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BOARD COMMUNICATIONS JANUARY 20, 2023

TO: Members of the Board of Education
FROM: Superintendent, Robert G. Nelson, Ed.D.

SUPERINTENDENT – Robert G. Nelson, Ed.D.

S-1 Robert G. Nelson Superintendent Calendar Highlights

BUSINESS AND FINANCIAL SERVICES – Patrick Jensen, Interim Chief Officer

BFS-1 Kim Kelstrom School Services Weekly Update Reports for
January 13, 2023

BFS-2 Kim Kelstrom January Legislative Committee Meeting

BFS-3 Patrick Jensen Budget Briefing Meetings

COMMUNICATIONS – Nikki Henry, Chief Officer

C-1 Maiyer Vang Parent Advisory Committee

INSTRUCTIONAL DIVISION – Dr. Natasha Baker, Chief Officer

ID-1 Carlos Castillo Scholastic's Foundations in Reading, Sound,
and Text

ID-2 Carlos Castillo Update on High School Physics Textbook
Adoption

ID-3 Carlos Castillo Professional Learning Summit: Summer and
Winter 2023

OPERATIONAL SERVICES – Paul Idsvoog, Chief Officer

OS-1 Paul Rosencrans Update on Transportation Department

Fresno Unified School District
Board Communication

BC Number S-1

From the Office of the Superintendent
To the Members of the Board of Education
Prepared by: Robert G. Nelson, Superintendent
Cabinet Approval:

Date: January 20, 2023

Phone Number: 457-3884

Regarding: Superintendent Calendar Highlights

The purpose of this communication is to inform the Board of notable calendar items:

- Met with Executive Cabinet
- Site visits at Figarden and Mayfair
- Attended the Fresno County Schools Trustees Association Meeting
- Presented Golden Heart Customer Service Award at Mayfair Elementary School
- Met with the Golden Westside Planning Committee
- Participated in monthly call with Fresno County Superintendents
- Attended the Fresno Cradle to Career (C2C) Leadership Council Meeting

Approved by Superintendent
Robert G. Nelson Ed.D.



Date: 01/20/2023

Fresno Unified School District
Board Communication

BC Number BFS-1

From the Office of the Superintendent
To the Members of the Board of Education
Prepared by: Kim Kelstrom, Executive Officer
Cabinet Approval:

Date: January 20, 2023

Phone Number: 457-3907

Regarding: School Services Weekly Update Reports for January 13, 2023

The purpose of this board communication is to provide the Board a copy of School Services of California's (SSC) Weekly Updates. Each week SSC provides an update and commentary on different educational fiscal issues. In addition, they include different articles related to education issues. The SSC Weekly Update for January 13, 2023 is attached and includes the following articles:

- Reminder: FAFSA and CADAA Requirement Begins This School Year – January 12, 2023
- California Schools, Community Colleges To Face Slight Drop in Funding, First in a Decade – January 10, 2023
- How is Gavin Newsom Dealing with a \$22.5 Billion Deficit? Four Things to Know About His Budget – January 11, 2023

If you have any questions pertaining to the information in this communication, or require additional information, please contact Kim Kelstrom at 457-3907.

Approved by Superintendent
Robert G. Nelson Ed.D.



Date: 01/20/2023



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DATE: January 13, 2023

TO: Robert G. Nelson
Superintendent

AT: Fresno Unified School District

FROM: Your SSC Governmental Relations Team

RE: *SSC's Sacramento Weekly Update*

Governor Newsom Releases the 2023-24 State Budget Proposal

On Tuesday, January 10, 2023, Governor Gavin Newsom released his proposal for the 2023-24 State Budget, his fifth State Budget proposal as California's chief executive.

With an estimated \$22.5 billion State Budget gap, this year's proposal is a lot more sobering than last year's when the state was experiencing record tax revenues. However, thanks to Proposition 2 (2014), which established the state's rainy-day funds and required deposits, California is in a much better position to weather this economic downturn than in previous years.

We at School Services of California Inc. released a comprehensive *Fiscal Report* article detailing the Governor's education proposals, which can be found [here](#).

Since the next step in the process is in the hands of the Legislature, we are providing excerpts of responses from legislative leaders and key education policymakers regarding the Governor's Budget proposal.

Legislative Leaders

“The state budget is a testament to our values—our promise to uplift all Californians. We're seeing that in action as local communities, emergency responders, and state agencies do all they can to help us get through these severe winter storms, armed with the resources and tools made possible in past budgets by lawmakers determined to prepare our state for what may come. While no one can predict the future, we are entering this year from a position of strength and readiness.”

—*Senate President pro Tempore Toni Atkins*

“Stock market and tech sector business trends are driving state revenues even lower. This June, the large reserves built over the last decade may be important for protecting California's progressive investments. I look forward to working with my Assembly colleagues, the Senate, and the Governor on a 2023 budget

that protects classroom, child care and university funding while safeguarding core programs that protect our environment and our most vulnerable residents.”

—Assembly Speaker Anthony Rendon

“The projected shortfall is manageable thanks to years of smart, responsible budgeting decisions and our more than healthy reserves. I commend the Governor for his emphasis on maintaining essential services, including schools, health care, and support for those who need it most, and addressing much of the shortfall through achievable delays.”

—Senate Budget and Fiscal Review Committee Chair Nancy Skinner

“Our robust General Fund reserves and Rainy Day Fund have positioned our state well to weather downturns, allowing us to prioritize the commitments we have made in early childhood, K-12 and higher education, homelessness support and health care. Thanks to this diligence, there are many solutions available to us to ensure that access to vital services and programs won’t be cut. I’m happy to see a number of the Governor’s priorities are aligned with the Assembly Budget Blueprint, *Serving California: Making Government Work*, which was unveiled last month, and uses our tools to safeguard important investments.”

—Assembly Budget Chair Phil Ting

“I applaud Gov. Newsom’s commitment to increasing the Local Control Funding Formula (LCFF) by 8.13 percent, resulting in an additional \$4.2 billion in discretionary funds for K-12 districts. For the University of California and California State University systems, I consider it a good start to maintain the five percent increase in base funding for their multi-year compacts. It is important to note that the Legislative Analysts’ Office (LAO) still estimates a \$12 billion shortfall in student housing needs over time.”

—Senate Budget Subcommittee on Education Chair John Laird

“I applaud the Governor’s proposed 2023 State Budget. While we need to acknowledge our softening economy, because of our prudent budget practices with record reserves, this draft \$297 billion spending plan allows California to further invest in our future. As Chair of the Assembly Education Budget subcommittee, I’m especially pleased to see our continued focus on expanding early education, funding TK-12 schools at record levels, and increasing access and affordability for higher education. I am eager to dig into the Governor’s proposals and help craft a final budget plan that will continue to move California forward.”

**—Assembly Budget Subcommittee on Education
Finance Chair Kevin McCarty**

“I support the Governor’s commitment to provide the highest ever per-pupil funding in California -- \$17,500 in state funding, \$23,700 from all funds -- as well as an 8.13 percent Cost of Living Adjustment. I applaud the Governor’s continued commitment to important initiatives such as community schools, universal transitional kindergarten, after school learning programs, and universal nutrition. I look forward to the Governor and Legislature working together to further develop the Governor’s proposed Local Control Funding Formula (LCFF) equity multiplier to help close achievement gaps for student groups with persistent disparities in educational outcomes. As Chair of the Assembly Education Committee, I will continue to fight to protect classroom funding so that all students can attend good public schools in their neighborhood, regardless of where they live. I am proud to have championed record new investments in public education,

particularly last year’s historic increase to the LCFF base grant. I look forward to working with the Governor and Legislature to continue to make public education our state’s top priority.”

—Assembly Education Committee Chair Al Muratsuchi

Next Steps

The release of the 2023-24 State Budget proposal kicks off the months-long State Budget process. The full Assembly and Senate Budget Committees have yet to schedule their budget overview hearings on the Governor’s State Budget proposal, but those hearings will take place within the next couple of weeks. The committees will hear a high-level overview of the Governor’s proposal from representatives of the Department of Finance (DOF) and Legislative Analyst’s Office.

The State Budget trailer bills, which provide the details and mechanics of the Budget proposals, are generally not released by the DOF until early February. Budget subcommittee hearings usually begin around the same time the trailer bills are released. As a reminder, the subcommittees tasked with vetting education issues in the State Budget are the Assembly Budget Subcommittee No. 2 on Education Finance, chaired by my Assemblymember Kevin McCarty (D-Sacramento), and the Senate Budget Subcommittee No. 1 on Education, chaired by Senator John Laird (D-Santa Cruz).

Over the next several months, the Legislature will delve into the Governor’s 2023-24 State Budget proposal and discuss their own funding priorities. Governor Newsom will negotiate with members of the Legislature, and we will likely see many changes to the 2023-24 State Budget before the June 15 constitutional deadline for the Legislature to pass the Budget.

Leilani Aguinaldo

Reminder: FAFSA and CADAA Requirement Begins This School Year

By Kyle Hyland
School Services of California Inc.'s *Fiscal Report*
January 12, 2023

The 2021-22 State Budget postsecondary education trailer bill included language that requires local educational agencies (LEAs) to confirm that their high school seniors complete a Free Application for Federal Student Aid (FAFSA) or California Dream Act Application (CADAA) beginning with the 2022-23 school year, which aligns with the 2023-24 FAFSA/CADAA application cycle that began on October 1, 2022. The goal of this new requirement is to increase the number of FAFSA and CADAA submittals from high school seniors after years of declining applications.

The bill allows for a student's parent or guardian, or the student themselves if they are over the age of 18, to opt-out of this requirement by completing an opt-out form, which must be collected and retained by the student's high school. The bill permits an LEA, if it determines that a student (or their parent or guardian) is unable to complete the FAFSA, CADAA, or opt-out form, to exempt that student from the requirement and instead complete and submit an opt-out form on the student's behalf.

The legislation tasked the California Student Aid Commission (CSAC) with creating a model opt-out form and regulations, which were officially approved by the Office of Administrative Law back in May 2022. You can find CSAC's approved regulations and model opt-out form [here](#).

We implore LEAs that serve high school seniors to ensure that their students are completing a FAFSA or CADAA, or submitting an opt-out form to their local high school. To assist LEAs and their counselors with this new requirement, we wanted to provide the below infographic on the FAFSA process that was provided by Federal Student Aid (FSA), which is the office inside the U.S. Department of Education that is responsible for the development, distribution, and processing of the FAFSA.



You can also find additional information from the FSA on the FAFSA process [here](#).

Note: Despite less money, per-pupil funding under Proposition 98 would increase to a record \$17,519 under the Governor’s proposal, but that is mostly due to declining enrollment and being under Test 1.

California Schools, Community Colleges To Face Slight Drop in Funding, First in a Decade

By John Fensterwald
EdSource
January 10, 2023

Funding for schools and community colleges will fall next year for the first time in a decade, under the first pass at the 2023-24 state budget, which Gov. Gavin Newsom released Tuesday. Both the University of California and the California State University would receive 5% base increases. ([Go here for more details on higher education funding.](#))

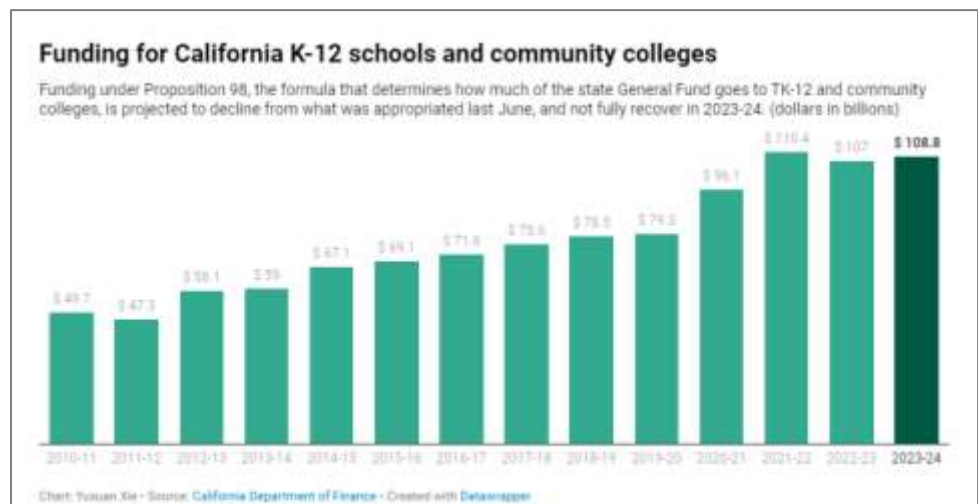
Newsom projected a drop of \$1.5 billion below the \$110.4 billion the Legislature approved last June for Proposition 98, the formula that apportions how much of the state’s general fund goes to TK-12 and community colleges.

He said that the state would meet the statutory requirement to pay a projected 8.1% cost of living adjustment, the highest rate in four decades. School organizations have reiterated that funding COLA would be their top budget priority this year.

“That’s a number I never expected to see...” Newsom said. “It’s an expression of our commitment to equity.”

The COLA increase would apply to general funding through the local control funding formula as well as special education and other ongoing programs.

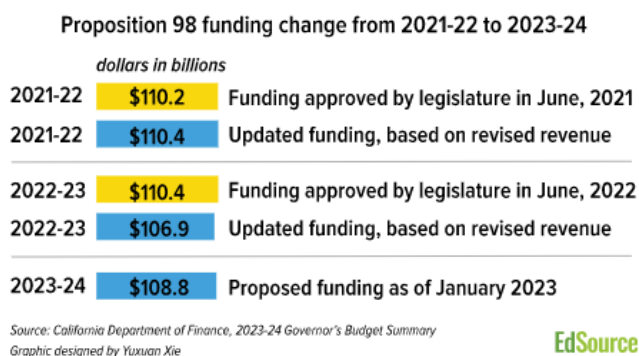
At the same time, he said he would continue the big initiatives he funded during the past two years, including \$4 billion for community schools, \$12.5 billion for learning recovery from Covid and \$4.7 billion for mental health needs. “We’re going to continue these commitments. We’re not backing off,” he said during a lengthy budget presentation.



Schools would fare relatively well compared with other areas in the budget plan, as the state grapples with a projected \$22 billion shortfall in the general fund. While Newsom is proposing funding delays and cuts to climate change, transportation, housing and workforce development programs, he mostly committed to keeping cuts away from schools.

Newsom’s forecast does not assume there will be a recession, and much could change between now and May, when the governor issues a revised budget based on updated revenue forecasts, followed by negotiations with the Legislature.

The drop in Proposition 98 funding — several billion less than the Legislative Analyst Office projected in November — follows 10 years of funding increases. Between 2019-20 and 2021-22, the minimum guarantee alone grew \$31.3 billion to \$110.3 billion, or 39.5%. It was the biggest increase in any two-year period since the passage of Proposition 98 in 1988, according to the LAO. The drop in 2023-24, if it holds, would erode only a small portion of this gain.



Despite less money, TK-12 per-student funding under Proposition 98 would actually rise slightly to a record \$17,519 in 2023-24. That’s because of declining enrollment. Under Proposition 98, schools and community colleges will continue to receive 39% of the general fund revenues, dividing it among a shrinking number of students. Total per-student funding, with funding from the federal government and other sources, will be \$23,723 next year, according to the Department of Finance.

Newsom is projecting that Proposition 98 revenue for 2022-23 will fall \$3.5 billion below what the Legislature approved last June. Rather than cut ongoing funding or backfill with money from the \$8.3 billion education rainy day fund, he would make up the difference by delaying money for kindergarten facilities, cutting \$1.2 billion from one-time discretionary funding for arts and instructional materials and applying other unused one-time funding.

Newsom is not proposing new big-dollar programs. However, he would broaden the local control funding formula by \$300 million through what he is calling an equity multiplier, a new school-based funding concept that is an effort to address a commitment he made last year to Assemblywoman Akilah Weber, D-La Mesa. It would provide additional funding to the highest-poverty schools to address underlying issues behind the lowest-performing students — as identified by the California School Dashboard.

“This is an important investment that would double down on improving opportunities and closing gaps at our state’s lowest-income schools. And we’re particularly pleased to see the funds focus on improving teacher quality at the neediest school sites,” said John Affeldt, managing attorney and director of education equity at Public Advocates.

But Weber’s plan, in a bill she withdrew last year, would have provided extra funding for the lowest-performing student group not already receiving extra funding under the formula. Black students statewide persistently have been that group. Fewer than 1 in 6 Black students met standards in math, compared with one-third of all students, in the latest Smarter Balanced results.

One issue of disagreement is whether her bill would violate Proposition 209, which bans preferential treatment on the basis of race and ethnicity in public education. In a statement on Tuesday, Weber did not endorse Newsom’s proposal, but she called it “a step in the right direction” and said she looked forward to continued discussions.

Newsom is also proposing:

- \$250 million more to districts with the lowest income elementary schools to hire and train literacy coaches. The number of schools with literacy coaches will double.
- An additional \$1.5 billion to continue other programs designed to increase the number of qualified teachers in classrooms including the Golden State Teacher Grant Program, which pays teachers with needed credentials up to \$20,000 a year to work in schools that have a high number of foster youth, English learners and students from low-income families, and the Classified School Employee program, which helps classified staff earn a bachelor’s degree and teaching credential. “These investments have begun to increase the number of fully prepared teachers graduating from California teacher education programs and entering the state educator workforce, and to reduce the number of teachers who are hired on substandard credentials,” according to the budget summary.
- \$100 million to enable high school seniors to visit museums, attend theater performances or enjoy other arts enrichment activities. The funding amounts to about \$200 per student.

Susan Markarian, president of the California School Boards Association, praised Newsom’s previous commitments to extending the school day and funding learning recovery while providing the full cost-of-living adjustment. “Combined with an additional investment to implement transitional kindergarten, this budget contains important tools school districts and county offices of education can use to fund academic interventions, supplemental services and mental health supports,” she said in a statement.

But she also called for “more action to address the staffing shortage and provide pension relief at a time when 25 cents of every dollar received by local schools goes toward pension obligations.” She also requested “more robust support for schools to combat cyberattacks that put student and staff privacy at risk and compromise school operations.”

Consistent with previous years, the governor’s budget includes reforms for Special Education Local Plan Areas — the organizations that oversee services for disabled students in California public schools. The budget extends the moratorium on new SELPAs, increases transparency for SELPA budgets and governing plans, and limits the amount of money SELPAs can spend on services not directly related to children, such as financial support and monitoring.

But administrators will have to wait until May’s budget revision for more details on what these changes will actually mean, said Anjanette Pelletier, director of management consulting services for School Services of California.

“We definitely have to wait to see more detailed language,” she said. “But I feel it continues the path we’ve been on.”

Aaron Benton, Butte County SELPA director and communication chair of the SELPA Administrators Association, said SELPAs need more support from the state, not less.

“We applaud the efforts of the Administration and Legislature” to increase base funding, he said, “but we believe the surest way to address the achievement gap and improve outcomes for students with disabilities is for the state to strengthen SELPA structures.”

Early education

Newsom reaffirmed his commitment to offering transitional kindergarten to all 4-year-olds by 2025, eventually at an ongoing cost of \$3 billion per year. Last year, more than \$600 million was funded for the first year of eligibility, where all children turning 5 years old between Sept. 2 and Feb. 2 were eligible.

Newsom is proposing \$690 million to implement the second year, in which 46,000 more children will be eligible when the cutoff date moves from Feb. 2 to April 2. In addition, \$165 million is proposed to support adding one certificated or classified staff person in every TK classroom.

The proposed budget delays adding more child care slots toward the goal of an additional 200,000. Funding for 20,000 new slots will be funded in 2024-2025, instead. Thousands of the previous slots have not yet been filled, which providers attribute to funding too low to hire more staff.

Child Care Providers United, the union that has worked on legislation and reimbursement negotiations, said they were disappointed to see the delay “at a time when families are still in critical need of quality, affordable child care for all ages, beyond just TK. ...”

“We also recognize that without increases in provider pay and investments in provider safety nets, including retirement investments, new talent won’t enter the workforce,” their statement continued. “Delays in expansion only serve to hurt California’s working families.”

The budget also includes an additional \$116 million to continue a multiyear plan to ensure preschools enroll more dual-language learners and children with disabilities. In 2023-24, state preschools, which serve low-income families, are required to make students with disabilities at least 7.5% of their enrollment, and to also provide more support for dual-language learners.

EdSource reporters Ali Tadayon, Carolyn Jones, Diana Lambert and Ashleigh Panoo contributed to this report.

Correction: The original version incorrectly stated that the proposed budget includes an additional \$1.5 billion to develop the teacher workforce through a block grant program. That money was appropriated in an earlier budget.

THE THINKING BEHIND NEWSOM'S APPROACH TO EDUCATION



Ben Chida

In an opening comment at a press conference Tuesday on proposed education funding, Ben Chida, Chief Deputy Cabinet Secretary for Gov. Newsom, placed the 2023-24 state spending plan in a larger context. Here are his lightly edited remarks.

Over the course of one term, Gov. Newsom and the Legislature have increased education investments by \$37.3 billion. For scale, Florida's most recent education budget totaled \$29 billion. So the important question ahead is how will the lives of students and families be improved with increased investments?

The investments and policies we're advancing fall into two buckets based on two sets of questions that we all have for our own kids. The first question is, Are you safe, are you fed, are you well? That's our whole child work, including universal school meals, youth mental health, TK, expanded after school and a lot more.

If they're well, if they're safe, if they're fed, the second question is, What do you want to do when you grow up? So let's help you self-actualize. That's College Corps, that's apprenticeships, billions for healthcare and education pipelines, for learning recovery and tutoring, dual enrollment pathway programs, and a whole lot more. Our vision is to rethink systems from cradle to career so that we can better ensure that students are one, well, and two, successful in a path that gives them meaning.

Within the national context, there's a hard fork in education policy. Governor (Newsom) has talked about it numerous times. One vision, advanced by several states, is to demean, to accuse public servants of being groomers and indoctrinators, to turn school board meetings and college campuses into battlegrounds for the culture wars. And ultimately, the goal is to privatize and defund public institutions.

In stark contrast, the governor's vision doubles down on the proposition that brought us into this work – that public service institutions can, should, must do good and big things for the people. That's why we are continuing on the investments to transform education. We're confident that this will accrue to the benefit of students and families across the state.

Note: Governor Newsom has not proposed tapping into reserve funds in his 2023-24 State Budget proposal but will reevaluate that decision at the May Revision when the state's revenue picture is clearer.

How is Gavin Newsom Dealing with a \$22.5 Billion Deficit? Four Things to Know About His Budget

By Maggie Angst and Lindsey Holden
The Sacramento Bee
January 11, 2023

Gov. Gavin Newsom faces a precarious budget season as he tries to pursue his agenda while juggling a projected \$22.5 billion deficit and uncertain economic times.

In a Tuesday briefing, where he unveiled his \$297 spending plan for the 2023-24 fiscal year, he vowed to protect certain past budget commitments while proposing cuts to transit projects and climate initiatives. He also deferred spending on capital projects and proposed additional “trigger” reductions to programs he could potentially restore if financial conditions improve.

The governor’s proposal signals the start of a six-month cycle of negotiations with legislators and revisions in the spring before a balanced budget must be passed by June 15. The state’s cloudy economic forecast will likely change during that time and force Newsom to update his plan and make concessions to lawmakers.

In the meantime, here’s four takeaways from the governor’s first-round proposal for the new fiscal year, which will begin July 1.

1. NEWSOM’S JANUARY BUDGET PROPOSAL INCLUDED CUTS FOR THE FIRST TIME

Since Newsom took office in 2019, he has been blessed with record revenues and historic budget surpluses that have granted him the freedom to pour money into some of his most ambitious policies.

But the budget for the upcoming fiscal year presents Newsom with challenges he has largely been able to avoid to this point.

Despite fears in 2020 that the global COVID-19 pandemic would torpedo the state’s economic prosperity, the worst predictions never came to pass and state revenues soared. While that could happen again, it appears unlikely, leaving Newsom and the legislature to figure out the best way to balance the budget.

Newsom calls for a combination of funding cuts, deferred spending on capitol projects and childcare offerings and borrowing cash. He has held off on tapping into the state’s budgetary reserves and rainy day fund in case the country enters a recession.

2. TRANSPORTATION AND CLIMATE FUNDING TAKE THE BIGGEST CUTS

Although Newsom proposed cuts and spending deferrals across a variety of interest areas, climate and transportation bear the brunt of the suggested hits.

His plan would pare back \$2 billion in funding for local transit capital infrastructure projects. He also put forward for a \$6 billion cut to a handful of California's top climate initiatives. They include subsidies for zero-emission vehicles, incentives for solar panel installation and money to help low-income residents cope with heat waves and run appliances with clean energy.

Asked why he was trimming back climate programs he celebrated just a few months ago, Newsom stressed that the state's investments were still substantial. His plan preserves \$48 billion of the record \$54 billion set aside for environmental programs last summer.

"Why climate and transportation? Because of the magnitude of those budgets: unprecedented," Newsom said. His spending plan also leaves open the possibility for restoration. About \$3.1 billion in cuts to climate and transportation are part of group of "triggers" that Newsom emphasized could be restored next year if additional funds became available.

3. CALIFORNIA'S ECONOMIC CONDITION COULD WORSEN

Newsom's budget does not account for a recession. Instead, it assumed "continued but slowing economic growth."

The 155-page summary, however, acknowledges a handful of unknowns that could change the forecast and lead to a mild or moderate recession in the months ahead. Those uncertainties include decisions by the Federal Reserve Board on inflation rates, the potential for inflation to drop more slowly than expected and conditions in China that could disrupt the global economy.

According to the administration's forecasts, a mild recession could cause revenue losses up to \$40 billion more than projected. When the governor revises his budget in May, policymakers will have the option to tap into their reserves. Since 2015, California has stashed away billions of dollars in a rainy-day account to prepare for an economic downturn. Newsom refrained for using the state's coffers to fill the projected deficit in his initial proposal. But that decision would likely be revisited if the state's economic circumstances worsen.

4. NEWSOM'S SPENDING PLAN REINFORCES HIS TOP PRIORITIES

The first budget proposal of Newsom's second gubernatorial term seeks to bolster the commitments he made during his first four years in office.

"We're not backing away," Newsom repeated as he touted anticipated investments in education, homelessness and other social services.

Despite the projected shortfall, the governor made sure to highlight his ongoing commitment to offer universal transitional kindergarten to all 4-year-olds in California, expand free health care for undocumented residents and launch CARE Court, a court-ordered treatment program for Californians struggling with mental illness. Newsom's proposal does not reduce funding or extend the timeline for those initiatives.

He also called for local leaders to receive an additional \$1 billion for homeless initiatives in the 2023-24 fiscal year, though he emphasized that the release of such funds would be dependent on results.

“We’ll fund success,” he said, “not failure.”

Fresno Unified School District
Board Communication

BC Number BFS-2

From the Office of the Superintendent
To the Members of the Board of Education

Date: January 20, 2023

Prepared by: Kim Kelstrom, Executive Officer 

Phone Number: 457-3907

Cabinet Approval: 

Regarding: January Legislative Committee Meeting

The purpose of this board communication is to provide the Board information shared at the January 12, 2023, Legislative Committee Meeting.

Economic and Budget Update – Ms. Leilani Aguinaldo provided a budget legislative update.

The Governor's January Proposal for 2023/24 included a projected Cost-of-Living Adjustment (COLA) of 8.13% for 2023/24 for Proposition 98 with a \$109 billion budget. The Legislative Analyst's Office (LAO) projects a slightly higher projection than the Governor's Proposed Budget. The Governor's proposal assumes the state is not in a recession although deficit spending, utilizes one-time or near-term spending to balance the budget. In addition, the Governor proposes to add \$365 million to the Proposition 98 Rainy Day Fund to bring the balance to \$8.5 billion.

The Proposal includes increasing the Local Control Funding Formula with an add-on equity multiplier of \$300 million. Eligibility will be determined by elementary and middle schools serving 90% of students eligible for free federal meals and high schools with 85% students eligible for free federal meals.

The Governor plans to continue to fund the Extended Learning Opportunities Program, Transitional-Kindergarten age expansion, and nutrition. In addition, with Proposition 28 passing which will fund arts and music for schools beginning in 2023/24, the Governor proposes to reduce the 2022/23 Arts, Music, and Instructional Materials Discretionary Block Grant by approximately one-third.

The Proposal also includes an increase to the Public Employee's Retirement System (CalPERS) rate from 25.37% to 27.0% in 2023/24 while the State Teachers' Retirement System (CalSTRS) rate remains at 19.10%.

The School Services Legislative Committee January 2023 report is attached. The next Legislative Committee meeting is scheduled for February 09, 2023.

If you have any questions pertaining to the information in this communication, or require additional information, please contact either Kim Kelstrom at 457-3907 or Patrick Jensen at 457-6226.

Approved by Superintendent
Robert G. Nelson Ed.D. 

Date: 01/20/2023

Fresno Unified School District

**LEGISLATIVE COMMITTEE MEETING
JANUARY 12, 2023**

2023-2024 Legislative Session

Prepared By:

**Leilani Aguinaldo
Director, Governmental Relations**



Public Education's Point of Reference for Making Educated Decisions



School Services of California, Inc.
Legislative and Economic Update Prepared for:
Fresno Unified School District
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January 11, 2023

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Overview of the Governor's Proposals for the 2023-24 State Budget and K-12 Education

By: SSC Staff

January 10, 2023

Overview of the Governor's Budget Proposals

Today, California seemed to turn the page in State Budget development: from COVID-19 pandemic budgeting since May 2020 to more business as usual. And unfortunately for Governor Gavin Newsom, business as usual comes with a softening economy.

Thankfully, California is better prepared to weather the proverbial storm due to the significant rainy-day deposits and investments made during the good years that allows the state to address an estimated budget gap of \$22.5 billion with relatively little disruption through funding delays, shifts, and some reductions. Perhaps foreshadowing a more gloomy May Revision on the horizon, Governor Newsom purposefully chose *not* to draw from the state's reserve accounts to close the budget gap. He is likely holding that option back in case the economic dam breaks.

For education, Governor Newsom proposes a State Budget to preserve investments made during the boom years; the number of significant changes for 2023-24 can be counted on one hand. However, the changes proposed, as we will detail in this article, are significant for local educational agencies (LEAs) across the state and include a proposed mid-year cut to previously budgeted one-time funds. But at least for now, gone are the litany of new ongoing and one-time categorical programs that have filled the Proposition 98 guarantee during those years.

The Economy and Revenues

Governor Newsom assumes a slowing but still growing economy at the national and state level; however, identified risks to his assumptions are strewn throughout his budget proposal. In fact, the Governor began his press conference standing beside a chart showing a sharp decline in capital gains revenues as a percentage of personal income, which he referred to as the California economy's electrocardiogram, or EKG. This is because the largest source of state General Fund revenues is derived from taxes on personal income, including capital gains. One percent of the state's highest income earners generated over 26% of all gross income and they paid 49% of all personal income taxes in 2020. According to the Governor's Budget Summary, "[t]hese two related phenomena—significant reliance of the General Fund on capital gains and on taxes paid by a small portion of the population—underscore the difficulty in forecasting personal income tax revenue" and, by extension, General Fund revenues.

To underscore the state's reliance on its richest residents, capital gains revenue has made up between 8.5% and 12.6% of total annual General Fund revenues over the last decade. The Governor's Budget assumes a modest reduction in the share of revenues that come from stock market investments in 2023 to 8.3%, consistent with the assumption that the overall economy is cooling (while avoiding a recession). Importantly, the Newsom Administration assumes that Wall Street investors will remain cool-headed and that each of the major market indexes will not decline and instead will grow modestly from their November 2022 levels.

This may prove to be a risky assumption. As it is, the Governor’s Budget recognizes a budget shortfall of \$29.5 billion over the three-year budget window (2021-22, 2022-23, and 2023-24). Despite this somber picture, Governor Newsom manages to present a balanced budget proposal without dipping into reserves. If the economy worsens from the assumptions he uses to build his budget—such as protracted and sustained inflation, slower growth in personal income, and contracting employment—he and lawmakers may need to dip their hands into rainy day funds to avoid untenable budget reductions to programs and services, including public education, that they value.

Relative to the key General Fund drivers, the Governor’s Budget makes significant reductions to the “Big Three” tax revenues relative to the 2022-23 Enacted Budget across the three-year budget window, for a total downward adjustment of \$31.7 billion.

Big Three Tax Revenues
(in millions)

	2021-22		2022-23		2023-24	
	2022-23 Enacted Budget	Governor’s Budget	2022-23 Enacted Budget	Governor’s Budget	2022-23 Enacted Budget	Governor’s Budget
Personal Income Tax	\$136,497	\$136,762	\$137,506	\$128,905	\$143,755	\$126,695
Corporation Tax	\$46,395	\$45,298	\$38,464	\$38,482	\$42,013	\$39,308
Sales and Use Tax	\$32,750	\$32,915	\$33,992	\$32,851	\$35,145	\$33,599

Again, the Governor’s Budget revenue estimates do not forecast a recession—even a mild one—and contain underlying assumptions that would significantly impact state revenues, particularly personal income tax revenues.

The 2022-23 Enacted Budget’s reliance on one-time spending (93% of new money was committed to one-time expenses) provides some budget resilience moving into 2023-24. Additionally, reserves will cushion further declines in state revenues. But the Governor’s Budget is balanced delicately on what some may say are risky assumptions.

Proposition 98 Minimum Guarantee, Reserve, and Local Reserve Cap

As expected, given trends in state General Fund revenues, the Proposition 98 minimum guarantee for K-12 and community college education has declined relative to the 2022-23 Enacted Budget. Specifically, the Governor estimates the minimum guarantee for fiscal year 2023-24 to be \$108.8 billion, representing a \$1.5 billion reduction compared to Enacted Budget estimates. Test 1 remains operative through the budget window (2021-22, 2022-23, and 2023-24), meaning that public education funding is a simple percentage of General Fund revenues (approximately 38%). The Proposition 98 minimum guarantee decreases by \$4.7 billion over the three-year period.

Proposition 98 Minimum Guarantee

2021-22		2022-23	
2022-23 Enacted Budget	Governor's Budget	2022-23 Enacted Budget	Governor's Budget
\$110.2 billion	\$110.4 billion	\$110.4 billion	\$106.9 billion
Change	(\$200 million)	Change	(\$3.5 billion)

General Fund expenditures toward the minimum guarantee decrease in the Governor's Budget due to offsetting increases in local property taxes. For 2022-23, the General Fund portion of Proposition 98 is estimated to decrease by \$153 million. Additionally, General Fund expenditures for Proposition 98 decrease by \$1.3 billion in 2023-24. Together, these adjustments result in a General Fund savings of approximately \$1.5 billion, which will be partially encumbered by a required adjustment to the minimum guarantee from transitional kindergarten (TK).

The Governor's Budget maintains the commitment to expand TK, requiring a "rebench" of the Test 1 minimum guarantee percentage for the increased cost of serving more TK students. The TK rebench increases public education's share of General Fund revenues from 38.3% to 38.6%. Further, the passage of Proposition 28 (2022), the Arts and Music in Schools—Funding Guarantee and Accountability Act, will require the state to rebench Proposition 98 in 2024-25 for the additional revenue set aside for arts and music instruction in public education.

Proposition 98 Reserve

Deposits to and withdrawals from the Public School System Stabilization Account (Proposition 98 Reserve) are formula-driven and reliant on trends in state General Fund revenues inclusive of capital gains. The Governor's Budget revises prior-year deposits based on updated revenues, and estimates a required \$365 million deposit in 2023-24. The revised and estimated deposits result in an account balance of \$8.5 billion (down from \$9.5 billion in the 2022-23 Enacted Budget).

2021-22		2022-23	
2022-23 Enacted Budget	Governor's Budget	2022-23 Enacted Budget	Governor's Budget
\$4.0 billion	\$3.7 billion	\$2.2 billion	\$1.1 billion
Change	(\$300 million)	Change	(\$1.1 billion)

Despite the reduced deposits in 2021-22 and 2022-23, the 2022-23 Proposition 98 reserve account balance of \$8.1 billion continues to exceed 3% of K-12's share of the Proposition 98 minimum guarantee, which maintains the cap on local school district reserves in 2023-24.

Local Control Funding Formula and Cost-of-Living Adjustment

The Governor’s Budget proposal estimates, and fully funds, a statutory cost-of-living adjustment (COLA) of 8.13% for the Local Control Funding Formula (LCFF), which is lower than the Legislative Analyst’s Office (LAO) estimated in its November *Fiscal Outlook* report (8.73%). There are still two data points outstanding in order to calculate the final statutory COLA—one anticipated in a matter of weeks and the other at the end of April—so time will tell whether the Administration or the LAO have a clearer crystal ball.

The Governor’s estimated COLA would also be applied to other education programs funded outside of the LCFF, including Special Education, Child Nutrition, State Preschool, Foster Youth, Mandate Block Grant, Adults in Correctional Facilities Program, Charter School Facility Grant Program, American Indian Education Centers, and the American Indian Early Childhood Education program—as well as county offices of education and community colleges.

LCFF Entitlements for School Districts and Charter Schools

The base grants by grade span for 2023-24 are increased over 2022-23 by the estimated statutory COLA of 8.13%.

Grade Span	2022-23 Base Grant Per ADA *	8.13% COLA	2023-24 Base Grant Per ADA
TK-3	\$9,166	\$745	\$9,911
4-6	\$9,304	\$756	\$10,060
7-8	\$9,580	\$779	\$10,359
9-12	\$11,102	\$903	\$12,005
*Average daily attendance (ADA)			

The TK-3 base grant increase for the class-size reduction (CSR) grade span adjustment is \$1,031 per ADA in 2023-24 and the grade 9-12 base grant per ADA is increased by \$312 in recognition of the need for Career Technical Education (CTE) courses provided to students in the secondary grades.

School districts and charter schools are entitled to supplemental grant increases equal to 20% of the adjusted base grant (including CSR and CTE funding) for the percentage of enrolled students who are English learners, eligible for the free or reduced-price meals program, or in foster care. An additional 65% per-pupil increase is provided as a concentration grant for each percentage of eligible students enrolled beyond 55% of total enrollment, with 15% of the concentration grant to be used to increase the number of adults providing direct services (nurses, teachers, counselors, paraprofessionals, and others) to students.

Equity Multiplier

Recognizing persistent disparities in the outcome data of different student groups, the Governor proposes \$300 million ongoing Proposition 98 funds to establish an Equity Multiplier add-on to the LCFF. The funds will be distributed at the LEA level, but eligibility will be determined by

school sites. Elementary and middle schools serving at least 90% of students that are eligible for federal free meals, and high schools serving at least 85% of students that are eligible for federal free meals, would generate the additional funds. LEAs that receive funds under this proposal would be required to use the additional funds on services and supports that directly benefit the eligible school.

To ensure LEAs are focused on addressing student group and school-level equity gaps, amendments to the Local Control and Accountability Plan will be unveiled later this month to complement the new Equity Multiplier LCFF funds. An LEA would be required to include its plan for the use of the Equity Multiplier funds in its LCAP, along with requirements for engagement of parents and communities in deciding how to invest the new funds at the eligible school. Additional anticipated changes will further refine the LCAP and System of Support more generally to better ensure that resources are allocated based on student needs and that related actions and services are effective in closing opportunity and outcome gaps.

This proposal is intended to address a commitment made by the Governor to Assemblymember Akilah Weber (D-La Mesa) last year after her bill to provide funding for the lowest performing student groups, Assembly Bill 2774, was shelved.

Special Education

The Governor's Budget proposes to apply the 8.13% COLA to special education, which would increase the per-ADA rate from \$820 in 2022-23 to \$886.66 in 2023-24. The Governor's summary highlights the significant funding and programmatic progress that's been made under his administration for students with disabilities while noting that the "state's special education system remains administratively complex and would benefit from continued programmatic reforms." With that in mind, the Governor proposes three changes in this area:

- Limiting the amount of additional funding that Special Education Local Plan Areas (SELPAs) are allowed to retain for non-direct student services before allocating special education base funding to their member LEAs
- Stabilizing current SELPA membership by extending the moratorium on the creation of new single-district SELPAs by two years from June 30, 2024, to June 30, 2026
- Increasing fiscal transparency by requiring the California Department of Education to post each SELPA's annual local plan, including their governance, budget, and services plans, on its website

Universal Transitional Kindergarten

The proposed State Budget continues the Governor's commitment to universal transitional kindergarten (UTK) despite leaner fiscal times. As scheduled, access to UTK will be expanded to include all children that turn five years old between September 2 and April 2. The Governor's Budget proposes \$690 million ongoing General Fund to implement this second year of UTK expansion. The Enacted Budget included a new requirement and funding for a student-to-staff ratio of 12:1 in TK classrooms, and the Budget includes \$165 million in ongoing Proposition 98

funding to accommodate the additional staff necessary to maintain this requirement given the additional students that will be served in the 2023-24 school year. In addition to these proposals for the budget year, 2022-23-year UTK investments are updated to reflect current enrollment and attendance data. The state saves approximately \$11 million in the current-year investment for UTK expansion and the 12:1 ratio requirement because of lower student enrollment and attendance numbers since the 2022-23 State Budget was enacted.

Early Childhood Education

The Governor’s Budget maintains prior commitments to expand access to California’s subsidized child care and preschool system by an additional 200,000 slots, but defers reaching this goal in 2023-24 to 2024-25 in recognition of the fact that not all existing slots have been filled.

While the Governor proposed to increase provider rates by an 8.13% COLA, his proposal provides little detail regarding transitioning California to a new reimbursement rate structure based on a cost-of-care approach, as recommended by the Joint Labor Management Committee in its November 2022 report. COLA results in a General Fund investment of \$301.7 million and \$112 million Proposition 98 investment for the California State Preschool Program (CSPP).

The Governor’s Budget also proposes to continue implementation of CSPP policy changes from the 2022-23 Enacted Budget that includes increased provider rates to accommodate additional costs for serving three-year-olds, children with disabilities, dual language learners, and early mental health supports. This includes \$64.5 million Proposition 98 and \$51.8 million General Fund investments to maintain planned implementation in 2023-24. The appropriations accompany a requirement for CSPP providers to ensure that at least 7.5% of children they serve are children with disabilities.

Facilities

As part of the 2022-23 Enacted Budget, the Governor included funding to assist school districts with the modernization and construction of school facilities. While the funding for 2022-23 was appropriated as part of the Budget, no appropriations were made for future years. Instead, the Budget included “intent” language—noting the intention of the Legislature to provide funding in the out years. The Governor’s Budget proposes adjustments—either lowering or delaying funding in order to address the state’s anticipated budget gap.

The 2022-23 Enacted Budget included \$1.3 billion in 2022-23 for the School Facility Program and intent language for an additional \$2.1 billion appropriation in 2023-24 and \$875 million in 2024-25. The Governor’s Budget proposes a decrease of \$100 million for 2023-24, reducing the proposed allocation from \$2.1 billion to \$2.0 billion.

Furthermore, the 2022-23 Enacted Budget appropriated \$100 million for the California Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program, with the intent to appropriate an additional \$550 million in 2023-24. The Governor’s Budget proposes to delay the \$550 million investment by one year—from 2023-24 to 2024-25.

Lastly, consistent with the language included in the 2022-23 Enacted Budget, the Governor’s Budget includes a one-time \$30 million Proposition 98 General Fund investment for the Charter School Facility Grant Program, which provides funding to charter schools to offset annual, ongoing facilities costs. As noted above, the program also receives the 8.13% COLA.

Literacy Categorical Proposals

Recent years have seen multiple sources of funding intended to improve student literacy through professional development, research, and additional staff.

The 2023-24 Governor’s Budget proposes to continue investing in student literacy with an additional \$250 million in one-time funds for the Literacy Coaches and Reading Specialists Grant Program for the purpose of expanding the number of high-poverty schools receiving funding for training and hiring literacy coaches and reading specialists.

In addition to the investment of Proposition 98 funds, the proposed Budget includes \$1 million in non-Proposition 98 General Fund to establish a Literacy Roadmap to help LEAs use existing student literacy resources, guidance, and support with efficacy.

Art and Cultural Enrichment

Proposition 28 (2022)

The voter-approved Proposition 28 requires the state to provide arts and music funding for schools outside of the Proposition 98 minimum guarantee beginning with the 2023-24 fiscal year. Annual Proposition 28 funding is required to be equal to 1% of the K-12 share of the minimum guarantee from the prior fiscal year. The Administration estimates that it will cost \$941 million to fully fund the Proposition 28 obligation for the 2023-24 fiscal year. The Administration will likely not provide estimates for Proposition 28 until the May Revision, but you can find School Services of California Inc.’s preliminary estimates for LEAs [here](#).

Arts, Music, and Instructional Materials Discretionary Block Grant Reduction

The 2022-23 Enacted Budget included a one-time investment of \$3.5 billion for the Arts, Music, and Instructional Materials Discretionary Block Grant. However, given the obligation to fund Proposition 28 and the need for one-time funds to cover the costs of the LCFF in 2022-23 and 2023-24, the Governor proposes to reduce the Arts, Music, and Instructional Materials Discretionary Block Grant by \$1.2 billion. This reduction would take this one-time investment from approximately \$3.5 billion down to approximately \$2.3 billion in the current year.

Cultural Enrichment Experiences

The Governor’s Budget also includes a one-time investment of \$100 million, or roughly \$200 per 12th grade student enrolled in public school, to enable LEAs to provide high school seniors with access to cultural enrichment experiences across the state by facilitating museum visits, access to theatrical performances, or other participation in extracurricular art enrichment activities.

Retirement Systems

Governor Newsom does not propose additional funding for the California State Teachers' Retirement System (CalSTRS) or the California Public Employees' Retirement System (CalPERS) employer contribution rate relief for LEAs. Based on current assumptions, CalPERS employer contributions would increase from 25.37% to 27.0% in 2023-24, while CalSTRS employer contribution rates remain the same from prior year at 19.10%.

Closing

The Governor's proposals are largely to be expected in a softening economy, with a focus on maintaining programs instead of creating new ones. That said, LEAs are continuing to face local challenges head on, and, with some notable exceptions, the Governor proposes to utilize Proposition 98 funding in a discretionary manner to meet local needs. The exceptions though, of undefined, targeted new LCFE funding and reduced current-year discretionary funds create ambiguity for district planning.

We look forward to diving deep into the Governor's education budget with all of you and helping our local educational leaders and partners operationalize all of what this means for public agencies, staff, students, and local communities at next week's [Governor Budget Workshop](#).

UCLA Forecast: Too Cold or Just Right?

By: Michelle McKay Underwood

December 8, 2022

Yesterday, in a departure from the norm, the UCLA Anderson School of Management presented two potential economic forecasts: a perfectly balanced set of circumstances (the *Goldilocks* scenario) and a recession next year. Readers of the economic tea leaves should take some comfort in the fact that even professional economists are uncertain of the road ahead, resulting in a split decision among UCLA's economists: 54% believe a recession will begin in mid-2023 and 46% believe it will not, but are not ruling out a recession beyond that timeline.

In presenting the U.S. economic outlook, the forecast kicked off with an esoteric deep dive into the yield curve and its strong history of recession prediction. While the yield curve has only been discussed in this forum [since 2019](#), its history dating back to 1950 has been of an ominous spirit of recession yet to come. On this indicator alone, there is a strong chance of a recession within the next 12+ months. Even more strongly lining up against the prospect of the *Goldilocks* scenario and indicating a recession in the next six months is a slowdown in housing starts, high levels of inflation, and slowing manufacturing. Other indicators are less gloomy, especially unemployment, which (at current levels) is not strongly correlated with an impending recession. These mixed signals, plus the uncertainty of Federal Reserve policy decisions and resulting effects, lead the Anderson Forecast to present two economic scenarios.

Past forecasts have focused heavily on external factors, such as global military conflicts, COVID-19 restrictions in other countries, and oil prices. UCLA's economists noted that both scenarios assume lowering oil prices and eased "zero tolerance" restrictions in China helping to ease inflation and supply chain issues. The biggest variable driving UCLA's two economic growth projections is how aggressively the Federal Reserve tightens monetary conditions. According to these divergent scenarios, the inflection point will come after the first quarter of 2023, and whether the Federal Reserve halts rate increases or continues further.

In the *Goldilocks* scenario, the Federal Reserve pauses interest rate increases after December; inflation and supply constraints ease; there is a modest increase in unemployment, which is enough to help ease pressures on inflation, but not enough to negatively affect consumer spendings; there are no further declines in home construction; and no recession occurs.

Fortunately, even the recession scenario presented was a comparatively mild and short-lived recession. In this scenario, the Federal Reserve would continue to increase interest rates to drive down inflation (with some success); unemployment would peak at 5%, forcing a decline in consumer spending; tightening financial conditions would lead to further reductions of home construction; and consumers and businesses would both cut back on spending and investments. The economy contracts at a 2-3% annual rate in both the second and third quarters of 2023, is flat in the fourth quarter of 2023, and then begins to rebound.

California Forecast

Those who have lived through “relatively mild” U.S. recessions may be skeptical that these effects will not be amplified in California, as they were in the 1990s (aerospace); 2000s (dot.com); 2008 (housing); and 2020 (pandemic shutdowns). Similarly, the recent shedding of technology jobs could be cause for concern without further exploration. UCLA’s Jerry Nickelsburg examined the buffers in place today, including:

- State’s rainy day fund—which is significantly larger than the current-year revenue shortfall
- Globalization of technology jobs—even companies that are California-based, like Twitter, have a global workforce, meaning technology layoff effects are dispersed
- Property tax revenues—local governments are assured Proposition 13-permitted increases in property tax assessments since the Consumer Price Index is high
- Recovering logistics—the resolution of labor disputes affecting California ports specifically and railroad workers nationwide will bring imports back to the state
- Defense spending—with global conflict and uncertainty, defense spending in California is likely to increase in the near term

In summary, UCLA economists expect that California’s experience of a recession should reflect the mild and short-lived nature of the nation’s recession. On January 10, 2023, California will find out whether the Newsom Administration believes the California economy is *too cold or just right*.

Inflation: Taming the Beast

By: Patti F. Herrera, EdD

December 13, 2022

U.S. headline inflation rose by a modest and less than expected 0.1% in November, raising hopes that monetary tightening policies are working to bring it under control. On a year-over-year basis, the Consumer Price Index increased 7.1%, as reported by the Bureau of Labor Statistics.

Today's news sent Wall Street indexes up at the opening bell, with investors believing that the Federal Reserve (Fed) will slow interest rate increases. The Fed has responded aggressively to inflationary pressures by increasing the federal funds rate by 75 basis points on four separate occasions this year. The body will meet again tomorrow, December 14, and the hope is that the Fed will raise the rate by 50 basis points and signal similar slowdowns into 2023.

Sustained Wall Street optimism over the November inflation report could bring good news for the health of California's General Fund revenues, which lagged behind expectations for the early part of the 2022-23 fiscal year. For the first time this year, October revenues outpaced projections as reported by the Department of Finance. The recent inflation report may similarly buoy state revenues as we close out the calendar year, and Governor Gavin Newsom prepares his 2023-24 State Budget proposal for release on or before January 10, 2023.

Governor Newsom Releases Special Session Proclamation

By: Kyle Hyland

December 2, 2022

Nearly two months after announcing his plan to call the Legislature into a special session to consider a tax on oil company profits, Governor Gavin Newsom officially released the [proclamation](#) for that special session on Wednesday, November 30, 2022.

The proclamation calls for the Legislature to convene the special session on Monday, December 5, 2022, and specifies legislators to consider and act upon legislation necessary to:

- Deter price gouging by oil companies by imposing a financial penalty on excessive margins, with any penalties collected to be returned to Californians
- Empower the Energy Commission and the Department of Tax and Fee Administration to more closely review and evaluate costs, profits, and pricing in the refining, distribution, and retail segments of the market for gasoline in California
- Provide for greater regulatory oversight of the refining, distribution, and retail segments of the market to prevent avoidable supply shortages and excessive price increases
- Make conforming changes to existing law consistent with the points above

While Governor Newsom is calling for the special session to commence on December 5, both Assembly and Senate leadership have said no hearings or floor sessions will be conducted on the issue until January 2023. This means that the Legislature will run the special session concurrently with the regular session when the new year begins.

When lawmakers are convened in special session, they are only permitted to discuss and consider the issues cited in the Governor's proclamation. This means that bills can only be heard in the special session if they fall within the stated purpose of the proclamation. The Assembly and Senate Rules Committees are the arbiters of whether a bill's subject matter falls within the confines of the special session proclamation.

The special session cannot come to a close until the Assembly and Senate adopt a concurrent resolution that states that the special session will "stand adjourned sine die at midnight on the date that this measure has been adopted by both houses of the Legislature." Technically, the special session can continue through November 30, 2024, which is the date in the California Constitution that stipulates that the Legislature (and any pending special session) must adjourn. However, it is very unlikely that the special session will drag on for more than a number of months, so the November 30, 2024, drop-dead date will likely not be a factor.

We will be monitoring the legislation discussed during the special session and analyze whether any potential tax proposals could have an effect on Proposition 98 revenues. While we will not get any more specific information regarding the special session legislation until January, we will keep you updated via subsequent *Fiscal Report* articles. Stay tuned.

Speaker Rendon Announces Committee Chairs

By: Kyle Hyland

January 4, 2023

On Thursday, December 22, 2022, Assembly Speaker Anthony Rendon (D-Lakewood) [announced](#) his committee chair appointments for the 2023-24 Legislative Session.

On the budget side, Assemblymember Phil Ting (D-San Francisco) will retain his chairmanship of the Assembly Budget Committee. Additionally, Assemblymember Kevin McCarty (D-Sacramento) has been reappointed to chair the Assembly Budget Subcommittee No. 2 on Education Finance, which is the subcommittee tasked with vetting and approving the education issues in the State Budget.

On the policy side, Speaker Rendon has tapped Assemblymember Al Muratsuchi (D-Torrance) to replace outgoing Assemblymember Patrick O'Donnell (D-Long Beach) as chair of the Assembly Education Committee. Over the past several years Assemblymember Muratsuchi has introduced legislation to increase the Local Control Funding Formula (LCFF) base grants by setting new aspirational LCFF funding levels that would propel California nationally into the top ten states in K-12 education funding. It is unclear at this time if the new chair intends on reintroducing a measure to increase the LCFF base rates, but this is something that we will be monitoring.

Speaker Rendon has also retained Assemblymember Chris Holden (D-Pasadena) as chair of the powerful Assembly Appropriations Committee, which is an important position considering that any bill deemed to have a fiscal impact must clear the Appropriations Committee.

It is important to note that Speaker Rendon gives his chairs significant autonomy and has, in the past couple of years, afforded his chairs the discretion to set their own agenda on the bills that get heard in their committee. This means that chairs can unilaterally decide whether or not a bill gets heard.

It is also important to remember that on July 1, 2023, Speaker Rendon will turn the gavel over to Assemblymember Robert Rivas (D-Salinas), who will then have the power to make changes to the Assembly committee chair assignments and thus is something we will be monitoring as the transition draws closer.

On the Senate side, Senate President pro Tempore Toni Atkins (D-San Diego) has yet to announce her committee chair appointments. We will be sure to provide an update to the field in a subsequent *Fiscal Report* article once that information is released. Stay tuned.

Senate Leader Atkins Appoints Committee Chairs

By: Kyle Hyland

January 6, 2023

On Thursday, January 5, 2023, Senate President pro Tempore Toni Atkins (D-San Diego) [announced](#) her committee chair and member appointments for the 2023-24 Legislative Session.

On the budget side, Senator Nancy Skinner (D-Berkeley) was reappointed chair of the Senate Budget and Fiscal Review Committee. Additionally, Senator John Laird (D-Santa Cruz) retains his chairmanship of the Senate Budget Subcommittee No. 1 on Education, which is the Senate subcommittee tasked with vetting and approving the education issues in the State Budget.

On the policy side, Atkins has tapped Senator Josh Newman (D-Fullerton) as the new chair of the Senate Education Committee. He replaces former Senator Connie Leyva (D-Chino), who declined to run for another term in the Senate. In a [press release](#), Newman has pledged to focus his attention on “providing students with urgently needed mental health services, restoring and modernizing our school campuses, re-engaging our students in civic education, and ensuring that every California family has access to the highest-quality education possible.”

Atkins has also retained Senator Anthony Portantino (D-La Cañada Flintridge) as chair of the powerful Senate Appropriations Committee, which is an important position considering that any bill deemed to have a fiscal impact must clear the Appropriations Committee in each house.

Earlier this week, Speaker Anthony Rendon (D-Lakewood) announced the chairs of the Assembly policy and budget committees (see “[Speaker Rendon Announces Committee Chairs](#)” in the January 2023 *Fiscal Report*). Committee determinations are a major housekeeping item as both houses get underway with the new 2023-24 Legislative Session.

2022 Dashboard Released

By: Leilani Aguinaldo

December 15, 2022

Today, December 15, 2022, the California Department of Education (CDE) released the [2022 California School Dashboard](#) (Dashboard). Along with the Dashboard, the CDE also identified new districts and county offices of education (COEs) eligible for [differentiated assistance](#).

Due to the COVID-19 pandemic, the Dashboard was essentially suspended in 2020 and 2021. The 2022 Dashboard looks a bit different from previous iterations because of a state requirement that only the most current-year data be included. The state indicators on the 2022 Dashboard include data from the 2021-22 school year, and performance levels reflect one of five status levels ranging from very low to very high. Previous Dashboards included data to reflect status and change from the prior year, and performance levels were color-coded. More detail about the components of the 2022 Dashboard is available in the September 2022 *Fiscal Report* article "[SBE Takes Action Related to LEA Accountability](#)."

The last time local educational agencies (LEAs) were identified for additional support was with the release of the 2019 Dashboard. In 2019, 333 LEAs were eligible for differentiated assistance. Today, 628 districts and COEs were identified for additional support (charter schools are not eligible for differentiated assistance in 2022 but will become eligible again next year). It is important to remember that California's accountability system is built on multiple measures, and, as such, the focus should not be on test scores alone. Accordingly, a driving factor for many of the LEAs identified for differentiated assistance is because of chronic absenteeism.

Statewide, chronic absenteeism increased from 14.3% in 2020-21 to 30.0% in 2021-22, mirroring trends in other states in which schools were battered by absences because of the Omicron and Delta variants of COVID-19. However, the hope is that 2021-22 was an anomalous year for high absenteeism, and while LEAs continue to face absences in 2022-23 because of lingering COVID-19 and other illnesses, the expectation is that the rate of absences will decrease.

Districts eligible for differentiated assistance will receive additional support from their COE that is tailored to local needs based on the data in the Dashboard. Identification for differentiated assistance is not intended to be punitive, but rather an opportunity to receive additional support to help improve student outcomes. While many districts were newly identified for differentiated assistance this time around, an improvement in attendance in the current school year will likely make this designation temporary and only for one year.


The 2022 Dashboard also included a few bright spots for LEAs as graduation rates in the state showed gains, and there was an increase in the percentage of English language learners making progress toward language acquisition compared to pre-pandemic levels.

The CDE also will use the Dashboard to identify schools that are eligible for federal assistance under the Every Student Succeeds Act. The updated list of schools eligible for comprehensive support and improvement (CSI) and additional targeted support and improvement (ATSI) likely

will be released sometime in January, and a future *Fiscal Report* article will provide more information when it is available.

Fresno Unified School District
Board Communication

BC Number BFS-3

From the Office of the Superintendent
To the Members of the Board of Education
Prepared by: Patrick Jensen, Interim Chief Financial Officer
Cabinet Approval: 

Date: January 20, 2023
Phone Number: 457-6226

Regarding: Budget Briefing Meetings

The purpose of this communication is to provide the Board information regarding upcoming budget briefings with staff to discuss the 2023/24 Strategic Budget Development.

Beginning with the February 22, 2023 Board meeting and concluding with the June 21, 2023 Board meeting, staff would like to offer the opportunity for Trustees to meet to discuss the upcoming budget presentations. For consistency and planning, staff is recommending meetings be held prior to each Board meeting on Mondays at 12pm & 4pm (except February 13), Tuesdays at 5pm, and Wednesdays at 1pm. Below is the schedule:

Board Meeting	Board Briefing Dates		
	Monday, 12pm & 4pm	Tuesday, 5pm	Wednesday, 1pm
February 22 ¹	N/A - Holiday	02/14/2023	02/15/2023
March 08 & 22	02/27/2023	02/28/2023	03/01/2023
April 12 & 26	04/03/2023	04/04/2023	04/05/2023
May 10 & 24	05/01/2023	05/02/2023	05/03/2023
June 14 & 21	06/05/2023	06/06/2023	06/07/2023

¹ Due to the Monday, February 13 Holiday, 12pm on Tuesday, February 14 has been added

Trustees will receive an email Friday prior to the Board meeting. Please respond to the email with your preferred date/time option. Currently, all meetings will be held via Microsoft Teams.


If you have any questions, or require additional information, please call Patrick Jensen at 457-6226.

Approved by Superintendent
Robert G. Nelson Ed.D. 

Date: 01/20/2023

Fresno Unified School District
Board Communication

BC Number C-1

From the Office of the Superintendent
To the Members of the Board of Education
Prepared by: Maiyer Vang, Interim Executive Director
Cabinet Approval: 

Date: January 20, 2023

Phone Number: 250-1322

Regarding: Parent Advisory Committee

The purpose of this communication is to provide the Board with information regarding the Parent Advisory Committee (PAC). The PAC representatives advise district administration regarding the development of the Local Control and Accountability Plan (LCAP) and the budgets that support the plan.

The third hybrid PAC meeting will take place on Thursday, January 26, 2023, at Parent University. The meeting agenda will consist of presentations on the Notification of The Uniform Complaint Procedures, and Local Control Accountability Plan (LCAP) Stakeholder Updates.

After this meeting, there are two remaining scheduled PAC hybrid meetings for the 2022/23 academic year, below are the dates and logistics. The board is welcome to join the meetings virtually or in person.

Upcoming PAC Meeting dates:

- Thursday, March 23, 2023
- Thursday, May 25, 2023

To Join:

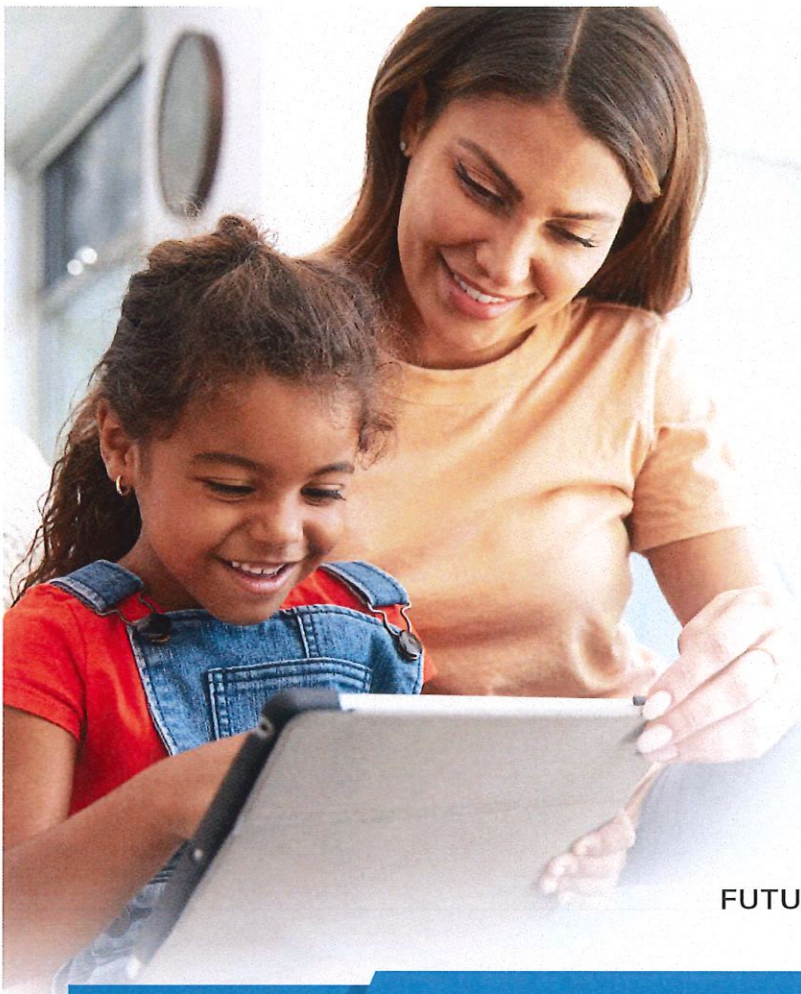
- In-person at Parent University, 850 N. Blackstone Avenue, Fresno, CA 93701
- Virtual on Teams: <https://tinyurl.com/ykeau3jn>
- Phone Conference #: 559-512-2623 | Phone ID #: 855 788 493#

This link, <https://parentu.fresnounified.org/district-advisory-committee/>, consists of the PAC agendas and supporting documents, and attached is the flyer. If there are any questions or need more information regarding the PAC meetings, please contact Maiyer Vang at 559-250-1322.

Approved by Superintendent
Robert G. Nelson Ed.D.



Date: 01/20/2023



Family Goal

Increase inclusive opportunities for families to engage in their students' education

PLEASE JOIN US TO SHAPE BETTER FUTURES FOR OUR CHILDREN AND COMMUNITY

THURSDAYS PAC MEETINGS 5:30PM - 7:30PM

- OCTOBER 20, 2022
- NOVEMBER 17, 2022
- JANUARY 26, 2023
- MARCH 23, 2023
- MAY 25, 2023

HYBRID MEETINGS

IN-PERSON

Parent University
850 N. Blackstone Ave,
Fresno, California 93701

VIRTUAL

https://tinyurl.com/ykeau3jn
Phone Conference #:
(559) 512-2623
Phone ID #: 855 788 493#

Food, Childcare, and Translation (HMONG AND SPANISH) will be provided



For More Information
Please scan the QR code or use the following link
https://tinyurl.com/z5823hb5
to access all PAC agendas and additional documents.

Parent University (559) 457-3390
Parent.University@FresnoUnified.org



Achieving our Greatest Potential!

Fresno Unified School District
Board Communication

BC Number ID-1

From the Office of the Superintendent
To the Members of the Board of Education
Prepared by: Carlos Castillo, Chief of Equity and Access
Edith Navarro, Administrator
Cabinet Approval:

Date: January 20, 2023

Phone Number: 457-3673



Regarding: Scholastic's Foundations in Reading, Sound, and Text

The purpose of this communication is to provide the Board with information regarding Scholastic's Foundations in Reading, Sound, and Text (F.I.R.S.T.). This adaptive reading program provides explicit phonemic awareness training and systematic phonics instruction for students in primary grades.

For the second consecutive year, the Curriculum Instruction and Professional Learning Department (CIPL) has contracted with Scholastic to purchase F.I.R.S.T for all K-3 classrooms. The online program uses continuous formative assessments to help students engaging in practice with 6,695 micro-actions that help teach a child to read while adapting and customizing to their specific literacy needs. As students complete the different activities that support reading and comprehension skills, data is collected and sent to their teachers in a user-friendly manner. This data can offer teachers information they can use to then guide differentiated instruction and close literacy gaps.

In order to support teachers and leaders in maximizing this resource, a variety of professional learning opportunities have been delivered using the Professional Learning Summit sessions, monthly virtual sessions and during site and regional professional learning led by the K-6 English Language Arts team.

To date the response and feedback from FUSD teachers has been overwhelmingly positive. K-3 teachers are using it within the classroom as a highly vetted resource which then allows them to deliver small group instruction. The 2022-2023 school year indicates an increase of 19% compared to usage at this time last year. Activities and practice can be completed in the classroom and at home. To demonstrate student growth, the recommendation is regular and consistent usage (20 minutes, three times a week) although for struggling readers, the recommendation is 4 to 5 times a week.

The program offers various teacher and family tools such as flyers and informational videos in English and Spanish. CIPL is currently having those flyers translated into Hmong. These tools can be shared electronically or in hard copy.

If you have any questions or require additional information, please contact Instructional Superintendent Carlos Castillo at 457- 3673.

Approved by Superintendent
Robert G. Nelson Ed.D.



Date: 01/20/2023

Fresno Unified School District
Board Communication

BC Number ID-2

From the Office of the Superintendent
To the Members of the Board of Education
Prepared by: Carlos Castillo, Chief of Equity and Access
and Edith Navarro, Administrator
Cabinet Approval:

Date: January 20, 2023

Phone Number: 457-3673



Regarding: Update on High School Physics Textbook Adoption

The purpose of this board communication is to provide the Board with information regarding the implementation of the high school Physics textbook adoption.

In the Spring of 2022, the Board approved the adoption of Savvas, *CA Experience Physics* as new instructional material for the 22 Physics classrooms in Fresno Unified. This textbook, aligned to the Next Generation Science Standards, was recommended based on feedback from teachers, students, parents, and instructional division departments. It is currently used as the primary resource at all comprehensive high schools, and available to alternative education sites.

In preparation to implement this new material, physics teachers were provided professional learning (PL) in May of 2022. This session included collaboration among district-wide colleagues and training by a curriculum specialist from the publisher, Savvas. This session prepared teachers in advance on how to access, navigate, and plan with this new instructional material. Teachers also co-developed a revised Scope and Sequence document, with appropriate sequencing, aligned to the textbook.

During the fall 2022 semester, physics classrooms received instructional materials, including lab kit equipment for student use. In the spring 2022 semester, teachers will receive additional professional learning. PL sessions will be facilitated by a curriculum specialist from Savvas, co-developed with our district science manager, and will focus on areas of growth as identified by teachers. These sessions are intended to expand system capacity in effective use of new material through a job-embedded approach.

If you have any questions pertaining to the information in this communication, or require additional information, please contact Carlos Castillo, 457-3673.

Approved by Superintendent
Robert G. Nelson Ed.D.



Date: 01/20/2023

Fresno Unified School District
Board Communication

BC Number ID-3

From the Office of the Superintendent
To the Members of the Board of Education
Prepared by: Carlos Castillo, Chief of Equity and Access
and Edith Navarro, Administrator
Cabinet Approval:

Date: January 20, 2023

Phone Number: 457- 3809



Regarding: Professional Learning Summit: Summer and Winter 2023

The purpose of this board communication is to provide the Board with information regarding the Professional Learning (PL) Summits held in both Summer and Winter. The continual goal of the PL Summit structure is to provide teacher requested and self-selected professional learning options. Teacher voice is solicited prior to the design of each PL Summit.

Each year this virtual optional learning opportunity for teachers is held in August and January on non-duty days. Teachers are compensated in agreement with the CBA guidelines through one-time recovery funding. On January 5th and 6th, 2023, the sixth PL Summit was held, "PL Summit Winter 2023".

The PL Summit Winter 2023 hosted over 900 learners, offered 139 different courses, and was supported by 11 departments. Teachers could take as few as one or up to six different courses. For the PL Summit Winter 2023 that resulted in 3816 registrations.

Since the inception of PL Summit in the summer of 2020, there have been over 4000 unique teacher learners, taking over 72,000 hours of PL offered through 857 courses. Each teacher self-selected their PL schedule with 47,634 registrations completed.

From the beginning this work has been hosted by a PL Summit team consisting of members from Curriculum, Instruction and Professional Learning (CIPL) and the iAchieve support team. The courses are offered in collaboration with 17 departments.

Teacher learner surveys are conducted and demonstrate that 98% of the teachers report they will use what they have learned when planning for our students over the next two weeks.

If you have any questions pertaining to the information in this communication, or require additional information, please contact Carlos Castillo, Instructional Superintendent, 457-3554.

Approved by Superintendent
Robert G. Nelson Ed.D.



Date: 01/20/2023

Fresno Unified School District
Board Communication

BC Number OS-1

From the Office of the Superintendent
To the Members of the Board of Education
Prepared by: Paul Rosencrans, Manager II
Cabinet Approval:

Date: January 20, 2023

Phone Number: 457-3103

Regarding: Update on Transportation Department

The purpose of this communication is to provide the Board updated information regarding the district's Transportation Department. Special Ed routes, Computech, and other Magnet Schools have suffered from an unacceptable bus delivery tardy rate. As a result, the late bus situation is having a negative impact on student learning. This issue is a top priority and the Transportation Department is working closely with our vendor and Labor Partners to rectify the situation as soon as possible.

We are working with our vendor "First Student" to utilize approved vans, minivans, SUVs, and sedans to augment and support current Special Ed transportation services. This model has been successfully implemented nationwide and with other California school districts. Vehicles and their drivers must meet all First Student, State, Local and District requirements before they can service trips, including background checks, drug testing and extensive behavioral training. A pilot program began on January 17, 2023, with the goal of improving arrival time and reducing individual student ride time by as much as one hour.

On January 05, 2023, a side letter was signed with SEIU agreeing to work together with the District to balance and optimize general education home to school routes to ensure that buses arrive on time. We are currently meeting with our labor partner to make changes with the goal to implement new routes as soon as possible.

If you have questions or need further information, please contact Paul Rosencrans at 457-3103 or Paul Idsvoog at 457-3134.

Approved by Superintendent
Robert G. Nelson Ed.D.



Date: 01/20/2023