

# 2021-2022 Budget Adoption *Draft*

*San Mateo-Foster City School District*

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BOARD OF TRUSTEES

June 10, 2021



# Budget Development Overview

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- Board Approved Budget Assumptions on May 20, 2021
- Budget is guided by the LCAP and LCAP Stakeholder engagement
- Based on the Governor's May Revise information
- Staffing is based on current and projected enrollment data
- Budget Adoption at June 24, 2021 Board Meeting
- Fiscal impacts of state budget adoption addressed at either 45-Day Revise (August 2021) or First Interim (December 2021)

# 2020-2021 CLOSING

Difference from 2<sup>nd</sup> Interim to May 2021

Revenues and Expenditures have been adjusted

- Revenues

- LCFF Resources \$925,752 – Property Tax
- Federal Revenue \$2,909,395 – ESSER II and Special Education
- State Revenue \$5,558,637 – AB 86 (50%) and STRS On-Behalf
- Local Revenue \$223,058 - Donations

- Expenditures

- Certificated Salaries (\$121,668) – unfilled vacancies
- Classified Salaries (\$217,014) – unfilled vacancies
- Employee Benefits \$365,089 – unfilled vacancies/STRS On-Behalf
- Books & Supplies (\$2,854,835) – Book Adoption/Supplies delay
- Services & Operating Expenses (\$1,742,250) – Contracted Services

# REVENUE

Revenues Unrestricted & Restricted	2020-2021 Estimates	2021-2022 Projections	
LCFF Sources	\$ 124,748,979	\$ 129,153,575	
Federal Revenues	\$ 13,484,163	\$ 3,954,197	**
Other State Revenues	\$ 16,578,531	\$ 15,917,424	**
Local Revenues	\$ 18,361,092	\$ 16,303,432	**
<b>Total Revenues</b>	<b>\$173,172,764</b>	<b>\$165,328,628</b>	

\*\* Reduction – Federal One-Time Funding (LLMF), Carryovers, State One-Time Funding (SB98), Donations are budgeted as committed.

\*\* ESSER III is not budgeted at this point

# EXPENDITURES

<b>Expenditures Unrestricted &amp; Restricted</b>	<b>2020-2021 Estimates</b>	<b>2021-2022 Projections</b>	
Certificated Salaries	\$ 70,562,144	\$ 73,221,068	**
Classified Salaries	\$ 17,975,819	\$ 18,093,330	**
Employee Benefits	\$ 36,071,337	\$ 41,116,583	**
Books & Supplies	\$ 7,328,934	\$ 5,891,363	**
Operating Expenses	\$ 31,109,194	\$ 28,385,237	**
Capital Outlay	\$ 275,104	\$ 216,328	
Other Outgo	\$ 1,224,736	\$ 1,224,736	
Transfers of Indirect Costs	\$ (289,223)	\$ (257,204)	
<b>Total Expenditures</b>	<b>\$ 164,258,045</b>	<b>\$ 167,891,441</b>	

\*\* Placeholder for AB86 plan expenditures

# Components of the Ending Fund Balance - Unrestricted

Component of Ending Balance	2020-2021	2021-2022	2022-2023	2023-2024
<b>Assigned</b>	<b>\$ 37,830,108</b>	<b>\$ 36,805,417</b>	<b>\$ 35,381,003</b>	<b>\$ 28,071,625</b>
Vacation	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
One Month Payroll	\$ 10,437,700	\$ 10,698,643	\$ 10,966,109	\$ 11,240,261
Set Aside for Mold Insurance	\$ 291,595	\$ 291,595	\$ 291,595	\$ 291,595
Set aside for insurance deduction for P&L insurance	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Supplemental Carryover	\$ 2,050,845	\$ 690,871	\$ -	\$ -
Delays from 19-20 due to COVID Pandemic & reserves for future allocations	\$ 7,911,217	\$ 7,442,838	\$ 7,442,838	\$ -
Reserve for budget stabilization	\$ 6,216,089	\$ 6,540,806	\$ 5,421,289	\$ 4,654,483
Stabilization Arrangements (3%)	\$ 4,961,331	\$ 5,070,333	\$ 5,129,586	\$ 5,442,643
Reserve for Economic Uncertainties (3%)	\$ 4,961,331	\$ 5,070,333	\$ 5,129,586	\$ 5,442,643

# Components of the Ending Fund Balance - Restricted

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Component of Ending Balance	2020-2021	2021-2022
<b>Restricted</b>	<b>\$ 22,336,465</b>	<b>\$ 20,324,643</b>
ESSER II	\$ 2,894,702	\$ 1,889,033
Lottery-Instructional Material	\$ 850,000	\$ 850,000
Expnd Learnng Opportunites Grnt	\$ 3,212,334	\$ 3,212,334
Expnd Learnng Opprtunites-Para	\$ 342,148	\$ 342,148
Routine Maintenance Account	\$ 3,454,446	\$ 2,142,030
Parcel Tax	\$ 5,237,066	\$ 5,473,455
Ccss-One Time Mandate	\$ 1,280,127	\$ 1,280,127
Donations	\$ 900,000	\$ 900,000
Maa-Medi-Cal Admin. Activities	\$ 937,082	\$ 937,082
Lease & Rentals	\$ 2,674,814	\$ 2,744,634
Other Restricted Programs	\$ 553,746	\$ 553,799

# BUDGET ASSUMPTIONS

## Fiscal Year 2021-22

- Property Tax growth of 4%
- Expanded Learning Opportunity Grant \$3,554,482 (50%)
- In-person Instruction Grant \$1,624,390 (50%)
- Reduction in Certificated FTE of 17 FTE (General Education)
- Increase in Certificated FTE of 5 FTE (Special Education)
- Increase in Classified FTE of 3 FTE (Data Analyst and Community Specialist)
- Increase in Property and Liability Insurance
- Increase in District Contribution to Health & Welfare Benefits 7%
- Step & Column increases 1.5%
- CALSTRS increased rate from 16.15% to 16.92%
- CALPERS increased rate from 20.70% to 22.91%
- Unemployment insurance increased from 0.05% to 1.23% (one-time increase for 21-22, will be funded by ESSER II)
- Interest Rate 2.13%
- California Price Index rate 3.84%

# BUDGET ASSUMPTIONS

Fiscal Year 2022-23

- Property Tax growth of 3%
- Increase in District Contribution to Health & Welfare Benefits 7%
- Step & Column increases 1.5%
- CALSTRS increased rate from 16.92% to 19.10%
- CALPERS increased rate from 22.91% to 26.10%
- Unemployment insurance decreased from 1.23% to 0.20%
- Workers Compensation increased rate from 2.38% to 2.50%
- Interest Rate 2.40%
- California Price Index rate 2.40%

# BUDGET ASSUMPTIONS

Fiscal Year 2023-24

- Property Tax growth of 3%
- Increase in District Contribution to Health & Welfare Benefits 7%
- Step & Column increases 1.5%
- CALPERS increased rate from 26.10% to 27.10%
- Workers Compensation increased rate from 2.50% to 2.62%
- Interest Rate 2.3%
- California Price Index rate 2.23%

# May Revise Overview

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- Cost-of-Living Adjustments (COLA): 5.07% for LCFF and Special Education Funding, to 4.05%.
- Pension rate proposals: STRS from 16.15% to 16.92% PERS 20.70% to 22.91%
- Special Education Base Rate: \$625.00 to \$650.31 per ADA
- Lottery: \$150/ADA for Unrestricted, \$49/ADA for Restricted
- Mandated Block Grant: \$32.79/ADA
- California CPI: 3.84%
- Interest Rate: 2.13%
- Restricted Routine Maintenance Account: 3% of General Fund expenditures

# Statewide Average Reserve Levels

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- The latest statewide data available on school district reserves is from 2019–20

2019–20 Average Unrestricted General Fund, Plus Fund 17; Ending Balances <sup>1</sup>	
Unified School Districts	18.82%
Elementary School Districts	22.70%
High School Districts	17.34%

<sup>1</sup>As a percentage of total general fund expenditures, transfers, and other uses

- The rise in ending balances is emblematic of the slowdown in new, ongoing revenues apportioned through the LCFF in 2020–21
  - LEAs also had temporary spending freezes as a result of an immediate and complete shutdown of in-person instruction

See *Fiscal Report* article “Fund Balances Rise in 2019–20” in the workshop resources.

# The Cycle Continues

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- School Finance Workshop in July 2021
- 2020-21 Unaudited Actuals in September
- 2021-22 First Interim Report in December
- 2022-23 Governor's Proposed Budget in January
- 2021-22 Second Interim Report in March

# Comments / Questions?

