

# BUDGET REPORT



BOARD OF TRUSTEES  
STUDY SESSION

JUNE 21, 2022

# BUDGET ADOPTION

## *Significant Changes Since January Proposed Budget*

- May Revision - \$55 billion higher than in January
- Estimated Prop. 98 Funding - \$110.3 billion
  - K-12 spending share of Prop. 98 is \$95.4 billion
- Addressing Declining Enrollment Cliff
  - 2021-22: greater of current year ADA, or current year enrollment adjusted for 2019-20 absence rate
  - 2022-23: greater of current year, prior year, or the average of three prior years' ADA

## *Potential Ongoing & One-Time Funds (Unknown Amounts)*

- **Discretionary Block Grant (One-time)**
- Expanded Learning Opportunities Program (ELO-P) (ongoing, one-time)
- School Nutrition (ongoing, one-time)
- College and Career Pathway (one-time)
- Educator Workforce and Support (one-time)
- Educator Support for STEM (one-time)
- Deferred Maintenance (one-time)

## *Major Issues Not Included in May Revision*

- Any additional relief for school employer CalSTRS/CalPERS rate increases
  - Previous employer rate relief from the 2020 Budget act ends after 2021-22
- No major funding proposals above \$500 million proposed in January Budget to raise the Special Education Base Rate

## *Major Risks*

- High inflation – 8.6%
- Continued global supply chain disruptions
- Tight labor market
- Low consumer confidence
- Possibility of another COVID-19 surge
- Stock market volatility



# LCFF CALCULATION 2022-23



## Total 2022-23 LCFF Calculation

Base Funding w/ COLA (6.56 %)	\$102,613,247
9-12 Augmentation (CTE @ 2.6%)	\$2,672,169
Supplemental Grant	\$3,455,467
Transportation & TIIG Add-On	\$842,497
Total 2022-23 LCFF Funding	\$109,583,380

Because our estimated Property Tax revenue less in-lieu transfer is **\$57M** greater than the estimated LCFF funding, we will remain in Community Funded/Basic Aid status.

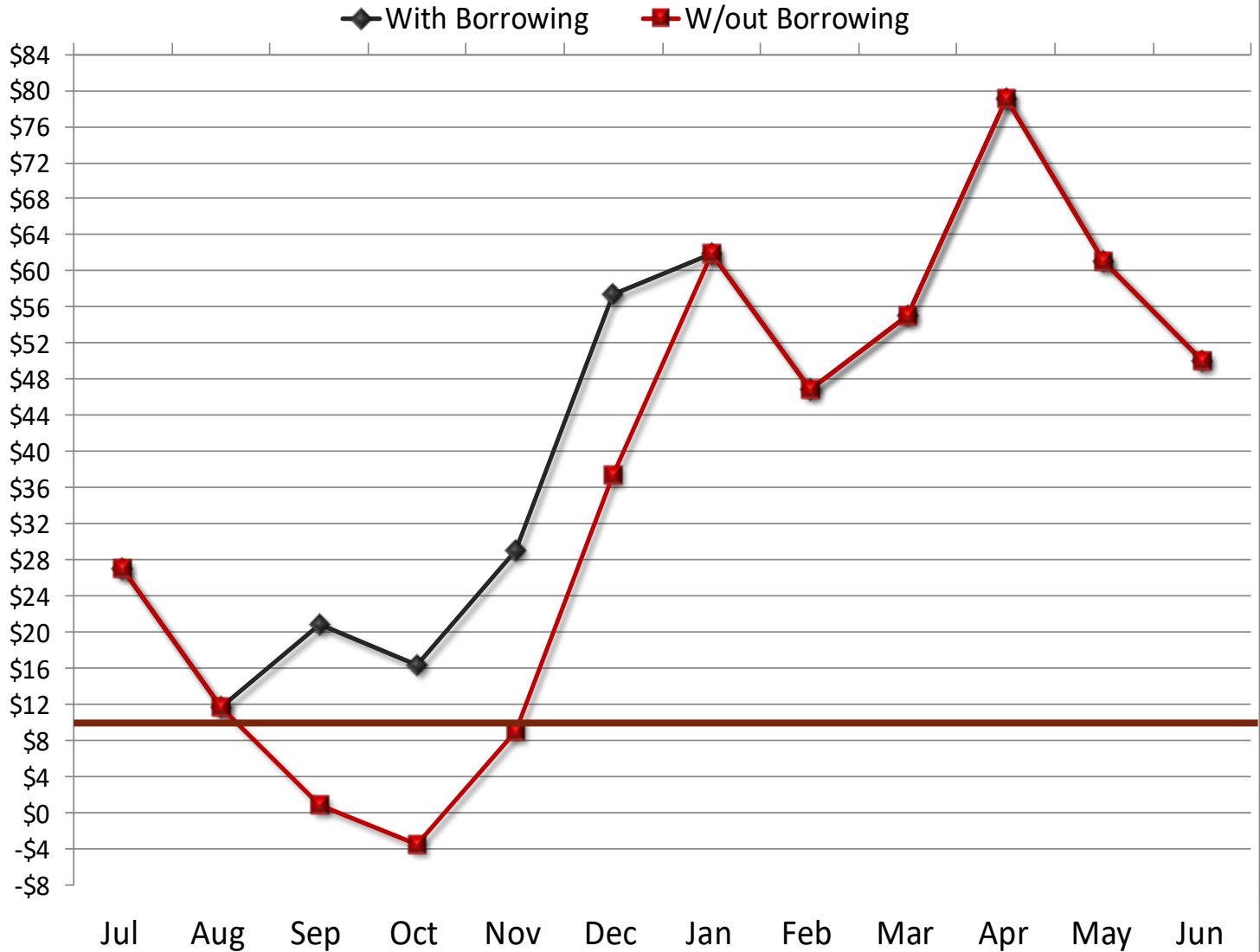
Reminder: LCFF = Local Control Funding Formula

# ANNUAL CASH FLOW



## W/out Borrowing

Jul	26,973,918
Aug	11,694,578
Sep	<b>736,369</b>
Oct	<b>-3,614,410</b>
Nov	8,952,058
Dec	37,326,717
Jan	61,946,399
Feb	46,814,031
Mar	55,055,955
Apr	79,145,135
May	60,989,497
Jun	49,968,572



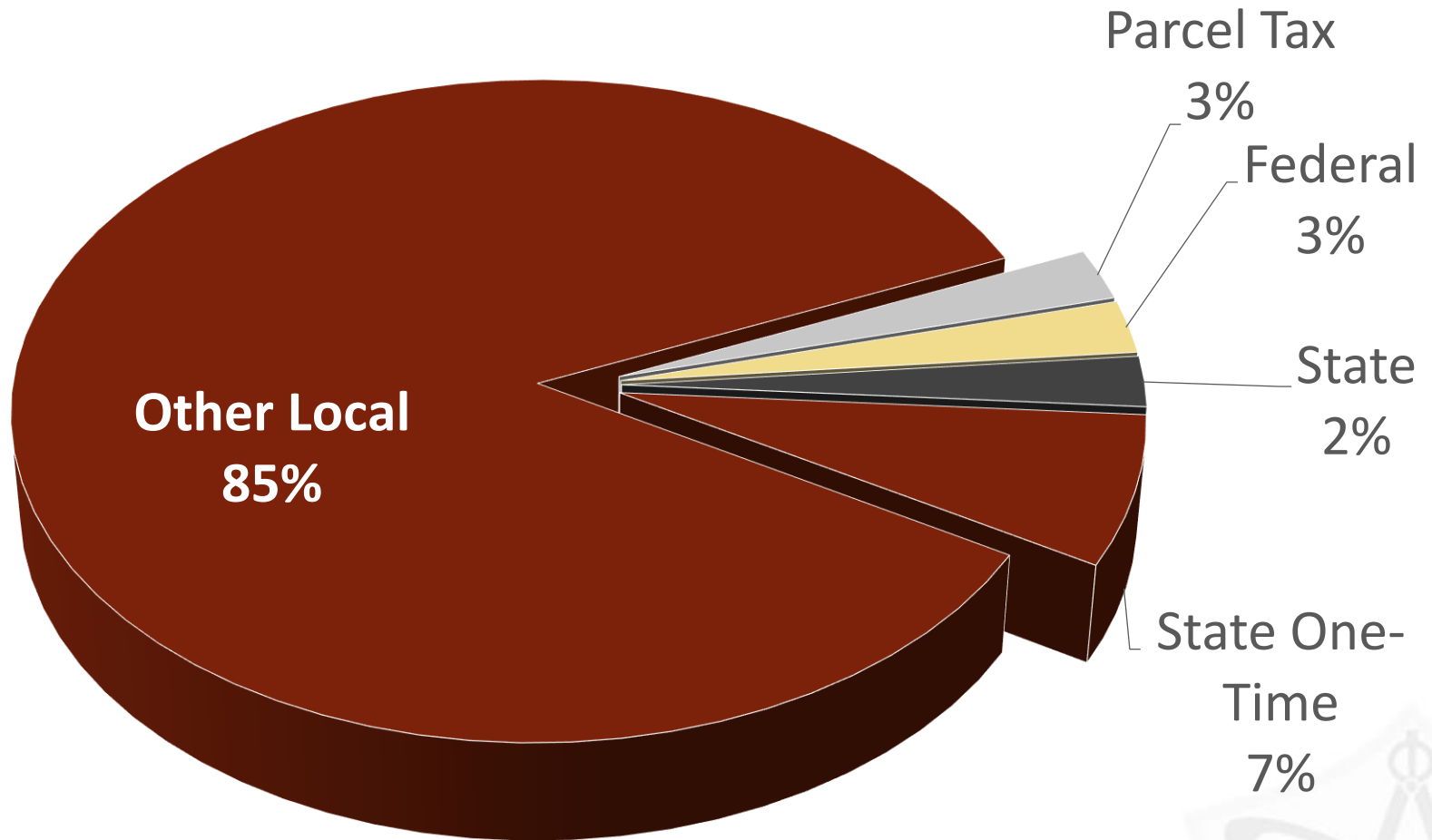
# GENERAL FUND REVENUE ASSUMPTIONS



- Secured Local Property Tax Growth = 2%
- Parcel Tax = \$5.2M (ends 2030)
- Guaranteed State Aid = \$1.45M
- Mandated Block Grant Ongoing = \$657K
- Prop. 55 = \$2.15M (ends 2030)
- Lottery Unrestricted = \$1.59M
- Due to Charter Schools in Lieu of Property Tax = \$1.54M
- One-Time Revenue:
  - Discretionary Block Grant = \$14.6M (\$1,500 per ADA)
- Special Education Based Rate = \$820 per ADA (increase from \$715 per ADA)



# GENERAL FUND REVENUE



# LOCAL PROPERTY TAXES



## 3-Year Summary: 2020-21 to 2022-23

Description	2020-21 Actual	2021-22 Est. Actual	2022-23 Adopted
Secured	143,665,335	151,580,000	154,574,680
Unsecured	8,957,885	8,328,000	8,328,000
RDA	2,720,436	3,690,706	3,690,706
<b>Total</b>	<b>155,343,656</b>	<b>163,598,706</b>	<b>166,593,386</b>
Growth	7.12%	5.31%	1.83%

# GENERAL FUND EXPENDITURE ASSUMPTIONS



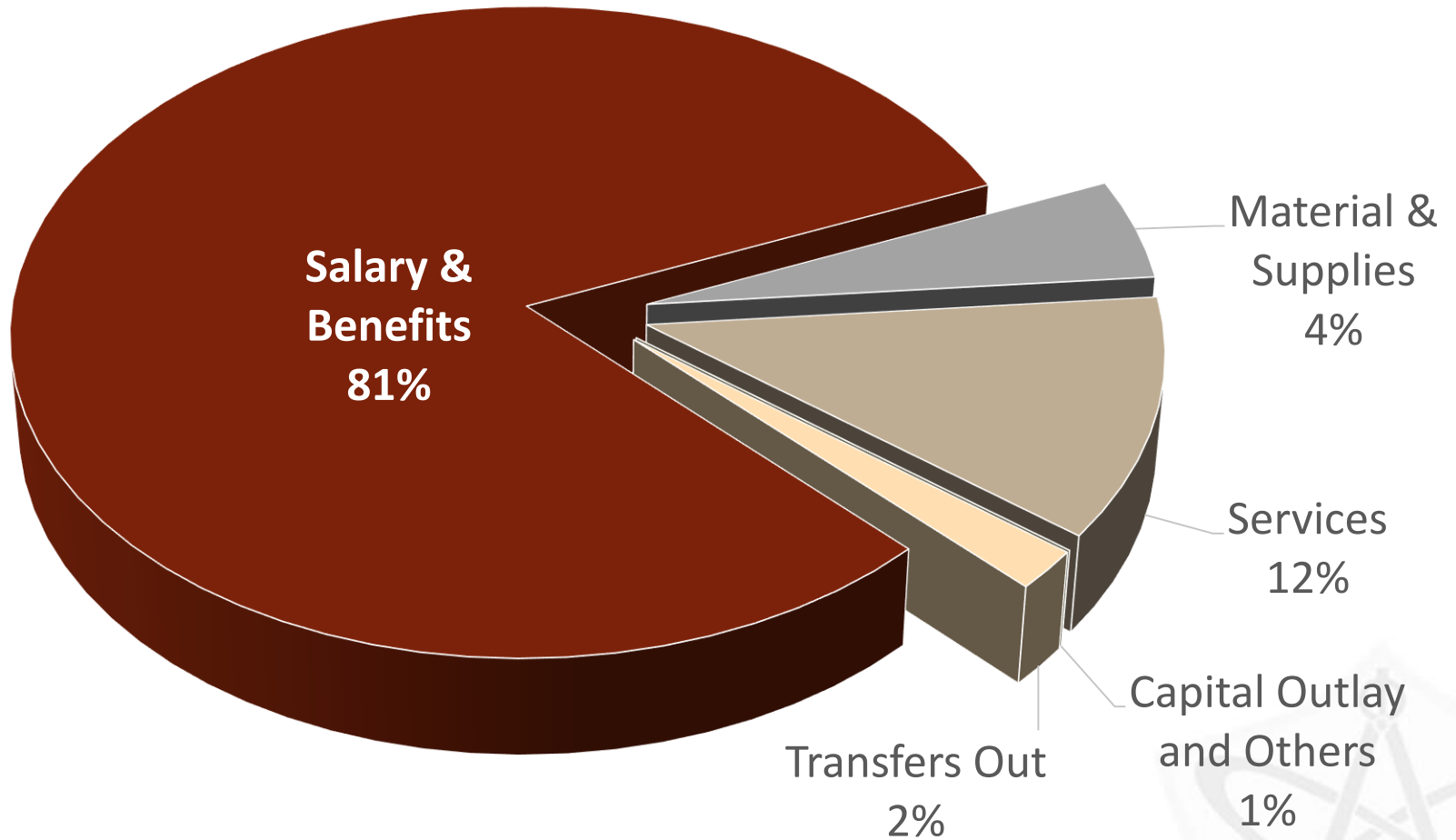
- No Salary changes for CSEA, FEA and FMA
- Step and Col. = 1.5% for all three groups
- CSEA and FMA Health Insurance cap = \$995.43/FTE/Mo
- FEA Health Insurance increase 6%
- Teaching FTE decrease 16 FTE
- Statutory Benefits: Certificated = 22.79%, Classified Classic = 42.77%, Classified PEPRA = 35.26%
- Site Carryovers = \$2M
- Capital Outlay decrease \$3.5M  
(the end of CARES Act federal funding sources)
- No Expenditure Budgets for One-Time Discretionary Block Grant

# STATUTORY BENEFIT RATES (%)

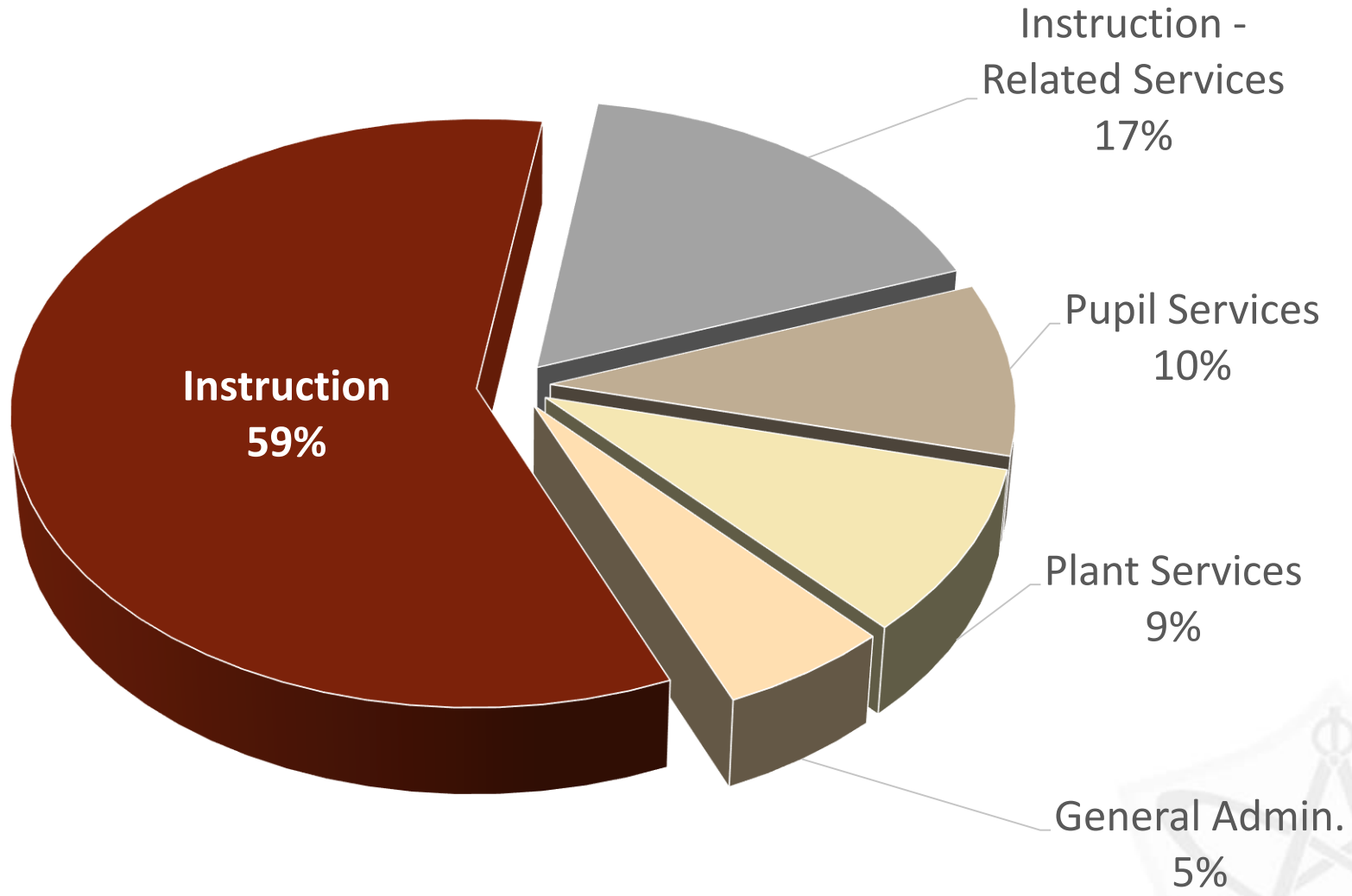


Benefit	Cert.	Classic	PEPRA
STRS – Employer	19.100		
Unemployment Ins.	0.005	0.005	0.005
Workers Compensation	1.404	1.404	1.404
Medicare Insurance	1.450	1.450	1.450
Income Protection	0.340	0.360	0.360
OASDI – Disability		6.200	6.200
PERS – Employer		25.370	25.370
PERS – Employee		7.490	
<b>Total Statutory Rate</b>	<b>22.299%</b>	<b>42.279%</b>	<b>34.789%</b>

# GENERAL FUND EXPENDITURE



# GENERAL FUND EXPENDITURES BY FUNCTION



# SPECIAL EDUCATION CONTRIBUTION



## 3-Year Summary: 2020-21 to 2022-23

Description	2020-21	2021-22	2022-23
	Actual	Est. Actual	Adopted
Federal Rev.	2,248,122	2,504,485	3,169,005
Local/State Rev.	5,031,336	6,018,077	7,573,305
<b>Total Revenue</b>	<b>7,279,458</b>	<b>8,522,562</b>	<b>10,742,310</b>
Salaries	20,159,820	21,903,167	22,758,517
Benefits	8,400,711	9,328,666	10,181,551
All Other*	8,293,474	10,633,027	11,500,833
<b>Total Expenditure</b>	<b>36,854,005</b>	<b>41,864,860</b>	<b>44,440,901</b>
GF Contribution	29,497,267	33,342,298	33,698,591
Prop 55 Contribution	77,280	77,280	77,280

\*All Other includes Special Ed Transportation and Non-Public School

# UTILITIES EXPENDITURES



## 3-Year Summary: 2020-21 to 2022-23

Description	2020-21 Actual	2021-22 Est. Actual	2022-23 Adopted
Electricity	1,175,789	1,705,000	1,875,500
Gas	676,941	1,205,835	1,336,065
Water/Sewage	619,493	627,270	671,179
All Other*	270,744	327,790	347,680
<b>Total</b>	<b>2,742,967</b>	<b>3,865,895</b>	<b>4,230,424</b>

\*All Other includes Waste Disposal and Security



# SCHOOL NUTRITION - MAY REVISION



- Current Federal reimb. at higher rate expires on June 30, 2022
- \$611.8M ongoing Prop 98 to augment the State meal reimbursement rate to maintain higher reimbursement rate after Federal waivers expire
  - would increase the State reimbursement rate from \$0.2620 to \$0.8950 (current rate \$0.2487)
  - if Federal extended, would direct unspent funding in 2022-23 towards Kitchen Infrastructure grants
- \$45 million one-time Prop. 98 for California Healthy School Meals Pathway Program, a workforce training pipeline pilot program for school food service workers
- Propose Policy changes to Kitchen Infrastructure and Training funding

## 3-Year Summary: 2020-21 to 2022-23

Description	2020-21 Actual	2021-22 Est. Actual	2022-23 Adopted
Federal Revenue	1,737,279	4,521,340	886,394
State Revenue	325,768	329,481	3,226,926
Local Revenue	32,239	103,900	173,900
GF Contribution	1,212,349	693,663	1,178,938
<b>Total Revenue</b>	<b>3,307,635</b>	<b>5,648,384</b>	<b>5,466,158</b>
Salaries	1,711,041	2,160,272	2,134,260
Benefits	757,271	991,253	943,683
All Other Expenses	690,337	2,569,830	2,456,465
<b>Total Expenses</b>	<b>3,158,649</b>	<b>5,721,355</b>	<b>5,534,408</b>

# ADULT EDUCATION BUDGET ASSUMPTIONS



## Revenue:

- Federal revenue – flat
- State revenue increase – 6.56%
- Renew CalWORKS Grant
- Class fees increase – based on new classes

## Expenditures:

- Certificated staff decrease: ½ year of one Admin.; retired Teachers
- Increase Classified Teachers for new classes
- Purchase Chromebooks for 1-1 program for HS diploma/GED students
- Decrease services: due to the relocation back to the district office (Leases, HVAC repairs, etc...); Discontinue online curriculum; social media marketing team

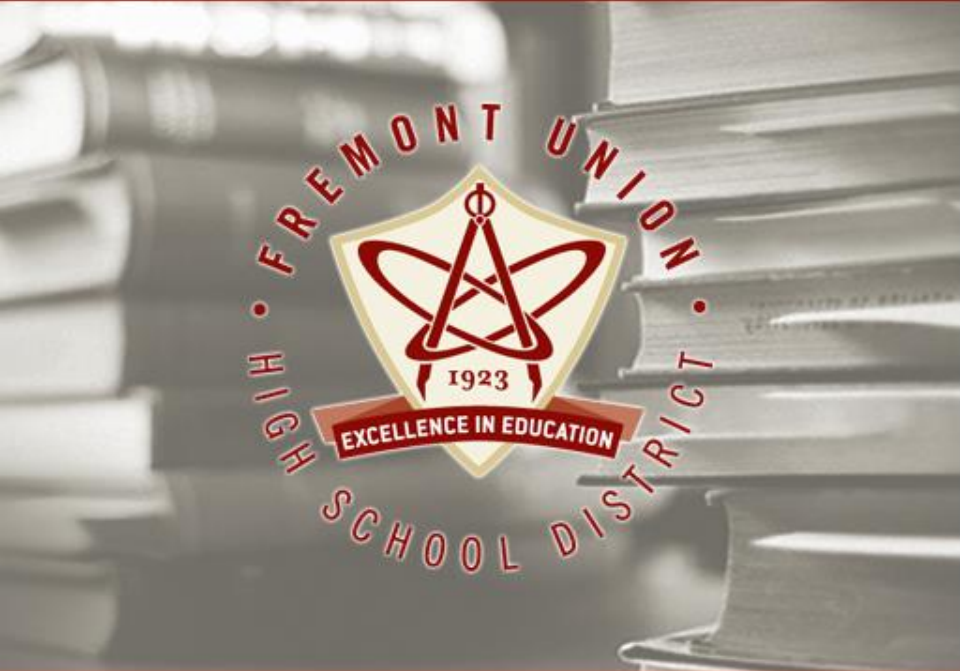
# ADULT EDUCATION



## 3-Year Summary: 20-21 to 22-23

Description	2020-21	2021-22	2022-23
	Actual	Est.Actuals	Adopted
Beginning Balance	1,161,540	1,310,005	1,110,342
Other State Revenue	3,009,800	3,131,372	3,298,275
STRS/PERS On-Behalf	111,203	149,030	146,386
Other Local (Fee Based)	568,945	719,000	740,550
Federal Revenue	517,080	449,757	449,757
<b>Total Revenue</b>	<b>4,207,028</b>	<b>4,449,159</b>	<b>4,634,968</b>
Salaries	2,559,084	2,882,071	2,890,807
Benefits	847,409	954,139	1,011,353
STRS/PERS On-Behalf	111,203	149,030	146,386
All Other Expenses	540,867	663,582	608,094
<b>Total Expenses</b>	<b>4,058,563</b>	<b>4,648,822</b>	<b>4,656,640</b>
<b>Ending Balance</b>	<b>1,310,005</b>	<b>1,110,342</b>	<b>1,088,670</b>

# MULTI-YEAR



# COVID ONE-TIME FUNDING

# PROJECTIONS



# COVID ONE-TIME FUNDING



Due to the pandemic, the District received various sources of one-time funding.

These funds are restricted funds, but there is flexibility in how we use them.

We have developed a multi-year plan to expend these funds.



## SOURCES OF FUNDS NOT INCLUDED IN MULTI-YEAR PLAN:

- Educator Effectiveness = \$2,138,755
- A-G Grant = \$1,641,025
- Special Education Prevention and Dispute Resolution = \$104,234
- Special Education Learning Recovery Support = \$586,316
- Special Education American Rescue Plan IDEA Part B = \$349,782
- Kitchen Infrastructure and Training = \$59,985
- Discretionary Block Grant = \$14,600,000

# COVID ONE-TIME FUNDING - MULTI-YEAR BUDGET



<b>EDUCATIONAL SERV. &amp; TECHNOLOGY</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>
Care Solace		13,839	13,839
Chromebooks	5,944	200,000	750,000
Hot Spots & Comcast Internet Essentials		100,000	50,000
MinuteTraQ Software		12,000	12,000
Special Ed - Increase ACT Classrooms		270,000	
Special Ed - Non Public Schools (NPS)		400,000	400,000
Tech Supplies (Headphones, Doc Cameras, Speakers, Video Cams)	1,168	25,000	25,000
Test Security Software		50,000	50,000
Translations		10,000	10,000
Zoom License		32,000	40,000
Kami Software		30,000	
7 Hour EL Paraprofessionals		55,000	



# COVID ONE-TIME FUNDING - MULTI-YEAR BUDGET



EDUCATIONAL SERV. & TECH. CONT'D	2020-21	2021-22	2022-23
Extra Time for Special Ed. Paraprofessionals		20,000	20,000
Training for School Staff on Accelerated Learning Strategies		5,000	
.6 School-Based Therapist Curr. Lead		140,000	140,000
Counseling Mental Health Support		35,000	35,000
Customization of Student Data Analytics System (Hoonuit)		120,723	
Training on Strategies for Executive Functioning & Trauma Informed Practices		5,000	
Program Supplies		30,000	10,000
Field Trip Related		200	

# COVID ONE-TIME FUNDING - MULTI-YEAR BUDGET



PERSONNEL	2020-21	2021-22	2022-23
Appreciation/Support Bonus Classified	58,328		
Learning Loss Administrative Support			140,000
Remote Learning Program		290,000	40,000
Extra Support for Social Distancing	10,000		
Return to School Timesheets for Teachers	131,818		
Staff Hourly Pay Related to Expanded Learning Opportunities		10,000	
Schoology Implementation Leads		544,000	571,200
Schoology Training		50,000	50,000
Surveillance Testing	154,265	1,020,000	600,000
Extra Support for Contact Tracing		310,000	

# COVID ONE-TIME FUNDING - MULTI-YEAR BUDGET



<b>SAFETY / SANITATION / OTHER</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>
Additional PPE Supplies & Equipment		50,000	
Cafeteria Service		105,000	
Fire Extinguisher Expenses (Cafeteria)		6,591	
Cleaning and Sanitizing Equipment & Supplies for Custodial Use		25,000	
Cleaning and Sanitizing Supplies for Students & Staff		25,000	
Legal Expenses - COVID Related		10,000	
Indirect Cost			457,350

# COVID ONE-TIME FUNDING - MULTI-YEAR BUDGET



<b>FACILITIES / MAINT / OPERATIONS</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>
Air Quality Testing/Repairs		300,000	200,000
HVAC - CDE Preapproval Required	2,500,000	1,600,000	650,000
Merv Filters		50,000	25,000

<b>TOTALS FOR MULTI-YEAR</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>
<b>ANNUAL TOTALS</b>	<b>2,861,524</b>	<b>5,949,354</b>	<b>3,689,389</b>
<b>3-YEAR TOTAL</b>			<b>13,100,267</b>

## USAGE OF FUNDS:

- Expand Paraprofessional services
- Extending instructional learning time beyond requirements
- Accelerating progress to close learning gaps
- Integrated pupil supports, such as the provision of mental health services, access to school meal programs, before and after school programs, and programs to address trauma
- Community learning hubs to provide pupils with access to technology, high-speed internet and other supports
- Supports for credit-deficient pupils to complete graduation requirements and to improve pupils' college eligibility

# COVID ONE-TIME FUNDING USAGE



- Academic services for pupils, such as diagnostic progress monitoring and benchmark assessments of pupil learning
- Training for school staff on strategies including trauma-informed practices, engaging pupils & families in social-emotional health & academic needs
- COVID-19 testing
- Cleaning & disinfecting
- Personal protective equipment
- Ventilation & other school upgrades for health/safety
- Social & mental health services provided with in-person instruction

# MULTI-YEAR



2022-2023

to

2024-2025

# PROJECTIONS

# MULTI-YEAR REVENUE ASSUMPTIONS



- Local Property Taxes = 2.0% growth annual
- Parcel Tax = \$5.2M annual
- Guaranteed State Aid = \$1.45M annual
- Mandated Block Grant = \$657K annual
- Prop. 55 = \$2.15M annual
- Lottery Unrestricted = \$1.59M annual
- Due to Charter Schools = \$1.54M annual
- Special Education base rate = \$820/ADA annual





**Salary Schedules** = no change for all groups

**Step & Column** = 1.5% per year for all groups

**Staffing Changes for FEA**

- 2022-23 = decrease 16 FTE
- 2023-24 = decrease 24 FTE
- 2024-25 = decrease 13 FTE

**Health & Welfare**

- FEA = increase 6% annual
- CAP @ \$995.43 monthly for CSEA and FMA

**Supplies and Contracted Services** = increase  
**COLA**

# CalSTRS CONTRIBUTION RATES



Year	Employer %	Employee PEPRA %	Employee Classic %
2020-21	16.150	10.205	10.25
2021-22	16.920 (-2.18)	10.205	10.25
2022-23	19.100	10.205	10.25
2023-24	19.100	10.205	10.25
2024-25	19.100	10.205	10.25

# CalPERS CONTRIBUTION RATES



Year	Employer %	Employee PEPRA %	Employee Classic %
2020-21	20.70	7.0	7.0
2021-22	22.91 (-2.16)	7.0	7.0
2022-23	25.37	8.0	7.0
2023-24	25.20	8.0	7.0
2024-25	24.60	8.0	7.0

Post-PEPRA members hired on or after 01/01/2013 will see 1% increase to their current contribution of 7%.

# MULTI-YEAR REVENUE



<b>Unrestricted GF<sup>#</sup></b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
LCFF Revenue*	166.74	170.08	173.40
State Revenue**	16.84	2.25	2.25
Parcel Tax	5.17	5.17	5.17
Other Local***	0.20	0.20	0.20
Other Fin. Sources	0	0	0
Contribution	-37.96	-39.84	-41.82
<b>Total</b>	<b>150.99</b>	<b>137.86</b>	<b>139.20</b>

# In millions

\* Included: Property Taxes, EPA, GSA

\*\* Included: MCB, Lottery

\*\*\* Included: Fees

# MULTI-YEAR EXPENDITURES



<b>Unrestricted GF*</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
Salary + Benefits	117.88	118.87	121.42
Supplies & Other	15.6	16.57	17.31
Other Financing Uses	2.89	2.89	2.89
<b>Total</b>	<b>136.37</b>	<b>138.33</b>	<b>141.62</b>

\*In millions



# MULTI-YEAR PROJECTIONS



<b>Unrestricted GF*</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
Beginning Fund Balance	24.77	39.34	38.81
Plus			
Total Revenue & Other Financing Sources	150.99	137.86	139.20
Less			
Total Expenditures & Other Financing Uses	136.37	138.33	141.62
Less			
Reserve for Economic Uncertainties	20.07	20.55	21.16
Less			
Committed/Assigned	17.07	17.07	15.24
<b>Net Shortfall/Surplus</b>	<b>2.26</b>	<b>1.26</b>	<b>0.00</b>

\* In millions

# LOCAL RESERVES - DISTRICT SUMMARY



<b>TOTAL FUND BALANCE CALCULATION FOR SB 858</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
Total Assigned & Unassigned Fund Balance	39,341,669	38,810,409	36,403,363
Min. Reserve for Econ. Uncertainty	6,022,333	6,165,860	6,349,233
Remaining Bal. to Substantiated Needs	33,319,336	32,644,549	30,054,130



# LOCAL RESERVES - DISTRICT SUMMARY



<b>REASONS FOR FUND BALANCES IN EXCESS OF 3% RESERVE</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
Revolving Cash	15,000	15,000	15,000
Set aside-Prepaid Expense	250,000	250,000	250,000
Set aside-Prop. 55 Plan	2,201,131	2,201,131	374,250
Set aside-one-time Discretionary Block Grant	14,600,000	14,600,000	14,600,000
Reserve for RSP	2,201,094	1,191,409	
Board Policy requiring available reserves of at least 10%	14,052,111	14,387,008	14,814,879



# KEY BUDGET DEADLINES 2021-22



BUDGET ITEM	DATE
Budget/LCAP Public Hearing	June 21, 2022
Adopted Budget Approval	June 23, 2022
First Interim	December 15, 2022
Calculation of RSP	February of 2023
Enrollment Projections	February of 2023
Second Interim	March 15, 2023
Site Budget Allocations	May of 2023
Unaudited Actuals	September 15, 2023
Final Audit Report	December 15, 2023

## Certification:

1. This Budget was developed using the state-adopted Criteria and Standards. It includes the expenditures necessary to implement the Local Control and Accountability Plan (LCAP) or annual update to the LCAP that will be effective for the budget year. The Budget was filed and adopted subsequent to a public hearing by the governing board of the school district pursuant to Education Code sections 33129, 42127, 52060, 5201 and 52062
2. School district's three-year budget complies with SB 858 – Reserve Cap

# BOARD OF TRUSTEES



## LOCAL CONTROL AND ACCOUNTABILITY PLAN (LCAP) BUDGET OVERVIEW FOR PARENTS

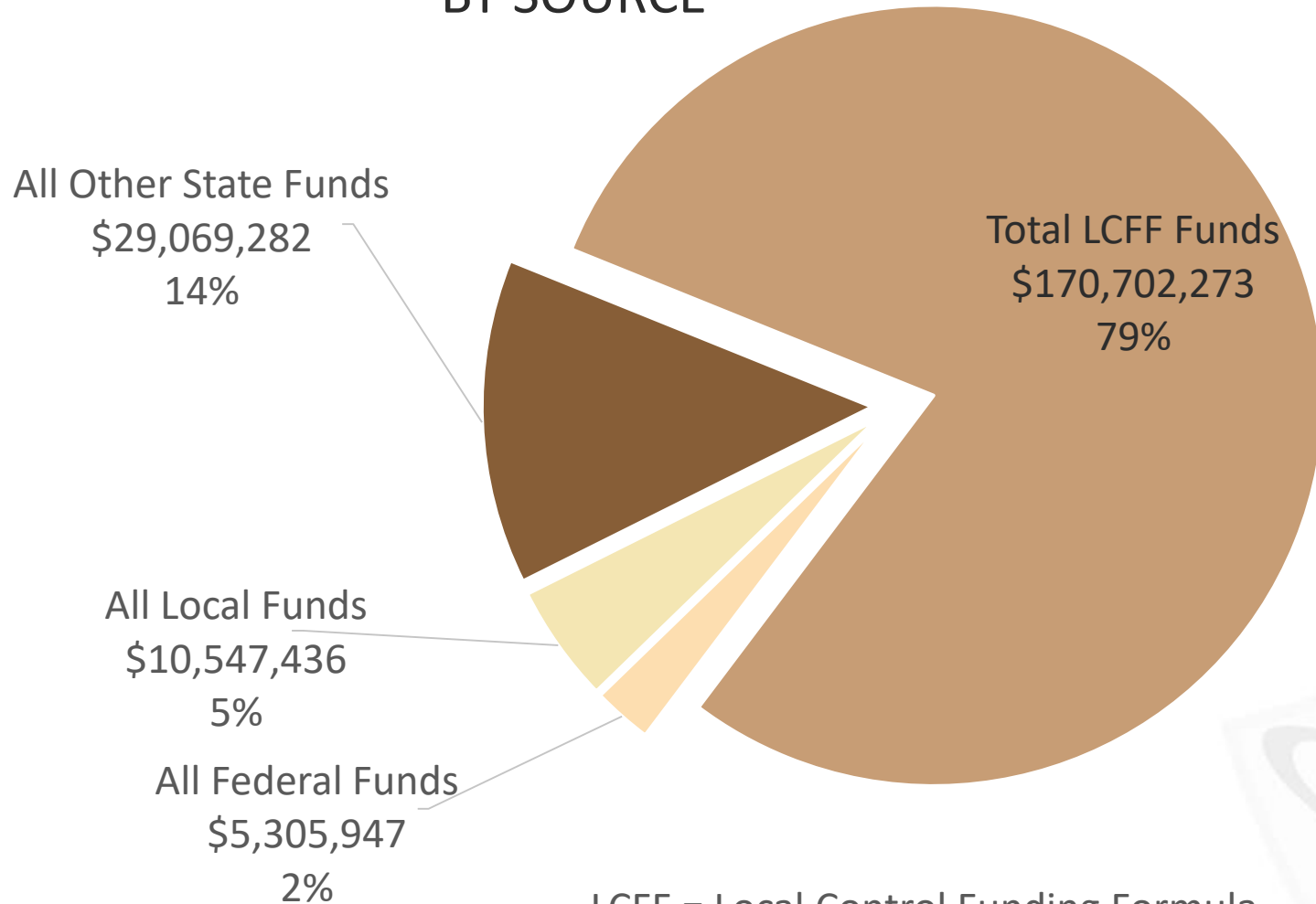
JUNE 21, 2022

# STUDY SESSION

# LCAP BUDGET OVERVIEW



## PROJECTED TOTAL REVENUE (\$215.6M) BY SOURCE

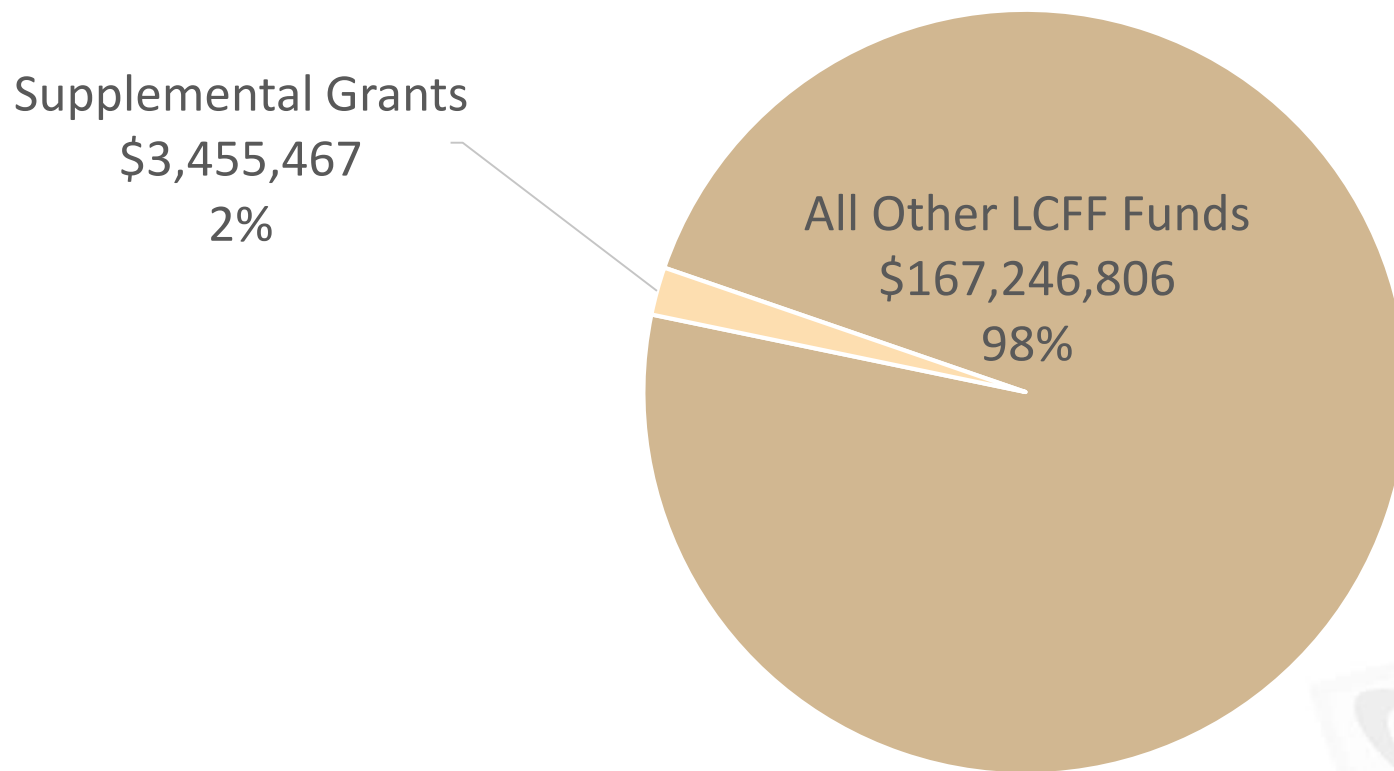


LCFF = Local Control Funding Formula

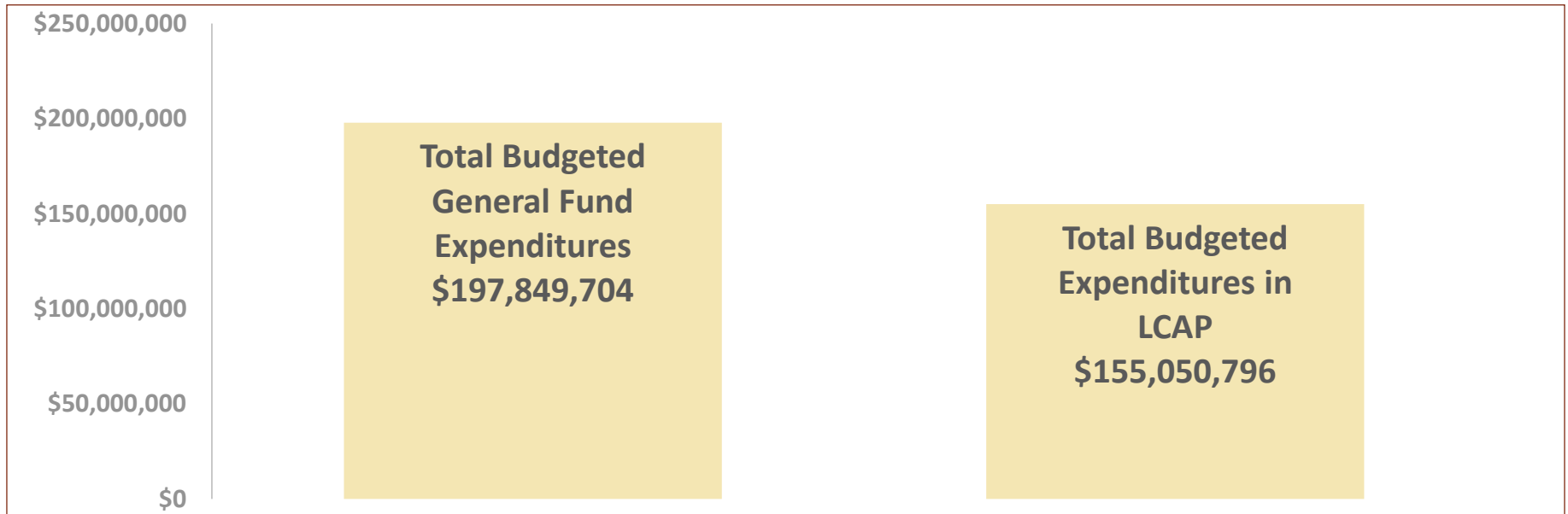
# LCAP BUDGET OVERVIEW



## TOTAL \$170.7 IN LCFF FUNDING BY CATEGORY



# LCAP BUDGET EXPENDITURES



Though the total Budgeted GF Expenditures is \$197.8M, the LCAP only addresses \$155M of expenditures. Expenditures not addressed in the LCAP are:

- Supplies, contracted services, and other expenses = \$32,350,955;
- Donations and programs funded by the Building Fund = \$1,580,308;
- STRS On-Behalf = \$8,867,645;



Total Budgeted Expenditures for High  
Needs Student in LCAP  
**\$6,097,794**

Total Estimated Actual Expenditures for High Needs Student in LCAP  
**\$6,364,293**

\$0      \$1,000,000      \$2,000,000      \$3,000,000      \$4,000,000      \$5,000,000      \$6,000,000      \$7,000,000

- The LCFF Supplemental Grant determines the minimum amount of spending for increased or improved services for High Needs Students (Special Populations)
- For 2021-22, the District's LCFF Supplemental Grant was \$3,627,725
- For 2021-22 LCAP the District's budget: **\$6,097,794** for these expenditures
- The actual estimated expenditure amount by year end is **\$6,364,293**

# BUDGET REPORT



QUESTIONS?

# BUDGET ADOPTION