

NOVEMBER 30, 2021

# Overview of Recent State and Federal Funding for Schools

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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

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

(In Millions)	
<b>Ongoing</b>	
Local Control Funding Formula	\$4,367
Expanded Learning Opportunities Program	1,753 <sup>a</sup>
Special education	397
Other	1,048
Subtotal	<u>(\$7,565)</u>
<b>One Time</b>	
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>
<b>Total</b>	<b>\$30,504</b>

<sup>a</sup> 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
<b>Grants to schools<sup>a</sup></b>	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
<b>Instruction and expanded learning grants</b>	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
<b>Expanded learning</b>	Provides temporary rate and slot increases for the After School Education and Safety Program and 21st Century Community Learning Centers.	301
<b>State operations</b>	Funds California Department of Education to allocate and monitor federal COVID-19 relief funding.	15
<b>Total</b>		<b>\$22,334</b>

<sup>a</sup> 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

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## **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.

