

January 23, 2020

Governor's Proposed State Budget for 2020-21

Governor Newsom introduced his proposed \$222 billion budget for 2020-21 on January 10th. The General Fund budget is \$157 billion which is a 2.23% increase over 2019-20. Although the governor continues to be fiscally conservative as he prepares for an economic slowdown by depositing \$2 billion into the state rainy day fund, the budget allocates additional money for education, including funding his budget priorities of early education, special education, educator recruitment and student health and wellness.

PROPOSITION 98

	BUDGET 2020-21	NOTES
Proposition 98 Funding	\$84 billion is allocated for Proposition 98. There are additional dollars for 2018-19 and 2019-20 as well.	2018-19: \$78.4 billion (was \$78.1) 2019-20: \$81.6 billion (was \$81.1)
Public School System Stabilization Account (PSSSA)	Also known as the Proposition 98 Rainy Day Fund, \$110 million deposit into this account raises the balance of the fund to \$487 million. A deposit into the PSSSA can trigger a cap on district reserves if certain criteria are met. It will not be in effect this year.	

EARLY CHILDHOOD

	BUDGET 2020-21	NOTES
Statutory COLA	Statutory COLA is currently set at 2.29% which will be applied to provider reimbursement rates for General Child Care and State Preschool.	2020-21 final COLA rate will be set in May 2020 upon release of calculations from the federal government.
Inclusive Early Education Expansion Program	\$75 million in Proposition 98 funding is proposed to grow this program which provides one-time grants to construct preschool facilities that serve children with disabilities.	
Unspent Dollars from Previous Years	\$300 million remains from 2018 and 2019 that was allocated for the development of full-day kindergarten facilities expansion. Demand was not as great as anticipated so these unspent dollars will in part go toward construction of preschool facilities to support increased access to early education.	
State Preschool Facility Program	Contingent on the passage of the \$15 billion statewide school bond, money will be allocated to expand preschool programs on school campuses.	
Preschool for All	The budget continues investment toward reaching the goal of preschool for all opening 10,000 additional slots for State Preschool at non-LEA agencies with the proposed use of \$31.9 million in 2020-21 and \$127 million ongoing.	

Department of Early Childhood Development The governor proposes to consolidate all child care funding streams and programs, with the exception of the State Preschool Program, into one under the California Health and Human Services agency effective July 1, 2021. This will create a “coherent system of early childhood administration and maximize investments in high-quality early childhood for low-income children, their families, and the workforce.”

K-12 EDUCATION

	BUDGET 2020-21	NOTES
Statutory COLA	Statutory COLA is currently set at 2.29% and is applied to the Local Control Funding Formula (LCFF) base grants which in turn affects the supplemental and concentration grants.	2020-21 final COLA rate will be set in May 2020 upon release of calculations from the federal government.
Local Control Funding Formula (LCFF)	An increase of \$1.2 billion is allocated to the LCFF bringing it to a total of \$64.2 billion. This increase covers the COLA and changes in Average Daily Attendance (ADA).	No additional money was allocated towards CalSTRS or CalPERS on behalf of districts.
Categorical Funding	COLA will also be applied to those programs that are outside of LCFF. This includes Child Nutrition, Foster Youth, American Indian Early Childhood Program and the Mandate Block Grant among others.	
Average Daily Attendance (ADA)	The proposed budget makes note of the fact that statewide ADA is decreasing due to various factors including declining birthrates and migration. This has created some adjustments to K-12 funding.	Declining enrollment is leading some district management consultants to discuss layoffs with their clients as one way to deal with the loss of dollars due to loss of ADA.
Teacher Investments	<p>The budget proposes \$900 million in one-time Proposition 98 funds to address the teacher shortage and special programs:</p> <ul style="list-style-type: none"> • \$350 million to expand the Educator Workforce Investment Grant Program which provides grants to LEAs to conduct training in specific areas such as special education, English Language Learners, and Science, Technology, Engineering and Math (STEM) among others. • \$193 million for the Workforce Development Grant Program to respond to teacher shortages in high-need subjects and areas. • \$175 million to expand the Teacher Residency Program which supports teacher preparation programs in high-need subjects in high-demand communities. • \$100 million to provide \$20,000 stipends for teachers who participate in the California Teacher Credential Award Program. These stipends go to teachers who complete four years of teaching in high-need subjects in high-need schools. • \$64.1 million to expand the Classified School Employees Credentialing Program to recruit classified school employees to become certificated teachers in the classroom. 	

Computer Science	\$15 million is proposed in one-time funds for grants to support 10,000 teachers to earn a supplemental authorization on their credential to teach computer science and \$2.5 million one-time Proposition 98 General Fund for a county office of education to identify, compile, and share computer science resources.
School Nutrition	The budget proposes a 40% increase in state funding for school nutrition programs to encourage healthier meals for students. This \$70 million allocation is split: \$60 million for an increase in reimbursement rates and \$10 million to provide training for food service workers to promote healthier and more nutritious meals. There is also a \$10 million investment in a farm-to-school program.
Opportunity Grants	The budget proposes \$300 million in one-time Proposition 98 General Fund dollars to establish “Opportunity Grants” for the lowest performing schools and to grow the capacity of the California Collaborative for Educational Excellence (CCEE) to help close achievement gaps.
Community Schools	To address issues associated with poverty, food insecurity, physical and mental health care, the budget proposes \$300 million one-time Proposition 98 General Fund to LEAs to establish innovative community school models.

SPECIAL EDUCATION

	BUDGET 2020-21	NOTES
Statutory COLA	The statutory COLA is currently set at 2.29%.	2020-21 final COLA rate will be set in May, 2020 upon release of calculations from the federal government.
Base Grant Equalization	\$645 million is proposed to add to the existing AB 602 base funding for a new base formula that uses a three-year rolling average of LEA ADA allocated through the Special Education Local Plan Areas (SELPAs). The goal is to level the per ADA amount to an estimated \$640 to \$680 per ADA. Most LEAs will see additional dollars. The 100 or so LEAs whose base rate is above this amount will be held harmless.	
Preschoolers with Disabilities	\$250 million in one-time funding is allocated to school districts based on the three- to five-year old students with special needs. The allocation requires that districts increase or improve on current services.	
SELPA Governance	The budget proposes \$1.1 million to study the current SELPA governance and accountability structure to make recommendations for improvements. (\$500 million for a study of current SELPA and \$600,000 for two workgroups to study improved accountability. Both allocations are one-time Proposition 98 General Fund dollars.)	

COUNTY OFFICES OF EDUCATION

	BUDGET 2020-21	NOTES
Statutory COLA	The statutory COLA is currently set at 2.29%.	2020-21 final COLA rate will be set in May 2020 upon release of calculations from the federal government.
Computer Science	\$2.5 million one-time Proposition 98 General Fund dollars for county offices of education to identify, compile, and share computer science resources.	

ADULT EDUCATION

	BUDGET 2020-21	NOTES
Statutory COLA	The statutory COLA is currently set at 2.29% bringing the total funding to \$556 million.	

CLASSIFIED EMPLOYEES

	BUDGET 2020-21	NOTES
Classified School Employees Credentialing Program	The budget proposes \$64.1 million to expand the Classified School Employees Credentialing Program to recruit classified school employees to become certificated classroom teachers.	
Nutrition in Schools	As part of the \$70 million investment in the improvement of school meals, \$10 million is allocated to provide training for food service workers to promote healthier and more nutritious meals.	

COMMUNITY COLLEGE

	BUDGET 2020-21	NOTES
Statutory COLA	The statutory COLA is currently set at 2.29%.	2020-21 final COLA rate will be set in May 2020 upon release of calculations from the federal government.
Proposition 98	Of the \$84 billion Proposition 98 funding, Community Colleges will receive approximately \$9.1 billion.	
Student Centered Funding Formula (SCFF)	No changes were suggested for the SCFF.	
Enrollment Growth	\$31.9 million is allocated for enrollment growth.	
Faculty Diversity	A \$15 million pilot fellowship program is proposed to improve faculty diversity.	
Part-Time Faculty Office Hours	A one-time \$10 million augmentation to the Part-Time Faculty Office Hours program is proposed.	Check to see if your district is applying for these dollars.

Apprenticeship Programs	\$83.2 million increase of Proposition 98 General Fund dollars to invest in apprenticeship programs including an increase in instructional hours.
Instructional Materials	An increase of \$10 million is allocated to develop and implement zero-textbook-cost degrees and an increase of \$5 million for community colleges is proposed to provide materials to dual enrollment students.
Food Pantries	\$11.4 million is proposed to establish food pantries at community college campuses.
Legal Services	\$10 million is budgeted to provide legal services to immigrant students, faculty and staff at community college campuses.
Dreamer Resource Liaisons	The budget proposes an increase of \$5.8 million Proposition 98 General Fund dollars to the Dreamer Resource Liaisons and student support services for immigrant students in community colleges.

CALIFORNIA STATE UNIVERSITY

	BUDGET 2020-21	NOTES
Base Resources	The budget proposes \$199 million in ongoing General Fund dollars to support CSU's operational costs, expand enrollment and achieve the CSU's Graduation Initiative 2025.	
Degree and Certificate Programs	\$6 million one-time General Fund dollars are proposed to support the development or expansion of degree and certificate completion programs – with a focus on online programs through the Extended and Continuing Education programs,	

UNIVERSITY OF CALIFORNIA

	BUDGET 2020-21	NOTES
Base Growth	The budget proposes a 5% increase in base resources to UC campuses with the expectation that these funds will be used to increase enrollment and to support operational costs and student support services.	
Affordable Student Housing	Contingent on the passage of the \$15 billion statewide school bond, UC Regents would be required to adopt five-year campus plans around affordable student housing.	

FRESNO DEVELOPING THE REGIONAL INCLUSIVE & VIBRANT ECONOMY INITIATIVE

	BUDGET 2020-21	NOTES
Fresno DRIVE	The budget proposes \$50 million in one-time General Fund dollars to support the Fresno Developing the Region's Inclusive & Vibrant Economy (DRIVE) initiative. Included in this is an integrated K-16 Education Collaborative.	This initiative focuses on improving the economic mobility of Californians living in this region. More details to follow.

COLA: PROJECTED RATE REVISIONS AS OF JANUARY PROPOSAL

	2020-21	2021-22	2022-23
Projected COLA Rates	2.29%	2.71%	2.82%

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