SUBCOMMITTEE NO. 1

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

Thursday, May 11, 2017
9:30 a.m. or upon adjournment of session
State Capitol - Room 3191

Consultant: Elisa Wynne

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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.
Issue 1: After School Education and Safety Program

Panel:

- Virginia Early, Legislative Analyst’s Office
- Jason Weiss, Executive Director, California Alliance of Boys & Girls Clubs
- Lanayah Gholar, Student

Background:

The After School Education and Safety (ASES) Program is the result of the 2002 voter-approved initiative, Proposition 49. This proposition amended California Education Code (EC) 8482 to expand and rename the former Before and After School Learning and Safe Neighborhood Partnerships Program. The ASES Program funds the establishment of local after school education and enrichment programs. These programs are created through partnerships between schools and the local community to provide resources to support literacy, academic enrichment and activities for students in kindergarten through ninth grade. Funding is designed to: (1) maintain existing before and after school program funding; and (2) provide eligibility to all elementary and middle schools that submit quality applications throughout California.

ASES programs must include:

- An educational and literacy element: tutoring and/or homework assistance designed to help students meet state standards in one or more of the following core academic subjects: reading/language arts, mathematics, history and social studies, or science.

- An educational enrichment element: may include but is not limited to, positive youth development strategies, recreation and prevention activities. Such activities might involve the visual and performing arts, music, physical activity, health/nutrition promotion, and general recreation; career awareness and work preparation activities; community service-learning; and other youth development activities based on student needs and interests.

Operationally, the programs must maintain a student to staff ratio of 20:1 and staff members who directly supervise pupils must meet the minimum qualifications, hiring requirements, and procedures for an instructional aide in the school district. Programs must operate at least 15 hours per week and from the end of the regular school day until at least 6 p.m. and every school day during the regular school year. A nutritional snack is also provided.

The ASES program supports over 4,000 elementary and middle schools offering after-school and summer programs to more than 400,000 students daily. These programs operate at the highest poverty schools—those with an average of over 80 percent of students participating in the free and reduced-price meals program.
Funding. As outlined in Proposition 49, the ASES program has a guaranteed funding level of $550 million annually. The ASES program has not received a COLA or other funding increase since the program was established, however, the ASES program also did not share in cuts made to K-12 education programs during years of recession.

The ASES program requires a local match (cash or in-kind services) of one-third of the state grant amount. This match can come from the school district or other community partners and can include facilities for up to 25 percent of the required match.

Related legislation, SB 78 (Leyva), currently in the Senate Appropriations Committee, would increase the funding for the ASES by an additional $99,135,000 in the 2017-18 fiscal year and each fiscal year thereafter, and further require additional increases commencing with the increases to the minimum wage.

Governor’s Budget Proposal:

The Governor’s budget does not include any increases for the ASES program and continues ongoing funding for ASES of $550 million (state operations and local assistance) in 2017-18.

Related Proposals:

The California After School Coalition (CASC) and the California Afterschool Advocacy Alliance (CAAA) are requesting a budget augmentation of $99.1 million in ongoing Proposition 98 General Fund for the ASES program. The augmentation reflects an increase in the ASES ADA rate from $7.50 to about $9.00, a 20 percent increase.

Suggested Questions:

1. How do changes in state laws regarding the minimum wage, sick leave, and other employment-related requirements impact the ASES program?

2. What types of partnerships are typical of school districts and the local community in supporting after school programs?

3. Are LEAs utilizing Local Control Funding Formula funds to provide for after school activities?

Staff Recommendation: Hold issue open pending the May Revision.
6100 DEPARTMENT OF EDUCATION

| Issue 2: Multi-Tiered Systems of Support (MTSS) |

Panel:

- Christine Olmstead, Associate Superintendent, Instructional Service, Orange County Department of Education
- Edgar Montes, MTSS Director, Orange County Department of Education
- Susan Hukkanen, Assistant Superintendent, Butte County Office of Education

Background:

According to the CDE, the Multi-Tiered Systems of Support (MTSS) is an integrated, comprehensive framework that focuses on common core state standards, core instruction, differentiated learning, student-centered learning, individualized student needs, and the alignment of systems necessary for all students’ academic, behavioral, and social success.

The CDE goes on to describe key aspects of MTSS frameworks as:

1. High-quality, differentiated classroom instruction. All students receive high-quality, standards-based (with a focus on common core state standards), culturally-and linguistically-relevant instruction in their general education classroom settings by highly qualified teachers, who have high academic and behavioral expectations.

2. Systemic and sustainable change. MTSS principles promote continuous improvement processes at all levels of the system (district, school site, and grade/course levels).

3. Integrated data system. District and site staff collaborate to create an integrated data collection system that includes assessments such as state tests, universal screening, diagnostics, progress monitoring, and teacher observations at the site to inform decisions about tiered support placement, as well as data collection methods such as parent surveys for continuous systemic improvement.

4. Positive behavioral support. District and school staff collaboratively select and implement schoolwide, classroom, and research-based positive behavioral supports for achieving important social and learning outcomes.

In the 2015-16 Budget Act, $10 million in one-time Proposition 98 funding was provided to the Superintendent of Public Instruction to contract with one or two county offices of education, applying jointly, to provide technical assistance and to develop and disseminate statewide resources to encourage and assist LEA’s establishing data-driven systems of learning and behavioral supports to meet the needs of all students. Pursuant to direction in statute, the SPI put out a request for applications for a grant for Developing, Aligning, and Improving Systems of Academic and Behavioral Supports for statewide development and scaling up of a MTSS framework. In April, 2016, the SPI, with the concurrence of the executive director of the State Board of Education, awarded the grant to the Orange County Department of Education (OCDE).
In the 2016-17 Budget Act, and additional $20 million in one-time Proposition 98 funding for the OCDE to provide grants to LEAs across the state to create or expand local programs that implement MTSS strategies. Of the total additional funding, up to $1 million could be used for administrative support of LEA grantees.

Under the OCDE, the project has been named the California Scale Up MTSS Statewide Initiative (SUMS). OCDE is also partnering with the Schoolwide Integrated Framework for Transformation Center (SWIFT Center), a technical assistance consortium based at the University of Kansas, and Butte County Office of Education (COE) to develop a scalable model that integrates evidence-based support within a MTSS framework, focusing on student’s academic, behavioral, and social-emotional needs. The SWIFT center has experience establishing MTSS in five states and the partnership with their program provides the basis for the SUMS initiative professional learning work. Butte COE is supporting the design, management, and editing of the SUMS initiative website and provide insight on the unique needs of small, and rural LEAs.

The goal of the SUMS initiative is to provide a framework for all districts to engage schools, families, and communities in providing all students with educational access focused on the needs of the whole child. Identified short-term goals include:

- Increasing and improving services for all low-income, English learner, and foster youth students.
- Developing strategies to support student success in the most inclusive learning environment.
- Increase the use and coordination among multiple school and community resources.
- Implement multi-tiered, evidence-based, data-driven districtwide and school-wide systems of academic, behavioral, and social-emotional support.

Under the SUMS initiative, the OCDE has created a tiered, trainer-of-trainers infrastructure, based on the SWIFT framework that includes:

- A state leadership team of experts from the CDE, OCDE, Butte COE, and the SWIFT Center.
- Eleven regional transformation teams based on the California County Superintendents Educational Services Association (CCSESA) regions. Each team will contain a regional lead supported by a team of regional trainers who will complete the professional learning series and bring expertise back to their region.
- Within each of 52 counties (some counties have combined), a county transformation team led by a COE trainer and LEA leads (from subgrantees).
- LEA implementation teams that include LEA leadership and stakeholders.

Support of the teams is provided by OCDE and the SWIFT center. Of the total $30 million, OCDE will provide $21.5 million for subgrants to LEAs to develop, align, or enhance evidence-based supports within an MTSS framework. The remaining funding is used to hire staff, works with partners to develop a system and frameworks, and establish and fund regional and COE leads. Initially, it was
anticipated that the SUMS Initiative would work with approximately 300 LEAs each year for each year of a three year cycle. OCDE has reported that the first cohort instead includes 113 LEAs, as a result of a slower than anticipated build-out of the framework. OCDE anticipates future cohorts to absorb additional LEAs such that the program will have the capacity to serve most districts in the state.

LEAs are to use MTSS sub-grants to focus on specific needs identified when going through the MTSS process and could include professional development or training support. LEAs receiving sub-grants are required to provide annual reports on the implementation, integration, and scaling up of their MTSS supports, including integration with Local Control and Accountability Plans (LCAPs) and student outcomes over time.

**Suggested Questions:**

- What is the process that a district or school goes through when working with OCDE under the SUMS Initiative?

- What measurable outcomes should the state look for to ensure success of the program in an individual district or statewide?

- How does MTSS through the SUMS Initiative integrate and support the development of LCAPs and the actions LEAs take to meet the state’s priorities under the LCFF?

**Staff Recommendation:** Information Only.
Issue 3: Proposition 47

Panel:

- Ryan Anderson, Legislative Analyst’s Office
- Ed Hanson, Department of Finance
- Debra Brown, Department of Education

Background:

Proposition 47, passed by voters in November 2014, made changes to the state’s criminal justice system. Specifically, it reduces some non-serious and non-violent property and drug offenses from felonies or crimes that may be charged as a felony to misdemeanors. This results in state savings in three areas:

- The California Department of Corrections and Rehabilitation (CDCR) has savings resulting from a reduction in inmate population as less offenders are sentenced to state prisons, and some existing state prisoners are eligible for resentencing. In the short term, there is an increase in parole costs as resentenced inmates generally are on state parole for one year.

- State courts have savings from the conversion of felonies to misdemeanors as the latter generally take less court time. In the short term, there is increased workload for the court due to resentencing and reclassifying of convictions for existing offenders.

- The Department of State Hospitals (DSH) has savings related to reducing the number of offenders charged with felonies who previously may have been committed to state hospitals.

The proposition specified that the DOF annually estimate the savings due to Proposition 47 from the prior fiscal year and the State Controller deposit this amount into a newly created Safe Neighborhoods and Schools Fund (SNSF). These funds are continuously appropriated with 65 percent going to the Board of State and Community Corrections to support recidivism reduction, 25 percent going to the California Department of Education to support truancy and dropout prevention programs, and 10 percent for the Victim Compensation and Government Claims Board for grants to trauma recovery centers. Of these amounts, up to five percent may be used for administration.

The 2016-17 budget act provided $9.9 million in Proposition 47 Safe Neighborhoods and Schools Funds, based on the DOF estimate, and an additional $18 million in one-time Proposition 98 funding for dropout and truancy prevention programs to be allocated pursuant to the formula determined through legislation adopted in the 2015-16 legislative year. SB 527 (Liu), Chapter 533 and AB 1014 (Thurmond), Chapter 397, Statutes of 2016 created the Learning Communities for School Success program for the expenditure of K-12 Proposition 47 funds. Pursuant to this legislation, the Department of Education has developed a request for application (RFA) process for LEAs to apply for grant funding that may be expended over a three-year period and applications are due in May, 2017. According to CDE, grants for the first cohort would be funded through both funding allocated in 2016-
17 and the additional Proposition 47 funds provided in 2017-18. CDE will also provide training and technical assistance to grantees on pupil engagement, school climate, truancy reduction, and supporting pupils who are at risk of dropping out of school or who are victims of crime.

**Governor’s Budget Proposal:**

The Governor's 2017-18 budget estimates a total savings of $42.9 million from Proposition 47 in 2017-18. Of this amount, the Governor's budget estimates $10.1 million to be available for the CDE to allocate additional grants to LEAs. The Department of Finance estimates that these savings will increase slightly in future years.

**Suggested Questions:**

- How did stakeholder input shape the RFA process?
- When does CDE anticipate funds will be awarded?

**Staff Recommendation:** Hold open pending updated estimates of the SNSF at the May Revision.
Issue 4: Proposition 56

Panel:

- Ryan Anderson, Legislative Analyst's Office
- Ed Hanson, Department of Finance
- Debra Brown, Department of Education

Background:

Proposition 56 was approved by voters in 2016 and increases the cigarette tax by $2.00 per pack of cigarettes and increases taxes on other tobacco products. Revenue generated through Proposition 56 is primarily allocated to increase funding for existing healthcare programs, but is also used for tobacco use prevention programs, tobacco-related disease research and law enforcement, University of California physician training, dental disease prevention programs and administration. Additionally, the proposition excluded these revenues from the Proposition 98 calculation.

After making specified allocations, approximately two percent of the Proposition 56 revenue is provided to the CDE to administer tobacco prevention programs in schools. Specifically, the proposition allocates the funding for the existing Tobacco-Use Prevention Education (TUPE) program, administered by the CDE. The proposition also states that “not less than 15 percent of the funding shall be used to address tobacco-related disparities.”

Tobacco-Use Prevention Education Program. Proposition 99, approved by the California voters in the November 1988 general election, increased, by 25 cents, the tax on each pack of cigarettes sold in the state. The annual budget act appropriates funds from the Tobacco Surtax Fund for several purposes, including tobacco-use prevention education in schools. Of the TUPE funds, two-thirds is provided to LEAs for school-based tobacco-use prevention programs through competitive grants and one-third is used by the CDE for technical assistance, program evaluation and regional coordinating activities.

The TUPE program provides funding for programs in grades six through twelve through a competitive application process for tobacco-specific student instruction, reinforcement activities, special events, and intervention and cessation programs for students. All LEAs that are certified as having a fully implemented tobacco-free school district board policy are eligible to apply for funding. Programs are locally developed, but they are expected to align with state and federal guidelines. Each county office of education is eligible to receive funding through the County Technical Assistance and Leadership Funds application to assist school districts within their county in program development, to provide staff development for school and district personnel, and to provide technical assistance as needed.

Governor's Budget Proposal:

The Governor’s budget estimates the total revenue generated from Proposition 56 to be $1.7 billion in 2017-18. After making specified allocations, Proposition 56 requires two percent of the revenue to be allocated to the CDE to be used for school programs to prevent and reduce the use of tobacco and
nicotine products by young people. The Governor's budget provides $31.5 million for tobacco and nicotine prevention programs at K-12 schools (of this amount $1.6 million is provided for CDE to administer the program). The Governor's budget also includes placeholder trailer bill language allowing the use of the additional funding to be directed pursuant to legislation.

**Suggested Questions:**

- Is there demand in the TUPE program for additional LEAs to participate or are existing participants seeking to expand their programs?

- Does CDE, DOF, or LAO have a position on how funds should be used to address “tobacco-related disparities?”

**Staff Recommendation:** Hold Open.
**6100 DEPARTMENT OF EDUCATION**

### Issue 5: Districts of Choice (Information Only)

**Panel:**
- Ken Kapphahn, Legislative Analyst’s Office

**Background:**

The District of Choice program was put into place in 1993, as part of a package of legislation that was intended to provide parents more choice in selecting the best schools to meet their children’s needs and encouraging schools to be more responsive to community needs. Although originally designed as a five-year pilot program, the state has reauthorized the district of choice program multiple times and it is now scheduled to sunset July 1, 2017. Basic program requirements are described below:

**Key Components of the District of Choice Program**

- **District Participation.** A district deems itself a District of Choice through a local resolution and specifies in this resolution how many new transfer students it will accept each year.

- **Transfer Rules.** A student’s “home district” must allow the student to transfer unless the transfer would affect the home district in one of the following ways:
  - Exceed an annual cap equal to 3 percent of the home district’s student attendance for the year. *
  - Exceed a cumulative cap equal to 10 percent of the home district’s average annual attendance over the life of the program. *
  - Exacerbate severe fiscal distress.
  - Hinder a court-ordered desegregation plan.
  - Negatively affect racial balance.

- **Admission Procedures.** A District of Choice must accept all interested students up to its locally approved amount and conduct a lottery if oversubscribed.

- **Funding Allocations.** When a student transfers, the home district no longer generates funding for that student and the District of Choice begins generating the associated funding.

*For districts with more than 50,000 students, the annual cap is 1 percent and the cumulative cap is not applicable.

*Different rules apply if the District of Choice is a basic aid school district.

Source: Legislative Analyst’s Office
**Funding.** There is no specific funding for the program; however, the school district in which a student enrolls would receive any per average daily attendance (ADA) funding allocation based on the student.

**Accountability.** Each district of choice must collect the following information about students who transfer in under this program: 1) total amount of students applying each year; 2) outcome of the application and the reason for any denials; 3) total number of students entering or leaving each year; and the number of students entering or leaving the district each year who are English learners or students with disabilities. Reports are required to annually be submitted to the governing board of the district, every neighboring district, the county office of education and the Department of Education (CDE). Information from the reports has not been compiled or analyzed by the CDE and there is no requirement for the CDE to do so.

In addition, since 2009, a district of choice participant must include in its annual independent audit verification that the district used an unbiased admissions and lottery process and provided factually accurate communication. Per statute, instructions for completing these tasks are not included in the independent audit guide.

**Legislative Analyst’s Office Findings and Recommendations:**

The LAO released a report in January 2016, *Evaluation of the School District of Choice Program*, in response to legislation that required the LAO to evaluate the district of choice program and make recommendations about future reauthorization. In order to inform the report, the LAO conducted extensive outreach to districts participating in the program and home districts and reviewed research and spoke to researchers on similar programs.

The LAO found that there are 47 districts of choice, serving approximately 10,000 transfer students, making up an average of 26 percent of enrollment for districts of choice. Transfer students are 27 percent low income. Districts of choice are often using the program to help avoid declining enrollment, although there may be some impact on the fiscal distress of home districts. Under the program students can access courses not offered by their home districts, although home districts often make program changes as a result. Finally, almost all students transfer to districts with higher test scores than their home districts.

The LAO recommends that the program be reauthorized for at least an additional five-year period based on the benefits to students, and the need to avoid disruption for students and districts if the program were to sunset. However the LAO makes the following additional recommendations to improve the program and provide for more transparency:

- Repeal the cumulative cap on the percentage of a home district’s students that can utilize the program. Districts already have an option to prohibit transfers that contribute to severe fiscal distress.

- Assign the CDE specific administrative responsibilities including tracking all districts that participate in the program, collecting required reports in a consistent format and provide them online, provide additional information to districts about the program, and explore using the state’s existing student-level data collection systems to collect data about the program.
• Replace the current audit requirements with oversight by the county offices of education. Complaints in regards to the program could be filed with the county office of education.

• Improve local communication by requiring districts of choice to post application information on their websites and provide home districts with a list of transfer students.

**Related Legislation.** SB 52 (Newman), currently in the senate appropriations committee, would extend the district of choice program through July 1, 2022.

**Suggested Questions:**

• What is the fiscal impact of the program on districts of choice and home districts?

• What types of benefits are students generally receiving under the program?

**Staff Recommendation:** Information Only.
6100 Department of Education

Issue 6: State Operations

Panel:

- Keith Nezaam, Department of Finance
- Debra Brown, Department of Education
- Virginia Early, Legislative Analyst’s Office

Background:

Funding and authorized positions for the CDE are summarized by the table below:

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<th>CDE State Operations Funding</th>
<th>(dollars in thousands)</th>
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<td><strong>Fund Source</strong></td>
<td><strong>2015-16 (Actuals)</strong></td>
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<td>General Fund</td>
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<td>Federal Funds</td>
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<td>Other Funds</td>
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<td>Positions</td>
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Source: Department of Education
Governor’s Budget Proposals:

The Governor’s budget includes no General Fund increases for CDE's state operations, but includes the following federal fund increases:

- **Child Nutrition Program Procurement Reviews.** The Governor’s budget provides $479,000 in ongoing Federal Nutrition State Administration Expense (SAE) funds to comply with federal procurement regulations and respond to U.S. Department of Agriculture audit findings related to management and oversight of school nutrition programs.

- **Special Education English Learners.** The Governor’s budget includes $143,000 in one-time federal Individuals with Disabilities Education Act (IDEA) funds to develop an English learners with disabilities manual and provide technical assistance to local educational agencies in identifying, assessing, supporting, and reclassifying English learners who may qualify for special education services, and pupils with disabilities who may be classified as English learners, pursuant to AB 2785 (O’Donnell) Chapter 579, Statutes of 2016.

- **Homeless Youth Liaisons.** The Governor’s budget allocates $49,000 available from the federal McKinney-Vento Homeless Assistance grant to provide professional development and training materials to local educational agency liaisons for homeless children and youth pursuant to SB 1068 (Leyva) Chapter 538, Statutes of 2016. Of the amount provided, $10,000 is available on a one-time basis for the development of informational and training materials for homeless youth liaisons.

Additionally, as discussed in the agenda for this subcommittee’s hearing on April 20, 2017, the Governor has suspended funding for the Instructional Quality Commission in 2017-18 due to the reduction in available 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 each of these workload requirements by one year.

Other state operations requests, not included in the Governor’s budget, include:

- $3.2 million in ongoing federal funds authority to support the administration of child nutrition programs, specifically to provide technical assistance and program monitoring.

- $806,000 in federal individuals with disabilities act funds to cover increased costs associated with contracting with the Office of Administrative Hearings for mediations and due process hearings.

- $3.5 million in one-time General Fund for CDE to create an equity and performance improvement team to promote equity in California’s public schools, though addressing the achievement gap, school discipline, school climate, and bullying that is gender or racially motivated.

**Staff Recommendation:** Hold Open