



First Interim Budget 2022-23 Fiscal Year

Presenters:

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December 14, 2022



Overview

Summary:

- *Budget to actual report based on year-to-date results*
- *Positive Certification of the district's financial condition*

Items to Review:

- Financial Reporting Timelines
- First Interim 2022-23 – Certification
- First Interim 2022-23 – Current Year Revenues and Expenses
- Multi-Year Projection Assumptions for 2023-24 and 2024-25





Financial Reporting Timelines

State Financial Reports

- ❑ Adopted Budget – June 30
- ❑ First Interim – December 15
- ❑ Second Interim – March 15
- ❑ Unaudited Actuals – September 15
- ❑ Independent Audit – January 15

Submitting a Positive Certification for First Interim 2022-23

The district is able to meet its financial obligations for this year and two subsequent years and will have a positive cash balance



4 Budget and Multiyear Assumptions

Planning Factor	2022-23	2023-24	2024-25
Estimated Funded ADA (Average Daily Attendance)	14,754.61	14,006.39	13,158.18
Funded UPP (Unduplicated Pupil Percentage)	90.81%	90.19%	90.05%
Step & Column	1.30%	1.30%	1.30%
Statutory COLA & Augmentation (Planning COLA)	13.26%	5.38%	4.02%
STRS Employer Statutory Rates	19.10%	19.10%	19.10%
PERS Employer Projected Rates	25.37%	25.20%	24.60%
Lottery - Unrestricted per ADA	\$170	\$170	\$170
Lottery - Prop 20 per ADA	\$67	\$67	\$67
Mandated Block Grant per ADA	\$34.94	\$36.82	\$38.30
CPI	5.75%	2.58%	2.20%
Routine Restricted Maintenance Account	3% of total GF expenditures	3% of total GF expenditures	3% of total GF expenditures
Health Benefits - Hard Cap with no anticipated changes	<i>Varies by Bargaining Unit</i>		



General Fund Summary Changes

2022-23 General Fund Summary Comparison Explanation of Changes from Original Budget

	Original Budget	1st Interim	Difference	Explanation
REVENUE:				
LCFF Funding	\$ 189,385,327	\$ 197,464,308	\$ 8,078,981	Increases due to (1) augmented COLA of 13.26%, (2) COVID-19 ADA relief for 2021-22, and (3) increase in Home-to-School Transportation funding.
Federal Revenue	\$ 18,408,818	\$ 37,252,533	\$ 18,843,715	Recognition of Federal carryover funding in Title programs and ESSER.
Other State Revenue	\$ 20,030,442	\$ 79,942,269	\$ 59,911,827	Increases due to (1) increase in Expanded Learning Opportunities Program, (2) new Arts, Music, & Instructional Materials grant, (3) new Learning Recovery Emergency grant, (4) increase in Special Education funding, and (5) new Literacy Coaches & Reading Specialists grant.
Other Local Revenue	\$ 13,401,393	\$ 14,706,388	\$ 1,304,995	Increase in local SELPA Special Education funding.
Total Change in Revenue			\$ 88,139,518	
EXPENDITURES:				
Certificated Salaries	\$ 97,309,058	\$ 103,636,142	\$ 6,327,084	Increases in Certificated and Classified salaries and benefits is due to budgeting of staffing costs in new programs, such as ELOP and Literacy Coaches. These increases are also impacted by salary increases agreed upon at the end of Fiscal Year 2021-22.
Classified Salaries	\$ 33,348,877	\$ 39,304,068	\$ 5,955,191	
Employee Benefits	\$ 54,031,112	\$ 55,890,975	\$ 1,859,863	
Books & Supplies	\$ 14,991,250	\$ 17,442,314	\$ 2,451,064	Increases in Supplies, Services & Operating Expenses, and Capital Outlay are due to budgeting of costs in new programs, such as ELOP and Literacy Coaches.
Services & Other Operating Expenses	\$ 40,923,131	\$ 47,287,931	\$ 6,364,800	
Capital Outlay	\$ 665,511	\$ 4,363,323	\$ 3,697,812	
Total Change in Expenditures			\$ 26,655,814	

6 Multiyear Projections - Summary

	2022-23	2023-24	2024-25
	First Interim	Projections	Projections
Revenues	\$329,365,498	\$269,030,284	\$266,270,352
Expenditures	\$269,799,545	\$271,681,566	\$272,751,003
Excess (Deficiency) of Revenue over Expenditures	\$59,565,953	(\$2,651,282)	(\$6,480,651)
Beginning Fund Balance	\$82,658,777	\$142,224,730	\$139,573,448
Total Ending Fund Balance	\$142,224,730	\$139,573,448	\$133,092,797
<u>Components of Ending Fund Balance</u>			
Reserve for Economic Uncertainty - Percentage	10.0%	10.0%	10.0%
Reserve for Economic Uncertainty	\$26,979,955	\$27,168,157	\$27,275,100
Non-Spendable (Stores & Revolving Cash)	\$120,000	\$120,000	\$120,000
Legally Restricted	\$83,799,970	\$74,135,809	\$63,672,282
Committed Funds	\$31,324,805	\$38,149,482	\$42,025,415
Undesignated/Unappropriated Fund Balance	\$0	\$0	\$0





Multi-year Projections - Detail

General Fund (Unrestricted & Restricted)		2022-23 1st Interim	2023-24 Projected	2024-25 Projected
Revenues				
	Total LCFF Funding	\$197,464,308	\$200,460,845	\$197,803,337
	Federal Revenues	\$37,252,533	\$13,252,533	\$13,650,109
	Other State Revenues	\$79,942,269	\$40,610,518	\$40,110,518
	Other Local Revenues	\$14,706,388	\$14,706,388	\$14,706,388
Total Revenues		\$329,365,498	\$269,030,284	\$266,270,352
Expenditures				
	Certificated Salaries	\$103,636,142	\$104,010,932	\$104,390,594
	Classified Salaries	\$39,304,068	\$39,815,021	\$40,332,616
	Employee Benefits	\$55,890,975	\$56,643,809	\$56,461,553
	Books & Supplies	\$17,442,314	\$17,892,326	\$18,285,957
	Services & Other Operating Expenses	\$47,287,931	\$48,507,960	\$49,575,135
	Capital Outlay	\$4,363,323	\$3,040,000	\$2,040,000
	Other Outgo	\$2,301,660	\$2,301,660	\$2,301,660
	Transfer of Indirect Costs	-\$426,868	-\$530,141	-\$636,512
Total Expenditures		\$269,799,545	\$271,681,566	\$272,751,003
Detail of Committed Balance				
	Student Transportation/Bus Replacement	\$1,000,000	\$1,000,000	\$1,000,000
	Technology Device Refresh	\$3,000,000	\$3,000,000	\$3,000,000
	Instructional Materials Adoptions	\$2,000,000	\$2,000,000	\$2,000,000
	Building Maintenance One-Time Funds	\$1,564,000	\$1,564,000	\$1,564,000
	Financial Stability Reserve	\$23,760,805	\$30,585,482	\$34,461,415
Total Committed Balance		\$31,324,805	\$38,149,482	\$42,025,415



8 First Interim 2022-23 – Summary

- ❑ Reflects revisions to the current fiscal year
- ❑ Revised Multi-Year Projections
- ❑ Resulting “Positive Certification”
- ❑ Staff recommends approval of the 2022-23 First Interim Financial Report





Next Steps

January 2023	Governor's Proposed Budget for 2023-24
January – February 2023	Enrollment projections and staffing
February 2023	LCAP Supplement for 2022-23
January – June 2023	LCAP and Budget Development for 2023-24
March 2023	Second Interim Financial Report
June 2023	LCAP and Budget hearings and adoption for 2023-24

