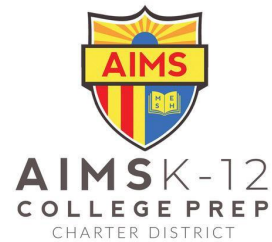


# Superintendent's Board Report

## Reporting Period June 2021

Superintendent Maya Woods-Cadiz, AIMS K-12 College Prep Charter District



# Board Update of Budgetary Matters- May Revise

This is an update of Governor Newsom's May revised budget.

# May Revision 2021-22



Gavin Newsom, Governor  
State of California

# K-12 Funding

Under Proposition 98, the significant increase in state's revenues results in Proposition 98 funding of \$93.7 billion—nearly \$14,000 per pupil. This is a significant increase over the record level estimated in January. In addition, earlier this year the federal government allocated K-12 schools approximately \$15 billion and the California Community Colleges \$2.3 billion. In addition, the State Appropriations Limit will result in a supplemental payment to schools of approximately \$8 billion, which is scheduled to be allocated in 2022-23. This payment will assist districts over the next several years as one-time federal funds expire.

# California For All Kids Plan

The May Revision re-envisioned the K-12 public education through the California for All Kids Plan—a five-year investment strategy that addresses equity gaps by:

- Offering year-round access to enrichment and extended-day supplemental education programs in low-income communities;
- Improving teacher preparation and training;
- Increasing staff, including counselors, social workers and nurses; and
- Increasing access to school-based nutrition.

The plan also proposes beginning universal access to transitional Kindergarten starting in 2022-23 and fully implemented by 2024-25. With more children entering the K-12 school system, more preschool and childcare slots will become available to serve the 0-3-year-old population. The May Revision also proposes to fund 100,000 new childcare slots to further support working parents.

# Proposition 98

Proposition 98 is a voter-approved constitutional amendment that guarantees minimum funding levels for K-12 schools and community colleges (collectively referred to as K-14 schools).

the State Appropriations Limit in 2020-21 and 2021-22 creates a Constitutional obligation for the state to make a one-time payment to K-14 schools, supplemental to the Proposition 98 Guarantee funding level, and allocated based on K-12 average daily attendance and full-time equivalent community college students. While this payment amount will not be finalized until the adoption of the 2023-24 budget, the Administration currently anticipates that it will total approximately \$8.1 billion, and will be provided to K-14 schools in the 2022-23 fiscal year.

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# Proposition 98 Supplemental Plan

The 2020 Budget Act created a multi-year obligation to increase Proposition 98 funding by \$12.4 billion, after estimates showed the Proposition 98 funding levels in 2019-20 and 2020-21 would drop below the target funding level (Test 2), by this amount. The Governor's Budget included the first of these supplemental payments (\$2.3 billion), even though estimates at that time showed 2019-20 and 2020-21 declines below Test 2 of only \$511 million. The Administration now estimates that the Proposition 98 funding levels in 2019-20 and 2020-21 will be \$9.3 billion greater than the Test 2 amount. Given this significant increase in funding, the May Revision proposes eliminating the supplemental payment proposed in the Governor's Budget.

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# Proposition 98 Rainy Day Fund

The Governor's Budget projected a total of \$3 billion in payments to the Public School System Stabilization Account would be necessary between 2020-21 and 2021-22. Increases in capital gains revenues at May Revision have increased these required payments to a total of \$4.6 billion. Under current law, there is a cap of 10 percent on school district reserves in fiscal years immediately succeeding those in which the balance in the Account is equal to or greater than 3 percent of the total K-12 share of the Proposition 98 Guarantee. The balance of \$4.6 billion in 2021-22 triggers school district reserve caps beginning in 2022-23.

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# Local Control Funding Formula-LCFF

The Governor's Budget included a compounded LCFF cost-of-living adjustment of 3.84 percent, representing a 2020-21 cost-of-living adjustment of 2.31 percent and a 2021-22 cost-of-living adjustment of 1.5 percent. At May Revision, the 2021-22 cost-of-living adjustment is updated to 1.7 percent, for a new compounded LCFF cost-of-living adjustment of 4.05 percent. Additionally, to help local educational agencies address ongoing fiscal pressures, the May Revision includes \$520 million Proposition 98 General Fund to provide a 1 percent increase in LCFF base funding. This discretionary increase, when combined with the compounded cost-of-living adjustment, results in growth in the LCFF of 5.07 percent over 2020-21 levels.

# Deferrals

Recession-driven revenue reductions anticipated at the 2020 Budget Act drove the need to defer LCFF apportionments, in the amounts of \$1.9 billion in 2019-20, growing to more than \$11 billion in 2020-21. The Governor's Budget proposed paying off the full K-12 deferral in 2019-20 and \$7.3 billion of the K-12 deferral in 2020-21, leaving an ongoing K-12 deferral balance of \$3.7 billion in 2021-22. The May Revision further reduces this by \$1.1 billion, for a proposed 2021-22 K-12 deferral balance of \$2.6 billion.

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# School Reopening

The May Revision assumes a return to full-time in-person instruction for the 2021-22 school year. Consistent with all school years prior to 2020-21, this mode of instruction will be the default for all students and schools, and generally one of only two ways in which local educational agencies can earn state apportionment funding in 2021-22. To ensure safety and build trust, the May Revision proposes \$2 billion one-time Proposition 98 General Fund to fund health and safety activities, including testing and vaccine initiatives, enhanced cleaning, personal protective equipment, and improved ventilation. These funds will supplement the \$2 billion appropriated by Chapter 10, Statutes of 2021 (AB 86) to schools that were open for in-person instruction by April 2021.

# Independent Study Option

Notwithstanding these measures, some parents may still be hesitant to send their children back to school for in-person instruction. To give families a high-quality option for non-classroom based instruction, and to provide local educational agencies with an option to generate state funding by serving students outside the classroom in response to parent requests, the May Revision proposes a series of improvements to the state's existing independent study programs. Specifically, local educational agencies will provide non-classroom based instruction using the existing traditional and course-based independent study models, but will have additional requirements to: (1) provide access to technology, internet connectivity, and a dedicated and rigorous curriculum; (2) develop and implement a framework of tiered re-engagement strategies for students not meaningfully participating in instruction; and (3) track and record daily student participation and interaction with teachers.

# Expanded Learning Time

The May Revision reflects a five-year plan to implement expanded-day, full-year instruction and enrichment for all elementary school students in local educational agencies with the highest concentrations of low-income students, English language learners, and youth in foster care (representing approximately 2.1 million children). By 2025-26, these students would have access to no-cost after school and summer programs. When combined with regular instructional time, this will provide students with nine hours of developmentally appropriate academics and enrichment per instructional day and for six weeks each summer.

# Universal Transitional Kindergarten

The May Revision proposes a series of investments beginning in 2022-23 to incrementally establish universal transitional kindergarten, creating a "14th grade" of public education by 2024-25. Universal transitional kindergarten would be phased-in over four years, with local educational agencies able to use 2021-22 for planning and infrastructure development, and additional access for four-year-olds, increased in increments of three months of age per year from 2022-23 through 2024-25, when all four-year-olds would be eligible. The costs of this plan are anticipated to be approximately \$900 million General Fund in 2022-23, growing to \$2.7 billion in 2024-25 (the Proposition 98 Guarantee would be "rebenched" to draw down General Fund for the costs of new enrollment in each year of increased investment). Additionally, the May Revision repurposes \$250 million one-time Proposition 98 General Fund proposed in the Governor's Budget to incentivize transitional kindergarten expansion to instead be used for planning and implementation grants for all local educational agencies.

# Comprehensive Student Supports

To increase the number of adults providing direct services to students on school campuses, the May Revision includes an ongoing increase to the LCFF concentration grant of \$1.1 billion Proposition 98 General Fund. Local educational agencies that are recipients of these funds will be required to demonstrate in their local control and accountability plans how these funds are used to increase the number of certificated and classified staff on their campuses, including school counselors, nurses, teachers, paraprofessionals, and other student support providers. Also, in recognition of the disproportionate impact of the Pandemic on youth in foster care, county offices of education will receive an additional \$30 million one-time Proposition 98 General Fund to work with local partners to coordinate and provide direct services to these students.

# Workforce Preparation

- An additional \$450 million one-time Proposition 98 General Fund over five years (for a total of \$550 million) to support approximately 22,000 teacher candidates in teacher residencies and other grow-your-own teacher credentialing programs.
- An additional \$400 million one-time General Fund over five years (for a total of \$500 million) for the Golden State Teacher grants, which would support a combined total of at least 25,000 grants for teacher credential candidates who commit to teach at a priority school, in a high-need subject matter area, for four years.
- An additional \$100 million one-time Proposition 98 General Fund over five years (for a total of \$125 million) for the Classified School Employee Teacher Credentialing Program, to support more than 5,000 classified school staff in becoming credentialed teachers.
- \$65.5 million one-time Proposition 98 General Fund and \$45.6 million one-time General Fund to establish the Roadmap to Pre-K through 12 Educational Employment Program, a long-term, comprehensive statewide recruitment and communications strategy that focuses on recruiting and developing a diverse and talented educational workforce, highlighting the value of working in the education sector, and assisting individuals in moving into the pre-K-12 educator workforce by identifying and sharing resources, such as financial aid programs and pathways to teaching.
- \$20 million one-time General Fund to provide a credential fee waiver in 2021-22 for individuals entering the K-12 educator workforce.
- \$15 million one-time Proposition 98 General Fund over three years to support 6,000 teachers in completing the coursework necessary to receive state certification to teach computer science.



# Retention and Training

- An additional \$1.3 billion one-time Proposition 98 General Fund over three years (for a total of \$1.5 billion) for the Educator Effectiveness Block Grant, to provide local educational agencies with training resources for classified, certificated, and administrative school staff in specified high-need topics, including accelerated learning, re-engaging students, restorative practices, and implicit bias training.
- \$250 million one-time Proposition 98 General Fund over five years for incentives for 2,500 highly-qualified National Board Certified teachers that teach in high poverty schools to attract and retain them as mentors for other instructional staff.
- \$60 million one-time Proposition 98 General Fund for the Classified School Employee Summer Assistance Program, which provides matching funds for intersessional pay for classified employees that work less than 12 months per year.
- \$25 million one-time Proposition 98 General Fund over five years for the 21st Century School Leadership Academy, to provide high-quality professional learning for administrators and other school leaders.
- Additional one-time funds are also provided to increase educator training and resources in early math, reading, science instruction, computer science, dyslexia, and LGBTQ+ cultural competency.

# Nutrition

The May Revision includes \$150 million ongoing Proposition 98 General Fund to encourage local educational agencies to participate in one of the federal universal meal provisions. Participation in a universal meal provision allows schools to serve breakfast and lunch at no charge to all students and greatly reduces the administrative burden associated with collecting school meal applications. Students eligible for free and reduced price meals are also more likely to participate in universal school meal programs. Finally, local educational agencies participating in a federal universal meal provision generally receive increased federal meal reimbursement.

Additionally, the May Revision invests in the workers and infrastructure that support school meal programs by including \$100 million one-time Proposition 98 General Fund to provide school kitchen infrastructure upgrades and training for school cafeteria staff. As noted in the Sustainable Agriculture Chapter, the May Revision also provides \$30 million one-time General Fund (up from \$10 million in the Governor's Budget) to the Department of Food and Agriculture to support the Farm to School initiative.

# Special Education

The May Revision includes the following for special education programs:

- \$277.7 million one-time federal Individuals with Disabilities Education Act (IDEA) funds to local educational agencies to increase general statewide special education resources.
- \$117.7 million Proposition 98 General Fund to increase the cost-of-living adjustment for state special education funding from 1.5 percent to 4.05 percent, reflecting both an increase in the 2021-22 cost-of-living adjustment as well as application of the
- 2.31 percent cost-of-living adjustment from 2020-21, which was suspended in the 2020 Budget Act.
- \$15 million one-time federal IDEA funds to provide technical assistance and support to local educational agencies in developing and administering comprehensive individualized education programs and to develop tools and resources to assess and address academic impacts of the Pandemic on students with disabilities.
- \$2.3 million federal IDEA funds (of which \$965,000 is available on a one-time basis) and 6 positions for the Department of Education to address special education complaints, perform court-ordered special education monitoring of local educational agencies, and to purchase special education monitoring software.
- \$1.2 million federal IDEA funds (of which \$1.1 million is available on a one-time basis) and 1 position to improve coordination between the California Department of Education, the California Department of Developmental Services, and local educational agencies to support the transition from IDEA Part C to Part B programs, and convene stakeholder workgroups to address data sharing and disseminate best practices to increase access to more inclusive settings for three-, four-, and five-year-olds.