



EXECUTIVE DIRECTOR’S REPORT

June 13, 2022

The mission of the YPI Charter Schools (YPICS) is to prepare students for academic success in high school, as well as post--secondary education; prepare students to be responsible and active participants in their community; and enable students to become life-long learners. Students at YPI Charter Schools will become active citizens who characterize the ideals of a diverse and democratic society. Students will provide service to their community, take responsibility for their own learning, and develop the habits of mind and body that will empower them to be successful in high school and beyond.

State:

From California Association of School Business Officials

“Governor Newsom Releases the May Revision Budget - State Surplus of \$97 Billion, Economic Growth Expected to Continue at Slower Rate Than Projected in January”

posted May 13, 2022

Today, May 13, 2022, Governor Newsom released the May Revision, which projects revenues nearly \$55 billion above his January budget proposal. Additionally, economic growth is expected to continue at a slightly slower rate than was projected at the time of the governor’s January budget proposal. For the 2022-23 fiscal year, General Fund revenues are expected to total \$219 billion. The Legislature has until June 15, 2022, to adopt a state budget. To read the full Governor’s May Revision 2022-23 Budget Report, click [here](#).

Additional details will be released as part of the trailer bill language in the coming days and weeks. CASBO will analyze the Newsom Administration’s latest budget proposals and provide recommendations and position statements during this final phase of the budget deliberation process. Below you will find additional materials.

Materials

[Department of Finance: May Revision](#)

[Department of Finance: Trailer Bill Language](#)

General Fund Revenue Sources

(Dollars in Millions)

	2021-22	2022-23	Change from 2021-22	
			Dollar Change	Percent Change
Personal Income Tax	\$136,397	\$137,454	\$1,057	0.8%
Sales and Use Tax	32,750	33,991	1,241	3.8%
Corporation Tax	46,395	38,464	-7,931	-17.1%
Insurance Tax	3,468	3,667	199	5.7%
Alcoholic Beverage Taxes and Fees	430	435	5	1.2%
Cigarette Tax	54	49	-5	-9.3%
Motor Vehicle Fees	36	37	1	2.8%
Other	13,108	8,493	-4,615	-35.2%
Subtotal	\$232,638	\$222,590	-\$10,048	-4.3%
Transfer to the Budget Stabilization Account/Rainy Day Fund	-5,682	-2,958	2,724	-47.9%
Total	\$226,956	\$219,632	-\$7,324	-3.2%

Note: Numbers may not add due to rounding.

Proposition 98

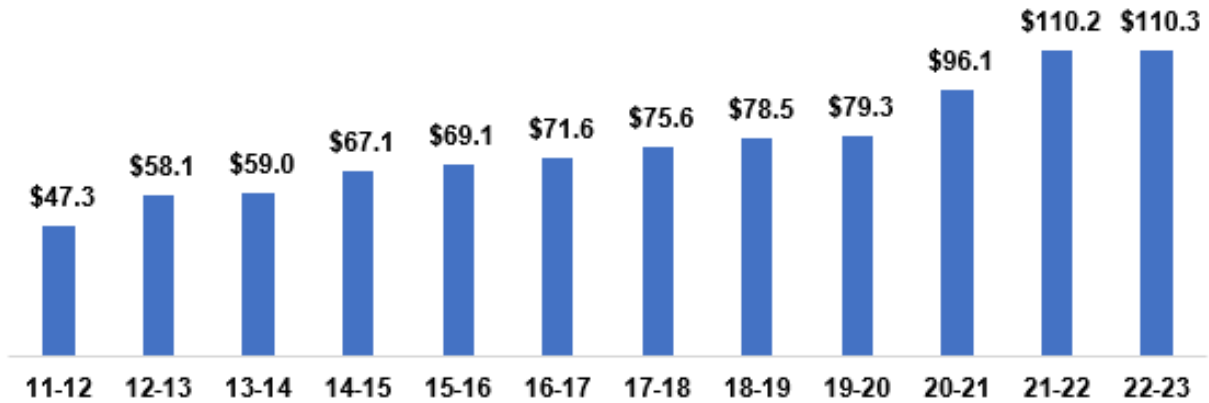
The budget projects Proposition 98 funding levels from the 2020-21 through 2022-23 fiscal years to increase by \$19.6 billion over the level estimated in the governor's proposed budget. Test 1 is projected to be operative for those fiscal years. The governor's budget had proposed re-benching the Test 1 percentage due to the expansion of transitional kindergarten (TK) and expected increase in enrollment. The May Revision updates the increased Test 1 percentage from approximately 38.4% to approximately 38.3%.

The significant increase in state revenues projected for 2020-21, 2021-22 and 2022-23 results in a corresponding increase in resources for K-14 schools. Proposition 98 is estimated to be:

- \$96.1 billion in 2020-21,
- \$110.2 billion in 2021-22, and
- \$110.3 billion in 2022-23.

As noted above, this represents a three-year increase in the minimum guarantee of \$19.6 billion over the level estimated in the governor's budget. These funding levels include property tax decreases of \$32 million in 2020-21, \$659 million in 2021-22 and \$804 million in 2022-23.

**Proposition 98 Funding
2011-12 to 2022-23**
(Dollars in Billions)



Source: Governor's 2022-23 May Revision Proposal

Proposition 98 Rainy Day Fund and Local District Cap on Reserves

The May Revision updates the projected total payments to the Public School System Stabilization Account between 2020-21, 2021-22 and 2022-23 from the Governor's Budget total of \$9.7 billion to \$9.5 billion. The decrease is due to the decrease in capital gains revenues as a share of total funds.

The statutory cap of 10% on school district reserves will become effective beginning in 2022-23. The cap applies in fiscal years immediately succeeding those in which the balance in the account is equal to or greater than 3% of the total K-12 share of the Proposition 98 Guarantee. The balance of \$7.3 billion in 2021-22 triggers school district reserve caps beginning in 2022-23.

School System Fiscal Stability

Local Control Funding Formula (LCFF)

The May Revision acknowledges the costs associated with the policies below are estimated to be \$3.3 billion ongoing Proposition 98 General Fund and \$463 million one-time Proposition 98 General Fund:

- Updates the cost-of-living (COLA) adjustment to 6.56% for 2022-23.
- Includes \$2.1 billion ongoing Proposition 98 General Fund to increase LCFF base funding to help address the fiscal impacts of rising pension obligations, increased costs for goods and services, and other ongoing local budget concerns.
- Includes \$101.2 million ongoing Proposition 98 General Fund to augment LCFF funding for county offices of education (COEs), which face similar cost pressures to school districts and charter schools.

- Includes further fiscal protections for schools that experienced significant attendance declines in 2021-22 due to the impacts of the delta and omicron surges.
- Proposes allowing all classroom-based local education agencies (LEAs) to be funded at the greater of their current year average daily attendance (ADA) or their current year enrollment adjusted for pre-COVID-19 absence rates in the 2021-22 fiscal year, enabling LEAs to use a modified version of 2021-22 ADA to determine their 2021-22 LCFF allocations.
- Proposes further modifying the three-year rolling average to conform with the adjustment.

Discretionary Block Grant

The May Revision includes \$8 billion one-time Proposition 98 General Fund in discretionary funds to address increased operational costs and respond to external pressures. These funds are allocated on a per-pupil basis. There is also specified intent that these funds will be used for purposes that include, but are not limited to, protecting staffing levels, addressing student learning challenges, and supporting the mental health and wellness needs of students and staff. It is not clear if these funds will go to only school districts or if to charter schools and COEs.

Student Centered Schools

Expanded Learning Opportunity Program (ELOP)

The May Revision adds \$403 million ongoing Proposition 98 General Fund, bringing the ongoing ELOP to \$4.8 billion and full funding implementation (four years ahead of schedule) of \$2,500 for every low-income, English-language-learner and foster-care youth student in the state.

Community Engagement Initiative

The May Revision adds \$100 million one-time Proposition 98 General Fund to expand the program to additional LEAs.

Community Schools Partnership Program

The May Revision proposes adding an additional \$1.5 billion one-time Proposition 98 General Fund to expand access to the community school grants to every eligible LEA that opts to apply on behalf of its high-need schools.

Pre-Kindergarten (PK) Education

The May Revision includes the following investment and programmatic changes:

- **State Preschool Family Fee Waivers:** Provides \$10.8 million one-time Proposition 98 General Fund for the 2022-23 school year and \$10.8 million one-time non-Proposition 98 General Fund to waive the family share of cost for children participating in the State Preschool Program.
- **State Preschool Funding Hold Harmless:** Allows State Preschool Program contractors to receive full funding allocated to them pursuant to their contracts, regardless of student attendance.
- **State Preschool Program Adjustment Factors for Students With Disabilities and Dual Language Learners:** Adds \$4 million for a total of \$201.8 million Proposition 98 General Fund and adds \$30 million for a total of \$140.6 million General Fund.

- **Local Assignment Option for TK Teachers:** Temporarily allows qualified teachers to teach TL until June 30, 2026. Qualified means:
 - holds a preschool teaching permit,
 - holds a bachelor’s degree,
 - meets basic skills requirement, and
 - is enrolled in coursework leading to assignment as the teacher of record in a credential.

The May Revision also adjusts the cost to expand eligibility for TK from \$639.2 million to \$614 million General Fund, creating a \$25.2 million reduction.

Child Nutrition

The May Revision adds \$611.8 million ongoing Proposition 98 General Fund for the state meal reimbursement rate to maintain reimbursement rates beginning in 2022-23. It also shares that if the federal waiver is extended, any unused state funding for rate increases in 2022-23 would instead be made available for school kitchen infrastructure grants.

Well-Prepared Educator Workforce Investments

Teacher and School Counselor Residencies

The May Revision provides \$500 million one-time Proposition 98 General Fund to expand residency slots for teachers and school counselors. It also proposes a statute to expand eligibility for the Golden State Teacher Grant Program to school counselor, social worker and psychologist candidates.

Educator Support for Science, Technology, Engineering and Mathematics (STEM) Instruction

The May Revision includes \$85 million one-time Proposition 98 General Fund to create PK through grade 12 educator resources and professional learning to implement STEM instruction and support the alignment of other state STEM educator support initiatives. It also includes \$300 million one-time Proposition 98 General Fund for LEAs to prioritize STEM educator support and professional learning through the Educator Effectiveness Block Grant.

The May Revision also provides, over a three-year period, \$15 million one-time General Fund to continue the work focused on computer science and \$15 million one-time Proposition 98 General Fund focused on support for special education and English-language-learner students in the Educator Workforce Investment Grant Program.

Developmental Disabilities Screening

The May Revision provides a reminder of the creation of the dyslexia screening tool. Once these tools have been validated, the Newsom Administration intends for all educators across the state to have access to them, be broadly utilized, and be trained in how to use them appropriately to identify students with dyslexia and other processing disorders.

K-12 School Facilities

K-12 Facilities

The May Revision adds \$1.8 billion General Fund to support new construction and modernization projects through the School Facility Program with the following allocation:

- \$2.2 billion one-time General Fund in 2021-22,
- \$1.2 billion one-time General Fund in 2023-24, and
- \$625 million one-time General Fund in 2024-25.

The new \$1.8 billion would begin in 2023-2024, assuming the \$3.9 billion is sufficient to be sustained for 2021-22 and 2022-23.

The May Revision also includes approximately \$1.8 billion one-time Proposition 98 General Fund for deferred maintenance and assumes the Office of Public School Construction continues to process applications according to its existing capacity. Every district or charter school that is in a district-owned facility would get a minimum of \$100,000 and the remainder would be distributed to LEAs and county offices based on unduplicated pupil counts.

Major K-12 Budget Adjustments

This section highlights the budget’s significant adjustments to various educational programs outside of LCFF.

Issue	Proposal
Local Property Tax Adjustment	Decrease: \$127.8 million ongoing Proposition 98 General Fund for school districts and COEs in 2021-22, and a decrease of \$1.4 billion ongoing Proposition 98 General Fund for school districts and COEs in 2022-23, as a result of increased offsetting property taxes.
COLA	Increase: \$295 million ongoing Proposition 98 General Fund to reflect a 5.33% COLA for categorical programs that remain outside of LCFF.
Model Curriculum	Increase: \$14 million one-time Proposition 98 General Fund to support COEs in developing model curricula related to various ethnic studies.
COEs	Increase: \$11.5 million ongoing Proposition 98 General Fund to reflect a 5.33% COLA and ADA changes applicable to LCFF.
Agricultural Career Technical Education Incentive Grant	Increase: \$2 million ongoing Proposition 98 General Fund to support an augmentation to the grant program.
Instructional Quality Commission	Increase: \$246,000 one-time General Fund for the Instructional Quality Commission to continue its work on curriculum frameworks.

Other Significant Adjustments

Issue	Proposal
Classified School Employee Summer Assistance Program	Increase: \$80 million ongoing Proposition 98 General Fund for this program which provides supplemental pay for classified staff during intersessional months when they are not employed.
ELOP	Increase: \$63 million one-time Proposition 98 General Fund to integrate arts and music programming into the enrichment options for students.
Categorical Program COLAs	Increase: \$62.1 million Proposition 98 General Fund to selected categorical programs for 2022-23 to reflect a change in COLA.
K-12 Teacher Residency Program Technical Assistance Center	Increase: \$20 million one-time Proposition 98 General Fund to support a technical assistance center.
Accelerated Reading Support	Increase: \$15 million one-time Proposition 98 General Fund over three years to support 6,000 teachers in completing the coursework necessary to receive a supplementary state certification in reading and literacy.
Center on Teaching Careers	Increase: \$1.7 million one-time Proposition 98 General Fund to Tulare COE to support the educator recruitment.
California School for the Deaf, Riverside: Athletic Complex Replacement and Expansion	Increase: \$2.5 million General Fund for the study and preliminary plans phases of an overall \$43.1 million General Fund project to replace all outdoor sports fields and add a stand-alone practice soccer field at the Riverside School for the Deaf.

Child Care

The May Revision includes \$6.3 billion (\$2.7 billion General Fund) for child care programs, including continued support for a multi-year commitment to rate increases and supplemental funding to providers in the first collective bargaining contract ratified last year. It also continues the commitments to expand child care access by 200,000 slots by 2025-26 by including:

- \$270 million for 36,000 additional subsidized slots compared to 2021-22.
- \$413 million to support a full year of rate increases while striving toward a single reimbursement rate structure while supporting positive learning and developmental outcomes for children.

Temporary Extension of Child Care and Preschool Family Fee Waivers

The May Revision includes \$136 million one-time federal funds for the California Department of Social Services and \$21.3 million one-time General Fund (\$10.8 million Proposition 98 General Fund, \$10.5 million General Fund) for the California Department of Education to waive family fees for state-subsidized preschool and child care and development services from July 1, 2022, through June 30, 2023.

Significant Adjustments

Issue	Proposal
Child Care and Development Infrastructure Grant Program Augmentation	\$200.5 million (\$100 million General Fund, \$100.5 million federal funds) in 2022-23 for minor renovation and repair focused on child care deserts and low-income communities.
Hold Harmless: Reimbursement for Authorized Hours of Care	Reimburse voucher-based child care providers and preschool providers for authorized hours of care, who otherwise would be reimbursed for actual hours of care, from July 1, 2022, through June 30, 2023, with \$114 million (\$6 million General Fund, \$108 million federal funds).
Alternative Payment Program (APP) Capacity Grant.	\$20 million General Fund to assist APPs in developing capacity to serve additional slot commitments.

Youth Behavioral Health

Addressing Needs and Emergent Issues in Children’s Behavioral Health

The May Revision includes \$290 million General Fund one-time investments to implement a multi-pronged approach to address the urgent youth mental health crisis. The funding will also establish a center for innovative new technologies to improve youth mental health.

Youth Suicide Prevention Program

The May Revision includes \$40 million General Fund to develop and implement a data-driven, targeted and community-based youth suicide prevention program for those at increased risk.

Crisis Response

The May Revision includes \$50 million to provide grants to pilot school and community-based crisis response and supports following a youth suicide or attempt, as well as pilot a new approach of designating youth suicide and attempts as a reportable public health event, which would trigger screening and resource connections at the local level.

Support Wellness and Build Resilience of Children, Youth and Parents

The May Revision includes the following programs and investments to support wellbeing:

Issue	Proposal
Wellness and Mindfulness Programs	\$85 million, over two years, for grants for wellness and mindfulness programs in schools and communities and expansion of parent support and training programs.
Video Series	\$15 million to develop and distribute a video series for parents to build their knowledge, tools and capacity to support the behavioral health of their children.
Career Development	\$25 million to identify and support the early career development of 2,500 highly talented and culturally diverse high school students interested in mental health careers.
Assessment and Intervention	\$75 million for next-generation digital supports for remote and metaverse-based mental health assessment and intervention.
LGBTQ+ Youth	\$5 million for grants to county behavioral health and experienced community-based organizations to partner to improve capacity, training and culturally responsive care to the unique needs and protections of LGBTQ+ youth.

Other

Extreme Heat

The May Revision informs that the Extreme Heat Action Plan, as part of the Climate Resilience Package enacted in the 2021 Budget Act, was released in April 2022. Of the \$300 million proposed allocation outlined in the action plan, \$220 million, over two years, is to support cooling of communities at schools and through resilience centers.

Vaccine Testing

As part of the SMARTER Plan, the May Revision includes \$530 million in 2022-23 to support school testing with end-to-end vendors and laboratory network costs and continue rapid testing and treatment sites.

K-12 and Interpretive Program Enrichment

The May Revision provides \$15 million one-time General Fund for outdoor environmental education and access programming through the expansion of existing K-12 programs for underserved youth statewide.

K-12 ADA

The May Revision shows a percentage growth of 1.55% up from January’s percentage growth of 0.03%.

School Buses

The May Revision does not mention the \$1.5 billion in Proposition 98 General Fund for school buses, so it is assumed that there are no changes to the program as it was seen in the Governor’s January Proposal. We anticipate seeing additional information on this through trailer bill language

YPICS:

All YPICS schools completed their LAUSD Oversight visits on the following dates:

- MORCS: May 18, 2022
- BCCHS: May 24, 2022
- BCCS: May 31, 2022

We are thankful for the support of Board Members (Board Chair, Mary Keipp; Board Treasurer, Michael Green; and Board Secretary, Sandra Mendoza) who attended the visits alongside the schools. Additionally, we are deeply appreciative of Yolanda Jordan, LAUSD Specialists for taking on the YPICS schools due to the leave by the regular CSD Specialists. The Board can expect to receive the school reports in July. The CSD team has 6 weeks to complete reports.

Distance Learning

Last year, the Board of Directors approved a contract with Edgenuity to serve up to 20% of our students remotely through an Independent Study. The 2020-21 school year ended with half of our students electing to return for in-person instruction. In the beginning of the 2021-22 school year, it was unknown how many students would choose to return to in-person instruction. In August 2021, YPICS had about 32 students enrolled with Edgenuity.

Currently, YPICS has 20 students enrolled online. The minimum number of students one teacher can service is 24 students.

At this time, the future of distance learning is unknown. With the state and LAUSD extending the deadline for student COVID-19 vaccinations, it is likely the demand for distance learning will be low. Public health numbers continue to be low, but a spike over the summer is possible following historical trends. A decision on the future of distance learning will be made over the next couple of weeks.

COVID-19 Testing

The Health Resources and Services Administration (HRSA) Uninsured Program (UIP) stopped accepting claims due to a lack of sufficient funds on March 22, 2022. Based on the number of students that were uninsured at that time.

As of June 6, 2022, YPICS has not received a bill for COVID-19 testing from CoVerfiy. It appears that despite losing Federal funding, [California is still testing uninsured residents for COVID-19 for the time being](#). It appears the state has funding set aside for uninsured Californians and school testing. The demand for testing has also dropped considerably across the state with the improved public health conditions. As part of the SMARTER Plan, the May Revision of the Governor's budget includes \$530 million in 2022-23 to support school testing with end-to-end vendors and laboratory network costs and continue rapid testing and treatment sites.

LCAP Update

Assembly Bill (AB) 130 (Chapter 44/2021)—Section 124 (e)—requires local educational agencies (LEAs) to present “an update on the annual update to the 2021-22 LCAP and budget overview for parents on or before February 28, 2022. The LCAP Update was presented to the board during the February 28, 2022 board meeting.