

Zaragoza-Diaz & Associates

Martha Zaragoza-Diaz

MEMO

To: C.A.B.E. Board Members
From: Martha Zaragoza Diaz, Lobbyist
Subject: Legislative Report
Date: May 30, 2017
Cc: Jan Gustafson Corea, C.E.O.

I. Sponsored Legislation

Both of our sponsored bills are proceeding through the legislative process. Please refer to the Status Report on Legislation, May 29, 2017 for outcomes of the other bills CABE has been following. Please note the sponsored bills are co-sponsored with Californians Together.

AB 952 (Reyes) The Bilingual Teacher Professional Development Program

Amended: May 26, 2017

Summary: The bill would establish The Bilingual Teacher Professional Development Program. The California Department of Education is to allocate funding to consortia (school districts or county offices of education in partnership with IHEs, non-profit organizations or professional organizations with an expertise on English learners. These consortia are to provide professional development to two categories of teachers seeking to work in bilingual classrooms: 1) teachers with a bilingual authorization but who have taught only in English only classrooms and 2) credentialed teachers who are proficient in a language other than English. The California Department of Education is to administer the program. Additionally, the California Commission on Teacher Credentialing is to identify other high quality pathways to obtain a bilingual authorization such as developing a pathway for students who have received a State Seal of Biliteracy. The bill was amended to reflect the \$10 million dollars in one-time Proposition 98 funding.

Status: Moved off the Suspense File of the Assembly Appropriations Committee.

Position: Support

AB 1142 (Medina) State Seal of Biliteracy

Amended: April 3, 2017

Summary: This bill would replace obsolete references to the CELDT and to the English Language Arts assessment. The obsolete references are replaced with

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references to the ELPAC (as specified) and the SBAC English Language Arts assessment.

Status: Senate Education Committee: Hearing not set.

Position: Support

II. May Budget Revise

A. General Provisions:

On May 11, 2017 the Governor presented his 2017-18 May Revision budget proposal to the Legislature. This summary describes the major features of the Governor's May Revision as well as key Education K-14 revisions.

General Fund Reserves: Under the Governor's plan, the state would add to reserves in 2017–18, ending that fiscal year with \$10.1 billion in total reserves. This consists of: (1) \$1.6 billion in the state's discretionary reserve, the Special Fund for Economic Uncertainties (SFEU), and (2) \$8.5 billion in the state's mandatory reserve, the Budget Stabilization Account (BSA), which is governed by the terms of Proposition 2 (2014). Total reserves are \$701 million higher than budgeted in January (\$619 million in the BSA and \$83 million in the SFEU).

Estimated Revenues: State taxes are up \$2.1 billion across 2015-16, 2016-17, and 2017-18 combined. This increase is largely attributable to a \$3.1 billion increase in 2017-18 personal income tax (PIT) revenues, the state's largest revenue source. Across the three fiscal years, estimate of corporate tax revenues increases by nearly \$400 million. These increases are partially offset by declines in the estimates of sales and use tax revenues, which are down \$1.2 billion across the three years relative to the administration's January estimates. Other revenues and transfers account for the remainder of the \$2.4 billion increase in revenues and transfers (excluding the BSA deposit).

Required and Discretionary Spending on Schools and Community Colleges Up \$2.2 Billion: Proposition 98 determines the minimum amount the state must spend on schools and community colleges each year. This minimum amount is funded by a combination of General Fund revenues and local property taxes. Relative to January, estimates of local property tax revenues have declined by a combined \$664 million across the three fiscal years, resulting in an equal and offsetting required increase in General Fund spending. In addition to these required spending increases, the Governor proposes appropriating more funding to schools and colleges than is required by the constitutional minimum funding level. Across the three fiscal years, these discretionary increases total \$1.6 billion, resulting in a total increase for schools and community colleges of \$2.2 billion, over the period. The Governor had about \$2.1 billion in additional discretionary resources to allocate in the May Revision. The majority of this funding went toward additional discretionary spending for schools and community colleges. As it finalizes the budget package, the Legislature can apply its own priorities in allocating these resources.

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Supplemental Payment for State Pension: The administration proposes making an additional payment of \$6 billion to reduce the unfunded liability of CalPERS, the pension system for retired state employees. This payment would be funded by a loan from the state's portion of the Surplus Money Investment Fund, which is a part of the state's short-term savings account. The General Fund would repay its portion of the loan through future required debt payments under Proposition 2.

Reductions in Place: While the Governor proposes undoing some of the budget actions proposed in January, he leaves several reductions in place. These include, for example, the elimination of \$400 million in affordable housing funding, canceling a scheduled transfer of \$300 million to support future construction and maintenance of state office buildings, a phase-out of Middle Class Scholarships, and a variety of other, smaller spending reductions in health and human services and other programs.

B. May Revision Education Proposals

The May Revision departs notably from prior years in that it funds above the required Proposition 98 levels—providing \$1.6 billion more than required over the 2015-16 through 2017-18 period. This augmentation, coupled with another \$594 million in higher Proposition 98 General Fund support that primarily covers lower property tax estimates, results in schools and community colleges reaping nearly all of the benefit under the May Revision. Other key aspects of the May Revision, include the additional funding provided to accelerate implementation of the Local Control Funding Formula and “unpausing” the implementation of the budget agreement on childcare and preschool.

Proposition 98 Funding: The May Revision Increases Proposition 98 Funding by \$1.5 Billion. Compared with January, the May Revision proposes \$1.5 billion in additional funding across the 2015-16 through 2017-18 period (\$433 million in 2015-16, \$22 million in 2016-17, and \$1.1 billion in 2017-18). Under the May Revision, total Proposition 98 funding in 2017-18 is \$74.6 billion, a \$3.2 billion (4.5 percent) increase over the revised 2016-17 level. The May Revision also lowers local property tax estimates by a total of \$664 million across the period, due primarily to secured property tax collections lagging expectations. Proposition 98 General Fund spending, by contrast, increases \$2.2 billion across the period.

Three Major Changes to the January Proposal:

- \$2.8 billion more in 2017-18 for K-12 schools, an increase of 5.4%.
- Approximately \$1.1 billion in additional LCFF funding, reaching 97% of full implementation for that program.

May Revision Highlights:

- County Office of Education LCFF receive an increase of \$2.4 million to support a COLA and ADA changes.

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- An increase of \$750 million from January in Prop 98 discretionary funding for schools, a total of \$1 billion.
- COLA funded at 1.56% or \$61.3 million dollars for specified categorical programs outside of the LCFF including: \$58.1 million for Special Education, Child Nutrition, Foster Youth, Preschool, American Indian Education Centers and the American Indian Early Childhood Education program.
- Special Education: 1) Includes no proposal related to special education reform and instead commits to spending additional time in the coming months examining the issue and 2) school districts are responsible for planning and implementing programs.
- Career Technical Education: Includes \$200 million to support the third year of the CTE Incentive Grant Program, a \$900 million commitment over 3 years.
- Mandate Block Grant: Proposes an increase of \$8.5 million to reflect the addition of the Training for School Employee Mandated Reporters Program.
- Charter Schools: Proposes an increase of \$93 million Prop 98 GF to support projected charter school ADA growth.
- Early Education and Child Care: Restores funding for childcare and preschool programs agreed to in the 2016 Budget Act.
- Instructional Quality Commission: 1) Delays the current deadlines for the IQC to revise the content standards for visual and performing arts and world language, develop standards for computer science and create a model curriculum in ethnic studies and 2) delays the current deadline date for the SPI to convene a computer science strategic implementation advisory panel.
- Competitive Grant Program for Education Recruitment and Support: “Repurposes” \$11 million in federal Title II local assistance funding for a new competitive grant program that would assist LEAs with attracting and supporting the development of educators in high-need subjects and schools. The program would be administered by the Commission on Teacher Credentialing (CTC) and the California Center on Teaching Careers, an entity created by the state in 2016-17 to conduct a statewide teacher recruitment campaign.

III. Budget Conference Committee

The “budget dance” begins! The budget subcommittees of both houses have finished their work and have provided their budget recommendations to their respective full budget committees. The Budget Conference Committee will now begin its work in reaching agreement to “nonconcurring” budget items. Members of the Budget Conference Committee are: 1) Assembly Members: Ting (Chair), Kevin McCarty, Shirley Weber, Joaquin Arambula (Alt), Jay Obernolte, and Phillip Chen and 2) Senators Holly Mitchell, Ricardo Lara, Richard Roth, Jim Nielsen and John Moorlach. The Budget Conference Committee has begun its hearings. One of the items we will be advocating for is making sure that the \$10 million in one time Prop 98 funding will be included in the final budget that will be forwarded to the governor on or before June 15, 2017. Stay tuned for Action

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Alerts on this very important budget item. We need to thank Assembly Member Kevin McCarty for his leadership on identifying the funding for AB 952 and to thank the Assembly Budget Subcommittee 2: Education Committee for their yes vote in approving this budget item.

IV. Proposed ESSA State Plan

The current draft of the ESSA State Plan reflects policy decisions that have been made by the SBE. It has been written to meet, and not exceed, federal statutory requirements in a manner that furthers California's actions to implement an "effective education system that reflects a commitment to performance, equity and continuous improvement".

English learner issues being advocated for include:

- Inclusion of the California Spanish Assessment in California's accountability system.
- Inclusion of LTELs in the EL Proficiency Indicator
- Description of monitoring and technical assistance.
- Inclusion of ECE.

CDE is partnering with select county offices of education and other education organizations to convene stakeholder meetings. The purpose of these meetings is to review and gather feedback on the first complete draft of California's ESSA State Plan. The State Plan describes how California will put into place federal programs such as low-income students, migratory children, and English learners.

The meetings will take place during the public comment period May 22-June 30. Any interested public member is welcome to attend. (Please refer to "ESSA Let Your Voice Be Heard!") If you are unable to attend a stakeholder meeting, public comment can be provided by using the ESSA Stakeholder Toolkit:

<http://cde.ca.gov/re/es/essaopptopart.asp>.

The Draft ESSA State Plan is available: <http://www.cde.ca.gov/re/es/draftplantoolkit.asp>. A Spanish translation is available. Please note that these materials are based upon the draft ESSA State Plan presented to the State Board of Education on May 10, 2017 and reflect direction received by the Board during its May 2017 meeting. Activities and funding amounts described in the plan are subject to change as state and federal budgets are finalized.

Stakeholder feedback will be shared with the SBE at its July 2017 and September 2017 meetings, providing multiple opportunities for public input. California intends to submit its State Plan to U.S.D.O.E. on September 18, 2017.

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