

Date of Hearing: April 18, 2023

ASSEMBLY COMMITTEE ON HIGHER EDUCATION  
Mike Fong, Chair  
AB 638 (McCarty) – As Amended April 10, 2023

**SUBJECT:** Golden State Teacher Grant Program.

**SUMMARY:** Requires, commencing on or after January 1, 2024, student candidates of the Golden State Teacher Grant (GSTG) Program to commit to work for four years in a shortage area, as designated by the Commission on Teacher Credentialing (CTC), at any California public or private school. Specifically, **this bill:**

- 1) Stipulates that funds appropriated for the GSTG Program in the Budget Act of 2022, and the Budget Act of 2023, must be available for encumbrance or expenditure by the California Student Aid Commission (CSAC) until June 30, 2028.
- 2) Stipulates that a GSTG recipient must agree to serve in a shortage area at any California public or private school for four years.
- 3) Stipulates that the one-time GSTG funds issued, as specified, must not exceed the amount appropriated for the GSTG Program in the Budget Act of 2020, the Budget Act of 2021, the Budget Act of 2022, and the Budget Act of 2023.
- 4) Defines “shortage area” as a subject area designated annually by the CTC based on an analysis of the availability of teachers in California, as specified, at a California public or private school.
- 5) Requires the CSAC, in coordination with the California Department of Education (CDE), to publish a list of shortage areas, as specified, but April 15 of each year.
- 6) Requires the CSAC, in partnership with the CTC, when conducting an evaluation determining the effectiveness of the GSTG Program to look at efforts on recruiting, developing support systems for, and retaining teachers and credentialholders prepared to serve in CTC-designated shortage areas, using data and evaluation guidelines that are consistent with the evaluation conducted of teacher residency programs.
- 7) Requires that CSAC must annually collect demographic data on GSTG recipients, and must annually report the demographic data to the Legislature.
- 8) Stipulates that changes made to the GSTG Program, pursuant to this measure, will apply only to new GSTG awards on or after January 1, 2024.
- 9) Makes technical and clarifying changes to existing law.

**EXISTING LAW:**

- 1) Establishes the CSAC for the purpose of administering specified student financial aid programs (Education Code (EC) Section 69510, et seq.).

- 2) Establishes the GSTG Program, subject to moneys appropriated by the Legislature for the GSTG Program. Requires that CSAC administer the GSTG Program. Requires CSAC to provide one-time grant funds of up to \$20,000 to each student enrolled, or who has applied for enrollment, on or after January 1, 2020, in a professional preparation program leading to a preliminary teaching credential or a pupil personnel services credential, at either a qualifying institution, as specified, or a professional preparation program approved by the CTC that has a main campus location or administrative entity that resides in California, including professional preparation programs operated by local educational agencies in California, if the student commits to working at a priority school for four years within the eight years following the date the student completes the professional preparation program.

Stipulates that funds appropriated for the GSTG Program in the Budget Act of 2020 and the Budget Act of 2021 must be available for encumbrance or expenditure by the CSAC until June 30, 2026.

Stipulates that GSTG funds can only be used to supplement and not supplant other sources of grant financial aid, and may be disbursed in more than one academic year, provided that the total amount of funds granted to an applicant does not exceed \$20,000

Requires CSAC, in partnership with the CTC, to conduct an evaluation of the GSTG Program to determine the effectiveness of the GSTG Program in recruiting credential candidates and employing credentialholders at priority schools. The CSAC is encouraged to use qualitative and quantitative measures to quantify the number of credential candidates the program recruited into professional preparation programs, disaggregated by program and institution type, and the number of credentialholders employed at priority schools, disaggregated by subject matter placement, and to describe the effects of the program on the decisions of credential candidates to enter and remain in the education field. The CSAC must provide, with respect to the evaluation, a report to the Department of Finance and the appropriate fiscal and policy committees of the Legislature on or before December 31, 2025, and every two years thereafter (EC Section 69617).

- 3) Defines “unduplicated pupils” as pupils enrolled in a school district or charter school who are either classified as English learners, eligible for free or reduced-price meals, or foster youth (EC Section 42238.02).

**FISCAL EFFECT:** Unknown

**COMMENTS:** *Purpose of this measure.* According to the author, “California is facing a significant teacher shortage, if not addressed, will hamper our students’ academic growth. Investing in recruitment and retention of qualified educators is more crucial than ever. The GSTG Program is an effective tool to encourage teacher preparation program enrollment.”

Further, the author states that, “teachers of color have been disproportionately affected by the statewide teacher shortage. This bill would help recruit and retain qualified teachers of color, who have been discouraged from enrolling in preparation programs due to high costs. It would particularly help early and education educators, a majority of whom are women of color.”

According to data provided by the author, approximately 40% of public school students throughout the nation are Black or Latinx, but only 16% of public school teachers are Black or Latinx.

The author contends that, “AB 638 ensures high-need schools are prioritized and teachers are not forced to shoulder preparation course costs.”

*Golden State Teacher Grant Program.* The GSTG Program was authorized in the 2019-20 Budget Act, to fund scholarship awards to aspiring teachers in high need fields and incentivize those new teachers to serve in high need public schools. Statute defined “high-need field” as: bilingual education, mathematics or science, technology, engineering, and mathematics (STEM), including career technical education in STEM areas, Special education, multiple subject instruction, and “other” subjects as designated annually by the CTC based on an analysis of the availability of teachers in California.

The final 2020-2021 Budget Act only allocated \$15 million from the federal Individuals with Disabilities Education Act (IDEA) funds to the CSAC to provide only for candidates enrolled in special education teacher preparation programs who agree to teach at a priority school. These funds are available through the 2025-2026 fiscal year. In contrast to most other state financial aid programs, this program does not have financial eligibility criteria (such as an income ceiling).

The final 2021-2022 Budget Act made an additional \$500 million one-time General Fund investment in the GSTG Program through 2026, and redefined priority schools.

Per statute, CSAC describes GSTG Program eligibility as follows:

- 1) All applicants must be currently enrolled in a professional teacher preparation program, leading to a preliminary teaching credential or pupil personnel services credential, within an accredited California institution of higher education or through a local education agency, approved by the CTC.
- 2) One-time GSTG funds of up to \$20,000 will be awarded if a candidate commits to the following:
  - a) Teach at a “priority school,” as determined by the CTC, for four years, within eight years after you receive the teaching credential.
    - i) A “priority school” means a school with 55% or more of its pupils being unduplicated pupils. [“Unduplicated pupils” are defined in EC Section 42238.02, as pupils enrolled in a school district or charter school who are either classified as English learners, eligible for free or reduced-price meals, or foster youth.] The CTC in consultation with the CDE will publish a list of priority schools, based on the most recent data available to the CTC and CDE; and,
    - ii) Repay the Commission 25% of the total award annually, up to full repayment of the award, for each year if an awardee fails to meet program requirements.

Since the creation of this program, CSAC has awarded a total of more than \$146 million to students seeking to become credentialed staff at California’s priority schools. Below is CSAC’s summary chart that depicts how many applications have been received for the GSTG, by segment, for the 2021-2022 and 2022-2023 academic years (AY). CSAC has received more than 13,049 applications so far for GSTG awards in 2021-2022, and 2022-2023.

**AY 2021-22 General Fund Payments Made as of 1/30/2023**

Segment	Total AY 21/22 Applications Rcvd	Students Awarded with General Funds	Total Awarded Per Segment	Average Award Per Student
UC	272	199	\$3,807,449	\$19,133
CSU	1,154	612	\$8,991,448	\$14,692
Private	1,922	1,074	\$19,865,297	\$18,497
LEA	608	485	\$9,393,702	\$19,368
<b>GRAND TOTAL</b>	<b>3,956</b>	<b>2,370</b>	<b>\$42,057,896</b>	<b>\$17,746</b>

**AY 2022-23 General Fund Payments Made as of 01/30/23**

Segment	Total AY 22/23 Applications Rcvd	Students Awarded with General Funds	Total Awarded Per Segment	Average Award Per Student*
UC	464	350	\$4,699,845	\$13,428
CSU	2,846	1,506	\$24,241,380	\$16,097
Private	4,850	2,855	\$51,230,086	\$17,944
LEA	933	554	\$10,101,823	\$18,234
<b>GRAND TOTAL</b>	<b>9,093</b>	<b>5,265</b>	<b>\$90,273,134</b>	<b>\$16,426</b>

\*Average award per student is calculated based on payments processed thus far. Fall, Winter, and Spring term payments have been processed. Summer term payments will begin mid-April.

At the current rate of applications, eligibility for awards, and expenditure, the CSAC analysis suggests that up to \$157.7 million could ultimately be awarded in the 2022-2023 year. At a minimum, CSAC would expend at least \$112.2 million in 2022-2023, based on applications received and other renewal payments due. For the \$500 million in the General Fund that was appropriated in 2021-2022, CSAC was directed by the Administration to expend \$100 million each year over a five year period.

Should current application/award rates continue with the current program requirements, CSAC anticipates awarding the entire \$500 million appropriation sometime in the 2024- 2025 academic year.

*Current Budget proposal.* The 2023-2024 Governor’s Budget Proposal seeks to make two changes to the existing requirement for GTSG recipients to commit to working for four years at a priority school. According to the Legislative Analyst’s Office (LAO), it would allow recipients to instead commit to working for four years at any school, beyond only priority schools and, for GTSG recipients who still choose to work at a priority school, the budget proposal would reduce the length of their service requirement from four to three years.

The Administration indicates the aforementioned changes are intended to ensure sufficient demand for the GTSG Program, while also maintaining some incentive for GTSG recipients to teach at a priority school.

This measure, in part, appears to be aligned to the Budget Proposal. Committee Staff understands that the author has made continued funding of the GTSG Program a budget priority.

*California Commission on Teacher Credentialing.* Created in 1970, by the Ryan Act, the CTC is the oldest of the autonomous state teachers’ standards boards in the nation. The major purposes of the agency are to serve as the standards board for educator preparation for the public schools of California, the licensing and credentialing of professional educators in the state, the

enforcement of professional practices of educators, and the discipline of credential holders in the State of California.

*Committee comments.* Committee Staff understands that the author's intent is to allow teacher candidates to serve at any public school in California or at a nonpublic school in California to fulfill their teaching commitment after receiving a GSTG award. However, as presently drafted, this measure does not fully capture the author's intent.

According to the Assembly Committee on Education, nonpublic schools serve public school students with exceptional needs on a contract basis through a school district or charter school. Historically, nonpublic school special education teachers are well prepared and are often hired by school districts after their service at a nonpublic school. Because nonpublic schools serve public school students, they are an appropriate school for a teacher candidate to fulfill their teaching commitment after receiving a GSTG. Moreover, nonpublic schools would be an excellent training opportunity for special education teachers, who are often hired later by school districts and charter schools.

*To address the aforementioned, Committee Staff recommends, and the author has accepted, an amendment that changes the reference of "private schools" to "nonpublic schools."*

*Arguments in support.* According to the Los Angeles Unified School District, "the GSTG Program is essential tool for recruiting and retaining of new educators in Los Angeles Unified. Under the existing program, over 900 priority schools, defined as having over 55 percent unduplicated pupils, are located within the district alone. The change to 'shortage areas' will expand eligibility based on subject areas and has the potential to expand the programs reach. Additionally, by extending the encumbrance date without additional appropriations, AB 638 will ensure that existing investments in the Golden State Teacher Grant Program continue to be available to aspiring teachers and counselors who commit to serving in the hardest to staff subjects."

*Arguments in opposition.* According to EdVoice, "we understand that schools serving every demographic are facing staffing challenges and that there are subject areas that are disproportionately impacted more than others. We believe the state can do more to address staffing challenges and would likely support measures to increase targeted funding for shortage areas, such as those proposed in these amendments. However, AB 638 doesn't propose additional funding to tackle this issue, but rather reorders existing funding in a way that we believe conflicts with the important mission of addressing the inequitable impact of the teacher shortage. Staffing challenges are most alarming and most damaging in schools serving a high percentage of children from low-income homes, and thus we oppose changes to the GSTG program that take away the requirement to work in a low-income school."

*Prior legislation.* AB 1623 (Robert Rivas and O'Donnell) of 2019, which, per request of the authors, was not heard in the Senate Committee on Education, and subsequently died, sought to establish, subject to appropriation, the GSTG Program under administration of the CSAC. The Program would provide one-time grant funds of \$20,000 to each student enrolled on or after January 1, 2020, in a professional preparation program leading to a preliminary teaching credential, if the student committed to working in a high-need subject area field for four years after they received a teaching credential. To this end, the bill required the CTC to certify if the

recipient had not earned a credential and required the CDE to certify if the recipient had not taught for four years in a high-need subject area field.

AB 169 (O'Donnell) of 2017, which, per the author's request, was not heard in the Senate Committee on Education, and subsequently died, was very similar in nature to AB 1623 (as described above).

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

Los Angeles Unified School District

**Opposition**

EdVoice

The Education Trust – West

**Analysis Prepared by:** Jeanice Warden / HIGHER ED. / (916) 319-3960