

# California State Assembly



## Assembly Budget Agenda

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

Assemblymember David Alvarez, Chair

Wednesday, March 18, 2026

1:30 P.M. – State Capitol, Rm 444

ITEMS TO BE HEARD		
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6100 6360 6980	California Department of Education California Commission on Teacher Credentialing California Student Aid Commission	2
Issues	<ol style="list-style-type: none"><li>1. Educator Pipeline Oversight</li><li>2. Golden State Teachers Program</li><li>3. Teacher Residency Expansion</li><li>4. Computer Science Authorization</li><li>5. Non-Certificated and Private School Employees Data System (SB 848) Budget Change Proposal</li><li>6. Subject Matter Competency &amp; Examinations for Teachers</li></ol>	2 14 19 24 26 28

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**  
**6360 California Commission on Teacher Credentialing**  
**6980 California Student Aid Commission**

### Issue 1: Educator Pipeline & Supports Programs Oversight

This panel will provide an update on recent Budget Act investments and outcomes in increasing the educator candidate pipeline and retaining high quality educators. Panelists and public comment may identify policy and investment opportunities outside the January Budget to address the ongoing educator shortages.

#### Panel

- Dylan Hawksworth-Lutzow, Legislative Analyst's Office (LAO)
- Tara Kini, Learning Policy Institute (LPI)
- Mary Vixie Sandy, California Commission on Teacher Credentialing (CTC)
- Cynthia Grutzik, College of Education, San Francisco State University
- Anna Aguilar, Twin Rivers Unified School District

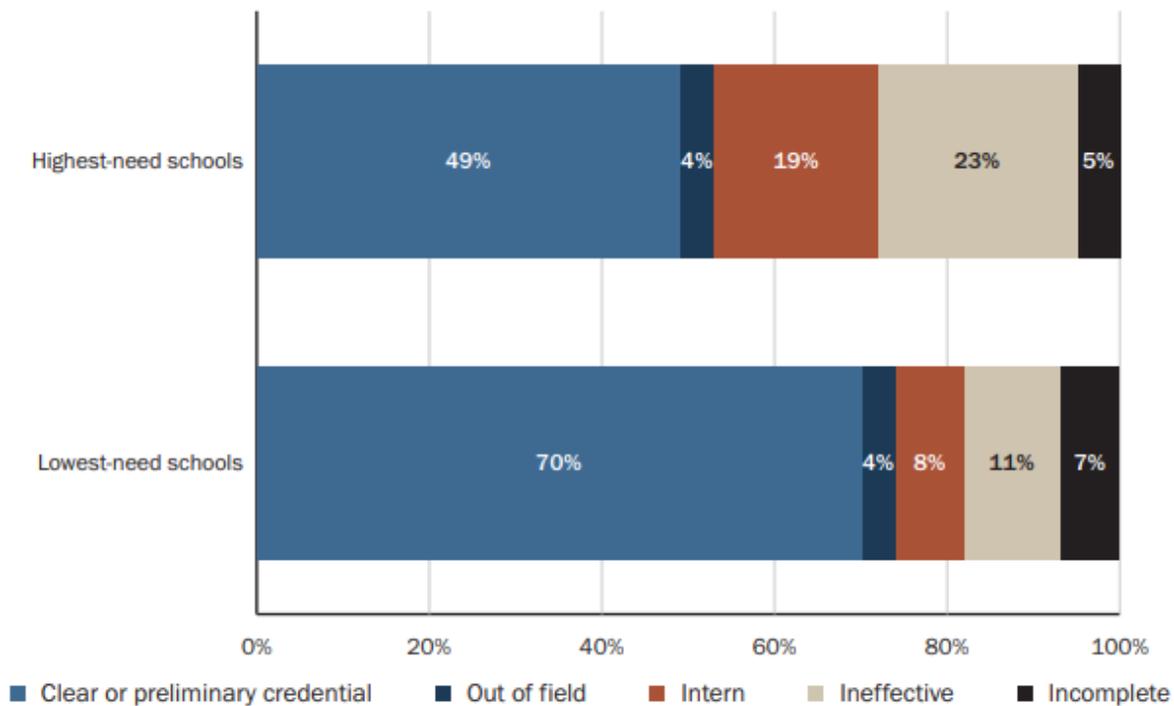
#### Background

##### Educator Shortages

Historically, California schools have had challenges in filling their teaching positions with appropriately credentialed teachers, particularly in special education, math, science, and bilingual education. When schools are unable to hire fully credentialed teachers, they hire teachers on waivers or emergency permits who do not have the required teaching credential and subject matter expertise. Despite some recent increases in the number of newly awarded credentials, overall shortages persist. In particular, the state has persistent shortages in special education. From 2019-20 through 2023-24, the state authorized more waivers and emergency permits for individuals to fill special education teacher roles (24,565) than new special education teacher credentials (17,963). In addition, the state historically has had higher proportions of teachers on waivers and emergency permits in schools with higher proportions of English learners and low-income (EL/LI) students. For example, according to the Learning Policy Institute, schools with the highest share of EL/LI students had twice as many math teachers on waivers or emergency permits (23 percent) than schools with the lowest EL/LI shares (11 percent) in 2022-23.

According to a December 2024 LPI report<sup>1</sup>: “California has seen a modest increase in newly prepared teachers... 2021 saw another sizable 14% increase in completers. These completer increases came after initial state investments in teacher residencies and the Golden State Teacher Grant went into effect. The COVID-19 pandemic also impacted teacher workforce trends during this time. Additional years of data will shed light on the extent to which the state sees continued increases in teacher preparation completions in line with its continued investment in the teacher workforce.”

**Figure 6. Distribution of Credential and Permit Types Among Inexperienced Math Teacher FTEs, 2022-23**



Notes: Percentages do not add to 100 due to omitted categories, rounding, and missing data. “Unknown” and “Not applicable” categories are omitted. Highest-need schools include the top 10% of schools by unduplicated pupil count of students who are identified as English learners, eligible for free or reduced-price meals, or foster youth. Lowest-need schools include the bottom 10% of schools by unduplicated pupil count of students who are identified as English learners, eligible for free or reduced-price meals, or foster youth. FTE = full-time equivalent.

Sources: Learning Policy Institute analysis of California Department of Education. *Teaching assignment monitoring outcomes* [Data set] (accessed 7/11/2024); California Department of Education. *California Longitudinal Pupil Achievement Data System* [Data set] (accessed 7/11/2024).

Source: LPI

<sup>1</sup> “Tackling Teacher Shortages: What We Know About California’s Teacher Workforce Investments” [https://learningpolicyinstitute.org/media/4537/download?inline&file=Tackling\\_Teacher\\_Shortages\\_CA\\_REPORT.pdf](https://learningpolicyinstitute.org/media/4537/download?inline&file=Tackling_Teacher_Shortages_CA_REPORT.pdf)

**“California teacher shortages continue.** While the number of teacher preparation program completers has increased, in 2022 California graduated only half as many new teachers through a traditional preservice preparation program as it did at its peak in 2004. Additionally, substandard credentials and permits tripled between 2013 and 2023, making up more than half of all new California teaching credentials issued in 2023. Teacher shortages disproportionately impact students in high-need schools. In 2022–23, the most recent year with available data, 83% of teacher full-time equivalents (FTEs) in priority schools were fully credentialed with clear or preliminary credentials for their teaching positions. In comparison, 87% of teacher FTEs were fully credentialed in non-priority schools. The state’s highest-need schools were nearly three times as likely to fill teaching positions with interns and teachers on emergency-style permits or waivers, compared to the lowest-need schools.”

Notably, school leaders across the state are reporting significant hiring difficulty for all school-site staff, including aides and bus drivers, as well as classroom teachers and principals.

The CTC will speak to the latest statewide data on teacher certification trends in this hearing.

### **Educator Pipeline Research**

As discussed in prior subcommittee hearings on the Educator workforce pipeline, the Learning Policy Institute has ongoing recommendations on six key areas<sup>2</sup> a state should include in their educator pipeline policies:

- 1) **Service scholarships and student loan forgiveness:** The cost of high-quality teacher preparation is a significant obstacle to those considering entering the teaching profession. To overcome such barriers, at least 40 states have established service scholarship and loan forgiveness programs to recruit and retain high-quality teachers. These programs underwrite the cost of teacher preparation in exchange for a number of years of service in the profession. Research has found that effective service scholarship and loan forgiveness programs leverage greater recruitment into professional fields and locations where individuals are needed, and support retention.
- 2) **High-retention pathways into teaching:** Teacher turnover is higher for those who enter the profession without adequate preparation. However, teachers often choose alternative certification pathways that omit student teaching and some coursework because, without financial aid, they cannot afford to be without an income for the time it takes to undergo teacher training. High-retention pathways are developed to subsidize the cost of teacher preparation and provide high-quality training for incoming teachers. These pathways

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<sup>2</sup> Espinoza, D., Saunders, R., Kini, T., & Darling-Hammond, L. (2018). *Taking the long view: State efforts to solve teacher shortages by strengthening the profession*. Palo Alto, CA: Learning Policy Institute.

include teacher residencies and Grow Your Own programs that recruit and prepare community members to teach in local school districts.

- 3) **Mentoring and induction for new teachers:** Evidence suggests that strong mentoring and induction for novice teachers can be a valuable strategy to retain new teachers and improve their effectiveness. Well-mentored beginning teachers are twice as likely to stay in teaching as those who do not receive mentoring. However, the number of states supporting mentoring and induction programs decreased during the recent recession, and a 2016 review of state policies found that just 16 states provide dedicated funding to support teacher induction. Under ESSA, states can leverage federal Title II, Part A funds to support new teacher induction and mentoring. Indeed, a number of states, including Delaware and Ohio, are taking such an approach. Other states have invested state funds to support new teacher induction, including Connecticut and Iowa.
- 4) **High-quality school principals:** Principals play a central role in attracting and retaining talented teachers. Teachers cite principal support as one of the most important factors in their decision to stay in a school or in the profession. Therefore, states can benefit from building effective systems of preparation and professional development for school leaders. Title II, Part A of ESSA provides states with new opportunities to invest in and improve school leadership in ways that could increase teacher retention, including by reserving up to 3% of their state Title II, Part A funds for school leader development. Many states—including North Dakota and Tennessee—are seizing this opportunity, with nearly half of states using the optional 3% set aside and 21 states using ESSA funds to invest in principal preparation. The North Carolina Principal Fellows program is an example of a long-standing, successful state effort to support principal development.
- 5) **Competitive compensation:** Not surprisingly, the lack of competitive compensation is one factor that frequently contributes to teacher shortages, affecting the quality and quantity of people planning to become teachers as well whether people decide to leave the teacher workforce. Even after adjusting for the shorter work year in teaching, beginning teachers nationally earn about 20% less than individuals with college degrees in other fields—a wage gap that widens to 30% by mid-career. Large inequities in teacher salaries among districts within the same labor market leave some high-need, under-resourced districts at a strong disadvantage in both hiring and retaining teachers. More competitive compensation can be a critical strategy to recruit and retain effective educators, although different approaches may be necessary depending on the state, regional, and district context.
- 6) **Recruitment strategies to expand the pool of qualified educators:** In light of fiscal constraints, many states are also opting for low-cost policy solutions that expand the pool of qualified teachers. Such strategies include recruiting recently retired

teachers back into the classroom to fill open positions and strengthening licensure reciprocity to ease undue burdens to cross-state mobility and allow experienced and accomplished educators the opportunity to seamlessly transition into service in a different state. Colorado, for example, is actively pursuing both strategies, and Idaho, Oklahoma, and West Virginia are also recruiting retired teachers to help address teacher shortages.

### **Recent Educator Pipeline & Support Investments**

In the past six years, the state has made multiple recruitment and professional support investments to address areas of educator shortage or “high-need” fields, defined as specific types of educator credentials that are challenging for LEA’s to attract and retain, due to in part to a lack of overall credentials statewide or regionally. The state has been focused on the following shortage areas:

- Bilingual education
- Science, technology, engineering, and mathematics (STEM), including career technical education in STEM areas
- Special education
- Multiple subject instruction
- Transitional kindergarten
- Early childhood education
- Administration

As the LAO figure on the next page shows, the state has provided more than \$2.1 billion over the last decade to address teacher shortages. Two of the largest programs are the Golden State Teacher Grant program and the National Board Certified Teacher Certification Incentive Program (National Board Program). The Golden State Teacher Grant program provides grants to individuals enrolled in a professional preparation program. The National Board Program provides grants to teachers who work in certain schools and have earned a certification from the National Board for Professional Teaching Standards, a nonprofit organization focused on high-quality teaching.

A third major area of investment is the 2025-26 Budget Act investment in a new Student Teacher Stipend Program. The CTC will launch this program for all new student teachers in the 2026-27 school year.

### **Student Teacher Stipend Program**

The 2025-26 Budget Act included \$300 million for the Commission on Teacher Credentialing (CTC) to establish the Student Teacher Stipend Program. Up to \$100 million will be allocated annually, beginning in the 2026-27 school year, to provide \$10,000 for teacher candidates who complete 500 hours of student teaching. (Intern teachers are not eligible for the stipend.) If funding is not sufficient to provide stipends to all eligible candidates, CTC will prioritize

applications on a first-come, first-served basis. CTC must annually report to the Governor and Legislature on the state of the program, including the demographics of participants and types of credentials participants receive. The first report is due by January 1, 2027. Of the total amount, \$5 million will be provided to the Kern County Superintendent of Schools to (1) conduct a multimedia campaign through July 2028 to encourage individuals to pursue a career in teaching, (2) develop a grants management system for CTC to use to streamline the administration and application of the teacher programs it administers, and (3) contract for an independent evaluation of the state’s efforts to improve educator recruitment and retention. The results of this evaluation will be reported to the Legislature by July 1, 2029.

The new Student Teacher Stipend Program has legislative intent language regarding stipends for teacher shortage areas and high priority schools, but this portion of the program is not currently funded.

The CTC will provide a report of program start-up, as part of this panel presentation.

**Recent State Teacher Recruitment and Retention Spending**

Program	Year	Description	Funding Allocation	Total Amount (Millions)
<b>Teacher Residency Grant Program</b>	2018-19, 2021-22, 2025-26	Supports establishing and expanding teacher and school counselor residency programs in special education, STEM, bilingual education, and kindergarten/transitional kindergarten.	CTC competitively awards grants to LEAs, COEs, and school-university partnerships. There are two grant types: (1) planning grants of up to \$50,000 and (2) residency grants of up to \$40,000 per resident in the new or expanded program.	\$721.0
<b>Golden State Teacher Grant Program</b>	2020-21, 2021-22, 2024-25, and 2025-26	Provides financial assistance to students enrolled in teacher preparation or pupil personnel services credential programs who commit to working in schools where at least 55 percent of students are EL/LI.	CSAC awards funds to participating grantees. Of the total amount provided, \$15 million was from federal IDEA funding and restricted to special education teacher candidates.	566.5
<b>Student Teacher Stipend Program</b>	2025-26	Provides \$10,000 stipends for student teachers compensation, for participating LEAs. Begins in the 2026-27 school year.	CTC awards grants to LEAs for all student teachers participating in a CTC accredited program, up to \$100 million annually statewide.	300.0
<b>National Board Certified Teacher Certification Incentive Program</b>	2021-22, and 2025-26	Provides financial awards to teachers holding National Board certifications who teach at schools at least 55 percent of students are EL/LI.	CDE awards grants of \$5,000 per participant for up to five years.	280.0
<b>Classified School Employee Teacher Credentialing Program</b>	2016-17, 2017-18, and 2021-22	Provides financial assistance to classified school employees, such as instructional aides, to pursue teaching credentials.	CTC competitively awards grants of \$4,000 per participant per year for up to five years to LEAs, COEs, and charter schools.	170.0
<b>Integrated Undergraduate Teacher</b>	2016-17 and 2022-23	Supported expanding integrated programs that allow participants to earn an undergraduate degree and a teaching credential within four years. Programs	CTC competitively awarded planning grants of up to \$250,000 and	30.0

<b>Preparation Grants</b>		focused on special education, STEM, and bilingual education received funding priority.	expansion grants of up to \$500,000 to universities.	
<b>California Examination and Assessment Fee Waiver Program</b>	2022-23 and 2023-24	Subsidized teacher preparation examination fees for teacher and administrator candidates	CTC automatically awarded fee waivers to teacher and administrator candidates.	28.0
<b>Bilingual Teacher Professional Development Program</b>	2017-18 and 2023-24	Supported teachers pursuing authorization to teach bilingual and multilingual classes.	CDE competitively awarded grants LEAs and COEs.	25.0
<b>California Center on Teaching Careers</b>	2016-17 and 2021-22	Established a statewide teacher recruitment center to recruit qualified and capable individuals into the teaching field, particularly to low-income schools in special education, STEM, and bilingual education.	CTC competitively awarded grant to Tulare COE to operate center.	7.0
<b>Total</b>				<b>\$2,127.5</b>

STEM = Science, Technology, Engineering, and Math; CTC = Commission on Teacher Credentialing; LEAs = local education agencies; COE = county office of education; EL/LI = English learner/low income; CSAC = California Student Aid Commission

Source: LAO, Budget Committee edits

In addition to these larger investments, the state also has the following additional one-time investments in various educator recruitment, retention, and professional support areas:

- Educator Effectiveness Block Grant (described in more detail below)
- Diverse Education Leaders Pipeline Initiative
- Educator Workforce Investment Grants: English Learners, Special Education, Computer Science
- Early Math Initiative
- 21st Century School Leadership
- Early Education Teacher Development Grants

The Golden State Teachers and Teacher Residency programs both were initially authorized with a focus on shortage areas, and included flexibility for the CTC to determine additional shortage areas, as needed. This focus on shortage areas was removed from the Golden State Teachers program in the 2022-23 Budget Act.

**Classified Employee Credentialing Program**

The Classified School Employees Credentialing Program is administered by the CTC, and provides financial support (up to \$4,000 per year for five years) for classified staff, such as instructional aides, to pursue their teaching credential. Classified staff at grantee LEAs who are selected to participate in the program receive financial assistance for expenses such as tuition, fees, books, and examination costs; academic guidance; and other forms of individualized

support to help them complete the undergraduate education, teacher preparation program, and transition to becoming credentialed teachers for public schools.

This program was funded with \$20 million in the 2016-17 Budget Act, and \$25 million in the 2017-18 Budget Act. The initial two rounds of funding provided enough financial assistance to support 2,260 classified employees. The program was oversubscribed, as an additional 6,000 classified employees requested to participate, and applications from 27 school districts and COEs remained unfunded.

The final 2021-22 Budget Act provided an additional \$125 million over a five-year period for the Classified School Employee Teacher Credentialing Program (Classified Grants).

Classified Grants are available to eligible LEAs to recruit and support current classified staff who already hold an associate or higher degree to complete a bachelor's degree and earn a teaching credential. Grantees may use funding to plan, expand and/or develop a new program to recruit and support classified staff in any position, including expanded learning and preschool program staff seeking a credential to serve in Transitional Kindergarten or above. As with Teacher Residency Program grants, potential grantee LEAs could consider Classified Grants to help address new staffing needs in transitional kindergarten classrooms, as the additional required adult/educator in the TK classroom.

Participating classified employees must commit to complete one school year of classroom instruction in the eligible LEA grantee for each year that he/she/they receive assistance for books, fees, and tuition while attending an institution of higher education under the program.

CTC may provide an update on LEA interest in program expansion at this hearing.

According to the CTC, the \$125 million approved for the 2021 Classified School Employee Teacher Credentialing Program should support approximately 5,208 classified staff to retain a teaching certification.

Statute required the CTC to conduct an evaluation to determine the success of the Classified Program. The [results of the evaluation](#) led by Shasta College, the lead evaluator, in collaboration with Sinclair Research Group (SRG) were presented at the June 2021 Commission meeting. Some recommendations to strengthen the program included:

- Develop a "Program Management Guide" that includes reporting requirements, rules, procedures, and allowable expenses.
- Encourage stable leadership and management roles in both the LEA and IHE.
- Create a forum for managers and IHE liaisons to frequently share best practices.
- Prioritize best practices in providing individualized non-financial support (such as test preparation, mentoring, or cohort models), and share these with managers and IHE liaisons.

- Implement a statewide system for Classified Program continuous improvement.

The latest CTC update on this program, including a response to evaluation recommendations, is available here:

[https://meetings.ctc.ca.gov/Details/212?\\_gl=1\\*dib0k9\\*\\_ga\\*MTMxODg0MTI2LjE2MzY3NDg5NTc.\\*\\_ga\\_8L1GC3E1C3\\*MTc0MjQ5MzE3Ni4yLjEuMTc0MjQ5MzE4MC4wLjAuMA..#5432](https://meetings.ctc.ca.gov/Details/212?_gl=1*dib0k9*_ga*MTMxODg0MTI2LjE2MzY3NDg5NTc.*_ga_8L1GC3E1C3*MTc0MjQ5MzE3Ni4yLjEuMTc0MjQ5MzE4MC4wLjAuMA..#5432)

### **Educator Effectiveness Block Grant**

The 2021-22 Budget Act appropriated \$1.5 billion for educator professional development purposes, through 2025-26. Funds were allocated based on LEA full-time certificated and classified staff counts.

According to CDE guidance: a school district, county office of education, charter school, or state special school shall expend Educator Effectiveness Block Grant (EEF) funds to provide professional learning for teachers, administrators, paraprofessionals who work with pupils, and classified staff that interact with pupils, with a focus on any of the following areas: coaching and mentoring, standards-aligned instruction, accelerated learning, social-emotional learning and mental health, positive school climate, inclusive practices, English learners' language acquisition, professional learning networks, ethnic studies instruction, early childhood education instruction, and beginning teacher supports, as defined.

Each local governing board must adopt a public plan that describes how funding will be spent. CDE will receive final expenditure reports on these funds in 2026.

According to CDE's most current reports: For fiscal years 2021–22, 2022–23 and 2023–24, a total of \$681,466,960.90 was expended by LEAs using the EEF with a total of 365,836 teachers, 127,592 administrators, 43,118 paraprofessionals, and 22,048 classified staff served.

Overall, LEAs have spent \$217,177,384.49 on services and purchases related to professional learning. LEAs expenditures as reported are the following: \$32,629,517.89 for books and materials; \$184,547,866.60 for staffing, and benefits, travel and per diem, stipends, substitutes, and indirect costs. LEAs reported purchasing basic materials and supplies related to professional learning, travel costs for staff attending conferences, stipends for teacher mentors, staff trainers, local professional learning as well as staffing costs to cover positions that directly facilitate professional learning.

State law identifies 11 allowable uses for EEF LEA expenditures. Between FYs 2021–24, LEAs expended the greatest amounts on the following allowable use categories: Coaching and Mentoring at \$167,969,186.10, Standards-Aligned Instruction at \$133,410,838.30, and Practices to Promote a Positive School Climate at \$32,073,899.60. Allowable uses in which the least

amounts of EEF have been expended included Ethnic Studies Curricula at \$2,251,277.96 and Early Childhood at \$3,753,117.02.

### Staff Comments

**Educator Pipeline Crisis.** The educator pipeline and retention crisis remains across the state, particularly in certain subject areas, and for our lowest income schools. Addressing this issue with urgency, state-wide, and in partnership with institutions of higher education (IHE) and LEAs, is a key issue in this year's Budget oversight proceedings.

There have been several evidence-based approaches to California's pipeline in recent years. With approximately \$5.6 billion in unappropriated Current Year funds, are there ways to strengthen these programs, and invest for a longer term, so that California's educator pipeline approach bridges the next recession with one-time funds?

For example, the National Board Certification program is funded sufficiently through 2034, according to staff program growth estimates. Should all major programs, including Student Teacher Stipends and the Teacher Residencies, be funded on the same 2034 timeline, and create an ongoing-like program stability?

**Classified School Employees Teacher Credentialing Program.** This long-standing program has proven highly successful in supporting a "grow your own" approach to retaining paraprofessional staff, while also diversifying the certificated workforce. With the encumbrance period closing for this program, is additional funding warranted?

**Educator Effectiveness Block Grant.** Post-Local Control Funding Formula (LCFF), this large investment has served in recent years as the state's only professional development fund source for all LEAs. This block grant contains policy and standards, in addition to funding for mentorship, induction, and PD. This block grant is also the only prohibition on LEA induction or professional development fee charges on school employees.

In light of the 2026 expiration for this funding and applicable policies, should an extension or reauthorization be considered in the Budget Year? Should LEAs be allowed to resume charging teachers fees for induction and professional development?

**Student Teacher Stipend Program.** The new Student Teacher Stipend Program has legislative intent language regarding stipends for teacher shortage areas and high priority schools, but this portion of the program is not currently funded. The base program also is only funded for three years under the enacted Budget, compared to the National Board program, which is funded through 2034 for stability, and the Budget proposal to fund Residencies through 2030.

**Program Evaluation.** The Golden State Teachers and Student Teacher Stipend programs evaluations require a measure of effectiveness in recruitment and retention of candidates, unique to program access. Should all the pipeline programs ask this question?

**Additional System Needs.** As covered in prior year hearings, there are six major areas of educator workforce investment that the Learning Policy Institute recommends for a state system:

- 1) Service scholarships and student loan forgiveness.
- 2) High-retention pathways into teaching.
- 3) Mentoring and induction for new teachers.
- 4) High-quality school principals.
- 5) Competitive compensation.
- 6) Recruitment strategies to expand the pool of qualified educators.

Their post-pandemic publication also made the following recommendations, not explicitly funded in recent Budgets, but still relevant in 2026:

- 7) Create sustainable teacher workloads. California has long had one of the highest ratios of students to teachers, counselors, nurses, principals, and other school staff. Investments in additional personnel and prevention of layoffs will be critical to supporting teachers, creating a sustainable workload, and reducing burnout.
- 8) Support teachers with adequate substitute staffing. Districts may need to consider increasing their daily rates to attract more qualified substitutes into their pools. In addition, the state could support districts in need of long-term substitutes by funding and providing the 45 hours of training those substitutes must complete to be eligible for the Teaching Permit for Statutory Leave (TPSL).

By the end of the Budget Year, state investments in #3 (mentoring and induction) is expiring, and the state does not have efforts under way to address # 7, or #8. Arguably, with the minor funding provided for Golden State Teachers in the Budget Year, the state's only scholarship/loan forgiveness approach appears to be expiring.

What additional workforce strategies could benefit from, and should be priorities for, one-time funding available in the Budget window?

**Questions:**

1. For CTC: what trends in educator certification attainment is the commission seeing today? How does that compare to 2020, in terms of enrollment in shortage areas, overall, and in regions with state grants?
2. Which existing educator pipeline programs should be considered for longer-term, one-time infusions, in this Budget environment?
3. What will happen if the Classified Employees and Educator Effectiveness programs expire after the Budget Year?
4. Would it be more effective to limit or prioritize all these programs to severe shortage areas and high priority/low income schools in the near future, as general multiple subject areas become less impacted?
5. Is there a way to better target educator pipeline grants to LEAs with disproportionate shares of mis-assigned and vacant positions?
6. Are there additional strategies for educator recruitment and retention that need to be considered in this year's Budget?
7. Would addressing Paid Family Leave standards for educators be a compensation strategy for retention?
8. Are there other, prudent, one-time funding, ways to address staff compensation strategies?

**Staff Recommendation:** Information Only.

**Issue 2: Golden State Teachers Program**

This panel will review implementation of the Golden State Teachers Grant Program, and hear the January Budget trailer bill proposal for the program.

**Panel**

- Liz Mai, Department of Finance (DOF)
- Dylan Hawksworth-Lutzow, Legislative Analyst's Office (LAO)
- Justin Hurst, California Student Aid Commission (CSAC)

**Background**

The Golden State Teachers Grant Program was first authorized in the 2019-20 Budget Act, to fund scholarship awards to aspiring teachers in high need fields and incentivize those new teachers to serve in high need public schools. Statute defined "high-need field" as including Bilingual education, Mathematics or science, technology, engineering, and mathematics (STEM), including career technical education in STEM areas, Special education, Multiple subject instruction, and "other subjects as designated annually by the Commission on Teacher Credentialing based on an analysis of the availability of teachers in California."

The final 2021-22 Budget Act made an additional \$500 million one-time General Fund investment in the Golden State Teachers Grant program through 2026. A total of \$21 million federal IDEA funds have also been appropriated specifically for candidates enrolled in special education teacher preparation programs who agree to teach at a priority school. Legislative intent, at the 2021-22 Budget Act, was that approximately \$100 million in grants would be awarded each year.

For applicants until July 1, 2024, CSAC describes Golden State Teachers Grant program (GSTG) eligibility as follows: All applicants must be currently enrolled in a professional teacher preparation program, leading to a preliminary teaching credential or pupil personnel services credential, within an accredited California institution of higher education or through a local education agency, approved by the Commission on Teacher Credentialing (CTC). There was no income cap for applicants.

One-time Golden State Teachers Grant funds of up to twenty thousand dollars (\$20,000) will be awarded if a candidate commits to repay the Commission 25 percent of the total award annually, up to full repayment of the award, for each year if you fail to meet program requirements.

Below is CSAC’s summary chart that depicts how many applications have been received for the Golden State Teacher Grant (GSTG), by segment, for the 2021-22 through 2024-25 academic years.

Applications	2020-21	2021-22	2022-23	2023-24	2024-25
UC	6	272	481	584	502
CSU	270	1,154	3,163	4,552	3,881
Private	503	1,922	5,498	8,015	6,622
LEA	n/a	608	61	1,074	555
Other	n/a	n/a	n/a	48	332
<b>TOTAL</b>	<b>779</b>	<b>3,956</b>	<b>10,226</b>	<b>14,273</b>	<b>11,892</b>

† Preliminary numbers. Application window for 2024-25 is expected to close on June 30, 2025.

### High Need Fields & Special Education

For the \$15 million in IDEA funds that were initially appropriated in 2020-21, CSAC awarded approx. \$14.7 million over the 2020-21 and 21-22 academic years. These awards reached 832 students over those two years (459 in 20-21 and 383 in 21-22). The 2023-24 Budget Act provided an addition \$6 million in IDEA funding to support the Golden State Teachers Program.

Focus on other high-need or shortage fields was removed from the GSTP in the 2022-23 Budget Act, however, remains in the Teacher Residency program eligibility.

Prior to removal from GSTP, a “high-need field” was defined similarly, as any of the following:

- Bilingual Education
- Mathematics or Science, Technology, Engineering, and Mathematics (STEM), including Career Technical Education in STEM areas.
- Science
- Special Education
- Multiple subject instruction
- Transitional Kindergarten
- Other subjects as designated annually by the Commission on Teacher Credentialing based on an analysis of the availability of teachers in California pursuant to Education Code Section 44225.6

Prior to removing a focus on high-need areas, CSAC received applications for almost 4,000 awards.

**Program Effectiveness & Evaluation.** Statute requires CSAC, in partnership with CTC, to conduct an evaluation of the Golden State Teacher Grant Program to determine the effectiveness of the program in recruiting credential candidates and employing credential holders at priority schools, including the effects of the program on the decisions of credential candidates to enter and remain in the education field. CSAC will provide this evaluation on or before December 31, 2025, and every two years thereafter.

CSAC will provide an update on the evaluation design at this hearing.

According to a recent LPI report in Attachment A, there are numerous findings on the program's impact:

- **“The GSTG is a popular program that has supported over 28,000 aspiring educators.\*** Over its first 5 years of implementation—from 2020–21 to 2024–25—the GSTG supported 22,851 teacher candidates and 5,812 PPS candidates. In 2023–24, when the GSTG was available to all teacher candidates, nearly half of California's new teacher candidates received a grant (45%).
- **The GSTG likely contributed to the 23% increase in the number of California-prepared teacher candidates** who earned a preliminary teaching credential between 2022–23 and 2023–24.
- **The GSTG encouraged thousands of teacher candidates, especially candidates of color and career switchers, to pursue teaching and to work in high-need schools.** Nearly three quarters of survey respondents said the GSTG was influential in their decision to pursue teaching, and two thirds said the grant was influential in their decision to teach in a high-need school. These perceived impacts were strongest among teacher candidates of color... is also especially important for candidates who have limited access to other sources of financial aid, such as Deferred Action for Childhood Arrivals (DACA) recipients and candidates pursuing a PPS credential to become a school counselor, social worker, or psychologist.
- **Most GSTG recipients have significant financial need.** These recipients reported that the grant enabled them to complete preparation. Nearly 4 in every 5 GSTG teacher candidate recipients were income-eligible for the federal Pell Grant, much higher than the one third of California undergraduates who received a Pell Grant in 2022–23.
- **GSTG recipients report teaching in high-need schools and hard-to-staff subjects.** Survey results suggest that the GSTG Program is successfully recruiting new teachers into high-need schools and hard-to-staff subject areas in which the state has reported persistent shortages. Among survey respondents who are currently teaching, almost 9 in

10 reported teaching at a priority school, and almost all of these teachers indicated that they wanted to stay teaching at their schools after fulfilling their service obligations.

- **GSTG recipients also reported teaching in high-need fields.** Among surveyed recipients who are currently teaching, 38% indicated teaching special education, 33% reported teaching mathematics, and 30% reported teaching science.
- **The GSTG is critical for meeting the financial needs of recipients, but the reduced grant amount will likely lessen its impact.** A key goal of the GSTG is to substantially cover the cost of teacher preparation and enable teachers to begin their careers with little or no student debt. The original maximum award grant of \$20,000 covered, on average, 80% of recipients' tuition fees and other living expenses that were not covered by other aid. “

### **Governor's 2026-27 Budget**

The Governor's Budget reallocates \$14.4 million one-time non-Proposition 98 General Fund for the Golden State Teacher Grant Program. The Governor's budget proposes additional one-time funding to support additional Golden State Teacher grantees in 2026-27. Awards would be provided based on the existing program rules, which allow candidates to receive up to \$10,000 while completing their credentialing coursework if they commit to working in a priority school for two years within four years of completing their program.

### **Staff Comments**

A recent LPI study of the program found overall success in recruiting diverse teachers into shortage areas, and directing their employment to low income schools. See Attachment A for the report's Executive Summary, and the report is available at [Strengthening the Educator Pipeline Through Service Scholarships: California's Golden State Teacher Grant Program](#).

**Is the Program Sufficiently Funded for Multi-year Stability?** Major changes in the 2022-23 Budget Act to broaden program eligibility outstripped available funds. Another round of major changes were made in the program in 2024-25 to prevent Golden State Teachers from exhausting all funds, prior to the 2025-26 fiscal year.

The \$14.4 million proposal is dramatically less funding than the original \$100 million/year program goal.

**Is the Program Too Broad?** Rather than further expand program eligibility, and lower service standards, the Assembly could consider returning a focus on the program's role in staffing shortage areas, including Special Education and Bilingual Educators.

**What happens to program repayment funds?** According to CSAC, approximately 103 awardees are in the process of repaying \$1.5 million in Golden State Teacher funds, due to withdrawing from the program's requirements. Reappropriation of these funds back to the program would be consistent with program's goals, but is not currently authorized.

**Suggested Questions:**

1. If the state wanted to restrict program demand to state level priorities, and to restrict the program's costs, what would CSAC and CTC recommend? LAO?
2. Why are the public IHE take-up rates so low, compared to the private schools?
3. Are there any additional one-time federal funds available to supplement specific subject areas? IDEA for special education? Title III for bilingual teachers?
4. How can the CSAC evaluation investigate changes to the program and their effect? Inform long-term program design? Inform design of the student teacher stipend program?

\***bold** added for staff emphasis

**Staff Recommendation:** Hold Open. Request CDE to provide CTC and LAO with parameters for how state-level Title III funds could be allowable for bilingual teacher preparation grants, and how Title II could be used for the Golden State Teachers Program.

**Issue 3: Teacher Residencies Oversight & Expansion Proposal**

This panel will consider the January Budget proposal to extend the Teacher Residency Grant Program through 2029-2030.

**Panel**

- Liz Mai, DOF
- Dylan Hawksworth-Lutzow, LAO
- Adam Ebrahim, CTC

**Background****Teacher Residency Program**

Over the last decade, the state has provided \$2.1 billion in one-time funding to address teacher shortages. One of the largest programs is the Teacher Residency Grant Program, which provides grants to local education agencies (LEAs) to support teacher residents as they earn their teaching credential and work in the LEA. For the purposes of the Teacher Residency Grant Programs, a teacher residency program is defined as an LEA-based partnership between an LEA and an IHE with a Commission-approved preliminary teacher preparation program, and in which a prospective teacher teaches at least one-half time alongside a teacher of record, who is designated as the experienced mentor teacher, for at least one full school year while engaging in initial preparation coursework.

The program has received \$655 million one-time Proposition 98 General Fund since 2018-19, most recently receiving \$70 million in the 2025-26 budget. The Commission on Teacher Credentialing (CTC) provides LEAs with \$40,000 per resident to partner with institutions of higher education, provide mentorship, and award stipends to support residents in obtaining their teaching credentials. Of the \$40,000, a minimum of \$20,000 must be provided to the resident as a stipend. Operating LEAs can use some or all of the remaining funds to cover the costs of the residency or to provide higher stipend amounts.

The Teacher Residency Grant Program originally provided support to prospective teachers seeking credentials in chronic shortage areas: bilingual education, special education, and science, technology, engineering, and math. The 2022-23 budget package expanded the program to support all teacher credential types as well as individuals seeking a credential in school counseling. The state also has increased the per-resident grant amount from \$20,000 to \$40,000. The most recent data available shows 1,178 residents completed the program between 2019-20 and 2022-23, with another 1,150 enrolled in the 2023-24 cohort. Of the completers, approximately 80 percent were hired as teachers in the LEA where they completed their

residency. State law requires CTC to commission a report evaluating the effectiveness of the residency program in recruiting, developing support systems for, and retaining teachers. The report is due to the Legislature by December 1, 2029.

Grant recipients shall not use more than five percent of a grant award for program administrative costs. Grant program funding shall be used for, but is not limited to, teacher preparation costs, stipends for mentor teachers, including but not limited to, housing stipends, residency program staff costs, and mentoring and beginning teacher induction costs following initial preparation. As in accordance with previous authorizing legislation, it is expected that a candidate in the grant-funded teacher residency program will teach in a school within the grantee LEA for a period of at least four school years. Priority consideration will be given to schools where 50% or more of the enrolled pupils are eligible for free or reduced-price meals and schools that are either in a rural location or densely populated region.

According to the LPI report cited above, the Teacher Residency Grant Program has supported a large number of teacher residents. In 2021 alone, residents accounted for about 10% of newly prepared California teachers. The majority of residents were people of color, and many pursued credentials in severe shortage areas. Of the residents enrolled through 2023, around 40% enrolled in special education, 34% enrolled in STEM fields, and 27% were pursuing a bilingual authorization.

**Program Evaluation.** WestEd led an evaluation of the Teacher Residency Program, in its initial year, and published the following findings and recommendations for the program:

- Ensure stable leadership roles in both the local education agencies and institutions of higher education that are participating in the residency partnership.
- Technical assistance offered to funded-partnerships should focus on issues of key importance.
- Ensure that programs are encouraged to take a stance of learning and improvement.
- Prioritize supports for the cohort of residents entering their first year as teachers.
- Ensure residency stipends can be supplemented with additional financial aid and supports to make the full-year residency a financially viable pathway.

The CTC may have feedback on how recent changes to the program are or are not addressing these recommendations.

The CTC's data dashboard on Teacher Residencies can be found as Attachment B to this agenda.

## **The Governor's 2026-27 Budget**

The Governor's budget provides \$250 million additional one-time funding for the Teacher Residency Grant Program. The funding must be committed by June 30, 2030. No changes to the program structure are proposed.

### **LAO Comments**

***Proposed Funding Level Likely Would Last Through 2029-30.*** Based on the most recent information available, \$78 million is currently available from previous rounds of residency grant funding. This includes the \$70 million authorized in the 2025-26 budget, as well as \$7.7 million remaining from the 2021-22 appropriation. Based on the amount of funding CTC has awarded in recent years, most of the funding currently available likely will be awarded in 2025-26. The funding proposed in the 2026-27 budget likely would be sufficient to fund grantees over the next three years.

***Residency Programs Have Several Benefits...*** Residency programs have three distinct benefits. First, research evaluating teacher residency programs notes that teachers who complete a residency feel more prepared to be teachers and are more likely to stay in the teaching profession for a longer period of time. Second, residency programs offer the LEAs operating them flexibility to address their specific teacher shortages. LEAs can admit teacher candidates into their program that match their specific staffing needs. (Other state teacher recruitment and retention programs address broader statewide needs, but do not provide as much flexibility to focus on an LEA's specific needs.) Third, residency programs offer stipends that supplement a teacher candidate's financial aid package, which could attract teacher candidates who might not otherwise enroll in a teacher preparation program due to the cost and difficulty earning income while securing a credential.

***...But Can Be Challenging to Establish.*** Residency programs can be difficult to launch as they require establishing a partnership with an institution of higher education and an available pool of bachelor's degree holders interested in being teachers. Due to this challenge, residency programs are disproportionately found in larger urban areas of the state. For example, as of 2022-23, only one program (Humboldt County) exists in the northern, rural part of the state. Larger districts and charter schools have more teachers who can serve as mentors as well as higher volumes of staff openings. Larger cohorts of residents also mean that any costs associated with running the program can be spread across a greater number of grants.

***Fund Proposal if Aligned With Legislative Priorities.*** If the Legislature would like to provide funding to address teacher shortages in the 2026-27 budget, we recommend adopting this proposal. Funding the program has the potential to increase teacher retention and reduce teacher shortages for LEAs that receive grant funds (primarily larger urban districts). Alternatively, the Legislature could reject the proposal if it was interested in funding other

priorities or is concerned that the program is not likely to address shortages in smaller, rural districts. In this case, the Legislature also could wait for the forthcoming evaluation of program effectiveness to determine whether to provide additional funding in future years.

### Staff Comments

**Educator Residency Programs.** The WestEd evaluation identified several areas of need from 2018 grantee data, which are similar to the Classified Employee recommendations. These include the need to:

- Strengthen LEA/IHE partnerships.
- Provide additional sources of financial support to residents enrolled in programs.
- Provide access to technical assistance to program leaders to support implementation best practices as well as data collection and analysis.
- Develop sustainability plans.

The 2022-23 Budget Act includes \$20 million for statewide Technical Assistance. CTC will provide an update on how these TA funds are supporting Teacher Residency programs, and where additional program elements may be strengthened.

The January Budget includes a minor proposal to extend the Residency encumbrance timelines, which will be heard in Issue 5 of this hearing. Are there other policy changes or systems investments needed to strengthen this program long-term?

In light of the original 2021-22 Budget investment expiring in 2026, should this program also be extended or is additional funding warranted?

- What, if any, amount of the proposal is intended for Teacher Residency Capacity grants?
- Is there more the Teacher Residency program statute needs to focus Residency capacity on local teacher shortage areas?
- What changes to the program would support more rural LEA participation?
- Should the proposal be expanded to support Principal Residencies?
- For CTC: what is causing the enormous growth in residents failing required exams? What can be done to eliminate this problem or barrier?

- For CTC: Could the program evaluation be expedited, to ensure adequate time to consider policy implications for program renewal?
- For CTC: what changes has the Commission made to the Teacher Residency programs to address evaluation recommendations? Are any statutory changes recommended to strengthen the program's outcomes? How have the TA systems helped?
- For CTC: Is the TA system funding sufficient through 2030?

**Staff Recommendation:** Hold Open.

**Issue 4: Computer Science Authorization**

This panel will hear the January Budget proposal for the existing Computer Science Authorization.

**Panel**

- Liz Mai, DOF
- Dylan Hawksworth-Lutzow, LAO
- Adam Abraham, CTC

**Background**

The 2021-22 budget included \$15 million one-time Proposition 98 General Fund for Computer Science Supplementary Authorization Incentive Grants. These funds are intended to support teachers who are pursuing computer science supplementary authorizations that allow them to teach computer science classes. The program provides school districts with grants of up to \$2,500 per participating teacher, with a dollar-for-dollar match requirement. These funds may be used to cover the costs of coursework and instructional materials necessary for completing the authorizations.

To date, the Commission on Teacher Credentialing (CTC) has administered nine rounds of funding and awarded a total of \$3.03 million. The current deadline for CTC to commit these funds is June 30, 2026. Any uncommitted funds would revert to the state.

**Governor's 2026-27 Budget**

The Governor's budget proposes to extend the encumbrance deadline for the program to June 30, 2030 and increase the maximum grant size to \$6,000 per teacher. In addition, the Governor proposes to reduce the match requirement for districts to one-third of grant funding (\$2,000 per grantee, compared with \$2,500 per grantee under current law).

**LAO Comments**

***Proposal Unlikely to Change the Limited Demand for Program.*** Only one-fifth of the amount available has been awarded after nine rounds of funding, suggesting school districts have little interest in this program. The administration's proposed changes are intended to increase demand by increasing the grant amount per teacher. However, based on our analysis, the \$5,000 teachers receive under the current grants—\$2,500 from the state and \$2,500 from the district match—are sufficient to cover the costs of obtaining an authorization. For example, the

cost of receiving a computer science supplementary authorization is typically less than \$5,000 in both the California State University and University of California systems. As a result, a modest increase in the size of the grant, as proposed by the Governor, is unlikely to increase demand for the program.

Recommendation

**Reject Proposal.** We recommend the Legislature reject this proposal. By allowing these funds to revert, the Legislature could redirect them to a higher priority education purpose.

#### Staff Comments

In addition to the proposed trailer bill changes, to make this Authorization more attractive to applicant LEAs, the LEA match may need to be reconsidered more broadly, to allow for in-kind match supporting computer science instruction, or allow CTC to waive match altogether for small or rural LEAs.

**Staff Recommendation:** Hold Open.

**Issue 5: Non-Certificated and Private School Employees Data System (SB 848) Budget Change Proposal**

This panel will hear the January Budget proposal to fund the Commission on Teacher Credentialing consistent with the requirements of Senate Bill 848 (Chapter 460, Statutes of 2025).

**Panel**

- Liz Mai, DOF
- Dylan Hawksworth-Lutzow, LAO
- Adam Ebrahim, CTC

**Background**

SB 848 (Chapter 460, Statutes of 2025) expands the definition of “sex offense” for the purpose of requiring the CTC to deny an application for the issuance of a credential or for the renewal of a credential, or to revoke a credential, for any person convicted of a sex offense, as defined. This change would impact the Commission by increasing the number of crimes that are considered as egregious misconduct and would therefore increase the case work for the Division of Licensure Enforcement (DLE).

This bill also requires the Commission, on or before July 1, 2027, and contingent upon an appropriation for these purposes in the annual Budget Act or another statute, to develop a statewide data system that includes information relating to investigations of allegations of egregious misconduct of individuals serving in a noncertificated position for a local educational agency (LEA), as defined, or in any position for a private school. The bill would require the Commission to serve only as the data administrator for records submitted to the statewide data system and to ensure the secure operation and technical functionality of the statewide data system.

This bill requires LEA employers and private school employers, following both the start of, and completion of, and investigation of egregious misconduct, to submit notice to the statewide data system, as provided. The bill requires substantiated reports of egregious misconduct and employee departures from employment during investigations to be recorded in the statewide data system and would prohibit the recording in the statewide data system of investigations of egregious misconduct that result in an unfounded or inconclusive report, as provided. The bill requires those LEAs and private school organizations that are responsible for employment, employee investigations, or hiring decisions to review the statewide data system to determine whether an investigation resulted in a substantiated report of egregious misconduct before hiring an individual for an applicable position.

Existing law requires the CTC to appoint a Committee of Credentials (COC) and requires allegations of acts or omissions for which adverse action may be taken against applicants or holders of teaching or services credentials to be presented to the COC. Existing law authorizes the COC to commence an initial review upon the receipt of any of a list of specified documents or information.

SB 848 authorizes the COC to commence and initial review upon the receipt of a record of a substantiated report related to the credential holder, or the receipt of a record of a start of an investigation followed by a change in employment status during an investigation of a credential holder, entered into the system data system.

SB 848 (Chapter 460, Statutes of 2025) is contingent upon appropriation for specific portions of the law.

**Governor’s 2026-27 Budget**

The Governor’s Budget proposes 10 permanent, ongoing positions, and a total of \$1,436,000 ongoing to support the CTC with the costs of Senate Bill (SB) 848 (Chapter 460, Statutes of 2025).

**Staff Comments**

According to the CTC and DOF, the proposed funding is sufficient to fully cover the costs of SB 848, as enacted.

**Staff Recommendation:** Hold Open.

**Issue 6: Teacher Subject Matter Competency & Examinations Trailer Bill Language**

This panel will hear the trailer bill proposals to expand the definition of subject matter competencies for purposes of teaching credentials.

**Panel**

- Liz Mai, DOF
- Dylan Hawksworth-Lutzow, LAO
- Adam Abraham, CTC

**Background****Governor's 2026-27 Budget**

The Governor's Budget proposes to amend Education Code Sections 44259 and 44281 to expand the definitions of subject matter competency. For purposes of a teaching credential, the statutory changes would allow an education undergraduate degree for a multiple subject credential, and add a range of subject matter competencies for the new PK-3 teaching credential, including a child development undergraduate degree.

Consistent with prior Budget actions, the proposal also directs the CTC on standards for subject matter competencies review, and clarifies when the use of a subject matter exam will be made available.

**Staff Comments**

According to the CTC, the proposed changes to ECS 44259 would remove the last barrier in California law, that prevents Institutions of Higher Education (IHE) from offering Education Majors and four-year undergraduate teacher credentialing programs.

Federal policy barriers remain, including the prohibition on Pell Grant use for a graduate degree at colleges that offer a similar undergraduate option.

While the proposed statutory changes are cost neutral and meritorious, this policy shift creates cost pressures: should California now invest in a restructuring of IHE teacher credential programs, to incent a shift to four-year programs? Prior Budgets have leveraged the Integrated Teacher Preparation Program for this purpose.

Additionally, the proposed trailer bill adds the new PK-3 credential subject matter criteria, but contains a vague reference to "a major in a subject area closely related." This reference needs

tighter statutory parameters to guide CTC in decision making about what these majors could be and contain. For example, the multiple subject credential parameters refer to ECS 44282.

**Staff Recommendation:** Hold Open. Ask CTC to provide technical amendments to Section 44259 to more clearly define parameters for “a major in a subject area closely related,” for purposes of the PK-3 credential subject matter areas.