

AGENDA SUBCOMMITTEE NO. 2 ON EDUCATION FINANCE

ASSEMBLYMEMBER SARAH REYES, CHAIR

**TUESDAY, FEBRUARY 23, 1999
STATE CAPITOL, ROOM 447
4:00 P.M.**

K-12 EDUCATION OVERVIEW

OPENING REMARKS

Assemblymember, Sarah Reyes, Chair
Committee Members

OFFICE OF CHILD DEVELOPMENT AND EDUCATION

Undersecretary for Education, Sue Burr

DEPARTMENT OF EDUCATION

Delaine Eastin, Superintendent of Public Instruction

LEGISLATIVE ANALYST'S OFFICE

Robert Turnage, K-12 Coordinator

EDUCATION COALITION

Dennis Meyers, Association of California School Administrators
Rick Pratt, California School Employees Association

PUBLIC COMMENT/QUESTIONS

CLOSING COMMENTS

Assemblymember Sarah Reyes, Chair
Committee Members

BACKGROUND:

The major proposals for the Department of Education include:

- \$186 million for a series of programs and augmentations to improve reading skills;
- \$51.3 million in new funds for a package of reforms to improve teacher preparation and quality;
- \$206.7 million to implement a system of rewards and interventions to hold schools and students accountable for their success;
- A total of \$344 million in growth funding for school districts, county offices of education and the programs that they run;
- A cost of living adjustment of 1.83 percent for school districts (apportionments) and the categorical programs they run; and
- \$200 million for deficit reduction.

GOVERNOR'S REFORM PROPOSALS

The Governor's proposed 1999-2000 budget contains the following augmentations as part of a three-part reform package, labeled "Raising Expectations, Achievements, and Development (READ) in Schools" to improve reading skills, improve teacher quality and preparation and hold schools and students accountable for their success. These proposals total \$444 million. Note: the budget amounts listed below are not exclusively K-12 education expenditures. They also include community college, UC and CSU expenditures.

Improving Reading Results (\$186 million)

- \$75 million to establish after-school, Saturday and summer session Intensive Reading Academies for students in grades K-4 who need to further develop reading skills (appropriation in AB 2x);
- \$60 million to meet the needs of students learning English and their teachers, and an additional \$14 million to administer an English Language Development test;
- \$25 million to purchase additional books for libraries in K-4 classrooms;
- \$4 million for a public involvement reading campaign to educate the public about the importance of reading (appropriation in AB 2x);

- \$2 for a Governor's Reading Award Program to reward schools whose students meet reading targets (appropriation in AB 2x);
- \$5 million in Goals 2000 funding for the State Department of Education to distribute proven instructional models for teaching reading to secondary school students; and
- \$1 million from the federal Child Care and Development Block Grant to provide professional development regarding pre-kindergarten reading and development guidelines.

(Also related to improving reading skills but not included as part of the \$444 million is \$96,000 in state operations to revise and publish the State's Recommended Literature List for K-12.)

Enhancing Professional Quality (\$51.3 million—new funds)

- \$100 million (\$83.2 million redirected from the Mentor Teacher Program and \$16.8 million in new funds) to establish a program of peer review and assistance for veteran teachers (appropriation in AB 1x);
- \$12 million to the University of California (UC) to establish California Reading Development Institutes for 6,000 beginning teachers of reading and to pay for the stipends of participating teachers (appropriation in AB 2x);
- \$10 million to develop partnerships among neighboring community colleges, four-year universities, and K-12 schools, to support early reading development and teacher internships;
- \$10 million (including \$3.4 million in federal Goals 2000 money) to expand the California School Paraprofessional Teacher Training Program, which prepares paraprofessional educators to become fully credentialed teachers;
- \$1.5 million to pay for waiving the \$60 credential fee for all new teachers; and
- \$1 million to UC divided evenly to: (1) develop the proposed Teacher Scholars Program, a master's level preparation program for prospective teachers, and (2) to recruit and train highly skilled school site administrators to become principals (appropriation in AB 2x).

(Also related to enhancing professional quality but not included as part of the \$444 million is \$28.5 million in federal Goals 2000 funds for school districts to conduct staff development for math aligned with the new standards.)

Increasing School Accountability (\$206.7 million)

- \$150 million to reward high performing schools—those schools that improve student performance by meeting or exceeding goals established by the State Board of Education (appropriation in SB 1x);
- \$42.3 million (\$32.3 million in federal Title I Comprehensive School Reform Demonstration Grant Program money and \$10 million Proposition 98) to help two hundred under-performing schools in improving the performance of their students. (**Note:** the \$32.3 million in federal funds includes \$16 million vetoed by Governor Wilson in last year's budget) (appropriation in SB 1x);
- \$10.6 million for the Community Colleges to annually prepare and publish report cards on how well local high schools have academically prepared new community college students;
- \$2 million in federal Goals 2000 funds for the State Department of Education to begin development of high school exit exams in reading/writing and math, which will be required as a condition of high school graduation effective 2003 (appropriation in SB 2x); and
- \$1.8 million for the Community Colleges to create 12 new Middle Colleges for high ability at-risk youth.

OTHER PROPOSALS

Other proposals included in the 1999-00 Governor's Budget include:

- \$571 million for a 1.83 percent COLA to school districts for both apportionments (general purpose funding) and categorical programs (The 1.83% assumes legislative approval of a change in the statutory formula that determines the inflation index to be used for the cost-of-living-adjustment.)
- A total of \$344 million in statutory growth funding for apportionments and categorical programs.

Deficit Reduction: \$200 million general purpose funds to reduce the revenue limit deficit of K-12 and county office of education programs (\$195.7 million for K-12 programs and \$4.3 million for county office of education programs). The revenue limit deficit results from the early 1990's, when the annual budget did not fully fund revenue limit COLA's. School districts and county offices of education would have discretion over how to spend these additional funds.

Adult Education and Regional Occupational Centers and Programs: \$12.4 million is provided in growth funding for Adult Education and \$6.6 million in growth funding for ROC/P programs to train CalWORKS recipients and those transitioning off of public

assistance. Also, a COLA of \$9.3 million for Adult Education and \$5.8 million for ROC/P's is proposed by the Governor's budget.

Summer School: \$7.5 million in growth funding for summer school programs and a \$5.4 million COLA.

Mega-Item: \$32.4 million for Mega-Item growth and \$43.1 million for a Mega-Item COLA. The Mega-Item is an item in the Budget Act that makes a single appropriation for many of the state's categorical programs for education. The Legislature created the Mega-Item in the 1992-93 budget year to protect individual categorical programs from being singled out for budget cuts. The budget also proposes to continue some Mega-Item flexibility: districts may transfer up to 15 percent out of any item into another item in the Mega-Item (or a Healthy Start program or conflict resolution program), as long as the increase to that program does not exceed 20 percent of the receiving program's base.

Testing: An augmentation of approximately \$52 million for various testing programs, including a \$2.4 million augmentation to pay for more detailed reporting and increased participation in the STAR program, \$32.2 million for the development, production and administration of the matrix-sampled test and continuing development of statewide standards, \$14 million to administer the new English Language Development Test and \$3.3 million to support an increased demand to participate in the Golden State Exam.

Class Size Reduction: An augmentation of \$49 million for the full-year cost of expanding high school class size reduction to two class periods for ninth grade students (\$4.5 million is for projected enrollment growth, but the budget does not propose a COLA).

The budget also provides \$27.7 million in COLA money for the K-3 Class Size Reduction Program, which will enter its fourth year of implementation in 1999-2000. However, this COLA amount is offset by a \$32.6 million decrease in funding due to a lower projection of the population served by this program.

Special Education: \$13.9 million in Proposition 98 local assistance for special education growth. (This is comprised of \$30.5 million provided for program growth, offset by \$16.6 million to reflect an increase in property taxes.) The budget also provides \$50.7 million for a budget year COLA and \$52.2 million in additional one-time money to fully fund the 1998-99 COLA at 3.95 percent. Increases in federal funds include \$34.5 million for equalization and \$14.4 million for a low incidence disability adjustment. In addition, the budget provides \$432,000 to fully fund special education participation in ROC/P's.

Digital High Schools: \$44.2 million in one-time money for the Digital High Schools program for a total of \$151 million. The proposed funding level will provide 391 schools with implementation funding.

Staff Development Buy-out Program: \$26.9 million to fund estimated growth in the number of teachers participating in the staff development day buy-out program. (the budget does not propose a COLA for this program). This program provides funding per day, per certified classroom teacher, for up to three a days, to "buy-out" existing staff development days in order to increase the number of instructional days in the academic year.

After-School Programs: The budget assumes a delayed implementation of the After School learning and Safe Neighborhoods Partnership Program and reappropriates \$50 million from its current year funding to other purposes. However, the budget continues the \$500,000 for state operations to support six new positions administratively established in the current year to administer this program.

Community Day Schools: A \$9.6 million augmentation for Community Day Schools to fully fund the program and its higher costs that result from AB 1845 (Honda), a bill approved by the Legislature last year which increased the per-ADA add-on for this program from \$1,500/ADA to \$4,000/ADA and allows county offices of education to operate these schools.

Childcare:

- \$279.3 million increased transfers from the Temporary Assistance to Needy Families (TANF) Block Grant to the Child Care and Development Block Grant for additional CalWORKS child care slots, including \$253.5 million for Stage 2 and \$25.8 million for Stage 3 slots;
- A reappropriation of current year Proposition 98 savings (estimated at \$33.6 million) is proposed for the Child Care Facilities Revolving Fund, plus \$22,000 in state operations to support this program.
- \$25.7 million to annualize the expansions of Pre-School (\$15.7 million) and General Child Care (\$10 million) for infants and toddlers originally initiated in the current year;
- \$16.6 million for COLA for state-subsidized childcare programs;
- \$2.9 million in federal funds to increase support of Local Child Care Planning Councils;
- \$1.6 million in federal funds to increase capacity in under-served areas; and

- An increase of more than \$0.5 million (federal funds) in additional state operations to support childcare programs.
- The budget proposes to effectively eliminate a set-aside of child care slots for former CalWORKS recipients who have been unable to secure subsidized child care outside of the CalWORKS program.

Other:

- \$3 million in state operations funding to partially restore cuts made to the Department of Education in the current year;
- A \$11.2 million increase in federal funding for the Federal Public Charter Schools Grant Program;
- A \$1.4 million augmentation to fully fund partnership academies;
- \$100,000 in state operations funding for an evaluation of the American Indian Early Childhood Education Program;
- \$6 million in one-time funds (including \$1 million in audit recovery funds) for the California Student Information System;
- A \$250,000 augmentation in one-time money for the Standardized Account Code Structure;
- \$0.5 million for COLA for child nutrition programs not run by school districts;
- \$308,000 in state operations funding and \$100,000 in one-time funding to support implementation of the new Cal-SAFE program, which consolidates existing teenage pregnancy prevention and parenting programs;
- \$3 million to annualize funding for the Foster Youth Services program for children in licensed children's institutions;
- \$1.5 million in ongoing funds for Moorpark Unified's voluntary integration program (plus \$1.5 million in one-time funds for Moorpark's 1998-99 claim);
- The elimination of the budget for the Commission for the Establishment of Academic Content and Performance Standards, due to the fact that the Commission's authority sunsetted on December 31, 1998; and

- An increased of \$5 million (in federal Goals 2000 funds) for a college preparatory program for disadvantaged secondary students called Advancement Via Individual Determination (AVID).

The budget also proposes various statutory changes, among them:

- A requirement that students participate in independent study for at least ten consecutive days before a school district may claim funding, and a recommendation that the state evaluate whether or not the needs of at-risk students are served by independent study.