

A complete budget update is also on the CAG website at www.cagifted.org.

This is intended to address questions specifically relative to Gifted Education.

The newly adopted state budget includes a great deal of spending flexibility with most categorical funds. For 43 of the 50 categorical programs, including GATE, funding is cut by 15%, then for a period of 5 years, districts have complete flexibility to use the funds as they see fit, without regard to program requirements. Decisions will be made at the school board level following public hearings regarding the budget.

Following is our summary and analysis of the categorical flexibility provisions of the budget package, as they impact GATE. These provisions are all included in SBX3 4 (SB 4 of the Third Extraordinary Session), by Senator Ducheny.

Access to June 30, 2008 restricted balances

Section 42 of the bill provides authorization for the 2008-09 and 2009-10 fiscal years to "use up to 100 percent of the balances, as of June 30, 2008, of restricted accounts in its general fund or cafeteria fund, excluding restricted reserves committed for capital outlay, bond funds, sinking funds, and federal funds..." The language is not clear on what districts or counties may use the restricted balances for, it just says they may use them. There is a statement that this authorization is provided "in order to provide local budgeting flexibility". The bill language provides this authority to "the governing board of the school district or county office of education".

The language specifically excludes from this flexibility the balances in seven programs, but GATE is not excluded. The seven programs are: Economic Impact Aid, Targeted Instructional Improvement Grants, Instructional Materials, Special Education, Quality Educational Investment Act, California High School Exit Exam Intensive Intervention Program, and Home-to-School Transportation.

Categorical Flexibility for 2008-09 through 2012-13

This language is in Section 15 of SBX3 4. The bill provides that, for this five year period, funding from any of the specified categorical education programs may be used "for any educational purpose". Paragraph (d) of the section says that: "For the 2008-09 fiscal year to the 2012-13 fiscal year, inclusive, local education agencies that use the flexibility provision of this section shall be deemed to be in compliance with the program and funding requirements contained in statutory, regulatory, and provisional language..."

This language absolves districts from the requirements of providing unique courses for gifted students, compliance with existing approved GATE plans or submission of GATE plans according to existing schedules to qualify for GATE funding. Funding will continue at the 2008-09 level for all 5 years and may get COLA should the Legislature approve.

Remember that they are talking about state funds and all federal funds continue to require compliance with all federal rules.

The section says that for fiscal years 2009-10 through 2012-13, the State Superintendent shall apportion funds for each program to each agency "based on the same relative proportion that the local education agency received in the 2008-09 fiscal year....." This means, for example, if an agency received 1% of the state GATE funding in 2008-09, it would receive 1% of the state GATE funding in 2009-10, even if it chooses to now use those funds for some other purpose.

The paragraph described above says that the agency shall be "deemed" to be in compliance with all gifted education laws and regulations.

Public Hearing

With regard to decision-making, the language (paragraph C2) provides that: "As a condition of receipt of funds the governing board of the school district or board of the county office of education, as appropriate, at a regularly scheduled open public hearing shall take testimony from the public, discuss, and approve or disapprove the proposed use of funding."

In each district the notice may read more or less clearly about what flexibility is being considered and participation by involved programs will vary.

Talking points:

1. GATE programs are subject to the 15% current year cut, so they will need their reserves to absorb that reduction.
2. For 2009-10 through 2012-13, one of the major considerations should be whether an agency will be able to rebuild the program to reclaim the funding when the rules become effective again on July 1, 2013.
3. These students still continue to need specialized services to meet their individual learning needs.

You will have questions

Throughout the spring, they will be working out specifics of implementation. As implementation questions arise, please let me know so that we can get them answered as part of the inevitable cleanup package that will happen in the next couple of months. CDE, Dept. of Finance and the Legislature will all have input on the final resolution of details.

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