
SENATE COMMITTEE ON SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Mark Leno, Chair
2015 - 2016 Regular

Bill No: AB 1600 **Hearing Date:** June 13, 2016
Author: Committee on Budget
Version: June 13, 2016 As amended
Urgency: No **Fiscal:** Yes
Consultant: Elisa Wynne

Subject: School Finance: Education

Summary: This bill makes various statutory changes regarding child care and early childhood education and K-14 education and appropriates related funding, necessary for the implementation of the Budget Act of 2016.

Proposed Law: This bill makes statutory changes to implement the 2016-17 budget. Specifically, this bill:

K-14 Education Crosscutting Issues.

- 1) Provides \$1.4 billion in Proposition 98 one-time and settle up funding to pay down the existing mandate backlog. Of this, \$1.28 billion is allocated to K-12 local educational agencies (LEAs) and approximately \$106 million is provided to community colleges. Includes intent language that these funds be spent on professional development, teacher induction, and supporting implementation of state-adopted academic content standards.
- 2) Suspends the Proposition 98 split between K-12 education and the California Community Colleges.

Child Care and Development, Early Childhood Education

- 1) Between January 1, 2017 and June 30, 2018, establishes the regional market rate (RMR), which is the reimbursement for providers who accept vouchers, at the greater of: (a) the 75th percentile of the 2014 survey; (b) 104.5 percent of the 85th percentile of the 2009 survey, deflated by 10.11 percent; or (c) 104.5 percent of the 85th percentile of the 2005 survey.
- 2) Effective, July 1, 2018, updates the RMR to the 75th percentile of the 2014 RMR.
- 3) Increases the license-exempt rate for providers from 65 percent to 70 percent, effective January 1, 2017.
- 4) Increases the standard reimbursement rate, which is the reimbursement for providers who contract with the Department of Education, by ten percent, beginning January 1, 2017.

- 5) Establishes the income eligibility threshold for families to qualify for subsidized child care at 70 percent of the state median income of 2007.
- 6) Declares legislative intent to reimburse child care providers at the 85th percentile of the most recent RMR; to update to the most recent RMR ceiling, based on available funding; and to increase the RMR ceilings, through the 2018-19 fiscal year, to reflect increased costs to providers, as a result of state minimum wage increases.

K-12 Education

- 1) Provides \$2.9 billion for continued implementation of the Local Control Funding Formula, which provides base funding per student to school districts and charter schools and additional funding per student for enrollment of low-income, English learner, or foster youth students.
- 2) Allocates \$200 million in one-time Proposition 98 funds for a college readiness block grant to provide funds for LEAs to support and prepare high school students, particularly low-income, English learner, and foster youth students, to be eligible for admission into a postsecondary institution and to increase the four-year college-going rates of these students.
- 3) Allocates \$24 million in one-time Proposition 98 funds for the California Collaborative on Educational Excellence (CCEE) to conduct statewide training on the evaluation rubrics under development by the State Board of Education and the local control and accountability plans. A portion of the funds would also be used to support a pilot program for the CCEE to assist LEAs in improving pupil outcomes. Amends the process for referral of an LEA to the CCEE to specify the CCEE shall consult with the Superintendent when accepting requests or referrals from LEAs for technical assistance. Clarifies that charter schools are required to annually complete a local control and accountability plan and annual update to the plan.
- 4) Allocates \$20 million in one-time Proposition 98 funds for the Classified Employee Teacher Credentialing Program which would provide grants for LEAs to assist their classified employees in obtaining teaching credentials.
- 5) Allocates \$10 million in one-time General Fund to the Commission on Teacher Credentialing to provide grants to postsecondary institutions to create or expand four-year integrated teacher preparation programs.
- 6) Appropriates \$5 million in one-time Proposition 98 funds for the Commission on Teacher Credentialing to contract with an LEA to establish the California Center for Teaching Careers for the purpose of recruiting individuals into the teaching profession, particularly in shortage areas of math, science, special education, and bilingual education.
- 7) Allocates \$20 million in one-time Proposition 98 funding for a new Charter School Start-up Grant program to provide funding for new charter schools to support initial operations.

- 8) Allocates \$20 million in one-time Proposition 98 funding to be allocated to the Orange County Department of Education to provide grants to LEAs for the purpose of funding services or practices aligned to the Multi-Tiered Systems of Support framework under development. Of this, up to \$1 million may be used to support LEA grantees.
- 9) Allocates \$18 million in one-time Proposition 98 funding for dropout and truancy prevention programs to be allocated pursuant the formula adopted for the distribution of Proposition 47 Safe Neighborhoods and Schools Funds through legislation adopted in the 2015-16 legislative cycle. Includes intent language that Proposition 47 Safe Neighborhoods and Schools Funds are distributed pursuant to legislation.
- 10) Provides \$9.5 million in one-time Proposition 98 funding for the State Water Resources Control Board, in consultation with the Department of Education, to award grants to LEAs to improve access to, and quality of, drinking water in public schools.
- 11) Establishes the Mathematics Readiness Challenge program that would allocate \$6.4 million in federal Title II carryover funding for partnerships between LEAs and postsecondary institutions for activities designed to reduce mathematics remediation rates at the California State University.
- 12) Appropriates \$6.6 million in one-time Proposition 98 funding for the California School Information Services program.
- 13) Appropriates \$3.5 million in one-time Proposition 98 funding for the operations of the K-12 High Speed Network (HSN) and requires that the Department of Education provide three-quarters of the state's funding for the K-12 HSN by August of each year.
- 14) Provides \$3 million in one-time Proposition 98 funding for the Department of Education to contract with an LEA to initialize development of a new standardized account code structure system.
- 15) Allocates \$2 million in one-time Proposition 98 funding for the purpose of providing school breakfast program startup grants in the 2017-18 and 2018-19 fiscal years.
- 16) Provides \$1 million in one-time Proposition 98 funding to the Los Angeles County Office of Education (LACOE) to contract with Special Olympics of Northern and Southern California to expand the Special Olympics Unified Strategy for Schools.
- 17) Adjusts the Local Control Funding Formula for the San Francisco Unified School District to include an additional \$3.5 million on an ongoing basis to contract with the Exploratorium to provide statewide professional development and resources for the implementation of the Next Generation Science Standards.
- 18) Provides \$500,000 annually for three years (2016-17, 2017-18, and 2018-19) for support and development of evaluation rubrics and the School Accountability Report

Card through a contract between the CDE and the San Joaquin County Office of Education.

- 19) Provides authority for the appropriation of Proposition 98 General Fund for support of special education programs if the amount of property taxes provided for this purpose from the dissolution of redevelopment agencies is less than the estimated amount reflected in the Budget Act of 2016. Appropriates up to \$27.4 million in one-time Proposition 98 funds for support of special education programs to backfill for a reduction in property taxes provided for this purpose related to the elimination of the Triple Flip.
- 20) Provides an allocation formula for the Foster Youth Services Coordinating Program funds commencing in the 2016-17 fiscal year that includes a base grant of \$75,000 for each participating county office of education, with the formula allocating 70 percent of funds based on the number of foster youth in the county and 30 percent based on the number of school districts.
- 21) Allows the Superintendent of Public Instruction flexibility in allocating funding to LEAs for the Career Technical Education Incentive Grant program and allows the Department of Education to determine if grantees met local match requirements and reduce funding allocations, if necessary. Appropriates \$7.8 million in one-time Proposition 98 funding for the Career Technical Education Incentive Grant Program. This is a technical adjustment and does not change the total amount of funding provided for this program for use in 2016-17 (\$300 million).
- 22) Eliminates a requirement that prohibits former employees of local educational agencies from working for a non-public agency which provides services such as mental health, behavior specialists, and autism services to students through contracts with local educational agencies for 365 days.
- 23) Defines the term "electronic file", defines which records can be maintained as electronic files, and specifies that electronic files may be used for audit purposes.
- 24) Provides for a study to be completed on the costs of full and part-day kindergarten programs and recommendations for incentivizing full-day programs.
- 25) Extends the authority of the Superintendent of Public Instruction, with approval of the State Board of Education, to suspend calculation of the Academic Performance Index for the 2015-16 fiscal year.
- 26) Reflects anticipated changes in funding for the Out-of-Home Care program for foster students with exceptional needs.
- 27) States legislative intent that the Department of Education, where feasible, ensure that future California computer-based assessments utilize the Smarter Balanced Technical Hosting Solution as the technology platform and system for delivering assessments.

- 1) Provides \$23.8 million in 2009-10 Proposition 98 settle-up funds for deferred maintenance, instructional materials, and other activities.

Fiscal Effect: The funding related to the changes in this bill is contained in the 2016-17 budget. In addition, this bill appropriates funding for K-14 education programs, totaling approximately \$4.7 billion.

Support: None on file.

Opposed: None on file.

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