

Mia Osborne-Ng
Sr. Executive Assistant
mng@bcoe.org

Board of Education

*Bessie R. Hironimus
Dr. Ladd Johnson
Jeannine MacKay
Brenda J. McLaughlin
Dr. Robert W. Purvis
Pat Matthews Spear
Betty Vassar*

1859 Bird Street
Oroville, CA 95965
(530) 532-5761
Fax (530) 532-5762
<http://www.bcoe.org>

An Equal Opportunity
Employer

NEWSLETTER

Date: February 1, 2010

To: BCOE Staff

From: Don McNelis

Last month was extremely busy with many things, including the Governor releasing his proposed budget for 2010 -11, the legislature approving new legislation and the state submitting the application for Race to the Top.

Race to the Top (RTTT)

President Obama and his staff developed the Race to the Top program to assist states and schools improve. It is a new initiative and one that holds great promise. As with any new idea, there are a number of questions. Let me take a minute to review the basics of the program.

There are about 40 states that have said they planned to submit a state plan for Race to the Top. The state applications for Round 1 were submitted in January, 2010. It is anticipated there will be a second application round in June. We understand between 4 and 6 states are likely to be funded in Round 1. If California is funded, the anticipated revenue is \$700 million dollars. It is important to understand this is one time money rather than ongoing funding.

Each school district, county office and direct-funded charter school had to make a decision regarding whether or not they wanted to apply for Race to the Top funding. In Butte County, 10 school districts and BCOE submitted an MOU. Statewide, 804 LEA's submitted MOUs out of the 1729 school districts, county offices and charter schools, or less than 50%.

If California is one of the states selected, each LEA that submitted an MOU will have 90 days to develop a local plan to reflect how they will implement the requirements of RTTT. If we get to that point, we will work closely with our employee groups to explore areas of common agreement.

I always have to think about whether or not it is a good idea to pursue one time funding. Certainly, there are many good things that result from efforts with one time funding. At the same time, we have to consider if we will be able to sustain our efforts once the funds go away. We always look at these things on a case by case basis. With Race to the Top, I believe it is worth the effort to apply.

First, many of the initiatives within Race to the Top are important and are the right things to do for students. With or without additional funding, we should be moving in the direction of these initiatives. Second, some of the work will be mandated regardless of RTTT funding, so it only makes sense to apply for additional funds to assist us.

RACE TO THE TOP (RTTT) (con't)

If California is awarded an RTTT grant and we are able to develop a good local plan, we will receive some of the one time funding. We know it will be based on a Title 1 formula but we do not know the amount that we would receive. Clearly, this is based, in part, on the number of LEA's that actually submit local plans in California.

Each state plan must detail how they are going to improve the educational system in four key areas.

- Adopting standards and assessments that prepare students to succeed in college and the workplace, and to compete in the global economy
- Building data systems that measure student growth and success, and inform teachers and principals about how they can improve instruction
- Recruiting, developing, rewarding and retaining effective teachers and principals, especially where they are needed most
- Turning around our lowest achieving schools

Once the state plan is completed, it will detail what each LEA local plan will need to include in order to address these four key areas. The federal government will announce in April which states are funded in Round 1 of RTTT. If California is one of those states, the work of developing a local plan will begin in earnest.

If you would like additional information on this subject, you might want to look at the December 14, 2009 letter from Secretary of Education Glen Thomas, State Superintendent of Public Instruction Jack O'Connell and State Board President Ted Mitchell at:

www.ose.ca.gov/press/documents/RacetotheTopLetter.pdf.

NEW LEGISLATION

On January 7, 2010, the Governor signed two bills into law that came out of the special session of the legislature. Both bills will take effect 90 days after signature. The one bill (SBX5 1 Steinberg) deals mainly with changes in the law required for the state to be able to submit an application for Race to the Top. The other bill (SBX5 4 Romero) became wrapped up in the Race to the Top discussion but did not directly relate to RTTT. These bills will apply to all schools even if the state is not funded for Race to the Top.

The Steinberg bill provides legislative direction for California regarding the four key areas of Race to the Top. Once again, these areas are as follow:

- Standards and Common Core
- Quality Assessment, API and Student Growth
- Data Systems
- Turning Around Low Achieving Schools

As I mentioned in a previous newsletter, California is working with other states to develop common standards in mathematics and language arts. Currently, each state adopts their own standards. The commission that is working on the new common standards is scheduled to release them by July 15, 2010. This bill calls for the State Board of Education to consider adopting them by August 2, 2010. This bill also details the 30 month timeline for the development of new instructional materials reflecting the new standards. This is a very aggressive timeline.

Another part of this bill calls for the development of a method to determine group and individual student performance growth from a longitudinally valid assessment system.

NEW LEGISLATION (con't)

The bill also calls for student assessment data to be a part of the evaluation system for teachers and principals and for that data to be a part of the decision making process regarding their continued employment.

The final major piece of the legislation details new efforts to turn around low performing schools. For this purpose, low achieving schools are those identified for program improvement, corrective action (program improvement Year 3 plus) or restructuring (program improvement Year 4 plus, as well as high schools who have graduated less than 60% of pupils each year for the last three years.

Further, “persistently lowest-achieving schools” are the lowest 5% of the schools defined above plus high schools that have graduated less than 60% of their students in the last three years.

The list of “persistently lowest-achieving schools” has yet to be published. Suffice it to say, this is clearly one list you do not want to make. If a district has one of these schools, they must do one of the following four things at that school.

- Turnaround Model – Replace the principal and at least 50% of the staff
- Restart Model – Convert the school to a charter school
- School Closure – Close the school and enroll the students in another school in the district
- Transformation Model – Replace the principal, adopt a rigorous evaluation system for teachers and principals and implement additional extensive requirements

The Romero bill primarily deals with open enrollment issues for students. The bill will create another annual list of low achieving schools on a similar methodology as Decile 1 schools. These schools have not yet been identified. When they are, the school will be required to inform all parents they have the right to transfer their student to any other school in the district or any district in the state. This is a major change and has the potential to cause significant financial gain for some districts and loss for others.

The second part of the Romero bill initiates the Parent Empowerment Program. This program involves schools that are not part of the 5% schools from RTTT but meet the criteria for program improvement Year 3. In these schools, which have yet to be identified, if 50% of the parents sign a petition to evoke one of the four interventions called for under RTTT discussed above (turnaround, restart, closure or transformation), the school district is required to implement that change. This is a major new empowerment for parents but also has the potential for major disruption. As with many things in life, there are clear plusses and clear minuses.

These two bills call for major changes in the K-12 system. Certainly, one hopes these changes result in improved instruction for students. That is certainly the primary intent. However, some of these strategies are not fully researched and may not work. As I mentioned above, these two bills change our system for all districts even if they did not apply for RTTT funding and even if California is not funded under the system. Additional details on these two bills can be found at:

<http://www.acsa.org/MainMenuCategories/Advocacy/by-Sherry-Skelly-Griffith.aspx>.

STATE BUDGET

The Governor released his budget proposal for the 2010-11 year on Friday, January 8, 2010. We know it is only his proposal and the actual budget will, most likely, look very different. However, it is this proposal we use each year as a beginning point in building our 2010-11 budget.

STATE BUDGET (con't)

I am sure you have all read some of the articles regarding the proposal. A voice in the budget process that you may not have heard yet is that of the Office of the Legislative Analyst. This is the office charged with giving the legislature independent analyses of issues, such as the budget proposal. Please find below a summary of the analysis of the governor's budget proposal by the LAO as reported in School Services of California.

Volume 30

Copyright © 2010 School Services of California, Inc.
For Publication Date: January 15, 2010

No. 1

Legislative Analyst Releases Overview of Governor's 2010-11 Budget

California's nonpartisan Legislative Analyst's Office (LAO) released its annual overview of the Governor's 2010-11 Budget, describing the Administration's \$18.9 billion estimate of the size of the State's Budget problem as reasonable, but noting some downside risk. Specifically the LAO's estimates of both revenues and expenditures are less optimistic than the Governor's, and the LAO warns that lawsuits could increase the state's Budget problems. For example, the Administration's estimate of 2010-11 revenues is \$3.1 billion higher than the LAO's. Among other things, the LAO assumes that baseline corporate taxes will grow by 12%, as compared to the Administration's assumed 28% growth.

The LAO describes the Budget proposal's federal relief package—which, at about \$8 billion, represents approximately 40% of the proposed Budget funding solutions—as unrealistic, opining that \$3 billion would be more realistic. The LAO noted that the Legislature must operate on the assumption that the federal relief will be billions of dollars less than what the Governor seeks, and that California should have a backup plan in case the additional federal funding is not received. The LAO also noted that the trigger must be more sophisticated than what's being proposed by the Administration, which would require all alternative spending cuts and revenue proposals to go into effect if it is determined on July 15, 2010, that \$6.9 billion in increased federal funds are not realized. The LAO instead suggests that a tiered trigger be used that allows the Legislature to better define its priorities.

The LAO advises the Legislature to reject the Governor's proposed constitutional amendment on prison and university funding saying that, "It is a feel good, but ultimately ill-conceived, autopilot budgeting measure that would unwisely tie the budgetary fates of two very different state programs."

The LAO also says the Legislature must consider increased revenues as part of its Budget solutions, but recommends against broad-based tax rate increases.

Of greatest interest to K-14 education, the LAO gives mixed reviews to the Governor's Proposition 98 plan. The LAO deems the proposed flat year-to-year funding meritorious in the context of the state's difficult Budget, saying that this might be the most the state can afford.

The LAO says the Administration's claim that it is meeting the Proposition 98 minimum guarantee is based on its interpretation of the State Constitution, but that the state's Proposition 98 obligations could be significantly higher under other interpretations. According to the LAO, the Governor is veering away from last year's \$11.2 billion deal regarding the maintenance factor, and that would require statutory change that would have to be made before the end of the current fiscal year. If the Legislature rejects the Governor's interpretation, but wants to fund K-14 at the Governor's proposed level, the Legislature might have to suspend Proposition 98.

The LAO also states that the Proposition 98 minimum guarantee for both 2009-10 and 2010-11 could increase due to changes in final 2008-09 revenues, and could increase in the Budget year if the Legislature rejects the Governor's proposed transportation funding shift. The proposed shift would repeal a General Fund revenue source—the sales tax on fuel—and replace it with a non-General Fund excise tax that would in turn reduce

STATE BUDGET (con't)

the minimum guarantee by about \$800 million in 2010-11. The LAO notes that the Budget assumes that the U.S. Department of Education will approve the state's request to be exempted from a maintenance-of-effort (MOE) requirement included in the American Recovery and Reinvestment Act (ARRA), but that it's uncertain whether such a waiver will be granted, although it appears the state has met the waiver requirement.

The LAO also indicates that the Governor's contracting out and teacher flexibility proposals have merit. However, the LAO recommends the Legislature reject the Governor's K-12 district administration proposal, saying it "provides no new flexibility but instead restricts how school districts can use existing general purpose funding."

The LAO also cautions the Legislature about enacting solutions that are subject to significant legal risks, and cites, in this regard, the uncertainty as to whether the state can unilaterally—without agreements with its employee unions—increase required state employee contributions for PERS pensions.

A multiyear approach and a majority of ongoing solutions will be required according to the LAO. However, the problem is so bad that the LAO suggests lawmakers aim for a mix of ongoing and one-time solutions this year to reduce future year structural deficits to under \$10 billion annually.

The timetable for balancing the Budget is short. Due to the significant lead time that would be required for departments to implement cuts, the LAO says that there must be agreement by the end of March, although the Legislature need not necessarily act in the 45 days specified for the special session. But the Administration says approval by March 1 will be necessary to achieve the savings estimated in the Governor's Budget.

What's next? The Legislature will soon begin meeting in its Eighth Extraordinary Session. The LAO will provide legislators with further options for addressing the Budget deficit. Like last year, legislators will spend much of February focused on the Budget. K-14 education will be tasked with maintaining funding in the face of competing needs, particularly regarding health and human services, in this very tight Budget. Stay tuned . .

—Deborah Harmon

The state budget problem is significant. The decline of the state and federal economy has resulted in huge decreases in state revenue through taxes. All of the easy answers are gone. Approximately 90% of the state general fund goes to three areas of the budget.

- Education
- Health and human services
- Corrections

With that in mind, there are limited options for addressing the budget shortfalls. The only options are to drastically cut one or more of the three areas above or to increase taxes. There really are no other options that do not involve parts of the above. Without getting overly political, one normally finds Democrats reluctant to cut education or health and human services. Usually, Republicans are reluctant to cut corrections (releasing prisoners) or raise taxes. Please do not read into the above that I am suggesting Democrats like to raise taxes or Republicans like to cut education. That is not what I said. We can only hope legislatures on both sides of the isle are able to craft a solution to the state's significant fiscal problem over the next couple of months. It certainly will not be easy and will not occur without tremendous give and take by all.

Cash

I have mentioned previously that cash on hand has become an extremely important issue for districts and county offices lately. As you know, the state has deferred approximately 25% of the money we would normally receive this year into next year.

As a result of that, we have decided to be extremely careful with our spending of the unrestricted parts of the federal stimulus funding. By doing that and monitoring spending very closely, we are in a good cash position.

I truly appreciate your efforts in this area. Many of you have held off spending on items for the time being. That group effort has made a huge difference and I thank you.

After School Program Update – Julie Jarrett

The BCOE After School Program is proud to provide academic assistance and engaging standards aligned enrichment activities at 24 sites throughout Butte County. As with all facets of education we are striving to stretch our dollars to ensure ongoing quality services to students and families in grades K-8. During these challenging economic times, the After School Program is excited about incorporating activities and services usually funded by districts during the regular day into our programs, for example, sports, yearbook, and music.

This year the After School Program has launched a new literacy and math program, *AfterSchool KidzLit* and *AfterSchool KidzMath*, for students in grades K-6. With both programs aligned to California content standards, the After School Program is working hard to assist the instructional day with the goal of closing the achievement gap. The *KidzMath* and *KidzLit* programs will bring math and literacy to life and help students enjoy reading and arithmetic in a relaxed and engaging environment.

The *KidzLit* program is a reading enrichment program designed specifically for use in after school settings, though it is also successful in the classroom. It increases young people's motivation to read and builds their literacy skills. At the same time, it develops core values of helpfulness, fairness, personal responsibility, and respect for others.

The *KidzMath* program is a mathematics enrichment program. It uses cooperative games and storybook-based activities to promote mathematical understanding and social development. Students develop mathematical skills, gain confidence in their mathematical abilities, increase their enjoyment of mathematics, and improve their ability to work with others.

As always, the BCOE After School Program is proud to serve more than 2000 each day in nine districts and at Four Winds School.

Migrant Education-Region 2 Woodland Area Training for All Staff - Gail McGowan

The entire Woodland Area participated in Migrant Education training on January 27th held at Yolo County Office of Education. The focus of the training was Effective Teamwork Strategies and Personality Styles. The content was provided by Sonja Samuel from SkillPath. Approximately 70 staff members participated in activities throughout the day to promote teamwork and understand the developmental stages of highly effective teams, how different personality types contribute to how a group or team functions, and how clear communication is critical to team outcomes.

Each of the Counties and all staff played a major role in the preparation and implementation of the day. Solano County provided the room decorations and centerpieces to fit the Conference theme. The Yolo County Module, the clerical and Early Childhood Education staff, welcomed everyone, took care of the registration, and designated the mixed work groups to encourage cross-county and cross-position interaction. The Sacramento Module prepared a tennis ball activity where each group worked collaboratively to accomplish the specified goal; it was quite a bit of fun and lots of laughter. Sutter and Yuba Counties and the Identification and Recruitment staff did an activity that raised \$182.00 for

Migrant Education-Region 2 Woodland Area Training for All Staff - Gail McGowan (con't)



student college scholarships and this money was presented to the Regional Parent Advisory Committee. Napa County did the closing dance, where everyone participated, even our Superintendent, Don McNelis.

The evaluations were most positive. Comments included, "It helped me to understand my colleagues better", "I will be more inclusive of my colleagues", "This organization values teamwork", and "Teamwork plays a very vital role in order to have successful outcomes". Congratulations to the entire Woodland Staff and on a most successful and productive day.

.....

If you have any questions about any comments in this newsletter or anything else, please drop by, call, or send me an e-mail. If you would like to write an update about your program, please e-mail them to me by the 15th of the month.

I trust each of you will have a wonderful February. There is always something to be thankful for so I trust you will enjoy a great month.

Don
