



LOS GATOS UNION

SCHOOL DISTRICT

Our Community, Our Students, Our Future

Budget Assumptions

June 8, 2021

- State Funding Impact
- Budget Goals
- Current Assumptions
- Adopted Budget Revenue
- Adopted Budget Expenses
- 21-22 Variances
- Multiyear Projections
- MYP Reserves without Parcel Tax Renewal
- MYP Reserves with Parcel Tax Renewal
- Other Fund Balances

Agenda

- District received over \$3M in one time funding for pandemic related expenses.
 - Extended Learning-\$1.5M
 - Reopening -\$775K
- Funds have been received and are being budgeted into 21-22 & 22-23 to address pandemic related issues including
 - PPE and ventilation repairs and supplies
 - Technology connection and equipment
 - Professional Development for staff
 - Hybrid Learning Aid support
 - Additional nursing support, contract tracing, testing, vaccine support
 - Expanded learning opportunities, summer academy, summer school, expanded literacy and math support specialists
 - Counseling, mental health and social emotional learning support
- Funds are carried over into 22-23 and are increasing restricted reserves during that period

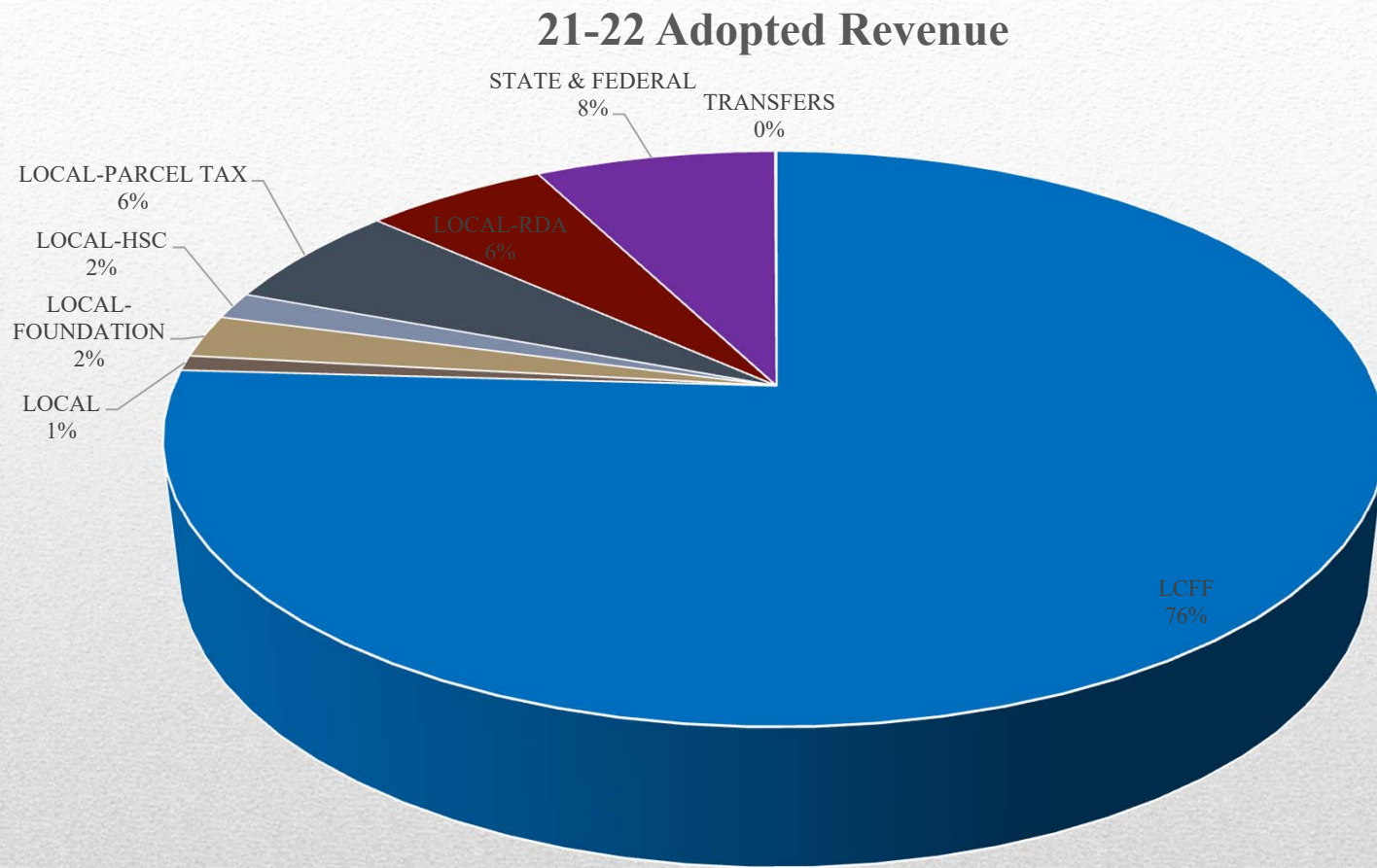
State Funding impact

- Prioritizing 21-22 and beyond
 - Maintain high quality staff and robust program offerings with appropriate annual salary adjustments
 - Create sustainable budget leveraging Parcel Tax, Home & School and Foundation revenue and provide good stewardship of expenditures
 - Maintain appropriate reserves to buffer fluctuations in property taxes and expiring parcel tax and avoid significant program cuts
 - Align and prioritize resources to support the common goals outlined in the Strategic Plan

Budget Goals

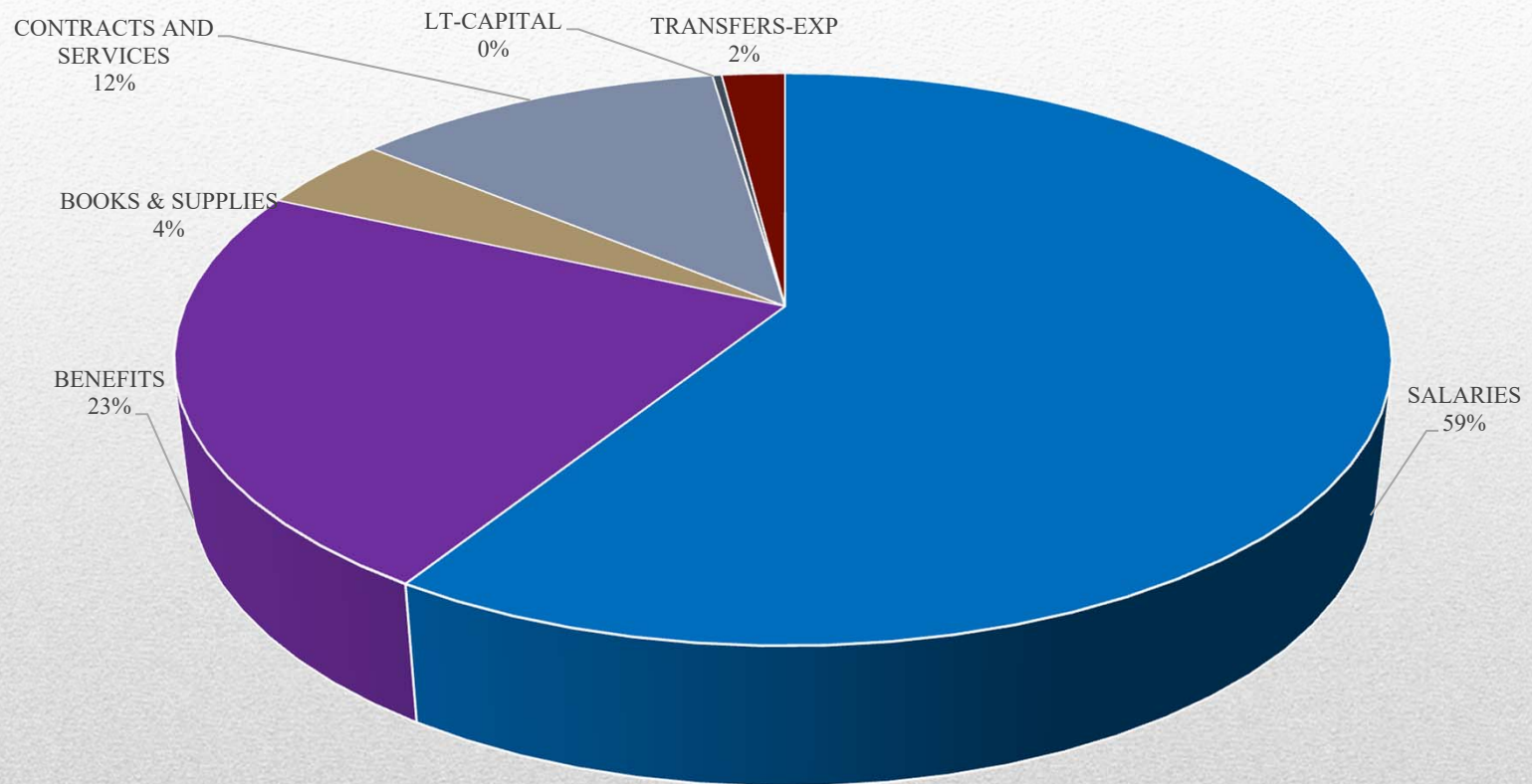
BASE ASSUMPTIONS	20-21	21-22	22-23	23-24	24-25	25-26
FULL TIME EMPLOYEES	246.67	242.8	242.8	242.8	242.8	242.8
ENROLLMENT	2722	2622	2622	2622	2622	2622
PROPERTY TAX :Annual increase in property tax.	4.07%	3.75%	2.50%	3.50%	4.00%	5.00%
STATE COLA: Included in LCFF Funded Districts but not applicable to Community Funded Districts	2.31%	1.50%	2.98%	3.05%	2.00%	2.00%
PARCEL TAX: Current Parcel Tax expires in June 2022			\$2.75M	-\$2.75M	-\$2.75M	-\$2.75M
STEP & COLUMN & ANNUAL ADJUSTMENT: Amount of annual adjustment based on current bargaining agreements	4.00%	3.00%	2.00%	2.00%	2.00%	2.00%
RETIREMENT:Annual mandated increase in retirement costs related to STRS. STRS reaches maximum in 23-24 and then PERS is only adjustment	.95%	0.23%	2.08%	2.00%	.50%	.50%
STRATEGIC PLAN: (Included in budget projections) This is based on Strategic Plan and annual action plans approved by the Board. These are incorporated into budget projections	\$541,939	\$368,026	\$664,677	\$1,429,730	\$1,739,655	\$1,666,908

Budget Assumptions



Revenue

21-22 Adopted Expenses



Expenses

21-22 Adopted Budget Variance to 20-21 Estimated Actuals

June 8 2021

		20-21 Estimated	21-22 Adopted	Variance 22-21	Notes
REVENUE	LCFF	\$34,691,992	\$35,100,579	\$408,587	One time repayment of RDA funds
	LOCAL	\$517,487	\$395,863	-\$121,624	El Camino grant credited to LGEF
	LOCAL-FOUNDATION	\$993,225	\$1,112,025	\$118,800	
	LOCAL-HSC	\$691,259	\$701,008	\$9,749	
	LOCAL-PARCEL TAX	\$2,750,000	\$2,750,000	\$0	
	LOCAL-RDA	\$2,614,890	\$2,659,650	\$44,760	
	STATE & FEDERAL	\$6,837,428	\$3,501,156	-\$3,336,272	One time State funding received 20-21
	TRANSFERS	\$24,956	\$24,956	\$0	
REVENUE TOTAL		\$49,121,237	\$46,245,237	-\$2,876,000	
EXPENSE	SALARIES	\$27,332,920	\$28,258,315	\$925,395	Increase Step, Column and COLA
	BENEFITS	\$10,412,825	\$10,950,157	\$537,332	Increase State Unemployment
	BOOKS & SUPPLIES	\$2,562,578	\$2,033,112	-\$529,466	No Curriculum Adoption Scheduled
	CONTRACTS AND SERVICES	\$5,584,547	\$5,604,786	\$20,239	
	LT-CAPITAL	\$139,321	\$139,321	\$0	
	TRANSFERS-EXP	\$1,071,751	\$959,456	-\$112,295	One time increase in Fed and State CN reimbursement
EXPENSE TOTAL		\$47,103,942	\$47,945,147	\$841,205	
Beg Balance Reserves		\$12,276,951	\$14,294,246		
Net Expenses		\$2,017,295	-\$1,699,910		
Eng Balance Reserves		\$14,294,246	\$12,594,336		
Restricted Reserves		\$2,885,837	\$1,800,000		
Extended Learning		\$1,465,656	\$700,000		
Reopening		\$787,965	\$0		
Paraeducators		\$165,971	\$0		
RDA Restricted		\$266,245	\$900,000		
Curriculum Adoption		\$200,000	\$200,000		
Available Unrestricted Reserves		\$11,408,409	\$10,794,336		
Required 3%		\$1,413,118	\$1,438,354		
Actual %		24.22%	22.51%		

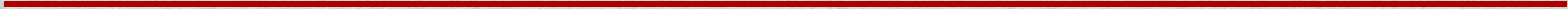
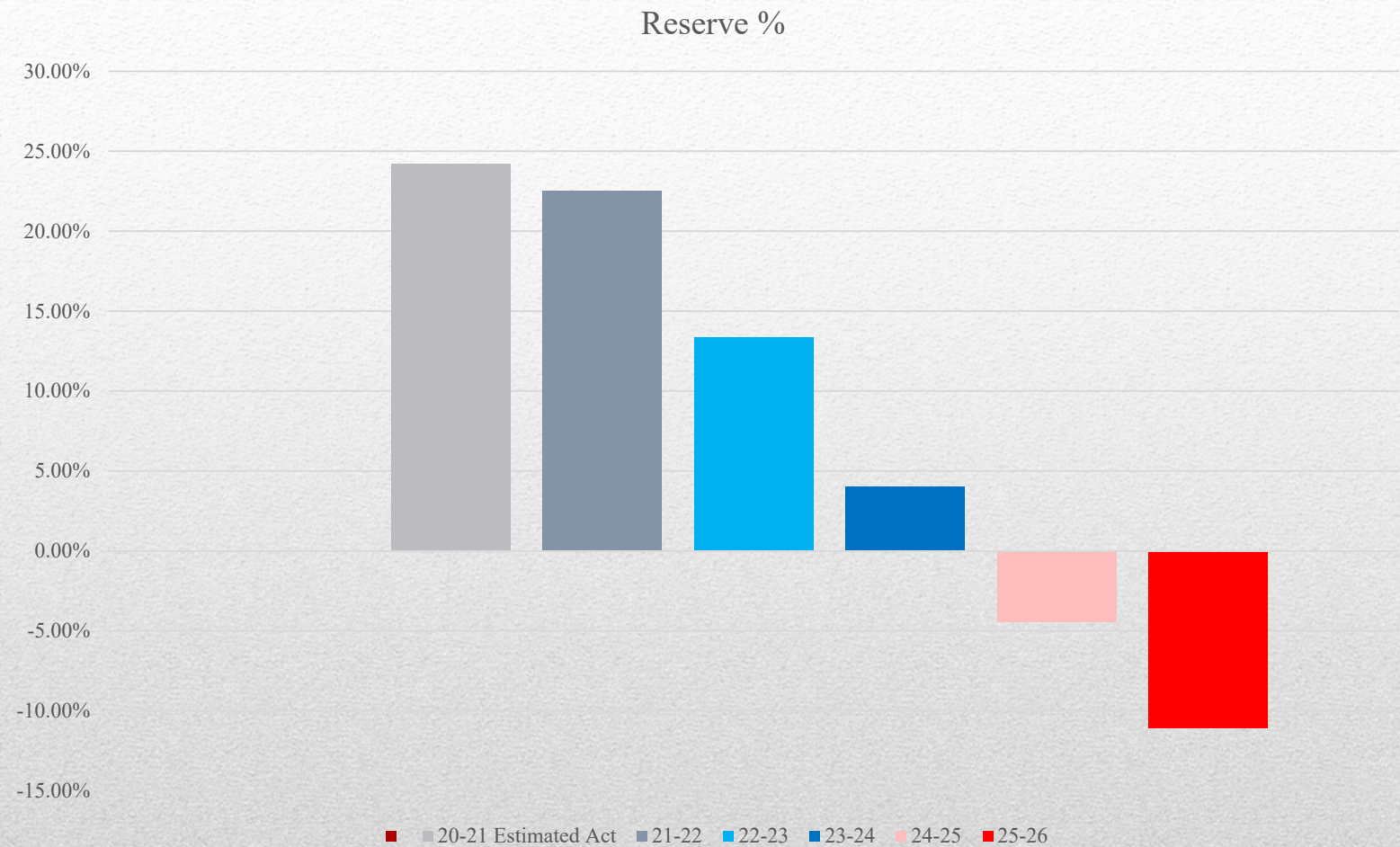
21-22 Variances

21-26 Multi Year Projections Budget Variance to 21-22 Adopted Budget

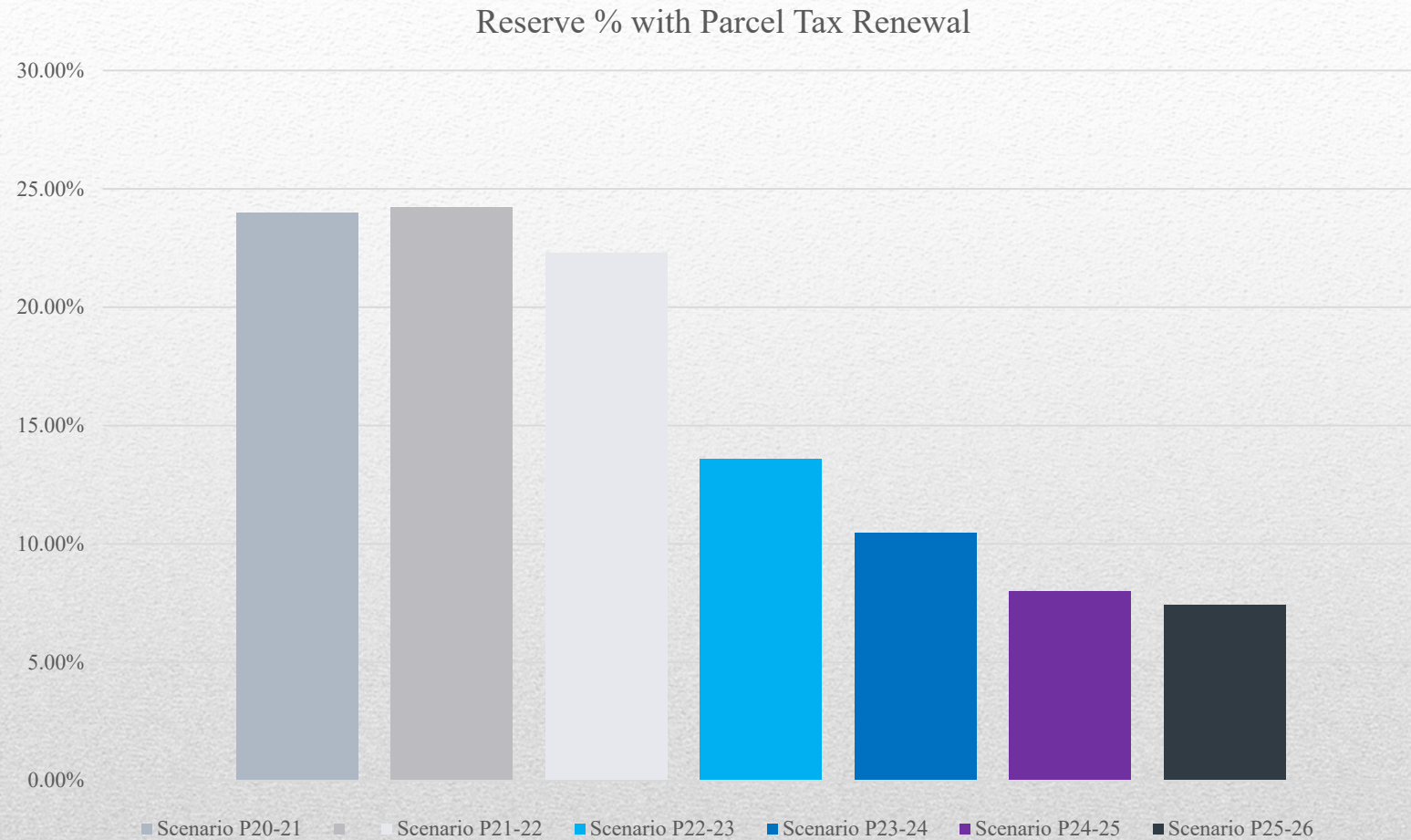
June 8 2021

		20-21 Estimated	21-22 Adopted	22-23	23-24	24-25	25-26 NOTES
REVENUE	LCFF	\$34,691,992	\$35,100,579	\$35,126,902	\$36,298,370	\$37,857,261	\$39,667,305 Property Tax Increase 3.5, 2.5, 3.5, 4.0, 5.0
	LOCAL	\$517,487	\$395,863	\$436,095	\$486,095	\$486,095	\$486,095
	LOCAL-FOUNDATION	\$993,225	\$1,112,025	\$1,112,025	\$1,112,025	\$1,112,025	\$1,112,025 Projected increase in 2022 to fund Strategic Plan
	LOCAL-HSC	\$691,259	\$701,008	\$556,706	\$701,008	\$701,008	\$701,008 Reduction in 22-23 due to tech grants received
	LOCAL-PARCEL TAX	\$2,750,000	\$2,750,000	\$0	\$0	\$0	\$0 Parcel Tax expires June 2022
	LOCAL-RDA	\$2,614,890	\$2,659,650	\$2,726,141	\$2,821,556	\$2,948,526	\$3,095,953 RDA Funds are restricted to Maintenance and Capital
	STATE & FEDERAL	\$6,837,428	\$3,501,156	\$3,501,156	\$3,501,156	\$3,501,156	\$3,501,156 One time funding from State received in 20-21
	TRANSFERS	\$24,956	\$24,956	\$77,726	\$77,726	\$77,726	\$77,726
REVENUE TOTAL		\$49,121,237	\$46,245,237	\$43,536,751	\$44,997,936	\$46,683,797	\$48,641,268
EXPENSE	SALARIES	\$27,332,920	\$28,258,315	\$29,419,136	\$30,432,028	\$31,650,989	\$32,600,518 Includes Strategic Planning staffing additions
	BENEFITS	\$10,412,825	\$10,950,157	\$11,012,662	\$11,176,313	\$11,431,097	\$11,693,523
	BOOKS & SUPPLIES	\$2,562,578	\$2,033,112	\$1,914,010	\$2,058,112	\$2,058,112	\$2,058,112 Includes strategic planning curriculum and PD
	CONTRACTS AND SERVICES	\$5,584,547	\$5,604,786	\$4,867,054	\$4,650,079	\$4,650,079	\$4,650,079 Election campaign funded in 21-22
	LT-CAPITAL	\$139,321	\$139,321	\$191,321	\$191,321	\$191,321	\$191,321 LT Capital funded through Capital Plan
	TRANSFERS-EXP	\$1,071,751	\$959,456	\$959,456	\$959,456	\$959,456	\$959,456 Reduced transfers to Child Nutrition expected
EXPENSE TOTAL		\$47,103,942	\$47,945,147	\$48,363,639	\$49,467,309	\$50,941,054	\$52,153,009
Beg Balance Reserves		\$12,276,951	\$14,294,246	\$12,594,336	\$7,767,448	\$3,298,075	-\$959,182
Net Expenses		\$2,017,295	-\$1,699,910	-\$4,826,888	-\$4,469,373	-\$4,257,257	-\$3,511,741
Eng Balance Reserves		\$14,294,246	\$12,594,336	\$7,767,448	\$3,298,075	-\$959,182	-\$4,470,923
Restricted Reserves		\$2,885,837	\$1,800,000	\$1,800,000	\$1,300,000	\$1,300,000	\$1,300,000
Extended Learning		\$1,465,656	\$700,000				
Reopening		\$787,965	\$0				
Paraeducators		\$165,971	\$0				
RDA Restricted		\$266,245	\$900,000				
Curriculum Adoption		\$200,000	\$200,000				
Available Unrestricted Reserves		\$11,408,409	\$10,794,336	\$5,967,448	\$1,998,075	-\$2,259,182	-\$5,770,923
Required 3%		\$1,413,118	\$1,438,354	\$1,450,909	\$1,484,019	\$1,528,232	\$1,564,590
Actual %		24.22%	22.51%	12.34%	4.04%	-4.43%	-11.07%

Multi Year Projections



MYP Reserves



MYP Reserves w/Parcel Tax Renewal

Long Term Capital Funding - Fund 14 & 25						
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-35
Deferred Maintenance - Fund 14	\$1,972,123	\$3,767,429	\$3,208,122	\$2,278,122	\$148,122	\$768,122
General Fund Transfers	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	\$5,500,000
Developer Fees - Fund 25	\$910,306					
Developer Fees Transfers	\$2,000,000	\$2,700,000	\$1,500,000	\$300,000	\$300,000	\$3,000,000
P1 - Tech Infrastructure	-\$1,665,000	-\$169,307				-\$994,307
P2 - HVAC		-\$40,000				-\$1,425,000
P3 - Fields/Irrigation		-\$3,200,000	-\$2,175,000			-\$6,000,000
P3 - Landscaping upgrades		-\$2,495,000	-\$950,000			
P4 - Solar Buyout/Generator		-\$175,000				
P5 - Playground Equipment & Blacktop		-\$300,000				
P6 - Painting		-\$150,000	-\$150,000	-\$150,000	-\$200,000	
P7 - Safety Upgrades		-\$30,000	-\$30,000	-\$30,000	-\$30,000	-\$300,000
Years 6 to 15 (Parking, Roofs)						-\$4,850,000
Ending Balance	\$3,767,429	\$3,208,122	\$2,278,122	\$148,122	\$768,122	-\$10,731,878

Capital Projects

	21-22 Other Fund Budget			
	Fund 13	Fund 14	Fund 25	Fund 40
	Child Nutrition	Deferred Maint	Developer Fees	Building Fund
Beg Balance	\$ -	\$ 2,432,200	\$ 4,985,337	\$ 2,965,378
Income	\$ 614,330	\$ 5,000	\$ 2,000,000	
Expense	\$ (770,078)	\$ (100,923)	\$ (6,559,307)	\$ (719,879)
Transfers	\$ 187,705	\$ 550,000		
End Balance	\$ 31,957	\$ 2,886,277	\$ 426,030	\$ 2,245,499
NOTES:	USDA subsidizing	Funded from RDA	Funding Landscap	Funding Capital

Other Funds



Adopted Budget	June 2021
Unaudited Actuals	September 2021
Property Tax Estimated Roll	November 2021
Possible Parcel Tax Election	November 2021 or May 2022
1 st Interim Budget Presentation	December 2021
2 nd Interim Budget Presentation	March 2022
22-23 Budget Approval	June 2022

Budget Timeline
