

WILLOWS UNIFIED SCHOOL DISTRICT
Office of the Superintendent

Date of Meeting: August 1, 2024

Request For Placement on Board Agenda:

AGENDA TOPIC: 2024-25 Adopted Budget – 45 Day Update

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.

The attached document summarizes the changes to the State Adopted Budget since May Revise 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.

Significant Changes in the Budget Act Since May Revision

On June 26th, the 2024-25 Budget Act was signed by the Governor. Many of the May Revision's proposals were approved with the Budget Act in addition to changes to education both fiscally and programmatically. The overall Budget Act presents continued uncertainty and risk surrounding the economy but thankfully preserves funding for 2024-25 as noted with the 2024-25 May Revision. With the May Revision, the Governor looked to address a shortfall for the fiscal year 2024-25 of ~\$45 billion, and since then the Governor, Legislators, and partners have reached deals and compromises that provide realistic solutions for the 2024-25 Budget. The deals included a "friendly" suspense of Prop 98, withdrawal of \$8.4 billion from the Public School System Stabilization Account, and deferral for fiscal years 2023-24 and 2025.

The Budget Act includes the following funding priorities:

- ✚ **Cost-of-Living adjustment (COLA):** The Local Control Funding Formula (LCFF) and other specified statutory programs will receive the COLA of 1.07% (no change from the May Revision's COLA estimate)
- ✚ **Budget Deferrals:** The Budget Act defers LCFF payments of \$3.6 billion, from 2023-24 to 2024-25, and \$246 million from 2024-25 to 2025-26. Additionally, categorical programs will be deferred by \$2.3 billion from 2022-23 to 2023-24.
- ✚ **Local Reserve Cap:** The local school district reserve will not be triggered in 2024-25 and is not anticipated to be triggered in 2025-26.
 - Reminder: When the reserve cap is triggered a cap of 10% is placed on local reserves (combined assigned and unassigned General Fund balances [includes the Reserve for Economic Certainty]) for districts that are not Basic Aid or districts with fewer than 2,501 average daily attendance (ADA).
- ✚ **Summer Layoff Authority:** The Budget suspends the authority of an LEA to terminate certificated and classified employees from July 1, 2024 to July 1, 2025.
- ✚ **Universal Meals** received a \$179.4 million increase for full implementation of Universal School Meals in 2024-25.
 - ✚ **School Nutrition policy changes:**
 - A one-year extension to the 2021 Kitchen Infrastructure and Training (KIT) funding now requires LEAs to report how funds were used to the CDE by June 30, 2025.
- ✚ **Emergency Attendance Waivers (J13A Waivers):** For emergency closures or material decreases in attendance after July 1, 2025, a J-13A affidavit must be included to certify that the LEA has adopted a Comprehensive School Safety Plan that includes procedures to engage with students, as soon as practicable but no later than 5 calendar days following the emergency and to provide access to remote or in-person instruction within 10 instructional days.

- ✚ **Attendance Recovery Program:** Starting July 1, 2025, an LEA may implement an attendance recovery program to allow pupils to make up lost attendance for both fiscal and educational purposes.

- ✚ **Expanded Learning Opportunities Programs (ELOP):** The Budget Act establishes expenditure deadlines and annual reporting.
 - ✚ Requires unspent funds from fiscal years 2021-22 and 2022-23 to be returned to CDE if not spent by September 30, 2024.
 - ✚ An expenditure deadline of two years is established starting with the fiscal 2023-24 appropriations.
 - ✚ Starting in fiscal year 2025-26, LEAs must annually declare to CDE their intent to operate an Expanded Learning Opportunity Program.

- ✚ **Independent Study:** The Budget Act makes changes to independent study rules which include:
 - ✚ The elimination of students to participate for a minimum of three consecutive school days before earning ADA in independent study.
 - ✚ Increases the duration a student can participate in short-term independent study to 15 days or fewer and the duration of long-term independent study to 16 days or more, cumulatively.
 - ✚ Expands pupil work product, for purposes of ADA, to include the daily time values spent by a pupil engaged in asynchronous instruction, and clarifies short-term IS agreements may be signed any time during the school.

- ✚ **Learning Recovery and Emergency Block Grant:** Due to a recent settlement on learning loss LEAs must complete a needs assessment regarding the use and expenditure of the Block Grant funds for 2025-26, 2026-27, and 2027-28 SBE shall include reporting requirements related to the Block Grants in its 2025-26 LCAP instructions, and adds professional development on Math and ELA Frameworks.

Reminder of Spending Deadlines:

<u>One-Time Funding*</u>	Resource Number	Spending deadline
A-G Completion Improvement Grant Program	7412,7413	June 30, 2026
American Rescue Plan - Homeless Children and Youth II (ARP-HCY II)	5634	September 30, 2024
Educator Effectiveness Block Grant	6766	June 30, 2026
ESSER III	3213, 3214	September 30, 2024
Expanded Learning Opportunities Grant	3218, 3219, 7425, 7426	September 30, 2024
In-Person Instruction Grant	7422	September 30, 2024
Learning Recovery Block Grant	7435	June 30, 2028
Literacy Coaches and Reading Specialists Grant Program	6211	2022-23's allocation June 30, 2027
		2023-24's allocation June 30, 2028
Art, Music, Instructional Material, Discretionary Block Grant	6762	June 30, 2026
Expanded Learning Opportunities Program FY 2021-22	2600	September 30, 2024 (updated with Budget Act)
Expanded Learning Opportunities Program FY 2022-23	2600	September 30, 2024 (updated with Budget Act)
Universal Prekindergarten Planning & Implementation Grant	6053	June 30, 2026