

**Senator Marty Block, Chair**  
**Senator Carol Liu**  
**Senator Mark Wyland**



**Thursday, May 22, 2014**  
**1:30 p.m. – Room 3191**

**Consultants: Jody Martin, Jen Troia, and Mark Ibele**

**Senate Proposal May Revision Open Issues and Proposition 98 and K-14 Education Issues**  
**Part A**

**Proposed Discussion / Vote Calendar**

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**Public Comment**

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#	Item	Issue	Description	Staff Recommendation	Language	Comments
<b>I. "FAIR START" EARLY CHILDHOOD EDUCATION</b>						
1	Senate Proposal	<b>Reinvestment in Early Learning and Care Systems</b>	<p>In a multi-year re-envisioning and reinvestment package in CA's Early Learning and Care systems, the Senate plans to restore 110K lost slots in current ECE programs, modernize rates for service, provide pre-kindergarten opportunities for all low income 4 year olds, and increase quality in all programs. Over a three year period, the Senate will review the ECE reimbursement rate system and modernize the rates in order to achieve higher quality and equity of access across all programs in the state.</p> <p>Through a dual strategy of slot increases and targeting of pre-kindergarten services, the Senate plans to restore all lost ECE slots by the 16-17 BY, and offer a high quality pre-kindergarten opportunity to all low-income 4 year olds by 19-20. Additional funds will be targeted to provide a full-day, full-year quality care and learning experience for all low-income 4 year olds with working parents.</p>	<p>Conforming to the Prop 98 package, the Senate proposes in the 14-15 BY to increase the RMR to the 85<sup>th</sup> percentile of the 2010 survey, starting January 1, 2015, and increase the SRR by 7.5% starting July 1, 2014. The proposal increases ECE slots by 40,000 over all programs. The total Budget Year childcare investment package is \$550 million in on-going rate and slot increases, and \$100 million in one-time quality projects.</p>	TBL	<p>The proposal will also contain trailer bill language to create the California Pre-Kindergarten Program, starting in the 15-16 school year and budget year, a targeted and voluntary pre-K program for all low-income 4 year olds whom are ineligible for kindergarten.</p>

#	Item	Issue	Description	Staff Recommendation	Language	Comments
1	Senate Proposal	<b>Re-envisioning Pre-Kindergarten Opportunities</b>	<p>The Senate proposal will finalize the state’s transition from a December 2 eligibility date to a September 2 eligibility date for kindergarten entry in CA public schools. The budget will, for the 15-16 BY, replace the Transitional Kindergarten program and launch the new California Pre-Kindergarten Program: a targeted and voluntary pre-K program for all low-income 4 year olds whom are ineligible for kindergarten. The California Pre-Kindergarten program (CPKP) will provide high quality opportunities for over 200K eligible 4 year olds in both school and community preschool settings, preparing these students for Kindergarten and bridging the Achievement Gap before it starts.</p> <p>The current 102,0000 part-day pre-kindergarten slots in the CSPP program will be retained, and continued through community preschool providers, as part of the new CPKP, and reimbursement rate incentives will bring current program quality up to the new CPKP standards by 2021. A new LEA-administered CPKP program, that is voluntary for all eligible low-income 4-year olds, will begin in the 15-16 BY for all eligible children. LEAs will ramp up this program over five years.</p>	Conforming to the Prop 98 package.	TBL	

#	Item	Issue	Description	Staff Recommendation	Language	Comments
<b>II. GOVERNOR'S PROPOSALS</b>						
2	Omnibus language	<b>Local Control Funding Formula (LCFF) - Continuous Appropriation</b> (EC 14002) (January Budget and May Revision)	The Governor's Budget proposed amending EC 14002 to continuously appropriate LCFF implementation funding. The May Revision proposes amendments to this section to clarify that: (1) advance apportionments would be based upon estimates of Proposition 98 funding provided by DOF at the May Revision, and (2) prorated funding would be applied to LCFF implementation funding.	Reject the proposal and TBL, given the role of the Legislature in annual budget determinations, including funding levels for LCFF	TBL	

#	Item	Issue	Description	Staff Recommendation	Language	Comments
3	LCFF language	<b>LCFF - Calculation of Unduplicated Pupils</b> (May Revision)	The May Revision proposes the following changes to the calculation of unduplicated pupils under the LCFF: 1) Authorizing schools participating in Provision 2 or 3 of the National School Lunch Program to establish a base-year student eligibility for free or reduced-price meals (FRPM) no less than once every four years, provided that the school annually updates its FRPM eligible student counts for newly enrolled or disenrolled students during the intervening years, and 2) requiring the Superintendent of Public Instruction to revise an LEA's three-year unduplicated student percentage rolling average using 2014-15 student data in place of 2013-14 data, if doing so would increase the LEA's rolling average.	Approve TBL, to be refined as necessary, including a requirement for the SPI to examine and report to the Legislature on differences in FRPM eligibility rates in 2013-14 and 2014-15. Also approve placeholder TBL allowing a revised methodology for the unduplicated count of FRPM-eligible pupils in high school districts, in order to mitigate the negative fiscal impact on high school districts due to high school pupils who are reluctant, because of social stigma reasons, to declare FRPM eligibility	TBL	Administration's proposal would relieve high poverty schools of the burden of collecting data on FRPM-student eligibility annually and remove from the ongoing rolling average calculation the effect of data collection problems that some LEAs faced during the first year of LCFF implementation. Regarding a revised unduplicated pupil count methodology for high school districts, possible adjustments to the actual count of FRPM-eligible students could account for a verified FRPM-eligible sibling living in the same household and students who submit an approved 'alternative application' (similar to provision 2 and 3 schools) in lieu of a FRPM application.

#	Item	Issue	Description	Staff Recommendation	Language	Comments
4	6110-195-0890 (Issues 365, 366, 367, and 371)	<b>Federal Title II Funds: Improving Teacher Quality</b> (April Letter and May Revision)	Combined between the April Letter and the May Revision, the Administration proposes the following adjustments to this local assistance item: (1) Decrease of \$14,613,000 for the Local Grant Program to align to the available federal grant award; (2) Increase of \$627,000 for the University of California Subject Matter Projects (\$224,000 one-time carryover and \$403,000 federal grant award increase); and (3) Decrease of \$71,000 to the Higher Education Grants Program due to a net reduction in the federal grant award and the availability of one-time carryover funds.	Approve as budgeted with this modification: (1) Reject the April letter request to increase Schedule 2 by \$403,000 to correct for SDE's technical error; (2) Approve an additional \$600,000 in one-time carryover funds for appropriation in a new Schedule 5, Administrator Induction Programs, for purposes of Administrator Induction programs that are approved by the Commission on Teacher Credentialing and add conforming provisional language (see staff comments).	BBL	The staff recommendation includes the adoption of this provisional language: Of the funds appropriated in Schedule (5), \$600,000 is provided in one-time carryover funds for purposes of Administrator Induction programs that are approved by the Commission on Teacher Credentialing.

**CALIFORNIA DEPARTMENT OF EDUCATION - ITEMS FOR VOTE ONLY**

#	Item	Issue	Description	Staff Recommendation	Language	Comments
<b>I. GOVERNOR'S LANGUAGE PROPOSALS</b>						
1	Omnibus language	<b>County School Service Fund Contingency Account</b> (Education Code Section (EC) 14035) (January budget)	County superintendents of schools are reimbursed from this account for the actual and necessary travel expenses incurred in connection with cooperative county publication projects and emergency grants to districts. \$100,000 is annually carved out for this purpose from Local Control Funding Formula (LCFF) apportionments made to county offices of education. The Governor proposes to repeal the section of law that creates that carve-out in order to conform to the flexibility envisioned within the County Office of Education (COE) LCFF and eliminate the administrative burden for COEs to file reimbursement claims.	Approve TBL, to be refined as necessary	TBL	Proposal is technical and/or clarifying of the intent of LCFF.

**CALIFORNIA DEPARTMENT OF EDUCATION - ITEMS FOR VOTE ONLY**

#	Item	Issue	Description	Staff Recommendation	Language	Comments
2	Omnibus language	<b>Suspension of the K-12/CCC Split</b> (Amends EC Section 41203.1) (January budget)	To maintain the flexibility to prioritize within the segments of education, the Administration and Legislature customarily suspend the statutory split of Proposition 98 expenditures. This section has been suspended each year since 1992-93.	Approve TBL, to be refined as necessary	TBL	No overall fiscal impact.



**CALIFORNIA DEPARTMENT OF EDUCATION - ITEMS FOR VOTE ONLY**

#	Item	Issue	Description	Staff Recommendation	Language	Comments
3	Omnibus language	<b>Rescheduling of the Statutory Settle-up Payment (EC 41207.3)</b>	Current statute requires an appropriation of the outstanding 2006-07 settle-up balance (\$212 million) in 2014-15. This section authorizes the outstanding balance to be appropriated in 2015-16 instead of 2014-15. (Amends Education Code Section 41207.3)	Adopt the Governor's proposed delay of the K-14 settle-up		Settle-up payments are made with Non-Proposition 98 GF. The Administration proposes using these Non-Proposition 98 GF resources to address other state priorities, allowing \$212 million in Non-Proposition 98 GF available for use toward other programs.

**CALIFORNIA DEPARTMENT OF EDUCATION - ITEMS FOR VOTE ONLY**

#	Item	Issue	Description	Staff Recommendation	Language	Comments
4	Omnibus language	<b>Technical Clean-up to Remove References to Repealed Code Sections related to Mental Health Services</b> (EC 47644, 56836.06, 56836.07, 56836.08, 56836.095, 56836.11, 56836.15) (January budget)	Chapter 403, Stats. of 2010 (AB 184) repealed EC 56836.155, which provided a special disability adjustment, also referred to as an "incidence multiplier", to Special Education Local Plan Areas (SELPAs) that were serving a disproportionately high number of students with high cost disabilities. Chapter 43, Stats. of 2011 (AB 114) repealed EC 56331, which shifted the responsibility of providing educationally related mental health services from county mental health agencies to school districts. Various sections in the EC need to be amended to remove the reference to these code sections.	Approve TBL, to be refined as necessary	TBL	No fiscal or programmatic impacts.

**CALIFORNIA DEPARTMENT OF EDUCATION - ITEMS FOR VOTE ONLY**

#	Item	Issue	Description	Staff Recommendation	Language	Comments
5	Omnibus language	<p><b>Quality Education Investment Act (QEIA):</b> The Governor proposes to provide the final payment of \$409.6 million non-Proposition 98 GF to fulfill the CTA v. Schwarzenegger settlement agreement, appropriated as follows: K-12 QEIA program (\$267 million), Community Colleges QEIA Career Technical Education program (\$48 million), and the Emergency Repair Program (ERP) (\$94.6 million) pursuant to the Williams settlement agreement. (Amends EC Section 52055.770) (January budget)</p>	<p>Current statute identifies that the balance of QEIA funding owed shall be appropriated in 2014-15. As proposed, this payment includes one-time funding for deferred maintenance through the ERP, which the Administration indicates is also intended to satisfy an obligation under the <i>Williams</i> settlement agreement.</p>	<p>Approve overall total of QEIA payment (\$409.6 million), but hold open trailer bill language with more specific appropriations pending decisions on the overall Proposition 98 package</p>	TBL	

**CALIFORNIA DEPARTMENT OF EDUCATION - ITEMS FOR VOTE ONLY**

#	Item	Issue	Description	Staff Recommendation	Language	Comments
6	Omnibus language	<b>AB 484 Clean-up to Standards-Based Test in Spanish (STS) Provisions</b> (EC 60640 and 60640.2) (January budget)	These sections clarify the entity responsible to pay for the administration of the STS until the new primary language other than English assessment is operational. Specifically, amendments make clear that administration of this test to English learners is funded by the state, including contract and per-pupil apportionment costs. Local educational agencies (LEAs) administering this test to non-English learners in dual immersion classrooms shall do so at their own expense by contracting with the testing contractor directly, and will not receive a per-pupil apportionment from the state. According to DOF, the changes are necessary because current statute (60640(b)(5)(B)) establishes a conflicting payment structure. It allows LEAs to administer this test at their own expense, but requires the State Department of Education (SDE) to reimburse local educational agencies with a per-pupil apportionment.	Approve TBL, to be refined as necessary	TBL	No fiscal impact as the Governor's Budget proposes a funding level that assumes these changes, consistent with the intent of AB 484.
7	Omnibus language	<b>Special Education GF Backfill due to Redevelopment Agency (RDA) Variances</b> (Uncodified) (January budget)	RDA revenues offset General Fund (GF) revenues in the calculation of special education apportionments. This section provides a mechanism for backfilling or reducing the special education GF appropriation should RDA revenue estimates change.	Approve TBL, to be refined as necessary	TBL	The costs or savings of Proposition 98 GF resulting from these changes are not yet known. This language has been used for the past two years.

**CALIFORNIA DEPARTMENT OF EDUCATION - ITEMS FOR VOTE ONLY**

#	Item	Issue	Description	Staff Recommendation	Language	Comments
8	Omnibus language	<b>Special Education Maintenance of Effort</b> (May Revision)	The proposed TBL would specify that \$32,806,000 provided in the 2012 Budget Act and \$60,546,000 provided in the 2013 Budget Act count towards fully funding the federal IDEA maintenance of effort for 2010-11.	Approve proposed TBL with the following modification: change \$60,546,000 to \$46,943,000 provided in the 2013 Budget Act	TBL	The change to the amount specified in the staff recommendation was agreed upon by SDE, DOF, and LAO in conversations subsequent to the release of the May Revision.
9	Omnibus language	<b>Extension of Encumbrance Period for 2013 Funding of the California Collaborative on Educational Excellence-</b> (Amends the Budget Act of 2013) (January budget)	This section extends the encumbrance period for \$10 million appropriated in the 2013 Budget Act to the 2014-15 fiscal year. According to DOF, it is unlikely that the SDE will enter into a contract with a fiscal agent for the Collaborative this fiscal year.	Approve TBL, to be refined as necessary	TBL	Proposal is technical; allows for the expenditure of funds already appropriated but not yet expended.

**CALIFORNIA DEPARTMENT OF EDUCATION - ITEMS FOR VOTE ONLY**

#	Item	Issue	Description	Staff Recommendation	Language	Comments
10	Omnibus language	<b>Suspend Creation of New Federal Workforce Investment Act Affiliated Charter Schools including Schools Serving Adults in Correctional Facilities</b> (May Revision)	The May Revision requests that TBL be added to, commencing with 2014-15, suspend LEAs from establishing new federal Workforce Investment Act (WIA)-affiliated charter schools until a more comprehensive adult education plan can be developed. Currently, these schools can claim LCFE based funding for adult average daily attendance, which no other LEA may claim. According to DOF, this proposal would not affect federal WIA-affiliated charter schools existing prior to the 2014-15 school year.	Adopt placeholder TBL to address funding inequities for adult students	TBL	The staff recommendation to adopt placeholder TBL is intended to send this issue to Conference in light of the concerns stakeholders have raised about the May Revision proposal.

**CALIFORNIA DEPARTMENT OF EDUCATION - ITEMS FOR VOTE ONLY**

#	Item	Issue	Description	Staff Recommendation	Language	Comments
11	Omnibus language	<b>Transfer School Building Aid Funds to Emergency Repair Program</b> (May Revision)	The May Revision requests that trailer bill language be adopted to transfer all remaining School Building Aid Funds to the Emergency Repair Program. These funds have historically been used to fund the Deferred Maintenance Program, which was consolidated within the LCFF.	Approve TBL, to be refined as necessary	TBL	
12	LCFF language	<b>Homeless Students</b> (EC 2576) (January budget)	This section clarifies the district of residence determination for homeless students and associated LCFF funding provided to COEs. Specifically, this technical adjustment clarifies that the determination is based on the largest (in terms of average daily attendance) non-basic aid district serving the student's grade level.	Approve TBL, to be refined as necessary	TBL	No overall fiscal impact.

**CALIFORNIA DEPARTMENT OF EDUCATION - ITEMS FOR VOTE ONLY**

#	Item	Issue	Description	Staff Recommendation	Language	Comments
13	LCFF language	<b>Charter Schools</b> (EC 42238.02) (January budget)	This section requires charter schools to annually report their physical location to the SDE no later than November 30 of each fiscal year, and specifies that the physical location is considered final as of the second principal apportionment (unless an audit report requires a revision) for the purpose of establishing a charter school's concentration cap.	Approve TBL, to be refined as necessary	TBL	No fiscal impact.
14	LCFF language	<b>Changes to LCFF Calculation</b> (EC 42238.03) (January budget)	The proposed changes: 1) set the point-in-time (P-2/Annual) for calculations for revenue limits, charter grants, necessary small schools, LCFF gap funding percentage, and charter school physical location, and 2) remove one-time RDA revenue from the basic aid fair share calculation applied to categorical programs. According to DOF, the SDE requested that points-in-time be specified for clarity and to ensure that LCFF calculations would not be affected by possible changes to ADA in the future. Also, removing one-time RDA funding ensures that no district receives less than it did in 2012-13.	Approve TBL, to be refined as necessary	TBL	The Governor's Budget includes \$16 million Proposition 98 funding to account for the RDA adjustment in the basic aid fair share calculation.
15	LCFF language	<b>ADA Charter School Block Grant</b> (Amends EC 42238.05 and repeals EC 47634.3) (January budget)	The proposed changes remove an invalid reference to ADA calculations for the former Charter School Block Grant and repeal the invalid section.	Approve TBL, to be refined as necessary	TBL	No fiscal impact.



**CALIFORNIA DEPARTMENT OF EDUCATION - ITEMS FOR VOTE ONLY**

#	Item	Issue	Description	Staff Recommendation	Language	Comments
16	LCFF language	<b>Declining Enrollment/All-Charter Districts</b> (Adds EC 42238.054 and repeals EC 42238.53) (January budget)	The proposed changes clarify that all-charter districts can continue to receive declining enrollment under LCFF, and repeal previously enacted language that allowed all-charter districts to receive declining enrollment under the former Charter School Block Grant.	Approve TBL, to be refined as necessary	TBL	No fiscal impact.
17	LCFF language	<b>COE Special Day Class Longer Day/Time Penalty</b> (Adds EC 46200.5 and 46201.5, and repeals EC 46200.5 and 46201.5) (January budget)	The proposed changes sections conform existing COE instructional day and minute requirements and penalties to the LCFF. The changes would continue, through 2014-15, authorization for COEs to reduce the minimum required school year by up to five days of instruction or the equivalent number of instructional minutes without incurring penalties, and repeal obsolete statewide funding reductions that authorized reduced instructional days and minutes.	Approve TBL, to be refined as necessary	TBL	No fiscal impact.
18	LCFF language	<b>County Program Charter</b> (EC Section 47631) (January budget)	The proposed changes add juvenile court students to the list of students for which a county program charter can receive a county rate (which is consistent with the students a COE is authorized to serve) and clarifies LCFF apportionments for county students attending a county program charter. According to DOF, they are intended to clarify that COE-authorized charter schools serving students who are on probation, probation-referred or mandatorily-expelled, receive COE LCFF rates for those students and district LCFF rates for all other students.	Approve TBL, to be refined as necessary	TBL	No fiscal impact.

**CALIFORNIA DEPARTMENT OF EDUCATION - ITEMS FOR VOTE ONLY**

#	Item	Issue	Description	Staff Recommendation	Language	Comments
19	LCFF language	<b>State Board of Education Adoption of Local Control and Accountability Plan (LCAP) Template</b> (EC 52604) (January budget)	The proposed changes would allow the Board to adopt the LCAP template pursuant to the Bagley-Keene Open Meeting Act, instead of going through the regulations process. According to DOF, the template might otherwise be adopted too late in the year for LEAs to utilize it.	Reject the proposal, given the importance of a full process for public input	TBL	No fiscal impact.
20	LCFF language	<b>Local Control and Accountability Plan Adoption for Counties with Jurisdiction Over a Single School District</b> (EC 52070) (January budget)	Current law requires the Superintendent to review and approve the budget for a district which is the only district in a county, such as San Francisco. However, the LCFF legislation requires the Superintendent to designate an adjoining county to perform the duties required to approve an LCAP. The proposed amendments would instead align the LCAP approval process for those counties with the budget approval process by requiring the Superintendent to perform both functions.	Approve TBL, to be refined as necessary	TBL	This section shifts an unknown cost from adjoining counties identified by the Superintendent to the Superintendent.

**CALIFORNIA DEPARTMENT OF EDUCATION - ITEMS FOR VOTE ONLY**

#	Item	Issue	Description	Staff Recommendation	Language	Comments
21	LCFF language	<b>Out-of-State Tuition</b> (Uncodified) (January budget)	The proposed changes would reimburse school districts or COEs (whichever incurred the cost) for out-of-state tuition costs incurred in the 2013-14 fiscal year. These LEAs had to enter into out-of-state contracts prior to the enactment of the LCFF and, therefore, could not plan for the education of those students in the 2013-14 fiscal year within the context of the LCFF. The changes would provide those LEAs a one-time hold harmless.	Approve TBL, to be refined as necessary	TBL	

**CALIFORNIA DEPARTMENT OF EDUCATION - ITEMS FOR VOTE ONLY**

#	Item	Issue	Description	Staff Recommendation	Language	Comments
22	LCFF language	<b>LCFF - Economic Recovery Target (ERT)</b> (EC 42238.025) (January budget)	The proposed language would specify that 2013-14 ADA is final as of the second principal apportionment (P-2) for purposes of establishing ERTs, clarify that the full ERT amount shall be added on to the LCFF when the LCFF is fully implemented (should LCFF implementation occur in less than 8 years), and that ERT shall (rather than may) be subject to property tax offsets. According to DOF, these technical adjustments are needed to equitably and accurately calculate ERT payments, which ensure that most districts get back to pre-recession levels of funding, adjusted for inflation, upon full implementation of the LCFF.	Approve TBL, to be refined as necessary	TBL	SDE, DOF, and LAO consider this a technical change to ensure internal consistency in the calculation of the ERT across its two components: the floor portion of the formula (which is based on 2012-13 fiscal data and ADA) and the target portion of the formula (which is based on 2013-14 funding dollars but 2012-13 ADA). The language would modify the target portion of the formula to be based on 2013-14 ADA.

**CALIFORNIA DEPARTMENT OF EDUCATION - ITEMS FOR VOTE ONLY**

#	Item	Issue	Description	Staff Recommendation	Language	Comments
23	LCFF language	<b>LCFF - Federal Impact Aid Funds for Two Districts</b> (Amends EC 46610 and repeals EC 46611) (January budget)	These sections repeal the unique revenue limit funding adjustment of two school districts and clarify that the unique inter-district transfer is solely for the purpose of federal impact aid funds. These sections further clarify that the former revenue limit adjustment is included within the district's LCFF floor and LCFF minimum state aid. These changes conform to the LCFF, ensuring that no district receives less funding than it did in 2012-13, and allow these two districts to continue to receive federal impact aid funding.	Approve TBL, to be refined as necessary	TBL	No fiscal impact.

**CALIFORNIA DEPARTMENT OF EDUCATION - ITEMS FOR VOTE ONLY**

#	Item	Issue	Description	Staff Recommendation	Language	Comments
24	LCFF language	<b>In-Lieu Payments to Charter Schools</b> (EC 47635 and 47663) (January budget)	These sections: (1) specify that excess in-lieu payments made to charter schools be used to offset state aid, (2) simplify the gap funding calculation for countywide charter schools with students from basic aid districts by requiring in-lieu payments equal to the county in-lieu average in 2012-13 per student plus COLA during the transition to full LCFF implementation, (3) for the purpose of these calculations, authorize the use of a district's prior year basic aid designation, and (4) authorize county charter programs to seek in-lieu payments from the district of residence for students not funded under the county rate (treats county program charters in the same manner as COEs). According to DOF, proposed technical amendments clarify that: (1) a charter school located in a basic aid district cannot receive in-lieu property tax payments that would cause the school to receive revenues in excess of their entitlement, and (2) the in-lieu property taxes transfer from basic aid districts to countywide charter schools be based on an amount equal to the 2012-13 countywide average in-lieu property tax per unit of ADA (annually adjusted for COLA) for students attending a countywide charter school whose district of residence is a basic aid district.	Approve TBL, to be refined as necessary	TBL	No fiscal impact.

**CALIFORNIA DEPARTMENT OF EDUCATION - ITEMS FOR VOTE ONLY**

#	Item	Issue	Description	Staff Recommendation	Language	Comments
25	LCFF language	<b>Williams Requirement for Sufficient Instructional Materials</b> (EC 60119) (January budget)	According to DOF, this section preserves the requirement that school districts hold a public hearing and make a determination as to whether the district has sufficient textbooks or instructional materials. Also, amendments incorporate language from EC 1240.3 and the former 42605 that further define "sufficiency." The requirements in this section are tied to a funding source that no longer exists because it has been included in the LCFF. DOF indicates that EC 1240.3 and the former 42605 were incorporated to preserve the definition of "sufficiency" since these sections are either eliminated or will become inoperable in July 2015.	Adopt placeholder TBL to modify the language as necessary to clarify the intent for local adoption of instructional materials	TBL	No fiscal impact. The staff recommendation to adopt placeholder TBL is intended to send this issue to Conference in light of the concerns stakeholders have raised about the Administration's proposal.

**CALIFORNIA DEPARTMENT OF EDUCATION - ITEMS FOR VOTE ONLY**

#	Item	Issue	Description	Staff Recommendation	Language	Comments
26	Omnibus language	<b>State Board of Education Student Board Member Recruitment and Selection Process</b> (Amends EC 33000.5) (January budget)	Current law requires the Governor to appoint, with consent of two-thirds of the Senate, a student member to the State Board of Education for a term of one year from three finalists recommended by the Board. The Governor proposes to provide the Board more time for this recruitment and selection by repealing prescriptive deadlines, the requirement for a fixed number of candidates at each selection stage, and specified notification requirements. According to the Department of Finance (DOF), the Board is requesting this workload relief.	Reject without prejudice	TBL	These changes would be more appropriately proposed through the policy process.



**CALIFORNIA DEPARTMENT OF EDUCATION - ITEMS FOR VOTE ONLY**

#	Item	Issue	Description	Staff Recommendation	Language	Comments
27	Omnibus language	<b>State Board of Education Delegation of Charter Oversight Authority</b> (Amends EC Section 47605) (January budget)	The proposed changes would authorize the State Board of Education to delegate Board-authorized charter school oversight authority, upon agreement, to any district or county office of education in the state. The Board is responsible for oversight of a charter school that it authorizes. Oversight activities are currently funded via a reimbursement to the authorizing entity of one percent of the charter school's annual revenue. Currently, 23 charter schools operate under the oversight of the Board. The SDE provides oversight activities for these charters, but has indicated that it has had difficulties providing effective oversight within the oversight fee revenue and additional resources provided by the state. According to DOF, the proposed changes would relieve future workload pressure on the SDE.	Reject without prejudice	TBL	These changes would be more appropriately proposed through the policy process. The Subcommittee heard this issue in a prior hearing and no action was taken then.

**CALIFORNIA DEPARTMENT OF EDUCATION - ITEMS FOR VOTE ONLY**

#	Item	Issue	Description	Staff Recommendation	Language	Comments
28	Omnibus language	<b>Parent-Child Engagement Pilot Project</b> (Adds WIC Section 11338, 11338.5) (January budget)	<p>The budget proposes a three-year, six-county pilot project to serve 2,000 low-income families, and to connect 3,200 preschool-age children between the ages of two and five with licensed child care. Pilot counties would be selected through an application process. A selected pilot county will identify participant cohorts of CalWORKs children and families through an initial assessment and screening. Under the pilot, child care will be provided in a stable environment, and parents must work with their child for an average of ten hours per week for at least six months. Child care providers will work directly with parents through mentoring. The proposal assumes the first cohort of families to enroll in March 2015 and the second cohort in 2016.</p> <p>The budget projects a \$9.9 million General Fund (GF) cost in 2014-15, and a total of \$115.4 million GF over three years.</p>	Reject without prejudice	TBL	The Subcommittee heard this issue in a joint hearing with Subcommittee 3-Health & Human Services, and no action was taken then. The LAO recommends rejecting the proposal for the following reasons: a) the pilot provides duplicative services; b) there is unknown impact of parental involvement on employment outcomes; and c) it is unclear if a pilot necessary to prove positive outcomes for educational focus for low-income children.
29	Omnibus language	<b>State Median Income</b> (Amends EC Section 8263.1)(May Revise)	Adopt trailer bill language to continue the policy of setting the SMI, for purposes of qualifying for child care programs, at the level in 2007-08.	Approve TBL	TBL	

**CALIFORNIA DEPARTMENT OF EDUCATION - ITEMS FOR VOTE ONLY**

#	Item	Issue	Description	Staff Recommendation	Language	Comments
<b>II. SDE STATE OPERATIONS</b>						
30	6110-001-0001	<b>Positions to Support Local Control Funding Formula Accountability</b> (January Budget)	The Governor's Budget provides \$1,140,000 GF and 8.0 positions to support implementation of the LCFF accountability system pursuant to Chapter 47 of the Statutes of 2013.	Approve as budgeted and also approve an additional \$285,000 GF for the indirect and facilities costs associated with the positions that was not provided in the Governor's Budget. Also approve BBL to require SDE, in collaboration with SBE, to report to the Legislature by February 1, 2015 regarding the status of LCFF implementation (see adjacent language).	TBL	TBL: The department, working in collaboration with the State Board of Education (SBE), shall report to the Legislature no later than February 1, 2015 regarding the status of implementation of the Local Control Funding Formula (LCFF). At a minimum, the report shall describe the implementation roles and responsibilities of the department, SBE, the California Collaborative for Educational Excellence, the Fiscal Crisis Management and Assistance Team, and county offices of education for LCFF oversight and technical assistance to local education agencies. The report shall also describe implementation challenges to date and efforts made by statewide and local entities to address the challenges. The report shall include observations of the department and SBE about the first year that local education agencies completed their local control and accountability plans.

**CALIFORNIA DEPARTMENT OF EDUCATION - ITEMS FOR VOTE ONLY**

#	Item	Issue	Description	Staff Recommendation	Language	Comments
31	6110-001-0001	<b>Positions to Support Local Control Funding Formula Apportionment and Fiscal Oversight</b> (January Budget)	The Governor's Budget provides \$852,000 GF and 6.0 positions to support the apportionment of, and fiscal oversight of, funding through the LCFF, pursuant to Chapter 47 of the Statutes of 2013.	Approve as budgeted and also approve an additional \$205,000 GF for the indirect and facilities costs associated with the positions that was not provided in the Governor's Budget	BBL	
32	6110-001-0001 and 6110-491 (Issue 461)	<b>Reappropriation to Support LCFF Apportionment and Fiscal Oversight</b> (May Revision)	A reappropriation of \$227,000 GF is requested for the costs of reprogramming apportionment software to align with LCFF requirements.	Approve as budgeted		This funding was initially provided in 2013-14, but some of the work will be completed in 2014-15.

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#	Item	Issue	Description	Staff Recommendation	Language	Comments
33	6110-003-0001, 6110-491 (Issue 608)	<b>Standardized Account Code Structure (SACS) Replacement Project</b> (January Budget and May Revision)	The January budget provides a total of \$3.6 million (\$1.1 million in GF and \$2.5 million in federal funds) for the SACS Replacement Project. The May Revision proposes additional funding through a reappropriation of \$2.5 million GF that was provided for this purpose in 2013-14 but will be unspent this year.	Approve the Governor's proposals to fund the SACS replacement project. Also adopt placeholder TBL to require that the School Accounting Manual be revised to ensure that LEAs uniformly identify and report LCFF apportionments by base entitlements and supplemental grant and concentration grant funding.	TBL	Project funding is justified since the project has already been approved. Staff recommends the placeholder TBL for purposes of public transparency of information about school funding provided through the LCFF. The language would require SDE to assign standard accounting codes for LCFF apportionments to enable interpretation of the data beyond the individual-LEA level.

**CALIFORNIA DEPARTMENT OF EDUCATION - ITEMS FOR VOTE ONLY**

#	Item	Issue	Description	Staff Recommendation	Language	Comments
34	6110-001-0001, 6110-001-0890, 6110-161-0890 (Issue 128)	<b>Accessible Instructional Materials for the Visually Impaired</b> (January Budget and May Revision)	The May Revision rescinds the Governor's January TBL proposal (1) to shift the responsibility for the provision of accessible instructional materials from SDE to local education agencies in 2014-15 and (2) to authorize SDE to operate the materials clearinghouse as a fee-based structure supported by fees paid by LEAs. Instead, the May Revision proposes \$4.5 million in federal Individuals with Disabilities Act (IDEA) funds (\$3.0 million ongoing and \$1.5 million one-time basis) to support SDE continued provision of the accessible instructional materials to LEAs. This is a shift of IDEA funds from local assistance to state-level activities.	Approve \$4.5 million (one-time) in federal IDEA funds to support the provision of accessible instructional materials to LEAs in 2014-15. Adopt LAO alternative for the technical changes to how these funds are scheduled in the items. Adopt BBL to specify intent that LEAs pay a portion of the costs for these materials beginning in 2015-16 and SDE should develop a plan to institute fees based on consultation with stakeholders. <i>*see attachment for BBL</i>	BBL	The Subcommittee already rejected the Governor's January proposal for a fee-based structure in 2014-15. The subcommittee directed staff to work on language for a fee-based structure beginning in 2015-16. The BBL recommended for adoption would specify that the amount charged to each LEA that accesses materials from the statewide clearinghouse shall be similar to the amount the LEA pays for the comparable materials for non-visually impaired students.

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#	Item	Issue	Description	Staff Recommendation	Language	Comments
35	Control Section 3.61, 6110-161-0890, 6110-005-0001	<b>State Special Schools Deferred Maintenance</b> (January Budget)	The Governor's Budget proposes \$5 million non-Proposition 98 funds for deferred maintenance projects in the State Special Schools as part of \$100 million in a new Control Section 3.61 for deferred maintenance projects in various state-run facilities. Subcommittee 4 already rejected the control section and directed the Administration to return with a proposal that allows the Legislature to approve funding for individual departments' deferred maintenance projects through the regular budget process. The Administration did not revise its January proposal.	Approve \$1.8 million one-time in federal reimbursements to continue to restore a prior GF reduction to State Special Schools with one-time federal Individuals with Disabilities Education Act (IDEA) carryover funds. These funds should be scheduled as an increase of \$1.8 million to 6110-161-0890 Schedule 2 and a corresponding reimbursements authority increase to 6110-005-0001. Also approve related BBL to 6110-161-0890 (as shown in staff comments).	BBL	Recommended BBL: Of the funds appropriated in Schedule (2), \$1,800,000 in federal Individuals with Disabilities Education Act (20 U.S.C. Sec 1400 et seq.) carryover funds shall be available for transfer to the state special schools on a one-time basis. This action would send this item to conference, since the Assembly approved the Governor's proposal. This action is consistent with the Legislature's actions in 2012-13 and 2013-14 to backfill an ongoing \$1.8 million GF reduction in the State Special Schools budget with the same amount of one-time federal IDEA funds. Staff believes this action would support SDE's current practice to set aside \$2.4 million from the State Special Schools operations budget annually to fund ongoing and deferred maintenance projects.

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#	Item	Issue	Description	Staff Recommendation	Language	Comments
36	6110-005-0001, 6110-006-0001 (Issue 127)	<b>State Special Schools Reimbursement Authority</b> (May Revision)	The May Revision proposes technical changes to BBL to allow the State Controller to transfer reimbursement funds to the State Special Schools from school districts. These are charges that school districts pay for the excess cost of educating students at the State Special Schools.	Adopt the proposal with the technical change proposed by SDE to strike the phrase "in the first principal apportionment of that fiscal year"	BBL	The proposal adds BBL to the appropriate budget bill item where the reimbursement authority is presently scheduled. Staff believes DOF and LAO agree with the technical change proposed by SDE.



**CALIFORNIA DEPARTMENT OF EDUCATION - ITEMS FOR VOTE ONLY**

#	Item	Issue	Description	Staff Recommendation	Language	Comments
37	6110-001-0001 & 6110-001-0890 (Issue 602)	<b>Child Nutrition Program Training and Oversight, State Support</b> (May Revision)	The May Revision requests to increase Item 6110 001-0890 by \$2,887,000 Federal Trust Fund and to amend Item 6110-001-0001 to reflect the availability of one-time funds to provide statewide training, technical assistance, and oversight for school food authorities regarding nutritional standards contained in the federal Healthy, Hunger-Free Kids Act of 2010. The May Revision also includes corresponding BBL.	Approve as budgeted	BBL	
38	6110-001-0001 & 6110-001-0890 (Issue 604)	<b>Child and Adult Care Food Program, State Support</b> (May Revision)	The May Revision requests that provisional language be added to this Item to specify that \$174,000 of existing Federal Trust Fund and two existing positions be available to coordinate training and provide technical assistance to Child and Adult Care Food Program agencies regarding requirements of the federal Healthy, Hunger-Free Kids Act of 2010. Additional funding is not being requested because the SDE has existing funding authority to accommodate this workload.	Approve as budgeted	BBL	

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#	Item	Issue	Description	Staff Recommendation	Language	Comments
39	6110-001-0001 & 6110-001-0890 (Issue 605)	<b>Child Nutrition Administrative Reviews, State Support</b> (May Revision)	The May Revision requests that budget bill language be added to specify that \$1,335,000 of existing Federal Trust Fund and 15 existing positions are available to address increased child nutrition program administrative review workload required by the federal Healthy, Hunger-Free Kids Act of 2010. Specifically, the United States Department of Food and Agriculture (USDA) redesigned the administrative review process and increased the review cycle of school food authorities from every five years to every three years. Additional resources are not being requested because the SDE has existing funding authority and vacant positions to accommodate this workload.	Approve as budgeted	BBL	
40	6110-001-0001 & 6110-001-0890 (Issue 609)	<b>Free and Reduced-Price Meal Direct Certification, State Support</b> (May Revision)	The May Revision requests that one ongoing and two three-year limited term positions be authorized to implement a free and reduced-price meal direct certification process using Medi-Cal data. This project is pending California's selection to participate in a Medicaid demonstration project, which would exempt states from current federal regulations that restricts the use of Medi-Cal data for direct certification.	Approve proposed positions, but one ongoing and two two-year limited term positions (rather than three-year limited term positions).	BBL	Two-year limited term positions (rather than three-year limited term positions) are appropriate to conform to CalHR policies related to limited-term positions.

**CALIFORNIA DEPARTMENT OF EDUCATION - ITEMS FOR VOTE ONLY**

#	Item	Issue	Description	Staff Recommendation	Language	Comments
41	6110-001-0001 (Issue 547)	<b>Information Technology Support for California Assessment of Student Performance and Progress, State Support</b> (January Budget and May Revision)	The Administration proposes the following for state support of the assessment program: (1) \$432,000 one-time GF to support contracts for an Independent Verification and Validation consultant and Independent Project Oversight Consultant to oversee the development and implementation of the Smarter Balanced Testing Hosting Solution; (2) \$262,000 GF and 2.0 three-year limited term positions with specified conditions in BBL; and (3) up to \$232,000 GF and 2.0 positions (existing positions authority) with specified conditions in BBL.	Approve as budgeted with this modification: (1) Approve 2.0 positions as permanent rather than three-year limited term; (2) Amend Provision 20 to add the language as specified in the staff comments.	BBL	Add the following language to the end of Provision 20 in Item 6110-001-0001: The approved positions may be authorized not sooner than 30 days after notification in writing to the committees in each house of the Legislature that consider appropriations, the chairpersons of the committees and the appropriate subcommittees in each house of the Legislature that consider the State Budget, and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine. The notification shall state the basis for the determination by the Department of Finance that the approved positions are justified.

**CALIFORNIA DEPARTMENT OF EDUCATION - ITEMS FOR VOTE ONLY**

#	Item	Issue	Description	Staff Recommendation	Language	Comments
42	6110-001-0001	<b>Adding a College and Career Readiness Indicator to the Academic Performance Index (SDE Funding Request)</b>	The Administration's budget does not contain \$135,000 non-Proposition 98 General Fund that SDE requests for its one-time costs in 2014-15 to contract with the National Student Clearinghouse (NSC) to purchase national postsecondary enrollment data. According to SDE, this data is necessary for the analysis required for the State Board of Education to evaluate making postsecondary enrollment as part of a multi-measure college and career readiness indicator added to the Academic Performance Index (API), pursuant to the requirements of SB 1458 (Chapter 577, Statutes of 2012).	Approve \$135,000 one-time non-Proposition 98 GF for SDE's costs to contract with the NSC for postsecondary enrollment data. Approve BBL as follows: Of the funds appropriated in Schedule (x), \$135,000 is available on a one-time basis for the department to contract with the National Student Clearinghouse for postsecondary enrollment data related to the addition of a college and career readiness indicator to the Academic Performance Index.	BBL	The Subcommittee previously heard this issue but took no action. SDE does not have postsecondary enrollment data since SDE does not track students after they leave high school. While SDE has other options for obtaining CA-specific postsecondary enrollment data, NSC is the only source of national postsecondary enrollment data. Further, it is standard practice for the Public Schools Accountability Act Advisory Committee, which advises SBE about API, to analyze the impact of potential revisions to API to all K-12 public schools in the state. It is uncertain whether PSAA would be able to recommend postsecondary enrollment as a college readiness measure for API if SDE does not obtain the NSC data.

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#	Item	Issue	Description	Staff Recommendation	Language	Comments
43	6110-001-0001, 6110-001-0995	<b>CalPADS Data Request Processing</b> (SDE Funding Request)	The Administration's budget does not contain \$126,000 (\$41,000 non-Proposition 98 GF and \$85,000 fee-collection reimbursements) that SDE requests to support 1.0 position to develop and maintain the CalPADS data request process, and respond to custom ad-hoc requests for CalPADS data.	Approve \$126,000 (\$41,000 non-Proposition 98 GF and \$85,000 fee-collection reimbursements) to support the addition of 1.0 position to develop and maintain the CalPADS data request process, and respond to custom ad-hoc requests for CalPADS data.		

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#	Item	Issue	Description	Staff Recommendation	Language	Comments
44	6110-001-0001	<b>General Fund Support for English Learner State Activities and Uniform Compliant Procedures</b> (SDE Funding Request)	The Administration's budget does not contain \$664,000 non-Proposition 98 GF that SDE requests to support positions that perform state-required activities but are currently funded with federal Title III funds. This amount includes \$514,000 for positions that work on English Learner State Activities and \$150,000 for positions that work on Uniform Complaints Procedures. SDE is required to change the funding source for these positions to GF to address a 2013 Title III federal monitoring finding of non-compliance with the supplement, not supplant provisions.	Approve \$664,000 non-Proposition 98 GF to support positions that have been previously funded with federal Title III funds but must be transferred to support by the GF due to federal audit findings. Also approve BBL to require SDE to provide an analysis of local English Learner reclassification standards and recommendations on state reclassification standards.		Absent this GF support, SDE indicates it would be unable to conduct state-required activities related to programs for English Language Learners and Uniform Complaints Procedures.
45	6110-200-0890 (Issue 855)	<b>Race to the Top--Early Learning Challenge Grant</b> (May Revision)	The Administration proposes to increase state operations by \$3.2 million and amend the corresponding budget bill language to reflect this change and changes in indirect cost rates and grant carryover, available from 2013-14 from the RTT-ELC grant.	Approve as budgeted	BBL	
<b>III. LOCAL ASSISTANCE</b>						
46	6110-194-0001 (Issue 853)	<b>Adjust CalWORKs Child Care Caseload Funding</b> (May Revision)	The May Revision requests \$14.6 million to reflect revised cost estimates for CalWORKs Stage 2 (-\$15.6 million) and Stage 3 child care (\$30.2 million) to reflect a higher projected cost per case in Stages 2 and 3 than in the Governor's January budget, as well as decreased caseload of 4,000 in Stage 2 and increase caseload of 3,700 in Stage 3.	Approve as budgeted	BBL	

**CALIFORNIA DEPARTMENT OF EDUCATION - ITEMS FOR VOTE ONLY**

#	Item	Issue	Description	Staff Recommendation	Language	Comments
47	6110-194-0001 (Issue 856)	<b>Adjust non-Proposition 98 Child Care Programs</b> (May Revision)	The May Revision proposes to adjust the non-Proposition 98 child care programs for growth, specifically, to increase local assistance by \$481,000 to reflect a revised growth adjustment of 0.49 percent. The Governor's January demographic information indicated a 0.42 percent increase in the 0-4 year old population.	Approve as budgeted	BBL	
48	6110-194-0001 (Issue 858, 859, 860, and 861)	<b>Adjust Federal Child Care Funds</b> (May Revision)	The May Revision proposes an increase of \$24.4 million to reflect the adjustments in federal Child Care Funds (increase of \$7.1 million in one-time federal funds, available from prior years and an increase of \$17.3 million in ongoing federal funds, which will off-set a like-amount in non-Proposition 98 General Fund in the CalWORKs Stage 3 childcare. Additionally, the May Revision adjust the total available carryover funds to \$27.8 million.	Approve as budgeted	BBL	
49	6110-194-0001 (Issue 862)	<b>Remove Excess Authority from Child Care</b> (May Revision)	The May Revision requests a decrease of \$15.9 million excess authority, which was associated to backfill an anticipated sequester of federal child care funds that did not materialize.	Approve as budgeted	BBL	
50	6110-196-0001 (Issue 857)	<b>Adjust State Preschool for Growth</b> (May Revision)	The May Revision seeks to adjust State Preschool funding by \$356,000, reflecting a revised growth adjustment of 0.49 percent increase in the 0-4 year old population	Approve as budgeted	BBL	
51	6110-200-0890 (Issue 854)	<b>Race to the Top--Early Learning Challenge Grant</b> (May Revision)	The May Revision proposes to increase \$1.8 million in local assistance to reflect changes in indirect cost rates and grant carryover, available from the 2013-14 RTT--ELC. The additional authority does not increase the total amount of the grant but instead, shifts the funds between grant years.	Approve as budgeted	BBL	

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#	Item	Issue	Description	Staff Recommendation	Language	Comments
52	6110-194-0001 (Issue 846)	<b>Federal Child Care and Development Fund Provisions</b> (April Letter)	The April Letter requests BBL changes to clarify Provision 1, which requires SDE to obtain DOF approval, and to provide legislative notification, of the state CCDF expenditure plan that has been approved by the federal government, before SDE may spend the federal Child Care and Development Fund (CCDF) for child care quality programs.	Approve alternative BBL for Provision 1 that clarifies the quality funds must be spent in accordance with the plan developed pursuant to EC Section 8206.1. Also approve placeholder TBL to amend Section 8206.1 with more specific requirements for SDE to submit the draft plan and the final plan to DOF and the Legislature. <i>*see attachment for language</i>	BBL & TBL	EC Section 8206.1 currently specifies the process SDE must follow to develop the state CCDF expenditure plan prior to the plan's submittal to the federal government, including collaboration with DOF and legislative notification before the May Revision for alignment with the annual budget process. In light of these statutory requirements, both SDE and LAO believe the BBL requirements for additional DOF approval and legislative notification of the approved plan (post-federal approval) is unnecessary and could create delay in spending the federal CCDF funds.
53	6110-193-0890 (Issue 364 and 370)	<b>Federal Title II Funds: Mathematics and Science Partnership Program</b> (April Letter and May Revision)	The April Letter requests to increase this local assistance item by \$507,000 federal Title II funds to align to the available federal grant award. In addition, the May Revision requests an additional \$2 million in one-time federal Title II carryover funds. These funds will provide competitive grants to partnerships of low-performing schools and institutions of higher education to provide staff development and curriculum support to mathematics and science teachers.	Approve as budgeted	BBL	



**CALIFORNIA DEPARTMENT OF EDUCATION - ITEMS FOR VOTE ONLY**

#	Item	Issue	Description	Staff Recommendation	Language	Comments
54	6110-170-0001 (Issue 360)	<b>Career Technical Education</b> (April Letter)	The April Letter requests to increase reimbursements in this local assistance item by \$800,000 to reflect one-time reimbursement carryover funds for the Career Technical Education (CTE) program. The Administration proposes to spend these funds as follows: \$400,000 for completion of three projects that were delayed in 2013-14; \$200,000 for an evaluation of the Linked Learning Pilot Program; and \$200,000 for allocation to existing participants of the Linked Learning Program.	Approve \$400,000 for completion of the three projects; up to \$275,000 for the Linked Learning Program evaluation with BBL requiring a competitive bid process to select an evaluator; and \$125,000 for existing participants. In addition, the BBL should specify that any funds not spent on the evaluation should be redirected for existing participants (see staff comments for recommended BBL).	BBL	Recommended BBL: Of the funds appropriated in this item, \$800,000 reflects one-time reimbursement carryover funds. Specifically, \$400,000 is to complete unfinished projects of the Leadership Development Institutes, the New Teacher Workshops, and the Career Technical Student Organizations, up to \$275,000 is to contract for an evaluation of the pilot Linked Learning Program, and \$125,000 is for grants to the existing participants of the pilot Linked Learning Program. The department shall conduct a competitive bid process to select an evaluator for the Linked Learning Program evaluation. Any funds not spent on the evaluation shall be redirected to program participants.

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#	Item	Issue	Description	Staff Recommendation	Language	Comments
55	Item 6110-113-0001 (Issues 551, 553, 557, 559, and 560)	<b>Student Assessment Program</b> (January Budget and May Revision)	The January Budget proposes \$46,477,000 Proposition 98 GF in this local assistance Item for the assessment program. The May Revision requests that this Item be decreased by \$1,922,000 Proposition 98 GF. Of this amount, it is requested that Schedule (3) be decreased by \$883,000, Schedule (5) be decreased by \$889,000, and Schedule (2) be decreased by \$150,000. These adjustments: (1) reflect anticipated savings from the California English Language Development Test contract to offset Proposition 98 GF provided to develop the English Language Proficiency Assessments for California, (2) conform to an increase in federal Title VI funds for student assessments, and (3) reflect a decrease in funds needed to score and report the 2014 Test Administration.	Approve as budgeted, and subject to conform to Senate Proposition 98 package		

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#	Item	Issue	Description	Staff Recommendation	Language	Comments
56	6110-113-0890 (Issues 549, 554, and 555)	<b>Student Assessment Program</b> (April Letter)	The April Letter requests that Schedule (5) of this item be increased by \$889,000 federal Title VI funds to align to the available federal grant award. It is also requested that provisional language be amended to clarify contingency language that makes funding available for the California Assessment of Student Performance and Progress upon Department of Finance review of supporting contract material. In addition, it is requested that an amendment to provisional language be made to eliminate unnecessary redundancies in budget bill language.	Approve as budgeted. Also approve BBL to require annual meetings twice each year with the vendor or vendors of the state's California Assessment of Student Performance and Progress contract (see staff comments for recommended BBL).		Recommended BBL: The Department of Finance, State Department of Education, Legislative Analyst's Office and legislative staff, and the vendor or vendors of the state's California Assessment of Student Performance and Progress contract shall meet on an annual basis every October and April to review detailed fiscal information regarding the current components and costs of the contract. The group also shall explore ways to make annual improvements to the state's assessment system or achieve related savings.

**CALIFORNIA DEPARTMENT OF EDUCATION - ITEMS FOR VOTE ONLY**

#	Item	Issue	Description	Staff Recommendation	Language	Comments
57	6110-113-0001 (Issues 551 and 553)	<b>Student Assessment Program</b> (April Letter)	The May Revision requests that provisional language be amended to remove unnecessary provisional language that is repeated in statute and to make conforming changes by referencing the Standardized Testing and Reporting Program when the California Assessment of Student Performance and Progress is referenced, which allows approved apportionment costs to be paid in prior fiscal years. It is further requested that provisional language be amended to clarify contingency language that makes funding available for the California Assessment of Student Performance and Progress upon Finance review of supporting contract material. It is also requested that provisional language be amended to clarify contingency language that makes funding available for the English Language Proficiency Assessments for California upon Finance review of supporting contract material and to better reflect the intended use of funds allocated in this schedule.	Approve as budgeted. Also approve BBL to require annual meetings twice each year with the vendor or vendors of the state's California Assessment of Student Performance and Progress contract (see staff comments for recommended BBL).		Recommended BBL: The Department of Finance, State Department of Education, Legislative Analyst's Office and legislative staff, and the vendor or vendors of the state's California Assessment of Student Performance and Progress contract shall meet on an annual basis every October and April to review detailed fiscal information regarding the current components and costs of the contract. The group also shall explore ways to make annual improvements to the state's assessment system or achieve related savings.

**CALIFORNIA DEPARTMENT OF EDUCATION - ITEMS FOR VOTE ONLY**

#	Item	Issue	Description	Staff Recommendation	Language	Comments
58	6110-113-0890 (Issue 556)	<b>Student Assessment Program</b> (May Revision)	The May Revision requests that Schedule (2) of this item be increased by \$1,153,000 federal Title VI funds to develop the new English Language Proficiency Assessments for California. These funds are available as a result of English Language Development Test contract savings in 2013-14. The May Revision further requests that budget bill language be amended to conform to this action and to require the SDE to submit a multi-year implementation timeline, with associated costs, for the development of the English Language Proficiency Assessments of California.	Approve the proposal, but with the following modification: (1) change the due date of the implementation timeline to October 1, 2014; and (2) require SDE to also submit the timeline to the fiscal and education policy committees of the Legislature (see staff comments for recommended BBL).	BBL	Recommended BBL: The State Department of Education shall submit to the Department of Finance and the fiscal and education policy committees of the Legislature an implementation timeline with activities and associated cost estimates regarding the development of the English Language Proficiency Assessments for California by September October 1, 2014.
59	Item 6110-102-0231 (Issue 611)	<b>Tobacco-Use Prevention Education Program</b> (May Revision)	The May Revision requests that this Item be decreased by \$1,313,000 Health Education Account to reflect declining revenue estimates from the Cigarette and Tobacco Products Surtax Fund (Proposition 99). These funds are used for health education efforts aimed at the prevention and reduction of tobacco use. Activities may include tobacco-specific student instruction, reinforcement activities, special events, and cessation programs for students.	Approve as budgeted		
60	Item 6110-107-0001 (Issue 440)	<b>Fiscal Crisis and Management Team (FCMAT)</b> (May Revision)	The May Revision requests that this Item be increased by \$500,000 Proposition 98 GF to support the operations of the FCMAT, which helps local educational agencies fulfill their financial and management responsibilities. This funding would provide FCMAT with resources to support LCFF workload.	Approve as budgeted, and subject to conform to Senate Proposition 98 package		

**CALIFORNIA DEPARTMENT OF EDUCATION - ITEMS FOR VOTE ONLY**

#	Item	Issue	Description	Staff Recommendation	Language	Comments
61	Item 6110-119-0001 (Issue 289)	<b>Foster Youth Program</b> (May Revision)	The May Revision requests that this Item be decreased by \$2,000 Proposition 98 GF to reflect the revised cost-of-living adjustment applied to grants for the Foster Youth Program.	Approve as budgeted, and subject to conform to Senate Proposition 98 package		
62	Item 6110-203-0001 (Issues 614 and 615)	<b>Child Nutrition Program</b> (May Revision)	The May Revision requests to increase this Item by \$10,000 Proposition 98 GF to reflect a revised cost-of-living adjustment applied to the per-meal reimbursement rates. The May Revision also requests to increase this Item by \$2,930,000 Proposition 98 GF to reflect a revised estimate of meals served. The resulting appropriation would fully fund, at the specified rates, all meals projected to be served in 2014 15. There are corresponding BBL adjustments.	Approve as budgeted, and subject to conform to Senate Proposition 98 package	BBL	
63	Item 6110-161-0001 (Issues 129, 134, 135, and 136)	<b>Special Education Program</b> (May Revision)	The May Revision requests that this Item be increased by \$3,475,000 Proposition 98 GF. This adjustment includes a decrease of \$8,276,000 to reflect increased offsetting property tax revenues; an increase of \$12,017,000 to reflect growth in average daily attendance estimates; and a decrease of \$266,000 to reflect a decrease in the cost-of-living adjustment. The May Revision also requests that Provision 2 of this item be amended to remove the requirement to spend a portion of these funds on low incidence disabilities career technical education or services. Many local educational agencies do not offer this program and are unable to spend these funds.	Approve as budgeted, and subject to conform to Senate Proposition 98 package	BBL	

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#	Item	Issue	Description	Staff Recommendation	Language	Comments
64	Items 6110-161-0001, 6110-488, and 6110-602-0001 (Issue 138)	<b>Reappropriation for Special Education</b> (May Revision)	The May Revision requests that Item 6110-161-0001 be decreased by \$12,890,000 Proposition 98 GF. The May Revision also requests that Provision 5 of Item 6110-488 be added, as specified, and Item 6110-602-0001 be increased to reappropriate \$12,890,000 in one-time Proposition 98 GF savings for special education activities, to offset the reduction of ongoing funds to Item 6110-161-0001.	Approve as budgeted, and subject to conform to Senate Proposition 98 package	BBL	
65	Items 6110-182-0001, 6110-488, and 6110-602-0001 (Issue 612)	<b>Reappropriation for the K-12 High-Speed Network</b> (May Revision)	The May Revision requests that Provision 6 of Item 6110-488 be added, as specified, and non-Budget Act Item 6110-602-0001 be increased to reappropriate \$26,689,000 in one-time Proposition 98 GF savings to support common core implementation with network connectivity infrastructure grants and a statewide report of network connectivity infrastructure by the K-12 High-Speed Network, in consultation with the SDE and SBE. The May Revision further requests that provisional language in Item 6110-182-0001 be amended and added to conform to this request.	Conform to Senate Proposition 98 package	TBL/BBL	Staff notes the need to revisit the language associated with this proposal.
66	Item 6110-295-0001 (Issue 606)	<b>Mandate Reimbursement Funding and Add New Mandates to the Mandates Block Grant</b> (May Revision)	The May Revision requests to increase this Item by \$5,000 Proposition 98 GF to reflect the addition of five mandates to the mandate claiming process. Specifically, \$1,000 is provided for each of the following new mandates that are proposed for addition to the Mandates Block Grant: (1) Parental Involvement Programs, (2) Williams Case Implementation I, II, and III, and (3) Developer Fees. An additional \$1,000 is provided for both the existing Student Records and Graduation Requirements, which were inadvertently omitted from the claims process item last year.	Approve as budgeted, and subject to conform to Senate Proposition 98 package	TBL & BB Program Schedule Changes	The LAO recommends that the Legislature reject the proposals to add funding and TBL related to the three new mandates and instead repeal most activities in those three new mandates, as well as consolidate one activity with an existing mandate. Correspondingly, they recommend rejecting the \$3,000 for the three new mandates and approving \$2,000 for the two existing mandates.

**CALIFORNIA DEPARTMENT OF EDUCATION - ITEMS FOR VOTE ONLY**

#	Item	Issue	Description	Staff Recommendation	Language	Comments
67	Item 6110-296-0001 (Issue 616)	<b>Mandate Block Grant</b> (May Revision)	The May Revision requests to increase this Item by \$1,579,000 Proposition 98 GF to align mandate block grant funding with revised attendance estimates. This additional funding is required to maintain statutory block grant funding rates assuming 100 percent program participation.	Approve as budgeted, and subject to conform to Senate Proposition 98 package		
68	Items 6110-139-8080, 6110-639-0001 and 6110-698-8080 (Issues 771, 773, 774, and 775)	<b>Proposition 39</b>	The May Revision requests that Item 6110-139-8080 be decreased by \$9 million Clean Energy Job Creation Fund to reflect decreased projected revenues in 2014-15 tied to the corporate tax changes enacted by Proposition 39. The May Revision also requests that provisional language be added to Item 6110-139-8080 to extend the encumbrance period for Clean Energy Job Creation funds through 2017-18, as specified.	Approve as budgeted	BBL	
69	Item 6110-492 (Issue 760)	<b>Reappropriation, Proposition 39 Encumbrance Period</b>	The May Revision requests that Item 6110-492 be added to reappropriate the unencumbered balance of Clean Energy Job Creation Funds through 2017-18 to allow local educational agencies adequate time to implement energy efficiency projects, as specified.	Approve as budgeted		



**CALIFORNIA DEPARTMENT OF EDUCATION - ITEMS FOR VOTE ONLY**

#	Item	Issue	Description	Staff Recommendation	Language	Comments
70	6110-488	<b>Reappropriation, General Fund</b> (May Revision)	The May Revision requests that Item 6110-488 be amended to reflect updated balances from various Items that are available for reappropriation.	Approve the amendments for the updated balances available for reappropriation with specified technical changes ( <i>see attachment for language</i> ), subject to conform to Senate Proposition 98 package.	BBL	
<b>IV. SCHOOL FACILITIES</b>						
71	6110-485, 6110-488	<b>Emergency Repair Program</b> (January Budget and May Revision)	The Administration proposes a total of \$188.5 million one-time Proposition 98 funding to pay some of the state's outstanding obligation for the Emergency Repair Program, which was created in response to the Williams v California settlement in 2004. New funding would be disbursed to districts in the order in which they were originally submitted and approved. The Administration has expressed intent to retire the state's remaining ERP obligation of \$274 million in 2015-16.	Approve as budgeted, and subject to conform to Senate Proposition 98 package		The Subcommittee previously heard the January budget proposal but took no action.

**CALIFORNIA DEPARTMENT OF EDUCATION - ITEMS FOR VOTE ONLY**

#	Item	Issue	Description	Staff Recommendation	Language	Comments
72	School Facilities Language	<b>School Facilities Program Funds Transfer</b> (Adds Ed Code 17070.965, 17078.78, and 17079.40 and amends Ed Code 101012) (January Budget)	The Governor's budget proposes to transfer unexpended bond authority from four specialized school facility programs (estimated to be a total of \$211 million) to the new construction and modernization programs. The impacted programs are the Overcrowded Relief Grant (ORG), Seismic Mitigation (SM), Career Technical Education Facilities (CTE), and High Performance Incentive Grant (HPI) programs. Under the proposal, half of any remaining bond authority on June 30, 2014, would be equally redirected to new construction and modernization. Any funds that revert to these programs from rescinded projects or project savings in the future would also be equally redirected.	Approve the proposal to redirect funds that remain in the CTE and HPI programs as of June 30, 2014, but reject the rest of the proposal and approve this alternative: Redirect funds that remain as of April 1, 2015 in the ORG and Charter School Facility (CSF) programs; and Require the Office of Public School Construction to report to the State Allocation Board and the Legislature by March 1, 2015 on efforts to streamline and speed up the award of SM program funds.	TBL	The Subcommittee previously heard this issue but took no action. The staff recommendation to delay the redirection of funds remaining in the ORG and CSF programs would allow current pending applications to finish the review and State Allocation Board approval process.

**Attachment: Staff Recommendation Clarification**

**#34 Accessible Instructional Materials for Visually Impaired Pupils** (6110-001-0001, 6110-001-0890, 6110-161-0890 - Issue 128)

6110-161-0890

Decrease amount in Schedule (1) by \$4,500,000; Increase amount in Schedule (2) by \$3,861,000

Adopt provisional language as follows:

X. Of the funds appropriated in Schedule (2), up to \$3,861,000 in federal Individuals with Disabilities Education Act (20 U.S.C. Sec 1400) et. Seq.) funds shall be available for the State Department of Education to provide accessible instructional materials to local educational agencies.

X. It is the intent of the Legislature that beginning in fiscal year 2015-16, local educational agencies shall pay a portion of the state's costs to produce instructional materials for visually impaired students. The amount charged to each local educational agency that accesses materials from the statewide clearinghouse shall be similar to the amount the local educational agency pays for the comparable materials for non-visually impaired students.

6110-001-0890

Increase amount by \$639,000

Adopt provisional language as follows:

X. Of the funds appropriated in this item, up to \$639,000 in federal Individuals with Disabilities Education Act (20 U.S.C. Sec 1400) et. Seq.) funds shall be available to the State Department of Education for warehouse costs related to providing accessible instructional materials to local educational agencies.

X. By October 1, 2014, the department shall submit to the Department of Finance and the fiscal committees of the Legislature a plan for assessing fees to local educational agencies for utilizing accessible instructional materials from the statewide clearinghouse. The fees, which would take effect in fiscal year 2015-16, shall be similar to the amounts that

local educational agencies pay for comparable materials for non-visually impaired students. The department shall consult stakeholders when developing the plan.

**#52 Federal Child Care and Development Fund Provisions, 6110-194-0001 (Issue 846)**

Reject the Governor's Budget and April Letter proposals for Provision 1.

Adopt the following language for Provision 1:

1. Funds in Schedules (1.5)(g), Resource and Referral, (1.5)(k), California Child Care Initiative, (1.5)(l), Quality Improvement, and (1.5)(n), Local Planning Councils, shall be allocated to meet federal requirements to improve the quality of child care and shall be used in accordance with the approved California state plan for the federal Child Care and Development Fund that is developed pursuant to the requirements under Education Code Section 8206.1.

Adopt placeholder TBL to amend Education Code Section 8206.1 as follows:

(a) The Superintendent shall collaborate with the Secretary of Health and Human Services, with the advice and assistance of the Child Development Programs Advisory Committee, in the development of the state plan required pursuant to the federal Child Care and Development Fund, before submitting or reporting on that plan to the federal Secretary of Health and Human Services.

(b) (1) For purposes of this section, "Child Care and Development Fund" has the same meaning as in Section 98.2 of Title 45 of the Code of Federal Regulations.

(2) For the purposes of this section, "collaborate" means to cooperate with and to consult with.

(c) As required by federal law, the department shall develop an expenditure plan that sets forth the final priorities for child care. The department shall coordinate with the State Department of Social Services, the California Children and Families Commission, and other stakeholders, including the Department of Finance, to develop the Child Care and Development Fund (CCDF) Plan. On or before February 1 of the year that the CCDF Plan is due to the federal government, the department shall release a draft of the plan. The department shall then commence a 30-day comment period that shall include at least one hearing and the opportunity for written comments. ~~Before the May budget revision~~ By April 1 of the year that the plan is due, the department shall provide the revised CCDF Plan and a description of any changes to the earlier draft to the Director of Finance and the chairs of the fiscal committees of each house of the Legislature that

~~consider appropriations, and shall provide a report on the plan to the committees in each house of the Legislature that consider the annual Budget Act appropriation.~~

(1) After the plan is approved by the U.S. Department of Education, the department shall provide to the Department of Finance and the fiscal committees of the Legislature a copy of the final plan and a description of any changes made since submitting the draft plan for review.

(2) Should the annual state budget act require changes to the approved plan, the department shall submit an amended plan to the federal government.

## **#70 Reappropriation, General Fund, 6110-488**

Subject to conform to the Senate Proposition 98 package, approve the following amendments to the May Revision proposal for Item 6110-488:

6110-488-Reappropriation, Department of Education. Notwithstanding any other provision of law, the balances from the following items are available for reappropriation for the purposes specified in Provisions 1 to 4 6:

### 0001-General Fund

(22) ~~\$15,000~~ ~~64,000~~ 15,000 or whatever greater or lesser amount of the unexpended balance of the amount appropriated for Supplemental Instruction, Low STAR, Grades 2-6, for the purposes of Section 37252.8 of the Education Code in Schedule (3) of Item 6110-104-0001 of the Budget Act of 2011 (Ch. 33, Stats. 2011), as amended by Section 50 Chapter 7 of the Statutes of 2011.

(23) ~~\$64,000~~ ~~15,000~~ 64,000 or whatever greater or lesser amount of the unexpended balance of the amount appropriated for Supplemental Instruction, Core Academic, K-12, for the purposes of Section 37253 of the Education Code in Schedule (4) of Item 6110-104-0001 of the Budget Act of 2011 (Ch. 33, Stats. 2011), as amended by Section 50 Chapter 7 of the Statutes of 2011.