

2020-21 Budget Act

Pacific Grove USD

Board of Education

August 20, 2020

Proposition 98

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- 2020-21 K-12 share of Prop 98 is now \$63.2 billion; signed on June 29, 2020
- Hit to Prop 98 for three-year budget period is almost \$17 billion compared to January
- Two sets of K-12 Principal Apportionment Deferrals for a total of \$11.1 billion pushed to next fiscal year:
 - No direct impact to Basic Aid state aid apportionments
 - Indirectly impact to our rental income from Monterey Bay Charter School (MBCS) cash flows
- **No “Fair Share” reduction** to LCFF/categorical; Minimum State Aid (MSA); Basic Aid apportionments

ADA and Instructional Minutes

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- Sets 2020-21 ADA for funding purposes at 2019-20 P-2 levels
 - 2019-20 P-2 ADA calculated on July 1, 2019 through February 29, 2020 attendance
 - Hold LEAs harmless from declining ADA, but provides no increase in funds for ADA growth
- Suspends Annual Instructional Minutes requirement but maintains Minimum School day minute requirement(s)
- Maintains Instructional Days (length of year) requirement(s) and penalty
- Suspends PE Minutes requirement
- Suspends process to apply for credit for emergency ADA (J-13A)
- None of these requirements are waivable by the State Board of Education

Instruction in the 2020-21 School Year:

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- ▶ SB 98 provides three options for providing instruction in 2020-21:
 1. In-person instruction
 2. Distance Learning
 3. Hybrid instructional model through in-person and Distance Learning

- ▶ Legislature clarified intent was to provide LEAs flexibility in developing instructional models but that LEAs should provide in-person instruction “to the greatest extent possible”

One-Time Funding:

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- ▶ 1. California State SB 117, Covid-19 LEA Response Funds (RS 7388)
 - ▶ **Allocation to PG USD: \$33,236**
 - ▶ Criteria: to be spent on technology devices, connectivity, distance learning platforms, cleaning and disinfecting supplies, PPE and staff overtime – all related to covid-19
 - ▶ Allocation method: 2019-20 P-1 ADA
 - ▶ **Status: All funds have been spent**

- ▶ 2. Federal (\$1.4 Billion) CARES Act ESSER Funds (RS 3210)
 - ▶ **Allocation to PG USD: \$104,689**
 - ▶ Criteria: Funds can be spent on coronavirus coordination and response with Public Health, activities to address unique needs of low-income students, students with disabilities (SWD), English learners, racial and ethnic minorities, students who are homeless or in foster care, distance learning, meals, PPE, cleaning supplies and continuity services.
 - ▶ Allocation method: 2019-20 Title I, Part A
 - ▶ **Status: approximately 20% has been spent, on PPE**
 - ▶ Deadline for Spending Funds: September 30, 2022

One-Time Funding: Learning Loss Mitigation

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- ▶ 3. Federal CARES Act Budget Deal Funds – Based on LCFF Distribution (RS 3220)
 - ▶ **Allocation to PG USD: \$218,375**
 - ▶ Criteria: Funds can be spent for activities that directly support student academic achievement and mitigate learning loss. Such as: summer school, costs related to ensuring physical distancing, i.e. lower class size, more bus routes, Saturday school and after school program expansion, any technology for in-person or distance learning, teacher and parent professional learning, reassigned staff who are protected by layoff prohibition, services for preschool aged children
 - ▶ Allocation method: Supplemental/concentration proportion
 - ▶ **Status: 100% spent on the additional two days professional development days & additional laptops/techs**
 - ▶ Deadline for Spending Funds: December 30, 2020
 - ▶ Must adopt Learning Continuity Plan
- ▶ 4. Federal CARES Act Budget Deal Funds – Based on LCFF Distribution (RS 3220)
 - ▶ **Allocation to PG USD: \$130,248**
 - ▶ Criteria: Funds can be spent for activities that directly support student academic achievement and mitigate learning loss. Such as: summer school, costs related to ensuring physical distancing, i.e. lower class size, more bus routes, Saturday school and after school program expansion, any technology for in-person or distance learning, teacher and parent professional learning, reassigned staff who are protected by layoff prohibition, services for preschool aged children
 - ▶ Allocation method: Corona Virus Relief (CRF) Portion
 - ▶ **Status: 100% Spent offsetting partial cost of the 2,000 units of chromebooks**
 - ▶ Deadline for Spending Funds: December 30, 2020
 - ▶ Must adopt Learning Continuity Plan

One-Time Funding: Learning Loss Mitigation

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- ▶ 5. Federal CARES Act Budget Deal Funds – Based on LCFF Distribution (RS 7420)
 - ▶ **Allocation to PG USD: \$159,885**
 - ▶ Criteria: Funds can be spent for activities that directly support student academic achievement and mitigate learning loss. Such as: summer school, costs related to ensuring physical distancing, i.e. lower class size, more bus routes, Saturday school and after school program expansion, any technology for in-person or distance learning, teacher and parent professional learning, reassigned staff who are protected by layoff prohibition, services for preschool aged children
 - ▶ Allocation method: Proposition 98 Portion
 - ▶ **Status: 100% spent – Virtual Learning Academy, Planning Days, July Food Service meals, Zoom license, ipads for first grade students**
 - ▶ Deadline for Spending Funds: December 30, 2020
 - ▶ Must adopt Learning Continuity Plan
- ▶ 6. Governor's Emergency Education Relief (GEER) Fund and Federal CARES Act (CRF) – (RS 3215)
 - ▶ **Allocation to PG USD: \$110,403**
 - ▶ Criteria: Funds can be spent on SWD student learning support, i.e. extending instructional time, providing additional core academic support, providing integrated services that support teaching and learning (technology needs, mental health services, student nutrition, professional development)
 - ▶ Allocation method: GEER portion
 - ▶ **Status: Set aside as deadline is until 2022**
 - ▶ Deadline for Spending Funds: September 30, 2022
 - ▶ Must adopt Learning Continuity Plan

One-Time Funding: Learning Loss Mitigation

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- ▶ 7. Governor's Emergency Education Relief (GEER) Fund and Federal CARES Act (CRF) – (RS 3220)
 - ▶ **Allocation to PG USD: \$355,789**
 - ▶ Criteria: Funds can be spent on SWD student learning support, i.e. extending instructional time, providing additional core academic support, providing integrated services that support teaching and learning (technology needs, mental health services, student nutrition, professional development)
 - ▶ Allocation method: CRF portion
 - ▶ **Status: Small sums (6%) have not been spent on laptops & hotspots**
 - ▶ Deadline for Spending Funds: December 30, 2020
 - ▶ Must adopt Learning Continuity Plan

Summary as of **August 6, 2020 (encumbrances continue to occur)** :

Total one-time funds: \$1,112,625

- Approximately 50% has been spent or \$561,744
- Balance of approx. \$550,881

Special Education

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- ▶ \$545 million to increase the special education base rate to \$625/ADA
 - ***Includes hold-harmless for any SELPA already receiving a higher base rate***
 - ***Beginning with the 2021-22 FY, requires statewide base rate to be adjusted for COLA***

Impact to PG USD: Approximately an increase of \$300k

- ▶ \$100 million for the low-incidence, high cost pool
- ▶ \$8.6 million federal IDEA funds to help LEAs develop dispute resolution and statewide mediation services, related to special education distance learning service delivery methods
- ▶ \$500,000 federal IDEA funds for study of current special education governance and accountability structure
- ▶ \$600,000 federal IDEA funds for 3 workgroups to create statewide IEP template, provide recommendations on alternative pathways to diplomas for students with disabilities, & study costs of out-of-home care

Employer Contribution Rates:

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- ▶ The final Budget Act 2020-21 SB 98 redirects the \$2.3 billion for employer long-term unfunded liability provided in the 2019-20 Budget to further reduce CalSTRS and CalPERS contribution rates in 2020-21 and 2021-22
- ▶ CalSTRS and CalPERS Relief:
 - CalSTRS: 2020-21 2.25% reduction from 18.40% to 16.15%
 - ❖ Impact to PG USD: estimated \$384,000 savings
 - CalPERS: 2020-21 1.98% reduction from 22.68% to 20.7%
 - ❖ Impact to PG USD: estimated \$128,000 savings

Estimated \$512,000 savings in 2020-21 (actual savings subject to change)

- CalSTRS: 2021-22 2.08% reduction from 18.10% to 16.02%
 - ❖ Impact to PG USD: estimated \$360,000 savings
- CalPERS: 2021-22 1.76% reduction from 24.60% to 22.84%
 - ❖ Impact to PG USD: estimated \$127,000 savings

Estimated total \$487,000 savings in 2021-22 (actual savings subject to change)