



## Executive Summary on the Governor's January Budget Proposal

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March 3, 2022

On January 10th, Governor Newsom outlined his proposed 2022-23 state budget, including a large cost-of-living adjustment and continued implementation of massive K-12 program expansions; he also issued a vague call for protecting charter schools from pandemic-driven enrollment and attendance declines. Here are our main takeaways on the budget proposals that are relevant to us:

### **Local Control Funding Formula (LCFF)**

The governor proposes to fund an estimated 5.33 % cost-of-living adjustment (COLA) for LCFF and several other categorical funding programs. The increase should be able to offset our annual COLA increase for salaries.

### **Declining Enrollment/Average Daily Attendance (ADA)**

Newsom proposes to expand the protections that school districts enjoy under current law when their enrollment and attendance declines and results in corresponding ADA-driven funding losses. Specifically, Newsom proposes to extend the one-year protection that school districts enjoy under current law to fund districts based on the greater of the current, prior, second prior, or average ADA of the prior three years, whichever is greatest.

For charter schools, which currently enjoy zero protection from declining enrollment/ADA, Newsom states that his "administration intends to engage in outreach and discussions with interested parties throughout the spring to explore options for providing declining enrollment protections for charter schools." The budget includes \$1.2 billion in additional funding to pay for estimated costs of providing these funding cushions.

### **Independent Study**

The Governor's Budget states that "in 2022-23, independent study will continue to be an option for LEAs" and calls for streamlining independent study attendance accounting by allowing recently-mandated synchronous instruction to count toward instructional time when computing independent study ADA, whereas current law bases independent study ADA primarily on the "time-value" of student work products. The budget also calls for unspecified additional flexibility on the timeline for local education agencies (LEAs) to collect signed written independent study agreements.

### **Expanded Learning Opportunities Program Implementation**

Newsom calls for funding an additional \$3.4 billion of ongoing funding, on top of the current year's \$1.8 billion, to provide low-income students in grades TK-6 with 9 hours of instruction and academic enrichment

every day and for 6 weeks each summer, plus an additional \$937 million of one-time funding for unspecified Expanded Learning infrastructure.

### **Charter School Facilities Grant and School Facilities Program**

The governor proposes appropriating an additional \$30 million of ongoing funding to support the Charter School Facilities Grant Program. These funds could partially backfill the large, growing funding deficit in this program.

### **Career Pathways and Dual Enrollment**

The governor calls for spending \$1.5 billion one-time funding to support the development of career pathways focused on technology, health care, education, and climate-related fields plus an additional \$500 million one-time funding, spread over four years, to expand community college dual enrollment options.

### **Special Education Funding/Reform**

The proposal includes \$500 million additional, ongoing state special education funding, paired with various policy changes, including basing funding on LEA-specific data rather than the SELPA-wide ones currently used, allocating mental health (ERMHS) funding directly to LEAs rather than SELPAs, and developing a special education addendum to the LCAP, and other reforms. Notably, the budget includes no mention of the more radical reforms recommended in a recent report commissioned by the state from WestEd which called for the state to eliminate SELPAs and implement other major changes.

### **Teacher Workforce**

The budget includes over \$54 million for various teacher workforce proposals, several of which would continue current efforts to expand the supply of credentialed teachers.

### **Final Thoughts**

While we are pleased with the large funding increases proposed in the governor's ambitious budget, we are concerned with:

- the unrealistic pace of program expansions in many cases
- the lack of protections for charter schools to cushion pandemic-related enrollment and attendance losses

At the time of writing, details for most of the new proposals are not available yet, and we will provide an update once more information is available.