

Budget Update – May 24, 2007

The Senate and Assembly have completed their versions of the 2007-08 State Budget. For K-12 education, the general policy was to meet the \$364 million May Revision shortfall through reductions in the new ongoing programs proposed in the May Revision. The 4.53% COLA for all programs that generally receive a COLA was approved.

Estimated Average Revenue Limit and 2007-08 COLA

	2006-07	2007-08	COLA	Dollars
Elementary	5,334	5,576	4.53%	\$242
High School	6,398	6,688	4.53%	\$290
Unified	5,562	5,811	4.53%	\$252

Both the Senate and Assembly rejected using Public Transportation Account funds to reimburse the state General Fund for home-to-school transportation costs. The effect was to reject the Governor's January Budget proposal and not adopt the later amendments to the proposal.

Both the Senate and Assembly rejected the following May Revision proposals:

- \$50 million for Career Technical Education (CTE) teachers
- \$50 million for A-G course teachers
- \$25 million for additional CTE counselors
- \$50 million for preschool expansion
- \$48 million for supplemental instruction deficiencies
- \$100 million for school safety infrastructure plans
- \$9 million for school safety resource officers
- \$8.7 million to counties for California High School Exit Exam assistance
- \$8.365 million for county office nutrition training
- Reduced from \$43.9 million – the original proposal – to \$18 million for charter school facilities programs

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Both the Senate and Assembly approved the following:

- \$25.7 million for more child care stage 2 costs
- \$269 million for child care stage 2 shift
- \$25 million for increase school meal reimbursements
- \$6.8 million for child care increase
- \$7.7 million for child care stage 2 and 3
- \$65 million for CALPADS but with different budget language in each House

Assembly Approved – Not Senate

- \$2.4 million reduction for grade 2 testing sunset
- \$8.1 million reduction for negative growth in some categorical aid programs
- \$13.0 million for economic impact aid growth
- \$50 million for reduction for Community-Based English Tutoring
- \$20 million for preschool infrastructure

Senate Approved – Not Assembly

- \$30 million for alternative/court schools block grant
- \$50 million for set-aside for declining enrollment costs
- \$12 million for EnCorp teacher recruitment program

Both Senate and Assembly approved with different dollar amounts

State Mandates

Senate: \$97.86 million

Assembly: \$79.4 million

English Learner Instructional Materials

Senate: \$12 million

Assembly: \$19 million

These are the most significant actions. The fact that the Assembly and Senate took the same action on many programs does not mean that will be the final action in the final budget.

The Governor and legislative leadership will now start their negotiations which can change any of the Subcommittee actions. We have finished Act 1, Scene 3 of the annual budget play. We are starting Act 2, Scene 1.