

# California State Assembly



## Assembly Budget Agenda

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

Assemblymember David Alvarez, Chair

Wednesday, April 29, 2026

1:30 P.M. – State Capitol, Rm 126

### PART 1: PreK-12 EDUCATION

ITEMS TO BE HEARD		
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Public Comment will be taken in person before or after the completion of all Panels and any discussion from the Members of the Committee, at the discretion of the Chair.

## Items To Be Heard

### 6100 California Department of Education

#### Issue 1: Expanded Learning Opportunities Program

This issue will cover Governor's Budget proposals to augment the Expanded Learning Opportunities Program (ELOP), the state's universal after school and summer school program, and provide oversight on program implementation.

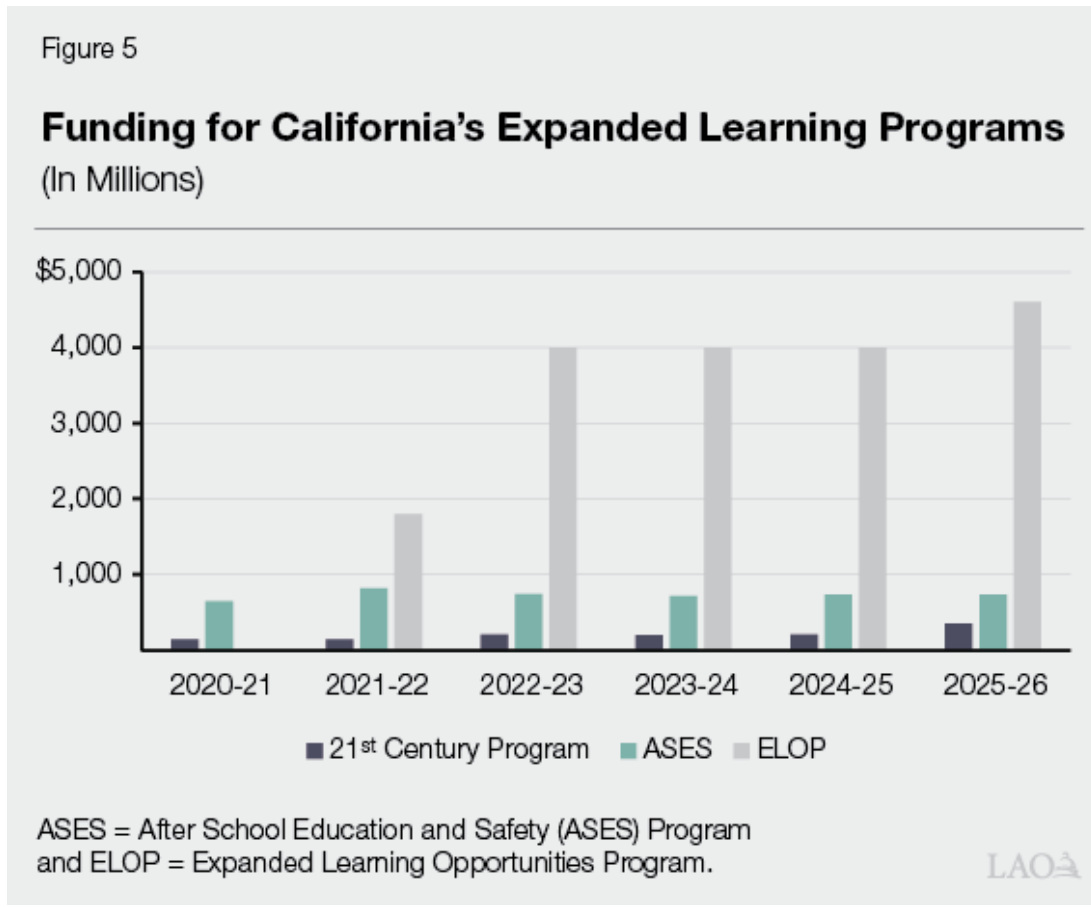
#### Panel

- Idalys Perez, Department of Finance (DOF)
- Dylan Hawksworth-Lutzow, Legislative Analyst's Office (LAO)
- Kimberly Rosenberger, California Department of Education (CDE)

#### Background

The state has three expanded learning programs that provide students with academic and enrichment activities outside of normal school hours. Two of these programs, the After School Education and Safety (ASES) program and 21st Century Community Learning Centers (21st Century program), are longstanding. In 2002, voters approved Proposition 49, which requires the state to provide at least \$550 million annually to after school programs under the ASES program. The 21st Century program is primarily federally funded.

In 2021-22, the state created the Expanded Learning Opportunities Program (ELOP) with plans to ramp up funding through 2025-26. This program now represents the vast majority of funding schools receive for expanded learning:



**Expanded Learning Opportunities Program**

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

The 2021-22 Budget Act authorized the on-going Expanded Learning Opportunities Program (ELO-P) and the 2025-26 Budget Act provided \$4.6 billion in annual, ongoing funding for school districts and charter schools to provide in-person expanded learning time opportunities to students in TK through grade 6.

The ELO-P program is intended to be California’s universal “after school” program, and provide all students with no- or low-cost access to a total of nine hours of developmentally appropriate academics and enrichment activities per instructional day and for 30 non-school days of summer/intersession days. The nine hours of activities are inclusive of the traditional school day bell schedule. All local educational agencies, regardless of community demographics, are

encouraged to offer free or subsidized ELOP services to all students, using a fee schedule that considers family income and ability to pay.

**Two-Tiered ELOP Funding Rates & Service Standards**

As the LAO table displays below, the ELOP implementing legislation established two funding rates that account for TK-6 attendance and vary based on the proportion of LEA’s students who are English learners or from low-income families (EL/LI). Beginning in 2025-26, districts with a student body that is 55 percent or more EL/LI receive a rate per EL/LI student (\$2,750) that is set in statute. We refer to these as the Tier 1 rates. For other districts, statute specifies the rate will vary based on the amount of funding remaining after accounting for Tier 1 allotments. (These are known as Tier 2 rates.)

**ELOP Funding Tiers and Rates Over Time**

	Tier 1 EL/LI Threshold	Tier 1 Rate Per EL/LI Student	Tier 2 Rate Per EL/LI Student
2021-22	80%	\$1,170	\$672
2022-23	75	2,500	2,054
2023-24	75	2,750	1,803
2024-25	75	2,750	1,579
2025-26	55	2,750	1,579

ELOP = Expanded Learning Opportunities Program and EL/LI = English learner or low income.

Source: LAO

From 2022-23 through 2024-25, the state appropriation remained at \$4 billion annually, while the Tier 1 rate and overall Tier 1 TK-6 attendance increased. As a result, funding available for Tier 2 rates decreased. In 2025-26, the state increased funding to \$4.6 billion and made several programmatic changes. One goal of the funding increase was to ensure that 2025-26 Tier 2 rates would be no less than \$1,579 per EL/LI student. (The funding increases also covered the costs of lowering the Tier 1 threshold and increasing minimum grant amounts.)

As a condition of ELOP funding, districts and charter schools with a student body that is equal to or more than 55 percent unduplicated pupils must offer the program to all TK through grade 6 students in classroom-based settings and provide access to any students whose parent or guardian requests their placement in a program. LEAs with less than 55 percent concentrations of unduplicated pupils all districts and charter schools must offer expanded learning opportunity programs to all TK through grade 6 students attending classroom-based programs who are unduplicated and must provide access to at least 50 percent of these students. These two levels

of service requirements are intended to mirror the differences in funding made available for this program and inside LCFF for higher-poverty schools.

ELO-P quality standards and the program plan guide are aligned to the pre-existing After School Education & Safety (ASES) statute, however, ELO-P does not require a local funding match or competitive application process. The most significant programmatic differences are 1) that the ELO-P teacher to child ratio for TK and kindergarten is 1:10, while ASES allows 1:20, and 2) ASES funding explicitly funds students through grade nine, while ELO-P funds may support students through the twelfth grade, but only requires access through the sixth grade.

### Key Components of California’s Two Largest Expanded Learning Programs

	ASES	ELOP
<b>Funding Allocation</b>	Competitive grant process that prioritizes high-poverty schools. Funded using a daily per-student rate (10.18 in 2024-25).	Two-tier funding formula based on the number of EL/LI students in the district or charter school.
<b>Hours of Operation</b>	Must operate an after school program. Grantees can apply for additional funding for before school or summer programs. Must begin immediately after the school day ends and operate until at least 6 pm every school day.	Must operate for at least 9 hours every school day including normal instruction hours and for at least 30 days over the summer.
<b>Grade Levels</b>	TK-8th grade.	Formula is based on TK-6th grade attendance, but can be used for other grades.
<b>Curriculum</b>	Must include an educational and literacy element and an educational enrichment element.	Same as ASES.
<b>Staffing</b>	For TK and kindergarten, maintain a student to staff ratio of no more than 10 to 1. For other grades, maintain a student to staff ratio of no more than 20 to 1.	Same as ASES.
<b>Parent Fees</b>	Optional. Programs that charge fees must waive them for low-income students, homeless youth, and foster youth. Fees must be based on a sliding scale that considers family income and ability to pay.	Same as ASES.
<b>Local Match</b>	Local match of \$1 (cash or in-kind services) for every \$3 in state funding.	Not required.

ASES = After School Education and Safety Program; ELOP = Expanded Learning Opportunities Program; TK = transitional kindergarten; and EL/LI = English learner or low-income.

Source: LAO

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

**ELOP Data Update:** Beginning in the 2025-26 academic year, LEAs will identify students in CALPADS who were enrolled in an ELOP or “other” after school program (ELP) within an academic year (July 1 through June 30) and the start date of that enrollment. Additionally, for any student who is identified as enrolled in an ELP, LEAs will also report the total number of days a student participated in an ELP. An “enrolled student” is defined as a student who has completed an ELP enrollment form. LEAs will certify these data as part of the End of Year (EOY) 3 submission to CALPADS. In accordance with state law, the CDE will continue to provide a

report to the legislature on this program based on this new data source. The first report for this data should be available in the Fall 2026.

### **Other California “After School” Investments**

**The After School Education and Safety (ASES) Program.** ASES baseline funding is required by the 2002 voter-approved initiative, Proposition 49. This proposition expanded and renamed the former state Before and After School Learning and Safe Neighborhood Partnerships Program. The ASES Program funds the establishment of local after school education and enrichment programs. These programs are created through partnerships between schools and local community resources to provide literacy, academic enrichment and safe constructive afterschool alternatives for students in transitional kindergarten (TK) through ninth grade. ASES programs must include an educational and literacy element that provides tutoring or homework assistance, as well as an educational enrichment element, physical activity, and a healthy snack or meal. Funding is designed to maintain pre-Prop 49 before and after school program funding, and provide eligibility to all public elementary and middle schools that submit quality applications.

Proposition 49 requires a minimum of \$550 million in annual state funding for after school programs. No more than 1.5 percent of these funds is available to the Department of Education (CDE) for technical assistance, evaluation, and training services. The 2025-26 funding level for the ASES program is \$794 million. Per statute, CDE awards ASES grants on a competitive, 3-year grant cycle, which provides priority for current grantees.

Priorities for ASES grantees has not been adjusted since the creation of ELOP for TK-6 students.

**21<sup>st</sup> Century Community Learning Centers.** The 21<sup>st</sup> Century program was established by the federal Elementary and Secondary Education Act in 1994, and reauthorized in the federal Every Student Succeeds Act in 2015. The 21<sup>st</sup> Century Community Learning Centers (CCLC) Program, as described in federal statute, provides opportunities for communities to establish or expand activities that focus on improved academic achievement, enrichment services that reinforce and complement the academic program, and family literacy and related educational development services.

California uses 21<sup>st</sup> CCLC funds to support TK-12 afterschool programs through state statute. TK-8 programs are aligned to ASES standards and high school programs are guided by After School Safety and Enrichment for Teens (ASSETS) statutory standards. The CDE conducts a competitive grant process for any available 21<sup>st</sup> CCLC funds. Unlike ASES, 21<sup>st</sup> CCLC fund cycles are five years in length, and do not necessarily fund the same grantees each cycle. \$146 million in annual 21<sup>st</sup> CCLC funds currently support 721 school sites, serving students TK-12. Approximately 374 school sites are funded with both ASES and 21<sup>st</sup> CCLC funds.

Priorities for 21<sup>st</sup> CCLC grantees have not been adjusted since the creation of ELOP for TK-6 students.

**ELO-P and ASES/21<sup>st</sup> CCLC.** CDE guidance has allowed ASES and 21<sup>st</sup> CCLC funds to be blended with ELO-P. For example, unduplicated students who are counted towards ASES program funding are allowed to be counted towards the Expanded Learning Opportunities Program requirements, and funds provided through the Expanded Learning Opportunities Program are allowed to be used for the local match in ASES. However, ASES and 21<sup>st</sup> CCLC are funded at the school site level, while the Expanded Learning Opportunities Program funds are allocated to local educational agencies, with a priority for school sites in the LEA's lowest income communities while maximizing the number of schools and neighborhoods with expanded learning opportunities programs across their attendance area.

System of Support for Expanded Learning. The state uses a portion of ASES (1.5% Prop 49) and 21<sup>st</sup> Century program (5%) allocations to fund a regional system of support for expanded learning programs. This system of support includes the California Department of Education, 16 county offices of education across 11 regions, and contracted technical assistance providers. The technical assistance provides schools with ongoing support to help them create effective programs. The specific technical assistance activities can include coaching, training, resource brokering, and mentoring.

The 2021-22 Budget Act increased the CDE staff capacity for the new universal Expanded Learning system but did not increase funding for the regional systems of support.

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

The Governor's Budget proposes to set a minimum Tier 2 rate of \$1,800 per EL/LI student, while the Tier 1 rate would remain at \$2,750 per EL/LI student. The budget includes an associated ongoing \$62.4 million Proposition 98 General Fund increase to fund the higher Tier 2 rates. If additional funding is available within the ELOP appropriation, the funding would be allocated to increase Tier 2 rates above \$1,800.

#### **LAO Comments**

***Establish Fixed Tier 2 Rate.*** To provide greater predictability for districts, we recommend setting a specific rate for Tier 2 districts in statute. This certainty would help districts make longer term program decisions. We think the current Tier 2 rate of \$1,579 is likely sufficient to meet current ELOP program requirements, but the Legislature could provide a higher rate if it would like to fund additional programs and services. Rather than automatically allocating excess funding within ELOP to Tier 2 districts, we recommend the excess funds revert back to the state. If the Legislature is interested in increasing Tier 1 or Tier 2 rates in the future, we recommend

those increases be based on an analysis of program costs that take into consideration the number of students participating in expanded learning programs and the programmatic requirements set in statute.

### Staff Comments

The Expanded Learning Opportunities Program is intended to be one transformation investment in student engagement and addressing root causes of the achievement gaps.

In this sixth year of program implementation and investment, it is imperative to identify and strengthen key design elements for the program to support student outcomes and access: data and accountability, final funding formulas, program standards, and system sustainability. These design elements should be sensitive to the current environment in which schools and students are, but also focus on long-term student engagement and learning.

In addition to the January Budget proposal to stabilize the Tier 2 rate, the Legislature should consider whether additional adjustments are necessary to support coherence with various Extended Learning funding sources and other transformative categorical investments like school meals and Community Schools.

For example, should ASES and 21stCCLC funds be prioritized for Community Schools that are not TK-6, to provide support for that statutory pillar of the Community School approach?

Should ELOP statute clarify that a Community Schools site or LEA-level coordinator are allowable uses of funds?

### Suggested Questions

1. Why doesn't the January Budget proposal set a statutory rate for Tier 2, as recommended by the LAO?
2. What trends does CDE see in enrollment so far?
3. How many ELOP sites are double-funded with ASES or 21stCCLC grants?
4. How many TK and K students are served in ELOP? In ASES with the larger ratio? Should the ASES ratio conform to ELOP?
5. Are all LEAs be expected to "offer" a program to all students, regardless of income? Disability?

6. How are LEAs “offering” their ELOP options to parents? Are stronger state standards for parent engagement and program advertisement needed?
7. Enrollment vs participation incentives: per the LAO recommendation, should ELOP reward LEAs for student participation?
8. Are LEAs utilizing sliding-scale parent fees to supplement Tier 2 rates? Tier 1 rates?
9. How are LEAs incentivized to ensure all interested students receive services?
10. Are local Resource & Referral agencies posting third-party ELO-P options for parents? What is the estimated magnitude of student services for ELO-P on third-party sites?
11. Should ELOP statute be adjusted to allow school meal time and staff to more inclusive in the ELOP offerings?
12. Are ELOP Plans still necessary now that CalPADS data is collected?

**Staff Recommendation:** Hold Open. Ask staff to work with LAO and CDE on recommendations to transition priority for ASES and 21<sup>st</sup> CCLC programs to non-ELOP eligible students and LEAs.

**Issue 2: Differentiated Assistance & State System of Support Proposals**

This panel will hear the funding and trailer bill proposals in the January Budget, regarding the System of Support and Differentiated Assistance for Local Education Agencies.

**Panel**

- Stephanie Gregson, California Collaborative for Education Excellence
- George Harris, Department of Finance (DOF)
- Michael Alferes, Legislative Analyst's Office (LAO)
- Kimberly Rosenberger, California Department of Education (CDE)

**Background****California School Dashboard & Multiple Measures for School Accountability**

The state uses multiple indicators and a variety of data sources to assess the student outcomes of local education agencies (LEAs)—school districts, county offices of education (COEs), and charter schools—as well as individual schools. For example, to understand student achievement, the state uses standardized test results in English, math, and—for English learners—progress in developing English proficiency. In addition to tracking outcomes related to standardized tests, the state also uses indicators in other areas, such as student engagement and school climate. For example, to understand student engagement, the state uses high school graduation and chronic absenteeism rates.

The state publicly displays achievement on these indicators on a website known as the California School Dashboard. Performance is shown for the state, each LEA, and each school. In addition, performance for the state, each LEA, and each school is disaggregated by up to 14 student subgroups. The dashboard was first made available in fall 2017 and is updated annually.

## Student Subgroups for Which Outcome Data Is Reported

### Racial Subgroups

- American Indian or Alaska Native
- Asian
- Black
- Filipino
- Hispanic or Latino
- Native Hawaiian or Pacific Islander
- Two or more races
- White

### Other Subgroups

- English learners
- Foster youth
- Homeless youth
- Long-term English learners
- Socioeconomically disadvantaged
- Students with disabilities

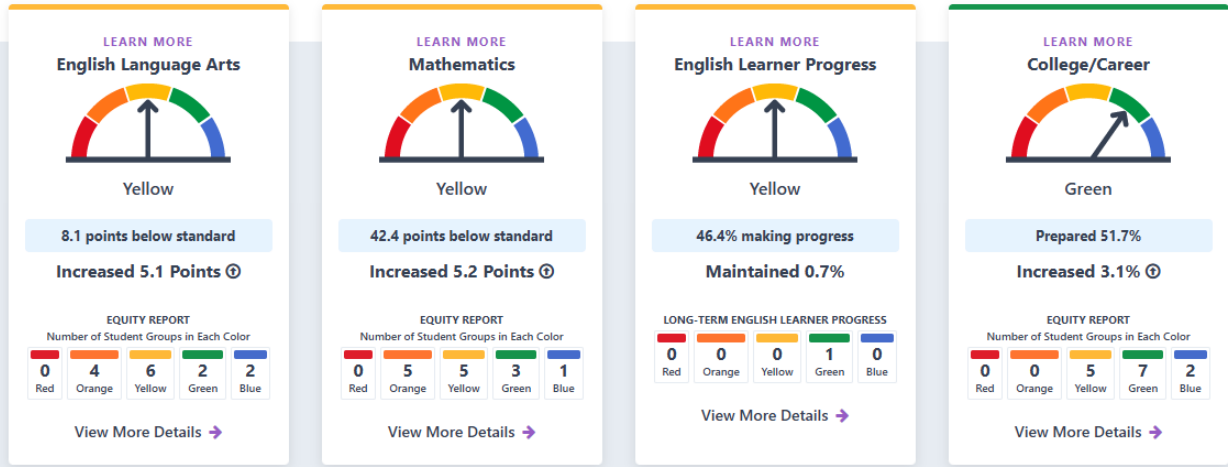
Source: LAO

For each performance indicator shown by LEA, school, or subgroup, the state assigns one of five performance levels. Performance levels are based on a combination of overall status and change in the measure over the past year. Below are snapshots from the 2025 Statewide Dashboard:

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## Academic Performance

View Student Assessment Results and other aspects of school performance.



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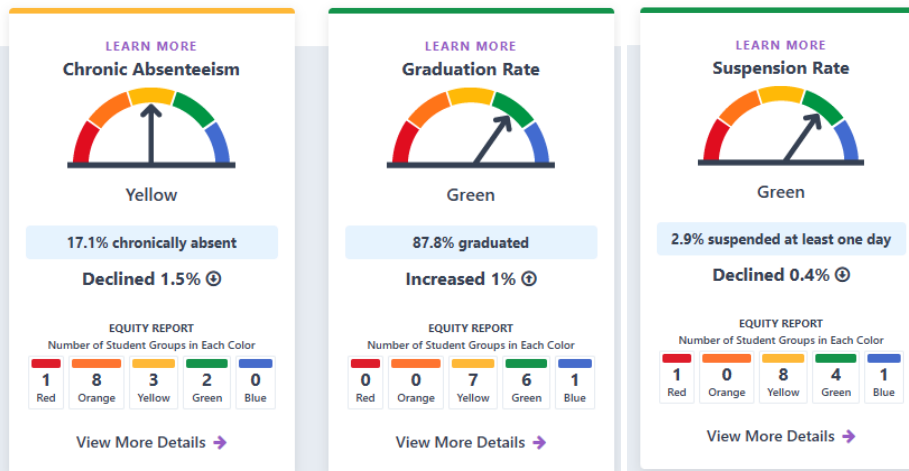
## Academic Engagement

See information that shows how well schools are engaging students in their learning.

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## Conditions & Climate

View data related to how well schools are providing a healthy, safe and welcoming environment.



Source: <https://www.caschooldashboard.org/reports/ca/2025>

## Differentiated Assistance for Student Outcomes Support

LEAs are identified for differentiated assistance annually based on the performance of their student subgroups—also known as the performance criteria. Certain requirements of the performance criteria are set in statute, with the State Board of Education (SBE) responsible for deciding the specific details for implementation. Under current law, a school district or COE

enters differentiated assistance based on low performance of a student subgroup in two or more areas on the state dashboard. SBE determines the performance level threshold that determines eligibility for differentiated assistance. This is similar for charter schools, except they must meet the performance criteria for two consecutive years to enter differentiated assistance.

In 2025, 553 LEAs were eligible for differentiated assistance, under the existing criteria. When a school district or charter school is identified, it receives assistance from its COE for two years. (Identified COEs receive assistance from a state agency or another COE.) As part of differentiated assistance, the COE is to support the district or charter school to build their capacity to implement actions that address student needs. The specific support may vary, but actions can include helping a district identify the primary causes of its performance issues or securing an expert to assist in a specific area.

The state provides COEs with additional funding to cover the costs associated with their differentiated assistance activities. This funding is provided through a formula that consists of a base amount of \$300,000 for each COE, plus additional funding based on the number of districts and charters in the county in need of differentiated assistance. (The amount per district varies based on the district's size.) The 2025-26 Budget Act provided COEs \$119 million for this purpose.

### **The 2025-26 Budget Act**

At the request of the Administration, trailer legislation included in the 2025-26 budget package requires SBE to update the performance criteria by July 15, 2026. This update could change how LEAs are identified for differentiated assistance.

### **State Board of Education Discussions**

In response to the 2025 Budget Act timelines, the SBE held a study session in November 2025, where SBE members received a comprehensive overview of DA and the State System of Support, along with findings from recent evaluations and reflections from county leaders responsible for implementing support on the ground. One area of focus presented was the sheer number of LEAs identified for DA under the current system: at one point, post-pandemic, more than 60 percent of districts statewide were eligible for DA. The SBE March Item on this issue asserts that this is “an indication that the system is stretched beyond its intended capacity and a sign that the state must rethink how assistance is targeted, delivered, and sustained<sup>1</sup>.” In the study session, WestEd presented on their 2022 statewide evaluation, and reported “DA has had positive impacts on student outcomes and is generally viewed as supportive by districts. However, the quality and consistency of DA vary significantly across the state. She echoed

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<sup>1</sup> March 2026 State Board of Education Agenda <https://www.cde.ca.gov/be/ag/ag/yr26/agenda202603.asp>

concerns about system capacity and raised an additional issue: some districts serve student groups with n-sizes too small to trigger DA eligibility, even when those groups show clear need<sup>2</sup>.”

As further summarized the State Board March 2026 item:

“In public comment and Board discussion, several themes emerged, including: 1) More time is needed across the system to implement targeted improvement strategies. 2) Greater coherence and focus would help reduce churn and allow support providers to work more deeply with districts, 3) The system should become more proactive, with stronger universal supports that prevent challenges in the first place, 4) A shift from compliance to productive support is essential, anchored in trust and informed by student and educator voice, while keeping sight of the system as a whole.

Overall, the study session highlighted both the strain on California’s current Statewide System of Support and the opportunity to build a more coherent, preventive, and sustainable structure. As the Board continues its work, members emphasized the importance of targeting resources where they are most needed and strengthening the system’s ability to support continuous improvement and improved outcomes for all students.”

### **The Governor’s 2026-27 Budget**

The Governor’s Budget contains three distinct proposals, related to Differentiated Assistance:

**Changes Differentiated Assistance Funding Formula.** The Governor’s budget provides an additional \$13 million ongoing Proposition 98 General Fund to adopt a new formula for differentiated assistance. This would bring total differentiated assistance funding to \$132 million. The new formula would increase the base amount for each COE from \$300,000 to \$500,000. The remainder of funds would be based on the number of students within the county rather than the number of districts and size of districts identified. The Governor’s budget also proposes to expand the intended use of these funds. The funding is intended to fund targeted assistance to those LEAs identified for differentiated assistance, as well as universal support to all LEAs for improving student outcomes.

**Changes Frequency of LEA Identification for Differentiated Assistance.** Trailer bill language accompanying the proposal specifies that LEAs will be identified for differentiated assistance once every three years. Once identified, the LEA would receive assistance from their COE for a minimum of three years. Currently, LEAs are identified annually and receive assistance for a minimum of two years.

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<sup>2</sup> March 2026 State Board of Education Agenda <https://www.cde.ca.gov/be/ag/ag/yr26/agenda202603.asp>

**Removes Statute for Existing Performance Criteria.** The proposed trailer bill language removes statute that requires LEAs to be identified for differentiated assistance based on the performance of their student subgroups. This would provide SBE with broad flexibility to establish new performance criteria for differentiated assistance. In addition, the proposed trailer bill language allows SBE to adopt unique performance criteria for charter schools, school districts, and COEs. Currently, the statutory performance criteria are the same for all LEAs, with the exception that charters schools need to meet the criteria for two consecutive years.

### LAO Comments

***Making Changes to Formula and Differentiated Assistance Is Premature.*** As mentioned above, recently enacted state law directs SBE to update the performance criteria used to identify schools for differentiated assistance. These updates have not been made yet and, as a result, the Legislature has no sense of how many LEAs will be identified for assistance in the future. The number of LEAs identified for assistance is a key driver of the costs COEs will incur to provide differentiated assistance. Without this information, the Legislature is unable to assess whether the Governor's proposed funding changes align with the associated costs in future years. Similarly, although the proposed changes to the timing and frequency of differentiated assistance could be reasonable, these also need to be evaluated in tandem with the updated performance criteria. For example, analyzing the merits of providing differentiated assistance for a longer period of time would depend upon the selectivity of the new criteria. This way decisions can be made with a full understanding of who is and is not receiving differentiated assistance.

***Removing Performance Criteria From State Law Limits Input From Legislature.*** The proposed changes to state law give SBE significantly more autonomy to determine performance criteria in the future. Currently, state law specifies certain requirements of the performance criteria, while giving SBE flexibility in the implementation details. The proposed trailer bill removes these requirements from statute, giving SBE authority to change its approach over time without legislative input.

### Recommendations

***Revisit Funding Formula and Changes to Differentiated Assistance When Administration Can Provide More Information About Performance Criteria.*** Given the new SBE performance criteria have yet to be developed, we recommend rejecting the proposed funding and programmatic changes to differentiated assistance. The Legislature could revisit these issues as part of the 2027-28 budget process, after the performance criteria have been adopted by SBE. If the performance criteria are finalized early and the administration can provide additional details this spring on how the changes would affect COE workload, the Legislature could consider this proposal in May.

**Maintain Legislative Role in System of Support Criteria.** We recommend rejecting the proposed changes to statute that give SBE more autonomy to determine the performance criteria. Although changes to state law may ultimately be necessary to align with the new performance criteria, these changes can be adopted after SBE has adopted new criteria in July. Furthermore, we recommend the Legislature continue to include language in state law that sets key requirements for the performance criteria. This would ensure that major changes to the performance criteria cannot be implemented in the future without input from the Legislature.

### Staff Comments

The three Budget proposals can and should be considered separately, rather than as a package:

1. Deletes the requirement for the criteria to be based on performance by pupil subgroups across two or more indicators, or across two or more state priority areas.
  - a. The TBL allows the SBE to adopt unique DA and DTA criteria for county offices of education (COEs), charter schools, and school districts.
  - b. Additionally, TBL authorizes the SBE to determine DTA eligibility based on factors that demonstrate the LEA is in need of intensive, extended support.

This proposal is a significant policy shift, that removes a direct statutory authority in driving intervention, AND potentially delinks DA from the State Dashboard. The proposal would significantly increase the SBE authority over how the need for school improvement is defined across the state, and allow for different standards by LEA type. Staff recommends that the committee reject this policy change, and work with the policy committee on a DA statutory framework that can be responsive to stubborn achievement gaps and state priorities.

In the meantime, the SBE can operate within their existing authority to tighten DA identification, consistent with statute. Once SBE performance criteria discussions conclude later this year, there may be further guidance to the Legislature.

The Administration points to the sheer number of LEAs identified for DA as a reason for this policy shift. Staff would argue that an alternative approach would be to recognize the overall capacity the System of Support needs to actuate our State Dashboard goals. If LEAs are truly struggling to meet state standards, why isn't more capacity for support warranted?

2. Shifts all LEAs to a three-year eligibility and support cycle, aligned with the Local Control and Accountability Plan (LCAP) cycle. Beginning with the 2026 Dashboard, COEs, charter schools, and school districts would become eligible for DA and DTA once every three years and receive targeted support for three years.

- a. CALPADS DA, provided pursuant to Education Code (EC) Section 52071(c)(2), would continue on a one-year cycle, meaning that districts and COEs with data management and reporting issues would be eligible for support on a yearly basis, and receive, at minimum, one year of support.
- b. Geographic Lead DA, provided pursuant to EC Section 52071(f), would be phased out with the completion of the 2026-27 school year, and no additional school districts would become eligible for this type of support, beginning with the 2026 Dashboard.

This proposal has merit, to align LCAP and DA timelines, as well as allow more continuity for LEAs and the System of Support. The proposal would also be responsive to multi-year Dashboard areas for concern, rather than single-year anomalies.

3. Replaces the existing DA funding formula with a new funding structure focused on providing universal and targeted assistance, free of cost, to support the continuous improvement of all LEAs within the county.
  - a. The universal and targeted assistance funding would support numerous activities to improve outcomes under the state priorities identified in EC Section 52060(d) and EC Section 52066(c), including, but not limited to, providing DA support; providing effective assistance and coaching to school districts on the development and implementation of the LCAP and annual update; and coordinating county-level governmental, nonprofit community-based organizations, and other external partnerships to support community schools.
  - b. The universal and targeted assistance funding formula would be predominantly based on countywide average daily attendance (ADA), versus the existing formula which depends on the number of districts and charter schools identified for DA.

This proposal has significant merit, as it stabilizes funding for County Offices of Education, in their key role in the system of support, and strengthens the ability to provide more universal supports for all LEAs in their continuous improvement work.

Staff recommends, consistent with the prior hearing on Community Schools, that adequate Community Schools capacity be added to this proposal, as both a regional service to all Community Schools in a County, but also as a universal and targeted assistance strategy for all schools.

**Suggested Questions:**

1. Why should the System of Support's process to identify struggling LEAs be decoupled from the "two or more" standard for the State Dashboard?

2. Is the “n” size for LEAs (currently 14 for accountability purposes) as small as possible, based on data science, for protecting privacy but still ensuring visibility for small minority student groups with needs?
3. Are the subgroups currently recognized the complete list necessary to track the diversity of California students? Or are smaller ethnic and social subgroups, like newcomers, and refugees from the Middle East, buried inside larger subgroup definitions?
4. Are there additional capacity investments necessary to meet the universal and targeted assistance needs for all LEAs?
5. Are there necessary changes to the System of Support, to promote coherence?
6. How can the Community Schools County Office of Education capacity be designed best, to support both regional Community Schools facilitation, AND promote a community schools approach in universal and targeted assistance strategies?
7. How will Community Schools become a Universal Tier 1 Support for all LEAs as requested? Is this proposal funding sufficient for COEs to support all schools with >65% UPP?

**Staff Recommendation:** Hold Open.

**Issue 3: Universal Schools Meals & Kitchen Infrastructure Proposals**

This panel will hear the January Budget proposals for universal school meals and a Kitchen Infrastructure and Training Grant.

**Panel**

- Sade Nieri, Department of Finance (DOF)
- Sara Cortez, Legislative Analyst’s Office (LAO)
- Kimberly Rosenberger, California Department of Education (CDE)

**Background**

The 2021-22 Budget Act created California’s Universal School Meals initiative, and required that, beginning in 2022-23, all public schools provide one free breakfast and one free lunch per school day to any student requesting a meal, regardless of income. State meal reimbursement rates, adjusted in the annual Budget Act for projected demand, were created to fully fund the LEA costs for the Universal School Meal requirement.

To support schools in meeting the universal school meals requirements, the 2021-22 budget package also provided \$150 million one-time Proposition 98 General Fund to create the Kitchen Infrastructure and Training (KIT) grant. In subsequent state budget packages, two more rounds of KIT funding were provided, for a total of \$905 million (Figure 14).

**State Has Funded Three Rounds of Kitchen Infrastructure and Training Grants**

	Amount (In Millions)	Distribution Method	Status	Deadline for Committing Funds
Round 1: 2021-22	\$150	Formula	Distributed to 941 local education agencies (LEAs) that opted in.	June 30, 2025
Round 2: 2022-23	600	Formula	Distributed to 1,010 LEAs that opted into program.	June 30, 2026
Round 3: 2025-26	155	Competitive	LEAs submitted applications for funds January 2026.	June 30, 2028
<b>Total</b>	<b>\$905</b>			

Source: LAO

In the first round of KIT funding, local education agencies (LEAs) could use \$120 million for kitchen infrastructure and equipment such as cooking equipment, service equipment, and refrigeration. This first round also set aside \$30 million for training food service staff. For the second round of grants, LEAs could use \$350 million of these funds for all the same purposes as the first round (including training). In addition, funds could be used for staff costs associated with certain activities such as procuring locally and sustainably grown food. The remaining \$250 million from round 2 can be used for the same activities, but funds must be used to increase

capacity for freshly prepared on-site meals, rather than more broadly to implement universal school meals.

The third round, as enacted in the 2025-26 Budget Act, allows for all the same allowable uses as the first two rounds, but also allows funds to be used to purchase certain ingredients, such as California-grown produce. The third round also sets aside \$10 million for recruitment and retention activities such as one-time bonuses. This most recent KIT grant is competitive.

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

The Governor's Budget maintains the California universal meals commitment with a decrease of \$67.9 million in annual Proposition 98 funding, to reflect meal service estimates and a proposed meal reimbursement rate increase.

The Governor's budget provides \$100 million one-time Proposition 98 General Fund for grants to support kitchen equipment, infrastructure, training, and the continued implementation of universal school meals. The allowable uses would be similar to previous rounds of funding, but LEAs could also use funds to implement strategies to provide food assistance to students who may be experiencing food insecurity. Funds would be distributed competitively using criteria to be developed by the California Department of Education (CDE). In awarding funds, CDE is to prioritize LEAs that participate in certain provisions of the federal nutrition programs (generally available to LEAs with relatively high shares of students eligible for free and reduced-price meals). CDE is also to prioritize LEAs that were not awarded the third round of KIT funds and LEAs that have committed at least 65 percent of their second round of KIT funds. Funds would be available until June 30, 2029.

### **LAO Comments**

***Recommend Rejecting Fourth Round of KIT Funds.*** Given that the second round of funds are still being spent and the third round of funds are still being awarded, we recommend the Legislature reject the fourth round of KIT funds. The Legislature could consider providing additional funding in the future, when it has additional information on how the second and third round of funds were spent. If the Legislature provides funding in the future, we recommend funds be restricted for specific goals set by the Legislature, and that data is collected to measure progress toward achieving these goals.

**Staff Comments**

**Suggested Questions:**

1. Are there any estimates on the deferred maintenance needs for school kitchens and cafeterias?
2. Have there been any studies on the adequacy of the new universal school meal reimbursement rates?
3. What barriers exist to school construction and bond funds better supporting kitchen renovations?
4. In light of HR1 reductions to the social safety nets, including food programs, what increased role might school meals have in 2027?

**Staff Recommendation:** Hold Open.

## Non-Presentation Items

### Issue 4: 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:** Amend Education Code Sections (ECS) 1240 and 1241.5, pertaining to Oversight of Single District Counties.
- 2. Education Trailer Bill Proposal:** Amend ECS 1632, pertaining to Department access to Local Education Agency financial systems.
- 3. Education Trailer Bill Proposal:** Amend ECS 41404.5, pertaining to the Plumas Unified School District Administrator to Teacher ratio penalty.
- 4. Education Trailer Bill Proposal:** Amend ECS 46392, pertaining to Los Angeles County School Wildfire Recovery allocations.
- 5. Education Trailer Bill Proposal:** Amend Section 117 of Chapter 48 of the Statutes of 2023, to extend the encumbrance for the Literacy Roadmap.
- 6. Budget Change Proposal:** BCP 6100-061-COBCP-2026-GB, Fremont Campus: Perimeter Security Fencing.
- 7. Budget Change Proposal:** 6100-020-BCP-2026-GB, California Department of Education headquarters: Replacement of Server Room Air Conditioning and Uninterruptable Power Supply

**Staff Recommendation:** Hold Open.

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