

SUBCOMMITTEE NO. 1 on Education



Subcommittee No. 1
Chair, Marty Block
Member, Roderick Wright
Member, Mark Wyland

Thursday, March 21, 2013
9:30 a.m. or
Upon Adjournment of Session
Room 3191, State Capitol

Consultant: Kim Connor

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ISSUE 1. Special Education – LAO Report on Special Education

INFORMATIONAL ITEM: No Action

ISSUE 2. Special Education – Separation of State and Federal Funding

STAFF RECOMMENDATIONS:

Staff recommends the following Subcommittee actions:

1. Approve the Governor’s proposal to delink state and federal funding, but modify to establish a new State Target Rate based upon recalculation of a new statewide average rate once federal funds are removed. (This proposal could include costs of \$1.2 million; however, it is unclear at this time whether this will result in an actual increase in the Governor’s budget for special education. If so, any such appropriation can be considered by the Subcommittee at May Revise.)

Staff further recommends that the Subcommittee:

- Consider adopting the LAO’s equalization proposal as a part of the Proposition 98 package at May Revise. [Under the LAO proposal, special education funding equalization (to the 90th percentile) would be adopted and aligned with whatever approach is adopted at May Revise for equalizing general education funding rates.]

ACTION: Approved staff recommendation on action item #1. (Vote: 3-0)

ISSUE 3. Special Education - Program Consolidations

STAFF RECOMMENDATIONS:

Staff recommends the following Subcommittee actions:

1. Approve the Governor’s proposal to add Program Specialists and Regional Services and Staff Development Grant funds into the AB 602 formula, with one modification (per the LAO) to continue a \$2.7 million set-aside for small SELPAs.
2. Approve the Governor’s proposal to merge the Cross-Cultural Assessments Grant into the Statewide Training and Technical Assistance grant.
3. Approve the Governor’s proposal to consolidate two WorkAbility grant programs into one funding stream.
4. Approve Governor’s proposal to combine two programs for students with low-incidence disabilities.

5. Adopt LAO proposal to combine two separate extraordinary cost pools and adopt a uniform set of eligibility criteria for subsidizing high-cost student placements, with modification to assure coverage for mental health services.

Staff further recommends that:

- Staff work with DOF and CDE to consider the LAO proposal to change the combined program from a competitive grant based program to a new more flexible Transition Services funding supplement for all SELPAs based upon ADA for students in grades 9-12.
- Staff work with the DOF and CDE to further consider the LAO recommendation to add low-incidence funding for ROC/P programs into this consolidated grant at May Revise.

ACTION: Approved staff recommendation on action items #1-5. (Vote: 3-0)

ISSUE 4. Education Mandates – Block Grant Funding

STAFF RECOMMENDATIONS: Staff recommends the following Subcommittee actions:

1. Approve the Governor’s proposal to modify the BIP mandate, with changes to (1) add statute to restate the federal mandate; (2) add legislative intent language to reflect federal statute, and (3) add provisions to continue requirements for the development of procedures guiding the systematic use of positive behavior interventions and emergency by shifting responsibility from each SELPA to the Department of Education. (All of these revisions restore language included in AB 1476, as passed by the Senate on August 24, 2012.)
2. Approve \$230,000 in one-time federal special education carryover funds to Department of Education in order to provide technical assistance and monitoring to local educational agencies related to the provision of positive behavior intervention services. (This provision was also included in AB 1476, as passed by the Senate on August 26, 2012).

Staff further recommends that the Subcommittee:

- Hold open any action on the Governor’s proposal to add \$100 million for the Behavioral Intervention Plan and Science Graduation Requirements mandates. Direct staff to work with DOF and LAO on alternative options to address funding for these two mandates. Staff recommends that any action on these items be taken at May Revise as part of the overall Proposition 98 package.
- Consider the LAO recommendation to strengthen the offsetting language in current law for the Science Graduation Requirement and align any changes to reflect decisions on the K-12 school finance structure at May Revise.
- Direct staff to work with local government budget staff, DOF and LAO to explore options for strengthening statutes guiding the utilization of Reasonable Reimbursement Methodology by the Commission on State Mandates.

ACTION: Approved staff recommendation on action items #1 & 2. Vote: 3-0

ISSUE 5. Education Mandates – New and Suspended Mandates

STAFF RECOMMENDATIONS:

Staff recommends the following Subcommittee actions:

1. Suspend four mandates proposed by the Governor that have also been suspended for local government agencies, including three K-14 education mandates and one community college mandate as follows:
 - Absentee Ballots (K-14)
 - Brendon Maguire Act (K-14)
 - Mandate Reimbursements I & II (K-14)
 - Sex Offenders: Disclosure by Law Enforcement Officers (Community Colleges)
2. Reject the Governor's proposal to suspend the Open Meeting/Brown Act Reform mandate for K-14 education – as recommended by the LAO -- since Proposition 30 eliminated the state's reimbursement obligation for school districts and other local agencies.

Staff further recommends that the Subcommittee:

- Hold open action on the Governor's proposal to suspend the Public Records Act mandate for K-14 education. Direct staff to work with DOF on alternatives to suspension. This new mandate is not suspended for local government agencies in 2012-13.
- Hold open action on Governor's proposal to add new Pupil Suspension/Expulsion mandate to budget. Direct staff to work with DOF and LAO to develop funding options.

**ACTION: Approved staff recommendation on action items #1 & 2.
Vote: 2-0. (Wyland not voting.)**

ISSUE 6. Charter Schools – LAO Update

Informational Item: No Action

ISSUE 7. Charter Schools -- Education Funding for Non-Classroom Based Instruction

STAFF RECOMMENDATION: Staff recommends that the Subcommittee hold this issue open for further evaluation and to consider the LAO alternative.

Issue Held Open – No Action.

ISSUE 8. Charter Schools – Charter School Facilities Grant Program

STAFF RECOMMENDATIONS:

Staff recommends that the Subcommittee take the following actions:

1. Approve Governor’s proposal to transfer the Charter Schools Facilities Grant program to the California School Finance Authority.
2. Approve Governor’s proposal to transfer 2.0 positions and funding from the Department of Education to the California School Finance Authority to support the transfer of the Charter School Facilities Grant program. Staff will work with DOF, LAO, CDE and CSFA to determine if any staffing adjustments are needed at May Revise.
3. Approve the Governor’s proposal to expedite the payment schedule for the Charter Schools Facilities Grant program, with modification recommended by LAO to specify full, annual payment schedule in statute.

Staff further recommends:

- Hold open the Governor’s proposal on non-classroom based instruction open until May Revise in order to further evaluate the costs of the proposal and available funding, and to explore LAO recommendations more fully.

ACTION:

Approved staff recommendation on action items #1 & 2. Vote: 2-1. (Wright “no”)

Approved staff recommendation on action item #3. Vote: 3-0.

ISSUE 9. Charter Schools -- Charter School Revolving Loan Program

STAFF RECOMMENDATIONS: Staff recommends that the Subcommittee take the following action:

1. Approve the Governor’s budget proposal.

ACTION:

Approved staff recommendation on action item #1. Vote: 2-0. (Wright not voting.)

ISSUE 10. Charter Schools – Access to Surplus District Property

STAFF RECOMMENDATION: Staff recommends the Subcommittee take the following action.

1. Approve the LAO alternative.

Approved staff recommendation on action item #1. Vote: 2-1. (Wright “no”)

ISSUE 11. Charter Schools – Other Issues

Item 1. County-Wide Benefit Charter School Petitions

STAFF RECOMMENDATION: Staff recommends that the Subcommittee take the following action:

1. Approve the Governor’s budget proposal.

ACTION: Approved staff recommendation on action item #1. Vote: 3-0.

Item 2. Delegation of State Board Oversight

STAFF RECOMMENDATIONS: Staff recommends the Subcommittee take the following action.

1. Approve the Governor’s budget proposal.

ACTION: Approved staff recommendation on action item #1. Vote: 2-1. (Wright “no”)

Item 3. Multi-Track Attendance Accounting

STAFF RECOMMENDATIONS: Staff recommends that the Subcommittee take the following action:

1. Approve the Governor’s proposal with amendments suggested by CDE placeholder language.

ACTION: Approved staff recommendation on action item #1. Vote: 3-0