



CAPITOL ADVISORS
GROUP, LLC

Key State & Federal Fiscal/Budget Issues

Mt. Diablo Unified School District Governing Board

January 27, 2021

Governor's New State Budget –

Key points

- Revenues contradict a profoundly mistaken economic forecast –
But still a solid budget for schools
- Key Issues for Schools
 - COLA for the current year and next (*3.84 percent not evenly applied*)
 - The push to roll-back funding deferrals (*\$3.7 Billion outstanding balance*)
 - Incentive Funding for in-person instruction (*\$2 Billion & mandates that cost more*)
 - Learning loss mitigation through expanded learning time & intervention (*\$4.6 Billion restricted funding*)
 - Supplemental Payments (*takes \$12.5 Billion off the table*)
 - Allocation approach impacts MDUSD – (*LCFF vs. Exclusive unduplicated count*)

Federal Stimulus On the Way

- ESSER - \$54 Billion Nationally = \$6.7 Billion in California
 - Likely less for MDUSD than last Spring's Stimulus Package given distribution.
 - ESSER II is administered nearly the same as one of the smaller allocations of funding in March known as ESSER.
- GEER - \$4 Billion Nationally = \$400 Million in California
 - Most of the funding goes for non-public, private schools
 - Less than \$150 million will be left for Pre-K through Higher Ed
 - This balance will be spent at the discretion of the Governor
- President Biden's Proposed Stimulus – 6th Round
 - \$130 Billion K-12 Education Package = \$13 Billion for California
 - \$350 Billion for States & Local Gov't = \$35 Billion for California