



2022-23 Proposed Budget

Board Meeting
June 9, 2022
Agenda Item No. 10.1

Acronyms

1x	One time	LCFF	Local Control Funding Formula
ADA	Average Daily Attendance	MYP	Multi - Year Projections
AB	Assembly Bill	P-2	Second Period Attendance Reporting Cycle
COLA	Cost of Living Adjustment	PD	Professional Development
ELOP	Expanded Learning Opportunities Program	PERS	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

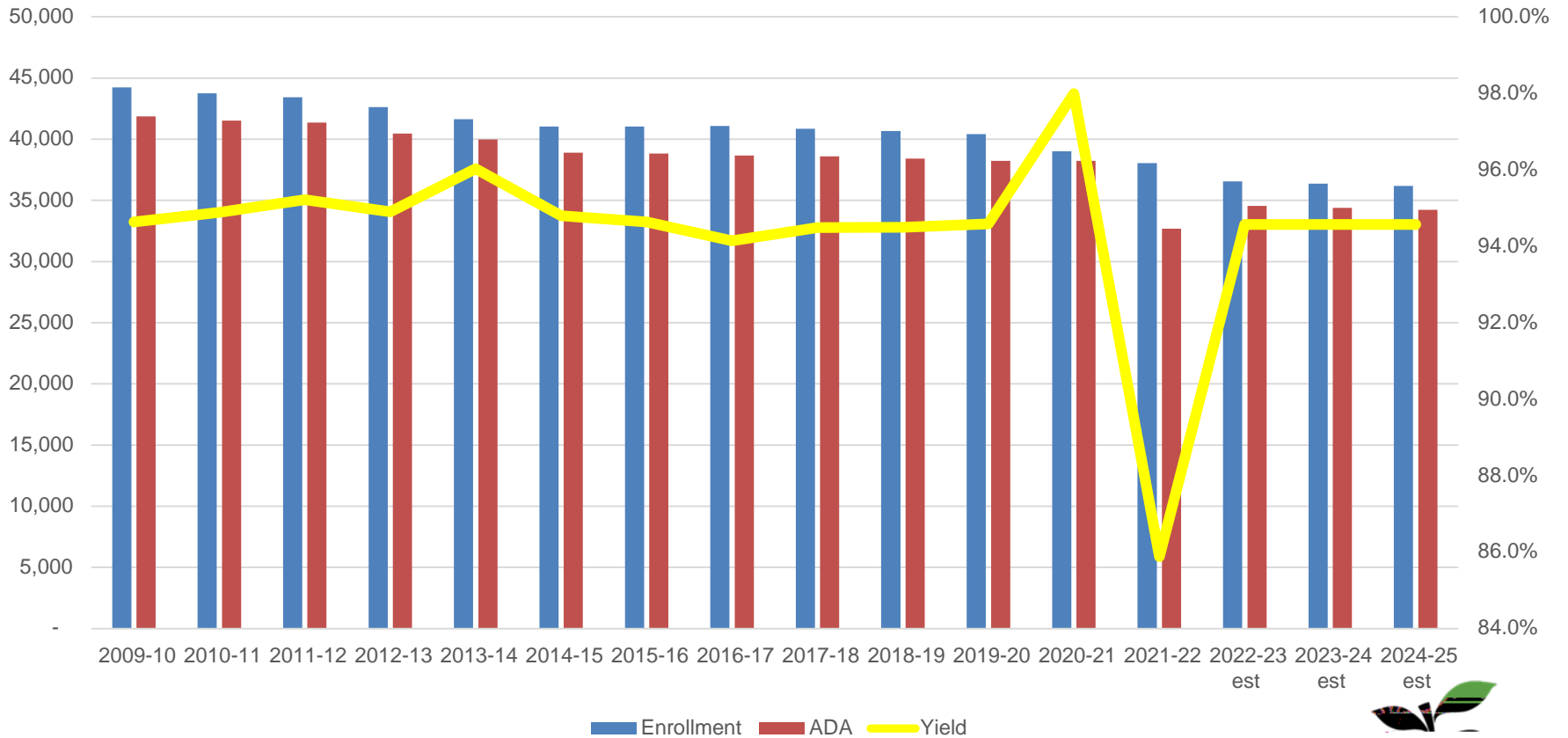
Changes from 2021-22 Third Interim

- 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

Grade Span	K-3	4-6	7-8	9-12
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

DESCRIPTION	UNRESTRICTED	COMBINED
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
TOTAL	\$516,507,677	\$689,889,933

** 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

Ref.	Title	22-23 Projection
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

Ref.	Title	22-23 Projection
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 (R) - 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

Program	2022-23 Proposed Budget
Special Education	\$79,841,460
Routine Restricted Maintenance Account	\$17,081,000



2022-

2022-23 Proposed Budget

2022-23 Proposed Budget			
Description	Unrestricted	Restricted	Total
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
Net Increase/(Decrease)	54,361,129	(12,194,179)	42,166,949
Add: Beginning Fund Balance	42,691,089	24,600,396	67,291,485
Ending Fund Balance	97,052,218	12,406,217	109,458,435



2022-23 Proposed Budget Fund Summaries

Fund		2022-23 Beginning Fund Balance	Budgeted Net Change	2022-23 Adopted Budget Ending Fund Balance
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

Unrestricted Revenues

- 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

Restricted Revenues

- 23-24 Remove 1x federal, state and local carryover
- 24-25 Remove \$51.2M in ESSER III funds



MYP Assumptions

Unrestricted/Restricted Expenditure Changes for 2023-24 & 2024-25

- 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

Description	2022-23 Proposed Budget	Projected 2023-24	Projected 2024-25
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

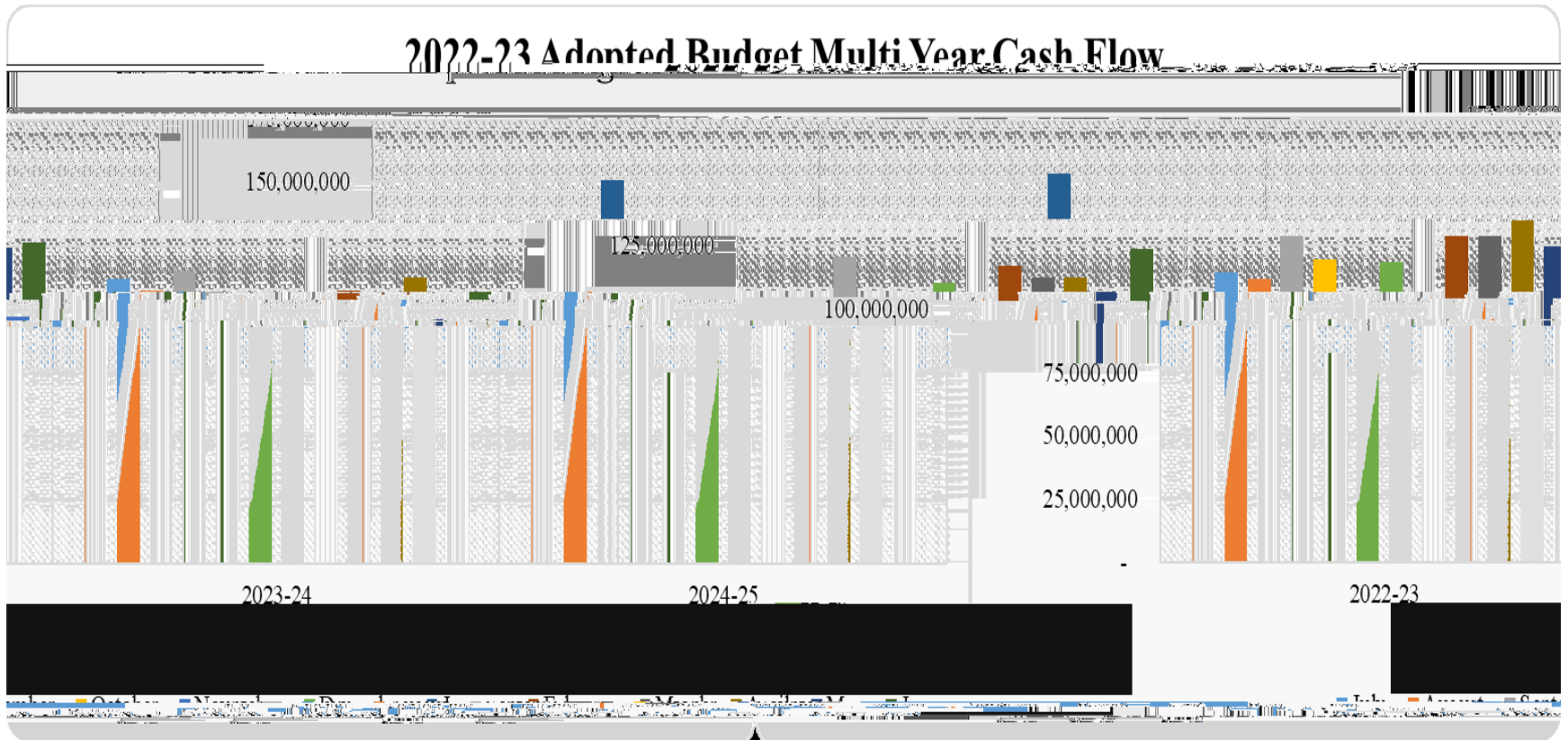


2022-23 Proposed General Fund MYP without ESSER/ELO Funds

Description	2022-23 Proposed Budget	Projected 2023-24	Projected 2024-25
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
Net Increase/(Decrease)	40,515,799	(5,250,737)	(13,646,673)
Add: Beginning Fund Balance	67,291,485	107,807,285	102,556,547
Ending Fund Balance	107,807,285	102,556,547	88,909,874



2022-23 Proposed Budget Cash Flow Projections



2022-23 Ending Fund Balance

Description	2022-23 Adopted Budget		
	Unrestricted	Restricted	Combined
NONSPENDABLE			
Revolving Cash/Prepays	\$328,749		\$328,749
TOTAL - NONSPENDABLE	\$328,749	\$0	\$328,749
RESTRICTED			
Restricted Categorical Balances		\$12,406,217	\$12,406,217
TOTAL - RESTRICTED	\$0	\$12,406,217	\$12,406,217
COMMITTED			
ASSIGNED			
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
TOTAL - ASSIGNED	\$25,660,794	\$0	\$25,660,794
RESERVE FOR ECONOMIC UNCERTAINTIES			
Economic Uncertainty (REU-2%)	\$12,954,460		\$12,954,460
Board Economic Uncertainty (REU-3%)	\$19,431,690		\$19,431,690
TOTAL - RESERVE FOR ECONOMIC UNCERTAINTIES	\$32,386,149	\$0	\$32,386,149
UNASSIGNED & UNAPPROPRIATED	\$38,676,526		\$38,676,526
TOTAL - FUND BALANCE	\$97,052,218	\$12,406,217	\$109,458,435



2022-23 Components of Ending Fund Balance

Possible 1x Items for Commitments

- x 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

Risks

- 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

Opportunities

- 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

