

Governor Releases FY 16-17 Budget Package

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Last week Governor Brown released his proposed \$170 billion (\$122 General Fund) FY 16-17 budget package that provides his initial road map for state spending in FY 16-17. It is merely the opening salvo in a long process that will play out with legislative budget hearings and a revision released by him in May ("May Revise"). The package, with legislative adjustments, must be finalized by June 15th in time for the Governor to sign the package and the new fiscal year to begin on July 1st. Budget overview hearings will be scheduled in the next couple of weeks with subcommittee hearings scheduled in March/April.

Overall, the package provides significant growth in funding for education, health care and state infrastructure. Additionally, it continues to build the state's Rainy Day Fund, pay down the "Wall of Debt" and more.

Since its release, I've received many inquiries regarding the status of adult education in FY 16-17 and beyond. Concern has been widespread that adult education was not mentioned in the widely publicized and circulated budget summary; however, I want to assure the field that adult education is absolutely contemplated as part of the package and will see \$500 million, as expected and proposed, in FY 16-17.

So, why wasn't it discussed in the budget summary and related documents?

Each year when the Governor prepares for his news conference and initial outreach on his proposed budget package a summary document of all of the adjustments to the budget from the current budget year is prepared. To be clear, only items that are proposed to change in some way are included and mentioned in the package. This could include cuts to a program, revenue increases, staff allocation adjustments, realignment of programs, and more. For adult education, as I've mentioned on a host of occasions, there are no changes contemplated by the Governor and Department of Finance at this stage in the budget discussions. That isn't to say the conversation that plays out over the next five months may not lead to adjustments, but currently the Governor and Department of Finance are more interested in seeing the continued implementation of the Adult Education Block Grant (AEBG) play out locally. They're clear about some of the challenges with implementation that have been experienced across the state, but are adamant they want to see additional progress before investing greater sums of resources in to such a new system - even with the great potential and promise it holds for millions of Californians in need of basic skills and short-term career training.

Still skeptical?

In an effort to ensure I wasn't reading the tea leaves incorrectly, I reached out to the Department of Finance to ensure adult education was included as expected. In this

regard, I was pointed to page 15 of the galley, line item 201 under the Proposition 98 expenditures in the following file <http://www.ebudget.ca.gov/2016-17/pdf/GovernorsBudget/6000/6870.pdf>. This provides the marker for adult education funding under the AEBG for FY 16-17.

So what about the details for expenditure of those funds?

To be clear, the distribution of the funds will continue to be dictated by the provisions in AB 104 and the local consortia plans. Nothing changes in that regard. Further, this number and current law ensures that adult schools will continue to receive the same amount you are receiving in the current FY 15-16 budget year in FY 16-17. More specifically, Education Code Section § 84909(d) provides:

(d) The chancellor and Superintendent shall determine the amount to be allocated to each consortium based on the following:

- (1) The amount of funds apportioned to the members of that consortium in the immediately preceding fiscal year.
- (2) That adult education region's share of the statewide need for adult education.
- (3) That consortium's effectiveness in meeting the educational needs of adults in the adult education region based on available data.

In this regard, unless a region is failing to address the needs of adults effectively, the funding for each consortium will remain relatively flat and stable. Further, as it relates to each individual consortium member, Section 84914 speaks to the three criteria under which this base funding would be eligible to be taken from any particular member. Specifically, it provides the based funding may be stripped if:

"...the consortium makes at least of the following findings related to the member for which the distribution would be reduced: (A) the member no longer wishes to provide services consistent with the adult education plan. (b) The member cannot provide services that address the needs identified in the adult education plan. (C) The member has been consistently ineffective in providing services that address the needs identified in the adult education plan and reasonable interventions have not resulted in improvements."

In this regard, our efforts to ensure stability and some semblance of base funding continues to exist for adult schools going forward, presuming they are not falling into the criteria noted.

All of this said, the state associations are keenly aware that this level of funding will not address the need that exists nor will it ensure maintaining capacity over the long haul, particularly with a lack of adjustment for cost of living considerations and staffing costs. We will be discussing these issues with Department of Finance and the Legislature in the coming months. In the meantime, please know we're continuing our efforts to promote K-12 adult education, increase the level of funding for the AEBG and provide further clarity on the key provisions of the AEBG that remain problematic and/or confusing at the local level.

Stay tuned and be sure to save the date for the CAEAA & CCAE Legislative Day at the Capitol on April 5th!