

May Revise Member Summary

May 2021

*Prepared by CSEA
Governmental Relations*



California School
Employees Association

*Our mission: To improve the lives of our
members, students and community.*

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Member Leaders,

Governor Newsom has released his May Revision budget proposal, and there is a lot to like for CSEA members and our students. Due to better-than-expected revenues and federal relief dollars, the Proposition 98 guarantee for K-12, county offices of education (COEs), and community colleges would reach a historic high of \$93.7 billion under this plan.

This budget includes many of CSEA's priorities, but still needs some work in a few areas. The following highlights include proposals that are one-time (**blue**), multi-year (**orange**) and ongoing (**green**) appropriations. This report is a preliminary overview. The figures and provisions may change as we get additional details and analysis.

TK-12 & COEs

blue = proposals that are one-time
orange = proposals that are multi-year
green = ongoing appropriations

- **Universal Transitional Kindergarten (TK):** The plan proposes to expand TK, phasing in eligibility for 4-year-olds starting in 2022-23 and making the program universal in 2024-25. Currently, TK is only funded for children born between September 2 and December 2. At full implementation, the cost will be **\$2.7 billion** per year.
 - **Lower TK Ratio:** An additional **\$380 million** of Prop 98 General Fund dollars would be appropriated in 2022-23 and would grow to **\$740 million** in 2024-25 to reduce the adult to student ratio from 1:24 to 1:12.
 - **TK Planning Grant:** The **\$250 million** one-time Prop 98 General Fund TK Incentive Grant proposed in January is repurposed under the May proposal for planning and implementation grants for all local educational agencies (LEAs).
- **Cost of Living Adjustment (COLA):** The proposed **Local Control Funding Formula (LCFF) COLA is 5.07%**. The statutory COLA under the May Revision for 2021-22 is 1.7%. The Governor proposes to make up for the unfunded 2020-21 statutory COLA with an additional 2.31%, resulting in a compounded COLA of 4.05%. The May Revision also proposes an additional discretionary COLA for TK-12 of 1% for a compounded LCFF total COLA of 5.07% for K-12 and COEs. The **Special Education** COLA proposal is the compounded **4.05%**. All **other categorical programs** would receive the 2021-22 **1.7%** statutory COLA.
- **Classified School Employee Summer Assistance Program:** The proposal includes **\$60 million** one-time Prop 98 General Fund dollars to provide low-wage classified school employees the opportunity to withhold money from their paychecks during the school year to receive up to a dollar-for-dollar match from the state during the summer break when work is not available.
- **Additional Learning Loss Mitigation:** The budget plan includes **\$2.6 billion** (**\$2 billion** federal funds over two years and **\$623 million** one-time Prop 98 General Fund) for targeted interventions, such as tutoring, to help with learning loss. This is in addition to the \$4.6 billion provided by AB 86.

TK-12 & COEs *(continued)*

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- **Additional Safe Reopening Schools Funding:** The proposal includes an additional **\$2 billion** one-time Prop 98 General Fund dollars for health and safety activities, such as enhanced cleaning and personal protective equipment. This amount is on top of the \$2 billion provided in AB 86.
- **Expanded Learning Time:** The May Revision includes **\$1 billion** Prop 98 General Fund dollars in 2021-22 and increases to **\$5 billion** in 2025-26 for expanded-day/year programming, such as after-school and summer school. Over the implementation period, services would be phased in, with priority going to concentration grant districts with the highest proportion of unduplicated student population.
- **Improve Staff Ratios:** The proposal includes **\$1.1 billion** Prop 98 General Fund dollars for concentration grant districts to improve classified and certificated staff ratios for student services. LEAs will have to demonstrate in their Local Control and Accountability Plan how these funds will be used.
- **Universal Meals:** The Governor proposes **\$150 million** ongoing Prop 98 General Fund dollars to increase the state reimbursement rate for LEAs that participate in the federal universal meals program. The plan also includes an additional **\$100 million** one-time Prop 98 General Fund dollars for school kitchen upgrades and food service staff training.
- **Community Schools:** The proposal includes **\$3 billion** Proposition 98 General Fund, over several years, to implement and expand the community school model.
- **Classified School Employee Teacher Credentialing Program:** **\$125 million** Prop 98 General Fund dollars are included over five years to support classified school employees who wish to become credentialed teachers.
- **Educator Effectiveness Block Grant:** The May Revision includes **\$1.5 billion** Prop 98 General Fund dollars over three years to provide LEAs 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.
- **Special Education:** In addition to the 4.05% COLA for special education noted above, there are over \$296 million in ongoing (**\$1.4 million**) funds and one-time (**\$294.8 million**) federal Individuals with Disabilities Education Act (IDEA) funds to improve instruction and support services for students with special needs in the plan.
- **Deferrals:** The plan proposes to pay off all but \$2.6 billion of the \$11 billion of existing deferrals.

Community Colleges

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- **COLA:** The May Revision proposes a **4.05% COLA for the Student Centered Funding Formula (SCFF)**, the result of compounding a 2.31% make-up COLA for 2020-21 and a 1.7% COLA for 2021-22. The Governor also proposes **\$23.6 million** for 0.5% SCFF enrollment growth. Some categorical programs would receive the **1.7% COLA**.
- **Student Basic Needs:** The Governor proposes **\$30 million** in ongoing Prop 98 General Fund dollars for colleges to establish basic-needs centers and hire basic-needs coordinators.
- **Guided Pathways:** The plan includes **\$150 million** Prop 98 General Fund dollars over two years to further support colleges' efforts to implement Guided Pathways programs.
- **Dreamer Resource Liaison:** The proposed budget includes **\$5.8 million** ongoing Prop 98 General Fund dollars to further support Dreamer Resource Liaisons.
- **COVID-19 Response Block Grant:** The May Revision includes **\$50 million** one-time Proposition 98 General Fund dollars to support grants to assist community colleges with responding to the COVID-19 pandemic and transitioning back toward in-person education.
- **Student Equity and Achievement Program:** The Governor proposes **\$498.8 million** to close the achievement gap. As a condition of receiving the funding, community colleges must adopt actionable plans to close the achievement gap by 40% by 2023 and fully close the gap by 2027.
- **Deferred Maintenance:** The proposal includes **\$314.1 million** Prop 98 General Fund dollars over two years and **\$250 million** one-time federal funds to address deferred maintenance.
- **Deferrals:** The May Revision proposes to pay off all community college deferrals.

What's Next?

The Legislature will hold hearings on the May Revision. The Assembly and Senate will negotiate and compromise on one budget to send to the Governor by June 15. The Governor will either sign the budget, make line-item changes or veto the budget if he disagrees.

We hope this information proves useful. Please let us know if you have questions or concerns.

Sincerely,

Your Governmental Relations Staff