



2021-22 1ST INTERIM FINANCIAL STATUS REPORT



**PRESENTED TO THE BOARD OF EDUCATION
DECEMBER 14, 2021**

*Presented by:
Shannon Hayes, Chief Financial Officer*

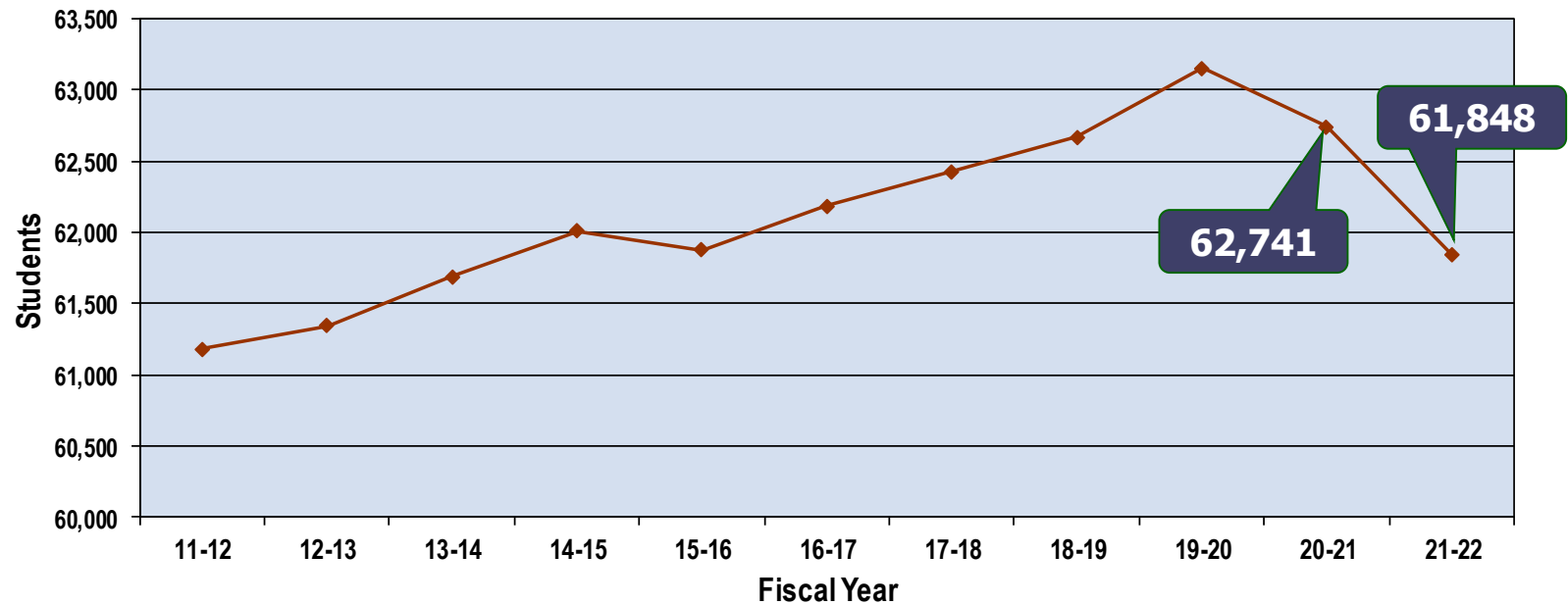
OVERVIEW

- ▶ Annual Budget Development Cycle
- ▶ 2021-22 Student Enrollment
- ▶ 1st Interim Unrestricted General Fund Budget Changes
- ▶ 2021-22 1st Interim Budget
- ▶ Components of Multi-Year Projections
- ▶ Multi-Year Projections
- ▶ Next Steps

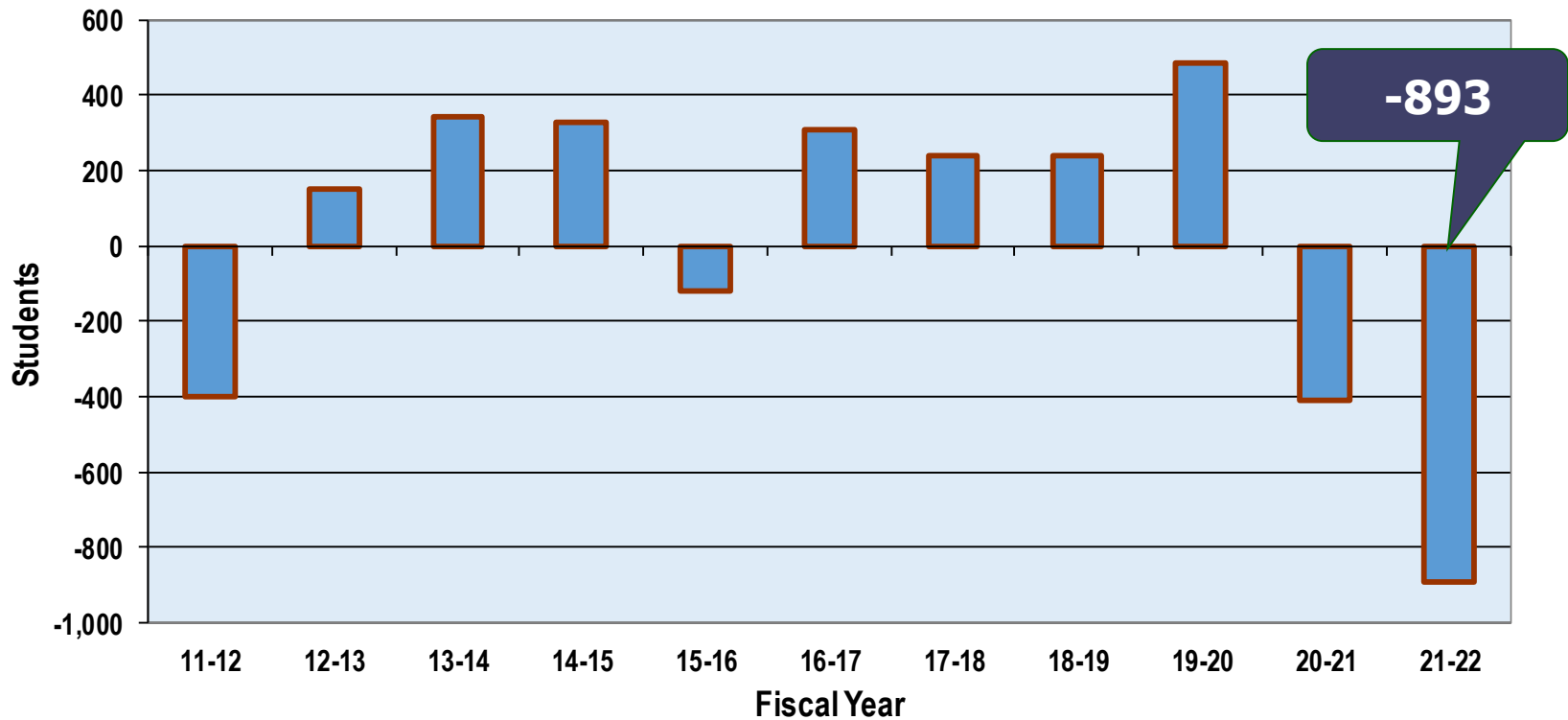
ANNUAL BUDGET DEVELOPMENT CYCLE

- ▶ June 30: District – Adopts 2021-22 budget
- ▶ June 30: State – Approves 2021-22 final budget
- ▶ August 15: District – Publishes 2021-22 45 day revision if warranted (based on final state budget)
- ▶ September 15: District – Prepares 2020-21 Unaudited Actuals (as of June 30th)
- ▶ December 15: District – Prepares 2021-22 1st Interim (as of October 31st)
- ▶ January 10: State – Governor's 2022-23 budget proposal announced
- ▶ March 15: District – Prepares 2021-22 2nd Interim (as of January 31st)
- ▶ May 15: State – Governor's 2022-23 revised budget proposal announced

2021-22 CBEDS ENROLLMENT



CBEDS ENROLLMENT COMPARED TO PRIOR YEAR CBEDS



2021-22 UNRESTRICTED GENERAL FUND CHANGES FROM ADOPTED TO 1ST INTERIM

- ▶ Budget carryover balances as expenditures as described at Unaudited Actuals
- ▶ Changes to CBEDS generated site staffing
- ▶ Budget reserve for ongoing and one-time Employee Compensation
- ▶ Additional indirect credits and other adjustments
- ▶ LCFF revenue change based on State Adopted budget
- ▶ Adjusted Unemployment insurance rate to 0.50% from 1.23%

2021-22 UNRESTRICTED GENERAL FUND CHANGES FROM UNAUDITED ACTUALS

	<u>Amount</u>
<u>2021-22 Unrestricted General Fund Surplus/(Deficit)</u>	<u>\$9.7 M</u>
•Expenditures Changes	
•Ongoing Employee Compensation	\$(21.8) m
•One-time Employee Compensation	(11.3) m
•Technology Utility Carryover	(5.7) m
•Purchase Order Carryover Expenditures	(13.8) m
•2020-21 Balance of Funding Priorities	(1.6) m
•Budget Adjustment Based on CBEDS for Staffing	25.1 m
•Unemployment Insurance Rate Decrease	1.7 m
•Indirect and Other Adjustments	12.4 m
•Total Expenditure Changes	<u>\$(15.0)m</u>
• Total 2021-22 Adjusted Unrestricted Fund Surplus/(Deficit)	<u>\$(5.3)M</u>

2021-22 UNRESTRICTED GENERAL FUND 1ST INTERIM

	ADOPTED	45 DAY REVISE	1ST INTERIM	2ND INTERIM	PROJECTED YEAR END
Revenue	\$ 629,767,681	\$ 629,943,022	\$ 630,054,187		
Contributions/Transfers	(115,141,904)	(110,716,128)	(115,709,102)		
Salary and Benefits	(464,625,809)	(463,373,458)	(467,494,924)		
Supplies and Operating	(51,218,723)	(51,218,723)	(72,027,953)		
Indirect and Transfers	10,896,291	10,865,522	19,832,662		
<i>SURPLUS/(DEFICIT)</i>	\$ 9,677,536	\$ 15,500,235	\$ (5,345,130)	\$ -	\$ -
Estimated Beginning Fund Balance	121,893,371	121,893,371	121,893,371		
Ending Fund Balance	131,570,907	137,393,606	116,548,241		-
Contingency 2% Reserve	16,284,367	17,021,329	20,284,367		
2020-21 Carryover Reserves	14,202,483	14,202,483	-		
AV Project Title I Sites	10,000,000	10,000,000	-		
Professional Development (Arbinger)	1,641,026	1,641,026	1,641,026		
Anticipated Loss of UPP	-	-	7,916,695		
2020-21 Supply/Concen. Bal	-	-	2,719,502		
<i>UNDESIGNATED BALANCE</i>	\$ 89,443,031	\$ 94,528,768	\$ 83,986,651	\$ -	\$ -

COMPONENTS OF MULTI-YEAR PROJECTION

- ▶ Revenues Include:
 - LCFF projected Cost of Living Adjustment for 2022-23 and 2023-24 fiscal years estimated to be 2.48% and 3.11% Respectively
 - Student enrollment based on 2019-20 pre-pandemic levels
- ▶ Expenditures Include:
 - Continues 2021-22 staffing levels
 - Special Education growth of \$4M
 - District Health Care reflects rates recommended by the JHCC and approved by the Board
 - Estimated cost of health benefits under Affordable Care Act (ACA)
 - Increases in both Cal-STRS and Cal-PERS employer contributions

GENERAL FUND UNRESTRICTED MULTI-YEAR BUDGET PROJECTIONS

ITEM	2021-22 ADOPTED BUDGET WITH UNAUDITED ACTUALS	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	
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	121,893,371	131,570,907	138,738,600	
Ending Fund Balance	131,570,907	138,738,600	157,691,487	20.23%
Contingency Mandated 2% Reserve	16,284,367	16,784,367	17,284,367	
2020-21 Carryover Reserves	14,202,483	14,202,483	14,202,483	
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	\$ 89,443,031	\$ 96,110,724	\$ 114,563,611	14.70%

GENERAL FUND UNRESTRICTED MULTI-YEAR BUDGET PROJECTIONS

ITEM	2021-22 1ST INTERIM	2022-23	2023-24	
State Revenue	\$ 630,054,187	\$ 630,009,256	\$ 630,009,780	
Estimated 2022-23 (2.48%)		15,467,045	15,467,045	
Estimated 2023-24 (3.11%)			26,192,882	
Contributions/Transfers	(115,709,102)	(122,289,670)	(126,529,228)	
Salary and Benefits	(467,494,924)	(487,580,715)	(496,681,118)	
Supplies and Operating	(72,027,953)	(55,661,023)	(56,000,417)	
Indirect and Transfers	19,832,662	10,338,434	10,680,156	
SURPLUS/(DEFICIT)	\$ (5,345,130)	\$ (9,716,673)	\$ 3,139,100	
Estimated Beginning Fund Balance	121,893,371	116,548,241	106,831,568	
Ending Fund Balance	116,548,241	106,831,568	109,970,668	11.72%
Contingency Mandated 2% Reserve	20,284,367	20,284,367	20,284,367	
Anticipated Loss of UPP	7,916,695	7,916,695	7,916,695	
2020-21 Supple/Concen. Bal	2,719,502	2,719,502	2,719,502	
Professional Development (Arbinger)	1,641,026	1,641,026	1,641,026	
UNDESIGNATED	\$ 83,986,651	\$ 74,269,978	\$ 77,409,078	8.25%

NEXT STEPS

2022–23 Governor’s Budget Proposal	January 2022
2021–22 Second Interim Financial Report	March 2022
2022–23 Governor’s May Revision	May 2022
2022–23 District Adopted Budget	June 2022