

PACE

POLICY ANALYSIS FOR CALIFORNIA EDUCATION

Policy Paper No. PP87-6-9

California Public School
Finance Programs, 1986-87

Allan R. Odden

June 1987

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The author wishes to acknowledge the helpful criticisms and assistance of Bob Agee, Jim Wilson, Bob Oliphant, Joe Barankin, John Mockler, and Ken Hall.

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Contents

| | |
|--|-----------|
| Policy Analysis for California Education | v |
| Selected School Finance Facts | 1 |
| Total State Aid..... | 4 |
| General Aid, Block Grants | 4 |
| District Revenue Limits | 4 |
| Instructional Time Incentive | 4 |
| Necessary Small Schools | 5 |
| Summer School | 6 |
| Revenue Limit Equalization..... | 6 |
| County Office of Education Revenue Limits | 6 |
| Targeted or Categorical Programs | 7 |
| Special Education | 7 |
| Desegregation, Court Mandated and Voluntary | 10 |
| Transportation..... | 10 |
| Child Development: Preschool and Child Care Services | 10 |
| School Improvement | 11 |
| Adult Education | 11 |
| Regional Occupational Centers..... | 12 |
| Economic Impact Aid (Compensatory and Bilingual Education)..... | 12 |
| Staff Development | 13 |
| Instructional Materials..... | 14 |
| Urban Impact Aid and Meade Aid | 14 |
| Gifted and Talented Education | 15 |
| Remedial Reading (Miller-Unruh) | 15 |
| Dropout Prevention | 15 |
| Tenth Grade Counseling | 16 |
| Year-Round School Incentives/Alternatives to School Construction | 16 |
| Capital Outlay Programs | 16 |
| Other Programs..... | 17 |

Policy Analysis for California Education

Policy Analysis for California Education, PACE, is a university-based research center focusing on issues of state educational policy and practice. PACE is located in the Schools of Education at the University of California, Berkeley and Stanford University. It is funded by the William and Flora Hewlett Foundation and directed jointly by James W. Guthrie and Michael W. Kirst. PACE operates satellite centers in Sacramento and Southern California. These are directed by Gerald C. Hayward (Sacramento) and Allan R. Odden (University of Southern California).

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California Public School Finance Programs, 1986-87

This paper provides an overview of California's school finance system, including selected school finance facts, descriptions of the general revenue limit and categorical programs funding formulas, and, for each program, the amount appropriated for 1986-87, number of districts participating, and number of students served.

Selected School Finance Facts

1. For the 1986-87 school year, there are 1028 local school districts, including 271 unified, 645 elementary, and 112 high school districts. More than 50 percent of California's school districts have less than 500 students. For 1985-86, there were 7362 schools, including 4533 elementary, 693 intermediate, 258 junior high, 821 high, 419 continuation, 329 special education, and 309 county-run schools.
2. Average K-12 student daily attendance for 1986-87 is estimated to be 4,296,000. Enrollments are predicted to rise by about 100,000 students for each of the next 10 years.
3. Property taxes are levied on a county-wide basis at one percent of assessed valuation. Debt service obligations at the time of Proposition 13 are excluded from the one percent limit until the debt is eliminated. For property that has not been sold since Proposition 13 (June 1978), assessed value is 1976 market value with up to two percent annual inflation; for property that has been sold, assessed value is market value at time of sale plus up to two percent inflation in subsequent years. Property tax revenues in each county are apportioned to local governments, including school districts and the 58 county offices of education, and special districts on the basis of the proportion of total county tax receipts as of Proposition 13.
4. Beginning in FY1987, school districts were given access to two new revenue sources, both for capital construction: a bonded indebtedness property tax levy if approved by two-thirds of the voters and a fee on newly developed property (up to \$1.50 per square foot for residential and up to \$0.25 per square foot for commercial property) that can be levied by local school boards without voter approval.
5. California's school finance system, called a revenue limit program, is virtually a full state funding system. The state determines the allowable revenue limit for each district; state aid is the difference between that limit and the district's proportional share of the county's local property tax revenue receipts. Local districts have virtually no ability to raise additional tax revenues.

6. Revenue limits vary by type and size of district. For elementary districts in 1986-87, the average revenue limits are \$3084 for districts with less than 101 students and \$2423 for districts with more than 100 students. For high school districts, the average revenue limits are \$3422 for districts with less than 301 students, and \$3011 for districts with greater than 300 students. For unified districts, the average revenue limits are \$2776 for districts with less than 1501 students and \$2578 for districts with greater than 1500 students. Revenue limits were increased by an average of 5.49 percent from 1985-86 averages, or about \$125 for elementary, \$154 for high school and \$132 for unified districts. Districts are entitled to a constitutional minimum of \$120 per pupil, or a total of \$2400, of general state aid.

7. Base revenue limits are adjusted for several factors including size (in terms of numbers of students), degree to which below state average revenue limits (called the equalization adjustment), necessary small schools and student enrollment growth. In addition, two programs of California's 1983 education reform, SB 813, have been included as an adjustment in the revenue limit: higher beginning teacher salaries and longer school days and years.

8. Because each district's base revenue limit for 1986-87 essentially is determined by the revenue limit for 1985-86 plus a statutory inflation factor, increases in local property taxes only serve to reduce the level of state aid needed. Put differently, unexpectedly large rises in property tax receipts function only to reduce the amount of state general aid; they do not produce larger increases in local expenditures.

9. For 1986-87, total operating revenues are estimated to be \$17.4 billion including \$12.45 billion of state funds, \$3.29 billion of local funds and \$1.26 billion of federal aid. State funds constitute 71.7 percent of total operating revenues. These funds include child care, adult education and cafeteria program dollars.

| <u>Source</u> | <u>Amount (millions)</u> | <u>Percent of Total</u> |
|-------------------------|--------------------------|-------------------------|
| Federal | \$ 1,256,134 | 7.2 |
| State | 12,497,743 | 71.8 |
| Local | 3,293,506 | 18.9 |
| Other | 364,302 | 2.1 |
| Total Operating: | \$ 17,411,681 | |

10. For 1986-87, total funding for capital outlay is estimated to be \$694,149,000, with \$600,000,000 deriving from two school building bond acts. For education and most other state functions, California increasingly is using state bonds to finance capital construction.

11. According to the Legislative Analyst, total school funding, which includes the total in item nine above plus capital outlay funds and miscellaneous revenues, has increased significantly in California since 1983. Total funding rose from \$12.9 billion in 1982-83 to \$19.3 billion in 1986-87, a four-year rise of \$6.4 billion or nearly 50 percent.

12. For 1986-87, the state also will provide \$497.4 million for the state teachers retirement system; these funds mainly cover unfunded liability from previous decades and purchasing power protection of current retirees. This amount is included in the above state totals. In addition, local educators contribute about 8.33 percent of their salary to the state retirement system, and local districts contribute an additional 8.4 percent.

13. The major school finance court case continues to be *Serrano v. Priest*. The state's supreme court found the California system unconstitutional in its December 1976 decision. In 1985, on a new court challenge, the Los Angeles County Superior Court ruled that the system had been brought into sufficient compliance with the *Serrano* mandate of reducing expenditure disparities to within \$100 of the state average, so as not to find the system unconstitutional. In reaching this decision, the court allowed an inflation adjusted expenditure band of about \$200 from the state average. This decision is now on appeal to the state Supreme Court.

14. In addition to the revenue limit-blockgrants to local districts-California has about 70 additional categorical programs. State categorical funding totaled \$3,186,141,000 in 1986-87. Since there is virtually no local property tax leeway, most of the programs do not require a local match.

15. California's education reform, SB 813, created several new incentive and categorical programs, some of the largest and most significant being:

- minimum teacher salaries
- longer day and longer year
- mentor teachers
- teacher instructional improvement grants (mini-grants)
- administrator training centers
- a tenth grade counseling program.

After SB 813, the state developed a dropout prevention program.

16. In November 1984, voters approved a statewide lottery, designating the proceeds for education, primarily elementary and secondary education. For 1985-86, school districts received a total of \$689 million in lottery aid; for 1986-87, lottery funds are estimated to total \$499.4 million (included above as state funds). The decrease is due in part to expenses in developing a computer based lotto system and declines from initial lottery sales-actual, initial sales were higher than any initial projections.

Name of Program • Legal Citation • Amount Appropriated for 1986-87 • Percent of State Funds Appropriated • Program Description

Calculation of State and Local Shares of Program Cost • Extent of District/School Participation

Since local school districts cannot raise additional local property taxes, there is no local share for any program, except where noted.

Total State Aid \$12,497,743,000 (100%)

Number of districts: 1028
Number of students: 4,296,000

1. General Aid, Block Grants

a. District Revenue Limits
Education Code (EC) 42238 \$7,864,684,000 (62.9%)

Local Share: \$ 3,186,984
Number of districts: 1028
Number of students: 4,296,000

District revenue limits are based, in part, on historic expenditure patterns. The revenue limit represents the level of expenditure per ADA for which districts are funded through a combination of local property taxes and state General Fund aid. The state provides enough funds to make up the difference between each district's revenue limit per ADA and property taxes per ADA. Revenue limits vary by district type (elementary, secondary, and unified) and district size (in terms of ADA). Each year the revenue limit is increased by a fixed-dollar figure which equals the average statewide revenue limit for the appropriate district type and size times a cost of living adjustment (COLA); the COLA is the national state and local government deflator. More than 95 percent of the state's ADA attend schools in districts in which the base revenue limit is within \$200 of the statewide average revenue limit for that type and size of district.

b. Instructional Time Incentive
EC 46200 \$107,868,000 (0.86%)

Number of districts: 1000
Number of students: nearly all

California's 1983 education reform, SB 813, provided fiscal incentives for districts to meet minimum conditions for length of school year and day. Schools receive an extra \$35 per student if they have at least a 180-day

school year. To qualify for extra funds for a longer school day, districts need to provide a minimum of 36,000 minutes of instruction per year (200 minutes per day for 180 days) for kindergarten, a minimum of 50,400 minutes of instruction per year (280 minutes per day for 180 days) for grades 1 to 3, 54,000 minutes per year (300 minutes per day for 180 days) for grades 4 to 8, and 64,800 minutes per year (360 minutes per day for 180 days) for grades 8 to 12. Qualifying districts received an additional \$20 per elementary pupil and \$40 per secondary pupil for each of three years and reached full funding in 1986. For participating districts, the funds are included as an adjustment to the base revenue limit.

**c. Necessary Small Schools
EC 42238 [f]**

\$17,778,000 (0.14%)

California provides a higher revenue limit for districts that contain necessary but small elementary and secondary schools, in addition to the general revenue limit adjustments for small district size. To qualify, districts must have less than 2501 ADA. For necessary, small elementary schools, the following table shows the relationship between the school's ADA, number of FTE teacher positions allowed, and the total dollar allowance:

| <u>ADA</u> | <u>Teacher FTE</u> | <u>Dollar Amount</u> |
|------------|--------------------|----------------------|
| 1 - 25 | 1 | \$ 62,875 |
| 26 - 50 | 2 | 125,750 |
| 51 - 75 | 3 | 188,625 |
| 76 - 100 | 4 | 251,500 |

For necessary, small secondary schools, the figures are as follows:

| <u>ADA</u> | <u>Teacher FTE</u> | <u>Dollar Amount</u> |
|------------|--------------------|---|
| 1 - 20 | 1, 2 or 3 | \$51,050 per FTE, but \$227,200 if 3 FTE |
| 21 - 40 | 4 | \$227,200 + \$51,050 or \$278,250 |
| 41 - 60 | 5 | 329,300 |
| 61 - 75 | 6 | 380,350 |
| 76 - 90 | 7 | 431,400 |
| 91 - 105 | 8 | 482,450 |
| 106 - 120 | 9 | 533,500 |
| 121 - 135 | 10 | 584,550 |

| | | |
|-----------|----|---------|
| 136 - 150 | 11 | 635,600 |
| 151 - 180 | 12 | 686,650 |
| 181 - 220 | 13 | 737,700 |
| 221 - 260 | 14 | 788,750 |
| 261 - 300 | 15 | 839,800 |

**d. Summer School
EC 42239**

\$ 69,898,000 (0.56%)

**Number of districts: 656
Number of students: 26,156**

School districts can receive state support for summer school instruction offered to students in mathematics, science, and "other core academic areas designated by the Superintendent of Public Instruction," for local proficiency test review, and courses needed for graduating seniors. The law limits funded summer enrollments to five percent of a district's prior year total enrollment for all grades. Schools are reimbursed at an hourly rate, for up to 120 hours of instruction per pupil, at the rate of \$1.78 per pupil-hour.

**e. Revenue Limit Equalization
EC 42238.1**

\$ 21,600,000 (0.17%)

This adjustment increases a district's base revenue limit by 0.20 of the difference between the actual base revenue limit and the statewide average revenue limit for the district of appropriate type and size. The purpose is to bring all districts to within \$200 of the statewide average revenue limit for its comparative class of district.

**2. County Office of Education Revenue Limits
EC 1909, 2553.5, 2558**

\$102,276,000 (0.82%)

**Number of county districts: 58
Number of pupils: 19,800**

County offices of education are service agencies for all districts and provide instruction supervision, health, pupil personnel, curriculum, special education, fiscal services, etc.

3. Targeted or Categorical Programs

a. Special Education EC 5600

\$ 981,583,000 (7.86%)

Local General Fund: \$256,300,000
Number of districts: 1028
Number of students: 379,000

Students receive services through the Master Plan for Special Education. Under this plan, school districts and county offices administer services through regional organizations called special educational local plan areas (SELPA). Each SELPA adopts a plan that details how it will provide special education services for its districts. Each SELPA consists of a single district, a group of districts, or the county office in combination with districts. School districts and county offices receive reimbursement for special education costs on the basis of: (1) current level of services, (2) costs incurred in 1979-80, adjusted for inflation, (3) local general fund contributions, (4) federal aid, and (5) local property taxes which are part of the base revenue limit. Funding is provided for about nine percent of all students in the state. Funding is conceptually unit-based, with funding determined by the type of instructional setting, called Instructional Personnel Service Units (IPSUs).

Students receive services through one of four instructional settings which are, in increasing order of restrictive environment: (1) designated instruction and services (DIS) such as speech therapy, guidance, and counseling that is provided in conjunction with a student's regular class; (2) resource specialist program (RSP) services provided in resource rooms to students assigned to a regular classroom most of the day; (3) special day class (SDC) or center services provided to students who cannot be served in a regular class; and (4) nonpublic schools services for students whose needs can not be met by the public school system. Basically, each district receives a dollar reimbursement for each class it provides in the different instructional settings, although the specific amount for each setting varies by district depending on unit costs in 1979-80. The total number of units in each setting available for funding in each SELPA is determined by the state. Each SELPA allocates available units among each constituent local district.

The three major components of California's special education funding model are Unit Rates (UR), Support Service Ratios (SSR), and Local General Fund Contributions (LGFC). These three are all based on actual LEA costs for special education in the Master Plan base year, 1979-80. LEAs that did not provide special education services in 1979-80, but began to provide services thereafter, receive statewide average Unit Rates and Support Service Ratios and have no Local General Fund Contribution. Unit rates have increased since 1979-80 only by the cost of living allowances (COLAs) provided in annual state budget acts.

Unit Rates

Each LEA has nine URs, one for each instructional setting in the delivery system/funding model. These settings along with their statewide average URs for 1986-87 are exhibited in the following table.

| | Nonseverely Handicapped | Severely Handicapped |
|----------------|-------------------------|----------------------|
| SDC, no aide | \$31,228 | \$31,228 |
| SDC, one aide | \$41,145 | \$41,949 |
| SDC, two aides | \$51,062 | \$52,670 |
| RSP, no aide | \$32,882 | NA |
| RSP, one aide | \$42,700 | NA |
| DIS | \$31,331 | NA |

Each LEA's entitlement for IPSUs is calculated by multiplying the lesser of the number of units it was allocated and the number it operated in each setting by its UR for that setting.

Support Service Ratios

Initially, each LEA had a district-specific SSR. Subsequently, however, higher SSRs were "squeezed" down; SSRs applicable to programs for the nonseverely handicapped were reduced to a greater degree than those applicable to programs for the severely handicapped. As a result, some LEAs currently have two SSRs, one for nonseverely handicapped (NSH) and one for severely handicapped (SH) programs, while other LEAs have only one SSR applicable to both programs.

Each LEA's support entitlement is calculated by multiplying its total entitlement for nonseverely handicapped by its nonseverely handicapped SSR, multiplying its total entitlement for severely handicapped by its severely handicapped SSR, and summing the two products.

The statewide average SSR (before the "squeeze") was .5215. The averages of the SSRs actually used in calculating entitlements for 1986-87 (after the "squeeze") were 0.4369 for nonseverely handicapped programs and 0.5412 for severely handicapped programs.

Other Entitlements

While entitlements for IPSUs and support services account for the bulk of total special education entitlements, there are a few other entitlements that contribute to the whole. These include entitlements for extended year services (roughly, summer school), which are calculated in a manner similar to the IPSU and support methodology, and nonpublic school services which are funded on a partial or total cost reimbursement system depending on a number of variables.

Local General Fund Contributions

The LGFC is basically a "maintenance of effort" requirement of school districts that partially supported their special education programs in 1979-80 with local general funds. The LGFC is expressed both as a total dollar amount and as a dollar amount per 1979-80 ADA. This is because while a district's total LGFC in any year cannot exceed its 1979-80 total general fund contribution, the LGFC may be less than this amount if the district's ADA is less in a subsequent year than it was in the base year.

The LGFC is treated as a source of revenue and is therefore deducted from the formula's gross entitlement to arrive at each LEA's state aid entitlement as indicated below. Note, however, that districts are not required to expend their LGFCs on their special education

State Aid Entitlement

The sum of all entitlements for IPSUs, support services, extended year, nonpublic schools, etc., represents an LEA's gross entitlement for special education. From this amount are deducted various revenue sources to arrive at the state's share of the LEA's entitlement. These revenue sources include the LGFC (as described above), a share of county taxes designated for special education use, federal law PL 94-142 local assistance funds, and the revenue limit per ADA for all children enrolled in Special Day Classes. These revenue limits are deducted because a child enrolled for the majority of the day in an SDC does not need to generate support for a regular classroom teacher.

b. Desegregation, Court Mandated and Voluntary \$ 350,618,000 (2.81%)

Number of districts: 7 court ordered
37 voluntary
Number of students: 908,697

While reimbursement for school desegregation costs is not required by the California constitution, state law provides for state reimbursement for costs of both court-ordered and voluntary desegregation. Reimbursements are made based on claims filed by school districts operating desegregation programs, although reimbursements were \$55,000 short of claims in 1986. Districts operating court-ordered programs may be reimbursed for an amount equal to their prior-year claims, as adjusted for inflation and enrollment growth, plus 80 percent of any additional cost increases. Reimbursement for voluntary desegregation is limited to prior-year approved costs as adjusted for inflation and enrollment growth; any additional cost increases are not reimbursable.

**c. Transportation
EC 41850 \$ 288,797,000 (2.31%)**

Number of districts: 1003
Number of students: NA

This program provides aid for home-to-school transportation and transportation to and from related student services required by an individualized education program for special education pupils. A cost reimbursement formula is used. If a district's transportation expense for 1986-87 is at least 95 percent of the allowance from the preceding year, the reimbursement will be the prior year allowance plus a COLA determined by the legislature. If the district's transportation expense is less than 95 percent of its prior year allowance, its reimbursement will be the actual prior-year expense, plus the COLA, plus five percent; the additional five percent is an incentive for districts to economize by allowing them to capture a portion of their savings.

**d. Child Development: Preschool and Child Care Services
\$ 286,030,000 (2.29%)**

Number of agencies: 513
Number of students: 53,380

These funds are provided to both public and private agencies, including school districts, for a variety of subsidized child care and educational programs targeted to low-income families and preschool children with special needs. There are eight major types of programs: public center, private center, Title 22 center, family child care homes, campus child care, state migrant, federal migrant, and alternative payment. For each program, the agency receives an amount per day for each enrolled student; the amount varies and is determined by the Department of Education and the agency.

e. School Improvement
EC 52000

\$ 224,865,000 (1.80%)

Number of districts: about 1004
Number of students: about 2,000,000

School Improvement provides discretionary money to develop and implement a site education improvement program. Use of funds is governed by a school site council that is composed of teachers, administrators and parents, and students in high schools. Currently, site plans are to focus on the quality of curriculum and pedagogy, especially in mathematics, science, social studies and language arts, and to structure services in categorical programs to help eligible students learn the regular curriculum program. Each school's program is reviewed every three years by a consortium of local educators outside the school's district. At the secondary level, schools in the program receive \$74 per pupil for grades 9 to 12 and \$103 per pupil for grades 7 to 8. For grades K to 6, the potential allocation is \$95 per K to 6 student. Actual allocations are determined by whether the prior-year amount exceeded the potential, in which case it remains the same. If the prior-year allocation is less than the potential, it is increased by the district's revenue limit COLA. If it is still below the potential allocation, the district is eligible to apply for "expansion" School Improvement funds, when appropriated.

f. Adult Education

\$ 214,938,000 (1.72%)

Number of districts: NA
Number of students: 176,000 in 1986
in K-12 districts

Adult education includes state and federally funded programs for adults and general education development (GED) testing in both school districts and community colleges. The law authorizes districts to receive funding on the basis of adult ADA which is limited to the 1980-81 ADA, adjusted annually by 2.5 percent. Appropriations have limited the allowable adult ADA to 1.0974 times the 1982-83 adult ADA. For 1986-87, districts received funding equal to that capped ADA, if generated, times \$1234, which was the statewide average base revenue limit for the preceding year increased by a COLA of six percent, or their revenue limit for 1985-86 adult education plus \$70. For community colleges, authorized adult ADA enrollment growth is limited to the percent change in the adult population of the district. Since the growth of adult ADA for English as a Second Language (ESL) services is growing at a faster pace than the overall adult population, consideration is being given to significantly adjusting the growth factor.

**g. Regional Occupational Centers
EC 52300**

\$ 209,481,000 (1.68%)

**Number of ROC/P districts: 68
Number of ROC/P students: 98,100**

This is the state's vocational education programs, in schools and regional centers. Both adults and regular students are enrolled in ROC/P programs. Until 1981-82, districts received funding on the basis of the number of adult ROC/P students times an average adult revenue limit plus the number of regular student ROC/P ADA times the regular student revenue limit. In 1981-82, the number of adults in ROC/P was limited. For 1982-83, the base ADA figure became the 1981-82 regular student ADA plus the 1981-82 adult ADA, called the combined ADA. In subsequent years, districts received aid equal to the base combined ADA times a weighted average revenue limit plus a growth ADA times a growth revenue limit. In 1986-87, the ROC/P revenue limit for the combined ADA averaged \$2131; the revenue limit for growth ADA averaged \$1997.

**h. Economic Impact Aid (Compensatory and Bilingual Education)
EC 54041**

\$ 197,577,000 (1.58%)

**Number of districts: 1026
Number of students: about 600,000 LEP
about 900,000 SCE**

Economic Impact Aid is generally a program for districts with poor, educationally disadvantaged (State Compensatory Education—SCE) or limited English Proficient (LEP) students. The programs are operated in close conjunction with the Federal Chapter I program. Potential funding is determined by multiplying an EIA Factor by the district's federal census poverty count and multiplying that factor by \$876 (which equals \$550, the figure for 1979, increased by six percent each year). The result is called "gross need." If the prior year allocation is less than that amount, the district receives the prior year amount plus a COLA. The EIA factor is a combination of a poverty factor, a transiency factor, and a minority factor. The poverty count is the average of each district's AFDC pupil count and its federal census of poverty count expressed as a percent of the district's enrollment. This district ratio is then compared to a similar statewide ratio. The result is called the poverty factor. A transiency factor is similarly calculated by comparing the district's total annual count of students attending school at least one day during the year to its ADA, and comparing that to the statewide average figure. A minority factor is similarly calculated by comparing the district's total number of Hispanic, Asian, and American Indian surnamed students to its ADA, and comparing that to the statewide average figure. The EIA factor is the average of the poverty, transiency, and minority factors. If a district's EIA factor is greater than 0.35 (true for all but two districts), it is eligible for EIA funds.

i. Staff Development

EC 44681, 44490, 44670, 44680, 41100, 44780 \$94,222,000 (0.75%)

Mentor Teachers
EC 44490

\$45,750,000

Number of districts: 919
Number of teachers: 7602

The Mentor Teacher program is designed to allow locally selected teachers to provide staff development assistance to other teachers, especially beginning teachers, and to engage in curriculum development. Mentor teachers must spend at least 60 percent of their time in their regular classrooms. Each Mentor teacher receives an additional stipend of \$4000, and the district receives \$2000 for support costs. The goal is to provide funding to support five percent of all teachers as Mentors.

Teacher Instructional Improvement Grants \$17,100,000

Number of districts: 936
Number of teachers: 16,642

This program is designed to encourage classroom teachers to improve the quality of instruction. Each district is eligible for a total amount of \$2000 times five percent of the number of permanent, full-time teachers (excluding adult, child care, and regional occupational education teachers). Teachers apply within each district for grants, each of which is \$2000. The district also may apply for a reimbursement for administrative costs up to five percent of its total entitlement.

Teacher Education and Computer Centers
EC 44680

\$12,586,000

This program supports 17 Centers with a mission to provide regional staff development for improving curriculum and instruction in classrooms across all subject areas. They originally were established to focus on computers and technology; the new mission was created for 1987. These TECC centers are seen as important vehicles for helping to implement the new state curriculum frameworks, and emphasize training in both content and content-specific pedagogy.

Administrator Training Centers \$4,202,000

This program supports 11 regional administrative training centers and a Central School Leadership Institute which together develop curricula and provide intensive training to school administrators, primarily new or aspiring site administrators, in the area of instructional leadership.

j. Instructional Materials
Elementary: EC 60240
Secondary : EC 60247 \$90,158,000 (0.72%)

California provides \$23.99 per ADA in grades K to 8 for the purchase of instructional materials from state approved lists, and beginning in 1983, \$16.68 per student enrolled in grades 9 to 12 for purchase of secondary instructional materials, for which there is no official state list.

k. Urban Impact Aid and Meade Aid
EC 54060 \$86,636,000 (0.69%)

Number of Urban Aid districts: 125
Number of Meade districts: 256
Number receiving both: 56

The programs provide qualifying school district aid to compensate for the higher costs believed to be associated with their urban settings. Program funds are not targeted to any specific purpose or group of students and can be used for any educational purpose. Funds, thus, are similar to general aid.

Urban aid districts were determined in 1976-77. To qualify, unified districts had to meet three criteria: (1) have an EDY factor of at least 0.9 in 1976-77, (2) have at least 12,022 ADA in 1975-76, and (3) have either a 1975-76 EDY factor times the number of federal census poverty students that was at least 3731 or a 1975-76 poverty factor greater than 1.5 and a minority population percentage of greater than 55 percent in 1973. Nineteen districts qualified. To determine whether high school and elementary school districts qualified, feeder elementary students were combined with high school students. The same concept was used but with 1983-84 data; 106 districts were eligible. For qualifying districts, the potential funding figure is the AFDC pupil count times the EIA factor times the district's revenue limit in 1975-76. That total is multiplied by 1.1 if the district's ADA is greater than 58,800, the case for four districts. Actual funding is proportionately related to the appropriation made each year for the program.

Meade aid districts were those districts that had an EDY factor of at least 1.25 in 1976-77. Dollars received are the proportion of their EDY entitlement in 1975-76 times the Meade aid yearly appropriation.

**l. Gifted and Talented Education
EC 52200**

\$21,236,000 (0.17%)

**Number of districts: 428
Number of students: 220,000**

The gifted and talented education (GATE) program superseded the mentally gifted minor program in 1979. Districts which operated a mentally gifted minor program during 1978-79 are eligible to receive GATE funds; a few districts have been added as some districts have withdrawn from the program. Each district participating must establish criteria and a method for identifying students who are gifted or talented, and may use standardized test scores, teacher or parent referrals, course grades, pupil projects, and reviews by a school psychologist.

**m. Remedial Reading (Miller-Unruh)
EC 54162**

\$19,869,000 (0.16%)

**Number of districts: 147
Number of positions: 913**

This program provides state subsidy for reading specialist positions to help prevent and correct reading disabilities at the earliest possible time in the educational career of a child. Funding is to be allocated on the district's relative percentage of numbers of students with reading disabilities. The state provides \$21,762 per full-time reading specialist, about 78 percent of the statewide-average elementary school teacher's salary. District's with eligible reading specialists basically are those that applied for and received funding in 1965 when the program began.

**n. Dropout Prevention
EC 54720**

\$13,650,000 (0.11%)

**Number of districts: 250
Number of students: NA**

A relatively new program designed to reduce the number of students dropping out of school and to deliver services to students who already have dropped out of school.

o. Tenth Grade Counseling
EC 48431.6

\$7,603,000 (0.06%)

Number of districts: 1000
Number of students: 380,000

California's 1983 education reform authorized \$20 per pupil in grade 10 for extra counseling in an academic program that would lead to high school graduation. Schools implement the program in a variety of ways, but must provide additional counseling to every tenth grade student.

p. Year Round School Incentives/Alternatives to School Construction
EC 17717.7 and 17857

\$3,639,000 (0.03%)

Number of districts: NA
Number of students: NA

California's 1983 education reform authorized an incentive of \$25 per pupil for every pupil attending a school operating on a year-round school basis because of overcrowding. In 1986, an additional incentive up to \$125 per pupil was authorized for the same purpose. Funding for these programs is estimated to rise to \$15,000,000 for 1987-88.

4. Capital Outlay Programs

\$694,159,000

Local match: for construction, the yield from levying a developer's fee on newly constructed property at the rate of \$1.50 per square foot for residential property and \$0.25 per square foot for commercial property

Number of districts: all potentially eligible

California funds nearly all school building construction and rehabilitation from state funds. The two major programs, in addition to the year-round school incentives and asbestos abatement, are construction, reconstruction, modernization and deferred maintenance, and emergency portable classrooms. For construction, the state provides the funding less the yield from a locally levied developers fee. The state specifies the size of a lot for elementary, middle, and high schools, and allowable square footage for which reimbursement will be provided. The state also pays for deferred maintenance on a dollar-for-dollar matching basis; the maximum amount of this entitlement is limited to one percent of a district's total local general fund budget (excluding capital outlay). In addition, the state purchases and then leases relocatable classrooms with furnishings to local districts at the rate of \$2,000 per year; the state now has about 2000 such classrooms, and purchases more each year. In 1986-87, the total cost of such a classroom is \$38,000. There currently is a backlog of 460 needed relocatable classrooms, and an even larger backlog for the construction of new schools.

5. Other Programs

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| • Meals for Needy Students | EC 49550 | \$25,888,000 |
| • Apprentice Programs | EC 8153 | \$ 2,721,000 |
| • Adults in Correctional Facilities | EC 41841.5 | \$ 1,885,000 |
| • Foster Youth Services | EC 42920 | \$ 821,000 |
| • Specialized Secondary Programs | EC 58800 | \$ 2,101,000 |
| • Youth Suicide Prevention | EC 10200 | \$ 315,000 |
| • Agricultural Vocational Education | EC 52460 | \$ 3,000,000 |
| • Native American Indian Education | EC 52063 | \$ 365,000 |
| • American Indian Education | EC 33380 | \$ 861,000 |
| • Reading/Math Demonstration | EC 58600 | \$ 4,367,000 |
| • Education Technology | EC 51870 | \$26,155,000 |
| • Child Nutrition | EC 49530 | \$37,360,000 |
| • Small District Bus Replacement | EC 42290 | \$ 3,120,000 |
| • Health Education | EC 51880 | \$ 677,000 |
| • Intergenerational Programs | | \$ 165,000 |
| • Alternatives to Special Education | | \$ 210,000 |
| • School Law Enforcement | EC 32260 | \$ 150,000 |
| • GAIN | EC 33117.5 | \$ 2,000,000 |

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| • Peninsula Academies (Voc Ed) | EC 54690 | \$ 600,000 |
| • Asbestos Abatement | | \$ 9,850,000 |
| • Driver Training | EC 41304 | \$19,000,000 |
| • Environmental Education | EC 8700 | \$ 604,000 |
| • Drug and Alcohol Abuse Prevention | EC 51202 | \$ 250,000 |