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# Folsom Cordova Unified School District

## 2022-2023 Governor's

# May Revised Budget Summary

May 19, 2022



# Budget Overview

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- *Information is from CSBA, Schools Services of California (SSC), and Association of California School Administrators (ACSA)*
- *This information is NOT the actual state budget but the Governor's proposal that must now be negotiated with the Legislature*
- **Governor's Proposal for the 2022-2023 budget is projected at \$300.7 Billion**
  - \$55 billion higher than the January proposal
  - Budget includes a multitude of investments, including tax credits, rebates, and infrastructure spending, that help it avoid reaching its Gann Limit in 2021-2022 and 2022-2023.
  - In spite of the increased revenues, the Governor used much of his introductory statement paralleling the current tax collections with the robust tax collections in 2000. The words were meant as a warning, and signal that history may be on the cusp of repeating itself—that had the Legislature known that a crash was about to happen in 2000, much more of the surplus would have been allocated in one-time investments.



# Major Financial Highlights

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- **Governor’s Proposal for Cost of Living Adjustment (COLA) is 6.56%**

- January proposal for COLA was 5.33%
  - Increase of 1.23% is approximately \$2.3 million in additional funding
- Special Education, Child Nutrition, and Mandate Block Grant will also receive the 6.56% statutory COLA

- **Additional On-Going Local Control Funding Formula (LCFF) Base Increase of \$2.1 Billion**

- Additional funding is meant “to mitigate the impacts of rising pension obligations, increased costs for goods and services, and other ongoing local budget concerns.”
- Exact allocation has not been calculated, but a “back of the napkin” estimate is approximately an additional \$6 million.

- **COVID Average Daily Attendance (ADA) Proposal**

- ADA funding in 2021-2022 based on the greater of current-year ADA or their current-year enrollment adjusted for pre-COVID-19 absence rates. The proposal to allow school districts the use of the average of the three prior years’ ADA for LCFF funding purposes will be adjusted to allow for this change.
- For 2021-2022 FCUSD will use the three year prior years’ average and impact is projected around \$100k increase.



# Major Financial Highlights

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- **One-Time Discretionary Block Grant of \$8 Billion**

- Discretionary one-time dollars to be used to address student learning challenges, operating costs including pension contributions, and supporting the mental health and wellness of students and staff.
- “Back of Napkin” projection is \$350 per pupil which would be \$26 million

- **Universal Transitional Kindergarten (TK)**

- The Governor’s January State Budget proposed to pay for the additional cost of lower classroom ratios by providing a TK add-on equal to \$2,813 per TK ADA.
- May Revision includes no specific investment for TK facilities
- New proposal through June 2026, to allow preschool teachers with preschool teaching permits, who have bachelor’s degrees and are enrolled in coursework toward a teaching credential, to teach TK.

- **K-12 Facilities Includes \$4 Billion One-Time Allocation**

- These monies would support existing facilities projects submitted under the state’s School Facility Program (SFP)
- Currently, FCUSD has \$22.5 million pending for reimbursement under the SFP
  - Not all projects may receive funding from this allocation depending on location on pending funding list



# Major Financial Highlights

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- **Special Education Funding Proposal Includes No Significant Changes from January**

- \$500 million in Proposition 98 General Fund dollars above the COLA
- \$500 million one-time funding for the Inclusive Early Education Expansion Program to support general education and special education students in inclusive preschool classrooms and facilities.
- The per-ADA Assembly Bill 602 rate will remain unchanged at the May Revision, at \$820 per ADA in 2022-2023.

- **Universal Meals Program Proposal**

- Governor's January State Budget proposal included \$596 million, to provide two free meals per day to any student that requests a meal.
- Requires District to Participate in National School Lunch/Breakfast program including completion of Free/Reduced Applications.
  - Concerns on Unduplicated Pupil Percentage (UPP) dropping due to requirement to complete application forms.

- **Expanded Learning Opportunity Program (ELO-P)**

- In the May Revision, additional ongoing funds are proposed to raise the funding level from \$4.4 billion to \$4.8 billion starting in 2022-2023.



# Additional Proposals from Legislature and Next Steps

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- Legislature has several proposals that will be discussed during the negotiations process between the Governor, Assembly and Senate
  - Assembly Highlights - AB1948 includes a COLA of 15%, increases the qualifying threshold for low income from 185% to 250% of the federal poverty level (changes income verification to alternative income form), and includes ADA three year average (same as Governor's Proposal).
  - Senate Highlights - \$5 billion, growing to \$10 billion by 2024-2025, above the COLA for LCFF increases, \$10 billion in one-time funding for COVID Learning Loss, Universal Home-to-School Transportation, additional funding for facilities including TK needs, \$5 billion one-time funding for enrichment materials in music, arts, technology, and other programs.
- By June 15<sup>th</sup> the Governor and the Legislature will have to come to agreement on the budget for 2022-2023
- FCUSD will have 45 Days from when the budget is signed to present an update on the impact of the approved state budget on the District's budget
- Trailer bills will be completed and then California Department of Education will have to implement and finalize allocations for all programs and funding changes



# Questions?

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