

California State Assembly



Agenda

Assembly Budget Subcommittee No. 3 on Education Finance

Assemblymember David Alvarez, Chair

Tuesday, April 30, 2024
9:00 A.M. – State Capitol, Rm 447

ITEMS TO BE HEARD		
Item	Description	Page
6100 7760 0511	California Department of Education Office of Public School Construction Government Operations: Office of Cradle to Career	
Informational Item	Opening Remarks: Dr. Linda Darling Hammond, State Board of Education	
Issues	<ol style="list-style-type: none">1. Learning & Attendance Recovery Proposals2. Remote Learning & Independent Study Proposals3. Student Behavioral Health Proposals4. School Facility Program Proposal5. K12 High Speed Network & School Broadband Proposals6. Office of Cradle to Career7. County Office of Education Local Control Accountability Plans (Information Only)8. Various Items	2 13 18 20 22 26 28 30

Public Comment will be taken in person before or after the completion of all panels and any discussion from the Members of the committees, at the discretion of the chair.

Items To Be Heard

6100 California Department of Education
7760 Office of Public School Construction
0511 Office of Cradle to Career

Issue 1: Learning Recovery and Attendance Recovery

This panel will consider January Budget proposals to expand Local Education Agencies' average daily attendance options for chronically absent students and address student learning recovery.

Panel

- Alex Shoap, Department of Finance
- Michael Alferes, Legislative Analyst's Office
- Elizabeth Dearstyne, Department of Education

Background

Local Control Funding (LCFF) Is Based on Average Daily Attendance (ADA). The state allocates LCFF to LEAs based on their ADA—the average number of students in class each day throughout the school year. For funding purposes, the state credits school districts and COEs with their ADA in the current year, prior year, or rolling average of three prior years, whichever is higher. This “rolling average” was adopted during the pandemic to address both declining enrollment and attendance patterns' impacts on annual budgeting stability. Charter schools, by contrast, are funded according to their attendance in the current year only. Most school districts are funded on their attendance from the average of their three prior years, due in part to ongoing declines in enrollment statewide. In addition to experiencing reductions in enrollment, schools also experienced steep declines in attendance rates during the COVID-19 pandemic. Although statewide attendance rates have been improving, they still have not returned to pre-pandemic levels.

State Sets Minimum Instructional Day and Time Requirements. The state sets a number of requirements related to the amount of instruction students must receive during the school year. School districts and charter schools are required to provide 180 days and 175 days of instruction, respectively. COEs are not subject to instructional day requirements.

Both school districts and charter schools are subject to the same number of required minutes of instruction for the school year. These requirements vary by grade level and range from 36,000 minutes (for kindergarten) to 64,800 minutes (for grades 9-12). Additionally, school districts are

required to offer a minimum amount of instruction time per day. This minimum requirement also varies by grade span, from 180 minutes (for kindergarten) to 240 minutes (for grades 9-12). Charter schools do not have any required amount of daily instruction, while COEs have minimum daily minute requirements that vary based on instructional setting.

School Districts and COEs May Offer “Saturday School” for Students to Make Up Absences. School districts and COEs may offer classes on the weekends for a variety of reasons, including to make up absences during the week. (Since classes are typically offered only on Saturdays, we will refer to this as Saturday school.) Students attending makeup classes can generate attendance-based funding, though they cannot generate funding for more than five days of attendance per week. Any class that is offered through Saturday school must be a class that is offered during the regular school week. School districts and COEs may require truant students to attend Saturday school programs, but participation for other students must be voluntary. Truancy is defined as either missing three days of school with unexcused absences throughout the school year, or being tardy for more than 30 minutes without a valid excuse on three occasions throughout the school year. (The state sets specific circumstances under which absences may be excused—such as for illness or doctor visits—though excused absences do not generate any additional funding.)

State Provides Funding for Expanded Learning Programs. The state has three expanded learning programs that districts use to offer academic and enrichment activities to students before and after school and during intersessions, such as during the winter and summer breaks. Most notably, the state provides \$4 billion annually through ELOP for school districts and charter schools to offer programming to students in TK through grade 6. ELOP grants are distributed to all districts and classroom-based charter schools that serve grades TK-6. As a condition of receiving ELOP funds, school districts and charter schools are required to provide at least nine hours of combined in-person instructional time and expanded learning opportunities during the school year and for 30 days during the summer. As part of a program’s enrichment activities, ELOP funding can also be used to hire literacy coaches, tutors, counselors, and instructional day teachers and aides.

State Displays Chronic Absenteeism Data on the California School Dashboard. The state publicly displays outcomes on several performance measures on a website known as the California School Dashboard. One of the measures included in the Dashboard is chronic absenteeism, which is defined as students who are absent for more than 10 percent of the time they are enrolled at a school. (A student enrolled at a school district for a full academic year is considered chronically absent if they miss 18 or more days of school.) Performance is shown for each LEA and school, as well as disaggregated by up to 13 student subgroups. For each performance indicator shown by LEA, school, or subgroup, the Dashboard assigns one of five performance levels. School districts and charter schools are identified for differentiated assistance based on the performance of their student subgroups on the measures included in

the Dashboard. Under current law, an LEA must receive additional support if they have at least one student group that has received the lowest performance level in two or more priority areas.

During the pandemic, chronic absenteeism rates increased significantly statewide. Prior to the pandemic, in 2020-21, Chronic absenteeism rates increased from 14 percent (in 2020-21) to 30 percent (in 2021-22). Although rates somewhat decreased to 25 percent in 2022-23, they still remain almost double the pre-pandemic rates. Further disaggregation of the 2022-23 chronic absenteeism data shows that chronic absenteeism rates for African American, Latino, Indigenous, and Pacific Islander students are higher than the statewide average.

Chronic Absenteeism

According to Attendance Works¹, “chronic absence” — missing 10 percent or more of school days due to absence for any reason—excused, unexcused absences and suspensions, can translate into some of the most concerning student outcomes: students having difficulty learning to read by the third-grade, achieving in middle school, and graduating from high school.

Students living in poverty, from communities of color, and those identified with disabilities are disproportionately absent and facing the most consequences.

The dramatic impact of chronic absence on student outcomes is the reason the State added this measure to the California School Dashboard (Dashboard), our state’s multi-dimensional measure of school performance.

Reasons for chronic absenteeism can be personal and systemic, ranging from truancy, health, bullying, family needs, and barriers like transportation and community safety. The impact of absenteeism is on the individual student, but also their entire class.

Prior to the pandemic, chronic absenteeism presented on the state School Dashboard as a critical challenge, with the entire state ranked as “orange” with a 10.1% chronic absenteeism rate, and three entire student groups statewide, African American, Foster Youth, and Homeless students, at “red” or the lowest performing standard.

For many individual LEAs, the chronic absence measures, pre-pandemic, were steeper, with over 1,300 California schools experiencing “extreme chronic absence” of 30% or more of their students, and over 4,200 schools between 10% and 29.9% chronic absence rates.

The 2021-22 school year shows a new trend of statewide chronic absenteeism, with a statewide rate over 30%, and very high rates (20-45%) for almost ALL student subgroups.

¹ Attendance Works: <https://www.attendanceworks.org/chronic-absence/the-problem/>

Expanded Learning Opportunities Program

“Expanded learning” means before school, after school, summer, or intersession learning programs that focus on developing the academic, social, emotional, and physical needs and interests of pupils through hands-on, engaging learning experiences. Expanded learning programs are pupil-centered, results driven, include community partners, and complement, but do not replicate, learning activities in the regular school day and school year.

The 2021-22 Budget Act authorized the on-going Expanded Learning Opportunities Program (ELO-P) and the 2022-23 Budget Act provided \$4 billion in annual, ongoing funding for school districts and charter schools to provide in-person expanded learning time opportunities to students in TK through grade 6.

The ELO-P program is intended to provide all students with no- or low-cost access to a total of nine hours of developmentally appropriate academics and enrichment activities per instructional day and for 30 non-school days of summer/intersession days, including the traditional school day bell schedule. All local educational agencies, regardless of community demographics, are encouraged to offer free or subsidized ELOP services to all students, using a fee schedule that considers family income and ability to pay.

In 2022-23, districts and charter schools with a student body that is equal to or more than 75 percent unduplicated pupils receive \$2,750 per unduplicated student enrolled in TK through grade 6 for ELO-P allowable services. LEAs with concentrations of unduplicated pupils less than 75 percent receive approximately \$2,000 per unduplicated student enrolled in TK through grade 6, with a minimum apportionment of \$50,000.

Beginning in the 2023-24 school year, as a condition of ELOP funding, districts and charter schools with a student body that is equal to or more than 75 percent unduplicated pupils must offer the program to all TK through grade 6 students in classroom-based settings and provide access to any students whose parent or guardian requests their placement in a program. LEAs with less than 75 percent concentrations of unduplicated pupils all districts and charter schools must offer expanded learning opportunity programs to all TK through grade 6 students attending classroom-based programs who are unduplicated and must provide access to at least 50 percent of these students.

ELO-P quality standards and the program plan guide are aligned to the pre-existing After School Education & Safety (ASES) statute, however, ELO-P does not require a local funding match or competitive application process. The most significant programmatic difference is that the ELO-P teacher to child ratio for TK and kindergarten is 1:10, while ASES allows 1:20. According to CDE, 539 school districts that received initial ELO-P funding in 2021-22 did not have a history of receiving ASES or federal 21stCCLC expanded learning funding.

Funds provided to a LEA are to be used to support student access to ELO-Ps, which may include, but is not limited to hiring literacy coaches, high-dosage tutors, school counselors, and instructional day teachers and aides to assist students as part of the LEAs program enrichment activities.

Learning Recovery Emergency Block Grant

The 2022-23 Budget Act includes \$7.9 billion for a grant to assist TK-12 schools in supporting academic learning recovery and the social and emotional well-being of students and staff. LEAs may use funds for a variety of academic and social-emotional activities, including increasing instructional learning time, providing tutoring and other academic services, offering additional instruction to students not on track to graduate, and addressing other barriers to learning. Funding is distributed to LEAs based on the number of students who are EL/LI and is intended for learning recovery initiatives through 2027-28.

Local educational agency (LEA) allocations are calculated based on each LEA's reported average daily attendance for kindergarten and grades 1 through 12, inclusive, multiplied by the LEA's 2021–22 LCFF unduplicated pupil percentage, as of the 2021–22 Second Principal Apportionment.

The Learning Recovery Emergency Block Grant funds can be expended for any of the following purposes:

- Instructional learning time for the 2022–23 through 2027–28 school years by increasing the number of instructional days or minutes provided during the school year, providing summer school or intersessional instructional programs, or taking any other action that increases or stabilizes the amount of instructional time or services provided to pupils, or decreases or stabilizes staff-to-pupil ratios, based on pupil learning needs.
 - Accelerating progress to close learning gaps through the implementation, expansion, or enhancement of learning supports, such as:
 - Tutoring or other one-on-one or small group learning supports provided by certificated or classified staff.
 - Learning recovery programs and materials designed to accelerate pupil academic proficiency or English language proficiency, or both.
 - Providing early intervention and literacy programs for pupils in preschool to grade 3, inclusive, including, but not limited to, school library access.
 - Supporting expanded learning opportunity program services pursuant to *EC* Section 46120.
 - Providing instruction and services consistent with the California Community Schools Partnership Act (Chapter 6 [commencing with Section 8900] of Part 6) regardless of grantee status.

- Integrating pupil supports to address other barriers to learning, and staff supports and training, such as the provision of health, counseling, or mental health services; access to school meal programs; before and after school programs or programs to address pupil trauma and social-emotional learning; or referrals for support for family or pupil needs.
- Access to instruction for credit-deficient pupils to complete graduation or grade promotion requirements and to increase or improve pupils' college eligibility.
- Additional academic services for pupils, such as diagnostic, progress monitoring, and benchmark assessments of pupil learning.

The CDE currently does not have any trend or outcome data on how LEAs are using Learning Recovery Emergency Block Grant funds.

The Governor's 2024-25 January Budget

Authorizes New Attendance Recovery Programs. The administration proposes to allow LEAs to provide instruction outside of the regular school day through "attendance recovery programs." The intent is to allow opportunities for students who were absent to recover lost instructional time, as well as to offset funding losses associated with student absences. Attendance recovery programs would only be made available for students enrolled in classroom-based instructional programs.

Changes Chronic Absentee Data & Dashboard. In addition to generating additional funding for students that participate in attendance recovery programs, a student's attendance in these programs may be included in a school's chronic absenteeism calculations. By June 30, 2025, trailer legislation would require CDE to develop and maintain a webpage that provides guidance to LEAs in creating and developing attendance recovery programs, in conjunction with state-funded before and after school programs, such as ELOP.

Sets Programmatic Requirements for Attendance Recovery. The proposed attendance recovery programs may operate before and after school, and during intersessions. (School districts and COEs could continue to offer weekend makeup courses through their existing Saturday school programs.) Participating in these programs would be voluntary for all students. In addition, academic recovery programs must meet several requirements:

- Include content that is substantially equivalent to what the student would have received as part of their regular classroom-based instructional program.
- Have instruction provided by certificated staff.
- Have a maximum student-to-teacher of 20:1 for all grades except TK, which would have a maximum of 10:1.

Attendance recovery programs would be exempt from daily minimum minute requirements, and students would generate attendance in 15 minute increments for their participation. A student would be credited with a full day of attendance once they have met the minimum daily minute requirement for their grade level and school type. Students would not be able to generate more than one day of attendance per calendar day through participating in attendance recovery programs. Furthermore, students would not be able to generate more than 15 days of attendance through attendance recovery programs within a school year. The proposal also specifies that for purposes of implementing an attendance recovery program, charter schools would need to comply with minimum daily minute requirements.

Allows ELOP Programs to be Repurposed. The trailer bill would also allow ELOP funds to be used to operate an attendance recovery program, as specified above.

This new attendance recovery policy would sunrise in the 2024-25 school year, and beginning in 2024-25, LEAs operating attendance recovery programs would be subjected to regular audits through their annual audit process.

Creates Increased Standards for Learning Recovery Block Grant. The proposed trailer bill would also increase standards for LEA expenditures under the Learning Recovery Block Grant, for funds remaining between July 1, 2024 and the encumbrance deadline of 2028. LEAs would be required to:

- Conduct a student absenteeism and academic performance needs assessment, as specified.
- Ensure expenditures are aligned the needs assessment and are evidence based.
- Comply with new reporting requirements.

The proposal would also specify that expenditures for professional development on the 2023 Math framework is allowable in the Block Grant.

According to DOF, these changes (with the exception of the math framework reference), are consistent with a state settlement in the Cayla J et.al. case.

LAO Comments

Proposals Could Potentially Address Key Issues for Schools and Students. The proposed attendance recovery and instructional continuity programs could be effective ways to address key issues currently facing schools. Attendance recovery programs could help students mitigate learning loss due to absences. They could also help LEAs recover lost funding associated with increased rates of student absences while incentivizing additional instruction. The added flexibility provided to students through instructional continuity programs, relative to current short-term independent study, could potentially help students have an easier transition in and

out of their classroom-based instructional program as issues arise throughout the school year, while also making the process less administratively burdensome for school districts.

State Likely Cannot Support Costs Associated With New Programs. The Governor's budget does not include any funding associated with the cost of attendance recovery or instructional continuity programs. Given most school districts are experiencing declining enrollment and are being funded based on the rolling average of three prior years, they likely would not generate significant additional funding in the first year of implementation. Additionally, as we discuss below, it may take time for districts to implement their new programs. Charter schools, however, would see immediate increases in funding given they are funded based on their attendance in the current year. Over the longer run, the programs likely would increase LCFF costs more substantially. Although the estimated effects of the proposals are unknown, even a 0.1 percent increase in statewide ADA could result in LCFF costs of roughly \$100 million statewide. (Of the two proposals, attendance recovery programs likely would have higher costs in the long run. Since instructional continuity programs would be replacing short-term independent study, they are less likely to result in significant additional costs.) If the Legislature is interested in implementing these programs, we recommend the Legislature delay them for at least one year. In future years, the Legislature may want to consider whether it can cover the associated costs of this proposal within its ongoing Proposition 98 funding levels. Below, we describe other specific issues the Legislature may want to consider if it does adopt this proposal, or if it is interested in adopting the proposal in future years.

Implementing Changes Immediately Would Be Logistically Challenging. Under the Governor's proposal, LEAs could implement attendance recovery and instructional continuity programs beginning in 2024-25. Even if the state can afford to pay for these new programs immediately, the Legislature may want to delay the effective date to give the state and LEAs more time to carefully implement these programs. For attendance recovery, LEAs would need time to integrate attendance recovery into their existing programs. Trailer legislation directs CDE to develop guidance on attendance recovery programs by June 30, 2025. Delaying implementation would give LEAs the opportunity to incorporate this guidance into their initial plans. Regarding instructional continuity, LEAs cannot generate funding through the program unless their governing board adopts a written policy in line with rules and regulations set forth by CDE. Given the typical time lines for adopting regulations, final regulations may not be available in time for local governing boards to develop and adopt written policies in 2024-25. In the meantime, under the proposed language, LEAs would not be able to offer short-term independent study. Delaying implementation would allow for more time for the state and LEAs to more deliberately work through the details and would ensure that LEAs would not generate funding from these programs until they comply with rules and regulations set by CDE.

Attendance Recovery Language Raises Several Implementation Issues. Many of these issues are related to how this proposal interacts with existing statute related to calculating attendance for funding purposes. Prior to adopting this proposal, the Legislature will want to

ensure it understands how the proposed changes could affect attendance, which would, in turn, affect LCFF costs.

Proposal Creates Two Attendance Recovery Programs With Different Requirements. Under the Governor’s proposal, new attendance recovery programs would operate before or after school and during intersessions, while the existing Saturday school program would operate on weekends. This would result in two programs with different requirements. Currently, Saturday school makeup classes do not have any cap on the number of days of attendance a student can generate and do not have comparable requirements around student-to-teacher ratios. To provide a more consistent set of standards, the Legislature may want to align current Saturday school requirements with the proposed attendance recovery program requirements, or consolidate both into one program.

Student Participation Is Not Limited by Their Absences. The proposed trailer legislation specifies that students cannot generate more than 15 days of attendance through attendance recovery. The language, however, does not require that the amount of attendance generated be less than the student’s absences. This means that a student could potentially generate attendance for more than 180 days in the year. (For example, a student who attends school for 170 days and participates in 15 days’ worth of attendance recovery could generate 185 days’ worth of attendance.) We recommend the Legislature limit the amount a student can generate to no more than the amount of absences they have within the school year.

Overlap Between Attendance Recovery and Other Programs. Attendance recovery programs also could be integrated with other existing programs that occur after school and in intersessions, such as high school credit recovery. Under the existing proposal, LEAs likely could generate attendance recovery funding for students participating in existing credit recovery programs. This could result in significant statewide costs without necessarily higher levels of service.

Expectations Around Instruction. The Governor’s proposal provides significant discretion to LEAs in deciding the type of instruction that will be provided in attendance recovery programs. The Legislature may want to consider setting more specific expectations for instruction provided in these programs. For example, the Legislature could direct LEAs to focus their before and after school programs for high school students on helping them keep up with their existing coursework, while intersession instruction could prioritize credit recovery. In deciding on the level of specificity, however, the Legislature will want to weigh the benefits of these requirements with the loss of flexibility that may reduce LEA participation in the program.

Lack of Clarity Regarding Implementation for Charter Schools. The proposed trailer legislation specifies that, for the purposes of calculating ADA generated through attendance recovery programs, the minimum instructional day requirements apply to all LEAs, including charter schools. However, it is unclear how this would be implemented. For example, the

proposed language does not specify whether charter schools would need to comply with the daily minimum minutes of school districts or programs operated by COEs. The Legislature may want to add more specificity to the language to ensure expectations for charters schools are clear.

Staff Comments

Almost four years after the global COVID-19 pandemic led California's public schools to physically close for a significant portion of the 2019-20 and 2020-21 school years, schools across the state continue to have a student attendance, engagement, and performance crisis.

The implications of continuing student attendance gaps will have multi-year, if not permanent impacts on education systems, finance, student performance, and child wellbeing. Without intervention, we risk thousands young Californians facing diminished opportunities, outcomes, and incomes throughout their entire lifetimes.

While the attendance recovery proposal intends to provide an incentivize to LEAs to re-engage chronically absent youth, the Subcommittee should consider whether the proposed changes could discourage school districts from providing evidence-based attendance interventions, and the interactive and non-traditional experiences that may not meet the requirements of attendance recovery programs but would otherwise turn around absence patterns. The proposed changes to count time spent during expanded learning programs toward funded attendance could mask, rather than target the root causes of chronic absenteeism and learning loss.

The scrubbing of chronic absentee data, with attendance recovery offsets, risks masking the student, class, school, LEA, and state chronic absentee patterns. The data is an accountability tool, for identifying, and creating both prevention and intervention strategies. The research behind the impact of chronic absenteeism on student and group outcomes is clear, and the data must remain actionable.

Additionally, the Subcommittee should consider whether after school and intersession programs are an appropriate space for students to recover core instructional minutes and days, and whether local educational agencies will have the capacity to implement what essentially is a new program. Since the establishment of the Expanded Learning Opportunities Program and its associated funding, local educational agencies have exercised various ways to provide enrichment and developmentally appropriate activities to its students outside of the instructional day. These activities can be provided in partnership with local community partners or be provided by the local educational agency's certificated staff, and local educational agencies do both. The Administration's intent for its attendance recovery proposal is to "provide attendance recovery opportunities to students to make up lost instructional time, thereby offsetting student absences, and mitigating learning loss and chronic-absenteeism, as well as related fiscal impacts." Certificated teachers can and in some districts already do provide academic enrichment as part

of the district's expanded learning programs. Depending on how the state determines whether the lessons meet the standard of being substantially equivalent to the student's instruction, some of these programs may qualify for attendance recovery if these changes were enacted today. The role of expanded learning programs in a student's educational experience can be integral in not only academic enrichment, but also in personal enrichment.

Questions:

- What does chronic absenteeism look like across CA compared to prior years and pre-pandemic projections? Are there particularly impacted grades?
- How are LEAs disaggregating their attendance reporting data to track the underlying reasons for absences? How are they using this data?
- How much of a contributing factor is student illness absence, beyond public health requirements?
- What do high-functioning schools do to address these core engagement issues?
- How can data systems better capture the reasons behind enrollment and absence for interventions?
- What are the implications if absenteeism rates continue?
- Does the ADA reporting proposal mask student chronic absenteeism trends, by student, school, and LEA for accountability and intervention purposes?
- Does the use of ELOP for ADA recovery threaten the purpose of these programs?
- Can Saturday school be overhauled to provide more flexibility for student ADA recovery?
- Does the Learning Recovery Block Grant fund changes, as proposed, provide a stronger foundation for local efforts and student outcomes?
- What more should the state do, for accountability at the state level, to track ongoing student impacts from chronic disengagement?
- Does the state accountability system need to prioritize chronic absenteeism in high school as well?

Staff Recommendation: Hold Open.

Issue 2: Instructional Continuity & Independent Study

This panel will consider the January Budget Proposal to replace “short-term” independent study with an instructional continuity alternative.

Panel

- Katie Lagomarsino, Department of Finance
- Michael Alferes, Legislative Analyst’s Office
- Elizabeth Dearstyne, Department of Education

Background**Independent Study**

Independent Study programs are intended to be an alternative to classroom instruction consistent with the local educational agency’s (LEA) course of study, and is not an alternative curriculum. The flexibility of independent study programs allows it serve a variety of students – for example, students who are parents, who have been bullied, or are child actors or aspiring Olympic athletes.

In general, attendance for apportionment purposes in independent study is earned based on how long it would take to complete a lesson or assignment and not on “seat-time,” or the statutorily required time that students must be in school. In traditional independent study, a time value is assigned to student work products as determined by the teacher. Students in course-based independent study earn attendance if all of the certified course requirements are met and the student is making satisfactory progress. With the emergency declaration of the COVID-19 pandemic in March 2020, the Governor issued a series of executive orders that allowed LEAs to waive or suspend certain requirements and provide instruction through distance learning or independent study, which continued into the 2020- 21 school year. For the 2021-22 school year, however, students who wished to remain in distance learning were shifted into independent study programs. AB 130 (Chapter 44, Statutes of 2021) allowed independent study for students whose parent or guardian determined that in-person instruction would put the student’s health at risk, and to allow for the tracking of ADA. Independent study can be used on a short-term or long-term basis.

Regular Instruction Can Be Provided Based on In-Person Attendance or Through Independent Study. LEAs most commonly receive funding based on student attendance in an in-person instructional program, where students are under the direct supervision of a certificated teacher. In addition, they can receive funding to operate programs with a more flexible structure through independent study. Rather than generating funding solely based on in-person attendance, independent study programs also generate funding based on remote instruction and

the work completed by students. Independent study programs range from fully online virtual academies to hybrid programs where instruction can be delivered on-site and off-site. Instruction could involve real-time interaction between students (synchronous) or could be accessed at students' own pace (asynchronous). State law allows LEAs to offer these programs, but they are not required to do so. (Due to the COVID-19 pandemic, school districts were required to offer independent study in 2021-22.) Under current law, charter schools that provide more than 20 percent of their instruction through independent study are considered "nonclassroom-based."

Independent Study Programs Require Written Agreements With Families. To operate an independent study program, an LEA's local governing board must adopt a written policy that adheres to the independent study rules and regulations set by CDE. A student's parent or guardian must sign a written agreement before the student can enroll in the program. This agreement must include specific information regarding the student's instructional program, such as the duration of the agreement, learning objectives, expectations around a student's coursework and assignments, and the supports that the program will provide the student.

State Established New Independent Study Requirements in 2021-22. In response to the need for instructional standards during COVID-19 school closures, the state overhauled Independent Study standards to measure ADA for remote learning. Most notably, independent study programs must:

- Offer synchronous instruction to independent study students throughout the school year, with frequency varying by grade level.
- Establish procedures for reengaging with students who do not meet certain requirements, such as those who have completed less than 60 percent of their assigned work in one week, participated in less than 60 percent of scheduled synchronous instruction in one month, or violated their independent study agreement.
- Have a plan for transitioning students back to in-person instruction within five days, if requested by the family.

Students are exempt from these requirements if they are participating in independent study due to necessary medical treatments, or other inpatient treatments, under the care of a licensed professional.

"Short-Term" Independent Study Is Exempt From Some Requirements. For a situation in which a student might be absent from school for a period of 3 to 14 days, but wants to remain enrolled in their classroom-based program, LEAs can offer short-term independent study. The requirements for short-term independent study are somewhat more lenient than under traditional independent study. Most notably, LEAs are not required to comply with the recently established requirements to offer synchronous instruction, have tiered reengagement, or have a plan for transitioning students back to regular instruction. LEAs also have more flexibility regarding when parents or guardians must sign the written agreement. Rather than having to sign the agreement

prior to a student's enrollment, parents or guardians must sign the agreements within ten days following the commencement of independent study instruction.

State Sets Requirements to Receive Emergency Attendance Funding. Existing law establishes a process for LEAs to earn attendance-based funding when they must close schools or experience significant attendance declines due to an emergency (such as a fire, flood, or epidemic). LEAs must certify they have a plan for offering online instruction or independent study to students affected by the emergency within ten days of a closure or major decline in attendance. In addition, LEAs are required to reopen for in-person instruction as soon as possible, unless prohibited under the direction of the local or state health officer.

The Governor's 2024-25 January Budget

Replaces Short-Term Independent Study With New Instructional Continuity Program. The administration proposes to replace short-term independent study programs with new "instructional continuity" programs. (The Governor's budget does not propose any changes to other independent study program requirements.) Similar to current short-term independent study, instructional continuity programs would provide limited-term options for students enrolled in classroom-based programs. Additionally, students that participate in instructional continuity programs would generate attendance through the time they spend in synchronous or asynchronous instruction, as well as through coursework they complete. Written agreements would be more limited in scope compared to current short-term independent study and may be signed at any point throughout the school year.

Instructional Continuity Limited to 15 Days Per Year, With Exceptions. Students could generate up to 15 days of attendance through participation in instructional continuity programs throughout the school year. The proposed language allows students to participate for longer under certain circumstances. Students could participate for longer if they are undergoing necessary medical treatments, or other inpatient treatments, under the care of a licensed professional. Students could also participate for longer if they are participating due to emergency situations or are experiencing "significant personal difficulties" that impact their ability to attend school, such as homelessness or housing instability, family illness, or bereavement. CDE would be required to develop rules and regulations around instructional continuity programs. Local governing boards would be required to adopt policies that follow the new rules and regulations. Beginning in 2024-25, LEAs that operate instructional continuity programs would be subjected to regular audits through their annual audit process.

Proposes Changes for Emergency Attendance Funding. Trailer legislation proposes to change the requirements for LEAs to receive emergency-related attendance funding in the event of school closures or significant declines in attendance. LEAs must certify they have a plan to offer instruction following an emergency event within five calendar days of the first day of the closure—compared with ten days under current law. Additionally, after June 30, 2025, LEAs would have additional requirements within five days of a closure. Specifically, LEAs would need

to demonstrate that they have offered all students either (1) access to instruction (either in-person or remotely) or (2) support to enroll or be temporarily assigned to another LEA.

Provides \$6 Million One-Time Proposition 98 to Research Models of Instruction and Student Information Systems. The Governor's budget includes \$6 million for two separate grants which would allow CDE, with approval from the State Board of Education, to select a COE to conduct research. Of the total, at least \$4 million would be provided to a COE to research best practices for using hybrid and remote models of instruction, as well as to provide guidance, support, and resources to school districts to support their instructional continuity programs. The selected COE must make their research, guidance, support, and resources available to the public through a website that links to CDE's website, as well as through widely available and free trainings and convenings for LEAs and teachers. Up to \$2 million would be provided to a COE to research local student information systems to identify opportunities for more nuanced tracking of student absence data, with a particular focus on absences due to emergencies. The selected COE must provide recommendations by January 1, 2026 that would change the current absenteeism tracking system to allow for better tracking of the reasons for absences, including by student subgroup, and allow for calculating an adjusted chronic absenteeism rate that excludes absences due to emergencies.

LAO Comments

Instructional Continuity Exception Language Is Too Broad. Although instructional continuity is intended to be used for short periods of time, the language provides broad exceptions with no limit on how long instructional continuity could be used in these cases. The proposed language provides a broad definition of what it means for a student to be facing significant personal difficulties that make them unable to attend school. (We have no concerns with the other two proposed exceptions, for students dealing with an emergency or undergoing medical or other inpatient treatments.) Moreover, students exempt from the 15 day cap would have no limit on the amount of time they could be enrolled in an instructional continuity program. This creates an opportunity for students to be enrolled in instructional continuity for up to a full year. Considering the proposal also does not require written agreements be signed until the end of the school year, students could be enrolled in an instructional continuity program for a long period of time without having understood expectations of the program, and without having known key details required to be included in the written agreement (such as that the program is voluntary). We recommend the Legislature set narrower exemptions to the 15 day cap. The Legislature may also want to set more specific rules for students who remain enrolled beyond the 15 day cap. For example, the Legislature could set a maximum cap for all students, or it could require that a written agreement be signed by the student and parent or guardian prior to enrolling in instructional continuity more than 15 days. This would ensure that students with longer-term needs are enrolled in independent study, where LEAs are required to implement tiered reengagement strategies to better support students who are not completing their coursework.

Consider Feasibility of Changes to Emergency Planning. The Legislature may want to consider whether requiring LEAs to offer instruction to all students within five calendar days of an emergency (rather than ten days) is feasible under emergency circumstances. Providing instruction as soon as possible can mitigate possible learning loss and could benefit students socioemotionally by giving them the opportunity to interact with familiar peers and adults in times of possible distress. In cases of major emergencies, however, offering instruction within five calendar days may be particularly challenging.

Recommend Rejecting \$6 Million Grants. Due to the Proposition 98 shortfall, we recommend rejecting the one-time funding for COEs to conduct research. Although the specific activities proposed to be funded could be beneficial, the state currently cannot support its existing Proposition 98 commitments. The Legislature could consider providing funding for this purpose in the future when more funding is available.

Staff Comments

The proposed budget would effectively replace short-term independent study programs with instructional continuity programs. Beginning on July 1, 2025, any Form J-13As that are submitted for events that causes a school closure or material decrease of more than five days would require local educational agencies to offer students access to remote or in-person instruction, or support students and families that may be enrolled or temporarily re-assigned to another local educational agency.

Questions:

- Is it possible for local and CDE ADA reporting systems to be updated by July 1, 2024 to accommodate this policy change?
- Why is the “remote learning” model study through a COE and not CCEE directly?

Staff Recommendation: Hold Open.

Issue 3: Student Behavioral Health

This panel will consider January Budget trailer bill proposals regarding student behavioral health protocols for local education agencies, and staff trainings.

Panel

- Melissa Ng, Department of Finance
- Michael Alferes, Legislative Analyst's Office
- Dominick Robinson, Department of Education

Background

AB 309 (Gabriel, 2021) Requires the California Department of Education (CDE), in consultation with the State Department of Health Care Services (DHCS), to develop mental health model referral protocols for voluntary use by schools to address the appropriate and timely referral by school staff of students with mental health concerns, contingent upon an appropriation for this purpose. This bill was signed into law, but the appropriation remains outstanding.

SB 509 (Portantino, 2023) Requires, by July 1, 2027, a local educational agency (LEA) serving students in grades seven to 12 to certify to the California Department of Education (CDE) that 40% of its classified employees and 100% of its certificated employees who have received youth behavioral health training identified by the CDE; and adds instruction in mental health to the course of study for grades 1 to 6. Major Provisions 1) Requires, by July 1, 2027, an LEA serving students in grades seven to 12 to certify to the CDE that 40% of its classified employees and 100% of its certificated employees who serve and have direct contact with these students have received youth behavioral health training identified by the CDE. 2) Requires the training to be scheduled during regularly scheduled work hours, except in certain situations. 3) Defines LEA, for purposes of this training requirement, to mean a county office of education (COE), school district, state special school for the blind or the deaf, or charter school that serves pupils in kindergarten or any of grades 1 to 6, inclusive. 4) Requires CDE, by January 1, 2025, and subject to appropriation, to recommend best practices and identify training programs for school employees to address youth behavioral health for use by LEAs serving students in kindergarten to grade six. 5) Includes instruction in mental health in the health course of study for grades 1 to 6. SB 509 was vetoed.

In a letter of opposition to SB 509, the California Teachers Association writes, "CTA is opposed to the training mandate and suggests it be replaced with a "grant" program administered by the California Department of Education (CDE) funded by an appropriation to CDE. LEAs, in consultation with impacted collective bargaining representatives, could apply to CDE for funding to conduct youth behavioral health training based on "model" student behavioral health referral

protocols developed by CDE as a result of AB 309 (Chpt. 662-2021) along with best practices and evidence-based and informed training programs addressing youth behavioral health as a result of SB 14 (Chpt. 672-2021) or local training programs developed by LEAs. All employee youth behavioral health training, regardless of the frequency, length, and/or the specificity of the topics to be covered, must be collectively bargained at the local level. CTA continues to express concerns around the liability of school employees and/or the school district after completing youth behavioral health training? How frequently is training to be repeated/updated? What kind of training will employees receive in a 60- to 90-minute format versus a multi-day format particularly given the instruction is to include 'recognizing the signs and symptoms of youth behavioral health disorders including common psychiatric conditions such as schizophrenia, bipolar disorder, major clinical depression, and anxiety disorders.' SB 509 must clarify whether trained employees would be required to notify a school administrator if they 'believe' a student has behavioral health issues; as well as the consequences if a trained school employee in youth behavioral health fails to identify a student with behavioral health issues."

The Governor's 2024-25 January Budget

The January Budget proposes trailer bill aligned to AB 309 implementation, and a revised version of SB 509's intent:

- Removes the appropriation requirement, triggering a requirement for CDE to create the Behavioral Health protocols and technical assistance.
- Creates a new mandate for LEAs to adopt student behavioral health protocol policies, as specified.
- Creates a new mandates for LEAs to provide staff training on newly adopted protocols, on or before July 1, 2029.

To support these new one-time requirements, the Budget proposal would appropriate \$35 million, one-time, from the Gun Violence Prevention and School Safety Fund.

Staff Comments

Questions:

- What is the value of a one-time staff training mandate, as proposed? Is it necessary?
- What is the justification for the \$35 million appropriation request for adoption of a one-time policy adoption and staff training mandate?
- Does CDE require resources for the model protocol requirement, and on-going support pressures?

Staff Recommendation: Hold Open.

Issue 4: School Facility Program Proposal

This panel will review the January Budget proposal for the School Facility Program general fund appropriations. This issue was adopted as part of Budget Early Action in AB 106.

Panel

- Alex Anaya Velaquez, Department of Finance
- Jackie Barocio, Legislative Analyst's Office

Background**School Facilities Program**

In November 2016, the voters passed the Kindergarten through Community College Facilities Bond Act of 2016 (Proposition 51), which authorizes the state to sell \$9 billion in general obligation bonds for K-14 facilities (\$7 billion for K-12 and \$2 billion for community colleges).

The California State Auditor released a report in January 2022, which found that California will need \$7.4 billion in state funding to meet anticipated modernization requests over the next five years. It additionally found that the state could increase equity in the facilities program by adjusting its first-come, first-served approach to reviewing and approving modernization projects by prioritizing funding for districts from financially challenged districts. Districts that can complete projects on their own with local funding can receive reimbursement from the State after their projects are finished. Conversely, financially challenged districts apply for "financial hardship" so that the state fund the local share of facilities projects, but can be left waiting for state funds in order to begin their projects, delaying improvements to their facilities. School districts can apply for "facility hardship," in cases of extraordinary circumstances that have caused an imminent health and safety threat. Unlike districts that apply for "financial hardship," school districts that apply for facility hardship are exempted from the first-come, first-served approach and may move up in priority for funding.

The 2022-23 Budget included the remaining bond authority, which costs approximately \$1.4 billion in K-12 bond authority in 2022-23, for new construction, modernization, career technical education, and charter facility projects, and a total of \$4.2 billion one-time General Fund (\$1.3 billion in 2021-22, \$2.1 billion in 2023-24, and \$875 million in 2024-25). The 2023-24 Budget Act reduced the appropriation to \$2 billion, based on revised OPSC estimates.

The Governor’s 2024-25 January Budget

The January Budget proposes to reduce the intended \$875 million 2024-25 general fund appropriation for the School Facilities Program by \$500 million.

The January Budget also announced the Governor’s intent to negotiate a new school bond, for the consideration of voters on the November 2024 ballot.

Staff Comments

Questions:

- What fiscal policy changes should be considered, in the context of a new school bond, to accommodate state priorities? For example, should facility needs for the following large local assistance programs be considered:
 - Universal School Meals
 - Expanded Learning Opportunity Programs
 - Community Schools
 - Inclusive Classrooms
 - Universal Transitional Kindergarten
 - School-based Child Care Classrooms
 - Career Technical Education

Staff Recommendation: Information Only. This proposal was adopted in AB 106 (2024).

Issue 5: K12 High Speed Network & School Broadband Proposals

This panel will consider the K12 High Speed Network and School Broadband proposals in the January Budget.

Panel

- Melissa Ng, Department of Finance
- Jackie Barocio, Legislative Analyst's Office
- Geoff Belleau, Department of Education

Background**K12 High Speed Network**

State Created HSN to Primarily Connect COEs to High-Speed Broadband Internet. In the early 2000s, the state decided to link COEs to a high speed network, or “backbone,” servicing mostly educational institutions. Years earlier, UC and private research universities had formed a joint nonprofit organization called the Corporation for Education Network Initiatives in California to build and maintain this backbone. Beginning in the early 2000s, the state decided to pay for internet connections from the backbone to all COEs. The state named the connections among the 58 COEs the “K-12 High Speed Network,” or HSN. School district offices and schools then were encouraged to connect to the HSN via their COE network “hubs.” (CSU, CCC, and local libraries also are joined to the backbone.) In 2004, Imperial COE was selected as the grantee tasked with coordinating HSN-related activities. A decade later, this included the administration of the Broadband Infrastructure Improvement Grant (BIIG) program. In 2014-15, the state created the BIIG program to help schools administer online tests by increasing their internet speeds. Between 2014-15 and 2015-16, the state provided a total of \$77 million Proposition 98 to support the BIIG program. Imperial COE, in its role as the HSN grantee, was tasked with distributing funds to schools and supporting network connectivity.

State Previously Zeroed Out Proposition 98 Appropriation Due to Large Reserve Levels. The HSN grantee generally carries a reserve balance, which consists of delayed reimbursements and undesignated revenues. In 2015-16, the state eliminated the HSN grantee's Proposition 98 appropriation in recognition of large reserve levels. Specifically, HSN reserve levels increased from \$2.8 million in 2006-07 to nearly \$15 million in 2014-15. This required the HSN grantee to spend down some of its reserve, reaching \$5.2 million by the end of 2022-23. Reserve levels at the end of 2023-24 are projected to be \$4.5 million, which will carry forward into 2024-25.

In Recent Years, HSN Grantee Received Revenue Primarily From the BIIG Program and Two Internet Subsidy Programs. Since the suspension of Proposition 98 funds in 2015-16, the HSN grantee began to use unspent BIIG funds to cover operational expenses, including equipment maintenance, staffing, and new internet connectivity and upgrade projects. Additionally, the HSN grantee draws down funds from E-Rate and the California Teleconnect Fund (CTF). E-Rate is a federal telecommunications subsidy that provides reimbursements of up to 90 percent for Internet service. The CTF is a state special fund that provides reimbursements of 50 percent for internet service, after all E-Rate discounts are applied. Both subsidies are funded by telecommunication user surcharges. The HSN grantee typically receives E-Rate subsidies on a lagged basis (usually several months or, in some cases, years after services were provided).

State Provided \$3.8 Million Ongoing Proposition 98 in 2023-24 to Backfill BIIG Funds. Since 2014-15, the HSN grantee has steadily spent down BIIG funds, reaching a remaining balance of nearly \$8 million by the end of 2022-23. As a part of the 2023-24 budget, the HSN grantee projected that all remaining BIIG funds would be spent by the end of June 2024. As a result, the state provided \$3.8 million ongoing Proposition 98 to backfill the ramp down of BIIG funds and maintain budgeted revenues at around \$18 million in 2023-24.

Actual 2022-23 Revenues and Expenditures Estimated to Be \$3 Million Lower Than Budgeted Levels. The state budgeted around \$19 million in total HSN revenues and expenditures for 2022-23. However, based on the most recent estimate of 2022-23 actuals, both revenues and expenditures are expected to come in \$3 million lower than budgeted levels.

The Governor's 2024-25 January Budget

Provides \$3 Million Proposition 98 to Partially Backfill Temporary Funds for HSN. The Governor's budget projects about a \$6 million decrease in HSN revenues. The Governor's budget provides an additional \$3 million Proposition 98 on an ongoing basis to partially backfill the projected loss in revenue. In addition, the Governor's budget assumes the HSN grantee will draw down \$3 million from expected \$4.5 million reserves to cover the remaining amount of the projected revenue decrease. As a result of these proposed revenue actions and assumptions, the Governor's budget provides \$18 million total expenditure authority in 2024-25, which is relatively equal to estimated expenditures in 2023-24.

Provides \$4.4 Million One-Time Non-Proposition 98 General Fund to Extend BIG Program Through 2028-29. The requested BIG funding would be available for joint connectivity projects between schools, local libraries, and telehealth providers. A portion of these funds will be used for associated state operations costs at the Department of Education.

LAO Comments

HSN Reserve Levels Projected to be \$1.5 Million by the End of 2024-25. The Governor's budget assumes the HSN grantee will end 2023-24 with a \$4.5 million reserve that will carry forward into 2024-25. This reserve consists of \$3.3 million in delayed E-Rate subsidy reimbursements and \$1.2 million of undesignated revenues. The Governor's budget assumes the HSN grantee will draw down \$3 million in reserves to keep HSN revenue and expenditure levels flat in 2024-25. As a result, total reserve levels are projected to be \$1.5 million by the end of 2024-25.

HSN Grantee Not Required to Maintain Reserves. The HSN grantee chooses to maintain reserves to support any unanticipated expenses, such as fully covering budgeted expenditure levels in cases where actual revenue levels come in lower than expected. For example, in 2020-21, total HSN expenditures exceeded actual revenues by about \$500,000, which the HSN grantee covered with reserves. In general, it is uncommon to ask grantees to maintain reserves on the state's behalf. An alternative approach would be for the Legislature to establish a certain reserve threshold and reevaluate this threshold as a part the annual budget process.

2023-24 HSN and CCGI Expenditures May Be Lower Than Budgeted, Resulting in Additional One-Time Carry Over Funds for 2024-25. In 2022-23, both CCGI and HSN actual expenditure levels were about \$3 million below budgeted levels. (The HSN grantee is still in the process of finalizing the audit of 2022-23 expenditures.) Expenditures came in lower, in part, due to delays in hiring new staff and delays in technology projects. Based on most recent 2023-24 expenditure data, we believe that HSN and CCGI expenditures may come in lower than budgeted by a similar amount as 2022-23. These unspent funds would carry forward into 2024-25 and would further offset operation costs.

Maximize Use of HSN Reserves to Cover Baseline Operational Costs. The Governor's budget assumes the HSN grantee will draw down \$3 million in reserves to cover 2024-25 operation costs, leaving an estimated reserve balance of \$1.5 million. The Legislature could consider the benefits and trade-offs of increasing the reserve draw down in order to offset Proposition 98 costs. While requiring a greater draw down of reserves would reduce state costs, there is a risk of overdrawing from the HSN reserve if the actual collections of delayed E-Rate subsidies come in lower than expected.

Reassess HSN and CCGI Budgets in May. Similar to 2022-23, total HSN and CCGI expenditures in 2023-24 may come in lower than budgeted levels by a couple of millions of dollars. These unspent funds would carry over into 2024-25. As a part of the spring hearing process, we recommend the Legislature request an estimate of unspent funds in 2023-24 and adjust 2024-25 Proposition 98 levels accordingly. Additionally, given the Proposition 98 shortfall may be greater than initial Governor's budget estimates, we believe the Legislature may need

to reconsider and weigh existing funding commitments across all Proposition 98 activities, including HSN and CCGI.

Recommend Rejecting BIG Proposal Due to Overall Budget Deficit, and Consider Encouraging Use of Federal BEAD Funds. We project that state revenues will come in lower than Governor's budget projections, meaning the budget would not be able to support any new spending unless reductions were made to other budget areas. It is unclear if providing additional BIG funds is preferable to and needed more than other budget proposals or existing expenditures. Additionally, our understanding is that federal BEAD funds may be used to support broadband infrastructure projects in schools, libraries, and medical providers. Instead of providing additional BIG funds, the state could encourage schools, libraries, and medical providers to apply for BEAD funding once CPUC completes ramp-up activities and the federal government releases funds to the state. The Legislature could also request the administration explore the feasibility of using other existing broadband programs to support broadband infrastructure projects in schools, libraries, and medical providers. For example, the Legislature could ask the administration what would be the benefits and tradeoffs of dedicating some amount of California Advanced Services Fund program accounts (a state broadband infrastructure grant program funded by a surcharge rate on revenues collected by telecommunications companies from end users of intrastate telecommunications services) for schools, libraries, and medical providers.

Staff Recommendation: Hold Open.

Issue 6: Office to Cradle to Career Budget Change Proposals

This panel will consider the Office of Cradle to Career Budget Change Proposals.

Panel

- Natalie Griswold, Department of Finance
- Jackie Barocio, Legislative Analyst's Office
- Mary Ann Bates, Office of Cradle to Career

Background

California's education system is made up of numerous segments and other entities. Specifically, the system includes early education programs, elementary and secondary schools, county offices of education, community colleges, and universities in both the public and private sectors. Currently, each of these entities collects and maintains data on its students, but the data generally are not linked across the segments of education (such as from high school to community college). Not linking data limits the ability of policymakers, educators, researchers, parents, and others to get answers to many basic questions about student progression from preschool through K-12 education, through higher education, and into the workforce.

The 2019-20 budget package provided \$10 million one-time non-Proposition 98 General Fund for initial work related to developing an integrated data system. The budget package included intent language that the data system be built to "advance academic and governmental research on improving policies from birth through career" as well as "create direct support tools for teachers, parents, advisors, and students."

The 2021-22 Budget package created a 21-member governing board comprised of a mix of chief executives from those state agencies tasked with contributing data to the data system, along with members of the public and legislative members. Regarding system management, the Budget Act included \$15 million non-Proposition 98 General Fund (\$11.5 million ongoing, \$3.5 million one-time) to the Government Operations Agency (GovOps). A portion of the funds supports 12 staff (including an executive director) in 2021-22 at a newly created Cradle-to-Career office within GovOps. The one-time funds provided in 2021-22 will be used to cover various operating and technology acquisition costs related to the integrated data system, including funds to upgrade CDE's K-12 database.

The 2022-23 Budget Act increased authorized Cradle 2 Career staff to 16, and the 2023-24 Budget Act provided 10 additional positions.

The Cradle-to-Career Data System plan includes three core components:

Tools for policy makers, researchers, educators, and advocates, including dashboards, a query builder, summaries of key student and employment outcomes, and a research library. These tools would be accessible to the general public and provide actionable information on education, social services, employment patterns, and equity gaps in opportunities and outcomes. Researchers could request access to restricted data for authorized purposes.

Tools for students and the educators who support them, including college and career planning, college-eligibility monitoring, electronic transcripts, college applications, and access to financial aid and other services such as medical care and food.

Tools to support data use including outreach, professional development, and clear feedback loops with intended users, designed to build the capacity of policymakers, educators, parents, and students to make better-informed decisions.

Cradle 2 Career staff may provide an update on system implementation during the hearing.

The Governor's 2024-25 January Budget

The Government Operations Agency (GovOps), Office of Cradle-to-Career Data System (C2C) is requesting 1.0 new position (Information Technology Manager II) in fiscal year 2024-25, and ongoing, for a Chief Information Security Officer to manage workload related to the Cradle-to-Career Data System. Approval of this request will enable C2C to sustain the necessary information security capacity for the Office and the Data System.

The Government Operations Agency (GovOps), Office of Cradle-to-Career Data System (C2C) is requesting to reappropriate \$600,000 General Fund in 2024-25, to fund and manage workload related to the Cradle-to-Career Data System. Approval of this request will enable C2C to begin implementing the statewide scaling of eTranscript California as required by statute.

Staff Recommendation: Hold Open.

**Issue 7: County Office of Education Local Control Accountability Plans –
Legislative Analyst’s Office Report**

This panel will hear the Legislative Analyst’s Office report on County Office of Education Local Control Accountability Plans.

Panel

- Michael Alferes, Legislative Analyst’s Office
- Sara Cortez, Legislative Analyst’s Office

Background**LAO Report Summary**

County Offices of Education (COEs) Have Two Distinct Missions. COEs provide direct instruction to students in juvenile court and county community schools. These schools serve students who are placed in county juvenile facilities, on probation, referred by a probation department, or mandatorily expelled from their school district. COEs also provide oversight and support to school districts in their county. Some of these activities are required by law, while others are optional and vary across the state. COEs receive state funding primarily through the Local Control Funding Formula (LCFF). Similar to COEs’ two-part mission, the LCFF has two main components—an alternative education grant based on the number of students attending juvenile court and county community schools and an operations grant based on the number of school districts and number of students in the county. COEs generally have flexibility to use their LCFF funding from either part of the formula for any purpose.

COEs Must Adopt Local Control and Accountability Plans (LCAPs). To provide transparency regarding how LCFF funding is spent, COEs must annually adopt LCAPs for their spending on juvenile court and county community schools. LCAPs, must include goals related to several state priority areas and specify actions COEs will take to meet these goals. COEs also must include information demonstrating that they are increasing or improving services for English learners (ELs), low-income students, and foster youth.

State Law Requires Review of COE Plans. Chapter 48 of 2023 (SB 114, Committee on Budget and Fiscal Review) requires our office to make recommendations to change the COE LCAP or require alternative reporting requirements outside of the LCAP. The recommendations are primarily intended to increase transparency of COE operations and activities.

Recommend an Annual Report That Describes Major COE Activities. Existing COE budget data does not provide helpful information on how COEs support school districts and students. COE budgets often include significant amounts of revenue for which COEs simply pass through funding to school districts and other local governments. These pass-throughs make it more difficult to understand what variation in funding and spending is due to a COE's specific role in the county. To better understand each COE's role, we recommend an annual report that includes a narrative of the major activities and services COEs conduct, allowing local partners and the state to understand the key work COEs do to support school districts and students.

Recommend Several Changes to LCAP. We find several issues with current LCAPs. In particular, some spending information can be difficult to interpret, focusing on increases in services for specific student groups is arbitrary given the COE student population, and some state-required metrics are not particularly relevant for assessing COE-run programs. We recommend a variety of changes to LCAPs that would make spending information easier to interpret, allow state and local partners to better understand existing programs and services to students, streamline certain aspects of the LCAP, and use metrics for COEs that would be a better indication of performance in COE-run schools.

Recommend Expenditure Report on Operations Grant Funding. The LCFF operations grant has no reporting requirements and is unrestricted, which means the state knows very little about how these funds are spent. We recommend COEs develop a report specifically on how the LCFF operations grant was spent. The report should disaggregate spending into three categories: (1) oversight and support to school districts, (2) juvenile court and county community schools, and (3) direct services to students not enrolled in juvenile court and community schools. The report should also be in a format that is comparable across the state.

Staff Recommendation: Information Only.

Issue 8: Non Presentation Items

The following technical trailer bill proposals and Budget Change Proposals (BCPs) have been requested as part of the January Budget. Members of the Subcommittee may ask questions or make comments on these proposals at the time designated by the Subchair or request a presentation by the Administration at the discretion of the Subchair. Members of the public are encouraged to provide public comment on these items at the designated time.

Item	Description	TBL Page #
6100	California Department of Education	
Issues	1. SB 219 (2023) Recess Clean-up 2. Workability Visitation Clean-up 3. State Special Schools BCP #6100-082-COBCP-2024-GB	65 43

Staff Recommendation: Approve.

This agenda and other publications are available on the Assembly Budget Committee’s website at: [Sub 3 Hearing Agendas | California State Assembly](#). You may contact the Committee at (916) 319-2099. This agenda was prepared by Erin Gabel.