

SUBCOMMITTEE NO. 1

Agenda

Senator John Laird, Chair
Senator Dave Min
Senator Rosilicie Ochoa Bogh



Wednesday, May 19th, 2021
9:00 a.m.
State Capitol - Room 3191

Consultants: Nora Brackbill and Elisa Wynne

AGENDA

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0954 SCHOLARSHARE INVESTMENT BOARD**Issue 1: California Child Savings Accounts****Panel:**

- Gabriela Chavez, Department of Finance
- Brianna Bruns, Department of Finance
- Julio Martinez, Executive Director, Scholarshare Investment Board
- Edgar Cabral, Legislative Analyst's Office

Background:

Many families use 529 savings plans to help save for their children's college expenses. A 529 plan is a tax-advantaged savings account that can be used for the beneficiary's educational expenses, including college expenses and tuition. Funds in the account grow tax free, and withdrawals may also be tax free. Withdrawals not made for a qualifying education expense face a penalty. Research shows that establishing a savings account encourages additional saving for college as a child grows up.

The 2019-20 Budget Act established the California Kids Investment and Development Savings (CalKIDS) Program. Beginning in the 2021-22 fiscal year establishes a CalKIDS 529 savings account for each California resident newborn (born after July 1, 2020) to a low-income family. The budget allocated twenty-five million dollars (\$25,000,000) in one-time General Fund dollars to fund initial seed deposits (and potential incentives) in CalKIDS accounts for eligible children and for costs to administer the program. Each CalKIDS account will be seeded with a minimum of \$25.

May Revision Proposal:

The May Revision includes approximately \$2 billion one-time federal American Rescue Plan Act of 2021 funds in 2021-22, and assumes \$170 million ongoing General Fund beginning in 2022-23, to establish college savings accounts for all current low-income public school students.

In 2021-22, each unduplicated student, low-income, English learner, or foster youth, defined by the Local Control Funding Formula, in grades 1st through 12th would receive a \$500 investment into a child savings account. Qualifying foster youth and homeless students would each receive an additional supplemental deposit of \$500. Beginning in 2022-23, each successive cohort of these student populations would receive the same amount of funding as they enter first grade. Trailer bill language specifies that undocumented children are included in this program.

Statute specifies that funds deposited and interest growth is exempt from state taxes, funds supplement and do not supplant financial aid, and may be used for qualified higher education expenses.

Staff Recommendation:

Hold Open.

6100 DEPARTMENT OF EDUCATION**Issue 2: Proposition 98 May Revision Overview****Panel:**

- Aaron Heredia, Department of Finance
- Ken Kapphahn, Legislative Analyst's Office
- Elly Garner, Department of Education

Background:

The May Revision includes \$121.7 billion total funds (\$70 billion General Fund and \$51.7 billion other funds) for all K-12 education programs. K-12 per-pupil funding is \$13,977 in Proposition 98 funds, and \$21,152 if all funds sources are included.

PROPOSITION 98 – K-14 EDUCATION

Changes to the Minimum Guarantee. The May Revision provides a substantial increase to Proposition 98 funding of \$17.7 billion from the Governor's budget for the three-year period of 2019-20 to 2021-22. More specifically, the May Revision funds the Proposition 98 guarantee for the 2019-20 through 2021-22 fiscal years at \$79.3 billion, \$92.8 billion, and \$93.7 billion, respectively. Compared to January, this reflects the following yearly changes:

- A decrease of approximately \$215 million in 2019-20.
- An increase of approximately \$10 billion in 2020-21.
- An increase of approximately \$5.6 billion in 2021-22.

These levels reflect the estimated substantial increase in General Fund revenues over the three-year period in comparison with the Governor's budget proposal, due to the economic impacts of COVID-19. The Proposition 98 Guarantee continues to be calculated under Test 1 for all three years (equal to approximately 38 percent of General Fund revenues, plus local property taxes).

Comparing Proposition 98 Funding Under Governor's Budget and May Revision
In Millions

	2019-20	2020-21	2021-22	Three Year Totals
Governor's Budget				
General Fund	\$54,470	\$56,942	\$60,835	\$172,247
Local property tax	25,073	25,887	27,270	\$78,230
Totals	\$79,544	\$82,828	\$88,105	\$250,477
May Revision				
General Fund	\$54,483	\$67,077	\$66,374	\$187,933
Local property tax	24,846	25,745	27,365	77,956
Totals	\$79,329	\$92,822	\$93,738	\$265,889
Change				
General Fund	\$12	\$10,135	\$5,538	\$15,686
Local property tax	-227	-142	95	-274
Totals	-\$215	\$9,993	\$5,633	\$15,412

Source: Legislative Analyst's Office

Proposition 98 Multi-Year Obligation. The 2020-21 budget included a multi-year payment obligation designed to supplement funding provided by Proposition 98 to provide \$12.4 billion over a multi-year period. This funding was intended to accelerate the recovery of the Proposition 98 Guarantee from reductions due to the impact of COVID-19. The May Revision notes that the significant increases in the Proposition 98 Guarantee eliminate the need for this payment and removes this payment obligation entirely. In the Governor's Budget, the ongoing portion of the payment was eliminated; however the budget year payment of \$2.3 billion was retained.

Public School System Stabilization Account. The factors used in the May Revision Proposition 98 Guarantee calculation trigger deposits of \$3 billion into the Public School System Stabilization Account, known as the Proposition 98 Rainy Day Fund, for 2020-21 and 2021-22 combined. Funds from this reserve account may be expended in years when the Proposition 98 Guarantee does not increase enough to cover year-over-year growth and inflation. This additional deposit brings the total in the fund to \$4.6 billion and triggers school district reserve account caps in the 2022-23 fiscal year.

Payment Deferrals. In order to reduce Proposition 98 expenditures to the minimum guarantee level, but shield Local Educational Agencies (LEAs) from the impact of cuts, the 2020 budget agreement deferred a total of \$11 billion in principal apportionment payments to LEAs, reducing apportionments for the Proposition 98 Guarantee by this amount in 2020-21 in order to meet the Proposition 98 Guarantee as of the 2020 Budget Act. The 2021-22 May Revision includes paying down \$8.4 billion in deferrals in 2021-22, while the remainder of \$2.6 billion in K-12 funding would continue to be deferred from 2021-22 to 2022-23 and in ongoing years.

Supplemental Payment related to the State Appropriations Limit. Excess revenues above the State Appropriations Limit in 2020-21 and 2021-22 create 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.

Staff Recommendation:

Hold Open

Issue 3: Local Control Funding Formula and 2021-22 Instruction**Panel:**

- Lina Grant, Department of Finance
- Aaron Heredia, Department of Finance
- Michael Alferes, Legislative Analyst's Office
- Kenneth Kapphan, Legislative Analyst's Office
- Elly Garner, Department of Education

Background:

Local Control Funding Formula (LCFF). Beginning in 2013-14, the LCFF changed the way funding for education was distributed, collapsing historical revenue limit allocations and more than 30 categorical programs and using new methods to allocate these resources and additional resources over time. The LCFF allows LEAs much greater flexibility in how they spend the funds. There is a single funding formula for school districts and charter schools, and a separate funding formula for COEs that has some similarities to the district formula, but also some key differences.

School Districts and Charter Schools Formula. The LCFF is designed to provide districts and charter schools with the bulk of their resources in unrestricted funding to support the basic educational program for all students. It also includes additional funding based on the enrollment of low-income students, English learners, and foster youth for increasing or improving services to these high-needs students. Low-income students, English learners, and foster youth students are referred to as “unduplicated” students in reference to the LCFF because, for the purpose of providing supplemental and concentration grant funding, these students are counted once, regardless of if they fit into more than one of the three identified high-need categories. Major components of the formula are briefly described below.

- **Base Grants** are calculated on a per-student basis (measured by student ADA) according to grade span (K-3, 4-6, 7-8, and 9-12) with adjustments that increase the base rates for grades K-3 (10.4 percent of base rate) and grades 9-12 (2.6 percent of base rate). The adjustment for grades K-3 is associated with a requirement to reduce class sizes in those grades to no more than 24 students by 2020-21, unless other agreements are collectively bargained at the local level. The adjustment for grades 9-12 recognizes the additional cost of providing career technical education in high schools.
- **Supplemental Grants** provide an additional 20 percent in base grant funding for the percentage of enrollment that is made up of unduplicated students.
- **Concentration Grants** provide an additional 50 percent above base grant funding for the percentage of unduplicated students that exceed 55 percent of total enrollment.
- **Categorical Program** add-ons for Targeted Instructional Improvement Block Grant and Home-to-School Transportation provide districts the same amount of funding they received for these two programs in 2012-13. The transportation funds must be used for transportation purposes. Charter schools are not eligible for these add-ons.

May Revision Proposals:

Local Control Funding Formula (LCFF). The bulk of funding for school districts and county offices of education for general operations is provided through the LCFF and is distributed based on the numbers of students served and certain student characteristics. The state typically annually adjusts the grant amounts by a cost-of-living adjustment (COLA). In the 2020-21 Budget Act, a COLA was not included for the LCFF, due to anticipated reduced revenues due to the pandemic. The May Revision provides a compounded COLA of 5.07 percent (1.7 percent attributed to 2021-22, increased slightly from the Governor’s Budget estimate, 2.31 percent to reflect the foregone COLA in 2020-21, and an additional 1 percent increase to the LCFF base rates), approximately \$3.7 billion, for the 2021-22 fiscal year, bringing total LCFF funding to \$66.2 billion.

LCFF Concentration Factor Increase. The May Revision increases the LCFF concentration rate factor from 50 percent to 65 percent, providing approximately \$1.1 billion in ongoing Proposition 98 General Fund, and requires that the increase in funding be used for additional certificated and classified staff on school campuses. LEAs are eligible to receive a concentration grant as part of LCFF funding when the enrollment of unduplicated students (low-income, foster youth, and English learners) is 55 percent of total enrollment or greater. The grant is provided on top of the per-pupil rate for the number of students over 54 percent of enrollment.

2021-22 Instructional Requirements. The 2020-21 budget included a hold harmless on average daily attendance for purposes of LCFF (the hold harmless also applies for the 2021-22 school year) and authorized distance learning for 2020-21, however, the proposed budget makes no similar provisions for 2021-22. Instead, the May Revision proposes not renewing the distance learning authorization provided in 2020-21 and returning to in-person instruction in the 2021-22 school year. The May Revision includes the following changes to the existing Independent Study program to allow LEAs, that choose to offer this option, to use this structure to provide a non-classroom based option to families that do not want to come back in person:

- o Access to technology, internet connectivity, and a dedicated and rigorous curriculum
- o Tiered re-engagement strategies for students that do not participate in instruction
- o Tracking and recording of daily student participation and interaction with teachers.

Staff Recommendation:

Hold Open.

Issue 4: Student Support Proposals**Panel:**

- Lina Grant, Department of Finance
- Paula Fonacier Tang, Department of Finance
- Liz Mai, Department of Finance
- Amber Alexander, Department of Finance
- Michael Alferes, Legislative Analyst's Office
- Elly Garner, Department of Education

May Revision Proposals:

Expanded Learning Time Program. The May Revision includes a five-year plan to provide after school enrichment programs to Kindergarten through Grade 6 students in local educational agencies (LEAs) that have the highest concentrations of low-income, English learner, and foster youth students.

LEAs that receive funding would be required to provide after school programs that, combined with the instructional day, provide a minimum of nine hours of programming for each school day and for at least 30 intersessional days. LEAs are not required to extend instructional time, but may provide enrichment activities during these expanded hours. While an LEA would receive funds as a result of being eligible for the LCFF concentration grant, the expanded learning program must be provided to all students who wish to attend. Staff to student ratios for Transitional Kindergarten and Kindergarten Students in the expanded learning program must be 1:10.

The program is funded with \$1 billion ongoing Proposition 98 in 2021-22, and grows to \$5 billion at full implementation in 2024-25. The program would be phased in over the five year period with funding provided in the following order:

- For LEAs with unduplicated pupil percentages greater than or equal to 80 percent as of the 2021-22 fiscal year, meet the requirements of the program by July 1, 2022.
- For LEAs with unduplicated pupil percentages greater than or equal to 70 percent as of the 2022-23, meet the requirements of the program by July 1, 2023.
- For LEAs with unduplicated pupil percentages greater than or equal to 60 percent as of the 2023-24 fiscal year, meet the requirements of the program by July 1, 2024.
- For LEAs with unduplicated pupil percentages greater than or equal to 55 as of the 2024-25 fiscal year and every subsequent fiscal year, meet the requirements of the program by July 1, 2025.

The Department of Finance estimates that LEAs receiving funding in the 2021-22 fiscal year would need to use funds from additional sources (likely one-time federal or other state funds) to fully cover the costs of the program, but at full implementation, the costs would be fully covered by program allocations.

In-Person Instruction Health and Safety Grant. The May Revision provides \$2 billion one-time Proposition 98 General Fund for 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 and will be appropriated in proportion to LCFF allocations.

Targeted Intervention Grant. The May Revision proposes \$2.6 billion one-time funding (\$2 billion federal funds and \$623 million Proposition 98 General Fund) to LEAs to provide research-tested interventions for students, including intensive tutoring. These funds will supplement \$4.6 billion appropriated by Chapter 10, Statutes of 2021 (AB 86) to schools for targeted student academic supports. LEAs can use these funds for costs going back to March 13, 2020.

Community Schools. The May Revision includes \$3 billion in one-time Proposition 98 General Fund (increased from \$264.9 million proposed in the Governor’s Budget) for grants to LEAs to support existing networks of community schools, establish new community schools, and to coordinate a wide range of services to these schools, with priority given to schools in high-poverty communities.

Staff Recommendation:

Hold Open.

Issue 5: Teacher Workforce and Professional Development**Panel:**

- Kim Leahy, Department of Finance
- Dr. Mary Sandy Executive Director, Commission on Teacher Credentialing
- Michele Perrault, Commission on Teacher Credentialing
- Elly Garner, Department of Education
- Amy Li, Legislative Analyst's Office

May Revision Proposals:

Teacher Training, Recruitment, and Retention. The May Revision includes \$3.3 billion in programs and funds to recruit, retain, and support educators, including:

WORKFORCE PREPARATION

\$550 million one-time Proposition 98 General Fund over five years to support approximately 22,000 teacher candidates in residencies and other grow-your-own credentialing programs, dedicated to preparing and retaining teachers in high-need communities and subject areas, including special education, bilingual education, and STEM.

\$500 million one-time General Fund over five years 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.

\$125 million one-time Proposition 98 General Fund over five years 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 and comprehensive strategy for teacher recruitment and development

\$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

\$1.5 billion one-time Proposition 98 General Fund over three years 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 National Board Certified teachers that teach in high poverty schools to attract and retain them as mentors

\$75 million one-time Proposition 98 General Fund, available over five years, for the California Early Math Initiative to provide teachers with professional development in mathematics teaching strategies for young children pre-K through third grade through the statewide system of support. Additional funding could also support state-level capacity to broaden the reach of the Early Math Initiative among California State Preschool and other programs across the state.

\$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.

Staff Recommendation:

Hold Open

Issue 6: Early Education**Panel:**

- Jessica Holmes, Department of Finance
- Aaron Heredia, Department of Finance
- Sara Cortez, Legislative Analyst's Office
- Ken Kappahn, Legislative Analyst's Office
- Sara Neville-Morgan, Department of Education

Background

Transitional Kindergarten (TK). TK is the first year of a two-year kindergarten program, available to children who turn five between September 2 and December 2. It started in the 2012-13 school year, after the cutoff date for kindergarten moved from December to September. School districts are required to offer TK, and it is funded through the Local Control Funding Formula (LCFF). Roughly 100,000 students in California are enrolled in TK.

Early Transitional Kindergarten (ETK). Starting in 2015-16, schools could choose to offer TK to younger four-year-olds (born after December 2), but they don't receive state funding until the student turns five. Uptake of this program varies widely; some LEAs enroll all children who will turn five by the end of the school year, and some do not offer it at all. According to CDE, 17,000 students were served by ETK programs.

Preschool for four-year-olds. Currently, four-year-olds are served by a mixture of State Preschool (for income-eligible students) and early TK (if provided). In 2018-19, 143,000 three- and four-year-olds were enrolled in State Preschool. Four-year-olds make up 63 percent of that enrollment. Aside from income eligibility, these programs vary in other ways, including teacher credentialing requirements and length of school day (see table below from the LAO¹). Income-eligible four-year-olds end up in either preschool or TK due to combination of these factors, availability of early TK in their area, and available State Preschool slots.

¹ <https://lao.ca.gov/reports/2021/4350/Transitional-Kindergarten-Proposals-020521.pdf>

	Transitional Kindergarten	State Preschool
Age	Four-year olds with birthdays between September 2 and December 2, with option to serve some younger students.	Three- and four-year olds.
Income Eligibility	None.	A family of three must generally earn at or below \$73,885.
Program Duration	Must operate at least 180 days per year, at least three hours per day but determined by district.	Must operate at least 246 days per year, 6.5 hours per day for full-day program; at least 175 days per year, 3 hours per day for part-day program.
Work Requirement	None.	None for the part-day program. Working families are prioritized for the full-day program.
Staffing Ratio	1 to 33 maximum teacher-child ratio.	1 to 24 maximum teacher-child ratio and 1 to 8 maximum adult-child ratio.
Funding Source	Proposition 98 General Fund.	Proposition 98 and Non-Proposition 98 General Fund.
Providers	School districts.	School districts, county offices of education, community colleges, and community-based organizations.
Teacher Requirements	Bachelor’s degree, multiple subject teaching credential, and a Child Development Teacher Permit or at least 24 units of ECE/CD or comparable experience. ^a	Child Development Teacher Permit (24 units of ECE/CD plus 16 general education units).

^a Child Development requirements effective August 1, 2021.
ECE/CD = Early Childhood Education/Child Development.

Source: Legislative Analyst’s Office

May Revision Proposals:

Universal Transitional Kindergarten (TK). The May Revision includes a proposal to provide transitional kindergarten to all four year olds by 2024-25. The 2021-22 year would be used as a planning year for LEAs, and additional TK access would be provided 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 Proposition 98 guarantee is proposed to be rebenched or increased by ongoing General Fund to cover resulting LCFF average-daily-attendance (ADA) increases. The costs of this plan are anticipated to be approximately \$900 million ongoing General Fund in 2022-23, growing to \$2.7 billion in 2024-25.

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 LEAs.

The May Revision also proposes \$380 million ongoing 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.

California State Preschool Program. The May Revision maintains the level of funding available for the State Preschool Program, and does not provide any changes to the reimbursement rates at this time. The Administration notes it will develop a comprehensive plan to be implemented 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.

Staff Comments:

Staff notes that this issue overlaps with those in the child care area. To the extent that a Universal Transitional Kindergarten proposal is adopted, four year old children who may have attended state preschool or federal Head Start programs may attend Transitional Kindergarten instead. These changes will impact the type and length of programs offered to families and the business models of state preschool and child care providers. While TK provides educational benefits for all children, regardless of income, it may not meet the needs of our most vulnerable families who need year round child care that includes kindergarten preparation, but with hours and access that match families' work schedules. Finally, while the May Revision includes planning time and funds for the TK proposal, no such plan or planning funding is provided for preschool and child care during this same time period.

In the child care area, as discussed in the Subcommittee #3 hearing on May 18, 2021, the May Revision included a historic increase of 100,000 slots in child care. However, several items highlighted in the Senate's Build Back Boldly budget plan are not included in the May Revision. In addition to reimbursement rate reform, which is crucial to any plan to further invest in a mixed delivery system that includes TK, the plan called for up to 200,000 additional slots, and additional investments in child care workforce training, ensuring that essential workers who had temporary care vouchers during the pandemic are retained in the system, and other ongoing stabilization measures for providers.

Staff Recommendation:

Hold Open

Issue 7: Other K-12 Education Proposals**Panel:**

- Alex Shoap, Department of Finance
- Liz Mai, Department of Finance
- Amber Alexander, Department of Finance
- Sara Cortez, Legislative Analyst's Office
- Amy Li, Legislative Analyst's Office
- Elly Garner, Department of Education

May Revision Proposals:

- **School Nutrition.** The May Revision makes the following investments in the school nutrition program.
 - \$150 million ongoing Proposition 98 General Fund to encourage LEAs to participate in one of the federal universal meal provisions.
 - \$100 million one-time Proposition 98 General Fund to provide school kitchen infrastructure upgrades and training for school cafeteria staff.
 - \$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 an increase of \$186.1 million ongoing Proposition 98 General Fund for an compounded COLA of 4.05 percent for Special Education in 2021-22 (1.7 percent attributed to 2021-22, increased slightly from the Governor's Budget estimate, and 2.31 percent to reflect the foregone COLA in 2020-21).
- **Federal Special Education Stimulus Funds.** The May Revision includes the following investments with federal Individuals with Disabilities Education Act (IDEA) funds:
 - \$277.7 million one-time to LEAs to increase general statewide special education resources.
 - \$15 million to provide technical assistance and support to LEAs 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 (of which \$965,000 is available on a one-time basis) and six 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 (of which \$1.1 million is available on a one-time basis) and one position to improve coordination between the California Department of Education, the California Department of Developmental Services, and LEAs 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.
- **Foster Youth.** The May Revision provides \$30 million in one-time Proposition 98 General Fund to County Offices of Education to coordinate with LEAs and provide direct services to foster youth.
- **Career Technical Education ROCPs.** The May Revision includes \$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.** The May Revision includes an increase of \$29.7 million ongoing Proposition 98 General Fund to reflect a compounded 5.7 percent COLA and average daily attendance changes applicable to the LCFF.
- **Cost-of-Living Adjustments.** The May Revision includes an increase of \$2.4 million ongoing Proposition 98 General Fund to reflect a 1.7 percent COLA 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
- **State Special Schools.** The May Revision provides \$20 million, one-time General Fund, to the State Special Schools for deferred maintenance facility needs.
- **Curriculum, Accountability, & Assessments.** The May Revision proposes numerous new curriculum-related proposals, including \$3 million for LGBTQ curriculum & training, \$15 to the Collaborative for Education Excellence (CCEE) to curate high quality open-resource platforms, \$2 million for the Commission on Teacher Credentialing (CTC) for dyslexia teacher professional development support, and \$10 million for one or more LEAs for reading instruction technical assistance, including dyslexia.
- **California Department of Education State Ops.** Across all funding sources and programs, the May Revision reflects an increased investment of \$84 million ongoing for 56.2 positions at the Department.

Other Proposals:

- Eliminates Differentiated Assistance identification by dashboard data in 2021-22, and authorizes a \$400,000 evaluation for the program, with results in 2022.
- Provides \$3.5 million for the San Francisco Unified School District's Exploratorium partnership.
- Provides \$10 million for Oakland Unified School District's operating budget deficit pursuant to Education Code section 42160.

- Appropriates \$5.2 million for 10 schools as part of the Broadband Infrastructure Grant Program.
- Various technical federal fund adjustments.
- Appropriates \$3.9 million ongoing Proposition 98 for SACS.
- Makes reporting changes to the January Budget School Climate Survey proposal.
- Extends the Out-of-State Care funding formula to 2022.
- Adds the feminine hygiene supply requirement to the K-12 Mandate Block Grant.
- Various closure-related proposals regarding the State Seal of Biliteracy, and Charter School renewals.
- Changes the LEA audit review timeline for the 2021-22 fiscal year.
- Clarifies apportionment limit offsets.
- Technical amendments to January Budget TBL for Pioneer Union School District Hold Harmless,
- New technical TBL for the California School Finance Authority intercept, Learning Continuity Plans, AB 86 funding for closed charter schools, School Bond reporting.
- Directs CDE to not produce a 2021 School Accountability Dashboard.
- Exempts federal funds from the Routine Maintenance reserve calculations.
- Makes changes to assessment statutory requirements to align with federal waivers.
- Withdraws the Adults in Charter Schools proposal from January Budget.

Staff Recommendation:

Information Only