May 2023 CalOPS Board Policy Update

Governor Releases Revised Budget Plan for 2023-24: $23,706 per pupil for FY24

Friday, Governor Gavin Newsom released his May Revision to the budget for the 2023-24 fiscal year. The May Revision kicks off the final phase of the State budget process for 2023-24 with an update to the initial January Governor's Budget Proposal. The Legislature must pass a final version of the budget by June 15th, and may approve, amend, or reject any of the proposals and priorities offered by the Governor in his May Revision. Many of the programmatic details are not yet available.

Since the release of the Governor's Budget in January, revenue declines have continued. California is now facing a **$31.5B shortfall**. The May Revision continues a balanced approach using spending reductions, trigger reductions, delayed spending, fund shifts and borrowing to fill the gap- but does not draw from Rainy Day funds.

 K-12 Education

The May Revision includes total funding of $127.2B ($79.1B Proposition 98 General Fund, and $48.1B other funds) for all K-12 education programs. Overall, **funding in 2023-24 will average about $23,706 per pupil from all funding sources**, and $17,444 in Proposition 98 General fund. The average per-pupil estimates are just slightly lower than predicted in January.

Other Highlights include:

- LCFF and COLA: The May Revision fully funds an 8.22 percent cost-of-living adjustment (COLA), up slightly from 8.13 percent in January, for LCFF and other categoricals. This provides about $3.4B more for LCFF compared to the current year budget.
- Transitional Kindergarten (TK): Retains continued expansion per current law but adjusts overall TK allocation due to reduced TK enrollment projections at May Revision.
- Extended Learning (ELOP): Maintains current implementation but proposes to extend the expenditure deadline for ELOP funds received in 2021-22 and 2022-23 from June 30, 2023, to June 30, 2024.
- Nutrition: Provides additional $300M to fully fund increased program demand in the 2022-23 and 2023-24 fiscal years.
- Equity Multiplier: Maintains $300M for the Equity Multiplier, with clarifying changes to strengthen accountability.

Dyslexia Screening: The May Revision requires LEAs to begin screening pupils in kindergarten through second grade for risk of reading difficulties, including dyslexia, by the 2025-26 school year.

Bill to extend charter renewal by one year

Senate Bill 739 which extends the charter renewal period by one year passed Senate Appropriations Committee and moved to the Senate Floor where a Senate full vote must occur by June 2, 2023.

State Board of Education Considering Changes to "Verified Data"

On May 18, 2023, the State Board of Education will be considering important changes to state policy regarding the use of verified data that could have significant impacts on charter school renewals. AB 1505 modified the charter renewal process based on California School Dashboard data. With the passage of AB 1505, authorizers are required to consider "verified data" for renewals of certain charter schools. In 2020, the SBE adopted an approved list of valid and reliable assessments that can be used by charters and authorizers to measure increases in academic achievement.

- Adoption of valid & reliable assessments & data for California charter schools. A key issue for California Connections is that **95% of eligible students must be tested in additional performance data for inclusion of that additional performance data (e.g., NWEA MAP) as verified state data** for California accountability framework. The California Charter Schools Association (CCSA) is looking to change this requirement as the benchmark data is still reliable with less than 95% participation as long as there is reasonably high participation and many charter schools cannot test 95% of their students in additional tests beyond the state assessments. CCSA explained on a recent conference call they were trying to change this participation requirement for verified data; however, no success to date.