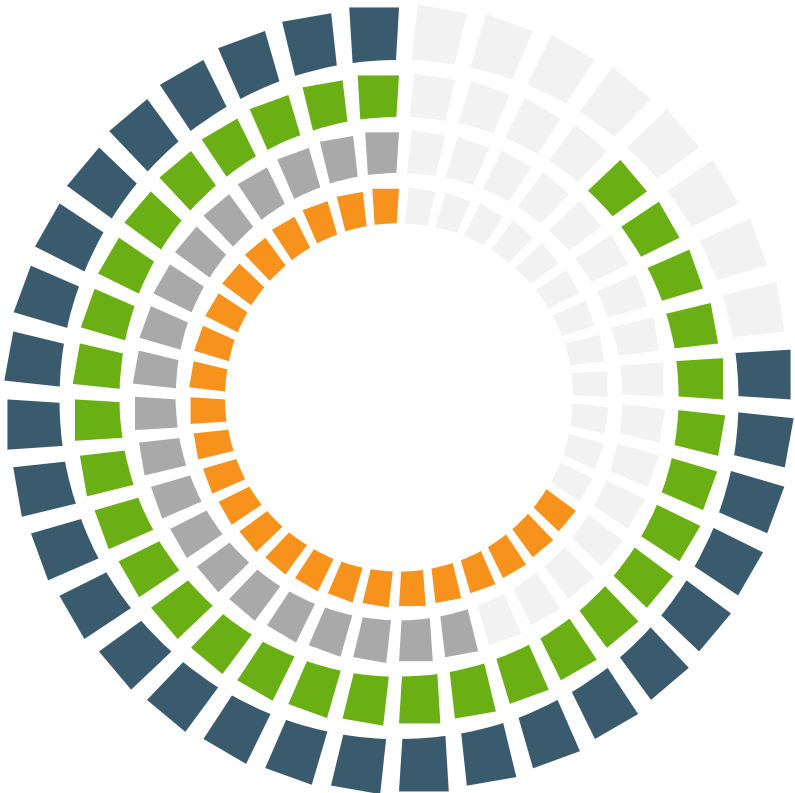




Governor's Proposals for the 2023-24 State Budget and K-12 Education

2023-24 LCFF Overview



8.13%

Statutory COLA

\$4.7 billion

New

Equity Multiplier

In conjunction with accountability improvements, intended to augment resources to support highest-needs schools

\$5.04

Billion

Total 2023-24 LCFF funding increase, **utilizing \$1.4 billion in one-time funding**

\$\$

Categorical Programs

COLA also applied to other educational programs funded outside of the LCFF

2023-24 LCFF Funding Factors

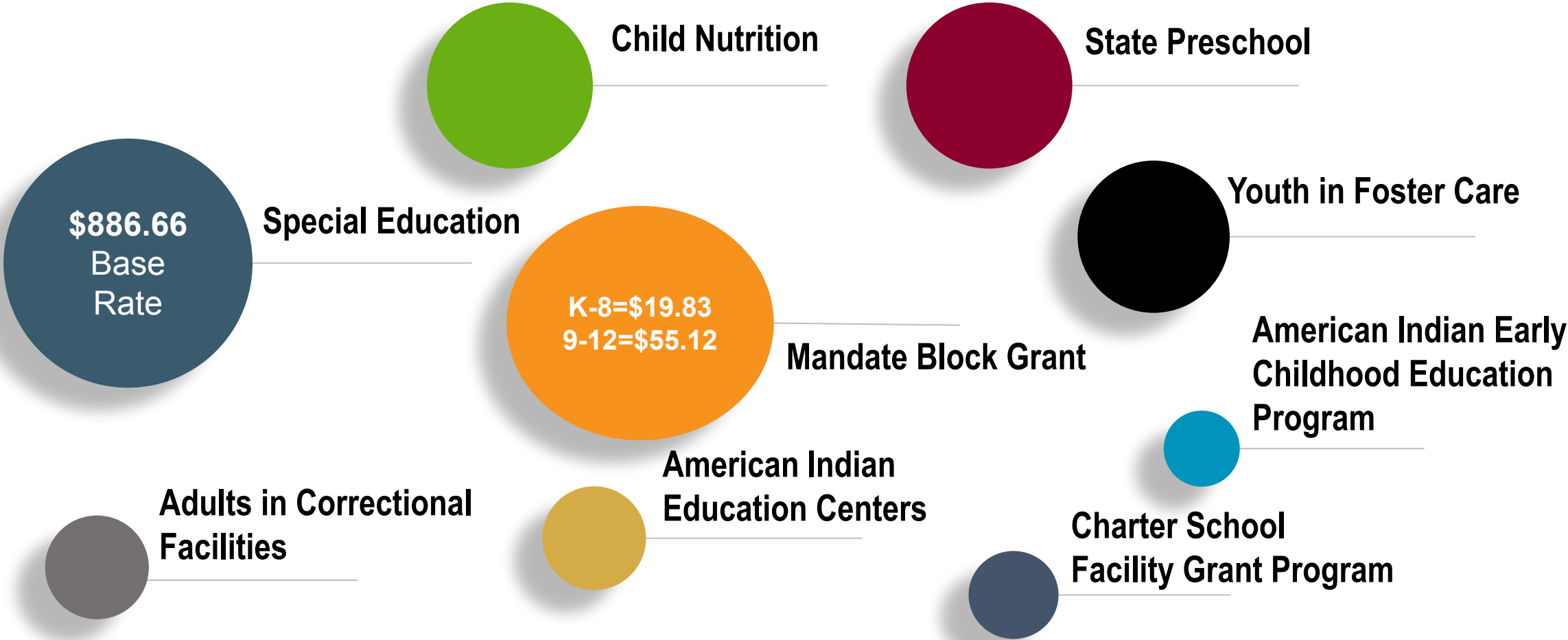
Grade Span	TK	K-3	4-6	7-8	9-12
2022-23 Base Grant per ADA	\$9,166	\$9,166	\$9,304	\$9,580	\$11,102
8.13% COLA	\$745	\$745	\$756	\$779	\$903
2023-24 Base Grant per ADA	\$9,911	\$9,911	\$10,060	\$10,359	\$12,005
GSA	\$1,031	\$1,031	–	–	\$312
TK add-on (inclusive of COLA)	\$3,042	–	–	–	–
2023-24 Adjusted Base Grant per ADA	\$13,984	\$10,942	\$10,060	\$10,359	\$12,317
20% Supplemental Grant per ADA ¹	–	\$2,188	\$2,012	\$2,072	\$2,463
65% Concentration Grant per ADA ²	–	\$7,112	\$6,539	\$6,733	\$8,006

¹Maximum amount per ADA—to arrive at LEA’s grant amount, multiply adjusted base grant per ADA by 20% and UPP

²Maximum amount per ADA—to arrive at LEA’s grant amount, multiply adjusted base grant per ADA by 65% and UPP above 55%

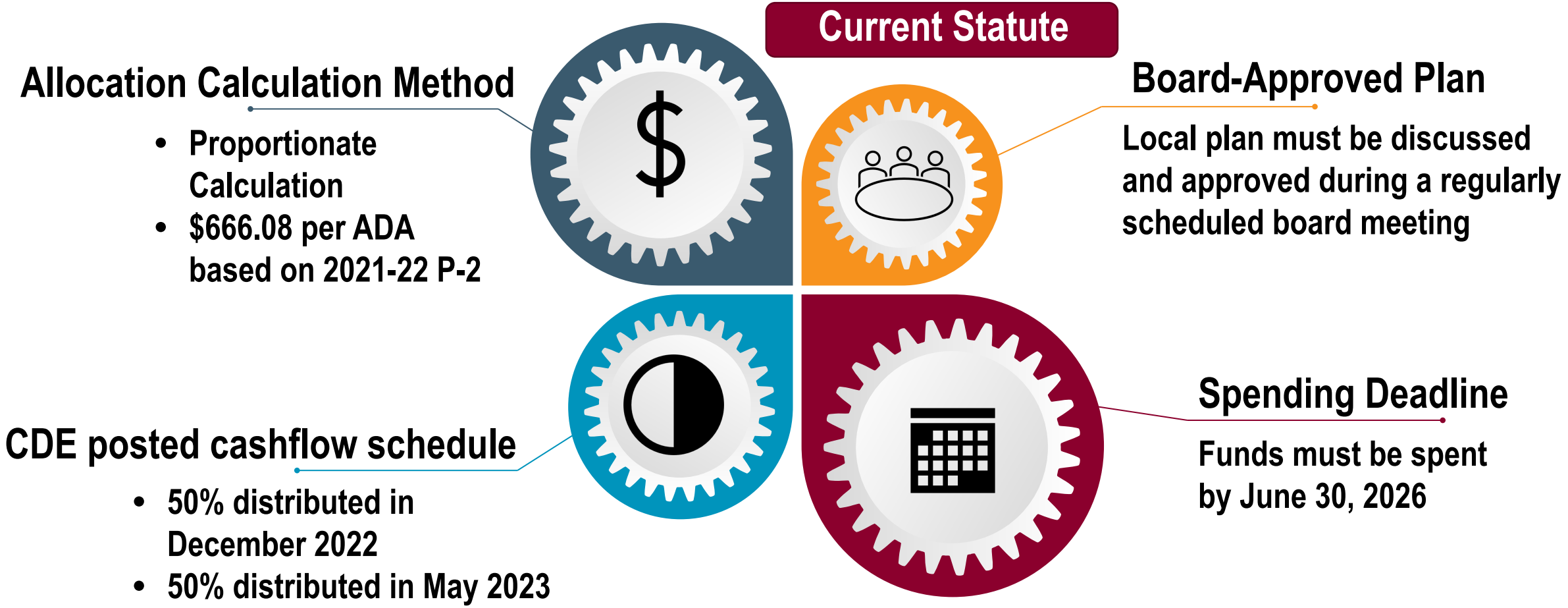
Categorical Program COLA

The Governor's Budget includes an additional \$669 million in Proposition 98 funding for a 8.13% COLA for multiple programs outside of the LCFF



Arts, Music, and Instructional Material Block Grant—Proposed Funding Reduction

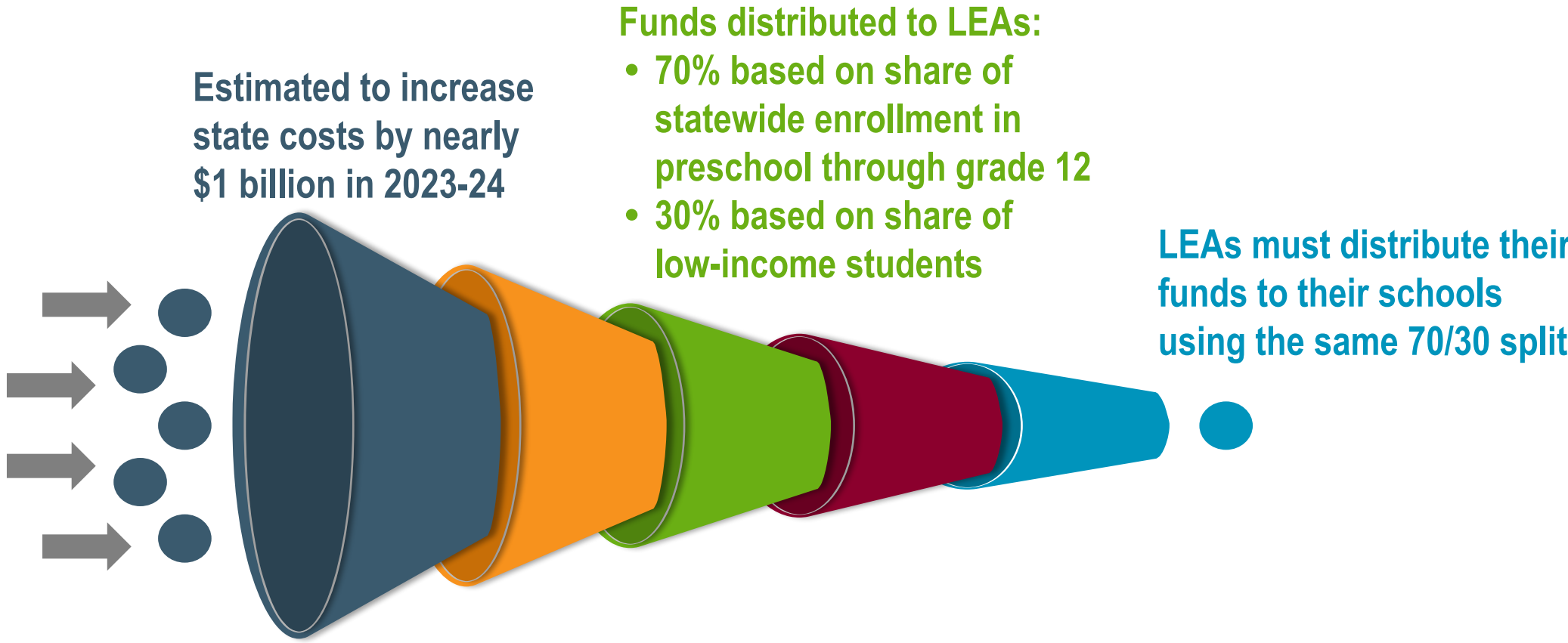
The Governor’s Budget proposes a \$1.2 billion reduction in the \$3.5 billion one-time funding provided in the 2022-23 Enacted Budget package, bringing the appropriation down to \$2.3 billion



Proposition 28: Arts and Music in Schools—Funding Guarantee and Accountability Act

Beginning with the 2023-24 fiscal year, requires the state to provide additional, dedicated funding originating outside of Proposition 98 for arts and music education

The annual amount is equal to 1% of the prior-year Proposition 98 minimum guarantee



See “[Proposition 28 Estimates for LEAs](#)” in the November 2022 *Fiscal Report*, for allocation estimates by school site for each LEA

What's *Not* in the Proposed Budget?

Myriad Categorical Programs

This Governor's Budget lacks the litany of one-time and ongoing new categorical programs as nearly all revenues are needed to maintain current programs



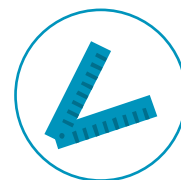
Pension Relief

While Governor Newsom applauds the paydown of pension debt in past years, no relief is provided as CalPERS rates increase and CalSTRS rates remain high



Reserve Withdrawal

The Governor is holding back on using Rainy Day funds, but may need to play that card if economic conditions worsen



Covid-Related Relief

A first since May 2020, not a single K-12 proposal appears tied to the COVID-19 pandemic



Final Thoughts

- **The Governor's proposals are largely to be expected in a softening economy, with a focus on maintaining programs instead of creating new ones**
- **However, new categorical requirements in 2023-24 and reduced flexible funding will be difficult to manage when LEAs are continuing to face local challenges head on**
 - **We believe these difficulties should be thoroughly considered as the state moves further into the budget development process**
- **Here's hoping for sunnier skies at the May Revision!**

