

Western Placer USD 2023-24 Adopted Budget

Board of Trustees Meeting

June 20, 2023

Presented by:

Audrey Kilpatrick

Asst. Supt. Business & Operations

WPUSD 2023-24 Budget Assumptions

- The 2023-24 budget assumptions are used to prepare the 2023-24 Adopted Budget and multi-year projections for 2024-25 and 2025-26 fiscal years.
- The multi-year projections provide a view of the current year (2022-23) budget, 2023-24 adopted budget and the next two years' budget plan (2024-25 and 2025-26). The multi-year projections are built with assumptions from most recent Governor's State 2023-24 May Revision proposals, PCOE Common Message, School Services of California, the State Dept. of Finance (DOF), FCMAT LCFF Calculator, federal funding projections and district trends and data.
- The Adopted Budget also reflects the Governor's 2023-24 May Revise proposals.
- Detailed 2023-24 budget and enrollment assumptions for all funds were presented at a public hearing and board meeting on June 6, 2023.
- Adopted Budget does not include any changes currently being negotiated at the State level.

WPUSD 2023-24 Budget Assumptions - Revenues

	22/23 Estimated Actuals	23/24 Projection	24/25 Projection	25/26 Projection	
REVENUES					
Enrollment	7,560	7,636	7,712	7,789	22-23: CALPADS enrollment; 23-24 through 25-26, 1% growth each year
ADA Yield	93.5%	94.0%	94.5%	94.5%	Projected ADA/enrollment
ADA (Excl. County ADA)	7,072	7,178	7,288	7,361	
ADA (Incl. County ADA)	7,088	7,195	7,305	7,378	
% Increase (Decrease) Enrollment	4.5%	1.0%	1.0%	1.0%	
# Increase (Decrease) Enrollment	325	76	76	77	
Funded ADA (excl. County ADA)	7,072	7,178	7,288	7,361	Actual P-2 ADA in 22-23, projected ADA based on ADA to enrollment factor 94.0% in 23-24, 94.5% in 24-25 and 25-26
Funded ADA (incl. County ADA)	7,088	7,195	7,305	7,378	
% Increase (Decrease) Funded ADA	0.8%	1.5%	1.5%	1.0%	
# Increase (Decrease) Funded ADA	57	106	109	73	Actual P-2 ADA in 22-23, projected ADA based on ADA to enrollment factor 94.0% in 23-24, 94.5% in 24-25 and 25-26
State Statutory COLA %	6.56%	8.22%	3.94%	3.29%	Per SSC Dartboard
Base Grant Increase	6.70%	0.00%	0.00%	0.00%	Per SSC Dartboard
COLA Suspension	0.00%	0.00%	0.00%	0.00%	Per SSC Dartboard
Prior Year COLA Recognition	0.00%	0.00%	0.00%	0.00%	Per SSC Dartboard
Funded COLA %	13.26%	8.22%	3.94%	3.29%	Per SSC Dartboard
LCFF Entitlement per ADA (Inc Supp \$)	\$11,089	\$11,959	\$12,375	\$12,774	Per LCFF Calculator
Transfers In	\$39,705	\$25,000	\$25,000	\$25,000	
Lottery Unrestricted/ADA	\$170.00	\$170.00	\$170.00	\$170.00	Per SSC Dartboard
Lottery Restricted/ADA	\$67.00	\$67.00	\$67.00	\$67.00	Per SSC Dartboard

WPUSD 2023-24 Budget Assumptions - Expenditures

	22/23 Estimated Actuals	23/24 Projection	24/25 Projection	25/26 Projection	
EXPENDITURES					
Certificated New Positions - FTE	12.0	5.0	3.0	3.0	23-24: 3 growth teachers, 1 K ASD teacher, TBHS VP; 24-25 and 25-26: 3 growth teachers
Cert. New Positions - New Schools	9.6	7.0	0.0	0.0	TBHS opening/additional grades (11th 22/23, 12th 23/24; (Counselor 22/23); 2.0 FTE Gen Ed and 4.0 special ed teachers in 23-24
Certificated Step/Column	1.51%	1.51%	1.51%	1.51%	3-year average
Avg. teacher compensation	\$124,208	\$126,742	\$128,656	\$130,599	
Classified New Positions - FTE	9.6	4.7	0.0	0.0	23-24: 1.0 Budget Tech, 1.0 CALPADS Tech, .50 Dept Secretary, 1.8 Health clerks, .40 Campus supervisors
Classified New Positions - New Schools	4.3	1.4	0.0	0.0	TBHS opening/additional grades (11th 22/23, 12th 23/24) 23/24 - TBHS 1 custodian, 3 hr library tech
Classified Step/Column	1.39%	1.39%	1.39%	1.39%	3-year average
CalPERS Employer Rate	25.37%	26.68%	27.70%	28.30%	Per SSC Dartboard
Classified Total Statutory Benefits Rate	35.06%	36.00%	37.02%	37.62%	
CalSTRS Employer Rate	19.10%	19.10%	19.10%	19.10%	Per SSC Dartboard
Certificated Total Statutory Benefits Rate	22.59%	22.22%	22.22%	22.22%	
Transfers Out	\$528,421	\$525,360	\$525,360	\$874,881	Adult Ed (\$25k), Deferred Maint. (\$500k), Cafeteria (25-26 only)
Contribution to RRM	\$2,734,143	\$2,467,957	\$2,492,637	\$2,517,563	3% of GF Expenditures (Excl STRS On-Behalf and federal pandemic relief funds)
Designated for Economic Uncertainty	3%	3%	3%	3%	
Site Discretionary Allocations (per student):					
Elementary	\$50.08	\$50.08	\$50.08	\$50.08	
Middle School	\$62.34	\$62.34	\$62.34	\$62.34	
High School	\$89.24	\$89.24	\$89.24	\$89.24	
Lottery per teacher	\$500	\$500	\$500	\$500	Per Contract

WPUSD 2023-24 General Fund Budget

	Adopted Budget		
	Unrestricted	Restricted	Combined
Revenues			
LCFF Funding - Base	80,850,150	1,622,371	82,472,521
LCFF Funding - Supplemental	5,189,106		5,189,106
Federal Revenue		3,033,162	3,033,162
State Revenue	2,353,076	7,973,941	10,327,017
Local Revenue	1,622,362	4,777,195	6,399,557
Total Revenue	90,014,694	17,406,669	107,421,363
Expenditures			
Certificated Salaries	37,184,758	7,524,704	44,709,462
Classified Salaries	9,662,333	5,821,412	15,483,745
Benefits	18,348,174	9,560,730	27,908,904
Books and Supplies	5,499,416	3,858,653	9,358,069
Other Services & Oper. Exp	7,423,331	3,968,563	11,391,894
Capital Outlay	-	120,000	120,000
Other Outgo 7xxx	-	2,673,545	2,673,545
Transfer of Indirect 73xx	(1,527,645)	1,395,410	(132,235)
Total Expenditures	76,590,367	34,923,017	111,513,384
Surplus / (Deficit)	13,424,327	(17,516,348)	(4,092,021)
Transfers In	-	25,000	25,000
Transfers out	(525,360)		(525,360)
Contributions to Restricted	(16,521,173)	16,521,173	-
Net Increase (Decrease) in Fund Balance	(3,622,206)	(970,175)	(4,592,381)
Beginning Balance	10,577,303	10,301,119	20,878,422
Audit Adj			
Prior Period Adjustment (Restatements)			
Ending Fund Balance	6,955,097	9,330,944	16,286,041
Components of Ending Fund Balance			
Nonspendable:			
Revolving Cash	5,000		5,000
Restricted:			
State, Federal and Local programs	-	9,330,944	9,330,944
Committed:			
Supplemental carryover to 23-24	206,996		206,996
Unassigned/Unappropriated:			
Economic Uncertainty @ 3%	3,361,162		3,361,162
Lottery funds designated for textbook adoption	140,000		140,000
Charter Technical Assistance	217,140		217,140
Unassigned Economic Uncertainty surplus/(deficit)	3,024,799		3,024,799
Total Ending Fund Balance	6,955,097	9,330,944	16,286,041

2022-23 2nd Interim vs. 2022-23 Estimated Actuals

Major Changes in 2022-23 Budget

Revenues:

LCFF Funding Increase	
- Special Education Revenues	
/ P-2 Grade allocations	\$ 25,000
Federal Revenues	165,000
State Revenues	(495,000)
Local Revenue	<u>1,695,000</u>
Change in Revenues	<u>\$1,390,000</u>

Expenditures:

Salaries & Benefit	(\$ 610,000)
Services, Operating &	
Other Books, Supplies	<u>(1,530,000)</u>
Change in Expenditures	<u>(\$2,140,000)</u>

Total Net Increase in
Projected 22/23 Ending
Fund Balance **\$3,530,000**

Estimated Ending Fund
Balance June 30, 2023 - \$20,878,422

	Second Interim	Estimated Actuals			2nd Interim vs Est Actuals Variance	
	2022-23 Combined	Unrestricted	2022-23 Restricted	Combined		
Revenues						
LCFF Funding - Base	75,053,889	73,553,150	1,526,749	75,079,899	26,010	1
LCFF Funding - Supplemental	4,933,121	4,933,711		4,933,711	590	1
Federal Revenue	5,111,132		5,274,224	5,274,224	163,092	2
State Revenue	22,671,967	1,923,793	20,254,239	22,178,032	(493,935)	3
Local Revenue	6,563,368	2,043,659	6,214,217	8,257,876	1,694,508	4
Total Revenue	114,333,477	82,454,313	33,269,429	115,723,742	1,390,265	
Expenditures						
Certificated Salaries	43,210,110	36,235,231	6,917,215	43,152,446	(57,664)	5
Classified Salaries	14,252,567	9,252,016	5,192,845	14,444,861	192,294	6
Benefits	27,114,793	17,652,838	8,718,208	26,371,046	(743,747)	7
Books and Supplies	18,171,453	4,683,407	9,822,731	14,506,138	(3,665,315)	8
Other Services & Oper. Exp	13,244,917	7,789,950	7,208,669	14,998,619	1,753,702	9
Capital Outlay	444,547	134,690	709,755	844,445	399,898	10
Other Outgo 7xxx	2,025,000	25,000	2,000,000	2,025,000	-	
Transfer of Indirect 73xx	(125,802)	(2,380,309)	2,235,806	(144,503)	(18,701)	11
Total Expenditures	118,337,585	73,392,823	42,805,229	116,198,052	(2,139,533)	
Surplus / (Deficit)	(4,004,108)	9,061,490	(9,535,800)	(474,310)	3,529,798	
Transfers In	39,705	15,601	24,104	39,705	-	
Transfers out	(525,360)	(525,360)		(525,360)	-	
Contributions to Restricted	-	(13,684,210)	13,684,210	-	-	
Net Increase (Decrease) in Fund Balance	(4,489,763)	(5,132,479)	4,172,514	(959,965)	3,529,798	
Beginning Balance	21,838,387	15,709,782	6,128,605	21,838,387	-	
Ending Fund Balance	17,348,624	10,577,303	10,301,119	20,878,422	3,529,798	
Components of Ending Fund Balance						
Nonspendable:						
Revolving Cash	5,000	5,000		5,000	-	
Restricted:						
State, Federal and Local programs	10,107,001	-	10,301,119	10,301,119	194,118	
Committed:						
Supplemental carryover to 23-24		2,709,836		2,709,836	-	
Unassigned/Unappropriated:						
Economic Uncertainty @ 3%	3,565,888	3,501,702		3,501,702	(64,186)	
Lottery funds designated for textbook adoption		140,000		140,000	-	
Charter Technical Assistance	217,140	217,140		217,140	-	
Unassigned Economic Uncertainty surplus/(deficit)	3,053,595	4,003,625		4,003,625	950,030	
Total Ending Fund Balance	17,348,624	10,577,303	10,301,119	20,878,422	679,962	

Local Control Funding Formula & State Revenues

Local Control Funding Formula and Cost-of-Living Adjustment

With the release of the Governor’s 2023-24 May Revision, the Department of Finance has revised estimates of the statutory cost-of-living adjustments (COLAs) for 2023-24 and future years. The table below illustrates the current 2022-23 budget year, proposed 2023-24 budget year and next three years:

Other State Programs

The Governor’s May Revision proposal includes a cost-of-living adjustment (COLA) of 8.22% for the 2023-24 fiscal year for Special Education, Child Nutrition and other State categorical programs.

	2022-23	2023-24	2024-25	2025-26	2026-27
Statutory Cost-of-Living Adjustment (COLA)	6.56%*	8.22%	3.94%	3.29%	3.19%

*In addition to the statutory COLA of 6.56%, a \$2.1 billion statewide augmentation to the 2021-22 base grant was included in the 2022-23 LCFF calculation.

Enrollment and ADA Projections

Enrollment and attendance information for the current 2022-23 Estimated Actuals, 2023-24 Adopted budget year and the next two budget years are listed below:

	22/23 Estimated Actuals	23/24 Projection	24/25 Projection	25/26 Projection
Enrollment	7,560	7,636	7,712	7,789
ADA Yield	93.5%	94.0%	94.5%	94.5%
ADA (Excl. County ADA)	7,072	7,178	7,288	7,361
ADA (Incl. County ADA)	7,088	7,195	7,305	7,378
% Increase (Decrease) Enrollment	4.5%	1.0%	1.0%	1.0%
# Increase (Decrease) Enrollment	325	76	76	77

We are projecting our 2023-24 LCFF funding ADA at 7,178, an increase of 106 ADA over 2022-23. For 2024-25 and 2025-26, we are applying an ADA yield of 94.5%, which will result in 7,288 ADA (an increase of 110 ADA) and 7,361 ADA (an increase of 73 ADA) respectively.

Enrollment and ADA Projections

2022-23 ADA & LCFF Funding

In 2022-23, enrollment increased 325 students, or 4.4% over the prior year. This is significantly greater than the 73 students (1.0%) the district had projected to grow in 2022-23. We have seen increased students enrollment growth due to new housing developments in the Twelve Bridges area. At 93.5%, our ADA yield rate increased over 2021-22 but still remains significantly lower than the 95.5% - 96.0% ADA yield rates the district had prior to the COVID-19 pandemic.

2023-24, 2024-25 and 2025-26 Projected ADA & LCFF Funding

For 2023-24, we continue to see new students enrolling and are projecting a 1.0% increase, or 76 students. An additional 1.0% increase for the next two years will add 76 students for 2024-25 and 77 for 2025-26. For 2023-24, we have projected that the district's ADA yield will increase to 94.0%, an increase from the 93.5% in 22-23 but still short of our pre-COVID ADA yield. We will evaluate our enrollment growth and update our assumptions if necessary at First Interim.

Contributions to Restricted Programs

Some categorical programs require contributions from the district unrestricted funds because the funding received does not cover the expenditures for that specific program. A summary of the change in contributions from 2022-23 Estimated Actuals Budget to 2023-24 Adopted Budget is presented below:

Contributions to Restricted Programs 2023-24 Adopted vs. 2022-23 Estimated Actuals						
<u>Program</u>	<u>Resource</u>		<u>2022-23 Est. Actuals</u>	<u>2023-24 Adopted</u>	<u>Change</u>	<u>Comments</u>
Special Ed-Basic Grant (PL94-142)	3310	*	\$2,770,456	\$3,584,721	\$814,265	3.0 para positions paid from NPA in 22-23; 5.0 FTE new para positions; 1.625 FTE interpreters; step & column costs; 22-23 savings from vacancies
Special Education	6500	*	\$8,240,142	\$9,805,995	\$1,565,853	5.0 FTE new special ed teachers; \$300k inc in NPS; \$150k inc in NPA (part of NPA charged to a one-time program in 22-23); net \$355k inc in encroachment; step & column costs
Mandate BG - Restricted	7820		\$286,392	\$0	(\$286,392)	Xfer unspent mandate block grant funds to restricted
Routine Repair & Maintenance (RRM)	8150		\$2,734,143	\$2,467,957	(\$266,186)	
RDA Funds - Facilities	9030		(\$350,000)	(\$350,000)	\$0	
Technology Replacement	9077			\$520,000	\$520,000	Replacement of district technology items; formerly paid from unrestricted \$
Chromebook Replacement	9080		\$0	\$492,500	\$492,500	Replacement of student chromebooks; formerly funded from federal ESSER \$
Misc. Locally Restricted	9010		\$3,077	\$3,077	\$0	NUTS contributions from teachers, contribution to Wellness program
Total Contribution to Restricted Programs			<u>\$13,684,210</u>	<u>\$16,524,250</u>	<u>\$2,840,040</u>	
Total Special Ed Contribution			<u>\$ 11,010,598</u>	<u>\$ 13,390,716</u>	<u>\$ 2,380,118</u>	

CalSTRS and CalPERS Employer Contributions

Beginning in 2021–22, the CalSTRS Board has limited authority to increase or decrease rates by a maximum of 1% annually—not to exceed 20.25% of creditable compensation. The CalSTRS Board is set to exercise its new rate-setting authority in an action at its June 2021 meeting.

California State Teachers’ Retirement System (CalSTRS) and California Public Employees’ Retirement System (CalPERS) rates in 2022-23 were brought down by a prior year \$2.3 billion payment from the state of California. Rates in the following years are subject to change based on determination by the respective governing boards.

Adopted/projected CalSTRS and CalPERS rates are as follows:

Year	Employer Contribution Rate
2022-23	19.10%
2023-24	19.10%
2024-25	19.10% (projected)
2025-26	19.10% (projected)

Year	Employer Contribution Rate
2022-23	25.37%
2023-24	26.68%
2024-25	27.70% (projected)
2025-26	28.20% (projected)

Multi-Year Projections

2023-24

2024-25

2025-26

	Adopted Budget 2023-24	Projection 2024-25	Projection 2025-26
	Combined	Combined	Combined
Revenues			
LCFF Funding - Base	82,472,521	86,935,252	90,608,644
LCFF Funding - Supplemental	5,189,106	5,434,160	5,612,327
Federal Revenue	3,033,162	3,033,162	3,033,162
State Revenue	10,327,017	10,327,017	10,327,017
Local Revenue	6,399,557	6,683,349	6,683,349
Total Revenue	107,421,363	112,412,940	116,264,499
Expenditures			
Certificated Salaries	44,709,462	45,608,522	46,521,309
Classified Salaries	15,483,745	15,550,683	15,773,838
Benefits	27,908,904	28,322,183	28,745,531
Books and Supplies	9,358,069	7,222,509	7,392,509
Other Services & Oper. Exp	11,391,894	11,391,894	11,485,894
Capital Outlay	120,000	120,000	120,000
Other Outgo 7xxx	2,673,545	2,673,545	2,673,545
Transfer of Indirect 73xx	(132,235)	(132,235)	(132,235)
Total Expenditures	111,513,384	110,757,101	112,580,390
Surplus / (Deficit)	(4,092,021)	1,655,839	3,684,109
Transfers In	25,000	25,000	25,000
Transfers out	(525,360)	(525,360)	(874,881)
Net Increase (Decrease) in Fund Balance	(4,592,381)	1,155,479	2,834,228
Beginning Balance	20,878,422	16,286,041	17,441,520
Ending Fund Balance	16,286,041	17,441,520	20,275,748
Components of Ending Fund Balance			
Nonspendable:			
Revolving Cash	5,000	5,000	5,000
Restricted:			
State, Federal and Local programs	9,330,944	8,958,274	8,818,131
Committed:			
Supplemental carryover to 23-24	206,996	196,315	326,199
Unassigned/Unappropriated:			
Economic Uncertainty @ 3%	3,361,162	3,338,474	3,403,658
Lottery funds designated for textbook adoption	140,000	140,000	140,000
Charter Technical Assistance	217,140	217,140	217,140
Unassigned Economic Uncertainty surplus/(deficit)	3,024,799	4,586,318	7,365,620
Total Ending Fund Balance	16,286,041	17,441,520	20,275,748

Details of Components of Ending Fund Balance

2023-24 Ending Fund Balance Components (\$16,286,041) :

Nonspendable:

\$5,000

Restricted:

\$9,330,944

Committed:

\$206,996

Reserve for EU (3%):

\$3,361,162

Other Reserves:

\$357,140

Unassigned Surplus:

\$3,024,799

	Adopted Budget 2023-24	Projection 2024-25	Projection 2025-26
	Combined	Combined	Combined
Ending Fund Balance	16,286,041	17,441,520	20,275,748
Components of Ending Fund Balance			
Nonspendable:			
Revolving Cash	5,000	5,000	5,000
Restricted:			
State, Federal and Local programs	9,330,944	8,958,274	8,818,131
Committed:			
Supplemental carryover to 23-24	206,996	196,315	326,199
Unassigned/Unappropriated:			
Economic Uncertainty @ 3%	3,361,162	3,338,474	3,403,658
Lottery funds designated for textbook adoption	140,000	140,000	140,000
Charter Technical Assistance	217,140	217,140	217,140
Unassigned Economic Uncertainty surplus/(deficit)	3,024,799	4,586,318	7,365,620
Total Ending Fund Balance	16,286,041	17,441,520	20,275,748
Unassigned/Economic Uncertainties Reserves as a % of Total Expenditures/Other Outgo	6.0%	7.4%	9.8%

Components of Ending Fund Balance

Committed Reserves and Unassigned/Unappropriated Reserve

- The district has *Committed* reserves for additional required LCFF Supplemental program expenditures in all three budget years.
- For the 2023-24 budget year and next two budget years, the district is meeting the minimum 3% *Reserve for Economic Uncertainties*. While this reserve is over \$3.3 million for all three years, 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*. This reserve is for 2023-24 negotiated compensation increases, labor contract compliance/staffing and class size agreements, special education program cost increases, 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.

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 in the previous slide, the District is meeting the 10% cap of *Unassigned* and *Assigned* reserves at 6.0% in 2023-24, 7.4% in 2024-25 and 9.8% in 2025-26.

2023-24 Adopted Budget - Other Funds

	2023-24 ADOPTED BUDGET			
	Beginning Fund Balance	Revenues	Expenditures	Ending Fund Balance
Fund 11 - Adult Education Fund	\$ 22,908	\$ 128,800	\$ 128,800	\$ 22,908
Fund 12 - Child Development Fund	\$ 11,271	\$ -	\$ -	\$ 11,271
Fund 13 - Cafeteria Fund	\$ 733,452	\$ 4,008,294	\$ 4,352,820	\$ 388,926
Fund 14 - Deferred Maintenance Fund	\$ 417,044	\$ 500,000	\$ -	\$ 917,044
Fund 17 - Special Reserve for Other Than Capital Outlay	\$ 733,576	\$ 10,000	\$ -	\$ 743,576
Fund 21 - Building Fund	\$ 1,277,450	\$ -	\$ -	\$ 1,277,450
Fund 22 - Building Fund	\$ 15,791,887	\$ -	\$ -	\$ 15,791,887
Fund 25 - Capital Facilities Fund	\$ 11,015,165	\$ 2,150,000	\$ 1,781,869	\$ 11,383,296
Fund 35 - County Schools Facilities Fund	\$ 130,975	\$ -	\$ -	\$ 130,975
Fund 40 - Special Reserve for Capital Outlay Projects	\$ 1,889,838	\$ 25,000	\$ 25,000	\$ 1,889,838
Fund 49 - Debt Service Fund for Blended Component Units	\$ 23,489,204	\$ 10,086,946	\$ 7,494,305	\$ 26,081,845
Fund 71 - Retiree Benefit Fund	\$ 7,415	\$ 100	\$ -	\$ 7,515
Fund 73 - Foundation Private-Purpose Trust Fund	\$ 163,327	\$ 2,200	\$ 1,000	\$ 164,527

Western Placer USD

2023-24 Adopted Budget – All Funds

- The Future
 - Finishing the Budget Cycle:
 - Once State budget signed by the Governor we will report back in 45 days to report the effect of State Budget approval (August 2023)
 - 2022-23 Unaudited Actuals will be presented in September 2023
- Questions or Comments
- Board Approval
 - Recommend approval of 2023-24 Adopted Budget