



CALIFORNIA TEACHERS ASSOCIATION

David A. Sanchez
President

July 30, 2009

Dean E. Vogel
Vice President

TO: Chapter Presidents with QEIA Schools

Gail M. Mendes
Secretary-Treasurer

FROM: David A. Sanchez, President

SUBJECT: **QEIA Funding for 2009-10**

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This week, Governor Schwarzenegger signed a 27-bill package to balance California's 2009-10 budget. Your hard work during the many months of negotiations helped fight off attempts to suspend Proposition 98 and to insure that more than \$11 billion will be restored to public schools once the economy improves. As the President of a chapter that represents QEIA schools, there is one part of that budget package that I want to bring to your attention: funding for the Quality Education Investment Act (QEIA).

First, be assured that QEIA is funded by the state's General Fund for 2009-10 and for the remaining years of the program. CTA vigorously defended QEIA throughout this budget battle and resisted many proposals to discontinue or substantially change the program for political expediency. As part of the final budget agreement, there are two changes. The mechanism for funding QEIA in 2009-10 will change for one year only and an 8th year of funding has been added to the program.

You may have heard rumors circulating that QEIA schools face a funding gap or "hole" because of this action. That is not true. But the funding mix will be different. It is technically accurate that QEIA schools will have their revenue limit funding reduced by the amount of General Fund money they are awarded through QEIA. But ABx4 2, one of the budget bills, also provides the mechanism for the same amount of additional federal funding to flow to QEIA schools in 2009-10. If a district asserts that revenue limits are being reduced that is simply a half-truth propagated by those who wish to undermine QEIA.

This one-time change brings significant benefits to the students and staff at QEIA schools. First, it allowed the passage of the budget amendments that had been long delayed in Sacramento, a budget agreement that results in \$11 billion being restored to California's schools. This one-time QEIA funding shift was requested by Assembly and Senate leaders to prevent more than \$400 million in cuts to health care for children and seniors. Second, it preserves the integrity of the Quality Education Investment Act, an important commitment to the students and staff of our most challenged schools. Finally, because the statute that created QEIA in 2007 specifically requires that the full \$3 billion be repaid as a

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“settle-up” to Proposition 98, the QEIA program will be extended for an additional year through 2014-15. In effect, this action increased the total amount of funding going to QEIA schools over the life of the program by more than \$400 million.

The details of the funding process continue to be finalized by the California Department of Finance and the California Department of Education and that has led to a lot of speculation by local districts. As part of this one-year process, school districts will have to apply for these new federal funds. So ask your district to make the appropriate application when those details are released. Schools are not allowed to opt out of the program this year. If a district does not participate in the QEIA program this year, that school is out of QEIA completely.

We will keep you informed as specific updates become available. But know these three truths:

- Districts will continue to get their full QEIA funding in 2009-10.
- There will be no change in the QEIA program requirements for 2009-10.
- There will be an additional year of QEIA funding, through 2014-15.

Feel free to distribute the attached FAQ sheet to answer questions that arise and if you need further information, contact Jane Robb at (916) 288-4940 or email jrobb@cta.org.

DAS/JER/jdh

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