

2021-22 Adopted Budget

Board of Education



June 15, 2021



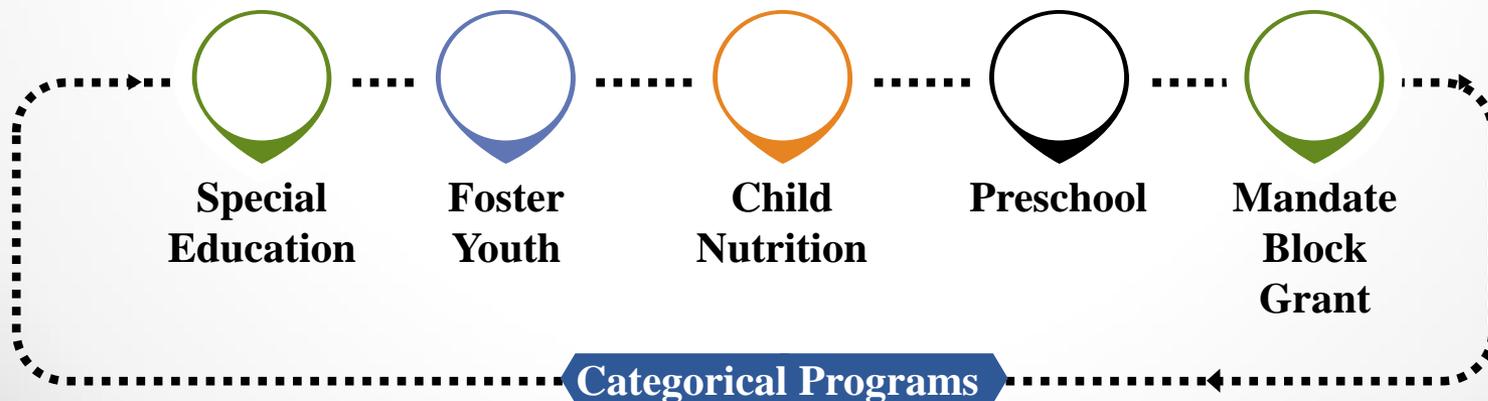
*Presented by:
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Finance & School Support*

Overview

- Components of the *May Revision*
- Local Control Funding Formula
- 2020-21 Estimated Actuals
- 2021-22 Changes to Fund Balance
- 2021-22 Unrestricted General Fund Multi-Year Projections
- Other Items
- 2021-22 Restricted General Funds and Other Funds

Components of the May Revision

- The May Revision proposes a 5.07% statutory cost-of-living adjustment (COLA) “Mega Cola” (up from the 3.84% estimated in January)
- Categorical programs outside of the Local Control Funding Formula (LCFF) will receive the statutory COLA of 1.70% and Special Education will receive the compounded COLA of 4.05%
 - As costs continue to rise, these programs will see adjustments for COLA only (and average daily attendance (ADA) for Special Education)



Rainy Day Fund-Budget Stabilization Account (SBA)

- The 2020 State Budget Act drew down \$7.8 billion from the Budget Stabilization Account (BSA), the first time a withdrawal was made since the inception of Proposition 2 (2014)
 - This left \$8.3 billion in the BSA
- Since the May Revision estimates that the total deposit the state is required to make into the reserve to be \$4.6 billion this will trigger the law that caps local school district reserves for the 2022–23 fiscal year

2021–22 LCFF Funding Factors

Grade Span	K–3	4–6	7–8	9–12
2020–21 Base Grant per ADA	\$7,702	\$7,818	\$8,050	\$9,329
<i>5.07% Mega COLA</i>	\$390	\$396	\$408	\$473
2021–22 Base Grant per ADA	\$8,092	\$8,214	\$8,458	\$9,802
<i>GSA</i>	\$842	–	–	\$255
2021–22 Adjusted Base Grant per ADA	\$8,934	\$8,214	\$8,458	\$10,057
20% Supplemental Grant per ADA (Total UPP)	\$1,787	\$1,643	\$1,692	\$2,011
50% Concentration Grant per ADA (UPP Above 55%)	\$4,467	\$4,107	\$4,229	\$5,029

What Does the LCFF Mean for Elk Grove?

Elk Grove Unified School District—2021–22		
2021–22 LCFF Per-ADA Funding	Projected 2021–22 ADA	Projected 2021–22 LCFF Total Revenue
\$10,113.90	60,858.32	\$615,515,142

We are estimating \$29,405,684 in new ongoing revenue over 2020-21

2020-21 Unrestricted General Fund

Changes to Estimated Actuals

- 2020-21 Increase in estimated ending fund balance of \$11.60 million
 - Decrease in salaries and benefits due to school closures and COVID-19 Relief Funding \$7.10 million
 - Decrease in operating costs due to school closures and COVID-19 Relief Funding \$14.5 million
 - Increase in equipment \$10 million for the Title I site audio visual project

2020-21 Unrestricted General Fund

Estimated Actuals

	ADOPTED	1ST INTERIM	2ND INTERIM	PROJECTED YEAR END
Revenue	\$ 604,475,708	\$ 605,090,788	\$ 605,211,710	\$ 605,276,469
Contributions/Transfers	(107,920,550)	(107,696,723)	(107,696,723)	(107,397,527)
Salary and Benefits	(449,463,521)	(452,111,435)	(451,915,829)	(445,076,498)
Supplies and Operating	(48,646,784)	(54,063,184)	(54,527,620)	(50,347,320)
Indirect and Transfers	6,721,170	7,754,901	7,784,692	8,015,160
<i>SURPLUS/(DEFICIT)</i>	<i>\$ 5,166,023</i>	<i>\$ (1,025,653)</i>	<i>\$ (1,143,770)</i>	<i>\$ 10,470,284</i>
Estimated Beginning Fund Balance	95,101,126	90,572,575	90,572,575	90,572,575
Ending Fund Balance	100,267,149	89,546,922	89,428,805	101,042,859
Contingency 2% Reserve	15,186,940	16,926,940	17,226,940	17,525,366
2019-20 Unexpended Suppl/Conc.	-	3,732,378	3,732,378	-
<i>UNDESIGNATED BALANCE</i>	<i>\$ 85,080,209</i>	<i>\$ 68,887,604</i>	<i>\$ 72,201,865</i>	<i>\$ 83,517,493</i>

2021-22 Unrestricted General Fund Changes

- Revenue Changes
 - Local Control Funding Formula (LCFF) “Mega COLA” 5.07% up from 3.84%
 - Increase in Special Education Funding (AB 602) \$25.31 per ADA
- Expenditure Changes
 - Increase in Cal-STRS employer contribution rates 16.92% up from 15.92%
 - Decrease in Cal-PERS employer contribution rates 22.91% down from 23.00%
 - Increase in Unemployment Insurance rate 1.23% up from 0.05%
 - Board approved May 18, 2021 ongoing and one-time funding priorities of \$4 million

Education Protection Account

Propositions 30 & 55

- Proposition 30 was approved by California voters in 2012, temporarily raising certain tax rates to provide additional financial support for public schools
- In 2016, Proposition 55 extended Prop 30 through 2030
- Prop 30/55 revenues are redirected from the Districts LCFF and placed into a unique account
- Funds must be spent on classroom expenses and may not be used for administrative costs
- For the 2021-22 school year to satisfy this requirement we are recommending applying teacher salaries and benefits from grades TK-6. (\$125 million)

2021-22 Unrestricted General Fund Preliminary Adopted Budget

	ADOPTED	45 DAY REVISE	1ST INTERIM	2ND INTERIM	PROJECTED YEAR END
Revenue	\$ 629,767,681				
Contributions/Transfers	(115,141,904)				
Salary and Benefits	(464,625,809)				
Supplies and Operating	(51,218,723)				
Indirect and Transfers	10,896,291				
<i>SURPLUS/(DEFICIT)</i>	\$ 9,677,536	\$ -	\$ -	\$ -	\$ -
Estimated Beginning Fund Balance	101,042,859				
Ending Fund Balance	110,720,395	-			-
Contingency 2% Reserve	16,025,366				
AV Project Title I Sites	10,000,000				
Professional Development (Arbinger)	1,641,026				
<i>UNDESIGNATED BALANCE</i>	\$ 83,054,003	\$ -	\$ -	\$ -	\$ -

2021-22 General Fund Unrestricted

Multi-year Budget Projection

ITEM	2021-22 PRELIMINARY ADOPTED BUDGET	2022-23	2023-24	
State Revenue	\$ 629,767,681	\$ 629,844,022	\$ 629,844,546	
Estimated 2022-23 (2.48%)		15,422,530	15,422,530	
Estimated 2023-24 (3.11%)			24,987,462	
Estimated 2024-25 (3.54%)				
Contributions/Transfers	(115,141,904)	(121,039,427)	(125,155,617)	
Salary and Benefits	(464,625,809)	(476,018,517)	(485,060,582)	
Supplies and Operating	(51,218,723)	(51,288,453)	(51,627,736)	
Indirect and Transfers	10,896,291	10,247,538	10,542,284	
SURPLUS/(DEFICIT)	\$ 9,677,536	\$ 7,167,693	\$ 18,952,887	
Estimated Beginning Fund Balance	101,042,859	110,720,395	117,888,088	
Ending Fund Balance	110,720,395	117,888,088	136,840,975	17.56%
Contingency Mandated 2% Reserve	16,025,366	16,525,366	17,025,366	
AV Install Project Title I Sites	10,000,000	10,000,000	10,000,000	
Arbinger Professional Development	1,641,026	1,641,026	1,641,026	
UNDESIGNATED	\$ 83,054,003	\$ 89,721,696	\$ 108,174,583	13.88%

Other Items for Consideration

- Enrollment trends for both ADA purposes and for supplemental/concentration funding
- Impact of the GANN Limit for both EGUSD and the State
- Maintenance of Effort (MOE) for Special Education
- Impact of COVID-19 Relief Funding
- Impact of proposed State programs

2021-22 Adopted Budget

Restricted General Fund

ITEM	AMOUNT	DESCRIPTION
Federal Revenue	\$ 39,045,915	The Restricted General Fund (Fund 01) is an aggregate of several funding sources distributed by the federal, state, and local governments. These programs include Title I, II, III, etc., after school programs (Prop 49 - ASES), Lottery (Prop 20) , Special Education, and RRM. Contributions are made from the unrestricted general fund to support Special Education and Routine Restricted Maintenance (RRM).
State/Other Local Revenue	91,406,300	
Contributions/Transfers	114,901,193	
Salary and Benefits	(170,224,014)	
Supplies and Operating	(58,120,678)	
Indirect and Transfers	(13,893,842)	
<i>SURPLUS/(DEFICIT)</i>	<i>\$ 3,114,874</i>	
Estimated Beginning Fund Balance	128,359,075	
Ending Fund Balance	131,473,949	
Contingency Mandated 2% Reserve	-	
Restricted Reserves	131,473,949	
<i>UNDESIGNATED</i>	<i>\$ -</i>	

2021-22 Adopted Budget Charter Schools Fund (09)

ITEM	AMOUNT	DESCRIPTION
LCFF Revenue	\$ 2,853,045	The Charter Schools Fund (09) provides classroom and independent study instructional services to students at the district-sponsored Elk Grove Charter School.
State/Other Local Revenue	218,589	
Contributions/Transfers	-	
Salary and Benefits	(2,406,855)	
Supplies and Operating	(212,805)	
Indirect and Transfers	(53,825)	
<i>SURPLUS/(DEFICIT)</i>	<i>\$ 398,149</i>	
Estimated Beginning Fund Balance	5,350,459	
Ending Fund Balance	5,748,608	
Contingency Mandated 2% Reserve	-	
Restricted Reserves	51,342	
<i>UNDESIGNATED</i>	<i>\$ 5,697,266</i>	

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Adult Education Fund (11)

ITEM	AMOUNT	DESCRIPTION
LCFF Revenue	\$ 388,765	Adult Education Fund (11) is a public education program for all adults returning to complete their high school education. Through Federal grant funds, the new State Block Grant funds, and fee-based programs, offering free to low-cost classes for adults 18 and older. Students can earn a high school diploma, general education diploma (GED), learn about jobs, learn to speak English, and learn how to become a U.S. citizen. The department also provides services to Sacramento County jail inmates in coordination with the Sacramento County Sheriff's Department.
Federal Revenue	1,427,593	
State/Other Local Revenue	3,528,672	
Contributions/Transfers	-	
Salary and Benefits	(4,034,246)	
Supplies and Operating	(876,225)	
Indirect and Transfers	(284,578)	
<i>SURPLUS/(DEFICIT)</i>	<i>\$ 149,981</i>	
Estimated Beginning Fund Balance	2,784,543	
Ending Fund Balance	2,934,524	
Contingency Mandated 2% Reserve	-	
Restricted Reserves	1,249,999	
<i>UNDESIGNATED</i>	<i>\$ 1,684,525</i>	

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Child Development Fund (12)

ITEM	AMOUNT	DESCRIPTION
Federal Revenue	\$ 4,455,885	The Child Development Fund (12) records revenue and expenses for our general education preschool programs. Sources include Federal Head Start contract from SETA, State Preschool and First 5 preschool support contract.
State/Other Local	2,401,351	
Contributions/Transfers	240,711	
Salary and Benefits	(5,578,043)	
Supplies and Operating	(1,097,429)	
Indirect and Transfers	(422,475)	
<i>SURPLUS/(DEFICIT)</i>	<i>\$ -</i>	
Estimated Beginning Fund Balance	432,756	
Ending Fund Balance	432,756	
Contingency Mandated 2% Reserve	-	
Restricted Reserves	430,494	
<i>UNDESIGNATED</i>	<i>\$ 2,262</i>	

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Cafeteria Special Revenue Fund (13)

ITEM	AMOUNT	DESCRIPTION
Federal Revenue	\$ 16,223,317	The Cafeteria Special Revenue Fund (13) provides for approximately \$8 million school breakfasts and lunches, served to students and staff. The department also provides ala carte food and beverages at secondary schools, and nutritious snacks for several district programs. This program has been awarded the contract to provide summer lunches and snacks for the U.S. Department of Agriculture, Summer Feeding Program.
State/Other Local Revenue	9,374,791	
Contributions/Transfers	-	
Salary and Benefits	(14,665,858)	
Supplies and Operating	(11,897,517)	
Indirect and Transfers	(952,941)	
<i>SURPLUS/(DEFICIT)</i>	<i>\$ (1,918,208)</i>	
Estimated Beginning Fund Balance	3,024,248	
Ending Fund Balance	1,106,040	
Contingency Mandated 2% Reserve	-	
Restricted Reserves	1,052,305	
<i>UNDESIGNATED</i>	<i>\$ 53,735</i>	

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Deferred Maintenance Fund (14)

ITEM	AMOUNT	DESCRIPTION
Federal Revenue	\$ -	The Deferred Maintenance Fund (14) became unfunded and part of the unrestricted general fund in fiscal year 2008/09. The balance remaining in the fund is residual from the State Deferred
State/Other Local Revenue	-	
Contributions/Transfers	-	
Salary and Benefits	-	
Supplies and Operating	-	
Indirect and Transfers	-	
<i>SURPLUS/(DEFICIT)</i>	<i>\$ -</i>	
Estimated Beginning Fund Balance	26,122	
Ending Fund Balance	26,122	
Contingency Mandated 2% Reserve	-	
Restricted Reserves	-	
<i>UNDESIGNATED</i>	<i>\$ 26,122</i>	

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Building Fund (21)

ITEM	AMOUNT	DESCRIPTION
Federal Revenue	\$ -	The Building Fund (21) is established to account for Measure M bond transactions. Specifically Fund 21 is the fund where proceeds from the sale of Measure M bonds are deposited.
State/Other Local Revenue	-	
Contributions/Transfers	-	
Salary and Benefits	-	
Supplies and Operating	(32,601,178)	
Indirect and Transfers	-	
<i>SURPLUS/(DEFICIT)</i>	<i>\$ (32,601,178)</i>	
Estimated Beginning Fund Balance	32,601,178	
Ending Fund Balance	-	
Contingency Mandated 2% Reserve	-	
Restricted Reserves	-	
<i>UNDESIGNATED</i>	<i>\$ -</i>	

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Capital Facilities Fund (25)

ITEM	AMOUNT	DESCRIPTION
Federal Revenue	\$ -	The Capital Facilities Fund (25) is used primarily for revenue received from fees levied as a condition of approving development.
State/Other Local Revenue	9,000,000	
Contributions/Transfers	-	
Salary and Benefits	(464,195)	
Supplies and Operating	(242,868)	
Indirect and Transfers	-	
<i>SURPLUS/(DEFICIT)</i>	<i>\$ 8,292,937</i>	
Estimated Beginning Fund Balance	65,004,079	
Ending Fund Balance	73,297,016	
Contingency Mandated 2% Reserve	-	
Restricted Reserves	73,297,016	
<i>UNDESIGNATED</i>	<i>\$ -</i>	

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County School Facilities

Construction Fund (35)

ITEM	AMOUNT	DESCRIPTION
Federal Revenue	\$ -	The County School Facilities Construction Fund (35) is established for apportionments from the State School Facilities Fund authorized by the State Allocation Board (SAB) for new school facility construction, modernization projects, facility hardship grants, and district match. Typical expenditures in this fund are payments for the costs of sites, site improvements, buildings, building improvements, and furniture and fixtures capitalized as a part of the construction project.
State/Other Local Revenue	-	
Contributions/Transfers	-	
Salary and Benefits	-	
Supplies and Operating	(16,314,597)	
Indirect and Transfers	-	
<i>SURPLUS/(DEFICIT)</i>	<i>\$ (16,314,597)</i>	
Estimated Beginning Fund Balance	16,314,597	
Ending Fund Balance	-	
Contingency Mandated 2% Reserve	-	
Restricted Reserves	-	
<i>UNDESIGNATED</i>	<i>\$ -</i>	

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Special Reserve for Capital Outlay Projects Fund (40)

ITEM	AMOUNT	DESCRIPTION
Federal Revenue	\$ -	The Special Reserve for Capital Outlay Projects Fund (40) exists for capital outlay purposes. Currently this fund accounts for revenue and expenditures related to Proposition 39.
State/Other Local Revenue	-	
Contributions/Transfers	-	
Salary and Benefits	-	
Supplies and Operating	-	
Indirect and Transfers	-	
<i>SURPLUS/(DEFICIT)</i>	<i>\$ -</i>	
Estimated Beginning Fund Balance	2,111,615	
Ending Fund Balance	2,111,615	
Contingency Mandated 2% Reserve	-	
Restricted Reserves	2,111,615	
<i>UNDESIGNATED</i>	<i>\$ -</i>	

2021-22 Adopted Budget Capital Projects Fund (49)

ITEM	AMOUNT	DESCRIPTION
Federal Revenue	\$ -	The Capital Projects Fund (49) is used to account for capital projects financed by our Mello-Roos Community Facilities District.
State/Other Local Revenue	-	
Contributions/Transfers	-	
Salary and Benefits	(2,545,204)	
Supplies and Operating	(958,373)	
Indirect and Transfers	-	
<i>SURPLUS/(DEFICIT)</i>	<i>\$ (3,503,577)</i>	
Estimated Beginning Fund Balance	30,951,053	
Ending Fund Balance	27,447,476	
Contingency Mandated 2% Reserve	-	
Restricted Reserves	1,079,016	
<i>UNDESIGNATED</i>	<i>\$ 26,368,460</i>	

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Bond Interest & Redemption Fund (51)

ITEM	AMOUNT	DESCRIPTION
Federal Revenue	\$ -	The Bond Interest & Redemption (51) is established to account for Measure M bond transactions. Specifically Fund 51 is the fund where any premiums or accrued interest received from the sale of Measure M bonds are deposited.
State/Other Local Revenue	17,652,414	
Contributions/Transfers	-	
Salary and Benefits	-	
Supplies and Operating	(17,652,414)	
Indirect and Transfers	-	
<i>SURPLUS/(DEFICIT)</i>	<i>\$ -</i>	
Estimated Beginning Fund Balance	1,694,465	
Ending Fund Balance	1,694,465	
Contingency Mandated 2% Reserve	-	
Restricted Reserves	1,694,465	
<i>UNDESIGNATED</i>	<i>\$ -</i>	

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Debt Service Fund (52)

ITEM	AMOUNT	DESCRIPTION
Federal Revenue	\$ -	The Debt Service Fund (52) is used to account for the accumulation of resources for the payment of principal and interest on bonds issued by Mello-Roos Community Facilities District.
State/Other Local Revenue	13,903,173	
Contributions/Transfers	-	
Salary and Benefits	-	
Supplies and Operating	(13,903,173)	
Indirect and Transfers	-	
<i>SURPLUS/(DEFICIT)</i>	<i>\$ -</i>	
Estimated Beginning Fund Balance	15,886,536	
Ending Fund Balance	15,886,536	
Contingency Mandated 2% Reserve	-	
Restricted Reserves	212,803	
<i>UNDESIGNATED</i>	<i>\$ 15,673,733</i>	

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Self Insurance (67)

ITEM	AMOUNT	DESCRIPTION
Federal Revenue	\$ -	The Self-Insurance Fund (67) contains all of the current year activity and reserves for our self-insured workers' compensation program. The 2021-22 rate applied to all salaries is budgeted at 1.75%.
State/Other Local Revenue	-	
Contributions/Transfers	-	
Salary and Benefits	(481,478)	
Supplies and Operating	(745,484)	
Indirect and Transfers	-	
<i>SURPLUS/(DEFICIT)</i>	<i>\$ (1,226,962)</i>	
Estimated Beginning Fund Balance	8,556,428	
Ending Fund Balance	7,329,466	
Contingency Mandated 2% Reserve	-	
Restricted Reserves	-	
<i>UNDESIGNATED</i>	<i>\$ 7,329,466</i>	

Next Steps

- 2021-22 Elk Grove Adopts Budget June 22, 2021
- 2021-22 Final State Budget ?? (June 30, 2021)
- 2021-22 45 Day Revise ?? (July 20, 2021)
- 2020-21 Unaudited Actuals September, 2021
- 2021-22 1st Interim December, 2021
- 2022-23 Governor's January Proposal January, 2022