

**AGENDA****ASSEMBLY BUDGET SUBCOMMITTEE NO. 2  
ON EDUCATION FINANCE**  
Assembly Member Mervyn Dymally, Chair**TUESDAY, MAY 9, 2006  
STATE CAPITOL, ROOM 444  
10:00 AM**

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**ITEMS TO BE HEARD**

<b>ITEM</b>	<b>DESCRIPTION</b>	<b>PAGE</b>
<b>6110</b>	<b>DEPARTMENT OF EDUCATION</b>	
ISSUE 1	OPEN ISSUES – CALIFORNIA HIGH SCHOOL EXIT EXAM	2
ISSUE 2	OPEN ISSUES – DROPOUT AND TRUANCY PREVENTION	9
ISSUE 3	OPEN ISSUES – HIGH PRIORITY SCHOOLS GRANT PROGRAM	13
ISSUE 4	LIST OF OPEN ISSUES – INFORMATION ONLY	16

## ITEMS TO BE HEARD

### 6110 DEPARTMENT OF EDUCATION

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#### ISSUE 1: OPEN ISSUES -- CALIFORNIA HIGH SCHOOL EXIT EXAM (CAHSEE)

The issues for the subcommittee to consider are:

- CDE's plan for special education students in the class of 2007 and beyond, for whom it is undetermined whether they will have to pass the California High School Exit Exam (CAHSEE) to obtain a diploma.
- New information from the Superintendent of Public Instruction (SPI) about the number of students from the class of 2006 that have passed the CAHSEE as a result of the most recent CAHSEE administrations.
- Open issues previously heard by the subcommittee regarding the Governor's proposed funding level for a program created last year to help seniors pass the CAHSEE.

#### BACKGROUND:

##### **Class of 2006 first to have to pass CAHSEE; special education students exempt.**

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, except for special education students, who are exempt from the requirement for 2006, per the terms of a legal settlement ratified by the Legislature earlier this year. 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 10<sup>th</sup> grade. The math portion of the exam is designed to measure proficiency on the state's 6<sup>th</sup> and 7<sup>th</sup> grade math standards plus Algebra I. The Reading/ Language arts portion of the exam is designed to measure proficiency on the state's 9<sup>th</sup> and 10<sup>th</sup> 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.

##### **Subcommittee requested plan from CDE on what special education students should expect.**

The terms of the legal settlement that exempts special education students of the class of 2006 from having to pass the CAHSEE to obtain a diploma, do not specify what will happen to special education students in the class of 2007 and beyond. Should these students also expect to be exempt from the requirement? Should special education high school students be taking the exam and studying diligently, in expectation that they *will* have to pass it to obtain a diploma? The current terms of the legal settlement leave special education students in a state of limbo,

making it difficult for them to plan. The subcommittee considered these concerns at its April 18 hearing, and subsequently requested CDE to return to the subcommittee with a plan to address these concerns. Specifically, the subcommittee requested definitive information on whether special education students in the class of 2007 and beyond should be planning to pass the CAHSEE or not. CDE has indicated that it will present its response to the subcommittee's request at today's hearing.

**Recently released information from SPI on CAHSEE passage rates.** Last week, the SPI released updated data on the percentage of students in the class of 2006 that have passed the CAHSEE. That data noted that 7000 more students in the class of 2006 have passed the CHASEE as a result of the February administration. As a result of this increase, the SPI now estimates that 89.3% of students in the class of 2006 have passed both parts of the CAHSEE. That percentage is up from 88.8% before the February administration. This leaves 46,768 students in the class of 2006, or about 10.7%, that have not passed to date. The SPI's data also showed that there were 5,774 students in the class of 2006 who took the CAHSEE for the first time in February of their senior year. It is unclear why these students had not taken the test in the 10<sup>th</sup> grade, as required by law. The following table is from the SPI's press release summarizing the most recent data.

**Estimated Number and Percentage of Students in the Class of 2006 Passing Both ELA and Math CAHSEE Sections through February 2006**

Group	Grade 10	Grade 11	Grade 12	Not Yet	Total	Grade 10	Grade 11	Grade 12	Total Passed
All Students	295,226	67,810	26,864	46,768	436,668	67.6%	15.5%	6.2%	<b>89.3%</b>
Females	150,818	32,268	12,919	22,500	218,505	69.0%	14.8%	5.9%	89.7%
Males	144,356	35,430	13,882	24,335	218,003	66.2%	16.3%	6.4%	88.8%
Asian	34,709	4,583	1,898	2,374	43,564	79.7%	10.5%	4.4%	94.6%
Hispanic	92,362	33,249	14,945	29,899	170,455	54.2%	19.5%	8.8%	82.5%
African American	16,891	6,893	3,250	6,298	33,332	50.7%	20.7%	9.8%	81.1%
White, Non-Hispanic	133,650	18,921	5,323	5,712	163,606	81.7%	11.6%	3.3%	96.5%
Economically Disadvantaged	88,918	32,524	14,275	28,359	164,076	54.2%	19.8%	8.7%	82.7%
English Learner	24,783	17,032	9,187	20,629	71,631	34.6%	23.8%	12.8%	71.2%

The above data is different than the information provided in September, 2005 by the Human Resources Research Organization, CDE's contractor that collects and compiles data regarding the CAHSEE. That information summarized passage rates for the class of 2006 after their 11<sup>th</sup> grade, and showed that only 78% of all students in the class of

2006 had passed both parts of the CAHSEE by the end of 11<sup>th</sup> grade. The data is summarized in the table below. If the methodology is the same for both sets of data, one could conclude that more than 10% of students in the class of 2006 passed during the September, November, and February administrations of the CAHSEE during their senior year.

**HumRRO's<sup>1</sup> estimated passing rates for the class of 2006 after 11<sup>th</sup> grade**

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

<sup>1</sup>Human Resources Research Organization

**Open issues related to the Governor's proposed funding level for a new program to help seniors pass the CAHSEE.** At its April 18 hearing, the subcommittee heard the following issues related to a program created last year to help seniors pass the CAHSEE:

- Will the Governor's proposed doubling of last year's funding level (for a total of \$40 million) be enough to fully fund all eligible seniors that have not yet passed the CAHSEE? The proposed \$40 million does not appear to match the total number of students eligible for the program (see below).
- Is it necessary to create a set-aside within the \$40 million for alternative programs, as proposed by the Governor?
- Shouldn't special education students be funded from within the same funding source as non-special education students? Last year's budget provided supplemental funding for special education students in the class of 2006 that had not yet passed the CAHSEE through a separate funding source within the special education budget item, and the requirements for this funding were different than the requirements for the regular program. Special education students were not eligible to receive funding from the regular program. This year, the Governor proposes to continue this bifurcation of funding.
- Won't there be some students for whom "cramming" in their senior year will be insufficient to pass the CAHSEE? At its April 18 hearing, the subcommittee expressed interest in identifying students at risk of not passing the CAHSEE earlier (middle schools), and providing them with supplemental resources to help them come up to grade level.

**Background on Governor's proposal.** 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**

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

<sup>1</sup>Special 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 to, 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.

**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? Should the state cover students in the previous class that never passed (the most recent estimate of that number is 46,768). 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) in the class of 2007(1)	99,937	\$63 million
Fund all eligible students in the class of 2007 + students from the class of 2006 that have not passed (2)	146,705	\$93 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.

(2) Note: This assumes that 46,768 students from the class of 2006 will not have passed the CAHSEE by the end of their senior year. This figure is based on the numbers that have passed

as of the February 2006 administration. There are still more chances to pass. Therefore, this figure is high.

**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.

<b>COMMENTS:</b>
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**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 senior 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 in middle 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 2: OPEN ISSUES -- DROPOUT AND TRUANCY PREVENTION**

The issues for the subcommittee to consider are:

- Information on the dropout rate in California
- Survey data describing who dropouts are, and their motivations for dropping out
- An update on an issue heard earlier by the subcommittee regarding two truancy mandates, and the LAO recommendations to convert the mandates into a dropout-prevention categorical program.

**BACKGROUND:**

**The dropout rate in California.** According to a recent report on the subject, "High School Dropouts, Enrollment, and Graduation Rates in California," by Patricia de Cos of the California Research Bureau,

- Between one quarter and one third of all students fail to graduate from public high schools in California.
- The dropout rate for African-American and Latino students is much higher than that of the overall population.
- Even those that graduated from high school were not prepared for college work. Specifically, the majority of high school graduates of the class of 2004 were not prepared for four-year university studies. This rate was even lower for Latino and African-American graduates, with only 22% and 25% of these graduates prepared for four-year university studies.

In March, 2005, the Urban Institute published a policy bulletin highlighting the disparity in graduation rates between different groups of students. It calculated graduation rates using a cumulative promotion index, and only counted as graduates those students receiving standard diplomas (not GED's or other completion credentials). Their findings are summarized in the following table:

**Graduation Rates in California, by type of students, as calculated by the Urban Institute**

Type of Student	Estimated graduation rate
<i>All Students</i>	<b>71.3%</b>
Female	74.7%
Male	66.8%
American Indian	52.2%
Asian	83.5%
Latino	60.3%
African-American	56.6%
White	77.8%

**Survey data suggests that many dropout cases are preventable.** In March, 2006, Civic Enterprises in association with Peter D. Hart Research Associates for the Bill and Melinda Gates Foundation, published The Silent Epidemic: Perspectives of High School Dropouts, a national survey of young people 16-25 who identified themselves as dropouts. The survey yielded interesting results, some of them surprising, and many of them suggesting that many dropout cases are preventable:

- **The majority of those surveyed reported having grades of C or better**, challenging the commonly-held belief that most dropouts leave school because of poor academic performance. However, the survey also noted that some dropouts, but not the majority, leave school because of significant academic challenges. Thirty-five percent of respondents said that "failing in school" was a major factor in dropping out, and 45% reported starting high school poorly prepared by their earlier schooling.
- **Half said a major reason for dropping out was that classes were not interesting.** Those surveyed reported being bored and disengaged from high school. In addition, 69% said they were not motivated or inspired to work hard. Respondents almost universally expressed regret for having left high school, and expressed strong interest in re-entering school with students their age. Eighty-one percent said that graduating from high school was important to success in life.
- **A minority of students gave personal reasons for leaving school.** Specifically, one third said they left because they had to get a job to earn money, 26% said they became a parent, and 22% said they left to care for a family member.

- **Truancy is an early indicator of being high-risk of dropping out.** Fifty-nine to 65% of respondents missed class often the year dropping out. The survey revealed that dropping out of school is not a sudden act, but a gradual process of disengagement.

The report also gave recommendations for addressing the dropout problem, one of those being that districts develop district-wide early warning systems, including a clear focus on students who display chronic absenteeism, or truancy.

**Open issues related to truancy mandates.** At its March 14 hearing, the subcommittee heard an LAO recommendation to eliminate two existing truancy mandates, and replace them with a categorical program focusing on truancy and dropout prevention. The following is information contained in that hearing's agenda.

The Governor's budget funds the ongoing mandate costs for two existing truancy mandates:

- **The Notification of Truancy mandate**, which requires schools to notify parents of truant students by mail or other reasonable method. DOF estimates 2006-07 claims for this mandate at \$9.8 million. Claims are calculated based on a unit cost method in which districts receive \$15.40 for each notification made pursuant to this mandate.
- **The Habitual Truant mandate**, which requires schools to make every effort to meet with the parents of habitual truants, who are defined as students who are absent from school five or more times a year. DOF estimates 2006-07 claims for this mandate at \$7.2 million.

**LAO recommendation.** The LAO recommends adopting language to delete the above two mandates and replace them with a truancy grant program that districts could use to 1) identify students whose attendance suggests they are at risk of dropping out or falling behind, 2) contact students' parents, and 3) develop a plan to address any barriers' to students' success. The new program would distribute the \$16.9 million currently going as mandate reimbursements for the two truancy mandates based on districts' dropout rates.

The LAO identifies the following problems with the current approach of using mandates to address truancy:

- Mandates can create the wrong incentives. Specifically, the unit-cost reimbursement method for the notification of truancy mandate creates an incentive for districts to send notices to parents, and not necessarily communicate with parents in a way that ensures parents' involvement, especially since the reimbursement amount is greater than the cost of sending a notice.

- Implementation is uneven. The LAO cites several cases where the number of notifications sent does not correspond to districts' dropout rates.
- Funds don't go to districts with the biggest truancy/ dropout problems.

**COMMENTS:**

**CDE's calculation of dropout/graduation rates is different.** Staff notes that CDE reports an official dropout rate based on data that districts submit to it. For 2005 the official statewide dropout rate was 13%, significantly lower than the 30% rate estimated by the Urban Institute.

**Subcommittee's query to LAO regarding maintaining the mandates but transitioning to categorical program.** At its March 14 hearing, the subcommittee queried the LAO about whether it is possible to maintain a mandate that districts notify parents of truancy in a way that gives districts more flexibility. The LAO notes that it is possible to create a new mandate that better directs the efforts of districts, and pay for the mandate with a categorical approach. Specifically, the state could create a new mandate that districts develop a process for notifying parents. The existing funds for the mandate would then be re-directed to a categorical program, and districts would have to use funds from the program to pay for the costs of the mandate. Funds could be distributed based on a combination of districts' enrollment and their dropout rate. Districts would be directed to use any remaining funds (after paying for the mandate) on other approaches to reduce truancy. This approach would provide more equitable funding for dropouts and truancy prevention, and would allow districts to provide more effective approaches to addressing truancy, such as communicating effectively and creatively with parents (an important dropout prevention approach). The LAO notes that the current mandate reimbursement claims process does not ensure that the most funding goes to districts with the worst dropout/ truancy problems. In fact, the current system appears to shortchange districts with the worst dropout problems.

Staff notes that the LAO's recommendations regarding the truancy mandates correspond to some of the recommendations of the Civic Enterprises report. Specifically, the LAO's recommendations address 1) the need for districts to develop early warning programs to identify students at high-risk of dropping out, and 2) the need for districts to communicate better with parents.

<b>ISSUE 3: HIGH PRIORITY SCHOOLS GRANT PROGRAM</b>
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The issue for the subcommittee to consider is an open issue related to \$60 million in unused funding from last year's budget for the High Priority Schools Grant Program.

<b>BACKGROUND:</b>
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**Issues to consider for unused \$60 million from last year's budget.** The Governor proposes a total funding level for 2006-07 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. CDE notes the following issues related to the unused \$60 million:

- Allocation of planning grants in the Current Year (CY) is constrained by the \$201 million in the Budget Year (BY).
- There are sufficient funds to invite all unfunded 2005 API Base ranks 1 and 2 schools (775). This includes CSR schools who agree to become HP. This would leave balances of \$14.8 million (of \$201 M) in the budget year and \$25.8 million (of \$60 M) in the current year.
- Budget Year options for the remaining \$14.8 million are:

<u>Budget Year Option</u>	<u>Effect on Current Year</u>
1. Fund 31 of the 101 former II/USP schools in rank 1 that never were able to fully participate in HP	• Additional planning costs of \$1.55 million
2. Fund into rank 3 (30 schools)	• Additional planning costs of \$1.5 million
3. a. Fund 140 alternative schools pilot program (\$7 million) <u>and</u> b. Provide funding for specific district activities directed at helping HP schools (\$7 million)	• None

Following decisions regarding the Budget Year, then decisions can be made to deal with the Current Year balance.

- Current Year options for \$25.8 million\* remaining.  
(\*amount impacted by Budget Year decisions above)

<u>Current Year One-time Options</u>	<u>Effect on Budget Year</u>
1. Fund alternative schools program (\$7 - \$10 million)	• Frees up \$7 - \$10 million in Budget Year. Interacts with option 3a above.
2. Fund individualized learning plans for students at risk of not passing CAHSEE (\$5 - \$8 million)	• None
3. Provide support for specific district activities directed at helping HP schools (\$7 - \$10 million)	• Frees up \$7 - \$10 million in Budget Year. Interacts with option 3b above.
4. Provide more planning grants to rank 3 schools	• None

**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 4<sup>th</sup> 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 <sup>th</sup> 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 <sup>rd</sup> 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 specifies 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 4: LIST OF OPEN ISSUES**

The following is a list of issues heard by the subcommittee to date, but left open.

<b>0558 Office of the Secretary for Education</b>	
State Operations Augmentations, Adjustments	May 2
<b>6110 Department of Education</b>	
<b>Issue</b>	<b>Hearing Date</b>
Overall Proposition 98 Funding	March 14
Growth and COLA	March 14
Revenue Limits: Equalization and Deficit Reduction	March 14
Mandates – Ongoing and Prior-Year Costs	March 14
Mandates – LAO Recommendations Regarding New Mandates	March 14
Mandates – LAO Recommendations Regarding Changing Process	March 14
Mandates – LAO Recommendations Regarding Truancy Mandate	March 14
Proposition 49	March 14
California School Information Services	March 29
Microsoft Settlement Dollars	March 29
High Speed Network	March 29
Integrated Teacher Data System	March 29
Governor's Education Technology Proposal	March 29
LAO's Recommendations for Fiscal Solvency Block Grants	March 29
Declining Enrollment	March 29
FCMAT Budget	March 29
Healthy Start	March 29
Instructional Materials	April 4
Math and Reading Professional Development Program	April 4
Reading First	April 4
Governor's Proposal to Provide an Additional Year of Training for Teachers in Low-Performing Schools	April 4
Governor's Proposals for Statewide Teacher Recruitment	April 4
Governor's Proposal for School Enrichment / Teacher Recruitment Block Grants	April 4
Governor's Chief Business Officer Training Program	April 4
Governor's Physical Education Program	April 4
Governor's Proposal to Provide Nutritious Fruit and Vegetables for Breakfast	April 4
High School Coaches Training Program	April 4
Program Improvement Set-Aside	April 18
Governor's Proposal to Use Federal Carryover for Program Improvement Schools – Title I and Title I set-aside funds	April 18
Federal Migrant Education Carryover – (the Subcommittee already took action to re-appropriate the carryover for the migrant education	April 18

program, but not specify how the funds would be spent)	
Phase-Out of Immediate Intervention in Under-Performing Schools Program	April 18
English Learners	April 18
Other Testing Programs	April 18
Williams Settlement – Facilities Emergency Repair Program	April 18
Child Care – Standard Reimbursement Rates	April 25
Child Care Eligibility	April 25
Child Care – Alternative Payment Program Administration	April 25
Child Care – In and Out of Market Rate	April 25
Special Education	April 25
State Special Schools	April 25
Special Education Due Process Contract	April 25
Charter School Categorical Block Grant	May 2
Charter Facilities Grant Program	May 2
Community Day Schools	May 2
New Block Grants for Art and Music	May 2
CDE State Operations – various issues	May 2
Economic Impact Aid	May 2
<b>6255 California State Summer School for the Arts</b>	
Total Budget	May 2