

A group of diverse young children, including boys and girls of various ethnicities, are smiling and looking towards the camera. They are wearing backpacks, suggesting they are in a school hallway. The background is slightly blurred, showing a typical school environment.

IRVINE UNIFIED SCHOOL DISTRICT

**IUSD 2022-23
State Budget Update**

August 16, 2022



45-Day Budget Revision

- ❑ 45 Day Budget Revision – When Final State Budget has material changes from May Revise causing material changes to District Adopted Budget

- If the LEA makes revisions to its budget to reflect the Budget Act, the revisions must be made available for public review within 45 days from enactment
 - The Governor signed the 2022–23 Budget Act on June 27, 2022
 - The 45-day timeline ends August 11, 2022

- There is no SACS requirement or version for the 45-day revision
 - Use a local format, typically a spreadsheet, to illustrate the revisions



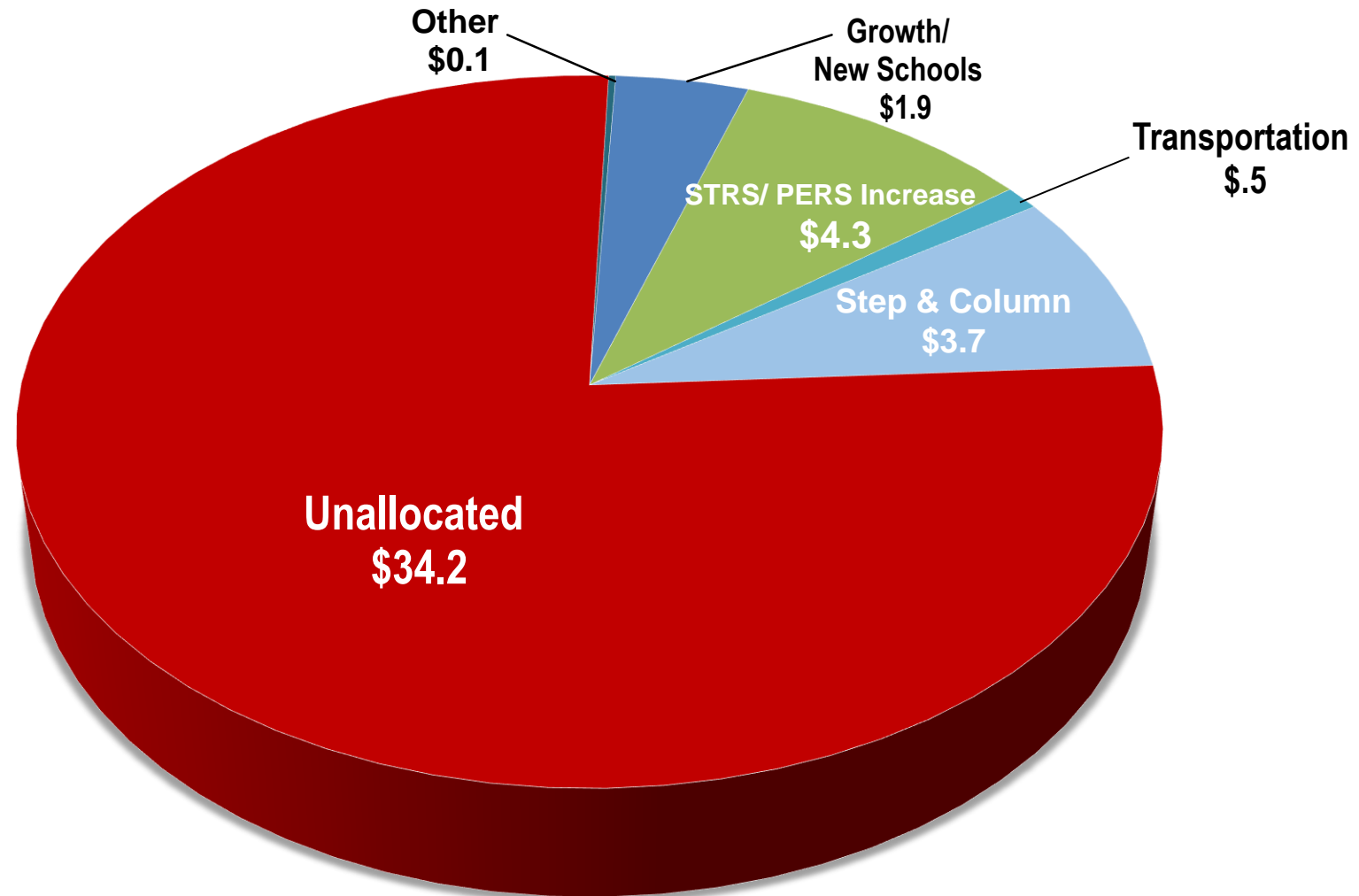
Key Changes from May Revise – Local Control Funding Formula (LCFF)

- On June 27th the Governor signed the 2022-23 Final State Budget Act
- As proposed in the May Revise, the Final Adopted Budget maintained the Statutory Cost-of-Living-Adjustment (COLA) to the Local Control Funding Formula (LCFF) of 6.56%
- The Final Adopted Budget also includes an ongoing augmentation to the LCFF base of 6.28%, an increase from the 3.30% proposed in the May Revise
 - **Increase to IUSD from Adopted Budget approximately \$10.1 million**
- In addition, the Final Adopted Budget includes an ongoing TK add-on to the LCFF of \$2,813 per TK ADA
 - **Impact to IUSD from Adopted Budget approximately \$1.7 million**
- Overall increase in LCFF funding for IUSD approximately \$44.7 million with approximately \$34 million available for allocation



Utilization of Ongoing \$44.7 M Funding

(\$ in millions)





Home-to-School Transportation

- Final State Budget provides \$637 million in additional Transportation funding
- No requirement to offer districtwide home-to-school transportation
- **For IUSD approximately \$2.3 million in restricted funding.....**

Transportation Plan

Adopted by governing board by April 1, 2023, and updated annually

Include priority for planned services for students in grades TK-6 and low-income students

Describe how transportation will be accessible to students with disabilities and homeless youth

Describe how unduplicated students may access free transportation

Develop in consultation with staff, regional transit authorities, local air pollution control districts and air quality management districts, parents, and students



One-Time Discretionary Block Grant Arts, Music and Instructional Materials

- The Governor's May Revision included a one-time \$8 billion Discretionary Block Grant.
- The Final State Budget replaces the Governor's May proposal with a \$3.6 billion Discretionary Block Grant titled the Arts, Music and Instructional Materials Discretionary Block Grant
 - While not completely discretionary provides broad flexibility
 - Available for any "operational costs"
 - Can be used to obtain standards-aligned instructional materials and professional development related to arts, music and other subject areas, or materials and training related to improving school climate, develop diverse book collections, or expenses related to the COVID-19 pandemic
 - **Impact to IUSD approximately \$23 million**
 - Funds must be spent by 2025-26
 - Requires a Board approved expenditure plan
- **Not completely unrestricted, will be included in the restricted General Fund**



One-Time Learning Recovery Emergency (LRE) Block Grant

- The Final State Budget includes one-time funding of \$7.9 billion to support the LRE Block Grant
- Targeted uses include:
 - Increase instructional learning time
 - Implement or expand learning supports to close learning gaps
 - Integrate pupil supports and staff training to address barriers to learning
 - Provide access to instruction for credit-deficient pupils
 - Provide summer school or intersessional instructional programs, or taking any other action that increases/stabilizes the amount of instructional time or services
 - Integrating pupil supports to address other barriers to learning, and staff supports and training, such as the provision of health, counseling, or mental health services.....
 - There are reporting requirements
 - **Impact to IUSD approximately \$26 million**
 - Funds must be spent by 2027-28
- **Will be included in the restricted General Fund**

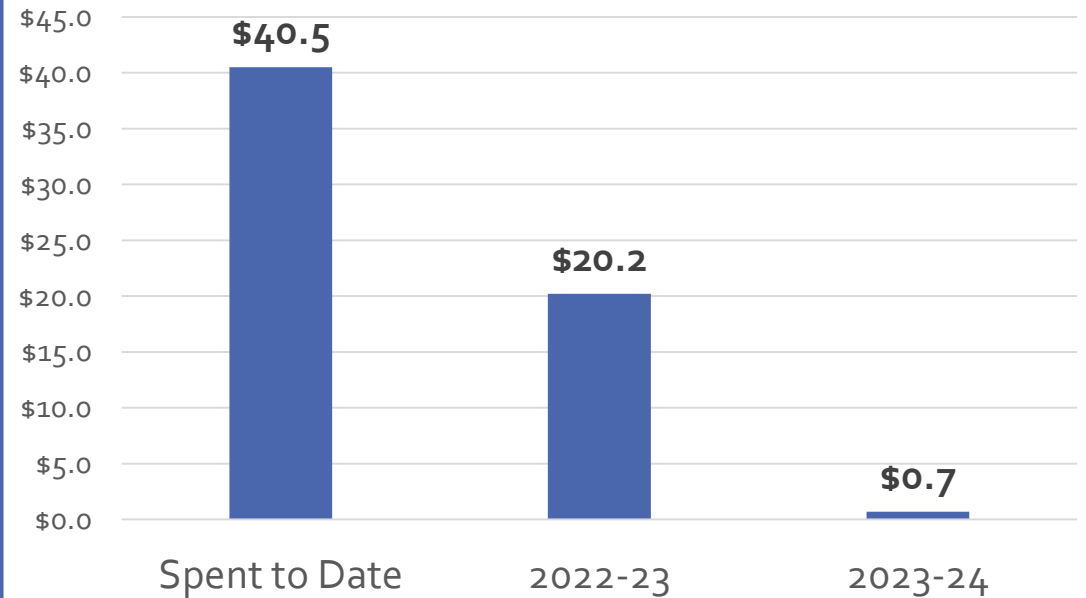


One-time Federal and State Funds

Summary of New One-time funding:

Expanded Learning Opportunities	\$22,438,520
In-Person Instruction	\$12,383,580
ESSER II	\$ 8,186,021
ESSER III	<u>\$18,364,727</u>
Total:	\$61,405,952

Planned Stimulus Expenditures (in Millions)





Key Changes from May Revise

Item	Governor's Budget	May Revision	Enacted Budget
LCFF Funding Increase	\$3.3 billion	\$6.1 billion	\$8.9 billion ¹
Proposition 98 Minimum Guarantee			
2020-21	\$95.9 billion	\$96.1 billion	\$96.1 billion
2021-22	\$99.1 billion	\$110.2 billion	\$110.2 billion
2022-23	\$102.0 billion	\$110.3 billion	\$110.4 billion
Discretionary Block Grant Funding	\$0	\$8 billion	\$3.6 billion ²
Learning Recovery Emergency Block Grant	\$0	\$0	\$7.9 billion

¹Reflects an increase of \$772 million in funding for districts and charter schools, \$2.82 billion for declining enrollment protections, \$997 million to support TK expansion and TK adult-to-student ratios, and a \$4.32 billion base increase

²Arts, Music, and Instructional Materials Discretionary Block Grant



2022-23 thru 2024-25 Budget Forecast

Unrestricted General Fund

Description	2022-23 Adopted Budget	2022-23 Current Budget	2023-24 Projected	2024-25 Projected
Total Revenues	\$390,457,044	\$402,290,795	\$428,325,891	\$450,540,548
Total Expenditures	(\$301,064,428)	(\$301,064,428)	(\$305,444,215)	(\$311,231,110)
EXCESS (DEFICIENCY)	\$89,392,616	\$101,226,367	\$122,881,676	\$139,309,438
Other Sources/Uses	(\$70,577,979)	(\$70,577,979)	(\$67,984,947)	(\$69,355,151)
Net Increase/(Decrease)	\$18,814,637	\$30,648,388	\$54,896,729	\$69,954,287
Beginning Balance	\$45,652,077	\$45,652,077	\$76,300,465	\$131,197,194
Projected Ending Balance	\$64,466,714	\$76,300,465	\$131,197,194	\$201,151,481



2022-23 thru 2024-25 Budget Forecast

Unrestricted General Fund

Description	2022-23 Adopted Budget	2022-23 Revised Budget	2023-24 Projected	2024-25 Projected
Estimated Ending Fund Balance	\$64,466,714	\$76,300,465	\$131,197,194	\$201,151,481
<u>Components of Fund Balance:</u>				
Revolving Cash/Stores	\$350,000	\$350,000	\$350,000	\$350,000
State Recommended DEU	\$9,873,000	\$9,873,000	\$9,236,532	\$9,308,904
Other Unassigned /Assigned	\$29,743,714	\$34,200,000	\$89,733,197	\$159,615,112
Committed Fund Balance:				
Contingency Reserve	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
Site Department Carryover	\$11,500,000	\$11,500,000	\$11,500,000	\$11,500,000
Reserve for 2023-24 LCAP	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000
Reserve Program Enhancements		\$7,377,465	\$7,377,465	\$7,377,465



IRVINE UNIFIED SCHOOL DISTRICT

Thank You