

WESTERN PLACER UNIFIED SCHOOL DISTRICT BOARD OF TRUSTEES MEETING FACT SHEET

MISSION STATEMENT: Empower Students with the skills, knowledge, and attitudes for Success in an Ever Changing World.

DISTRICT GLOBAL GOALS

1. Develop and continually upgrade a well articulated K-12 academic program that challenges all students to achieve their highest potential, with a special emphasis on students
2. Foster a safe, caring environment where individual differences are valued and respected.
3. Provide facilities for all district programs and functions that are suitable in terms of function, space, cleanliness and attractiveness.
4. Promote the involvement of the community, parents, local government, business, service organizations, etc. as partners in the education of the students.
5. Promote student health and nutrition in order to enhance readiness for learning.

SUBJECT:

2021-22 Second Interim Report

AGENDA ITEM AREA:

Action

REQUESTED BY:

Audrey Kilpatrick, Asst. Supt. Business/Operations

ENCLOSURES:

Yes

DEPARTMENT:

Business Services

FINANCIAL INPUT/SOURCE:

Included in Back Up

MEETING DATE:

March 15, 2022

ROLL CALL REQUIRED:

No

BACKGROUND:

The district's Board of Trustees shall certify in writing whether or not the district is able to meet its financial obligations for the remainder of the fiscal year and, based on current projections, for the two subsequent fiscal years. The certification shall be classified as positive, qualified, or negative, pursuant to standards and criteria adopted by the State Board of Education (EC §33127).

In certifying the 2021-22 Second Interim report as positive, the Board confirms its fiduciary responsibility to maintain fiscal solvency for the current and subsequent two fiscal years.

RECOMMENDATION:

Administration recommends the Board of Trustees certify the Second Interim report as positive.

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
BOARD OF TRUSTEES
2021-22 Second Interim Notes**

The Second Interim budget report is a snapshot in time of the local educational agency's (LEA) revenue and expenditure forecasts for the current fiscal year as well as a projection of the two subsequent fiscal years. It is a time to adjust the budget based upon the enacted State Budget and subsequent trailer bills, the closing of the prior fiscal year, and other factors that impact revenue and expenditures. The Second Interim report covers the period of time from July 1 through January 31 each fiscal year and must be submitted to the county office of education no later than March 15.

BUDGET ASSUMPTIONS:

Planning Factors for Second Interim and MYPs:

The 2021-22 budget assumptions are used to prepare the 2021-22 Budget and multi-year projections for 2022-23 and 2023-24 fiscal years. Placer County Office of Education (PCOE) provides districts with a Common Message letter outlining basic assumptions for the Second Interim Budget. PCOE has recommended that each district use Cost of Living Adjustments (COLAs) as estimated by DOF.

Every district receives differing amounts of revenue through the LCFF funding model depending upon their grade levels and unduplicated student percentage and has its own particular set of financial risk factors. It is important that all districts continue to assess their individual situations and plan accordingly to maintain fiscal solvency. Key planning factors for LEAs to incorporate into the 2021-22 budget and multiyear projections are listed on the next page and based on the latest information available.

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
BOARD OF TRUSTEES
2021-22 Second Interim Notes**

GENERAL FUND BUDGET ASSUMPTIONS SECOND INTERIM AND MYP - REVENUES

As noted at first interim, the second interim MYP projects flat enrollment 2022-23, with an additional 1%, or 73 students, in 2023-24. The District's enrollment vs. ADA factor had fallen from an average of nearly 96% two years ago, to just 93.1%. Administration is cautiously optimistic that this percentage will start to increase now that California is in "endemic" status, and we are projecting enrollment vs. ADA factors of 94.0% in 2022-23 and 95.5% in 2023-24.

	20/21 Unaudited Actuals	21/22 Second Interim	22/23 Projection	23/24 Projection	
REVENUES					
Enrollment	7,034	7,308	7,308	7,381	21-22: actual Oct CALPADS, 22-23: flat enrollment, 23/24: 1% increase from 22/23
ADA Yield	95.8%	93.1%	94.0%	95.5%	21-22 reflects ADA % at P-1, 94% in 22-23, inc. to 95.5% in 23-24
ADA (Excl. County ADA)	6,739	6,751	6,870	7,049	22-23 is 3-year average of 19-20, 20-21 & 21-22
ADA (Incl. County ADA)	6,758	6,770	6,888	7,068	
% Increase (Decrease) Enrollment	-2.4%	3.9%	0.0%	1.0%	
# Increase (Decrease) Enrollment	(175)	274	0	73	
Funded ADA (excl. County ADA)	6,947	6,947	6,882	7,049	20/21 & 21/22 Funded With 19/20 ADA hold harmless
Funded ADA (incl. County ADA)	6,966	6,966	6,900	7,068	21-22 reflects ADA % at P-1, 94% in 22-23, inc. to 95.5% in 23-24
% Increase (Decrease) Funded ADA	0.0%	0.0%	-0.9%	2.4%	
# Increase (Decrease) Funded ADA	0	0	(65)	167	20/21 & 21/22 Funded With 19/20 ADA hold harmless
Statutory COLA %	2.31%	1.70%	5.33%	3.61%	Per SSC Dartboard
Effective Deficit Factor	0.00%	0.00%	0.00%	0.00%	Per SSC Dartboard
COLA Suspension	-2.31%	0.00%	0.00%	0.00%	Per SSC Dartboard
Prior Year COLA Recognition	0.00%	2.31%	0.00%	0.00%	Per SSC Dartboard
Funded COLA %	0.00%	5.07%	5.33%	3.61%	Per SSC Dartboard
Base Grant - Grades K-3	\$7,702	\$8,093	\$8,524	\$8,552	Per LCFF Calculator
Base Grant - Grades 4-6	\$7,818	\$8,215	\$8,653	\$8,965	Per LCFF Calculator
Base Grant - Grades 7-8	\$8,050	\$8,458	\$8,909	\$8,938	Per LCFF Calculator
Base Grant - Grades 9-12	\$9,329	\$9,802	\$10,324	\$10,697	Per LCFF Calculator
Grade Span Funding - K-3 CSR	\$801	\$842	\$886	\$889	Per LCFF Calculator
Grade Span Funding - Grades 9-12	\$243	\$255	\$268	\$278	Per LCFF Calculator
Supplemental Grants (% Adj. Base)	20%	20%	20%	20%	Per LCFF Calculator
Concentration Grants	50%	50%	50%	50%	Per LCFF Calculator
Concentration Grant Threshold	55%	55%	55%	55%	Per LCFF Calculator
LCFF Gap Closed Percentage	100.00%	100.00%	100.00%	100.00%	Per LCFF Calculator
LCFF Entitlement per ADA (Inc Supp \$)	9,243	9,700	9,937	10,213	Per LCFF Calculator
LCFF Funding - Base	\$60,339,800	\$63,307,116	\$65,925,541	\$70,065,515	Per LCFF Calculator
Property Tax change	2.68%	7.82%	3.00%	3.00%	21-22 P-1 Property Taxes
Est. Property Taxes	\$54,348,448	\$58,598,680	\$60,356,640	\$62,167,340	21-22 P-1 Property Taxes
LCFF Supplemental Funds	\$4,110,826	\$0	\$4,415,805	\$4,477,079	Per LCFF Calculator
Federal Revenue	0%	0%	0%	0%	Per PCOE Common Message
Categorical COLA	0.00%	4.05%	5.33%	3.61%	Per PCOE Common Msg, SSC Dartboard
Transfers In	13,500	-	-	-	
Lottery Unrestricted/ADA	\$169.72	\$163.00	\$163.00	\$163.00	Per SSC Dartboard
Lottery Restricted/ADA	\$73.63	\$65.00	\$65.00	\$65.00	Per SSC Dartboard
Mandate Block Grant (grades K-8)	\$32.18	\$32.79	\$34.54	\$35.79	Per SSC Dartboard
Mandate Block Grant (grades 9-12)	\$61.94	\$63.17	\$66.54	\$68.94	Per SSC Dartboard

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
BOARD OF TRUSTEES
2021-22 Second Interim Notes**

GENERAL FUND BUDGET ASSUMPTIONS SECOND INTERIM AND MYP – EXPENDITURES

	20/21 Unaudited Actuals	21/22 Second Interim	22/23 Projection	23/24 Projection	
EXPENDITURES					
Certificated New Positions - FTE	5.0	6.5	7.5	2.0	Teachers/Nurse & Administration (Psychs, VPs)
Cert. New Positions - New Schools	4.0	4.6	1.0	1.0	TBHS opening/additional grades (11th 22/23, 12th 23/24 (Counselor 22/23, VP 23/24)
Estimated Retire/Resignations - FTE	0.0	0.0	0.0	0.0	
Reductions in Staffing - FTE	0.0	0.0	0.0	0.0	
Staffing Ratios:					
TK/Kindergarten	25:1	25:1	25:1	25:1	Per Contract - District-wide
1-3	25:1	25:1	25:1	25:1	Per Contract - District-wide
4-5	31:1	31:1	31:1	31:1	Per Contract
6-8	32:1	32:1	32:1	32:1	Per Contract
9-12	36:1	36:1	36:1	36:1	Per Contract
Certificated Step/Column	1.55%	1.46%	1.46%	1.46%	3-year average
Avg. teacher compensation	\$112,682	\$116,099	\$117,794	\$119,514	
Classified New Positions - FTE	1.3	6.0	0.0	0.0	
Classified New Positions - New Schools	4.2	10.5	2.0	0.5	22/23, 12th 23/24
Estimated Retirements - FTE	0.0	0.0	0.0	0.0	
Reductions in Staffing - FTE	0.0	0.0	0.0	0.0	
Classified Step/Column	1.40%	1.33%	1.33%	1.33%	3-year average
Health Benefits per FTE	\$14,424	\$14,424	\$14,424	\$14,424	Contribution Capped
CalPERS Employer Rate	20.70%	22.91%	26.10%	27.10%	Per SSC Dartboard
Classified Total Statutory Benefits Rate	29.75%	32.40%	35.60%	36.60%	Assumes UI to remain at .5%
CalSTRS Employer Rate	16.15%	16.92%	19.10%	19.10%	Per SSC Dartboard
Certificated Total Statutory Benefits Rate	19.00%	20.22%	22.40%	22.40%	Assumes UI to remain at .5%
Transfers Out	\$28,421	\$25,360	\$147,627	\$527,885	24 only)
Contribution to RRM	\$2,297,824	\$2,324,203	\$2,324,203	\$2,324,203	3% of GF Expenditures (STRS On-Behalf Excluded)
Designated for Economic Uncertainty	3%	3%	3%	3%	
Site Discretionary Allocations (per student):					
Elementary	\$47.00	\$47.00	\$47.00	\$47.00	
Middle School	\$58.50	\$58.50	\$58.50	\$58.50	
High School	\$83.75	\$83.75	\$83.75	\$83.75	
Lottery per teacher	\$500	\$500	\$500	\$500	Per Contract

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
BOARD OF TRUSTEES
2021-22 Second Interim Notes**

PROPOSED BUDGET:

The 2021-22 Second Interim budget, presented below, is built from assumptions from the State-adopted budget, federal and local revenue projections, district historical data, SSC dashboard, FCMAT LCFF Calculator and PCOE Common Message.

	Second Interim		
	Unrestricted	2021-2022 Restricted	Combined
Revenues			
LCFF Funding - Base	63,307,116	1,258,519	64,565,635
LCFF Funding - Supplemental	4,257,106	-	4,257,106
Federal Revenue	-	9,783,373	9,783,373
State Revenue	1,449,496	9,233,752	10,683,248
Local Revenue	1,693,948	3,941,705	5,635,653
Total Revenue	70,707,666	24,217,349	94,925,015
Expenditures			
Certificated Salaries	30,451,781	8,180,910	38,632,691
Classified Salaries	6,808,460	5,024,661	11,833,121
Benefits	14,130,675	8,812,320	22,942,995
Books and Supplies	7,358,427	6,111,625	13,470,052
Other Services & Oper. Exp	6,164,520	4,570,706	10,735,226
Capital Outlay	137,870	1,931,383	2,069,253
Other Outgo 7xxx	25,000	1,997,140	2,022,140
Transfer of Indirect 73xx	(1,446,541)	1,364,495	(82,046)
Total Expenditures	63,630,192	37,993,240	101,623,432
Deficit/Surplus	7,077,474	(13,775,891)	(6,698,417)
Transfers In	-	24,505	24,505
Transfers out	(25,360)	-	(25,360)
Contributions to Restricted	(11,353,882)	11,353,882	-
Net increase (decrease) in Fund Balance	(4,301,768)	(2,397,504)	(6,699,272)
Beginning Balance	14,400,310	6,039,925	20,440,235
Ending Fund Balance	10,098,542	3,642,421	13,740,963
Components of Ending Fund Balance			
Nonspendable:			
Revolving Cash	5,000		5,000
Stores	-		-
Restricted-Federal/State/Local Programs			
Reserves - Unrestricted/restricted state, federal and local programs	45,632	3,642,421	3,688,053
Unassigned/Unappropriated:			
Reserve-Economic Uncertainty @ 3%	3,049,464		3,049,464
Reserve-One-Time Science Adoption	400,000		400,000
Reserve-Charter Technical Assistance	211,241		211,241
Reserve-Unassigned Economic Uncertainty surplus/(deficit)	6,387,205		6,387,205
Total Ending Fund Balance	10,098,542	3,642,421	13,740,963

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
BOARD OF TRUSTEES
2021-22 Second Interim Notes**

First Interim Budget vs. Second Interim Budget:

Each year our budget is revised as new information becomes available and assumptions are modified. The significant differences between the district's First Interim and Second Interim Budget are reflected in the table below and discussed with comments on the following pages.

	First Interim	Second Interim			1st Int vs 2nd Int Variance
	2021-2022 Combined	Unrestricted	2021-2022 Restricted	Combined	
Revenues					
LCFF Funding - Base	64,573,560	63,307,116	1,258,519	64,565,635	(7,925)
LCFF Funding - Supplemental	4,257,643	4,257,106	-	4,257,106	(537)
Federal Revenue	9,521,913	-	9,783,373	9,783,373	261,460
State Revenue	10,683,248	1,449,496	9,233,752	10,683,248	-
Local Revenue	5,702,937	1,693,948	3,941,705	5,635,653	(67,284)
Total Revenue	94,739,301	70,707,666	24,217,349	94,925,015	185,714
Expenditures					
Certificated Salaries	37,809,593	30,451,781	8,180,910	38,632,691	823,098
Classified Salaries	11,647,431	6,808,460	5,024,661	11,833,121	185,690
Benefits	22,933,966	14,130,675	8,812,320	22,942,995	9,029
Books and Supplies	14,647,465	7,358,427	6,111,625	13,470,052	(1,177,413)
Other Services & Oper. Exp	10,324,601	6,164,520	4,570,706	10,735,226	410,625
Capital Outlay	2,033,024	137,870	1,931,383	2,069,253	36,229
Other Outgo 7xxx	2,022,140	25,000	1,997,140	2,022,140	-
Transfer of Indirect 73xx	(82,046)	(1,446,541)	1,364,495	(82,046)	-
Total Expenditures	101,336,174	63,630,192	37,993,240	101,623,432	287,258
Deficit/Surplus	(6,596,873)	7,077,474	(13,775,891)	(6,698,417)	(101,544)
Transfers In	-	-	24,505	24,505	24,505
Transfers out	(87,016)	(25,360)	-	(25,360)	61,656
Contributions to Restricted	-	(11,353,882)	11,353,882	-	-
Net increase (decrease) in Fund Balance	(6,683,889)	(4,301,768)	(2,397,504)	(6,699,272)	(15,383)
Beginning Balance	20,440,235	14,400,310	6,039,925	20,440,235	-
Ending Fund Balance	13,756,346	10,098,542	3,642,421	13,740,963	(15,383)
Components of Ending Fund Balance					
Nonspendable:					
Revolving Cash	5,000	5,000		5,000	-
Restricted-Federal/State/Local Programs					
Reserves - Unrestricted/restricted state, federal and local programs	3,801,667	45,632	3,642,421	3,688,053	(113,614)
Unassigned/Unappropriated:					
Reserve-Economic Uncertainty @ 3%	3,042,696	3,049,464		3,049,464	6,768
Reserve-One-Time Science Adoption	400,000	400,000		400,000	-
Reserve-Charter Technical Assistance	211,241	211,241		211,241	-
Reserve-Unassigned Economic Uncertainty surplus/(deficit)	6,295,742	6,387,205		6,387,205	91,463
Total Ending Fund Balance	13,756,346	10,098,542	3,642,421	13,740,963	(15,383)

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
BOARD OF TRUSTEES
2021-22 Second Interim Notes**

Major Changes to Fund Balance since First Interim - 21-22 Second Interim Report			
	Budgeted Fund Balance Decrease at First Interim		(\$6,683,889)
Revenues			
LCFF Principal Apportionment		(5,000)	1
Federal Revenue - Final 21-22 ConApp allocations		\$260,000	2
Local Revenue			
Reduction in projected interest revenue	(60,000)		
Reduction in projected bus pass sales	(10,000)		
Total change in local revenue		(70,000)	3
Total Change in Revenues			185,000
Expenditures			
Certificated Salaries			
COVID teacher independent study stipend/extra pay per MOU (ESSER III)	410,000		
COVID increase in substitute teacher pay (ESSER III)	155,000		
3.0 additional ATLAS teachers (ELO funds)	170,000		
Adjust ELO budget for 3.0 new psychs based on actual cost	75,000		
Miscellaneous adjustments	15,000		
Total Certificated Salaries changes		825,000	4
Classified Salaries			
Reduction in bus driver substitute budget based on actuals to date	(45,000)		
COVID classified overtime incentive pay per MOU (ESSER III)	80,000		
COVID add'l classified substitute pay (ESSER III)	110,000		
Reduction in paraprofessional and substitute paraprofessional salaries based on actuals to date	(115,000)		
College & Career Technicians - two .50 positions (ELO funds)	35,000		
ATLAS .60 secretary (ELO funds)	25,000		
Increase TK, K and 1st grade instructional aide budgets based on actual costs (ELO funds)	85,000		
Miscellaneous adjustments	10,000		
Total Classified Salaries changes		185,000	5
Benefits			
Statutory benefits related to final staffing cost changes above (subs, overtime pay, vacancies new positions)	115,000		
Health & Welfare budget changes (savings due to vacancies)	(105,000)		
Total Benefits		10,000	6

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
BOARD OF TRUSTEES
2021-22 Second Interim Notes**

Major Changes to Fund Balance since First Interim - 21-22 Second Interim Report			
Expenditures (Continued)			
Books and Supplies			
Transfers to other expenditure areas above (ESSER III and ELO funds)	(1,980,000)		
Carryover of prior-year unspent Technology replacement funds	55,000		
Increase in transportation gas and diesel budgets	40,000		
Budget MAA carryover	50,000		
Technology purchases (ESSER III funds)	575,000		
Budget increase in federal revenues based on final allocations	195,000		
Transfers to other expenditure areas	(115,000)		
Total Books and Supplies		(1,180,000)	7
Services & Other Operating Expenditures			
Decrease in nonpublic schools and nonpublic agencies budgets based on year-to-date actuals	(45,000)		
Budget increase in federal revenues based on final allocations	35,000		
Budget Educator Effectiveness expenditures based on expenditure plan	125,000		
Technology purchases (ESSER III funds)	75,000		
Grazing costs for OLE property (OLE funds)	15,000		
Increase utility budgets based on actuals to date	205,000		
Increase in Transportation repairs budget	15,000		
Miscellaneous adjustments	(15,000)		
Total Services and Other Operating Costs		410,000	8
Capital Outlay			
Technology purchases (ESSER III funds)	25,000		
Equipment purchase for OLE property (OLE funds)	10,000		
Total Capital Outlay		35,000	9
Total Change in Expenditures		285,000	
Transfers In from Fund 40 for OLE expenditures (OLE funds)		25,000	10
Transfers Out - Eliminate contribution to Fund 13 (increased state/federal reimbursements)		(60,000)	11
		<i>Rounding</i>	383
Total Change in Budgeted Fund Balance		(15,383)	
Budgeted Fund Balance Increase at Second Interim		(6,699,272)	

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
BOARD OF TRUSTEES
2021-22 Second Interim Notes**

	Second Interim 2021-2022 Combined	Projection 2022-23 Combined	Projection 2023-24 Combined
Revenues			
LCFF Funding - Base	64,565,635	67,184,060	71,324,034
LCFF Funding - Supplemental	4,257,106	4,415,805	4,477,079
Federal Revenue	9,783,373	2,604,842	2,604,842
State Revenue	10,683,248	6,597,714	6,597,714
Local Revenue	5,635,653	6,235,484	6,235,484
Total Revenue	94,925,015	87,037,905	91,239,153
Expenditures			
Certificated Salaries	38,632,691	37,769,751	38,443,091
Classified Salaries	11,833,121	11,739,168	11,874,655
Benefits	22,942,995	24,094,652	24,678,685
Books and Supplies	13,470,052	5,381,164	5,546,164
Other Services & Oper. Exp	10,735,226	8,346,772	8,346,772
Capital Outlay	2,069,253	107,817	107,817
Other Outgo 7xxx	2,022,140	2,022,140	2,022,140
Transfer of Indirect 73xx	(82,046)	(82,046)	(82,046)
Total Expenditures	101,623,432	89,379,417	90,937,278
Deficit/Surplus	(6,698,417)	(2,341,512)	301,875
Transfers In	24,505	-	-
Transfers out	(25,360)	(147,627)	(527,885)
Contributions to Restricted	-	-	-
Net increase (decrease) in Fund Balance	(6,699,272)	(2,489,139)	(226,010)
Beginning Balance	20,440,235	13,740,963	11,251,824
Ending Fund Balance	13,740,963	11,251,824	11,025,814
Components of Ending Fund Balance Nonspendable:			
Revolving Cash	5,000	5,000	5,000
Stores	-	-	-
Prepaid Expenditures	-	-	-
All Others			
Restricted-Federal/State/Local Programs			
Reserves - Unrestricted/restricted state, federal and local programs	3,688,053	3,347,092	3,385,790
Reserve for Special Education Base Rate		516,367	1,032,734
Unassigned/Unappropriated:			
Reserve-Economic Uncertainty @ 3%	3,049,464	2,685,811	2,743,955
Reserve - Additional LCFF			
Supplemental Required Increase	-	82,162	82,162
Reserve-One-Time Science Adoption	400,000	400,000	400,000
Reserve-Charter Technical Assistance	211,241	222,073	222,073
Reserve-Unassigned Economic Uncertainty surplus/(deficit)	6,387,205	3,993,318	3,154,100
Total Ending Fund Balance	13,740,963	11,251,824	11,025,814

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
BOARD OF TRUSTEES
2021-22 Second Interim Notes**

Multi-Year Projections 2021-22, 2022-23 and 2023-24 Budget Years:

The multi-year projections provide a view of the current year and subsequent two years' budgets. The multi-year projections are built on assumptions provided by PCOE Common Message, School Services of California, the 2021-22 State adopted budget, the State Dept. of Finance (DOF), FCMAT LCFF Calculator, federal funding projections and district historical trends and data.

Approximately 16 classified and certificated staff were added for the opening of Twelve Bridges High School in August 2021. In 2022-23, an additional 2.0 classified staff and 2.0 certificated staff will be added, and in 2023-24, when the school offers all four full grade levels, 1.0 certificated staff and .50 classified staff will be added.

Local Control Funding Formula (LCFF)

The final State adopted budget for 2021-22 included the statutory 1.70% COLA and included a provision for the suspended 2020-21 COLA of 2.31%, providing a total of 5.07% COLA in the Local Control Funding Formula (LCFF). While 21-22 enrollment is slightly greater than projected at the adopted budget, the Average Daily Attendance (ADA) yield percentage is lower than prior years (generally around 95.8%) and is currently estimated to be 93.1% in 21-22, based on December 2021 P-1 ADA/CALPADS enrollment. Current projections have the ADA percentage increasing slightly to 94.0% in 22-23 and 95.5% in 23-24. Below are the current planning COLA, enrollment, ADA yield, projected and funded ADA factors used in calculating the district's LCFF funding.

	20/21 Unaudited Actuals	21/22 Adopted	21/22 First Interim	21/22 Second Interim	22/23 Projection	23/24 Projection
Enrollment	7,034	7,209	7,308	7,308	7,308	7,381
ADA Yield	95.8%	96.0%	94.0%	93.1%	94.0%	95.5%
ADA (Excl. County ADA)	6,739	6,923	6,870	6,751	6,870	7,049
ADA (Incl. County ADA)	6,758	6,942	6,888	6,770	6,888	7,068
% Increase (Decrease) Enrollment	-2.4%	2.5%	3.9%	3.9%	0.0%	1.0%
# Increase (Decrease) Enrollment	(175)	175	274	274	0	73
Funded ADA (excl. County ADA)	6,947	6,947	6,947	6,947	6,882	7,049
Funded ADA (incl. County ADA)	6,966	6,966	6,966	6,966	6,900	7,068
% Increase (Decrease) Funded ADA	0.0%	0.0%	0.0%	0.0%	-0.9%	2.4%
# Increase (Decrease) Funded ADA	0	0	0	0	(65)	167
Statutory COLA %	2.31%	1.70%	1.70%	1.70%	5.33%	3.61%
Effective Deficit Factor	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COLA Suspension	-2.31%	0.00%	0.00%	0.00%	0.00%	0.00%
Prior Year COLA Recognition	0.00%	2.31%	2.31%	2.31%	0.00%	0.00%
Funded COLA %	0.00%	5.07%	5.07%	5.07%	5.33%	3.61%

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CalSTRS, CalPERS Employer Contributions and Statutory Benefit Costs

All District salaries are subject to CalSTRS and CalPERS employer contributions. Under current law, once the legislated rates through 2020-21 are achieved, CalSTRS will have the authority to marginally increase or decrease the employer contribution rate. CalPERS is not subject to state law and the CalPERS Board can change rates as needed. Certificated and classified salaries are subject to statutory benefit cost which include CalSTRS or CalPERS and unemployment insurance, worker's compensation insurance and social security

The CalSTRS and CalPERS benefit contribution rates are listed below and are included in the statutory classified or certificated statutory benefit rates:

	20/21 Unaudited Actuals	21/22 Second Interim	22/23 Projection	23/24 Projection
CalPERS Employer Rate	20.70%	22.91%	26.10%	27.10%
Classified Total Statutory Benefits Rate	29.75%	32.40%	35.60%	36.60%
CalSTRS Employer Rate	16.15%	16.92%	19.10%	19.10%
Certificated Total Statutory Benefits Rate	19.00%	20.22%	22.40%	22.40%

The CalSTRS and CalPERS additional costs associated with the employer rates increase over the next three years including the cumulative costs since the rates increased are illustrated below.

	2021-2022	2022-23	2023-24
STRS Additional Costs (Savings) Per Year	\$ 297,472	\$ 822,445	\$ -
PERS Additional Costs (Savings) Per Year	\$ 279,323	\$ 400,523	\$ 127,017
	\$ 576,795	\$ 1,222,968	\$ 127,017
STRS Additional Costs - Cumulative (since 16/17)	\$ 1,875,670	\$ 2,698,115	\$ 2,698,115
PERS Additional Costs - Cumulative (since 16/17)	\$ 1,049,487	\$ 1,450,010	\$ 1,577,027
	\$ 2,925,157	\$ 4,148,125	\$ 4,275,142

Property Taxes

As housing prices have increased over the past year, so have property taxes. While property tax revenues increase about 2.7% over the prior year in 2020-21, they are projected to increase nearly 8% in the current year. Because of the current uncertain fiscal climate, we are assuming a 3% increase in property taxes for the 2022-23 and 2023-24 fiscal years.

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Enrollment and ADA

In the current year, the District experienced an increase in enrollment of 274 students from 2020-21, primarily due in part to the opening of the new Twelve Bridges High School. Even with this increase, we project that the 2021-22 P-2 ADA will be less than 2019-20 P-2 ADA, on which the district was funded in 2020-21 due to the state’s hold harmless provision. Because school districts are funded on the greater of current or prior-year reported ADA, we are budgeting the current year 2021-22 to again be funded on 2019-20 P-2 ADA as 2020-21 was not a reported year and 2019-20 is classified as the “prior year” reported ADA. As noted previously, the experienced an average daily attendance yield percentage rate of approximately 93.1% in December 2021, a decrease of 0.9% from First Interim projection of 94%.

For 2022-23, the Governor has proposed to allow districts to be funded on the greater of current year ADA, prior year ADA, or the average of the three prior years’ ADA (2021-22, 2020-21 (2019-20) and 2019-20). Because we are projecting that enrollment will remain at the 2021-22 level of 7,308, and our attendance percentage will only increase slightly to 94.0%, the three-year average model would yield the highest ADA. Based on the 94% ADA rate, ADA is projected to be 6,870, while the funded ADA, based on the three-year average, would be 6,882. The District will budget LCFF funding at the three year average of 6,882 ADA for 2022/23.

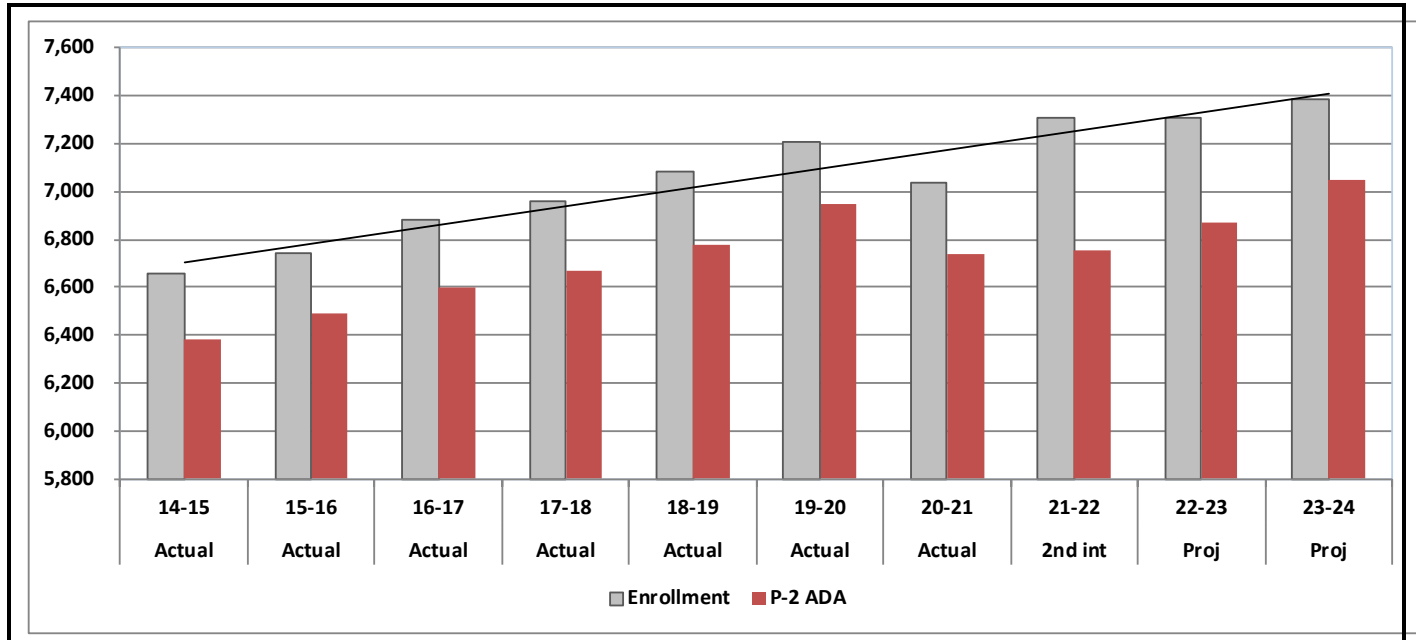
For 2023-24, we are projecting that enrollment will increase to 7,381, with a 1% increase over 2022-23. Applying an increased ADA yield of 95.5%, we project 2023-24 LCFF funding to be based on 7,049 ADA, an increase of 179 ADA.

Enrollment and attendance information for the 2020-21 Unaudited Actuals, the current 2021-22 budget year and the next two budget years are listed in the table below.

	20/21 Unaudited Actuals	21/22 Second Interim	22/23 Projection	23/24 Projection
<u>REVENUES</u>				
Enrollment	7,034	7,308	7,308	7,381
ADA Yield	95.8%	93.1%	94.0%	95.5%
ADA (Excl. County ADA)	6,739	6,751	6,870	7,049
ADA (Incl. County ADA)	6,758	6,770	6,888	7,068
% Increase (Decrease) Enrollment	-2.4%	3.9%	0.0%	1.0%
# Increase (Decrease) Enrollment	(175)	274	0	73
Funded ADA (excl. County ADA)	6,947	6,947	6,882	7,049
Funded ADA (incl. County ADA)	6,966	6,966	6,900	7,068

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The following chart shows ten years of historical and three years of projected enrollment data:



Contributions to Restricted Programs

Some categorical programs require contributions from the district unrestricted funds as the funding received does not cover the expenditures for that specific program. A summary of the change in contributions from 2021-22 First Interim Budget to 2021-22 Second Budget is presented below:

Contributions to Restricted Programs 2021-22 First Interim vs. Second Interim						
<u>Program</u>	<u>Resource</u>		<u>2021-22 1st Interim</u>	<u>2021-22 2nd Interim</u>	<u>Change</u>	<u>Comments</u>
Special Ed-Basic Grant (PL94-142)	3310 *		\$2,359,850	\$2,079,208	(\$280,642)	Savings from position vacancies and lack of available substitutes
Special Education	6500 *		\$7,347,663	\$7,300,471	(\$47,192)	Reduction in NPA/NPS budgets
Routine Repair & Maintenance (RRM)	8150		\$2,324,203	\$2,324,203	\$0	
RDA Funds - Facilities	9030		(\$350,000)	(\$350,000)	\$0	
Total Contribution to Restricted Programs			<u>\$11,681,716</u>	<u>\$11,353,882</u>	<u>(\$327,834)</u>	
Total Special Ed Contribution			<u>\$ 9,707,513</u>	<u>\$ 9,379,679</u>	<u>\$327,834</u>	

Contribution to Routine Repair & Maintenance (RRM)

The State required contribution to RRM is funded through a combination of \$1,974,203 of unrestricted funds and \$350,000 of restricted RDA funds. The RRM contribution is budgeted at 3% of the District's 2019-20 expenditures and transfers out. The 2021-22 contribution will be recalculated at year-end based on 3% of actual 2021-22 general fund expenditures and transfers out, and adjusted accordingly.

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Cash

As a significant portion of our State funding is from property taxes and those payments are apportioned by the State only three times a year, the District must use short-term TRANS (Tax Revenue Anticipation Notes) borrowing to provide General Fund cash flow support during the remaining nine non-apportionment months.

In 2021-22, the District is using a \$9 million TRANS borrowing to provide cash flow support from October through June. Without a TRANS issuance, we historically experience a negative General Fund cash balance for the two to three months preceding our property tax payments each year in December. This is typical of districts that rely on property taxes to backfill LCFF funding. The District plans to continue to participate in TRANS borrowing for any fiscal years where the District General Fund is dependent upon cash flow needs.

Components of Ending Fund Balance

Details of the Components of Ending Fund Balance for 2021-22, 2022-23 and 2023-24 are listed below:

	Second Interim 2021-2022 Combined	Projection 2022-23 Combined	Projection 2023-24 Combined
Ending Fund Balance	13,740,963	11,251,824	11,025,814
Components of Ending Fund Balance			
Nonspendable:			
Revolving Cash	5,000	5,000	5,000
Restricted-Federal/State/Local Programs			
Reserves - Unrestricted/restricted state, federal and local programs	3,688,053	3,347,092	3,385,790
Reserve for Special Education Base Rate		516,367	1,032,734
Unassigned/Unappropriated:			
Reserve-Economic Uncertainty @ 3%	3,049,464	2,685,811	2,743,955
Reserve - Additional LCFF Supplemental Required Increase Budget 22-23	-	82,162	82,162
Reserve-Charter Technical Assistance	211,241	222,073	222,073
Reserve-Unassigned Economic Uncertainty surplus/(deficit)	6,387,205	3,993,318	3,154,100
Total Ending Fund Balance	13,740,963	11,251,824	11,025,814

When reviewing the components of Ending Fund balance it is important to distinguish those amounts that are *non-spendable, restricted – Federal/State/Local programs or unassigned/unappropriated*. For the 2021-22 budget year and next two budget years, the district is meeting the minimum 3% *Reserve for Economic Uncertainties*. Along with this reserve, the district is reserving funds for a one-time science textbook adoption, charter technical assistance, and a reserve for additional required supplemental funds spending increases in 2022-23 and 2023-24. Amounts that are not specifically identified for designated uses as noted above are included in the *Reserve – Unassigned Economic Uncertainty Surplus*.

Placer County Office of Education continues to reinforce the need for reserves over the minimum reserve requirements. In the projection years, funding growth is expected to be limited or flat growth due to the pandemic and revenues remain flat, employer contributions to retirement benefits are scheduled to rise and requirements to improve academic performance increase. Special attention must be made to out-year projections and the contributing factors both within and outside the control of district decision makers. To maximize success, districts will need to make deliberate use of resources and prudent fiscal decisions.

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District Other Funds

Included below are the other Funds of the District. The budgets have been updated to reflect budget adjustments up to the Second Interim reporting period.

	2021-22 Second Interim			
	Beginning Fund Balance	Revenues	Expenditures	Ending Fund Balance
Fund 11 - Adult Education Fund	\$ 22,908	\$ 112,000	\$ 112,000	\$ 22,908
Fund 12 - Child Development Fund	\$ 11,271	\$ -	\$ -	\$ 11,271
Fund 13 - Cafeteria Fund	\$ 638,249	\$ 2,631,389	\$ 3,011,647	\$ 257,991
Fund 17 - Special Reserve for Other Than Capital Outlay	\$ 722,765	\$ 3,000	\$ -	\$ 725,765
Fund 21 - Building Fund	\$ 2,348,778	\$ 837,703	\$ 1,727,988	\$ 1,458,493
Fund 22 - Building Fund	\$ 11,194,384	\$ -	\$ 1,912,163	\$ 9,282,221
Fund 25 - Capital Facilities Fund	\$ 2,610,137	\$ 4,169,915	\$ 1,375,483	\$ 5,404,569
Fund 35 - County Schools Facilities Fund	\$ 30,649	\$ 5,000	\$ -	\$ 35,649
Fund 40 - Special Reserve for Capital Outlay Projects	\$ 1,934,392	\$ 50	\$ 30,639	\$ 1,903,803
Fund 49 - Debt Service Fund for Blended Component Units	\$ 14,813,387	\$ 13,539,592	\$ 9,063,344	\$ 19,289,635
Fund 71 - Retiree Benefit Fund	\$ 7,295	\$ 125	\$ -	\$ 7,420
Fund 73 - Foundation Private-Purpose Trust Fund	\$ 163,775	\$ 2,500	\$ -	\$ 166,275