

---

## HIGHLIGHTS OF KEY PROVISIONS IN THE 2019-20 BUDGET IMPACTING PRESCHOOL THROUGH GRADE 12 AND ADULT EDUCATION

---

For questions or comments, contact Martha Alvarez, ACSA Legislative Advocate, at [malvarez@acsa.org](mailto:malvarez@acsa.org)

After close to two weeks of negotiations between legislative leaders and the Newsom administration, the Budget Conference Committee approved the 2019-20 budget on Sunday, June 9. Over the coming days, the main budget bill will become available for public review, and the Legislature will have until June 15 to meet the constitutional deadline of approving a state budget for the fiscal year that begins July 1.

Left unresolved is whether legislators will approve Gov. Newsom's \$1.7 billion plan to align state tax law with federal tax changes enacted by the Trump administration in December 2017. These revenues are intended to pay for an augmentation to California's Earned Income Tax Credit benefitting low-income families.

Below are key appropriations affecting preschool through 12<sup>th</sup> grade and adult education.

- **Proposition 98 Funding Level:** For the 2019-20 fiscal year, the Proposition 98 minimum guarantee is estimated to be \$81.1 billion, an increase of \$2.7 billion from the 2018 Budget Act.
- **Proposition 98 Reserve:** Approved the first deposit of \$389 million in Proposition 98 funds into the Public School System Stabilization Account established by voters in 2014 via Proposition 2.
- **Local Control Funding Formula (LCFF):** Despite commitments by both legislative houses to augment the statutory cost-of-living-adjustment (COLA) for LCFF, the compromise adopts the May Revision funding level for a cost of \$1.9 billion to apply a 3.26% COLA to LCFF. The agreement does *not* include the adoption of trailer bill language to establish new LCFF aspirational targets commencing with 2020-21, as proposed by AB 39 (Muratsuchi).
- **Pension Relief for CalSTRS and CalPERS Employer Contributions:** The final agreement includes a one-time buydown for both pension systems by adopting the May Revision's proposed \$3.15 billion in one-time General Funds and redirecting a portion of these funds to address CalPERS unfunded liabilities as well. While there are no details yet on the actual percentage reduction for school employers over the next two years, these one-time appropriations include the following:
  - \$2.25 billion in one-time General Funds to reduce CalSTRS long-term liabilities:
    - \$356 million to reduce employer contribution rates in 2019-20
    - \$250 million to reduce employer contribution rates in 2020-21
    - \$1.64 billion to reduce the school employer share of the CalSTRS unfunded liability
  - \$904 million in one-time General Funds to reduce CalPERS school long-term liabilities:
    - \$144 million to reduce the CalPERS school pool contribution rates in 2019-20
    - \$100 million to reduce the CalPERS school pool contribution rates in 2020-21
    - \$660 million to reduce the CalPERS school pool unfunded liability
- **After School Education and Safety (ASES) Program:** Appropriated \$50 million in ongoing Proposition 98 funding for the ASES program to increase the reimbursement rate for participating LEAs.

- **Special Education Funding:** In one of the most significant negotiations this year, the final compromise includes augmentations for special education programs, the first such changes in decades. The Legislature prevailed in finding a more equitable distribution of funds by rejecting the Governor's January proposal. Instead, the agreement includes \$152.6 million in ongoing Proposition 98 funds to bring all LEAs to a statewide base rate on special education and \$493.2 million in ongoing Proposition 98 funds for grants to LEAs serving 3- and 4-year-olds with an Individual Education Plan (IEP). The Legislature intends to adopt trailer bill language to make ongoing funding contingent upon the passage of legislation in 2020-21 to reform the special education system to improve outcomes for students. Additional details will become available in the coming days on the statewide base rate amount and the eligibility criteria for these grants.
- **Kindergarten Facilities:** Approved \$300 million in one-time General Funds for kindergarten facilities to incentivize the conversion of half-day classrooms into full-day kindergarten programs. The language clarifies funds will not impact a grant recipient's future eligibility in the School Facilities Program and sets the state's share of the facility grants at 75 percent.
- **Mental Health:** For the first time since the passage of Proposition 63 in 2004, the Legislature has reconfirmed its commitment to expand mental health services to public education youth. While these new investments will not go directly to LEAs, the compromise includes \$10 million in ongoing and \$40 million in one-time Proposition 63 funds for school mental health competitive grants for partnerships between county mental or behavioral health departments and LEAs. In addition to these grants, the budget agreement includes \$15 million in one-time Proposition 63 funds for establishing local centers to provide integrated youth mental health services.
- **Career Technical Education:** Despite attempts by the Assembly to redirect \$150 million to the CTE Incentive Grant Program, the compromise kept the funding within the existing K-14 Strong Workforce Program adopted in the 2018 Budget Act, which is administered by the Community College Chancellor's Office. The California Department of Education will continue to administer the existing \$150 million per year CTE Incentive Grant Program.
- **Adult Education Program:** Provides a 3.26 percent COLA for the Adult Education Program.
- **Professional Development for Administrators:** The final agreement includes the May Revision's proposed \$13.8 million in federal funds for the 21<sup>st</sup> Century California School Leadership Academy. These funds will be available for competitive grants for educational non-profits and institutions of higher education that have the expertise in providing professional development in various areas.
- **Professional Development for Teachers and Paraprofessional:** Approved \$38 million total in one-time General Funds for capacity building efforts for educators and paraprofessionals. Of this amount, \$10 million will be for English Learner Roadmap-related professional development, \$5 million for special education-related professional development, and the remainder funding for other areas, including ethnic studies. These funds will *not* go directly to LEAs.
- **Golden State Teacher Grant Program:** Approved \$89.8 million in one-time General Funds to recruit new teachers to commit to teaching at a school with high percentage of teachers holding emergency-type permits.