LAO

The 2022-23 Budget: Expanded Learning Programs

FEBRUARY 2022

Summary. In his January budget, the Governor proposes an additional \$3.6 billion for the Expanded Learning Opportunities Program (ELOP) and \$149 million for the state's longstanding expanded learning programs. In this post, we provide background on the state's expanded learning programs, describe and assess the Governor's proposal, and provide our recommendations to the Legislature.

Background

State Has Two Longstanding Expanded Learning Programs. Expanded learning programs offer students academic and enrichment activities outside of the normal school hours. The state has two longstanding expanded learning programsthe After School Education and Safety (ASES) program and 21st Century Community Learning Centers (21st Century). Much of the funding and programmatic requirements of ASES were established by Proposition 49, which was approved by voters in 2002. Most notably, the state is required to provide at least \$550 million annually for ASES. The 21st Century program was established by the federal Elementary and Secondary Education Act in 1994, and reauthorized in the federal Every Student Succeeds Act in 2015. The key components of ASES and the 21st Century program, including funding levels for 2020-21, are shown in Figure 1 on the next page. (As we discuss below, both programs received a temporary funding increase in 2021-22.)

2021-22 Budget Included \$300 Million One-Time Increase for ASES and 21st Century Program. In addition to the funding specified in Figure 1, ASES and the 21st Century program received a combined \$301 million in one-time federal relief funding for temporary rate increases and slots. The federal funds will temporarily increase ASES per student daily rates from \$8.88 to \$10.18 in 2021-22 and 2022-23 and 21st Century program rates from \$7.50 to \$10.18 in 2021-22. State Has System of Support for Expanded Learning. The state uses a portion of ASES and 21st Century program allocations (\$16 million in 2020-21) to fund a regional system of support for expanded learning programs. This system of support includes the California Department of Education, 16 county offices of education across 11 regions, and contracted technical assistance providers. The technical assistance provides schools with ongoing support to help them create effective programs. The specific technical assistance activities can include coaching, training, resource brokering, and mentoring.

State Created New Expanded Learning Program in 2021-22. The state provided \$1.8 billion Proposition 98 funding in 2021-22 to establish ELOP. The Legislature and Governor agreed to increase funding for the program in future years, with the goal of reaching \$5 billion by 2025-26. This new program provides grants to school districts and charter schools to provide in-person expanded learning opportunities to students in Transitional Kindergarten (TK) through grade 6. (Throughout this post, we use the term "districts" to refer to school districts and charter schools.) Under ELOP, funded programs are required to provide at least nine hours per day of combined in-person instructional time and expanded learning opportunities during the school year and for 30 days during the summer. Similar to ASES, an ELOP program must offer programs that include educational and enrichment components, with maximum staffing ratios of 20:1. ELOP's funding structure is different from the state's longstanding expanded learning programs in three key ways:

- Funding goes to districts, who have flexibility over how programs are allocated across school sites.
- Funding is apportioned by formula rather than through a competitive grant process.

 Funding amounts are based on a district's number of English learner and low-income (EL/LI) students in grades TK through grade 6, not student participation in the program.

ELOP Has a Two-Tiered Funding Structure... The ELOP implementing legislation established two funding rates, depending on the proportion of EL/LI students in a district's student population. In 2021-22, districts with a student body that is 80 percent or more EL/LI received \$1,170 per EL/LI student enrolled in TK through grade 6. (In this post, we refer to these as the "Tier 1" rates.) Statute specifies that the rate for districts below 80 percent EL/LI (Tier 2 rates) would vary based on the amount appropriated in the budget for the program. The amount of funding provided in 2021-22 was sufficient to provide these districts with \$672 per EL/LI student enrolled in TK through grade 6. In 2021-22, one-third of eligible districts, enrolling 47 percent of the state's EL/LI students in grades TK through 6, were funded based on the Tier 1 rates. The implementing statute specifies that the intent is for the rates to increase to a uniform \$2,500 per EL/LI student at full implementation. The minimum grant amount in either tier is \$50,000.

Figure 1

	ASES	21 st Century Program
Total Funding in 2020-21	• \$650 million state funds.	• \$146 million federal funds.
Eligible Grantees	 Public schools or community-based organizations that partner with a local education agency. Priority given to schools with more than 50 percent low-income students. 	 Local education agencies, community-based organizations, other public and private entities, and institutions of higher education. Must provide services to students who attend schools with at least 40 percent low-income students. Grantees may provide services to more than one school site.
Funding Allocation	 Competitive grant process that prioritizes high-poverty schools. Funded using a daily per-student rate (\$8.88 in 2020-21). Must operate an after school program. Grantees can apply for additional funding for before school or summer programs. Minimum grant of \$50,000 per school site. Maximum school site grant that varies by size of school. 	 Competitive grant process that prioritizes high-poverty schools. Funded using a daily per-student rate (\$7.50 in 2020-21). Must operate an after school program. Grantees can apply for additional funding for before school or summer programs. Minimum grant of \$50,000 per school site.
Programmatic Requirements	 For grades TK through 8. Must include an educational and literacy element and an educational enrichment element. Must begin immediately after school day ends and operate until at least 6 pm every school day. Maintain a student-to-staff ratio of no more than 20 to 1. 	 For grades TK through 12. Must include comprehensive support and improvement activities, as well as an educational enrichment component across all grades. Additional requirements for high school programs in academic assistance and enrichment activities to prepare for college or career.
Parent Fees	 Optional. Programs that charge fees must waive them for low-income students, homeless youth, or foster youth. Fees must be based on a sliding scale that considers family income and ability to pay. 	• Same as ASES.
Local Match	 Local match of \$1 (cash or in-kind services) for every \$3 of state funding. 	• Not required.

Key Components of California's Longstanding Expanded Learning Programs

ASES = After School Education and Safety and TK = Transitional Kindergarten.

...With Different Programmatic

Requirements. For 2021-22, statute specifies that all participating districts are required to offer expanded learning opportunity programs to all of their EL/LI students attending classroom-based programs, and must provide access (meaning to ensure that space in the program is available) to at least 50 percent of these students. However, 2021-22 is treated as a transitional year, and districts will not be subject to the annual audit process or penalties for noncompliance. Beginning in 2022-23, Tier 1 districts would be subject to higher requirements. Specifically, these programs must offer the program to all TK through grade 6 students in classroom-based settings and provide access to all students whose parent or guardian requests their placement in a program. Districts that are found to be out of compliance through the audit process would lose their ELOP apportionment. Districts can opt to serve non-EL/LI students and have the option of covering additional costs above their apportionment by either using local general purpose funding or assessing parent family fees.

Other One-Time Funding for Expanded Learning. In 2020-21 and 2021-22, schools received almost \$25.7 billion in combined state and federal funding, most of which can be used for the same purposes as ELOP. In March 2021, the state enacted Chapter 10 of 2021 (AB 86, Committee on Budget), which included \$4.6 billion for schools to provide expanded learning and academic support programs in response to the COVID-19 pandemic. Additionally, schools received \$21.1 billion in one-time federal relief funding to cover a broad range of activities, including expanded learning programs. Most of these funds are available through September 30, 2024. Districts can use their one-time funding from these sources to supplement ELOP funding.

Governor's Proposals

Increases ELOP Funding to \$4.4 Billion in 2022-23. The Governor's budget provides \$4.4 billion Proposition 98 funding for ELOP in 2022-23—an increase of \$2.6 billion from the amount provided in 2021-22. This would bring the funding for ELOP to 88 percent of the intended goal of \$5 billion. As Figure 2 shows, the Governor also proposes to make several modifications to the tiered structure, rates, and programmatic requirements of ELOP in 2022-23.

Modifies Tiered Structure and Increases Rates. The Governor proposes to lower the threshold for Tier 1 funding from 80 percent EL/LI students to 75 percent. The Governor proposes to increase the Tier 1 rate from \$1,170 in 2021-22 to \$2,500 in 2022-23, with the remaining funding being split among all EL/LI students in Tier 2. The administration has indicated they estimate the rate for Tier 2 would increase from \$672 in 2021-22 to roughly \$2,000 in 2022-23.

Figure 2

Rate Structure and Programmatic Requirements for ELOP

Governor's 2022-23 Budget Proposal

	Tier 1	Tier 2	
EL/LI Threshold	80 percent or more in 2021-22.75 percent or more in 2022-23.	Less than 80 percent in 2021-22.Less than 75 percent in 2022-23.	
Funding per EL/LI Student	\$1,170 in 2021-22.\$2,500 in 2022-23	\$672 in 2021-22.Roughly \$2,000 in 2022-23 (estimate).	
Long-Term Programmatic Requirements	 Offer program to all students. Provide access to every student whose parent or guardian requests enrollment in program. 	Offer program to all EL/LI students.Provide access to half of EL/LI students.	
Audit Requirements	• Beginning in 2023-24.	• Same as Tier 1.	
ELOR – Expanded Learning Opport unities Program and EL/L – English Jearner/Jaw Jacome			

ELOP = Expanded Learning Opportunities Program and EL/LI = English learner/low-income.

Delays Implementation of Requirements

Until 2023-24. The Governor proposes to delay the higher requirements for Tier 1 districts, as well as the associated auditing requirements for all districts, from 2022-23 to 2023-24. The administration has indicated that this delay is intended to give districts more time to build out their programs, given the challenges they have faced expanding programs during the pandemic and the significant increase in funding proposed.

Modifies Penalties for Noncompliance. The Governor proposes to modify the penalty for noncompliance so that, rather than losing all of their ELOP apportionment, districts would receive proportional reductions based on the reason for noncompliance. Specifically, if a district fails to meet the requirement to offer or provide access to expanded learning programs, its ELOP apportionment would be reduced on a per-pupil basis. Additionally, failure to maintain the required number of days or hours will result in a prorated reduction based on the number of days the district failed to meet the requirement.

Provides \$937 Million in One-Time Funding for Arts and Music Infrastructure. The Governor proposes to allocate the \$937 million evenly over four years (from 2022-23 through 2025-26). The funds would be distributed proportional to a district's ongoing ELOP allocation. At least 75 percent of each districts' allocation must be used to supplement art education programs. This portion of funding could be used for training, art supplies and materials, and partnerships with outside organizations. The remaining 25 percent of allocations can be used for any equipment or support infrastructure upgrades for expanded learning programs.

Makes ASES and 21st Century Program Rate Increases Permanent. The Governor's budget provides a total of \$149 million ongoing Proposition 98—\$95 million to ASES, and \$54 million to the 21st Century program—to provide ongoing funding for the temporary rate increases provided in the 2021-22 budget. (The Governor does not propose funding to make permanent the temporary slots added in 2021-22.)

Assessment

In this section, we provide our assessment on key aspects of the Governor's expanded learning proposals.

Expanded Learning Programs Can Have Several Benefits for Students and Families. Increasing access to expanded learning programs can be beneficial to students and communities for a variety of reasons. Research suggests that expanded learning programs with academic enrichment opportunities can increase student engagement and attendance. These programs also provide opportunities for students to receive additional academic support and engage in other enriching activities outside of the traditional classroom setting. Expanded learning programs also can make it easier for schools to provide non-academic supports and other wraparound services, such as health services and behavioral health counseling, as is common with the community schools model. Expanded learning programs can also offer a safe and enriching place for students while parents or guardians are at work or otherwise unable to provide care.

Staffing Shortages Could Make Scaling Up Programs Difficult. Given that ELOP is still in the first year of implementation, the extent to which districts have built out their expanded learning programs is unclear. In our conversations with districts and other experts, many indicated that districts have faced challenges with expanding their ELOP programs. Most commonly, districts have had difficulties hiring staff given the workforce shortages caused by the pandemic. Potential ELOP staff also have the opportunity to take other school-based positions, such as instructional aides, which typically offer more hours of work. (The minimum gualifications for ASES and ELOP staff are the same as that of district instructional aides.) To the extent that staffing shortages continue to be a constraint, ramping up expanded learning programs will be difficult. The administration's proposal to delay the auditing requirements would give districts an additional year to build out their programs before they could potentially have their funding reduced.

Long-Term Expectations of Program Are Unclear. The implementing statute for ELOP specifies an intent to ultimately provide all districts with a uniform rate of \$2,500 per EL/LI student. However, the way these rates will be phased in and the long-term programmatic expectations for ELOP remain unclear. This lack of clarity makes long-term planning difficult for districts. One key programmatic expectation in flux is the minimum requirement for which students must be provided access to the program. The Governor's proposal maintains the same programmatic requirements that currently exist for each funding tier. (For Tier 1, providing access to all students. For Tier 2, providing access to all EL/LI students.) However, by modifying the cutoff between the two tiers (from 80 percent EL/LI students to 75 percent), the Governor's proposal shifts some districts from Tier 2 to Tier 1. Shifting to a different tier results in a higher rate in 2022-23, but the higher rate may not be proportional to the higher programmatic expectations of providing access to all students over the long term. We estimate that, under the Governor's proposal, 109 school districts and charter schools would shift from Tier 2 to Tier 1 funding. The administration does not specify whether they intend to continue to reduce the threshold for the higher tier in future years, or if they will revisit programmatic requirements.

Long-Term ELOP Rate Likely Sufficient to Run Program. Assessing the adequacy of funding for ELOP is difficult because, unlike the ASES and the 21st Century program, ELOP is funded on the overall attendance of EL/LI students rather than on actual program attendance. Furthermore, districts are not required to report program participation data to the state. One way to assess ELOP funding is to compare it with the funding rate provided through ASES. We estimate that the ASES rate (\$10.18 per student for a three-hour day in 2021-22), adjusted for the school year and summer requirements of ELOP, translates to about \$2,800 per student participating in the program. Using this \$2,800 rate, we estimate the \$5 billion committed to ELOP in the long term would be enough to fund almost 60 percent of all students in grades TK through 6sufficient to provide access to virtually all of the state's EL/LI students.

Funding Per Participating Student Would Be More Generous for Lower-Poverty Districts.

Given that ELOP is not funded based on student participation, the effective funding rate per student will depend on the number of students that receive access to the program. To assess what the rate per participating student would be at the \$2,500 funding rate, we used projections of funding for districts in Tier 1 and Tier 2 and made assumptions about student participation. The results are shown in Figures 3 and 4. As Figure 3 shows, the effective rate per participating student for districts in Tier 1 is above the ASES rate (\$2,800) in five of the six scenarios, with effective rates ranging from \$2,500 to \$4,750. As Figure 4 shows, the effective funding rates would be even more generous for Tier 2 when considering their lower programmatic requirements. Districts in Tier 2 that met the minimum program requirements by providing access to half of their EL/LI students would receive \$5,000 per participating studentabout 80 percent higher than the ASES rates.

Figure 3

Effective Funding Rate for Tier 1 Districts

Annual Rate Per Participating Student

Program	District EL/LI Share		
Participation	75%	85%	95%
Three-quarters of all students Half of all students	\$2,500 3,750	\$2,833 4,250	\$3,167 4,750
Note: Assumes districts receive \$2,500 per each EL/LI student in Transitional Kindergarten through grade 6.			

EL/LI = English learner/low-income.

Figure 4

Effective Funding Rate for Tier 2 Districts

Annual Rate Per Participating Student

Program Participation	
Three-quarters of EL/LI students Half of EL/LI students	\$3,333 5,000
Note: Assumes districts receive \$2,500 per each EL/LI student in Transitional Kindergarten through grade 6.	

EL/LI = English learner/low-income.

\$50,000 Minimum May Not Be Sufficient for a Baseline Program. Given the Governor's proposed funding rates for 2022-23, we estimate roughly 120 school districts and charter schools would receive a minimum grant of \$50,000. In our conversations with experts, districts that received minimum grants in 2021-22 found it difficult to implement a new program, particularly if they did not have any preexisting after school programs. The \$50,000 minimum reflects the same minimum as ASES and the 21st Century program. Those programs, however, are only expected to operate during the school year. Under ELOP, districts are required to also offer a program for 30 days in the summer, for nine hours per day. We estimate operating a summer program as required by ELOP translates to roughly 50 percent more hours per year compared with only providing a program during the school year.

No Clear Rationale for Such a Large Amount of One-Time Funding. Since districts will not be required to comply with program requirements in 2022-23, we think it is highly unlikely they would spend all of their ongoing funding in 2022-23. Given the challenges with hiring staff, many districts are also not likely to have spent all of their 2021-22 funding. (Under current law, districts can use unspent 2021-22 ELOP funding in 2022-23. The Governor proposes to allow similar flexibility for 2022-23 funds.) To the extent that districts would like to make one-time purchases to build their programs, they can do so with these existing funds. We also see no clear justification for requiring 75 percent of one-time funds to be set aside solely for arts and music. Based on our conversations with experts, we think districts should have flexibility to spend one-time funding on a variety of activities that would help them develop a quality program, such as for staff training, facility modifications, and science equipment.

At Full Implementation, ELOP Funding Could Be Duplicative of ASES and 21st

Century Program Funding. When ELOP is fully implemented, the state will be providing funding for districts with high shares of EL/LI students and requiring districts to make the program available to all students who request access. Given that the ASES and 21st Century programs both prioritize

high-poverty schools, these programs are more likely to already exist in school districts with higher shares of EL/LI students. To the extent that districts already have ASES or 21st Century programs in their higher-poverty schools, ELOP funding may end up being used disproportionally at school sites with lower rates of EL/LI students.

Key Legislative Decisions

Given the significant increase in funding for ELOP, the Governor's proposal raises several important issues regarding how the program would operate in the long term. The Legislature could take a variety of approaches to improve implementation of ELOP. Below, we highlight several key areas that the Legislature will want to weigh in on to ensure ELOP is effectively implemented. This includes the following:

- Long-Term Expectations. To help districts plan for increasing the capacity of their expanded learning programs, it will be important for the Legislature set clear expectations of how ELOP is intended to work in the long term. In particular, by setting clear requirements regarding (1) which students must have access to the program, (2) how funding rates will be phased in, (3) whether districts are expected to provide local matching funds or assess parent fees, and (4) the days and hours that programs must operate.
- Alignment of Funding Rates and Program **Requirements.** Given the ELOP rates are more generous for lower-poverty districts, the Legislature may want to revisit rates and program requirements. The Legislature could take a variety of approaches to addressing this issue. It could, for example, maintain the existing tiered rate structure but create a larger gap in rates between the Tier 1 and Tier 2 rates. This would ensure that the difference in rates is proportional to the difference in programmatic requirements for districts. Alternatively, the Legislature could create one funding rate based on student participation, with an associated set of program requirements. By better connecting funding rates to the associated programmatic

requirements, either of these approaches would be an improvement over the Governor's proposal. In aligning funding and program requirements, the Legislature may also want to consider setting expectations for whether districts should contribute a local match or charge parent fees. Requiring a local match or parent fees could affect decisions regarding the appropriate level of state funding and minimum program requirements.

• Data Collection. Tracking program participation will allow the Legislature to assess whether the funding provided is sufficient to run an expanded learning program. The Legislature could use this information to reevaluate the program and consider programmatic and funding modifications in the future. Additionally, the Legislature could require participation data be incorporated into the state's longitudinal data system, which would allow the state to evaluate the effects of the program on student outcomes.

Recommendations

Enact Uniform Rate Structure Focused on Providing Access to EL/LI Students. Figure 5

describes our long-term recommendations to improve ELOP based on the key decisions discussed above. We recommend the Legislature

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

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

Consider Providing Funding for Technical Assistance. Given the number of schools that will be creating or expanding programs over the next few years, increasing access to technical

Figure 5

LAO Recommendations for Expanded Learning Opportunities Progra	am
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Issue	Recommendation
Rates	 Phase in rates consistently for all districts. Assuming Governor's proposed funding for Expanded Learning Opportunities Program, the rate would be about \$2,300 in 2022-23. Set short-term target of \$2,500 per English learner/low-income (EL/LI) student for all districts. In the long term, adjust grant amounts based on actual student participation.
Program Requirements	 Require programs offer and provide access to all EL/LI students in Transitional Kindergarten through grade 6 that are interested in the program. Allow districts to provide access to other students on an optional basis.
Other Revenue	 Do not require a local match or parent fees. Districts can choose to do so to increase access or improve program. As required under the After School Education and Safety program, fees must be waived for low-income students, foster youth, and homeless youth. Any fees charged to families must be on a sliding scale that considers family income and ability to pay.
Data Collection	 Require reporting on number of students participating and number of staff employed. Use this information in future years to consider changes to rate structure or staffing requirements.
Minimum Grant	• Provide minimum grant amount of \$75,000.

assistance could help districts implement quality expanded learning programs and meet program requirements by 2023-24. We recommend setting aside a portion of ELOP funding to expand the Statewide System of Support for Expanded Learning. One option would be to set aside \$15 million—effectively doubling the existing system of support. Scaling up the level of technical assistance may be difficult to do in a short amount of time. The Legislature could provide funding initially and revisit the amount next year depending on the level of demand for assistance.

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

LAO PUBLICATIONS

This post was prepared by Michael Alferes, and reviewed by Edgar Cabral and Anthony Simbol. The Legislative Analyst's Office (LAO) is a nonpartisan office that provides fiscal and policy information and advice to the Legislature.