

Simi Valley Unified School District  
2022-2023 Proposed Budget  
June 28, 2022

## Presentation

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- Proposed Budget Process
- Budget Assumptions
- Proposed Budget – Revenue and Expenditures
- 2022-2023 Possible Changes
- Multi-Year Projection & Assumptions
- Areas to be Addressed/Looking Ahead

## 2022-2023 Proposed Budget

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School districts throughout California are required to pass their Annual Budget prior to July 1.

The Proposed Annual Budget is based on information contained in the Governor's January Proposed State Budget and the Governor's May Revision.

This Proposed Annual Budget is only a "place holder" budget. The District will be required to adopt a revised budget after the legislature has approved a State Budget and the Governor has signed the budget.

**What the Board is approving tonight is due to the "budget process." There will be changes due to changes in the State budget.**

## Budget Assumptions

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- ▶ 2022-2023 LCFF Funding: \$167,419,405
  - ▶ 2021 -2022: LCFF \$156,340,958
  - ▶ C.O.L.A. 9.85%
    - ▶ Statutory COLA 6.56%
    - ▶ Additional LCFF Investment \$2.1 billion approx.: 3.29%
  - ▶ Unduplicated Count Percentage 38.42% (+.55%)
  - ▶ Supplemental Funds \$11,763,037 (+ \$1,207,741)
    - ▶ *Minimum Proportionality Percentage (MPP) 7.68%*
- ▶ 2022-2023 Funded ADA 15,302.54
  - ▶ 3 year rolling average

# Budget Assumptions

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- Lottery - \$228 per ADA (+8)
  - Unrestricted \$163
  - Restricted \$ 65
- Step Increase
  - Certificated: 1.43%
  - Classified: 1.38%
- STRS (16.92% to 19.10%): \$1,743,853 increase (2021-2022: 17.1% to 16.92%) (2013-2014: 8.25%)\*
- PERS (22.91% to 25.37%): \$760,465 increase (2021-2022: 19.721% to 20.7%) (2013-2014: 11.442%)\*

\*From Projected at 2<sup>nd</sup> Interim

# Budget Assumptions

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- Budget Reductions - Personnel
  - Certificated Personnel
    - Reduction of 5.0 Teachers
      - Currently staffed to known enrollment.
      - Retirements and Temporary Contracts
  - Classified
    - Several Vacant Positions have not been filled but are budgeted.

# Budget Assumptions

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## ▶ Assumptions

- ▶ K-3 Class Size Reduction: 24:1
  - ▶ Class Size Secondary Schools: 180 Student Contacts per day
  - ▶ Health & Welfare: 5% increase, approx. \$1,183,160
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- ▶ All Assumptions are subject to change based on Ending Fund Balance, State Budget and Negotiations

## Revenue

| Revenue Source      | 2022-2023 Proposed | 2021-2022 Est. Actuals |
|---------------------|--------------------|------------------------|
| LCFF                | \$167,419,405      | \$156,340,958          |
| Federal             | \$12,864,463       | \$13,247,332           |
| Other State         | \$16,191,619       | \$24,119,284           |
| Local and Transfers | \$13,148,149       | \$16,592,838           |
| Total               | \$209,623,636      | \$210,300,412          |

## Expenditures

| Item                  | 2022-2023 Proposed   | 2021-2022 Est. Actuals |
|-----------------------|----------------------|------------------------|
| Certificated Salaries | \$82,734,130         | \$83,907,597           |
| Classified Salaries   | \$32,483,132         | \$30,332,498           |
| Employee Benefits     | \$65,686,473         | \$60,479,927           |
| Books and Supplies    | \$14,344,275         | \$9,164,728            |
| Services              | \$22,469,417         | \$24,751,568           |
| Capital Outlay        | \$1,130,928          | \$2,083,720            |
| Other Outgo           | \$535,738            | \$664,968              |
| Transfers             | (\$571,819)          | (\$419,087)            |
| Other Financing Uses  |                      |                        |
| <b>Total</b>          | <b>\$218,812,274</b> | <b>\$210,965,919</b>   |

# Ending Fund Balance

|                                  | 2022-2023 Proposed Budget |
|----------------------------------|---------------------------|
| <b>BEGINNING FUND BALANCE</b>    | \$40,508,986              |
| TOTAL REVENUES                   | \$209,623,636             |
| TOTAL EXPENDITURES               | \$218,812,274             |
| EXCESS/DEFICIT                   | (\$9,188,638)             |
| OTHER FINANCING SOURCES          | \$110,000                 |
| <b>ENDING FUND BALANCE TOTAL</b> | \$31,431,276              |

Education Code 42127.01 – Public School System Stabilization Account  
Local Reserve Cap: 10% of General Fund Expenditures less Non-spendable,  
Restricted, and Committed Components of Fund Balance = \$21,621,907

Total GF Expenditures: \$219,812,274

**RESERVE CAP PERCENTAGE = \$21,621,907/\$219,812,274 = 9.8%**

# Ending Fund Balance - Breakdown

|                                      |                    |
|--------------------------------------|--------------------|
| Revolving Cash                       | \$82,548           |
| Stores                               | \$131,000          |
| Reserve for Economic Uncertainty @4% | \$8,792,723        |
| A-G Access/Success                   | \$458,558          |
| A-G LLM                              | \$171,911          |
| <b>OTHER COMMITMENTS - TEXTBOOKS</b> | <b>\$1,200,000</b> |
| Early Intervention                   | \$841,558          |
| SB 117 Covid 19 Response             | \$165,466          |
| Expanded Learning Opportunity        | \$16,377           |
| Expanding Learning Paras             | \$35,071           |
| CDPH Personnel Sup COVID             | \$108,414          |
| Expanded Learning Opport. Program    | \$1,793,920        |
| Educator Effectiveness               | \$3,451,022        |
| Sp.Ed. Dispute                       | \$217,334          |
| Sp.Ed. Learning Recovery             | \$1,013,763        |
| Class. Emp. Prof. Devel.             | \$122,427          |
| Textbook Replacement                 | \$33,487           |
| One Time Discretionary               | \$3,951,509        |
| Studio Funds                         | \$41,723           |
| Instructional Materials (Lottery)    | \$7,479,572        |
| Unassigned/Unappropriated            | \$1,312,893        |
| Underground Storage Tank             | \$10,000           |

# Ongoing vs. One Time: 2021-2022 Proposed

| EXPENDITURES              | Ongoing              | One-Time and/or Restricted | Combined             |
|---------------------------|----------------------|----------------------------|----------------------|
| Certificated Salaries     | \$79,375,944         | \$ 3,358,186               | \$82,734,130         |
| Classified Salaries       | \$32,071,784         | \$ 411,348                 | \$32,483,132         |
| Employee Benefits         | \$63,902,167         | \$ 1,784,306               | \$65,686,473         |
| Books and Supplies        | \$13,699,851         | \$ 644,424                 | \$14,344,275         |
| Services & Operating      | \$20,934,120         | \$ 1,535,297               | \$22,469,417         |
| Capital Outlay            | \$1,110,928          | \$20,000                   | \$1,130,928          |
| Other Outgo               | \$535,738            |                            | \$535,738            |
| Transfer of Indirects     | (867,954)            | \$296,135                  | (\$571,819)          |
| Transfers Out             | ---                  | ---                        | ---                  |
| <b>Total Expenditures</b> | <b>\$210,762,578</b> | <b>\$ 8,049,696</b>        | <b>\$218,812,274</b> |

| REVENUE                           | Ongoing              | One -Time and/or Restricted | Combined             |
|-----------------------------------|----------------------|-----------------------------|----------------------|
| Beginning Balance                 | \$ 26,392,811        | \$ 14,116,175               | \$ 40,508,986        |
| LCFF                              | \$167,419,405        |                             | \$167,419,405        |
| Federal Revenue                   | \$7,366,468          | \$5,497,995                 | \$12,864,463         |
| State Revenue                     | \$15,805,070         | \$386,549                   | \$16,191,619         |
| Local Revenue                     | \$13,148,149         | ---                         | \$13,148,149         |
| <b>Other Sources/Transfers In</b> | <b>\$110,928</b>     | <b>---</b>                  | <b>\$110,928</b>     |
| <b>Total Revenue</b>              | <b>\$203,850,020</b> | <b>\$5,884,544</b>          | <b>\$209,734,564</b> |

| Total Unrestricted Funds Available | Available One - Time | Total Funds Available Beginning Balance plus Revenue |
|------------------------------------|----------------------|--|
| \$230,242,831                      | \$ 20,000,719        | \$250,243,550  |

# Deficit Spending????

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- Look at Ongoing Funding vs. One Time Funding
  - Ongoing does not include discretionary
- Ongoing Deficit Spending: **\$6,912,558**
  - Textbook Adoption: \$5,250,000
  - STRS & PERS: \$2,500,000
  - Medical Benefits: \$1,800,000
  - Beginning Fund Ongoing Balance: \$26,392,811
- One Time Funding – Stimulus Funds
  - Deadlines for Spending

# Stimulus Funding

| Funding Source                | Received/In Budget* | To be received in 22/23 or 23/24 Not in Budget |
|-------------------------------|---------------------|--|
| In Person Instruction Grant   | \$386,549           |  |
| Expanded Learning Opportunity | \$1,827,310         | \$1,638,708                                    |
| ESSER 2                       | \$248,197           | \$2,261,751                                    |
| ESSER 3                       | \$3,422,488         | \$9,046,691                                    |
| Educator Effectiveness        | \$2,902,502         | \$725,626                                      |

## Multi-Year Projection

| Description           | 2022/2023     | 2023/2024     | 2024/2025*    |
|-----------------------|---------------|---------------|---------------|
| Revenues              | \$209,734,564 | \$212,144,215 | \$210,772,380 |
| Expenditures          | \$218,812,274 | \$211,506,150 | \$213,131,578 |
| Net Increase/Decrease | (\$9,077,710) | \$638,065     | (\$2,359,198) |
| Beginning Balance     | \$40,508,986  | \$31,431,276  | \$32,069,341  |
| Ending Balance        | \$31,431,276  | \$32,069,341  | \$29,710,142  |
| Assigned              | \$11,516,291  | \$10,115,929  | \$8,917,290   |
| Restricted            | \$8,395,821   | \$8,786,829   | \$9,944,650   |
| Reserves              | \$8,792,723   | \$8,460,246   | \$8,525,263   |
| Undesignated          | \$1,312,893   | \$4,492,789   | \$2,109,391   |
| Other Commitments     | \$1,200,000   | -             | -             |
| Non-Spendable         | \$213,548     | \$213,548     | \$213,458     |

## State Budget – Agreed Upon Budget, but... Major Differences

| Governor  | Legislature   |
|---|---|
| Fund at greater of current year ADA or current enrollment adjusted for pre Covid-19 absence rates | Reject Governor's Proposal  |
| 9.85% COLA (6.58% COLA + \$2.1B ongoing Prop 98)  | 16% COLA (6.85% + \$6.2B ongoing Prop 98)   |
| Discretionary - \$8B one time for discretionary use.  | \$9B to use over 7 years for personnel costs, including salaries, benefits and employer contributions to benefit and pension costs. |
| Deferred Maintenance \$1.2B one time to address deferred maintenance.                             | Reject Governor's Proposal  |
|   | \$1B ongoing Prop 98 for Home-to-School Transportation  |

## Current Status of Budget Deal – Budget Approved

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- K-12 Omnibus Trailer Bill (AB/SB 181) – Still to be approved.
  - LCFF Base Grant Adjustment: 12.84% (May revise 9.85%)
  - Attendance Relief: Protections from Covid attendance disruptions.
    - Greater of Current Year ADA or Current Year Enrollment adjusted for 2019-2020 Absence Rate
  - Three- Year Rolling Average for Enrollment
  - One Time Funding: \$11.5 Billion
    - Learning Recovery Emergency Block Grant: \$8 billion
    - Arts, Music & Instructional Material Block Grant: \$3.5 billion

## One Time Funding Details

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- Learning Recovery Emergency Block Grant
  - Instructional Learning Time for 2022-2023 to 2027-2028
    - Increasing instructional days for minutes during school year.
    - Providing summer school or intersession instructional programs.
    - Any other action that increases or stabilizes the amount of instructional time or services provided to pupils.
    - Decreases or stabilizes staff-to-pupil ratios, based on pupil learning needs.
  - Accelerating Learning to Close Instructional Gaps
    - Expansion or enhancing learning supports. (Tutoring, small group instructional supports, learning recovery and or acceleration.

## One Time Funding Details

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- Learning Recovery Emergency Block Grant (Continued)
  - Integrating Learning Supports to Address Barriers to Learning
    - Health, counseling and mental health services
    - Access to school meal programs
    - Before and After School Programs
    - Programs to address pupil trauma and social emotional learning needs.
    - Referrals for support for family and pupil needs.
  - Access for Credit Deficient Pupils to Complete Graduation or Grade Promotion Requirements and Improve College Eligibility
  - Additional Academic Services for Pupils
    - Diagnostic, progress monitoring and benchmark assessments of pupil learning.
- Arts, Music and Inst. Materials Discretionary Block Grant
  - Fairly Flexible – Encourages use of funds for specific purposes.
    - Broadly allows use of funds for operational costs, including but not limited to, retirement and health care cost increases.

## Reminders – This MYP is based on the May Revise

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- Goal: Utilize stimulus funds to better serve students
- Multiyear Projections are not predictions of the future, they are not forecasts. They are assumptions based on today's information and are **expected** to change.
- They are exactly wrong...but should be approximately right...and school districts must do them.
- 2022-2023 is the Budget of the “Known with Unknowns”
  - State Budget
  - Federal Stimulus
- Out years involves stimulus funds not yet received. Budget only reflects expenditures where funds have been received.

# Multi-Year Assumptions 2023-2024

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- ▶ Projected Decline in Enrollment: 258
  - ▶ Health and Welfare Increase at 5%: \$1,275,627
  - ▶ Reduce 8 FTE, Declining Enrollment: \$807,243
  - ▶ STRS no change
  - ▶ PERS 25.37% to 25.20% (\$37,941 decrease)
- ▶ All Assumptions are subject to change based on Ending Fund Balance, State Budget and Negotiations

# Multi-Year Assumptions 2024-2025

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- ▶ Projected Declining in Enrollment: 350
  - ▶ Health and Welfare Increase at 5%: \$1,339,409
  - ▶ Reduce 10 FTE, Declining Enrollment: \$1,009,055
  - ▶ STRS no change
  - ▶ PERS 25.2% to 24.6% (\$135,757 decrease)
- ▶ All Assumptions are subject to change based on Ending Fund Balance, State Budget and Negotiations

## 2024-2025

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### End of COVID Stimulus Funds – Not Reflected in MYP

- 9 PE Teachers for PLC Planning
- 3 Elementary Counselors
- 3 High School Counselors
- 18 Elementary RTI Teachers
- 18 Elementary RTI Paraprofessionals
- Assistant Director, Student Support Services
- School Social Worker
- Psychologist for Assessment
- Speech and Language Specialist for Assessment
- Director, Certificated Personnel
- Approx: \$5 million unless other funds are able to be utilized.

## 2022-2023 Proposed Budget

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**The actuals of the 2021/2022 ending fund balance will change. The district will close the books on these funds prior to September 15, 2022. Any remaining balances will be reflected in the ending fund balance.**

**The State Budget is yet to be approved. The legislature has approved a budget that will be beneficial to school districts.**

**The changes will be made at a 45 Day Revision or the 1<sup>st</sup> Interim Revision**

## Areas to be Addressed

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- **State Budget Changes - Trailer Bills/Legislation**
- **Health & Welfare Cost**
- **2023-2024 and 2024-2025\* Fiscal year are projections**
- **Deficit Spending**
- **Depletion of Discretionary Fund**
- **Declining Enrollment**
- **Impact of Loss of Stimulus Funding**

# **Simi Valley Unified School District**

## **From Here to Anywhere**