



YPI CHARTER SCHOOLS EXECUTIVE DIRECTOR'S REPORT

March 26, 2020

The mission of the YPI Charter Schools (YPICS) is to prepare students for academic success in high school, as well as post--secondary education; prepare students to be responsible and active participants in their community; and enable students to become life-long learners. Students at YPI Charter Schools will become active citizens who characterize the ideals of a diverse and democratic society. Students will provide service to their community, take responsibility for their own learning, and develop the habits of mind and body that will empower them to be successful in high school and beyond.

CCSA:

The 27th Annual California Charter Schools Conference was scheduled at the Long Beach Convention Center March 16 to 19, 2020. Information on what to expect with the implementation of AB 1505 was going to be the major focus area. However, due to guidance from the County and State Public Health Departments on large events and gatherings, the conference was canceled.

State:

From School Services of California —

"2020—21 State Budget Trailer Bill-Special Education Funding Formula"

posted february 19, 2020

The much-anticipated proposed new special education funding formula language was released on Friday, February 14, 2020. As summarized by the Administration on January 10, the proposal would create a new special education funding formula based on a three-year rolling average of average daily attendance (ADA) at the local educational agency (LEA) level, while continuing the distribution method of sending special education funds through Special Education Local Plan Areas (SELPAs).

The proposed trailer bill:

1. Sunsets the Education Code sections often referred to as Assembly Bill (AB) 602, ending its operation on July 1, 2020
2. Replaces it with a new two-prong calculation similar to this year's calculation that equalized two-thirds of SELPAs to the statewide target rate

Each UA's (district, charter, and/or county office of education) funding per ADA will be applied at the higher of the two scenarios:

1. \$660 per second principal apportionment ADA average of the current and past two years
 2. Per-ADA amount in the 2019-20 fiscal year based on the LEA's SELPA AB 602 rate, plus the cost-of-living adjustment (COLA)
- For those LEAs that would be funded at the proposed \$660 rate, a COLA would be applied in future years

- For those LEAs that are funded at their historic, “hold harmless” rate, no COLA is provided—a “hold harmless” UA leaves its current SELPA, it defaults to the \$660 rate as under current law, SELPA Funding Allocation Plans vary widely and will determine the use of the additional funds as agreed upon by the local SELPA governance councils.

The proposal is able to significantly raise the per-ADA special education funding rate due to the repurposing of this year’s two pots of funds: \$152 million in AB 602 equalization And \$493 million to districts based on preschoolers with disabilities counts.

As a reminder, the Administration also proposes to provide a second year of one-time funding to districts based on preschooler’s with disabilities, which is at a total of \$250 million statewide this year.

“LAO Analyzes Governor’s Education Proposals”

posted February 28, 2020

On February 24, 2020, the Legislative Analyst’s Office (LAO) released its annual report that evaluates Governor Gavin Newsom’s major education spending proposals. Generally, the LAO supports Governor Newsom’s overall approach to the education budget— that is, it appreciates how he balances ongoing spending with one-time investments. This approach, the LAO suggests, cushions lawmakers from having to make future cuts in the event that the estimated Proposition 98 minimum guarantee does not materialize, which is particularly sensitive given the risks to the state and national economies—the most recent of which is the effect of the global pandemic of the coronavirus and its impact on production and trade.

LAO Recommends Using One-Time Investments to Relieve Local Fiscal Pressures

Although the LAO applauds the Governor’s overall spending approach, it recognizes that many of his proposals for one-time spending (approximately \$1.7 billion) are for programs that offer no relief to the pressures that local educational agencies (LEAs) continue to face. These pressures include increased employer contribution rates for employee retirement programs, demands for higher compensation, and increased costs associated with serving students with disabilities.

In lieu of using new resources to fund workforce programs, special models that integrate academic and non-academic student support programs, and programs aimed at addressing the achievement gap, the LAO recommends that the Legislature use the funds to provide immediate or long-term relief to local general funds. Most notably, the LAO suggests that a supplemental payment to the California State Teachers' Retirement System (CalSTRS) and the California Public Employees’ Retirement System unfunded liabilities on behalf of LEAs could have long-term financial benefits. They estimate that a \$1 billion supplement payment could result in savings ranging front \$1 billion to \$3.3 billion in the long run. The LAO also offers that lawmakers could also consider buying down planned increases to employer contribution rates for the budget year, including a special buy down for CalSTRS to help smooth out rate increases through 2021-22.

LAO Supports Governor’s Increase to LCFF

With respect to the Local Control Funding Formula (LCFF), the LAO notes that the Governor’s 2.29% cost-of-living-adjustment (COLA) is modestly higher than its estimated COLA of 2.14%. Though LEAs used a 3.0% estimated COLA to begin planning their budgets for 2020-21 last summer’, the LAO does not recommend using new Proposition 98 funding to increase the LCFF to achieve a 3% investment, or even to reflect the overall growth in Proposition 98, approximately 2.9%.

The LAO reminds the Legislature that the 2019—20 Budget Act contained a provision allowing the state to reduce the LCFF COLA “to fit within the guarantee” in years that the Proposition 98 minimum guarantee is insufficient to fund the full statutory COLA. Essentially, this automatic reduction in the LCFF COLA allows the state to reduce in—12 education’s largest funding stream without creating a “deficit factor,” which the field used to track what the state would have otherwise owed when the state wasn’t funding full COLA and reducing revenue limits during the Great Recession.

LAO Makes Mixed Recommendations on Special Education

As you know, the Governor proposes a multiyear approach to reforming how the state resources and serves students with disabilities, beginning with increasing and changing the base rate formula in 2020-21. Additionally, the Governor proposes using \$250 million to provide one-time funding to LEAs serving preschoolers with disabilities with the requirement to increase or improve services to them. This proposal is similar to last year’s \$493 million investment.

The LAO recommends adopting the Governor’s base funding formula that would increase the per-student base rate to \$660 for most Special Education Local Plan Areas with those above the new rate being held harmless, including using a three-year rolling average daily attendance to reduce funding volatility as LEAs experience historic declines in enrollment.

In addition, the LAO recommends making funding to support preschoolers with disabilities ongoing as an augmentation to the new base formula. To account for the lack of preschool attendance data, the LAO suggests double counting kindergarten attendance as a proxy. Although LEAs have raised issues with the disproportionately high costs associated with students with moderate to severe disabilities or those who require multiple therapies/services, neither the Governor nor the LAO recommend a proposal to provide funding to address it.

The legislative budget committees responsible for the education budget are slated to begin hearing the Governor’s K—12 proposals next week. Budget discussions and negotiations will continue through late spring.

From California Association of School Business Officials (CASBO) -

“A Deep Dive into Governor Newsom’s 2020-21 Proposition 98 Education Proposals”

By Sara C. Bachez and Elizabeth Esquivel, Governmental Relations

Last month, Governor Newsom released the proposed statutory changes that conform with his January budget proposals, known as trailer bill language. This article provides an in-depth analysis of the major education proposals and highlights Recommendations made by the Legislative Analyst’s Office.

As the Assembly and Senate Budget Subcommittees on Education Finance begin overview hearings, you can follow the CASBO advocates on Twitter at @CASBOGR to watch hearings and read daily updates on both budget and policy matter’s during the 2020 legislative session.

Overview of Proposition 98 Spending

Governor Newsom’s January budget package proposes \$84 billion in Proposition 98 binding, an increase of 3.8 percent from the 2019-20 fiscal year. In IN-12 education spending, the Administration

commits \$2 billion in one-time spending and \$1.4 billion in on-going support dedicated to fund a 2.29 percent cost of living adjustment for the Local Control Funding Formula and various categoricals, as detailed below.

The Legislative Analyst’s Office recommends the Legislature adopt a budget plan that supports a balanced approach of ongoing and one-time spending in order to avoid cuts to ongoing C-12 programs should the Proposition 98 guarantee fall below projections, and free up a portion of one-time funding to pay down school districts’ unfunded pension liabilities.

**Governor Newsom’s Proposition 98 - Ongoing Spending
(Dollars in Millions)**

Ongoing Funding	
Cost of living adjustment for Local Control Funding Formula —21.29 percent	\$1,206
Cost of living adjustment for special education. State preschool, child nutrition, mandates block grant, charter school facility grants, foster youth services. Adults in correctional facilities, and American Indian education.	\$126
Child nutrition reimbursement increase	\$60
Other	\$6
Total	\$1,396

Source: Legislative Analyst's Office

**Governor Newsom’s Proposition 98 - One-Time Spending
(Dollars in Millions)**

Education Workforce Investment Grants	\$350
Community School Partnership Grants	\$300
Opportunity Grants	\$300
Special Education Preschool Grant	\$250
Workforce Development Grant Program	\$193
Teacher Residency Grant Program	\$175
California Teacher Credentialing Award Program	\$100
Inclusive Early Education Expansion Program	\$75
Classified School Employee Teaching Credential Program	\$64
Literacy Grants	\$53
County Outreach Funding	\$18
Computer Science Resources for Educators	\$15
Refugee Student Services	\$21
Total	\$1932

Source: Legislative Analyst’s Office

Early Education

State Preschool. The Governor proposes \$32 million General Fund to support 10,000 additional full-day State Preschool slots for non-school based agencies, beginning April 1, 2021. The LAO recommends a reduced amount of slots due to unspent funding from the 2019-20 fiscal year and a streamlined application process for current preschool providers interested in expanding their programs.

Department of Early Childhood Development. The Governor proposes to establish the Department of Early Childhood Development under the California Health and Human Services Agency with \$6.8 million for 26 positions in 2020-21 and \$10.4 million ongoing General Fund for 52 positions in 2021-22. The department would begin administering the state’s childcare programs. The LAO recommends the Legislature reject this proposal, as it lacks necessary information on the structure and effectiveness of the new agency to streamline programs and services.

Inclusive Early Education Expansion Program. The Governor proposes \$75 million one-time Proposition 98 General Fund to the Inclusive Early Education Program, in order to increase access to childcare and preschool services for students with disabilities. The LAO recommends the Legislature reject this proposal.

Preschool Facilities Funding. The Governor proposes to redirect \$150 million General Fund from last year’s Kindergarten Facility Grant Program to support construction and renovation of preschool facilities on LEA campuses. The LAO recommends the Legislature use the \$75 million from the Inclusive Early Education Expansion Program to support this proposal.

Special Education

Governor Newsom proposes a multi-layer approach to restructuring the special education funding formula, which would sequence changes over a period of years.

1. ***Modify base rates.*** In 2020-21, the Governor proposes \$645 million to increase the base rate for most special education local plan areas (SELPAs) to \$660 per student. SELPAs with higher rates will be held harmless and receive only a COLA the first year.
2. ***Changes to base rate calculation.*** Beginning in 2020-21, base rates would use a three-year rolling average of student attendance, rather than the greater of the current year or prior year. Funding would continue to be allocated to SELPAs, with the average of student attendance calculated for each local educational agency.
3. ***Categorical programs & SELPA membership frozen until a new funding formula is set.*** Categorical programs and SELPA membership would be frozen at 2019-20 finding levels, with cost of living adjustments, and modified until a final funding system is established. School districts would be prohibited from opting out of their current SELPA to establish its own for the time period.
4. ***Establish three working groups to develop reforms.*** The Governor proposes \$1.1 million to establish three working groups to focus on:
 - o \$500,000 to study governance and accountability to improve services and student outcomes.
 - o \$350,000 to develop a standardized Individualized Education Plan (IEP) template and a potential IEP reporting system.
 - o \$250,000 to develop pathways for students with disabilities to attain a high school diploma.
5. ***Preschool services.*** The Governor proposes \$250 million in one-time support based on the number of preschool-aged students with disabilities for LEAs to increase and improve programs and services.
6. ***Dyslexia Initiative.*** The Governor proposes \$4 million to promote best practices for educating and identifying students with dyslexia. The proposal would create professional development opportunities and host a statewide conference at the end of 2020.

LAO Recommendation. The Legislative Analyst's Office recommends that the Legislature: 1) adopt the Governor's base funding increases to address historical inequities and redirect the preschool funding for an ongoing base increase and incorporate preschool-aged children using kindergarten data information as a proxy to count these students into the base formula.

Teacher Recruitment & Workforce Programs

Education Workforce Investment Grant. The Governor proposes \$350 million for professional development in STEM and computer science (\$100 million); literacy training (\$75 million); school climate and mental health (\$75 million); special education (\$50 million); and English Language learner's training (\$50 million).

The California Department of Education would administer the funds that would require the eligible entities (school districts, county offices of education, charter schools and regional occupational center's) to collaborate with state agencies and higher education institutions.

Workforce Development Grant Program. The Governor proposes \$193 million to recruit staff to provide counseling and student support services in areas of high-need and facing shortages. Of these funds, \$20 million would support planning grants for at least 100 LEAs or consortiums and \$100 million for implementation grants. The lead agency that administers the program would receive about \$3 million for

administrative purposes.

The California Department of Education would select a county office of education to administer the program. School districts, county offices of education, charter schools, and state schools that serve students with disabilities would be eligible to apply for this grant.

Teacher Residency Grant Program. The Governor proposes \$175 million to expand or establish residency programs in special education, bilingual education, science, engineering, and math. The program would provide \$20,000 per candidate with a \$1 for \$1 matching requirement.

The California Commission on Teacher Credentialing would administer the program with eligibility for school districts, county Offices of education, charter schools, regional occupational centers, and nonsectarian private schools with priority for entities serving over 50 percent of students that qualify for free and reduced price meal and rural or dense regions.

California Teacher Credentialing Award Program. The Governor proposes \$100 million to offer stipends to new teachers with high-need subjects and that work in disadvantaged communities facing teacher shortages.

The California Commission on Teacher Credentialing would administer the program that would award eligible teachers \$5,000 a year for four years. School districts, county offices of education, and state schools for students with disabilities would be eligible to apply.

Classified School Employee Teaching Credentialing Program. The Governor proposes \$64.1 million to continue to support this program, which was established in the 2016-17 fiscal year. The program provides financial support to candidates to complete their bachelor's degree and teaching credential.

The Commission on Teacher Credentialing would administer the program that provides eligible candidates \$4,000 a year for up to five years. School districts, county offices of education, and charter schools would be eligible to apply.

LAO Recommendation. The Legislative Analyst's Office recommends that the Legislature reject the Educator' Workforce Investment Grant, Workforce Development Grant Program, and California Teacher Credentialing Award Program proposals as these programs do not address root causes in teacher shortages and does not allow sufficient time for the Legislature to evaluate the current programs' performance. The LAO recommends providing \$29 million for the Teacher Residency Grant Program and reject program changes as the current structure targets high-need areas. The only proposal that the LAO recommends full adoption without modifications is the Classified School Employee Teaching Credential Program.

School Improvement Programs

Opportunity Grants. The Governor proposes \$270 million to provide grants and technical assistance to low-performing districts and schools where at least 90 percent of students are low-income. The funding could be utilized for wrap-around services, staff hiring and retention strategies, and new instructional materials. Recipients could be a school or consortia of schools within a district, a school district or county office of education with numerous high-poverty schools in its jurisdiction or a charter school.

The California Collaborative for Educational Excellence (CCEE) would receive an additional \$30 million to administer this program. The CCEE in collaboration with the Department of Education, and with final

approval by the State Board of Education, would be responsible for determining the size of grants, eligibility criteria, and program requirements.

California Community Schools Partnership Grants. The Governor proposes \$300 million to create a program that would provide start-up funding to implement the community schools model. The grant amounts are to be determined by the administering agency.

The California Department of Education would administer the program and develop an application process, with final approval by the State Board of Education. Grants would be distributed in a competitive manner and eligibility is based on school districts, county offices of education, and charter schools that educate at least 90 percent of low-income students.

County Outreach Funding. The Governor proposes \$18 million to be administered by the California Collaborative for Educational Excellence to provide county offices of education with grants to improve coordination and access of wrap around services. The size of each award would be determined by CCEE.

LAO Recommendation. The Legislative Analyst's Office recommends that the Legislature: 1) reject the Opportunity Giants proposal and consider a smaller augmentation for intense technical assistance for specific school districts; 2) fund a smaller community schools pilot program; and 3) reject the county outreach funding.

Child Nutrition. The Governor's budget proposes \$60 million in ongoing support for a rate increase for the free and reduced price meals served to eligible students and \$10 million in one-time funding to train food service staff on three topics: 1) food preparation, 2) healthy food marketing, and 3) changing a school lunch environment.

LAO Recommendation. The Legislative Analyst's Office recommends that the Legislature consider alternative use for these available funds for other educational purposes, and if it adopts the rate increase they recommend to eliminate the Governor's proposed reporting requirement and expand the training fund for a broader set of expenses, including supplies.

District/YPICS:

AB 1505 will become a serious matter for all charter schools beginning on July 1st. YPICS' immediate focus will be on how to best position all our schools for renewal in the coming years (2022 for MORCS; 2024 for BCCS). All initiatives presented by the ED and EAs have been developed with the goal of realizing renewal for all YPICS.