



Folsom Cordova Unified School District

Arts, Music, & Instructional Materials Block Grant Plan

Budget Advisory Committee – March 29, 2023
FCUSD Board Meeting – April 20, 2023



Overview on Funding - Grant

- On June 30, 2022, Governor Gavin Newsom approved AB 181 establishing the Arts, Music, and Instructional Materials (AMIM) Discretionary Block Grant.
- The grant allocates \$3.56 billion to LEAs for five purposes, summarized as:
 - (1) obtaining standards-aligned professional development and instructional materials for specified subject areas;
 - (2) obtaining professional development and instructional materials for improving school climate;
 - (3) developing diverse, culturally relevant and multilingual school library book collections;
 - (4) operational costs, including retirement and health care cost increases; and
 - (5) COVID-19-related costs necessary to keep pupils and staff safe and schools open for in-person instruction.
- These funds are available for encumbrance through the 2025–2026 fiscal year.
- Local plan on funds must be discussed and approved during a regularly scheduled board meeting.



Overview on Funding – Prop 28

- Proposition 28 (2022): The Arts and Music in Schools—Funding Guarantee and Accountability Act
 - The voter-approved Proposition 28 passed in November 2022 and requires the State to provide arts and music funding for schools outside of the Proposition 98 minimum guarantee beginning with the 2023-2024 fiscal year
 - Annual Proposition 28 funding is required to be equal to 1% of the K-12 share of the minimum guarantee from the prior fiscal year and is on-going
 - Funding is to be site directed and requires that 80% of expenses go toward personnel costs
- The State will likely not provide estimates for Proposition 28 until the May Revision and Schools Services recommends districts go slowly until the State defines the funding and requirements.
 - See attached Fiscal Report – *Proposition 28: A Case for Slowing Down*
- Schools Services of California projects the following amounts based upon prior year information:
 - Folsom Cordova Unified School District (FCUSD) was projected to receive \$2.79 million
 - Folsom Cordova K-8 Community Charter (FCCC) was projected to receive \$35,000



Overview on Funding - Reduction

- In January 2023, Governor Newsom shared proposals for the 2023–2024 fiscal year which included a reduction to the AMIM Grant from \$3.6 billion to \$2.3 billion.
- The Governor’s proposals will be discussed by the Legislature throughout the spring as part of the annual budget process. The final Budget Act and implementing Trailer Bill may or may not reflect this proposal.
- This one-time funding with the proposed cut of approximately 35% is projected to be the following:
 - FCUSD is projected to receive \$8 million vs. \$12.5 million
 - FCCC (K-8) is projected to receive \$103,780 vs. \$162,443
- California Department of Education has paused the second payment for this funding and the District has only received 50% of the funding.



Overview on Funding - Future

- In the eighth month of the fiscal year (February), General Fund cash receipts were well below the 2023-2024 Governor's Budget forecast, with a shortfall of \$4.7 billion.
- U.S. headline inflation rose 0.4% in February 2023, and year-over-year, inflation is up 6.0%, still exceeding the target rate of 2.0% set by the Federal Reserve.
 - On March 22, 2023, the Federal Reserve (Fed) raised the federal funds rate by 25 basis points to bring the Fed target rate between 4.75% and 5.00%.
- Due to the concerns of the increasing state deficit and the Governor's actions to reduce the AMIM Grant to balance the budget in 2023-2024, it would be fiscally prudent to be conservative on the assumptions for the use of the AMIM funds.



AMIM Local Block Grant Plan

Whereas, the Governor's January 2023 Budget proposal includes a recommendation to decrease the Arts, Music, and Instructional Materials (AMIM) Block Grant for both FCUSD and FCCC by approximately 35%;

And, the California Department of Education has deposited only fifty-percent of the AMIM funds and is holding back all future funding;

And, as of March 2023, State revenues are approximately \$5 billion less than the Governor's January Budget proposal;

And, funding and programmatic details regarding Proposition 28 have not been released;

Therefore, to be financially prudent and to have the most flexibility going forward, the FCUSD Board will approve the following AMIM Block Grant Local Plan for FCUSD and FCCC:

- Funding received as part of the Art, Music, and Instructional Materials Block Grant will be allocated in alignment with the allowable activities including obtaining standards-aligned professional development and instructional materials for specified subject areas and improving school climate; developing diverse, culturally relevant, and multilingual school library book collections; operational costs, and COVID-19-related costs. These funds will be used in coordination with those activities described in the District's Local Control Accountability Plan (LCAP), Expanded Learning Opportunity Plan (ELO-P), Elementary and Secondary School Emergency Relief (ESSER) plan, and Educator Effectiveness Grant plan. All funds will be encumbered by June 30, 2026.



Questions?
