



2021-22 Second Interim Budget Report

Dr. Matt Hill, Superintendent

Debbie Kukta, CPA, CGMA, Assistant Superintendent, Administrative Services

Alyssa Low, Director, Fiscal Services

Carin Wantland, Assistant Supervisor of Budget and Finance

Agenda



01 Budget Process

04 Contributions

02 Budget Assumptions - Revenues

05 Multiyear Projections

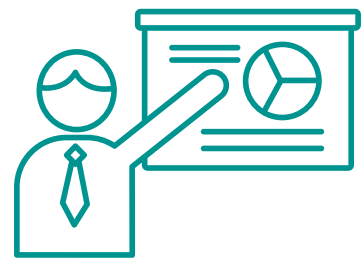
03 Budget Assumptions - Expenditures

06 Challenges



Budget Cycle

Budgeting for school districts is a continuous, year-round process



☒ First Interim

On or before December 15

Actual revenues and expense July 1 to October 31 with projections for remainder of current and two future fiscal years

☐ Unaudited Actuals

On or before September 15

Details actual ending balances, all revenues and expenditures for the fiscal year ended June 30

☒ Adopted Budget

On or before July 1

Details spending plan of district and includes estimated actual ending balances for prior fiscal year

☐ Second Interim

On or before March 15

Actual revenues and expense July 1 to January 31 with projections for remainder of current and two future fiscal years

Certification Definitions

✓ Positive

The District, based on current projections, will be able to meet its financial obligations for a the current and subsequent two fiscal years

Qualified

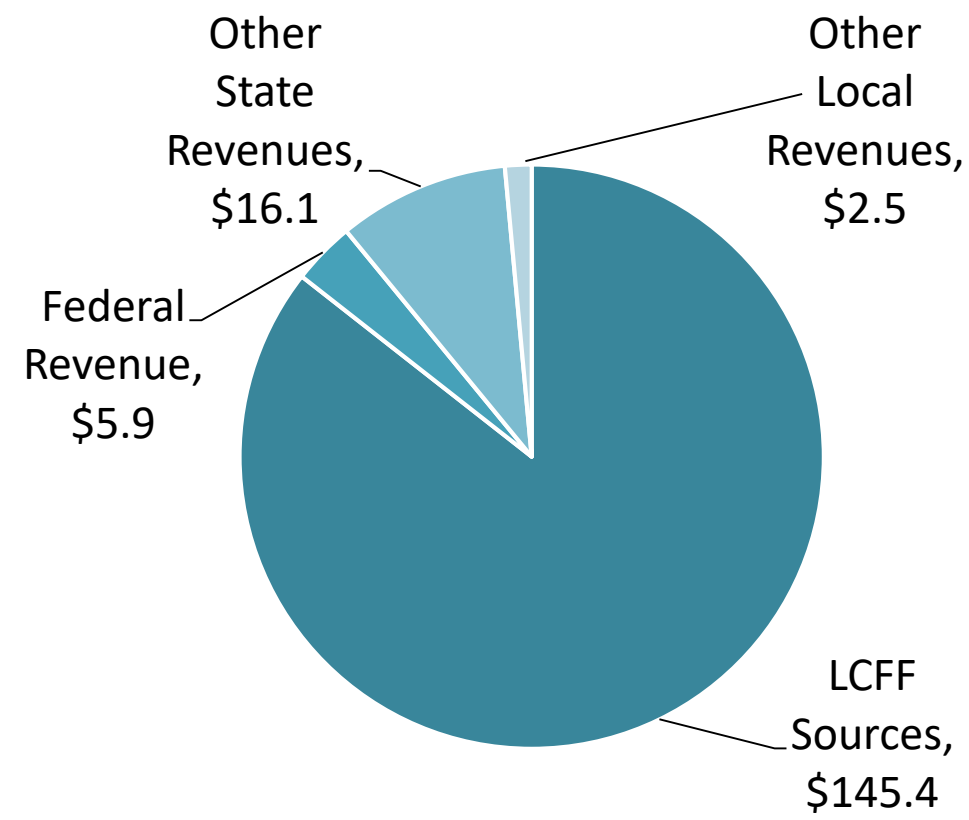
The District, based on current projections, may not be able to meet its financial obligations for the current and subsequent two fiscal years

Negative

The District, based on current projections, will be unable to meet its financial obligations for the current and subsequent two fiscal years

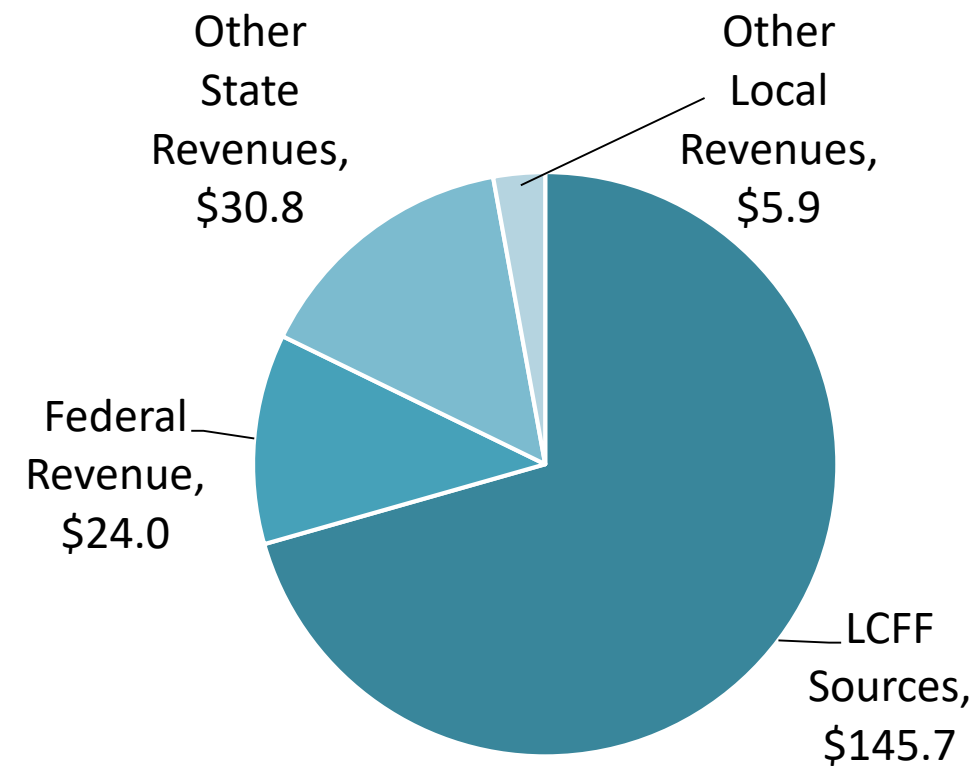
Current projections are based on First Interim and Multiyear Projection (MYP)

Revenues (in millions)



\$169.9

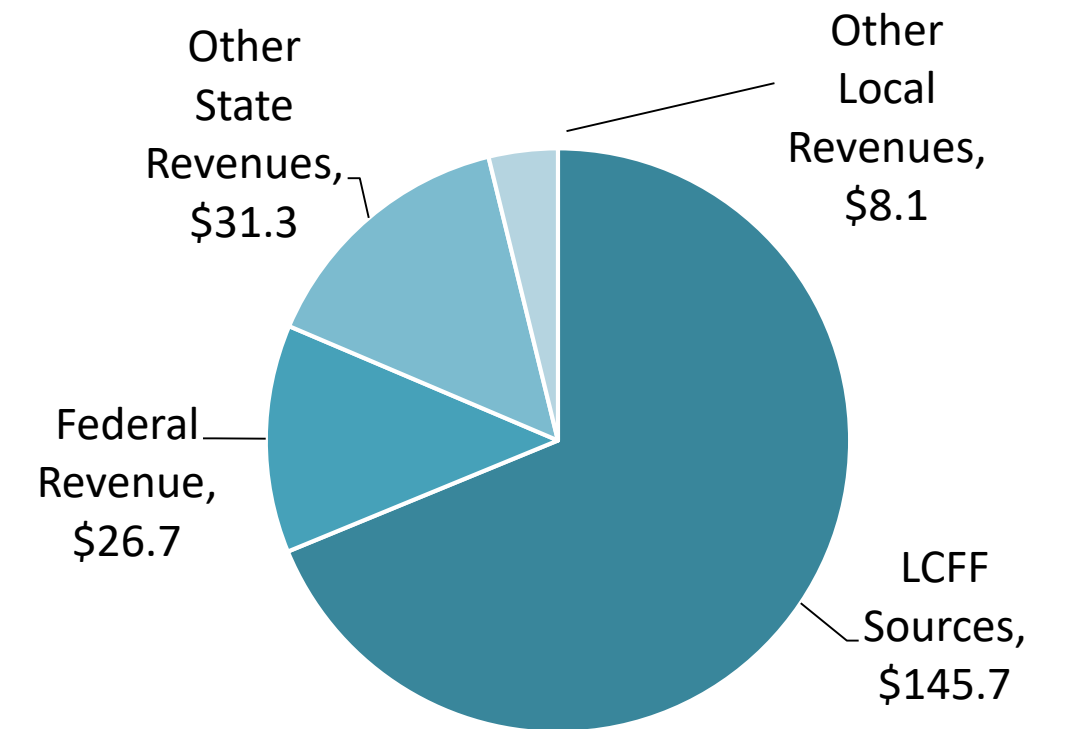
Adopted Budget 2021-22



\$206.4

First Interim 2021-22

(+21% from Adopted Budget 2021-22)



\$211.8

Second Interim 2021-22

(+25% from Adopted Budget 2021-22)

Revenue Drivers



LCFF COLA

	2021-22	2022-23	2023-24
First Interim	5.07%	2.48%	3.11%
Second Interim	5.07%	5.33%	3.61%



LCFF Base Grant

Grade Span	K-3	4-6	7-8	9-12
Per Student	\$8,934	\$8,214	\$8,458	\$10,057



Projected Computed Average ADA

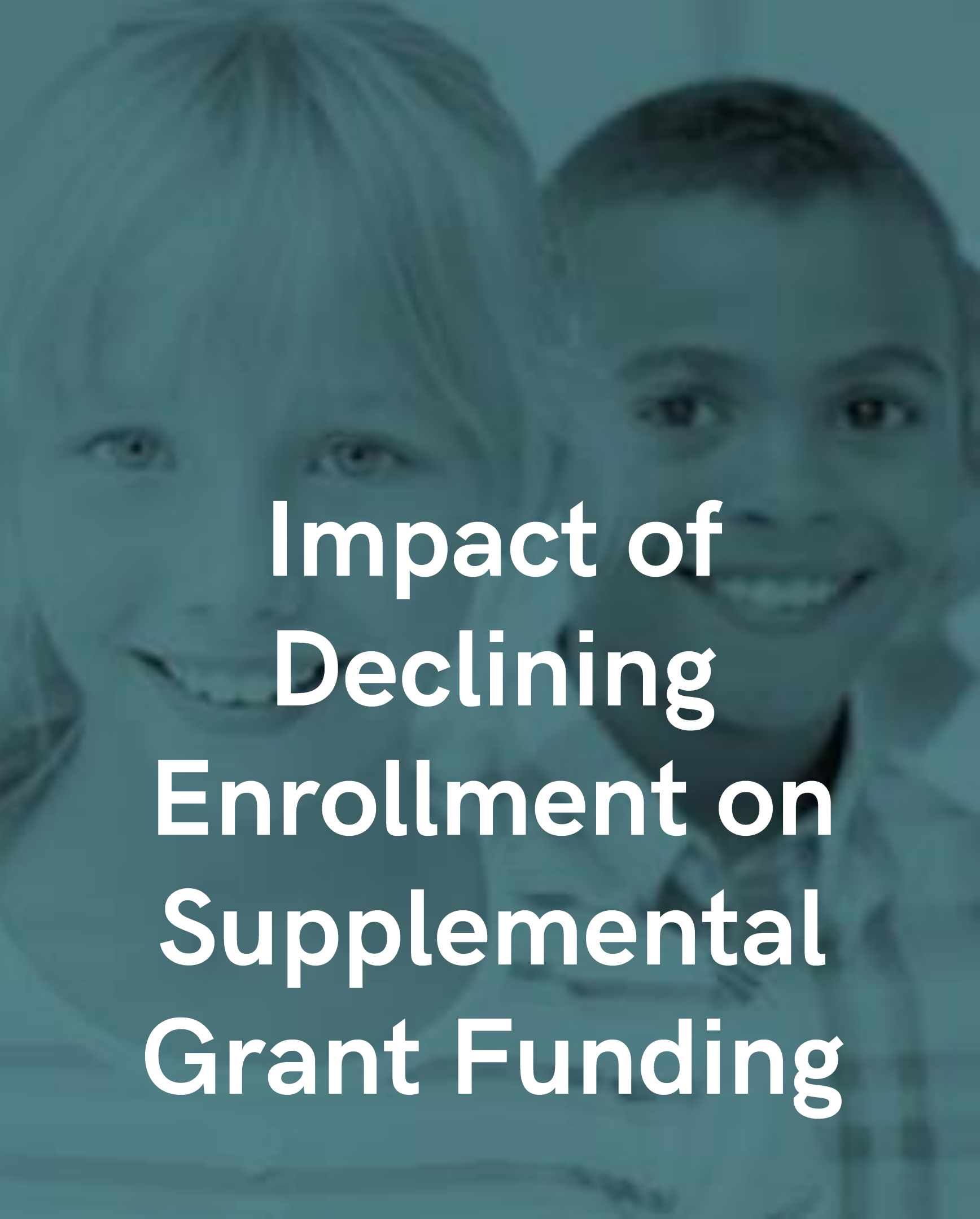
2021-22	2022-23	2023-24
14,729	14,163	13,955



One Time COVID Moneys



FUNDING SOURCE	AMOUNT
SB117 – COVID 19 LEA Response Fund	\$ 254,618
Learning Loss Mitigation (LLM) – Coronavirus Relief Fund (CRF)	6,840,423
LLM – Prop 98 General Fund	1,181,661
AB 86 – In Person Learning (IPI)	4,994,543
AB 86 – Expanded Learning Opportunities Grant (ELO-G)	8,655,995
AB 86 – Expanded Learning Opportunities Grant– Para-Professionals	961,777
AB 86 – Expanded Learning Opportunities Grant– Homeless	76,000
AB 130 - Expanded Learning Opportunities Program (ELO-P)	1,859,471
LLM - Governor’s Emergency Education Relief (GEER)	\$909,442
CARES - Elementary and Secondary Emergency Relief Fund – ESSERF I	1,413,761
CRSSA - Elementary and Secondary Emergency Relief Fund – ESSERF - II	5,594,954
ARP - Elementary and Secondary Emergency Relief Fund – ESSERF - III	12,597,155
ARP – Homeless Children & Youth II	39,095
FEMA – Federal Emergency Management Agency	2,452,351
School Based COVID-19 Testing Grant	2,383,784
Emergency Connectivity Fund (ECF)	1,798,033
TOTAL COVID FUNDING	\$ 52,013,063



Impact of Declining Enrollment on Supplemental Grant Funding



Supplemental Funding is Received for:

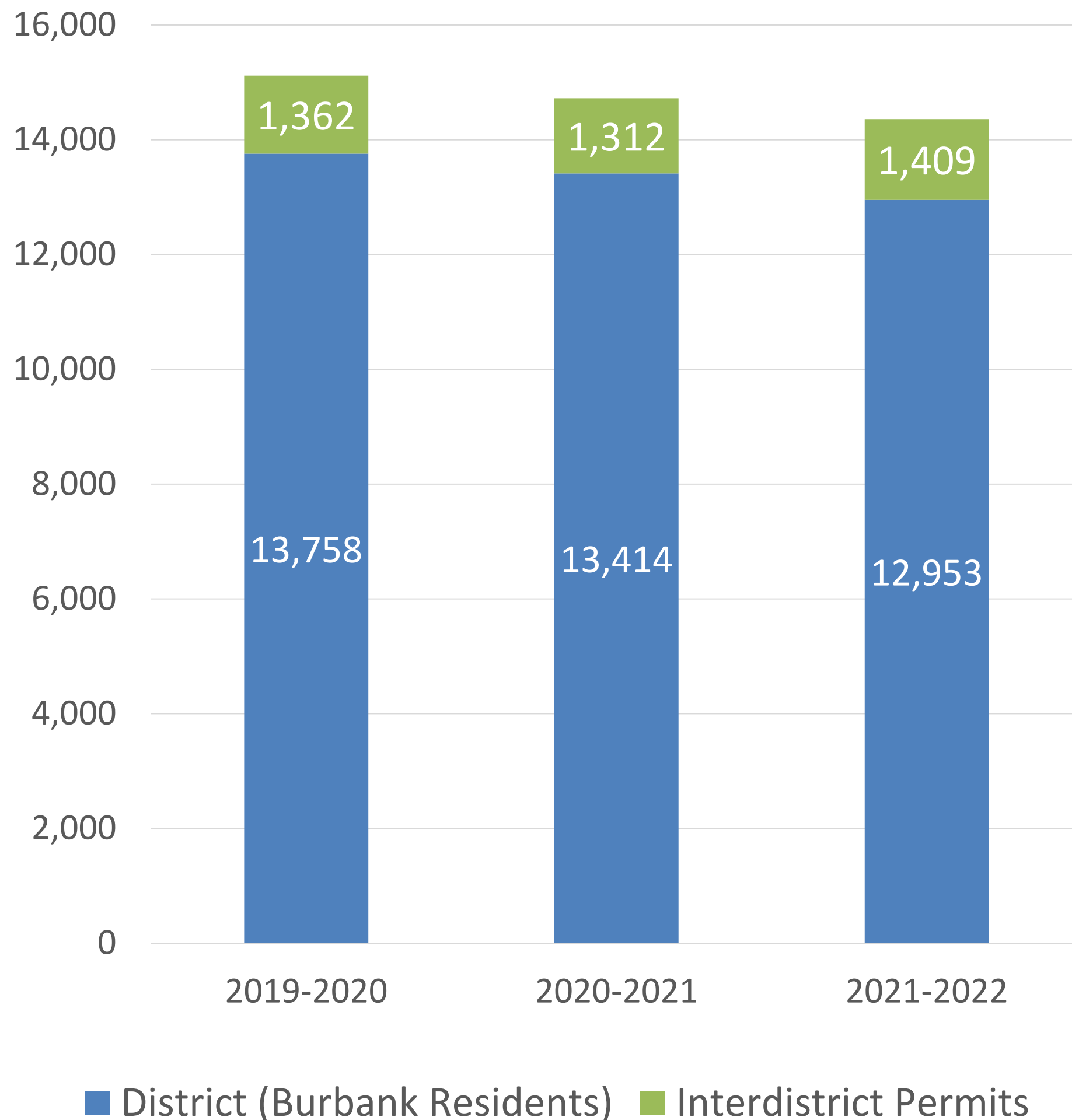
- Students who are English learners
- Students who receive free or reduced price meals
- Foster Youth

In order to receive Supplemental Grant funding, Districts need to have an unduplicated pupil count of 20%. In order to receive Concentration Grant funding, Districts needs to have an unduplicated pupil count of 55% or greater. Burbank USD only receives Supplemental Grant Funding. Declining enrollment also affects BUSD’s supplemental grant funding. The chart below shows the decline in supplemental grant funding.

2021-22	2022-23	2023-24
Supplemental Grant - Unduplicated Pupil Count		
38.55%	37.17%	33.75%
10,342,368	10,100,762	9,362,774



Enrollment



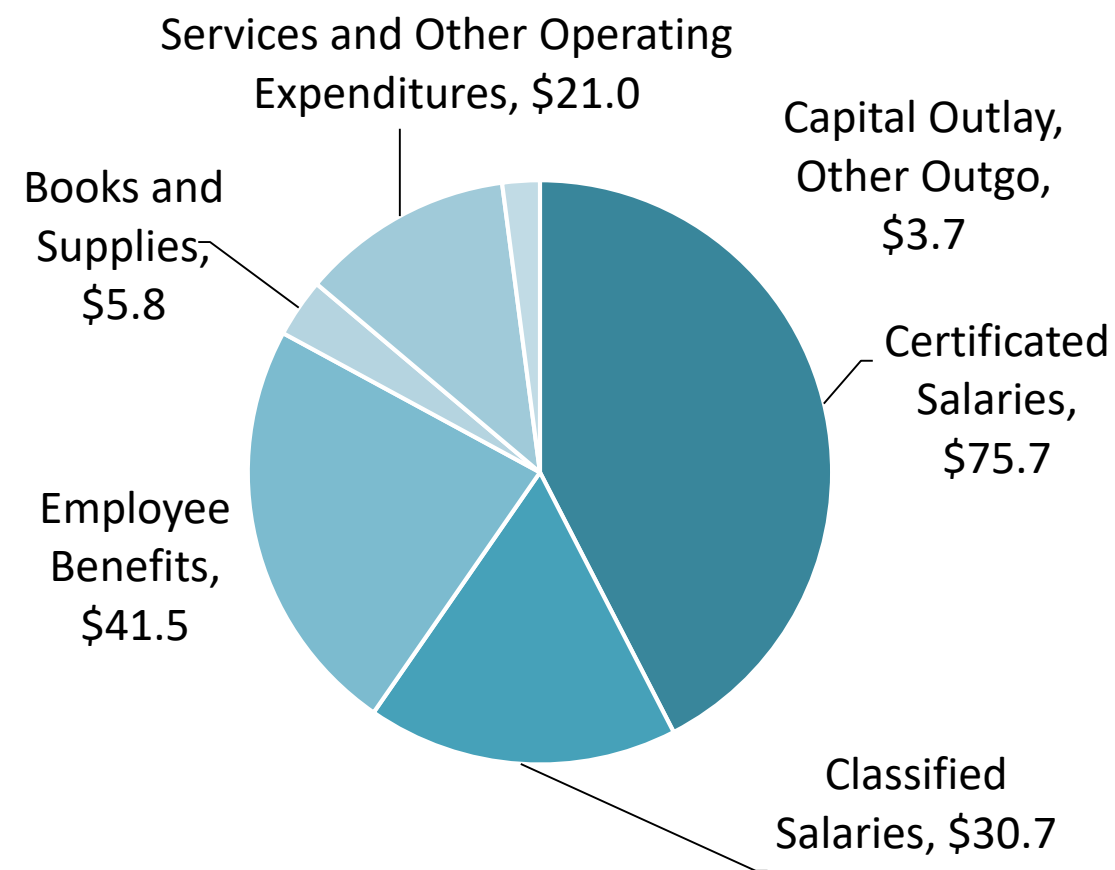
Enrollment continues to decline

Interdistrict Permits continue to support/offset declining enrollment

The State's Hold Harmless provision expires this year. However – there might be some relief

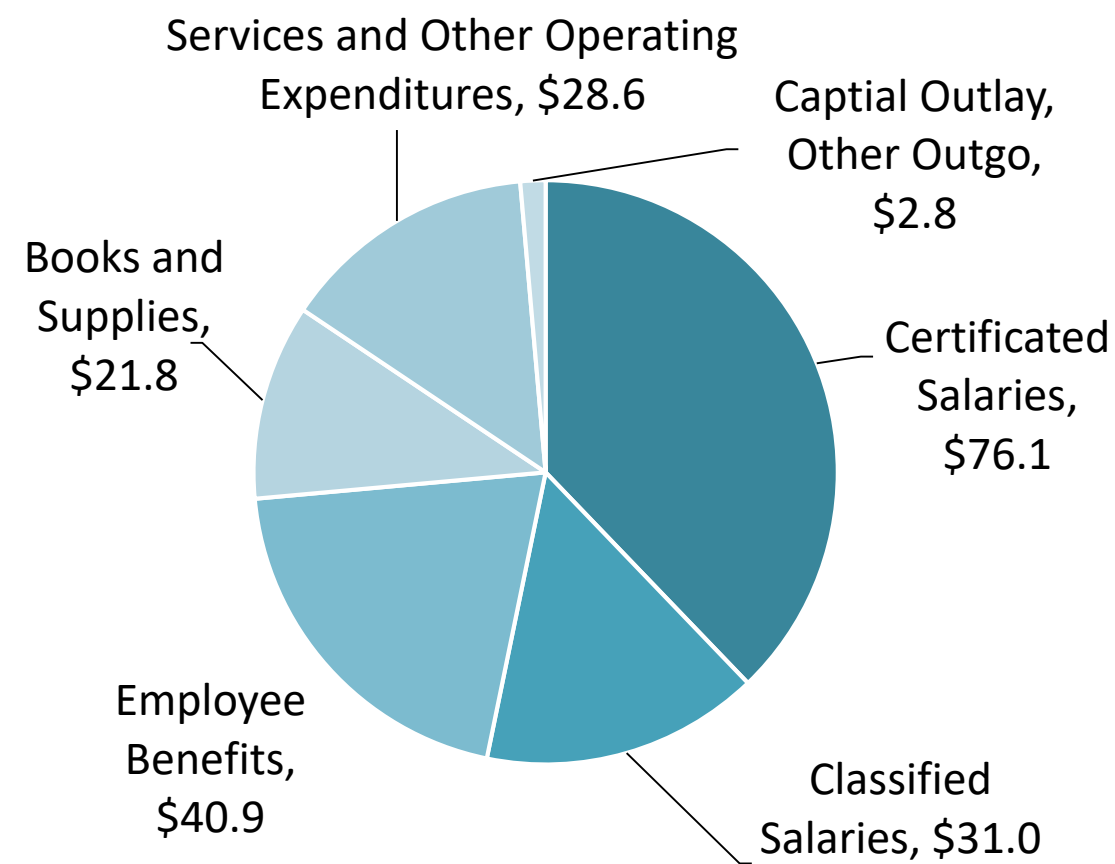
- *Computed Average ADA*
- *SB 830 (Portantino)*

Expenditures (in millions)



\$178.4

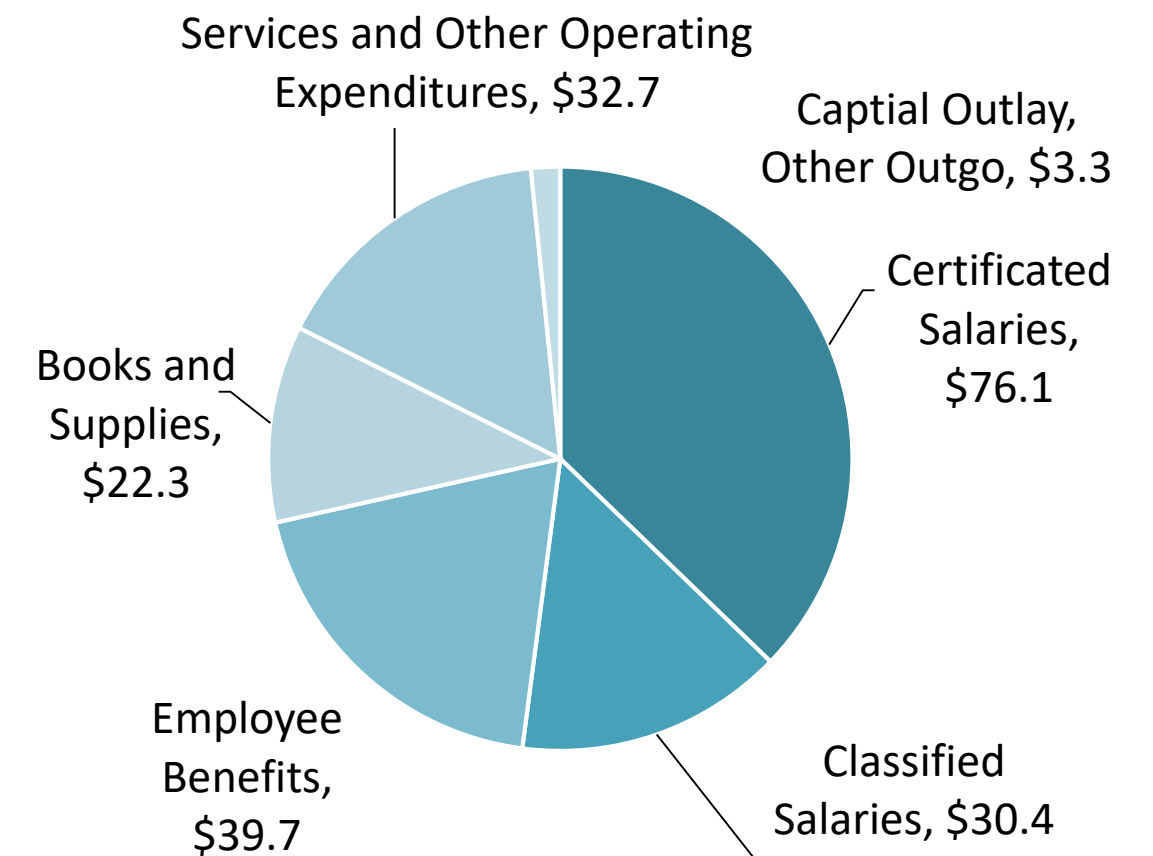
Adopted Budget 2021-22



\$201.2

First Interim 2021-22

(+13% from Adopted Budget 2021-22)



\$204.5

Second Interim 2021-22

(+15% from Adopted Budget 2021-22)

Expenditure Drivers



PERS and STRS Increases

	2021-22	2022-23	2023-24
PERS	22.91%	26.10%	27.10%
STRS	16.92%	19.10%	19.10%

Special Education

	2021-22	2022-23	2023-24
Special Ed	\$21,422,781	\$22,908,684	\$23,819,678

Miscellaneous Assumptions

	2021-22	2022-23	2023-24
Unemployment Insurance Rate	0.50%	0.50%	0.20%
Health Insurance % Increase	2.00%	2.00%	2.00%
California CPI – First Interim	3.96%	2.65%	2.36%
California CPI – Second Interim	5.78%	3.69%	2.90%

Expenditure Differences



Certificated Salaries

- Slight changes due to substitute costs

Classified Salaries

- Support staff paid out of one-time COVID funding
- Minimum Wage increase from \$14 to \$15 an hour

Benefits

- Associated changes with Certificated and Classified changes

Materials and Supplies

- Expenditures to match gifts and donations revenue
- One-Time COVID funding expenditures

Services

- Contracted Services for Special Education needs
- One-Time COVID funding expenditures
- COVID testing \$3,000,000
- Contribution from COVID funds to Fund 12 – Child Development Fund \$264,000 due to audit adjustment
- Contracted services for COVID contact tracing and wraparound services \$818,000

Capital Outlay

- Reduced to match actuals and changes in projected HVAC assessment costs





Contributions & Transfers In/Out

	First Interim 2021-22	Second Interim 2021-22	Projected 2022-23	Projected 2023-24
Special Education	\$21,673,017	\$21,422,781	\$22,908,685	\$23,819,678
Routine Restricted Maintenance	5,894,334	5,894,334	6,323,049	6,512,841
District Rentals Revenue	(314,725)	(286,604)	(314,725)	(314,725)
Totals	\$27,252,626	\$27,030,511	\$28,917,008	\$30,017,794

	First Interim 2021-22	Second Interim 2021-22	Projected 2022-23	Projected 2023-24
Fund 12 – Monterey High Infant Program – Self Support & ATB	\$30,476	\$354,062	\$-0-	\$-0-
Fund 12 – Child Development Fund / State Preschool- LCAP Supplemental	\$-0-	\$-0-	\$150,000	\$150,000
Totals	\$30,476	\$354,062	\$150,000	\$150,000

	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
Revenue	\$ 211,814,541	\$ 171,975,609	\$ 174,401,605
Expenses, Other Financing Sources/Uses:			
As Projected	204,815,622	176,113,912	172,685,435
Fiscal Stability Plan - Expense Reduction	0	0	(4,500,000)
Adjusted Expenditures	204,815,622	176,113,912	168,185,435
Operating Surplus/Deficit	6,998,919	(4,138,303)	6,216,170
Beginning Fund Balance	28,321,077	35,319,996	31,181,693
Ending Fund Balance	\$ 35,319,996	\$ 31,181,693	\$ 37,397,863



Multiyear Projection

Components of Fund Balance

Nonspendable	\$ 100,060	\$ 100,060	\$ 100,060
Restricted/Assigned:			
Projected Computed Average ADA	-	6,740,212	11,465,467
Restricted One-time State & Federal Funding	7,904,478	0	0
CSEA Job Study	1,087,500	870,000	1,305,000
Vacation Liability	272,000	272,000	272,000
BTA 5%	3,833,320	7,666,640	11,499,959
CSEA 5%	1,638,811	3,277,622	4,916,433
BASA 5%	736,518	1,473,036	2,209,554
H&S 1% Increase	182,400	364,800	547,200
Fiscal Stability Assigned	7,275,972	0	0
Reserve for Economic Uncertainties 3%	6,144,469	5,283,417	5,045,563
Board-Approved Reserve - Additional 3%	6,144,469	5,133,906	36,626
Total Fund Balance	\$ 35,319,997	\$ 31,181,693	\$ 37,397,863

Note: Columns
may not add up due
to rounding

Challenges



- The District has an ongoing structural deficit; one-time COVID moneys have eased the immediacy of having to address this but has only delayed the tackling the structural deficit
- The Board must approve a Fiscal Stabilization Plan. If the computed average ADA legislation does not pass on July 1, and additional \$4.5 million in cuts in the 2023-24 fiscal year will need to be made in order to meet the 3% Reserve for Economic Uncertainties requirement
 - Several million dollars of cuts have already been implemented over the last few years, with programs and staff having been affected
- With salaries and benefits adding up to 83% of the Adopted budget, the District is going to have to look at staffing, at least in part, to make the cuts necessary to address the deficit
 - The Budget Advisory Committee has recommended staffing closer to the 30.5 cap for class size
- With the State's Hold Harmless provision for enrollment ending after this year, the impact of the District's declining enrollment will affect LCFF revenues
- With free meal service being provided to all students, the District's Unduplicated Pupil Percentage, or UPP, has declined since there's no imminent need for families to complete the Free and Reduced Meal application





Thank you!

Feel free to reach out to us if you have any questions.

Phone Number

818-729-4473

Email Address

debbiekukta@burbankusd.org