

GOVERNOR'S
BUDGET PROPOSAL
FOR 2021-22

PIEDMONT USD

BUDGET ADVISORY
COMMITTEE

JANUARY 28, 2021

PURPOSE OF BAC

- The Budget Advisory Committee is a standing committee with representatives from all stakeholders in the District.
- Its purpose is to:
 - Review the District's Budget,
 - Share the information with constituent groups, and
 - Generate recommendations for Board consideration in the budget development process.
- The BAC is a vehicle to disseminate information to as many parents, students, staff and community members as possible.

AGENDA

- Introductions
- Purpose of BAC
- Governor's Budget
- 2021-22 Governor's Budget Proposal
- Adjustments to Multiyear Projections
- Process of Developing the 2021-22 Budget
- Discussion / Comments / Questions
- Adjourn

HEADLINES

- **Politics is at play** - as a result, reopening schools is front and center.
- **California's Fiscal Condition is strong** – revenues are better than expected and a good portion is due to schools (Prop 98 guarantee)
- **School funding looks OK** – Cost of Living Adjustment (COLA) is funded, with money left over for other programs.

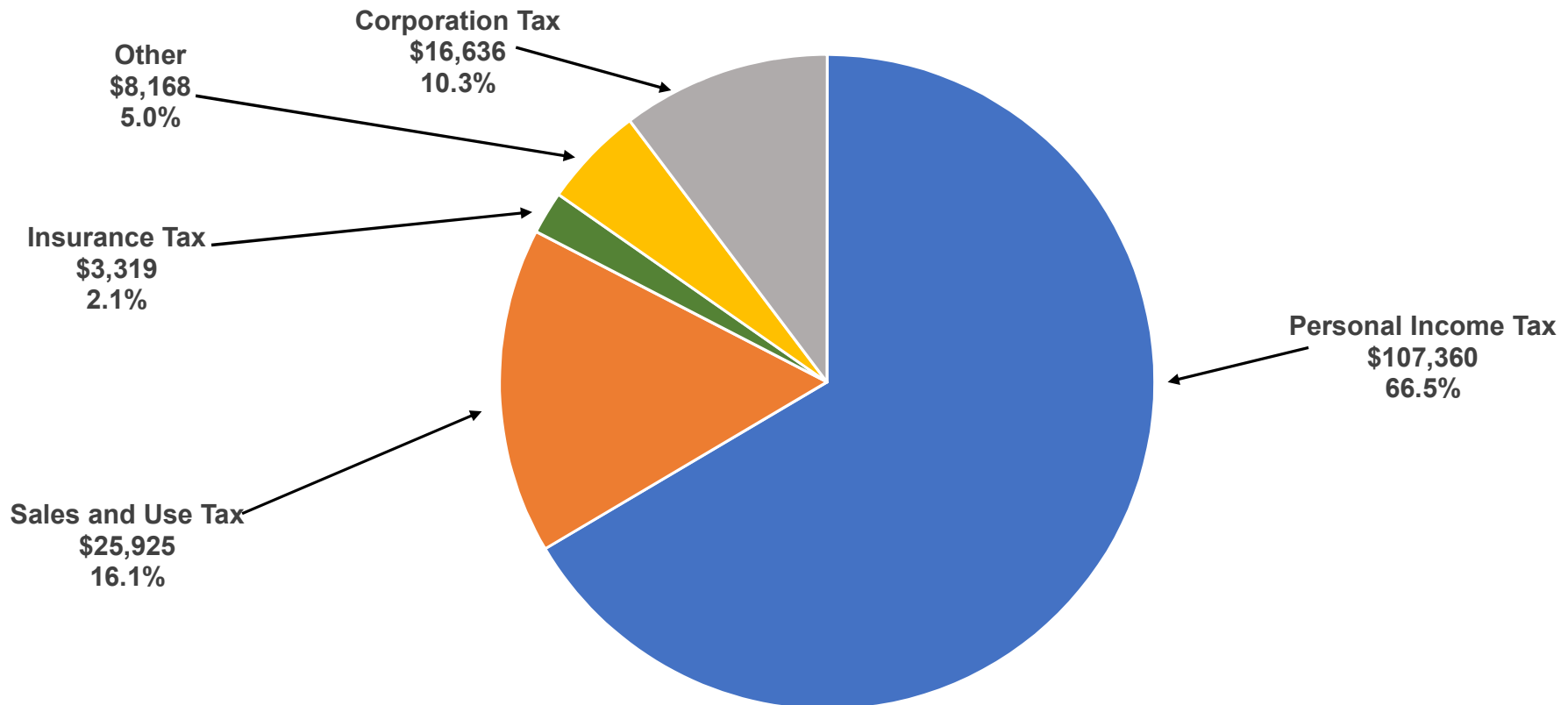
ECONOMY

- Capital Gains and Personal Income Taxes – big winners given California's heavy presence in tech sector.
- Unemployment – winners and losers.
- “K” shaped recovery



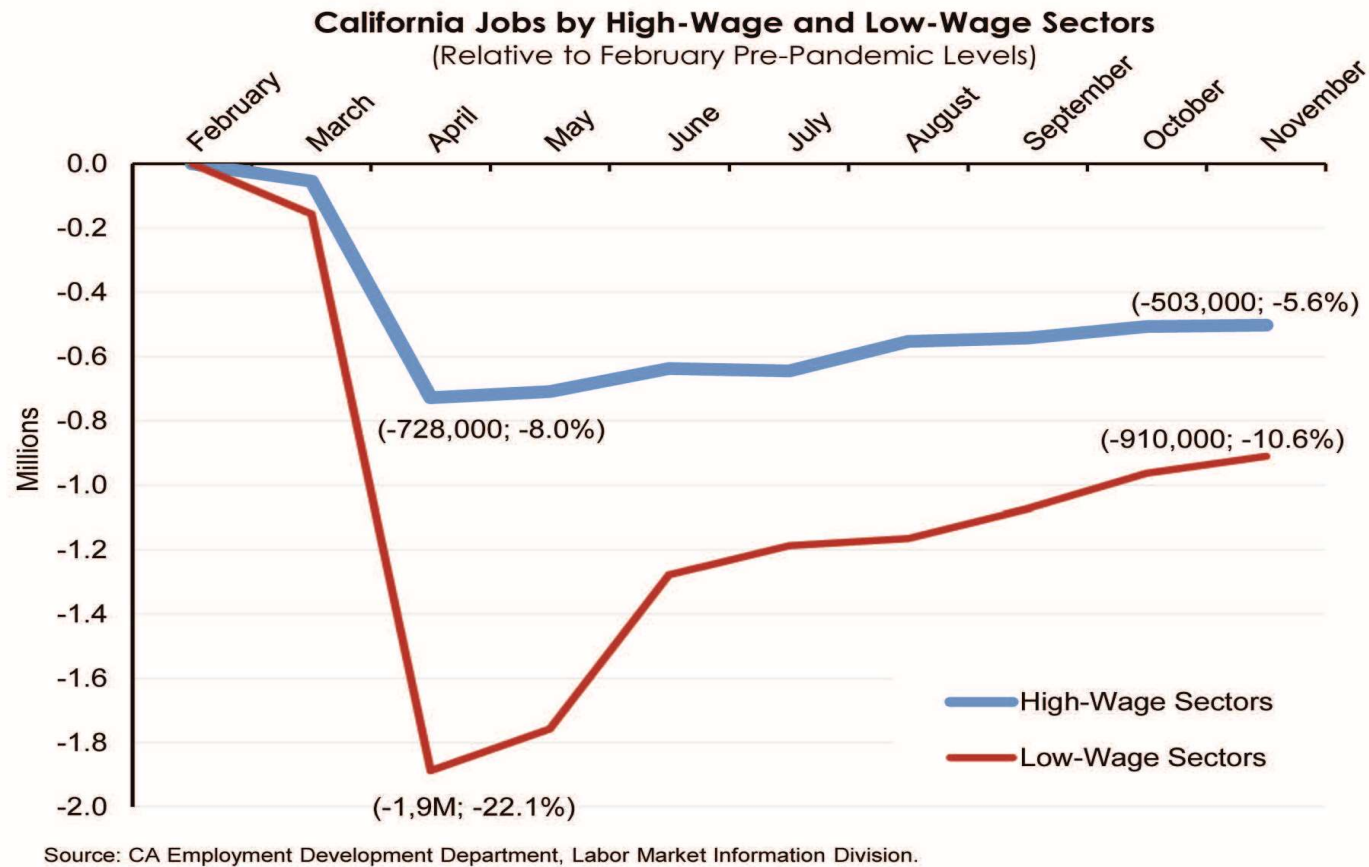
2021-22 General Fund Revenues

(Dollars in millions)



7 California Jobs by Wage Sector

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Source: 2021–22 Governor's Budget Summary, page 229

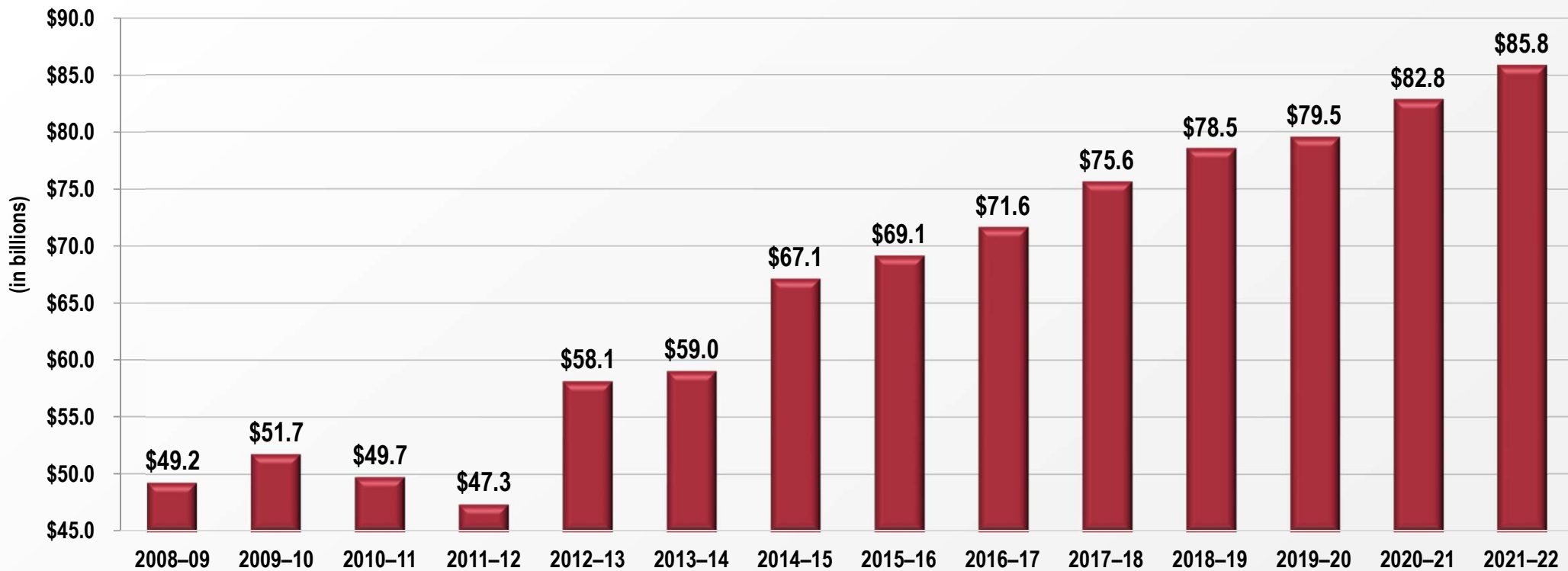
EDUCATION

- Cost of Living will be restored: 2.31% for 2020-21 and 1.5% for 2021-22
- Reopening and learning loss prevention programs proposed
- Other areas also get attention: student wellness, educator pipeline

9 Proposition 98

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Proposition 98 Funding Over Time
2008–09 to Governor's 2021–22 Estimate





10 COLA—What a Difference a Year Makes

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- The pandemic did not have the draconian financial impacts projected in June 2020, but local educational agencies (LEAs) still have not been made whole
 - The zero cost-of-living adjustment (COLA) in 2020–21 has likely fallen into a black hole as a one-time loss for the Local Control Funding Formula (LCFF), and an ongoing loss for other categorical programs

Comparison of Statutory and Funded COLA 2020–21 and 2021–22

	2020–21	2021–22	Applied to
Statutory COLA	2.31%	1.50%	• 3.84% applied to LCFF • 1.50% applied to special education and other categorical programs (e.g., Mandate Block Grant)
Funded COLA	0.00	3.84%	

WHAT DOES THE LCFF MEAN FOR PIEDMONT USD?

Piedmont USD — 2021–22			
Point in Time	2021–22 LCFF Per-ADA Funding	Projected 2021–22 ADA	Projected 2021–22 LCFF Total Revenue
Jan 2021	\$9,036	2,496	\$22,555,975
Dec 2020	<u>\$8,703</u>	2,496	<u>\$21,722,648</u>
Difference:	\$333		\$833,327

Major K-12 Proposals

- \$2 billion for in-person instruction grants (immediate action)
- \$4.6 billion for expanded instructional time (early action)
- \$7.3 billion to pay down most deferrals in 2021-22
- \$2.2 billion for 3.84% combined/compounded COLA for LCFF and 1.5% COLA for other programs
- \$725 million (state and federal) for various programs related to student wellness and mental health
- \$540 million for training and support for the educator workforce
- \$500 million for training, support and expansion related to TK, Kindergarten and childcare
- \$300 million for Special Education Early Intervention Grant
- \$15 million (\$12 ongoing, \$3 one-time) for Cradle-to-Career Data System

13 Funding for Reopening Schools

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- Governor Newsom is calling for swift and early action by lawmakers to appropriate at least \$2 billion in one-time Proposition 98 funds to aid in the safe reopening and operation of in-person instruction for K–12 students

Funding Formula (per ADA)

Base Grants = \$450.00 (February reopening)
= \$337.50 (March reopening)

PUSD (Feb) = $\$450 \times 2466$ = \$1.1 M



In-Person Instruction Grants

“Immediate Action”

- Governor proposed \$2 billion one-time Prop 98 GF to support a grant program that would provide additional resources for LEAs to offer safe, in-person instruction
- Needs swift Legislative action and support to meet deadlines
- Includes Basic Aid districts but excludes non-classroom based charter schools
- Grants proposed to go out on a per-pupil basis, providing approximately \$450* per student, to all public schools open for in-person instruction by specified dates

*amount dependent on variables including reopening date, district size, unduplicated count



Extended Learning Time and Academic Intervention Grants

- Proposal to make up for lost instructional time through targeted grants, particularly for low-income students, foster youth, English learners, and homeless youth
- At \$4.6 billion, the largest proposed one-time investment in K-12
- No concrete proposal, but would require “early” Legislative action
- Expenditures intended for extended school year, summer school, community learning hubs, and other evidence-based targeted approaches to learning loss mitigation
- Intended to include Basic Aid districts



16 Special Education—Early Intervention Grant

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- **Additionally, the Governor proposes \$300 million in ongoing funds for the Special Education Early Intervention Grant**
 - **These grants were also provided in the 2019–20 Enacted Budget. In that year, funding was sent to LEAs of residence based on the number of preschoolers with disabilities. The funding was not restricted to serving these students**
 - **While not yet in print, the language will be similar, but will focus on evidence-based services that directly support the school readiness of infants, toddlers, and preschoolers with a targeted focus on providing services in inclusive settings, as practicable**
 - **Based on the latest data available, utilizing the same funding methodology as in 2019–20, SSC estimates that LEAs will receive roughly \$5,900 per resident preschooler with disabilities**



17 Community Schools, Mental Health, and School Climate

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**\$264.9 Million
Community Schools**

Expand existing networks of community schools and establish new community schools with priority given to those in high-poverty communities

**\$450 Million
Mental Health Programs**

Investment in three mental health programs to respond to mental health needs of students and families that have been exacerbated by the COVID-19 pandemic

**\$10 Million
School Climate Surveys**

A county office of education will be chosen to assist LEAs with conducting school climate surveys to assess community needs under COVID-19



18 Educator Professional Development

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- Recognizing the extraordinary challenges faced by teachers, administrators, and classified staff during the COVID-19 pandemic, the Governor's Budget includes investments of more than \$540 million one-time Proposition 98 funds to support:

**Professional
Learning**

**Teacher
Effectiveness**

**The Teacher
Pipeline**

- In contrast, the 2020–2021 Enacted Budget included \$900 million one-time Proposition 98 funds to invest in the educator workforce

This year's proposal narrows the focus, addressing targeted areas which will require additional educator and student support, and subject areas or programs that are significantly impacted by the pervasive teacher shortage

Next Steps

January	• Governor's Budget released 1/8 & MYP Updated • Board review of how Gov's Budget will affect PUSD → • BAC Meeting to review Gov's Budget
March	→ • BAC Meeting to review 2nd Interim • 2nd Interim Report presented with budget solutions for 2021-22 • If required, Board takes action on reductions for 2021-22 that involve positions • If required, March 15 notices mailed
April	• Board develops District Goals and Budget Priorities for 2021-22 • BAC develops recommendations to Board for 2021-22
May	→ • BAC presents budget recommendations to Board (possible increase to parcel tax levy) • Governor releases May Revisions to budget proposal for 2021-22
June	• Board holds public hearing on draft budget • Final budget adopted by Board