



## **2008-09 & 2009-10 BUDGET FLEXIBILITY: Protect Core Programs for At-Risk Students**

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### **Summary of the Governor's Categorical Flexibility Proposal**

The Governor's program for categorical flexibility would give local districts the authority to transfer the funds from any categorical program to each local school district general fund without having to comply with the statutory requirements of the specific program. Under the Governor's proposal, the statutory requirements would be permanently eliminated. Given the impacts of cutting the revenue limit in the middle of the school year and making additional cuts in 2009-10, the administration believes that allowing local governing boards to make decisions about program priorities is the best way to help districts balance their budgets.

### **Maintain Core Programs That Serve At-Risk, Poor & EL Students**

CCAE is sympathetic to the impacts of the budget cuts on local district budget. However, the organization believes that that adequate flexibility can be achieved without eliminating the programs that focus on the most needy students in each school district.

As the current budget battle continues, CCAE understands the need to provide unprecedented budget flexibility for school districts in the current and budget years. The budget cuts being proposed, and those that have already been made including the elimination of the 2008-09 COLA, place school district budgets in jeopardy. For this reason, CCAE supports most of the categorical program flexibility proposal being offered in the Governor's budget package. However, CCAE believes that there are several categorical programs that are focused entirely on the needs of K – adult students that are at-risk of not passing core programs, are poor or are English language learners. As a result CCAE would support a modified version of the Governor's categorical flexibility plan that would maintain the categorical programs in the following program areas:

- Economic Impact Aid (EIA)
- Targeted Instructional Improvement Grant (TIIG)
- Adult Education Revenue Limit Funding
- Pupil Retention Block Grant
- English language Learner programs

### **Adult Education Provides Core Services to At-Risk and EL Populations**

Adult education is an integral part of the overall K – adult academic program and is one of the programs that provide academic services to adults that are English language learners and those working to improve their academic skills in order to find a job or to advance to a higher paying career. Additionally, adult courses help high school students that have fallen behind to graduate on time with their class. Additionally, adult education provides core programs such as Adult



Basic Education, GED, English as a Second Language and citizenship and job retraining. These programs provide basic skills and English language acquisition skills needed for adults to get high quality jobs or to improve their existing job skills. There is also evidence of a direct correlation between parents that acquire these skills and the success of their K-12 students.

### **Need For Adult Education to Contribute to Budget Reduction Solutions**

Given the size of the shortfall in both the current and budget year, CCAE understands the need for flexibility at the local school district level. For these reasons CCAE would suggest that instead of allowing for the adult education apportionment to be diverted to a local school district general fund, that the Legislature consider allowing the following funding sources to be used to help off-set the proposed budget cuts:

**Annual 2.5% Growth** – Each year the adult education fund grows by 2.5 percent and allows local programs to offer services to additional adults in the community. Growth funding for 2008-09 is approximately \$18.5 million.

**Adult Education Reserves** – Under current statute, funds placed in adult education reserve accounts are restricted and cannot be used by the district for general fund purposes. We would support the use of a percentage of any reserve funds for purposes of backfilling any reduction to the district's revenue limit on a one-time basis current and budget year only.

**AB 23 Redistribution** – Under current law, a percentage of the units of ADA not earned by adult programs in any year are available to be redistributed to other adult programs that have exceeded their district's adult cap. We would support allowing these unused units to be transferred to the State general fund through the 2009-10 fiscal year. For 2006-07, the amount of funds redistributed totaled \$17.3 million.

### **Summary**

CCAE realizes that the current budget shortfall is unprecedented and that there is a need to offset these cuts at the local school district level. The organization has suggested several areas where adult education funds can be redirected. However, CCAE strongly supports the maintenance of the most critical programs that benefit at-risk, poor and students that are English learners. These include EIA, Adult Education, TIIG, Pupil Retention Block Grant and programs for EL students.