

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION

Agenda Item# 9.1

Meeting Date: August 11, 2022

Subject: 2022-23 45 Day Revise Budget Update

Information Item Only Approval
on Consent Agenda
Conference (for discussion only)
Conference/First Reading (Action

Public Hearing

Division: Business Services

Recommendation :

by the transportation add-on to the LCFF

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Estimated Time of Presentation : 20 Minutes
Submitted by : Rose Ramos, Chief Business and Operations Officer
Approved by : Jorge A. Aguilar, Superintendent

Board of Education Executive Summary





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of Education. The County Office of Education will determine if the district will be able to meet its financial obligations during the fiscal year and ensure a financial plan that will enable the district to satisfy its multi-year financial commitments.

- The SCUSD Board of Trustees has revised Board Policy 3100 to establish and maintain a general reserve for economic uncertainty that meets or exceeds the requirements of CCR 15443. The reserve for economic uncertainty for the District will be established at no less than 5% of total general fund expenditures. Under BP 3100 it is acknowledged that one-time funding should be used for one-time expenditures and shall only be used for an on-going expenditure as a last resort. As part of the approval of the annual budget, the Board shall consider any proposed use of one-time funding and shall take separate action to approve such uses

III. Budget:

Following is a summary of the major details related to the K-12 part of the 2022-23 State Enacted Budget as well as an update on some of those details for the District's multi-year projections.





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will be based solely on 2021-22 data in kindergarten and grades 1 to 3, not the LEA's UPP for LCFF. The funding will be available for encumbrance through June 30, 2027.

LEAs may opt out of this program by notifying the CDE by September 30, 2022, through a form the CDE will develop. The school literacy program will contain various elements, including a school literacy plan that will require goals and actions to improve literacy acquisition. By June 30, 2027, LEAs must report how they used funds awarded to them.

Dual enrollment opportunities include \$200 million in the budget available over five years to strengthen and expand dual enrollment planning and implementation opportunities and enable coupling with student advising and support services. By January 1, 2023, CDE will administer a competitive grant program for LEAs to establish either middle college or early college high schools and/or establish dual enrollment opportunities. Fund disbursement to approved applicants will begin on or before December 1, 2023.

Competitive grants up to \$250,000 will be available for start-up and planning costs for middle college or early college high schools, and competitive grants up to \$100,000 will be available to establish a College and Career Access Pathways dual enrollment partnership agreement.

Home to School Transportation

Beginning in 2022-23 and for each fiscal year thereafter, school districts and county offices of education will be reimbursed for pupil transportation services an amount equal to 60% of the prior-year reported home to school transportation expenditures within function 3600, excluding capital outlay or nonagency expenditures. For information on eligible expenditures, refer to the California School Accounting Manual (CSAM) Procedure 325-21. This reimbursed transportation allowance will be reduced by any applicable transportation add-on amount within the LCFF calculations for the school district or county office of education.

In addition, starting in 2023-24 the annual COLA will apply to the add-on transportation funding within the LCFF apportionment exhibits.

As a condition of receiving the reimbursed transportation allowance, the school district or county office of education shall develop a plan describing the transportation services it will offer to its pupils and how it will prioritize planned transportation services for pupils in TK thru grade 6 and pupils who are low income. The plan shall be adopted by the governing board on or before April 1, 2023 and updated annually by April 1. The plan shall include the following components:

- A description of the transportation services that would be accessible to pupils with disabilities and homeless pupils
- A description of how unduplicated pupils would be able to access the home



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- to school transportation with no fees
- Development in consultation with classified staff, teachers, school administrators, local transit authorities, local air pollution control districts, air quality management districts, parents, pupils, and other stakeholders
- Provision for the school district or county office of education to partner with a municipally owned transit system to provide transportation services for middle school and high school pupils

Universal School Meals

Beginning in the 2022-23 school year, all public schools will be required to provide two free meals per day to any students who request a meal. The Budget Act includes \$1.2 billion ongoing for universal school meals. This includes \$596 million for universal access to subsidized meals and \$611.8 million to maintain the meal reimbursement rates. Participation in the National School Lunch Program is a requirement to receive funding under California's universal school meals program.

Other one-time funding initiatives include:

- \$600 million in one-time funds available in the form of kitchen infrastructure grants with conditions to improve the quality of meals and increase



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Cost of Living Adjustment (COLA): 6.56% COLA applicable to all early care and education programs.

Transitional Kindergarten (TK)

- TK age expansion: \$614 million to expand eligibility for TK for children born between December 2 and February 2 in the 2022-23 school year.
- ADA Base Grant adjustment and add-on: The budget increases the base grants for transitional kindergarten and grades 1 to 12, inclusive, by an additional 6.28%, with an add-on of \$2,813 for TK to be annually adjusted for inflation. This potentially triggers the 1:12 adult to student ratio for FY 2022-23 and the 1:10 adult to student ratio for FY 2023-24.
- Emergency Specialist Permit – TK: The budget allows the Commission on Teacher Credentialing to issue a one-year emergency permit for individuals who meet certain criteria, with an additional one-year extension to be the teacher of record in a self-contained classroom for apportionment purposes.

State Preschool

The budget invests \$312.7 million Prop. 98 general fund and \$172.3 million general fund to increase State Preschool Program adjustment factors for students with disabilities, dual language learners and childhood mental health, and adds an adjustment factor for 3-year-olds.

These increases include support for new requirements for State Preschool providers to:

- Incrementally ramp up to serving at least 10% of students with disabilities by July 1, 2024.
- Specifically, over three years, preschool providers would be required to serve 5% of students with disabilities in FY 2022-23, 7.5% in FY 2023-24 and 10% in 2024-25.
- Provide additional supportive services for dual language learners.

Additionally, the budget provides the following to all students participating in State Preschool:

- Allows for continuous eligibility for 24 months (increased from 12 months) after eligibility is confirmed.
- Enables children with an IEP to be categorically eligible to participate.

Expands access to eligible families from families at 85% of the state median income to families at 100% of the state median income for State Preschool.

The budget also includes support for the following one-time investments:



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- Inclusive Early Education Expansion Program (IEEEP): \$250 million one-time general funds for facility support for general education and special education students in inclusive classrooms.
- State Preschool Family Fee Waivers: For the 2022-23 fiscal year, \$10.5 million one-time Prop. 98 general fund, and \$10.8 million one-time non-Prop. 98 general fund to waive the family share of cost for children participating in the State Preschool Program.
- State Preschool Funding Hold Harmless – Reimbursement for Authorized Hours of Care: For the 2022-23 fiscal year only, reimbursing preschool providers for maximum authorized care from July 1, 2022, to June 30, 2023.
- Local Educational Agency Preschool Planning and Implementation Grants: \$300 million one-time Prop. 98 general fund for planning and implementation grants for all LEAs.
- Full-Year Costs of State Preschool RTw 2 0 Td ()Tj 0.24 0 Td [(P)-4(.E)2.1(o,9 -350.24 0 Td [(C)-3

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2022-23 Multi Year Projections 45 Day Revise Budget Update

| | Unrestricted | Restricted | Combined | Unrestricted | Restricted | Combined | Unrestricted | Restricted | Combined |
|-----------------------|--------------|-------------|-------------|--------------|-------------|-------------|--------------|-------------|-------------|
| Revenue | | | | | | | | | |
| General Purpose | 480,336,745 | 2,251,179 | 482,587,924 | 488,969,741 | 2,251,179 | 491,220,920 | 493,801,371 | 2,251,179 | 496,052,550 |
| Federal Revenue | - | 91,620,567 | 91,620,567 | - | 88,149,711 | 88,149,711 | - | 36,924,916 | 36,924,916 |
| State Revenue | 10,956,425 | 179,887,286 | 190,843,711 | 10,956,425 | 99,636,745 | 110,593,170 | 10,956,425 | 99,636,745 | 110,593,170 |
| Local Revenue | 5,910,294 | 2,348,651 | 8,258,946 | 5,910,294 | 2,121,378 | 8,031,673 | 5,910,294 | 2,121,378 | 8,031,673 |
| Total Revenue | 497,203,464 | 276,107,683 | 773,311,147 | 505,836,460 | 192,159,013 | 697,995,473 | 510,668,090 | 140,934,218 | 651,602,309 |
| Expenditures | | | | | | | | | |
| Certificated Salaries | 178,049,044 | 65,846,912 | 243,895,956 | 176,931,045 | 66,447,785 | 243,378,830 | 178,915,365 | 55,449,760 | 234,365,125 |
| Classified Salaries | 39,427,868 | 31,616,783 | 71,044,650 | 39,643,068 | 30,912,908 | 70,555,976 | 39,920,569 | 24,825,156 | 64,745,725 |
| Benefits | 127,427,529 | 89,430,083 | 216,857,613 | 131,079,698 | 89,098,950 | 220,178,648 | 136,356,980 | 79,819,759 | 216,176,739 |
| Books and Supplies | 8,011,516 | 21,391,198 | 29,402,714 | 13,168,515 | 20,705,308 | 33,873,823 | 14,356,867 | 14,496,225 | 28,853,092 |



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Conclusion:

The District is projected to satisfy the 2% required reserve for economic uncertainties in 2022-23, 2023-24 and in 2024-25. Furthermore, the District projects unrestricted surpluses as follows:

\$19.7M in 2023-24

\$ 5.9M in 2024-25

Risks:

Uncertainty regarding on-going State funding for K12 Districts, the potential future impact of a recessionary economy, enrollment, additional unfunded COVID-19 related expenses and final audit guidance on the utilization of the 2019-20 COVID-19 ADA relief calculations.

Opportunities:

Improved State Budget and funding for K12 Districts, stable/increased enrollment, maintaining fiscal stability and the potential to make up the instructional days lost during the 2021-22 school year through the State waiver process.

Continuation of County Oversight

County superintendents are required by statute to continually monitor districts for fiscal distress. If the district has a negative certification, a disapproved budget, or the county superintendent determines that the district may be unable to meet its financial obligations, the county superintendent can:

- Stay or rescind any action that is determined to be inconsistent with the ability of the district to meet its obligations for the current or subsequent fiscal year, and
- Assist in developing a budget for the subsequent fiscal year.

The District's budget has been disapproved for three years (2018-2019, 2019-2020 and 2020-2021) and the Sacramento County Office of Education conditionally approved the 2021-22 budget. The District's 2022-2023 adopted budget is currently under review by the Sacramento County Office of Education.

The Sacramento County superintendent continues to work with the district until the budget for the subsequent year is approved and may stay or rescind any actions up to that point. The county superintendent can only approve the budget if the district can satisfy its multiyear financial commitments and address the fiscal findings identified in the evaluations and audits, which determined that the school district was in fiscal distress.