

AGENDA

ASSEMBLY BUDGET SUBCOMMITTEE NO. 2 ON EDUCATION FINANCE

Assemblymember Kevin McCarty, Chair

**WEDNESDAY, MAY 23, 2018
1:30 PM - STATE CAPITOL ROOM 447**

PROPOSITION 98 AND EARLY CHILDHOOD EDUCATION

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VOTE ONLY ITEMS

6100 DEPARTMENT OF EDUCATION
6360 COMMISSION ON TEACHER CREDENTIALING
0985 CALIFORNIA SCHOOL FINANCE AUTHORITY

VOTE-ONLY ISSUE 1: MAY REVISION CHANGES
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The Governor's May Revision proposes the following federal fund and General Fund adjustments.

	Federal Fund Adjustments
1	Items 6100-001-0890 and 6100-102-0890, Support and Local Assistance, Immediate Aid to Restart School Operations (Issues 264 and 278) —It is requested that Schedule (1) of Item 6100-001-0890 be increased by \$533,000 one-time federal Immediate Aid to Restart School Operations program funds for the administration of a one-time grant to assist applicant local educational agencies impacted by the Northern and Southern California wildfires of October and December 2017.
2	Items 6100-001-0890 and 6100-134-0890, Support and Local Assistance, Federal Title I Funding (Issues 625 and 626) —It is requested that Schedule (1) of Item 6100-001-0890 be increased by \$381,000 federal Title I funds to support the State Department of Education (SDE), the California Collaborative for Educational Excellence (CCEE), lead county offices of education, and stakeholders to inform the work of agencies within the statewide system of support pursuant to paragraph (2) of subdivision (a) of Section 52073 of the Education Code, as proposed by the Administration in the 2018-19 Education omnibus trailer bill. It is also requested that Schedule (2) of Item 6100-134-0890 be decreased by \$381,000 federal Title I funds to conform to action.
3	Items 6100-001-0890 and 6100-161-0890, Support and Local Assistance, Special Education (Issues 323 and 840) —It is requested that Schedule (1) of Item 6100-001-0890 be increased by \$3,050,000 federal Individuals with Disabilities Education Act (IDEA) funds on a one-time basis for increased special education dispute resolution services costs. The SDE contracts with the Office of Administrative Hearings to provide special education services, which include hearings, mediations, and related due process activities required by both state and federal law. The number of claims filed and the cost per case have increased in recent years.
4	Items 6100-001-0890 and 6100-294-0890, Support and Local Assistance, Early Head Start—Child Care Partnership Grant (Issues 532, 536, and 836) —It is requested that Item 6100-294-0890 be increased by \$925,000 federal Early Head Start Child Care Partnership Grant funds to reflect \$602,000 one-time carryover funds and a \$323,000 increase to the available federal grant. This program allows SDE to partner with local providers to assist them in meeting the requirements of the Head Start

	<p>program, providing high quality infant and toddler child care to low-income families in selected high-need northern California counties. The Early Head Start—Child Care Partnership grant has been extended from June 30, 2019 to June 30, 2024.</p>
<p>5</p>	<p>Item 6100-101-0890, Local Assistance, Project School Emergency Response to Violence (Issue 269)—It is requested that Item 6100-101-0890 be added in the amount of \$2 million federal Project School Emergency Response to Violence funds to reflect the availability of a one-time grant award for allocation to applicant local educational agencies impacted by the Northern California wildfires of October 2017. This federal program funds short-term and long term education-related services for local educational agencies to help them recover from a violent or traumatic event in which the learning environment has been disrupted.</p>
<p>6</p>	<p>Items 6100-113-0890 and 6100-113-0001, Local Assistance, Student Assessment Program (Issues 629, 630, 632, 633, and 634)—It is requested that Schedule (2) of Item 6100-113-0890 be increased by \$755,000 federal Title VI funds to reflect a \$304,000 decrease in the federal grant award and an increase of \$1,059,000 in one time carryover funds.</p>
<p>7</p>	<p>Item 6100-125-0890, Local Assistance, Migrant Education Program, Migrant Education State-Level Activities, and English Language Acquisition Program (Issues 027, 028, 029, 030, 031, 032, and 033)—It is requested that Schedule (1) of this item be increased by \$11,930,000 federal Title I, Part C funds to reflect \$13 million in one-time carryover funds and a \$1,070,000 decrease to the federal grant award. This program provides educational support services to meet the needs of highly-mobile children.</p> <p>It is also requested that Schedule (2) of this item be increased by \$1,075,000 federal Title I, Part C funds to reflect \$2 million in one-time carryover funds and a \$925,000 decrease to the federal grant award. The state-administered Migrant Education programs include the Binational Migrant Education Program, Minicorps Program, and the Migrant Student Information Network.</p> <p>It is also requested that Schedule (3) of this item be decreased by \$13,953,000 \$15,953,000 federal Title III funds to reflect \$1,437,000 in one-time carryover funds, a \$17,390,000 decrease to the federal grant award, and a \$2 million increase to reflect a redirection of county office of education regional lead funding to support English learners within the statewide system of support. This program provides services to help students attain English proficiency and meet grade level academic standards.</p>
<p>8</p>	<p>Item 6100-134-0890, Local Assistance, Federal Title I Funding (Issues 600, 623, 624, and 627)—It is requested that this item be increased by \$165,005,000 \$130,005,000 federal Title IV Student Support and Academic Enrichment Grant funds and \$120,368,000 federal Title I School Improvement Grant to reflect new, one-time Title IV funds and one-time Title I carryover funds. Title IV Student Support and Academic Enrichment grant funds help school districts provide students with a well-rounded education, with a focus on safe and healthy students and educational</p>

	<p>technology. The Title IV funding reflected in this item is available from the 2017 and 2018 federal fiscal years; this funding is not anticipated to continue beyond the 2018 federal fiscal year. Title I School Improvement Grant funds are awarded to school districts by SDE through a competitive subgrant process, with awards going to districts with the greatest need and a demonstrated commitment to use the funds to substantially raise the achievement of students in their lowest-performing schools. The School Improvement Grant program was not included in the 2015 reauthorization of the federal Elementary and Secondary Education Act; however, the funds in this item are available to school districts that were awarded funds in prior years, through 2020-21.</p> <p>It is also requested that provisional language in Item 6100-134-0890 be amended to align the allocation methodology of funds appropriated in Schedule (1) with the California State Plan for the federal Every Student Succeeds Act of 2015.</p> <p>It is further requested that provisional language in Item 6100-134-0890 be amended as follows to increase the amount of federal Title I funds allocated for school support in proportion to the state's increased Title I Basic Grant award (as proposed in the 2018 April 1 Finance Letter):</p>
9	<p>Item 6100-194-0890, Local Assistance, Adjust One-Time Child Care and Development Quality Carryover (Issue 539)—It is requested that Schedule (6) of this item be increased by \$17,162,000 federal Child Care and Development fund to reflect an increase in one-time federal Child Care quality carryover funds. Coupled with the \$8,793,000 already included in the Governor's Budget, the total federal Child Care quality carryover is \$25,955,000.</p>
10	<p>Items 6100-194-0001 and 6100-194-0890, Local Assistance, Federal Child Care and Development Fund One-Time Carryover (Issues 537 and 538)—It is requested that Schedule (5) of Item 6100-194-0890 be decreased by \$17,156,000 federal Child Care Development fund to reflect a decrease in one-time federal carryover funds. It is also requested that Schedule (6) of Item 6100-194-0001 be increased by \$17,156,000 non-Proposition 98 General Fund to reflect the decrease in federal funds. Federal funds offset non-Proposition 98 General Fund in the CalWORKs Stage 3 child care program.</p>
11	<p>Item 6100-195-0890, Local Assistance, Supporting Effective Instruction (Issues 261 and 262)—It is requested that Schedule (1) of this item be decreased by \$13,316,000 federal Title II, Part A funds to reflect a decrease in the federal grant. The federal Supporting Effective Instruction Local Grants Program provides funds to local educational agencies on a formula basis for professional development activities focused on preparing, training, and recruiting high quality teachers, principals, or other school leaders.</p> <p>It is also requested that Schedule (3) of this item be increased by \$733,000 Federal Trust Fund for federally-required professional development of private school teachers and administrators. Specifically, this amount reflects the one-time availability of \$212,000 federal Title II funds and the one-time availability of \$521,000 federal Title IV</p>

	funds for educators in private schools.
	General Fund and Other Adjustments
12	Computer-Based English Language Proficiency Assessment for California (ELPAC) and Alternative ELPAC Assessments (Issue 803) —It is requested that Schedule (1) of this item be increased by \$252,000 non-Proposition 98 General Fund for the development and maintenance of the computer-based ELPAC and alternative computer-based ELPAC for students with disabilities.
13	Uniform Complaint Procedures (Issue 811) —It is requested that Schedule (1) of this item be increased by \$122,000 non-Proposition 98 General Fund for the coordination of a centralized Uniform Complaint Procedures process and database to improve the administration and resolution of Uniform Complaint Procedures complaints and appeals received by SDE.
14	District of Choice Data Collection and Reporting Requirements (Issue 812) —It is requested that Schedule (1) of this item be increased by \$119,000 one-time non-Proposition 98 General Fund to allow SDE to collect, analyze, and report applicable district of choice data to the Legislature as required by Chapter 15, Statutes of 2017.
15	California High School Proficiency Exam (Issue 818) —It is requested that Schedule (1) of this item be increased by \$197,000 one-time non-Proposition 98 General Fund to backfill reduced revenue in the Special Deposit Fund as a result of fee waivers for homeless and foster youth that take the California High School Proficiency Exam and the High School Equivalency test. These fee waivers are the result of Chapter 384, Statutes of 2015 (SB 252), and Chapter 697, Statutes of 2016 (AB 2656).
16	<i>Ella T. v. State of California</i> Lawsuit (Issue 844) —It is requested that Schedule (1) of this item be increased by \$595,000 one-time non-Proposition 98 General Fund for legal costs associated with the <i>Ella T. v. State of California</i> lawsuit. (Plaintiffs allege that multiple students demonstrated literacy significantly below grade level for multiple years and were not provided meaningful or effective intervention.)
17	Subsidized County Child Care Pilot Programs (Issue 846) —It is requested that Schedule (2) of this item be increased by \$624,000 non-Proposition 98 General Fund for SDE to administer subsidized county child care pilot programs authorized by Chapters 697, 699, 701, and 703, Statutes of 2017.
18	Item 6100-006-0001 and Reimbursements, State Special Schools (Issue 847) —It is requested that Schedule (5) of this item be increased by \$253,000 reimbursements, Schedule (6) of this item be increased by \$513,000 reimbursements, Schedule (7) of this item be increased by \$435,000 reimbursements, and Schedule (8) of this item be increased by \$696,000 reimbursements. These adjustments reflect a one-time increase in reimbursements for the three state special schools and the diagnostic centers to purchase technology through the Education Technology K-12 (Ed Tech) Voucher Program. The Ed Tech Voucher Program is a grant program established with funds from a settlement agreement between California consumers and the Microsoft

	<p>Corporation. Through this agreement, K-12 schools were awarded grants to purchase specified information technology products and services. In fiscal year 2017-18, the State Special Schools and Services Division was allocated \$4.7 million from the overall settlement and \$2,473,000 has been expended to date. The state special schools and Diagnostic Center serve students with low-incidence disabilities requiring high cost adaptive equipment and technology.</p>
19	<p>Items 6100-101-0231 and 6100-102-0231, Local Assistance, Tobacco-Use Prevention Education Program (Issues 267 and 268)—It is requested that Item 6100-101-0231 be increased by \$96,000 Health Education Account, Cigarette and Tobacco Products Surtax Fund and Item 6100-102-0231 be increased by \$308,000 Health Education Account, Cigarette and Tobacco Products Surtax Fund to reflect revised revenue estimates for the Health Education Account, Cigarette and Tobacco Products Surtax Fund (Proposition 99). These funds are allocated to local educational agencies for health education efforts aimed at preventing and reducing tobacco use. Activities may include tobacco-specific student instruction, reinforcement activities, special events, and cessation programs for students.</p>
20	<p>Item 6100-106-0001, Local Assistance, California Collaborative for Educational Excellence (Issue 631)—It is requested that this item be increased by \$5,024,000 Proposition 98 General Fund, reflected as increases of \$3,224,000 for Schedule (1) and \$1.8 million for Schedule (3), to align with the estimated ongoing cost of services provided by the CCEE. The funds for Schedule (1) include a \$424,000 increase for the Marin County Office of Education (MCOE), which currently acts as the fiscal agent for the CCEE, to support, in part, the transition of MCOE from a fiscal agent to an administrative agent, pursuant to Education Code section 52074, as proposed by the Administration in the 2018-19 Education omnibus trailer bill.</p>
21	<p>Item 6100-107-0001, Local Assistance, Fiscal Crisis Management Assistance Team (FCMAT) Support (Issue 482)—It is requested that this item be increased by \$972,000 Proposition 98 General Fund. Of this amount, it is requested that Schedule (1) be increased by \$699,000 and Schedule (4) be increased by \$273,000. This additional funding will allow FCMAT to approach county offices of education to offer more proactive and preventive services to school districts, including those with a qualified interim budget status, which are districts that may not meet their financial obligations in the current year or subsequent two years. FCMAT was created by legislation in 1992 as an independent and external body whose core mission is to provide proactive and preventive fiscal, business and management review services that help local educational agencies comply with fiscal accountability standards and incorporate best practices.</p>
22	<p>Item 6100-161-0001, Local Assistance, Special Education (Issues 328, 329, 330, 331 and 332)—It is requested that Schedule (1) of this item be increased by \$18,580,000 Proposition 98 General Fund. This adjustment includes: (1) an increase of \$11,244,000 to reflect decreased offsetting property tax revenues; (2) a decrease of \$52,000 to reflect decreased estimates of growth in average daily attendance; and (3) an increase of \$7,388,000 to reflect an increase in the cost-of-living adjustment. It is further requested that the amount allocated to special education local plan areas</p>

	<p>(SELPA) for program specialist/regionalized services (PS/RS), which was removed from the special education funding formula and provided to SELPAs specifically for the PS/RS service in the Governor’s Budget, be allocated based on the statewide average PS/RS rate for all SELPAs.</p>
<p>23</p>	<p>Career Technical Education Pathways Program (6100-170-0001/6100-488/602-0001)- The May Revision proposes that provisional language be amended to further define the reporting requirements for this program, including detailing that funds are to be used to improve linkages and create pathways between K-12 and CCC; that the expenditure plan required pursuant to Provision (3) shall list the outcome-based data metrics that will be used to evaluate applicants that are granted a contract or grant and describe how the assistance provided by applicants that are granted a contract or grant will be assessed to determine its effectiveness in achieving specified goals and provide specified grantee information; and that the annual report shall be due on October 1st of each year. In addition, the May Revision proposes \$680,000 in reappropriated Proposition 98 funds to be used for the K-14 Technical Assistance Providers.</p>
<p>24</p>	<p>Item 6100-182-0001, Local Assistance, K-12 High-Speed Network (HSN) (Issue 035)—It is requested that K-12 HSN be authorized to expend \$1.8 million of remaining network connectivity infrastructure grant funding for 13 network circuit upgrade projects. The K-12 HSN annually assesses the bandwidth capacity of its network circuits and upgrades circuits as bandwidth demand increases.</p>
<p>25</p>	<p>Item 6100-209-0001, Local Assistance, Teacher Dismissal Apportionment (Issue 266)—It is requested that Schedule (1) of this item be increased by \$60,000 Proposition 98 General Fund as a result of increased reimbursement claims by local educational agencies for non-conduct related teacher dismissal hearing costs.</p>
<p>26</p>	<p>Item 6100-296-0001, Local Assistance, Mandate Block Grant Funding (Issues 281 and 282)—It is requested that Schedule (1) of this item be decreased by \$77,000 Proposition 98 General Fund to align mandate block grant funding with revised average daily attendance estimates. Mandate block grant funding is allocated to participating local educational agencies based on specified reimbursement rates per unit average daily attendance.</p> <p>It is also requested that Schedule (1) of this this item be increased by \$458,000 Proposition 98 General to reflect the revised cost-of-living adjustment.</p>
<p>27</p>	<p>Item 6100-491, Support, Reappropriation for External Legal Representation (Issue 034)—It is requested that Item 6100-491 be added to reappropriate one-time General Fund savings for external legal costs associated with an employment lawsuit, as follows:</p> <p>6100-491—Reappropriation, State Department of Education. The amount specified in the following citations are reappropriated for the purposes provided for in those appropriations and shall be available for encumbrance or expenditure until June 30, 2019:</p>

	<p>0001—General Fund</p> <p>(1) \$297,000 in Item 6100-001-0001, Budget Act of 2015 (Chs. 10 and 11, Stats. 2015), as reappropriated by Item 6100-491, Budget Act of 2016 (Ch. 23, Stats. 2016) and partially reverted by Item 6100-497, Budget Act of 2016 (Ch. 23, Stats. 2016), for external legal costs associated with an employment lawsuit.</p>
<p>28</p>	<p>Item 6100-156-0890, Local Assistance, Adult Education Program (Issues 745 and 746)—It is requested that this item be increased by \$6,208,000 <u>\$13,059,000</u> federal Workforce Innovation and Opportunity Act Title II funds to reflect a \$4,292,000 decrease <u>\$5,559,000 increase</u> to the federal grant award and a \$7.5 million increase in one-time carryover funds. The Adult Education Program supports the Adult Basic Education, English as a Second language, and Adult Secondary Education programs.</p>

STAFF COMMENTS

Staff recommends approving items 1-28, as these are minor and technical adjustments.

Staff Recommendation: Approve as proposed.

VOTE-ONLY ISSUE 2: TRAILER BILL LANGUAGE

The Subcommittee will consider the following minor and technical changes proposed through trailer bill language. These changes have been proposed either in the Governor’s January Budget, the May Revision or by other sources.

	Proposed in Governor’s January Budget
1	Wildfire-related Property Tax Backfill – The Governor's Budget and May Revision propose trailer bill language to ensure a backfill of property tax losses related to recent wildfires, including for special education property taxes and basic aid district property taxes.
2	Necessary Small Schools – The Governor's Budget includes various amendments to clarify the Necessary Small Schools provisions, including the elimination of the sunset date in paragraph (3) of subdivision (b) of Education Code Section 42285. The May Revision also removes a provision, which is inoperative as of 2018-19, for Necessary Small High Schools in the county offices of education LCFF calculation.
3	<p>Apportionment Calculations – The Governor's Budget and May Revision include several trailer bill amendments related to calculation of apportionments and LCFF at full implementation as follows:</p> <ul style="list-style-type: none"> • Align programs that are continuously appropriated and programs currently funded through the principal apportionment system to be consistent with current law and current practice by the CDE. • Update the basic aid funding determination provisions in class size penalty, court ordered voluntary pupil transfer, property tax in-lieu transfers to charter schools, charter supplement, districts of choice, and open enrollment to better align with LCFF. • Clarify which average daily attendance will be used in specific cases related to apportionment. • Clarify the calculation of county office of education local appropriations limit to better align with funding received and students served under the LCFF and existing practice by the CDE.
4	State Board of Education (SBE) Local Control and Accountability Plan (LCAP) Adoption – The Governor's Budget proposes trailer bill language that to extend 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.

5	Summer ASES/ 21st Century Grants – The Governor's Budget includes trailer bill language to clean-up statute that passed that unintentionally capped the maximum grant a summer program could receive, to insert specify that programs can receive 30 percent of their total grant for summer programs.
6	Special Education Local Plan Area (SELPA) Reorganization – The Governor's Budget includes trailer bill language to specify that the CDE shall adjust SELPA rates for any SELPA reorganizations such that overall funding neither increases nor decreases.
7	Facilities Bond Technical Clean-Up – The Governor's Budget requests trailer bill language to be adopted to allow the California School Finance Authority to charge administration costs to the 2016 facilities bond and to specify that required audits must be completed within one year of project completion.
8	Suspend K-12/CCC Proposition 98 Split – The Administration proposes trailer bill language to suspend the split between K-12 and Community Colleges for purposes of Proposition 98 expenditures.
9	Adult Education – The Governor's budget includes trailer bill language that would require regional consortia to develop a new three-year plan in 2019-20, instead of 2018-19, and place a cap of 5 percent or less on the amount of indirect (administrative costs) districts could charge their adult schools or community colleges. The May Revision includes technical adjustments to this language.
10	Southern California Regional Occupational Center – The Governor's budget includes \$3 million in one-time Proposition 98 funding for the Southern California Regional Occupational Center, pursuant to the 2017-18 Budget Act agreement.
11	California School Information Services (CSIS) – The Governor's Budget includes \$6,508,000 in one-time reappropriated Proposition 98 funding to the FCMAT for CSES operations to support the California Longitudinal Pupil Achievement Data System (CALPADS).
Proposed in Governor's May Revision	
12	<p>Various Technical Amendments—The Administration proposes trailer bill legislation to make various technical amendments as follows:</p> <ul style="list-style-type: none"> • Update the sunset dates in Education Protection Account revenues to reflect 2033, which conforms to the sunset date set forth by Proposition 55 passed by voters in 2016. • Remove a provision, which is inoperative as of 2018-19, for Necessary Small High Schools in the county offices of education LCFF calculation.

	<ul style="list-style-type: none"> • Align programs that are continuously appropriated and programs currently funded through the principal apportionment system to be consistent with current law and current practice by SDE. • Update the basic aid funding determination provisions in class size penalty, court ordered voluntary pupil transfer, property tax in-lieu transfers to charter schools, charter supplement, districts of choice, and open enrollment to better align with the timing of the LCFF provisions upon full implementation. • Clarify which average daily attendance will be used in the following cases: (1) when prior year and current year average daily attendance are equal, for purposes of apportionment determination, current year will be used; and (2) when reporting out-of-state average daily attendance, second principal apportionment average daily attendance, will be used instead of annual principal apportionment because those students are now credited to their district of residence under LCFF and not the county office of education. • Clarify the calculation of county office of education local appropriations limit to better align with funding received and students served under the LCFF and existing practice by SDE.
13	<p>Alternative Payment Program Contract—The Administration proposes trailer bill legislation to specify that an alternative payment program shall have no less than 12 and no more than 24 months to expend contracted funds.</p>
14	<p>Designated Party to Education Audit Appeals—The Administration proposes trailer bill legislation authorizing the Department of Finance to be a designated party to all local educational agency audit appeals submitted to the Education Audit Appeals Panel. Existing law allows Finance to intervene as a party in any audit appeal; however, the election to intervene creates an unnecessary administrative exercise to file a motion to intervene with the Office of Administrative Hearings. Authorizing Finance to be a designated party to all education audit appeals allows for a more efficient process.</p>
15	<p>Special Education Local Plan Area Funding—The Administration proposes trailer bill legislation to correct an incorrect cross-reference in current law.</p>
16	<p>PS/RS Rate—The Administration proposes amendments to trailer bill legislation to provide a calculation for removing the program specialist/regionalized services (PS/RS) rate from a SELPA’s funding base, and instead provide PS/RS funding as a separate allocation based on the statewide average PS/RS rate for all SELPAs. The formulas for providing Supplemental Funding for Necessary Small SELPAs and for calculating the statewide target rate are also revised using the same methodology.</p>

17	Out-of-Home Care Funding Amounts —The Administration proposes amendments to trailer bill legislation to clarify the out-of-home care funding rates for 2017-18. The trailer bill legislation proposed at the Governor’s Budget incorrectly removed the reference to the 2017-18 funding rates.
18	Fire-Related State Testing Exemption —The Administration proposes trailer bill legislation to exempt specified school districts impacted by the wildfires that began in Northern California in October 2017 from state educational testing requirements in the 2017-18 school year, if these districts are granted a waiver from the federal government.
19	Special Education Redevelopment Agency Revenue Tax Backfill —The Governor's Budget includes trailer bill language to provide a Proposition 98 General Fund backfill for special education programs if redevelopment agency revenues distributed to local educational agencies for special education are less than estimated in the 2018 Budget Act. The May Revision also proposes a technical amendment to trailer bill legislation to ensure the correct budget year is cited in trailer bill.
Other Proposed Trailer Bill Language	
20	Nonpublic Schools and Nonpublic Agencies Audit Requirement – Proposed trailer bill language would exempt nonpublic schools and nonpublic agencies that provide special education services from an annual audit requirement. In 2016, the California Department of Education notified all nonpublic agencies and nonpublic schools that it would enforce a law requiring an audit prior to certification as a special education provider. The audit requirement was enacted in 1999 as a part of a large foster care reform bill but that particular provision had never been enforced. CDE has twice waived this audit requirement, once in 2016 and again in 2017. The proposed trailer bill language would exempt nonpublic schools and nonpublic agencies from this audit requirement, arguing that this requirement was never intended to apply to these providers.
21	Uniform Complaint Procedures – Adopt placeholder trailer bill language to 1) Create the Uniform Complaint Procedures section in Education Code, 2) Make technical adjustments to align references under various programs to the UCP in a single code section, and 3) Clarify that for most UCP appeals CDE must complete the appeals process within 60 days of the receipt of a complaint.
22	Waiver of Administrator to Teacher Ratio – Adopt trailer bill language to exempt a school district with average daily attendance of more than 400,000 from the administrator to teacher ratio penalties pursuant to Education Code Section 41404 for the 2018-19 fiscal year.

23	School Bus Replacement Program – Adopt placeholder trailer bill language to amend Education Code Section 26205.2 to specify that joint power authorities may participate in and receive funding through the School Bus Replacement Program. Senate Bill 110 (Committee on Budget Review, Chapter 55, Statutes of 2017) reallocated any remaining Proposition 98 funding at the end of 2017-18 to three new programs, one of which is the School Bus Replacement Program.
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STAFF COMMENTS

Staff recommends approving the proposed trailer bill language discussed in this issue.

Staff Recommendation: Approve trailer bill language, to be refined as necessary.

6870 CALIFORNIA COMMUNITY COLLEGES**VOTE-ONLY ISSUE 3 : REAPPROPRIATION**

The 2017 Budget Act included \$8 million one-time Proposition 98 General Fund to “provide grants to community college districts, in connection with the Economic and Workforce Development Program, for workforce development programs in distressed economic areas. Priority for grants provided under this section shall be given to regions with higher unemployment or regions with lower relative job growth in order to innovate or scale, or both, projects that accelerate workforce development.”

After discussions with legislators, the Chancellor's Office and colleges, the following projects will be supported with these funds. Reappropriation is needed to allow time to distribute the funding, which may not occur until the next fiscal year:

- Imperial Valley Community College, \$1 million. Funding would help launch new correctional academy and medical assistant programs. The college will commit to local funding once state funding runs out.
- Fullerton Community College, \$1 million. Funding would support equipment upgrades to improve and expand welding program.
- San Bernardino Valley Community College, \$1 million. Funding would support new equipment, machinery, software and tools for 5 departments/initiatives within the Advanced Manufacturing Futures Initiative.
- Fresno City College, \$1 million. Funding would allow expansion of the Electrical Systems Technology and Welding programs by allowing purchase of robotics and other equipment.
- Norco Community College, \$1 million. Funding would support college's effort to purchase a building to create a one-stop program for area workforce training programs that would include office and classroom space. Norco would provide \$1.6 M in local funds to match the state funding.
- Bakersfield Community College, \$1 million. Funding would allow for expansion of HVAC, industrial automation, and welding programs, and improve distance education.
- Hartnell College, \$1 million. Funding would support equipment purchases for agricultural and nursing programs, including drones, diesel equipment, industrial refrigeration equipment, and farm equipment for new Innovation Farm program.
- Modesto Community College, Volt Institute, \$1 million. Funding would provide the 40% local match for the Federal Economic Development Administration Grant. The grant will allow the Volt Institute to serve 200 more students annually by expanding the certified industrial maintenance program and the industrial electronics, manufacturing and machine program.

Staff Recommendation: Approve the Reappropriation

VOTE-ONLY ISSUE 4: TECHNICAL CLEANUP FOR SPECIAL IMMIGRANT VISAS

AB 343 (McCarty), which was approved by the Legislature and signed into law in 2017, exempts California community college students granted special immigrant visas pursuant to federal statute from paying nonresident tuition. A technical error in the bill referenced the wrong federal provision regarding Afghan nationals who receive special immigrant visas. Proposed clean-up would identify the correct federal provision and allow these students to begin paying in-state tuition for the Fall 2018 semester.

Staff Recommendation: Approve placeholder trailer bill language that would correct the federal reference to Afghan nationals who are granted special immigrant visas

VOTE-ONLY ISSUE 5: TECHNICAL ADJUSTMENTS

The May Revision includes numerous technical adjustments, including:

Budget Year

Technical Base Apportionment Adjustments. Schedule (1) of Item 6870-101-0001 be increased by \$848,000 to reflect various technical base apportionment adjustments.

Increase Stability Restoration Estimate. Schedule (1) of Item 6870-101-0001 be increased by \$46,918,000 to reflect estimated full-time equivalent student stability restoration earned back by community college districts that declined in enrollment during the previous three fiscal years.

Adjust Apportionments to Reflect Unused Prior Year Enrollment Growth Funding. Schedule (1) of Item 6870-101-0001 be increased by \$14,918,000 to reflect revised estimates of unused prior year enrollment growth funding.

Increase Apportionments Cost-of-Living Adjustment (COLA). Schedule (1) of Item 6870-101-0001 be increased by \$11,857,000 to reflect a 2.71-percent COLA.

Enrollment Growth Adjustment. Schedule (1) of Item 6870-101-0001 be decreased by \$300,000 to reflect a revised estimate of the cost to maintain a 1.00-percent enrollment growth target in fiscal year 2018-19.

It is further requested that paragraphs (1) and (2) of subdivision (a) of Provision 2 of this item be amended as follows to conform to this action and the prior action:

“2. (a) The funds appropriated in Schedule (1) shall be allocated using a revised funding formula pursuant to pending legislation. The budget formula shall be adjusted to reflect the following:

(1) Of the funds appropriated in Schedule (1), \$59,957,000 \$59,657,000 shall be used to increase statewide growth of full-time equivalent students (FTES) by 1.00 percent.

(2) Of the funds appropriated in Schedule (1), \$161,244,000 \$173,101,000 shall be used to reflect a cost-of-living adjustment of 2.51 2.71 percent.”

Net Offsetting Education Protection Account (EPA) Revenue. Schedule (1) of Item 6870-101-0001 be decreased by \$5,564,000 to reflect an increase in estimated net offsetting EPA revenue. It is also requested that corresponding adjustments be made to related non-Budget Act items.

Net Offsetting Property Tax Revenue. Schedule (1) of Item 6870-101-0001 be increased by \$52,998,000 to reflect a decrease in estimated net offsetting property tax revenue. It is also requested that a conforming adjustment be made to a related informational non-Budget Act item.

Offsetting Student Fee Revenue. Schedule (1) of Item 6870-101-0001 be decreased by \$12,797,000 to reflect an associated increase in estimated offsetting student fee revenue. It is also requested that a conforming adjustment be made to a related informational non-Budget Act item.

Offsetting Oil and Mineral Revenue. Schedule (1) of Item 6870-101-0001 be increased by \$249,000 to reflect a decrease in estimated offsetting oil and mineral revenue. It is also requested that a conforming adjustment be made to a related informational non-Budget Act item.

Increase Student Financial Aid Administration and Board Financial Assistance Program Funding. Schedule (5) of Item 6870-101-0001 be increased by \$864,000 to reflect an increase of \$430,000 for the Student Financial Aid Administration Program and an increase of \$434,000 for the Board Financial Assistance Program. These adjustments reflect revised estimates of the number of units with fees waived and the dollar amount of fees waived. It is further requested that paragraphs (1) and (2) of subdivision (a) of Provision 6 of this item be amended to conform to these actions:

Extended Opportunity Programs and Services Program COLA. Schedule (18) of Item 6870-101-0001 be increased by \$251,000 to reflect a 2.71-percent COLA for the Extended Opportunity Programs and Services Program.

Disabled Student Programs and Services Program COLA. Schedule (6) of Item 6870-101-0001 be increased by \$235,000 to reflect a 2.71-percent COLA for the Disabled Student Programs and Services Program.

Student Services for CalWORKs Recipients Program COLA. Schedule (7) of Item 6870-101-0001 be increased by \$88,000 to reflect a 2.71-percent COLA for the Student Services for CalWORKs Recipients Program.

Campus Childcare Tax Bailout Program COLA. Schedule (20) of Item 6870-101-0001 be increased by \$7,000 to reflect a 2.71-percent COLA for the Campus Childcare Tax Bailout Program.

Equal Employment Opportunity Program. Item 6870-101-3273 be increased by \$824,000 to promote equal employment opportunities in hiring and promotion at community college districts.

Increase Mandate Block Grant. Item 6870-296-0001 be increased by \$178,000 to reflect an increase of \$110,000 to align block grant funding with the revised estimate of applicable full-time equivalent students and an increase of \$68,000 for a 2.71-percent COLA for the Mandate Block Grant program.

It is further requested that Provision 1 of this item be amended to conform to this action.

Local Assistance, Reappropriation Item 6870-488 be amended (see Attachment 1), and non-Budget Act Item 6870 602 0001 be increased by \$68,609,000 in one-time Proposition 98 General Fund savings to provide \$67,871,000 for one-time repair and maintenance of

facilities and the replacement of instructional equipment and library materials, and to provide \$738,000 to support the Puente Project.

Current and Prior Year

Apportionment Adjustments to Reflect Unused Prior Year Enrollment Growth Funding. Trailer bill language transmitted with the Governor's Budget is amended to increase Schedule (1) of Item 6870-101-0001, Budget Act of 2017 of by \$14,918,000 to reflect revised estimates of unused prior year enrollment growth funding.

Apportionment Adjustments to Reflect Revised Local Revenue Estimate. Trailer bill language is amended to increase Schedule (1) of Item 6870-101-0001, Budget Act of 2017 by \$28,645,000 to reflect revised local revenue estimates. It is also requested that corresponding adjustments be made to related non-Budget Act items.

Apportionment Adjustments to Reflect Revised Estimate of Offsetting Student Fees. Trailer bill language is amended to decrease Schedule (1) of Item 6870-101-0001, Budget Act of 2017 by \$13,064,000 to reflect revised estimates of offsetting student fees. It is also requested that corresponding adjustments be made to related non-Budget Act items.

Base Apportionments Adjustments. Trailer bill language transmitted with the Governor's Budget is amended to increase Schedule (1) of Item 6870-101-0001, Budget Act of 2017 by \$34,946,000 to reflect revised base apportionment funding estimates.

Net Offsetting Education Protection Account Revenue. Trailer bill language transmitted with the Governor's Budget is amended to decrease Schedule (1) of Item 6870-101-0001, Budget Act of 2017 by \$3,028,000 to reflect associated increases in net offsetting EPA revenue. It is also requested that corresponding adjustments be made to related non-Budget Act items.

Fire-Related Property Tax Loss Backfill. Trailer bill language transmitted with the Governor's Budget is amended to increase Schedule (1) of Item 6870-101-0001, Budget Act of 2017 by \$1,918,000 to backfill fire-related property tax losses.

Informational Offsetting Revenue Update. Non-Budget Act items are adjusted to reflect 2016-17 and 2017-18 informational offsetting property tax and student fee revenue.

Staff Recommendation: Approve the May Revision adjustments

VOTE-ONLY ISSUE 6: CIVIC CENTER ACT

The Administration proposes trailer bill language to allow colleges to negotiate a rental price that is no less than the fair rental value if negotiating with non-student serving groups.

Staff Recommendation: Approve placeholder trailer bill language

VOTE-ONLY ISSUE 7: AUDIT MANUAL

The Administration proposes trailer bill language to remove annual reviews of the audit manual for community colleges, because the process is lengthy and rarely results in changes.

Staff Recommendation: Approve placeholder trailer bill language

VOTE-ONLY ISSUE 8: PERKINS FUNDS

The Administration proposes trailer bill language to confirm the current process the Chancellor's Office is using to distribute federal Perkins funds.

Staff Recommendation: Approve placeholder trailer bill language

VOTE-ONLY ISSUE 9: INMATE EDUCATION BUDGET BILL LANGUAGE

The Chancellor's Office has requested a change to budget bill language to allow ongoing funding used for inmate education to be spent on digital course content or textbooks. Previous language only allowed for digital course content, which restricted programs' ability to best serve students.

Staff Recommendation: Approve placeholder budget bill language

VOTE-ONLY ISSUE 10: COLLEGE AND CAREER ACCESS PATHWAY TBL

The May Revision proposes to modify the Career Access Pathways trailer bill language to allow charter schools to participate in these programs and clarify that a charter school participating in a College and Career Access Pathways dual enrollment agreement – like a school district and community college district – not be funded for the same instructional time.

The Trailer bill language also authorizes colleges to offer CCAP courses (closed courses on high school campuses, which traditional community college students cannot access) if the college lacks the physical space to offer those courses on its campuses. The current prohibition on a college from offering a CCAP course if that course is oversubscribed or has a waiting list was designed to ensure that community colleges prioritize course offerings for their primary student population and that high school students do not displace community college students in courses. It is unclear how the Chancellor’s Office would enforce this trailer bill provision, and in particular, how it would determine if waiting lists for courses are only due to physical space constraints and whether a college has made the appropriate effort to address the space limitations.

Staff Recommendation: Approve placeholder trailer bill language

TO BE HEARD

**6100 DEPARTMENT OF EDUCATION
6360 COMMISSION ON TEACHER CREDENTIALING
6870 CALIFORNIA COMMUNITY COLLEGES**

ISSUE 1: PROPOSITION 98 PACKAGE

The Subcommittee will vote on the Assembly’s Proposition 98 funding package.

PROPOSITION 98 PACKAGE:

Proposition 98

- Provides an overall Proposition 98 funding level of \$78.4 billion in 2018-19, \$75.6 billion in 2017-18 and \$71.6 billion in 2016-17. The plan includes the same Proposition 98 minimum guarantee as the Governor's May Revision in 2017-18 and 2018-19, and \$34 million less than the Governor's proposed level in 2016-17. The Assembly plan includes the following assumptions:
 - LAO revenues except uses DOF corporation tax numbers throughout the period and adopt other Assembly revenue changes.
 - LAO property taxes.
 - DOF attendance figures.
 - LAO economics and demographics.
 - DOF May Revision policies, including rebenching the minimum guarantee in 2015-16.

Comparing Estimates of the Proposition 98 Minimum Guarantee			
<i>In Millions</i>			
	2016-17	2017-18	2018-19
DOF May Revision			
General Fund	\$50,234	\$53,381	\$55,025
Local property tax	21,407	22,237	23,368
Total	\$71,642	\$75,618	\$78,393
Assembly Plan			
General Fund	\$50,211	\$53,219	\$54,529
Local property tax	21,396	22,399	23,864
Total	\$71,607	\$75,618	\$78,393
Change From May Revision to Assembly Plan			
General Fund	-\$23	-\$162	-\$496
Local property tax	-12	162	496
Total	-\$34	\$0	\$0

- Includes a settle-up payment of \$100 million in 2018-19, consistent with the Governor's May Revision.
- Eliminates all outstanding maintenance factor in 2017-18.
- Approves in concept the Governor's May Revision proposal to create a new Proposition 98 certification process. Adopt placeholder trailer bill language with changes, including but not limited to, changes to the timeline for reviewing DOF's proposed Proposition 98 minimum guarantee and a larger role for the Legislature in the certification and repayment process.

K-12 Education

- **Local Control Funding Formula.** Includes the following actions to provide further support for the Local Control Funding Formula (LCFF):
 - LCFF Base Funding. Provides \$3.5 billion in ongoing Proposition 98 funding for the LCFF, \$300 million above the Governor's proposed level in the May Revision. This funding level would provide an additional \$477 million above full implementation of the LCFF. Adopts placeholder trailer bill language to implement this action.
 - Additional Supplemental Grant Funding. Allocates \$360 million in ongoing Proposition 98 funding to add a supplemental grant for the lowest performing student sub-group (currently African American students). Adopts implementing placeholder trailer bill language.
 - Continuous Appropriation. Approves the Governor's May Revision proposal to include trailer bill language to continuously appropriate LCFF funding, including an automatic COLA.
- **LCFF Transparency.** Includes the following actions to improve LCFF accountability and transparency:
 - Budget Summary for Parents. Approves in concept the Governor's May Revision proposal to require each LEA to provide a parent friendly budget summary that links budget expenditures to corresponding goals actions, and services in the school district's LCAP. Adopt placeholder trailer bill language to require the summary for parents to be included in the executive summary portion of the LCAP.
 - LCAP Changes. Adopt placeholder trailer bill language to require the State Board and CDE to convene a workgroup of education stakeholders to make recommendations related to the LCAP template and related regulations, with the following goals: 1) To shorten and simplify the LCAP template, 2) Provide for specific expenditure information on districtwide programs and programs for specific school sites, and 3) Determine a common index for LEAs in reporting

expenditures in order to have common reporting for districtwide and school-site expenditures. Requires the State Board and CDE to report these recommendations to the Legislature.

- California School Dashboard. Approves the Governor's January and May Revision proposal to provide \$280,000 in Proposition 98 funding to San Joaquin County Office of Education to improve the interface for the California School Dashboard based on stakeholder input. Adopts implementing placeholder trailer bill language.
- Supplemental and Concentration Grant Amounts. Approves the Governor's January and May proposal to require the CDE to post online the amount of supplemental and concentration grant funding awarded to each LEA on an annual basis once LEAs are funded at their LCFF targets. Adopts implementing placeholder trailer bill language.
- **One-Time Discretionary Funding.** Provides a total of \$486 million in one-time discretionary funding for K-12 schools in 2017-18. This funding is provided on a per student basis and offsets any applicable mandate reimbursement claims owed to schools. Approves the Governor's proposal to first offset an LEA's allocation with the balance of any payments due to the state for the Medi-Cal billing settlements, approximately \$145 million total.
- **Special Education.** Dedicates \$200 million in ongoing Proposition 98 funding to equalize special education funding rates. Adopt placeholder trailer bill language to implement this action.
- **Career Technical Education.** Rejects the Governor's January and May Revision proposals to fund CTE within the community college's Strong Workforce program. Instead dedicates a total of \$400 million in ongoing Proposition 98 funding (\$200 million above the Governor's proposal) to make permanent the CTE Incentive Grant Program within the CDE. Adopts placeholder trailer bill language to implement this action and further strengthen the CTE Incentive Grant program accountability and reporting requirements. Provides \$350,000 in ongoing non-Proposition 98 General Fund for 2 positions for the CDE to administer the grant program.
- **Full Day Kindergarten Add-On.** Dedicates \$150 million in ongoing Proposition 98 funding to provide an increased rate of up to five percent for full day kindergarten programs. Adopts implementing placeholder trailer bill language.
- **After School Education and Safety Program (ASES).** Provides \$76.3 million in ongoing Proposition 98 funding for the ASES program, in order to cover the costs associated with the increased minimum wage.

- **Statewide System of Support.** Adopts the following actions related to the state's new accountability and support system:
 - County Offices of Education. Approves the adjusted funding amount of \$53.8 million in ongoing Proposition 98 funding for County Offices of Education (COEs) to support districts that are in need of improvement as identified under the new dashboard and system of support. Adopts placeholder trailer bill language regarding the role and responsibilities of COEs in the statewide system of support.
 - COE Regional Leads. Approves the Governor's January and May Revision proposals to provide \$4 million in ongoing Proposition 98 funding to support between six and ten COEs as regional lead agencies as part of the statewide system of support. The responsibilities of the lead COEs would include building the capacity of COEs in the region, providing technical assistance across the region and identifying existing resources and developing new resources to support LEAs. Adopts placeholder trailer bill language to further clarify the roles and responsibilities of the COE regional leads and strengthen accountability of COE leads.
 - Special Education Local Plan Areas (SELPAs). Approves the Governor's January and May proposals to provide \$10 million in ongoing Proposition 98 funding to support between six and ten SELPAs as special education resource leads to work with COEs to improve outcomes for students with disabilities. Approves the Governor's proposed trailer bill language to better align the SELPA planning process with the LCAP process.
 - Academic Performance Index (API). Modifies the Governor's proposed trailer bill language requiring any program identified in law that utilized a calculation pursuant to the API of school decile rankings to utilize the 2013 growth calculation, by making this applicable only to the 2018-19 fiscal year. Adopts placeholder trailer bill language requiring the SPI to make recommendations on how to instead use the dashboard for making these calculations by March 2019.
- **Summer Bridge Fund.** Provides \$50 million in one-time Proposition 98 funds for the Classified School Employees Summer Furlough Fund Program. Adopts placeholder trailer bill language specifying that under this five-year program, eligible classified employees may have up to ten percent of their paychecks withheld. Beginning in 2019-20, the CDE shall allocate matching from the Furlough Fund to LEAs with participating employees. The LEA shall provide participating classified school employees the amounts withheld from their paychecks, plus a 1-to-1 matching amount from the fund during the summer recess period.
- **Classified Employees Professional Development.** Provides \$50 million in one-time Proposition 98 funds for the Classified School Employees Professional Development Block Grant. Adopts placeholder trailer bill language specifying that funds are to be distributed to LEAs based in the number of classified school employees and may be

used for any professional development purposes in Education Code Section 45391, prioritizing professional development related to school safety.

- **Kids Code Grant Program.** Dedicates \$25 million in one-time Proposition 98 funding for the After School Kids Code Grant Program. Adopts placeholder trailer bill language charging the CDE with determining grant criteria and providing grants for eligible ASES programs that operate or plan to operate computer coding programs as part of their curriculum. Provides \$900,000 in one-time GF to be used over three years for three limited-term positions for CDE to administer the grant program.
- **School Based Health Centers.** Provides \$35 million in one-time Title IV carryover funding for CDE to develop and administer a grant program for school based health centers. Adopts budget bill language specifying that grants could be allocated for planning or expansion of school based health centers, including facilities, equipment, and training. Specifies that school based health centers provide access for pupil support professionals, including school social workers, mental health professionals, school nurses, and school counselors. Allocates remaining Title IV funds pursuant to the May Revision allocation to all Title I LEAs based on the Title I formula.
- **Charter School Facilities Grant Program (CSFGP).** Approves the Governor's January and May Revision proposals to provide an ongoing increase of \$24.8 million in Proposition 98 funding for the CSFGP in 2018-19 and a one-time increase of \$21 million in 2017-18 to fund estimated program participation. Approves the Governor's proposed trailer bill language, to be refined as necessary, to 1) Eliminate automatic backfill language, 2) Prioritizes lease costs when program is oversubscribed, 3) Caps growth in lease costs at the K-14 COLA and 4) Requires independent appraisals for new applicants.
- **Community Engagement.** Approves the Governor's May Revision proposal to provide \$13.3 million in one-time Proposition 98 funding to establish the Community Engagement Initiative. Specifically the initiative provides funding to the CCEE and a lead COE to solicit teams and establish three phases of professional learning networks (PLNs) focused on building the capacity of communities, school districts and county offices of education to engage more effectively in the LCAP process. The CCEE is also required to conduct statewide training on community engagement based on the findings of the PLNs. Adopts implementing placeholder trailer bill language.
- **Multi-Tiered System of Support (MTSS).** Approves the Governor's May Revision proposal to expand upon past investments in MTSS in order to build and disseminate statewide resources specifically focused on improving school climate, including social emotional learning, restorative justice and positive behavioral interventions. Dedicates \$20 million in one-time Proposition 98 funding for this purpose, \$5 million more than the Governor's proposal. Adopts placeholder trailer bill language with changes to the Governor's proposal to 1) specify that minimizing the use of emergency interventions is one of the areas supported by MTSS, and 2) require the Orange County Office of Education, Butte County Office of Education and the selected institute of higher education to vet and certify school climate surveys and make the surveys available to LEAs at no cost.

- **Early Math Initiative.** Approves the Governor's May Revision proposal to use \$11.8 million in one-time federal Title II and Title IV funding to establish the Early Math Initiative aligned to the statewide system of support. Approves provisional language specifying that activities of the early math initiative shall include development, identification, and distribution of early math resources, professional learning and coaching for educators, and mathematical learning opportunities for children. Also approves \$100,000 in one-time federal Title IV funds for CDE to administer the program.
- **Charter Authorizer Regional Support Network.** Provides \$10 million in one-time Proposition 98 funding over 5 years for the Charter Authorizers Regional Support Network Program (CARNet). This funding would continue a program started with federal grant funding to be administered by the Alameda County Office of Education, as an initiative to expand uniform charter authorizing and oversight practices, including regional training and statewide conferences. Adopt placeholder trailer bill language to implement this action.
- **School Facilities.** Adopt placeholder trailer bill language to specify that for each year from 2018-19 through 2021-22, the Office of Public School Construction shall process \$1.5 billion worth of applications for projects authorized through Proposition 51 (2016) and all project applications necessary to encumber all Proposition 51 bond funds by June 30, 2023. Language would further specify that the State Allocation Board shall encumber all Proposition 51 bond funds by June 30, 2023.
- **English Language Proficiency Assessment for California (ELPAC).** Approves the Governor's May Revision proposal to provide \$27.4 million in one-time Proposition 98 funding to convert the ELPAC from a paper-based to a computer-based assessment and develop a computer based alternative ELPAC for children with exceptional needs.
- **Standardized Account Code Structure (SACS).** Approves the Governor's proposal to provide \$716,000 Educational Telecommunication Fund to augment first-year funding for the SACS system replacement project. The SACS system technology is outdated, lacks adequate support, is incompatible with modern systems, and does not meet current security standards.
- **Willful Defiance Suspension Exemption.** Approves placeholder trailer bill language to approve the Governor's May Revision proposal to eliminate the sunset date of a provision of law that disallows the use of suspension based on acts of willful defiance for students in grades K-3. Applies this provision also to charter schools.
- **Cost-of-Living Adjustment.** Provides a 2.71 percent cost-of-living adjustment for programs outside of the Local Control Funding Formula, including: special education, Foster Youth Services Coordinating program, American Indian Early Childhood Education program, American Indian Education Centers, Adults in Correctional Facilities program, Child Nutrition and the California State Preschool program.

- **Bilingual Professional Development Program.** Provides \$5 million in one-time Proposition 98 funding for the Bilingual Professional Development Program, building on the investment made in the 2017-18 budget. This funding is provided to CDE to allocate to consortium to provide professional development for existing teachers that are certified to teach bilingual education but have not taught bilingual education in three or more years, or teachers that are fluent in a language other than English and wish to be certified as a bilingual education teacher. This funding would support an additional eight grants. Adopts placeholder trailer bill language to implement this action.
- **Farmworker Institute of Education and Leadership Development (FIELD) Program.** Allocates \$2.7 million in one-time Proposition 98 funding to expand the FIELD program. The FIELD program currently serves 7,000 farmworkers annually across 24 locations through adult education classes, such as English as a Second Language (ESL) and citizenship. The program also operates a charter high school program that allows farmworkers to earn their high school diploma. This one-time funding would double the enrollment in this program. Adopts implementing placeholder trailer bill language.
- **Food Literacy Program.** Dedicates \$2 million in one-time Proposition 98 funding for the Sacramento Unified School District for the construction of Floyd Farms, a two acre farm and school facility adjacent to Leataata Floyd Elementary School, in order to teach students how food is grown and prepared. Adopts placeholder trailer bill language requiring a 1:1 local match and reporting requirements.
- **Teaching About Labor Pilot Program.** Provides \$2.7 million in one-time Proposition 98 funding for the “Teaching About Labor, Immigrant Workers, and Workplace Rights” pilot project. This three-year pilot program would provide training and other resources for lead teachers and students in six school districts across the state on the history of labor, with a focus on immigrant workers, farm labor and workers of color. Adopts implementing placeholder trailer bill language.
- **Office of School Based Health.** Dedicates \$250,000 in one-time General Fund to create the Office of School Based Health within the CDE. The Office of School Based Health would provide technical assistance and support to schools in drawing down additional federal funds from the Medi-Cal LEA Billing Option program. Adopts budget bill language specifying that this funding could be used to support two limited-term positions to create the Office of School Based Health within the CDE.
- **Sexual Health Education.** Provides \$600,000 in ongoing General Fund to the CDE to support two positions and workload related to school-based comprehensive sexual health education. These two positions were previously supported by federal funding, but funding for this has been eliminated. These positions provide technical assistance and monitoring of health education programs. In addition, other activities include the development of resources related to sexual health and LGBTQ supports, collaboration with other health and education related agencies and initiatives, data collection, and monitoring.

- **Suicide Prevention Training.** Appropriates \$1.7 million one-time Proposition 98 funding to provide suicide prevention training resources to LEAs. Adopts placeholder trailer bill language requiring the CDE to identify evidence-based training programs for LEAs on suicide prevention and provide a grant to a county office of education to acquire and disseminate a training program identified by CDE to LEAs at no cost.
- **Special Olympics.** Provides \$2 million in one-time Proposition 98 funding for the Los Angeles County Office of Education to be made available to the Special Olympics Northern and Southern California in order to expand Special Olympics in schools. Adopts implanting placeholder trailer bill language.
- **English Learner Reclassification Support.** Reappropriates \$437,000 in federal Title III carryover to develop a standardized English language teacher observation protocol for use by teachers in evaluating a pupil's English language proficiency. Adopts implementing placeholder trailer bill language.
- **Family Empowerment Centers.** Provides \$5.1 million federal IDEA funds to expand California's network of Family Empowerment Centers to help students with disabilities and their families navigate the complex process of accessing supports and educational services. Adopt placeholder trailer bill language specifying the funds would be used to add new centers and increase the base grants allocated to each center.
- **Breakfast After the Bell.** Provides \$1 million in one-time Proposition 98 funding for CDE to administer additional Breakfast After the Bell grants to LEAs. Adopts implementing placeholder trailer bill language.
- **Facilities.** Provides \$2 million in one-time General Fund for Sweetwater Unified School District for facility improvements. Adopts implementing placeholder trailer bill language.
- **English Learner Support.** Rejects the Governor's proposal to redirect \$2 million in federal Title III funds for county office of education regional leads to support English learners. Provides this funding through the existing COE regional leads.
- Makes other technical adjustments reflected in the Proposition 98 spreadsheet (attached).

Commission on Teacher Credentialing

- **Teacher Workforce.** Includes the following proposals to address the state's teacher shortage:
 - **Teacher Residency Grant Program.** Dedicates a total of \$75 million for locally sponsored teacher residency programs. Approves the Governor's proposal to provide \$50 million in one-time Proposition 98 funding for teacher residency programs for special education teachers and provides an additional \$25 million for teacher residency programs for other shortage areas, such as STEM and bilingual education. The CTC would administer the program and provide

competitive grants to LEAs of up to \$20,000 per teacher; LEAs would provide a 1:1 local match. Funds could be used for a variety of purposes, including stipends for new teachers, mentor teachers, or tuition at a partner university.

- **Local Solutions Grant Program.** Rejects the Governor's proposal to provide \$50 million in one-time Proposition 98 funding for competitive grants to LEAs to develop and implement new, or expand existing locally identified solutions that address a local need for special education teachers.
- **Teacher Scholarships.** Provides \$50 million in one-time Proposition 98 funding for the Golden State Teacher Grant Program to provide grants to potential teachers to get their credential if they commit to teaching in a shortage area. Adopts placeholder trailer bill language specifying that this funding is allocated to the Commission on Teacher Credentialing to select a county office of education to administer the program and provide grant funds of up to \$10,000 per student. A grant recipient shall agree to teach in the field of special education, bilingual education, science, technology, engineering or mathematics for four years and shall have five years, upon completion of his or her preparation program, to meet that obligation.
- **Administrator Performance Assessment.** Approves the Governor's proposal to provide \$1.3 million in one-time Test Development and Administration Account funds to provide an Administrator Performance Assessment (APA) field test to all administrator candidates enrolled in credential programs in 2018-19.
- **Teacher Assignment Monitoring.** Approves the Governor's proposal to provide \$380,000 in one-time funds from the Teacher Credentials Fund reserve account to automate teacher assignment monitoring activities.
- **Digitize Credential Records.** Approves the Governor's proposal to provide \$1.5 million in one-time funds from the Teacher Credentials Fund reserve account to convert the portion of existing teacher credential records that are currently stored on a microfiche system to a digital format and create a searchable database. The CTC estimates there are 1.3 million records on microfiche.
- **Teacher Misconduct Staff.** Extends the redirection of \$285,000 from the Teacher Credentials Fund amount provided to the Office of the Attorney General (OAG) through 2019-20 and 2020-21 to be used for limited-term investigator workload (currently redirected for these purposes for the 2017-18 and 2018-19 fiscal years). The CTC and the OAG have identified that additional investigative work on teacher misconduct cases before the cases are referred to the OAG would help to reduce the backlog in teacher misconduct caseload.

California Community Colleges:

Below are the major community college actions recommended by staff. The Proposition 98 chart also includes many of these proposals.

- **Online College.** Rejects the Governor's online college proposal. Instead provides \$60 million one-time Proposition 98 General Fund to support an Institute for Innovation in Online Learning to be based at a college or consortium of colleges selected by the Chancellor's Office and connected to the existing Online Education Initiative infrastructure. The Institute would develop online learning offerings to increase access to skill development that equip low-wage workers with the short-term stackable credentials and industry certifications with labor market value and, to the extent feasible, design offerings and certifications that are stackable to or lead to ongoing pathways for continuing advancement.

The Institute shall:

- Develop content in collaboration with colleges with expertise in competency-based learning and based upon input from industry and employer partners, students, community-based organization, and others.
 - Work with the Chancellor's Office to identify best practices in competency-based learning that can be brought to scale.
 - Work with the Chancellor's Office to provide competitive grants to colleges to deliver a series of online offerings that are flexibly designed, recognize students' prior learning, and help them achieve a credential or industry certification. Offerings developed pursuant to this funding shall be for new content that does not duplicate current community college course offerings.
 - Participating colleges must ensure that student supports are provided either through the OEI infrastructure, at the student worksite, and/or in other ways.
 - Work with the Chancellor's Office to provide professional development and technical support to participating colleges.
- **Funding Formula.** Rejects the Governor's funding formula proposal. Provides \$175 million in apportionment funding in 2018-19 to ensure that all colleges are held harmless if they are experiencing declining enrollment and to ensure that all colleges receive a cost of living adjustment. Directs the Chancellor's Office and Board of Governors to create a funding formula task force to report back to the Legislature by March 1, 2019.

The task force shall:

- Include various stakeholders, including administration, faculty, staff and students.
 - Consider formulas that would not reduce funding for colleges below 2018-19 levels (unless overall Prop 98 goes down)
 - Include in its report to Legislature data indicating how the new formula would impact districts in a status quo budget year, a significantly better budget year, and a significantly worse budget year.
 - Consider options that would incentivize the hiring of full-time faculty and a more sustainable model for funding part-time faculty.
 - Consider changes to enrollment funding that allow for a three-year average or other methods to guard against sudden increases or decreases in enrollment.
 - Consider a supplemental grant option but not performance funding. Consider alternate definitions of "low-income student" and consider including other student populations.
- **Student Success Categorical Consolidation.** Approves the May Revision proposal to consolidate the Student Success and Support Program, the Student Equity Program and the Student success for Basic Skills Program into the California College Support Program.
 - **California College Program.** Approves the Governor's Budget proposal to provide \$46 million Proposition 98 General Fund to support the California College Promise program.
 - **Student Success Completion Grant.** Consolidates the Full Time Student Success Grant and the Student Completion Grant financial aid programs into one Student Success Completion Grant. The new grant would provide up to \$1,298 annually for eligible students taking between 12 and 14 units, and \$4,000 annually for eligible students taking 15 units or more. Approves May Revision proposals allowing eligible students who take less than 15 units per semester to earn the full amount if they take summer school and requires students to make satisfactory academic progress to remain eligible.
 - **Innovation Awards.** Rejects the Innovation Awards.
 - **Capital Outlay.** Approves planning funding for the 6 capital outlay projects proposed in the Governor's Budget and May Revision using Proposition 51 funding and approves the 8 other projects approved by the Chancellor's Office.

- **Adult Education Funding.** Approves the Governor's proposed increase of \$21.6 million for the Adult Education Block Grant to reflect a cost-of-living adjustment for 2018-19 and 2017-18. Adopts placeholder trailer bill language to 1) rename the Adult Education Block Grant as the Adult Education Program and 2) as a condition of receiving state or federal funds, adult education providers document that they are participating in their regional planning consortia and report adult education services and funding.
- **Adult Education Data.** Approves the Governor's proposed \$5 million for a data sharing platform for Adult Education. Include additional budget bill language to require that up to \$500,000 be used to contract with an external entity to survey adult schools on the fees being charged for different categories of courses, and an average per student cost of adult education. Adopt placeholder trailer bill language to specify that adult schools must assign statewide student identifiers (SSID) for students without social security numbers and the community colleges must coordinate with the Department of Education to assign SSIDs for students without social security numbers. (for students who attended California K-12 schools or adult schools, this shall be the same SSID).
- **Apprenticeship.** Approves the May Revision proposal to provide additional apprenticeship funding above the Governor's Budget. Approves placeholder trailer bill language clarifying that the apportionment reimbursement option proposed in the Governor's Budget will be based on the actual number of instructional hours provided, requires the Chancellor's Office to collect and report additional information related to the apportionment reimbursement option, and requires additional reporting and transparency regarding rates and other program data.
- **Puente.** Provides an augmentation of \$6 million Proposition 98 General Fund to the Puente program within the Fund for Student Success categorical to support professional development for 500 more English faculty, 100 more counselors, develop 60 new partnerships statewide focused on dual enrollment, provide professional development for 150 high school counselors, and doubling the number of community college student cohorts to impact 9,000 additional community college students.
- **Foster Youth Program.** Approves the May Revision proposal to support expanding EOPS services for foster youth.
- **Financial Aid Technology Improvements.** Approves the May Revision proposal to provide \$5 million Proposition 98 General Fund and \$13.5 million one-time Proposition 98 General Fund to support technology improvements at financial aid offices.
- **Open Educational Resources.** Approves the May Revision proposal to provide \$6 million one-time Proposition 98 General Fund to expand open educational resources.
- **Deferred Maintenance.** Provides \$171.4 million Proposition 98 General Fund for deferred maintenance and instructional equipment.

- **Student Hunger and Basic Needs.** Provides \$20 million one-time Proposition 98 General Fund to support student hunger and basic needs. Adopts placeholder trailer bill language requiring campus reporting on activities and outcomes.
- **Veterans Resource Centers.** Provides \$15 million one-time Proposition 98 General Fund to support veterans resource centers.
- **Public Safety Training Center.** Provides \$15 million one-time Proposition 98 General Fund to support the creation of a public safety training center at El Camino Community College.
- **Early Childhood Education Center.** Provides \$5 million one-time Proposition 98 General Fund to begin planning and development of an Early Childhood Education Center at Norco Community College. The center will provide childcare for students and serve as a training program for childcare providers.
- **Santa Paula Site.** Provides \$1.2 million one-time Proposition 98 General Fund to be distributed over three years to support operations of the Santa Paula Site in the Ventura Community College District.
- **Re-Entry Programs.** Provides \$5 million one-time Proposition 98 General Fund to support re-entry programs for formerly incarcerated students.
- **Mental Health Services.** Provides \$20 million one-time Proposition 98 General Fund to support mental health services and professional develop at campuses.
- **Legal Services.** Provides \$15 million one-time Proposition 98 General Fund to support legal services for AB 540 and DACA students.
- **Course Identification.** Provides \$685,000 ongoing Proposition 98 General Fund to support the Academic Senate's work on the course identification numbering system.
- **Academic Senate.** Provides \$232,000 ongoing Proposition 98 General Fund to support increased operational costs for the Academic Senate.
- **Full-Time Faculty.** Provides \$40 million ongoing Proposition 98 General Fund to increase full-time faculty. Includes budget bill language stating that districts below 75% full-time faculty shall spend all of this funding on full-time faculty hiring, while any district with more than 75% full-time faculty could spend the funding on part-time faculty.
- **Part-Time Faculty.** Provides \$13.9 million ongoing Proposition 98 General Fund to support part-time faculty. Splits this new funding proportionally between the part-time faculty office hours, compensation and health insurance categorical programs.
- **Certified Nurse Assistant Programs.** Supports the Governor's Budget and May Revision proposals to provide \$2 million one-time Proposition 98 General Fund to increase certified nurse assistant programs.

- **Chancellor's Office.** Approves the Governor's Budget proposal to support 15 additional positions at the Chancellor's Office. Modifies the proposal to redirect the 6 positions proposed for the online college to the Online Education Initiative.

STAFF COMMENTS:

The attached spreadsheets include the Subcommittee's Proposition 98 package, compared to the Governor's proposed plan. The preschool related Proposition 98 expenses are explained in more detail in the next issue.

Staff Recommendation: Adopt the Subcommittee's Proposition 98 spending plan.

ISSUE 2: EARLY CHILDHOOD EDUCATION AND PRESCHOOL

The Subcommittee will consider actions to close out early childhood education, kindergarten, and preschool programs.

BACKGROUND

The Assembly will consider an Early Care and Education package, elements of this package overlap with items also being considered in the Proposition 98 package.

STAFF COMMENTS

The Assembly Early Care and Education Package provides funding to expand access to child care and preschool, stabilize existing infant-toddler, special needs, child nutrition and afterschool programs, and provide funding for expansion of preschool and full-day kindergarten. The package conforms to the Senate's actions on Alternative Payment and General Child Care expansion, and increases to Infant-Toddler, Special Needs, and part-time Licensed-Exempt rates.

This \$920 million package reflects the diverse needs of children aged 0-6 and those children in afterschool, as articulated below:

Item	General Fund	Proposition 98	Federal Funds	Total
Increase to Alternative Payment Slots (\$215 million GF in 2019-20)	115		100	215
Increase in General Child Care			50	50
Add Full day LEA Preschool Slots with Title 1 Eligibility Exemption		60		60
Fix Part Day Licensed Exempt Rates (Revised estimate)	36			36
Infant Toddler Adjustment Factor	65			65
Special Needs Adjustment Factor Increase	7			7
Kinder Facilities Expansion (one-time)	100			100
Preschool Facilities Expansion (one-time)	100			100
County Office of Education Planning	6			6
Child Development Database			3.5	3.5
ASES Rate Increase		76.3		76.3

Kindergarten Rate Differential		150		150
Child Nutrition Rate Increase	15.6			15.6
California Child Care Initiative Project			5	5
Continue "Breakfast Before the Bell"		1		1
Licensed Child Development Teacher Professional Development			5	5
Kids Code		25		25
Total	444.6	312.3	163.5	920
One-time	206	26	10	
Ongoing	302.6	286.3	100	

The Assembly leaves about half of the expected federal Child Care Development Block Grant funding unappropriated for further capacity expansion and legislation pending in the 2018 legislative year.

To implement the proposed package, including necessary federal compliance and streamlining bureaucracy, the Assembly package includes the following trailer bill provisions:

1. Planning for future 4 year old expansion:

- Adopt trailer bill asking County Offices of Education to provide an assessment by county of barriers toward achieving universal access to early education for all four year olds.

2. Reducing Administrative Burdens:

- Adopt uncodified trailer bill to convene a summer 2018 workgroup to consider the following policy changes to early care and education:
 - Changing the contracting period for child development programs to begin on October 1, starting in 2019.
 - Allow contractors for Alternative Payment Programs to use the percentage of contracted amount for administration costs rather than the percentage of expenditures.
 - Aligning State contracts with the federal Headstart model
 - Refocusing accountability measures CDE has in place for voucher care administration towards necessary federal compliance.
 - Requiring contracts to rebid for contracts at least every five years.

3. Making existing Program Easier to Integrate for Schools:

- Adopt TBL to clarify the Preschool and Early Transition Kindergarten funding can be braided
- Allow new Full Day Preschool Expansion funding in the 2018-19 budget to be exempt from income eligibility if the preschool is provided at a Title 1 School Site.

4. Oversight Issues

- Adopt TBL to address Mandated Child Abuse Reporting Training Language Access issue.
- Adopt Supplemental Report Language for electronic time sheets report.

Additional Actions:

- Approve the Governor's proposed caseload adjustments and COLA for child care programs.
- Approve the Governor's January and May Revision changes to the Inclusive Early Education Expansion Grant program.
- Approve the Governor's proposed funding for full-year rate and slot increases.
- Approve the Governor's proposal to make the RMR hold harmless provision permanent.
- Approve the LAO recommendations related to licensing flexibility and adopt placeholder trailer bill language requiring the CDE to include the recommended changes in regulations and create a uniform complaint procedure for preschool classrooms subject to licensing flexibility. Specify that the flexibility applies to any classroom with state preschool funded students.
- Provide \$1.2 million General Fund to the City of Baldwin Park for the Little-by-Little School Readiness program.

Staff Recommendation: Adopt Assembly Early and Education Package.
