

The FISCAL REPORT 32 informational update

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2008-09 and 2009-10 Revenue Limit and Categorical Cuts

With the enactment of the 2009-10 Budget Act and the accompanying trailer bills that make adjustments to current-year appropriations, we can now report on the revenue limit deficit factors and the cuts to categorical programs.

Revenue Limit Cuts-ABX3 4 specifies the deficit factors for both school districts and county offices of education for both 2008-09 and 2009-10. As had been proposed by the Governor in his January Budget, no cost-of-living adjustments (COLAs) are provided for either 2008-09 or 2009-10, which includes the elimination of the 0.68% COLA funded in the 2008-09 Budget Act. In addition, the enacted Budget cuts current year school district revenue limits 2.63% and an additional 0.958% in 2009-10. For county offices of education, the revenue limit cut is 2.63% in the current year and 1.27% in 2009-10.

The table below displays the deficit factors for both years and the components related to the elimination of the statutory COLAs and the revenue limit cuts.

	<u>2008-09</u>	<u>2009-10</u>
School District Revenue Limits		
COLA Deficit Factor	0.94643	0.90117
Further Revenue Limit Cut	0.97372	0.96437
Total Deficit	7.844%	13.094%
County Office Revenue Limits		
COLA Deficit Factor	0.94643	0.90117
Further Revenue Limit Cut	0.97378	0.96142
Total Deficit	7.839%	13.360%

Categorical Program Cuts-Over 50 state categorical programs are cut in 2008-09 and 2009-10, with over 40 of these programs included in increased flexibility. Following is a listing of state categorical programs and the estimated level of reduction. In addition to the reductions noted, there is also no COLA provided in 2008-09 or 2009-10.

Tier I Programs

No reduction in funding for 2008-09 and 2009-10 (remains at 2007-08 level adjusted for growth/decline).

After School Education and Safety	Home to School Transportation
Child Development	K-3 Class Size Reduction
Child Nutrition	Quality Education Investment Act
Economic Impact Aid (EIA)	Special Education

Tier II Programs

Reduction of approximately 15.4% in 2008-09, plus additional reduction of 4.5% in 2009-10 (plus adjustment for growth/decline).

Adults in Correctional Facilities	Foster Youth Educational Services
Apprenticeship Programs	K-12 High Speed Network
Agricultural Vocational Education	Partnership Academies
Charter School Facility Grants	Pupil Testing
County Office Oversight (FCMAT)	Year-Round Education
English Language Acquisition Program	

Tier III Programs

Reduction of approximately 15.4% in 2008-09, plus additional reduction of 4.5% in 2009-10 (plus adjustment for growth/decline) *with* flexibility to transfer funds from any of these programs to any "educational purpose" (includes unrestricted General Fund or other categorical programs) for the period from 2008-09 to 2012-13.

AB 825 Targeted Instructional Improvement Block Grant	Class-Size Reduction-9th Grade
AB 825 Teacher Credentialing Block Grant	Deferred Maintenance
AB 825 Professional Development Block Grant	Educational Technology
AB 825 Pupil Retention Block Grant	Gifted and Talented Education (GATE)
AB 825 School Safety Consolidated	High Priority Schools and II/USP*
AB 825 School and Library Improvement Administrator Training Program (AB 430)	Indian Education Centers
Adult Education	Instructional Materials Fund
Alternative Credentialing	International Baccalaureate
Arts and Music Block Grant	National Board Certification
Bilingual Teacher Training	Peer Assistance and Review
California High School Exit Exam (CAHSEE) Intervention	Physical Education Teacher
California School Age Families Educational	Recruitment Grants

Program (CalSAFE)	
Student Leadership	Readers for the Blind
Center for Civic Education	Regional Occupational Centers/Programs
Certificated Staff Mentoring Program	SB 472 Professional Development
Charter Schools Categorical Block Grant	School Safety Competitive Grant
Child Oral Health Assessments	Specialized Secondary Programs
Community Based English Tutoring (CBET)	Supplemental Hourly Programs
Community Day Schools	Teacher Dismissal Apportionments
Counselors, Grades 7-12	<i>Williams Audits</i>

* Eliminated in 2009-10

The Dartboard-It is very important to all of us that the Dartboard is complete and correct. Many of the changes to the educational factors that result from today's historic Budget enactment have not yet been validated by various governmental agencies, so we plan to release the revised Dartboard on Monday, February 23, 2009.

We know that many of you are finalizing your Second Interim reports now, and therefore, we are releasing the most significant factors today.

-Robert Miyashiro and Jannelle Kubinec

posted 02/20/2009