

# K-12 EDUCATION

California provides instruction and support services to roughly 5.9 million students in grades kindergarten through twelve in more than 10,000 schools throughout the state. A system of 58 county offices of education, 1,000 local school districts, and more than 1,200 charter schools provides instruction in English, mathematics, history, science, and other core competencies.

The May Revision includes total funding of \$121.7 billion (\$70 billion General Fund and \$51.7 billion other funds) for all K-12 education programs, the highest level of funding in California's history. Per-pupil funding is also at the highest levels ever, totaling \$13,977 per pupil in Proposition 98 General Fund and \$21,152 per pupil when accounting for all funding sources.

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## CALIFORNIA FOR ALL KIDS

Public schools hold the promise of serving as the hubs for California communities, a source of shared local pride and engagement, and the foundation for providing all children with opportunity. The potential of public schools to drive positive change and reduce societal inequities is immense. It is time to re-envision the K-12 public educational experience by directing historic levels of funding to schools, improving outcomes for all young Californians and ensuring the future prosperity of the state. The May Revision utilizes this opportunity by proposing the California for All Kids Plan, a five-year strategy for public school investment that offers every child in California the comprehensive support necessary to reach their full potential.

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The California for All Kids Plan invests aggressively in equity. Nearly two out of every three of the state's school-age children have a family income that qualifies them for free and reduced-price school meals (less than or equal to 185 percent of the federal poverty level). These children are less likely to have access to enrichment opportunities and comprehensive services like many of their peers, including stable health care and mental health services, access to technology, consistent opportunities for a variety of engaging and enriching extracurricular activities, and educators that are well-prepared to meet their needs. Public schools serve a central role in closing these historic and structural opportunity gaps. The California for All Kids Plan provides a roadmap to equip schools to do this work, specifically by achieving all of the following by 2025-26:

- Universal access to transitional kindergarten so all children enter the school system prepared to succeed
- Year-round access to enrichment activities and before/after-school supplemental education programs for children in low-income communities
- Well-prepared and well-supported teachers
- Deeper connections and relationships between students and adults on campus, with training in tiered systems of student supports, including more school counselors, social workers, and nurses
- Increased access to school-wide nutrition programs
- An improved and more integrated relationship between schools and health care plans, county health, and social services to provide school-based services to children
- Greater student access to broadband internet and computer technology, both in the classroom and at home

Additionally, to strengthen the existing public education fiscal infrastructure, which has been significantly impacted by the COVID-19 Pandemic and multi-year enrollment declines, the May Revision includes additional investments in general purpose K-12 funding to ensure a strong base that facilitates the success of the proposed new investments.

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## 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 Guarantee, which went into effect in the 1988-89 fiscal year, determines funding levels according to multiple factors including the level of funding in 1986-87, General Fund revenues, per capita personal income, and school attendance growth or decline. The Local Control Funding Formula is the primary mechanism for distributing these funds to support all students attending K-12 public schools in California.

The Guarantee continues to be in a Test 1 for all years 2019-20 through 2021-22. This means that the funding level of the Guarantee is equal to approximately 38 percent of General Fund revenues, plus local property tax revenues. The significant increase in revenues projected for 2020-21 and 2021-22 results in a corresponding increase in resources for K-14 schools. Proposition 98 is estimated to be \$79.3 billion in 2019-20, \$92.8 billion in 2020-21, and \$93.7 billion in 2021-22, representing a three-year increase in the minimum Guarantee of \$17.7 billion over the level estimated in the Governor's Budget. These funding levels include property tax decreases of \$283 million in 2019-20, \$298 million in 2020-21, and \$315.9 million in 2020-21, related to recent State Controller's Office guidance on counties' calculation of local excess Educational Revenue Augmentation Fund.

Additionally, excess revenues above 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 PAYMENT

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.

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### **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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## REOPENING SCHOOLS

The pandemic posed an unprecedented crisis for California's schools. As the science emerged and frequently evolved, school communities grappled with two monumental challenges: creating and scaling high-quality models of distance learning, and managing the public health precautions necessary for safe re-openings for in-person instruction. The safe re-openings were further complicated by a surge of COVID-19 cases late in 2020 that caused heightened concerns. With recent scientific consensus regarding the safety of in-person instruction and continued success in expanding vaccinations to drive down COVID-19 transmission, school communities can and must prioritize the in-person connections that best serve the mental health, social-emotional well-being, and academic needs of students, families, and staff.

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.

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.

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## EXPANDED LEARNING TIME

A substantial body of research demonstrates the benefits of both expanded learning time and summer/intersessional enrichment in addressing and preventing sub-standard academic outcomes for students. In short, more time, used well, can accelerate student learning. While some families are able to access expanded learning outside of school, through summer camps, music lessons, sports teams, tutoring, etc., not all students are able to access the benefits that come from these opportunities.

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.

Similar to the existing After School Education and Safety Program, these programs would offer developmentally appropriate enrichment to students, including:

- An educational element in which tutoring or homework assistance is provided, and
- A supplemental element including, but not limited to, STEM, fine arts, career technical education, recreation, and physical fitness.

Additionally, these programs would be required to maintain adult-to-student ratios of 1:10 for transitional kindergarten and kindergarten students and 1:20 for students in first through sixth grades.

The Administration estimates that the Proposition 98 General Fund costs to implement this proposal is approximately \$1 billion in 2021-22, growing to \$5 billion in 2025-26. Over the implementation period, services would be phased in, with the local educational agencies with the highest proportion of students from low-income families, English language learners, and youth in foster care being provided the ability to access extended day/year programming first. Once fully implemented, the Administration proposes incorporating these funds into the LCFF concentration grant calculation.

## UNIVERSAL TRANSITIONAL KINDERGARTEN

Evidence is plentiful that children who attend preschool are better prepared to begin kindergarten than children who do not. While the state has made significant investments in subsidized, high-quality preschool in recent years, many low-income four-year-olds in the state cannot access low-cost or free preschool programs. The May Revision proposes to address this lack of access and ensure all students are able to benefit from high-quality preschool.

To provide access to free, high-quality, inclusive pre-kindergarten education for all children, 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.

To build on and enhance the quality of the existing transitional kindergarten program, the May Revision also proposes \$380 million Proposition 98 General Fund in 2022-23, growing to \$740 million in 2024-25, to provide one additional certificated or classified staff person in each transitional kindergarten classroom. For many classrooms, this will reduce adult-to-child ratios from 1:24 to 1:12. Additionally, the May Revision includes \$10 million one-time General Fund for the Department of Education to update the Preschool Learning Foundations, the recommended learning standards for preschool and transitional kindergarten, to reflect the most recent research on early childhood development and provide comprehensive resources for pre-kindergarten teachers.

Finally, the budget maintains the level of funding available for the State Preschool Program. The Administration will develop a comprehensive plan for implementation in 2022-23 to support existing State Preschool Program providers to maintain their contracts while transitioning to serve younger children, in alignment with the Master

Plan for Early Learning and Care, to ensure all eligible three-year-olds have access to a high quality early learning.

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### **COMPREHENSIVE STUDENT SUPPORTS**

Disruptive life events, like the Pandemic, have a negative impact on student learning. The effects of these types of events, however, can be mitigated by a safe school centered on deep connections and relationships. Children learn and thrive when they feel that they have many adults who care about them, when they are secure, and when their basic needs are met consistently and in a regular, structured manner.

To build up the capacity of schools to become stable hubs for a wider spectrum of basic student needs, the May Revision builds upon the \$264.9 million Proposition 98 General Fund proposed in the Governor's Budget to provide \$3 billion one-time Proposition 98 General Fund, available over several years, to further expand the implementation and use of the community school model. Community schools blend various funding sources to provide integrated health, mental health, and social services alongside high-quality, supportive instruction. In addition to these integrated student supports, community schools offer expanded learning time, active family and community engagement, and collaborative leadership and practices, which are also funded in other proposals in the May Revision. This level of proposed funding would support grants for up to 1,400 local educational agencies (more than 60 percent of local educational agencies statewide) to convert school campuses into full-service community schools.

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.

Further, the May Revision proposes \$2 billion one-time federal funds and \$623 million one-time Proposition 98 General Fund to schools to provide research-tested interventions for students, including intensive tutoring. Although almost \$30 billion in



combined state and federal funds have been provided to schools since April 2020 to mitigate the impacts of school closures and challenges around distance learning and other COVID-19 related impacts to education, schools are experiencing significant demands related to closing learning gaps and providing enhanced services related to compensatory education. These funds will supplement \$4.6 billion appropriated by Chapter 10, Statutes of 2021 (AB 86) to schools for targeted student academic supports.

Finally, as noted in the Health and Human Services Chapter, funding for the Administration's Children and Youth Behavioral Health Initiative is increased from \$400 million one-time General Fund in the Governor's Budget to \$1 billion at May Revision. This Initiative is designed to comprehensively re-envision the child behavioral health system, by better connecting children and youth to behavioral health care, investing in schools' ability to both deliver care directly and partner with Medi-Cal plans, and significantly expanding the infrastructure for providing behavioral health care for all Californians under the age of 26.

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## EDUCATOR PREPARATION, RETENTION, AND TRAINING

The transformative changes proposed in the May Revision require a well-prepared, well-trained, and expansive educator workforce. Preparing, training, and recruiting a diverse workforce of administrative, credentialed, and classified staff to work in public K-12 schools is critical to the success of the entire system. To this end, the May Revision builds upon more than a half billion in investments proposed in the Governor's Budget to further expand the state's educator preparation and training infrastructure by providing a grand total of approximately \$3.3 billion to support educator initiatives. These proposals include:

### 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

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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.

Finally, the budget proposes aligning teacher preparation programs with new teacher expectations for the instruction of students with exceptional needs, including dyslexia.

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## NUTRITION

Nutrition programs are a key component in achieving an effective education program. Research shows that child nutrition programs increase student attendance and improve their well being. To expand access to subsidized school meals, 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.

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## SPECIAL EDUCATION

The May Revision reflects the Administration's ongoing commitment to invest in and improve instruction and services for students with exceptional needs in the state. Specifically, 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.

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## OTHER K-12 BUDGET ADJUSTMENTS

Other significant adjustments include:

- **Local Property Tax Adjustments**—An increase of \$53 million ongoing Proposition 98 General Fund for school districts, charter schools, and county offices of education in 2020-21 as a result of decreased offsetting property tax revenues, and a decrease of \$153.6 million ongoing Proposition 98 General Fund for school districts and county offices of education in 2021-22 as a result of increased offsetting property taxes.
- **Career Technical Education ROCPs**—\$86.4 million one-time Proposition 98 General Fund for career technical education regional occupational centers or programs (ROCPs) operated by a joint powers authority to address costs associated with the COVID-19 Pandemic.
- **County Offices of Education**—An increase of \$29.7 million ongoing Proposition 98 General Fund to reflect a 2.7-percent cost-of-living adjustment and average daily attendance changes applicable to the LCFF.

- **Cost-of-Living Adjustments**—An increase of \$2.4 million ongoing Proposition 98 General Fund to reflect a 1.7-percent cost-of-living adjustment for categorical programs that remain outside of the LCFF and Special Education, including Child Nutrition, State Preschool, Youth in Foster Care, Mandates Block Grant, Adults in Correctional Facilities Program, American Indian Education Centers, and the American Indian Early Childhood Education Program.