

# Categorical Funds Proposed To Be Included in Student-Centered Funding Model

## Programs consolidated into weighted pupil grants

<b>General purpose funds</b>
Revenue limits
County office revenue limits
School improvement grants
Charter school block grant
<b>Targeted at specific disadvantaged populations</b>
Economic impact aid
English learner (grades 4–8)
English learner — adult mentor training
CalSAFE (teen pregnancy)
High school exit exam assistance
Community day school
Desegregation + supplemental grants (TIIG)
<b>Professional development programs</b>
Professional development block grant
Teacher credentialing block grant
Pupil retention block grant
Professional development institutes

## Programs that remain stand-alone categoricals

<b>Meets federal requirements and current incentives work</b>
Special education
<b>Serves non-K–12 population</b>
Child care and preschool
New preschool initiative
Adult education
<b>Provides K–12 education to students for whom the state has an additional obligation</b>
California Youth Authority — Department of Corrections and Rehabilitation
Foster youth programs
Department of Developmental Services
Adults in correctional facilities
State special schools — blind and deaf
<b>Required to support state accountability system or required oversight</b>
Assessments
California School Information Services (CSIS) implementation
County offices — <i>Williams</i> settlement



## Explanation of Why Specific Categorical Programs Should Be Maintained as Stand-Alone Programs

**Special education needs to meet federal requirements and current incentives work.** Federal law requires states to fulfill specific oversight roles for special education students. It is more straightforward for the state to maintain a stand-alone program to fulfill these needs. For example, the state must verify that the state is maintaining effort for its special education funding. In addition, the special education funding model distributes funding in a relatively straightforward method that creates incentives for districts not to over-identify special education students.

**Programs serving non-K–12 populations.** The Committee recommends maintaining a set of programs that are managed by school districts or other entities but serve non-K–12 students. Adult education serves (generally) young adults in programs that include language skills, courses to help high school dropouts graduate, career technical education and parenting/family skills. Because these programs serve different populations, the allocation decision is better made at the state level, rather than the district level. If adult education funding were folded into the K–12 student-centered funding model, it almost certainly would be spent on K–12 students, unless the state somehow provided an adjustment factor for adult education students (which would be a complex process with difficult incentive issues). Preschool and child care present similar conditions, in which the relative allocation of resources between K–12 and preschool/child care is better made at the state level.

**Provides K–12 education to students for whom the state has an additional obligation.** Education funding should remain separate for students served by various other state agencies or programs. These programs include students in the criminal justice system (the California Youth Authority and adults in correctional facilities), in hospitals (Department of Developmental Services), and in special state-run schools for a specific population (state schools for the blind and deaf). The Committee also recommends protecting funding for foster youth programs because these students are ultimately the responsibility of the state, and the current accountability system does not ensure that they are receiving the supports they need.

**State accountability or oversight responsibility.** The Committee recommends maintaining categorical programs needed to support the state’s accountability system (state assessments and funding for data systems) because the state needs to maintain a uniform method for testing and collecting data to fairly determine how well schools and districts are doing. The state also needs to maintain a funding stream to counties to conduct the oversight reviews of low-performing schools required by the *Williams* court settlement.

**Addressing the under-investment in maintenance.** Since the state pays more than half of the cost of school modernizations, it has a fiscal incentive to ensure that school districts properly maintain their facilities. The state also has a responsibility to ensure that students attend school in safe and clean facilities that create supportive learning environments for students. If districts are faced with the dilemma of funding school maintenance or other operational costs, districts often under-invest in maintenance, because facilities don’t receive the same advocate support as do other uses of the funding, such as salaries or specific education programs. Thus, the state should keep maintenance funding separate from its overall fiscal model. Alternatively, the state could fold the deferred maintenance funding into the student-centered funding model, and then increase the required set-aside for maintenance above the current 3 percent; this would achieve the same assurances for maintenance.

**Supports school interventions.** In the Governance and Accountability Chapter of the report, we recommend the development of a new regional support system for struggling schools and districts. Funding currently provided for the High Priority Schools and Immediate Intervention/Underperforming schools programs would be redirected to partially fund that new support system. As such, the Committee would not consolidate funding for these programs into the student-centered funding model.