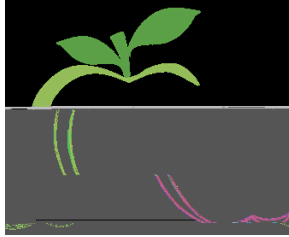




2021-22 Second Interim Budget

Board Meeting
March 17, 2022
Agenda Item No. 8.3

Budget Presentation Agenda



Financial Reporting Requirements & District's
Fiscal Status

Budget Changes since 2021-22 First Interim

Multi-Year Projections

Budget Calendar

FCMAT Matrix Update

Summary & Approve the 2021-22 Second
Interim Budget

California School District Financial Reporting Requirements

Summary of Changes

2021-22 Second Interim Report

Unrestricted revenues decreased by \$1.2M

Summary of Changes

2021-22 Second Interim Report

Cash Flow remains positive through June 2024

Multi-Year Projections will meet the required 2% reserve for the current year and two subsequent years

Per BP 3100 an additional 3% has been assigned for reserve for economic uncertainty for a total of 5%

Unrestricted deficit spending improved but not eliminated in 2023-24 **(\$6.2M)**

Need Fiscal Recovery plan with sufficient on-going reductions to achieve a balanced budget (revenue = expenses)

2021-22 Second Interim Financial Report Compared to 2021-22 First Interim

Description	2021-22 Second Interim Report		
	Unrestricted	Restricted	Total
Total Revenues	447,954,357	269,351,058	717,305,415
Total Expenditures	337,790,379	377,261,885	715,052,263
Excess/(Deficiency)	110,163,978	(107,910,827)	2,253,152
Other Sources/Uses	(90,298,902)	92,324,656	2,025,754
Net Increase/(Decrease)	19,865,076	(15,586,171)	4,278,906
Add: Beginning Fund Balance	103,708,114	22,198,603	125,906,717
Ending Fund Balance	123,573,191	6,612,433	130,185,623

2021-22 Second Interim Changes in Revenue



2021-22 Second Interim Changes in Current Year Expenditures

Unrestricted 2021-22 Second Interim Expenditure Adjustments		
Category	Description	Adjustment
Certificated Salaries	Increase due to salary adjustments	\$50K
Classified Salaries	Decrease due to salary adjustments/savings	(\$30K)
Benefits	Decrease due to budget adjustments related to pension costs, health/welfare benefits and OPEB.	(\$2.5M)
Books and Supplies	Decreased due to budget adjustments made in supplemental/concentration funds and donations	(\$1.9M)
Services	Decreased for budget adjustments made for travel, insurance and contracted services	(\$1.4M)
Capital Outlay	Increase primarily due to budget adjustments to purchase a new school bus for \$204k	\$261K

Restricted 2021-22 Second Interim Expenditure Adjustments		
Category	Description	Adjustment
Certificated Salaries	Increase due to budgeting \$1.1M for new special education Learning Recovery program which is offset by \$500k in budget adjustments to other categories for multiple restricted programs.	\$602K
Classified Salaries	Increased due to budgeting \$337K for new special education Learning Recovery program, which is offset by \$88k in budget adjustments to other categories for multiple restricted programs.	\$249K
Benefits	Decreased due to budget adjustments made in special education programs related to pension costs, health/welfare and OPEB costs.	(\$1.1M)
Books and Supplies	Increased due to budget adjustments made for CSI grant of \$1.1M, ESSER for \$600k, \$556k for the new special education Learning Recovery funds.	\$2.5M
Services	Increase due to budgeting \$1.1M for the CSI grant, \$1M for Title V program, \$530K for ESSER funds, \$1M for the new special education Learning Recovery funds and offset by a reduction of \$1.2M in special education contracts related to Non-Public Schools/Agencies.	\$2.3M
Capital Outlay	Increase primarily due budget adjustments in the Routine, Repair & Maintenance program for \$159k.	\$213K

Multi-Year Projections Revenue Assumptions

Unrestricted Revenue Projections 2022-

Restricted Revenue Projections 2022-23 and 2023-24

Unrestricted Multi-Year Projection Assumptions

Category	Description	Adjustment
Certificated Salaries	Net decrease includes adjustments for step and column increases of \$2.3M, adding back savings from 2021-22 for \$3.2M, Fiscal Re(\$2.3M)6O6k4 (c)6.5 (r)20.5 (e)6.5 (a)6.5 (se 6-17.eD(\$3.2M)14 (, F)-6.5 (i)90n (se	

Restricted Multi-Year Projection Assumptions

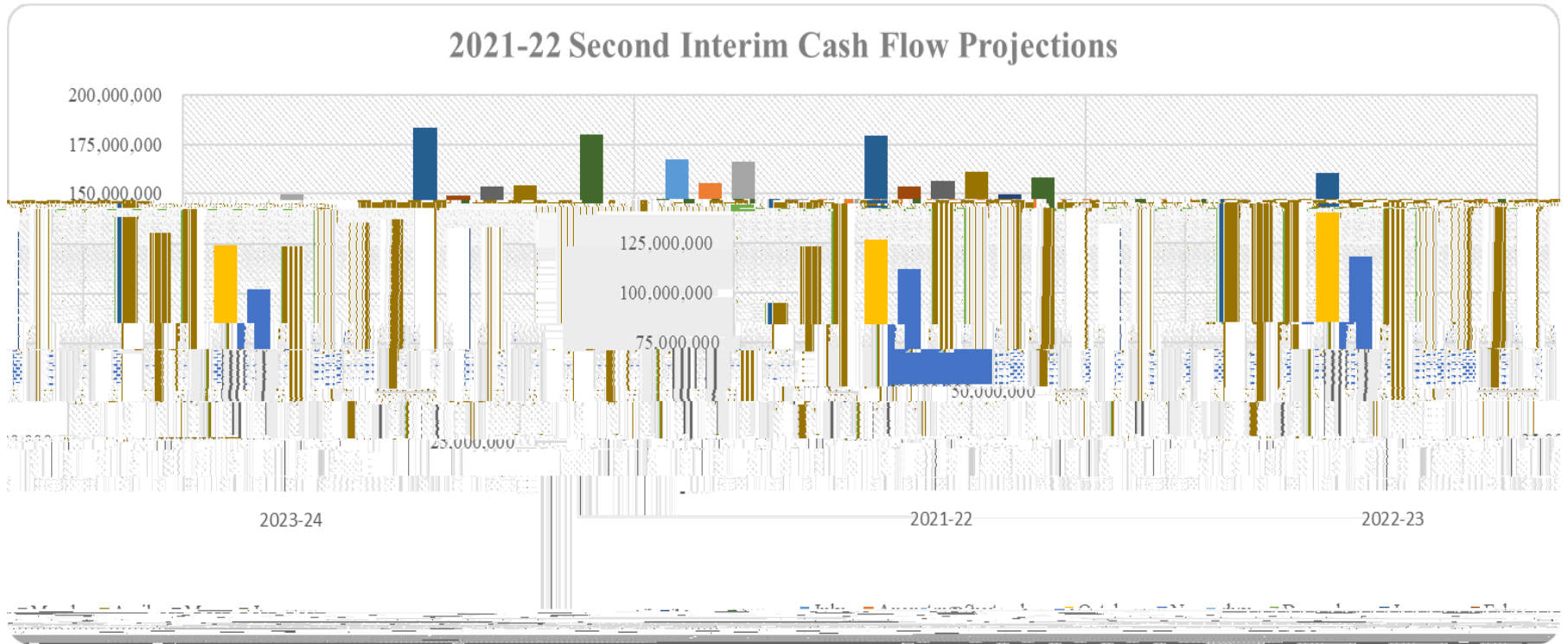
Category	Description	Adjustment
Certificated Salaries	Net decrease due to salary adjustments include removing one-time COVID funding sources of \$13.6M, \$1.1M in	

General Fund Multi-Year Projections

General Fund Multi-Year Projections
Without CARES/COVID

Multi-Year Cash Flow Projection

2021-22 Second Interim Cash Flow Projections



GFOA Recommended Reserves

The Government Finance Officers Association (GFOA) recommends a prudent reserve of 17%, representing two months' average payroll – for the District two months' average payroll is approximately \$82M based on the 2021-22

2021-22 Budget Calendar and Timeline

Date	Description
December 2021	Board Approval of First Interim Report (includes FCMAT Update and Budget Calendar)
January 2022	2021-22 P1 Attendance Report
January 2022	Governor's January Budget Proposal for 2022-23 Budget Year
January 2022	2022-23 Budget Development Process Underway
February 2022	Board Approval of 2020-21 Independent Audit Report
March 2022	Certificated & Classified Lay Off Notices as Needed
March 2022	Board Approval of Second Interim Report (includes FCMAT Update and Budget Calendar)
April 2022	2021-22 P2 Attendance Report
May 2022	Governor's May Revise Budget for 2022-23 Budget Year
May 2022	Board Approval of Third Interim Report
June 2022	Public Hearing for 2022-23 LCAP & Proposed Budget
June 2022	Adoption of 2022-23 LCAP & Proposed Budget (Subsequent Board Meeting)
July 2022	2022-23 Fiscal Year Begins
July 2022	2021-22 Annual Attendance Report
August 2022	45 Day Budget Revise, as Needed
September 2022	2021-22 Unaudited Actuals (Establishes Actual Beginning Balances For 2022-23)
September 2022	Board Approval of GANN Resolution
December 2022	Board Approval of First Interim Report and Revised Budget (will include FCMAT Update and Budget Calendar)

Fiscal Crisis Management Assistance Team (FCMAT) Fiscal Health Risk Analysis Update

Fiscal Health Risk Analysis conducted October 2018

60 deficiencies were identified

Provided recommended corrective actions

Matrix used to track District's progress in implementing corrective actions

Potential Future Risk/Opportunity

Risks

Significant decline in enrollment

Uncertainty regarding the State Budget and fiscal impact on K12 Districts

3 Year ADA Proposal compared to Current Law

District's Fiscal Status

District 2021-22 Adopted Budget conditionally approved by SCOE

2021-22 Second Interim Qualified Certification

Structural deficit continues at (\$6.2M) in 2023-24

Enrollment Decline

Unsettled negotiations for both certificated and classified bargaining units

Proposed State Budget

Sacramento Office of Education (SCOE) Fiscal Advisor will remain assigned

Stay and Rescind Authority

Summary

District has implemented more than \$50 million in ongoing and 1X reductions

2/4/21 Board Approved Fiscal Recovery Plan \$4.5M

12/16/21 Board Approved Fiscal Recovery Plan \$243K ongoing and \$5M one time in 2022-23

A \$6.2 million ongoing solution is required to achieve fiscal solvency

Next reporting period is Third Interim in May 2022



Approve 2021-22 Second Interim Budget