



2020-21 MAY REVISION: EDUCATION BUDGET OVERVIEW

- The budget proposal cuts General Fund spending on K-12 Education by 12.6%, or \$6.9 billion; Higher Education is cut by 9.9% or \$1.7 billion
- Nearly all January budget proposals for K-12 and higher education are withdrawn and deleted from the May budget.
- The proposal estimates the Proposition 98 guarantee at \$19 billion lower than the January budget. The updated estimates for total Prop 98 (including state general funds and local funds) are:

2018-19: \$78.7 billion
2019-20: \$77.4 billion
2020-21: \$70.5 billion

For comparison, when the 2019-20 budget (current year) was enacted, Prop 98 funding was \$81.1 billion. This translates to a 13% year over year cut, as proposed.

Though the funding is reduced to a new, lower minimum guarantee in 2020-21, the May budget proposes supplemental Prop 98 funding starting in 2021-22 and a process that would augment the guarantee over the course of several out years, bringing the share of General Fund dollars to 40% by 2023-24.

- The COLA for 2020-21 is calculated at 2.31%, per statute and is applied to calculations in the May Revise, but the proposal then calls for a 10% cut to all programs to which it would apply (e.g., categorical and LCFF)
- The May Revise proposes a 10% or \$6.5 billion cut to LCFF. This significant cut is one of several “trigger” proposals, and could be “triggered off” if the federal government provides sufficient funding to backfill it.
- Prop 98 reductions include cuts to K-12 Categorical programs totaling \$352.9 million. The largest cuts include:
 - After School Education and Safety: \$100 million
 - K-12 Strong Workforce Program: \$79.4 million
 - Career Technical Education Incentive Grant Program: \$77.4 million
 - Adult Education Block Grant: \$66.7 million
- Federal CARES Act funding for K-12 is proposed for “Learning Loss Mitigation.” One time funds totaling \$4.4 billion is proposed for local educational agencies to address “learning loss related to COVID-19 school closures, especially for students most heavily

impacted. The funding comes from the Coronavirus Relief Fund and the Governor's Emergency Education Relief Fund.

The funding could be used in various ways, such as:

- Learning supports that begin prior to the start of the school year
 - Extending the instructional school year
 - Providing additional academic services
 - Providing integrated student supports to address other barriers to learning, such as counseling or mental health services, professional development, addressing trauma
- The May proposal for Special Education maintains the Governor's January proposal to increase per pupil base rates to \$645; however it eliminates the proposed funding for special education services to 3-5 year olds. The new base rate reflects a 15% increase in the Prop 98 contribution, compared with the 2019-20 budget act.
 - Budget "solutions" include deferrals of payments, expanded flexibility for LEAs and Higher Education institutions (including changes to allow temporary use of restricted funds), and reallocation of funding to reduce employer contributions to CalSTRS and CalPERS.
 - Community Colleges are affected by the cuts to Proposition 98 and the elimination of the 2.31% COLA.
 - This includes a cut of \$167.7 million in ongoing Prop 98 funding and \$31.9 million in ongoing Prop 98 enrollment growth funding.
 - SCFF funding is cut by \$593 million (roughly 10 percent) and the Governor proposes amending statute to proportionally reduce district allocations through adjustments to the formula's rates, stability provisions, and hold harmless provisions.
 - These cuts are to be "triggered off" if CA receives federal funding to cover them.
 - Community College proposals also include:
 - Withdrawal of most January proposals, but sustains two years of free community college.
 - Extending SCFF hold harmless provisions for an additional 2 years, and require cuts to be applied proportionately
 - Exempting direct COVID-19 relate expenses from the 50 Percent Law
 - \$3 million cut to Calbright College funding
 - The May proposal deletes the January proposal to increase the University of California and California State University core funding by 5 percent. In addition. Both the budget calls for 10 percent cuts in General Fund support for UC (\$338 million) and CSU (\$398 million).
 - These cuts are to be "triggered off" if CA receives federal funding to cover them.