6110-149-0001 and 6110-485-0001(8)
Resource Code 6296
Education Code sections 18175 through 18184

2002-03 Budget Provisions

- The budget provides $32.7 million from the General Fund ($9.5 million from one-time funds) to acquire school and classroom library materials. The State Controller's Office will transfer this appropriation to the Public Library Protection Fund.
- To be eligible for this funding, school districts, county offices of education, and charter schools must develop a districtwide school library plan, and local governing boards must certify approval of the plan. A recertification of the school library plan is required for those school districts, county offices, and charter schools that are continuing their participation from the 2001-02 fiscal year.
- 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 student is approximately $5.32, based on 2001 California Basic Educational Data System enrollment data for kindergarten and grades 1–12.

Program Information

Funds will be apportioned in March 2003. The Curriculum Frameworks and Instructional Resources Division is preparing an application information packet.

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/library*

School Renovation and Repair, Special Education, and Technology Grants—Federal Funds

Budget Act Item 6110-202-0890
Resource codes 4140 and 4141
Education Code section: None

2002-03 Budget Provisions

- The budget provides $138.5 million in federal local assistance funds.

Program Information

The federal fiscal year 2001 Omnibus Appropriations Act provided $1.2 billion nationwide for grants for school renovation and repair, special education services, and technology related to school renovation. California's share of this amount is $138.5 million. States may retain a maximum of 1 percent for administration. The California Department of Education has determined that the remaining funds will be distributed as competitive grants, with 75 percent allocated for urgent renovation and repair projects and 25 percent allocated for technology related to school renovation. The Office of Public School Construction in the Department of General Services will administer the school renovation and repair grants. The California Department of Education will administer the grants for technology related to renovation. The technology grants will focus on hardware for classrooms in grades 4–8.

Staff Contact: *Nancy Sullivan*, Data Management Division; (916) 323-5715; *nsulliva@cde.ca.gov*

Web Site: *http://www.cde.ca.gov/edtech*

School Safety Programs

CONFLICT RESOLUTION AND YOUTH MEDIATION GRANT PROGRAM

Budget Act Item 6110-226-0001(2)
Resource Code 6315
Education Code Section: None

2002-03 Budget Provisions

- The budget provides $280,000 from the General Fund.

Program Information

Funding for this program is provided to public K–12 schools through a statewide competitive grant process. Up to 28 schools will be eligible to receive funding for conflict resolution and youth mediation programs operating in 2002-03. The grant program provides $10,000 per school to enable schools to initiate comprehensive programs that teach students how to resolve disputes without resorting to violence.

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

Staff Contact: *Louise Chiatovich,* Learning Support and Partnerships Division; (916) 445-5695; *lchiatov@cde.ca.gov*

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

Web Site: *http://www.cde.ca.gov/spbranch/safety*

GANG RISK INTERVENTION PROGRAM (GRIP)

Budget Act Item—None in 2002 Budget Act
Resource Code 6215
Education Code sections 58730 through 58736

2002-03 Budget Provisions

- The 2001 Budget Act provided $3 million from the General Fund for 2002-03 program costs.
- 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.

Program Information

Funding for this program is allocated to county offices of education through a grant application process. Currently, 15 counties receive support. Requests for Applications for funds to operate programs in 2003-04 will be mailed to county offices of education in November 2002.

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

Staff Contact: *Chuck Nichols,* Education Support Systems Division; (916) 323-1026; *cnichols@cde.ca.gov*

Web Site: *http://www.cde.ca.gov/spbranch/safety*

HIGH-RISK YOUTH EDUCATION AND PUBLIC SAFETY PROGRAM

Budget Act Item 6110-212-0001
Resource Code 6575
Education Code sections 47750 through 47773

2002-03 Budget Provisions

- The budget provides $18 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 15 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 2002-03. Grant funding is for five years. No new applications will be taken until 2003-04.

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

Staff Contact: *Bill Lane*, Education Support Systems Division; (916) 323-5721; *blane@cde.ca.gov* (program)

Daphne Kelley, School Fiscal Services Division; (916) 324-6178; *dakelley@cde.ca.gov* (fiscal)

Web Site: *http://www.cde.ca.gov/spbranch/safety*

PARTNERSHIP MINI-GRANTS/SAFE SCHOOL PLAN IMPLEMENTATION GRANT PROGRAM

Budget Act Item 6110-226-0001(1)
Resource Code 6310
Education Code Section 35294.5

2002-03 Budget Provisions

- The budget provides $628,000 from the General Fund. Of this amount, $500,000 is designated for safe school plan implementation grants, and $128,000 is designated for operation of the School/Law Enforcement Partnership.
- Selected county offices of education provide training to school district staff on a regional basis. The training is designed to help local educators and their law enforcement counterparts develop comprehensive safe school plans.

Program Information

Funding for the safe school plan implementation grant program is provided to school districts through competitive grants. Currently, 95 schools receive funding for implementing a portion of their existing comprehensive safe schools plan. Applications will be available in fall 2001.

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

Staff Contact: *Louise Chiatovich,* Learning Support and Partnerships Division; (916) 445-5695; *lchiatov@cde.ca.gov*

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

Web Site: *http://www.cde.ca.gov/spbranch/safety*

SAFETY PLANS FOR NEW SCHOOLS

Budget Act Item 6110-226-0001(5)
Resource Code 6310
Education Code sections 35294 through 35294.9

2002-03 Budget Provisions

- The budget provides $3 million from the General Fund to develop school safety plans for new schools.
- New schools with enrollments of 41 students or fewer will receive at least $5,000, and new schools with enrollments of 42 students or more will receive a dollar amount per student established at the time of calculation.
- Funding for new schools is to be used to implement a comprehensive safe school plan by adopting programs that address bullying, encourage peaceful dispute resolution, enhance tolerance and acceptance, and promote safe and secure learning environments.
- *Education Code* Section 35294 *et seq.* requires each school district and county office of education to be responsible for developing comprehensive school safety plans for its schools operating any kindergarten and any grade of grades 1–12.

Program Information

Funding is allocated through an application process administered by CDE's Safe Schools and Violence Prevention Office. All county and district superintendents will receive an application in February 2003. All local educational agencies must reapply annually for funding.

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

Staff Contact: *Louise Chiatovich,* Learning Support and Partnerships Division; (916) 445-5695; *lchiatov@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/spbranch/safety*

SCHOOL COMMUNITY POLICING PARTNERSHIP GRANTS

Budget Act Item 6110-226-0001(3) and (4)
Resource codes 6330 and 6320
Education Code Section 32296 *et seq.*

2002-03 Budget Provisions

- The budget provides $10 million from the General Fund for School Community Policing Partnership grants (resource code 6330).
- The budget provides $700,000 from the General Fund for School Community Violence Prevention grants (resource code 6320).

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. Approximately 30 three-year competitive grants are awarded each year. The applications will be available in November 2001.

The School Community Violence Prevention program funds provided in the budget will be allocated by using the same grant award process as is used to allocate School Community Policing Partnership funds.

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

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Web Site: *http://www.cde.ca.gov/spbranch/safety*

SCHOOL SAFETY AND VIOLENCE PREVENTION GRANTS

Budget Act Item 6110-228-0001
Resource Code 6405
Education Code sections 32228 through 32228.5

2002-03 Budget Provisions

- The budget provides $81.1 million from the General Fund for school safety grants to school districts with any grade of grades 8–12.
- Funds will be allocated based on enrollment in grades 8–12, with minimum allocations of $5,000 per school or $10,000 per district, whichever is greater.
- The budget also provides an additional $1 million to be allocated to county offices of education, based on enrollment in grades 8–12, with minimum allocations of $5,000 per school or $10,000 per county office, whichever is greater.
- Funds may be used for any purpose that improves school safety or that reduces violence among students. Such purposes include the following items:
  - Hiring personnel, such as counselors, school social workers, school nurses, and school psychologists who are trained in conflict resolution

- Conducting in-service training that helps school staff in identifying at-risk students, communicating effectively with them, and referring them to counseling when appropriate
- Providing on-campus safety devices and meeting safety infrastructure needs
- Forming partnerships with law enforcement
- Preventing and responding to acts of hate violence
- Providing age-appropriate instruction in violence prevention

Program Information

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

School safety and violence prevention grants are included on Part I, and expenditures are reported on Part II of the Consolidated Application, which will be mailed in September 2002. Funds will be disbursed through a special apportionment.

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

Staff Contact: *Louise Chiatovich,* Learning Support and Partnerships Division; (916) 445-5695; *lchiatov@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/spbranch/safety*

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.*

2002-03 Budget Provisions

- The budget provides $2.7 billion from the General Fund and $800.3 million 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 current year K–12 ADA for each school district, county office of education, and charter school in the SELPA. Funding is adjusted for changes in enrollment, incidence of special disabilities, and equalization aid. The entitlement will be certified to the State Controller's Office at the First Principal (P-1) Apportionment by February 20, 2003.

Growth. The budget includes $48.9 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 $72.4 million for a 2 percent COLA for the following special education programs: growth, low incidence, nonpublic school/licensed children's institutions (NPS/LCI), program specialist/regionalized services (PS/RS), and regional occupational centers and programs (ROC/Ps). The COLA is allocated on the basis of a fixed dollar amount.

Per-ADA Increase. The budget provides up to $8.2 million to increase the per-ADA amount for the special education program. The ADA increase will be certified to the State Controller's Office at the First Principal (P-1) Apportionment by February 20, 2003.

Special Disabilities Adjustment. The budget fully funds a special disabilities adjustment, which will continue through the 2002-03 fiscal year.

Mandated Cost Settlement. The budget provides $25 million to fully fund the second 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.

Nonpublic School/Licensed Children's Institutions. Nonpublic school/licensed children's institution (NPS/LCI) funding is capped at $114.8 million, plus the COLA, for 2002-03. The NPS/LCI apportionment reporting form will be posted on the CDE Web site in September 2002.

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. A school district is eligible for this funding if the cost of a single nonpublic school placement is two and one-half times greater than the prior-year statewide average nonpublic school contract amount plus the current-year COLA (eligibility threshold). For 2002-03, the threshold amount is $61,972, which equals the 2001-02 threshold amount multiplied by the 2002-03 COLA of 2 percent. The final filing date for nonpublic school extraordinary cost pool claims for fiscal year 2002-03 is November 30, 2003. 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 2003. The 2002-03 rate is calculated by increasing the 2001-02 rate by the 2002-03 COLA percentage. Each SELPA will receive the 2002-03 PS/RS rate multiplied by its total 2002-03 K–12 ADA. The budget provides $72.6 million, plus the COLA, for PS/RS entitlements. The budget provides an additional $1.7 million, plus the COLA, 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 2002-03 PS/RS rate.

Regional Occupational Centers and Programs. The budget provides $4.3 million, plus the COLA, for regional occupational centers and programs (ROC/Ps) that serve students with disabilities. The COLA is calculated by multiplying the prior-year rate for the program by 2 percent.

Necessary Small SELPAs with Declining Enrollment. The budget provides $155,000, plus the COLA, to fully fund the declining enrollment of necessary small SELPAs 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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Web Site: *http://www.cde.ca.gov/fiscal/special_ed*

LOW-INCIDENCE FUNDING

Budget Act Item 6110-161-0001
Resource Code 6500
Education Code sections 56026.5 and 56836.22

2002-03 Budget Provisions

- The budget provides $10.8 million, plus the 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 2001 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/fiscal/special_ed*

SPECIAL EDUCATION WORKABILITY

Budget Act Item 6110-161-0001
Resource Code 3405
Education Code sections 56470 through 56474

2002-03 Budget Provisions

- The budget provides $8.3 million, plus the COLA, from the General Fund for vocational training and job placement (WorkAbility I and transition services).

Program Information

This program currently funds 50,000 students at 255 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. Allocations are determined by the number of secondary school, special education students placed in paid employment positions; an equal base amount per program; and an additional $50 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*

Web Site: *http://www.cde.ca.gov/spbranch/sed/worka_i/wkaindex.htm*

AGES 0–2 SPECIAL EDUCATION INFANT FUNDING

Budget Act Item 6110-161-0001
Resource Code 6510
Education Code sections 56425 through 56432

2002-03 Budget Provisions

- The budget provides $56.8 million from the General Fund for infant programs for children from birth through two years of age. This amount includes $964,000 for growth in instructional personnel service units (IPSUs) for infants from birth through two years of age and $1.4 million for a COLA (2 percent).

Program Information

Infant programs for children from birth through two years of age use instructional unit rates as their basis for entitlements. The infant apportionment reporting form will be posted on the CDE Web site in October 2002 and is due back to CDE by early January 2003. Entitlements for current-year operations will be certified at the First Principal (P-1) Apportionment by February 20, 2003.

Growth. In early September 2002 the School Fiscal Services Division will mail forms that advise SELPAs of the estimated additional infant units for which they are eligible in 2002-03. The final spreadsheet identifying the additional growth units that SELPAs will receive will be mailed in late October 2002.

Small or Sparse SELPAs. 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 2002. 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 COLA for special education infant programs will continue to be allocated on the basis of a fixed dollar amount. The budget provides funding to increase infant rates by an amount equal to 2 percent of the statewide target rate.

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

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Web Site: *http://www.cde.ca.gov/fiscal/special_ed*

Specialized Secondary Programs

Budget Act Item 6110-122-0001
Resource Code 7370
Education Code sections 58800 through 58806

2002-03 Budget Provisions

- The budget provides $5.1 million from the General Fund for Specialized Secondary Programs, including $68,000 for growth (1.37 percent) and $101,000 for a COLA (2 percent).
- 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 instruction, in addition to core course work, and skills in technology appropriate to the curriculum. The additional course of study is rich in curriculum content and innovative instructional methodology. It provides experiences that go well beyond those usually found in a high-quality, comprehensive high school. The range and depth of instruction in the designated subject and occupational field have a positive impact on other curriculum areas, and the quality of teaching and learning is higher throughout the school as a result.

Specialized high schools enable students who demonstrate exceptional ability, interest, or potential to use their talent as they prepare for post-secondary 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. Research on the characteristics of effective high schools, as identified in the New American High Schools Initiative, refers to the concept of a new curriculum. It is

recommended that this research be used as a guide to develop and implement Specialized Secondary Program proposals. Requests for applications are sent to county offices of education, districts, and all high school principals each August.

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

Staff Contact: *Barbara Weiss,* High School Leadership Division; (916) 319-0481; *bweiss@cde.ca.gov*

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Staff Development

ADMINISTRATOR TRAINING AND EVALUATION PROGRAM

Budget Act Item 6110-193-0001(1)
Resource Code 7320
Education Code sections 44681 through 44689

2002-03 Budget Provisions

- The budget provides $5.3 million from the General Fund to support regional School Leadership Centers (SLCs). This amount includes $70,000 for growth (1.37 percent) and $104,000 for a COLA (2 percent).

Program Information

The SLCs operate administrator training and evaluation programs that involve a three-year plan of support and development activities for school site and central district administrators. The purpose of the program is to improve administrator's clinical supervision and leadership skills.

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

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Patty Stevens, Professional Development and Curriculum Support Division; (916) 323-5838; *pstevens@cde.ca.gov* (fiscal)

Web Site: *http://www.cde.ca.gov/pd*

ADVANCED PLACEMENT CHALLENGE GRANT PROGRAM

Budget Act Item 6110-193-0001(5)
Resource Code 7274
Education Code Section 52247

2002-03 Budget Provisions

- The budget provides $8.3 million from the General Fund to fund a maximum of 550 comprehensive high schools during a four-year period. Grants will be awarded in

four stages: in Year 1, $30,000; in Year 2, $22,000; in Year 3, $15,000; and in Year 4, $7,500.

- Comprehensive public high schools meeting at least one of four funding criteria are eligible to receive grant funding. A school district may apply on behalf of eligible schools in its jurisdiction.

Program Information

The grant program is intended to ensure that all eligible high schools have four Advanced Placement courses available or accessible to interested and prepared students. All funds have been awarded, and no new schools are being considered for funding. State funds are also available to assist students with the Advanced Placement examination fee (see "Advanced Placement Examination Fees" in the "College Preparation" section). The awareness and availability of funds to pay for the examination fees is an important part of this effort.

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

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Web Site: *http://www.cde.ca.gov/pr/ap/*

BILINGUAL TEACHER TRAINING PROGRAM

Budget Act Item 6110-193-0001(2)
Resource Code 7275
Education Code sections 52180 through 52186

2002-03 Budget Provisions

- The budget provides $1.8 million from the General Fund, including $24,000 for growth (1.37 percent) and $35,000 for a COLA (2 percent).

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.

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Web Site: *http://www.cde.ca.gov/pd/bttp.html*

Summer School/Supplemental Instruction

Budget Act Item 6110-104-0001
Resource Code 0000
Education Code sections 37252 through 37253 and 42239

2002-03 Budget Provisions

- The budget provides $171.2 million from the General Fund for:
  - Remedial supplemental instructional programs for students enrolled in grades 7–12 who do not demonstrate sufficient progress toward passing the high school exit examination (*Education Code* Section 37252).
- The budget provides $49.7 million from the General Fund for supplemental instructional programs for students in grades 2–9 who are retained or recommended for retention (*Education Code* sections 37252.2 and 37252.5).
- The budget provides $17.9 million for students in grades 2–6 who have low scores in the Standardized Testing and Reporting (STAR) program (*Education Code* Section 37252.6) and for pupils in grades 2–6 who are at risk of retention (*Education Code* Section 37252.8).
  - The maximum amount of funding for pupils in grades 2–6 who have low STAR scores is capped at 5 percent of the enrollment in grades 2–6 for the prior fiscal year multiplied by 120 hours of instruction and an hourly rate of $3.45.
  - Effective January 1, 2003, the maximum amount of funding for pupils in grades 2–6 who are at risk of retention is capped at 5 percent of the enrollment in grades 2–6 for the prior fiscal year multiplied by 120 hours of instruction and an hourly rate of $3.45.
- The budget provides $211 million from the General Fund for core supplemental instructional programs (*Education Code* Section 37253).
  - Programs are capped at 7 percent of prior-year enrollment, multiplied by 120 hours of instruction and an hourly rate of $3.45.
  - A minimum funding level of $7,395 is provided for small school districts with prior-year enrollment of less than 500 and that offer at least 1,500 hours of instruction per year. Small school districts that offer less than 1,500 hours will be reimbursed at the hourly rate of $4.93.
  - The California Department of Education will allocate any unexpended balances first for deficits in mandated programs (remedial grades 7–12 and students in grades 2–9 who have been retained or recommended for retention) and second for

core supplemental instructional programs, up to 10 percent of a district's total enrollment.

- The hourly rate for supplemental instructional programs is $3.45, which reflects a COLA of 2 percent.

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 exit examination required for high school graduation. 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.

This program is funded through the principal apportionment system. Funding for supplemental instructional programs is based on the number of student hours multiplied by the hourly rate. The hours are reported on the new 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 Principal Apportionment System Rewrite (PASR) project. These data entry screens replace the former Form J-18/19, Report of Attendance, and Form J-27/28, Report of Attendance, for county offices of education. See "Calendar of Key Deadlines, 2002-03 Apportionments" for information regarding reporting dates.

This program is not included in either the general-purpose block grant or the categorical block grant for charter schools.

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

Supplemental Grants

Budget Act Item: None—appropriation in Assembly Bill 2781 (Chapter 1167, Statutes of 2002)
Resource codes: Various
Education Code sections 54761.2 and 54761.3

2002-03 Budget Provisions

- The budget package defers funding for the 2002-03 costs of this program until 2003-04.
- The budget package provides $241.7 million from the General Fund in 2003-04, including $3.2 million for growth (1.37 percent) and $4.7 million for a COLA (2 percent).

- Table 7 shows the allocation of these funds to programs.

Table 7 - Allocation of Supplemental Grant Funding

Program	Amount	Resource Code
Agricultural Vocational Education Incentive Grants	$281,231	7010
Beginning Teacher Support and Assessment	384,351	7280
Child Nutrition	3,067,615	5310
Demonstration Programs in Intensive Instruction	626,360	7050
Dropout Prevention and Recovery	6,011,652	7060, 7065, 7070, 7075
Economic Impact Aid	21,181,806	7090, 7091
Education Technology	40,531,288	7110
Environmental Education	594,294	7135
Gifted and Talented Education (GATE)	8,658,201	7140
Instructional Materials, K–8	12,922,572	7155
Instructional Materials, 9–12	9,512,835	7160
Miller-Unruh Basic Reading Program	7,361,429	7200
Opportunity Classes and Programs	7,033,745	0000
Partnership Academies	272,843	7220
Peer Assistance and Review	193,539	7270, 7271
Reader Services for Blind Teachers	6,649	7295
School-Based Management	1,157,493	7810
School Improvement Program	23,049,180	7260, 7265
School/Law Enforcement Partnership	3,291,092	6310
Specialized Secondary Programs	54,864	7370
Student Vocational Education Organizations	125,927	7360
Tenth-Grade Counseling	5,998,345	7375
Transportation—Home-to-School	89,421,687	7230
Total	**$241,738,998**	

Program Information

The local educational agency's allowance must be deposited pursuant to the program designation made in October 1995. These funds will be allocated in a single payment early in 2003-04.

The Legislature established supplemental grants to equalize categorical aid over a three-year period beginning in 1989-90. School districts could use the funds to supplement funding received pursuant to their revenue limit or to any of 27 categorical programs. The districts selected the programs to receive the "supplemental grant" funding. With the sunset of the supplemental grant legislation, the Legislature continued the funding but allowed districts to redesignate the programs that would receive the grant. The goal was to make the supplemental grant an invisible, permanent part of each selected program's funding. Subsequently, additional redesignations were allowed, and the "final, final window of opportunity" closed on October 1, 1995, as cited in *Education Code* Section 54761.2. Because of the unique funding formulas employed in the various categorical programs, supplemental grants cannot be blended into the locally designated categorical programs. Instead, the School Fiscal Services Division has had to apportion each grant separately.

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

Staff Contact: *Judith Bell*, School Fiscal Services Division; (916) 323-5833; *jubell@cde.ca.gov*

Web Site: *http://www.cde.ca.gov/fiscal/categorical/program35.htm*

Targeted Instructional Improvement Grants

Budget Act Item 6110-132-0001 and Assembly Bill 2781 (Chapter 1167, Statutes of 2002)
Resource Code: 7045
Education Code sections 54200 through 54203

2002-03 Budget Provisions

- The budget package includes $737.6 million from the General Fund, including $9.8 million for growth (1.37 percent) and $14.5 million for a COLA (2 percent).
- The budget package defers funding of $184.4 million of this amount until 2003-04.

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 2003-04.

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

Staff Contact: *Carol Presnell,* School Fiscal Services Division; (916) 327-4405; *cpresnel@cde.ca.gov*

Web Site: *http://www.cde.ca.gov/fiscal/categorical/program41.htm*

Teacher Recruitment Centers

Budget Act Item 6110-229-0001
Resource Code 6255
Education Code Section 44751

2002-03 Budget Provisions

- The budget provides $9.4 million from the General Fund for the Sacramento County Office of Education to operate six regional teacher recruitment centers.

Program Information

The Sacramento County Office of Education awarded grants of $1.4 million each to six Teacher Recruitment Initiative Program (TRIP) centers in December 2000. The centers opened in January 2001. Made up of school districts, county offices of education, and colleges and universities, the centers were established in regions with low-performing schools in which 20 percent or more of teaching staff hold emergency credentials. Teacher recruitment efforts include outreach, credential and career counseling, and marketing incentives.

The locations of the six centers are indicated on the CalTeach Web site (see below).

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

Staff Contact: *Robert Cervantes,* Professional Development and Curriculum Support Division; (916) 323-6127; *rcervantes@cde.ca.gov*

Web Site: *http://www.calteach.com*

Teaching as a Priority Block Grant

Budget Act Item 6110-134-0001
Resource Code 6265
Education Code Section 44735

2002-03 Budget Provisions

- The budget provides $88.7 million from the General Fund for a block grant to be awarded on a competitive basis to school districts that provide incentives to employ and retain teachers in low-performing schools.
- School districts apply for funding on behalf of their schools.

- Funding will be allocated to participating school districts based on the number of students enrolled in schools ranked in the bottom half of Academic Performance Index (API) scores. Schools ranked in deciles 1, 2, and 3 will receive one and one-half times the per-pupil funding of schools ranked in deciles 4 and 5.
- Teacher recruitment and retention incentives may include, but are not limited to, signing bonuses, improved work conditions, teacher compensation, and housing subsidies.

Program Information

In 2000-01, the Teaching as a Priority program awarded grants totaling $100.7 million to 277 school districts out of 579 school districts that were eligible for funding. Funding for 2001-02 was suspended. Funding information for 2002-03 will be posted on the program's Web site (see below).

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

Staff Contact: *Robert Cervantes,* Professional Development and Curriculum Support Division; (916) 323-6127; *rcervantes@cde.ca.gov*

Web Site: *http://www.cde.ca.gov/pr/tap/rfa.html*

Tenth-Grade Counseling

Budget Act Item 6110-108-0001
Resource Code 7375
Education Code sections 48431.6 and 48431.7

2002-03 Budget Provisions

- The budget provides $11.4 million from the General Fund, including $300,000 for growth (2.75 percent) and $224,000 for a COLA (2 percent). If growth funds are insufficient, CDE may adjust the per-pupil growth rates to conform to available funds.
- The funding rate per grade-ten enrollment as of October 2001 according to the California Basic Educational Data System will be $25.28. This increase reflects the 2 percent COLA.
- 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 2001 will be made in December 2002.

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

Staff Contact: *Paul Meyers,* Education Support Systems Division; (916) 445-6773; *pmeyers@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/fiscal/categorical/program18.htm*

Testing Programs

CAREER-TECHNICAL ASSESSMENT

Budget Act Item 6110-113-0001(2)
Resource Code 0000
Education Code Section 60607

2002-03 Budget Provisions

- The budget provides $871,000 from the General Fund for administration, continued development, scoring, and reporting.

Program Information

The Assessments in Career Education (ACE) program offers end-of-course examinations that recognize students who demonstrate outstanding achievement in selected career-technical areas. Recognition on this examination provides a record of student achievement on the student's high school transcript.

The program consists of five examinations in the Agricultural Core, Computer Science and Information Systems, Health Care—Level 1, Food Service and Hospitality, and Technology Core. In spring 2002 approximately 15,000 students participated in an ACE examination.

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

Staff Contact: *Mark Fetler*, Standards and Assessment Division; (916) 391-0562; *mfetler@cde.ca.gov*

Web Site: *http://www.cde.ca.gov/statetests/ace/ace.html*

ENGLISH LANGUAGE DEVELOPMENT ASSESSMENT

Budget Act Items 6110-113-0001(3), 6110-113-0001(5), and 6110-113-0890
Resource Code 0000
Education Code sections 60810 through 60812

2002-03 Budget Provisions

- The budget provides $8.4 million from the General Fund and $5.6 million in federal funds 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/statetests/celdt/celdt.html*

GOLDEN STATE EXAMINATION AND THE GOLDEN STATE SEAL MERIT DIPLOMA

Budget Act Item 6110-113-0001(1)
Resource Code 0000
Education Code sections 51450 through 51455 and 60650 through 60653

2002-03 Budget Provisions

- The budget provides $15.4 million from the General Fund for administration, continued development, scoring, and reporting.

Program Information

More than 1.2 million students participate annually in the *Golden State Examination (GSE)*. To date, 29,491 graduates have been awarded the Golden State Seal Merit Diploma (this total does not include spring 2002 *GSE* results).

According to *Education Code* Section 60653, *Golden State Examinations* are to be merged with California standards tests *(CSTs)*, unless there is no *CST* in the subject area. Two *GSE-CSTs* will be administered in 2003: high school summative mathematics and grade 11 English–language arts.

The 2003 winter *GSE* administration will consist of two examinations: economics and government/civics. The 2003 spring *GSE* administration will consist of ten examinations: first-year algebra, geometry, economics, government/civics, U.S. history, biology, chemistry, physics, second-year coordinated science, and second-year Spanish language.

All examinations include multiple-choice and essay-response components and are aligned to the state content standards. The science examinations also include a laboratory task. The Spanish-language examination includes a listening component.

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

Staff Contact: *Richard Diaz*, Standards and Assessment Division; (916) 445-8765; *rdiaz@cde.ca.gov*

Web Site: *http://www.cde.ca.gov/statetests/gse/gse.html*

HIGH SCHOOL EXIT EXAMINATION

Budget Act Item 6110-113-0001(6)
Resource Code 0000
Education Code sections 60850 through 60859

2002-03 Budget Provisions

- The budget provides $18.3 million from the General Fund for the administration, continued development, scoring, reporting, and apportionment of the *California High School Exit Examination (CAHSEE).*

Program Information

The State Board of Education approved the *CAHSEE* in December 2000. In spring 2001 the first test was offered to ninth-grade students, who took it voluntarily. In the 2002-03 school year, the *CAHSEE* will be required for tenth-grade students. Ninth-grade students are no longer allowed to test. Testing dates have been set up every other month beginning in July.

School districts must notify parents about *CAHSEE* testing. Materials for assistance are posted at the *CAHSEE* Web site (see below). Materials will include teacher guides and staff development and training materials.

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

Staff Contact: *Jan Chladek*, Standards and Assessment Division; (916) 319-0575; *jchladek@cde.ca.gov*

Web Site: *http://www.cde.ca.gov/statetests/cahsee/index.html*

STANDARDIZED TESTING AND REPORTING (STAR) PROGRAM

Budget Act Items 6110-113-0001(4), 6110-113-0001(7), 6110-113-0890, and Assembly Bill 2781 (Chapter 1167, Statutes of 2002)
Resource Code 0000
Education Code sections 60640 through 60649

2002-03 Budget Provisions

- The budget provides $60.8 million from the General Fund and $6.1 million from federal funds for administration, continued development, scoring, reporting, and apportionment associated with the Standardized Testing and Reporting (STAR) program.
- The budget also provides $8 million for STAR test development.

Program Information

The STAR program consists of three examinations: *CTB-McGraw Hill, California Standards Tests,* and *Spanish Assessment of Basic Education/2.* 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: *Phil Spears*, Standards and Assessment Division; (916) 445-9441; *pspears@cde.ca.gov*

Web Site: *http://www.cde.ca.gov/statetests/star/star.html*

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

2002-03 Budget Provisions

- The budget provides $27 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 $3.8 million of the $27 million to hire a coordinator to provide oversight, technical assistance, and training for school districts in the county.
- School districts will be allocated $23.2 million of the $27 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: *Meredith Rolfe*, Learning Support and Partnerships Division; (916) 319-0920; *mrolfe@cde.ca.gov*

Web Site: *http://www.cde.ca.gov/healthykids*

Transportation

Budget Act Item 6110-111-0001 and Assembly Bill 2781 (Chapter 1167, Statutes of 2002)
Resource codes 7230, 7235, and 7240
Education Code sections 39800 through 39860 and 41850 through 41857 (pupil transportation); and 42290 through 42293 and 42300 through 42303 (small school district bus replacement)

2002-03 Budget Provisions

- The budget package provides $519.6 million from the General Fund for pupil transportation, including $6.9 million for growth (1.37 percent) and $10.2 million for a COLA (2 percent).
- The budget package defers funding of $139.6 million of this amount until 2003-04.
- Base allocations for the transportation of severely handicapped/orthopedically handicapped (SH/OH) students (resource code 7240) will amount to approximately $19.2 million of the total appropriation.
- Base allocations for home-to-school transportation (resource code 7230) will amount to approximately $327.3 million of the total appropriation.
- The budget also provides $4.6 million from the General Fund for bus replacement in small school districts (resource code 7235), including $60,000 for growth (1.37 percent) and $89,000 for a COLA (2 percent).

Program Information

The advance apportionment for pupil transportation will be made in September 2002 and will be followed by monthly payments through March 2003. The payments that would normally be made in April, May, and June will be delayed until 2003-04. In the September advance, the current-year appropriations will be distributed proportionately to the receipt of prior-year allowances. Growth and COLA adjustments for 2002-03 will be included in November or December 2002 recertifications.

In July 2003, the advance apportionment will be recertified to reflect actual 2001-02 costs.

For the applications submitted in September 2001 for the 2002-03 bus replacement program in small school districts, funds have been awarded according to the rankings assigned in January 2002 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: *Leslie McCage*, School Fiscal Services Division; (916) 324-4537; *lmccage@cde.ca.gov*

Richard Zeiszler, School Fiscal Services Division; (916) 324-4533; *rzeiszle@cde.ca.gov*

Web Site: *http://www.cde.ca.gov/fiscal/categorical/program12.htm*
http://www.cde.ca.gov/fiscal/categorical/program17.htm

Vocational Education

CARL D. PERKINS VOCATIONAL AND TECHNICAL EDUCATION ACT OF 1998

Budget Act Item 6110-166-0890
Resource codes 3505, 3510, 3515, 3540, 3550, and 3555
Education Code sections 12050 through 12060

2002-03 Budget Provisions

- The budget authorizes an expenditure of $138.4 million in federal funds to improve secondary and post-secondary vocational and technical education programs in California. The amount available for allocation to local programs is $132.2 million, which includes $120.4 million for a basic grant and $11.8 million for tech prep.
- Eighty-five percent of the basic grant funds are distributed to secondary and post-secondary 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 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*, High School Leadership Division; (916) 445-5736; *lmurdock@cde.ca.gov*

Russ Weikle, High School Leadership Division; (916) 323-5025; *rweikle@cde.ca.gov*

Mary Smalley, High School Leadership Division; (916) 323-5741; *msmalley@cde.ca.gov*

Web Site: *http://www.cde.ca.gov/perkins*

WORKFORCE INVESTMENT ACT

Budget Act Item 6110-165-0001
Resource codes 6700, 6701, and 7810
Education Code Section 33117.5

2002-03 Budget Provisions

- The budget provides $7 million from the General Fund to support education-related activities under the federal Workforce Investment Act (WIA).
- The State Superintendent of Public Instruction allocates funds to support education in conjunction with workforce development, including occupational skills training. The funds are to be allocated in the following order of priority: (1) CalWORKs youths eligible for WIA services and (2) systems-building initiatives that will affect all students.

Program Information

This funding is allocated to school districts, independent regional occupational centers and programs, and county offices of education. It supports educational activities similar to those previously provided under the Job Training Partnership Act (JTPA), the predecessor to WIA. The funds promote collaboration among agencies in local communities to improve the delivery of youth services, especially work-related education and training.

In 2002-03, the funding will support various activities, including:

- Youth system capacity-building through regional coordination in 11 regions
- Demonstration projects for LEAs to enhance youth connections and access to one-stop systems in partnership with local workforce investment boards or local youth councils
- Communities and Schools for Career Success (CS^2), currently based in three local sites

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

Staff Contact: *Karen Humphrey*, High School Leadership Division; (916) 322-5048; *khumphre@cde.ca.gov*

Web Site: *http://www.cde.ca.gov/shsd/wdp*

Year-Round Education Grants

Budget Act Item 6110-224-0001
Resource codes 0000 and 7380
Education Code sections 42260 through 42268

2002-03 Budget Provisions

- The budget provides $82.7 million from the General Fund for operational grants (resource code 0000), including $1.1 million for growth (1.37 percent) and $1.6 million for a COLA (2 percent).
- The budget provides $1.4 million from the General Fund for implementation grants (resource code 7380).
- Applications for grants are received annually. If claim requests exceed funds available, payments may be prorated.

Program Information

Information on the 2002-03 grant program was mailed to local educational agencies, and the application was posted to the program's Web site in May. The postmark date to return applications to CDE was September 1, 2002.

The State Allocation Board increased the lease-purchase program costs avoided per pupil to $1,353 in December 2000. This increase was implemented beginning in the 2001-02 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/facilities/yearround*