

2023-24 Revised Budget

Board of Education Meeting
August 22, 2023



Guiding Principles for Budget Development

Align to 2022–26 Strategic Plan

- Align funds to implement Strategic Plan Priorities and Strategies in order to reach the District Goals: Postsecondary Success, Literacy, Numeracy, and Social-Emotional/Wellness

Empower Student Achievement

- Address the immediate needs in our schools
- Strategically use one-time funds and continue progress monitoring to pivot strategies as needed

Budget with Equity and Urgency

- Spend funds on the students that generate them in the budget year for which the funds are generated
- Ensure an equitable distribution of resources that meets the immediate needs of students

Invest in Our Workforce

- Maintain staffing levels necessary to meet the needs of our students across the District, and to target interventions for our highest-need students

Protect Fiscal Sustainability

- Transition responsibly to a state where COVID funds will no longer be available, and reserves are used prudently
- Address the District's long-term liabilities, like Other Post-Employment Benefits and non-General Obligation funded capital needs

2023–24 Budget Highlights

Our strategic, equity-driven, and historic **investments in staff** and our schools lead us towards being the premier urban school district in America. **Over \$5 billion through 2025–26 invested in:**

Class size reduction by 2 in all academic, TK–12 classes

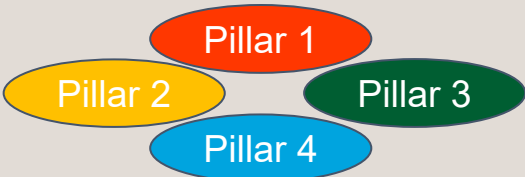
PSWs, PSAs, Academic Counselors, and Psychologists

Additional professional development every Tuesday

Additional college counselor in all HS with 900+ students

Increased compensation for district staff

2023-24 Budget Highlights



Closing Equity Gaps	SENI allocation maintained	\$700M	1 2 3	BSAP allocation maintained	\$125M	1	Prop 28 arts funds allocated to schools	\$59M	1
Tiered Academic Supports	Literacy & Numeracy Acceleration Strategies	\$122M	1	Educational Transformation Office (Priority, BSAP, HEET)	\$5M	1	Equitable School Performance Office	\$4M	4
Leading-Edge Programming	Universal Transitional Kindergarten for All 4-Year Olds	\$57M	1 4	Expanded Learning Opportunities Program & Cultural Arts Passport	\$914M	1	Dual Language Education	\$132M	1
Sustainability Initiatives	Greening & Sustainability	\$35M	4	IT & Cyber-Security Enhancements	\$176M	4	Modernizing Facilities	\$650M	4

The 2023–24 Budget Does Not...

- Lay off employees
- Reduce health benefits for employees or retirees
- Reduce the Student Equity Needs Index (SENI)
- Reduce the Black Student Achievement Plan (BSAP)
- Eliminate literacy and numeracy interventions
- Reduce student mental health supports
- Make wholesale reductions to student programs
- Reduce afterschool investments
- Reduce investments in community-based organizations

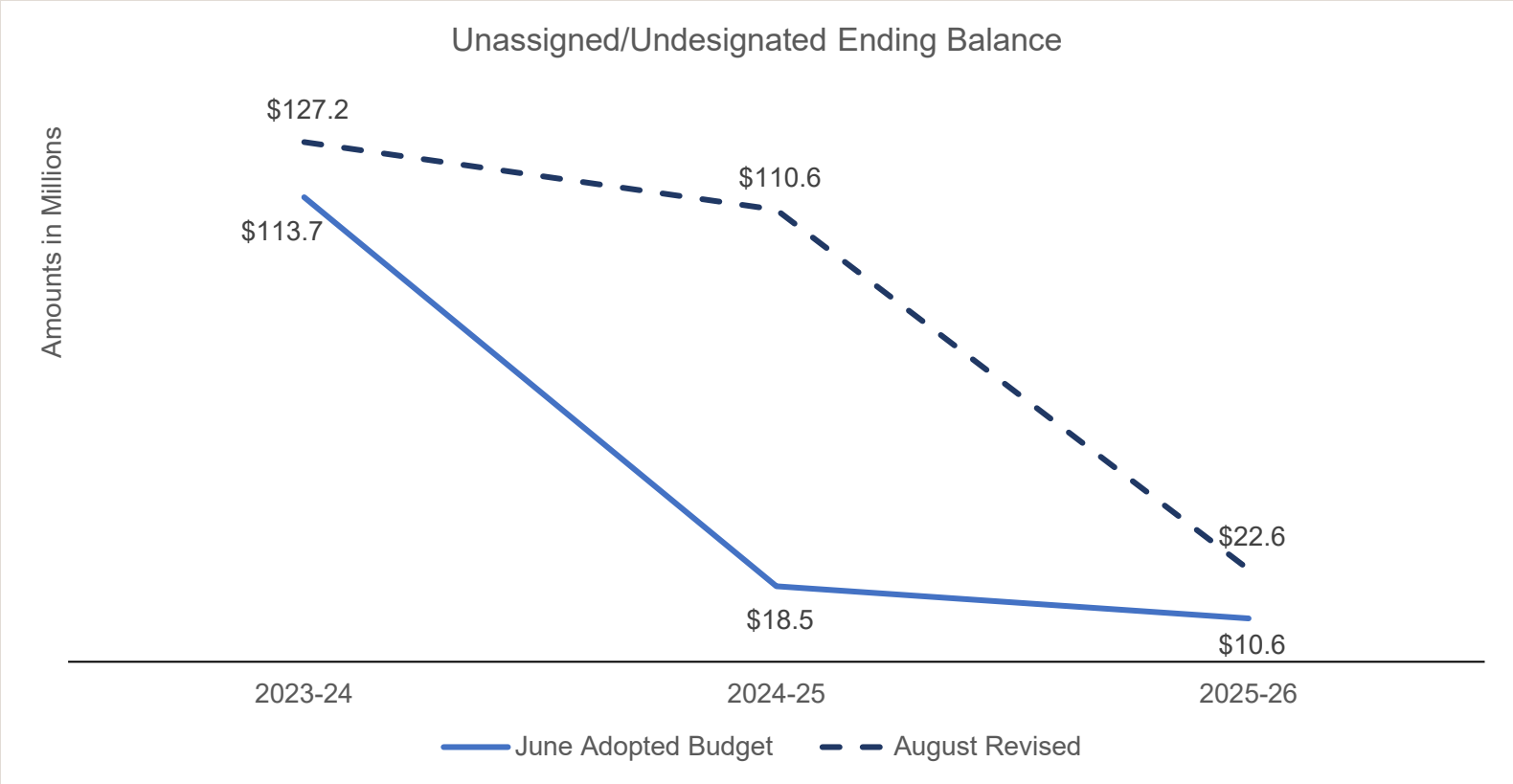
Highlights from State Enacted Budget

- Partial reversal of cuts to one-time grants since May Revision:

	2022-23 Enacted	2023-24 January Proposed	2023-24 May Revision	2023-24 Enacted	Final Reduction
Arts, Music, Instructional Materials Discretionary Block Grant	\$252M	\$167M	\$124M	\$238M	(\$14M)
Learning Recovery Emergency Block Grant	\$744M	\$744M	\$509M	\$595M	(\$149M)
TOTAL	\$996M	\$911M	\$633M	\$833M	(\$163M)

- LCFF Equity Multiplier
 - Funding for school sites that have prior-year non-stability rates of greater than 25% and socioeconomically disadvantaged pupil rates of greater than 70%
 - \$26.9M in estimated annual funding starting in 2023-24

Multi-Year Projection



Major Changes to Multi-Year Projection

- Partial reversal of cuts to one-time grants
 - Arts, Music, Instructional Materials Block Grant (+\$114M)
 - Learning Recovery Emergency Block Grant (+\$86M)
- Increased Cafeteria revenue (+\$80M)
- Labor agreements approved in June (-\$262M):
 - All labor agreements reflected except Teamsters, AALA Certificated, and District Represented

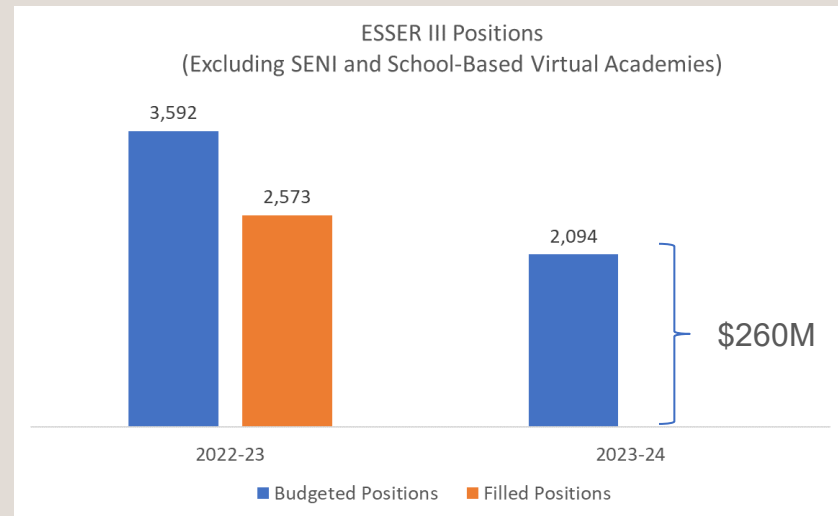
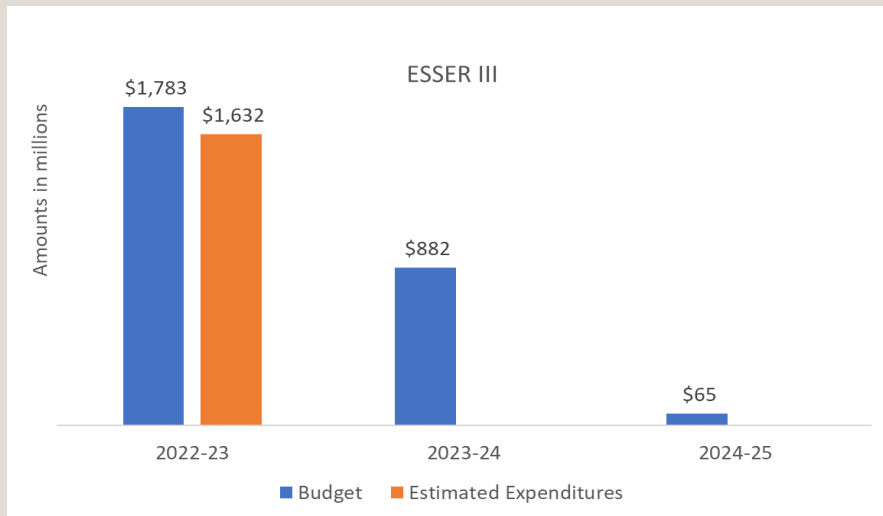
Factors Not Reflected in Multi-Year Projection

- Anticipated changes in compensation
 - Pending labor agreements
 - Future Health & Welfare Agreement
- Additional OPEB contributions
- Additional contributions to Liability Self-Insurance (LSI)

Components of Ending Balance

<i>(amounts in millions)</i>	2023-24 Adopted Budget (June 2023)	2023-24 Revised Budget (August 2023)	Change
Non-Spendable – Inventory/Prepays/Revolving cash	\$43.0	\$43.0	\$0.0
Restricted	\$1,258.0	\$1,098.2	(\$159.8)
Committed	\$1,972.8	\$1,895.3	(\$77.5)
Assigned	\$451.9	\$509.1	\$57.2
Unassigned			
Reserve for Economic Uncertainty	\$233.5	\$236.2	\$2.7
Undesignated	\$113.7	\$127.2	\$13.5
Total	\$4,072.9	\$3,909.1	(\$163.8)

Sunsetting of ESSER III



- Funds must be expended by **9/30/2024**
- SENI and Virtual Academy (school-based) positions not funded with ESSER in 2023-24
- The \$5.6 billion of total COVID funds represents almost 50% of one fiscal year's General Fund budget**

Looking Ahead

