

21-22 2nd Interim Budget Presentation

March 10, 2022

- ▶ 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 2nd Interim Budget General Fund Revenue

TOTAL REVENUE	\$50,691,427
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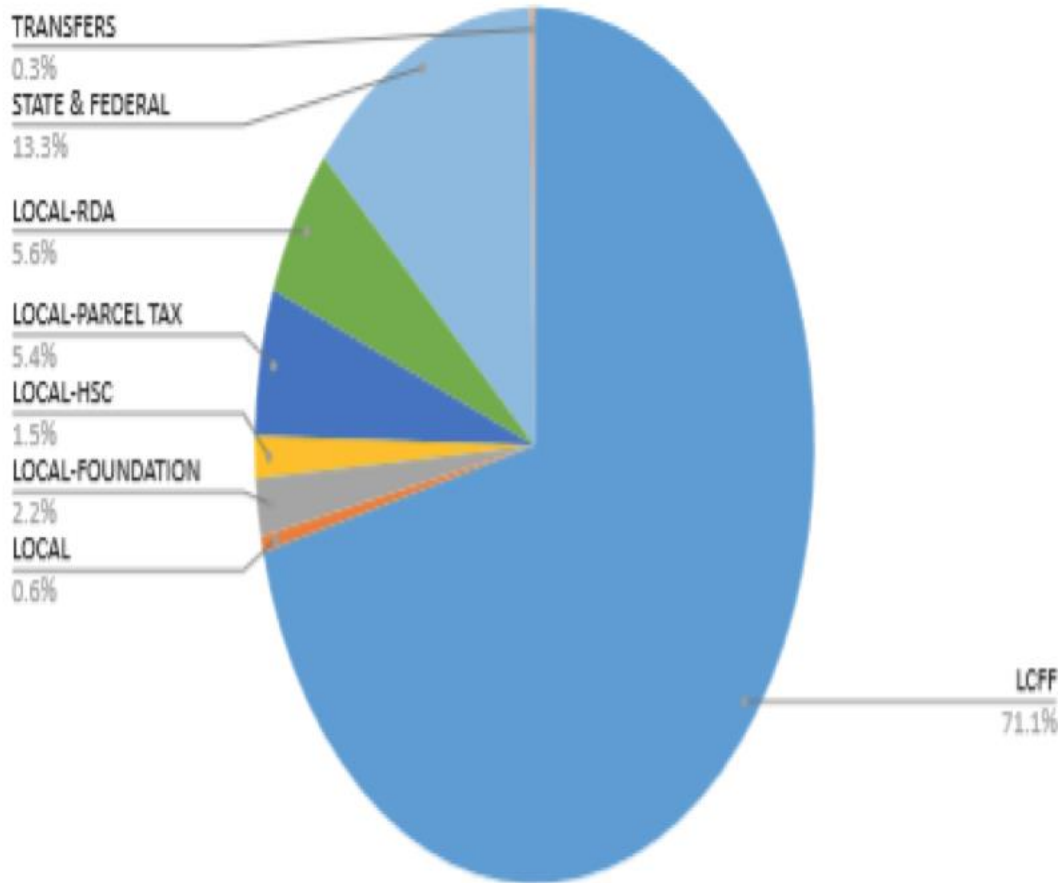
LCFF SOURCES

Property Taxes	31,954,900
Community Redevelop Funds	1,851,000
Education Protection Acct	522,000
Minimum State Aide	121,495
LCFF Transfers SPED	1,601,491

RESTRICTED REVENUE

Federal Funds	651,421
Other State Revenue	6,043,443
Other Local Revenue	2,270,027
Parcel Tax	2,750,000
Redevelopment Agency Funds	2,849,570

21-22 2nd Interim 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 EXPENSE
			20-21	21-22	20-21	21-22	22-23	23-24	
REOPENING	RS 7422 IPI								
PPE & SUPPLIES	4310-3140	\$50,000				\$50,000	\$10,000	\$10,000	\$70,000
CONTRACTED SERVICES	Nurse/OT	\$50,000				\$50,000			\$50,000
BENCHMARK SOFTWARE	Lit, IXL, Achieve	\$200,000				\$150,000	\$35,000	\$35,000	\$220,000
ROVING SUBS		\$450,000				\$150,000	\$150,000	\$150,000	\$450,000
INDEPENDENT STUDY	Catalyst, Egdy	\$50,000				\$30,000			\$30,000
SUBTOTAL		\$800,000		\$919,411	0	\$430,000	\$195,000	\$195,000	\$820,000
EXTENDED LEARNING OPPORTUNITY	RS 7425 ELOP								
SUMMER SESSION 1 & 2-2022-2024		\$700,000			\$130,478	\$250,000	\$250,000		\$630,478
PD-PBL	Buck Inst Trainer	\$400,000				\$210,000	\$210,000		\$420,000
COUNSELOR		\$450,000				\$150,000	\$150,000	\$150,000	\$450,000
CERTIFICATED TUTOR		\$150,000				\$25,000	\$25,000	\$25,000	\$75,000
PARAPROFESSIONAL		\$165,000				\$55,000	\$55,000	\$55,000	\$165,000
SPECIALISTS		\$100,000				\$25,000	\$25,000	\$25,000	\$75,000
SUBTOTAL		\$1,965,000	\$97,879	\$1,562,827	\$130,478	\$715,000	\$715,000	\$255,000	\$1,815,478
			*Anticipated \$100K annual funding						
EDUCATOR EFFECTIVENESS	RS 6266								
COACH		\$450,000				\$150,000	\$150,000	\$150,000	\$450,000
PD-PBL	Buck Inst Stp	\$100,000				\$100,000	\$100,000		\$200,000
MATERIALS		\$10,000				\$10,000			\$10,000
SUBTOTAL		\$560,000		\$560,000		\$260,000	\$250,000	\$150,000	\$660,000
TOTAL ONE TIME FUNDING		\$3,325,000	\$97,879	\$3,042,238	\$130,478	\$1,405,000	\$1,160,000	\$600,000	\$3,295,478

21-22 2nd Interim Budget Revenue Highlights

- ▶ Budget increase in Special Education revenue for current year and ongoing based on increased state funding and changing agreement within District Selpa to increase minimum funding
 - ▶ SPED Funding increased by \$569,000 and is expected to be ongoing
- ▶ Significant portion of 21-22 Revenue (\$3.9M) is one time funding and is restricted for capital, reopening/covid safety protocols, expanding learning time
- ▶ State 22-23 budget projections show strong economic outlook and predict a \$30B surplus for 22-23. State to expand funding:
 - ▶ Universal Meals
 - ▶ Universal TK (LGUSD is not currently eligible for funding but will be required to offer TK instructional assistants
 - ▶ Extended learning
 - ▶ Educator Effectiveness
 - ▶ Special Education

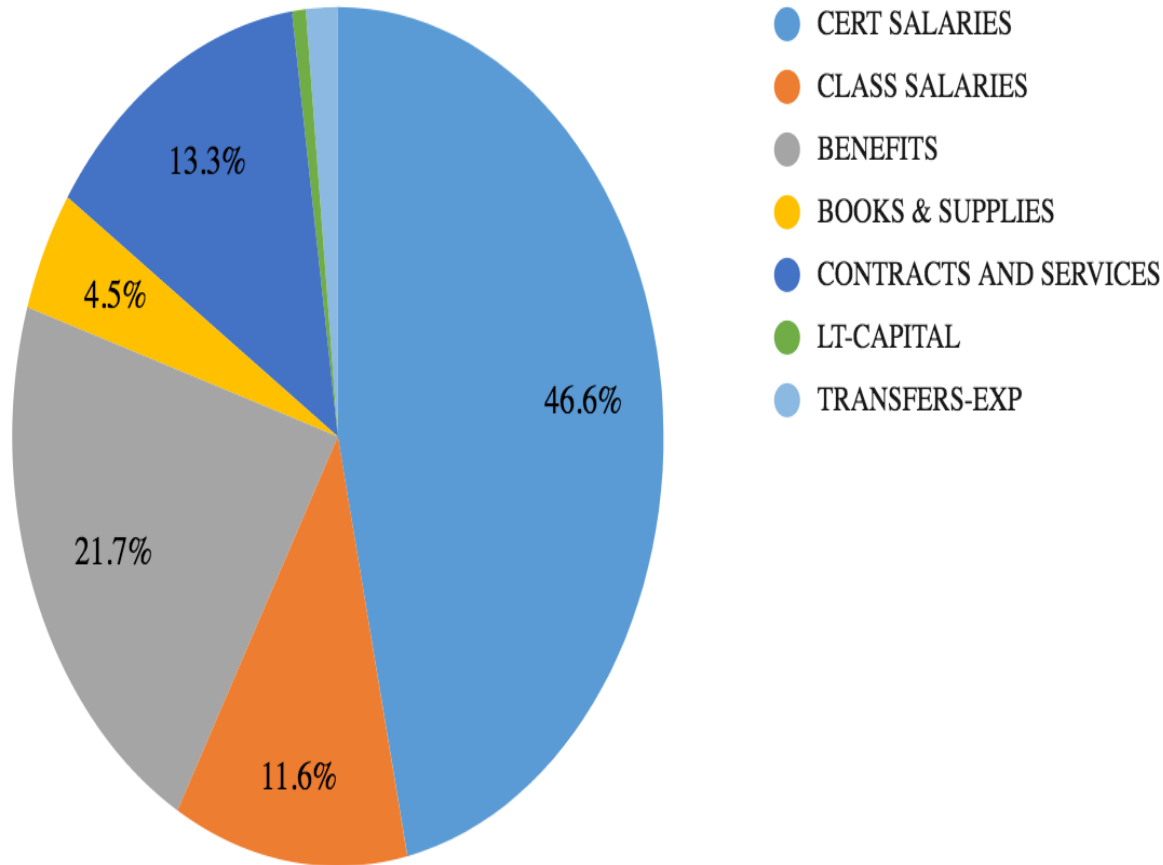
21-22 2nd Interim Budget General Fund Expenses

TOTAL EXPENSES	\$ 48,943,063
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Certificated Salaries	\$ 22,797,698
Classified Salaries	\$ 5,686,076
Employee Benefits	\$ 10,606,813
Books and Supplies	\$ 2,220,007
Services	\$ 6,526,697
Capital	\$ 334,021
Transfers	\$ 771,751

21-22 2nd Interim Budget General Fund

21-22 2nd Interim Budget Expenses



Salaries & Benefits—
Includes negotiated salary increases and 16.92% 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*

Nearly 80% of GF expenditures are salary and benefits

21-22 2nd Interim Budget Expense Highlights

- ▶ Annual inflation and State projected cost of living increases are projected to increase significantly over the next year. State has projected a 5.33% COLA.
- ▶ Classified Salary and Benefits increased over 1st Interim projections due to negotiated salary and benefits increase effective March 1.
- ▶ Supplies budget has decreased as we received a State allocation of COVID supplies (masks, sanitizer, testing materials) Other adjustments included allocating one time expenses to 22-23.
- ▶ Service contracts have increased primarily due to a substantial increase in special education cost for non public school and professional services.

21-22 Required Contributions from Unrestricted General Fund

Resource/Fund	Contribution	Transfer In
Special Education Program	4,340,617	
Total Contributions from Unrestricted	<u>5,745,671</u>	
Cafeteria Fund		0
Deferred Maintenance Fund		<u>550,000</u>
Total Interfund Transfers		<u>550,000</u>

21-22 1st Interim Budget Reserves

▶ Ending Fund Balance		\$ 16,616,982
▶ Restricted		\$ 3,651,472
▶ Lottery/Science Curriculum	\$ 298,720	
▶ Special Education	\$ 194,632	
▶ Other Local & HSC	\$ 855,523	
▶ RDA Routine Maintenance	\$ 175,081	
▶ Educator Effectiveness	\$ 203,582	
▶ Expanded Learning Opportunities	\$ 1,373,205	
▶ Expanded Learning-Paraprofessionals	\$ 111,319	
▶ SUBTOTAL UNRESTRICTED RESERVES		\$12,965,508 26.49%
▶ Assigned –Balance due Child Nutrition Accts		\$ 79,911
▶ Committed-State Required 3% Reserve Economic Uncertainty		\$ 1,468,292
Subtotal Restricted, Committed & Assigned		<u>\$ 5,119,764</u>
▶ TOTAL UNRESTRICTED, UNASSIGNED & UNCOMMITTED RESERVES		\$ 12,965,508

21-22 2nd Interim Budget MultiYear Projections

MULTI YEAR PROJECTIONS	Unaudited Actuals 20-21	First Interim 21-22	2nd Interim 21-22	22-23	23-24	24-25	25-26
INCOME	\$47,448,369	\$50,591,428	\$50,691,426	\$48,717,592	\$50,295,264	\$51,738,834	\$53,623,927
LCFF	\$34,611,833	\$35,956,278	\$36,050,886	\$36,874,112	\$38,089,227	\$39,359,604	\$41,034,364
STATE & FED	\$5,516,634	\$6,735,075	\$6,691,864	\$3,501,156	\$3,501,156	\$3,501,156	\$3,501,156
LOCAL							
Foundation	\$983,000	\$1,092,000	\$1,212,300	\$1,212,300	\$1,212,300	\$1,212,300	\$1,212,300
HSC	\$516,884	\$775,606	\$709,713	\$556,706	\$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	\$295,301	\$348,014	\$326,819	\$376,819	\$376,819	\$376,819
RDA	\$2,589,408	\$2,849,570	\$2,849,570	\$2,992,049	\$3,096,770	\$3,205,157	\$3,349,389
TRANSFERS	\$149,314	\$137,598	\$79,079	\$77,726	\$77,726	\$77,726	\$77,726
EXPENSE	\$44,959,781	\$48,752,423	\$48,943,063	\$49,532,622	\$51,524,430	\$52,996,716	\$52,982,839
SALARIES	\$21,718,774	\$22,904,278	\$22,797,698	\$23,730,160	\$25,113,228	\$25,621,624	\$26,259,082
CLASSIFIED	\$5,663,530	\$5,598,961	\$5,686,076	\$6,361,955	\$6,489,987	\$6,502,369	\$6,691,437
BENEFITS	\$10,259,430	\$10,656,813	\$10,606,813	\$11,105,457	\$11,261,333	\$11,547,841	\$11,707,438
SUPPLIES	\$2,177,799	\$2,362,163	\$2,220,007	\$2,024,010	\$2,168,112	\$2,083,112	\$2,083,112
SERVICES	\$4,456,993	\$6,136,731	\$6,526,697	\$5,297,968	\$5,340,993	\$6,090,993	\$5,090,993
CAPITAL	\$0	\$134,021	\$334,021	\$241,321	\$191,321	\$191,321	\$191,321
TRANSFERS/CAP	\$683,255	\$959,456	\$771,751	\$771,751	\$959,456	\$959,456	\$959,456
STRATEGIC PLAN							
NET	\$2,488,588	\$1,839,005	\$1,748,363	-\$815,030	-\$1,229,166	-\$1,257,882	\$641,088
Beg Bal Reserves	\$12,276,951	\$14,868,617	\$14,868,617	\$16,616,980	\$15,801,950	\$14,572,784	\$13,314,902
Restricted Reserves	\$2,181,585	\$3,712,312	\$3,651,472	\$2,053,816	\$570,488	\$1,234,379	\$1,234,379
UNRESTRICTED RESERVES	\$12,583,954	\$12,995,310	\$12,965,508	\$13,748,134	\$14,002,296	\$12,080,523	\$12,721,611
3% REQUIRED RESERVES	\$1,348,793	\$1,462,573	\$1,468,292	\$1,485,979	\$1,545,733	\$1,589,901	\$1,589,485
RESERVE %	27.99%	26.66%	26.49%	27.76%	27.18%	22.79%	24.01%
RESERVE \$	\$12,583,954	\$12,995,310	\$12,965,508	\$13,748,134	\$14,002,296	\$12,080,523	\$12,721,611
OPERATING DEFICIT	\$2,488,588	\$1,839,005	\$1,748,363	-\$815,030	-\$1,229,166	-\$1,257,882	\$641,088

22-23 Strategic Planning Highlights

- ▶ Reviewing impact of Universal TK including staffing implications
- ▶ 21-22 Begun implementation with additional counseling staff and SEL materials, innovation grants and service above self, PBL Training and Classified salary & benefits increases
- ▶ 22-23 Additional staffing planned with STEAM and PBL Coaches, Art teacher
- ▶ 21-22, 22-23, 23-24 Landscaping upgrades and solar installation
- ▶ 22-23 Increased funding from LGEF to fund art and steam

21-22 2nd Interim Child Nutrition Budget

CN Budget 21-22 & 22-23

	DAYS	MEALS				Revenue 21-22		Expense 21-22		Revenue 22-23		Expense 22-23	
		Breakfast	Average/ Day	Lunch	Average / Day	Breakfast	Lunch	Breakfast	Lunch	Breakfast	Lunch	CPI Increase	
			900		1100	\$2.45	\$4.28	\$1.50	\$2.18	\$2.22	\$4.00	\$1.55	\$2.30
JULY	2	1309	655	961	481	\$3,202.14	\$4,110.27	\$1,966.12	\$2,096.90	\$2,904.28	\$3,839.29	\$2,028.95	\$2,210.30
AUG	14	8502	607	10758	768	\$20,798.02	\$46,012.77	\$12,770.00	\$23,473.96	\$18,863.39	\$42,979.29	\$13,178.10	\$24,743.40
SEPT	21	16064	765	22173	1056	\$39,296.56	\$94,835.58	\$24,128.13	\$48,381.49	\$35,641.20	\$88,583.35	\$24,899.20	\$50,997.90
OCT	20	16188	809	23107	1155	\$39,599.90	\$98,830.37	\$24,314.38	\$50,419.47	\$35,916.32	\$92,314.78	\$25,091.40	\$53,146.10
NOV	16	12962	810	18417	1151	\$31,708.29	\$78,770.89	\$19,468.92	\$40,185.89	\$28,758.79	\$73,577.76	\$20,091.10	\$42,359.10
DEC	12	9991	833	13417	1118	\$24,440.48	\$57,385.52	\$15,006.48	\$29,275.89	\$22,167.03	\$53,602.26	\$15,486.05	\$30,859.10
JAN	20	17931	897	20552	1028	\$43,863.71	\$87,902.45	\$26,932.36	\$44,844.46	\$39,783.51	\$82,107.30	\$27,793.05	\$47,269.60
FEB	15	12150	900	16500	1100	\$29,721.94	\$70,571.74	\$18,249.30	\$36,003.00	\$26,957.21	\$65,919.15	\$18,832.50	\$37,950.00
MAR	23	18630	900	25300	1100	\$45,573.64	\$108,210.00	\$27,982.26	\$55,204.60	\$41,334.38	\$101,076.03	\$28,876.50	\$58,190.00
APR	16	12960	900	17600	1100	\$31,703.40	\$75,276.52	\$19,465.92	\$38,403.20	\$28,754.35	\$70,313.76	\$20,088.00	\$40,480.00
MAY	21	17010	900	23100	1100	\$41,610.71	\$98,800.43	\$25,549.02	\$50,404.20	\$37,740.09	\$92,286.81	\$26,365.50	\$53,130.00
JUNE	2	1620	900	2200	1100	\$3,962.93	\$9,409.57	\$2,433.24	\$4,800.40	\$3,594.29	\$8,789.22	\$2,511.00	\$5,060.00
		145317		194085		\$355,481.71	\$830,116.10	\$218,266.13	\$423,493.47	\$322,414.83	\$775,388.98	\$225,241.35	\$446,395.50
REVENUE								1185598				1097804	
Staff								420000				441000	
Equipment								25000					
Other								5000				10000	
Food								641760				671637	
TOTAL EXPENSE								1066760				1122637	
NET								118838				-24833	

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
	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

- ▶ Bargaining Unit Negotiations March 2022
- ▶ 2nd Interim Budget Presentation March 2022
- ▶ Child Nutrition 22-23 Plan Presentation April 2022
- ▶ 21-22 Strategic Plan Update May 2022
- ▶ 22-23 Strategic Plan Budget May 2022
- ▶ 22-23 Budget Approval June 2022

Questions

