

# 2021-22 Proposed Budget

Board Meeting June 10, 2021 Agenda Item No. 9.1



# Budget Presentation Agenda

- Financial Reporting Requirements
- May Revise Highlights
- 2020-21 Estimated Actuals
- 2021-22 Proposed Budget
- Fiscal Recovery Plan
- 2021-22 Multi-Year Projections
- Potential Future Risks & Opportunities
- Summary

# Financial Reporting Requirements

- District required to adopt budget prior to July 1 of each year
- 2021-22 Proposed Budget is a "tentative" budget
- Based on Governor's May Budget Revise,

# May Revise Highlights

- 5.07% COLA for Local Control Funding Formula
- 4.05% compounded COLA for Special Education

#### 2020-21 Estimated Actuals Changes from 20201 Third Interim

- Unrestricted ending fund balance increased by \$33K
- Projected unrestricted surplus of \$10.9M with ending fund balance of \$95.6M
- Restricted ending fund balance increased by \$98.3M

#### 2021-22 Proposed Budget Enrollment Trend

# Proposed 2021-2022 Budget LCFF Funding Factors

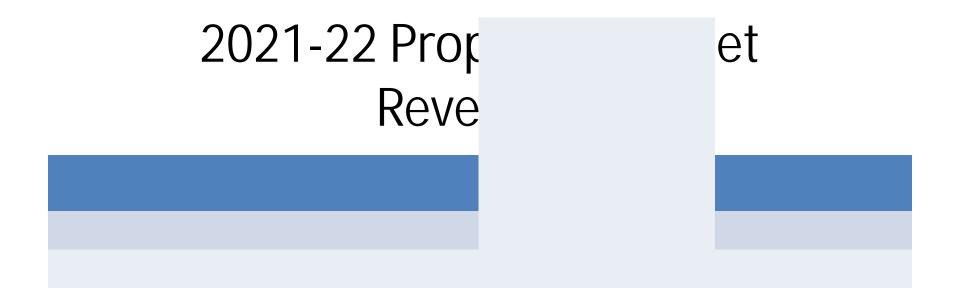
Grade Span	K3	46	7–8	9–12	
2020–21 Base Grant per ADA	\$7,702	\$7,818	\$8,050	\$9,329	
5.07% Mega COLA	\$390	\$396	\$408	\$473	
2021–22 Base Grant per ADA	\$8,092	\$8,214	\$8,458	\$9,802	
Grade Span Adjustment	\$842	-	-	\$255	
2021–22 Adjusted Base Grant per ADA	\$8,934	\$8,214	\$8,458	\$10,057	
20% Supplemental Grant per ADA (Total UPP)					

#### 2021-2022 Proposed Budget LCFF Revenue

#### Estimated Total \$430 Million\*

2021-22 LCFF Target per May Revise Compared to 2020-2021 LCFF Funding						
	2020-21	2021-22	Difference			
Base Grant	\$315,902,896.00	\$331,909,203.00	\$ 16,006,307.00			
Supplemental Grant	\$ 47,419,482.00	\$ 49,712,059.00	\$ 2,292,577.00			
Concentration Grant	\$ 28,304,016.00	\$ 29,462,446.00	\$ 1,158,430.00			
K-3 CSR	\$ 9,659,011.00	\$ 10,153,417.00	\$ 494,406.00			
9-12 CTE	\$ 2,600,600.00	\$ 2,729,025.00	\$ 128,425.00			
Targeted Instructional						
Improvement Block Grant	\$ 2,428,078.00	\$ 2,428,078.00	\$-			
Transportation	\$ 4,115,457.00	\$ 4,115,457.00	\$-			
Total	\$410,429,540.00	\$430,509,685.00	\$20,080,145.00			

\*Based on Governor's May Revise of 5.07% COLA, 72% Unduplicated Pupil Count and 2019-20 ADA





### 2021-22 Proposed Budget Expenditures

Expenditures	Unrestricted	Restricted	Combined
Certificated Salaries	166,630,869	59,174,983	225,805,852
Classified Salaries	36,428,673	24,961,643	61,390,315
Benefits	118,719,397	70,375,748	189,095,145
Books and Supplies	13,001,548	16,442,651	29,444,199
Other Services & Oper. Expenses	25,422,455	55,653,918	81,076,373
Capital Outlay	72,200	1,709,322	1,781,522
Other Outgo 7xxx	1,150,000	0	1,150,000
Transfer of Indirect 73xx	(7,067,842)	5,767,662	(1,300,180)
Budget Reductions	0	0	0
Total Expenditures	354,357,299	234,085,926	588,443,225

#### NO ESSER flunds are budgeted in 2022/2 Proposed Budget

### 2021-22 Proposed Budget Contributions/Transfers Out

Contributions From Unrestricted to Restricted					
Program	2021-22 Adopted Budget				
Special Education	\$ 81,112,863				
Routine Restricted Maintenance Account	\$ 17,081,000				
Total	\$ 98,193,863				

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#### 2021-2022 Proposed Budget Education Protection Act (EPA)

- Proposition 30 temporary tax increase (11/6/2012)
  - Sales tax increase for 2013-2016
  - Personal income tax increase for 2012-2018
- Proposition 55 (11/8/2016) extends personal income tax through 2030
- Tax revenues received are placed into the Education Protection Account
- Proposition 30 and Proposition 55 include several accountability measures:
  - Governing board at a public meeting approves a spending plan
  - Funds cannot be used on administrative costs
  - Website publishing required (EPA funds received & expended)
  - Annual financial audit
- 2021-2022 Projected Revenue \$76,782,060
  - All funds are budgeted for teacher salaries & benefits

# Use of One Time Funds

- BP 3100 revised at March 4, 2021 Board Meeting
  - As part of annual budget process, the Board shall consider any proposed use of one-time funding and take separate action to approve such uses

#### 2021-22 Proposed Budget Use of One Time Funds

# 2021-2022 Proposed Budget

2021-22 Proposed Budget							
Description	Unrestricted	Restricted	Total				
Total Revenues	443,805,897	115,463,179	559,269,075				
Total Expenditures	354,357,299	234,085,926	588,443,225				
Excess/(Deficiency)	89,448,598	(118,622,748)	(29,174,150)				
Other Sources/Uses	(96,143,462)	98,193,763	2,050,301				
Net Increase/(Decrease)	(6,694,864)	(20,428,985)	(27,123,849				
Add: Beginning Fund Balance		104,528,511	200,156,464				
Ending Fund Balance	88,933,089	84,099,526	173,032,616				

### 2021-22 Proposed Budget Fund Summaries

	Fund	Beginning Fund Balance	Budgeted Net Change	Projected Endin Fund Balance
01	General (Unrestricted and Restricted)	\$200,156,464	(\$27,123,849)	\$173,032,616
09	Charter Schools	\$2,492,718	\$119,943	\$2,612,660
11	Adult	\$353,245	\$0	\$353,245
12	Child Development	\$0	\$0	\$0
13	Cafeteria	\$12,807,058	(\$167,783)	\$12,639,276
21	Building Fund	\$14,578,432	(\$14,443,008)	\$135,424
25	Capital Facilities	\$16,576,158	(\$63,702)	\$16,512,456
49	Capital Projects for Blended Components	\$1,058,510	(\$167,702)	\$890,808
51	Bond Interest and Redemption	\$28,138,958	(\$3,809,576)	\$24,329,382
67				

#### Fiscal Recovery Plan Board Request: Further Analysis in 2021-2022

# Multi-

# Multi-Year Projection Assumptions

Unrestricted/Restricted Expenditure Changes 2022-23 & 2023-24

 Increase in step & column projected at 1.5% (\$2.8M) each year for certificated and 0.8% (\$425K) for classified-

# Multi-Year Projection Assumptions

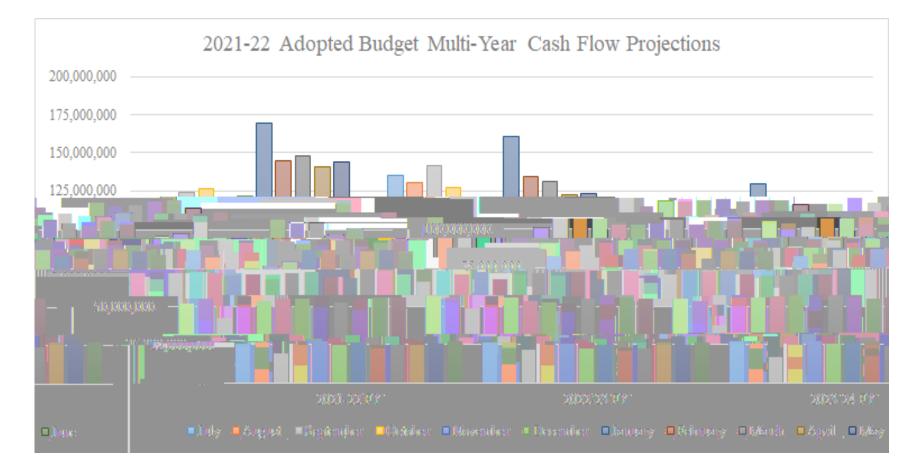
#### Proposed 2021-2022 General Fund Multi-Year Projections

	Pro	oposed Budget			Projection		Projection		
Description		2021-22			2022-23			2023-24	
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined
Total Revenue	443,805,897	115,463,179	559,269,075	448,644,885	108,668,411	557,313,296	457,241,790	108,668,411	565,910,201
Total Expenditures	354,357,299	234,085,926	588,443,225	364,343,947	244,200,538	608,544,485	372,868,713	234,097,195	606,965,908
Deficit/Surplus	89,448,598	(118,622,748)	(29,174,150	84,300,938	(135,532,127)	(51,231,188	84,373,077	(125,428,783)	(41,055,706
Transfers in/(out)	2,050,301	0	2,050,301	2,050,301	0	2,050,301	2,050,301	0	2,050,301
Contributions to Restricted	(98,193,763)	98,193,763	0	(104,568,451)	104,568,451	0	(111,350,131)	111,350,131	0
Net increase (decrease) in	(6,694,864)	(20,428,985)	(27,123,849	) (18,217,212)	(30,963,676)	(49,180,887)	(24,926,753)	(14,078,652)	(39,005,405
Fund Balance									
Beginning Balance	95,627,953	104,528,511	200,156,464	88,933,089	84,099,526	173,032,616	70,715,877	53,135,851	123,851,728
Ending Balance	88,933,089	84,099,526	173,032,616	70,715,877	53,135,851	123,851,728	45,789,124	39,057,199	84,846,323

#### \*Multiyear projections show a continued deficit spend each year

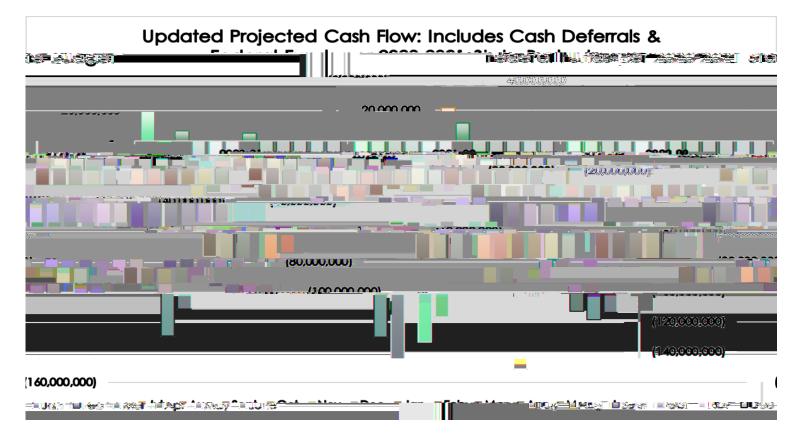
# Proposed 2021-22 MYP without ESSER, GEER and ELO Funds

# Proposed 2021-22 Cash Flow Projection



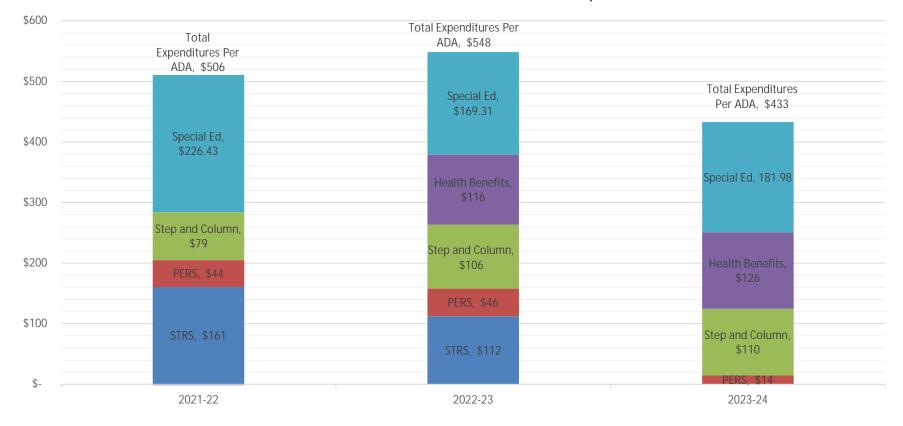
#### 2020-2021 Projected Cash Flow per State Enacted Budget

\*presented 7/16/20 Board Meeting



# LCFF Growth Vs Expense Growth

Per ADA Growth in Revenues and Expenditures



# Potential Future Risk/Opportunity

Risks

- Ongoing State funding for K-12 Districts
- Significant decline in enrollment
- Additional unfunded COVID-19 related expenses such as health benefits
- Unemployment Insurance and STRS/PERS increases

Opportunities

### Summary

• District's budget has been disapproved for 3