

AGENDA

ASSEMBLY BUDGET SUBCOMMITTEE NO. 2 ON EDUCATION FINANCE

Assemblymember Kevin McCarty, Chair

**TUESDAY, FEBRUARY 22, 2022
9:00 AM, STATE CAPITOL - ROOM 126**

We encourage the public to provide written testimony before the hearing. Please send your written testimony to: 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. All are encouraged to watch the hearing from its live stream on the Assembly's website at <https://assembly.ca.gov/todayevents>.

The Capitol will be open for attendance of this hearing. Any member of the public attending a hearing in the Capitol will need to wear a mask at all times while in the building. A moderated telephone line will be available to assist with public participation. To provide public comment, please call:

Toll free-free: 877-692-8957, access code: 131 51 26

OVERVIEW OF THE GOVERNOR'S 2022-23 BUDGET: PROPOSITION 98 AND TK EDUCATION

- I. OPENING REMARKS
- II. GOVERNOR'S 2022-23 BUDGET: PROPOSITION 98
- III. PUBLIC COMMENT

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ITEMS TO BE HEARD

**6100 CALIFORNIA DEPARTMENT OF EDUCATION
0950 STATE TREASURER**

OVERVIEW

The Governor's 2022-23 January Budget proposes funding for significant new or expanded programs that intend to directly impact student academic performance, wellbeing, and outcomes. This hearing will examine these proposals, and their effectiveness.

ISSUE 1: EXPANDED LEARNING OPPORTUNITY PROGRAM

The January Budget increases the Expanded Learning Opportunity Program funding from \$1.7 billion to \$4.4 billion in on-going Proposition 98 funding for after school and summer options for all students, and proposes a new, one-time \$937 million arts and music supplement.

PANEL

The following individuals will participate virtually in the discussion of this issue:

- Lina Grant, Department of Finance
- Michael Alferes, Legislative Analyst's Office
- Michael Funk, California Department of Education
- Mara Wold, Monterey County Office of Education

BACKGROUND

California "Afterschool" Investments

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

of \$550 million in annual state funding for after school programs. No more than 1.5 percent of these funds is available to the Department of Education (CDE) for technical assistance, evaluation, and training services. The 2021-22 funding level for the ASES program is \$744,866,000, including \$650 million from Prop. 98 and \$94,866,000 from federal ESSER III one-time funding to support ongoing rate increases at \$10.18 per day. Per statute, CDE awards ASES grants on a competitive, 3-year grant cycle, which provides priority for current grantees.

ASES currently supports 4,231 elementary and middle schools offering afterschool and summer programs to more than 400,000 students daily. According to CDE, in 2020-21 the agency awarded \$213,312,709 in ASES funds for schools serving grades 7 or higher. The current state funding rate for ASES programs is \$10.18 per day. A 30 percent local funding match is required to supplement the state rate, and the program is also authorized to collect family fees for students with a family income above 185 percent of federal poverty.

21st Century Community Learning Centers. The 21st Century program was established by the federal Elementary and Secondary Education Act in 1994, and reauthorized in the federal Every Student Succeeds Act in 2015. The 21st Century Community Learning Centers (CCLC) Program, as described in federal statute, provides opportunities for communities to establish or expand activities that focus on improved academic achievement, enrichment services that reinforce and complement the academic program, and family literacy and related educational development services. Entities eligible to apply for funding include: local educational agencies (LEAs), cities, counties, community-based agencies, other public or private entities (which may include faith-based organizations), or a consortium of two or more such agencies, organizations, or entities. Applicants are required to plan their programs through a collaborative process that includes parents, youth, and representatives of participating schools or local educational agencies, governmental agencies (e.g., cities, counties, parks and recreation departments), community organizations, and the private sector.

California uses 21st CCLC funds to support TK-12 afterschool programs through state statute. TK-8 programs are aligned to ASES standards and high school programs are guided by After School Safety and Enrichment for Teens (ASSETS) statutory standards.

The CDE conducts a competitive grant process for any available 21st CCLC funds. Unlike ASES, 21st CCLC fund cycles are five years in length, and do not necessarily fund the same grantees each cycle.

Currently 21st CCLC programs are funded at a daily rate of \$10.18 per student. The program is authorized to collect family fees for students with a family income above 185 percent of federal poverty, but does not require a local funding match.

\$146 million in annual 21st CCLC funds currently support 721 school sites, serving students TK-12. 374 school sites are funded with both ASES and 21st CCLC funds.

Expanded Learning Opportunities Grant. The revised 2020-21 Budget included \$4.6 billion one-time funding in Expanded Learning Opportunities Grants that was provided to LEAs proportionate to each agency's share of the Local Control Funding Formula allocation. These funds are for local educational agencies to provide supplemental instruction and support to students in TK through grade 12 to address learning loss due to pandemic school closures. Specified uses included extended instructional learning time, accelerated learning strategies, summer school, tutoring or one-on-one support, professional development, and social-emotional wellbeing supports, among others. LEAs have until September 2024 to use these grant funds, which can include afterschool support for learning recovery. No CDE data is yet available on LEA uses for these funds.

The early action trailer bill also provided \$5 million one-time to the Collaborative for Education Excellence (CCEE) to provide statewide technical assistance on expanded learning and learning recovery. The specific support to LEAs can include guidance on the effective use of diagnostic and formative assessments, curricular resources, best practices for contacting and reengaging disengaged students, models for providing supplemental instruction, and models to address student social-emotional needs. Funding was for May 2021 through June 30, 2023.

System of Support for Expanded Learning. The state uses a portion of ASES (1.5% Prop 49) and 21st Century program (5%) allocations (\$16 million in 2020-21) to fund a regional system of support for expanded learning programs. This system of support includes the California Department of Education, 16 county offices of education across 11 regions, and contracted technical assistance providers. The technical assistance provides schools with ongoing support to help them create effective programs. The specific technical assistance activities can include coaching, training, resource brokering, and mentoring. The 2021-22 Budget Act increased the CDE staff capacity for the new universal Expanded Learning system, but did not increase funding for the regional systems of support.

Expanded Learning Opportunities Program

The 2021-22 Budget Act authorized the on-going Expanded Learning Opportunities Program (ELO-P) and provided \$1.8 billion for school districts and charter schools to provide in-person expanded learning time opportunities to students in TK through grade 6. Per statute, "expanded learning" means before school, after school, summer, or intersession learning programs that focus on developing the academic, social, emotional, and physical needs and interests of pupils through hands-on, engaging learning experiences, and complements, but does not replicate, learning activities in the regular school day and school year. The Legislature and Governor have agreed that, subject to future appropriations, the program is intended to grow to provide funding of \$2,500 per unduplicated pupil, and reach a total scale of \$5 billion in annual funding. At full implementation, the program is intended to provide all students with no- or low-cost access to nine hours of developmentally appropriate academics and enrichment activities

per instructional day and for 30 non-school days of summer/intersession days. All local educational agencies, regardless of community demographics, are encouraged to offer free or subsidized services to all students, using a fee schedule that considers family income and ability to pay.

In 2021-22, districts and charter schools with a student body that is equal to or more than 80 percent unduplicated pupils receive \$1,170 per unduplicated student enrolled in TK through grade 6 for ELO-P allowable services. LEAs with concentrations of unduplicated pupils less than 80 percent receive \$672 per unduplicated student enrolled in TK through grade 6, with a minimum apportionment of \$50,000.

In 2021-22, all districts and charter schools must offer expanded learning opportunity programs to all TK through grade 6 students attending classroom-based programs who are unduplicated students (English learners, eligible for free and reduced priced meals and/or foster youth) and must provide access to at least 50 percent of these students. Statute requires that programs provide at least nine hours of combined in-person instructional time and expanded learning opportunities during the school year and for a minimum of 30 non-school days during the summer and/or school intersessions. LEAs are allowed to carry ELO-P funding from the 2021-22 budget year for ELO-P services in the 2022-23 budget year.

Beginning in 2022-23, districts and charter schools with a student body that is equal to or more than 80 percent unduplicated pupils must offer the program to all TK through grade 6 students in classroom-based settings and provide access to any students whose parent or guardian requests their placement in a program. LEAs with less than 80 percent concentrations of unduplicated pupils maintain the same program requirements as 2021-22.

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

ELO-P quality standards and the program plan guide are aligned to ASES statute, however, ELO-P does not require a local funding match or competitive application process. The most significant programmatic difference is that the ELO-P teacher to child ratio for TK and kindergarten is 1:10, while ASES and 21stCCLC allows 1:20.

According to CDE, 539 school districts that received ELO-P funding in 2021-22 did not have a history of receiving ASES or 21stCCLC funding.

Governor's 2022-23 Budget

The January Budget increases the Expanded Learning Opportunity Program funding from \$1 billion on-going and \$800 million one-time Proposition 98 to \$4.4 billion in on-going Proposition 98 funding for after school and summer options for all students.

According to the DOF, the \$3.4 billion increase in funding will allow the ELO Program to reach the \$2,500 per student funding statutory goal for LEAs with 75 percent concentrations of poverty or greater. The proposal would also lower the universal offering requirement threshold from 80 percent poverty LEAs to 75 percent poverty LEAs, impacting a total of 1 million students who are living in poverty or dual-language learners.

All other LEAs would receive an increase in their per-unduplicated pupil funding to \$2,027 each year. These LEAs, below 75 percent concentrations of poverty, would maintain the existing requirement to offer the ELO-P program to all unduplicated students and provide access to at least 50 percent of their unduplicated population.

In addition to the \$3.4 billion in on-going increases proposed for the ELO-P, the January Budget proposes \$937 million in one-time Proposition 98 funding for LEAs to supplement funding for arts and music education in ELO-P programs.

According to DOF, the arts education funds could support instruction and training, supplies, materials, and art educational partnership programs, for instruction in: dance, media arts, music, theatre, and visual arts, including folk art, painting, sculpture, photograph, and craft arts, creative expression including graphic arts and design, computer coding, animation, music composition and ensembles, and script writing, costume design, film and video.

The January Budget also extends the grace period for the ELO-P access requirements, so that local educational agencies would not be required to offer the programs at scale until 2023-24. The proposal defines prorated penalties for local educational agencies that fail to offer or provide access to Expanded Learning Opportunities Programs based on the number of students not offered or provided access, or failure to provide access for the required number of days or hours.

Finally, the Budget maintains the 2021-22 Budget Act reimbursement rate increases for ASES and 21stCCLC, with \$148.7 million ongoing Proposition 98 funding.

LAO Comments

Expanded Learning Programs Can Have Several Benefits for Students and Families. Increasing access to expanded learning programs can be beneficial to students and communities for a variety of reasons. Research suggests that expanded learning programs with academic enrichment opportunities can increase student engagement and attendance. These programs also provide opportunities for students to receive additional academic support and engage in other enriching activities outside of the traditional

classroom setting. Expanded learning programs also can make it easier for schools to provide non-academic supports and other wraparound services, such as health services and behavioral health counseling, as is common with the community schools model. Expanded learning programs can also offer a safe and enriching place for students while parents or guardians are at work or otherwise unable to provide care.

Additional comments:

- Staffing Shortages Could Make Scaling Up Programs Difficult.
- Long-Term Expectations of Program Are Unclear.
- Long-Term ELOP Rate Likely Sufficient to Run Program.
- Funding Per Participating Student Would Be More Generous for Lower-Poverty Districts.
- \$50,000 Minimum May Not Be Sufficient for a Baseline Program.
- No Clear Rationale for Such a Large Amount of One-Time Funding
- At Full Implementation, ELOP Funding Could Be Duplicative of ASES and 21st Century Program Funding.

Enact Uniform Rate Structure Focused on Providing Access to EL/LI Students. We recommend the Legislature provide a uniform rate per EL/LI student and require districts to provide access to all EL/LI students interested in the program. This approach would allow districts to better plan and build out their programs. By focusing the requirements and funding around EL/LI students, we think our recommendations will ensure the students with the greatest need for expanded learning opportunities have guaranteed access to these programs, regardless of which district they attend. In the long run, we recommend the state shift to a funding model based on student participation in the program. This will ensure state funding is targeted to districts whose students have the greatest need for the program. We also recommend increasing minimum grant amounts from \$50,000 to \$75,000 to reflect the higher number of hours ELOP is required to operate compared with ASES.

Reject One-Time Arts and Music Funding. As mentioned previously, districts are likely to have substantial unspent funds from 2021-22 and 2022-23 that could be used for one-time expenses. If the Legislature were to adopt the proposal, we would recommend removing the restrictions that 75 percent of funds be specifically used for arts and music.

Consider Providing Funding for Technical Assistance. Given the number of schools that will be creating or expanding programs over the next few years, increasing access to technical assistance could help districts implement quality expanded learning programs and meet program requirements by 2023-24. We recommend setting aside a portion of ELOP funding to expand the Statewide System of Support for Expanded Learning. One option would be to set aside \$15 million—effectively doubling the existing system of support. Scaling up the level of technical assistance may be difficult to do in a short

amount of time. The Legislature could provide funding initially and revisit the amount next year depending on the level of demand for assistance.

Consider Ways to Align Other Expanded Learning Programs With ELOP. Given ELOP may, in some cases, be duplicative of ASES and the 21st Century program, the Legislature may want to consider modifying these programs in light of ELOP expansion. The Legislature would need to carefully craft these changes given its limited control of these programs. (The Legislature could modify programmatic aspects of ASES with a two-thirds vote, but could not shift funding into ELOP without approval of the voters. The 21st Century program is governed by federal rules.) Even with these restrictions, the Legislature has several options for improving alignment of its programs. Given that ELOP is primarily intended to serve elementary schools, one option would be to shift ASES and 21st Century program funding to be used exclusively for middle and high schools. Another option would be to direct ASES and 21st Century program funding to provide a higher level of funding per student in schools with the highest need. This approach could be used to provide higher levels of service or other wraparound supports for students in higher-poverty schools.

STAFF COMMENTS & QUESTIONS

In response to the pandemic, and its clear impacts on student wellbeing and learning, the state and federal government have provided local education agencies with billions in one-time and now ongoing funding, intended to serve student needs beyond the school day and facilitate learning recovery and social connectivity.

Local education leaders are struggling with the enormity of pandemic response. The Expanded Learning Opportunities Program is intended to be one transformation investment in student engagement and learning recovery—germane to pandemic response as well as long-term policy goals for student outcomes—but in the midst of nationwide staffing shortages, health-task burnout, and general exhaustion, many LEAs are struggling to see how to leverage ELO-P funding as an asset.

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

Questions

Is the Administration's final funding goal for the ELO-P initiative still \$5 billion? What will that final goal look like, programmatically and for the program funding rates?

Is \$2,500 an adequate state investment rate, per student, for the program? Is it financially viable for a 75% poverty LEA to meet ELO-P service targets and quality standards with this funding level? For LEAs at 90% poverty?

Is \$2,000 an adequate state investment rate for an LEA at 74% poverty to meet ELO-P service targets and quality standards? For LEAs at 50% poverty?

The \$2,500 rate equates to roughly an \$11.90 daily rate, compared to the ASES rate of \$10.18. Should ASES and 21stCCLC program rates be updated for parity? Should all the programs receive a statutory COLA to support stability and integration over time?

What does DOF expect to be the local funding share for LEAs receiving the ELO-P concentration grant allocation? For LEAs receiving the ELO-P supplemental grant allocation?

Should all LEAs be expected to "offer" a program to all students, regardless of income? Does statute support inclusion?

What is being done to further integrate/align and/or complement this program with existing ASES & 21st Century programs beyond 2021-22 Budget Act?

What LEAs have begun implementation? What non-pandemic barriers to expansion have emerged?

Is state and regional support capacity sufficient in the short-term to sunrise a universal program in all LEAs? Would doubling the ASES system of support be sufficient?

Why is the one-time arts funding limited to ELO-P programs, and are they a necessary set-aside?

Staff Recommendation: Hold Open.
