

The 2021-22 Budget: Extended Learning and Academic Support

JANUARY 2021

In his January budget, the Governor proposes to allocate \$4.6 billion to schools in spring 2021 to address student learning loss caused by the coronavirus disease 2019 (COVID-19) pandemic. In this post, we provide background on school closures and recent funding to address learning loss, describe the Governor’s proposal, assess the proposal, and describe our recommendations to the Legislature.

Background

School Closures Are Affecting Student Learning and Well-Being. The school closures that have occurred since March 2020 due to the COVID-19 pandemic have affected student learning and well-being. Although the state does not yet have comprehensive data to measure the overall effect on students, several studies and recent data suggest concerns in several areas:

- **Access to Distance Learning.** Multiple surveys of parents and teachers find that some students lack access to the devices and/or high-speed internet necessary to access distance learning. This is particularly the case for low-income, Black, and Latino students. A survey by the RAND Corporation in spring 2020 found that only 30 percent of teachers in high-poverty schools thought all or nearly all of their students had access to the internet at home. This is compared with 83 percent of teachers at low-poverty schools.
- **Learning Loss.** A few early studies suggest a large number of students are performing below grade level, particularly in math. Recent findings published by Policy Analysis for California Education show 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. (The findings are based on an analysis of data from 50,000 students in 18 California school districts.) They also found that students in earlier grades are experiencing the highest level of learning loss. Low-income students and English learners have relatively higher levels of learning loss across all grades.

- **Reduced Enrollment.** Several school districts have reported unexpected decreases in enrollment for the 2020-21 school year, particularly in kindergarten. Private schools also have reported enrollment declines. These declines suggests that some students who would typically be enrolled in school are currently receiving no formal instruction.

2020-21 Budget Package Included \$6.8 Billion in State and Federal Funding to Address Learning Loss and Effects of COVID-19. The 2020-21 budget included \$5.3 billion from a variety of sources to address learning loss issues, as well as \$1.5 billion from the Elementary and Secondary School Emergency Relief (ESSER) Fund. **Figure 1** on the next page, describes the allowable uses, spending deadlines, and allocation formulas for these sources of funding.

Recent Federal Action Includes \$6 Billion Additional One-Time Funding for California Schools. On December 27, 2020, the President signed H.R. 133, which provides additional funding to address the COVID-19 pandemic. Most notably for schools, H.R. 133 includes additional ESSER funding, to be distributed to schools proportional to their federal Title I, Part A allocations. California schools will directly receive \$6 billion from this allocation. As with the first round of ESSER, funding can be used for a broad array of activities, including those related to COVID-19, and must be spent by September 30, 2022.

Figure 1**One-Time Funding for COVID-19 and Learning Loss in 2020-21 Budget***(In Millions)*

Program	Description	Spending Deadline	Amount	Allocation Method
Learning loss mitigation	Funds activities to address student learning loss due to COVID-19 school closures, including expanded learning supports, increased instructional time, additional academic services, and other barriers to learning.	May 31, 2021 ^a	\$5,335	\$2.9 billion based on LCFF supplemental and concentration funding. \$1.5 billion based on number of special education students. \$980 million based on LCFF funding.
ESSER	Provides funding for broad array of activities, including COVID-19 response, distance learning, staff training, and activities to address the needs of disadvantaged students.	September 30, 2022	1,483	Based on Title I, Part A formula, which is based on the number of low-income and disadvantaged children.
Total			\$6,818	

^a Of total amount, \$4.4 billion was originally required to be spent by December 30, 2020. The Governor's budget proposes to extend the deadline to May 31, 2021 to align with changes in federal law. Of the total, \$540 million must be spent by June 30, 2021. Remaining \$355 million must be spent by September 30, 2022.

COVID-19 = coronavirus disease 2019; LCFF = Local Control Funding Formula; and ESSER = Elementary and Secondary School Emergency Relief.

Governor's Proposal***Provides \$4.6 Billion One-Time Proposition 98 Funding to Address Learning Loss.***

The vast majority of funds would be distributed to school districts, charter schools, and county offices of education (COEs) based on their share of total Local Control Funding Formula (LCFF) allotments. The proposal also provides school districts, charter schools, and COEs with \$1,000 for every homeless student enrolled and provides the State Special Schools with \$725 per student. (The California Department of Education operates three special schools—two for deaf and hard of hearing students and one for blind and visually impaired students.) Funds are to be prioritized for serving low-income students, English learners, foster youth, homeless youth, and students with disabilities.

Requests Early Action to Distribute Funds This Spring. To give schools time to plan for use of these funds, the Governor requests that this allocation be enacted by the Legislature this spring, with funding distributed in March and July. Funding must be spent by June 30, 2022.

Allows Funding to Be Used for a Variety of Activities. The Governor outlines several broad categories of allowable uses of the funds, including:

- Increasing the amount of instructional time for students.
- Providing academic services for pupils, such as tutoring and diagnostic assessments of students' needs.
- Providing supportive services to students, such as health and mental health services, counseling, and before and after school programs.
- Training school staff to address students' learning and well-being.

Requires a Public Plan for How Funds Will Be Spent. The Governor's proposal requires each local governing board to adopt an addendum as part of its 2021-22 local control and accountability plan, describing how it plans on using the additional funding to meet the needs of its students. The plan must be adopted in a public meeting by June 1, 2021. The proposal also requires the Superintendent of Public Instruction and the State Board of Education to develop a template for this addendum. The template must include (1) a plan for assessing the needs of students and informing the parents of the students they identify in need of academic support, and (2) an expenditure plan, which must indicate how much of the awarded funds will be allocated for each of the allowable

uses. Addendums must be updated when actual expenditure data is available.

Assessment

Early Action to Address Student Needs Is Warranted. Given the effect of school closures on student learning and well-being, we think early action on this issue is warranted. To the extent the Legislature wants schools to offer instruction and other support services to students in the summer, early funding is necessary to give schools sufficient time to begin planning. Early action also gives time for students and their families to plan for the availability of summer programs.

Given Recent Federal Action, Schools Will Already Have Large Amounts of One-Time Funding to Spend in 2021-22. Combined with the additional federal ESSER funding schools will receive, the Governor’s proposal would provide schools with \$10.6 billion in flexible one-time funding to spend in 2021-22. **Figure 2** shows how funding would vary by district depending on the proportion of their students who are English learners or low income (EL/LI). This amount of one-time funding is more than the state spends on all other K-12 programs outside of LCFF. We find that providing such a large amount of one-time funding to schools in one year raises several concerns:

- Given the uncertainty regarding school reopening, districts may have difficulty planning and spending such a large amount of funding over one year. This is particularly the case for activities that require hiring new staff or conducting entirely new activities.
- To the extent districts have difficulty planning such a large amount of new activities, they may use the additional funds to cover costs of activities they had already planned to conduct. This would result in no net benefit to students.
- The effects of the pandemic on student learning and well-being are not likely to subside after one year.

Funding could provide greater benefits to students if it was spent on academic support activities over multiple years.

Providing State Funding Has Benefits.

Although schools will have substantial flexible federal funding they can use for learning loss issues in 2021-22, the state may want to provide additional funding for a couple of reasons.

- **Encourage Certain Activities.** Additional state funding could be used to encourage schools to conduct activities that would have the greatest benefits for students and are tied to legislative priorities. In particular, we think the Legislature may want to encourage schools to offer academic and enrichment programs this summer that would bring students back to a school setting and allow them to interact with school staff and their peers. Summer programming allows schools to provide additional services to students without competing with the instruction and support services students typically receive during the school year. Providing these services in person would help avoid the challenges students have faced learning from home.
- **Complement the Federal Distribution Formula.** Providing state funding also allows the state to distribute funding differently than required by federal law. As shown in Figure 2, the ESSER funding formula provides districts with higher shares of EL/LI students almost six

Figure 2

One-Time ESSER and Governor’s Proposed Academic Support Funding

Median Per-Pupil Funding for School Districts, by Share of English Learners and Low-Income Students

District EL/LI Share	ESSER Round 2	Governor’s Proposal	Total
0% - 37.9%	\$253	\$615	\$819
38% - 54.9%	524	646	1,140
55% - 77.2%	917	721	1,633
77.3% - 100%	1,455	782	2,210
Statewide	\$840	\$718	\$1,472

ESSER = Elementary and Secondary Emergency Relief and EL/LI = English learner or low income.

times more funding per student than districts with the lowest shares of EL/LI students. The Governor’s approach would distribute funding more evenly across districts, albeit still providing more funding for districts with the highest need. We think this is a reasonable approach given students in all schools have been affected by school closures and could benefit from additional support.

Ongoing, Sustained Programs Are Most Important in Helping Students Succeed. Although one-time funding can be helpful to address urgent needs, many of the issues students face during the pandemic are more acute versions of the challenges they faced before the pandemic. Although an infusion of temporary support can be helpful, these types of issues are best addressed by schools through sustained programs that operate over multiple years. By requiring all funding to be spent during the coming school year, the Governor’s proposal would create an even greater “cliff effect,” with a significant amount of support being provided in 2021-22, and much lower service levels in 2022-23.

Recommendations

Fund a Smaller, More Targeted Program.

We recommend the Legislature provide a smaller amount of one-time funding to address learning loss, using the same allocation methodology as proposed by the Governor. We also recommend the Legislature direct the bulk of this one-time funding to encourage schools to offer programs this summer. Given the amount of flexible funding already available, we think \$1.5 billion is a reasonable amount of funding for these purposes. The Legislature could consider providing the funds in two categories:

- **\$1 Billion for Summer Academic and Enrichment Activities.** Districts could use the funding for a broad range of activities, but would be required to expend the funds by September 2021. Activities would be required to take place using an in-person or hybrid model, to the extent allowable under state and public health orders. (School districts that

would prefer to offer distance learning summer programs could use their federal funding to cover those costs.) Funds also could be used to serve incoming kindergartners and children who were eligible but did not enroll in kindergarten in 2020-21.

- **\$500 Million for In-Person Support Activities During the School Year.** Districts could use funding for increasing instructional time or providing additional academic or supportive services, but would be required to provide them in an in-person setting. The Legislature could allow funds to be spent over a two-year period to allow districts to spread out these services for students over a longer period of time.

As with the Governor’s proposal, we recommend requiring funding to be prioritized for high-need students. To the extent that districts do not spend their awarded amounts for the above activities, funding would ultimately return to the state.

Use Freed-Up Funding to Improve School Budget Resiliency. As we discuss in [The 2021-22 Budget: Overview of Proposition 98 Budget Proposals](#), we recommend the Legislature allocate more Proposition 98 funding to pay down the state’s outstanding deferrals and address school district pension cost increases. Accordingly, we recommend the Legislature direct the remaining funding from this proposal for these purposes. Paying off more of the state’s outstanding deferrals (\$3.7 billion in the Governor’s budget) would realign program costs with the ongoing funding to pay for these programs. The Legislature also could use one-time funding to address districts’ rising pension costs. For example, it could provide \$800 million to cover about half of the projected increase in pension costs in 2022-23. In addition, the Legislature could pay a lump sum toward districts’ share of the unfunded pension liabilities above what districts already owe in a given year. This action would reduce school districts’ unfunded liabilities and provide annual savings to school districts over the next few decades. Any of these actions would create more fiscal stability for school districts and help them better sustain their programs over time.

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