



Cambrian School District
2022-23 Governor's Budget
Overview

February 17, 2022



Introduction

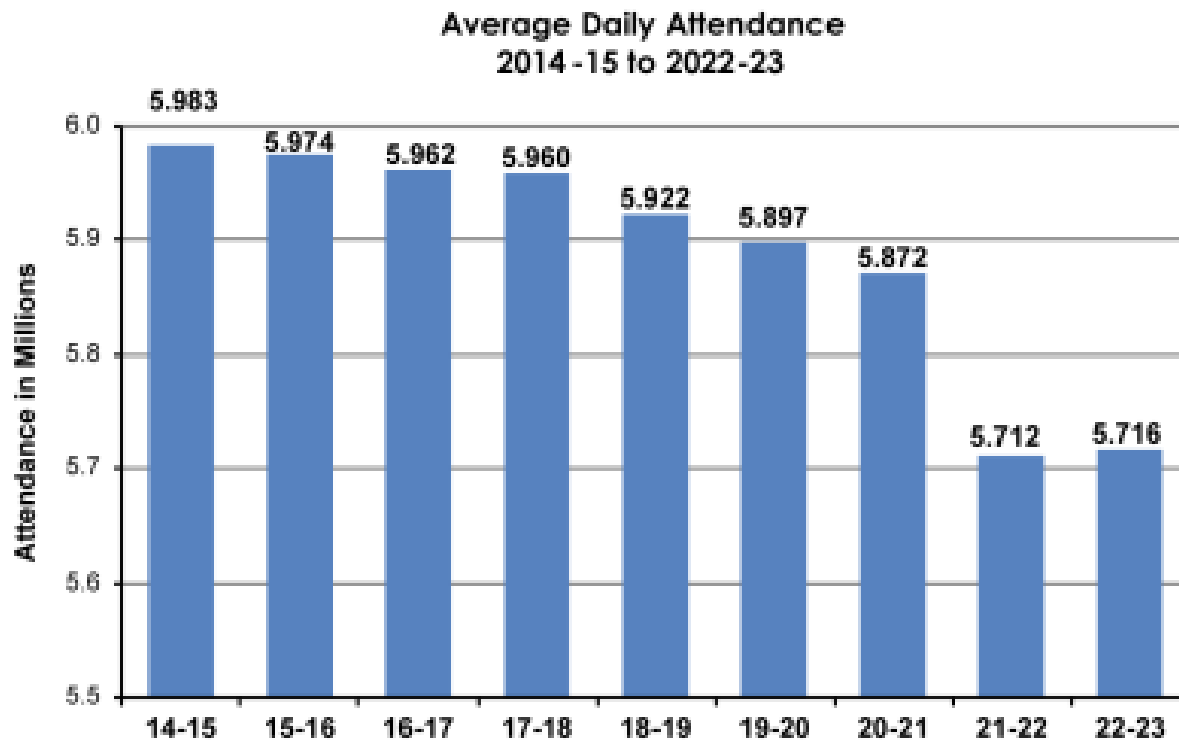


- Each January 10th, the California Governor Releases a Proposal for the new Fiscal Year (7/1-6/30)
- Robust state revenues provide the state General Fund with a surplus of \$45.7 billion for the 2022-23 fiscal year
- Provides \$16.1 billion in new revenues for K-14 education
- A sizeable share of new funding is proposed for restricted purposes, leaving few resources to address increased costs associated with soaring inflation and rising pension obligations
- Core programs receive a significant statutory cost-of-living adjustment (COLA) to address the significant cost increases associated with pensions and historic levels of inflation

Statewide ADA



K-12 EDUCATION



Governor's ADA Proposal



- Many solutions have been entertained, and the Governor included one additional option:

Current Law for School Districts

Education Code Section (EC §) 42238.05(a)(1) provides funding through the LCFF on the greater of:
Current Year ADA
or
Prior Year ADA

Governor's Proposal for School Districts

Funding would be based on the greater of:
Current-Year ADA,
Prior-Year ADA
or
Computed average ADA using the prior three years' ADA



Governor's Proposals/Planning

SSC Financial Projection Dartboard

	Planning Factors				
	2021-22	2022-23	2023-24	2024-25	2025-26
DOF Planning COLA	5.07%**	5.33%	3.61%	3.64%	3.62%
CalSTRS***	16.92%	19.10%	19.10%	19.10%	19.10%
CalPERS***	22.91%	26.10%	27.10%	27.70%	27.80%
Unemployment Insurance	0.50%	0.50%	0.20%	0.20%	0.20%

*Department of Finance (DOF)

**Calculated by compounding the unfunded COLA of 2.31% from 2020-21 and the statutory COLA of 1.70%, plus 1.00%, in 2021-22

***California State Teachers' Retirement System (CalSTRS); California Public Employees' Retirement System (CalPERS)

- COLA is at higher levels
 - But so are the projected cost increases that are facing LEAs
- The journey the COLA has taken us on has been quite a wild ride

2022-23 LCFF Funding Factors

Grade Span	K-3	4-6	7-8	9-12
2021-22 Base Grant per ADA	\$8,093	\$8,215	\$8,458	\$9,802
5.33% COLA	\$431	\$438	\$451	\$522
2022-23 Base Grant per ADA	\$8,524	\$8,653	\$8,909	\$10,324
GSA	\$886	–	–	\$268
2022-23 Adjusted Base Grant per ADA	\$9,410	\$8,653	\$8,909	\$10,592
20% Supplemental Grant per ADA (Total UPP)	\$1,882	\$1,731	\$1,782	\$2,119
65% Concentration Grant per ADA (UPP Above 55%)	\$6,117	\$5,624	\$5,791	\$6,885



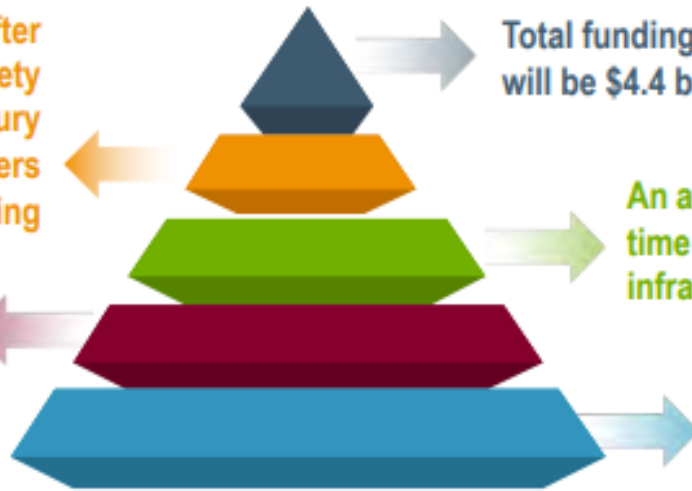
Governor's ELOP Proposal

Expanded Learning Opportunities Program

The largest investment in the Proposition 98 part of the Budget is an additional \$3.4 billion ongoing for the ELO Program

One-time rate increases for After School Education and Safety (ASES) and 21st Century Community Learning Centers (CCLC) will be ongoing

Remember that resources can be braided— State Preschool, special education learning recovery funds, ASES, 21st CCLC



Total funding for ELO Program will be \$4.4 billion annually

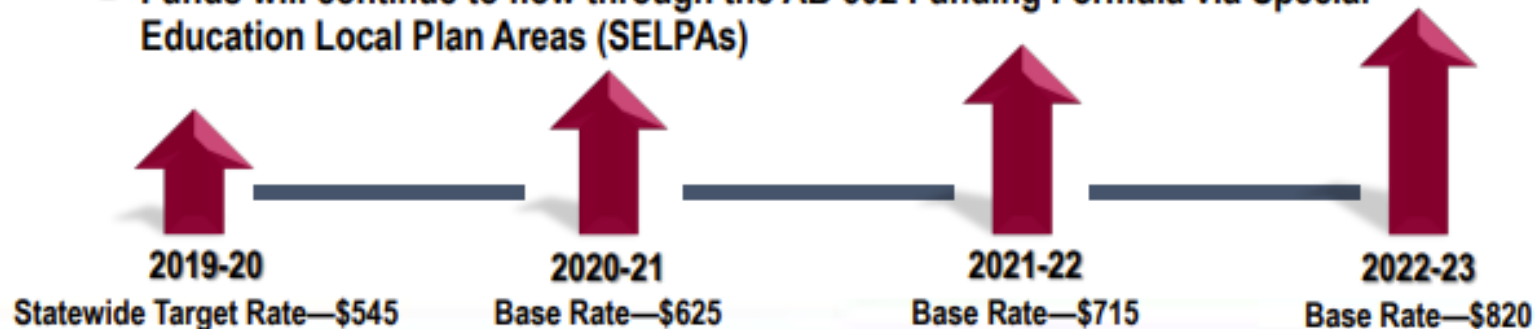
An additional \$937 million one-time for ELO Program infrastructure

Statutory language will clarify that literacy tutors and arts and music programming can be incorporated as enrichment options for students

Governor's Special Education Proposal



- In the wake of \$3.1 billion in special education investments over the last three years, Governor Newsom reinforces his commitment to young children and students with disabilities by proposing an integrated package of investments in early prevention and intervention and proposes commitments for ongoing special education funding
 - \$500 million in Proposition 98 General Fund special education funding
 - 5.33% COLA adjustment—\$140.6 million
 - These investments result in a Base Rate increase estimated at \$820 per ADA
 - Funds will continue to flow through the AB 602 Funding Formula via Special Education Local Plan Areas (SELPA)

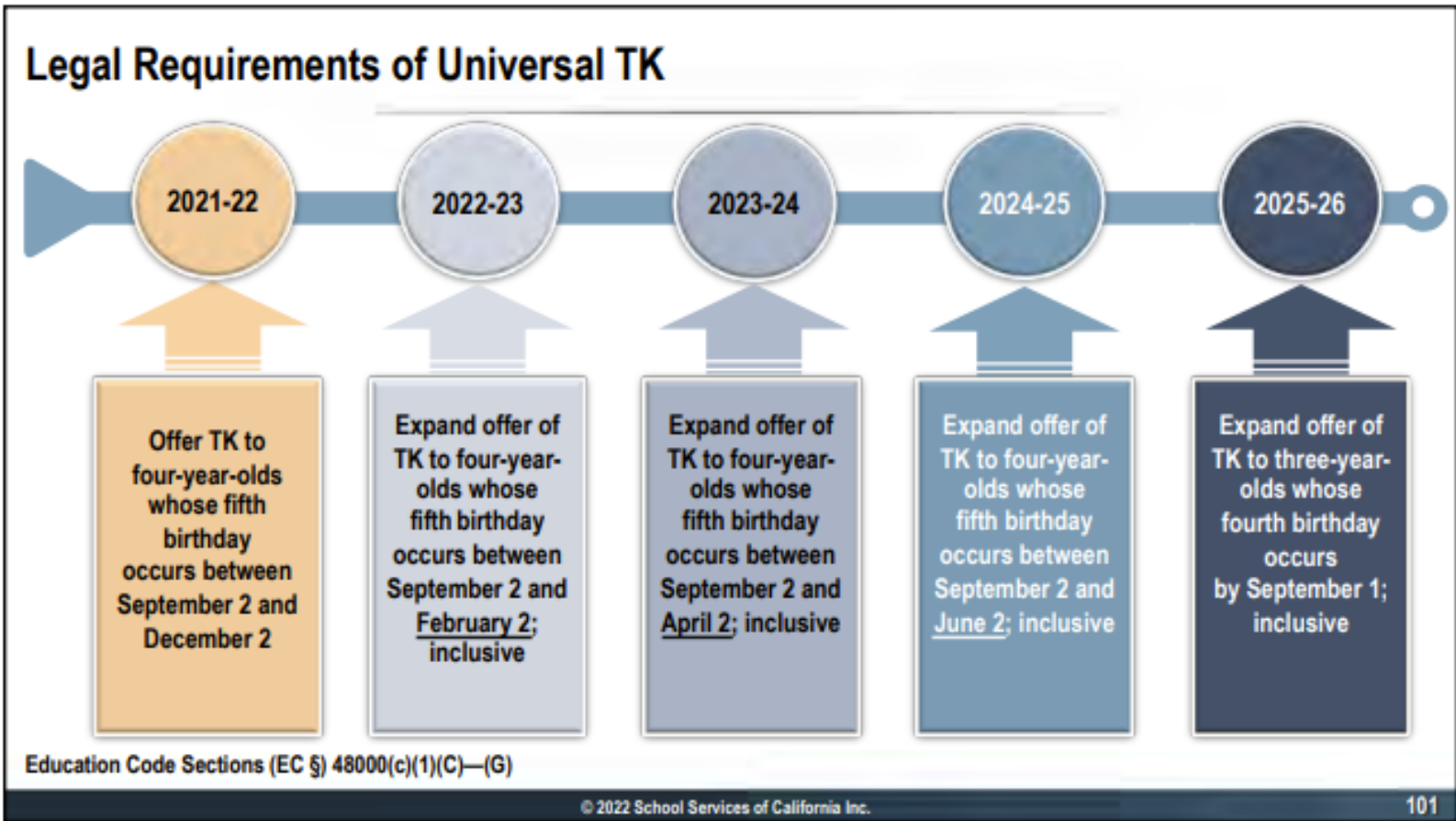


© 2022 School Services of California Inc.

68



Universal TK Requirements





Governor's Proposal Meals

Student Nutrition and Universal Meals

\$596 million (on top of \$54 million provided in the 2021 State Budget Act) to fund universal access to subsidized school meals

\$450 million one-time (available over three years) for LEAs to upgrade school kitchen infrastructure and equipment

Beginning in 2022-23, all LEAs are required to provide two free meals per day to any student who requests a meal

\$30 million one-time (non-Proposition 98) for the Farm to School Program and \$3 million ongoing (non-Proposition 98) to expand the regional California Farm to School Network by 16 new positions

\$3 million one-time to support the School Breakfast and Summer Meal Start-Up and Expansion Grant Program

Commentary



What's Not in the Proposed Budget

Additional Pension Relief

The state's contribution to subsidize employer rates has run out
Both pension plans are projecting 2%+ increases in 2022-23

Augmented COLA

The current projected COLA of 5.33% reflects the estimated statutory COLA (i.e., minimum required by law)

UPP Solutions

Implementation of universal meals will likely have an immediate and direct impact on UPP



Next Steps

- Business Office is preparing 2nd Interim Report
- New assumptions for Multi-Year Projections (MYP) based on the Governor's Proposals
- Presented at the March 3, 2022 Board Meeting
- March – Start developing 2022-23 Budget based on Budget Assumptions
- May – Governor's May Revise
- June – 2022-2023 Budget Adoption



Questions