

## **Preview of the Governor's May Revision**

**May 12, 2021** - Universal transitional kindergarten, community schools, and expanded learning opportunities were at the forefront of Governor Gavin Newsom's announcements today relating to the May Revision. The full details and Trailer Bill Language will be released Friday.

Following an introduction from Monterey County Superintendent of Schools, Dr. Deneen Guss, Governor Newsom highlighted the overall theme of his expansive K-12 spending plan: A focus on the whole child via multi-year, equity-driven proposals.

At the conclusion of this update, we highlight additional aspects of the May Revision, including virtual options for next year.

### **Fiscal outlook**

These May Revision proposals are possible due to tremendous growth in the Proposition 98 minimum guarantee, totaling \$17.7 billion across the three-year budget period, which comes *in addition* to the Governor's January budget projections. With mandatory Proposition 98 reserve deposits falling short of expectations (just \$2 billion more than in January), most of this surplus will be available for one-time spending proposals. The governor rounds out his student wellness agenda with additional funding from the state's general fund, bringing the total package to approximately \$20 billion.

A notably large number of proposals, however, are multi-year plans. It is unclear if all proposals are funded in the 2021-22 budget.

Proposition 98 in 2021-22 will reach \$93.7 billion, an increase of nearly \$8 billion since January's estimate.

### **Universal transitional kindergarten (TK) beginning in 2022-23**

To ensure more students enter school ready to learn, the Governor announced a plan to ramp up access to TK over the course of three years. By 2024-25, the ongoing investment will total \$2.7 billion annually (non-Proposition 98). Students would be offered a minimum of 3 hours per day. The TK student-teacher ratio would be cut in half, to 12-to-1.

### **\$3 billion for community school expansion to "break down silos"**

The governor builds (multiplies!) upon his January investment in community schools (\$265 million), increasing the funding to community schools and wrap-around service to \$3 billion over multiple years. These LEA grants would, in the administration's estimate, create 1,400 community school programs across the state that will focus on mental health, high quality educators, and after school care.

### **\$4 billion for student wellness services**

The governor announced an investment to address youth behavioral health for every Californian, from children through age 25. This would include school-based counselors, direct treatment for mental health interventions, and universal screening for all children. (The governor did not state the source of this funding.)

### **Expansion of before and after school education**

AB 86 (2021) established \$4.6 billion in one-time funding for expanded learning opportunities. The May Revision expands upon those opportunities with comprehensive afterschool and summer school resources. These resources will allow parents to have full-day educational opportunities for their children.

Starting at \$1 billion and building to \$5 billion (ongoing) in 2025-26, this proposal would allow any school that receives concentration grant funding to implement before and after school and summer school programs for all students at those LEAs. The funding would double for TK and Kindergarten students to ensure appropriate staffing ratios. The administration estimates this investment would impact 2.1 million students at full implementation.

### **\$3.3 billion for teacher preparedness, residency programs, loans, and recruitment**

Likewise, recognizing the need to improve the teacher training pipeline, the Governor proposes to increase his \$500 million January proposals, for teacher training and retention, to \$3.3 billion over a multi-year period.

### **Amending the LCFF calculation to decrease student-teacher ratios**

To increase the number of adults working with children in schools, the May Revision proposes \$1.1 billion (ongoing) to augment the concentration grant funding going to schools. The grant amount would increase, from 50% to 65% atop other LCFF funding, resources that must be used to decrease the adult-to-student ratio. Recipient LEAs must report in their LCAP how they will decrease adult to child ratio by increasing positions, such as classified staff, counselors, teachers, paraeducators, and nurses.

### **\$2.6 billion for accelerated learning through “high-dose tutoring”**

The governor cited the need to offer “science-based” interventions to close the equity gaps exacerbated over the past year. This is a one-time proposal using federal ESSER and GEER funds.

### **Child savings accounts for 3.7 million children**

The governor enthusiastically announced the creation of 3.7 million 529 child savings accounts to help break the cycle of poverty. Using non-Proposition 98 funds (likely drawing on the state’s federal ARPA funds), these accounts would be provided to all unduplicated pupils.

Seed deposits of \$500 per child would grow by an additional \$500 for foster youth and homeless youth.

### **Virtual option for schools in the fall**

When asked about in-person instruction, Newsom reiterated his “belief that schools should be fully reopened in the fall” and cited the expiration of SB 98’s distance learning provisions. Separately from this press conference, administration officials have stated that independent study may be used by LEAs to offer a virtual option. Additional reforms to independent study law are expected in the trailer bill language being released this Friday.

### **Additional details on the May Revision**

- **Deferrals.** \$1.1 billion reduction in the remaining deferral, bringing remainder to \$2.6 billion.
- **Cost of living adjustment.** Increase for 2021-22, plus an additional state contribution of 1%, bringing the compounded COLA to 5.07%. The compounded COLA will apply to special education, but not necessarily to other programs.
- **Proposition 98 supplemental payment.** Proposed for elimination, both for 2021-22 and ongoing.
- **School meals.** \$150 million increase to the state’s reimbursement rate for any school participation in federal universal meal provision.
- **Pensions.** No proposed buy-down of school employer pension obligations.