



DATE: June 18, 2020

TO: SELF

RE: *SSC's Sacramento Weekly Update*

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## **Legislature Approves Budget While Negotiations Continue**

On Monday, the Senate and Assembly approved their version of the 2020–21 State Budget Act (Senate Bill [SB]) 74 on a party-line vote despite not yet reaching a final agreement on the 2020–21 State Budget with Governor Gavin Newsom. The Legislature had to pass its version of the budget on Monday in order to meet the June 15 constitutional deadline.

The fact that they have yet to come to a deal means that the final version of the 2020–21 State Budget will look different than the version that was approved by the Legislature on Monday. This means that once a deal has been made with Governor Newsom, the Legislature will likely approve a subsequent Budget bill that reflects the compromise and makes necessary amendments to SB 74.

In addition to the main Budget bill, the Legislature also passed Assembly Bill (AB) 76, which defers nearly \$1.9 billion in K–12 funding from June 2020 to July 2020 and specifies that the deferral must be paid by July 15, 2020. The bill also defers \$330 million in community college apportionments that were distributed in May and will be distributed in June, although they will be counted towards the budget year.

Both SB 74 and AB 76 were presented to Governor Newsom on Monday evening, giving him until Saturday, June 27, 2020, to take action on these measures. He can either sign or veto AB 76, but for SB 74 (the main Budget bill) he can approve the bill as presented to him, approve the bill with specific line-item reductions, or veto the bill and send it back to the Legislature. The Governor will likely delay taking action on SB 74 until he reaches a final agreement with the Legislature, which would allow him to approve both SB 74 and any subsequent budget bills that capture the budget agreement with the Legislature at the same time.

## **Senate Appropriations Committee Takes Up Suspense File**

More than two weeks after the Assembly Appropriations Committee took up its suspense file, the Senate Appropriations Committee, chaired by Senator Anthony Portantino (D-La Cañada Flintridge), took up its suspense file on Thursday. The committee disposed of just under 90 measures, which shows the

significant reduction in bill workload that the Legislature has undergone due to the COVID-19 pandemic. For comparison sake, the Senate Appropriations Committee took up more than 350 bills in last year's first house suspense file hearing.

The bills that cleared the Senate Appropriations Committee will now head to the Senate floor for a vote before they can go to the Assembly and move forward in the legislative process. Since we are in the second year of the two-year legislative session, the bills that did not make it out of the Senate Appropriations Committee are considered dead and can no longer be acted upon absent rule waivers.

Below we highlight some of the significant Senate bills that will be moving forward:

- SB 793 (Hill, D-San Mateo) would prohibit a tobacco retailer from selling a flavored tobacco product
- SB 864 (Dodd, D-Napa) would add public safety power shutoffs to the list of emergencies that a district's average daily attendance is held harmless for
- SB 1173 (Durazo, D-Los Angeles) would require the Public Employment Relations Board to levy a fine (not to exceed \$50,000) against public employers if it finds that an employer violated a union's right to receive specified employee information from the employer
- SB 1213 (Leyva, D-Chino) would require the Superintendent of Public Instruction to recommend to the State Board of Education (SBE) revisions to the history-social science academic content standards, and requires the SBE to adopt, reject, or modify the recommendations by January 31, 2024
- SB 1383 (Jackson, D-Santa Barbara) would amend existing provisions regarding protected child-related activities for which an employee can take time off from work to include an emergency school closure pursuant to a state of emergency declaration by federal, state, or local government agency

Now that both Appropriations Committees have taken up their suspense files, the attention will to the deadline to get bills out of the first house, which for the Assembly is this Friday, June 19 and for the Senate is next Friday, June 26. Bills that meet this deadline will then go to the second house where the committee process starts anew.

*Leilani Aguinaldo*

## **Ask SSC . . . What Are the Different CARES Act Funds That Are Available for K–12 Education?**

By Leilani Aguinaldo and Kyle Hyland  
School Services of California Inc.'s *Fiscal Report*  
June 17, 2020

- Q.** What are the different CARES Act funds that are available for K-12 education?
- A.** We know that it is hard to keep track of the different State Budget proposals that use Coronavirus Aid, Relief, and Economic Security (CARES) Act funds. This is a great opportunity for us to summarize, in one place, the different pots of money available for K–12 education through the federal CARES Act, which was signed into law in March 2020 (see “[\\$2.2 Trillion Federal Stimulus Package for COVID-19 Signed Into Law](#)“ in the March 2020 *Fiscal Report*).

### **Elementary and Secondary School Emergency Relief (ESSER)**

California’s share of ESSER funds is approximately \$1.65 billion, and the CARES Act requires that states subgrant to local educational agencies (LEAs) at least 90% of their total. As a result, at least \$1.48 billion will be distributed to LEAs in proportion to the amount of Title I, Part A funds that each LEA received in fiscal year 2019. In addition to a database that School Services of California Inc. (SSC) provided to view an estimate of each LEA’s share of ESSER funds (see “[SSC Estimates Federal COVID-19 Relief Allocations for LEAs](#)“ in the April 2020 *Fiscal Report*), the California Department of Education (CDE) also provided [preliminary allocations](#) for LEAs.

LEAs have very broad discretion to use ESSER funds to support coronavirus response activities, as well as any other purpose supported by federal elementary and secondary education laws. Funds can be used for any allowable expenditure incurred on or after March 13, 2020, and must be obligated by September 30, 2022. ESSER funds will be apportioned to LEAs after the 2020-21 State Budget Act is signed into law. Because of CARES Act requirements, LEAs will need to apply to receive their share of ESSER funds, but the application is not yet available through the CDE.

In addition to the required distribution for LEAs that receive Title I funds, the state will decide how to use the remaining \$165 million of ESSER funds coming to California. Governor Gavin Newsom’s May Revision proposes to use \$100 million for county offices of education to develop community schools and coordinate health, mental health, and social services supports for high-needs students. The remaining funds are proposed for educator professional development and CDE operations.

### **Governor’s Emergency Education Relief (GEER) and Coronavirus Relief Fund (CRF)**

California’s share of GEER funds is \$355 million, which is allocated to states to support the ability of LEAs to continue to provide education services and to support ongoing district operations. California is also receiving \$9.5 billion from the CRF, and these funds can be used for “necessary expenditures incurred due to the public health emergency.” CRF resources can be used for any purpose related to the COVID-19 pandemic, and the Governor has proposed using \$4 billion of this amount for K–12 education.

The May Revision proposal uses the entirety of California’s GEER funds and a substantial portion of CRF resources to provide \$4.4 billion in one-time funds to LEAs to mitigate learning loss (see “[May Revision Proposal to Mitigate Learning Loss](#)” in the May 2020 edition of the *Fiscal Report*). Distribution of these funds for learning loss remains a sticking point in State Budget negotiations, as the Legislature has proposed an alternate formula. The Governor proposes that \$2.9 billion of the learning loss funds go only to districts that receive concentration grant funds through the Local Control Funding Formula (LCFF) on a per student basis. The Legislature proposes to distribute the same \$2.9 billion to all LEAs in proportion to the LCFF funds they receive (see “[Legislative Budget Deal on CARES Act Funds](#)” in the June 2020 edition of the *Fiscal Report*). However, there seems to be agreement that the remaining \$1.5 billion would be distributed to all LEAs based on the number of students with disabilities that they serve.

Under CARES Act requirements, LEAs would be able to use the learning loss funds for costs incurred between March 1 and December 30, 2020. As proposed in the May Revision, the learning loss funds can be used for a wide array of services, such as extending the instructional school year, additional academic supports including devices for distance learning, or wraparound services.

California expects to receive various other federal resources as part of the CARES Act, but ESSER and GEER funds are the primary resources that are exclusively for K–12 education. Coupled with the proposed use of CRF money, the 2020–21 State Budget Act will include the final details for how much LEAs will receive and the allowable use of these funds.

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