

2023-24 ENACTED BUDGET SUMMARY

After months of negotiations the Legislature delivered the 2023-24 budget package to Gov. Newsom, who is expected to sign the budget bill and nearly two dozen budget trailer bills in the coming days. The governor retains “line item veto” authority to strike language, but the key components for TK-12 education are not anticipated to change.

EDUCATION FUNDING OVERVIEW

PROPOSITION 98

Total education spending in the budget reaches \$108.3 billion.

LOCAL CONTROL FUNDING FORMULA (LCFF)

The budget fully funds the statutory 8.22 percent cost of living adjustment (COLA) for LCFF, using \$1.7 billion in one-time funds to achieve full funding.

PROGRAMS OUTSIDE OF THE LCFF

The full 8.22 percent COLA is also provided for programs outside of LCFF including special education, adult education, state preschool, and the mandates block grant, among others.

RAINY DAY FUND

The budget makes a \$892 million deposit in the reserve account, bringing the total to \$10.8 billion.

BLOCK GRANTS

Reduces the block grant allocations made in the 2022 Budget Act as follows:

- Learning Recovery Emergency Block Grant is reduced by \$1.6 billion from \$7.9 billion to \$6.3 billion.
- Arts, Music, and Instructional Materials Discretionary Block Grant is reduced by \$200 million from \$3.48 billion to \$3.28 billion.

LCFF EQUITY MULTIPLIER

The budget creates an “equity multiplier” to support students with high level needs, providing \$300 million to districts with school sites that have a “non-stability rate” of greater than 25 percent and have at least 70 percent socio-economically disadvantaged students.

The terms that are used to establish eligibility for the equity multiplier are new to school funding. The “non-stability rate” refers to the percentage of students who did not complete a “full year” of learning in one school due to truancy, expulsion, or other unknown reasons. “Socio-economically disadvantaged” is defined as students who are one of the following: low-income, migratory, foster, homeless, neither parent has a high school diploma, or enrolled in a county juvenile school.

ACCOUNTABILITY

The budget makes a number of changes to the state's accountability system, including:

- Requiring districts and school sites that have student subgroups in the lowest performing indicator on the California School Dashboard to provide specific actions to address these student groups.
- Requiring an LEA who receives equity multiplier funds to provide focused goals.
- Requiring a mid-year progress update on the local control and accountability plan at a public school board meeting on or before February 28.
- Referring LEAs that fail to submit CALPADS data on time to Differentiated Assistance and applicable for a Williams visit.
- Establishing equity leads in the statewide system of support.

COUNTY OFFICES OF EDUCATION (COE)

The budget provides \$80 million to increase funding to COEs to support those operating county courts and/or community schools. Additionally, allows COEs to utilize the same three-year rolling average policy that school districts were granted last year, for purposes of computing average daily attendance, which will soften the impact of attendance declines. Finally, to reflect the increased workload of differentiated assistance, the budget increases COE base rates from \$200k to \$300k.

TRANSITIONAL KINDERGARTEN

The budget makes a number of changes to transitional kindergarten:

- Requires transitional kindergarten classrooms to maintain a 1:10 adult-to-student ratio beginning in 2025-26, removing the guarantee that the lower ratio will be funded and instead stating legislative intent to appropriate funds to support the lower staffing ratio.
- Extends the deadline for credentialed teachers to earn 24 units, or its equivalent by two years, to August 1, 2025.
- Allows LEAs to enroll children whose fourth birthday falls between June 2 and September 1 to enroll in TK, if the classrooms meet a 1:10 adult-to-student ratio; class sizes remain below 20 students; and to the extent possible, and teachers have earned 24 units or its equivalent. The budget imposes fiscal penalties if these requirements are not met for TK classrooms that include the early enrollment children.
- Prohibits the State Board of Education from granting waivers to any requirements of Transitional Kindergarten.

SPECIAL EDUCATION

- Extends the moratorium on the creation of new single-district Special Education Local Plan Areas (SELPAs) by two years to June 30, 2026.
- Limits the amount of funding SELPAs are allowed to retain for non-direct student services for the 2023-24 fiscal year.

READING INTERVENTION

The budget includes a new requirement that will begin in the 2025-26 school year, requiring K-2 grade students to be screened annually for reading difficulties, including dyslexia, using a state approved instrument. A panel of experts appointed by the State Board of Education will determine which instruments are appropriate.

PRESCHOOL

The budget includes \$56 million to reimburse childcare providers for waived or reduced family fees. The budget also reforms the family fee structure beginning October 1, 2023.

EXPANDED LEARNING OPPORTUNITIES PROGRAM (ELO PROGRAM)

Maintains full funding of the ELO program. Requires the Department of Education, in consultation with the Department of Social Services (DSS), to establish a process and a timeline by which LEAs that have contracted with a third-party provider to operate their ELO Program to submit program information to the DSS. In addition, grants LEAs an additional year to spend allocations from 21-22 and 22-23.

NUTRITION

Increases funding to fully cover the cost of universal meals for a total of \$1.6 billion.

LITERACY

Provides \$250 million to expand the Literacy Coaches and Reading Specialists Grant Program.

EDUCATOR WORKFORCE

The budget makes several investments and policy changes to support educator workforce efforts including:

- Enabling military spouses of servicemembers assigned to California to be granted a comparable credential by the Commission on Teacher Credentialing.
- Providing \$20 million for the Bilingual Teacher Professional Development Grant.
- Establishing the Diverse Education Leaders Pipeline Initiative and allocating \$10 million to award \$30,000 per administrator candidate for LEAs to recruit and retain diverse administrators.
- Expanding the Golden State Teacher Grant Program to include teachers working in preschool programs.

SCHOOL FACILITIES

The budget allocates approximately \$4.2 billion over the next two years for TK-12 facilities, maintaining the governor's proposal to reduce the prior budget year allocation by \$100 million. The \$550 million formerly committed to the Preschool, Transitional Kindergarten, and Full Day Kindergarten Facility Grant program is delayed until 2024-25.

Additional facilities actions include:

- Allocating \$15 million in commercial dishwasher grants, to help with the increased workload associated with scratch meal preparation.
- Reducing funding to the Air Resources Board to support zero-emission school bus grants from \$1.1 billion to \$375 million.
- Reducing funding to the California Energy Commission to support zero-emission vehicle infrastructure grants from \$375 million to \$125 million.

PROPOSITION 28

The budget provides \$928 million to fund arts and music education, per the requirements of the initiative passed in November 2022. The budget makes only minor and technical changes to the initiative, clarifying the waiver is submitted by the LEA instead of each school site and defining a preschool pupil to mean a student in a preschool program aged 3 to 5.

CHARTER SCHOOLS

Grants charter schools whose petitions expire between January 1, 2024 and June 30, 2027 a one-year extension. Adds one year to the moratorium on new nonclassroom-based charter (NCB) schools and requires the Legislative Analyst and the Fiscal Crisis and Management Assistance Team to study and provide recommendations on NCB charter school's funding model.

OPIOIDS

Provides \$3.5 million to fund a stock of overdose reversal medications on middle, high, and adult school campuses. Distribution will be coordinated by COEs.

DISPUTED EMPLOYEE OVERPAYMENT

Changes how LEAs may recoup overpayments to employees, requiring the LEA to obtain a court order or a binding arbitration decision validating the claimed overpayment amount, unless there is a collectively bargained agreement in place. It also makes various changes to the cadence by when payment can be recouped and the method for notifying the employee of the overpayment.