

# Zaragoza-Diaz & Associates

Martha Zaragoza-Diaz

## MEMORANDUM

To: CABE Board Members

From: Martha Zaragoza Diaz, Lobbyist

Subject: January 2018 Legislative Report

Date: January 15, 2018

Cc: Jan Gustafson Corea, Chief Executive Officer

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### **I. Governor's Proposed 2018-19 State Budget**

On January 10, 2018 the Governor presented his initial 2018-19 budget plan to the Legislature. Key features of the Governor's budget plan identified by the California Legislative Analyst Office are outlined below.

#### **A. Key Features of the Governor's Budget Plan**

##### **Reserves**

Proposes extra deposit of \$3.5 billion into rainy day reserve (in addition to \$1.5 billion in required deposits).

Proposes discretionary reserve balance of \$2.3 billion.

##### **Schools and Community Colleges**

Fully funds the Local Control Funding Formula (\$2.9 billion).

Provides \$396 million in additional apportionment funding for community colleges and changes the allocation formula.

Proposes a new high school career technical education program (\$212 million).

Creates an online community college (\$100 million one time, \$20 million ongoing).

Provides \$1.8 billion in one-time per pupil discretionary grants.

##### **Infrastructure and Equipment**

Provides \$375 million for the design and construction of trial courts.

Proposes \$134 million to purchase new voting systems in counties.

Provides \$136 million for infrastructure projects and equipment at correctional facilities.

Proposes various other infrastructure projects and equipment purchases.

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## Other

Extends and changes business tax credits (future annual losses of over \$200 million).

Provides \$210 million for trial court operations.

Provides \$92 million each for CSU and UC, a 3 percent General Fund base increase for both segments.

Provides \$131 million for counties to address Incompetent to Stand Trial wait list.

## **B. Overview of K-12 Public Education Budget Proposal**

Per the California Legislative Analyst Office, the Governor's budget contains a total of \$6.3 billion in new Proposition 98 spending proposals for K-12 education, the California Community Colleges, and preschool. Of the augmentations, \$3.9 billion is ongoing and \$2.4 billion is for one-time activities. Outlined below are the major components of the Governor's Proposition 98 spending plan.

### **1. Major Components of Governor's Proposition 98 Spending Plan**

#### **Ongoing Augmentations**

Fund full implementation of K-12 Local Control Funding Formula (\$2.9 billion).

Increase community college apportionments and implement new allocation formula (\$396 million).

Create new high school career technical education program (\$212 million).

Fund new system of regional and county support for low-performing school districts (\$70 million).

Cover operating costs of new fully online community college (\$20 million).

#### **One-Time Initiatives**

Provide school districts with per-student discretionary grants (\$1.8 billion).

Address deferred maintenance at the community colleges (\$275 million).

Fund startup costs of new fully online community college (\$100 million).

A summary of the key provisions of the K-12 Education, Early Childhood Education and Higher budgets prepared by my associate Monique Ramos is attached.

## **II. General Concerns Identified by the Legislative Analyst Office**

- The Governor's budget allocates all of the funding increases associated with 2017-18 and prior years to one-time initiatives. Regarding 2018-19 funding, the

Governor's budget allocates \$1.3 billion to one-time initiatives and \$3.9 billion to ongoing programs.

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- Many of the Governor's proposals relate to issues of longstanding interest and concern to the Legislature such as prioritized implementation of the LCFF, expanding Career Technical Education, increasing community college apportionments and addressing backlog of mandates.
- The Legislature may have different priorities for the 2018-19 such as increasing per student funding for special education services.
- The new community college funding formula represents the most significant change to community college funding in many years.
- The proposed online college is another significant proposal, raising several key issues. The governance structure of the new college, its program offerings, and its relationship to existing online community college programs will be particularly important to consider.
- The package of proposals to support and improve low-performing school districts also involves many key decisions, including the role of COEs in the state's new K-12 accountability system
- The Governor's per-student funding approach likely will never eliminate the mandate backlog. The backlog currently totals an estimated \$870 million, with most remaining claims concentrated in a few districts. With two-thirds of districts having no claims, much of the \$1.8 billion included in the Governor's budget would have no effect on the backlog

The "budget dance" begins. Legislative budget hearings will commence. Stay tuned for further budget updates.

### **III. Legislation Sponsored by CAFE and Californians Together**

Two pieces of legislation will be sponsored by CAFE and Californians Together. The language for both of these bills have been submitted to Legislative Counsel and authors for these bills have not been secured.

Conceptually, the two bills are:

1. Inclusion of the California Spanish Assessment (CSA) in California's accountability system. Elements of the bill include:

- Inclusion of the CSA in California's accountability system
- development of criteria for when and who should take the CSA and when and who should take the SBAC ELA assessment.
- translation of the report required pursuant to Education Code Section 60641 (2) in the primary language of parents of English learners. CDE will identify which primary language(s).
- reporting of designated supports given to English learners by school districts to the CDE.

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Please note conversations with CDE on this issue are continuing on this issue so the legislation may be revised to hopefully reflect agreement made by the department on specific elements of this issue.

An issue that needs to be discussed further and reflected in the bill is when should students in 50/50 models of Dual Language Immersion Programs take the CSA and when should they take the SBAC ELA or should they be double tested?

2. Establishment and implementation of an incentive grant program for dual language immersion programs, transitional or developmental bilingual programs and early learning dual language learner programs. The purpose of the incentive grant program is to grow capacity for high quality dual language learning by :

- 1) establishing dual language immersion, transitional or developmental bilingual programs for elementary and secondary students;
- 2) Establishing early learning dual language learner programs
- 3) Providing support to existing dual language immersion or transitional or development bilingual programs and
- 4) Providing professional development modules to school districts, county offices of education, charter schools or early child education programs with demonstrated professional development specific on how to design and expand Dual Language Immersion or transitional developmental programs.

Key Elements of the bill include :

- The incentive grant program is for three years, beginning September 1, 2019
- The incentive grant program to be administered by the Department of Education
- Identifies criteria applicants must meet in order to be eligible to apply for the incentive grants.
- Identifies uses of the incentive grant funding.
- Requires an evaluation of the program and a specified report to the legislature.
- Specifies the incentive grant funding is to supplement federal, LCFF or private resources used by school districts and districts for the establishment or expansion of specified programs.

Funding total for this incentive grant program and the source of the funding will be identified as the bill evolves.