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The 2014-15 Budget: Specialized Secondary Programs and Agricultural Education Grants

L E G I S L A T I V E A N A L Y S T ' S O F F I C E

Presented to:

Assembly Budget Subcommittee No. 2 on Education Finance
Hon. Al Muratsuchi, Chair





Background: K-12 Funding System



Historically Schools Have Been Funded Through General Purpose Monies and Dozens of Categorical Programs

- General purpose funds are unrestricted and can be used for any educational purpose.
- Categorical funds are restricted for specific activities.



Broad Consensus That Categorical System Had Major Problems

- Myriad formulas and requirements.
- Districts received notably different per-pupil funding rates based on historical factors and varying participation in categorical activities.
- Compliance-oriented rather than outcomes-oriented.
- Limited ability by districts to design education programs based on local needs and priorities.



The Local Control Funding Formula (LCFF) Replaced Dozens of Categorical Programs and Formulas With One Simplified Funding Formula

- Spending restrictions and reporting requirements were eliminated permanently for most categorical programs and the associated funding became part of the LCFF.
- The new funding formula provides higher rates for higher grade levels and additional amounts for English-learner (EL) and low-income (LI) students.
- The intent of LCFF is to provide a simpler, more rational funding system that allows districts to more easily target funds toward high priorities.



Background: K-12 Accountability



State Holds Schools Accountable Based on the Academic Performance Index (API)

- The API measures and ranks the academic performance of schools based primarily on student assessments.



State in Process of Refining API to Include Career Technical Education (CTE) Performance Indicators

- The State Superintendent of Public Instruction must develop by 2015-16 a revised API for high schools that includes college and career readiness indicators.



Districts Are in the Process of Developing Local Control and Accountability Plans

- In conjunction with LCFF, the Legislature adopted a new accountability system centered on eight state priority areas, including student achievement, engagement, and other student outcomes.
- As part of the student achievement priority area, districts must set goals and track progress on the API.



Overview of Specialized Secondary Programs



Specialized Secondary Programs (SSP) Consists of Two Distinct Parts

- Limited-term competitive grants.
- Base funding for two high schools that are affiliated with California State University (CSU).



Competitive Grants Totaling \$3.4 Million Awarded in 2013-14

- The California Department of Education (CDE) awarded 67 grants averaging \$50,000.
- Funding is awarded in four-year grant cycles as “seed” funding for the development of innovation programs and curricula.
- Arts, science, and technology are common program themes.
- Funds are provided on top of the LCFF monies districts receive.



Total of \$1.5 Million in Ongoing SSP Funding Provided to Two High Schools

- Amount is split evenly between an arts-themed high school affiliated with CSU Los Angeles and a math- and science-themed high school affiliated with CSU Dominguez Hills.
- The SSP funds are provided on top of LCFF monies and are used primarily to pay for teachers.



Overview of Agricultural Education Grants



Agricultural Education Grants Totaling \$4.1 Million Awarded in 2013-14

- The CDE awarded 303 grants to 222 districts averaging \$13,500.
- Funds typically are used to purchase agricultural equipment and supplies.
- Funds may not be used to cover teacher or staff compensation.
- Funds are provided on top of the LCFF monies districts receive.



Grant Funds Are Awarded to All Qualified Applicants

- Grantees must operate state-approved agricultural programs and provide matching funds.
- Six regional supervisors conduct on-site reviews and provide ongoing technical assistance to grantees.
- Grantees are evaluated annually on several program quality indicators, including curriculum and staffing requirements, leadership development, industry involvement, and career guidance.



Governor's Proposal



Adds SSP and Agricultural Education Grants to LCFF

- Districts receiving these categorical funds in 2013-14 would continue to receive the funds in 2014-15 and subsequent years.
- Funds would no longer be on top of the LCFF monies districts receive.
- Districts could choose to use funds exactly as they do now or in other ways to meet students' needs.



Increases Funding for LCFF

- The average high school base funding rate would increase from \$6,306 in 2013-14 to \$6,987 in 2014-15, an increase of \$681 or 11 percent. (When accounting for the additional funding provided for EL/LI students, the high school rate is higher—\$8,384 in 2014-15.)



LAO Assessment and Recommendations

- ☒ **Proposal to Add SSP and Agricultural Education Grants to LCFF Is Consistent With State's Decision to Provide More Local Flexibility**
- ☒ **SSP Competitive Grants**
 - Course and program development is a core function for educators, and schools already have wide discretion to use LCFF for such core activities.
- ☒ **SSP-Funded High Schools**
 - These two schools receive roughly \$1,200 more in per-student funding than other high schools with similar students.
- ☒ **Agricultural Education Grants**
 - Districts widely use LCFF for equipment and related operational costs in other high school academic and technical programs.
 - Rationale is unclear for continuing to provide a small, separate appropriation to cover similar costs for one specific discipline.
- ☒ **Recommend Legislature Approve Governor's Proposals**
- ☒ **Recommend Holding High Schools More Accountable for CTE Student Outcomes**