



## ***EXECUTIVE DIRECTOR'S REPORT***

**February 6, 2023**

*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.*

### **National:**

Mental Health

***From School Services of California –***

“School-Based Mental Health Funds Available”

posted October 4, 2022

The U.S. Department of Education (ED) announced new mental health grant programs as part of the Bipartisan Safer Communities Act (BSCA) efforts to increase access for students to mental health services. The BSCA includes millions in investments over the next five years in the School-Based Mental Health Services (SBMH) and the Mental Health Service Professional Demonstration (MHSP) grants, both aimed at providing funding to hire credentialed mental health professionals and to develop partnerships between schools and training institutions to provide services to students from diverse backgrounds and in multiple languages.

There will be upcoming informational webinars available for each program in the coming weeks (October 11 and 19 for [SBMH](#) and October 12 and 18 for [MHSP](#)).

The SBMH and the MHSP grants are part of the \$1 billion in BSCA [Stronger Connections](#) funds announced in late September. The ED outlined three principles for how local educational agencies (LEAs) could use these funds:

1. Creating positive, inclusive, and supportive school environments; and increasing access to place-based interventions and services
2. Engaging students, families, educators, staff, and community organizations in the selection and implementation of strategies and interventions to create safe, inclusive, and supportive learning environments
3. Designing and implementing policies and practices that are responsive to underserved students, protect student rights, and demonstrate respect for student dignity and potential

The California Department of Education will need to develop a competitive grant process to award more than \$119 million in funds in competitive grants to LEAs. More information about the BSCA Stronger Connections grant program can be found [here](#).

## Inflation Update

### *From School Services of California –*

“CPI Indicates Inflation is Slowing”

posted January 12, 2023

The U.S. Bureau of Labor and Statistics released the most current Consumer Price Index (CPI) today, January 12, 2023. For the month of December, the seasonally adjusted CPI decreased 0.1%, with lower gasoline prices being the most significant factor driving the decrease. The unadjusted 12-month CPI increased by 6.5%.

The CPI measures the change in prices paid for goods and services as well as the spending patterns of consumers. The CPI is based on prices of food, clothing, shelter, fuel, transportation, doctors' visits, and other goods and services that people buy on a day-to-day basis across the country. For analysis of the month-to-month trends, the data is seasonally adjusted to consider factors that normally occur at the same time each year, such as weather events and holidays. The unadjusted data is reflective of the prices actually paid by the consumer.

The lower price for gasoline was by far the largest contributor to the decrease as the cost for electricity, natural gas, and food all increased for the month of December. Over the past 12 months, gasoline costs decreased 1.5% while electricity increased 14.3%, natural gas increased 19.3%, and food increased 10.4%.

The most current data is certainly good news indicating that inflation is slowing, although consumers are still feeling the effects in their daily lives. While CPI is not the measure used to determine the cost-of-living adjustment (COLA) for public education, trends in CPI reliably reflect trends in the implicit price deflator. The Governor's Budget includes an assumed 8.13% COLA for public education for the 2023-24 school year.

## **State:**

2023-204 Budget Update

*From School Services of California –*

“Governor’s Proposals for the 2023-24 State Budget and K-12 Education”  
[Board Presentation](#) (PDF)

*From California Association of School Business Officials (CASBO) –*

“Governor Newsom Releases the 2023-2024 State Budget Proposal”

posted January 10, 2023

Governor Gavin Newsom released the [2023-24 state budget proposal](#) that focuses on resiliency and protecting existing investments, while emphasizing the use of one-time funding. The budget proposal forecasts General Fund revenues will be \$29.5 billion lower than the 2022 Budget Act projections, and California now faces an estimated budget gap of \$22.5 billion in the 2023-24 fiscal year.

### **K-12 Highlights**

- \$108.8 billion Proposition 98 General Fund
- 8.13 percent cost-of-living adjustment (COLA)
- \$1.2 billion reduction from the Arts, Music, and Instructional Materials Discretionary Block Grant that was included in the 2022 Budget Act, going from \$3.5 billion to \$2.3 billion
- \$750,000 ongoing Proposition 98 General Fund to support the professional development of local educational agencies’ (LEAs) Chief Budget Officers through mentorship programming by the Fiscal Crisis and Management Assistance Team (FCMAT)

### **Trailer Bill Language**

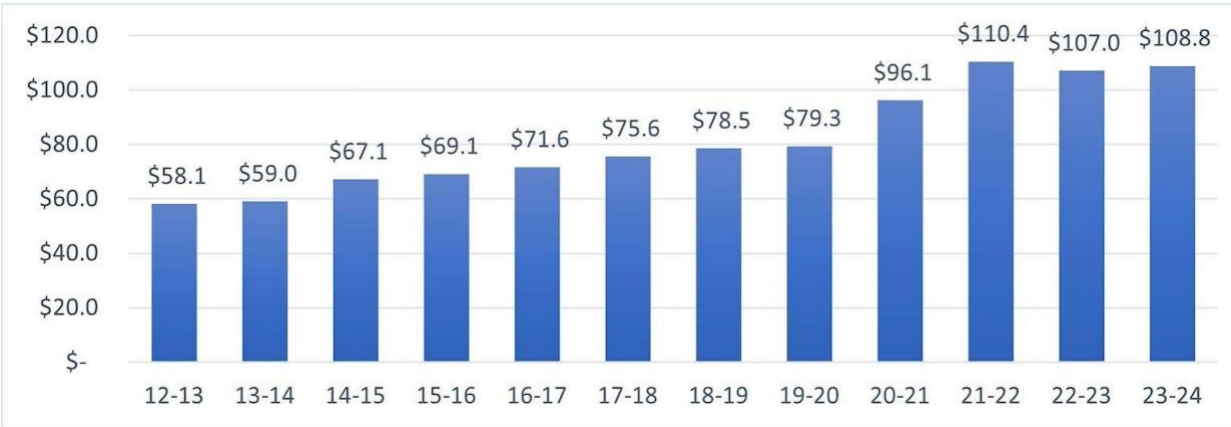
Additional details will be released as part of the trailer bill language in the weeks to come. CASBO will analyze the Administration’s budget proposals and provide recommendations and position statements during this year’s budget deliberation process.

### **Proposition 98 General Fund**

Proposition 98 funding is \$108.8 billion, a decrease of about \$1.5 billion from last year’s budget. The Guarantee continues to be in Test 1 for all years 2021-22 through 2023-24 and is “rebenched” from 38.3 percent to 38.6 percent to accommodate enrollment increases for the implementation of Universal Transitional Kindergarten (UTK). Beginning in 2024-25, the Proposition 98 Guarantee will be “rebenched” according to the requirements of the Arts and Music in Schools—Funding Guarantee and Accountability Act.

The budget includes total funding of \$128.5 billion (\$78.7 billion in the General Fund and \$49.8 billion in other funds) for all K-12 education programs. K-12 per-pupil funding totals \$17,519 per Proposition 98 General Fund and \$23,723 per pupil when accounting for all funding sources.

**Proposition 98 Funding  
2012-13 to 2023-24  
(Dollars in Billions)**



*Source: Governor's 2023-24 Budget Proposal*

**Proposition 98 Rainy Day Fund**

Due to a decrease in capital gains revenues, and a projected deposit of \$366 million in 2023-24, the total balance of the PSSSA has decreased to \$8.5 billion, down from the \$9.5 billion projected in the 2022 Budget Act.

The balance of \$8.1 billion in 2022-23 continues to trigger school district reserve caps in 2023-24.

**Local Control Funding Formula (LCFF)**

One of CASBO's priorities is for the state to fund the statutory cost-of-living adjustment (COLA). We recommended to the Administration that before considering new programs/priorities, the state fund existing obligations, including providing the statutory COLA for the LCFF and other programs outside of the LCFF that receive a COLA.

There is a decline of 2.2 percent average daily attendance (ADA), which brings the total LCFF funding to \$80.1 billion in 2023-24. The budget proposes an LCFF COLA of 8.13 percent, an increase of \$4.2 billion. For the state to fund this COLA, the budget provides about \$613 million in one-time funding in 2022-23 and about \$1.4 billion in one-time funding for 2023-24.

**LCFF Equity Multiplier and Accountability Improvements**

It is estimated that LCFF for annual supplemental and concentration grant funding, is \$13.4 billion. The budget proposes \$300 million ongoing Proposition 98 General Fund to create an equity multiplier as an add-on to the LCFF, intended to close opportunity gaps. Without providing the details of what the targeted methodology will be, these funds will be allocated based on a school-site eligibility and is intended to support the highest-needs schools. We anticipate the funding being allocated to LEAs with schools serving high concentration of students eligible for free meals (90% or more free meal eligibility for elementary and middle schools and 85% or more free meal eligibility for high schools) and LEAs would be required to use those funds on services and support

that directly benefit those eligible schools, along with providing stakeholder engagement for the use of the funds.

We will share more information once trailer bill language is released but, in the meantime, we anticipate that there will be a requirement for LEAs, where student group performance is low based on the school dashboard indicator at the school level, to include specific actions, goals, and funding in both the LCAP and LEA budget, as well as subsequent evaluations that include stakeholder input. The LCAP review and approval process will be adjusted accordingly. Changes will also be made to the LCAP planning process to equip community members on how to use the dashboard.

The budget does share that there will be changes to the accountability and continuous improvement system through the Local Control and Accountability Plan (LCAP) and Differentiated Assistance (DA) based on research and data evaluations. We anticipate trailer bill language that will tie the Local Control Accountability Plan (LCAP), dashboard, and the state system of support.

### **Literacy**

The budget adds \$250 million one-time Proposition 98 General Fund to the existing Literacy Coaches and Reading Specialist Grant Program to continue helping improve the quality of reading for students. It also includes a \$1 million one-time General Fund to create a Literacy Roadmap to better help educators understand how to use existing resources.

### **Transportation**

The budget provides \$238,000 General Fund, for the school bus driver training program, of which \$138,000 is ongoing.

### **Special Education**

Another CASBO budget priority is special education and we recommended to the Administration that future COLA for special education, through the AB 602 formula, be treated the same as the LCFF to ensure that the staff and programs supported through this allocation are not disproportionately affected. We believe these funds will make progress toward equalizing funding rates.

We are pleased to see an increase of \$669 million ongoing Proposition 98 General Fund to reflect an 8.13 percent COLA for categorical programs that remain outside of the LCFF, including special education. This increases the ADA rate to about \$886.

The Administration continues to prioritize special education and the budget includes some programmatic changes including:

- Limiting the amount of additional funding that Special Education Local Plan Areas (SELPAs) are allowed to retain for non-direct student services before allocating special education base funding to their member local educational agencies (LEAs).
- Stabilizing current SELPA membership by extending the moratorium on the creation of new single-district SELPAs by two years from June 30, 2024, to June 30, 2026.

- Increasing fiscal transparency by requiring the California Department of Education (CDE) to post each SELPA’s annual local plan on its website, including its governance, budget, and services plans.

### **Educator Workforce**

Another CASBO budget priority is addressing staff shortages. CASBO recommended suspending certain requirements and bringing back, for a short-term, hiring flexibilities for retirees.

The budget highlights the multi-year investments made to address the educator shortages in the 2021 and 2022 Budget Act and expresses the commitment to continue funding those programs.

### **Arts and Cultural Enrichment**

The budget acknowledges the passage of Proposition 28 (Arts and Music in Schools—Funding Guarantee and Accountability Act) and provides about \$941 million from the General Fund for this purpose. In return, the budget reduces \$1.2 billion from the Arts, Music, and Instructional Materials Discretionary Block Grant that was included in the 2022 Budget Act, going from \$3.5 billion to \$2.3 billion, which is intended to help cover LCFF costs.

The budget also includes a \$100 million one-time Proposition 98 General Fund (about \$100-200 per high school senior in a public school) to provide cultural enrichment experiences. Details around this proposal are still being developed.

### **Budgetary Reserves**

The Budget reflects \$35.6 billion in total budgetary reserves. These reserves include \$22.4 billion in the Budget Stabilization Account. The reserve total also includes:

- \$8.5 billion in the Public School System Stabilization Account (PSSSA),
- \$3.8 billion in the state’s operating reserve – the Special Fund for Economic Uncertainties
- \$900 million in the Safety Net Reserve

To help close the \$22.5 billion budget gap, the budget reflects the following:

- \$7.4 billion in funding delays
- \$5.7 billion in reductions and pullbacks
- \$4.3 billion in fund shifts, specific to the California State University, bonds to cash projects, and zero-emission vehicle commitments
- \$3.9 billion in trigger reductions, primarily in climate and transportation, housing, parks, and workforce training (\$55 million)
- \$1.2 billion in limited revenue generation and borrowing

The budget does not project a recession; however, the volatility of revenue conditions may change in the coming months. The Administration acknowledges if that is the case, they can propose to withdraw from reserve accounts as well as additional program reductions.

The budget also provides the following measures to close projected shortfalls in the coming years:

- \$7 billion to address inflationary adjustments, which were scheduled over 2024-25 and 2025-26, are now withdrawn.

- \$4 billion in supplemental deposits to this reserve account had been scheduled over 2024-25 and 2025-26. These are now withdrawn.
- \$4 billion in additional deposits to the Safety Net Reserve had been scheduled in 2024-25 and 2025-26. These are now withdrawn.
- \$2.1 billion in General Fund had been scheduled to reduce lease revenue bond liability in 2022-23 through 2025-26, which is reverted to lease revenue bond funds to pay for capital projects.
- \$1.7 billion in General Fund, which had been scheduled in 2024-25 to reduce General Obligation bond liability through the redemption of callable bonds, is now withdrawn.

## General Fund

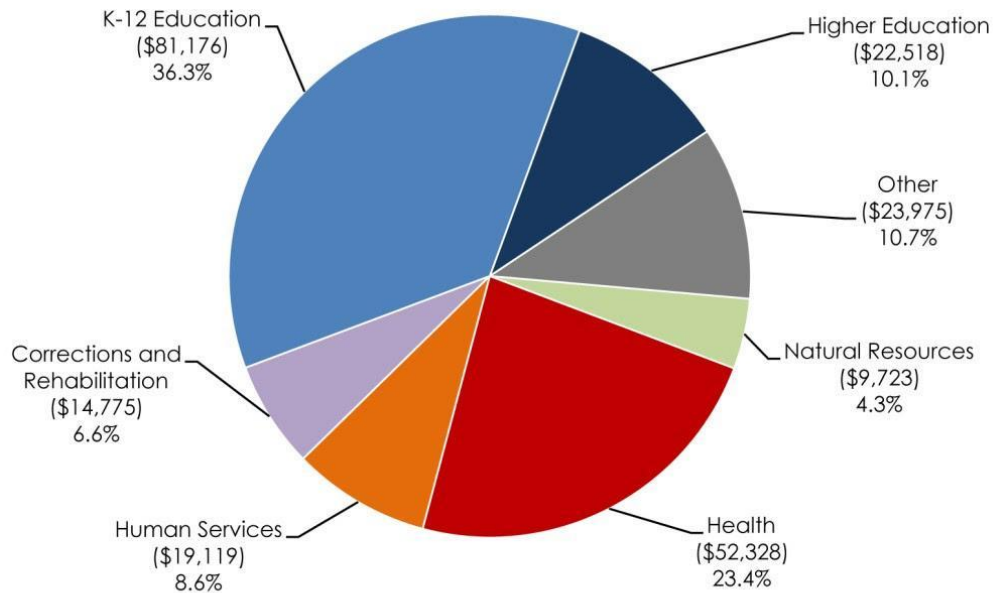
### 2023-24 Governor's Budget General Fund Budget Summary (Dollars in Millions)

	<b>2022-23</b>	<b>2023-24</b>
<b>Prior Year Balance</b>	\$52,713	\$21,521
Revenues and Transfers	\$208,884	\$210,174
<b>Total Resources Available</b>	<b>\$261,597</b>	<b>\$231,695</b>
Non-Proposition 98 Expenditures	\$160,973	\$143,060
Proposition 98 Expenditures	\$79,103	\$80,554
<b>Total Expenditures</b>	<b>\$240,076</b>	<b>\$223,614</b>
<b>Fund Balance</b>	<b>\$21,521</b>	<b>\$8,081</b>
Reserve for Liquidation of Encumbrances	\$4,276	\$4,276
Special Fund for Economic Uncertainties	\$17,245	\$3,805
<b>Public School System Stabilization Account</b>	<b>\$8,108</b>	<b>\$8,473</b>
<b>Safety Net Reserve</b>	<b>\$900</b>	<b>\$900</b>
<b>Budget Stabilization Account/Rainy Day Fund</b>	<b>\$21,487</b>	<b>\$22,398</b>

Note: Numbers may not add due to rounding.

*Source: Governor's 2023-24 Budget Proposal*

**2023-24  
General Fund Expenditures**  
(Dollars in Millions)



*Source: Governor's 2023-24 Budget Proposal*

**Attached Materials**

**Governor's Budget Summary  
K-12 Education Summary  
Education Budget Agency Report**

**In-Person Board Meeting**

Governor Newsom announced that the COVID-19 state of emergency will end on February 28, 2023. The Los Angeles City Council voted to end the city's state of emergency due to COVID-19 on February 1, 2023. Per our legal counsel, if and when the state of emergency ends, agencies will no longer be able to trigger AB 361's remote meeting procedures in reliance on that COVID-19 emergency. Assuming Governor Newsom does not make any changes to the end of the state of emergency next month, the YPI Charter Schools will need to meet in person at the next board meeting on March 27, 2023.

The following is guidance from legal counsel:

Beginning January 1, 2023, Assembly Bill 2449 (AB 2449) also allows individual board members to participate in meetings remotely during "emergency circumstances," such as physical or family medical emergencies, or for "just cause," including childcare or caregiving needs, contagious illness, a disability, or travel on official agency business. Unlike the traditional teleconference rules, AB 2449 allows a board member to remotely participate without as much pre-planning. The board member's teleconference location



does not need to be posted on the meeting notice or agenda and does not have to be open to the public.

Janelle Ruley will provide specific guidance and training on changes in law during the Brown Act Training on 2/6/2023.

### **District:**

#### **New LAUSD Board President**

Jackie Goldberg, has been elected to serve as the Board President of the Los Angeles Board of Directors. Goldberg has served as the Los Angeles Board of Education president 40 years ago and also served on the L.A. City Council and in the state Legislature. The board elected Scott Schmerlson as vice president, replacing Nick Melvoin.

### **YPICS:**

#### **Oversight Visits:**

- MORCS 4/14/23
- BCCS 4/18/23
- BCCHS

#### **YPICS Professional Development Days:**

**On January 6, 2023**, YPICS Leadership Teams had an opportunity to complete a Districtwide Data walk session which Eva Maria Chaves, YPICS Community Schools Grant evaluator, facilitated. As a result, school leaders had a chance to review, reflect, and think about the next steps after discussing the data at an organizational level before working together in school-level teams to have data chats, set goals, and start the action plan.

**Monday, January 9, 2023**, departments (instructional, school culture & climate, and operations) had an opportunity to review all benchmark and organizational data. Data chats were held, goals were reviewed, and purposes were reset based on the data outcomes. Teachers and staff members were provided time to work in teams, and both were allowed time to create an updated action to respond to the data. All worked on the next steps, lesson/unit plans were revised, revision in after-school programming was made, and systems and fidelity to implementation of programs were discussed. Each school completed the day with an action plan to move forward executing for the second semester.

#### **Charter Renewals**

Pursuant to [\*Education Code Section 47607.4\*](#), all charter schools whose term expires on or between January 1, 2022, and June 30, 2025, shall have their term extended by two years. Given this extension, Monseñor Oscar Romero is up for the renewal of its petition.

YPICS is working with Janelle Ruley of Young, Minney & Corr to ensure our charter petition is in compliance and ready for submission in July. As of February 06, 2023, LAUSD has not released guidelines for the submission of charter renewals.