



SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item# 9.1

Meeting Date: August 11, 2022

Subject: 2022-23 45 Day Revise Budget Update

- Information Item Only Approval
- on Consent Agenda
- Conference (for discussion only)
- Conference/First Reading (Action Anticipated: _____)
- Conference/Action
- Action
- Public Hearing

Division: Business Services

Recommendation: Receive key information on the State Enacted Budget for fiscal year 2022-23 and the projected impact on the District's budget.

Background/Rationale: On June 27, 2022, Governor Gavin Newsom signed an on-time budget. The budget maintained several proposals that were included in the May Revision; however, many changes have been incorporated in the final state budget. These are the major K-12 funding provisions in the 2022-23 state budget:

- Cost-of-living adjustment (COLA) remains at 6.56% for the Local Control Funding Formula (LCFF) with an additional base grant increase of 6.28%
- LCFF calculation amended to allow school districts to utilize the greater of current year, prior year, or the average of the most recent three prior years' ADA
- 2021-22 LCFF calculation amended to utilize the greater of 2021-22 ADA or the 2019-20 attendance rate applied to 2021-22 enrollment for all classroom-based LEAs that met specified independent study requirements
- Transitional Kindergarten (TK) add-on to the LCFF of \$2,813 for 2022-23, to be adjusted annually by the COLA
- \$8 billion to establish the Learning Recovery Emergency Block Grant to be allocated to all LEAs based on unduplicated pupil counts
- \$3.6 billion to establish the Arts, Music, and Instructional Materials Discretionary Block Grant to be allocated to all LEAs on a per-pupil basis
- Full funding of \$4 billion for the Expanded Learning Opportunities Program (ELOP) with changes to calculation of funds, offering, and access requirements.
- Special education base rate increase to \$820 per pupil
- Home-to-school transportation funding equal to 60% of expenditures reported in the prior year, excluding capital outlay and nonagency expenditures, and reduced

- by the transportation add-on to the LCFF
- \$1.2 billion to implement universal meals, plus \$600 million for kitchen infrastructure grants
 - \$500 million to establish the Golden State Pathways Program for college and career education pathways and \$200 million for the expansion of dual enrollment programs

Financial Considerations: Identify projected impact to the District's budget based on key items in the State Enacted Budget for 2022-23.

LCAP Goal(s): Family and Community Empowerment; Operational Excellence

Documents Attached:

1. Executive Summary

<p>Estimated Time of Presentation: 20 Minutes Submitted by: Rose Ramos, Chief Business and Operations Officer Approved by: Jorge A. Aguilar, Superintendent</p>
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I. OVERVIEW/HISTORY:

The District adopted the fiscal year 2022-23 Budget for all funds at the June 23, 2022 board meeting. The District's 2022-23 Proposed Budget is based on the Governor's May Budget Revision that was released on May 13, 2022. While the Governor's May Revise Budget is a very significant event in the process, the final impact to the District is ultimately known once the State Budget is signed. On June 27, 2022, Governor Gavin Newsom signed an on-time budget. The budget maintained several proposals that were included in the May Revision; however, many changes have been incorporated in the final state budget.

These are the major K-12 funding provisions in the 2022-23 state budget:

- Cost-of-living adjustment (COLA) remains at 6.56% for the Local Control Funding Formula (LCFF) with an additional base grant increase of 6.28%
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- Special education base rate increase to \$820 per pupil
- Home-to-school transportation funding equal to 60% of expenditures reported in the prior year, excluding capital outlay and nonagency expenditures, and reduced by the transportation add-on to the LCFF
- \$1.2 billion to implement universal meals, plus \$600 million for kitchen infrastructure grants
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II. Driving Governance:

- Education Code section 42127 requires the Governing Board of each school district to adopt a budget on or before July 1st and the proposed expenditures for the Education Protection Account. The budget to be adopted shall be prepared in accordance with Education Code section 42126. The adopted budget shall be submitted to the County Office

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of Education. The County Office of Education will determine if the district will be able to meet its financial obligations during the fiscal year and ensure a financial plan that will enable the district to satisfy its multi-year financial commitments.

- The SCUSD Board of Trustees has revised Board Policy 3100 to establish and maintain a general reserve for economic uncertainty that meets or exceeds the requirements of CCR 15443. The reserve for economic uncertainty for the District will be established at no less than 5% of total general fund expenditures. Under BP 3100 it is acknowledged that one-time funding should be used for one-time expenditures and shall only be used for an on-going expenditure as a last resort. As part of the approval of the annual budget, the Board shall consider any proposed use of one-time funding and shall take separate action to approve such uses

III. Budget:

Following is a summary of the major details related to the K-12 part of the 2022-23 State Enacted Budget as well as an update on some of those details for the District's multi-year projections.

IV. Goals, Objectives and Measures:

Continue to provide information to the Board and the public regarding budget updates as well as during the required reporting periods of First, Second and Third interim reports.

V. Major Initiatives:

- Continued analysis of information from the State and its impact on the District's budget.

VI. Results:

Budget development for 2022-23 has followed the timeline approved by the Board. The District expects to revise 2022-23 budget by the required time lines and will continue to provide budget updates as information becomes available.

VII. Lessons Learned/Next Steps:

- Continue to monitor the State budget and its impact on District finances.
- Continue to obtain stakeholders' input, follow the LCAP process and meet with bargaining units to seek cost reductions and long-term budget savings.

Local Control Funding Formula

The final budget adopts a COLA of 6.56% on the LCFF and a new transitional kindergarten (TK) add-on to the LCFF and increases the proposed boost to LCFF base grant rates by 6.28%. Commencing in 2023-24, the home to school transportation add-on will receive an annual COLA.

The TK add-on will be computed at \$2,813 per current year TK ADA and will increase

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annually by COLA beginning in 2023-24. The funding is intended to offset the additional costs associated with meeting the 12:1 pupil to staff ratios required in TK classrooms and is conditioned on the school district or charter offering transitional kindergarten in the year it receives the funding and maintaining an average TK class enrollment of no more than 24 pupils.

Commencing in 2022-23 school districts will be funded on the greater of current year, prior year, or the average of the most recent three prior years' ADA. Declining attendance protection is also added for charter schools for 2022-23 by providing an additional one-time apportionment equal to the difference between 2020-21 ADA and 2021-22 ADA as adjusted for the proxy measure described below, multiplied by the charter school's total LCFF funding per ADA. County offices of education continue to be funded on current year ADA.

The budget also adopts a proxy measure for 2021-22 ADA for all LEAs, but adds certain conditions relative to independent study. Actual 2021-22 ADA is to be used in all instances in which 2021-22 ADA is used such as lottery or grants. For LCFF purposes only, proxy ADA will be determined by calculating the ADA yield for 2019-20 and dividing it by the ADA yield for 2021-22. If the resulting quotient is greater than 1 (indicating that attendance rates in 2019-20 were higher than 2021-22), current year ADA will be adjusted by multiplying 2021-22 actual ADA by the quotient.

Example: *2019-20 P2 ADA divided by CALPADS Fall 1 Enrollment = 97%*
2021-22 P2 ADA divided by CALPADS Fall 1 Enrollment = 92%
97% divided by 92% = 105.43% = > 1; therefore, multiply 2021-22 ADA by 105.43%

As a condition of receiving this adjustment, school districts and county offices of education must certify that independent study for the 2021-22 school year was offered no later than October 1, 2021 to all students upon request and to all students subject to quarantine for exposure to or infection with COVID-19 and having adopted and implemented the associated policies. Districts and COEs that received a waiver from independent study requirements shall be deemed to have met these conditions. CDE will develop a data gathering tool for districts to meet the November 1, 2022 deadline to certify compliance with the conditions, which will also be subject to audit. Charter schools are not required to submit this certification to receive the benefit of the 2021-22 ADA adjustment.

Local Control Accountability Plan

The AB 181 6.28% augmentation to LCFF funding on top of the 6.56% statutory COLA will likely result in significantly higher LCFF revenue than most LEAs included in their Adopted Budget and LCAP. Furthermore, the higher LCFF revenue creates the potential for a significant increased and improved services carryover requirement in the following year for many LEAs. As



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part of the next Annual Update, LEAs will need to true up their LCAP to this higher level of revenue, including increased supplemental and concentration grant funding and the corresponding changes to the increased and improved services and carryover calculations. LEAs will want to engage their educational partners in a discussion about how to incorporate the additional resources into the LCAP planning process, including the addition of actions in the current year to increase and improve services for unduplicated students.

One-Time Funding

Learning Recovery Emergency Block Grant: The 2022-23 state budget allocates \$7.9 billion of one-time Prop. 98 funds to assist LEAs with long-term recovery from the pandemic. The funding may be used to increase or stabilize instructional learning time, decrease or stabilize staff-to-pupil ratios, provide supports to address barriers to learning, provide instruction for credit-deficient students, provide learning supports to close learning gaps, and provide additional academic services. LEAs will be funded based on 2021-22 P-2 ADA multiplied by the 2021-22 unduplicated pupil percentage (UPP), estimated at approximately \$2,150 per unduplicated ADA. The funds are available through the 2027-28 fiscal year and expenditures will be reported to CDE.

Arts, Music and Instructional Materials Discretionary Block Grant: The 2022-23 state budget allocates \$3.6 billion to LEAs to obtain standards-aligned professional development and acquire instructional materials in various subject areas, invest in diverse book collections, offset increased operational costs including but not limited to retirement and health care costs, COVID-19 mitigation, and to support arts and music education programs. LEAs will be funded per pupil, based on the second principal apportionment as reported for 2021-22. The funding will be available for encumbrance through June 30, 2026. The governing board or body of each LEA receiving funds will discuss and approve an expenditure plan at a regularly scheduled public meeting and the LEA will be required to expend the revenues consistent with the approved plan. LEAs may use an estimate of \$666 per ADA.

Literacy Coaches and Reading Specialists Grant Program: The 2022-23 state budget allocates \$250 million of one-time Prop. 98 funds, available over five years, to LEAs, including \$25 million for the Superintendent of Public Instruction to collaborate on selecting a county office of education to develop and provide training for educators to become literacy coaches and reading and literacy specialists. The program will provide grants to high-needs elementary schools with a UPP of 97% or higher in kindergarten and grades 1 to 3, inclusive, to develop and implement school literacy programs and interventions and train and hire literacy coaches and reading and literacy specialists. The CDE will compute an amount per pupil enrolled in kindergarten or any of grades 1 to 3, inclusive, at each eligible school site, such that no LEA will receive less than \$450,000 per eligible school site. Grant amounts will be determined using 2021-22 school enrollment and unduplicated pupil count data as of the California Longitudinal Pupil Achievement Data System (CALPADS) Fall 1 Certification and the UPP for this funding



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will be based solely on 2021-22 data in kindergarten and grades 1 to 3, not the LEA's UPP for LCFF. The funding will be available for encumbrance through June 30, 2027.

LEAs may opt out of this program by notifying the CDE by September 30, 2022, through a form the CDE will develop. The school literacy program will contain various elements, including a school literacy plan that will require goals and actions to improve literacy acquisition. By June 30, 2027, LEAs must report how they used funds awarded to them.

Dual enrollment opportunities include \$200 million in the budget available over five years to strengthen and expand dual enrollment planning and implementation opportunities and enable coupling with student advising and support services. By January 1, 2023, CDE will administer a competitive grant program for LEAs to establish either middle college or early college high schools and/or establish dual enrollment opportunities. Fund disbursement to approved applicants will begin on or before December 1, 2023.

Competitive grants up to \$250,000 will be available for start-up and planning costs for middle college or early college high schools, and competitive grants up to \$100,000 will be available to establish a College and Career Access Pathways dual enrollment partnership agreement.

Home to School Transportation

Beginning in 2022-23 and for each fiscal year thereafter, school districts and county offices of education will be reimbursed for pupil transportation services an amount equal to 60% of the prior-year reported home to school transportation expenditures within function 3600, excluding capital outlay or nonagency expenditures. For information on eligible expenditures, refer to the California School Accounting Manual (CSAM) Procedure 325-21. This reimbursed transportation allowance will be reduced by any applicable transportation add-on amount within the LCFF calculations for the school district or county office of education.

In addition, starting in 2023-24 the annual COLA will apply to the add-on transportation funding within the LCFF apportionment exhibits.

As a condition of receiving the reimbursed transportation allowance, the school district or county office of education shall develop a plan describing the transportation services it will offer to its pupils and how it will prioritize planned transportation services for pupils in TK thru grade 6 and pupils who are low income. The plan shall be adopted by the governing board on or before April 1, 2023 and updated annually by April 1. The plan shall include the following components:

- A description of the transportation services that would be accessible to pupils with disabilities and homeless pupils
- A description of how unduplicated pupils would be able to access the home

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- to school transportation with no fees
- Development in consultation with classified staff, teachers, school administrators, local transit authorities, local air pollution control districts, air quality management districts, parents, pupils, and other stakeholders
- Provision for the school district or county office of education to partner with a municipally owned transit system to provide transportation services for middle school and high school pupils

Universal School Meals

Beginning in the 2022-23 school year, all public schools will be required to provide two free meals per day to any students who request a meal. The Budget Act includes \$1.2 billion ongoing for universal school meals. This includes \$596 million for universal access to subsidized meals and \$611.8 million to maintain the meal reimbursement rates. Participation in the National School Lunch Program is a requirement to receive funding under California's universal school meals program.

Other one-time funding initiatives include:

- \$600 million in one-time funds available in the form of kitchen infrastructure grants with conditions to improve the quality of meals and increase participation
- \$100 million in one-time funds to implement some best practices as part of the National School Lunch Program and School Breakfast Program
- \$30 million for Farm to School Program

In late June 2022, Congress passed the Keep Kids Fed Act to extend a pandemic-era program through the summer that provides free meals to students regardless of income. The measure could lead to unused state funds being reallocated to other nutrition initiatives.

Special Education

For the 2022-23 fiscal year, the Special Education base rate is first increased by the COLA of 6.56%, and then augmented by \$500 million, resulting in a 2022-23 base rate of \$820 (currently \$715) per ADA. SELPAs with a base rate greater than \$820 per ADA in 2021-22 will continue to be funded at their 2021-22 rate. Allocations will be calculated at the LEA level rather than the SELPA level, but funding will continue to flow through SELPAs. Each LEA's allocation will be based on ADA reported for the current year, most recent prior year or second most recent prior year (whichever is greater), multiplied by the base rate of \$820/ADA. SELPA base grant allocations will be the sum of all member LEAs' individual allocations. The CDE will provide funding exhibits for each LEA, and SELPAs must report the amount of funding generated by each member LEA no later than 30 days after receiving their apportionment.

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Both federal and state educationally related mental health services funding will continue to be allocated to SELPAs based on 2019-20 second principal apportionment ADA. Beginning in 2023-24, educationally related mental health services funding will be allocated directly to LEAs based on current year second principal apportionment ADA for state funds, and prior year second principal apportionment ADA for federal funds. The allowable use of these funds was changed in 2020-21 to include any behavioral or mental health service.

The two existing special education extraordinary cost pools will be consolidated into a single cost pool to simplify the current funding formula, and ongoing annual funding for this purpose will be significantly increased to \$20 million (previously \$6 million).

A special education addendum to the LCAP will be developed and implemented in 2025-26 to promote program cohesion by linking special education and general education planning and to provide parents of students with disabilities a defined role in the LCAP development process.

Expanded Learning Opportunities Program (ELOP)

The budget provides an additional \$3 billion ongoing Prop. 98 general fund to increase the Expanded Learning Opportunities Program (ELOP) to a total of \$4 billion ongoing.

Eligible LEAs with a prior-year UPP greater than or equal to 75% will receive \$2,750 per unduplicated pupil in kindergarten through 6th grade (TK-6 classroom-based ADA * UPP% * \$2,750). The preliminary rate for LEAs with a UPP below 75%, is \$2,052.71 (preliminary entitlement calculations are available on the CDE website at <https://www.cde.ca.gov/fg/aa/pa/elop.asp>). The administration has expressed the intent to increase allocations to ELOP in future years to eventually fund all LEAs at the same higher (\$2,750) rate. LEAs may carryover ELOP funds received in 2022-23 to the 2023-24 fiscal year.

ELOP offering and provision requirements for 2022-23:

- LEAs are required to deploy ELOP funds to offer a nine-hour day during the school year (EC Section 46120(b)(1)(A) and 30 days (six weeks) of nine-hour enrichment programs outside the regular school year (EC Section 46120(b)(1)(B)) for students who enroll. ELOPs located in a frontier designated geographical location (school site in an area with a population density less than 11 persons per square mile) are required to operate an eight-hour day during the school year and on 30 days outside of the regular school year (EC Section 46120(b)(1)(C)).
- LEAs must “offer access” to all classroom-based unduplicated students in kindergarten (including TK) through 6th grade and “provide access” to at least 50% of all unduplicated students.

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- In addition, and new for 2022-23, LEAs must provide student transportation to a school site operating an ELOP classroom for any student who attends a school in the LEA that does not operate an ELOP classroom.

Starting in 2023-24, LEAs with UPP at or above 75% must “offer access” to all students in grades TK-6 and “provide access” to classroom-based all who request it; LEAs with a UPP below 75% must continue to “offer access” to all classroom-based unduplicated students in grades TK-6, as well as “provide access” to all who request it.

For audit purposes, 2022-23 remains a grace period. Beginning in 2023-24, audit findings of noncompliance will result in the CDE withholding funds proportionally.

Independent Study

AB 181, the Education Omnibus Bill, adds to the education opportunities offered through independent study to include individualized alternative education designed to teach the knowledge and skills of core curriculum, and states that independent study shall not be provided as an alternative curriculum. The state Adopted Budget amends EC Section 51747.5 and allows LEAs to claim apportionment credit for students enrolled in traditional independent study programs using a hybrid model of instruction. The bill encourages all LEAs to consider offering more than one model of independent study in adopting the associated (required) written policy.

The Adopted Budget also makes changes to the independent study requirements for students with exceptional needs. When a parent or guardian of an individual with exceptional needs requests independent study, the pupil’s individualized education program (IEP) team will determine whether the pupil can receive a free appropriate public education in an independent study placement. The certificated employee designated as having responsibility for the special education program of the pupil must sign the written agreement.

Additionally, LEAs are now authorized to claim apportionment for a pupil who receives services from a nonpublic, nonsectarian school (NPS) through a virtual program if certain conditions are met, including that the pupil is an individual with exceptional needs whose IEP includes placement at an NPS, and that the LEA offers, and the pupil’s parent or guardian requests, independent study. These provisions sunset on January 1, 2025.

Early Care and Education

The budget continues and expands investments in early care and education programs. Significant programmatic changes to the California State Preschool Program (CSPP) and Transitional Kindergarten (TK) have been adopted.



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Cost of Living Adjustment (COLA): 6.56% COLA applicable to all early care and education programs.

Transitional Kindergarten (TK)

- TK age expansion: \$614 million to expand eligibility for TK for children born between December 2 and February 2 in the 2022-23 school year.
- ADA Base Grant adjustment and add-on: The budget increases the base grants for transitional kindergarten and grades 1 to 12, inclusive, by an additional 6.28%, with an add-on of \$2,813 for TK to be annually adjusted for inflation. This potentially triggers the 1:12 adult to student ratio for FY 2022-23 and the 1:10 adult to student ratio for FY 2023-24.
- Emergency Specialist Permit – TK: The budget allows the Commission on Teacher Credentialing to issue a one-year emergency permit for individuals who meet certain criteria, with an additional one-year extension to be the teacher of record in a self-contained classroom for apportionment purposes.

State Preschool

The budget invests \$312.7 million Prop. 98 general fund and \$172.3 million general fund to increase State Preschool Program adjustment factors for students with disabilities, dual language learners and childhood mental health, and adds an adjustment factor for 3-year-olds.

These increases include support for new requirements for State Preschool providers to:

- Incrementally ramp up to serving at least 10% of students with disabilities by July 1, 2024.
- Specifically, over three years, preschool providers would be required to serve 5% of students with disabilities in FY 2022-23, 7.5% in FY 2023-24 and 10% in 2024-25.
- Provide additional supportive services for dual language learners.

Additionally, the budget provides the following to all students participating in State Preschool:

- Allows for continuous eligibility for 24 months (increased from 12 months) after eligibility is confirmed.
- Enables children with an IEP to be categorically eligible to participate.

Expands access to eligible families from families at 85% of the state median income to families at 100% of the state median income for State Preschool.

The budget also includes support for the following one-time investments:



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- Inclusive Early Education Expansion Program (IEEEP): \$250 million one-time general funds for facility support for general education and special education students in inclusive classrooms.
- State Preschool Family Fee Waivers: For the 2022-23 fiscal year, \$10.5 million one-time Prop. 98 general fund, and \$10.8 million one-time non-Prop. 98 general fund to waive the family share of cost for children participating in the State Preschool Program.
- State Preschool Funding Hold Harmless – Reimbursement for Authorized Hours of Care: For the 2022-23 fiscal year only, reimbursing preschool providers for maximum authorized care from July 1, 2022, to June 30, 2023.
- Local Educational Agency Preschool Planning and Implementation Grants: \$300 million one-time Prop. 98 general fund for planning and implementation grants for all LEAs.
- Full-Year Costs of State Preschool Rate Increases: \$166.2 million Prop. 98 general fund to support the full-year costs of State Preschool rate increases that began January 1, 2022.
- California Universal Preschool Planning Grant Program: \$18.3 million general fund per year for three years to support the California Universal Preschool Planning Grant Program.
- 2021-2022 State Preschool Family Fee Waivers: For the 2021-22 school year, an additional \$1.1 million one-time general fund to augment funding previously provided to waive the family share of cost for children participating in the State Preschool Program.



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2022-23 Sacramento City Unified School District 45 Day Revise Budget Update

Description	2022-23 Adopted Budget	2022-23 45 Day Revise	Difference	Revenue Type	Ongoing vs One-time	Notes	Deadline
Local Control Funding Formula with 6.28% Additional COLA	\$454,072,523	\$466,261,556	\$12,189,033	Unrestricted	Ongoing	Increase due to applying 6.28% augmented COLA to Adopted Budget enrollment and ADA assumptions	N/A
Local Control Funding Formula applying 2019-20 Covid 19 ADA Relief formula	\$466,261,556	\$480,336,745	\$14,075,189	Unrestricted	Ongoing	Increase due to applying 6.28% augmented COLA and the 2019-20 Covid 19 ADA Relief formula to the actual reported 2021-22 P-2 ADA	N/A
Transportation Add On	\$4,115,457	\$7,476,167	\$3,360,710	Unrestricted	Ongoing	Requires Board approved spending plan by April 1, 2023 that describes services for students with disabilities, low-income, homeless, foster youth and english language learners. Plan updated annually.	N/A
Unrestricted Lottery	\$5,901,089	\$6,136,184	\$235,095	Unrestricted	Ongoing	Funding per ADA changed from \$163 to \$170	N/A
Restricted Lottery	\$2,353,195	\$2,418,378	\$65,183	Restricted	Ongoing	Funding per ADA changed from \$65 to \$67	N/A
Expanded Learning Opportunities Program	\$0	\$25,051,881	\$25,051,881	Restricted	Ongoing	Provide comprehensive before, after and summer school opportunities for TK-6th grade students	N/A
Arts, Music & Instructional Materials Discretionary Block Grant	\$0	\$21,860,164	\$21,860,164	Restricted	One-time	Requires Board approved spending plan, may be used for professional development, instructional materials, textbooks, operational costs, Covid 19 supplies	6/30/2026
\$1,500/ADA Discretionary Block Grant	\$49,164,240	\$0	(\$49,164,240)	Unrestricted	One-time	Funding proposal replaced with Learning Recovery Emergency Block Grant	N/A
Learning Recovery Emergency Block Grant	\$0	\$55,748,199	\$55,748,199	Restricted	One-time	Used to provide pupil supports, additional academic services, close learning gaps, increase learning time,	6/30/2028



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Planning Factors for 2022-23 and MYPs

Key planning factors for LEAs to incorporate into their 45-day revision for the 2022-23 Adopted Budget and multiyear projections are listed below and are based on the latest information available.

Planning Factor	2022-23	2023-24	2024-25
Cost of Living Adjustment (COLA)			
LCFF COLA	6.56%	5.38%	4.02%
LCFF Investment	6.28%		
Grade Span Adjustment			
TK-3	10.40%		
9-12	2.60%		
Special Education COLA	6.56%	5.38%	4.02%
Employer Benefit Rates			
CalSTRS	19.10%	19.10%	19.10%
CalPERS-Schools	25.37%	25.20%	24.60%
State Unemployment Insurance	0.50%	0.20%	0.20%
Lottery			
Unrestricted per ADA	\$170	\$170	\$170
Prop. 20 per ADA	\$67	\$67	\$67
Universal Transitional Kindergarten/ADA	\$2,813	\$2,964	\$3,083
Mandated Block Grant Districts			
Districts			
K-8 per ADA	\$34.94	\$36.82	\$38.30
9-12 per ADA	\$67.31	\$70.93	\$73.78
Charters			
K-8 per ADA	\$18.34	\$19.33	\$20.10
9-12 per ADA	\$50.98	\$53.72	\$55.88



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2022-23 Multi Year Projections 45 Day Revise Budget Update

Description	Revised Budget 2022-23			Projection 2023-24			Projection 2024-25		
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined
Revenue									
General Purpose	480,336,745	2,251,179	482,587,924	488,969,741	2,251,179	491,220,920	493,801,371	2,251,179	496,052,550
Federal Revenue	-	91,620,567	91,620,567	-	88,149,711	88,149,711	-	36,924,916	36,924,916
State Revenue	10,956,425	179,887,286	190,843,711	10,956,425	99,636,745	110,593,170	10,956,425	99,636,745	110,593,170
Local Revenue	5,910,294	2,348,651	8,258,946	5,910,294	2,121,378	8,031,673	5,910,294	2,121,378	8,031,673
Total Revenue	497,203,464	276,107,683	773,311,147	505,836,460	192,159,013	697,995,473	510,668,090	140,934,218	651,602,309
Expenditures									
Certificated Salaries	178,049,044	65,846,912	243,895,956	176,931,045	66,447,785	243,378,830	178,915,365	55,449,760	234,365,125
Classified Salaries	39,427,868	31,616,783	71,044,650	39,643,068	30,912,908	70,555,976	39,920,569	24,825,156	64,745,725
Benefits	127,427,529	89,430,083	216,857,613	131,079,698	89,098,950	220,178,648	136,356,980	79,819,759	216,176,739
Books and Supplies	8,011,516	21,391,198	29,402,714	13,168,515	20,705,308	33,873,823	14,356,867	14,496,225	28,853,092
Other Services & Oper.	29,076,846	86,842,398	115,919,244	29,179,845	81,331,252	110,511,097	30,368,197	79,045,700	109,413,896
Capital Outlay	29,000	5,400,251	5,429,251	29,000	5,400,251	5,429,251	29,000	816,918	845,918
Other Outgo 7xxx	1,540,000	-	1,540,000	1,540,000	-	1,540,000	1,540,000	-	1,540,000
Transfer of Indirect 73xx	(8,279,893)	7,088,334	(1,191,558)	(8,279,893)	6,562,902	(1,716,991)	(8,279,893)	4,956,995	(3,322,898)
Budget Reductions	-	-	-	-	(1,116,305)	(1,116,305)	-	(2,542,748)	(2,542,748)
Total Expenditures	375,281,911	307,615,959	682,897,870	383,291,278	299,343,052	682,634,330	393,207,085	256,867,764	650,074,849
Deficit/Surplus	121,921,554	(31,508,276)	90,413,277	122,545,182	(107,184,039)	15,361,143	117,461,005	(115,933,546)	1,527,460
Transfers in/(out)	2,342,426	-	2,342,426	2,342,426	-	2,342,426	2,342,426	-	2,342,426
Contributions to Restricted	(96,922,460)	96,922,460	-	(105,137,961)	105,137,961	-	(113,887,468)	113,887,468	-
Net increase (decrease) in Fund Balance	27,341,520	65,414,184	92,755,703	19,749,647	(2,046,078)	17,703,569	5,915,963	(2,046,078)	3,869,886
Beginning Balance	42,691,089	24,600,396	67,291,485	70,032,609	90,014,580	160,047,189	89,782,256	87,968,502	177,750,758
Ending Balance	70,032,609	90,014,580	160,047,189	89,782,256	87,968,502	177,750,758	95,698,219	85,922,425	181,620,644
Revolving/Stores/Prepays	325,000		325,000	325,000		325,000	325,000		325,000
Reserve for Econ Uncertainty	13,611,109		13,611,109	13,605,838		13,605,838	12,954,648		12,954,648
Restricted Programs	-	90,014,580	90,014,580	-	87,968,502	87,968,502	-	85,922,425	85,922,425
Committed	41,439,681		41,439,681	41,439,681		41,439,681	41,439,681		41,439,681
Other Assignments	3,177,835		3,177,835	1,505,730		1,505,730	1,505,730		1,505,730
Unappropriated Fund	11,478,984	-	11,478,984	32,906,007	-	32,906,007	39,473,159	-	39,473,159
<i>Unappropriated Percent</i>			<i>1.68%</i>			<i>4.82%</i>			<i>6.07%</i>



Board of Education Executive Summary

Business Services

2022-23 45 Day Revise Budget Update

August 11, 2022

Conclusion:

The District is projected to satisfy the 2% required reserve for economic uncertainties in 2022-23, 2023-24 and in 2024-25. Furthermore, the District projects unrestricted surpluses as follows:

\$19.7M in 2023-24

\$ 5.9M in 2024-25

Risks:

Uncertainty regarding on-going State funding for K12 Districts, the potential future impact of a recessionary economy, enrollment, additional unfunded COVID-19 related expenses and final audit guidance on the utilization of the 2019-20 COVID-19 ADA relief calculations.

Opportunities:

Improved State Budget and funding for K12 Districts, stable/increased enrollment, maintaining fiscal stability and the potential to make up the instructional days lost during the 2021-22 school year through the State waiver process.

Continuation of County Oversight

County superintendents are required by statute to continually monitor districts for fiscal distress. If the district has a negative certification, a disapproved budget, or the county superintendent determines that the district may be unable to meet its financial obligations, the county superintendent can:

- Stay or rescind any action that is determined to be inconsistent with the ability of the district to meet its obligations for the current or subsequent fiscal year, and
- Assist in developing a budget for the subsequent fiscal year.

The District's budget has been disapproved for three years (2018-2019, 2019-2020 and 2020-2021) and the Sacramento County Office of Education conditionally approved the 2021-22 budget. The District's 2022-2023 adopted budget is currently under review by the Sacramento County Office of Education.

The Sacramento County superintendent continues to work with the district until the budget for the subsequent year is approved and may stay or rescind any actions up to that point. The county superintendent can only approve the budget if the district can satisfy its multiyear financial commitments and address the fiscal findings identified in the evaluations and audits, which determined that the school district was in fiscal distress.