



California Association for Bilingual Education

## **2022-23 Governor's Budget Proposal Summary**

*Jennifer Baker, CABE Legislative Advocate*

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Last night, the California Legislature passed the largest budget in the history of any state, totaling over \$300 billion, including \$234.4 billion General Fund and total reserves of \$37.1 billion. Earlier this week the Senate and Assembly Budget Committees reviewed two bills that amended previously-approved budget bills, as well as 27 trailer bills to implement the budget. The centerpiece of the budget agreement is a \$17 billion inflation relief package which includes tax refunds to millions of Californians, suspension of the state sales tax on diesel, and additional funds to help people pay their rent and utility bills. It also includes \$47 billion over multiple years for infrastructure and transportation investments in order to keep the state below the State Appropriations Limit (SAL).

### **Revenue**

A significant number of reserves are created, including: \$3.4 billion in the Regular Reserve; \$0.9 billion in the Safety Net Reserve; \$9.5 billion in the Proposition 98 Reserve; \$23.3 in the Rainy Day Fund; and \$37.1 billion in total General Fund Reserves.

As a result of crafting exemptions, the budget is estimated to be \$11 billion under the SAL for the existing fiscal year, as well as for 2022-23. Statutory changes that would adjust rules impacting the SAL are included, reflecting recommendations made by the Legislative Analyst's Office regarding the creation of additional flexibilities within the confines of the SAL. Further, the Governor and Senate and Assembly leadership have indicated their desire to develop a ballot measure for the 2024 election that would modernize the SAL.

### **Economic Relief**

A total of \$9.5 billion is provided by the establishment of the Better for Families Act, providing direct refunds to 17.5 million tax filers using tiers based upon income. The first tier will include 14.2 million filers with incomes from \$75,000 for single filers and \$150,000 for joint filers. Under this first tier, a single filer with no dependents would receive \$350, a single parent with one dependent would receive \$700, a joint filer with no dependents would receive \$700, and a joint filer with at least one dependent would receive \$1,050. The second tier would impact 2.1 million filers with incomes up to \$125,000 for single filers and \$250,000 for joint filers. These individuals would receive \$250 per filer, plus an additional \$250 for each dependent. The final tier would impact 1.1 million filers with incomes up to \$250,000 for single filers and \$500,000 for joint filers and would include \$200 per tax filer, with an additional \$200 if there is at least one dependent.

The budget increases the Earned Income Tax Credit outreach proposals by an additional \$10 million over two years, with an additional \$10 million ongoing to increase outreach and education.

Individuals enrolled in the SSI/SPP program, as well as the CalWORKs program, will receive relief through an acceleration of grant which will increase by approximately \$39 per month, totaling \$470 per year and \$100 per month for couples, totaling \$1,200 per year. CalWorks grants would be increased for two years by ten percent, on top of the 11 percent ongoing increase that was included in the May Revision.

Californians with past due electricity utility bills that were incurred during the pandemic would receive relief with \$1.4 billion provided for assistance.

A total of \$1.3 billion in stipends is provided to health care workers who have been most impacted by the pandemic.

An investment of \$47 billion is provided in infrastructure funding, impacting transportation, housing, broadband, energy and zero emission vehicles, libraries, as well as other public projects. There will be approximately \$1.4 billion of Proposition 51 funds to provide school and early childhood education facilities to support school construction projects and \$4.2 billion from the General Fund to supplement these bond funds through 2025. Preschool, transitional kindergarten, and full-day kindergarten facility programs are additionally augmented by \$650 million between now and 2023-24.

## **Education**

### *Proposition 98*

The budget funds Proposition 98 at \$96.1 billion in 2020-21, \$110.2 billion for 2021-22, and \$110.3 billion for the 2022-23 Budget Year. Total funding for 2022-23 is \$614 million above the current Proposition 98 Test 1 guarantee level to accommodate the estimated universal TK enrollments for 2022-23. Total education funding for this historic budget will move California up to the top 15 states in per-pupil funding

### *Local Control Funding Formula*

A historic increase in discretionary base funding of 13 percent is provided to the local control funding formula (LCFF) over 2021-22 levels, totaling \$9 billion, while additionally providing equitable increases for county offices of education. The total LCFF adjustment is 15 percent, which reflects increases in special education as well as Home to School Transportation. The breakdown of these increases is as follows:

- \$4.32 billion in LCFF base increases above growth and COLA;
- \$2.8 billion in LCFF increases to address declining enrollment and ADA offset;
- \$771 million for LCFF growth and COLA
- \$637 million for Home to School Transportation LCFF add-on, plus ongoing COLA;
- \$500 million ongoing Proposition 98 General Fund for increases to special education formula to increase the base rate to \$820;
- Ongoing LCFF increase of \$101.2 million for county offices of education.

### *ADA/COLA*

The budget creates an ongoing modified average daily attendance (ADA) calculation for the 2022-23 LCFF determination, with the inclusion of charter schools in the Budget Year, for a total cost of \$2.8 billion in ongoing Proposition 98 and \$414 million one-time funding. It provides \$357.1 million for a 6.56 percent COLA to statutorily-required TK-12 programs, which include school meals.

The budget creates protections for declining enrollment by integrating the average of the prior three years ADA, as well as one-year protection for classroom-based charter schools. It ensures that schools that provided Independent Study to all students are provided with an ADA mechanism to be held harmless for the 2021-22 school year, with an estimated ongoing cost of \$2.8 billion. The budget increases the growth provided for the Expanded Learning Opportunities Program with a total of \$4 billion in ongoing Proposition 98 General Fund to support all local education agencies (LEAs) to offer before, after, and summer school options for transitional kindergarten (TK) through grade 6. LEAs must offer this program to all students at \$2,750 per unduplicated pupil and will fund LEAs that offer the program to half of unduplicated students at \$1,250 per unduplicated pupil.

### *Special Education*

The budget appropriates \$20 million in ongoing Proposition 98 General Fund and consolidates two existing special education extraordinary cost pools into a single pool to simplify the current funding formula. It provides \$2 billion in one-time Proposition 98 General Fund for providing resources on inclusivity for students with disabilities as well as \$5 billion on-going to alternative dispute resolution. It funds \$5 million for increased federal IDEA funding to expand Family Empowerment Center capacity and adopts special education funding rates by LEA enrollment.

### *CABE Priorities*

Provides \$100 million one-time Proposition 98 for the Community Engagement Initiative through the California Collaborative for Educational Excellence. CABE has been engaged with the Legislature and stakeholders on the funding and plan to implement this expansion.

Provides \$35 million for the Educator Workforce Investment Grant, for dual-language, special needs, and computer science educators. CABE was instrumental in increasing the amount of funding provided for English learners and continues to engage the Legislature regarding the final language to implement this additional infusion of resources.

### *Professional Development*

The budget creates an ongoing investment of \$90 million annually for the Classified Employee Summer Assistance program and provides \$176.7 million in educator pipeline and professional development proposals, including the following:

- \$184 million one-time increase to the 2021-22 budget's Teacher Residency Program, with an emphasis on school counselors;
- \$85 million one-time funding for Math and Science Professional Development;
- \$20 million to establish a technical assistance center for residency programs;
- \$35 million for the Educator Workforce Investment Grant, for dual-language, special needs, and computer science educators.
- \$1.7 million one-time for the Center on Teacher Careers.

### *Miscellaneous*

The budget provides close to \$8 billion one-time Proposition 98 General Fund, allocated on an unduplicated pupil basis for up to five years, for instruction, services, and other pupil-related personnel-related costs to support urgent learning recovery. It includes \$700 million one-time for College and Career Readiness Initiatives, including dual enrollment and career pathways programs. The budget funds \$7.9 billion one-time Learning Recovery

Emergency Block Grant, allocated on a UPP formula for learning recovery, school staff, as well as wellness needs of both student and staff for expenditures through the 2027-28 school year.

The budget expands eligibility for TK and reduces student-to-adult ratios with \$300 million additional one-time Proposition 98 General Fund for additional Prekindergarten Planning and Implementation Grants, which include operational costs as well as \$650 million General Fund for the Preschool, TK, and Full-Day Kindergarten Facility Program. It allocates \$383 million Proposition 98 General Fund for one additional certificated or classified staff person for every kindergarten class, which will reduce the student-to-adult ratio to better align with the State Preschool Program.

The budget provides \$3.48 billion one-time Proposition 98 General fund to be distributed based upon ADA for LEAs to fund learning tools in arts, music, instructional materials and multi-lingual library books. It enhances to reimbursement rates for school meals under the new universal school meals program.

The budget allows for the utilization of the remaining bond authority of \$1.4 billion, as well as a total of \$4.2 billion General Fund for the School Facility Program to provide facility funds into 2025. It increases the total amount of General Fund to \$4.9 billion for new construction and modernization.

The budget increases Home-to-School Transportation by \$637 million annuals to increase the reimbursement levels for school districts and county offices of education at their add-on amount and annual cost-of-living adjustment (COLA), or up to 60 percent of their transportation costs and annual COLA. Additionally, it provides \$1.5 billion in one-time Proposition 98 for LEAs to purchase zero and low-emission vehicles through the California Energy Commission and California Air Resources Board.

The budget funds \$15 million in one-time Proposition 98 funding for 6,000 educators to receive reading and literacy instruction certifications. Appropriates \$500 million in one-time Proposition 98 funding for the Golden State Pathways Program for the development and implementation of college and career education pathways in critical economic sectors. It provides \$200 million one-time funding for the Literacy Coaches program which will create intensive literacy action plans in the highest poverty schools. It appropriates \$200 million one-time Proposition 98 General Fund over five years to expand dual enrollment, along with student advising and support services.

The budget ensures the continuation of the Universal Meal Program through \$1.2 billion in on-going Proposition 98 funding and directs any savings for the school kitchen program. It provides authority to the Department of Finance to provide mid-year funding for meals if necessary.

The budget provides approximately \$75 million on-going Proposition 98 General Fund for additional miscellaneous education programs and adjusts a number of TK-12 education policies ranging from Independent Study to necessary small school entitlements.

### **Early Child Education/Child Care**

Provides a \$1.09 billion increase to annualize the 2021-22 Budget Act's 120,000 new slots to increase access to 145,000 slots with the intent of creating 200,000 slots by 2025-26.

Includes \$413 million to annualize current year increases in child care funding rates. Continues to waive family fees for childcare and hold harmless policies for the 2022-23 fiscal year. Invests \$100 million in additional child care facilities, allowing for expenditures on new construction. Provides \$172.34 million ongoing General Fund, as well as \$314 million ongoing Proposition 98 General Fund for increasing the California State Preschool program rates to provide a 1.8 adjustment factor for three-year-olds, 2.4 for students with exceptional needs, and a 1.1 factor for mental health services.

Includes \$250 million one-time funding for the Inclusive Early Education Expansion Program. Additional includes a number of miscellaneous provisions and funding for child care programs.

## Higher Education

### *University of California*

Provides a five percent increase, reflecting \$200.5 million in on-going General Fund for a base increase. Modified enrollment targets through an additional \$68.8 million on-going General Fund to support up to an additional 1,500 previously unfunded full-time equivalent (FTE) students, and at least 4,370 new California students by the 2023-24 academic year. Additional support intent language to support an additional one percent in enrollment growth. Provides a number of additional earmarks regarding specific UC campus priorities and campuses.

### *California State University*

Provides a five percent increase, reflecting \$211.1 million in on-going General Fund for a base increase. Funds \$81 million on-going General Fund to support resident undergraduate enrollment growth of 9,434 additional FTS students from 2021-22 to 2-22-23. Funds \$5 million one-time General Fund for the Asian Language Bilingual Teacher Education Program Consortium to increase the number of credentialed teachers with Asian bilingual authorizations. Provides a number of additional earmarks regarding specific CSU priorities and individual campus projects.

### *California Community Colleges*

The budget provides a \$600 million on-going Proposition 98 General Fund base increase and includes \$200 million on-going Proposition 98 General Fund increase for the Part-Time Faculty Health Insurance Program, including the goal of achieving parity between part-time faculty and multidistrict part-time faculty to incentivize more colleges to provide medical coverage to part-time faculty. It includes a 6.56 percent COLA for apportionments, reflecting a \$493 million on-going Proposition 98 General Fund. Includes a COLA to the Academic Senate, part-time office hours, and the part-time faculty compensation categorical programs. The budget approves 0.5 percent enrollment growth, which includes 5,500 FTE students. It provides \$130 million one-time Proposition 98 General Fund for the support of English language learners across all levels of English proficiency through the Adult Education Program.

The budget includes the following increases to categorial programs:

- \$25.7 million ongoing Proposition 98 General Fund increase for Mathematics, Engineering, Science, and Achievement Program, bringing total funding to \$36.4 million;
- \$25 million ongoing Proposition 98 General Fund increase for the Extended Opportunity Programs and Services, bringing total funding to \$169.2 million;
- \$10 million ongoing Proposition 98 General Fund for Cooperative Agencies Resources for Education, bringing total funding to \$30.9 million;

- \$25 million ongoing Proposition 98 General Fund for Disabled Students Programs and Services Program, bringing the total to \$159.7 million;
- \$3 million ongoing Proposition 98 General Fund increase for the Puente Project, bringing the total to \$12.3 million.

The budget provides \$834.4 million one-time Proposition 98 General Fund for facilities maintenance and instructional equipment. It includes \$20 million one-time Proposition 98 General Fund for emergency student financial assistance grants to eligible AB 540 students and provides a number of additional earmarks for statewide programs and capital expenditures.

## **Retirement**

### *California Public Employees' Retirement System*

The budget proposes utilizing \$2.9 billion in Proposition 2 debt repayment funding for a supplemental payment in 2022-23 to reduce the state's overall unfunded liability.

### *California State Teachers' Retirement System*

The budget includes a \$3.7 billion General Fund for the state's required contributions in 2022-23. It allows for the creation of 10 positions in 2022-23, for a cost of \$17.3 million for staff expansion in multiple areas.

## **Health**

The budget expands Medi-Cal coverage to all eligible residents regardless of immigration status, by 2024. Provides more than \$200 million in reproductive rights investments through a variety of programs. It approves \$250 million one-time General Fund, which will be available over the next three years to address behavioral health issues for children and youth 25 years old and younger, including funding for suicide, wellness and resilience building, children's mental health and more. The budget provides \$1.8 billion in one-time California Emergency Relief Fund to continue providing health and safety support against COVID-19.

## **Social Services**

Increases CalWorks grant levels in October 2022 by 21 percent and establishes a statutory framework to increase these grants further in October 2024 to ensure children do not live in deep poverty. Approves the Early Start to Special Education Transition program with \$65.5 million in 2022-23 and \$82.5 million in 2023-24 to strengthen the transition process for three-year-old children with intellectual and/or developmental disabilities moving from the Early Start Program to special education. Funds \$6.5 million General Fund in 2022-23 and increasing this amount to \$29.5 million in 2024-25 to adjust the existing process regarding the identification of children with qualifying signs of developmental delays.

Provides \$175 million one-time General Fund for Rapid Response efforts to assist migrant arrivals at the Southern California border. Provides \$50 million General Fund one-time for the CalFood program which funds food banks throughout the state to address food insecurity within low-income populations throughout the state.