

Senate Budget and Fiscal Review—Scott D. Wiener, Chair

SUBCOMMITTEE NO. 1

Agenda

Senator John Laird, Chair
Senator Dave Min
Senator Scott Wilk



Thursday, April 11, 2024
9:30 a.m. or Upon Adjournment of Session
1021 O Street, Room 2100

Consultants: Yong Salas and Christopher Francis

6100 Department of Education	2
Issue 1: California College Guidance Initiative	2
Issue 2: Math Curriculum Professional Development	6
Issue 3: Literacy Screener Professional Development	7
Issue 4: Inclusive College Technical Assistance Center	8
6360 Commission on Teacher Credentialing.....	9
Issue 5: Elementary Arts Career Technical Education Credential	9
Issue 6: Teacher Credential Streamlining	13
6980 Student Aid Commission.....	14
Issue 7: Golden State Teacher Grant Program	14

Public Comment

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6100 DEPARTMENT OF EDUCATION

Issue 1: California College Guidance Initiative

Panel.

- Melissa Ng, Department of Finance
- Tessa De Roy, California College Guidance Initiative
- Madison Jablonski-Sheffield, California Student Aid Commission
- Jackie Barocio, Legislative Analyst’s Office

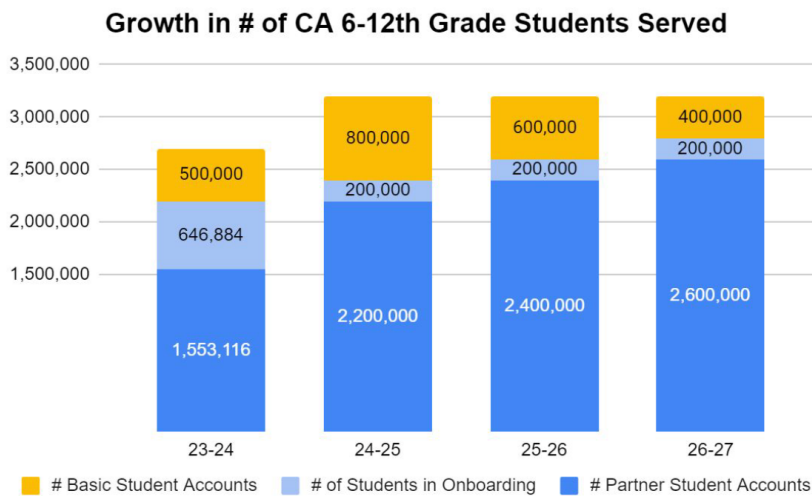
Background.

The California College Guidance Initiative (CCGI) was established in 1998, and since 2013 manages CaliforniaColleges.edu, an online platform that is intended to offer access to college planning, financial aid lessons, and career exploration tools to students from grades 6 to 12. CCGI and its partner local educational agencies for CaliforniaColleges.edu is scheduled to be used by all eligible students by June 30, 2026.

According to CCGI, there are 417 traditional school districts and 973 charter school sites that serve California’s 1.9 million 9-12th grade students. As of February 2024, CCGI is partnered with 212 traditional districts (serving 1.1 million students), is currently working to partner with 124 traditional districts (serving 530,000 students), and not yet in a relationship with 81 traditional districts (serving 200,000 students). Below is a chart provided by CCGI that details the expansion for eligible students served in California:



Projected Growth in Students Served



Source: California College Guidance Initiative

Partner districts upload verified academic transcript data onto the platform and into students' accounts. When students from these partner districts apply to a California Community College (CCC) or California State University (CSU), relevant high school data is automatically shared. The college or university, in turn, can use the data to inform decisions about admissions and course placement. (CCGI is currently working with the University of California (UC) Office of the President to provide the same transcript functionality to UC applicants.)

Cash for College Program. The Student Aid Commission manages the Cash for College outreach program in coordination with Regional Coordinating Organizations (RCO). The program provides workshops to help students in their senior year, and their families, complete their Free Application for Federal Student Aid or California Dream Act Application forms and Chafee Grant for Foster Youth application. Funds are allocated to RCOs (typically nonprofit entities) that help administer the program, supporting the high schools and colleges that host the workshops. The RCO also assist in advertising, volunteer recruitment, and navigating the process. In 2021-22, the program provided an estimated 900 workshops across the state.

The Budget Act of 2022 appropriated \$500,000 General Fund one-time in 2022-23 to expand and supplement existing Cash for College RCO, and includes reporting language. The Budget Act of 2023 increased baseline funding by \$103,000 General Fund in 2023-24 and ongoing to bring total state support for the program to \$431,000 ongoing General Fund.

California Student Opportunity and Access Program (Cal-SOAP). Cal-SOAP was established by the Legislature in 1978 and is administered by the California Student Aid Commission. Between 1978 and 2021, the program focused on improving the flow of information about postsecondary education and financial aid while raising the achievement level of low-income students, first-generation college students, students from schools with documented low postsecondary education participation rates, and homeless youth. Cal-SOAP's projects provide services directly to students in middle and high schools.

After the governing statute remained the same for over 40 years, SB 737 (Limón), Chapter 575, Statutes of 2021 modernized and shifted Cal-SOAP's focus. The law shifted away from raising student achievement as one of its primary functions, moved towards increasing financial aid access, and expanded the target groups served. Specifically, the law expanded to foster youth, students who identify as being LGBTQ+, students from mixed immigration status households, students who have a disability, and other specified groups.

The program consists of the following 16 regional consortia (or projects): Central Coast (Santa Maria), Central Valley (San Joaquin), East Bay/Solano (Oakland, Richmond and Solano County), Inland Empire (through CSU San Bernardino), Long Beach, Los Angeles, Merced, Northcoast (Eureka), Riverside, Sacramento, San Diego/Imperial, San Francisco, San Jose, Santa Barbara, South County Gilroy, and South San Joaquin.

Because each project specializes in serving students within its community, the types of programs and services may differ. Some common services provided by the consortia include advising, tutoring, parent outreach, and college awareness workshops. Individual projects apply each year for continued state funding. Each state allocation must be matched by an equal or higher level of local resources.

Past Budgets. According to the Legislative Analyst’s Office, in 2023-24, the state provided CCGI \$18.4 million ongoing Proposition 98 for operational costs. The state currently funds CCGI as part of CDE’s budget, with Riverside COE and the nonprofit Foundation for CCC acting as intermediaries. CCGI generates some additional funding by collecting fees from participating districts and charter schools. Fee revenue for 2023-24 is projected to be slightly less than \$700,000. CCGI also receives funding from private philanthropy and institutional partners, which is projected to be less than \$1 million in 2023-24. The 2022-23 budget increased CCGI funding by \$9.2 million Proposition 98 General Fund (bringing total Proposition 98 funding to \$16.8 million). These funds were meant to cover the costs of technological development projects, new staff, and new districts joining the platform. By the end of 2022-23, \$3.9 million of Proposition 98 funds went unspent due to hiring and project delays. These unspent funds carried forward into 2023-24 on a one-time basis.

Governor’s Budget.

The budget proposes \$5.1 million ongoing Proposition 98 General Fund to support the California College Guidance Initiative and cover costs associated with providing universal accounts to all students in grades 6 to 12, expand the number of partner school districts (Year 3 of 5 of the expansion timeline), enhance the functionality of CaliforniaColleges.edu, and further support communications with other state agencies and offices to promote use of CaliforniaColleges.edu. The proposed augmentation would bring total ongoing Proposition 98 funding levels to \$23.4 million (a 24 percent increase relative to 2023-24). The 2024-25 budgeted authority does not include any expected one-time Proposition 98 carry over funds.

Trailer bill legislation is also proposed to do the following:

- Requires community college districts to include students’ coursework and grades through eTranscriptCA or its successor system so that it can be a part of students’ transcript information on CaliforniaColleges.edu.
- Requires the California School Information Services (CSIS), which currently maintains the K-12 data system CALPADS, to create and maintain a Student Information System vendor list that provides a special designation for approved vendors that meet certain criteria.
- Beginning in Fall 2024, or whenever universal basic student accounts are available on CaliforniaColleges.edu, requires local educational agencies to first direct high school students to register for an account and use services available through the platform, and then direct students and families to “supplemental programs” administered by California Student Aid Commission and other resources and community-based organizations.
- Beginning on September 1, 2024, or upon the implementation of universal basic student accounts on CaliforniaColleges.edu, require that all 11th graders be advised to complete the 11th grade financial aid lessons on CaliforniaColleges.edu.
- Requires that a representative at each local educational agency obtain a district administrator account with CaliforniaColleges.edu.

- Require local educational agencies to submit 9th-12th grade student-level data, including information related to transcript and grades, to California College Guidance Initiative once every two weeks. Local educational agencies currently submit data to the Department of Education on certain dates.

Legislative Analyst's Office.

Consider Workload Costs Associated With CCGI-Related Trailer Bill Language. While the proposed changes may improve the reach of CaliforniaColleges.edu across eligible districts, the Legislature may want to consider if these changes would require additional resources to implement. To the extent these changes require additional resources, the Legislature could consider delaying the implementation date until budget conditions improve.

Reject Proposed CCGI Augmentations. Due to the Proposition 98 shortfall, the state cannot support additional spending without making reductions to existing commitments. As a result, we recommend the Legislature reject the proposed increase to Proposition 98 funding levels in CCGI. Given that this recommended action would delay CCGI expansion activities, the Legislature could consider amending statute to delay the implementation date of impacted activities.

Reassess HSN and CCGI Budgets in May. Similar to 2022-23, total HSN and CCGI expenditures in 2023-24 may come in lower than budgeted levels by a couple of millions of dollars. These unspent funds would carry over into 2024-25. As a part of the spring hearing process, we recommend the Legislature request an estimate of unspent funds in 2023-24 and adjust 2024-25 Proposition 98 levels accordingly. Additionally, given the Proposition 98 shortfall may be greater than initial Governor's budget estimates, we believe the Legislature may need to reconsider and weigh existing funding commitments across all Proposition 98 activities, including HSN and CCGI.

Suggested Questions.

- DOF: There are partner districts that are still onboarding or waiting to onboard with CCGI. Why rush a mandate for universal basic accounts before all the partner districts can join, and resolve any issues that may arise?
- DOF: The programs administered by the Student Aid Commission are well-established and are familiar with students and families. Why is the Administration proposing to direct students and families first to CaliforniaColleges.edu and its resources before programs administered by CSAC, instead of concurrently? How will counselors be prepared to provide this guidance by this fall?
- CSAC: The proposal requires local educational agencies to frequently submit coursework and grades data to CCGI, in addition to submitting data to the Department of Education. Would this align with how CSAC receives its data and how would this impact the way CSAC may receive the data it needs?

Staff Recommendation. Hold open.

Issue 2: Math Curriculum Professional Development

Panel.

- Megan Sabbah, Department of Finance
- Cheryl Cotton, Department of Education
- Jackie Barocio, Legislative Analyst's Office

Background.

The State Board of Education cyclically adopts various subject curriculum frameworks based on recommendations made by the Instructional Quality Commission. In July 2023, the State Board of Education approved the 2023 Mathematics Framework for California Public Schools, Kindergarten Through Grade Twelve (Mathematics Framework). The adoption in July 2023 came after much public input and multiple drafts of the Mathematics Framework. The Mathematics Framework is then used to inform classroom instruction and instructional materials adoption as well as professional development.

Governor's Budget.

The budget proposes \$20 million Proposition 98 General Fund, subject to the approval of the State Board of Education executive director, to one or more county offices of education, or consortia of county offices of education, to partner with the California Mathematics Project to develop and deliver educator training, including the training of mathematics coaches, that is aligned with the Mathematics Framework that was recently adopted by the State Board of Education in July 2023. These funds would be available through June 30, 2028.

Additionally, the budget includes a proposal for the Learning Recovery Block Grant to add as an eligible expenditure professional development related to the July 2023 adoption of the Mathematics Framework, which was discussed at this subcommittee's April 4 hearing.

Legislative Analyst's Office.

Reject Duplicative Funding for Instructional Resources and Training for Math Coaches. We recommend rejecting the proposed augmentation given that it is duplicative of existing block grant activities. LEAs can use existing Learning Recovery Emergency Block Grant funds for these activities, and could choose to partner with the California Mathematics Project to develop and administer professional development activities. Moreover, existing Proposition 98 funding is not sufficient to cover the state's existing commitments. If the Legislature wanted to require LEAs to implement a specific professional development model, it could instead require a portion of existing block grant funds be used for this purpose.

Suggested Questions.

- DOF: If the Legislature approves the addition of professional development for the mathematics framework as an eligible cost for the Learning Recovery Block Grant, why would an additional \$20 million for this purpose be necessary?

Staff Recommendation. Hold open.

Issue 3: Literacy Screener Professional Development
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Panel.

- Megan Sabbah, Department of Finance
- Nancy Brynelson, Department of Education
- Jackie Barocio, Legislative Analyst's Office

Background.

The 2023 Budget requires local educational agencies to screen students in grades kindergarten through 2nd grade, beginning in 2025-26, for risks of reading difficulties. The 2023 Budget also included \$1 million to convene an independent expert panel to approve a list of screening instruments by December 31, 2024, and requires local educational agencies to adopt a screening instrument from this list by June 30, 2025.

Governor's Budget.

The budget proposes \$25 million ongoing Proposition 98 General Fund for professional development to provide literacy difficulties screeners for students in grades kindergarten through second grade. This funding is proposed to be a part of the K-12 Mandates Block Grant.

Legislative Analyst's Office.

Delay Implementation Date of Reading Screening Requirement Until the State Can Properly Assess Ongoing Training Costs. We believe it is premature to provide funding on an ongoing basis for training activities prior to knowing the exact screener tools LEAs could use, the number of educators that would need to be trained, and the scale of ongoing training needs. Additionally, LEAs may have a limited amount of time to start up and complete training activities prior to the required implementation date. By delaying the implementation date of the reading difficulties screening requirement, the state would have time to calculate a realistic and appropriate cost estimate. Additionally, delaying the implementation date would give the Legislature more time to consider the benefits and trade-offs of funding training activities either through the K-12 mandates block grant or annual budget process. For example, funding training activities through the annual budget process gives the Legislature more flexibility to right-size funding levels based on actual expenditures in any given year. Delaying implementation also would avoid adding \$25 million in

ongoing Proposition 98 costs in a time when Proposition 98 funding cannot support existing commitments.

Suggested Questions.

- DOF: Will this professional development include guidance on how English Learners or bilingual/multilingual learners be screened?

Staff Recommendation. Hold open.

Issue 4: Inclusive College Technical Assistance Center

Panel.

- Jodi Lieberman, Department of Finance
- Shiyloh Becerril, Department of Education
- Sara Cortez, Legislative Analyst's Office

Background.

What are the postsecondary options available for students with disabilities after graduation?

According to the California State University (CSU), all universities in the CSU system have an office providing services to students with disabilities. The disabilities range from physical limitations to neurodiversity with various accommodations (e.g., assistive technologies, digital text, interpreters, real-time captioners, note takers, readers, and testing accommodations) to support the students. In Fall 2022, universities in the CSU system served over 23,000 students with disabilities, and students who are neurodiverse accounted for 73% of the total served.

Within the University of California (UC) system, currently two campuses – UC Davis and UCLA – have programs specifically for students with intellectual disabilities.

At UC Davis, the Redwood SEED program is a four-year program through UC Davis Continuing and Professional Education for students aged 18-23 with intellectual disabilities. Redwood SEED is currently seeking Certified Transition Program status (as a new program it will be eligible to apply after a full year of operation).

At UCLA, Pathway is a two-year certificated program through UCLA Extension for students with developmental disabilities. All campuses provide services for students with disabilities, including intellectual disabilities.

For pathways to college, UC engages in educational partnerships with K-12 schools through its Student Academic Preparation and Educational Partnerships (SAPEP) programs; these programs serve primarily K-12 schools and assist students with plans and transition to postsecondary education. These programs would be available to local educational agencies and to a Technical

Assistance Center (TAC) to assist students with intellectual disabilities to plan for college. According to the UC, SAPEP programs serve students preparing for any postsecondary institution, not only UC.

Services and resources within the Community Colleges system vary depending on local campuses, however, according to the California Community College Chancellor's Office, most college websites at minimum give detailed information on how to transition from high school to college with Disabled Students Programs and Services (DSPS) supports, along with who to contact if they need additional support. Examples of support may include: Student/Parent workshops on the transition from high school to college, in partnership with Regional Centers and Department of Rehabilitation; or push-in counseling (i.e., going into the school and completing initial/comprehensive education plans)

Governor's Budget.

The budget proposes an ongoing \$2 million Proposition 98 General Fund to support an Inclusive College Technical Assistance Center. The California Center for Inclusive College, which will be administered by a county office of education, is proposed to increase awareness of, and access to, inclusive and experiential postsecondary education and employment opportunities for students with intellectual disabilities through degree, certificate, or non-degree programs that ideally include an independent living component.

The California Center for Inclusive College will be administered by a county office of education, in partnership with a local regional center, its local public postsecondary educational institutions, and the University of California, Davis MIND Institute.

Staff Recommendation. Hold open.

6360 COMMISSION ON TEACHER CREDENTIALING

Issue 5: Elementary Arts Career Technical Education Credential

Panel.

- Megan Sabbah, Department of Finance
- Erin Skubal, Commission on Teacher Credentialing
- Jackie Barocio, Legislative Analyst's Office

Background.

With the passage of Proposition 28, the Arts and Music in Schools ballot initiative in 2022, nearly \$1 billion outside of Proposition 98 is dedicated to funding for arts education in schools a year. Additionally, the initiative requires that for local educational agencies with 500 or more students, at least 80 percent of its funds must be used for salaries and benefits and 20 percent be used for

training and materials. The 2023-24 fiscal year was the first year in which Proposition 28 dollars were allocated.

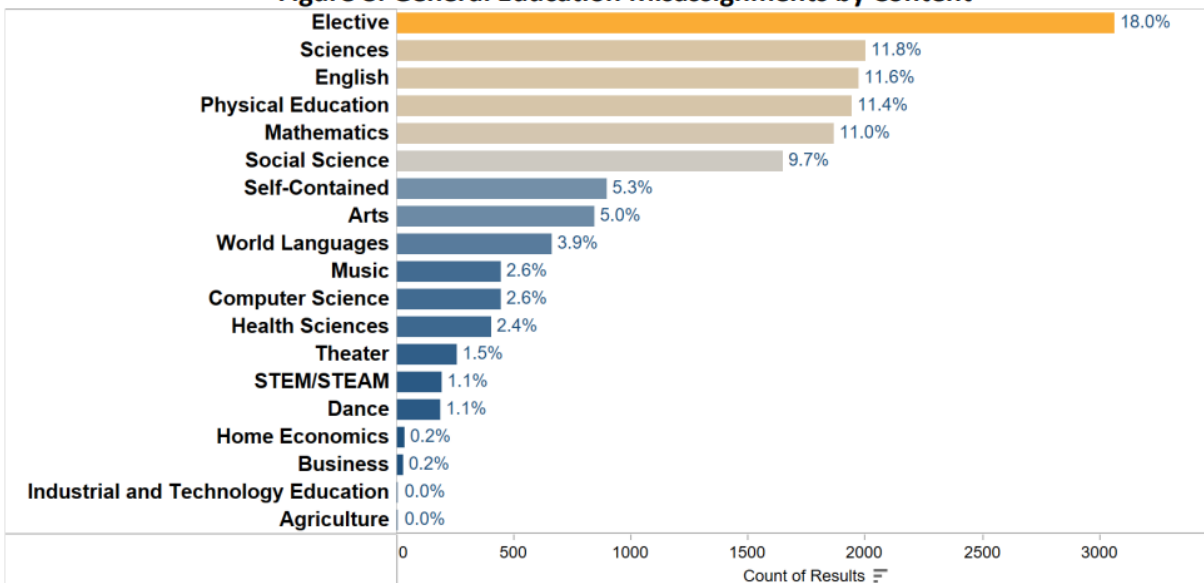
Pathways to becoming an arts teacher. Currently, general education courses in art at the elementary level may be offered in one of two ways: as a standalone course where there is a dedicated art teacher that is responsible for teaching the art content throughout the day to different groups (classes) of students, known as departmentalized delivery, or as embedded content into their regular school day from the teacher that also teaches them other subject areas, known as self-contained delivery. There are different credentialing requirements depending on which delivery model is used.

For departmentalized delivery, a teacher must hold either a single subject credential that authorizes the art content being taught (art, music, theater, or dance), or a single or multiple subject with a supplementary authorization added. Supplementary authorizations require at least 20 semester units of coursework in the content area being sought or a degree major in the content area.

For self-contained delivery, a teacher must hold a multiple subject credential which allows them to teach any subjects to the same group of students throughout the day.

Data from the 2020-2021 assignment monitoring year showed that art, music, theater, and dance together make up only 10.2% of all teacher misassignments. Misassignments can be the first indicator of a teacher shortage, as they represent instances where a local educational agency was required to employ an educator that does not hold the appropriate credential for the assignment. In comparison, the core content areas of Science, English, Mathematics, and Social Science make up a total of 44.1% of misassignments in this monitoring year. The table below originally appeared in page 15 of Agenda Item 6A, presented at the Commission on Teacher Credentialing’s October 2022 public meeting.

Figure 8: General Education Misassignments by Content



A preliminary Career Technical Education (CTE) credential is issued to individuals who have verified three years of work experience (with each year equaling 1,000 hours) directly related to each industry sector named on the credential. At least one year of the required work experience must be within the last five years, or two years within the last ten years. Self-employed individuals must verify that they were self-employed under penalty of perjury, with third-party substantiating this self-employed work experience. A CTE credential holder may teach grades 7 through 12.

There is evidence that a shortage of CTE credential holders with the Arts, Media, and Entertainment industry sector exists for CTE Pathway programs in grades 7-12. In the same report noted above, page 18 shows that CTE courses within the Arts, Media, and Entertainment sector were by far the most misassigned content area, with nearly 30% of all CTE misassignments.

Figure 10: Misassigned Courses by Industry Sector

CTE Industry Sector Misassignments		
Broad Subject	Courses	Percent of Total
Arts, Media, and Entertainment	2,309	29.32%
Health Science and Medical Technology	1,055	13.40%
Information and Communication Technology	640	8.13%
Engineering and Architecture	560	7.11%
Public Service	514	6.53%
Hospitality, Tourism, and Recreation	507	6.44%
Transportation	444	5.64%
Building and Construction Trades	385	4.89%
Business and Finance	309	3.92%
Agriculture and Natural Resources	287	3.64%
Education, Child Development, and Family Services	265	3.37%
Manufacturing and Product Development	198	2.51%
Marketing, Sales, and Service	178	2.26%
Fashion and Interior Design	102	1.30%
Energy, Environment, and Utilities	64	0.81%
Work Experience Education	57	0.72%
Grand Total	7,874	100.00%

Misassigned Courses and Percent of Total broken down by Industry Sector. Misassignments include 2019-20 Charter, Corrected MA, Misassigned, None and Vacancies determinations.

Governor’s Budget.

The Administration proposes to authorize individuals to teach an arts, music, dance, or theater program to students in grades kindergarten through six while holding an elementary CTE credential. Individuals who are seeking to hold this credential would also have to complete 24 units for preparation in the elementary school context, including courses on teaching students with special needs.

The proposal also requires that any local educational agency that employs individuals with these elementary arts CTE credentials will need to provide them mentorship and support of a teacher with a single subject clear credential or a multiple subject clear credential in the first two years.

The proposal also authorizes a one-year emergency permit and renewals that authorizes art, dance, music, or theater to holders of clear CTE credentials authorized in arts, media, and entertainment, as long as certain conditions are met.

Legislative Analyst’s Office.

Consider Benefits and Trade-Offs of Elementary Arts and Music Education Authorization. The proposed elementary arts and music education authorization may make it easier for schools to hire arts and music teachers. However, the Legislature may want to weigh this benefit against the likelihood that teachers with the new authorization may not be as prepared to teach in an elementary and early childhood setting as teachers with a single subject credential in arts or music. Additionally, the Legislature may want to consider whether the Governor’s proposal can be amended to address any potential trade-offs, or if the administration should present a revised proposal next year that addresses these issues.

Suggested Questions.

- DOF: If misassignment data may be an indicator of teacher shortages, there seems to be subject areas where the teacher shortages may be more acute. Why is the expansion of CTE credential holders in arts, media and entertainment necessary for elementary school-aged students, given that a pathway for multiple-subject credentialed teachers to obtain an authorization to teach these areas already exist?

Staff Recommendation. Hold open.

Issue 6: Teacher Credential Streamlining

Panel.

- Megan Sabbah, Department of Finance
- David DeGuire, Commission on Teacher Credentialing
- Jackie Barocio, Legislative Analyst’s Office

Background.

The 2023 Budget Act included trailer bill legislation that directed the Commission on Teacher Credentialing to examine and determine how it can ensure that transcripts will be reviewed for all candidates requiring determinations of basic skills or subject matter competence as part of their credentialing requirements. The Commission was required to provide recommendations to the Legislature and the Administration by November 15, 2023.

Basic skills requirement. In California, all teacher candidates must verify basic skills proficiency before a teaching credential, certificate, or permit is issued by the Commission on Teacher Credentialing. Historically, many, if not most, teacher candidates met this requirement by taking the California Basic Educational Skills Test (CBEST) exam.¹ AB 130 in 2021, as part of the 2021 Budget, expanded the options for candidates to meet the basic skills requirement through other exams, coursework, and other methods. Now, the basic skills requirement can be met by several different methods, including: (1) specified coursework that is completed with a passing grade of “B” or better; (2) specified coursework and passing qualifying exams such as the CBEST or the California Subject Examinations for Teachers (CSET); (3) qualifying scores on an AP exam, the SAT or ACT; (4) passing the CBEST or CSET; (5) or other methods as identified by the Commission.

Subject matter competency requirements. All teacher candidates must demonstrate proficiency in the subject matter area of their intended credential. Like the basic skills requirements, historically, candidates met subject matter competency requirements through passing the CSET or completing a subject matter program at a four-year institution. AB 130 in 2021 allowed more flexibility for candidates to meet this requirement with applicable coursework and the CSET

CTC Report to the Legislature on Basic Skills Requirements and Subject Matter Competency. The report found that teacher preparation programs at institutions of higher education, as well as the Commission on Teacher Credentialing, had challenges reviewing transcripts for subject matter competency. It recommended that the requirements of subject matter competency be clarified and that there be a central clearinghouse of recognized coursework at higher education institutions that would meet subject matter competency requirements. As an alternative, it also offered to conduct the subject matter competency coursework transcript review itself.

¹ Commission on Teacher Credentialing, *CTC Report to the Legislature Regarding Senate Bill 114, Section 107*. 15 November 2023.

Governor’s Budget.

The budget proposes trailer bill legislation that clarifies that completing a bachelor’s degree satisfies the basic skills proficiency exam for a credential, and proposes to streamline the transcript review process to certify subject matter competency by leveraging the Commission on Teacher Credentialing’s current accreditation process.

Legislative Analyst’s Office.

Approve Changes to Basic Skills and Subject Matter Competency Requirement and Continue to Investigate Other Possible Improvements. Given how burdensome the basic skills proficiency exam and current subject matter transcript review process is for teacher candidates, we recommend the Legislature approve the relevant changes included in the Governor’s proposed trailer bill legislation. The Legislature may also want to consider further identifying other barriers that exist within the current teacher credentialing and authorization process. For example, CTC identified that the current subject matter transcript review process could be further improved by (1) creating a single, statewide master list of courses across all regionally accredited institutions that meet specific subject matter domains, and (2) providing ongoing outreach to increase the awareness among candidates that the subject matter competency requirement could be satisfied through coursework. (We would note that, due to the budget deficit, improvements to the credentialing process that require additional resources cannot be supported without making reductions in other areas at this time. The Legislature could consider adopting these improvements in the future when budget conditions improve.)

Staff Recommendation. Hold open.

6980 STUDENT AID COMMISSION**Issue 7: Golden State Teacher Grant Program****Panel**

- Aman Singh, Department of Finance
- Chris Ferguson, Department of Finance
- Madison Jablonski-Sheffield, California Student Aid Commission
- Jackie Barocio, Legislative Analyst’s Office

Background

California Has Teacher Shortages in Certain Subject Areas and Schools. Over the years, some school districts have experienced challenges finding credentialed teachers. These challenges have been concentrated in certain subject areas and schools. The state has identified persistent teacher shortages in special education, science, and math. Additionally, urban schools and rural schools in low-income areas tend to experience greater difficulties with staffing and are more likely than other schools to hire underprepared teachers. Although these challenges are

long-standing, teacher shortages have worsened since the start of the pandemic, which prompted teachers to leave the workforce at accelerated rates.

State Created the Golden State Teacher Grant (GSTG) for Prospective Teachers in 2019. The California Student Aid Commission administers the GSTG program. This is one of several initiatives the state created in recent years to address teacher shortages. The program provides grants of up to \$20,000 to students in professional preparation programs approved by the Commission on Teacher Credentialing (CTC) and working towards earning their preliminary teaching or pupil personnel services credential. These students must commit to working for four years at a priority school or preschool program. Under current law, the service requirement involves working for four years at a “priority school”—defined as a school where at least 55 percent of students are low-income, English learners, or foster youth. Originally, recipients were also required to commit to teaching in certain subject areas—special education; science, technology, engineering, and math; bilingual education; elementary school; and transitional kindergarten (TK). If a student either decides to not complete their credentialing or the service requirement, the GSTG funds will need to be returned to the state via the Student Aid Commission.

Budget Actions in 2021, 2022, and 2023. The 2021 Budget Act included \$500 million one-time General Fund to support the program. The \$500 million appropriation for Golden State Teacher Grants was to be spent across five years, ending June 30, 2026. The 2022 Budget Act also made several changes to the program. Most notably, whereas the program previously was open only to teacher candidates in certain high-need subject areas, it is now open to teacher candidates in any subject area, as well as candidates for pupil personnel services credentials (which authorize individuals to work in school counseling, social work, psychology, and child welfare). The 2023 Budget Act further modified the program to allow participants to serve at preschools and expanded program eligibility to institutions that offers services online to students and offers a professional preparation program approved by the Commission on Teacher Credentialing as of January 1, 2023, among other requirements.

Implementation Updates. Tables 1 through 4 provide information on applications received and awards from the GSTG program between the 2020-2021 and 2023-2024 cycles. This data reflects the Commission’s updates as of March 14, 2024.

Table 1: Number of GSTG applications received by segment

SEGMENT	2020-2021	2021-2022	2022-2023	2023-2024
CSU	270	1,154	3,649	5,669
UC	6	272	513	602
AICCU	503	1,922	5,984	8,471
LEA	N/A	608	1,069	1,077
TOTAL	779	3,956	11,215	15,819

Source: California Student Aid Commission

Table 2: Number of GSTG applications awarded by segment

SEGMENT	2020-2021	2021-2022	2022-2023	2023-2024
CSU	135	695	2,400(2,252 new*)	3,097 (2,645 new)
UC	0	206	389 (385 new)	405 (401 new)
AICCU	354	1,272	4,358 (4,267 new)	4,702 (4,241 new)
LEA	N/A	542	815 (811 new)	748 (734 new)
TOTAL	489	2,715	7,962 (7,715 new)	8,952 (8,021 new)

Source: California Student Aid Commission

*The Commission notes that “new” refers to new awardees in that year. Awardees can receive payments across multiple years.

Table 3: Total Dollar Amount of GSTG Awards Paid by segment

SEGMENT	2020-2021	2021-2022	2022-2023	2023-2024
CSU	\$1,945,787	\$10,383,993	\$36,461,958	\$45,732,909
UC	\$0	\$3,933,232	\$7,491,573	\$7,727,177
AICCU	\$5,659,048	\$23,716,542	\$76,646,455	\$80,571,824
LEA	N/A	\$10,552,117	\$15,909,668	\$14,707,936
TOTAL	\$7,604,835	\$48,585,884	\$136,509,654	\$148,739,846

Source: California Student Aid Commission

Table 4: Average Amount of GSTG Award Paid by segment

SEGMENT	2020-2021	2021-2022	2022-2023	2023-2024
CSU	\$14,413	\$14,941	\$15,192	\$14,767
UC	\$0	\$19,093	\$19,259	\$19,079
AICCU	\$15,986	\$18,645	\$17,588	\$17,136
LEA	N/A	\$19,469	\$19,521	\$19,663
OVERALL AVERAGE	\$15,552	\$18,037	\$17,890	\$17,661

Source: California Student Aid Commission

At the current rate of applications, eligibility for awards, and expenditure, the Commission’s analysis suggests that up to \$177 million could ultimately be awarded in the 2023-24 year. To date, approximately \$341 million has been spent on awards. Although the funding for GSTG is available through June 30, 2026, the Student Aid Commission notes that the high demand will lead to the fully expended funding during the 2024-25 fiscal year. This demand is attributed to expanded eligibility in this most recent cycle.

LAO Assessment and Recommendation

LAO Recommendation: Some Golden State Teacher Grant Funds Remain Unspent and Given State Budget Condition, Recommend Pulling Back Unspent Funds. The LAO estimated, as of January 1, 2024, that the Student Aid Commission spent \$277 million (consisting of \$272

million for awards and \$5 million for program administration) of the original appropriation. This leaves an estimated \$223 million in unspent funding. Given that Student Aid Commission continues to issue awards for 2024-25, the amount of unspent funding is likely to be several tens of millions of dollars lower by the end of the fiscal year. Given the state budget deficit, the LAO recommends the Legislature to pull back these unspent funds and to consider taking early action to maximize savings, as less funding will remain available by the end of the fiscal year.

Suggested Questions

- Does the Commission anticipate the funding for the program to be exhausted by July 1, 2024? Or is the expectation that all awards will be obligated/expended at some point in the 2024-25 fiscal year?
- Has the Commission experienced any challenges with program administration?
- Given the projected budget deficit, does the Commission recommend any adjustments to the program?

Staff Recommendation. Hold Open.