

May Revision Workshop

May 20, 2022

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FISCAL CRISIS & MANAGEMENT
ASSISTANCE TEAM

Presented and Prepared By:

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

**School
Services
of California**
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An Employee-Owned Company

Public Education's Point of Reference for Making Educated Decisions



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May 2022

Dear Workshop Guest:

Thank you for joining us today for the May Revision Workshop. All of us at School Services of California Inc. (SSC) appreciate the confidence you have placed in us and strive to provide the very best timely, accurate, and relevant information.

Our objective is to provide the best information, tools, and advice related to the May Revision while enabling as many people as possible to participate. Those of you who are unavailable to view the online May Revision Workshop live can view the recorded version afterwards at a time that is convenient for you.

For today's online workshop, we want to ensure that you get maximum value from the research we have done. We have, therefore, included a host of resource materials for download from our website (www.sscal.com/my-ssc). We hope that you will use those materials to educate your staff and community on some of the major issues facing California educators. Also, based upon your feedback from prior workshops, we will continue to have a question and answer session that will follow directly after the online workshop.

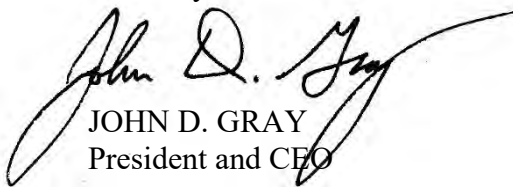
To make things easier for you, we have again included a ready-to-go board or community presentation for download. You may use it as is or customize it to your needs. We ask that you leave our logo and copyright on the materials you use, but beyond that, we welcome you to use them freely within your local agency. These materials are available for workshop registrants at www.sscal.com/my-ssc.

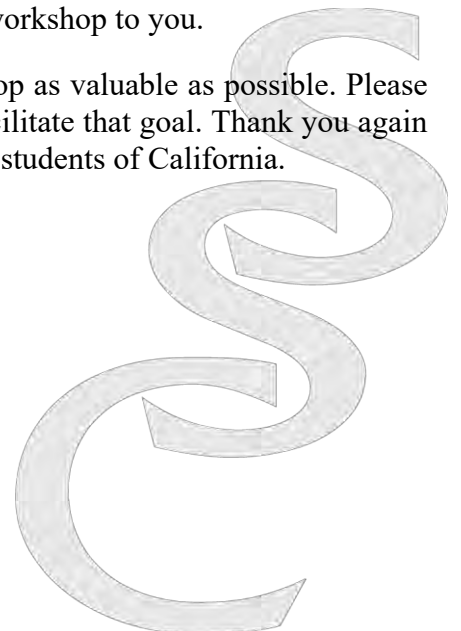
We will be using an online survey to get your feedback after the workshop and we encourage you to participate. We do listen and make changes based on your comments.

We also want to acknowledge and express our appreciation to Michael Fine, Chief Executive Officer of the state's Fiscal Crisis and Management Assistance Team (FCMAT), for his continued support in bringing this workshop to you.

All of us are here to make the May Revision Workshop as valuable as possible. Please let us know if there is anything we can do better to facilitate that goal. Thank you again for your support of SSC and for the job you do for the students of California.

Sincerely,


JOHN D. GRAY
President and CEO



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Acronyms—May Revision Workshop 2022

AB	Assembly Bill
ADA	Average Daily Attendance
ARP	American Rescue Plan
CAASPP	California Assessment of Student Performance and Progress
CADAA	California Dream Act Application
CalPERS	California Public Employees' Retirement System
CalSTRS	California State Teachers' Retirement System
CCEE	California Collaborative for Educational Excellence
CDE	California Department of Education
CEA	Current Expense of Education
CEI	Community Engagement Initiative
COE	County Office of Education
COLA	Cost-of-Living Adjustment
CTC	Commission on Teacher Credentialing
Dashboard	California School Dashboard
DOF	Department of Finance
ELA	English Language Arts
ELO	Expanded Learning Opportunities
ELO-P	Expanded Learning Opportunities Program
ELPAC	English Language Proficiency Assessment for California
ESSER	Elementary and Secondary School Emergency Relief
EWIG	Educator Workforce Investment Grant
FAFSA	Free Application for Federal Student Aid
FY	Fiscal Year
GEER	Governor's Emergency Education Relief
GDP	Gross Domestic Product
GSA	Grade Span Adjustment
HR	Human Resources
IDEA	Individuals with Disabilities Education Act
LCAP	Local Control and Accountability Plan
LCFF	Local Control Funding Formula
LEA	Local Educational Agency

Acronyms—May Revision Workshop 2022

LLM	Learning Loss Mitigation
MOE	Maintenance of Effort
NSLP	National School Lunch Program
PEPRA	Public Employees' Pension Reform Act
PIT	Personal Income Tax
S/C	Supplemental and Concentration Grant
SB	Senate Bill
SBE	State Board of Education
SELPA	Special Education Local Plan Area
SFP	School Facility Program
SSC	School Services of California Inc.
STEM	Science, Technology, Engineering, and Mathematics
SWD	Student with Disabilities
TK	Transitional Kindergarten
UPP	Unduplicated Pupil Percentage

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Presented By:

School Services of California Inc. Staff

To download a copy of today's presentation book and other workshop resources, please visit <http://www.sscal.com/my-ssc>

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Resources Download



Downloadable Resources

To download the workshop materials and resources, go to: www.sscal.com/my-ssc



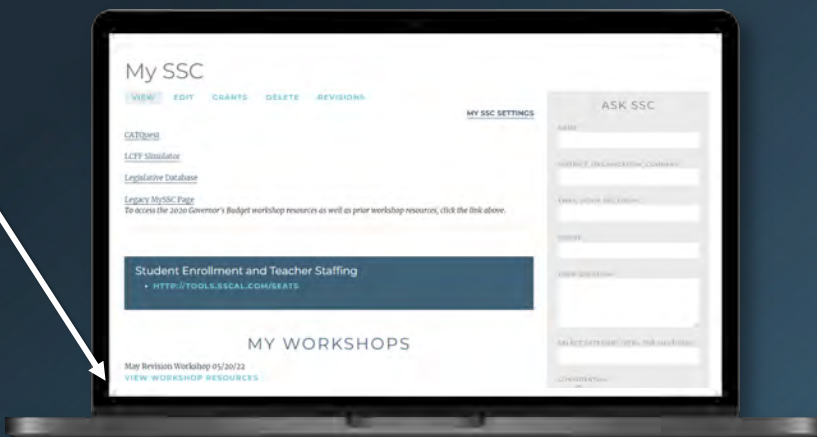
Find Workshops

Under "My Workshops," click on "View Workshop Resources" underneath the workshop title



Who Can Access?

To access the workshop resources, you'll need to be logged in with the email address that was used to register for the workshop



To access a copy of today's presentation book and other resources, please visit www.sscal.com/my-ssc. If you have any issues, please submit a question through the Q&A function and you will receive assistance.

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Question and Answer Session

- We will include a live question and answer session right after the formal presentation
 - During the presentation, your questions can be submitted via email to Ask@sscal.com
 - Submit your questions by 10:15 a.m. in order to be considered for the question and answer session
 - Any questions not answered will be answered in *Fiscal Report* articles



Overview of the 2022-23 May Revision and Economics

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Themes for the May Revision

- Governor Gavin Newsom’s spending plan is an eye-popping \$300.7 billion budget to “provide relief from rising inflation, ensure public safety, address homelessness, transform public education, and combat climate change”
 - “Transform[ing] public education” in the May Revision is thankfully less drastic than it sounds since educational leaders are drained from two years’ worth of transformations
- And while revenues are extraordinary now, we’ve seen this storyline play out before
 - The Governor seeks to guard California against a bust like we experienced post the dot-com boom



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Themes for the May Revision

- Inflation is affecting all businesses and Californians, though to different degrees
 - Governor Newsom seeks to help through direct payments like rental assistance and child care subsidies, but whether it will help remains an open question
- The Governor proposes a multitude of investments, including tax credits, rebates, and infrastructure spending, that do not count toward the state’s Gann Limit
 - Kicking the can down the road



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May Revision for the State—and for You

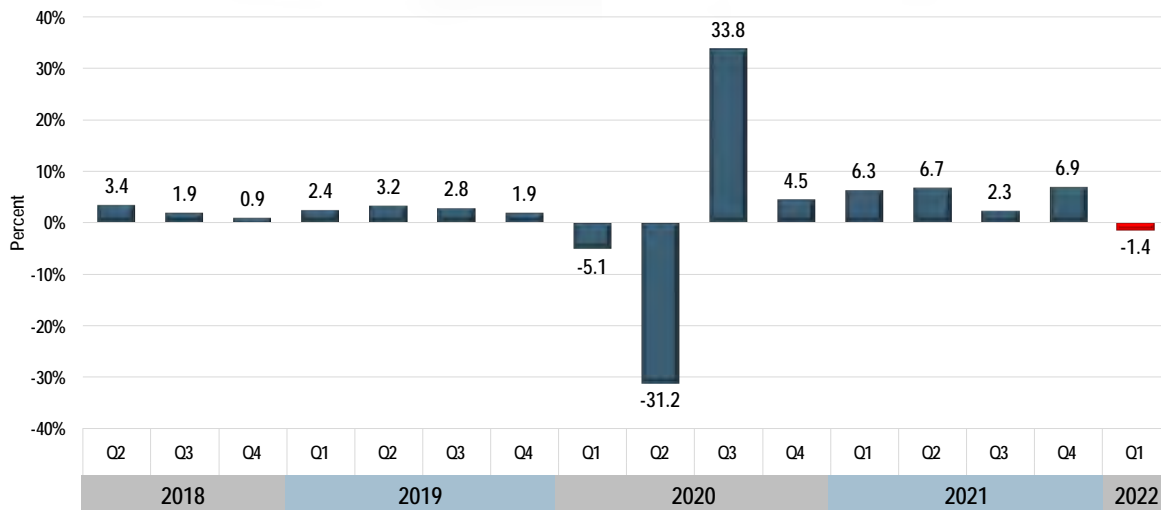
- The Governor’s May Revision is the last statutory step in the State Budget process before the Legislature adopts the state’s spending plan by June 15
- The Newsom Administration has updated revenue projections and proposals based on the latest cash receipts and economic forecasts

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

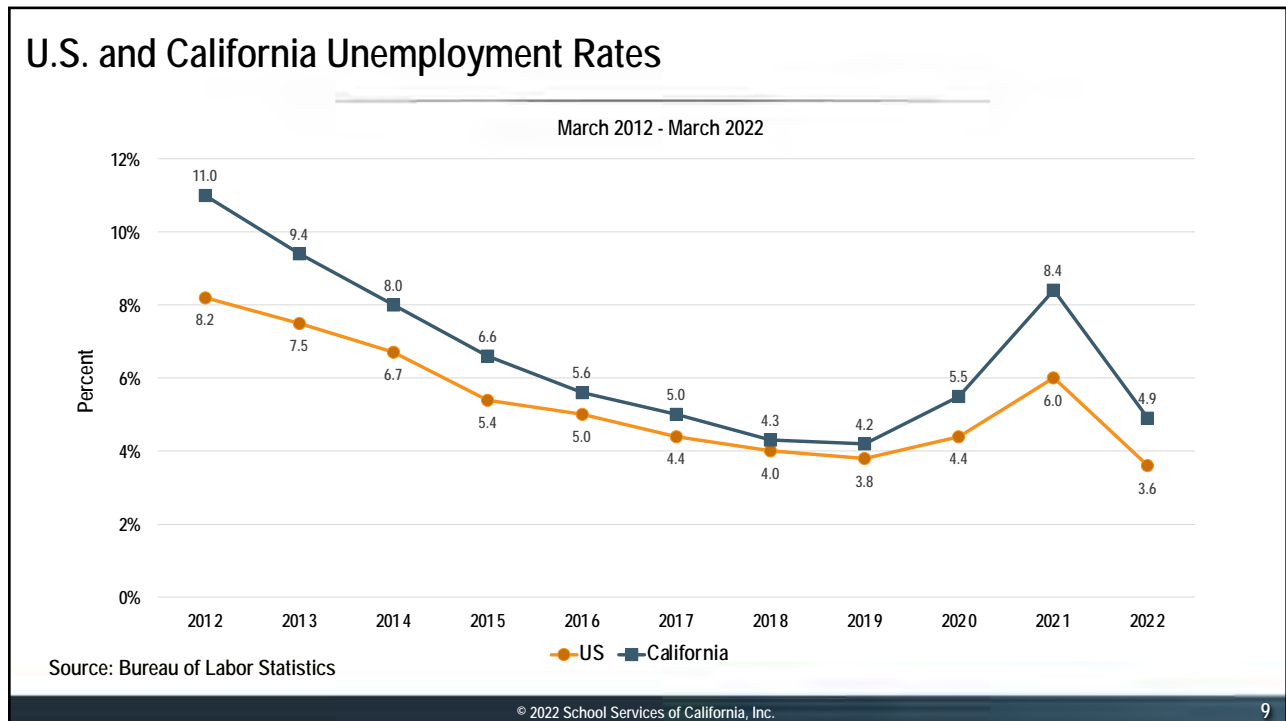
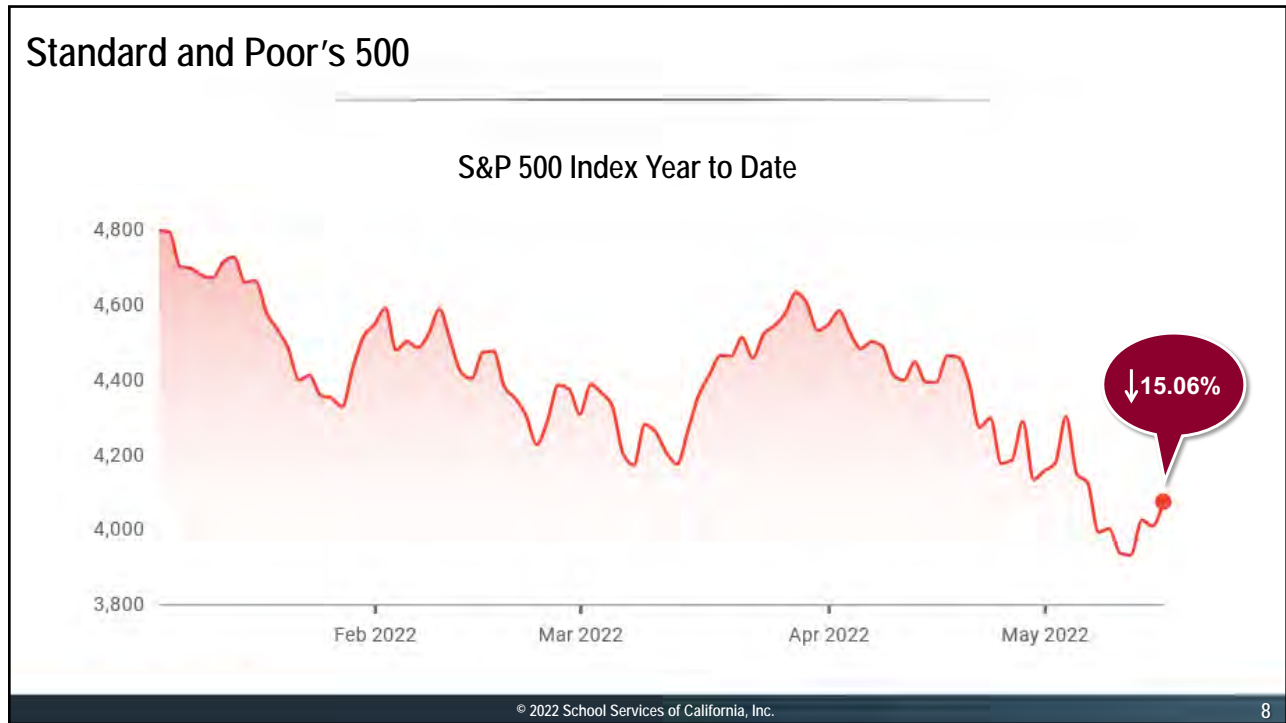
- Once the 2022-23 State Budget has been enacted, our School Finance Conference will inform you of what has changed and how to adapt locally

Gross Domestic Product



Source: Bureau of Economic Analysis

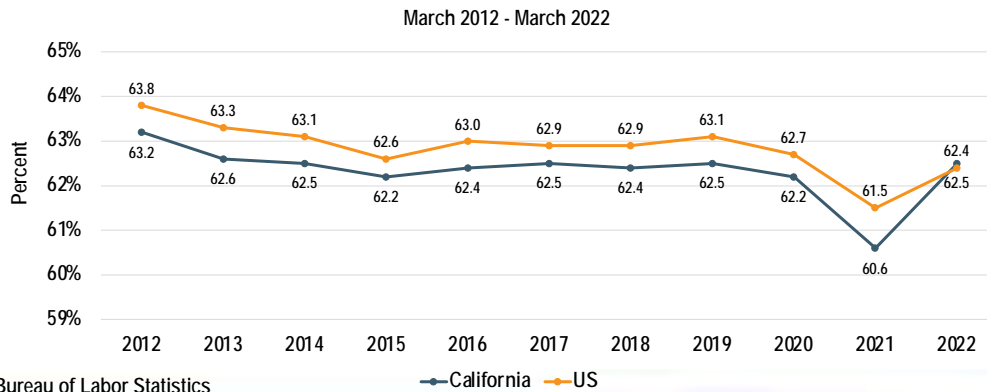
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U.S. and California Labor Force Participation Rates

- One of the measures of the health of an economy is the percentage of eligible workers participating in it—or the labor force participation rate
- The COVID-19 pandemic resulted in the lowest participation rate in the last decade, but we are approaching pre-pandemic levels in both the U.S. and California

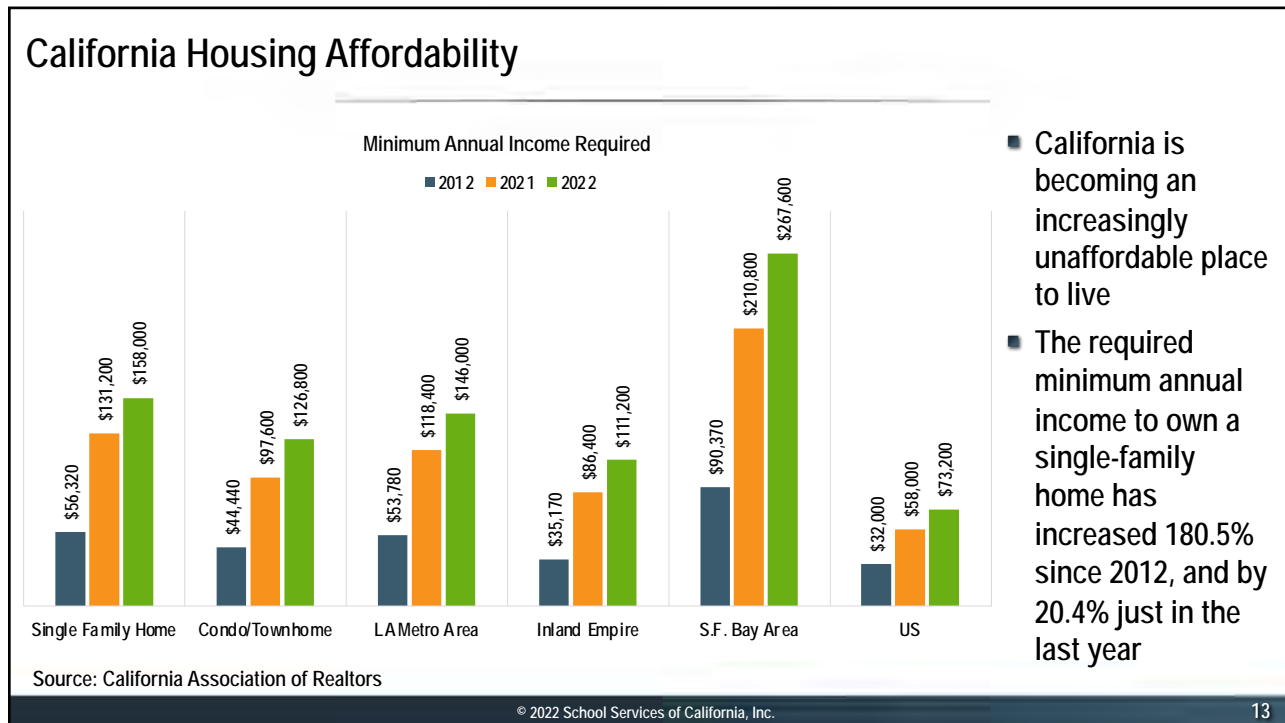
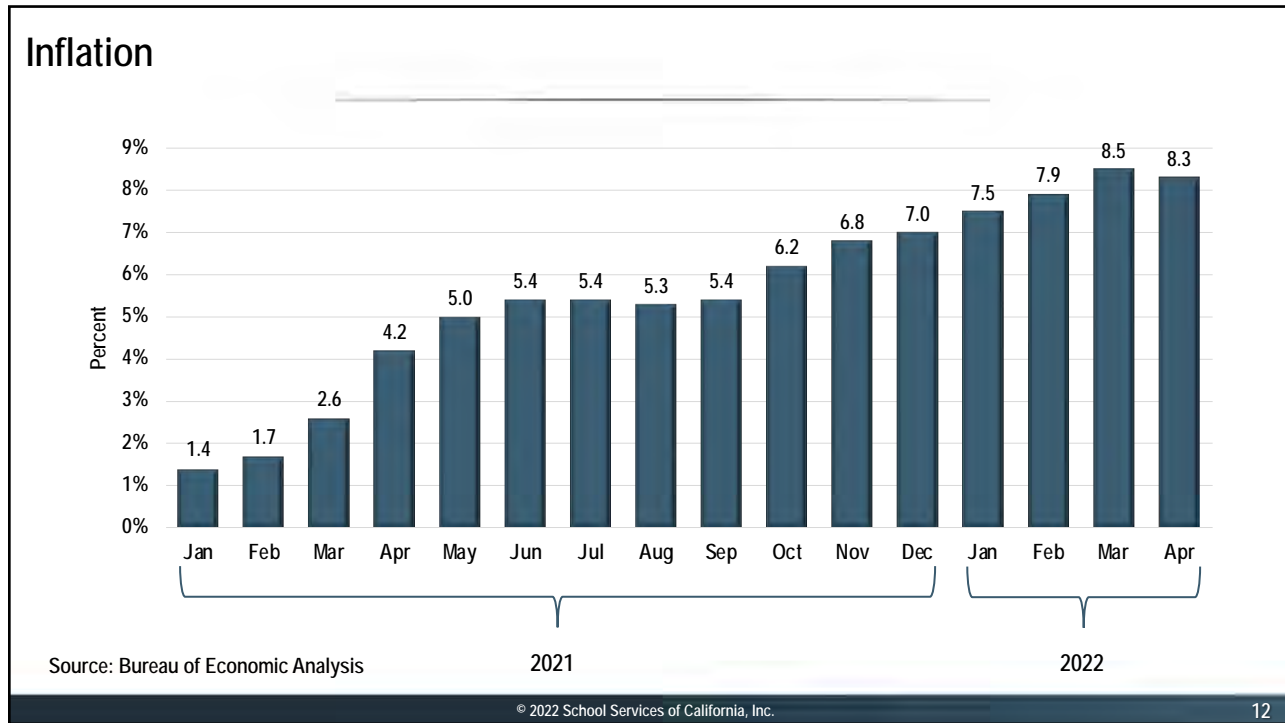


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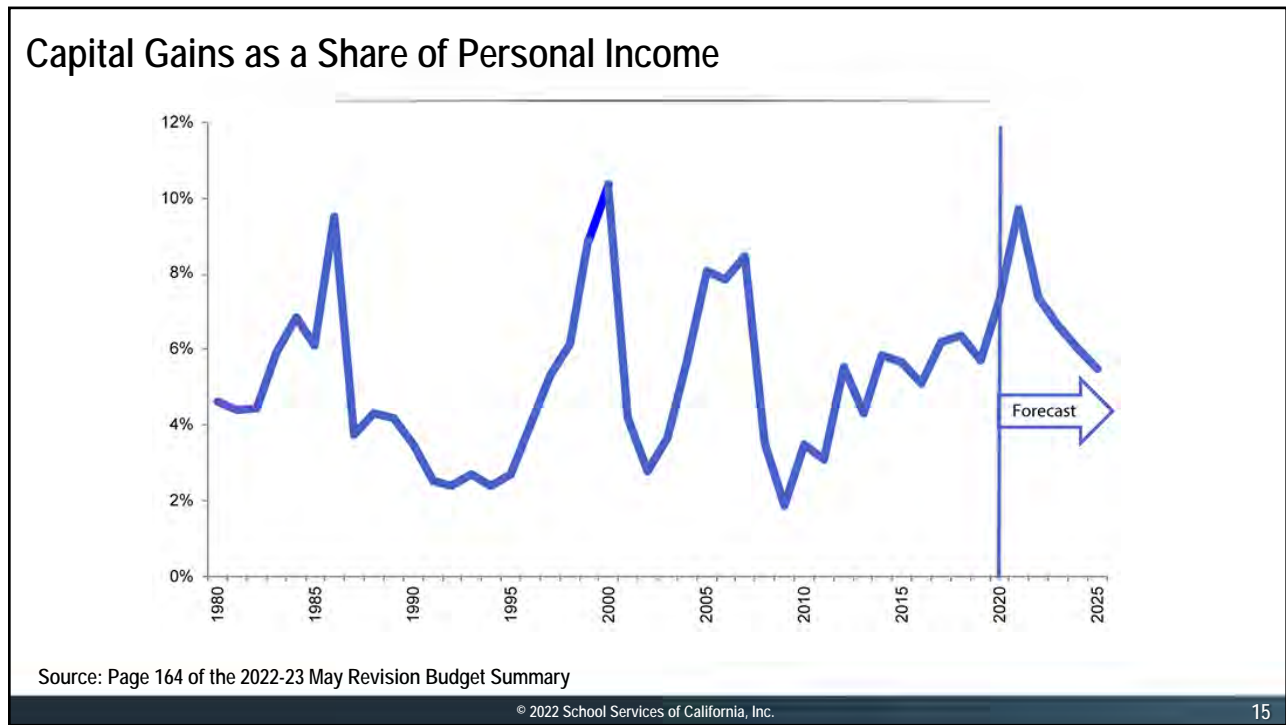
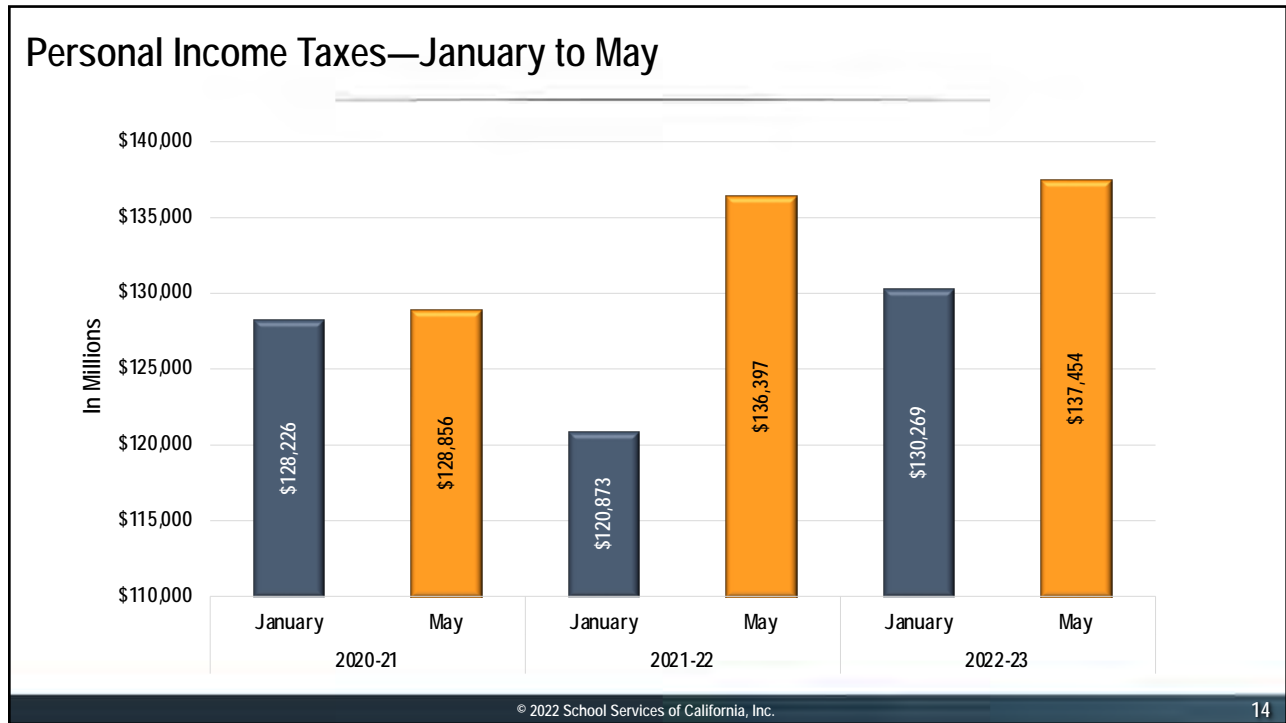
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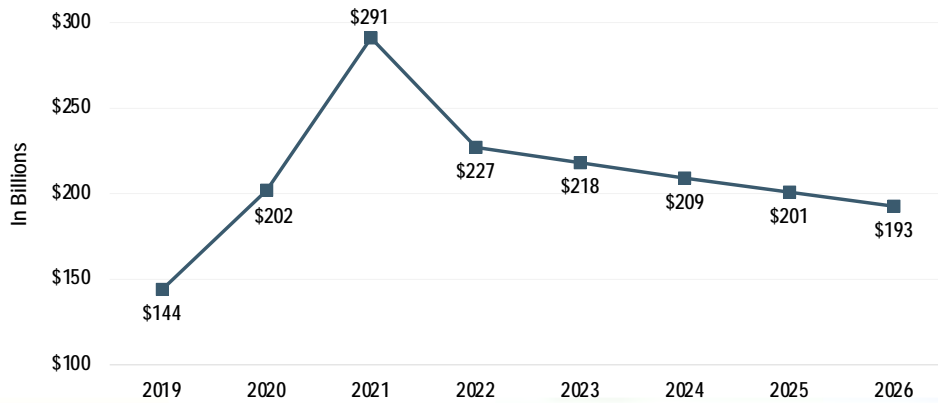
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Capital Gains Realizations

- In 2021, capital gains realizations made up 9.7% of personal income
- The May Revision assumes that current stock market volatility and performance will reduce capital gains year over year; when in 2026, they will equal approximately 5% of personal income

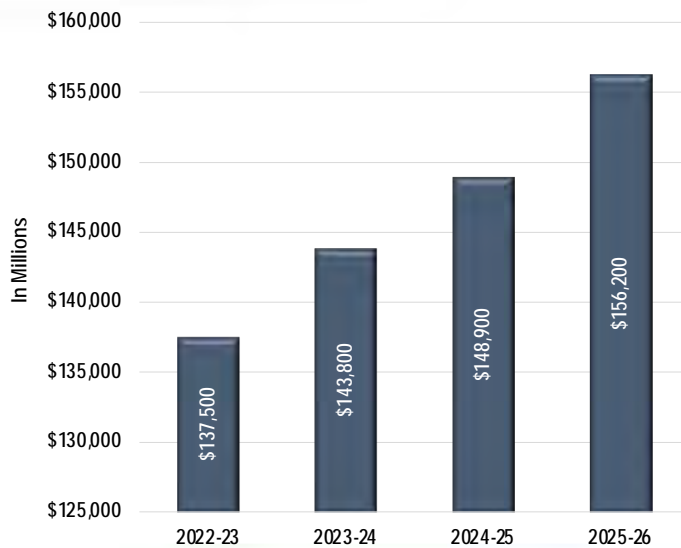


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Personal Income Taxes—Long-Term Forecast

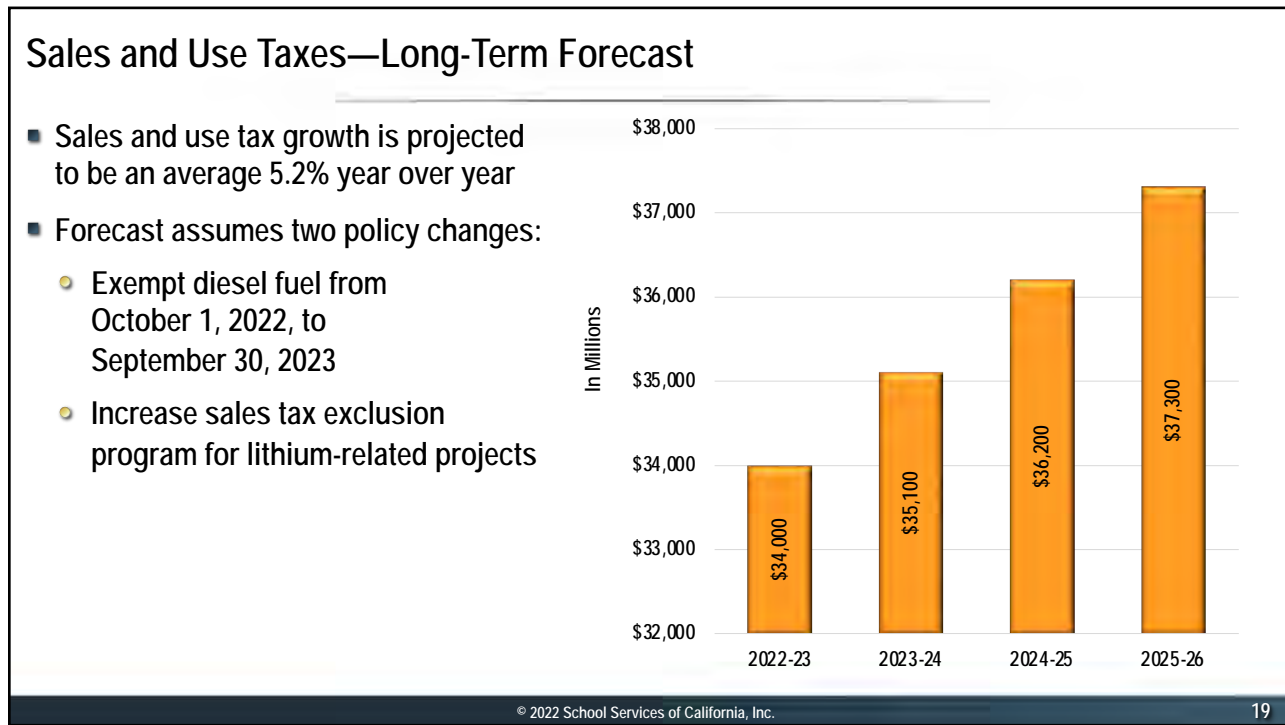
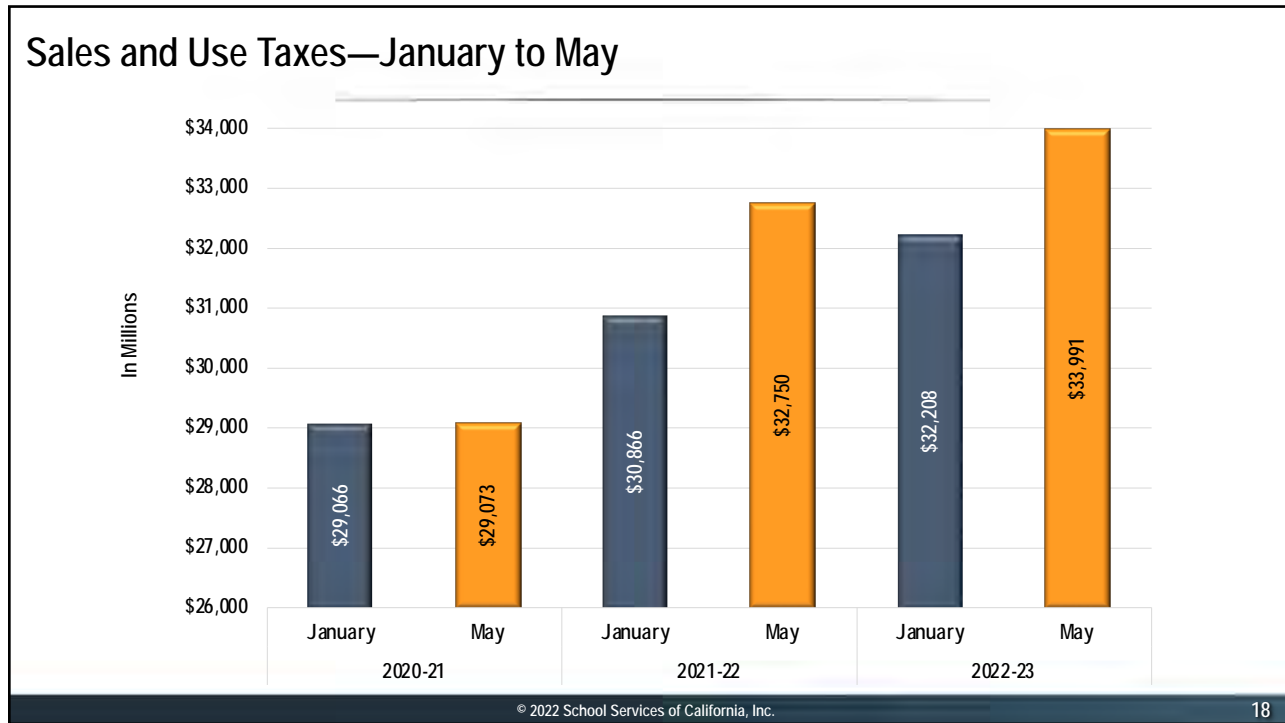
- Personal income tax (PIT) growth is projected to be an average year-over-year of 3.9%
- The highest income Californians continue to pay a large share of the state's PIT
 - The top 1% paid over 49% of PIT



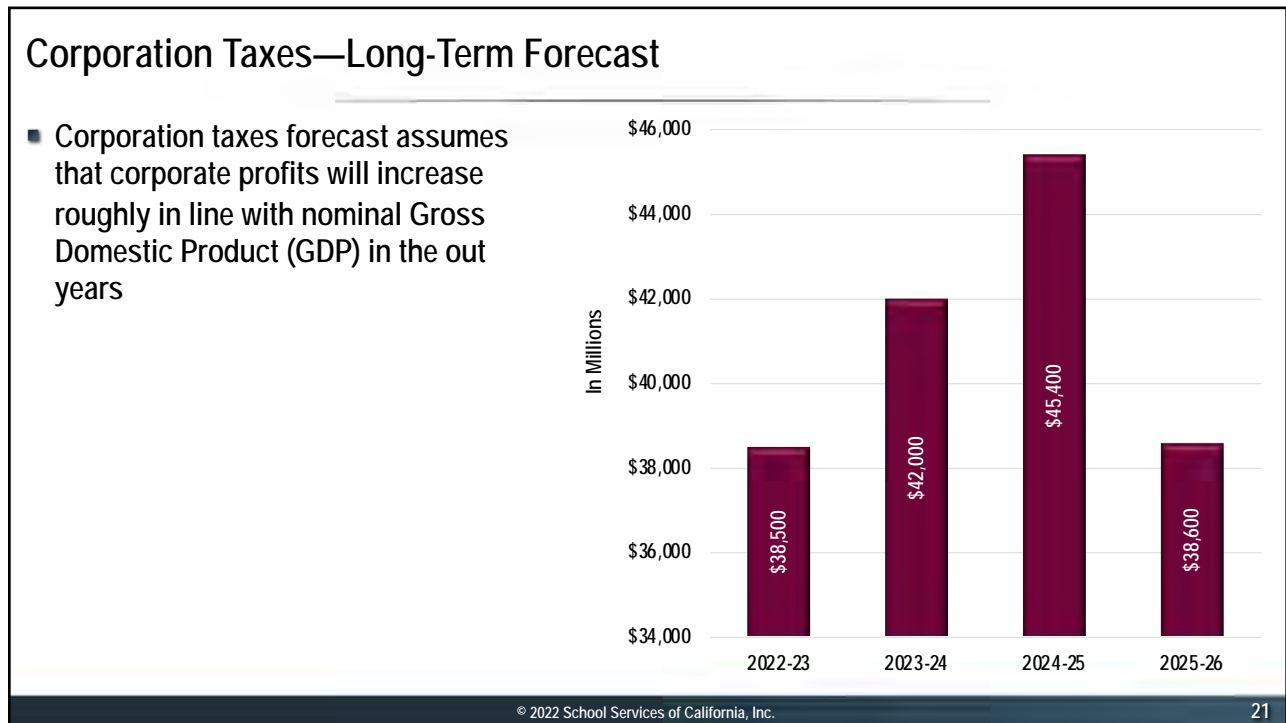
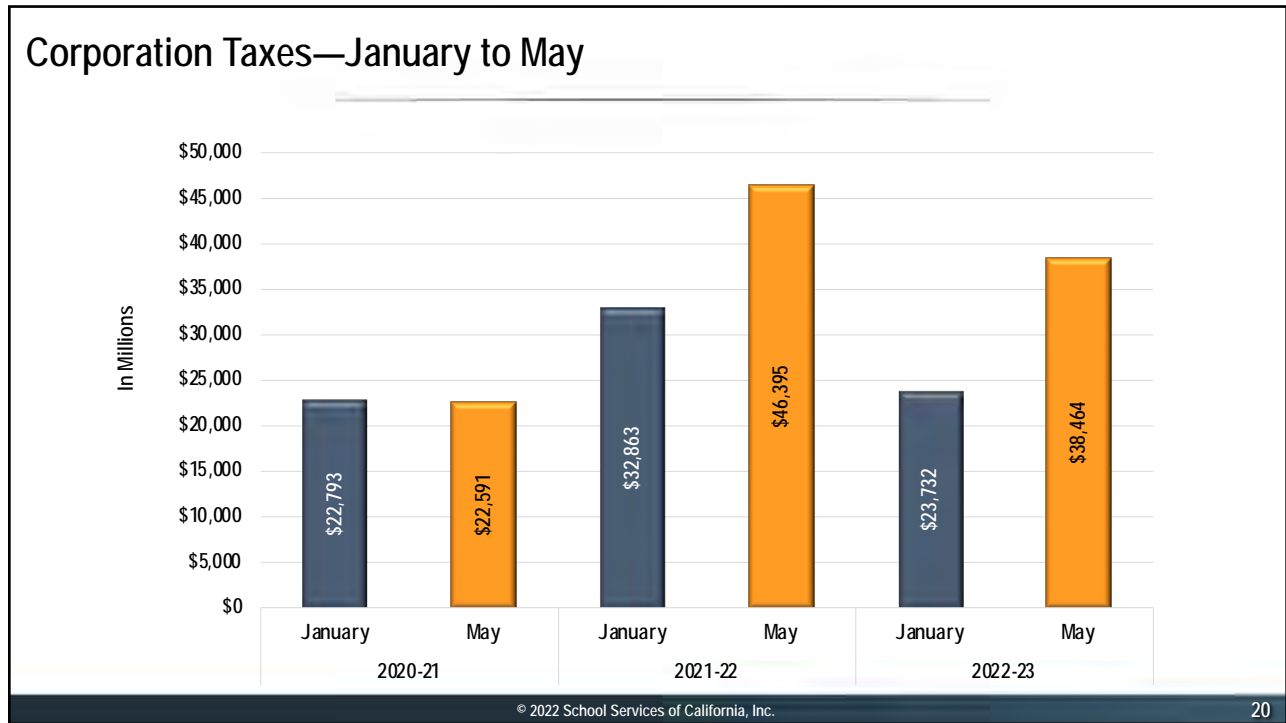
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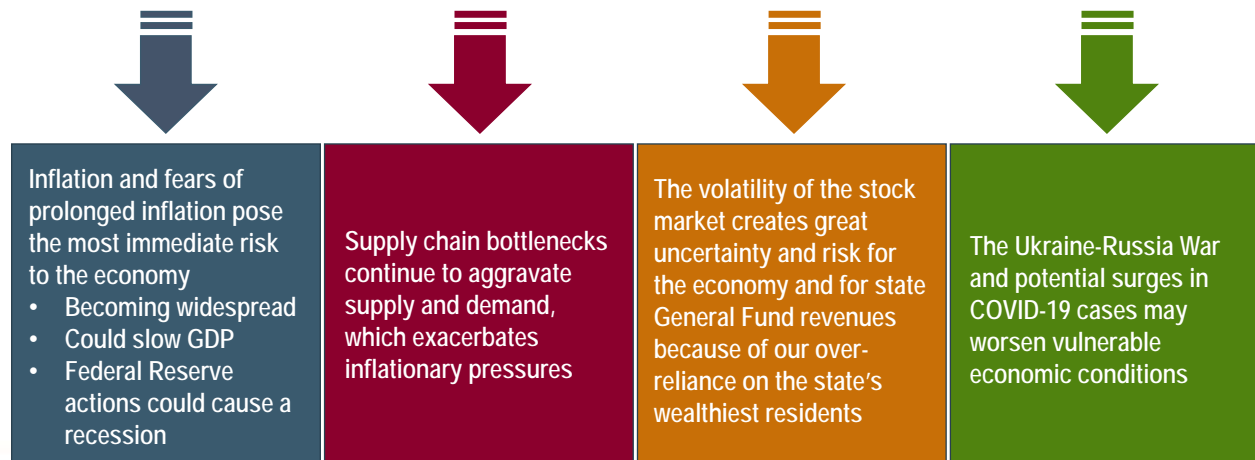
General Fund Budget Summary

2022-23 Governor's May Revision (In millions)		
	2021-22	2022-23
Prior-Year Balance	\$37,698	\$15,425
Revenues and Transfers	\$226,956	\$219,632
Total Resources Available	\$264,654	\$235,057
Non-Proposition 98 Expenditures	\$165,590	\$145,071
Proposition 98 Expenditures	\$83,639	\$82,292
Total Expenditures	\$249,229	\$227,363
Fund Balance	\$15,425	\$7,694
Reserve for Liquidation of Encumbrances	\$4,276	\$4,276
Special Fund for Economic Uncertainties	\$11,149	\$3,418
Public School System Stabilization Account	\$7,293	\$9,519
Safety Net Reserve	\$900	\$900
Budget Stabilization Account/Rainy Day Fund	\$20,325	\$23,283

Source: Governor's 2022-23 May Revision

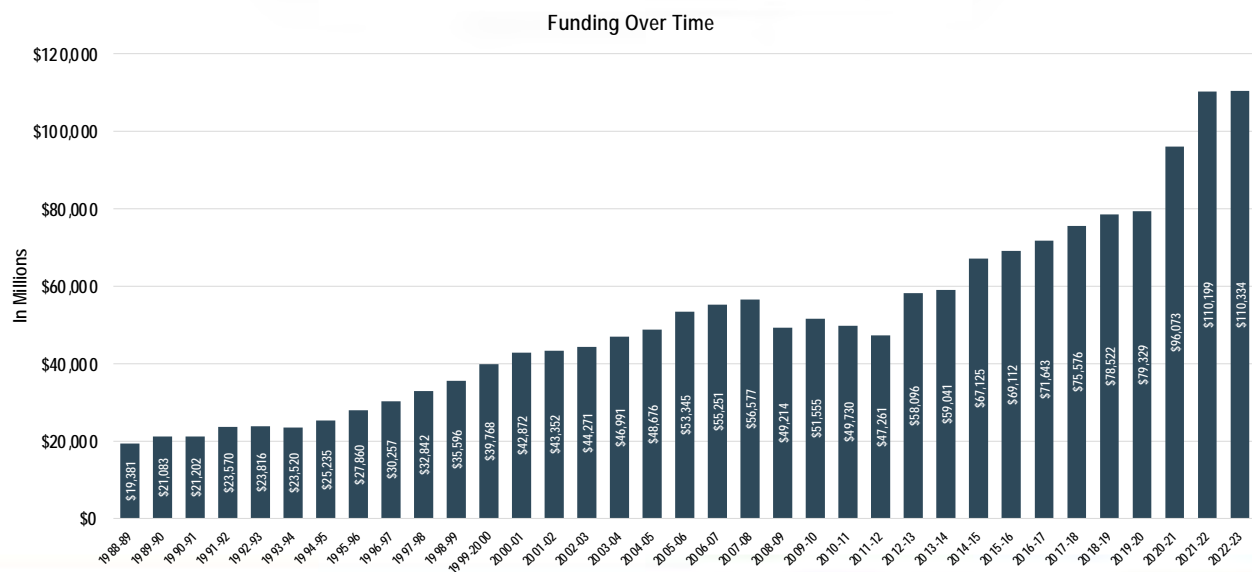
Risks to the Budget and Long-Term Forecast

- The economy is facing significant headwinds and is beginning to enter turbulent territory
- Many factors pose significant risk to the economy, the State Budget, and the long-term forecast



Proposition 98 and Education Funding

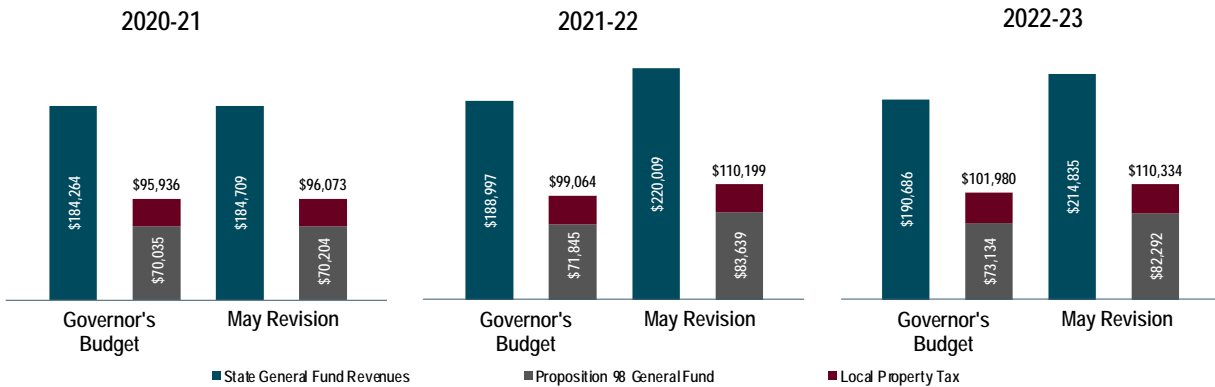
Proposition 98 Minimum Guarantee



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Proposition 98 and State Revenues

- Generally, Proposition 98 funding levels reflect the larger economic conditions
- In recent years, this is particularly true because of the “test” that determines Proposition 98



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Proposition 98 Tests

- The Proposition 98 minimum guarantee is determined by one of three “tests” as required by the State Constitution
- Since 2019-20, K-14 education funding has been calculated using Test 1
 - Unprecedented levels of revenues, as well as historic drops in student enrollment and attendance, buoy Test 1



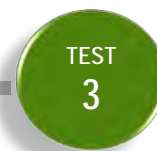
K-14 education's share of state General Fund revenues in 1988-89 (~38%)

Operative test for 2022-23



Prior-year funding adjusted for average daily attendance (ADA) and changes in per capita personal income

Usually operative in a strong economy



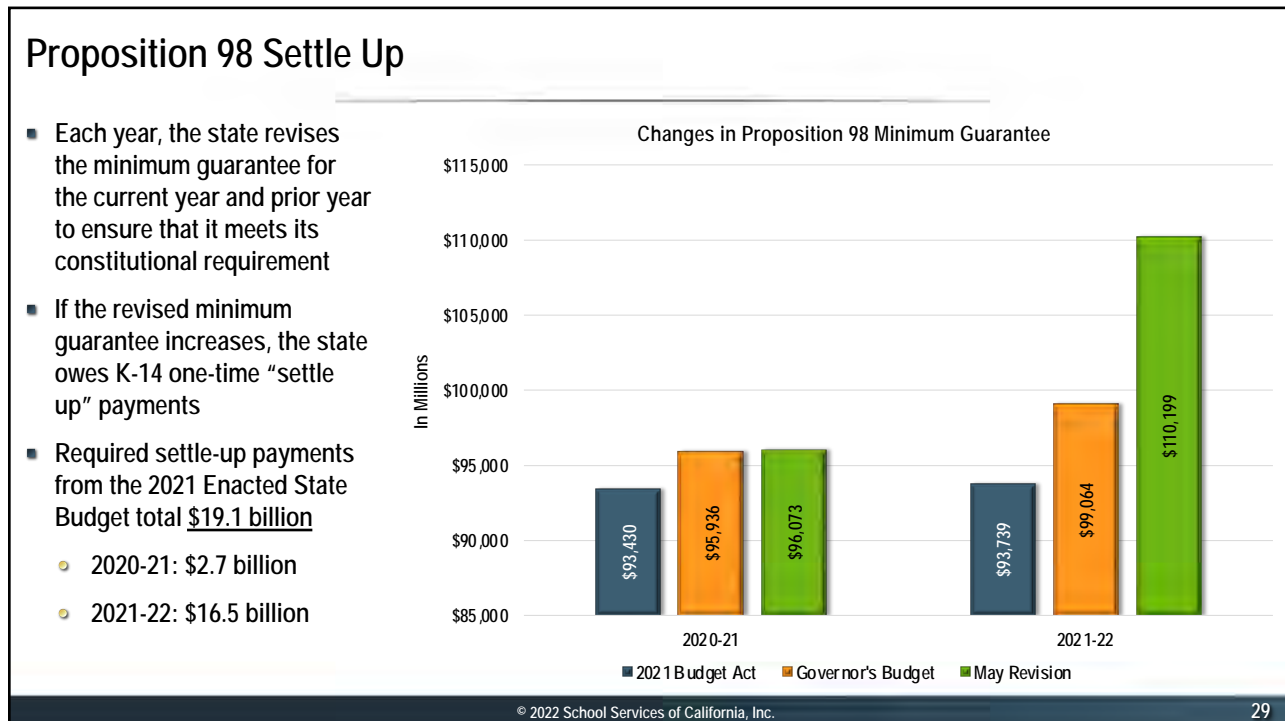
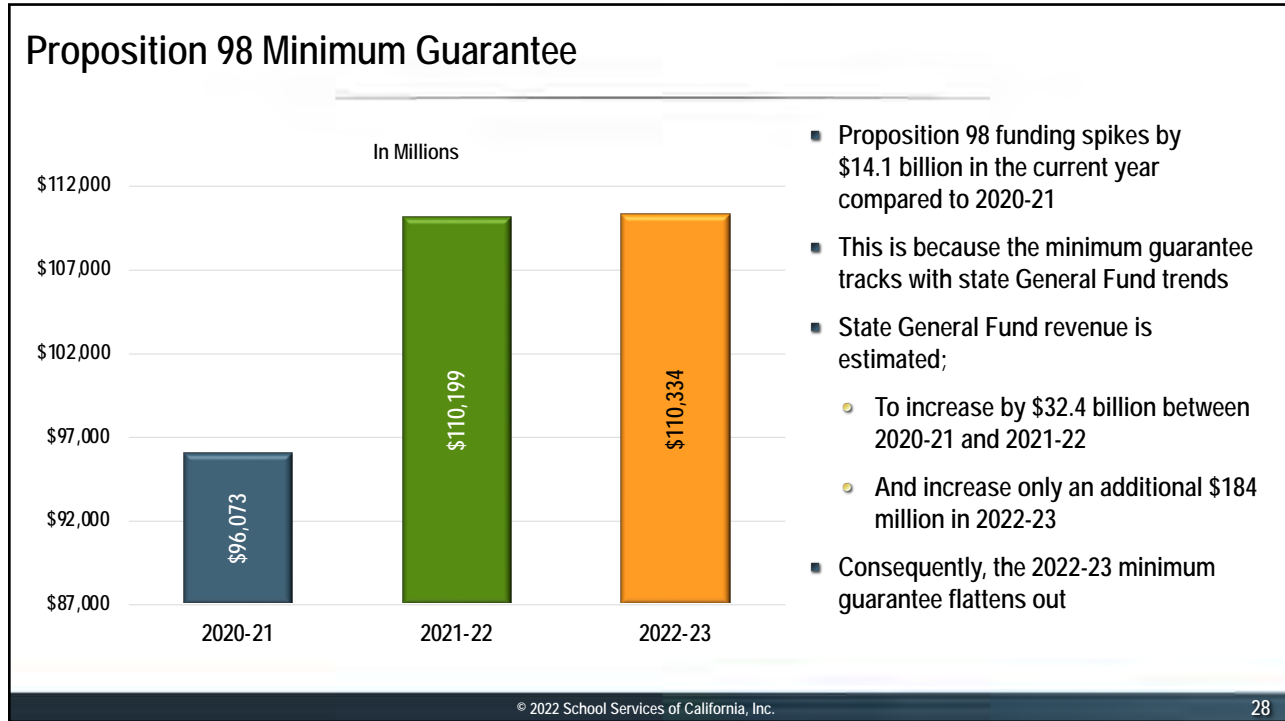
Prior-year funding adjusted for ADA and changes in per capita General Fund revenue + 0.5%

Usually operative in a weak economy

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2022-23 Minimum Guarantee

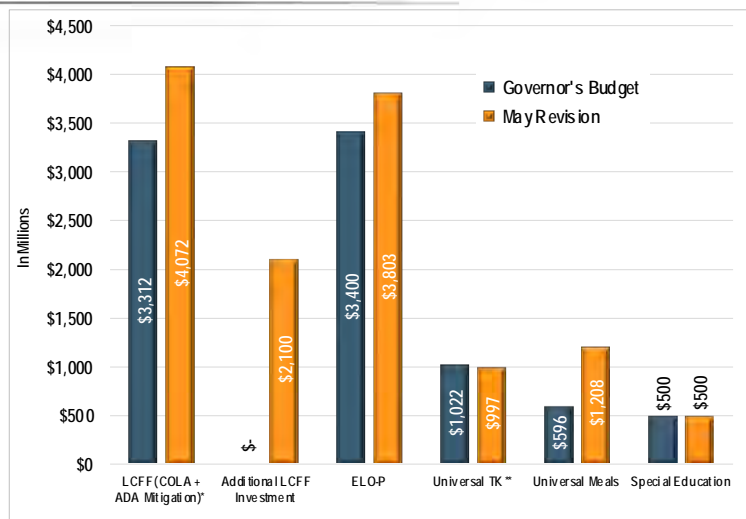
- Proposition 98 General Fund revenues are expected to decrease by \$1.3 billion, but are offset by an anticipated local property tax increase of \$1.5 billion

Proposition 98 Breakdown (In millions)			
	2021-22	2022-23	Change
General Fund	\$83,639	\$82,292	(\$1,347)
Local Property Tax	\$26,560	\$28,042	\$1,482
Total	\$110,199	\$110,334	\$135

- At the May Revision, the 2022-23 Proposition 98 minimum guarantee is expected to grow modestly, by a mere \$135 million

Major Ongoing Investments—January to May

- In January, the Governor proposed \$8.8 billion in major ongoing investments in Proposition 98
 - Expanded Learning Opportunity Program (ELO-P) was the largest proposed investment, \$3.4 billion
 - LCFF was the second largest with a funded 5.33% cost-of-living adjustment (COLA) and an added ADA policy to address long-term declining enrollment
- By comparison, the May Revision includes major ongoing investments totaling \$12.7 billion, increasing both the ELO-P and the LCFF investments by a combined total of \$10.0 billion

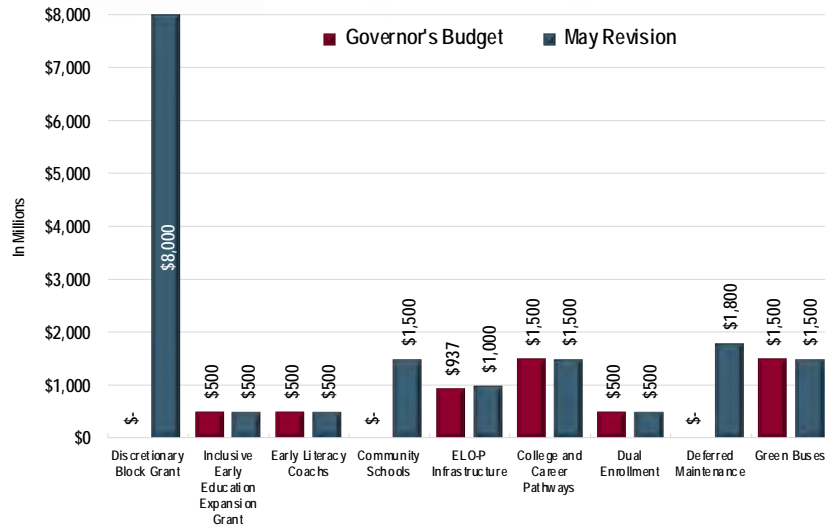


Note: Excludes investments less than \$500 million
 *LCFF May Revision costs for districts, charters, COEs, adjusted for unmitigated 2021-22 ADA
 **Transitional Kindergarten (TK)

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Major One-Time Investments—January to May

- In January, the Governor proposed nearly \$4.0 billion in major one-time investments
- By comparison, the May Revision includes major one-time investments totaling \$16.8 billion—the largest being an \$8.0 billion one-time discretionary block grant



Note: Excludes investments less than \$500 million

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Proposition 98 Reserve

- Proposition 2 (2014) requires the state to deposit funds into the Public School System Stabilization Account (Proposition 98 Reserve) when four conditions are met



Maintenance Factor

Met

Proposition 98 Maintenance Factor prior to 2014-15 is fully paid



Test 1

Met

Minimum guarantee is determined by Test 1



ADA and COLA

Met

Proposition 98 minimum guarantee is sufficient to fund ADA and the higher of the LCFF COLA or the minimum guarantee COLA

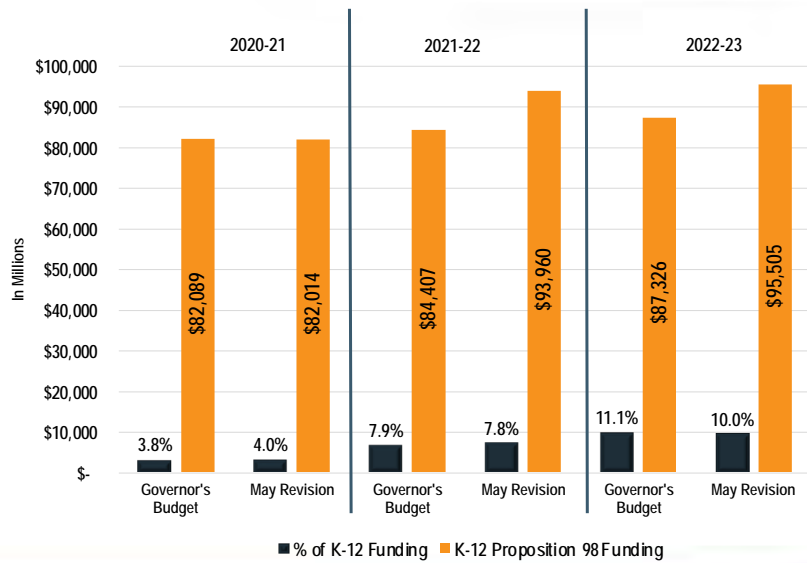


Capital Gains

Met

Capital gains exceed 8% of General Fund revenues

Proposition 98 Reserve



The revised deposits in the Proposition 98 reserve exceed 3.0% of K-12 Proposition 98 funding

- Reaching 4.0% of funding in 2020-21 and 7.8% in 2021-22
- In 2022-23, the account reaches 10% of K-12 funding

The Constitution limits the reserve to 10% of the minimum guarantee in any fiscal year

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Reserve Cap

- Senate Bill (SB) 751 (Hill, Statutes of 2017) sets the threshold for triggering the cap on district reserves and the limits of how much school districts can maintain in their local reserves

Caps district reserves at 10% using assigned/unassigned ending balance of General and Special Reserve For Other Than Capital Outlay Fund

Exempts basic aid districts and districts with fewer than 2,501 ADA

Statewide Average Reserve Levels

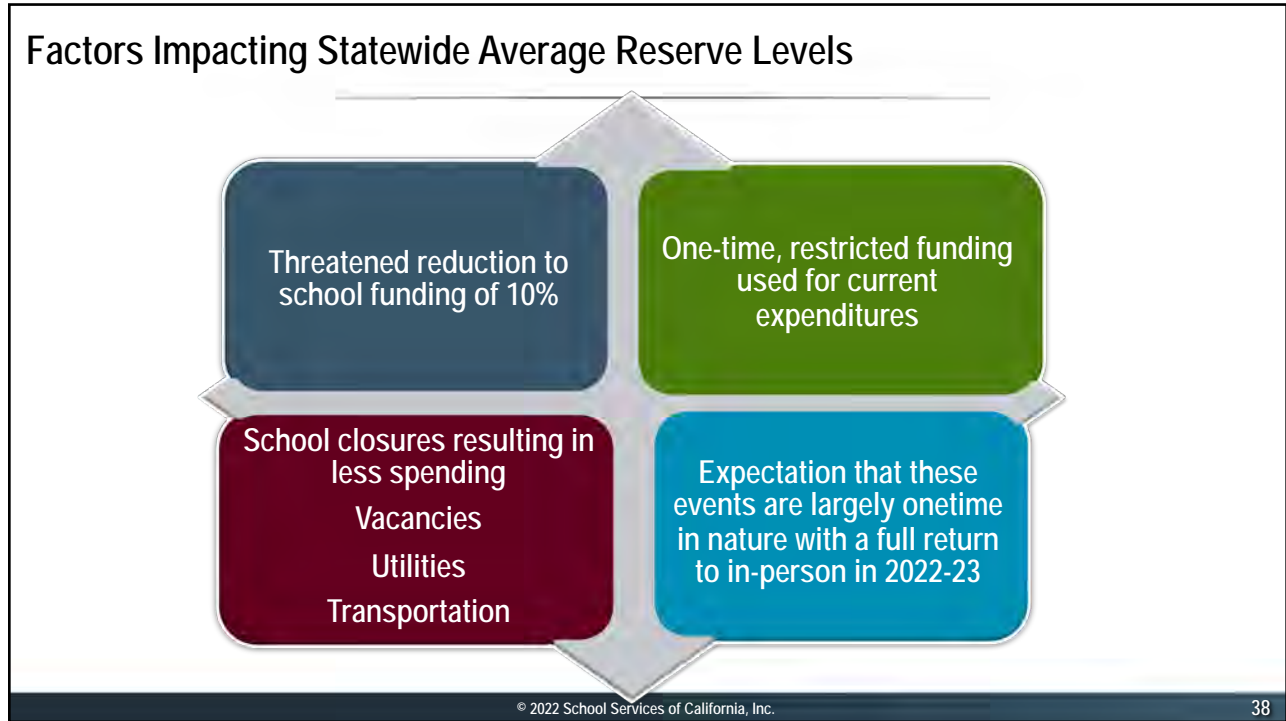
- The latest statewide data on school district reserves is available for 2020-21
 - Unrestricted fund balances increased tremendously

Average Unrestricted General Fund, Plus Fund 17, Ending Balances ¹			
	2019-20	2020-21	Difference
Unified School Districts	18.82%	22.36%	3.54%
Elementary School Districts	22.70%	26.01%	3.31%
High School Districts	17.34%	21.82%	4.48%

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

- In a year when no new on-going funding was provided, how could this happen?
 - Driven by the "COVID-bump"

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Reserve Cap Compliance Ideas

- School District have multiple tools to address the reserve cap

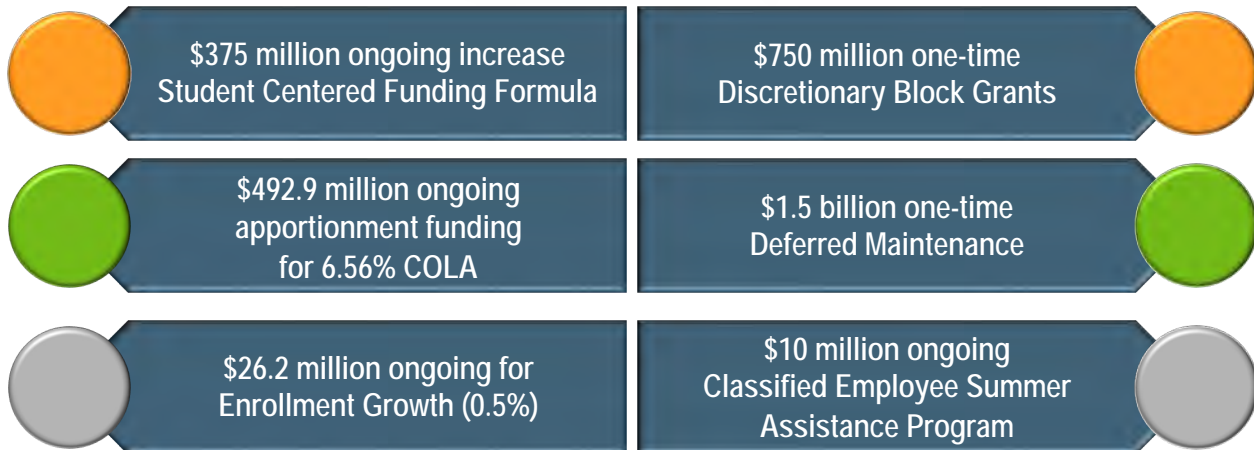
Commit Fund Balance	Contribution to Restricted Programs	Transfer to Other Funds	County Office Exemption
Unspent supplemental and concentration grant funds Technology refresh Textbook adoption Pension obligations	Routine Restricted Maintenance Special Education	Postemployment Benefits State School Facilities Special Reserve for Capital Outlay	Exemption to the reserve cap can be granted for two consecutive years in a three-year period

- Reserve cap is likely to be in place for the near future so an exemption from the county office should be a last resort, and should not be a surprise to the county office

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The Rest of Proposition 98—California Community Colleges



Governor's Budget vs. May Revision

Item	Governor's Budget	May Revision
LCFF Funding Increase	\$3.3 billion	\$6.1 billion
Proposition 98 Minimum Guarantee		
2020-21	\$95.9 billion	\$96.1 billion
2021-22	\$99.1 billion	\$110.2 billion
2022-23	\$102.0 billion	\$110.3 billion
2022-23 Statutory COLA	5.33%	6.56%
One-Time Discretionary Funds	\$0	\$8 billion

Local Agency Operations and the May Revision

The May Revision and Its Effects on Your Local Agency

- The next section highlights the major components of the May Revision that will affect your LEA
- As always, the Governor's May Revision is the keystone to drafting your LEA's 2022-23 budget
 - But the Governor is just one voice in the state's 2022-23 budget, and he cannot pass the budget alone
 - As the "purse of government," the Assembly and Senate get to weigh in
- Throughout this section, we will highlight where each house has different priorities



Assembly's Blueprint



Senate's Putting Wealth to Work Plan

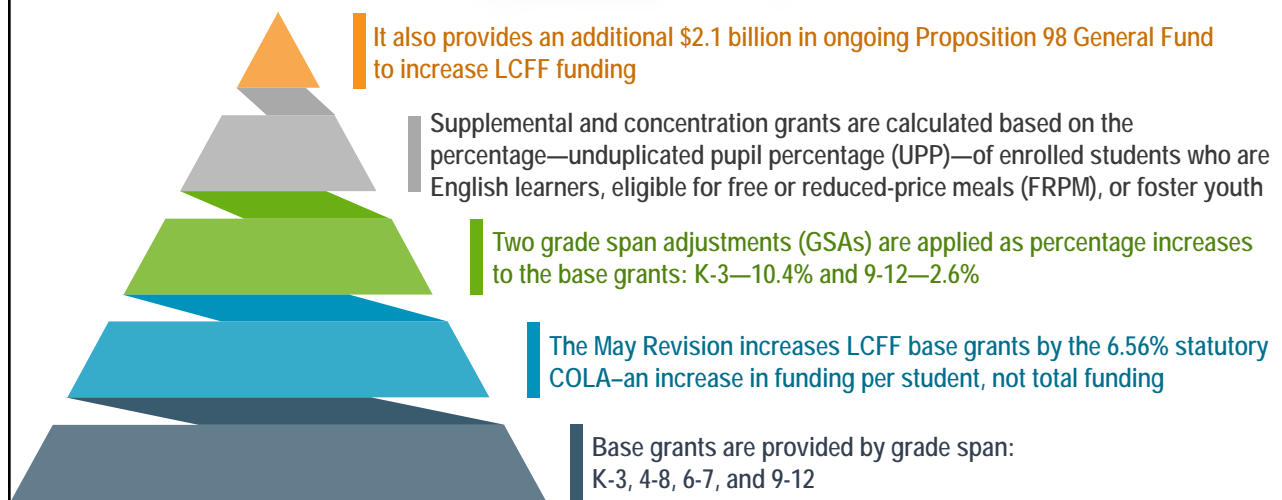
- While it is important to know which investments could change and in what direction, we continue to recommend budgeting based on the



Governor's May Revision

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2022-23 LCFF Funding Factors



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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
6.56% COLA	\$531	\$539	\$555	\$643
Additional LCFF Investment ¹	\$266	\$270	\$278	\$322
2022-23 Base Grant per ADA	\$8,890	\$9,024	\$9,291	\$10,767
GSA	\$925	–	–	\$280
2022-23 Adjusted Base Grant per ADA	\$9,815	\$9,024	\$9,291	\$11,047
20% Supplemental Grant per ADA (Total UPP)	\$1,963	\$1,805	\$1,858	\$2,209
65% Concentration Grant per ADA (UPP Above 55%)	\$6,380	\$5,866	\$6,039	\$7,181



¹SSC estimate of the impact the additional \$2.1 billion investment brings to LCFF funding by increasing the base rates

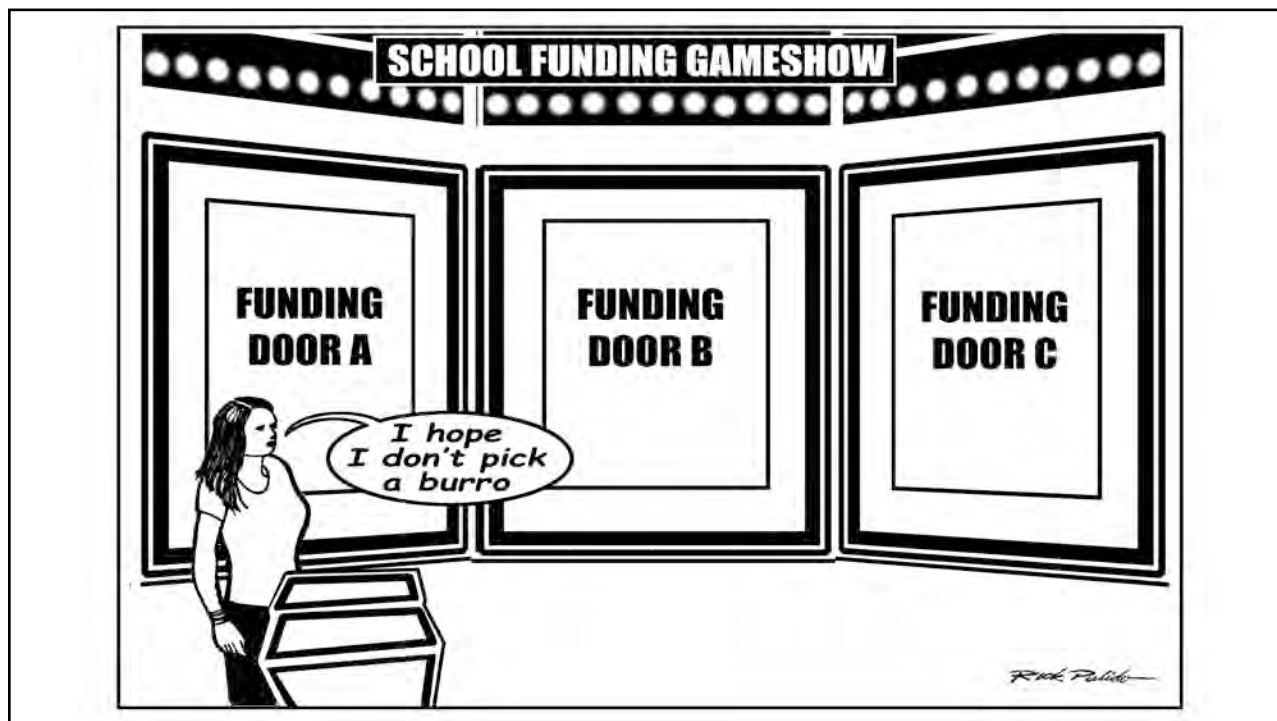
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2022-23 LCFF Funding

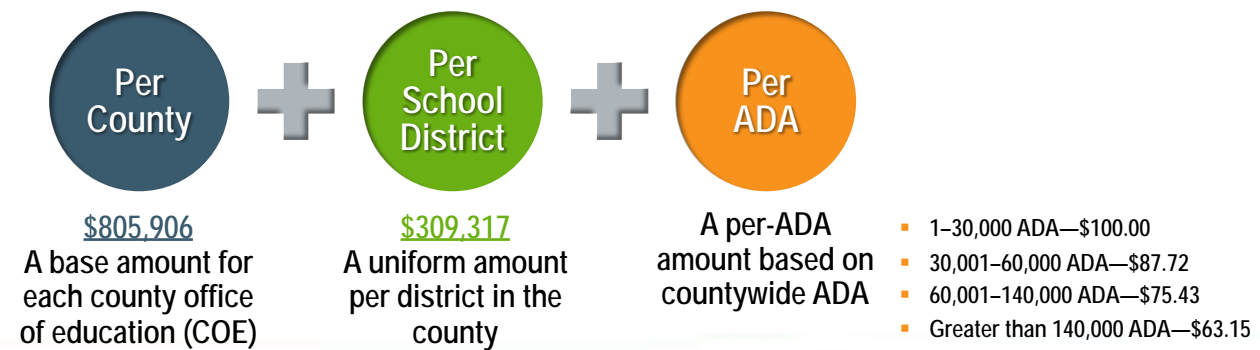
	May Revision	<ul style="list-style-type: none">• Provides an additional \$2.1 billion in ongoing Proposition 98 General Fund to increase LCFF funding<ul style="list-style-type: none">• Applied through the existing formula, which subsequently increases the GSAs, as well as supplemental and concentration grants
	Assembly	<ul style="list-style-type: none">• Assembly Bill (AB) 1948 (Ting, D-San Francisco)—15% COLA for LCFF<ul style="list-style-type: none">• Increases LCFF funding by approximately \$5.6 billion• Increases number of students identified as low-income
	Senate	<ul style="list-style-type: none">• \$5 billion, growing to \$10 billion by 2024-25, for a permanent ongoing increase



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County Office of Education LCFF—Operations Grant

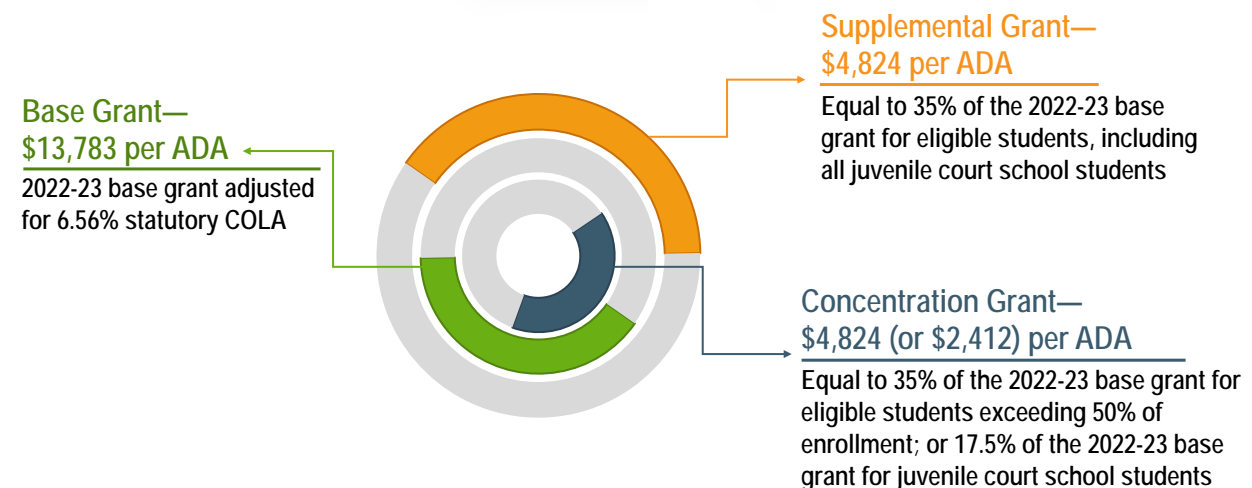
- The May Revision includes:
 - An increase for the 6.56% statutory COLA plus \$101.2 million in ongoing Proposition 98 General Fund to augment LCFF funding
 - Provides an additional \$175,000 for the per school district component and \$14 for the per-ADA component—above COLA



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County Office of Education LCFF—Alternative Education Grant



UPP is based on eligible students enrolled in COE programs meeting eligibility criteria for supplemental and concentration grants

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County Office of Education—Additional LCFF Funding

Local Control and Accountability Plan (LCAP) Support (increased by COLA each year)



Differentiated Assistance Support

- For school districts identified as needing differentiated assistance—\$200,000 +
 - Small (2,499 or less ADA)—\$100,000
 - Medium (2,500-9,999 ADA)—\$200,000
 - Large (10,000 or more ADA)—\$300,000
 - Multiplied by three-year average (current and prior two years) of school districts, by size, on the LCFF assistance status report
- And, new with the May Revision, for charter schools identified as needing differentiated assistance
 - \$100,000 multiplied by the three-year average (starts with one year in 2022-23, average of two years in 2023-24, and then three years in 2024-25) of charter schools on the LCFF assistance status report

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Discretionary Block Grant

- Taking a page from his predecessor, Governor Newsom proposes a one-time \$8 billion Discretionary Block Grant for LEAs for the 2022-23 fiscal year
 - This equates to approximately \$1,500 per ADA
 - The funding would be distributed on a per-ADA basis using 2021-22 Second Principal Apportionment (P-2) reported ADA
 - Expenditure of these funds is determined by the local governing board and can be used for any one-time purpose
- Funds will offset LEAs' outstanding mandate reimbursement claims on a dollar-for-dollar basis
- There is intent language that this funding be used to address student learning challenges, protect staff levels, and support the mental health and wellness of students and staff
 - It is important to remember that intent language does not have the force of law






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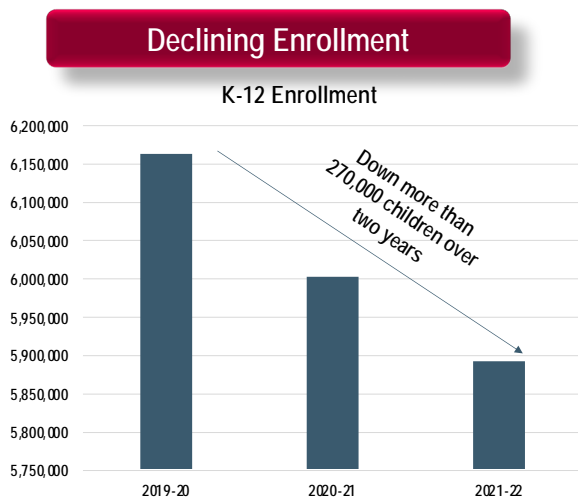
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Discretionary Block Grant

	May Revision	<ul style="list-style-type: none"> Proposes one-time \$8 billion Discretionary Block Grant for LEAs for the 2022-23 fiscal year
	Assembly	<ul style="list-style-type: none"> Learning Recovery Block Grant to support students and staff <ul style="list-style-type: none"> Does not specify an amount
	Senate	<ul style="list-style-type: none"> \$10 billion in one-time, formula-based funds spread over multiple years for a COVID-19-related Learning Recovery Block Grant \$5 billion one-time, formula-based funds for student enrichment materials in music, arts, technology, instructional materials, etc.

2022-23 ADA "Cliff"

- The ADA "Cliff" has become a two-headed monster—the combination is significant



- The rate at which children are attending school is on the decline
 - Quarantine/illness
 - Independent study
 - Unsigned master agreements
 - Homework not returned in a timely manner
 - Audit findings on the rise?

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ADA Cliff—Proposed Solution

- The Governor has proposed solutions to mitigate both these issues
 - The first solution benefits school districts only
 - This was in the Governor's Budget
- The declining enrollment protection has also been included in the amended version of Assembly Bill (AB) 1948 (Ting, D-San Francisco)

Declining Enrollment Protection

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

ADA Cliff—Proposed Solution

- The second solution benefits LEAs with classroom-based programs
 - School districts
 - Classroom-based charter schools
 - COEs
- Comparison of attendance yield
 - Also referred to as ADA-to-enrollment percentage
- Language is not present in any active bills in the Senate or Assembly, but that does not signal disapproval of the concept

COVID-19 ADA Relief

2021-22 ADA would be based on greater of:

Attendance yield from 2019-20
or
Attendance yield from 2021-22

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ADA Cliff—Proposed Solution

- The third solution benefits classroom-based charter schools
 - Only applicable for the 2021-22 fiscal year
- Same provision currently provided to school districts in Education Code Section (EC §) 42238.05
- Language is not present in any active bills in the Senate or Assembly

Declining Enrollment Protection

Funding in 2021-22 would be based on the greater of:

Current-year ADA
or
Prior-year ADA

COVID-19 ADA Relief

- Hypothetical scenario for a school district under the Governor’s proposal

	2019-20	2020-21	2021-22	2022-23
Enrollment	10,500	10,000	10,000	9,500
ADA	10,000	10,000 ¹	9,000	9,000
ADA-to-Enrollment	95.24%	N/A	90.00%	94.74%

- Applying the COVID-19 ADA Relief would result in a significant increase in the ADA used for calculating the LCFF

	2019-20	2020-21	2021-22	2022-23
Enrollment	10,500	10,000	10,000	9,500
ADA	10,000	10,000 ¹	9,524	9,000
ADA-to-Enrollment	95.24%	N/A	95.24%	94.74%

¹Carried forward as result of hold harmless

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ADA Cliff—Proposed Solution

Fiscal Year	Actual ADA	Actual ADA w/ COVID-19 ADA Relief
2019-20	10,000	10,000
2020-21	10,000 ¹	10,000 ¹
2021-22	9,000	9,524
2022-23	9,000	9,000

¹Carried forward as result of hold harmless

- Application of both the declining enrollment and COVID-19 ADA protections result in a significant boost to funded ADA in 2022-23

Funded ADA for 2022-23	
Current Law	9,000
Governor's Proposal (Average of 2019-20 through 2021-22)	9,841
Difference	841

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Multiyear Projections



- Result of mathematical calculations for future years based on the following:
 - Industry standard economic assumptions
 - Decisions that have already been made
 - Locally calculated data point estimates

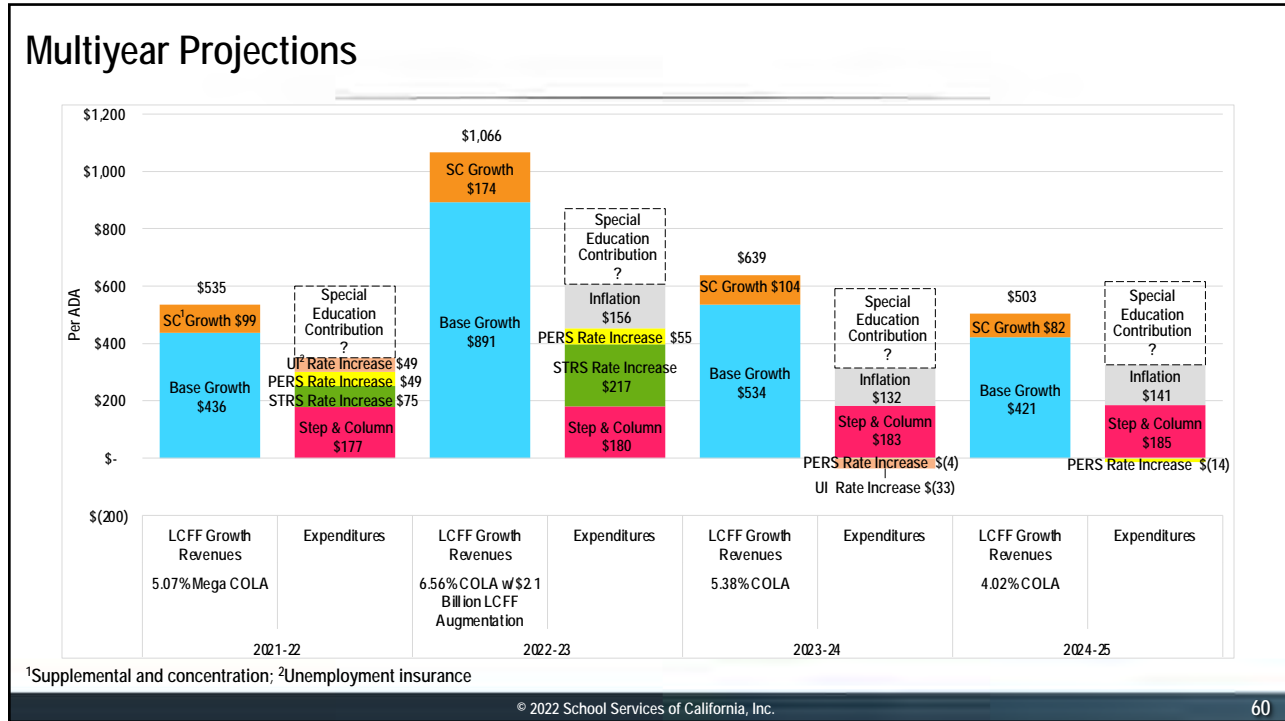


- Predictions or forecasts
- Crystal balls
- Measuring sticks for “wrongness”

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SSC Financial Projection Dashboard

- 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 Governor's Budget vs. May Revision						
	2022-23		2023-24		2024-25	
	January	May	January	May	January	May
DOF Estimated COLA	5.33%	6.56%	3.61%	5.38%	3.64%	4.02%

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Impacts on Multiyear Projections

- Funded LCFF Increase
- Increased categorical funds' COLAs
- One-time federal funds
- One-time state funds

- Cost of goods and services
- State pension costs
- "New hires" with one-time funds
- Additional costs to mitigate learning loss

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Special Education—Largely Unchanged at the May Revision

- \$500 million in Proposition 98 special education funding
- 6.56% COLA
- These investments continue to result in a Base Rate increase to \$820 per ADA
- Funds will flow through the AB 602 funding formula via Special Education Local Plan Areas (SELPAs)

- The Governor's Budget proposed several changes for special education, most of which have not changed at the May Revision:
 - Individual Education Program (IEP) best practices resource lead
 - Model IEP template expert panel
 - Alternate diploma for students with disabilities (SWDs) who demonstrate completion of the state graduation requirements
 - Educationally related mental health funds shift

Year	Rate
2019-20	Statewide Target Rate—\$545
2020-21	Base Rate—\$625
2021-22	Base Rate—\$715
2022-23	Base Rate—\$820

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Special Education—What Has Changed with the May Revision

- The Governor’s Budget proposed calculating special education base funding allocations at the LEA level rather than the SELPA level (though funds continue to flow through the SELPA)
 - Newly created EC § 56836.144 would require the State Superintendent of Public Instruction to calculate special education funding on the ADA reported for each LEA (including charter schools that are LEAs for special education purposes) for the current, prior, or second prior fiscal year—whichever is greater
 - This formula does not benefit from the Governor’s proposal to soften ADA losses in the current year
 - Changes at the May Revision address if a charter school becomes an LEA for special education purposes, in which case this same three-year, best-of formula applies
- The May Revision also delays the January proposal for the State Board of Education (SBE) to adopt an LCAP Addendum for SWDs from January 1, 2024, until January 1, 2025

Federal Special Education

- Federal fiscal year (FY) 2021-22 included a small increase in the Individuals with Disabilities in Education Act (IDEA) funds and supplemental IDEA funding via the American Rescue Plan (ARP)
- The President’s proposal for 2022-23 does not maintain the ARP investments, making them one-time
- Federal IDEA funding increases by \$3.4 billion for the nation
 - California typically receives 10% of any IDEA increases due to its size and the federal formula

Special Education IDEA	2023 President’s Proposal	Increase Over 2022 Omnibus
Grants to States Part B—611	\$16.3 billion	\$2.9 billion
Preschool grants Part B—619	\$502.6 million	\$93.1 million
Grants for infants Part C	\$932.0 million	\$435.7 million
Total, State Grants	\$17.7 billion	\$3.4 billion

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Special Education Maintenance of Effort

- Federal requirement for IDEA Part B funding
- LEAs may not reduce the amount of local, or state and local, funds spent for the education of SWDs
- Maintenance of Effort (MOE) tracks expenditures by Goal Code 5xxx—MOE does not track the revenue source of special education funds
- Planning can help an LEA expend one-time funds in alignment with the purpose of the grants while monitoring long-term impacts on the MOE obligation
- Now is the time to run MOE projections to leverage flexibility and opportunities to manage MOE



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Managing Special Education MOE

Potential MOE Impacts

- FY 2021-22
 - Increase in state and federal revenues can lower the local only contribution
 - One-time funds can increase the MOE obligation
 - Using non-special education funds with Goal 5xxx increases the MOE obligation
- FY 2022-23
 - Increase in state and federal revenue
 - Monitor impact of shifts in funding on MOE

Local Decisions that Impact MOE

- Negotiated salary agreements, including COLA
- Off-schedule funds, one-time stipends, add-ons such as signing bonuses
- Benefit increases
- Charge of indirect cost
- Increased central cost distributed through the Program Cost Resource Allocation
- Settlement costs (and legal fees) allocated to special education

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COVID-19 Special Education MOE Considerations

Dispute Prevention and Learning Recovery Funds

- One-time funds to support dispute prevention and resolution and learning recovery, expended for activities from 2020-21 through 2023-24
- Encumber funds prior to July 1, 2023—remember, salaries and benefits cannot be encumbered for a future fiscal year
- MOE obligation will be impacted for activities coded to Goal 5xxx
- Funds spent in 2021-22 may impact the MOE obligation but will be mitigated by the increased base rate of \$820 per ADA

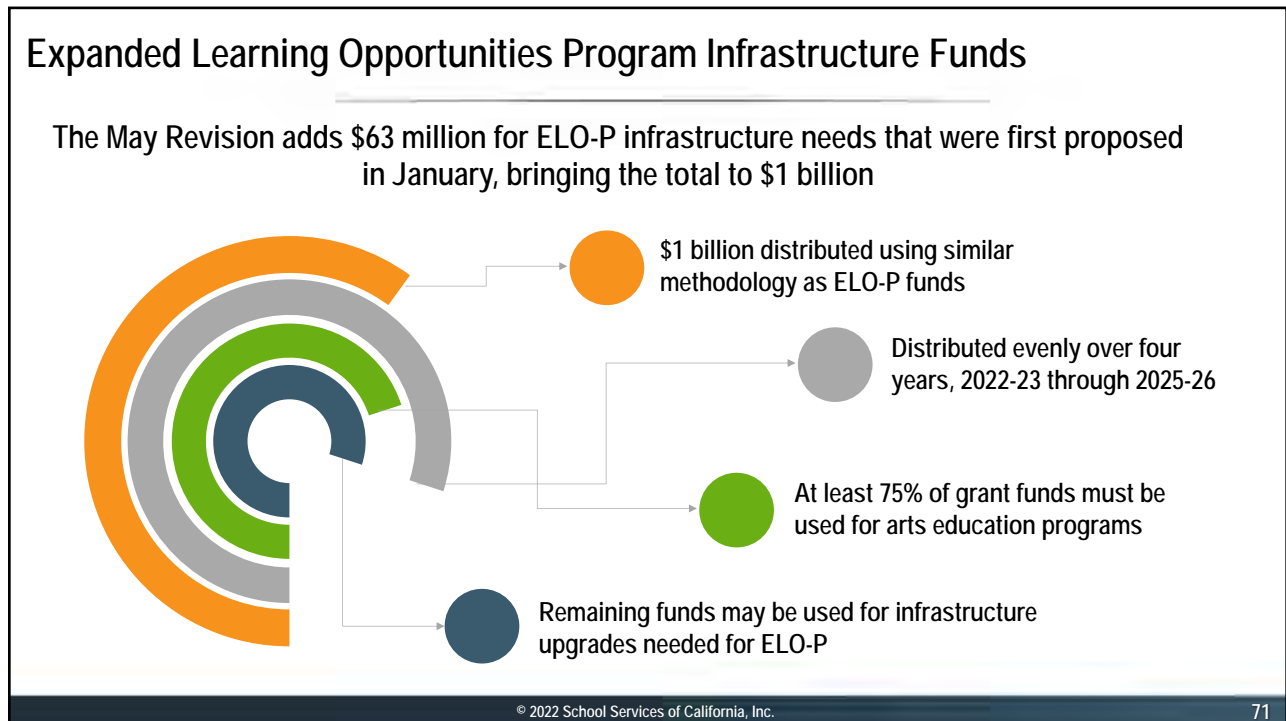
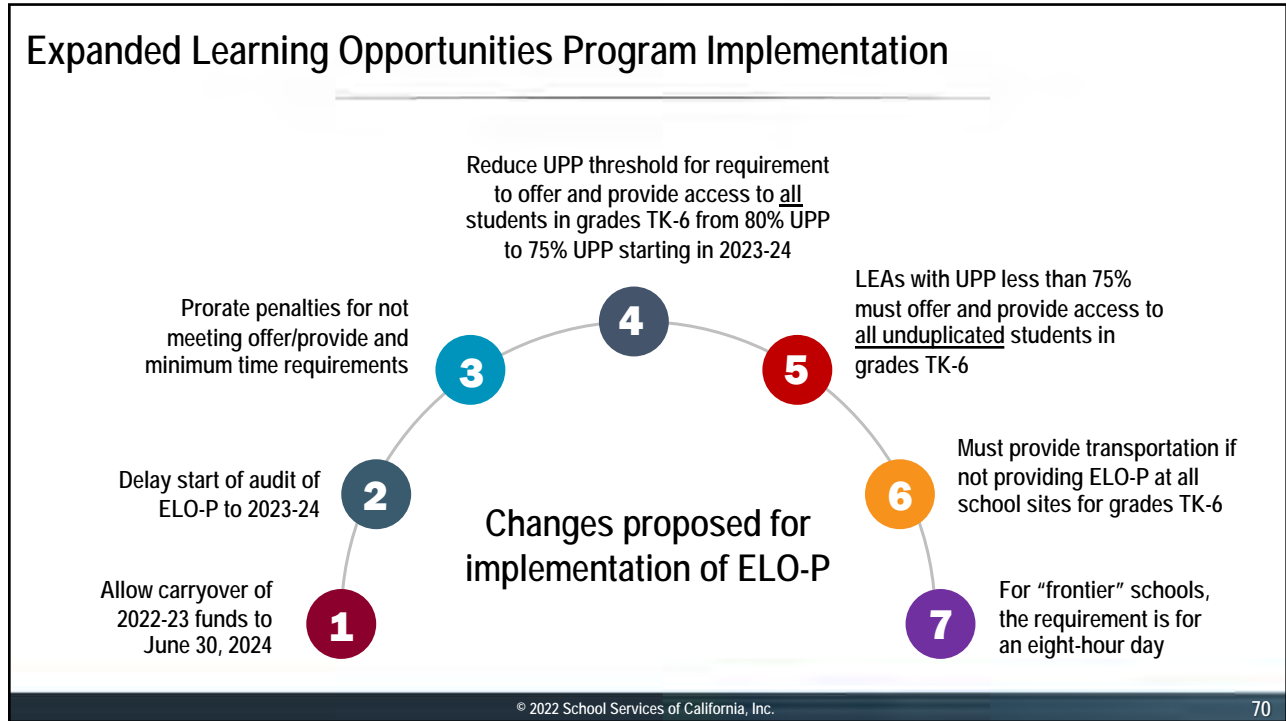
ESSER III Funds—ELO

- Resource 7426, Expanded Learning Opportunities (ELO) Grant: Paraprofessional staff—if used, Goal 5xxx increases MOE obligation
- Best Practice—Do not use Elementary and Secondary School Emergency Relief (ESSER) funds to prevent local general fund contribution to Resource 6500
 - This is supplantation and will interfere with MOE obligations

Expanded Learning Opportunities Program Funding

- The May Revision proposes ongoing funding for the ELO-P of \$4.8 billion starting in 2022-23
 - This will provide \$2,500 per classroom-based ADA in grades TK-6 multiplied by the UPP at eligible school districts and charter schools
 - Prior-year ADA and UPP are used in this calculation

	Current Law	Governor's Budget Proposal	May Revision Proposal
Total State Funding Level	\$1 billion ongoing plus \$754 million onetime	\$4.4 billion	\$4.8 billion
Per Pupil Amount	UPP ≥ 80%: \$1,170 UPP < 80%: \$672	UPP ≥ 75%: \$2,500 UPP < 75%: \$2,027	UPP ≥ 75%: \$2,500 UPP < 75%: \$2,500



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Community Schools

- The 2021 Budget Act included \$3 billion for the California Community Schools Partnership Program
- After completing its application review for the first round of funding, the California Department of Education (CDE) anticipates that the original \$3 billion will not be sufficient to meet demand for the program
- For this reason, Governor Newsom is proposing to provide another \$1.5 billion in his May Revision to expand access to the community schools grant program to every eligible LEA that opts to apply on behalf of its high-need schools











Community Engagement Initiative

- Established in 2018 through AB 1808—a 2018-19 Budget Trailer Bill
 - ◆ Initial appropriation of \$13.3 million to be used over five years
 - ◆ Administered by the California Collaborative for Educational Excellence (CCEE)
 - ◆ CCEE co-directs with the San Bernardino County Superintendent of Schools, California Association of Bilingual Education and Families in Schools
 - ◆ Intended to improve pupil outcomes and community engagement in the LCAP process through professional learning and statewide training on community engagement
 - ◆ Two cohorts of multiple school districts have participated to date
 - ◆ Application window for a third cohort just closed

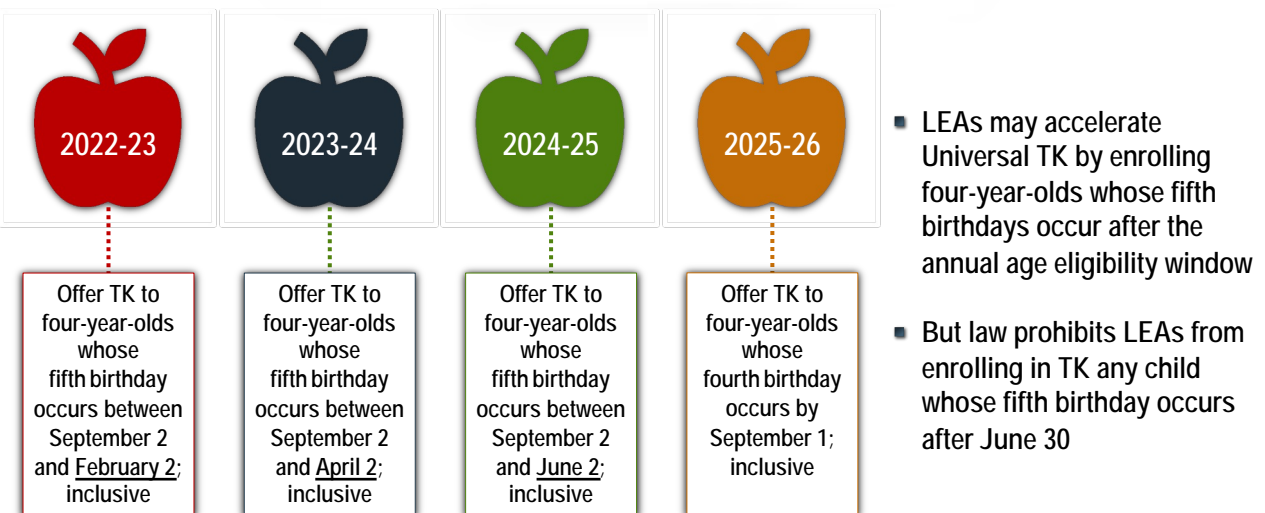
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Community Engagement Initiative

■ The May Revision proposal

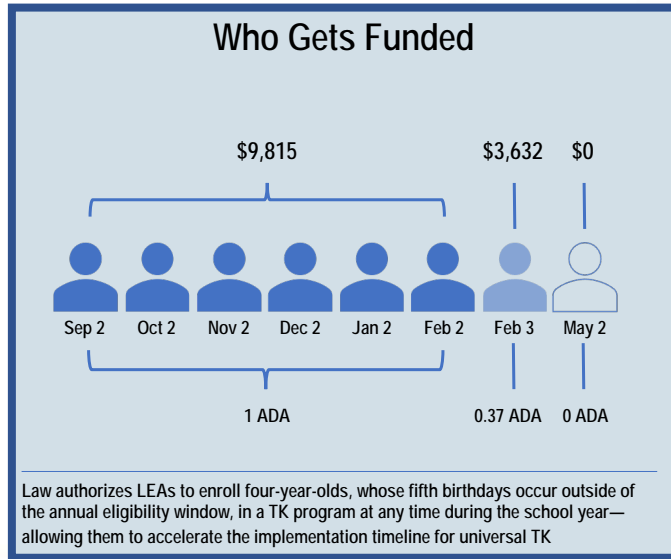
-  An additional \$100 million in one-time Proposition 98 funds for the Community Engagement Initiative (CEI)
-  CCEE and lead agency develop in-depth training series
-  Expand the use of identified metrics to create a common definition and clear standards for meaningful engagement
-  Increase capacity of CCEE and the lead agency to scale up and align the CEI with the statewide system of support
-  Provide increased and enhanced emphasis on student and family engagement
-  Support and convene additional community engagement professional learning networks
-  CCEE and CDE select an expert lead agency that meets specified criteria
-  Align with community schools partnership program efforts to create community schools which prioritize community engagement

Universal Transitional Kindergarten



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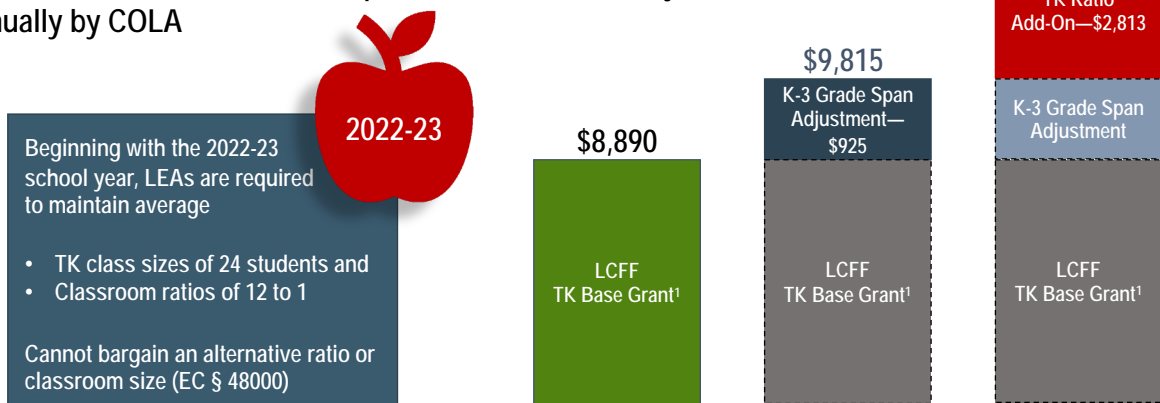
Accelerating Universal TK



- Using May Revision updated 2022-23 LCFF adjusted base grants, the illustration shows how the state would fund a TK student whose fifth birthday occurs after the eligibility window but before June 30
- Student with fifth birthday on February 3 begins generating ADA once they turn five until the P-2 reporting period—for example:
 - 50 days of attendance or
 - 0.37 ADA
- Student who turns five after the P-2 reporting period generates no ADA and no state funding

Universal TK Ratios

- The May Revision proposes to fund the cost of lower classroom ratios in TK
- The TK ratio “Add-On” is \$2,813 per TK ADA, which is adjusted annually by COLA



¹Base Grant calculated including COLA and proposed additional \$2.1 billion LCFF investment

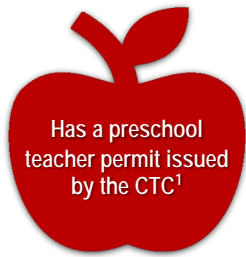
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Universal TK Staffing

- Recall that the 2021 Budget Act extended the deadline by which TK teachers first assigned to a TK classroom after July 1, 2015, are required to obtain additional certifications by two years from August 1, 2021, to August 1, 2023
- The May Revision does not further extend the deadline; however, it proposes temporary flexibility regarding who qualifies to teach TK

Local Assignment Option for TK Teachers

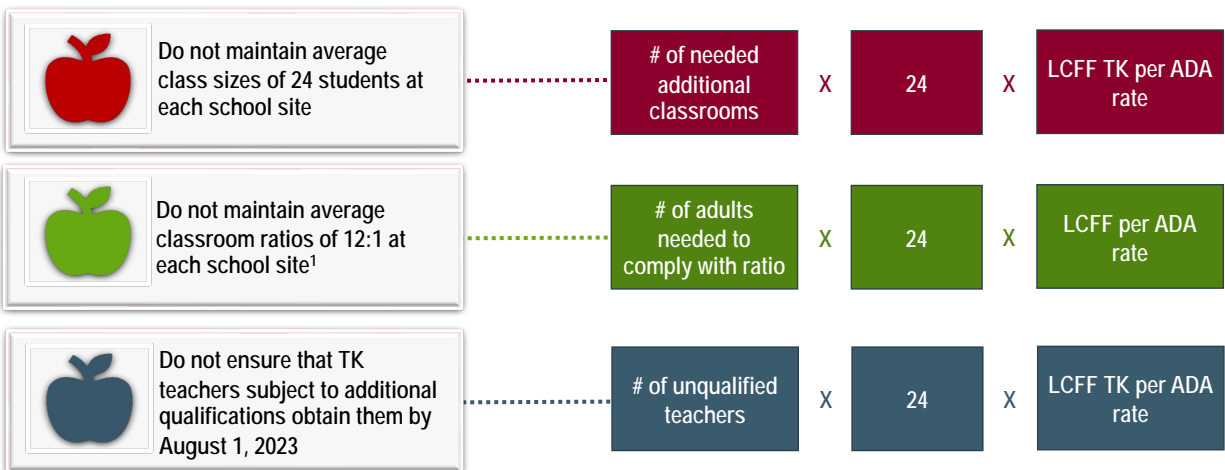
An employee who meets the following criteria can teach TK until June 30, 2026



¹California Commission on Teacher Credentialing

Universal TK Compliance Penalties

- The May Revision proposes penalties when LEAs do not comply with TK program requirements



¹In 2023-24, classroom ratios may be limited to 10:1 if state funds are provided

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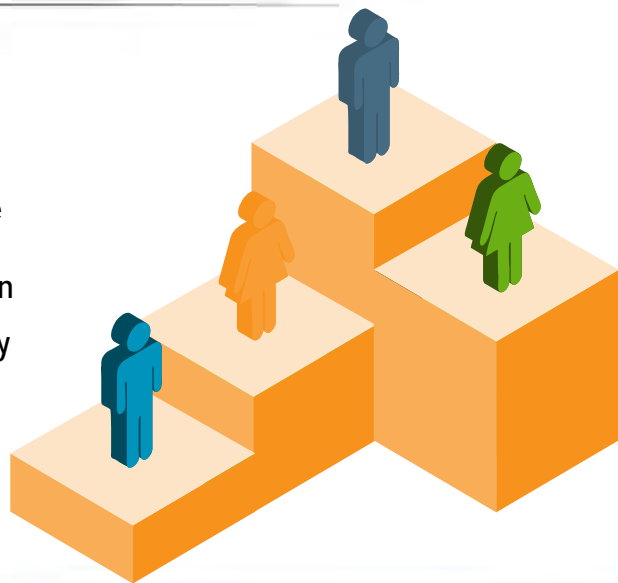
TK Staffing Requirements

- Beginning in 2022-23, TK classrooms must be staffed with one (1) adult for every 12 students
 - EC § 48000 requires a credentialed teacher—and permits another “adult”

Certificated staffing requirements are provided by the CTC	EC § 48000(g)(2) does not prescribe minimum qualifications for the other “adult”			
TK is considered an extension of kindergarten—kindergarten credentialing requirements apply	An additional “adult” in the TK classroom allows an LEA to serve 12 additional students, not to exceed a school site average of 24 students in TK classrooms			
<ul style="list-style-type: none"> EC § 48000(g) requires credentialed teachers who are first assigned to a TK classroom after July 1, 2015, to meet additional requirements by August 1, 2023 Teachers assigned to teach TK before July 1, 2015 meet the “grandfather clause” 	<table border="0"> <tr> <td style="vertical-align: top;"> <u>TK Certification</u> <ul style="list-style-type: none"> 24 units in early childhood education, or childhood development, or both Professional experience with preschool age children Child Development Teacher Permit issued by the CTC </td> <td style="vertical-align: top;"> <ul style="list-style-type: none"> A credentialed teacher and one (1) “adult” can serve up to 24 TK students (24:2 ratio) One (1) credentialed teacher in the TK classroom requires a 12:1 ratio </td> <td style="vertical-align: top;"> <ul style="list-style-type: none"> Avoid stretching the concept of “adult” to levels which diminish the employer’s oversight and span of control of staff serving students </td> </tr> </table>	<u>TK Certification</u> <ul style="list-style-type: none"> 24 units in early childhood education, or childhood development, or both Professional experience with preschool age children Child Development Teacher Permit issued by the CTC 	<ul style="list-style-type: none"> A credentialed teacher and one (1) “adult” can serve up to 24 TK students (24:2 ratio) One (1) credentialed teacher in the TK classroom requires a 12:1 ratio 	<ul style="list-style-type: none"> Avoid stretching the concept of “adult” to levels which diminish the employer’s oversight and span of control of staff serving students
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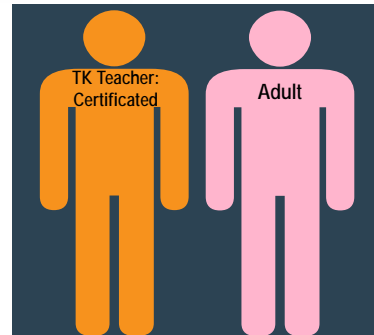
TK Staffing Requirements (“Adult”)

- The absence of detailed classified staffing requirements provides opportunity to configure staffing based on current employee resources and the unique needs of the LEA
- The paraprofessional job family includes a wide range of positions—this will vary according to the unique needs of an LEA’s student population
 - The paraprofessional classification is directly connected to the classroom and student learning and support
 - There are also other duties commonly assigned to these job classifications that are related to student supervision



TK Classroom Ratios—“Adult” Options

- TK classified employee staffing options can be met through paraprofessional positions
- The paraprofessional job classification is defined in EC § 45330
 - Paraprofessional positions funded with Title I funding include a higher level of qualifications



Additional Staffing Options

- A paraprofessional also includes an instructional aide as defined in EC § 45343(a) and a teacher aide as described in EC § 45360
 - Consider the use of preschool aides or work to create new job descriptions which accurately reflect student needs



TK Staffing—Operational Advice

- Stay informed regarding legislation and opportunities for credential pathways for TK credential/requirements
- Human resources (HR) should work closely with internal TK candidates to provide additional support and assistance to teachers obtaining their TK certifications
- Ensure that external job announcements include that the employer encourages interested candidates to contact HR so they can assist with the qualification process



Consider external and internal staffing resources to fulfill TK staffing requirements

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Additional TK Staffing Possibilities

- The May Revision proposes staffing flexibilities by providing a local assignment option for preschool teachers in TK assignments
- The preschool teacher would meet the certificated teacher requirement
- This staffing configuration will alleviate some of the pressures experienced in the teacher pipeline and encourages classified preschool teachers to earn their teaching certification
 - HR departments should consider this proposed staffing option when developing the TK recruitment plan

Local Assignment Option for TK Teachers until June 30, 2026

With teacher consent, a preschool teacher may serve as the teacher of record in a TK classroom for one school year—and may be renewed annually

- Preschool teacher licensed as a teacher, master teacher, site supervisor, or program director and holds a valid permit issued by the CTC
- Holds at least a bachelor's degree
- Meets the basic skills requirement
- Enrolled in a credential program

TK Certification

Preschool teachers may already meet the TK certification requirement:

- Professional experience
- Child Development Permit
- Early Childhood Education units

Child Care and Preschool

Family Fees

Extends the existing, temporary waiver of fees for participating families in child development programs administered by the Department of Social Services and the Department of Education through June 30, 2023

\$157.3 million
one-time funding

Hold Harmless

For the 2022-23 school year, reimburses State Preschool Contractors based on the full funding allocated in their contracts, regardless of attendance and reimburses voucher-based providers based on authorized (not actual) hours of care from July 1, 2022, to June 30, 2023

\$114 million¹
one-time funding

May Revision's Child Development Relief Proposals

¹Excludes State Preschool Program contractor hold harmless costs

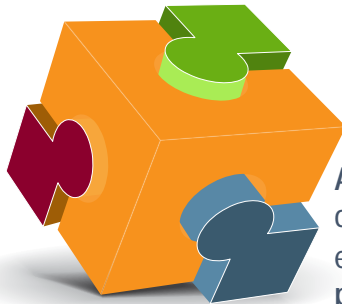
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California State Preschool Program

- Recall that the Governor's Budget proposed several new policies affecting the California State Preschool Program
- The May Revision proposes to reimburse providers serving two-year-olds with a 1.8 adjustment factor

Expands continuous eligibility for State Preschool services from 12 months to 24 months

Deeming age-eligible children with disabilities categorically eligible for State Preschool



Allows State Preschool contractors to serve income-eligible two-year-olds after prioritizing the enrollment of at-risk children and income-eligible three- and four-year-olds

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California Prekindergarten Planning and Implementation Grant

- The May Revision does not propose any additional investments for the 2021 Budget Act's one-time \$300 million grant program
- However, it proposes to clarify that funds must be expended by June 30, 2026

Authorizes CDE to bill LEAs for any unexpended grant funds or funds used in a manner inconsistent with the program

If LEAs fail to submit all data required by the State Superintendent, CDE shall bill them for their grant funds



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Child Care and Preschool Reimbursement Rates

- Maintaining the 2021 Budget Act's reimbursement rate agreement, beginning January 1, 2022, the General Child Care and State Preschool reimbursement rates for direct contract providers are based on the higher of the:



75th percentile of the 2018 market rate survey¹



Per-child reimbursement amount as of December 31, 2021²

- The May Revision makes adjustments to state appropriations to pay for a full year of rate increases, accommodating the revised COLA

¹2018 market rate survey results can be found at: <http://www.cde.ca.gov/fg/aa/cd/documents/csppcontractrateatb.xlsx>

²Beginning in 2022-23, the 6.56% COLA will be applied

Child Nutrition

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

Governor's Budget

May Revision

\$45 million one-time to support the implementation of the California Healthy School Meals Pathway Program, which supports workforce readiness for school food service workers

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

\$611.8 million ongoing to maintain meal reimbursement rates so LEAs can continue to offer students high-quality, more diverse subsidized school meals

May Revision

May Revision

If the federal government extends the meal reimbursement rates which are scheduled to expire on June 30, 2022, any unused funding for rate increases will go towards kitchen infrastructure grants

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Child Nutrition



\$450 million for LEAs to upgrade school kitchen infrastructure and equipment is unchanged from the Governor's Proposal

Subsequent Trailer Bill Language



After base allocations are made, 50% of the remaining funds will be provided to LEAs based on the number of meals served in October 2021 by the LEA



LEAs should try to acquire energy-saving electric equipment as opposed to equipment that utilizes gas

Educator Workforce Investments

- The May Revision includes a maintained commitment to build the teacher pipeline and educator competency through additional one-time Proposition 98 and General Fund proposals

\$500 million
One-Time

- Expand residency slots for teachers and school counselors
- Provide Golden State Teacher Grant eligibility to school counselors, psychologists, and social workers

\$85 million
One-Time

- Educator support and training for science, technology, engineering, and mathematics (STEM)
- Educator resources and training for grades Pre-K through 12

\$300 million
One-Time

- Professional learning resources through the Educator Effectiveness Block Grant—prioritizing STEM educator supports

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Educator Workforce Investments

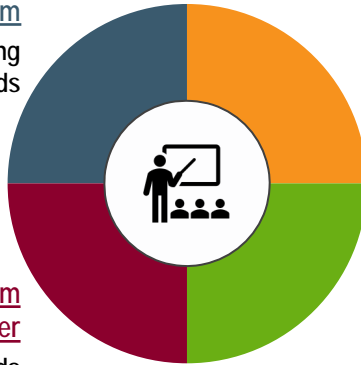
The May Revision also includes increased investments for technical career support and continuance of a program for classified employees

Classified School Employee Summer Assistance Program

Increase of \$80 million ongoing Proposition 98 funds

Educator Workforce Investment Grant (EWIG)

\$30 million General Fund over three years to continue the work of the EWIG in computer science, special education, and support for English learners



K-12 Teacher Residency Program Technical Assistance Center

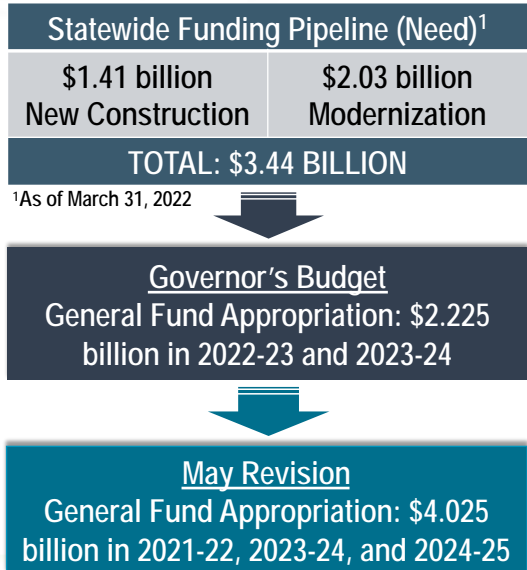
\$20 million one-time Proposition 98 funds

State Certification in Reading and Literacy

\$15 million one-time Proposition 98 funds over three years for 6,000 teachers

School Facility Program

- The School Facilities Program (SFP) has traditionally been funded by statewide, voter-approved bonds
 - Proposition 51 (2016) was the last successful statewide bond—\$7 billion for K-12 facilities
 - All funds have been exhausted!
- In January, the Governor proposed funding the SFP with a one-time General Fund appropriation
 - Also, selling remaining \$1.4 billion in Proposition 51 bonds
- The May Revision adds \$1.8 billion to Governor’s Budget proposal
 - Per proposed trailer bill language, initial \$2.2 billion must be used by December 31, 2024




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Deferred Maintenance




- The May Revision allocates \$1.7 billion in one-time Proposition 98 General Fund dollars to deferred maintenance

<p><u>Eligibility</u></p> <ul style="list-style-type: none"> • School districts • Charter schools operating in school district facilities • COEs 	<p><u>Funding</u></p> <ul style="list-style-type: none"> • \$100,000 for each county office • Remaining funds apportioned to school districts and eligible charter schools on an equal amount per unduplicated pupil enrolled in K-12 in 2021-22 <ul style="list-style-type: none"> • Minimum allocation \$100,000 	<p><u>Uses</u></p> <ul style="list-style-type: none"> • Major repair or replacement of building systems • Investigation and removal of asbestos- and lead-containing materials • Painting of school buildings • Any other significant maintenance items 	<p><u>Requirements</u></p> <ul style="list-style-type: none"> • Establish a restricted fund known as the “2022-23 deferred maintenance fund” • Governing board to discuss proposals and plans for the use of the funds at a regularly scheduled public meeting • Funds must be encumbered or expended by June 30, 2026
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Facilities

	<p>May Revision</p>	<ul style="list-style-type: none"> • Appropriate \$4.025 in one-time General Fund monies over three years <ul style="list-style-type: none"> • \$2.2 billion in 2021-22 • \$1.2 billion in 2023-24 • \$625 million in 2024-25 • \$1.7 billion in one-time Proposition 98 General Fund dollars to deferred maintenance
	<p>Assembly</p>	<ul style="list-style-type: none"> • Fully fund expected school, TK, and child care facilities needs for next two years
	<p>Senate</p>	<ul style="list-style-type: none"> • \$4.5 billion over three years, above Governor’s Budget proposal, for school facilities, including \$1 billion for TK and \$1 billion for deferred maintenance

2022 May Revision Workshop

Transportation

	May Revision	<ul style="list-style-type: none"> The May Revision retains the \$1.5 billion proposal for the School Transportation Grant Program, which would provide competitive grants to LEAs for the purpose of achieving zero-emission school bus fleets The May Revision alters the timeline for these grants, making them available for five years (\$300 million a year) beginning in the 2023-24 fiscal year The Governor offers no additional funding for home-to-school transportation
	Assembly	<ul style="list-style-type: none"> The Assembly's Blueprint is silent on the Governor's \$1.5 billion proposal The blueprint also does not propose any additional funding related to home-to-school transportation
	Senate	<ul style="list-style-type: none"> Alternatively, the Senate's Putting Wealth to Work plan would end the charging for school bus rides, eliminate parent-owned debts, and begin to phase in universal home-to-school transportation The plan is silent on the specifics, but that would be worked out during budget negotiations with the Senate and the Governor

Also Included in the May Revision

We have been highlighting the *revisions* to the Governor's Budget, but some items remain mostly unchanged:

Golden State Pathways Program

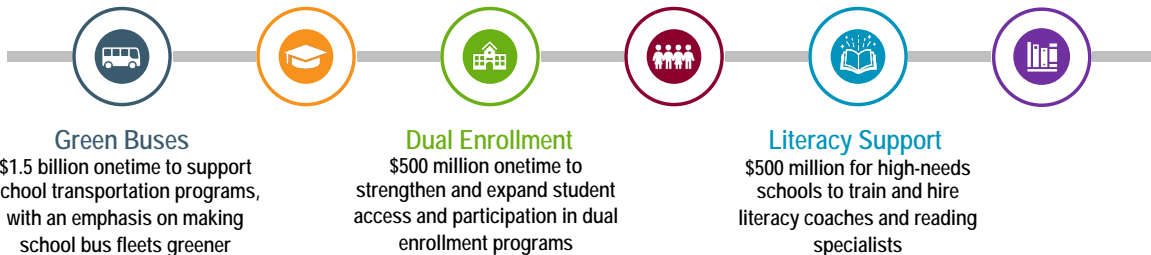
\$1.5 billion to support the development of college and career pathways focused on education, health care, technology, and climate-related fields

Inclusive Early Education

\$500 million onetime for the Inclusive Early Education Expansion Program

Multilingual Libraries

\$200 million grant program to create or expand multi-lingual school or classroom libraries



2022 May Revision Workshop

What's Not in the May Revision?

Additional Pension Relief

The state's contribution to subsidize employer rates has run out

Both pension plans will significantly increase in 2022-23

Transportation Funding

Transportation funding remains inequitably distributed, is based on a decades-old formula, and receives zero COLA

UPP Solutions

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

School Services of California Inc. has provided the School District and Charter School Financial Projection Dashboard at the end of this section in the workshop materials

SSC School District and Charter School Financial Projection Dashboard
2022-23 May Revision

This version of School Services of California Inc. (SSC) Financial Projection Dashboard is based on the Governor's 2022-23 May Revision. We have updated the cost of living adjustment (COLA), Consumer Price Index (CPI), and other planning factors. We have also updated the Local Control Funding Formula (LCFF) factors. We rely on various state agencies and outside sources in developing these factors, but we assume responsibility for them with the understanding that there are several possibilities.

LCFF PLANNING FACTORS				
Factor	2021-22	2022-23	2023-24	2024-25
Department of Finance (Statewide COLA)	3.2%	4.52%	4.18%	4.52%
Department of Finance (Local COLA)	3.2%	4.52%	4.18%	4.52%

LCFF GRADE SPAN FACTORS FOR 2022-23				
Employment Factors per ADA	2021-22	2022-23	2023-24	2024-25
Elementary (K-5)	\$1,000	\$1,000	\$1,000	\$1,000
Elementary (6-8)	\$1,000	\$1,000	\$1,000	\$1,000
Elementary (9-12)	\$1,000	\$1,000	\$1,000	\$1,000
Elementary (K-12)	\$1,000	\$1,000	\$1,000	\$1,000
Elementary (K-12) (with 15% COLA)	\$1,150	\$1,150	\$1,150	\$1,150
Elementary (K-12) (with 4% COLA)	\$1,040	\$1,040	\$1,040	\$1,040
Elementary (K-12) (with 0% COLA)	\$1,000	\$1,000	\$1,000	\$1,000
Elementary (K-12) (with 2% COLA)	\$1,020	\$1,020	\$1,020	\$1,020
Elementary (K-12) (with 3% COLA)	\$1,030	\$1,030	\$1,030	\$1,030
Elementary (K-12) (with 4% COLA)	\$1,040	\$1,040	\$1,040	\$1,040
Elementary (K-12) (with 5% COLA)	\$1,050	\$1,050	\$1,050	\$1,050
Elementary (K-12) (with 6% COLA)	\$1,060	\$1,060	\$1,060	\$1,060
Elementary (K-12) (with 7% COLA)	\$1,070	\$1,070	\$1,070	\$1,070
Elementary (K-12) (with 8% COLA)	\$1,080	\$1,080	\$1,080	\$1,080
Elementary (K-12) (with 9% COLA)	\$1,090	\$1,090	\$1,090	\$1,090
Elementary (K-12) (with 10% COLA)	\$1,100	\$1,100	\$1,100	\$1,100
Elementary (K-12) (with 11% COLA)	\$1,110	\$1,110	\$1,110	\$1,110
Elementary (K-12) (with 12% COLA)	\$1,120	\$1,120	\$1,120	\$1,120
Elementary (K-12) (with 13% COLA)	\$1,130	\$1,130	\$1,130	\$1,130
Elementary (K-12) (with 14% COLA)	\$1,140	\$1,140	\$1,140	\$1,140
Elementary (K-12) (with 15% COLA)	\$1,150	\$1,150	\$1,150	\$1,150
Elementary (K-12) (with 16% COLA)	\$1,160	\$1,160	\$1,160	\$1,160
Elementary (K-12) (with 17% COLA)	\$1,170	\$1,170	\$1,170	\$1,170
Elementary (K-12) (with 18% COLA)	\$1,180	\$1,180	\$1,180	\$1,180
Elementary (K-12) (with 19% COLA)	\$1,190	\$1,190	\$1,190	\$1,190
Elementary (K-12) (with 20% COLA)	\$1,200	\$1,200	\$1,200	\$1,200
Elementary (K-12) (with 21% COLA)	\$1,210	\$1,210	\$1,210	\$1,210
Elementary (K-12) (with 22% COLA)	\$1,220	\$1,220	\$1,220	\$1,220
Elementary (K-12) (with 23% COLA)	\$1,230	\$1,230	\$1,230	\$1,230
Elementary (K-12) (with 24% COLA)	\$1,240	\$1,240	\$1,240	\$1,240
Elementary (K-12) (with 25% COLA)	\$1,250	\$1,250	\$1,250	\$1,250
Elementary (K-12) (with 26% COLA)	\$1,260	\$1,260	\$1,260	\$1,260
Elementary (K-12) (with 27% COLA)	\$1,270	\$1,270	\$1,270	\$1,270
Elementary (K-12) (with 28% COLA)	\$1,280	\$1,280	\$1,280	\$1,280
Elementary (K-12) (with 29% COLA)	\$1,290	\$1,290	\$1,290	\$1,290
Elementary (K-12) (with 30% COLA)	\$1,300	\$1,300	\$1,300	\$1,300
Elementary (K-12) (with 31% COLA)	\$1,310	\$1,310	\$1,310	\$1,310
Elementary (K-12) (with 32% COLA)	\$1,320	\$1,320	\$1,320	\$1,320
Elementary (K-12) (with 33% COLA)	\$1,330	\$1,330	\$1,330	\$1,330
Elementary (K-12) (with 34% COLA)	\$1,340	\$1,340	\$1,340	\$1,340
Elementary (K-12) (with 35% COLA)	\$1,350	\$1,350	\$1,350	\$1,350
Elementary (K-12) (with 36% COLA)	\$1,360	\$1,360	\$1,360	\$1,360
Elementary (K-12) (with 37% COLA)	\$1,370	\$1,370	\$1,370	\$1,370
Elementary (K-12) (with 38% COLA)	\$1,380	\$1,380	\$1,380	\$1,380
Elementary (K-12) (with 39% COLA)	\$1,390	\$1,390	\$1,390	\$1,390
Elementary (K-12) (with 40% COLA)	\$1,400	\$1,400	\$1,400	\$1,400
Elementary (K-12) (with 41% COLA)	\$1,410	\$1,410	\$1,410	\$1,410
Elementary (K-12) (with 42% COLA)	\$1,420	\$1,420	\$1,420	\$1,420
Elementary (K-12) (with 43% COLA)	\$1,430	\$1,430	\$1,430	\$1,430
Elementary (K-12) (with 44% COLA)	\$1,440	\$1,440	\$1,440	\$1,440
Elementary (K-12) (with 45% COLA)	\$1,450	\$1,450	\$1,450	\$1,450
Elementary (K-12) (with 46% COLA)	\$1,460	\$1,460	\$1,460	\$1,460
Elementary (K-12) (with 47% COLA)	\$1,470	\$1,470	\$1,470	\$1,470
Elementary (K-12) (with 48% COLA)	\$1,480	\$1,480	\$1,480	\$1,480
Elementary (K-12) (with 49% COLA)	\$1,490	\$1,490	\$1,490	\$1,490
Elementary (K-12) (with 50% COLA)	\$1,500	\$1,500	\$1,500	\$1,500
Elementary (K-12) (with 51% COLA)	\$1,510	\$1,510	\$1,510	\$1,510
Elementary (K-12) (with 52% COLA)	\$1,520	\$1,520	\$1,520	\$1,520
Elementary (K-12) (with 53% COLA)	\$1,530	\$1,530	\$1,530	\$1,530
Elementary (K-12) (with 54% COLA)	\$1,540	\$1,540	\$1,540	\$1,540
Elementary (K-12) (with 55% COLA)	\$1,550	\$1,550	\$1,550	\$1,550
Elementary (K-12) (with 56% COLA)	\$1,560	\$1,560	\$1,560	\$1,560
Elementary (K-12) (with 57% COLA)	\$1,570	\$1,570	\$1,570	\$1,570
Elementary (K-12) (with 58% COLA)	\$1,580	\$1,580	\$1,580	\$1,580
Elementary (K-12) (with 59% COLA)	\$1,590	\$1,590	\$1,590	\$1,590
Elementary (K-12) (with 60% COLA)	\$1,600	\$1,600	\$1,600	\$1,600
Elementary (K-12) (with 61% COLA)	\$1,610	\$1,610	\$1,610	\$1,610
Elementary (K-12) (with 62% COLA)	\$1,620	\$1,620	\$1,620	\$1,620
Elementary (K-12) (with 63% COLA)	\$1,630	\$1,630	\$1,630	\$1,630
Elementary (K-12) (with 64% COLA)	\$1,640	\$1,640	\$1,640	\$1,640
Elementary (K-12) (with 65% COLA)	\$1,650	\$1,650	\$1,650	\$1,650
Elementary (K-12) (with 66% COLA)	\$1,660	\$1,660	\$1,660	\$1,660
Elementary (K-12) (with 67% COLA)	\$1,670	\$1,670	\$1,670	\$1,670
Elementary (K-12) (with 68% COLA)	\$1,680	\$1,680	\$1,680	\$1,680
Elementary (K-12) (with 69% COLA)	\$1,690	\$1,690	\$1,690	\$1,690
Elementary (K-12) (with 70% COLA)	\$1,700	\$1,700	\$1,700	\$1,700
Elementary (K-12) (with 71% COLA)	\$1,710	\$1,710	\$1,710	\$1,710
Elementary (K-12) (with 72% COLA)	\$1,720	\$1,720	\$1,720	\$1,720
Elementary (K-12) (with 73% COLA)	\$1,730	\$1,730	\$1,730	\$1,730
Elementary (K-12) (with 74% COLA)	\$1,740	\$1,740	\$1,740	\$1,740
Elementary (K-12) (with 75% COLA)	\$1,750	\$1,750	\$1,750	\$1,750
Elementary (K-12) (with 76% COLA)	\$1,760	\$1,760	\$1,760	\$1,760
Elementary (K-12) (with 77% COLA)	\$1,770	\$1,770	\$1,770	\$1,770
Elementary (K-12) (with 78% COLA)	\$1,780	\$1,780	\$1,780	\$1,780
Elementary (K-12) (with 79% COLA)	\$1,790	\$1,790	\$1,790	\$1,790
Elementary (K-12) (with 80% COLA)	\$1,800	\$1,800	\$1,800	\$1,800
Elementary (K-12) (with 81% COLA)	\$1,810	\$1,810	\$1,810	\$1,810
Elementary (K-12) (with 82% COLA)	\$1,820	\$1,820	\$1,820	\$1,820
Elementary (K-12) (with 83% COLA)	\$1,830	\$1,830	\$1,830	\$1,830
Elementary (K-12) (with 84% COLA)	\$1,840	\$1,840	\$1,840	\$1,840
Elementary (K-12) (with 85% COLA)	\$1,850	\$1,850	\$1,850	\$1,850
Elementary (K-12) (with 86% COLA)	\$1,860	\$1,860	\$1,860	\$1,860
Elementary (K-12) (with 87% COLA)	\$1,870	\$1,870	\$1,870	\$1,870
Elementary (K-12) (with 88% COLA)	\$1,880	\$1,880	\$1,880	\$1,880
Elementary (K-12) (with 89% COLA)	\$1,890	\$1,890	\$1,890	\$1,890
Elementary (K-12) (with 90% COLA)	\$1,900	\$1,900	\$1,900	\$1,900
Elementary (K-12) (with 91% COLA)	\$1,910	\$1,910	\$1,910	\$1,910
Elementary (K-12) (with 92% COLA)	\$1,920	\$1,920	\$1,920	\$1,920
Elementary (K-12) (with 93% COLA)	\$1,930	\$1,930	\$1,930	\$1,930
Elementary (K-12) (with 94% COLA)	\$1,940	\$1,940	\$1,940	\$1,940
Elementary (K-12) (with 95% COLA)	\$1,950	\$1,950	\$1,950	\$1,950
Elementary (K-12) (with 96% COLA)	\$1,960	\$1,960	\$1,960	\$1,960
Elementary (K-12) (with 97% COLA)	\$1,970	\$1,970	\$1,970	\$1,970
Elementary (K-12) (with 98% COLA)	\$1,980	\$1,980	\$1,980	\$1,980
Elementary (K-12) (with 99% COLA)	\$1,990	\$1,990	\$1,990	\$1,990
Elementary (K-12) (with 100% COLA)	\$2,000	\$2,000	\$2,000	\$2,000

OTHER PLANNING FACTORS				
Factor	2021-22	2022-23	2023-24	2024-25
California LMI	\$1,000	\$1,000	\$1,000	\$1,000
California LMI (with 1% COLA)	\$1,010	\$1,010	\$1,010	\$1,010
California LMI (with 2% COLA)	\$1,020	\$1,020	\$1,020	\$1,020
California LMI (with 3% COLA)	\$1,030	\$1,030	\$1,030	\$1,030
California LMI (with 4% COLA)	\$1,040	\$1,040	\$1,040	\$1,040
California LMI (with 5% COLA)	\$1,050	\$1,050	\$1,050	\$1,050
California LMI (with 6% COLA)	\$1,060	\$1,060	\$1,060	\$1,060
California LMI (with 7% COLA)	\$1,070	\$1,070	\$1,070	\$1,070
California LMI (with 8% COLA)	\$1,080	\$1,080	\$1,080	\$1,080
California LMI (with 9% COLA)	\$1,090	\$1,090	\$1,090	\$1,090
California LMI (with 10% COLA)	\$1,100	\$1,100	\$1,100	\$1,100
California LMI (with 11% COLA)	\$1,110	\$1,110	\$1,110	\$1,110
California LMI (with 12% COLA)	\$1,120	\$1,120	\$1,120	\$1,120
California LMI (with 13% COLA)	\$1,130	\$1,130	\$1,130	\$1,130
California LMI (with 14% COLA)	\$1,140	\$1,140	\$1,140	\$1,140
California LMI (with 15% COLA)	\$1,150	\$1,150	\$1,150	\$1,150
California LMI (with 16% COLA)	\$1,160	\$1,160	\$1,160	\$1,160
California LMI (with 17% COLA)	\$1,170	\$1,170	\$1,170	\$1,170
California LMI (with 18% COLA)	\$1,180	\$1,180	\$1,180	\$1,180
California LMI (with 19% COLA)	\$1,190	\$1,190	\$1,190	\$1,190
California LMI (with 20% COLA)	\$1,200	\$1,200	\$1,200	\$1,200
California LMI (with 21% COLA)	\$1,210	\$1,210	\$1,210	\$1,210
California LMI (with 22% COLA)	\$1,220	\$1,220	\$1,220	\$1,220
California LMI (with 23% COLA)	\$1,230	\$1,230	\$1,230	\$1,230
California LMI (with 24% COLA)	\$1,240	\$1,240	\$1,240	\$1,240
California LMI (with 25% COLA)	\$1,250	\$1,250	\$1,250	\$1,250
California LMI (with 26% COLA)	\$1,260	\$1,260	\$1,260	\$1,260
California LMI (with 27% COLA)	\$1,270	\$1,270	\$1,270	\$1,270
California LMI (with 28% COLA)	\$1,280	\$1,280	\$1,280	\$1,280
California LMI (with 29% COLA)	\$1,290	\$1,290	\$1,290	\$1,290
California LMI (with 30% COLA)	\$1,300	\$1,300	\$1,300	\$1,300
California LMI (with 31% COLA)	\$1,310	\$1,310	\$1,310	\$1,310
California LMI (with 32% COLA)	\$1,320	\$1,320	\$1,320	\$1,320
California LMI (with 33% COLA)	\$1,330	\$1,330	\$1,330	\$1,330
California LMI (with 34% COLA)	\$1,340	\$1,340	\$1,340	\$1,340
California LMI (with 35% COLA)	\$1,350	\$1,350	\$1,350	\$1,350
California LMI (with 36% COLA)	\$1,360	\$1,360	\$1,360	\$1,360
California LMI (with 37% COLA)	\$1,370	\$1,370	\$1,370	\$1,370
California LMI (with 38% COLA)	\$1,380	\$1,380	\$1,380	\$1,380
California LMI (with 39% COLA)	\$1,390	\$1,390	\$1,390	\$1,390
California LMI (with 40% COLA)	\$1,400	\$1,400	\$1,400	\$1,400
California LMI (with 41% COLA)	\$1,410	\$1,410	\$1,410	\$1,410
California LMI (with 42% COLA)	\$1,420	\$1,420	\$1,420	\$1,420
California LMI (with 43% COLA)	\$1,430	\$1,430	\$1,430	\$1,430
California LMI (with 44% COLA)	\$1,440	\$1,440	\$1,440	\$1,440
California LMI (with 45% COLA)	\$1,450	\$1,450	\$1,450	\$1,450
California LMI (with 46% COLA)	\$1,460	\$1,460	\$1,460	\$1,460
California LMI (with 47% COLA)	\$1,470	\$1,470	\$1,470	\$1,470
California LMI (with 48% COLA)	\$1,480	\$1,480	\$1,480	\$1,480
California LMI (with 49% COLA)	\$1,490	\$1,490	\$1,490	\$1,490
California LMI (with 50% COLA)	\$1,500	\$1,500	\$1,500	

**SSC School District and Charter School Financial Projection Dartboard
2022-23 May Revision**

This version of School Services of California Inc. (SSC) Financial Projection Dartboard is based on the Governor’s 2022-23 May Revision. We have updated the cost-of-living adjustment (COLA), Consumer Price Index (CPI), and other planning factors. We have also updated the Local Control Funding Formula (LCFF) factors. We rely on various state agencies and outside sources in developing these factors, but we assume responsibility for them with the understanding that they are general guidelines.

LCFF PLANNING FACTORS					
Factor	2021-22	2022-23	2023-24	2024-25	2025-26
Department of Finance Statutory COLA ¹	1.70%	6.56%	5.38%	4.02%	3.72%
Planning COLA	5.07% ²	6.56%	5.38%	4.02%	3.72%

LCFF GRADE SPAN FACTORS FOR 2022-23				
Entitlement Factors per ADA*	K-3	4-6	7-8	9-12
2021-22 Base Grants	\$8,093	\$8,215	\$8,458	\$9,802
Statutory COLA of 6.56%	\$531	\$539	\$555	\$643
Additional LCFF Investment of \$2.1 billion ³	\$266	\$270	\$278	\$322
2022-23 Base Grants	\$8,890	\$9,024	\$9,291	\$10,767
Grade Span Adjustment Factors	10.4%	–	–	2.6%
Grade Span Adjustment Amounts	\$925	–	–	\$280
2022-23 Adjusted Base Grants ⁴	\$9,815	\$9,024	\$9,291	\$11,047

*Average daily attendance (ADA)

OTHER PLANNING FACTORS						
Factors		2021-22	2022-23	2023-24	2024-25	2025-26
California CPI		6.55%	6.11%	3.14%	1.97%	2.31%
California Lottery	Unrestricted per ADA	\$163	\$163	\$163	\$163	\$163
	Restricted per ADA	\$65	\$65	\$65	\$65	\$65
Mandate Block Grant (District)	Grades K-8 per ADA	\$32.79	\$34.94	\$36.82	\$37.98	\$39.14
	Grades 9-12 per ADA	\$63.17	\$67.31	\$70.93	\$73.16	\$75.39
Mandate Block Grant (Charter)	Grades K-8 per ADA	\$17.21	\$18.34	\$19.33	\$19.94	\$20.55
	Grades 9-12 per ADA	\$47.84	\$50.98	\$53.72	\$55.41	\$57.10
CalSTRS Employer Rate ⁵		16.92%	19.10%	19.10%	19.10%	19.10%
CalPERS Employer Rate ⁵		22.91%	25.37%	25.20%	24.60%	23.70%
Unemployment Insurance Rate ⁶		0.50%	0.50%	0.20%	0.20%	0.20%
Minimum Wage ⁷		\$15.00	\$15.50	\$16.00	\$16.40	\$16.70

STATE MINIMUM RESERVE REQUIREMENTS	
Reserve Requirement	District ADA Range
The greater of 5% or \$76,000	0 to 300
The greater of 4% or \$76,000	301 to 1,000
3%	1,001 to 30,000
2%	30,001 to 400,000
1%	400,001 and higher

¹Applies to Special Education, Child Nutrition, Foster Youth, Adults in Correctional Facilities Program, American Indian Education Centers/American Indian Early Childhood Education, and Mandate Block Grant.

²Amount represents the 2021-22 statutory COLA of 1:70% plus an augmentation of 1.00%, compounded with the 2020-21 unfunded statutory COLA of 2.31%.

³Amounts are estimated by SSC and are subject to change.

⁴Additional funding is provided for students who are designated as eligible for free and reduced-price meals, foster youth, English language learners. A 20% augmentation is provided for each eligible student with an additional 65% for each eligible student beyond the 55% identification rate threshold.

⁵California State Teachers’ Retirement System (CalSTRS) and California Public Employees’ Retirement System (CalPERS) rates in 2021-22 were brought down by a prior year \$2.3 billion payment from the state of California. Rates in the following years are subject to change based on determination by the respective governing boards.

⁶Unemployment rate in 2021-22 and 2022-23 are final based on the 2021 Enacted State Budget, and the subsequent years’ rates are subject to actual experience of the pool and will be calculated in accordance with California Unemployment Insurance Code Section 823(b)(2)

⁷Minimum wage increases and are effective January 1 of the respective year.

Other Operational Considerations

2022-23 Independent Study—Governor’s Budget

- The current mandate to offer independent study is proposed to expire at the end of the current school year
- As a reminder, the Governor’s Budget included the following proposed changes to Independent Study Programs:



Exclusion of specified independent study ADA from continuation high school, opportunity school, and opportunity program cap



Changes to tiered reengagement triggers and requirements



Amendments to “teacher of record” requirements for synchronous instruction



Inclusion of synchronous instruction in instructional time and ADA calculations



Changes to written agreement signature requirements



Striking one of the “educational opportunities” that can be offered through traditional independent study

2022 May Revision Workshop

2022-23 Independent Study—May Revision

- Bifurcates timeline for collecting written agreement—dependent on the scheduled length of the agreement
 - ◆ 14 days or less needs to be signed within 10 days of program commencement
 - ◆ 15 days or more must be signed prior to program commencement
- Increases threshold for tiered reengagement triggers and removes proposed School Attendance Review Board referral requirement
- Includes synchronous instruction in instructional time and ADA calculations under specified parameters
- The May Revision newly proposes to exempt students who are enrolled in classroom instruction and participate in independent study due to specified medical, mental health, or substance abuse treatment from tiered reengagement, synchronous instruction, and a plan to return to the classroom within 5 days

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Independent Study and Audits

2021-22 Audit Guide Supplement

- Adopted March 1, 2022
- 2021-22 Audit Guide procedures now reflect additional conditions of apportionment for independent study programs effective 2021-22
- A few 2021-22 conditions of apportionment are limited to 2021-22
- Based on preliminary anecdotal information, LEAs are experiencing an increase in Independent Study audit findings for 2021-22

Proposed 2022-23 Audit Guide

- Procedures reflect the ongoing conditions of apportionment based on current law
- 2022-23 Audit Guide procedures will be adopted by July 1, 2022
- Anticipate modifications in the Audit Guide Supplement process again next year to accommodate changes to independent study conditions of apportionment effected through the budget process

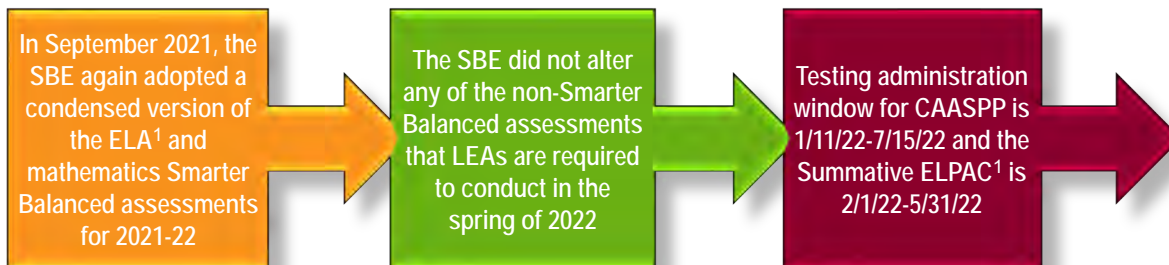
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2021-22 Assessments and Accountability

- For the past two school years, many state and federal accountability requirements were waived or modified due to the impact of the COVID-19 pandemic
- However, beginning with the 2021-22 school year, the requirements to hold LEAs accountable for student outcomes officially resumed with some flexibility in CAASPP¹ testing



¹English Language Arts (ELA), California Assessment of Student Performance and Progress (CAASPP), English Language Proficiency Assessment for California (ELPAC)

2022 California School Dashboard

- Over the past two years, statute waived performance data from being published on the 2020 and 2021 California School Dashboard (Dashboard) due to the COVID-19 pandemic
- However, the upcoming 2022 Dashboard, which will be released in December, will once again provide student performance data for the purposes of accountability
- The 2021-22 school year performance data on state and local indicators will be used to identify LEAs for differentiated assistance
 - 2020-21 ELPAC data will also be used for the English Learner Progress Indicator
- The 2022 Dashboard will only display “status” data for each applicable state indicator and will not include “change” data
- Each LEA, school, and student group will receive one of five “status” levels (Very High, High, Medium, Low, and Very Low) for each applicable state indicator



2022 May Revision Workshop

2022 California School Dashboard

State Indicator	Data Used for Status
Academic Grades 3–8 and Grade 11	2021–22 Summative Assessments ¹ for English language arts/ literacy (ELA) and mathematics ²
Chronic Absenteeism Rate Grades K–8	2021–22 Chronic Absenteeism Rate
College/Career Grades 9–12	Not reported in the 2022 Dashboard Note: Status will be reported in the 2023 Dashboard. Status, Change, and performance level colors will be reported in the 2024 Dashboard.
English Learner Progress Grades 1–12	2020–21 and 2021–22 English Language Proficiency Assessments for California (ELPAC) Summative Assessment Results ³
Graduation Rate	<ul style="list-style-type: none"> • Combined Four- and Five-Year Graduation Rate <ul style="list-style-type: none"> ◦ Students in Class of 2022 ◦ Students in Class of 2021 who graduate in 2021–22 (fifth-year graduates) • One-Year Dashboard Alternative School Status (DASS) Graduation Rate (DASS students who graduate in 2021–22)
Suspension Rate Grades K–12	2021–22 Suspension Rate

¹ Summative Assessments includes both the Smarter Balanced Summative Assessments and California Alternate Assessments.

² Calculations include the participation rate and the Distance from Standard.

³ Two years of data are needed to produce Status.

Source: CDE

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Mandates Going into Effect July 1, 2022

There are several significant mandates taking effect on July 1, 2022

Universal Meals

- LEAs must provide free breakfast and lunch each school day to any student requesting a meal, regardless of free or reduced-price meal eligibility
- To receive state reimbursement, LEAs must participate in both the National School Lunch Program (NSLP) and School Breakfast Program

Senate Bill (SB) 328—Late Start Time

- Requires the school day for middle schools and high schools to begin no earlier than 8:00 a.m. and 8:30 a.m., respectively
- Allows “zero period” for a limited number of pupils who do not generate ADA
- Law exempts rural school districts, but does not define “rural,” so the onus is on districts to self-identify

AB 367—Menstrual Products

- Requires all public schools serving any grades 6-12 to stock an adequate supply of free menstrual products in all women’s restrooms and all-gender restrooms, and at least one men’s restroom
- The Education Mandated Cost Network will be filing a test claim for this mandate with the Commission on State Mandates

FAFSA/CADAA Requirement

- Requires an LEA to ensure that all their 12th grade students submit a Free Application for Federal Student Aid (FAFSA) or a California Dream Act application (CADAA)
- The parents/guardians or the student (if 18) may opt out of the requirements of this section

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Alternative Income Forms

- LEAs collect NSLP meal applications and alternative income forms annually to identify students who may be eligible for the NSLP and to collect data used to determine LCFF supplemental and concentration grants
- Non-community eligibility provision and non-provision 2 or 3 schools must continue collecting FRPM forms no earlier than July 1, 2022, for the 2022-23 school year



- CDE announced the expansion of the collection window for alternative income forms
- LEAs can:
 - Collect forms for the following school year once the USDA income eligibility guidelines are available, i.e., the spring prior to the statutory school year
 - Leverage their spring enrollment process to collect the forms
 - Collect forms online with use of electronic signatures
- This impacts all LEAs who rely on alternative income forms for LCFF purposes

CDE has created an [Alternative Income Forms](https://www.cde.ca.gov/fq/aa/pa/altincomeforms.asp) page with template forms and other useful information:

Mandate Block Grant

- All school districts, charter schools, and COEs are eligible to participate in the Mandate Block Grant, notwithstanding the applicability of state mandates on their operations
 - Do NOT leave money on the table!
- The rates for 2022-23, inclusive of the 6.56% COLA, are as follows:

	Grade Span	
	K-8	9-12
School Districts	\$34.94	\$67.31
Charter Schools	\$18.34	\$50.98
COEs	\$34.94	\$67.31
	\$1.17 ¹	

¹Per unit of countywide ADA—aggregate ADA within the county attributable to all school districts for which the county superintendent has jurisdiction, charters schools within the county, and schools operated by the county superintendent of schools

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COVID-19 One-Time Funds



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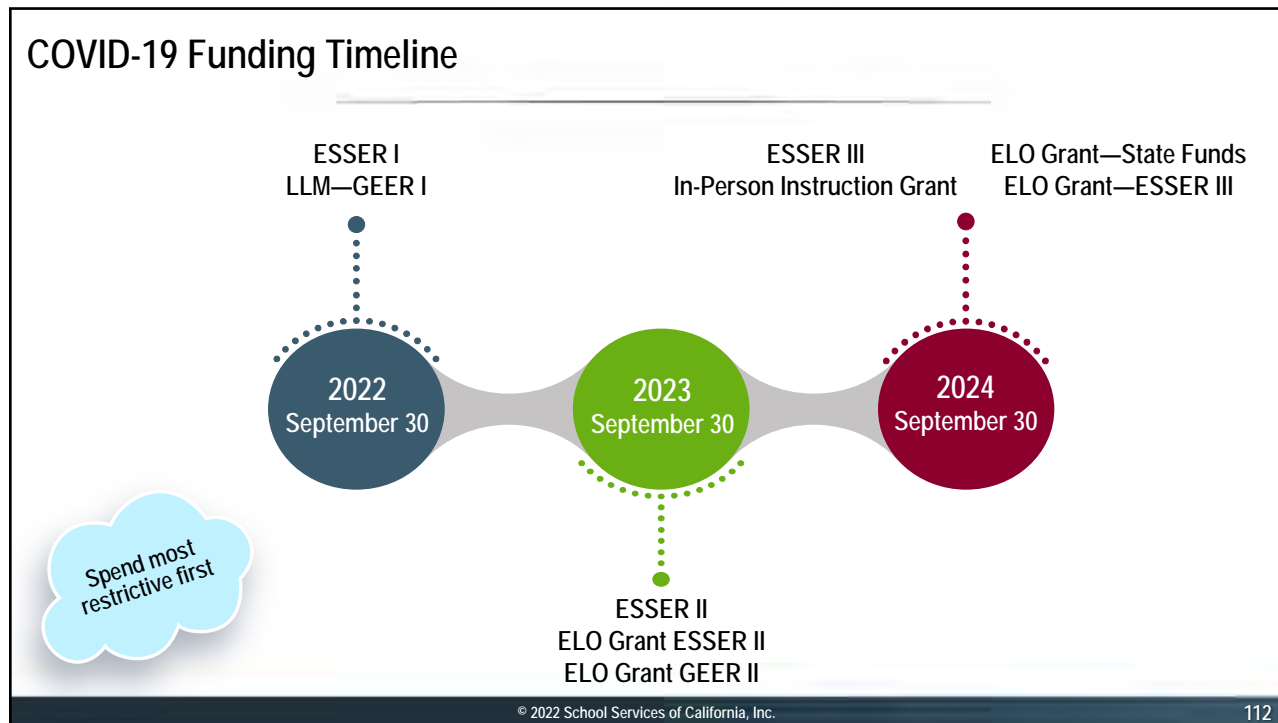
Available COVID-19 Funds

Fund	Fund Source and/or Distribution Methodology	Resource Code	Deadline
ESSER I	Federal funds distributed in proportion to Title I allocation	3210	September 30, 2022
Governor's Emergency Education Relief (GEER) I	Federal funds included in LLM Fund	3215	September 30, 2022
ESSER II	Federal funds distributed in proportion to Title I allocation	3212	September 30, 2023
ESSER II—state reserve	Federal funds included in ELO Grant	3216	September 30, 2023
GEER II	Federal funds included in ELO Grant	3217	September 30, 2023
ELO Grant—10% set aside for paraprofessionals	State funds included in ELO Grant	7426	September 30, 2024
ELO Grant	State funds included in ELO Grant	7425	September 30, 2024
ESSER III—state reserve	Federal funds included in ELO Grant	3218	September 30, 2024
ESSER III—state reserve for learning loss	Federal funds included in ELO Grant	3219	September 30, 2024
ESSER III	Federal funds distributed in proportion to Title I allocation	3213	September 30, 2024
ESSER III—LEA 20% reserve for learning loss	Federal funds distributed in proportion to Title I allocation	3214	September 30, 2024
In-Person Instruction Grant	State funds	7422	September 30, 2024

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Why Do We Have to Do a Form CEA?

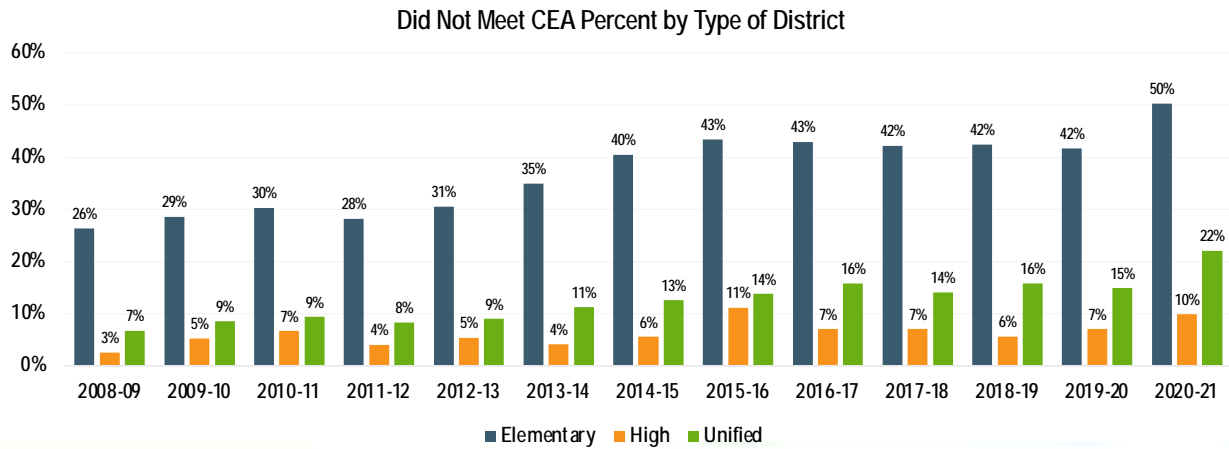
- The calculation of the Current Expense of Education Actuals (CEA) is a legal requirement (EC § 41372) and used to determine the percentage of expenditures for the direct classroom cost of teaching students
- Included in the calculation are the salaries and benefits of teachers and paraprofessionals measured against the total expenditures of the district
- Certain categorical programs and types of costs are excluded from the calculation
- Salaries and benefits within the General Fund are used
- Required percentages have not been amended per the LCFF and are:

Elementary	High	Unified
60%	50%	55%

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How Many Districts Fail to Meet the Requirements?

- Elementary districts are those with the highest threshold and are also the largest percentage of districts who fail to meet the requirement



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Form CEA Exclusion

- COVID-19 funds have had an adverse impact on the Form CEA
- LEAs should be judicious in using column 4b to back out eligible expenditures

PART I - CURRENT EXPENSE FORMULA	Total Expense for Year (1)	EDP No.	Reductions (See Note 1) (2)	EDP No.	Current Expense of Education (Col 1 - Col 2) (3)	EDP No.	Reductions (Extracted) (See Note 2) (4a)	Reductions (Overrides)* (See Note 2) (4b)	EDP No.	Current Expense-Part II (Col 3 - Col 4) (5)	EDP No.
1000 - Certificated Salaries	23,994,047.99	301	0.00	303	23,994,047.99	305	116,507.73		307	23,877,540.26	309
2000 - Classified Salaries	9,350,467.27	311	0.00	313	9,350,467.27	315	109,556.55		317	9,240,910.72	319
3000 - Employee Benefits	16,424,043.60	321	440,379.04	323	15,983,664.56	325	67,729.10		327	15,915,935.46	329
4000 - Books, Supplies Equip Replace. (6500)	1,339,716.14	331	0.00	333	1,339,716.14	335	146,907.23		337	1,192,808.91	339
5000 - Services . . . & 7300 - Indirect Costs	5,386,117.46	341	7,370.50	343	5,378,746.96	345	2,278,481.29		347	3,100,265.67	349
TOTAL					56,046,642.92	365				53,327,461.02	369

Note 1 - In Column 2, report expenditures for the following programs: Nonagency (Goals 7100-7199), Community Services (Goal 8100), Food Services (Function 3700), Fringe Benefits for Retired Persons (Objects 3701-3702), and Facilities Acquisition & Construction (Function 8500).

Note 2 - In Column 4, report expenditures for: Transportation (Function 3600), Lottery Expenditures (Resource 1100), Special Education Students in Nonpublic Schools (Function 1180), and other federal or state categorical aid in which funds were granted for expenditures in a program not incurring any teacher salary expenditures or requiring disbursement of the funds without regard to the requirements of EC Section 41372.

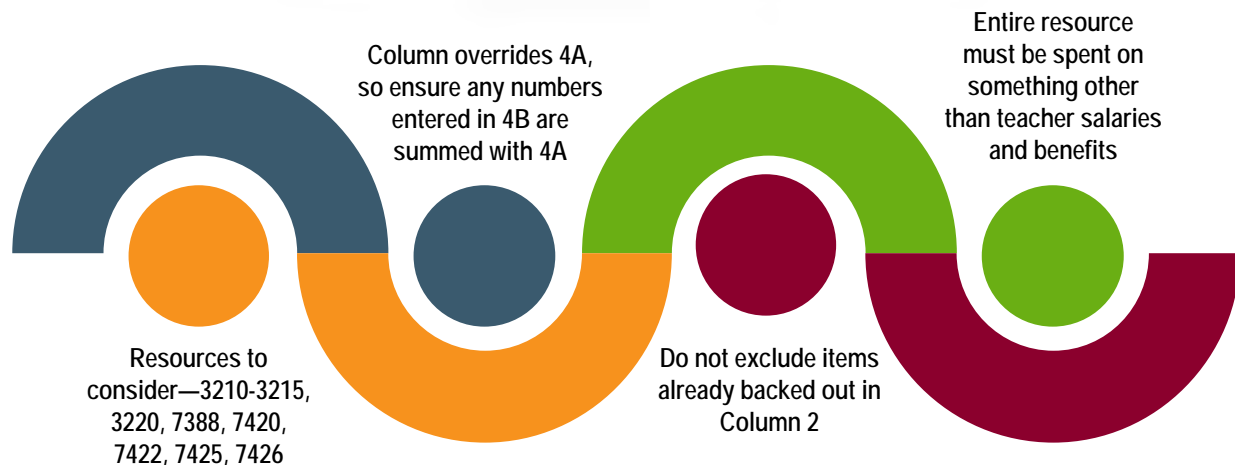
* If an amount (even zero) is entered in any row of Column 4b or in Line 13b, the form uses only the values in Column 4b and Line 13b rather than the values in Column 4a and Line 13a.

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Column 4B Considerations



See Fiscal Report article “Form CEA and Federal Funds” in the workshop resources

What Happens When You Fail the CEA?

File an exemption with your COE

Demonstrate serious financial hardship—are teacher salaries comparable to districts with comparable conditions?

Funds withheld by your COE

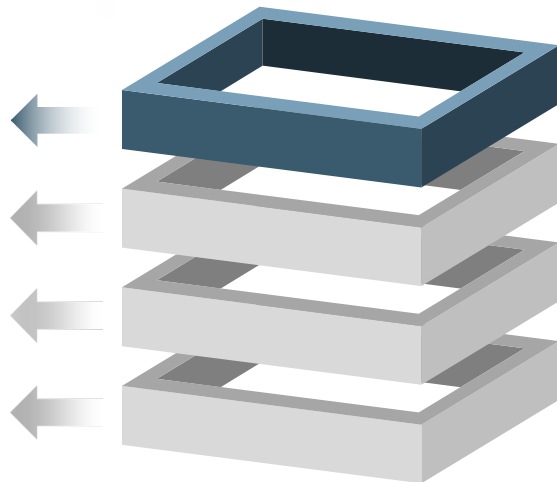
Until the determination of the application for exemption is made

Exemption approved by your COE

Funds are released

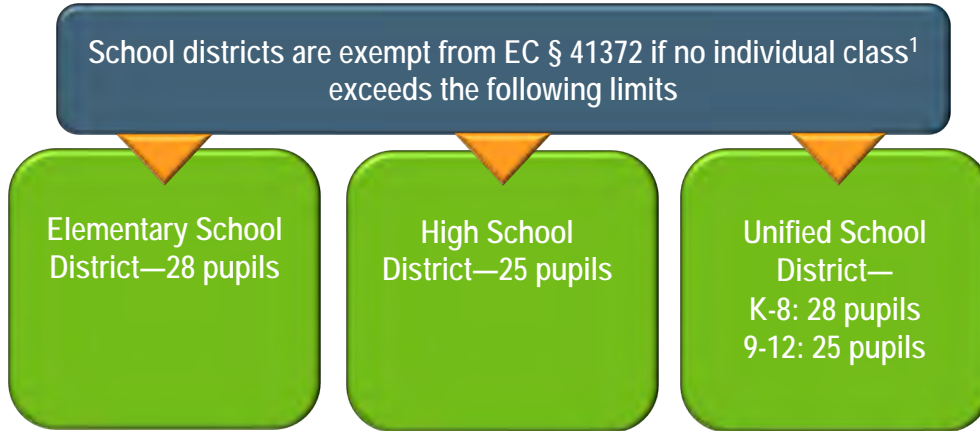
Exemption denied by your COE

Spend the amount of the withheld funds on teacher salaries in the following year



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Form CEA—Exclusion



¹Individual class excludes courses in visual and performing arts, industrial arts, and physical education

CalPERS Employer Contribution Rates

- The California Public Employees’ Retirement (CalPERS) Board adopted an employer contribution rate of 25.37% for 2022-23 (up 2.46% from the current-year rate of 22.91%)
- Post-PEPRA¹ members hired on or after January 1, 2013, will see a 1.00% increase to their current contribution of 7.00%, for a total of 8.00% of their salary effective July 1, 2022
 - Classic member contribution rates are not subject to PEPRA and are set by statute—they will continue to contribute 7.00% of their salary

Employer Contribution Rate	Actual	Projected				
	2022-23*	2023-24	2024-25	2025-26	2026-27	2027-28
	25.37%	25.20%	24.60%	23.70%	22.60%	22.60%

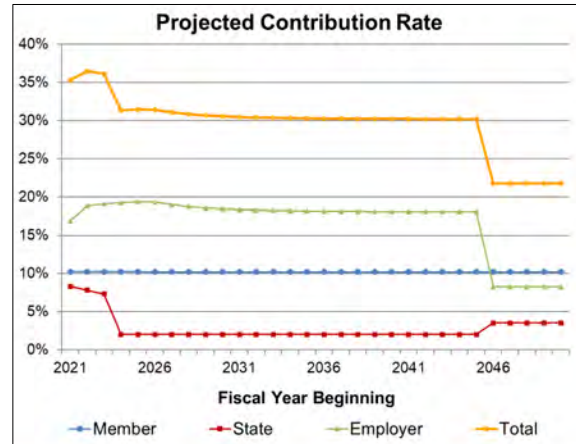
*2022-23 Employer contribution rate approved by CalPERS Board on April 18, 2022

¹Public Employees Pension Reform Act (PEPRA)

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CalSTRS Employer Contribution Rates

- On May 4, 2022, the California State Teachers' Retirement System (CalSTRS) Board adopted an employer contribution rate of 19.1% for 2022-23
- In the latest CalSTRS actuarial valuation report, it is projected that the employer contribution rates will remain steady at 19.1% through CalSTRS' full funding goal date of 2046
- Unless the 2022-23 Enacted State Budget includes a supplemental contribution to CalSTRS on behalf of employers to pay for the increased pension costs, SSC recommends that LEAs plan for the employer contribution rate of 19.1% beginning in 2022-23 and for the next several years thereafter



Source: CalSTRS Actuarial Valuation Report, June 30, 2021

Minimum Wage Increase

\$15.50 per hour for all workers effective January 1, 2023



The increase in minimum wage is triggered by increasing costs due to inflation

Because the CPI-W¹ exceeded 7%, the first adjusted increase was accelerated; therefore, employees will be guaranteed the \$15.50 rate even if they work for small employers (<25 employees) (Labor Code §1182.12[c][3][A-B])

¹Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W)

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Minimum Wage—Future Forecast

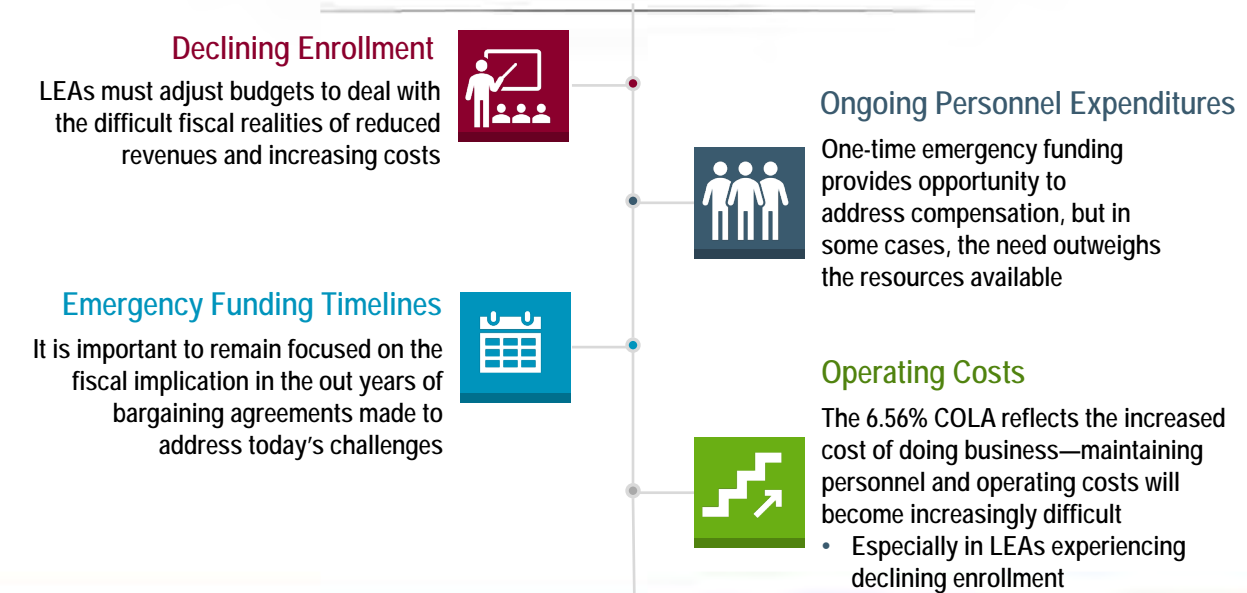
- Per Labor Code § 1182.12[c][1], the highest raise allowed in any one year is 3.5%
- SSC projects that the minimum wage will continue to increase by the maximum amount allowed by law through 2024
 - For subsequent years beginning on January 1, 2025, minimum wage will increase by \$0.30 to \$0.40

Minimum Wage	Effective Date: > 25 Employees	Effective Date: ≤ 25 Employees	Exempt Minimum Salary (Weekly)	Exempt Minimum Salary (Monthly)	Exempt Minimum Salary (Annually)
\$14.00/hour	January 1, 2021	January 1, 2022	\$1,120	\$4,853	\$58,240
\$15.00/hour	January 1, 2022	N/A	\$1,200	\$5,200	\$62,400
\$15.50/hour	January 1, 2023		\$1,240	\$5,373	\$64,480
\$16.00/hour	January 1, 2024		\$1,280	\$5,547	\$66,560
\$16.40/hour	January 1, 2025		\$1,312	\$5,685	\$68,224
\$16.70/hour	January 1, 2026		\$1,336	\$5,789	\$69,472
\$17.10/hour	January 1, 2027		\$1,368	\$5,928	\$71,136
\$17.50/hour	January 1, 2028		\$1,400	\$6,067	\$72,800

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Collective Bargaining Perspectives



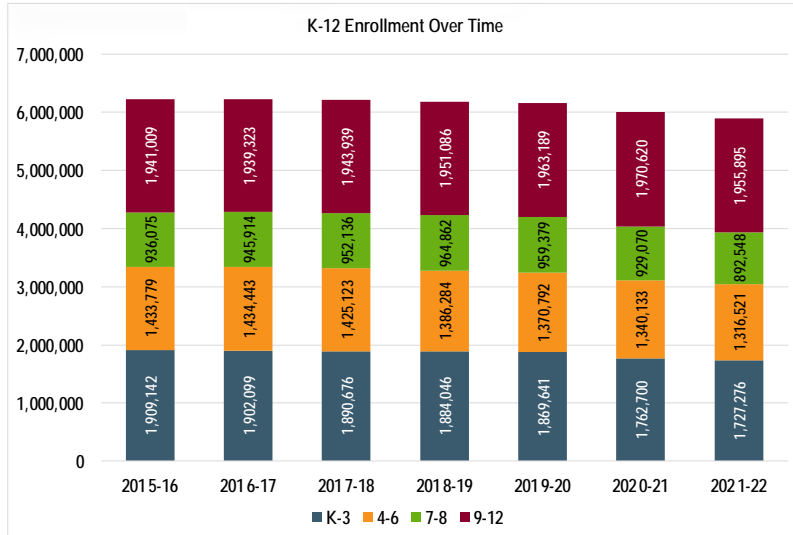
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Collective Bargaining in Declining Enrollment Environment

- 2021-22 statewide enrollment is down by more than 110,000 students from 2020-21, with the largest percentage reductions in grades 7 and 8
 - The last time enrollment was at this level was in 1998-99
- The number of students returning to the classroom in 2021-22 resulted in a more modest decrease in enrollment than in 2020-21 at 1.8%



Source: CDE

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Collective Bargaining: The COLA Factor

- In LEAs experiencing declining enrollment, there may be the need to make staffing and operational adjustments, despite having received a COLA

6.56% LCFF COLA Scenarios—Example		
	No Enrollment Change	2.5% Decline ¹
Description	District 1	District 2
Prior-Year Funded ADA	10,000	10,000
Prior-Year \$ per ADA	\$10,000	\$10,000
Prior-Year Total	\$100,000,000	\$100,000,000
Current-Year Funded ADA	10,000	9,750
Current-Year \$ per ADA	\$10,656	\$10,656
Current-Year LCFF Dollars	\$106,560,000	\$103,896,000
Percentage Increase	6.56%	3.89%

¹Assumed decline after ADA mitigation proposal

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Operational Advice: Collective Bargaining Communication

- Communicating the fiscal impact of COLA, step and column, health and welfare increases, salary increases, and other significant expenditures at the bargaining table is critical
- It is important that the school community understands the fiscal impacts of declining enrollment



- One-time emergency funding is temporary and cannot be used for compensation challenges which require ongoing resources
- Communication should be clear and concise and avoid the use of undefined acronyms
- Include the demands in the budget on the COLA
 - Describe the LEA's fiscal position in numbers versus percentages

Human Resources: Operational Stressors

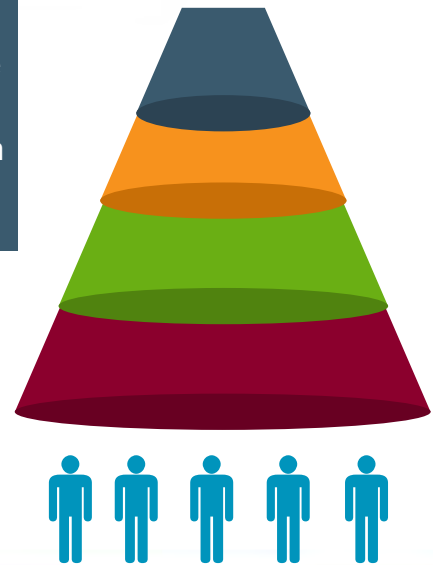
- HR Departments continue to experience extreme pressure to meet staffing demands as the pervasive shortages in the educator and classified employee workforces linger
- The traditional recruitment practices utilized by LEAs are in the spotlight as operational practices that are outdated can significantly impact hiring capabilities

External Factors

- The focus on building the teacher pipeline is at the statewide level
- National and statewide workforce trends are beyond an LEA's control



Internal Factors

- Ineffective hiring practices create barriers to hiring qualified candidates
- Operational procedures are within an LEA's span of control

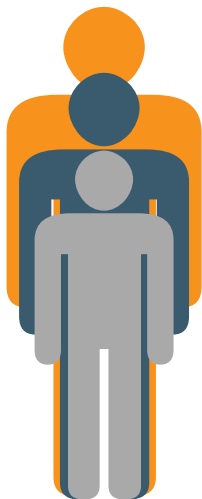


Human Resources: Temporary Certificated Staffing Options

- Using temporary funding for emergency staffing needs is permitted, but the employee classification should reflect the temporary nature of the funding to avoid long-term impacts
 - Temporary categorical contract employment dates align with availability of the funding source
 - Staffing needs may be generated from employees on leave from their regular assignment, or new positions

Certificated Temporary Staffing Options	
EC § 44954 	Temporary Contracts Temporary employees hired to replace permanent employees on leave or special assignment Permanent employees on long-term absence or working in a modified assignment—temporary employee must provide in-person learning Employee substitutes to fill acute staffing needs—substitute providing in-person learning instruction
EC § 44909 	Categorical Temporary Contracts Temporary contract may be used as a staffing solution to address acute and temporary staffing needs Additional staff hired to fulfill learning loss needs, instructional support, or temporary programs that support in-person learning Ensure employment contract is categorical temporary contract—consult with legal counsel for compliant contract

Human Resources: Short-Term Staffing (Classified Employees)



Statutory Requirements

Employment of classified staff on a short-term basis is enumerated in EC § 45103

Tracking Practices

The service shall not extend beyond 75% of the school year (195 working days—including holidays, sick leave, and vacation, and irrespective of hours worked per day)

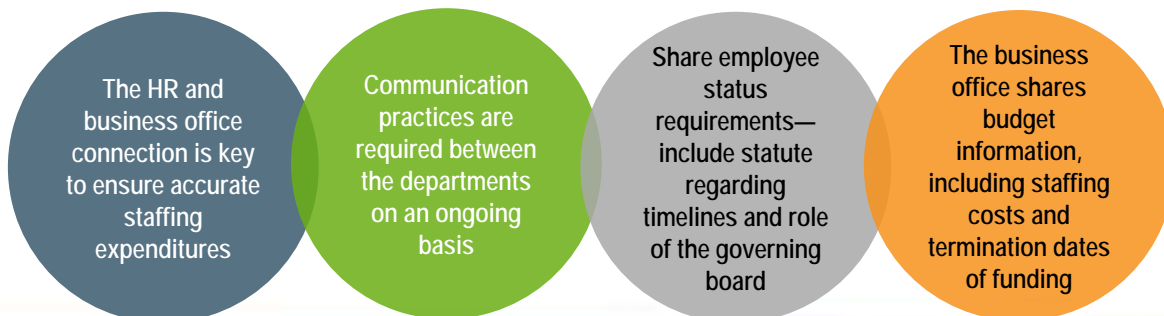
Governing Board Requirements

Prior to the first day of work, the governing board, at a regularly scheduled meeting is required to specify the work to be performed, including the beginning and the end date of service

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Operational Advice: Managing Temporary Staffing

- Short-term and finite funding requires short-term staffing—missteps with short-term staffing can cause long-term fiscal impacts if not managed effectively
- Short-term offers of employment influence the LEA's recruitment profile and ability to be competitive
 - The labor shortage may require LEAs to offer ongoing employment using emergency funding sources

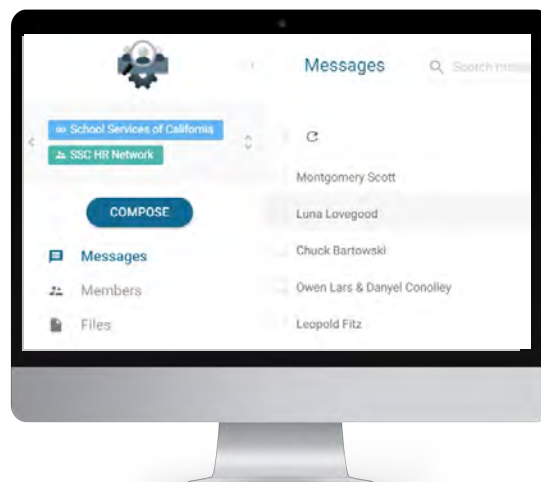


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The SSC HR Network—Launching July 1, 2022!

- LEA HR practitioners are invited to join our SSC HR Team and HR community and take advantage of the learning opportunities and resources it provides
- The SSC HR Network is a space for LEA HR professionals to ask questions, share their practice, network, seek support from colleagues, and connect with SSC experts
 - Shared documents, tools, and resources
 - Legislative updates
 - Discuss the tough HR issues...and more!
- We are expanding access to our HR community by offering membership as an annual subscription



Learn more about the HR Network and how to join by visiting our website: <https://www.sscal.com/join-ssc-hr-network>

HR leaders and technical staff are invited to join the SSC HR Network!

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Round Table Series: Human Resources Practices

- SSC HR Network members are invited to attend our virtual HR roundtable meetings hosted and facilitated by the SSC HR team
- We encourage your attendance in joining our “community of practice” to discuss the key issues currently confronting HR professionals
- Virtual meetings will be held from 8:00 a.m. – 9:00 a.m.

August 5, 2022
October 7, 2022
December 9, 2022
February 10, 2023
April 14, 2023
June 2, 2023



HR Network members will be invited to attend the round table discussions

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Announcing The SSC Employment Resource Center

- The SSC website now includes a dedicated space for HR resources, HR *Fiscal Report* articles, and other resources and tools
- The Employment Resource Center also includes LEA job postings for non-executive level positions
 - This feature will be available July 2022

Visit the Employment Resource Center to register for HR webinars, contact our SSC HR Team, join the SSC HR Network and more:

<https://www.sscal.com/employment-resource-center>

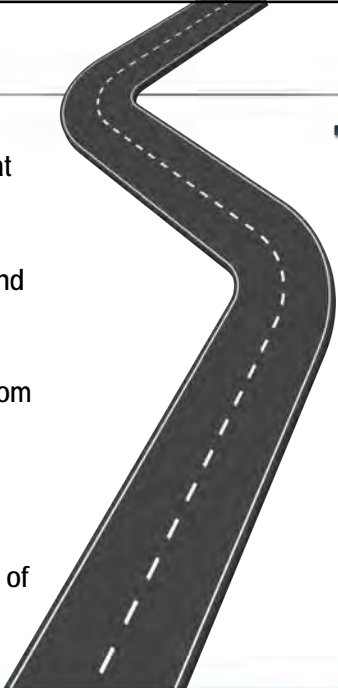


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Summary and Perspectives

The Road Ahead

- 
- The Governor has built his State Budget capitalizing on a windfall that is likely to be short lived
 - The May Revision reflects \$49.2 billion in discretionary surplus and the Budget spends 94% on one-time projects
 - Proposition 98 grows 0.0009% from 2021-22 to 2022-23, signaling an anticipated slow down of State General Fund revenues
 - The education community should read this as a warning of more modest State budgets ahead
 - But for now, the May Revision demonstrates that the Governor has heard the call of the education community
 - More investments in LCFF funding!
 - Flexible one-time resources without a required plan!
 - No new categorical programs!
 - Let's hope these priorities stick through the next step



Political Factors and the Education Budget

- Even though the May Revision is flush with new discretionary education funds, reconciling the different priorities between Governor Newsom, the Assembly, and the Senate may not be easy
 - The Governor leads at the Governor's Budget and again at the May Revision, but now the Legislature weighs in



The Assembly's Budget plan would invest half of the Proposition 98 increase in the LCFF, create a Learning Recovery Block Grant, and increase the educator workforce pipeline



The Senate would provide a \$5 billion increase over the LCFF COLA, create a \$10 billion Learning Recovery Block Grant, provide \$4.5 billion above the Governor's Budget proposal in facilities (including \$1 billion for TK and \$1 billion for deferred maintenance), and \$5 billion for student enrichment materials

2022 May Revision Workshop

Final Thoughts

- This workshop is over and now your work begins
 - We will bring you along for the ride through our *Fiscal Report* articles as the debating over the final Enacted State Budget continues
 - And you may have further questions for us
 - To submit questions, please go to www.sscal.com and find the “Ask SSC” module on the righthand side

We continue to be in awe of you for excelling through the most difficult moment in education, which we hope is largely behind us. SSC continues to be here to support you as you shape the minds of the next generation of Californians.

Thank you for joining us today and we will “see” you at the School Finance Conference in July!



UPCOMING STATE BUDGET WORKSHOP



School Finance Conference

July 14, 2022

9:00 a.m. to 12:00 p.m.

Online Live Webinar

If you registered for the 2022 May Revision Workshop, you are already registered!

For more information and to register: www.sscal.com/workshops

EXECUTIVE SEARCHES



School Services of California Inc. conducts more searches for qualified business services and human resources executives for California school agencies than anyone in the state of California. Our Executive Search Services include, but are not limited to, search and recruitment services for the positions of:

- Deputy Superintendent for Administrative Services
- Assistant Superintendent for Business Services or Human Resources
- Chief Financial Officer or Chief Business Official
- Chief Human Resources Officer

Search Advisors

Leilani Aguinaldo * Danyel Conolley * John Gray
Suzanne Speck * Kathleen Spencer

Search Assistants

Nicole Castro-Pilar * Joanna Dziuk * Kim Seitz * Kelly Satterfield

CURRENT EXECUTIVE SEARCHES

Castaic Union School District

(Enrollment 1,900)

Seeks an Assistant Superintendent of Business Services With:



- Master's degree in Educational Administration, Business Administration, Finance, or Economics
- Administrative credential and/or doctorate degree desirable
- Successful, increasingly responsible experience in public school administration or public/private sector finance

The salary range for this position is \$116,239 to \$139,551. In addition to the salary, a monthly cell phone stipend and benefits package are offered. Certificated administrators are eligible for a \$1,500 annual stipend for a master's degree; this is not included on the confidential management salary schedule. Also, there is a cash in lieu option of \$2,500 for employees who do not participate in district-provided medical coverage; these employees are still eligible to receive dental and vision coverage that is fully covered by the district.

Application Deadline: May 23, 2022

For a brochure and application form, please contact:
Danyel Conolley and John D. Gray, Search Advisors
School Services of California Inc.

(916) 446-7517 ♦ www.sscal.com/lea-career-opportunities ♦ joannad@sscal.com



La Cañada Unified School District

(Enrollment 3,940)

Seeks an Assistant Superintendent, Business and Operations With:

- A bachelor's degree in Accounting, Business Administration, Finance, Educational Administration, or related field from an accredited college or university
- Five years of recent financial budget experience, including at least two years in a supervisory role

The District also invites credentialed candidates to apply:

- Valid California teaching credential and administrative services credential

The salary range for this position is \$160,057 to \$203,636 and an incentive of up to a 3% salary bonus based on performance. In addition to the salary, the District offers 3% of salary annually for organizational memberships, technology resources, and professional learning opportunities, and a generous benefits package.

Application Deadline: May 24, 2022

For a brochure and application form, please contact:
Leilani Aguinaldo and Danyel Conolley, Search Advisors
School Services of California Inc.

(916) 446-7517 ♦ www.sscal.com/lea-career-opportunities ♦ nicolec@sscal.com

CURRENT EXECUTIVE SEARCHES

East Side Union High School District

(Enrollment 22,000)



EAST SIDE
HIGH SCHOOL DISTRICT
Silicon Valley

Preparing every student to thrive in a global society.

Seeks an Assistant Superintendent, Business Services With:

- Master's degree from an accredited college or university with major course work in business or public administration or related field
- Six years of progressively responsible fiscal experience at the senior management level preferably in a comparable size municipal or education institution

The salary range for this position is \$191,561 to \$226,197. In addition to this salary, a communication stipend and fully paid benefits are provided.

Application Deadline: June 6, 2022

For a brochure and application form, please contact:
Suzanne Speck and Kathleen Spencer, Search Advisors
School Services of California Inc.

(916) 446-7517 ♦ www.sscal.com/lea-career-opportunities ♦ nicolec@sscal.com

Launching July 1, 2022



SSC HR NETWORK AND EMPLOYMENT RESOURCE CENTER

THE SSC HR NETWORK

Current workforce trends brought on by the pandemic and extreme staffing shortages are transforming the human resources (HR) landscape. Local educational agencies (LEAs) are not immune to the frantic pace at which the work environment has and continues to change. This puts immense pressure on HR departments to not only be efficient in their practices, but to also effectively implement strategic plans to respond to the needs of the school communities they serve. HR staff must be informed of current trends, legal updates, and stay current with industry best practices.

The School Services of California Inc. (SSC) HR Network (Network) is a learning opportunity for LEA HR practitioners interested and committed to creating a virtual community of practice. The Network provides HR staff wanting to stay informed and connected a place to learn, share resources, and grow in their professional practice without having to leave their office and regardless of the location of their LEA. The Network is hosted and monitored by SSC's HR Team, who also participate by sharing their practice and learning from colleagues.

Cost of Membership

\$195.00 annual subscription (per member)

- Shared documents, templates, and other resources
- Hot topic discussions
- Legislative updates
- Information regarding HR learning opportunities
- SSC advice and guidance
- Virtual roundtable meetings for HR Network members

Who Should Join?

Chief HR officers, HR directors, technical and clerical HR staff, and staff who are involved in the oversight and management of HR functions.

THE SSC EMPLOYMENT RESOURCE CENTER

The SSC Employment Resource Center is a new space on the SSC website, dedicated to LEA employment resources and tools. Information regarding SSC HR learning opportunities, *Fiscal Report* articles, links to HR resources, and information about the SSC HR Team are available on the Employment Resource Center page.

In addition, the Employment Resource Center provides opportunity for LEAs to post vacancy announcements for nonexecutive-level positions. For information regarding job postings and access to HR resources, please click here.

CONTACT

DANYEL CONOLLEY

DIRECTOR, MANAGEMENT CONSULTING SERVICES

daneylc@sscal.com

SUZANNE SPECK

EXECUTIVE VICE PRESIDENT

suzannes@sscal.com

(916) 446-7517

School Services of California Inc.

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Sacramento, CA 95814

www.sscal.com

**School
Services
of California**
INC. TM

An Employee-Owned Company

School Services of California Inc. (SSC) is passionate about offering the training and information we know you need to operate and provide a quality education to your students. To that end, and in an effort to continue to ensure access to the training you need in a convenient format, we offer the following subject-based workshops via online webinars hosted by Zoom.

Thank you for your unwavering support as we strive to provide you with online content developed to meet your agency's needs. Our Workshop FAQs provide more information on registering and has answers to many of your frequently asked questions. Should you have any additional questions or problems completing your registration, please contact Michelle Berge at michelleb@sscal.com or 916-446-7517.

Maintenance of Effort Monitoring—Beyond the Basics

A Two-Part Webinar Series

Part 1: August 9, 2022 and Part 2: August 11, 2022



With increased special education funding, one-time dollars, and the coming end to COVID-19 impact funds, regular monitoring of the maintenance of effort (MOE) obligation is critically important. Special education expenditures must meet federal compliance and eligibility requirements in order to receive federal special education funds. Local educational agencies and Special Education Local Plan Areas can work together to ensure regular monitoring of MOE status, timely and efficient documentation of elements for reporting, and compliance and eligibility for ongoing federal funds. This webinar series will provide an overview of MOE requirements; the implications of state, local, and federal revenue and expenditures on MOE; and available strategies for monitoring and managing MOE growth where allowable. Teams will leave with the knowledge and tools to assist them with local discussions about documentation, strategy, and actions to maximize fiscal options when it comes to MOE obligations.

LCFF 101—For Beginners

A Two-Part Webinar Series

Part 1: August 16, 2022 and Part 2: August 18, 2022

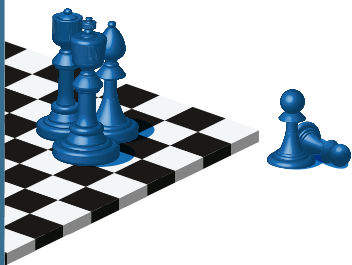


All local educational agencies need to build capacity as new employees work to ensure continuity of services. In addition, both new and veteran staff need to understand the changes brought by recent statutory amendments. This webinar series will help address those needs with a focus on understanding the fundamentals for attendees with a limited background in school finance. The purpose of this webinar series is to provide attendees the tools needed to appropriately calculate and manage Local Control Funding Formula (LCFF) revenues, including the key elements of the LCFF and a step-by-step explanation of the funding provisions. Operational issues related to managing the LCFF are covered, as well as multiyear financial planning.

Advanced Collective Bargaining

A Two-Part Webinar Series

Part 1: September 13, 2022 and Part 2: September 15, 2022



Local educational agency (LEA) management bargaining teams can expect double digit salary demands in 2022-23 considering the state's "Putting California's Wealth to Work" plan, which includes significant one-time and ongoing investments in education. Despite the state's strong economy, many LEAs are dealing with the difficult fiscal realities of declining enrollment, increased operating costs, and extreme staffing shortages. These pressures, added to continued demands for COVID-related paid time off and improved safety measures, are sure to make bargaining challenging in 2022-23. These anticipated and seemingly conflicting pressures require management negotiators to understand the fiscal implications of bargaining outcomes and how to integrate a comprehensive communication plan into their bargaining strategies, all the while working to achieve a collaborative and productive labor-management relationship. This webinar series is for the management side of the table only and will include an economic update, an overview of the collective bargaining climate, tools for negotiators, and an interactive panel discussion with management negotiators from several LEAs across the state.

Attendance Accounting and Instructional Time

A Two-Part Webinar Series

Part 1: September 20, 2022 and Part 2: September 22, 2022



California has myriad attendance and instructional time laws in place that impact compulsory education and state funding. Those laws have experienced numerous legislative changes over the past few years. This webinar series will cover the basics of attendance accounting and instructional time requirements that affect attendance-based funding and provide clarity to ensure compliance for local educational agencies.

Human Resources Operations

A Two-Part Webinar Series

Part 1: October 4, 2022 and Part 2: October 6, 2022



Human resources (HR) departments are responsible for activities spanning a wide variety of personnel functions, and those functions require clearly communicated procedures that are consistently implemented. Effective operational systems also ensure compliance with employment law and inform employees of their responsibilities and the local educational agency expectations. The current employment landscape requires HR departments to be responsive and strategic, and HR staff must be provided with ongoing professional learning opportunities that reflect legal requirements, industry standards, and best practices. This webinar series covers essential HR operations, with a focus on recruitment and selection practices, and training in effectively managing other major processes and functions within the HR department. This webinar is for both the chief HR officer and the technical HR staff.

Updating the Local Allocation Policy— A Guided Process for SELPAs and LEAs

A Two-Part Webinar Series

Part 1: October 11, 2022 and Part 2: October 13, 2022



Changing Education Code and increases in AB 602 special education base rates means that every Special Education Local Plan Area (SELPA) should review and evaluate necessary changes and amendments to their local allocation model and policy. This webinar series will offer tools and resources to support local allocation plan discussions and strategies for organizing, reviewing, and updating the SELPA allocation model to capture new laws, local needs, and state requirements. The presenters will provide tips on ways to support the governance council and local educational agency (LEA) members in reaching consensus on the equitable use of local resources through a consensus building process focused on the needs and outcomes of students with disabilities.

Declining Enrollment— Strategies for Success During Challenging Times

A Two-Part Webinar Series

Part 1: October 18, 2022 and Part 2: October 20, 2022



The continued loss of students for many local educational agencies (LEAs) and future uncertainty require consideration of long-term enrollment trends, and a strategic planning process to align staffing and expenditures to avoid overstaffing. Statewide enrollment trends experienced the fifth consecutive decrease in enrollment in the 2021-22 school year, with a loss of 110,000 (roughly 1.84%) students. In fact, the last time student enrollment was this low was in 1998-99—more than 20 years ago. If current trends hold over the next ten years, further decline of 431,800, or 7.3%, in total enrollment is projected. This webinar series—presented in partnership with the Fiscal Crisis and Management Assistance Team (FCMAT)—identifies the many ways that declining enrollment impacts LEA operations and staffing needs, and also identifies strategies for addressing these challenges through reducing personnel and other expenditures, along with resources for making management decisions.

To register, go to: www.sscal.com/workshops

Effective Supervision and Evaluation



A Two-Part Webinar Series

Part 1: November 1, 2022 and Part 2: November 3, 2022

Employee supervision and evaluation involve a process of active and ongoing exchanges between a supervisor and an employee in support of accomplishing the objectives of the local educational agency (LEA). Due to restrictive statutory regulations and contractual obligations, evaluation processes and disciplinary proceedings for LEAs are commonly focused on procedures—the “what” versus the “how” of engaging with employees to produce positive outcomes. This webinar series will focus on statutory requirements regarding evaluation and discipline, supervisory and leadership practices centered on employee engagement and outcomes, and communication tools and best practices for the human resources leader and other LEA supervisors/administrators to effectively manage employees.

Unraveling the Mystery of School Finance— For Superintendents and Top Administrators



A Three-Hour Webinar

November 29, 2022

This webinar takes the complexities of school finance and distills them so that superintendents and other top administrators of local educational agencies can interpret financial information to make sound decisions. Topics include budget reserves, multiyear projections, collective bargaining, and more.

LCAP—From Accountability to Compliance

A Two-Part Webinar Series

Part 1: December 6, 2022 and Part 2: December 8, 2022



Just when we think the Local Control and Accountability Plan (LCAP) is status quo, something changes. The LCAP continues to adapt as California’s funding, accountability, and continuous improvement system continues to mature. Planning for the 2023-24 LCAP will find local educational agencies (LEAs) relying on the California School Dashboard (Dashboard) again as it returns after a pandemic-caused hiatus, and adjusting to a revised template and new requirements. This webinar series will provide an overview of the accountability system for those new to the LCAP process, and, for the seasoned veteran, guidance on the changes brought by legislation—from requirements for carryover of supplemental and concentration grant funds to required goals for consistently low-performing student groups and/or schools. In addition, the webinar series will detail the adjustments included in the 2022 Dashboard and will share the latest news from the State Board of Education. LEAs are encouraged to send a team, including instructional leaders, human resources professionals, fiscal personnel, and key program staff.



2020-21

CADIE

Comparative Analysis of District Income and Expenditures

Statistics and Analysis Essential for Budget Review

Since 1983, School Services of California Inc. (SSC) has captured and analyzed school district actual revenues and expenses. Utilizing this large accumulation of data provided in the Standardized Account Code Structure (SACS) format, our Comparative Analysis of District Income and Expenditures (CADIE) report compares your district's revenues and expenditures to those of up to 40 other districts that you select from throughout the state—about 130 pages of in-depth information for your evaluation. Our report uses actual revenue and expenditure data and reflects expenditures in graphic and tabular form with calculations expressed on a per average daily attendance (ADA) and percentage basis. The 2020-21 data, which is the latest available statewide, is especially helpful in budget priority analyses, community or board explanations, and as a preparation tool for collective bargaining.

The report includes comparative graphic data expenditures by ADA, tabular information showing per-ADA and percentage distribution of district revenues and expenditures, staffing levels for certificated and classified nonmanagement and administrative personnel, and tables that show—on a per-ADA and percentage basis—how a district spent its dollars for the prior three years. A comparative analysis of special education and other programs is included, as well as a focus on reserve levels and related trends. The report is comprehensive, yet easy to use.

The CADIE Can Answer These Questions for You:



Revenues

- How does the percentage of our district's total revenues compare to others?
- What is the revenue per ADA that our district receives from unrestricted sources as compared to others?
- How many additional dollars did our district receive per ADA over that of the prior year in restricted and unrestricted income?
- How much new funding per ADA will our district receive as a result of the Local Control Funding Formula?

Expenditures

- Over the last ten years, as total expenditures have increased, how much have employee salary costs increased?
- Which comparative district has the highest percentage of all employee costs, including salaries and benefits?
- How do our special education expenditures compare with other districts?
- How do our retiree health benefit costs compare to other districts?
- On a three-year basis, what is the fastest growth area per ADA in our expenditures?

Reserves

- Did we generate a surplus or deficit last year? How does that compare with other districts' financial performance?
- How much do we have in reserves on a per-ADA basis as compared to other districts?

Staffing

- How has our classroom teacher staffing relative to student enrollment changed during the last five years?
- What about classified staff or administrative staff?

2020-21 CADIE and SABRE Order Form

It is easy to order a CADIE and SABRE. We will be happy to help you select an appropriate comparison group, or you can specify which districts you wish to be compared to, or even the criteria you would like SSC to use in choosing the comparison districts.

Contact name: _____ District name: _____

Address: (No P.O. boxes, please) _____

City: _____ State: _____ Zip: _____

Telephone no. w/extension: _____ Email: _____

Purchase Order no.: _____ Check enclosed: (amount) \$ _____

Credit card no.: (Visa or MasterCard only) _____ Exp: ____/____

Name on credit card: _____ Signature: _____

Please check one:

- CADIE Price (Electronic Version): \$500 client rate* includes two reports (20 districts in each)
- SABRE Price: (Electronic Version): \$350 client rate* includes two reports (20 districts in each)
- Both Reports (Electronic Version): \$800 client rate* includes two reports (20 districts in each)
- Bound hardcopy version of reports: \$100 per pair

*If you are not a client district, please contact our office at the number below for pricing

Additional Reports: SABRE: \$100 (Electronic); CADIE: \$175 (Electronic)
SABRE: \$200 (Hardcopy); CADIE: \$275 (Hardcopy)

Copies of Report (Hardcopy): \$100 per pair

- Use the same districts we've used in the past
- Call me to set up an appropriate list of comparison districts
- Use the following criteria to select the appropriate list of comparison districts:

Type of district: _____

ADA range from: _____ to _____

Geographical location: _____

- Use the following lists of comparative districts:

Report 1

District

- 1) _____
- 2) _____
- 3) _____
- 4) _____
- 5) _____
- 6) _____
- 7) _____
- 8) _____
- 9) _____
- 10) _____
- 11) _____
- 12) _____
- 13) _____
- 14) _____
- 15) _____
- 16) _____
- 17) _____
- 18) _____
- 19) _____
- 20) _____

Report 2

District

- 1) _____
- 2) _____
- 3) _____
- 4) _____
- 5) _____
- 6) _____
- 7) _____
- 8) _____
- 9) _____
- 10) _____
- 11) _____
- 12) _____
- 13) _____
- 14) _____
- 15) _____
- 16) _____
- 17) _____
- 18) _____
- 19) _____
- 20) _____



Email, fax, or mail the completed form to:

Chloe Lum
 chloel@sscal.com
 1121 L Street, Suite 1060
 Sacramento, CA 95814
 Fax (916) 446-2011
 (916) 446-7517, Ext. 1200

Governmental Relations Services



School Services of California Inc. (SSC) has the strongest legislative team in Sacramento due to our exceptional knowledge of the legislative process, combined with an in-depth understanding of K–14 statutes and regulations, the State Budget process, and cutting-edge policy issues. Our team acts quickly and effectively on behalf of clients, keeping them involved in and informed of all legislative decisions.

Whether helping to solve a client’s unique legislative problem or working with coalitions to impact major statewide education policy and fiscal matters, SSC advocates are regarded as key participants in the legislative process and reliable sources of factual information. This reputation, along with more than four decades of collective experience and a diverse network of contacts, enhances the SSC team’s ability to help clients meet their legislative objectives.

The SSC lineup is considered the premier team of PreK–14 Governmental Relations in Sacramento. Over the last four decades, there has been no other organization that has had such a lasting impact on education policy. The SSC team, which also consists of members of the organization’s consulting unit, has been at the forefront of almost all of the major school finance developments over the last 40+ years. SSC advocates have played a significant role in initiatives such as special education equalization, California State Teachers’ Retirement System (CalSTRS) member issues, categorical reform and flexibility, audit reform, school business official training, class-size flexibility, and mandate reform. Because of our long-standing reputation as knowledgeable representatives of K–12 education and community colleges, we serve as a trusted resource for legislators and legislative staff.

As term limits make an ever-increasing impact on the way business is done under the Capitol dome, the SSC team’s technical expertise and reputation for solid policy and budget analysis are increasingly valuable to the Legislature. In addition, SSC advocates have many contacts throughout the executive branch and in the California Department of Education (CDE), making their efforts on your behalf even more effective.

Coalitions Supported by SSC

- California School Funding Coalition—advocating for overall increased school funding
- Coalition for Adequate Funding for Special Education—advocating for increased special education funding
- CTE JPA Coalition—advocating for joint powers authority (JPA) providers of career technical education (CTE)
- Schools For Sound Finance—advocating on behalf of community funded school districts
- Education Mandated Cost Network—advocating mandate reform and prompt state reimbursements

Just a Few of the Successful Legislative Changes Led by SSC

- Special Education—Advocated for more adequate funding in the State Budget
- CalSTRS/CalPERS Relief—Advocated for the more than \$3 billion in employer relief for CalSTRS and the California Public Employees’ Retirement System (CalPERS) in the 2019–20 State Budget Act
- CTE—Protected funding for critical, high-quality programs
- Audit Reform—Developed a process and structure for the school agency audit process

Areas of Expertise

- State Budget Development, Advocacy, and Enactment
- Legislative Policy Initiatives
 - » Adult Education
 - » CTE
 - » Early Childhood Education
 - » Risk Management Issues
 - » Special Education
 - » Technology Funding
- K–14 Statutes and Regulations
- Local Control Funding Formula and School Finance Reform
- State Board of Education Policy Setting and Waivers
- School Facilities and the State Allocation Board
- State Controller’s Office Apportionments and Audits
- CDE Regulations and Audits
- Special Education Finance Reform
- Mandate Claims and Reimbursement
- Retirement Systems, Regulations, and Audits

**PLEASE CONTACT MICHELLE MCKAY UNDERWOOD,
VICE PRESIDENT, IF WE CAN BE OF SERVICE**

(916) 446-7517 | michelleu@sscal.com

School Services of California Inc.

1121 L Street, Suite 1060, Sacramento, CA 95814

www.sscal.com

Management Consulting Services

School Services of California Inc.'s (SSC) professional staff is always available to lend its extensive range of expertise to school agencies confronted by particular challenges. SSC's experts have a wealth of direct experience in managing school agencies through the Great Recession and can provide assistance with the unique cash, budget, staffing, and operational needs during this pandemic-induced recession. Whether facing internal budget control issues, organizational demands, central office staffing concerns, or collective bargaining issues, SSC's consultants bring with them both the experience and ability to recognize the uniqueness of every situation. Below are descriptions of some of SSC's Management Consulting Services.

Financial Studies and Support

SSC staff has significant financial expertise to support local agency needs in the area of budget development and management, cash management, multiyear financial planning, attendance accounting, and any other fiscal needs of the organization. Some of the services provided to support local agencies with their financial operations are:

- Budget and Multiyear Projection Review
- Budget Review for Negotiations
- Comprehensive Fiscal Health Analysis
- Multiyear Financial Projection Review or Preparation
- Cash Management Wellness Check
- Budget Reduction Options Analysis
- Analysis of Long-Range Financial Plan
- Fiscal Process and Reporting Review
- Position Control Review
- Associated Student Body Review
- Attendance Accounting Evaluation
- Audit Findings Resolution and Appeal
- Charter School Funding Review
- Chief Business Official and Fiscal Director Coaching

Negotiations Support and Factfinding

We provide negotiations support to the local agency and its bargaining teams in a wide variety of ways. Budget reviews for negotiations, interventions during mediation, and service on factfinding panels are all well within our circle of competence. We can help make the difference between a successful negotiations outcome or continued labor-management problems.

Administrative Organization and Efficiency Studies

SSC staff provides customized studies and recommendations covering sensitive and critical issues of local school agency administration, business office or human resources department organization, and procedural efficiencies. Our professional staff has a proven track record in evaluating the local school agency organization, staffing structures, workload assignments, procedural efficiencies, and the adequacy of procedures and systems. What follows are some of the types of studies provided in this area:

- Central Office Administrative Organizational Review
- Comparative Staffing Analysis
- Central Office Staffing Analysis and Comparative Study
- Business Office Efficiency Study
- Human Resource Operations Review
- Hiring Practices Consulting
- Centralized Services Study
- Transportation Operations Study
- Custodial Operations Review
- Comparative High School Staffing and Master Schedule Study

Human Resources Studies and Support

SSC human resources experts can provide support to local agencies with their human resources operations. Some of the services provided include:

- Human resources organizational and efficiency assessment
- Chief Human Resources Officer, Director, or other supervisory-level leadership development and coaching
- Position control functional review
- Collective bargaining and labor relations support
- Strategic recruitment: selection and retention planning/budgeting

Management Consulting Services

- Organizational leadership: employee supervision and evaluation
- Workplace investigation workshop
- Specialized human resources operational studies
- The SSC HR Network

Employee Salaries, Benefits, and Working Conditions Analyses

SSC conducts analyses of employee salaries, employee and retiree benefits, and employee working conditions to assist local school agencies with managing costs, attracting and retaining employees, and negotiating successor agreements with local bargaining units. For example, SSC can conduct the following:

- Collective Bargaining Agreement Risk Analysis
- Health and Welfare Benefits Review
- Total Compensation Comparative Study
- Employee Classification and Compensation Study

Special Education Studies

Our special education studies can engage stakeholders and set the groundwork for meaningful and sustainable change. These studies can also include the review and analysis of revenue, expenditure, student, program, and staffing data in order to prepare strategies for the future of the local agency special education program. Some of the studies we typically conduct are:

- Special Education Budget Review
- Special Education Facilitated Self-Study
- Special Education Department Efficiency Study
- Assessment of Contributions to Special Education
- Special Education Transportation Study
- Special Education Local Plan Area Allocation Model Review/Facilitation

School Construction and Facilities

Whether your agency is faced with surplus property or in the midst of new construction projects which has resulted in the need for assistance with the project management processes necessary for routine maintenance, modernization, and construction of school facilities—SSC offers a range of services for local school agencies, including:

- Organization of Construction Accounting and Filing System
- Facilities Department Organizational Review
- Facilities Program Review
- Construction Accounting Review
- 7-11 or Boundary Committee Facilitation
- Charter School Proposition 39 Facilities Request Support
- Facilitation and Operational Support for the Sale or Lease of Surplus Property

Charter Schools

While all of our services are available to charter schools, traditional school agencies approving charter schools need to be prepared with knowledge regarding the considerations that come along with charter schools—from potential liability issues to available facilities options.

SSC can assist school agencies with meeting their oversight responsibilities, evaluating petitions for new and renewing charter schools, and navigating the Proposition 39 process and other requests for facilities and facilities funding.

Reorganization, Unification, and Territory Transfer Studies

From inception to the election polls, SSC staff has experience in guiding school districts through the lengthy state processes for reorganization and making thoughtful decisions on school district boundary changes, including the Local Control Funding Formula calculations, local property tax implications, debt service issues, etc. SSC staff is also available to perform advocacy and legislative services, as needed, for unique situations.

PLEASE CONTACT KATHLEEN SPENCER, VICE PRESIDENT, FOR MORE INFORMATION.

(916) 446-7517 | www.sscal.com | Email: kathleens@sscal.com

School Services of California Inc. | 1121 L Street, Suite 1060, Sacramento, CA 95814

The cost and timeline for consulting services is unique for each engagement and is based on the scope of services provided. If you would like more information about any of our consulting services, please contact us using the information above.