

# Overview of K-12 and Early Education May Revision Proposals



Presented to:

**Senate Budget and Fiscal Review  
Subcommittee No. 1 on Education**

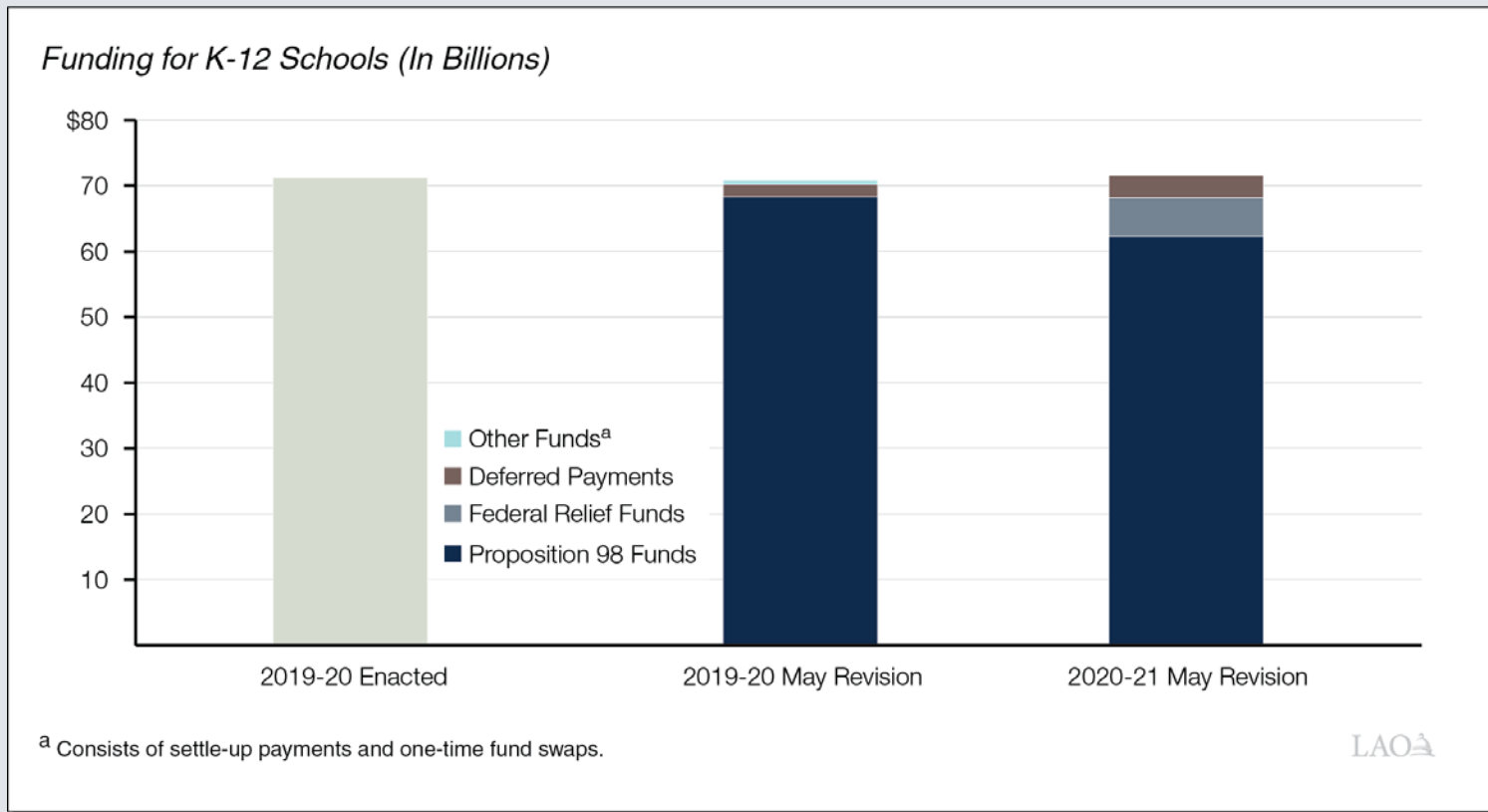
May 25, 2020

**Legislative Analyst's Office**

# Changes in Proposition 98 Guarantee Since January

<i>(In Millions)</i>			
	2018-19	2019-20	2020-21
<b>Governor's Budget</b>			
General Fund	\$54,505	\$56,405	\$57,573
Local property tax	23,942	25,168	26,475
<b>Totals</b>	<b>\$78,448</b>	<b>\$81,573</b>	<b>\$84,048</b>
<b>May Revision</b>			
General Fund	\$54,746	\$52,352	\$44,872
Local property tax	23,994	25,022	25,618
<b>Totals</b>	<b>\$78,740</b>	<b>\$77,374</b>	<b>\$70,490</b>
<b>Change</b>			
General Fund	\$240	-\$4,053	-\$12,702
Local property tax	52	-146	-857
<b>Totals</b>	<b>\$292</b>	<b>-\$4,199</b>	<b>-\$13,559</b>

# Overall K-12 Funding Roughly Flat



# K-12 Reductions Subject to Trigger

- **Local Control Funding Formula (\$6.4 Billion)**
- **Career Technical Education Programs (\$100 Million)**
- **After School Education and Safety Program (\$100 Million)**

# LAO Comments

- **No Current Plan to Address Delays in Reopening Schools or Mid-Year Closures**
- **Consider Placing Greater Requirements for Planning**
- **Consider Other Targeted Reductions**

# Major Early Education Proposals

- **Reimbursement Rate Decreases (-\$463 Million)**
- **State Preschool Slots Reductions (-\$289 Million)**
- **Rescinding of Previous Initiatives (-\$263 Million)**
- **Modified Reorganization Proposal (\$2 Million)**

# Early Education Federal Funding Increases

## ➤ Ongoing

- Alternative Payment vouchers (\$53 million).

## ➤ One Time

- Current-year COVID-19 costs (\$152 million).
- Stipends for subsidized providers (\$125 million).
- Temporary vouchers (\$73 million).

# LAO Comments

- **Plan Does Not Assume Emergency Orders Continue**
- **Consider Options to Minimize or Mitigate Effects of Rate Reductions**
- **Continue to Have Concerns With Reorganization Proposal**



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