

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

Assembly Member Susan Bonilla, Chair

TUESDAY, MAY 3, 2011

STATE CAPITOL, ROOM 444  
9:00 AM**CONSENT CALENDAR**

ITEM	DESCRIPTION	PAGE
<b>6110</b>	<b>DEPARTMENT OF EDUCATION</b>	<b>2</b>
ISSUE 1	DOF APRIL LETTERS – VARIOUS STATE OPERATIONS AND LOCAL ASSISTANCE ADJUSTMENTS <b>ACTION: APPROVE CONSENT CALENDAR AS AMENDED</b> <b>VOTE: 5-0</b>	2
	<b>PUBLIC COMMENT</b>	

**ITEMS TO BE HEARD**

ITEM	DESCRIPTION	PAGE
<b>6110</b>	<b>DEPARTMENT OF EDUCATION</b>	
ISSUE 1	FEDERAL STRIVING READERS COMPREHENSIVE LITERACY PLAN UPDATE ( <b>INFORMATION ONLY – NO ACTIONS</b> )	10
ISSUE 2	ANNUAL UPDATE FROM THE FISCAL CRISIS MANAGEMENT ASSISTANCE TEAM (FCMAT): PRESENTATION ON DISTRICT FINANCIAL HEALTH ( <b>INFORMATION ONLY – NO ACTIONS</b> )	14
ISSUE 3	2010 SUPPLEMENTAL REPORT LANGUAGE: SCHOOL DISTRICT CONSOLIDATION ( <b>INFORMATION ONLY – NO ACTIONS</b> )	22
	<b>PUBLIC COMMENT</b>	

## CONSENT CALENDAR

### 6110 DEPARTMENT OF EDUCATION

**ISSUE 1: DOF APRIL LETTERS – VARIOUS STATE OPERATIONS AND LOCAL ASSISTANCE ADJUSTMENTS**

The issues for the Subcommittee to consider are various technical amendments proposed by the Department of Finance (DOF) to the 2011-12 Budget Act.

**PANELISTS**

- Department of Finance
- California Department of Education
- Legislative Analyst's Office

**BACKGROUND:**

As part of the annual budget process, DOF submits a letter to the Legislature on April 1 that includes proposed changes to the Governor's January budget. This year these changes will be made to the 2010-11 Budget Act adopted by the Legislature in March. The proposed revisions are largely technical and include adjustments to state operations and local assistance funding.

<b>Consent Calendar</b>	
<b>Federal Funds – State Operations Items</b>	
1)	<p><b>Items 6110-001-0001 and 6110-001-0890, Support, State Department of Education, Reappropriate Carryover of Federal Funds for the California Modified Assessment Alignment Study (Issue 080).</b> It is requested that Item 6110-001-0890 be increased by \$600,000 (\$200,000 federal Title I carryover funds and \$400,000 federal Title VI carryover funds), and that Item 6110-001-0001 be amended to support an alignment study of the California Modified Assessment (CMA) by an independent contractor. As a result of a 2010 peer review, and to approve the CMA as meeting the requirements of the No Child Left Behind Act of 2001, the United States Department of Education requires an alignment study of the CMA to ensure validity, technical quality, inclusivity, and alignment to the state's content standards. The 2010 Budget Act provided these funds for this purpose, however, the Department of Education (SDE) reports they will be unable to complete the request for proposal process and encumber the funds in the current year, and therefore, the SDE requests to carryover the funds into fiscal year 2011-12.</p> <p style="text-align: center;">It is further requested that provisional language be added to Item 6110-001-0890 as follows to conform to this action:</p> <p style="text-align: center;">X. Of the funds appropriated in this item, \$200,000 federal Title I and \$400,000 federal Title VI funds are available on a one-time basis to conduct a validation study of the California Modified Assessment.</p>
2)	<p><b>Items 6110-001-0001 and 6110-001-0890, Support, State Department of</b></p>

	<p><b>Education, Add One-Time Carryover Authority for Document Translation Workload (Issue 278).</b> It is requested that Item 6110-001-0890 be increased by \$250,000 Federal Trust Fund and that Item 6110-001-0001 be amended to reflect the availability of one-time carryover funds. These funds will support the continued translation of parental notification and information forms in multiple languages to assist school districts in complying with the requirements of current law. The carryover is a result of delays in securing contracts with vendors to translate parental notification documents.</p> <p>The Governor’s Budget eliminated \$250,000 in one-time carryover funding available in 2010-11; however, the provisional language was not removed. Therefore, no change to provisional language is necessary to conform to this action.</p>
3)	<p><b>Items 6110-001-0001 and 6110-001-0890, Support, State Department of Education, Administration of Commodity Supplemental Food Program (Issue 721).</b> It is requested that Item 6110-001-0890 be increased by \$33,000 Federal Trust Fund and that Item 6110-001-0001 be amended to provide up to \$108,000 in administrative funds for the Commodity Supplemental Food Program, which supplements the diets of low-income mothers and children with nutritious commodity foods from the United States Department of Agriculture. This funding will support one analyst position, temporary help, and other costs associated with administering the program.</p> <p>We note that Provision 26 of Item 6110-001-0890 currently states that \$45,000 is available for the Administration of the program. However, \$75,000 is the actual amount of authority currently available.</p> <p>It is further requested that provisional language be amended in Item 6110-001-0890 to clarify and update the total amount of authority available for this program as follows to conform to this action:</p> <p>“26. Of the funds appropriated in this item, <del>\$45,000</del> up to \$108,000 is for the administration of the Commodity Supplemental Food Program, contingent on approval from the United States Department of Agriculture.”</p>
<p><b>Federal Funds – Various Local Assistance Items</b></p>	
4)	<p><b>Item 6110-102-0890, Local Assistance, Learn and Serve America Program (Issue 480).</b> It is requested that this item be increased by \$138,000 Federal Trust Fund to reflect the availability of \$200,000 in one-time carryover funds and a \$62,000 reduction to the federal grant for the Learn and Serve America Program, which provides opportunities for students to engage in academic-based, service-learning projects.</p> <p>It is further requested that provisional language be added as follows to conform to this action:</p> <p style="padding-left: 40px;">X. Of the funds appropriated in this item, \$200,000 is provided in one-time carryover funds to support the existing program.</p>
5)	<p><b>Item 6110-112-0890, Local Assistance, Public Charter Schools Grant Program (Issue 802).</b> It is requested that this item be increased by <del>\$14,072,000</del> <b>\$14,091,000</b> Federal Trust Fund to reflect an increase in the federal grant. The PCSGP provides planning and implementation grants to new startup and conversion charter schools. In 2011-12, it is anticipated that 117 new charter schools will receive grants through the PCSGP.</p>
6)	<p><b>Item 6110-119-0890, Local Assistance, Neglected and Delinquent Children Program (Issue 301).</b> It is requested that this item be decreased by \$692,000</p>

	<p>federal Title I Neglected and Delinquent Children funds to reflect the anticipated federal grant award for 2011-12. Local Education Agencies (LEAs) will use these funds for services to educate neglected and delinquent or incarcerated youth.</p>
<p>7)</p>	<p><b>Item 6110-125-0890, Local Assistance, Migrant Education Program and English Language Acquisition Program (Issues 291, 292, 297, and 298).</b> It is requested that Schedule (1) of this item be increased by \$333,000 federal Title I funds. This adjustment includes a decrease of \$1,367,000 to align the Migrant Education Program with the anticipated federal grant award and an increase of \$1.7 million to reflect the availability of one-time federal carryover funds. The LEAs will use these funds for educational and support services to meet the needs of highly-mobile children.</p> <p>It is also requested that Schedule (2) of this item be increased by \$5,173,000 federal Title III funds. This adjustment includes a decrease of \$6,327,000 to align the English Language Acquisition Program with the anticipated federal grant award and an increase of \$11.5 million to reflect the availability of one-time federal carryover funds. The LEAs will use these funds for services to help students attain English proficiency and meet grade-level standards.</p> <p>It is further requested that provisional language be added as follows to conform to this action:</p> <p style="padding-left: 40px;">X. Of the funds appropriated in Schedule (1), \$1,700,000 is provided in one-time carryover funds to support the following existing program activities: (1) extended day/week and summer/intersession programs to help prepare middle and secondary students for the high school exit exam, (2) investments aimed at upgrading curricula, instructional materials, educational software, and assessment procedures, (3) tutorials and intensified instruction, and (4) investments in technology used to improve the proficiency of limited English proficient students.</p> <p style="padding-left: 40px;">X. Of the funds appropriated in Schedule (2), \$11,500,000 is provided in one-time carryover funds to support the existing program.</p>
<p>8)</p>	<p><b>Item 6110-134-0890, Local Assistance, Federal Title I Basic Elementary and Secondary Education Act Program (Issue 085).</b> It is requested that Schedule (4) of this item be increased by \$2,413,000 federal Title I funds to align the Title I Basic Elementary and Secondary Education Act Program appropriation with the anticipated federal grant. LEAs will use these funds to support services that assist low-achieving students enrolled in the highest poverty schools.</p>
<p>9)</p>	<p><b>Item 6110-134-0890, Local Assistance, Federal Title I Set Aside for the Local Educational Agency Corrective Action Program (Issue <del>087</del> 086).</b> It is requested that Schedule (2) of this item be <del>decreased</del> <b>increased</b> by <del>\$962,000</del> <b>\$334,000</b> federal Title I Set Aside funds for the LEA Corrective Action Program to align the appropriation with the anticipated federal grant. The program provides funding for technical assistance to LEAs entering federal Corrective Action.</p> <p>It is further requested that provisional language be added as follows to identify available one-time carryover funds. This provisional language was omitted from the Governor’s Budget:</p> <p style="padding-left: 40px;">X. Of the funds appropriated in Schedule (2), \$5,700,000 is provided in one-time carryover funds to support the existing program.</p>

10)	<p><b>Item 6110-134-0890, Local Assistance, Federal School Improvement Grant Program (Issue <del>086</del> 087).</b> It is requested that Schedule (3) of this item be <u>increased</u> <del>decreased</del> by <del>\$334,000</del> <del>\$962,000</del> federal School Improvement funds to align the appropriation with the anticipated federal grant. The School Improvement Grant Program provides grants to the lowest-achieving Title I schools identified for federal Program Improvement, Corrective Action, or Restructuring to implement evidence-based strategies for improving student achievement.</p> <p>It is further requested that provisional language be added as follows to identify available one-time carryover funds. This provisional language was omitted from the Governor's Budget:</p> <p style="padding-left: 40px;">X. Of the funds appropriated in Schedule (3), \$226,000 is provided in one-time carryover funds to support the existing program.</p>
11)	<p><b>Item 6110-136-0890, Local Assistance, McKinney-Vento Homeless Children Education Program and Title I Even Start Program (Issues 293, 294, 295, and 296).</b> It is requested that Schedule (1) of this item be increased by \$565,000 federal Title I funds. This adjustment includes a decrease of \$35,000 to align the McKinney-Vento Homeless Children Education Program with the anticipated federal grant award and an increase of \$600,000 to reflect the availability of one-time federal carryover funds. The LEAs will use these funds to provide services to homeless students.</p> <p>It is also requested that Schedule (2) of this item be increased by \$1,013,000 federal Title I funds. This adjustment includes an increase of \$43,000 to align the Even Start Program with the anticipated federal grant award and an increase of \$970,000 to reflect the availability of one-time carryover funds. The LEAs will use these funds to improve the educational opportunities of low-income families and to support a unified literacy program that integrates early childhood education and parenting education.</p> <p>It is further requested that provisional language be added as follows to conform to these actions:</p> <p style="padding-left: 40px;">X. Of the funds appropriated in Schedule (1), \$600,000 is provided in one-time carryover funds to support the existing program.</p> <p style="padding-left: 40px;">X. Of the funds appropriated in Schedule (2), \$970,000 is provided in one-time carryover funds to support the existing program.</p>
12)	<p><b>Item 6110-137-0890, Local Assistance, Rural and Low Income Assistance Program (Issues 303 and 304).</b> It is requested that this item be increased by \$28,000 federal Title VI funds. This adjustment includes a decrease of \$34,000 to align the Rural and Low Income Assistance Program with the anticipated federal grant award and an increase of \$62,000 to reflect the availability of one-time federal carryover funds.</p> <p>It is further requested that provisional language be added as follows to conform to this action:</p> <p style="padding-left: 40px;">X. Of the funds appropriated in this item, \$62,000 is provided in one-time carryover funds to support the existing program.</p>

<p>13)</p>	<p><b>Item 6110-166-0890, Local Assistance, Vocational Education Program (Issue 484).</b> It is requested that this item be increased by \$6,284,000 federal Title I carryover funds for the Vocational Education Program, which develops the academic, vocational, and technical skills of students in high schools, community colleges, and Regional Occupational Centers and Programs.</p> <p>It is further requested that provisional language be added as follows to conform to this action:</p> <p style="padding-left: 40px;">X. Of the funds appropriated in this item, \$6,284,000 is provided in one-time carryover funds to support the existing program.</p>
<p>14)</p>	<p><b>Item 6110-180-0890, Local Assistance, Education Technology, (Issues 299 and 300).</b> It is requested that this item be decreased by \$255,000 Federal Trust Fund. This adjustment includes a decrease of \$748,000 to align the Education Technology program with the anticipated federal grant award and an increase of \$493,000 to reflect the availability of one-time federal carryover funds. A decrease of \$827,000 would be applied to competitive grants and formula grants, while a base increase of \$79,000 would be made available to support the California Technology Assistance Project. One-time carryover funds would be distributed to both competitive and formula grants, as well as the California Technology Assistance Project.</p> <p>It is further requested that a new schedule and provisional language be added as follows to conform to this action:</p> <p>(3) 20.10.025.013–California Technical Assistance Project          ..... 309,000</p> <p>X. Of the funds appropriated in Schedule (3), \$309,000 is provided for the California Technology Assistance Project to provide technical assistance and support to the program. Of the funds appropriated in this schedule, \$230,000 is provided in one-time carryover funds.</p> <p>It is further requested that provisional language be amended as follows to conform to this action:</p> <p>“1. The funds appropriated in Schedule (1) shall be allocated as formula grants to school districts pursuant to the federal Enhancing Education Through Technology program. <u>Of the funds appropriated in this schedule, \$258,000 is provided in one-time carryover funds.</u></p> <p>2. The funds appropriated in Schedule (2) are available for competitive grants pursuant to Chapter 8.9 (commencing with Section 52295.10) of Part 28 of Division 4 of Title 2 of the Education Code and the federal Enhancing Education Through Technology program. The eligibility criteria for these grants shall be consistent with federal law and target local educational agencies with high numbers or percentages of children from families with incomes below the poverty line and one or more schools either qualifying for federal school improvement or demonstrating substantial technology needs. <u>Of the funds appropriated in this schedule, \$5,000 is provided in one-time carryover funds.</u>”</p>
<p>15)</p>	<p><b>Item 6110-193-0890, Local Assistance, Mathematics and Science Partnership Program (Issue 563).</b> It is requested that this item be increased by \$4,065,000 federal Title II funds to reflect \$4.0 million in one-time carryover and a \$65,000 increase in the federal grant. The Mathematics and Science Partnership Program provides competitive grant awards to partnerships of low-performing schools and institutes of higher education to provide staff development and curriculum support to mathematics and science teachers.</p>

	<p>It is further requested that provisional language be added as follows to conform to this action:</p> <p style="padding-left: 40px;">X. Of the funds appropriated in this item, \$4,000,000 is provided in one-time carryover funds.</p>
16)	<p><b>Item 6110-195-0890, Local Assistance, Improving Teacher Quality Grant Program and Administrator Training Program (Issues 561 and 562).</b> It is requested that Schedule (1) of this item be increased by \$866,000 federal Title II funds to reflect \$454,000 in one-time carryover and a \$412,000 increase in the federal grant. The Improving Teacher Quality Grant Program funds LEAs on a formula basis for professional development activities focused on preparing, training, and recruiting highly-qualified teachers.</p> <p>It is also requested that Schedule (2) of this item be increased by \$612,000 federal Title II funds to reflect one-time carryover funds. The Administrator Training Program provides K-12 school principals and vice-principals instruction and coaching on leadership skills, financial and personnel management, the inter-relation of academic standards, instructional materials, and curriculum frameworks, and the effective use of pupil assessments.</p> <p>It is further requested that Provisions 4 and 5 be amended as follows to conform to these actions:</p> <p style="padding-left: 40px;">“4. Of the funds appropriated in Schedule (1), <del>\$21,000</del> <u>\$475,000</u> is provided in one-time carryover for Improving Teacher Quality Local Grants. None of these funds shall be used for additional indirect administrative costs.</p> <p style="padding-left: 40px;">5. Of the funds appropriated in Schedule (2), <del>\$495,000</del> <u>\$1,107,000</u> is provided in one-time carryover for the Administrator Training Program. None of these funds shall be used for additional indirect administrative costs.”</p>
17)	<p><b>Item 6110-240-0890, Local Assistance, Advanced Placement Fee Waiver Program (Issue 724).</b> It is requested that this item be increased by \$1,000 Federal Trust Fund to align the appropriation with the federal grant award for the Advanced Placement (AP) Fee Waiver Program, which reimburses school districts for specified costs of AP test fees paid on behalf of eligible students. The AP program allows students to pursue college-level course work while still in secondary school.</p>

<b>General Fund and Other Adjustments</b>	
18)	<p><b>Item 6110-001-0001, Support, State Department of Education, Restore Positions Removed in Error (Issue 486).</b> It is requested that 3.5 limited-term positions that were removed in error be restored to the State Department of Education. Specifically, 1.5 expiring limited-term positions for the Green Technology Partnership Academy Program and 2.0 expiring limited-term positions for the Enhancing Education for Technology Program were removed twice from the Governor’s Budget. The correct amount of funding was removed.</p>
19)	<p><b>Item 6110-170-0001, Local Assistance, Add Carryover for the Career Technical Education Program (Issue 485).</b> It is requested that this item be increased by \$3,486,000 to reflect one-time reimbursement carryover for the Career Technical Education Program, which would allow the completion of four projects that could not be completed in the current year due to contract delays.</p> <p style="padding-left: 40px;">It is further requested that provisional language be added as follows to conform to this action:</p> <p style="padding-left: 80px;">X. Of the funds appropriated in this item, \$3,486,000 is provided in one-time reimbursement carryover funds to support the existing program.</p>
20)	<p><b>Item 6110-001-3170, Support, Provide Authority to Fund Heritage School Registration (Issue 471).</b> It is requested that expenditure authority of \$40,000 in fee revenue from the Heritage Enrichment Resource Fund be approved to partially address costs incurred in the current year and to cover costs estimated for the budget year related to the registration of heritage schools, pursuant to Chapter 286, Statutes of 2010 (SB 1116). Heritage schools offer foreign language education or cultural education relating to a foreign country to school-age children.</p> <p style="padding-left: 40px;">It is further requested that Item 6110-001-3170 be added as follows to conform to this action:</p> <p style="padding-left: 40px;">6110-001-3170—For support of Department of Education, payable from the Heritage Enrichment Resource Fund.....40,000</p> <p style="padding-left: 40px;">Provisions:</p> <p style="padding-left: 80px;">X. The funds appropriated in this item shall be available to the State Department of Education to process payments for the registration of heritage schools and to provide necessary technical assistance, pursuant to Chapter 286 of the Statutes of 2010. Of the amount appropriated in this item, \$16,200 may be used to mitigate costs incurred in the 2010-11 fiscal year to develop and administer the registration process.</p> <p style="padding-left: 80px;">X. The department shall ensure that the registration fee for the 2011-12 fiscal year not exceed the costs of registering heritage schools pursuant to Section 33195.5 of the Education Code.</p>



**STAFF COMMENTS:**

Staff recommends approval of all of the DOF April Letter proposals listed above, including staff revisions highlighted for some issues. These revisions provide corrections to the April Letter requested by both CDE and DOF. No issues have been raised for any of these issues.

**QUESTIONS:**

- 1) Does the Department of Finance have any technical revisions to these proposals?

**ACTION:**

**APPROVE CONSENT CALENDAR AS AMENDED.**

**VOTE: 5-0**