

2022-23 Budget Preview

Piedmont USD Budget Advisory Committee
April 28, 2022

Agenda

- Introductions
- Purpose of BAC
- 2022-23 Budget Preview
- Parcel Tax Oversight
- Discussion / Comments / Questions
- Adjourn

Purpose of BAC

- The Budget Advisory Committee is a standing committee with representatives from all stakeholders in the District.
- Its purpose is to:
 - Review the District's Budget,
 - Share the information with constituent groups, and
 - Generate recommendations for Board consideration in the budget development process.
- The BAC is a vehicle to disseminate information to as many parents, students, staff and community members as possible.

Budget Development Process

- We are in the final stretch of budget development for 2022-23.
- The Board will hold a public hearing and the budget adoption meeting in June.

Initial Budget - December 2021

All current year ongoing revenues are carried forward and one-time revenues are eliminated.
All current year expenditures are carried forward and one-time costs are eliminated.

Revised - March 2022

Adjustments are made based on Governor's Budget Proposal and enrollment projections.

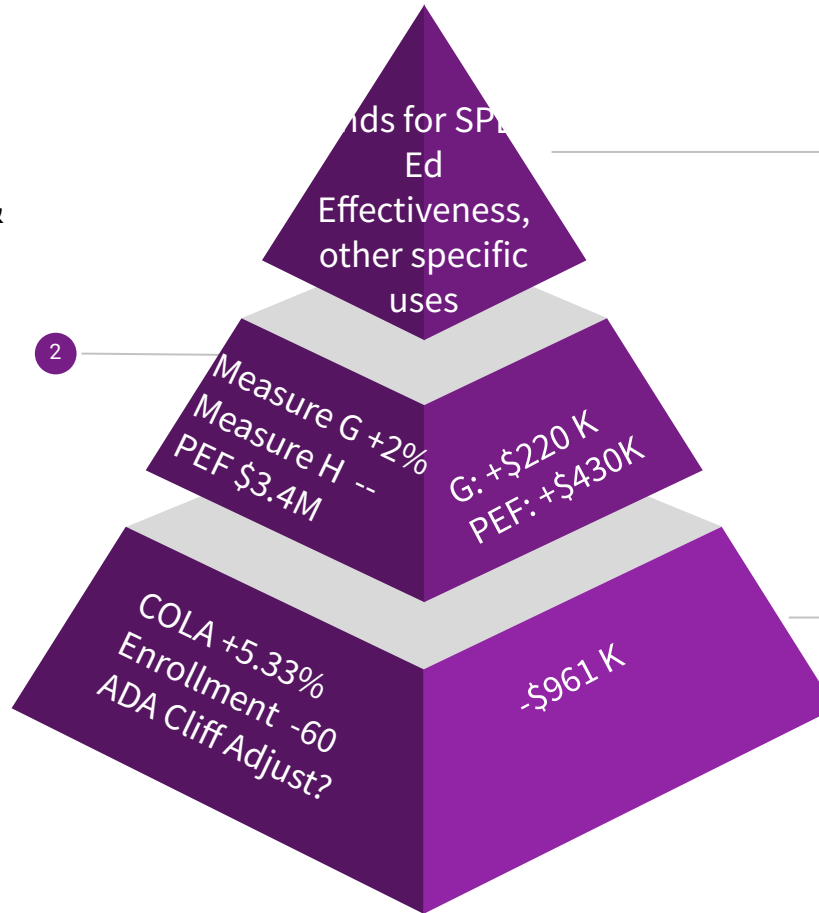
Fine-Tune - May 2022

Any know adjustments to revenues are included, esp. after May Revision.
Actual staffing adjustments are incorporated into costs.

Building Revenue Projections

Parcel Tax Funding & PEF Grant

Measure G and Measure H funds & PEF Grant - uses are broadly restricted to ballot language & PEF parameters.



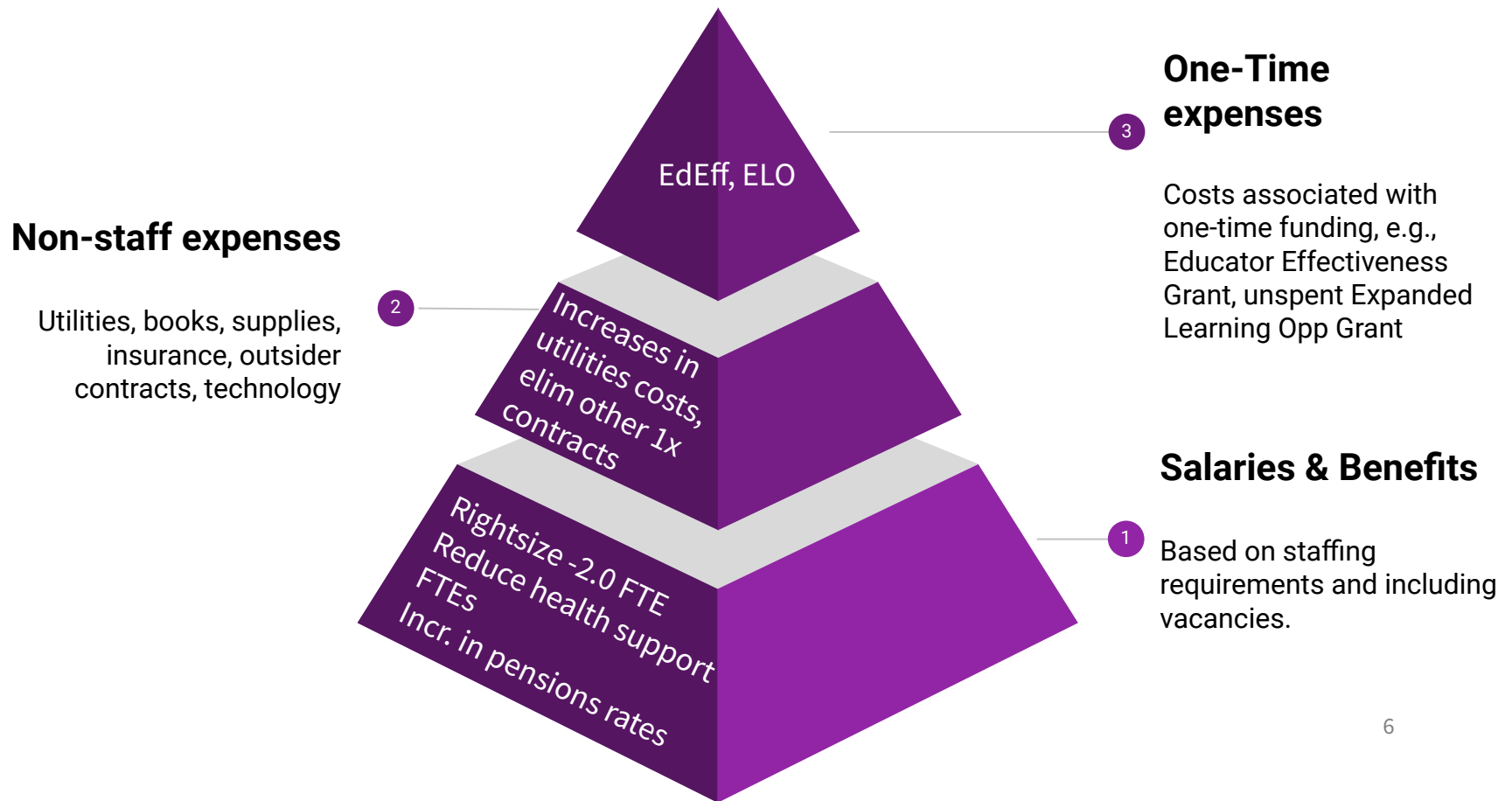
Restricted Funds

3 Funds specifically for SPED or for other one-time or restricted uses.

LCFF Funding

1 Base funding from State (+ local property taxes) based on enrollment drop and COLA increase

Building Expenditure Projections



General Fund - Revenues

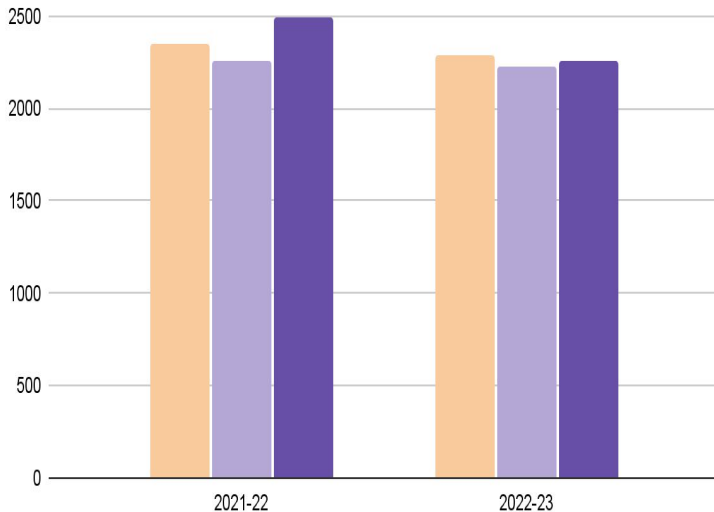
| General Fund Revenues | | | |
|----------------------------------|------------------------|----------------------|-----------------------|
| | 2021-22 2nd Interim | 2022-23 Budget | Difference |
| Revenues | | | |
| LCFF | \$ 23,057,651 | \$ 22,096,269 | \$ (961,382) |
| PARCEL TAX REVENUE | 13,623,431 | 13,843,235 | 219,804 |
| LOCAL REVENUES - PEF | 2,750,000 | 3,400,000 | 650,000 |
| LOCAL REVENUES - ALL OTHERS | 1,588,275 | 1,278,275 | (310,000) |
| STATE REVENUES | 2,848,862 | 1,930,160 | (918,702) |
| STATE REVENUES - STRS on-behalf | 1,988,608 | 1,988,608 | - |
| TRFS APPORT FR DISTRICTS (SELPA) | 1,408,772 | 1,447,221 | 38,449 |
| FEDERAL REVENUES | 1,339,616 | 558,290 | (781,326) |
| Total Revenues | \$ 48,605,215 | \$ 46,542,058 | \$ (2,063,157) |

LCFF Funding

The increase of 5.33% in COLA will increase the per pupil amount, but it is not enough to offset the drop in ADA.

Enrollment and ADA

Enrollment Estimated ADA ADA Used for LCFF Calculations



| Assumption | 2021-22 | 2022-23 | Difference |
|--------------------------------|---------------------|---------------------|------------------------|
| ADA used for LCFF calculations | 2,495.47 | 2,261.99 | -233.48 |
| COLA | 5.07% | 5.33% | +5.33% in LCFF formula |
| LCFF Average per pupil amount | \$9,158 | \$9,684 | +\$525 |
| Total | \$23,057,651 | \$22,096,269 | -\$961,382 |

Parcel Tax and PEF

- Parcel Taxes and PEF are approx. 35% of the District's general fund revenues.
- MYP assumes Measure G increases by 2% a year, but this requires Subcommittee recommendation and Board approval.

| | 2021-22 | 2022-23 | Difference |
|---------------|--------------|--------------|------------|
| Measure G | \$10,982,759 | \$11,202,433 | +\$219,674 |
| Measure H | 2,637,920 | 2,637,920 | -0- |
| PEF | 2,750,000 | 3,000,000 | +250,000 |
| PEF Add'l Amt | | 400,000 | +400,000 |
| Total | \$16,320,679 | \$17,240,353 | +\$869,674 |

State & Federal Revenues

- State and Federal revenues are mostly restricted as to use or are one-time only.

| Restricted Revenue | 2021-22 | 2023-23 | Difference |
|----------------------------------|------------------|------------------|--------------------|
| Federal - SPED | 525,790 | 537,965 | 12,175 |
| Federal - Other | 21,553 | 21,553 | - |
| Federal – COVID | 793,501 | 0 0 | (793,501) |
| State - Lottery & Mandated Costs | 702,892 | 653,036 | (49,856) |
| State – SPED | 1,894,411 | 2,151,277 | 256,866 |
| State – Expanded Learning | 232,443 | 0 | (232,443) |
| State – Educator Effectiveness | 739,935 | 0 | (739,935) |
| State – COVID Testing Support | 153,334 | 0 | (153,334) |
| Total | 5,063,859 | 3,363,831 | (1,700,028) |

Expenditure Assumptions

To identify whether additional reductions are needed, we start by eliminating those expenditures that we know were one-time, or those that are related to the number of students.

| Assumptions about: | 2022-23 |
|------------------------------------|---|
| Certificated Employees | Reduce 3.0 FTE for rightsizing Eliminate one-time funded positions |
| Classified Employees | Reduce 3.0 FTE for rightsizing Eliminate one-time funded positions |
| Books and Supplies | Eliminate one-time funded purchases |
| Services & Other Operating Expense | Eliminate one-time funded services and contracts |

General Fund - Expenditures

| General Fund - Expenditures | | | |
|-----------------------------|----------------------|----------------------|----------------------|
| | 2021-21 | 2022-23 | Difference |
| Expenditures | 2nd Interim | Budget | |
| Certificated Salaries | \$ 19,886,342 | \$ 19,720,863 | \$ (165,479) |
| Classified Salaries | 7,219,403 | 6,955,025 | (264,378) |
| Benefits | 10,823,202 | 11,383,377 | 560,175 |
| STRS On-Behalf | 1,988,608 | 1,988,608 | - |
| Books & Supplies | 3,047,805 | 1,542,492 | (1,505,313) |
| Services/Other Oper. | 6,913,124 | 5,879,781 | (1,033,343) |
| Internal Transfers | (15,850) | 200,724 | 216,574 |
| Add'l Adjustments | | (250,000) | (250,000) |
| Total Expenditures | \$ 49,862,634 | \$ 47,420,871 | \$(2,441,763) |

General Fund Balance

| | Ending Fund Balance | | |
|----------------------------------|------------------------|------------------------|-------------|
| | 2021-22 2nd Interim | 2022-23 Est. Budget | Difference |
| Beginning Balance | \$ 4,715,595 | \$ 3,458,176 | \$ 724,377 |
| Revenues | 48,605,215 | 46,542,058 | (2,063,157) |
| Expenditures | (49,862,634) | (47,420,871) | 2,441,763 |
| Rev - Exp = Surplus (Deficit) | (1,257,419) | (878,813) | 378,606 |
| Ending FB | 3,458,176 | 2,579,363 | (878,813) |

Hold in Fund Balance

Some expenses have not been incorporated into the budget yet. Funds are set-aside in the Ending Fund Balance to cover these expenses.

| Designated for: | 2021-22 | 2022-23 |
|------------------------------|--------------------|--------------------|
| 3% for Econ Uncertainty | \$1,496,782 | \$1,422,626 |
| Measure H | \$246,388 | \$492,776 |
| Other Commitments | \$533,033 | \$50,000 |
| Educator Effectiveness Grant | \$739,935 | 609,102 |
| TOTAL Designations | \$2,966,138 | \$2,757,504 |
| TOTAL REMAINING | 442,038 | 4,859 |

Parcel Tax Oversight

The two parcel taxes - Measure G and Measure H - have accountability measures that involve you - the BAC:

- Special Tax Advisory Subcommittee - 3 - 5 people

WE AT LEAST 3 NEED VOLUNTEERS

For Measure G, the Subcommittee is required to prepare a report to submit to the board. The report makes a recommendation on the tax levy for the upcoming fiscal year.

- Maximum increase is 2%
- Report should explain WHY the increase is needed
- Report can designate whether the increase goes to the General Fund or into Special Reserves.

Waiting for May Revise...

The State is swimming in revenues, and a portion will need to be applied to schools (per Prop 98), so it is likely we will see more funding, but which option will the Legislature and Governor choose?

| Option for Additional Funding | Additional Revenues |
|--|--|
| Governor's Proposal for ADA - 3 prior year average | \$1,465,512 |
| AB1607 (Muratsuchi) - Current + 2 prior years average | \$1,141,565 |
| AB1609 (Muratsuchi) & SB579 (Allen) - Greater of current or 3 prior years | \$2,191,092 |
| Additional 1% COLA | \$208,222 |
| Interdistrict Transfers - first 58 - no difference - up to 75 | \$0 (2021-22 ADA is still greater) \$294,555 |

Add'l Identified Needs

There are several needs that have been identified by the District that are not currently included in the budget for 2022-23:

| Area | Need | Cost |
|---|---|----------------|
| <i>Social /Emotional Support</i> | | |
| | Add'l Elem Counseling Hours | 90,000 |
| | Add'l Wellness Intern | 25,000 |
| | Convert Counseling Enriched Learning Center (CELC) to Counseling Enriched Classroom (CEC) | 125,000 |
| | Add'l Psychologist/Mental Health Specialist | 125,000 |
| | Director of Student Services to manage all student-focused svcs | 180,000 |
| <i>Academic Support</i> | | |
| | Secondary Reading Specialist | 120,000 |
| | Add'l Instructional Paras in elem. | 100,000 |
| <i>School Site Support</i> | | |
| | Heath Coordinator (COVID support) | 100,000 |
| | Theater Technician | 100,000 |
| TOTAL | | 965,000 |

Next Steps

| | |
|---------|--|
| April → | <ul style="list-style-type: none">• BAC forms subcommittee to develop recommendations to Board for 2022-23 |
| May → | <ul style="list-style-type: none">• BAC presents budget recommendations to Board (possible increase to parcel tax levy)• Governor releases May Revisions to budget proposal for 2022-23 |
| June | <ul style="list-style-type: none">• Board holds public hearing on LCA & draft budget• Final budget adopted by Board |

Acknowledgments

Thank you to the Business Services Team!

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