

# HOW TO ALLOCATE STATE GRANT FUNDING

A Thesis



by

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## ABSTRACT

Government agencies are responsible for allocating funds through grants to meet legislative priorities and to serve the public interest, however, legislative and public interests are not properly served if funding is not distributed equitably. Several factors may contribute to funds that are not distributed equitably, including when statutory requirements are not specified, are discretionary, or are vague, resulting in the agency creating its own administrative requirements. Developing these requirements with fidelity requires time and expertise that the state agency may not have. There is frequently insufficient time to make thoroughly informed decisions due to statutory time limits for funding encumbrance, or commitment, to grantees, and this timing challenge is compounded when state agency grant administrators lack the necessary capacity, knowledge, skills, and abilities to make data-driven and research-informed decisions. Further, each state grant program often has unique requirements, which make it difficult to apply one set of standards universally to all grant programs.

Through the application of the Public Value Management framework and a case study analysis of a sample of grant programs and funding documents, this policy report addresses a statewide issue in public policy and administration and offers state agencies and the Legislature recommendations on how state funds can be allocated more equitably.

Keywords: grant, allocation, funding methodology.

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## Chapter One

### INTRODUCTION

Government agencies are responsible for allocating billions of dollars in grant funding annually. These funds are granted to meet legislative priorities and to serve the public interest<sup>1</sup>, however, legislative and public interests are not properly served if funding is not distributed equitably<sup>2</sup>. As the academic literature suggests, the government is challenged between tradeoffs of equity and efficiency, and equity is on the losing side when funds must be distributed expeditiously<sup>2,3,4</sup>. This is especially true when government agencies are required to administer governmental programs with limited state requirements that govern the administration of that program. These requirements are often seen as clear directions for state agency grant administrators. When requirements are not specified or are vague, grant managers must undergo a decision-making process to determine how funding allocations should be made. These decisions include whether funding should be allocated equally, or whether one community should receive more or less funding than the other. Data and literature point to grant funding being awarded in higher proportions to applicants with more capacity and resources to apply for grants, not necessarily the highest-need applicants<sup>2,3</sup>.

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<sup>1</sup> Cantelme, D. J. (2019). Federal Grant Programs to State and Local Governments. *Public Contract Law Journal*, 25(2), 335-350. <https://www.jstor.org/stable/25754216>

<sup>2</sup> Collins, B. K., & Gerber, B. J. (2008). Taken for Granted? Managing for Social Equity in Grant Programs. *Public Administration Review*, 68(6), 1128-1141. <http://proxy.lib.csus.edu/login?url=https%3A%2F%2Fwww.proquest.com%2Fscholarly-journals%2Ftaken-granted-managing-social-equity-grant%2Fdocview%2F197174549%2Fse-2%3Faccountid%3D10358>

<sup>3</sup> Hall, J. L. (2008). Assessing local capacity for federal grant-getting. *The American Review of Public Administration*, 38(4), 463-479. <https://doi-org.proxy.lib.csus.edu/10.1177/0275074007311385>

<sup>4</sup> Okun, A. M., & Summers, L. (1975). Equality and efficiency the big tradeoff. *Brookings Institute*. Washington, D.C.

This report uses the Public Value Management (PVM) framework to examine how state administrators can build greater public value in grant programs by delivering funding to support grant goals and objectives fairly and equitably. The overarching goal of PVM is achieving public value<sup>5</sup>, which will, as a result, ensure greater effectiveness in tackling the problems that the public cares most about. Public value can be measured through the following domains:

- Outcome achievement
  - Including social, economic, environmental, and cultural outcomes.
- Trust and legitimacy
  - The extent to which an organization and its activities are trusted and perceived to be legitimate by citizens and stakeholders.
- Service-delivery quality
  - The extent to which services are delivered in a high-quality manner that considers clients' needs.

Through the PVM framework, this policy report addresses a statewide issue in public policy and administration and offers state agencies recommendations on how state funds can be allocated more equitably when statutory requirements for funding allocation are not available.

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<sup>5</sup> Stoker, G. (2006). Public Value Management: A New Narrative for Networked Governance? *The American Review of Public Administration*, 36(1), 41–57.  
<https://doi.org/10.1177/0275074005282583>

Specifically, state agencies may use this report to improve their understanding of the following:

- How state agencies receive state grant funding
- Grant funding allocation considerations
- How to collect the necessary data to inform the funding allocation formula
- How funding application priorities and funding application score criteria contribute to funding decisions
- How to analyze and interpret funding results
- Challenges in the allocation of grant funding

Chapter two provides background on the design and administration of current grant programs. Chapter three is a case study of a sample of grant programs. The case study compares and contrasts the statutory requirements of these programs, the funding allocation method used, and other elements of the grant program's design and administration. Chapter four applies the PVM framework to each grant program in the case study and provides a discussion of the case study analysis against this framework. Finally, chapter five provides policy recommendations on how to allocate state grant funding more equitably.

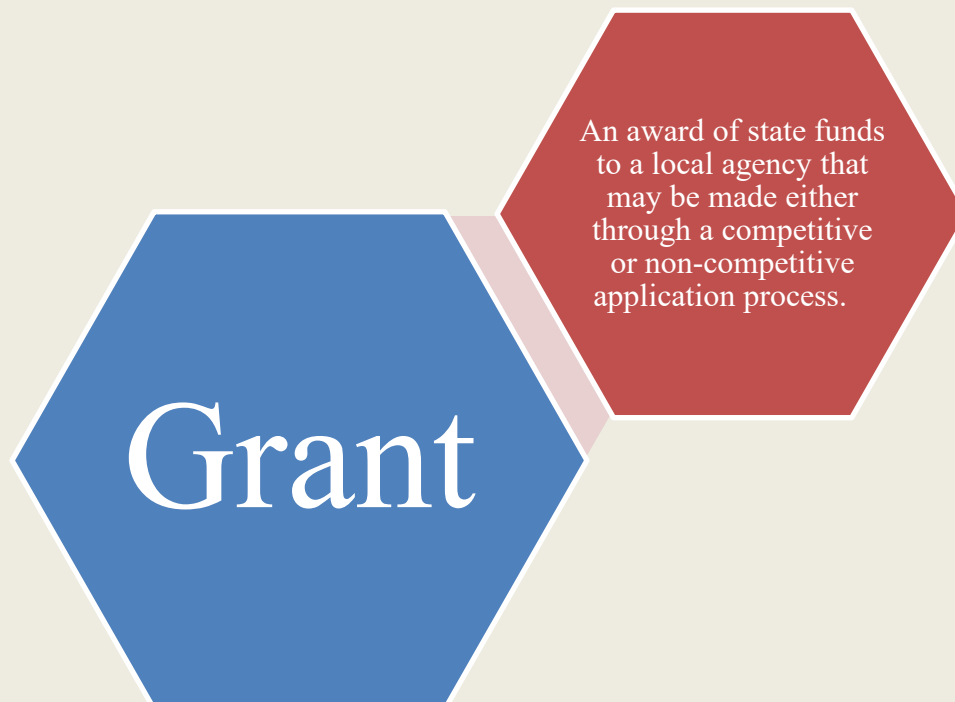


## Chapter Two

### BACKGROUND

State programs and services may be administered directly by the state authority or indirectly by local entities via a grant. The State Contracting Manual defines a **grant** as an award of state funds to a local agency that may be made either through a competitive or non-competitive application process<sup>6</sup>. Pursuant to *Government Code Section 19130*, programs and services may be administered by an entity other than the state authority when the conditions outlined in Figure 2.2 apply.

**Figure 2.1: Grant Definition**



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<sup>6</sup> Department of General Services. (August, 2024). State contracting manual – Volume 1. *Department of General Services*. <https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/State-Contracting>



**Figure 2.2: Contracting or Granting Conditions**

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The Legislature has specifically mandated or authorized the performance of work by local entities

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The services that must be performed are not available within civil service, cannot be performed satisfactorily by civil-service employees, or are of such a highly specialized or technical nature that the necessary expert knowledge, experience, and ability are not available through the civil-service system

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The legislative, administrative, or legal goals and purposes cannot be accomplished by civil-service employees

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The nature of the work requires standards for emergency appointments

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Materials or support services necessary could not be feasibly provided by the State in the location where the services are to be performed

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Training courses must be provided in which appropriately qualified civil-service instructors are not available

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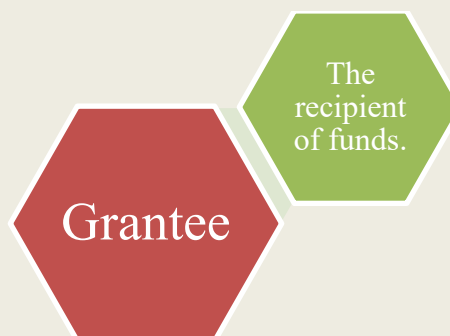
Services are of an urgent, temporary, or occasional nature

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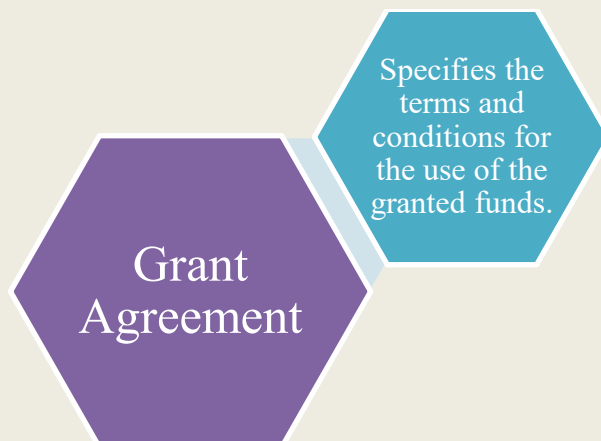
Functions are exempted from civil service

Funds are granted to state agencies, as authorized by the Legislature, to advance a legislative purpose. The state provides grants in all areas of government and administration, including education, housing, health and human services, and others <sup>1</sup>. State agencies may provide grants to eligible organizations, which may include local agencies such as counties, cities, and schools, and nongovernmental entities such as nonprofits. The state agency grants these funds to the recipient of the funds, or *grantee*, to perform services that benefit their local program. Grantees are legally bound to the *grant agreement*, which specifies the terms and conditions for the use of the granted funds.

**Figure 2.3: Grantee Definition**



**Figure 2.4: Grant Agreement Definition**



### *How State Agencies Receive State Grant Funds*



Grant funds are initially received by a state agency before they are granted to a local entity. State agencies receive grant funds through a funding appropriation or funding allocation in the state Budget Act or through the Trailer Bill. Funding appropriation or allocations may be provided continuously on an annual basis or may be provided for a specific time period. The funding appropriation determines whether the grant program is a state or federal program. Therefore, state grant programs are supported by state funds. Figure 2.7 describes the various funding types used to support state-funded grant programs. Specifically, state grants may only be administered using General Fund local assistance or Special Fund local assistance funds<sup>7</sup>. **Local assistance** describes the character of expenditures made for the support of local government or other locally administered activities. Local assistance is contrasted to **state operations**, which describes the character of expenditure made for the support of state governments<sup>8</sup>.

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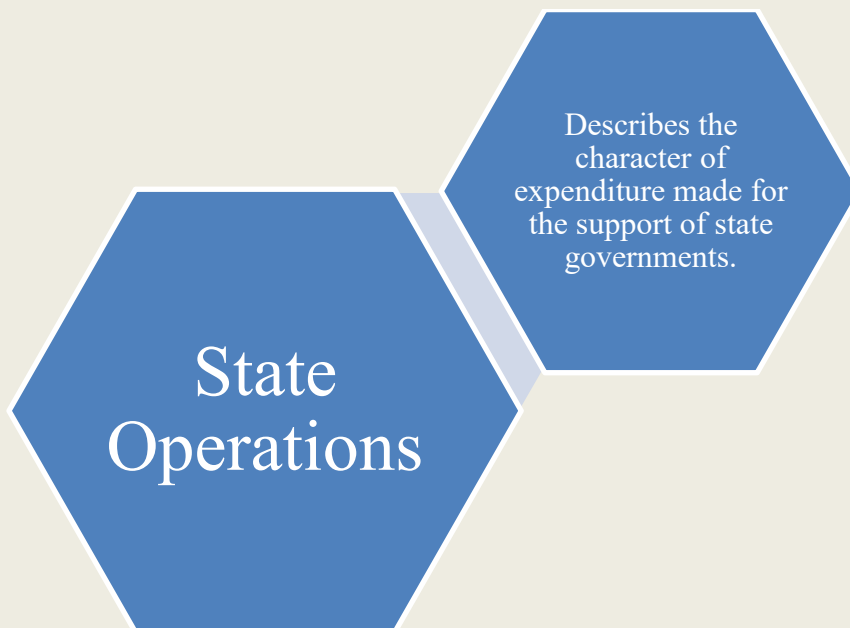
<sup>7</sup> Legislative Analyst's Office. (June 27, 2023). State grant accountability and transparency. *Legislative Analyst's Office*. [https://www.lao.ca.gov/handouts/state\\_admin/2023/State-Grants-062723.pdf](https://www.lao.ca.gov/handouts/state_admin/2023/State-Grants-062723.pdf)

<sup>8</sup> Department of Finance. (Unknown). Finance glossary of accounting and budget terms. *Department of Finance*. <https://dof.ca.gov/wp-content/uploads/sites/352/budget/budget-analyst-guide/glossaryofbudgetterms.pdf>

**Figure 2.5: Local Assistance Definition**



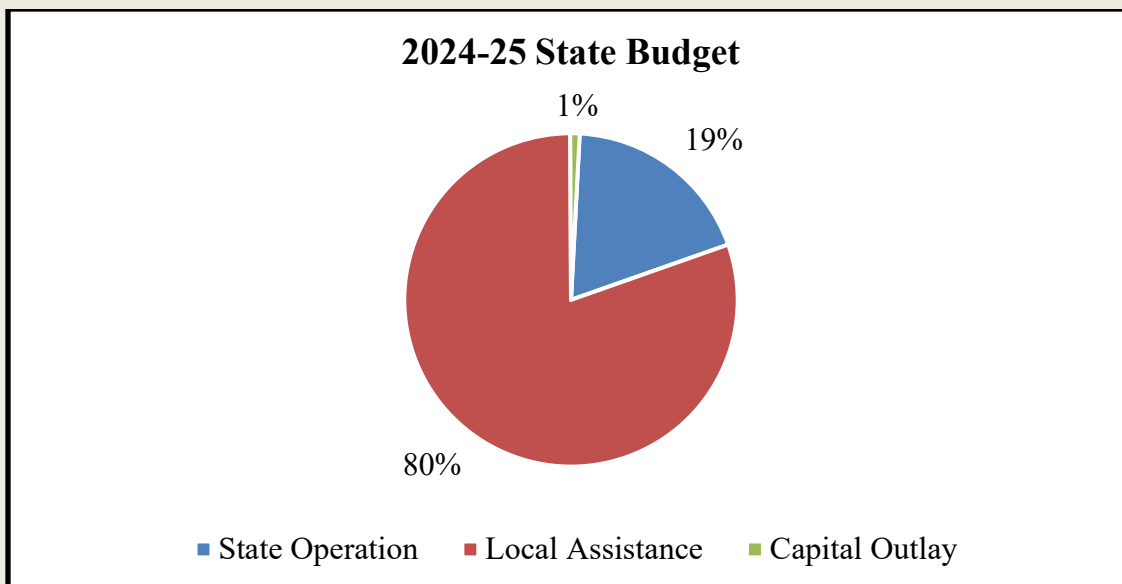
**Figure 2.6: State Operations Definition**



**Figure 2.7: General Fund and Special Fund**

General Fund	Special Fund
<ul style="list-style-type: none"> <li>• The General Fund is the state’s main operating account.</li> <li>• Revenues to the General Fund come from a variety of taxes and other sources.</li> <li>• The Legislature can allocate these revenues to any public purpose, including grant programs.</li> </ul>	<ul style="list-style-type: none"> <li>• Special funds are state funds that receive revenues from specific sources (for example, licensing or regulatory fees).</li> <li>• The Legislature can allocate monies from special funds to the purposes for which the fund was created.</li> </ul>

**Figure 2.8: Allocation of 2024–25 State Budget**



### ***Statutory Language***

After the state agency has determined that General Fund local assistance or Special Fund local assistance has been appropriated in the Budget Act or the Trailer Bill for a grant program, the agency must review all laws that govern the administration of that grant program. These legal requirements will be specified in the Trailer Bill and as budget provisional language in the Budget Act. These statutes will describe all grant requirements and funding criteria, which may include but are not limited to descriptions of the following:

- Program purpose
- Program intent language
- Applicant eligibility criteria
- Allowable program costs
- How funding must be allocated
- How applications may be scored

It is not uncommon however that statutes may not specify requirements. In these cases, the statute species that the administering state agency will have discretion in determining grant requirements. Any additional requirements that are set forth by the state agency that are not explicitly required through legal requirements are considered ***administrative requirements***.



**Figure 2.9: Administrative Requirements Definition**

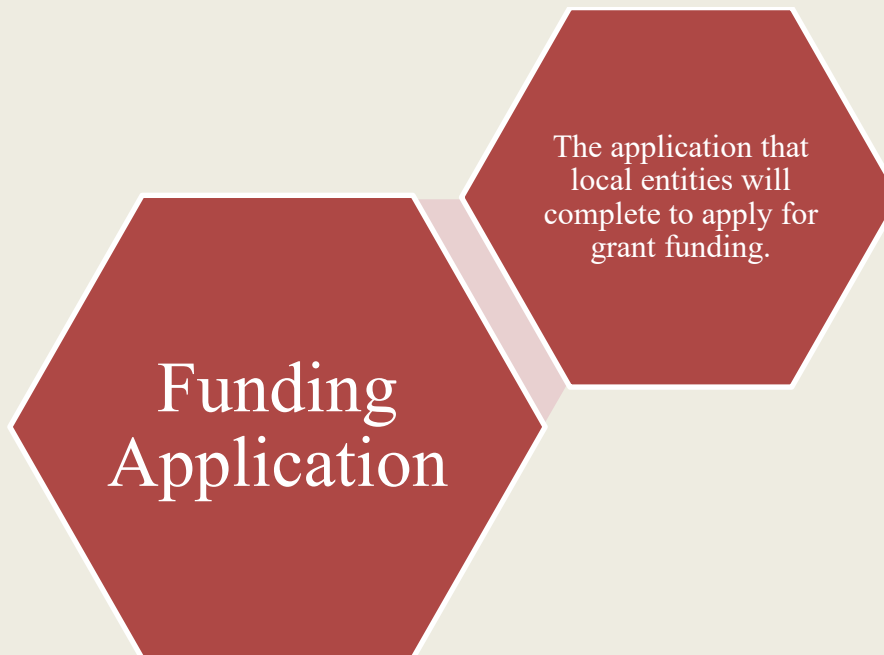


### ***Funding Application***

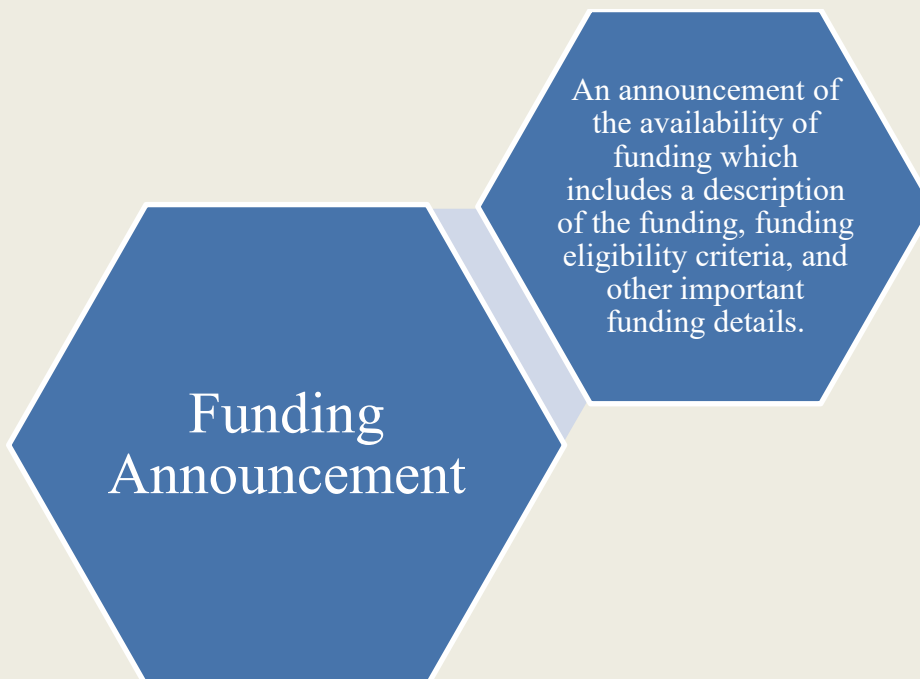
After the state agency has reviewed the grant’s legal requirements and established administrative requirements as applicable, it must create the application that local entities will complete to apply for grant funding. The ***funding application*** may contain questions that must legally be included in the funding application and may consist of questions that the state agency has established administratively if it has the discretion to do so in law. The availability of funding and the associated funding application must be announced by the state agency. This ***announcement*** includes a description of the funding, funding eligibility criteria, and other important funding details.



**Figure 2.10: Funding Application Definition**



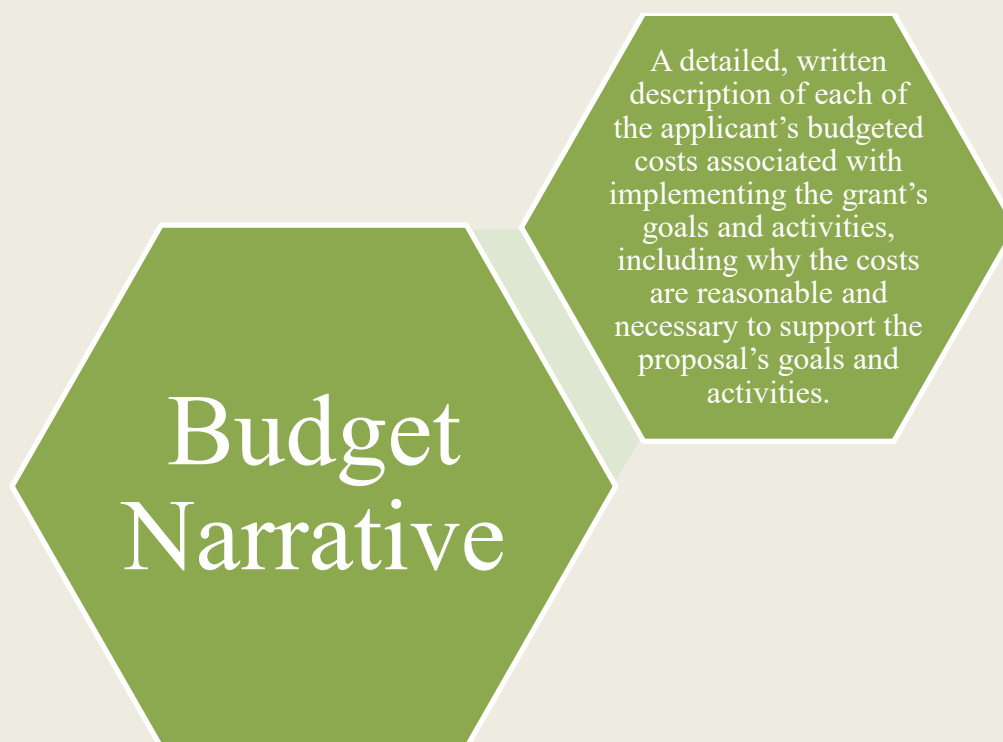
**Figure 2.11: Funding Announcement Definition**

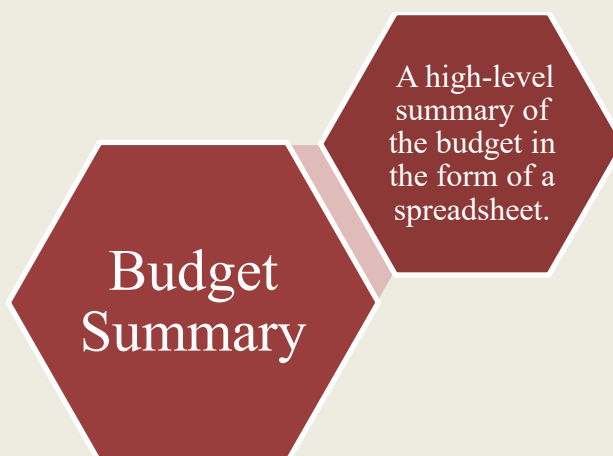




The state agency will use the information the applicant provides in its funding application to make judgments regarding which applicants should be funded. The funding application will typically require applicants to complete and provide a budget narrative and a budget summary. A ***budget narrative*** is a detailed, written description of each of the applicant's budgeted costs associated with implementing the grant's goals and activities, including why the costs are reasonable and necessary to support the proposal's goals and activities. A ***budget summary*** reflects a high-level summary of the applicant's proposed budget in the form of a spreadsheet.

**Figure 2.12: Budget Narrative Definition**



**Figure 2.13: Budget Summary Definition**

Detailed information regarding the funding application, grant program, and other details will be specified in the grant program’s overview and instructions document. The overview and instructions document may include the information listed in Table 2.1.

**Table 2.1: Grant Overview and Instructions**

Chapter	Information
Introduction	<ul style="list-style-type: none"> <li>✦ Goals, background, and purpose of the program</li> <li>✦ Citation of applicable laws and regulations</li> </ul>
Grant Information	<ul style="list-style-type: none"> <li>✦ Anticipated size and number of awards</li> <li>✦ Grant funding period</li> <li>✦ Opportunity for future funding or renewal</li> <li>✦ Eligibility requirements</li> <li>✦ Program and administrative requirements; use of funds</li> </ul>

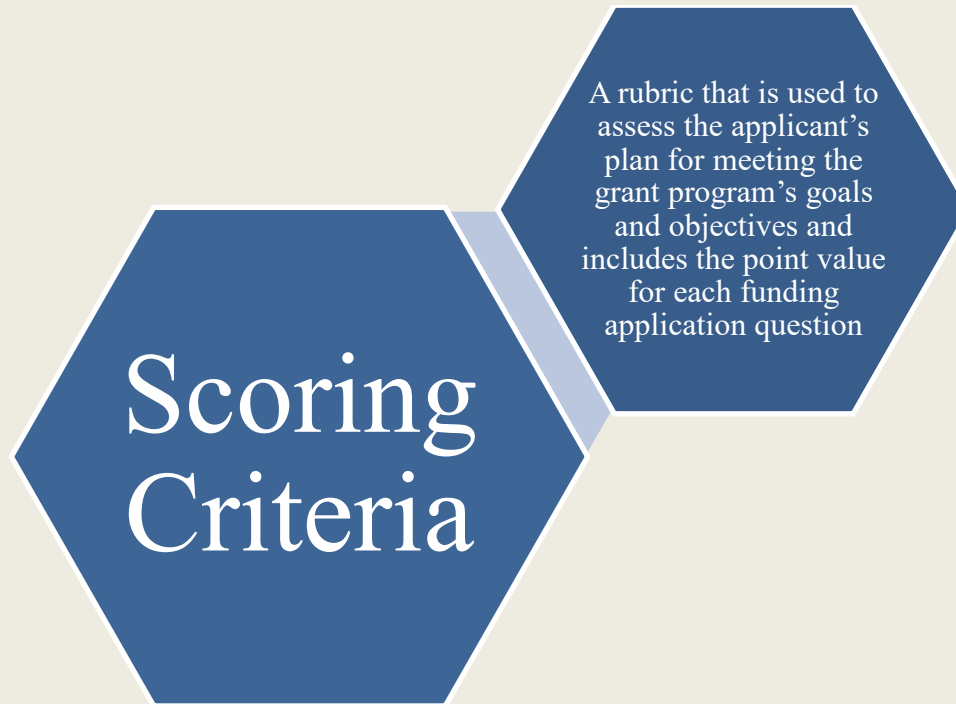
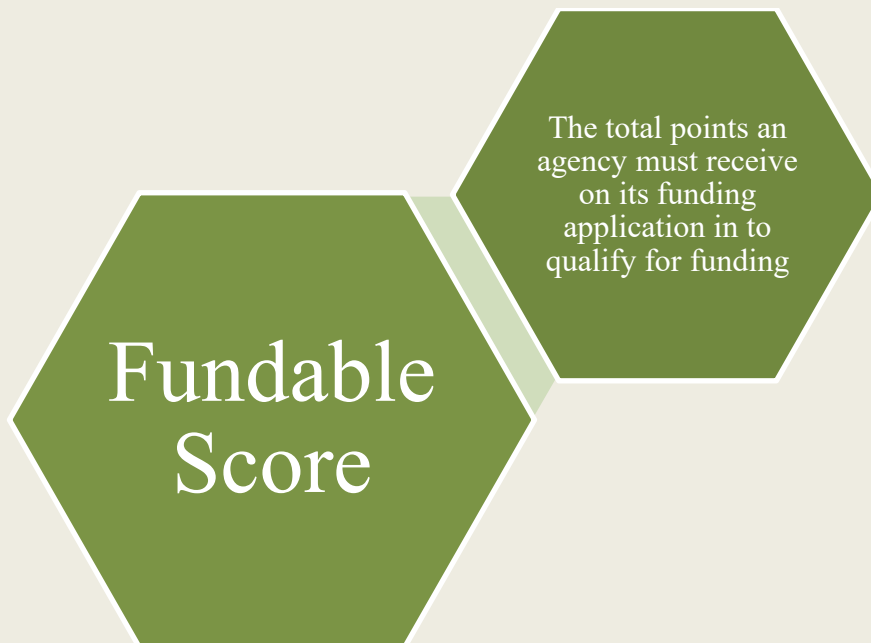
Chapter	Information
	<ul style="list-style-type: none"> <li>✦ Reporting requirements (progress, financial, and audit), including due dates and format</li> <li>✦ Application review process</li> <li>✦ Evaluation criteria</li> <li>✦ Payment procedures</li> <li>✦ Grant workshops, including dates and times of sessions, locations</li> </ul>
Applicant Instructions	<ul style="list-style-type: none"> <li>✦ Format and content requirements of the funding application</li> <li>✦ Due date, place, and time by which applications must be received</li> <li>✦ Name and address of the agency contact accepting the applications</li> <li>✦ Specifications of the overall application (page size, page limit, font size, margin requirements, line spacing, and number of copies to submit)</li> <li>✦ A notice that late applications will not be accepted</li> <li>✦ The consequences for failure to comply with funding application requirements</li> <li>✦ Budget considerations, requirements, and instructions</li> <li>✦ Assurances and certifications</li> <li>✦ Appeal process, if applicable</li> <li>✦ Links to required forms</li> </ul>

The statute will also specify if grant funding must be awarded competitively. If grant funding must be awarded on a competitive basis, the statute may specify which applicants or criteria will be prioritized and may describe how applications should be scored. If priority determination is not described in the legal requirements, the state agency does not have the discretion to create priorities administratively.

### ***Score Criteria Development***



The state agency has the discretion to establish scoring criteria for the evaluation of the funding application if not specified in the legal requirements. The ***scoring criteria*** is a rubric that is used to assess the applicant's plan for meeting the grant program's goals and objectives and includes the point value for each funding application question. After the state agency has developed the scoring criteria, it must then determine what the fundable score is. The ***fundable score*** is the total points an agency must receive on its funding application to qualify for funding. The scoring of funding applications is then completed using a process that does not introduce conflicts of interest.

**Figure 2.14: Scoring Criteria Definition****Figure 2.15: Fundable Score Definition**

Applicants will receive a notification to announce when their funding application is read and scored. This notification will include what the applicant's funding application score is, what the fundable score is, and the appeal process. The appeals process is the process applicants must follow to appeal their funding application score. Appeals must be limited to assertions that the state agency failed to correctly apply the standards for reviewing the funding application. Appeals that are found to be justified will result in the applicant's funding application being reevaluated and rescored. After the appeals period for funding applications has concluded, applicants will receive notification if their application will be funded.

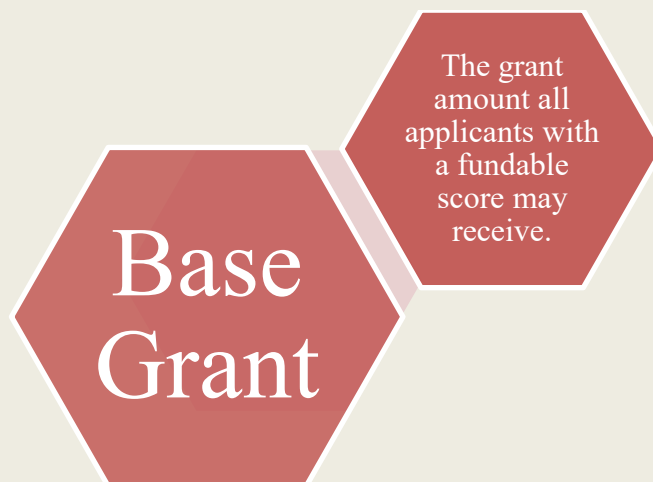
#### ***Funding Allocation Methodology***

State agencies must refer to the funding allocation methodology specified in statute when making a funding award determination. However, the statute may not specify what funding allocation the state agency must use or will provide the state agency with the discretion to determine the funding allocation methodology. In these cases, the state agency may use the applicant's submitted budget narrative and budget summary to make determinations of how much funding to award. State agencies that take this approach to funding decisions may decide to review the applicant's budget to ensure it only includes those costs that are allowable. Allowable costs refer to those costs which may be charged to the grant program. These include costs that are reasonable and necessary to facilitate the grant program's goals and objectives. The applicant is requested to revise their budget if it contains costs that are not allowable or not reasonable.

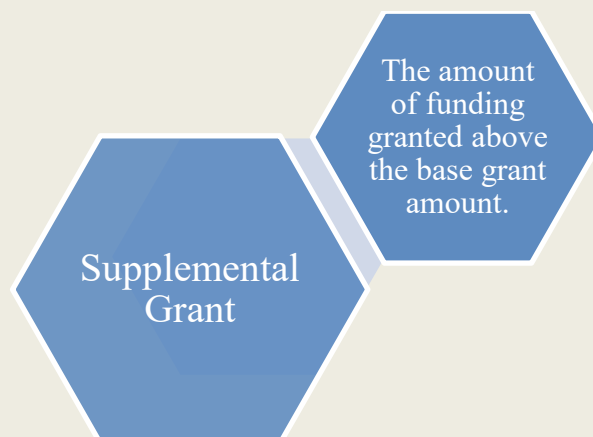
State agencies may then award the applicant's total budget request to applicants in descending order of priority, if applicable, and fundable score until funding is no longer available to award.

Alternatively, state agencies may create and set the funding methodology in advance of the funding application review process. State agencies that create funding methodology may determine a base grant amount as part of their funding allocation method. The *base grant* is the grant amount all applicants with a fundable score may receive. State agencies may also determine a funding methodology for a supplemental grant. A *supplemental grant* is the amount of funding granted above the base grant amount. The funding methodology developed may include the use of population, geographic location, demographics, and other data.

**Figure 2.16: Base Grant Definition**



**Figure 2.17: Supplemental Grant Definition**



### ***Funding Results***

Applicants must sign an agreement before they may be granted funds. The grant agreement is legally binding and includes the terms and conditions for receipt of grant funding and the total funding granted to the applicant. Applicants who sign a grant agreement are thereafter referred to as grantees.

### ***Challenges***

Grant administration is a challenging task that requires state agencies to be staffed with the necessary knowledge, skills, abilities, and resources. When the statute governing a grant program is vague or permissive, state agencies are faced with the task of filling in the gaps. This may require the state entity to develop all aspects of the grant program, including the application questions, scoring criteria, funding methodology, and other details. Developing these areas requires time and expertise that the state agency may not have.



For example, state agencies are required to administer funding to applicants as quickly as possible to facilitate meeting the grant program's goals and objectives. There are also statutory time limits for funding encumbrance, or commitment, to grantees. Time is often not available to make thoroughly informed decisions. State agency grant administrators may also lack the necessary knowledge, skills, and abilities to make data-driven and research-informed decisions. Further, each state grant program often has unique requirements, which make it difficult to apply one set of standards universally to all grant programs.

It is because of these challenges that efforts have taken place to improve the administration and management of grant programs in a more efficient and less burdensome way. These efforts are centered on federally-funded grant programs, but requirements may be applied to state-funded grant programs as guidelines. For example, the Cash Improvement Act of 1990 was enacted by *Public Law 101–453* to ensure the efficiency, effectiveness, and equity in the exchange of funds between states and the federal government for federal assistance programs<sup>9</sup>. The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) was also developed, which streamlines federal grant requirements by providing a government-wide framework for grants management<sup>10</sup>.

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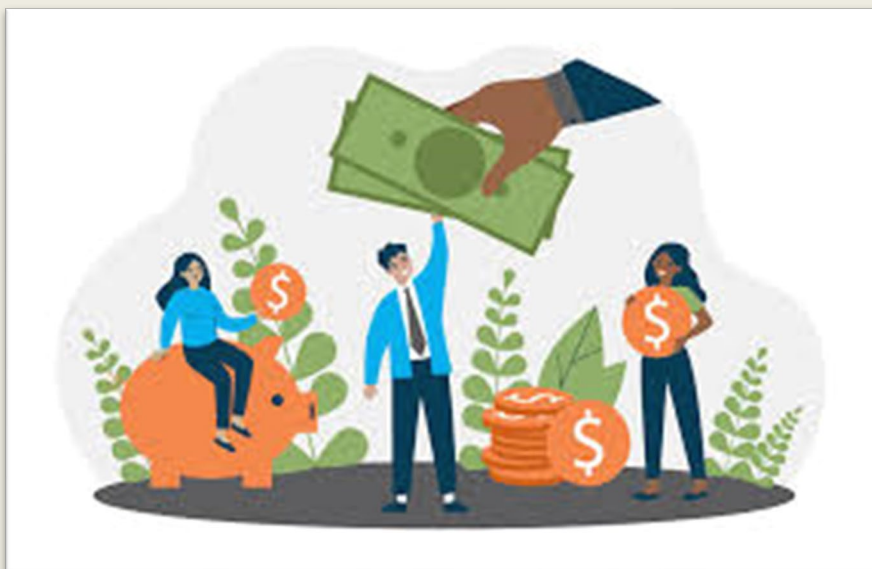
<sup>9</sup> Department of General Services. (August, 2020). Cash management improvement act – 8010. *Department of General Services*. <https://www.dgs.ca.gov/Resources/SAM/TOC/8000/8010>

<sup>10</sup> U.S. Department of Labor. (April, 2021). Uniform guidance for federal awards. *U.S. Department of Labor*. <https://www.dol.gov/agencies/eta/grants/resources/uniform-guidance>

Further, the *Code of Federal Regulations*, Title 45, Part 95, was also developed to provide regulatory requirements for departments administering federal grant programs; however, the regulations do not provide guidelines or frameworks for developing funding allocations.

While the federal government also published a procedure document for developing funding allocations, entitled “Cost Principles and Procedures For Developing Cost Allocation Plans and Indirect Cost Rates for Agreements with the Federal Government”<sup>11</sup>, it largely mirrors the information provided in the regulations without providing instructions and explanation on how to create good funding allocation methods.

The purpose of this report is to provide a practical guide for state agencies who find it necessary to create funding allocation methodology without statutory requirements.



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<sup>11</sup> U.S. Department of Labor. (April 8, 1997). Cost principles and procedures for developing cost allocation plans and indirect cost rates for agreements with the federal government. *U.S. Department of Labor*. [https://www.dol.gov/sites/dolgov/files/OASAM/legacy/files/ASMB\\_C-10.pdf](https://www.dol.gov/sites/dolgov/files/OASAM/legacy/files/ASMB_C-10.pdf)



### **Chapter Three**

#### **CASE STUDY**

A case study is conducted on a small sample of state-funded grant programs to inform this report. An analysis of grant program statutes, funding application instructions, funding profiles, funding results, and other grant documents and program information is conducted. Grant programs are then categorized into one of three categories in accordance with the level of detail provided in the statute on how grant funding is to be allocated to grantees: (1) funding allocation methodology requirements specified in law, (2) some funding allocation methodology requirements specified in law, and (3) no funding allocation methodology requirements specified in law. This method of analysis is the most appropriate for this study to compare and contrast how funding allocations are determined for grantees.

#### ***Funding Allocation Methodology Requirements Specified in Law***

The 21<sup>st</sup> Century Community Learning Centers (CCLC) program is an example of a grant program with funding allocation methodology requirements specified in law.

***Grant Purpose***

As stated in the grant overview and instructions document <sup>12</sup>:

*The purpose of the 21st CCLC Program is to support the creation of community learning centers for elementary and middle school students that provide academic enrichment opportunities during non-school hours, particularly students who attend high-poverty and low-performing schools. The 21st CCLC helps students meet state and local academic standards in core subjects such as reading and math; offers students a broad array of enrichment activities that can complement the regular academic program; and offers educational services to the families of participating children.*

***Statutory Language***

The Every Student Succeeds Act (ESSA) and California *Education Code (EC)* sections 8484.7–8484.9 provide state and federal authorization for the 21st CCLC program. *EC* 8484.8 describes the process the state agency must follow for the initial grant award allocation of the 21<sup>st</sup> CCLC program.

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<sup>12</sup> California Department of Education. (September, 2023). Nita M. Lowey’s 21<sup>st</sup> century community learning centers and after school safety and enrichment for teens programs. *California Department of Education*. <https://www.cde.ca.gov/fg/fo/r27/documents/cohort15cclc24rfa.docx>

**Figure 3.1: EC 8484.8**

**ARTICLE 22.6. 21st Century Community Learning Centers [8484.7 - 8484.9]** (Article 22.6 added by Stats. 2002, Ch. 1036, Sec. 2.)

**8484.8.** In accordance with Part B of Title IV of the federal No Child Left Behind Act of 2001 (Public Law 107-110), funds appropriated in Item 6110-197-0890 of Section 2.00 of the Budget Act of 2002 are available for expenditure as follows, with any subsequent allocations for these purposes to be determined in the annual Budget Act:

(a) Beginning with the 2006-07 fiscal year, 5 percent of the federal funds appropriated through this article shall be available to the department for purposes of providing technical assistance, evaluation, and training services, and for contracting for local technical assistance, for carrying out programs related to 21st Century Community Learning Centers programs.

(1) The department shall provide directly, or contract for, technical assistance for new programs and any program that is not meeting attendance or performance goals, or both, and requests that assistance.

(2) (A) Training and support shall include, but is not limited to, the development and distribution of voluntary guidelines for physical activity programs established pursuant to subparagraph (B) of paragraph (1) of subdivision (c) of Section 8482.3, that expand the learning opportunities of the school day.

(B) The department shall distribute these voluntary guidelines for physical activity programs on or before July 1, 2009.

(3) In accordance with Part B of Title IV of the federal No Child Left Behind Act of 2001 (Public Law 107-110), funding for programs that promote parent involvement and family literacy are an allowable use of these funds.

(b) (1) At least 5 percent of the total amount appropriated pursuant to this article, after funds have been allocated pursuant to subdivision (a), shall be available for grants to provide equitable access and participation in community learning center programs, in an amount not to exceed twenty-five thousand dollars (\$25,000) per site, per year, according to needs determined by the local community.

(2) For purposes of paragraph (1), the department shall determine the requirements for eligibility for a grant, consistent with the following:

(A) Consistent with the local partnership approach inherent in Article 22.5 (commencing with Section 8482), grants awarded under this subdivision shall provide supplemental assistance to programs. It is not intended that a grant fund the full anticipated costs of the services provided by a community learning center program.

(B) In determining the need for a grant pursuant to this subdivision, the department shall base its determination on a needs assessment and a determination that existing resources are not available to meet these needs, including, but not limited to, a description of how the needs, strengths, and resources of the community have been assessed, currently available resources, and the justification for additional resources for that purpose.

(C) The department shall award grants for a specific purpose, as justified by the applicant.

(3) To be eligible to receive a grant under this subdivision, the designated public agency representative for the applicant shall certify that an annual fiscal audit will be conducted and that adequate, accurate records will be kept. In addition, each applicant shall provide the department with the assurance that funds received under this subdivision are expended only for those services and supports for which they are granted. The department shall require grant recipients to submit annual budget reports, and the department may withhold funds in subsequent years if after school grant funds are expended for purposes other than as awarded.

(4) The department shall require grant recipients to submit quarterly expenditure reports, and the department may withhold funds in subsequent years if access or literacy grant funds are expended for purposes other than as granted.

(c) At least 50 percent of the total amount appropriated pursuant to this article, after funds have been allocated pursuant to subdivision (a), shall be allocated on a priority basis for after school grants to community learning centers serving high school pupils funded pursuant to Section 8421. The department shall allocate funds to each geographic region described in subdivision (a) of Section 8423 by the regional percentage of statewide pupils who are eligible for free or reduced-price meals reported to the department for the immediately preceding fiscal year. Each region's percentage shall be determined by dividing the region's number of pupils eligible for free or reduced-price meals by the statewide number of pupils eligible for free or reduced-price meals.

(d) Grant awards under this section shall be restricted to those applications that propose primarily to serve pupils that attend schoolwide programs, as described in Title I of the federal No Child Left Behind Act of 2001 (Public Law 107-110). Competitive priority shall be given to applications that propose to serve pupils in schools designated as being in need of improvement under subsection (b) of Section 6316 of Title 20 of the United States Code, and that are jointly submitted by school districts and community-based organizations.

(e) (1) At least 40 percent of the total amount appropriated pursuant to this article, after funds have been allocated pursuant to subdivision (a), shall be allocated to programs serving elementary and middle school pupils. The department shall allocate funds to each geographic region described in subdivision (k) by the regional percentage of statewide pupils who are eligible for free or reduced-price meals reported to the department for the immediately preceding fiscal year. Each region's percentage shall be determined by dividing the region's number of pupils eligible for free or reduced-price meals by the statewide number of pupils eligible for free or reduced-price meals. The administrators of a program established pursuant to this article may operate during regular school days for a minimum of 15 hours per week and any combination of summer, intersession, or vacation periods for a minimum of three hours per day for the regular school year pursuant to Section 8483.7. Grantees administering comprehensive programs established pursuant to Section 8482.3 are also eligible for funding for summer, intersession, or vacation periods pursuant to this section.

(2) After school and summer funding grants for programs serving middle and elementary school pupils shall be allocated according to the same funding provisions, and subject to the same reporting and accountability provisions, as described in Sections 8483.7 and 8483.75.

(3) Priority shall be given to grant applications that will provide year-round expanded learning programming, including programs that complement existing funded programs. Year-round expanded learning programs are defined as any combination of an applicant that provides year-round programming, an applicant that offers summer programming to complement existing after school programs, or an applicant that offers after school programs to complement existing summer programs. The applicant is not required to be the same entity that operates the existing program, but shall identify the grantee with whom the applicant is coordinating for the purpose of providing year-round programming.

(4) (A) Funding for a grant shall be allocated in annual increments for a period not to exceed five years, subject to annual reporting and recertification as required by the department. The department shall establish a payment system to accommodate upfront payments. The department shall notify new grantees, whose grant awards are contingent upon the appropriation of funds for those grants, in writing no later than May 15 of each year in which new grants are awarded. A first-year grant award shall be made no later than 60 days after enactment of the annual Budget Act and any authorizing legislation. A grant award for the second and subsequent fiscal years shall be made no later than 30 days after enactment of the annual Budget Act and any authorizing legislation. The grantee shall notify the department in writing of its acceptance of the grant.

(B) For the first year of a grant, the department shall allocate 25 percent of the grant for that year no later than 30 days after the grantee accepts the grant. For the second and subsequent years of the grant, the department shall allocate 25 percent of the grant for that year no later than 30 days after the annual Budget Act becomes effective. The grantee shall not use more than 15 percent of an annual grant award for administrative costs.

(C) In addition to the funding allowed for administrative costs under subparagraph (B), up to 15 percent of the initial annual grant award for each after school grant recipient may be used for startup costs.

(B) "Northern California" means California County Superintendents Educational Services Association regions one to four, inclusive.

(C) "Southern California" means California County Superintendents Educational Services Association regions 9 to 11, inclusive.

(D) "Urban and rural areas" shall be as defined by the United States Census Bureau.

(I) This article shall be operative only to the extent that federal funds are made available for the purposes of this article. It is the intent of the Legislature that this article not be considered a precedent for general fund augmentation of either the state administered, federally funded program of this article, or any other state funded before or after school program.

- (D) Under no circumstance shall funding made available pursuant to subparagraphs (B) and (C) result in an increase in the total funding of a grantee above the approved grant amount.
- (5) A grantee shall identify the federal, state, and local programs that will be combined or coordinated with the proposed program for the most effective use of public resources, and shall prepare a plan for continuing the program beyond federal grant funding.
- (6) A grantee shall submit semiannual attendance data and results to facilitate evaluation and compliance in accordance with provisions established by the department.
- (7) A program receiving a grant under this subdivision is not assured of grant renewal from future state or federal funding at the conclusion of the grant period. However, priority for funding pursuant to this subdivision shall be given to programs with expiring grants, if those programs have satisfactorily met projected pupil outcomes pursuant to subdivision (a) of Section 8484.
- (f) A total annual grant award for after school funding and grants for a site serving elementary or middle school pupils shall be fifty thousand dollars (\$50,000) per year or more, consistent with federal requirements.
- (g) Notwithstanding any other law, and contingent upon the availability of funding, the department may adjust the after school grant cap of any grantee based upon one or both of the following:
- (1) Amendments made to this section by Chapter 555 of the Statutes of 2005.
  - (2) The demonstrated pupil attendance pattern of the grantee. The department may adjust grant awards pursuant to subparagraph (A) of paragraph (1) of subdivision (a) of Section 8483.7.
- (h) Funds received but unexpended under this article may be carried forward to subsequent years consistent with federal requirements. In year one, the full grant may be retained.
- (i) If funds remain after all of the priority allocations required pursuant to subdivisions (a), (b), (c), and (e) have been made, the department may use that money to fund additional qualified grant applications under subdivision (c), in order to ensure that all federal funds received for these purposes are expended for these purposes. If funds remain after additional qualified grant applications are approved for funding pursuant to subdivision (c), the department may award the remaining funds for additional qualified grant applications pursuant to subdivisions (b) and (e).
- (j) In any fiscal year in which the total state appropriation for that fiscal year exceeds the total state appropriation for the 2008–09 fiscal year after funds have been allocated pursuant to subdivision (a), the excess amount shall be allocated on a priority basis for after school grants to community learning centers funded pursuant to Section 8421 as follows:
- (1) Thirty-five percent to community learning centers serving high school pupils.
  - (2) Fifty percent to community learning centers serving elementary and middle school pupils.
  - (3) Fifteen percent to summer programs serving elementary and middle school pupils.
- (k) (1) To the extent possible, the selection of applicants by the department pursuant to this article shall result in an equitable distribution of grant awards to applicants in northern, southern, and central California, and in urban and rural areas of the state.
- (2) For purposes of paragraph (1), the following terms shall have the following meanings:
- (A) "Central California" means California County Superintendents Educational Services Association regions five to eight, inclusive.

### ***Funding Allocation Methodology***

As stated in the grant overview and instructions document, the funding allocation methodology for the 21<sup>st</sup> CCLC program is as follows:

*There are five subprogram types for which 21st CCLC funding is granted: After School Base programs, Before School Base programs, After School Summer/Supplemental programs, Before School Summer/Supplemental programs, and Equitable Access (EA) programs. The initial minimum grant amount for 21st CCLC Programs per school site is \$50,000, inclusive of all components (EC Section 8484.8[ff]). Sites that are funded at the minimum grant amount are still eligible to receive grant reductions if attendance targets are not met. Split funding will not be allowed between cohorts. If applying for a school site in one cohort for only subprogram, no additional subprogram can be added to that site in a different cohort.*

*For example: ABC Elementary was awarded an After School Base grant in Cohort 13. This site cannot apply for a Before School Base or Summer/Supplemental funding in the current Cohort 15 RFA.*

### ***After School Base Programs***

*The After School Base program grants are provided for program operation during the regular school year, (EC Section 8483.7). After School Base programs are considered foundational, and are a base requirement for all other subprogram types at a given school site. Funding for After School Base programs is as follows: \$10.18 per participating student, per regular school day, up to a maximum of \$152,662.50 per year for elementary schools; and \$203,550 per year for middle and junior high schools. For larger-than-average-size schools, these amounts may be increased up to twice these limits, using the large-school adjustment formula below:*

- For elementary schools, multiply \$113 by the number of students enrolled at a school that exceeds 600 up to a maximum of \$305,325 per year.*
- For middle/junior high schools, multiply \$113 by the number of students enrolled at a school that exceeds 900 up to a maximum of \$407,100 per year.*

- *For example, ABC Elementary School has a school enrollment of 750 students. This is 150 students over the “large school” definition outlined in the EC. In order to figure out the additional grant amount they are eligible for, they would multiply 150 (750 school enrollment minus 600 [large school definition]) by \$113 (for After School Base) equals an additional \$16,950 on top of their grant amount for After School.*

*Funding will be based on the grade span served in fiscal year (FY) 2022–23 reported in the Public Schools Data downloadable file from the California Department of Education’s (CDE’s) Public Schools and Districts Data Files web page located at <https://www.cde.ca.gov/ds/si/ds/pubschls.asp>. If no data exists for grades served, the [state agency] will base funding on the grades offered.*

*The specific funding amount for each school site will be calculated from the number of students that a program proposes to serve, the number of days a program will operate, and the funding formula of \$10.18 per student, per day.*

*The [state agency] will not provide funding to serve more students than are enrolled in the school. The [state agency] will use California Longitudinal Pupil Achievement Data System FY 2022–23 data from the CDE Student Poverty Free or Reduced-Price Meal (FRPM) Data web page located at <https://www.cde.ca.gov/ds/sd/sd/filessp.asp>, to validate school enrollment.*

*The total grant award for an application will vary depending upon the number of schools included in the application.*



***After School Summer/Supplemental***

*After School Summer/Supplemental programs may operate in excess of 180 regular school days or during any combination of weekends, summer, intersession, or vacation periods for a maximum of 30 percent of the total grant amount awarded, per school year, to the school. (EC Section 8483.76[a])*

*Funding for After School Summer/Supplemental programs is as follows: \$10.18 per participating student, per day. After School Summer/Supplemental grants may not exceed 30 percent of the site's total After School Base grant (including any existing After School Education and Safety [ASES] After School Base grant).*

*After School Summer/Supplemental requests must be accompanied by an After School Base request in this RFA or the site must currently have an ASES After School Base grant in order to be eligible to apply.*

***Before School Summer/Supplemental***

*Before School Summer/Supplemental programs may operate in excess of 180 regular school days or during any combination of weekends, summer, intersession, or vacation periods for a maximum of 30 percent of the total grant amount awarded, per school year, to the school. (EC Section 8483.76[a])*

*Funding for Before School Summer/Supplemental programs is as follows: \$6.79 per participating student, per day. Before School Summer/Supplemental grants may not exceed 30 percent of the site's total Before School Base grant.*

*In order for grantees to apply for Before School Summer/Supplemental grants, they must also apply for a Before School Base and an After School Base request in this RFA.*

***Before School Base Programs***

*The 21st CCLC Before School Base program grants are provided for program operation during the regular school year, (EC Section 8483.75). Funding for Before School Base programs is as follows: \$6.79 per participating student, per regular school day, up to a maximum of \$50,887.50 per year for elementary schools; and \$66,493 per year for middle and junior high schools. For larger-than-average-size schools, these amounts may be increased up to twice these limits, using the large-school adjustment formula below.*

- For elementary schools, multiply \$75 by the number of students enrolled at a school that exceeds 600, up to a maximum of \$101,775 per year.*
- For middle/junior high schools, multiply \$75 by the number of students enrolled at a school that exceeds 900, up to a maximum of \$132,986 per year.*

- *For example, ABC Elementary School has a school enrollment of 750 students. This is 150 students over the “large school” definition outlined in the EC. In order to figure out the additional grant amount they are eligible for, they would multiply 150 (750 school enrollment minus 600 [large school definition]) by \$75 (for Before School Base) equals an additional \$11,250 on top of their grant amount for Before School.*
- *In order for grantees to apply for Before School Base grants, they must also apply for an After School Base request in this RFA.*

### ***Equitable Access***

*EA grants are optional funds intended to supplement 21st CCLC Elementary/Middle After School Base program grants by helping provide access to 21st CCLC Programs according to needs determined by the local community (EC Section 8484.8[b][1]).*

*Funding for EA is available in an amount not to exceed \$25,000 per school site, per year, according to the needs determined by the local community for the facilitation of EA to 21st CCLC Programs.*

*EA requests must be accompanied by a 21st CCLC After School Base Request in this current RFA. Only those eligible sites funded with a 21st CCLC After School Base grant through this current RFA will be considered for EA funding.*

### ***Funding Priority***

According to both federal and state law, funding priority shall be given to 21st CCLC applications and/or schools if they meet any of the criteria listed in the table below. The following information from the grant overview and instructions document describes the funding priority:

*Funding priority begins with school sites that meet the maximum number of priority items and will continue as far down into subsequent priority groups as funding is available for each geographic category.*

*If there are more applications than available funds within a priority group, then applications will be ordered, and funded, from highest to lowest percent FRPM. School sites requesting EA funds will be funded only if their After School Base grant has been funded through the funding application and the EA application narrative is passed by the reviewers. Funds are limited to \$25,000 per site (EC Section 8484.8[b]).*

*In order to receive priority for year-round expanded learning, the applicant must operate a current ASES Summer/Supplemental After School program or request and obtain a 21st CCLC After School Base program and After School Summer/Supplemental program through the funding application.*

*An existing After School Summer/Supplemental grantee may operate a three- or six-hour per-day program (EC Section 8483.76[b]). The six-hour-per-day program is funded at a reimbursement rate of \$20.36 per student, per day.*

*The minimum funding for an After School Summer/Supplemental program is \$10,991.70; however, there is no minimum funding for a Before School Summer/Supplemental program. A Summer/Supplemental grantee that operates a program may open eligibility to every student attending a school in the school district. Priority for enrollment shall be given to the students enrolled in the school that receives the grant (EC Section 8483.76[d]).*

**Table 3.1: 21<sup>st</sup> CCLC Funding Priorities**

21st Century Community Learning Centers Priority Items (Elementary/Middle Schools)	Statutory Authority
<p>The application proposes to target services to students who primarily attend Title I schools, with an FRPM percentage no less than 40 percent, that: (1) are <b>implementing comprehensive support and improvement activities</b>, or targeted support and improvement activities under 20 U.S.C. Section 6311(d), or (2) other schools determined by the LEA to be <b>in need of intervention and support</b> (also Title I) to improve student academic achievement and other outcomes, and serve the families of such students.</p>	20 U.S.C. Section 7174(i)(1)(A)(I)
<p>The application is <b>jointly submitted</b> by at least one Title I LEA and another eligible entity, or</p> <p>Demonstrates that the LEA or eligible entity is unable to partner with a CBO in reasonable geographic proximity and of sufficient quality.</p> <p><b>NOTE:</b> A justification narrative for why an Applicant is unable to partner with a CBO may be considered by the CDE in order to receive priority consideration for this item. The justification narrative must be included in the application materials submitted to the CDE by the application deadline.</p>	<p>20 U.S.C. Section 7174(i)(1)(B)</p> <p>20 U.S.C. Section 7174(i)(2)</p>

21st Century Community Learning Centers Priority Items (Elementary/Middle Schools)	Statutory Authority
The application proposes to target services to schools that enroll students who may be <b>at risk for academic failure</b> , dropping out of school, involvement in criminal or delinquent activities, or who lack strong positive role models, and serve families of such students.	20 <i>U.S.C.</i> Section 7174(i)(1)(A)(II)
The Applicant will <b>provide year-round Expanded Learning Programming at the school</b> , including programs that complement existing ASES funded base programs or 21st CCLC base programs included in this RFA. Year-round expanded learning programs are defined as any combination of year-round programming or Summer/Supplemental programming including operation during summer, weekends, or intersession to complement existing ASES Programs or 21st CCLC After School Base programs in this RFA. The Applicant is not required to be the same entity that operates the existing program, but shall identify the grantee with whom the Applicant is coordinating for the purpose of providing year-round programming.	<i>EC</i> Section 8484.8(e)(3)
Replacing the school's <b>expiring Cohort 12 21st CCLC grants</b> if the program has satisfactorily met grant and attendance requirements and not received a grant reduction in the most recent year of reductions <i>EC</i> Section 8484(a).	<i>EC</i> Section 8484.8(e)(7)

### ***Funding Results***

A total of \$26,555,593.85 of 21<sup>st</sup> CCLC funding was awarded to 20 grantees <sup>13</sup>.



<sup>13</sup> California Department of Education. (July 16, 2024). 21<sup>st</sup> CCLC funding results, FY 2024–25. *California Department of Education*. <https://www.cde.ca.gov/fg/fo/r27/documents/cclcreresults2024.xlsx>

**Table 3.2: 21<sup>st</sup> CCLC Funding Results by County**

Total Funding	County	Average FRPM
\$10,225,989.67	Los Angeles	87.58%
\$4,438,133.75	Fresno	88.60%
\$3,420,546.86	San Bernardino	93.78%
\$3,126,367.78	Alameda	74.36%
\$2,577,365.00	Madera	88.80%
\$1,416,455.85	Sonoma	72.43%
\$485,089.20	San Diego	73.14%
\$429,590.10	Yolo	60.40%
\$386,055.64	Orange	92.47%
\$50,000.00	Santa Clara	80.19%
\$26,555,593.85	<b>10</b>	<b>85.93%</b>

**Table 3.3: 21<sup>st</sup> CCLC Total Grantees**

Total Schools Funded	Total Agencies Funded	County
59	9	Los Angeles
22	2	San Bernardino
20	1	Fresno
11	1	Madera
10	1	Alameda
4	1	Sonoma
4	1	San Diego
3	2	Orange
2	1	Yolo
1	1	Santa Clara
<b>136</b>	<b>20</b>	<b>10</b>



**Table 3.4: 21<sup>st</sup> CCLC Geographic Funding Results**

Total Funding	Average FRP	Region and Demographic
\$14,032,592.17	89.37%	Southern Urban
\$5,188,193.75	86.85%	Central Urban
\$3,799,759.47	75.64%	Northern Urban
\$1,877,305.00	93.85%	Central Rural
\$1,172,654.26	62.10%	Northern Rural
\$485,089.20	73.14%	Southern Rural
<b>\$26,555,593.85</b>	<b>85.93%</b>	<b>6</b>

**Table 3.5: 21<sup>st</sup> CCLC Funding Results by Demography**

Total Funding	Average FRPM	Demographic
\$23,020,545.39	86.76%	Urban
\$3,535,048.46	78.21%	Rural
<b>\$26,555,593.85</b>	<b>85.93%</b>	<b>2</b>

**Table 3.6: 21<sup>st</sup> CCLC Funding Results by Region**

Total Funding	Region
\$14,517,681.37	Southern
\$7,065,498.75	Central
\$4,972,413.73	Northern
<b>\$26,555,593.85</b>	<b>3</b>





**Table 3.7: Top 5 Awarded Grantees**

Total Funding	Average FRPM	Region	County	Agency	School
\$218,014	74.88%	South Urban	Los Angeles	Rio Hondo Education Consortium	Durfee Elementary
\$211,234.00	85.43%	Central Urban	Madera	Madera Unified	Thomas Jefferson Middle
\$205,697.00	97.17%	Central Urban	Madera	Madera Unified	Martin Luther King Jr. Middle
\$203,550.00	97.17%	Central Rural	Fresno	Fresno County Office of Education	Mendota Junior High
\$203,550.00	97.71%	Central Rural	Fresno	Fresno County Office of Education	Parlier Junior High

***No Funding Allocation Requirements Specified in Law***

The Inclusive Early Education Expansion Program (IEEEP) is an example of a grant program that does not specify funding allocation methodology requirements in law.



### ***Grant Purpose***

As stated in the grant overview and instructions document <sup>14</sup>:

*The IEEEP is established for the purpose of increasing access to inclusive early learning and care (ELC) programs, particularly in low-income and high-need communities, for children with disabilities, including children with severe disabilities. Key to successful inclusion of children with disabilities is a strong partnership among local educational agencies, subsidized ELC child care and preschool programs (both public and private), and local community special education partners, particularly those with expertise in inclusive early learning and care environments.*

*The intended purpose will be met through IEEEP grant program goals:*

- 1. Ensuring children with disabilities, including children with severe disabilities, have greater rates of enrollment in inclusive subsidized ELC programs.*



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<sup>14</sup> California Department of Education. (September, 2019). The inclusive early education and expansion program request for applications. *California Department of Education*.  
[https://www.google.com/url?client=internal-element-cse&cx=007899273231353282595:rooj8qfkg0k&q=https://www.cde.ca.gov/fg/fo/r2/documents/ieeep18rfa.DOCX&sa=U&ved=2ahUKewj0tIPX2J2JAxVCPkQIHdBYOIA4ChAWegQIAhAB&usg=AOvVaw14OTVMB7\\_txthLMFZWacAV](https://www.google.com/url?client=internal-element-cse&cx=007899273231353282595:rooj8qfkg0k&q=https://www.cde.ca.gov/fg/fo/r2/documents/ieeep18rfa.DOCX&sa=U&ved=2ahUKewj0tIPX2J2JAxVCPkQIHdBYOIA4ChAWegQIAhAB&usg=AOvVaw14OTVMB7_txthLMFZWacAV)

2. *Increasing access and building capacity for inclusive ELC subsidized programs for example, by encouraging LEAs to establish partnerships with their local child-care community agencies that have contracts to directly serve subsidized children, including both public and private agencies.*
3. *Increasing access to inclusive ELC care for children representing a broad range of disabilities and levels of support needs.*
4. *Providing the individualized and necessary supports to enable children with disabilities to meet high expectations within the ELC settings.*

### ***Statutory Language***

*EC 8337* provides state authorization for the IIEEP. *EC 8337(e)* and *EC 8337(h)* describe the process the state agency must follow to allocate IIEEP grant funding.

**Table 3.4: *EC 8337***

<p>(e) The department's divisions for special education and early education programs shall work collaboratively to administer the program, including developing criteria for the selection of grantees.</p> <p>(f) At a minimum, an applicant shall be a local educational agency and shall include all of the following information in its grant application:</p> <p>(1) A proposal to increase access to subsidized inclusive early care and education programs for children up to five years of age, including those defined as "children with exceptional needs" pursuant to Section 8205, in low-income and high-need communities. "High-need" shall be defined pursuant to the county childcare needs assessment specified in Section 10486 of the Welfare and Institutions Code and other factors as determined by the Superintendent. The proposal shall quantify the number of additional subsidized children proposed to be served, including children with exceptional needs.</p> <p>(2) A plan to fiscally sustain subsidized spaces or programs created by grant funds beyond the grant period. Subsidies may be funded with private, local, state, or federal funds, but shall be able to demonstrate a reasonable expectation of sustainability.</p> <p>(3) (A) The identification of local resources to contribute 33 percent of the total award amount. The total award amount shall include state and local resources. Local resources may include in-kind contributions.</p> <p>(B) A school district shall provide 33 percent of the cost of the project. This subparagraph shall not apply to a school district that self-certifies that it meets the requirements for financial hardship pursuant to Section 17075.10.</p> <p>(4) The identification of resources necessary to support lead agency professional development to allow staff to develop the knowledge and skills required to implement effective inclusive practices and fiscal sustainability.</p> <p>(5) A description of the special education expertise that will be used to ensure the funds are used in a high-quality, inclusive manner.</p> <p>(g) This section does not prohibit a local educational agency from applying on behalf of a consortium of providers within the local educational agency's program area, including public and private agencies that will provide inclusive early care and education programs on behalf of the applicant.</p> <p>(h) Grants shall be awarded on a competitive basis. Priority shall be given to all of the following:</p> <p>(1) Applicants with a demonstrated need for expanded access to inclusive early care and education.</p> <p>(2) Applicants in low-income communities and applicants that represent a consortium of local partners, including local special education partners and those with expertise in inclusive early learning and care environments.</p> <p>(3) Applicants who demonstrate the ability to serve a broad range of disabilities.</p> <p>(4) Applicants who do or plan to serve children with disabilities in proportion to their rate of identification similar to local educational agencies in their region.</p>
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### ***Funding Allocation Methodology***

As stated in the grant overview and instructions document, the funding allocation methodology for the grant program is as follows:

*Applications that have passed the screening criteria will be competitively scored to determine whether they are qualified to receive funding. Funding may only be awarded to applications that meet a threshold qualified score. Thereafter, funding will be awarded to successful applicants in order of an application's priority scores, with 12 being the highest priority score, until all funds are exhausted.*

*Application priority scores are not subject to an appeal.*

### ***Funding Priority***

As stated in the grant overview and instructions document, the funding priority for the grant program is as follows:

*All applications passing the screening criteria and meeting the threshold qualified score will be prioritized as follows:*

- 1. Applicants with a demonstrated need for expanded access in low-income communities to inclusive early care and education.*
- 2. Applicants that represent a consortium of local partners, including local special education partners and those with expertise in inclusive early learning and care environments.*
- 3. Applicants who demonstrate the ability to serve a broad range of disabilities.*

4. *Applicants who do or plan to serve children with disabilities in proportion to their rate of identification similar to local educational agencies in their region.*

*The [state agency] will designate points based on the following:*

1. *Zero to three points depending on the local educational agency's high-need zip code priorities. Per EC section 8492(2)(1), "High-need" shall be defined pursuant to the county child care needs assessment specified in Section 8499.5."*
2. *Zero to three points for the breadth of collaborative partners, including local special education partners and those with expertise in inclusive early learning and care environments*
3. *Zero to three points for applicants who demonstrate the ability to serve children with a broad range of disabilities, including children with severe disabilities, and*
4. *Zero to three points for the areas with low numbers of eligible children being served in relation to the number of eligible children.*

### ***Funding Results***

A total of \$172,605,857.80 of IEEEP funding was awarded to 62 grantees<sup>15</sup>.

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<sup>15</sup> California Department of Education. (November 15, 2023). Inclusive early education expansion grant FY 2018–19. California Department of Education. <https://www.cde.ca.gov/fg/fo/r2/iecep19result.asp>

**Table 3.14: Funding Results**

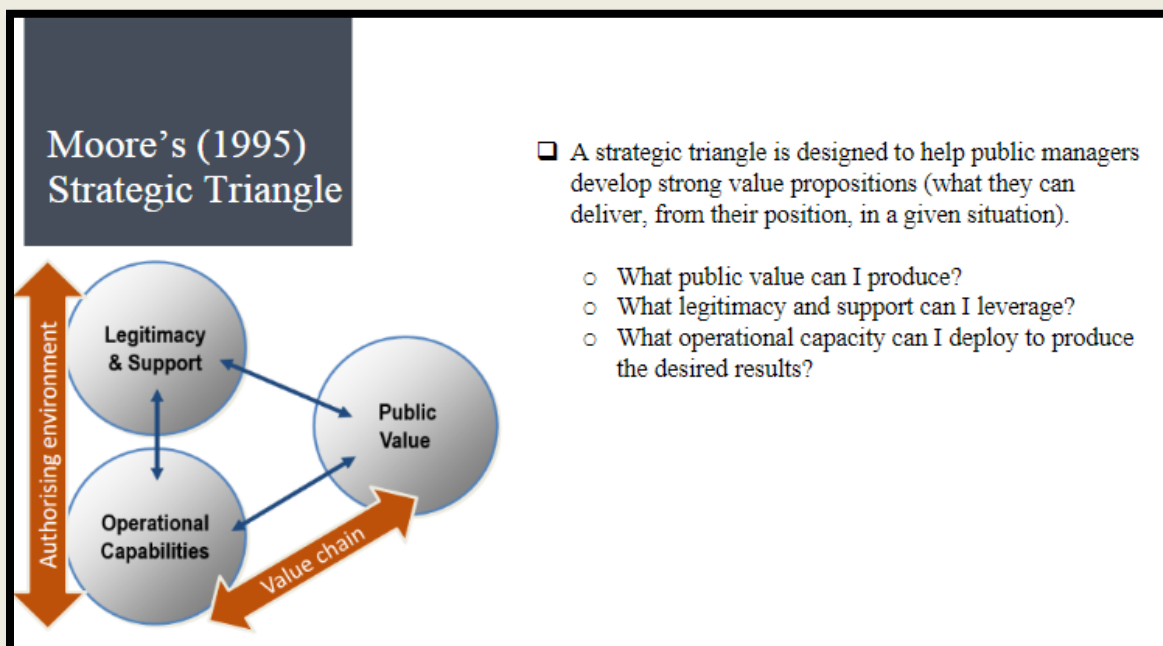
Total Funding	Percentage of Total Funding	Number of Agencies Funded	County
\$17,345,967.54	10%	4	Los Angeles
\$17,120,750.16	10%	5	San Diego
\$16,854,799.50	10%	3	Monterey
\$14,423,349.66	8%	5	Orange
\$11,960,250.62	7%	2	Alameda
\$11,784,678.27	7%	2	Fresno
\$11,671,941.85	7%	3	Riverside
\$8,051,463.68	5%	1	Shasta
\$7,381,553.86	4%	2	Sacramento
\$6,942,717.08	4%	3	San Joaquin
\$6,275,316.69	4%	2	Santa Clara
\$5,551,436	3%	2	Stanislaus
\$5,075,711.10	3%	1	San Mateo
\$4,985,724.95	3%	1	Napa
\$3,670,335	2%	5	Tulare
\$3,612,554.26	2%	5	Sonoma
\$3,358,150.00	2%	1	Kings
\$2,941,274.00	2%	1	Ventura
\$2,438,415.00	1%	1	Santa Barbara
\$1,889,732.00	1%	1	Solano
\$1,547,918.76	1%	1	Mendocino
\$1,520,723.00	1%	1	San Luis Obispo
\$939,045.50	1%	1	El Dorado
\$795,354.00	0%	1	Yolo
\$793,726.00	0%	1	Butte
\$735,769.00	0%	1	Glenn
\$637,080.00	0%	1	Amador
\$657,973.30	0%	1	Merced
\$602,118.16	0%	1	San Bernardino
\$585,829.86	0%	1	Santa Cruz
\$320,009.00	0%	1	Imperial
\$134,190.00	0%	1	Alpine
<b>\$172,605,857.80</b>	<b>100%</b>	<b>62</b>	<b>32</b>

## Chapter Four

### DISCUSSION

Each grant program's funding allocation methodology is measured against Moore's Strategic Triangle (MST).

**Figure 4.1: MST Framework**



MST assesses the authorizing environment and the value chain to assist managers in developing effective programs. This is accomplished by examining the three key elements of program development: operational capacity, legitimacy and support, and public value <sup>16</sup>.

<sup>16</sup> Moore, M. H. (2000). Managing for Value: Organizational Strategy in for-Profit, Nonprofit, and Governmental Organizations. *Nonprofit and Voluntary Sector Quarterly*, 29(1\_suppl), 183–204. <https://doi.org/10.1177/0899764000291S009>

**Table 4.1: MST Elements**

MST	Questions	Elements
<b>1. Operational Capacity</b>	<ul style="list-style-type: none"> <li>❖ Is the organization structured to meet its mission?</li> <li>❖ Will the policy be reliably implemented?</li> </ul>	<ul style="list-style-type: none"> <li>❖ Skilled personnel</li> <li>❖ Budget</li> <li>❖ Management</li> <li>❖ Facilities</li> </ul>
<b>2. Legitimacy and Support</b>	<ul style="list-style-type: none"> <li>❖ Does the organization receive the support it needs to meet its mission?</li> <li>❖ Will this policy suggestion/proposal be supported?</li> </ul>	<ul style="list-style-type: none"> <li>❖ The authorizing environment</li> <li>❖ Public views on the organization</li> </ul>
<b>3. Public Value</b>	<ul style="list-style-type: none"> <li>❖ Does the organization meet its mission and deliver public value?</li> <li>❖ What are we trying to achieve?</li> </ul>	<ul style="list-style-type: none"> <li>❖ Delivering demanded services in a cost-effective manner</li> <li>❖ Delivering services in an equitable manner</li> </ul>



The results of the analysis are rated into three categories by PVM element—high, medium, and low— and then classified into three categories: more equitable, less equitable, and least equitable. These categories represent how equitable the funding allocation methodology is.

### ***More Equitable***

After analysis of the grant program statutes, funding application instructions, funding profiles, funding results, and other grant documents and program information, the 21st CCLC program is found to have a funding allocation methodology that is more equitable compared to the other grant programs in the case study. In measuring the grant program against MST, the 21st CCLC is found to have high operational capacity, high legitimacy and support, and high public value. Measurement of operational capacity includes the degree to which resources are allocated to the state department to operate the grant program and the degree to which fiscal controls are in place. Measurement of legitimacy and support includes the degree to which the funding allocation methodology was specified in law and the degree to which the public provided input on the funding allocation methodology. Measurement of public value includes the degree to which the grant program met its intended purpose through the applied funding allocation methodology and the degree to which funding was allocated equitably.

**Table 4.2: 21<sup>st</sup> CCLC MST Results**

Operational Capacity	Legitimacy and Support	Public Value
High	High	High

***Operational Capacity***

EC 8484.8(a) allocates 5 percent of funds allocated to the department for purposes of providing technical assistance, evaluation, and training services, for contracting for local technical assistance, and for administration of the 21st CCLC. Therefore the 21st CCLC is found to have resources allocated to the state department for the operation of the grant program.

EC 8484.8(b)(3), EC 8484.8(b)(4), and EC 8484.8(e)(4)(B) establish fiscal controls for the 21st CCLC grant. Specifically, EC 8484.8(b)(3) requires that the designated public agency representative for the applicant certify that an annual fiscal audit will be conducted and that adequate, accurate records will be kept to be eligible to receive a 21st CCLC grant. In addition, it requires that applicants provide the department with the assurance that funds received are expended only for those services and supports for which they are granted. It also requires the department to request annual budget reports from grant recipients and provides the department with the authority to withhold funds in subsequent years if the grant funds are expended for purposes other than as awarded. EC 8484.8(b)(4) provides the authority for the department to require grant recipients to submit quarterly expenditure reports. EC 8484.8(e)(4)(B) provides the department the authority to allocate the total grant award into smaller allocations of 25 percent of the grant award total per year.

Based on these findings, the 21st CCLC is found to have high operational capacity.

### ***Legitimacy and Support***

The funding allocation methodology for the 21st CCLC is specified in law. The 21st CCLC funding allocation methodology is described in detail in chapter three. Additionally, the public provided input on the funding allocation methodology. This is evidenced in the state department's strategic plan <sup>17</sup>. Based on these findings, the 21st CCLC is found to have high legitimacy and support.

### ***Public Value***

The purpose of the 21st CCLC program funds is to support the creation of CLCs, particularly at high-poverty and low-performing schools by providing grant funding.

Grant funding is allocated based on five subprograms:

1. After School Base programs
2. After School Summer/Supplemental programs
3. Before School Base programs
4. Before School Summer/Supplemental programs
5. EA programs

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<sup>17</sup> California Department of Education. (January, 2014). A vision for expanded learning in California. *California Department of Education*. <https://www.google.com/url?client=internal-element-cse&cx=007899273231353282595:rooj8qfkg0k&q=https://www.cde.ca.gov/lr/ex/documents/exldstrategicplan.pdf&sa=U&ved=2ahUKewjjgrjDzJ2JAxUVJ0QIHax3MfQQFnoECAkQAAQ&usg=AOvVaw0Ml67YAzHWPwBIYqSd-4v1>

EC 8484.8(f) established a minimum grant amount, known otherwise as a ‘base’ grant. Therefore, as long as applicants were eligible for funds, they were guaranteed the base grant amount of \$50,000. This practice is favorably received by grantees because they then have a better understanding of what grant award amount they can expect to receive. Thereafter, base grants were allocated for those applicants operating an after-school and/or a before-school program during the regular school year pursuant to EC 8483.7. The funding methodology is described in detail in chapter three. The funding methodology includes an adjusted formula for larger-than-average-size schools, which provides that amounts may be increased up to twice the limits provided in the standard funding formula. This practice was well received by applicants who felt their specific needs were considered equitably. The funding formula also used a public and standard source to identify data and metrics that are known to the applicants. For example, funding is based on the grade span served in FY 2022–23 reported in the Public Schools Data downloadable file from the CDE’s Public Schools and Districts Data Files web page.

Further, funding priority is provided for school sites that meet the maximum number of priority items. If there were more applications than available funds within a priority group, the applications were ordered, and funded, from highest to lowest percent FRPM. Funding priorities are described in detail in chapter three. This practice was well received by applicants because it allowed applicants with the same geographic demographics an equitable opportunity for funding by competing with each other as opposed to, for example, a smaller, rural site competing with a larger, urban site. Based on these findings, the 21<sup>st</sup> CCLC is found to have high public value.

### ***Less Equitable***

After analysis of the grant program statutes, funding application instructions, funding profiles, funding results, and other grant documents and program information, the IEEEEP is found to have a funding allocation methodology that is less equitable compared to the other grant programs in the case study. In measuring the grant program against MST, the IEEEEP is found to have medium operational capacity, low legitimacy and support, and low public value. Measurement of operational capacity includes the degree to which resources are allocated to the state department to operate the grant program and the degree to which fiscal controls are in place. Measurement of legitimacy and support includes the degree to which the funding allocation methodology is specified in law and the degree to which the public provided input on the funding allocation methodology. Measurement of public value includes the degree to which the grant program met its intended purpose through the applied funding allocation methodology and the degree to which funding is allocated equitably.

**Table 4.3: IEEEEP MST Results**

<b>Operational Capacity</b>	<b>Legitimacy and Support</b>	<b>Public Value</b>
Low	Low	Low

#### ***Operational Capacity***

The department did not receive positions or funding for the administration of the IEEEEP in *EC* or the Budget Act. Therefore, the IEEEEP is not found to have resources allocated to the state department for the operation of the grant program.

The IEEEP overview and instructions establish some fiscal controls for the IEEEP grant. Specifically, the RFA overview and instructions require that grantees submit a budget narrative and a budget summary, and requires grantees to submit quarterly progress and expenditure reports to the department. The overview and instructions state that failure to meet reporting requirements and participate in an evaluation of the grantee's program may delay payment and result in termination of funding.

Based on these findings, the IEEEP is found to have medium operational capacity.

### ***Legitimacy and Support***

The funding allocation methodology for the IEEEP is not specified in law. Therefore, the funding allocation methodology was administratively established by the department. The IEEEP funding allocation methodology is described in chapter three, however, the description from the overview and instructions provides limited detail on the funding methodology or how the funding methodology was determined. Additionally, the public was not provided an opportunity to provide input on the funding allocation methodology. Based on these findings, the IEEEP is found to have low legitimacy and support.

### ***Public Value***

The purpose of the IEEEP funds is to increase access to inclusive ELC programs, particularly in low-income and high-need communities, for children with disabilities, including children with severe disabilities.

The administratively established funding allocation methodology did not support the grant program's purpose. It failed to sufficiently describe how funding would be allocated. For example, the overview and instructions fail to describe how much funding will be awarded to successful applicants. The posted funding results also do not provide a clear measure for funding disparities between grantees. Based on these findings, the IEEEEP is found to have low public value.



## Chapter Five

### RECOMMENDATIONS AND CONCLUSION

Government agencies are responsible for allocating funds through grants to meet legislative priorities and to serve the public interest, however, legislative and public interests are not properly served if funding is not distributed equitably. This report outlined several factors that may contribute to funds that are not distributed equitably, including when statutory requirements are not specified, are discretionary, or are vague, resulting in the agency creating its own administrative requirements. This policy report will conclude by providing recommendations, suggestions for future research, and limitations on the findings of this report.

#### **Recommendations**

This policy report will offer state agencies and the Legislature recommendations on how state funds can be allocated more equitably using the MST lens of operational capacity, legitimacy and support, and public value, as listed below.

#### ***Organizational Capacity***

Measurement of operational capacity includes the degree to which resources are allocated to the state department to operate the grant program and the degree to which fiscal controls are in place. The Legislature should consider including language that permits administering state agencies to use a percentage of the local assistance grant funds for state operation grant administration purposes when developing statutory language for grant programs. This practice is also applied to the 21<sup>st</sup> CCLC grant but should be adopted for all grant programs statewide.



Adopting this recommendation would allow administering state agencies the option to establish the necessary positions and resources, as needed, to establish or build capacity in administering new or expanded grant programs. State agencies with capacity will be able to administer grant programs more equitably. Although this recommendation may reduce the overall amount of local assistance grant funding made available to grantees, it would allow the administering state agency to allocate grant funds more equitably, effectively, and efficiently. If this language is not included in the authorizing statute for the grant program, state agencies would not receive additional funding or resources to administer new or expanded grant programs, which would reduce their operational capacity by increasing their workload without increasing the resources they receive. While state agencies may request resources from the Legislature through the budget change proposal (BCP) process, this process is time-intensive and burdensome, requires state agency expertise to complete, and any resources received from the BCP would not be allocated in the Budget Act until the fiscal year following the fiscal year in which the resources are requested.

Additionally, the Legislature should consider establishing specific fiscal controls for state-funded grant programs. Although fiscal controls for state-funded grant programs exist at the state level, they are generalized. State-funded grant programs are not required to adopt the more specific fiscal controls that are put in place for federally-funded grant programs. Any other established fiscal controls would be administratively established by the state agency.

Specifically, the Legislature should consider including the following fiscal control requirements when developing statutory language for grant programs:

- that the designated public agency representative for the applicant certify that an annual fiscal audit will be conducted
- that adequate, accurate records will be kept to be eligible for grant funding
- that applicants provide the state administering agency with the assurance that funds received are expended only for those services and supports for which they are granted
- that the state administering agency must request annual budget reports from grant recipients
- that the state administering agency may withhold funds in subsequent years if the grant funds are expended for purposes other than as awarded
- that the state administering agency must require grant recipients to submit expenditure reports no more frequently than quarterly and no less frequently than semi-annually.
- that the state administering agency must not allocate more than 25 percent of funding up front unless the grantee has spent half of its initial allocation or if the grantee submits a justification for an increased advance that is approved by the state administering agency

These fiscal controls are in place for the 21<sup>st</sup> CCLC and other grant programs and will ensure that funding use is aligned with legislative intent.

It also supports the Legislature and the public in understanding how public funds are used, which may inform program evaluation and future funding allocation decisions. Alternatively, the state agency can consider administratively establishing these fiscal controls by adding them to the grant agreement. These recommendations are also consistent with recommendations from the Legislative Analyst's Office (LAO) on key ways the Legislature can facilitate transparency and accountability on the front end of grant administration.

### **Legitimacy and Support**

Measurement of legitimacy and support includes the degree to which the funding allocation methodology is specified in law and the degree to which the public provided input on the funding allocation methodology. The Legislature should consider including language that describes the funding allocation method when developing statutory language for grant programs. The funding allocation method described should be formula-based and clearly describe for the state administering agency and the public how grant award amounts would be determined based on the funding allocation method. This practice is in place for some grant programs and is consistent with recommendations from the LAO on key ways the Legislature can facilitate transparency and accountability on the front end of grant administration. Alternatively, the state agency may administratively establish this funding allocation method.

If the Legislature must defer to the administering state agency to develop the funding allocation method, the Legislature should consider including language that requires the administering state agency to develop a strategic plan for allocation of the funding which is informed by stakeholders. Alternatively, the state agency may administratively establish this requirement to engage in a stakeholder input session which informs the development of a strategic plan for grant funding allocation.

If the Legislature does not adopt either alternative, it should strongly reconsider the recommendation outlined in the Organizational Capacity section of this report, as the administering state agency will be challenged in not only administering the grant program, but developing an equitable funding allocation method as well without additional resources.

### **Public Value**

Measurement of public value includes the degree to which the grant program met its intended purpose through the applied funding allocation methodology and the degree to which funding is allocated equitably. To support the more equitable allocation of funding, the Legislature should consider including funding allocation method language that considers a base grant and supplemental grant amount for grantees. This practice is applied for the 21<sup>st</sup> CCLC grant and was favorably received by grantees because they had a better understanding of what grant award amount they could expect to receive at a minimum to proactively plan their programs. Funding allocation formula adjustments should be considered for larger-than-average-size organizations.

This practice is applied for the 21<sup>st</sup> CCLC grant and was favorably received by applicants who felt their specific needs were considered equitably. The funding formula should also require that a public and standard source be used for the funding allocation method. This practice is favorable as it promotes transparency in how the administering state agency determines funding allocations and allows the grantee to participate in the funding allocation process by double-checking the methods that were applied to calculate their grant award. Funding allocation methods should also consider applicants competing with other applicants of like demographics. This practice is applied for the 21<sup>st</sup> CCLC grant and was favorably received by applicants because it allowed applicants with the same geographic demographics an equitable opportunity for funding by competing with each other as opposed to, for example, a smaller, rural site competing with a larger, urban site. This recommendation is also consistent with the literature which notes the state should do “a better job of targeting...dollars...[to applicants]...whose potential to succeed is most constrained by limited resources”<sup>18</sup>. Alternatively, the state agency may administratively establish these funding allocation methods.

### **Limitations and Future Research**

The findings of this report were based on a case study analysis of a small sample of education grants. Future research could examine a larger sample of grants and include various grant types (i.e., health, housing, etc.).

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<sup>18</sup> Jacobs, C. E., & Whitfield, S. E. (May, 2012). Beyond need and merit: Strengthening state grant programs. *Brown Center on Education Policy, Brookings's Institute*; Washington, D.C.

While the findings of this report are based largely on qualitative research methods, additional research methods can be applied for future research, such as other qualitative and quantitative methods, including interviews, surveys, and additional data analysis. Future research could also analyze the impact of other elements of the grant administrative process on funding allocations, such as funding priority, funding criteria, funding applications, and others.

