

The 2014-15 State Budget

The total 2014-15 California State Budget is \$156.3 billion. The Budget reduces the “Wall of Debt” by more than \$10 billion including reducing the deferral of payments to K-12 and Community Colleges by \$5 billion. The Budget also includes more than \$10 billion in new Proposition 98 funding. For 2014-15 total Proposition 98 funding is \$60.9 billion dollars. This represents an increase of \$5.6 billion over the 2013 Budget Act.

This reinvestment in education, among other social services, is largely due to the passage of Proposition 30 and improvements in the economy overall. However, despite this positive movement forward, we must continue to advocate for additional revenue sources for our schools and other critical services. Despite being ranked the 8th largest economy in the world, California remains woefully behind other comparable states in terms of funding for education. Fixing our structural revenue problems and reforming Proposition 13 are critical to advancing a quality public education system that works for all Californians.

Child Care and Development

2014-15 State Budget	
State Preschool	\$57 million General Fund and \$30 million Proposition 98 General Fund for 500 slots for the Alternative Payment program, 1,000 slots for General Child Care, 7,500 part-day State Preschool slots, and 7,500 part-day wrap around care slots.
Provider Rates and State Preschool Fees	\$24 million General Fund and \$25 million Proposition 98 General Fund to increase the standard reimbursement rate for state contracted providers by 5%. \$19 million General Fund to update regional market rate for voucher-based providers effective January 2015.
Child Care and State Preschool Quality/Teacher Training	\$50 million Proposition 98 General Fund for local block grants for locally driven quality improvement processes. \$25 million Proposition 98 General Fund one-time funds for preschool and transitional kindergarten teacher training.
State Preschool facility expansion	\$10 million Proposition 98 General Fund one-time funds to provide loans for State Preschool Facility Expansion.

K–12 Education

2014-15 State Budget	
COLA	Statutory COLA is 0.85%
Local Control Funding Formula (LCFF)	\$4.75 billion for LCFF. This will close the LCFF “gap” by more than 29%.
Class Size Reduction (CSR)	Under LCFF, districts that are moving toward or already meeting a ratio of 1:24 in K-3 will receive an adjustment to their LCFF base grant of up to 10.4%.
Career Technical Education (CTE)	Under LCFF districts that have certain CTE classes in 9-12 will receive an adjustment to their LCFF base grant of 2.6%. In addition to the LCFF CTE adjustment there is also an increase of \$250 million for CTE allocated under the Career Pathways Trust grant program.

Categorical Funding	Remaining categorical programs under LCFF are subject to the 0.85% COLA.
Common Core State Standards (CCSS) and Smarter Balance	\$26.7 million in one-time funds for a K-12 High Speed Network to provide technical assistance and grants for CCSS implementation.
Proposition 39 (Energy Efficiency)	\$307 million for energy efficiency projects at K-12 schools.
Facilities	\$188.1 million of one-time dollars to the Emergency Repair Program.
Deferrals	\$4.7 billion in deferral payments. An additional \$897 in outstanding deferrals will be paid back if revenues come in higher than projected.
County Offices of Education (COEs)	\$26 million for COEs under LCFF. The new funding formula for COEs under LCFF will be fully implemented by the end of 2014-15.
Mandates	\$400.5 million in one-time funds allocated for mandates backlog.
Basic Aid Districts	Basic Aid Districts that continue to have higher local property tax revenue than their LCFF allocation will remain basic aid.
Charter Schools	Charter Schools are also funded under LCFF and the new LCFF formula.
Special Education	0.85% COLA. Estimated to be \$4.44 per ADA for Special Education. No additional changes for Special Education.
ROC/Ps	No changes proposed for ROC/Ps. The maintenance of effort requirement remains in place through June 30, 2015.
Independent Study	Increases the length of time a student can participate in independent study to one full school year. Reduces student/teacher contact by phone to two times a month. Eliminates the requirement that teachers sign-off on student work products.
District Reserves (AB 1463)	Beginning in 2015-16 there will be an enhanced transparency process for districts that propose a reserve higher than the minimum requirement. A cap on reserves will be triggered upon the passage of Proposition 2 and transfer of funds into the Public School Stabilization Fund. Districts would be prohibited from having reserves in excess of two to three times the minimum requirement.

Adult Education

2014-15 State Budget

AB 86 (Consortium Planning Process)	No new funding in 2014-15. Adult education consortia plans are slated for completion by early 2015. The Governor has stated an intention to make an investment in the 2015-16 budget for adult education.
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Community College

2014-15 State Budget

COLA	Statutory COLA of 0.85% is funded.
Growth	Enrollment growth funded at 2.75%.

Deferrals	\$498 million in deferral payments. An additional \$94 million in outstanding deferrals will be paid back if revenues come in higher than projected.
Mandates	\$49.5 million in one-time funds allocated for mandates backlog.
Proposition 39 (Energy Efficiency)	\$37.5 million for energy efficiency projects in Community College Districts.
Categorical Programs	Additional \$100 million for continued expansion of Student Success and Support program. \$70 million to close the achievement gap in underrepresented student groups and better coordinate delivery of existing categorical programs. \$1.1 million for additional staffing for the Chancellor's Office. \$2.5 million for technical assistance. \$6 million for technological infrastructure (\$1.4 million in one-time and \$4.6 million ongoing) \$50 million in one-time funds for Career Technical Education. \$30 million for Disabled Student Programs.
Facilities/Equipment	\$148 million in one-time funds for deferred maintenance or instructional equipment purchases.
Innovation Incentive	\$50 million for a higher education innovation incentive award program for UC, CSU, and CCC.

University of California

2014-15 State Budget	
General Fund Increase	Ongoing increase of \$142.2 million in General Fund support conditioned upon tuition remaining flat.
Innovation Incentive	\$50 million for a higher education innovation incentive award program for UC, CSU, and CCC.
Deferred Maintenance	Trigger mechanism to provide up to \$50 million in General Fund dollars for deferred maintenance or other one-time priorities.
UC Labor Centers	\$2 million in one-time General Fund dollars to support the UC Labor Centers.
Cal-BRAIN Initiative	\$2 million in one-time General Fund dollars for the Cal-BRAIN Initiative.
Behavioral Health Centers of Excellence	One-time funding of \$15 million Proposition 63 funds to support establishment of Behavioral Health Centers at the Davis and Los Angeles campuses.