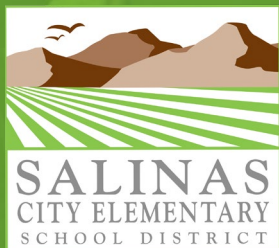


Salinas City Elementary School District

2021-2022 First Interim



December 13, 2021

Presenters:

Gioconda Padilla, Assistant Supt. of Business Services

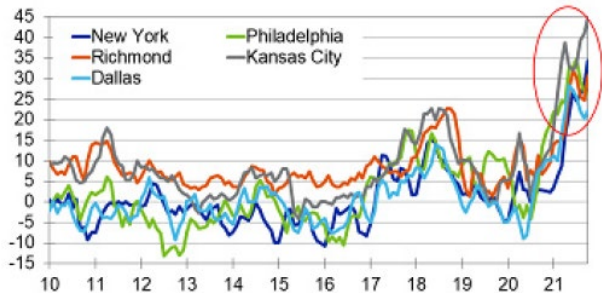
Nikki Herring, Director of Fiscal Services

State Forecasts

- Recovery from the Recession Caused by Pandemic
- Unprecedented Nature of Economic Growth
- Revenues Increase, Unemployment Declines
 - Inflation is still a concern for several years
 - Supply chain challenges

Supply Chain Issues Are Ubiquitous

Delivery time index, SA, 3-mo MA, neutral=0



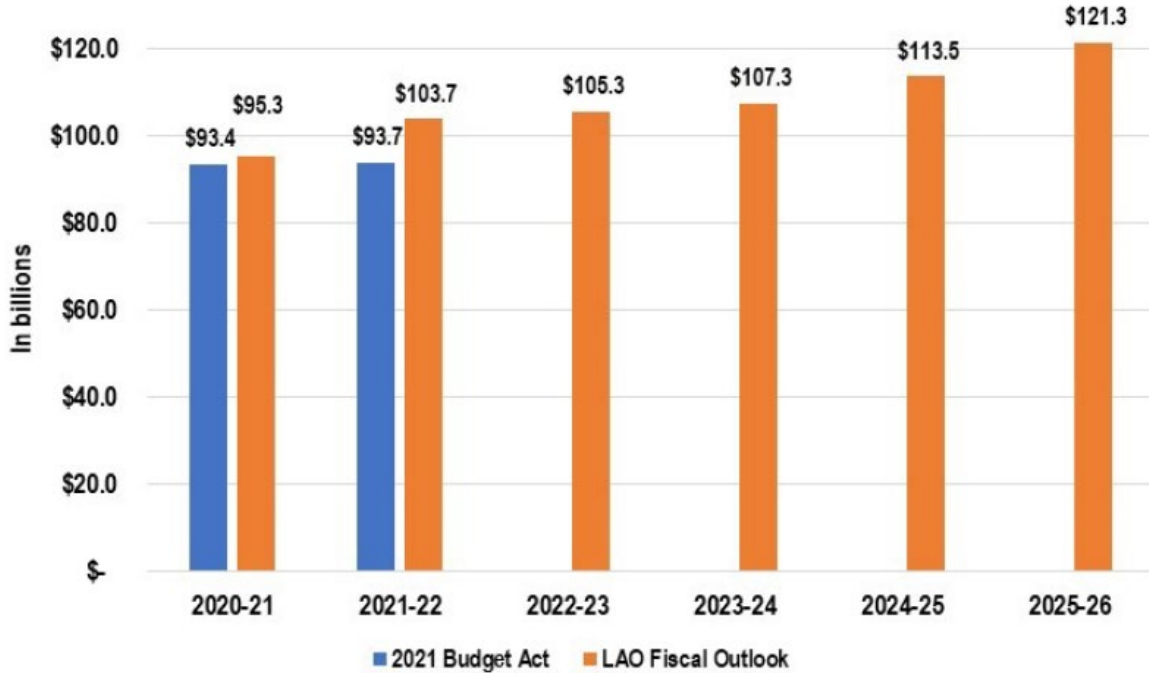
Sources: Federal Reserve, Moody's Analytics

State Forecasts – Cont'd

- The Legislative Analyst's Office Anticipates Moderate Revenue Growth
 - 2% in 2022-23, and flat in 2023-24
 - Historical norms of 5 to 6 percent annually thereafter
- K-12 Attendance Expected to Drop
 - Three percent decline (170K Students) relative to pre-pandemic
 - Declining births
- LCFF Funding 2022-23
 - Higher rates of absenteeism will impact districts



Proposition 98 Minimum Guarantee



Fiscal Highlights

- District ended its First Interim period with a positive certification.
- Projected ending balance as of June 30th: \$25 million, improved from Orig. Budget estimated ending bal. of \$19.7 million.



Fiscal Highlights

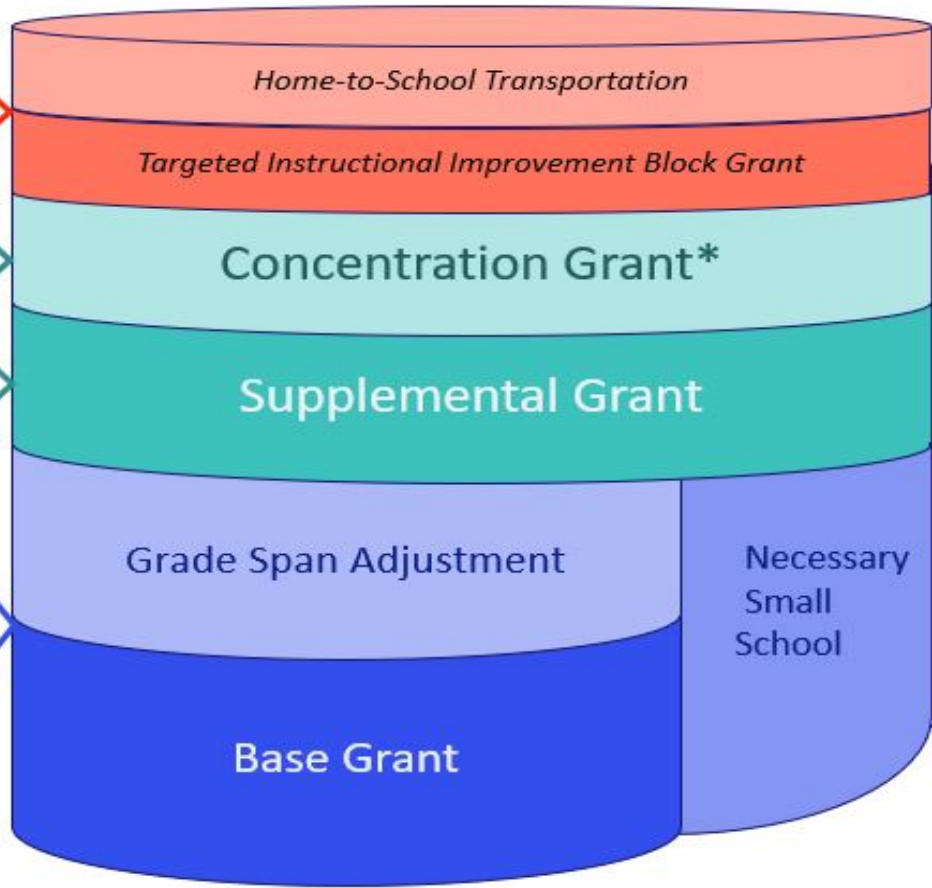
- Decrease in deficit spending by \$1.9 million from Original Budget.
- LCFF revenue increase of \$2,963,135.
- Majority of the LCFF revenue increase lies in the Concentration Grant calculation.
- One-time increase of \$2.7 million to Local Revenue Sources due to reimbursement for student Chromebook purchase.

Total LCFF Funding: \$96,575,697

12-13 Award Level

Unduplicated Pupil Count
English Learners
Low Income
Foster Youth

Average Daily Attendance
8,196.15



Add-ons
\$806,573

Supplemental & Concentration
\$25,080,370

Adjusted Base Grant
\$70,688,754

*Unduplicated Pupil Percentage must be above 55% to receive Concentration Grant funding

**Salinas City Elementary School District
MULTI-YEAR PROJECTION - First Interim Budget**

		2021-22 1st Interim Budget			2022-23 Projection			2023-24 Projection		
	Object	Unrestricted	Restricted	Unr/Rest	Unrestricted	Restricted	Unr/Rest	Unrestricted	Restricted	Unr/Rest
	Codes									
LCFF/Property Tax	8010-8099	96,575,697		96,575,697	98,911,552		98,911,552	99,151,737		99,151,737
Federal Revenue	8100-8299		38,072,818	38,072,818		6,643,181	6,643,181		6,643,181	6,643,181
Other State Revenue	8300-8599	1,537,608	24,623,510	26,161,118	1,537,608	14,199,690	15,737,298	1,537,608	14,199,690	15,737,298
Other Local Revenue	8600-8799	3,164,912	5,414,248	8,579,160	460,490	5,414,248	5,874,738	460,490	5,414,248	5,874,738
TOTAL REVENUES		101,278,217	68,110,576	169,388,793	100,909,650	26,257,119	127,166,769	101,149,835	26,257,119	127,406,954
Certificated Salaries	1000-1999	37,156,491	11,400,728	48,557,219	37,713,838	6,742,894	44,456,732	38,279,546	6,844,037	45,123,583
Classified Salaries	2000-2999	11,000,770	5,793,228	16,793,998	11,165,782	4,766,385	15,932,167	11,333,268	4,837,881	16,171,149
Employee Benefits	3000-3999	23,516,923	7,499,285	31,016,208	25,936,011	5,735,345	31,671,356	27,326,528	6,083,007	33,409,535
Books & Supplies	4000-4999	6,438,647	7,234,299	13,672,946	4,184,912	4,317,068	8,501,980	6,938,647	4,317,068	11,255,715
Operating Expenses	5000-5999	7,876,004	10,503,293	18,379,297	7,766,905	6,157,030	13,923,935	7,766,905	6,157,030	13,923,935
Capital Outlay	6000-6900	937,846	3,435,776	4,373,622	840,104	307,265	1,147,369	840,104	307,265	1,147,369
	7100-7299									
Other Outgo	7400-7499	731,096	4,550,125	5,281,221	731,096	4,550,125	5,281,221	659,963	4,550,125	5,210,088
Direct/Indirect Costs	7300-7399	(1,051,533)	796,699	(254,834)	(1,029,209)	796,699	(232,510)	(1,029,209)	796,699	(232,510)
TOTAL EXPENDITURES		86,606,244	51,213,433	137,819,677	87,309,439	33,372,811	120,682,250	92,115,752	33,893,112	126,008,864
Transfers In	8900-8929	-		-			-			-
Transfers Out-Debt Service Fund	7600-7629			-			-			-
Sources	8930-8979			-			-			-
Contributions to Restricted	8980-8999	(17,529,687)	17,529,687	-	(17,529,687)	17,529,687	-	(17,529,687)	17,529,687	-
TOTAL OTHER FINANCING SOURCES/USES		(17,529,687)	17,529,687	-	(17,529,687)	17,529,687	-	(17,529,687)	17,529,687	-
Increase/Decrease in Fund Balance		(2,857,714)	34,426,830	31,569,116	(3,929,476)	10,413,995	6,484,519	(8,495,604)	9,893,694	1,398,090
Beginning Fund Balance	9791	27,853,333	7,832,700	35,686,033	24,995,619	42,259,530	67,255,149	21,066,143	52,673,525	73,739,668
Non Spendable	9711	10,000		10,000	10,000		10,000	10,000		10,000
Restricted	9740	-	42,259,530	42,259,530		52,673,525	52,673,525		62,567,219	62,567,219
Committed	9760			-			-			-
Assigned - Economic Uncertainties	9789	4,134,590		4,134,590	3,620,468		3,620,468	3,780,266		3,780,266
Assigned - LCAP	9780	-		-			-			-
Assigned-Deficit Spending/CalSTRS/CalPER	9780	20,851,029		20,851,029	17,435,675		17,435,675	8,780,273		8,780,273
Ending Fund Balance		24,995,619	42,259,530	67,255,149	21,066,143	52,673,525	73,739,668	12,570,539	62,567,219	75,137,758
Reserve Level %				18.14%			17.46%			9.98%
Recommended Reserve Level%*				17%			17%			17%

*This level of reserve is equal to 2 months of payroll and other expenses.

Key Considerations:

- Fund balance is considered one-time funding.
- State continues to report higher than anticipated revenues; January budget proposal should shed light on plans for surplus revenue.
- Declining enrollment and the “enrollment cliff”.



Next Steps

**Gov.
Budget
Proposal
January,
2022**

**Second
Interim
Report
March,
2022**

**2022-23
Original
Budget
June,
2022**



Salinas City Elementary School District

Questions?

