

K-12 EDUCATION

California provides academic instruction and support services to nearly six million students in grades kindergarten through twelve in more than 10,000 schools throughout the state. A system of 58 county offices of education, approximately 1,000 local school districts, and more than 1,200 charter schools provides instruction in English, mathematics, history, science, and other core competencies to provide students with the skills they will need upon graduation to either enter the workforce or pursue higher education.

The upward revision of General Fund revenues has resulted in significant increases in the Proposition 98 Guarantee. Proposition 98 funding for K-12 schools and community colleges for 2021-22 is \$85.8 billion. This represents an increased investment of \$14.9 billion in schools and community colleges above the level funded in the 2020 Budget Act, and the highest level of funding for K-14 schools ever. When combined with a one-time supplemental allocation of \$2.3 billion and the benefit of CalSTRS and CalPERS rates (\$1.1 billion), the state funding available to schools increases to \$89.2 billion.

ADDRESSING IMMEDIATE NEEDS TO REOPEN SCHOOLS SAFELY

Since March 2020, as a result of the COVID-19 Pandemic, a majority of the state's school-age children have not had access to in-person instruction. These conditions are affecting children's learning, health, and social-emotional well-being. Additionally, a November 2020 report from the federal Centers for Disease Control and Prevention

reported that nationally the proportion of mental health–related visits (to hospital emergency departments) for children aged 5–11 years and adolescents aged 12–17 years increased by approximately 24 percent and 31 percent, respectively, compared with those in 2019.

The 2020 Budget Act included significant investments of more than \$6.7 billion to enable schools to mitigate COVID-19 Pandemic impacts on students, and provided schools with guidance and resources to maximize safe in-person services to students. The Administration continues to respond to the needs of the state's public education system in real time, recognizing that impacts of the pandemic on student learning and mental health continue. As part of these efforts, the Administration is working with the Legislature to take early action that will provide resources to address some of the most pressing needs of schools and students so that additional resources will be available for in-person learning in the 2020-21 school year.

IN-PERSON INSTRUCTION GRANTS

COVID-19 Pandemic-related disruptions to student learning and support services are best mitigated by providing students with access to in-person instruction. This is most important for students with other barriers to distance learning, especially those with disabilities, those struggling with behavioral health issues, and the state's youngest learners. It is the expectation of the Administration that as many of these students as possible have the option to receive in-person instruction in the 2020-21 school year, subject to public health directives, and that all students have access to in-person instruction in 2021-22.

To that end, the Budget includes \$2 billion one-time Proposition 98 General Fund available beginning in February 2021, to augment resources for schools to offer in-person instruction safely. This funding will be available on a per-pupil basis for all county schools, school districts, and charter schools (with the exception of non-classroom based charters schools and independent study programs) that are open for in-person instruction by specified dates. For schools that continue offering or begin offering in-person instruction for at least all TK-2nd grade students, all students with disabilities, youth in foster care, homeless youth, and students without access to technology or high-speed Internet by February 16, and all 3rd-6th grade students by March 15, base grant amounts will be \$450, increasing to more than \$700 per pupil for schools with a high enrollment of low-income students, youth in foster care, and English language learners. Schools with later start dates will qualify for a proportionally lower base grant, except those in counties with high rates of community spread. Schools in

counties with high rates of community spread will be eligible for the full February grant amount if they open for in-person instruction pursuant to state and local health guidance once their rates of community spread sufficiently decline. Funds may be used for any purpose that supports in-person instruction, including:

- Enhancing and expanding COVID-19 testing
- Purchasing personal protective equipment
- Improving ventilation and the safety of indoor or outdoor learning spaces
- Teacher or classified staff salaries for those providing and supporting in-person instruction
- Social and mental health support services provided in conjunction with in-person instruction

As a condition of receiving grant funds, schools will be required to complete a COVID-19 School Safety Plan in compliance with state Department of Public Health and occupational health safety requirements, and will be required to adopt and implement a plan for COVID-19 surveillance testing for staff and students that aligns with state public health guidance.

EXPANDED LEARNING TIME AND ACADEMIC INTERVENTIONS GRANTS

K-12 students have had significant educational disruptions related to the COVID-19 Pandemic school closures. Although the state has allocated significant additional funding to schools, including \$4.4 billion from the Coronavirus Relief Funds allocated to the state. These funds have helped districts distribute computers and mobile hot spots and support to improve on-line instruction. Nevertheless, the pandemic and distance learning poses challenges to student achievement and well-being, especially for the youngest students, students in special education, and students in jeopardy of not completing graduation requirements.

To address learning loss due to the pandemic, the Administration proposes to allocate \$4.6 billion in one-time Proposition 98 General Fund for early action by the Legislature. This will provide districts with time to design targeted interventions that focus on students from low-income families, English language learners, youth in foster care, and homeless youth, including an extended school year or summer school. These funds will be eligible for targeted strategies that address learning loss related to the pandemic, including community learning hubs.

FEDERAL COVID-19 RELIEF FUNDS

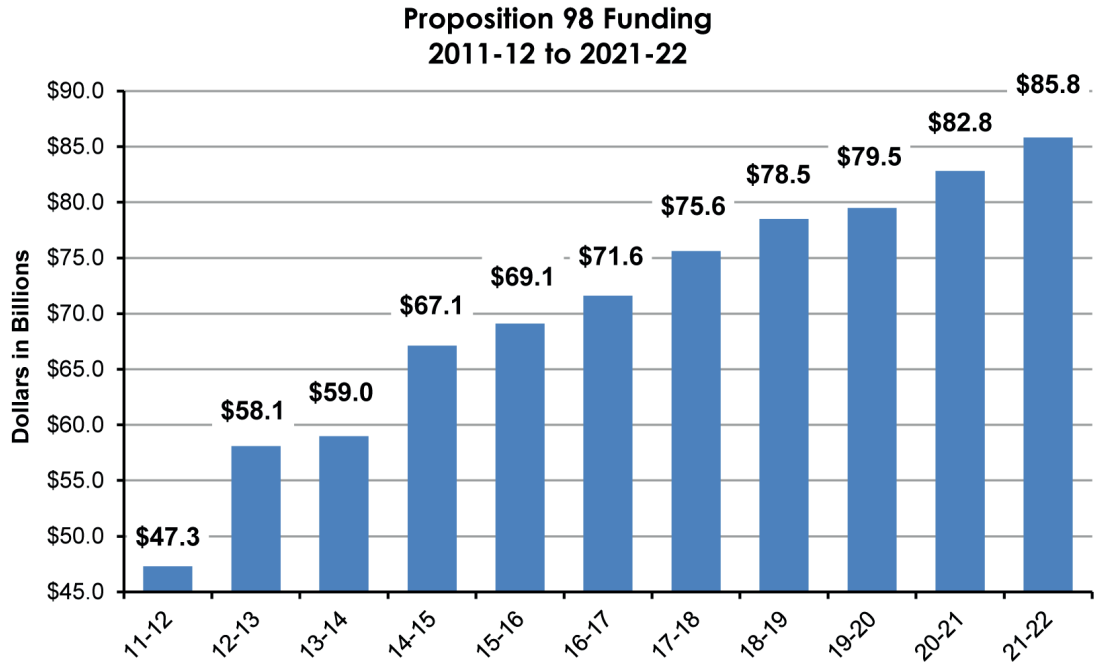
The recent federal COVID-19 relief bill provides \$54.3 billion Elementary and Secondary Schools Emergency Relief Fund (ESSER) for public K-12 schools and \$4 billion Governor's Emergency Education Relief Fund (GEER) for both public and private pre-kindergarten through higher education institutions. Based on prior allocations, California could receive more than \$6 billion ESSER (of which 90 percent would go directly to Title I schools) and \$400 million GEER. These resources will assist schools in reopening and remaining open for in-person instruction and addressing the immediate needs of students.

PROPOSITION 98

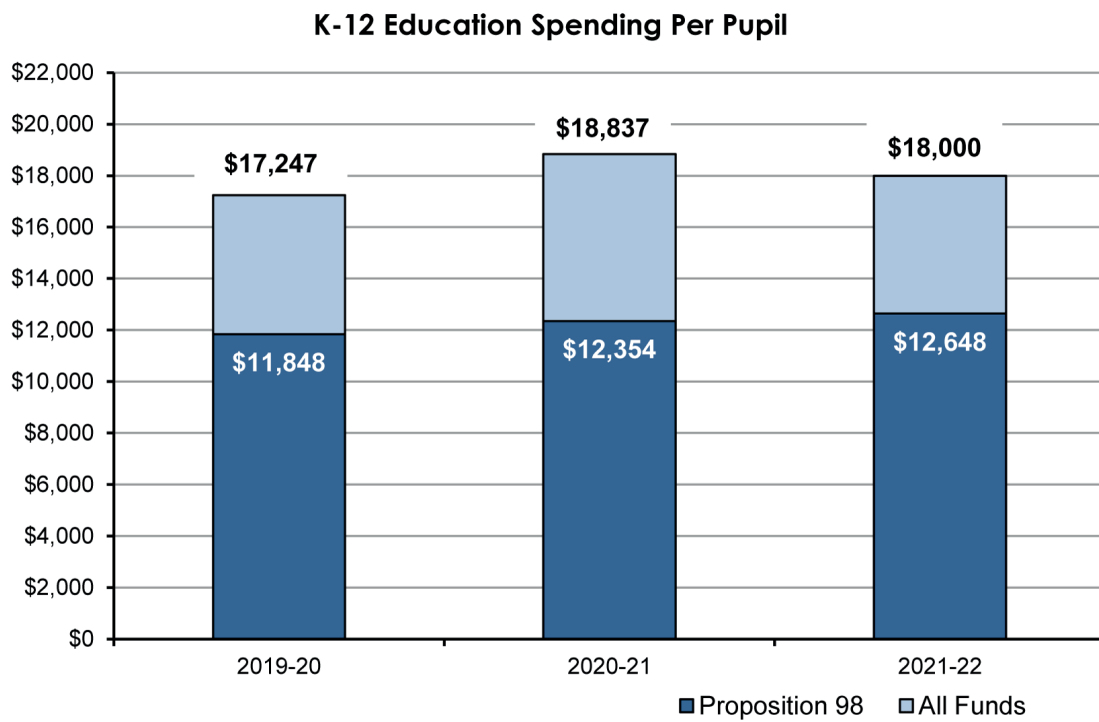
The annual funding level for K-12 schools and community colleges is determined by the Proposition 98 formula, a constitutional initiative approved by California voters in 1988 that guarantees K-12 schools and community colleges a minimum level of funding from state and local property taxes. Proposition 98 is designed to increase education funding each year by either: (1) funding K-14 education at its 1986-87 proportion of General Fund (known as Test 1), (2) applying growth in average daily attendance (ADA) and growth in per capita personal income to the prior year Proposition 98 funding level (known as Test 2), or (3) applying growth in ADA and growth in per capita General Fund to the prior year Proposition 98 funding level (known as Test 3). Largely due to projected increases in revenues and year-over-year declines in ADA, Test 1 is projected to be operative for all fiscal years 2019-20 through 2021-22.

Proposition 98 funding for K-12 schools and community colleges for 2021-22 is \$85.8 billion, the highest level of funding for K-14 schools ever (Proposition 98 Funding). This represents an increase of \$14.9 billion over the 2020-21 level funded in the 2020 Budget Act. The Proposition 98 funding levels for the 2019-20 and 2020-21 fiscal years increased from 2020 Budget Act levels by \$1.9 billion and \$11.9 billion, respectively, due almost exclusively to increased General Fund revenues in all fiscal years.

Reflecting the changes to Proposition 98 funding levels noted above, total K-12 per-pupil expenditures from all sources are projected to be \$18,837 in 2020-21 and \$18,000 in 2021-22—the highest levels ever (K-12 Education Spending Per Pupil). The decrease between 2020-21 and 2021-22 reflects the significant allocation of one-time federal funds in 2020-21. Ongoing K-12 per-pupil expenditures of Proposition 98 funds



are \$12,648 in 2021-22, an increase of \$1,994 per pupil over the level provided in the 2020 Budget Act.



LOCAL CONTROL FUNDING FORMULA (LCFF)

The Administration is committed to funding public schools through the LCFF to support all students, with greater support for students from low-income families, English language learners, and youth in foster care. The formula responds to research and practical experience that indicates that these students often require supplemental services and support to be successful in school. The formula includes the following major components:

- A base grant for each local educational agency per unit of ADA, including an adjustment of 10.4 percent to the base grant to support reducing class sizes in grades K-3, and an adjustment of 2.6 percent to reflect the cost of operating career technical education programs in high schools.
- A 20-percent supplemental grant for English learners, students from low-income families, and youth in foster care to reflect increased costs associated with educating those students.
- An additional concentration grant of up to 22.5 percent of a local educational agency's base grant, based on the number of English learners, students from low-income families, and youth in foster care served by the local educational agency that comprise more than 55 percent of enrollment.

The county office of education formula includes: (1) a base grant for each county office of education per unit of ADA to support instruction of students who attend community schools and juvenile court schools, and (2) unrestricted funding, inclusive of the resources necessary for administrative and technical support of local educational agencies in developing and approving local accountability plans based on the ADA of all students in the county.

Due to a significant reduction in available revenues, the 2020 Budget Act did not provide a statutory cost-of-living adjustment for the LCFF in 2020-21. To make up for this, the Budget funds the LCFF in 2021-22 with both the 2020-21 cost-of-living adjustment (2.31 percent) and the 2021-22 cost-of-living adjustment (1.5 percent), creating a compounded combined cost-of-living adjustment of 3.84 percent, and increasing ongoing LCFF funding by \$2 billion Proposition 98 General Fund, when adjusted for declining ADA. This increase brings total LCFF funding to \$64.5 billion, and funds all local educational agencies at their full LCFF target level.

PUBLIC SCHOOL SYSTEM STABILIZATION ACCOUNT

Proposition 2, enacted by voters in 2014, established the Public School System Stabilization Account, also referred to as the Proposition 98 Rainy Day Fund, within the Proposition 98 Guarantee as a mechanism to lessen the impact of volatile state revenues on K-14 schools. A deposit is made into the Account in a fiscal year when all of the following conditions are met:

- State General Fund revenues from capital gains exceed 8 percent of total revenues;
- Proposition 98 Test 1 is operative;
- Proposition 98 maintenance factor obligations created prior to 2014-15 have been paid;
- The Proposition 98 required minimum funding level is not suspended; and
- The Proposition 98 funding level is greater than the prior year's funding level less any deposits into the Account, adjusted for attendance growth and inflation.

The Budget projects that deposits into the Account are required in 2020-21 and 2021-22. Pursuant to Proposition 2, the amount deposited into the Account is the difference between the Test 1 funding level and the prior year funding level adjusted for growth and inflation, but not more than the amount of capital gains revenues in excess of 8 percent of total revenues. This results in required deposits of \$747 million in 2020-21 and \$2.2 billion in 2021-22, for a projected Account balance of \$3 billion.

Under current law, there is a cap of 10 percent on school district reserves in fiscal years immediately succeeding those in which the balance in the Account is equal to or greater than 3 percent of the total K-12 share of the Proposition 98 Guarantee (approximately \$2.3 billion). The balance of \$3 billion in 2021-22 triggers school district reserve caps beginning in 2022-23.

DEFERRALS

Pandemic-driven revenue reductions anticipated at the 2020 Budget Act created the need to defer LCFF apportionments, in the amounts of \$1.9 billion in 2019-20, growing to more than \$11 billion in 2020-21. The Budget pays off the full K-12 deferral in 2019-20 and \$7.3 billion of the K-12 deferral in 2020-21, leaving an ongoing K-12 deferral balance of \$3.7 billion in 2021-22. At this new lower level, local educational agencies will experience only a few weeks of delay in receiving apportionment in 2021-22 (as

opposed to ten-months of delay in 2020-21), as it will only impact their June 2022 apportionment, which will be delayed into July 2022.

ADDITIONAL FUNDING FOR K-14 EDUCATION

The Budget reflects \$3.4 billion in non-Proposition 98 General Fund for K-14 education. In addition, K-14 schools are expected to receive billions of additional federal funds from the recently approved federal COVID-19 relief bill.

SUPPLEMENTAL PAYMENT

The 2020 Budget Act included a multi-year plan to supplement Proposition 98 and mitigate projected declines due to revenue reductions. Specifically, the 2020 Budget Act projected that the Proposition 98 funding levels in 2019-20 and 2020-21 would drop below the target funding level (Test 2), by a total of approximately \$12.4 billion. To accelerate the recovery from this anticipated funding reduction, the 2020 Budget Act included annual supplemental appropriations above the constitutionally required Proposition 98 funding level, beginning in 2021-22, in an amount equal to one and one-half percent of General Fund revenues per year, up to \$12.4 billion. The 2020 Budget Act also proposed to increase K-14 schools' share of the General Fund from approximately 38 percent of the General Fund in Test 1 years to 40 percent of General Fund.

Instead of a \$12.4 billion drop in Proposition 98 funding in 2019-20 and 2020-21, the Budget now projects a decline of \$511 million and the Guarantee is now at a level that, under previous projections, would have taken years to reach. As a result, the Budget proposes to remove the supplemental payment from statute. However, in recognition of the extraordinary needs of students and the public school system related to the COVID-19 Pandemic, the Budget includes a one-time supplementary payment to K-14 schools of \$2.3 billion in 2021-22.

CALPERS/CALSTRS CONTRIBUTIONS

The 2019 Budget Act included \$850 million one-time General Fund to buy down local educational agency employer contribution rates for the California State Teachers' Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) in 2019-20 and 2020-21, as well as \$2.3 billion one-time General Fund to pay down the employers' share of long-term unfunded liability. To provide local educational agencies with increased fiscal relief, the 2020 Budget redirected the \$2.3 billion General Fund paid to CalSTRS and CalPERS towards long-term unfunded liabilities to instead

further reduce employer contribution rates in 2020-21 and 2021-22. For 2021-22, CalSTRS will apply \$820 million to reduce the employer rate from 18.1 percent to approximately 15.92 percent, and CalPERS will apply \$330 million to reduce the Schools Pool employer contribution rate from 24.9 percent to 23 percent.

OTHER POLICY ISSUES

AVERAGE DAILY ATTENDANCE (ADA) COLLECTION

The 2020 Budget Act included several policies designed to support funding stability for local educational agencies given the COVID-19 Pandemic. These policies included:

- An ADA hold-harmless for 2020-21 apportionment calculation.
- Requirements for distance learning supports for students with exceptional needs, English language learner students, youth in foster care, youth experiencing homelessness, and students in need of mental health supports.
- Requirements for minimum daily interaction with students in distance learning.
- Requirements for documenting student participation and engagement, and for creating and implementing tiered re-engagement strategies for students who do not participate.

Building on lessons learned from the 2020-21 school year, the Budget establishes new expectations for local educational agencies in how they serve students and how the state funds them. Specifically:

- The Budget assumes that in-person instruction is the default mode of instruction in 2021-22. In specific circumstances, and as a result of health and safety concerns, there may continue to be a need to offer alternative models of instruction for some students. The Administration is committed to working with the Legislature and stakeholders throughout the spring on the frameworks for out-of-classroom instruction, including the independent study program, to support more efficient and effective models of instruction, and allow local educational agencies to use well-designed models of instruction if in-person instruction is suspended temporarily for health and safety reasons in 2021-22 and beyond.
- The Budget does not include a new ADA hold harmless in 2021-22. However, because of the ADA hold harmless provided in the 2020 Budget Act, local educational agencies that experience enrollment declines in 2021-22 will retain the

ability to receive apportionment based on the higher of their 2019-20 or 2020-21 ADA, pursuant to the existing hold harmless provisions included in LCFF statute.

FISCAL ACCOUNTABILITY

As previously discussed, a critical component of the LCFF is the additional funding provided to local educational agencies through supplemental and concentration grants. The Administration remains focused on equity and ensuring that funds are allocated to support services for those students with the greatest need. The 2020 Budget Act provided funding for initiatives to increase transparency around local educational agencies' use of these funds, through the creation of an online local control and accountability plan (LCAP) portal and co-location of school accountability documents on a single website. These resources are currently under development and will complement recent changes to the LCAP template that provide additional information on the actual expenditure of supplemental and concentration grant funds.

To build on this work, the Budget includes statutory changes to address concerns that some local educational agencies allocate funds for increased and improved services and then leave them unspent, reallocating them for other purposes in future years. This statutory language requires that, once established, a local educational agency's responsibility to increase and improve services continues until fulfilled, and increases the specificity required of county offices of education in their review of local educational agencies' LCAPs.

ADULTS IN CHARTER SCHOOLS

State law does not allow charter schools to receive state apportionment funding for students above 19 years of age, unless a student has been continuously enrolled and is making satisfactory progress towards a high school diploma, or the charter school provides instruction exclusively in partnership with a specified state or federal job-training program. However, there is inconsistency in how some charter schools interpret the phrase "exclusively in partnership with" a state or federal job-training program. This has resulted in tens of millions of dollars in LCFF funding, at a rate that is increasing every year, being allocated for adult students in charter school programs that do not align with the intent of the existing statute. The Budget clarifies the existing law, eliminates any uncertainty, and provides the Department of Education with the authority to collect information from charter schools that receive funding for adult students and validate their compliance with the governing statutes. The proposal would preserve existing programs funded in 2019-20 after a review of the program.

ADDRESSING EQUITY

INVESTING IN EDUCATORS

The demands on teachers, administrators, and classified staff during the COVID-19 Pandemic have been intense and unprecedented. These essential workers have balanced the challenges of developing and delivering curriculum in a distance learning or hybrid context, providing intensive and targeted in-person instruction in small groups for those students most disadvantaged by distance learning, and addressing the acute needs of students and families experiencing elevated levels of stress and economic insecurity. Educators will continue to contend with a wide range of challenges as students return to campus. Additionally, in some cases the pandemic has accelerated retirements, reduced the number of prospective teachers, and otherwise led to changes exacerbating existing educator shortages.

The Administration is committed to providing educators with the tools they need, both in the short term and long term, to successfully meet the needs of students. The Budget includes a comprehensive \$315.3 million package for educator professional development, with emphases on developing quality training in high-need areas and providing timely access to training, specifically:

- \$250 million one-time Proposition 98 General Fund for the Educator Effectiveness Block Grant to provide local educational agencies with resources to expedite professional development for teachers, administrators, and other in-person staff, in high-need areas including accelerated learning, re-engaging students, restorative practices, and implicit bias training.
- \$50 million one-time Proposition 98 General Fund to create statewide resources and provide targeted professional development on social-emotional learning and trauma-informed practices (also referenced in the Student Health and Well-Being section below).
- \$8.3 million one-time Proposition 98 General Fund for the California Early Math Initiative to provide teachers with professional development in mathematics teaching strategies for young children pre-K through third grade through the statewide system of support.
- \$7 million one-time non-Proposition 98 General Fund to the University of California Subject Matter Projects to create high-quality professional development

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on learning loss in core subject matter content areas like reading and math, and in ethnic studies (also referenced in the Higher Education Chapter).

- \$5 million one-time Proposition 98 General Fund to fund professional development and instructional materials for local educational agencies who are offering, or would like to offer, courses on ethnic studies.

The Administration is also committed to increasing the number of well-prepared teachers in the public school system. A well-prepared educator workforce is a significant factor in improving student achievement and in closing the achievement gap. This is especially true post-pandemic, as students deal with the long-term academic impacts of COVID-19. Current teacher shortages, further exacerbated by retirements and teachers leaving the profession due to the pandemic, require efforts to strengthen the teacher pipeline. The Budget includes \$225 million to improve the state's teacher pipeline, specifically:

- \$100 million one-time non-Proposition 98 General Fund for continued investment in the Golden State Teacher Grant Program, which provides grants to students enrolled in teacher preparation programs who commit to working in high-need fields and at schools with high rates of under-prepared teachers (also referenced in the Higher Education Chapter).
- \$100 million one-time Proposition 98 General Fund to expand the Teacher Residency Program, which supports clinical teacher preparation programs dedicated to preparing and retaining teachers in high-need communities and subject areas, including special education, bilingual education, and STEM.
- \$25 million one-time Proposition 98 General Fund to expand the Classified School Employees Credentialing Program, which provides grants to local educational agencies to recruit non-certificated school employees to become certificated classroom teachers.

Additionally, the Budget creates new pathways for prospective teachers to establish basic skills and subject matter competency, through coursework and upgrades to existing examinations.

FREE APPLICATION FOR FEDERAL STUDENT AID (FAFSA)

Historical data from the California Student Aid Commission indicate that underrepresented students are less likely to complete the FAFSA, thereby causing many

Pell grant-eligible students to forego available state and federal financial aid funding. Recent data trends indicated that FAFSA filings among underrepresented student populations have decreased this year.

To address these concerns, the Budget requires local educational agencies to confirm that all high school seniors complete a FAFSA or California Dream Act Application beginning in the 2021-22 academic year.

SPECIAL EDUCATION

Nationwide, local educational agencies are required by federal law to provide appropriate and comprehensive educational programs for students with disabilities, from ages 3 through 22. However, federal funding for support services for these students does not reflect the rising cost of special education services. Congress has set a goal of 40 percent for the federal share of costs of special education services, but averages only about 10 percent of costs in California. Additionally, the federal government provides the state with only a fraction of the funding necessary to support mandated services for preschool-age children with disabilities. Recognizing the federal funding deficiencies, the state significantly augments federal funding to local educational agencies for special education services, providing approximately \$3.9 billion in 2020-21, compared to the federal allocation of \$1.4 billion.

It is a priority of the Administration to improve local educational agencies' ability to effectively support students with disabilities. The achievement gap is most pronounced for children with disabilities. Many of California's children with disabilities are also English learners, come from low-income families, and/or are served by the foster care system, compounding equity challenges that have been exacerbated by the COVID-19 Pandemic. While investments described earlier in this section will provide local educational agencies with critical resources to address the acute needs of students with disabilities in the near term, the Administration remains dedicated to continuing to build out systemic supports to close the achievement gap of students with disabilities. Over the last two years, the Administration has worked with the Legislature to augment special education funding by more than \$1.5 billion, including adding \$545 million ongoing Proposition 98 General Fund to the special education base funding formula. These investments were targeted to effective strategies to address the complex needs of students with disabilities and their educators, including:

- Providing additional resources to local educational agencies for direct services for students,

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- Investing in educators' professional development and expanding the educator pipeline,
- Expanding and improving supportive services for students and families, and
- Investing in improved collaboration and coordination among state and local agencies.

The Budget builds on these strategies by further investing in early interventions, which research suggests provide the best outcomes for students and long-term savings for local educational agencies, and improving the ability of local educational agencies to draw down federal funds for medical interventions. Specifically, the Budget provides:

- \$300 million ongoing Proposition 98 General Fund for the Special Education Early Intervention Grant to increase the availability of evidence-based services for infants, toddlers, and preschoolers.
- \$5 million one-time Proposition 98 General Fund to establish professional learning networks to increase local educational agency capacity to access federal Medi-Cal funds, and \$250,000 for a lead county office of education to provide guidance for Medi-Cal billing within the statewide system of support. The Administration will continue to evaluate the need for additional resources to support local educational agencies in accessing Medi-Cal reimbursement.
- \$500,000 one-time Proposition 98 General Fund for a study to examine certification and oversight of non-public school special education placements.

STUDENT HEALTH AND WELL-BEING

Conditions associated with poverty, including food insecurity, housing and employment instability, and inadequate health care, create substantial and compounding barriers to learning. These barriers have been further exacerbated by the COVID-19 Pandemic, which has increased economic challenges, particularly for low-income families. Approximately 3.7 million students, or 60 percent of the K-12 student population, are from socioeconomically disadvantaged households.

In order to stem the long-term effects of the pandemic, the Budget includes the following investments aimed at equipping schools and educators with the resources necessary to effectively partner with other governmental entities in addressing the overall well-being of the children they serve.

COMMUNITY SCHOOLS

Community school programs can help to mitigate the educational disadvantages associated with poverty and improve students' attendance, behavior, and achievement by making schools a hub for community resources. These programs offer a unique model to more efficiently and effectively provide integrated educational, health, and mental health services to students with a wide range of needs. Currently, some county offices of education and school districts support community school initiatives that offer coordinated access to a range of community services, on- or off-campus, including before and after school care.

The 2020 Budget Act included \$45 million in federal funds to county offices of education to support existing community school programs. The Budget builds on this investment with an additional \$264.9 million one-time Proposition 98 General Fund to enable local educational agencies to expand existing networks of community schools and establish new community schools, and to coordinate a wide range of services to these schools, with priority given to schools in high-poverty communities. This funding will be available to develop new and expand existing models of community schools.

STUDENT MENTAL HEALTH

Isolation and uncertainty caused by the COVID-19 Pandemic have impacted children as well as adults. Preliminary data suggest that depression and anxiety may have increased in children during the pandemic. These issues are complex and require the collaborative work of many across several state and local agencies.

To support children and families with behavioral health challenges and promote wellness on school campuses, the Budget includes several initiatives to increase services to children and improve coordination between county behavioral health departments and public school systems. As discussed in the Health and Human Services Chapter, the Budget provides \$400 million one-time in a mix of federal funds and General Fund, available over multiple years, for the Department of Health Care Services to implement an incentive program through Medi-Cal Managed Care Plans, administered by county behavioral health departments and schools. This innovative effort would build infrastructure, partnerships, and statewide capacity to increase the number of students receiving preventive and early intervention behavioral health services from schools, providers in schools, or school-based health centers.

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The Budget also includes an additional \$25 million one-time Mental Health Services Fund, available over multiple years, to expand the Mental Health Student Services Act Partnership Grant Program, which funds partnerships between county behavioral health department and schools. Priority for the grants will be given to high-poverty and rural schools, with funds supporting suicide and drop-out prevention services, outreach to high-risk youth, and other strategies that respond to the mental health needs of students.

The Budget provides \$25 million ongoing Proposition 98 General Fund to fund innovative partnerships with county behavioral health to support student mental health services. This funding would be provided to local educational agencies to match funding in county Mental Health Services Act spending plans dedicated to the mental health needs of students.

SCHOOL CLIMATE SURVEYS

To support widespread access and use of school climate surveys, the Budget includes \$10 million one-time Proposition 98 General Fund for a county office of education to:

- Make information available on valid, reliable, and appropriate school climate surveys for purposes of helping local educational agencies better assess community needs stemming from the COVID-19 Pandemic and distance learning, including surveys for students, families, and educators.
- Provide grants to local educational agencies to implement enhanced survey instruments and support start-up costs associated with conducting annual school climate surveys.
- Provide training for local educational agencies on interpreting data and using responses collected to inform continuous improvement efforts.

EARLY LEARNING

Since 2019, the state has invested approximately \$400 million ongoing to expand early education and child care. The COVID-19 Pandemic has disrupted the child care system and federal funding has been critical to reducing long-term losses in this system. The Budget focuses on avoiding further loss in this system and builds on the recommendations made in the Master Plan for Early Learning and Care.

As discussed in the Health and Human Services Chapter, the Master Plan for Early Learning and Care was released on December 1, 2020, and provides recommendations and a multi-year plan for transforming the state's child care and early education systems. Specific to pre-kindergarten education programs, the Master Plan's recommendations include:

- Promoting school readiness by providing access to transitional kindergarten (TK) for all four-year-olds and to public preschool for all income-eligible three-year-olds, in full-inclusion settings;
- Improving quality of care by increasing access to full-day, full-year preschool programs, and enhancing educator competencies and providing affordable and accessible pathways for workforce advancement;
- Supporting equity by eliminating bias through practices and training, with specific focus on children with disabilities and dual language learners; and
- Expanding early learning and care infrastructure.

The Budget begins the implementation of the Master Plan by expanding access to TK. TK is the first year of a two-year kindergarten program, and is available to all children who turn five on or between September 2 and December 2 of each calendar year. Additionally, at their own discretion, many local educational agencies currently offer TK to children who turn five after December 2. These local educational agencies do not receive state funding for these students until they turn five.

To encourage more local educational agencies to offer TK to younger children (thereby expanding access to publicly-funded preschool), the Budget includes \$250 million one-time Proposition 98 General Fund, available over multiple years, to provide grants to local educational agencies that offer early access to TK, to help them cover up-front costs associated with expanding their TK programs. Additionally, to increase the number of highly qualified teachers available to serve TK students, the Budget includes \$50 million one-time Proposition 98 General Fund to support the preparation of TK teachers and provide both TK and kindergarten teachers with training in providing instruction in inclusive classrooms, support for English language learners, social-emotional learning, trauma-informed practices, restorative practices, and mitigating implicit biases.

Access to appropriate facilities is also essential to expanding access to TK, as well as full-day early education programming. The state has made significant recent investments in the development of kindergarten facilities, with the goal of moving more

programs from part-day to full-day to improve educational outcomes for children and to better accommodate working parents. The 2018 Budget Act included a total of \$100 million one-time General Fund for eligible school districts to construct new, or retrofit existing, facilities for full-day kindergarten programs. Building upon this investment, and consistent with the goal of converting existing part-day kindergarten programs to full-day programs, the Budget includes \$200 million one-time General Fund for school districts to construct and retrofit existing facilities to support TK and full-day kindergarten programs.

CRADLE-TO-CAREER DATA SYSTEM

California is developing a comprehensive longitudinal data system—the infrastructure that enables policymakers, practitioners, and the public to understand how individuals use state programs to move along a path to achievement. Accordingly, the state established the California Cradle-to-Career Data System Act in 2019 to guide the planning for, and development of, a longitudinal data system.

Since enactment, over a dozen state agencies, numerous data experts, and a wide range of stakeholders have engaged in an intensive and collaborative planning process involving over 50 public meetings. The process resulted in consensus regarding a series of concrete plans and proposals to connect information from early education providers, K-12 schools, higher education institutions, employers, other workforce entities, and health and human services agencies.

Learning lessons from other states and leveraging advances in technology, California's data system will lead the nation in multiple ways. First, the system will incorporate design principles that promote “futureproofing” to the greatest extent possible, avoiding challenges associated with outdated technical infrastructure. Second, the system will reflect a “whole child” approach to serving Californians from cradle to career, incorporating data from education-adjacent programs and institutions such as health and human services. Third, the system will focus not only on what can be learned from integrated data, such as insights about obstacles facing students transitioning from K-12 to postsecondary institutions, but also on what can be done with integrated data, such as developing tools for students and families to navigate those same institutions.

The COVID-19 Pandemic has underscored the importance of implementing the state's vision for the Cradle-to-Career Data System. Preliminary evidence on the adverse mental health impacts of the pandemic—and corresponding solutions—can be informed by actual data linked between educational and health systems. Furthermore,

as the state accelerates its economic recovery, the data system can support tools that empower students and families to plan for and pursue careers.

To support the continued development of the Cradle-to-Career Data System, the Budget provides \$15 million General Fund, of which \$3 million is one-time, to establish an office within the Government Operations Agency to provide support and resources for:

- The acquisition, development, and maintenance of the system's analytical tools, including data storage and querying functions;
- The administration and maintenance of the data system;
- Updating the K-12 California Longitudinal Pupil Achievement Data System (CalPADS) data system software to facilitate smoother system compatibility;
- Expanding eTranscript functionality to additional colleges and universities;
- The hiring of management level data system coordinators at the University of California, California State University, California Student Aid Commission, and California Community Colleges Chancellor's Office; and
- Governance and operational costs.

Additionally, the Budget provides \$3.8 million ongoing Proposition 98 General Fund to support the California Career Guidance Initiative (CCGI). CCGI provides an interface for student data between high schools, students, and families that will be integrated into the Cradle-to-Career Data System.

SCHOOL FACILITIES

The Kindergarten through Community College Public Education Facilities Bond Act of 2016 (Proposition 51)—approved by voters in November 2016—authorized \$7 billion in state General Obligation bonds to support K-12 school facilities construction. These funds support new construction, modernization, retrofitting, career technical education, and charter school facility projects. The Budget continues to allocate \$1.5 billion Proposition 51 bond funds to support school construction projects, which is more than double the amount allocated in 2018-19.

OTHER K-12 BUDGET ADJUSTMENTS

Other significant adjustments include:

- **Local Property Tax Adjustments**—An increase of \$54.1 million ongoing Proposition 98 General Fund for school districts and county offices of education in 2020-21 as a result of decreased offsetting property tax revenues, and a decrease of \$1.2 billion ongoing Proposition 98 General Fund for school districts and county offices of education in 2021-22 as a result of increased offsetting property taxes.
- **Cost-of-Living Adjustments**—An increase of \$85.7 million ongoing Proposition 98 General Fund to reflect a 1.5-percent cost-of-living adjustment for categorical programs that remain outside of the Local Control Funding Formula, including Special Education, Child Nutrition, State Preschool, Youth in Foster Care, Mandates Block Grant, Adults in Correctional Facilities Program, American Indian Education Centers, and the American Indian Early Childhood Education Program.
- **County Offices of Education**—An increase of \$10.2 million ongoing Proposition 98 General Fund to reflect a 1.5-percent cost-of-living adjustment and ADA changes applicable to the LCFF.
- **Instructional Quality Commission**—An increase of \$206,000 one-time non-Proposition 98 General Fund for the Instructional Quality Commission to continue its work on the development of model curriculum and frameworks.