

# FISCAL YEAR 2022-23 45-DAY REVISION

## State Enacted Budget Impacts to the CUSD General Fund:

- The following adjustments will be posted to the General Ledger for the 2022-23 First Interim Budget Report.
- Statutory changes to the Local Control Funding Formula that will provide a nearly 13% increase in funding above 2021-22 levels
  - Cost of living adjustment (COLA) remains at 6.56%
  - LCFF base grant increases by an additional 6.28%
  - The District included two ADA solves that were ultimately approved with the State enacted budget
    - Allows districts to utilize the greater of current year, prior year, or the average of the most recent three prior years' ADA
    - Allows districts to utilize the greater of 2021-22 ADA or the 2019-20 attendance rate applied to 2021-22 enrollment
  - CUSD estimated increase is \$12.3 M
- \$7.9 billion Learning Recovery Emergency Block Grant will be provided to all LEAs on a per-average daily attendance (ADA) using actual 2021-22 period 2 attendance. The funds are not discretionary and must be spent on specified purposes. The block grant may be used for learning recovery initiatives through the 2027-28 school year.
  - CUSD estimated amount is \$46.4M
  - It was assumed to be one grant when Adopted Budget was planned. State enacted budget split this grant into two separate block grants.
- \$3.5 billion (one-time) Arts, Music, and Instructional Materials Discretionary Block Grant that will be provided to all LEAs on a per-average daily attendance (ADA) basis
  - CUSD estimated amount is \$25.8M
- \$637 million (ongoing) for home-to-school transportation reimbursement for school districts and county offices of education
  - CUSD estimated amount is \$5.9M
  - This is an ongoing apportionment. The CUSD projection is very preliminary
- \$500 million to increase the special education formula base rate to \$820 per pupil
  - CUSD included this increase in its Adopted Budget
- Funds to expand eligibility for TK and \$383 million for TK 12:1 student-to-adult ratios that are required starting in 2022-23
  - CUSD estimated amount is TBD
- Also not included in the Adopted Budget was the salary schedule adjustments approved during the June Governing Board meeting. They are as follows:
  - 7% salary schedule increase. (Except for ACE Psychologist and Mental Health Support Providers. Salary adjustments for the bargaining unit are pending negotiations.)
    - CUSD estimated cost is \$22.4 million
  - \$12.8M for the implementation of the salary market study
  - \$1.0M to maintain increased sub rates
  - \$1.0M to increase the number of classified positions with health benefits
  - \$180,000 to maintain increased class coverage stipend for intermediate and high school

Category	Adopted Budget	45-Day Budget Revision	Difference
Local Control Funding Formula (LCFF)	\$455,232,685	\$467,532,106	\$ 12,299,421
Learning Recovery Block Grant*	57,924,000	46,387,370	(11,536,630)
Arts, Music, Instructional Materials Block Grant*	-0-	25,756,744	25,756,744
Home to School Transportation*	-0-	5,876,192	5,876,192
Special Education	<u>3,870,000</u>	<u>3,870,000</u>	<u>-0-</u>
<b>Total General Fund Revenue Changes</b>	<b>\$517,026,685</b>	<b>\$549,422,412</b>	<b>\$ 32,395,727</b>
LCFF Supplemental Grants	\$ 39,808,150	\$ 40,897,540	\$1,089,390
Board approved ECC recommendations	-0-	37,485,000	37,485,000
Grants/Apportionments pending plans	57,924,000	78,020,306	20,096,306
3% Increase to Routine Restricted Maintenance	-0-	<u>1,333,597</u>	<u>1,333,597</u>
<b>Total General Fund Expenditure Changes</b>	<b>\$97,732,150</b>	<b>\$157,736,443</b>	<b>\$ 60,004,293</b>
<b>Net Changes to General Fund</b>			<b>(\$ 27,608,566)</b>

\*Expenditure plans will be processed to meet grant/apportionment guidelines

- **Impact to General Fund Balance:**

	Adopted Budget	45-Day Budget Revision	Difference
Ongoing Surplus/(Deficit)	\$20,569,701	(\$7,038,865)	(\$27,608,566)
Ending Fund Balance Projection	\$162,373,205	\$134,764,639	(\$27,608,566)
Non-Spendable/Restricted/Committed	\$99,137,204	\$105,137,633	\$ 6,000,429
Unrestricted Fund Balance	\$63,236,001	\$29,627,006	(\$33,608,995)
Unrestricted Reserve %	9.51%	4.09%	(5.42%)

### State Enacted Budget Impacts to Other CUSD funds:

- \$4.2 billion (non-Proposition 98) dollars for the School Facilities Program
  - CUSD estimated amount is TBD
  - The funds will not generate new funds for CUSD but may provide the State portion for already completed projects.
- Increase to the Expanded Learning Opportunities Program from \$1.7 billion in the current year to \$4 billion ongoing starting in 2022-23
  - ELO-P is included in the CUSD Child Development Fund

Category	Adopted Budget	45-Day Budget Revision	Difference
Expanded Learning Opportunity Program	\$ 7,270,412	\$19,799,536	\$ 12,529,124