SUBCOMMITTEE NO. 1   Agenda

Senator Marty Block, Chair
Senator Benjamin Allen
Senator John M. W. Moorlach

Thursday, April 21, 2016
9:30 a.m. or upon adjournment of session
State Capitol - Room 3191

Consultant: Elisa Wynne

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6100 DEPARTMENT OF EDUCATION

Issue 1: Accountability Overview

Description:

The first panel will cover the ongoing work of the various state administrative bodies involved in building a new statewide system of accountability and continuous support. The second panel will provide local perspectives from two county offices of education on how the Local Control and Accountability Plan (LCAP) process has impacted the way they are providing services directly to students, largely in alternative education settings.

Panel I:

- Edgar Cabral, Legislative Analyst's Office
- David Sapp, State Board of Education
- Debra Brown, Department of Education
- Sujie Shin, Director of Research and Data for the California Collaborative for Educational Excellence

Panel II:

- Nina Boyd, Assistant Superintendent, Orange County Department of Education
- Raquel Rose, Assistant Superintendent, Marin County Office of Education

Background:

Accountability. Prior to 2013-14, Local Educational Agencies (LEAs) were held accountable in different ways for variety of programs. Each individual categorical program had its own accountability requirements, although often this was limited to accountability for the expenditure of funds in accordance with allowable uses, rather than the impact on actual student outcomes. State and federal accountability systems provided an aggregate measure of school and district performance. The state and federal accountability systems relied primarily on student assessment data. The state used the Academic Performance Index (API) constructed data from previous statewide assessments aligned to the former academic standards to create a performance target. School districts, schools, and student subgroups that did not meet the performance target were required to meet growth targets. The federal accountability system used a measure called Adequate Yearly Progress (AYP) that relies on student assessment scores, student participation in assessments, graduation rates and the API. Schools and districts that failed to meet benchmarks and make progress could be subject to interventions.

In 2013-14, the state began to transition to new assessments, aligned to new statewide academic content standards (discussed later in this agenda). Most student assessment scores were not available for assessments given in the spring of 2014, since the state was piloting a new assessment system. Therefore, based on statutory authority, the State Board of Education (SBE) approved a recommendation by the State Superintendent to not calculate the API for the 2013-14 and 2014-15

years. In addition, California applied for and received a waiver of federal law exempting the state from the calculation of the AYP for some schools and districts.

This transition in test scores and, therefore, aggregate accountability scores, aligns with an evolution in what the state expects from LEAs in terms of accountability. The Local Control Funding Formula (LCFF) statute included new requirements for local planning and accountability that focus on improving student outcomes in state educational priorities and ensuring engagement of parents, students, teachers, school employees, and the public in the local process. In addition, the LCFF features a new system of continuous support for underperforming school districts that do not meet their goals for improving student outcomes. Finally, the federal Every Student Succeeds Act (ESSA) was adopted in December of 2015, replacing current federal requirements with a more flexible system. Details are still emerging at this time, and federal guidelines and regulations are anticipated later this year. The state is planning on aligning state and federal accountability and approving a new state plan to meet federal requirements in November of 2016.

Local Control and Accountability Plans (LCAP). To ensure accountability for LCFF funds, the state requires that all school districts, charter schools, and county offices of education annually adopt and update a LCAP. The LCAP must include locally-determined goals, actions, services, and expenditures of LCFF funds for each school year in support of the state educational priorities that are specified in statute, as well as any additional local priorities. In adopting the LCAP, LEAs must consult with parents, students, teachers, and other school employees.

The eight state priorities that must be addressed in the LCAP, for all students and significant student subgroups in a school district and at each school, are:

- *Williams* settlement issues (adequacy of credentialed teachers, instructional materials, and school facilities).

- Implementation of academic content standards.

- Parental involvement.

- Pupil achievement (in part measured by statewide assessments, Academic Performance Index, and progress of English-language learners toward English proficiency).

- Pupil engagement (as measured by attendance, graduation, and dropout data).

- School climate (in part measured by suspension and expulsion rates).

- The extent to which students have access to a broad course of study.

- Pupil outcomes for non-state-assessed courses of study.

County offices of education must also address the following two priorities:

- Coordination of services for foster youth.

- Coordination of education for expelled students.

School district LCAPs are subject to review and approval by county offices of education, while county office of education LCAPs are subject to review and approval by the State Superintendent of Public Instruction (SPI). Statute also established a process for districts to receive technical assistance related to their LCAPs. The SPI is authorized to intervene in a district that is failing to improve outcomes for students after receiving technical assistance.

According to the timeline put forth by SBE and California Department of Education (CDE) staff for the March 2016 SBE meeting, staff are working on revisions to the LCAP template. The SBE is authorized to adopt the LCAP template through their regular open meeting requirements prior to January 31, 2018. This new template is intended to be in place for use in the 2017-18 LCAP cycle. The SBE reports that extensive stakeholder outreach and input will be incorporated into this process.

Evaluation Rubrics. The SBE is required to adopt evaluation rubrics by October of 2016. Rubrics are tools that evaluate performance, based on specified criteria. Specifically, the evaluation rubrics developed by the SBE will: (1) assist LEAs in evaluating their strengths, weaknesses, and areas that require improvement; (2) assist county superintendents of schools in identifying LEAs in need of technical assistance and providing resources for technical assistance; and (3) assist the SPI in identifying LEAs for which technical support and/or intervention is warranted. Statute further requires that the evaluation rubrics provide for a multidimensional assessment of district and school site performance, including adopting standards for performance and improvement in each of the state priority areas. The SBE adoption deadline was extended by one year through the education trailer bill, AB 104 (Committee on Budget and Fiscal Review), Chapter 13, Statutes of 2015, as the SBE's process for development and stakeholder vetting of the rubrics revealed that additional time was needed to ensure rubrics are research-based and can be implemented as a key piece of a new accountability system.

Evaluation rubric progress is a part of each SBE meeting as the deadline for approval is moving closer. The most recent SBE meeting in March 2016 provided further information on progress in the creation of a unified accountability system and specific data analysis around one indicator, graduation rates. An April, 2016 information memo from SBE staff summarized feedback from the SBE March meeting as follows: 1) move forward with a model that fits together state and federal accountability in a system of continuous support, 2) explore other methodologies for measuring standards and performance for graduation rates, and 3) move forward with analysis of other key indicators. The SBE timeline shows adoption of the evaluation rubrics at their September 2016 board meeting.

California Collaborative for Educational Excellence (CCEE). The CCEE was created as part of the new LCFF accountability framework with a role to advise and assist school districts, charter schools, and county offices of education to achieve goals in their LCAPs under the LCFF. The CCEE is required to advise and assist school districts, county offices of education, and charter schools in meeting the goals in their LCAPs. Statue allows the SPI to assign the CCEE to LEAs in need of assistance. The CCEE may contract with individuals, LEAs, or organizations with expertise in the LCAP state priority areas, improving the quality of teaching, improving school and district leadership, and addressing the needs of student populations, such as unduplicated students or students with exceptional needs. The 2013-14 budget provided $10 million in Proposition 98 funding for the CCEE, and the 2014 education budget trailer bill, SB 858 (Committee on Budget and Fiscal Review), Chapter 32, Statutes of 2014, extended the encumbrance date for these funds through the 2014-15 fiscal year. Although all the funds were encumbered in the 2014-15 fiscal year, to date, just $2 million has been expended. The CCEE was officially established in 2014-15, with the first meeting of the CCEE occurring in February of 2015. Since that time, the CCEE has hired an executive director and key staff.

However, the CCEE has yet to conduct any of the activities assigned under statute, as the accountability system continues to develop.

Related legislation, SB 871 (Liu and De León), introduced January 14, 2016, would require the CCEE to conduct statewide training on the evaluation rubrics and their use to inform the LCAP with a focus on improving student outcomes and closing the achievement gap. The bill would also establish a pilot program to provide technical assistance and support to LEAs that volunteer to participate. This technical assistance will assist LEAs in improving their student outcomes but also inform the CCEE in developing its system of support and assistance for LEAs.

Governor's Budget:

The Governor's budget includes proposals to support workload related to continued development of an accountability system as well as clarifying trailer bill language. Specific proposals include:

- Trailer bill language to provide $500,000 annually for 2016-17 through 2018-19 for a total of $1.5 million to the Superintendent of Public Instruction to contract with the San Joaquin County Office of Education for support of the evaluation rubrics and the school accountability report card.

- Trailer bill language that extends the authority of the SPI to suspend the calculation of the API for 2015-16 with the approval of the SBE.

Suggested Questions:

- For SBE: What specific areas of concern are the new LCAP template anticipated to address?

- For CCEE: How will the CCEE's approach to intervention and support of LEAs be different from past attempts under federal or state law to assist struggling LEAs?

- For CDE/SBE: How are the SBE and CDE working together on aligning the Every Student Succeeds Act and evaluation rubrics and LCAP?

Staff Recommendation: Information only. Hold Governor's proposals open pending additional information at the May Revision.

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Issue 2: Local Control and Accountability Plans – Charter Schools Trailer Bill Language

Panel:

- Amber Alexander, Department of Finance
- Edgar Cabral, Legislative Analyst's Office

Governor's Budget: The Governor's budget includes trailer bill language to clarify that charter schools must complete an LCAP on an annual basis.

Background: Implementing LCFF statutes included the requirement that all school districts and county offices of education complete LCAPs and an annual update to an LCAP. However, the statutes (Education Code Sections 47604.32, 47604.33, and 47606.5) governing charter school authorizations only referenced the annual update section of the LCAP.

Regulations adopted by the State Board of Education in 2015, included the LCAP template and reflected the requirements that all LEAs (school districts, charter schools, and county offices of education) complete the LCAP each year, including the annual update portion.

Staff Comments: The proposed trailer bill language is a clarifying change that reflects current practice for charter schools.

Staff Recommendation: Approve placeholder trailer bill language to clarify that charter schools must complete the LCAP, including the annual update portion, each year.

Vote:

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Issue 3: State Board of Education – Workload Funding

Panel:

- Amber Alexander, Department of Finance
- David Sapp, State Board of Education
- Edgar Cabral, Legislative Analyst's Office

Governor's Budget: The Governor's budget provides $1.4 million in non-Proposition 98 General Fund over three years ($548,000 in 2016-17, $572,000 in 2017-18, and $304,000 in 2018-19) to the Office of Planning and Research to support the SBE's work on LCAP and state accountability. The funds would support limited–term positions that cover the following.

Position 1 - Local Control Funding Formula:

- Oversee the LCAP, Annual Update, and evaluation rubrics development, maintenance, and outreach; monitor WestEd's research and development of the evaluation rubrics content and San Joaquin County Office of Education's technical infrastructure of the online evaluation rubrics system; support the California Collaborative for Educational Excellence (CCEE); support the work to align with federal requirements.

Position 2 - State Standards, Curriculum Frameworks, Assessment and Accountability:

- Manage the implementation of California's state academic standards (e.g. Common Core, Next Generation Science Standards, and English Language Development), curriculum frameworks, and state assessments, through the California Assessment of Student Performance and Progress (CAASPP), including Smarter Balanced and the Alternate Assessment, in addition to the English Language Proficiency Assessment for California (ELPAC). Facilitate the relationship among the state standards, frameworks, and assessments within the state's new accountability system and support the work to align with federal requirements.

Position 3 - California's State Accountability System:

- Coordinate the state entities (e.g., CDE, CCEE, and CCEs), stakeholders (e.g., parent and community groups), and other state agencies (e.g..State Controller's Office) that are responsible for the implementation of the new accountability system based on the framework and implementation work plan (this plan was presented to the SBE at its 2015 November meeting and will be revised over time); support the work to align with federal requirements.

Background:

The 2013-14 budget appropriated $2 million to the SBE for workload associated with implementing LCFF to be expended over three fiscal years, 2013-14 through 2015-16. These funds were used to support limited–term staff at the SBE and for a contract with WestEd for assistance in completing statutorily required regulations for expenditure of LCFF funds, completing the LCAP template, and

supporting the evaluation rubric development. While required regulations were adopted by the SBE in 2014, and approved by the Office of Administrative Law in early 2015, the work of the evaluation rubrics is still underway and the SBE is proposing to make additional changes to the LCAP template.

The State Board of Education provided an updated timeline for the proposed transition to a new accountability system in a February information memorandum, clarifying that in September 2016, the final changes to the LCAP template and the final evaluation rubrics will be presented to the SBE for adoption. Based on statute, Education Code Section 52064(f), revisions to the LCAP template or evaluation rubrics shall be approved by the state board by January 31 before the fiscal year during which the template or the evaluation rubrics are to be used by a school district, county superintendent of schools, or charter school. Therefore, the final versions of the revised template and LCFF evaluation rubrics that will be approved September 2016 will go into effect for the 2017-18 fiscal year beginning July 2017.

In addition, the draft ESSA State Plan will be presented to the SBE in November 2016 with the new federal accountability requirements for identification purposes beginning in 2017 and the new interventions being implemented in 2018-19.

Finally, although many pieces of the accountability system should fall into place in 2016-17, initial implementation will extend into 2018-19. Also, additional data that will support and inform LCAPs and the rubric will continue to evolve. For example, the CDE anticipates collecting data on chronic absence for the 2016-17 school year in response to requirements in ESSA, and there are other data points that may be collected as a result of changes to federal law.

Staff Comments: This funding will continue to support limited-term positions for the SBE to continue workload related to the developing accountability system. As a technical matter, this funding is provided in the budget of the Office of Planning and Research (OPR) and Senate Budget and Fiscal Review Subcommittee No. #4 on State Administration and General Government, which covers OPR, will also take action on the augmentation request.

Staff Recommendation: Approve the Governor's budget proposal for $1.4 million in non-Proposition 98 General Fund over three years ($548,000 in 2016-17, $572,000 in 2017-18, and $304,000 in 2018-19) to the Office of Planning and Research to support the SBE's work on LCAP and state accountability.

Vote:

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Issue 4: State Academic Content Standards Implementation

Description: California is in the middle of a phased-in implementation of new academic content standards in core subject areas. This issue will cover the state's role in supporting LEAs as they implement the new standards.

Panel:

- Debra Brown, Department of Education
- Amber Alexander, Department of Finance
- Edgar Cabral, Legislative Analyst's Office

Background:

Although the flow of funding and the new focus on student outcomes has significantly changed K-12 education, the biggest change in the classroom has been a conversion to new academic standards. According to the CDE, "content standards were designed to encourage the highest achievement of every student, by defining the knowledge, concepts, and skills that students should acquire at each grade level." To incorporate new statewide academic content standards, the Legislature and the Governor approved legislation that requires the SPI to recommend, and the SBE to adopt, the standards. California first adopted academic content standards in the late 1990s for English, mathematics, science, and history-social science, pursuant to requirements in Education Code Section 60605. Additional adoptions of standards for other subject areas followed over the next decade.

In August 2010, California adopted the California Common Core State Standards in English Language Arts (ELA)/Literacy and mathematics, through the passage of SB 1200 (Hancock), Chapter 654, Statutes of 2012. These new standards were developed by a coalition of states under the initiative of the National Governors Association and the Council of Chief State School Officers. The standards are based on the College and Career Readiness anchor standards that define expectations for student preparation for higher education and/or the workforce. The ELA standards include literacy standards that cross other academic content subject areas in addition to ELA.

In 2012, California adopted the California English Language Development (ELD) Standards, through the passage of AB 124 (Fuentes), Chapter 605, Statutes of 2011. These standards are aligned with the California Common Core State Standards in English Language arts and describe the knowledge, skills, and abilities that English Learner students need to participate fully in the appropriate grade-level academic content. This adoption replaced the prior version of the ELD standards, adopted in 1999.

In 2013, California adopted the Next Generation Science Standards (NGSS), through the passage of SB 300 (Hancock), Chapter 624, Statutes of 2011. The NGSS were developed by a coalition of states and experts in science education, led by the National Research Council, the National Science Teachers Association, and the American Association for the Advancement of Science and include the science knowledge that all K-12 students should know based on the most current science research. The CDE has provided an approximate estimate of the costs of NGSS implementation at $929.3 million based on lab supplies, materials, technology and equipment necessary.

Supporting Local Implementation. Recognizing that the state standards simply set the benchmark for what students should know, the state has also established a role in developing and providing the tools necessary for school district staff to interpret the standards and use them to guide classroom instruction. The SBE adopts curriculum frameworks for grades K-12, which the CDE describes as instruction guidelines for; "providing a firm foundation for curriculum and instruction by describing the scope and sequence of knowledge and the skills that all students are expected to master". The frameworks are written documents developed through a public process by the Instructional Quality Commission and adopted by the SBE. The adopted frameworks are available on the CDE website. The SBE is also required to adopt an approved list of instructional materials for grades K-8 that meet state criteria, including alignment with academic standards. These instructional materials can be printed or non-printed, including digital materials. Under current law, school districts can choose instructional materials for all grades, regardless of whether or not they are on the state-adopted instructional materials list, as long as they meet state standards. The following table is a snapshot of when the state has adopted standards and related resources in each subject area.

Adoption of State Standards and Related-Resources

Subject Area	Initial Standards Adoption	New Standards Adoption	Curriculum Frameworks	Instructional Materials
English Language Arts*	1997	2010/2013	2014	2015
English Language Development	1999	2012	2014	2015
Mathematics	1997	2010/2013	2013	2014
Science***	1998	2013	2002	2006
History Social Science	1998	N/A	2000	2005
Career Technical Education**	2005	2013	2007	N/A
Visual and Performing Arts	2001	N/A	2004	2006
Physical Education**	2005	N/A	2008	N/A
Health Education***	2008	N/A	2002	2004
Foreign/World Language***	2009	N/A	2001	2003

*Includes Literacy Standards
**Model Standards
*** Curriculum Frameworks not currently aligned with adopted standards
Source: Data from California Department of Education

Funding for State Standards Implementation. Although most categorical funding that would have previously been targeted to standards implementation was collapsed into the LCFF, the state has still provided a variety of fund sources for local implementation of statewide academic content standards:

- $1.25 billion was provided through education trailer bill, AB 86 (Committee on Budget and Fiscal Review), Chapter 48, Statutes of 2013, to support the implementation of state adopted academic content standards. LEAs could encumber the funds in 2013-14 or 2014-15 and use the funds for (1) professional development, (2) instructional materials and (3) technology. The statute further required CDE to report on the uses of these funds. As a result, CDE released a *Report to the Governor, the Legislature, and the Department of Finance: Local Educational Agency Expenditures of $1.25 Billion in Common Core Implementation Funding Allocated for Fiscal Years 2012-13 and 2013-14*" detailing the expenditure categories for which LEAs opted to use the funds for. In general, the category with the highest expenditures was information technology ($590 million), with funding primarily used for the purchase of devices and network hardware updates.

Remaining funds were essentially split between professional development and instructional materials purchases. Funding by subject area was highest in the area of mathematics, mostly due to purchases of instructional materials, followed by ELA.

- The 2015 Budget Act included $490 million in educator effectiveness funds. One of the uses prescribed by statute, AB 104, (Committee on Budget and Fiscal Review), Chapter 13, Statutes of 2015, is professional development aligned to recently-adopted statewide academic content standards.

- LEAs continue to receive funds from the state lottery and, based on Proposition 20, the Cardenas Textbook Act of 2000, a portion of these funds must be spent on instructional materials. For 2013-14 (the most recent year data on expenditures is currently available), LEAs received $190 million in the portion of lottery funds for instructional materials.

- The state has also provided $3.6 billion ($400 million in 2014-15, and $3.2 billion in 2015-16) in discretionary funding to LEAs to pay off the mandates backlog. Although this funding is discretionary, the state has suggested in intent language that the funds be prioritized for implementation of state standards among other activities.

- LEAs may also use Local Control Funding Formula (LCFF) funds for the implementation of state academic content standards.

Governor's Budget:

As discussed in the March 10th hearing of this subcommittee, the Governor proposes to provide $1.3 billion for school districts, county offices, and charter schools in one –time Proposition 98 funds. These funds would offset any existing mandate claims. Similar to prior years, this funding would be allocated on a per-ADA basis, with school receiving $214 per ADA. LEAs can use their funds for any purpose, however the Governor includes language suggesting that school districts, COEs, and charter schools dedicate their one–time funds to implementation of Common Core State Standards, technology, professional development, induction programs for beginning teachers, and deferred maintenance.

The Governor also proposes to provide $3.5 million in ongoing Proposition 98 funding to the San Francisco Unified School District (SFUSD) to contract with the Exploratorium to provide professional development and statewide implementation of the NGSS. These funds are provided through trailer bill language as an add-on to the SFUSD LCFF apportionment.

LAO Analysis:

The LAO notes that under LCFF, LEAs have the ability to direct their resources to purchasing the professional development, instructional materials, and other standards implementation-related services that meet their local needs, from the Exploratorium or any other provider, and recommends the Legislature reject this proposal. The LAO also recommends that if the Legislature does choose to fund this proposal, the Legislature should instead allocate funds through a line item in the budget, ensuring additional transparency over the funding in future years. This would be consistent with past appropriations for the Exploratorium.

Suggested Questions:

- How can the state measure implementation of state standards? Does the state have a definition of "full implementation"?

- Has DOF considered providing additional funding for standards implementation, particularly NGSS?

- How will the proposed work of the Exploratorium be coordinated with the state's efforts for implementation of the NGSS?

Staff Recommendation: Information only. Hold open Governor's proposals pending the May Revision.

6100 DEPARTMENT OF EDUCATION

Issue 5: Statewide Assessments

Description:

California's statewide student assessment system is in the process of being updated to reflect the state's adoption of new statewide content standards. Legislation passed over the past few years has eliminated several assessments that were aligned to prior academic content standards, and provided for a transition to assessments that are aligned to the Common Core State Standards (CCSS) in English language arts and mathematics, English language development standards and Next Generation Science Standards. This item reviews existing assessments and those under development, and associated costs.

Panel:

- Amber Alexander, Department of Finance
- Debra Brown, Department of Education
- Edgar Cabral, Legislative Analyst's Office

Background:

Student's grasp of academic content is measured by a statewide student assessment system. The system is in the process of being updated to reflect the state's adoption of new statewide content standards. AB 484 (Bonilla) Chapter 489, Statutes of 2013, eliminated several assessments that were aligned to prior academic content standards, and provided for a transition to assessments that are aligned to the Common Core State Standards in English language arts and mathematics, English language development standards and Next Generation Science Standards. Of the statewide assessments, in 2015-16, only ELA and Mathematics (including California Alternative Assessments) are aligned to the state's most recently adopted standards, as a result of the state's participation in the multi-state Smarter Balanced Assessment Consortium (SBAC) beginning in June, 2011. In the other subject areas, new assessments are under development and until they are operational, local educational agencies will continue to use existing assessments, aligned to previous standards. Once fully implemented, this new suite of statewide assessments will align with new state academic content standards, but also require computer-based, and in some cases computer-adaptive, assessments to replace many assessments that were previously paper and pencil exams. The SBAC ELA and mathematics assessments are computer-adaptive assessments and require access to computing devices and the internet for the assessment to be administered.

2014-15 was the first year for which scores from the new assessments were released, and they revealed that California's student performance was low – over 50 percent statewide (55 percent in English Language Arts and 66 percent in mathematics) did not meet grade level standards and the scores revealed striking disparities in performance among different subgroups of students. These low scores were not unanticipated since the assessments were significantly different from prior assessments and scores likely reflect lack of familiarity with a new process as well as actual measurement of academic content. The new assessments are computer-adaptive, are designed to do a better job of measuring student mastery of content, and are aligned to new standards. In addition, they include some constructed response questions as well as multiple choice questions. These scores set a new base from

which the state and LEAs must grow. The second year of scores are anticipated to show growth, likely reflecting continued implementation of state standards, refinement of teaching and learning, and familiarity with a new assessment system. Scores will not be available until the fall of 2016 for assessments given in the spring of 2016.

California Assessment of Student Performance and Progress (CAASPP). In March, 2016, the CDE provided a report to the Governor, Legislature, and LAO, titled: *California Assessment of Student Performance and Progress Annual Implementation Update and Five-Year Cost Projection*, which includes detailed information on the current implementation plan for CAASPP and projected expenditures. More information is available below:

1) **English Language Arts and Math Assessments**
    The 2015-16 school year includes the second state administration of ELA and mathematics assessments aligned to the common core standards. These new assessments are computer-based and include computer-adaptive multiple choice questions, as well as performance tasks. The 2015-16 testing window began April 11, 2016 and at this point, approximately 383,153 students have completed an ELA/literacy assessment and 820,476 students have completed a math assessment. In the 2014-15 administration, just over 2,200 students were assessed using a paper and pencil version and it is anticipated that the number will decrease with this administration.

    With the results from the spring administration of Smarter Balanced ELA and mathematics, the state will have two years of individual scores that specify a student's proficiency level. These will be first provided to individual students, schools, and local educational agencies and then available to the public in late 2016. CDE is currently redesigning score reports to incorporate information on student progress over multiple years. Students in grade 11 may choose to release the results of their ELA and mathematics exams to California Community Colleges and California State Universities to provide an early indicator of a student's readiness for college-level coursework in English and mathematics under the Early Assessment Program. Students can use these results to inform the coursework they undertake in grade 12 as they prepare for post-secondary education and placement at the California Community Colleges and California State Universities. In the 2014-15 assessment, almost 400 thousand student released ELA and/or math results to post-secondary education institutions.

2) **Science Assessments**
    The Next Generation Science Standards (NGSS) for grades kindergarten through 12 were adopted by the SBE in September of 2013. Under federal law, students must be assessed in science at least once in each of the following grade spans: 3-5, 6-9, and 10-12. Until an NGSS-aligned assessment is operational, LEAs are required to continue to administer science assessments aligned with the state's old standards in grades 5, 8, and 10. Funds are provided in the CAASPP contract towards the development of an NGSS-aligned assessment; however, CDE anticipates the actual work of developing an assessment will not begin until spring of 2016, with an operational assessment likely in 2018-19, due to the complexity of translating the new standards into test items.

3) **Assessments for Students with Disabilities**
    California includes students with disabilities in statewide assessments, as required by federal law. The current Smarter Balanced ELA and mathematics assessments include options for

assessing students with disabilities using accessibility supports and accommodations and this takes the place of the previously used California Modified Assessment (CMA). The CMA was used to assess students with disabilities who have an individualized education plan that requires modifications.

Federal regulations also require the inclusion of students who cannot participate in the general statewide assessment system. A new version of the California Alternate Assessment (CAA) for ELA and mathematics has been developed and is currently operational. However, the California Alternate Performance Assessment (CAPA) in science continues to be used to meet the assessment needs of this population of students until the alternate CA NGSS assessment is available.

4) **Primary Language Assessment**
California has also historically provided for a primary language assessment for English learner students to demonstrate mastery of reading/language arts standards. Currently, the state allows LEAs the option of continuing to administer the existing Standards-based Test in Spanish (STS) until a successor assessment is operational. LEAs may also administer the STS to students enrolled in dual-immersion programs at their own expense. Funds were provided in the CAASPP contract for continued development of a primary language assessment(s). CDE anticipates that pilot testing on a Spanish primary language assessment could occur in 2016-17; field testing in 2017-18, and a fully operational exam may be available in 2018-19.

Assessment of Language Development. The state currently administers an annual assessment to determine the progress of English learners in developing English language proficiency. The current assessment for this purpose is the California English Language Development Test (CELDT). SB 201 (Lui) Ch. 478, Statutes of 2013, authorized the development of a new English Language Proficiency Assessment for California (ELPAC). This new assessment will differ from the current annual assessment in that it will include an assessment for initial identification of English learners and an annual assessment to gauge a student's progress towards English proficiency. The new assessment will also be aligned to the CCSS, including the new English language development standards. Work on this new assessment began in 2012-13 under the existing CELDT contract by identifying CELDT test questions that are aligned to the new standards and can be used in a new assessment. (One of the major cost drivers of any assessment is developing an adequate item bank of test questions.)

After several delays in the contracting bid process, CDE was able to award the ELPAC contract and move forward. The 2016-17 proposed funding covers additional activities to keep the ELPAC development on schedule. Although, the ELPAC went out to bid as a pencil and paper-based assessment, the request for proposals specified that the contractor must be able to transition to a computer-based assessment in the future. According to the CDE, an operational ELPAC will be available in the spring of 2018. Until the ELPAC is in place, the state will continue to administer the existing CELDT to meet federal Title III of the Elementary and Secondary Education Act reporting requirements.

California High School Exit Exam (CAHSEE) Savings. Senate Bill 172 (Liu), Chapter 572, Statutes of 2015, suspended the administration of the CAHSEE, and the requirement that students pass this exam as a condition of graduation from high school during the 2016-17 through 2018-19 school years, or when the CAHSEE is no longer available. The current CAHSEE contract expired in October of 2015.

The 2015 Budget Act required that the CDE to develop a plan for the use of any savings from the local assistance funds appropriated for the CAHSEE contracts and, as a condition of expending these funds, submit the plan to the Joint Legislative Budget Committee and the DOF. CDE identified approximately $9.8 million in available savings as a result of the suspension of the CAHSEE. Of these funds, approximately $3 million was used to fund the ongoing administration of the CELDT and up to $1 million was used to lease test items for the CAASPP alternative assessment item bank. Limited activities to inform recommendations on future assessments and the creation of additional CAASPP tools were also funded. Of the total, approximately $5 million will revert and be used for other Proposition 98 purposes in 2016-17.

Other Assessments. The CDE also maintains a variety of other assessment contracts, such as the California High School Proficiency Exam, the Physical Fitness Test and other outreach and technical reporting contracts.

Assessment Funding. Statewide assessments have historically been split-funded between federal Title VI funds and Proposition 98 General Fund. The 2015-16 budget included funding for the second full administration of the new Smarter Balanced ELA and mathematics assessments in grades 3 through 8 and 11, and the CAA in ELA and math. In addition, funding continues to be provided for development of new science and primary language assessments.

The CAASPP administration and assessment contract has been awarded to the Educational Testing Service (ETS) for activities from July 2015 through December 2018. The ETS contract covers administration of the assessments, including technology, scoring, reporting, and development of new assessments. CDE is also a member of the Smarter Balanced Assessment Consortium (SBAC), which owns the item bank (exam questions) and tools, such as formative assessments and the digital library. The state pays $9.55 million annually to the SBAC, which currently has contracted with the University of California, Los Angeles to cover the cost of consortium-managed services, such as access to the summative and interim assessments, access to the digital library, continued test development, and validity studies. In addition to contract costs, the state provides LEA's with a per-pupil apportionment amount to cover the costs of administering assessments. Apportionments are paid one year in arears. In 2016, the SBE approved an increase for CAASPP apportionment costs from $3 to $4 per student, driving an approximately $3 million increase in total apportionments in 2016-17. CDE's estimated costs for statewide assessments in 2016-17 are summarized below:

Proposed 2016-17 Statewide Student Assessment Costs			
Assessment Activity	Prop 98 Funds Projected Costs	Federal Funds Projected Costs	Total Projected Costs
Other Assessment-Related Contracts	$1,490,008	$600,000	**$2,090,008**
English Language Development Assessment			
Administration of CELDT		$7,242,000	**$7,242,000**
Development of ELPAC	$13,800,000		**$13,800,000**
California Assessment of Student Performance and Progress			
CAASPP 2015-16 through 2017-18 Contract	$75,784,000	$7,075,000	**$82,859,000**
SBAC Consortium	$9,550,000		**$9,550,000**
Independent Evaluation	$621,000		**$621,000**
Assessment Apportionments	$23,223,000		**$23,223,000**
High School Proficiency Exam	$1,244,000		**$1,244,000**
Reimbursements for High School Proficiency Exam	($1,244,000)		**($1,244,000)**
Totals	**$124,468,008**	**$14,917,000**	**$139,385,008**

Source: Department of Education

Assessment Expansion. As part of the transition to the CAASPP, Education Code Section 60640(c), also required the SPI to submit recommendations for expanding the California Assessment of Student Performance and Progress (CAASPP) to the California State Board of Education, the appropriate policy and fiscal committees of the Legislature and to the Director of Finance. These recommendations, provided in March 2016, include the following:

- Develop and administer three state computer-based summative assessments for history–social science in elementary, middle, and high school.

- Provide state-supported formative assessment resources that are aligned with the California Next Generation Science Standards (CA NGSS) in the Digital Library.

- Vet state-supported resources and tools that support implementation of a comprehensive assessment system and provide those resources for local use.

- Provide regional assessment support to schools and districts on the implementation of the comprehensive assessment tools and resources.

The implementation of these recommendations would depend on additional funding and in some cases, such as development of new assessments, authorizing legislation.

Suggested Questions:

- Under the state's contract with SBAC, California chose to purchase and offer a variety of tools for LEAs, such as formative assessments, diagnostic assessments, and a digital library. Some of these tools were delayed or low usage was reported; in 2015-16 are LEAs taking advantage of these resources?

- What is the state's plan for helping LEAs, teachers, students, parents, and policy makers understand this second round of SBAC results and how they measure student progress over time?

- When does the CDE anticipate the ELPAC to be a computer-based assessment? Are there barriers to making this a computer-based assessment?

Staff Recommendation: Information Only. The budgeted amounts for statewide assessments will be updated at the May Revision, based on final cost estimates.

6100 DEPARTMENT OF EDUCATION

Issue 6: K-12 High Speed Network

Description: The K-12 High Speed Network (HSN) supports LEAs around the state in connecting to the internet. This issue reviews the budget and reserves of the HSN.

Panel:

- Natasha Collins, Legislative Analyst's Office
- Rebecca Hamilton, Department of Finance
- Luis Alejandro Wong, Chief Executive Officer, HSN
- Debra Brown, Department of Education

Most schools connect to their school district office or county office of education which then connects to a high-speed internet backbone (a series of fiber-optic cables that run across large distances) operated by the Corporation for Education Network Initiatives in California (CENIC). The HSN contract pays for Internet connections from the district or county office of education to the CENIC backbone. CENIC is a non-profit organization that provides Internet services to educational agencies in California.

The HSN was established in 2004-05, when the state provided funding for a HSN grant, which was awarded to the Imperial County Office of Education. The HSN assists schools with connecting to the Internet through CENIC and provides other technology-related support services. In addition, the HSN has recently been charged with implementing two new initiatives—the Broadband Infrastructure Improvement Grant program and the Technical Assistance and Professional Development Initiative.

The HSN receives nearly all of its revenue from Proposition 98 General Fund and two Internet subsidy programs. The General Fund provided to the grantee by CDE typically comprises about half of its total revenue. The remaining revenue primarily comes from E–Rate and the California Teleconnect Fund (CTF). E–Rate is a federal telecommunications subsidy that provides reimbursements of up to 90 percent for Internet service. The CTF is a state special fund that provides reimbursements of 50 percent for Internet service, after all E–Rate discounts are applied. Both subsidies are funded by telecommunication user surcharges. The HSN expenditures are primarily for (1) CENIC's services, (2) salaries and benefits for the HSN employees, and (3) equipment purchases.

According to the LAO, the HSN received about $8 million annually in Proposition 98 General Fund and also receives subsidies for Internet services purchased from commercial providers. In 2015-16, the HSN was not provided an operations appropriation and instead HSN used excess reserves to cover operational expenses. The HSN had a projected reserve of $14.7 million after 2014-15, which had built up over time as revenues exceeded costs. After 2015-16, the HSN is projected to have a remaining reserve of $5.5 million. The 2015-16 budget act also required a separate audit of the K-12 HSN, in previous years, the K-12 HSN audit was part of a larger Imperial County Office of Education audit and it was difficult to break out the financial data for the K-12 HSN. The chart below shows historical and projected HSN expenditures:

HSN Grantee Budget Summary

(In Millions)

	2013–14 Actual	2014–15 Actual	2015–16 Estimated	2016–17 Proposed
Expenditures				
CENIC services				
COE connections to backbone	$5.8	$7.1	$7.4[a]	$7.8[a]
Backbone	4.8	4.8	4.8	4.8
Other[b]	0.7	1.0	1.0	0.8
Subtotal	**($11.3)**	**($12.9)**	**($13.2)**	**($13.4)**
Salaries and benefits	$1.3	$1.4	$1.5	$1.6
Equipment	2.6	0.2[c]	1.0[c]	0.5[c]
Other[d]	1.1	1.7	1.9	1.6
Totals	**$16.2**	**$16.1**	**$17.6**	**$17.1**
Revenues				
General Fund (Proposition 98)	$8.3	$8.3	—[e]	$8.0
E–Rate	4.0	4.7	$5.0	5.2
CTF	3.2	3.4	3.4	3.5
Other	0.1	0.1	8.3[f]	0.4[f]
Totals	**$15.6**	**$16.5**	**$16.7**	**$17.1[g]**

[a]HSN assumes COE connection costs increase 5 percent in 2015–16 and 2016–17 (based on historical trends from 2010–11 to 2014–15).

[b]Includes E–Rate management and other services.

[c]Set aside for future expenditures.

[d]Includes travel, indirect costs, administrative expenses, and contracts with entities other than CENIC.

[e]HSN was authorized to use up to $8.3 million of its reserve in lieu of state General Fund.

[f]Reflects draw down of reserve.

[g]The Governor's budget includes an additional $2.2 million in expenditure authority for any "unanticipated cost or emergency."

HSN = High Speed Network; CENIC = Corporation for Education Network Initiatives in California; COE = county office of education; and CTF = California Teleconnect Fund.

Source: Legislative Analyst's Office

Governor's Budget:

For 2016-17, the Governor's budget proposes to provide $8 million in Proposition 98 funding for the HSN, of this, $4.5 million is from 2016-17 funding and $3.5 million is from one-time funding. In addition, it is assumed that the HSN will receive $10.9 million in state and federal subsidies in 2016-17. With this funding level, the HSN would be left with a reserve level of approximately $5.5 million. However, DOF notes that since the January proposal, the HSN has identified estimated costs of $2.6 million to administer the BIIG 2.0 grants (discussed in Issue 7 of this agenda) and an additional $1.2

million to replace equipment at seven counties, as result, the estimated reserve would be approximately $1.7 million.

LAO Analysis and Recommendation:

The LAO's recent report, *The 2016-17 Budget: Proposition 98 Analysis*, raises concerns about the Governor's proposed funding level, noting that the 2016-17 proposed budget would reinstate the historical amount of funding for the HSN without attempting to size the budget more appropriately to HSN activities. They also note that the HSN would continue to be left with a large reserve, at the end of 2016-17, primarily to guard against fluctuations in the timing of receiving internet subsidies.

The LAO further recommends that the Legislature reject the Governor's proposal to provide funds for the HSN and instead require the HSN to continue to fund operations in the 2016-17 year with their reserves.

Suggested Questions:

- What unanticipated costs does the HSN potentially face each year? What does the HSN see as an adequate reserve for operations?

- How does the timing of federal and state subsidy reimbursements for internet services affect the HSN budget?

- How does the HSN see costs for internet connections for schools changing in the future?

Staff Recommendation: Hold open pending additional information at the May Revision.

6100 DEPARTMENT OF EDUCATION

Issue 7: Broadband Infrastructure Investment Grants and Technology Training

Description: California's schools have a greater need to provide Internet access to their students than ever before, with the advent of statewide online testing. To address this need, in the past two years, the state had provided Broadband Infrastructure Investment Grants through the K-12 HSN to address school sites that have no or limited internet connectivity. In addition the state has provided one-time funding to increase local capacity for supporting technology. This issue reviews those continued efforts.

Panel:

- Natasha Collins, Legislative Analyst's Office
- Luis Alejandro Wong, Chief Executive Officer, California K-12 High Speed Network
- Debra Brown, Department of Education
- Rebecca Hamilton, Department of Finance

Background:

According to the HSN, the ability of school access to the Internet varies across the state for a variety of reasons; available infrastructure is often the biggest barrier – both remote, rural areas and low-income, urban areas face issues related to lack of infrastructure. Other barriers include limited technical capacity in school staff, limited dedicated state funds in recent years, and geographic isolation. While the HSN has been working to increase Internet access across the state for the past decade, recent state policies have made this access a greater priority than ever before.

The new statewide student assessment system not only aligns with new state academic content standards, but also requires computer-based, and in some cases computer-adaptive, assessments to replace many assessments that were previously paper and pencil exams. LEAs have faced challenges in upgrading their technology needs, not just hardware and software needs, but also Internet connectivity and load capacity (how many students can take the assessment at one time).

Recognizing the critical need for many schools to upgrade their Internet access in the face of new assessment requirements, the 2014-15 budget provided $26.7 million for the Broadband Infrastructure Improvement Grants (BIIG) program and the 2015-16 budget act provided an additional $50 million in grants. These grant phases are referred to as BIIG 1.0 and BIIG 2.0. These funds were for improvement of network connectivity infrastructure for schools, specifically infrastructure known as the "last mile" connection. The last mile is typically the connection from the school to the school district office or county office of education. The types of physical connections can vary, the most common being fiber cable, microwave, or satellite connections. Fiber connections, particularly fiber optic connections, generally provide the highest capacity. According to the K-12 HSN, approximately 93 percent of sites use fiber connections (87 percent fiber optic cable). Microwave and satellite connections are generally used in areas where the physical location of the school would make building fiber connections a costly endeavor.

BIIG Intended to Help Some Schools Access the Internet[a]
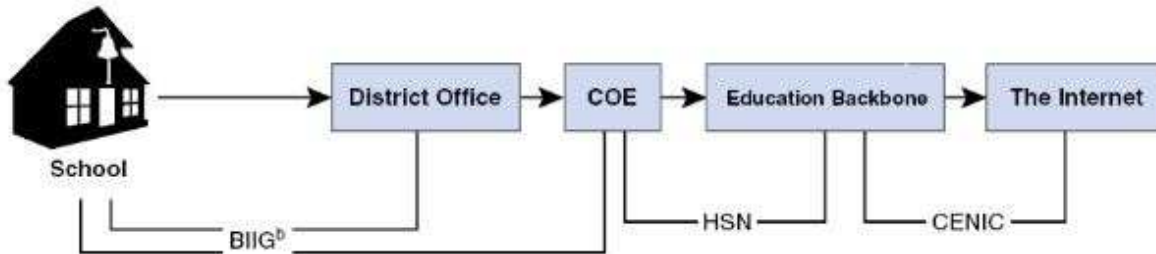
[a] Distances not to scale. Distance from school to district office and from district office to backbone or other sites vary signififcantly across state.

[b] Schools use BIIG for their last-mile connections—connecting them either to their district office or COE, depending on existing infrastructure.

BIIG = Broadband Infrastructure Improvement Grants; COE = county office of education; HSN = High Speed Network; and CENIC = Corporation for Education Network Initiatives in California.

Source: Legislative Analyst's Office

BIIG funding is one of many sources of that LEAs can use to meet their technology needs. The state has provided a variety of funds sources that LEAs may use for technology, including: LCFF funding, a one-time allocation of $1.25 billion of Proposition 98 funding in the 2013-14 year for implementation of state standards, $3.6 billion in mandates backlog funding in the 2014-15 and 2015-16 budget that may be used for any purpose, although legislation included intent language that it be used for implementing common core standards. Additionally, LEAs are eligible for state and federal Internet subsidies that can pay for up to 95 percent of monthly service costs as determined by the district's poverty (Free and Reduced Lunch Program) rate.

BIIG 1.0

According to the HSN, the first round of BIIG funds is being provided to upgrade connectivity to 184 sites. These grantees were determined through a multi-step process. First priority was given to schools that were unable to administer the CAASPP field test in 2014 due to last mile connectivity, with second priority for those schools that had to limit other Internet use in order to conduct the tests. Sites that ultimately are receiving BIIG funds do not get funds that go directly to schools, instead funds are managed by the HSN and CENIC and pay for one-time costs to upgrade circuits, construction, installation, and equipment. Also, ongoing monthly costs are covered through June 30, 2016. Sites receiving BIIG grants will have dramatically improved network speeds, access to a statewide research and education network, access to higher connectivity at lower costs, and most will have scalable connections to ensure room for future growth, as well as ensuring the sites can provide the new online assessments.

There were some eligible sites that did not initially receive a solution under BIIG 1.0 for a variety of reasons; these sites may not have received bids or may have received prohibitively expensive bids due to geographical isolation of sites, and potential lack of business opportunities for vendors. In some cases, potential solutions may be limited to wireless solutions, which have limitations for reliability and scalability, however have a shelf life of 7-10 years. However, the K-12 HSN reports that a solution is now underway for almost all eligible sites that applied for BIIG 1.0.

BIIG 2.0

In 2015-16, the state provided $50 million for an additional round of BIIG. Similar to BIIG 1.0, these funds are to be used first for schools that are unable to administer computer-based assessments at the schoolsite. Second priority for critical need grants shall go to the local educational agencies that have to shut down essential operations to administer computer-based assessments at the schoolsite, including, but not limited to, business services, email, and access to other critical online activities. The HSN may fund projects that will result in per-pupil costs of more than $1,000 per test-taking student only upon approval of the DOF, and no sooner than 30 days after notification in writing is provided to the Joint Legislative Budget Committee. If funds remain after grants have been distributed to all identified schoolsites for priorities one and two for which the HSN is able to identify solutions, the HSN may provide grants to under-connected schools that do not have adequate broadband infrastructure to increase connectivity rates in a cost effective manner pursuant to a plan approved by the DOF no sooner than 30 days after notification in writing is provided to the Joint Legislative Budget Committee if the cost per testing student exceeds $1,000. As a condition of receiving grant funding, all local educational agencies shall commit to supporting the ongoing costs associated with improved Internet infrastructure.

In March 2016, HSN identified costs for 221 schools of which DOF notified the JLBC and the JLBC concurred, of its intent to approve the HSN proposal to implement 47 internet infrastructure grants that were above $1,000 per student. Thirteen, or possibly fourteen of these sites declined services for various reasons, 33 or 34 will move forward along with the other 174 sites that cost less than $1,000 per testing student.

Technical Assistance and Professional Development Initiative.

The HSN released "*Connecting California's Children 2015, Supplemental Report: Findings and Observations*" in April of 2015 based on a requirement in last year's budget for the HSN to provide information on network connectivity in California's K-12 system. The report included a variety of findings, including that technical support of LEAs varies widely.   As part of the Educator Effectiveness Grant provided in the 2015-16 budget act, $10 million was allocated to the HSN to address this ongoing issue of lack of technical expertise at district and school sites. Specifically, the budgeted funds were for the purpose of providing professional development and technical expertise to local educational agencies related to network management.   Trailer bill language specified that professional development shall include training of local educational agency staff and development and distribution of best practices, guidance, and other elements of technical support to implement network infrastructure within schools and to provide school districts with utilization information for optimal decisions. Language also specified that the HSN could partner with county offices of education or other LEAs to ensure statewide access to training and resources. In February 2016, the HSN conducted a survey to gather information on the technology knowledge gaps of LEAs. Using the survey data to inform their approach, the HSN has a preliminary plan that will focus on the following:

- Security
- Network Management
- Diagnostic Tools
- Purchasing

The HSN plans to use a combination of methods for the distribution of training and resources, including statewide conferences, online resources, traveling roadshows, wireless boot camps, opportunities for IT personnel to earn additional certifications in their field, call centers and on-demand support.

Suggested Questions:

- What types of eligible school sites remain for BIIG 2.0?

- When does the HSN anticipate training and resources from the Technical Assistance and Professional Development Initiative will be available for LEAs?

Staff Recommendation: Information Only