

Date of Hearing: July 15, 2015

ASSEMBLY COMMITTEE ON EDUCATION

Patrick O'Donnell, Chair

SB 786 (Allen) – As Amended July 6, 2015

**SENATE VOTE:** Vote not relevant

**SUBJECT:** Adult education: regional consortia.

**SUMMARY:** Requires the Superintendent of Public Instruction (SPI) and the chancellor of the California Community Colleges to certify the amount of funds expended by joint powers authority (JPA) comprised of a community college, school district, county office of education (COE) for the purpose of determining Adult Education Block Grant Program funding. Specifically, **this bill:**

- 1) Adds JPAs to the provisions that do the following:
  - a) Requires the SPI and the chancellor of the California Community Colleges to certify for each school district and COE the amount of state funds required to be expended for adult education in the local control funding formula (LCFF).
  - b) Specifies the allocations of funds if the total amount certified for school districts and COEs is less than \$375 million.
  - c) Specifies the allocations of funds if the total amount certified for school districts and COEs is more than \$375 million.
- 2) Authorizes the SPI and the chancellor to certify and apportion funds after the dates required for 2015-16 maintenance of effort (MOE) funding for a JPA.

**EXISTING LAW:**

- 1) Authorizes the establishment of adult school programs and specifies eligibility criteria, programmatic requirements, and the manner in which school districts' adult education revenue limit per unit of average daily attendance (ADA) shall be determined.
- 2) Prohibits state apportionment to be made for any course or class not specified in law.
- 3) Defines "adult" as a person 18 years of age or older for a person who is not concurrently enrolled in a regular high school program.
- 4) Charges the California Community Colleges Chancellor's Office (CCCCO) and the California Department of Education (CDE) to jointly implement an adult education planning process; authorizes the CCCCCO and the CDE to distribute \$25 million to regional consortia to develop plans with the shared goal of better serving the educational needs of California's adult learners; and, specifies that the following five areas are to be addressed in the plans:
  - a) Elementary and secondary basic skills, including classes required for a high school diploma.

- b) Classes and courses for immigrants in English as a second language, citizenship, and workforce preparations.
  - c) Education programs for adults with disabilities.
  - d) Short-term career technical education programs with high employment potential.
  - e) Programs for apprentices.
- 5) Establishes the Adult Education Block Grant Program and specifies the process for funding based on plans developed by regional consortia. Requires the SPI and the chancellor, with the advice of the executive director of the state board of education to, no later than July 31, 2015, certify, for each school district and COE, the amount of state funds required to be expended for adult education pursuant to the MOE required under the LCFF.

**FISCAL EFFECT:** Unknown

**COMMENTS: *Background.*** Adult education in California is part of a large, complex, and diverse multi-provider system. It is a vital and integral part of the larger educational system that provides adults with the skills and education that enable them to earn a high school diploma or a general educational development certificate, become United States citizens, acquire specific job skills, learn English, and/or become independent and productive parents and members of their community. Adult education is provided by a number of delivery systems, but the two main providers are school districts and the California Community Colleges (CCCs). K-12 adult schools were funded by an adult education categorical program that, prior to budget reductions, received over \$600 million annually.

In 2013, the Governor proposed and the Legislature passed a new K-12 funding system that replaced revenue limits with a new base grant – LCFF. LCFF incorporated most categorical program funds into the base grant and eliminated the categorical programs. School districts choosing to continue their adult education programs would do so using their base funds. However, school districts and COEs were required to maintain the amount of funds expended for the adult education categorical program in fiscal year (FY) 2012-13 for two years, in FY 2013-14 and FY 2014-15.

***AB 86 Regional Consortia.*** Also in 2013, the budget provided \$25 million for the development of regional consortia comprised of CCCs and K-12 school districts for the purpose of creating plans to integrate existing programs and determine how best to serve adult students within regions throughout the state (AB 86 (Budget Committee), Chapter 48, Statutes of 2013). Seventy regions were formed comprised of at least one CCC district and one or more K-12 school districts.

***Adult Education Block Grant Program.*** The FY 2015-16 Budget provided \$500 million for the Adult Education Block Grant Program, enacted through the education budget trailer bill, AB 104 (Budget Committee), Chapter 13, Statutes of 2015. The program is built upon regional consortia established by AB 86. Beginning 2016-17, funds will be distributed to each consortium by the SPI and the chancellor, with the advice of the Executive Director of the State Board of Education, based on 1) the amount of funds apportioned in the previous year; 2) a consortium's share of the statewide need for adult education; and 3) the consortium's effectiveness in meeting the educational needs of adults in the region based on available data. Funds are allocated according to a plan developed by each consortium. The planning consortia established by AB 86

included only school districts and CCCs, although COEs, regional occupational centers and other private and public agencies also participated in the planning process. AB 104 extended membership of regional consortia to COEs and JPAs. For the 2015-16 fiscal year, the trailer bill specifies that up to \$375 million shall be allocated to school districts and COEs based on a certification of the MOE required over the last two years. The remainder is allocated to regional consortia by the SPI and the chancellor, with concurrence from the Executive Director of the State Board of Education.

***What does this bill do?*** This bill inserts JPAs in all provisions relating to funding for school districts and COEs for the 2015-16 year. The intent of the bill is to make JPAs eligible for funding in 2015-16 based on their LCFF MOE requirements.

***What are JPAs?*** Existing law authorizes the establishment of a regional occupational center or program (ROC/P) joint powers agencies by two or more school districts, with the consent of the State Board of Education and the county superintendent of schools. There are approximately 26 JPAs in the state. JPAs receive funding from a variety of sources, including prior state ROC/P funding as well as contributions from each participating school district. JPAs provide career technical education (CTE) programs to high school students and some to adult students. Current law finds and declares that vocational training resources provided through ROC/Ps should be prioritized for pupils enrolled in high school. The statute also requires that beginning in the 2011-12 fiscal year, ROC/Ps may not claim more than 10% of the state ADA for students not enrolled in grades 9 through 12. With LCFF, the ROC/P categorical program has been eliminated, ROC/P funds have been incorporated into the LCFF base grants and local educational agencies now receive an increase in their base funding for students in grades 9-12 for career or college readiness.

***It is unclear whether this bill will result in MOE dollars for JPAs.*** The bill requires the SPI and the chancellor to certify a JPA's MOE. The MOE established by the trailer bill is based on funding previously received by school districts and COEs through the adult education categorical program. Some JPAs may have received adult education categorical program funding through participating school districts. If those school districts claim the MOE, allowing these JPAs to also certify a MOE may result in double reporting and claims. It is highly likely that most JPAs have not received adult education categorical funding, and as such, do not have MOEs to certify.

This bill was introduced on behalf of the Southern California Regional Occupational Center (SoCal ROC). According to the author, SoCal ROC provides CTE to more than 2,400 adults from more than 60 cities throughout Los Angeles and Orange counties and will experience more than \$3 million reduction in its 2015-16 budget absent additional funding. SoCal ROC received approximately \$3.4 million in ROC/P funds, not adult education program funds, which Torrance Unified School District received from CDE and passed through to SoCal ROC to serve adult students. With the elimination of ROC/P funds, SoCal ROC is seeking alternative funding.

***Budget process.*** SoCal ROC attempted to secure funding through the budget process. The Senate Budget Subcommittee #1 on Education adopted a placeholder to express its intent to enable SoCal ROC to continue to receive funding for providing adult education. The Budget Conference Committee did not adopt the Senate version and instead adopted the language in the trailer bill allowing JPAs to become members of adult education regional consortia. JPAs have an opportunity to receive direct Adult Education Block Grant Program funding if the regional consortia plans include JPAs. Alternatively, local educational agencies who are members of

JPAs may pass through Adult Education Block Grant Program funding at their local discretion to JPAs that provide adult education on their behalf. The Committee may wish to consider the extent to which this bill is consistent with the Budget agreement signed by the Governor.

***Suggested amendment.*** It is unclear how many JPAs are already members of regional consortia. Since the authority was made explicit only recently through its enactment in the trailer bill, In order to give JPAs an opportunity to receive 2015-16 MOE funding, **staff recommends** authorizing regional consortia to amend their plans to incorporate JPAs. The trailer bill specifies that the plans developed by regional consortia pursuant to AB 86 are in effect for the 2015-16 through 2017-18 fiscal years.

***Author's amendment.*** The author requests the Committee to adopt an urgency clause. The author states that the urgency clause is needed in order to enable any JPA participating in an adult education consortium to comply with the current year statutory deadlines that must be met for purposes of establishing the JPA's MOE level.

***Prior related legislation.*** AB 2216 (Muratsuchi), would have extended by two years the MOE requirement for school districts to spend at least as much on ROC/Ps as they did in the 2012-13 from 2014-15 to 2016-17. The bill was held in the Senate Appropriations Committee suspense file in 2014.

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

California Manufacturers & Technology Association  
Patrick Furey, Mayor, City of Torrance  
Southern California Regional Occupational Center  
South Bay Workforce Investment Board  
Torrance Area Chamber of Commerce  
TACC Governmental Affairs Policy Group  
Numerous individuals

### **Opposition**

None on file

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