

CAPISTRANO UNIFIED SCHOOL DISTRICT  
San Juan Capistrano, California

January 19, 2022

**GOVERNOR'S JANUARY BUDGET PROPOSAL FOR FISCAL YEAR 2022-2023**

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On Monday, January 10, 2022, Governor Newsom released his 2022-2023 budget proposal. Eighteen months ago, the Department of Finance projected revenues for the 2022-2023 fiscal year to be less than \$130 billion, but today's budget proposal projects this revenue at almost \$200 billion which is an increase of more than 50%.

With this budget, a deposit will be made into the Public School System Stabilization Account (PSSSA) which will then trigger the 10% reserve cap to go into effect for district budgets in 2022-2023. The District will comply with this change by doing a commitment of funds at each budget revision (2nd interim, budget adoption, unaudited actuals and 1st interim) to account for the monies committed for specific purposes such as site gift accounts, teacher development, Chromebooks, etc.

The Cost-of-Living Adjustment (COLA) applicable to the Local Control Funding Formula (LCFF) and categoricals such as special education will be revised upwards to 5.33% from the originally projected 2.48% which is an additional \$11 million dollars ongoing. Projected COLA rates for 2023-2024 and 2024-2025 have not yet been released. In addition to the revised COLA, the Governor proposes to revise the current LCFF formula from the greater of current or prior year Average Daily Attendance (ADA) to the greater of current year, prior year, or the average of three prior years' ADA. The funding impact is still to be determined. This change would provide a one-time benefit for each year in the multi-year projections as compared to the 1st Interim report in December.

For special education, an ongoing \$500 million dollars will be added to the funding formula; however, there are no details as to how this will be allocated amongst Local Education Agencies (LEAs).

The budget also mentions a few changes to independent study for 2022-2023. Synchronous instruction along with student work product will count for instructional time in independent study. In addition, flexibility will be provided for the timeline for collecting signed independent study plans from families.