

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:

2022-23 District 45-Day Budget Update and Revision

AGENDA ITEM AREA:

Consent

REQUESTED BY:

Audrey Kilpatrick
Assistant Superintendent of Business & Operations

ENCLOSURES:

Yes

DEPARTMENT:

Business Services

FINANCIAL INPUT/SOURCE:

General Fund

MEETING DATE:

August 2, 2022

ROLL CALL REQUIRED:

No

BACKGROUND:

California Education Code 42127(i)(4) requires school districts to make available for public review any revenue and/or expenditure revisions made to the budget to reflect the funding made available by the Budget Act no later than 45 days following the signing of the Budget Act.

On June 27, 2022, Governor Gavin Newsom signed an on-time budget. The budget maintained several proposals that were included in the May Revision; however, many changes have been incorporated in the final state budget.

With the approval of the state budget the budget assumptions staff used to prepare the 2022-23 Adopted Budget presented to the Board in June 2022 were based on the 2022-23 State May Revision and will require a revision to reflected as the 45-Day budget revision.

The attached presentation displays the changes to our District's 2022-23 Budget revision due to the State Budget approval.

RECOMMENDATION:

Staff recommends the Board approve the 2022-23 District 45-Day budget revision.

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
BOARD OF TRUSTEES
2022-23 45-Day Budget Revision – State Budget Approval**

California Education Code 42127(i)(4) requires school districts to make available for public review any revenue and/or expenditure revisions made to the budget to reflect the funding made available by the Budget Act no later than 45 days following the signing of the Budget Act.

On June 27, 2022, Governor Gavin Newsom signed an on-time budget. The budget maintained several proposals that were included in the May Revision; however, many changes have been incorporated in the final state budget.

These are the major K-12 funding provisions in the 2022-23 state budget:

- Cost-of-living adjustment (COLA) remains at 6.56% for the Local Control Funding Formula (LCFF)
- LCFF base grant increases by 6.28%
- LCFF calculation amended to allow school districts to utilize the greater of current year, prior year, or the average of the most recent three prior years' ADA
- 2021-22 LCFF calculation amended to utilize the greater of 2021-22 ADA or the 2019-20 attendance rate applied to 2021-22 enrollment for all classroom-based school districts that met specified independent study requirements
- Transitional Kindergarten (TK) add-on to the LCFF of \$2,813 for 2022-23, to be adjusted annually by the COLA
- \$8 billion to establish the Learning Recovery Emergency Block Grant to be allocated to all School districts based on unduplicated pupil counts
- \$3.6 billion to establish the Arts, Music, and Instructional Materials Discretionary Block Grant to be allocated to all School districts on a per-pupil basis
- Full funding of \$4 billion for the Expanded Learning Opportunities Program (ELOP) with changes to calculation of funds, offering, and access requirements. \$5 million of the \$4 billion is for county offices to provide technical assistance, evaluation and training services to support program improvement [EC 46120(d)(7)]
- Special education base rate increase to \$820 per pupil
- Home-to-school transportation funding equal to 60% of expenditures reported in the prior year, excluding capital outlay and nonagency expenditures, and reduced by the transportation add-on to the LCFF
- \$1.2 billion to implement universal meals, plus \$600 million for kitchen infrastructure grants

GENERAL FUND BUDGET ASSUMPTIONS:

Budget Assumptions - Revenues and Expenditures

The 2022-23 budget assumptions have been updated on the next page with changes from the State Budget approval. The assumptions are used to prepare the 2022-23 budget and multi-year projections for 2023-24 and 2024-25 fiscal years.

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
BOARD OF TRUSTEES
2022-23 45-Day Budget Revision – State Budget Approval**

	22/23 Adopted	22/23 45-Day Revision	23/24 Projection	24/25 Projection	
REVENUES					
Enrollment	7,369	7,369	7,443	7,517	21-22: actual Oct CALPADS, 22-23 through 24-25, 1% grow th each year
ADA Yield	94.0%	94.0%	95.5%	95.5%	Actual ADA/CALPADS enrollment
ADA (Excl. County ADA)	6,927	6,927	7,108	7,179	
ADA (Incl. County ADA)	6,946	6,946	7,127	7,198	
% Increase (Decrease) Enrollment	0.8%	0.8%	1.0%	1.0%	
# Increase (Decrease) Enrollment	61	61	74	74	
Funded ADA (excl. County ADA)	7,053	7,053	7,108	7,179	21/22 funded with 21/22 CALPADS enrollment x 19/20 ADA %; 22/23 ADA prior 3 years average, 23/24 & 24/25 projected
Funded ADA (incl. County ADA)	7,072	7,072	7,127	7,198	
% Increase (Decrease) Funded ADA	1.5%	1.5%	0.8%	1.0%	
# Increase (Decrease) Funded ADA	106	106	55	71	21/22 funded with 21/22 CALPADS enrollment x 19/20 ADA %; 22/23 ADA
Statutory COLA %	6.56%	6.56%	5.38%	4.02%	Per SSC Dartboard
Base Grant Increase	3.30%	6.28%	0.00%	0.00%	Per SSC Dartboard
Funded COLA %	9.86%	12.84%	5.38%	4.02%	Per SSC Dartboard
LCFF Entitlement per ADA (Inc Supp \$)	\$10,729	\$11,018	\$11,572	\$12,028	Per LCFF Calculator
Property Tax change	3.00%	3.00%	3.00%	3.00%	21-22 P-2 Property Taxes
Est. Property Taxes	\$59,626,186	\$59,626,186	\$61,414,972	\$63,257,421	21-22 P-2 Property Taxes
LCFF Supplemental Funds	\$4,736,133	\$4,864,787	\$4,918,850	\$5,117,559	Per LCFF Calculator
Federal Revenue	0%	0%	0%	0%	Per PCOE Common Message
Categorical COLA	6.56%	6.56%	5.38%	4.02%	PCOE Common Msg, SSC Dartboard
Transfers In	\$0	\$0	\$0	\$0	
Lottery Unrestricted/ADA	\$163.00	\$170.00	\$170.00	\$170.00	Per SSC Dartboard
Lottery Restricted/ADA	\$65.00	\$67.00	\$67.00	\$67.00	Per SSC Dartboard
Mandate Block Grant (grades K-8)	\$34.94	\$34.94	\$36.82	\$38.30	Per SSC Dartboard
Mandate Block Grant (grades 9-12)	\$67.31	\$67.31	\$70.93	\$73.78	Per SSC Dartboard
EXPENDITURES					
Certificated New Positions - FTE	9.5	9.5	4.0	3.0	23-24: 3 grow th teachers plus GEMS counselor; 24-25: 2 grow th teachers plus TBMS counselor
Cert. New Positions - New Schools	6.5	6.5	0.0	0.0	TBHS opening/additional grades (11th 22/23, 12th 23/24 (Counselor 22/23)
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	1.46%	1.46%	1.46%	1.46%	3-year average
Avg. teacher compensation	\$117,794	\$117,794	\$119,514	\$121,259	
Classified New Positions - FTE	1.0	1.0	0.0	0.0	
Classified New Positions - New Schools	3.0	3.0	1.0	0.4	TBHS opening/additional grades (11th 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	1.33%	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	25.37%	25.37%	25.20%	24.60%	Per SSC Dartboard
Classified Total Statutory Benefits Rate	34.87%	34.87%	34.70%	34.10%	Assumes UI to remain at .5%
CalSTRS Employer Rate	19.10%	19.10%	19.10%	19.10%	Per SSC Dartboard
Certificated Total Statutory Benefits Rate	22.40%	22.40%	22.40%	22.40%	Assumes UI to remain at .5%
Transfers Out	\$25,360	\$25,360	\$77,428	\$675,166	Adult Ed (\$25k), Cafeteria (23-24 and 24-25 only)
Contribution to RRM	\$2,637,533	\$2,637,533	\$2,637,533	\$2,637,533	3% of GF Expenditures (STRS On-Behalf and federal pandemic relief funds
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
2022-23 45-Day Budget Revision – State Budget Approval**

PROPOSED BUDGET:

The District's 2022-23 45 Day General Fund Budget Revision is presented below:

	45-Day Budget Revision		
	Unrestricted	Restricted	Combined
Revenues			
LCFF Funding - Base	73,045,836	1,298,224	74,344,060
LCFF Funding - Supplemental	4,864,787		4,864,787
Federal Revenue		2,642,441	2,642,441
State Revenue	1,883,476	18,597,358	20,480,834
Local Revenue	1,165,338	4,418,725	5,584,063
Total Revenue	80,959,437	26,956,748	107,916,185
Expenditures			
Certificated Salaries	32,971,418	6,208,877	39,180,295
Classified Salaries	7,902,617	4,397,450	12,300,067
Benefits	15,719,757	8,947,567	24,667,324
Books and Supplies	5,476,013	1,635,883	7,111,896
Other Services & Oper. Exp	6,722,323	2,751,766	9,474,089
Capital Outlay	40,000	6,000	46,000
Other Outgo 7xxx	25,000	2,000,000	2,025,000
Transfer of Indirect 73xx	(1,480,378)	1,379,523	(100,855)
Total Expenditures	67,376,750	27,327,066	94,703,816
Surplus / (Deficit)	13,582,687	(370,318)	13,212,369
Transfers In			-
Transfers out	(25,360)		(25,360)
Contributions to Restricted	(12,766,624)	12,766,624	-
Net Increase (Decrease) in Fund Balance	790,703	12,396,306	13,187,009
Beginning Balance	13,011,231	4,223,607	17,234,838
Ending Fund Balance	13,801,934	16,619,913	30,421,847
Components of Ending Fund Balance			
Nonspendable:			
Revolving Cash	5,000		5,000
Restricted:			
State, Federal and Local programs	-	16,619,913	16,619,913
Committed:			
Estimated 22/23 Negotiation Settlement Costs - All Employees	4,693,802		4,693,802
Transportation Reserve - Staffing & Operations	445,919		445,919
Operational Needs Budget Reserve - 22/23 Enrollment Growth Projections	1,009,000		1,009,000
Additional LCFF Supplemental Required Budget	128,654		128,654
Unassigned/Unappropriated:			
Economic Uncertainty @ 3%	2,841,875		2,841,875
Unassigned Economic Uncertainty surplus/(deficit)	4,677,684		4,677,684
Total Ending Fund Balance	13,801,934	16,619,913	30,421,847

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
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When reviewing the proposed 2022-23 45-Day budget revision, it is helpful to identify changes from the 2022-23 45-Day budget revision to the 2022-23 Adopted budget. Those changes are reflected in the table below and summarized in and reconciled with comments on the following pages.

	Adopted Budget			45-Day Budget Revision			Adopted vs 45-Day Rev. Variance	
	2022-23			2022-23				
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined		
Revenues								
LCFF Funding - Base	71,131,907	1,298,224	72,430,131	73,045,836	1,298,224	74,344,060	1,913,929	1
LCFF Funding - Supplemental	4,736,133		4,736,133	4,864,787		4,864,787	128,654	1
Federal Revenue		2,642,441	2,642,441		2,642,441	2,642,441	-	
State Revenue	1,390,811	7,114,582	8,505,393	1,883,476	18,597,358	20,480,834	11,975,441	2
Local Revenue	1,165,338	4,418,725	5,584,063	1,165,338	4,418,725	5,584,063	-	
Total Revenue	78,424,189	15,473,972	93,898,161	80,959,437	26,956,748	107,916,185	14,018,024	
Expenditures								
Certificated Salaries	32,971,418	6,208,877	39,180,295	32,971,418	6,208,877	39,180,295	-	
Classified Salaries	7,902,617	4,397,450	12,300,067	7,902,617	4,397,450	12,300,067	-	
Benefits	15,719,757	8,947,567	24,667,324	15,719,757	8,947,567	24,667,324	-	
Books and Supplies	5,476,013	1,635,883	7,111,896	5,476,013	1,635,883	7,111,896	-	
Other Services & Oper. Exp	6,722,323	2,751,766	9,474,089	6,722,323	2,751,766	9,474,089	-	
Capital Outlay	40,000	6,000	46,000	40,000	6,000	46,000	-	
Other Outgo 7xxx	25,000	2,000,000	2,025,000	25,000	2,000,000	2,025,000	-	
Transfer of Indirect 73xx	(1,480,378)	1,379,523	(100,855)	(1,480,378)	1,379,523	(100,855)	-	
Total Expenditures	67,376,750	27,327,066	94,703,816	67,376,750	27,327,066	94,703,816	-	
Surplus / (Deficit)	11,047,439	(11,853,094)	(805,655)	13,582,687	(370,318)	13,212,369	14,018,024	
Transfers In			-			-	-	
Transfers out	(25,360)		(25,360)	(25,360)		(25,360)	-	
Contributions to Restricted	(12,766,624)	12,766,624	-	(12,766,624)	12,766,624	-	-	
Net Increase (Decrease) in Fund Balance	(1,744,545)	913,530	(831,015)	790,703	12,396,306	13,187,009	14,018,024	
Beginning Balance	13,011,231	4,223,607	17,234,838	13,011,231	4,223,607	17,234,838	-	
Ending Fund Balance	11,266,686	5,137,137	16,403,823	13,801,934	16,619,913	30,421,847	14,018,024	
Components of Ending Fund Balance								
Nonspendable:								
Revolving Cash	5,000		5,000	5,000		5,000	-	
Restricted:								
State, Federal and Local programs	-	5,137,137	5,137,137	-	16,619,913	16,619,913	11,482,776	
Committed:								
Estimated 22/23 Negotiation Settlement Costs - All Employees	4,693,802		4,693,802	4,693,802		4,693,802	-	
Transportation Reserve - Staffing & Operations				445,919		445,919	445,919	
Operational Needs Budget Reserve - 22/23								
Enrollment Growth Projections				1,009,000		1,009,000	1,009,000	
Additional LCFF Supplemental Required Budget	-		-	128,654		128,654	128,654	
Unassigned/Unappropriated:								
Economic Uncertainty @ 3%	2,841,875		2,841,875	2,841,875		2,841,875	-	
Unassigned Economic Uncertainty surplus/(deficit)	3,726,009		3,726,009	4,677,684		4,677,684	951,675	
Total Ending Fund Balance	11,266,686	5,137,137	16,403,823	13,801,934	16,619,913	30,421,847	14,018,024	

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
BOARD OF TRUSTEES
2022-23 45-Day Budget Revision – State Budget Approval**

Below are the significant changes in the general Fund budget with the State Budget approval:

Changes to Fund Balance since 22-23 Adopted Budget			
Budgeted Fund Balance Decrease at Adopted Budget			(\$831,015)
Revenues			
LCFF Revenues			
LCFF base increase of 6.28% vs. 3.30% at adopted	\$ 1,915,000		
LCFF supplemental increase of 6.28% vs. 3.30% at adopted	<u>130,000</u>		
Total LCFF Revenue Changes		\$ 2,045,000	1
State Revenue			
Increase in unrestricted and restricted lottery revenues	60,000		
Increase in Home-to-School Transportation add-on	445,000		
Increase in ELOP revenues	1,560,000		
Arts, Music and Instructional Materials Discretionary Block Grant	4,465,000		
Learning Recovery Emergency Block Grant	<u>5,445,000</u>		
Total State Revenue changes		\$ 11,975,000	2
Total Change in Revenues		14,020,000	
		<i>Rounding</i>	<u>(1,976)</u>
Total Change in Budgeted Fund Balance			\$ 14,018,024
Budgeted Fund Balance Increase at 45-Day Revision			<u>\$ 13,187,009</u>

Local Control Funding Formula and Cost-of-Living Adjustment

The final budget adopts a COLA of 6.56% on the LCFF and a new transitional kindergarten (TK) add-on to the LCFF and increases the proposed boost to LCFF base grant rates to 6.28%. Commencing in 2023-24, the home to school transportation add-on will receive an annual COLA.

The TK add-on will be computed at \$2,813 per current year TK ADA and will increase annually by COLA beginning in 2023-24. The funding is intended to offset the additional costs associated with meeting the 12:1 pupil to staff ratios required in TK classrooms and is conditioned on the school district or charter offering transitional kindergarten in the year it receives the funding and maintaining an average TK class enrollment of no more than 24 pupils.

Key planning factors for school districts to incorporate into their budget revision for the 2022-23 45-Day revision and multiyear projections are listed below and are based on the latest information available:

	22/23 Adopted	22/23 45-Day Revision	23/24 Projection	24/25 Projection
Statutory COLA %	6.56%	6.56%	5.38%	4.02%
Base Grant Increase	3.30%	6.28%	0.00%	0.00%
Funded COLA %	9.86%	12.84%	5.38%	4.02%

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
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Other State Programs

Programs listed below are new or had funding changes with the State's budget approval.

Learning Recovery Emergency Block Grant

The 2022-23 state budget allocates \$8.0 billion of one-time Prop. 98 funds to assist school districts with long-term recovery from the pandemic. The funding may be used to increase or stabilize instructional learning time, decrease or stabilize staff-to-pupil ratios, provide supports to address barriers to learning, provide instruction for credit-deficient students, provide learning supports to close learning gaps, and provide additional academic services. School districts will be funded based on 2021-22 P-2 ADA multiplied by the 2021-22 unduplicated pupil percentage (UPP), estimated at approximately \$2,150 per unduplicated ADA. The funds are available through the 2027-28 fiscal year and expenditures will be reported to CDE.

Arts, Music and Instructional Materials Discretionary Block Grant

The 2022-23 state budget allocates \$3.6 billion to school districts to obtain standards-aligned professional development and acquire instructional materials in various subject areas, invest in diverse book collections, offset increased operational costs including but not limited to retirement and health care costs, COVID-19 mitigation, and to support arts and music education programs. School districts will be funded per pupil, based on the second principal apportionment as reported for 2021-22. The funding will be available for encumbrance through June 30, 2026. The governing board or body of each district receiving funds will discuss and approve an expenditure plan at a regularly scheduled public meeting and the district will be required to expend the revenues consistent with the approved plan. School districts may use an estimate of \$666 per ADA.

Home to School Transportation

Beginning in 2022-23 and for each fiscal year thereafter, school districts and county offices of education will be reimbursed for pupil transportation services an amount equal to 60% of the prior-year reported home to school transportation expenditures. This reimbursed transportation allowance will be reduced by any applicable transportation add-on amount within the LCFF calculations for the school district or county office of education.

In addition, starting in 2023-24 the annual COLA will apply to the add-on transportation funding within the LCFF apportionment exhibits.

As a condition of receiving the reimbursed transportation allowance, the school district or county office of education shall develop a plan describing the transportation services it will offer to its pupils and how it will prioritize planned transportation services for pupils in TK thru grade 6 and pupils who are low income. The plan shall be adopted by the governing board on or before April 1, 2023 and updated annually by April 1.

The plan shall include the following components:

- A description of the transportation services that would be accessible to pupils with disabilities and homeless pupils
- A description of how unduplicated pupils would be able to access the home to school transportation with no fees
- Development in consultation with classified staff, teachers, school administrators, local transit authorities, local air pollution control districts, air quality management districts, parents, pupils, and other stakeholders
- Provision for the school district or county office of education to partner with a municipally owned transit system to provide transportation services for middle school and high school pupils

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Universal School Meals

Beginning in the 2022-23 school year, all public schools will be required to provide two free meals per day to any students who request a meal. The Budget Act includes \$1.2 billion ongoing for universal school meals. This includes \$596 million for universal access to subsidized meals and \$611.8 million to maintain the meal reimbursement rates. Participation in the National School Lunch Program is a requirement to receive funding under California’s universal school meals program.

Other one-time funding initiatives include:

- \$600 million in one-time funds available in the form of kitchen infrastructure grants with conditions to improve the quality of meals and increase participation
- \$100 million in one-time funds to implement some best practices as part of the National School Lunch Program and School Breakfast Program
- \$30 million for Farm to School Program

In late June 2022, Congress passed the Keep Kids Fed Act to extend a pandemic-era program through the summer that provides free meals to students regardless of income.

Expanded Learning Opportunities Program (ELOP)

The budget provides an additional \$3 billion ongoing Prop. 98 general fund to increase the Expanded Learning Opportunities Program (ELOP) to a total of \$4 billion ongoing. Eligible school districts with a prior-year UPP greater than or equal to 75% will receive \$2,750 per unduplicated pupil in kindergarten through 6th grade. The preliminary rate for school districts with a UPP below 75%, is \$2,052.71

Components of Ending Fund Balance

Details of the Components of Ending Fund Balance for 2022-23 are listed below:

	45-Day Budget Revision		
	2022-23		
	Unrestricted	Restricted	Combined
Components of Ending Fund Balance			
Nonspendable:			
Revolving Cash	5,000		5,000
Restricted:			
State, Federal and Local programs	-	16,619,913	16,619,913
Committed:			
Estimated 22/23 Negotiation Settlement Costs - All Employees	4,693,802		4,693,802
Transportation Reserve - Staffing & Operations	445,919		445,919
Operational Needs Budget Reserve - 22/23 Enrollment Growth Projections	1,009,000		1,009,000
Additional LCFF Supplemental Required Budget	128,654		128,654
Unassigned/Unappropriated:			
Economic Uncertainty @ 3%	2,841,875		2,841,875
Unassigned Economic Uncertainty surplus/(deficit)	4,677,684		4,677,684
Total Ending Fund Balance	13,801,934	16,619,913	30,421,847
Unassigned/Economic Uncertainties Reserves as a % of Total Expenditures/Other Out go			7.9%

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
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When reviewing the components of Ending Fund balance it is important to distinguish those amounts that are *Non-Spendable, Restricted, Committed or Unassigned/Unappropriated*.

Fund Balance Reserves – Cap on District Reserves

Senate Bill (SB) 751 (Hill, Statutes of 2017) sets the threshold for triggering the cap on district reserves and the limits of how much school districts can maintain in their local reserves. The State now requires that for a district our size that limited our *Unassigned* or *Assigned* fund balance reserves to 10% of total expenditures and other outgo. This limit includes the 3% *Reserve for Economic Uncertainties*. As noted on the previous page, the District is meeting the 10% cap of *Unassigned* and *Assigned* reserves at 7.9% in 2022-23.

Committed Reserves

The district has *Committed* reserves for the on-going cost of 2022-23 negotiations settlements of \$4,693,802, reserve for transportation staffing and operational costs of \$445,919, reserve for staffing operational needs based on most recent enrollment projections of \$1,009,000 and a reserve of \$128,654 for additional required LCFF Supplemental program expenditures due to the increase in LCFF funding.

Unassigned/Unappropriated Reserve

For the 2022-23 budget year, the district is meeting the minimum 3% *Reserve for Economic Uncertainties*. While this reserve is over \$2.8 million for 2022-23, this amount only represents approximately 2 weeks of employee payroll. Amounts that are not specifically identified for designated uses as noted above are included in the *Reserve – Unassigned Economic Uncertainty Surplus* of \$4.6 million which would be used for labor contract staffing and class size agreements, Special Education program costs, site and district operational costs, cash flow purposes, and any other unanticipated expenditures that may arise during the school year that are not directly budgeted.

Placer County Office of Education and The Common Message continues to reinforce the need for adequate reserve levels. Given the current employment and economic volatility, it is critical that decisions about reserve levels are made thoughtfully and deliberatively. Inadequate reserves force districts to react quickly, which can cause significant disruptions to student programs and employees.