

# AGENDA

## ASSEMBLY BUDGET SUBCOMMITTEE NO. 2 ON EDUCATION FINANCE

Assemblymember Kevin McCarty, Chair

TUESDAY, APRIL 10, 2018

9:00 AM - STATE CAPITOL ROOM 447



ITEMS TO BE HEARD		
ITEM	DESCRIPTION	PAGE
<b>6100</b>	<b>DEPARTMENT OF EDUCATION</b>	<b>2</b>
ISSUE 1	GOVERNOR'S 2018-19 BUDGET: LOCAL CONTROL FUNDING FORMULA	2
ISSUE 2	LCFF BUDGET PROPOSALS	6
ISSUE 3	GOVERNOR'S 2018-19 BUDGET: STATE ACCOUNTABILITY SYSTEM	9

**ITEMS TO BE HEARD****6100 DEPARTMENT OF EDUCATION**

---

---

**ISSUE 1: GOVERNOR'S 2018-19 BUDGET: LOCAL CONTROL FUNDING FORMULA**

The Subcommittee will hear an overview of Governor's budget proposals related to the Local Control Funding Formula (LCFF). The Subcommittee will also hear from local school districts about their experience in implementing the LCFF.

**PANEL 1:**

- Aaron Heredia, Department of Finance
- Ryan Anderson, Legislative Analyst's Office
- Debra Brown, Department of Education

**PANEL 2:**

- Jorge Aguilar, Superintendent, Sacramento City Unified School District
- Dr. Tim Stowe, Deputy Superintendent, Torrance Unified School District

**BACKGROUND**

AB 97 (Committee on Budget), Chapter 47, Statutes of 2013, and subsequent legislation created the LCFF, which consolidated most of the state's categorical programs with the discretionary revenue limit funding to create a new student formula to be phased in over several years.

The purpose of the LCFF was to create a more simple and equitable formula that is intended to improve student outcomes by shifting decision making to the local level and redistributing resources to students that require additional services. The LCFF consists of a base grant for all students, supplemental funding for English learners, low-income and foster youth, and concentration funding for local educational agencies (LEAs) with high proportions of students that qualify for supplemental funding. However, because the state could not fully fund the LCFF when it was enacted, the state set target rates to be funded over several years. The Department of Finance originally estimated that the LCFF will be fully funded in 2020-21.

The formula for school districts and charter schools consists of the following components:

- Base Grant. Under the LCFF, school districts and charter schools receive the majority of their funding through a base grant based on average daily attendance (ADA) and adjusted for four grade span needs. The formula includes a 10.4 percent increase in the base rate for grades K-3 in order to cover the costs associated with class size reduction in these grades. The student to teacher ratio established by the LCFF in grades K-3 is 24 to one, to be phased-in over eight years. The high school grade span adjustment increases the base grant for grades 9-12 by 2.6 percent, taking into

account costs associated with career technical education (CTE) and other high school programs.

- Supplemental Grant. The LCFF provides a “supplemental grant” for English learners, low-income and foster youth students. Under the formula, these student groups generate an additional 20 percent of the student’s base rate. Students can only qualify for one supplemental grant, meaning that if a student is both an English learner and low-income, they are only counted once. All foster youth are also considered low-income; therefore it is unnecessary to discuss them as a separate group.
- Concentration Grant. The LCFF also provides a “concentration grant” for districts whose English learner and low-income student population exceeds 55 percent. These districts will receive an additional 50 percent of the adjusted base grant for each English learner and low-income student above the 55 percent threshold.
- Add-Ons. Two former categorical programs are treated as “add-ons” to the LCFF. These include the Home-to-School Transportation (HTST) program and the Targeted Instructional Improvement Block Grant (TIIG). Districts that received categorical funding for these programs in 2012-13 will continue to receive the same amount of funding through this add-on. Districts that did not receive this categorical funding previously will not receive the add-on.
- Economic Recovery Target. Some districts will receive an Economic Recovery Target (ERT) add-on. This add-on is targeted at those districts that would have fared better under the prior funding formula, had the revenue limit deficit factor and categorical funding been fully restored to pre-recession levels. The ERT add-on is calculated by the difference between the amount a district would have received under the old system and the amount a district would receive based on full implementation of the LCFF. However, districts that are in the 90<sup>th</sup> percentile or above in per-pupil spending under the old system are not eligible to receive the ERT. Approximately 130 districts receive the ERT add-on.
- Cost of Living Adjustment. Each year the target base rate will be updated for cost of living adjustments (COLAs), creating a moving target. Until districts reach their target funding level, COLA will be included in their growth funding. This will vary district by district. For example, a district that is close to their LCFF target will receive a smaller amount for COLA than a district that is further away from their target. Once the target funding level is reached, districts will then receive the full COLA each year (assuming that the state has sufficient funds to do so).

### **LCFF for County Offices of Education**

County offices of education (COEs) have a two-part formula in recognition that COEs provide two different functions. First, COEs provide support and services for their member districts. Second, they operate alternative schools for students that are incarcerated, on probation, referred by a probation officer, or have been expelled.

The COE LCFF provides a grant based on the total number of school districts and number of students within the county. This is meant to cover the support services provided by the COE.

The LCFF also provides a grant for COEs to run alternative schools. This grant amount is determined similar to the LCFF formula for school districts, however, the base rate is significantly higher and the supplemental and concentration grants are slightly different. For COEs, supplemental funding generates 35 percent of the base grant (rather than 20 percent for districts) and concentration grants provide 35 percent of the base grant for unduplicated students above the 50 percent threshold (rather than 20 percent of the base grant for unduplicated students above the 55 percent threshold).

**GOVERNOR'S BUDGET PROPOSALS**

The 2018-19 Governor’s budget proposes to provide an additional \$2.9 billion in ongoing Proposition 98 funding for LCFF implementation. With the addition of this funding, all LEAs would be at their targets and fully funded based on the LCFF. This includes the application of a 2.51 percent COLA in 2018-19. Total funding for LCFF would be \$60.3 billion.

Since 2013-14, the state has provided a total of nearly \$17.1 billion in LCFF implementation funding. The chart below shows the total LCFF implementation funding provided under the Governor's proposed budget.

District and Charter School LCFF (Dollars in Millions)							
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	Six Year Total 2020-21
LCFF Funding	\$2,067	\$4,722	\$5,994	\$2,942	\$1,362	\$2,883	\$19,970
Remaining LCFF Gap Closed	12%	30%	53%	56%	45%	100%	
COLA	1.57%	0.85%	1.02%	0.00%	1.56%	2.51%	

Source: Department of Finance

The Governor’s budget includes \$106 million for a 2.51 percent COLA for education programs funded outside the LCFF. These programs include: special education, child nutrition, state preschool, foster youth services, American Indian education centers and American Indian early childhood education programs.

In addition, the Governor has proposed the following LCFF related trailer bill language:

- Requires each school district budget to include a summary document that links budget expenditures to corresponding goals, actions, and services in the school district’s LCAP. The SBE would develop a template for this budget addendum.

- Requires the Superintendent to post each LEA's supplemental and concentration funding amount on CDE's website within three days of the first and second principal apportionments.
- Appropriates the remaining Gap Funding as a percentage, instead of a fixed dollar amount. The Administration argues that this change will reduce workload for the CDE and provides certainty for LEAs when preparing their budgets.

### LAO Recommendations

The LAO believes the Governor's plan to dedicate most new ongoing K-12 funding to LCFF implementation is consistent with the Legislature's approach over the past five years.

The LAO recommends rejecting the Governor's proposal to create an addendum to district budgets to specify how district expenditures align with their LCAPs. The LAO believes this requirement would replicate information already available in LCAPs and lengthen an already long and complex document.

### STAFF COMMENTS:

The Governor's budget fully funds the LCFF for school districts and charter schools in 2018-19, two years before the DOF originally projected. After full funding, current statute adjusts the formula by growth in ADA and COLA in future years. However, many LEAs have expressed concerns with rising operational costs, such as increased pension, health care and special education costs. The Subcommittee will consider options for adjusting the formula to help address these issues later in this hearing.

Full implementation of the LCFF will provide more transparency in how much funding is being provided for the base, supplemental and concentration grants and how LEAs are required to spend this funding. The Administration is proposing to add additional transparency by requiring districts to create an addendum to their budget document. The Subcommittee may wish to look at other ways to add transparency that will be more simple and understandable for parents and stakeholders.

### Suggested Questions:

- Does the DOF believe the LCFF base grant sufficiently covers the increased costs districts are facing, such as increased pension costs?
- How would the Governor's proposed budget addendum provide more transparency? Is this proposal intended to help parents and community members?

---

**Staff Recommendation: Hold Open**

---

**ISSUE 2: LCFF BUDGET PROPOSALS**

The Subcommittee will consider additional budget proposals related to the LCFF and options for making changes to the formula.

**PROPOSAL 1: INCREASE LCFF BASE GRANT**

- Ryan Anderson, Legislative Analyst's Office
- Aaron Heredia and Jessica Holmes, Department of Finance
- Debra Brown, Department of Education
- Public Comment

**PROPOSAL 2: SUPPLEMENTAL GRANT FOR LOWEST PERFORMING STUDENT GROUP**

- Ryan Anderson, Legislative Analyst's Office
- Aaron Heredia and Jessica Holmes, Department of Finance
- Debra Brown, Department of Education
- Public Comment

**PROPOSAL 3: ONE-TIME FUNDING FOR COMMUNITY ENGAGEMENT GRANTS**

- Ryan Anderson, Legislative Analyst's Office
- Aaron Heredia and Jessica Holmes, Department of Finance
- Debra Brown, Department of Education
- Public Comment

**BACKGROUND**

The Subcommittee will discuss the following LCFF related budget proposals:

- **Increase LCFF Base Rate Targets to the National Average in Per Pupil Spending.**  
The proposal would increase the LCFF base rates in 2019-20 as follows:
  - \$11,799 for average daily attendance (ADA) in kindergarten and grades 1 to 3
  - \$11,975 for ADA in grades 4 to 6
  - \$12,332 for ADA in grades 7 and 8
  - \$14,289 for ADA in grades 9 to 12

By increasing the base rates, the amount a local educational agency (LEA) receives in supplemental and concentration grant funds would also increase per the formula. This budget proposal would increase the cost of the LCFF by 60%, which is equal to approximately \$35 billion above the current funding level. The budget proposal is intended to ensure that districts are able to cover increased fixed costs and to bring

California up to the national average in per pupil spending. This proposal would be funded over a number of years, depending on state revenues.

- **Additional Supplemental Grant for Lowest Performing Student Subgroup.** Statewide 2017 testing data shows that African American students are the lowest performing subgroup with only 31% meeting English Language Arts (ELA) Standards and only 19% meeting Math Standards. The statewide average for all students was 49% meeting ELA and 38% Math Standards. The budget proposal would add a new supplemental grant category in the LCFF to include the lowest performing student subgroup statewide (currently African American students). The estimated cost for this proposal would be \$360 million in ongoing Proposition 98 funding.
- **Provide One-Time Funding to Increase Community Engagement.** Parent and community engagement is essential to LCFF accountability and the success of students. The budget proposal would dedicate one-time funding to provide grants to LEAs to develop practices, resources, and expertise needed to ensure meaningful family, student and community engagement in the continuous improvement process.

### LAO Options

The LAO provides options for LCFF going forward once full funding of LCFF is achieved. Specifically, the LAO looked at the following:

- 1) **Increasing Base Rates.** This approach would help all districts and allow flexibility in meeting their needs. Many districts are experiencing pressures due to pension costs and special education in addition to others. The LAO estimates that a one percent increase in the base rate would cost roughly \$600 million, with \$100 million of this due to supplemental and concentration grant increases.
- 2) **Increasing Supplemental and Concentration Rates.** This approach would focus on the additional costs of supplemental services for English learner or low-income students, however the LAO notes that there is no conclusive research on the costs of the additional services. From LAO's research high poverty districts generally have higher class sizes and less competitive teacher pay. The LAO estimates that a one percent increase in the supplemental rate would cost \$200 million, while a one percent increase in the concentration rate would cost \$60 million.
- 3) **Changing Generation of Supplemental and Concentration Grants.** Currently the state counts a student who is low-income, English learner, or foster youth as one for purposes of calculating supplemental and concentration grants, regardless of if one or more definition would apply. The LAO notes that the state could instead count each of those factors separately, such that a student that is both an English learner and low-income would generate two supplemental grant amounts. The LAO estimates taking this approach would cost roughly \$2 billion.
- 4) **Raising Concentration Threshold.** Currently school districts are eligible for concentration grants for the number of unduplicated students above 55 percent of enrollment. The state could consider raising this threshold such that concentration funding is more targeted specifically to those school districts with significant

populations of unduplicated students. The LAO notes that raising the concentration threshold to 80 percent would increase per-student funding by \$750 per pupil in the 25 percent of districts serving the highest poverty students. This scenario would reflect a redistribution of funds, holding total dollars constant.

Suggested Questions:

- Has the Administration considered changes to the formula or increasing the target funding rates?
- Does the LAO recommend making any changes to the LCFF?

---

**Staff Recommendation: Hold Open**

---



**ISSUE 3: GOVERNOR'S 2018-19 BUDGET: STATE ACCOUNTABILITY SYSTEM**

The Subcommittee will hear an update of the state's new accountability system and the Governor's budget proposals related to the accountability system.

**PANEL**

- Jessica Holmes and Amber Alexander, Department of Finance
- Sara Cortez, Legislative Analyst's Office
- David Sapp, State Board of Education
- Debra Brown, Department of Education
- Joshua Daniels, California Collaborative for Educational Excellence

**BACKGROUND**

In conjunction with the LCFF, the State also established a new system for school accountability. This system includes the Local Control Accountability Plan (LCAP), Annual Update, the California School Dashboard, and the California Collaborative for Educational Excellence (CCEE). The intent of this new accountability system is to support continuous learning and improvement. Additionally, with the passage of the federal Every Student Succeeds Act (ESSA), the State Board of Education (SBE) is committed to creating one accountability system that is aligned to both state and federal rules.

**Local Control Accountability Plans**

Under the new system, LEAs are required to complete a LCAP every three years, which is to be updated annually. The LCAP must include locally-determined goals, actions, services, and expenditures of LCFF funds for each school year in support of the state educational priorities that are specified in statute, as well as any additional local priorities. In adopting the LCAP, LEAs must consult with parents, students, teachers, and other school employees. The eight state priorities that must be addressed in the LCAP, for all students and significant student subgroups in a school district and at each school include:

- *Williams* settlement issues (adequacy of credentialed teachers, instructional materials, and school facilities).
- Implementation of academic content standards.
- Parental involvement.
- Pupil achievement (measured in part by statewide assessments, Academic Performance Index, and progress of English-language learners toward English proficiency).
- Pupil engagement (measured by attendance, graduation, and dropout data).
- School climate (measured in part by suspension and expulsion rates).
- The extent to which students have access to a broad course of study.
- Pupil outcomes for non-state-assessed courses of study.

County offices of education must address the following two priorities, in addition:

- Coordination of services for foster youth.
- Coordination of education for expelled students.

School district LCAPs are subject to review and approval by COEs, while COE LCAPs are subject to review and approval by the State Superintendent of Public Instruction (SPI). Statute also established a process for districts to receive technical assistance related to their LCAPs. The SPI is authorized to intervene in a district that is failing to improve outcomes for students after receiving technical assistance.

In addition, under changes made as part of the 2017 Budget Act, COEs are also required to provide a summary of the plan for supporting schools and school districts within their county, including a description of goals for LCAP review, and provision of technical assistance and support. COEs must measure progress towards meeting these goals by identifying and assessing metrics, as well as specifying the actions and expenditures to meet these goals. Finally, COEs must identify how they are collaborating with the California Collaborative for Educational Excellence, the CDE, and other county offices of education.

### **California School Dashboard**

The SBE was also required to adopt evaluation rubrics as part of the new accountability system. The evaluation rubrics will be used to evaluate how LEAs are performing in each of the state priority areas and determine whether a LEA is in need of support or intervention. The SBE adopted the evaluation rubrics as the “California School Dashboard” in 2016 and was updated in 2017.

The Dashboard includes the following state indicators, which apply at the LEA and school level:

- An academic indicator based on student test scores on English Language Arts (ELA) and Math for grades 3–8, including a measure of individual student growth, when feasible, and results on the Next Generation Science Standards assessment, when available
- A college/career indicator that combines Grade 11 test scores on ELA and Math and other measures of college and career readiness
- An English learner progress indicator that measures progress of English learners toward English language proficiency and incorporates data on reclassification rates
- High school graduation rate
- Chronic absence rates, when available
- Suspension rates by grade span

The Dashboard includes the following local performance indicators:

- Appropriately Assigned Teachers, Access to Curriculum-Aligned Instructional Materials, and Safe, Clean and Functional School Facilities
- Implementation of State Academic Standards
- Parent Engagement
- School Climate – Local Climate Surveys

- Coordination of Services for Expelled Students – County Offices of Education (COEs) Only
- Coordination of Services for Foster Youth – COEs Only

The Dashboard also includes performance standards for each indicator allowing LEAs and schools to identify both progress and needed improvements. For each state indicator, the SBE has determined a measurement based on a LEA's current performance and improvement over time (over a three-year period if available). This combined measure then falls into a color-coded range, with each LEA, school, and student group measured annually. This method was intended to allow for an easily accessible display for district and school administrators, teachers, students, parents, and other stakeholders.

Equity Report	Status and Change Report	Detailed Reports	Student Group Report
<p>The Equity Report shows the performance levels for all students on the state indicators. It also shows the total number of student groups that received a performance level for each indicator and how many of those student groups are in the two lowest performance levels (Red/Orange). The total number of student groups may vary due to the number of grade levels included within each indicator.</p>			
State Indicators	All Students Performance	Total Student Groups	Student Groups in Red/Orange
Chronic Absenteeism	N/A	N/A	N/A
<a href="#">Suspension Rate (K-12)</a>		9	2
<a href="#">English Learner Progress (K-12)</a>		1	0
<a href="#">Graduation Rate (9-12)</a>		6	4
<a href="#">College/Career</a> <small>Available Fall 2017. Select for Grade 11 assessment results.</small>		N/A	N/A
<a href="#">English Language Arts (3-8)</a>		8	0
<a href="#">Mathematics (3-8)</a>		8	1

Source: Department of Education

**Support and Intervention**

The dashboard is also now used in 2017-18 to identify LEAs in need of additional support and assistance under the state’s accountability system. Along with the release of the dashboard, the SBE identified LEAs in need of assistance based on the dashboard and created a tiered structure to provide assistance. This tiered structure is shown below.

### Overview of Statewide System of Support

Level of Support	Description of Supports Available
<b>Support for All LEAs and Schools (Level 1)</b>	Various state and local agencies provide an array of resources, tools, and voluntary assistance that <b>all</b> LEAs may use to improve student performance at the LEA and school level and narrow disparities among student groups across the LCFF priorities, including recognition for success and the ability to share promising practices.
<b>Differentiated Assistance (Level 2)</b>	County superintendents, the CDE, charter authorizers, and the California Collaborative for Educational Excellence (CCEE) provide <b>differentiated assistance</b> for LEAs and schools, in the form of individually designed assistance, to address identified performance issues, including significant disparities in performance among student groups.
<b>Intensive Intervention (Level 3)</b>	The State Superintendent of Public Instruction or, for charter schools, the charter authorizer may require more <b>intensive interventions</b> for LEAs or schools with persistent performance issues over a specified time period.

Source: State Board of Education: January 18, 2018 Agenda, Item 3

In December 2017, The SBE identified the first set of districts in need of Level 2 support. A total of 228 districts were identified for Level 2 support. Of these districts, 164, or 72 percent, were identified based on the performance of their special education students.

#### **California Collaborative for Educational Excellence**

The CCEE was created as part of the new LCFF accountability framework, with its goal to advise and assist school districts charter schools, and county offices of education (COEs) to achieve identified outcomes in their LCAPs under the LCFF. Statue allows the CCEE to accept requests or referrals for technical assistance after consulting with the SPI. The CCEE may contract with individuals, LEAs, or organizations with expertise in the LCAP state priority areas and experience in improving the quality of teaching, improving school and district leadership, and addressing the needs of student populations (such as unduplicated students or students with exceptional needs.)

Since its inception, the CCEE has been provided one-time funding, totaling over \$30 million for its initial operations and one-time work to inform future operations. Although the initial infusion of funding was provided in the 2013-14 year, the CCEE has taken a few years to fully staff up and develop as an agency. Thus far the CCEE has conducted statewide training for LEAs and education stakeholders on the LCAP and the school dashboard, with a focus on improving student outcomes and closing the achievement gap. Statewide trainings and webinars focusing on different components of the accountability system are continuing through the 2017-18 year, as well as training for individual LEAs by request, or groups of stakeholders. The CCEE is also developing and curating materials and resources for a trainer's library to allow registered trainers at the local level to continue to support administrative staff, teachers, students, parents, and the public as needed at an LEA. In addition, the CCEE has facilitated the development of Professional Learning Networks (PLNs) made up of COEs, statewide organizations, and non-profits led by facilitators to

support collaborative efforts to build capacity. The response to PLNs from the field has been positive thus far.

The CCEE was also charged with conducting a pilot program designed to assist the CCEE in developing and designing their work in providing technical assistance and intervention to LEAs. The CCEE has undertaken pilot projects in 11 LEAs that reflect urban, suburban, and rural areas with different needs for technical assistance, including a COE and a charter school. LEAs volunteered for the pilot program and the CCEE selected LEAs to participate based on whether the LEA had: 1) persistent academic/achievement challenges as evidenced by achievement gaps between student demographic groups, test scores, or other metrics; 2) a leadership team, including the Board of Trustees overseeing the LEA, that fully commits to participating in pilot process; and 3) the support of their COE. The CCEE is conducting pilots over a three-year period beginning in 2016-17 and is required to provide a final evaluation to the Governor and Legislature at the conclusion of the pilot program.

### GOVERNOR'S BUDGET PROPOSALS

The Governor's 2018-19 budget includes a number of proposals related to the statewide accountability and support system, dedicating a total of \$76 million. These proposals include:

- **Increase COE funding for Level 2 Support.** The Governor's budget provides \$55 million in ongoing Proposition 98 funding for COEs to support districts that are in need of improvement as identified under the new dashboard system. The formula for funding COEs would consist of a base grant of \$200,000 per COE (regardless of the number of districts in the county identified for differentiated assistance) and an amount (ranging from \$100,000 to \$300,000) per district in need of assistance adjusted by size of the district.

In addition, the Governor proposes to refine requirements for COEs to support districts in need of technical assistance to align to the evolution of the tiered support system at the SBE, including a description of the ability of a school district to seek assistance their own and from other county offices. The trailer bill language specifies that COEs must provide technical assistance to districts identified for differentiated assistance and school districts are required to accept technical assistance. COEs are also required to report on their plans for providing technical assistance to the CDE, which in turn will compile the information and make it available on their website by November 1 of each year, beginning in 2019.

- **Creates COE Regional Leads to Support COEs.** The Governor's budget provides \$4 million in ongoing Proposition 98 funding for select COEs to serve as regional leads. The CDE and CCEE would identify six to ten COEs across the state to serve as the lead COE in its region. Each regional lead would assist COEs in their region in supporting districts, work with CDE and the CCEE to develop resources and provide direct support to districts when requested by a COE.
- **Creates SELPA Regional Leads to Work with COEs.** The Governor proposes to provide \$10 million in ongoing Proposition 98 funding to support between six and 10 SELPAs selected as lead agencies to work with COEs to improve outcomes for

students with disabilities. These lead SELPAs would be selected by the CCEE in consultation with the CDE, subject to the approval of the executive director of the SBE and the Department of Finance.

The Governor also adds trailer bill language to better align the SELPA planning process with the LCAP process for LEAs. New requirements are added for an LEA to consult with their SELPA to ensure actions and services in the LCAP are consistent with strategies in the SELPA plan to support students with disabilities. Specifically, the superintendent of a school district (or county superintendent of schools) shall consult with their SELPA to determine that actions included in the LCAP for students with disabilities are consistent with strategies included in the local plan for education of students with disabilities.

In addition, the CDE is required to develop a template for the SELPA local plan, required under current statute that includes a budget plan and an annual services plan. The CDE is also required to develop a template for a summary document that supplements the SELPA plan and links SELPA budgeted activities with services and activities and demonstrates consistency with the LCAPs of LEAs in the SELPA. SELPA local plans are also updated to be three-year plans beginning July 1, 2020. Plans shall be posted on the websites of the school districts and county offices of education.

- **Provides Ongoing Funding for the CCEE.** The Governor proposes to provide a total of approximately \$11 million Proposition 98 funding (\$4.6 million was reappropriated from prior allocations) for the operations of the CCEE in the 2018-19 year. Of this total, \$3.1 million is for basic administrative costs, \$500,000 is for conducting statewide trainings, \$5 million is for supporting the statewide system of support, including building capacity for COEs, and \$3 million is for direct technical assistance to LEAs (includes reimbursement authority of \$500,000). In addition, proposed budget bill and trailer bill language further detail the future operations of the CCEE including ongoing professional development activities, support of lead agencies, and direct technical assistance to LEAs under limited circumstances.

In addition proposed trailer bill language designates that the Department of Finance contract with an LEA or consortium of LEAs to serve as the administrative agent for the CCEE. The CDE would apportion funds to the administrative agent to operate the CCEE in accordance with the contract.

The Governor's budget also includes the following trailer bill language related to state accountability and support:

- Specifies that any program identified in law that utilized a calculation pursuant to the API of school decile rankings would utilize the 2013 growth calculation. In previous budget trailer bills, updating the API had been suspended on a year by year basis.
- Extends the ability of the SBE to adopt the LCAP template following the Bagley-Keene Open Meeting Act requirements, rather through the Administrative Procedures Act

requirements through January 31, 2019, previously this exemption was provided through December 31, 2018.

- Provides \$300,000 in Proposition 98 to San Joaquin County Office of Education to improve the interface for the California School Dashboard based on stakeholder input.

### **LAO Recommendations**

The LAO has identified several concerns with the Governor's proposal in their recent publication, *The 2018-19 Budget: Proposition 98 Education Analysis*. Specifically, the LAO notes that because districts are required to accept differentiated assistance from their COE, this reduces the ability of the district to choose their support provider (unless they use district funds). In addition, the COE regional lead structure in combination with the SELPA regional lead structure when combined with existing structures to support districts, creates a system of too many actors and potentially duplicative roles. Finally, the LAO is concerned that the approach would focus support at the COEs rather than on the districts with performance issues.

The LAO also notes that COEs already receive funding through their LCFF formula for the support of districts in their counties and do not believe that COEs need additional funding to perform this work.

The LAO recommends an alternative approach that would continue the Governor's plan of requiring COEs to work with their districts on conducting a root cause analysis, but allowing districts to instead choose from a list of experts, vetted by the CCEE, that could include COEs, districts, and other experts and providers, to address their performance issues identified through the analysis. Funding for this support would be provided to the CCEE to award district grants, oversee contracts, monitor identified districts, and conduct statewide trainings.

### **STAFF COMMENTS/QUESTIONS**

The Governor's proposal to build out the capacity of COEs as part of the state's new accountability structure is largely based on the extensive work of the SBE, CDE and stakeholders over the past few years. The Subcommittee may wish to consider if this approach adequately supports LEAs and allows for sufficient ownership of school districts and charter schools in their efforts to improve their performance.

#### **Suggested Questions:**

- Is the LCFF and new accountability system working to close the achievement gap, especially for low-income, English learners and foster youth students?
- Is the Dashboard being used by parents and community members as it was intended?
- With the proposed COE support structure, will school districts and charter schools have ownership of their improvement efforts?

- What is the role of the CCEE in the Governor's proposed COE support structure?
- Does the proposal to create separate COE and SELPA regional leads further silo the general education and special education systems?

---

**Staff Recommendation: Hold Open.**

---