

MARCH 15, 2023

Recent State and Federal One-Time K-12 Funding

PRESENTED TO: Assembly Budget Subcommittee No. 2
On Education Finance
Hon. Kevin McCarty, Chair



LEGISLATIVE ANALYST'S OFFICE

Schools in California Received \$41 Billion in Flexible One-Time State and Federal Funding

Recent One-Time K-12 State and Federal Funding

(In Billions)

Name	Description	Amount
Federal		
Elementary and Secondary School Emergency Relief (ESSER) Fund—grants to schools	Each of the three federal relief packages include funding to support schools. Funding may generally be used for any activity aligned with existing federal programs, such as services for low-income students or students with disabilities. Funds may also be used for activities in response to COVID-19, such as repairing and improving school facilities and addressing learning loss. Funding allocated based on federal Title I, Part A allotments.	\$21.1 ^a
State		
Learning Recovery Emergency Block Grant	May be used for a variety of academic and social-emotional activities, including increasing instructional learning time, providing tutoring and other academic services, offering additional instruction to students not on track to graduate, and addressing other barriers to learning. Funding is distributed based on the number of students who are English learners, low-income, or foster youth.	\$7.9
Expanded Learning Opportunities Grants	Most funding may be used for before and after school programs, academic or support services, and other measures to address learning loss. Ten percent of funding must be used specifically to hire paraprofessionals that provide supplemental instruction and support through the duration of the program. Formula allocates \$1,000 per homeless student. Remaining funding allocated based on 2020-21 Local Control Funding Formula (LCFF) apportionments.	4.6 ^b
Arts, Music, and Instructional Materials Discretionary Block Grant	Funds may be used for instructional materials and professional development related to school climate (such as training on de-escalation strategies) and various academic subject areas, including visual and performing arts. Funds may also be used for operational staffing costs, materials and equipment to keep schools safely open during the COVID-19 pandemic, and purchasing diverse and culturally relevant books and text that supports independent student reading. Funding is distributed on a per-student basis.	3.6
In-Person Instruction Grants	Funding may cover any costs associated with providing in-person instruction. Funding is allocated based on 2020-21 LCFF apportionments. (Non-classroom based charter schools are not eligible for funding.) Funding is contingent upon meeting certain in-person instruction requirements.	2.0
Educator Effectiveness	Provides grants based on the number of full-time equivalent school staff for training on a variety of topics.	1.5

^a Reflects \$1.5 billion from ESSER I, \$6 billion from ESSER II, and \$13.6 billion from ESSER III.

^b Reflects \$2.5 billion in state funding and \$2 billion in federal ESSER flexible funding available for statewide purposes.



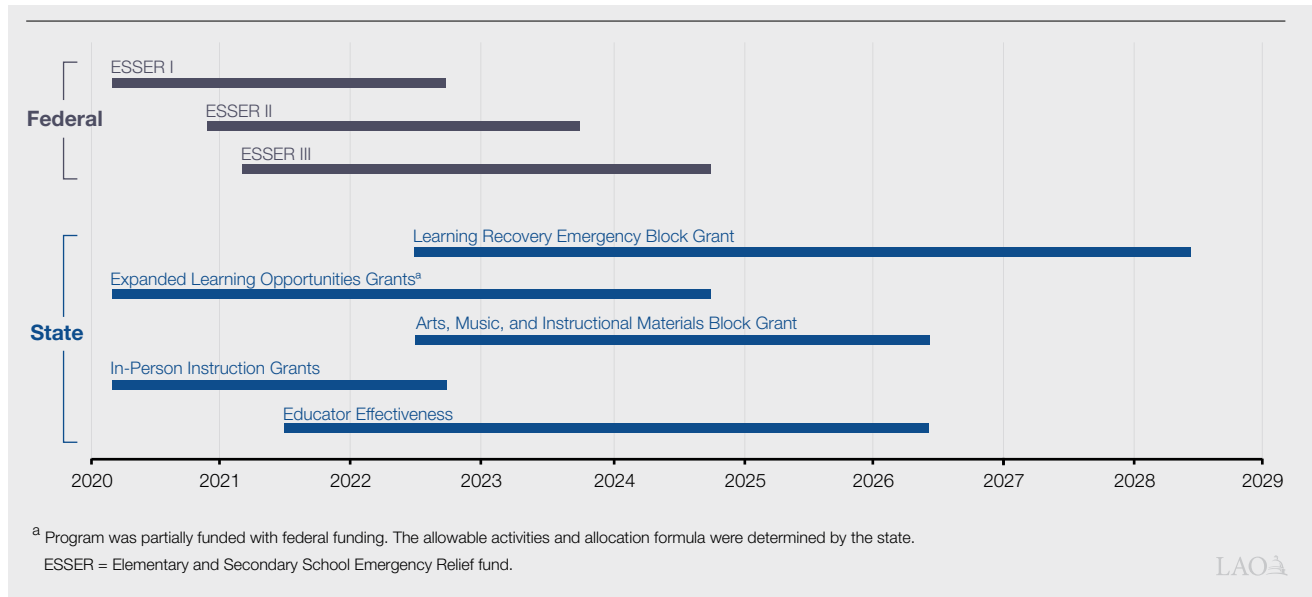
Schools in California Received \$41 Billion in Flexible One-Time State and Federal Funding

(Continued)

- ***Three Rounds of Federal Funding.*** The federal government provided funding in three rounds of grants totaling \$21 billion (enacted in 2020 and 2021) through the Elementary and Secondary School Emergency Relief (ESSER) fund. The federal government also provided some funding that can be used flexibly for statewide purposes.
- ***Several State Actions in 2021-22 and 2022-23.*** The state enacted five flexible one-time allocations from spring 2021 through June 2022. About \$2 billion in federal funds was used in combination with state funds to support the Expanded Learning Opportunities Grants (ELOG), with program rules and allowable expenditures set by the state.



Funds Can Be Used Over a Multiyear Period



State and Federal Reporting Requirements Differ

Reporting Requirements for State Programs		
Name	Interim Reporting Requirements	Final Report Due
Learning Recovery Emergency Block Grant	December 2024 and December 2027.	September 2029. ^a
Expanded Learning Opportunities Grants	Quarterly reports for spending of federal funds.	December 2024.
Arts, Music, and Instructional Materials Discretionary Block Grant	None.	No final report required.
In-Person Instruction Grants	None.	December 2022.
Educator Effectiveness	Annually in September.	December 2026. ^a

^a School districts that do not submit a final expenditure report must return all funding to the state.

- Some initiatives have interim and final reporting requirements, while others only require final expenditure reports.
- Schools are required to submit quarterly expenditure reports for all federal relief funding.
- The state will also receive information on how funds are spent based on unaudited expenditure data schools must report annually



State Has Some Information on Expenditures to Date

Limited Information Regarding How Much State Funding Has Been Spent

- Given that most of the one-time state programs do not yet have expenditure reports available or were just recently enacted, the state will not know for some time how funding has been spent.
- For two state programs enacted in 2021-22, recent spending data provide a snapshot of spending in the first year. Specifically, the data shows that \$1.2 billion (80 percent) of educator effectiveness funding and \$622 million (24 percent) of state funding for ELOG were unspent at the end of 2021-22.

About Half of Available Federal Funding Remains Unspent

- Roughly \$11 billion (55 percent) of ESSER funding from the second and third rounds remains unspent, based on expenditure reports that cover spending through December 31, 2022.
 - This reflects roughly \$1.4 billion available from ESSER II (available until September 2023) and \$9.5 billion from ESSER III (available until September 2024).
- Roughly \$1.2 billion (57 percent) of federal funding for ELOG remains unspent, based on expenditure reports that cover spending through September 30, 2022.



Consider Available Funds as Part of Budget Planning

- As the Legislature develops the 2023-24 budget, it may want to consider the one-time funding that remains available for schools. Although some of these funds may be spent during the 2022-23 school year, schools likely will have several billions of dollars remaining for future years.
- In conjunction with their 2023-24 funding, remaining one-time funds will be available to support many of the additional activities funded in recent years to better support students and address learning loss that occurred during the pandemic.

