

AGENDA

ASSEMBLY BUDGET SUBCOMMITTEE NO. 2 ON EDUCATION FINANCE

Assembly Member Kevin McCarty, Chair

TUESDAY, MARCH 7, 2023

9:00 AM, STATE CAPITOL - ROOM 447

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THE GOVERNOR'S 2023-24 BUDGET: PROPOSITION 98 & WORKFORCE, STUDENT HEALTH, AND LITERACY

ITEMS TO BE HEARD		
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ITEMS TO BE HEARD

6100 CALIFORNIA DEPARTMENT OF EDUCATION

6360 CALIFORNIA COMMISSION ON TEACHER CREDENTIALING

6980 CALIFORNIA STUDENT AID COMMISSION

ISSUE 1: GOLDEN STATE TEACHERS GRANT PROGRAM

This panel will consider changes to the Golden State Teachers Grant Program, as proposed in the January Budget.

PANEL

- Jack Zwalk, Department of Finance (DOF)
- Jackie Barocio, Legislative Analyst's Office (LAO)
- Jake Brymner, CSAC

BACKGROUND

Golden State Teachers Program

The Golden State Teachers Grant Program was 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 2020-21 Budget Act only allocated \$15 million from federal IDEA funds to the Student Aid Commission (CSAC) to provide only for candidates enrolled in special education teacher preparation programs who agree to teach at a priority school. These funds are available through the 2025-26 fiscal year. In contrast to most other state financial aid programs, this program does not have financial eligibility criteria (such as an income ceiling).

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, and redefined priority schools.

Per statute, 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).

One-time Golden State Teachers Grant funds of up to twenty thousand dollars (\$20,000) will be awarded if a candidate commits to the following:

- Teach at a “priority” school, as determined by the CTC, for four years, within eight years after you receive the teaching credential.

A “priority school” means a school with 55 percent or more of its pupils being unduplicated pupils, as defined in subdivision (b) of California Education Code Section 42238.02. The CTC in consultation with the California Department of Education (CDE) will publish a list of priority schools, based on the most recent data available to the CTC and CDE.

- 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.

Since the creation of this program, CSAC has awarded a total of more than \$146 million to students seeking to become credentialed staff at California’s priority schools. More than 8,467 students have received funding through this program so far.

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 and 2022-23 academic years. CSAC has received more than 13,049 applications so far for GSTG awards in 2021-22, and 2022-23.

AY 2021-22 General Fund Payments Made as of 1/30/2023

Segment	Total AY 21/22 Applications Rcvd	Students Awarded with General Funds	Total Awarded Per Segment	Average Award Per Student
UC	272	199	\$3,807,449	\$19,133
CSU	1,154	612	\$8,991,448	\$14,692
Private	1,922	1,074	\$19,865,297	\$18,497
LEA	608	485	\$9,393,702	\$19,368
GRAND TOTAL	3,956	2,370	\$42,057,896	\$17,746

AY 2022-23 General Fund Payments Made as of 01/30/23

Segment	Total AY 22/23 Applications Rcvd	Students Awarded with General Funds	Total Awarded Per Segment	Average Award Per Student*
UC	464	350	\$4,699,845	\$13,428
CSU	2,846	1,506	\$24,241,380	\$16,097
Private	4,850	2,855	\$51,230,086	\$17,944
LEA	933	554	\$10,101,823	\$18,234
GRAND TOTAL	9,093	5,265	\$90,273,134	\$16,426

*Average award per student is calculated based on payments processed thus far. Fall, Winter, and Spring term payments have been processed. Summer term payments will begin mid-April.

At the current rate of applications, eligibility for awards, and expenditure, CSAC analysis suggests that up to \$157.7 million could ultimately be awarded in the 2022-23 year. At a minimum, CSAC would expend at least \$112.2 million in 2022-23 based on applications received and other renewal payments due. For the \$500 million in General Fund that was appropriated in 2021-22, CSAC was directed by the Administration to expend \$100 million each year over a five year period.

CSAC anticipates awarding the entire \$500 million appropriation sometime in the 2024-25 academic year, should current application/award rates continue with the current program requirements.

High Need Fields: Pupil Personnel Services

The 2022-23 Budget Act added Pupil Personnel Services credentials to the program's eligibility, such as school counseling, social work, or school psychology.

As of Feb. 13, 2023, 23.6% of applications (2,235) for the 2022-23 academic year were for students pursuing pupil personnel services (PPS) credentials, while 76.4% of applications (7,199) were for those pursuing teaching credentials.

For the 2023-24 academic year, applications for GSTG awards, 29% of applications (623) received so far were from students pursuing PPS credentials.

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).

GSTP Funds (SPECIAL EDUCATION ONLY)		GSTP Funds (SPECIAL EDUCATION ONLY)	
FFY 20-21, AY 20-21 (YEAR 1)		FFY 20-21, AY 21-22 (YEAR 2)	
Beginning Balance	\$7,886,372.00	Beginning Balance	\$7,113,628.00
Administrative Cost	\$150,000.00	Administrative Cost	\$75,000.00
Grant Award	\$7,736,372.00	Grant Award	\$7,038,628.00
Claim Schedules	\$8,130,147.00	Claim Schedules	\$7,696,907.00
Abatements	\$516,276.00	Abatements	\$826,656.00
Net Expenditures	\$7,613,871.00	Net Expenditures	\$6,870,251.00
Remaining Balance	\$122,501.00	Remaining Balance	\$168,377.00

According to CSAC, some IDEA funds remain unused. Due to several students reconsidering participation or ultimately failing to meet the eligibility for the program, some awards were returned. This balance was \$290,878, yielding an awarded funding total of \$14,484,122.

High-Need Field vs Universal

Focus on high-need or shortage fields was removed from the GSTP in the 2022-23 Budget Act, however remains in the Teacher Residency program eligibility “designated shortage fields” including special education, bilingual education, science, computer science, technology, engineering, mathematics, Transitional Kindergarten, or Kindergarten, and any other fields identified by the Commission based on an annual analysis of hiring and vacancy data, and/or for recruiting, developing support systems for, providing outreach and communication strategies to, and retaining a diverse teacher workforce that reflects the LEA community’s diversity.

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:

Total AY 2021-22 GSTG Applications Received

Teaching High-Need Field (HNF)	UC	CSU	PRIVATE	LEA	TOTAL PER HNF
Bilingual Education	61	132	74	13	280
Career Technical Education (STEM)	0	3	10	2	15
Mathematics	51	75	128	39	293
Multiple Subject Instruction	80	448	704	109	1,341
Other	10	40	57	1	108
Science	54	44	104	27	229
Special Education	15	406	833	417	1,671
Technology	0	1	1	0	2
Transitional Kindergarten	0	5	9	0	14
Engineering	1	0	2	0	3
TOTAL PER SEGMENT	272	1,154	1,922	608	3,956

AY 2022-23 GSTG Applications Received as of 10/31/22

PROFESSIONAL PREPARATION PROGRAM TYPE	UC	CSU	PRIVATE	LEA	TOTAL PER PROGRAM TYPE
Teaching	399	1,742	2,610	621	5,372
Pupil Personnel Services	18	371	1,092	0	1,481
TOTAL PER SEGMENT	417	2,113	3,702	621	6,853

AY 2023-24 GSTG Applications Received as of 10/31/22

PROFESSIONAL PREPARATION PROGRAM TYPE	UC	CSU	PRIVATE	LEA	TOTAL PER PROGRAM TYPE
Teaching	7	113	130	42	292
Pupil Personnel Services	1	62	141	0	204
TOTAL PER SEGMENT	8	175	271	42	496

Source: CSAC

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.

The Governor's 2023-24 Budget

The proposed trailer bill language would make two changes to the current requirement for Golden State Teacher Grant recipients to commit to working for four years at a priority school. First, it would allow recipients to instead commit to working for four years at any school, beyond only priority schools. Second, for recipients who still choose to work at a priority school, the proposed language would reduce the length of their

service requirement from four years to three years. The administration indicates these changes are intended to ensure sufficient demand for the program, while also maintaining some incentive for grant recipients to teach at a priority school.

The proposed trailer bill language would also expand program eligibility to students pursuing certain child development permits—specifically for master teachers, site supervisors, and program directors. These permits are required for nonentry-level, supervisory positions within State Preschool. To qualify for a grant, students pursuing these permits must be concurrently pursuing a bachelor's degree. (Students pursuing required coursework or child development permits for assistants, associate teachers, and teachers would remain ineligible for grants.) Grant recipients could complete their associated service requirement at any elementary school or at a state or federally funded preschool program. The administration indicates these changes are intended to address early educator workforce needs.

LAO Comments

Program Demand Is Robust Under Current Eligibility Requirements. In 2021-22 (the first of the five years covered by the General Fund appropriation), CSAC spent only \$42 million of the \$98 million available for grants. Program demand, however, has increased notably following the significant eligibility expansions enacted in the 2022-23 budget package. In 2022-23, CSAC has spent \$90 million on grants as of January. Given CSAC will continue to receive applications and process payments in the coming months, it is likely to spend not only the \$98 million available for grants in 2022-23, but also some or all of the remaining funds from 2021-22. CSAC further projects that it will fully spend the \$500 million allocation before the end of the five-year period. This suggests no further eligibility expansions are needed to ensure sufficient demand for the program. Moreover, further eligibility expansions could lead demand to exceed available funding. The proposed trailer bill language does not specify how CSAC is to prioritize among applicants in this event.

Proposed Changes Would Likely Reduce Benefits to Priority Schools. The current service requirement is designed to address the disproportionate staffing challenges at priority schools. The proposed trailer bill language would reduce the program's effectiveness in meeting this objective in two ways. First, it would reduce the number of years that recipients are expected to work at a priority school from four years to three years. Second, it would allow recipients to instead complete their service requirement at a school that is not on the priority list. To the extent that recipients choose this option, the program's benefits would be redistributed from priority schools to higher-income schools that have less acute staffing challenges. Although the program might still support the expansion of the teacher workforce overall, its impact would not be as targeted toward the areas of greatest need.

Proposed Changes Do Not Effectively Address Early Educator Workforce Needs.

Though school districts will need more early educators over the next few years, the Governor's proposed trailer bill language is not likely to be an effective way to address this objective. The proposed requirement that recipients concurrently pursue a bachelor's degree with their permit would exclude current elementary school teachers returning to school to complete additional child development coursework necessary to teach in a TK classroom. The proposed language also excludes individuals seeking coursework and entry-level child development permits to teach in State Preschool. More broadly, it is unclear what is the added value of this proposal relative to current early educator workforce programs that have less restrictive eligibility requirements. Those other programs could potentially be more effective ways to address the objective of expanding the early educator workforce.

Proposed Changes Could Make Program Costlier to Administer. The proposed program changes would have some administrative costs. CSAC would need to notify a new set of preparation programs that their students now qualify for grants. CSAC would also need to track grant recipients across a broader set of schools to monitor whether the service requirement was being met. Moreover, having two different lengths of service requirements (three years at a priority school versus four years at all other schools) could also increase monitoring costs. In addition, CSAC would need to implement the new grant rules in the software system it uses to administer financial aid programs. Although incurring additional administrative costs is sometimes necessary, higher administrative costs are harder to justify when proposed program changes are not warranted.

Reject Proposed Eligibility Expansion and Change to Service Requirement. We recommend the Legislature reject the Governor's proposed trailer bill language changing the Golden State Teacher Grant program eligibility and service requirement. Based on CSAC's projections, demand likely is sufficient under the current program structure to fully spend grant funds by the expenditure deadline (and possibly sooner). Moreover, expanding the service requirement to include non-priority schools undermines the primary program objective of supporting schools facing the most acute teacher shortages. The Governor's proposal also is not well tailored to early educator workforce issues. A more direct approach would be to ask the California Department of Education for an update on the state's recent initiative to increase the number of highly qualified State Preschool and TK teachers. To the extent this initiative is proving to be effective, the Legislature could increase funding for the initiative depending on its other budget priorities.

STAFF COMMENTS

Is the Program Sufficiently Funded for Current Law? Major changes in the 2022-23 Budget Act to broaden program eligibility appears to have outstripped available funds.

CSAC anticipates that the entire \$500 million appropriation could be awarded in the 2024-25 academic year, should current application/award rates continue with the current program requirements. Any further expansions of eligibility would likely result in expenditure of those funds even more quickly prior to the original end date of the program (June 30, 2026).

Given the 2022 trailer bill that extended the time period in which a GSTG recipient can complete their service at a priority school (i.e., increase of the period in which service can be completed from 5 to 8 years), CSAC is still unable to assess what level of applicants will ultimately not complete their service at an eligible school. Given that the first round of GSTG awards were disbursed in the 2020-21 academic year, CSAC would not have such data available until July 2028 at the earliest.

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 Early Childhood Education.

High-Need School & LEA Definitions. Could the state's priority definitions be confusing, or causing perverse incentives, and not allowing cross-program support? The original Teacher Residency priority was broader than current statute, giving priority consideration to grant applicants with one or more schools that exhibit one or more of the following characteristics:

- (A) A school where 50 percent or more of the enrolled pupils are eligible for free and reduced-price meals.
- (B) A school where at least 5 percent of the teachers are misassigned, as determined by the commission, or working on a short-term staffing permit, a provisional intern permit, or a waiver.
- (C) A school that is located in either a rural location or a densely populated region.
- (D) A school with a cumulative voluntary teacher attrition rate that exceeded 20 percent over the three preceding school years.

Each of the educator retention programs has their own definition of "high need" which may create confusion. Additionally, each definition emphasizes school site poverty, which could create an impactful incentive to place our newest teachers in the lowest income schools.

CSAC staff have identified several issues that could be critical to program success:

- **Tracking Awardee Compliance:** The GSTG Program is unlike other forms of financial aid in that it requires a recipient to enter into an agreement with CSAC to meet certain obligations after the student has received their award. Failure on the part of the student to honor their agreement requires that CSAC collect a certain amount of awarded funds back from the recipient. This function of tracking student compliance to their agreement and undertaking collections activity is outside the work typically done by CSAC and is much more staff intensive.
- **One-time Funds & Limited-Term Staff:** The nature of one-time funds and limited administration funding may be compromising the CSAC's ability to administer the program.

Staff Recommendation: HOLD OPEN.

The Subcommittee may need to revisit adequate funding for the program, in the context of May Revision revenues.

ISSUE 2: EDUCATOR SHORTAGE AREA OVERSIGHT

This panel will review prior Budget appropriations to address specific educator shortage areas, including bilingual educators, special education, and computer science.

PANEL

The following individuals will present on this issue:

- Cheryl Cotton, CDE
- David DeGuire, CTC
- Jackie Barocio, LAO

BACKGROUND

In the past five 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. Most recently, the state has been focused on the following shortage areas:

- 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.
- Early childhood education.
- Administration.

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.

The CDE and CTC will provide updates on the following one-time shortage-area investments:

California Department of Education Programs:

- Educator Workforce Investment Grants: English Learners, Special Education, Computer Science

- Early Math Initiative
- 21st Century School Leadership
- Early Education Teacher Development Grants

California Commission on Teacher Credentialing Programs:

- Computer Science Supplementary Authorization Grant
- Local Solutions to the Shortage of Special Education Teachers
- Reading and literacy Supplementary Authorization Incentive Grant Program

Educator Workforce Investment Grants (EWIG): English Learners, Special Education, Computer Science

The 2019-20 Budget Act provided \$37.1 million through the 2022–23 fiscal year for an Educator Workforce Investment Grant (EWIG) program to support competitive grants for professional learning opportunities for teachers and paraprofessionals across the state. The grants approved for funding were provided as follows:

English Learners: Ten million dollars to qualified entities for conducting professional learning activities designed to implement the California English Learner Roadmap (ELR) Policy: Educational Programs and Services for English learners, and

Special Education: Five million dollars to qualified entities for special education-related Professional Development (PD) opportunities.

The Budget Act of 2021-22 provided \$5 million on a one-time basis to establish the EWIG: **Computer Science (CS)**.

The California Department of Education (CDE) and the California Collaborative for Educational Excellence (CCEE) facilitated coordination among the EWIG grantees and the California System of Support subject matter project leads that are currently authorized by California Education Code (EC) Section 52059.5(b). Applicants proposing to partner with a County Office of Education (COE) or consortium of COEs were given positive consideration

The latest statutorily required report on EWIG programs can be found here: [ewiglegreport2022.docx \(live.com\)](https://www.cde.ca.gov/ewig/ewiglegreport2022.docx)

EWIG: Effective Language Acquisition Programs for English Learners

For the initial Budget Act investment, the CDE selected Californians Together and the California Association for Bilingual Education (CABE) as the two EWIG ELR Policy Implementation grantees. These two organizations bring research-based strategies and resources to administrators and educators as tools to address student, teacher, parent,

and educational system needs while pursuing a vision of powerful opportunities for learning multiple languages and receiving dual language instruction in California. See report cited above for outcomes.

This program was extended in the 2022-23 Budget Act, and focuses on professional development of teachers and paraprofessionals to implement effective language acquisition programs for English learners, which may include integrated language development within and across content areas, bilingual and biliterate proficiency, and strengthening capacity to implement EL Roadmap.

The RFA is expected to post within the next two weeks and selected grantees would begin implementation in spring 2023.

EWIG: Special Education

The \$5 million award was provided by CDE to the Center for Applied Special Technology Incorporated (CAST). The grant was awarded to CAST on July 20, 2020.

These awards began in July 2020, and must have been expended by February 27, 2023.

	Number of Districts	Number of Schools	Number of Administrators	Number of Teachers	Number of Students
Totals:	183	3,307	9,880	108,374	1,983,732

EWIG: Computer Science

Cohort 1: The 2021-22 Budget Act provided \$5 million on a one-time basis to establish the EWIG: Computer Science (CS) for institute of higher education (IHEs) and nonprofit organizations (NPOs) with expertise in developing and providing professional learning (PL) to teachers and paraprofessionals in public schools serving kindergarten and grades one to twelve, inclusive, to apply for a grant to design and deliver PL opportunities for teachers and paraprofessionals. The PL activities must be designed to provide high-quality instruction and CS learning experiences that support the systemwide implementation of the *California Computer Science Content Standards (CA CS Content Standards)* developed pursuant to California *EC* Section 60605.4.

The 2021 EWIG: Computer Science grantee is the University of California, Los Angeles (UCLA). Awarded: \$5 million, Current Expenditures: \$496,510, Timeline to Exhaust Funds: 6/30/2026.

Cohort 2: Budget Act of 2022, provided \$15 million for the EWIG: CS. As part of the EWIG Program, the CDE is awarding this CS Professional Learning Grant RFA. The

selected grantee will become an important member of the Statewide System of Support, providing targeted support focused on strategies for providing high-quality CS instruction and CS learning experiences aligned to the CA CS *Content Standards* developed pursuant to *Education Code* Section 60605.4. This EWIG: CS Professional Learning Grant will fund one successful applicant between May 1, 2023, through February 28, 2025. RFA was released on January 22, 2023 with applications due on March 9, 2023. Anticipated Award: \$15 million, Timeline to Exhaust Funds: 6/30/2027

Early Math Initiative

The 2021-22 and 2022-23 Budget Acts provided a total of \$80 million in one-time funds for the Early Math Initiative, to support a statewide early math initiative that includes the development, identification, and distribution of early math resources, professional learning and coaching for educators, and mathematical learning opportunities for children.

Round 1: \$45 million was fully allocated to the Fresno County Office of Education (FCOE) in fiscal year 2021-22. About 18 percent of grant funds have been expended as of year two, quarter two reporting. Funding allocated to this program must be liquidated by June 30, 2026.

Round 2: \$35 million was appropriated in the 2022 Education Trailer Bill for Early Math Initiative Expansion. Funds will be fully awarded to the FCOE by June 2023. Funding allocated to this program must be liquidated by June 30, 2029.

According to the CDE, the California Early Math Initiative successfully achieved its goals to increase the agency facilitators' awareness of the importance of early math and to build their confidence and capacity to support children's early math learning. Utilizing a train-the-trainer approach, the Early Math Initiative coaches provided professional learning and coaching to the agency facilitators, who were then required to provide professional learning and coaching to educators in their local communities.

CDE reports 30 agencies were invited to participate in the Early Math Initiative professional learning and coaching.

21st Century School Leadership

The 2019-20 Budget Act authorized the 21st Century California School Leadership Academy (21CSLA). California *Education Code* Section 44690(c)(1) directs the California Department of Education (CDE) and the California Collaborative for Educational Excellence (CCEE) to select providers of high-quality professional learning for administrators and other school leaders. As part of the Statewide System of Support, these providers will ensure the availability of professional learning through the 21CSLA, free of charge, to local educational agencies that receive federal Title II funds on a statewide basis.

21CSLA is dedicated to the professional learning and support of California's educational leaders—teacher, site, and district—to create more equitable learning environments that ultimately improve success for underserved students. The 21CSLA consists of a Center located at the University of California, Berkeley and seven Regional Academies (RAs) that are located in the Geo Regions established by California's System of Support. The first cohort of the 21CSLA started on June 15, 2020 and will end on June 30, 2023. The Center and Regional Academies from Cohort 1 were invited to apply for the second 21CSLA cohort which will begin July 1, 2023 through June 30, 26. The Cohort 2 Intent to Award was recently posted at [Funding Results: 21st Century California School Leadership Academy, Cohort 2](#).

The Budget Act of 2021-22 provided \$25 million state funds to be allocated to 21CSLA, so far \$7 million has been encumbered for projects that support the expansion of Universal Transitional Kindergarten (UTK). Plans for the additional \$18 million are underway and will be encumbered by June 30, 2023.

CDE can provide a report on how the two funding rounds will be coordinating.

Early Education Teacher Development Grants

The Early Education Teacher Development Grant was authorized in the 2021-22 Budget Act at \$100 million in one-time funds, as part of the comprehensive Universal Transitional Kindergarten authorization, which will expand TK to all four year olds in California by 2025-26. The Grant was established to support LEA planning for the increased number of teachers and other educators needed to fully implement Universal PreKindergarten. According to CDE, the funds have been fully awarded, and must be spent by June 30, 2026. CDE received \$152.2 million in requests for the \$100 million available.

72 LEAs received awards across the state, covering a total of 894 LEAs via consortia, in 52 counties.

According to CDE: Grantees reported in their applications 1,011 current unfilled CSPP positions, with a projected demand at full UPK implementation of 3,022 more needed. Grantees reported in their applications 149 current unfilled TK positions, with a projected demand at full UPK implementation of 4,879 more needed. 60% of grantees reported in their applications they will use funds for teacher candidates to obtain multiple subject teaching credentials. 56% of grantees reported in their applications will use funds for their current TK teachers to obtain coursework to fulfill the apportionment requirements of EC48000(g)(4).

CDE may provide more details in the hearing, on grant uses and LEA reported needs.

Computer Science Supplementary Authorization Incentive Grant Program

The Computer Science Supplementary Authorization Grant Program was authorized in the 2021-22 Budget Act for LEAs with the intent to provide \$15 million over a five-year period to support the preparation of credentialed teachers to earn a supplementary authorization in computer science and to provide instruction in computer science coursework in settings authorized by the underlying credential. Eligible LEA grantees may receive up to \$2,500 per participating teacher to support participants to earn a supplemental authorization in computer science with funds for coursework, books, fees, and tuition. A match is required. Grant competitions will be offered twice a year until the 2025-26 fiscal year or until the \$15 million has been awarded.

According to the CTC, the first round of grant applications were due May 2022. Four LEAs applied and four grants were awarded, total funds awarded: \$955,000. A second round of grant applications were due in November 2022. Five LEAs applied and three LEAs were awarded, total funds awarded: \$152,500. Total funds awarded for both rounds: \$1,107,500, out of \$15 million. A third RFA was released in February 2023 with a due date of April 28, 2023. Awards will be made in June 2023.

Grant funds must be awarded no later than June 30, 2026, and it may take until then to award the remaining funds. An update regarding the impact of Computer Science Grants was made to the Commission at its [February 2022](#) meeting.

Local Solutions to the Shortage of Special Education Teacher Grants

The Local Solutions to the Shortage of Special Education Teachers (Local Solutions) grants were included in the 2018-19 state budget to support the recruitment, preparation, and support of new special education teachers. Authorizing legislation provided a total of \$50 million for competitive grants to eligible local education agencies (LEAs) and provided up to \$20,000 per participating teacher to grantees to implement locally identified solutions to address the shortage of special education teachers. In September 2018, the Commission published the Request for Proposals (RFP) for the Local Solutions grant. The grant awards were announced in December 2018, and 41 LEAs were funded to implement the provisions required of the authorizing statute which include: addressing teacher shortages in special education, helping to recruit and support the preparation of more individuals in the teaching profession, supporting the induction of educators into the profession, and supporting the continued professional learning of credentialed special education educators.

Local Solutions Grant: Number of Participants and Funds Expended

Locally Identified Solutions	# of Participants per Activity	Funds Expended
Identifying, recruiting, and preparing new special education teachers and/or preparation costs for teachers credentialed in other areas interested in becoming special education teachers	818	\$ 1,978,863
Assisting special education candidates with tuition	605	\$ 3,310,262
Preparation costs of special education candidates to complete an integrated undergraduate program of preparation for an Education Specialist credential	0	\$ 0
Preparation costs of classified personnel to earn an Education Specialist teaching credential	105	\$503,697
Assisting newly credentialed special education teachers with student debt payment *	90	\$ 807,665
Living stipends for newly credentialed special education teachers	28	\$35,045
Signing bonuses for newly credentialed special education teachers*	89	\$1,127,833
Induction for special education teachers	361	\$1,028,250
Teacher service scholarships*	36	\$86,533
Service awards	3	\$46,000
Preparing mentor/master teachers to support new special education teachers	475	\$960,143
Professional Learning Communities	285	\$486,314
Teacher career pathways	90	\$116,891
Other locally identified solutions	309	\$664,836
Totals	3294	\$11,152,332

*Required four-year service commitment

Source: CTC

CTC's table below, reports by individual, the times and types of support received from the Local Solutions Program.

Number of Participants on Track to be Hired by the Grantee LEA

Types of Fund(s) Received	Actual Number of Participants Receiving Fund(s)	Number of Participants on Track to be Hired by the LEA	Number of Participants NOT on Track to be Hired by the LEA
Teacher Service Scholarship	431	420	11
Signing Bonus	94	87	7
Student Debt Payment	112	110	2
Total	637	617	20

Source: CTC

Reading and Literacy Supplementary Authorization Incentive Grant Program

As part of a larger early literacy package, \$15 million was appropriated in the 2022-23 Budget Act for grant awards of up to \$2,500 per participating teacher to Local Education Agencies (LEAs) to support the preparation of credentialed teachers to earn a supplementary authorization in reading and literacy and provide instruction in reading and literacy coursework in settings authorized by the underlying credential. This funding is available for encumbrance until June 20, 2027.

No awards have yet been made. Commission staff has a Request for Applications (RFA) ready to be released pending receipt from the California Department of Education a list of "eligible schoolsites" as defined by AB 181, section 126, Stats 2022.

STAFF COMMENTS & QUESTIONS

As outlined in this panel, the state has made multiple small categorical recruitment and professional support investments to address areas of educator shortages, narrowed to the following areas:

- Bilingual education
- Early math
- Special education
- Transitional kindergarten
- Early childhood education
- Administration
- Computer Science

How the impact of these specific categorical programs are working in concert with the larger educator workforce investments (i.e. Teacher Residencies, Educator Effectiveness Block Grant etc.) to address each shortage area is not yet a required evaluation.

Additionally, LEA demand for each of these categoricals is not uniform. Low demand programs may require examination for impact.

Staff Recommendation: Hold Open.

ISSUE 3: OPIOID RESPONSE IN SCHOOLS

This panel will discuss the January Budget proposal regarding opioid overdose response on school sites.

PANEL

- Melissa Ng, DOF
- Michael Alferes, LAO
- Malia Vella, CDE

BACKGROUND**The Governor's 2023-24 Budget**

The Budget proposes \$3.5 million ongoing Proposition 98 General Fund for all middle and high school sites to maintain at least two doses of naloxone hydrochloride or another “emergency opioid antagonist” medication to reverse an opioid overdose on campus for emergency aid.

The trailer bill proposal would require LEAs receiving funds to purchase and maintain at least two (unexpired) doses of the medication on all middle and high school campuses, obtain a Public Health standing order to administer the medication, apply to be a direct purchaser of the medication, and ensure staff are trained to administer the medication.

According to DOF, the \$3.5 million cost is based medication cost estimates: this cost is based on the experience of the Naloxone Distribution Project administered by DHCS. The public interest price of \$47.50 with a minimum order of 12 kits (same price/order requirements as NDP) would be available to schools purchasing directly from the manufacturer.

The proposed trailer bill language directs schools to use training materials and resources on the California Department of Public Health (CDPH) website, which are available for applicants of the Naloxone Distribution Project administered by DHCS, in which schools are also eligible entities for that program.

LAO Comments:

Funding Is Not Aligned With Specific Requirements. Although the proposed trailer bill language requires middle and high schools to carry two doses of an emergency opioid antagonist, our understanding is that the administration's cost estimate of \$3.5 million assumes that every middle and high school will annually purchase 12 doses of naloxone.

The administration indicates this is because naloxone is sold in packages of 12. Most schools, however, are part of multi-school districts that would be making purchases on behalf of all their schools. Charter schools and school districts with a small number of schools could make bulk purchases by pooling together with other smaller entities. Assuming schools only purchase two doses of naloxone annually, we estimate the costs would be about \$550,000.

Funding Would Be Distributed Annually, While Medication Has a Longer Shelf Life.

Opioid reversal medication typically has a shelf life of around two to three years. For example, the FDA recently approved a naloxone nasal spray called Narcan for a three-year shelf life. As a result, schools would not be required to replace medication on an annual basis. Schools would need to replace medication that was administered to reverse an overdose, but doses that are not used in one school year can likely be kept for at least another year.

Recommend Providing Lower Amount of Funding. Given these issues, we recommend the Legislature provide a lower funding amount. We think \$1 million would be sufficient to fulfill the requirements of this proposal. This would provide sufficient funding for the costs of the minimum required medication, while also setting aside additional funding to reflect costs of maintaining a larger number of doses in large schools and replacing medication that was administered to reverse an overdose. The Legislature could revisit the funding level in future years if changes in medication or other factors result in higher-than-anticipated costs.

STAFF COMMENTS

Public Health or Education Role? The impact of fentanyl and other opioid overdoses on school campuses is a sad reality. The question is whether it's necessary to expend Proposition 98 funding in a categorical program to stockpile a specific medication, and why public health isn't the lead agency.

Medi-Cal Eligible? According to DOF, Medi-Cal provides prescription drug coverage and Naloxone is on the Medi-Cal Rx Contract Drugs List. However the Administration is concerned that coverage of naloxone may not necessarily equate to coverage of take-home naloxone, but may be specific to direct administration in a medical setting.

Do Small LEAs Need 12 Kits? Large LEAs may prefer to central their own medication purchasing and distribution. However, a 12 kit minimum purchase seems unnecessary for small LEAs, and charter schools. The Department of Health Care Services already administers a naloxone distribution project, and a more centralized distribution system, particularly for small LEAs, should be considered.

Questions:

Why can't DHCS or county public health agencies manage this initiative?

How are other local public entities (ie. Libraries, parks etc.) preparing for overdose response?

Staff Recommendation: HOLD OPEN.

All new program proposals will be considered in light of May Revision revenues.

ISSUE 4: LITERACY

This hearing will cover the \$251 million in literacy proposals at the California Department of Education.

PANEL

- Lina Grant, DOF
- Jackie Barocio, LAO
- Cheryl Cotton, CDE

BACKGROUND

Research on literacy draws a clear connection between literacy acquisition at certain ages, and its implications for success in learning and life outcomes. Specifically, students who aren't reading at grade level by the third grade will struggle to catch up throughout their education careers, and have lower graduation rates, higher incarceration rates, and lower lifetime incomes and health outcomes.

During the 2021-22 school year, only 42.17% of California students in grade three tested at grade level or above in English language arts on the standardized state assessment. The California School Dashboard shows this achievement gap is stark by grade 3 for students of color, dual-language learners, foster youth, students living in poverty or without stable housing, and students with disabilities.

In conjunction with establishing LCFF in 2013-14, the state adopted a new system of accountability for school districts that includes a focus on English language arts achievement. Under the current system, each district is required to adopt an annual strategic plan known as a Local Control and Accountability Plan (LCAP). In the LCAP, districts must establish performance targets in state priority areas and identify actions to achieve these targets for all students and student subgroups, including English learners and low-income students. In developing their LCAP, districts must seek feedback from school employees, students, and parents. The California School Dashboard reports school and district performance based on measures aligned with the state priority areas. One state priority area focuses on student academic achievement as measured by test scores on state reading, math, and (for English learners) English language proficiency assessments. A district that is identified as low performing based on the school dashboard is to receive targeted support from its county office of education (COE). In providing technical support, COEs sometimes consult with other regional and state partners known as lead agencies. In fall 2019, 201 school districts (out of approximately 1,000) were identified as having poor academic achievement for one or more student subgroup.

Comprehensive State Literacy Plan

In 2019, the California Department of Education (CDE) was awarded \$37.5 million through the federal Comprehensive Literacy State Development (CLSD) grant program, to create the California Comprehensive State Literacy Plan. The purpose of the State Literacy Plan is to align and integrate state literacy initiatives, content standards, and state guidance documents to support teachers of students birth through grade twelve. It is not meant to establish new guidance on literacy curriculum or instruction. This plan supports continuous improvement of state and local literacy programs by:

- Connecting essential literacy guidance from state guidance documents to support comprehensive and integrated implementation of high-quality literacy programs at state and local levels.
- Focusing on the age/grade band goals for literacy achievement established by the CA CCSS in ELA/Literacy and the ELA/ELD Framework.
- Reporting current disaggregated literacy achievement data and literacy needs assessment results to all stakeholders to evaluate the outcomes the current system is producing.
- Using the continuous improvement process to identify statewide literacy priorities, solidify state-level activities for the Comprehensive State Literacy Development (CLSD) grant, and serve as a model for local literacy plans.

After months of development and revisions based on stakeholder feedback, the State Board of Education adopted the final California Comprehensive State Literacy on March 17, 2021.

CDE distributed federal funds in 2021 through a competitive grant process to seven COEs to serve as local literacy lead agencies. Each literacy lead agency will implement evidenced-based, multiyear, small-scale pilots with school districts that support the literacy priorities established in the State Literacy Plan.

Early Literacy Support Block Grant

In response to a state Superior Court settlement for *Ella T. vs the State of California*, the 2020-21 Budget Act included \$50 million to establish the Early Literacy Support Block (ELSB) Grant Program. The ELSB Grant Program requires the California Department of Education (CDE) to award funds to local educational agencies (LEAs) with the 75 schools that have the highest percentage of students in grade three scoring at the lowest achievement standard level on the State Summative English Language Arts (ELA) assessment. The CDE received \$3 million of this sum to offset its costs associated with activities required to administer the program, including funds to establish an Expert Lead in Literacy within the California Statewide System of Support (SoS). The Expert Lead in Literacy must be a county office of education (COE), selected by the CDE in partnership with the California Collaborative for Educational Excellence (CCEE), to support grantees

to build statewide professional learning networks and provide technical assistance to increase statewide capacity in implementing effective literacy instruction. The Expert Lead in Literacy shall demonstrate abilities and expertise developing, implementing, and supporting other LEAs and their schools with literacy instruction and support programs, particularly focused on literacy in early grades (kindergarten, which includes transitional kindergarten, and grades one through three). The Expert Lead in Literacy shall also demonstrate expertise in the four categories of programs and services: access to high-quality literacy teaching, support for literacy learning, pupil supports, and family and community supports.

The CDE and the CCEE selected the Sacramento County Office of Education through a competitive grant process to serve as the Expert Lead in Literacy as a part of the California Statewide SoS.

Statewide Literacy Coach Training

In addition to funding proposed for LEAs to train their literacy coaches, the 2021-22 budget includes \$25 million in one-time funding, available over three years, for a designated LEA to provide statewide training for all literacy coaches and reading specialists. CDE would be required to select the LEA based on criteria established by the department, with priority for LEAs with demonstrated success of improving student literacy.

CDE and CTC are still in the process of finalizing the request for application (RFA) for the statewide literacy training contract and supplementary authorization incentive grant program. (As of February 13, 2023, the RFAs have not been posted. We understand that these RFAs will be posted in the spring of 2023.)

Literacy Coaches

The Final 2022-23 Budget Act created a \$250 million Literacy Coaches and Reading Specialists Block Grant, through the 2026-27 school year. This non-competitive, one-time funding over five years requires eligible schools to hire and train literacy coaches and reading specialists who, in turn, would implement school literacy plans, mentor teachers, and provide targeted reading interventions to students.

The funding will be allocated to school districts, charter schools, and COEs, for each school site where at least 97 percent of students in TK through grade 3 are unduplicated pupils under LCFF. Each eligible school will receive a minimum of \$450,000, with remaining funding distributed based on enrollment in Transitional Kindergarten through grade three. The LEAs for schools receiving funding would be required to provide a 50-cent match for each \$1 received in state grant funding. By June 30, 2027, LEAs will have to report to the California Department of Education (CDE) how funding was used to prepare and employ literacy coaches, the impact these coaches had on student literacy, the plans to continue funding for these coaches after the grant period, and other metrics as determined by CDE.

LEAs receiving funds are required to develop a school literacy plan. A school literacy plan must include goals and actions to improve literacy acquisition for students in preschool, if applicable, and for students in TK-3, inclusive. The plan also must identify metrics to measure progress toward the goals and actions.

Eligible LEAs were able to opt out of this new Grant Program, with notice to CDE by September 2022. CDE allocated the \$225 million in LCRS program funds to schools in January 2023.

Reading and Literacy Supplemental Authorization Incentive Grant

Teachers with credentials in other subject areas can provide reading intervention services if they obtain either a Reading and Literacy Added Authorization (RLAA) or a Reading and Literacy Leadership Specialist (RLLS) credential. To obtain an RLAA or RLLS, individuals must have at least three years of teaching experience and complete a preparation program that includes coursework and supervised field experience.

In 2020-21, the California Commission on Teacher Credentialing (CTC) issued 289 new RLAAs and RLLS credentials (194 RLAA and 95 RLSS credentials). This increased to 430 in 2021-22 (358 RLAA and 72 RLLS newly issued credentials). Between 2015-16 and 2021-22, about 1,700 unique individuals were issued an RLAA and/or RLLS.

The 2022-23 Budget Act provided \$15 million for grant awards of up to \$2,500 per participating teacher are available to LEAs to support the preparation of credentialed teachers to earn a supplementary authorization in reading and literacy and provide instruction in reading and literacy coursework in settings authorized by the underlying credential. This funding shall be available for encumbrance until June 20, 2027.

Commission staff has a Request for Applications (RFA) ready to be released pending receipt from the California Department of Education a list of “eligible schoolsites” as defined by AB 181, section 126, Stats 2022.

The Governor’s 2023-24 Budget

The January Budget supports an expansion of California’s literacy initiative:

- \$250 million one-time Proposition 98 funding over five years to expand intensive literacy interventions including literacy coaching, and a program evaluation.
- \$1 million for a Literacy “Roadmap” for schools statewide.

Literacy Coaches

The Governor's budget proposes an additional \$248 million to further support the recently established LCRS program, which reflects more than a doubling of program funds. These funds are intended to increase the number of high-poverty schools participating in the LCRS program. Specifically, eligibility is for elementary schools that have not previously received LCRS program funding and have a student body where at least 95 percent of students are low-income or English learners. These funds would be available for encumbrance through June 30, 2028 (a year longer than the initial funding for LCRS program).

Additionally, the Governor proposes \$2 million to (1) increase funding for statewide training services for educators to become literacy coaches and reading and literacy specialists, and (2) provide up to \$500,000 to conduct an independent evaluation of the effectiveness of the LCRS program. The independent evaluation would include an examination of (1) how funds were used, (2) how expenditures impacted student literacy achievement, (3) how LEAs plan to continue to fund literacy programs past the award period, and (4) the effectiveness of the literacy trainings. The evaluation would be submitted to the Legislature on or before June 30, 2029 (a year after the encumbrance deadline of the additional funding).

The trailer bill proposed to redefine the "eligible schoolsite" from a UPP percentage of 97 percent to 95 percent, and to revise data reporting.

State Literacy Roadmap

The Governor's Budget requests \$1 million for CDE, in consultation with the State Board, to develop and publish a Literacy Roadmap. The trailer bill outlines the Roadmap's purposes: to assist local education leaders with applying state resources available to improve literacy outcomes for all students.

According to DOF, the Literacy Roadmap will be developed at the state level to provide administrators statewide with clear and practical direction for literacy instruction and intervention, in alignment with the state-adopted ELA/English Language Development standards and frameworks, in addition to current reading research, for all students—including English Learners, students with disabilities, students struggling with reading, and early learners.

LAO Comments

Literacy Program Activities Remain in Early Implementation Stages. CDE allocated the \$225 million in LCRS program funds to schools in January 2023. Moreover, CDE and CTC are still in the process of finalizing the request for application (RFA) for the statewide literacy training contract and supplementary authorization incentive grant program. (As of

February 13, 2023, the RFAs have not been posted. We understand that these RFAs will be posted in the spring of 2023.) Given that LCRS program dollars were just recently allocated to schools, it is too early to determine whether LEAs have faced any barriers to implementation. However, we understand that during initial conversations with CDE, LEAs mentioned the overall teacher shortage as possibly being the greatest implementation challenge in finding qualified staff for literacy programs

Reject Additional Literacy Grant Funding. Given that the state has yet to evaluate the effectiveness of the LCRS program model, it would be premature to provide additional program funding. The Legislature could consider providing additional funding in the future once it has a better sense of program outcomes and the magnitude of any implementation challenges.

Adopt Evaluation of Literacy Program. To improve the Legislature's ability to monitor the progress of implementation and evaluate overall program effectiveness of the LCRS funding provided in 2022-23, we recommend the Legislature provide \$500,000 Proposition 98 General Fund for an independent evaluation of the program on or before June 30, 2028 (a year after the encumbrance deadline of the existing funding for the LCRS program). Additionally, the Legislature could consider codifying specific questions and data points it would like to be included in interim progress reports and the independent evaluation (such as specific demographic information of children served, challenges in hiring staff, description of other implementation challenges, and identification of possible solutions).

STAFF COMMENTS & QUESTIONS

Literacy Roadmap vs Curriculum Adoption. California is a local control state for curricula adoption. While state assessments are tied to state standards, local schools remain in the driver's seat for actual curricula adoption, including English Language Arts & Development. While a "roadmap" for leveraging the myriad of resources for local literacy plans sounds like a valuable resource, is it sufficient to coach local decision-makers to effective ELA curricula and literacy intervention tools? Does the state need a curated list of effective, standards-aligned curricula and tools?

Why Should Roadmap Wait for New Funds? The 2022-23 Budget Act provided \$25 million for state level literacy TA. Could the Roadmap be an outcome from that existing resource?

Statewide System of Support. Recent Budgets and federal grants have launched a Statewide Lead for Literacy, 7 County leads for literacy, and statewide literacy coach training. How are these investments integrated and part of the Statewide System of Support?

Questions:

How are these proposals acting on the California Comprehensive State Literacy Plan?

How can this literacy roadmap assist all LEAs and the State System of Support in leveraging the existing investments in adult education, early childhood education, and the Early Literacy Support Block Grant?

Did eligible LEAs opt out of the new Literacy Coaches program? If so, why?

What are LEA confidence levels for hiring qualified educators for these purposes, in the near-term?

Staff Recommendation: Hold Open.

All new program proposals will be considered in light of May Revision revenues.
