

# 21-22 1<sup>st</sup> 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
- ▶ Questions

# 21-22 1<sup>st</sup> Interim Budget General Fund Revenue

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## TOTAL REVENUE

**\$50,591,428**

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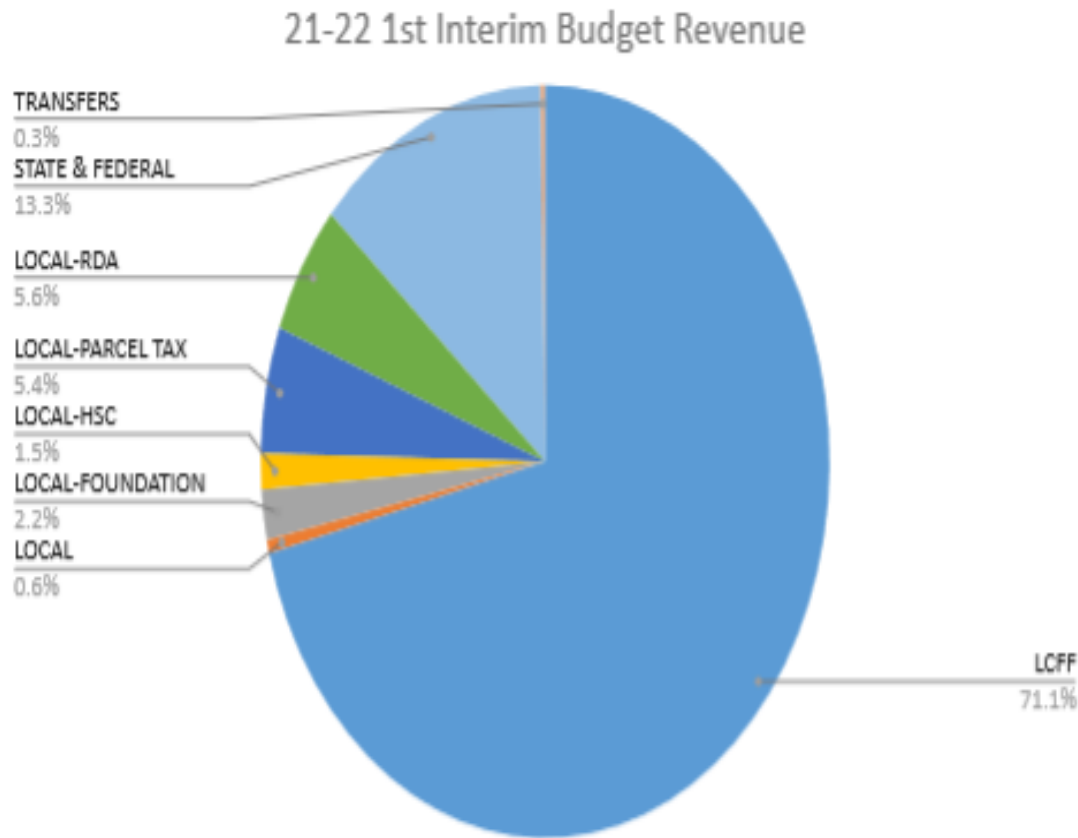
## LCFF SOURCES

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



***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	
<b>REOPENING</b>									
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
<b>SUBTOTAL</b>		<b>\$705,000</b>		\$919,411	0	\$485,000	\$110,000	\$110,000	\$705,000
<b>EXTENDED LEARNING OPPORTUNITY</b>									
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
<b>SUBTOTAL</b>		<b>\$1,649,733</b>	\$97,879	\$1,831,308	\$130,478	\$745,244	\$745,244	\$350,000	\$1,840,488
<b>EDUCATOR EFFECTIVENESS</b>									
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
<b>SUBTOTAL</b>		<b>\$560,000</b>				<b>\$260,000</b>	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$560,000</b>
<b>TOTAL ONE TIME FUNDING</b>		<b>\$2,914,733</b>	<b>\$97,879</b>	<b>\$2,750,719</b>	<b>\$130,478</b>	<b>\$1,490,244</b>	<b>\$1,005,244</b>	<b>\$610,000</b>	<b>\$3,105,488</b>

# 21-22 1<sup>st</sup> 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 1<sup>st</sup> Interim Budget General Fund Expenses

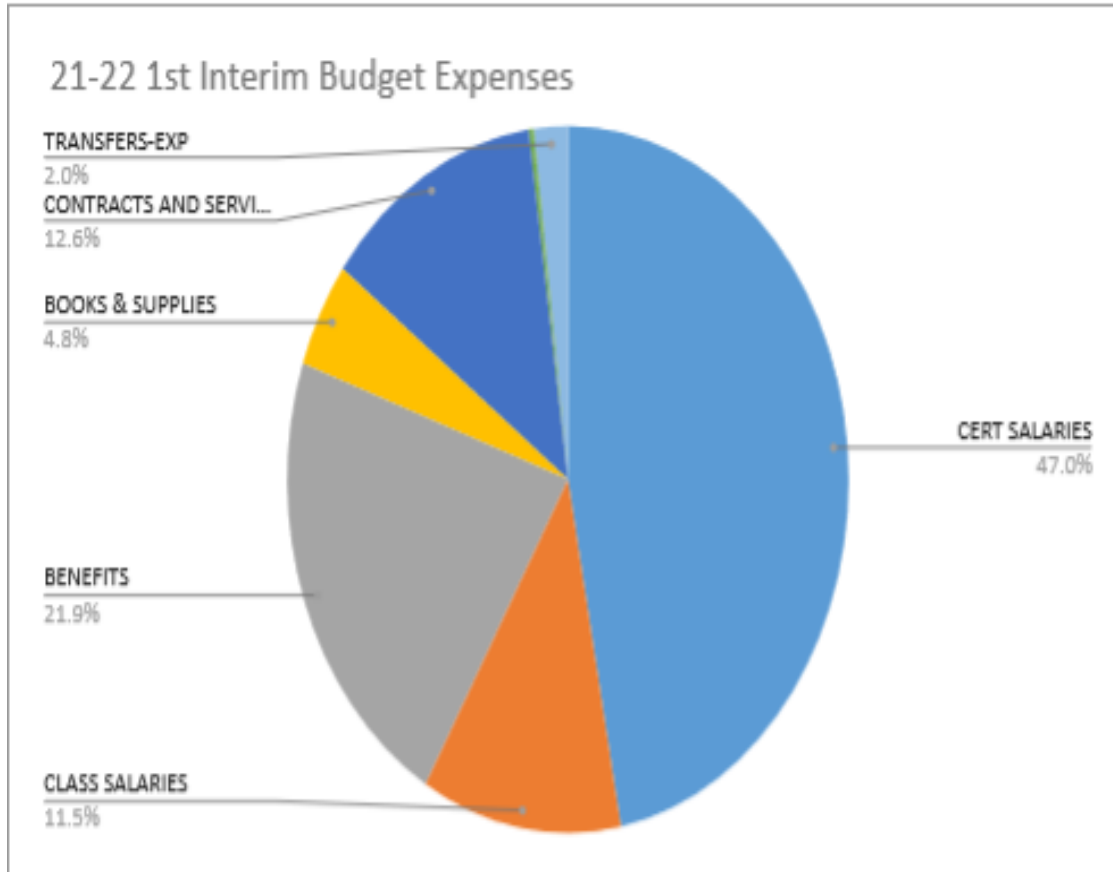
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<b>TOTAL EXPENSES</b>	<b>\$ 48,752,423</b>
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Certificated Salaries	\$ 22,904,278
Classified Salaries	\$ 5,598,961
Employee Benefits	\$ 10,656,813
Books and Supplies	\$ 2,362,163
Services	\$ 6,136,731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

# 21-22 1<sup>st</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> 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	
<b>REVENUE TOTAL</b>		<b>\$46,254,238</b>	<b>\$50,591,428</b>	<b>\$4,337,190</b>	
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	
<b>EXPENSE TOTAL</b>		<b>\$47,945,147</b>	<b>\$48,752,423</b>	<b>\$807,276</b>	
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 1<sup>st</sup> 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 1<sup>st</sup> 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
<b>INCOME</b>		\$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
<b>EXPENSE</b>		\$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							
<b>NET</b>		\$2,488,588	-\$1,690,909	\$1,839,005	-\$630,028	-\$612,047	\$129,779	\$595,917
<b>Beg Bal Reserves</b>		\$12,276,951	\$14,868,617	\$14,868,617	\$16,707,622	\$16,077,594	\$15,465,547	\$15,595,326
<b>Restricted Reserves</b>		\$2,181,585	\$1,028,663	\$3,712,312	\$2,053,816	\$570,488	\$1,234,379	\$1,234,379
<b>UNRESTRICTED RESERVES</b>		\$12,583,954	\$12,149,045	\$12,995,310	\$14,023,778	\$14,895,059	\$14,360,947	\$14,956,864
<b>3% REQUIRED RESERVES</b>		\$1,348,793	\$1,438,354	\$1,462,573	\$1,465,428	\$1,512,219	\$1,533,272	\$1,575,840
<b>RESERVE %</b>		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
	<b>Sub-Total</b>	<b>\$655,000</b>	<b>\$3,080,000</b>	<b>\$4,080,000</b>	<b>\$310,000</b>	<b>\$3,930,000</b>	<b>\$275,000</b>	<b>\$12,330,000</b>
	<b>6-15 Years</b>							
	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
	<b>Total Projected Cost</b>	<b>\$6,335,000</b>	<b>\$4,990,000</b>	<b>\$6,190,000</b>	<b>\$1,545,000</b>	<b>\$6,040,000</b>	<b>\$905,000</b>	<b>\$26,005,000</b>
	<b>Long Term Capital Funding - Fund 14 &amp; 25</b>							
			Funds are Separate from General Operating Funds					
		Beg Bal	2021-22	2022-23	2023-24	2024-25	2025-26	2026-36
	Deferred Maintenance - Fund 14	\$2,543,109	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	\$5,500,000
	Developer Fees - Fund 25	\$3,033,086	\$3,700,000	\$1,300,000	\$300,000	\$300,000	\$300,000	\$3,000,000
	P1 -Tech Infrastructure		-\$170,000					-\$995,000
	P2 - HVAC		-\$40,000					-\$850,000
	P3 - Fields/Irrigation			-\$1,600,000	-\$2,500,000	-\$2,500,000		-\$3,200,000
	P3 - Landscaping upgrades		-\$1,875,000			-\$850,000		-\$550,000
	P4 - Solar Buyout/Generator		-\$350,000					-\$2,900,000
	P5 - Playground Equipment & Blacktop		-\$395,000					
	P6 - Painting		-\$150,000	-\$150,000	-\$150,000	-\$200,000		
	P7 - Safety Upgrades		-\$30,000	-\$30,000	-\$30,000	-\$30,000	-\$30,000	-\$330,000
	STEAM Labs/Equip			-\$250,000	-\$750,000	-\$250,000		
	Years 6 to 15 (Parking, Roofs)							-\$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
- ▶ 2<sup>nd</sup> 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

