

Zaragoza-Diaz & Associates

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Hello everyone! The Legislature is on their summer recess, which began at the end of the day June 6, 2018, and they will reconvene August 6, 2018. The Legislature forwarded a budget to the governor on time—June 15, 2018—and the governor signed the budget bill establishing the 2018-2019 Budget for the State of California on June 27, 2018. The last day for each house of the Legislature to pass bills introduced in their respective “house” was June 1, 2018. The last day for policy committees to hear and report fiscal bills to fiscal committees was June 29, 2018 and the last day for a legislative measure to qualify for the November 6th General Election Ballot was June 28, 2018. So, all of these deadlines caused a flurry of activity by the Legislature.

Legislation Update

Our sponsored bills are continuing to move through the legislature. They passed out of their house of origin (the Assembly) and passed out of the Senate policy committee. One of them (AB 2735 O'Donnell: English Learners: Participation in Standard Instruction) has passed out of the Senate fiscal committee and AB 2514 (Thurmond) Pathways to Success Act will be heard in the Senate fiscal committee once a hearing is scheduled.

AB 2514 (Thurmond) Pathways to Success Act

Amended: June 27, 2018

Status: Senate Appropriations Committee. Hearing not scheduled.

This bill would establish the Pathways to Success Grant Program with the goal of providing pupils in preschool, transitional kindergarten, kindergarten, and grades 1 to 12, inclusive, with dual language immersion programs, developmental bilingual programs for English learners, or early learning dual language learners programs, as those terms are defined. The State Department of Education would administer the program and, commencing September 1, 2019, would require the department to award a minimum of 10 one-time grants of up to \$300,000 per grant, to school districts, consortia of school districts in partnership with other specified entities. The department would develop criteria for awarding the grants and would require the department to consult with specified persons and entities in developing those criteria. The bill would authorize a school district or consortium to apply to the department to be eligible to receive a grant, as provided.

AB 2514 would require a school district or consortium that receives a grant to use it for specified purposes relating to dual language immersion programs, more developmental bilingual programs for English learners, and early learning dual language learner programs. The bill would require its provisions to be implemented only upon an appropriation for its purposes in the annual Budget Act or other statute.

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AB 2735 (O'Donnell) English Learners: Participation in Standard Instructional Program

Amended: June 20, 2018

Status: Senate Third Reading

This bill, consistent with federal law and commencing with the 2019–20 school year, would specify that, except as provided, a middle or high school pupil, as defined, who is classified as an English learner shall not be denied participation in a school's standard instructional program, as defined, by being denied enrollment in specified courses, including, among others, courses required for graduation and college admission. By imposing additional duties on local educational agencies, the bill would impose a state-mandated local program.

2018-2019 State Budget

Governor Brown signed his last state budget on June 27, 2018. The new 2018-2019 State Budget projects revenues exceeding \$8 billion, over a three-year period, more than projected in January due to the state's strong economic growth. Outlined below are some of the major budget decisions. A more detailed report is forthcoming.

I. Budget Successes!!

CABE, working in collaboration with Californians Together, Early Edge and the Advancement Project had several “**budget wins**” for 2018-2019.

We were successful in having the legislature reject the redirection of \$2 million in federal Title III funds for the county offices of education regional leads to support English learners. The 2018-19 state budget provides this funding through the existing 11 regional COEs and requires each COE to meet specified metrics in order to be held accountable for improving performance for English learners within their respective regions.

A “mil gracias” to everyone who responded to action alerts put out by Californians Together on this very important issue. Your calls, emails and letters made a difference!!

In collaboration with Early Edge, Advancement Project and Californians Together we were successful in obtaining \$5 million one-time dollars for professional development for ECE teachers with a focus on instruction of dual language learners in our preschool programs!

CABE and Californians Together supported the efforts of the California Department of Education in obtaining \$27.1 million for the conversion of the ELPAC to a computer-based assessment from one that is paper-based, as well as to develop a computer-based alternative for

children with exceptional needs. The budget agreement makes these one-time dollars available for fiscal years 2018-19 through 2021-22.

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II. General Comments:

The state reserves continued to be a priority for the governor. The state reserves are expected to be approximately \$16 billion by the end of the 2018-19.

The new budget makes some notable investments, including but not limited to:

- Funding for CalWORKs grant increases to help address the poverty issue.
- Establishing a CalWORKs home visiting pilot
- Ending the “SSI cash-out”, a state policy that prohibited many low-income seniors and people with disabilities from receiving federal food assistance through the CalFresh program.

In other areas, the 2018-19 State Budget calls for:

- Future savings in excess of the state’s rainy-day fund cap to be split among construction and maintenance of state buildings
- Housing
- Rail projects
- COLAs to be reinstated for CalWORKs and SSI/SSP by 2022-23 and
- A plan for achieving unified financing of health care delivery.

III. K-14 Public Education:

1. The Local Control Funding Formula (LCFF) for K-12 Education fully funded!

Proposition 98 funding goes to California’s school districts, charter schools, and county offices of education (COEs), which provides instruction to approximately 6.2 million students in grades kindergarten through 12. The 2018-19 budget agreement increases funding for the state’s K-12 Local Control Funding Formula (LCFF), reaching the LCFF’s target funding level in 2018-19. The 2018-18 state budget includes, but is not limited to, the following:

- **Provides \$3.7 billion to support full implementation of the LCFF, an increase of \$407 million above the May Revision.** The budget provides a 3.7% cost-of-living adjustment (COLA) in 2018-19 for the purpose of calculating LCFF grant targets for K-12 districts and charter schools and provides the remaining funds needed to reach those grant targets and fully implement the LCFF in 2018-19. (Please note that the COEs reached their LCFF funding targets in 2014-15 which is why they are not included here.) The budget agreement also includes a provision that would appropriate LCFF dollars to K-12 school districts in future years even if the Legislature does not act and, further, automatically adjusts this appropriation for increases in the cost of living and for changes in enrollment.
- **Provides \$1.1 billion in one-time funding to reduce mandate debt the state owes to schools, down from \$2.0 billion proposed in the May Revision.** Mandate debt reflects the cost of state-mandated services that school districts, charter schools, and COEs provided in prior years, but for which they have not yet been reimbursed.

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- **Establishes the Low-Performing Students Block Grant.** \$300 million in one-time funding is provided to establish the Low-Performing Students Block Grant to support students who do not meet academic standards on English and mathematics assessments and who are not eligible to receive supplemental grant funding under the LCFF nor identified to receive special education services.
- **Supports the Strong Workforce Program.** The budget provides \$164 million of which \$150 million is for a K-12-specific component of the Strong Workforce Program. The Strong Workforce Program was established as part of the 2016-17 state budget for the purpose of expanding community college career technical education (CTE) and workforce development programs. The budget package also allocates \$14 million for K-12 Workforce Pathway Coordinators and K-14 Technical Assistance Providers to provide technical support to K-12 districts that operate CTE programs.
- **Allocates \$125 million in one-time funding to address the state's teacher shortage.** The budget package establishes two new competitive grant programs to address areas in which California currently has teacher shortages. The budget allocates \$75 million for a new Teacher Residency Grant Program, including \$50 million to recruit and prepare special education teachers and \$25 million to recruit and prepare science, technology, engineering, mathematics, or bilingual education teachers. The budget also includes \$50 million for a new Local Solutions Grant Program to provide "locally identified solutions" that address the need for special education teachers.
- **Maintains the COLA for non-LCFF programs.** Provides \$114 million to fund a 2.71% COLA for several categorical programs that remain outside of the LCFF, up from the January proposal of a 2.51% COLA. These programs include special education, child nutrition, and American Indian Education Centers.
- **The English Language Proficiency Assessment for California (ELPAC).** Provides \$27.1 million for the conversion of the ELPAC to a computer-based assessment from one that is paper-based as well as to develop a computer-based alternative for children with exceptional needs. The budget agreement makes these one-time dollars available for fiscal years 2018-19 through 2021-22.
- **Expansion of the state's Multi-Tiered System of Support (MTSS)** Funding is provided to the Orange County Department of Education to contract, jointly with the Butte County Office of Education, a to-be-identified California higher education institution to expand the state's MTSS with the goal of fostering positive school climate in both academic and behavioral areas.
- **Establishment of the Community Engagement Initiative.** The purpose of this initiative is to build the capacity of communities and school districts to deepen community engagement with the goal of improving student outcomes. \$13.3 million in one-time funding has been allocated for this purpose. These one-time dollars are to be allocated to

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the California Collaborative for Educational Excellence, includes several performance benchmarks for their use, and makes funding available through the 2023-24 fiscal year.

2. Proposition 98 Minimum Funding Guarantee

The 2018-19 budget agreement provides for the following: \$78.4 billion in 2018-19, \$75.6 billion in 2017-18, and \$71.6 billion in 2016-17. The budget calls for the establishment of a new process for how the state certifies the final annual funding level guaranteed under Prop. 98. Specifically, the Department of Finance (DOF) is to calculate and publish the Prop. 98 guarantee no later than May 14 for the *prior* fiscal year and, after a period of public comment, to issue a final certification of the minimum funding obligation and publish this amount by August 15.

Any legal challenge to a final certification must be filed within 90 days of DOF's publication of the Prop. 98 guarantee. A new process is also called for in finalizing prior-year Prop. 98 spending, adjusting the Prop. 98 guarantee to include the cost of wrap-around preschool provided by K-12 school districts and county offices of education (COEs), and requires DOF to certify the Prop. 98 guarantee for 2009-10 through 2015-16.

3. Additional Subsidized Child Care Slots Provided

The state's subsidized child care and development system is funded with state and federal dollars. The 2018-19 state budget package utilizes newly available federal funds and continues to reinvest state resources in California's subsidized child care and development system. Specifically, the budget includes, but is not limited to:

- **Time-limited subsidized child care and development slots and to conduct annual inspections.** California will receive \$232 million in newly available federal funds. This allows for the creation of 11,307 Alternative Payment Program (AP) slots with \$204.6 million of the newly available dollars to be used over two state fiscal years: 2018-19 and 2019-20. Please note these slots are only available to eligible families until June 30, 2020. \$26.4 million provided in federal funds for annual inspections of licensed child care providers, as required by federal law.
- **Subsidized child care and state preschool slots with state funds.** \$15.8 million provided to add 2,100 AP slots on September 1, 2018. In addition, \$8.5 million provided in Proposition 98 funding to add 2,959 full-day state preschool slots beginning on April 1, 2019.
- **Payment rates for providers that contract with the state.** A 2.8% rate increase and a 2.7% cost-of-living adjustment is provided for the Standard Reimbursement Rate (SRR). \$40.2 million is provided to increase the adjustment factors for the SRR for infants, toddlers, and children with special needs, effective January 1, 2019, which will boost payment rates for providers caring for these children.

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- **Early care and education for children with special needs.** Two new grant programs are created and establishes a stakeholder workgroup to focus on expanding access to early care and education for children with special needs.
\$167.2 million in one-time Prop. 98 funding is provided to create the Inclusive Early Education Expansion Program which will provide grantees with resources for “infrastructure costs” such as facilities renovation or professional development. The new program is funded with Prop. 98 dollars, therefore only Local Education Agencies (LEA) are eligible to apply for the grant program, but partnerships with non-LEAs is encouraged. Grant funds will be available through June 30, 2023. Grant funds will not be available to provide additional subsidized slots, though that is a requirement of the grant program.
- **The Inclusive Early Care Pilot Program.** Provides for \$10.0 million in Prop. 98 funding to create the Inclusive Early Care Pilot program for county offices of education. This new grant program will also focus on increasing access to subsidized child care and development programs for children with special needs, including children with severe disabilities. Ongoing funding for this grant program will be contingent upon an appropriation in the annual budget act.
- **Establishment of a Stakeholder Group.** Creates a stakeholder group — including grantees from the aforementioned programs — to focus on continuously improving access to early care and education for children with special needs. The stakeholder group will work on this issue through June 30, 2023.

