
3B

Information/Action

Fiscal Policy and Planning Committee of the Whole

Proposed Budget Change Proposals for the 2007-08 Budget Year

Executive Summary: This agenda item is intended to allow the Members' of the Commission the opportunity to take action on the proposed Fiscal Year 2007-06 Budget Change Proposals (BCP) as related to the California Commission on Teacher Credentialing. If approved, the proposals will be developed into full BCPs and submitted to the Department of Finance in September, as part of the traditional budget development process.

Recommended Action: Staff seeks direction from the Commission on how to proceed with the concept in the item.

Presenter: Crista Hill, Division Director, Fiscal and Business Services Section, and Marilyn Fairgood, Consultant, Professional Services Division

Strategic Plan Goal: 2

Continue to refine the coordination between Commissioners and staff in carrying out the Commission's duties, roles and responsibilities.

- Conduct periodic review of the efficiency of the day-to-day operations and financial accountability of the Commission.

Proposed Budget Change Proposals for the 2007-08 Budget Year

Introduction

Staff will present the proposed 2007-08 Budget Change Proposal (BCPs) in the form of a brief two page concept for the members of the Commission to discuss. If approved, the BCP concept will be developed into a full BCP for submittal to the Department of Finance by the September 13, 2006 deadline.

Background

Per the State Administrative Manual Section 6120 – Budget Development - The State Constitution, Article IV, Section 12, requires that the Governor submit a budget to the Legislature by January 10. The budget must contain itemized statements for expenditures and revenues. It provides for a balanced budget in that, if the proposed expenditures for the budget year exceed available resources, the Governor is required to recommend the sources for the additional funding.

The Director of Finance, as the chief financial advisor to the Governor, directs the effort for preparation of the Governor's Budget. Under the policy direction of the Governor, the Director of Finance issues instructions and guidelines for budget preparation to agencies and departments. This effort typically gets underway even before the Legislature has passed the budget it is currently considering.

Although California has and does utilize concepts such as Zero-Based Budgeting, Management by Objectives, and Total Quality Management, the basic approach utilized is a mixture of incremental budgeting, zero-basing and special reviews. This approach uses the current departmental/program level of funding as a base amount to be adjusted by change proposals, including zero-basing of some items/programs and subjecting others to special reviews to determine the proper funding level. The Budget Change Proposal (BCP) has been the traditional decision document for departments to propose a change to the existing budget level. BCPs are submitted to DOF for review and analysis. (Specific instructions for preparation of BCPs are issued annually in a Budget Letter.)

The general goal in the budget decision process is to resolve budget issues at the lowest level possible. For those departments that are under an Agency Secretary, departments must clear their proposals through their respective Agency. For non-Agency departments, proposals are presented directly to DOF. Issues which are not resolved between departments and DOF staff are discussed at hearings with the Finance staff, the Agency and the departments. Issues not resolved at this level are discussed at hearings conducted by the Director of Finance. The most sensitive issues are ultimately presented to the Governor for a decision.

After all decisions are completed, DOF coordinates the printing of the following publications which comprise the Governor's Budget package. The Budget Summary and Budget Highlights are also available from the DOF Website, <http://www.dof.ca.gov>.

- Governor's Budget Summary—A summary volume which includes the Governor's goals and objectives for the forthcoming year, and the policy perspectives and highlights of the changes in the Governor's Budget.
- Governor's Budget—A detailed presentation for each department for the past, current, and budget years.
- Governor's Budget Highlights—A pocket size highlights book of narrative, charts and graphs issued on the Press Conference day.
- Salaries and Wages Supplement—A detailed presentation of authorized staffing and related salaries.

The Governor annually unveils the budget at a formal press conference. The Governor's State of the State address typically includes a general presentation of the Administration's budget policies and priorities.

By constitutional requirement, the Governor's Budget must be accompanied by a Budget Bill itemizing recommended expenditures which shall be introduced in each house of the Legislature. The Constitution also requires that the Legislature pass the bill by June 15.

Recommendation

Staff seeks the direction from the Commission on how to proceed with the concept in the item.

**CONCEPT FOR BUDGET CHANGE PROPOSAL
FISCAL YEAR 2007-08**

Professional Services Division

**PROPOSED TITLE: Independent Evaluation of the California School
 Paraprofessional Teacher Training Program (PTTP)**

Summary

Education Code Sections 44390-44393 authorizes the Commission on Teacher Credentialing (Commission) to administer the California School Paraprofessional Teacher Training Program (PTTP). For the past 11 years, the PTTP has proven to be an important teacher recruitment and development program that has produced 1,169 fully credentialed teachers for California public schools. Education Code Section 44393(e) requires the Commission to contract with an independent evaluator to determine the success of the PTTP, but this mandate has never been funded. Although funding augmentations for completion of the independent evaluation were requested by the Commission in FY 1991-92 and 1992-93, no funding was approved for evaluation of the program. This proposal would seek \$523,300 in additional resources to enable the Commission to complete an independent evaluation of the PTTP as mandated in Education Code Section 44393(e).

Background

Since full funding in 1995, The California School Paraprofessional Teacher Training Program (PTTP) has successfully provided grants to assist school paraprofessionals in becoming fully credentialed teachers. Education Code Section 44393 (Chapters 737 and 831 Statutes of 1997, respectively) mandates that the program must recruit candidates from among 24 school districts or county offices of education and support no less than 600 paraprofessionals. As of Spring 2006, the PTTP includes the participation of 33 local education agencies (LEA) that serve over 1,600 participants (this is in addition to the 1,116 program graduates). To determine the success of the PTTP in producing quality teachers for California public school students, Education Code Section 44393(e) calls for a comprehensive independent evaluation of local PTTP projects.

Evaluation Elements

The law calls for an independent contractor to consider 7 evaluation elements in completing the PTTP evaluation. Following is the language included in Education Code Section 44393(e).

§44393(e) The Commission shall contract with an independent evaluator with a proven record of experience in assessing career-advancement programs or teacher training programs to determine the success of the recruitment programs established pursuant to subdivision (b). The evaluation shall be made on an annual basis and shall include, but not be limited to, all of the following:

- (1) The total cost per person participating in the program who successfully obtains a teaching credential, based upon all state, local, federal, and other sources of funding.

- (2) The economic status of persons participating in the pilot program.
- (3) A description of financial and other resources made available to each recruitment program by participating school districts or county offices of education, institutions of higher education, and other participating organizations.
- (4) The extent to which pupil performance on standardized achievement tests has improved in classes taught by teachers who have successfully completed the program, in comparison to classes taught by other teachers who have equivalent teaching experience.
- (5) The extent to which pupil dropout rates and other measures of delinquency have improved in classes taught by teachers who have successfully completed the program.
- (6) The extent to which teachers who have successfully completed the program remain in the communities in which they reside and in which they teach.
- (7) The attrition rate of teachers who have successfully completed the program.

Most of the evaluation elements included in Education Code Section 44393(e) are not problematic and a contractor would have no problem in carrying out the legal mandates. However, evaluation elements (4) and (5) were added to the statute during reauthorization of the program in 1997. Evaluation elements (4) and (5) call for the Commission and its external evaluator to assess the effects of the PTTP on student achievement, pupil dropout rates, and other measures of student delinquency. The language in these elements indicates that policymakers want the Commission and its evaluator to report on these effects and that there is the assumption that the PTTP causes the student outcomes identified in the evaluation elements. Not only would it be expensive to collect data included in evaluation elements (4) and (5), but it is not clear if we will have access to the data due to privacy issues and we are uncertain if we can secure longitudinal data on student delinquency.

Legally Mandated Activities Completed by the Commission

Since full funding in January 1995, the Commission has successfully satisfied most of the mandates included in law. The Commission not only successfully implemented the program but also oversaw a 300% growth expansion of the PTTP in 1997 when legislators included a \$10 million augmentation in the 1999-2000 State Budget Act. Each year, as funding permits, the Commission enters into a Competitive Grant Process that allows local education agencies without a local PTTP project to compete for participation in the program. The Commission also submits annual reports to the legislature on the progress and productivity of the PTTP. It should be noted that data identified in evaluation elements (1), (2), (3), (6) and (7) are presented in all reports to the legislature as simple quantitative data. Although these tasks are successfully completed on an annual basis, the Commission has not yet been granted funding for an independent evaluation of the program.

1997 Evaluation Task Group and Commission Consideration of the Evaluation Plan

In September 1997, an Evaluation Task Group was convened to develop questions to be asked by the independent evaluator. The group met three times, from September 29, 1997 through January 20, 1998, and reviewed the evaluation elements included in Education Code Section 44393(e). Based upon the elements included in law, the group developed questions to be used by the independent evaluator.

A detailed PTTP evaluation plan was developed by staff and presented for Commission consideration at its November 6-7, and December 4-5, 1997 meetings. Due to the issues involved in evaluation elements (4) and (5), the BCP funding request at that time was \$1 million.

At its December, 1997 meeting, the Commission affirmed its continued support for expansion of the PTTP. Additionally, members of the Commission identified the PTTP as an indispensable element of class size reduction as well as an effective way to recruit member of underrepresented groups into the teaching profession. However, the Commission voted to postpone the formal evaluation of the program while Commissioners and lawmakers further consider the elements of that evaluation, as required in Education Code. In lieu of the evaluation, the Commission decided to compile data currently in our possession, which is collected annually, and include that information in a Report to the Legislature. Although the Commission reports annually to the legislature on the progress of the PTTP, no further action has been taken to modify evaluation elements (4) and (5).

2004 Audit Findings

In November 2004, the California State Auditor, Bureau of State Audits (BSA), issued its report, *California Commission on Teacher Credentialing: It Could Better Manage Its Credentialing Responsibilities*. One of the audit findings was that the independent evaluation of the PTTP must be conducted. The audit report urges the Commission to “resume requests for budget augmentations to fund an independent evaluation of the paraprofessional program that assesses all the requirements in the applicable statute or seek to amend those evaluation elements that it believes would be too costly to implement”.

The Commission issued a response to the audit report and advised the Bureau of State Audits that Commission staff will seek permission from the Commission to submit a BCP in Fall 2006 to fund the independent evaluation of its paraprofessional program during the 2007-08 fiscal year.

Benefits

Because the PTTP is funded through the State General Fund, Proposition 98 funds, completion of the evaluation would assure policymakers and tax payers that public funds invested in the PTTP have been utilized in an effective manner and that teachers trained through the program are well-trained, highly qualified teachers who serve as important role models for California’s public school students.

The Commission has been unsuccessful in gaining approval for the additional resources needed to complete an independent evaluation of the PTTP. As a result, no independent body has

evaluated the PTTP project. While we are aware of the number of teachers produced through the PTTP, it is believed that graduates of the program perform as well as, and in some instances better than, a traditional teacher. In addition to compliance with law, the major benefit of conducting an external evaluation of the PTTP will be to either confirm our beliefs or identify adjustments that need to be made to ensure continued program success. If the evaluator confirms the belief about the quality of PTTP graduates, such a finding will assure legislators and the public that continued funding of the PTTP will not only result in the production of highly qualified teachers for California's public classrooms but that continued funding of the program is a defensible, justifiable and effective use of taxpayer dollars.

Justification

Resources for this activity are not currently included in the Commission's expenditure authority. In order for the Commission to develop and implement the evaluation of the PTTP as specified Education Code Section 44393(e) the Commission's budget must be augmented so the Commission can carry out the mandate included in statute. To carry out the evaluation activities Commission staff would need to coordinate the effort by first convening a workgroup that would be responsible for review of the previously developed evaluation questions, develop new or additional evaluation questions, develop and review of a Request For Proposals (RFP) and direct the Executive Director to select a contractor, support the external evaluator in their efforts and participate in the preparation of the report of evaluation findings to the Commission. Commission staff would also need to provide support for the workgroup and their activities and provide technical support to the external evaluator, complete the activities related to development and distribution of an RFP and prepare and report on the evaluator findings to Commissioners.

Budget Assumptions

For the Commission to complete the required independent evaluation of the program identified in Education Code Section 44393(e), it is estimated that the cost would be \$523,300 (General Fund) over two fiscal years. The entire amount would include costs associated with convening a workgroup, completing activities related to the RFP and technical assistance provided by the workgroup to the evaluator. Staff costs will come from existing resources included in the Teacher Credentials Fund (0407), for staff time to administer the PTTP.

It is estimated that the cost of a modified evaluation, which would require the use of sampling or case study techniques for evaluation elements (4) and (5), would be \$373,300. Again, the amount would include the funded workgroup, activities related to the RFP and technical assistance provided by the workgroup and staff to the evaluator.

Options for Commission Consideration

Understanding the complexity, expense and difficulty in requiring an evaluator to carry out evaluation elements (4) and (5), Commissioners may wish to consider the following options and direct staff to proceed accordingly. Each option requires staff to prepare a full BCP for Commission consideration at its next meeting.

Option 1: Design and complete an independent evaluation of the PTTP as required in Education Code Section 44393(e)

This option would allow the Commission to direct staff to draft a complete BCP and a proposed evaluation plan and bring it to the next meeting for Commission consideration. If approved by the Commission, the BCP would be submitted to the Department of Finance. If funded, the Commission would issue a RFP and award a contract for an evaluation that includes a full investigation of the effects of the PTTP program on student achievement test scores, pupil dropout rates and other measures of pupil delinquency. The estimated cost of such of an evaluation is \$523,300 over two fiscal years.

Option 2: Design a modified evaluation plan using sampling or case study techniques to gather data identified in evaluation elements (4) and (5)

This option would allow the Commission to comply with evaluation elements (4) and (5) but would clarify the relevant cause-effect relationships on the PTTP. The evaluator would use sampling or case study techniques gather data identified in evaluation elements (4) and (5) from two or three school districts. The evaluator would then focus remaining resources on the non-problematic PTTP evaluation elements, including issues of recruitment, qualifications, and cost-effectiveness. The estimated cost of this modified evaluation plan would be approximately \$373,300.

Option 3: Direct staff to seek amendments to the law and defer the evaluation pending legislative action

Under this option, the Commission would direct staff to submit a proposal to delete or substantially modify evaluation elements (4) and (5). The Commission would then defer the required evaluation pending legislative action and direct staff to return with a report on legislative activity related to the evaluation and, if necessary, a complete, proposed BCP intended for funding in FY 2008-2009

Option 4: Direct staff to seek amendments to law and defer the evaluation pending legislation action and continue to provide annual reports to the Legislature as required in Education Code Section 44393(g)

As in the above option, this option would allow the Commission to direct staff to seek amendments to the law to delete or modify evaluation elements (4) and (5) and defer the required evaluation pending legislative action. However, the Commission would also direct staff to continue to comply with the reporting requirement included in Education Code Section 44393(g), which requires the Commission to report to the legislature on the status of the program. Staff would continue to include quantitative data related to evaluation elements (1), (2), (3), (6) and (7) in each legislative report. The Commission would also direct staff to provide an information item describing legislative activity related to the evaluation of the PTTP for future Commission consideration. The cost of this activity would be negligible to the Commission because costs would come from existing resources included in the Teacher Credentials Fund (0407) to administer the PTTP.

