

AGENDA**ASSEMBLY BUDGET SUBCOMMITTEE NO. 2
ON EDUCATION FINANCE****Assemblymember Kevin McCarty, Chair****TUESDAY, MAY 7, 2019****9:30 AM - STATE CAPITOL, ROOM 447***(PLEASE NOTE TIME CHANGE)*

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VOTE ONLY

6100 DEPARTMENT OF EDUCATION

ISSUE 1: CAPITAL OUTLAY: FREMONT SCHOOL FOR THE DEAF

The Subcommittee will consider the Department of Finance April Letter request to provide approximately \$2.2 million in authority for the construction phase of the Fremont School for the Deaf Middle School Activity Center project.

BACKGROUND

The 2016-17 budget provided \$1.7 million General Fund to build a new middle school activity center at the School for the Deaf in Fremont. The 2017-18 budget reappropriated the \$1.7 million for the project due to delays.

GOVERNOR’S PROPOSAL

The Department of Finance April Letter request includes an additional \$2.177 million for the Fremont School for the Deaf middle school activity center project and reverts existing authority for the construction phase of the project. The Administration argues that the new appropriation is needed in order to provide necessary project components that were identified during the working drawings phase, including a larger heating, ventilation and air conditioning system, upgraded foundations and parking area lighting.

STAFF COMMENTS

Funding for this project was approved in the 2016-17 budget. Since then additional costs have been identified. Staff recommends providing the additional funding in order to complete the project.

Staff Recommendation: Approve the April Letter request.

ITEMS TO BE HEARD

6100 DEPARTMENT OF EDUCATION
6870 CALIFORNIA COMMUNITY COLLEGES
6440 UNIVERSITY OF CALIFORNIA
6610 CALIFORNIA STATE UNIVERSITY

ISSUE 1: LONGITUDINAL DATA SYSTEM

The Subcommittee will discuss the Governor's proposal to provide \$10 million one-time General Fund to create a longitudinal data system that will connect student information from early education providers, K-12 schools, higher education institutions, employers, other workforce entities and health and human service agencies.

PANEL

- Dan Hanower, Department of Finance
- Paul Steenhausen, Legislative Analyst's Office
- Cindy Kazanis, Department of Education
- Christian Osmena, California Community Colleges
- Ed Sullivan, California State University
- Charles Masten, University of California

BACKGROUND

California currently does not have a statewide longitudinal data system that links data and outcomes for students across segments of education and into the workforce. Through a variety of investments, the state has built several robust data systems, operated by the various educational segments.

Select data is shared for specific purposes or research projects, but California lacks the organized data sharing or overarching system that would allow for deeper insights into how students move through our education system and into the workforce. In addition, the transfer of information across systems, especially as students move into postsecondary education, is not automated and requires students, parents, teachers, administrators and others to navigate multiple systems. Finally, the state cannot provide data-backed evidence on the outcomes from many policy changes.

The state's main educational systems are described in a chart on the next page, which was developed by the Education Insights Center at California State University, Sacramento.

California’s education systems collect fairly comprehensive student-level data.

System	Student Identifier	Data Elements	Source of Data	Data Tools (publicly accessible)
California Department of Education	Statewide Student Identifier (SSID)	<ul style="list-style-type: none"> • Demographics • Course enrollments • Attendance • Special program eligibility • Discipline incidents • Completion (diploma, GED) 	K-12 school districts report data twice in the fall, and at the end of the school year	<ul style="list-style-type: none"> • DataQuest • California School Dashboard • Other summary reports on CDE website • Ed Data⁸
California Community Colleges	Social Security Number (SSN)	<ul style="list-style-type: none"> • Demographics • Course enrollments/grades • Financial aid • Special populations/ programs (e.g. disabled) • Educational goal • Participation in orientation, other matriculation services • Degrees/certificates 	Colleges/districts submit some data each term and other data annually	<ul style="list-style-type: none"> • Datamart • Student Success Scorecard • Salary Surfer
California State University	SSN	<ul style="list-style-type: none"> • Application information • Demographics • Course enrollments/grades • Financial aid • Degrees 	Campuses submit some data each term and other data annually	<ul style="list-style-type: none"> • Student Information Dashboard • Other summary reports on Analytic Studies Division website
University of California	SSN	<ul style="list-style-type: none"> • Application information • Demographics • Course enrollments/grades • Financial aid • Degrees 	Campuses submit some data each term and other data annually	<ul style="list-style-type: none"> • UC Information Center • UC Accountability Report

Existing laws seek to promote sharing of data across segments and systems. Existing law requires the CCC, CSU and the UC to issue a unique statewide student identifier to each student, and authorizes these segments, along with CDE, the Commission on Teacher Credentialing and the EDD, to enter into interagency agreements to facilitate the implementation of a comprehensive longitudinal P-20 statewide data system, transfer of data from one educational segment to another, and transfer of workforce data to the educational segments. While unique student identifiers have been assigned by public K-12 schools and are being assigned by the public postsecondary segments, and are being utilized to some degree, they are not yet being utilized to broadly share data across segments or systems.

Existing law requires the CCC, CSU and UC to annually provide a progress report with a detailed timeline for the implementation, maintenance, and use of the unique statewide student identifiers. According to the 2018 progress report from the CSU, “No progress was made in 2017-18. The CSU remains committed and interested in achieving a common identifier (SSID). CSU student data systems are ready to incorporate the SSID. In the absence of a common identifier (or a reliable SSN available in the datasets of other segment partners) the CSU has relied on the use of a combination of student specific variables

common across the segments to uniquely identify and match records.” The same statement was made in the 2016 progress report.

According to the 2018 progress report from the UC, “The SSID has already been incorporated into UC student data systems and acquisition can now be tracked over time. Usefulness of the SSID is limited until the data are more accurately reported by K-12 schools and more readily available in electronic form. UC is participating in efforts to facilitate the sharing of student data between the three public segments of higher education and K-12 institutions...Attaining this goal continues to be dependent on getting SSID included on all student high school transcripts, and provision of a comprehensive dataset of valid SSID’s matched with student name and high school from CDE (so data received can be validated).” The same statement was made in the 2016 progress report.

The CDE, CCC, CSU and UC have been authorized to enter into interagency agreements to facilitate the implementation of a comprehensive longitudinal P-20 statewide data system since 2010, but haven’t yet achieved the goal of creating and utilizing a shared statewide student data system. During the administration of Governor Brown there was little support or funding for making progress towards a longitudinal data system.

Other states have developed systems. The Education Commission of the States compared all 50 states in 2016 and found that while all have some ability to connect data across some systems, as described below; California is one of 13 states that do not have, or have very limited, data connection across systems.

- 37 states connect data between 2 of 4 education systems (Early Learning, K-12, Postsecondary, and Workforce).
- 16 states have a P20W (Pre-Kindergarten through Workforce) system.
- 26 states have centralized systems that collect, retain, and maintain data from multiple agencies in a centralized warehouse.
- 11 states have federated systems that link data systems on an “as needed” basis.

Sharing data raises some privacy concerns. The Family Educational Rights and Privacy Act (FERPA), a federal law, requires schools to have written permission from the parent or eligible student in order to release any information from a student’s education record. However, FERPA allows schools to disclose those records, without consent, to the following parties:

- School officials with legitimate educational interest;
- Other schools to which a student is transferring;
- Specified officials for audit or evaluation purposes;

- Appropriate parties in connection with financial aid to a student;
- Organizations conducting certain studies for or on behalf of the school;
- Accrediting organizations;
- To comply with a judicial order or lawfully issued subpoena;
- Appropriate officials in cases of health and safety emergencies; and,
- State and local authorities, within a juvenile justice system, pursuant to specific state law.

FERPA also authorizes schools to disclose, without consent, “directory” information such as a student’s name, address, telephone number, and date and place of birth. Existing law requires schools to notify parents and eligible students about directory information and allow them a reasonable amount of time to request that the school not disclose such information. Existing law requires schools to also notify parents and eligible students annually of their rights under FERPA.

GOVERNOR’S BUDGET PROPOSALS

The Governor’s Budget includes trailer bill language that creates the Cradle to Career Data Insights Act. The act does the following:

- Creates a workgroup of Governor’s appointees from the State Board of Education, the Department of Education, the California Community Colleges, the California State University, the University of California, the California Student Aid Commission, the Employment Development Department, the Labor and Workforce Development Agency, the California Commission on Teacher Credentialing, and the Health and Human Services Agency. The workgroup would be led by the executive director of the State Board of Education. The workgroup would assess current data systems, recommend data system expansion and functionality, and advise ongoing efforts to develop, administer and enhance the new data system.
- Sets various deadlines to develop data matching, report to the Department of Finance on the proposed structure of the new data system, and transfer data to the new data system.
- Provides \$10 million one-time General Fund to the Department of Education to distribute for the following purposes:
 - \$2 million for contractors for workgroup reports
 - \$250,000 for the Department of Education
 - \$100,000 for each entity in the workgroup
 - \$50,000 each for CCC, CSU, and UC for data matching
 - \$6.7 million for expansion and enhancements to the new data system upon Department of Finance approval.

LAO ASSESSMENT

The LAO notes the Legislature should consider the types of information it hopes to gain through a new system. Defining this goal will help guide the creation of the new system. The LAO notes the Legislature may be interested in answering all or some of the following questions:

- Which early education programs and services have the greatest effect on reading and comprehension in elementary school?
- What are the demographic, program, and course-taking profiles of K-12 students who enroll or do not enroll in postsecondary education?
- What are the characteristics and educational paths of students who drop out of high school but eventually enroll in a postsecondary institution?
- Is how districts use their supplemental grants under the Local Control Funding Formula affecting the proportion of their low-income students who enroll in and graduate from college?
- What are the postsecondary enrollment and completion patterns of students in high school career technical education (CTE) pathway programs compared with similar students not in a CTE pathway?
- Does dual (concurrent) enrollment by high school students in college courses promote more timely and efficient completion of associate and bachelor's degree programs?
- Do students who earn an associate degree for transfer (ADT) at a community college end up taking fewer total units to earn a bachelor's degree than students who transfer without an ADT?
- Are students receiving Cal Grant competitive awards more likely to enroll and graduate from college than those eligible students who just missed the cut-off for getting awards?
- What are the employment outcomes of graduates from CSU and UC teacher preparation programs?
- Which health and social service programs are most closely associated with improved educational outcomes of K-12 and college students?

STAFF COMMENTS/QUESTIONS

Staff notes that there is largely consensus around the benefits of a coordinated data system. In fact, UC, CSU, community colleges and CDE have already formed a working group around data-sharing issues, with the first objective to provide CDE with information on how many graduating seniors enroll at one of the three public segments.

However, there are many critical details that must be considered regarding this proposal, which could culminate in a complicated information technology system - the kind of project that has not always gone well. Staff notes that a key problem with the current trailer bill language is the lack of a legislative role: the Governor picks all of the participants in the working group, which reports to the Department of Finance, which ultimately decides unilaterally how to spend the bulk of the funding. At the very least, the Legislature should be allowed to select some of the group and determine how funding is spent.

Both houses currently have legislation addressing this issue, including:

- AB 1466 (Irwin) would convene cross-cutting group of stakeholders to draft a plan for the creation of a statewide longitudinal student data system. The plan would include guidelines addressing key issues of structure, governance, and access.

The plan would address how to leverage existing data systems, determine common data definitions, establish data sharing guidelines, identify needed statutory changes, and institute robust data storage and encryption policies, including best practices for removing personally identifiable information.

- SB 2 (Glazer) requires the Office of Higher Education Coordination, Accountability, and Performance to convene a review committee to advise the office regarding the establishment of a statewide longitudinal student database. The bill requires the office, subject to an appropriation, to develop and implement the database on or before July 1, 2022. The bill also makes its operation contingent upon the enactment of SB 3 (Allen) which proposes to establish the Office of Higher Education Coordination, Accountability, and Performance.

Suggested Questions:

- Why did the Administration exclude the Legislature from decision-making?
- Should the Administration and Legislature prioritize the types of information it wants? Should simpler data-sharing projects be developed first?
- How will this system benefit students? Should developing a system that allows easier transition between K-12 and higher education for students be a priority?
- How should student privacy concerns be addressed?

Staff Recommendation: Hold Open.

6360 COMMISSION ON TEACHER CREDENTIALING**ISSUE 2: CTC OVERALL BUDGET**

The Subcommittee will consider the Commission on Teacher Credentialing's (CTC) overall budget. The Subcommittee will also hear an update on several grant programs and initiatives administered by the CTC aimed at alleviating the teacher shortage in California and an update on the backlog of teacher misconduct cases.

PANELISTS:

- Dr. Mary Sandy, Executive Director, Commission on Teacher Credentialing
- Kim Leahy, Department of Finance
- Amy Li, Legislative Analyst's Office

BACKGROUND

The Commission on Teacher Credentialing (CTC) was created in 1970 in order to establish and maintain high standards for the preparation and licensing of public school teachers and administrators. The CTC has three primary functions: issuing teacher credentials, accrediting teacher preparation programs and conducting disciplinary reviews of credential holders. The CTC issues credentials, permits and waivers to classroom teachers, student service specialists, school administrators, and child care professionals. The CTC also adopts standards and performs accreditation reviews of teacher preparation programs, including public and private institutions of higher education and local educational agencies (LEAs) in California. In addition, the CTC is required to review and take action on misconduct cases involving credential holders and has the authority to suspend and revoke credentials.

State Operations

The CTC is a "special fund" agency whose state operations are largely supported by two special funds – the Test Development and Administration Account and the Teacher Credentials Fund. Of the CTC's \$29.6 million state operations budget proposed for 2019-20, about \$23.3 million is from credential and accreditation fees, which are revenue sources for the Teacher Credentials Fund, \$5.9 million is from educator exam fees, which fund the Test Development and Administration Account and \$408,000 in reimbursements. The CTC also received one-time General Fund (both Proposition 98 and non-Proposition 98) in 2016-17 and 2017-18 for some one-time activities and grant programs. The chart on the next page outlines the CTC's expenditures in 2017-18, 2018-19 and the Governor's proposed expenditures for 2019-20.

Commission on Teacher Credentialing Expenditures and Positions
(Dollars in thousands)

	Positions			Expenditures		
	2017-18	2018-19	2019-20	2017-18*	2018-19*	2019-20*
5381 Preparation & Licensing of Teachers	110.8	105.9	106.9	\$25,205	\$18,648	\$17,222
5382 Attorney General Legal Services	-	-	-	4,026	5,591	5,591
5383 Accreditation Streamline Project	-	-	-	174	690	310
5384 Educator Performance Assessments	-	-	-	354	1,275	1,235
5386 Integrated Teacher Preparation Grant	-	-	-	100	-	-
5388 Classified School Employee Teacher Credentialing Program	-	-	-	25,000	-	-
5397 Educator Preparation	-	-	-	125,000	-	-
5399 Administration	38.2	37.7	37.7	4,918	5,255	5,257
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	149.0	143.6	144.6	\$184,777	\$31,459	\$29,615
FUNDING				2017-18*	2018-19*	2019-20*
0001 General Fund				\$100	\$-	\$-
0001 General Fund, Proposition 98				150,000	-	-
0407 Teacher Credentials Fund				20,629	25,167	23,293
0408 Test Development and Administration Account, Teacher Credentials Fund				4,302	5,824	5,914
0995 Reimbursements				9,746	468	408
TOTALS, EXPENDITURES, ALL FUNDS				\$184,777	\$31,459	\$29,615

Teacher Credentials Fund (Credential Fees)

The Teacher Credentials Fund is generated by fees for issuance, of new and renewed credentials and other documents. Current law requires, as a part of the annual budget review process, the DOF to recommend to the Legislature an appropriate credential fee sufficient to generate revenues necessary to support the operating budget of the Commission plus a prudent reserve of not more than 10 percent.

In 2012-13 the CTC increased the credential fee from \$55 to \$70 due to fund instability primarily due to a decrease in credential applications. This action restored the fee to the statutory maximum. In the 2015-16 budget trailer bill, AB 104 (Committee on Budget, Chapter 13, Statutes of 2015), the credential fee was further increased to \$100 per applicant, with the additional revenue generated intended to support processing of teacher misconduct caseload.

Test Development and Administration Account (Exam Fees)

The Test Development Administration Account is generated by various fees for exams administered by the CTC such as the California Basic Educational Skills Test (CBEST), the Reading Instruction Competence Assessment (RICA), and the California Subject Examination for Teachers (CSET), the California Teachers of English Learners (CTEL), and the California Preliminary Administrative Credential Examination (CPACE). The CTC has the authority to review and approve the examination fee structure to ensure that the examination

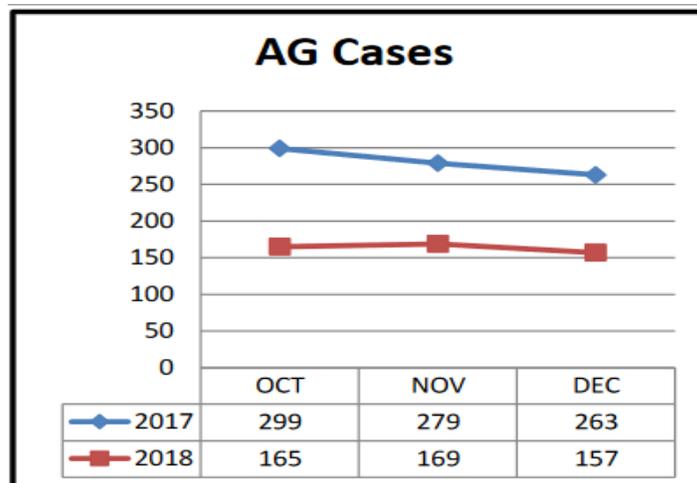
program is self-supporting. To determine fees for these testing programs, the CTC staff projects the number of exams, based upon their most recent figures, and compares these figures with projected examination program costs.

Backlog of Teacher Misconduct Cases

The CTC is charged with enforcing professional conduct standards and monitors the conduct of credential applicants and holders. The CTC has the authority to discipline applicants or holders for misconduct, and cases that are not resolved at the CTC may be referred to the Office of the Attorney General for an administrative hearing. In 2011, following a highly publicized educator misconduct case, the Commission released a field notification to all school district superintendents reminding them of their statutory requirement to report educator misconduct to the CTC. The number of cases reported by school districts to the CTC increased to more than double the number in the previous year and has remained at roughly double the 2010 amount in each year since. This increase in caseload to the CTC resulted in an increase in caseload referred to the Attorney General's Office. Moreover, a backlog began to grow at the Attorney General's Office as cases were not sufficiently prepared to proceed to administrative hearing.

In order to address the backlog, the 2015 Budget Act included an increase in credentialing fees. The \$5 million in revenue generated by this is used to support additional legal staff for the Attorney General's Office. The 2016 Budget Act included \$8.5 million to address this backlog, including \$2.4 million in carryover from the 2015 Budget Act. The 2017 Budget Act also included \$4.5 million in one-time Teacher Credentials Fund carryover for the cost of representation by the Office of the Attorney General in educator discipline cases.

As part of the 2017 Budget Act, the Attorney General's Office was required to provide quarterly reporting on their legal services for the CTC. The most recent report was completed in February 2019 and covers the period of September 1 through December 31 of 2018. The report shows progress in reducing the backlog over the prior quarter, including the open cases assigned to the Attorney General shown below.



Source: Commission on Teacher Credentialing

Although the Attorney General's Office was slow to ramp up staff and expend the additional resources provided, the CTC now reports that the backlog has been eliminated and the cases are down to a workload level (approximately 150 cases).

Teacher Shortage Programs

In recent years, the State has made significant investments in programs aimed at addressing the teacher shortage, especially for chronic shortage areas such as special education, bilingual education and science, technology, engineering and math (STEM) education. These programs administered by the CTC include:

- **Classified School Employee Teacher Credentialing Program.** The 2016-17 budget provided \$20 million in one-time Proposition 98 funding for the California Classified School Employee Teacher Credentialing Program. The 2017-18 budget provided an additional \$25 million for this program. The program is intended to recruit classified employees into the teaching profession, in order to reduce the teacher shortage and provide more diversity in the teacher workforce. The program provides up to \$4,000 for applicants that meet certain criteria.
- **Integrated Undergraduate Teacher Preparation Grants.** The 2016-17 budget included \$10 million in one-time non-Proposition 98 funding for California postsecondary institutions to develop or improve four-year integrated teacher credential programs. The CTC provided grants to institutions of higher education to develop a four-year credentialing program, with designated shortage areas receiving priority.
- **California Center on Teaching Careers.** The 2016-17 budget provided \$5 million in one-time Proposition 98 funding to create the California Center on Teaching Careers, to strengthen statewide recruitment of individuals into the teaching profession.
- **Teacher Residency Grant Program.** The 2018-19 budget included a total of \$75 million for locally sponsored teacher residency programs, including \$50 million in one-time Proposition 98 funding for teacher residency programs for special education teachers and \$25 million for teacher residency programs for other shortage areas, such as STEM and bilingual education. The CTC provides competitive grants to LEAs of up to \$20,000 per teacher; LEAs are required to 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.** The 2018-19 budget provided \$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.

GOVERNOR'S PROPOSAL

The Governor's budget includes \$2 million in one-time funding (\$1.2 million in 2019-20 and \$800,000 in 2020-21) from the Test Development and Administration Account (TDAA) reserve account and an ongoing allocation of \$136,402 from the TDAA for one permanent full-time education consultant to expand California's educator performance assessment system into special education. The funds would be used to develop, validate, and ensure consistency in the implementation and scoring of a Special Educator Teaching Performance Assessment (CalSTPA) for candidates completing a Commission-approved preparation program for the Preliminary Special Education Credential.

The Governor's budget also proposes trailer bill language that would require the CTC to develop and implement a statewide automated State Assignment Accountability System (CalSAAS), for annual monitoring of teacher misassignments in schools.

LAO RECOMMENDATIONS

The LAO makes the following recommendations related to the Governor's proposed budget for the CTC:

- **Adopt Governor's Proposals to Fund Development of a Special Education TPA and Add One CTC Position.** The special education TPA would measure whether prospective teachers meet state teaching standards while also helping to assess the overall quality of teacher preparation programs. Further, this proposal would bring special education credential requirements in line with the requirements the Legislature has established for general education. The requested one additional position would support the development of the special education TPA and data analysis of TPA results to inform the CTC accreditation process.
- **Require CTC to Assess How Proposal Affects Teacher Supply.** Given the state has experienced a shortage of credentialed special education teachers for many years and the impact of the new assessment on special education teacher supply remains unclear, we recommend the Legislature direct CTC to collect additional data during the pilot phase to determine how the new TPA requirement affects the interest, workload, and completion rate of prospective teachers in special education teacher preparation programs. In addition to collecting data on how pilot test takers perform on the TPA, CTC could collect data on (1) how the TPA is affecting interest in special education teacher preparation programs, (2) how much time prospective teachers take to complete the TPA tasks and how it affects their overall program workload, and (3) what prospective teachers consider the added value of the TPA to their teaching preparation. We recommend requiring CTC to report this information to the Legislature by January 2022—before the TPA becomes mandatory for all special education

teacher candidates. We think CTC could accommodate the cost of this work within its requested augmentation, as CTC would likely solicit test taker feedback on the TPA during the pilot phase.

- ***If Interested in Learning More About the Impact of the TPA on Student Outcomes, Consider Funding Evaluation.*** The research linking TPA performance to student outcomes is limited and somewhat outdated. Relatively little is known about how requiring teachers to pass a TPA impacts teacher preparation and student outcomes in California. Given the limited research, the Legislature could consider giving the California Department of Education (CDE) funding to contract with an independent evaluation firm to study this relationship for the special education TPA. Given that CDE is not involved in the development of the TPA, we think it would be better positioned than CTC to oversee an independent evaluation. Such a study could help the Legislature understand the extent to which the TPA achieves its goal of improving teacher preparation and student outcomes across the state.

STAFF COMMENTS/QUESTIONS

Staff has no concerns with the Governor's proposal to provide \$2 million in one-time and \$136,402 in ongoing funding from the TDAA to develop and support the Special Educator Teaching Performance Assessment. This funding is needed in order to ensure that special education teachers are held to the same standard as general education teachers and will ensure that all students have high quality teachers.

The Governor's proposed trailer bill language regarding teacher misassignment monitoring is similar to AB 1219 (Jones-Sawyer), which is currently in the Assembly Appropriations Committee. This bill is sponsored by the CTC. Staff recommends holding this trailer bill language open in order to reconcile the differences.

Suggested Questions:

- Has the CTC seen an impact on the teacher supply due to the recent investments made by the state?
- What are the main differences in the Governor's proposed trailer bill language and AB 1219?
- Does the CTC believe the teacher misconduct backlog has been eliminated? If so, does the CTC anticipate maintaining this caseload?

Staff Recommendation: Approve as budgeted \$2 million in one-time and \$136,402 in ongoing funding from the Test Development and Administration Account. Hold Open proposed trailer bill language.

6100 DEPARTMENT OF EDUCATION**ISSUE 3: DEPARTMENT OF EDUCATION STATE OPERATIONS**

The Subcommittee will consider the Governor's proposed funding for the Department of Education's state operations.

PANEL 1:

- Ed Hanson, Department of Finance
- Leisa Maestretti, Department of Education
- Sara Cortez, Legislative Analyst's Office

BACKGROUND

California's public education system is administered at the state level by the California Department of Education (CDE), under the direction of the Superintendent of Public Instruction and the State Board of Education. The CDE is responsible for enforcing education laws and regulations and providing technical assistance to local school districts and working with the education community to improve academic performance.

Most CDE staff work at the department's headquarters in Sacramento, where they administer state education programs and provide program support to local educational agencies. The CDE's administration, or state operations, is primarily funded with a combination of non-Proposition 98 General Fund and federal funds, as shown in the chart below.

Fund Source	2017-18	2018-19	2019-20	CY to BY	Percent
	Actuals	Projected	Proposed	Change	Change
General Fund	\$164,211	\$175,912	\$189,752	\$13,840	7.87%
Federal Funds	\$166,692	\$180,600	\$173,406	(\$7,194)	-3.98%
Fee Revenue	\$3,042	\$6,642	\$6,643	\$1	0.02%
Bond Funds	\$2,006	\$3,212	\$3,214	\$2	0.06%
Other Funds	\$23,621	\$31,973	\$30,324	(\$1,649)	-5.16%
Total Expenditures	\$359,572	\$398,339	\$403,339	\$5,000	1.26%
Percentage of Federal Funds to Total Expenditures	46.36%	45.34%	42.99%		
Positions	2,216.60	2,217.20	2,239.20	22.00	0.99%

Source: Department of Education

GOVERNOR'S PROPOSALS

The Governor's 2019-20 proposed budget includes an additional 22 positions and approximately \$3.4 million in state and federal funds for CDE's state operations.

The Governor's budget includes the following federal funding increase:

- \$138,000 in ongoing federal funding and one position to review, approve, and provide technical assistance regarding district plans for providing behavioral restraints to students in danger of harming themselves or others. (Pursuant to Chapter 998 of 2018 (AB 2657, Weber)).

The Governor's budget includes the following General Fund increases:

- \$275,000 in ongoing General Fund for two positions to support implementation of the Career Technical Education Incentive Grant Program, which was made ongoing pursuant to Chapter 32 of 2018 (AB 1808, Committee on Budget).

The Governor's proposal also includes provisional language that specifies the availability of this funding is contingent upon the CDE fully supporting no fewer than 6 full-time regional agricultural supervisor positions in the Agricultural Education Unit of the Career and College Transition Division using federal Perkins V Act funding. If the CDE is unable to support at least 6 full-time regional agricultural supervisor positions with federal Perkins V Act funding, \$142,000 and 1.0 position supporting the Career Technical Education Incentive Grant Program and the K-12 component of the Strong Workforce Program would be redirected for that purpose. The Governor's budget also includes trailer bill language codifying the responsibilities of the Agricultural Career Technical Education Unit.

- \$271,000 in ongoing General Fund to make two temporary positions permanent to support the development and implementation of state and federal accountability systems.
- \$142,000 in ongoing General Fund for one position to provide technical assistance to county offices of education in developing and implementing local inter-agency plans for the care of foster youth, pursuant to Chapter 815 of 2018 (AB 2083, Cooley).
- \$105,000 in ongoing General Fund to provide one additional position to review the waivers districts submit when they experience a reduction in student attendance or loss of instructional days due to natural disasters or other emergencies.

- \$53,000 in one-time General Fund to develop best practices for reviewing and approving school safety plans and post these on CDE's website, pursuant to Chapter 806 of 2018 (AB 1747, Rodriguez).

The Department of Finance has indicated that there may be additional changes at the May Revision related to the following proposals included in the Governor's budget:

- \$1.669 million in ongoing General Fund for 12 positions to expand capacity for child care and preschool program implementation and monitoring.
- \$452,000 in ongoing General Fund for three positions to provide technical assistance to districts identified as having poor outcomes for students with disabilities on either the new School Dashboard or under a revised federal formula for monitoring district compliance with special education law.
- \$279,000 in one-time General Fund for the Instructional Quality Commission to update content standards and curriculum frameworks for visual and performing arts and world languages. Also fund the development of a model curriculum in ethnic studies. (Pursuant to Chapter 647 of 2016 [AB 2862, O'Donnell], Chapter 643 of 2016 [AB 2290, Santiago), and Chapter 327 of 2016 [AB 2016, Alejo]).

LAO RECOMMENDATIONS

The LAO makes the following recommendations related to Governor's proposed funding increases for the CDE:

New Workload and Funding for the California Department of Education (CDE)

2019-20 Governor's Budget (In Thousands)

Workload Proposal	Positions	Funding	Recommendation and Rationale
Federal Funds			
Review, approve, and provide technical assistance regarding district plans for providing behavioral restraints to students in danger of harming themselves or others. Pursuant to Chapter 998 of 2018 (AB 2657, Weber).	1	\$138	Approve. Helps CDE implement recent legislation. Funding is ongoing.
State Funds^a			
Expand capacity for child care and preschool program implementation and monitoring.	12	1,669	Withhold recommendation. To date, administration has not submitted detailed budget documentation.
Provide technical assistance to districts identified as having poor outcomes for students with disabilities on either the new School Dashboard or under a revised federal formula for monitoring district compliance with special education law.	3	452	Withhold recommendation. To date, the administration has not provided sufficient documentation to evaluate the proposal.
Fund Instructional Quality Commission (IQC) to update content standards and curriculum frameworks for visual and performing arts and world languages. Also fund the development of a model curriculum in ethnic studies. Pursuant to Chapter 647 of 2016 (AB 2862, O'Donnell), Chapter 643 of 2016 (AB 2290, Santiago), and Chapter 327 of 2016 (AB 2016, Alejo).	--	279	Approve. Helps IQC implement recent legislation. Funding is one time.
Support implementation of the Career Technical Education Incentive Grant Program, which was made ongoing pursuant to Chapter 32 of 2018 (AB 1808, Committee on Budget).	2	275	Approve. Helps CDE implement recent legislation.
Make permanent two temporary positions used to support the development and implementation of state and federal accountability systems.	2	271	Approve. Helps CDE comply with state and federal law.
Provide technical assistance to county offices of education in developing and implementing local inter-agency plans for the care of foster youth. Pursuant to Chapter 815 of 2018 (AB 2083, Cooley).	1	142	Approve. Helps CDE implement recent legislation.
Provide one additional position to review the waivers districts submit when they experience a reduction in student attendance or loss of instructional days due to natural disasters or other emergencies.	1	105	Approve. The number of waiver requests submitted to CDE has grown notably in recent years.
Develop best practices for reviewing and approving school safety plans and post these on CDE's website. Pursuant to Chapter 806 of 2018 (AB 1747, Rodriguez).	--	53	Approve. Helps CDE implement recent legislation. Funding is one time.
Total	22	\$3,384	

^a Funded by Non-Proposition 98 General Fund (ongoing), unless otherwise indicated.

STAFF COMMENTS/QUESTIONS:

Staff recommends holding open the Governor's proposed increases related to child care and preschool program implementation and monitoring, additional technical assistance for districts with poor outcomes for students with disabilities and the Instructional Quality Commission since DOF has indicated that there may be additional changes to these proposals at the May Revision.

Staff has no concerns with the other proposed increases for CDE's state operations, since these will allow CDE to implement recent legislation and address increased workload. Staff recommends approving the following proposals:

Federal Funding:

- \$138,000 in ongoing federal funding and one position to review, approve, and provide technical assistance regarding district plans for providing behavioral restraints to students in danger of harming themselves or others. (Pursuant to Chapter 998 of 2018 (AB 2657, Weber)).

General Fund:

- \$275,000 in ongoing General Fund for two positions to support implementation of the Career Technical Education Incentive Grant Program, which was made ongoing pursuant to Chapter 32 of 2018 (AB 1808, Committee on Budget).
- \$271,000 in ongoing General Fund to make two temporary positions permanent to support the development and implementation of state and federal accountability systems.
- \$142,000 in ongoing General Fund for one position to provide technical assistance to county offices of education in developing and implementing local inter-agency plans for the care of foster youth, pursuant to Chapter 815 of 2018 (AB 2083, Cooley).
- \$105,000 in ongoing General Fund to provide one additional position to review the waivers districts submit when they experience a reduction in student attendance or loss of instructional days due to natural disasters or other emergencies.
- \$53,000 in one-time General Fund to develop best practices for reviewing and approving school safety plans and post these on CDE's website, pursuant to Chapter 806 of 2018 (AB 1747, Rodriguez).

Staff Recommendation: Approve the staff recommendation.

ISSUE 4: AFTER SCHOOL EDUCATION AND SAFETY PROGRAM

The Subcommittee will hear a budget proposal to provide additional funding for the After School Education and Safety (ASES) program.

PANEL

- Nate Houston, The Center for Fathers & Families in Sacramento
- Jen Dietrich, The Partnership for Children and Youth and the California Afterschool Advocacy Alliance
- Public Comment

BACKGROUND

The After School Education and Safety (ASES) Program is the result of the 2002 voter-approved initiative, Proposition 49. This proposition amended the California Education Code to expand and rename the former Before and After School Learning and Safe Neighborhood Partnerships Program. The ASES Program funds the establishment of local after school education and enrichment programs. These programs are created through partnerships between schools and local community resources to provide literacy, academic enrichment and safe constructive alternatives for students in kindergarten through ninth grade. Funding is designed to: (1) maintain existing before and after school program funding; and (2) provide eligibility to all elementary and middle schools that submit quality applications throughout California.

The ASES program supports over 4,000 elementary and middle schools offering after-school and summer programs to more than 400,000 students daily. These programs operate at the highest poverty schools—those with an average of over 80% of students participating in the free and reduced-price meals program.

ASES Funding

As outlined in Proposition 49, the ASES program has a guaranteed funding level of \$550 million annually. The 2017-18 budget included an additional \$50 million in ongoing funding for the ASES program. Additionally, the 2018-19 budget provided \$15 million in one-time Proposition 98 funding for the After School Kids Code Grant Program. This program allocated grants for eligible After School Education and Safety (ASES) programs that operate or plan to operate computer coding programs as part of their curriculum.

BUDGET PROPOSAL

The California Latino Legislative Caucus and other Members of the Assembly, the California After School Coalition (CASC), the California Afterschool Advocacy Alliance (CAAA) and many other advocacy groups are requesting a budget augmentation of \$112.8 million in

ongoing Proposition 98 General Fund for the ASES program. This increase would help cover the rising costs of the program, including the increasing minimum wage.

STAFF COMMENTS/QUESTIONS

The ASES program is an essential program because it provides underserved students with meaningful academic and enrichment activities, keeps kids safe, and offers essential childcare for working parents. Without an increase in funding, many of these programs argue that they will be at risk of closing their doors or cutting many of the high quality services that they provide.

Suggested Questions:

- What would be the impact on after school programs if the state did not provide increased funding?
- Do any of the after school programs receive additional funding through community organizations, municipalities or school districts?
- Why does the Governor's budget include a COLA for most education programs, but not the ASES program?

Staff Recommendation: Hold Open.

ISSUE 5: SCHOOL NUTRITION

The Subcommittee will hear an overview of school nutrition programs and consider budget requests related to school meals and nutrition.

PANEL

- Lisa Melhouse, Department of Education
- Public Comment

BACKGROUND

The National School Lunch Program (NSLP) and School Breakfast Program (SBP) are federally assisted meal programs. The Food and Nutrition Service of the U.S. Department of Agriculture (USDA) administers the programs. The California Department of Education (CDE) oversees the programs statewide including federal compliance and monitoring requirements.

The State Meal Program is a child nutrition program funded by the State of California. The program provides money to public school districts and county superintendents of schools that serve nutritious meals, free or at a reduced price, to needy children, in compliance with state law. The Program is administered by the California Department of Education (CDE), Nutrition Services Division.

California receives over \$2 billion in Federal reimbursement for Program Operators (LEAs, schools, county offices of education and residential child care institutions). In addition to federal funding, the state provides approximately \$150 million in State reimbursement for program operators. The reimbursement rates for school meals are shown in the table below.

Eligibility Status	Reimbursement
Free Meal	\$ 3.37
Reduced-Price Meal	\$ 2.97
Paid Meal	\$ 0.37
State Reimbursement (Free & Reduced-Price Only)	\$ 0.2368

CDE reported the following participation for 2017-18:

- 1,345 LEAs and 10,296 sites participated in School Nutrition Programs
- 534 million lunches served
- 287 million breakfasts served
- 35 million snacks served

The 2016-17 budget included \$2 million in one-time funding to expand “Breakfast After the Bell” programs to incentivize districts to offer breakfast after the start of school in order to increase participation in the school breakfast program. Grant funding was prioritized for school districts with over 60 percent low-income students.

BUDGET REQUESTS

The Subcommittee has received the following budget requests related to school meals and nutrition:

- Assemblymember Blanca Rubio, Assemblymember Rob Bonta and other advocates are requesting \$3 million in one-time Proposition 98 funding (to be used over three years) for grants for school food authorities to start or expand Breakfast After the Bell programs in schools.
- Assemblymember Adrian Nazarian is requesting \$4.7 million (\$2.2 million in ongoing and \$2.5 million in one-time) Proposition 98 funding for the Department of Education to provide additional reimbursement to schools for offering additional plant based or non-dairy milk options and for professional development and training around plant-based meals.
- Assemblymember Lorena Gonzalez, Senator Mike McGuire and the Food Policy Advocates are requesting \$15.3 million in Proposition 98 funding for the California Grown for Healthy Kids Program to incentivize healthy, free school meals made with fresh, California-grown fruits and vegetables in high-need school districts that are providing students universally free school meals.
- Assemblymember Cecilia Aguiar-Curry is requesting \$2 million in one-time funding to create the “California Organic-to-School Pilot program,” which would allow school districts to apply for up to fifteen cents reimbursement per meal to purchase certified organic, California-grown foods. This funding would be allocated by the Department of Food and Agriculture (which would be within Subcommittee #3).

STAFF COMMENTS

Staff recommends holding this issue open pending available resources after the May Revision.

Staff Recommendation: Hold Open.

ISSUE 6: EDUCATION BUDGET PROPOSALS

The Subcommittee will hear from stakeholders and the public on other education budget proposals not included in the Governor's budget.

PANEL

- Public Comment

BACKGROUND

The Subcommittee has received the following Member budget requests related to K-12 education (not already discussed in this Subcommittee):

- 1) Assemblymember Medina: \$400 million to require ethnic studies as a graduation requirement
- 2) Assemblymember O'Donnell (and other Members): \$150,000 for the California Association of Student Councils
- 3) Assemblymember Gonzalez: \$300 million for Proposition 39 energy efficiency projects
- 4) Assemblymember Weber: \$300 million for the Low Performing Student Block Grant (discussed in our Subcommittee hearing on March 12)
- 5) Assemblymember Gomez Reyes: \$114 million for bilingual and bi-literacy education programs
- 6) Assemblymember Aguiar-Curry: \$1.5 million (one-time) for the California Community College Teacher Credentialing Partnership Pilot Program
- 7) Legislative LGBTQ Caucus: \$6.5 million (ongoing) for supports for LGBTQ students
- 8) Assemblymember Low: \$3.4 million to expand City Year programs
- 9) Assemblymember Grayson (and many other Members): \$3 million for the Special Olympics Norther California and Southern California
- 10) Assemblymember Chu and Eduardo Garcia: \$100 million to require one mental health professional for every 600 students in every K-12 school
- 11) Assemblymember Berman (and many other Members): \$70 million to shift county property taxes going to county courts in ten counties back to county offices of education
- 12) Assemblymember Rivas: \$100 million for the Golden State Teacher Grant Program
- 13) Assemblymember Gallagher and Dahle: Provide a 3 year ADA hold harmless and additional 3 year ADA ramp-down for districts impacted by the Camp Fire
- 14) Assemblymember Friedman: \$1.8 billion (one-time General Fund) for additional CalSTRS payments for school districts
- 15) Assemblymember Mayes: \$1 million for Save the Children education programs in rural communities

- 16) Assemblymember Smith: \$15 million to offset AP exam fees for low-income students
- 17) Assemblymember Eduardo Garcia and Quirk: \$7 million to support Family Empowerment Centers
- 18) Assemblymember Jones-Sawyer: Provide Youth Education, Prevention, Early Intervention and Treatment Account funding for health, mental health and other student support services
- 19) Assemblymember Gipson: \$1.5 million to fund the California Bonus Tracks Opportunity Grant afterschool program
- 20) API Legislative Caucus: \$200 million (ongoing) for the College Readiness Block Grant
- 21) Assemblymember Rivas: \$1.5 million to establish Technical Assistance Centers to support homeless students and provide \$480,000 for three additional homeless coordinator positions within CDE
- 22) Assemblymember Irwin: \$5 million (one-time) to develop a child care center at CSU Channel Islands

In addition to these requests, the Subcommittee has received many more education related budget requests from advocates.

STAFF COMMENTS

The Subcommittee has received many budget requests from Members and advocates related to education. With modest Proposition 98 growth, the Subcommittee will have to prioritize the many requests for funding.

Staff Recommendation: Hold Open.

<p>This agenda and other publications are available on the Assembly Budget Committee's website at: https://abgt.assembly.ca.gov/sub2hearingagendas. You may contact the Committee at (916) 319-2099. This agenda was prepared by Katie Hardeman.</p>
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