

# SUBCOMMITTEE NO. 1

# Agenda

Senator Marty Block, Chair  
Senator Carol Liu  
Senator Mark Wyland



Tuesday, April 29, 2014  
1:30 p.m.  
Room 3191, State Capitol

Consultant: Mark Ibele, Joe Stephenshaw

## OUTCOMES

<u>Item</u>	<u>Department</u>
6110	Department of Education
6120	California State Library
6870	California Community Colleges

### Vote Only Item

Item 1	Library and Courts Building Reappropriation <b>(Staff Reco Approved 3-0)</b> Page 2
Item 2	Community College Capital Outlay Proposals <b>(Staff Reco Approved 3-0)</b> Page 2
Item 3	Redevelopment Agency Funding Backfill <b>(Staff Reco Approved 3-0)</b> Page 3

### Discussion Items

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Item 2	Career Technical Education <b>(Information Only)</b>	Page 4
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Item 4	Specialized Secondary Education Programs and Agricultural Education Grants <b>(Staff Reco Approved 3-0)</b>	Page 5
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Public Comment		

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## Items Proposed for Vote Only

### 6120 CALIFORNIA STATE LIBRARY

### 6870 BOARD OF GOVERNORS OF THE CALIFORNIA COMMUNITY COLLEGES

#### Issue 1: Library and Courts Building Reappropriation

**Governor's Proposal.** A Spring Finance Letter proposes a reappropriation of \$1 million of the funds to support costs associated with relocating California State Library (State Library) staff and materials back to the recently-renovated Library and Courts Building.

**Background.** The 2013 Budget Act provided \$1.5 million General Fund to support one-time relocation costs for the State Library as it moved back into the renovated Library and Courts Building. The relocation was expected to be completed by May 2014. Due to delays in installing new shelving in the building, authority for the relocation funds needs to be extended into the next fiscal year.

**Staff Recommendation.** Approve as proposed.

#### Issue 2: Community College Capital Outlay Proposals

**Governor's Proposal.** The Governor's budget and a Spring Finance Letter propose funding for the following eight community college capital outlay projects.

CCC Governor's Budget Capital Outlay Proposals				
College	Project	Phase	Amount	Fund Source
College of the Redwoods	Utility Infrastructure Replacement/Seismic Strengthening	Preliminary Plans and Working Drawings	\$3.4 Million	2006 California Community College Capital Outlay Bond Fund
Solano College	Theater Renovation	Construction	\$12.6 Million	2006 California Community College Capital Outlay Bond Fund
Santa Barbara City College	Campus Center Seismic and Code Upgrades	Preliminary Plans and Working Drawings	\$1.6 Million	2006 California Community College Capital Outlay Bond Fund
El Camino College, Compton Center	Instructional Building 1 Replacement	Preliminary Plans and Working Drawings	\$782,000	2006 California Community College Capital Outlay Bond Fund

Mt. San Jacinto College	Fire Alarm System	Preliminary Plans and Working Drawings	\$413,000	2004 Higher Education Capital Outlay Bond Fund
Los Rios Community College District, Davis Center	Davis Center Phase 2	Preliminary Plans and Working Drawings	\$207,000	2006 California Community College Capital Outlay Bond Fund
Citrus College	Hayden Hall #12 Renovation	Preliminary Plans and Working Drawings	\$147,000	2004 Higher Education Capital Outlay Bond Fund
Rio Hondo College	L Tower Seismic and Code Upgrades	Preliminary Plans and Working Drawings	\$1.8 million	2006 California Community College Capital Outlay Bond Fund

**Staff Recommendation.** Approve as budgeted.

### **Issue 3: Redevelopment Agency Funding Backfill**

The Governor's budget proposes \$38.4 million Proposition 98 General Fund in the current year and \$35.6 million Proposition 98 General Fund in the budget year to shift a portion of the redevelopment agency revenues that are scheduled to be received in the final months of the fiscal year to the following fiscal year.

Additionally, the Governor proposes trailer bill language that would move up the timing upon which the Department of Finance annually bases funding for the backfill process. Under the proposal, Proposition 98 General Fund would be used to backfill the difference between estimated total fiscal year redevelopment agency revenues and the amount California Community Colleges (CCCs) receive through April 15<sup>th</sup>. This change will allow districts to have more certainty when preparing their fiscal plans.

**Staff Recommendation.** Approve as budgeted.

## **Items Proposed for Discussion/Vote**

### **6120 CALIFORNIA STATE LIBRARY**

#### **Issue 1: Local Library Internet Speeds**

**Governor's Proposal.** The Governor's budget proposes \$3.3 million General Fund (\$2.25 million ongoing) for the State Library to increase internet speeds at local libraries. Of the amount proposed, \$2.25 million would pay for half of a \$4.5 million annual contract with Corporation for Education Network Initiatives in California (CENIC) for access to its high-speed internet backbone and related services. The Governor's budget includes budget bill language directing the State Library or local libraries to secure additional non-General Fund resources, as necessary, to ensure that public libraries have access to a high-speed network. Although not explicitly specified, the Governor assumes the remaining CENIC contract costs would be paid from the California Teleconnect Fund (CTF). Lastly, the Governor proposes to spend \$1 million, on a one-time basis, in 2014-15 to purchase networking equipment for libraries.

**Staff Recommendation.** Approve the proposal in order to provide the libraries with a means to significantly improve internet services provided to patrons, many of whom use these services to perform critical tasks. However, given concerns that have been raised by the LAO, consistent with the Assembly's action, adopt budget bill language to require an annual report describing the implementation of this project, including how many libraries are participating, how the participating libraries' technology costs and Internet speeds have changed due to the project, and how the \$1 million in grants were used.

### **6110 DEPARTMENT OF EDUCATION**

### **6870 BOARD OF GOVERNORS OF THE CALIFORNIA COMMUNITY COLLEGES**

#### **Issue 2: Career Technical Education (Information Only)**

**Issue:** Career technical education (CTE) has attracted increasing amounts of attention and focus in recent years, responding both to the needs of students and the demands of future employers. At the same time, the approach to CTE taken by the state and school districts has shifted in response to policy priorities and new education funding approaches.

**6110 DEPARTMENT OF EDUCATION**  
**6870 BOARD OF GOVERNORS OF THE CALIFORNIA COMMUNITY COLLEGES**

**Issue 3: Career Pathways Trust (Information Only)**

**Background:** The 2013-14 budget provided \$250 million in one-time Proposition 98 funding to create a “California Career Pathways Trust” (CPT). The primary purpose of the program is to improve linkages between career technical (vocational) programs at schools and community colleges as well as between K-14 education and local businesses. The program authorizes several types of activities, such as creating new technical programs and curriculum. The program is open to school districts, COEs, charter schools, and community colleges. Funds are allocated through a competitive grant process. The state Superintendent of Public Instruction (SPI), in consultation with the CCC Chancellor’s Office and interested business organizations, is charged with reviewing grant applications. Grant funds are available for expenditure from 2013-14 through 2015-16. As a condition of receiving a pathway grant, recipients must identify other fund sources (such as commitments from businesses) that will support the ongoing costs of the program. By December 1, 2016, the SPI and grant recipients must report to the Legislature and Governor on program outcomes, such as the number of students making successful transitions to the workforce. Of the amount provided for this program, \$250,000 is designated for an independent evaluation. The budget also provided CDE with \$459,000 (non-Proposition 98 General Fund) for development of a data repository to track program outcomes and three staff positions.

**Issue 4: Categorical Programs Consolidation—Specialized Secondary Education Programs and Agricultural Education Grants (Budget Proposal)**

**Proposal:** The Governor’s budget provides for Specialized Secondary Programs (SSP) and Agricultural Education Grants (AEG) within the Local Control Funding Formula (LCFF). Under the Governor’s proposal, school districts receiving funding for these two programs in 2013-14 would have those funds count toward their LCFF targets beginning in 2014-15, with no change made to the LCFF target rates. The currently required categorical activities would be left to each district’s discretion. The 2013-14 budget consolidated approximately two-thirds of all categorical programs with the discretionary revenue limit funding to create the LCFF. Currently, 13 categorical programs continue to be funded outside of the LCFF, including SSP and AEG.

**Staff Recommendation:** Reject the Governor’s request to include the SSP and AEG programs within the LCFF.

**6870 BOARD OF GOVERNORS OF THE CALIFORNIA COMMUNITY COLLEGES****Issue 5: Student Success and Statewide Performance Strategies**

**Governor's Proposal.** The Governor's budget proposes \$200 million Proposition 98 General Fund to improve and expand student success programs and to strengthen efforts to assist underrepresented students. This includes: 1) \$100 million to increase orientation, assessment, placement, counseling, and other education planning services for all matriculated students, and, 2) \$100 million to close gaps in access and achievement in underrepresented student groups, as identified in local Student Equity Plans. This funding is intended to allow colleges to better coordinate delivery of existing categorical programs.

For the funding provided to implement activities and goals outlined in student equity plans, the Chancellor of the CCCs is to allocate the funds in a manner that ensures districts with a greater proportion or number of students who are high-need, as determined by the Chancellor's Office, receive greater resources to provide services. In addition, as a condition of receipt of the funds, the districts are required to include in their Student Equity Plan how they will coordinate existing student support services in a manner to better serve their high-need student populations. At a minimum, their plan is to demonstrate an alignment of services funded through allocations for the following programs:

- Student Success for Basic Skills Students
- Student Financial Aid Administration
- Disabled Students
- Special Services for CalWORKs Recipients
- Matriculation
- EOPS
- Fund for Student Success

Lastly, subject to approval by a district's governing board, districts may use up to 25 percent of any of the funds allocated for Student Success for Basic Skills Students, Special Services for CalWORKs Recipients, and EOPS for other federal, state, or local programs that serve high-need student populations as identified in the district's Student Equity Plan.

**Implementing Statewide Performance Strategies.** The Governor's budget proposes \$1.1 million non-Proposition 98 General Fund and nine positions for the Chancellor's Office to develop leading indicators of student success and to monitor districts' performance. In addition, the Governor's budget proposes \$2.5 million Proposition 98

General Fund to provide local technical assistance to support implementation of effective practices across all districts, with a focus on underperforming districts.

**Staff Recommendation.** Hold open.

### **Issue 6: Community College Growth Funding**

**Governor's Proposal.** The Governor's budget proposes \$155.2 million Proposition 98 General Fund to fund three percent enrollment growth for community colleges, which would add about 70,000 students, or about 34,000 Full-Time Equivalent Students (FTES), to the community college system. The Governor's budget also includes budget bill and trailer bill language directing the Board of Governors to change the growth formula to distribute this new funding, beginning in 2014-15.

- Specifically, trailer bill language requires the board to create a new formula that distributes funding based on local needs, including:
- The need for basic skills and remedial education, which could be measured by the level of preparedness for transfer-level coursework of local high school students, the number of adults without high school diplomas, and adults who are English-language learners;
- The need for workforce development and training, which could be measured by the unemployment level and current and future demand for employment;
- The need for preparing students to transfer to four-year universities, which could be measured by the number of adults without bachelor's degrees;
- The age of the population; and,
- Other indicators developed by the Board of Governors.

**Staff Recommendation.** Hold open.

### **Issue 7: Deferred Maintenance and Equipment Funding**

**Governor's Proposal.** The Governor's budget proposes \$175 million Proposition 98 General Fund for the Physical Plant and Instructional Support categorical program. Budget bill language specifies that the funding be used as follows:

- Half of the funding would go to deferred maintenance issues, and be distributed on a per-student basis, as established by the Chancellor's Office, with a minimum amount for smaller districts. Districts would be required to provide a 1:1 funding match.

- Half of the funding would go to replace instructional equipment, including workforce development equipment, and library materials. The funds would be distributed on a per-student basis with a minimum amount established. Districts are required to provide a match of \$1 for every \$3 in state funding.

**Staff Recommendation.** Hold open.

<b>Issue 8: Deferral Elimination</b>
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**Governor's Proposal.** The Governor's budget proposes to use \$592 million Proposition 98 General Fund to eliminate all deferrals accrued during the Great Recession.

**Staff Recommendation.** Hold open.