

SUBCOMMITTEE NO. 1

Agenda

Senator Anthony J. Portantino, Chair
Senator Hannah-Beth Jackson
Senator John M. W. Moorlach



Thursday, March 22, 2018
9:30 a.m. or upon adjournment of session
State Capitol - Room 3191

Consultant: Elisa Wynne

AGENDA

<u>Item</u>	<u>Department</u>	<u>Page</u>
6100	Department of Education	
Issue 1	Fiscal Crisis and Management Assistance Team – Update on K-12 School District Fiscal Health (Information Only)	2
Issue 2	Local Control Funding Formula	8
Issue 3	Statewide Accountability System Structure	13
Issue 4	California Collaborative for Educational Excellence	20
Issue 5	Special Education Local Plan Area Accountability	22
	Public Comment	

Pursuant to the Americans with Disabilities Act, individuals who, because of a disability, need special assistance to attend or participate in a Senate Committee hearing, or in connection with other Senate services, may request assistance at the Senate Rules Committee, 1020 N Street, Suite 255 or by calling (916) 651-1505. Requests should be made one week in advance whenever possible.

6100 DEPARTMENT OF EDUCATION**Issue 1: Fiscal Crisis and Management Assistance Team – Update on K-12 School District Fiscal Health (Information Only)****Description:**

The Fiscal Crisis and Management Assistance Team (FCMAT) provides a statewide resource to help monitoring agencies in providing fiscal and management guidance and helps local education agencies (LEAs) - school districts, county offices of education (COEs), and charter schools, as well as community college districts - fulfill their financial and management responsibilities. Lead FCMAT staff will provide a presentation on the financial status of LEAs, including an update on the number of these agencies with negative and qualified certifications on the latest financial status reports and the status of state emergency loans.

Panel:

- Mike Fine, Chief Executive Officer, FCMAT

Background:

Assembly Bill 1200 (Eastin), Chapter 1213, Statutes of 1991, created an early warning system to help LEAs avoid fiscal crisis, such as bankruptcy or the need for an emergency loan from the state. The measure expanded the role of COEs in monitoring school districts and required that they intervene, under certain circumstances, to ensure districts can meet their financial obligations. The bill was largely in response to the bankruptcy of the Richmond School District, and the fiscal troubles of a few other districts that were seeking emergency loans from the state. The formal review and oversight process requires that the county superintendent approve the budget and monitor the financial status of each school district in its jurisdiction. COEs perform a similar function for charter schools, and the California Department of Education (CDE) oversees the finances of COEs. There are several defined "fiscal crises" that can prompt a COE to intervene in a district: a disapproved budget, a qualified or negative interim report, or recent actions by a district that could lead to not meeting its financial obligations.

Beginning in 2013-14, funding for COE fiscal oversight was consolidated into the Local Control Funding Formula (LCFF) for COEs. COEs are still required to review, examine, and audit district budgets, as well as annually notify districts of qualified or negative budget certifications, however, the state no longer provides a categorical funding source for this purpose.

AB 1200 also created FCMAT, recognizing the need for a statewide resource to help monitoring agencies in providing fiscal and management guidance. FCMAT also helps LEAs fulfill their financial and management responsibilities by providing fiscal advice, management assistance, training, and other related services. FCMAT also includes the California School Information Services (CSIS). LEAs and community colleges can proactively ask for assistance from FCMAT, or the Superintendent of Public Instruction (SPI), the county superintendent of schools, the FCMAT Governing Board, the California Community Colleges Board of Governors or the state Legislature can assign FCMAT to

intervene or provide assistance. Ninety percent of FCMAT’s work is a result of an LEA inviting FCMAT to perform proactive, preventive services, or professional development. Ten percent of FCMAT’s work is a result of assignments by the state Legislature and oversight agencies to conduct fiscal crisis intervention.

The office of the Kern County Superintendent of Schools was selected to administer FCMAT in June 1992. The Governor's 2018-19 budget maintains funding for FCMAT at \$5.3 million Proposition 98 General Fund for FCMAT functions and oversight activities related to K-12 schools and \$570,000 for FCMAT to provide support to community colleges.

Interim Financial Status Reports. Current law requires LEAs to file two interim reports annually on their financial status with the CDE. First interim reports are due to the state by December 15 of each fiscal year; second interim reports are due by March 17 each year. Additional time is needed by the CDE to certify these reports.

As a part of these reports, LEAs must certify whether they are able to meet their financial obligations. The certifications are classified as positive, qualified, or negative.

- A positive certification is assigned when an LEA will meet its financial obligations for the current and two subsequent fiscal years.
- A qualified certification is assigned when an LEA may not meet its financial obligations for the current and two subsequent fiscal years.
- A negative certification is assigned when an LEA will be unable to meet their financial obligations in the current year or in the subsequent fiscal year.

AB 1200 states the intent that the legislative budget subcommittees annually conduct a review of each qualifying school district (those that are rated as unlikely to meet their fiscal operations for the current and two subsequent years), as follows: “It is the intent of the Legislature that the legislative budget subcommittees annually conduct a review of each qualifying school district that includes an evaluation of the financial condition of the district, the impact of the recovery plans upon the district’s educational program, and the efforts made by the state-appointed administrator to obtain input from the community and the governing board of the district.”

First Interim Report. The first interim report was published by CDE in February 2018 and identified four LEAs with negative certifications. These LEAs will not be able to meet their financial obligations for 2017-18 or 2018-19, based on data generated by LEAs in Fall 2017, prior to release of the Governor’s January 2018-19 budget. The first interim report also identified 42 LEAs with qualified certifications. LEAs with qualified certifications may not be able to meet their financial obligations for 2017-18, 2018-19 or 2019-20.

Second Interim Report. The second interim report, which covers the period ending January 31, 2018, has not been verified and released by CDE at this time.

Negative Certification	
First Interim Budget Certifications	
County:	District:
Butte	Feather Falls Union Elementary
Los Angeles	Inglewood Unified

Los Angeles	Pasadena Unified
Madera	Yosemite Unified

Qualified Certification	
First Interim Budget Certifications	
County:	District:
Alameda	Oakland Unified
Butte	Bangor Union Elementary
Calaveras	Calaveras Unified
Contra Costa	Byron Union Elementary
Contra Costa	Martinez Unified
El Dorado	Black Oak Mine Unified
El Dorado	Gold Trail Union Elementary
Fresno	Coalinga-Huron Joint Unified
Glenn	Capay Joint Union Elementary
Humboldt	Klamath-Trinity Joint Unified
Imperial	Calexico Unified
Kern	Southern Kern Unified
Los Angeles	Bassett Unified
Los Angeles	Burbank Unified
Los Angeles	Los Angeles Unified
Marin	Sausalito Marin City Elementary
Mendocino	Anderson Valley Unified
Mendocino	Fort Bragg Unified
Placer	Placer Hills Union Elementary
Riverside	Banning Unified
Riverside	Coachella Valley Unified
Riverside	Temecula Valley Unified
San Bernardino	Silver Valley Unified
San Bernardino	Upland Unified
San Bernardino	Victor Valley Union High
San Diego	Oceanside Unified
San Diego	San Marcos Unified
San Luis Obispo	Coast Unified
San Luis Obispo	San Miguel Joint Union Elementary
San Mateo	Portola Valley Elementary
Santa Clara	Alum Rock Union Elementary
Santa Clara	Evergreen Elementary
Shasta	Cascade Union Elementary
Shasta	Gateway Unified
Solano	Vallejo City Unified
Sonoma	Bellevue Union Elementary
Sonoma	Piner-Olivet Union Elementary
Sonoma	Santa Rosa Elementary

Sonoma	Santa Rosa High
Sonoma	Sonoma Valley Unified
Somona	West Sonoma County Union High
Ventura	Rio Elementary

Source: California Department of Education

Looking back to 2001-02, the number of negative certifications in the second interim peaked in 2008-09 at 19, while the number of qualified certifications peaked in 2011-12 at 176.

State Emergency Loans. A school district governing board may request an emergency apportionment loan from the state if the board has determined the district has insufficient funds to meet its current fiscal obligations. Existing law states the intent that emergency apportionment loans be appropriated through legislation, not through the budget. The conditions for accepting loans are specified in statute, depending on the size of the loan. For loans that exceed 200 percent of the district’s recommended reserve, the following conditions apply:

- The SPI shall assume all the legal rights, duties, and powers of the governing board of the district.
- The SPI shall appoint an administrator to act on behalf of the SPI.
- The school district governing board shall be advisory only and report to the state administrator.
- The authority of the SPI and state administrator shall continue until certain conditions are met. At that time, the SPI shall appoint a trustee to replace the administrator.

For loans equal to or less than 200 percent of the district’s recommended reserve, the following conditions apply:

- The SPI shall appoint a trustee to monitor and review the operation of the district.
- The school district governing board shall retain governing authority, but the trustee shall have the authority to stay and rescind any action of the local district governing board that, in the judgment of the trustee, may affect the financial condition of the district.
- The authority of the SPI and the state-appointed trustee shall continue until the loan has been repaid, the district has adequate fiscal systems and controls in place, and the SPI has determined that the district's future compliance with the fiscal plan approved for the district is probable.

State Emergency Loan Recipients. Nine school districts have sought emergency loans from the state since 1991. The table below summarizes the amounts of these emergency loans, interest rates on loans, and the status of repayments. Five of these districts: Coachella Valley Unified, Compton Unified, Emery Unified, West Fresno Elementary, and Richmond/West Contra Costa Unified have paid off their loans. Four districts have continuing state emergency loans: Oakland Unified, South Monterey County Joint Union High (formerly King City Joint Union High), Vallejo City Unified, and Inglewood Unified School District. The most recently authorized loan was to Inglewood Unified School District in 2012 in the amount of \$55 million from the General Fund and the California Infrastructure and Economic Development Bank (I-Bank). Of the four districts with continuing emergency loans from the state, Inglewood Unified School District is the only district under state administration and on the negative certification list at first interim in 2017-18. Oakland Unified School District continues to be on the qualified certification list in the first interim report in 2017-18.

Emergency Loans to School Districts
1990 through 2015

District	State Role	Date of Issue	Amount of State Loan	Interest Rate	Amount Paid	Pay Off Date
Inglewood Unified	Administrator	11/15/12 11/30/12 02/13/13	\$7,000,000 \$12,000,000 <u>\$10,000,000</u> \$29,000,000 (\$55 million authorized)	2.307%	\$5,495,952	11/01/33 GF
South Monterey County Joint Union High (formerly King City Joint Union High)	Administrator	07/22/09 03/11/10 04/14/10	\$2,000,000 \$3,000,000 <u>\$8,000,000</u> \$13,000,000	2.307%	\$7,708,369	October 2028 I-bank
Vallejo City Unified	Administrator Trustee	06/23/04 08/13/07	\$50,000,000 <u>\$10,000,000</u> \$60,000,000	1.5%	\$43,896,904	January 2024 I-bank 08/13/24 GF
Oakland Unified	Administrator Trustee	06/04/03 06/28/06	\$65,000,000 <u>\$35,000,000</u> \$100,000,000	1.778%	\$77,511,409	January 2023 I-bank 6/29/26 GF
West Fresno Elementary	Administrator Trustee	12/29/03	\$1,300,000 (\$2,000,000 authorized)	1.93%	\$1,425,773 No Balance Outstanding	12/31/10 GF
Emery Unified	Administrator Trustee	09/21/01	\$1,300,000 (\$2,300,000 authorized)	4.19%	\$1,742,501 No Balance Outstanding	06/20/11 GF
Compton Unified	Administrators Trustee	07/19/93 10/14/93 06/29/94	\$3,500,000 \$7,000,000 <u>\$9,451,259</u> \$19,951,259	4.40% 4.313% 4.387%	\$24,358,061 No Balance Outstanding	06/30/01 GF
Coachella Valley Unified	Administrators Trustee	06/16/92 01/26/93	\$5,130,708 <u>\$2,169,292</u> \$7,300,000	5.338% 4.493%	\$9,271,830 No Balance Outstanding	12/20/01 GF
West Contra Costa Unified (formerly Richmond Unified)	Trustee Administrator Trustee	08/1/90 01/1/91 07/1/91	\$2,000,000 \$7,525,000 <u>19,000,000</u> \$28,525,000	1.532% 2004 refi rate	\$47,688,620 No Balance Outstanding	05/30/12 I-bank

Source: California Department of Education

Suggested Questions:

- 1) What trends does FCMAT see across the state for LEAs that need assistance in managing their financial responsibilities? What does FCMAT see as the most important challenge LEAs currently face?
- 2) One of FCMATs responsibilities is to complete audits of school districts in special circumstances as requested by county offices of education. Has the need for these type of audits changed over time?
- 3) How has the work of FCMAT changed over the past few years to support LEAs as they align their management and budget systems with the requirements of the LCFF?

Staff Recommendation: Information only.

Issue 2: Local Control Funding Formula**Panel:**

- Lisa Mierczynski, Department of Finance
- Ryan Anderson, Legislative Analyst's Office
- Debra Brown, California Department of Education.

Background:

K-12 School Finance Reform. As of the 2017 Budget Act, the state appropriates more than \$60 billion in Proposition 98 funding (General Fund and local property taxes) annually for K-12 public schools. Commencing in the 2013-14 fiscal year, the state significantly reformed the system for allocating funding to local educational agencies (LEAs) - school districts, charter schools, and county offices of education. The LCFF replaced the state's prior system of distributing funds to LEAs through revenue limit apportionments (based on per student average daily attendance) and approximately 50 state categorical education programs.

Under the previous system, revenue limits provided LEAs with discretionary (unrestricted) funding for general education purposes, and categorical program (restricted) funding was provided for specialized purposes, with each program having a unique allocation methodology, spending restrictions, and reporting requirements. Revenue limits made up about two-thirds of state funding for schools, while categorical program funding made up the remaining one-third portion. That system became increasingly cumbersome to LEAs as they tried to meet student needs through various fund sources that were layered with individual requirements.

Local Control Funding Formula (LCFF). The LCFF combines the prior funding from revenue limits and more than 30 categorical programs that were eliminated, and uses new methods to allocate these resources, additional amounts of new Proposition 98 funding since 2013-14, and future allocations to LEAs. The LCFF allows LEAs much greater flexibility in how they spend the funds. There is a single funding formula for school districts and charter schools, and a separate funding formula for county offices of education that has some similarities to the district formula, but also some key differences.

School Districts and Charter Schools Formula. The LCFF is designed to provide districts and charter schools with the bulk of their resources in unrestricted funding to support the basic educational program for all students. It also includes additional funding based on the enrollment of low-income students, English learners, and foster youth for increasing or improving services to these high-needs students. Low-income students, English learners, and foster youth students are referred to as "unduplicated" students in reference to the LCFF because, for the purpose of providing supplemental and concentration grant funding, these students are counted once, regardless of if they fit into more than one of the three identified high-need categories. Major components of the formula are briefly described below.

- **Base Grants** are calculated on a per-student basis (measured by student average daily attendance [ADA]) according to grade span (K-3, 4-6, 7-8, and 9-12) with adjustments that increase the base rates for grades K-3 (10.4 percent of base rate) and grades 9-12 (2.6 percent of base rate). The adjustment for grades K-3 is associated with a requirement to reduce class

sizes in those grades to no more than 24 students by 2020-21, unless other agreements are collectively bargained at the local level. The adjustment for grades 9-12 recognizes the additional cost of providing career technical education in high schools.

- **Supplemental Grants** provide an additional 20 percent in base grant funding for the percentage of enrollment that is made up of unduplicated students.
- **Concentration Grants** provide an additional 50 percent above base grant funding for the percentage of unduplicated students that exceed 55 percent of total enrollment.
- **Categorical Program** add-ons for Targeted Instructional Improvement Block Grant and Home-to-School Transportation provide districts the same amount of funding they received for these two programs in 2012-13. The transportation funds must be used for transportation purposes. Charter schools are not eligible for these add-ons.
- **LCFF Economic Recovery Target** add-on ensures that districts receive, by 2020-21, at least the amount of funding they would have received under the old finance system to restore funding to their 2007-08 level adjusted for inflation. Districts are not eligible for this add-on if their LCFF funding exceeds the 90th percentile of per-pupil funding rates estimated under the old system.
- **Hold Harmless Provision** ensures that no school district or charter school will receive less funding under the LCFF than its 2012-13 funding level under the old system.

County Offices of Education Formula. The County Offices of Education (COE) formula is very similar to the school district formula, in terms of providing base grants, plus supplemental and concentration grants for the students that COEs serve directly, typically in an alternative school setting. However, COEs also receive an operational grant that is calculated based on the number of districts within the COE and the number of students county-wide. This operational grant reflects the additional responsibilities COEs have for support and oversight of the districts and students in their county.

Budget Appropriations. The LCFF established new “target” LCFF funding amounts for each LEA, and these amounts are adjusted annually for cost-of-living (COLA) and pupil counts. When the formula was initially introduced, funding all school districts and charter schools at their target levels was expected to take eight years and cost an additional \$18 billion, with completion by 2020-21. However, as noted below under the *Governor’s Proposal* section, with increased Proposition 98 growth for 2018-19, the Governor is proposing to fully fund LCFF. COEs reached their target funding levels in 2014-15, which adjusts each year for COLAs and ADA growth.

Each individual LEA was differently situated relative to its LCFF target when the formula was implemented in 2013-14. While each LEA received the same percentage of its remaining need in new implementation funding, the actual dollar amounts varied. The intent was that all LEAs reach full implementation at approximately the same time. During the transition period, LEAs were required to estimate how much of their starting point of funding for LCFF was base grant and how much was supplemental or concentration grant funding. This estimate then allowed an LEA to further estimate how much of the new LCFF implementation funding received each year was attributable to the base grant and how much is attributable to supplemental and concentration grant funds. With full-funding of the formula, this split will no longer be an estimate. LEAs and stakeholders will be able to see how

much funding is received through each category on the Department of Education (CDE) website and reported through each LEA's local control and accountability plan (LCAP).

Restrictions on Supplemental Funding. Statute requires LEAs to increase or improve services for unduplicated students in proportion to the supplemental funding LEAs receive for the enrollment of these students. The law also allows this funding to be used for school-wide and district-wide purposes. The State Board of Education (SBE) adopted regulations governing LEAs expenditures of this supplemental funding that require an LEA to increase or improve services for unduplicated students, compared to the services provided for all students, in proportion to the supplemental funding LEAs receive for the enrollment of these students. LEAs determine the proportion by which an LEA must increase or improve services by dividing the amount of the LCFF funding attributed to the supplemental and concentration grant by the remainder of the LEA's LCFF funding. Whereas, this percentage (known as the minimum proportionality percentage (MPP)), relied on an LEA's estimates during the transition period, under a fully funded system it would instead be based on the actual allocation to each LEA as determined by the CDE. The regulations allow an LEA to meet this requirement to increase or improve services in a qualitative or quantitative manner and detail these expenditures in their LCAP.

Governor's Budget Proposal:

The 2018-19 Governor's budget proposes to provide an additional \$2.9 billion in ongoing Proposition 98 funding for LCFF implementation. With the addition of this funding, all LEAs would be at their targets and fully funded based on the LCFF. This includes the application of a 2.51 percent COLA in 2018-19.

In addition the Governor has proposed adopting trailer bill language to require each school district budget to include a summary document that links budget expenditures to corresponding goals, actions, and services in the school district's LCAP. The SBE would develop a template for this budget addendum.

Additional Proposal:

On February 20, 2018, Senator Portantino, along with Senators Allen, Glazer, and Hill, introduced a budget proposal to add \$1.2 billion dollars to the LCFF in 2018-19 in addition to the full funding of LCFF. Of this amount, \$1 billion would increase the base grant per grade span and \$200 million would fund the corresponding increase in supplemental and concentration grants. Funding for the proposal would be within the Proposition 98 formula and would redirect almost \$1 billion from the Governor's proposed one-time discretionary funding for LEAs, with the remainder coming from anticipated growth in the Proposition 98 minimum guarantee for 2018-19.

This proposal is in response to the concern that with increasing operational costs the base funding level in LCFF is too low for many school districts to support core functions and services for students, including special education, transportation, and pension costs. This increase in LCFF would be ongoing with future COLAs applied to the higher base in future years.

The proposal also includes directing the SBE to add an additional section to the LCAP executive summary for supplemental and concentration grant expenditures information. Specifically, this new section would require LEAs to report the amount of supplemental and concentration grants received in the prior fiscal year, the minimum proportionality percentage by which LEAs must increase or

improve services for unduplicated students over what is provided for all students, the amount of supplemental and concentration grants an LEA identified for expenditure in the prior year, and the estimated actual expenditures of these funds. Finally, there would be space for the LEA to explain any differences between planned and actual expenditures. This addition to the LCAP executive summary would provide greater clarity for the public on LEA supplemental and concentration grant expenditures, both planned and actual, supporting services for unduplicated students.

LAO Analysis and Recommendations

In their recent publication, *The 2018-19 Budget: Proposition 98 Education Analysis*, the LAO notes that the prioritization of the bulk of new ongoing funding for LCFF is consistent with the approach of the Governor and the Legislature over the past five years. The LAO also notes that full implementation of LCFF includes additional transparency – requiring districts to show all supplemental and concentration funds received and how they are benefiting unduplicated students. The LAO also comments that the Governor’s proposal for a budget addendum adds little value and recommends that the Legislature instead focus on simplifying LCAPs.

The LAO also discusses the options for LCFF going forward once fully funding of LCFF is achieved. Specifically, the LAO looked at the following:

- 1) **Increasing Base Rates.** This approach would help all districts and allow flexibility in meeting their needs. Many districts are experiencing pressures due to pension costs and special education in addition to others. The LAO estimates that a one percent increase in the base rate would cost roughly \$600 million, with \$100 million of this due to supplemental and concentration grant increases.
- 2) **Increasing Supplemental and Concentration Rates.** This approach would focus on the additional costs of supplemental services for English learner or low-income students, however the LAO notes that there is no conclusive research on the costs of the additional services. From LAO’s research high poverty districts generally have higher class sizes and less competitive teacher pay. The LAO estimates that a one percent increase in the supplemental rate would cost \$200 million, while a one percent increase in the concentration rate would cost \$60 million.
- 3) **Changing Generation of Supplemental and Concentration Grants.** Currently the state counts a student who is low-income, English learner, or foster youth as one for purposes of calculating supplemental and concentration grants, regardless of if one or more definition would apply. The LAO notes that the state could instead count each of those factors separately, such that a student that is both an English learner and low-income would generate two supplemental grant amounts. The LAO estimates taking this approach would cost roughly \$2 billion.
- 4) **Raising Concentration Threshold.** Currently school districts are eligible for concentration grants for the number of unduplicated students above 55 percent of enrollment. The state could consider raising this threshold such that concentration funding is more targeted specifically to those school districts with significant populations of unduplicated students. The LAO notes that raising the concentration threshold to 80 percent would increase per-student funding by \$750 per pupil in the 25 percent of districts serving the highest poverty students. This scenario would reflect a redistribution of funds, holding total dollars constant.

- 5) Providing Additional Flexibility to High-Poverty Districts. The LAO suggests that providing additional flexibility or additional guidance on spending restrictions for high-poverty districts may make it easier for those districts to improve core services, or take advantage of existing flexibility for districtwide expenditures. The LAO notes that in high poverty districts, some of these actions may have a greater benefit for unduplicated students than supplemental services would.
- 6) Create New Categorical Programs. The LAO notes that instead of future investment in LCFF, the state could invest in creating new or augmenting existing categorical programs to target support to specific programs. The LAO notes that there are some concerns with this approach, specifically that the state has funded many categoricals in the recent past and that this approach could lead to increased complexity and siloed priorities.

While the LAO doesn't have a specific suggestion on the above options, they recommend that the Legislature consider their core policy objectives as they move forward with LCFF and note that the Legislature could choose more than one of the above options.

Staff Comments

The Governor's proposal fully funds LCFF two years prior to the estimated full funding date of 2020-21. The LCFF is one of Governor Brown's signature reforms during his time in office and fully funding the LCFF by the end of Governor's last term completes this multi-year endeavor. After full funding, current statute adjusts the formula by growth in ADA and COLA in future years. With LEAs concerned about rising operational costs (retirement system contributions, health care costs, and special education costs among others), the Legislature may wish to examine multi-year projections and the implication for future growth in LCFF based on the current formula.

Full funding of LCFF not only provides LEAs with significant new resources earlier than anticipated, but also provides greater transparency for the state, LEAs, and stakeholders about how much each LEA's LCFF allocation is comprised of base grant, supplemental grant, and concentration grant amounts. Since there are regulations that guide the expenditure of supplemental and concentration grant funds, a fully funded formula provides greater transparency around what these grant amounts are and how LEAs are meeting those regulations. The need for transparency of expenditures has been one of the continued themes of some stakeholder groups. The Legislature may wish to examine how the clarity that fully funding the formula brings may contribute to transparency and whether the proposal for a new budget alignment document would increase this transparency.

Suggested Questions

- 1) Has the Administration considered changes to the formula or funding beyond fully funding the LCFF?
- 2) What group of stakeholders is the Governor's proposed budget addendum geared towards? How will these stakeholders use the document?

Staff Recommendation

Hold Open.

Issue 3: Statewide Accountability System Structure**Panel:**

- Sara Cortez, Legislative Analyst's Office
- Jessica Holmes, Department of Finance
- David Sapp, State Board of Education
- Debra Brown, California Department of Education

Background:

Prior to 2013-14, LEAs were held accountable in different ways for a variety of programs. Each individual categorical program had its own accountability requirements, although often this was limited to accountability for the expenditure of funds in accordance with allowable uses, rather than the impact on actual student outcomes. State and federal accountability systems provided an aggregate measure of school and district performance. The state and federal accountability systems relied primarily on student assessment data. The state used the Academic Performance Index (API), which included constructed data from previous statewide assessments, aligned to the former academic standards, to create a performance target. School districts, schools, and student subgroups that did not meet the performance target were required to meet growth targets. The federal accountability system used a measure called Adequate Yearly Progress (AYP) that relied on student assessment scores, student participation in assessments, graduation rates and the API. Schools and districts that failed to meet benchmarks and make progress could be subject to interventions.

In 2013-14, the state began to transition to new assessments, aligned to new statewide academic content standards. Most student assessment scores were not available for assessments given in the spring of 2014, since the state was piloting a new assessment system. In addition the state was moving away from using test scores as the main determinant of LEA success. Accordingly, based on statutory authority, the SBE approved a recommendation by the Superintendent of Public Instruction (SPI) and the Legislature and Governor agreed, to not calculate the API for the 2013-14, 2014-15, 2015-16, and 2016-17 fiscal years.

Federal Accountability. The federal school accountability system was evolving during the same time-frame as the state-level reforms. In December 2015, the federal No Child Left Behind Act was reauthorized as the Every Student Succeeds Act (ESSA). California initially applied for and received a waiver of federal law exempting the state from the calculation of the AYP for some schools and districts. Most federal accountability requirements were frozen during the transition, with most new ESSA accountability requirements effective in 2017-18 and 2018-19.

Under ESSA, of the total Title I grant amount (approximately \$2 billion), states must set aside seven percent for school improvement interventions and technical assistance. The majority of these funds must be used to provide up to four-year grants to LEAs. States may also set aside three percent of the total Title I allocation for direct services to students. States must develop accountability systems that rate schools using academic achievement, growth rates (K-8), graduation rates (high school), English learner progress in language proficiency, and other factors determined by the state. Title I requires identification of, and intervention in, the lowest performing five percent of schools, high schools that

fail to graduate more than one-third of their students, and schools in which any subgroup is in the lowest performing five percent and has not improved over time.

California's implementation of a federal accountability system is dependent on approval of the state plan for ESSA by the federal Department of Education. Currently the SBE has approved a revised plan (updated to respond to feedback from the federal Department of Education) at their January meeting and subsequently submitted it for consideration. The SBE will vote on methods to identify schools that fall under the Title I requirements for intervention and support at a special meeting in April 2018. The selected method would be submitted to the federal Department of Education as a supplement to the state plan.

State Accountability

Local Control and Accountability Plans (LCAP). To ensure accountability for LCFF funds, the state requires that all LEAs annually adopt and update a LCAP. The LCAP must include locally-determined goals, actions, services, and expenditures of LCFF funds for each school year in support of the state educational priorities that are specified in statute, as well as any additional local priorities. In adopting the LCAP, LEAs must consult with parents, students, teachers, and other school employees.

The eight state priorities that must be addressed in the LCAP, for all students and significant student subgroups in a school district and at each school, are:

- *Williams* settlement issues (adequacy of credentialed teachers, instructional materials, and school facilities).
- Implementation of academic content standards.
- Parental involvement.
- Pupil achievement (measured in part by statewide assessments, Academic Performance Index, and progress of English-language learners toward English proficiency).
- Pupil engagement (measured by attendance, graduation, and dropout data).
- School climate (measured in part by suspension and expulsion rates).
- The extent to which students have access to a broad course of study.
- Pupil outcomes for non-state-assessed courses of study.

County offices of education must address the following two priorities, in addition:

- Coordination of services for foster youth.
- Coordination of education for expelled students.

School district LCAPs are subject to review and approval by COEs, while COE LCAPs are subject to review and approval by the State Superintendent of Public Instruction (SPI). Statute also established a process for districts to receive technical assistance related to their LCAPs. The SPI is authorized to intervene in a district that is failing to improve outcomes for students after receiving technical assistance.

In addition, under changes made as part of the 2017 Budget Act, COEs are also required to provide a summary of the plan for supporting schools and school districts within their county, including a description of goals for LCAP review, and provision of technical assistance and support. COEs must measure progress towards meeting these goals by identifying and assessing metrics, as well as

specifying the actions and expenditures to meet these goals. Finally, COEs must identify how they are collaborating with the California Collaborative for Educational Excellence, the CDE, and other county offices of education.

Evaluation Rubrics. As required by LCFF statute, the SBE adopted tools that evaluate performance based on specified criteria, known as evaluation rubrics, in September 2016. Specifically, the evaluation rubrics developed by the SBE are required to: (1) assist LEAs in evaluating their strengths, weaknesses, and areas that require improvement; (2) assist county superintendents of schools in identifying and providing resources for LEAs in need of technical assistance; and, (3) assist the SPI in identifying LEAs for which technical support and/or intervention is warranted. Statute further requires that the evaluation rubrics provide for a multidimensional assessment of district and school site performance, including adopting standards for performance and improvement in each of the state priority areas.

The SBE developed an online tool and interface for the rubrics, called the California School Dashboard, which was launched at the end of 2017. This new tool includes the following components, some of which are still in progress:






1) State and local performance indicators that reflect performance on the LCFF priorities:

- State level indicators are available through the CDE data system, CALPADS, are comparable statewide, and include the following:
 - Academic indicator based on student test scores on English Language Arts (ELA) and Math for grades 3–8, including a measure of individual student growth, when feasible, and results on the Next Generation Science Standards assessment, when available.
 - College/career indicator, which combines Grade 11 test scores on ELA and Math and other measures of college and career readiness.
 - English learner indicator that measures progress of English learners toward English language proficiency and incorporates data on reclassification rates.
 - High school graduation rates.
 - Chronic absence rates, when available.
 - Suspension rates by grade span.
- Local indicators rely on local data and are not reported at the state level. These include:
 - Appropriately assigned teachers, access to curriculum-aligned instructional materials, and safe, clean and functional school facilities.
 - Implementation of state academic standards.
 - Parent engagement.
 - School climate – local climate surveys.

- Coordination of services for expelled students (COEs).
- Coordination of services for foster youth (COEs).

2) Performance standards for each indicator allowing LEAs and schools to identify both progress and needed improvements. For each state indicator, the SBE has determined a measurement based on a LEAs current performance and improvement over time (over a three-year period if available). This combined measure then falls into a color-coded range, with each LEA, school, and student group measured annually. This method will allow for an easily accessible display as part of the dashboard for district and school administrators, teachers, students, parents, and other stakeholders. Currently the SBE has approved performance standards for the state indicators and for local indicators, the SBE has approved some self-reflection tools and a method for LEAs to self-assess as “met”, “not met”, or “not met for more than two years.” The SBE and CDE have several working groups in special subject areas that will continue to inform and help refine the indicators over the next few years.

The dashboard uses color-coded pie shapes to show how an LEA scores on a particular indicator. For example, a full pie (blue in color) means that the LEA is in the highest performance category, while a pie with one slice (red in color) means that an LEA is in the lowest performance category. Additional functionality allows for the user to look at school and student group data and understand if an LEA is improving in any indicator area. A sample of the school dashboard is below:

Equity Report Status and Change Report Detailed Reports Student Group Report			
The Equity Report shows the performance levels for all students on the state indicators. It also shows the total number of student groups that received a performance level for each indicator and how many of those student groups are in the two lowest performance levels (Red/Orange). The total number of student groups may vary due to the number of grade levels included within each indicator.			
State Indicators	All Students Performance	Total Student Groups	Student Groups in Red/Orange
Chronic Absenteeism	N/A	N/A	N/A
Suspension Rate (K-12)		9	2
English Learner Progress (K-12)		1	0
Graduation Rate (9-12)		6	4
College/Career <small>Available Fall 2017. Select for Grade 11 assessment results.</small>		N/A	N/A
English Language Arts (3-8)		8	0
Mathematics (3-8)		8	1

Source: Department of Education

The LCAP template was updated in 2017 to include a description of those indicators for which the LEA scored orange or red and the actions and services an LEA is undertaking in these areas.

The dashboard is also now used in 2017-18 to identify LEAs in need of additional support and assistance under the state’s accountability system. Along with the release of the dashboard, the SBE identified LEAs in need of assistance based on the dashboard and created a tiered structure, based on statute, to provide this assistance. The tiers of support are described below in more detail.

Overview of Statewide System of Support

Level of Support	Description of Supports Available
Support for All LEAs and Schools (Level 1)	Various state and local agencies provide an array of resources, tools, and voluntary assistance that all LEAs may use to improve student performance at the LEA and school level and narrow disparities among student groups across the LCFF priorities, including recognition for success and the ability to share promising practices.
Differentiated Assistance (Level 2)	County superintendents, the CDE, charter authorizers, and the California Collaborative for Educational Excellence (CCEE) provide differentiated assistance for LEAs and schools, in the form of individually designed assistance, to address identified performance issues, including significant disparities in performance among student groups.
Intensive Intervention (Level 3)	The State Superintendent of Public Instruction or, for charter schools, the charter authorizer may require more intensive interventions for LEAs or schools with persistent performance issues over a specified time period.

Source: State Board of Education: January 18, 2018 Agenda, Item 3

In December, COEs, coordinated by the California County Superintendents Educational Services Association (CCSESA), reached out to the LEAs in identified in need of differentiated assistance within their county to begin the technical assistance process and discuss additional meetings to further assess LEAs’ data. Also notable, in this first cohort identified for technical assistance in December of 2017, a total of 228 districts, approximately two-thirds of the identified LEAs have been identified based on the performance of their students with disabilities student group in one or more priority areas.

Governor’s Proposal:

The Governor’s Budget proposes to build out the Statewide System of Support moving forward to a system that would increase capacity at COEs to provide technical assistance to school districts in need of support.

Specifically, the Governor proposes to provide \$55 million in ongoing Proposition 98 funding for COEs to support districts that are in need of improvement as identified under the new dashboard system as described above. The formula for funding COEs would consist of a base grant of \$200,000 per COE (regardless of the number of districts in the county identified for differentiated assistance) and an amount (ranging from \$100,000 to \$300,000) per district in need of assistance adjusted by size of the district. COEs who are also a single district would not receive additional funding as their technical assistance would be provided by the SPI. Grants would be averaged over a three year period to ensure consistency of funding amounts.

In addition, the Governor proposes to refine requirements for COEs to support districts in need of technical assistance in statute to align to the evolution of the tiered support system at the SBE, including a description of the ability of a school district to seek assistance their own and from other county offices. The trailer bill language specifies that COEs must provide technical assistance to districts identified for differentiated assistance that includes identification of the district’s strengths and

weaknesses, and assignment of experts (including another school district or COE). If a district is already undergoing this process, the COE must document its communication with the district in a timely manner. To the extent needed after the COE provides technical assistance, the California Collaborative for Educational Excellence (CCEE) may be assigned to provide advice and assistance. School districts are required to accept technical assistance.

COEs are also required to report on their plans for provision of technical assistance to the CDE, which in turn will compile the information and make it available on their website by November 1 of each year, beginning in 2019. Similar language is included in the sections for support of COEs by the SPI.

In addition, \$4 million ongoing Proposition 98 is allocated for the selection and support of between six and 10 COEs as lead agencies in their region as selected by the California Collaborative for Educational Excellence (CCEE) in collaboration with the CDE and approved by the executive director of the SBE and the Department of Finance. These lead COEs, which could include COEs in partnership with institutes of higher education, non-profits organizations, or other COEs or districts, would be selected for five year terms. The responsibilities of the lead COEs would include building the capacity of COEs in the region, coordinating and collaborating technical assistance across the region, providing technical assistance if a COE is unable to, identifying existing resources and developing new resources upon request of the CCEE or the SPI. In addition, the Governor includes trailer bill language that would allow, subject to budget act appropriation, the creation of an additional COE lead specifically to provide support on a specified statewide issue.

The Governor also includes language that would specify that any program identified in law that utilized a calculation pursuant to the API of school decile rankings would utilize the 2013 growth calculation. In previous budget trailer bills, updating the API had been suspended on a year by year basis.

The Governor also proposes to extend the ability of the SBE to adopt the LCAP template following the Bagley-Keene Open Meeting Act requirements, rather through the Administrative Procedures Act requirements through January 31, 2019, previously this exemption was provided through December 31, 2018.

Finally the Governor proposes to provide \$300,000 in Proposition 98 to San Joaquin County Office of Education to improve the interface for the California School Dashboard based on stakeholder input.

LAO Analysis and Recommendations

The LAO has identified several concerns with the Governor's proposal in their recent publication, *The 2018-19 Budget: Proposition 98 Education Analysis*. Specifically, the LAO notes that because districts are required to accept differentiated assistance from their COE, this reduces the ability of the district to choose their support provider (unless they use district funds). In addition, the COE regional lead structure in combination with the SELPA regional lead structure (discussed in detail later in the agenda) when combined with existing structures to support districts, creates a system of too many actors and potentially duplicative roles. Finally, the LAO is concerned that the approach would focus support at the COEs rather than on the districts with performance issues.

The LAO also notes that COEs already receive funding through their LCFF formula for the support of districts in their counties and do not believe that COEs need additional funding to perform this work.

The LAO recommends an alternative approach that would continue the Governor's plan of requiring COEs to work with their districts on conducting a root cause analysis, but allowing districts to instead choose from a list of experts, vetted by the CCEE, that could include COEs, districts, and other experts and providers, to address their performance issues identified through the analysis. Funding for this support would be provided to the CCEE to award district grants, oversee contracts, monitor identified districts, and conduct statewide trainings.

Staff Comments

The Legislature should also continue to monitor the ongoing accountability work of the SBE and partners. The accountability system is intended to be a catalyst for improvement. LEAs and their stakeholders can use the information to drive change in practices at the local level, to support outcomes for students, and to make progress towards closing the achievement gap. The LCAP is intended to be a dynamic planning tool that helps to focus resources and drive improvements. The new California Schools Dashboard is intended to help make a new more complex, multi-measure, accountability system easily understandable to the school community and broader public and inform and underpin the LCAP.

However, with the release of the dashboard and the identification of LEAs in need of differentiated assistance, for schools and districts facing the most challenges the tools provided through the SBE and the work of the CDE, COEs, and the CCEE will be critical in providing guidance. There have been multiple intervention, turnaround, and support programs through federal and state law in past years, this new approach is designed to create a continuous improvement culture and build local capacity. The Legislature may wish to examine whether the Governor's proposal to build out the capacity of COEs provides enough support and structure to ensure struggling LEAs are provided with pathways to improvement.

Suggested Questions

- 1) What feedback has been received on the California School Dashboard? Are there additional functions or upgrades that are planned to fully take advantage of an online tool?
- 2) How will COEs identify experts for assignment to districts in need of assistance? Is there expertise available in the field for the types of performance issues many districts are struggling with, i.e. special education?
- 3) How will regional lead COEs be held accountable for their work with COEs in their region and districts in need of support?
- 4) How would a statewide lead COE coordinate with the other players in the system?
- 5) How does this new structure align with supports already in place under the federal accountability system, i.e the Regional System of District and School Support?

Staff Recommendation: Hold Open.

Issue 4: California Collaborative for Educational Excellence

Panel:

- Josh Daniels, California Collaborative for Educational Excellence
- Sujie Shin, California Collaborative for Educational Excellence
- Jessica Holmes, Department of Finance
- David Sapp, State Board of Education
- Sara Cortez, Legislative Analyst's Office

Background:

California Collaborative for Educational Excellence (CCEE). The CCEE was created as part of the new LCFF accountability framework, with its goal to advise and assist school districts charter schools, and county offices of education (COEs) to achieve identified outcomes in their LCAPs under the LCFF. Statue allows the CCEE to accept requests or referrals for technical assistance after consulting with the SPI. The CCEE may contract with individuals, LEAs, or organizations with expertise in the LCAP state priority areas and experience in improving the quality of teaching, improving school and district leadership, and addressing the needs of student populations (such as unduplicated students or students with exceptional needs.) Since its inception, the CCEE has been provided one-time funding, totaling over \$30 million for its initial operations and one-time work to inform future operations. Although the initial infusion of funding was provided in the 2013-14 year, the CCEE has taken a few years to fully staff up and develop as an agency. Thus far the CCEE has conducted statewide training for LEAs and education stakeholders on the LCAP and the school dashboard, with a focus on improving student outcomes and closing the achievement gap. Statewide trainings and webinars focusing on different components of the accountability system are continuing through the 2017-18 year, as well as training for individual LEAs by request, or groups of stakeholders. The CCEE is also developing and curating materials and resources for a trainer's library to allow registered trainers at the local level to continue to support administrative staff, teachers, students, parents, and the public as needed at an LEA. In addition, the CCEE has facilitated the development of Professional Learning Networks (PLNs) made up of COEs, statewide organizations, and non-profits led by facilitators to support collaborative efforts to build capacity. The response to PLNs from the field has been positive thus far.

The CCEE was also charged with conducting a pilot program designed to assist the CCEE in developing and designing their work in providing technical assistance and intervention to LEAs. The CCEE has undertaken pilot projects in 11 LEAs that reflect urban, suburban, and rural areas with different needs for technical assistance, including a COE and a charter school. LEAs volunteered for the pilot program and the CCEE selected LEAs to participate based on whether the LEA had: 1) persistent academic/achievement challenges as evidenced by achievement gaps between student demographic groups, test scores, or other metrics; 2) a leadership team, including the Board of Trustees overseeing the LEA, that fully commits to participating in pilot process; and 3) the support of their COE. The CCEE is conducting pilots over a three-year period beginning in 2016-17 and is required to provide a final evaluation to the Governor and Legislature at the conclusion of the pilot program.

Governor's Proposal:

The Governor proposes to provide a total of approximately \$11 million Proposition 98 funding (\$4.6 million was reappropriated from prior allocations) for the operations of the CCEE in the 2018-19 year. Of this total, \$3.1 million is for basic administrative costs, \$500,000 is for conducting statewide trainings, \$5 million is for supporting the statewide system of support, including building capacity for COEs, and \$3 million is for direct technical assistance to LEAs (includes reimbursement authority of \$500,000). In addition, proposed budget bill and trailer bill language further detail the future operations of the CCEE including ongoing professional development activities, support of lead agencies, and direct technical assistance to LEAs under limited circumstances.

As described in other issues in this agenda, the CCEE would have a new role in the selection of regional lead COEs and lead SELPAs under the proposed statewide accountability structure. The CCEE's role in providing direct technical assistance to LEAs would be at the request of a COE, in consultation with the applicable regional lead COE, or if the LEA request and pays for the assistance of the CCEE. LEAs who are at risk of qualifying for state intervention shall have priority for technical assistance from the CCEE.

The CCEE would continue to provide statewide professional development as determined by the CCEE governing board. In addition proposed trailer bill language designates that the Department of Finance contract with an LEA or consortium of LEAs to serve as the administrative agent for the CCEE. The CDE would apportion funds to the administrative agent to operate the CCEE in accordance with the contract.

LAO Analysis and Recommendations:

As referenced in Issue 3, the LAO recommends an alternative support system through which the CCEE's role would be identify experts that LEAs could choose from when selecting technical assistance.

Suggested Questions:

- 1) What has been learned from the work of the CCEE thus far that has informed the Governor's proposals for the role of the CCEE in the state accountability structure?
- 2) What are specific examples of improvements or changes that LEAs have made as the result of participating in a CCEE pilot or PLN?
- 3) How did DOF arrive at the funding amounts for the capacity building role and direct technical assistance role for the CCEE?

Staff Recommendation:

Hold Open.

Issue 5: Special Education Local Plan Areas (SELPA) Accountability**Panel:**

- Ryan Anderson, Legislative Analyst's Office
- Sara Cortez, Legislative Analyst's Office
- Amber Alexander, Department of Finance
- Lisa Mierczynski, Department of Finance
- Debra Brown, California Department of Education

Background:

“Special education” describes the specialized supports and services that schools provide for students with disabilities under the provisions of the Individuals with Disabilities Education Act (IDEA). State special education funds total about \$4 billion annually and were not included in the Local Control Funding Formula (LCFF) per pupil grants. Federal law requires schools to provide “specially designed instruction, and related services, at no cost to parents, to meet the unique needs of a child with a disability.” The law requires schools to provide students with exceptional needs with these special supports from age 0 until age 22, or until they graduate from high school with a diploma.

In 2016-17, 754,337 children, ages 0-22 received special education under the provision of IDEA. This represents approximately 11 percent of the total state student population.. Specific learning disabilities is the most common disability category for which students are identified, followed by the disability category of speech and language impairments. Last year, the disability category of autism moved in to the position of third highest category. This is after a decade of increased incidence – now comprising of nearly 14 percent of the students with disabilities student population.

Federal law requires schools to provide special education supports and services to eligible students with disabilities. To determine eligibility for special education, schools must conduct a formal evaluation process within a prescribed timeline. If schools determine that a child is an eligible student with disabilities, they develop an individualized education program (IEPs) to define the additional special education supports and services the school will provide. Each student's IEP differs based on his or her unique needs. Specialized academic instruction is the most common service that schools provide. This category includes any kind of specific practice that adapts the content, methodology, or delivery of instruction to help students with disabilities access the general curriculum. Other commonly provided services include speech and language, physical and occupational therapy, behavioral support, and psychological services. Federal law dictates students are to receive a Free Appropriate Public Education in the Least Restrictive Environment. This means to the greatest extent possible students with disabilities are to receive their education in the general education environment with peers without disabilities. California is currently 48th in the nation in terms of students with disabilities spending at least 80% or more of their day in general education. In accordance with recommendations from the Special Education Task Force, California is attempting to move toward treating all students as general education students first and increasing access to general education.

Special Education Local Plan Areas (SELPAs). Special education funding is distributed regionally through 127 Special Education Local Plan Areas (SELPAs) to district and charter LEAs in the state. Most SELPAs are collaborative consortia of nearby districts, county offices of education (COEs), and

charter schools, although some large districts have formed their own single district SELPAs, while three SELPAs consist of only charter schools.

California relies primarily on a “census-based” funding methodology that allocates special education funds to SELPAs based on the total number of students attending, regardless of students’ disability status. This funding model implicitly assumes that students with exceptional needs—and associated special education costs—are relatively equally distributed among the general student population and across the state. The amount of per-pupil funding each SELPA receives varies based on historical factors. After receiving its allocation, each SELPA develops a local plan for how to allocate funds to the school districts and charter schools in its region based on how it has chosen to organize special education services for students with exceptional needs.

In the development of the template for the Local Control and Accountability Plan (LCAP), the State Board of Education (SBE) specifically included reference to students with disabilities, as follows: *“For school districts, the LCAP must describe, for the school district and each school within the district, goals and specific actions to achieve those goals for all students and each student group identified by the Local Control Funding Formula (LCFF) (ethnic, socioeconomically disadvantaged, English learners, foster youth, **pupils with disabilities**, and homeless youth), for each of the state priorities and any locally identified priorities.”* As such, the SBE, and through authorizing statute, the Legislature intended the goals, actions, and services within the LCAP to be aligned with priorities for all students, including students with disabilities.

As noted earlier in the agenda, in the first cohort of LEAs identified for technical assistance under the new Dashboard system in December of 2017, a total of 228 districts, 163 (approximately two-thirds of the identified LEAs) have been identified based on the performance for their students with disabilities student group in one or more priority areas. Performance of student with disabilities on standardized tests (including the California Alternate Assessment specifically designed for students with significant cognitive disabilities) has improved over the past several years, but a majority of students with disabilities still fail to meet state and federal achievement expectations. The most recent graduation rate data (reflecting the 2015-16 cohort) shows that about 65 percent of student with disabilities graduate on time with a high school diploma.

Governor’s Proposal:

The Governor proposes to provide \$10 million in ongoing Proposition 98 funding to support between six and 10 SELPAs selected as lead agencies to work with COEs to improve outcomes for students with disabilities. These lead SELPAs would be selected by the CCEE in consultation with the CDE, subject to the approval of the executive director of the SBE and the Department of Finance.

The Governor also adds trailer bill language to better align the SELPA planning process with the LCAP process for LEAs. New requirements are added for an LEA to consult with their SELPA to ensure actions and services in the LCAP are consistent with strategies in the SELPA plan to support students with disabilities. Specifically, the superintendent of a school district (or county superintendent of schools) shall consult with their SELPA to determine that actions included in the LCAP for students with disabilities are consistent with strategies included in the local plan for education of students with disabilities.

In addition, the CDE is required to develop a template for the SELPA local plan, required under current statute, that includes a budget plan and an annual services plan. The CDE is also required to

develop a template for a summary document that supplements the SELPA plan and links SELPA budgeted activities with services and activities and demonstrates consistency with the LCAPs of LEAs in the SELPA. SELPA local plans are also updated to be three-year plans beginning July 1, 2020. Plans shall be posted on the websites of the school districts and county offices of education.

LAO Analysis and Recommendations:

The LAO notes concerns that the proposed SELPA regional lead roles are unclear and may be duplicative of the role of the regional COE leads. In addition, they are concerned that this approach would continue to keep support for special education performance siloed from other student performance issues. For example, LAO notes that special education performance issues can often be intertwined with English learner performance issues.

Staff Comments:

The California School Dashboard has highlighted an unsurprising inequity in our education system, that of outcomes for students with disabilities. Funding for students with disabilities is provided by both a state categorical program and a federal grant with the remainder made up by LEA funds, likely primarily LCFF funds. The LCAP specifically requires LEAs to detail actions and services for all student subgroups, including those students with disabilities. The Governor's proposal to better align the SELPA plans with the LCAP has merit. The Legislature may wish to ensure that the capacity building of COEs and the CCEE, as proposed by the Governor, are aligned with the new SELPA proposals to better incorporate special education services into LCFF accountability, and that the resources are available statewide to address the need for improved outcomes for these students.

Suggested Questions:

- 1) How are SELPAs currently coordinating with their LEAs on the development of LCAP? How does this look different for single district versus multi-district SELPAs?
- 2) How does the Governor envision lead SELPAs coordinate with regional lead COEs when an LEA is struggling with supporting students with disabilities?

Staff Recommendation:

Hold Open.