



## Executive Summary on the Governor's May Revise Budget Proposal

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June 2, 2022

In January, the Governor proposed to increase base funding for LCFF and continue to invest in several initiatives that were initiated in the 2021-22 budget such as expansion of TK, Expanded Learning Opportunities Program (ELOP), and school meals for all. Rather than creating significant new programs, the May Revision generally continues these efforts, and offers significant base adjustments for LCFF, including Hold Harmless projections for current year ADA loss for many schools, and flexible block grants for local priorities. Key items of interest to us in the May Revise include the following:

**Hold Harmless: For the current, 2021-22 fiscal year** Newsom proposes allowing classroom-based charter schools and school districts to be funded based on their current year enrollment, “adjusted for pre-COVID-19 absence rates in the 2021-22 fiscal year,” **For 2022-23 and beyond**, the governor calls for a modified version of his three-year, rolling average proposal, but presumably protecting only school districts and not charter schools. The details of these proposals were not public yet.

**LCFF:** Funding the increased statutory cost-of-living (COLA) adjustment at **6.56 percent plus boosting the Local Control Funding Formula by an additional \$2.1 billion on an ongoing basis.**

**New One-Time Block Grant:** A massive, \$8 billion, one-time, per-pupil block grant that could be used for various one-time purposes, presumably providing over **\$1,300 per student** for 2022-23.

**Universal Meals Augmentation:** Adding \$612 million to the \$596 million included in the Governor's January budget proposal to augment state meal reimbursement rates when schools implement the universal free meals mandate in 2022-23.

**Expanded Learning Opportunities Augmentation (ELOP):** Adding \$403 million of ongoing funding to this nascent program, for a total of \$4.8 billion to require schools to offer 9-hour learning days and add 30 days to the school year. **The governor continues to propose delaying the mandate to implement this program to the 2023-24 school year.**

**Teacher Pipeline:** Over \$1 billion for several existing and new initiatives to expand the supply of teachers.

### Next Steps:

The May Revision is typically a fiscal update to the Governor's January Budget. The Legislature must act to accept, reject, or amend the items in the proposal and approve a 2022-23 Budget by the constitutional deadline of June 15. Last year, however, Legislature passed a “fake” one prior to reaching agreement with

Governor, and then substantially revised it and the “trailer bill” later in summer. Experience shows finalizing budget can be most difficult when there is a lot of money available. Therefore, there is a strong possibility that the budget for FY23 won’t be finalized until later in summer as well.