

WILLOWS UNIFIED SCHOOL DISTRICT
Office of the Superintendent

Date of Meeting: August 5, 2021

Request For Placement on Board Agenda:

AGENDA TOPIC: 2021-22 Adopted Budget – 45 Day Revision

PRESENTER: Debbie Costello, Director of Business Services

[] ACTION ITEM [X] DISCUSSION [] DISCUSSION/POSSIBLE ACTION

Background Information:

Education Code Section 42127(h) states that, no later than 45 days after the Governor signs the annual Budget Act, districts shall make available for public review any revisions in revenues and expenditures that that it has made to its budget to reflect the funding made available by that Budget Act.

Significant Changes in the Budget Act since May Revision:

On June 28th the 2021-22 Budget Act was signed by the Governor. The Budget Act resulted in significant changes to education both fiscally and programmatically. Fiscally, education will receive increases that are both ongoing and one-time in 2021-22.

While the fiscal impacts of the Budget Act were substantial, the programmatic changes were equally important as the State tries to address learning opportunities for students during an ongoing pandemic. The most sizable change is the requirement of LEAs to offer an independent study program to accommodate the families that wish to remain in a form of distance learning. The independent study program consists of several policy changes to ensure LEAs are able to provide a quality program for students.

Additionally, the Budget Act includes a one-time LCAP supplement (**due on or before February 28, 2022**) relating to the one-time and ongoing dollars provided through the Budget Act and ESSER III.

The attached documents summarize the changes to the State Adopted Budget since May Revision and the expected impact those changes will have on the budget of Willows Unified School District. The full impact of these budget changes, along with staffing and enrollment changes, will be reflected in future monthly budget updates to the Board and the First Interim Budget report.

Recommendation:

Information / Discussion item, no action recommended.

**Willows Unified School
District
FY 2021-2022
Adopted Budget - 45 Day
Revision**

August 5, 2021

Adopted Budget 45-Day Revision

Education Code Section (E.C.) 42127 specifies the requirement that local school agencies adopt a budget for the following year by July 1. Further, E.C. 42127(h) specifies the following:

“Not later than 45 days after the Governor signs the annual Budget Act, the school district shall make available for public review any revisions in revenues and expenditures that it has made to its budget to reflect the funding made available by that Budget Act.”

State Adopted Budget – Key Changes From May

Item	Description	Impact
Proposition 98	Eliminates Prop 98 supplemental payment, repays deferrals and payment into the Rainy Day Fund.	Prevented a decline in funding for Prop 98, fully repays the remaining \$12.4 B in cash deferrals and a total balance of \$4.5 B in the Rainy Day Fund that triggers reserve caps.
LCFF/LCAP	Increased concentration grant additions from 55% to 65% of the base grant for LEA's with unduplicated students in excess to 55% of the LEA total enrollment beginning 2021-22.	Funds are to be used to increase credentialed and classified staff providing services to schools with greater than 55% unduplicated student enrollment in prior year and it will be measured by staff to student ratio.
Special Education	Base rate increase from \$625 to \$715 per ADA and 4.05% COLA for SELPAs with a base rate above the new minimum.	\$396.9 M ongoing Prop 98 general fund towards increasing the base grant and \$186.1 M ongoing for the 4.05% COLA. Allocation factors to be determined by SELPA.
Special Education	\$260 M for Special Education Early Intervention Preschool Grant	New and ongoing funds, estimated \$5,900 per 1st grade pupil in Special Education, Fall 1 census ADA. Funds to Districts, not SELPAs.
Special Education	\$100 M for voluntary Alternative Dispute Resolution (One-time fund) allocated to SELPAs.	80% of the fund must be re-allocated to districts. \$125 per special education pupil (SSC of CA estimates)

Governor's Budget – Key Changes From May Revise

Item	Description	Impact
Special Education	\$450 M Learning Recovery Support (one-time funds) to SELPA s.	Funds will flow through the SELPA allocation model and should provide relief to District excess costs. SSC estimates \$564 per SpEd Student.
Unemployment Insurance	Unemployment insurance rate reduction from 1.23% to 0.50% in 2021-22 and 2022-23 FY.	Beginning July 1, 2021 the contribution rate will be 0.50% for the 2021-22 and 2022-23 fiscal year. Projected savings of \$76,218 for the 2021-22 fiscal year.
Child Nutrition	Increased meal reimbursement rate and training/kitchen upgrades. Universal Meals beginning 2022-23 school year.	\$54 M ongoing Prop 98 fund, \$30 M to support training for school food service workers and \$120 M in grant for kitchen infrastructure upgrades. \$650 M ongoing Prop 98 general fund.
Education Effectiveness Block Grant	\$1.5 B over five years for PD training resources for in-person staff on relevant topics.	Should be used to expedite PD for teachers, administrators, and in-person staff.
Transitional Kindergarten	Expands Transitional Kindergarten (TK) beginning 2022-23 school year and achieves universal TK eligibility by 2025-26	\$490 M (one-time) facilities grant program and \$300 M (one-time) Prop 98 fund for planning and implementation grant.

State Adopted Budget – Key Changes From May Revise

Item	Description	Impact
A-G Completion	\$547.5 million in one-time funding for the A-G Completion Grant Program	Develop programs and strategies to increase the number of students graduating as A-G completers.
Cash Deferrals	The principal apportionment cash deferrals have been eliminated for FY 2021-22.	All remaining 2020-21 apportionment cash deferrals are now on an accelerated payback schedule and will be resolved in August, 2021.
Independent Study	Permanent ISP changes enacted starting in 2021-22. Board policies, ISP agreements, and operating procedures are impacted.	Most school districts are required to offer independent study to students. The requirement may be waived if certain conditions exist and are determined to create an unreasonable fiscal burden or other extenuating circumstances.
ESSER III	Provisions for the receipt and use of funds are clarified as part of the 2021-22 Budget.	An ESSER III plan is required by 10/29/21, specific provisions for use of funds must be addressed.
Educator Recruitment, Retention and Training	\$350M for the Teacher Residency Grant Program, \$250M for National Board Certification, \$60M for the Classified School Employees Summer Assistance Program, \$125M to support the Classified School Employees Teacher Credentialing Program.	To be determined.

Planning Factors for 2021-22 and MYPs

Planning Factor	2021-22	2022-23	2023-24
Cost of Living Adjustment (COLA)			
LCFF COLA	5.07%	2.48%	3.11%
Special Education COLA	4.05%	2.48%	3.11%
Statutory COLA	1.70%	2.48%	3.11%
2020-21 COLA recaptured in 2021-22	2.31%		
Employer Benefit Rates			
CalSTRS	16.92%	19.10%	19.10%
CalPERS-Schools	22.91%	26.10%	27.10%
State Unemployment Insurance	0.50%	0.50%	0.50%
Lottery			
Unrestricted per ADA	\$163	\$163	\$163
Prop. 20 per ADA	\$65	\$65	\$65
Mandated Block Grant			
Districts			
K-8 per ADA	\$32.79	\$33.60	\$34.64
9-12 per ADA	\$63.17	\$64.74	\$66.75
Charters			
K-8 per ADA	\$17.21	\$17.64	\$18.19
9-12 per ADA	\$47.84	\$49.03	\$50.55

2021-22 State Adopted Budget – LCFF Changes

	FY 21/22	FY 22/23	FY 23/24
Base Grant	+ \$699	+ \$664	+ \$661
Grade Span Adjustment	-0-	+ 381	- \$1
Supplemental Grant	- \$3,962	- \$4,045	+ \$108
Concentration Grant	+\$423,037	+\$484,806	+\$501,705
Add-on for TIIG	-	-	-
Add-on for Transportation	-	-	-
Total LCFF	+ \$419,774	+ \$481,806	+ \$502,473

\$1,404,053; a three (3) year increase from Adopted Budget

Expanded Learning Opportunities Program

A significant new investment included in the 2021–22 Enacted State Budget is \$1.75 billion for expanded learning opportunities for California’s elementary school students, with a focus on students that are low-income, foster youth, or English learners. While the title of the program is nearly identical, these funds and the accompanying requirements are completely separate from the Expanded Learning Opportunities Grant that was included in Assembly Bill (AB) 86 from earlier this year. LEA’s with an unduplicated pupil percentage (UPP) greater than 80% will receive \$1,170 per unit of the LEA’s prior year K–6 classroom-based average daily attendance (ADA), multiplied by the LEA’s UPP. School Services of CA (SSC) estimates a total of **\$341,475** for Willows Unified School District in 2021-22 FY.

- LEA’s must offer expanded learning to all of its classroom-based unduplicated students in grades K–6 and must provide expanded learning to at least half of these students.
- LEA’s with UPP greater than 80% will receive at least three years of funding.
- While the Expanded Learning Opportunities Program is not required, a mechanism for opting out of the program is still being developed by the state.

Updated Lottery Projections

Item	Financial Impact 2021-2022
Unrestricted Lottery Rate Increase from \$150 to \$163 per ADA	+ \$17,810
Restricted Lottery Rate Increase from \$49 to \$65 per ADA	+ \$21,920

Special Education

The 2021-22 budget significantly builds upon special education funding augmentations provided over the past two years:

- Base SELPA funding is increased by the compounded COLA of 4.05% and then augmented by \$397M. These funds will become part of the AB602 allocation model and should provide some relief to increasing excess costs borne by member districts.
- \$260M in ongoing Prop 98 funding is provided for the Special Education Early Intervention Preschool Grant. Funding for this grant is estimated to be approximately \$5,900 per pupil.

Special Education – Other Provisions

- Updates to Out-of-Home Care funding with COLA adjustments in subsequent years.
- One-time allocations to supplement IDEA funds.
- \$450M for learning recovery supports for students impacted by the pandemic.
- \$100M for voluntary Alternative Dispute Resolution (ADR) and prevention.

Unemployment Insurance

State Unemployment Insurance

	2021-22
Adopted Budget @ 1.23%	\$128,592
Enacted Revision @ 0.50%	\$52,203
Decrease	-\$76,218
	2022-23
Projected Budget @ 1.23%	\$141,017
Enacted Revision @ 0.50%	\$57,324
Decrease	-\$83,693
Approx. Savings 2021-22 & 2022-23	\$159,911

Child Nutrition

The enacted budget increases meal reimbursement rates and provides funding for staff training and kitchen upgrades.

- Adopted budget; 20-21 meal reimbursement: **\$825,000.00**
- Projected Increase in meal Reimbursement: **\$ 70,125.00**
- Projected Equipment / Infrastructure Funds: **\$ 25,000.00 ***
- Projected FS Staff Development Funding: **\$ 2,000.00 ***

*This is the minimum allocation. WUSD will likely receive higher amounts due to the percentage of students who are eligible for free meals.

- The Universal Free Meals Program commences in the 2022-23 school year. We're monitoring guidance on how this will impact WUSD due to our CEP participation.

Universal Transitional Kindergarten (UTK)

The enacted budget expands Transitional Kindergarten (TK) beginning in the 2022-23 school year and will achieve universal TK eligibility by 2025-26. It provided \$490 M (one-time) facilities grant program and \$300 M (one-time) Prop 98 fund for planning and implementation grant. School Services of CA (SSC) estimates a total of **\$104,623** for Willows Unified School District in planning and implementation funding for 2021-22 FY.

LEA's with unduplicated pupil percentage greater than 80% will receive at least three (3) years of funding.

Specifics on facilities grant allocation and eligibility are not yet available.

A-G Completion Improvement Grant

The enacted budget provides \$547.5 million in one-time funding for the A-G Completion Grant Program to increase the number of pupils who graduate from high school with A-G eligibility. Funds are available for expenditure or encumbrance through FY 2025-26.

- All recipients must develop a plan by January 1, 2022 describing how the funds will be used, within specific program criteria.
- School Services of California (SSC) projects \$171,661 to Willows Unified for this program.

CA State Preschool Program (CSPP) & Early Childhood Education (ECE)

The budget as enacted contains some significant policy and program changes to early learning and care that are in line with the master plan published in 2020, including the Universal TK program previously discussed.

The following one-time funds are included in the 2020-21 budget:

- \$250M for the construction, renovation or repair of existing or new facilities for child care and preschool providers.
- \$4.3M for an ECE data system.
- \$40M to continue the Early Math Initiative.

Willows Unified will continue to evaluate opportunities that may arise to expand services for CSPP and ECE programs to better serve our community.

Looking Forward

- Enrollment changes
- Staffing Updates
- Unaudited Actuals in September
- First Interim Report including updated MYP

Questions?