

Governor's Proposals for the 2021-22 State Budget and K-12 Education

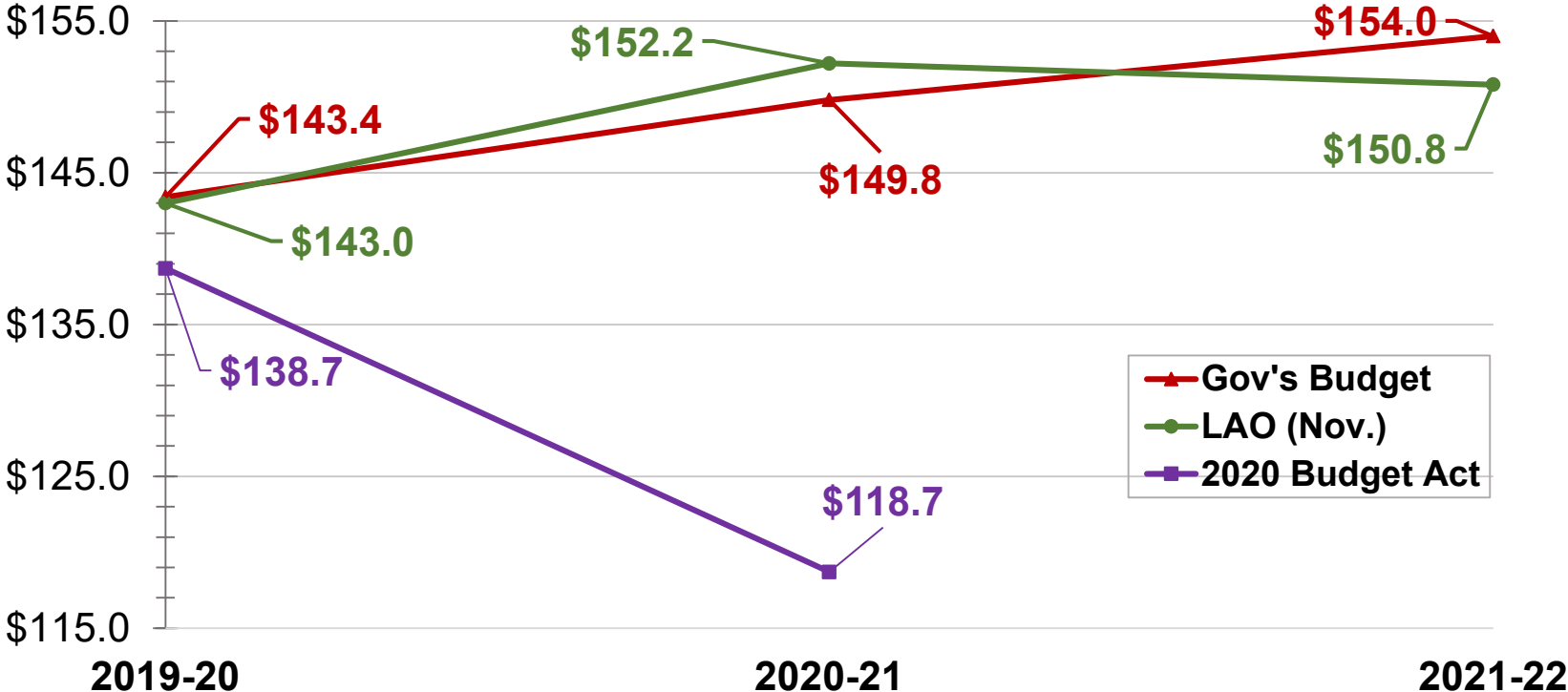
Western Placer Unified School District
Board of Trustees - February 2, 2021

Initial Thoughts

- Dramatic turnaround for state General Fund (GF) revenues, but mixed bag for schools
- Governor Newsom responding to COVID-19 pandemic and recall threat – includes relief for low-income workers and some small businesses, and controversial school reopening plan
- Already some skepticism from Legislature on reopening plan, but Democratic leaders will likely avoid taking actions that encourage recall effort
- Program to provide expanded learning time and academic interventions (including an extended school year or summer school) is welcome, but details not yet available
- No early action to eliminate current year K-12 apportionment deferrals or relief in PERS and STRS costs
- Governor proposes one-time, \$2.3 billion supplemental payment to Prop 98 in 2021-22, but wants to repeal statutory requirement for future supplemental payments

State General Fund Revenues

Excluding transfers and federal funds
(Dollars in billions)



Major K-12 Proposals – Overview

- \$2 billion for in-person instruction grants (immediate action)
- \$4.6 billion for expanded instructional time (early action)
- \$7.3 billion to pay down most deferrals in 2021-22
- \$2.2 billion for 3.84% combined/compounded COLA for LCFF and 1.5% COLA for other programs
- \$725 million (state and federal) for various programs related to student wellness and mental health
- \$540 million for training and support for the educator workforce
- \$500 million for training, support and expansion related to TK, Kindergarten and childcare
- \$300 million for Special Education Early Intervention Grant
- \$15 million (\$12 ongoing, \$3 one-time) for Cradle-to-Career Data System

SSC Financial Projection Dartboard

LCFF PLANNING FACTORS					
Factor	2020-21	2021-22	2022-23	2023-24	2024-25
DOF Estimated Statutory COLA	2.31%	1.50%	2.98%	3.05%	N/A
DOF Estimated Funded COLA	0.00%	3.84%*	2.98%	3.05%	N/A
SSC Estimated Statutory COLA	0.00%	3.84%*	1.28%	1.61%	1.90%

*Calculated by compounding the unfunded COLA of 2.31% from 2020-21 and the estimated statutory COLA of 1.50% in 2021-22

COLA—What a Difference a Year Makes

- The pandemic did not have the draconian financial impacts projected in June 2020, but LEAs still have not been made whole
 - The zero COLA in 2020–21 has likely fallen into a black hole as a one-time loss for LCFF, and an ongoing loss for other categorical programs
 - The Governor's Budget proposes a 3.84% compounded COLA for 2021–22

Comparison of Statutory and Funded COLA 2020–21 and 2021–22

	2020–21	2021–22	Applied to
Statutory COLA	2.31%	1.50%	<ul style="list-style-type: none"> • 3.84% applied to LCFF - ONLY • 1.50% applied to special education and other categorical programs (e.g., MBG)
Funded COLA	0.00	3.84%	

Stand-Alone Categorical Programs (Specific to WPUSD)

Proposed for Ongoing Funding (no COLA)

- After School Education & Safety Program
- Agricultural Education Incentive Program

Proposed for Ongoing Funding (1.15% COLA)

- Child Nutrition
- Mandate Block Grant
- Special Education
 - Effects of COLA for WPUSD – \$78,000

Updated Public Health Guidance for Reopening K–12 Schools

REQUIREMENTS FOR SCHOOLS ALREADY REOPENED (WPUSD)

- Complete and post a Covid-19 Safety Plan (CSP) by February 1, 2021
- Not required to close if the county moves to the Purple Tier or goes over a case rate of 25 per 100,000
- This guidance replaces the Elementary Education Waiver that allowed a local health officer to grant a waiver to school applicants for grades K–6 if specific criteria were satisfied
 - All waivers approved prior to this date remain valid

CRITERIA TO REOPEN FOR IN-PERSON INSTRUCTION

- Located in a county in the Red, Orange, or Yellow Tiers
 - Complete and post a CSP at least seven days prior to reopening for in-person instruction
- K–6 schools in the Purple Tier may reopen if they post and submit their CSP to the local health officer and do not get any feedback for corrections within five days
 - K–6 schools in counties in Purple Tier with a case rate over 25 per 100,000 may not reopen for in-person instruction
- Schools may not reopen for grades 7–12 if the county is in the Purple Tier
 - Must be in the Red Tier for five consecutive days before the school may reopen

December Federal COVID-19 Relief

- Most recent federal COVID-19 stimulus package includes \$81.9 billion for education, including:
 - \$54.3 billion in ESSER II (compared to \$13.2 billion for ESSER under CARES Act)
 - \$4.1 billion in GEER II (compared to \$3 billion for GEER under CARES Act)
- Elementary and Secondary School Emergency Relief Fund (ESSER II)
 - State estimated to receive \$6.7 billion in federal ESSER II funding
 - Funding can be used to cover same purposes as ESSER funding
 - Additional uses include learning loss, facilities and indoor air quality
 - New reporting requirements at state and local level around how funds were used to address learning loss
- Deadline to spend prior Coronavirus Relief Fund (CRF) dollars extended
 - Originally required to be expended by December 30, 2020, now deadline extended to 12/31/21
- **Effect of Allocation to WPUUSD – \$2.3 M of ESSER Funding (2nd Allocation)**

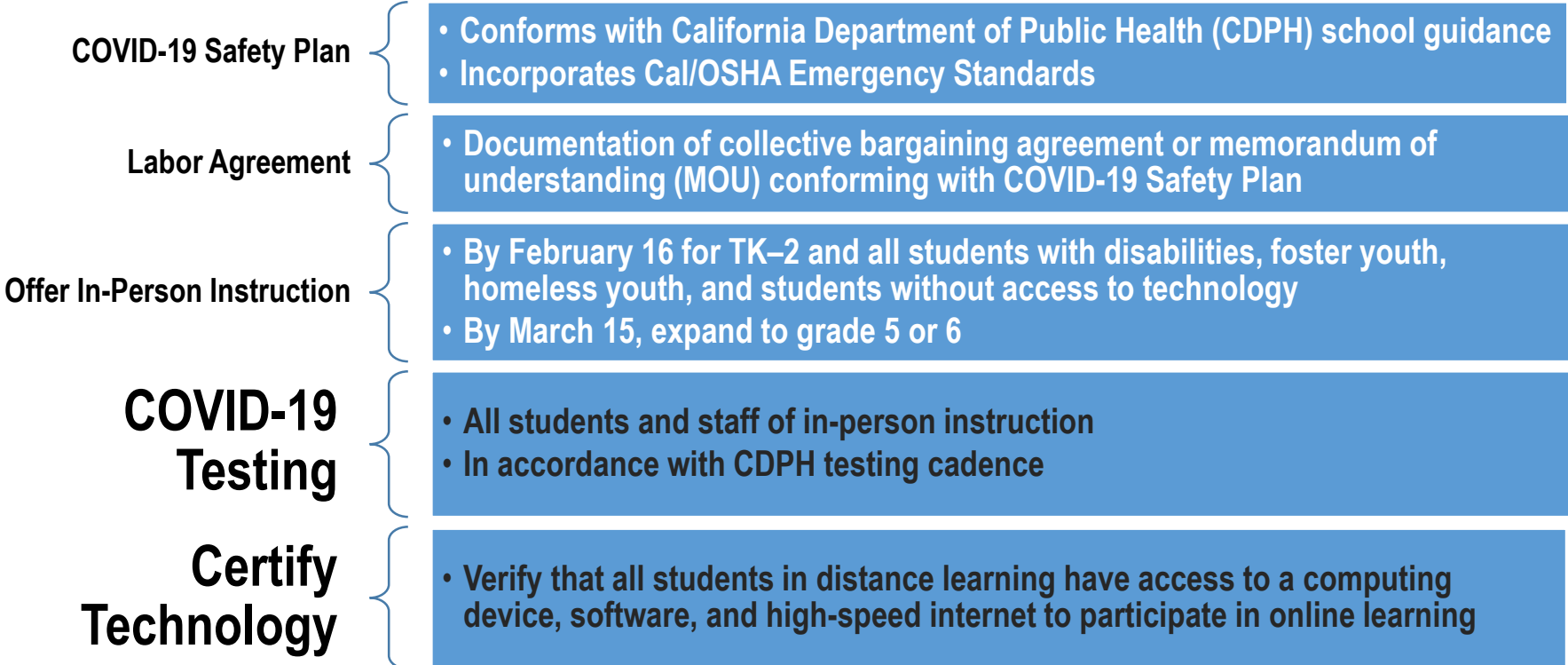
Safe Schools for All - Funding for Reopening Schools

- Governor Newsom is calling for swift and early action by lawmakers to appropriate at least \$2 billion in one-time Proposition 98 funds to aid in the safe reopening and operation of in-person instruction for K–12 students
 - Base Grants = \$450/per ADA (February reopening)
= \$337.50/per ADA (March reopening)
 - Specific grant details and requirement not yet available

Potential Estimated Grant Award to WPUSD – \$3.2 M in Funding (if WPUSD applies for Grant)

Safe Schools for All—What It Is and What’s Required

● The Safe Schools for All proposal establishes a grant program to incentivize LEAs to reopen school for in-person instruction, inclusive of hybrid models

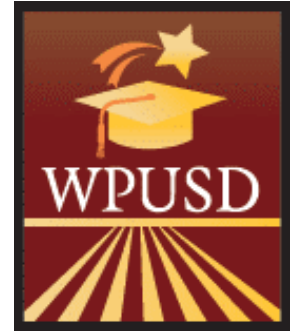


Extended Learning Time and Academic Intervention Grants

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- Proposal to make up for lost instructional time through targeted grants, particularly for low-income students, foster youth, English learners, and homeless youth
- At \$4.6 billion, the largest proposed one-time investment in K-12
- No concrete proposal, but would require “early” Legislative action
- Expenditures intended for extended school year, summer school, community learning hubs, and other evidence-based targeted approaches to learning loss mitigation
- No application required.
- Requires addendum to 2021-22 LCAP of how funds will be used (board approved 6/1/21)
- **Estimated Grant Award to WPUUSD – \$4.5 M of Grant Funding**

What's Next



- State Level
 - January through May:
 - Budget subcommittees review
 - LAO issues detailed review of Governor's plan – expect support for spending restraint and slightly higher revenue forecast
 - Governor's May Revision on or before May 15th
 - On-time budget by June 15th
- District level
 - Second Interim Report – March 2021
 - 2021-22 New Student Registration, Enrollment and Staffing Projections – January & February 2021
 - District Attendance Reporting Period (P-2) – April 2021 Actual P-2 ADA calculated but not submitted to State due to State Hold Harmless
 - Governor's May Revision Presentation– May 2021
 - 2021-22 Budget Adoption and LCAP Approval –By June 30, 2021