

2000-01

K-12 Education

The academic achievement of California's 5.8 million pupils remains the Administration's highest priority. This year, the Budget reflects that priority by providing an additional \$2.9 billion in total resources for K-12 above the 1999 Budget Act. As indicated in [Figure K12-1](#), over \$47.0 billion will be devoted to California's 988 school districts and 58 county offices of education, resulting in estimated total per-pupil expenditures from all sources of \$7,453 in fiscal year 1999-00 and \$7,793 in 2000-01. [Figure K12-2](#) displays the various sources of revenue for schools.

Total Proposition 98 support for K-12 education will increase 6.5 percent in 2000-01, over the 1999-00 Budget Act level, for a two-year total increase of \$2.2 billion over the 1999 Budget Act level. The over appropriation of the minimum calculated guarantee is \$184.1 million in 1999-00 and \$257.4 million in 2000-01. This level of resources results in K-12 Proposition 98 per-pupil expenditures of \$6,313 in 2000-01, up from \$5,757 in 1998-99, and \$6,045 in 1999-00 (see [Figure K12-3](#)).

Funding reported by schools from their general fund, the various categories of expenditure, along with the respective shares of total funding for each category, are displayed in [Figure K12-4](#). All costs shown are those reported to the State by schools using the definitions specified in the California School Accounting Manual.

Governor's Education Initiatives

This Governor's Budget continues the work begun last year, by implementing and building upon reforms enacted to set higher expectations for our schools, teachers, and pupils. To that end, the Budget includes Governor's Education Initiatives, totaling \$898.4 million. Of this amount \$75.3 million is proposed in the University of California (UC) budget, \$12.5 million is proposed in the California State University (CSU) budget, \$50.0 million is proposed in the Department of Housing and Community Development and \$760.6 million is allocated through K-12 programs, targeting the following three areas:

- Student Achievement.
- Teacher Recruitment and Training.
- Technology and Academic Partnerships.

Student Achievement

In response to the Governor's leadership on educational reform, California last year adopted some of the highest expectations for its primary and secondary students found anywhere in the nation, and enacted a new accountability program for student achievement. This program defines a low-performing school as one that scores in the bottom half of California's schools. The Budget builds on these reforms by proposing \$202.1 million for initiatives to improve academic

achievement and reward teachers and students meeting California's high expectations with excellent results.

Governor's Merit Scholarships—The Budget provides \$112.0 million for California's first merit-based student scholarship program, to be proposed through legislation. This program will provide higher education scholarship awards of \$1,000 each to public school students in the 9th, 10th, or 11th grades who achieve a score on the Standardized Testing and Reporting (STAR) examination that is among the top 10 percent in their grade level in the State, or among the top 5 percent at their school. Awards will be invested in a Golden State ScholarShare Trust Account earning a guaranteed rate of return, and will be available to pay for eligible educational expenses until the beneficiary reaches the age of 30.

Governor's Distinguished Math and Science Scholars Program—Encouraging high school students to pursue rigorous course work leading to careers in scientific and technical fields is a high priority of the Administration. To that end, the Budget includes an additional \$6.0 million to provide supplementary higher education scholarship awards of \$2,500 each to students earning an award under the Governor's Merit Scholarship Program who also achieve the top score on both an Advanced Placement (AP) calculus and an AP science examination.

Intensive Algebra Academies and Teacher Training—Modeled after this year's Intensive Reading Academies for students in grades K-4, the Budget provides \$18.0 million to establish the Intensive Algebra Instruction Academies Program for pupils in grades 7 and 8 who will be required to pass the High School Exit Examination in order to graduate. Instruction in pre-algebra and algebra will be offered during the summer, before school, after school, during intersession, and on Saturdays. Academies will provide the equivalent of six weeks of instruction, four hours per day, to 50,000 students. Additionally, \$3.2 million is provided for one-week teacher training institutes that will be provided to teachers prior to the beginning of instruction in the Algebra Academies' \$1.5 million is for stipends of \$1,500 each for 1,000 teachers and \$1.7 million will be provided to UC to conduct this teacher training.

California State Summer School in Mathematics and Science—\$1.0 million is provided to UC to increase the summer school in Math and Science Program. This residential program, a partnership of UC, CSU, private universities, and industry, engages the most creative minds of our next generation of scientists, engineers, and mathematicians. The first class of 300 secondary students will participate in the summer of 2000. The Budget proposes to double funding through UC for this program to \$2.0 million to establish the program at two additional campuses and to allow 600 students to participate in the summer of 2001.

Summer School Instruction—The Budget proposes to consolidate the existing remedial and core summer school programs into one program in an effort to simplify administration of these programs. School districts will receive, on average, funding sufficient to provide instruction for 18 percent of their total enrollment. First priority for these funds will be to provide remedial instruction to those pupils required by law to receive it—those who are retained from passing from one grade to the next and those who are at-risk of not passing the High School Exit Exam. In addition, the Budget includes \$61.9 million for a rate increase in supplemental instruction programs that raises the per hour funding level from \$2.50 per hour to \$3.00 per hour.

Teacher Recruitment and Training

Research shows that teacher quality is one of the most important factors in student performance. The Budget builds on the success of last year's teacher recruitment and training initiatives by

proposing \$144.7 million within the K-12 budget to provide better recruitment, more incentives for teaching, and significantly expanded professional development opportunities.

Teacher Recruitment Campaign—The Budget provides \$9.4 million to establish five regional recruitment centers to help schools with a high concentration of emergency permit holders recruit fully credentialed teachers. The goal of the centers is to reduce the number of emergency permit holders below the statewide average of ten percent. The Sacramento County Office of Education, currently operating a model teacher recruitment center, will administer the grants to the recruitment centers and provide technical assistance.

Additional funding of \$9.0 million is provided to support an outreach and media campaign for teacher recruitment targeted to the areas of highest need in the state and to recruiting teachers from outside of California. These funds are included in the CalTeach program within CSU.

To help school districts improve their personnel systems and practices to more successfully recruit teachers, the Budget also provides \$1.0 million for technical assistance through the Fiscal Crisis and Management Assistance Team.

Governor's Teaching Fellowships—The Budget provides funding to establish the Governor's Teaching Fellowships, which will provide \$20,000 graduate fellowships to 1,000 teaching candidates who commit to teach in low-performing schools for four years. Fellowship awards will be based on the candidate's commitment to teach in a low-performing school and the individual's potential as a qualified teacher candidate. The Budget provides \$3.5 million for 25 percent, or 250, of the Fellowships beginning in January 2001 and includes resources for CSU to operate this program.

Assumption Program of Loans for Education—This Program assumes up to \$11,000 in student loans for teachers who agree to teach up to four years in a shortage area. The Assumption Program of Loans for Education (APLE) program is being expanded from 5,500 awards in the current year to 6,500 awards in 2000-01. The Administration strongly supports the expansion of the APLE along with a number of other new teacher recruitment programs designed to place more fully credentialed teachers in the classroom.

State Teachers' Retirement System Earnings Limit Removal—As an incentive for retired teachers to return to the classroom in areas of need, the Budget calls for legislation to suspend the statutory earnings limitation for retirees of the State Teachers' Retirement System.

Teacher Housing Incentives—The Budget provides \$50.0 million for forgivable loans to 5,000 fully-credentialed teachers teaching in low-performing schools. Teachers must teach in a hard-to-staff school for at least four years to qualify for the full amount of the incentive. The maximum loan amount is \$10,000 per teacher.

Alternative Certification Program—The Budget provides \$20.8 million from the General Fund to expand the Program to 5,400 additional participants and provide an increase in the grant level from \$1,500 to \$2,500 per intern. The Alternative Certification Program allows individuals pursuing teaching as a second career to complete teacher preparation while also serving as classroom teachers. School districts and universities jointly provide training and support to the interns.

National Board of Professional Teaching Standards Certification—The National Board of Professional Teaching Standards has developed rigorous standards for what accomplished teachers should know and demonstrate in the classroom. Moreover, rewarding teacher achievement is consistent with the goal of improving student learning in California schools. To

this end, the Budget includes \$5.0 million to provide stipends of \$10,000 each to teachers obtaining certification from the Board and \$10.0 million for additional stipends of \$20,000 each to certified teachers committing to teach for four years in schools with test scores in the bottom 50 percent of public schools in California.

Credentialed Teacher Recruitment Program—The Budget provides \$52.0 million to provide incentives to hire fully credentialed teachers in low-performing schools. The Program offers fully credentialed teachers a \$2,000 incentive dedicated to classroom use if they commit to teach in a low-performing school. Low-performing schools would also receive \$2,000 for every emergency permit holder whom they replace with a fully credentialed teacher. The Budget provides \$896,000 and ten positions to the Commission on Teacher Credentialing to implement the Program.

Professional Development Institutes—Improving teacher quality requires a significant commitment to teacher training. The Budget proposes \$48.0 million for new incentives for teachers to attend the following Professional Development programs operated by UC, which will serve a total of over 70,000 teachers in these new programs 2000-01:

— \$20.0 million in stipends for 20,000 secondary school teachers attending week-long Math and English Professional Development Institutes, focusing on improving student ability to pass the High School Exit Exam and meet the requirements for admission to institutions of higher education.

— \$14.0 million in stipends for 14,000 pre-kindergarten and grade 1 through 3 teachers attending Reading Professional Development Institutes. These Institutes provide teachers with intensive training in best practices for teaching reading to students in these grades.

— \$5.0 million in stipends for 5,000 grade 9 through 12 teachers attending English Language Learner (ELL) Institutes, where they receive special training to serve students for whom English is a second language.

—\$5.0 million in stipends for 5,000 grade 4 through 6 teachers attending Math Institutes which specialize in teaching mathematics in elementary classrooms. Participants will become teacher leaders at their schools, allowing them to assume more responsibility for mathematics instruction and offer training and support to other teachers of mathematics.

—\$2.5 million in stipends for 2,500 grade 9 through 12 teachers attending Algebra Institutes, where they receive two weeks of training to assist them in preparing students to pass the High School Exit Exam.

— \$1.5 million in stipends for 1,000 grade 7 and 8 teachers attending Pre-Algebra and Algebra Academies during the summer or intersession.

California Subject Matter Projects—The Budget provides \$20.0 million for UC to expand these projects to additional sites statewide. The California Subject Matter Projects offer a focus on best practices in the teaching of core subject matters: English, social science, history, science, and math.

Beginning Teacher Support and Assessment Program—The Budget includes a \$15.4 million expansion of the Program. This increase will fund an additional 3,500 grants to serve a total of 26,500 beginning teachers, fully fund the current year participants, and provide a cost-of-living adjustment (COLA).

Technology and Academic Partnerships

The Public Schools Accountability Act (PSAA) started California schools on the path toward accountability for improved student achievement. The State currently provides significant funding for school reforms, in addition to financial incentives for students, teachers, and schools to improve performance. The Budget builds on these programs with the following:

AP Courses for High School Students—In addition to providing challenging and rigorous academic coursework, AP courses can increase a student's grade-point average, improve competitiveness for admission to California's most selective public universities, and lead to college course credit. The Budget provides:

— \$500,000 for the Secretary for Education to work with school districts and institutions of higher education throughout California to help ensure that all students in California who desire to take AP courses have access to them, beginning in 2000-01 and fully implemented by Fall 2001.

— \$8.0 million for teacher training to assist teachers in preparing students for AP coursework.

— \$5.0 million in federal funds to expand the Advancement Via Individual Determination (AVID) tutoring program.

—An augmentation of \$3.0 million for a total of \$7.0 million, for UC to expand its on-line AP course development efforts, resulting in completion of five courses in 2001.

Education Technology—The provision of computer technology to enhance classroom instruction is necessary to prepare California's children for the future. To meet this need, the Budget includes the following:

— \$285,000 and 2.8 positions to support the Commission on Technology in Learning. The Commission, pursuant to implementing legislation (Chapter 830, Statutes of 1999), will be making recommendations regarding a statewide master plan for the use of education technology in public schools, dissemination of technology resources, and evaluation guidelines.

— \$300,000 in federal funds for the completion of a survey on existing information technology in schools such as the technological level of computer hardware, software and wiring, and the technological expertise of teachers in public schools.

— A one-time appropriation of \$175.0 million in Proposition 98 funds to increase access to education technology. Funds will be allocated by the Office of the Secretary for Education (OSE) through a grant process with eligibility criteria to be specified in legislation. First priority for these funds will be those high schools that do not currently offer AP courses so that those courses may be accessed on-line. Second priority for these funds will be increasing the number of computers in schools.

—A one-time appropriation of \$25.0 million for intensive staff development on the use of technology in the classroom. Staff development will be provided by the CSU system through a contract with the OSE.

— \$164.0 million for the fourth and final year of implementation of the Digital High School Program, as well as the maintenance and staff development for the schools which implemented the Program in the initial three years.

PSAA—Enacted last spring, the PSAA provided \$96.2 million for the Immediate Intervention/Under-performing Schools Program. Under this program, 430 schools will receive funding for up to three years to implement locally determined reforms leading to higher student achievement. The Budget provides \$18.7 million to provide planning grants for a second cohort of 430 schools.

The Budget also includes \$1.0 million for the State Board of Education to conduct a public information campaign regarding California's accountability program, including the Academic Performance Index, STAR examination, and the programs authorized by the PSAA.

Partnership Academies—These academies forge links between business partners and public K-12 schools to provide school-to-career training for students and encourage all students to set their sights high throughout school and beyond. The Budget proposes to establish 50 new Partnership Academies by providing \$1.4 million to fund 25 planning grants and 25 implementation grants.

Assessment Instruments—The Budget provides a total of \$43.5 million for the ongoing development and administration of California's state testing program, including the High School Exit Exam, English Language Development Assessment, the STAR examination, and the Golden State examinations.

Work Ability Program—The Budget allocates \$7.0 million, for a total of \$22.9 million, to expand this program, which provides special education students with necessary skills to successfully enter the workforce.

Academic Volunteer and Mentor Service Program—The Budget includes \$5.0 million to expand the volunteer mentor service program bringing the total support for this program to \$15.0 million to match 30,000 at-risk children and youth with caring adult role models. This program provides one-to-one academic mentoring for positive guidance, improved school behavior, and academic progress, and provides valuable benefits to both the student and the mentor. This augmentation will be targeted at increasing the number of university students who are academic mentors.

College Mentors—Additionally, \$5.0 million in Goals 2000 funds will be used to provide stipends to university students that become tutors and mentors to high school students. This expands an existing program for elementary school students, operated collaboratively by all segments of education.

Teacher Credentialing Commission

Customer Service Improvements—The Budget provides \$551,000 and 7.5 positions to the Commission on Teacher Credentialing (CTC) to reduce the processing time of teacher credentials and to establish a toll-free customer service phone line to give credential applicants more access to the resources of the CTC.

Examination Validity Studies—The Budget provides \$1.2 million for contractor services to prepare validity studies of major examinations administered by the CTC. The CTC administers examinations that serve as prerequisites for obtaining teaching credentials, such as the California Basic Educational Skills Test, and Reading Instruction Competence Assessment examinations.

The studies ensure that the examinations test the knowledge and abilities they are designed to test but do not unfairly exclude qualified individuals from the teaching profession.

Childcare

Childcare Policy Review—The Administration is cognizant of the great need for subsidized childcare—both for former California Work Opportunity and Responsibility to Kids (CalWORKs) recipients and for the working poor. This Budget fully funds both the current year shortfall and the estimated budget year cost for Stage 3 childcare for those families that have reached the two-year limit on transitional benefits. This spring, the Administration will conduct a review of childcare policies and resources, including ways of funding child care demand for families transitioning off of CalWORKs and slots for the working poor within available resources. This review will examine current eligibility standards, family fees, federal and state subsidy levels, and how our existing resources may be more efficiently focused to more equitably serve the state's neediest families.

Childcare for CalWORKs Families

Childcare services help public assistance recipients achieve and maintain self-sufficiency. The Budget, therefore, increases the availability of childcare for families who are participating in the CalWORKs program in the following areas:

Increased Childcare Services—The demand for childcare slots will increase as more aid recipients enter training programs and join the workforce. The State Department of Education's (SDE) funding for CalWORKs-related care will be increased by a total of \$280.7 million, including an increased transfer of \$185.6 million from the Temporary Assistance to Needy Families Block Grant to the Childcare and Development Block Grant for Stage 2. Stage 3 childcare caseload for former CalWORKs families who have exceeded the two-year transitional benefit is estimated to increase by \$95.1 million over the current year budget level and is fully funded with a combination of General Fund and federal Childcare and Development Block Grant funds. Also, a \$6.0 million increase is provided in 1999-00 from prior-year savings to cover a shortfall in the previous estimate of the Stage 3 need.

Funding for Stage 2 and 3 childcare will total over \$782.0 million, sufficient to serve an estimated average monthly caseload of about 143,000 children. Additionally, a reserve of over \$150.0 million is separately budgeted and available to both the SDE as well as the Department of Social Services to ensure sufficient availability of funding for Stages 1 and 2 as county programs continue to mature.

Other Augmentations to Childcare and After School Programs

In addition to the increases described above, the Budget proposes the following significant adjustments.

Subsidized Preschool—The Budget provides an increase of \$46.8 million for State Preschool, including annualization of the 1999-00 expansion (\$23.0 million) and one-half year funding for the second increment of expansion proposed to increase services to 100,000 children by the end of 2000-01 (\$23.8 million). Also, the Budget provides \$27.3 million for a 2.84 percent COLA for all eligible childcare programs.

Increase the Number of Childcare Facilities—To address the lack of childcare centers in underserved areas and consistent with the continuing State Preschool expansion, \$25.0 million in one-time Proposition 98 General Fund and

an estimated \$31.2 million in one-time prior-year childcare savings, a total of \$56.2 million, are transferred to the Childcare Facilities Revolving Fund. These funds will be used to purchase and install new portable childcare facilities for state-subsidized centers.

California School Age Families Education Program—A \$31.5 million increase in local assistance is proposed to enhance the level of supportive services and childcare provided to pregnant and parenting teens as existing Pregnant Minor Programs, Pregnant and Lactating Students, and School Age Parenting and Infant Development programs convert to the new, more comprehensive program.

Childcare Center Accreditation—High quality childcare provides a foundation to ensure success in elementary school. Therefore, \$5.0 million in one-time funds available for childcare is proposed to create incentives for state-subsidized centers to achieve and maintain accreditation. This funding would be allocated to non-profit groups in order to leverage a non-state funding match of \$2 for every dollar of state funding. Awards would be provided to centers that agree to partner with under-performing schools and could be spent for staff stipends and other costs of the accreditation process. Statewide, it is estimated that 500 to 600 childcare centers will qualify for these funds.

Quality—The Budget proposes a \$10.0 million increase from federal and one-time funds for other quality assurance functions including \$2.5 million to double the level of training of CalWORKs recipients as childcare providers and teachers, \$1.5 million to conduct centralized waiting list pilot programs, and \$6.0 million to implement new playground safety regulations at state-subsidized childcare centers. Total State quality enhancement expenditures continue to exceed federally required minimums and total over \$73.0 million through the SDE programs and projects alone.

After School Programs—The Budget proposes \$3.4 million is proposed to support the After School Learning and Safe Neighborhoods Partnerships Program, including \$3.0 million for expansion of technical assistance services, \$294,000 for state-level evaluation and technical assistance workload, and \$100,000 for program evaluation modeling.

Support of Childcare Agencies—The Budget includes \$375,000 for state operations to improve childcare agency compliance with eligibility standards and quality requirements through increased site visit review cycles, follow-up monitoring for violators, and increased technical assistance to new providers and program directors.

Special Education

Funding Adjustment—The Budget reflects the third year implementation of the new funding formula prescribed by Assembly Bill 602 (Chapter 854, Statutes of 1997). A total of \$160.3 million in additional Proposition 98 local assistance is provided for special education, including a \$84.7 million increase for a COLA; a \$40.4 million increase for program growth; \$7.0 million to expand the Workability I program, and a \$24.6 million reduction to reflect an increase in property taxes.

In addition, \$60.8 million in new federal funds are available for expenditure on special education programs. Of this amount, \$33.2 million is dedicated to equalization of special education funding in districts below the statewide average per-pupil funding level. The remaining \$27.6 million is available to provide an adjustment to districts with higher-than-average populations of students with low-incidence disabilities.

The Budget also includes adjustments of \$36.0 million for the budget year cost of a prior year correction to special education and \$16.8 million for a deficiency in the special education program due to 1999-00 Average Daily Attendance (ADA) increases.

State Special Schools—The Budget includes \$3.9 million and 20 new positions for the State Special Schools. The State Special School for the Deaf, Riverside, increases include \$487,000 and two positions for school safety purposes, \$544,000 and six positions for workload increases, enhancement of reading and speech instruction and development and coordination of accountability programs, and \$1.9 million for roof replacement and bathroom remodeling.

Funding for the State Special School for the Deaf, Fremont, is increased by \$539,000 and six positions to improve speech and sign language instruction, enhance instruction to learning disabled pupils, assessment standards, and accountability coordination and development.

Augmentations for the School for the Blind, Fremont, include \$226,000 and three positions to provide assessment services at the current level of service due to workload increases, \$146,000, for two positions and Braille translation technology to provide for a Media Resource Center, and \$72,000 and one position to coordinate recreational activities for blind pupils.

K-12 School Facilities

School Construction—In November 1998, voters passed Proposition 1A which provides \$6.7 billion in general obligation bond funds for K-12 school construction over four years. The first \$3.35 billion was immediately available. The total bond funds include \$2.9 billion for new construction, \$2.1 billion for modernization, \$1.0 billion for hardships, and \$700.0 million for new K-3 Class Size Reduction facilities.

Proposition 1A bond proceeds are being apportioned to school districts in a timely and efficient manner. As of December 8, 1999, \$2.5 billion or 76 percent of the first \$3.35 billion had been apportioned to school districts for purposes of K-12 school construction. An additional \$3.35 billion will be available July 1, 2000, for the next two years. Of this amount, \$1.55 billion will be for new construction, \$1.3 billion will be for modernization, and \$500.0 million for hardships.

Deferred Maintenance—As part of the Administration's commitment to K-12 school facilities, the Budget provides a total of \$165.9 million Proposition 98 General Fund, an increase of \$22.3 million, for the K-12 Deferred Maintenance Program to fully fund the statutory one-half of one percent state match. These funds, along with excess loan repayment funds and School Site Utilization Funds, will provide a total of \$185.3 million which when leveraged with the local match will provide a total of \$370.6 million for K-12 deferred maintenance needs.

California State Library

The 2000-01 Governor's Budget includes the following augmentations for the California State Library (CSL):

- **The California Newspaper Project**—The Budget provides \$300,000 for the California Newspaper Project (CNP) to begin microfilming California newspapers for preservation. The CNP is one of 53 projects nationwide funded by the National Endowment for the Humanities as part of the United States Newspaper Program. The CNP's goals are to record in the Online Computer Library Center the titles and holdings of all United States newspapers in California repositories and to ensure the survival of California newspapers by means of preservation microfilming.
- **California Research Bureau**—The Budget includes a \$500,000 augmentation to expand the research capacity of the California Research Bureau (CRB). The CRB provides independent, nonpartisan public policy research to the Administration and the Legislature. The CRB currently specializes in several broad policy areas such as local government, education, and welfare, and will expand to include new areas that will be the focus of considerable attention in the future, such as taxation, family and civil law, and

public utilities. Expansion of the CRB will allow the CRB to respond more effectively to the increased work requests from the Administration and the Legislature.

- **Transaction Based Reimbursements**—The Budget provides an augmentation of \$1.8 million for the Transaction Based Reimbursements program (TBR). Through the TBR program, the State provides reimbursement for the handling costs incurred when a library loans materials to another library or to a resident of another library's jurisdiction. The program is critical to providing equal access to library materials to all California residents by facilitating the exchange of materials among libraries throughout the state that participate in the TBR program. This augmentation will fund the increased number of loans for 2000-01, as well as provide a rate increase for reimbursement of those loans to ensure that libraries can continue to afford to participate in the TBR program.
- **Families for Literacy Program**—The Budget includes a \$508,000 augmentation for the Families for Literacy Program which provides intervention for children who are at-risk of failing to develop literacy skills because their parents or primary caregivers are illiterate. This augmentation will provide sufficient funding to fully fund the existing 58 participating library jurisdictions.
- **Other Adjustments**—The Budget includes an additional \$1.3 million for the CSL to address various workload needs, including an inability to serve patrons, severe backlogs in cataloging, and urgent maintenance and repairs.

Proposition 98 Funding Guarantee

The total 2000-01 Proposition 98 guarantee is projected to be \$40.4 billion, an increase of \$2.2 billion over the revised 1999-00 guarantee level. The General Fund makes up approximately 69 percent, or \$27.9 billion, of the total guarantee (see [Figure K12-5](#)). The over appropriation of the minimum calculated guarantee is \$257.4 million in 2000-01.

The total 1999-00 Proposition 98 guarantee is expected to increase by \$246.7 million from the 1999 Budget Act level. This is due to an estimated increase in property tax receipts of \$205.9 million plus an increase in the General Fund share of the guarantee of \$40.8 million. The \$40.8 million increase is due to the proposed one-time appropriation for Education Technology (\$100 million), the proposed one-time appropriation for childcare facilities (\$25 million), legislation enacted at the end of the legislative session (\$23.1 million), increases in estimated ADA growth (\$133.4 million), and miscellaneous adjustments (\$3.7 million), offset by a set-aside for childcare that was never appropriated (\$50 million) and property tax receipts that offset ADA growth (\$194.4 million). The over appropriation of the minimum calculated guarantee is \$184.1 million. Because of the over appropriation of the guarantee, there is no remaining balance owed to satisfy the Proposition 98 funding requirement for 1999-00, and therefore, no "settle-up" funding for one-time purposes.

The total 1998-99 Proposition 98 guarantee increased by \$38.5 million over the 1999 Budget Act level. The General Fund share of the guarantee decreased by \$127.2 million due to lower total school district and county offices of education apportionment costs which were offset by higher-than-expected property tax collections for the fiscal year of \$165.7 million. Because of the over appropriation of the guarantee, there is no remaining balance owed to satisfy the Proposition 98 funding requirement for 1998-99, and therefore, no "settle-up" funding for one-time purposes.

Other Adjustments

- Enrollment growth funding of \$368.6 million for school district and county offices of education apportionments (\$319.1 million), summer school (\$9.1 million), and special education (\$40.4 million).

- A \$783.7 million COLA (2.84 percent) for school district and county offices of education apportionments (\$668.7 million), summer school (\$9.4 million), special education (\$84.7 million), and child development (\$20.9 million).
- An augmentation of \$208.9 million for categorical program growth (\$59.7 million) and a 2.84 percent COLA (\$163 million).

Principal Apportionments System Rewrite—The Budget provides a \$1.0 million augmentation for continued implementation of the Principal Apportionments System Rewrite (PASR), bringing total state funding to \$1.7 million. The PASR is a six-year project to update the automated systems that allocate state funds to Local Education Agencies. The project is currently scheduled to be completed by the end of the 2002-03 fiscal year.

California School Information System—The Budget proposes \$10.0 million to continue development of the California School Information System (CSIS) and to expand voluntary school district use of the system. The CSIS will facilitate the transfer of student records between school districts when a student relocates to a new district, thereby accelerating the placement of that student in an appropriate learning environment. The System is also being designed to have the additional benefit of reducing the burden of reporting data to the State.

Summary of all one-time appropriations from the Proposition 98 Reversion Account:

- \$88.0 million for continued implementation of the Digital High School program.
- \$16.8 million to fund the 1999-00 special education deficiencies.
- \$8.0 million for voluntary desegregation programs.
- \$4.5 million to fund the 1997-98 deficiency in the remedial summer school program for grades 7 through 12.
- \$1.0 million to FCMAT to provide professional technical assistance to school districts.
- \$800,375 to fund the 1998-99 deficiency in the Child Nutrition Program.
- \$320,000 for continued implementation of the Student Friendly Services Through Technology Project.