

Research Brief

August 2, 2022

State budget 2022-23 sets record for education, includes new funds for part-time faculty healthcare

Governor Newsom and the state Legislature reached agreement on a \$235 billion state budget for fiscal year 2022-23, with Proposition 98 funding for K-14 education totaling \$35.8 billion more than the previous year’s allocation.

Spending for TK-12 education totals \$128.6 billion and provides per pupil funding of \$22,893 (including monies from all sources) and \$16,993 per pupil from Prop 98. The community college budget totals \$13.4 billion (including \$12.6 billion in Prop 98 funds) and, significantly, increases the ongoing funding for part-time faculty healthcare by \$200 million per year.

Core areas of the K-12 and community college budgets were increased by a statutory COLA of 6.56% plus substantial additional funds, both one-time and ongoing. The University of California and CSU systems received core funding increases of 5%.

This year’s budget continues to build the state reserves, in particular with deposits of \$23.3 billion into the Budget Stabilization Account (California’s Rainy Day Fund) and \$9.5 billion into the Proposition 98 Reserve, officially known as the Public School System Stabilization Account. In addition, a 10% cap on most districts’ reserves is in effect starting this year.

Inflation relief totaling \$17 billion includes tax refunds of up to \$1,050 per family, a suspended state tax on diesel fuel, and funding to help cover rent and utility bills. New programs will offer \$850 million in assistance for first-time homeowners.

The package includes budget bills (SB 154, SB/AB 178, SB/AB 180) and several trailer bills, including AB 181 (K-12 education), AB 182 (Learning Recovery Emergency Block Grant), SB/AB 183 (higher education), AB 210 (early childhood education), SB 191 (employment). Additional trailer bills are expected later in August.

PROPOSITION 98

	2022-23 BUDGET	NOTES
Prop. 98 Funding	Proposition 98 funding increased for all three years of the budget – previous year, current year and budget year. For 2022-23, Prop. 98 funding is \$110.4 billion, up \$8.4 billion since the January proposal and the 2021-22 funding is revised up to \$110.2 billion, from \$93.7 in the 2021 budget act.	2020-21 – \$96.1 billion (was \$93.4) 2021-22 – \$110.2 billion (was \$93.7) 2022-23 – \$110.4 billion
Public School System Stabilization Account (PSSSA)	A total of \$9.5 billion will be deposited into the PSSSA - also known as the “Proposition 98 Rainy-Day Fund,” which was established with the passage of Proposition 2 in 2014. For 2021-22, the deposit was \$7.3 billion.	These deposits have triggered a 10% cap on district reserves starting in 2022-23.

Local Reserves	The 10% cap on local district reserves applies all districts except for basic aid districts and districts with ADA of 2,500 or less.	Applies to K-12 districts, but not community colleges.
Prop. 98 Rebenching for TK	The Prop. 98 minimum guarantee is “rebenched” to account for the rollout of universal transitional kindergarten, with expanded eligibility starting in 2022-23.	\$614 million is allocated to fund the TK expansion required in 2022-23.

EARLY CHILDHOOD EDUCATION

	2022-23 BUDGET	NOTES
COLA	A COLA of 6.56% for the standard reimbursement rate for General Child Care and State Preschool.	Higher rate effective as of 1/1/2022.
Child care slots	\$1.1 billion supports 145,000 slots, including 25,000 new slots, statewide.	
State preschool provider rates	Budget includes \$413 million to support the higher of 75 th percentile of the 2018 Regional Market Rate Survey or the reimbursement rates from 12/31/21 adjusted by the 6.56% COLA.	
State preschool policy changes	Funding adjustment factors for students with exceptional needs, dual language learners, childhood mental health and three-year-olds are increased, with \$485 million to support the changes. Providers will need to incrementally increase slots reserved for students with exceptional needs to 10% by 2024-25. Eligibility is also expanded from 85% to 100% of the state median income, and continuous eligibility is extended to 24 months. \$2 million is provided to include early identification for learning disabilities into state preschool assessment tools.	
COVID-19 relief	\$21.3 million to support family fee waivers for children in the state preschool program through June 30, 2023. An additional \$1.1 million is added to support 2021-22 waivers. Hold harmless funding is provided to reimburse preschool providers for maximum authorized care, through June 30, 2023.	
Inclusive Early Education Expansion Program	\$250 million one-time funding supports this program to provide infrastructure necessary for general and special education students in inclusive classrooms.	
Early Childhood Planning and infrastructure	\$300 million for LEA Preschool Planning and Implementation Grants. \$100 million added to the California Preschool, TK and Full-Day Kindergarten Facilities Grant program.	Facilities grant program received \$490 million in the 2021 budget act; intent language to add another \$550 million in 2023-24.
Universal Preschool Planning Grant	\$18.3 million per year for 3 years supports grant program, for preschool planning consistent with the state’s Master Plan for Early Education.	
Universal Transitional Kindergarten	TK expansion for 2022-23 offers TK to four-year-olds whose fifth birthday is between Sept. 2 and Feb 2, inclusive. Prop. 98 funding includes \$614 million to support the expansion. \$383 million supports the new TK classroom ratio. The TK ratio add-on to the LCFF is \$2,813 per TK ADA, and it will	Average TK class size of 24 students and classroom ratios of 12

be adjusted by COLA.

Emergency staffing credential option for TK assignments, for one year, is authorized by AB 210, allowing TK subject matter requirements to be met during first year of service. Additional TK certification is not required for substitute teachers to serve in TK.

students to 1 adult are required. Alternative ratios or classroom sizes cannot be bargained.

K-12 EDUCATION

	2022-23 BUDGET	NOTES
COLA	Statutory COLA is 6.56% for 2022-23.	
Local Control Funding Formula (LCFF)	The LCFF base grant is increased by the 6.56% COLA plus an extra 6.28%. The total LCFF funding is \$5.3 billion above the 2021-22 amount. Supplemental grants are 20% of the base grant and Concentration grants are 65% of the base grant. Enrollment and ADA loss mitigation options and new formulas for calculating ADA provide \$2.8 billion ongoing and \$413 million one-time fund, which are included in the \$5.3 billion.	The additional base funding is meant to address “ongoing fiscal pressures, staffing shortages, and other operational needs”. Total base increase is 12.84%.
ADA Relief and Mitigation for Declining Enrollment	The LCFF calculation is changed to allow LCFF funding for school districts to be based on the current -year ADA, prior-year ADA, or (new) the average ADA using the 3 most recent prior years’ ADA. For 2021-22 only, LCFF funding for classroom-based charter schools will be based on the greater of the current or prior year ADA. COVID-19 ADA relief for 2021-22 is included for districts, classroom-based charters, and COEs. The LEAs 2021-22 ADA is adjusted by its pre-COVID attendance rate, allowing this adjusted ADA to be used for 2021-22 LCFF calculations.	This option is available to districts and COEs that offered independent study as required in 2021-22.
Learning Recovery Emergency Block Grant	\$7.9 billion, one-time funds, for LEAs to offer learning recovery initiatives. Allowable uses include increasing instructional learning time, decreasing staff to pupil ratios, supports to address barriers to learning including mental health supports; supports to close learning gaps, and more. Funding is based on 2021-22 P2 ADA and 2021-22 UPP.	Funds can be used through 2027-28 school year. Expenditure reporting will be required. See AB 182.
Arts, Music, and Instructional Materials Discretionary Block Grant	\$3.6 billion, one-time fund, for LEAs to spend on a wide range of purposes. Allowable uses are more flexible, including operational costs, COVID-19 related supplies, and a range of instructional materials. Funding based on 2021-22 P2 ADA.	Funds can be used through 2025-26 school year. Governing board must discuss and approve expenditure plan.
Categorical funding	Most of the remaining categorical programs that are outside of the LCFF receive a COLA of 6.56%. This includes: Foster Youth Services Coordinating Program, American Indian Early Childhood Education Program, American Indian Education Centers, Child Nutrition Program, Mandate Block Grant, Adult Education, State Preschool, Special Education.	
Community Schools Partnership Program	Another \$1.1 billion in one-time Prop. 98 funding is added to the \$3 billion from 2021-22, in order to eligible LEAs are able to access the grants. Implementation grants at least	Changes included in AB 181 trailer bill.

	\$100,000 per school site, annually, for up to 7 years, with a 1:1 match. Funding also set aside for County Offices serving 2 or more grantees.	
Expanded Learning Opportunities Program (ELOP)	ELOP funding to support comprehensive before, after, and summer school opportunities for TK-6 students is increased to a total of \$4 billion ongoing. Schools with UPP \geq 75% will receive \$2,750 per pupil; if UPP <75%, it is an estimated \$1,250 per pupil. Several program changes are included in the budget: carryover funds from 2022-23 to 2023-24 allowed; audit will start in 2023-24; penalties will be prorated; transportation must be provided if ELOP is not offered at all TK-6 school sites; 8 hour day requirement for "frontier" schools; requirements for access, depending on UPP, to start in 2023-24.	In 2021-22, funding was \$1 billion ongoing plus \$754 million one-time.
After School Education & Safety (ASES) and 21 st Century After School programs	\$94.9 million for ASES and \$53.8 million for 21 st Century Learning programs to support rate increases in 2022-23.	
Nutrition – Universal Meals	\$596 million funds universal access to subsidized meals; \$611.8 million supports maintaining higher meal reimbursement rates that could be expiring on June 30. \$30 million in one-time funds supports the Farm to School Program for demonstration projects, with a priority towards high-need schools. \$100 million one-time funds support School Meal Best Practice Grants, incentivizing fresh meals, procurement of CA-grown, sustainably grown, whole or minimally processed foods, and plant-based or restricted diet meals.	Starting in the 2022-23 school year, LEA's must provide two free meals per day to any student who requests a meal.
Kitchen Infrastructure	\$600 million one-time funds grants for kitchen infrastructure upgrades, equipment purchases, and training/compensation related to school meals.	
K-12 School Facilities	A final allocation of \$1.4 billion from the 2016 Prop.51 bond funds school construction projects and the School Facility Program is funded with \$1.3 billion one-time funds.	Intent language in the budget indicates another \$2.1 billion for the State Facility Program in 2023-24 and \$875 million in 2024-25.
Golden State Pathways Program	\$500 million, one-time funds, support new competitive grant focused on technology, health care, education, and climate-related fields; program should develop partnerships between schools, higher education institutions, employers, and other stakeholders.	
Educator Grant Programs	\$250 million one-time funds for a Literacy Coaches and Reading Specialists Grant Program; \$184 million for the CTC's Teacher Residency Grant Program.	Funding available through June 30, 2027.
	\$20 million one-time funds for the Educator Workforce Grant to CDE to develop professional learning focusing on special education and English language development.	Funding available through 2024-25.
Green School Bus Program	\$1.125 billion supports zero-emission school buses and \$375 million supports related charging or fueling infrastructure.	Funds will be available for five years, starting in 2023-24.
Home-to-School Transportation	An increase of \$637 million ongoing funds is allocated so that districts and county offices receive the greater of the LCFF transportation add-on plus COLA or 60% of reported	

	transportation costs. A transportation plan with some new requirements is required and must be adopted by the governing board.
Antibias Education Grant Program	An additional \$10 million to support grants to prevent, address, and eliminate racism and bias in public schools.
Other initiatives with one-time funding	\$14 million increase for model curricula related to the Vietnamese American refugee experience, Cambodian genocide, Hmong history and cultural studies, and Native American studies. \$15 million for 6,000 teachers to receive supplementary state certification in reading and literacy. \$1.7 million for educator recruitment with the Center on Teaching Careers. \$20 million increase to the K-12 Teacher Residency Program for Technical Assistance Center. \$15 million for Five Keys programs and schools at SF correctional facilities.

COUNTY OFFICES OF EDUCATION

	2022-23 BUDGET	NOTES
COLA	County Offices of Education operations grant and alternative education grant and LCAP support receive the 6.56% COLA.	\$11.2 million for COLA.
Operations Grant	An additional \$175,000 for the per school district component and \$14 for the per ADA component of operations grant, above COLA.	\$101.2 million above COLA to support.
Alternative Education Grant	Base grant is increased by COLA, to \$13,783 per ADA; supplemental grant is 35% of the base grant for eligible students and concentration grant is 35% or 17.5% of base grant.	
LCAP support	LCAP support is \$22,203 per school district or a minimum of \$94,999.	
One-time grants	COE's receive funding from the Learning Recovery Emergency Block Grant and the Arts, Music, and the Instructional Materials Discretionary Block Grant.	
COVID-19 ADA Relief	COE's are included in the ADA relief that adjusts 2021-22 ADA by pre-pandemic attendance rate.	COE's cannot use the 3-year average ADA for funding calculations.

SPECIAL EDUCATION

	2022-23 BUDGET	NOTES
COLA	Special education funding receives the 6.56% COLA. The base rate is increased by more than the COLA, to \$820 per ADA, unless SELPA previously funded at higher rate. \$500 million ongoing supports the increases.	Allocations to be based on ADA at each LEA, but funds still flow through SELPA.
Extraordinary cost pools	The state's two extraordinary cost pools are consolidated, with funding increased by \$14 million, for a total of \$20 million.	Up from \$6 million.
Mental Health Services	State funding for Educationally Related Mental Health	

Services are increased by COLA, to estimated \$71.58 per ADA; federal funds are constant at \$69 million. Starting in 2023-24, these funds will go to LEA, rather than SELPA.

Resource Leads	One SPED resource lead for IEP best practices and one for capacity building, training, technical assistance, and conflict resolution and alternative dispute resolution.	
Early Intervention Preschool Grant	\$260 million allocated based on eligible first grade students with disabilities with IEPs.	
Diploma pathway	Establishes pathway to diploma for students taking the California Alternative Assessment.	
Supporting Inclusive practices	\$2 million one-time Prop 98 to fund resources for inclusionary practices.	
IDEA (Federal)	Federal IDEA funding is estimated by CDE: IDEA local entitlement, \$1.2 billion; IDEA Preschool Grant, \$39.8 million; IDEA state level activities, \$81.3 million; IDEA family empowerment centers, \$14.5 million.	IDEA Addendum to the LCAP will be developed by 1/31/25.

CAREER TECHNICAL EDUCATION

	2022-23 BUDGET	NOTES
Agricultural CTE Incentive Grant	Agricultural CTE Incentive Grant funding is increased by \$2 million.	
Dual Enrollment	CTE Pathways for dual enrollment receives \$200 million one-time funds to be spent over five years; funding is allocated to expand dual enrollment; funding to be administered through competitive grants.	State Superintendent for Public Instruction will develop process and timeline.
Other funding	Other budget items that can provide funding for CTE include the Arts, Music, and Instructional Materials Discretionary Block Grant, the Golden State Pathways Program, School meals best practices grants.	See K-12 section.

CHARTER SCHOOLS

	2022-23 BUDGET	NOTES
COLA	The 6.56% COLA and the additional 6.28% will apply to the LCFF base grant.	
Mitigation for Declining Enrollment and ADA Relief	For 2021-22 only, classroom-based charter schools can use current year or prior year ADA for calculating LCFF funding. Classroom-based charter schools are included in the ADA relief that adjusts 2021-22 ADA by pre-pandemic attendance rate.	See AB 181.
One-time grants	Charter schools receive funding from the Learning Recovery Emergency Block Grant and the Arts, Music, and the Instructional Materials Discretionary Block Grant.	

ADULT EDUCATION

	2022-23 BUDGET	NOTES
COLA	Adult education receives 6.56% COLA, for an increase of \$36.7 million, for a total of \$603.1 million.	Funded through Community Colleges.
Healthcare Adult Ed Pathways	\$130 million one-time funding to support healthcare-focused vocational pathways for English language learners	Funding allocated across three years, with \$30 million available in 2022-23.

CLASSIFIED EMPLOYEES

	2022-23 BUDGET	NOTES
Classified School Employees Summer Assistance Program	The program will receive an increase of \$35 million one-time funds plus \$90 million ongoing funds.	LEAs must opt-in to participate and must notify employees by January 1 if participating.
Classified Employee Summer Assistance Program – Community Colleges	New program established, similar to K-12 program, with \$10 million ongoing funds. At participating districts, eligible classified employees who work 11 months or fewer with regular pay up to \$62,400 can have up to 10% of monthly pay withheld for payout during summer, with prorated matching funds from state.	See AB 183.
Classified School Employees Credentialing Program	Funding from 2021-22 budget included \$125 million one-time Prop. 98 funds to support this program, which assists classified employees attain teaching credentials. The program eligibility is expanded to include expanded learning and early childhood education program staff.	Funds available over five years, through June 30, 2026.
Other funding	Other budget items that will support Classified employees include the Kitchen Infrastructure Grant program and the Healthy School Food Pathways training program. The school transportation funding increase, the ELOP, and the TK expansion will also have impacts for Classified employees in K12. For community colleges, there is funding for technology modernization and sensitive data protection.	

COMMUNITY COLLEGE

	2022-23 BUDGET	NOTES
COLA	The 6.56% COLA applies to the community college apportionments. The SCFF rates and many categorical programs are also increased by the COLA.	\$493 million for COLA
Share of Proposition 98	The share of the Prop. 98 funding to the community colleges is at or above the traditional share 10.93% in 2022-23 budget act.	2022-23: \$2.76 billion Prop. 98 funding; 28% above the 2021-22 enacted budget amount.
Student Centered Funding Formula (SCFF)	\$400 million ongoing funds are included for increases to the SCFF base, supplemental, and student success allocations and \$200 million is provided for increases to the SCFF basic allocations. These increases are in addition to COLA. Total SCFF funding increases by \$807 million over the 2021-22 enacted budget.	SCFF rates increase totals 12.5%; Total Basic Allocation (for colleges and centers) increase is 36.8%; SCFF Funding increase is 10.2%.

SCFF Hold Harmless	The original SCFF hold harmless option is set to expire in 2024-25. A new measure modifies the provision by creating a new funding floor for districts based on their funding in 2024-25, but it will not be adjusted by COLA; starting in 2025-26, districts will be funded at SCFF amount or the 2024-25 amount, whichever is higher.	
Enrollment	\$26.7 million ongoing funding is included to support 0.5% growth. \$150 million one-time funds included for retention and enrollment efforts.	
Learning Recovery Emergency Block Grant	\$650 million to address issues related to the pandemic, allocated to districts based on actual reported FTES. Funds can be used for student support efforts, reengagement strategies, professional development opportunities, technology investments, and health and safety measures. Districts must report on part-time health insurance offered in 2021-22, and in 2024-25 as a condition of receiving funds.	Funds can be used over 5 years.
Part-Time Faculty Healthcare	\$200 million increase to the PT Faculty Health Insurance program. Budget language states intent to consider changes to the program to incentivize more coverage of part-time faculty, including faculty who work in multiple districts, and to maximize the state's investment in the program.	Program changes would be included in a future trailer bill. Represents an increase of 40,816% above previous funding of \$490,000
Part-Time Faculty: Other	Funding for Part-time faculty programs increased by COLA: \$1.4 million for office hours and \$1.6 million for compensation	
Categorical Programs	<p>Many programs outside the SCFF receive ongoing funding increases, some above 6.56% COLA. These include: EOPS (25%); DSPS (26%); Rising Scholars [justice-involved students] (150%); Foster Care Education Program (8.8%); \$8 million ongoing for the Asian American, Native Hawaiian, and Pacific Islander Student Achievement Program; \$30 million ongoing for the NextUp program for foster youth; \$1.1 million increase to the A2MEND; \$1 million for Umoja; \$25.7 million for MESA; \$3 million for Puente; \$11.3 million for CARES</p> <p>COLA is also applied to CalWORKS Student Services (\$3.1 million); Mandates Block Grant (\$2.4 million); Part-time faculty compensation (\$1.6 million) and Part-time faculty office hours (\$1.4 million).</p> <p>Student Equity and Achievement Program receives an increase of \$25 million.</p>	
Apprenticeships	\$20.5 million ongoing for increasing apprenticeship program Related and Supplemental Instruction rate with SCFF credit rate. \$45 million one-time funds to implement California Healthy School Meals Pathway Program to train future school food service workers.	
Classified Employee Summer Assistance Program	\$10 million ongoing funds to establish new summer bridge program for community colleges classified employees.	See section on Classified Employees.
Deferred Maintenance	\$840.7 million for deferred maintenance and emergency efficiency projects (facilities, maintenance, and equipment), allocated according to actual reported FTES.	Funds available for use through June 30, 2027.

Technology Upgrades	\$75 million one-time and \$25 million ongoing funds for technology and data security improvements, supporting improved fraud mitigation and cybersecurity efforts locally and systemwide.	
Faculty and Staff Diversity	\$10 million for implementing EEO best practices to diversify faculty and staff.	361% increase in funding
Calbright College	No new, additional funding and no elimination of the College.	\$15 million ongoing from prior year budgets.
Full-time faculty hiring	No new funding, program is funded with \$150 million ongoing.	
Financial Aid	\$250 million ongoing funds for Student Success Completion Grants to cover expanded eligibility and higher award amounts. \$20 million one-time funds for emergency student aid for AB 540 students. \$10 million increase for financial aid administration. \$25 million to expand eligibility for CA College Promise fee waivers	
Basic Needs	Increase of \$10 million for basic needs centers.	33% increase.
Student Housing	\$565 million is allocated for community college student housing projects.	
Student Support Programs	Numerous student support programs received one-time funding, including: \$30 million for the Native American Student Support and Success Program; \$30 million to create the Hire Up program for formerly incarcerated, CalWORKs recipients, and former foster youth;	
Student Pathways	Funds to streamline and expedite student transfers and other pathways include \$64 million one-time to implement AB 705 and similar policies; \$105 million one-time funds for common course numbering; \$65 million one-time fund to implement transfer reform policies from AB 928; \$25 million one-time funds for software to map intersegmental pathways for students.	Reflects "Roadmap" agreement between Chancellor and Governor.

UNIVERSITY OF CALIFORNIA

	2022-23 BUDGET	NOTES
Base Funding	\$200.5 million for a 5% increase to ongoing base funding.	From State General Fund.
Enrollment	\$67.8 million increase to fund California resident undergraduate student enrollment growth of 6,230 FTES, between 2018-19 and 2023-24. \$31 million is provided to offset revenue reductions from replacing 902 nonresident undergraduate students at 3 campuses with CA resident students.	
UC Labor Centers	\$13 million increase, ongoing funds, to support the UC Labor Centers and the Occupational Safety and Health Programs, and to invest in similar new initiatives.	
Student Supports	\$6 million increase for foster youth student supports; \$5 million increase for undocumented student supports; \$4 million increase for the Underground Scholars program.	Ongoing funding.

	\$22.5 million for Student Academic Preparation and Educational Partnership Programs.	
Deferred Maintenance and Infrastructure	\$125 million for deferred maintenance, seismic mitigation, and energy efficiency projects at UC campuses. \$249 million for infrastructure expansion projects at UC Riverside and UC Merced. \$249 million for UC Berkeley Clean Energy Campus project.	One-time funding.
Climate Initiatives	\$185 million for climate initiatives, including \$100 million for climate action research seed and matching grants.	
Student Housing	\$389 million for student housing projects at UC campuses.	
Other funding	Includes \$5 million for the Ralph J. Bunche Center for African-American Studies at UCLA; \$2 million ongoing funds for firearm violence research.	

CALIFORNIA STATE UNIVERSITY

	2022-23 BUDGET	NOTES
Base Funding	\$211.1 million for a 5% increase to ongoing base funding.	From State General Fund.
Enrollment	\$81 million increase to fund undergraduate student enrollment growth of 9,434 FTES, in 2022-23.	
Graduation Initiative	\$35 million to support the CSU Graduation Initiative 2025 and \$10 million to support the Basic Needs component of the Graduation Initiative.	
Student Supports	\$12 million to support foster youth; \$8 million to establish the Asian American, Native Hawaiian, and Pacific Islander Student Achievement Program; \$8 million increase to the Project Rebound program;	
Deferred Maintenance and Infrastructure	\$125 million for deferred maintenance, seismic mitigation, and energy efficiency projects at CSU campuses. \$75 million for equipment and infrastructure for CSU University Farms.	Other projects also funded.
Student Housing	\$487.9 million for student housing projects at CSU campuses.	
Other funding	Includes \$32.4 million for various programs and services; support for campus initiatives including CSU Bakersfield Energy Innovation Center; SDSU Brawley Center; CSU Fullerton Engineering and Computer Science Innovation Hub, and more.	

Additional information

CALSTRS/CALPERS EMPLOYER CONTRIBUTION RATES

The employer contribution rates for 2022-23 are final, and rates for the out years are estimates, to be determined by the respective boards.

	2022-23	2023-24	2024-25	2025-26
CalSTRS	19.10%	19.10%	19.10%	19.10%
CalPERS	25.37%	25.20%	24.60%	23.70%

STATUTORY COLA: ACTUAL AND PROJECTED[^] RATES

	2021-22	2022-23	2023-24	2024-25	2025-26
COLA	1.70% *	6.56%	5.38%	4.02%	3.72%

*The statutory COLA for 2021-22 was calculated at 1.70% but the actual COLA for LCFF and Community College Apportionments was 5.07%.

[^]Rates for 2023-24 and forward are estimates from the Department of Finance.

UNEMPLOYMENT INSURANCE RATES

The School Employees Fund (SEF) is a joint, pooled-risk fund administered by the EDD, which collects contributions based on a percentage of total wages paid by public schools and community college districts. The SEF reimburses the Unemployment Insurance (UI) Fund for the cost of UI benefits paid to former school employees.

	2022-23	2023-34	2024-25	2025-26
Unemployment Insurance Rate	0.5%	0.2%*	0.2%*	0.2%*

*This 0.2% rate is suggested by SSC for planning purposes, but will be calculated based on actual experience and the CA Unemployment Insurance Code Section 823(b)(2).

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