
THIRD READING

Bill No: AB 114
Author: Committee on Budget
Amended: 6/24/23 in Senate
Vote: 21- Urgency

SENATE BUDGET & FISCAL REVIEW COMMITTEE: 14-0, 6/26/23
AYES: Skinner, Becker, Caballero, Durazo, Eggman, Laird, McGuire, Menjivar,
Min, Newman, Ochoa Bogh, Padilla, Roth, Smallwood-Cuevas
NO VOTE RECORDED: Niello, Dahle, Grove, Seyarto

ASSEMBLY FLOOR: Not relevant

SUBJECT: Education finance: education omnibus budget trailer bill

SOURCE: Author

DIGEST: This bill provides for statutory changes necessary to enact the K-12 and childcare related statutory provisions of the Budget Act of 2023.

ANALYSIS: This bill, as part of the 2023-24 Budget Package, makes statutory changes to implement the 2023-24 Budget Act. Specifically, this bill:

- 1) Funds, fully, the Local Control Funding Formula (LCFF) and funds an 8.22 percent cost-of-living-adjustment. The budget uses a total of \$1.7 billion in one-time funds to pay for LCFF costs in the 2022-23 and 2023-24 fiscal year.
- 2) Includes \$300 million ongoing Proposition 98 General Fund, distributed through the equity multiplier formula, to local educational agencies with school sites that have prior year non-stability rate of 25 percent as identified through the Stability Data File, and also have 70 percent of its students who are socio-economically disadvantaged.
- 3) Makes several changes to the TK-12 accountability system:

- a) Requires local educational agencies that have the lowest performing pupil subgroups to provide specific actions to address these pupil subgroups.
 - b) Requires local educational agencies with schools receiving equity multiplier funds to provide focused goals.
 - c) Establishes equity leads in the statewide system of support.
 - d) Requires a mid-year update on the local control and accountability plan on the progress at a public meeting.
 - e) Provides additional assistance to local educational agencies that are unable to submit data to CALPADS.
 - f) Provides an additional opportunity for struggling school districts to work with county offices of education that are geographic leads to improve pupil outcomes.
 - g) Requires local educational agencies to include information about the technical assistance it receives on its local control and accountability plan, as applicable.
 - h) Requires the Legislative Analyst's Office to provide recommendations for alternative reporting requirements for county offices of education on the local control and accountability plan.
- 4) Provides \$80 million ongoing Proposition 98 General Fund to support county court and community school operations, include declining enrollment protections, and to establish the Student Support and Enrichment Block Grant. Includes additional accountability measures for court and community schools, as follows:
- a) Requires collaboration between county probation departments and county offices of education, and in partnership with the community colleges, California State University, or the University of California, to ensure access for juveniles with a high school diploma or a California high school equivalency to public postsecondary academic and career technical education courses.
 - b) Require an independent evaluation of county court and community schools, due November 1, 2025.

- c) If county superintendents and county probation officers enter into a memorandum of understanding, require that provisions related to intake evaluation processes, transition plans, and others be included, and require the memorandum of understanding be posted on the county office of education website.
 - d) Require annual reporting of data regarding justice-involved youth.
 - e) Convenes an Individuals with Disabilities Education Act workgroup to provide recommendations related to county court and community schools.
 - f) Improves better transparency of funds allocated to county offices of education.
- 5) Increases the base grant for county offices of education to provide differentiated assistance to school districts from \$200,000 to \$300,000, for a budget year cost of \$11.9 million ongoing Proposition 98 General Fund.
- 6) Delays the recommendations of the Universal Preschool Workgroup from January 15, 2023 to March 31, 2024.
- 7) Makes technical changes to the Prekindergarten Planning and Implementation Grant, and allows the Department of Education to allocate or prorate returned and unallocated funds.
- 8) Makes changes to the Expanded Learning Opportunities Program, as follows:
- a) Requires third-party operators of expanded learning opportunity programs to immediately report to its local educational agency partners of any health or safety-related issues.
 - b) Exempts expanded learning opportunity programs from licensing requirements.
 - c) Requires current license holders under the Community Care Licensing Division at the Department of Social Services to continue to maintain its license if it provides expanded learning services until June 30, 2024.

- d) Requires the Department of Education, in consultation with the Department of Social Services, to establish a process and a timeline for local educational agencies that have contracted with third-party providers to operate expanded learning opportunity programs and California State Preschool programs to submit program information to the Department of Social Services.
 - e) Requires the Department of Education, in consultation with the Department of Social Services, to submit a report the Legislature on information about expanded learning opportunity program providers, as specified.
 - f) Makes other technical amendments.
- 9) Makes clarifying amendments with regard to the Dream Resource Centers as part of the Community Schools program.
 - 10) Delays \$550 million for the Preschool, Transitional Kindergarten, and Full Day Kindergarten Facility Grant program to 2024-25.
 - 11) Includes, in addition to funds appropriated in the 2023 Budget Act, a total delay of \$1.1 billion to the Learning Recovery Emergency Block Grant.
 - 12) Prohibits the State Board of Education from granting waivers related to transitional kindergarten.
 - 13) Allows charter schools whose petitions expire between January 1, 2024 and June 30, 2027 to be extended by one year.
 - 14) Requires the Legislative Analyst and the Fiscal Crisis and Management Assistance Team to study and provide recommendations to the Legislature, the Department of Education, Department of Finance and the State Board of Education on the funding for nonclassroom-based charters.
 - 15) Abolishes the Test Development and Administrative Account, and absorbs remaining funds into the Teacher Credentials Fund.
 - 16) Defines, further, the resolution process when overpayment of an employee's wages by a local educational agency employer occurs.

- 17) Allows the Commission on Teacher Credentialing to issue a comparable credential for military spouses and partners of servicemembers who are assigned to California.
- 18) Clarifies the intent of the Legislature on how classified employees are defined for purposes of the Classified Employee Summer Assistance program.
- 19) Makes clarifying and technical amendments to the Teacher and School Counselor Residency Grant Program.
- 20) Makes the following changes to transitional kindergarten programs:
 - a) Extends the August 1, 2023 deadline for credentialed teachers to earn 24 units, or its equivalent, or a child development teacher permit or an early childhood education specialist credential, to August 1, 2025.
 - b) Requires transitional kindergarten classrooms to maintain 1 adult to 10 students in 2025-26, and states legislative intent to appropriate funds for this purpose.
 - c) Allows local educational agencies to enroll children whose fourth birthday falls between June 2 and September 1, or early enrollment children, as long as: (1) the classrooms that include early enrollment children meet a 1:10 adult-to-pupil ratio, (2) class sizes remain below 20 students, and (3) to the extent possible, teachers have earned 24 units or its equivalent or a child development teacher permit or an early childhood education specialist credential. Imposes fiscal penalties if the ratio or class size requirements are not met for transitional kindergarten classrooms that include the early enrollment children.
- 21) Provides \$3.5 million ongoing Proposition 98 General Fund to county offices of education to distribute opioid antagonists, with the intent that it complement efforts of the Naloxone Distribution Project.
- 22) Authorizes a data sharing partnership between the California College Guidance Initiative and the California Student Aid Commission.
- 23) Appropriates \$20 million Proposition 98 General Fund one-time for the Bilingual Teacher Professional Development Grant.

- 24) Shifts \$1 billion Proposition 98 General Fund from the Hybrid and Zero-Emission Truck and Voucher Incentive Project and for related infrastructure to 2024-25 and 2025-26.
- 25) Reduces the appropriation for the School Facility Program from \$4.2 billion to \$4.1 billion General Fund.
- 26) Reduces the appropriation for the Arts, Music, and Instructional Materials Discretionary Block Grant from \$3.48 billion to \$3.28 billion Proposition 98 General Fund.
- 27) Modifies the Golden State Teacher Grant program to allow participants to serve at preschools, and expands program eligibility to institutions that offers services online to students, are accredited by the Western Association of Schools and Colleges, and offers a professional preparation program approved by the Commission on Teacher Credentialing as of January 1, 2023, among other requirements.
- 28) Makes technical and clarifying changes regarding the list of schools that the Superintendent of Public Instruction identifies for inspection for purposes of the Williams settlement.
- 29) Codifies current practices stemming from updates to teacher assignment monitoring outcomes reporting requirements related to the federal Every Student Succeeds Act and clarifying the roles of the Commission on Teacher Credentialing and Department of Education around data reporting on educator credentialing and assignment.
- 30) Requires the Commission on Teacher Credentialing to examine and determine the feasibility of expanding online services to perform transcript review to assess basic skills requirements and subject matter competence for all candidates to complete their credentialing requirements.
- 31) Requires an expert panel to approve a list of screening instruments to assess pupils in kindergarten through second grade for risk of reading difficulties, and appropriates \$1 million for this purpose. Requires local educational agencies serving pupils in kindergarten through second grade to screen pupils for risk of reading difficulties using the instruments they will adopt from the approved list beginning no later than the 2025-26 school year.

- 32) Extends the moratorium on the creation of new single-district Special Education Local Plan Areas (SELPA) by two years to June 30, 2026.
- 33) Limits the amount of additional funding that SELPA are allowed to retain for non-direct student services before allocating special education base funding to member local educational agencies, for the 2023-24 fiscal year.
- 34) Appropriates \$250 million to expand the Literacy Coaches and Reading Specialists Grant Program, and makes clarifying amendments to the existing Literacy Coaches and Reading Specialists Grant program.
- 35) Authorizes the Commission on Teacher Credentialing to waive the Teaching Performance Assessment requirement for educators who were unable to meet the requirement during the COVID-19 pandemic and who completed a Commission-approved induction program or completed two years of satisfactory teacher evaluations.
- 36) Establishes the Diverse Education Leaders Pipeline Initiative.
- 37) Appropriates \$7 million one-time Proposition 98 General Fund to provide support for local educational agencies opting to implement the Restorative Justice best practices that will be developed and posted on the Department of Education's website by June 1, 2024.
- 38) Appropriates \$1 million to establish the Literacy Roadmap.
- 39) Makes other various technical amendments.

FISCAL EFFECT: Appropriation: Yes Fiscal Com.: Yes Local: Yes

According to the Senate Budget and Fiscal Review Committee, this bill makes various appropriations related to the Budget Act of 2023-24.

SUPPORT: (Verified 6/26/23)

None received

OPPOSITION: (Verified 6/26/23)

None received

Prepared by: Yong Salas / B. & F.R. / (916) 651-4103
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