

# The 2025-26 Budget: Educator Workforce

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## SUMMARY

This brief analyzes the Governor’s spending proposals related to teacher recruitment and retention, math and literacy coaches, and implementation of literacy screenings for kindergarten through second grade.

**Recommend Rejecting Teacher Recruitment and Retention Proposals.** California has provided more than \$1.6 billion over the last decade to address teacher shortages. The Governor’s budget includes a total of \$300 million in one-time funding for teacher recruitment and retention—\$250 million in Proposition 98 General Fund and \$50 million in non-Proposition 98 General Fund. Two of the proposals would fund programs that have been funded in recent years, and one proposal would create a new loan repayment program for teachers. We recommend rejecting these proposals, as we find limited evidence that they would efficiently address longstanding shortages. If the Legislature is interested in funding one or more of the Governor’s proposals, given the state’s fiscal condition, we recommend any funding for teacher recruitment and retention programs be provided with Proposition 98 General Fund. Additionally, if the Legislature provides funds to one or more of these programs, we recommend targeting these funds in ways that more closely align with where the state has the most significant teacher shortages, such as by targeting only the highest poverty schools and/or teachers with credentials in the longstanding shortage subject areas (such as special education, math, science, and bilingual education).

**Recommend Adopting Math and Literacy Coach Proposals With Some Modifications.** The Governor’s Budget includes a total of \$500 million one-time Proposition 98 General Fund to fund math and literacy coaches. We recommend the Legislature adopt funding for the proposals. In our view, enhanced efforts to address the state’s math and reading outcomes are warranted. Furthermore, various studies suggest that math and literacy coaches can be an effective way to improve student test scores. By limiting eligibility to the highest poverty schools, the proposal would target many of the schools that could most benefit from the funding. However, we find several aspects of the math coaches proposal limit the effectiveness of the program, and we make several recommendations that would help ensure the funds are being used most effectively. For example, we recommend the Legislature set a minimum grant amount for schools to ensure the amount of funding provided through the grant will be sufficient to cover the costs of the required activities. We also recommend requiring local education agencies to only spend funds for the benefit of eligible school sites. This would help ensure the funds are being used at schools that need the most support.

**Recommend Reducing Literacy Screening Funding.** The Governor’s proposal provides \$40 million one-time Proposition 98 General Fund to train teachers and supply schools with the materials needed to meet a new state requirement to conduct literacy screenings of kindergarten through second grade students. This amount of funding is based on the administration’s estimate of the initial costs to implement these requirements. We find this to be a reasonable estimate. However, the state also allocated \$25 million for training teachers to conduct literacy screenings in the 2024-25 budget. This funding is also available to cover costs in the budget year. As a result, we recommend reducing the proposed funding to \$15 million in 2025-26. When combined with the \$25 million provided in 2024-25, this would provide sufficient funding to implement the new requirements.

# TEACHER RECRUITMENT AND RETENTION

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## Background

### **California Has Long-Standing Teacher Shortages in Certain Subjects and Schools.**

Historically, schools have had challenges in filling their teaching positions with appropriately credentialed teachers, particularly in special education, math, science, and bilingual education. More recently, the Commission on Teacher Credentialing (CTC) has reported declines in new awards of science, special education, and bilingual education credentials ranging from 13 percent to 25 percent between 2020-21 and 2022-23. In particular, over the last five years, the state has authorized more waivers and emergency permits (24,548) for underqualified individuals to fill special education teacher roles than new special education teacher credentials (17,726). The state also has historically had higher proportions of teachers on waivers and emergency permits in schools with higher proportions of English learners and low-income (EL/LI) students. For example, according to the Learning Policy Institute, schools with the highest share of EL/LI students had twice as many math teachers on waivers or emergency permits (23 percent) than schools with the lowest EL/LI shares (11 percent) in 2022-23.

**California Has Funded Several Teacher Recruitment and Retention Programs.** As **Figure 1** shows, the state has provided more than \$1.6 billion over the last decade to address teacher shortages. Two of the largest programs are the Golden State Teacher Grant program and the National Board Certified Teacher Certification Incentive Program (National Board Program). The Golden State Teacher Grant program provides grants to individuals enrolled in a professional preparation program. The National Board Program provides grants to teachers who work in certain schools and have earned a certification from the National Board for Professional Teaching Standards, a nonprofit organization focused on high-quality teaching.

**Many Teacher Recruitment Grants Are Targeted to “Priority” Schools.** Both the Golden State Teacher Grant and National Board programs are targeted to teachers that work in schools where the proportion of students who are EL/LI is 55 percent or greater. These schools are known as priority schools.

## Governor’s Proposals

The Governor’s budget includes one-time funding for three proposals to address teacher recruitment and retention. Two of these proposals provide additional funding for previously funded programs, and one creates a new program. We describe these proposals in more detail below.

**Provides \$50 Million Non-Proposition 98 General Fund for the Golden State Teacher Grant Program.** The Governor’s budget proposes additional one-time funding to support additional Golden State Teacher grantees in 2025-26. Awards would be provided based on the existing program rules, which allow candidates to receive up to \$10,000 while completing their credentialing coursework if they commit to working in a priority school for two years within four years of completing their program. The 2024-25 budget package reduced by half the total award amount and service requirement (from a \$20,000 maximum award and four-year service requirement within eight years).

**Provides \$150 Million for New Loan Repayment Program.** The Governor proposes \$150 million in one-time Proposition 98 funding for the creation of a new loan repayment program for teachers and pupil personnel services credential holders (such as school counselors, psychologists, and social workers). The proposed program would repay up to \$20,000 in educational debt for staff working in priority schools. Grantees would receive up to \$5,000 for each year they worked in a priority school, for up to four years. The program would prioritize applicants on a first-come, first-served basis until funding is exhausted.

Figure 1

## Recent State Teacher Recruitment and Retention Spending

Program	Year	Description	Funding Allocation	Total Amount (In Millions)
<b>Teacher Residency Grant Program</b>	2018-19 and 2021-22	Supports establishing and expanding teacher and school counselor residency programs in special education, STEM, bilingual education, and kindergarten/transitional kindergarten.	CTC competitively awards grants to LEAs, COEs, and school-university partnerships. There are two grant types: (1) planning grants of up to \$50,000 and (2) residency grants of up to \$40,000 per resident in the new or expanded program.	\$651.0
<b>Golden State Teacher Grant Program</b>	2020-21, 2021-22, and 2024-25	Provides financial assistance to students enrolled in teacher preparation or pupil personnel services credential programs who commit to working in schools where at least 55 percent of students are EL/LI.	CSAC awards funds to participating grantees. Of the total amount provided, \$15 million was from federal IDEA funding and restricted to special education teacher candidates.	516.5
<b>National Board Certified Teacher Certification Incentive Program</b>	2021-22	Provides financial awards to teachers holding National Board certifications who teach at schools at least 55 percent of students are EL/LI.	CDE awards grants of \$5,000 per participant for up to five years.	250.0
<b>Classified School Employee Teacher Credentialing Program</b>	2016-17, 2017-18, and 2021-22	Provides financial assistance to classified school employees, such as instructional aides, to pursue teaching credentials.	CTC competitively awards grants of \$4,000 per participant per year for up to five years to LEAs, COEs, and charter schools.	170.0
<b>California Examination and Assessment Fee Waiver Program</b>	2022-23 and 2023-24	Subsidized teacher preparation examination fees for teacher and administrator candidates	CTC automatically awarded fee waivers to teacher and administrator candidates.	48.0
<b>Bilingual Teacher Professional Development Program</b>	2017-18 and 2023-24	Supported teachers pursuing authorization to teach bilingual and multilingual classes.	CDE competitively awarded grants LEAs and COEs.	25.0
<b>Integrated Undergraduate Teacher Preparation Grants</b>	2016-17	Supported expanding integrated programs that allow participants to earn an undergraduate degree and a teaching credential within four years. Programs focused on special education, STEM, and bilingual education received funding priority.	CTC competitively awarded planning grants of up to \$250,000 to universities.	10.0
<b>California Center on Teaching Careers</b>	2016-17 and 2021-22	Established a statewide teacher recruitment center to recruit qualified and capable individuals into the teaching field, particularly to low-income schools in special education, STEM, and bilingual education.	CTC competitively awarded grant to Tulare COE to operate center.	7.0
<b>Total</b>				<b>\$1,677.5</b>

STEM = Science, Technology, Engineering, and Math; CTC = Commission on Teacher Credentialing; LEAs = local education agencies; COE = county office of education; EL/LI = English learner/low income; CSAC = California Student Aid Commission; and CDE = California Department of Education.

***Provides \$100 Million for National Board Program.*** The Governor proposes \$100 million in one-time Proposition 98 funding for the National Board Program. Of the total amount, \$90 million is to continue awarding annual grants of \$5,000 to teachers who achieve the National Board certification and teach in a priority school. Teachers can earn these awards for up to five years and a maximum of \$25,000. The remaining \$10 million is to cover the fees charged to teachers who are starting the National Board certification process for the first time. This proposal contains no changes to the program rules.

## **Assessment**

***Limited Evidence Regarding Effect of Similar Programs on Teacher Recruitment and Retention.*** Although the state has dedicated substantial amounts of funding to address teacher shortages, there is limited evidence these efforts have been successful. A 2010 study on two of California's previous recruitment programs—a grant similar to the Golden State Teacher Grant program and a loan repayment program similar to the new proposal—concluded that two of every seven of the grant recipients were encouraged to work in the target low-performing schools because of the grant program. (The remaining grant recipients would have worked in those schools regardless of whether they received the grant.) The study also found that participant four-year retention rates (75 percent) were slightly lower than the state average retention rate at the time (78 percent). These results are in line with a 2023 study on a federal loan forgiveness program, which found that the program did not have any effect on teacher employment decisions. Many of the state's other programs lacked evaluation requirements to determine whether the programs helped to address teacher shortages.

***State Has Limited Information About Effectiveness of Golden State Teacher Grant and National Board Programs.*** The California Student Aid Commission (CSAC) is required to conduct an evaluation of the Golden State Teacher Grant Program, in partnership with CTC, and report to the administration and the Legislature every two years, beginning December 31, 2025. Due to the

length of time candidates have to complete the program's work requirements, the report will not have complete data showing whether participants have met the requirements to receive full funding. State law encourages CSAC to use qualitative and quantitative measures to quantify the number of candidates the program helped to recruit, but it is unclear whether the state could use the data currently collected to distinguish which candidates were influenced by the program and which would have become teachers in a low-income school without the program. The National Board Program has no specific reporting requirements, but the California Department of Education (CDE) collects data on the number of applicants and whether those applicants reapply for funding. Given the program only began a few years ago, available data is limited. According to the administration, early data show roughly 90 percent of National Board Program awardees reapply each year. These rates suggest program beneficiaries have retention rates similar to the national average for all public school teachers. Based on a 2021-22 survey from the National Center for Education Statistics, 84 percent of public school teachers returned to work in the same school the next year, while 92 percent of public school teachers nationwide remained in the profession. The state will have more information available during the 2027-28 budget process after the first two cohorts have had five years to complete their service requirements.

***Funding Not Well-Targeted to Low-Income Schools With Most Significant Shortages.*** All of the Governor's proposed new funding would target funding to priority schools. Targeting funding to low-income schools is prudent given that those schools have historically had higher proportions of teachers on emergency permits or waivers. However, the current priority schools definition used to determine eligibility for the programs includes many schools that do not have a relatively high proportion of EL/LI students. The 55 percent EL/LI threshold for a priority school is somewhat lower than the statewide share of EL/LI students (65 percent). Based on 2024-25 data, schools that currently meet the priority schools definition enroll over two-thirds of the total student population.

**Funding Not Well-Targeted to Subject Areas With Significant Shortages.** The Governor’s proposals do not explicitly target or prioritize teachers in subject areas that have had long-standing shortages, such as special education, math, science, and bilingual education. As a result, the funds are not necessarily being used in a way that helps improve recruitment and retention in the subject areas of greatest need.

**High Bar for Approving New Non-Proposition 98 General Fund for Golden State Teacher Grant Program.** As we discussed in our recent report, *The 2025-26 Budget: Overview of the Governor’s Budget*, the General Fund budget is roughly balanced for 2025-26, but the state faces multiyear budget deficits in the out-years. Any new non-Proposition 98 General Fund spending proposal will have to be weighed against other priorities, such as activities to which the state has already committed funding or maintaining somewhat larger reserve deposits to help address future budget challenges. As a result, we think the Legislature should apply a relatively high bar to its review of these proposals, including the proposal for more Golden State Teacher Grant funding. By contrast, the state is currently projected to have sufficient funds within Proposition 98 to cover its existing commitments, as well as some new commitments. The Governor’s budget includes \$7.8 billion in school Proposition 98 spending proposals, including the funding for the loan repayment program and National Board Program.

**Prior Funding for National Board Program Likely to Be Available in 2025-26.** Of the \$225 million previously allocated to the National Board Program, \$146 million has been spent or set aside for qualified teachers over the first three years of the program. This represents the full grant amount for roughly 5,800 teachers at \$25,000 per teacher. The remaining \$79 million could fund 3,000 additional awardees to complete the full five-year program. The administration estimates setting aside another \$44 million for the 2024-25 application period and exhausting current funding in 2025-26. These estimates are based on projections that the number of interested applicants would increase by 48 percent annually—the growth for the program from 2022-23 to 2023-24. We think

growth of this magnitude is unlikely to continue. Under more modest program growth of 20 percent annually, existing funding would fully cover grants for interested teachers through 2025-26. In addition, some of the funding that has already been set aside could become available in 2025-26 if a significant number of awardees do not complete the National Board certification process and/or do not work in a priority school for the maximum five years. Funding set aside for these teachers would then be freed up for more awards.

## Recommendations

**Recommend Rejecting Proposals.** We recommend rejecting the Governor’s teacher recruitment and retention proposals. There is limited evidence that these programs would have a meaningful impact on teacher recruitment and retention. Furthermore, the Golden State Teacher Grant proposal would provide additional non-Proposition 98 General fund at a time when the state faces multiyear budget deficits and the Legislature is in the position of having to weigh the value of new proposals against other priorities, such as spending to which it has already committed or somewhat larger General Fund reserves that would better prepare the state for difficult budget conditions in future years. The state also likely has sufficient funding remaining from prior National Board Program allocations to fund applicants in 2025-26 without the need for new funding. The state could revisit funding for all of these programs in future years when it receives updated information about program implementation. In the case of the Golden State Teacher Grant program, CSAC will submit its progress report at the end of 2025. In the case of the National Board Program, the state could consider additional funding as part of the 2027-28 budget, when the state has complete data for the first two cohorts.

**If State Allocates Funding, Consider Using Proposition 98 General Fund and Modifying Programs to Target Funds More Effectively.**

If the Legislature is interested in funding one or more of the Governor’s proposals, given the state’s fiscal condition, we recommend any funding for teacher recruitment and retention programs be provided with Proposition 98 General Fund.

The Proposition 98 portion of the budget has more capacity for new commitments than the rest of the budget. Additionally, if the Legislature provides funds to one or more of these programs, we recommend targeting these funds in ways that more closely align with where the state has the most significant teacher shortages. For example, the Legislature could modify the priority schools definition so that it reflects only the highest-poverty schools. The Legislature also could target funding

to teachers with credentials in the longstanding shortage subject areas of special education, math, science, and bilingual education. (These options are not mutually exclusive, and the Legislature could target funding based on school and subject area.) Such targeting would reduce the number of teachers eligible to receive these benefits, but the funds would go to provide more support to teachers in schools and/or subject areas with the most significant challenges.

## MATH AND LITERACY COACHES

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### Background

**State Scores Relatively Low on Math and Reading Exams.** In 2024, only 44 percent of California’s fourth graders met or exceeded state standards in English language arts, and 41 percent met or exceeded state standards in math. California also has historically scored lower than the national average on the National Assessment of Educational Progress (NAEP), a set of national exams administered by the federal government every two years. As **Figure 2** shows, the gap between California and the national average steadily closed from 2005 to 2019, but has remained relatively flat since 2019. The gap between the state and the national average is driven by the outcomes for economically disadvantaged students, which NAEP defines as students with family incomes below 130 percent of the federal poverty level. In 2024, California’s disadvantaged students scored lower than similar peers in other states in both math and reading, while non-disadvantaged students scored better on average than similar peers in other states.

**Some Schools Hire Coaches and Specialists in Math or Literacy to Improve Instruction.**

Coaches and specialists support teachers and other school staff to deliver effective instruction and improve student outcomes. The specific role of a coach or specialist varies, but may include designing curriculum, supporting teachers in developing lesson plans, implementing interventions for students, and administering assessments. Coaches can be experienced teachers with a multiple subject teaching credential

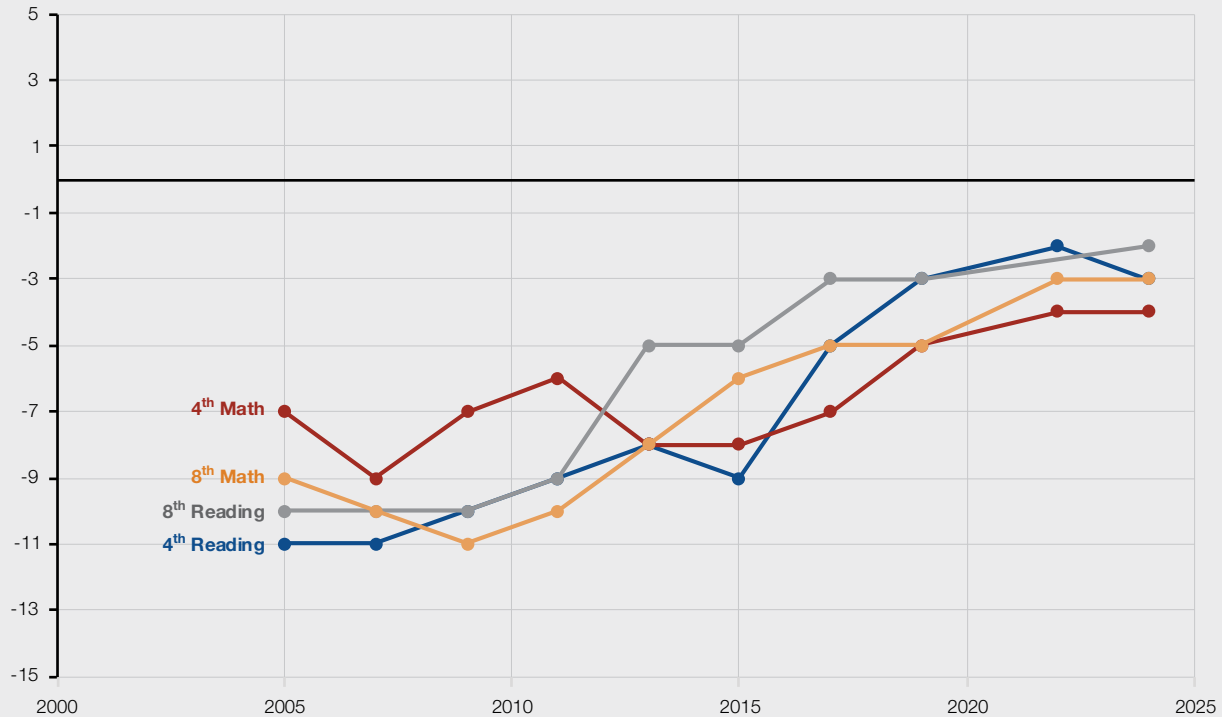
(required to be an elementary school teacher) or a single subject teaching credential in math or English (required to teach middle or high school). Individuals may also obtain additional credentials—such as the Mathematics Instructional Leadership Specialist Credential or Mathematics Instructional Added Authorization—that provide specific training related to improving instruction in math or literacy. (For the rest of this brief, we refer to use the term “coaches” to refer to both coaches and specialists.)

**State Has Provided One-Time Funding for Literacy Coaches.** In 2022-23, the state created the Literacy Coach and Reading Specialist (LCRS) program and provided one-time Proposition 98 General Fund for the program. These funds can be used for elementary schools with the highest shares of EL/LI students to develop school literacy programs, employ and train literacy coaches, and create and implement targeted reading interventions for students in transitional kindergarten through third grade. The state provided a total of \$477 million for the program (across 2022-23 and 2023-24) for all schools with K-3 enrollment and an EL/LI share of 95 percent or higher. Schools received a minimum grant of \$450,000, with additional funding distributed proportionally based on K-3 enrollment. Eligible schools were not required to apply to receive funding. Those that did not want to participate in the program were required to notify CDE by September 30 of the grant year.

Figure 2

## California Students Score Below National Average in Math and Reading

Difference Between California's Scores and National Average



Note: 8<sup>th</sup> grade reading scores in 2022 could not be compared due to data issues. National averages in 2024 were 237 for 4<sup>th</sup> grade math, 274 for 8<sup>th</sup> grade math, 215 for 4<sup>th</sup> grade reading, and 258 for 8<sup>th</sup> grade reading.

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### Governor's Proposals

The Governor's budget includes three proposals for one-time Proposition 98 General Fund related to coaches. We describe the proposals below.

**\$235 Million for Literacy Coaches.** The Governor proposes \$235 million to support additional elementary schools through the LCRS program. Funding would be available to local education agencies (LEAs)—school districts, charter schools, and county offices of education (COEs)—for any school that has K-3 enrollment and an EL/LI share of at least 94 percent. Compared with eligibility of previous grants, the proposal effectively expands eligibility to schools with an EL/LI share between 94 percent and 95 percent. In addition, funding would be available for eligible schools that opted out of the first two rounds of LCRS funding, as well as schools that are newly eligible because they have recently had increases in

their EL/LI share. (Schools that previously received an LCRS grant would be ineligible for additional funds.) Consistent with the existing LCRS program, funding would automatically be provided to eligible schools, unless the LEA chooses to opt out. Funds would be available to spend through 2028-29. By June 30, 2029, LEAs are to submit a report on how funds were used, the impact the funding had, and the plans to continue funding literacy coaches after the grant period.

**\$15 Million for Literacy Coach Training.**

The Governor also proposes \$15 million for the Superintendent of Public Instruction, subject to approval of the State Board of Education, to select one or more COEs to provide training to develop literacy coaches. These COEs would provide training to literacy coaches at school locations that received new literacy coach grants and would provide opportunities for individuals

across the state to become credentialed reading and literacy specialists or bilingual specialists. Of the total amount, \$1 million would be available for the grantee or grantees to contract for an independent evaluation of the training and opportunities provided.

**\$250 Million for Math Coaches.** The Governor's budget also includes \$250 million for math coaches who would support teachers in implementing math instruction and interventions. LEAs are eligible to apply for funding if they have schools where at least 90 percent of students are EL/LI, or rural schools where at least 75 percent of students are EL/LI. Unlike the LCRS program, LEAs must apply for these grants. To receive funding, LEAs must attest that they will support eligible schools with math coaches, provide access to training that is aligned with state's math curriculum frameworks, and provide funding for individuals to earn a Mathematics Instructional Leadership Specialist Credential or a Mathematics Instructional Added Authorization. CDE would determine a grant amount for LEAs based on the number of students enrolled at eligible schools. In addition, CDE would provide LEAs additional funding if they plan to support a larger number of grantees. Funds would be available to spend through June 30, 2029. By June 30, 2029, LEAs are to submit a report on how funds were used, the impact the funding had, and the plans to continue funding math coaches after the grant period.

## Assessment

### ***Research Suggests Literacy and Math Coaches Can Improve Student Outcomes.***

Various studies suggest that math and literacy coaches can improve student test scores if experienced coaches are placed in the lowest-performing schools. For example, a 2010 study from the RAND Corporation found that literacy coaches placed in Florida middle schools improved student reading test scores for some students, with the greatest impacts being 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 students. Likewise, a 2018 meta-analysis of teacher coaching studies—including both math

and literacy coaches—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. A 2011 study on highly trained math coaches in elementary schools found positive long-term effects on student math performance (though performance did not improve in the short term).

***Several Aspects of Math Coach Proposal Could Limit Effectiveness of Funding.*** Given the relatively low scores of student performance on math proficiency and the available evidence suggesting coaches might be able to help improve performance, providing funds to support coaches is a reasonable strategy. However, we find that several features of the proposed math coach structure could limit its effectiveness. The key limitations of the proposed structure are:

- Funding would be available for schools at any grade level, rather than targeted to earlier grades. The research suggesting math coaches are an effective strategy is specific to the elementary grades. Elementary school teachers likely benefit most from the subject matter expertise of a math coach, as they typically do not have the same level of subject matter expertise as middle and high school math teachers.
- The proposal does not establish a minimum amount of funding an LEA would receive from the grant, only that grant amounts would be based on enrollment at eligible schools. As such, it is unclear whether the amount of funding provided through the grant will be sufficient to cover the costs of hiring math coaches, providing access to training, and providing funding for individuals to earn credentials. The lack of specificity on the grant amount may also discourage some LEAs from applying for funds.
- The math coaching proposal does not require that all grant funds be used to support the specific schools with high EL/LI shares that meet the criteria for funding. LEAs would be allowed to direct the funding to other schools with lower EL/LI shares.



- LEAs would be required to proactively apply for math coach funding, rather than automatically being eligible unless they opt out. While an application process can help ensure LEAs are prepared to use the funding to achieve program goals, requiring an application process places additional administrative burden on LEAs—particularly small LEAs—and will likely result in some LEAs not applying even though they could benefit from the funds.

**No Specific Rationale for Mix of Math and Literacy Coaches.** The Governor’s budget proposes similar levels of funding for literacy and math coaches in 2025-26. To date, the state has already provided two similar rounds of funding for literacy coaches, while it has not provided any previous funding for math coaches. As a result, total funding over the multiyear period would be higher for literacy coaches than math coaches. Determining the exact mix of math and literacy coach funding involves weighing key trade-offs and depends on how the Legislature prioritizes these two different subject areas. On the one hand, additional funding for literacy coaches would allow the state to further expand literacy coaches to other high-poverty schools and build upon previous efforts to increase training and support statewide. On the other hand, directing more funding for math coaches would help the state begin to establish additional support for math instruction, similar to what the state has done in literacy over the past several years.

## Recommendations

### **Adopt Math and Literacy Coach Proposals.**

We recommend the Legislature adopt funding for literacy and math coaches. In our view, enhanced efforts to address the state’s poor math and reading outcomes are warranted. Furthermore, various studies suggest that math and literacy coaches can be an effective way to improve student test scores. By limiting eligibility to the highest-poverty schools, the proposal would target many of the schools that could most benefit from the funding.

**Modify Math Coach Grant Structure.** We recommend making several modifications to the math coach proposal that would help ensure the funds are being used in a way that is most effective. Specifically, we recommend the Legislature adopt the following changes to the proposal:

- Limit grant eligibility to elementary schools, which would align funding with the research on coaches suggesting that this is where the state is likely to see the greatest improvements.
- Set a minimum grant amount for schools. This would ensure the amount of funding provided through the grant will be sufficient to cover the costs of the required activities.
- Require LEAs spend funds only for benefit of eligible school sites. This would help ensure the funds are being used at schools that need the most support.
- Consider making LEAs automatically eligible for the grants, rather than requiring them to apply for funding. This would reduce administrative burden for LEAs.

**Consider Mix of Math and Literacy Coach Funding.** The Legislature could consider changing the proportion of new funding set aside for literacy or math coaches. The ultimate mix will depend on how the Legislature prioritizes support for these two different subject areas. Providing more funding for literacy coaches would help further advance an initiative the state has already funded. Providing more funding for math coaches would help the state begin to establish coaches in high-poverty schools and provide more individuals with access to training that will prepare them to become math coaches.

# LITERACY SCREENING

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## Background

**State Law Requires Literacy Screening in Grades K-2 Beginning in 2025-26.** Chapter 48 of 2023 (SB 114, Committee on Budget and Fiscal Review) requires that schools administer screenings for reading difficulties to students in kindergarten through second grade starting in 2025-26. (Transitional kindergarten students are not required to be screened.) LEAs must use a state-approved instrument to screen students. The 2023-24 budget set aside \$1 million one-time Proposition 98 General Fund to fund a panel of experts that would select appropriate screening tools. In December 2024, the panel ultimately approved four screening instruments that LEAs are authorized to use. If a student is identified as being at risk of having reading difficulties, LEAs will be required to provide the student with targeted supports and services, such as one-on-one or small-group tutoring, early reading interventions, or further diagnostic assessments.

**2024-25 Budget Provided \$25 Million One-Time Funding for Training Related to New Requirements.** The 2024-25 budget provided \$25 million in one-time Proposition 98 General Fund to support training for educators to administer literacy screenings to students. Funding was allocated to LEAs based on their share of statewide enrollment in kindergarten through second grade, which resulted in funding of \$21.17 per student.

## Governor's Proposal

**Provides \$40 Million One-Time Funding for Reading Difficulties Screening.** The Governor proposes \$40 million one-time Proposition 98 General Fund to cover the cost of training teachers, similar to the funds provided last year, as well as the cost of obtaining screeners and conducting screenings. As with the amount provided in 2024-25, funding would be allocated to LEAs based on their share of statewide enrollment in kindergarten through second grade. The funding is intended to cover the costs in 2025-26 related to initially implementing the screeners.

## Assessment

**Administration's Cost Estimate Is Reasonable.** The administration's proposed funding level of \$40 million is based on its estimate that total costs would be about \$825 per classroom for training, materials, and other costs. We think this is a reasonable estimate of average costs of initially implementing the screening requirements. The actual costs will vary based on key decisions LEAs make. For example, LEAs could reduce their costs by choosing to purchase one of the two approved screening instruments that are available free of charge. LEAs' costs will also be affected by the number of staff they choose to train to conduct the screenings.

**2024-25 Funding Also Available to Cover Costs of Implementing Screening Requirements.** The Governor's \$40 million in proposed funding is intended to cover the cost of three activities—training staff, purchasing screeners, and administering screenings. However, the \$25 million provided in 2024-25 is also available for implementation of the screening requirements—specifically, for training staff. These funds are therefore available to cover a portion of the \$40 million in costs the administration estimates for 2025-26.

## Recommendations

**Reduce Literacy Screening Training Funding.** We recommend reducing the proposed funding for literacy screening to \$15 million in 2025-26. When combined with the \$25 million provided in 2024-25, this would provide LEAs a total of \$40 million, which is the total estimated initial cost to begin implementing the new requirements.



## **LAO PUBLICATIONS**

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This report was prepared by Dylan Hawksworth-Lutzow, and reviewed by Edgar Cabral and Ross Brown. The Legislative Analyst's Office (LAO) is a nonpartisan office that provides fiscal and policy information and advice to the Legislature.

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