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Board Cover Memorandum

To Board of Education

From Kyla Johnson-Trammell, Superintendent
Lisa Grant-Dawson, Interim Chief Business Officer

Meeting Date May 26, 2021

Subject Governor’s Proposed 2021-22 State Budget Education – May Revision

Ask of the Board To receive for information an update on the Governor’s Proposed 2021-22 State Budget – May Revision

Background Annually, the Governor of the State of California must present and adopt a budget by June 30th. As standard practice, the Governor presents his proposed budget publicly in January and May prior to the June adoption. The May budget presentation is commonly referred to as the “May Revision” or “May Revise”.

Discussion The District uses several resources to support a constant flow of information and data necessary for us to project, consider, and strategically forecast and plan to support the District’s financial and operational goals and opportunities. These resources include School Services of California and Capital Advisors who provide a series of workshops, articles, and reports summarizing current and proposed legislation to help Districts consider the multi-faceted tenets of public education.

On May 20, 2021, School Services of California hosted its Annual May Revision Workshop of which the District funds the registration of several stakeholders to include The Governing Board, Labor Partners, Superintendent, and staff members from various operational areas of the District. This opportunity to learn together provides a better opportunity to work together using a common and recognized resource for school business.

Key Changes for our use in finalizing the 2021-22 and multi-year projections for 2022-24 are as follows:

- The State budget has made a significant recovery from a 54 billion dollar deficit to a 75.7 billion dollar surplus

- Cash deferrals that were adopted in 2021-22 will be paid down an additional 1.1 billion more than the 9.2 billion proposed in January
- Cost of Living Adjustment Applied to the LCFF Base Grant increased from 3.84% in January to 5.07%
 - 2022-23 – 2.48%
 - 2023-24 – 3.11%
- Concerns remain for loss of enrollment and average daily attendance (ADA) for all schools in 2022-23 – “The Cliff”
- Special Education Base Rate will increase from \$625 to \$650.31 per ADA
- Targeted Intervention Grant to supplement the Expanded Learning Opportunities Grant
- New In Person Instruction Health and Safety Grant to supplement the In Person Instruction Grant
- Transitional Kindergarten Planning Grant
- TK/Full-Day Kindergarten Facilities Grant Program
- Investments in Building the Educator Pipeline
- Distance Learning Statutes Expire
- CalSTRS Employer Rate – 16.92% from 15.92% in January
- CalPERS Employer Rate – 22.91% from 23% in January
- Unemployment Insurance Rate increase to 1.23% from .05%

Fiscal Impact	None. Registration is covered using the Business Services Operation Budget
Recommendation	To receive for information an update on the Governor’s Proposed 2021-22 State Budget – May Revision
Attachment(s)	Presentation



2021 May Revision Workshop

May 20, 2021

Presented By:

**Leilani Aguinaldo ▪ Danyel Conolley ▪ Brianna García
John Gray ▪ Dave Heckler ▪ Patti Herrera, EdD ▪ Kyle Hyland
Robert McEntire, EdD ▪ Matt Phillips, CPA ▪ Charlene Quilao
Suzanne Speck ▪ Kathleen Spencer ▪ Michelle McKay Underwood**



1 Themes for the May Revision

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- California is “roaring back” from the initial dark days of the health pandemic that has gripped the state for nearly a year and a half
- Governor Gavin Newsom balances his robust—and arguably aggressive—spending proposals with over \$24 billion in reserves, including an historic deposit into public education’s rainy day fund
- The significant investments in the May Revision—namely, the increased ongoing education spending obligations—can create out-year risks for the state and for local leaders if the economic assumptions underlying the May Revision prove tenuous
- Local educational leaders can look forward to increased revenues that will help them expand access to high-quality educational and support services to California’s six million students, including programs to accelerate and enrich academic learning

May Revision for the State—and for You

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- The Governor's May Revision is the last statutory step in the State Budget process before the Legislature adopts the state's spending plan by June 15
- The Newsom Administration has updated revenue projections and proposals based on the latest cash receipts and economic forecasts
 - This is not so different from the process your local educational agency (LEA) is going through to adopt its budget:
 - Incorporating revised revenue projections with the Local Control Funding Formula (LCFF) Simulator and School Services of California Inc. (SSC) Dartboard
 - Updating step and column movement, benefits, and other local costs
- Once the 2021–22 State Budget has been adopted, our School Finance Conference will inform you of what has changed and how to adapt locally

3 **Economic Effects of COVID-19**

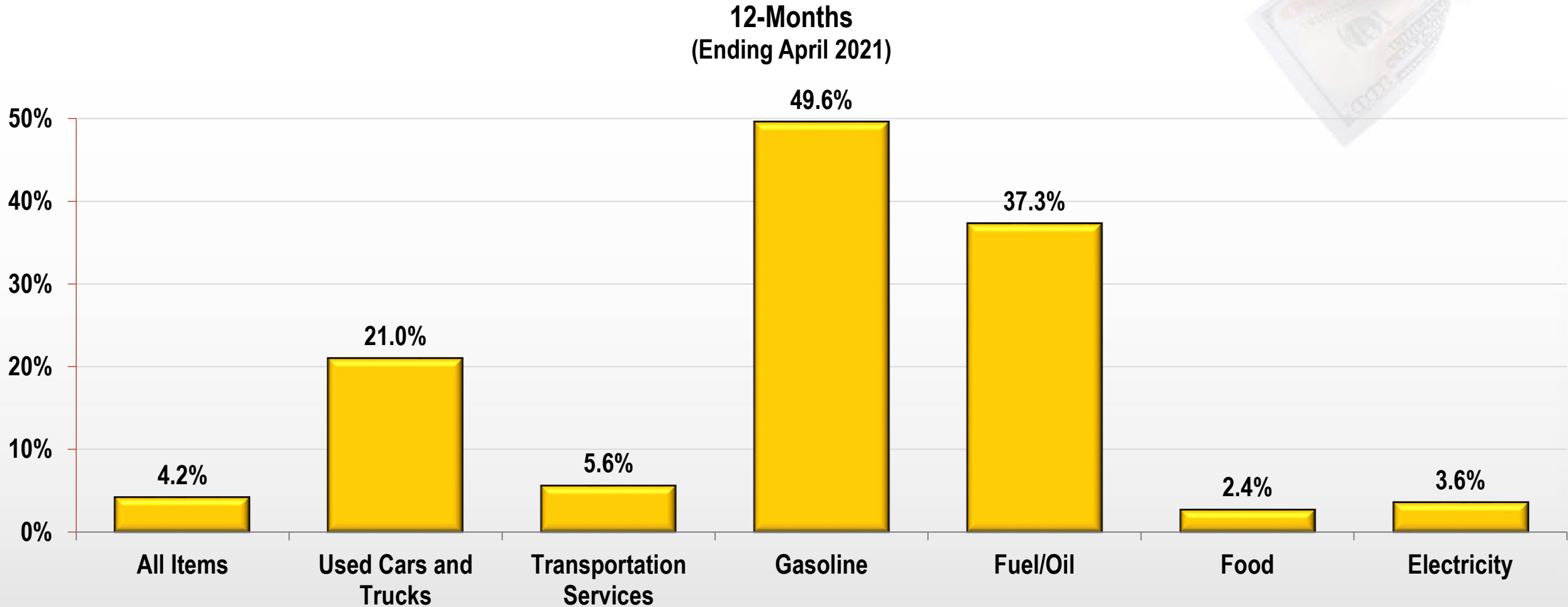
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- **Leading up to the May Revision, Governor Newsom announced that the state was facing a \$100 billion surplus, dubbed the “California Comeback Plan”**
 - **\$76 billion from extra state revenues and \$25 billion from federal resources**
 - **The forecasted \$54 billion deficit of one year ago is a distant memory**
- **While California’s coffers are overrun, not all Californians’ bank accounts are experiencing the same**
 - **California’s unemployment rate was at 8.3% in March 2021**
 - **\$12 billion of the California Comeback Plan is direct cash payments to expand the Golden State Stimulus**



National Consumer Price Index—Inflation?

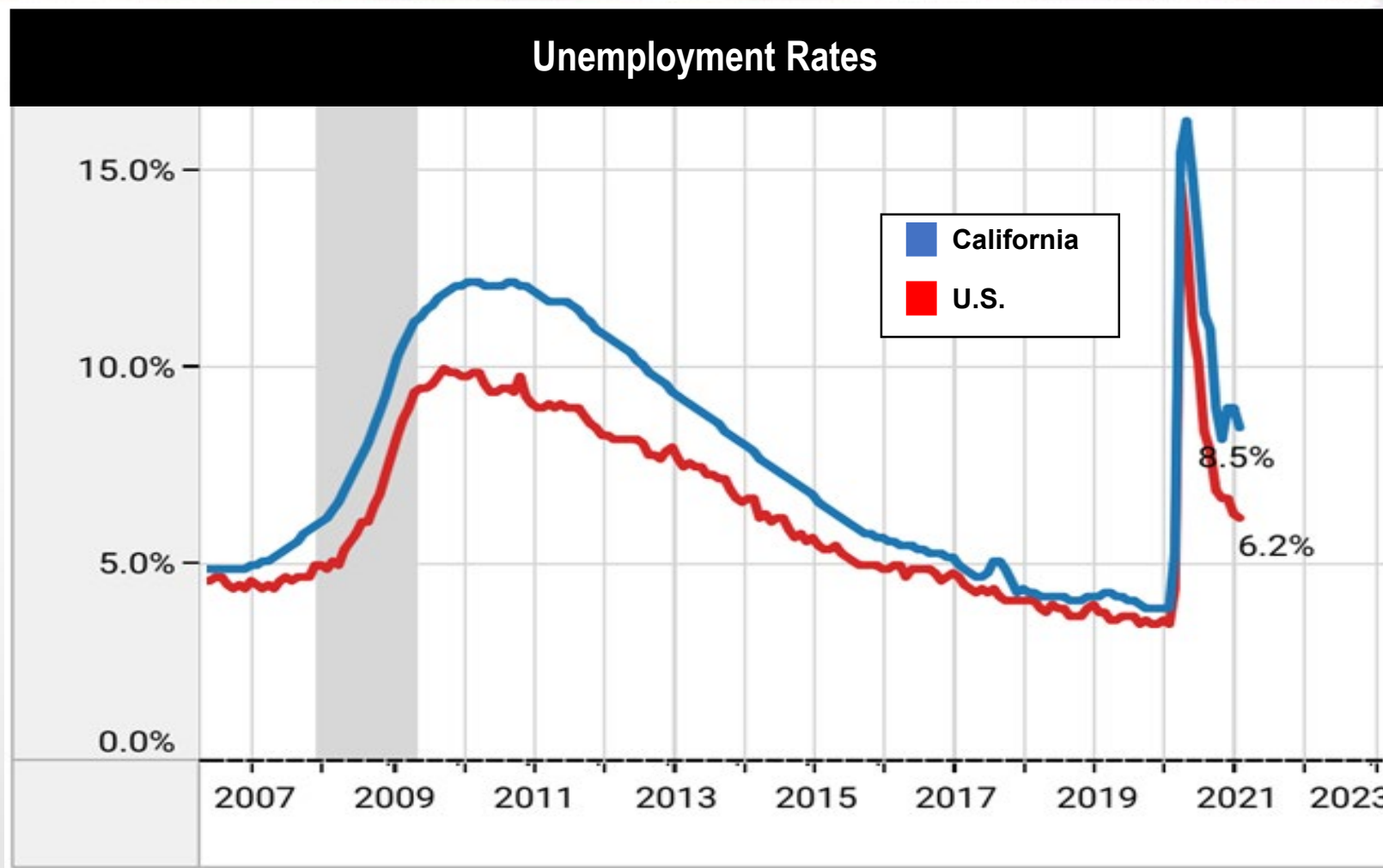
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Source: U.S. Bureau of Labor Statistics

National and California Unemployment Rates

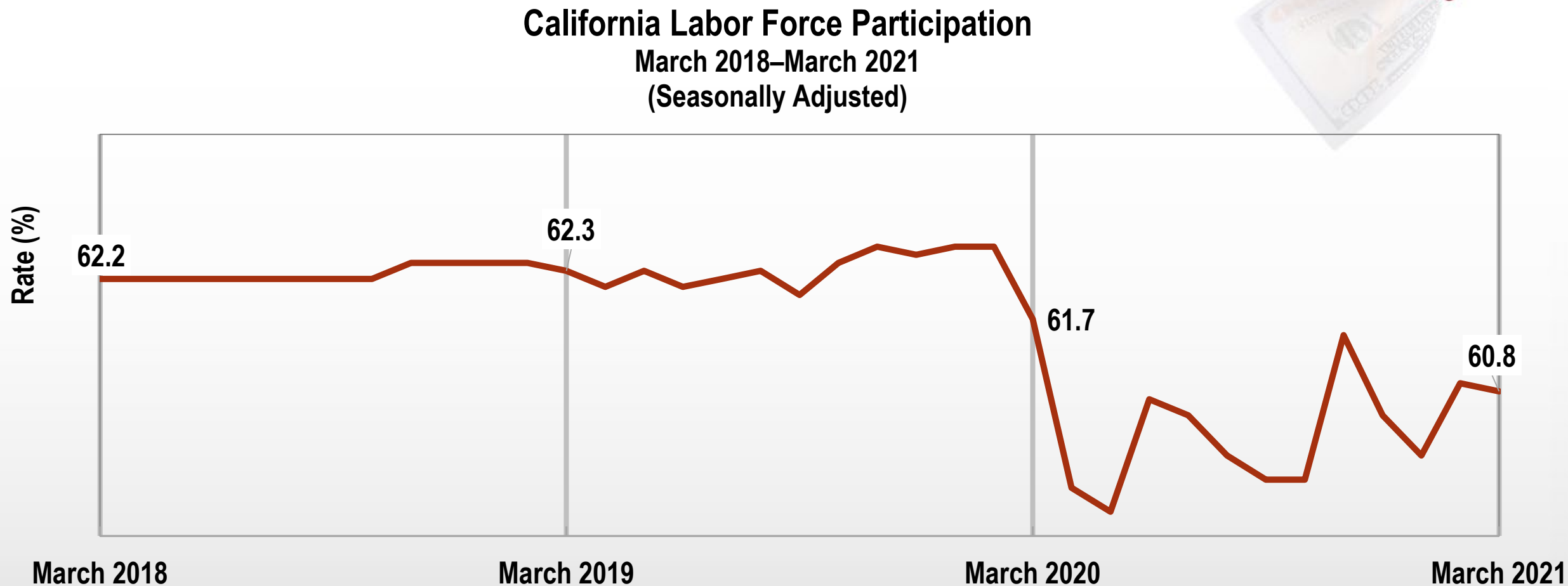
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Source: California Employment Development Department

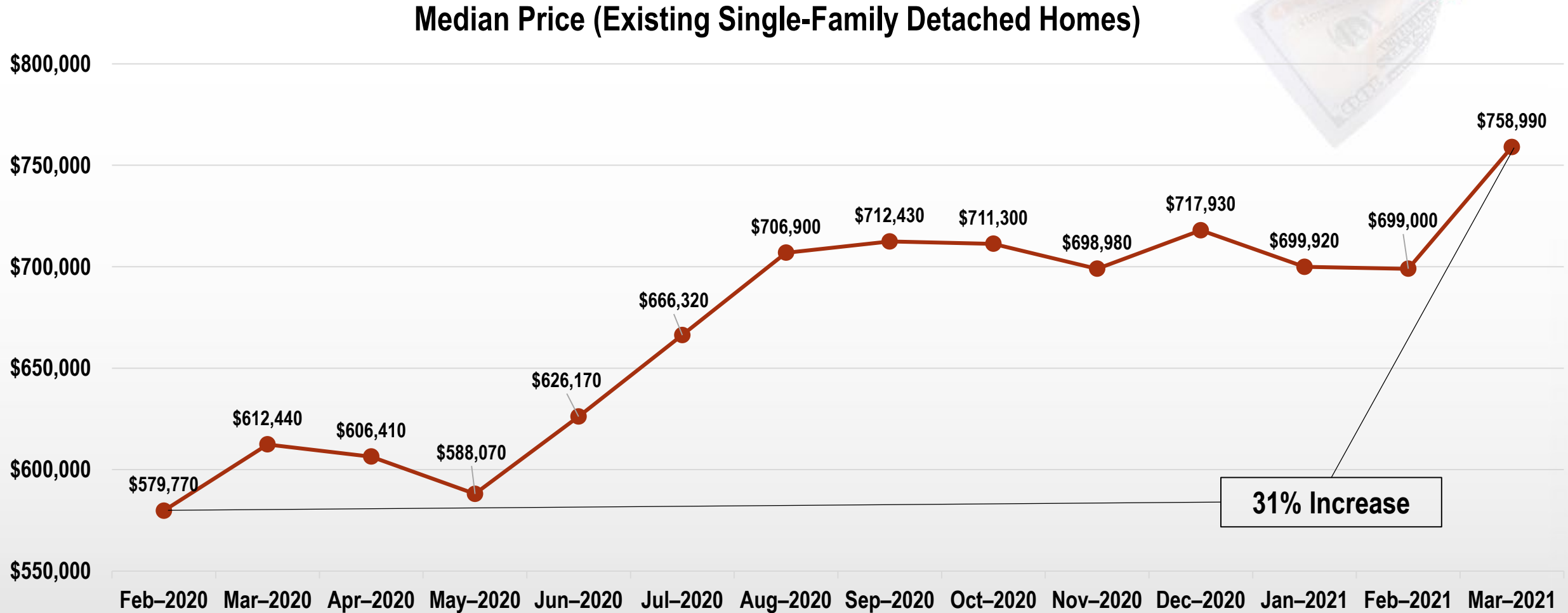
California Labor Force Participation

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Source: California Labor Market Review, March 2021, California Employment Development Department (EDD)

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Source: California Association of Realtors

A \$100 bill is shown, partially obscured by a thick red rope that runs horizontally across the frame. The rope is tied in a knot around the bill, which is positioned diagonally. The bill is a US one hundred dollar bill, featuring the portrait of Benjamin Franklin. The text "100" is visible in the top left corner, and "BANK OF AMERICA" is visible in the bottom right corner. The background is dark and reflective, showing a faint reflection of the bill and the rope.

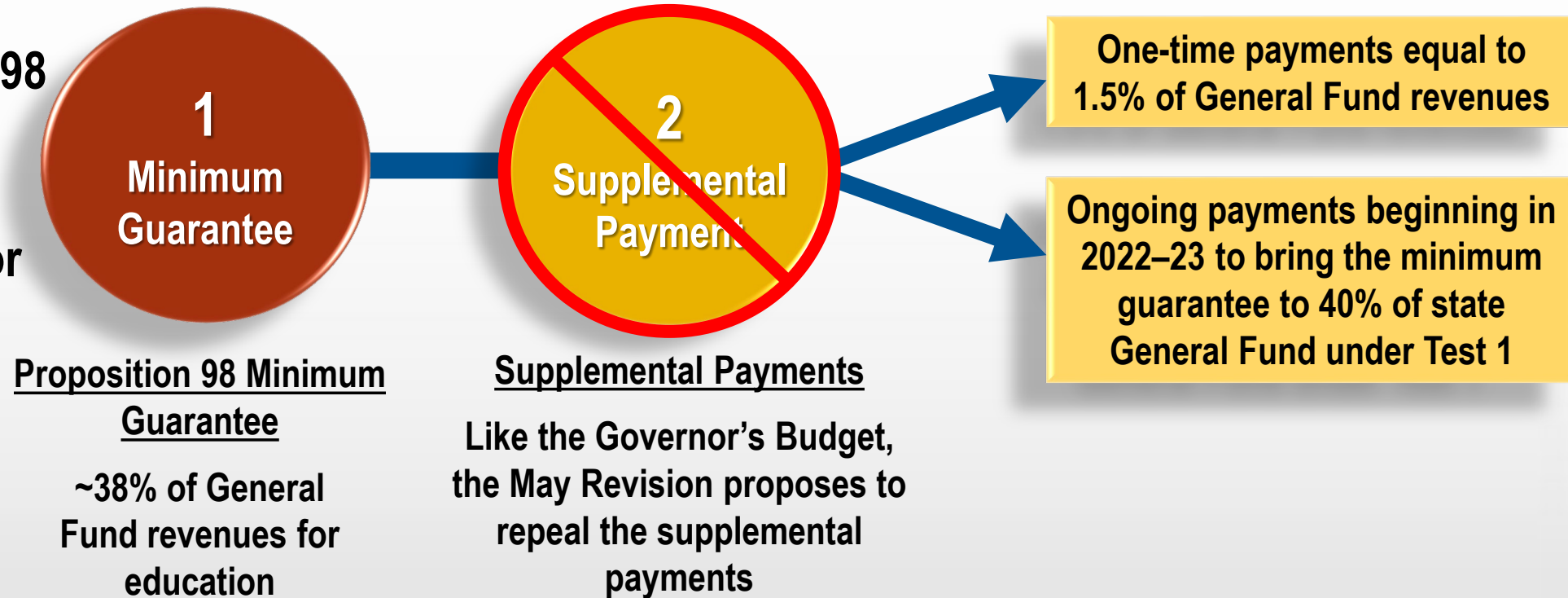
Proposition 98 and Education Funding

Education Funding for 2021–22

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- Education funding in the Governor's Budget included the Proposition 98 minimum guarantee and a one-time supplemental payment of \$2.3 billion while proposing to repeal the 2020 Budget Act's supplemental payment provisions

- Instead, Proposition 98 will be permanently increased by \$2.7 billion* to pay for ongoing costs of universal transitional kindergarten

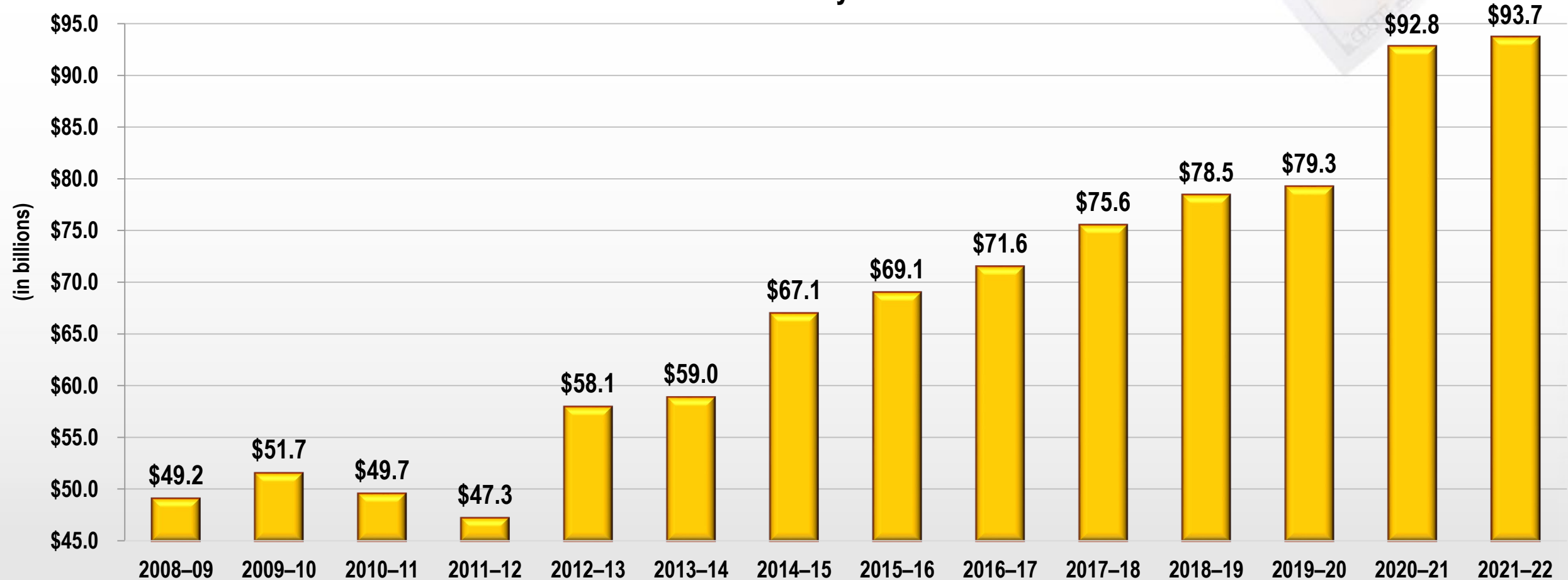


*Beginning with \$900 million in 2022–23 and growing to \$2.7 billion in 2024–25 and ongoing

10 Education Funding for 2021–22

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Proposition 98 Funding Over Time
2008–09 to 2021–22 May Revision

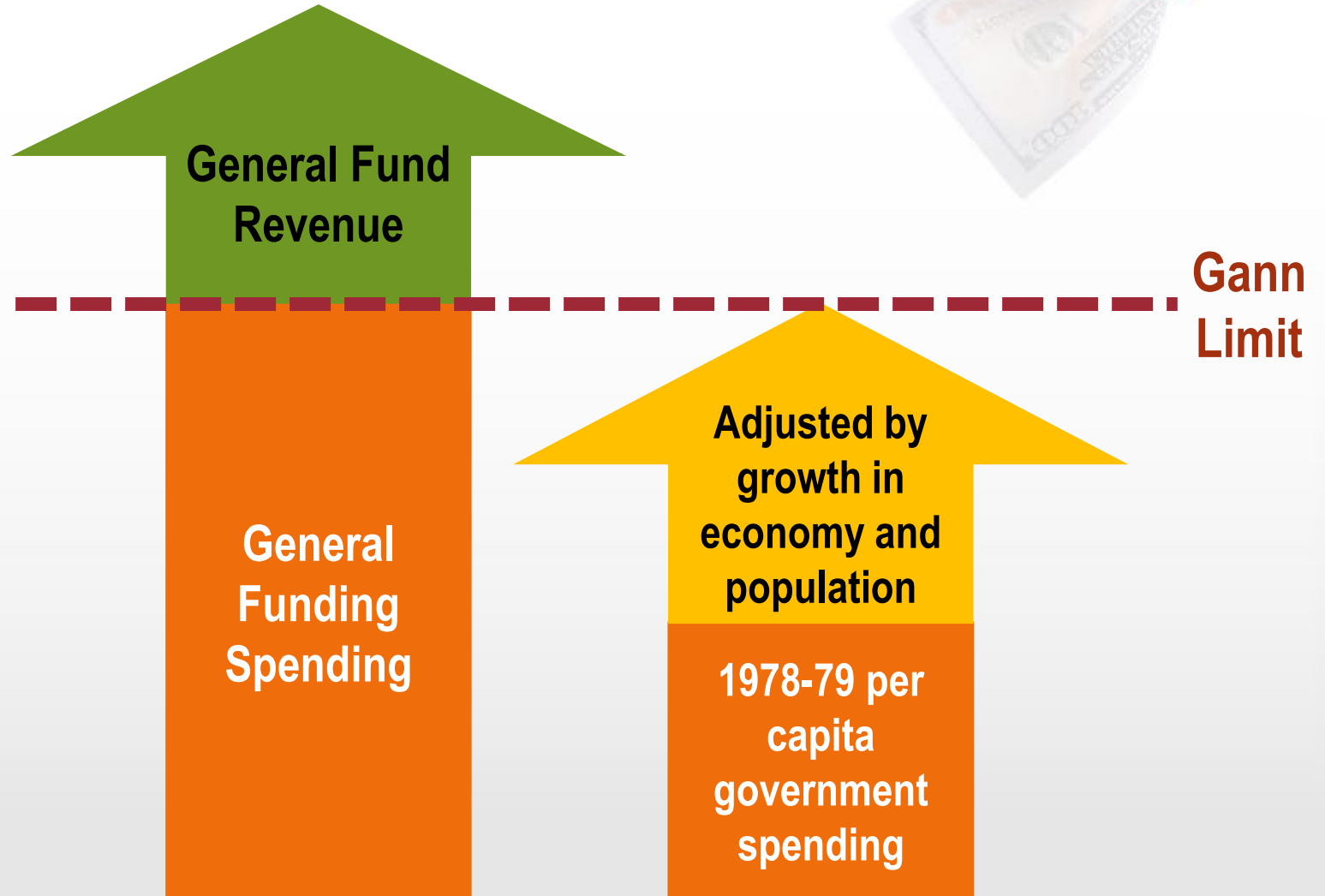


The Gann Limit and Education Funding

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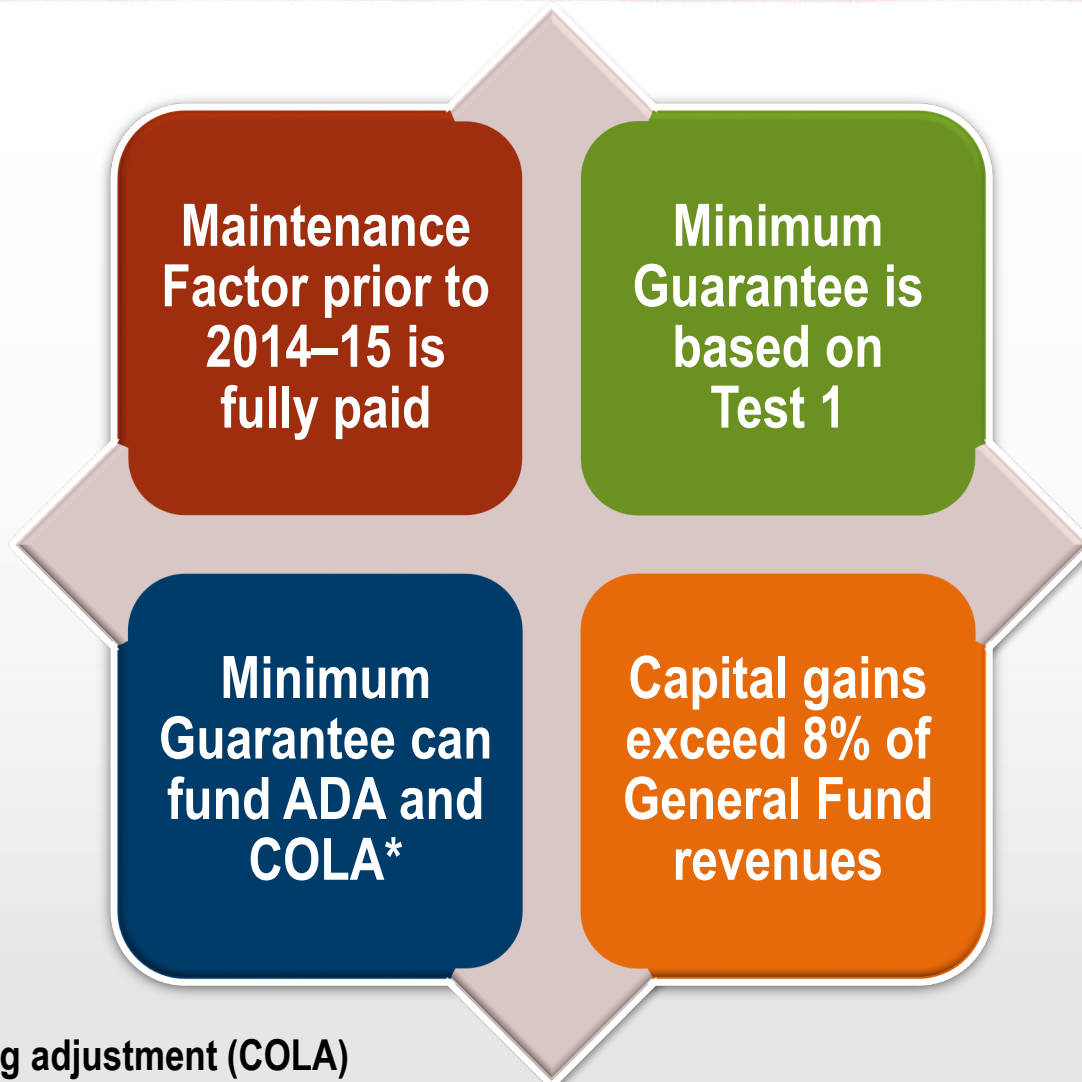
In addition to Proposition 98, the Constitution also provides for additional funding under Proposition 4 in certain instances

- Each year, the Gann Limit caps the amount of tax proceeds the state and local governments can spend
- When there is more revenue than the state can spend within its limit, it must split the excess revenues between tax rebates and K–14 education



Proposition 98 Reserve

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- Proposition 2 (2014) requires the state to set aside funds in the Proposition 98 Reserve when four conditions are met
- In January, Governor Newsom estimated that the state would be required to make a \$3 billion deposit
- Due to higher state revenues, the May Revision includes a total deposit of \$4.6 billion

*Cost-of-living adjustment (COLA)

Cap on District Reserves

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- Since the May Revision estimates that the total deposit the state is required to make into the Proposition 98 Reserve is \$4.6 billion (up from \$3.0 billion in January), it triggers the law that caps local school district reserves for the 2022–23 fiscal year



3%

Cap on reserves is effective when the amount in the education rainy day fund is at least 3% of the K–12 share of Proposition 98




10%

Local reserves in adopted or revised budget cannot exceed 10% of combined assigned and unassigned general fund balances

Basic aid and districts with fewer than 2,501 ADA are exempt from the cap

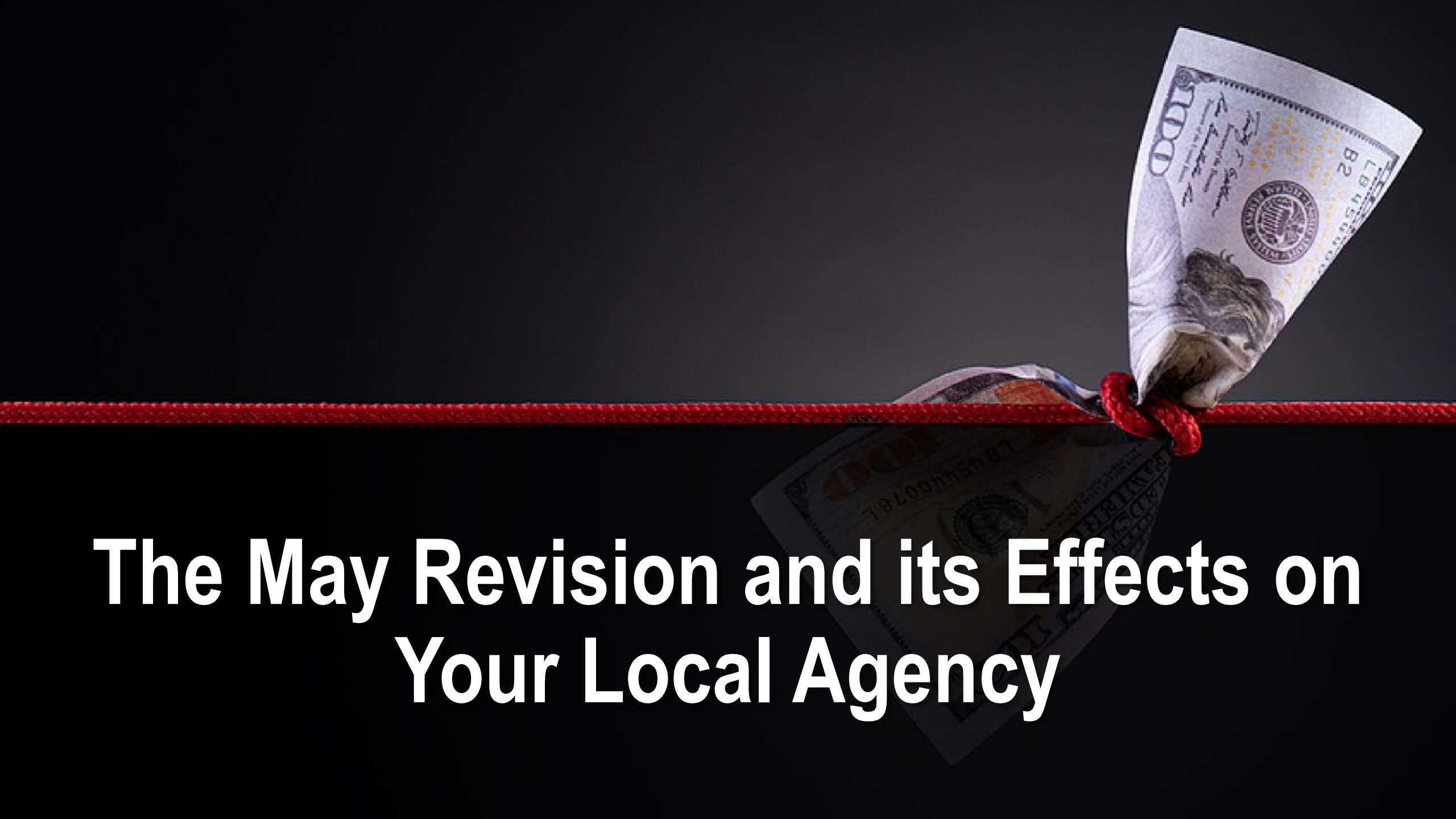
14 Governor's Budget vs. May Revision

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Item	Governor's Budget	May Revision
LCFF Funding Increase	\$2 billion	\$3.2 billion
Proposition 98 Minimum Guarantee		
2019–20	\$79.5 billion	\$79.3 billion
2020–21	\$82.8 billion	\$92.8 billion
2021–22	\$85.8 billion	\$93.7 billion
2021–22 Statutory COLA	1.5%	1.7%
2021–22 Compounded COLA	3.84%	4.05%*
2021–22 LCFF “Mega” COLA	N/A	5.07%

*Only the special education and community college funding formulas will receive the compounded COLA

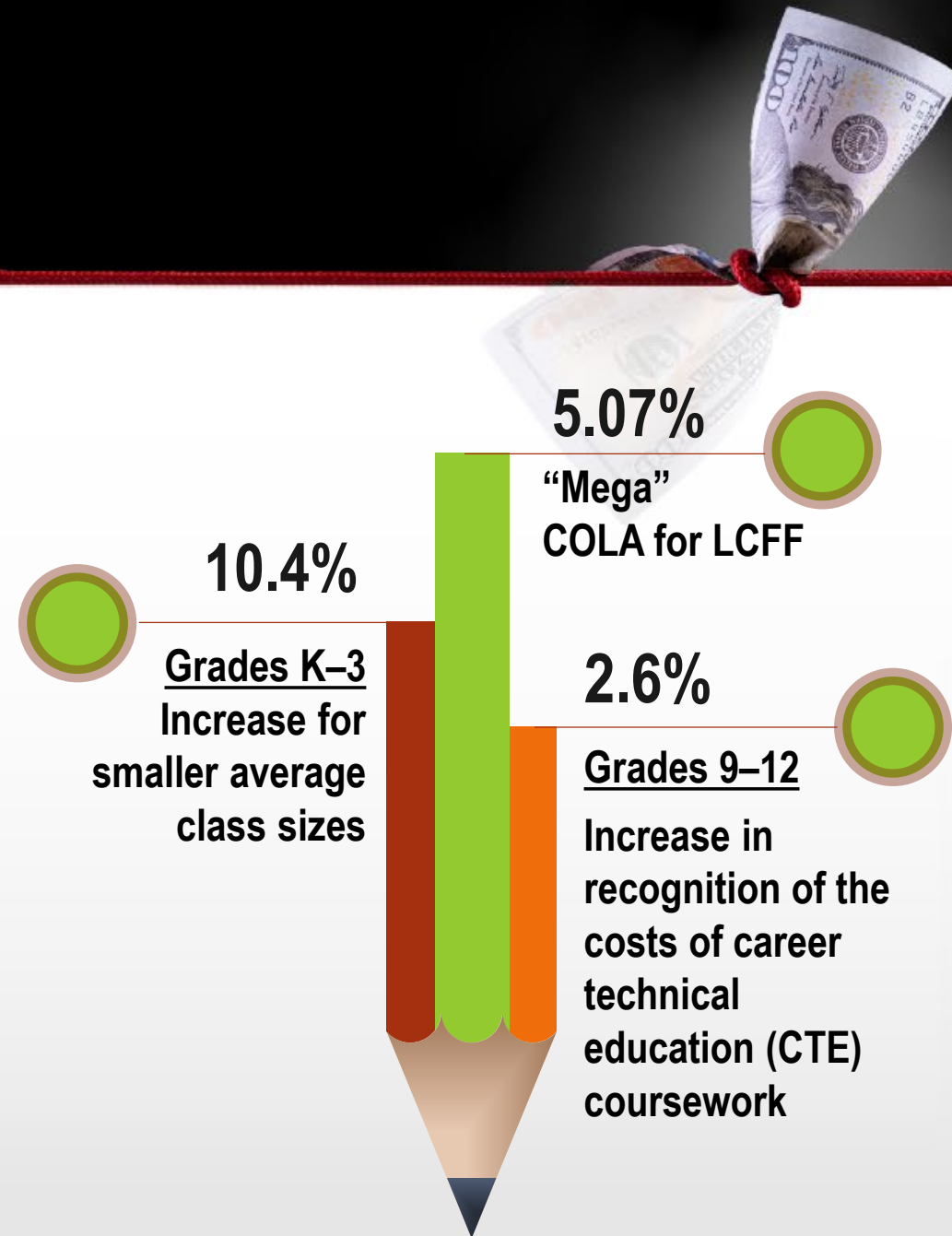


The May Revision and its Effects on Your Local Agency

2021–22 LCFF Funding Factors


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- The May Revision increases the COLA which is applied to the LCFF base grants for each grade span
 - Two grade span adjustments (GSAs) are applied as percentage increases to the base grants
 - Supplemental and concentration (S/C) grants are calculated based on the percentage—unduplicated pupil percentage (UPP)—of an LEA’s enrolled students who are:
 - English learners
 - Free or reduced-price meal program eligible students
 - Foster youth



17 2021–22 LCFF Funding Factors

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Grade Span	K–3	4–6	7–8	9–12
2020–21 Base Grant per ADA	\$7,702	\$7,818	\$8,050	\$9,329
5.07% Mega COLA	\$390	\$396	\$408	\$473
2021–22 Base Grant per ADA	\$8,092	\$8,214	\$8,458	\$9,802
GSA	\$842	–	–	\$255
2021–22 Adjusted Base Grant per ADA	\$8,934	\$8,214	\$8,458	\$10,057
20% Supplemental Grant per ADA (Total UPP)	\$1,787	\$1,643	\$1,692	\$2,011
50% Concentration Grant per ADA (UPP Above 55%)	\$4,467	\$4,107	\$4,229	\$5,029

The New Concentration Grant

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May Revision

Brings proposed changes to concentration grant funds

Proposes spending \$1.1 billion in ongoing funding

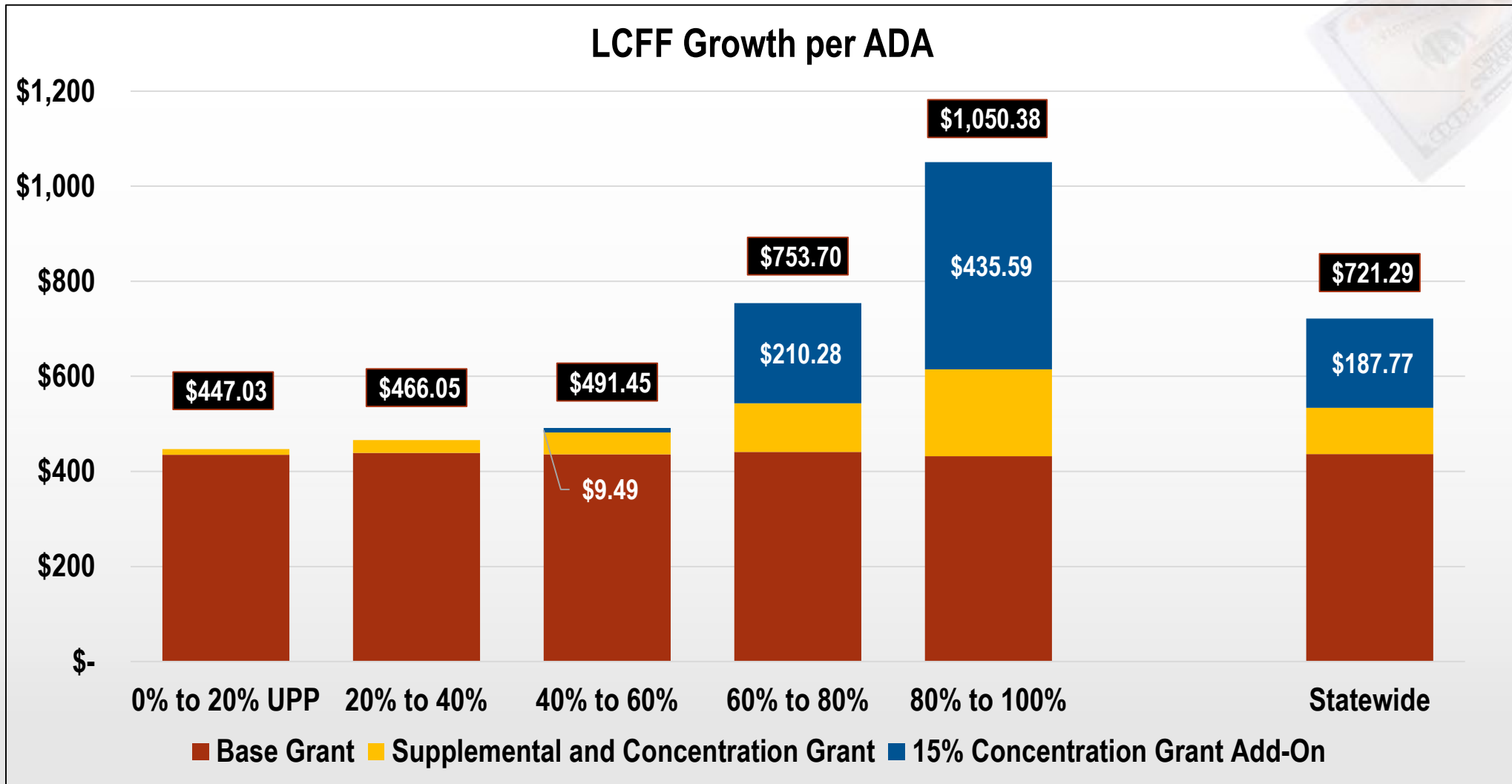
The impact would increase the concentration grant funding factor from 50% to 65%

The intent is to increase the number of counselors, teachers, paraprofessionals, nurses, etc. that can serve students and develop deeper connections

Would require school districts and charter schools that receive funding to describe—in their Local Control and Accountability Plans (LCAPs)—how they intend to use the funding to supplement staffing (classified and certificated staff)

LCFF Growth—Concentration Grant Proposal

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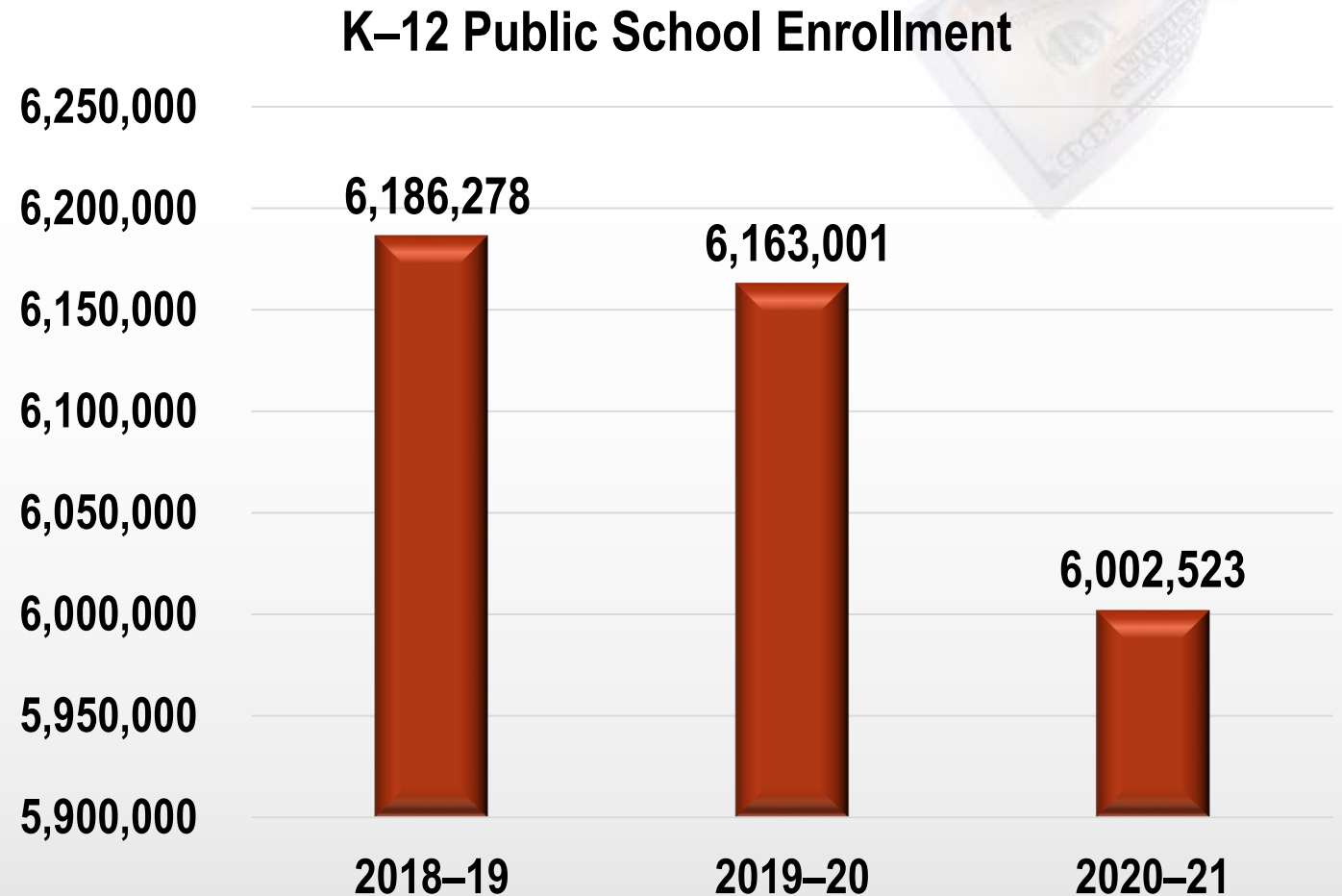
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- The proposed pay down eliminates the ongoing deferrals scheduled for February through May 2022
- It does not impact current deferrals
 - In other words, it will not accelerate repayment of February through June 2021 deferrals that will be received in July through November 2021
- The June to July deferral once again encompasses the full apportionment, though only \$2.6 billion is scored for State Budget purposes



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- The pandemic impacted learning in many ways, but perhaps the starkest example is the loss of K–12 students in 2020–21
- Based on state-certified data, the state’s K–12 student population declined by more than 160,000
- Sharp contrast to estimated loss of 20,000 to 30,000 annually



Source: DataQuest, California Department of Education (CDE)

25 Federal Special Education Funds

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- The American Rescue Plan provided a one-time increase to Individuals with Disabilities Education Act (IDEA) funding, which the Governor notes provides \$277.7 million to California
- The Governor also proposes the following to be funded from other federal IDEA resources:
 - 💰 **\$15 million**—To provide technical assistance and support to LEAs in developing and administering comprehensive individualized education programs
 - 💰 **\$2.3 million**—For the CDE to address special education complaints, perform court-ordered special education monitoring, and to purchase special education monitoring software
 - 💰 **\$1.2 million**—To improve coordination between the CDE, the California Department of Developmental Services, and LEAs to support the transition from infant to preschool programs, and convene stakeholder workgroups to address data sharing and disseminate best practices to increase access to more inclusive settings for three-, four-, and five-year-olds

Special Education Maintenance of Effort

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LEAs are required to maintain adequate spending for students with disabilities (SWDs) each year



The compliance requirement is completed each year and measures prior-year* and current-year spending

***most recent fiscal year in which Maintenance of Effort (MOE) was met**



The eligibility requirement is measured by comparing budget to prior year*

***most recent fiscal year for which verified data is available and MOE was met**

Special Education Maintenance of Effort

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- If the LEA has spent less, in state and/or local resources, on special education in total or per capita:
 - There is a dollar-for-dollar penalty
- There is an MOE measurement at budget adoption as well
 - If the LEA cannot meet the MOE when adopting the budget, the Special Education Local Plan Area will not issue any federal funds
 - Until the LEA can demonstrate that it expects to meet the MOE requirement
- There are limited exemptions available for not meeting the MOE requirement

Savings Abound—Not Always a Good Thing

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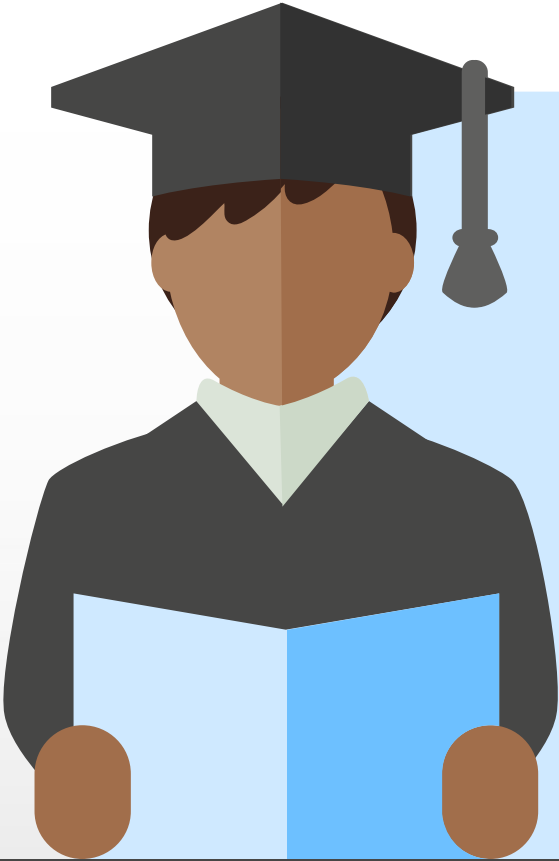
- **Vacancy savings**
 - Paraprofessionals
 - Teachers
 - Support services
- **Nonpublic agencies**
- **Transportation services**



**Spending
is down**

COVID-19 Special Education MOE Considerations

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Increased services and/or expenses

- Using federal COVID-19 resources for this purpose will have no impact on your MOE
 - Resource Codes 3210, 3212, 3215, Elementary and Secondary School Emergency Relief (ESSER) III
- Using state COVID-19 resources for this purpose will increase your MOE
 - Resource Codes 7420, 7422, 7425, 7426



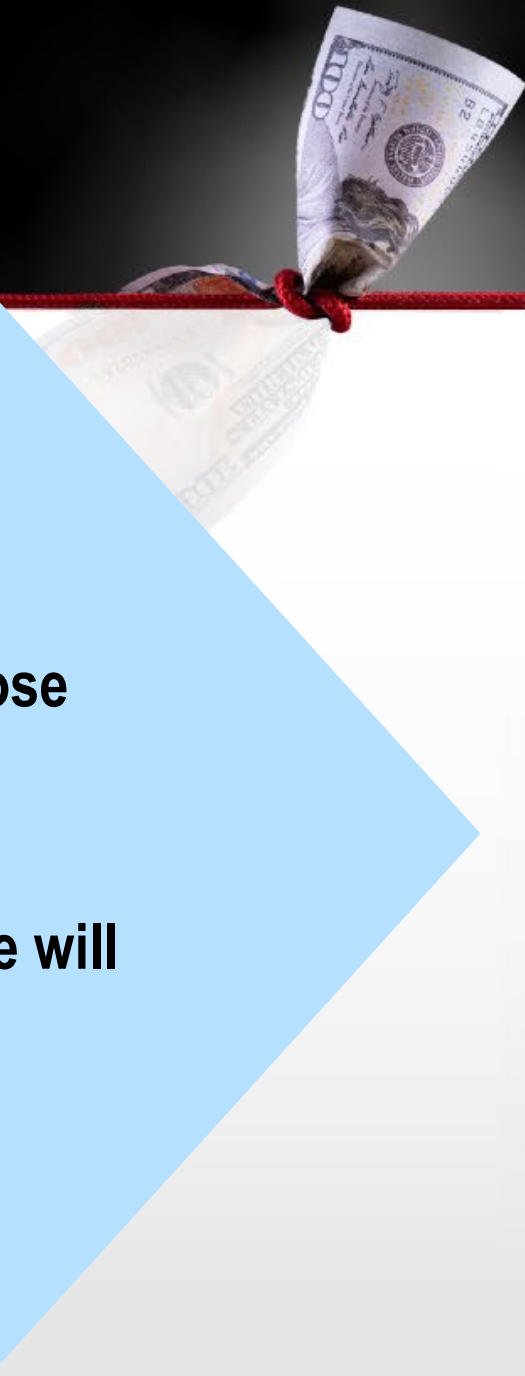
COVID-19 Special Education MOE Considerations

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Maintaining current levels of expenditures (supplanting)

- Using federal COVID-19 resources for this purpose may cause an LEA not to meet its MOE
 - Resource Codes 3210, 3212, 3215, ESSER III
- Using state COVID-19 resources for this purpose will have no impact on an LEA's MOE
 - Resource Codes 7420, 7422, 7425, 7426



May Revision upholds that in-person instruction for the 2021–22 school year will be the default for all students and schools

- Current distance learning statutes will expire at the end of the 2020–21 fiscal year
- For families that remain hesitant to send their children back to school for in-person instruction, Governor Newsom affirms that these students may continue to be served outside the classroom, and LEAs will be able to generate state funding using existing traditional and course-based independent study statutes



Essentially, only two ways to earn state apportionment funding in 2021–22:

1. Full-time in-person instruction
2. A program that relies on independent study statutes

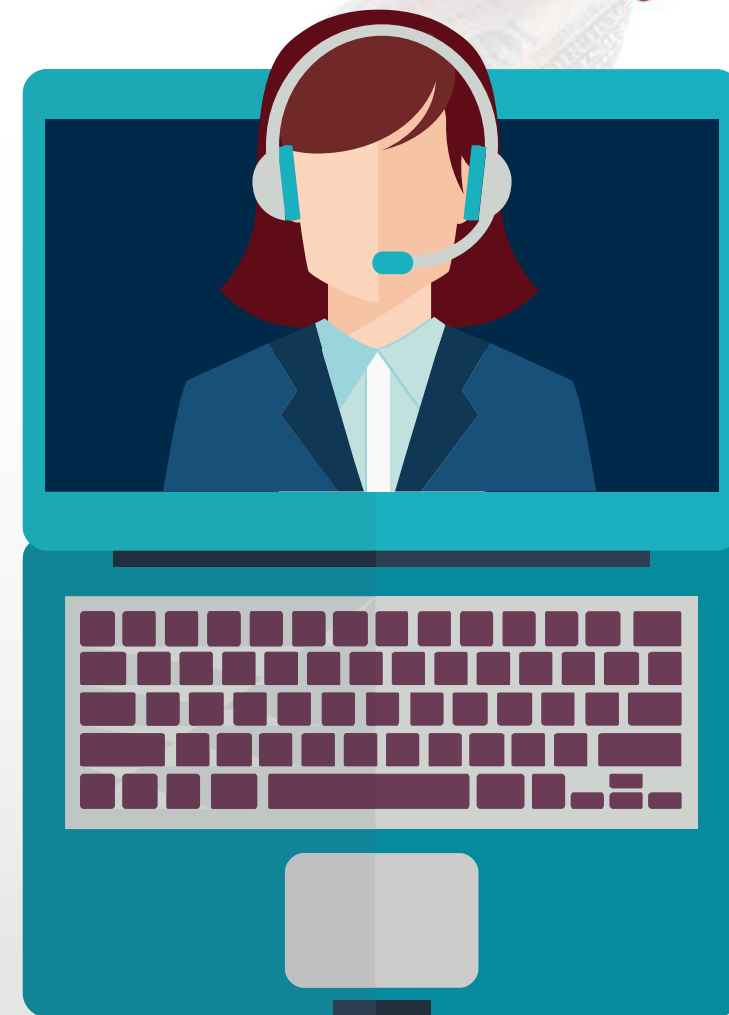
Distance Learning in 2021–22

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To ensure students that are served via a nonclassroom based option receive high-quality instruction, the May Revision proposes additional requirements for independent study models:

- Provide access to technology, internet connectivity, and a dedicated rigorous curriculum
- Develop and implement a framework of tiered re-engagement strategies for students not meaningfully participating in instruction and learning
- Track and record daily student participation and interaction with teachers

Despite these proposed changes, LEAs should feel comfortable moving forward with planning for a nonclassroom based option—such as virtual academies—using the legal framework of independent study



Targeted Intervention Grant

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\$2.6 billion for a new grant to supplement the Expanded Learning Opportunities Grant

Shall be used for any purpose that supports targeted and research-tested academic interventions

High-dose tutoring

Intensive re-engagement for students and families

Close learning gaps and address barriers to learning

Supports for designated students

Increased instructional time

Allocated in proportion to an LEA's LCFF entitlement

Uses one-time federal funds and one-time Proposition 98 funds, leading to different deadlines for use of the funds ranging from September 30, 2022, to June 30, 2024

In-Person Instruction Health and Safety Grant

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\$2 billion for a new grant to supplement the In-Person Instruction Grant

May be used for any purpose that supports health and safety in providing in-person instruction



Allocated in proportion to an LEA's LCFF entitlement

Shall be used from July 1, 2021, to June 30, 2023

COVID-19 testing and vaccines

Sanitation and cleaning

Ventilation upgrades

Additional space for social distancing

Contact tracing

Salaries for in-person instruction

37 Summer and Afterschool Programs

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New proposal to provide no-cost afterschool and summer programs for elementary school students in districts and charter schools with high concentrations of low-income students, English learners, and foster youth

Services

- Must provide before or afterschool expanded learning that, when added to daily instructional minutes, amounts to no less than a nine-hour school day
- Must provide at least 30 days of summer school (or other intersessional period) with at least nine hours of expanded learning
- Builds on After School Education and Safety Program
- Requires 10:1 ratio for TK/K students and 20:1 for students in grades 1-6

Funding

- \$1 billion in 2021–22, growing to \$5 billion in 2025–26
- Phased implementation such that LEAs with highest proportion of low-income students, English learners, and foster youth access the funds first
- At full implementation, funds incorporated into the LCFF concentration grant

38 Universal Transitional Kindergarten

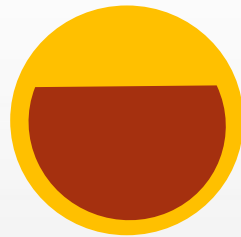
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- The May Revision proposes to achieve universal transitional kindergarten for all four-year-olds by 2024–25 with a permanent increase to Proposition 98, equaling \$900 million in 2022–23 and increasing to \$2.7 billion in 2024–25
- The proposal also includes cutting classroom ratios by half with an investment that grows from \$380 million in 2022–23 to \$740 million by 2024–25



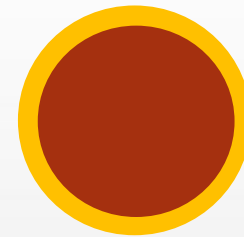
2022–23

Expand TK eligibility for four-year-olds whose fifth birthday occurs between **September 2 and March 2**



2023–24

Expand TK eligibility to four-year-olds whose fifth birthday occurs between **September 2 and June 2**

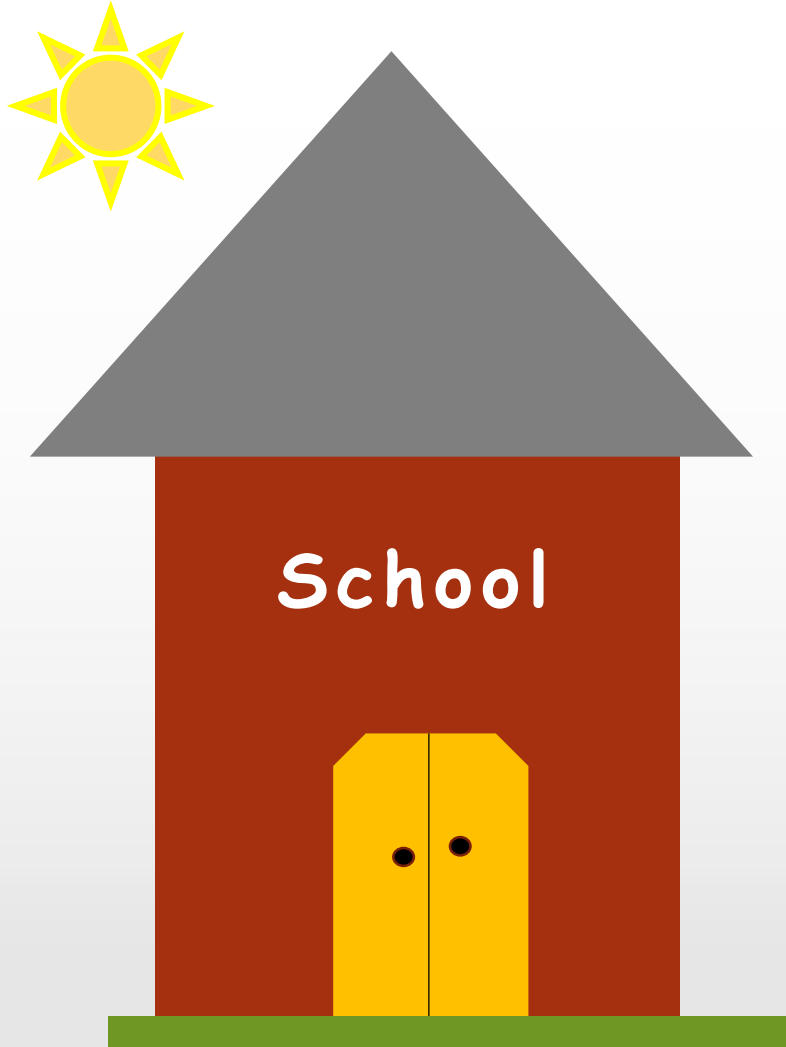


2024–25

Expand TK eligibility to four-year-olds whose fifth birthday occurs between **September 2 and September 1 of the following calendar year**

Universal Transitional Kindergarten—2021–22

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California Transitional Kindergarten (TK) Planning Grant

One-time \$250 million Proposition 98

- Grants based on 2019–20 kindergarten ADA, excluding TK, and must be encumbered by June 30, 2024
- Required report: number of students, race/ethnicity, and languages

TK/Full-Day Kindergarten Facilities Grant Program

One-time \$190 million General Fund

- Construct and retrofit existing facilities to expand TK or offer full-day kindergarten programs
- Grants may not be used to purchase portable classrooms

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- Like many other areas in the May Revision, publicly funded child care programs are benefitting from the sharp economic recovery and the significant boost in state revenues

**100,000 new
child care
slots**

+6,500 more slots
Prop. 64 taxes

**Provider
protections**

Hold Harmless
Stipends

**Waived fees
for families**

Through
June 2022

**Facilities
investments**

\$250 million
one-time
federal funds

- The Senate and Assembly are both proposing even more new child care slots
- The May Revision also contemplates policy changes to the State Preschool Program for 2022–23 to achieve universal preschool access for all low-income three-year-olds

Reimbursement Rates

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- The May Revision also increases provider reimbursement rates by the statutory 1.7% COLA
 - Recall that reimbursement rates for the current year were maintained at their 2019–20 levels

General Child Care	
Rate	2021–22 Amount
Regional Market Rate (RMR)	The greater of: <ul style="list-style-type: none">• 75th percentile of the 2016 RMR survey• RMR ceiling as of December 31, 2017
Standard Reimbursement Rate	\$50.38 daily (\$12,596 annually)
State Preschool Program	
Part Day	\$31.39 daily (\$5,494 annually)
Full Day	\$50.70 daily (\$12,674 annually)

- Governor Newsom's May Revision proposes to invest in the educator workforce by providing \$3.3 billion through a mix of Proposition 98 and General Fund one-time sources in a multiyear package to support initiatives that:



Build the teacher pipeline



Encourage educator retention



Provide professional training in key areas for administrative, credentialed, and classified staff

Educator Investments—Building the Teacher Pipeline

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- The Budget proposal reflects a commitment to strengthening recruitment efforts and increasing the number of qualified teacher candidates

Golden State Preparation Program—\$500 million (one-time General Fund)

- Provides students currently enrolled in special education teacher preparation program up to \$20,000 award
- Teachers must commit to work at a priority school for up to four years within five years

Roadmap to Pre-K through 12 Educational Employment Program—\$111.1 million (one-time Proposition 98 and General Fund)

- Statewide recruitment effort to address long-term teacher recruitment needs through financial aid programs, and pathways to teaching

Classified School Employee Teacher Credentialing Program—\$125 million (one-time Proposition 98)

- Grant program addresses the state's teacher shortage by supporting LEAs to recruit classified school employees into teaching careers



Educator Investments—Building the Teacher Pipeline

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Teacher Residency Programs—\$550 million over five years (one-time Proposition 98)

- Supports approximately 22,000 teacher candidates in local and regional residency programs
- Residency programs are alternative pathways to teaching, encourage learning through teaching

Credential Fee Waiver—\$20 million (one-time)

- Credential application fees waived in 2021–22 for new teachers entering the K–12 workforce



Educator Investments—Retention and Training

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- In support of the intensive training needs for LEA employees, educator investments provide funding which supports professional learning and encourages retention of staff

Funding to Support Computer Science Certification—\$15 million (one-time Proposition 98)

- Funding supports teachers in the completion of coursework required for state certification in computer science—builds capacity in science, technology, engineering and math

Incentives for Highly Trained Teachers—\$250 million (one-time Proposition 98)

- Incentives for 2,500 National Board-Certified teachers that teach in high poverty schools to attract and retain them as mentors for other instructional staff

Classified Summer Assistance Program—\$60 million (one-time Proposition 98)

- State matching funds provided to LEAs participating in the Classified School Employee Summer Assistance Program—to be paid out during the summer recess period to participating classified employees

Educator Investments—Retention and Training

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- In support of the intensive training needs for LEA employees, educator investments provide funding which supports professional learning and encourages retention of staff

Educator Effectiveness Block Grant—\$1.5 billion over three years (one-time Proposition 98)

- Provides local educational agencies with training resources for classified, certificated, and administrative school staff in specified high-need topics, including accelerated learning, re-engaging students, restorative practices, and implicit bias training

21st Century Leadership Academy—\$25 million (one-time Proposition 98)

- Provides professional learning for administrators and other school leaders—training is free of charge, to LEAs that receive federal Title II funds on a statewide basis

Educator Training Areas—\$ 15.4 million additional one-time funds

- Educator training in the areas of early math, reading, science instruction, computer science, dyslexia, and LGBTQ+ cultural competency is supported through the appropriation one-time funding

Educator Investments—Early Education

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- The May Revise provides targeted professional learning for educators in early education assignments with one-time investments

Early Education Professional Development Grants Program—\$50 million

- Provides training in providing instruction in inclusive classrooms—funding available through June 30, 2024

Training intended to increase the number of highly qualified teachers in the State Preschool Program, Transitional Kindergarten, and Kindergarten Assignments

- Culturally responsive instruction
- Support for dual language learners
- Social-emotional learning
- Trauma informed practices
- Restorative practices
- Mitigating implicit biases
- Eliminate exclusionary discipline



Community Schools

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Governor is proposing a one-time \$3 billion investment over several years to establish new and expand existing community schools


Grants for up to 1,400 LEAs to convert schools into full-service community schools which provide integrated health, mental health, and social services alongside high quality, supportive instruction

Governor Newsom continues to utilize the community school model as a way to provide wraparound services to students and their families

- The Governor proposes to increase access to subsidized school meals for students as part of his effort to support the whole child with \$150 million in ongoing funding to increase LEA participation (school districts, charter schools, and COEs) in federal universal meal provisions
- The goal is to increase student access to breakfast and lunch meals
 - And reduce administrative burden of collecting school meal applications



- 
- **Additionally, \$100 million in one-time funding is proposed to provide school kitchen infrastructure upgrades and training for school cafeteria staff**
 - **\$80 million for kitchen infrastructure upgrades to increase student access to school meals improve the quality of the meals**
 - **Funds will be distributed as follows:**
 - **Base allocation of \$25,000 per ADA**
 - **After the base allocations are made, remaining funds will be provided to LEAs with at least 50% students eligible for free or reduced-price meals**
 - **Funds can be used for cooking and service equipment, refrigeration and storage, and transportation means for food and food products**
 - **LEAs will be required to report to CDE by June 30, 2022, how the funds were used to improve the quality of school meals or increase participation in the meal program**

- 
- **\$20 million in funding for food service staff for training on:**
 - **Promoting nutritious foods including food preparation, healthy food marketing, and changing the school lunchroom environment**
 - **Funds will be allocated to LEAs based on the number of classified school employees employed by the LEA in the prior year**
 - **LEAs will receive a minimum allocation of \$2,000**
 - **An additional \$20 million in one-time funds will be provided to the Farm to School Initiative proposed in the Governor's Budget for a total investment of \$30 million**
 - **The initiative proposes to improve access to California-grown food**

Assorted One-Time Proposals

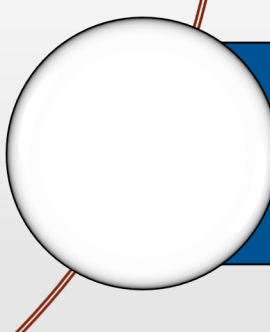
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\$30 million for COEs to work with local partners to coordinate and provide direct services to foster youth students



\$7 billion to expand broadband and reliable internet service statewide, \$35 million to expand broadband access to underserved communities, and \$5.2 million for the Broadband Infrastructure Grant Program



More than \$3 billion over five years and a number of departments to identify and treat behavioral health needs early, including trauma, depression, anxiety, psychological disorders, and substance abuse in ages 0–25

College Savings Accounts

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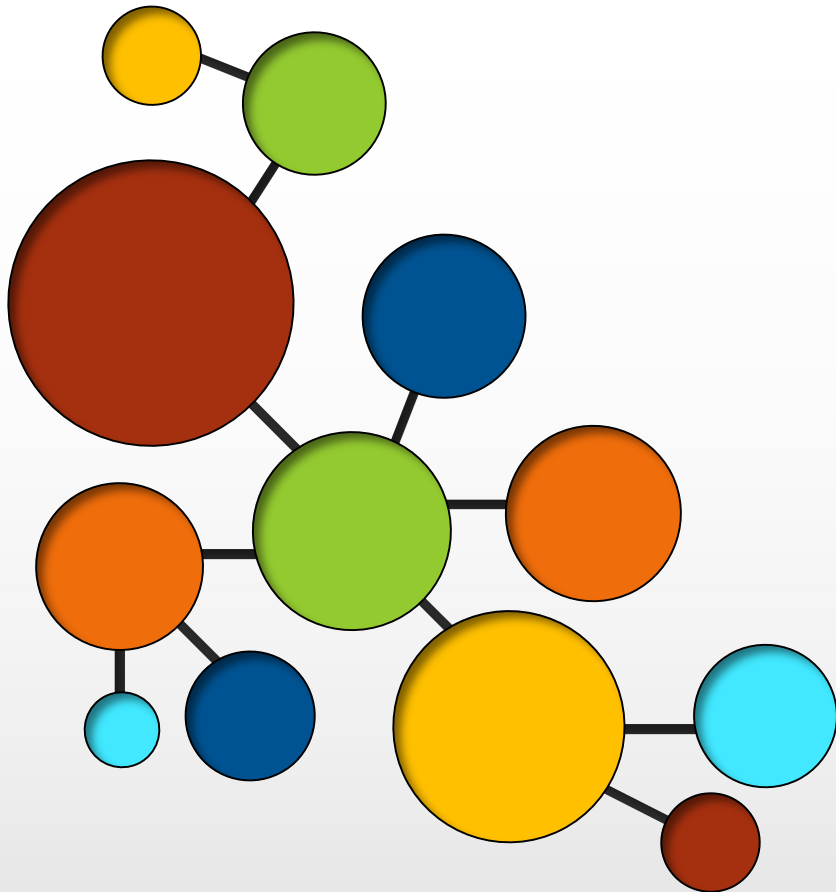
- The Governor proposes \$2 billion in one-time federal funding from the American Rescue Plan to establish the California Child Savings Program beginning in 2021–22 for all eligible pupils
- To sustain the program the state would provide \$170 million in non-Proposition 98 funding annually beginning with the 2022–23 fiscal year, in order to provide funding for every eligible pupil entering first grade



Would be administered by the ScholarShare Investment Board

Creates college savings accounts for unduplicated pupils

Provides seed funding of \$500 for each account, with foster and homeless youth receiving a supplemental \$500 deposit



Assembly Bill (AB) 1505 (Chapter 486/2019) included new renewal criteria and timelines based on performance on the California School Dashboard (Dashboard), including:

- A chartering authority cannot deny a charter school if they meet certain standards on the Dashboard in the two consecutive years immediately preceding renewal

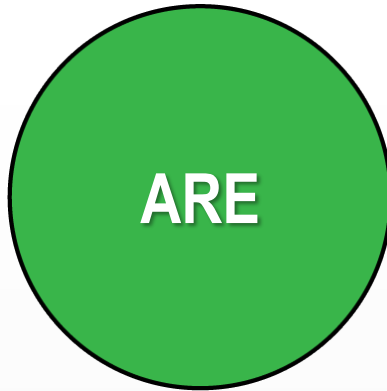
The May Revision proposes two changes in light of the impacts of the pandemic:

- If one of those two years includes 2020–21, denial is not allowed if the charter school meets the standards in the two most recent years for which data is available
- Any charter school with a term beginning on or before July 1, 2020, and whose term expires on or before June 30, 2025, will have their term extended by two years



Multiyear Projections

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- Result of mathematical calculations for future years based on the following:
 - Decisions that have already been made
 - A series of assumptions using current information



- Predictions or forecasts
- Crystal balls
- Measuring sticks for how “wrong” you were



56 SSC Financial Projection Dashboard

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- **Cost of goods and services are projected to increase more dramatically in the near-term**
 - **Shortage of goods due to lack of production**
 - **Increased demand resulting from economy reopening, plus infusion of multiple federal stimulus packages**

LCFF Planning Factors—January 2021

	2021–22	2022–23	2023–24
DOF Estimated Funded COLA	3.84%	2.98%	3.05%
SSC Estimated COLA	3.84%	1.28%	1.61%

LCFF Planning Factors—May 2021

	2021–22	2022–23	2023–24
DOF Estimated Funded COLA	5.07% ¹	2.48%	3.11%
SSC Estimated COLA	5.07% ¹	2.48%	3.11%

¹Represents the 2021–22 statutory COLA of 1.70%, plus 1.00%, compounded with 2020–21 statutory COLA of 2.31%

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SSC Financial Projection Dartboard

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LCFF PLANNING FACTORS						
Factor		2020–21	2021–22	2022–23	2023–24	2024–25
Department of Finance Statutory COLA		2.31%	1.70%	2.48%	3.11%	3.54%
SSC Recommended Planning COLA		0.00%	5.07%*	2.48%	3.11%	3.54%
OTHER PLANNING FACTORS						
Factors		2020–21	2021–22	2022–23	2023–24	2024–25
California CPI		2.14%	3.84%	2.40%	2.23%	2.42%
California Lottery	Unrestricted per ADA	\$150	\$150	\$150	\$150	\$150
	Restricted per ADA	\$49	\$49	\$49	\$49	\$49
Mandate Block Grant (District)	Grades K–8 per ADA	\$32.18	\$32.79	\$33.60	\$34.64	\$35.87
	Grades 9–12 per ADA	\$61.94	\$63.17	\$64.74	\$66.75	\$69.11
Mandate Block Grant (Charter)	Grades K–8 per ADA	\$16.86	\$17.21	\$17.64	\$18.19	\$18.83
	Grades 9–12 per ADA	\$46.87	\$47.84	\$49.03	\$50.55	\$52.34

* Represents the 2021-22 statutory COLA of 1.70%, plus 1.00%, compounded with the 2020-21 statutory COLA of 2.31%

60 Statewide Average Reserve Levels

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- The latest statewide data available on school district reserves is from 2019–20

2019–20 Average Unrestricted General Fund, Plus Fund 17; Ending Balances ¹	
Unified School Districts	18.82%
Elementary School Districts	22.70%
High School Districts	17.34%

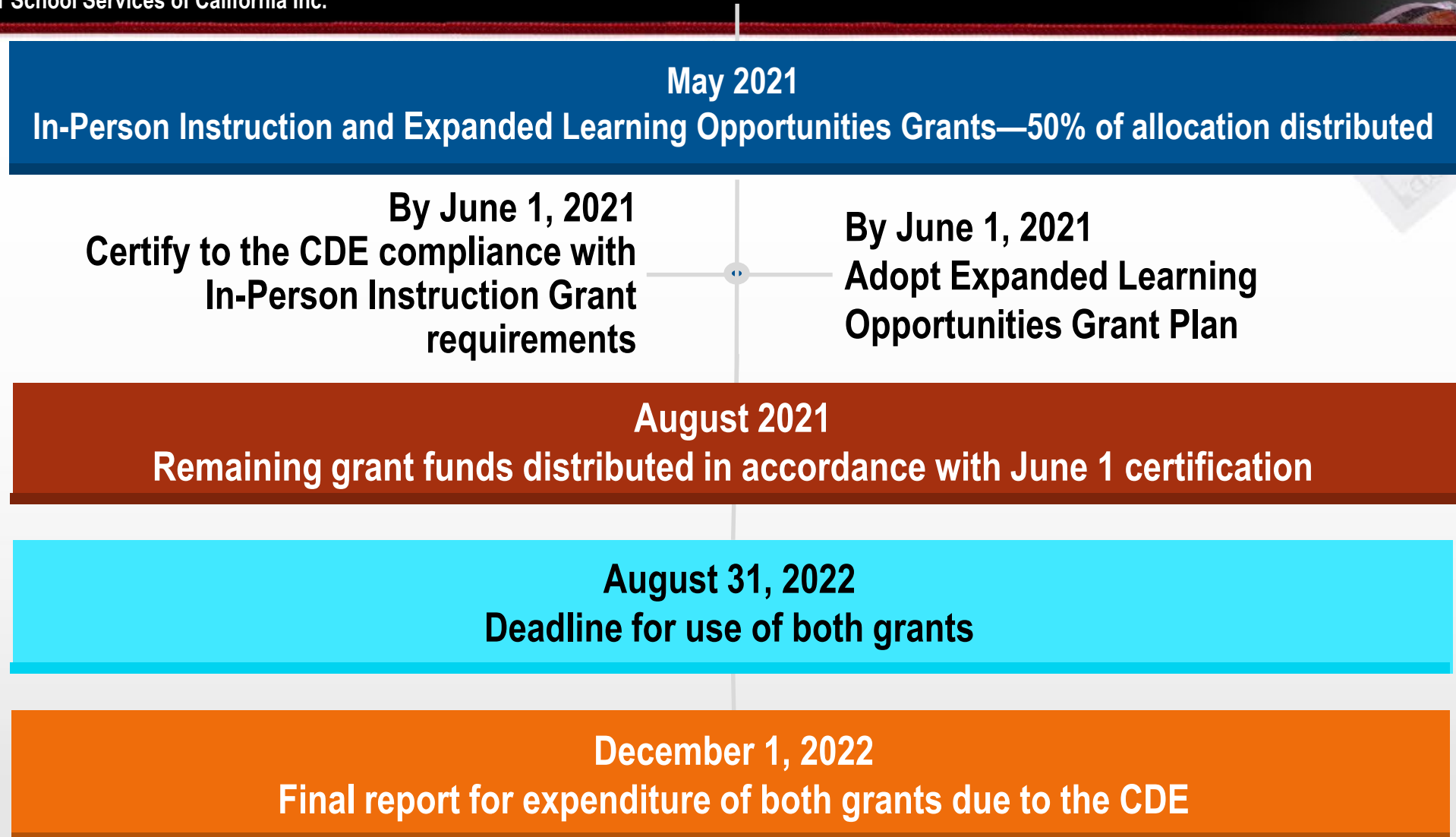
¹As a percentage of total general fund expenditures, transfers, and other uses

- The rise in ending balances is emblematic of the slowdown in new, ongoing revenues apportioned through the LCFF in 2020–21
 - LEAs also had temporary spending freezes as a result of an immediate and complete shutdown of in-person instruction

See *Fiscal Report* article “Fund Balances Rise in 2019–20” in the workshop resources.

AB 86 Grants—Distribution and Reporting

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Federal Pandemic Funding

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	LLM ¹ Fund – Coronavirus Relief (CR) Fund	LLM Fund – GEER ² I	ESSER I	ESSER II	ESSER III
Resource	3220	3215	3210	3212	TBD
Funding for LEAs	\$4.4 billion	\$355 million	\$1.48 billion	\$6.0 billion	\$13.6 billion
Deadline for Use	May 31, 2021	September 30, 2022	September 30, 2022	September 30, 2023	September 30, 2024

¹ Learning Loss Mitigation

² Governor's Emergency Education Relief

Compliance Testing for Federal Resources—CR Funds

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US Treasury opined in its guidance that developing online learning capabilities meets test of substantially different use, but delivery of online instruction does not



Before finalizing your expenditures, check with your independent auditors for their interpretation



US Treasury also states that up to \$500 per elementary and secondary school student are presumed eligible expenditures, such that schools do not need to document the specific use

See workshop resources document titled “US Treasury CR Fund Guidance”



American Jobs Plan

- Announced by the Biden Administration on March 31, 2021
- Infrastructure-focused plan that would spend \$2 trillion over the next decade

American Families Plan

- Announced by the Biden Administration on April 28, 2021
- A \$1.8 trillion plan that consists of \$1 trillion in investments and \$800 billion in tax cuts



\$100 Billion:
**Direct grants and bonds for
school facilities**

\$48 Billion:
**Workforce development,
including career pathway
and CTE programs**

**Clean Buses for Kids
Program at Environmental
Protection Agency:
Electrify at least 20% of
nation's school buses**

\$45 Billion:
**Water infrastructure
improvements, including
reducing lead exposure in
schools**

\$100 Billion:
**Broadband infrastructure to
reach 100% high-speed
broadband coverage**

American Families Plan

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\$200 Billion:
**Universal preschool for all
three- and four-year olds**

\$9 Billion:
**Train, equip and diversify
American teachers**


\$17 Billion:
**Expand free meals for
children in the highest
poverty districts**

\$109 Billion:
**Provide two years of free
community college**

\$225 Billion:
**Establish national paid
family and medical leave
program**

American Jobs Plan and American Families Plan

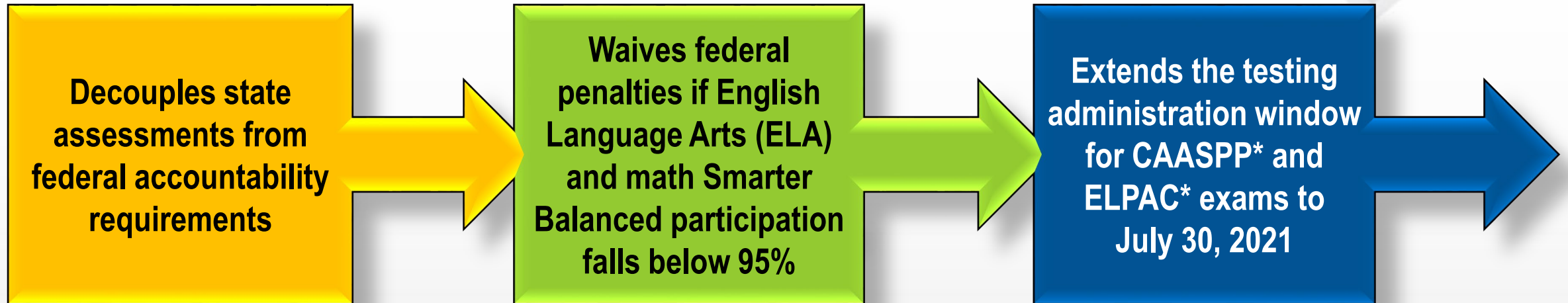
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- 
- To pay for the \$3.8 trillion that the two plans would cost, the Biden Administration proposes:
 - Increasing the corporate tax rate to 28%
 - Raising the top tax rate on the wealthiest Americans to 39.6%
 - Ending several tax loopholes
 - Since the plans would increase taxes, it is very unlikely that they will garner GOP support, meaning Senate Democrats would need to approve these bills via the budget reconciliation process, which blocks Republicans from utilizing the filibuster
 - The Senate parliamentarian ruled on April 5 that Democrats can use budget reconciliation on two more pieces of legislation for the 2021 fiscal year
 - However, this means Senate Democrats cannot afford any defecting votes from their party without getting a Republican vote in return

2020-21 Assessments and Accountability—Federal Waiver

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- On April 7, 2021, the CDE announced that the U.S Department of Education had approved California's accountability waiver for the 2020–21 school year, which does the following:



- This waiver only extends to federal accountability requirements, and state legislation or an executive order are required to waive California accountability and assessment requirements
 - CDE is working with the Legislature to align federal and state accountability flexibilities

*California Assessment of Student Performance and Progress (CAASPP), English Language Proficiency Assessment for California (ELPAC)

2020–21 Assessments and Accountability

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LEAs should administer the Smarter Balanced Summative Assessments or the California Alternative Assessments (CAA) for ELA and math except in cases when it is not the most viable option

- If not viable, LEAs are permitted to report results from locally-administered assessments as long as they meet the criteria set by the State Board of Education
- Locally administered assessments must be common core aligned, and uniformly administered across a grade, grade span, school, or district to all eligible students
- The CDE is not requiring documentation to show that these locally-administered assessments meet the criteria and will not post a list of approved assessments for this purpose
- If it is not viable for an LEA to administer the CAA or the California Science Test, then no alternative test should be given since there are no substitute assessments available



The ELPAC must be administered to all English learners in person or remotely as there are no other assessment options available



Budget trailer bill language proposes to waive performance data on the 2021 Dashboard

LEAs would not be identified for technical assistance (TA)

LEAs identified for TA under the 2019 Dashboard would retain that identification until the 2022 Dashboard



Minimum parameters for TA during 2021-22 school year

TA providers would analyze LEA plans for ~~the In-Person Instruction and~~ Expanded Learning Opportunities Grants

Analyze 2020-21 assessment results, local indicator data, student engagement, and individualized education program data



Align the approved federal assessment flexibilities with the state

Administer an ELA or math assessment that aligns with the Common Core Standards to grades 3–8 and 11

Only administer the CAA in ELA, math, and science if they can be administered in-person subject to health protocols

LCAP Reminders—New Template for 2021–22

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■ AB 1840 (Chapter 426/2018) required changes to the LCAP and Annual Update to:

- Streamline the content and format to make it more accessible to parents and stakeholders
- Provide information on those actions and services that contribute to increased or improved services for unduplicated pupils
- Present information in a manner that more clearly shows whether actions or services are being targeted to specific school sites or being provided on a district-wide, county-wide, or charter-wide basis



LCAP Reminders—New Template for 2021–22

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■ Major Ch-ch-ch-changes . . .



Prompts

Prompts have been developed to be consistent with statute—more technical information and guidance included in the instructions

Goal Analysis

This is the new Annual Update that starts in 2021–22—for this year, leave it blank and complete the separate Annual Update for 2019-20 and 2020-21

Goals and Actions

Focus, Broad, and Maintenance of Progress

Expenditure Tables

Total Expenditures, Contributing Expenditures, and Annual Update

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Thank you for attending!