CCSESA FOCUS

An Update to County Superintendents of Schools

Tuesday, February 23rd, 2016

LAO Raises Concerns with Early Education Block Grant

Last week the Legislative Analyst's Office (LAO) released their analysis of the Proposition 98 Education portion of the Governor's proposed 2016-17 state budget. The report is available <u>here</u>.

We have been contacted by several county superintendents expressing concern about the Governor's proposed early education block grant. The LAO also raises numerous concerns, which are likely to add weight to a growing sense that there are too many unanswered questions for the Governor's proposal to be enacted this year. The LAO devotes an extensive section of the report to discussing current law and the Governor's proposal (pages 28-34 of the report), and identifies eight key issues to be addressed: one consolidated funding stream; specific eligibility criteria; funding linked to children; convenience to families; developmentally appropriate activities; minimum staffing requirements; basic reporting requirements, and; identifying providers of services.

There are other portions of the report that may be of interest to county superintendents.

Pages 23-24 discuss the potential impact of a proposal to extend the higher income tax rates approved under Proposition 30. Under most of the economic scenarios projected by the LAO, Proposition 98 education would receive about 50% of the revenues generated by such an extension of the higher income tax rates.

The LAO proposes a substantial revision to the mandated cost reimbursement system, including a per countywide ADA allocation to county offices of education and a minimum grant level to county offices (Pages 36-43).

There is a discussion of funding issues related to special education funding in general, and also specifically related to infants and toddlers with exceptional needs on pages 43-51. It should be noted that while many individuals and groups have expressed the need to address issues of special education funding, there is no significant new proposal in the Governor's budget. Since the Governor's proposals effectively sets the agenda for the budget deliberations, this section of the LAO report is of more interest in terms of the ongoing policy/fiscal discussions than it is in terms of potential actions in the 2016-17 state budget.

Similarly, the LAO provides a significant discussion of county office of education funding (pages 51-55). Since the issues raised by the LAO are not among the Governor's proposals, and would require re-opening the LCFF formula, they are also of more interest in terms of the ongoing discussions than in terms of any specific action in the 2016-17 budget.