



## **Governor's 2022-23 Proposed Budget**

The Governor's Budget was released this morning and highlights significant Proposition 98 increases and investments in PK-12 education programs. Themes such as fiscal stability, ongoing investments in core programs, and a focus on the continuum of education, from early learning to college and career, are prevalent throughout the budget.

While the supporting trailer bill language will not be made public for several weeks, the following summary provides an overview of the key proposals and major investments in education. You may find additional information here:

- [YouTube: Governor Newsom Presents His Proposed Plan for the 2022-23 Fiscal Year](#)
- [Budget Summary - Full Budget](#)
- [Budget Summary - Five-Year Infrastructure Plan](#)

## **Significant boost to LCFF and categorical programs**

The administration proposes to make a 5.33 percent cost-of-living-adjustment to the Local Control Funding Formula (LCFF), \$3.3 billion ongoing Proposition 98 General Fund, which would be applicable to all local educational agencies, including county offices of education. The same COLA would be applied to Special Education, Child Nutrition, Youth in Foster Care, Mandates Block Grant, Adults in Correctional Facilities Program, American Indian Education Centers, and the American Indian Early Childhood Education Program (\$295 million ongoing Proposition 98 General Fund).

## **To address enrollment and attendance challenges, new ADA calculation proposed**

The budget proposes to smooth the fiscal effects of multi-year declines in ADA by basing a district's LCFF calculation on the greater of the district's current year, prior year, or the average of three prior years' ADA. For school districts concerned about a "fiscal cliff" next year due to the expiration of the ADA hold harmless, this proposal may allow districts to incorporate their 2019-20 ADA into the three-year average.

This proposal does not affect county offices of education, nor charter schools, though the budget summary promises "to explore options for providing declining enrollment protections for charter schools."

## **Small tweaks to independent study rules**

For traditional and course-based independent study programs, the budget would (1) allow synchronous instruction to count for instructional time in traditional independent study, in addition to student work product, and (2) provide unspecified "flexibility" on the timeline for collecting a signed independent study plan.



### **Continued investments in Transitional Kindergarten and State Preschool Program**

Building off prior year investments, the budget proposes the following:

- \$639.2 million General Fund to expand eligibility for transitional kindergarten, beginning in 2022-23, to children turning five-years-old between September 2 and February 2. Further expansion will occur in subsequent years.
- \$383 million Proposition 98 General Fund to add a certificated or classified staff to each transitional kindergarten classroom, reducing student-to-adult ratios.
- \$197.8 million Proposition 98 General Fund and \$110.6 million General Fund to increase the State Preschool Program adjustment factors for students with disabilities and dual language learners.
  - With these increases, state Preschool providers will be required to serve at least 10 percent of students with disabilities and provide additional supportive services for dual language learners.
- \$500 million one-time Proposition 98 General Fund for the existing Inclusive Early Education Expansion program, which supports the infrastructure necessary for inclusive classrooms.

In addition to these investments, the eligibility for the State Preschool Program will also be expanded. The eligibility period for State Preschool will be increased from 12 months of continuous eligibility, after eligibility is confirmed, to 24 months. Also, children with an individualized education program will be categorically eligible for the program. Finally, providers who have served all eligible three-and four-year-olds will be permitted to enroll two-year-old children.

### **Improving literacy for children with learning disabilities**

Over the past several years, the administration has funded research, services, and professional development programs aimed at the improvement of literacy for children with learning disabilities. This budget builds on this work with four investments to increase access to existing supports with the following investments:

- \$500 million one-time Proposition 98 General Fund, over a five year period, for grants to high-needs schools for literacy coaches and reading specialists to guide classroom instruction and offer small group interventions.
- \$200 million one-time Proposition 98 General Fund to establish a grant program which allows local educational agencies to create or expand multi-lingual libraries.
- \$10 million one-time General Fund for the Books for Children Program, a partnership between the Department of Public Health and First 5 California.
- \$2 million one-time General Fund to incorporate early identification for learning disabilities into the state's preschool assessment tools, and \$60 million one-time Proposition 98 General Fund for educator training on these tools.



Further, the budget amends the Expanded Learning Opportunities Program statutory language to allow funds to be used for literacy tutors.

### **Further implementation of the Expanded Learning Opportunities Program**

The 2021 Budget Act established the Expanded Learning Opportunities Program (ELOP). The proposed budget provides an additional \$3.4 billion ongoing Proposition 98 General Fund to increase the per pupil funding and expand the number of local educational agencies who offer no-cost services. This would bring the ELOP closer to the \$5 billion funding goal established in the 2021 Budget Act. In addition, the budget provides \$937 million one-time Proposition 98 General Fund to support infrastructure for the program, with an emphasis on arts and music programming.

### **Over \$2 billion for special education paired with fairly modest policy changes**

The budget includes several significant special education funding proposals:

- \$500 million ongoing Proposition 98 General Fund to the special education funding formula with no change to the AB 602 funding formula.
- \$500 million one-time Proposition 98 General Fund for infrastructure to support inclusive classrooms through the Inclusive Early Education Expansion Program.
- \$1 billion to strengthen the transition of young children from regional centers to school districts (includes multiple programs).
- 5.33 percent COLA

Policy changes would include:

- Calculating special education funding at the LEA level, not SELPA level (but no proposal to allocate the funds directly to LEAs).
- Consolidating the current extraordinary cost pools to simply the funding formula.
- Allocate Educationally-Related Mental Health Services (ERMHS) funding directly to LEAs, rather than SELPAs.
- Develop “Special Education Addendum” to the LCAP to support inclusive planning and cohesion with general education.
- Support efforts to develop comprehensive Individualized Education Programs by focusing a special education resource lead on IEP best practices and continuing work on a model IEP template.
- Establish an alternate diploma and a workgroup to explore alternative coursework for students with disabilities.

Additionally, the early learning portion of the budget includes funds for the California State Preschool Program tied to serving “at least 10 percent students with disabilities,” among other requirements.



### **\$54.5 million total funding to support California's educator workforce needs**

To address educator workforce needs, the budget includes the following investments:

- \$24 million one-time General Fund to waive specified teacher examination fees.
- \$12 million one-time General Fund to extend the waiver of specified credentials fees.
- \$10 million one-time General Fund to support competitive grants to public and private institutions to develop or implement integrated teacher preparation programs.
- \$5.2 million Proposition 98 General Fund and \$322,000 General Fund to re-establish the Personnel Management Assistance Teams, which will assist local educational agencies in hiring and recruitment practices. This program will be housed within county offices of education.
- \$5 million one-time Proposition 98 General Fund to support the CCC Teacher Credentialing Partnership Program, based within the California Community Colleges.
- \$1.4 million General Fund to the Commission on Teacher Credentialing (CTC) to support career counselors for prospective educators.
- \$924,000 General Fund, including \$161,000 one-time funds, to the CTC for the administration of the grant programs and fee waivers.
- \$900,000 General Fund for the CTC to contract for public outreach on the value and benefit of educational careers in California.

In addition, the budget proposes to extend the statute authorizing those with a substitute teaching credential or permit issued by the CTC to hold any one-assignment for up to 60 cumulative days.

### **Significant investments to develop college and career pathways**

The budget includes \$1.5 billion one-time Proposition 98 General Fund over four years to support the development of pathway programs focused on technology, health care, education, and climate-related fields. This program is intended to create college and career going opportunities for students and to help prepare the workforce needed for California's economic growth.

Further, the budget includes \$500 million one-time Proposition 98 General Fund, available over four years, to strengthen and expand student access to dual enrollment opportunities that include student advising and support services. Finally, \$45 million will be available to assist community colleges with the procurement and implementation of curricular pathways software and public-private partnerships for STEM, education, and health care career preparation.

### **State expands role in school facilities**

The budget proposes to spend the remainder of Proposition 51 (2016) bond authority (\$1.4 billion) and proposes approximately \$1.3 billion in 2022-23 and \$925 million in 2023-24, both one-time



General Fund, to support new construction and modernization projects through the School Facility Program. The current backlog of projects exceeds \$3 billion.

The Charter School Facility Grant Program would receive an additional \$30 million ongoing from Proposition 98 General Fund.

The budget also proposes \$450 million one-time Proposition 98 General Fund, available over three years, to upgrade school kitchen infrastructure and equipment to incorporate more fresh, minimally processed California-grown foods in school meals.

No new funding is proposed for Transitional Kindergarten classrooms.

### **Electric buses underscore climate focus of Governor's Budget**

\$1.5 billion (one-time General Fund) is proposed, over a three-year period, to electrify LEA bus fleets. The \$500,000 grants are intended to cover the cost of the new bus, install a charging station, and cover any related costs (e.g., staff training). The budget also proposes a workgroup focused on streamlining training and licensing new bus drivers.

There is no augmentation proposed for the Home-to-School Transportation Program.

### **Implementation of the universal meals program**

The 2021 Budget Act specified that all public schools would be required to provide two free meals per day, regardless of eligibility, beginning in 2022-23. The budget includes \$596 million Proposition 98 General Fund, above prior investments, to fund this program. In addition, the budget includes \$450 million one-time Proposition 98 General Fund to upgrade school kitchens and \$3 million one-time Proposition 98 General Fund to support the School Breakfast and Summer Meal Start-Up and Expansion Grant Program.

The 2021 Budget Act also included \$60 million one-time General Fund to support the California Farm to School Program. The budget includes an additional \$30 million one-time General Fund to establish additional farm to school demonstration projects, and \$3 million ongoing General Fund to expand the regional California Farm to School Network by adding 16 positions at the California Department of Food and Agriculture.

### **\$2.7 Billion dedicated to COVID-19 emergency response**

The budget proposes \$2.7 billion – a mix of current year and budget year expenses – to bolster testing capacity, accelerate vaccination and booster efforts, support frontline workers, strengthen the health care system, and battle misinformation.

The Governor's budget also calls for new legislation to reinstate the supplemental paid sick leave policies that expired after September 30, 2021, given the current state of the pandemic.