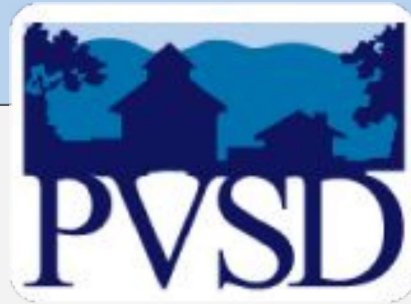


Portola Valley School District

2022-23 Adopted Budget

Presentation to the Board of Trustees
May 26, 2022



Agenda



Budget Cycle

2021-22 Estimated Actuals and Multi-Year Projections (MYP)

Other Funds

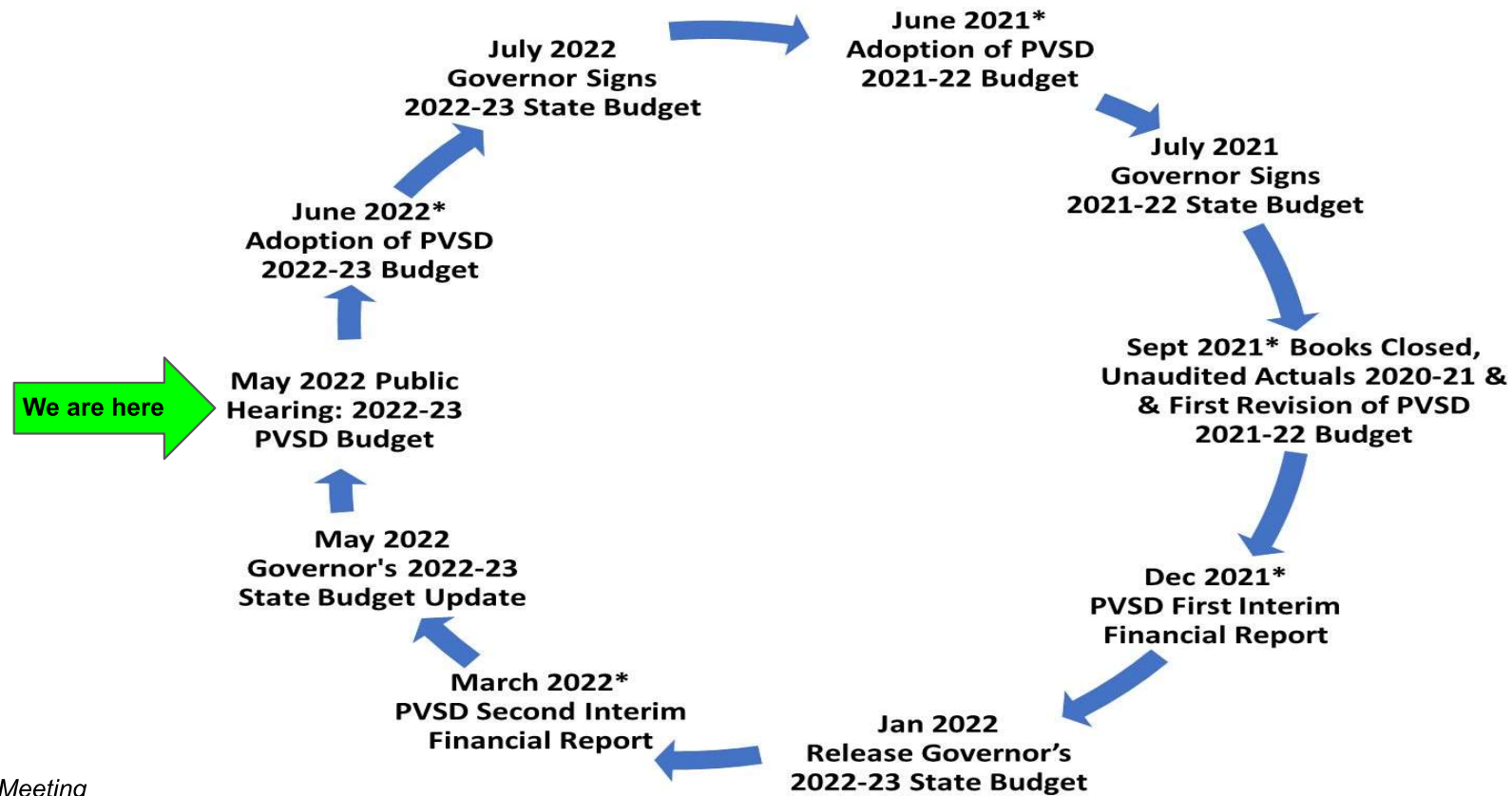
2022-23 Adopted Budget and Assumptions

Reserves

Next Steps



Budget Cycle



* Board Meeting

General Fund - Estimated Actuals & MYP




	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Revenues	17,937,060	17,728,768	18,119,226	18,402,914	18,696,908	18,988,982
Expenditures	15,717,334	16,721,405	17,414,516	18,067,534	18,497,543	18,860,623
Excess	2,219,726	1,007,363	704,711	335,379	199,365	128,359
Transfers to Other Funds	(1,600,000)	(1,050,000)	(700,000)	(400,000)	(250,000)	(200,000)
Net Increase to Fund Balance	619,726	(42,637)	4,711	(64,621)	(50,635)	(71,641)
Beginning Fund Balance	4,228,661	4,848,387	4,805,750	4,810,461	4,745,840	4,695,205
Ending Fund Balance	4,848,387	4,805,750	4,810,461	4,745,840	4,695,205	4,623,564
	★					
including \$ from Fund 17, Special Reserve	18.0%	18.4%	18.2%	17.6%	17.2%	16.6%

* Refer to the *Executive Budget Summary Report* for details

2021-22 General Fund Ending Balance



Restricted Programs		1,267,881	
School Site Carryovers		30,000	
Reserve for pending Genentech Litigation		150,000	
Reserve for Classroom Furnishings		700,000	
Reserve for Education Programs		850,000	
Reserve for Economic Uncertainty	(A)	692,693	4.00%
Unassigned/Unappropriated	(B)	1,157,813	6.69%
Total General Fund Balance		4,848,387	
Basic Aid Reserve Policy - Fund 17	(C)	1,264,274	7.30%
Total Available Reserves (A)+(B)+(C)		3,114,780	17.99%



2022-23 Other Funds Balances

	#8 Student Activity	#13 Cafeteria Fund	Deferred Maintenan ce	#17 Special Reserve	#20 Other Post- employment	#21 Building Fund	#25 Capital Facilities
Revenues	5,800	299,000	16,000	11,000	5,000	75,000	57,500
Expenditures	5,127	390,400	520,000	-	-	13,335,950	121,043
Excess	673	(91,400)	(504,000)	11,000	5,000	(13,260,950)	(63,543)
Transfers from the General Fund	-	100,000	700,000	150,000	100,000	-	-
Net Inc/(Dec) to Fund Balance	673	8,600	196,000	161,000	105,000	(13,260,950)	(63,543)
Beginning Fund Balance	2,145	288,075	3,580,275	1,264,274	606,088	15,501,148	63,543
Ending Fund Balance	2,818	296,675	3,776,275	1,425,274	711,088	2,240,198	-

* Refer to the *Executive Budget Summary Report* for details

2022-23 Governor's Proposals



- Proposition 98, increase of LCFF base + 6.56% COLA
- Universal Transitional Kindergarten
- ***Child Nutrition Funding***
- ***Expanded Learning Opportunities Program***
- Educator Workforce
- Facilities
- ***One-time discretionary dollars***
- ***Deferred Maintenance Funds***

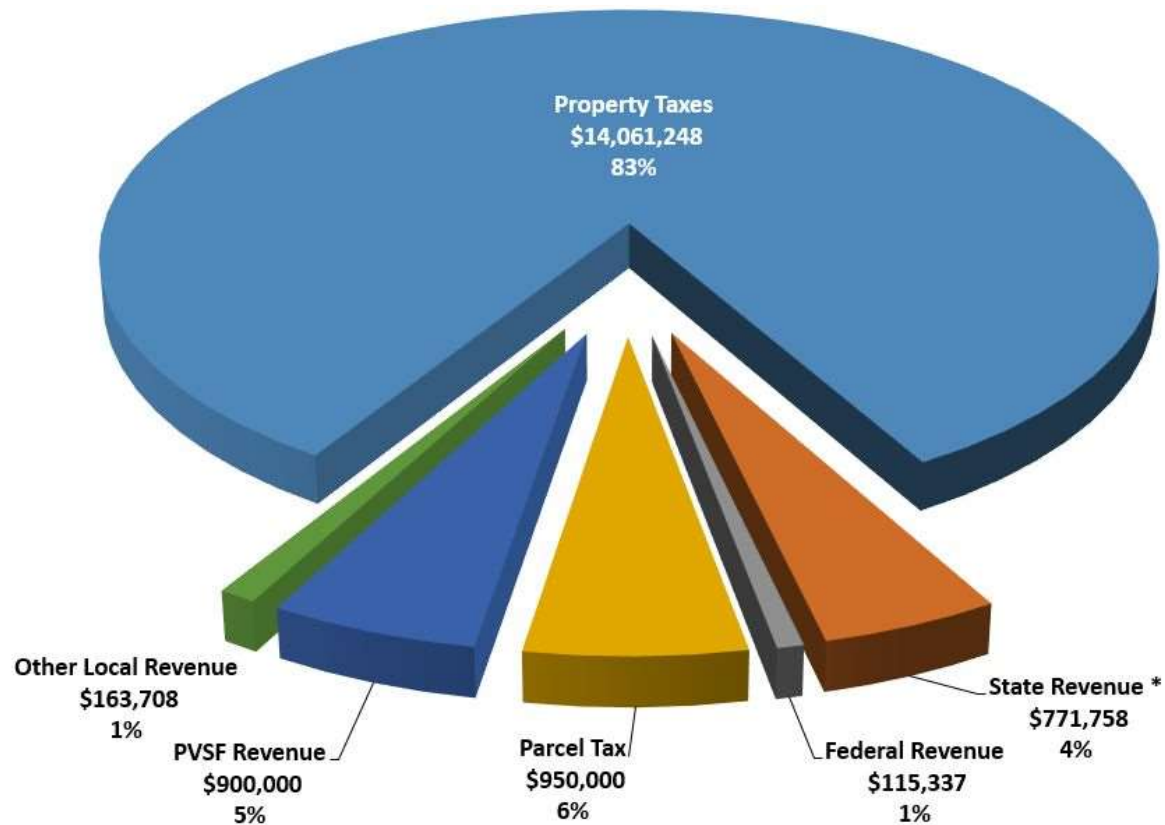
Bold & italicized indicate potential fiscal impact to PVSD: See Executive Summary for details.

2022-23 Budget Revenue Assumptions



- Property Tax increase of 5.5% (\$704,000) over the prior year
- Measure S Parcel Tax: \$471 per parcel (or \$950,000)
- PV Schools Foundation Annual Campaign Funds: \$900,000.
- Federal/State Programs \$887,000:
 - State Aid: \$146,000
 - Education Protection Account: \$106,000
 - Lottery, Mandated Block Grant, Standardized Testing, Title II & III: \$153,000
 - Special Education Revenues: \$482,000
- Funding for the Voluntary Transfer Program (VTP) program ends \$272,000

2022-23 Revenue



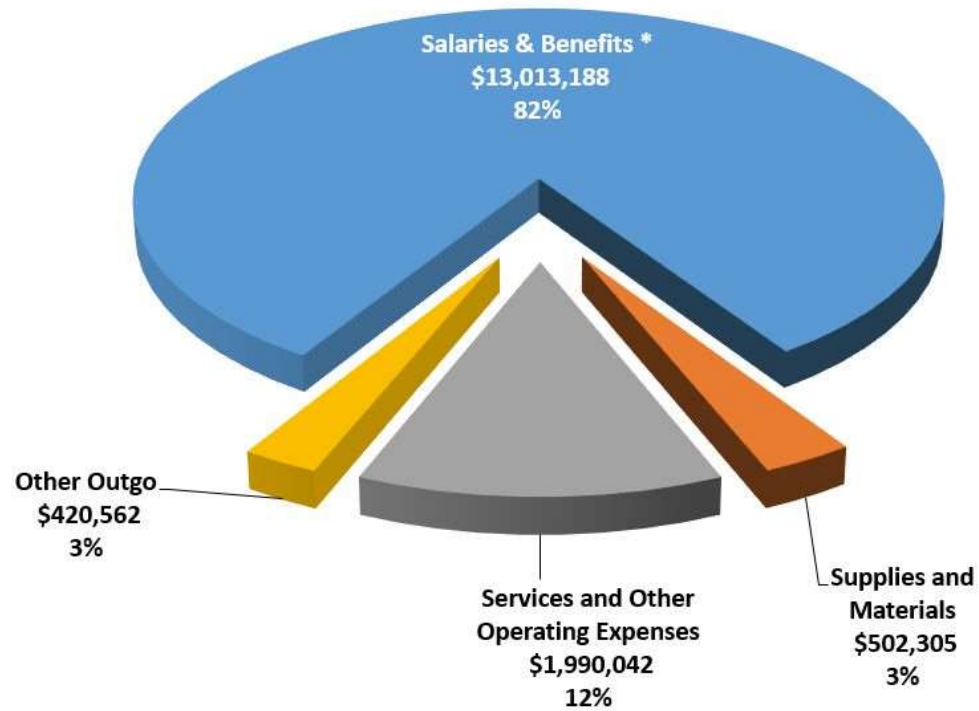
*Excluding CalSTRS on-behalf payments

2022-23 Budget Expenditure Assumptions



- Personnel Budgets
 - Staffing level is the same as 2021-22, except with the following changes:
 - Add two additional certificated teachers
 - Decrease 1.0 classified FTE (0.5 District Office support & 0.5 Tech Specialist)
 - Increase in mandated payroll taxes which includes pension costs
 - Classified is 36.89%; Certificated is 24.42%
- Non-Personnel Budgets
 - Textbook adoption: Science grades TK-5
 - Classroom budgets: \$400 each/\$600 new teachers, \$267 per student
 - Grade 6 computer refresh and tech device/management licenses
 - Increase in general property and liability insurance, Board election in Nov.
 - Shared communication staff with LLESD – 0.5 FTE
 - Nursing services –2 days per week

2022-23 Expenditures



*Excluding CalSTRS on-behalf payments



Assumptions in 2023-24 to 2026-27

Revenues:

- Property tax growth (Secured Rolls):
3% for 23-24; 2% for 24-25; 2% for 25-26; 2% for 26-27
- 1% growth = \$187,000
- Unsecured tax growth assumed flat from 22-23
- Measure S parcel tax generates \$471 per parcel (approx. \$950,000/year)
- PV Schools Foundation revenue anticipated at \$900,000 (\$20,000 less than 21-22)
- Special Education revenues and expenditures assume slight escalation

Expenditures:

- Health benefits - increase by 5% per year
- Pension rates continue to increase up to 19.10% for STRS in '22-23
and 25.37% for PERS in '22-23
- Part-time Maintenance Support staff in 2024-25.

Statewide Average Reserve Levels



The latest statewide data on school district reserves is available for 2020-21

- Unrestricted fund balances increased tremendously

Average Unrestricted General Fund, Plus Fund 17, Ending Balances¹

	2019-20	2020-21	Difference
Unified School Districts	18.82%	22.36%	3.54%
Elementary School Districts	22.70%	26.01%	3.31%
High School Districts	17.34%	21.82%	4.48%

As a percentage of total general fund expenditures, transfers, and other uses

Reserves ... continued



Adequate reserves have been critical in recent years in order to fund:

- **Facilities issues:** In 2017 water damaged multiple facilities. The price tag to repair and restore all of the damage was originally quoted at ~\$2M (District cost). After a year of back and forth with PVSD insurance carriers, the final hit to the General Fund was closer to \$200,000.
- **Parcel Tax decrease:** The new (2021) per parcel amount is smaller than the previous measure passed in 2013. (\$225,000 less per year, plus inflation, for 10 years)
- **COVID-19:** The District used reserves funds to add additional staffing, furniture, equipment, personal protective equipment (PPE), rapid antigen tests, and services to minimize impact to student learning. Reserve funds allowed the District to offer both in-person and virtual programs much earlier than most districts.



Reserves... continued

Adequate reserves have been critical in recent years in order to fund:

- **Voluntary Transfer Program** loss of funding: After 35 years, continuous VTP funding will be eliminated if Ravenswood City School District flips to LCFF as expected, which would result in a loss of approx. \$272,000 per year.)
- **Transitional Kindergarten:** The new state mandate to offer TK to all students will provide no funding to community-funded districts such as Portola Valley. The 12:1 ratio (student:adult) requires additional staffing as well as additional facilities.
- **Universal Meals:** New state mandate to offer two no cost meals to all students.
- **General/Property Liability Insurance:** Due to new law in effect and an increase in facility replacement cost, the District premium has doubled.
- **Construction:** The District is in the midst of construction. With supply chain bottlenecks, record high construction costs and other challenges, the need for adequate reserves is more important than ever.

Audit/Budget Advisory Committee Members



Thank you to the Members:

Bob Bauer, Board Member

Anne Fazioli-Khiari, Board Member

Irene Delgado, Fiscal Services Manager

Heriberto Diarte, Parent

Terry Lee, Parent

Cindy McAdam, Parent, PV School Foundation

Connie Ngo, Chief Business Official

Tim Sato, Corte Madera Teacher, PVT A

Roberta Zarea, Superintendent

Next Steps



June 2022: Enacted State Budget 2022-23

September 2022: Unaudited Actuals 2021-22

September 2022: Revisions to the 2022-23 Budget