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# SENATE COMMITTEE ON EDUCATION

Senator Carol Liu, Chair  
2015 - 2016 Regular

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**Bill No:** SB 232  
**Author:** Hall  
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**Urgency:** No  
**Consultant:** Lenin Del Castillo  
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**Fiscal:** Yes

**Subject:** School accountability: local control and accountability plans: California Collaborative for Educational Excellence

## SUMMARY

This bill would allow a state-appointed trustee or administrator of a school district in receivership to request the advice and assistance of the California Collaborative for Educational Excellence.

## BACKGROUND

### *California Collaborative for Educational Excellence*

Chapter 47, Statutes of 2013 (AB 97, Committee on Budget), and subsequent legislation created the Local Control Funding Formula (LCFF), which consolidated most of the state's categorical programs with general purpose revenue limit funding and would be phased in over the coming years. One of the main principles behind the LCFF is that English learners and low-income students require more attention and resources in the classroom than students who do not have these same challenges. By providing more services (and in turn, additional funding) to these student populations, it is widely believed that this will help close the achievement gap and help all students perform better.

In addition to the LCFF, the 2013 Budget established a new system for school accountability. Under the new system, school districts, county offices of education, and charter schools are required to complete a Local Control and Accountability Plan (LCAP). The LCAP must include a district's annual goals in each of the following eight state priority areas:

1. Student achievement.
2. Student engagement.
3. Other student outcomes.
4. School climate.
5. Implementation of the Common Core State Standards.
6. Course access.
7. Basic services.
8. Parental involvement.

The plans must also include both district wide goals and goals for specific subgroups. Districts are required to consult with stakeholders on their plans and hold at least two public hearings before adopting or updating their LCAP.

The new funding formula also created a new system of school district support and intervention. The California Collaborative for Educational Excellence (CCEE) was created in order to provide advice and assistance to local educational agencies (LEAs). Under the new system, if an LEA does not meet performance expectations in the eight state priority areas, they could be subject to intervention by their County Office of Education or the CCEE. LEAs that are continuously not meeting performance standards, as specified, could be subject to intervention by the State Board of Education (SBE) and State Superintendent of Public Instruction (SPI). However, LEAs also may seek assistance from the CCEE on their own.

Existing law specifies that the CCEE shall be governed by a board consisting of the following five members: (1) the SPI or his/her designee; (2) the President of the SBE or his/her designee; (3) a superintendent of a county office of education appointed by the Senate Rules Committee; (4) a teacher appointed by the Speaker of the Assembly; and (5) a superintendent of a school district appointed by the Governor.

Existing law also specifies that, at the direction of the board of the CCEE, the fiscal agent shall contract with individuals, as well as LEAs or organizations with expertise, experience, and a record of success to carry out the purposes of the Local Control Funding Formula (LCFF) implementation.

### ***Emergency Loans and School Administrators***

Existing law provides the authority for emergency loans to be given to school districts that are unable to meet their current operating expenses. Such loans are provided by legislation enacted at the request of the district. Existing law requires districts that receive an emergency loan to agree to statutory terms and conditions regarding repayment of the loan and the steps to be taken to return the district to financial solvency.

If a district receives an emergency loan of up to 200% of its recommended budget reserve, the SPI is required to appoint a trustee who has the authority to stay and rescind any action of the school district governing board. Further, the appointed trustee serves until the loan is repaid and the district has adequate fiscal systems and controls in place. If a school district receives an emergency loan of more than 200% of its recommended budget reserve, then the SPI is required to assume all legal rights, duties, and powers of the governing board and to appoint an administrator to act on his or her behalf in exercising this authority. The SPI may return power to the governing board after specified conditions are met. The costs of the trustee and administrator and other related oversight and monitoring activities are borne by the district. Since 1991, nine school districts have received emergency loans, including: Oakland Unified, Vallejo City Unified, King City Joint Union High School District (formerly South Monterey County Joint Union High School District), West Fresno, and most recently, Inglewood Unified.

## ANALYSIS

This bill would allow a state-appointed trustee or administrator of a school district in receivership, among other things, to request the advice and assistance of the California Collaborative for Educational Excellence (CCEE).

## STAFF COMMENTS

1. ***Need for the bill.*** According to the author's office, in order to receive assistance from the California Collaborative for Educational Excellence (CCEE), the governing body of a school district, a county superintendent, or a district superintendent must make a request. However, when a school district enters state receivership, such as Inglewood Unified School District, and is currently under a state-appointed administrator to oversee the district's day-to-day operations, the administrator is not included among those entities that can request assistance of the CCEE. "School districts with the most to gain by accessing the CCEE, those under state receivership, have no direct or clear way of doing so." According to the author's office, the bill provides all school districts under state receivership with a clear path to access the CCEE.
2. ***Is the bill necessary?*** Current law provides several ways for local educational agencies (LEAs) to access assistance from the CCEE. Specifically, subsection (f) of Education Code § 52074 allows the Superintendent of Public Instruction (SPI) to direct the CCEE to advise and assist an LEA under specified circumstances, including a situation whereby the governing board of an LEA requests the advice and assistance of the CCEE. Additionally, pursuant to Education Code § 52071, if a school district requests technical assistance, the county superintendent of schools shall provide technical assistance, including a request that the CCEE provide advice and assistance to the school district. For a school district under state receivership, because the SPI assumes all the legal rights, duties, and powers of the governing board, it appears that the SPI has the authority to request technical assistance or the advice of the CCEE on behalf of that district. Therefore, it can be reasonably argued that there are already sufficient mechanisms in place for LEAs to request assistance from the CCEE.
3. ***Purpose of the CCEE.*** Current law specifies that the purpose of the CCEE is to advise and assist school districts, county superintendents of schools, and charter schools in achieving the goals set forth in their local control and accountability plans (LCAPs). However, the CCEE board itself does not have a statutory role in evaluating LEA performance, determining which LEAs receive advice and assistance, or the delivery of advice and assistance. Those functions lay with the SPI, county superintendents of schools, and the individuals and organizations with whom the fiscal agent has contracted to provide those services. The advice and assistance may be provided upon request of an LEA (in which case the LEA pays for the cost). Alternatively, the California Collaborative for Educational Excellence (CCEE) may be assigned to an LEA upon the recommendation of the SPI, if the SPI and the county superintendent of schools in which the LEA exists, determine that assistance is needed to help the LEA achieve the goals it has specified for itself in its LCAP.

The 2013 Budget Act appropriated \$10 million to establish this new system of support through the California Collaborative for Education Excellence (CCEE). The State Department of Education recommended, and the State Board of Education approved, the selection of Riverside County Office of Education as the fiscal agent for the CCEE. Because the number of districts that will need assistance is unknown and the role of the CCEE is still unclear, the cost of the new support and intervention system going forward has yet to be determined. The CCEE board met only for the first time on February 25, 2015. The Governor's Proposed 2015 Budget does not include ongoing funding for the CCEE, but the Administration will be considering ongoing funding as the system is further developed. The Committee may wish to consider whether it is appropriate or premature at this point to potentially expand the scope of the CCEE by specifically authorizing the administrator of a school district under receivership to request its assistance.

4. ***Inglewood Unified School District.*** Chapter 325, Statutes of 2012 (SB 533, Wright) provided an emergency loan of \$29 million in General Fund to the Inglewood Unified School District in order to restore the district back to fiscal solvency. The district is located in Los Angeles County and enrolled approximately 15,000 pupils in 26 schools in the 2010–11 school year. In April 2012, the Los Angeles County Office of Education (LACOE) certified Inglewood Unified School District's fiscal status as negative, which meant that based upon current projections at the time, the district could not meet its financial obligations for the 2011–12 or 2012–13 fiscal years. The current State Trustee for the Inglewood Unified School District was appointed by the Superintendent of Public Instruction in June 2013, taking over for the Interim State Administrator. The Interim State Administrator was appointed in December 2012 after the resignation of the district's previous and initial State Administrator, who was appointed in October 2012.

5. ***Related and previous legislation.***

AB 2408 (Allen, 2014) proposed to expand the governing board of the CCEE from five to seven members by adding a representative of charter schools, appointed by the Senate Rules Committee, and a parent of a California public school pupil, appointed by the Speaker of the Assembly. AB 2408 passed this Committee on June 4, 2014, but was eventually vetoed by the Governor with the following message:

*I am returning Assembly Bill 2408 without my signature.*

*This bill would add two new members to the California Collaborative for Educational Excellence that was recently established under the Local Control Funding Formula.*

*It is premature to alter the composition of the Collaborative prior to its initial meeting. I would prefer to see how the Collaborative functions in its current form before making any changes.*

Chapter 325, Statutes of 2012 (SB 533, Wright), provided an emergency loan of \$29 million in General Fund to the Inglewood Unified School District to restore the district back to fiscal solvency.

**SUPPORT**

Superintendent of Public Instruction

**OPPOSITION**

None received.

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