





2022-2023 Adopted Budget 45-Day Revision

August 16, 2022

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Presentation Overview

-  **Overview of the State Budget Act**
-  **Enacted Budget Fiscal Impact**
-  **Other Budget Considerations**
-  **Next Steps**



45-Day Revision

Education Code 42127 (h) requires that no later than 45 days after the Governor signs the annual Budget Act, the school district shall make available for public review any revisions in revenues and expenditures it has made to its budget to reflect the funding made available by that Budget Act.



Overview of the State Budget Act

State Enacted Budget Major Funding Provisions:

- ❖ LCFF* Investments
- ❖ Expanded Learning Opportunities Program (ELOP)
- ❖ One-time Grant Allocations
 - ❖ Arts, Music, and Instructional Materials Discretionary Block Grant
 - ❖ Learning Recovery Emergency Block Grant

* LCFF Local Control Funding Formula



Overview of the State Budget Act

LCFF Investments

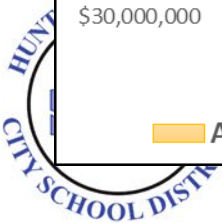
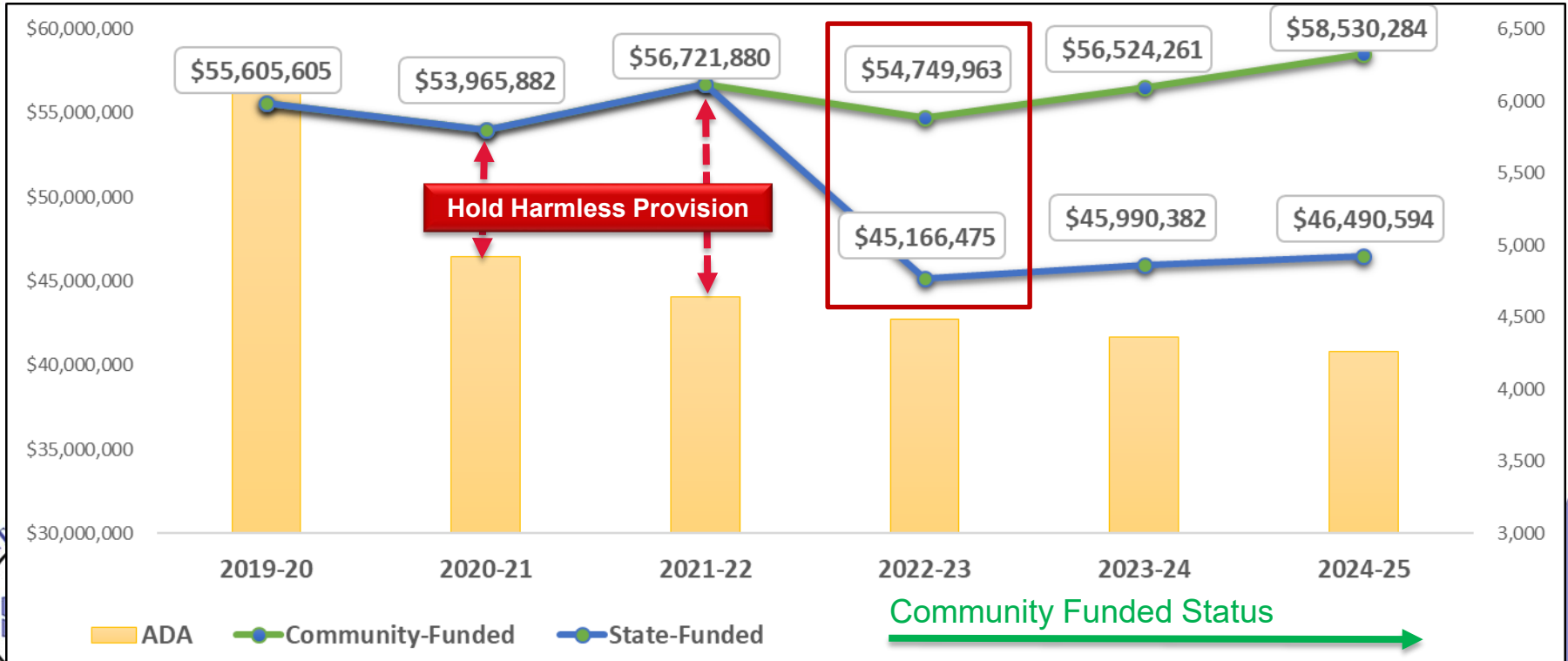
- ❖ Base Grant increased by an additional 6.28%
- ❖ ADA* Loss Mitigation: ongoing change to funding calculation
 - ❖ Funding is based on greater of:
 - ❖ Current-year ADA, or Prior-year ADA, or
 - ❖ Average ADA using the three most recent prior years
- ❖ COVID-19 ADA Relief
 - ❖ Calculated adjustment factor applied to 2021-22 ADA to maintain same attendance rate in 2021-22 as 2019-20, if higher
- ❖ TK add-on: \$2,813 per ADA for 2022-23, to be adjusted annually by the cost of living adjustment

* ADA Average Daily Attendance



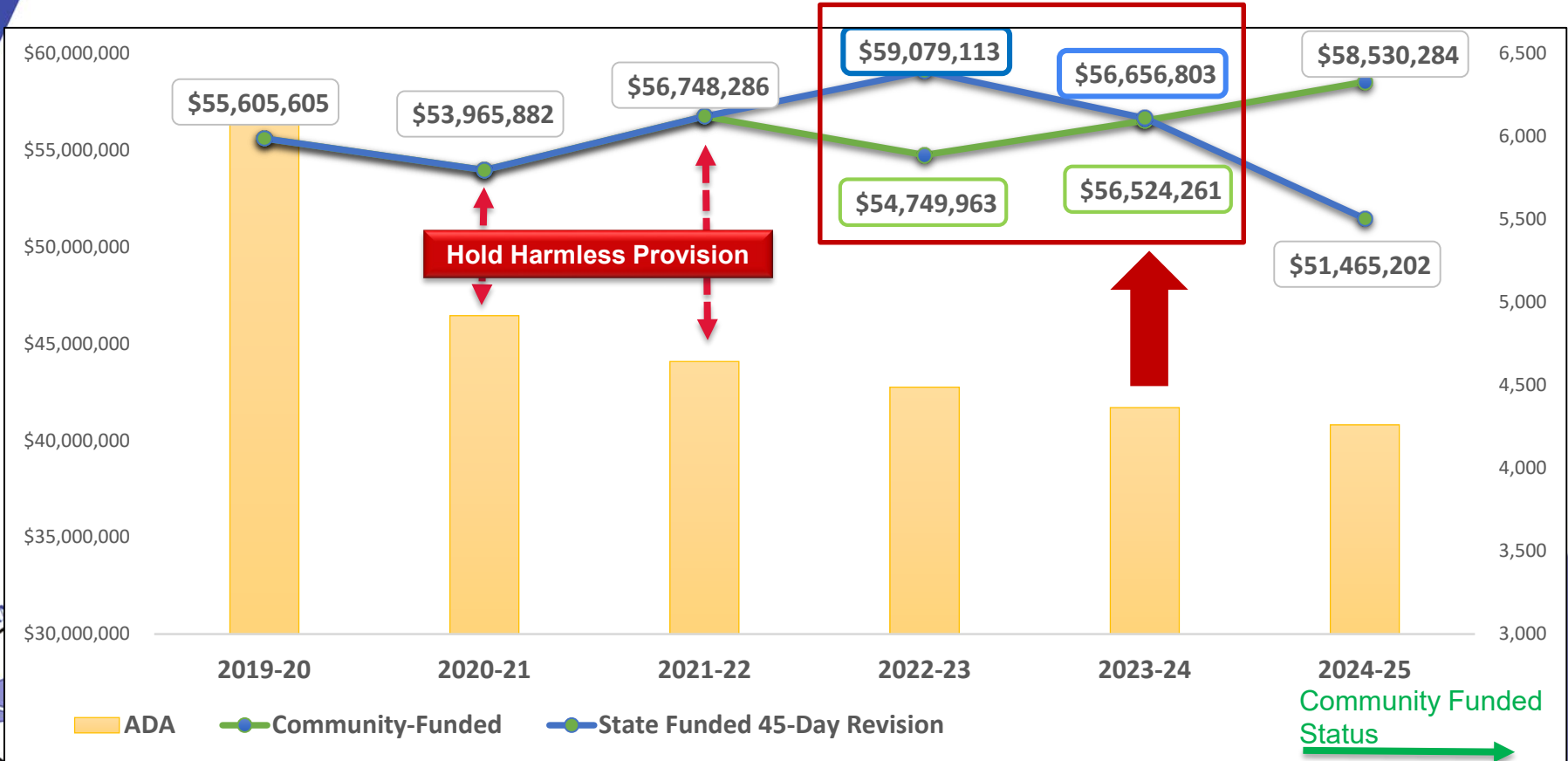
LCFF Revenues – Adopted Budget 6/21/22

Funding based on the greater of prior or current year ADA



LCFF Revenues – 45 Day Revision

Funding based on the prior 3-year's average ADA



Modeling calculation, subject to change



Overview of the State Budget Act

Expanded Learning Opportunities Program Funding

- ❖ Ongoing increases to the ELOP Program

Same formula for distribution of funds



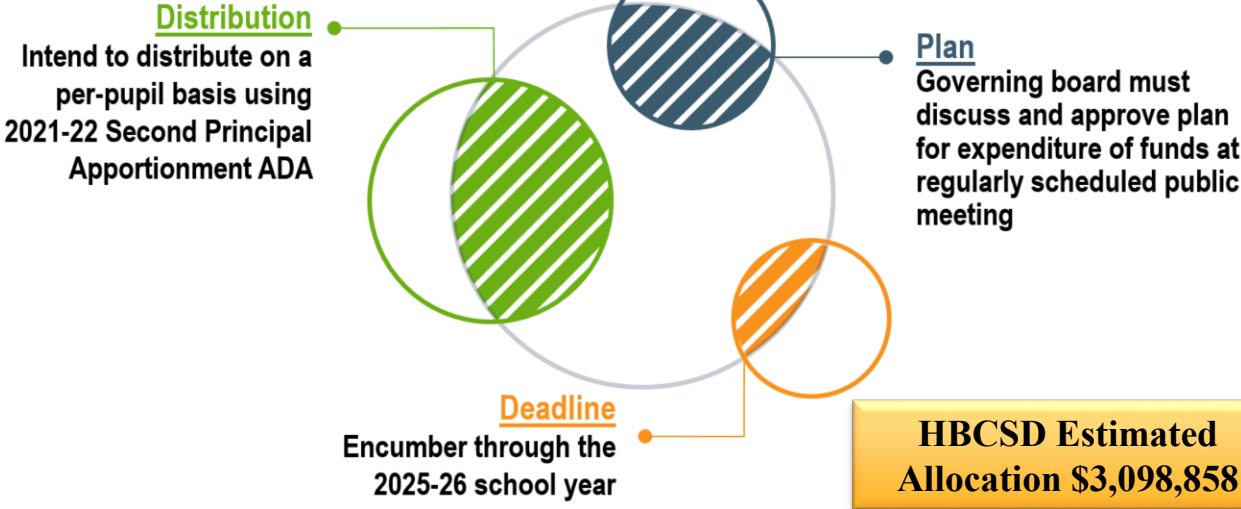
- ❖ Additional \$855,841 for HBCSD
- ❖ Program changes
 - ❖ Must provide transportation if program is not offered at all TK-6 sites
 - ❖ Allow carryover of funds to 2023-24
 - ❖ Subject to audit starting 2023-24
 - ❖ prorated penalties if time and offering requirements are not met



Overview of the State Budget Act

Arts, Music, and Instructional Materials Discretionary Block Grant (restricted one-time funds)

\$3.6 billion one-time



Overview of the State Budget Act

Arts, Music, and Instructional Materials Discretionary Block Grant (restricted one-time funds)

Allowable Uses

Instructional materials and professional development aligned to best practices for improving school climate, digital literacy, physical education, and learning through play

Operational costs



Standards-aligned professional development and instructional materials



Diverse book collections and culturally relevant texts in English, pupils' home languages, or combination of languages



COVID-19 pandemic-related supplies



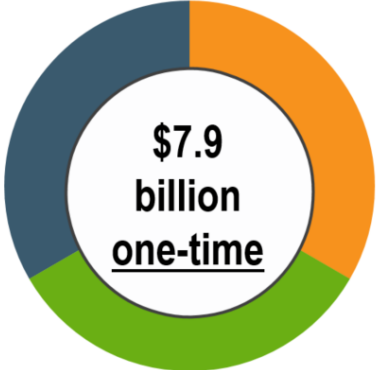
Overview of the State Budget Act

Learning Recovery Emergency Block Grant (restricted one-time funds)

Assist school districts, county offices of education, and charter schools with long-term recovery from the COVID-19 pandemic

Distribution

Funds allocated based on 2021-22
Second Principal Apportionment
ADA multiplied by 2021-22 UPP



Reporting

- Must report interim expenditures to CDE by December 1, 2024, and December 1, 2027
- Must submit a final report on expenditures by December 1, 2029

Deadline

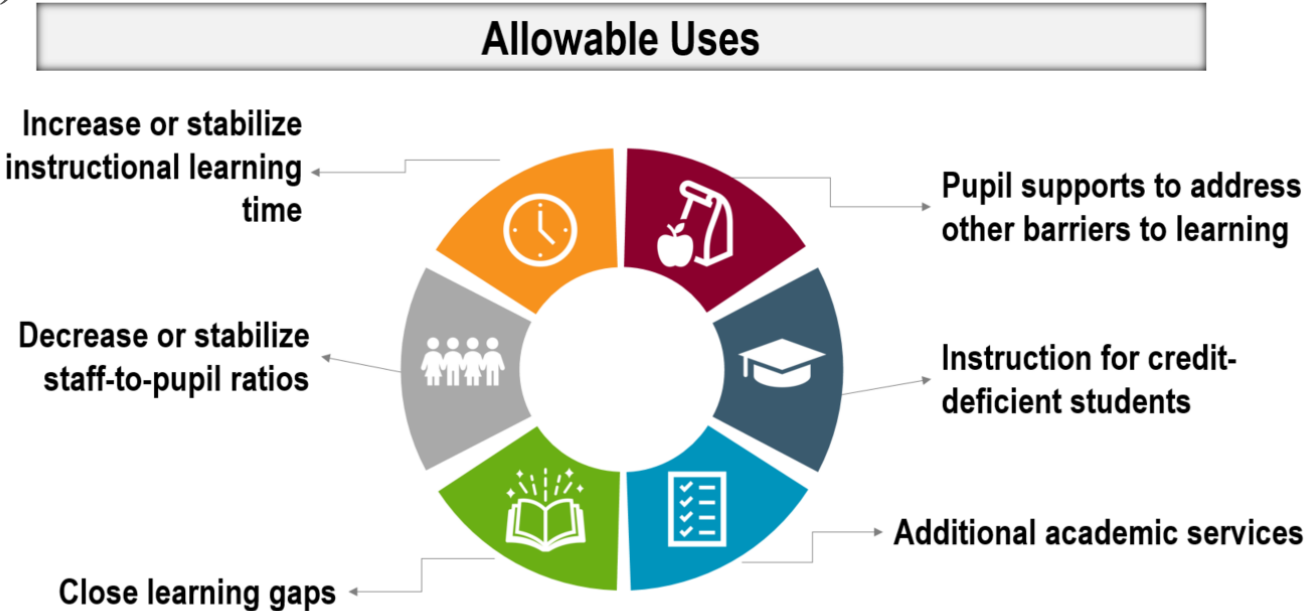
Funds may be used through 2027-28 school year

HBCSD Estimated Allocation \$2,453,314



Overview of the State Budget Act

Learning Recovery Emergency Block Grant (restricted one-time funds)



Enacted Budget Act

Fiscal Impact to HBCSD 2022-23 Budget

Estimated Revenues

	2022-23
LCFF Revenues (Augmentation, 3-year Avg., & ADA Relief)	\$4,085,967
Transitional Kindergarten Add-On Funds	\$ 243,184
Additional LCFF Revenues	\$4,329,151

Estimated Grant Allocations

	2022-23
Expanded Learning Opportunities Program	\$ 855,841
Arts, Music, & Instructional Materials Block Grant*	\$3,098,858
Learning Recovery Emergency Block Grant*	\$2,453,314
Additional Grant Allocations	\$6,408,013

* School Services Estimate 8/2/2022





Fiscal Impact to HBCSD 2022-23 Budget

Expenditure Adjustments since Adopted Budget

	2021-22
Approved 2021-22 Bargaining Agreements (7/19/2022)	\$3,909,944
Transportation, Health Services & Sp. Ed. MOU's	\$ 312,242
Additional Supervision Hours	\$ 253,429
Expanded Learning Opportunities Program	\$ 855,841
Universal Transitional Kindergarten Expenses	\$ 243,184
Total Expenditure Increases	\$5,574,640



2022-23 Budget – 45 Day Revision

	Adopted	45-Day Revision	Difference
TOTAL REVENUES	71,419,429	82,156,593	10,737,164
TOTAL EXPENDITURES	70,380,122	75,954,762	5,574,640
CHANGE IN FUND BALANCE 	1,039,307	6,201,831	5,162,524
BEGINNING BALANCE	18,558,299	18,558,299	0
PROJECTED ENDING BALANCE	19,597,606	24,760,130	5,162,524
Components of the Ending Fund Balance			
Stores, Revolving Cash, and Restricted Reserves 	(7,203,343)	(12,755,515)	(5,552,172)
Other Committed Reserves	(3,297,294)	(3,297,294)	0
Board Policy Additional Reserve 4%	(2,815,205)	(3,038,190)	(222,985)
Reserve for Economic Uncertainty 3%	(2,111,404)	(2,278,643)	(167,239)
UNASSIGNED AMOUNT	4,170,360	3,390,488	(779,872)



Other Budget Considerations

Home-to-School Transportation

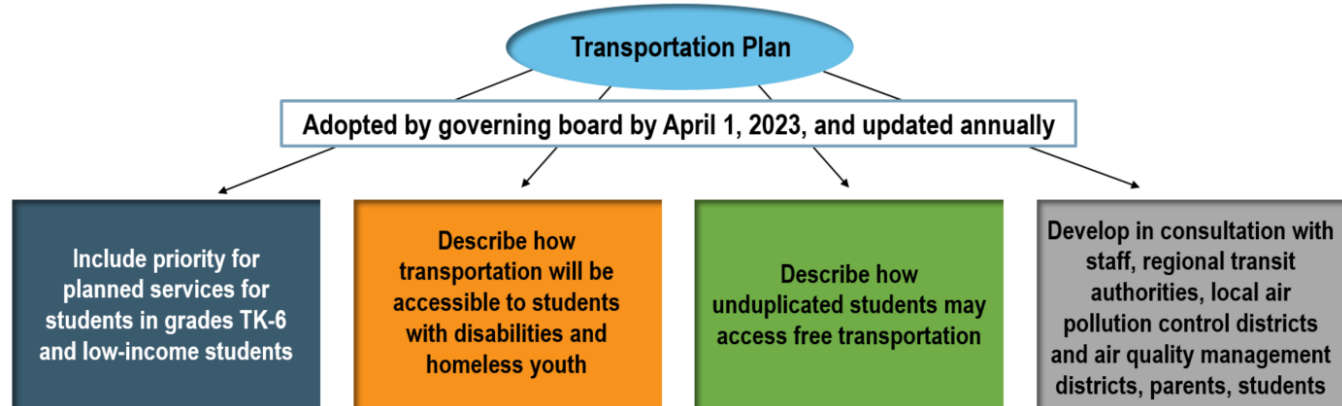
- Funding for Home-to-School Transportation increased by \$637 million ongoing
- Starting in 2022-23, school districts and county offices of education will receive the greater of:

Transportation add-on, plus annual COLA

OR

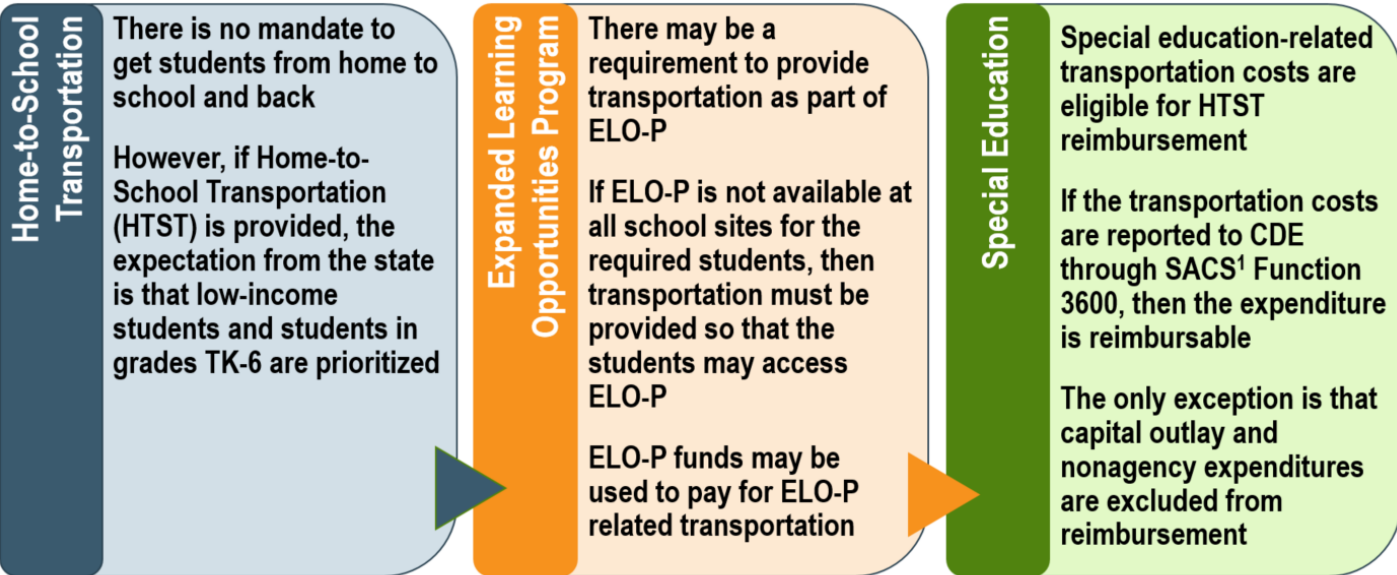
60% of reported transportation costs

- Subject to audit
- May charge fees for transportation but must waive fees for unduplicated students



Other Budget Considerations

Home-to-School Transportation



¹Standardized Account Code Structure



Next Steps

Local Level

- Adopt 2021-22 Unaudited Actuals on September 13, 2022
- 2021-22 Audit Report by December 15, 2022

