

AGENDA

**ASSEMBLY BUDGET SUBCOMMITTEE NO. 2
ON EDUCATION FINANCE**

Assembly Member Susan Bonilla, Chair

FRIDAY, MAY 25, 2012

UPON ADJOURNMENT OF SESSION- STATE CAPITOL ROOM 437

Vote Only (K-12 Issues)

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**Vote Only
(Higher Education Issues)**

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VOTE ONLY CALENDAR

6110 DEPARTMENT OF EDUCATION

ISSUE 1: DOF APRIL AND MAY LETTERS – VARIOUS STATE OPERATIONS AND LOCAL ASSISTANCE ADJUSTMENTS

The Governor proposes the following amendments to and addition of various K-12 state operations (support) and local assistance budget items for the Department of Education in 2012-13. As proposed by the Governor's May Revise and Department of Finance (DOF) April Letter, these adjustments – as listed below – are considered technical adjustments, mostly to update federal budget appropriation levels so they match the latest estimates and utilize funds consistent with current programs and policies.

	Federal Funds Adjustments
1	Item 6110-112-0890, Local Assistance, Public Charter Schools Grant Program (PCSGP) (Issue 326). It is requested that this item be increased by \$25,000 Federal Trust Fund to reflect an increase in the federal grant award for the PCSGP. The increase is due to fluctuation in the number of charter schools that are eligible for the PCSGP, which provides each newly approved charter school between \$250,000 and \$575,000 to support planning and initial implementation.
2	Item 6110-113-0890, Local Assistance, Federal Title VI Funds for Student Assessment Program (Issue 147). It is requested that Schedule (2) of this item be decreased by \$2,460,000 to align the appropriation with the anticipated federal grant. Federal funds for state assessments are provided for costs associated with the development and administration of the Standardized Testing and Reporting program, the English Language Development Test, and the California High School Exit Exam.
3	Item 6110-125-0890, Local Assistance, Migrant Education Program and English Language Acquisition Program (Issues 086 and 087)— It is requested that Schedule (1) of this item be decreased by \$261,000 federal Title I Migrant Education Program funds to align with the available federal grant award. Local educational agencies (LEAs) use these funds for educational support services to meet the needs of highly-mobile children. It is also requested that Schedule (2) of this item be decreased by \$3,334,000 federal Title III English Language Acquisition funds to align with the available federal grant award. LEAs use these funds for services to help students attain English proficiency and meet grade level academic standards.

4	<p>Item 6110-128-0001, Local Assistance, Amend Economic Impact Aid Program Budget Bill Language (Issue 083). It is requested that provisional language be amended to change the due date for a required Economic Impact Aid (EIA) report from March 31 to September 15 of each year. As a condition of receiving EIA funds, juvenile county court schools are required to report on the use of funds and the number of pupils served. The September due date would allow data to be reported after the completed fiscal year and would provide more accurate information for budget development.</p> <p>The EIA is a categorical program that provides Proposition 98 General Fund to school districts for the purpose of providing educational services to disadvantaged and English learner pupils.</p> <p>It is further requested that Provision 1 of this item be amended to conform to this action as follows:</p> <p style="padding-left: 40px;">“1. Of the funds appropriated in this item, up to \$3,100,000 is available pursuant to Section 54021.2 of the Education Code for Juvenile County Court Schools that have Economic Impact Aid eligibility. As a condition of receipt of funds, Juvenile County Court Schools receiving the funds are required to report on the use of funds and the number of pupils served no later than March 31, 2013. <u>September 15, of each year.</u>”</p>
5	<p>Item 6110-134-0890, Local Assistance, Federal Title I Set Aside Funds for LEA Corrective Action Program (Issue 149). It is requested that Schedule (2) of this item be decreased by \$8,954,000 federal Title I Set Aside funds to align the appropriation with the estimated program costs. The program provides funding for technical assistance to LEAs entering federal Corrective Action. Fifty-eight LEAs are expected to be eligible for the program in the budget year, at a cost of \$31,904,000. The funding requested for the program is based on the State Board of Education’s past practices.</p> <p>We further propose to shift the \$8,954,000 to Schedule (4) of this item, consistent with federal law and guidance, to provide additional funding to schools and LEAs at a time of limited General Fund resources. (See related Issue 151.)</p>
6	<p>Item 6110-134-0890, Local Assistance, Federal Title I Funds for School Improvement Grant Program (Issue 150). It is requested that Schedule (3) of this item be increased by \$2,949,000 federal Title I funds to align the appropriation with the anticipated federal grant. SDE awards school improvement grants to LEAs with the persistently lowest-achieving Title I schools to implement evidence-based strategies for improving student achievement.</p>

7	<p>Item 6110-134-0890, Local Assistance, Federal Title I Basic Elementary and Secondary Education Act Program (Issue 097). It is requested that Schedule (4) of this item be increased by \$13,033,000 federal Title I funds for the Title I Basic Elementary and Secondary Education Act to reflect an increase of \$12,281,000 in the available federal grant award and \$752,000 in one-time carryover funds. LEAs use these funds to support services that assist low-achieving students enrolled in the highest poverty schools.</p> <p>It is further requested that provisional language be added as follows to conform to this action:</p> <p style="padding-left: 40px;">X. Of the funds appropriated in Schedule (4), \$752,000 is provided in one-time Title I Basic Program carryover funds to support the existing program.</p>
8	<p>Item 6110-134-0890, Local Assistance, Shift of Federal Title I Set Aside Funds to Title I, Part A Basic Program (Issue 151). It is requested that Schedule (4) of this item be increased by \$32,625,000 federal Title I Set Aside funds for allocation to all Title I LEAs and schools using the state's standard Title I, Part A Basic Program distribution methodology. Of this amount, \$8,954,000 would be shifted from Schedule (2) due to a decrease in the estimated costs of the LEA Corrective Action program, as compared to the Governor's Budget estimate. (See related Issue 149.) In addition, \$23,671,000 federal Title I Set Aside funds are available due to an increase in the anticipated federal grant. Distributing these funds to all Title I schools and LEAs is consistent with federal law and guidance and would provide additional funding to these schools and LEAs at a time of limited General Fund resources.</p> <p>It is further requested that provisional language be added as follows to conform to this action:</p> <p style="padding-left: 40px;">X. Of the funds appropriated in Schedule (4), \$32,625,000 is provided in one-time Title I Set Aside funds for allocation to all Title I local educational agencies and schools using the state's standard distribution methodology for the federal Title I, Part A Basic Program.</p>
9	<p>Item 6110-136-0890, Local Assistance, McKinney-Vento Homeless Children Education Program (Issue 088). It is requested that Schedule (1) of this item be increased by \$534,000 federal Title I McKinney-Vento Homeless Children Education funds. This adjustment includes an increase of \$284,000 to align with the available federal grant award and \$250,000 in one-time carryover funds. LEAs use these funds to provide services to homeless students.</p> <p>It is further requested that provisional language be added as follows to conform to this action:</p>

	<p>X. Of the funds appropriated in Schedule (1), \$250,000 is provided in one-time carryover funds to support the existing program.</p>
10	<p>Item 6110-137-0890, Local Assistance, Rural and Low-Income School Program (Issue 089). It is requested that this item be increased by \$216,000 federal Title VI, Part C, Rural and Low-Income School Program funds to reflect an increase of \$131,000 in the available federal grant award and \$85,000 in one-time carryover funds. This program provides financial assistance to rural districts to help them meet federal accountability requirements and to conduct activities of the federal Elementary and Secondary Education Act program.</p> <p>It is further requested that provisional language be added as follows to conform to this action:</p> <p>X. Of the funds appropriated in this item, \$85,000 is provided in one-time carryover funds to support the existing program.</p>
11	<p>Item 6110-156-0890, Local Assistance, Adult Education Program (Issue 090). It is requested that this item be increased by \$6,737,000 federal Title II funds for the Adult Education Program to reflect an increase of \$1,143,000 in the available federal grant award and \$5,594,000 in one-time carryover funds. This program provides resources to support the Adult Basic Education, English as a Second Language, and Adult Secondary Education programs.</p> <p>It is further requested that provisional language be added as follows to conform to this action:</p> <p>X. Of the funds appropriated in this item, \$5,594,000 is provided in one-time carryover funds to support the existing program.</p>
12	<p>Item 6110-161-0890, Local Assistance, Special Education (Issue 648). It is requested that this item be decreased by \$12,538,000 <u>\$14,084,000</u> in federal special education funds. This adjustment includes a decrease of \$12,381,000 <u>\$12,382,000</u> in Schedule (1), and a decrease of \$157,000 <u>\$1,698,000</u> in Schedule (5), and a decrease of \$4,000 to Schedule (6) to align appropriations with the anticipated federal Individuals with Disabilities Education Act, Part B, grant award for fiscal year 2012-13.</p>
13	<p>Item 6110-166-0890, Local Assistance, Vocational Education Program (Issue 091). It is requested that this item be increased by \$9,869,000 federal Title I funds for the Vocational Education Program to reflect an anticipated increase of \$2,909,000 in the federal grant award and \$6,960,000 in one-time carryover funds. This program develops the academic, vocational, and technical skill of students in high school, community colleges, and regional occupational centers and programs.</p>

	<p>It is further requested that provisional language be added as follows to conform to this action:</p> <p>X. Of the funds appropriated in this item, \$6,960,000 is provided in one-time carryover funds to support the existing program.</p>
14	<p>Item 6110-183-0890, Local Assistance, Safe and Supportive Schools (Issue 822). It is requested that this item be increased by \$475,000 Federal Trust Fund to reflect the availability of one-time carryover funds for the Safe and Supportive Schools program, which supports statewide measurement of school climate and helps participating high schools improve conditions such as school safety, bullying, and substance abuse.</p> <p>It is further requested that provisional language be added as follows to conform to this action:</p> <p>X. Of the funds appropriated in this item, \$475,000 is provided in one-time carryover funds to support the existing program.</p>
15	<p>Item 6110-193-0890, Local Assistance, Mathematics and Science Partnership Program (Issue 092). It is requested that this item be decreased by \$818,000 federal Title II funds to reflect a decrease of \$2,518,000 in the federal grant award and \$1.7 million in one-time carryover funds. The Mathematics and Science Partnership Program provides competitive grants to partnerships of low-performing schools and institutions of higher education to provide staff development and curriculum support to mathematics and science teachers.</p> <p>It is further requested that provisional language be added as follows to conform to this action:</p> <p>X. Of the funds appropriated in this item, \$1,700,000 is provided in one-time carryover funds to support the existing program.</p>
16	<p>Item 6110-195-0890, Local Assistance, Improving Teacher Quality—Local Grants (Issues 093 and 094). It is requested that Schedule (1) of this item be decreased by \$656,000 federal Title II funds to align with the federal grant award. The Improving Teacher Quality Grant Program provides funds to LEAs on a formula basis for professional development activities focused on preparing, training, and recruiting highly-qualified teachers.</p> <p>It is also requested that Schedule (4) of this item be decreased by \$1,506,000 federal Title II funds to align with the available federal grant award. The Improving Teacher Quality Higher Education Grant Program provides funds on a competitive basis to support academic partnerships between institutes of higher education and high-need K-12 LEAs for projects that focus on professional development for teachers and administrators.</p>

17	<p>Item 6110-201-0890, Local Assistance, Federal Child Nutrition Program (Issue 821). It is requested that Schedule (1) of this item be increased by \$107,263,000 Federal Trust Fund due to the anticipated increase in meals served through the Child Nutrition Program. Sponsors of this federal entitlement program include public and private nonprofit schools; local, municipal, county, or tribal governments; residential camps; and private nonprofit organizations.</p>
18	<p>Item 6110-240-0890, Local Assistance, Advanced Placement (AP) Fee Waiver Program (Issues 823 and 827). It is requested that this item be increased by \$3,138,000 Federal Trust Fund to reflect the availability of \$32,000 in one-time carryover funds and an anticipated \$3,106,000 increase in the federal grant for the AP Fee Waiver program, which reimburses school districts for specified costs of AP, International Baccalaureate, and Cambridge test fees paid on behalf of eligible students. These programs allow students to pursue college-level course work while still in secondary school.</p> <p>It is further requested that provisional language be added as follows to conform to this action:</p> <p style="padding-left: 40px;">X. Of the funds appropriated in this item, \$32,000 is provided in one-time carryover funds to support the existing program.</p>
19	<p>6110-001-001 and 6110-001-0890, Support, State Department of Education. Amend California Longitudinal Pupil Achievement Data System (CALPADS) Budget Bill Language (Issue 324). It is requested that Provision 26 of Item 6110-001-0890 be amended to allow greater flexibility for the SDE to administer the CALPADS. Currently, the provisional language for the CALPADS restricts the funds for specific purposes, including systems maintenance and vendor costs. In fiscal year 2012-13, the SDE projects increased costs from the Office of Technology Services (OTech) for data storage and a one-time cost to update older software versions no longer supported by the OTech, which the SDE would not be able to fund due to the proscriptive nature of the amount in the Budget Bill language. The proposed changes will provide the flexibility necessary for the SDE to absorb the cost increases and successfully administer the CALPADS.</p> <p>Specifically, it is requested that Provision 26 of 6110-001-0890 be amended as follows:</p> <p style="padding-left: 40px;">“26. Of the funds appropriated in this item, \$6,636,000 is for the California Longitudinal Pupil Achievement Data System (CALPADS), which is to meet the requirements of the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.) and Chapter 1002 of the Statutes of 2002. These funds are payable from the Federal Trust Fund to the State Department of Education (SDE). <u>Of this amount, \$5,641,000 is federal Title VI funds and \$995,000 is federal Title II funds.</u>—These funds are provided for the following purposes:</p>

	<p>\$2,457,000<u>3,254,000</u> for systems <u>housing and maintenance</u> provided by the Office of Technology Services (OTECH); \$1,491,000<u>908,000</u> for vendor costs associated with <u>necessary</u> systems integration and improvement activities; \$790,000 for SDE staff, including a technical lead, to work on the system; \$251,000 for system software costs; \$134,000 for an independent project oversight consultant and independent validation and verification costs; \$45,000 for system hardware costs; \$8,000 for Department of General Services charges; and \$486,000<u>710,000</u> for various other costs, including <u>hardware and software costs</u>, indirect charges, <u>Department of General Services charges</u> OTECH charges, and operating expenses and equipment. As a condition of receiving these funds, SDE shall ensure the following work has been completed prior to making final vendor payments: a Systems Operations Manual, as specified in the most current contract, has been delivered to SDE and all needed documentation and knowledge transfer of the system has occurred; all known software defects have been corrected; the system is able to receive and transfer data reliably between the state and local educational agencies within timeframes specified in the most current contract; system audits assessing data quality, validity, and reliability are operational for all data elements in the system; and SDE is able to operate and maintain CALPADS over time. As a further condition of receiving these funds, the SDE shall not add additional data elements to CALPADS, require local educational agencies to use the data collected through the CALPADS for any purpose, or otherwise expand or enhance the system beyond the data elements and functionalities that are identified in the most current approved Feasibility Study and Special Project Reports and the CALPADS Data Guide v1.2. In addition, \$974,000 is for SDE data management staff responsible for fulfilling certain federal requirements not directly associated with CALPADS.”</p>
	<p>Other Adjustments</p>
	<p>Item 6110-102-0231, Local Assistance, Tobacco-Use Prevention Education Program (Issue 828). It is requested that this item be decreased by \$629,000 in Health Education Account funds to reflect decreased revenue estimates from the Cigarette and Tobacco Products Surtax Fund (Proposition 99). These funds are used for health education efforts aimed at the prevention and reduction of tobacco use. Activities may include tobacco-specific student instruction, reinforcement activities, special events, and cessation programs for students.</p>

STAFF COMMENTS

Staff recommends approval of all of the DOF proposals listed above. No issues have been raised for any of these issues. DOF will inform the Subcommittee of any technical adjustments that may need to be made prior to adoption.

VOTE ONLY CALENDAR

6120 CALIFORNIA STATE LIBRARY
 6420 CALIFORNIA POSTSECONDARY EDUCATION COMMISSION
 6440 UNIVERSITY OF CALIFORNIA
 6870 CALIFORNIA COMMUNITY COLLEGES
 7980 CALIFORNIA STUDENT AID COMMISSION

ISSUE 1: DOF APRIL AND MAY LETTERS – VARIOUS STATE OPERATIONS AND LOCAL ASSISTANCE ADJUSTMENTS

VOTE ONLY

TECHNICAL ADJUSTMENTS

6120 - California State Library

- 1) **April 1st DOF Letter: Partially Restore State Operations Reduction Tied to Local Assistance Trigger Cuts (Issue 101)**—It is requested that this item be increased by \$609,000 General Fund, and 3.0 positions to more accurately reflect the resources dedicated to ongoing programs and functions at the California State Library (CSL) and to refine the state operations reduction included in the Governor’s Budget. The Governor’s Budget reduced the CSL’s funding by \$1.1 million General Fund and 13.0 positions to reflect an anticipated reduction in workload as a result of the “trigger cuts” enacted in fiscal year 2011-12, which eliminated \$15,866,000 of state grants to local libraries administered by the CSL.

The CSL has since provided information indicating that only 6.0 positions and \$491,000 General Fund have been dedicated to the local assistance programs eliminated by the trigger cuts. A reduction in excess of this amount would affect administration of the CSL’s remaining programs, including the Law Library and the Braille and Talking Book program, as well as activities such as statewide leadership and coordination, federal grant administration and day-to-day operations. This request restores funding needed to administer these programs and acknowledges that the CSL can redirect positions, which have been held vacant to fund other operating costs.

It is further requested that provisional language be amended as follows to conform to this action:

“4. The reduction in Schedule (6) shall be achieved by eliminating ~~43.0~~ 10.0 positions associated with the elimination of General Fund assistance for the following programs: the Public Library Foundation, the California Library Services Act, the California English Acquisition and Literacy Program, the California Civil Liberties Public Education Program, and the California Newspaper Project.”

Recommended action: Approve the April 1st DOF proposal.

2)	<p>May Revise Proposal: Amendment to Budget Bill Item 6120-011-0001, Support, California State Library</p> <p>Increase Funding for Library-Courts Building Renovation (Issue 203)—It is requested that Item 6120-011-0001 be increased by \$929,000 in one-time General Fund to provide sufficient shelving for the Library-Courts Building renovation. Design and construction changes made to the building since the Governor’s Budget have further limited the amount of existing shelving that can be relocated and reused, necessitating the purchase of additional compact shelving systems.</p> <p>It is further requested that Provision 2 of this item be amended as follows to conform to this action:</p> <p>“2. Of the funds appropriated in this item, \$3,910,000 <u>\$4,839,000</u> is provided on a one-time basis for relocating staff and materials during the renovation of the Library and Courts Building.”</p> <p><u>Recommended action:</u> Approve the May Revise proposal.</p>
6420 - California Postsecondary Education Commission	
3)	<p>May Revise Proposal: Revise 2011-12 Close Out Costs in the 2012-13 Appropriation (Issue 401)—It is requested that Item 6420-001-0001 be increased to \$901,000 to fully cover the estimated close out costs for the California Postsecondary Education Commission (CPEC) in fiscal year 2011-12. The \$51,000 General Fund increase from the Governor’s Budget proposal of \$850,000 is based on the final personnel costs for CPEC employees through November 2011 and on claims submitted for CPEC expenses through April 2012. The State Department of Education (SDE) is serving as CPEC’s fiduciary agent for the rest of the current year. SDE will also have some administrative costs in 2012-13 to process any unanticipated CPEC claims and close out CPEC’s financial account in the California State Accounting and Reporting System (CALSTARS).</p> <p>It is requested that Provisions 2 and 3 be amended to conform to this action:</p> <p>“2. The amount appropriated in this item is for costs and claims incurred in the 2011–12 <u>and 2012-13</u> fiscal years. These expenditures shall be reflected as 2011–12 expenditures. The Department of Finance and the Controller’s office shall recognize this fiscal alignment accordingly for the purposes of the state budget process and legal basis of accounting.”</p> <p>“3. The State Department of Education (SDE) shall process all remaining claims submitted for CPEC expenses. The SDE is authorized to expend the amount appropriated in this item for the payment of the remaining claims and for any expenses it incurs to process these claims, including administrative costs (e.g., CALSTARS charges) <u>through 2012-13</u>. The Department of Finance shall make the final determination of the budgetary and accounting transactions that are required to carry out the provisions of this item.”</p> <p><u>Recommended action:</u> Approve the May Revise proposal.</p>

<p>6440 - University of California</p>	
<p>4)</p>	<p>May Revise Proposal: Decrease Funding for Tobacco Research (Issue 427)—It is requested that expenditure authority from the Proposition 99 (Tobacco Tax and Health Protection Act of 1988) Research Account Item 6440-001-0234 be decreased by \$3,619,000 \$2,570,000, to correct the 2011-12 carryover amount and to adjust for a slight projected decrease in Proposition 99 revenue in 2012-13. UC administers the account for its Tobacco-Related Disease Research Program.</p> <p><u>Recommended action:</u> Approve the May Revise proposal.</p>
<p>6870 - California Community Colleges</p>	
<p>5)</p>	<p>May Revise Proposal: Item 6870-002-0890, State Operations, Add Federal Funds to Support the Solar Training Collaborative Program (Issue 143)—It is requested that Item 6870-002-0890 be increased in the amount of \$73,000 federal funds to support the Solar Training Collaborative Program. The Chancellor’s Office will receive grant funding from the United States Department of Energy to support program efforts that increase the number of community-college trained solar installers.</p> <p>It is further requested that Item 6870-002-0890 be added as follows to conform to this action:</p> <p>6870-002-0890—For support of Board of Governors of the California Community Colleges, Solar Training Collaborative Program, payable from the Federal Trust Fund.....73,000</p> <p><u>Recommended action:</u> Approve the May Revise proposal.</p>
<p>6)</p>	<p>May Revise Proposal: Item 6870-003-0890, State Operations, Add Federal Carryover Funds to Support the State Trade and Export Promotion Project (Issue 141)—It is requested that Schedule (2) of Item 6870-003-0890 be increased by \$56,000 federal funds to reflect one-time carryover for the State Trade and Export Promotion Project. The funding will be used to close out the project and to provide the necessary reports to the United States Department of Small Business Administration. The Chancellor’s Office received the federal grant to increase the number of small business exporters and to increase the value of small business exports.</p> <p><u>Recommended action:</u> Approve the May Revise proposal.</p>
<p>7)</p>	<p>May Revise Proposal: Item 6870-101-0890, Local Assistance, Add Federal Funds for the Solar Training Collaborative Program (Issue 142)—It is requested that Item 6870-101-0890 be added in the amount of \$713,000 federal funds for the Solar Training Collaborative Program.</p>

	<p>The Chancellor’s Office will receive grant funding from the United States Department of Energy to provide professional development to community college instructors and increase the number of community college-trained solar installers.</p> <p>It is further requested that Item 6870-101-0890 be added as follows to conform to this action:</p> <p>6870-101-0890—For support of Board of Governors of the California Community Colleges, Solar Training Collaborative Program, payable from the Federal Trust Fund.....713,000</p> <p><u>Recommended action:</u> Approve the May Revise proposal.</p>
<p>8)</p>	<p>May Revise Proposal: Item 6870-103-0890, Local Assistance, Add Federal Carryover Funds for the Personal Care Training and Certification Program (Issue 140)—It is requested that Item 6870-103-0890 be increased by \$185,000 federal funds to reflect one-time carryover for the Personal Care Training and Certification Program. The funding will be used to develop standardized competency-based curriculum leading to certification for personal and home care aides. The Chancellor’s Office received a grant from the United States Department of Health and Human Services to support the training of additional home health care aides.</p> <p><u>Recommended action:</u> Approve the May Revise proposal.</p>
<p>9)</p>	<p>May Revise Proposal: Item 6870-001-0001, State Operations, Increase Reimbursement Funding for the Transportation Technologies and Energy Program (Issue 145)—It is requested that reimbursements be increased by \$237,000 and that Item 6870-001-0001 be amended to reflect this change. The Chancellor’s Office will receive funding through an interagency agreement with the California Energy Commission to support efforts that will prepare community college-trained technicians in the alternative fuels and vehicle technology industry.</p> <p>It is further requested that the following provisional language be added to conform to this action:</p> <p>X. Of the funds appropriated in Schedule (2), \$237,000 reflects an interagency agreement with the California Energy Commission to support the Transportation Technologies and Energy Program.</p> <p><u>Recommended action:</u> Approve the May Revise proposal.</p>
<p>10)</p>	<p>May Revise Proposal: Reduce Vocational Education Reimbursements (Issue 147)—It is requested that reimbursements be decreased by \$85,000 \$6,000 and that Item 6870-111-0001 be amended to reflect this change. The decrease reflects a \$1,880,000 \$1,801,000 reduction in the available grant and a \$1,795,000 increase due to one-time carryover. The Chancellor’s Office receives funding through an interagency agreement with the State Department of Education and allocates funding for various vocational education activities.</p> <p><u>Recommended action:</u> Approve the May Revise proposal.</p>

11)	<p>May Revise Proposal: Increase Reimbursements for the Transportation Technologies and Energy Program (Issue 144)—It is requested that reimbursements be increased by \$3.0 million and that Item 6870-111-0001 be amended to reflect this change. The Chancellor’s Office will receive funding through an interagency agreement with the California Energy Commission to implement the Transportation Technologies and Energy Program and to prepare community college-trained technicians in the alternative fuels and vehicle technology fields.</p> <p>It is further requested that this item and provisional language be amended as follows to conform to these actions:</p> <p>“6870-111-0001—For local assistance, Board of Governors of the California Community Colleges..... 0</p> <p>Schedule:</p> <p>(1) 10.20-CalWORKs Services..... 8,000,000</p> <p>(2) 20.10.060-Foster Parent Training.... 6,112,000</p> <p>(3) 20.30.030-Vocational Education.... 63,328,000 <u>63,243,000</u></p> <p><u>(5) 20.30.050-Economic Development...3,000,000</u></p> <p>(6) Reimbursements..... -77,440,000 <u>80,355,000</u></p> <p>Provisions:</p> <ol style="list-style-type: none"> 1. The funds appropriated in Schedules (1) and (3) are for transfer by the Controller to Section B of the State School Fund. 2. The funds appropriated in Schedule (1) are to fund additional fixed, variable, and one-time costs for providing support services and instruction for CalWORKs students that include, but are not limited to, job placement and coordination, curriculum development and redesign, child care and workstudy, and instruction. As a condition of receiving funding, colleges are required to submit a plan to the Office of the Chancellor of the California Community Colleges describing how the funds will be utilized, which shall be based on collaboration with county welfare offices regarding the services and instruction that are needed for CalWORKs recipients. 3. Acceptance of funds from Schedule (1) constitute an agreement by the district to comply with such requirements, guidelines, and other conditions for receipt of funding that the Office of the Chancellor of the California Community Colleges, in collaboration with the Department of Social Services, may establish. 4. <u>Of the funds appropriated in Schedule (3), \$1,795,000 is provided in one-time carryover funds to support the existing program.</u> 5. <u>The funds appropriated in Schedule (5) reflect an interagency agreement with the California Energy Commission for the Transportation Technologies and Energy Program."</u> <p><u>Recommended action:</u> Approve the May Revise proposal.</p>
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California Student Aid Commission

12)	<p>May Revise Proposal: Reflect Cal Grant Growth Resulting From Allowing Students to Switch From Cal Grant B to Cal Grant A Awards in 2011-12 (Issue 017)—Schedule (1) of Item 7980-101-0001 will be increased by \$27,650,000 to reflect increased costs resulting from the Commission’s current</p>
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	<p>year implementation of the Administration's proposal to allow students within the Cal Grant B program to switch to the Cal Grant A program when renewing their award. The Commission recently reinstated 3,490 students who were no longer deemed eligible to renew their Cal Grant B awards due to a change in their family income. This reflects the General Fund impact of the Commission's action in 2011-12.</p> <p><u>Recommended action:</u> Approve the May Revise proposal.</p>
13)	<p>May Revise Proposal: Revise Cal Grant Program Caseload (Issue 018) Schedule (1) of Item 7980-101-0001 will be decreased by \$17,391,000 to reflect revised caseload estimates for the Cal Grant Program.</p> <p><u>Recommended action:</u> Approve the May Revise proposal.</p>
14)	<p>May Revise Proposal: Revise Loan Assumption Program Caseload (Issue 019)—Schedule (1) of Item 7980-101-0001 will be decreased by \$5,767,000 to reflect revised caseload estimates for the APLE, Graduate APLE, and State Nursing APLE.</p> <p><u>Recommended action:</u> Approve the May Revise proposal.</p>
15)	<p>May Revise Proposal: Items 7980-001-0001, 7980-101-0001, and Reimbursements, Support and Local Assistance, Reduce Federal John R. Justice Program Funds (Issues 020 and 021)—It is requested that Schedules (1) and (4) of Item 7980-001-0001 be amended by decreasing reimbursements by \$52,000 and it is further requested that Schedules (1) and (2) of Item 7980-101-0001 be amended by decreasing reimbursements by \$674,000 to reflect the federal government's reduction of the John R. Justice Program. The program provides loan repayment assistance for state prosecutors and public defenders.</p> <p>It is further requested that Provision 7 of Item 7980-101-0001 be amended to conform to this action:</p> <p>"Of the funds appropriated in Schedules (1) and (2), \$801,000<u>\$127,000</u> reflects reimbursements from the California Emergency Management Agency for costs of loan repayment assistance under the John R. Justice Grant Program."</p> <p><u>Recommended action:</u> Approve the May Revise proposal.</p>

STAFF COMMENTS

Staff recommends approval of all of the DOF proposals listed above. No issues have been raised for any of these issues. DOF will inform the Subcommittee of any technical adjustments that may need to be made prior to adoption.

The Subcommittee's action will recognize two recent updates:

UC Item 4: Decrease Funding for Tobacco Research will be adjusted down to \$2,570,000 from \$3,619,000.

Community Colleges Item 10: Reduce Vocational Education Reimbursement will be adjusted to \$6,000 from \$85,000.

These were recent adjustments provided by the Department of Finance and the Chancellor's Office.

ITEM TO BE HEARD & VOTED ON

6870 CALIFORNIA COMMUNITY COLLEGES**ISSUE 1: NEIGHBORING STATE STUDENT ENROLLMENT FEE**

The issue for the Subcommittee to consider is the Governor's proposal to increase the student fees for qualifying neighboring state students attending California community colleges.

PANELISTS

- Dan Troy, California Community Colleges

BACKGROUND

Current Practice. Under current law, California provides neighboring state residents the ability to attend a community college at a higher student fee rate of \$42 per unit. However, the student fees for California students are scheduled to increase from \$36 per unit to \$46 per unit effective the summer term of 2012. As a result, eligible neighboring state students will be paying lower student fees than California residents.

April 1st DOF Letter. The Administration proposes trailer bill legislation that would increase student fees for qualifying neighboring state students that attend CCC based on reciprocal state attendance agreements. The proposed statutory amendment would increase neighboring state student fees to three times, or \$138 per unit, the California resident student fee of \$46 per unit.

Establishing neighboring state student fees at three times the current resident student fee would reestablish neighboring state student fees as a multiple of resident student fees and would allow neighboring student fees to adjust in concert with any adjustments to resident student fees. Furthermore, the \$138 per unit fee would establish neighboring state student fees approximately midway between Oregon, Nevada, and Arizona resident student fees that range in the mid \$70 per unit and California nonresident student fees ranging around \$200 per unit.

The Governor's Budget estimates that the current neighboring state student fee of \$42 per unit would generate approximately \$500,000 in student fee revenues in 2012-13; however, a determination will be made at the May Revision to the extent that the proposed fee increase would generate additional student fee revenue.

RECOMMENDED ACTION

Approve per legislative modification to phase in the fee increase by: (1) using a multiple of two effective with the summer 2012 term, and (2) a multiple of three effective with the summer 2013 term.