

Expanded Learning Opportunities Program

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SUMMARY

The state has three expanded learning programs that provide students with academic and enrichment activities outside of normal school hours. The vast majority of funding is provided through the Expanded Learning Opportunities Program (ELOP). ELOP funding is provided to school districts and charter schools through two funding rates that are based on the proportion of total transitional kindergarten (TK)-6 attendance from students who are English learners or from low-income families (EL/LI). (Throughout this brief, we use the term “districts” to refer to school districts and charter schools.) Districts with a student body that is 75 percent or more EL/LI receive a rate per EL/LI student that is set in statute. We refer to these as the “Tier 1” rates. For districts below this threshold, the rate will vary based on the amount of funding remaining after accounting for Tier 1 allotments.

Estimated Cost of Proposal Is Reasonable, but Recommend Delaying Changes at Least One Year.

The Governor’s budget increases ELOP funding by \$435 million and makes all districts with EL/LI shares of 55 percent or more eligible for the higher Tier 1 funding rate. Districts that shift to the higher funding rate would be required to offer the program to all students, not only their EL/LI students. The amount of funding proposed is a reasonable estimate of the costs associated with the proposed change. If the Legislature adopts the Governor’s proposal, we recommend delaying the requirements and associated funding for at least a year. Districts would have little time after the state budget is enacted in June to make the staffing and facilities changes necessary to meet the new requirements in 2025-26.

Recommend Revisiting Overall Structure. Given the Governor’s proposed increase in funding for ELOP, we think this is a good opportunity for the Legislature to revisit the overall structure for expanded learning programs. We identify several key problems the Legislature might want to address before expanding the program. Specifically, we make the following recommendations:

- ***Align Funding for ELOP and the After School Education and Safety (ASES) Program.***

Currently, many of the students required to be served with ELOP already have access to expanded learning through ASES. As a result, districts effectively receive two different streams of funding to serve some of the same students. One way to address this issue would be to reduce ELOP funding by the amount of ASES funding districts receive. This would mean districts have less ELOP funding for programming beyond the minimum requirements, but would free up several hundreds of millions of dollars that could be redirected to other education priorities.

- ***Over the Long Run, Fund ELOP Based on Actual Program Participation.*** Current ELOP funding is based on the amount of EL/LI elementary school students in a district rather than the amount participating in the program. This results in districts with high demand for the program receiving less funding per participating student than districts with lower demand. We recommend the state fund ELOP based on the number of students participating in ELOP programming as program participation data starts becoming available (beginning 2026-27).

- ***Consider Setting a Fixed Rate for Lower Funding Tier.*** The current funding rate for Tier 2 districts changes each year based on the amount of funding remaining after Tier 1 districts have been funded. This makes planning in these districts challenging. The state could set a fixed ELOP rate to reduce uncertainty in these districts, although this would shift some of the fiscal risks and uncertainties to the state.

Background

State Has Three Expanded Learning Programs.

The state has three expanded learning programs that provide students with academic and enrichment activities outside of normal school hours. Two of these programs, the ASES program and 21st Century Community Learning Centers (21st Century program), are longstanding. In 2002, voters approved Proposition 49, which requires the state to provide at least \$550 million annually to the ASES program. The 21st Century program is primarily federally funded. In 2021-22, the state created ELOP with plans to ramp up funding through 2025-26. This program now represents the vast majority of funding schools receive for expanded learning (Figure 1).

ELOP and ASES Have Similar Programmatic Requirements but Different Funding Structures.

ELOP provides funding to districts to provide in-person expanded learning opportunities to students in TK through grade 6. 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. Figure 2 compares the ELOP and ASES program requirements. Similar to ASES, ELOP programs must include educational

and enrichment components, with maximum staffing ratios of 20:1. ELOP's funding structure is different from ASES in three key ways:

- Funding goes to districts, who have flexibility over how programs are allocated across school sites.
- Funding is apportioned by formula to all districts with TK-6 enrollment rather than through a competitive grant process requiring districts to proactively apply for funds.
- Funding amounts are based on a district's number of EL/LI students in grades TK through grade 6, not student participation in the program.

ELOP Funds Allocated Through a Two-Tiered Funding Structure.

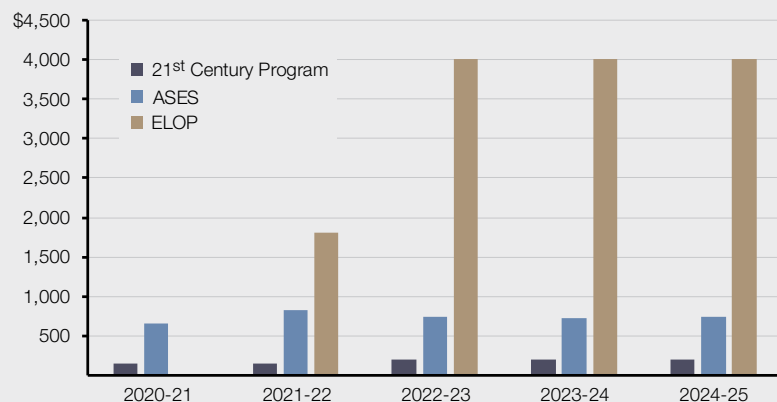
The ELOP implementing legislation established two funding rates that account for a district's TK-6 attendance and vary based on the proportion of a district's students who are EL/LI (Figure 3). Since 2022-23, districts with a student body that is 75 percent or more EL/LI receive a rate per EL/LI student that is set in statute. We refer to these as the Tier 1 rates. For other districts, also known as Tier 2 districts, statute specifies that the rate will vary based on the amount of funding remaining after accounting for Tier 1 allotments. From 2022-23 through 2024-25, the state appropriation has remained at \$4 billion, while the Tier 1 rate and overall Tier 1 TK-6 attendance has increased. As a result, funding available for Tier 2 districts has decreased.

ELOP Tiers Have Different Programmatic Requirements.

Beginning in 2022-23, Tier 1 districts have been 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. By contrast, Tier 2 districts are only required to provide access to EL/LI students who are interested in the program.

Figure 1

Funding for California's Expanded Learning Programs (In Millions)



21st Century Program = 21st Century Community Learning Centers; ASES = After School Education; and Safety Program; and ELOP = Expanded Learning Opportunities Program.

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Figure 2

Key Components of California's Two Largest Expanded Learning Programs

	ASES	ELOP
Funding Allocation	Competitive grant process that prioritizes high-poverty schools. Funded using a daily per-student rate (10.18 in 2024-25).	Two-tier funding formula based on the number of EL/LI students in the district or charter school.
Hours of Operation	Must operate an after school program. Grantees can apply for additional funding for before school or summer programs. Must begin immediately after the school day ends and operate until at least 6 pm every school day.	Must operate for at least 9 hours every school day including normal instruction hours and for at least 30 days over the summer.
Grade Levels	TK-8 th grade.	Formula is based on TK-6 th grade attendance, but can be used for other grades.
Curriculum	Must include an educational and literacy element and an educational enrichment element.	Same as ASES.
Staffing	For TK and kindergarten, maintain a student to staff ratio of no more than 10 to 1. For other grades, maintain a student to staff ratio of no more than 20 to 1.	Same as ASES.
Parent Fees	Optional. Programs that charge fees must waive them for low-income students, homeless youth, and 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 in state funding.	Not required.

ASES = After School Education and Safety Program; ELOP = Expanded Learning Opportunities Program; TK = transitional kindergarten; and EL/LI = English learner or low-income.

Tier 2 districts can opt to serve non-EL/LI students, and may choose to cover the additional costs above their apportionment by assessing family fees. Districts that are found to be out of compliance with these requirements lose part of their ELOP apportionment proportional to the infraction.

California's Programs Have Different Reporting Requirements. Districts with schools participating in ASES are required to report attendance semiannually. Currently, districts are not required to report their ELOP enrollment or participation. (One exception: districts are required to report the number of students enrolled in ELOP programs that are served at third-party, off-site locations.) Chapter 1003 of 2024 (AB 1113, McCarty) requires the California Department of Education to collect, starting in 2025-26, enrollment in each of the state's three expanded learning programs. This collection would be made through the state's longitudinal data system.

Staffing and Facilities Are Key Challenges in Growing Expanded Learning Programs.

The rapid increase in funding for ELOP has required districts to significantly increase the size of their expanded learning programs. Districts have indicated two key obstacles to increasing programs. Some districts find it challenging to hire additional qualified staff for their expanded learning programs. Districts also have facility constraints that make it difficult to increase the number of children they serve in expanded learning programs.

Figure 3

ELOP Funding Tiers and Rates Over Time

	Tier 1 EL/LI Threshold	Tier 1 Rate Per EL/LI Student	Tier 2 Rate Per EL/LI Student
2021-22	80%	\$1,170	\$672
2022-23	75	2,500	2,054
2023-24	75	2,750	1,803
2024-25	75	2,750	1,580

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

Governor's Proposal

Increases Number of Districts Eligible for Tier 1 Rates. The Governor proposes to lower the threshold for Tier 1 funding from 75 percent EL/LI students to 55 percent, while keeping the Tier 1 rate at \$2,750 per EL/LI student. The budget includes an associated \$435 million Proposition 98 General Fund increase to ELOP, which is intended to pay for the increased Tier 1 costs without reducing the rate for districts in Tier 2. The administration indicates it does not plan to make any changes to ELOP moving forward.

Assessment

In this section, we provide our assessment of the Governor's proposal to provide additional ELOP funding. Given the Governor's proposed increase in funding for the program, we think this is a good opportunity for the Legislature to revisit the overall structure for expanded learning programs. We identify several key problems with ELOP that the Legislature might want to address before expanding the program.

Proposal Would Affect Districts That Enroll About One-Quarter of California's Students.

A significant number of districts, including some of the state's largest, have EL/LI proportions between 55 percent and 75 percent. Based on our analysis, districts representing 27 percent of California's total attendance would shift from Tier 2 to Tier 1 funding rates.

Proposed \$435 Million Is a Reasonable Estimate of Increased Costs. Based on 2023-24 attendance—the data used to calculate 2024-25 allocations—the proposed \$435 million in additional funding would allow for increasing the number of Tier 1 districts without affecting Tier 2 rates. By the spring, the state will have preliminary 2024-25 data that it can use to update this estimate. Increases in attendance or the share of EL/LI students for Tier 1 districts would require additional funding to avoid reductions to the Tier 2 rates.

ELOP Funding Often Duplicative of ASES Funding. The state provided ELOP funding with the intent that districts operate comprehensive expanded learning programs for TK-6 students—either for all students (Tier 1 districts) or only EL/LI students (Tier 2 districts).

Districts have also historically received ASES funding to provide expanded learning programs, primarily at low-income schools. We estimate that, on average, Tier 1 districts received about \$450 per EL/LI student from ASES in 2023-24. For Tier 2 districts, we estimate they received, on average, \$280 per EL/LI student. (The specific amounts will vary based on historical participation in ASES. Some ASES funds may also go to middle schools.) Since ELOP and ASES programmatic requirements are so similar, districts are largely able to use funding from both sources to operate the same program across different school sites. Given districts are required to provide comprehensive expanded learning programs as a condition of receiving ELOP funding, there is no clear rationale for districts to continue to receive this additional funding from ASES.

ELOP Funding Is Not Based on Program Participation. The ELOP funding formula is based on TK-6 attendance in the regular school day across the entire district, not how many of those students are enrolled in or participate in expanded learning programs. This differs from ASES, which reimburses districts based on program attendance. The disconnect between funding and participation means that districts with relatively low participation in ELOP will effectively have higher levels of funding per student participating in the program.

Existing ELOP Rates Effectively Higher Than ASES Rates. Without comprehensive data on program participation, it is not possible to estimate with precision the current funding rates per EL/LI student participating in ELOP programs. However, based on our analysis of ELOP and ASES funding rates, we find that ELOP funding per participating student is likely significantly higher than ASES. To compare funding rates for the two programs, we converted the ASES daily rates into an annual rate consistent with ELOP requirements. Using 2023-24 attendance and rates, the ASES daily rate would be equivalent to \$2,900 per participating ELOP student per year. This is somewhat higher than the Tier 1 and Tier 2 rates. When accounting for participation, however, both tiers of ELOP rates are likely providing districts with substantially more funding per participating student than ASES.

Changing ASES Program More Difficult Than Changing ELOP. Although the Legislature has complete flexibility to modify ELOP, it has more limited flexibility to change ASES. Most notably, as required by Proposition 49, shifting substantial portions of funding from ASES into ELOP—such that ASES funding dips below \$550 million—would require approval of the voters. Furthermore, modifying the programmatic aspects of ASES would require a two-thirds vote of the Legislature.

New Reporting Requirement Only Partially Captures Level of Participation in Expanded Learning Programs. Data on the number of students enrolled in expanded learning programs will be collected starting in 2025-26. While collecting enrollment data will significantly improve the Legislature’s ability for program oversight, it may not provide a sense of day-to-day participation in the program. Collecting attendance data, as is currently required for ASES, would likely provide better information about program use.

Tier 2 Rate Is Unstable. The Tier 2 ELOP rate is effectively determined by whatever ELOP funding is left over after Tier 1 districts have been funded. This structure provides a great degree of predictability for Tier 1 districts and for state costs, but results in a highly variable Tier 2 rate. In the last three years, the Tier 2 rate has decreased 23 percent (from \$2,054 to \$1,580). This variability makes it difficult for districts to make long-term decisions about what level of staffing and programming they will be able to afford, even if they can accurately predict how many EL/LI students they are likely to serve. Going forward, there are a few factors that contribute to this uncertainty. For example, the Tier 2 rate is likely to continue declining over the next couple of years as the state implements universal TK and enrollment expands. On the other hand, in subsequent years, the rate may increase as the state continues to experience projected declines in overall student enrollment.

Districts Likely Need Time to Scale Programs and Notify Families. Under the Governor’s proposal, districts shifting from Tier 2 to Tier 1 rates may need to significantly expand program capacity to serve all students who request access beginning next school year. This may require hiring qualified staff, modifying facilities,

and developing new programs. Making these changes would be challenging by next school year. In addition, districts would need to notify families of the broader eligibility for the program. Districts commonly notify families of enrollment in the spring before the next school year. As a result, any changes for the 2025-26 school year typically would require some notifications to occur in the next few months—before the Legislature typically passes the annual budget.

Recommendations

Align ELOP and ASES. We recommend the Legislature take action to better align ELOP and ASES funding to ensure state resources are being used for the Legislature’s highest priorities. One way to accomplish this would be for the Legislature to reduce a district’s ELOP funding dollar for dollar based on the amount of ASES funding they use for programs in TK through grade 6. This would mean districts have less ELOP funding for programming beyond the minimum requirements, but free up several hundreds of millions of dollars that could be redirected to other education priorities. As part of this option, if serving additional students in expanded learning programs was a priority, the Legislature could allow districts to retain at least a portion of their funding if they agreed to use their ASES funding for students in grades 7 and 8. Allowing districts to keep these funds would reduce the amount of savings generated, but could increase the number of middle school students with access to expanded learning programs.

Over the Long Run, Fund ELOP Based on Actual Program Participation. Funding ELOP based on a district’s overall TK-6 attendance may have been reasonable as schools were ramping up their programs. After several years of implementation, however, we recommend the Legislature revisit this approach. Funding ELOP based on local program participation more effectively distributes funding based on need and interest from families. One option would be for the state to use the program enrollment data it will start collecting in 2025-26 to determine program funding. Alternatively, the Legislature could require that daily attendance be collected and used to

determine funding levels, as it likely best reflects the day-to-day demand for expanded learning programs. While there are trade-offs to using enrollment or attendance funding, either option better aligns funding with demand for the program compared with the current approach. Given the state will not begin collecting enrollment data until 2025-26, this change could not be implemented until, at the earliest, the 2026-27 school year.

Consider Setting a Fixed Tier 2 Rate. A fixed Tier 2 rate that does not change based on the costs of funding Tier 1 programs would eliminate much of the uncertainty that Tier 2 districts face each year when making program decisions. This approach would come with trade-offs though, as it would shift some of the fiscal risks and uncertainties related to enrollment to the state. Although total public school enrollment may grow somewhat with the continued phase in of TK in coming years (currently projected at 1.1 percent between 2023-24 and 2025-26), enrollment is projected to decrease over the long term. As a result, additional district enrollment is unlikely to create significant future cost pressure

for the state after the phase in of TK, and could potentially reduce state costs over the long term.

Delay Funding Increases and Associated Programmatic Changes Until 2026-27 or Later.

If the Legislature adopts the Governor's proposal or enacts other changes to the number of students that districts must serve, we recommend delaying these programmatic requirements for at least a year. As discussed above, the shift from Tier 2 to Tier 1 comes with increased obligations for the number of students served. Tier 2 districts are obligated to serve only EL/LI students, while Tier 1 districts must serve all students whose parents request placement in the program. Districts would have little time after the state budget is enacted in June to make the staffing and facilities changes necessary to meet the new requirements. Delaying the changes for at least a year would give districts time to thoughtfully expand their programs. In tandem with delaying programmatic requirements, we recommend the Legislature also delay any scheduled funding increases.

LAO PUBLICATIONS

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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