

GOVERNOR UNVEILS 2004-05 STATE BUDGET
School Library Fund Suggested For Elimination

Overall K-12 Funding

In 2004-05, total expenditures from all sources of revenue will be \$58.1 billion. This is \$1.9 billion more than the current 2003-04 budget. These sources include teacher retirement costs, capitol outlay, local miscellaneous and debt services funds and bond interest. Total Proposition 98 funding is proposed to be \$46.7 billion, which is an increase of \$769 million over the revised 2003-04 guarantee.

Budget Highlights

Growth & COLA – The budget provides \$264.8 million for school districts and \$15 billion for county office revenue limits and \$37.4 million for special education growth. For 2004-05 total ADA growth is projected to be 1.02 percent. The cost of living adjustment (COLA) is 1.84 percent and will be funded at \$554.8 million for school districts and county offices. Significantly, the budget also provides \$89 million for statutory growth adjustments and \$115 million for COLA adjustments for categorical programs.

Agreement With Education Coalition

In December 2003, the Governor reached agreement with the Education Coalition on the broad funding levels in the 2004-05 budget. Under the requirements of Proposition 98, K-14 education is due to receive, in 2004-05, approximately \$4 billion in revenues beyond those in the current 2003-04 base. The agreement calls for \$1.9 billion of required 2004-05 Prop 98 increases to be “deferred” into future years. The Governor has committed to the Education Coalition that general purpose funding through enrollment growth and COLA will be the first priority for the 2004-05 budget and future years and that when restoration of the maintenance factor occurs additional priorities will be (in ranking order):

1. Restore deficits in apportionments, including cost-of-living adjustments, that were made in 2003-04;
2. Fund valid deferred mandate reimbursements; and
3. All remaining funds would be split between general purpose apportionments and other State funding priorities in a 75 to 25 percent ratio.

Additionally, \$1 billion in Proposition 98 appropriations estimated to be required for 2002-03 and 2003-04 above the current level of the budgets for those years is proposed to be deferred and repaid in a series of statutory appropriations beginning in 2006-07. It is estimated that it will take approximately 5 years for repayment to be completed.

K-12 Categorical Funding/Reduction of Programs

The budget proposes reducing the number of State funded categoricals from 88 to 49. The budget proposes to shift \$2 billion from 22 categorical programs to revenue limits for all LEAs (Local Education Agencies), including charter schools, currently receiving those funds. (The funding for these 22 programs will be folded into the revenue limit and can be used for any purpose.) The programs designated for inclusion into the revenue limit are:

- Home-To-School Transportation \$519.6 million
- Targeted Instructional Improvement Grant \$205.1 million
 - (non-court ordered programs only)
- Year-Round Schools \$84.1 million
- International Baccalaureate \$1.1 million
- Pupil Residency Verification \$0.16 million
- Teacher Dismissal Apportionment \$0.04 million
- School Improvement \$396.1 million
- Supplemental Grants \$161.7 million
- Instructional Materials Block Grant \$175 million
- School Library Fund \$4.2 million
- Staff Development Buyout \$235.7 million
- Beginning Teacher Support & Assessment \$87.5 million
- Integrated Staff Development \$2 million
- Bilingual Teacher Training \$1.8 million
- Math & Reading Professional Development \$31.7 million
- Peer Assistance and Review \$25.9 million
- Dropout Prevention \$21.9 million
- At-Risk Youth \$0.6 million
- Tenth Grade Counseling \$11.4 million
- English Learner Student Assistance \$53.2 million
- Specialized Secondary Program grants \$5.1 million
- Center For Education \$0.25 million

CSLA Needs To Begin Lobbying Efforts Now

The Governor's proposed budget will make radical changes in the nature of how California funds categorical programs. The budget proposal does give school districts much greater flexibility over the use of funds. However, school library funds could easily be utilized to subsidize textbook purchases as was done for years prior to the implementation of a requirement to fund school libraries.

CSLA members need to communicate directly with their State Senators and Assembly Members to argue for the importance of the School Library Fund and the need to maintain it as an independent categorical program. There is an overwhelming body of research indicating the important relationship between a quality school library and student achievement. The elimination of the state's school library program would be a major blow to the efforts that have been made over the last several years.

January 13, 2004

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