

Zaragoza-Diaz & Associates
Martha Zaragoza-Diaz

MEMORANDUM

Date: June 14, 2021

To: Jan Gustafson-Corea, CEO; California Association for
Bilingual Education
Shelly Spiegel Coleman, Special Advisor; Californians
Together
Martha Hernandez, Executive Director; Californians
Together

Subject: Summary of Key Budget Items of the Legislature's Version
Of the 2021-22 State Budget Specific to K-12 Education & Other
Significant Budget proposals

From: Martha Zaragoza Diaz, Lobbyist

Cc:

The Legislature's version of the 2021-22 State Budget which builds on the priorities reflected in the Assembly's "A Budget of Opportunity" Blueprint and the Senate's "Build Back Boldly" plan and the Governor's May Revision.

The Legislature's version framework differs from the May Revision in two ways. It maximizes flexible federal funds to support and improve core programs and it uses the Legislative Analyst's Office higher revenue forecasts, which are \$4 billion higher than the Governor's May Revision estimates. Please note much of the increased revenues are constitutionally dedicated to schools, reserves and debt payments pursuant to Prop 98 and Prop 2.

Combined with other legislative tax changes, the spending package is \$267.1 billion of which \$196.1 billion is State General Fund. Per the Administration total Prop 98 spending is a "record"; \$96.1 billion, including \$69 billion from the General Fund. Because the "budget package" was adopted by the Budget Committees of each House, there is no need to convene a Joint Budget Conference Committee! The Legislature needs now to negotiate its joint budget package with Governor Newsom to meet the June 15 deadline.

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Proposition 98

The Legislature's budget version includes an additional \$1.8 billion in funding for Prop 98 General Fund and increases the reserve deposits by \$673 million. Over \$21,000 per student spending is provided.

Prop 98 Deferrals Paid

Actions that differ from the Governor's May Revise include fully paying off the \$11 billion in Proposition 98 General Fund deferrals for K-12 education, including \$2.6 billion not proposed in the May Revise, and \$1.45 billion for community colleges and adopts the Governor's May Revision proposal to eliminate the Proposition 98 supplemental payment obligation. Paying down the deferrals provides schools and community college districts additional funds.

Pension Costs

Allocates approximately \$3 billion over the next four years for supplemental pension payments for schools and community colleges, including \$400 million in 2021-22 to offset future costs.

Local Control Funding Formula (LCFF)

The Legislature's budget version adopts the Governor's May Revision proposal to provide 5.07% to the LCFF formula. However, the legislative plan amended the Governor's May Revision proposal to distribute \$1.1 billion ongoing Proposition 98 General Fund through the concentration grant, and instead provides the same level of funding to increase the LCFF supplemental grant from 20% to 23.3% of the base grant, and allows these funds to be used to increase custodial staff.

Expanded Learning Time Program

The Legislature's budget version builds upon the Governor's May Revision for expanding after school and summer options by providing additional federal funds (\$1.02 billion Proposition 98 General Fund and \$1.5 billion federal funds in 2021-22 and \$752 million one-time Proposition 98 General Fund in 2022-23) for all LEAs based on their counts of unduplicated student enrollment in grades K-6, with the exemption of non-classroom-based charters. LEAs would receive a minimum of \$50,000 and be required to extend learning opportunities to at least 50% of their unduplicated student count. Instead of phasing in this program over

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Martha Zaragoza-Diaz

five years, its implementation would be over a three-year period, to \$5 billion at full implementation. Additionally, LEAs would be required to meet quality standards, including U.S. Department of Agriculture meals, and staffing minimum ratios.

Independent Study

The Legislature and Governor are in the middle of negotiations to finalize what options will be available for students and families during the 2021-22 school year. The Legislature's budget version amends the independent study program and school-closure statutes to provide schools and families with high-quality alternative options to in-person learning when necessary. The Governor's May Revision extension of the existing moratorium on the approval of new non-classroom-based charter schools until January 1, 2025 is still included.

An issue is what can be done to ensure students can return, safely, to a more robust and high-quality full-time in-person learning and that this be the default instructional approach in the 2021-22 school year, while providing students and families with the option to attend school in technology-based settings through a significantly improved independent study program. Members of the LCFF Equity Coalition have been engaged with policymakers on this issue. See attached recommended amendments to the existing Education Code statutes specific to independent study.

Educator Preparation, Retention and Training

The Legislature's budget version provides approximately \$2 billion for educator workforce preparation, retention and training. Grant programs that would support teachers in priority schools in high-needs subject areas (such as bilingual education) support classified school employees seeking teaching credentials and professional learning (ethnic studies, reading instruction) are included in the budget. The majority of the May Revise proposals were approved by the Legislature.

Approved appropriations include, but are not limited to, the following:

- **Educator Effectiveness Block Grant:** \$1 billion one-time Prop 98 General Fund. This block grant, administered by CDE, provides funds to county offices of education, school districts, charter schools and state special schools to provide teachers and administrators professional development aligned to the state standards and to promote educator quality and effectiveness. This block grant was initially funded with an appropriation of \$490 million in 2015-16 fiscal year. More details on this appropriation will be provided in the omnibus education trailer bill once it becomes available.

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372 Florin Road Suite 311 Sacramento CA 95831

Phone: 916 395-2616 Fax: 916 421-1099

Email: madiaz@earthlink.net

Zaragoza-Diaz & Associates

Martha Zaragoza-Diaz

- **Teacher Residency Programs:** \$250 million one-time Prop 98 General Fund to the CTC to establish this grant program for the purpose of developing new, or expanding existing, teacher residency programs that recruit and support the preparation of **bilingual education**, science, technology, engineering or mathematics teachers. This program was given an appropriation of \$75 million in the 2018-19 fiscal year. More details on this appropriation will be provided in the omnibus education trailer bill once it becomes available.
- **Golden State Teacher Program:** \$200 million one-time General Fund and eliminates the “priority school” definition. The Golden State Teacher Grant program (GSTG) is for students who are currently enrolled in a teacher preparation program to earn a credential in the high need field of **bilingual education**, STEM, special education, multiple subject instruction and other subjects as determined by the CTC and who commit to teach at a priority school, in California for four years, within five years after completing a teacher preparation program. A “priority school” means a school with a high percentage, as determined by the Commission on Teacher Credentialing (CTC) in consultation with CDE, of teachers holding emergency-type permits, based on the most recent data available to the CTC and the CDE. The California Student Aid Commission was provided an initial appropriation in 2020 for this program and for the purpose of providing one-time grants of up to \$20,000 to each student enrolled on or after Jan 1, 2020. More details on this appropriation will be provided in the omnibus education trailer bill once it becomes available.
- **California Newcomer Education & Wellbeing (CalNEW):** \$200 million one-time Prop 98 General Fund. The CalNEW project, administered by the California Department of Social Services, aims to assist newcomers as they confront challenges living in California by providing programming fostering well-being, improved academic performance, and self-sufficiency through supplemental education and social services. The definition of “newcomers” includes, but is not limited to, refugees, asylees, children classified as Special Immigrant Juveniles receiving services from ORR-funded Unaccompanied Refugee Minor program, Iraqi and Afghan children with Special Immigrant Visa status and **unaccompanied undocumented minors**. Funding is provided to school districts with a significant number of eligible students to improve their well-being, English-language proficiency, and academic performance. The program was provided an initial appropriation of \$10 million from the State General Fund, over 3 fiscal years, beginning in 2017-18. More details on this appropriation will be provided in the omnibus education trailer bill once it becomes available.

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372 Florin Road Suite 311 Sacramento CA 95831

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Zaragoza-Diaz & Associates

Martha Zaragoza-Diaz

- **Ethnic Studies Professional Development:** \$5 million one-time Prop 98 General Fund to fund professional learning and instructional materials for LEAs on a regional basis. More details on this appropriation will be provided in the omnibus education trailer bill once it becomes available.
- **Professional Development for Reading Instruction:** \$10 million one-time Prop 98 General Fund for professional learning to strengthen reading instruction for all students, with an emphasis on diverse learners. More details on this appropriation will be provided in the omnibus education trailer bill once it becomes available.

Universal Transitional Kindergarten (TK)

The Legislature's budget version adopts the Governor's May Revision proposal of \$900 million ongoing Proposition 98 General Fund, beginning in 2022-23, to increase to \$2.7 billion at full implementation in 2025-26. However, the Legislature made the following changes:

- Increases age cohort increments of two months of age per year, until all four-year-olds are eligible for the program.
- Requires quality standards for TK such as full school-day instructional minutes and 1:10 staff to student ratio.
- **Provides parent choice for entering or retaining children in state preschool programs, child care or Head Start programs that are age-eligible for TK.**
- Allows California State Preschool Programs (CSPP) wrap-around services such as after-school and summer-school care for TK/kindergarten.
- Adopts the Governor's May Revision proposal to re-bench Proposition 98 Guarantee to provide ongoing funding at about \$2.7 billion at full implementation.

Early Care and Education

The Legislature's budget version includes the following improvements:

- \$1.1 billion in ongoing funds above the May Revision to implement Child Care Rate Reform for child care and state preschool providers.
- Increases child care access by 206,000 slots in Alternative Payment, General Child Care, **Migrant Child Care**, bridge program for foster children and prioritizes ongoing vouchers for essential workers currently receiving short-term childcare.
- \$1.469 billion (\$1.026 billion General Fund) in 2021-22 and \$2.724 billion (\$1.809 billion General Fund) in 2022-23 for new child care slots.
- One-time additional investments in child care facilities (\$250 million one-time General Fund and \$205 million one-time federal stimulus funds).
- One-time \$300 million for preschool/transitional kindergarten/kindergarten facilities.

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372 Florin Road Suite 311 Sacramento CA 95831

Phone: 916 395-2616 Fax: 916 421-1099

Email: madiaz@earthlink.net

Zaragoza-Diaz & Associates

Martha Zaragoza-Diaz

- \$500 million for school facilities.
- \$250 million one-time federal stimulus funds for the early care and education workforce.

May Revision Proposals Rejected

The Legislature's Budget version rejects the Governor's May Revision proposals that would have provided \$2 billion one-time Proposition 98 General Fund for In-Person Health and Safety Block Grant and \$623.2 million one-time Proposition 98 General Fund and \$2 billion one-time federal funds for the Targeted Intervention Block Grant in order to free up resources for other purposes, including establishing the A-G and College Readiness Grant Program with a \$700 million one-time Proposition 98 General Fund.

The Legislature's budget version rejects the \$50 million one-time Prop 98 General Fund proposed by the Governor's budget for Early Education Professional Development Grants and rejects the \$250 million one-time Prop 98 General Fund in the Governor's budget for the California Transitional Kindergarten (TK) Incentive Grant program.

Instead, the Legislature approved \$300 million in one-time Prop 98 for the California Pre-Kindergarten Program Planning and Implementation Grant. \$10 million of the \$300 million is to support the preparation of preschool, TK, Kindergarten teachers and to provide professional development in providing instruction in inclusive classrooms, **support for English learners**, social-emotional learning, trauma-informed practices, restorative practices and mitigating implicit bias. Additionally, up to \$200 million of the \$300 million is to be allocated for planning grants for the expansion of Pre-Kindergarten and Kindergarten programs, including TK, Kindergarten and preschool programs.

Legislature's Version of the 2021-22 State Budget Items Specific to English Learners. Please note the below budget items were approved by the Legislature and implementation language will be in trailer budget bills.

English Learner Proficiency Assessment for California (ELPAC):

The May Revision increases non-Budget Act Item 6100-602-0001 by \$1.6 million one-time Proposition 98 General Fund for contract costs associated with administering the ELPAC in 2021-22, conducting an alignment study for the ELPAC summative assessment and 2012 English Language Development Standards, and invoice costs for administering the ELPAC in 2019-20.

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English Language Acquisition Program:

The May Revision increases Schedule (3) of Item 6100-125-0890 be increased by \$5,814,000 federal Title III funds and adds provisional language to reflect an ongoing \$3,814,000 increase to align to the federal grant award, and a \$2 million increase in one-time carryover funds. This program provides services to help students attain English proficiency and meet grade level academic standards.

English Language Acquisition Program:

The May Revision increases Schedule (1) of Item 6100-001-0890 by \$250,000 federal Title III funds and includes provisional language to reflect one time carryover to continue activities related to the standardized English learner reclassification teacher observation protocols that were halted due to the COVID-19 pandemic.

Migrant Education Program:

The May Revision increases Schedule (1) of Item 6100-125-0890 by \$28,623,000 federal Title I, Part C funds and adds provisional language to reflect an ongoing \$3,592,000 increase to align to the federal grant award, and a \$25,031,000 increase in one-time carryover funds. This program provides educational support services to meet the needs of highly-mobile children.

Migrant Education Program:

The May Revision increases Schedule (2) of this item by \$2.5 million federal Title I, Part C funds and includes provisional language to reflect one-time carryover funds. The state administered Migrant Education programs include the Binational Migrant Education Program, Mini-Corps Program, and the Migrant Student Information Network.

Migrant Education Program:

The May Revision increases Schedule (1) of Item 6100-001-0890 by \$136,000 ongoing federal Title I, Part C funds and 1 position and includes provisional language to support enhancements to the Migrant Student Information Network and the California Longitudinal Pupil Achievement Data System (CALPADS). Enhancements to enable interoperability between the two data systems will ensure the Department can meet federal reporting requirements and local education agencies can provide timely services to highly-mobile students.

Dual Language Immersion Grant Program (Uncodified):

Provide \$10 million in one-time Proposition 98 General Fund, available over a three-year period, to the California Department of Education to administer the Dual Language Immersion Grant program to expand access to quality dual language learning and foster languages that English learners bring to California's

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Martha Zaragoza-Diaz

education system. CDE shall award a minimum of 25 one-time grants over a period of 3 years to an eligible entity to expand or establish dual language immersion programs that provide integrated language learning and academic instruction for native speakers of English and native speakers of another language, with the goals of high academic achievement, first and second language proficiency and cross-cultural understanding. Funds may be used for instructional materials, professional development, teacher recruitment, and family outreach. Similar to AB 2514 (Thurmond) Ch. 763, Statutes of 2018, which establishes the Pathways to Success Grant Program, for the purpose of providing grants for the establishment and expansion of dual language immersion programs, developmental bilingual programs for English learners, and early learning dual language learners programs.

State Seal of Biliteracy Flexibility Due to COVID 19:

The May Revision includes language to provide flexibility for the Superintendent to grant the State Seal of Biliteracy to students who are on track to graduate in the 2021-22 school year and are unable to take the required assessments in the 2020-21 school year due to the COVID-19 pandemic.

There are many more budget items contained in the Legislature's Version of the 2021-22 State budget and a supplemental budget report will be provided by June 15, 2021 reflecting these. The Legislature must pass a budget bill for the upcoming fiscal year by midnight on June 15. Lawmakers face penalties if they fail to pass the budget bill on or before June 15. It is unlikely that the Legislature will fail to meet this deadline. Governor Newsom has 12 working days to sign the budget bill. The Governor also has the authority to "blue pencil" (reduce or eliminate) any appropriation contained in the budget. The Legislature can override any blue-penciled item by a 2/3 vote in both houses. In practice, the Legislature rarely overrides a budget veto.

The Governor and the Legislature has provided to schools much-needed discretionary funding. Additionally, funding is provided to ensure students return to classrooms for in-person instruction safely and be provided with services and rigorous academic programs necessary to address their learning loss as a result of the pandemic. There are those who are still critical of the proposed budget because they believe many of the proposals have various distribution methods and spending restrictions, including modifications to the LCFF formula.

I believe the Legislature should be given a resounding "thank you" for appropriating \$10 million for the 3-year Dual Language Immersion Grant program and other budget items specific to addressing learning loss, needs of our immigrant children, and mental health needs of our youth. Although \$5 million

Zaragoza-Diaz & Associates

Martha Zaragoza-Diaz

was not appropriated for a second round of the Bilingual Teacher Professional Development Grant Program this budget cycle, we will be pursuing an appropriation through the 2022-23 budget cycle.

Stay tuned for actions taken by Governor Newsom on the Legislature's version of the 2021-22 State Budget!

Sources of information for the purpose of this report include budget summaries by CSBA, ACSA, CTA and CASBO as well as the following legislative materials:

- Assembly Budget Committee Subcommittee No. 2 Report: <https://abgt.assembly.ca.gov/>.
- Senate Budget Committee Report: <https://sbud.senate.ca.gov/>.