



**2010-11
Budget Conference Committee
on AB 190**

Upon Call of the Chair – Room 4203

**Section I
K-12 EDUCATION AND HIGHER EDUCATION**

**Senator Denise Moreno Ducheny, Chair
Assemblymember Bob Blumenfield, Vice Chair
Members: Senator Bob Dutton, Senator Bob Huff, Senator Mark Leno, Senator Alan Lowenthal,
Assemblymember Connie Conway, Assemblymember Felipe Fuentes, Assemblymember Jim Nielsen, and Assemblymember Nancy Skinner**

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| Issue | Description | Difference <small>(dollars in thousands)</small> | | Conference Action |
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6110 Department of Education

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| 000 | Current Year Expenditures – Cash Advance for Local Education Agencies | Assembly \$-15,689 |
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| <p>Governor proposed \$15.7 million to provide additional June apportionment payments to local education agencies that will be unable to make essential payments in June due to the deferral of apportionments.</p> | <p style="text-align: right;">Senate \$-5,689</p> <p style="text-align: right;">Difference \$10,000</p> |
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Assembly did not approve the Governor’s proposal.

Senate approved \$10 million, without the Governor’s trailer bill language.

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| Issue | Description | Difference <small>(dollars in thousands)</small> | Conference Action |
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| 000 | Current Year Savings – K-3 Class Size Reduction (CSR) | Assembly \$340,000 | |
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| | <p>Governor proposes \$340,000 in savings for the K-3 CSR program in 2009-10. The Governor estimates savings from penalties resulting from larger class sizes in school districts.</p> | Senate \$0 | |
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| | | Difference \$340,000 | |
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Assembly did not approve the Governor’s savings proposal.

Senate approved the Governor’s savings proposal.

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| Issue | Description | Difference <small>(dollars in thousands)</small> | | Conference Action |
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| 000 | Current Year Expenditures – Categorical Funds for New Schools | Assembly \$-11,000 |
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| <p>Governor proposed \$11 million in one time funds to provide categorical funding for new schools in 2008-09 and 2009-10. The Governor proposed trailer bill language to allow new schools to receive categorical funds as a part of the categorical flexibility program through 2012-13.</p> | <p style="text-align: right;">Senate \$0</p> <p style="text-align: right;">Difference \$11,000</p> |
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Assembly did not approve the Governor’s expenditure proposal or trailer bill language.

Senate approved \$11 million, but approved LAO alternative language instead of the Governor’s trailer bill language.

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| Issue | Description | Difference <small>(dollars in thousands)</small> | Conference Action |
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| 000 | Revenue Limits for School Districts and County Offices of Education | Assembly \$1,688,810 |
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| | <p>Governor proposed a permanent reduction of \$1.5 billion in base revenue limits for school districts and county offices of education in 2010-11.</p> | Senate \$620,637 |
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| | <p>Assembly denied the Governor’s proposal and restored \$1.7 billion. This amount includes \$1.5 billion to restore new base reductions and \$228 million to partially restore prior year base reductions.</p> | Difference \$1,068,173 |
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| | <p>Senate restored \$621 million compared to the Governor’s proposal, and established deficit factors for the \$863 million in remaining revenue limit base reductions.</p> | |
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| Issue | Description | Difference <small>(dollars in thousands)</small> | Conference Action |
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| 000 | Cost-of-Living Adjustment (COLA) | Assembly \$210,800 | |
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| | <p>Governor proposed to reduce school district and county office of education revenue limit and categorical funding (including child care) by \$210.8 million in order to apply a negative COLA of -0.39 percent in 2010-11.</p> | Senate \$210,800 | |
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| | <p>Assembly denied the Governor’s funding reduction and restored \$210.8 million in 2010-11.</p> | Difference \$0 | |
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Senate denied the Governor’s funding reduction and restored \$210.8 million in 2010-11. The Senate approved language to apply the negative COLA to revenue limit deficit factors in 2010-11.

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| Issue | Description | Difference <small>(dollars in thousands)</small> | Conference Action |
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| 000 | County Court School Funding. | Assembly \$19,798 | |
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| | <p>Governor proposed no additional funding for county court schools in 2010-11.</p> | Senate \$4,900 | |
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| | <p>Assembly augmented funding for court schools by \$19.8 million per average daily attendance (ADA).</p> | Difference \$14,898 | |
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| | <p>Senate augmented funding for courts schools by \$4.9 million per ADA.</p> | | |
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In addition, the Senate identified two issues for discussion in Conference Committee:

- (1) access to Economic Impact Aid funding for court schools; and
- (2) accountability provisions to require CDE to conduct onsite monitoring and oversight of court schools to assure 240 minutes of daily instruction.

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| Issue | Description | Difference <small>(dollars in thousands)</small> | Conference Action |
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| 000 | Emergency Repair Program | Assembly \$0 |
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| | <p>Governor proposed \$51 million in one-time Proposition 98 savings for the Emergency Repair Program (ERP) in 2010-11. This action is intended to provide funding to make up for a shortfall in appropriated funds for ERP in 2008-09.</p> | Senate \$-26,000 Difference \$26,000 |
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Assembly approved \$51 million for ERP with ongoing funds, rather than one-time funds.

Senate approved \$25 million in one-time funds for ERP in 2010-11.

| Issue | Description | Difference (dollars in thousands) | Conference Action |
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| 000 | K-3 Class Size Reduction Funding & Flexibility | Assembly \$550,000 | |
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Governor proposes to capture \$550 million in savings from the K-3 Class Size Reduction (CSR) program in 2010-11. This level of savings assumes an additional \$210 million in savings in 2010-11, on top of the \$340 million in savings proposed by the Governor in 2009-10. The Governor estimates savings from penalties resulting from larger class sizes in school districts.

Senate
\$186,000

Difference
\$364,000

Assembly denied the Governor's K-3 CSR savings proposal and fully restores \$550 million in funding for K-3 CSR program in 2010-11. The Assembly utilizes \$325 million in one-time funds for restoration; remaining funds are ongoing.

Senate approved LAO alternative, which adds K-3 CSR to the categorical cut/flexibility program through 2012-13, and restored \$186 million compared to the Governor. This action results in total K-3 CSR savings of \$364 million in 2010-11.

| Issue | Description | Difference (dollars in thousands) | Conference Action |
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| 000 | Home-to-School Transportation Flexibility | Assembly \$0 | |
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Governor proposed \$494.3 million for the for the Home-to-School (HTS) Transportation program in 2010-11. HTS Transportation is currently included in the categorical cut program, whereby programs receive across-the-board reductions of approximately 20 percent in 2010-11.

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| Senate \$0 |
| Difference \$0 |

Assembly proposed no changes in 2010-11.

Senate approved LAO recommendation to place Home-to-School Transportation program in the categorical flexibility program in 2010-11 through 2012-13.

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| 000 | Career Technical Education Flexibility | Assembly \$0 |
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Governor proposed \$ 426.9 million for five career technical education (CTE) programs in 2010-11. These five CTE programs include two programs in the categorical cut/flexibility program – Regional Occupational Centers/Programs and Specialized Secondary Programs – and three stand-alone programs subject to categorical cuts only – Apprenticeship Programs, Partnership Academies, and Agricultural Education.

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| Senate \$0 |
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| Difference \$0 |
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Assembly proposed no changes for these five CTE programs in 2010-11.

Senate approved LAO recommendation to consolidate these five CTE programs into a single block grant and loosen restrictions on funds in order to improve student outcomes.

| Issue | Description | Difference <small>(dollars in thousands)</small> | Conference Action |
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| 000 | <p>English Learner Assistance Program Flexibility</p> <p>Governor proposed \$50.4 million for the English Learner Assistance Program (ELAP) program in 2010-11. ELAP is currently included in the categorical cut program, whereby programs receive across-the-board reductions of approximately 20 percent in 2010-11.</p> | <p>Assembly \$0</p> <p>Senate \$0</p> <p>Difference \$0</p> |
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Assembly made no changes to the ELAP program in 2010-11.

Senate approved LAO recommendation to move the ELAP program into the Economic Impact Aid (EIA) program beginning in 2010-11.

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| 000 | Cal-SAFE Child Care Flexibility | Assembly \$0 |
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| <p>Governor proposed \$46.3 million for the Cal-SAFE program in 2010-11. Cal-SAFE is currently included in the categorical cut and flexibility program, whereby programs receive across-the-board reductions of approximately 20 percent in 2010-11 and funds can be used for any education purpose through 2012-13.</p> | <p>Senate \$0</p> <p>Difference \$0</p> |
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Assembly made no changes to the Cal-SAFE program in 2010-11.

Senate moved approximately \$24.8 million from the Cal-SAFE Child Care program into the Child Development program in 2010-11. This action establishes Cal-SAFE as a set-aside program within the Child Development Program, which is not included in the categorical cut/flexibility program.

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| Issue | Description | Difference <small>(dollars in thousands)</small> | | Conference Action |
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| 000 | California High School Exit Exam (CAHSEE) Supplemental Instruction Flexibility | Assembly \$0 |
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| <p>Governor proposed \$58 million for the CAHSEE Supplemental Instruction program in 2010-11. CAHSEE Supplemental Instruction is currently included in the categorical cut and flexibility program, whereby programs receive across-the-board reductions of approximately 20 percent in 2010-11 and funds can be used for any education purpose through 2012-13.</p> | <p style="text-align: right;">Senate \$0</p> <p style="text-align: right;">Difference \$0</p> |
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Assembly made no changes to the CAHSEE Supplemental Instruction program in 2010-11.

Senate moved the CAHSEE Supplemental Instruction program out of the categorical flexibility program in 2010-11. The program would remain in the categorical cut program.

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| Issue | Description | Difference <small>(dollars in thousands)</small> | | Conference Action |
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| 000 | Fiscal Crisis and Management Team (FCMAT) Funding | Assembly \$0 |
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| Governor proposed \$9.1 million for FCMAT funding in 2010-11. FCMAT is currently included in the categorical cut program, whereby programs receive across-the-board reductions of approximately 20 percent in 2010-11 | Senate \$0 |
| | Difference \$0 |

Assembly proposed no changes to FCMAT funding in 2010-11.

Senate moved FCMAT out of the categorical cut program and redirected \$2.25 million in categorical funds to restore funding to 2007-08 levels.

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| Issue | Description | Difference <small>(dollars in thousands)</small> | Conference Action |
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| 000 | CDE State Operations – Categorical Flexibility Savings (General Fund) | Assembly \$-5,200 | |
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| | <p>Governor proposed no across-the-board reductions to reflect workload savings resulting from the categorical flexibility program enacted as a part of the 2009 budget packages.</p> | Senate \$-5,000 | |
| | | Difference \$200 | |

Assembly approved \$5.2 million in savings associated with elimination of 70 authorized positions, including 20 positions previously de-funded.

Senate approved \$5.0 million in savings associated with elimination of 70 authorized positions, including 20 positions previously de-funded.

| Issue | Description | Difference (dollars in thousands) | Conference Action |
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| 000 | K-12 Mandate Suspension | Assembly \$34 | |
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Governor proposes to fund three K-12 mandates and to suspend all remaining mandates in 2010-11. The three funded mandates include CAHSEE Administration (\$6.8 million) and Intra/Inter-District Transfers (\$7.7 million).

Senate
\$31,400

Assembly rejected the Governor's proposal and continued deferral of all K-12 education mandates. The Assembly provided \$1,000 per mandate to signal deferral in 2010-11.

Difference
\$

Senate took modified LAO approach and provided \$33.7 million to fund 13 mandates; eliminated five mandates for a savings of \$2.3 million. The Senate suspended all remaining mandates through 2012-13 consistent with the timeframe for categorical flexibility program. Senate also adopted mandate reconsideration language – developed by the Commission on State Mandates – for K-12 mandates.

| Issue | Description | Difference (dollars in thousands) | Conference Action |
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000 **High School Science Graduation Mandate Costs** Assembly
\$0

Governor has indicated he does not recognize the Science Graduation mandate and is pursuing a legal challenge of this mandate. Senate
\$0

Assembly took no action on the Science Graduation mandate. Difference
\$0

Senate endorsed the Administration’s legal challenge, suspended the mandate pending reconsideration, and adopted the LAO recommendation to modify the mandate in 2010-11 via budget trailer bill. In modifying the mandate, the LAO proposes to retain the underlying statute, but eliminate the state mandated costs.

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| 000 | Behavior Intervention Program Mandate Costs – Language | Assembly \$-65,000 |
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| | <p>Governor proposed funding for implementation of a settlement agreement with education groups beginning in 2010-11. Settlement funding includes \$65 million in ongoing special education funding and \$510 million for prior year costs.</p> | Senate \$-65,000 |
| | | Difference \$0 |

Assembly denied \$65 million in ongoing funding for BIP costs.

Senate denied \$65 million in ongoing funding for BIP mandate and adopted LAO recommendation to modify the mandate in 2010-11 via budget trailer bill. In modifying the mandate, the LAO proposes to retain the underlying statute, but eliminate the state mandated costs.

| Issue | Description | Difference (dollars in thousands) | Conference Action |
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| 000 | Prior Year Mandate Claims | Assembly \$1,366,000 | |
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Governor proposed no funding for prior year mandate claims in 2010-11.

Senate
\$0

Assembly approved \$1.4 billion in ongoing funding for prior year mandate claims in 2010-11. This amount is intended to payoff all existing prior-year Proposition 98 mandate claims, excluding the High School Science Graduation mandate and the Behavior Intervention Plan (BIP) mandate.

Difference
\$0

Senate proposed approximately \$70 million in special education funding for prior year BIP mandate claims in 2010-11. (See next item.)

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| Issue | Description | Difference <small>(dollars in thousands)</small> | Conference Action |
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| 000 | Special Disability Adjustment | Assembly \$0 | |
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| | <p>Governor proposed approximately \$70 million in special education funds in 2010-11 for purposes of the Special Disability Adjustment (SDA). The 2009-10 budget provided a similar amount for the SDA. However, there is currently no statutory authority for the SDA.</p> | Senate \$0 | |
| | | Difference \$0 | |

Assembly continued authority for the SDA in 2009-10 and 2010-11.

Senate continued the SDA in 2009-10 and 2010-11, but proposed to score funds to Special Education Local Planning Areas (SELPA) as an offset to prior year mandate costs for the Behavior Intervention Plan mandate. The Senate added a new SDA study with possible federal special education funds.

| Issue | Description | Difference (dollars in thousands) | Conference Action |
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| 000 | Fourth Grade Writing Assessment – Language | Assembly \$0 | |
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Governor proposed to restore Fourth Grade Writing Assessment within existing assessment contract savings. The Governor proposed budget bill language to ensure that these assessments costs are absorbed within the assessment contract as a condition of extending the STAR contract.

Senate
\$0
Difference
\$0

Assembly approved Governor’s proposal to restore the fourth grade writing assessment, but adopted LAO budget language.

Language
Only

Senate took the same actions as the Assembly, but approved additional budget bill language to ensure that adjustments to the assessment contract do not result in the elimination of any tests or test components.

| Issue | Description | Difference (dollars in thousands) | Conference Action |
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| 000 | Joint Review of the Standardized Testing and Reporting (STAR) Language | Assembly \$0 | |
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| | Governor proposed budget language that LAO and DOF shall jointly review the STAR assessment contract and report to the Governor and Legislature on its components, current costs, and program improvement recommendations. | Senate \$0 | |
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| | Assembly approved LAO alternative language that, in addition to reviewing the STAR contract, included a process to review options for developing and implementing student growth measures. | Difference \$0 <u>Language</u> <u>Only</u> | |
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| | Senate did not approve either Governor's language or LAO language. | | |
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000 **Federal Funds – School Improvement Funds (SIF)** Assembly
\$0

Governor proposed \$551.7 million in federal funding for school improvement (school level and district level) activities. Of this amount, about \$485.1 million remains undesignated. School Improvement Funds include both ongoing federal Title I –Set Aside funds and Title I School Improvement Grant (SIG) funds, as well as one-time funds authorized under the American Recovery and Reinvestment Act (ARRA) .

Senate
\$0

Difference
\$0

Assembly approved LAO proposals to allocate SIG funds to Tier 1 and 2 schools. The Assembly continued Title I Set Aside funding for the AB 519 program.

Senate approved the same actions as the Assembly, but approved additional LAO recommendations to: (1) consolidate funding for Quality Education Investment Act (QEIA) districts participating in the new SIF programs, and (2) pro-rate funding for the AB 519 program, if needed.

| Issue | Description | Difference (dollars in thousands) | Conference Action |
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| 000 | Federal Funds – Enhancing Education Through Technology (EETT) Program | Assembly \$0 | |
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| | Governor submitted a Section 28.00 Budget Letter in October to authorize the expenditure of \$72 million in additional, one-time federal funds for the EETT grant program. These new funds were authorized under the American Recovery and Reinvestment Act (ARRA). The Governor also proposed \$10.6 million in ongoing EETT funds in 2010-11. The Joint Legislative Budget Committee did not concur with the plan. | Senate \$0 | |
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Assembly approved \$34 million in one-time ARRA funds for formula grants via Section 28.0 Letter. The remaining \$37.6 million of one-time funds would be distributed for competitive grants per revised CDE language. For the 2010-11 ongoing grant, the Assembly approved \$5.3 million for formula grants and \$5.3 million for competitive grants.

Senate also approved \$34 million for one-time ARRA formula grants via Section 28.0 Letter, but approved \$48 million in one-time and ongoing funds for competitive grants in 2010-11 per LAO language. In addition, the Senate approved \$450,000 for Department of Education state administration in 2010-11.

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| Issue | Description | Difference <small>(dollars in thousands)</small> | Conference Action |
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| 000 | Federal Funds – California Longitudinal Teacher Integrated Data Education System (CALTIDES) | Assembly \$200 |
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| | <p>Governor proposed a federal funds increase of \$3.9 million in federal Title II and Institute of Sciences funds and 3.0 positions for CDE development of CALTIDES.</p> | Senate \$0 |
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| | <p>Assembly approved the Governor’s proposal and added \$200,000 in one-time Title II funds to support two existing software specialist positions.</p> | Difference \$200 |
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Senate approved the Governor’s proposal.

Issue Description Difference (dollars in thousands) Conference Action

6110-196-0001 California Department of Education

323 Governor’s Child Care Proposals Assembly \$0

Governor: Multiple proposals for child care cost reductions:

- 1. Reduce Regional Market Rate (RMR) reimbursement ceilings: savings of \$95.8 million. BBL
- 2. Reduce income eligibility from 75 percent of state median family income (SMI) to 60 percent: savings of \$54.4 million. TBL
- 3. Reduce CalWORKs Stage 3 caseload by about 12,600 children: savings of \$91 million. BBL

Difference
\$4
BBL
TBL

Assembly: Rejected Governor’s proposals, but funded child care programs from the Jobs Package revenues.

Senate: Reduced programs by \$1,000 each to place item into Conference and adopted placeholder budget bill language for potential solutions, if adopted.

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| Issue | Description | Difference <small>(dollars in thousands)</small> | Conference Action |
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6110-196-0001 California Department of Education

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| 325 | CalWORKs Child Care Caseload Adjustments | Assembly Rejected |
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Governor: The Governor’s Budget reduced CalWORKs Stage 2 and Stage 3 by \$13.8 million due to decreased case load.

Senate
Approved

The Governor’s May Revise proposed to further lower funding for CalWORKs Stage 2 and Stage 3 by \$35,356,000 due to decreased case load estimates.

Difference
-\$49,156

Assembly: Rejected Governor’s January proposal, and did not hear May Revise proposal.

Senate: Approved Governor’s January and May Revise technical caseload reduction proposals.

Issue Description Difference (dollars in thousands) Conference Action

6110-196-0001 California Department of Education

329 Plan to Recover Improper Payments from Child Care Programs

Assembly Rejected

Governor: The Governor proposed trailer bill language that would provide for contractual expectations for Alternative Payment (AP) providers to prevent and correct errors in child care payments, and to collect overpayments from families that benefit from the errors.

Senate TBL

Difference
TBL

The Department of Education would have to report by March 1, 2011, on the implementation of the overpayment recovery plan.

Assembly: Rejected Governor’s proposal.

Senate: Adopted placeholder trailer bill language for collection of overpayments.

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| Issue | Description | Difference <small>(dollars in thousands)</small> | Conference Action |
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6110-196-0001 California Department of Education

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| 000 | <p>Migrant Child Care</p> <p>Governor: \$36,246,000 for the Migrant Child Care program.</p> <p>Assembly: Approved as budgeted</p> <p>Senate: Reduced program by \$3.5 million as a caseload adjustment.</p> | <p>Assembly AAB</p> <p>Senate \$32,746</p> <p>Difference \$3,500</p> | |
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6110-198-0001 California Department of Education

000 **After School Education and Safety (ASES) Program**

Assembly
Not heard

Governor: \$550 million for the ASES program.

Senate
TBL

Assembly: Approved as budgeted.

Senate: Approved funding for the ASES program, and approved trailer bill language to place a measure on the ballot to repeal Proposition 49 (which created the automatic ASES funding requirement), and, if it passes, to add the ASES program into the K-12 flex item.

Difference
TBL

The After School Education and Safety (ASES) Program is the result of the 2002 voter-approved initiative, Proposition 49. This proposition amended California Education Code (EC) 8482 to expand and rename the former Before and After School Learning and Safe Neighborhood Partnerships Program.

| Issue | Description | Difference (dollars in thousands) | Conference Action |
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6440-001-0001 University of California

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| 513 | <p>Backfill of One-Time Reductions</p> <p>Governor: The Governor proposes an increase of \$305 million to backfill for \$305 million in reductions to UC in 2009-10.</p> <p>Assembly: \$305 million funded from the Jobs Package revenues.</p> <p>Senate: \$305 million contingent upon at least \$2 billion in new General Fund revenues above the May Revise level.</p> <p>UC General Fund:</p> <ul style="list-style-type: none"> • 2010-11: \$3,018.6 million (proposed) • 2009-10: \$2,596.1 million • 2008-09: \$2,418.3 million • 2007-08: \$3,257.4 million <p>UC Student Fee Revenue:</p> <ul style="list-style-type: none"> • 2010-11: \$1,794.0 million (estimated) • 2009-10: \$1,370.7 million • 2008-09: \$1,114.5 million • 2007-08: \$1,064.6 million | <p>Assembly \$305,000 from Jobs Package revenues</p> <p>Senate \$305,000 from new revenues (source unspecified)</p> <p>Difference Revenue Source</p> | |
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| 6440 | University of California | Section I | |
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| Issue | Description | Difference (dollars in thousands) | Conference Action |

6440-001-0001 University of California

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| 511 | Student Fees | Assembly \$200,000 |
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Governor: The Governor assumes a 15 percent student fee increase for the UC, which has already been approved by the UC Regents in November 2009.

Senate
Not heard

Assembly: Approved \$200 million to backfill for student fee increases, which would reduce the 15 percent student fee increase to 5 percent. The funds come from the Assembly's Jobs Package revenues.

Difference
\$200,000

Senate: Not heard.

| 6440 | University of California | Section I | |
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| Issue | Description | Difference (dollars in thousands) | Conference Action |

6440-001-0001 University of California

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| 508 | UC Retirement Plan | Assembly Approved TBL |
| | Governor: The Governor proposes trailer bill language for the elimination of existing statute that states Legislative intent that no General Fund augmentation be used for contributions to the University of California Retirement Plan (UCRP). | Senate Rejected TBL |
| | Assembly: Approves Governor’s trailer bill language. | Difference TBL |
| | Senate: Rejected Governor’s trailer bill language. | |
| | The UC Regents voted to start up both employee and employer contributions to the UCRP as of May 1, 2010. | |
| | The 2010-11 cost of funding the employer contributions to the UCRP is estimated at \$95.7 million. However, this amount is dependent upon the employer contributions to the UCRP being set at four percent and employee contributions at two percent. | |

6440-001-0001 University of California

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| 503 | <p>Student Academic Preparation and Education Programs (SAPEP)</p> <p>Governor: The Governor's Budget did not include budget bill language specifying a dollar amount for the Student Academic Preparation and Education Program.</p> <p>Assembly: The Assembly adopted budget bill language that stated that the funding for the SAPEP could not be reduced from the 2009-10 level of funding, and that the UC should submit a report to the Legislature by April 1, 2011 on the expenditure of funds for the SAPEP. The Assembly's language did not specify dollar amounts to be spent on the program.</p> <p>Senate: The Senate adopted budget bill language that stated that the UC must spend \$19.3 million on the SAPEP, and that amount must be matched by \$12 million from other UC resources. The Senate language also allowed the UC to reduce this amount proportionally relative to the General Fund cuts since 2007-08. The Senate language also specified that the UC should submit a report to the Legislature by April 1, 2011 on the expenditure of funds for the SAPEP.</p> | <p>Assembly BBL</p> <p>Senate BBL</p> <p>Difference BBL</p> |
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| Issue | Description | Difference (dollars in thousands) | Conference Action |
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6440-001-0001 University of California

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| 507 | <p>Charles Drew University Medical Programs Governor: The Governor's budget provides \$8.7 million General Fund for Charles Drew University (CDU).</p> | <p>Assembly \$12,700 General Fund</p> | |
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| | <p>Assembly: \$12.7 million for CDU. The Assembly augmented the Charles Drew University (CDU) contract funding by \$4 million. Of this amount, \$2 million is for the joint nursing program with UCLA and \$2 million is for a cost of living (COLA) for the medical program. The joint nursing program with UCLA has not yet begun operations.</p> | <p>Senate AAB Difference \$4,000 General Fund</p> | |
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Senate: Approved as budgeted.

CDU now receives \$8.7 million dollars from the Legislature through an allocation to the University of California. This funding is channeled through UCLA for (1) a joint medical program between UCLA and CDU and (2) CDU's residency program. It should be noted that due to the closure of the Martin Luther King Hospital, CDU no longer offers a residency program.

In all of the years of state funding for CDU, the joint medical program has never received a COLA adjustment.

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| Issue | Description | Difference <small>(dollars in thousands)</small> | Conference Action |
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6440-301-0660 University of California

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| 001 | Capital Outlay Projects | | Assembly |
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| 003 | Governor: The Governor’s April Finance Letter proposed six lease-revenue funded capital outlay projects for the University of California. Three of these projects were approved by both houses due to life-safety concerns. | | \$84,257 (with future cost of \$50 million) |
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Assembly: AAB

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| Senate: Approved three life-safety projects, rejected three projects for capacity expansion. | Senate \$0 |
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The projects in Conference are:

1. UC Irvine – Business School Unit 2: \$2.6 million from 1996 General Obligation Bond funds for preliminary plans and working drawings (with future construction cost of \$44.5 million from lease-revenue bonds).
2. UC Merced – Science and Engineering Building 2: \$81 million from lease-revenue bonds for working drawings and construction.
3. UC San Diego – SIO Research Support Facilities: \$613,000 from 1996 General Obligation Bond funds for preliminary plans and working drawings (with future construction cost of \$5.5 million from lease-revenue bonds).

Difference
\$84,257

| Issue | Description | Difference (dollars in thousands) | Conference Action |
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6610-001-0001 California State University

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| 555 | <p>Backfill of One-Time Funds Governor: The Governor proposes an increase of \$305 million to backfill for \$305 million in reductions to CSU in 2009-10. Those reductions were backfilled in 2009-10 with \$255 million in one-time ARRA funds.</p> <p>Assembly: \$305 million funded from the Jobs Package revenues.</p> <p>Senate: \$305 million contingent upon at least \$2 billion in new General Fund revenues above the May Revise level.</p> <p>CSU General Fund:</p> <ul style="list-style-type: none"> • 2010-11: \$2,723.4 million (proposed) • 2009-10: \$2,350.1 million • 2008-09: \$2,155.3 million • 2007-08: \$2,970.6 million <p>CSU Student Fee Revenue:</p> <ul style="list-style-type: none"> • 2010-11: \$1,260.5 million (proposed) • 2009-10: \$1,158.1 million • 2008-09: \$1,092.1 million • 2007-08: \$900.3 million | <p>Assembly \$305,000 from Jobs Package revenues</p> <p>Senate \$305,000 from new revenues (source unspecified)</p> <p>Difference Revenue Source</p> | |
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| Issue | Description | Difference <small>(dollars in thousands)</small> | Conference Action |
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6610-001-0001 California State University

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| 556 | Student Fees | Assembly \$75,000 | |
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| <p>Governor: Assumes a ten percent student fee increase for the CSU, which has not yet been approved by the CSU Board of Trustees.</p> | <p style="text-align: center;">Senate Not heard</p> |
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| <p>Assembly: Approved \$75 million to backfill for student fees, which would reduce the proposed ten percent student fee increase to five percent. The funds would come from the Assembly’s Jobs Package revenues.</p> | <p style="text-align: center;">Difference \$75,000</p> |
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Senate: Not heard.

| Issue | Description | Difference (dollars in thousands) | Conference Action |
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6610-001-0001 California State University

550 **Student Academic Preparation and Student Support Services Programs**

Assembly
BBL

Governor: The Governor’s Budget did not include budget bill language specifying a dollar amount for the student academic preparation and student support services programs.

Senate
BBL

Assembly: The Assembly adopted budget bill language that stated that the funding for the academic preparation and support programs could not be reduced from the 2009-10 level of funding, and that the CSU should submit a report to the Legislature by April 1, 2011, on the expenditure of funds for the programs. The Assembly’s language did not specify dollar amounts for the program.

Difference
BBL

Senate: The Senate adopted budget bill language that stated that the CSU must spend \$52 million on the academic preparation and support programs, and that of that amount \$45 million is for the Early Academic Assessment Program and the Educational Opportunity Program. The Senate language also allowed the CSU to reduce this amount proportionally relative to the General Fund cuts since 2007-08. The Senate language also specified that the CSU should submit a report to the Legislature by April 1, 2011, on the expenditure of funds for the outreach programs.

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| Issue | Description | Difference <small>(dollars in thousands)</small> | Conference Action |
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6610-301-0658 California State University

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| 001 | Capital Outlay Projects | | Assembly |
| 002 | Governor: The Governor’s April Finance Letter | | \$5,865 |
| 003 | proposed six lease-revenue funded capital outlay projects for the California State University. Three of these projects were approved by both houses due to life-safety concerns and are not in Conference. | (with \$106 million in future lease-revenue bond costs) | |
| | Assembly: Approved as budgeted | | |
| | Senate: Approved three life-safety projects, rejected three projects for capacity expansion. | | Senate \$0 |
| | The projects in Conference are: | | |
| | 1. CSU Chico – Taylor II Replacement Building: \$2.9 million from 1996 General Obligation bond funds (with future construction costs of \$58 million in lease-revenue bond funds). | | Difference \$5,865 |
| | 2. CSU Channel Islands – West Hall: \$2.4 million from 1996 General Obligation bond funds (with future construction costs of \$38.4 million in lease-revenue bond funds). | | |
| | 3. CSU Fresno – Faculty Office/Lab Building: \$562,000 from 1996 General Obligation bond funds (with future construction costs of \$9.5 million in lease-revenue bond funds). | | |

6870-101-0001 California Community Colleges

301 **Enrollment Growth Funding** Assembly
\$128,200

Governor: The Governor proposes 2.2 percent enrollment growth funding for CCC. This augmentation would allow CCC to enroll approximately 26,000 Full Time Student Equivalents (FTES).

Senate
\$126,000

Assembly: Approved \$128.2 million from the Jobs Package Revenues, which in this case would count as Proposition 98 spending.

Difference
\$2,200

Senate: Approved as budgeted.

LAO Alternative: Raise student fees from \$26 per unit to \$40 per unit and use revenue to fund enrollment growth.

CCC Enrollment in FTES:

- 2010-11: 1,188,129 (Proposed)
- 2009-10: 1,250,000 (Estimated)
- 2008-09: 1,260,497
- 2007-08: 1,182,627

| Issue | Description | Difference (dollars in thousands) | Conference Action |
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6870-101-0001 California Community Colleges

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| 302 | Community College Categoricals | Assembly | |
| | | \$529,800 | |
| | Governor: The Governor proposes \$394.8 million for the 21 community college categorical. This is roughly the same amount as in the final 2009-10 Budget Act. | in Proposition | |
| | | 98 funds | |
| | | Senate | |
| | Assembly: Increased funding for categorical by \$135 million (\$100 million for Economic Workforce Development and \$35 million to backfill ARRA funding). | AAB | |
| | | Difference | |
| | | \$135,000 | |
| | Senate: Approved as budgeted. | | |

| 6870 | California Community Colleges | Section I | |
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| Issue | Description | Difference (dollars in thousands) | Conference Action |

6870-101-0001 California Community Colleges

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| 200 | Basic Skills Categorical Budget Bill Language | Assembly Not Heard |
| | Governor: The Governor proposed \$20 million for the Student Success for Basic Skills Students categorical program. | Senate BBL |
| | Assembly: Approved as budgeted. | Difference BBL |
| | Senate: Approved \$20 million for basic skills, and approved budget bill language that allocates \$3.8 million of that amount (or 20 percent) to those community colleges that can demonstrate improvement in basic skills students completing the basic skills classes. | |

| Issue | Description | Difference <small>(dollars in thousands)</small> | Conference Action |
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6870-101-0001 California Community Colleges

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| 201 | Financial Aid Categorical Budget Bill Language | Assembly AAB |
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Governor: The Governor proposed \$54.9 million for the Student Financial Aid Administration categorical.

Senate
BBL

Assembly: Approved as budgeted.

Senate: Approved \$54.9 million for the Financial Aid categorical, and approved budget bill language that changes the formula allocating \$34.2 million of this amount from the number of students receiving Board of Governor waivers to the number of students receiving federal Pell Grants.

Difference
BBL

6870-295-0001 California Community Colleges

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| 211 | Mandates | Assembly | |
| 014 | Senate action was: | \$21 | |
| 104 | <ol style="list-style-type: none"> 1. Funded two mandates: Sex Offenders, disclosure; and Sexual Assault Response Procedures. 2. Eliminated three mandates: Law Enforcement College Jurisdiction Agreements; Reporting Improper Governmental Activities; and Agency Fee Arrangements. 3. Suspended all other CCC mandates through 2012-13 consistent with timetable for categorical flexibility programs. 4. Requested the LAO to establish a three agency working group with DOF and CCC to review suspended mandates and develop recommendations for modifying mandates to eliminate or minimize costs in 2011-12, so that continuation of mandates could be considered in 2011-12. 5. Rejected Governor's trailer bill language suspending all CCC mandates for one year. 6. Approved Governor's budget bill language adding some mandates to the budget bill schedule that had not been previously listed in the budget bill. | <p data-bbox="1136 501 1329 623">due to deferring all mandates</p> <p data-bbox="1209 672 1329 794">Senate See left column</p> <p data-bbox="1127 846 1329 964">Difference Treatment of mandates</p> | |

| 7980 | California Student Aid Commission | Section I | |
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| Issue | Description | Difference (dollars in thousands) | Conference Action |

7980-101-0001 California Student Aid Commission

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| 008 | Student Loan Operating Fund | Assembly \$115,000 | |
| | Governor: The Governor’s May Revise proposed to transfer \$75 million from the Student Loan Operating Fund (SLOF) to the General Fund. | Senate \$100,000 | |
| | Assembly: Approved \$115 million transfer from SLOF to General Fund. | Difference \$15,000 | |

Senate: Approved \$100 million transfer from SLOF to General Fund.

The SLOF has an estimated balance of \$119 million, of which \$4 million is in fixed assets.

| 7980 | California Student Aid Commission | Section I | |
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| Issue | Description | Difference (dollars in thousands) | Conference Action |

7980-101-0001 California Student Aid Commission

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| 003 | <p>Federal Funds Offset</p> <p>Governor: The Governor’s May Revise proposes to off-set General Fund expenditures for local assistance financial aid programs with \$7,227,000 in federal funds, and the Cash for College Program outreach material costs with \$133,000 in federal funds, for a total of \$ 7,360,000 in federal funds off-sets.</p> | <p>Assembly BBL</p> <p>Senate</p> <p>Difference BBL</p> |
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Assembly: The Assembly modified the Governor’s May Revise proposal with budget bill language (1) specifying that the challenge grant offset costs of loan assumption programs, and (2) requiring a report by the Director of Finance within 30 days of federal action on the challenge grant application.

Senate: Approved Governor’s May Revise proposal.