

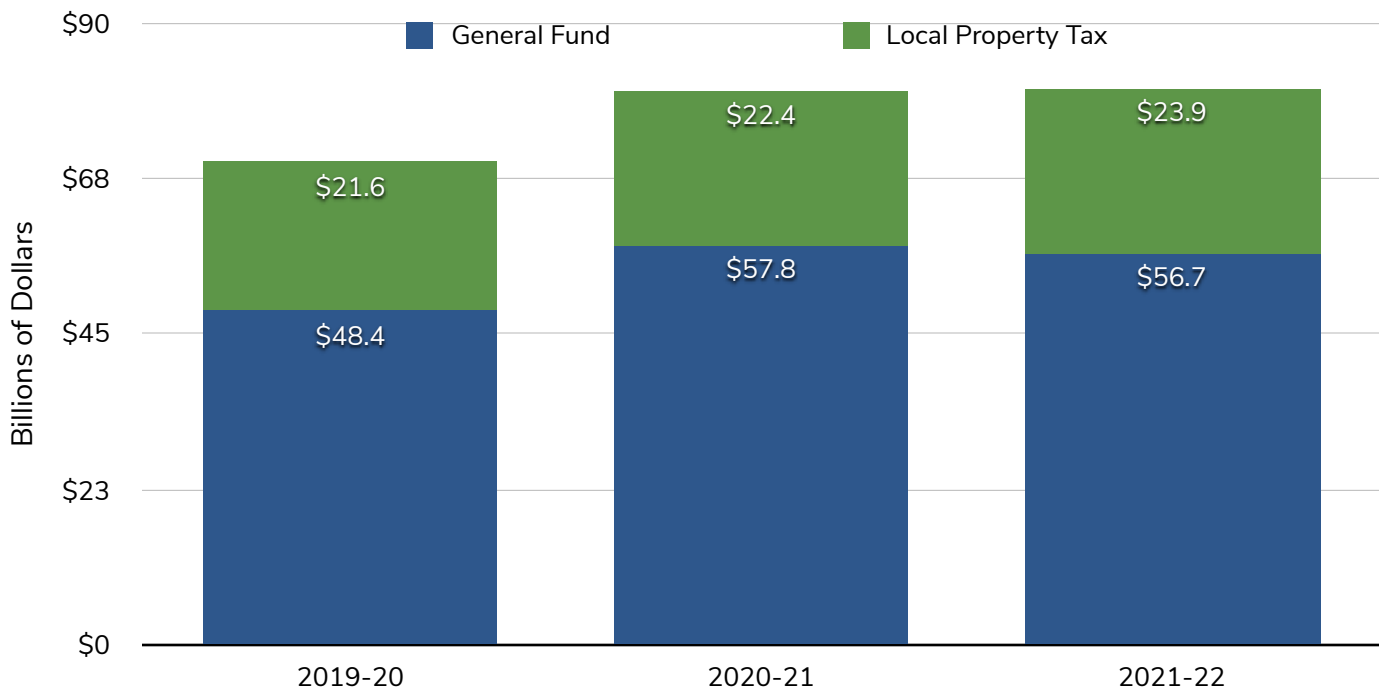
CALIFORNIA BUDGET BASICS

K-12 Education

The level of state funding for K-12 is based on **Proposition 98**, which was passed in 1988 and establishes an annual minimum funding guarantee for both K-12 and community colleges (referred to collectively as K-14 education). The amount of the guarantee is calculated using a complex formula, but is generally dependent on how much General Fund revenue the state receives each year—the minimum funding level will be higher in years when revenue is higher, and vice versa.

Due to the state's low property taxes, California schools rely more heavily on state funding than the national average. Prop 98 enables school funding to keep pace with economic growth and enrollment—the latter of which is expected to be essentially flat or even decline over the next five years. Districts receive funding for K-12 students based on average daily attendance (ADA).

K-12 Prop 98 Funding Following May Revision



Data from the Legislative Analyst's Office

The Governor and Legislature have taken action to increase funding for K-12 education since the 2020 Budget Act was passed in June 2020 to address learning loss and other challenges facing schools as a result of the COVID-19 pandemic. In March 2021, the Legislature passed [Assembly Bill 86 \(AB 86\)](#) provided \$2 billion as an incentive for schools to offer in-person instruction beginning April 1, 2021, beginning with the youngest grades. The bill additionally provides \$4.6 billion for all school districts regardless of whether they are able to meet the April 1st timetable for re-opening to address learning loss related to the pandemic. A recent [study](#) by Policy Analysis for California Education shows that students in grades 4 through 10 experienced learning loss in both math and English language arts relative to the prior three years of learning in the same grades.



WHAT'S IN THE 2021-22 MAY REVISION & FINAL BUDGET

The state has a well-documented, long-term, statewide teacher shortage—particularly in the areas of special education and STEM—and 75 to 80 percent of districts recently surveyed reported recruitment struggles. Achievement gaps also continued to persist across the state before the pandemic, and black students are concentrated in 23 high-poverty school districts with fewer veteran teachers. May Revision proposes:

- ▶ **\$400 million** of one-time Prop 98 funds to improve the teacher pipeline, including \$100 million for the Golden State Teacher Grant Program that awards grants of up to \$20,000 to teacher candidates who agree to teach in a high-need subject at a high-need school for four years
- ▶ **\$3 billion** of one-time Prop 98 funds for the Community Schools Grant Program to expand existing networks of community schools and establish new community schools that provide integrated educational, health and mental health services to students with a wide range of needs in order to mitigate the educational disadvantages associated with poverty and improve students' attendance, behavior, and achievement

Additionally, the May Revision proposes \$623 million of Prop 98 funds (plus \$2 billion in federal funding) to mitigate learning loss. It would also invest \$2 billion of federal funds (ongoing General Fund cost of \$107 million) in the California Kids Investment and Development Savings Program (CalKIDS) to create college savings accounts for children from families with low incomes. It would also create a new program in CalKIDS for first graders enrolled in public school and defined as "low-income" by the Local Control Funding Formula (LCFF). The new program would provide \$500 in seed funding for each student, with youth involved in the foster care system or who experience homelessness receiving an additional \$500 deposit. Lastly, the final budget deal also included funding to provide all K-12 students free school meals by 2022-23—and 60% of students in the state already qualified for free or reduced price meals. The final budget would also increase ongoing funding for special education by \$656 million.

RECENT FEDERAL ACTIONS

In addition to the \$6.6 billion in funding from the state through AB 86, California K-12 schools will get an additional [\\$15.3 billion](#) in federal funding as a result of the latest \$1.9 trillion COVID relief bill, the American Rescue Plan, passed in March 2021. Altogether, federal funding for California schools across the three federal COVID relief bills passed in the last year is \$26.4 billion—more than four times the \$6 billion the state received from the stimulus bill passed during the Great Recession. Spread across all of the K-12 schools in the state, it equates to about \$4,300 per student, though the amount among districts will vary as the funding is weighted more heavily toward children in poverty.

K-12 KEY FACTS

- ➔ **District Size:** The smallest district (Panoche Elementary in San Benito County) serves four students and the largest district (Los Angeles Unified School District) serves nearly 600,000 students
- ➔ **Charters:** There are currently about 1,300 charter schools across the state accounting for about 10% of total public school attendance
- ➔ **Teacher Employment:** The statewide student-to-teacher ratio has been dropping for several years, to about 21:1, which is comparable to the pre-recession level
 - ▶ School districts had about 295,000 full-time equivalent (FTE) teachers and about 294,000 FTE support staff, an increase of 6.4% and 21%, respectively, from 5 years earlier
- ➔ **Teacher Compensation:** The average salary of a school district teacher was approximately \$82,746 in 2018-19, an increase of 2.6% over the prior year
 - ▶ Average compensation ranged from a low of \$40,756 in a district in Siskiyou County to \$136,478 in Mountain View-Los Altos Union High School District in Santa Clara County in 2018-19
- ➔ **Student Spending:** When per-pupil spending is adjusted for cost of living, California's per-pupil spending was \$10,867 compared to the national average of \$13,301 in 2017 (the latest year for which data are available)

*Data from the 2021-22 May Revision & final budget, LAO, [EdSource](#), and the California Department of Education.

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