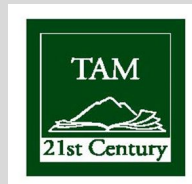




**TAMALPAIS UNION HIGH SCHOOL DISTRICT**

# **2022-23 Budget Proposal**

June 14, 2022

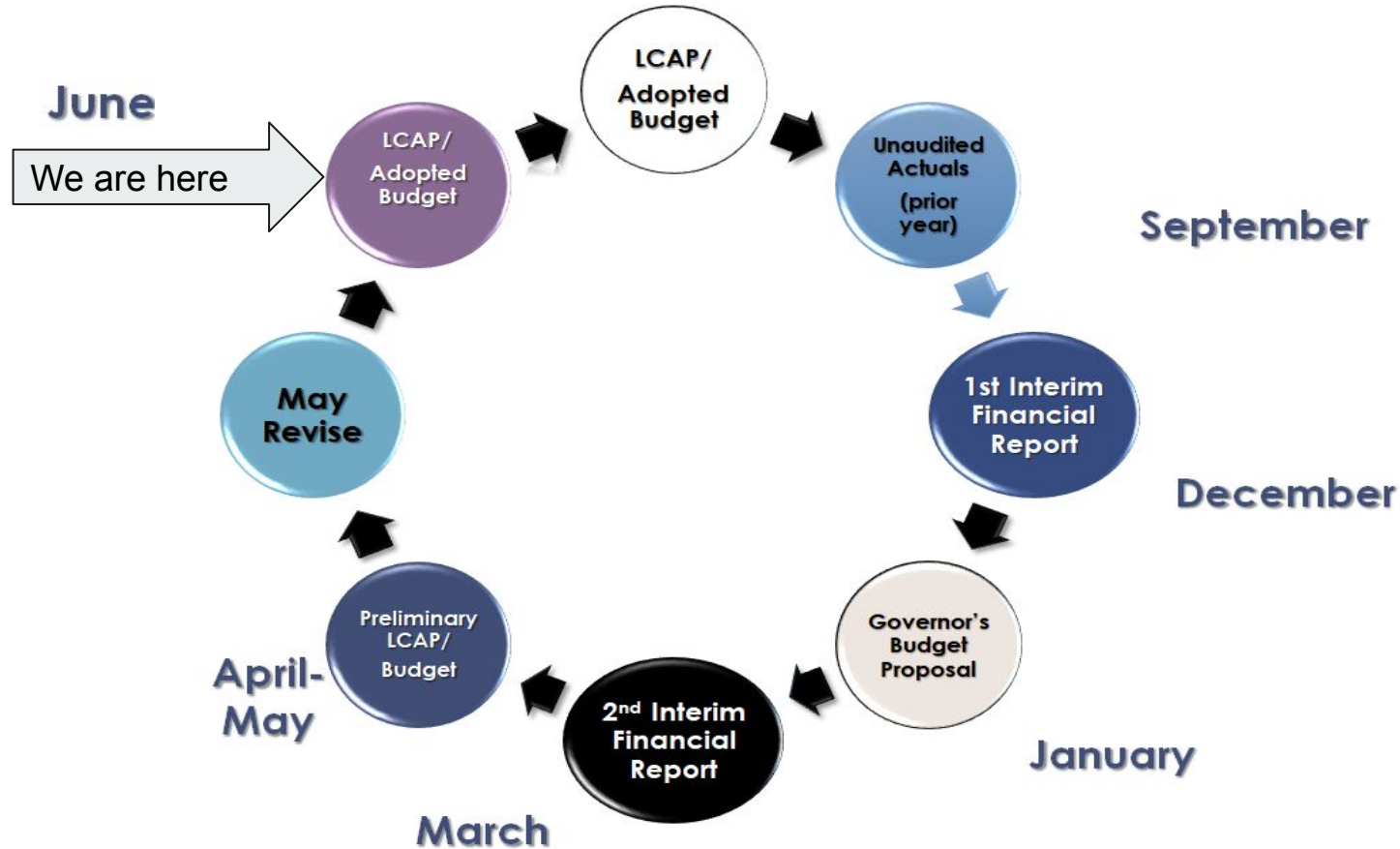


# Agenda




- Budget Reporting Cycle & Calendar
- National, State & Local economic context
- Governor's 'May Revise' Budget proposal
- TUHSD
  - 2021-22 Estimated Actuals
  - 2022-23 Budget & Multi-Year Projection
- Uncertainties & Prudence
- Next Steps & Questions


# State Annual Budget Cycle



# 2022-23 Budget Calendar & Key Dates



May 2022	Governor's May Revise Budget Proposal for 2022-23
June 2022	CA State Legislature must propose budget plan by June 15th TUHSD Board must adopt a budget by June 30th
August 2022	<u>Likely</u> TUHSD 45-day budget revision for 2022-23, pending State budget
September 2022	Unaudited Actuals Budget Report for 2022-23
December 2022	1st Interim Budget Report for 2022-23

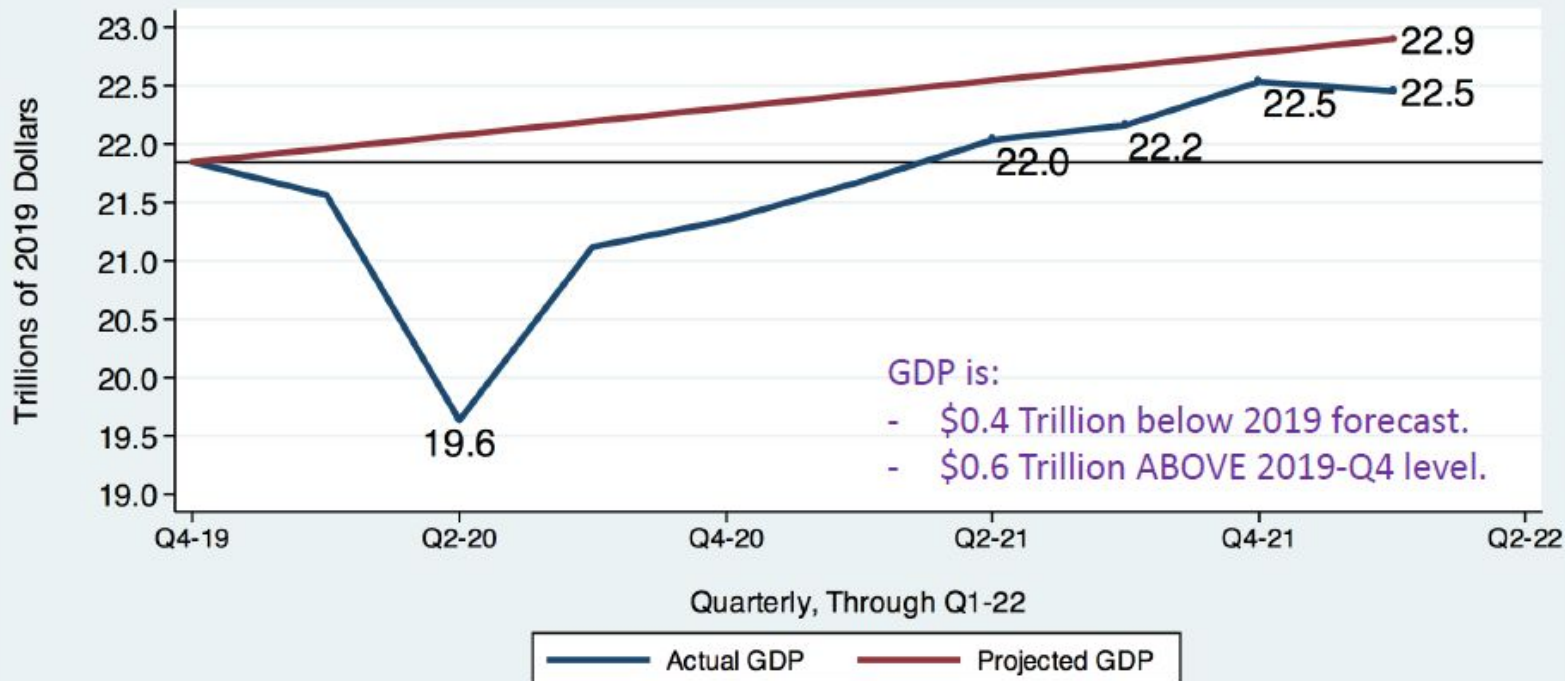


# National, State & Local Economic Context

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Source: Dr. Jon Haveman, National Economic Education Delegation, May 2022

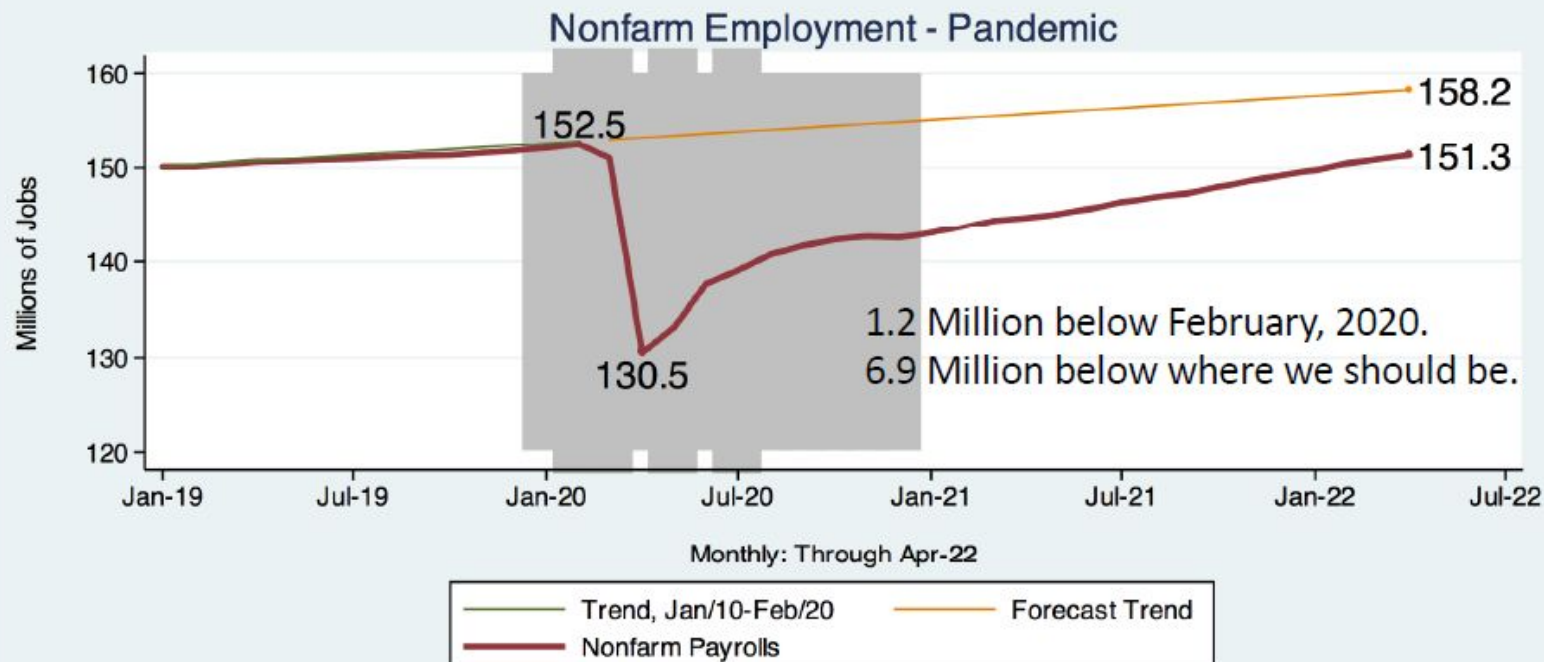
# GDP Trajectory: Pandemic Plunge!



Source: Bureau of Economic Analysis. Projected GDP is a continuation of the 2011-2019 trend.  
Graph by: National Economic Education Delegation ([www.NEEDelegation.org](http://www.NEEDelegation.org))



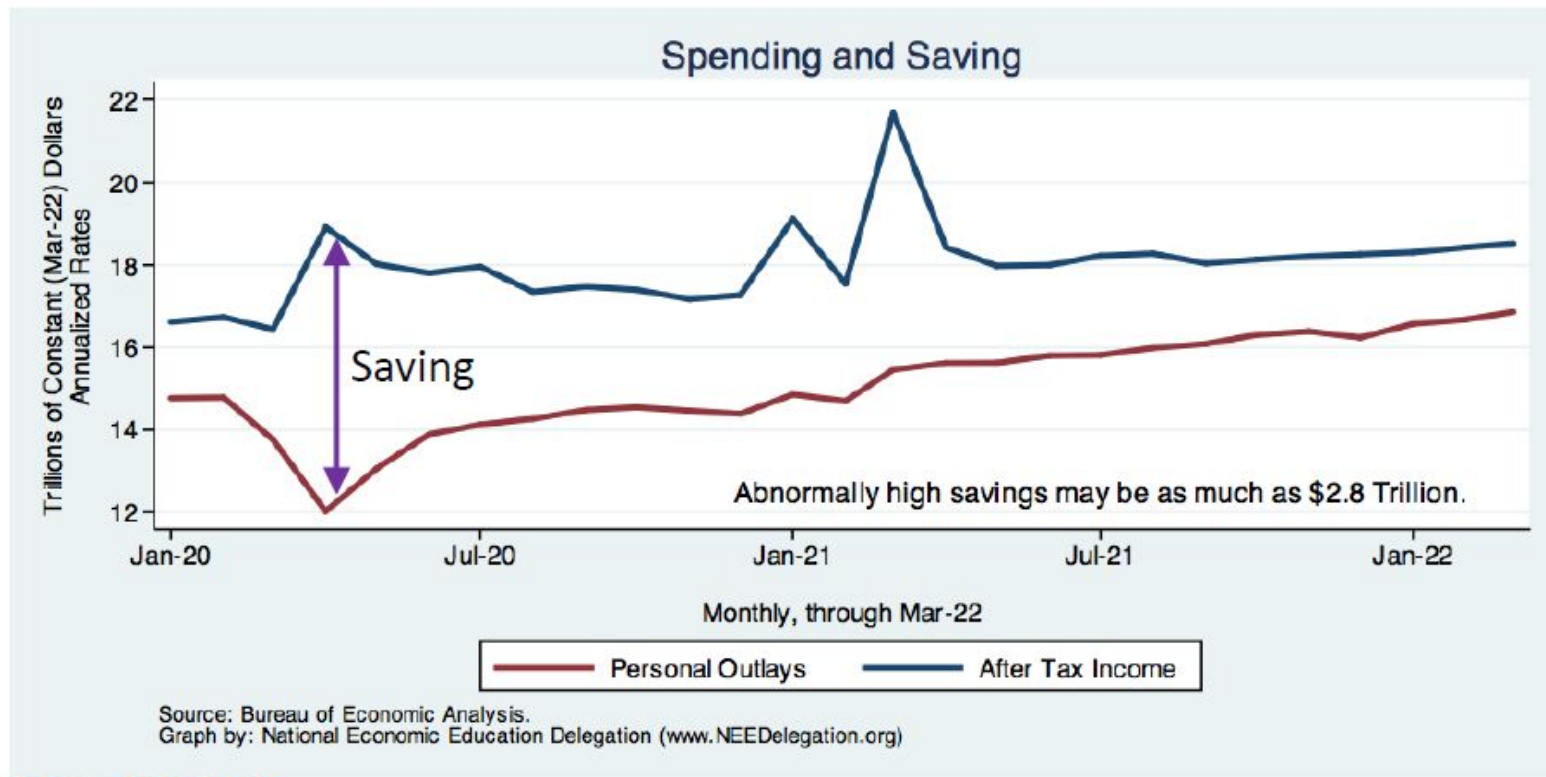
# Employment Gap



Source: NBER and US Bureau of Labor Statistics. Gray shading indicates recession.  
Graph by: National Economic Education Delegation ([www.NEEDelegation.org](http://www.NEEDelegation.org))



# Households Lead the Way





# K-Shaped Recovery

OPPORTUNITY  
INSIGHTS ECONOMIC TRACKER

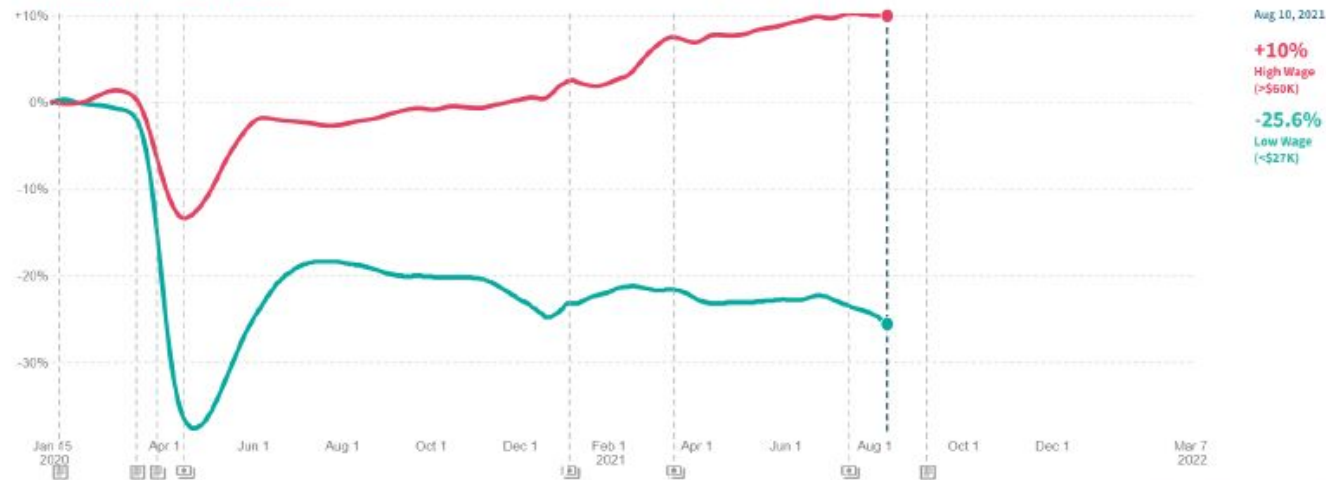
JOHN HARVARD  
UNIVERSITY

DATA  
ANALYSTS

BILL & MELINDA  
GATES FOUNDATION

## Percent Change in Employment\*

In the United States, as of August 10, 2021, employment rates among workers in the bottom wage quartile decreased by 25.6% compared to January 2020 (not seasonally adjusted).



data source: Earnings, Intuit, Kronos, Paychex

\*Change in employment rates (not seasonally adjusted), indexed to January 4-31, 2020. This series is based on payroll data from Paychex and Intuit, worker-level data on employment and earnings from Earnings, and timesheet data from Kronos. The dotted line is a prediction of employment rates based on Kronos and Paychex data.

last updated: September 24, 2021 next update expected: March 18, 2022

visit: [tracktheconomy.org](#) to explore



NATIONAL ECONOMIC  
EDUCATION DELEGATION

# Stimulus Payments Saved Low Income Families

OPPORTUNITY  
INSIGHTS ECONOMIC TRACKER

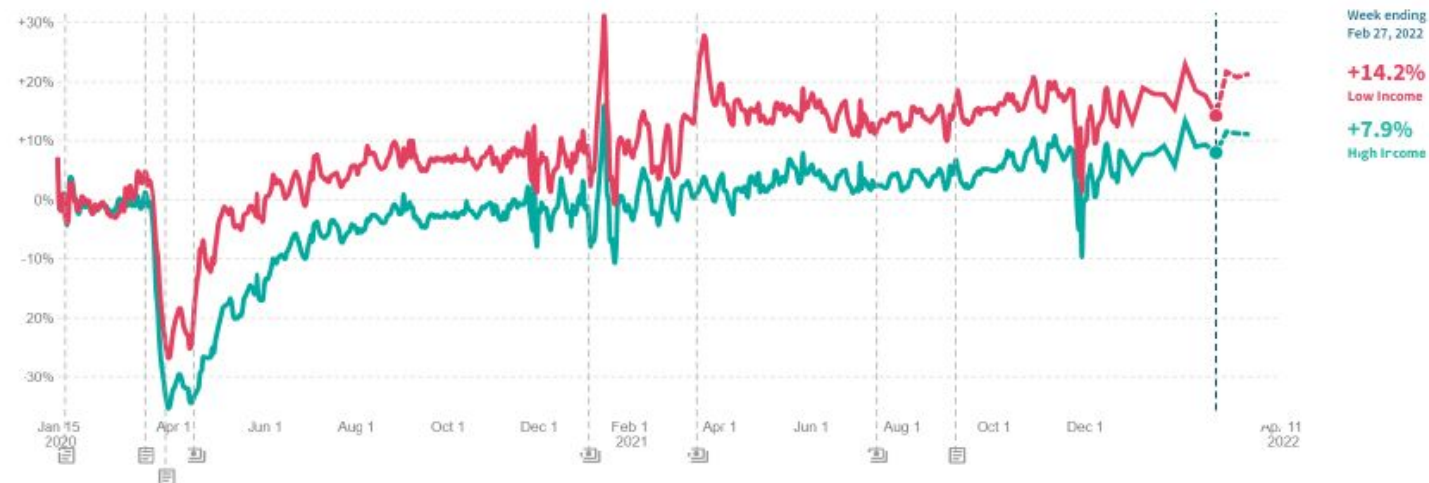
HARVARD  
EDUCATION

BROWN

BILL & MELINDA  
GATES FOUNDATION

## Percent Change in All Consumer Spending\*

In the United States, as of February 27, 2022, total spending by high-income consumers increased by 7.9% compared to January 2020.



data source: Affinity

\*Change in average consumer credit and debit card spending, indexed to January 4-31, 2020 and seasonally adjusted. The dashed segment of the line is provisional data, which may be subject to non-negligible revisions as newer data is posted. This series is based on data from Affinity Solutions.

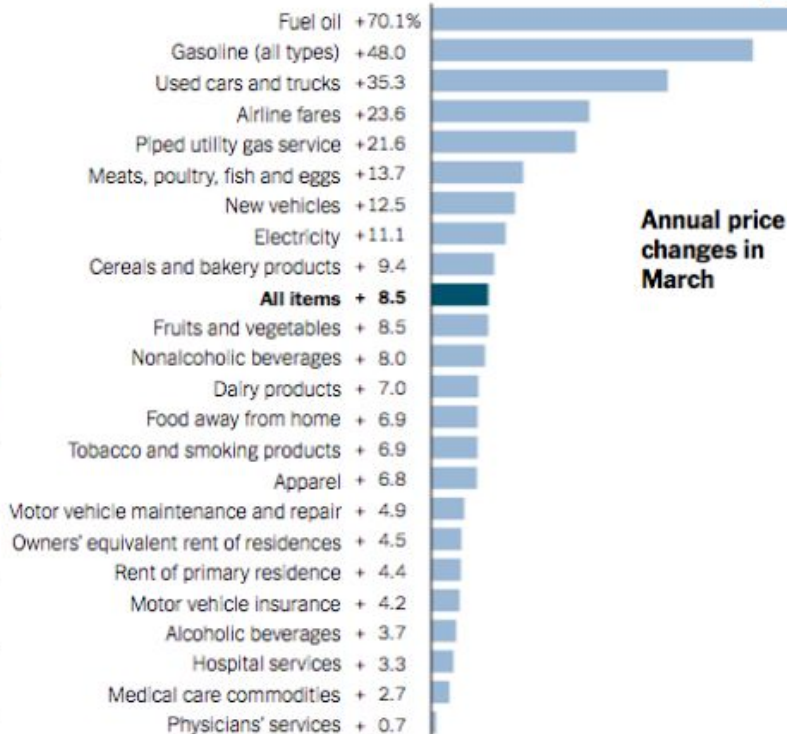
plus opportunity March 29, 2022 in update expected April 15, 2022

visit [there: affinity.com](https://www.affinity.com) to explore



NATIONAL ECONOMIC  
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# Inflation News

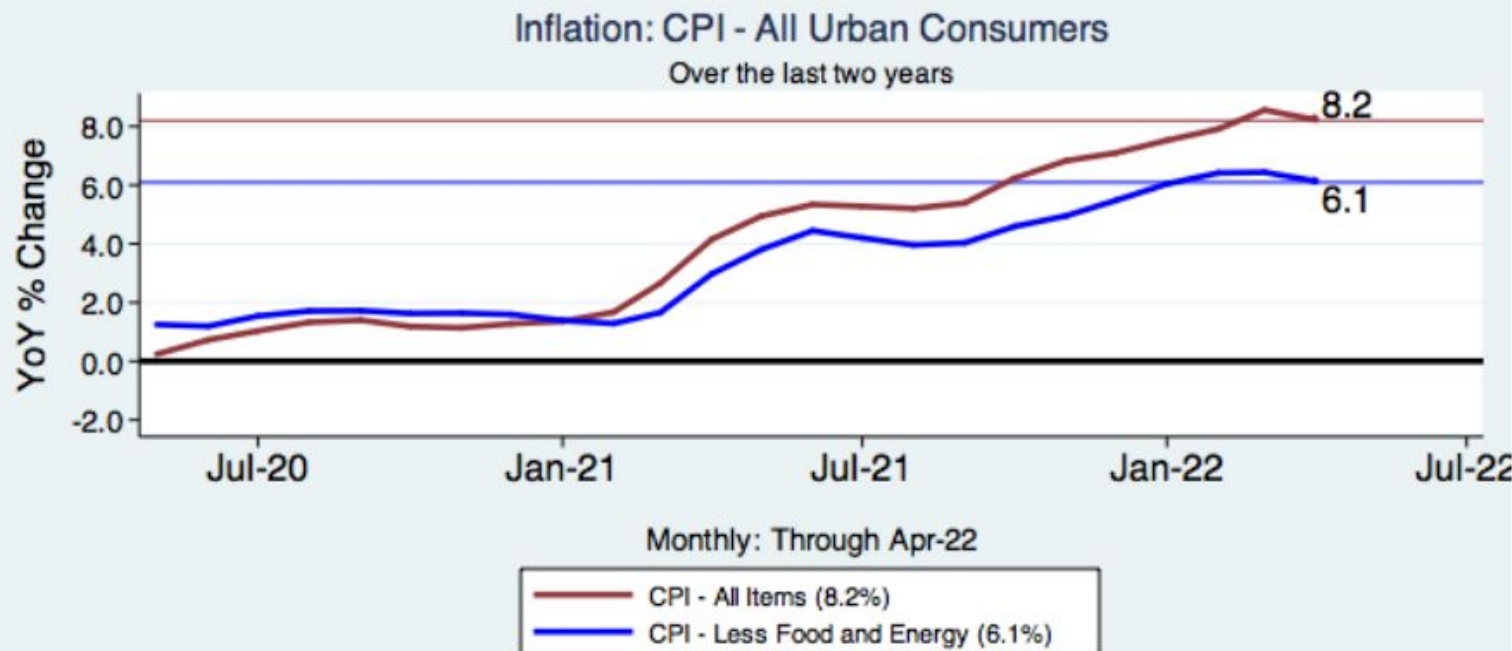


Year-over-year changes in a selection of categories of the Consumer Price Index - Source: Bureau of Labor Statistics - By The New York Times



NATIONAL ECONOMIC  
EDUCATION DELEGATION

# Food and Fuel are A Big Part of the Story

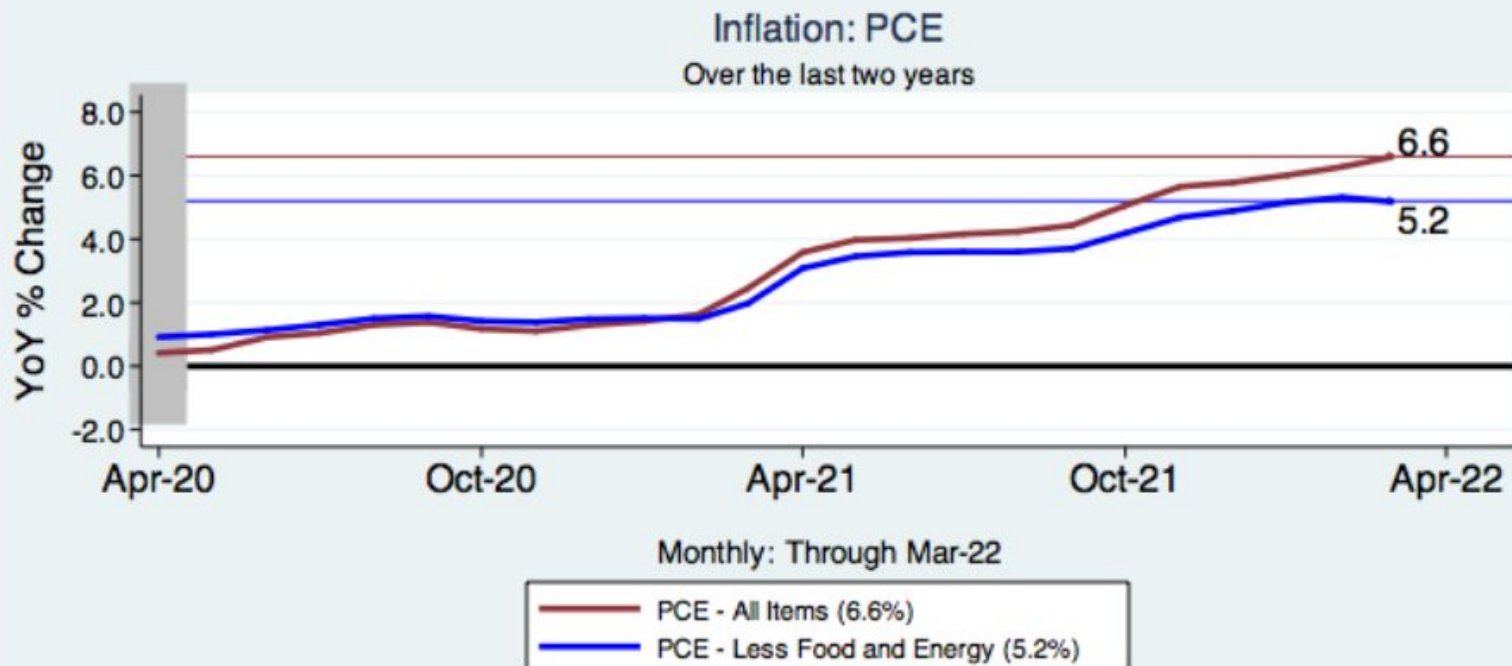


Source: NBER and BLS

Graph by: National Economic Education Delegation ([www.NEEDelegation.org](http://www.NEEDelegation.org))



# Inflation – The Fed's Metric! Not Sooo High.

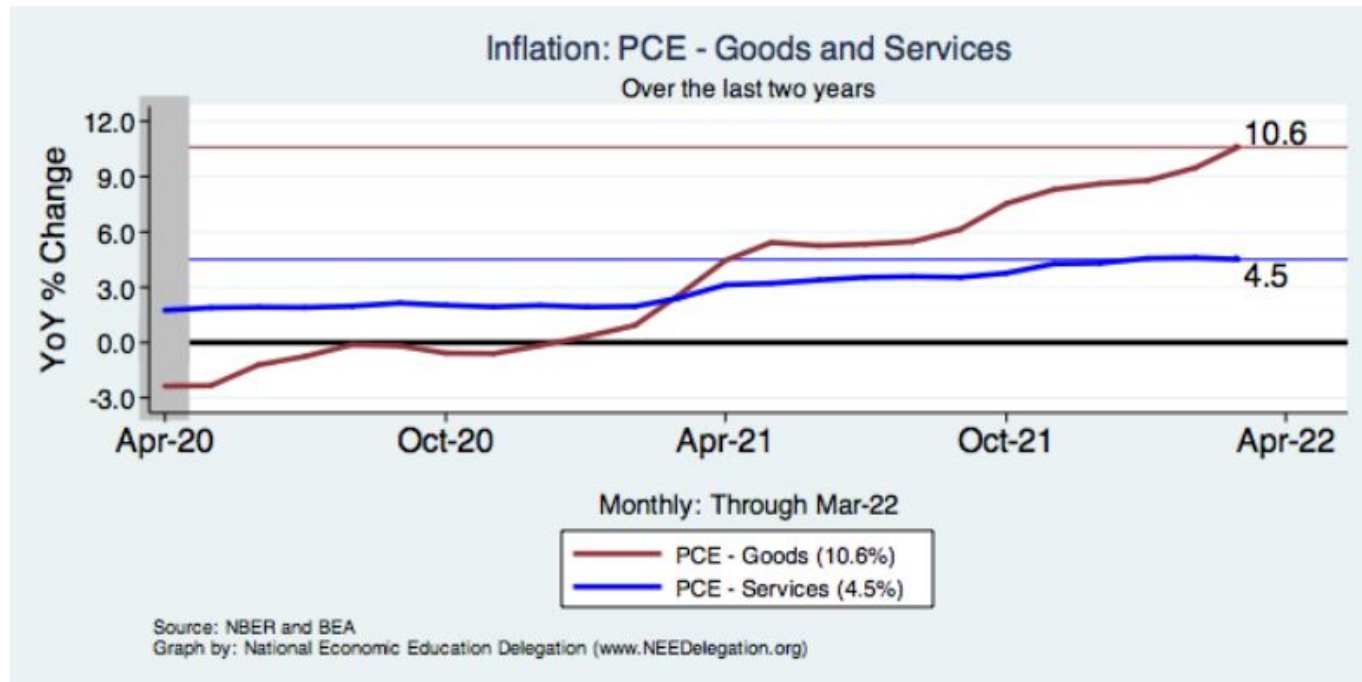


Source: NBER and BEA  
Graph by: National Economic Education Delegation ([www.NEEDelegation.org](http://www.NEEDelegation.org))

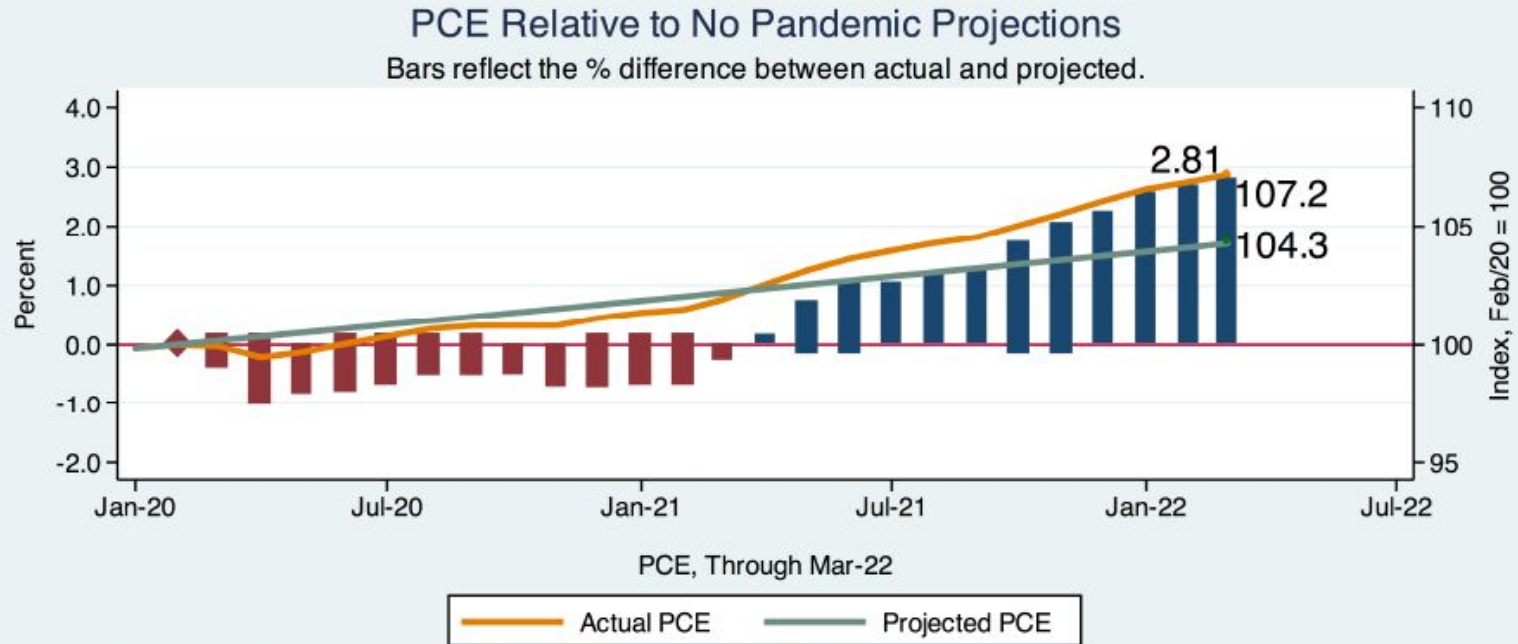




# Goods are Driving Inflation



# Inflation – PCE and Fed Suggest: I don't know.



Source: U.S. Bureau of Economic Analysis, PCE = All items less food and energy.  
Projections assume the PCE was to have grown at 2.0% per year.  
Graph by: National Economic Education Delegation ([www.NEEDelegation.org](http://www.NEEDelegation.org))



# My Diagnosis for the Uptick in Inflation

- Yes, there were supply chain issues that affected some areas in particular (e.g., computer chips).
- But there is too much total spending and in the absence of bold Fed actions is likely to continue.
- Fiscal stimulus led households to increase saving over 2021 by more than \$2 trillion. Strong retail sales numbers suggest they are prepared to spend it.
- Whose to Blame: ARP probably too big, but the Fed could have acted sooner.





# Measure of Inflation Expectations



Breakeven Inflation Rate = Difference between nominal and real 5-year and 10-year Treasury constant maturity securities.

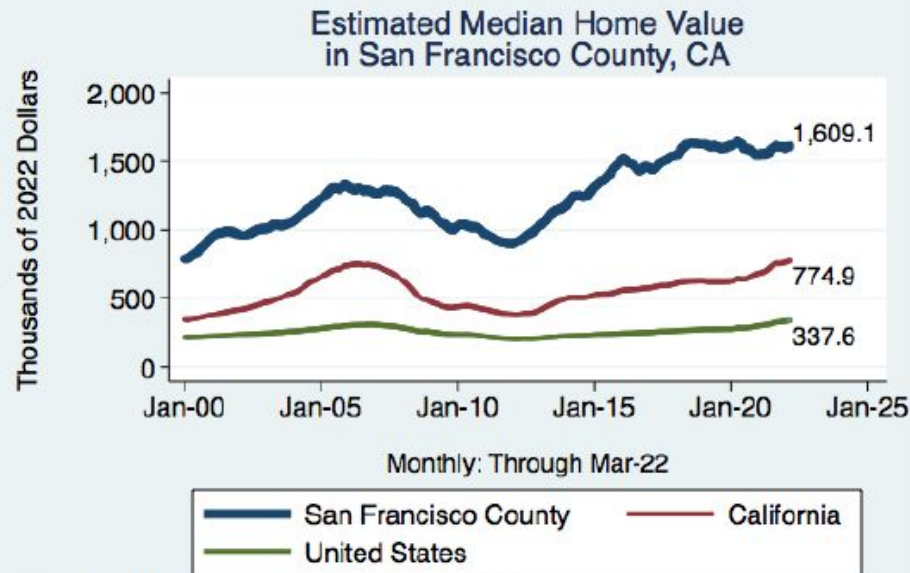
Market participants expect around 2.8% of inflation annually over the next 10 years and 3.1% over the next 5 years.

Inflation expectations are calming down.

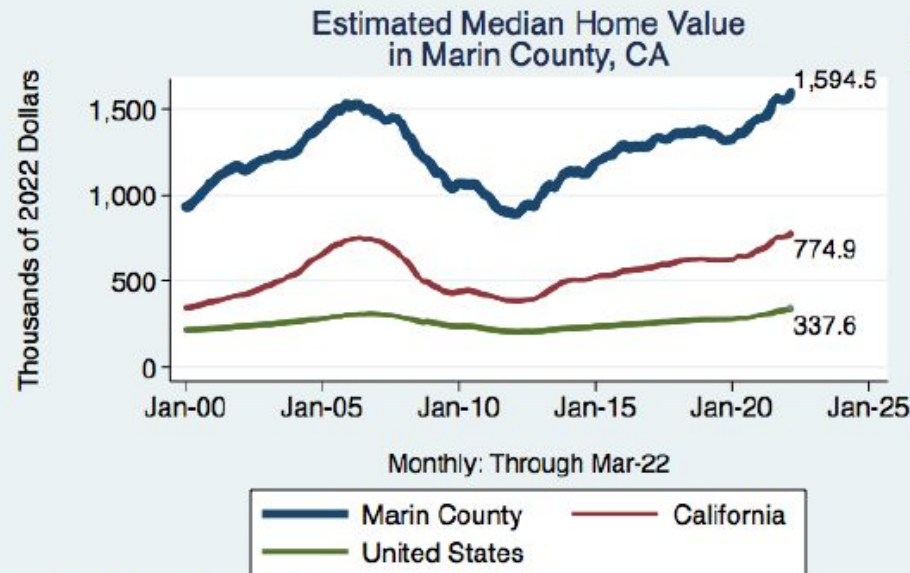
Source: NBER and Federal Reserve Bank of St. Louis, Grey indicates recession.  
Difference between standard treasury security interest rate and the inflation-indexed rate.  
Graph by: National Economic Education Delegation ([www.NEEDelegation.org](http://www.NEEDelegation.org))



# RE Experiences Differ!

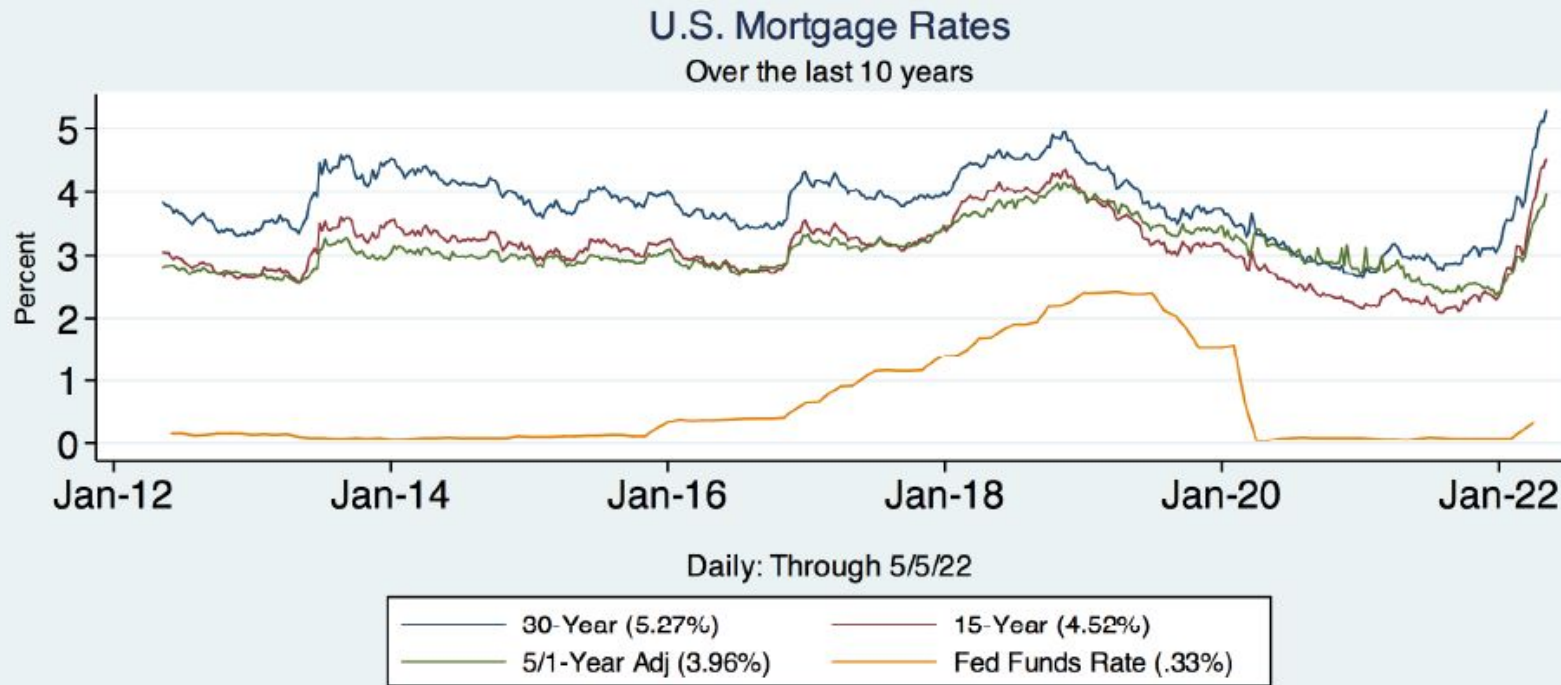


Source: Zillow Housing Data, <https://www.zillow.com/research/data/>  
Produced by: National Economic Education Delegation ([www.NEEDelegation.org](http://www.NEEDelegation.org))



Source: Zillow Housing Data, <https://www.zillow.com/research/data/>  
Produced by: National Economic Education Delegation ([www.NEEDelegation.org](http://www.NEEDelegation.org))

# Interest Rates are Rising!



Source: Freddie Mac and the Federal Reserve  
Graph by: National Economic Education Delegation ([www.NEEDelegation.org](http://www.NEEDelegation.org))



# State Budget

- **January: \$268 Billion budget proposed.**
- **Surplus has grown to \$68 Billion from \$31 Billion since then.**
- **Bodes well for education spending. Why?**
  - State Appropriations Limits (SAL) from Proposition 4 (1979)
    - Revenues above the limit must be split between rebates and additional spending on schools.
- **Regardless of revenues, because of the SAL, could have budget appropriations problems.**





# Conclusion

- **GDP will likely expand about 4% in 2022.**
  - Completing the recovery.
- **Employment is still lagging.**
- **Real estate markets likely to cool.**
  - Expect much slower rates of appreciation going forward
- **Biggest problems:**
  - Supply chain bottlenecks.
  - Labor force participation.
  - Russian invasion of Ukraine.
- **There is much uncertainty.**
- **Budget: Proposition 4 (1979) suggests growing state spending.**



# Governor's '*May Revision*' State Budget Proposal

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# Highlights of Governor's May Revision State Budget Proposal



- Record funding levels for LCFF-funded school districts (i.e. 6.56% COLA)
- No pension relief
- No new programs or requirements on 'tapped-out' school districts
- Governor recognizes record revenues will inevitably be followed by 'economic cycle' revenue reductions
- Discretionary Block Grant (DBG) is a possible funding source for TUHSD
  - *Note: Proposed DBG is not incorporated into 2022-23 TUHSD budget proposal*
- Outside of the 'Discretionary Block Grant', none of Governor's May Revision Budget Proposal are expected to impact TUHSD given our 'basic aid', high school district status

Source: Ball/Frost Group LLC - May Revision Update - May 2021

# Possible TUHSD funding in May Revision State Budget Proposal



## Discretionary Block Grant (DBG) proposal details:

Source: Ball/Frost Group LLC - May Revision Update - May 2021

- \$8 billion allocated on a per pupil basis
- One-time funding of \$1,365.77 per ADA
- Offsets mandates for State-debt owed to LEA's or school districts

## Allowable Uses (including but not limited to):

- Addressing learning challenges
- Implementing new curriculum standards and frameworks
- Support mental health & wellness needs of students and staff
- Operational costs (including employer pension costs)

## 'May Revise' Next Steps:

- State Legislature will now deliberate the 'May Revise' in each chamber
- Required legislation passing a final State Enacted Budget due by June 15th State Constitutional deadline
- TUHSD will bring a 45-day budget revision to the Board in August with details if proposed DBG approved



***Back to TUHSD...***

**2021-22 Estimated Actuals**

---

# What is included in the budget adoption process?



- The 2021-22 'Estimated Actuals' reports:
  - Actual financial activity through April & projects financial activity through June 30th
  - Estimated Actuals will be compared to the Unaudited Actuals in September
  - Similar to a '3rd Interim' Budget report for 2021-22
  
- 2022-23 Proposed Budget aligns resources to the LCAP goals & action steps
  - Inclusive of stakeholder feedback: Public Hearing, LCAP Committee, etc.
  
- Provides an opportunity to:
  - Adopt a budget based on any significant changes since 2nd Interim in March
  - Recalculate Multi Year Projections
  - Discuss any needed changes or actions

# 2021-22 School Year: Changes in Revenues & Expenditures



## More resources of....

- Property tax revenues estimate increased from 4.07% to 4.55%

## Savings in....

- Unfilled classified positions & reduction in substitute teachers
- Materials and supplies
- Contracted services
- Utilities

## Increased spending in....

- Procuring technology devices & carts (i.e. Chromebooks)
- Summer School Nutrition
- Special Education NPS placements
- Capital facilities projects (i.e. additional Redhill Park & AW baseball facility expenditures)

# Comparison of 2nd Interim vs. Estimated Actuals




<i>Description</i>	<i>Unrestricted Projected Operating Surplus (Deficit)</i>
2021-22 2nd Interim Projection (March)	\$ 1,606,523
<i>Changes</i> (See Next Slide)	<i>\$ (964,012)</i>
2021-22 Estimated Actuals Projection (June)	\$ 642,511

# Changes from 2nd Interim vs. Estimated Actuals

<i><b>Description of Changes (Unrestricted)</b></i>	<i><b>Amount</b></i>
Increase in property tax revenue (\$304k) & interest revenue (\$110k)	\$414k
Decrease in certificated & classified salaries & benefits (unfilled positions, reduced subs, etc)	\$916k
Decrease in budgeted site & department expenditures for materials and services	\$397k
Increase in transfers out to other funds (i.e. facilities funds, Summer nutrition, etc)	\$(2.5M)
Increase in contribution to Restricted (i.e. increase in Special Education NPS placements)	\$(273k)
Net other	\$42k
<b>Total Changes</b>	<b>\$(964k)</b>

## Comparison of 2nd Interim vs. Estimated Actuals - Impact on Reserves



<i>Description</i>	<i>Unrestricted Projected Operating Surplus (Deficit)</i>	<i>Ending Fund Balance (Reserve)</i>
<b>2021-22 2nd Interim Projection (March)</b>	\$ 1,606,523	\$ 23,607,843
<i>Changes</i>	<i>\$ (964,012)</i>	<i>\$ (964,012)</i>
<b>2021-22 Estimated Actuals Projection (June)</b>	\$ 642,511	\$ 22,643,831

# **2022-23 Budget Proposal**

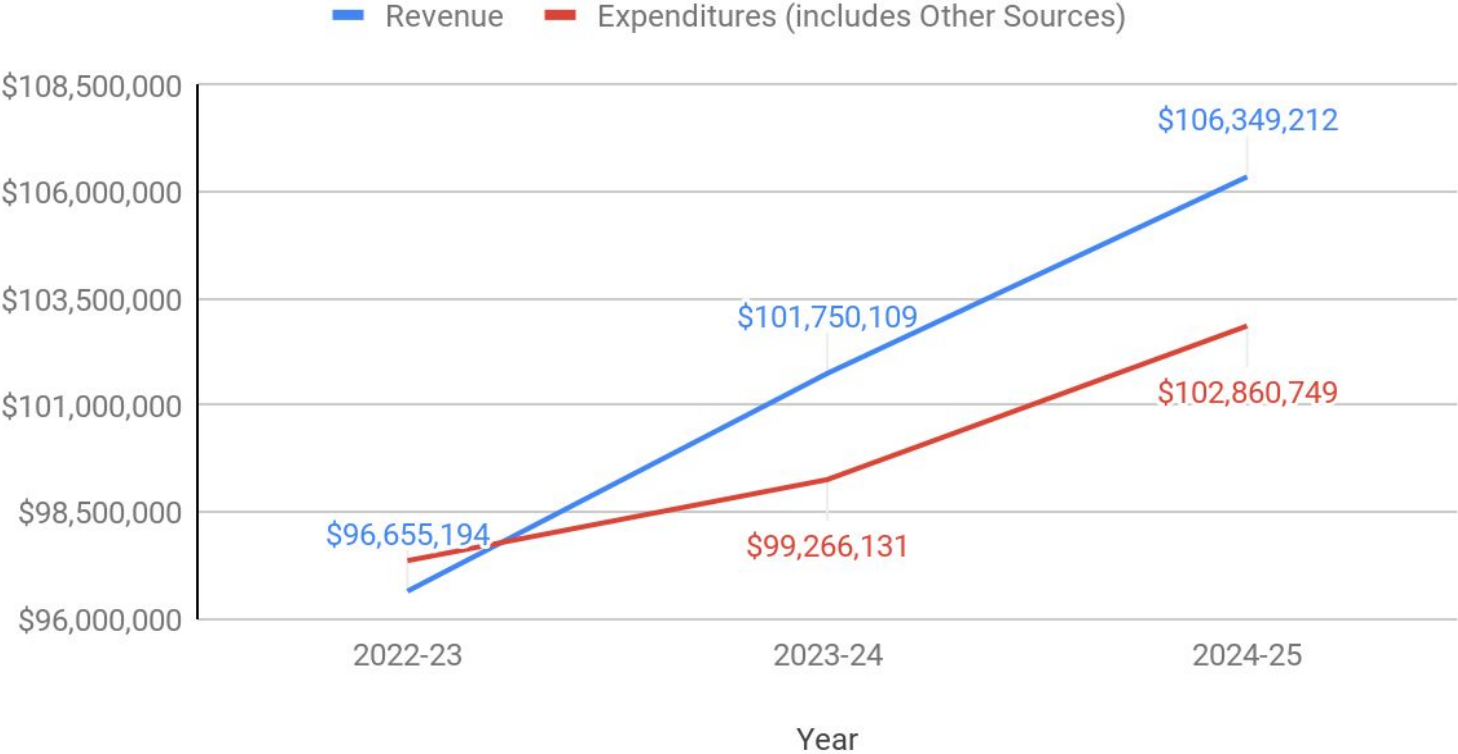
## **Multi-Year Projection**

- **2023-24 & 2024-25**

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# Summary of Multi-Year Projections

## TUHSD Revenue and Expenditures (Unrestricted)





# TUHSD Summary of Multi-Year Projections

	2021-22	2022-23 #	2023-24	2024-25
<b>Operating Surplus (Deficit)</b> (March 2022)	\$1.6M	\$(2.0M)	\$1.5M*	--
<b>Ending Fund Balance/Reserve</b> (March 2022)	\$23.6M (22.1%)	\$21.6M (20.4%)	\$23.1M (21.7%)	--
<b>Operating Surplus (Deficit)</b> (June 2022)	\$643k	\$(714k)	\$2.5M*	\$3.5M*
<b>Ending Fund Balance/Reserve</b> (June 2022)	\$22.6M (20.7%)	\$21.9M (20.0%)	\$24.4M (22.3%)	\$27.9M (24.8%)

## Key Assumptions:

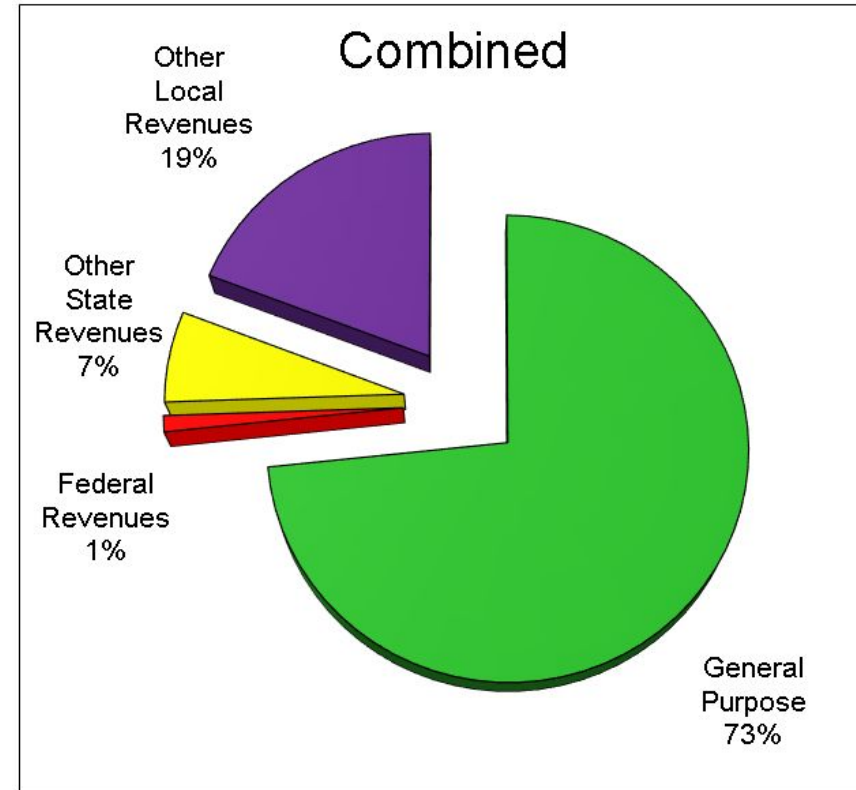
\* Figures do not include any potential increase in staff compensation

# Expiration of State pension relief to TUHSD (\$1.1M)

# Revenue Sources for 2022-2023 (combined)

- General Purpose                   \$    78,110,648
  - Property taxes, EPA, minimum State Aid, etc.
- State Funding                   \$     6,765,542
  - Lottery, Special Education, ROP, etc.
- Federal Funding               \$     1,197,593
  - Title I, Title II, IDEA, etc.
- Local Revenue                 \$    20,438,109
  - Parcel tax, Foundations donations, facilities fees, interest

**TOTAL:   \$ 106,511,892**



# Key Budget Assumptions - Unrestricted Revenues

## Property Tax Revenue growth projections:

Year	2022-23	2023-24	2024-25
Growth Rate Projection (%)	6.15%	6.15%	5.15%

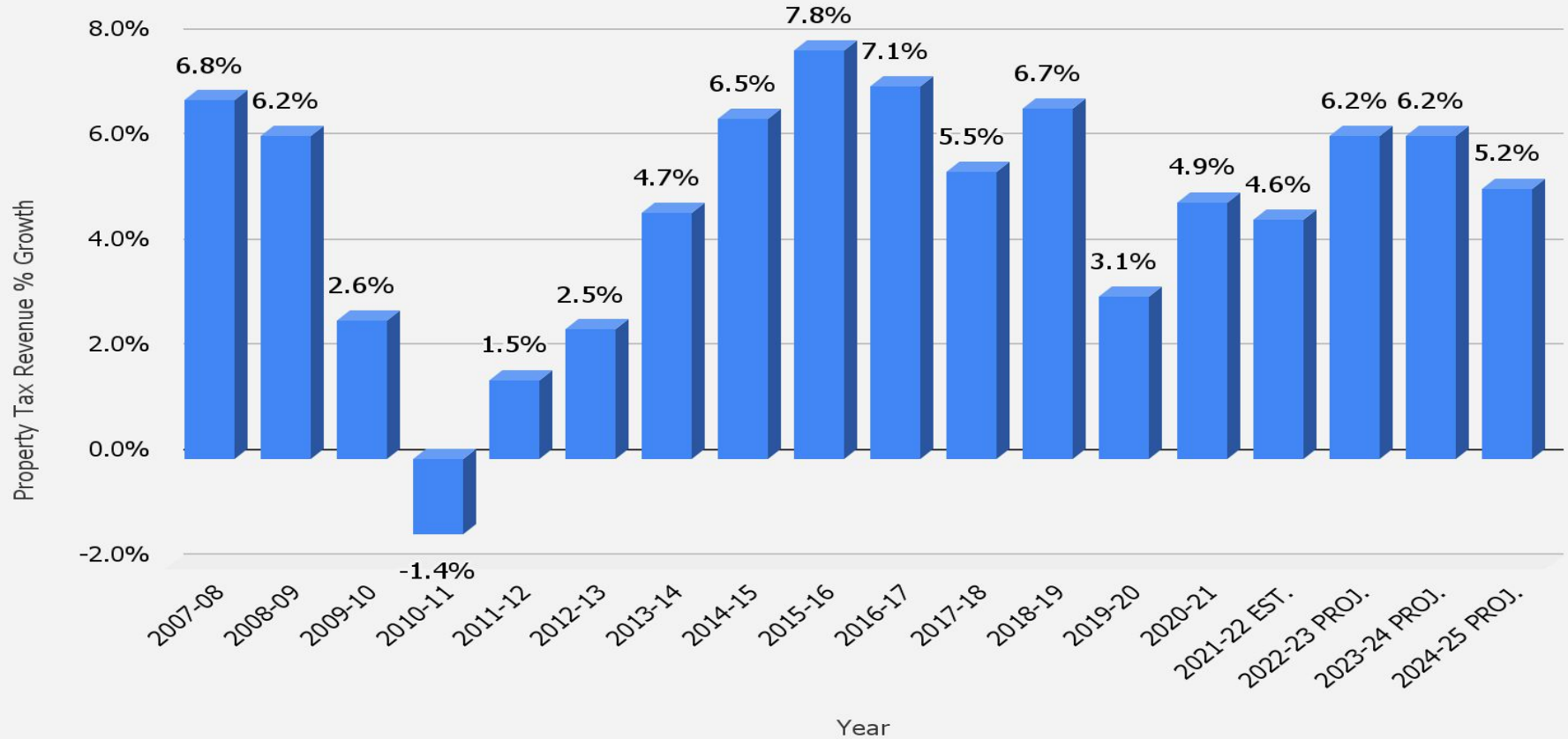
### Notes:

1. Projections inclusive of information provided at Marin County Property Tax Forum on May 12th
2. 2021-22 Property taxes now budgeted at 99.5% of total anticipated revenue, as discussed at January 2021 Budget Board Workshop

### Parcel Tax Revenue

- Increase of 3% with annual inflation adjustment
  - Actual amount depends on volume of Senior Exemptions
- 2022-23 Parcel Tax revenue projected to be \$17.0M

# TUHSD Historical Property Tax Revenue Growth



# Education Protection Account (EPA)

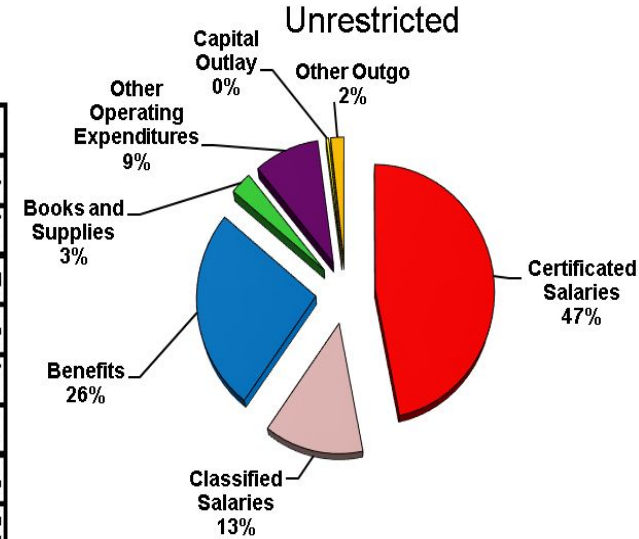
As specified in Proposition 30, EPA K-14 general purpose funds must be utilized for instructional purposes.

<b>Education Protection Account (EPA) Budget</b> <i>2022-23 Fiscal Year</i>	
Description	Amount
<b>BEGINNING BALANCE</b>	\$0
<b>BUDGETED EPA REVENUES:</b>	
<i>Estimated EPA Funds</i>	\$962,788
<b>BUDGETED EPA EXPENDITURES:</b>	
<i>Certificated Instructional Salaries</i>	\$684,505
<i>Certificated Instructional Benefits</i>	\$278,283
<b>TOTAL</b>	\$962,788
<b>ENDING BALANCE</b>	\$0

# General Fund Expenditures



Description	Unrestricted	Combined
Certificated Salaries	\$34,867,403	\$42,126,304
Classified Salaries	\$9,797,659	\$14,013,217
Benefits (Payroll Taxes and Health & Welfare Contributions)	\$19,792,795	\$30,073,170
Books and Supplies	\$2,196,477	\$3,369,035
Other Operating Expenditures	\$6,707,108	\$15,064,137
Capital Outlay	\$273,111	\$277,111
Other Outgo	\$1,350,353	\$3,563,398
<b>TOTAL</b>	<b>\$74,984,906</b>	<b>\$108,486,372</b>

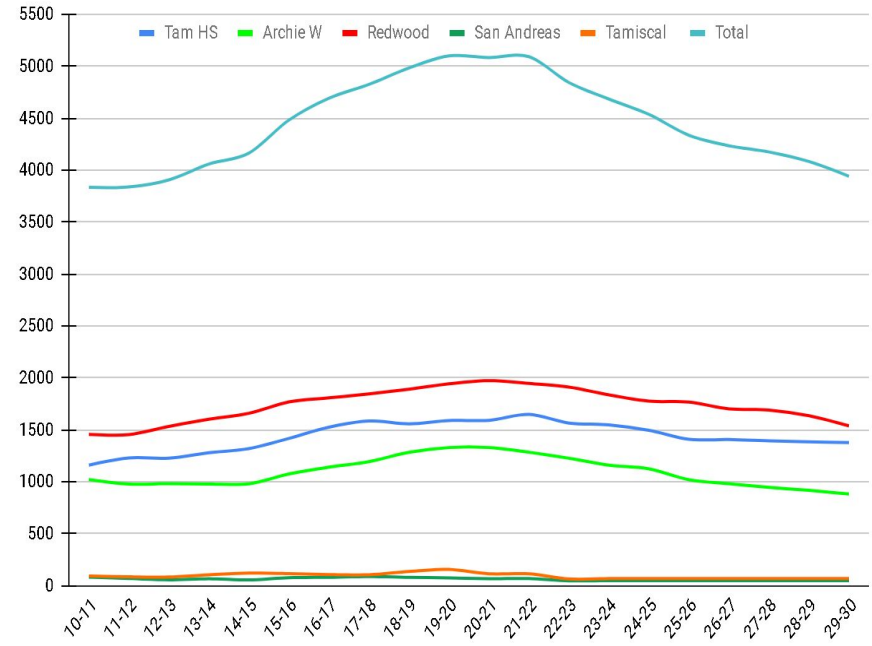


Salaries and benefits comprise approximately 86% of the District's unrestricted expenditures, and approximately 80% of the combined General Fund expenditures.

# TUHSD Enrollment Projections (by site)

Date: May 2022

Cohort Survival Method									
School Year	Tam HS	Archie W	Redwood	San Andreas	Tamiscal	NPS	Total	Change in students	Percent Change
10-11	1162	1023	1458	84	95	14	3,836		
11-12	1231	979	1456	71	87	15	3,839	3	0.1%
12-13	1229	984	1535	58	85	16	3,907	68	1.7%
13-14	1281	980	1604	68	106	21	4,060	153	3.8%
14-15	1321	982	1661	57	123	21	4,165	105	2.5%
15-16	1419	1077	1770	78	117	22	4,483	318	7.6%
16-17	1527	1142	1809	82	108	25	4,693	210	4.7%
17-18	1587	1195	1848	89	107	21	4,826	133	3.2%
18-19	1559	1285	1893	82	138	27	4,984	158	3.3%
19-20	1,591	1331	1944	77	158	26	5,101	117	2.3%
20-21	1,593	1331	1975	69	116	29	5,084	-17	-0.3%
21-22	1650	1286	1948	70	116	23	5,093	9	0.2%
22-23	1567	1228	1913	49	66	21	4,844	-249	-4.9%
23-24	1549	1162	1838	50	70	21	4,685	-159	-3.3%
24-25	1497	1126	1778	50	70	21	4,538	-147	-3.1%
25-26	1410	1022	1769	50	70	21	4,336	-201	-4.4%
26-27	1408	983	1704	50	70	21	4,236	-101	-2.3%
27-28	1,396	947	1692	50	70	21	4,176	-60	-1.4%
28-29	1,387	919	1637	50	70	21	4,084	-92	-2.2%
29-30	1,378	883	1540	50	70	21	3,942	-142	-3.5%



# Key Budget Assumptions - Expenditures

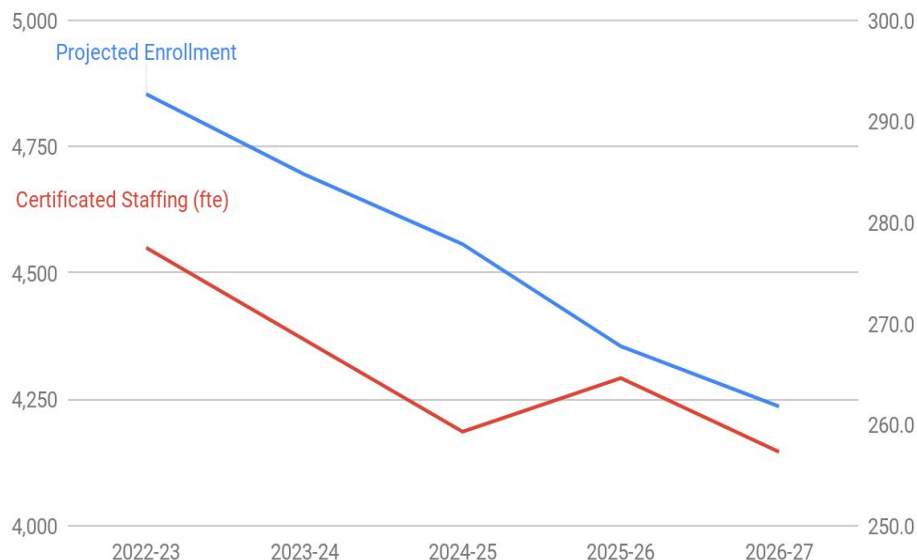
## Enrollment & Certificated Staffing projections:

School Year	Projected Enrollment	Difference from Prior Year	Certificated Staffing (fte)	Difference from Prior Year
2022-23	4,854	-	280.9	
2023-24	4,695	-159	271.7	-9.2
2024-25	4,557	-138	262.5	-9.2
2025-26*	4,355	-202	267.9 *	+5.4 *
2026-27	4,236	-119	260.5	-7.4

Notes:

\* - Expiration of extended 'Class Size increase' MOU (assumes return to lower class size ratios)

TUHSD Projected Enrollment & Certificated Staffing





# Key Budget Assumptions - Expenditures (cont'd)



- TFT- & CSEA-represented employee groups have settled on compensation through 2022-23, but not in 2023-24 & beyond
  - Future cost of a 1% raise in 2023-24 estimated to be approximately \$600k
- Step & Column increases are 1.77% for Certificated and 2.76% for Classified from 2021-22
- State STRS/PERS Pension employer one-time relief ended in 2021-22 (*later slide*)
- Health & Welfare employee benefit increases up 7.9% in 2022-23 and assumed 5% annually thereafter
- Insurance rates changes: property: +20%, liability: +9%, cyber: +9%, workers' compensation: -6%
- Utilities expenses projected to increase 4% annually (i.e. MMWD, PG&E, etc)
- Continued historic trend of Special Education costs average annual increase of \$1.1M (*later slide*)

# Reinvestment in 'Teaching & Learning' and Sustainability



- Return of site Learning Leadership Team (LLT - formerly Teacher Leader) model
  - MTSS Intervention Coordinators (temp), Instructional Coach release periods (temp), increased AVID stipends, professional development
- Additional Wellness Interns at comprehensive site and Wellness Coordinator at alternative sites
- Addition of three Deans of Student Success (TOSAs) at comprehensive high schools
- HR department reorganization (i.e. Director of HR, Confidential Administrative Assistant)
- Return of a Groundsperson & additional Nutrition worker
- Investment in Athletics (i.e. athletic directors, clerks, coaches stipends, more assistant coaches, site budgets)
- 4th Campus Supervisor at Tam High (temp for 2022-23 only using Foundation/Title I funds)
- Return of Assistant Superintendent of Educational Services (in 2023-24)

# STRS & PERS Pension Employer Rates & Costs

- In 2013, pension rates were re-calculated based on the Public Employee Pension Reform Act that restructured retirement age and benefits
- Compared to 2013-14, increased pension employer rates & costs have more than doubled
- State Budget provided pension relief in 'one-time' savings of \$1,068,000 for 2020-21 & 2021-22 has now expired

**CalPERS Rate Comparison**

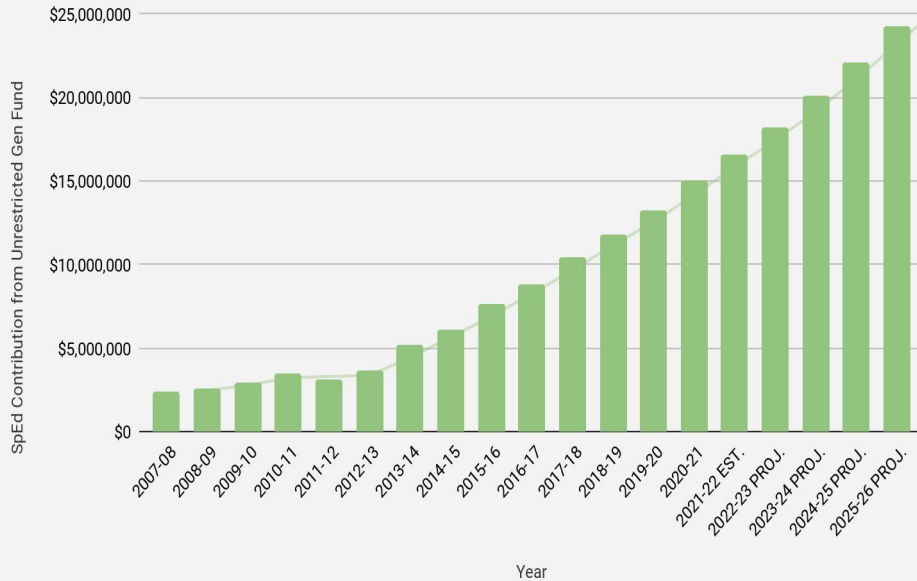
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Employer Rates	11.85%	13.89%	15.53%	18.06%	19.72%	20.70%	22.91%	25.37%	25.20%	25.20%	24.60%	24.60%
Change		2.04%	1.64%	2.53%	1.66%	0.98%	2.21%	2.46%	-0.17%	0%	-0.60%	0%

**CalSTRS Rate Comparison**

Employer Rates	10.73%	12.58%	14.43%	16.28%	17.10%	16.15%	16.92%	19.10%	19.10%	19.10%	19.10%	19.10%
Change		1.85%	1.85%	1.85%	0.82%	-0.95%	0.77%	2.18%	0%	0%	0%	0%

# Special Education Costs

Historic Contribution to Special Education from Unrestricted General Fund



- In 2012, CA law changed increasing district responsibility for funding special education (NPS, mental health)
- TUHSD SpEd contributions have increased from \$2.4M to \$18.3M in 14 years
  - Avg. of \$1.3M increase annually
- TUHSD currently has 4 Counseling Enriched Classrooms (CEC) and opening 5th at San Andreas in the Fall
  - Estimated savings is \$560k annually per CEC
  - Total savings of about \$2.8M annually

# Reserves & Assignments

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# Reserves & Assignments



**2022-23 Estimated Ending Fund Balance (Unrestricted) - \$21,930,215 (20.0% reserve level)**

Non-Spendable - \$12,000

Restricted - \$3,030,125

Assigned - \$17,587,800

- Textbook Adoption Purchases (Next Gen Science Standards) - \$500,000
- Property Tax Uncertainty (1% of prop tax revenues) - \$750,000
- Special Education Uncertainty - \$1,000,000
- Additional 17% Reserve (less REU), per Board Policy - \$15,337,800

Unassigned - 3% minimum reserve for economic uncertainty (REU) - \$3,286,700

Unassigned (Other) - \$1,043,715

*Reminder: TUHSD Board Policy (BP 3100) establishes a targeted minimum reserve level at 17% of annual expenditures.*

Description	2022-23 Proposed Budget			2023-24 Projected Budget			2024-25 Projected Budget		
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined
<b>REVENUES</b>									
General Purpose Revenue (A)	78,110,648	-	78,110,648	82,695,769	-	82,695,769	86,769,784	-	86,769,784
Federal Revenue (B)	-	1,197,593	1,197,593	-	1,197,593	1,197,593	-	1,197,593	1,197,593
State Revenue (B)	1,093,000	5,672,542	6,765,542	1,093,000	5,672,542	6,765,542	1,093,000	5,672,542	6,765,542
Local Revenue (C)	17,451,546	2,986,563	20,438,109	17,961,340	2,905,563	20,866,903	18,486,428	2,905,563	21,391,991
<b>TOTAL REVENUES</b>	<b>96,655,194</b>	<b>9,856,698</b>	<b>106,511,892</b>	<b>101,750,109</b>	<b>9,775,698</b>	<b>111,525,807</b>	<b>106,349,212</b>	<b>9,775,698</b>	<b>116,124,910</b>
<b>EXPENDITURES</b>									
Certificated Salaries (D)	34,867,403	7,258,901	42,126,304	34,003,542	6,284,865	40,288,407	33,626,140	6,387,937	40,014,077
Classified Salaries (D)	9,797,659	4,215,558	14,013,217	10,020,209	4,317,288	14,337,497	10,263,700	4,422,198	14,685,898
Benefits (E)	19,792,795	10,280,375	30,073,170	19,832,805	10,089,908	29,922,713	19,986,072	10,335,395	30,321,467
Books and Supplies (F)	2,196,477	1,172,558	3,369,035	2,196,477	1,172,558	3,369,035	2,196,477	1,172,558	3,369,035
Other Services & Oper. Exp (G)	6,707,108	8,357,029	15,064,137	6,651,108	9,255,175	15,906,283	6,750,108	9,838,029	16,588,137
Capital Outlay (H)	273,111	4,000	277,111	273,111	4,000	277,111	273,111	4,000	277,111
Other Outgo (I)	1,419,471	2,172,251	3,591,722	1,429,002	2,389,251	3,818,253	1,436,795	2,628,251	4,065,046
Transfer of Indirect Costs	(69,118)	40,794	(28,324)	(69,118)	40,794	(28,324)	(69,118)	40,794	(28,324)
<b>TOTAL EXPENDITURES</b>	<b>74,984,906</b>	<b>33,501,466</b>	<b>108,486,372</b>	<b>74,337,136</b>	<b>33,553,839</b>	<b>107,890,975</b>	<b>74,463,285</b>	<b>34,829,162</b>	<b>109,292,447</b>
<b>EXCESS / (DEFICIENCY)</b>	<b>21,670,288</b>	<b>(23,644,768)</b>	<b>(1,974,480)</b>	<b>27,412,973</b>	<b>(23,778,141)</b>	<b>3,634,832</b>	<b>31,885,927</b>	<b>(25,053,464)</b>	<b>6,832,463</b>
<b>OTHER SOURCES/USES</b>									
Transfers In	888,000	-	888,000	-	-	-	-	-	-
Transfers Out (J)	(1,069,000)	-	(1,069,000)	(1,344,000)	-	(1,344,000)	(3,344,000)	-	(3,344,000)
Net Other Sources (Uses)	-	-	-	-	-	-	-	-	-
Contributions to Restricted (K)	(22,202,904)	22,202,904	-	(23,584,995)	23,584,995	-	(25,053,464)	25,053,464	-
<b>TOTAL OTHER SOURCES / USES</b>	<b>(22,383,904)</b>	<b>22,202,904</b>	<b>(181,000)</b>	<b>(24,928,995)</b>	<b>23,584,995</b>	<b>(1,344,000)</b>	<b>(28,397,464)</b>	<b>25,053,464</b>	<b>(3,344,000)</b>
<b>Net Increase (Decrease)</b>	<b>(713,616)</b>	<b>(1,441,864)</b>	<b>(2,155,480)</b>	<b>2,483,978</b>	<b>(193,146)</b>	<b>2,290,832</b>	<b>3,488,463</b>	<b>-</b>	<b>3,488,463</b>
<b>FUND BALANCE, RESERVES</b>									
Estimated Beginning Balance	22,643,831	4,471,989	27,115,820	21,930,215	3,030,125	24,960,340	24,414,193	2,836,979	27,251,172
<b>Estimated Ending Balance</b>	<b>21,930,215</b>	<b>3,030,125</b>	<b>24,960,340</b>	<b>24,414,193</b>	<b>2,836,979</b>	<b>27,251,172</b>	<b>27,902,656</b>	<b>2,836,979</b>	<b>30,739,635</b>
Nonspendable	12,000	-	12,000	12,000	-	12,000	12,000	-	12,000
Restricted	-	3,030,125	3,030,125	-	2,836,979	2,836,979	-	2,836,979	2,836,979
Assigned	17,587,800	-	17,587,800	17,557,600	-	17,557,600	18,033,800	-	18,033,800
Unassigned - REU @ 3%	3,286,700	-	3,286,700	3,277,100	-	3,277,100	3,379,100	-	3,379,100
Unassigned - Other	1,043,715	-	1,043,715	3,567,493	-	3,567,493	6,477,756	-	6,477,756
<b>Total - Est. Fund Balance</b>	<b>21,930,215</b>	<b>3,030,125</b>	<b>24,960,340</b>	<b>24,414,193</b>	<b>2,836,979</b>	<b>27,251,172</b>	<b>27,902,656</b>	<b>2,836,979</b>	<b>30,739,635</b>
<b>Fund Balance Reserve Percentage</b> (Combined Assigned & Unassigned)			<b>20.01%</b>			<b>22.34%</b>			<b>24.76%</b>

# TUHSD Summary of Multi-Year Projections

	2021-22	2022-23 #	2023-24	2024-25
<b>Operating Surplus (Deficit)</b> (March 2022)	\$1.6M	\$(2.0M)	\$1.5M*	--
<b>Ending Fund Balance/Reserve</b> (March 2022)	\$23.6M (22.1%)	\$21.6M (20.4%)	\$23.1M (21.7%)	--
<b>Operating Surplus (Deficit)</b> (June 2022)	\$643k	\$(714k)	\$2.5M*	\$3.5M*
<b>Ending Fund Balance/Reserve</b> (June 2022)	\$22.6M (20.7%)	\$21.9M (20.0%)	\$24.4M (22.3%)	\$27.9M (24.8%)

## Key Assumptions:

\* Figures do not include any potential increase in staff compensation

# Expiration of State pension relief to TUHSD (\$1.1M)



# Summary of All Funds

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# Summary of All Funds

Below is a summary of each Fund's fund balance (or reserve) and estimated changes.

FUND	2021-22	Est. Net Change	2022-23
GENERAL (UNRESTRICTED & RESTRICTED)	\$27,115,820	(\$2,155,480)	\$24,960,340
ASSOCIATED STUDENT BODY FUND	\$753,239	\$0	\$753,239
ADULT EDUCATION	\$586,549	(\$103,151)	\$483,398
CAFETERIA FUND	\$542,575	(\$358,082)	\$184,493
DEFERRED MAINTENANCE	\$2,312,088	\$367,000	\$2,679,088
FOUNDATION SPECIAL RESERVE	\$54,081	\$300	\$54,381
CAPITAL FACILITIES	\$431,435	(\$48,192)	\$383,243
CAPITAL OUTLAY	\$9,558,383	(\$1,863,452)	\$7,694,931
BOND INTEREST & REDEMPTION	\$9,853,544	(\$171,290)	\$9,682,254
<b>TOTAL</b>	<b>\$51,207,714</b>	<b>(\$4,332,347)</b>	<b>\$46,875,367</b>

# Uncertainties & Prudence

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# Uncertainties & Prudence

- Unknown duration of local economy recovery & impact on local property tax revenues
- TUHSD is now past 'peak enrollment' in 2021-22 with ongoing projected declines through current Kindergarten class
  - *Will current Marin real estate growth translate into increase in future students?*
- New 'Class Size Increase' MOU expires in 2025-2026 school year
- Concerns about future increases to STRS & PERS pension rates given statewide loss of enrollment & staff paying into pension systems
- All COVID relief funding is now exhausted at the conclusion of Summer School 2022
- Statewide trend of Special Education costs increases continue ('unfunded mandate')
- TFT and CSEA employee groups have settled on compensation with TUHSD through 2022-23, but not beyond
  - Future cost of a 1% raise in 2023-24 estimated to be \$600k

• TUHSD is projecting balanced budgets in the official 3-year MYP = Sustainable

# 2022-23 Budget Calendar & Key Dates



May 2022	Governor's May Revise Budget Proposal for 2022-23
June 2022	CA State Legislature must propose budget plan by June 15th TUHSD must adopt a budget by June 30th
August 2022	<u>Likely</u> TUHSD 45-day budget revision for 2022-23, pending State budget
September 2022	Unaudited Actuals Budget Report for 2021-22
December 2022	1st Interim Budget Report for 2022-23

# Questions? Comments?

