

# AGENDA

## ASSEMBLY BUDGET SUBCOMMITTEE NO. 2 ON EDUCATION FINANCE

ASSEMBLYMEMBER KEVIN McCARTY, CHAIR

TUESDAY, MAY 18, 2021

9:30 A.M. – STATE CAPITOL, ROOM 437

*Due to the ongoing COVID-19 safety considerations, including guidance on physical distancing, seating for this hearing will be very limited for the press and for the public. All are encouraged to watch the hearing from its live stream on the Assembly's website at <https://assembly.ca.gov/todayevents>.*

*We encourage the public to provide written testimony before the hearing. Please send your written testimony to: [BudgetSub2@asm.ca.gov](mailto:BudgetSub2@asm.ca.gov). Please note that any written testimony submitted to the committee is considered public comment and may be read into the record or reprinted.*

*A moderated telephone line will be available to assist with public participation. The public may provide comment by calling the following toll-free number: **877-692-8957, Access Code: 131 54 37.***

### Governor's May Revision: Proposition 98 and Relevant Proposals

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Panelists for Issue One:

- Carlos Aguilera , Department of Finance
- Jessica Holmes, Department of Finance
- Sara Cortez, Legislative Analyst's Office
- Sarah Neville Morgan, Department of Education
- Leisa Maestretti, Department of Education
- Jennifer Troia, Department of Social Services
- Salena Chow, Department of Social Services

Panelists for Issue Two:

- Amber Alexander, Department of Finance
- Aaron Heredia, Department of Finance
- Kenneth Kapphahn, Legislative Analyst's Office
- Elly Garner, Department of Education
- Sarah Neville-Morgan, Department of Education

Panelists for Issue Three:

- Aaron Heredia, Department of Finance
- Amber Alexander, Department of Finance
- Amy Li, Legislative Analyst's Office
- Michael Alferes, Legislative Analyst's Office
- Elly Garner, Department of Education
- Kim Frinzell, Department of Education
- Mary Vixie Sandy, Commission on Teacher Credentialing

Public Comment

## ITEMS TO BE HEARD

6100 DEPARTMENT OF EDUCATION

5180 DEPARTMENT OF SOCIAL SERVICES

6360 COMMISSION ON TEACHER CREDENTIALING

### ISSUE 1: GOVERNOR'S MAY REVISION PROPOSALS: EARLY CARE & EDUCATION

The Subcommittee will hear an overview of the Governor's 2021-22 May Revision related to Early Care & Education, including the transition of child care to the Department of Social Services.

#### PANELISTS:

- Carlos Aguilera , Department of Finance
- Jessica Holmes, Department of Finance
- Sara Cortez, Legislative Analyst's Office
- Sarah Neville Morgan, Department of Education
- Leisa Maestretti, Department of Education
- Jennifer Troia, Department of Social Services
- Salena Chow, Department of Social Services

#### MAY REVISION PROPOSALS:

##### Early Childhood Education:

The May Revision proposes the following major early childhood education related proposals:

**Childcare Access.** The May Revision proposes to add a total of 100,000 ongoing subsidized child care slots across state-funded programs:

- California Alternative Payment Program – 63,000 new slots starting October 2021
- General Child Care – 42,000 new slots starting April 2022
- Migrant Child Care – 1,300 new slots starting April 2022

The Administration has identified a \$223 million Budget Year and \$450m ongoing General Fund cost for these slots, and an investment of \$403 million Budget Year, \$832m annually federal funds. The May Revision also increases Proposition 64 funding for child care by \$83 million in 2021-22, for 6,500 new slots. The May Revision reflects a \$1.36 billion ongoing commitment to increase to child care access across the state.

The May Revise reflects a net decrease to CalWORKS Stages child care due to caseload estimate adjustments.

**Childcare Infrastructure.** The May Revise provides \$250 million in federal funds for infrastructure grants for the acquisition, construction, development, and renovation of child care facilities. At the time of publication, the trailer bill language was not yet available to determine whether this investment restores the child care infrastructure program authorized in the 2019-20 Budget Act.

**Cost of Living Adjustments.** The May Revise provides a 1.7% COLA to all capped child care programs, including the child nutrition program.

**Pandemic Response.** The May Revise requests Legislative ratification of the Administration's \$593.8 million federal CRSSA relief funds for pandemic response agreement with the Child Care Providers United, to support:

- \$176.86 million for a tiered licensed provider one-time stipend, based on licensing capacity, of between \$3,500 to \$6,500.
- \$205.54 million in \$600 per-child stipends for subsidized child care and preschool providers.
- \$60 million to waive family fees for all families in state-subsidized child care programs beginning July 1, 2021 through June 30, 2022.
- \$25 million to expand the California Child Care Initiative Project.
- \$10.6 million through September 30, 2023 for early childhood mental health consultations.
- \$31 million for 16 non-operational days for providers accepting vouchers that have to close due to COVID-related reasons beginning July 1, 2021, through June 30, 2022.
- \$70 million to continue hold harmless funding for child care providers that contract directly with the state, and CalWORKS Stages and CAPP providers reimbursement at a child's maximum certified level of need for all providers accepting vouchers through June 30, 2022.
- \$7.3 million to extend emergency child care services.
- \$2.6 million for CDE State Ops.

In addition to the agreement, the May Revise provides \$10 million, one-time federal funds, to Resource and Referral agencies.

**California Early Math Initiative.** The May Revise significantly increases funding to the new California Early Math Initiative with \$66.9 million in one-time Proposition 98, available over five years.

**Transition of Childcare to the Department of Social Services:**

The May Revision proposes to fully codify the transition of child care programs to the Department of Social Services, as authorized in the 2020-21 Budget Act. To support this transition, the Administration requests:

- \$31.7 million and 185.7 positions transferred from the California Department of Education (CDE) to DSS.
- An increase of \$10.9 million and 79 positions, in addition to the shift from CDE.
- New program authority transfer to include \$2 million Proposition 98 for the child care nutrition program.
- Updated trailer bill to codify DSS authority shift in the Welfare and Institutions Code, and clarify CDE retained authority in Education Code.

The Administration is also requesting support for DSS child care program implementation efforts including:

- \$6 million for contractor direct deposit payment implementation.
- \$4 million for a child care data system development as part of the early child care data system and Cradle to Career system, as well as an online parent portal.
- \$20 million to create an interagency loan fund to continue contractor flexibilities.
- \$20 million one-time quality funds for a multi-year effort for the Department of Social Services to examine and strengthen existing child care quality improvement supports and systems.

**SUGGESTED QUESTIONS:**

- Why does the May Revision not assume an update for the Regional Market Rate survey?
- Is there concern that low rates, and an antiquated rate structure could impede use of new child care slots in urban areas like Los Angeles, San Diego, and the Bay Area?
- What is the total projected cost and scope of the DSS child care data system, and how will it work with the CDE system under development?
- Why does DSS need \$20 million to consider changes to the CCDBG-funded quality system, in light of the Master Plan and numerous recommendations from the field and WestEd for changes? What is the workplan and scope for these funds?

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**Staff Recommendation: Hold Open**

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**ISSUE 2: GOVERNOR'S MAY REVISION: PROPOSITION 98, TK-12, & IN PERSON INSTRUCTION PROPOSALS**

The Subcommittee will hear an overview of the Governor's 2021-22 May Revision related to overall Proposition 98 funding. The Subcommittee will also hear the major TK-12 proposals included in the May Revision, including proposals to support full-time, in-person instruction for the 2021-22 school year. The Subcommittee will hear an overview of the community college and California Student Aid Commission related proposals at the higher education overview hearing.

**PANELISTS:**

- Amber Alexander, Department of Finance
- Aaron Heredia, Department of Finance
- Kenneth Kappahn, Legislative Analyst's Office
- Elly Garner, Department of Education
- Sarah Neville-Morgan, Department of Education

**MAY REVISION PROPOSALS:****Overall Proposition 98**

The Governor's 2021-22 May Revision increases overall Proposition 98 funding by approximately \$3.936 billion on-going, and \$10.135 billion one-time, compared to the Governor's January budget. The additional Proposition 98 funding is primarily attributable to significantly higher General Fund revenue relative to the Administration's January estimates. Due to the IRS extension of tax filing, final revenue estimates are not available. Specifically, the May Revision makes the following changes to the Proposition 98 funding levels:

- Estimates that the Proposition 98 guarantee is growing by \$9.3 billion in ongoing funding, for a total of \$93.7 billion in the 2021-22 Budget Year.
- Estimates that the Proposition 98 guarantee has grown to \$79.3 billion in 2019-20, and \$92.8 billion in 2020-21, for a three-year increase of \$17.7 billion.
- Estimates per pupil spending at \$13,977 in Proposition 98 funding, and \$21,152 from all funding sources in the Budget Year.

Additionally, the May Revision makes the following proposals, relevant to the overall Proposition 98 guarantee and school funding levels in the budget year and out years:

- Anticipates a \$8.1 billion one-time payment to schools in 2022-23 due to the State Appropriation Limit.
- Proposes to eliminate the entire Supplemental Payment from the 2020-21 Budget Act.

- Increases the Public School Stabilization Account contributions to \$1.98 billion in 2020-21, and a total of \$4.6 billion, triggering the local educational agency reserves cap policy in 2022-23.
- Retains \$2.6 billion of the remaining \$3.7 billion in prior year education funding deferrals, as a deferral from June 2022 to July 2022.
- Assumes ADA growth for 2020-21 equals the growth between 2018-19 and 2019-20, due to lack of 2020-21 ADA data.

**Proposition 98 Funding Changes by Segment and Source  
(in millions)**

	Governor's Budget	May Revision	Change
<b>2019-20 Revised</b>	<b>\$79,544</b>	<b>\$79,329</b>	<b>-\$215</b>
<b>K-12 Education</b>			
General Fund <sup>a</sup>	\$48,409	\$48,419	\$11
Local property tax	21,822	21,620	-202
Subtotals	\$70,230	\$70,039	-\$191
<b>California Community Colleges</b>			
General Fund <sup>b</sup>	\$6,062	\$6,064	\$2
Local property tax	3,252	3,226	-25
Subtotals	\$9,313	\$9,290	-\$23
<b>Proposition 98 Reserve<sup>c</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2020-21 Revised</b>	<b>\$82,828</b>	<b>\$92,822</b>	<b>\$9,993</b>
<b>K-12 Education</b>			
General Fund <sup>a</sup>	\$50,021	\$57,874	\$7,853
Local property tax	22,473	22,418	-55
Subtotals	\$72,494	\$80,292	\$7,798
<b>California Community Colleges</b>			
General Fund <sup>b</sup>	\$6,174	\$7,219	\$1,044
Local property tax	3,414	3,327	-87
Subtotals	\$9,588	\$10,546	\$957
<b>Proposition 98 Reserve<sup>c</sup></b>	<b>\$747</b>	<b>\$1,984</b>	<b>\$1,238</b>
<b>2021-22 Proposed</b>	<b>\$88,105</b>	<b>\$93,738</b>	<b>\$5,633</b>
<b>K-12 Education</b>			
General Fund <sup>a</sup>	\$52,181	\$56,705	\$4,523
Local property tax	23,672	23,829	157
Subtotals	\$75,854	\$80,534	\$4,680
<b>California Community Colleges</b>			
General Fund <sup>b</sup>	\$6,413	\$7,052	\$639
Local property tax	3,598	3,535	-62
Subtotals	\$10,011	\$10,587	\$576
<b>Proposition 98 Reserve<sup>c</sup></b>	<b>\$2,241</b>	<b>\$2,617</b>	<b>\$376</b>

<sup>a</sup> Includes funding for the portion of State Preschool funded through Proposition 98 and direct instructional services provided by state agencies.

<sup>b</sup> Includes funding for the Adult Education Program.

<sup>c</sup> Reflects the size of the deposit (+) or withdrawal (-) from the Proposition 98 Reserve established by Proposition 2 (2014). Amounts consist entirely of General Fund.

Source: Legislative Analyst's Office

## **Major TK-12 Education Fiscal Proposals**

The May Revision proposes the following major TK-12 education related proposals:

**Local Control Funding Formula.** The May Revision proposes a Local Control Funding Formula (LCFF) Base Grant increase of 1% ongoing, in addition to a 4.05% super-COLA, for a total of 5.07%. The May Revision also proposes a \$1.1 billion ongoing adjustment to the LCFF Concentration Grant that will be covered in Issue Three.

**Cost of Living Adjustments.** The May Revision provides a 1.7% COLA for all statutorily-required categorical programs, including the California State Preschool program, Child Nutrition program, Adult Education, and the Mandate Block Grant, an increase from the 1.5% COLA assumed in the January Budget.

**County Offices of Education.** The May Revision increases County Offices of Education funding by \$29.7 million ongoing to reflect the same 5.07% increase as the LCFF Base Grant.

**In Person Instruction.** The May Revision assumes that all Distance Learning statutory authority expires, requiring schools to resume full-time, in-person instruction in the fall for state funding. This policy includes resuming regular attendance tracking and average daily attendance (ADA) for apportionment, with no provision for waivers.

Additionally, the Administration proposes improvements to the current statutory Independent Study program to require schools to provide technology, rigorous curriculum, tiered re-engagement, and track daily student engagement and participation. As of publication, the trailer bill language on this proposal was not yet available.

To support this return to full-time instruction, the May Revision proposes \$2 billion in one-time Proposition 98 funding, based on classroom-based LCFF formula, for health and safety needs in schools, to facilitate in-person instruction, including testing, vaccine activities, and cleaning, over a two year period. This funding would be in addition to the \$2 billion LEAs received in state funding to reopen this Spring, and the \$21 billion in federal funds LEAs have received directly for these purposes.

The May Revision also revises the LEA reporting authorized by AB 86 earlier this year, to shift from reporting LEA opening status, to reporting independent study or virtual academy counts, and compliance with daily synchronous, re-engagement, expanding learning, mental health, academic intervention, enrichment, and health/safety requirements and needs.

**Universal Transitional Kindergarten.** The May Revision launches planning and voluntary implementation in the Budget Year for Universal Transitional Kindergarten (UTK). The Administration proposes to repurpose the \$250 million in January Budget UTK incentive

funding to an allocation to all LEAs, based on kindergarten enrollment, for UTK planning purposes through the 2023-24 school year.

The trailer bill language would authorize full-year ADA for voluntary UTK implementation, starting in the Budget Year, and codify the roll-out of mandatory UTK offerings over a four-year period: each year from 2022-23 through 2024-2025, three more months of Transitional Kindergarten would be offered.

The May Revise reduces the TK Facilities proposal to \$190 million, disallows spending for portable buildings, and adds CSPP eligibility to TK PD program.

The Administration has proposed that new LCFF costs for UTK ADA be funded above the Proposition 98 guarantee, which would be rebenched. The May Revise estimates the costs at \$900 million in 2022-21, growing to a total of \$2.7 billion in ongoing funding in 2024-2025.

The May Revise also announces an out-year investment of \$380 million in 2022-23, growing to \$740 million by 2024-2025, to reduce child to adult ratios in TK and kindergarten, funds \$10 million to the California Department of Education (CDE) to update the Preschool Learning Foundations for UTK, and extends the California State Preschool Program contract hold harmless in the BY. The Administration has expressed intent to shift CSPP program capacity to serve 3 year olds.

**Extended Learning.** The May Revise adds \$2.6 billion in a combination of federal and Proposition 98 one-time funding, to the Extended Learning and Opportunity grants authorized by AB 86 earlier this year, with a focus on high-dose tutoring and intensive re-engagement.

**Special Education.** The May Revise appropriates \$277.7 million in increased federal IDEA funding increases for special education local assistance, and provides \$117.7 million ongoing to Special Education for a 4.05% super-COLA.

The May Revise also anticipates increased Special Education infrastructure needs for Individualized Education Plans (IEPs) returning to in person instruction, and for IEPs not met during pandemic school closures, with \$15 million one-time federal funds to schools for technical assistance for IEPs, and increased State Ops support for CDE around special education and IDEA Part C to B transitions.

The May Revise provides \$20 million, one-time General Fund, to the State Special Schools for deferred maintenance facility needs.

**Career Technical Education & Readiness.** The May Revise provides \$86.4 million in one-time funding to support Regional Occupational Centers with pandemic impact support, for approximately 24 eligible joint powers authorities across the state. The Administration is not recommending a COLA for the overall Career Technical Education Incentive Grant.

**Curriculum, Accountability, & Assessments.** The May Revise proposes numerous new curriculum-related proposals, including \$3 million for LGBTQ curriculum & training, \$1.8 million for cultural competency training, \$15 to the Collaborative for Education Excellence (CEE) to curate high quality open-resource platforms, \$2 million for the Commission on Teacher Credentialing (CTC) for dyslexia teacher professional development support, and \$2 million for one or more LEAs for reading instruction technical assistance, including dyslexia.

**Foster Youth Services Coordinating Program.** The May Revise creates a County Office of Education-based coordination program for foster youth, with \$30 million one-time to provide targeted interventions and supports focusing on reengagement, learning recovery, and social and emotional needs of students in foster care.

**California Department of Education State Ops.** Across all funding sources and programs, the May Revise reflects an increased investment of \$84 million ongoing for 56.2 positions at the Department.

**Other TK-12 Adjustments:**

- Eliminates Differentiated Assistance identification by dashboard data in 2021-22, and authorizes a \$400,000 evaluation for the program, with results in 2022.
- Provides \$3.5 million for the San Francisco Unified School District's Exploratorium partnership.
- Provides \$10 million for Oakland Unified School District's operating budget deficit pursuant to Education Code section 42160.
- Appropriates \$5.2 million for 10 schools as part of the Broadband Infrastructure Grant Program.
- Various technical federal fund adjustments.
- Appropriates \$3.9 million ongoing Proposition 98 for SACS.
- Makes reporting changes to the January Budget School Climate Survey proposal.
- Extends the Out-of-State Care funding formula to 2022.
- Adds the feminine hygiene supply requirement to the K-12 Mandate Block Grant.
- Various closure-related proposals regarding the State Seal of Biliteracy, and Charter School renewals.
- Changes the LEA audit review timeline for the 2021-22 fiscal year.
- Clarifies apportionment limit offsets.
- Technical amendments to January Budget TBL for Pioneer Union School District Hold Harmless.
- New technical TBL for the California School Finance Authority intercept, Learning Continuity Plans, AB 86 funding for closed charter schools, School Bond reporting.
- Directs CDE to not produce a 2021 School Accountability Dashboard.
- Exempts federal funds from the Routine Maintenance reserve calculations.
- Makes changes to assessment statutory requirements to align with federal waivers.
- Withdraws the Adults in Charter Schools proposal from January Budget.

**STAFF COMMENTS & SUGGESTED  
QUESTIONS:****Proposition 98 Guarantee & LCFF:**

- How are the LAO's revenue projections different than the Governor's May Revision? How do these differences impact the Proposition 98 minimum guarantee?
- Given the robust ongoing growth in the guarantee, why is the Administration retaining \$2.6 billion in deferrals? What pressures does that create in out years? When is the Administration's goal for full repayment?
- In light of the 160,000 enrollment drop in 2020-21, what are the implications for the overall LCFF calculations that assume an ADA drop from 18-19 to 19-20? What are the implications for LEA budgets?
- Given the robust ongoing growth in the Proposition 98 guarantee, why aren't all categorical programs receiving the 4.05% super-COLA?

**Transitional Kindergarten:**

- Does the Administration have capacity concerns for LEAs to reach UTK by 2025-26, in light of teacher shortages, May Revise proposals for TK/K class size reduction, and the failure of Proposition 13 to supply needed school construction funds? Would the Administration consider a longer timeline for required implementation versus voluntary?
- The May Revise sets an adult to student ratio for TK and K at 1:10, which mirrors the high quality ratio standards for Head Start, but does not require any additional quality standards. Do panelists have recommendations to ensure TK expands as a developmentally appropriate program for 4 year olds, including curriculum, nap/rest time, and learning through play?
- What additional state and regional infrastructure might be needed to make this historic shift successful at scale, with a focus on student outcomes?
- Will Transitional Kindergarten become a separate grade in CalPADS?

**Categorical Proposals:**

- There are multiple new categoricals proposed outside of Education that appear to be intended to support CTE infrastructure. In light of this Administration interest, why is the CTEIG program and regional infrastructure receiving no increase in funding?

- Given Administration and Legislature interests in Special Education funding, and in light of pandemic disproportionate impacts on students with special needs, are there recommendations to go further with Special Education investments in the this recovery year?

### **In Person Instruction:**

According to a recent EdSource data analysis: as of April 30<sup>th</sup>, 54% of students in traditional public schools were still in full-time distance learning, and 33% were in a hybrid learning setting with low state standards for in-person time or synchronous instruction. 13% of public school students have returned to fully in-person instruction. 66% of students attending schools in the highest poverty quartile were still in distance learning, compared to 43% of students in more affluent schools. The low standards for distance and hybrid learning provide hard lessons learned for how to authorize a more robust independent study framework for students who need an alternative to in person instruction in the coming school year. Currently, approximately 2% of California students utilize the existing program, but statute has no cap on the amount of students eligible.

In addition to the enhancements the Administration has proposed for independent study, the Assembly should consider:

- Should independent study be allowable for TK-2 students?
- How can independent study require an appropriately credentialed teacher for daily engagement and instruction?
- Should independent study enrollment be capped by age group, based on age-appropriateness?
- How do the standards protect Special Education and English-language learners' in-person service needs?
- Should independent study have minimum instructional minutes and minimum synchronous or in person engagement?
- How can daily live interaction and participation requirements be clear and auditable?
- Will LEAs have a requirement to return students to in person instruction if Independent Study participation requirements are not met, or the student is failing?
- Can remote instruction be required for students in quarantine?
- How can Independent Study tracking be strengthened in the LCAP and CalPADS?

- Should all these new standards apply to existing non-classroom based charter schools?
- The existing J-13 process protects school ADA when closure is required, but do the students have a right to their public education during closures? Is there a trigger to require a school to reopen?
- Should these Independent Study enhancements be permanent or temporary?
- How can all these minimum standards be subject to enforcement, oversight, and audit?
- In light of \$21 billion in federal funds for similar purposes, why does the Administration believe \$2 billion more is needed for health and safety support?

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**Staff Recommendation: Hold Open.**

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**ISSUE 3: GOVERNOR'S MAY REVISION PROPOSALS: TRANSFORMING SCHOOLS & EDUCATOR PIPELINE OVERVIEW**

The Subcommittee will hear an overview of the Governor's 2021-22 May Revision related to the Governor's vision to transform public schools and the educator preparatory and professional support systems.

**PANELISTS:**

- Aaron Heredia, Department of Finance
- Amber Alexander, Department of Finance
- Amy Li, Legislative Analyst's Office
- Michael Alferes, Legislative Analyst's Office
- Elly Garner, Department of Education
- Kim Frinzell, Department of Education
- Mary Vixie Sandy, Commission on Teacher Credentialing

**MAY REVISION PROPOSALS:****Transforming Schools:**

The May Revision contains \$5.65 billion in new proposals and augmentations to January Budget proposals that are key to the Governor's "Transforming Schools" vision for the 2021-22 through 2026 time period:

**Community Schools.** The May Revision significantly augments the one-time January Budget Community Schools competitive grant proposal to provide a total of \$3 billion in one-time Proposition 98 for approximately 1,400 LEAs, through the 2025-26 fiscal year. The Administration proposes changes to January TBL to build out \$60 million in technical assistance infrastructure, provide priority for new community schools, allow a 3-4 year distribution, require a 50% cash match, strengthen community organization engagement, and provide \$5 million to CDE for administration and evaluation.

**Afterschool, Summer, & Expanded Learning.** The May Revision funds \$1 billion ongoing in 2021-22 for before, after school, and summer programs, with a goal increasing that investment by \$1 billion more each year, reaching \$5 billion in ongoing increases by 2025, to serve all TK-6 students in all concentration grant school districts.

The Administration proposes a \$1 billion ongoing investment in the Budget year to fully fund expanding learning programs in LEAs with 85% or greater concentration unduplicated students, and to codify the annual increases for 80% concentration or greater in 2022-23, 70% concentration or greater in 2023-24, 60% or greater in 2024-25, and 55% or greater in 2025-26. The Administration estimates that the funding amount equals \$1,100 per TK-6 child,

and expects that LEAs will leverage one-time Extended Learning Opportunity funds to fully fund the program.

As a condition of fund receipt, LEAs are required to provide all TK-6 students with daily expanded learning options, which as a supplement to instructional minutes, provides a minimum of nine hours of daily instruction and expanding learning time. Additionally LEAs would be required to provide a minimum of 30 days of expanding learning options during non-school days (i.e. summer break, spring break etc.).

Quality requirements for the Expanded Learning program are not clear, but the proposal ties the expanded learning definition to the After School Education and Safety program statutory definitions for expanded learning, and the minimum staffing requirements for ASES. The proposal caps adult to child ratios for TK and K students at 1:10.

The May Revise also increases the existing ASES program through \$302 million in federal ESSER funds, increases the ASES daily rate to \$9/day with \$128 million, and expands resources for after school and summer with the remainder.

**Adult to Student Ratios & Concentration Grant Adjustment.** The May Revise proposes to use \$1.1 billion in ongoing funds to increase the LCFF Concentration Grant for reducing campus adult to student ratios. The statutory 50% formula for the Concentration Grant would increase to 65% of the Base grant, and increased funds would be restricted to the purpose of reducing adult to student ratios on campus with credentialed and classified employees.

The May Revise also amends the January Budget proposal around LEA accounting for supplemental and concentration grant funds.

**Nutrition.** The May Revise increases the state's investment in the school meals program by \$150 million on-going Proposition 98 to support school enrollment in the federal Universal Meal program. The Administration is proposing a \$.25 reimbursement per meal for schools participating in the USDA Community Eligibility Provisions 2 & 3 programs. This proposal assumes the costs for 1.6 million participating students, at two meals per day, and projects 4,000 LEAs participating.

The May Revise also proposes \$100 million in one-time Proposition 98 funds for school kitchen updates and staff training in nutrition and health.

**Student Mental Health.** Proposed investments in student mental health will be covered in depth in Budget Subcommittee 1, and they include a one-time \$4 billion youth behavioral health grant for children ages 0-25, over four years, increases to the January Budget proposal for the Department of Health Care Services student mental health initiative, and increases the Mental Health Student Services Act by \$30 million, one-time.

The Administration has withdrawn the January Budget proposal of \$25 million one-time Proposition 98 funding for student mental health.

### **Educator Support & Pipeline:**

In light of the large numbers of emergency credential teachers, and pandemic-related retirement spikes, the Administration is proposing numerous educator recruitment, retention, and support programs:

**Teacher Residency Program.** The May Revise increases the one-time funding level for the Teacher Residency Program proposal to \$550 million, increases the per candidate amount to \$25,000, but retains the LEA match at \$20,000, and adds Transitional Kindergarten to the scope of high-need fields.

**Classified School Employee Teacher Credentialing Program.** The May Revise increases the January Budget proposal to \$125 million in one-time funds through 2026, and prioritizes low-income applicant LEAs.

**Educator Effectiveness Block Grant.** The May Revise increases the one-time funding level to \$1.5 billion over three years, and makes policy changes to the January Budget proposal, including the addition of coaching and mentoring, classified employee support, and new professional learning networks.

**National Board Certification Incentive Grant.** The May Revise proposes \$250 million in one-time funding to incentivize National Board Certification for California teachers. The grant would provide up to \$25,000 over five years for educators who attain certification and teach in a high need school as defined, for the five year period.

**Teacher Credential Fees.** The May Revise waives the teacher credentialing fee in 2021-22 for an estimated cost of \$20 million.

**Roadmap to PK-12 Educational Employment.** The May Revise creates a new “Roadmap to PK-12 Educational Employment” program at the CTC to comprehensively address educator pipeline shortages, engage stakeholders, launch a communications campaign, continue regional education recruitment centers, and other recruitment tools, with \$65.5 million in Proposition 98, and \$45.6 million in one-time General Fund and 19 positions through 2026.

**Classified School Employee Summer Assistance Program.** The May Revise requests \$60 million one-time Proposition 98 to provide state matching funds for the Classified School Employee Summer Assistance Program.

**Professional Learning for Reading Instruction and Intervention.** The May Revise contains a new proposal to fund \$10 million one-time Proposition 98 to provide professional

learning to strengthen reading instruction for all students, with an emphasis on diverse learners, through high quality reading instruction, intensive intervention strategies to support reading for struggling students.

**Computer Science Instruction.** The May Revise provides \$15 million General Fund to the Commission on Teacher Credentialing for the Computer Science Supplementary Authorization Incentive Grant Program, and \$5 million to CDE for computer science capacity in the Educator Workforce Investment Grant.

**21<sup>st</sup> Century School Leadership Academies.** The May Revise funds \$25 million one-time Proposition 98, over five years, to support the 21st Century School Leadership Academies pursuant to EC Section 44690.

**Golden State Teachers.** The May Revises also increases and augments the January Budget Golden State Teachers program, and this issue will be addressed in the subcommittee's higher education hearing.

<b>SUGGESTED QUESTIONS:</b>
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### **Community Schools:**

- Is there a concern, with the size of the Community Schools investment, and a significant 50% match requirement, that schools may be slow to apply? Does the timeline need to be extended for access and sustainability?
- Should the Community Schools model follow the Healthy Start architecture with three grant types: Planning, Launch, and ongoing Coordination?
- Considering the proposed enormous investment in Community Schools, why isn't the program proposed to be codified?
- How will the significant student mental health investments intersect with the Community Schools and Extended Learning time proposals to comprehensively and quickly address student mental health needs on school campuses?

### **Extended and Expanded Learning:**

- Considering the \$21 billion in federal funds for safe reopening and learning recovery, why does the Administration want an additional \$2.6 billion for the same purposes?
- Concentration Grant add-on for ratios: Would the panelists recommend the proposal be augmented to prevent an increase in administrator to student ratios?

- The new LCFF add-on for Expanded Learning appears to mirror the intent of the existing ASES program. What quality standards does the Administration intend for these programs, to support student outcomes?

**Nutrition:**

- What would the ongoing cost be to the May Revision proposal, if the federal waivers expire in out years?

**Educator Pipeline:**

- Given the immediacy of the teacher shortage, particularly in the context of proposed class size reductions and UTK implementation, would the CTC recommend an immediate expansion of CSU capacity for teacher credentialing, pre-Road map?
- The Community Schools, Golden State Teachers, Teacher Residency, Educator Effectiveness Block Grant, and NBC proposals seem like an extraordinary amount of funding over a short time frame. Has the Administration considered extending the program timeframes out 5-10 years?

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**Staff Recommendation: Hold Open.**

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