



# Federal COVID-19 Relief Funding and State Budget Updates 2021-22: Focus on School Climate

## Overview

In fall 2020, the state had just adopted a budget that addressed a \$54 billion deficit with the expectation that state revenues would plummet, and school was starting again in a mostly distance learning setting with no end to the pandemic in sight. In addition, the looming federal elections at the executive level and the US Senate created a cloud of uncertainty – the results of the election would determine vastly different potential outcomes for the next several years. Advocates and policymakers were concerned that revenues were being cut while the needs of students and their families were escalating.

Counter to expectations, state revenues didn't fall. A combination of initial federal action and strong tech sector revenues led to many higher income individuals and companies seeing record earnings, and when combined with a highly progressive tax system resources have exceeded pre-pandemic levels. These strong state revenues, plus two additional federal pandemic-related funding packages, have created the opportunity for historic investments to be made in school climate related programs, services and supports that have the potential to transform school experiences for millions of children and youth in California. California state, counties, cities and school districts each have or will receive millions and billions of dollars to support COVID-19 relief efforts, including programs that benefit children and youth.

As of this writing, we share known allocations from the state budget and federal COVID-19 relief packages in areas related to education, health, mental health and foster youth. Details and policies to define/refine these packages are being updated constantly and may affect implementation, eligibility and timelines for the use of those funds. We share this information in the hopes that it will enable you to advocate for effective local implementation of those funds, understand the context for other advocacy efforts to support infrastructure and workforce improvements, service expansion and other critical efforts over the next three to five years the state must spend the one-time COVID-19 relief funds. School districts will be doing a lot of planning this fall and winter to determine the exact use of many of the major pots of state funding. Some of the plans are for funds that flow on a formula basis and are guaranteed, while others are competitive grants that require a district to apply to the California Department of Education.

## Federal COVID-19 Relief funding

The federal government has enacted a series of pandemic relief packages to address the myriad of health and economic challenges created by COVID-19. The first series of relief packages focused on immediate relief for health/medical services and systems, small business relief, unemployment support, expenses for education/higher education to mitigate COVID-19. We will focus on the most recent two packages, the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), \$900 billion passed in December 2020, and the American Rescue Plan (ARP), a \$1.9 trillion package passed in March 2021. Of the \$2.8 trillion dollar federal packages:

- The state of California received \$26 billion in fiscal recovery funds
- 16 billion, separate from the above \$26 billion state funding, went directly from the federal government to counties and cities with a population of over 50,000
- \$21.8 billion has gone to schools
  - \$19.5 billion of the \$21.8 billion is going directly from the federal government to Local Education Agencies (LEA, includes school districts, county offices of education) who will determine how to use the funding according to guidelines and the rest was allocated thru the state budget process. [\(source\)](#)

Though funding purposes are defined by the federal legislation and guidelines are being updated, there is flexibility for local decision makers to meet local needs. Notably, generally the funds from ARP must be obligated by December 31, 2024 and spent by December 31, 2026 (this may vary by fund area). While these federal funds are designated as one-time funds, the funding can be spent over multiple years.

Typically, the state budget and trailer bills are all completed in mid-June, but due to all the unexpected challenges and opportunities with these massive resources related to the pandemic, state leaders met basic guidelines for budget passage in June and will continue to refine budget implementation through trailer bill legislation which has been released in segments and is expected to continue through the fall.

## Key Education, Health and Mental Health Budget Investments Related to School Climate

Below we highlight some of the key issues related to school climate, as we look forward to a finalized 2021-22 state budget and preliminary reports about the return to school.

### Key COVID Relief Funding Resources and Tools

This resource outlines how much COVID relief funding each district in California is getting. The funding allocation used the Title I formula, and thus was weighted to address the additional needs of children in poverty so there is a big range in total amounts depending on the student population size and demographics.

<https://edsources.org/2021/california-districts-and-charter-schools-get-covid-relief-funding-under-american-rescue-plan-act/650922>

California State Association of Counties American Rescue Plan Resources page

<https://www.counties.org/post/american-rescue-plan-resources>

The federal Office of Elementary and Secondary Education (OESE) is monitoring state American Rescue Plans:

<https://oese.ed.gov/offices/american-rescue-plan/american-rescue-plan-elementary-and-secondary-school-emergency-relief/stateplans/>

The ARP state education plans are posted following review and approval, California's is posted as under review.

## Direct Federal to School District Funding

Districts began spending funds from the CRRSAA allocation this spring to cover the costs of safely reopening schools, summer school, and addressing learning loss. Of the ARP funds - \$13.6 billion is going directly from the federal government to Local Education Agencies (LEA, includes school districts, county offices of education and charter schools) who will individually determine how to use the funding according to guidelines, and must submit an expenditure plan by October 29th 2021, but can start spending funding prior to approving the plan. The LEAs must reserve at least 20% of the funding they receive to address learning loss. Further information on ARP requirements for LEA's is available on the California Department of Education site [here](#). Also, see [this list](#) for amounts each school district in California received from federal relief funds. While many of the initial relief dollars were used for facilities mitigation (ventilation, plexiglass, cleaning etc.), the ARP dollars are designed to support important efforts to address learning loss, trauma, mental health and other key supports related to the pandemic.

The Los Angeles Unified School District (LAUSD), the 2nd largest district in the country has already approved some major investments utilizing relief funding. There is a major opportunity for community organizers and advocates to engage their local school districts to push for key supports for students in the coming year, in addition to demanding transparency for how the funds were used.

- LAUSD is receiving \$3.9 billion in direct relief from the federal government from the ARP and CRRSAA packages, both efforts below reflect long-standing coalition supported efforts that now had the opportunity to advance significantly with the new available funding:
  - The LAUSD Board announced and passed a resolution to commit to providing universal preschool for

every 3- and 4-year-old in their district by 2024; they are leveraging the federal and state dollars to implement this resolution.

- The LAUSD Board approved an additional \$700 million to be distributed using the Equity Index, previously, \$354 million was planned to be allocated through the Index.

## Key Funding and State Policy in Transitional Kindergarten (TK)-16 Public Education

Instead of the \$54 billion shortfall that was projected in June 2020, by June 2021, the state adopted a budget that allocated a \$76 billion budget surplus on top of all the additional federal funds discussed above. The 2021-22 Proposition 98 guarantee was \$16 billion higher than the original 2019-20 level. In addition, because the economic downturn projected for the 2020-21 fiscal year didn't happen, the state owed schools \$22.5 billion to meet that year's minimum guarantee. This will result in \$12.5 billion in previously planned deferrals to be eliminated and address other ongoing commitments. The state budget provides a once-in-a-generation opportunity for schools to make progress on closing opportunity and achievement gaps and to provide students with essential supports in the aftermath of the pandemic that has resulted in students experiencing a learning lag that has disproportionately fallen on students that were already behind. At the same time, our schools will face unprecedented challenges to use all of the funding effectively, including hiring well-prepared, high-quality staff to implement these programs (especially given the one-time nature of much of the funding), partnering with community-based organizations to meet student needs, creating healthy and safe (physically and mentally) environments for students and adults in returning to campus, and balancing the need to provide these additional/augmented services and supports against the reality of the lack of any guarantee of ongoing funding to support much of the work once this funding expires.

Below are high level funding and policy updates based on current available information related to the state budget – this includes state use of federal relief dollars for which it has authority.

*\*Note, there are many opportunities within the key areas below, for local advocates and organizers to get involved, ask for transparency, advocate for initiatives to leverage these new resources. See "Transparency" section below for specific policies on use of funds and reporting requirements for funds.*

### Local Control Funding Formula

- Provides a \$3.2 billion increase for LCFF, primarily by funding a 5.07% super-COLA which reflects the 2021-22 statutory COLA, makes up for a foregone 2020-21 COLA, and provides an additional 1%.
- Makes numerous changes to the Local Control Accountability Plans (LCAP), including adding a plan supplement that districts would approve by Feb 28, 2022, to address funding that was not in their 2021-22 LCAPs (e.g., funding provided for additional staffing at high-concentration schools, or recently received federal funds).
- Requires districts to identify any "qualitative improvements" that they plan as alternatives to spending LCFF Supplemental and Concentration funds to benefit the targeted students. Also requires that if districts don't spend funds within a given year as planned in their LCAPs to benefit low-income students, English Learners and foster youth, any underspending must be made up in the next school year.
- Provides \$1.1 billion to increase the funding rate for the LCFF concentration factor and requires the funds be used to hire additional staffing (certificated or classified) at school sites with concentration levels of low-income students, English Learners and foster youth of at least 55%.

### In Person Learning

- Establishes In-Person learning as the default instructional approach for instruction next school year, including the return of all requirements related to instructional minutes and access to a broad curriculum.
- All LEAs must provide access to independent study, based on the request of parents/guardians if they deem in-person instruction to be a health risk for their child. LEAs may provide independent study directly, through a contract with a county office of education, or offer an inter-district transfer to another LEA. There is some limited ability to waive these requirements under specific circumstances.

- LEAs must notify parents/guardians of their rights to access independent study, including on the district’s website and in the primary language of students that make up at least 15% of the LEAs student population.
- Parents/guardians also have the right to have a phone, videoconference, or in-person pupil-parent-educator conference before deciding on whether to enroll their child in in-person instruction or independent study.
- In addition, several positive changes were made to improve the quality of independent study moving forward. Advocates have created this “[Know Your Rights](#)” and other key questions to ask for parents/guardians choosing independent study for their children.
- Unfortunately, one key structural issue on the amount of daily live interaction and synchronous instruction students have access to remains problematic. Specifically, LEAs must have a plan for all students in grades TK-3 to be provided opportunities for daily synchronous instruction, but no minimum amount of time for synchronous instruction is identified at any grade level. In addition, students in grades 4-8 are only guaranteed “daily live interaction” (which could be as minor as an email or turning in an assignment) and access to weekly synchronous instruction. For students in grades 9-12, the minimum guarantee is only access to weekly synchronous instruction.

### **School Climate**

- Provides \$6 million for the California Department of Education to offer training to districts on interpreting data from their local school climate survey tool, including subgroup and longitudinal data, and using responses collected from school climate surveys of students, families, and educators to better assess community needs stemming from the COVID-19 pandemic and distance learning.
- Invests \$1.5 billion in an Educator Effectiveness Block Grant, to provide professional development for teachers, administrators and other staff who work directly with students on topics that include, but are not limited to, social-emotional learning, trauma-informed practices, suicide prevention, access to mental health services, restorative justice, training around implicit bias, transforming a school site's culture to one that values diverse cultural and ethnic backgrounds, and preventing discrimination, harassment, bullying, and intimidation based on actual or perceived characteristics, including disability, gender, gender identity, gender expression, language, nationality, race or ethnicity, religion, or sexual orientation.

### **Community Schools**

- Provides \$2.8 billion in one-time funds for Community Schools to be spent over six years, of which \$2.7 billion is provided for new/expanded community schools, which must be matched at various levels locally, and \$142 million is to be invested in the creation of five regional centers to provide technical assistance. This funding includes planning grants of up to \$200,000 per qualifying entity and shall be allocated in the 2021–22 and 2022–23 fiscal years, for up to a two-year planning grant period. Implementation grants of up to \$500,000 annually will be provided for new community schools or for the expansion or continuation of existing community schools. Overall coordination grants of \$100,000 annually per site can also be provided.

### **Expanded Learning & After School**

- Provides approximately \$2.3 billion from a mix of one-time and on-going funds from both Federal and state funding sources, to greatly increase the number of children served by expanded learning programs and, for at least the next two years, will provide a much-needed increase the daily rate for both the After School Education and Safety Program (ASES) and 21st Century Learning Centers to \$10.18.

### **Mental Health**

- Provides \$205 million for the Mental Health Student Services Act to fund school-county partnerships throughout the state, allowing services and supports to reach students this fall as they return to school. This investment will allow every county in the state to implement a partnership.
- Provides \$550 million (\$100 million in 2021-22 and \$450 million in 2022-23) for school-linked behavioral

health partnerships and capacity, including: a) \$400 million for preschool through 12th grade; and b) \$150 million for higher education.

- Provides \$60 million in on-going funding to support postsecondary students' mental health services at the community colleges, CSU and UC.

### **Preschool and Transitional Kindergarten (TK)**

- Creation of a new grade in public education: TK has been expanded to include all 4-year-olds; previously only children born in the fall were given the opportunity to enroll in TK. This expansion includes \$2.7 billion in ongoing dollars within Prop 98 (rebenched to include new TK students); with expected universal enrollment by 2025-26;
- \$300 million in one-time Prop 98 funds for CA Pre-kindergarten Program Planning and Implementation Grant for local districts, including \$100 million to recruit highly qualified teachers and to support training in providing instruction for Dual Language Learners, enhancing social emotional learning, implementing trauma-informed practices and restorative practices, and mitigate implicit biases;
- \$490 million in one-time General Funds for new facilities to expand state preschool, TK, or full day kindergarten.

*Note: while early learning, child care and preschool are often outside the parameters of youth-led organizing efforts, given the challenges of the pandemic, adding a grade to the public school system will address some key issues for families and youth including:*

- Reducing costs associated with child care for younger siblings, as many older youth were home and helped young siblings with remote school and/or child care; and
- Improving access to developmental supports and enrichment for young children missed during the pandemic, which can help reduce overall stress in the home, save money spent on child care or preschool, and support longer-term positive outcomes for the child and family; and
- Improving access to quality early learning should reduce the need for costlier, less impactful services and support in later years, helping reduce strain on the public education system overall.

### **Transparency**

To promote greater transparency for the unprecedented influx of new monies to our educational system, the budget also establishes a series of reporting requirements for districts: By the second and fourth Monday of every month, LEAs will submit information to the California Collaborative on Educational Excellence ([CCEE](#)), such as the number of pupils who have opted into independent study, expanded and enrichment opportunities being provided to students, and how schools are addressing the mental health and wellness needs of students.

In addition, the state budget agreement includes new requirements for the reporting of state and federal funds. See bullet two under the Local Control Funding Formula section above for more information.

The US Department of Education released new guidelines requiring "[maintenance of equity](#)" policy for COVID relief funding to prevent states from disproportionately reducing per-pupil funding from high need districts and prevents states from reducing per-pupil funding below FY 2019 levels in highest poverty districts.

## **Key Funding and State Policy in Child & Youth Behavioral Health, Foster Youth and Juvenile Justice**

*State Budget:* The The state budget increases access to Medi-Cal health care for children and their families, including: the continuation of Proposition 56 Medi-Cal provider payments that support children's health services and screenings; supporting Community Health Workers to serve Medi-Cal members; and an expansion of Medi-Cal coverage to 12-months post-partum.

The state has also earmarked an historic investment of \$4.4 billion over the next five years for children's mental health. The Legislature's robust budget package builds on key investments in the May Revise and reflects the needs of children and families. Here are some of the highlights from the budget for children's behavioral health:

- **ACEs - \$25 million** for the All Children Thrive - California (ACT) program a statewide initiative that supports efforts to mitigate the disparate effects of adverse childhood experiences (ACEs) on California children.
- **Peer Support to Address bullying/harassment - \$5 million** to support a peer social media network project for children and youth, with an emphasis on students in kindergarten and grades 1 to 12, inclusive, who have experienced bullying, or who are at risk of bullying, based on race, ethnicity, language, or country of origin, or perceived race, ethnicity, or county of origin.
- **Mental health assessments in support of undocumented minors arriving unaccompanied to the United State - \$4.7 million** for navigation services to connect with existing services that support reunification and post-placement needs of undocumented minors arriving unaccompanied, including unaccompanied alien children as defined in Section 279(g)(2) of Title 6 of the United States Code, their sponsors, and the sponsor's family members.
- **CBO Services to address hate crimes - \$30 million** for the State Department of Social Services for grants to nonprofits or community-based organizations to provide services to victims of hate incidents, including, but not limited to, legal services, health care, mental health, victim's compensation, or counseling.
- **Office of Suicide Prevention - \$2.7 million**
- **Create a new, modern, and innovative behavioral health system for youth ages 0 to 25 - \$4.4 billion** dollars over five years. Highlighted items include:
  - \$205 million School-County Mental Health Partnerships - for the Mental Health Student Services Act which would fund partnerships throughout the state, allowing services and supports to reach students this fall as they return to school.
  - \$50 million for training for pediatric, primary care and other healthcare providers.
  - \$400 million to support the Medi-Cal managed care plan incentive program and requires plans to enter a three-party partnership between the plan, the county mental health plan, and local school districts or county offices of education as a condition of receiving incentive funding.
  - \$550 million (\$100 million in 2021-22 and \$450 million in 2022-23) for school linked behavioral health partnerships and capacity, including: a) \$400 million for preschool through 12th grade; and b) \$150 million for higher education.
  - \$800 million to support the addition of dyadic services as a Medi-Cal benefit.
  - \$205 million to be available immediately for mobile crisis support teams.
  - \$448 million for behavioral health workforce initiatives at the Office of Statewide Health Planning and Development.
  - \$25.5 million for public education on Adverse Childhood Experiences and trauma, to be implemented by the Office of the Surgeon General.

### Foster Youth

- An additional \$30 million to county office of education Foster Youth Services Coordinating Programs (FYSCPs) to provide direct services to students in foster care throughout the county, including tutoring, mentoring, counseling and targeted interventions to address reengagement and learning recovery. \$5 million of the funds must be used to provide direct services to students in foster care to improve their postsecondary education enrollment and outcomes. The funds may be used through June 30, 2023.

### Juvenile Justice

- \$27.6 million in 2021-22 and \$7.6 million on-going for the new Office of Youth and Community Restoration under the Health and Human Services Agency to improve youth outcomes, reduce and eliminate racial disparities, and enhance public safety.

If you have questions about any of the above items and/or would like more information, please reach out to Stacy Lee at [slee@childrennow.org](mailto:slee@childrennow.org).