

**AGENDA
ASSEMBLY BUDGET SUBCOMMITTEE NO. 2
ON EDUCATION FINANCE**

Assemblymember Joe Simitian, Chair

**TUESDAY, MAY 6, 2003
STATE CAPITOL, ROOM 444
10:30 am**

ITEMS TO BE HEARD

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ITEM # 6110 DEPARTMENT OF EDUCATION**ISSUE 1: PRELIMINARY DISCUSSION – EARLY ACTION ITEMS**

The issue for the Subcommittee to discuss is a list of early action items, which would provide Proposition 98 savings for the 2003-04 fiscal year.

BACKGROUND:

As previously discussed, the Subcommittee has expressed strong support for taking early action on specified reductions in order to provide the education community with concrete information “sooner rather than later” on what programs will be reduced.

At the March 26 meeting, the Subcommittee discussed the following items for early action reductions: 1) Staff Development Days, 2) Deferred Maintenance, and 3) No Cost-of-Living Adjustment (COLA)¹ for either the revenue limit or categorical programs. **However, it did not take formal action on these items.**

Attached is another list of possible early action reductions for the committee to consider and discuss.

COMMENTS:

Budget Staff suggests that the Subcommittee hear an update from the Legislative Analyst Office (LAO) regarding Proposition 98 before it begins discussion. The LAO indicates that it is beginning to have a clearer picture regarding the budget year and Proposition 98.

Also, Budget Staff notes that many of these programs that are being considered for reduction require “early action” simply because of other issues associated with them. For example, the staff development buyout days and other staff development training programs often take place in the summer. Therefore, given the fact that summer is fast approaching, the Subcommittee’s concern about taking action “sooner rather than later” becomes critical for certain programs and may limit reduction alternatives later.

¹ The action of stating that there would not be a COLA does not “count” toward any additional savings because this action is already assumed in the Governor’s proposed budget. It would simply be a conforming action by the committee.

ITEM 6110 DEPARTMENT OF EDUCATION**ISSUE 2: IMMEDIATE INTERVENTION / UNDERPERFORMING SCHOOLS PROGRAM (II/USP)**

The issue for the Subcommittee to consider is the proposed reduction to II/USP.

BACKGROUND:

SB 1 X1 (Alpert), Chapter 3, First Extraordinary Session, Statutes of 1999, established II/USP, which provides state and federal support for school-wide reform efforts at low-performing schools. In their first year in the program, participating schools are provided \$50,000 planning grants to develop a comprehensive school reform plan. As part of the planning phase, the schools must hire qualified external evaluators to assist in developing the reform plans. Once a school's plan is approved by the State Board of Education (SBE), the school receives annual implementation grants of up to \$200 per enrolled student. Schools will receive the implementation grants for two years, and may be granted a third year of funding by SBE if they continue to meet their Academic Performance Index (API) growth targets or "significant growth," as defined by SBE. SBE can decide to impose sanctions after either the second or third year of funding for schools that continue to struggle. The first cohort reached the end of its two-year implementation grant in July 2002 and approximately 22 schools are in the early stages of the school sanction process.

2002-03 Budget Act. The 2002-03 Budget Act allocated \$184.6 million for the implementation of the program, which serve approximately 1,031 schools, at \$200 per student.

2002-03 Mid-year adjustment. As part of the mid-year reductions, the Governor proposed a \$20 million, or 10.8 percent across-the-board cut, to II/USP. The Legislature rejected this reduction. Instead, it decided to "realign," on a one-time basis, the timing of funding with actual expenditures of the program. Currently, the state provides the final 20 percent of current year II/USP funding, approximately \$38.6 million, in September, which is the budget year. Essentially, this action allowed the state to pay for the September 2003 payment with 2003-04 budget year, Proposition 98 funds instead of the 2002-03 funds and schools are not expected to experience any hardship due to this action.

- Department of Finance (DOF) Section 26 Letter. In February 2003, DOF submitted a letter to the Joint Legislative Budget Committee requesting a transfer of \$13.0 million from the High Priority Schools Grant Program (HPSGP) to II/USP because without this transfer, II/USP would have had insufficient funds to fully fund participating Cohort 1 schools that are eligible for an additional year of funding, as authorized under HPSGP. The Committee approved this transfer, which the final total was \$5.6 million not \$13.0 million. Therefore, II/USP received an additional \$5.6 million in the current year.

As a result, with the "realignment" and the additional money transferred to the program (DOF Section 26 Letter), there is a total of \$151.6 million remaining for II/USP in the 2002-03 Budget Act, as revised

2003-04 Budget year. The Governor proposes \$104.6 million for II/USP. This represents a \$80 million decrease, or 43 percent, from the 2002-03 Budget Act; however, it is only a \$60

million reduction from the 2002-03 Budget Act, as revised. This reduction (from the 2002-03 Budget Act) can be attributed to the following:

- 1) \$20 million in continued savings due to the proposed continuation of the 10.8 percent across-the-board reduction, as originally proposed as part of the mid-year adjustment (*which the Legislature rejected in the mid-year*) ; and
- 2) \$60 million in savings that occur as schools exit the program.

COMMENTS:

Budget Staff points out that this program serves schools ranked in deciles 1-5 of the API; therefore, it does not necessarily serve the state's lowest performing schools (i.e., those ranked in deciles 1 and 2 of the API). Furthermore, in early 2003, the SBE decided to implement school sanctions, in the form of state intervention teams, at approximately 22 schools because they did not meet their API growth target or make "significant growth" (at least one point, as defined by SBE) for two consecutive years. Of these 22 schools, 12, or 50 percent, are schools that are ranked in deciles 3-5 of the API. Furthermore, schools that have made "significant" growth, as determined by SBE, receive funding for an additional year. Therefore, the state continues to provide funding to schools that are making progress.

ITEM 6110 DEPARTMENT OF EDUCATION**ISSUE 3: HIGH PRIORITY SCHOOLS GRANT PROGRAM (HPSGP)**

The issue for the Subcommittee to consider is the budget year proposal regarding HPSGP, including funding for an additional 86 schools.

BACKGROUND:

2002-03 Budget Act. The 2002-03 Budget Act allocated \$217 million for the implementation of the program. Of this amount \$20 million represents funding for an additional 86 schools. Therefore, there was expected to be a total of 648 schools served, at \$400 per student.

2002-03 Mid-year adjustment. As part of the mid-year reductions, the Governor proposed a \$21.8 million, or 10.8 percent across-the-board cut, to HPSGP. The Legislature rejected this reduction. Instead, it decided to "realign," on a one-time basis, the timing of funding with actual expenditures of the program. Currently, the state provides the final 20 percent of current year HPSGP funding, approximately \$37.4 million, in September, which is the budget year.

Essentially, this action allowed the state to pay for the September 2003 payment with 2003-04 budget year, Proposition 98 funds instead of the 2002-03 funds and schools are not expected to experience any hardship due to this action.

- Department of Finance (DOF) Section 26 Letter. In February 2003, DOF submitted a letter to the Joint Legislative Budget Committee (JLBC) requesting a transfer of \$13.0 million from HPSGP to II/USP because without this transfer, II/USP would have had insufficient funds to fully fund participating Cohort 1 schools that are eligible for an additional year of funding, as authorized under HPSGP. The JLBC approved this transfer, which the final total was \$5.6 million not \$13.0 million that was taken from this program.

Therefore, with the "realignment" and the additional money transferred out of the program (DOF Section 26 Letter), there is a total of \$174.0 million remaining for HPSGP in the 2002-03 Budget Act, as revised.

2003-04 Budget year. The Governor proposes \$178.4 million for HPSGP. This represents a \$36.6 million decrease, or 16 percent, from the 2002-03 Budget Act; however, it is a \$4.4 million increase from the 2002-03 Budget Act, as revised. This Governor's reduction (from the 2002-03 Budget Act) can be attributed to the following:

- 1) \$21.8 million in continued savings due to the proposed continuation of the 10.8 percent across-the-board reduction adjustment (*which the Legislature rejected in the mid-year*), as originally proposed as part of the mid-year adjustment; and
- 2) \$16.8 million in savings that occur as schools exit the program.

Additional 86 schools eligible for HPSGP. Of the \$217 million allocated in the 2002-03 Budget Act, \$20 million is allocated according to the following priorities (via budget bill language):

- *First priority:* Provided for implementation grants to schools in the first decile of the 2001 API that applied for HPSGP, but were not funded due to lack of funding;
- *Second priority:* Required to be for planning and implementation grants for schools in the first decile of the 2001 API that have not previously received a HPSGP grant for planning and implementation. Under this priority, schools must complete both planning and first year implementation in the 2002-03 fiscal year; and
- *Third priority:* Required to be for planning grants to schools in the second decile of the 2001 API.

Also, in this budget bill language, the Legislature expressed intent that “any school that receives a planning grant for the HPSGP shall also be provided an implementation grant at the earliest possible opportunity.”

In Fall 2002, the State Department of Education (SDE) determined that 86 additional decile 1 and 2 schools were eligible to receive this \$20 million (plus some additional funds that were available as a result of some II/USP and HPSGP schools choosing to apply for a federal program). At the April 2002 State Board of Education (SBE) meeting, SDE was prepared to recommend a pro-rata per pupil rate of \$33.33 per pupil for these 86 schools. According to SDE, state law allows for a pro-rata allocation and given the fact that there are only 2 months left in this fiscal year, it believed that this course of action was appropriate. However, the issue was pulled from the April 2002 SBE meeting and no action has been taken on the allocation for these 86 schools. **Therefore, at this time, none of these 86 schools have received funding from this program.**

COMMENTS:

DOF comments. According to the Administration, when the original HPSGP program was developed in 2001, it did not agree to the funding of an additional cohort of schools (i.e., 86 additional schools due to the \$20 million allocated in the 2002-03 Budget Act). The \$20 million in additional funding was intended to be similar to an expansion of the first cohort of schools (i.e., 562) because the original funding for the program was not enough to fully fund all the schools in the first decile of the API, as the Legislature intended.

Therefore, the Administration contends that there is only one cohort of HPSGP. Furthermore, it argues that no matter when these additional 86 schools receive their funding, they should be subject to the same timeline and sanction requirements as the original 562 schools. *This means that regardless of when they receive their funding, these 86 schools would be subject to sanctions the same time as the original 562 schools that received their funding in March 2003. For example, if the 86 schools did not receive their full funding (not a pro-rata share) until September 2003, they would not have the benefit of 7 months to improve as does the original 562 schools, which began in March 2003.* According to the Administration, by not having all of these schools on the same “timeline,” this is setting a precedent for different school sanction schedules, which implies a second cohort of HPSGP, which it states that the Governor never agreed to.

- *DOF Current Year Proposal.* Budget Staff is aware that DOF is proposing to only fund between 49 and 56 of the 86 schools that are eligible for the \$20 million in additional funding. Specifically, it is proposing to use \$18.7 million to fund approximately 56 schools at

\$400 per pupil for the current year, which serves 50,881 students. However, these schools will be subject to the same timeline as the 562 schools (i.e., March). Also, they would be allowed to carryover funding for this program from the 2002-03 fiscal year to 2003-04.

Also, DOF has indicated that it does not intend to provide any more than the Governor's proposed funding level of \$178.4 million for this program, irrespective of the number of schools it serves.

SDE comments. The Department has expressed concerns regarding the Administration's proposal related to the additional schools and their timelines. It feels that this is a substantive policy issue that must be discussed before a decision is made.

LAO comments. The LAO agrees with SDE concerning the issues related to the timeline and that this is a policy issue that merits serious consideration by the Legislature. Also, concerning the proposed pro-rata funding for the additional 86 schools, it does note that this approach would provide approximately \$23 million in savings for the current year, which would aid in the reducing Proposition 98 spending level to the minimum for the current year. It also notes that this savings could be applied to this program in the budget year.

Budget staff comments. Staff notes that when the Legislature established the HPSGP program, it intended to fully fund the schools ranked in the first decile of the API. However, due to budget constraints, there was not enough funding available. Therefore, in the 2002-03 Budget Act, it allocated \$20 million to complete the funding of the first decile and the other priorities, as specified above. Furthermore, since SDE determined that the \$20 million (plus additional funding left over from some eligible II/USP, HSPGP schools choosing to apply for federal funds) fully funds 86 additional schools, the Legislature has been totally committed to ensuring that these schools receive this full funding.

The Administration's "one cohort" distinction is particularly important when determining the "timeline" of the schools and how this relates to the sanction schedule. Currently, the original 562 schools (i.e., first cohort) have received their funding and are already on a "timeline schedule," which is three years of funding and then school sanctions would be determined based on their performance etc. Under DOF's comments related to "one cohort," these additional 86 schools (or 56 schools under the current year proposal) that are eligible for funding would need to be subject to the first cohort timeline. *This means that regardless of when they receive their funding, these schools would be subject to sanctions the same time as the original 562 schools that received their funding earlier in the year.* This proposal is a substantive policy change from the Legislature's original intent of the program, including the addition of the \$20 million.

Also, if these additional 86 schools received funding in the current year, there is current budget bill language that requires these schools to "complete both planning and first year implementation in the 2002-03 fiscal year." **Therefore, if these schools receive funding in the 2002-03 fiscal year, they are required to spend all of it before the end of June, even if they only receive it at the beginning of June. This issue must be addressed before any funding is allocated for these schools in the current fiscal year.**

Universe of Eligible Schools for HPSGP

	2002-03	2003-04
Cohort 1 ^a	562	493 ^c
Additional Eligible Schools ^b	86	86
Total	648	579

^aSchools that were eligible under first allocation for program; they have already received funding for the first year.

^bSchools eligible for funding under the \$20 million (plus additional funding due to some II/USP and HPSGP schools deciding to participate under federal program).

^cRepresents deletion of II/USP Cohort 1 schools that were eligible for additional year of funding under HPSGP.

ITEM 6110 DEPARTMENT OF EDUCATION**ISSUE 4: FEDERAL FUNDS**

The issue for the Subcommittee to consider is the estimated increase in federal funds that the state is expected to receive.

BACKGROUND:

Early indications from the proposed federal government budget indicate that California is expected to receive an increase of approximately \$364.8 million in federal funds², the majority of which is for the implementation of the federal No Child Left Behind Act of 2001 (NCLB). This increase is not final because the State Department of Education is still attempting to rectify final numbers with the U.S. Department of Education. The Governor's office indicates that it plans to include the full amount of federal funds in the May Revise. Currently, the Governor's budget only provides a rough estimate of federal funds for these programs.

Given the policy implications of NCLB and the increased state administrative responsibilities that correspond to them, it would be in the Legislature's best interests to consider these funds before the May Revise in order to maximize the amount of time it has to consider various options.

The chart below summarizes the major federal programs in which California receives funding.

Federal Program	
Title I -- Basic Grants	Aids disadvantaged students meet academic content and performance standards. Funding is distributed as a basic grant that is distributed on a poverty-based formula. There are a number of requirements that the state must meet in order to receive this funding (see below).
Title I Reading First	This is funding for competitive grants to improve reading in grades K-3. The 2002-03 Budget Act made this funding pursuant to legislation (see below).
Title II -- Improving Teacher Quality (formerly Eisenhower Prof. Devpt.)	This program is an expansion of the old Eisenhower Professional Development Program.
Special Education	This funding is to provide programs for special education students.
Title II - Education Technology	Provide funding, pursuant to SB 192 (O'Connell), Statutes of 2002, for grades 4-8 to assist eligible districts to utilize technology to enhance teaching and to promote learning. Grantees will be expected to use funding to implement a research-based program, to evaluate its effectiveness, and to report the results semiannually to the CDE.
Title III -- Language	This program is to ensure that all limited English proficient (LEP)

² This figure is based on April 2003 estimates from the State Department of Education and represents the change from the Governor's 2003-04 Budget estimates for federal funding.

Acquisition	students, referred to as English learners in California, attain English proficiency, develop high levels of academic attainment in English, and meet the same challenging state academic standards as all other students. Subgrants are awarded to eligible local educational agencies based on the number of LEP students enrolled.
Title IV -- 21 st Century Federal After School Funding	Provides funding for after school and other community programs, as specified. These funds are allocated pursuant to legislation.
Title VI -- Assessment Funding	This is funding intended to help states develop the tests and data systems required by the new law.

The table below summarizes the increase in federal education funds that California is expected to receive in the 2003-04 fiscal year for selected programs.

**Proposed Federal Funding for Selected State Formula-Allocated Programs for California
(dollars in millions)³**

Program	2003-04 proposed budget ^a	2003-04 estimate ^b	Change from 2003 proposed budget
ESEA Title I --grants to local education agencies	\$1,422.4	\$1,619.0	\$196.6
ESEA Title I – Reading First state grants	131.6	146.6	15.0
ESEA Title I – Comprehensive School Reform	39.7	40.2	0.5
State Grants for Improving Teacher Quality ^c	320.8	343.1	22.3
21 st Century Community Learning Centers	40.8	76.2	35.4
Education Technology State Grants	83.0	89.3	6.3
ESEA Title VI - state assessments	28.9	30.6	1.7
Language Acquisition Sate Grants (Title III)	111.4	138.9	27.5
Special Education	914.9	974.4	59.5
TOTAL	\$3,093.5	\$3,458.3	\$364.8

Source: State Department of Education

^a Governor's 2003-4 Proposed Budget, which includes an estimate in federal funds.

^b April 2003 estimate in the actual amount of federal funds California will receive.

^c Class Size Reduction and Eisenhower Professional Development Grants have now become the State Grants for Improving Teacher Quality the Class Size Reduction Grants.

Due to the requirements of the federal NCLB, California either has made or is in the process of making major policy decisions regarding the instruction of its students. The following is a summary of the decisions and important upcoming issues related to federal funding.

- **Title I.** Of the above programs, Title I, which is a longstanding program to help low-income children, has undergone the most changes, with new requirements. Over the last year, California has made significant decisions regarding the implementation of the new Title I law. Likewise, there are still a number of important policy decisions that need to be made in the coming year.
 - Single accountability system. Under NCLB, California is required to develop and implement a single statewide accountability system. Currently, the state operates under

the Public Schools Accountability Act (PSAA), which includes the Academic Performance Index, II/USP, and HPSGP. II/USP and HPSGP have provided significant funding to support improvement in the state's lowest performing schools. However, each one of these programs has different planning requirements, funding levels, interventions, and sanctions.

Furthermore, NCLB requires that all schools must be a part of the federal accountability system, which contains its own requirements, intervention strategies, and timelines. Specifically, all schools must take the same assessments and have their "adequate yearly progress" (AYP) measured. Currently, 57 percent of the state's schools receive Title I funding. Title I schools that do not make AYP for two consecutive years are subject to federal interventions and sanctions under Program Improvement. The chart below details the total number of low performing schools that are currently in state and federal programs and the enormous overlap that exists.

Program	Number of Schools
Federal Program Improvement only	289
II/USP only	690
HPSGP only	239
CSRDa only	18
PI ^b and CSRDa	17
PI and II/USP	213
PI and HPSGP	101
PI, II/USP and HPSGP	131
PI, II/USP and CSRDa	34
PI, CSRDa, and HPSGP	12
II/USP and CSRDa	61
II/USP and HPSGP	111
HPSGP and CSRDa	7
II/USP, CSRDa, and HPSGP	30
PI, II/USP, CSRDa, and HPSGP	17
TOTAL	1,970

Source: Legislative Analyst Office

^a Comprehensive School Reform Demonstration

^b Program Improvement

Each one of these programs has its own planning, implementation, and sanction requirements. There are overlapping pieces within all programs; however, the fact remains 734 schools, or 37.3 percent, of the 1,970 are in more than one intervention program. Essentially, California has a state accountability system that must somehow integrate with the new federal system, as specified under NCLB. Over the last year, the State Department of Education (SDE) and State Board of Education (SBE) have both worked to accomplish this goal. **However, significant policy decisions still need to be made and this will require legislative action.**

Also, it must be noted that federal law requires that states reserve 2 percent of their Title I Part A allocations (i.e., Title I "set-aside") for school improvement purposes, to help improve those schools that have been identified as needing improvement. This number grows to 4 percent in 2004-05 and beyond. Under this provision California is required to

spend approximately, \$31.4 million⁴ of its federal Title I allotment for this purpose in 2003-04. In 2002-03, the budget provided a total of \$35.1 million⁵, pursuant to legislation, AB 312 (Strom-Martin), Chapter 1020, Statutes of 2002. Also, SDE estimates that there will be \$15.1 million in savings from the 2002-03 allocation. The Title I "set-aside" is to support the following:

- State takeover in chronically low-performing schools,
 - Intervention and assistance teams in schools that are chronically low-performing but where the state determines that intervention will be more fruitful than state takeover for the school, and
 - Technical assistance and support to improve low-performing schools that are at risk of state takeover or intervention.
- Adequate Yearly Progress (AYP). The new federal law requires states to ensure that *all* pupils meet state-defined advanced or proficient level of achievement in English language arts (ELA) and math in twelve years (i.e., Adequate Yearly Progress). This is a departure from the previous law, under which states were held accountable for the aggregate progress of students. Also, the law requires that schools test 95 percent of all subgroups in order to meet annual improvement targets, which is an increase over California's current requirement for high schools.

In response to these new requirements, the SBE recently made a decision regarding the state's definition of Adequate Yearly Progress (AYP). SBE defined AYP for each school as a minimum percentage of students, including subgroups, performing at the "proficient" level each year in ELA and math. This minimum level will rise each year, which will effectively become the "target," in order for *all* students to meet AYP by 2014, as required by NCLB.

The minimum percentages for the AYP target in 2002-03 and 2003-04 will be 13.6 percent proficient for ELA and 16 percent proficient for mathematics. The definition of proficient is different for grades 2 through 8 and high school students. Also, the minimum level of students required to meet or exceed AYP applies separately to each subgroup. The following is an explanation of SBE's definition of proficient, as it relates to AYP:

- For grades 2-8: "Proficient and above" in reading-language arts and mathematics would be based on the percentage of students scoring at the proficient or advanced level on the California Standards Tests (CSTs). These tests assess how well students are mastering the state's rigorous academic content standards, which lay out what students should know and be able to do at each grade level.
- High School level (grades 9-11). The definition of "proficient" in ELA and math would be tied to scores on the California High School Exit Exam, which is a pass/fail test. "Cut scores" for achieving proficiency at the high school level would be equivalent to achieving proficiency on the California standards-based tests in ELA and math.

Below is a chart that illustrates the current performance of California's students at "proficient or above."

⁴ This number is based on the estimated 2003 allocation of Title I funds, excluding certain funds, as required by federal law.

⁵ \$29.1 million plus \$6 million in state General Fund money from II/USP.

Percent of Students Proficient or Above in English Language Arts and Mathematics^a

	English Language Arts		Mathematics	
	Grade 3	Grade 7	Grade 3	Grade 7
All students	34%	33%	38%	30%
English Language Learners	12	16	25	9
Economically Disadvantaged	18	16	25	16
Special Education	17	6	21	6

Source: Legislative Analyst Office

^aResults from the 2002 California Standards Test

Under SBE's definition, the majority of California's students, particularly the underrepresented and special needs populations (which are also subgroups), would not currently meet the state's target for AYP and therefore, the schools that these students attend would not either. Likewise, because the targets for AYP will continually increase over time, many individuals argue that it is highly unlikely that these schools will ever be able to meet these targets. It is important to understand that once a Title I school fails to meet its targets, including subgroups, for two consecutive years, it becomes placed into federal Program Improvement (the federal, Title I accountability program or sanctions), which requires schools to offer a variety of interventions - supplemental services, school choice, and corrective actions. Currently, approximately 57 percent of California's schools receive Title I funding. As of January 2003, there are 955 schools in Program Improvement: 420 in their first year (i.e., school choice), 507 in level two (i.e., supplemental services); and 28 in level three (i.e., corrective action). According to the LAO, "once a school has missed its targets (i.e., Program Improvement), it will be very difficult for it to ever catch up because the target continues to rise. The level of growth required to meet these targets is unrealistically high in our view, and virtually every Title I school will likely be in Program Improvement within a few years."

- **Reading First – Bilingual/Alternative Programs.** This program is expected to provide a total of \$146.6 million, a \$15 million increase from 2003-04, in competitive grants to schools providing reading instruction to students in grades K-3. The 2002-03 Budget Act required that this funding be distributed pursuant to legislation, AB 65 (Strom-Martin), Chapter 730, Statutes of 2002. Since this time, the first round of grants has been awarded and SDE, with approval from SBE, is preparing to award the second cohort of schools.

However, as part of this process, there has been significant controversy regarding California's bilingual programs, or "alternative programs," and their eligibility for this funding. The SBE has decided that the state's legal bilingual programs (authorized with a parent waiver, as required by Proposition 227), which provide English learners with instruction in their primary language, are not eligible to receive these funds because they do not meet the requirements of the program. The requirements in question state that all eligible Reading First programs must have instruction and materials aligned to the state English language arts content standards and provide two hours of instruction in English a day. Bilingual programs cannot inherently meet these requirements simply because they provide instruction in a student's primary language, not English.

Recently, advocates representing bilingual programs filed a lawsuit in California Superior Court contending that federal law does not allow a state to exclude bilingual or alternative

programs from receiving Reading First funding. In response, the court ordered an injunction, which states that bilingual programs must be eligible for funding at this time. After this action, the SBE adopted emergency regulations to specify that schools receiving Reading First funding must provide two hours of English instruction, as specified.

At this time, the issue is still not resolved. Another court date is set in the immediate future to review the facts after the SBE's emergency regulation action. Also, there is a legislative measure that is moving through the process, which directly addresses the issue of bilingual programs and Reading First eligibility. **It must be noted that the state is expected to receive an additional \$15 million in Reading First funds. This allocation will serve new eligible schools. Therefore, the issue of eligibility is very important.**

➤ **Title III – English Learner Accountability.** Title III, the Language Instruction for Limited English Proficient and Immigrant Students Program. The Title III program replaces the Immigrant Education Program and the Bilingual Education Grant Program, which was administered by the federal government and provided grants directly to school districts. In 2002-03, the SDE allocated approximately \$102.3 million to serve 1,504,131 LEP students enrolled in 740 local education agencies. In addition, Title III - LEP student program funds may be used for:

- Upgrading program objectives and instructional strategies;
- Identifying and improving curricula and materials, and assessments;
- Providing tutorials for academic and/or vocational education;
- Intensifying instruction;
- Acquiring or developing of educational technology;
- Coordinating language instruction programs with other programs and services; and
- Providing community participation programs including family literacy and parent outreach.

In order to continue receiving Title III funding, the state must develop two Annual Measurable Achievement Objectives (AMAOs) for LEP students. Schools will be held accountable for meeting these standards. The following are the two AMAOs that need to be defined and submitted to the federal government by September 1, 2003:

- 1) Gains in the percentage of children meeting annual California English Language Development Test (CELDT) growth objectives.
- 2) Annual increases in the percentage of students attaining English language proficiency as demonstrated by the CELDT.

Additions to CELDT. Furthermore, the No Child Left Behind Act of 2001 requires that each state conduct an annual assessment of the English language proficiency of their LEP students based on the state's English language development standards. California fulfills this requirement due to the fact that the CELDT is based on the English language development standards. However, SDE states that in order to conform to the federal law, a comprehension score will need to be developed and reading and writing will need to be

tested in kindergarten and first grade. Currently, the CELDT does not test these grade levels in reading and writing.

- **Title VI – Assessment and Flexibility.** This funding is provided to states to help them develop the tests and data systems required by the No Child Left Behind Act of 2001 (NCLB). Since California already had a comprehensive assessment and accountability system at the time of passage of this new law, many of these funds can be utilized either 1) to offset state General Fund costs of implementing the assessment system or 2) for additional new proposals that are directly associated with implementing NCLB. In 2003-04, the Governor has allocated \$27.6 million for these purposes. SDE estimates that the state will receive an additional \$3 million for a total budget year allocation of \$30.6 million.
- Longitudinal Database. SB 1453 (Alpert), Chapter 1002, Statutes of 2002, established the California Longitudinal Pupil Achievement Data System and requires, subject to the availability of federal funds, SDE to contract for the development of proposals which will provide for the retention and analysis of longitudinal pupil achievement data on the STAR Program, CAHSEE, and CELDT. Furthermore, it requires SDE to contract for the development of proposals, which will provide for the retention and analysis of longitudinal pupil achievement data on the California Assessment of Academic Achievement test, the CELDT, and CAHSEE.

Student identifier. Chapter 1002 required a unique pupil identification number, to be developed. This identifier must be identical to the pupil identifier developed pursuant to the California School Information Services program, which shall be retained by each local education agency and used to ensure the accuracy of information on the header sheets of the STAR tests, CAHSEE, and CELDT.

As required by federal law, each state must provide specified data to the federal government. An example of this data, includes graduation rates, the ability to track the number of proficiency levels of English learners etc. The establishment of this database is critical to the state's ability to comply with NCLB.

In the 2002-03 budget, \$6.9 million in Title VI funding was set- side for this purpose, upon completion of an expenditure plan by SDE and its approval by the Department of Finance (DOF). As of February 2003, DOF has partially approved an expenditure plan totaling \$460,000 for the current year and estimated costs of \$1.1 million in the 2003-04 Budget year, which is contingent upon appropriation for this purpose in the 2003-04 Budget Act.

Further discussion and clarification of this issue is in Issue 11 below.

COMMENTS:

Title I. Budget staff notes that even though SBE is only required to submit a "general roadmap" or minimal specifications at this time to the federal government regarding the state's plans to have a single accountability system, it is in the Legislature's best interest to begin serious policy discussions regarding how to integrate the state and federal accountability systems, including intervention programs.

Furthermore, under SBE's definition of AYP, the majority of California's students, particularly the underrepresented and special needs populations (which are also subgroups), would not

currently meet the state's target for AYP and therefore, the schools that these students attend would not either. Likewise, because the targets for AYP will continually increase over time, many individuals argue that it is highly unlikely that these schools will ever be able to meet these targets. It is important to understand that once a Title I school fails to meet its targets, including subgroups, for two consecutive years, it becomes placed into federal Program Improvement (the federal, Title I accountability program or sanctions), which requires schools to offer a variety of interventions - supplemental services, school choice, and corrective actions. Currently, approximately 57 percent of California's schools receive Title I funding.

DOF Title I comments. It argues that any discussion of a single accountability system will involve major policy discussions and must be undertaken carefully, considering the significant fiscal costs that are associated with the process.

LAO Title I comments. It recommends that the state begin to develop a framework for an integrated accountability system as soon as possible. The LAO acknowledges that this action must involve significant policy discussions via a comprehensive legislative process. Specifically, it provides the following guidelines for this process:

- Focus state interventions at the school district level.
- Target state interventions at the neediest schools.
- Provide less intensive interventions at higher performing schools.

Furthermore, the LAO states that any restructured accountability system will create costs pressures; however, because a more detailed proposal is necessary to make these cost estimates, an exact number is not available. But, it does recommend that the Legislature set aside \$50 million to address a redesigned accountability system. It does acknowledge that a restructured accountability system can be funded with a combination of state Proposition 98 and federal resources.

Title III comments. Budget staff would note that with the initial proposal to add a kindergarten and first grade reading and writing assessment to the CELDT will do two things: 1) require unknown additional testing costs because currently the state does not assess these grades for this content and 2) alter the assessment once again, which will create additional local training costs, as outlined is Issue 6 above.

LAO Title VI comments. It estimates that there will be approximately \$16.5 million for the 2002-03 current year⁶ and \$13.3 million for the 2003-04 fiscal year⁷ in remaining Title VI funding. The majority of this "carryover" funding is due to the fact that DOF is only proposing to allocate \$460,000 of the \$6.9 million for the completion of the longitudinal database. The LAO notes that this funding can only be carried over for 27 months and any remaining funding must be returned to the federal government. Furthermore, it argues that the majority of this "carryover" funding should be not be used for other purposes; instead, it should be allocated for the completion of the longitudinal database, as authorized.

DOF Title VI comments. The Administration argues that only \$460,000 is needed for the current year for the purpose of beginning to provide Los Angeles Unified School District with

⁶ This assumes that there will be only \$460,000 in Title VI funding allocated for the longitudinal database in the 2002-03 current year.

⁷ This assumes that there will be only \$1.1 million in Title VI funding allocated for the longitudinal database in the 2003-04 current year.

student identifiers within the statutory funding of the California School Information Services (See Issue 11 below). Furthermore, DOF notes that it is their understanding that the providing LAUSD with student identifiers will take up all of the funding needed for the current year. Therefore, the first student identifiers assigned using SB 1453 (Alpert), Chapter 1002, Statutes of 2002, will not be issued until 2003-04.

Also, DOF notes that Chapter 1002 requires a request for proposals to develop a longitudinal database system. Therefore, it notes that CSIS is not to automatically assumed to be this database. It is eligible to submit a proposal and very well could be chosen to develop this database, but as of now, it is not the contractor.

SDE Title VI comments. The Department argues that the entire amount of funding allocated for Title VI should be utilized in the current year. The need to begin developing student identifiers for the longitudinal database is extremely important to the state's ability to comply with the new federal law (as discussed at the April 22, 2003 meeting regarding the California School Services Information System).

Budget Staff Title VI comments. Staff notes that if Title VI continues to have "carryover" funding, the Legislature should consider utilizing this funding for other proposals, so as not to have to return it to the federal government. The following are two suggestions:

- 1) Development of a primary language assessment. As explained above (Issue 8), the state is authorized to develop a primary language assessment, which measures a student's knowledge of the state's academic content in his or her primary language. Title VI funding can be used for this purpose.
- 2) CELDT training. As explained above (Issue 6), currently, the state does not provide funding to school districts for training to administer the CELDT. Likewise, with the proposed additional assessment requirements under Title III (i.e., assessing kindergartners and first graders in reading and writing), the test may change once again. An amount of Title VI funding can be set-aside for training purposes directly related to the CELDT.

ITEM 6110 DEPARTMENT OF EDUCATION**ISSUE 5: SUPPLEMENTAL INSTRUCTION**

This issue for the subcommittee to consider is the across-the-board reduction to supplemental instruction programs.

BACKGROUND:

SB 1683 (Escutia, Chapter 72) of 2000 reorganized summer school law under which school districts may claim state funding (currently \$3.38 per pupil/hours) for supplemental instruction delivered before or after school, on Saturdays, or during the summer or inter-session.

Specifically, it reorganized categories for elementary grades remedial supplemental instruction as follows:

- School districts may receive supplemental instruction reimbursement for up to five percent of their grade 2 - 6 enrollment. Pupils in those grades must be identified as having an academic deficiency in reading, writing or mathematics based on the results of the Standardized Testing and Reporting testing (STAR).
- *As of January 1, 2003*, pupil's in grades 2 - 6 who are "at risk" of not being promoted to the next grade may receive supplemental instruction but reimbursement must be accommodated within the 5 percent cap along with pupils in the first category.

Prior to January 1, this category of (remedial) supplemental instruction was not capped.

- Pupils in grades 2 - 6 who are actually retained in a grade may receive supplemental instruction without limit on state reimbursement.

Why was a cap imposed? When SB 1683 was being considered, the DOF was concerned that uncapping remedial summer school for the elementary grades would lead to fiscal disaster as districts claimed millions of dollars worth of supplemental instruction hours. In the event that appropriated funds proved insufficient to meet demand, the Superintendent of Public Instruction was instructed to use available balances in various appropriations for supplemental instruction before requesting additional funds to meet any shortfall. As additional insurance, the uncapped category of "at risk" pupils was scheduled to be recapped after two years, thereby requiring the enactment of a second set of "capped" sections to replace the uncapped sections.

The predicted deficit never materialized. An improved reimbursement rate (currently \$3.45 per pupil hour) and removal of the cap has led to steady growth in the utilization of supplemental instruction for at risk pupils. Last year, for the first time, the SPI was required to use at least one balance available in another category of supplemental instruction in order to fully reimburse claims for at risk pupils, but no net deficit occurred.

Legislative measures. In 2002, the Legislature passed AB 2160 (Simitian) and SB 1671 (Escutia), which proposed to allow the supplemental instruction program for pupils in grades 2-6 who are "at-risk" of retention to continue to operate without a "cap" on reimbursements. The Governor vetoed both of these measures, with the following message: "Elimination of the cap

would limit the State's flexibility to establish fiscal and policy priorities for future years. Given the existing economic uncertainty currently facing California, retaining the maximum flexibility is necessary."

Currently, two bills, AB 52 (Simitian) and SB 19 (Escutia), have been proposed that would delete the "cap" requirements regarding reimbursements for the supplemental programs serving pupils in grades 2-6 who are at-risk of retention. Both of these bills are moving through the legislative process.

2002-03 Budget Act. There is \$449.8 million total allocation for supplemental instruction. Of this amount, it is allocated in the following manner:

- \$171.1 million for pupils enrolled in grades 7-12 in need of remedial instruction.
- \$49.7 million for pupils in grades 2-9, who are at-risk of retention.
- \$18.0 million for students in grades 2-6, who are identified as having low STAR scores.
- \$211.0 million for students in grades K-12 who receive core supplemental instruction services.

2002-03 mid-year adjustment. As part of the mid-year cuts, the Legislature reduced supplemental instruction by a total of \$75.0 million. Of this amount, \$50 million represented prior year savings and \$25 million represented a current year reduction. Therefore, there is a total of \$424.8 million remaining for supplemental instruction in the 2002-03 Budget Act, as revised.

According to SDE, the current year cut of \$25 million would not represent a reduction in the number of students served. To ensure that this would not occur, the Legislature added budget control language to allow SDE to transfer funding, with proper notice, between the different program allocations.

2003-04 Budget proposal. The Administration proposes to reduce supplemental instruction by a \$12.9 million, or 3 percent, from the revised allocation in the 2002-03 Budget Act. This number represents the difference from the prior year "uncapped" amount of funding for the program serving at-risk students to an estimate of the current year's proposed "capped" amount of funding for the same program.

Likewise, the Governor's **does not** propose to include the supplemental instruction programs in the block grant proposal.

COMMENTS:

LAO comments. The LAO proposes to include the at-risk supplemental instruction programs in its Compensatory Education Block Grant. It feels that since these programs serve "at-risk" students it belongs in this proposed block grant. Likewise, the remaining "core" supplemental instruction programs (i.e., low scores on STAR tests) are proposed to be included in the Core Services Block Grant.

ITEM 6110 DEPARTMENT OF EDUCATION**ISSUE 6: AVID (ADVANCED VIA INDIVIDUAL DETERMINATION)**

The issue for the Subcommittee to consider is the Governor's proposed 50 percent reduction to the Advanced Via Individual Determination (AVID) program.

BACKGROUND:

AVID was established in 1980 as a program to address the decreasing enrollments of underserved student enrollments in postsecondary education. Initially, the program began with one high school and 32 students. It now serves over 70,000 students in more than 1000 schools in California alone, with more than 30,000 students having graduated from AVID programs and matriculated to college at over a 95 percent rate.

AVID is designed to increase schoolwide learning and performance. The mission of AVID is to ensure that all students, and most especially the least served students in the middle capable of completing a college preparatory path. It works within the regular school day and includes an elective class, trained tutors, an AVID teacher, and a site team of teachers, focusing on college preparation, writing, inquiry, collaboration and reading.

➤ **Research results.** Independent research statewide in California, and national yearly data collection by the AVID Center have shown the AVID Program to be effective in preparing so-called average students for college. For example, since 1990, 30,000 AVID students have graduated from high school and gone on to four-year universities or colleges. Other program measures include:

- 95 percent of AVID students reported enrolling in college, 77.1 percent in four-year institutions and 17.2 percent in community colleges. This is a four-year college going rate three times higher than the California state average (CREATE, 1999).
- Over 80 percent of AVID graduates are enrolled continuously in college since leaving high school (CREATE, 1999; Mehan, et al, 1996).
- 85 percent of the AVID students expect to graduate from college in four to five years. Their mean college grade point average is 2.94 (CREATE 1999).
- African-American AVID students who participate in AVID for three years are enrolling in college at rates which are considerably higher than national averages. Fifty-five percent of the AVID African-American graduates enrolled in four-year colleges, while the national average was 33 percent (Mehan, et al, 1996).
- Of the Latino students who participated in AVID, 43 percent enrolled in four-year colleges. This exceeds the national average of 29 percent (Mehan, et al, 1996).
- AVID graduates complete the sequence of courses necessary for four-year college acceptance at an 84 percent rate; the California state average is 34 percent (CREATE, 1999).

2002-03 Budget Act. The budget contained \$12.3 million for this program. Of this amount, \$1.3 million is for administration of AVID centers and \$6 million is for competitive outreach grant to local education agencies (LEAs) for the AVID program. The remaining \$5 million is solely for the provision of advanced placement teacher training or tutoring services.

Of the \$5 million appropriated for advanced placement teacher training and tutoring services, the Governor vetoed \$2 million, or 16.2 percent, of the total funding. Therefore, there is a total of \$10.3 million in the 2002-03 Budget Act for AVID.

2002-03 Mid-year reductions. The Legislature rejected the Governor's 50 percent reduction to AVID and did not take any other action related to this program. Therefore, a total of \$10.3 million remains in the 2002-03 Budget Act, as revised.

2003-04 Budget proposal. The Governor proposes to allocate \$5.15 million for AVID. Of this amount, \$1 million is for the administration of AVID centers and \$2.75 million is available for competitive outreach grants to LEAs for the program. The remaining \$1.4 million is to be used for advanced placement teacher training or tutoring services. The Administration's proposal represents a \$5.15 million, or 50 percent reduction, from the 2002-03 Budget Act, as revised.

COMMENTS:

Budget staff notes that AVID is a "non-Proposition 98" program. This means that it is not funded within the Proposition 98 guarantee. Therefore, any reduction would be General Fund (non-Proposition 98) savings.

Also, staff observes that AVID received a 16.2 percent reduction in 2002-03 due to the Governor's veto of \$3 million in funding from the program at the time the budget act was signed. **Furthermore, the program is proposed to be reduced by 50 percent, which is four times the reduction amount being proposed for other K-12 categorical programs.⁸**

DOF comments. The Administration states that it considers AVID a K-12 outreach program; therefore, its 50 percent reduction is consistent with the Governor's proposal regarding other K-12 outreach programs (i.e., Puente, Equal Opportunity Program, etc.).

SDE comments. In reference to the Administration's contention that AVID is akin to a K-12 outreach program, SDE argues that AVID is more like a K-12 categorical program because it operates as a stand-alone period in the school day and provides critical support to students.

⁸ The Governor proposes that the majority of K-12 categorical programs receive a 12 percent across-the-board reduction in 2003-04.

ITEM 6110 DEPARTMENT OF EDUCATION**ISSUE 7: DOF LETTERS**

The issues for the Subcommittee to consider are the various letters from the Department of Finance, which amend the Governor's proposed budget.

BACKGROUND:

A letter dated April 1, 2003 from DOF proposes the following amendments to the Governor's 2003-04 Budget. Most of these amendments are minor or technical in nature.

6110-001-0001, Restoration of K-3 Class Reduction Position (Issue 100)

It is requested that one Education Consultant position for the School Facilities Planning Division that was proposed for elimination in the 2003-04 Governor's Budget be restored. This action reflects an inadvertent elimination of a position associated with a departmental reduction proposal. Instead, the reduction was intended to be taken from operating expenses and equipment.

6110-001-0001, 6110-001-0890, and 6110-161-0890 Special Education (Issue 002, 001)

It is requested that \$250,000 be transferred from Item 6110-001-0890 to Item 6110-161-0890 for interpreter training and certification. This transfer would correctly characterize this activity as local assistance rather than state operations. As a conforming action, it is requested that Provision 18 of Item 6100-001-0890 be deleted and that provisional language be added to Item 6110-161-0890 as follows:

X. Of the funds appropriated in Schedule (1) of this item, \$250,000 shall be provided to districts for interpreter instruction, training, and certification. This funding shall be annually renewable for two years, pursuant to Department of Finance approval of an annual progress report which shall be completed by April 30 of each year, beginning in 2003.

6110-006-0001, State Special Schools (Issue 003)

It is requested that this item be augmented by \$63,000 for the purpose of correcting the employee compensation adjustment for the State Special Schools, based on revised information provided by the State Department of Education (SDE).

6110-112-0890, Public Charter Schools (Issue 004)

It is requested that this item be increased by \$8,369,000 to reflect the receipt of greater than anticipated federal funding for grants to charter schools. It is also requested that the Department of Finance be granted authority to shift an amount of up to \$422,00 to the SDE for state operations purposes relating to charter school grant activities upon approval of a work and expenditure plan.

It is requested that the following provisional language be added to the item:

Provisions:

X. Of the funds appropriated in this Item, an amount of up to \$422,000 may be transferred to Item 6110-001-0890 to be used for state operations purposes relating to federal charter school grants upon Department of Finance approval of a work and expenditure plan proposed by the Department of Education.

6110-113-0890, Title VI Flexibility and Accountability (Issue 100)

It is requested that Schedule (5) of Item 6110-0-113-0890 be increased by \$6,000,000 to reflect carryover from the Budget Act of 2002 that is available for a longitudinal database and data collection costs to comply with the requirements of the federal No Child Left Behind Act of 2001 (NCLB). The SDE requested this carryover because a feasibility study for the longitudinal database will not be completed in time to begin a project in 2002-03 and the issuance of student identifiers using these funds will not begin until 2003-04. Additionally, NCLB data requirements are being established this spring and summer through a series of state plan filings, so it is unlikely that any significant new costs to collect data in 2002-03 will be incurred.

It is requested that Provision 5 of this item be amended as follows:

"5. Funds appropriated in Schedule (5) are provided for the establishment of a longitudinal database, and for data collection requirements of the No Child Left Behind Act of 2001 (P.L. 107-110), pursuant to Chapter 1002, Statutes of 2002. Expenditure of these funds is subject to approval by the Department of Finance of an expenditure plan. Of these funds, \$6,000,000 in carryover funding is provided on a one-time basis. The Department of Finance may transfer funds provided pursuant to this provision to Item 6110-001-0890 to provide the State Department of Education necessary resources to meet the data collection requirements of P.L. 107-110."

6110-113-0890, Title VI Flexibility and Accountability (Issue 101)

It is requested that Schedule (10) of Item 6110-113-0890 be increased by \$1,500,000 to reflect carryover from the Budget Act of 2002 that is available for NCLB data collection. The SDE requested this carryover because the data collection plan has not been completed. Federal data reporting requirements for California are still under development in many areas.

6110-181-0140, Environmental Education (Issues 001 and 002).

It is requested that \$188,000 in reimbursement authority be scheduled in Item 6110-181-0140 for environmental education. The Department of Water Resources (\$11,000), California Coastal Commission (\$10,000), State and Consumer Services Agency (Energy Conservation Education) (\$156,000), and California Integrated Waste Management Board (\$11,000) will provide funding for the services. The SDE will use the funds for local grants supporting regional coordinators who facilitate instruction to K-12 pupils statewide. The SDE requests a base increase of this amount, as state agencies are expected to request this level of services on an ongoing basis. A similar increase has been provided administratively in 2002-03 pursuant to the authority of Section 28.50, Budget Act of 2002.

It is requested that provisional language to be added to Item 6110-181-0140 to allow SDE to use up to \$40,000 of California Environmental License Plate Funds appropriated pursuant to environmental education grants, as authorized by Section 21190 (c) of the Public Resources Code.

It is requested that Budget Bill language be added to Item 6110-181-0140 be amended as follows to conform to these actions.

"6110-181-0140 – For local assistance, Department of Education, ~~Program 20.10.055— Environmental Education~~, payable from the California License Plate Fund400,000

- (1) Program 20.10.055-Environmental Education588,000
- (2) Reimbursements. -188,000

Provisions:

X. Of the amount appropriated in Schedule (1) of this item, up to \$40,000 of this appropriation may be transferred to Item 6110-001-0001 to be used for administrative costs related to the Environmental Education program, as authorized per Section 21190, Part C of the Public Resources Code."

COMMENTS:

Budget staff notes the following comments regarding these issues:

6110-001-0001, 6110-001-0890, and 6110-161-0890 Special Education (Issue 002, 001)

The proposed language associated with this request requires that an annual progress report that must be completed by April 30 of each year, beginning in 2003. Given the fact that April has passed, this section of the language seems unnecessary.

LAO Comments. It has a specific comment regarding the following issue:

➤ **6110-113-0890, Title VI Flexibility and Accountability (Issue 100).**

The LAO has significant concerns regarding the language associated with this request, which states the following:

"5. Funds appropriated in Schedule (5) are provided for the establishment of a longitudinal database, and for data collection requirements of the No Child Left Behind Act of 2001 (P.L. 107-110), pursuant to Chapter 1002, Statutes of 2002. Expenditure of these funds is subject to approval by the Department of Finance of an expenditure plan. Of these funds, \$6,000,000 in carryover funding is provided on a one-time basis. The Department of Finance may transfer funds provided pursuant to this provision to Item 6110-001-0890 to provide the State Department of Education necessary resources to meet the data collection requirements of P.L. 107-110."

Specifically, the LAO does not believe that the expenditure of Title VI funds should be subject to the approval of the Department of Finance. As heard earlier in this Subcommittee, the Title VI funds in question are directly related to the development of student identifiers. The LAO argues that the Legislature, through SB 1453 (Alpert), Chapter

1002, Statutes of 2002, clearly stated that the funding in question is to be allocated for the development of the longitudinal database, including student identifiers, and SDE is charged with this development. Therefore, there is not a need for DOF's to continually approve an expenditure plan. Furthermore, the LAO warns that if the Title VI funding in question is continually carried over, the state is in danger of returning this funding to the federal government (See Issue 4: Title VI funds).