

21-22 1st Interim Budget Presentation

December 14, 2021

- ▶ Los Gatos Union School District

Agenda

- ▶ General Fund Revenue
- ▶ Revenue Highlights
- ▶ One Time State Funding
- ▶ General Fund Expenses
- ▶ Expense Highlights
- ▶ Schedule of Contributions
- ▶ Budget Variance
- ▶ General Fund Balance & Reserves
- ▶ Capital Budget
- ▶ Next Steps
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21-22 1st Interim Budget General Fund Revenue

TOTAL REVENUE

\$50,591,428

LCFF SOURCES

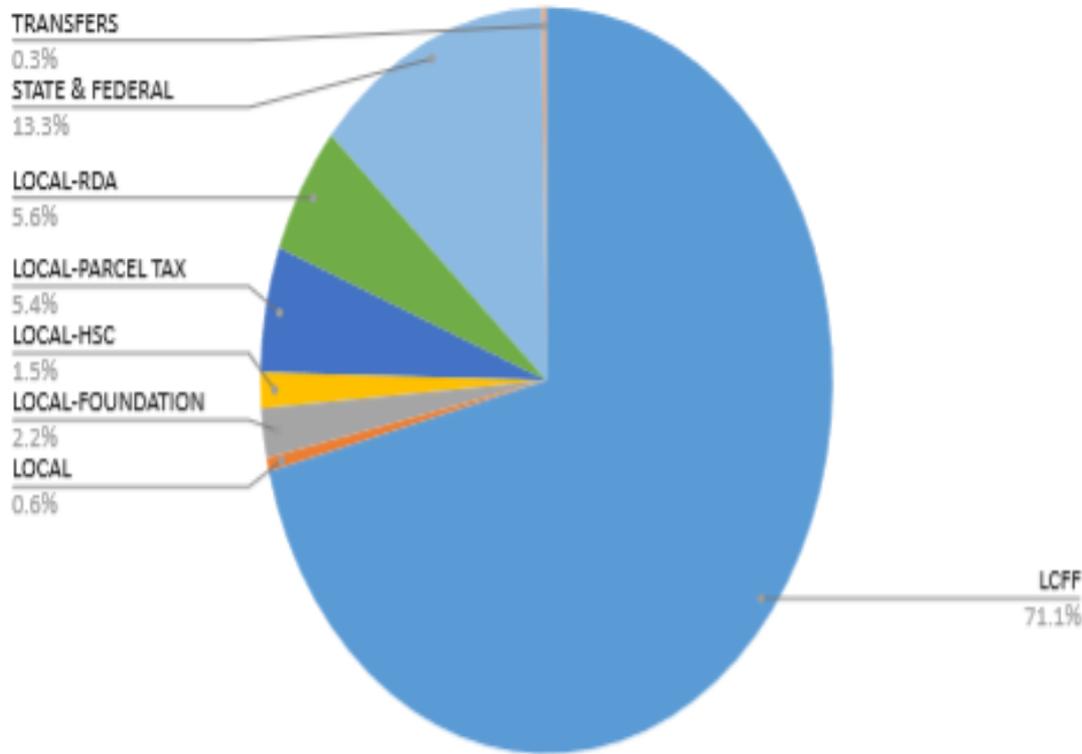
Property Taxes	31,894,900
Community Redevelop Funds	1,852,000
Education Protection Acct	577,076
Minimum State Aide	121,495
LCFF Transfers SPED	1,563,883

RESTRICTED REVENUE

Federal Funds	631,829
Other State Revenue	6,050,170
Other Local Revenue	2,162,906
Parcel Tax	2,750,000
Redevelopment Agency Funds	2,849,570

21-22 General Fund Revenue

21-22 1st Interim Budget Revenue



LCFF— Property Taxes, Education Protection Account & Minimum State Aid

Federal — District must follow specific grant guidelines (Title II, Title III, etc.)

Other State — State funds not part of LCFF (Lottery, Special Education, STRS on-behalf, etc.)

Local — Funds received from local sources (HSC, LGEF, interest, County, donations, fees)

2021-2026 One Time State Funding

K-14 general purpose funds must be utilized for in person instruction and expanded learning purposes

		BUDGET	REVENUE		EXPENSES			TOTAL	
			20-21	21-22	20-21	21-22	22-23	23-24	
REOPENING									
	PPE & SUPPLIES	\$50,000				\$30,000	\$10,000	\$10,000	\$50,000
	CONTRACTED SERVICES Nurse	\$175,000				\$175,000			\$175,000
	BENCHMARK SOFTWARE Assess	\$150,000				\$150,000			\$150,000
	ROVING SUBS	\$300,000				\$100,000	\$100,000	\$100,000	\$300,000
	INDEPENDENT STUDY Catalyst	\$30,000				\$30,000			\$30,000
	SUBTOTAL	\$705,000		\$919,411	0	\$485,000	\$110,000	\$110,000	\$705,000
EXTENDED LEARNING OPPORTUNITY									
	SUMMER SESSION 1 & 2-2022-2024	\$500,000			\$130,478	\$185,244	\$185,244		\$370,488
	COUNSELOR	\$450,000				\$150,000	\$150,000	\$150,000	\$450,000
	AFTER SCHOOL HOMEWORK PROGRAM	\$150,000				\$50,000	\$50,000	\$50,000	\$150,000
	PD-PBL ACADEMY	\$400,000				\$210,000	\$210,000		\$420,000
	CERTIFICATED TUTOR	\$150,000				\$50,000	\$50,000	\$50,000	\$150,000
	SPECIALISTS	\$300,000				\$100,000	\$100,000	\$100,000	\$300,000
	SUBTOTAL	\$1,649,733	\$97,879	\$1,831,308	\$130,478	\$745,244	\$745,244	\$350,000	\$1,840,488
EDUCATOR EFFECTIVENESS									
	COACH	\$450,000				\$150,000	\$150,000	\$150,000	\$450,000
	PD-PBL	\$100,000				\$100,000			\$100,000
	MATERIALS	\$10,000				\$10,000			\$10,000
	SUBTOTAL	\$560,000				\$260,000	\$150,000	\$150,000	\$560,000
TOTAL ONE TIME FUNDING		\$2,914,733	\$97,879	\$2,750,719	\$130,478	\$1,490,244	\$1,005,244	\$610,000	\$3,105,488

21-22 1st Interim Budget Revenue Highlights

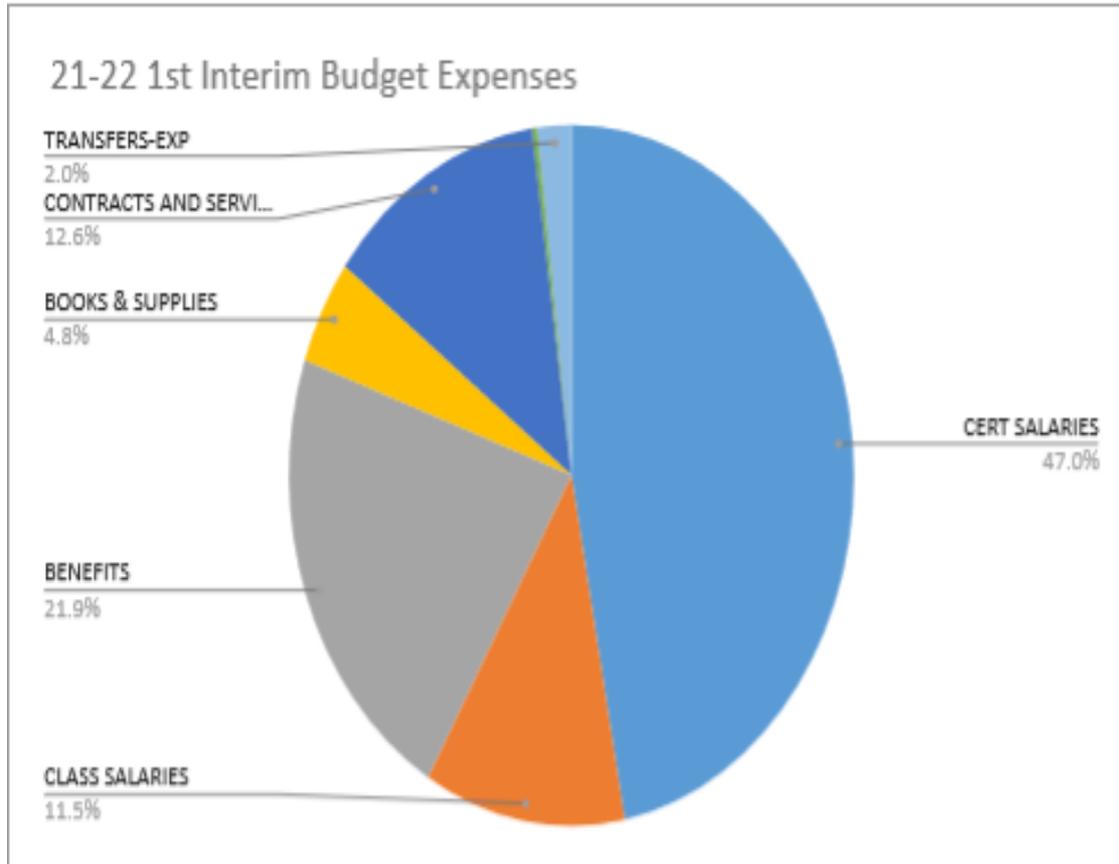
- ▶ Budget increase in property taxes for current year and 22-23 based on County Assessors current tax role projections. Increased from 1.0% and 1.5% respectively for 21-22 & 22-23
- ▶ Significant portion of 21-22 Revenue is one time funding including Community Redevelopment Funds, Special Education and One Time State Funding (\$3.9M)
- ▶ State showing strong economic outlook predicting a \$30B surplus for 22-23. Seeking to expand funding for
 - ▶ Universal Meals
 - ▶ Universal TK
 - ▶ Extended learning
 - ▶ Educator Effectiveness
 - ▶ Special Education

21-22 1st Interim Budget General Fund Expenses

TOTAL EXPENSES	\$ 48,752,423
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Certificated Salaries	\$ 22,904,278
Classified Salaries	\$ 5,598,961
Employee Benefits	\$ 10,656,813
Books and Supplies	\$ 2,362,163
Services	\$ 6,136,731
Capital	\$ 134,021
Transfers	\$ 959,456

21-22 1st Interim Budget General Fund Expenditures



Salaries & Benefits—
Includes negotiated salary increases and 15.92% District and State contributions to Pensions

Supplies — *Includes teacher supplies, curriculum and maintenance supplies*

Services — *Outside service providers including Special Education providers, utilities and insurance*

Capital — *ongoing routine maintenance and improvements*

80% of GF expenditures is salary and benefits

21-22 1st Interim Budget Expense Highlights

- ▶ Salary and Benefits generally increased over adopted budget. Certificated staffing increased due to grant funding for counselors, literacy and math specialists and certificated tutoring staff. Classified salaries were reduced as the tutoring position was changed from classified to certificated staff. Benefits included a significant decrease in worker compensation as the State reduced the budgeted rates after the adopted budget was approved.
- ▶ Supplies budget has increased for Covid related filters and testing supplies. In addition we anticipate purchasing benchmarking and assessment software using one time funds.
- ▶ Service contracts have increased budget from the election costs have increased and PBL training has increased.

21-22 Required Contributions from Unrestricted General Fund

Resource/Fund	Contribution	Transfer In
Special Education Program	4,701,722	
Total Contributions from Unrestricted	<u>5,745,671</u>	
Cafeteria Fund		187,705
Deferred Maintenance Fund		<u>550,000</u>
Total Interfund Transfers		<u>737,705</u>

21-22 1st Interim Budget Variance to Adopted Budget

21-22 1st Interim MYP

		21-22 Adopted	21-22 1st Int	Var to Adopted	
REVENUE	LCFF	\$35,100,579	\$35,956,278	\$855,699	Special Education
	LOCAL	\$305,025	\$295,301	-\$9,724	
	LOCAL-FOUNDATION	\$1,092,000	\$1,092,000	\$0	
	LOCAL-HSC	\$768,102	\$775,606	\$7,504	
	LOCAL-PARCEL TAX	\$2,750,000	\$2,750,000	\$0	
	LOCAL-RDA	\$2,659,650	\$2,849,570	\$189,920	Increase P. Taxes
	STATE & FEDERAL	\$3,501,156	\$6,735,075	\$3,233,919	One-Time funds
	TRANSFERS	\$77,726	\$137,598	\$59,872	
REVENUE TOTAL		\$46,254,238	\$50,591,428	\$4,337,190	
EXPENSE	CERT SALARIES	\$22,546,215	\$22,904,278	\$358,063	Counselors, Specialists, Tutor
	CLASS SALARIES	\$5,712,100	\$5,598,961	-\$113,139	Tutor became certificated positio
	BENEFITS	\$10,950,157	\$10,656,813	-\$293,344	Overbudgeted WC
	BOOKS & SUPPLIES	\$2,033,112	\$2,362,163	\$329,051	Covid and assessment software
	CONTRACTS AND SERVICES	\$5,604,786	\$6,136,731	\$531,945	
	LT-CAPITAL	\$139,321	\$134,021	-\$5,300	
	TRANSFERS-EXP	\$959,456	\$959,456	\$0	
EXPENSE TOTAL		\$47,945,147	\$48,752,423	\$807,276	
Beg Balance Reserves		\$14,868,617	\$14,868,617		
Net Expenses		-\$1,690,909	\$1,839,005		
Eng Balance Reserves		\$13,177,708	\$16,707,622		
Restricted Reserves		\$1,028,663	\$3,712,312		
Available Unrestricted Reserves		\$12,149,045	\$12,995,310		
Required 3%		\$1,438,354	\$1,462,573		
Actual %		25.34%	26.66%		

21-22 1st Interim Budget Reserves

▶	Ending Fund Balance	\$ 16,707,622
▶	Restricted	\$ 3,712,312
▶	Lottery/Science Curriculum	\$ 298,720
▶	Special Education	\$ 712,488
▶	Other Local & HSC	\$ 746,359
▶	RDA Routine Maintenance	\$ 175,573
▶	Educator Effectiveness	\$ 563,582
▶	Expanded Learning Opportunities	\$ 1,049,271
▶	Expanded Learning-Paraprofessionals	\$ 166,319
▶	SUBTOTAL UNRESTRICTED RESERVES	\$12,995,310 26.66%
▶	Assigned –Balance due Child Nutrition Accts	\$ 79,911
▶	Committed-State Required 3% Reserve Economic Uncertainty	\$ 1,462,573
▶	Subtotal Restricted, Committed & Assigned	<u>\$ 5,254,796</u>
▶	TOTAL UNRESTRICTED, UNASSIGNED & UNCOMMITTED RESERVES	\$ 11,452,826

21-22 1st Interim Budget MultiYear Projections

MULTI YEAR PROJECTIONS		Unaudited Actuals 20-21	Adopted Budget 21-22	First Interim 21-22	22-23	23-24	24-25	25-26
INCOME		\$47,448,369	\$46,254,238	\$50,591,428	\$48,217,582	\$49,795,264	\$51,238,834	\$53,123,927
	LCFF	\$34,611,833	\$35,100,579	\$35,956,278	\$36,374,112	\$37,589,227	\$38,859,604	\$40,534,364
	STATE & FED	\$5,516,634	\$3,501,156	\$6,735,075	\$3,501,146	\$3,501,156	\$3,501,156	\$3,501,156
	LOCAL							
	Foundation	\$983,000	\$1,092,000	\$1,092,000	\$1,092,000	\$1,092,000	\$1,092,000	\$1,092,000
	HSC	\$516,884	\$768,102	\$775,606	\$701,008	\$701,008	\$701,008	\$701,008
	Parcel Tax	\$2,717,622	\$2,750,000	\$2,750,000	\$3,176,724	\$3,240,258	\$3,305,064	\$3,371,165
	Other	\$363,674	\$305,025	\$295,301	\$302,817	\$497,119	\$497,119	\$497,119
	RDA	\$2,589,408	\$2,659,650	\$2,849,570	\$2,992,049	\$3,096,770	\$3,205,157	\$3,349,389
	TRANSFERS	\$149,314	\$77,726	\$137,598	\$77,726	\$77,726	\$77,726	\$77,726
EXPENSE		\$44,959,781	\$47,945,147	\$48,752,423	\$48,847,610	\$50,407,311	\$51,109,055	\$52,528,010
	SALARIES	\$21,718,774	\$22,546,215	\$22,904,278	\$23,598,522	\$24,733,226	\$25,261,623	\$26,259,081
	CLASSIFIED	\$5,663,530	\$5,712,100	\$5,598,961	\$6,140,584	\$6,318,802	\$6,502,366	\$6,691,437
	BENEFITS	\$10,259,430	\$10,950,157	\$10,656,813	\$11,042,663	\$11,221,314	\$11,461,097	\$11,693,523
	SUPPLIES	\$2,177,799	\$2,033,112	\$2,362,163	\$1,948,010	\$2,083,112	\$2,083,112	\$2,083,112
	SERVICES	\$4,456,993	\$5,604,786	\$6,136,731	\$4,967,054	\$4,900,079	\$4,650,079	\$4,650,079
	CAPITAL	\$0	\$139,321	\$134,021	\$191,321	\$191,322	\$191,322	\$191,322
	TRANSFERS/CAP	\$683,255	\$959,456	\$959,456	\$959,456	\$959,456	\$959,456	\$959,456
	STRATEGIC PLAN							
NET		\$2,488,588	-\$1,690,909	\$1,839,005	-\$630,028	-\$612,047	\$129,779	\$595,917
Beg Bal Reserves		\$12,276,951	\$14,868,617	\$14,868,617	\$16,707,622	\$16,077,594	\$15,465,547	\$15,595,326
Restricted Reserves		\$2,181,585	\$1,028,663	\$3,712,312	\$2,053,816	\$570,488	\$1,234,379	\$1,234,379
UNRESTRICTED RESERVES		\$12,583,954	\$12,149,045	\$12,995,310	\$14,023,778	\$14,895,059	\$14,360,947	\$14,956,864
3% REQUIRED RESERVES		\$1,348,793	\$1,438,354	\$1,462,573	\$1,465,428	\$1,512,219	\$1,533,272	\$1,575,840
RESERVE %		27.99%	25.34%	26.66%	28.71%	29.55%	28.10%	28.47%

Los Gatos Union School District-1st Interim Projections

Capital Projects (15 Year Projection)

Deferred Maintenance & Developer Fees

Priority	1-5 Years	Fisher Middle	Blossom Hill	Daves Avenue	Lexington	Van Meter	District Office	Total
5	Heating and Cooling Systems		\$40,000					\$40,000 X
2	Scrape and Repave Blacktop Playground	\$75,000	\$20,000	\$75,000		\$75,000		\$245,000 X
2	Playground Equipment/Tables	\$25,000	\$25,000	\$25,000		\$75,000		\$150,000 x
4	Landscaping Improvements		\$915,000	\$1,000,000		\$800,000		\$2,715,000 X
4	Field Renovations/Irrigation		\$1,600,000	\$2,500,000		\$2,500,000		\$6,600,000 X
1	Tech Infrastructure/AV						\$170,000	\$170,000 x
6	Painting	\$200,000	\$150,000	\$150,000		\$150,000		\$650,000 x
3	Safety/Fencing	\$30,000	\$30,000	\$30,000	\$10,000	\$30,000	\$30,000	\$160,000 x
	STEAM Labs/Equip	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000		\$1,250,000
1	Solar Upgrades/Generator	\$75,000	\$50,000	\$50,000	\$50,000	\$50,000	\$75,000	\$350,000 x
	Sub-Total	\$655,000	\$3,080,000	\$4,080,000	\$310,000	\$3,930,000	\$275,000	\$12,330,000

6-15 Years

Field Renovation /Turf	\$1,200,000	\$400,000	\$600,000	\$400,000	\$600,000			\$3,200,000
Landscaping Improvements	\$500,000			\$50,000				\$550,000
Heating and Cooling Systems	\$300,000	\$150,000	\$150,000	\$50,000	\$150,000	\$50,000		\$850,000
Parking Lots and Asphalt	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000		\$600,000
Roofs	\$2,500,000	\$500,000	\$500,000		\$500,000	\$250,000		\$4,250,000
Safety/Fencing	\$80,000	\$60,000	\$60,000	\$10,000	\$60,000	\$60,000		\$330,000
Solar Buyout	\$700,000	\$550,000	\$550,000	\$550,000	\$550,000			\$2,900,000
Technology	\$300,000	\$150,000	\$150,000	\$75,000	\$150,000	\$170,000		\$995,000
Total Projected Cost	\$6,335,000	\$4,990,000	\$6,190,000	\$1,545,000	\$6,040,000	\$905,000		\$26,005,000

Long Term Capital Funding - Fund 14 & 25

	Funds are Separate from General Operating Funds							
	Beg Bal	2021-22	2022-23	2023-24	2024-25	2025-26	2026-36	TOTAL
Deferred Maintenance - Fund 14	\$2,543,109	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	\$5,500,000	\$10,793,109
Developer Fees - Fund 25	\$3,033,086	\$3,700,000	\$1,300,000	\$300,000	\$300,000	\$300,000	\$3,000,000	\$11,933,086
P1 -Tech Infrastructure		-\$170,000					-\$995,000	-\$1,165,000
P2 - HVAC		-\$40,000					-\$850,000	-\$890,000
P3 - Fields/Irrigation			-\$1,600,000	-\$2,500,000	-\$2,500,000		-\$3,200,000	-\$9,800,000
P3 - Landscaping upgrades		-\$1,875,000			-\$850,000		-\$550,000	-\$3,275,000
P4 - Solar Buyout/Generator		-\$350,000					-\$2,900,000	-\$3,250,000
P5 - Playground Equipment & Blacktop		-\$395,000						-\$395,000
P6 - Painting		-\$150,000	-\$150,000	-\$150,000	-\$200,000			-\$650,000
P7 - Safety Upgrades		-\$30,000	-\$30,000	-\$30,000	-\$30,000	-\$30,000	-\$330,000	-\$480,000
STEAM Labs/Equip			-\$250,000	-\$750,000	-\$250,000			-\$1,250,000
Years 6 to 15 (Parking, Roofs)							-\$4,850,000	-\$4,850,000
Ending Balance	\$5,576,195	\$6,816,195	\$6,636,195	\$4,056,195	\$1,076,195	\$1,896,195	-\$3,278,805	

Next Steps

- ▶ Property Tax Estimated Tax Roll December 2021
- ▶ Property Tax Estimated Tax Roll 22-23 December 2021
- ▶ Audit presentation for 20-21 presented January 13, 2022
- ▶ 2nd Interim Budget Presentation March 2022
- ▶ 21-22 Strategic Plan Update May 2022
- ▶ 22-23 Strategic Plan Budget May 2022
- ▶ 22-23 Budget Approval June 2022

Questions

