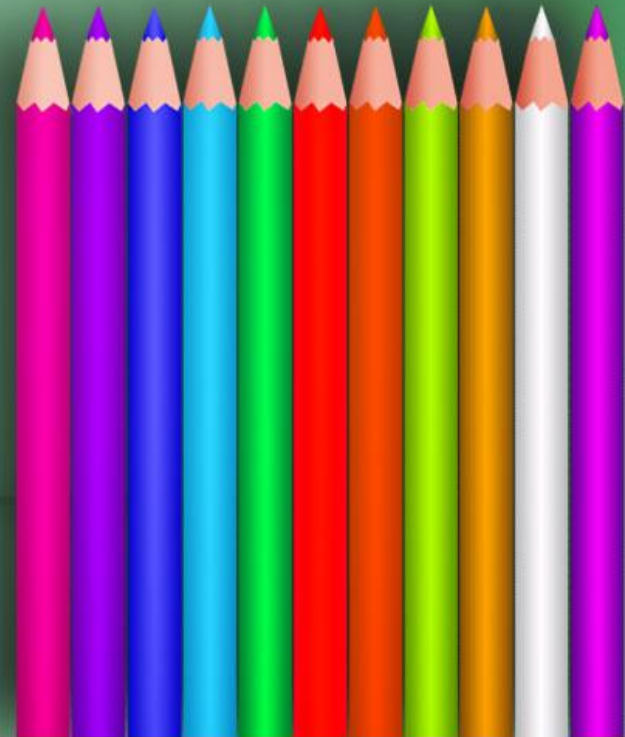


SAN PASQUAL UNION SCHOOL DISTRICT

2022-23 PROPOSED
BUDGET

Rhonda Brown, Chief Business Officer
June 28, 2022



BUDGET CYCLE

- **LCAP & Budget Adoption – June 2022**
 - June 2022, 1st Board Meeting
 - LCAP & Proposed Budget
 - June 2022, 2nd Board Meeting
 - LCAP Approval & Proposed Budget Adoption
- **Unaudited Actuals – September 2022**
 - Close out Fiscal Year as of June 30th
 - Board reviews and approves report
- **First Interim – December 2022**
 - First Revision of Adopted Budget
- **Annual Audit – December 2022**
 - Independent audit firm submits report on district's fiscal & programs review/findings
- **Board Review of final Audit Report – January 2023**
- **Second Interim – March 2023**
 - Second Revision of Adopted Budget



2022-23 LCFF Funding Factors (Per May Revise)



It also provides an additional \$2.1 billion in ongoing Proposition 98 General Fund to increase LCFF funding

Supplemental and concentration grants are calculated based on the percentage—unduplicated pupil percentage (UPP)—of enrolled students who are English learners, eligible for free or reduced-price meals (FRPM), or foster youth

Two grade span adjustments (GSAs) are applied as percentage increases to the base grants: K-3—10.4% and 9-12—2.6%

The May Revision increases LCFF base grants by the 6.56% statutory COLA—an increase in funding per student, not total funding

Base grants are provided by grade span: K-3, 4-8, 6-7, and 9-12

Additional \$2.1 billion in budget not included in Budget Assumptions

2022-23 LCFF Funding

May Revision	<ul style="list-style-type: none">• Provides an additional \$2.1 billion in ongoing Proposition 98 General Fund to increase LCFF funding<ul style="list-style-type: none">• Applied through the existing formula, which subsequently increases the GSAs, as well as supplemental and concentration grants
Assembly	<ul style="list-style-type: none">• Bill (AB) 1948 (Ting, D-San Francisco)—15% COLA for LCFF<ul style="list-style-type: none">• Increases LCFF funding by approximately \$5.6 billion• Increases number of students identified as low-income
Senate	<ul style="list-style-type: none">• \$5 billion, growing to \$10 billion by 2024-25, for a permanent ongoing increase



2022–23 LCFF Funding Factors (Budgeted Amounts)

Grade Span	K-3	4-6	7-8
2022-23 Base Grant per ADA	\$8,093	\$8,215	\$8,458
6.56% COLA	\$531	\$539	\$555
2022-23 Base Grant per ADA	\$8,624	\$8,754	\$9,013
GSA	\$897	-	-
2022-23 Adjusted Base Grant per ADA	\$9,521	\$8,754	\$9,013
20% Supplemental Grant per ADA (Total UPP)	\$525	\$483	\$497

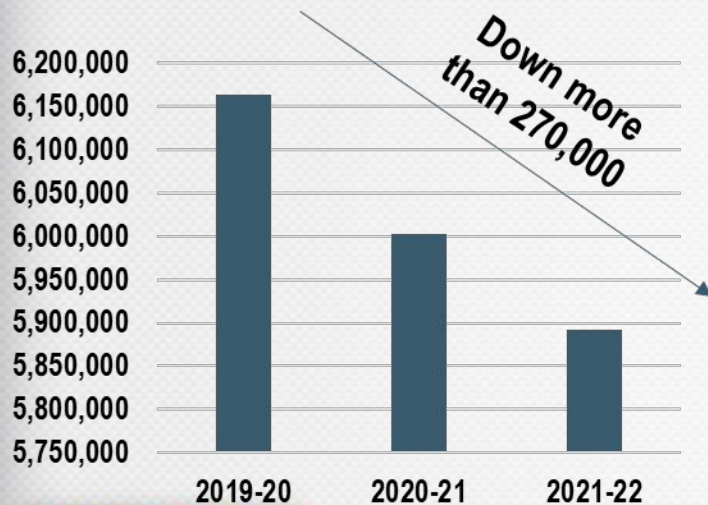


2022-23 ADA “Cliff”

- The ADA “Cliff” has become a two-headed monster—the combination is significant

Declining Enrollment

K-12 Enrollment



ADA-to-Enrollment Percentage

- The rate at which children are attending school is on the decline
 - Quarantine/illness
 - Independent study
 - Unsigned master agreements
 - Homework not returned in a timely manner
 - Audit findings on the rise?



ADA Cliff—Proposed Solution

- The Governor has proposed solutions to mitigate both these issues
 - The first solution benefits school districts only
 - This was in the Governor's Budget
- The declining enrollment protection has also been included in the amended version of Assembly Bill (AB) 1948 (Ting, D-San Francisco)

Declining Enrollment Protection

Funding would be based on the greater of:
Current-year ADA,
Prior-year ADA,
or
Computed average ADA using the prior three years' ADA



ADA Cliff—Proposed Solution

- The second solution benefits LEAs with classroom-based programs
 - School districts
 - Classroom-based charter schools
 - COEs
- Comparison of attendance yield
 - Also referred to as ADA-to-enrollment percentage
- Language is not present in any active bills in the Senate or Assembly, but that does not signal disapproval of the concept

COVID-19 ADA Relief

2021-22 ADA would be based on greater of:

Attendance yield from 2019-20

or

Attendance yield from 2021-22



Pension Contribution Rates

CalSTRS

- On May 4, 2022, the California State Teachers' Retirement System (CalSTRS) Board adopted an employer contribution rate of 19.1% for 2022-23
- In the latest CalSTRS actuarial valuation report, it is projected that the employer contribution rates will remain steady at 19.1% through CalSTRS' full funding goal date of 2046
- Unless the 2022-23 Enacted State Budget includes a supplemental contribution to CalSTRS on behalf of employers to pay for the increased pension costs, SSC recommends that LEAs plan for the employer contribution rate of 19.1% beginning in 2022-23 and for the next several years thereafter

CalSTRS Rates	
Year	Employer Rate*
2018-19	16.28%
2019-20	17.10%
2020-21	16.15%
2021-22	16.92%
2022-23	19.10%
2023-24	19.10%
2024-25	19.10%



Pension Contribution Rates

CalPERS

- The California Public Employees' Retirement (CalPERS) Board adopted an employer contribution rate of 25.37% for 2022-23 (up 2.46% from the current-year rate of 22.91%)
- Post-PEPRA¹ members hired on or after January 1, 2013, will see a 1.00% increase to their current contribution of 7.00%, for a total of 8.00% of their salary effective July 1, 2022
- Classic member contribution rates are not subject to PEPRA and are set by statute—they will continue to contribute 7.00% of their salary

	Actual	Projected				
Employer Contribution Rate	2022-23*	2023-24	2024-25	2025-26	2026-27	2027-28
	25.37%	25.20%	24.60%	23.70%	22.60%	22.60%

*2022-23 Employer contribution rate approved by CalPERS Board on April 18, 2022



Multiyear Projections

- Multiyear projections (MYPs) are required by AB 1200 (Chapter 1213/1991) and AB 2756 (Chapter 52/2004)
- Recognize that MYPs are ***projections, not forecasts***
 - Projections are expected to change as various factors change – they are not predictions
 - Projections are the mathematical result of today's decisions based on a given set of assumptions
 - Forecasts are predictions of the future – there is a higher implied reliability factor than for projections
- Projections will change any time the underlying factors change – therefore, plan to adjust as conditions change



SSC Financial Projection Dashboard

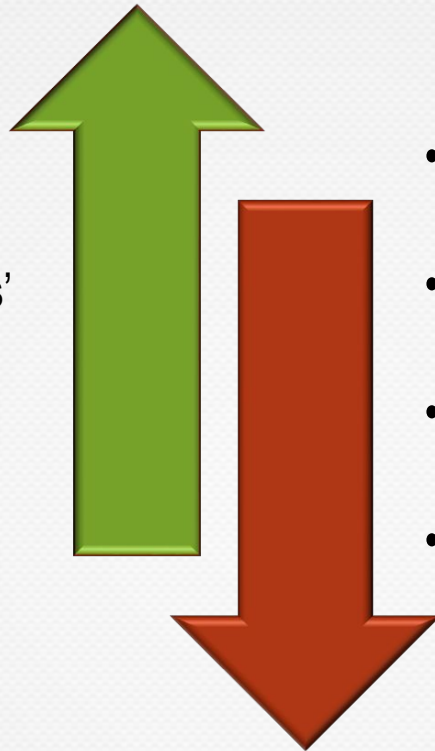
- Cost of goods and services are projected to increase more dramatically in the near-term
 - Shortage of goods due to lack of production
 - Increased demand resulting from economy reopening, plus infusion of multiple federal stimulus packages

LCFF Planning Factors Governor's Budget vs. May Revision						
	2022-23		2023-24		2024-25	
	January	May	January	May	January	May
DOF Estimated COLA	5.33%	6.56%	3.61%	5.38%	3.64%	4.02%



Impacts on Multiyear Projections

- Funded LCFF Increase
- Increased categorical funds' COLAs
- One-time federal funds
- One-time state funds



- Cost of goods and services
- State pension costs
- “New hires” with one-time funds
- Additional costs to mitigate learning loss



Assumptions for Proposed Budget

□ Assumptions were based on Governor's May Revise

– Cost of Living Adjustment (COLA)		\$6.56%
– Mandate Block Grant – K-8	\$34.94/ PY P2 ADA	
– Unrestricted Lottery	\$163.00/Annual ADA	
– Restricted Lottery	\$65.00/Annual ADA	
– STRS Employer Rate	19.10%	
– PERS Employer Rate	25.37%	
– Social Security Employer Rate	6.2%	
– Med Employer Rate	1.45%	
– SUI Employer Rate	.5%	
– Workers Comp Rate	1.75%	



Multi-Year Projections

San Pasqual Union Elementary
Multi-Year Projections Summary Report
2022-23 Adopted Budget

DESCRIPTION	OBJECT CODE	FY 2022-23 Current (Base Year)			FY 2023-24 First Projected Year			FY 2024-25 Second Projected Year		
		Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined
A Beginning Balance as of July 1		\$1,788,203	\$140,904	\$1,929,107	\$1,773,678	\$140,904	\$1,914,582	\$1,716,953	\$140,903	\$1,857,455
B Revenues										
1 Revenue Limit Sources	8010-8099	4,905,139	38,420	4,943,559	4,888,124	38,420	4,926,544	4,792,425	38,420	4,830,845
2 Federal Revenues	8100-8299	0	513,910	513,910	0	194,447	194,447	0	194,447	194,447
3 Other State Revenues	8300-8599	97,336	596,996	694,332	91,451	568,515	659,966	91,451	568,515	659,966
4 Other Local Revenues	8600-8799	66,000	395,571	461,571	66,000	395,571	461,571	66,000	395,571	461,571
5 Total Revenues		5,068,475	1,544,897	6,613,372	5,045,575	1,196,953	6,242,528	4,949,876	1,196,953	6,146,829
Beginning Balance & Revenue (A+B)		\$6,856,678	\$1,685,801	\$8,542,479	\$6,819,253	\$1,337,857	\$8,157,110	\$6,666,427	\$1,337,857	\$8,004,284
C Expenditures										
1 Certificated Salaries	1000-1999	2,189,880	597,203	2,787,083	2,230,187	414,530	2,644,717	2,261,105	420,379	2,681,484
2 Classified Salaries	2000-2999	695,432	316,642	1,012,074	707,912	296,657	1,004,569	720,793	301,438	1,022,172
3 Employee Benefits	3000-3999	1,014,627	592,769	1,607,396	1,028,668	531,905	1,560,574	1,040,086	533,523	1,573,609
4 Books & Supplies	4000-4999	211,187	134,785	345,972	217,818	100,697	318,506	222,109	102,671	324,780
5 Services, Other Operating Exp	5000-5999	553,931	219,039	772,970	553,105	199,783	752,888	570,510	203,713	774,223
6 Capital Outlay	6000-6999	0	0	0	0	0	0	0	0	0
7 Other Outgo - exclude Direct Sup.	7100-7299	30,000	72,402	102,402	0	12,402	12,402	0	12,402	12,402
8 Debt Service	7400-7499	0	0	0	0	0	0	0	0	0
9 Direct Support/Indirect Costs	7300-7399	0	0	0	0	0	0	0	0	0
10 CSR Reduction (for info only)	1000-7999	0	0	0	0	0	0	0	0	0
11 Projected Budget Reduction		0	0	0	0	0	0	0	0	0
12 Total Expenditures:		\$4,695,057	\$1,932,840	\$6,627,897	\$4,743,690	\$1,595,965	\$6,239,655	\$4,814,544	\$1,574,131	\$6,388,675
D Interfund Xfers/Other Sources										
1 Transfers In	8910-8929	0	0	0	0	0	0	0	0	0
2 Transfers Out	7610-7629	0	0	0	0	0	0	0	0	0
3 Sources	8930-8979	0	0	0	0	0	0	0	0	0
4 Uses	7630-7699	0	0	0	0	0	0	0	0	0
5 Contributions	8980-8999	(387,943)	387,943	0	(359,011)	359,011	0	(377,178)	377,178	0
E Net Increase (Decrease) In Fund Balance		(\$14,525)	\$0	(\$14,525)	(\$57,126)	\$0	(\$57,127)	(\$241,846)	\$0	(\$241,846)
F Ending Balance		\$1,773,678	\$140,904	\$1,914,582	\$1,716,953	\$140,903	\$1,857,455	\$1,474,706	\$140,903	\$1,615,609
1 Revolving Cash	9711	1,000	0	1,000	1,000	0	1,000	1,000	0	1,000
2 Other Reserves	97xx	0	0	0	0	0	0	0	0	0
3 Restricted	9740	0	140,904	140,904	0	140,903	140,903	0	140,903	140,903
4 Stabilization Arrangements	9750	0	0	0	0	0	0	0	0	0
5 Other Commitments	9760	0	0	0	0	0	0	0	0	0
6 Assigned - Other Assignments	9780	1,000,000	0	1,000,000	800,000	0	800,000	600,000	0	600,000
7 Reserve for Economic Uncertainties	9783	265,116	0	265,116	251,986	0	251,986	255,547	0	255,547
8 Unassigned/unappropriated Amount	9790	507,562	0	507,562	663,565	0	663,565	618,159	0	618,159
G Components of Ending Fund Balance Total		\$1,773,678	\$140,904	\$1,914,582	\$1,716,953	\$140,903	\$1,857,455	\$1,474,706	\$140,903	\$1,615,609

		4% Calculated Reserve, or \$50,000 (greater of the two)			
Reserve Percentage Level for this district:	4.00%	Total Reserves	4% Calculated	Difference*	
FY 2022-23 ADA Input Sheet (District):	4.9173	FY 2022-23 Bud	\$265,116	\$265,116	\$0
		FY 2023-24 Proj	\$251,986	\$251,986	\$0
		FY 2024-25 Proj	\$255,547	\$255,547	\$0
FY 2023-24 Unappropriated Amount is:	Positive				
FY 2024-25 Unappropriated Amount is:	Positive				

Balance of Excess Minimum Reserve

District: San Pasqual Union
 CDS #: 37-68353

Adopted Budget
 2022-23 Budget Attachment
 Balances in Excess of Minimum Reserve Requirements

Reasons for Assigned and Unassigned Ending Fund Balances in Excess of Minimum Recommended Reserves

Education Code Section 42127(a)(2)(B) requires a statement of the reasons that substantiates the need for assigned and unassigned ending fund balances in excess of the minimum reserve standard for economic uncertainties for each fiscal year identified in the budget.

Combined Assigned and Unassigned/unappropriated Fund Balances		2022-23 Budget	Objects 9780/9789/9790
Form	Fund		
01	General Fund/County School Service Fund	\$1,914,582.00	Form 01
17	Special Reserve Fund for Other Than Capital Outlay Projects	\$241,474.00	Form 17
Total Assigned and Unassigned Ending Fund Balances		\$2,156,056.00	
District Standard Reserve Level		4%	Form 01CS Line 10B-4
Less District Minimum Reserve for Economic Uncertainties		\$265,116.00	Form 01CS Line 10B-7
Remaining Balance to Substantiate Need		\$1,890,940.00	

Reasons for Fund Balances in Excess of Minimum Reserve for Economic Uncertainties

Form	Fund	2022-23 Budget	Description of Need
01	General Fund/County School Service Fund	\$600,000.00	Declining Enrollment
01	General Fund/County School Service Fund	\$100,000.00	Cash Flow
01	General Fund/County School Service Fund	\$150,000.00	Campus Safety Projects
01	General Fund/County School Service Fund	\$150,000.00	Security System Replacement
01	General Fund/County School Service Fund	\$100,000.00	Curriculum/Textbook Adoption
01	General Fund/County School Service Fund	\$500,000.00	Portable Replacement
01	General Fund/County School Service Fund	\$49,466.00	Legal Fees
17	Special Reserve Fund for Other Than Capital Outlay Projects	\$70,000.00	Special Education IDT
17	Special Reserve Fund for Other Than Capital Outlay Projects	\$100,000.00	Unanticipated Exp (Maintenance & Facilities)
17	Special Reserve Fund for Other Than Capital Outlay Projects	\$71,474.00	Technology Infrastructure
Insert Lines above as needed			
Total of Substantiated Needs		\$1,890,940.00	

Remaining Unsubstantiated Balance \$0.00 Balance should be Zero

Education Code Section 42127 (d)(1) requires a county superintendent to either conditionally



Other Considerations

- Discretionary Block Grant - One-Time
- Expanded Learning Opportunities Program Funding
- Deferred Maintenance Funding - One-Time
- Transportation



The Road Ahead

- **The May Revision demonstrates that the Governor has heard the call of the education community**
 - **More investments in LCFF funding!**
 - **Flexible one-time resources without a required plan!**
 - **No new categorical programs!**
 - **Let's hope these priorities stick through the next step**



Questions

