



K~12 and Higher Education Conference Committee on AB 97

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Members: Senator Ricardo Lara, Senator Richard D. Roth, Senator Jim Nielsen, Senator John M. W. Moorlach,
Assembly Member Phillip Chen, Assembly Member Kevin McCarty, Assembly Member Jay Obernolte,
Assembly Member Shirley N. Weber, Assembly Member Joaquin Arambula - Democratic Alternate

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Proposition 98 Package

Issue 1: Proposition 98 Guarantee Level

Governor proposed funding the Proposition 98 guarantee for the 2015-16 through 2017-18 fiscal years at \$69.1 billion, \$71.4 billion, and \$74.6 billion, respectively, with \$514 million provided in settle-up funding for local control funding formula (LCFF) expenditures in the 2016-17 year. The Governor over-appropriates the Proposition 98 minimum guarantee in 2015-16 by \$433 million.

Senate proposed adopting the Legislative Analyst’s Office (LAO) revenue and local property tax estimates. As a result, the Senate Proposition 98 package funds K-14 education at the 2017-18 Proposition 98 guarantee level of \$74.1 billion. The Senate Proposition 98 package over-appropriates the Proposition 98 minimum guarantee in 2015-16 by \$433 million and funds at the Proposition 98 guarantee level of \$71.5 billion in 2016-17. The Senate plan provides \$427 million in settle-up payments for LCFF expenditures in 2016-17.

Assembly adopted the Governor’s proposal.

Conference issues are the total guarantee funding levels based on revenue and property tax estimates and settle-up payments.

Issue	Description
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Local Control Funding Formula (LCFF)

Issue 2: LCFF Implementation Funding

Governor proposed \$1.387 billion in Proposition 98 ongoing funding for implementation of the LCFF.

Senate proposed \$1.152 billion in Proposition 98 ongoing funding for implementation of the LCFF.

Assembly proposed \$1.342 billion in Proposition 98 ongoing funding for implementation of the LCFF.

Conference issue is the amount of ongoing funding for LCFF implementation.

Issue	Description
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One-Time Discretionary Funding for K-12 Education

Issue 3: One-Time Discretionary Funding

Governor proposed \$1.012 billion in one-time discretionary funding for local educational agencies (LEAs). These funds are distributed on a per average daily attendance basis and may be used for any purpose, however legislative intent language suggests that funds be used to invest in implementing state-adopted academic content standards, upgrading technology, providing professional development, supporting beginning teacher induction, and addressing deferred maintenance projects. These funds also reduce the state’s mandate debt to the extent an LEA has unpaid mandate claims. The Governor also proposed to provide this funding in May of 2019, contingent upon the Proposition 98 minimum guarantee level in 2017-18 remaining at the level adopted in the 2017 budget act.

Senate proposed \$770 million in Proposition 98 one-time discretionary funding for LEAs to be allocated in the 2017-18 year.

Assembly proposed \$855 million in Proposition 98 one-time discretionary funding for LEAs to be allocated in the 2017-18 year.

Conference issues is the amount of one-time discretionary funding for LEAs.

Issue	Description
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After School Education and Safety Program

Issue 4: After School Education and Safety Program (ASES)

Governor has no proposal.

Senate has proposed to provide an additional \$25 million in ongoing Proposition 98 funding for the ASES program and apply a cost-of-living-adjustment (COLA) in 2017-18 and future years. In 2017-18, the COLA is approximately \$8.6 million.

Assembly proposed providing \$70 million in one-time Proposition 98 funding for the ASES program in 2017-18. In addition, the Assembly dedicates the use of any funding provided to the CDE for tobacco use prevention programs through Proposition 56 for ASES. Finally, the Assembly dedicates a portion of revenues generated through Proposition 64 (Marijuana Legalization) for augmentation of the ASES program beginning in 2018-19, or when revenues become available. In order to receive Proposition 56 and Proposition 64 funding, ASES programs must establish a tobacco and drug prevention enrichment program approved by the CDE, beginning in 2019-20.

Conference issues are the amount and whether to provide additional Proposition 98 funding to augment the ASES program on an ongoing basis or one-time basis, whether to apply a COLA to the ASES program, and whether to dedicate education-related funds from Propositions 56 and 64 for the ASES program.

Issue	Description
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Tobacco Use Prevention Education

Issue 5: Proposition 56 Tobacco Use Prevention Education

Governor proposed to include placeholder trailer bill language allowing the use of the additional funding for tobacco prevention education generated by Proposition 56 (approximately \$30 million in 2017-18) to be directed pursuant to legislation and did not make specific determinations about the use of the funds.

Senate has proposed to provide Proposition 56 funds to CDE for augmentation of the existing Tobacco-Use Prevention Education (TUPE) program.

Assembly proposed to provide Proposition 56 funds to CDE for augmentation of the ASES program. (see related Issue 4: After School Education and Safety Program, page 7)

Conference issues are whether to provide additional funding generated by Proposition 56 to the existing TUPE program or to dedicate education related funds from Propositions 56 for the ASES program.

Issue	Description
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Teacher Recruitment and Support

Issue 6: Effective Educators, Principals, and Leaders

Governor proposed to appropriate \$11.3 million in federal Title II funds to assist local educational agencies with recruitment and retention of effective educators and school leaders. With these funds, the Commission on Teacher Credentialing, in conjunction with the California Center on Teaching Careers will develop a competitive grant program that assists local educational agencies with attracting and supporting the preparation and continued learning of teachers, principals, and other school leaders in high need subjects and schools. The grant program will be funded with federal Title II funds received through an interagency agreement with the CDE.

Senate adopted the Governor’s proposal with an amendment to provide \$4 million of the total specifically to establish the California Science, Technology, Engineering, and Mathematics (STEM) Professional Teaching Pathway at the Center on Teaching Careers, for the purpose of recruiting, training, supporting, and retaining qualified STEM professionals, including military veterans, as mathematics and science teachers in California.

Assembly adopted the Governor’s proposal.

Conference issues are whether to specify that \$4 million of the total program funding is for supporting a teacher pathway in STEM fields.

Issue	Description
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Teacher Recruitment and Support

Issue 7: Other Teacher Proposals

Governor has no proposals.

Senate has no proposals.

Assembly proposes the following teacher recruitment and support measures:

1. \$25 million in one-time Proposition 98 funding, to be used over three years, for the CDE to administer grants to local educational agencies or consortia of local educational agencies to assist those agencies to establish, maintain, or expand teacher residency programs, where a prospective teacher would teach alongside an experienced mentor teacher. Under this program, the CDE would provide first priority to programs that target chronic teacher shortage areas, including special education, mathematics, science, and bilingual education.
2. \$25 million in one-time Proposition 98 funding for the existing Classified School Employee Teacher Credential Program for the Commission on Teacher Credentialing to administer an additional 1,000 grants for classified employees to obtain their teaching credential.
3. \$25 million in one-time Proposition 98 funding to the CDE to administer the Golden State Teacher Grant Program to provide one-time grant funds of \$20,000 to each student enrolled on or after January 1, 2018 in a professional preparation program leading to a preliminary teaching credential, if the student commits to working in a high-need field, as certified by the Commission on Teacher Credentialing, for five years after he or she receives a teaching credential.
4. \$10 million in one-time Proposition 98 funding for the Bilingual Teacher Professional Development Program. This funding is provided to CDE to allocate to consortium to provide professional development for existing teachers that are certified to teach bilingual education but have not taught bilingual education in three or more years, or teachers that are fluent in a language other than English and wish to be certified as a bilingual education teacher. The consortium shall include two or more of the following entities: county offices of education, community colleges, public or private four-year higher education institutions, professional organizations or nonprofit organizations with English learner expertise, or school districts with significant and successful bilingual education programs.

Issue	Description
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5. Adopt trailer bill language requiring school districts to offer beginning teacher induction programs at no cost to the teacher.

Conference issues are whether to provide funding for the specified proposals and whether to require school districts to provide beginning teacher induction programs at no cost to the teacher

Issue	Description
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K-12 Mandates Block Grant

Issue 8: K-12 Mandates Block Grant

Governor proposed to add the California Assessment of Student Performance and Progress (CAASPP) mandate to the K-12 mandates block grant with no additional funding. In the 2012-13 budget, the state adopted the block grant for education mandates as an alternative to the traditional mandates claiming process. Local educational agencies (LEAs) may opt in to receive block grant funding for all mandated activities included in the block grant. By participating, LEAs forgo the option of submitting claims for each mandated activity on an ongoing basis. The mandates block grant does not reflect the actual statewide costs estimates for each included mandate, but the state has increased the total block grant funding when new mandates were added on a case-by-case basis. The CAASPP mandate reflects the costs of providing new computer-based statewide assessments.

Senate rejected the Governor’s proposal to add the CAASPP mandate and added a cost-of-living-adjustment (COLA) to the K-12 mandates block grant (approximately \$3.5 million in 2017-18). The K-12 mandates block grant has not received a COLA in past years.

Assembly adopted the Governor’s proposal.

Conference issues. Whether to add the CAASPP mandate to the mandates block grant with no additional funding and whether to provide a COLA on the block grant funding.

Issue	Description
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Proposition 39 Clean Energy

Issue 9: Proposition 39 Clean Energy Funds

Governor has no proposal.

Senate extends the encumbrance date for projects for the final year of funding by nine months to March 31, 2019. In addition, the Senate proposes to 1) extend existing program requirements, including use of funding and the Citizen Oversight Board; 2) Allocate any remaining funding for the program as follows: \$75 million for school bus replacement, \$100 million for low-interest and no-interest loans for energy retrofits and clean energy installs as allowed under the existing program, and to school districts for energy retrofits projects as allowed under the existing program; and 3) Specify program funding is contingent upon an appropriation in the annual budget act or another statute.

Assembly extends the encumbrance date for projects for the final year of funding by 12 months to June 30, 2019.

Conference issues are whether to extend the encumbrance date for LEAs under the existing program by nine or 12 additional months. Whether to reappropriate remaining funds for similar purposes as described. Whether to retain the program in future years with funding subject to budget act appropriations.

Issue	Description
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K-12 School Facilities

Issue 10: K-12 School Facilities Program

Governor proposed trailer bill language that requires facility bond expenditures to be included in the annual K-12 Audit Guide, where independent auditors verify that local educational agencies participating in the School Facilities Program have appropriately expended state resources. The local audit requirement would apply to all completed School Facilities Program projects and projects savings applicable to other high priority capital outlay projects. To the extent ineligible expenses are identified, the language specifies that funds can be withheld from the local educational agencies principal apportionment of Proposition 98 funding from the state.

Senate adopted the Governor’s proposal.

Assembly proposes to adopt the Governor’s proposed language with a modification to allow ineligible expenditures to be repaid pursuant to Education Code Section 17076.10, consistent with current law and Proposition 51 (School Facilities Bond) as passed by the voters in 2016. This allows for school districts to use any local funding source to repay ineligible expenses, repays ineligible expenses back to the bond fund, and charges the State Allocation Board with approving a repayment plan (instead of the Director of Finance and the Office of Public School Construction).

Conference issues whether to amend the Governor’s proposed language to allow the remittance of funds due to identified ineligible expenditures can be repaid pursuant to current law.

Issue	Description
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K-12 School Facilities

Issue 11: Charter School Facilities Incentive Grant

Governor proposes trailer bill legislation to increase eligible grant awards for charter schools participating in the Charter School Facilities Incentive Grant program. The current program allows charter schools to receive a maximum of \$750 per unit of average daily attendance, or up to 75 percent of the annual facilities rent and lease costs for the charter school. These changes will increase the eligible amount to \$1,117 per unit of average daily attendance in 2017-18 (adjusted by cost-of-living annually thereafter) or 75 percent of the annual facilities rent and lease cost for the charter school, whichever is less.

Senate adopted the Governor’s proposal but modified it to specify that the new rate is not subject to a COLA in future years.

Assembly rejected the Governor’s proposal.

Conference issue is whether to increase the rate for participating schools in the existing charter school facilities grant program.

Issue	Description
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Statewide Accountability

Issue 12: County Offices of Education Accountability Workload

Governor has no proposal.

Senate has no proposal.

Assembly proposed the following:

- \$20 million in one-time Proposition 98 funding for county offices of education (COEs) to support workload related to the review and approval of Local Control and Accountability Plans (LCAPs) submitted by the districts within the county. The Assembly also adopted placeholder trailer bill language that would require COEs to work collaboratively with the California Collaborative for Educational Excellence (CCEE) in providing consistent support to districts across the state on utilizing the new California School Dashboard in developing their LCAPs. Both the LCAP and dashboard are crucial tools for supporting and tracking continuous improvement of school districts under the state’s accountability system.
- \$50,000 in one-time Proposition 98 funding for the CDE to contract with the San Joaquin County Office of Education to develop a California School Dashboard mobile application to provide accessible information for the public on how schools are performing on the state’s accountability measures.

Conference issues is whether to provide additional funds to COEs for their workload, whether to require collaboration among the COEs and the CCEE in providing guidance to school districts, and whether to fund the development of a California School Dashboard mobile application.

Issue	Description
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Assessments, Standards, and Curriculum

Issue 13: Curriculum Framework Support

Governor has no proposal

Senate proposes to provide \$16 million in one-time Proposition 98 funds for CDE to contract with a county office of education to support the History Social Science curriculum framework and the upcoming Health curriculum framework. Activities may include regional trainings and professional development available for teachers, administrators and paraprofessionals and the development of an online repository of resources available to support instruction. Activities and resources shall focus on new components of the frameworks, including the Armenian Genocide, labor, LGBT, and civic education components of the History Social Science framework and the sexual harassment and violence prevention component of the Health framework.

Assembly proposes to provide \$5 million in one-time Proposition 98 funding for the California Historical Society, in partnership with the California History-Social Science Project, to collect archival resources to offer teachers and their students a collection of primary and secondary sources, lesson plans, and related instructional materials, aligned with the new History-Social Science Framework.

Conference issues are whether to provide \$5 million in one-time Proposition 98 funding for the California Historical Society and whether to provide \$16 million in one-time Proposition 98 funding to support the History Social Science and Health curriculum frameworks.

Issue	Description
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Assessments, Standards, and Curriculum

Issue 14: Professional Development and Resources

Governor has no proposal.

Senate proposes to allocate \$4 million in one-time Proposition 98 funding for the existing California Regional Environmental Education Community Network (CREEC) Network to provide technical assistance and disseminate information to local education agencies on how to integrate high-quality environmental literacy in curriculum, including, but not limited to, Next Generation Science Standards, history-social science standards, and career technical education.

Assembly proposes to provide \$2.7 million in one-time funding for the “Teaching about Labor, Immigrant Workers, and Workplace Rights” pilot project. This three-year pilot program would provide training and other resources for lead teachers and students in four school districts across the state on the history of labor, with a focus on immigrant workers, farm labor and workers of color.

Conference issues are whether to provide \$4 million in one-time Proposition 98 funding to support the CREEC Network and whether to provide \$2.7 million in one-time Proposition 98 funding for the labor pilot program.

Issue	Description
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Assessments, Standards, and Curriculum

Issue 15: K-12 Assessments and Standards Related Resources

Governor proposed to provide \$502,000 in one-time Proposition 98 General Fund to support professional development for instructional leaders on California Next-Generation Science Standards (NGSS) through the California Assessment of Student Performance and Progress (CAASPP) Science Academy.

Senate rejects the Governor’s proposal and instead provide the \$502,000 to establish a process to support implementation of the NGSS, Career Technical Education and the English language development standards, through the following components: 1) Providing state-supported formative assessment resources that are standards- aligned in the Digital Library, 2) Vetting state-supported resources and tools that support implementation of a comprehensive assessment system and providing those resources for local use, and 3) Providing regional assessment support to schools and districts on the implementation of the comprehensive assessment tools and resources.

Assembly adopted the Governor’s proposal.

Conference issues. Whether to use \$502,000 for the CAASPP Science Academy or for supporting the development and dissemination of other resources and formative assessment tools related to NGSS, Career technical education, and the English language development standards.

Issue	Description
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Assessments, Standards, and Curriculum

Issue 16: Academic Content Standards Adoption and Implementation Timelines

Governor has proposed to eliminate funding for the Instructional Quality Commission due to limited General Fund resources, resulting in one-time savings of \$948,000 in 2017-18. The workload of the commission in 2017-18 is related to statutory deadlines for updating or creating standards in the following areas: computer science, world languages, visual and performing arts and the creation of a model curriculum for ethnic studies. The Governor has proposed trailer bill language that delays related workload requirements by one or more years. Finally, the Governor has proposed trailer bill language to amend the governance structure of the computer science strategic implementation advisory panel, requiring the Governor, rather than the SPI, to convene the panel.

Senate proposes to provide \$245,000 in one-time General Fund for the Instructional Quality Commission to complete base workload activities, including the completion of the health curriculum frameworks in the 2017-18 year.

Assembly rejected the Governor’s proposal and related trailer bill and restored the \$948,000 for the Instructional Quality Commission.

Conference issues are what amount of General Fund to provide for the Instructional Quality Commission in 2017-18 and whether to delay any planned workload if funding is not fully restored.

Issue	Description
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Other One-Time Funding Proposals

Issue 17: One-Time Funding Proposals

Governor has no proposal.

Senate has no proposal.

Assembly proposes to the following:

- \$20 million in one-time Proposition 98 funding for CDE to provide grants to cover start-up costs for magnet schools.
- \$10 million in one-time Proposition 98 funding for the Department of Social Services (DSS), in consultation with CDE, to provide funding to school districts with high refugee populations, consistent with the allocation methodology used for the federal Refugee School Impact grant.

Conference issues are whether to provide \$20 million for the magnet start-up costs and whether to provide \$10 million for refugee services.

Issue	Description
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Other Trailer Bill Language

Issue 18: Other Trailer Bill Language

Governor has no proposal.

Senate proposes trailer bill language that would extend the sunset date of the District of Choice Program until July 1, 2022. The program allows school districts to accept interdistrict transfers through a random process. The program currently sunsets July 1, 2017.

Assembly proposes adopting placeholder trailer bill language that aligns the CDE’s procurement process for child nutrition and after school program contracts with federal requirements. Current law requires school districts to award these contracts to the lowest bidder, however, advocates argue this impedes their ability to select bidders that offer higher quality or more diverse food items. The alignment with federal requirements proposes in this language would allow for considerations other than price when awarding contracts.

Conference issues are whether to extend the sunset date for the Districts of Choice program and whether to clarify CDE’s procurement process for child nutrition and after school program contracts

Issue	Description
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Capital Outlay

Issue 19: Fremont School for the Deaf: Middle School Activity Center

Governor proposed to reappropriate \$1.7 million in General Fund to construct a new middle school activity center at the Fremont School for the Deaf. This funding was originally provided in the 2016 budget act, however, delays in the design process have resulted in the funds not being expended.

Senate adopted the Governor’s proposal.

Assembly rejected the Governor’s proposal and proposed using the funding for other General Fund priorities.

Conference issue is \$1.7 million for a new middle school activity center.

Issue	Description
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State Operations

Issue 20: Other State Operations Proposals

Governor has no proposal.

Senate proposes the following:

- \$437,000 in Title III federal state operations funding for workload related to English language learner reclassification to be programmed pursuant to legislation enacted in the 2017-18 legislative session.
- \$275,000 one-time General Fund to the State Department of Education to develop guidance on helping local education agencies comply with state and federal law provisions to prevent and address sexual harassment and violence.

Assembly proposes to provide \$2.5 million in one-time non-Proposition 98 funding to establish the Equity Performance and Improvement Team within the CDE in order to support and build capacity within CDE and local education agencies to promote equity in California’s public schools.

Conference issues. Whether to provide federal Title III funds for workload at CDE relating to supporting local education agencies reclassification of English language learners, whether to provide General Fund for CDE to develop sexual harassment and violence prevention guidance, and whether to provide \$2.5 million in General fund for the CDE to establish an Equity Performance and Improvement Team.

Issue	Description
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Early Education and Child Care

Issue 21: Subsidized Child Care and Preschool Slots

Governor proposed no additional subsidized child care slots above the 2017-18 increase agreed upon in the 2016-17 budget agreement.

Senate proposed no additional subsidized child care slots above the 2017-18 increase agreed upon in the 2016-17 budget agreement.

Assembly proposed \$30 million in General Fund to support an additional 2,710 slots for families (1,590 slots for the Alternative Payment Program and 1,120 General Child Care slots). The Assembly also proposed \$30 million in Proposition 98 General Fund to support an additional 2,624 full-day State Preschool Program slots at local educational agencies. Additional slots will first be offered to local educational agencies (LEAs), unused slots may be used for part-day state preschool at LEAs or at non-LEAs.

Conference issues. \$60 million in funding for additional child care and preschool slots (\$30 million General Fund and \$30 million Proposition 98 General Fund).

Issue	Description
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Early Education and Child Care

Issue 22: Early Education Flexibility Proposals

Governor proposed the following:

- Exempt State Preschool programs run by school districts from California Community Care Licensing Title 22 requirements as long as they are located in a facility governed by K-12 building standards and are subject to the CDE’s requirements for staffing/environment (Title 5). The May Revision delays this change until July 1, 2018, in order to give CDE time to make necessary changes to regulations.
- Provide all State Preschool programs more flexibility in meeting minimum requirements for staffing ratios and teacher qualifications. Specifically, this proposal would allow State Preschool classrooms taught by a teacher with a Multiple Subject Teaching Credential and 24 units of ECE (or comparable experience) to operate with an adult-to-child ratio of 1:12 (rather than the 1:8 ratio currently required). This would also exempt State Preschool providers with QRIS Tier 4 or higher ratings from the State Preschool staffing ratio requirements. These providers, however, still would need to meet licensing requirements (have an adult-to-child ratio of 1:12).

Senate adopted the Governor’s proposal related to licensing exemptions for State Preschool programs and rejected the Governor’s proposal to allow more flexible adult to child ratios for State Preschool programs.

Assembly proposed the following:

- Exempt State Preschool programs run by school districts from the initial licensing visit under Title 22 requirements, but still require the programs to meet licensing requirements and make them subject to future inspections.
- Allow the Governor’s proposed adult-to-child ratio changes, but modify the proposal to only be applicable to classrooms serving 4 year olds.
- Require CDE and DSS to convene a stakeholder process to discuss differences and potential alignment of Title 5 and Title 22 requirements and appropriate adult-to-child ratios for three and four years olds and options for allowing blending of programs.

Conference issues. Trailer bill language on licensing exemptions, adult-to-child ratios, and a stakeholder process to inform these issues.

Issue	Description
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Early Education and Child Care

Issue 23: Other Early Education Proposals

Governor has no proposal.

Senate has no proposal.

Assembly proposed the following, related to Early Education and Child Care:

- \$1.825 million in one-time General Fund for the YMCA of West San Gabriel Valley to build a designated child care facility to serve underprivileged and homeless youth.
- Reporting language that requires the Legislative Analyst’s Office to provide an analysis and recommendations on options for incentivizing full-day kindergarten, including providing different full-day and part-day funding rates for Kindergarten and transitional kindergarten. The report is due to the Legislature by December 1, 2017.

Conference issues. Funding for the YMCA of West San Gabriel Valley and Kindergarten reporting language.

Issue	Description
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Community College Affordability

Issue 24: Community College Affordability

Governor proposed an increase of \$5 million ongoing Proposition 98 General Fund for the Full-Time Student Success Grant to account for updated estimates of eligible Cal Grant B and Cal Grant C students in 2017-18. Additionally, the May Revision proposes to amend BBL to align the grant amounts with a statewide annual academic year average of \$600 per full-time student.

Senate approved the Governor’s proposal regarding the Full-Time Student Success Grant.

Additionally, the Senate proposed \$50 million on-going Proposition 98 General Fund for the Community College Completion grant, which will provide up to \$4,000 in additional cost of attendance grant aid to CCC students with demonstrated need who take 15 units per semester or the applicable quarter unit equivalent to be considered on track to obtain an associate degree or certificate, or to otherwise transfer to a four-year university, in two academic years and have an educational plan. The Senate also adopted placeholder trailer bill language to implement this grant program.

The Senate also provided a cost-of-living adjustment of 1.56 percent, or \$1.12 million Proposition 98 General Fund, to the Financial Aid Administration categorical program.

Assembly approved the Governor’s proposal regarding the Full-Time Student Success Grant, and also augmented it by \$50 million on-going Proposition 98 General Fund, which will provide an additional \$680 per year (bringing the total up to \$1,380 per year) for students taking at least 12 units per semester.

The Assembly also proposed an additional \$32 million to waive tuition fees for all first-time, full-time freshmen taking at least 12 units at community colleges. The Assembly adopted placeholder trailer bill language that requires students to fill out the FAFSA or FAFSA-equivalent form to be eligible for this program. The Assembly also adopted budget bill language to allow basic aid districts to also qualify for this funding.

Conference issues include the Senate’s proposals to provide \$50 million for the Community College Completion Grant, and \$1.12 million for Financial Aid Administration; and the Assembly’s proposals to provide \$50 million to the Full-Time Student Success Grant, and \$32 million to waive tuition fees for first-time, full-time freshman at CCC.

Issue	Description
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Veterans Resource Centers

Issue 25: Veterans Resource Centers

Governor proposed no specified funding for this purpose.

Senate adopted placeholder trailer bill language to allocate \$10 million in one-time funding to community colleges to develop or enhance an on-campus veteran resource center. Trailer bill language (1) requires the Chancellor’s Office to develop eligibility criteria and distribution of grants based on the number of student veterans served, and needs that will be addressed, (3) prioritizes colleges with the greatest need, determined by the Chancellor’s Office, (4) lists required activities and services to include: academic counseling and tutoring support, referral to on-and off-campus resources, peer-to-peer support and mentoring services, among others; and (5) notes the intent of the Legislature that each college utilize funding from the Student Success and Support Program to support the on-going activities of the Veteran Resource Center.

Assembly adopted budget bill and placeholder trailer bill language to create an ongoing funding stream to support veterans resource centers using \$15 million Proposition 98 General Fund ongoing from within student equity funding. The placeholder trailer bill language describes a funding formula to distribute funding based on veterans enrolled at colleges, and describes minimum staffing and facilities requirements to receive the funding.

The Assembly also provided \$2 million one-time Proposition 98 each to Norco, El Camino and Fullerton community colleges, for a total of \$6 million, to improve veteran resource center facilities or public safety center facilities, such as training centers for firefighters, police and emergency medical technicians.

Conference issues include the amount of funding for veterans resource centers, its fund source, duration of funding, and trailer bill language.

Issue	Description
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Guided Pathways Program

Issue 26: Guided Pathways Program

Governor proposed a one-time \$150 million program to help community colleges develop a “guided pathways” approach to improving student outcomes. Under the Governor’s proposal, 90 percent of funding would go directly to colleges, and the Chancellor’s Office would allocate 45 percent of that based on each college’s share of the state’s Pell Grant eligible students, 35 percent based on each college’s share of full-time equivalent enrollment, and 20 percent as a fixed base grant for each college. The remaining funding proposed by the Governor (up to 10 percent) would be for statewide assistance and programmatic support.

Senate approved the Administration’s proposal to provide \$150 million in one-time funding to establish the Guided Pathways program, and the Administration’s plan to use 10 percent of funds for statewide assistance.

Assembly approved the Administration’s proposal to provide \$150 million in one-time funding to establish the Guided Pathways program, however the Assembly requires 15 percent of funds for statewide assistance.

Conference issues include amount of funding used to for statewide assistance.

Issue	Description
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Career Technical Education (CTE)

Issue 27: Career Technical Education

Governor proposed folding \$48 million Proposition 98 General Fund from the CTE Pathways Program into the community colleges Strong Workforce Program (SWP) bringing total funding for this program to \$248 million. A portion of the CTE pathways program, \$15.36 million, is currently allocated to the California Department of Education (CDE) to fund programs like the California Partnership Academies and Future Farmers of America, with the remainder in the community college budget. However, under the Governor’s proposal all funding will be absorbed into the SWP.

Senate rejected Governor's proposal regarding the CTE Pathways Program, and redirected \$15.4 million to CDE, with the remainder to stay in the Strong Workforce Program (SWP).

Assembly increased funding for the CTE Pathways Program on the K-12 side by redirecting \$15 million from the Local Control Funding Formula, and funding for the SWP remains at \$248 million. However, the Assembly carves out \$10 million Proposition 98 General Fund from SWP to support the creation or expansion of CTE programs in areas with high unemployment.

Additionally, the Assembly also provided \$11 million in one-time Proposition 98 General Fund, and \$4 million ongoing Proposition 98 General Fund to increase support of the apprenticeship categorical program.

Conference issues include funding for the SWP and apprenticeship programs.

Issue	Description
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Compton Community College

Issue 28: Compton Community College

Governor proposed no specified funding for this purpose.

Senate proposed \$1 million one-time Proposition 98 General Fund over three years to assist with Compton College’s transition back from a center of El Camino Community College District to a stand-alone college.

Assembly proposed \$11.3 million one-time Proposition 98 General Fund to Compton Community College to support costs associated with regaining accreditation. The funding level has been reviewed by the Fiscal Crisis and Management Assistance Team and will cover expenses such as information technology and start-up personnel.

The Assembly also approved placeholder trailer bill language allowing Compton enrollment stabilization funding once accredited.

Conference issues include funding and trailer bill language associated with Compton Community College.

Issue	Description
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Various Proposals

Issue 29: Various Proposals

Governor did not have proposals related to this issue.

Senate proposed \$2.5 million one-time in Title IX Training.

The Senate also proposed a 1.56 percent cost-of-living adjustment, or \$96,000, for the Fund for Student Success.

Assembly provided \$15 million one-time Proposition 98 General Fund and approved placeholder trailer bill language to support previously unfunded California College Promise grants to colleges that develop a K-12 and higher education partnership and perform other evidence-based practices designed to increase college-going rates in their region.

The Assembly also provided \$2.5 million ongoing Proposition 98 General Fund to support the Umoja program. The Assembly approved budget bill language creating the program within the Fund for Student Success categorical program.

Conference issues includes the Senate’s funding proposal for Title IX training and the Fund for Student Success, and the Assembly’s funding proposal for the College Promise Grants, and Umoja.

Issue	Description
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State Library Support and Grants

Issue 30: Support and Grants

Governor proposed in the May Revision \$404,000 for replacement of the asset management system used by the state library.

Senate approved the Governor’s May Revision proposal.

Assembly approved the Governor’s May Revision proposal.

The Assembly also proposed \$3 million one-time General Fund to the California Civil Liberties Public Education program to provide education regarding the civil liberty violations that Japanese-Americans endured during World War II, and approved budget bill language allowing five percent of this funding for administrative purposes, and an encumbrance and expenditure period that would allow the librarian to distribute one-third of the available funding each year for the next three fiscal years.

The Assembly also proposed \$4 million one-time General Fund to support Internet upgrades at local libraries to allow libraries to access a statewide, high-speed Internet Network.

Lastly, the Assembly proposed \$3 million one-time General Fund to support the Career Online High School program to provide literacy coaches and resources to adults looking to earn an accredited high school diploma online within 18 months.

Conference issues are \$10 million additional one-time General Fund for the State Library programs and grants.

Issue	Description
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Transparency and Accountability

Issue 31: Transparency and Accountability

Governor proposed to withhold \$50 million General Fund from UC until they provide evidence to the Department of Finance by May 1, 2018 that it has (1) completed pilot programs of activity-based costing at the Riverside campus and at two other campuses in three departments each; (2) taken any actions necessary to attain a ratio at each of its campuses, except for the Merced and San Francisco campuses, of at least one entering transfer student for every two entering freshman students beginning in the 2018-19 academic year; and (3) taken actions directed by the California State Auditor in its audit report “Report 2016-130,” dated April 25, 2017, regarding the University of California Office of the President (UCOP).

Senate approved the Governor’s proposal, and also included the following additional conditions to require UC to (1) adopt a policy in 2017-18 to no longer provide supplemental retirement payments to newly hired senior management employees, (2) adopt a policy to freeze the systemwide assessment fee for two years at the 2017-18 level starting in 2018-19, and (3) starting in 2018-19, as a part of UC’s annual budget process, UCOP disclose all revenue and expenditures, including carryover funds, and a full description of systemwide and presidential initiatives, including revenue sources and how these initiatives further the mission of UC. This information would be forwarded to the appropriate committees of the Legislature.

Assembly approved the Governor’s proposal, and also added budget bill language stating legislative intent that the withheld funding should not harm campus operations and that the UC report shall also be submitted to the Joint Legislative Budget Committee.

The Assembly also approved a State Auditor recommendation to line-item budget the UCOP. Specifically, the Assembly adopted budget bill language that specifies UCOP to receive \$296.4 million General Fund in 2017-18, and UC Path will receive \$52.4 million from UC’s budget. This funding is contingent on UC notifying the Department of Finance that the campus assessment will not support UCOP for the 2017-18 fiscal year and that overall campus revenues will be greater in 2017-18 than the previous year.

Conference issues include the Senate’s additional conditions for the release of \$50 million, and the Assembly’s BBL to specify General Fund support for UCOP.

Issue	Description
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Enrollment Growth

Issue 32: Enrollment Growth

Governor did not specify funding for enrollment growth.

Senate approved \$5 million General Fund ongoing to increase resident graduate student enrollment by 500 students in 2017-18.

Assembly set an enrollment target for UC to enroll 5,000 more California undergraduates in the 2018-19 and 2019-20 academic years, and 900 more graduate students. The Assembly adopted budget bill language, which seeks to redirect \$59 million General Fund from systemwide programs or other UCOP programs or expenditures to support this enrollment growth. Budget bill language also directs the Legislature work with UC and the Department of Finance on identifying the programs or expenditures to be redirected and report to the Joint Legislative Budget Committee by December 1, 2017.

Conference issues include the difference in enrollment growth, and its funding source.

Issue	Description
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Proposition 56: Graduate Medical Education and Base allocation

Issue 33: Graduate Medical Education and Base allocation

Governor proposed allocating \$50 million in Proposition 56 funds to UC for graduate medical education (GME). The Administration uses Proposition 56 revenue in place of \$50 million General Fund revenue that the Administration estimates supported graduate medical education in 2016-17. The Administration proposes repurposing the \$50 million General Fund for the Governor’s commitment to provide a four percent unallocated base funding increase to UC.

Senate approved the Governor’s proposal.

Assembly rejected the Governor's budget proposal to reduce UC General Fund support by \$50 million to replace it with Proposition 56 funding. The Assembly instead increases UC General Fund support by \$50 million and maintains the Governor's budget item to provide \$50 million in Proposition 56 funding to increase graduate medical education.

Conference issues include \$50 million General Fund ongoing for UC’s base above the Governor’s proposal.

Issue	Description
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Capital Outlay

Issue 34: Capital Outlay

Governor proposed no trailer bill relating to capital outlay that is in conference.

Senate adopted placeholder trailer bill language, for the 2017-18 fiscal year and each year thereafter, to require facility projects that utilize availability payments to proceed, pursuant to Education Code Section 92495, only if all work traditionally performed by persons with UC job classifications is performed only by UC employees.

Assembly adopt trailer bill language that would amend Education Code Section 92495 to require all future buildings built using state funds through the existing capital outlay process to be operated by UC employees.

Conference issue is the trailer bill language.

Issue	Description
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Equal Opportunity Employment

Issue 35: Equal Opportunity Employment

Governor did not specify funding for equal opportunity employment.

Senate did not specify funding for equal opportunity employment.

Assembly provided \$4 million one-time General Fund to support best practices in equal employment opportunity, and adopt budget bill language stating the funding should be distributed to selected departments on campuses seeking to create or expand equal employment opportunity programs and require a report to the Legislature by December 1, 2017 that describes the proposed uses of these funds and includes the number of ladder-rank faculty, disaggregated by race, ethnicity, and gender.

Conference issues include funding and budget bill language regarding equal opportunity employment.

Issue	Description
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Umbilical Cord Blood Collection Program

Issue 36: Umbilical Cord Blood Collection Program

Governor proposed trailer bill language to eliminate the sunset date for the UC’s Umbilical Cord Blood Collection Program, which is set to sunset January 1, 2018.

Senate approved Governor’s proposal.

Assembly extended the sunset date of the Umbilical Cord Blood Collection Program until January 1, 2023. The Assembly’s proposal also required UC to report to the Legislature one year before the sunset date regarding (1) key data on cord blood units (including the number of units collected, registered, and transplanted—disaggregated by race/ethnicity—compared with nationwide data); (2) data on collection and storage costs as well as associated fee revenue and state, federal, and private funding; and (3) evidence as to why the program should or should not be extended beyond the new sunset date

Conference issue is trailer bill regarding the sunset date for the program, as well as the reporting requirement proposed by the Assembly.

Issue	Description
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UC Summer Institute for Emerging Managers and Leaders

Issue 37: UC Summer Institute for Emerging Managers and Leaders

Governor did not specify funding for this program.

Senate approved \$150,000 ongoing to expand the UC Summer Institute for Emerging Managers and Leaders to serve additional California resident students, and \$150,000 General Fund to UCOP for a dedicated program lead to coordinate their program. This program provides a summer program to undergraduate students from historically black colleges and Hispanic serving institutions to learn about UC's graduate business schools and career options.

Assembly did not specify funding for this program.

Conference issue is funding for this program.

Issue	Description
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Enrollment and Admissions

Issue 38: Enrollment and Admissions

Governor did not propose language or funding for enrollment growth or admissions.

Senate did not propose language or funding for enrollment growth or admissions.

Assembly proposed to increase funding for CSU by \$38.5 million ongoing General Fund to support a one percent enrollment growth, or 3,616 full-time equivalent students. Additionally, the Assembly approved budget bill language requiring CSU to ensure that enrollment funding is available to support campuses that admit redirected transfer students.

The Assembly adopted budget bill language directing the CSU Board of Trustees to develop a policy to automatically redirect student applications to nearby non-impacted CSU campuses if the student meets the minimum systemwide qualifications but is denied admission to an impacted program or campus.

The Assembly also adopted budget bill language directing the CSU Board of Trustees to require campuses to provide admissions preference to students applying to impacted programs if the student lives in the local service area for that campus.

Conference issues include \$38.5 million ongoing General Fund for increased enrollment growth, and budget bill language regarding admissions policies.

Issue	Description
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Graduation Initiative

Issue 39: Graduation Initiative

Governor did not propose language or funding for the CSU Graduation Initiative.

Senate approved \$25 million one-time General Fund for the CSU Graduation Initiative. The Senate also adopted placeholder trailer bill language to require CSU to report to the Legislature regarding (1) its plans to adopt researched-based methods for assessment and placement, (2) opportunities for campuses to make more courses available by reducing the number of excess units earned, and (3) specific activities and spending for each activity CSU engaged in to meet the state's goals for student success, including activities to improve close the achievement gap for low-income students, underrepresented minority students, and first generation college students.

Assembly approved \$25 million one-time General Fund for the Graduation Initiative. The Assembly adopted budget bill language making this funding contingent on CSU Board of Trustees reforming its practices on the placement of students into remedial coursework, including implementing additional measures for the assessment and course placement of admitted students. Budget bill language specifies that the multiple measures approach shall include, but not be limited to, placing significant weight on high school transcript data in the assessment of recent California high school graduates, on community college transcript data in the assessment of community college transfer students, and on those transcripts in the subsequent assignment of these students to English and mathematics coursework.

Conference issues include the Senate's reporting requirement, and the Assembly's conditions for release of funding.

Issue	Description
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Academic Sustainability Plan

Issue 40: Academic Sustainability Plan

Governor proposed to eliminate the academic sustainability plan.

Senate approved the Governor’s proposal to eliminate the academic sustainability plans, but changed the statutory requirement for the March performance reports to (1) include targets as well as past actuals and (2) move the deadline up to November 30, which allows the LAO to report to the Legislature on the segments’ respective performance in their February budget analysis.

Assembly approved Governor’s proposal.

Conference issue is the TBL regarding the March performance report.

Issue	Description
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Deferred Maintenance

Issue 41: Deferred Maintenance

Governor did not specify additional funding for deferred maintenance.

Senate did not specify additional funding for deferred maintenance.

Assembly proposed \$25 million one-time General Fund for UC and CSU each, for a total of \$50 million General Fund, to support deferred maintenance.

Conference issue is the additional General Fund for deferred maintenance.

6440 University of California (UC)
6610 California State University (CSU)
6870 California Community Colleges (CCC)

Issue	Description
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Mental Health Services for Students

Issue 42: Mental Health Services for Students

Governor did not propose additional funding or language for mental health services for students.

Senate did not propose additional funding or language for mental health services for students.

Assembly proposed to redirect \$20 million from the Mental Health Services Act Administration (MHSA) fund to UC, CSU, and CCC to provide mental health services for students. Specifically, the Assembly proposed to provide \$5 million ongoing to UC, \$5 million ongoing to CSU, and \$10 million ongoing to CCC. Additionally, the Assembly adopted placeholder trailer bill language to develop this program, and require each segment to provide one-to-one matching funds to receive funding.

Conference issues include \$20 million in funding and trailer bill language.

6440 University of California (UC)
6610 California State University (CSU)
6870 California Community Colleges (CCC)

Issue	Description
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“Hunger Free Campus”

Issue 43: “Hunger Free Campus”

Governor did not propose additional funding or language for this purpose.

Senate did not propose additional funding or language for this purpose.

Assembly proposed \$2.5 million one-time General Fund for UC and CSU each, and \$5 million one-time Proposition 98 General Fund for CCC, to create incentive funding grants for campuses to be designated as a “hunger-free campus.” The Assembly adopted trailer bill language specifying that campuses could receive funding if they develop free-food pantries, assign a campus employee to help students enroll in the CalFresh program, and develop methods to allow students to donate unused meal plan credits to needy students.

Conference issues include \$5 million General Fund for UC and CSU, and \$5 million Proposition 98 General Fund, as well as trailer bill language to implement this program.

Issue	Description
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Cal Grants for Students Attending Private Non-Profit and For-Profit Institutions

Issue 44: Cal Grants for Students Attending Private Non-Profit and For-Profit Institutions

Governor proposed redirecting \$4 million from UC and CSU each to eliminate the proposed reduction in Cal Grant awards for private non-profit and for-profit institutions accredited by the Western Association of Schools and Colleges (WASC). This action would maintain the award amount at its current level of \$9,084 for students attending these schools. Additionally, the Administration proposed budget bill language and TBL making this funding level contingent on private non-profit and for-profit institutions increasing the number of low-income students enrolled, easing transfer for students with associate degrees for transfer (ADT), and expanding online education.

Senate approved the Governor’s proposal to redirect \$4 million from UC and CSU each to eliminate the proposed reduction; however, the Senate rejected the funding conditions.

Assembly rejected the Governor’s proposal to redirect \$4 million from UC and CSU each. In order to eliminate the proposed reduction, the Assembly eliminated Cal Grant awards for students attending all private for-profit institutions, which produces about \$16 million in savings. The Assembly proposed to redirect \$12.7 million of the savings to eliminate the scheduled reductions in Cal Grant awards for students attending private non-profit institutions, and to also increase the award amount by \$210, for a total award of \$9,294. The remainder of \$3.3 million is used to increase the Cal Grant C award from \$547 to \$1,094.

The Assembly approved Governor’s proposed budget bill language and TBL to make the higher Cal Grant award level at non-profit institutions contingent on increasing the number of low-income students enrolled and easing transfer of students with an ADT, but rejected the condition to increase online education.

Conference issues include the \$8 million redirection from UC and CSU, Cal Grant awards for students at private for-profit institutions, and Cal Grant award levels for students at private non-profit institutions, Cal Grant C award amounts, and trailer bill related to these institutions.

Issue	Description
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Middle Class Scholarship (MCS) Program

Issue 45: Middle Class Scholarship (MCS) Program

Governor proposed to phase out the program, and reduce the statutory appropriation for the MCS for 2017-18 from \$117 million to \$64 million due to lower than expected participation. In future years, the program would only fund renewal awards for prior-year recipients. As a result, the Governor proposed trailer bill language to set the program statutory funding level at \$45 million in 2018-19, \$28 million in 2019-20, and \$2 million in 2020-21.

Senate adopted the Governor’s proposal.

Assembly rejected the Governor’s proposal, and instead increased award amounts for the MCS by \$282 for UC student recipients and \$270 for CSU student recipients. These amounts are linked to the scheduled tuition increases. The Assembly notes that this is within the existing \$117 million statutory appropriation for the program.

Conference issues include budget bill language and trailer bill language regarding the program.

Issue	Description
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Scholarshare Investment Board

Issue 46: Scholarshare Investment Board

Governor did not have a proposal regarding Scholarshare Investment Board.

Senate did not have a proposal regarding Scholarshare Investment Board.

Assembly proposed \$3 million ongoing General Fund to create the matching grant program within the Scholarshare program. The program would provide up to \$200 in state matching funds for low-income families who open a Scholarshare college savings account and contribute at least \$25.

Conference issue is funding for the program as proposed by the Assembly.