

## Speaking Points

### Special Study Session 10-5-23

#### **Purpose**

The need to address the District's continued declining enrollment and low schools' enrollments.

Deciding the number and location of school sites Ocean View School District should have for optimum student learning and achievement now, and in the next 5 to 10 years.

#### **Board – Superintendent Goals**

Increase District capacity, effectiveness, and efficiency, which includes personnel, budgeting, enrollment, facilities, safety, etc.

#### **Staffing (Personnel)**

The District is overstaffed by at least 22 teachers due to low school enrollment. If we take into consideration the 12 Transitional Kindergarten classes district wide with 4-years old students, who do not generate funding, we are overstaffed by approximately 34 teachers. This cost ranges from approximately \$2.3 to \$3.5 Million dollars.

#### **OVERVIEW**

OVSD has prided itself on low class sizes, not low school enrollments, and working environment – working conditions for our teachers and classified employees. The tradeoff has been that teachers have received lower pay than our counterparts as compared to other OC elementary school districts. We have been historically in the bottom 10 percent, or the bottom, for at least the past 25 years.

Unfortunately, inflation has increased, and the cost of goods has increased –

gasoline costs \$6/gallon or more, two plastic bags of groceries cost \$150 or more, going out to dinner for a family of 3 or 4 costs \$200-\$250, on so on.

There is an 8% COLA for this school year. Orange County schools districts have negotiated salary increases between 3% - 5% for this school year. Buena Park recently negotiated as part of a multi-year agreement for 8% for this school year. Fountain Valley recently settled for 5% for their Classified employees.

We have talked about the priority of attracting and retaining highly qualified employees, so I share with you that we have already begun negotiating with our employees this year, although we have not discussed salary or benefits as of yet.

### **Budgeting**

I share this with you as background information regarding information you have before you. I will review four (4) hypothetical assumptions – “what if” budget projections and scenarios, based upon requests from the Board as well as the Task Force. There are some considerations that need to be understood regarding budgeting.

First, are the three (3) budget certifications that must be approved by the Board, Superintendent, and Chief Business Official regarding the District’s financial health and stability, and fiscal well-being. It is the Board’s fiduciary responsibility to keep the District solvent.

### **Budget Certifications**

Positive, Qualified, and Negative. I have provided you with a handout. (Handout)

#### **1. Positive Certification:**

- **Definition:** A Positive Certification indicates that the school district's budget is balanced, and it demonstrates that the district will be able to meet its financial obligations for the current and subsequent fiscal years.

## 2. **Qualified Certification:**

- **Definition:** A Qualified Certification is a less favorable status and indicates that while the budget may be balanced for the current year, the district may face financial challenges or deficits in the subsequent fiscal years.

## 3. **Negative Certification:**

- **Definition:** A Negative Certification is the most concerning status and indicates that the school district's budget is not balanced, and it cannot meet its financial obligations for the current or subsequent fiscal years.

## Multi-Year Projections

Year-over-year compounding in multi-year budgeting can have several effects, both positive and negative, on a district's financial stability and planning. Here are some of the key effects:

### Positive Effects:

1. Accurate Long-Term Planning: Multi-year budgeting allows districts to create more accurate long-term financial plans. It helps in anticipating future financial needs and setting realistic goals.
2. Stable Financial Projections: With multi-year budgeting, districts can smooth out short-term fluctuations and uncertainties in revenue and expenses. This provides a more stable financial outlook.
3. Strategic Investment: districts can strategically allocate resources for investments and projects that require multiple years to complete. This helps in efficient use of funds for initiatives that contribute to long-term growth.
4. Resource Allocation: It allows for better allocation of resources over several years. For example, if the district knows that it will need to replace equipment in three years, it can budget for it gradually rather than facing a sudden financial burden.

### Negative Effects:

1. Inflexibility: Multi-year budgets can be less flexible in responding to unexpected changes in the economy or district's circumstances. Budgets may need to be amended mid-cycle, which can be challenging.
2. Risk of Inaccuracy: Long-term forecasts are subject to uncertainties; it can lead to financial difficulties down the road.
3. Tied-Up Funds: Budgeting for multi-year projects or obligations may tie up funds for an extended period, limiting the district's ability to respond to new opportunities or emergencies.
4. Changing Priorities: Organizational priorities can shift over time, and a multi-year budget may not easily adapt to these changes without significant adjustments.

Districts can use multi-year budgets to build reserves or contingency funds, which can help mitigate risks associated with economic downturns, emergencies, or unforeseen expenses. Having financial reserves can provide a buffer during challenging times. However, when plans reduce the ability for budget contingencies, it limits the district's ability to financially respond and adapt to new challenges or emergencies. The compounding effect in multi-year budgeting highlights the importance of seizing financial opportunities and making timely decisions. It demonstrates that money saved or earned in earlier years has a lasting and growing impact on a school district's financial situation. This concept serves as a reminder that "time is money," emphasizing the critical role of multi-year budgeting and strategic financial planning in achieving and maintaining financial stability. This principle underscores the importance of timely decision-making and proactive financial planning in multi-year budgeting, as it can significantly impact the district's financial health and sustainability over time.

## **Budget Projections**

These budget projections are 5-year budget projections based on hypothetical assumptions – “what if scenarios” which include, school consolidation scenarios, reducing 3 teachers each year for 5 years, and including a 3 % salary schedule increase. Based on the scenario, I will share if the scenario represents a Positive, Qualified, or Negative certification.

I want to expressly emphasize and point out that the District is required to negotiate with our employees associations to the extent required and mandated by state law. I am in no way expressing the District’s position regarding salary schedules, but only providing hypothetical assumptions and examples of various aspects that impact the conversation of school consolidation.

## **Negotiations**

Negotiations with our employee associations are legislatively mandated as part of the Government Code, Educational Employment Relations Act (EERA) of 1976, which dictates the requirements of negotiations with our employee associations. I have provided you with a handout. (Handout)

As part of negotiations, districts must comply with AB 1200 and collective bargaining agreement public disclosure requirements of Government Code Section 3547.5, which requires a 3-year multi-year projection. The budget projections we are sharing with the Board tonight are 5-year multi-year projections, more than what is required by state law.

On another related topic, but not included in any of the four scenarios is the subject of **selling surplus district property**, which has also been mentioned. California Education Code provides guidelines for where the proceeds of school property sales should be deposited and the allowable uses of those funds. I have provided you with a handout. (Handout)

### **Current challenge:**

The current challenge and question before the Board is whether this Board makes a decision now or in the near future or passes this issue of declining enrollment and low schools' enrollment off to a future Board to address.

### **Review the budget scenarios**

There are four (4) hypothetical assumptions – “what if” scenarios before you: refer to Roman numeral in upper left-hand corner

Roman numeral 1: Do nothing, reduce 3 teachers per year for 5 years, 3% raise

Roman numeral 2: Consolidate 1 school, reduce 3 teachers per year for 5 years, 3% raise

Roman numeral 3: Consolidate 3 schools, use middle school, reduce 3 teachers per year for 5 years, 3% raise

Roman numeral 4: Consolidate 4 schools, use middle school, reduce 3 teachers per year for 5 years, 3% raise

## Budget Certifications

The three budget certifications, Positive, Qualified, and Negative, represent different financial statuses or conditions for a school district:

### 1. Positive Certification:

- **Definition:** A Positive Certification indicates that the school district's budget is balanced, and it demonstrates that the district will be able to meet its financial obligations for the current and subsequent fiscal years.
- **Key Characteristics:**
  - The district's revenues are projected to be sufficient to cover all budgeted expenses.
  - There are no expected cash flow issues or deficits in the short term.
  - The district has taken necessary steps to maintain fiscal solvency.

### 2. Qualified Certification:

- **Definition:** A Qualified Certification is a less favorable status and indicates that while the budget may be balanced for the current year, the district may face financial challenges or deficits in the subsequent fiscal years.
- **Key Characteristics:**
  - The district's budget may be balanced for the current year, but there are concerns about future financial stability.
  - Projections show potential deficits or financial difficulties in the near future.
  - The district may need to take corrective actions to avoid a Negative Certification.

### 3. Negative Certification:

- **Definition:** A Negative Certification is the most concerning status and indicates that the school district's budget is not balanced, and it cannot meet its financial obligations for the current or subsequent fiscal years.
- **Key Characteristics:**
  - The district's budget is structurally imbalanced, with projected deficits that cannot be covered.
  - There is a significant risk of insolvency, leading to an inability to pay debts or obligations.
  - The district may require intervention, such as state oversight or financial assistance, to address its financial crisis.

In summary, Positive Certification indicates financial health and stability, Qualified Certification suggests potential financial challenges in the future, and Negative Certification signifies a critical financial crisis that requires immediate attention and intervention. These certifications are typically issued by a school district's financial authorities or governing bodies and are important indicators of the district's fiscal well-being.



## GOVERNMENT CODE - GOV

**TITLE 1. GENERAL [100 - 7931.000]** ( *Title 1 enacted by Stats. 1943, Ch. 134.*  )

**DIVISION 4. PUBLIC OFFICERS AND EMPLOYEES [1000 - 3599]** ( *Division 4 enacted by Stats. 1943, Ch. 134.*  )

**CHAPTER 10.7. Meeting and Negotiating in Public Educational Employment [3540 - 3549.3]** ( *Chapter 10.7 added by Stats. 1975, Ch. 961.*  )

**ARTICLE 1. General Provisions [3540 - 3540.2]** ( *Article 1 added by Stats. 1975, Ch. 961.*  )

**3540.** It is the purpose of this chapter to promote the improvement of personnel management and employer-employee relations within the public school systems in the State of California by providing a uniform basis for recognizing the right of public school employees to join organizations of their own choice, to be represented by the organizations in their professional and employment relationships with public school employers, to select one employee organization as the exclusive representative of the employees in an appropriate unit, and to afford certificated employees a voice in the formulation of educational policy. This chapter shall not supersede other provisions of the Education Code and the rules and regulations of public school employers which establish and regulate tenure or a merit or civil service system or which provide for other methods of administering employer-employee relations, so long as the rules and regulations or other methods of the public school employer do not conflict with lawful collective agreements.

It is the further intention of the Legislature that this chapter shall not restrict, limit, or prohibit the full exercise of the functions of any academic senate or faculty council established by a school district in a community college to represent the faculty in making recommendations to the administration and governing board of the school district with respect to district policies on academic and professional matters, so long as the exercise of the functions does not conflict with lawful collective agreements.

It is the further intention of the Legislature that any legislation enacted by the Legislature governing employer-employee relations of other public employees shall be incorporated into this chapter to the extent possible. The Legislature also finds and declares that it is an advantageous and desirable state policy to expand the jurisdiction of the board created pursuant to this chapter to cover other public employers and their employees, in the event that this legislation is enacted, and if this policy is carried out, the name of the Educational Employment Relations Board shall be changed to the "Public Employment Relations Board."

*(Amended by Stats. 1988, Ch. 160, Sec. 51.)*

## Sale of District Property

The California Education Code addresses the sale of property owned by school districts, and it provides guidelines on where the proceeds from such sales should be deposited and the allowable uses of those funds. Here are the key points:

### Depositing Sale Proceeds:

- According to *California Education Code Section 17463*, when a school district sells real property, the proceeds from the sale should be deposited into a special fund known as the "School Building Fund." This fund is specifically earmarked for financing various building and capital improvement projects related to school facilities and infrastructure within the district. For Ocean View School District this "Building Fund" is Fund 40, Special Reserve for Capital Outlay Projects defined by the California Schools Accounting Manual version 2019.

### Allowable Uses of Sale Proceeds:

- The California Education Code specifies that the funds deposited into the School Building Fund can be used for specific purposes related to school facilities and capital improvements. These allowable uses typically include:
  1. **Acquisition of Property:** Funds may be used to acquire land or property for the construction of new schools, expansion of existing facilities, or other educational purposes.
  2. **Construction and Renovation:** Proceeds can be used for the construction, renovation, or repair of school buildings, classrooms, and related infrastructure.
  3. **Debt Service:** In some cases, the funds may be used to pay off debts incurred for capital projects, such as bonds issued for facility improvements.
  4. **Capital Outlay Projects:** The funds can support capital outlay projects that enhance the quality and safety of educational facilities.
  5. **Deferred Maintenance:** Some funds may be allocated for deferred maintenance projects to ensure the upkeep and safety of school facilities.
  6. **Other Capital Needs:** Proceeds can be used for various capital needs, including the purchase of equipment, technology, or other assets that support education.

### Non-Allowable Uses:

- The Education Code typically restricts the use of these funds for any other purpose not directly related to school construction and improvement. They cannot be used for general operational expenses, salaries, or non-capital expenditures.



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Year 1 - 1.00% salary increase Year 2 - 3 FTE 0.00% salary increase Year 3 - 4 FTE 0.00% salary increase Year 4 - 5 FTE 0.00% salary increase Year 5 - 6 FTE 0.00% salary increase	2023-2024		2024-2025		2025-2026		2026-2027		2027-2028		3.16% COLA	
	Unrestricted	Restricted										
LCFF Revenue	84,569,876.00	-	82,245,403.77	-	82,319,309.81	-	82,319,309.81	-	82,277,557.76	-	82,277,557.76	-
Federal Revenue	6,403,316.81	-	3,796,166.00	-	3,796,166.00	-	3,796,166.00	-	3,796,166.00	-	3,796,166.00	-
Other State Revenue	11,590,908.00	-	11,590,908.00	-	11,590,908.00	-	11,590,908.00	-	11,590,908.00	-	11,590,908.00	-
Other Local Revenue	1,782,615.18	6,111,368.38	1,782,615.00	6,525,850.00	1,782,615.00	6,525,850.00	1,782,615.00	6,718,727.00	1,782,615.00	6,915,845.00	1,782,615.00	6,915,845.00
<b>Total Revenue</b>	<b>88,124,956.18</b>	<b>24,105,793.19</b>	<b>85,800,493.77</b>	<b>21,912,924.00</b>	<b>85,800,493.81</b>	<b>22,105,801.00</b>	<b>85,800,493.81</b>	<b>22,105,801.00</b>	<b>85,832,647.76</b>	<b>22,302,959.00</b>	<b>85,832,647.76</b>	<b>22,302,959.00</b>
Certified Salaries	34,157,435.00	11,238,117.31	34,692,064.00	10,709,051.99	34,850,295.00	10,869,687.99	34,850,295.00	10,869,687.99	35,272,545.00	11,032,732.99	35,272,545.00	11,032,732.99
Classified Salaries	12,093,818.76	7,223,087.39	12,176,102.76	7,296,230.33	12,176,102.76	7,296,230.33	12,176,102.76	7,350,952.33	12,403,036.76	7,406,094.33	12,403,036.76	7,406,094.33
Employee Benefits	17,803,914.00	11,816,618.26	17,879,045.73	11,693,710.26	17,905,338.73	11,727,114.26	17,905,338.73	11,727,114.26	17,857,206.73	11,727,114.26	17,857,206.73	11,727,114.26
Books and Supplies	6,455,043.99	4,349,715.00	6,455,043.99	4,349,715.00	6,455,043.99	4,349,715.00	6,455,043.99	4,349,715.00	6,455,043.99	4,349,715.00	6,455,043.99	4,349,715.00
Services & Other Operating Exp.	885,100.00	1,507,310.00	877,965.00	1,412,225.00	877,965.00	1,412,225.00	877,965.00	1,412,225.00	877,965.00	1,412,225.00	877,965.00	1,412,225.00
Capital Outlay	128,000.00	350,802.00	128,000.00	350,802.00	128,000.00	350,802.00	128,000.00	350,802.00	128,000.00	350,802.00	128,000.00	350,802.00
Other Outlay	(343,270.00)	271,822.00	(343,270.00)	271,822.00	(343,270.00)	271,822.00	(343,270.00)	271,822.00	(343,270.00)	271,822.00	(343,270.00)	271,822.00
Indirect Costs	73,045,511.58	38,868,177.40	74,407,652.58	36,816,607.72	74,407,652.58	36,816,607.72	74,407,652.58	36,816,607.72	75,895,646.58	37,214,724.72	75,895,646.58	37,214,724.72
<b>Expenses</b>	<b>15,079,454.60</b>	<b>(14,762,384.21)</b>	<b>11,192,841.19</b>	<b>(14,803,888.72)</b>	<b>10,614,985.23</b>	<b>(14,892,844.72)</b>	<b>9,987,001.18</b>	<b>(14,911,765.72)</b>	<b>9,987,001.18</b>	<b>(14,911,765.72)</b>	<b>9,987,001.18</b>	<b>(14,911,765.72)</b>
Surplus/Deficit	73,045,511.58	38,868,177.40	74,407,652.58	36,816,607.72	74,407,652.58	36,816,607.72	74,407,652.58	36,816,607.72	75,895,646.58	37,214,724.72	75,895,646.58	37,214,724.72
Interfund Transfer In	15,079,454.60	(14,762,384.21)	11,192,841.19	(14,803,888.72)	10,614,985.23	(14,892,844.72)	9,987,001.18	(14,911,765.72)	9,987,001.18	(14,911,765.72)	9,987,001.18	(14,911,765.72)
Interfund Transfer out	-	-	-	-	-	-	-	-	-	-	-	-
Uses	-	-	-	-	-	-	-	-	-	-	-	-
Contribution	(16,766,663.00)	16,766,663.00	(15,839,711.00)	15,839,711.00	(15,839,711.00)	15,839,711.00	(15,839,711.00)	15,839,711.00	(15,839,711.00)	15,839,711.00	(15,839,711.00)	15,839,711.00
Other In / Out	(16,766,663.00)	16,266,663.00	(15,775,711.00)	15,275,711.00	(15,839,711.00)	15,339,711.00	(15,839,711.00)	15,339,711.00	(15,839,711.00)	15,339,711.00	(15,839,711.00)	15,339,711.00
<b>Total Surplus/Deficit</b>	<b>(1,687,208.40)</b>	<b>1,504,278.79</b>	<b>(4,646,899.81)</b>	<b>486,027.28</b>	<b>(5,249,115.77)</b>	<b>668,266.28</b>	<b>(4,577,449.49)</b>	<b>668,266.28</b>	<b>(4,577,449.49)</b>	<b>668,266.28</b>	<b>(4,577,449.49)</b>	<b>668,266.28</b>
Beginning Balance	22,273,019.00	20,595,115.54	20,585,610.60	22,099,394.33	17,033,559.56	23,734,746.61	17,033,559.56	23,734,746.61	12,386,689.75	24,170,773.89	12,386,689.75	24,170,773.89
Audit Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Other Restatements	-	-	-	-	-	-	-	-	-	-	-	-
<b>Ending balance</b>	<b>20,585,810.60</b>	<b>22,099,394.33</b>	<b>17,033,559.56</b>	<b>23,734,746.61</b>	<b>12,386,689.75</b>	<b>24,170,773.89</b>	<b>7,142,973.98</b>	<b>24,837,040.17</b>	<b>1,990,264.16</b>	<b>25,314,985.45</b>	<b>26,505,249.61</b>	<b>26,505,249.61</b>
Revolving Cash	53,000.00	-	53,000.00	-	53,000.00	-	53,000.00	-	53,000.00	-	53,000.00	-
Stores	55,000.00	-	55,000.00	-	55,000.00	-	55,000.00	-	55,000.00	-	55,000.00	-
Prepaid Items	-	-	-	-	-	-	-	-	-	-	-	-
Legally Restricted	-	-	-	-	-	-	-	-	-	-	-	-
Stabilization Arrangements	22,099,394.33	22,099,394.33	22,099,394.33	22,099,394.33	22,099,394.33	22,099,394.33	22,099,394.33	22,099,394.33	22,099,394.33	22,099,394.33	22,099,394.33	22,099,394.33
Board Commitments	4,000,000.00	4,000,000.00	4,000,000.00	4,000,000.00	4,000,000.00	4,000,000.00	4,000,000.00	4,000,000.00	4,000,000.00	4,000,000.00	4,000,000.00	4,000,000.00
Assignments	2,111,574.32	2,111,574.32	2,148,485.32	2,148,485.32	2,148,485.32	2,148,485.32	2,148,485.32	2,148,485.32	2,148,485.32	2,148,485.32	2,148,485.32	2,148,485.32
3% Reserve for Economic Uncertainties	3,376,534.81	3,376,534.81	3,259,975.87	3,259,975.87	3,259,975.87	3,259,975.87	3,259,975.87	3,259,975.87	3,259,975.87	3,259,975.87	3,259,975.87	3,259,975.87
<b>Unappropriated/Emergency Reserve</b>	<b>10,987,701.47</b>	<b>10,987,701.47</b>	<b>7,417,098.37</b>	<b>7,417,098.37</b>	<b>2,766,357.38</b>	<b>2,766,357.38</b>	<b>1,503,333.47</b>	<b>1,503,333.47</b>	<b>(2,832,183.69)</b>	<b>(2,832,183.69)</b>	<b>(2,832,183.69)</b>	<b>(2,832,183.69)</b>

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HYPOTHETICAL

Description	2023-2024		2024-2025		2025-2026		2026-2027		2027-2028	
	Unrestricted	Restricted								
LCFF Revenue	84,569,876.00	-	82,603,605.54	-	82,245,403.77	-	82,379,309.81	-	82,277,557.76	-
Federal Revenue	3,772,475.00	6,409,516.81	3,796,166.00	3,796,166.00	3,796,166.00	3,796,166.00	3,796,166.00	3,796,166.00	3,796,166.00	3,796,166.00
Other State Revenue	1,772,475.00	11,590,908.00	1,772,475.00	11,590,908.00	1,772,475.00	11,590,908.00	1,772,475.00	11,590,908.00	1,772,475.00	11,590,908.00
Other Local Revenue	1,782,615.00	6,111,368.38	1,782,615.00	6,333,262.00	1,782,615.00	6,525,850.00	1,782,615.00	6,718,727.00	1,782,615.00	6,915,885.00
<b>Total</b>	<b>88,124,966.18</b>	<b>24,105,793.19</b>	<b>86,158,695.54</b>	<b>21,720,336.00</b>	<b>85,800,493.77</b>	<b>21,912,924.00</b>	<b>85,884,999.81</b>	<b>22,105,801.00</b>	<b>85,832,647.76</b>	<b>22,302,939.00</b>
Certificated Salaries	94,157,435.00	11,238,117.31	94,117,970.00	10,550,789.99	94,517,064.00	10,709,051.99	94,782,620.00	10,869,687.99	95,052,562.00	11,032,732.99
Classified Salaries	12,037,818.76	7,223,087.33	12,218,015.76	7,244,916.33	11,959,063.76	7,296,332.33	12,048,756.76	7,350,952.33	12,139,122.76	7,406,084.33
Employee Benefits	17,803,470.73	11,816,918.26	17,579,045.73	11,653,933.26	17,797,572.73	11,697,710.26	17,757,632.73	11,777,114.26	17,749,503.73	11,777,114.26
Books and Supplies	1,974,914.00	1,710,845.50	2,077,860.00	1,750,094.14	2,140,196.00	1,898,705.14	2,204,022.00	1,862,965.14	2,270,534.00	1,918,955.14
Services & Other Operating Exp.	6,455,043.09	4,349,775.00	6,777,959.09	3,394,382.00	6,881,128.09	4,518,024.00	7,090,463.09	4,216,275.00	7,306,380.09	4,353,193.00
Capital Outlay	180,000.00	1,597,510.00	177,905.00	1,412,225.00	180,000.00	1,496,784.00	180,000.00	1,496,784.00	180,000.00	1,496,784.00
Other Charge	120,000.00	350,602.00	120,000.00	350,602.00	120,000.00	350,602.00	120,000.00	350,602.00	120,000.00	350,602.00
Indirect Costs	(943,270.00)	271,822.00	(943,270.00)	271,822.00	(943,270.00)	271,822.00	(943,270.00)	271,822.00	(943,270.00)	271,822.00
<b>Expenses</b>	<b>73,045,511.58</b>	<b>38,866,177.40</b>	<b>73,595,235.58</b>	<b>35,360,694.72</b>	<b>73,975,997.58</b>	<b>36,397,607.72</b>	<b>74,632,276.58</b>	<b>36,799,246.72</b>	<b>75,254,042.58</b>	<b>37,214,724.72</b>
Surplus Deficit	15,079,454.60	(14,762,384.21)	12,223,459.96	(13,640,358.72)	11,824,496.19	(14,884,683.72)	11,252,128.23	(14,683,444.72)	10,578,605.18	(14,931,795.72)
Interfund Transfer in	-	-	-	-	-	-	-	-	-	-
Interfund Transfer out	-	500,000.00	-	500,000.00	-	500,000.00	-	500,000.00	-	500,000.00
Source	-	-	-	-	-	-	-	-	-	-
Uses	-	-	-	-	-	-	-	-	-	-
Contribution	(16,766,663.00)	16,766,663.00	(15,775,711.00)	15,775,711.00	(15,819,711.00)	15,819,711.00	(15,819,711.00)	15,819,711.00	(15,870,711.00)	15,870,711.00
Other In / Out	(16,766,663.00)	16,265,663.00	(15,775,711.00)	15,275,711.00	(15,819,711.00)	15,319,711.00	(15,839,711.00)	15,339,711.00	(15,870,711.00)	15,370,711.00
<b>Total Surplus/Deficit</b>	<b>(1,687,208.40)</b>	<b>1,504,278.79</b>	<b>(8,552,251.04)</b>	<b>1,638,352.28</b>	<b>(9,995,214.81)</b>	<b>483,027.28</b>	<b>(8,587,587.77)</b>	<b>646,266.28</b>	<b>(5,202,105.82)</b>	<b>438,945.28</b>
Beginning Balance	22,273,013.00	20,595,115.54	42,868,134.54	42,685,204.93	17,033,559.56	23,734,746.61	13,038,344.75	24,169,773.89	8,450,756.98	24,816,040.17
Audit Adjustments	-	-	-	-	-	-	-	-	-	-
Other Restatements	-	-	-	-	-	-	-	-	-	-
<b>Ending Balance</b>	<b>20,585,810.60</b>	<b>22,099,394.33</b>	<b>42,685,204.93</b>	<b>42,685,204.93</b>	<b>17,033,559.56</b>	<b>23,734,746.61</b>	<b>13,038,344.75</b>	<b>24,169,773.89</b>	<b>8,450,756.98</b>	<b>25,274,985.45</b>
Revolving Cash	53,000.00	53,000.00	53,000.00	53,000.00	53,000.00	53,000.00	53,000.00	53,000.00	53,000.00	53,000.00
Stores	55,000.00	55,000.00	55,000.00	55,000.00	55,000.00	55,000.00	55,000.00	55,000.00	55,000.00	55,000.00
Prepaid Items	-	-	-	-	-	-	-	-	-	-
Legally Restricted	-	22,099,394.33	-	22,099,394.33	-	22,099,394.33	-	22,099,394.33	-	22,099,394.33
Stabilization Arrangements	4,000,000.00	4,000,000.00	4,000,000.00	4,000,000.00	4,000,000.00	4,000,000.00	4,000,000.00	4,000,000.00	4,000,000.00	4,000,000.00
Board Commitments	2,111,574.32	2,148,485.32	2,148,485.32	2,148,485.32	2,148,485.32	2,148,485.32	2,148,485.32	2,148,485.32	2,148,485.32	2,148,485.32
Assignments	3,376,534.81	3,376,534.81	3,376,534.81	3,376,534.81	3,376,534.81	3,376,534.81	3,376,534.81	3,376,534.81	3,376,534.81	3,376,534.81
3% Reserve for Economic Uncertainties	-	-	-	-	-	-	-	-	-	-
<b>Unappropriated/Emergency Reserve</b>	<b>10,987,701.47</b>	-								
<b>Total</b>	<b>82,277,557.76</b>	<b>3,796,166.00</b>								

HYPOTHETICAL

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F

Description	2023-2024		2024-2025		2025-2026		2026-2027		2027-2028		2028-2029	
	Unrestricted	MYP Draft Restricted										
LCFF Revenue	84,569,976.00	-	82,245,403.77	-	82,245,403.77	-	82,239,309.81	-	82,277,557.76	-	82,277,557.76	-
Federal Revenue	1,772,475.00	3,796,166.00	1,772,475.00	3,796,166.00	1,772,475.00	3,796,166.00	1,772,475.00	3,796,166.00	1,772,475.00	3,796,166.00	1,772,475.00	3,796,166.00
Other State Revenue	1,782,615.00	11,590,908.00	1,782,615.00	11,590,908.00	1,782,615.00	11,590,908.00	1,782,615.00	11,590,908.00	1,782,615.00	11,590,908.00	1,782,615.00	11,590,908.00
Other Local Revenue	1,782,615.18	6,333,862.00	1,782,615.00	6,333,862.00	1,782,615.00	6,333,862.00	1,782,615.00	6,333,862.00	1,782,615.00	6,333,862.00	1,782,615.00	6,333,862.00
<b>Total Revenue</b>	<b>88,124,966.18</b>	<b>24,105,983.19</b>	<b>86,158,695.54</b>	<b>21,912,924.00</b>	<b>85,800,493.77</b>	<b>21,912,924.00</b>	<b>85,844,399.81</b>	<b>22,105,801.00</b>	<b>85,832,647.76</b>	<b>22,302,939.00</b>	<b>108,135,606.76</b>	<b>-</b>
Certificated Salaries	34,157,435.00	11,238,317.31	34,417,797.00	10,700,051.99	34,417,797.00	10,700,051.99	34,473,245.00	10,669,627.99	34,738,344.00	11,031,732.99	45,771,076.99	-
Classified Salaries	12,037,818.76	7,223,827.33	12,126,102.76	7,241,916.33	11,609,053.76	7,241,916.33	11,696,131.76	7,350,952.33	11,785,852.76	7,405,004.33	11,869,937.09	-
Employee Benefits	17,803,470.73	11,816,918.26	17,879,503.73	11,697,710.26	17,686,167.73	11,697,710.26	17,686,200.73	11,721,144.26	17,588,668.73	11,721,144.26	29,515,802.99	-
Books and Supplies	1,876,914.00	1,710,945.50	2,077,860.00	1,959,824.14	2,140,196.00	1,880,705.14	2,204,402.00	1,862,966.14	2,270,534.00	1,916,895.14	4,189,889.14	-
Services & Other Operating Exp.	6,455,043.99	4,349,275.00	6,777,950.00	3,946,382.00	6,786,129.00	4,490,024.00	6,975,563.00	4,212,275.00	7,191,280.00	4,353,895.14	11,544,473.09	-
Capital Outlay	685,000.00	1,507,310.00	877,905.00	147,225.00	904,242.00	345,462.00	931,369.00	149,896.00	959,310.00	154,321.00	1,113,631.00	-
Other Outlay	120,000.00	350,602.00	120,000.00	350,602.00	120,000.00	350,602.00	120,000.00	350,602.00	120,000.00	350,602.00	470,602.00	-
Indirect Costs	(943,270.00)	271,822.00	(943,270.00)	271,822.00	(943,270.00)	271,822.00	(943,270.00)	271,822.00	(943,270.00)	271,822.00	(71,448.00)	-
<b>Expenses</b>	<b>73,045,511.58</b>	<b>36,866,177.40</b>	<b>73,046,592.58</b>	<b>36,769,607.72</b>	<b>73,046,592.58</b>	<b>36,769,607.72</b>	<b>73,046,592.58</b>	<b>36,800,245.72</b>	<b>74,308,795.58</b>	<b>37,210,724.72</b>	<b>111,523,464.30</b>	<b>-</b>
Surplus/Deficit	15,079,454.60	(14,762,384.21)	12,223,459.36	(18,640,358.72)	12,759,901.19	(14,856,683.72)	12,180,136.23	(14,694,444.72)	11,523,806.18	(14,911,766.72)	(8,387,857.54)	-
Interfund Transfer In	-	-	-	-	-	-	-	-	-	-	-	-
Interfund Transfer Out	-	-	-	-	-	-	-	-	-	-	-	-
Sources	-	500,000.00	-	500,000.00	-	500,000.00	-	500,000.00	-	500,000.00	-	500,000.00
Uses	-	-	-	-	-	-	-	-	-	-	-	-
Contribution	(16,766,663.00)	16,766,663.00	-	-	(15,790,711.00)	15,790,711.00	-	-	(15,842,711.00)	15,842,711.00	-	-
Other In / Out	(15,796,463.00)	16,266,663.00	(15,775,711.00)	15,275,711.00	(15,790,711.00)	15,290,711.00	(15,811,711.00)	15,317,711.00	(15,842,711.00)	15,842,711.00	(500,000.00)	-
<b>Total Surplus/Deficit</b>	<b>(1,687,208.40)</b>	<b>1,504,278.79</b>	<b>(8,852,251.64)</b>	<b>1,685,352.28</b>	<b>(8,086,808.81)</b>	<b>484,027.28</b>	<b>(2,602,782.53)</b>	<b>617,266.28</b>	<b>(4,938,803.82)</b>	<b>430,945.28</b>	<b>(8,897,857.54)</b>	<b>-</b>
Beginning Balance	22,273,013.00	20,595,115.54	20,595,610.00	22,099,394.33	17,033,559.56	23,734,746.61	17,033,559.56	23,734,746.61	13,996,749.75	24,168,773.89	36,165,323.64	-
Audit Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Other Restatements	-	-	-	-	-	-	-	-	-	-	-	-
<b>Ending Balance</b>	<b>20,585,810.60</b>	<b>22,099,394.33</b>	<b>17,033,559.56</b>	<b>23,734,746.61</b>	<b>13,996,749.75</b>	<b>24,168,773.89</b>	<b>10,375,176.98</b>	<b>24,786,040.17</b>	<b>10,375,176.98</b>	<b>25,216,985.45</b>	<b>31,273,359.61</b>	<b>-</b>
Revolving Cash	53,000.00	-	53,000.00	-	53,000.00	-	53,000.00	-	53,000.00	-	53,000.00	-
Stores	55,000.00	-	55,000.00	-	55,000.00	-	55,000.00	-	55,000.00	-	55,000.00	-
Prepaid Items	-	-	-	-	-	-	-	-	-	-	-	-
Legally Restricted	-	-	-	-	-	-	-	-	-	-	-	-
Stabilization Arrangements	-	-	-	-	-	-	-	-	-	-	-	-
Board Commitments	4,000,000.00	-	4,000,000.00	-	4,000,000.00	-	4,000,000.00	-	4,000,000.00	-	4,000,000.00	-
Assignments	2,111,574.32	-	2,148,485.32	-	2,148,485.32	-	2,148,485.32	-	2,148,485.32	-	2,148,485.32	-
3% Reserve for Economic Uncertainties	3,378,534.81	-	3,299,975.87	-	3,315,589.17	-	3,315,589.17	-	3,335,945.16	-	3,366,824.16	-
<b>Unappropriated/Emergency Reserve</b>	<b>10,887,701.47</b>	<b>-</b>	<b>7,477,098.37</b>	<b>-</b>	<b>4,624,675.26</b>	<b>-</b>	<b>4,782,746.50</b>	<b>-</b>	<b>4,782,746.50</b>	<b>-</b>	<b>4,833,054.68</b>	<b>-</b>

HYPOTHETICAL

IV

Description	2023-2024		2024-2025		2025-2026		2026-2027		2027-2028		3.16% COLA	
	Unrestricted	Restricted										
LCFS Revenue	84,876,800	-	82,603,654	-	82,245,403.77	-	82,329,309.81	-	82,277,557.76	-	82,277,557.76	-
Federal Revenue	1,772,475.00	6,403,516.81	1,772,475.00	3,795,166.00	1,772,475.00	3,795,166.00	1,772,475.00	3,795,166.00	1,772,475.00	3,795,166.00	1,772,475.00	3,795,166.00
Other State Revenue	1,782,615.18	6,111,368.38	1,782,615.00	11,590,908.00	1,782,615.00	11,590,908.00	1,782,615.00	11,590,908.00	1,782,615.00	11,590,908.00	1,782,615.00	11,590,908.00
Other Local Revenue	88,124,966.18	24,105,793.19	86,138,695.54	6,333,262.00	85,800,493.77	6,525,890.00	85,884,999.81	6,718,727.00	85,832,647.76	6,915,885.00	85,832,647.76	6,915,885.00
<b>Total Revenue</b>	<b>173,945,511.58</b>	<b>38,868,177.40</b>	<b>173,935,235.58</b>	<b>21,720,336.00</b>								
Classified Salaries	34,157,495.00	11,232,117.31	34,157,495.00	10,550,789.99	34,047,064.00	10,709,051.99	34,305,710.00	10,869,687.99	34,568,357.00	11,032,733.99	34,568,357.00	11,032,733.99
Unclassified Salaries	12,037,818.76	7,228,087.33	12,218,102.76	7,241,916.33	11,349,063.76	7,241,916.33	11,434,181.76	7,350,952.33	11,519,937.76	7,406,084.33	11,519,937.76	7,406,084.33
Employee Benefits	17,803,470.73	11,816,518.26	17,819,040.73	11,653,933.26	17,531,512.73	11,657,102.26	17,531,512.73	11,727,114.26	17,480,938.73	11,727,114.26	17,480,938.73	11,727,114.26
Books and Supplies	1,978,914.00	1,710,845.50	2,077,860.00	1,659,024.14	2,140,196.00	1,808,705.14	2,204,402.00	1,862,965.14	2,270,130.00	1,918,855.14	2,270,130.00	1,918,855.14
Services & Other Operating Exp.	6,455,043.00	4,349,275.00	6,777,952.00	3,394,382.00	6,666,128.00	4,471,024.00	6,875,613.00	4,217,275.00	7,091,280.00	4,353,193.00	7,091,280.00	4,353,193.00
Capital Outlay	838,100.00	1,907,510.00	877,905.00	141,225.00	904,242.00	145,462.00	933,869.00	149,826.00	959,130.00	154,370.00	959,130.00	154,370.00
Other Outgo	120,000.00	350,602.00	120,000.00	350,602.00	120,000.00	350,602.00	120,000.00	350,602.00	120,000.00	350,602.00	120,000.00	350,602.00
Indirect Costs	(943,270.00)	271,822.00	(943,270.00)	271,822.00	(943,270.00)	271,822.00	(943,270.00)	271,822.00	(943,270.00)	271,822.00	(943,270.00)	271,822.00
<b>Expenses</b>	<b>73,945,511.58</b>	<b>38,868,177.40</b>	<b>73,935,235.58</b>	<b>38,868,177.40</b>								
Surplus/Deficit	15,079,454.60	(14,782,984.21)	12,228,459.96	(13,640,358.72)	13,885,556.19	(14,887,483.72)	12,827,265.23	(14,894,444.72)	12,185,543.18	(14,914,765.72)	12,185,543.18	(14,914,765.72)
Interfund Transfer In	-	-	-	-	-	-	-	-	-	-	-	-
Interfund Transfer out	-	-	-	-	-	-	-	-	-	-	-	-
Sources	-	-	-	-	-	-	-	-	-	-	-	-
Uses	-	-	-	-	-	-	-	-	-	-	-	-
Contribution	(16,766,663.00)	16,766,663.00	(15,775,711.00)	15,775,711.00	(15,775,711.00)	15,775,711.00	(15,775,711.00)	15,775,711.00	(15,822,711.00)	15,822,711.00	(15,822,711.00)	15,822,711.00
Other In / Out	(16,766,663.00)	16,766,663.00	(15,775,711.00)	15,775,711.00	(15,775,711.00)	15,775,711.00	(15,775,711.00)	15,775,711.00	(15,822,711.00)	15,822,711.00	(15,822,711.00)	15,822,711.00
<b>Total Surplus/Deficit</b>	<b>(1,687,208.40)</b>	<b>1,504,278.79</b>	<b>(1,552,251.04)</b>	<b>1,635,352.28</b>	<b>(1,380,154.81)</b>	<b>484,027.28</b>	<b>(2,045,444.77)</b>	<b>598,266.28</b>	<b>(1,657,197.82)</b>	<b>410,945.28</b>	<b>(1,657,197.82)</b>	<b>410,945.28</b>
Beginning Balance	22,273,019.00	20,595,115.54	20,585,810.60	22,099,394.33	17,033,559.56	23,734,746.61	14,647,404.75	24,168,773.89	11,681,959.98	24,767,040.17	11,681,959.98	24,767,040.17
Audit Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Other Restatements	-	-	-	-	-	-	-	-	-	-	-	-
<b>Ending Balance</b>	<b>20,585,810.60</b>	<b>22,099,394.33</b>	<b>17,033,559.56</b>	<b>23,734,746.61</b>	<b>14,647,404.75</b>	<b>24,168,773.89</b>	<b>11,681,959.98</b>	<b>24,767,040.17</b>	<b>8,024,762.16</b>	<b>25,177,985.45</b>	<b>8,024,762.16</b>	<b>25,177,985.45</b>
Revolving Cash	53,000.00	-	53,000.00	-	53,000.00	-	53,000.00	-	53,000.00	-	53,000.00	-
Stores	55,000.00	-	55,000.00	-	55,000.00	-	55,000.00	-	55,000.00	-	55,000.00	-
Prepaid Items	-	-	-	-	-	-	-	-	-	-	-	-
Legally Restricted	-	22,099,394.33	-	23,734,746.61	-	24,168,773.89	-	24,767,040.17	-	25,177,985.45	-	25,177,985.45
Stabilization Arrangements	-	-	-	-	-	-	-	-	-	-	-	-
Board Commitments	4,000,000.00	-	4,000,000.00	-	4,000,000.00	-	4,000,000.00	-	4,000,000.00	-	4,000,000.00	-
Assignments	2,111,574.32	-	2,148,485.32	-	2,148,485.32	-	2,148,485.32	-	2,148,485.32	-	2,148,485.32	-
5% Reserve for Economic Uncertainties	3,378,534.81	-	3,299,975.87	-	3,299,975.87	-	3,299,975.87	-	3,347,569.60	-	3,347,569.60	-
<b>Unappropriated/Emergency Reserve</b>	<b>10,987,701.47</b>	<b>10,987,701.47</b>	<b>7,477,098.37</b>	<b>7,477,098.37</b>	<b>5,094,856.42</b>	<b>6,108,648.71</b>	<b>6,108,648.71</b>	<b>6,108,648.71</b>	<b>2,420,707.24</b>	<b>2,420,707.24</b>	<b>2,420,707.24</b>	<b>2,420,707.24</b>

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HYPOTHETICAL