

2021-22 Budget Update May Revise



Board Meeting

May 19, 2021

Pauline Follansbee, Assistant Superintendent

Brent Stephens. Superintendent

Outcomes For This Evening

1. Receive highlights on the Governor's May Revision to the Budget
2. Fiscal Impact of the May Revision
3. Information on the out years - forthcoming

May Revise - Highlights

Gov Newsom released the May Revise on May 14, 2021

Significant expansion upon the January Budget

Districts can look forward to increased revenue

Opportunity for districts to achieve fiscal resiliency

Expanded access to high quality education including programs to accelerate and enrich academic learning

However, concerns about creating new programs with one-time funding

Does not address ongoing structural funding issues that threaten the financial health of school districts

May Revise

Prop 98 Funding

Establishes minimum funding levels for school districts and community colleges

Increase in Prop 98 funding

Table 1: Proposition 98 Minimum Guarantee (in billions)		
Fiscal Year	January Estimate	May Revision
2019-20	\$79.5	\$79.3
2020-21	\$82.8	\$92.8
2021-22	\$85.8	\$93.7

May Revise

-

COLA - Cost of Living Adjustment
LCFF

Statutory COLA 2021-22 budget	1.7% - increase of 0.2% from the January budget
----------------------------------	--

Additional LCFF COLA	2021-22	1.0%
----------------------	---------	------

Compounded COLA	2021-22	2.7%
-----------------	---------	------

Statutory COLA	2019-20	2.31%
----------------	---------	-------

Compounded COLA	2021-22	5.07% (Mega COLA)
-----------------	---------	-------------------

Up from 3.84% in the January Budget

Fiscal Impact - Additional LCFF Base Revenue 2021-22 \$ 1 million

May Revise

-

COLA - Cost of Living Adjustment

Special Education 4.05% Compounded

Up from 3.84% in the January Budget

Other Categorical Programs

Child Nutrition, State Preschool, Mandate Block Grant

COLA 1.7% (Statutory)

Up from 1.5% in the January Budget

May Revise

-

Local Control Funding Formula (LCFF)

COLA 5.07%

Increase base grants , supplemental grade span adjustments, career technical

Additional funding to the concentration grant

LCFF funding calculator to be released

Full impact of the May Revise on LCFF funding will be determined using the LCFF calculator

Fiscal Impact - additional \$1million in base funding

May Revise

Deferrals

May revise proposed to pay off an additional \$1.1 billion in deferrals
\$2.6 billion in deferrals in the state budget

Special Education (SPED)

Compounded Cola of 4.05 %

Base rate increased from \$625 to \$650.31 per ADA

Estimated \$250k to be confirmed

Additional one time federal funding for IEPS , SPED complaints and monitoring and to improve coordination between CDE, California of Developmental Services and Districts

School Nutrition

Increase in state reimbursement rate for schools participating in a federal meal provision. \$150 million

\$100 million in one-time funding for school kitchen infrastructure upgrades and training for school cafeteria staff

May Revise

Retirement Systems

No new funding for CalSTRS or CalPERS

CalSTRS 16.92% up from 15.92% in January budget

Cal ERS 22.91% .09% decrease from Jan budget

Unemployment Rate

No mention of reducing the proposed increase from .05% to 1.23%

Broadband

\$35 million (one-time) to expand broadband access to isolated and underserved communities

Leverage available federal funds through E-Rate Program

Universal TK for all 4 year olds over a three year period

Student Learning \$2 billion in one-time funds to fund health and safety and student learning

May Revise

Expanded Learning Time - \$1 billion to provide summer and afterschool programs to be eventually incorporated into the LCFF concentration grants

Educator Workforce - \$3.3 billion in a multi-year plan for educator professional development.

Behavioral Health System - \$4 billion over five years to identify and treat behavioral health needs early

Revenue Assumptions

	2020-21	2021-22	2022-23	2023-24
Enrollment	9,844	9,401	9,401	9,401
UPC (Students)	2,743	2,551	2,551	2,551
UPP - rolling average in LCFF calculator	30.64%	28.58%	27.39%	27.14%
ADA - Funded	9,426	9,426	9,002	9,002
ADA - Projected	9,426	9,002	9,002	9,002
COLA	0.00%	5.07%	2.11%	2.33%

Assume a 4.5 % decrease in overall student enrollment in 21-22 and 22-23.

Revenue Assumptions updated for increased COLA

Multi-Year Projection - May Revise

Multi-Year Projections 2021-22 Budget Development			
Unrestricted General Fund			
Assume a 4.5% Reduction in Enrollment and ADA - May Revise			
Unrestricted General Fund (in millions)	2021-22	2022-23	2023-24
REVENUE			
COLA	5.07%	2.11%	2.33%
ADA - Funded	9,426	9,002	9,002
UPC	2,551	2,551	2,551
UPP	28.58%	27.39%	27.14%
LCFF Funding			
<i>Base Funding</i>	92.0	89.0	90.9
<i>Supplemental Funding</i>	4.8	4.5	4.6
Total LCFF Funding	96.8	93.5	95.5
Other State Funding	1.9	1.9	1.9
Local Funding	2.7	2.7	2.7
TOTAL REVENUE	101.4	98.1	100.1

Multi-Year Projection - May Revise

Unrestricted General Fund (in millions)	2021-22	2022-23	2023-24
Expenditures	-92.7	-95.6	-95.6
<i>Budget Adjustments - Ongoing</i>		5.0	5.0
<i>Budget Adjustments - One Time</i>		1.0	
TOTAL EXPENDITURES	-92.7	-89.6	-90.6
TOTAL SOURCES AND USES	-9.5	-9.5	-9.5
Change in Fund Balance	-0.8	-1.0	0.0
Beginning Fund Balance	3.0	2.2	1.2
Ending Fund Balance	2.2	1.2	1.2
Revolving Cash	-0.1	-0.1	-0.1
Assignment for Supplemental Grant LCAP	-0.8	-0.8	-0.8
Fund 01 share of 3% reserve	-0.3	-0.3	-0.3
Ending Fund Balance - Undesignated	1.0	0.0	0.0

Next Steps

Additional fiscal impact of the May Revise

Focus on data analysis for the purpose of identifying areas of improvement and equity; as well as LCAP Goals

Bring P&O recommendations for 21-22 BSEP budgets to the Board to the Board, starting next week

Continue to collaborate with Advisory Committees:
Superintendent's Budget Advisory Committee, Educator Advisory Committee, Parent Advisory Committee and District English Learner Advisory Committee

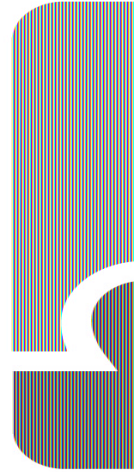
Staff will continue to consult with key partners, including our labor partners and the City of Berkeley

LCAP Community Engagement Process

WHEREVER YOU LEARN

WE LEARN TOGETHER

Berkeley Unified School District



Discussion