

The 2022-23 Budget:

K-12 Early Literacy Proposals

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Summary. The Governor’s early literacy proposals for schools include one-time Proposition 98 funding of \$475 million for very low-income schools to hire literacy coaches, \$25 million for statewide training for literacy coaches, and \$200 million for culturally relevant and multilingual books in school libraries. This post provides background on school funding and literacy, describes the Governor’s early literacy proposals for schools, and offers associated assessments and recommendations to the Legislature.

Background

Prior to Pandemic, State Reading Assessments Showed Improvements in Early Grades. In 2019, 49 percent of California students in the third and fourth grade met or exceeded state standards in English language arts. This rate reflected notable improvements compared to results from 2015—when around 40 percent of third and fourth graders met or exceeded standards. Since the COVID-19 pandemic, a limited set of state assessment results from 2020-21 showed the share of students in third and fourth grade who met or exceeded state English language arts standards dropping to around 40 percent. (Due to pandemic-related factors, including state-level flexibilities for districts to offer local assessments for 2020-21, less than 25 percent of students completed the statewide assessments in all subject areas, compared to over 95 percent of eligible students in previous years.)

Local Control Funding Formula (LCFF) Covers Core Instructional and Other Educational Costs. The LCFF is the primary source of funding for school districts and charter schools. The formula provides a base grant amount for each student,

plus additional funding based on the proportion of students who are English learners or low income. For each student who is an English learner or low income, a district receives a supplemental grant equal to 20 percent of the base grant. Districts serving a student population with more than 55 percent low-income and English learner students receive additional funding through a concentration grant for each low-income and English learner student above the 55 percent threshold. This additional funding largely is intended to address the broader challenges schools serving high shares of English learners and higher-poverty communities face—for example, providing additional supports and instructional materials for struggling readers or students learning English. Schools pay for most of their general operating expenses (including employee salaries and benefits, supplies, instructional materials, and student services) using these funds.

2021-22 Budget Increased LCFF Concentration Grant Rate. The 2021-22 budget provided a \$1.1 billion ongoing augmentation to increase the LCFF concentration grant rate from 50 percent of the base grant to 65 percent. Trailer legislation specifies that the additional funding be used towards increasing the number of staff that provide direct services to students in schools where more than 55 percent of students are low-income and English learners.

State’s Accountability System Directs Technical Assistance to Low-Performing Districts and Schools. In conjunction with establishing LCFF in 2013-14, the state adopted a new system of accountability for school districts. Under the current system, each district is required to adopt an annual strategic plan known as a Local Control and Accountability Plan (LCAP).

In the LCAP, districts must establish performance targets in state priority areas and identify actions to achieve these targets for all students and student subgroups, including English learners and low-income students. In developing their LCAP, districts must seek feedback from school employees, students, and parents. The state also has a school dashboard that reports school and district performance based on measures aligned with the state priority areas. One state priority area focuses on student academic achievement as measured by test scores on state reading, math, and (for English learners) English language proficiency assessments. A district that is identified as low performing based on the school dashboard is to receive targeted support from its county office of education (COE). In providing technical support, COEs sometimes consult with other regional and state partners known as lead agencies. In fall 2019, 201 school districts (out of approximately 1,000) were identified as having poor academic achievement for one or more student subgroup.

Various Other Funding Sources to Support Improvements in Literacy and Purchase Instructional Materials. In addition to LCFF, the state funded various one-time initiatives focused on improving academic outcomes in recent years. For instance, the 2020-21 budget included \$50 million to establish block grants to improve early literacy. These block grants were targeted to the 75 schools with the lowest performance on third grade state reading assessments. Additionally, \$3 million was provided for a lead COE to provide statewide professional development and technical assistance focused on effective literacy instruction in early grades. The 2021-22 budget also included \$1.5 billion for educator professional development grants, available over five years, in addition to \$10 million for statewide professional development on reading instruction and intervention. Schools also received and are required to use a portion of funding from state lottery revenues for books and instructional materials under Proposition 20 (2000), typically several hundred million dollars annually. In addition to state funding, the federal government funds many education programs on an ongoing basis (around \$2.5 billion) that are focused on addressing poor student performance and targeted

to students in poverty. Most notably, the federal government supports supplemental educational services for low-income students through the federal Every Student Succeeds Act. In response to the pandemic, the federal government also provided California schools more than \$21 billion one time across three emergency relief packages. These federal relief funds can be used on a variety of activities including providing supplemental reading instruction and purchasing books and instructional materials.

Pandemic Is Driving Widespread School Staffing Shortages. Districts report challenges stemming from the pandemic with hiring a range of school staff, including qualified teachers, reading specialists, substitute teachers, school nutrition staff, and bus drivers. A national survey of teachers from January 2021 found that 23 percent of teachers were likely to leave their current job due to pandemic-related stress by the end of 2020-21, compared to an annual average of 16 percent before the pandemic. Data in California is consistent with this finding. According to the California State Teachers' Retirement System, which manages the state's pension system for teachers, 3,202 California teachers retired in the second half of 2020—a 26 percent increase relative to 2019. Although the pandemic appears to have accelerated teachers leaving the workforce, data on teachers entering the workforce—such as district hiring of new teachers and enrollment in teacher preparation programs in 2021-22—have not yet been released. In addition to teacher supply challenges, recent state efforts to expand Transitional Kindergarten to include all four-year-old children will increase demand for classroom teachers.

Governor's Proposals

Provides \$475 Million One Time for Very Low-Income Schools to Hire and Train Literacy Coaches. Funding would be for eligible schools to hire and train literacy coaches and reading specialists that, in turn, would implement school literacy programs, mentor teachers, and provide targeted reading interventions to students. The funding would be provided to local education agencies (LEAs)—school districts, charter schools,

and COEs—for each school site where at least 95 percent of students in Transitional Kindergarten through grade 6 are English learners or low income. The administration estimates about 1,000 schools would be eligible (out of about 10,000 statewide). Each eligible school would generate a base grant of \$300,000, with remaining funding distributed based on enrollment in Transitional Kindergarten through grade six. The LEAs for schools receiving funding would be required to provide a 50-cent match for each \$1 received in state grant funding. The noncompetitive grants would be available over three years. By June 30, 2026, LEAs would have to report to the California Department of Education (CDE) how funding was used to prepare and employ literacy coaches, the impact these coaches had on student literacy, the plans to continue funding for these coaches after the grant period, and other metrics as determined by CDE.

Provides \$25 Million One Time to Provide Statewide Training for Literacy Coaches.

In addition to funding proposed for LEAs to train their literacy coaches, the Governor’s budget includes \$25 million (available over three years) for a designated LEA to provide statewide training for all literacy coaches and reading specialists. CDE would be required to select the LEA based on criteria established by the department, with priority for LEAs with demonstrated success of improving student literacy.

Provides \$200 Million One Time for Multilingual Books for School and Classroom Libraries. Funding would be for eligible schools to expand their school and classroom libraries to include more culturally relevant books in English or other languages used in students’ homes. To be eligible for funding, schools must: (1) have at least 80 percent low-income students; (2) have at least 15 percent English learners; and (3) serve students in State Preschool, Transitional Kindergarten, or first through third grade. The administration estimates there are about 2,000 eligible schools. LEAs would receive a minimum grant of \$100,000 for each eligible school. Funding would be available through 2022-23. By September 30, 2023, LEAs receiving funding would have to report to CDE how funds were used to establish or expand student access to multilingual texts.

Assessment

Districts Are Expected to Fund Instructional Support and Libraries Through LCFF. Although efforts to improve early literacy could be warranted, dedicated school funding specifically for early literacy might not be necessary. Under the state’s current school funding system, LEAs are expected use LCFF funding—and a variety of other state and federal funding, as previously discussed—to cover core academic instruction, instructional materials, and other educational costs. This includes expenditures that would be required under the Governor’s proposals, such as hiring staff to provide reading interventions and purchasing books for school libraries. Many of the state’s largest school districts already fund early literacy initiatives with existing funding. (For instance, Los Angeles Unified, San Diego Unified, Alameda Unified, Elk Grove Unified, among others, each operate their own early literacy programs that provide targeted reading support and instruction.) Furthermore, the state’s recent increase to the LCFF concentration grant is intended to fund additional staff, such as literacy coaches, in the highest-poverty schools, including those targeted by the Governor’s proposals. Based on our analysis, more than 90 percent of the LEAs that would receive funding under one of the Governor’s literacy proposals also receive concentration grant funding. These LEAs also disproportionately benefited from the more than \$20 billion in one-time federal funding provided over the last two years. This funding can be used for similar purposes, with most funding available through September 30, 2024.

Research Suggests Literacy Coaches Could Improve Student Reading... Various studies suggest that literacy coaches can improve student reading test scores if experienced coaches are placed in the lowest performing schools. A 2010 study from the RAND Corporation examined the impact of state-funded literacy coaches placed in Florida middle schools on student reading test scores between 2002 and 2006. The study found positive impacts for two student cohorts analyzed, whereas the other two cohorts showed essentially no impact on student reading. The findings suggest that the greatest impacts were among the lowest performing schools where coaching was implemented for a number of years.

The researchers also noted, however, that the rapid expansion of Florida’s reading program potentially led to challenges recruiting effective coaches, resulting in coaching having less impact for some cohorts. Likewise, a 2018 meta-analysis of teacher coaching studies found a stronger effect for smaller scale demonstration projects compared to larger scale programs, likely due to challenges effectively scaling up interventions, getting teacher support for coaching interventions, and accessing experienced coaches.

...But Several Issues Could Limit Benefits of Literacy Coach Proposal. Although funding for literacy coaches could improve student outcomes, several issues could limit the proposal’s impact.

- **Proposal Not Aligned With State Accountability System.** The proposal is not targeted specifically to districts or schools that have been identified as needing support for academic performance. Of the 201 districts identified for poor academic performance in 2018-19 (most recent data available), only about 60 districts would be eligible to receive the proposed funding for literacy coaches.
- **Temporary Funding Could Limit Proposal’s Impact.** Since research suggests that literacy coaching must be in place for several years to improve student reading, the impact of the Governor’s proposal will likely be constrained by the three-year grant period. Given time required for hiring, training, and planning, coaches may just be starting to provide effective reading support when funding would be expiring. Although participating schools are required to develop a long-term funding plan for these new positions, there is no guarantee that positions would be funded in the future. Moreover, the administration intends for funding to supplement existing resources, but the proposed trailer legislation does not prohibit using funds for existing staff. Some schools could, therefore, use the proposed funding to cover costs for existing literacy coaches, thus limiting the proposal’s impact.

- **Staffing Shortages Could Make Hiring Qualified Staff Difficult.** Effective literacy coaches are highly specialized—ideally, they have successful experiences teaching reading, in-depth knowledge of evidence-based literacy instruction, and experience working with teachers. Given the current school staffing shortages, LEAs may not be able to find fully qualified literacy coaches and specialists. The Governor’s proposal intends to make hiring literacy coaches somewhat easier by not requiring any specific qualifications for reading staff hired using grant funds. Newly hired literacy coaches with limited experience, however, would need additional training. Although literacy coaches could receive training from the entity designated to provide statewide training, it remains unclear whether such training can effectively replace the extensive knowledge and experience that fully qualified literacy coaches typically have.

Impact of Multilingual Library Books Remains Unclear. Culturally relevant and multilingual books could promote a sense of belonging and encourage reading for bilingual students and students of color. To date, however, there is limited research on the impacts of multilingual and culturally relevant books on student reading proficiency, as well as how much access California students currently have to such materials. Students also could access multilingual and culturally relevant books at the local public library. Providing additional books in school and classroom libraries would not directly improve or result in effective instruction, which would benefit students most. Other state initiatives could better support English learners, such as increasing the number of bilingual teachers or providing more professional development for teachers to better support English learners. LEAs also have a variety of other funding sources they can use to expand access to such books, including state lottery funding, one-time federal relief funding, and private donations.

Proposals Would Award Significant Funding to Very Small Schools. Since both proposals would include minimum grant amounts and base eligibility solely on shares of students falling under certain categories (such as low income or English learners), some schools would receive a significant amount of funding for a very small student population. In our analysis, we found a total of about 20 schools that enroll ten or fewer students and would qualify for funding from one of the proposals. Given the eligibility for both proposals are overlapping, a very small school meeting both criteria could receive a very significant amount of literacy funding—\$400,000 in base funding from the two proposals alone.

Recommendations

Reject Proposals Since Districts Can Fund These Activities Using LCFF. As previously mentioned, districts can already fund literacy coaches and multilingual books using LCFF funding, one-time federal relief funding, and various other funding sources. The administration’s approach of providing restricted funding for certain early literacy activities is not consistent with the original legislative intent that LEAs locally

determine and fund priorities under LCFF. For these reasons, we recommend the Legislature reject the Governor’s proposals to fund additional literacy coaches and multilingual books, thereby freeing up \$700 million in one-time Proposition 98 funding to support other legislative priorities. Should the Legislature be interested in funding the literacy proposals, we suggest several modifications. For the literacy coach proposal, the Legislature could consider extending the time line of the grant funding from three to five years to allow districts to address likely staffing shortages and increase the time frame for coaching interventions. To encourage additional coaching, the Legislature could adopt trailer legislation clarifying that funds are intended to supplement rather than supplant existing spending on literacy coaches. We also suggest targeting funding to schools identified as low performing for student achievement as identified under the state’s accountability system. To address the issue of very small schools receiving a significant amount of funding from either proposal, we suggest limiting funding to schools enrolling at least 11 students in the targeted early grades, as is consistent with how the state implemented the early literacy block grants in 2020-21.

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