2022-23
First Interim Budget Report

Board of Education Meeting - December 15, 2022

First Interim Budget Report

- First Interim covers the period from July 1 thru October 31 of each year
- Must be submitted to the Alameda County Office of Education by December 15
- Snapshot in time of the District's revenue and expenditure forecasts for the current year as well as projection of the two subsequent years
- Includes revisions since Adopted Budget

Certification

- Budget report must be certified POSITIVE, QUALIFIED OR NEGATIVE
  - POSITIVE: District will be able to meet its financial obligations in the current year and two subsequent years
  - QUALIFIED: The district may not be able to make its financial obligations in the current or two subsequent years
  - NEGATIVE: The district will not be able to make its financial obligations for the remainder of the current year or the subsequent year

State Budget

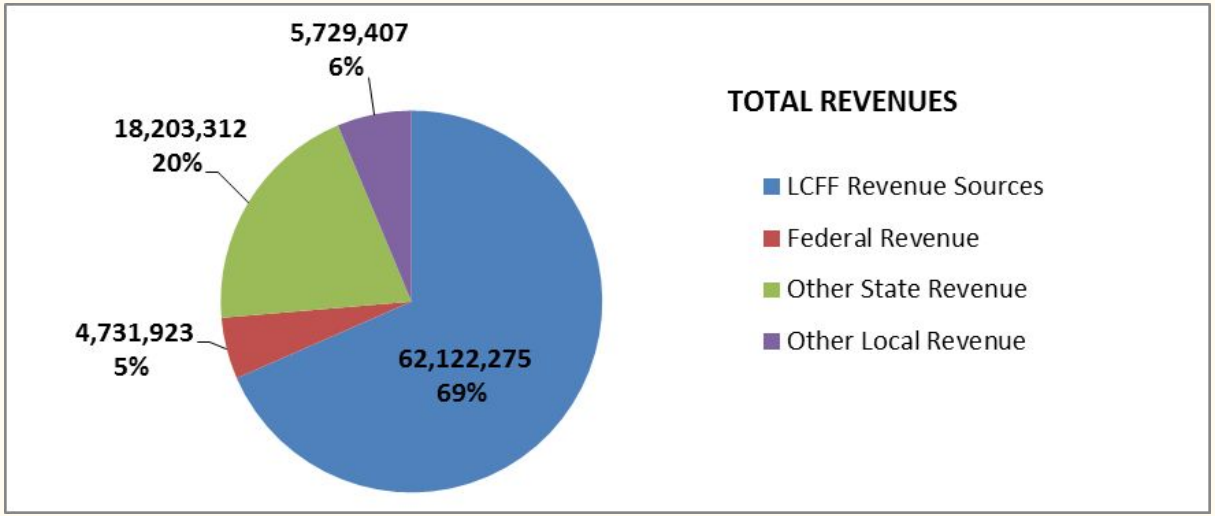
On June 30, 2022, Governor Newsom signed the 2022-23 State Budget package. Some of the highlights of the State Budget impacting education:

- Statutory changes to the Local Control Funding Formula (LCFF) that provides an increase in funding above the 2021-22 levels
- $3.5 billion in one-time Arts, Music, and Instructional Materials Discretionary Block Grant
- Increase to the Expanded Learning Opportunities Program (ELOP) from $1.7 billion to $4 billion ongoing starting in 2022-23
- Funds to expand eligibility for TK and $383 million for TK 12:1 student-to-adult- ratios that are required starting in 2022-23
- $500 million to increase the special education formula base rate
- $7.9 billion in one-time Learning Recovery Emergency Block Grant

Since the district adopted the budget on June 16, 2022, changes have been made to the budget to reflect the above measures and are now incorporated into the First Interim Budget Report.

Revenues

- Total Revenues $91M
  - $64M Unrestricted (70%)
  - $27M Restricted (30%)
  - 69% LCFF
  - 20% Other State
  - 5% Federal
  - 6% Other Local



Revenues

REVENUES 2022-23	Adopted Budget			First Interim			Total Change
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	
LCFF Sources	52,804,497	363,817	53,168,314	61,825,619	296,656	62,122,275	8,953,961
Federal Revenue	-	3,793,841	3,793,841	-	4,731,923	4,731,923	938,082
Other State Revenue	1,017,539	4,850,995	5,868,534	1,017,539	17,185,773	18,203,312	12,334,778
Other Local Revenue	731,295	4,065,690	4,796,985	1,338,778	4,390,629	5,729,407	932,422
Total Revenues	**54,553,331**	**13,074,343**	**67,627,674**	**64,181,936**	**26,604,981**	**90,786,917**	**23,159,243**

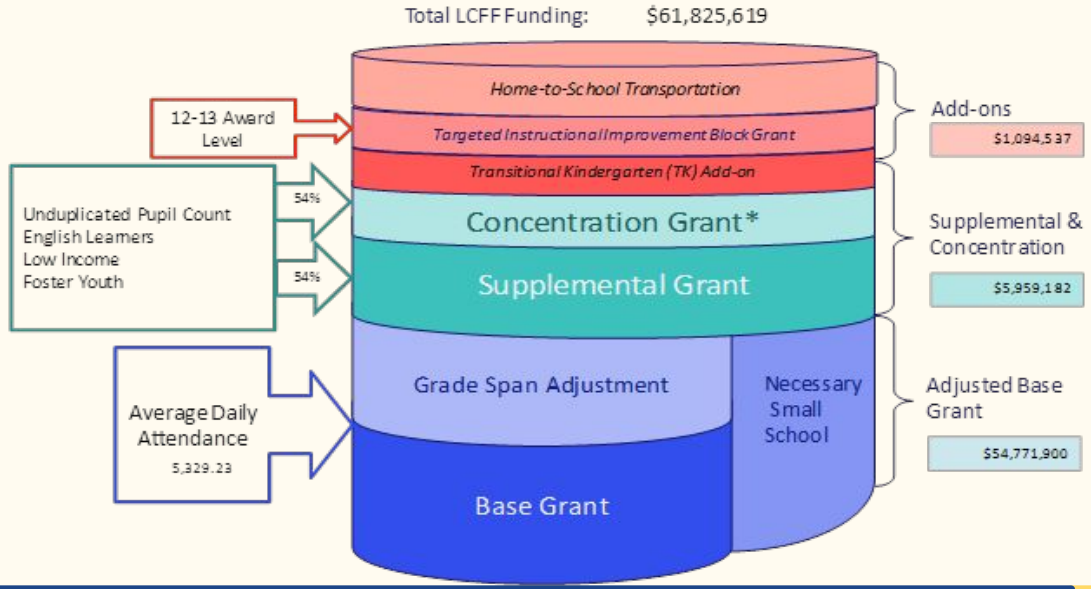
- Major changes since Adopted Budget include $2.7M in ELOP, $3.1M in Arts, Music & IM Grant, $6.2M in Learning Recovery Emergency Grant, and $9M in LCFF
  - This was part of the 45-day revised budget report presented to the board on August 4, 2022

LCFF

- Total LCFF $61.8M (96% of Unrestricted Funds)
- UPP 54% (English Learners, Foster Youth and Socio-Economically Disadvantaged Students)
  - Need +55% to receive Concentration Funds
- ADA based on ADA Relief calculation
  - Allows district to use higher of prior year ADA or 3-year average
    - 4,720 vs. 5,329
  - 21-22 ADA based on higher of 19-20 attendance yield or 21-22 yield
    - 91% vs. 97%

Components of LCFF Entitlement

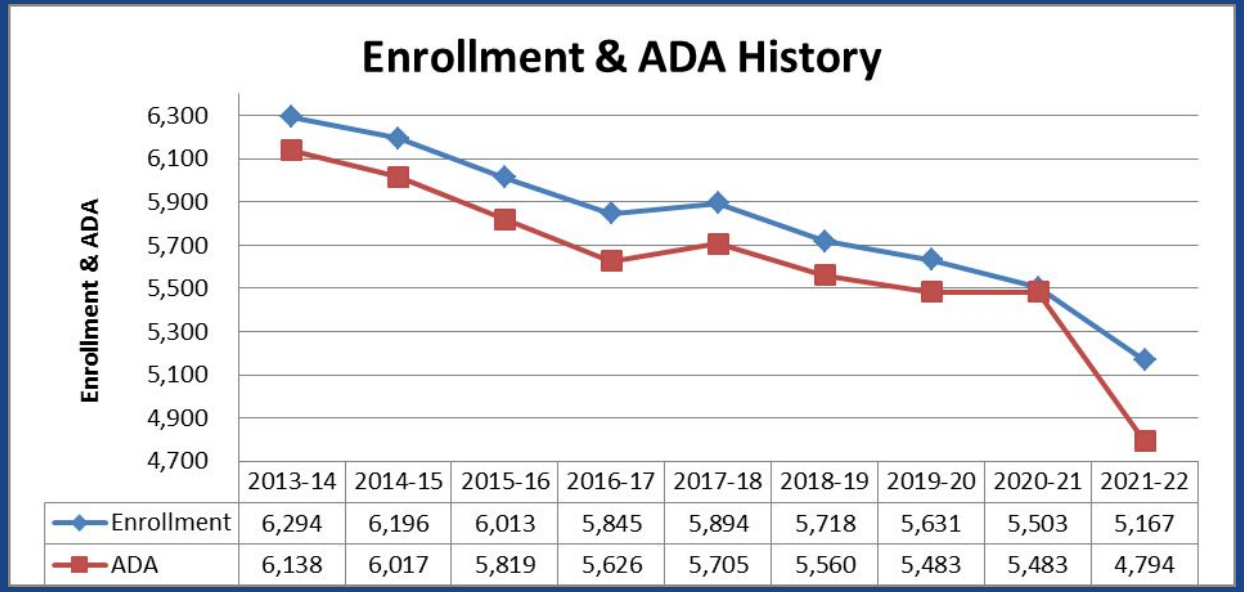
	2022-23			
Base Grant	$ 52,659,356		5,329.23	ADA
Grade Span Adjustment	$ 2,112,544		$ 54,771,900	Adjusted Base Grant
Supplemental Grant	$ 5,959,182	54%		
Concentration Grant	$ -	54%	$ 5,959,182	Supplemental & Concentration
Add-ons: Targeted Instructional Improvement Block Grant	$ 499,293			
Add-ons: Home-to-School Transportation	$ 311,131			
Add-ons: Small School District Bus Replacement Program	$ -		$ 1,094,537	Add-ons
Add-ons: Transitional Kindergarten	$ 284,113			
Total	$ 61,825,619		$ 61,825,619	



Enrollment & ADA (Average Daily Attendance)

- District is funded based on ADA not Enrollment
  - Last year ADA 4,794 (as of 2nd Interim; actual ADA was 4,720)

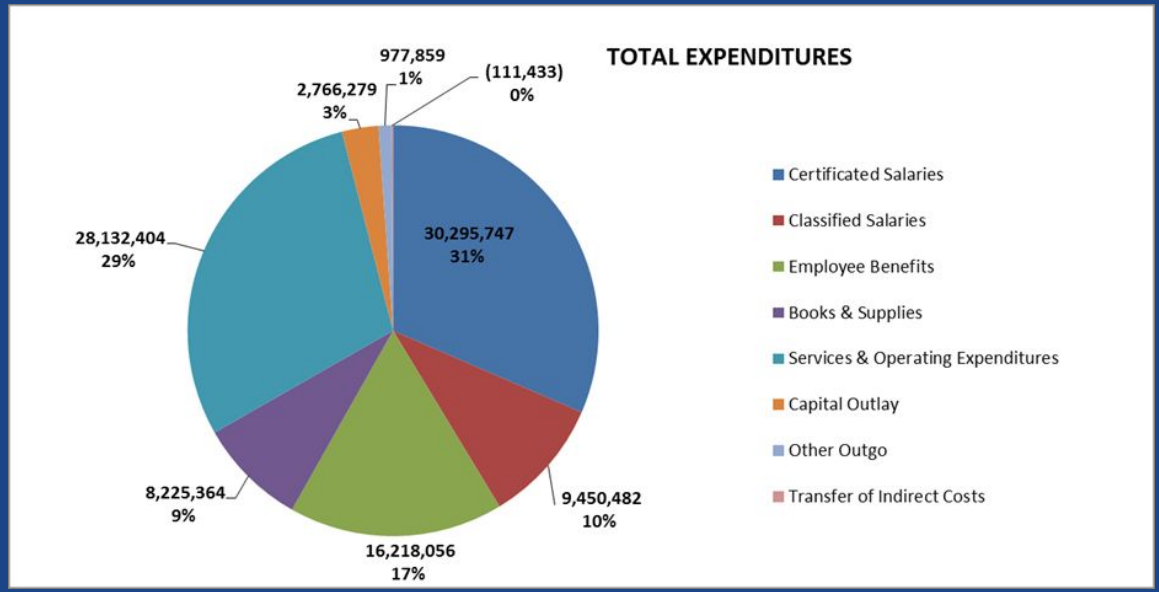
- Declining enrollment trend
  - This year's projected Enrollment was 5,065
  - Enrollment as of 10/26/22 was 4,973 (194 less than last year and 92 below projections)



	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Enrollment	6,294	6,196	6,013	5,845	5,894	5,718	5,631	5,503	5,167
ADA	6,138	6,017	5,819	5,626	5,705	5,560	5,483	5,483	4,794

Expenditures and Contributions

- Total Expenditures $96M
  - Major changes include increase in restricted expenditures due to transfer of last year's carryover to the operating budget and $12M in restricted grant related expenditures (ELOP, Arts & Music Grant, Learning Recovery Emergency Grant)
  - $3M increase in contributions including Special Ed expenditures
- 58% of total expenditures are for salaries & benefits
- 29% for Services & Operating Exp (water, electric, legal services, software, contract services)



Contributions to Restricted Programs

CONTRIBUTIONS FROM GENERAL FUND TO RESTRICTED PROGRAMS			
Special Education	Adopted Budget	1st Interim	Change
Revenues	4,093,507	4,429,838	336,331
Expenditures	11,491,024	14,115,545	2,624,521
Deficit	(7,397,517)	(9,685,707)	(2,288,190)
Contributions for Special Ed	7,397,517	9,685,707	2,288,190
RRMA Contribution	2,050,000	2,846,000	796,000
Total Contributions from General Fund	**9,447,517**	**12,531,707**	**3,084,190**

- The General Fund contributes $9.7M to Special Education and $2.8M to the Routine Restricted Maintenance Account (RRMA)= Total $12.5M contributions
- 3% of Total Expenditures must be allocated to the RRMA for school building maintenance
- Total $3.1M increase in contributions since Adopted Budget

Summary- Unrestricted Funds

1st Interim 2022-23 SUMMARY	UNRESTRICTED		
	Adopted	1st Interim	Change
Total Revenues	54,553,331	64,181,936	9,628,605
Total Expenditures	45,190,140	52,507,951	7,317,811
Operating Surplus/(Deficit)	9,363,191	11,673,985	2,310,794
Contributions	(9,447,517)	(12,531,707)	(3,084,190)
Net Surplus/(Deficit)	**(84,326)**	**(857,722)**	**(773,396)**

- Net decrease to Fund Balance $857K
  - Represents last year's LCAP carryover transferred from Fund Balance to Expenditures

Fund Balance

FUND BALANCE 2022-23 UNRESTRICTED	Adopted	1st Interim	Change
Beginning Fund Balance	16,782,718	16,782,716	(2)
Audit Adjustments	(512,385)	(512,385)	-
Adjusted Beginning Balance	16,270,331	16,270,331	-
Surplus/Deficit	(84,326)	(857,722)	(773,396)
Net Ending Fund Balance	**16,186,007**	**15,412,609**	**(773,398)**
Components of Ending Fund Balance	**Adopted**	**1st Interim**	**Change**
Revolving Cash	25,000	25,000	-
Stores	154,001	148,225	(5,776)
Prepaid Items	3,329	-	(3,329)
Total Nonspendable	182,330	173,225	(9,105)
Total Committed	11,935,656	11,077,876	(857,780)
Reserve for Economic Uncertainties	4,068,021	4,161,508	93,487
Total Ending Fund Balance	**16,186,007**	**15,412,609**	**(773,398)**

Reserves:	
Reserve for Economic Uncertainties	4,161,508
Fund 17 Reserve	2,343,280
Total Reserves	**6,507,052**
% of Total Expenditures	**7%**

MYP (Multi-Year Projection)

Assumptions for 22-23 and 23-24:

- COLA: 5.38% & 4.02%
- Enrollment: 4,943 & 4,893
- P-2 ADA: 4,703 and 4,656
- Funded ADA: 5,081 & 4,821

Balanced budgets for the next two years

Reserves at 8 & 9%

MYP UNRESTRICTED GENERAL FUND	2022-23	2023-24	2024-25
Revenues	64,181,936	63,624,163	62,891,953
Expenditures	52,507,951	51,087,996	50,359,909
Surplus/(Deficit)	11,673,985	12,536,167	12,532,044
Contributions	(12,531,707)	(12,531,707)	(12,531,707)
Net Increase/(Decrease) to Fund Balanc	**(857,722)**	**4,460**	**337**
FUND BALANCE			
Beginning Fund Balance	16,782,716	15,412,609	15,417,068
Audit Adjustments	(512,385)	-	-
Adjusted Beginning Balance	16,270,331	15,412,609	15,417,068
Surplus/Deficit	(857,722)	4,459	337
Net Ending Fund Balance	**15,412,609**	**15,417,068**	**15,417,405**
Components of Ending Fund Balance			
Revolving Cash	25,000	25,000	25,000
Stores	148,225	148,225	148,225
Prepaid Items	-	-	
Total Nonspendable	173,225	173,225	173,225
Committed Fund Balance	11,077,876	11,077,876	11,077,876
Reserve for Economic Uncertainties	4,161,508	4,165,967	4,166,304
Total Ending Fund Balance	**15,412,609**	**15,417,068**	**15,417,405**

Other Funds

Fund Summaries	Fund	Beginning Fund Balance	Revenues	Expenditures	Surplus/(Deficit)	Ending Fund Balance
General Fund	01	23,211,504	90,786,917	95,954,758	(5,167,841)	18,043,663
Adult Education	11	91,914	211,678	300,902	(89,224)	2,690
Child Development	12	579,375	238,618	230,287	8,331	587,706
Cafeteria Fund	13	1,942,412	3,421,093	3,240,117	180,976	2,123,388
Special Reserves for Emergencies	17	2,269,127	74,153	-	74,153	2,343,280
Building Fund (Measure G)	21	465,158	31,213	494,586	(463,373)	1,785
Capital Facilities Fund	25	16,412,830	1,164,521	3,796,837	(2,632,316)	13,780,514
Special Reserves for Capital Outlay	40	9,054,317	310,292	1,041,883	(731,591)	8,322,726
Bond Interest & Redemption Fund	51	9,272,170	10,215,205	9,920,039	295,166	9,567,336
Self Insurance Fund	67	4,273,166	1,837,538	1,605,868	231,670	4,504,836

- Bond Fund 21 less than $2K left to spend
- $14M in Fund 25 Capital Facilities Fund
- $8M in Fund 40 Capital Outlay Fund

Final Summary

- Projected balanced budget in the current year and two subsequent years
- Reserves above 3% minimum required in the current year and two subsequent years (7%, 8%, 9% respectively)
- Staff recommends approval of a POSITIVE Certification on the First Interim Budget Report


thank you
Ins
NumLk
Del
ScrLk
Shift
PgUp
PgDn
Home
End