
2.1

Action /Information Item

Governmental Relations Committee

State Legislative Update

Enclosed is a summary of bills currently being tracked by Commission staff and considered during the second half of the 2005-06 State Legislative session.

Recommended Action: For information and consideration of actions on bills affecting the Commission's programs.

Responsible Staff: Steve Caldwell,
Acting Chief, Governmental
Affairs and Research

STATE LEGISLATIVE UPDATE

The second half of the 2005-2006 Legislative Session began on January 4th 2006. Most of the bills under consideration came through the Assembly Higher Education policy committee. Many bills that were considered two-year bills were amended quickly because January 13th was the last day for policy committees to hear and report to fiscal committees the fiscal bills introduced in their house during 2005.

January 20th was the last day for fiscal committees to hear and report to the floor bills introduced in their house during 2005. January 31st was the last day for each house to pass bills introduced in 2005 in their house. The result of these deadlines was that there was a flurry of activity with amendments proposed, discussed, re-amended and heard in two committees within a two week period.

Budget Activity: The Governor released his 2006-07 budget proposal to the Legislature on January 10, 2006. The Legislative Analyst's Office plans to release its analysis of the Governor's Budget during the last week in February which will lead into the Legislature's spring budget hearings.

Assembly Budget Subcommittee Number 2 on Education Finance plans to hold an overview hearing on Wednesday, February 15th with regular hearings to begin following the overview. The Committee's regular meeting time for higher education issues is scheduled for Wednesdays at 10:00 a.m. in Room 444.

The Senate Budget Subcommittee Number 1 on Education plans to begin budget subcommittee hearings on either Monday February 27th or Monday March 6th and will meet on Mondays (barring Legislative holidays) beginning at 1:30 p.m. (or upon adjournment of the Senate Floor Session) in State Capitol Room 113, through Mid-May.

The Legislature's Spring Recess is April 7th through April 16th.

AB 358**Position: Support**

Author: Liu (D-La Canada - Flintridge)

Version: As Amended on August 30, 2005

Subject: Maximum Award for Non-Public Colleges and Universities

Under current law, the maximum award for students at non-public colleges and universities is stipulated in the annual Budget Act. Also, under current law, students receiving a Cal Grant B award receive only the access grant (\$1,551) in the first year of attendance and the access grant plus tuition and fee assistance in the remaining three years. The top two percent of Cal Grant B Entitlement students receive full funding in the first year of attendance.

This bill would:

- 1) Establish in statute an award formula linking the Cal Grant A and B award for tuition and fees at independent colleges and universities to the General Fund subsidy the state provides for each student at public four-year universities.

TAB 2.1a

- 2) Provide a phased-in period for the new award formula that requires 2006-07 grants to be no less than 80 percent of the formula-driven amount, 2007-08 grants to be no less than 90 percent of that amount and 2008-09 and subsequent years' grants to be no less than 100 percent of that amount.
- 3) Provide that the award formula above would only apply to students in 4-year programs.
- 4) Require the California Student Aid Commission to review Cal Grant B funding policies, analyze alternatives and provide recommendations in a report to the Legislature on or before September 1, 2006.

Commission Advocacy: The Commission staff submitted a letter supporting the August 15, 2005 version of AB 358. The bill was amended on August 30, 2005 in a way that would create an inequity in eligibility, distribution and funding of Cal Grants to the diverse population served. On September 2, 2005 the Commission staff submitted a letter to the author which outlined the Commission staff's concerns. Commission staff will continue working with the Legislative members and their staff over the next few months to address the concerns identified and to promote legislation that supports an equitable Cal Grant maximum award for students attending independent colleges and universities and maximizes financial aid availability to all students.

Status: Currently inactive - in Senate and may be amended in the future.

AB 476

Position: None

Author: Baca (D-Rialto)

Version: As Amended January 13, 2006

Subject: APLE Program – Eligibility

Current law establishes the Assumption Program of Loans for Education (APLE), administered by Commission, under which and applicant who meet the following conditions are eligible for a loan assumption agreement, pursuant to a prescribed procedure upon becoming employed as a teacher;

- Is enrolled in an eligible institution of postsecondary education; or
- Agrees to participate in a teacher trainee or teacher internship program; and
- Agrees to obtain a teaching credential in a subject area that is designated as a current or projected shortage area; or
- Provide classroom instruction in a school that serves a large population of pupils from low-income families;

Current law also requires that all persons eligible to enter into agreements for loan assumption pursuant to the Assumption Program of Loans for Education be persons who need to complete training or coursework in order to be fully credentialed and who agree to obtain a credential.

This bill would require that:

- All persons eligible to enter into agreements for loan assumption pursuant to the APLE be persons who either need to complete training or coursework to be fully credentialed, and who agree to obtain a credential; or

- Who currently hold a teaching credential and are pursuing a single subject teaching credential to teach science or mathematics, or are pursuing a specialist credential in special education.

Intent: AB 476 is intended to address the need for science and math teachers. According to the Center for the Future of Teaching and Learning (the Center), a public, not-for-profit organization dedicated to strengthening teacher development policy and practice in California, California will need to replace at least 100,000 teachers over the next ten years, with a shortage of 27,000 expected as early as the 2007-08 school year. The Center also reports that in 2004 more than 30 percent of physical science and 20 percent of life science high school teachers were not prepared to teach the subject, and more than half of the under-prepared science teachers were assigned to schools with the lowest scores on California's Academic Performance Index (API).

Status: Passed on the Assembly Floor on January 26, 2006 – to Senate.

AB 840

Position: None*

Author: Arambula (D-Fresno)

Version: Amended January 23, 2006

Subject: Cal Grant Transfer Entitlement Program.

This bill relates to an eligibility requirement under the Cal Grant Community College (CCC) Transfer Entitlement Program. Under current law, students who receive Cal Grant awards under this program must have been California residents at the time of their high school graduation. Specifically, this bill would:

- Provide relief for students who, between 2002 and 2005, were awarded a CCC Transfer Entitlement award without verification of California residency at the time of graduation from high school or its equivalent by retroactively exempting these students from the statutory requirement to be California residents at the time of high school graduation and continuing to fund the awards through the end of the students' eligibility;
- Clarify that a student is eligible for a CCC Transfer Entitlement Cal grant if that student was a California resident at the time of graduation but graduated from a high school outside California due to military orders that caused the student or the student's parents to be stationed outside of California;
- Require the Commission to ensure that students who receive an award under this program were California residents at the time of high school graduation; and
- Include an urgency clause, making the bill effective on the date of approval by the Legislature and the Governor.

Status: Passed on the Assembly Floor on January 26, 2006 – to Senate.

* The Governmental Relations Committee (January 25, 2006) voted to recommend a position of SUPPORT IN CONCEPT on AB 840 to the Commission.

AB 1315

Position: None*

Author: Liu (D-La Canada)
 Version: As amended on January 23, 2006
 Subject: Cal Grant B Access Stipend

This bill would increase the Cal Grant B Access stipend in increments of not less than 5 percent but not more than 10 percent annually beginning in fiscal year 2007-08.

Specifically this bill would:

- Establish that awards for access costs in the Cal Grant Program shall not be less than 20 percent of the indirect costs of the student budget allowance recommended by the California Student Aid Commission (CSAC) for a student living off campus for a nine-month academic year;
- Recommend that the student budget allowance be determined by an existing CSAC survey conducted triennially and that the allowance be increased by inflation in the intervening years; and
- Require that beginning with the 2007-08 award year, the maximum award for access costs shall be increased by between 5 percent and 10 percent per year until the award has reached or exceeded the 20 percent goal described above, at which time the amount shall be set at 20 percent and amended annually as specified above.

Status: Passed on the Assembly Floor on January 26, 2006 – to Senate. Staff conveyed the Commission’s previous support and sponsorship of the policy to tie the results of the Commission’s Student Expense and Resources Survey (SEARS). Staff committed to continuing to work with Assembly Member Liu and her staff to ensure that the proposal includes appropriate methodology.

* The Governmental Relations Committee (January 25, 2006) voted to recommend a position of SUPPORT IN CONCEPT on AB 1315 to the Commission.

AB 1532

Position: None*

Author: Bass (D-Los Angeles)
 Version: As amended on January 13, 2006
 Subject: Foster Youth: Cal Grant Access

Current law requires Cal Grant Entitlement Program applicants to submit a completed application (FAFSA and GPA) to the Commission by March 2nd each year. This bill would:

- Remove the March 2nd annual FAFSA deadline for former Foster Youth;
- Remove the March 2nd annual GPA deadline for former Foster Youth; and
- Define foster youth, for the purposes of AB 1532, as students eligible to receive foster care between their 16th and 18th birthdays, as verified by the Department of Social Services, and who will not be 30 years of age or older by December 31 of the award year for which an application for Cal Grant has been submitted.

Status: Passed on the Assembly Floor on January 26, 2006 – to Senate.

* The Governmental Relations Committee (January 25, 2006) voted to recommend a position of SUPPORT IN CONCEPT on AB 1315 to the Commission.

OTHER ISSUES – POTENTIAL LEGISLATION

1. The California High School Exit Exam (CAHSEE) - Cal Grant Eligibility

- This item is covered separately in the following pages;
- The Commission has taken a position to encourage the use of the Ability to Benefit exams to qualify students for Cal Grant eligibility in the absence of successful passing of the CAHSEE exam; and
- Commission staff is working with the Superintendent of Public Instruction, and Legislative staff and the State Department of Education.

Status: The proposed legislation is in process. The Superintendent of Public Instruction, the Governor's Office, and the Legislature have been discussing potential solutions to the issues surrounding the CAHSEE requirement as it pertains to student eligibility for Cal Grant awards. Staff will provide updates on the status of the negotiations as more information becomes available. Commission staff recommends that the Commission discuss this issue and take action to support an agreed upon solution that is fair and equitable for all students.

2. Options for the Future of EDFUND

- The Legislative Analyst's Office's (LAO) report on Options for the Future of EDFUND was released on Tuesday, January 24, 2006. Commission staff provided copies of the report to Commissioners. The report can also be found on the LAO's website at www.lao.ca.gov. A recommendation related to the options presented in the report is expected in the LAO's Analysis of the Governor's Budget which is expected to be released during the last full week in February.
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**CALIFORNIA HIGH SCHOOL EXIT EXAMINATION
(CAHSEE)**

Background: After determining that local proficiency standards established pursuant to *Education Code* Section 51215 (repealed January 1, 2000) were generally set below a high school level and were not consistent with the state's content standards, the Legislature indicated its intent to set higher standards for high school graduation.

- In proposing the CAHSEE, the Legislature's primary goal was to "...significantly improve pupil achievement in high school and to ensure that pupils who graduate from high school can demonstrate grade level competency in reading, writing, and mathematics..." (Senate Bill 2, Section 1[b]). *Education Code* Section 60850 (Chapter 1, statutes of 1999-2000, S.B.2, O'Connell) authorized the CAHSEE to be developed in accordance with State Board of Education (SBE)-adopted content standards in language arts and mathematics.
- The CAHSEE was developed based on recommendations of the High School Exit Examination Standards Panel, whose members were appointed by the State Superintendent of Public Instruction and approved by the SBE.
- State law requires that the CAHSEE be administered only on the dates designated by the State Superintendent of Public Instruction. Students must retake the examination until the ELA and mathematics parts are passed; however, students may retake only those parts not previously passed. The first opportunity students have to take the CAHSEE is in the second half of grade 10. Students who do not pass the CAHSEE during this administration have up to five additional opportunities to pass the CAHSEE.
- The CAHSEE was offered for the first time in spring 2001 (March and May) to volunteer ninth graders (class of 2004).
- In October 2001, Assembly Bill 1609 (Calderon) removed the option for ninth graders to take the CAHSEE beginning with the 2002 administration. The CAHSEE was next administered in spring 2002 to all tenth graders who had not passed it during the spring 2001 administration. It has since been administered several times to the remaining students in the class of 2004 who have not yet passed one or both parts (i.e., ELA and mathematics).
- The class of 2005 took the CAHSEE for the first time in spring 2003. In July 2003, the SBE took action to move the passage of the CAHSEE as a diploma requirement to the Class of 2006. The Class of 2006 took the CAHSEE for the first time as tenth graders in February 2004.
- In addition to the use of the CAHSEE as a graduation requirement, the spring CAHSEE administration will continue to be used in calculating the Academic Performance Index for state accountability purposes and Adequate Yearly Progress to meet federal No Child Left Behind requirements.

Cal Grants and the CAHSEE: Since the legislation was enacted, several public hearings and forums have been held and many in the State have been discussing the validity and fairness of requiring all public school students to pass the CAHSEE as graduation requirement. A side effect of the CAHSEE requirement involves the fact that in order for students to receive a Cal Grant Entitlement award they must have graduated from a California high school or its equivalent. According to California law, if a California public high school student does not pass the CAHSEE exam, beginning with the class of 2006, the student will not have graduated from high school.

At its December meeting, the California Student Aid Commission discussed the CAHSEE exam and its effect on Cal Grant eligibility. The Committee agreed that the Commission would continue to work with the State Superintendent of Public Instruction, the California Department of Education, the Legislature and the Administration to work toward maintaining Cal Grant eligibility for students who are unable to pass the CAHSEE in time to graduate with their senior class, but they took no specific action.

The Superintendent of Public Instruction (SPI), Jack O'Connell spoke to the Cal Grant issue in his January 6th letter to the State Board of Education President and Members and all interested parties. In his speech the SPI indicated that he would work with members of the Legislature and would submit legislation that would among other things; *"Assure eligibility for Cal Grants to students who meet all other high school graduation requirements and GPA requirements, but have not passed the CAHSEE. We must not foreclose opportunities for these students to continue their education in post-secondary institutions."*

Current Status: Commission staff is working with members of the Legislature and the CDE/SPI and expect a bill to be amended soon to include a solution that will address the goal to provide Cal Grants to eligible students who have not passed the CAHSEE.

SB 517 (Romero): The Legislature passed and the Governor signed SB 517 into law on January 30, 2006 which means that this year's high school seniors with disabilities will not have to pass the California High School Exit to graduate. The plan to exempt the students is estimated to affect more than 4,000 disabled public school students in the high school Class of 2006.

Under current law, all other graduating seniors will still have to pass the test of basic math and English language arts skills. The new law partly settles Chapman vs. California, in which students say they should not have to pass the exam because many have not been taught the material.

Staff will provide an update at the Governmental Relations Committee meeting and at the Commission meeting in February as more information becomes available.

The following information on AB 1531 is included for information only and for background on issues related to the CAHSEE.

AB 1531

Position: None

Author: Bass (D-Los Angeles)

Version: As amended on August 31, 2005

Subject: California High School Exit Exam

Current law requires the Superintendent of Public Instruction (SPI), with the approval of the State Board of Education (Board), to develop a high school exit examination in English language arts and mathematics in accordance with state academic content standards. Existing law requires, commencing with the senior class of 2006 year and ahead, that each pupil completing grade 12 successfully pass the exit examination as a condition of high school graduation. Existing law requires the Board, in consultation with the Superintendent, to study the appropriateness of other criteria by which high school pupils that are regarded as highly proficient but unable to pass the exit examination may demonstrate their competency and receive a high school diploma.

This bill would permit a pupil to satisfy the English language arts or mathematics portion of the high school exit examination by passing an alternative performance assessment offered by his or her school district or charter school if the Superintendent certifies that the alternative performance assessment meets certain minimum requirements.

Status: Enrolled and sent to the Governor on September 19, 2005. Vetoed by the Governor on October 7, 2005.

The Governor's Veto Message:

"I am returning Assembly Bill 1531 without my signature. This bill would undermine the existing California High School Exit Examination (CAHSEE), weaken the ability of the state to establish minimum standards for high school diplomas, and diminish ongoing efforts to ensure that these students are receiving the assistance they deserve to successfully complete the exit exam. Under current law, students already have up to six different opportunities to pass the exit exam. Allowing school districts to offer alternative assessments at this time sends the wrong message to students, parents, teachers, and administrators that we do not expect students to achieve at the highest levels.

I believe that every student can learn, and every student can graduate high school with the skills they need to go to college or enter the workforce. We have a responsibility to each of our students to believe in them, and not to have low expectations.

This is why the 2005 Budget Act includes \$70 million for additional support services and instruction for students most at risk of not passing the CAHSEE. I believe that targeted state resources should continue to be focused on helping students prepare for the exam, rather than developing alternative assessments. For these reasons, I am unable to sign this bill."



CALIFORNIA
DEPARTMENT OF
EDUCATION

1430 N STREET
SAFETY CENTER
95814-5901

January 6, 2006

TAB 2.1c

JACK O'CONNELL

State Superintendent of
Public Instruction

PHONE: (916) 319-0800

Dear State Board of Education President and Members and All Interested Parties:

CALIFORNIA HIGH SCHOOL EXIT EXAMINATION

California's high school exit exam is one of the cornerstones of California's accountability system. Before our state implemented standards-based accountability our schools had widely disparate standards for what children were learning and what constituted graduation requirements. Some schools pushed each and every student to succeed while others, wallowing in the status quo of low standards, handed out diplomas to any student who simply put in seat time. I was heartbroken by stories of high school graduates who could not read or write or understand basic computing. Too many of those students were poor, Latino or African American, or students with disabilities.

I, and other policy leaders, set out to fix that inequity. We set high academic standards for what every student should learn. We now hold every school in California accountable for improving student achievement and we shine a spotlight on and intervene at those schools that are not moving in the right direction. I wrote the law creating the California High School Exit Examination (CAHSEE) in 1999 because I wanted to ensure that no child could fall between the cracks and be sent into the world, diploma in hand, lacking the skills and knowledge necessary for meaningful work or college. I did so with the belief that it would challenge the system and raise expectations and results for all California's children. Six years later, it is clear, based on research and data, that the exam is working as intended and that it has focused our schools on teaching California's world-class academic standards. Students across the state are meeting higher expectations as a result of the exam.

Since its inception, the CAHSEE has been thoroughly reviewed and constantly updated. The California Department of Education (CDE) and the State Board of Education have received and studied yearly independent reports conducted by the Human Resources Research Organization (HumRRO). We have reviewed the literature on similar exams and have monitored other states' activities in this realm. We have conducted outreach and training on the CAHSEE and its content, have created study tools and guidance for districts, parents and students, and have sent a clear policy message about the importance of this exam as a graduation requirement.

Several months ago, HumRRO released its sixth annual independent evaluation of the CAHSEE. The report confirmed that the test is a valid and reliable indicator of student knowledge in mathematics and English-language arts and that the test brings needed consistency across all of our varied districts.

I strongly believed, and continue to believe, that the report's lead recommendation to keep the CAHSEE requirement in place for the class of 2006, and beyond, was an appropriate and important recommendation. HumRRO also recommended the consideration of alternatives and/or options for those students who may be unable to satisfy the CAHSEE requirement by June 2006.

As a result, I directed my staff to examine HumRRO's recommendations and stated that if I were convinced changes would be in the best interest of all California students, I would make those recommendations. Our process was guided, however, by the core principle that awarding a student a diploma without the knowledge and skills to back it up does that student a great disservice. For any alternative to be acceptable, it would have to guarantee the student's knowledge of the standards CAHSEE assesses. I want every student in California to get a high school diploma, but more importantly, I want every student in California to complete high school with the necessary skills to truly compete in today's information-driven global economy.

In the intervening months, my staff examined exit exam models throughout the country and considered a multitude of possible alternatives and options. We considered alternatives, defined as any additional way of showing a mastery of the standards other than by the exit exam. We also considered options, defined as any course available to students after they have satisfied their local graduation requirements but have been unable to pass the exit exam.

Regarding alternatives to passing the CAHSEE for purposes of receiving a diploma, the following points contain some of the ideas brought forward and also my concerns about implementation of these alternatives. (In addition, attached to this letter is a more comprehensive look at all the alternatives we considered.) When considering these alternatives, we used four principles to guide our discussion:

1. Is it in the best interest of California's students?
 2. Does it meet an equivalent standard?
 3. Will it ensure the California high school diploma is a meaningful document?
 4. Is it practical to implement in California?
-
- **Passage of an existing exam as an alternative (e.g., SAT, Advanced Placement (AP)).** While this alternative eliminates the need to develop a new exam, I believe the use of other exams would be inappropriate because tests like AP and the SAT are not aligned to our state content standards and, therefore, we would not be able to directly equate the results.
 - **State-developed alternative test (e.g., performance test, state rubric).** While this alternative would facilitate consistency across the state, addressing an important concern of mine, it would be very costly to develop. In addition, this

alternative could not be implemented for the class of 2006 as any reasonable implementation would be two to three years out. Finally, even though it would be a state-developed alternative, it would still be difficult to guarantee equivalence given the need for local scoring.

- **Collection of evidence (e.g., portfolio, senior project).** While this alternative would allow multiple measures to determine mastery of CAHSEE-based standards, it would undercut the original intention of CAHSEE, which was standardizing the meaning of a high school diploma. This alternative would result in hundreds of different definitions of the skills required to earn a diploma, and could not guarantee a student's knowledge of the standards CAHSEE assesses.
- **Locally-developed assessments.** While this alternative would allow for more local control, it provides no guarantee of consistency across districts, nor any guarantee of quality or adherence to testing standards.

It should be noted that with respect to students with disabilities, the CDE had agreed to a settlement in the case of *Chapman, et al v. the California Department of Education, the State Superintendent of Public Instruction, and the State Board of Education*. The lawsuit sought to delay the consequences of the CAHSEE for students with disabilities. I agreed to this settlement because we know that our standards-based education reforms take time to implement, particularly for students with disabilities. This settlement would provide a path for certain students with disabilities in the class of 2006 to receive a diploma, while giving our schools more time to provide them with the skills necessary to pass the CAHSEE. I will continue to fight to make this settlement law and firmly believe it will be in place for the class of 2006.

After reviewing the research and considering options for non-special education students, I have concluded that there is no practical alternative available that would ensure all students awarded a high school diploma have mastered the subject areas tested by the CAHSEE. I am convinced that the only way to make sure all our graduates have the critical skills they need in adulthood is through requiring passage of the CAHSEE.

To be clear, this does not mean, as some have said, that those students who have been unable to pass the exam will be denied a diploma indefinitely. It simply means that their basic education is not complete and they must continue on through our kindergarten through grade twelve (K-12) system, adult education, or community colleges to obtain the necessary skills to warrant receipt of a diploma.

We face a new economy driven by global innovation that will demand higher level skills and knowledge to meaningfully enter the work force. It is imperative that all of California's children reach at least the minimum bar set by our exit exam. Therefore, our educational system must ensure all students who have satisfied local graduation requirements, but have been unable to pass the exit exam, is given the opportunity to continue their education in order to obtain the necessary skills they will need to succeed.

As a result, I am committed to breaking down any possible barriers in order to guarantee that every child who wants to continue his or her education will find a place to do so in California's educational system. (Attached is a comprehensive look at all the options available to students.)

I am working with members of the Legislature and will submit legislation shortly to help break down these barriers. We will do this by:

- Lifting enrollment caps and providing funding for adult education programs to allow students who have not passed the CAHSEE by end of their senior year to enroll in adult education programs.
- Ensuring access to summer school so that any student who completes four years of high school and has not passed the CAHSEE can take a summer course of CAHSEE remediation/intensive instruction. I will also seek to eliminate enrollment caps on summer and remedial programs for students in elementary and middle school grades so more students can enter high school better prepared to succeed academically.
- Providing sufficient funding to offer independent study to students who complete their senior year of high school without passing the CAHSEE and allowing these students to enroll the subsequent year in high school in order to take independent study courses designed to help them pass the CAHSEE and meet graduation requirements.
- Funding a special 2006 summer administration of the CAHSEE – estimated cost is \$2.5 million.
- Assuring eligibility for Cal Grants to students who meet all other high school graduation requirements and GPA requirements, but have not passed the CAHSEE. We must not foreclose opportunities for these students to continue their education in post-secondary institutions.

This has been a particularly difficult decision and I understand the concern and disappointment of those who will not graduate with their classes this June. Yet I firmly believe that today's economy demands higher level skills and it is in the best interest of both our students and society to ensure we equip all our children with the knowledge and skills they will need before they enter the work force.

I urge district administrators to make good use of the \$20 million (\$600 per eligible student) authorized in the Budget Act for 2005-06 for the purpose of providing intensive instruction and services for eligible students in the class of 2006 who have failed either part of the CAHSEE. These funds should be used to diagnose student challenges in English and/or math and actively remediate them to help those seniors successfully meet the CAHSEE requirement.

January 6, 2006

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We all must acknowledge that there are a significant number of high school seniors in the class of 2006 who are still striving to pass the CAHSEE. We also must acknowledge that at the end of this school year we will be in the difficult position of seeing some of those seniors not graduating with their peers.

But I want each of those students to hear one thing loud and clear: we believe in you and we will not leave you behind. We want you to be able to participate fully in the competitive global economy of the 21st century. You can only do that if you are equipped with the knowledge and skills that will help you succeed. I urge students who are still challenged by the CAHSEE to take advantage of remediation courses and make your senior year count so you can master the English-language arts and mathematics skills that are critical to your future. I promise if you take advantage of these opportunities and are still not able to master these skills by the end of the school year, we will not turn our backs on you. There will be a place for you in the California public school system until you are able to master those skills needed to compete in the demanding future that awaits you.

Sincerely,

JACK O'CONNELL

JO:rm

Attachments

**California Department of Education
California High School Exit Examination (CAHSEE)
Options for Students not Passing the Exam**

The following possibilities currently exist for a California student to continue to pursue a high school diploma or equivalent without having passed the California High School Exit Examination (CAHSEE) by the end of their regular senior year:

1. Provide instruction through the Remedial Supplemental Instruction Program.

Students in grades seven through twelve, who do not demonstrate sufficient progress towards passing the CAHSEE, are eligible to receive intensive instruction and services designed to pass the CAHSEE. These services may be received during their high school years and during the year following their grade twelve year for those students who have failed to pass one or both parts of the CAHSEE (*Education Code [EC] Section 37252[c] and [h]*). Students may receive supplemental instruction services for at least one year following completion of grade twelve. Local educational agencies would receive the Remedial program's hourly rate of funding (about \$3.68 per hour).

In addition, *EC Section 37254*, provides funds, if appropriated, to be used to provide intensive instruction and services designed to help eligible pupils to pass the CAHSEE.

2. Enrollment for an additional year(s) in a public comprehensive high school or alternative education program until the CAHSEE is passed and a diploma is awarded, per local Governing Board policy.

If a student does not have a high school diploma, he or she can at any age approach the kindergarten through grade twelve (K-12) district of residency to obtain an education leading to a high school diploma. The K-12 school district of residency has the option to place a student age eighteen or older in an appropriate program. This may include placement at a comprehensive high school if the student has been continuously enrolled in a K-12 school, or at an alternative education program within the school district. Districts may restrict this possibility due to enrollment pressure, facility availability or other factors.

Students under the age of eighteen years are compelled to attend school pursuant to *EC Section 48200*, and the district of residency is required to serve the student in an appropriate program.

A senior year student who is deficient in graduation requirement credits may also be reclassified as a junior to enable the student to attend the school for one or more additional years, thereby providing additional instructional time and attempts to pass the CAHSEE and be awarded a diploma.

3. Maintain continuous enrollment in a public school independent study program until the CAHSEE is passed and a diploma is awarded, per local Governing Board policy.

Districts are allowed to provide instruction using the independent study method for students nineteen years and older, who have been continuously enrolled in a K-12 school since their eighteenth birthday. Pursuant to *EC* sections 46300.1 and 46300.4, apportionment may be claimed for students continuously enrolled and taking appropriate course work relevant to receiving a diploma.

There is a cap of 10 percent on the number of continuation high school students at a site that can be served through independent study, with an exemption for students who are pregnant or are primary parents (*EC* Section 51745[b]).

4. Maintain continuous enrollment in a public charter school until the CAHSEE is passed and a diploma is awarded, through age twenty-two.

Students must be continuously enrolled to attend public charter schools from age nineteen through twenty-two (*EC* Section 47612 and *California Code of Regulations*, Title 5, Section 11960). In addition, students (essentially without age limit) may attend a charter school if it provides instruction exclusively in partnership with any of the following: (1) the federal Workforce Investment Act of 1998; (2) federally affiliated Youth Build programs; (3) federal job corps training or instruction provided pursuant to a Memorandum Of Understanding with the federal provider; or (4) the California Conservation Corps or local conservation corps certified by the California Conservation Corps (*EC* Section 47612.1).

5. Enroll in a California adult school secondary education program to obtain a diploma by satisfying the district's graduation requirements and passing the CAHSEE.

Any adult aged eighteen years or older may attend an adult school in California. Capacity to serve adults is limited by the school district's state established funding cap. The CAHSEE is required for graduation from all California Adult Schools operated by K-12 school districts.

6. Obtain a diploma from a community college that awards high school diplomas through their non-credit adult education programs that do not require passage of the CAHSEE.

Some California Community Colleges run non-credit adult education programs and grant high school diplomas similar to the K-12 school system adult education programs. Students enrolled in Community College non-credit programs are not subject to the CAHSEE requirement. Each college makes a local determination regarding whether or not to offer non-credit programs, and some community

colleges currently require passage of the CAHSEE if they have a partnership with a K-12 or high school district.

7. Obtain a diploma through a county court or community school program.

County Offices of Education operate County Court and Community Schools for adjudicated youth, wards of the court, and expelled youth (*EC* sections 1980 – 1986). A County Office of Education may decide to continue the enrollment of a student over eighteen years, as long as the student is classified in grades one through twelve. Continuing education may involve a court order and probation department concurrence. Passage of the CAHSEE is required to earn a diploma.

8. Pass the California High School Proficiency Exam (CHSPE), for students ages sixteen or over, to obtain a diploma equivalent.

California *EC* Section 48412 allows students who take and pass the CHSPE to receive from the State Board of Education a certificate of proficiency, which is the legal equivalent of a high school diploma. Information is available on the CDE Web site at <http://www.cde.ca.gov/ta/tq/sp/>.

9. Pass the General Educational Development (GED) test, a national program for adults ages eighteen and older, to obtain a diploma equivalent.

The GED is a national test for individuals over eighteen or who are within 60 days of their eighteenth birthday (regardless of school enrollment status). Individuals can take the GED to demonstrate knowledge equivalent to a high school diploma. Students age seventeen years and out of high school for a minimum of 60 days are also eligible to take the test. The test is offered on a fee basis at testing centers throughout the state. Information is available on the CDE Web site at <http://www.cde.ca.gov/ta/tq/gd/gedfaq.asp>.

**California Department of Education
California High School Exit Examination (CAHSEE)
Compendium of Considered Alternatives**

Considered Alternative	Advantages	Disadvantages
No alternative – maintain status quo	<ul style="list-style-type: none"> – Keeps CAHSEE as positive force in California schools. – Maintains focus on accountability for students and system. – Guarantees consistency of graduation standard across state. – Implements intent of legislation. 	<ul style="list-style-type: none"> – Some students may not graduate due to CAHSEE requirement.
Delay the consequences for one or more years for students with disabilities, but continue to test all students on the CAHSEE	<ul style="list-style-type: none"> – Allows more time for students with disabilities to receive standards-based instruction. 	<ul style="list-style-type: none"> – Could have social repercussions in which a delay will be perceived as a step back from the important goal of maximal inclusion of students with disabilities in the education process or the belief that students with disabilities can achieve at high standards.
Passage of an existing exam as an alternative (e.g., AP, SAT or California Standards Test (CST))	<ul style="list-style-type: none"> – Eliminates need to develop a new exam. – Use of a CST as a CAHSEE proxy in future may reduce testing time. 	<ul style="list-style-type: none"> – AP exams and SAT are not aligned to State content standards. – May not be able to validly and reliably equate CAHSEE. – CST scores could not be appropriately equated to CAHSEE scores in time for class of 2006. – May not be suited for students who cannot access a paper-and-pencil test.

**California Department of Education
California High School Exit Examination (CAHSEE)
Compendium of Considered Alternatives**

Considered Alternative	Advantages	Disadvantages
State-developed alternative test (e.g., performance test)	<ul style="list-style-type: none"> – Facilitates consistency across the state. 	<ul style="list-style-type: none"> – Cannot be implemented for the class of 2006 (implementation two to three years out). – Costly to develop (about \$3 to \$4 million). – Difficult to guarantee equivalence.
Compensatory Scoring Model: Require a combined score on the ELA and math portions of 700 or higher with a specified minimum pass on either part (e.g., 330)	<ul style="list-style-type: none"> – Allows students to compensate poor performance on one portion of the test with better performance on the other portion. 	<ul style="list-style-type: none"> – Lowers the standards being used to assess student performance on one of the portions of the CAHSEE. – May not be consistent with legislative intent.
Collection of evidence (e.g., portfolio, senior project)	<ul style="list-style-type: none"> – Allows multiple measures to determine mastery of CAHSEE-based standards. – IEP teams could tailor the requirements to students' IEPs and other instructional, physical, and emotional circumstances. – Can be administered with more flexibility than an on-demand assessment (such as CAHSEE). 	<ul style="list-style-type: none"> – Creates significant training needs for teachers, administrators, and students. Training would require additional funding. – Requires an elaborate system at state level to monitor implementation and ensure fairness and consistency across the state; additional staffing required. – Significant expense for implementation, scoring, and reporting. – Presents significant technical challenges to ensure comparability of implementation and scoring across the state and to ensure equal rigor to CAHSEE. – Unlikely to increase passing rates without increased system readiness in support of students with disabilities. – Disregards intent of CAHSEE legislation (standardization of assessment for all students in state).

**California Department of Education
California High School Exit Examination (CAHSEE)
Compendium of Considered Alternatives**

Considered Alternative	Advantages	Disadvantages
<p>Focused retest: Abridged version of the full test containing only items designed to distinguish maximally between students who are borderline passers and those with an achievement level just below the proficiency standard.</p>	<ul style="list-style-type: none"> – Students who fail the full-form administration do not have to take the entire test over again. – Better suited for students with limited attention spans or with physical disabilities that may make longer test periods uncomfortable or unfeasible. – Decreases the likelihood that students will face content beyond their achievement level. 	<ul style="list-style-type: none"> – Including items with difficulty levels just below or above the proficiency standard precludes the customary practice of placing relatively easier items at the beginning of the assessment to build confidence as students move into the test. Without the easier items, some test takers may be discouraged from continuing to take the test; including them will necessarily lengthen the test. – Excluding “difficult” items may disadvantage some test takers who find these items relatively easier than the ones included on the focused retest due to differential instruction, interests, and abilities. Item difficulty is an “average” value determined across all test takers. – Not all standards can be assessed with the same breadth and depth of the full-form test. This may disadvantage some students who have deeper knowledge in particular content strands. – Entails significant expense for development, implementation, scoring, and reporting. – Although technically reliable, the public may not believe such a short test is a credible instrument for high-stakes pass/fail decisions. – Unlikely to increase passing rates without increased system readiness in support of students with disabilities. – Not suited for students for whom a paper-and-pencil test format presents a challenge.

**California Department of Education
California High School Exit Examination (CAHSEE)
Compendium of Considered Alternatives**

Considered Alternative	Advantages	Disadvantages
<p>Computer Adaptive Testing (CAT): Test administered via computer; only presents test taker with items that fit into their ability range, so test taker is presented with fewer items at any one time</p>	<ul style="list-style-type: none"> – Many students with disabilities make extensive use of computers and software as part of their instructional program; CAT method match the assessment format to the primary means of instruction. – The shorter assessment is better suited for students with limited attention spans or with physical disabilities that may make longer test periods uncomfortable or unfeasible. – Adaptive method focus items at students' ability level, lessening the frustration of confronting "too-difficult" content. – CAT could be used by any student not just students with disabilities. 	<ul style="list-style-type: none"> – Requires significant investment in software development or adaptation and hardware statewide. – There is great potential for equity problems given that some schools have access to large numbers of computers and others have very limited access. – Using an abbreviated method means that not all standards can be assessed with the same breadth and depth of the full-form test. This may disadvantage some students who have deeper knowledge in particular content strands. – Although technically reliable, the public may not believe such a short test is a credible instrument for high-stakes pass-fail decisions. – Entails significant expense for development, implementation, and standard setting. – Research is still underway to determine whether traditional paper and computer administrations result in comparable scores for all student populations, including students with disabilities. – Not likely to increase passing rates without increased system readiness in support of students with disabilities.

**California Department of Education
California High School Exit Examination (CAHSEE)
Compendium of Considered Alternatives**

Considered Alternative	Advantages	Disadvantages
<p>CAHSEE “Mini-Tests” :</p> <p>Student takes targeted subsections of the actual CAHSEE throughout the school year, either immediately following instruction in a CAHSEE content cluster or on some other predetermined schedule; over the course of a year, the equivalent of an intact CAHSEE can be administered.</p>	<ul style="list-style-type: none"> – The shorter assessment administration segments are better suited for students with limited attention spans or with physical disabilities that may make longer test periods uncomfortable or unfeasible. – This approach allows teachers to target appropriate instructional and test preparation approaches to specific test content. – The content of the “mini-tests” is identical to the full CAHSEE across the range of administrations. 	<ul style="list-style-type: none"> – Entails increased security concerns due to lengthening of the testing window and broader access to test items. – Entails significant expense for development, implementation, and standard setting. – Targeted instruction followed by the immediate administration of a “mini-test” may raise questions of fairness and validity. – Rules are yet to be developed to determine when students may be tested or retested. – An extensive management system at the local and state level needs to be developed to track and report student progress. – Research is needed to determine if the sum of the “mini-tests” is comparable to a full CAHSEE administration; some research suggests that extended time does not significantly improve student performance on assessments. – Unlikely to increase passing rates without increased system readiness in support of students with disabilities. – Not suited for students for whom a paper-and-pencil test format presents a challenge.

**California Department of Education
California High School Exit Examination (CAHSEE)
Compendium of Considered Alternatives**

Considered Alternative	Advantages	Disadvantages
<p>State-level Appeal Process with Prescribed Conditions (e.g., GPA and attendance requirements, specific course requirements, taking CAHSEE, taking advantage of CAHSEE remediation, etc.)</p>	<ul style="list-style-type: none"> – Considers multiple factors besides a single test score. – Indicators may be linked more directly to the educational program of individual students. – Allows for other demonstrations of student proficiency. – Allows state to collect data on how many students do not meet state requirement. 	<ul style="list-style-type: none"> – No guarantee of consistency of implementation across classrooms (e.g., grades), schools, or districts. – Several of the possible appeal indicators are locally implemented and subjective, with the potential for widely different performance standards. – Significant infrastructure at the local and state level is required to implement and monitor the process. – Entails significant expense for implementation and oversight. – The subjective nature of an appeals system could be viewed as a side- or back-door option designed solely to allow more students to pass. – Unlikely to increase passing rates without increased system readiness. – Disregards intent of CAHSEE legislation (standardization of knowledge for all students in state). – Degree of complexity may limit the number of students who could pursue a state-level appeal.
<p>Coursework that reflects standards assessed on the CAHSEE in combination with specific score on CAHSEE</p>	<ul style="list-style-type: none"> – Potential for use with class of 2006. 	<ul style="list-style-type: none"> – No statewide curriculum; therefore, no consistency across districts and state. – Would have to determine what score on CAHSEE in combination with a sufficient grade in coursework would have the same rigor as passing the CAHSEE.

**California Department of Education
California High School Exit Examination (CAHSEE)
Compendium of Considered Alternatives**

Considered Alternative	Advantages	Disadvantages
Locally developed assessment	<ul style="list-style-type: none"> – Local control. 	<ul style="list-style-type: none"> – No guarantee of consistency across districts. – Disregards intent of CAHSEE legislation (standardization of knowledge for all students in state). – No guarantee of quality or adherence to testing standards. – State approval difficult to implement; additional staffing required.
Equivalent CAHSEE courses (e.g., summer school CAHSEE equivalent course.)	<ul style="list-style-type: none"> – Could be implemented for non-passers in the class of 2006. – The number of students receiving diplomas will likely increase. – Student motivation to remain in school may increase. – Multiple methods of demonstrating equivalent achievement are recognized. – Those closest to the student’s work (e.g., teachers, IEP team) can evaluate the student’s achievement level. 	<ul style="list-style-type: none"> – No statewide curriculum. Therefore, no consistency across districts. – The differences among courses may dilute the meaning of and the public’s confidence in the high school diploma. – Ensuring standard content and application of courses across the state is difficult. – Administration and monitoring of the system are difficult.

**California Department of Education
California High School Exit Examination (CAHSEE)
Compendium of Considered Alternatives**

Considered Alternative	Advantages	Disadvantages
Alternative courses as core courses	<ul style="list-style-type: none"> – The number of students receiving diplomas will likely increase. – Alternative courses offer greater flexibility and are more appropriate for some students. – Those closest to the student’s work (e.g., teachers, IEP team) can evaluate the student’s achievement level. – General education and special education staff have opportunities for closer ties. 	<ul style="list-style-type: none"> – Creates two sets of expectations, one for the general student population and one for some students with disabilities. – The differences among courses may dilute the meaning of and the public’s confidence in the high school diploma. – Ensuring standard meaning and application of courses across the state is difficult. – Administration and monitoring of the system are difficult. – Alternative courses may reduce standardization for students across the state. – Determining the best set of courses for each student may be difficult. – Schools and districts will need to develop new courses and adapt existing ones.

**California Department of Education
California High School Exit Examination (CAHSEE)
Compendium of Considered Alternatives**

Considered Alternative	Advantages	Disadvantages
<p>Tiered diploma system (e.g., Tier 1 diploma for meeting all graduation requirements except the CAHSEE and Tier 2 diploma for meeting all graduation requirements including the CAHSEE)</p>	<ul style="list-style-type: none"> – The number of students receiving diplomas will likely increase. – Multiple levels of achievement are recognized. – Such diplomas are perceived to be successful in several states. – Tiered diplomas may be effective in communicating specifically what the student has achieved. – Could be implemented for class of 2006. 	<ul style="list-style-type: none"> – The differences among diplomas may dilute the meaning of and the public's confidence in the high school diploma. – May promote tracking of at-risk student groups, including students with disabilities, into lower-level courses and diploma tiers. – Postsecondary institutions and employers may not universally accept these diplomas. – The state would face an increased burden to inform the public about the different tiers of diplomas. – Students with disabilities may face reduced access to the general education curriculum because a diploma can be attained without a requirement to achieve at the CAHSEE proficiency standard. – Administration of the system is difficult.

**California Department of Education
California High School Exit Examination (CAHSEE)
Compendium of Considered Alternatives**

Considered Alternative	Advantages	Disadvantages
<p>Level diploma (diploma is based on the match between student's achievement levels and postsecondary goals)</p>	<ul style="list-style-type: none"> – Real-world expectations and student goals are linked to the diploma. – Number of students receiving diplomas will likely increase. – Multiple levels of achievement are recognized. 	<ul style="list-style-type: none"> – Ensuring standard meaning and application of diplomas across the state would be difficult. The burden on schools to inform the public about the different diploma levels increases. – Identifying and differentiating “real-world” academic expectations and determining whether students have met them may be difficult. – Tracking of at-risk student groups, including students with disabilities, into lower-level courses and diplomas may increase. – The migration of students whose goals change during high school into a different diploma track may be difficult to monitor. – The public may value different levels of diplomas differentially. – Students with disabilities may face reduced access to the general education curriculum because a diploma can be attained without a requirement to achieve at the CAHSEE proficiency standard.

**California Department of Education
California High School Exit Examination (CAHSEE)
Compendium of Considered Alternatives**

Considered Alternative	Advantages	Disadvantages
Career-Technical Diploma	<ul style="list-style-type: none"> – Number of students receiving diplomas will likely increase. – Consistent with the goals of many students with disabilities. – Students and employers will benefit from students having an endorsement of implied expertise. – Can be incorporated into a tiered diploma option. 	<ul style="list-style-type: none"> – Entails extensive study of the requirements for several industries and entry-level jobs to ensure proper preparation of students (academically and job-specific). – It is uncertain what value the business community would place on a career technical diploma. – May not easily accommodate the migration of students whose goals change during high school into a different diploma track. – May narrow the focus of students with disabilities primarily to nonacademic courses. – May entail prohibitive costs for developing sufficient courses to support it.

**California Department of Education
California High School Exit Examination (CAHSEE)
Compendium of Considered Alternatives**

Considered Alternative	Advantages	Disadvantages
Special Education Diploma	<ul style="list-style-type: none"> – The number of students receiving diplomas will likely increase. – Student motivation to remain in school may increase. – The diploma can be tied directly to the expectations in each student’s IEP. – Awarding the diploma recognizes multiple levels of achievement. 	<ul style="list-style-type: none"> – The separate diploma may promote tracking of students with disabilities into lower-level courses and diploma tiers. – The separate diploma may place students with disabilities at a disadvantage with respect to access to postsecondary education and future employment. – Students with disabilities may have less access to the general education curriculum because a diploma can be obtained without a requirement to achieve at the CAHSEE level. – Administration of the system is difficult. – Ensuring standard meaning and application of diplomas across the state is difficult. – Differentiates students with disabilities from the general student population, which may be inconsistent with state and federal statutes and responsible public policy.
Certificate of Completion	<ul style="list-style-type: none"> – The certificate can be tied directly to the expectations in each student’s IEP. – This option is consistent with current state statutes, regulations, and practices. 	<ul style="list-style-type: none"> – Not equivalent to a high school diploma. – Certificates of completion may promote tracking of students with disabilities into lower-level courses. – Not having a diploma places many students at a disadvantage with respect to access to postsecondary education/training and future employment. – This option differentiates students with disabilities from the general student population, which may be inconsistent with state and federal statutes and responsible public policy.



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CALIFORNIA DEPARTMENT OF EDUCATION

NEWS RELEASE**JACK O'CONNELL**State Superintendent
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STATE SCHOOLS CHIEF ANNOUNCES LEGISLATIVE SOLUTION TO DISPUTE OVER SPECIAL EDUCATION STUDENTS TAKING THE HIGH SCHOOL EXIT EXAM

SACRAMENTO — State Superintendent of Public Instruction Jack O'Connell today joined Secretary of Education Alan Bersin, Senate Majority Leader Gloria Romero, Assemblywoman Karen Bass, and State Board of Education Chief Counsel Paul Seave in announcing that legislation has been introduced reflecting an agreement regarding special education students and the California High School Exit Exam.

"This bill, SB 517 by Senator Romero, will uphold the integrity of the California High School Exit Exam and at the same time, give our schools more time to provide special education students with the skills necessary to pass the exam," O'Connell said.

The bill reflects the terms of a settlement reached last year in the case of *Chapman, et al v. the California Department of Education, the Superintendent of Public Instruction, and the State Board of Education*.

That lawsuit sought to delay the consequences of the California High School Exit Exam (CAHSEE) for students with disabilities in the class of 2006.

SB 517 exempts students with disabilities from the requirement of passing the exam under certain circumstances. The delayed requirement is in effect for one year only and applies only to students with disabilities who have been identified to be on a diploma track for graduation in 2006.

To be granted a diploma, these students must have had an individualized education program (IEP) as of July 1, 2005, and have completed or be about to complete all other state and local graduation requirements in 2006. They must have taken the exit exam at least twice after tenth grade, including once during their senior year with any accommodation or modification specified in their IEPs.

"I continue to believe that for all students, a high school diploma should signify the acquisition of skills necessary to succeed in the world beyond graduation," O'Connell said.

"About half of our special education students are on track to pass the exit exam. It would be a huge disservice to them, and to the significant number of students that I am convinced will be able to pass the exam, to expect less of them in the future. Those special education students who are on a path toward high school graduation should be given the same high-quality education as all of our students. Over the next year, I will work with the Legislature and the Schwarzenegger Administration

to see how we can best help these students succeed in meeting all graduation requirements."

SB 517 also requires that the school district or state special school granting a diploma to a special education student who has not passed the CAHSEE must certify whether the pupil has been provided with remedial or supplemental instruction focused on the exam.

The State Board of Education will be required to review any failure to grant a high school diploma by a school district or state special school. The school district or state special school must submit documentation of the failure to grant a high school diploma within 15 days of the determination that the student with the disability does not meet the criteria specified in the legislation.

School districts must report to the Superintendent on the procedures used to implement this process and the number of pupils granted diplomas.

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