Governor Newsom submitted his $227.2 billion proposed 2021-22 State Budget to the Legislature on January 8, 2021. The proposed 2021-22 state budget provides funding for immediate COVID-19 response and relief efforts while making investments for a broad-based economic recovery.

These investments include:


- Accelerating Economic Recovery and Job Creation, including $1.1 billion immediate relief for small businesses and $777.5 million for a California Jobs Initiative to provide incentives targeted at accelerating investment and job creation.

- $575 million to more than double this year’s funding for grants to small businesses and small non-profit cultural institutions disproportionately impacted by the pandemic.

- $70 million to provide immediate and targeted fee relief for small businesses, including personal services and restaurants.

- $385 million for targeted investments to build a more sustainable agricultural industry.

- $2.4 billion for the Golden State Stimulus – a $600 state payment to low-income workers who were eligible to receive the Earned Income Tax Credit in 2019, as well as 2020 Individual Taxpayer Identification Number (ITIN) filers.

- $500 million in low-income housing tax credits to support low-income housing development.

- $1.75 billion one-time General Fund to purchase additional motels, develop short-term community mental health facilities and purchase or preserve housing dedicated to seniors.
Regarding K-14 public education, the Administration states the proposed budget reflects the state’s highest-ever funding level for K-14 schools – approximately $90 billion total, with $85.8 billion under Proposition 98 and “centers on equity in and for our school communities, especially as they navigate the inequitable impacts of the pandemic.”

Below are the specific K-12 education proposals contained in the Governor’s proposed 2021-22 State Budget.

“Early Action” Proposals

The proposed 2021-22 State Budget also contains what is referred to as “early action” proposals, meaning the Governor would like the Legislature to pursue quick action/approval of these proposals through the budget process. The Legislature must forward a balanced 2021-22 State Budget to the Governor by June 15th.

- **Reopening Schools**: $2 billion for in-person instruction grants for COVID 19 testing and personal protective equipment; to improve ventilation, indoor and outdoor spaces; to invest in salaries for staff providing in-person learning, and to provide social and mental health support services connected to in-person learning. Learning Loss Mitigation

- **Extended Learning**: $4.6 billion for extended instruction time to target intervention supports for students in low-income households, English learners, foster youth, and homeless youth.

- **Federal Stimulus**: $7 billion in additional federal funds that will be allocated to schools via the Title 1 funding formula for several allowable expenses, including pandemic related expenses, learning loss mitigation strategies, and student mental health

- **Deferrals**: $7.3 billion to pay down deferrals with $3.7 billion remaining.

It is unclear whether paying down deferrals will be a part of the early action budget. The budget shows deferrals are slated to begin in February. It is anticipated at least a portion of the paydown will be a part of these urgency negotiations.

Other Significant K-12 Education Proposals (Not “early action”)

- **LCFF**: $2 billion, which represents 3.84% in COLA. It is important to note that there originally was no COLA in 2020-21; this proposed COLA comprises 2.31% for 2020-21 and 1.5% for 2021-22 (1.5%).

- **Special Education**: Includes $545 million in ongoing funds – building on $1.5 billion over the last two years – and $300 million in ongoing funds for early intervention for infants, toddlers, and preschoolers.
• **Mental Health:** $400 million is proposed for school-based mental health, of which $25 million is provided for one-time funding to resource school county mental health partnerships as well as an additional $25 million in one-time funding to support innovative school county mental health partnerships.

• **Educator Supports:** The budget proposes several one-time investments to support educators, including:

  - $100 million for teacher residency programs in STEM, special education, and bilingual education.

  - $100 million for the Golden State Teacher Grant program for teacher candidates that commit to working in high-need subject areas, such as bilingual education and schools.

  - $25 million for the Classified School Employee Credentialing program, which supports a pipeline of classified staff into the teaching profession.

• **Professional Learning:**

  - $250 million in grants to LEAs to provide professional development on strategies to accelerate learning, reengage students, and provide restorative practices and implicit bias training.

  - $50 million to create resources on social-emotional learning and trauma-informed practices.

  - $8.3 million to support the California Early Math Initiative to support professional development on mathematics in preschool through 3rd grade.

  - $7 million for the Subject Matter Projects in reading, mathematics (learning loss mitigation), and ethnic studies.

  - $5 million in grants for LEAs to fund professional development and instructional materials purchases for ethnic studies.

• **FAFSA or California Dream Act Application**—The Budget proposes statutory changes to require local educational agencies to confirm that all high school seniors complete a FAFSA or California Dream Act Application beginning in the 2021-22 academic year.

• **Community Schools:** $265 million in one-time funding to support the development and expansion of community schools.

• **School Climate Surveys:** $10 million in one-time funds for the county office of education to support the development and deployment of school climate surveys.

• **Early Child Education** (Proposition 98 Funded):
- **Special Education**: $300 ongoing funding for special education early intervention services for infants, toddlers, and preschoolers.

- **Preschool**: $250 million in one-time incentive funding to expand preschool; this funding will be available for expenditure over multiple years.

- **Professional development**: $50 million one-time for transitional kindergarten and kindergarten professional development to support English learners, social-emotional learning, trauma-informed and restorative justice practices, and implicit bias training.

- **Facilities**: $200 million infrastructure investments for transitional kindergarten and kindergarten facilities.

- **Proposition 98 Rainy Day reserve**: $3 billion in the Proposition 98 rainy day fund related to the 2020-21 and 2021-22 fiscal years.

- **Deferrals**: $12.5 billion in deferrals for the 2020-21 fiscal year and $3.7 billion in deferrals for the 2021-22 fiscal year.

- **Pensions**: $1.15 billion in one-time funding to pay down the employer contributions to pensions ($820 million for CalSTRS and $330 million for CalPERS).

- **Cradle to Career Data (C2C) System**: Approximately $19 million for the creation of a Cradle to Career data system ($15 million for the system itself, of which $3 million is one-time funding for upstart costs, plus $3.8 million for the California College Guidance Initiative).

Concerns have been expressed regarding the large amounts of one-time funding and the early action proposals by stakeholders. The reopening of schools has generated the most opposition and concern in light of the fact that teachers and students have yet to be vaccinated. The budget dance begins. Stay tuned!