



2022-23 Proposed Budget

Board Meeting
June 9, 2022
Agenda Item No. 10.1

Acronyms

One time

Average Daily Attendance

Assembly Bill

Cost of Living Adjustment

Expanded Learning Opportunities Program

Local Control Funding Formula

Multi - Year Projections

Second Period Attendance Reporting Cycle

Professional Development

California Public Employees' Retirement System



California School District Financial Reporting Requirements

- District required to adopt budget prior to July 1 of each year
- 2022-23 Proposed Budget is a "tentative" budget
- Based on Governor's May Budget Revise, State Enacted Budget may be different
- 2022-23 SCUSD Budget will be presented for Adoption on June 23rd
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May Revised Highlights

- 2022-23 Additional COLA of 3.29% above 6.56%
- \$8B in 1x discretionary funds at \$1,500/ADA
- Maintains proposal to increase AB602 Special Education funding to \$820/ADA up from \$715/ADA
- 2021-22 attendance ratio from 2019-20 of 94.6% up from 21-22 ratio of 85.9%
 - Projected increase of \$13.9M in 23; \$14.6M in 23-24 and \$7.8M in 24-25



2021-22 Estimated Actuals

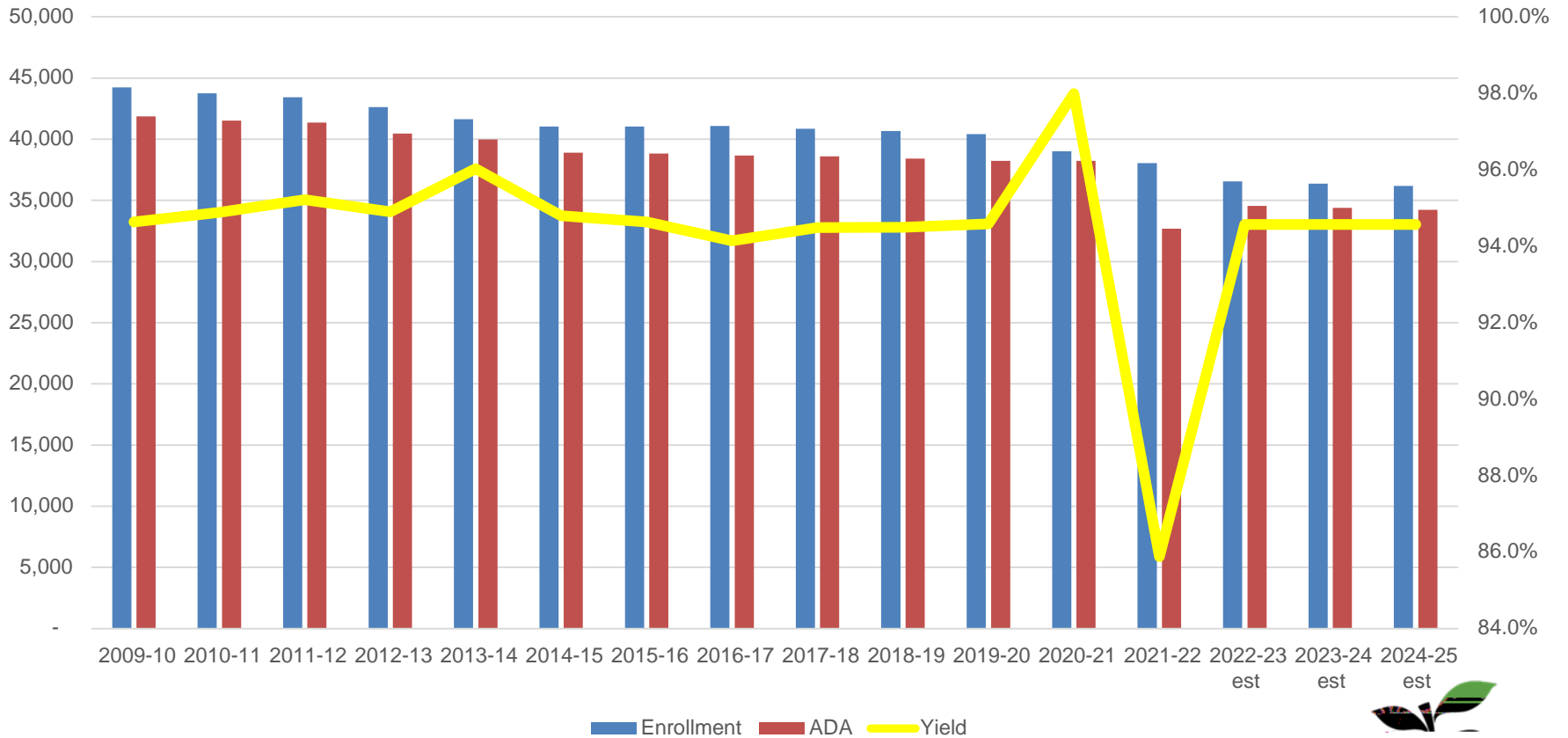
Changes from 2021-22 Third Interim

- Projected Unrestricted ending fund balance of \$42.7M
 - Decrease of \$1.5M due to increase in utilities costs
- Projected unrestricted deficit of \$61M
 - Third Interim included the potential \$47M liability from instructional lost days/minutes and SCTA & SEIU Settlements
- Restricted ending fund balance increased by \$19.1M
 - \$8.9M Educator Effectiveness funds
 - \$10.2M in ELOP funds
- Projected restricted ending fund balance of \$24.6M



2022-23 Proposed Budget Enrollment Trend

Enrollment & ADA Trend



2022-23 Proposed Budget

LCFF Funding Factors

2021-22 Base Grant per ADA	\$8,093	\$8,215	\$8,458	\$9,802
9.85% COLA (6.26% + 3.29%)	\$797	\$809	\$833	\$965
2022-23 Base Grant per ADA	\$8,890	\$9,024	\$9,291	\$10,767
Grade Span Adjustment	\$925	–	–	\$280
2022-23 Adjusted Base Grant per ADA	\$9,815	\$9,024	\$9,291	\$11,047
20% Supplemental Grant per ADA (Total UPP)	\$1,963	\$1,805	\$1,858	\$2,209
65% Concentration Grant per ADA (UPP Above 55%)	\$6,380	\$5,866	\$6,039	\$7,181



2022-23 Proposed Budget LCFF Revenue

** Based on Governor's May Revise of 6.56% COLA + 3.29% COLA augmentation, 71% UPP and 3 year averaging of Actual ADA (19-20,20-21,21-22)*

**Excludes ADA Attendance Yield Proposal of using 19-20 94.6% rate for 21-*



2022-23 Proposed Budget Revenues

General Purpose (LCFF) Revenue	\$454,072,523	\$456,323,700
Federal	\$0	\$91,620,560
State Revenue	\$56,524,860	\$133,686,710
Local Revenue	\$5,910,294	\$8,258,940

** Unrestricted State Revenues include 1x funding proposal of \$1,500/ADA which is approximately \$49M for the District*



2022-23 Proposed Budget Expenditures



2022-23 LCAP Goals

2022-23 LCAP Goal 1

Projected Expenditures by Action

1.1	CTE Pathways and Programs (Centrally Funded)	\$ 3,832,452
1.2	Academic and Career Counseling (Base)	\$ 4,054,175
1.3	Academic and Career Counseling (Supplemental)	\$ 5,776,988
1.4	Central Support for Aligned Master Scheduling	\$ 195,924
1.5	Credit Recovery Options	\$ 1,718,742
1.6	Exam Fee Support (AP, IB, PSAT/SAT)	\$ 499,165
1.7	International Baccalaureate (IB) Program Support	\$ 527,994
1.8	SPSAbased Site actions: Graduation/College & Career Ready	\$ 918,691
1.9	Del8 -0167 (t)-4.4868 4 151.32/l8603 T 151.32 re1.32 re1	



2022-23 LCAP Goal 2

Projected Expenditures by Action

2.1	Professional Learning to support standards implementation	\$ 4,536,174
2.2	Advanced Learning Programs GATE/AP	\$ 258,145
2.3	Expanded Learning Programs	\$ 23,967,922
2.4	Multisensory Reading Intervention: Curriculum & Training	\$ 40,000
2.5	Language Acquisition Programs for English Learners	\$ 311,915
2.6	Professional Learning specific for English Learner Instruction	\$ 441,915
2.7	Pathways to Multiliteracy	\$ 311,915
2.8	Class Size Reduction (CSR) - CSR to 24:1 at primary grades	\$ 2,606,800
2.9	School Assistance Additional staffing for high-needs sites	\$ 38,528,384
2.10	Weekly Collaboration Time for certificated staff	\$ 6,299,952
2.11	Restructured Salary Schedule Recruit and Retain teachers	\$ 13,956,407
2.12	Early Childhood Education: Preschool programs	\$ 12,673,513
2.13	Early Childhood Education: Transitional Kindergarten	\$ 1,163,666



2022-23 LCAP Goal 2

Projected Expenditures by Action



2022-23 Proposed Budget Contributions



Special Education	\$79,841,460
Routine Restricted Maintenance Account	\$17,081,000



2022-

2022-23 Proposed Budget

Total Revenues	516,507,677	173,382,256	689,889,933
Total Expenditures	367,566,515	282,498,895	650,065,410
Excess/(Deficiency)	148,941,163	(109,116,639)	39,824,523
Other Sources/Uses	(94,580,034)	96,922,460	2,342,426
Add: Beginning Fund Balance	42,691,089	24,600,396	67,291,485



2022-23 Proposed Budget Fund Summaries

01	General (Unrestricted and Restricted)	\$67,291,485	\$42,167,249	\$109,458,735
08	Student Activity Fund	\$1,219,952	\$0	\$1,219,952
09	Charter Schools	\$5,209,471	\$2,354,621	\$7,564,092
11	Adult	\$681,523	\$0	\$681,523
12	Child Development	\$186,377	\$0	\$186,377
13	Cafeteria	\$15,655,293	(\$1,494,239)	\$14,161,053
21	Building Fund	\$95,654,639	(\$56,466,253)	\$39,188,386
25	Capital Facilities	\$20,782,401	(\$230,000)	\$20,552,401
35	County School Facilities Fund	\$0	\$0	\$0
49	Capital Projects for Blended Components	\$1,090,778	(\$485,735)	\$605,043
51	Bond Interest and Redemption	\$30,491,953	(\$3,799,000)	\$26,692,953
67	Self-Insurance Fund	\$12,632,456	\$22,476	\$12,654,931



MYP Assumptions

- 2023-24 LCFF COLA @ 5.38%
 - *Enrollment @ 36,360, .5% decline from prior year*
 - *Funded ADA @ 35,227*
 - *Utilizes 3 year ADA Averaging proposal*
- 2024-25 LCFF COLA @ 4.02%
 - *Enrollment @ 36,179, .5% decline from prior year*
 - *Funded ADA @ 34,489*
 - *Utilizes projected 23-24 actual ADA for funding*
- Removal of 1x funding of \$1,500/ADA = \$49M
- Contributions increase \$8.2M in 23-24 and \$8.7M in 24-25 for projected increase in Special Education expenditures
- 23-24 Remove 1x federal, state and local carryover
- 24-25 Remove \$51.2M in ESSER III funds



MYP Assumptions

- Step & column increases of 1.4% for certificated and .70% for classified salaries
- Adjustments made for STRS, PERS and unemployment insurance rates
- Decrease of 6 FTE to align to enrollment decline each year
- Removal of 3 PD days in 2024
- Health & welfare benefits adjusted for proj(ura) 3.9 Td [2]



MYP Assumptions

2022-23 Proposed General Fund MYP

Total Revenues	689,889,933	642,097,919	602,330,273
Total Expenditures	650,065,410	649,691,083	618,319,372
Excess/15	265.4265.436	19 [(E)42.5	2 (i)28.5 (t)-33.9

- MYP projections show a continued deficit spend each year
- The target to eliminate unrestricted deficit spending is \$11.6M
 - \$13.6M includes projected restricted deficit of \$2M

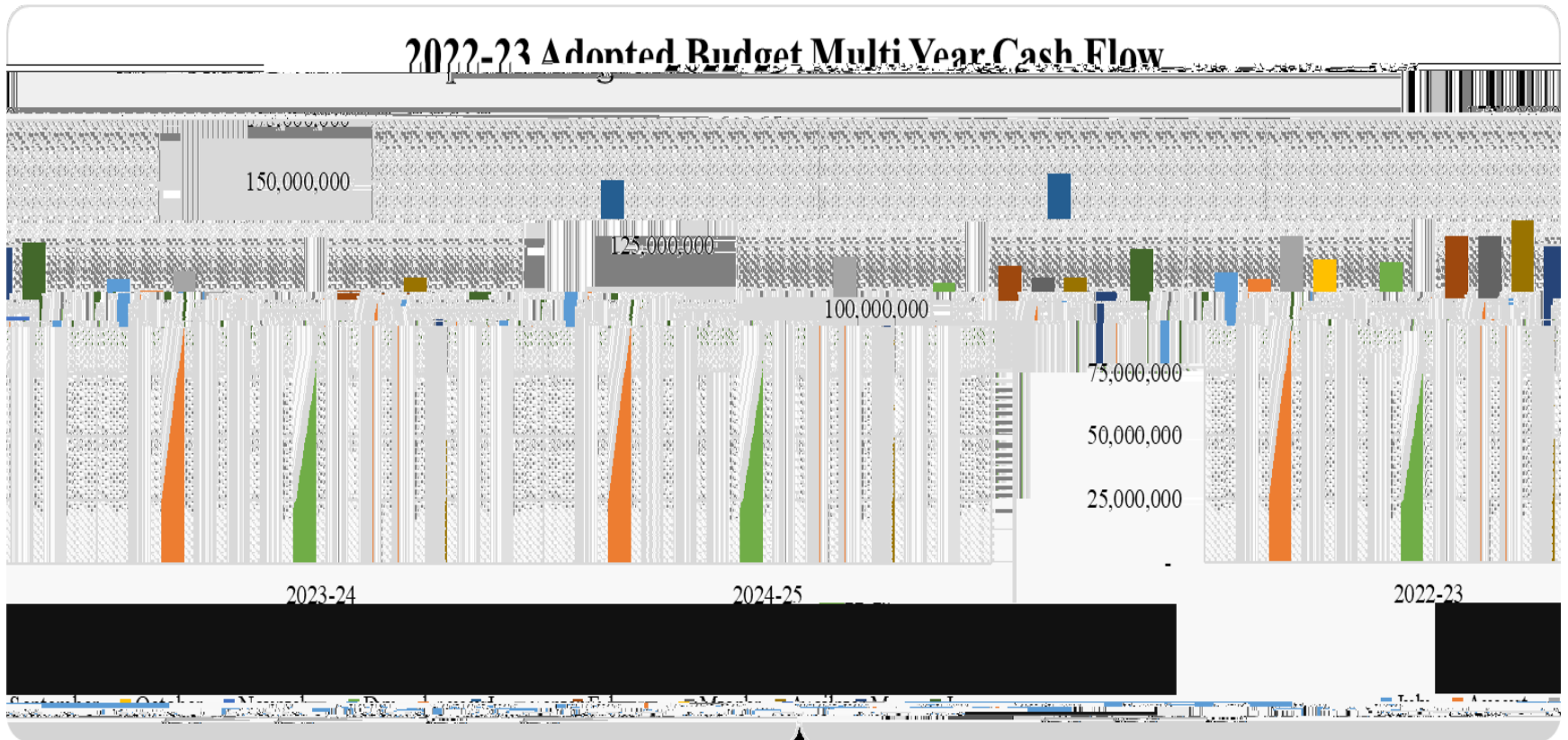


2022-23 Proposed General Fund MYP without ESSER/ELO Funds

Total Revenues	636,747,774	589,542,557	600,999,705
Total Expenditures	598,574,401	597,135,720	616,988,804
Excess/(Deficiency)	38,173,373	(7,593,163)	(15,989,099)
Other Sources/Uses	2,342,426	2,342,426	2,342,426
Add: Beginning Fund Balance	67,291,485	107,807,285	102,556,547



2022-23 Proposed Budget Cash Flow Projections



2022-23 Ending Fund Balance

	Unrestricted	Restricted	Combined
Revolving Cash/Prepays	\$328,749		\$328,749
Restricted Categorical Balances		\$12,406,217	\$12,406,217
2022-23 Projected Deficit	\$3,204,659		\$3,204,659
2023-24 Projected Deficit	\$11,600,596		\$11,600,596
Unrestricted Site Programs	\$383,845		\$383,845
MAA	\$1,121,885		\$1,121,885
2021-22 Unsettled Negotiations	\$9,349,809		\$9,349,809
Economic Uncertainty (REU-2%)	\$12,954,460		\$12,954,460
Board Economic Uncertainty (REU-3%)	\$19,431,690		\$19,431,690



2022-23 Components of Ending Fund Balance

- Marketing plan to mitigate enrollment decline
- x Re-Imagining Safety enhancements
- x VAPA enhancements
- x Discretionary fund changes for Board members
- x Additional student support services
- x Strategies for filling vacancies
- x History-Social Sciences/World Language Textbook Adoptions
- x Professional Development, including for
 - x Anti-racism training
 - x MTSS



Potential Future Risk/Opportunity

- Final State Budget and fiscal impact for 12 Districts
 - 1x Funding Proposal of \$1,500/ADA
 - 3 Year ADA Averaging
 - Additional unfunded COVID-19 related expenses
 - Significant decline in enrollment
 - Future negotiations
 - Economic downturn
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- Improved State Budget and funding for 12 Districts
 - 19-20 ADA Attendance yield proposal
 - Recover enrollment
 - Waiver for \$47M liability recognized within 21-22 for lost instructional days/minutes
 - FRP sufficient to mitigate District's deficit spending



Summary

- District's budget has been disapproved for 3 years (2018-19, 2019-20 and 2020-21)
- 2021-22 Adopted Budget Conditionally approved
 - Due to deficit spending
 - Diminishing cash flow projections
- District has implemented more than \$50M ongoing and 1x reductions
- 12/16/21 Board Approved FRP \$243K ongoing and \$5M 1x in 2022-23
- A \$11.6 million ongoing solution is required to achieve balanced budget



Conduct Public Hearing

