

Senate Budget and Fiscal Review—John Laird, Chair

SUBCOMMITTEE NO. 1

Agenda

Senator Sasha Renée Pérez, Chair

Senator Bob Archuleta

Senator Rosilicie Ochoa Bogh



Thursday, April 30, 2026
9:30 a.m. or Upon Adjournment of Session
1021 O Street, Room 2100

Consultant: Yong Salas

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Public Comment

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6100 DEPARTMENT OF EDUCATION**Issue 1: Universal School Meals Update + Kitchen Infrastructure and Training Grants****Panel.**

- Sade Neri, Department of Finance
- Sara Cortez, Legislative Analyst’s Office
- Kimberly Rosenberger, Department of Education

Background.**School Nutrition Programs (SNP)**

Since 2022-23, Local Educational Agencies, including charter schools, have been required to provide two school meals to students free of charge for grades Transitional Kindergarten to grades twelve during each school day, regardless of a student’s eligibility for federally funded free and reduced price meals as part of California’s Universal School Meals program. The budget provides for the state reimbursement of school meals up to the combined free breakfast and lunch reimbursement rate amounts not covered by the federal meal reimbursements for schools participating in the federally funded school meals program.

Education Code Section 49550(c) defines “school day” as any day that pupils in kindergarten or grades 1 to 12, inclusive, are attending school for purposes of classroom instruction, including, but not limited to, pupil attendance at minimum days, state-funded preschool, transitional kindergarten, summer school including incoming kindergarten pupils, extended school year days, and Saturday school sessions.

A nutritionally adequate meal (breakfast and lunch) must meet the federal meal pattern requirements and qualify for federal reimbursements.

The 2024 budget directed the Department of Education to develop a universal benefit form that would be able to collect information that determines eligibility for Local Control Funding Formula purposes, school meal eligibility purposes, and eligibility for the SUN Bucks program.

Types of Meal Programs

The California Department of Education (CDE) administers school meal programs overseen by the United States Department of Agriculture (USDA). The main programs are as follows:

National School Lunch Program (NSLP) – The National School Lunch Program is a federally funded program that assists schools and other agencies in providing nutritious lunches to children at reasonable prices. In addition to financial assistance, the program provides donated commodity

foods to help reduce lunch program costs. The National School Lunch Program is operated on a reimbursement basis, with agencies paid on the number of meals served. Agencies that participate in the program are reimbursed from two sources: the USDA and the State of California. State reimbursement is paid for all free and reduced price as well as paid meals. Federal reimbursement is paid for all free, reduced price, and paid meals. The National School Lunch Program (NSLP) also offers reimbursement to schools serving nutritious snacks to children participating in after-school care programs.

School Breakfast Program – Local Educational Agencies may also choose to participate in the School Breakfast Program. The School Breakfast Program is a federally funded USDA program which assists schools and other agencies in providing nutritious breakfasts to children at reasonable prices. Similar to the National School Lunch program, the School Breakfast Program must be open to all enrolled children. If a child already qualifies for free or reduced-price lunches, then the child would also qualify for free or reduced-price breakfasts. The School Breakfast Program is operated on a reimbursement basis, with agencies paid on the number of meals served multiplied by the appropriate reimbursement rate. State reimbursement is paid for all free and reduced price and paid meals. School sites may qualify for higher reimbursement rates if they are designated to be in severe need (if, two years prior, 40 percent or more of the lunches served at the site were free or reduced-price). Sites must annually re-establish their eligibility for the Severe Need Breakfast Reimbursement.

Summer Food Service Program - The Summer Food Service Program (SFSP) is a U.S. Department of Agriculture (USDA) federally funded program that reimburses sponsors for administrative and operational costs to provide meals for children 18 years of age and younger during periods when they are out of school for fifteen (15) or more consecutive school days. Sponsors may operate the SFSP at one or more sites, which are the actual locations where meals are served and children eat in a supervised setting. Eligible sites are those that serve children in low-income areas or those that serve specific groups of low-income children. Sponsors must provide documentation that proposed sites meet the income eligibility criteria required by law. There are three common types of sites: open sites, camps (residential and nonresidential), and closed enrolled sites.

Open sites are meal sites where meals are available to any child from the community. Open sites are located in needy areas where 50 percent or more of the children residing in the area are eligible for free or reduced-price (F/RP) school meals, enrollment in a program is not required. Meals are made available to all children in the area on a first-come, first-serve basis. Camp sites are those that offer regularly scheduled food service along with organized activities for enrolled residential or day campers. The camp receives reimbursement only for meals served to enrolled children who qualify for F/RP meals. Closed sited are open only to enrolled children or to an identified group of children, as opposed to the community at large. Closed enrolled sites must also establish their eligibility through the individual income eligibility of the children attending the site.

LEAs may also choose to operate a Seamless Summer Option through the National School Lunch (NSLP) or School Breakfast Programs (SBP). School Food Authorities (SFA) follow the same

meal service rules and claiming procedures used during the regular school year. Meals served are reimbursed at the NSLP and/or SBP “free” rates.

Eligibility

Under the California Universal School Meals program, all students attending public school districts, county offices of education, and charter schools are eligible. The family-size income levels are prescribed annually by the Secretary of Agriculture for determining eligibility for free and reduced price meals and free milk. The free guidelines are 130 percent of the Federal poverty guidelines. The reduced price guidelines are 185 percent of the Federal poverty guidelines.

LEAs may identify eligible children in a few different ways. They must notify all families of free and reduced price meals and provide applications for families to complete. In addition, LEAs may directly certify student eligibility by using information from other means-tested programs, including Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF) or by determining that a child is eligible due to identification as homeless, runaway, migrant, or foster child, or enrollment in federal Head Start or comparable state program. LEAs must provide households with notification of direct certification or provide an application.

Alternative Ways to Claim Student Meals

Community Eligibility Provision (CEP) - The CEP was implemented by the federal Healthy, Hunger-Free Kids Act of 2010. The CEP allows high-poverty schools to eliminate the administrative burden of school meal applications and still serve breakfast and lunch at no charge to all students. In October 2023, the USDA expanded access to the Community Eligibility Provision by lowering the minimum identified student percentage participation threshold from 40 percent to 25 percent; however, the 2024 Budget Act enacted changes to state law to preserve the threshold to 40 percent. The identified student percentage is determined by how many students are eligible under direct certification. The deadline for local educational agencies to submit applications for participation to the California Department of Education is June 30 of every year, and is a four-year reimbursement option. Reimbursement under CEP is determined by multiplying the identified student percentage by the multiplier, which is 1.6 (a number set by the U.S. Department of Agriculture). Local educational agencies may group schools and average their identified student percentage to meet the 40 percent threshold. This is the percentage of meals that can be claimed at the free rate. The meals reimbursed at the free rate will be reimbursed with federal reimbursement, while additional state reimbursement will cover the cost of any meals claimed at the paid rate.

“Provision 2.” Provision 2 requires that the school serve meals to participating children at no charge but reduces application burdens to once every four years. It also simplifies meal counting and claiming procedures by allowing a school to receive meal reimbursement based on claiming percentages. Additional four-year extensions of Provision 2 are possible when certain conditions are met. Provision 2 is available to high poverty schools.

Recent Budget Actions

Typically, an LEA must operate under specific rules related to the meal programs they are participating in to receive reimbursement. This means that during the school year, LEAs participating in school meals program provide meals at specified times, sites, and settings. During the summer, when school is out of session, LEAs may continue to participate in meal programs that allow for more flexibility in the methods of food distribution as described above.

2022-23 Budget Act. The 2022-23 Budget included \$596 million Proposition 98 General Fund to cover the costs of universal meal requirements that were enacted in the 2021-22 budget, to bring total funding to \$650 million.

Additionally, the budget included \$600 million in one-time Proposition 98 General Fund to upgrade school kitchen infrastructure and equipment, and \$100 million one-time Proposition 98 General Fund for School Food Best Practices Grant for local educational agencies. The School Food Best Practices Grant funding is intended to assist local educational agencies to purchase California-grown or produced, sustainably grown, whole or minimally processed foods, and plant-based or restricted diet meals.

The budget also included a new provision that allows the Department of Finance to administratively augment funding for school meals if a shortfall for the current year is projected.

2023-24 Budget Act. The 2023-24 Budget included an augmentation of \$154.1 million for costs related to the universal meal requirements, in addition to a cost-of-living adjustment of \$75.8 million, for total Proposition 98 General Fund allocation of \$1.4 billion.

The 2023 Budget Act also included \$142.6 million in one-time federal funds for the purchase of domestic food products by school nutrition programs as part of the federal Supply Chain Assistance Program.

The budget included \$15 million Proposition 98 General Fund for grants for dishwashers.

2024-25 Budget Act. The budget appropriated \$179.4 million ongoing Proposition 98 General Fund and an additional \$120.8 million one-time Proposition 98 General Fund to support universal school meals in 2023 and 2024. The budget includes a total of \$1.85 billion Proposition 98 General Fund to support universal school meals in 2024. The budget also supports the drawdown of federal funds to continue to implement the Universal Meals program by:

- Requiring monthly direct certification matching through CALPADS.
- Requiring the Department of Education to develop an electronic Student Benefit Form that can be used for both Local Control Funding Formula and federal meal eligibility purposes.

- Providing flexibility for local educational agencies to operate their meal programs under specified federal meal service provisions.

2025-26 Budget Act. The budget appropriated \$90.7 million ongoing Proposition 98 General Fund to support universal school meals in 2025-26, for a total of \$1.9 billion Proposition 98 General Fund to support universal school meals in 2025-26.

In a letter dated January 16, 2026, the Department of Education projects a budget surplus of approximately \$117.9 million, which is based on the July through October 2025 meal claims submitted as of January 6, 2026. This may be due to declining enrollment in TK-12 students and continued growth in the federal school meal provisions such as the Community Eligibility Provision (CEP) that maximize federal meal reimbursement. This estimate is provided with the caveat that federal policy changes and immigration concerns may impact the number of children who will be directly certified for free school meals, as well as wildfires and disaster claims.

Recent Updates to Nutritional Standards. The federal US Department of Agriculture (USDA) released updates to the nutritional standards for school meals, which went into effect starting in the 2025-26 school year. These include reductions to sugars limits, sodium intake, and consumption of whole grains. The USDA began updating its rules in February 2022, and is currently implementing the final adopted rules this school year.

Most recently, in January 2026, federal legislation was passed that allows schools to serve whole milk and reduced fat milk, in addition to low fat and fat free milk. The bill also allows parents to request milk alternatives, instead of it being a medical accommodation from a physician.

In January 2026, the USDA and the US Department of Health and Human Services released the Dietary Guidelines for Americans, 2025-2030. This release will not immediately impact program requirements¹, but program requirements will be updated through a multi-year process that includes rulemaking and education.

On the state level, legislation was enacted in 2025 to ban ultra-processed foods in school lunches by 2035.

Legislative Analyst's Office (LAO).

Recommend Rejecting Fourth Round of KIT Funds. Given that the second round of funds are still being spent and the third round of funds are still being awarded, the LAO recommends the Legislature reject the fourth round of KIT funds. The Legislature could consider providing

¹ United States Department of Agriculture (2026, February 11). Dietary Guidelines for Americans, 2025-2030 – Eat Real Food. (SP 02-2026, CACFP 01-2026, SFSP 01-2026.)

additional funding in the future, when it has additional information on how the second and third round of funds were spent. If the Legislature provides funding in the future, the LAO recommends funds be restricted for specific goals set by the Legislature, and that data is collected to measure progress toward achieving these goals.

Governor’s Budget.

School Meal Reimbursement Adjustments. The Governor’s budget includes a decrease of \$67.9 million for costs reflecting a reduction in 2025-26 estimates compared to the 2025 Budget Act, in addition to a cost-of-living adjustment of \$22 million, for total Proposition 98 General Fund allocation of nearly \$1.9 billion. The budget also proposes approximately \$3 billion in federal reimbursements for school meals.

Kitchen Infrastructure and Training Grants. The budget proposes \$100 million one-time Proposition 98 General Fund for specialized kitchen equipment, infrastructure, training, additional compensation, and procurement of California-grown, whole or minimally processed, sustainably grown food from California producers to support schools in providing more freshly prepared meals made with locally grown ingredients.

Farm to School Grant Program. The budget also proposes \$25 million ongoing General Fund for the Farm to School Grant Program, administered by the Department of Food and Agriculture. This issue will be considered in Senate Subcommittee #4.

Staff Recommendation. Hold open.

Issue 2: Expanded Learning Opportunities Program

Panel.

- Idalys Perez, Department of Finance
- Dylan Hawksworth-Lutzow, Legislative Analyst’s Office
- Kimberly Rosenberger, Department of Education

Background.

Expanded Learning Opportunities Program. The 2021 Budget Act established the Expanded Learning Opportunities Program to provide students access to after school and intersessional expanded learning opportunities for nine hours of developmentally appropriate academics and enrichment activities per instructional day and for at least 30 non-school days. Classroom-based local educational agencies are allocated funds based on their prior year enrollment of unduplicated pupils (low-income, foster youth, and English learners) in grades TK through sixth grade.

Local educational agencies are allowed to incorporate all three after school programs and funding streams – After School Education and Safety (ASES), 21st Century Community Learning Centers, and the Expanded Learning Opportunities Program – into one comprehensive program for its communities. For example, unduplicated students who are counted towards ASES program funding are allowed to be counted towards the expanded learning program requirements, and funds provided through the expanded learning opportunities program are allowed to be used for the local match in ASES.

Funding for the Expanded Learning Opportunities Program is currently \$4 billion annually, with a guaranteed rate of \$2,750 per pupil multiplied by the unduplicated pupil percentage for local educational agencies with unduplicated pupil percentages of 55 percent and above (known as Rate 1). The remaining funds are divided by the local educational agencies with unduplicated pupil percentages below 55 percent (also known as Rate 2). In 2023-24, the Rate 2 rate per pupil was \$1,803, and in 2024-25, the Rate 2 rate per pupil was \$1,580. In 2025-26, funding for the program was appropriated to maintain a Rate 2 rate of at least \$1,575. Local educational agencies may charge a fee for after school programs to students that are not eligible for free or reduced priced meals or are homeless.

Beginning with the 2023-24 fiscal year, the Rate 1 local educational agencies must offer expanded learning opportunity program services to all of its students and provide access to services to any student in kindergarten through sixth grade whose parent or guardian requests it. The Rate 2 local educational agencies are required to offer it to all of its K-6 unduplicated students and provide program access to any unduplicated student who requests it.

The 2024-25 budget allowed local educational agencies to opt-out of providing expanded learning programs beginning in 2025-26, and in turn surrender associated funds, which can then be used to supplement Rate 2 rates. The 2024-25 budget also allowed local educational agencies up to two years to expend the funds. The 2025-26 budget increased the base grant amount from \$50,000 to \$100,000.

Since local educational agencies have two years to spend these funds, funds provided in the 2023-24 fiscal year have an expenditure deadline of June 30, 2025, and is the most recent fiscal year for which complete program data is available. The Department of Education reports that 232 local educational agencies (149 school districts and 83 charter schools) returned \$178 million from this allocation. In comparison, local educational agencies returned \$443.6 million from the 2021-22 and 2022-23 fiscal years, which allowed the Rate 2 rate to be increased to the maximum \$2,000 per pupil. Without the supplemental funding that was recouped from 2021-22 and 2022-23, the Rate 2 rate would have been \$1,579.91. According to the Department of Education, 56 local educational agencies opted-out of the expanded learning program, of which 24 were charter schools.

Governor’s Budget. The budget proposes an ongoing augmentation of \$62.4 million Proposition 98 General Fund and proposes statutory changes to provide a baseline of \$1,800 rate, for a total appropriation of \$4.7 billion annually.

According to the Department of Finance, 475 local educational agencies will move to have Rate 1 rates, which represents an average daily attendance of 708,759. 862 local educational agencies will remain at Rate 2.

Legislative Analyst’s Office (LAO)

Establish Fixed Tier 2 Rate. To provide greater predictability for districts, the LAO recommends setting a specific rate for Tier 2 districts in statute. This certainty would help districts make longer term program decisions. The LAO thinks the current Tier 2 rate of \$1,579 is likely sufficient to meet current ELOP program requirements, but the Legislature could provide a higher rate if it would like to fund additional programs and services. Rather than automatically allocating excess funding within ELOP to Tier 2 districts, the LAO recommends the excess funds revert back to the state. If the Legislature is interested in increasing Tier 1 or Tier 2 rates in the future, the LAO recommends those increases be based on an analysis of program costs that take into consideration the number of students participating in expanded learning programs and the programmatic requirements set in statute.

Staff Recommendation. Hold open.

Issue 3: Learning Recovery Emergency Block Grant + Student Support and Discretionary Block Grant

Panel.

- George Harris, Department of Finance
- Alex Shoap, Department of Finance
- Ken Kapphahn, Legislative Analyst’s Office
- Kimberly Rosenberger, Department of Education

Background.

Learning Recovery Emergency Block Grant. The 2022 Budget Act included a \$7.9 billion one-time Proposition 98 General Fund for the Learning Recovery Emergency Block Grant, to be allocated based on a local educational agency’s unduplicated pupil percentage and available for use for up to five years to establish learning recovery initiatives. Specifically, these funds were intended to be used to:

- Increase the number of instructional days or minutes, providing summer school or intersessional instructional programs, or other programs that increases or stabilizes the amount of instructional time or services, or decreases or stabilizes staffing ratios, provided to students.
- Implement, expand, or enhance learning supports to close learning gaps. For example, tutoring, early intervention and literacy programs, expanded learning programs, and community schools.
- Address other barriers to learning – for example, mental health and counseling services, access to school meals, and expanded learning programs.
- Support credit recovery programs for students to complete graduation or grade promotion.

In the 2023 Budget Act, the budget delayed the Learning Recovery Block Grant by \$1.1 billion, for a revised total available appropriation of \$6.8 billion Proposition 98 General Fund.

A lawsuit filed in 2020, Cayla J. v. California, alleged that the state failed to provide the equipment, services, and support needed for low-income students to keep pace with classmates when the COVID-19 pandemic forced schools to shut down in March 2020. The state settled the lawsuit with the plaintiffs in early 2024, which include the following conditions, among others:

- Any unencumbered funds from the Learning Recovery Block Grant as of July 1, 2024 are to be used for purposes of the settlement, and a needs assessment on identified student need related to academic performance on English Language Arts and Mathematics, as well as chronic absenteeism, must be done before further spending can occur. Assessments done during the differentiated assistance process for identified local educational agencies can be leveraged for this provision.
- Require the Local Control and Accountability Plan (LCAP) to include actions supported by the Learning Recovery Block Grant funds address student needs as identified by the needs assessment, and the rationale for selecting these actions.
- Add a provision to the Learning Recovery Block Grant statute to encourage local educational agencies to contract or partner with community-based organizations with “a track record of success” serving high-need students to deliver services or programs funded by the block grant.
- Clarify the Uniform Complaint Procedure complaints around LCAP adoption/approval include any member of the public.

The terms of the settlement were codified in trailer bill legislation enacted as part of the 2024-25 Budget Act. These changes were incorporated into the LCAP template for 2025-26, 2026-27, and 2027-28 school years.

Student Support and Professional Development Discretionary Block Grant

The 2025 Budget Act appropriated \$1.7 billion one-time Proposition 98 General Fund for the Student Support and Professional Development Discretionary Block Grant, to provide LEAs with additional discretionary fiscal support in recognition of rising costs, as well as fund statewide priorities including: (1) professional development for teachers on the ELA/ELD Framework and the Literacy Roadmap, with a focus on strategies to support literacy for English learners; (2) professional development for teachers on the Mathematics Framework; (3) teacher recruitment and retention strategies; and (4) career pathways and dual enrollment expansion efforts consistent with the Master Plan for Career Education.

Legislative Analyst's Office (LAO).

The LAO recommends adopting the discretionary block proposal but modify the list of priorities to include fiscal liabilities, infrastructure, and temporary costs. Consider increasing or decreasing the amount in response to changes in the guarantee.

The LAO also recommends adopting the proposal to restore the Learning Recovery Emergency Block Grant.

Governor's Budget.

The Governor's budget proposes \$757.3 million one-time Proposition 98 General Fund, which would be available through the 2027-28 school year. These funds would be subject to the settlement requirements under the Cayla J Settlement.

The Governor's Budget also proposes \$2.8 billion in one-time Proposition 98 General Fund for a discretionary block grant, with stated priorities including: (1) professional development for teachers on the English Language Arts/English Language Development (ELA/ELD) Framework and the Literacy Roadmap, with a focus on strategies to support literacy for English learners; (2) professional development for teachers on the Mathematics Framework; (3) teacher recruitment and retention strategies; (4) professional development for TK teachers and site administrators on the principles and guidelines of developmentally appropriate TK instruction; and (5) career pathways and dual enrollment expansion efforts consistent with the Master Plan for Career Education.

Staff Recommendation. Hold open.

Issue 4: Community Schools

Panel.

- Sade Neri, Department of Finance
- Sara Cortez, Legislative Analyst's Office
- Kimberly Rosenberger, Department of Education

Background.

The California Community Schools Partnership grant program serves public preschools and students in transitional kindergarten through grade 12. The State Board of Education adopted the Community Schools Framework in February 2022, which states that community schools must include the following:

- Integrated support services, including the coordination of trauma-informed health, mental health, and social services that ensure coordination and support with county and local educational agency resources and nongovernmental organizations, and early screening and intervention for learning and other needs.
- Family, pupil, school site staff, and community engagement, which may include home visits, home-school collaboration, community partnerships to strengthen family well-being and stability, and school climate surveys.
- Collaborative leadership and practices for educators and administrators, including professional development to transform school culture and climate, that centers on pupil learning and supports mental and behavioral health, trauma-informed care, social-emotional learning, restorative justice, and other key areas relating to pupil learning and whole child and family development.
- Extended learning time and opportunities, including before and after school care and summer programs.

The 2020 Budget Act first appropriated \$45 million in one-time Federal Elementary and Secondary Schools Emergency Relief Funds for the California Community Schools Partnership Program to support existing community schools in the state. This funding was competitively awarded to 20 local educational agencies, including seven county offices of education.

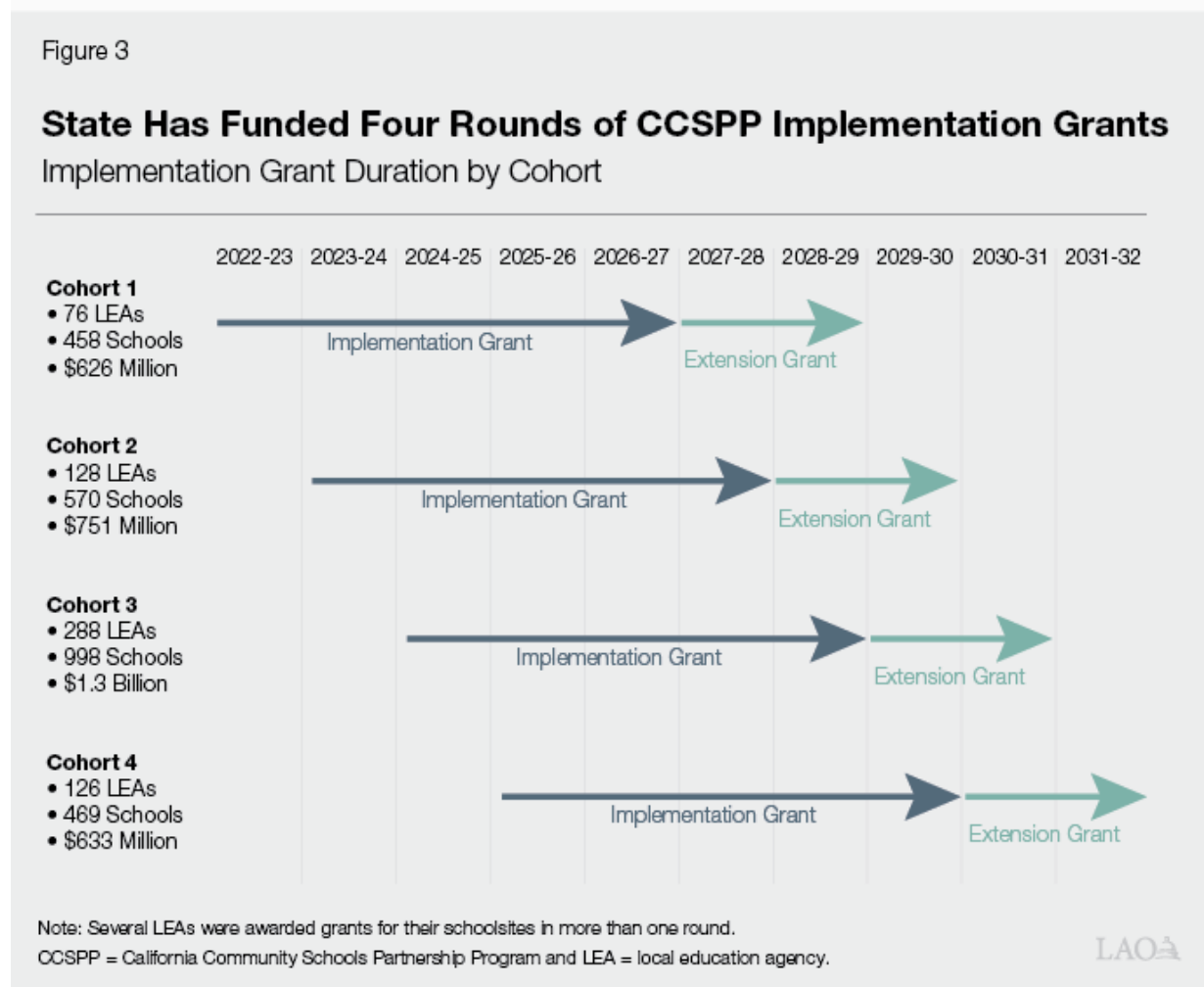
Subsequently, the 2021 and 2022 budgets provided a total of \$4.1 billion Proposition 98 General Fund to support the California Community Schools Partnership Program. With these funds, a network of county offices of education were funded to serve as the system of support for community schools. Alameda County Office of Education was first selected as the Lead Technical Assistance Center, and in May 2025, Sacramento County Office of Education was selected as the

new State Technical Assistance Center. Eight county offices were selected as Regional Technical Assistance Centers, with \$140 million provided for coordination grants to county offices of education coordinating county-level government agencies, nonprofit community-based organizations, and other external partners, for awards between \$200,000 and \$500,000. Of the \$140 million, county offices of education have so far received \$67.5 million in four rounds of coordination funding to date. There will be up to seven rounds of funding, which will conclude in June 2029.

There are also three separate funding opportunities for local educational agencies:

- *Planning grants.* Up to \$200,000 for up to two years to support local educational agencies with no existing community schools. Ten percent of approximately \$3 billion is available for planning grantees, and of this amount, \$82.7 million was awarded.
- *Implementation grants.* Up to \$500,000 to support local educational agencies with new or expanded community schools. Four cohorts have been funded to date, at a cost of approximately \$3.3 billion, which supported 2,495 school sites.
- *Extension grants.* Up to \$100,000 for implementation grants to extend funding for an additional two years, and are between 2027-28 and the 2030-32 program years. The Request for Applications will go out in the 2026-27 fiscal year. \$485 million has been set-aside to fund these grants.

According to the Legislative Analyst's Office, roughly 2,500 schools have received funding to implement community schools across four cohorts:



Source: Legislative Analyst’s Office

Legislative Analyst’s Office (LAO).

Recommend Continuing With One-Time Funding Approach. Although the community schools model has been shown to have a variety of benefits for students, the LAO has concerns about funding the model at such a large scale. The model can be challenging to implement and requires strong local support to be successful. In addition, the LAO has broader concerns about establishing a new ongoing categorical program restricted for specific purposes. For these reasons, the LAO recommends the Legislature continue funding community schools implementation with one-time grants. This would allow additional schools to receive start-up funding from the state to implement the community schools model, while leaving the decisions about whether to provide ongoing financial support for sustaining the model to LEAs if they find there are adequate benefits for their students. The Legislature could provide the \$1 billion in 2026-27 as one-time funding for additional rounds of community schools implementation grants under the current California

Community Schools Partnership Program (CCSPP) application and reporting requirements. Based on the awards granted to date through CCSPP, we estimate the state could support roughly 700 additional schools with this amount. The state likely would see demand from schools for additional one-time funding. According to CDE, 238 LEAs applied for funding from Cohort 4 and passed the initial application screening, but were not awarded grants due to limited funds. Continuing with the state's one-time funding approach would give the state more control over the number of new grantees, which would help ensure sufficient capacity exists to support schools implementing the model. This approach would also avoid some of the pitfalls of creating a new ongoing program.

Consider Funding Technical Assistance Over Longer Period. Under the state's one-time funding approach, technical assistance funding is available over the same period that schools receive grants for implementation. Given the importance of technical assistance in implementing the community schools model, the Legislature may want to consider funding technical assistance over a longer period of time, so that LEAs have access to support in future years. For example, the state could set aside additional funding to support schools beyond the initial implementation period. Moving forward, the state could consider whether it may be reasonable to provide ongoing funding for this purpose and integrate these activities into the broader state system of support that funds regional support through COEs and establishes leads for certain issues, such as addressing achievement gaps and improving literacy instruction. This would provide a baseline level of support for community schools implementation in the longer term, even if the state does not provide funding for community schools annually.

If Providing Ongoing Funding, Recommend Several Modifications to Proposal. If the Legislature is interested in providing ongoing funding for community schools, the LAO recommends the Legislature make several modifications to the Governor's proposal.

- ***Prior to Accreditation Process, Align Requirements for New Grantees With Current CCSPP Guidelines.*** While the state is developing the accreditation process for community schools, the LAO recommends setting annual planning and reporting requirements for LEAs, consistent with the current requirements for CCSPP Cohort 4. This would encourage schools receiving funding to begin planning and accessing technical support earlier in the process. After implementation of the accreditation process, some CCSPP requirements—such as expenditure reports and sustainability plans—may become duplicative or unnecessary.
- ***Phase in Eligibility Over Time.*** To ensure the state has capacity to support new community schools, the LAO recommends initially targeting a narrower scope of schools and then expanding eligibility over multiple years. For example, the state could begin by only allowing schools with an EL/LI percentage that is 85 percent or greater to be eligible in 2026-27, then expand to all schools with 65 percent EL/LI or higher over multiple years. This would allow for smaller cohorts and more time for the state to absorb the influx of new grantees.

- ***Set Clear Guidelines for When Eligible Schools Can Opt in Moving Forward.*** For schools that choose not to initially opt into the program, the LAO recommends specifying the interval in which they could begin participating in the program (currently not defined in the Governor’s proposal). The LAO thinks allowing schools to opt in on an annual basis is reasonable, as it would ensure that schools do not opt in just to avoid potentially being locked out of the program for a long period of time. In addition, clear expectations would help LEAs develop multiyear plans to expand the community schools model in their eligible schools.
- ***Begin Accreditation Process Earlier for Current Grantees.*** To make implementation of accreditation more manageable for the state, the LAO recommends staggering the accreditation process based on when schools initially received community schools funding. For example, the Legislature could begin the accreditation process for the first cohort of grantees in 2029-30—seven years after receiving their initial CCSPP grants. This would provide all schools with the same amount of time to establish their programs before having to meet accreditation requirements. Starting the process earlier with more experienced schools also would give the state time to apply the accreditation standards to a smaller cohort of schools and determine if changes are needed.
- ***Set More Specific Time Lines Around Accreditation Process.*** In addition to setting an earlier date for when accreditation would begin, the LAO recommends establishing time lines for key milestones associated with the development of the accreditation process. The LAO recommends the Legislature require CDE and the S-TAC to submit a status update on the accreditation process that includes draft guidelines and estimated costs. The LAO also recommends the Legislature require adoption of the accreditation process several months before schools begin going through accreditation. For example, the Legislature could require a status update by January 2028 and adoption of the process by January 2029, with the goal of beginning accreditation activities in 2029-30. Receiving a status update would give the Legislature an opportunity to determine whether the proposed guidelines provide sufficient accountability for schools and whether existing funding is sufficient to support accreditation costs. This also would allow schools to develop a better understanding of what they must do to meet accreditation standards.
- ***Assess Funding Level for Technical Assistance Centers.*** The Legislature may want to assess whether the proposed funding level for technical assistance is sufficient given the increased number of schools that will be supported on an ongoing basis. The specific level of funding would depend on several factors, including the number of new schools expected to receive funding annually and the amount of support R-TACs and the S-TAC are expected to provide to new grantees.
- ***Require Unspent Funding to Revert Back to the State.*** The LAO recommends requiring unallocated funding from community schools grants to revert back to the state at the end of each fiscal year. The LAO also recommends reverting the \$485 million currently set aside for extension grants. This would provide the Legislature an opportunity

to determine—through the annual budget process—how these excess funds can be allocated to best achieve the state’s educational goals. If the Legislature finds that additional one-time funding to support community schools is a high priority at that time, it could provide a specific appropriation accordingly.

Governor’s Budget.

The Governor’s budget proposes \$1 billion ongoing Proposition 98 General Fund, which would be annually adjusted by a cost-of-living-adjustment. The budget also proposes to re-appropriate \$485 million that was originally set aside for extension grants for augmentations to implementation grants for new community schools. Of this amount, \$10 million would go to at least five local educational agencies to serve as the state and regional “transformational” assistance centers, where the state “transformational” assistance center would receive \$2 million.

Grants would be allocated on a non-competitive basis to eligible schoolsites, and based on the number of pupils enrolled at the eligible schoolsite. Eligible schoolsites are defined at schools with 65 percent unduplicated pupils and 10 students enrolled or more, or schools that are currently receiving implementation grants from the California Community School Partnership program. Local educational agencies that receive community school funding are required to commit to communicate and collaborate with the “transformational” assistance centers. Below are the proposed grants by school size:

**Proposed Grant Amounts
Vary by School Size**

Enrollment	Annual Grant
10-24	\$75,000
25-150	115,000
151-400	190,000
401-1,000	230,000
1,001-2,000	305,000
2,001 or more	400,000

Source: Legislative Analyst’s Office

Local educational agencies will be able to opt-out of the funding by November 1, 2026.

Accountability. Among many of its other proposed duties, the state “transformational” assistance center is tasked with working with the Department of Education to develop an annual self-certification process and then the accreditation process.

Local educational agencies will be required to submit progress reports to the Department of Education by December 31, 2029. Starting in the 2029-30 school year, local educational agencies

will be required to submit annual self-certification to its regional “transformational” assistance center, that certifies that the schools are implementing community schools by the Community Schools Framework adopted by the State Board of Education in February 2022.

Beginning in 2029-30, in order to receive community school funds, local educational agencies will also be required to annually report and publicly present its community school plans, including data and outcomes from the prior year at each funded schoolsite and at a meeting of the governing board or body of the local educational agency. Local educational agencies will also be required to post its community school plan on its website.

The Governor proposes to require, beginning in 2033-34, local educational agencies participate in an accreditation process managed through the State “transformational” assistance center, and schools that are accredited will continue to receive funding. Accreditation would last for seven years.

Staff Recommendation. Hold open.

Issue 5: Statewide System of Support

Panel.

- George Harris, Department of Finance
- Sara Cortez, Legislative Analyst’s Office
- Kimberly Rosenberger, Department of Education

Background.

California’s Accountability System. California’s accountability system uses multiple measures, and performance on these measures are then displayed on the California School Dashboard, which includes state and local performance standards for all Local Control Funding Formula priorities, to report progress for local educational agencies. The state measures include:

1. **Academic Indicators.** The Academic Indicators contain two measures: English language arts/literacy and mathematics. These measures show how well students are meeting proficiency standards. They are based on student performance on the Smarter Balanced Summative Assessments and the California Alternate Assessments (CAAs), which are taken each spring by students in grades three through eight and grade eleven.
2. **Chronic Absenteeism Indicator.** The Chronic Absenteeism measure shows how many students were absent for 10 percent or more of the instructional days they were expected to attend. For example, if a student was expected to attend 180 instructional

days and is absent 18 or more of those days, the student would be considered chronically absent. Capturing this information on the Dashboard allows parents and educators to determine if chronic absenteeism is a problem at a school or across a district.

3. **College/Career Indicator.** The College/Career measure shows how well local educational agencies (LEAs) and schools are preparing graduates for college and/or career. It uses many different college and career measures, such as completion of coursework and work experience to exam results.
4. **English Learner Progress Indicator.** The English Learner Progress measure looks at the progress that English learner students are making toward achieving English proficiency. Each spring, English learner students take the English Language Proficiency Assessments for California (ELPAC), which measures how well they know and understand English. Results from the ELPAC are used to calculate the English Learner Progress measure.
5. **Graduation Rate Indicator.** The Graduation Rate measure shows the number of students who received a diploma by the end of grade twelve including students who earn a diploma in accordance with California Education Code sections 51225.31 and 51225.32.
6. **Science Indicator.** The Science Indicator measures what students know and can do using the California Next Generation Science Standards. It is based on student performance on the California Science Test and the CAA for Science in grades five and eight and high school. This indicator will not be used for accountability purposes on the 2025 Dashboard and will be displayed only for informational purposes.
7. **Suspension Rate Indicator.** The Suspension Rate measure shows the percentage of students who have an aggregate suspension of at least one full day. Students who are suspended from school miss out on important classroom instruction. Capturing this information in the Dashboard allows parents and educators to determine if there is a suspension problem at a school or across a district and whether certain student groups are suspended more than others.

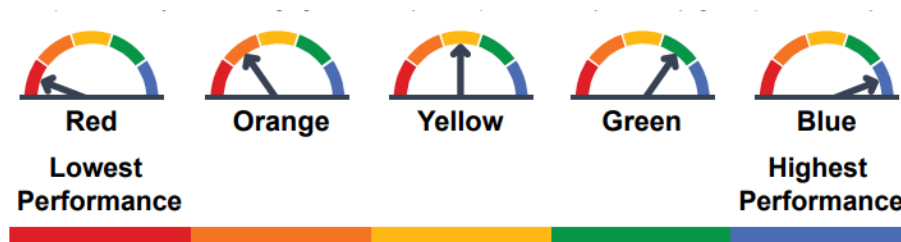
Local indicators are based on information collected by districts, county offices of education, and charter schools. Districts receive one of three ratings for each local measure: met, not met, or not met for two or more years.

The state uses the California School Dashboard to display how districts and schools are performing on multiple state measures. The results are used to identify strengths and weaknesses, which are then used by local educational agencies to inform the LCAP and determine academic goals, metrics, and actions to improve student outcomes. Progress for these indicators are disaggregated by 13 pupil subgroups, which include:

- Asian
- Black
- Filipino
- Latino
- Native American
- Pacific Islander
- Two or More Races
- White
- English Learners
- Long-Term English Learner
- Foster Youth
- Homeless youth
- Socioeconomically disadvantaged
- Students with disabilities

For homeless and foster youth, performance data is shown if it includes 15 or more students. For all other subgroups, performance data is shown if there are at least 30 or more students.

The Dashboard reports performance levels through the use of colors: blue, green, yellow, orange, and red. Blue represents the highest performance level while red represents the lowest performance level. These performance levels were determined using two years of data utilizing current year performance and the difference from prior year to show growth or decline. Below is a representation of how progress for these indicators were displayed on the School Dashboard website:

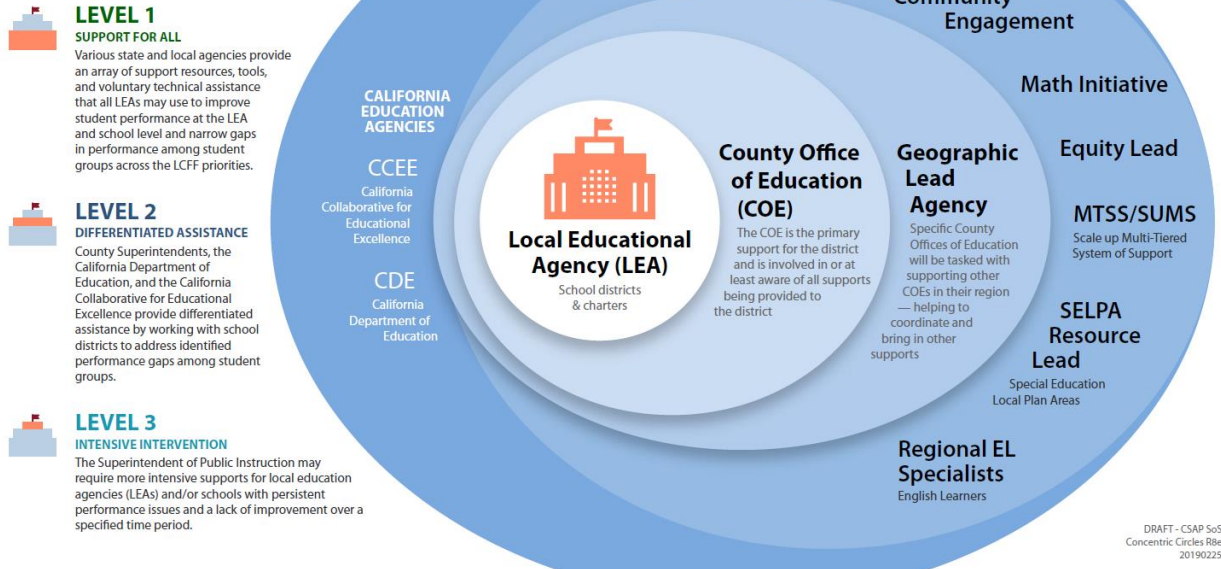


State System of Support. The State System of Support, which is a network of local educational agencies and state entities, provides three levels of support to local educational agencies (LEAs) and schools. The first level, general assistance, is made up of resources and assistance that are available to all LEAs and schools. The second level of assistance, known as differentiated assistance (DA), is targeted support that is available to LEAs that meet the eligibility requirements set by the State Board of Education. The third level of support, Intensive Intervention, may be provided to LEAs that are identified as having persistent performance issues and a lack of improvement over four consecutive years.

The next page has a visual graphic of the State System of Support, as it appeared in 2023-24:

California System of Support

This graphic is intended to show the network of state-funded support providers under the System of Support.



County offices of education receive funding to provide assistance to school districts that are identified for differentiated assistance. All county offices of education with one or more districts eligible for differentiated assistance receive a base of \$300,000 in additional LCFF state aid. In addition to the base amount, county offices of education generate additional funds based on the total number and size of the districts identified for differentiated assistance in their jurisdiction. This funding is allocated based on a three-year average of eligible districts.

Entitlement	Multiplier	School District Prior Year Annual Average Daily Attendance	EC 2575.2 Allowance
Base	Per County	N/A	\$300,000
Small District	Per District	1 to 2,499	\$100,000
Medium District	Per District	2,500 to 9,999	\$200,000
Large District	Per District	10,000 or more	\$300,000

Source: Department of Education

Currently, a school district or county office of education is identified for differentiated assistance if they have at least one lowest performing pupil subgroup in two or more priority areas. According to the Legislative Analyst’s Office, 553 school districts and county offices of education were identified for differentiated assistance in 2025. In 2025-26, county offices of education received \$119 million to provide differentiated assistance to its school districts.

Legislative Analyst's Office.**Assessment**

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

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

Recommendation

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

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

Governor's Budget.

The Governor's Budget proposes changes to both the identification of local educational agencies that are eligible for differentiated assistance, which is proposed to be called "targeted assistance," and the funding model for county offices of education providing this assistance. These changes are summarized below:

Identification. Existing law currently requires that local educational agencies are identified for additional assistance on an annual basis; the budget proposes to have identification occur every three years, with a one-year cycle for school districts that are struggling with data. The State Board of Education is expected to update the performance criteria by July 15, 2026, and is expected to have different criteria for charter schools and school districts. The budget also proposes to provide the State Board of Education authority to adopt "unique performance criteria" to identify local educational agencies for additional assistance and intervention.

Funding. The Governor's Budget proposes to de-link the funding formula for assistance from the number of local educational agencies identified for assistance, and instead proposes:

- \$500,000 base grant that will be adjusted by cost-of-living factors beginning in 2027-28.
- An Average Daily Attendance grant based on the county's Local Control Funding Formula's Operations Grant.
- A Stability Grant that ensures no county receives less than 87 percent of the prior year's funding. The 2026-27 calculation under the new funding model includes a 100 percent hold-harmless provision to account for the methodology change.

This funding is intended for county offices of education to provide universal and targeted assistance, free of cost, and improve outcomes for students. This includes: (1) providing targeted technical assistance to local educational agencies that are identified for targeted support through the accountability system; (2) providing professional development; (3) supporting local educational agencies in their annual performance for state and local indicators; (4) providing assistance and coaching on the Local Control and Accountability Plans; (5) coordinating and connecting local educational agencies with universal resources through the statewide system of support; and (6) coordinating county-level governmental, nonprofit community-based organizations and other external partnerships and services to support community schools implementation in the county.

Staff Recommendation. Hold open.