

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

**Assemblymember Julia Brownley, Chair**

**WEDNESDAY, MAY 9, 2007**  
**STATE CAPITOL, ROOM 126**  
**4:00 P.M.**

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## ITEMS TO BE HEARD

### ITEM 6440-6610 UNIVERSITY OF CALIFORNIA (UC) / CALIFORNIA STATE UNIVERSITY (CSU)

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#### ISSUE 1: ACADEMIC PREPARATION AND SUPPORT SERVICES PROGRAMS

The issue for the subcommittee to consider is the Governor's proposed elimination in the 2007-08 budget of \$19.3 million for UC's Student Academic Preparation and Educational Partnerships (SAPEP) and CSU's Academic Preparation and Student Services Programs.

#### BACKGROUND:

#### UC'S STUDENT ACADEMIC PREPARATION AND EDUCATIONAL PARTNERSHIPS (SAPEP)

The Governor's proposed budget eliminates \$19.3 million for academic preparation programs and educational partnerships. The 2006-07 Budget Act provided \$31.3 million in General Fund for academic preparation programs. Of this amount, \$19.3 million were General Fund and \$12 million were UC funds as agreed by the UC in the Compact Agreement with the Governor. Out of the \$19.3 million, \$2 million were designated for the UC/Community Colleges Transfer Initiative, which includes a new comprehensive set of goals to increase the number of community colleges students who transfer to the UC. Budget bill language requires that the UC submit a report to the Legislature no later than April 1 on the use of state and university funds provided for these programs.

**Funding for SAPEP Programs.** Student Academic Preparation programs, formerly known as "Outreach Programs", have experienced severe budget cuts to the point where the support for these programs at the UC has fallen by more than 50 percent from an all time high of \$85.1 million in 2000-01 to \$29.3 million in 2004-05.

**What are SAPEP Programs?** These programs have become the gateway to higher education by providing elementary, middle and high school students with instruction in the areas of academic development, academic advising, study skills training, career exploration, mentorship and test preparation for college admission exams. Most of the students that participate in these programs come from low-income families, are the first generation in their family to attend college, are English-language learners (ELL) and/or are attending a low performing school. For the 2005-06 year, preliminary numbers of student participants indicate that

academic preparation programs at the UC served 325,057 students. Among the several SAPEP programs are included the following:

**Early Academic Outreach Programs (EAOP).** These programs provide K-12 students with the following services:

- Academic advising to ensure that they successfully complete the required college preparatory courses or A-G course pattern. Required A-G courses include History/Social Science (2 years), English (4 Years), Math (3 years-4 recommended), Laboratory Science (2 years-3 recommended), Language Other than English (2 years required-3 recommended), Visual and Performing Arts (1 year), and College Preparatory Electives (1 year).
- Academic enrichment services to improve basic skills by student participation in Advanced Placement Boot Camps, Algebra Academies, Concurrent Enrollment (in partnership with local community colleges), Saturday College, and Summer Residential Academies.
- Test preparation services for college required entrance examinations, which include Test Preparation Workshops and Classes and Online Test Preparation.
- Education information services such as Financial Aid Workshops, Parent Conferences and Family College Planning Workshops, campus visits and other events where students and families can receive information on college preparation.

Due to the budget reductions experienced by this program, student participation has declined from 80,819 in 2002-03 to 51,136 in 2005-06.

**Math, Engineering, and Science Achievement (MESA).** These programs provide students with rigorous academic preparation that includes academic planning, study skills training, peer group learning, math and science enrichment classes, career exploration and parent involvement. This program is supported by businesses and major companies because they recognize the program's success in producing technical professionals needed by industry to stay competitive. According to UC's preliminary numbers, 12,428 K-12 students participated in the MESA Schools Programs (MSP) and 3,556 students participated in the MESA Community College Programs in 2005-06. Student participation in the MESA programs has declined from 24,862 students served in both programs in 2001-2002.

**MSP students receive the following services:**

- Individual Academic Plans, which allow counselors to monitor individual student progress.
- MESA Day Academies where students get hands-on experience by participating in math and science competitions at local and regional levels.
- Career and College Exploration, which may include guest speakers and field trips so that students can explore different colleges and career opportunities.
- Parent Leadership Development where parents can learn how to become effective advocates for their children's academic success.
- Teacher Training Opportunities based on annual institutes offered to MESA teachers and advisors to learn hands-on curriculum and new techniques to teach math and science.

**Among the services provided by the MESA Community College Programs include:**

- Academic Excellence Workshops allow MESA students to be scheduled in the same core math and science classes and are taught how to maintain high academic outcomes through group study.
- Orientation Course where incoming students majoring in math, engineering and science learn college survival skills.
- Career advising so that students are exposed to different math, engineering and science career options through industry mentors, field trips, job shadowing, career fair, and internship opportunities.
- Links with students and professional organizations including mentors, guest speakers, and tours of companies.

**Puente Project.** The Puente program was founded in 1981 to increase the number of educationally disadvantaged students who enroll in four-year colleges and universities, earn degrees and return to the communities as leaders and mentors for other students. The program integrates accelerated writing instruction, academic counseling, and community mentoring to build a positive environment in which students draw on their backgrounds and experiences to achieve their academic goals.

Student participants in the Puente high school and community college programs take a rigorous two-year English Class sequence with a curricular focus on Mexican American and Latino literature, work with a Puente counselor, which assists the student in navigating the college preparatory process, meet with a student or adult mentor who has been successful in school and take field trips to colleges and professional workplaces. UC preliminary numbers indicate that 4,096 students participated in the Puente High School program and 9,571 students participated in the Puente Community College program in 2005-06.

**Community College Transfer Programs.** These programs focus on providing students with information and guidance regarding academic preparation required to transfer to the UC. Services include academic preparation workshops, on-site counseling, campus transfer guarantee programs and development of course articulation agreements. According to the Legislative Analyst's Office, about 15,000 community college students transfer to the UC every year.

**SAPEP Accountability Framework.** Concerned about the continuous elimination of funding for these programs in the Governor's budget, the UC Office of the President convened a bipartisan working group, which included legislative, University and Administration representatives to address the Administration's concerns regarding these programs. The Accountability, Planning and Oversight Committee met several times during the 2005-06 budget process and adopted a new accountability framework for these programs in April 2005. This accountability framework defines the way that SAPEP programs assess, evaluate and report the effectiveness and efficiency of each program. The framework identifies SAPEP goals and aligns them with accountability mechanisms. Evaluation reports conducted on programs on a rotating basis will assess the extent to which a program has met its goals, describing success to date in meeting outcome measures and addressing issues of cost-effectiveness.

The budget bill requires an annual report on the use of State and UC funds provided for these programs including detailed information on the outcomes and effectiveness of these programs consistent with the accountability frameworks developed in April 2005.

Highlights of the SAPEP 2007 Report include:

**Programs are serving the students, schools and community colleges they are intended to serve.** For example, most high schools served by SAPEP programs are among the lowest-performing in the State with 69 percent in the lowest half of Academic Performance Index rankings (API deciles 1-5).

**Programs are effective at improving academic achievement and college readiness.**

- In 2005-06, a higher proportion of EAOP, MESA, and Puente students took the SAT or ACT than did non-participants in the same schools. For example, 63 percent of EAOP, MESA, and Puente students at API 1 and 2 schools took the SAT or ACT compared to 33 percent of non-participants at those same schools.
- The 'a-g' completion rates of program participants are 62 percent for MESA students, 62 percent for Puente students, and 71 percent for EAOP students. These rates exceed the statewide UC/CSU 'a-g' course completion rate of 35 percent as reported to the California Postsecondary Education Commission (CPEC).

**Programs are effective at improving college-going rates for educationally disadvantaged students.**

- Based on data on the class of 2006, nearly two out of three (65 percent) EAOP, MESA and Puente graduates enrolled in a two- or four-year college, including private and out-of-state colleges. Almost three out of five (59 percent) program graduates enrolled in the State's public postsecondary institutions (UC, CSU and CCC), compared to 44 percent of public high school graduates statewide.

**Programs are helping K-12 and community colleges reach their achievement and transfer goals.**

- More students are passing the California High School Exit Exam (CAHSEE). Puente 10<sup>th</sup> graders passed the CAHSEE at a significantly higher rate than all economically disadvantaged students statewide: 95 percent versus 61 percent for the English section, and 93 percent versus 59 percent for the math section. Among MESA 10th graders, 73 percent had passed both the English and math sections.
- UC has established academic major course articulation agreements with all community colleges. All nine UC undergraduate campuses have established major preparation articulation agreements for their top 20 majors with all 109 community college campuses. Moreover, 99 percent of majors at all UC campuses are articulated with every community college in the state. UC's graduate and professional school programs work.

- In 2005-06, of the 524 MESA Community College participants seeking transfer to four-year institutions, 46.4 percent transferred to the CSU, 38.1 percent to the UC and 12.6 percent to independent colleges or out-of-state colleges and universities, and 3 percent enrolled at another community college. Of those who transferred, 98.6 percent chose majors in math and science fields.

### **SAPEP programs prepare undergraduates for graduate and professional school work.**

- In 2005-06, tracking data demonstrates that more than three out of four participants, or 79 percent, have enrolled in a graduate/professional school. In addition, independent research confirms that UC's post-baccalaureate pre-medical programs improve applicants' chances of getting into medical school.

### **Research and evaluation continue to confirm program effectiveness.**

- In 2002, an independent study of EAOP participants' 'a-g' completion rates found that EAOP participants were more than twice as likely to complete 'a-g' courses as non-participants (Quigley 2002). A more recent statistical study of 2005 EAOP graduates is consistent with this finding. In a sample of 45 schools reporting to the Transcript Evaluation Service, EAOP participants were more than twice as likely to complete a 15 unit 'a-g' pattern.
- Studies on SAPEP programs have focused on more difficult but generally more rigorous longitudinal analysis of program participants. These studies clearly document programs' effectiveness in promoting student achievement, in fostering students' rigorous course-taking patterns, and in promoting their college enrollment.

### **CSU'S ACADEMIC PREPARATION AND STUDENT SERVICES PROGRAMS**

The Governor's budget proposes to eliminate \$7 million for academic preparation and student services programs. Without General Fund support, funding for these programs in 2007-08 would be \$45 million from CSU funds as agreed in the Compact with the Governor. The *2006-07 Budget Act* provided \$52 million for these programs. Of this amount, \$7 million were General Fund and \$45 million were CSU funds. In the Compact, the CSU agreed to provide no less than \$45 million to support the continuation of the "most effective" programs. The Compact also states that "additional funding provided by the State would be subject to the annual budget act."

**Funding for Academic Preparation and Student Support Services Programs.**

Academic Preparation programs have experienced severe budget cuts in the last three years to the point where the State General Fund support for these programs at the CSU has fallen by more than 50 percent from an all time high of \$58.1 million in 2000-01 to \$7 million in 2004-05.

**What are Academic Preparation and Student Support Services Programs?**

These programs have become the gateway to higher education by providing elementary, middle and high school students with instruction in the areas of academic development, academic advising, study skills training, career exploration, mentorship and test preparation for college admission exams. Most of the students that participate in these programs come from low-income families, are the first generation in their family to attend college, are English language learners and/or are attending a low performing school. For the 2005-06 year, the CSU served 5,621 schools and 496,412 K-12 students.

Academic Preparation Programs at the CSU include:

**Early Assessment Program (EAP)**

The program was established to provide opportunities for students to measure their readiness for college-level English and mathematics in their junior year of high school, and to facilitate opportunities for them to improve their skills during their senior year. In 2005-06, the EAP English program served 210,000 students and the EAP Math program served 134,000 students.

In 2005-06, all CSU campuses promoted the EAP across California. CSU redirected \$3.9 million in academic outreach funds and \$1.2 million (total of \$5.1 million) from other CSU resources to cover the costs of the 11th grade assessment and scoring, outreach to all California high schools, development and implementation of the 12th grade Expository Reading and Writing Course, and teacher professional development. Funding Source: State General Funds. Cost per student: \$36.



### **Educational Opportunity Programs (EOP)**

EOP is an education access and retention program that provides the following support services;

- *Academic Advising.* Students are teamed with a counselor who helps them develop an academic roadmap. The counselor meets with students on a regular basis to review short- and long-term goals to ensure a timely graduation.
- *Tutoring.* Qualified CSU students tutor EOP students in subject areas to help improve students' academic performance. Trained peer tutors provide support on an individual basis or in groups.
- *Workshops and Study Skills Courses.* EOP sponsors seminars and workshops to help students develop learning skills. Sessions cover topics such as test taking, note taking, time management, computer and software skills, career planning, campus policies and numerous other helpful topics.
- *Counseling.* Professional counselors and graduate student advisers are available to assess and evaluate students' academic and personal needs. Taking physical, economic, social and cultural environments into consideration, counseling staff members work to involve students in academic and extracurricular activities that integrate them into the campus community and promote personal well being and success.

Ninety-eight percent of the students in the EOP Programs come from families with incomes under \$30,000 (family of four), where neither parent graduated from college. During 2005-06, CSU campus EOP outreach programs worked with 908 schools and served 51,705 students enrolled in K-12 receiving funding totaling approximately \$1.4 million. Funding Source: State General Funds. Cost per student: \$26.

**Summer Bridge**

The Summer Bridge Program is a comprehensive support program that increases the retention and graduation of “high-risk” students who are disadvantaged educationally and economically by providing an intensive residential program during the summer prior to matriculation. High-risk disadvantaged students are defined as those who score in the lower quartile of the English Placement Test (EPT) and Entry-Level Mathematics (ELM) exams or whose high school transcripts indicate that their academic preparation needs strengthening. This program assists incoming freshmen to prepare for the rigors of university work. It typically consists of a five-week residential program that assists EOP incoming freshman in making the transition from high school to the university. Summer Bridge offers courses in math, writing, science, and ethnic studies. In addition, academic advising, tutorials, workshops, and other activities are also included in the five-week experience.

In 2005-06, seventeen CSU campuses offered Summer Bridge programs receiving funding totaling approximately \$3 million. CSU campuses worked with 797 schools and served 1,948 high school students. Funding Source: State General Funds. Cost per student: \$1,500.

**Student Services Programs**

These programs support students with academic advising, new student orientation, staffing for learning centers, tutoring centers and study skills help centers and services for disabled students.

The budget bill requires an annual report on outcomes and effectiveness of the Early Academic Assessment Program to the fiscal committees of each house no later than March 15, 2007.

**The Early Assessment Program (EAP)**

In collaboration with the California Department of Education and the State Board of Education, the CSU developed the EAP to provide students, their families, and high schools the opportunity to assess 11th grade student readiness for college-level English and mathematics, i.e. skills that students who choose either to enter college or the workforce directly out of high school will need to be successful. The EAP consists of questions from the 11th grade California Standards Test (CSTs) in English-Language Arts, Algebra II, and Summative High School Mathematics plus fifteen additional multiple-choice questions and a written essay. The spring 2006 administration was the third year that the EAP was available to all students enrolled in 11th grade who were eligible to take the 11th grade CSTs in English and the CSTs in Algebra II and Summative High School Mathematics.

Although the program is voluntary, all 11th grade students are encouraged to participate in the EAP because it provides valuable information to the high school about student readiness for college level English and mathematics, and the EAP report enables the student, family, and high school to identify the student's need for additional preparation in English and mathematics while still enrolled in high school. As appropriate, working with high school counselors and teachers, students have the opportunity to enroll in mathematics classes in 12th grade or participate in web-based mathematics interactive tutorials. They may also enroll in English classes that include additional instruction in expository reading and writing, essential skills that high school teachers have identified as necessary for success not only in English but across the curriculum.

The EAP's report is included in the CSU's 2005-06 K-12 Academic Preparation and Outreach Programs dated December 2006. Highlight of the EAP include:

***English EAP Results: Spring 2006***

Nearly 210,000 high school juniors, or 50 percent, have received an "early signal" of their readiness for college English. This represents a significant increase from 2005 when 186,000 juniors opted to take the voluntary assessment. Of these 210,000 students, 23 percent were assessed as college-ready compared to 23.5 percent of the 186,000 last year. Of these students, 25 percent were judged to be ready for college-level work.

***Math EAP Results: Spring 2006***

Approximately 134,000, or 72 percent, of all high school juniors eligible to take the CST in math opted to complete the CSU's voluntary EAP. Slightly more than 55 percent were judged to be ready for college-level work in math. This represents an increase in both the number of students taking the test (from 119,000 in 2005), as well as the percentage of students eligible (69 percent in 2005) to take the CST who volunteered for the EAP. There was a slight decrease (from 56 percent in 2005) in the number of students found to be college-ready due to the significant increase in the number of students who took the voluntary test.

***EAP: New Website Design***

Many teachers and administrators are familiar with the reporting of the California Standardized Testing and Reporting (STAR) program data on the California Department of Education's website, and the CSU is redesigning its EAP website results to follow the same format. In addition to providing information by county, district and individual school, the enhanced EAP website will provide information by subgroups on areas including English language fluency, economic status, parent education, ethnicity, gender, and disability.

**COMMENTS:****LAO ANALYSIS:**

The 2006-07 Budget Act required that UC report to the Legislature by April 1, 2007, on the outcomes and effectiveness of its outreach programs. Similarly, the budget required CSU to report on the effectiveness of its Early Assessment Program by March 15, 2007. In their analysis, the LAO withheld recommendation pending review of the required reports.

**LAO CONCERNS:****External Evaluation of UC and CSU Programs**

According to the LAO, the Legislature has minimal information on the effectiveness and efficiency of UC and CSU outreach programs. In part, they say, this is because the universities are often the ones charged with evaluating the effectiveness of their own programs, and thus have little incentive to be critical in the evaluations. Rather than continue to ask and fund the universities to evaluate their own programs, the LAO recommends calling for an external evaluation. If the Legislature decides to restore General Fund outreach funding for UC and CSU, the LAO recommends transferring evaluation funding from UC to another State agency for the purpose of contracting out for an independent evaluation of both UC and CSU's outreach programs. An advisory committee consisting of representatives from interested parties, such as the universities, community colleges, Department of Education, Legislative staff, and the Department of Finance, could be established to assist in selecting an appropriate evaluator. This approach would be similar to how other programs of statewide significance, such as charter schools and programs for English learners students, in K-12 education have been evaluated in the past. The LAO believes that improved evaluations would help the Legislature better understand the investments it is making in outreach and what the impact would be if it decided to reduce, increase, or reallocate its investments.

**LAO RECOMMENDATION:****College Preparation Block Grant for K-12 Schools**

In their Analysis of the 2004-05 Budget Bill, the LAO reviewed the State's outreach programs and found that (1) some programs do not provide direct services to students, (2) some programs have overlapping goals and services, and (3) K-12 schools have very little control over the amount and type of outreach services that are provided to their students. For example, the LAO found that directing a majority of outreach funding to higher education institutions makes it difficult for K-12 schools to coordinate multiple programs and integrate outreach with other education reforms. Based on their findings, the LAO recommended that the Legislature create a College Preparation Block Grant for K-12 schools,

with funds allocated to schools with very low college participation rates. The LAO continues to believe that this proposal merits legislative consideration.

The LAO's proposed College Preparation Block Grant is designed to (1) target limited resources to students most in need of additional help to enroll in college and (2) leverage local schools' knowledge of their students to determine the best mix of outreach interventions. Schools would have the flexibility to use outreach funds as part of an overall strategy to assist disadvantaged students. This is because schools would have broad latitude over the use of funds, selecting a service delivery model that best meets the needs of their students. Schools could implement their own programs, or could contract with UC, CSU, or whichever provider could best meet those needs. As a condition of receiving funds through the block grant, the LAO proposes requiring schools to submit a plan to the Department of Education specifying the types of outreach services that will be provided and how these services will accomplish measurable objectives. While the LAO acknowledges that their proposed block grant would make significant changes to how the State currently provides outreach services, they continue to believe that it merits legislative consideration.

**ITEM 6610-6870 CALIFORNIA DEPARTMENT OF EDUCATION (CDE) /  
CALIFORNIA COMMUNITY COLLEGES (CCC)**

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**ISSUE 1: CAREER TECHNICAL EDUCATION**

The issue for the subcommittee to consider is the Governor's budget proposal of \$52 million Proposition 98 General Fund (\$20 million ongoing and \$32 one-time) to fund career technical education in 2007-08.

**BACKGROUND:**

The Governor launched the Career Technical Education (CTE) Initiative in 2005. That year, the Governor proposed and the Legislature approved \$20 million in one-time Proposition 98 Reversion Account funds to encourage high schools to work with community colleges to expand and improve vocational courses offered to high school students. According to the Administration, this funding, which became available on January 1, 2006 through SB 70 (Scott), has been allocated through grants for the CCC to support several types of projects including "Quick Start" Partnerships, which enhance linkages and pathways between secondary schools and selected economic and workforce development initiatives, programs that can grow program capacity and infrastructure and projects that strengthen career technical education sectors at secondary schools. Last year, the Governor proposed \$50 million in Proposition 98 ongoing funds to support his CTE Initiative. The Legislature reduced the funding to \$20 million since the CCC Chancellor's Office had only been able to allocate \$10.8 million from the previous \$20 million one-time allocation.

The Governor's budget proposes \$52 million to expand career technical education course offerings and programs. Of this amount, \$20 million are Proposition 98 ongoing funds appropriated to the CCC's base budget last year and \$32 million is new funding provided in SB 1133, Chapter 751, Statutes of 2006. The \$32 million in one-time funds would increase to \$38 million annually in 2008-09 through 2013-14 for a total annual fund of \$58 million, including the \$20 million ongoing funds already in the base.

**COMMENTS:****LAO ANALYSIS:**

Senate Bill 70 established a program to “improve linkages and career-technical education pathways between high schools and community colleges.” These “pathways” are designed to help high school students develop vocational skills needed by employers in the area while also preparing students for more-advanced academic or vocational coursework in a community college or university.

SB 70 authorized several types of activities:

- Creating new or aligning existing high school and community college technical preparation programs and curriculum.
- Expanding or promoting community college training programs.
- Testing new program models.
- Improving career-related middle school or high school programs, such as career exploration programs.

The Chancellor’s Office of the California Community Colleges and the California Department of Education (CDE) jointly administer the act. Funds are allocated through a competitive grant process in which all community colleges are invited to apply. Local projects are jointly developed by community colleges and K-12 entities (high schools and Regional Occupational Centers or Programs [ROC/Ps]). Most local projects also are required to involve local business. Grants typically provide short-term improvement funding to develop or strengthen CTE programs, rather than ongoing operational support.

**2005-06 CTE Grants (\$20 million one-time)**

In the program’s first year, \$15.3 million of the \$20 million annual appropriation was targeted at creating new or improving existing CTE programs (\$13.8 million) or developing middle school career exploration and counseling programs (\$1.5 million). Several of the grants build on strong existing relationships among businesses and educators to develop regional approaches to improving vocational education programs. Other grants propose to coordinate the California Community College (CCC) and K-12 programs so closely that students can earn college credits for high-level CTE courses taken in high school.

According to the Chancellor's Office, all \$20 million in one-time funds have already been allocated.

### **2005-06 CTE Grants (\$20 million ongoing)**

In 2005-06, funds were concentrated in four areas: (1) strengthening or creating local career technical pathways, (2) developing middle-school exploration course curricula, (3) supporting region-wide course articulation, and (4) funding teacher/faculty in-service activities. In 2006-07, the emphasis on local pathways was reduced and new grants were available for other types of "system development" activities, such as establishing a vocational education teacher "pipeline," articulation between community colleges and four-year universities, and linking CCC economic development programs to CTE programs.

The Chancellor's Office stated to Budget staff that they are currently working in allocating the \$20 million in ongoing funds for the current year. They have already received applications for competitive grants to account for \$10 to \$15 million out of the \$20 million allocation. The last \$5 million will be allocated by the end of June 2007.

### **2007-08 CTE Expenditure Plan**

In 2007-08, the budget proposes a wide variety of new programs. Most significantly, the budget would distribute on a formula basis \$20 million for local improvement grants. According to the Chancellor's office, funds would be distributed to each of the 72 community college districts. Funds would be available for a wide variety of local activities, including aligning curriculum with the State's CTE standards, planning and implementing new partnership academies, and sequencing secondary and post-secondary vocational education courses. The budget also proposes a significant number of new grant programs. The budget would establish 16 new programs. All told, the proposal would fund 239 separate contracts, according to the Chancellor's Office. In 2005-06, only 69 contracts were proposed under SB 70. Thus, the large budget-year increase in funding appears to be generating an even larger increase in the number of contracts that are proposed.



**LAO CONCERNS:****Coordination Problems at all Levels**

- ***Middle School Foundation Skills.*** Middle school provides the foundation for many CTE programs. One part of this foundation is a program of career exploration and counseling that helps students think about careers and the options available to them in high school and college. The second component to the foundation is pre-requisite academic or vocational skills that are needed for high school CTE programs.

District applications for SB 70 funds often acknowledged that one or both of these foundational elements is missing in their middle schools. For instance, several of the applications noted the absence of any counseling program for their middle school students. One large urban district provided college counseling, but not career counseling. Several applications also noted the lack of vocational or academic preparation needed to participate in high-level high school CTE programs. For instance, a biotech pathway project noted that science programs in middle school were inadequate to prepare students for the program. Another project cited the need for introductory middle school vocational classes that would help students “understand and experience the personal connection between what is taught in the classroom and its relation to the real world.”

- ***Coordination Between K-12, CCC, and CSU.*** A number of projects cited a lack of coordination between K-12 and CCC vocational programs. Interestingly, sometimes the high school and ROC/P had an exemplary program for which no complementary CCC program existed to help take students to higher skill levels. In other cases, the community college operated a high-level program that lacked a quality secondary “feeder” program from the high school and ROC/P.

Grant applications suggest a similar lack of coordination can occur among community colleges and CSU campuses. At least two proposals included a CSU campus as part of the grant participants—but the CSU was located 100 miles from the high schools and community college that were leading the project. In each case, another CSU campus was located nearer the high school and community college but did not participate in the project. Clearly, involving the local CSU campus would seem a better arrangement for students.

- **Education-Business Coordination.** Failure to fulfill the manpower needs of business represents another coordination problem, one between education agencies and the local employer communities. In several grants, the local Workforce Investment Board (WIB) played a major role in assessing the needs of local employers and convening the business and education communities to address those needs. Local WIBs administer job training programs under the federal Workforce Investment Act. Since both community colleges and ROC/Ps are required to maintain employer advisory boards, the role played by the local WIB suggests these boards are not always effective in communicating the needs and interests of a broad range of employers in the region.

### **PROGRAM NEEDS TO DEFINE LONG TERM GOALS**

According to the LAO, the Administration's approach reflects two major problems:

1. First, the agencies have not identified specific long-term goals for the program. Without such goals, there is no framework for determining annual spending priorities or for evaluating the impact of chosen strategies. Instead, the budget presents a long list of programs that are based on unclear goals and priorities and no expectation of what statewide outcomes the programs will produce. While the LAO understands the logic and relevance of most of the proposed uses of funds, they do not see how these pieces fit into a broader plan for the revitalization of the State's CTE programs.
2. Most significantly, the agencies have not described what a "good" CTE program looks like at the local level. This would help define the long-term objectives of SB 70. How many pathways should be available to high school students? What are the state's goals for the pathways—higher wages for those students who work, greater numbers enrolling in community college CTE programs, more students enrolling in four-year programs? Without this long-term foundation, it is difficult to evaluate the rationale for the various programs proposed in the budget. Perhaps more critically, without an idea of where the program should be headed, it is unlikely to reach that goal.

## COMPETITIVE GRANTS POSE PROBLEMS

Another problem with the current approach is the heavy use of competitive grants to support the local improvement process.

The competitive grant process implicitly assumes that the Chancellor's Office and CDE have enough information and insight to fine tune the improvement process from Sacramento. The budget plan for 2007-08, with its many small grant programs, seems to suggest the two agencies know exactly what types of improvements are needed around the State. Because the agencies are working without a clear statement of goals, however, it is unclear whether the list of proposed programs represents a reasonable implementation plan.

Using competitive grants to promote statewide reform of CTE also suggests that deep involvement of the State agencies is necessary for the local improvement process to succeed. The LAO suggests the contrary—that improving CTE is mostly a local process that needs strong local commitment to succeed. As discussed above, improving CTE involves coordinating education, business, and labor to ensure all elements needed for successful programs are in place. From this perspective, therefore, competitive grants represent the wrong approach to building these local relationships.

Heavy reliance on competitive grants results in the following:

- **Limited Scope of the Projects.** Revitalizing CTE through the development of pathways will require a major effort by employers and educators to develop and implement new vocational options. A significant number of the approved projects, however, propose programs that will involve only a few students in specialized occupational areas. These projects typically involve one or two high schools, one community college, and one or two employers. If there were already a robust system of vocational options in all parts of the State, adding these small pathways would make sense as a way to meet the particular needs of local employers and further expand student choices. Given the desire to make high quality vocational options available to most high school students, however, the LAO believe that the State would be better served by focusing SB 70 funding on larger regional projects that would expand CTE options for a greater number of students.

Similarly, the grants also frequently limit the scope of participating groups. Despite the fact that each grant has a community college and K-12 sponsor, many grants do not include major local K-12 entities that are crucial to the success of the project. Many grants, for instance, do not include either high schools or ROC/Ps as direct participants. Many grants also exclude middle schools as participants. Given the importance of each level of education in creating successful CTE programs, the LAO believes that the State should encourage local improvement projects to include all of these entities.

- **Competitive Grants Help Only the Winners.** Competitive grants are useful in creating competition that helps the State obtain the highest value for its dollar. For SB 70, however, the LAO does not see the value of pitting parts of the State against another. Improving CTE is a statewide goal—all parts of the State should participate. In addition, competitive grants tend to favor areas that can afford talented grant writers who develop high-scoring projects. As a consequence, the competitive grant process may make it difficult for some regions to win grants to improve local programs.

Similarly, friction between local community colleges and K-12 entities may make agreement on joint projects difficult to reach. While the competitive grant approach may, in some cases, create sufficient financial incentives for these agencies to work together, it also allows areas of the state to opt out of the improvement process. According to the LAO, SB 70 should be a tool to help reduce friction between these agencies. The program should provide the business community, parents, and other local officials and community members with leverage to get the educational agencies to work cooperatively to meet the needs of students. The competitive grant process doesn't provide much standing for these other groups to generate the local pressure needed to break through such obstacles. Thus, the Legislature should consider a different approach to strengthening local CTE programs.

- **Addressing Special Needs of Rural Areas.** Issues faced by rural areas illustrate another problem with using a competitive grant process for the local improvement process. Only 5 of the 35 approved projects for expanding or improving existing pathways were located in rural parts of the State. The LAO believes that there are several possible reasons for this rate of participation. First, some areas of the State have no local community college within a reasonable distance. Since proposals could be submitted only by community colleges, the process made it difficult for some rural areas to apply. Second, while the emphasis on connections with employers is a critical factor in successful CTE programs, rural areas often have few major employers to work with. In these cases, it is hard to see how rural areas can compete for grants with parts of the State where large employers are located.

The lack of community colleges and major employers illustrate the types of problems facing rural areas as they attempt to upgrade local CTE programs. As a result, a traditional pathway approach may not work in many rural communities. Rather than create a grant program specifically for rural areas, it makes more sense to encourage each area to develop local solutions to upgrading local CTE programs. These solutions may require some “out of the box” thinking. Are there innovative solutions that allow high schools and ROC/Ps to work with community colleges that are 100 miles away? Should the State authorize ROC/Ps to provide community college courses in areas that would otherwise be underserved? The LAO believes that SB 70 should work under the assumption that improving CTE programs in different parts of the State may require different solutions than are offered in the existing grant programs.

- **Is Coordination a One-Time Activity?** Although SB 70 grants provide one-time funding, a number of projects use the grants for ongoing operational costs. One grant, for example, used funds to support a summer program for middle and high school students. The project acknowledged that this component was not sustainable without new funds. This does not represent a prudent use of SB 70 funds.

Sustainability is an important issue, but in another sense. The “one-time” costs of virtually all the SB 70 projects are not really one-time activities. Instead, coordination is needed on an ongoing basis to update programs as business practices change, modernize equipment, align courses, and train teachers and faculty. Viewing them as one-time activities suggests that the updating done by SB 70 will erode in effectiveness over time—leaving future CTE programs with the same problems SB 70 is addressing. If the core of SB 70 is building relationships, maintaining these relationships as people and programs change over time represents part of the ongoing process of maintaining CTE programs.

**LAO RECOMMENDATIONS:**

The LAO is recommending that the Legislature enact legislation directing most of the \$52 million proposed for SB 70 to pay for the first year of a seven-year grant program that would support a comprehensive program of improvement at the county or regional level. Grants would be determined on a formula basis, so that all parts of the State would participate in the program. The regional partnerships would be guided by a plan that would be developed during 2007-08 that assessed the current status of career tech and described the region's approach to improving CTE.

The plans would constitute a regional "master plan" for the improvement of career technical education. The K-12 entities, community colleges, and four-year universities in the region would participate in the development of the plan. To ensure the broad participation of business interests, the LAO recommends including the local WIB in the collaborative. They also suggest inviting the participation of labor organizations so that apprenticeship and pre-apprenticeship programs are included in the coordination process.

The LAO's proposed legislation also would identify the program elements that would be included in the local plans, such as:

- **Middle School Foundation.** Plans would include a middle school component so that students get the counseling and other prerequisite courses needed for success in high school and college.
- **High School-Community College Coordination.** Each region's plan would create a sufficient number of CTE options to allow each high school to offer at least two vocational choices. These options could be pathways, tech-prep sequences, or other options that help students develop both academically and vocationally. The plan also would describe how the region plans to sequence high school, ROC/P, and community college CTE courses. Once the basic structure of pathways and sequencing is in place, regions also would be free to develop more specialized sequences based on needs of employers and student interest.
- **Coordination Among CCC and Four-Year Universities.** The pathways and sequences would be incomplete if they did not extend into the public four-year universities. Involving the CSU campuses is critical because it accepts many more CCC transfer students than the University of California.

- **Other Uses of Funds.** The grant money would support the different coordination activities discussed above. In addition, however, grant funds could be spent on a wide variety of other goods and services, such as materials and equipment, in-service training, summer internships for both teachers and students, and research or evaluation.

The LAO's proposal would distribute funds based on the number of high school students in the region. The table below illustrates the amounts that this proposal would provide to selected counties if these counties were established as regions. As the table shows, even the grants to smaller counties accumulate to large sums over the seven-year time frame. The table also shows that the LAO's formula distributes only \$47 million of the \$52 million in funds that are proposed in the budget year. The LAO's proposal would set aside the other \$5 million for State-level grants.

<b>LAO Proposed Regional CTE<sup>a</sup> Grants Selected County Allocations</b>		
<i>(In Millions)</i>		
	<b>2007-08</b>	<b>Seven-Year Total</b>
Alameda	\$1.6	\$12.4
Butte	0.3	2.1
Contra Costa	1.3	9.8
Los Angeles	12.6	97.6
Mendocino	0.1	0.9
Orange	3.8	29.8
Sacramento	1.8	13.8
San Diego	3.7	29.0
Santa Clara	1.8	14.3
Santa Cruz	0.3	2.3

<sup>a</sup> Career Technical Education.

The LAO also recommends that the Legislature include in legislation performance measures for the regional partnerships that indicate the impact of the improvement process on students. Indicators could include the number of high school students (1) enrolled in a high school career pathway or other sequence of CTE courses and (2) who successfully complete a pathway or other sequence of CTE courses. The LAO also suggests that legislation require partnerships to collect data on the number of high school graduates who participated in a pathway or sequence (1) who attend college or a university with the goal of getting a four-year degree and (2) who enroll in community college with the goal of getting a vocational degree. Finally, data on wages earned by students who worked after high school also would be useful outcome data on the value of the pathways.