

It was a lengthy, drawn out process to get to the Enacted Budget for 2021–22. The major details of the K–12 part of the Budget are summarized here.

Deferrals

The 2021–22 Enacted State Budget includes the pay down of all remaining deferrals. In addition, it includes the accelerated repayment of the February–May 2021 deferrals. When the deferrals were implemented, they were to be repaid from September to November 2021. The Enacted Budget instead repays the deferrals in August 2021.

COLA and ADA

The Enacted Budget includes a compounded and mega cost-of-living adjustment (COLA). Local educational agencies (LEAs) will receive a “credit” for the 2020–21 COLA of 2.31% and will add to that the statutory 2021–22 COLA of 1.70%—to arrive at the compounded COLA of 4.05%. For the Local Control Funding Formula (LCFF), an additional 1.00% is added, which results in an LCFF COLA of 5.07% for 2021–22—the mega COLA.

Average daily attendance (ADA) is expected to continue declining with the latest figures estimating an almost 2% drop in enrollment from 2020–21.

LCFF

The LCFF is receiving its first augmentation since its inception in 2013–14 with the concentration grant funding add-on increasing from 50% to 65%. The threshold for receiving the concentration grant funding add-on is unchanged at 55%. The additional concentration grant funds are provided to increase the number of staff that provide direct services to pupils.

Unemployment Insurance

The unemployment insurance rate was scheduled to increase to 1.23% in 2021–22 from 0.05%, an in-

crease of nearly 2500%. Assembly Bill 138 instead sets the rate at 0.5% in 2021–22 and 2022–23.

Special Education

The special education base funding formula—commonly referred to as AB 602—receives a significant increase in ongoing funding. The vast majority of Special Education Local Plan Areas (SELPA) are funded on the state rate, which increases from \$625 in 2020–21 to \$715 per ADA in 2021–22. For those SELPA that are funded on their historic rate, they will receive the compounded COLA of 4.05%.

Additionally, LEAs will also receive three new pots of funding for students with disabilities. The state is providing ongoing funding for the Special Education Early Intervention Grants, which provide funds to districts based on the pupil count of first graders with disabilities (estimated at \$5,900 per pupil). There are also funds to address learning recovery for students with disabilities (\$450 million one time) and disputes between LEAs and parents of students with disabilities (\$100 million one time). Those funds are sent to SELPA based on identified pupil with disability counts.

Universal TK and Pre-K

The Enacted Budget develops a timeline to achieve universal access to transitional kindergarten (TK) for all four-year-olds by 2025–26. To accomplish this, TK eligibility will be expanded by two months each school year, beginning with the 2022–23 school year. Additionally, the Budget adopts a new classroom ratio of 12 students per adult in 2022–23, and then lowers it to 10 students per adult in 2023–24 and beyond, if funding is available to cover the cost of the lower ratio. Importantly, the Budget extends the deadline for TK teachers to obtain their additional credentials to August 1, 2023.

To help LEAs prepare for the expansion of TK and pre-K programs, the budget provides \$490 million in one-time funding to help build new or renovate existing pre-K, TK, or kindergarten facilities. The pro-

gram augments the previous Full-Day Kindergarten Facilities Grant Program administered by the State Allocation Board, and, unless exempted, requires local matching funds. Grants cannot be used to purchase or install portable classrooms.

The Enacted Budget also provides \$300 million for the California Prekindergarten Planning and Implementation, \$200 million of which will be used to pay for costs associated with operating a California State Preschool or TK program—including costs for staffing, recruitment, hiring, training, professional development, materials and supplies, and strengthening partnerships with other pre-K providers to meet student and community needs. LEAs will receive base grants based on their share of the 2019–20 kindergarten enrollment and supplemental grants based on its 2019–20 kindergarten enrollment multiplied by their percentage of unduplicated students. The remaining \$100 million will be awarded on a competitive basis for the purpose of increasing the number of qualified state preschool, TK, and kindergarten teachers in California.

Community Schools

The Enacted Budget invests over \$2.8 billion in one-time Proposition 98 funding for the California Community Schools Partnership Program to create new and expand existing community schools, with grants awarded on a competitive basis to qualifying entities.

Child Nutrition

The Enacted Budget includes \$150 million in one-time funding to increase access to school meals. Of the one-time funds, \$120 million will be used for kitchen infrastructure improvements—each LEA will receive a base allocation of \$25,000. The remaining funds will be provided to LEAs with at least 50% students eligible for free or reduced-price meals. The other \$30 million is intended for training school cafeteria staff. Funding is based on the number of classified employees in the LEA, with a minimum allocation of \$2,000.

Beginning in 2022–23, LEAs will be required to provide two free school meals during each school day to any student who requests a meal, regardless of the student’s eligibility for federally funded free or reduced-price meals. To support these efforts, the Governor includes \$650 million in ongoing funding for reimbursement beginning in 2022–23 to ensure all students have access to free breakfast and lunch at school.

CTEIG

After being flat funded since 2018–19, when the Career Technical Education Incentive Grant (CTEIG) was turned into a continuously funded program, the grant was doubled in the Enacted Budget. Starting with 2021–22, CTEIG funding is now \$300 million annually.

Expanded Learning Program

A new investment included in the Enacted Budget is \$1.75 billion for expanded learning in elementary schools. As a condition of receiving funds, LEAs must provide before and after school care that, when added to the instructional minutes for the school day, total nine hours. In addition, 30 days of nine-hour expanded learning days must be offered during school breaks. In 2021–22, the expanded learning must be offered to all unduplicated students in grades K–6 and must be provided to at least half of those students. In 2022–23, the additional services must be offered to all K–6 students and provided to all who request it. For districts with an unduplicated pupil percentage (UPP) greater than 80%, \$1,170 per student will be distributed based on the proportion of unduplicated students in K–6. For all other districts, remaining funds will be distributed on a per-student basis for the proportion of unduplicated students in K–6. LEAs that serve K–6 students will receive a minimum of \$50,000.

ASES

One-time federal funds are invested in the After School Education and Safety (ASES) program. The per-pupil daily rate increases to \$10.18. In addition, \$2.0 million is set aside for ASES programs operating in rural school districts, and \$118.1 million is used to expand access to summer learning programs in 2021–22 and 2022–23.

A–G Completion Improvement Grant

The Governor provides one-time funds of \$547.5 million for the A–G Completion Improvement Grant Program to help LEAs increase the number of high school students who graduate with A–G eligibility. Of that, \$300 million will be allocated to LEAs that had less than a 67% A–G Completion Rate (“A–G Access Grants”). For those LEAs that had a rate of 67% or higher A–G Completion Rate, \$100 million will be allocated (“A–G Success Grants”). The remaining \$147.5 million will be allocated to LEAs for students who received a failing grade of “D” or “F” or fail an A–G approved course (“A–G Learning Loss Mitigation Grants”).

Educator investments

The 2021–22 State Budget recognizes the severe teacher shortage, acute LEA employee training needs, and the importance of employee retention by investing in professional learning, incentivizing teacher mentors, and providing additional options for teacher candidates to meet credentialing requirements. In addition to other investments, some of the funding appropriated for these purposes are an investment in teacher mentors in the amount of \$600 million through the Teacher Residency Grant Program and the National Board for Professional Teaching Standards Incentive Program, and \$1.5 billion for targeted professional learning allocated through the Educator Effectiveness Block Grant.

POCKET BUDGET 2021–22

A Summary Analysis of the 2021–22 Enacted State Budget for California’s Schools

Prepared By:



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*Public Education's Point of Reference
for Making Educated Decisions*

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