

# California State Assembly



## Assembly Budget Agenda

### Assembly Budget Subcommittee No. 3 on Education Finance

Assemblymember David Alvarez, Chair

Tuesday, April 29, 2025

9:00 A.M. – State Capitol, Room 447

ITEMS TO BE HEARD		
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Public Comment will be taken in person after the completion of all panels and any discussion from the Members of the committees.

## Items To Be Heard

### 6100 California Department of Education

#### Issue 1: Curriculum Frameworks, Standards, and Instructional Materials Study

This panel will present the Governor's Budget proposal for a study of California's curriculum adoption process.

#### Panel

- Hugo Solis Galeana, Department of Finance (DOF)
- Dylan Hawksworth-Lutzow, Legislative Analyst's Office (LAO)
- Mike Torres, California Department of Education (CDE)

#### Background

California's current instructional materials adoption process is a balance of legislative authority and administrative leadership, through a public deliberative process in three phases that ultimately impacts instructional materials and instruction: content standards, curriculum frameworks, and instructional materials adoptions.

Legislation is required, to authorize the beginning of each new instructional materials deliberative cycle, including specific authority for each phase of content standards, curriculum frameworks, and instructional materials adoption, consistent with these standards. Current statute then vests this administrative authority and leadership in the Instructional Quality Commission and the State Board of Education (SBE). More background and detail on the standards, frameworks, and instructional materials process and timelines can be found on the CDE website: <https://www.cde.ca.gov/be/st/>.

Content standards, in each area of curricula, determines what students are expected to learn by grade, and are adopted by the SBE. Curriculum frameworks provide guidance for implementing the content standards and are developed by the Instructional Quality Commission, which also reviews and recommends textbooks and other instructional materials aligned to the content standards, to be adopted by the SBE.

Local education agencies may then adopt instructional materials from the SBE-adopted list, or may review and use the California State Board of Education-adopted Content Standards and Curriculum Frameworks in developing their own curricula or adopting curricula not on the SBE-adopted list.

Currently, California has ten areas of content standards, which all have adopted curricula: Mathematics, English Language Arts, English Language Development, Career Technical Education, Computer Science, Health Education, History/Social Science, Science, Arts Education, and World Languages. Two additional subjects have model content standards only. The regular curricula review cycle can be seen in Attachment A from the California Department of Education website.

In addition to content standards, California has also authorized model curricula, including in Ethnic Studies, and a curriculum guide for Personal Finance.

### **The Governor's 2025-2026 Budget**

The January Budget proposes \$1 million for a County Office of Education to conduct an independent evaluation of other states' curriculum adoption processes.

#### **Staff Comments**

The current, slow pace of curriculum review and refreshment is a regular point of frustration for some interest-holders. Numerous legislative vehicles are introduced each year to impact one or more areas of curricula. The Assembly and Senate Education Committees maintain a joint policy, in regards to curriculum legislation, to address the ongoing demand from interest holders to influence content standards and curricula outside the regular statutory process:

*"The Legislature has vested the Instructional Quality Commission and the State Board of Education with the authority to develop and adopt state curriculum and instructional materials. The Instructional Quality Commission develops curriculum frameworks by convening expert panels, developing drafts, and holding public hearings to solicit input. Changes are frequently made in response to public comment. The frameworks are then adopted by the State Board of Education in a public meeting. The State Board of Education also adopts, in a public process, instructional materials aligned to those frameworks for grades K-8. School district governing boards and charter schools then adopt instructional materials aligned to these standards and frameworks. This process has traditionally occurred on a regular schedule which gives schools a predictable timetable to plan and budget for changes to the curriculum. Local adoption of new curricula also involves significant local cost and investment of resources for professional development.*

*These existing processes involve practitioners and experts who have in-depth understanding of curriculum and instruction, including the full scope and sequence of the curriculum in each subject and at each grade level, constraints on instructional time and resources, and the relationship of curriculum to state assessments and other measures of student progress. This Committee does not have the capacity or mandate to conduct this kind of review.*

*Legislation requiring the curriculum frameworks or the course of study to contain specific content overrides this careful and deliberate process. Because legislation forces the inclusion of content without the benefit of thorough review and benefit of context, it can also inadvertently displace other important content in the curriculum.*

*Model curricula were first developed in the 1990's in order to provide educators the means to teach about a topic in an in depth manner, on a voluntary basis. At that time, there were few resources available for this purpose on the Internet. Until 2016, only two model curricula were required to be developed. According to the California Department of Education, those curricula are rarely accessed. This may be due to the fact that there is now a vast array of curriculum resources available on the Internet, much of it available at no cost.*

*Recent legislation has required the development of numerous model curricula. In 2021, the state changed the process for the development of model curricula. County offices of education are now responsible for developing model curricula, in the form of open source, accessible resources available to California schools. The state no longer develops or approves model curricula.*

*Finally, changes to the course of study and state mandates on school districts to instruct students in specific content circumvents the state's process of developing content standards and curriculum frameworks, and can be highly disruptive to local curriculum and instructional materials adoption processes.*

*The Committee encourages Members to engage the Commission's administrative process to ensure that the subject matter of concern is included in the revised frameworks.*

*It is therefore the policy of the Committee to discourage the introduction of legislation which requires, or requires consideration of, modifications to state curriculum frameworks or the course of study, that requires specific content be taught or that requires the development of new model curricula or any other state-adopted curriculum, and instead encourages Members to engage in existing administrative processes as delineated above."*

Inherent in the current state curriculum adoption process are a few inherent values, including: legislative fiscal authority, public due process with expertise and content deliberation outside the legislative process, predictable and affordable curricula refreshment cycles, and local control in ultimate curricula selection.

While the content of curriculum will always evolve, the state needs a durable and effective system for developing curricula aligned to state academic goals that educators can implement. The January Budget proposal calls into question whether California's existing system works to achieve our values and these needs. The proposal currently looks outward to other states' processes to inform thinking about reforms in this state.

This study could look at other states, but should certainly also examine California's existing system, and evaluate the current system and possible alternatives through a lens of values and purpose:

**Governance:** Who is involved and what is their role? What role do the executive and legislative branches, educators, subject matter and instruction experts, higher education, and the public, play? Where is the balance between local and state control appropriate?

**Clarity and consistency of vision:** Is there a vision for what students should know and be able to do, and how clearly and consistently is it represented in the curriculum - through graduation requirements, content standards, curriculum frameworks, instructional materials, local adoption processes, institution of higher education accreditation, teacher preparation, and professional development?

**Process:** What is the process of developing and adopting state curriculum? With what frequency should it be revised, and why?

**Functionality:** How readily can the curriculum be implemented by teachers given the constraints they face (time, materials, knowledge, preparation)? Is the cycle of content refreshment able to facilitate relevancy in instruction?

**Questions:**

1. Why is the current process, of State Board authority, contingent on Legislative appropriation, not working to have a predictable, adaptable, and yet cost-conscious curricula review and refresh cycle?
2. What are the Administration's goals for this study's impact on the state's adoption process, and how are these goals different from the existing process goals?
3. In order to make the study actionable, what clear goals should be outlined?
4. Is there criteria for the independent contractor needed, for expertise?

**Staff Recommendation:** Hold Open.

**Issue 2: State Literacy Network**

This panel will hear the Governor's Budget proposal to add a Literacy Network to the State System of Support.

**Panel**

- Hugo Solis Galeana, DOF
- Dylan Hawksworth-Lutzow, LAO
- Dr. Stephanie Gregson, Collaborative for Education Excellence
- Cheryl Cotton, CDE

**Background**

The State has made numerous recent system investments, in addition to direct student-support programs, to tackle state-wide concerns with English Language Arts performance and literacy attainment. These investments include:

- Learning Acceleration Grants. \$50 million one-time for evidence-based professional education to support learning acceleration, particularly in mathematics, literacy, and language development. Of this amount, \$14.5 million was granted to the San Diego County Office of Education from the California Collaborative of Educational Excellence to build capacity within districts across California to implement and support literacy development. (2021 Budget)
- Early Literacy Support Block Grant. \$50 million one-time for the Early Literacy Support Block Grant, which goes to the local educational agencies with the 75 schools that have the highest percentage of students in grade three scoring at the lowest achievement standard level on the English Language Arts assessment. (2020 Budget)
- Reading and Literacy Supplementary Authorization Incentive Grant. \$15 million one-time to support 6,000 teachers to receive their supplementary state certification in reading and literacy. (2022 Budget)
- Reading and Instruction Intervention Grant. \$10 million one-time for the Department of Education to generate and disseminate professional development opportunities for educators in evidence-based literacy instruction, literacy interventions, and executive functioning skills. (2021 Budget)
- Expert Lead County Office of Education in Literacy. \$3 million one-time for an Expert Lead in Literacy within the State System of Support. The Sacramento County Office of Education was selected as the Expert Lead. (2020 Budget)
- Literacy Roadmap. \$1 million one-time to establish the Literacy Roadmap to help educators apply the state's curriculum framework to classroom instruction, navigate the resources and professional development opportunities available to implement effective

literacy instruction, and improve literacy outcomes for all pupils with a focus on equity. (2023 Budget)

- Statewide Literacy Plan. In 2019, California was awarded \$37.5 million through the federal Comprehensive Literacy State Development Grant program, of which the State Literacy Plan was a component, and is intended to align and integrate state literacy initiatives, content standards, and state guidance documents to support educators.

### **Governor's 2025-26 Budget**

The budget proposes one-time \$25 million Proposition 98 General Fund to the California Collaborative for Educational Excellence to convene, in consultation with the Department of Education, a Statewide Literacy Network. The Network will be tasked with: (1) convening literacy leads to support implementation of literacy related initiatives, (2) curate a clearinghouse for evidence-based literacy resources, and (3) study, highlight and disseminate information about high performing local educational agencies and best practices.

### **Staff Comments**

**Staff Recommendation:** Hold Open.

**Issue 3: Literacy & Math Coaches**

This panel will hear the Governor's Budget proposal to further expand the Literacy Coaches program.

**Panel**

- Hugo Solis Galeana, DOF
- Dylan Hawksworth-Lutzow, LAO
- Cheryl Cotton, CDE

**Background**

The 2022 budget included \$250 million one-time Proposition 98 General Fund for the Literacy Coaches and Reading Specialists Grant Program, of which \$225 million is used for local educational agencies to develop school literacy programs, employ and train literacy coaches and reading and literacy specialists, and develop and implement interventions for pupils in need of targeted literacy support. This funding went to schoolsites that had an unduplicated pupil percentage of 97 percent or greater and served students in grades kindergarten through grade 3. The remaining \$25 million was set aside to develop and provide training for educators to become literacy coaches and reading and literacy specialists. Sacramento County Office of Education was selected for this award, with Napa County Office of Education as its co-lead, as well as the following counties as regional hubs for this project: Butte, Glenn, Imperial, Kern, Kings, Los Angeles, Merced, Monterey, Riverside, and Santa Clara. Each county acts as a regional hub to support the Literacy Coaches and Reading Specialists program sites over the course of the grant.

The 2023 budget included another \$250 million one-time Proposition 98 General Fund for Literacy Coaches and Reading Specialists Grant Program, and this time school sites that had an unduplicated pupil percentage of 95 percent or higher and did not receive funding from the first round were eligible. Of this amount, \$2 million was set aside for additional training as well as an independent evaluator.

Funds for the Literacy Coach and Reading Specialists Grant Program from the 2022 budget are available for encumbrance until June 30, 2027, and funds from the 2023 budget are available for encumbrance until June 30, 2028. The first comprehensive report for both investments are due to the Department of Finance, the State Board of Education and the Legislature by December 31, 2025.



## The Governor's 2025-26 Budget

The January Budget proposes \$500 million for a third round of funding, with \$235 million proposed for a third cycle of Literacy Coaches and Reading Specialists Grant Program for schools with 94 percent unduplicated pupils, \$15 million for a county office of education, or a consortium of county offices, to provide professional development, and \$250 million is proposed for schools to employ and train mathematics coaches and specialists for schools with 90 percent or more of unduplicated pupils.

### LAO Comments

**Adopt Math and Literacy Coach Proposals.** We recommend the Legislature adopt funding for literacy and math coaches. In our view, enhanced efforts to address the state's poor math and reading outcomes are warranted. Furthermore, various studies suggest that math and literacy coaches can be an effective way to improve student test scores. By limiting eligibility to the highest-poverty schools, the proposal would target many of the schools that could most benefit from the funding.

**Modify Math Coach Grant Structure.** We recommend making several modifications to the math coach proposal that would help ensure the funds are being used in a way that is most effective. Specifically, we recommend the Legislature adopt the following changes to the proposal:

- Limit grant eligibility to elementary schools, which would align funding with the research on coaches suggesting that this is where the state is likely to see the greatest improvements.
- Set a minimum grant amount for schools. This would ensure the amount of funding provided through the grant will be sufficient to cover the costs of the required activities.
- Require LEAs spend funds only for benefit of eligible school sites. This would help ensure the funds are being used at schools that need the most support.
- Consider making LEAs automatically eligible for the grants, rather than requiring them to apply for funding. This would reduce administrative burden for LEAs.

**Consider Mix of Math and Literacy Coach Funding.** The Legislature could consider changing the proportion of new funding set aside for literacy or math coaches. The ultimate mix will depend on how the Legislature prioritizes support for these two different subject areas. Providing more funding for literacy coaches would help further advance an initiative the state has already funded. Providing more funding for math coaches would help the state begin to establish coaches in high-poverty schools and provide more individuals with access to training that will prepare them to become math coaches.

**Staff Comments**

**Questions:**

1. Should existing funding allowances be extended to mathematics coaching?
2. Should the Legislature delay this new round of funding until the December 2025 evaluation is available?

**Staff Recommendation:** Hold Open.

**Issue 4: Educator Training for Screening of Pupils for Risk of Reading Difficulties Proposal**

This panel will hear the Governor's Budget proposal for professional development support in the implementation of the new Screening of Pupils for Risk of Reading Difficulties, and an update on the screening tool, as adopted by the State Board of Education.

**Panel**

- Jodi Lieberman, DOF
- Dylan Hawksworth-Lutzow, LAO
- Bonnie Garcia, CDE

**Background**

Screeners for Reading Difficulties. The 2023 Budget required all local educational agencies serving kindergarten through second grade to screen students for reading difficulties. A literacy screener expert panel was convened that selected multiple screeners for local educational agencies to adopt for implementation of the reading difficulties screener, which will begin in the 2025-26 school year.

The 2024 Budget appropriated \$25 million one-time Proposition 98 General Fund to prepare school staff for the adoption of a local reading difficulties screener.

**The Governor's 2025-26 Budget**

Literacy Screener Professional Development. The budget proposes one-time \$40 million Proposition 98 General Fund for the procurement of the screening instruments and for professional development for staff that will be administering the screeners.

**LAO Comments**

***Reduce Literacy Screening Training Funding.*** We recommend reducing the proposed funding for literacy screening to \$15 million in 2025-26. When combined with the \$25 million provided in 2024-25, this would provide LEAs a total of \$40 million, which is the total estimated initial cost to begin implementing the new requirements.

**Staff Comments**

**Questions:**

1. Why is the Administration revising their professional development estimates for screener implementation from \$40 million to \$65 million? Is there a justification in actual LEA costs?

**Staff Recommendation:** Hold Open.

**Issue 5: Transitional Kindergarten Dual Language Learner Screener**

This panel will hear the Governor’s Budget proposal for a replacement screener in Transitional Kindergarten, for dual language learners.

**Panel**

- Nate Williams, DOF
- Michael Alferes, LAO
- Alesha Moreno, CDE
- Mao Vang, CDE

**Background**

**Districts Required to Identify Students Who Are English Learners.** Federal and state law require districts to determine whether a student is an English learner that would benefit from additional language support. (Throughout this post, we use the term “districts” to refer to school districts and charter schools.) When students are newly enrolled in a public school, parents or guardians complete a standardized home language survey. If a parent or guardian indicates on the survey that a language other than English is the primary language spoken at home, districts assess a student’s English proficiency to determine if the student is an English learner and eligible for language support services.

**Districts Use State-Developed Assessments to Determine English Language Proficiency.** Districts use a set of state-developed assessments—known as the English Language Proficiency Assessments for California (ELPAC)—to determine a student’s English proficiency. The ELPAC assesses English proficiency in listening, speaking, reading, and writing in line with the English language development standards for each grade level adopted by the State Board of Education (SBE). Districts are required to administer the initial ELPAC within 30 days of a student’s enrollment. For English learners, state and federal law require districts to provide integrated English language development instruction targeted to their English proficiency level. Districts are also required to annually administer a summative ELPAC assessment that tracks students’ progress towards attaining English proficiency at their grade level. (Districts also may assess students at other times during the academic year.) The summative ELPAC is one of several factors used to determine whether students should be reclassified as proficient in English.

**State Preschool Program Use Alternative Process to Determine Dual Language Learner Status.** Current law provides the SPI with authority to develop procedures for California State Preschool Program (CSPP) contractors to identify and report data on dual language learners (DLLs) enrolled in a CSPP, and requires those procedures to include, at a minimum:

- The distribution and collection of a completed family language instrument developed by the SPI from a parent or guardian of each child enrolled in a preschool program no later than upon enrollment. Requires, at a minimum, that the family language instrument be able to identify which languages the child is exposed to in the child's home and community environment, which languages the child understands, and which languages the child is able to speak.
- Criteria for state preschool contractors to use to accurately identify DLLs enrolled in their preschool programs based on the information collected from the family language instrument and criteria for the family language and interest interview.

Based on these statutory requirements, the SPI has approved the following procedures. First, parents are asked to complete a Family Language Instrument that identifies if a preschooler is exposed to or speaks a language other than English at home and which language that is. Second, if the language instrument yields information that a preschooler has a home language other than English, preschool teachers or other designated staff meet with parents and, using the Family Language and Interest Interview template, discuss the language and other desired supports for the preschooler to be able to develop both their home language and English.

**Districts Receive Additional State and Federal Funding for English Learners.** The state and federal government both provide districts funding intended to support English learners. A district's English learner count is incorporated into its Local Control Funding Formula (LCFF) allocation (the primary source of funding for school districts). Specifically, the formula provides supplemental and concentration grant funding based on the proportion of a district's students that are an English learner, foster youth, or from a low-income family. A student who meets two or three of the criteria generates the same supplemental and concentration grant funding rate as a student who belongs to only one of these groups. The state is providing \$14 billion in LCFF supplemental and concentration grant funding in 2024-25. Districts must use their supplemental and concentration grant funding to proportionally increase or improve services for their English learners, foster youth, and low-income students, relative to the base amount of funding they receive. Additionally, the federal government annually provides the state with Title III funding (\$140 million in 2024-25) based on the number of students statewide that are identified as English learners. The state, in turn, allocates subgrants to districts based on their share of English learner enrollment statewide. Title III funding must be used to provide services and supports to English learners that assist them in gaining English proficiency.

**State Recently Eliminated Requirement to Assess English Proficiency for TK Students.** Chapter 15 of 2024 (AB 2268, Muratsuchi) eliminated the requirement for districts to assess English proficiency for all TK students beginning in 2024-25. This was intended to address concerns that the current ELPAC assessment was not developmentally appropriate for younger TK students. (The ELPAC was developed and adopted in 2018, before the state began expanding TK eligibility to younger four-year olds.) Since the ELPAC was not designed with younger TK students in mind, the major concern was that students who were developing language normally for their age could be misidentified as English learners. Statewide data also showed that TK students were being identified as English learners at higher rates than kindergarteners. Chapter 15 did not make any changes to the requirements for identifying and assessing English learners in kindergarten through grade 12. By no longer classifying TK students as English learners, the districts will no longer be required to use LCFF supplemental/concentration grants or federal Title III funding for TK students who are not English proficient.

### **The Governor's 2025-26 Budget**

**Provides \$10 Million to Select a Multilingual Screener for TK Students.** The Governor's budget provides \$10 million one-time Proposition 98 funding for the Superintendent of Public Instruction, with the approval of SBE, to select an English proficiency screening instrument to identify multilingual learners in TK. The Governor proposes to define a multilingual learner as a TK student who has a primary language other than English and is not deemed as English proficient based on the approved screening instrument. The administration indicated that its intent is for the California Department of Education (CDE) to contract with an external entity that would provide the screener and necessary training to schools free of charge. (This is similar to how CDE currently contracts with a vendor for the ELPAC.) The proposal specifies that the screener must be (1) developmentally appropriate for TK students; (2) deemed adequate by technical experts; (3) capable of administration by classroom teachers or aides to students; and (4) capable of administration to any student, regardless of their primary language. The screener also must not discriminate on the basis of race, ethnicity, or gender. CDE would be required to make the screener and training available to districts at no cost by March 1, 2026. Additionally, CDE would have to expend or encumber the funding provided by June 30, 2028.

**Requires Use of New Screening Tool by 2027-28.** Under the Governor's proposal, districts would be required to administer the screening to all TK students whose primary language is a language other than English beginning in 2027-28. Districts would be required to administer the screener within 60 days of a student beginning to participate in TK, but no later than December 15. Districts would also be required to share with CDE the number of multilingual learners identified using the screener. The proposed language specifies that the results from the screener could not be used to classify students as English learners or for any high stakes-purposes (such as for identifying students as individuals with exceptional needs.) The proposal also would allow parents or guardians of TK students to opt out of the screening.

**LAO Comments**

**Adopt Proposal.** We recommend the Legislature adopt the proposed \$10 million increase for a TK multilingual screener. The proposal would provide districts a developmentally appropriate tool to help identify TK students who would benefit from additional English development support. Better identifying these students could help districts target early intervention services to help them gain English proficiency more quickly and improve their academic outcomes. Additionally, giving districts 60 days to assess students, as opposed to 30 days, would allow TK students more time to adjust to the school setting prior to being screened.

**Consider Trade-Offs of Setting Service Requirements for Multilingual Learners.** As the Legislature considers actions it can take to better support multilingual learners in TK, it may want to weigh the trade-offs of having service requirements in law for students that have been identified as multilingual learners. Having service requirements would give the state greater assurance that districts will provide early language interventions that benefit students, but this could increase their associated costs. As the Legislature weighs whether to set additional requirements, it may also want to consider that districts are no longer receiving any state or federal funding specifically for multilingual learners in TK. If the Legislature wanted to provide funding to support multilingual learners, it could consider several options. For example, it could consider modifying LCFF to account for multilingual learners or provide funding through a separate targeted grant. Under either approach, the Legislature may want to ensure that the level of funding provided is aligned with any service requirements added in statute.

**Staff Comments**

In recent years, California has decided to end the use of the ELPAC to identify dual language learners in TK, and also created a process to identify dual language learners in California State Preschool programs through a combination of family survey and child observation data. Why would we create a third designation and process for our youngest dual language learners, and their educators?

4-year-olds who are attending a CSPP program are who are exposed to or speak a language other than English at home are identified as DLLs, using two state-developed instruments. Once children are enrolled in kindergarten, they are re-assessed using the ELPAC to see if they meet the criteria for classification as ELs. Is there a need to have a separate process for designating 4-year olds in different classrooms on the same school campus?

**Staff Recommendation:** Hold Open. Direct staff to work with policy committees to identify developmentally appropriate screener criteria for all education and care settings for 4 year olds in California's universal prekindergarten system.



**Issue 6: Universal School Meals & Kitchen Infrastructure Proposals**

This panel will hear the Governor's Budget proposals impacting the Universal School Meal program, including new funding for the Kitchen Infrastructure and Training Grant.

**Panel**

- Nate Williams, DOF
- Edgar Cabral, LAO
- Kim Frinzell, CDE

**Background****Universal School Meals**

Since 2022-23, LEAs, including charter schools, have been required to provide two school meals to students free of charge for grades Transitional Kindergarten to grades twelve during each school day, regardless of a student's eligibility for federally funded free and reduced price meals as part of California's Universal School Meals program. The budget provides for the state reimbursement of school meals up to the combined free breakfast and lunch reimbursement rate amounts not covered by the federal meal reimbursements for schools participating in the federally funded school meals program. Education Code Section 49550(c) defines "school day" as any day that pupils in kindergarten or grades 1 to 12, inclusive, are attending school for purposes of classroom instruction, including, but not limited to, pupil attendance at minimum days, state-funded preschool, transitional kindergarten, summer school including incoming kindergarten pupils, extended school year days, and Saturday school sessions. A nutritionally adequate meal (breakfast and lunch) must meet the federal meal pattern requirements and qualify for federal reimbursements.

The 2024 budget directed the Department of Education to develop a universal benefit form that would be able to collect information that determines eligibility for Local Control Funding Formula purposes and school meal eligibility purposes by November 1, 2025. The Department of Education announced the finalization of this form ahead of the statutory deadline in March 2025.

Under federal USDA school meal programs, all school-aged children in income-eligible households are eligible for school meal benefits regardless of a child's immigration status. The family-size income levels are prescribed annually by the Secretary of Agriculture for determining eligibility for free and reduced price meals and free milk. The free guidelines are 130 percent of the Federal poverty guidelines. The reduced price guidelines are 185 percent of the Federal poverty guidelines. LEAs may identify eligible children in a few different ways. They must notify all families of free and reduced price meals and provide applications for families to complete. In

addition, LEAs may directly certify student eligibility by using information from other means-tested programs, including Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF) or by determining that a child is eligible due to identification as homeless, runaway, migrant, or foster child, or enrollment in federal Head Start or comparable state program. LEAs must provide households with notification of direct certification or provide an application.

The 2022-23 Budget included \$596 million Proposition 98 General Fund to cover the costs of universal meal requirements that were enacted in the 2021-22 budget, to bring total funding to \$650 million. Additionally, the budget included \$600 million in one-time Proposition 98 General Fund to upgrade school kitchen infrastructure and equipment, and \$100 million one-time Proposition 98 General Fund for School Food Best Practices Grant for local educational agencies. The School Food Best Practices Grant funding is intended to assist local educational agencies to purchase California-grown or produced, sustainably grown, whole or minimally processed foods, and plant based or restricted diet meals.

The Budget also included a new provision that allows the Department of Finance to administratively augment funding for school meals if a shortfall for the current year is projected. In May 2023, the Department of Finance augmented approximately \$110 million Proposition 98 General Fund to ensure that school meal reimbursements were fully funded.

The 2023-24 Budget included an augmentation of \$154.1 million for costs related to the universal meal requirements, in addition to a cost-of-living adjustment of \$75.8 million, for total Proposition 98 General Fund allocation of \$1.4 billion. The 2023 Budget also included \$142.6 million in one-time federal funds for the purchase of domestic food products by school nutrition programs as part of the federal Supply Chain Assistance Program, and another \$15 million Proposition 98 General Fund for grants for dishwashers.

The 2024-25 Budget appropriated \$179.4 million ongoing Proposition 98 General Fund and an additional \$120.8 million one-time Proposition 98 General Fund to support universal school meals in 2023 and 2024. The budget included a total of \$1.85 billion Proposition 98 General Fund to support universal school meals in 2024. The budget also supported the drawdown of federal funds to continue to implement the Universal Meals program by:

- Requiring monthly direct certification matching through CALPADS.
- Requiring the Department of Education to develop an electronic Student Benefit Form that can be used for both Local Control Funding Formula and federal meal eligibility purposes.
- Providing flexibility for local educational agencies to operate their meal programs under specified federal meal service provisions.

**Recent Federal Actions.** On March 7, 2025, the federal USDA notified the California Department of Education that they were rescinding a little more than \$70 million in federal funds from the recently announced Local Food for Schools and Child Care Cooperative Agreement. This funding allowed the CDE to provide eligible school food authorities with additional federal funding to purchase unprocessed or minimally processed local, regional, or California grown and

produced food, with an emphasis on purchasing from historically underserved producers and processors. The Local Food for School funds could only be used for the purchase of foods. On March 27, 2025, the Secretary for the USDA sent a letter to Governor Gavin Newsom stating that the USDA will undertake a review of its research and other education-related funding in California for compliance with federal law, in particular to the federal Family Educational Rights and Privacy Act (FERPA). The California Department of Education responded: “Assembly Bill (AB) 1955 prohibits local educational agencies from mandating that staff disclose students’ gender identity to parents without student consent, unless otherwise required by state or federal law. AB 1955 does not mandate nondisclosure. Based on the plain language of both laws, there is no conflict between AB 1955 and Family Education Rights and Privacy Act (FERPA), which permits a parent access to their student’s written records upon request.”

### The Governor’s 2025-26 Budget

**School Meal Reimbursement Adjustments.** The Governor’s Budget includes an augmentation of \$84 million for costs related to the universal meals program growth, in addition to a cost-of-living adjustment of \$22.2 million, for total Proposition 98 General Fund allocation of nearly \$2 billion. The budget also proposes \$2.8 billion in federal reimbursements for school meals.

**Kitchen Infrastructure and Training Grants.** The budget proposes \$150 million one-time Proposition 98 General Fund for specialized kitchen equipment, infrastructure, and training to support schools in providing more freshly prepared meals made with locally grown ingredients.

### LAO Comments

***Recommend Providing More School Nutrition Funding in the Budget Year.*** The administration proposes providing an additional \$84 million in 2025-26 aligned with its estimate of universal meals. We estimate the state will serve 967 million meals in 2025-26, or 46 million (5 percent) above the administration’s estimate. Based on our higher estimates, we recommend providing \$32 million more than the Governor proposes for school nutrition programs in 2025-26. This would reflect cost growth more consistent with recent trends in the number of school meals served.

***Recommend Rejecting Third Round of KIT Funds.*** The Governor’s budget also proposes \$150 million one-time Proposition 98 funding for grants to increase capacity for offering freshly prepared meals on-site. We recommend the Legislature reject this proposed funding. The effect of previous KIT funding on the capacity of LEAs to serve more meals is still unclear. The state also has little information on the demand of LEAs to serve freshly prepared on-site meals. The Legislature could evaluate if additional funding is merited in 2026-27, when more information on the uses of the first and second round of KIT funds will be available.

***Recommend Better Ongoing Data Collection Aligned With Statewide Nutrition Priorities.***

In addition to KIT funds, the state has funded many other nutrition initiatives over the past several years. These funds have typically lacked outcome expectations. If the Legislature continues to provide funds for specific nutrition initiatives, we recommend the state set goals associated with the funds and collect data statewide to assess progress towards meeting these goals. This additional data would help the Legislature determine whether to continue to dedicate resources to a specific priority, or if sufficient progress has been made such that the state could direct funding toward other priorities.

**Staff Comments**

**Staff Recommendation:** Hold Open

## Non-Presentation Items

### Issue 8: Non-Presentation Items

The Department of Finance will not be formally presenting the following items but is available to answer any questions from the Subcommittee related to these budget proposals. Public comment at this hearing is available.

1. **Education Trailer Bill Proposal:** Community Treatment Facility eligibility.
2. **Education Trailer Bill Proposal:** Homeless Technical Assistance Centers
3. **Education Trailer Bill Proposal:** Personal Finance Graduation Requirement and State Ops.
4. **Education Trailer Bill Proposal:** Instructional Materials Penalty
5. **Education Trailer Bill Proposal:** LGBTQ+ Online Trainings & Platform Encumbrances
6. **Education Trailer Bill Proposal:** Reading and Literacy Supplementary Authorization
7. **Education Trailer Bill Proposal:** Collaborative for Education Excellence Learning Acceleration
8. **Education Trailer Bill Proposal:** IEP Template proposals

**Staff Recommendation:** Hold Open.