

NOVEMBER 30, 2021

Overview of Recent State and Federal Funding for Schools

PRESENTED TO:

Assembly Committee on Education
Hon. Patrick O'Donnell, Chair

Assembly Budget Subcommittee No.2 on Education Finance
Hon. Kevin McCarty, Chair



LEGISLATIVE ANALYST'S OFFICE

Major Spending for Schools in 2021-22 Budget Act

Budget Includes \$30.5 Billion in New K-12 Proposition 98 Spending

(In Millions)	
Ongoing	
Local Control Funding Formula	\$4,367
Expanded Learning Opportunities Program	1,753 ^a
Special education	397
Other	1,048
Subtotal	<u>(\$7,565)</u>
One Time	
Deferral paydowns	\$11,042
COVID-19-related actions	5,258
Community schools	3,002
Education workforce	2,567
Curriculum and instruction	120
Other	950
Subtotal	<u>(\$22,939)</u>
Total	\$30,504

^a Of the total, \$753 million is one-time 2020-21 Proposition 98 funding.
COVID-19 = coronavirus disease 2019.



Major Spending for Schools in 2021-22 Budget Act

(Continued)

Budget Also Includes \$22.3 Billion One-Time Federal Relief Funding

(In Millions)

Program	Description	Amount
Grants to schools^a	Provides \$19.6 billion directly to schools for broad array of activities, including those related to COVID-19. Also includes \$302 million to support students with disabilities and \$99 million for homeless students.	\$20,002
Instruction and expanded learning grants	Covers a portion of costs associated with In-Person Instruction and Expanded Learning Opportunities Grants, adopted in Chapter 10 of 2021 (AB 86, Committee on Budget).	2,015
Expanded learning	Provides temporary rate and slot increases for the After School Education and Safety Program and 21st Century Community Learning Centers.	301
State operations	Funds California Department of Education to allocate and monitor federal COVID-19 relief funding.	15
Total		\$22,334

^a Includes funding provided directly to public K-12 schools from CRRSAA and ARPA. Excludes federal funds from the CARES Act, which were allocated in the 2020-21 budget.

Note: Reflects federal funding included in the 2021-22 budget package and mid-year appropriations made during 2020-21.

COVID-19 = coronavirus disease 2019; CRRSAA = Coronavirus Response and Relief Supplemental Appropriations Act; ARPA = American Rescue Plan Act; and CARES = Coronavirus Aid, Relief, and Economic Security.



LAO Fiscal Outlook for Schools and Community Colleges

Estimate State Required to Allocate \$10.2 Billion in Additional One-Time Funding

- Minimum guarantee is up \$1.8 billion in 2020-21 and \$8.9 billion in 2021-22, for total of \$10.8 billion.
- Program costs down \$101 million.
- Proposition 98 Reserve deposit is up \$640 million.

In 2022-23, Estimate \$9.5 Billion Available for New Commitments

- Project minimum guarantee will increase \$11.6 billion compared with 2021-22 enacted spending level.
- Estimate state must spend \$2.1 billion to cover cost of existing commitments, including 5.35 percent cost-of-living adjustment.

