



2022-23 Second Interim Report

March 16, 2023
Agenda Item No. 11.1

Acronyms

ADA	Average Daily Attendance	IPI	In Person Instruction Grant (1x)
AMBG	Arts Music Block Grant (1x)	LCAP	Local Control Accountability Plan
ASES	After School Education and Safety (Ongoing)	LCFF	Local Control Funding Formula
CCSPP	California Community Schools Partnership Program (1x)	LREBG	Learning Recovery Emergency Block Grant (1x)
COLA	Cost of Living Adjustment	MYP	Multi-Year Projections
CPA	California Partnership Academies (Ongoing)	P-2	Second Period Attendance Reporting Cycle
CSI	Comprehensive Support and Improvement (1x)	PERS	California Public Employees' Retirement System
CTEIG	Career Technical Education Incentive Grant (Ongoing)	S&C	Supplemental and Concentration (Ongoing)
ELOG	Expanded Learning Opportunities Grant (1x)	SCOE	Sacramento County Office of Education
ELOP	Expanded Learning Opportunities Program (Ongoing)	STRS	California State Teachers Retirement System
ESSER	Elementary and Secondary School Emergency Relief (1x)	TK	Transitional Kindergarten (Ongoing)
FCMAT	Fiscal Crisis and Management Assistance Team	UPP	Unduplicated Pupil Percentage

Agenda

- Financial Reporting Requirements & District Fiscal Status
- Second Interim Overview
- Unrestricted and Restricted Changes
- Multi-Year Projections Update
- Summary
- Approve 2022-23 Second Interim Budget



Second Interim Overview

- 2022-23 District Adopted Budget - 6/23/2022
 - State budget not final
 - Uncertainties: COLA, ADA Relief, & 1X Funds
- 2022-23 State Enacted Budget – 6/30/2022
 - LCFF COLA augmentation of 6.70%
 - Additional transportation funding – requires plan approval by 4/1/23
 - Arts, Music & Instructional Materials Discretionary & Learning Recovery Emergency Block Grant
 - ELOP
- First Interim Report – 12/15/2022
 - Incorporated changes from State Enacted Budget plus:
 - Budget revisions since the District Adopted Budget
 - Updated beginning fund balance from 2021-22 Unaudited Actuals
 - 1X Carryover revenue and expenditures from 2021-22 year
- Second Interim Report – 3/16/2023
 - Budget revisions since First Interim report
 - Updates from 2023-24 Governor's Budget Proposal including:
 - Reduction in Arts, Music and Instructional Materials Discretionary Block Grant
 - Addition of Prop 28 Arts Music ongoing funding beginning in 23-24
 - Adjusted COLAs for 23-24 and 24-25

2022-23 Second Interim Revenue Changes

Unrestricted Revenue Changes

Description	2022-23 First Interim	2022-23 Second interim	Variance
LCFF Revenues	482,045,473	481,819,485	(225,988)
Federal Revenues	-	-	-
State Revenue	10,945,417	10,945,417	-
Local Revenues	5,657,295	5,737,786	80,491
Total	498,648,185	498,502,688	(145,497)

Restricted Revenue Changes

Description	2022-23 First Interim	2022-23 Second interim	Variance
LCFF Revenues	2,251,179	2,251,179	-
Federal Revenues	166,767,829	166,700,664	(67,165)
State Revenue	186,922,553	180,523,507	(6,399,046)
Local Revenues	2,697,751	2,729,302	31,551
Total	358,639,311	352,204,651	(6,434,660)

Summary of changes:

- Unrestricted LCFF decrease due to change in UPP - 70.76% actual vs 70.92% projected
- Restricted revenue change primarily due to 1/3 decrease in Arts Music Discretionary Block Grant per 2023-24 Governor's Proposed Budget

2022-23 Second Interim Expenditure Changes

Unrestricted Expenditure Changes

Description	2022-23 First Interim	2022-23 Second interim	Variance
Certificated Salaries	175,173,341	171,624,430	(3,548,911)
Classified Salaries	39,811,546	40,050,907	239,361
Benefits	123,506,005	120,151,717	(3,354,288)
Books & Supplies	14,901,486	11,237,166	(3,664,319)
Contracted Services & Other Operating	25,704,202	25,426,997	(277,206)
Capital Outlay	261,354	1,943,622	1,682,269
Other Outgo	1,540,000	1,540,000	-
Indirect Charges	(8,395,279)	(8,445,588)	(50,309)
Total	372,502,655	363,529,251	(8,973,403)

Summary of changes:

- Decrease in certificated salaries and benefits due to 1x vacancy savings
- Books & supplies 1x decrease based on current year spend.

2022-23 Second Interim Expenditure Changes

Restricted Expenditure Changes

Description	2022-23 First Interim	2022-23 Second interim	Variance
Certificated Salaries	66,906,176	65,501,953	(1,404,223)
Classified Salaries	32,555,635	31,863,947	(691,688)
Benefits	91,201,020	89,962,794	(1,238,226)
Books & Supplies	44,698,607	44,253,450	(445,157)
Contracted Services & Other Operating	127,490,198	132,617,677	5,127,479
Capital Outlay	36,351,903	36,471,844	119,941
Other Outgo	-	-	-
Indirect Charges	7,023,814	7,051,577	27,762
Total	406,227,353	407,723,242	1,495,889

Summary of changes:

- Decrease in certificated and classified salaries due to 1x vacancy savings
- Benefits decrease due to 1x savings
- Books & supplies decrease based on 1x savings and budget revision shifting from books & supplies to contracted services per program adjustments
- Contracted Services & Other Operating increase due to 1x adjustments and budget revision described above

Multi-Year Projection Revenue Assumptions

- 2023-24 & 2024-25 Unrestricted Revenue Assumptions
 - LCFF COLA: 2023-24 increase from 5.38% to 8.13%, 24-25 decrease from 4.02% to 3.54%
 - Funded ADA of 35,768 in 23-24 and 34,124 in 24-25
 - Federal, state and local revenues projected with no change in award allocations.
 - Contributions to Special Education were increased by \$8.5M and \$9.1M for projected expenditures per historical trends, respectively
- 2023-24 & 2024-25 Restricted Revenue Assumptions
 - Federal Revenue was reduced by \$77M to remove 1x carryover funds for restricted programs
 - State Revenue net reduction of \$71.9M to remove carryover funds for restricted programs
 - State Revenue adjustment includes addition of estimated \$6.3M ongoing Prop 28 Arts/Music Funding
 - Local Revenue is projected to decline \$255K with the removal of one time funds
 - Contributions to Special Ed were increased by \$8.5M and \$9.1M respectively



Summary

Risks and Opportunities

Risks

- Uncertainty regarding ongoing State funding for K12 Districts
- Potential future impact of recessionary economy
- Enrollment and ADA
- Additional Unfunded COVID-19 related expenses

Opportunities

- Improved State budget and funding for K12 Districts
- Stable/increased Enrollment and ADA
- Potential to make up instructional days lost during 2021-22 school year through State Waiver process

Questions and Approval

- Questions
- 2022-23 Second Interim Positive Certification

