

AGENDA

ASSEMBLY BUDGET SUBCOMMITTEE NO. 2 ON EDUCATION FINANCE Assembly Member Mervyn Dymally, Chair

TUESDAY, APRIL 18, 2006
STATE CAPITOL, ROOM 444
10:00 AM

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ITEMS TO BE HEARD

6110 DEPARTMENT OF EDUCATION

ISSUE 1: NO CHILD LEFT BEHIND ACT IMPLEMENTATION

The issue for the subcommittee to consider is an informational update by CDE on the implementation of the federal No Child Left Behind Act (NCLB), specifically:

- An update on California's compliance with the NCLB requirement that all teachers be "highly qualified" by this summer.
- An update on the growing number of program improvement schools and districts in California, which could all eventually be subject to state sanctions in several years.
- An update on efforts to obtain some flexibility in the way California implements the accountability provisions of the law.

BACKGROUND:

No Child Left Behind Act – highly qualified teacher provisions. The federal No Child Left Behind Act (NCLB) was approved in 2001 by Congress and signed by the President. Among its provisions is a requirement that all students be taught by "highly qualified" teachers by the end of the 2005-06 school year (June 30 of this year). Each school district is required to develop a plan to meet this goal. In order to meet the "highly qualified" definition, teachers must:

- Possess a bachelor's degree,
- Possess a state credential or intern certificate or be enrolled in a CTC-approved intern program, and
- Demonstrate subject matter competence.

All teachers hired in Title I schools after the first day of the 2002-03 school year must meet the "highly qualified" definition. Others have until the end of the 2005-06 school year to comply. (Some teachers in rural areas and in special education have extended deadlines.) CDE has identified several areas that pose specific challenges for California's compliance with the requirement by this summer, in particular: middle school, secondary independent study, rural small schools, special education, alternative programs and certain career/technical education programs. CDE indicates that it intends to apply for a one-year extension of the deadline.

No Child Left Behind Act – accountability provisions. NCLB created new requirements that states had to meet in order to continue receiving funds from a number

of long-standing education programs. In particular, in order for states to accept Title I funding, they must implement the accountability provisions of the act, which require that all states

- (1) Establish state standards,
- (2) Test their students' progress toward those standards,
- (3) Establish a static performance goal according to those standards,
- (4) Ensure that **all** students meet that goal in twelve years (all students must be proficient in English language arts and mathematics by school year 2013-14.),
- (5) Establish a timeline that specifies the adequate yearly progress (AYP) that schools and school districts must make in order to meet that ten-year goal and
- (6) Identify schools and districts that are not making adequate yearly progress toward that ten-year goal.

(Only schools and school districts accepting Title I funding are subject to requirements and sanctions of program improvement if they fail to make adequate yearly progress.) The passage of the No Child Left Behind Act was accompanied by a restructuring of a number of federal funding programs, as well as a substantial increase in federal Title I funds and other federal education funding.

Background: What does "program improvement" status trigger for schools?

Under NCLB, schools and school districts receiving federal Title I funds must ensure that a greater percentage of their students meet the performance target each year – this is adequate yearly progress toward the state's goal. Schools that do not meet adequate yearly progress toward the state's goal for two years in a row in the same subject area are labeled as "program improvement." In addition, if a school or district does not test at least 95% of its total student population (including special education students), it can be identified as program improvement. The "program improvement" status triggers a number of requirements and sanctions on the school, which are detailed in the table below.

To exit program improvement status, program improvement schools must make annual yearly progress two years in a row. For schools already identified as "program improvement," each year of failure to meet adequate yearly progress results in more sanctions. After four years of failure, a program improvement school enters into local corrective action by the district. After another year of failing AYP, it must plan and subsequently implement some form of alternative governance.

Program improvement schools and districts receive assistance from Title I "set-aside funds, pursuant to a provision in NCLB that allows states to set aside 4% of their total Title I allocation to help program improvement schools and districts improve their performance. See Issue #2 below.

Sanctions related to years a school is in Program Improvement

(Year 1 of program improvement is after a school has failed to meet adequate yearly progress two years in a row. In order to exit program improvement status, a school must meet adequate yearly progress two years in a row.)

Sanction	Year 1	Year 2	Year 3	Year 4	Year 5
District must notify school's parents of program improvement status	√	√	√	√	√
District must offer parents option to transfer children to another school and pay for transportation costs.	√	√	√	√	√
School must revise its school improvement plan.	√	√	√	√	√
School must set aside 10% of its Title I grant for professional development.	√	√	√	√	√
District must offer supplemental services (tutoring) to school's children and pay for it with Title I funds. District must use state-approved vendor for the tutoring.		√	√	√	√
District must do at least one of the following corrective actions : <ul style="list-style-type: none"> ▪ Replace school staff ▪ Impose new curriculum ▪ Decrease school's management authority. ▪ Appoint outside expert to advise the school. ▪ Increase amount of instructional time. 			√	√	√
District must do one of the following things to restructure the school : Yr 4 is planning <ul style="list-style-type: none"> ▪ Replace staff. ▪ Reopen school as charter. ▪ Hire outside agency to operate school. ▪ Have the state manage the school. 				√	√

According to CDE, more than 1700 schools are in program improvement. The LAO estimates that this is equal to 30% of all Title I schools in California. The following chart summarizes the number of program improvement schools statewide, and their status. It was compiled and provided by CDE.

**2005-06 PROGRAM IMPROVEMENT SCHOOLS
STATEWIDE SUMMARY**

Year	Advance	Remain	Total
Year 1	303	97	400
Year 2	473	65	538
Year 3	388	19	407
Year 4	133	20	153
Year 5	238	10	248
Total	1535	211	1746

Definitions:

Year: Represents the level of [Program Improvement](#) (PI) implementation.

Advance: Represents the number of schools that moved into PI or the number that moved from the prior year of PI implementation

Remain: Represents the number of schools that did not change the year of PI implementation from 2004-05 to 2005-06.

Total: Represents the number of schools PI and each year of implementation, as well as, the number of schools advanced and remained the same.

Source: CDE

Background: What does program improvement status trigger for school districts?

School districts that are identified as program improvement face sanctions much sooner than program improvement schools. Districts are labeled as program improvement based on meeting two tests: a) the district failed to meet annual yearly progress toward the state goal and b) all grade spans failed to meet annual yearly progress. The year-one requirements for program improvement districts are similar to those for program improvement schools: notify parents of its status, reserve 10% of its funds for professional development, and revise its district improvement plan with assistance from an external entity. Program improvement districts that don't meet adequate yearly progress for two years in a row, are subject to one or more of any of the following corrective actions as recommended by the SPI and approved by the SBE:

- Replacing any staff who are relevant to the failure to make adequate yearly progress,
- Removing schools from the jurisdiction of the district and establishing alternative governance arrangements for the governance and supervision of those schools.
- Appointing a receiver or trustee to administer the district.
- Abolishing or restructuring the district.
- Authorizing pupils to transfer to schools operated by other districts, and providing those students with transportation. (This has to be accompanied by another sanction.)
- Instituting a new curriculum based on state academic content and achievement standards, including professional development.
- Deferring programmatic funds or reducing administrative funds.

In addition to the above sanctions, the SPI and SBE may require that the district contract with a district assistance and intervention team (DAIT), in which case the district may annually receive \$50,000 plus \$10,000 for each school supported by Title I, to contract with the DAIT and implement its recommendations.

The soonest that program improvement districts could first face state sanctions is the fall of 2007.

The following chart summarizes the number of program improvement districts and county offices of education statewide, and their status. It was compiled and provided by CDE.

2005-06 PROGRAM IMPROVEMENT LEA'S STATEWIDE SUMMARY

Year	Advance	Remain	Total
Year 1	13	142	155
Year 2	0	0	0
Year 3	0	0	0
Total	13	142	155

Definitions:

Year: Represents the level of [Program Improvement](#) (PI) implementation.

Advance: Represents the number of Local Educational Agencies (LEAs) that moved into PI or the number that moved from the prior year of PI implementation

Remain: Represents the number of LEAs that did not change the year of PI implementation from 2004-05 to 2005-06.

Total: Represents the number of LEAs in PI and each year of implementation, as well as, the number of LEAs that advanced and remained the same.

Source: CDE

COMMENTS:

CDE's attempts to gain more flexibility from fed's in NCLB implementation. For the past two years, the SPI has worked with the federal Department of Education to get them to accept states' growth-based accountability systems, such as California's API system that pre-dates the federal NCLB. Last November, U.S. Secretary of Education Margaret Spellings announced a pilot project that would allow up to 10 states to use growth-based models. Unfortunately, California was not eligible to apply to participate in the pilot project because it did not have a data system in place that would allow measurement of *individual* student progress (CALPADS). California's API measures a school's aggregate growth over time; the federal Department of Education did not consider this system within its definition of a "growth model" because it allows one student's progress to compensate for another student's lack of progress. However, the Secretary has granted flexibility for certain states (Massachusetts and New York) to use index systems that they don't technically consider "growth models." In a February letter to districts and charter schools, the SPI indicated its intent to submit a proposal to the federal government to try to federal approval to use the API as part of NCLB implementation. CDE will present more details on its proposal at today's hearing.

ISSUE 2: PROGRAM IMPROVEMENT SET-ASIDE

The issues for the subcommittee to consider are:

- The amount that will be available in federal Title I “set-aside” funds to help low-performing schools and districts.
- The need to evaluate the SAIT approach that is an important part of the state and federal accountability programs.

BACKGROUND:

Governor’s budget. The federal No Child Left Behind Act allows states to set aside four percent of their total Title I grant to help schools improve their performance. For California, this set-aside amounts to \$69.2 million in ongoing funds for 2006-07, as reflected in the Governor’s budget. In addition, there is approximately \$22.3 million in unused funds from prior years (carryover) available. However, the Governor’s budget redirects this carryover, along with carryover funds from other federal programs, to a new program that targets program improvement schools (see issue 3 below).

Background on program. Last year, the Legislature approved AB 953 (Coto) to specify how these Title “set-aside” funds are to be distributed. That bill built on previous legislation that had been approved to specify how Title I “set-aside” funds were to be distributed. The funding supports program improvement schools and program improvement districts, as well as districts that have large numbers of PI schools.

Under the current law, districts that are identified as program improvement are required to a) conduct a self-assessment, b) contract with a county office of education or another external entity to verify the needs and problems of low-achieving pupils, c) revise the district improvement plan to reflect the findings of the self-assessment, and d) contract with an external provider to provide support and implement recommendations. PI districts are eligible to receive \$50,000 plus \$10,000 for each Title I-supported school, for two years, to support the above activities (subject to the availability of funds from the Title I “set-aside.”) AB 953 also established that the lowest-performing PI districts should receive priority in receiving funds from this set-aside. Districts that are not PI districts but have lots of PI schools may also receive up to \$15,000 per PI school identified within its borders, per year, for up to three years, to support them in their attempts to improve student achievement. (Districts may receive no less than \$40,000 and no more than \$1.5 million total for this purpose.) In addition, the state uses some of the set-aside funds to support a Statewide System of School Support to provide technical assistance to low-performing schools and districts. This system must give highest priority to serving districts and county offices with schools that are subject to corrective action under the terms of NCLB.

Last year, from these Title I set-aside amounts, the budget provided:

- \$10 million for the Statewide System of School System (regional consortia providing technical assistance to schools and districts in need of improvement.)
- \$10 million to support State Intervention and Assistance Teams (SAIT) that enter into contracts with Title I PI schools, HP or II/USP schools that have failed to meet growth targets (\$75,000 for each SAIT team assigned to an elementary or middle schools, and \$100,000 per team assigned to a high school)
- \$20 million to provide \$150 per pupil for schools to implement corrective actions resulting from their work with SAIT teams
- \$29.2 million for school districts identified as program improvement, to help these districts work with external providers to perform assessments related to developing and implementing improvement plans. Districts receive \$50,000 plus \$10,000 per schools that is Title I supported from this set-aside. (A later mid-year budget amendment added \$1.97 million to this amount, for a total of \$31.2 million.)

COMMENTS:

Total amount available? CDE notes that the federal budget reduced Title I funding by 1% nationwide. This may affect the total amount California receives in Title I funding, and the total amount that it can set aside for the set-aside program to support PI schools and districts. In short, as the number of PI schools and districts increases, the total amount of federal funding available to support their improvements is diminishing.

In addition, CDE notes that it is difficult to predict how many schools and districts will be identified as program improvement each year, making it difficult to estimate how much of the set-aside should be allocated to each purpose (see bullets above). CDE indicates that it is pursuing some language that will provide it with flexibility in adjusting the amounts in the set-aside to reflect the final numbers of program improvement districts.

Evaluate school assistance and intervention teams? Both the federal and state accountability programs utilize school assistance and intervention teams (SAIT's) as an important part of their strategy to improve performance. They are also an important part of the state sanctions process for schools and districts that do not make significant progress toward state goals. More than 200 II/USP grantees and 22 High Priority grantees have been assigned SAIT teams as part of the state-monitoring process. In addition, the state will create DAIT teams (district assistance and intervention teams) modeled after the SAIT teams, for PI districts that fail to make progress. Current law requires CDE and SBE to establish criteria for SAIT teams and approve a list of providers that meet the criteria every two years. The effectiveness of the SAIT teams and of the overall approach has not been evaluated to date. Does the subcommittee wish to set-aside some funding to evaluate the effectiveness of the SAIT teams and the effectiveness of this overall approach?

ISSUE 3: GOVERNOR'S PROPOSAL TO USE FEDERAL CARRYOVER FOR PROGRAM IMPROVEMENT SCHOOLS
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The issue for the subcommittee to consider is an administration proposal to use federal carryover from several federal programs and redirect it for a one-time program for program improvement schools.

BACKGROUND:

Governor's proposal. The Governor proposes to use \$82 million in federal one-time carryover funds from four different programs for a proposal to improve low-performing schools. The table below details the different programs and amounts. The proposed budget bill proposes that the funds be available on a one-time basis to "increase the capacity of schools and districts identified as program improvement under the federal *No Child Left Behind Act* to assist their students in attaining academic proficiency." CDE would have to submit an expenditure plan and have it approved by the Department of Finance, before the funds could be expended. Also, the proposed budget contains language specifying that migrant education funds would have to be expended by locals in a manner consistent with federal requirements and existing plans for migrant education funds, which are agreed to by districts and regional migrant education centers.

Federal carryover funds contained in Governor's Program Improvement Proposal

Federal Program	Amount of carryover
Title I basic program	\$24.3 million
Title I set-aside for school improvement	\$22.3 million
Comprehensive School Reform Demonstration Grants	\$16.2 million
Migrant Education	\$19.2 million
Total	\$82 million

Legislature's action on this last year. This proposal is similar to a proposal that was introduced by the Governor in last year's May Revise but was rejected by the Legislature. In rejecting the Governor's proposal, the Legislature appropriated all of the carryover funds for their existing purposes. The Governor vetoed this carryover funding, leaving this funding unspent for a year.

COMMENTS:

LAO recommendation. The LAO recommends that the Legislature reject all funding components of the Governor's proposal except for the carryover from the Title I basic program. It recommends against redirecting the carryover from the Title I program improvement set-aside because there is already an existing program, and redirection would require federal approval. It recommends against redirecting the carryover from the Comprehensive School Reform Demonstration Grants program because there is a greater need to use the carryover to address cuts in ongoing funding for the program (see issue 5 below.) Finally, it recommends against redirecting the carryover from the federal migrant education program because program improvement schools serve only about 30% of the state's migrant students. Redirecting the federal migrant education carryover to the Governor's new program improvement program would mean that the majority of migrant education students would not benefit from the Governor's proposal (see issue 4 below.)

The LAO recommends redirecting the carryover from the Title I basic program to the Title I set-aside program for program improvement schools and districts, and not to the Governor's one-time proposal that would require an expenditure plan by CDE. The LAO notes that the administration has yet to provide any details on its proposal. Redirecting the funds to the existing Title I program improvement set-aside program would allow the funds to be spent consistent with an existing program, and would allow the Legislature to have more control over the funds – instead of deferring to a CDE plan approved by DOF under which the legislature would not have a role. In addition, the LAO recommends asking CDE to seek approval from the federal government to redirect the Title I basic program carryover to the Title I program improvement set-aside program, because it would require a distribution that is different than the existing formula for distributing Title I funds.

Concerns from last year. The Legislature rejected last year's proposal due to concerns about the fact that the funding would be re-directed away from existing federal programs, such as migrant education, and the possible impact that could have on programs. Also, there were sufficient questions about:

- how the proposal would work,
- how the funding could be spent,
- whether an infusion of one-time funds would really help program improvement schools with their ongoing strategies to improve student performance, and
- whether the federal government would permit the redirection of funds away from long-standing federal programs.

ISSUE 4: FEDERAL MIGRANT EDUCATION FUNDS

The issues for the subcommittee to consider are:

- The effect of the Governor's program improvement carryover proposal on the amount of funding available for migrant education programs.
- Findings and recommendations from an LAO report on the existing migrant education program.
- A CDE proposal for the use of federal migrant education carryover funding.

BACKGROUND:

Governor's budget. The Governor proposes a total funding level of \$125.3 million in federal migrant education funds. This reflects the Governor's proposed redirection of \$19.2 million in one-time migrant education funds that are unused from prior years (carryover) to a new program to support program improvement schools (see issue 3 above). In the past, the Legislature has re-appropriated carryover amounts for the existing program. The Governor's proposed redirection of the carryover means that this funding will not be available for the budget year for the existing program.

Background on program. The migrant education program is supported entirely with federal funds, and is based on a regional system in which funding goes to 23 migrant education centers located across California. Fourteen of these centers are located in county offices of education and provide regional services to multiple school districts. These county office centers distribute some funding directly to districts to serve their migrant education student and also maintain some funding at the county office level to run programs for these same students. In addition, CDE maintains some funding at the state level to run some statewide programs (such as Minicorps). The following services are provided by the program: instructional services to migrant education students during the school year and during the summer session (71% of funding), student identification and data collection, health services, parent participation and staff development.

LAO findings and recommendations. The LAO visited a number of migrant education programs last fall and produced a report in February with significant findings and recommendations to change the program. In general, the LAO had a number of concerns with the current funding model, and recommends changing to a direct-funding model in which districts would receive most funding directly from the state to run their own programs. It also found problems with the migrant education data system, citing its lack of usefulness to regional centers and districts. It accordingly recommends setting aside \$4 million of the migrant education carryover to address problems with the system. The LAO recommends using the remainder of the carryover to transition to a district-based funding system.

COMMENTS:

CDE proposal for carryover. The CDE has identified additional carryover, and proposes that this new carryover and the \$19.2 million in existing carryover be available for a number of one-time uses targeted at migrant students in program improvement schools and "priority for service" migrant students in non-PI schools ("priority for service" are students whose education has been disrupted during the school year and who are most at risk of not meeting state standards). These one-time purposes include:

- Extended-day and –week programs that focus on English language arts, math and passage of the CAHSEE
- Mentoring and other support services
- Parental involvement and education
- Professional development
- Instructional technology
- Preschool and out-of-school youth services
- Summer and intersession academic enrichment programs.

ISSUE 5: FEDERAL COMPREHENSIVE SCHOOL REFORM DEMONSTRATION FUNDS

The issues for the subcommittee to consider are:

- The elimination of federal funding for this program, and the consequent lack of funding for participating schools to receive a third year of funding in 2006-07.
- Options that the subcommittee may wish to consider to provide a third year of funding to compensate for the cut in federal funding.

BACKGROUND:

Governor's budget. The Governor's budget reflects no federal funds for this program, as a consequence of the federal government's decision to completely eliminate funding for the program in the FY 2007 budget it recently approved. Last year's budget provided \$30 million in federal funds for this program. While there is \$16.2 million in federal carryover available, the Governor redirects this funding (as well as carryover from three other federal sources) to a new program to support program improvement schools (see issue 3 above). In the past, this federal funding has supported a program in which low-performing schools receive funding for three years to improve their performance (similar to the High Priority Schools program.)

Federal cut affects existing programs. As noted above, the federal funding supports three-year intervention programs in low-performing schools. Three cohorts of schools have already received three years of funding. A fourth and fifth cohort, which had their three-year applications approved two years ago, are expecting a third year of funding in 2006-07. However, due to the federal cut, there is no funding to provide them a third year of funding. The 142 schools in these two cohorts will therefore be shortchanged significantly unless the budget re-directs the federal carryover back to the program and supplements it with additional state funds. The LAO estimates that it would cost \$30 million to provide a full third year of funding for these 142 schools. Re-directing the \$16 million in carryover toward this purpose would only partially fund the full cost.

COMMENTS:

Options for filling the remaining shortfall. If the Legislature chooses to re-direct the \$16 million in carryover to the existing program to address the cut in federal funding, this would still leave approximately \$14 million of the cost of fully funding cohorts 4 and 5 still uncovered. One option to covering this remaining shortfall is using some unused funding from the \$60 million Prop. 98 funding that was provided in last year's budget for a new cohort of High Priority schools, but has not been distributed this year because of a lack of authorizing legislation (see issue 6 below). Another option is using Proposition 98 reversion account funds, which are also one-time. If the subcommittee chooses to pursue using federal funds for this purpose, it might ask the LAO or CDE if it could use Title I carryover or carryover from another federal program. Yet another option is to allow these programs to "convert" to grantees under the High Priority grant program, and receive \$400 per student in 2006-07. CDE is sponsoring AB 2254 (Umberg) to create this option. Under this option, the HP funding would be considered their third year of funding for purposes of the accountability timeline under the HP program.

ISSUE 6: HIGH PRIORITY SCHOOLS PROGRAM

The issues for the subcommittee to address are:

- The Governor's proposal to provide \$200 million for new schools to participate in the program.
- The availability of \$60 million provided last year for the program.
- A proposal by CDE to create a pilot for alternative schools to participate in the program.

BACKGROUND:

State-funded programs: funding for HP program. The Governor proposes a total funding level of \$243 million for the High Priority Schools Grant Program, which provides grants of \$400 per pupil to the lowest-performing 20 percent of districts. This total includes \$201 million for a new cohort of schools to apply and begin the program. Last year's budget included \$60 million for new schools to enter the program. However, the expenditure of the \$60 million was contingent upon legislation, which was not enacted at the end of last year's session. The Legislature approved AB 1758 (Umberg) at the beginning of this year to authorize a new cohort, but it is unclear whether the \$60 million can or should be expended for new grants in the two months that remain in the fiscal year. The administration proposes to scoop up this \$60 million in one-time unused funding, and spend it through the Proposition 98 Reversion Account (See Proposition 98 funding, above). The Governor also proposes \$6 million for corrective action for non-Title I schools working with School Assistance and Intervention Teams or non-Title I schools subject to state and federal sanctions after participating in the Immediate Intervention/ Underperforming Schools Program (II/USP).

Background on HP program. The High Priority Schools Grant program was created in 2001 to address the special challenges of turning around the lowest-performing schools. Eligible schools may apply for grant funding of \$400 per pupil. In exchange, participants may be subject to state interventions if they do not make significant progress toward state goals in three years. The program establishes highest priority for schools in decile 1, second priority for schools in decile 2, third priority for schools in decile 3, etc.

Most participating schools having success. To date, the program has provided grants to 367 schools. The following table summarizes the number of schools that have participated to date in the HP program, as of March of this year. More than half of participating schools have had enough success to exit the program. Another 144 have shown enough improvement to receive a 4th year of funding, but not enough to exit the program. The remaining 22 have not shown sufficient progress and are state-monitored.

Participants in the High Priority Schools Grant Program, as of March, 2006

			Exited	Indeterminate but Getting 4 th Year Funding	State Monitored
04 Decile Rank	Number of Schools*	Total Implementation Funds (in millions)	Made Growth Targets 2 of 3 Years and Positive Growth in 3 rd Year	Minimum Net Gain of 10 with Positive Growth in 2 Years	State Monitored
1	183	\$310.6	84	90	9
2	123	\$205.1	81	37	5
3	30	\$48.3	22	7	1
4	11	\$14.2	8	3	0
5	3	\$3.8	1	2	0
No Rank	13	\$12.7	3	3	7
Closed	4	\$21.9	2	2	0
Totals	367	\$616.6	201	144	22

*17 CSR schools are now classified as HP but received funds from CSR

COMMENTS:

CDE'S proposal to serve alternative schools. Staff notes that many alternative schools (such as continuation high schools) do not have API's, and are therefore not eligible to participate in the HP program. At the same time, these schools are an important option for students who are not successful in traditional programs. Because these schools serve a disproportionate number of students behind grade level, these schools may be in need of assistance to improve their instruction. CDE is sponsoring AB 2254 (Umberg), which would set aside \$10 million of the \$201 million for new HP grants for alternative schools to participate in the program. CDE notes that it would need two positions to carry out the program.

HP program part of Williams settlement. The terms of the Elizer Williams et. al. v. State of California settlement specify that that any savings from the phase-out of the Immediate Intervention in Under-performing schools program (II/USP) be used to increase participation in the HP program. The \$201 million in the Governor's budget for new HP grants and the \$60 million in last year's budget area are a result of the settlement.

ISSUE 7: PHASE-OUT OF IMMEDIATE INTERVENTION IN UNDER-PERFORMING SCHOOLS PROGRAM (II/USP)

The issues for the subcommittee to consider are

- The proposed phase-out of the Immediate Intervention in Under-Performing Schools Program (II/USP) program and the resulting reduction in funding and
- An update by CDE on the II/USP schools that are facing state sanctions.

BACKGROUND:

Governor's budget. The Governor proposed budget reflects the phase out of the II/USP program, with funding only for those schools that are under sanctions after completing the II/USP program. As noted above, the terms of the Williams settlement dictate that any savings from the phase-out of II/USP be used to increase participation in the HP program.

Background on II/USP program. The II/USP program was created as part of the state's 1999 landmark accountability legislation, which also created the Academic Performance Index (API). The II/USP allowed schools in the lowest five deciles to apply for grant funding to improve their performance. The program provided \$200 per pupil for at least two years. In exchange for the funding, grant recipients could be subject to state interventions if they did not make significant progress toward their goals in two years. (If participating schools made significant progress after two years they could receive an additional year of funding.) Several years ago, the Legislature ceased to fund new schools in the II/USP program, in part because it was funding the High Priority Grant program and in part because of the need to focus on district improvement and not just school improvement.

State sanctions. Out of the hundreds of schools that have participated in II/USP to date, six have been identified for state sanctions. According to CDE, these six schools receiving assistance from School Assistance and Intervention Teams (SAIT teams) for three years, and did not make progress. Three of the six schools will receive a state trustee, and three will receive new SAIT teams to continue their improvement. In addition, a number of II/USP grantees are state-monitored. CDE can provide an update at today's hearing on these schools. The following table summarizes the number of schools that have participated to date in II/USP and their status as of March of this year. To summarize the data in the table, 990 schools have successfully met the accountability requirements and exited the II/USP program, 78 schools remain under watch, and 222 schools have been state monitored. Of these state monitored schools, 42 have made consistent academic growth and are no longer being monitored.

Schools that have participated in II/USP program

Base 2004 Rank	Number of Schools	Total Implementation Funds* (in millions)	Number Exited	Number Under Watch	Number State Monitored**	Total State Monitoring Funds (in millions)
1	295	\$232.2	229	21	41	\$6.4
2	256	\$150.1	205	15	36	\$4.6
3	248	\$94.7	195	17	36	\$5.2
4	194	\$78.5	152	10	32	\$6.4
5	133	\$40.1	109	8	16	\$2.5
6	68	\$25.0	58	5	5	\$1.2
7	20	\$9.3	20	0	0	\$0.0
8	8	\$1.3	8	0	0	\$0.0
9	2	\$0.3	2	0	0	\$0.0
No Rank	19	\$15.3	11	2	5	\$1.2
Closed	48	\$12.3	1	0	0	\$0.0
Totals	1291	\$658.9	990	78	171	\$27.5

*Total Implementation Funds includes II/USP, High Priority Schools Grant funds and federal CSRD funds.

** Current number of state-monitored schools is 171 due to approved waivers, closures or mergers.

COMMENTS:

Staff notes that the Governor also includes a substantial reduction in CDE's state operations as a result of the phase-out of II/USP. There are questions about whether the proposed reduction is appropriate. Next week the subcommittee will consider CDE's state operations issues.

ISSUE 8: ENGLISH LEARNERS

The issues for the subcommittee to consider are:

- The size of the English learner population in California's K-12 population, and the capacity of the current K-12 system to address the particular challenges these students face, and
- The work of the Assembly Education Committee Working Group on English Learners, and its recommendations.

BACKGROUND:

English learner population in California's K-12 public school system. Of the approximate 6 million students in the state's public school system, 1.6 million (or about one-fourth) are English learners, using the most recent data available from CDE (2004-05). Among elementary school students, English learners make up one-third of the population. Demographic projections indicate that we will have more English learners in the years to come, and more will be in the secondary grades in the near future.

Although English learners come from more than 50 language backgrounds, 85% of all English learners are Spanish-speaking. Nevertheless, most schools in California serve more than one language group, and 44% of schools in California have English learners from at least six language backgrounds, according to information from the UC Linguistic Minority Research Report.

English learners attend school in a variety of instructional settings. Districts report that the vast majority (85%) of all English learners are placed in a) either mainstream English classrooms with some sort of additional support, or b) enrolled in structured English immersion settings in which they receive instruction in English that is supposed to be designed to meet their linguistic needs. Less than 10% of English learners are enrolled in bilingual instruction classes.

According to a five-year study commissioned by CDE, Effects of the Implementation of Proposition 227 on the Education of English learners, K-12 by the American Institutes for Research, the achievement gap between English learners and their monolingual English-speaking peers has changed little since the passage of Proposition 227 over seven years ago. English learners still lag behind their monolingual English-speaking peers in mastering state standards.

Capacity of the system to address English learners' needs. The AIR study on Proposition 227 examined schools and districts that had proven success in teaching English learners, and interviewed administrators regarding what they believed to be the predominant features of successful schools. Of the four features identified by administrators, the first was "staff capacity to address English learner needs," yet California's teachers appear to be *unequipped to address these needs*. According to information from the Center for the Future of Teaching and Learning, 80% of teachers

are responsible for instructing English learners, yet half of California's teachers lack specialized training to teach these students. In addition, a 2005 survey of teachers of English learners by the same center found a severe lack of professional development that addresses the specific instructional needs of English learners. Teachers with more than 26% English learners in their classes reported that in the past five years they had very little or no professional development focused on how to teach English learners. What little professional development they had during that time was often of poor quality, and led by presenters with very limited knowledge of the subject. To quote the study, "they described attending professional development in which attention to how they could adapt the curriculum to English learner students was an afterthought on the part of in-service developers and clearly not the area of the presenters' expertise."

Recommendations from the Assembly Education Committee Working Group on English Learners. The Assembly Education Committee Working Group on English Learners met several times over the past month and developed a list of recommendations to address the chronic achievement gap between them and their monolingual English-speaking peers. The complete list of the recommendations is in Appendix A. They are contained in AB 2117 (Goldberg, Coto) and AB 1988 (Coto), as proposed to be amended. The major recommendations do the following:

- 1) Identify successful English learner programs statewide and study them to identify best practices, with the ultimate goal of disseminating this information to school districts to help them address the achievement gap among English learners.
- 2) Create professional development programs and technical assistance for teachers of English learners to address the apparent lack of professional development and training specific to the particular learning needs of English learners.
- 3) Provide testing accommodations for English learners to address the current shortcomings with the state's testing system as it is applied to English learners.
- 4) Develop a curriculum (instructional materials) that integrates both the Reading/Language Arts academic standards and the English Language Development standards, to address the concerns from some administrators that the current materials a) don't adequately address the instructional needs of English learners b) require them to be inefficient with their instructional minutes.

COMMENTS:

Potential cost of training teachers of English learners. Staff notes that if the state were to provide English learner-specific professional development to all teachers that serve currently English learners (80% of all teachers), at the rate (\$2,500 per teacher) that it funds professional development through the Reading/Language Arts and Math instructional materials (AB 466 training), it would need to spend more than half a billion dollars.

Achievement and funding gap also exists between well-off children and economically-disadvantaged children. A recent study by the Public Policy Institute of California examined the achievement gap between low-income children and moderate-to-high-income children. The same study highlighted the challenges that schools with high numbers of poor children have in meeting the state's standards, and suggests the need for more resources for these schools. To quote the report, School Resources and Academic Standards in California: Lessons from the Schoolhouse,

The strong link between student poverty and low academic achievement suggests that schools with many low-income students may need more resources to reach the state's academic performance goals.

In its examination of the budgets of the 49 schools, it found that while high-poverty schools received more state and federal categorical funds to address the achievement gap, those additional funds were more than offset at the high-poverty schools by lower expenditure rates of general purpose funds that go to all schools, and that the lower expenditures were the result of a) lower experience levels among teachers at the high-poverty schools, and b) larger class sizes at the high-poverty schools. This suggests that while high-poverty schools receive additional funds in some areas to help them address the achievement gap, they also receive fewer resources in other areas. This evidence, as well as the increased pressure under the federal *No Child Left Behind Act* for the state to improve performance at all schools, suggests the need for additional resources to be targeted to these high-poverty schools.

ISSUE 9: IMPLEMENTATION OF THE CALIFORNIA HIGH SCHOOL EXIT EXAM (CAHSEE)

The issues for the subcommittee to consider are:

- The Governor's proposal to double funding for a program created last year to help high school students pass the California High School Exit Exam (CAHSEE) and to set aside funding for alternative schools.
- Whether the Legislature should build on last year's program and provide funding to cover all eligible students, or whether it would like to provide funding for a different approach.
- The difference between the program and funding sources to help special education students pass the CAHSEE and the program and funding sources to help non-special education students pass the CAHSEE, and whether the Legislature wants to continue with these differences or provide parity between special education students and non-special education students.
- Updates by CDE on 1) the number and types of students from the class of 2006 that are not expected to pass the CAHSEE, and 2) the latest lawsuit settlement regarding special education students.

BACKGROUND:

Class of 2006 first to have to pass CAHSEE. The requirement that high school students pass the CAHSEE in order to receive a diploma will take effect for the first time for the class of 2006. There are two parts of the exam: a math portion and a reading/language arts portion. Students must pass both. Students begin taking the exam in 10th grade. The math portion of the exam is designed to measure proficiency on the state's 6th and 7th grade math standards plus Algebra I. The Reading/ Language arts portion of the exam is designed to measure proficiency on the state's 9th and 10th grade English/ Language Arts standards. The requirement was created by Chapter 1, First Extraordinary Session of 1999 (SB 2x1 (O'Connell)). While the original legislation called for the class of 2004 to be subject to the requirement, the State Board of Education later postponed the requirement until the class of 2006.

Governor's budget. The Governor proposes an augmentation of \$20 million for a program that was created last year to help students pass the CAHSEE. Last year's budget funded this program at \$20 million, so the proposed augmentation would mean a total of \$40 million for the program. The Governor also proposes that \$5 million of the proposed \$40 million be set aside for alternative schools such as continuation, juvenile court, community day and adult education schools. The Governor proposes to continue a \$52.6 million set-aside within the special education item for districts to help special education students pass the CAHSEE, if the district chooses to use the funds for this purpose. The chart below contains a comparison of last year's and this year's proposal.

In addition to the above funding, the budget contains \$177 million for a long-standing supplemental instruction program for students in grades 7-12 who "do not demonstrate sufficient progress toward passing the CAHSEE." Under this program, districts receive reimbursements of \$3.87 per hour of supplemental instruction provided for these students. The proposed funding level for this program is consistent with funding levels in previous years, and is adjusted for growth and COLA.

**CAHSEE Preparation Program:
Comparison of 2005-06 funding vs. 2006-07 proposal**

	2005-06	<i>Proposed for 2006-07</i>
Total amount provided, proposed	\$20 million	\$40 million
Amount provided per qualified pupil (non-special education students)	\$600 per non-special education pupil	\$631 per non-special education pupil ¹ (2005-06 rate adjusted for inflation)
Special set-asides	None	Sets aside \$5 million of the proposed \$40 million for small alternative schools that serve high-risk students
Estimated number of students served with available funding	Total = 33,333 non-special education students in all high schools	Total = 63,391 non-special education students 55,467 in comprehensive high schools 7,924 in alternative schools

¹Special education students were funded through a different funding source – see "Funding for special education students" below.

Background on last year's program. The program proposed for expansion by the Governor provides funding to schools to provide intensive instruction and supplemental services that are designed to help students who have failed one or both parts of the CAHSEE be successful in passing. Intensive instruction and services may include, but are not limited, all of the following:

- Individual or small group instruction
- The hiring of additional teachers
- Purchasing, scoring and reviewing diagnostic assessments
- Counseling
- Designing instruction to meet the specific needs of eligible students
- Appropriate teacher training to meet the needs of eligible students

Per AB 128 (Budget Committee), Chapter 234, that was approved last year to implement last year's \$20 million appropriation, the CDE is supposed to rank schools based on their percentage of eligible students that have failed both parts of the exam, and then provide funding to schools at the rate of \$600 per pupil, beginning with the highest ranked school and working down the list until the funding is exhausted.

Separate funding and voluntary program for special education students. For the 2005-06 fiscal year, special education students were not included in the definition of "eligible students" for purposes of distributing the \$20 million. The budget provided separate funding for districts to voluntarily use for special education students to receive CAHSEE support. Specifically, last year's budget provided \$52.6 million in special education funding to special education local planning areas on a one-time basis, with language specifying that the highest priority for the use of the funds is to provide intensive instruction and services to special education students who have failed one or both parts of the exam but must pass in order to receive a diploma in 2006. The language accompanying the special education funding does not contain the same program requirements as the \$40 million, and does not even require districts to spend the funding on CAHSEE services for special education students, creating a separate and different program for special education students. The administration indicates that it intends to continue this bifurcation of funding for the 2006-07 fiscal year, and it continues the \$52.6 million in special education funding, on a one-time basis, with language allowing, but not requiring the Special Education Local Planning Area's (SELPA) to use the funds for CAHSEE services for special education students.

Passage rates. According to a September 30, 2005 report commissioned by the CDE, 78 percent of students in the class of 2006 had passed the CAHSEE by the end of their junior year. However, passage rates vary by group, as summarized in the figure below. In general, passage rates are much lower for special education students, English learners and economically disadvantaged students. Students in the class of 2006 that have not passed both parts of the CAHSEE yet have five more chances to pass the exam during their senior year: a September, November, February, March and May administrations. It is unclear what the passage rate was during the September and November administrations for the estimated 98,000 students in the class of 2006 that hadn't passed the exam at the end of their junior year.

HumRRO's¹ estimated passing rates for the class of 2006 after 11th grade

	Passed both	Passed English Language Arts portion only	Passed Math portion only	Passed neither portion
All students	78%	6%	5%	10%
Economically disadvantaged	66%	8%	9%	17%
English learners	51%	8%	16%	25%
Special education	35%	13%	10%	42%

¹Human Resources Research Organization

COMMENTS:

Is \$40 million enough to cover all students with the existing program? The Governor's proposed funding is not enough to cover all eligible students under the existing program. In addition, special education students are not covered by the \$40 million. If the subcommittee chooses to support the proposed approach, it may wish to consider:

- What is the basis for the \$631 amount per student?
- How many students will be eligible for the funding in 2006-07 and should the budget provide enough funding to cover all eligible students? CDE estimates that 73,270 non-special education students were eligible for the funding in 2006-07, and 26,667 special education students were eligible. The table below summarizes the cost of funding all eligible students at the \$631/ pupil rate.
- Should special education students receive funding with the same program requirements as non-special education students?

Cost of various options to support the existing CAHSEE preparation program at existing rate of \$631 per student

Options	Number of students served	Cost
Governor's budget	63,391	\$40 million
Fund all eligible non-special education students (1)	73,270	\$46 million
Fund all eligible students (special education and non-special education students) (1)	99,937	\$63 million

(1) Note: estimates of the numbers of eligible students are based on 2005-06 figures. Actual numbers of eligible pupils for 2006-07 may be higher.

What will happen to special education students in the class of 2007? The Legislature recently approved legislation that ratifies a lawsuit settlement launched by special education advocates. That legislation exempts special education students of the class of 2006 from having to pass the CAHSEE to receive a diploma. It is unclear what will happen to special education students in the class of 2007. Will they receive an exemption or have to pass the exam? The subcommittee may wish to ask CDE this question at the hearing.

Other ideas to help students pass the CAHSEE. The following are other ideas on ways to help students pass the CAHSEE.

- **CDE recommendations.** CDE is sponsoring a package of bills to provide a number of supports and options to students to help them pass the CAHSEE. These include:

1. AB 2163 (Nava) raises the caps for funding supplemental instruction in grades two through six, and clarifies that high school students, 19 years of age or under, may enroll in a fifth year of high school and must be provided educational options for intensive instruction.
 2. AB 2040 (Chu), allows for two additional administration of the CAHSEE –one in the summer and one on Saturday.
 3. AB 2532 (Karnette) provides an option for continuously enrolled high school students to participate in adult secondary education, adult basic education, and English as a second language courses for the purposes of passing the California High School Exit Exam (CAHSEE) and earning a high school diploma.
 4. SB 1383 (Ortiz) provides that students who do not pass the CAHSEE, but meet all other state and local graduation requirements, will be deemed eligible to receive Cal Grant financial aid.
- **LAO recommendations.** The LAO recommends approving the \$40 million proposed by the Governor for the existing CAHSEE preparation program. However, it also recommends creating ways for districts to better utilize the \$177 million in supplemental instruction funds that pre-date last year's new program. Specifically it recommends creating a pilot project that would allow up to 10 districts to use these supplemental instruction funds as part of a comprehensive plan approach to help students pass the CAHSEE. The pilot would allow the pilot districts to receive funding based on their total funding level from 2005-06, and would free them from having to claim the funds based on students hours of attendance. Districts would then be allowed to provide smaller group settings and combine these funds with the \$40 million program. CDE would evaluate the different approaches with the ultimate goal of providing information on best practices back to districts.
 - **Other ideas.** Other ideas to assist students in helping students gain a diploma including: a) Providing intensive CAHSEE support before a student's year of high school -- intensive support could be provided once the student fails the CAHSEE for the first time, or even earlier when a student is entering high school. b) Helping students who are denied a diploma because of non-passage of the CAHSEE to seek alternative pathways to obtaining a diploma – this assistance could occur once a student finishes his or her senior year without passing the CAHSEE or earlier, after repeated attempts at passing.

ISSUE 10: OTHER TESTING PROGRAMS

The issues for the subcommittee to consider are:

- The total funding level proposed by the Governor for the state's testing programs.
- An update by CDE on the progress of the development of primary language exam and updates on other testing issues.
- An update by CDE on the efforts of the current testing contractor to make available testing data that allows longitudinal comparisons of individual students' progress or groups of students over time ("vertical scaling").

BACKGROUND:

Governor's budget. The Governor's budget proposes a total funding level of \$116 million for the state's testing programs (not including funding for CDE's state operations related to administering the programs). This includes \$83.8 million in Proposition 98 funds and \$32 million in federal Title VI funds. This is approximately \$2 million lower than the amount provided in last year's budget for the state's testing programs.

Update on prior year initiatives. In past years, the Legislature has provided a number of augmentations for specific testing initiatives as follows:

- Primary language test. Two years ago, the Legislature provided an increase of \$3 million in federal funds for the state to develop a standards-aligned primary language test for English learners. CDE reports that, to date, they have developed a test for grades 2-4, and will begin development of a test for grades 5-7.
- Alternative assessment for Children With Disabilities. Last year's budget contained \$650,000 in federal funds for CDE to develop a new alternative assessment for children with disabilities. This funding will allow CDE to take advantage of flexibility recently offered by the federal Department of Education to states to help them comply with the accountability and testing requirements of the federal No Child Left Behind Act. CDE indicates that the federal government is still developing the regulations related to this funding.
- Defense of the CAHSEE. Last year's budget contained \$2 million for the state's legal representation from the Attorney General's office in litigation related to defending the California High School Exit Exam. This year's budget continues this funding at a lower level of \$1 million.

COMMENTS:

"Vertical scaling." Many education experts laud the value of "vertical scaling," which allows longitudinal comparisons of individual students' progress or groups of students over time. They claim that this could provide a great tool to teachers in helping assess students' progress. In addition, if California's testing system had had some form of vertical scaling, the state would have been eligible to participate in the federal government's pilot projects for growth models to comply with NCLB. While California's current testing system provides a teacher with a student's test scores from previous years, these scores can't be compared over time to assess a student's progress, since the test is changed every year. According to CDE, true "vertical scaling" of the state's testing system would require the state to change its standards. However, there are other forms of providing individual longitudinal testing data. CDE officials note that in their recent renewal of the STAR contract, they asked the contractor to present options to the State Board of Education on options to provide individual longitudinal comparisons over time.

ISSUE 11: WILLIAMS SETTLEMENT – FACILITIES EMERGENCY REPAIR PROGRAM

The issue for the subcommittee to consider is the availability of \$206 million for emergency facilities repairs pursuant to the Williams lawsuit, and the fact that very little of this money has been applied for and distributed to districts since its availability.

BACKGROUND:

Governor's budget. The Governor's proposed budget provides an increase of \$106.6 million in one-time Proposition 98 Reversion Account funds to the School Facilities Emergency Repair Account, pursuant to the terms of the Elizer Williams v. State of California lawsuit settlement of 2004. The settlement intended to ensure that students in low-performing schools have access to adequate teachers, instructional materials and facilities. The settlement requires that the greater of \$100 million or half of all funds from the Proposition 98 Reversion Account, which contains prior-year Proposition 98 savings from education programs, must go toward the School Facilities Emergency Repair Program, until the state has appropriated a total of \$800 million for the program. The program funds emergency repairs in low-performing schools. Last year's budget contained \$200 million in Proposition 98 Reversion Account funding for this purpose. *However, less than \$1 million of this amount has been allocated to eligible school districts as of the beginning of the year.* The Governor's budget also proposes \$10 million for county offices to conduct audits of low-performing schools' compliance with the settlement.

Needs assessments required by the Williams lawsuit. In addition to setting aside funding for emergency facilities repairs, the Williams settlement required that school districts complete school facilities needs assessments on their decile 1-3 schools. Districts had to complete the needs assessments by December 31 of last year. The 2003-04 budget provided \$25 million for this purpose.

Background on program. The Facilities Emergency Repair Program is intended to fund facilities repairs that pose a threat to the health and safety of students or staff. Before receiving funding from the program, districts must undertake the emergency repairs. Funding is provided on a reimbursement basis and there is no pre-approval process.

LAO findings as to why funding is not distributed. In its Analysis of the Budget, the LAO finds the following reasons why so little funding has been distributed:

- Districts fear their projects won't be approved.
- Small districts don't have the cash flow to front the costs of the repairs while they wait for reimbursement.
- Districts can't afford the time to complete the paperwork to obtain the reimbursement.

- There is confusion among districts about which types of repairs qualify for reimbursement.

LAO recommendations to distribute the funding more expeditiously. The LAO believes that the current program rewards poor facilities management by providing funding to districts based on the number of facilities they have let deteriorate to hazardous conditions. It recommends that the state address this problem by changing the program from a reimbursement program to a program in which districts receive funding up front to address their broader facilities needs they identified in their needs assessments. It also recommends maintaining \$50 million at the state level for a revolving loan fund for districts that need additional funds to address emergency repairs.

COMMENTS:

Are districts avoiding making repairs because of uncertainty about the program, or are they making the repairs and not getting reimbursed? How serious are these facilities problems that are going unaddressed?

**ISSUE 12: GOVERNOR'S CHIEF BUSINESS OFFICER TRAINING PROGRAM –
INFORMATION ONLY**

The issue for the subcommittee to consider is whether to provide \$1.05 million in one-time Proposition 98 Reversion Account funds to continue the School Chief Business Officer Training Program that was initiated last year. The subcommittee partially heard this issue at a previous hearing, but expressed willingness to hear it again at a later hearing to allow the administration to provide more information on the proposal.

BACKGROUND:

Chief Business Officer Training Program. The Governor's budget proposes \$1,050,000 in one-time funding from the Proposition 98 Reversion Account for the purpose of funding the Chief Business Officer Training Program, pursuant to legislation passed last year, creating the program. The Governor proposed the amount in one-time funding for this purpose in last year's budget, and this was included in the final budget.

Background on program. Last year the Legislature approved SB 352 (Scott), Chapter 356, Statutes of 2005. That bill was sponsored by the Governor, and was part of a three-year plan to train all school business officers in the state. That bill requires the State Board of Education, in consultation with FCMAT, to begin developing rigorous criteria for the approval of state-qualified training providers, and to establish an application process for training providers. SBE is then responsible for approving applications from public and private entities to provide the training. SBE is also responsible for approving applications from districts and county offices to receive funding for the training. The training must be at least 200 hours, with at least 40 of these involving intensive individualized support and professional development in the following areas:

- School finance, including revenue projections, cash-flow management, budget development, financial reporting, monitoring controls and average daily attendance projections, and accounting.
- School operations, including matters relating to facilities, maintenance, transportation, food services, collective bargaining, risk management, and purchasing.
- Leadership, including organizational dynamics, communication, facilitation, and presentation.

Background on funding. The terms of last year's legislation specify that each year's funding is intended to serve 350 eligible training candidates per year. The program then provides funding to districts or county offices based on the number of training candidates, at \$3,000 per candidate.

COMMENTS:

Subcommittee's action on this item last year. Staff notes that last year the Subcommittee approved the \$1 million in one-time funds proposed by the Governor for this program. The amount approved was subject to legislation, which was not finalized at the time of the subcommittee's action.

ISSUE 13: GOVERNOR'S PHYSICAL EDUCATION PROGRAM -- INFORMATION ONLY

The issue for the subcommittee to consider is whether to fund the Governor's proposal to create two new programs related to physical education. The subcommittee partially heard this issue at a previous hearing, but expressed willingness to hear it again at a later hearing to allow the administration to provide more information on the proposal.

BACKGROUND:

The Governor proposes a total of \$85 million for two new programs related to physical education.

- **Physical Education Block Grant.** The Governor proposes \$60 million for a new block grant to increase physical activity and implement a comprehensive standards-based physical education programs in grades kindergarten through eight. Minimum grants would be \$3,000 per site for schoolsites with 10 or fewer students, and \$5,000 per site for schoolsites with more than 10 students but less than 421 students. Schools with more than 420 students would then receive an additional amount per-pupil, depending on the amount of funding available after providing minimum grants. Receiving schools could use the funding for purposes relating to support physical education programs, including but not limited to: hiring staff, providing standards-aligned professional development, reducing class size, purchasing equipment, and developing or purchasing standards-aligned curriculum. The administration has indicated that it intends to introduce broad physical education legislation, which would implement this proposal as well as eliminate the current exemption from physical education for students 16 and over.
- **Physical Education Teacher Recruitment Incentives.** The Governor proposes \$25 million for new incentive grants to 1,000 elementary, middle or junior high schools, to support the hiring of more credentialed physical education teachers. Funding would be distributed to 1000 schools in the amount of \$25,000 per schoolsite, and would require a local match of equal value. Charter schools as well as non-charter elementary, middle and junior high schools would be eligible for funding. Funding could only be used to hire additional credentialed physical education teachers. The selection of schools to receive funding would be based on a random selection or qualified applicants, with some assurance that the funding be equitably distributed based on type of school, size, and geographic location. The administration has indicated that it intends to introduce legislation to implement this and the above proposal.

LAO recommendation. The LAO recommends rejecting this program, along with five other new programs proposed by the Governor. Specifically, they recommend redirecting this money to the General Fund (non-Prop. 98), because they think the Governor's proposed total Proposition 98 spending level is unsustainable in out years,

or, if the Legislature decides to adopt the Governor's spending level, they recommend redirecting the \$400 million to fiscal solvency block grants.

In addition to LAO's beliefs that there are higher priorities for the \$400 million the Governor earmarks for the seven new programs, including this one, the LAO recommends rejection of the new programs because: 1) it is a reversal of the recent trend toward categorical consolidation, 2) the proposals have some basic flaws, and 3) the proposals have no planning, reporting, evaluation or accountability.

COMMENTS:

Really a shortage of physical education courses and teachers? The LAO notes that this block grant is predicated on the belief that the number of physical education course offerings in elementary and middle schools has been drastically reduced. Yet, the data for middle schools shows that the number of physical education courses has increased in this area since 2001-02. The proposal also presumes that there is a shortage of physical education teachers, yet physical education is not one of California's officially designated teacher shortage areas.

Appendix A: Recommendations of the Assembly Education Committee English Language Learners Working Group

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Assembly Education Committee English Language Learners Working Group

Staff Development Policy Recommendations
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Teacher Preparation for knowledge & Skills to serve EL students:

- Implement a teacher preparation program dealing in depth with knowledge and skills needed to serve EL. Define instructional program clearly and develop tool to allow teacher candidates to demonstrate mastery. Revisit SB 2042 on CLAD credential requirements to ensure teachers understand and apply language acquisition knowledge & skills deeply.
- Significantly strengthen BTSA and other induction programs to ensure coaches have knowledge and skills to provide EL assistance to new teachers and include these as area of focus in the new teacher process. Teacher candidates demonstrate mastery prior to receiving clear credential.

Preparation of teachers to serve EL students:

- Institute State-wide comprehensive staff development program for teachers of English Learners (85% of California's teachers)
 - AB 1988 (Coto) is a pilot project developed with the University of California, which includes LA, SD, SB, SJ and SC COEs, creating data base of qualified trainers, building a data base of best instructional practices, trainers then developing strong program to deliver instruction, followed by delivering instruction in target districts and collecting data to demonstrate success and improve instruction.
- CTC to develop tools to assess teacher mastery, ensure reporting process of progress toward teacher proficiency in EL knowledge and skills.
- Create job embedded formats for teachers to build knowledge and skill base in working with EL (observation, demonstration teaching, focus groups, classroom scans)

School-wide effort

- Institute training in EL knowledge and skills for administrators and classified staff.

DRAFT

**Assembly Education Committee
English Language Learners Working Group**

Reclassification/Redesignation Policy Recommendations

CELDT Testing

- There seems to be a "build up" of EL's in levels 4 and 5 but they are still not scoring high on CST's because they don't have the academic English. How can this issue be addressed?
- Require CDE and the State Board to revise AMO 1 so that it measures actual gains on CELDT. This would establish performance targets based on the percentage of students gaining a level from the previous year.

When, How and Who in the Redesignation Process

- Does the existing state-wide redesignation criteria need to be strengthened?
- CDE to annually collect and report data on redesignation, including criteria, number and percentage redesignated annually, success following redesignation, support programs offered, support programs utilized.

Bridge/Transition Program for Those Redesignated

- Consider expanding the use of the AVID Program as a bridge/transition program for redesignated EL students (a proven program with EL students).
- Assess bridge/transition programs currently in use throughout the State and beyond in determining best practices in building student success. What do we have?
- Provide added time for EL students to achieve academic English and rigorous content knowledge simultaneously (add 1 period to day of EL students = \$50 million).

DRAFT

**Assembly Education Committee
English Language Learners Working Group**

Proposition 227 Waiver Policy Recommendations

Parental Notification:

A school district that has one or more pupils who are English learners shall inform in writing the parent or legal guardian of each of those pupils that the parent or legal guardian of each of those pupils that the parent or legal guardian the right to request a waiver.

The notice shall include but not be limited to options available for alternative classroom settings.

The notice shall be provided at the time the Home Language Survey is administered for newly enrolled students and at least once a year thereafter.

Accountability

The CDE will monitor the waiver process and filing by families.

The CDE will collect state-wide data about the numbers of waivers filed, approved and denied. Does CDE currently do this?

DRAFT

**Assembly Education Committee
English Language Learners Working Group**

Curriculum and Instruction Policy Recommendations
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Curriculum:

- Require an integrated Comprehensive Reading/Language Arts Program appropriate for EL's at beginning, early intermediate, and intermediate levels of English proficiency and is created based on both the ELD standards and the the ELA content standards .
- Identify success EL programs throughout California and beyond. Fund 50,000 California EL students in research based, developmental programs over three year period aimed at identifying best practices and collecting data around the work. The Hewlett Foundation has offered to spend \$4 million to \$5 million to study this work and publish the results.
- Provide Newcomer Programs for grades 5-12.

Instructional Materials

- Adopt a K-8 Language Arts & Reading textbook aimed at achievement of ELA standards but written for English Learners.
- Require all future language arts, reading and content area textbooks adopted to include ELD standards.
- Provide core curriculum materials and teacher materials for differentiating instruction in content areas in grades 6-12.

DRAFT**Assembly Education Committee
English Language Learners Working Group****Assessment and CAHSEE Policy Recommendations**CAHSEE:

- Standardize the accommodations/modifications allowed for EL's.
- Print CAHSEE in two languages (English and other) presented side-by-side for top four second languages spoken in California (Spanish, Vietnamese, Chinese)
- Provide a pre-CAHSEE test in middle school and grade 9.
- Allow, as an alternative to passing CAHSEE, scores of basic or proficient on the CST to obtain a high school diploma.
- Postpone CAHSEE requirement for EL students that have been enrolled in California schools for less than 3 years.
- Postpone administration of CAHSEE until EL students score 4 or higher on CELDT
- Provide an extended day and year programs for those EL students identified as in danger of not passing the CAHSEE after their 10th grade year. (Too late)

Assessment:

- Require the standards-aligned primary language assessments to be used in the accountability system for the amount of time allowed under NCLB.
- Require all tests administered to EL's in English be modified for second language learners to reduce unnecessary linguistic complexity without reducing the rigor for the academics being tested.
- Appropriate more funds for further development of standards-aligned primary language assessments.