



# Memorandum

**TO:** ALL CHILDREN ACHIEVE  
COMMITTEE

**FROM:** Albert Balagso

**SUBJECT:** PROPOSITION 49 UPDATE

**DATE:** 05-25-06

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Approved

Date

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## **SUBJECT**

The subject of this memo is to update the status report to the All Children Achieve (ACA) Committee on Proposition 49.

## **OUTCOME**

Update the ACA with latest facts on the implementation of Proposition 49.

## **BACKGROUND**

This memo is an update to the April 13, Parks, Recreation and Neighborhood Services (PRNS), ACA presentation regarding the potential impact of Proposition 49. Specifically the Committee asked Staff to work with Betsy Shotwell, Intergovernmental Relations Director, to obtain more information on SB 638 and SB 1302 legislations and contact organizations in Sacramento that monitor legislations for the California Teachers Association (CTA) and the California School Boards Association (CSBA) and other agencies to gain a better understanding of Proposition 49 and where this is going.

## **ANALYSIS**

Over the past month, some progress has been made toward the implementation of Proposition 49. In regards to the positions of California Teachers Association (CTA) and California School Board Association, both organizations "Oppose the Manipulation of Proposition 49." The

official statement provided by The Education Coalition states that “The Governor's proposal to fund Proposition 49 with Proposition 98 funds without increasing the guarantee, as required by law, violates the commitment the Governor made to voters and the education community when they passed the initiative in 2002. Proposition 49 would reduce the amount owed schools under Proposition 98 by \$428 million.” Just recently the Governor’s proposed budget provides a plan in which Proposition 98 funds are repaid, clearing the way for Proposition 49 to proceed.

Another promising development has been the consolidation of elements between SB 638 (Torlakson) and SB 1302 (Asburn). SB 638 also includes an amendment to mark this bill as “urgency”, meaning that it can become effective immediately upon receiving a signature from the Governor. With those agreements, SB 1302 has been pulled and an amended SB 638 has unanimously passed through the Assembly Sub-Committee on Education. It will be heard by the Appropriations committee in the next few weeks. All indications show that this Bill will be approved, with implementation slated for Fall 2006.

With SB 638 showing the most promise to be approved in the next few weeks, the following analysis will show a parallel discussion as to the impacts and opportunities that Proposition 49 and the SB 638 version can provide.

General Comparison:

<b>Proposition 49</b>	<b>SB 638</b>
Elementary School allocation - \$50,000	Elementary School allocation - \$112,000
Middle School allocation - \$75,000	Middle School allocation - \$150,000
Application: Non-Competitive	Application: Competitive
Match Requirement: 50% no Facilities can be claimed as part of the match	Match Requirement: 33% with up to 25% of match can be claimed as facilities provision
Reimbursement Grant	Direct up front Grant
No priority funding. All public elementary and middle schools eligible	Priority Funding: <ul style="list-style-type: none"> <li>• Current After School Education and Safety (ASES) sites</li> <li>• 21<sup>st</sup> Century Community Learning Center (CCLC) sites</li> <li>• other low income sites</li> <li>• all others</li> </ul>

An important issue to note is that if SB 638 passes, and the per site amount increases, there will be a competitive process, and a priority funding allocation. The proposed priority funding grandfathers in current ASES sites, places 1<sup>st</sup> priority to current 21<sup>st</sup> CCLC sites that apply, and then targets other low income school sites. In light of that assessment, PRNS’ San José After School is pursuing strategies to be able to bring these needed funds to targeted schools of need.

Through these existing grants we are in partnership with the following school districts: Alum Rock, Berryessa, Campbell, Evergreen, Mt. Pleasant, Moreland, Oak Grove, San José Unified, and Santa Clara Unified. As such, with the proposed changes through SB 638, these currently

funded 37 low income schools should receive funding at the increased cap amount (\$112,000 elementary, \$150,000 middle school).

<b>Current ASES Sites (Grandfathered in)</b>
<ul style="list-style-type: none"> <li>• Total 21 (two sites also receive 21<sup>st</sup> CCLC funds)</li> </ul>
<ul style="list-style-type: none"> <li>• 14 are operated by City of San José</li> </ul>
<ul style="list-style-type: none"> <li>• 7 are operated by Non-Profits</li> </ul>
<b>Current 21<sup>st</sup> CCLC Sites (1<sup>st</sup> Priority)</b>
<ul style="list-style-type: none"> <li>• Total 18 (two sites also receive ASES funds)</li> </ul>
<ul style="list-style-type: none"> <li>• 3 are operated by City of San José</li> </ul>
<ul style="list-style-type: none"> <li>• 15 are operated by Non-Profits</li> </ul>
<b>Possibly New Sites (2<sup>nd</sup> Priority)</b>
<ul style="list-style-type: none"> <li>• 50 more low-income schools (40% or more Free and Reduced Lunch) in San José (mostly in Alum Rock Union, and Franklin-McKinley school districts)</li> </ul>

In an effort to plan for implementation, PRNS staff has been meeting with State leaders and local Superintendent’s to discuss planning and development options for Proposition 49 applications. Each individual school district operates as the Lead Education Agency, and those listed above have chosen to utilize the City as the fiscal agent to manage the current ASES and 21<sup>st</sup> CCLC grant funds. Based on the current parameters of Prop 49 and SB 638, the City is currently discussing with individual school districts their intentions toward Proposition 49 and continuing the partnership with the City. To expand services the SJAS partnership will be targeting the schools in San José that currently serve populations of 40% or above Free and Reduced Lunch, and do not receive either ASES or 21<sup>st</sup> CCLC funding. Regardless of whether districts decide to utilize the City as the fiscal agent, the students and parents in our neighborhoods will be benefiting from this effort.

For any expansion efforts, SJAS will also look to expand its network of Community Based Organizations to operate after school programs at individual school sites. Currently we are in partnership with After School All-Stars, the Young Men’s Christian Association, Boys and Girls Club, Cross Cultural Community Services, Center for Training and Careers, and Mexican American Community Services Agency.

Through this expansion and increase of State funding, PRNS is still assessing the financial impact on our current after school programs. Currently PRNS utilizes General Fund monies to supplement the current State allocations in order to adequately fund a quality Level III comprehensive site. The proposed increase of State funding may allow PRNS to re-allocate its General Fund commitments to help support needed department operations. Due to the fact that the State funding parameters are still in debate, PRNS is not ready to provide a full analysis of

the potential benefits or re-allocating its resources, but would like to alert the ACA committee on this possible scenario.

As of this date, there has been no release date set for the Request for Proposals (RFP), as such City staff will continue working with school districts to assess their plans. Most experts in the after school field believe that the RFP will come out this summer.

### **COORDINATION**

This memo has been coordinated with the City Manager's Office.

### **COST IMPLICATIONS**

Any actions needing Council approval would be brought forward when State actions and requirements are more certain. Actions proposed would be at no additional cost to the City above existing funding allocations.

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and Neighborhood Services

For questions please contact Neil Rufino, Assistant to the Director – San José After School Manager, 535-3583