

2021-2022 Proposed Budget

Public Hearing

June 7, 2021



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Vision

All NUSD students
graduate as college
and career ready,
productive,
responsible, and
engaged global
citizens

Goals 2017-2022

1. Increase student success in ELA, math, science, literacy, and civics
2. Prepare students to be college and career ready
3. Engage parents and families to support student success in school
4. Create safe and welcoming learning environments where students attend and are connected to their schools
5. Recruit, hire, train, and retain high quality staff who are committed, collaborative, caring and exemplary

Objectives

- Share Budget Highlights and Assumptions
- Present Revenues, Expenditures and Reserves
- Present Multi-Year Projection Assumptions

2021-22 Proposed Budget

Positive Certification - The District will meet financial obligations in current (2021-22) and two subsequent years (2022-2024)

- Includes required 3% reserve for economic uncertainties of \$3.64 million
- Enrollment is projected at 10,306 (Excluding LGA) for budget purposes
- Average Daily Attendance (ADA) is projected at 9,812
- (ADA) is projected conservatively to decline by 227 due to charter expansion or pandemic impacts
- Governor's May revision does not include a hold harmless provision as granted in the 2020-21 school year, therefore, any decline below projections will have a fiscal impact in 2022-23
- Unduplicated count for targeted students is projected at 63.14% of enrollment

2021-22 Proposed Budget

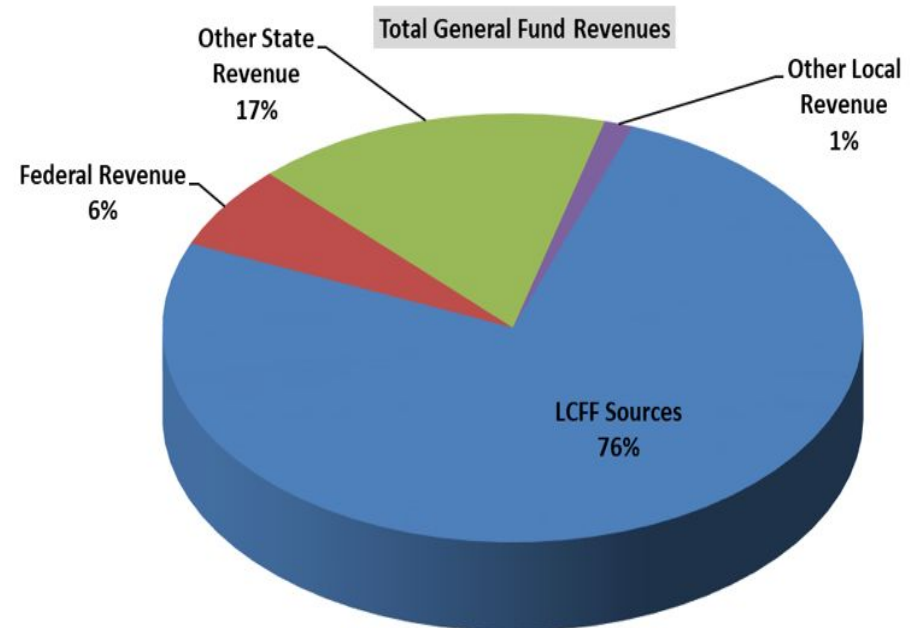
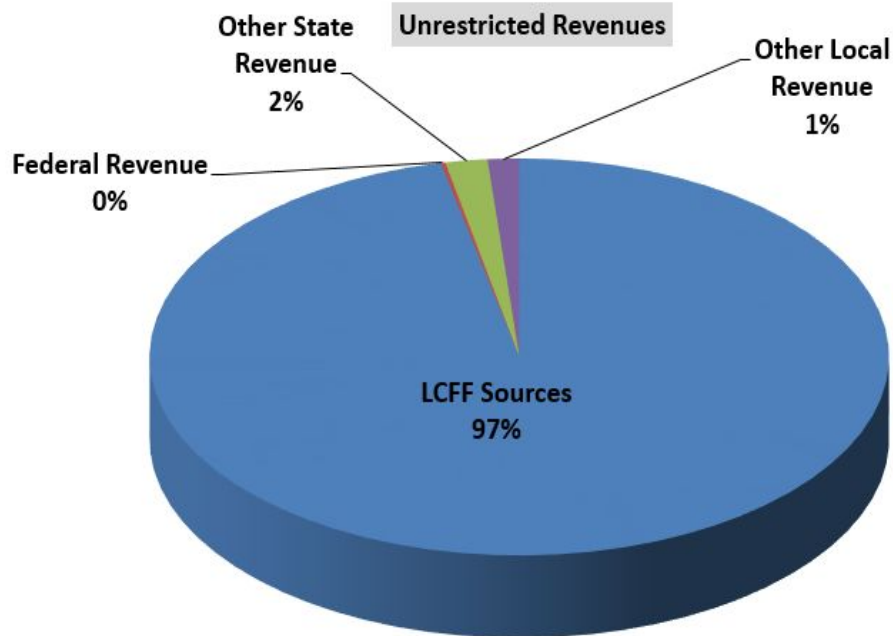
- As part of Governor's May Revision, the statutory Cost of Living Adjustment (COLA) increased from 3.84% to 5.07%
- Pension costs also increased 1% from 15.92% to 16.92% for STRS since Second Interim Budget (historical increases are included later in the presentation)
- Budget items approved by the Board April 28th and May 12th are included
- The allocation of American Recovery Act pandemic funding was not available in-time for loading into budget, revenues and expenditures that were planned to be charged to these funds will be loaded into budget in July 2021 and reflected in the First Interim Budget

Key Items from the May Revision that are not included in proposed budget and will be included in First Interim if included in the Final State Budget:

- Additional School Reopening funds separate from AB86
- Concentration grant funding for the purpose of increasing the number of adults providing direct services (i.e nurses, teachers, counselors, paraprofessionals and others
- Expanded Learning Time
- Universal Transitional Kindergarten Planning Grant
- Comprehensive Student Supports
- Child Nutrition
- Broadband

2021-22 General Fund Revenues

| Description | Unrestricted General Fund | Total General Fund |
|-----------------------|---------------------------|-----------------------|
| LCFF Sources | \$ 106,708,912 | \$ 107,292,051 |
| Federal Revenue | 211,410 | 8,956,460 |
| Other State Revenue | 2,030,295 | 23,298,949 |
| Other Local Revenue | 1,524,394 | 1,866,327 |
| TOTAL REVENUES | \$ 110,475,011 | \$ 141,413,787 |

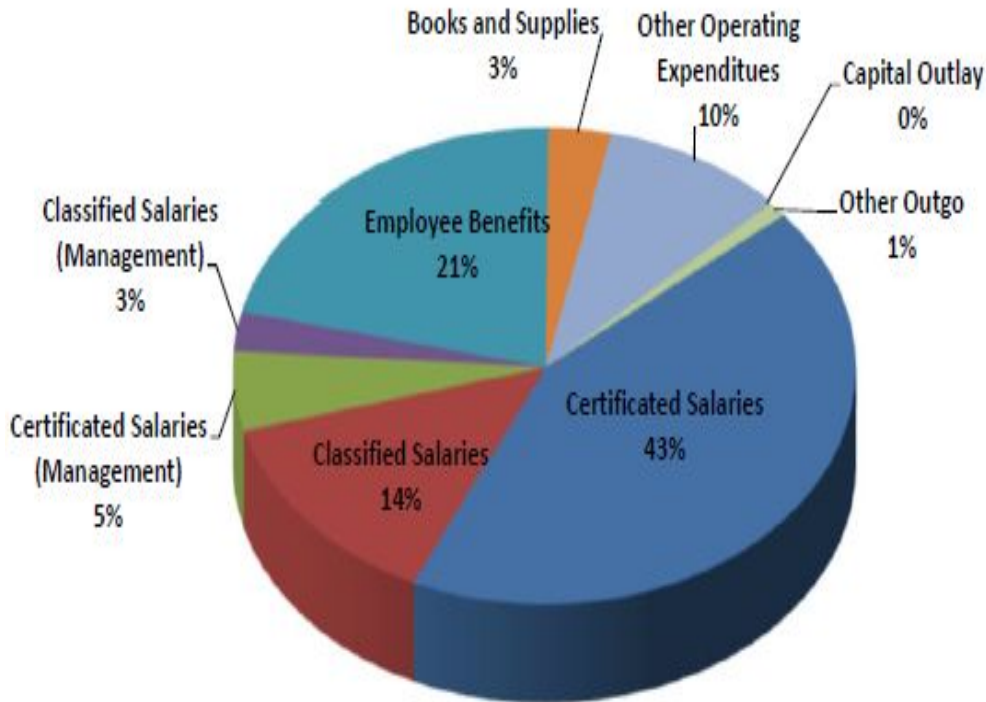


2021-22 General Fund Expenditures

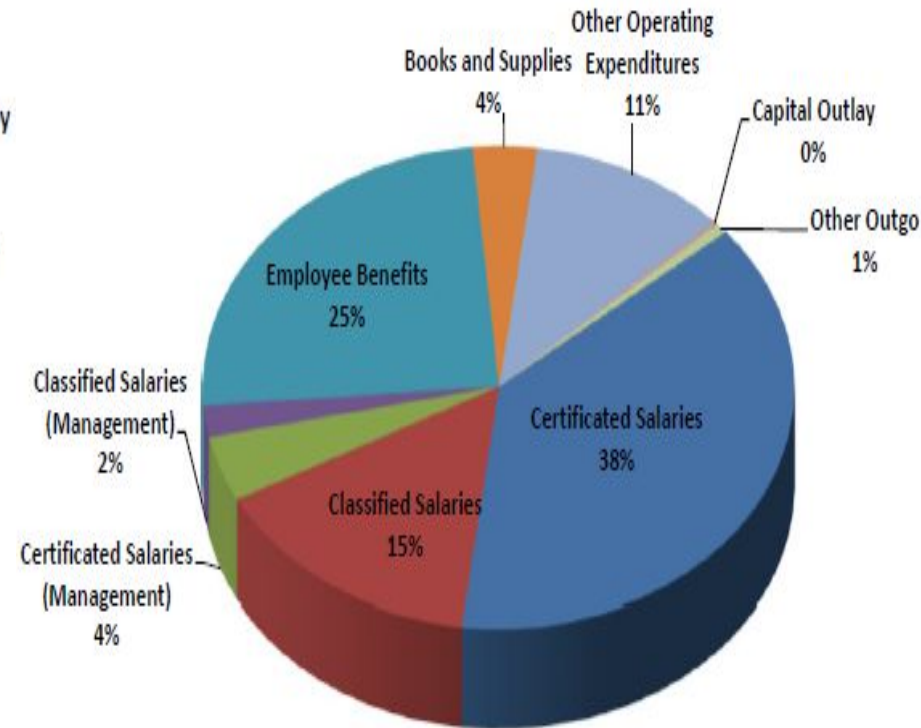
| Description | Unrestricted General Fund | Total General Fund |
|---|---------------------------|-----------------------|
| Certificated Salaries | \$ 40,855,441 | \$ 54,451,940 |
| Classified Salaries | 13,104,032 | 21,761,859 |
| Certificated Salaries (Management) | 5,155,703 | 6,249,706 |
| Classified Salaries (Management) | 2,553,568 | 3,039,938 |
| Employee Benefits | 20,326,180 | 35,426,179 |
| Books and Supplies | 3,091,559 | 5,047,848 |
| Other Operating Expenditures | 8,988,303 | 15,585,483 |
| Capital Outlay | 19,992 | 326,754 |
| Other Outgo | 957,367 | 957,367 |
| TOTAL | \$ 95,052,145 | \$ 142,847,074 |

General Fund Expenditures⁷ Combined

Unrestricted Expenditures



Total General Fund Expenditures

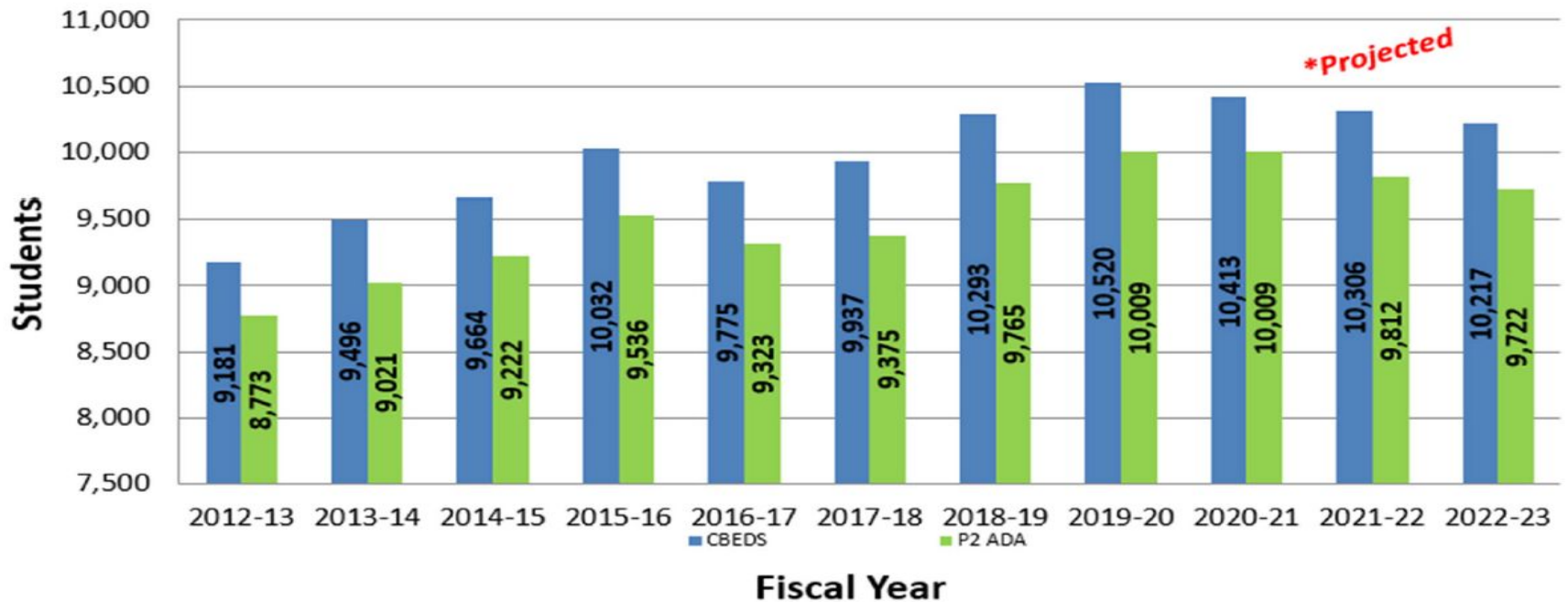


Projected General Fund Reserves June 30, 2022

| | Economic Uncertainty | Committed for Stabilization | Committed | Restricted |
|---|-------------------------|--------------------------------|--------------------|--------------------|
| Economic Uncertainty - State Mandated 3% | \$4,275,000 | | | |
| Stabilization Arrangements per board policy (i.e ups/downs in enrollment and State Budget) | | \$11,852,791 | | |
| Board Resolution #21-19 - Pandemic Response Staffing | | | \$2,400,000 | |
| Textbook Adoption | | | \$1,647,316 | |
| SELPA (Special Ed) Stabilization | | | \$500,000 | |
| Diversity Recruitment/Aspiring Leaders | | | \$695,000 | |
| Athletic Fields | | | \$200,000 | |
| PARS Pension Rate Stabilization | | | | \$2,092,053 |
| Restricted (Categoricals) | | | | \$4,266,955 |

CBEDS Enrollment/P2 ADA trend

CBEDS Enrollment/P2 Attendance ADA Trends



- Excludes Charter Schools including Leroy Greene Academy
- *Due to charter expansion for NP3 Elementary and WCS High School, ADA is projected to decrease by 227 in 2021-22 and decrease of 85 in 2022-23 and 2023-24*
- *In declining enrollment, revenue is projected using the higher of current or prior year ADA, therefore, the fiscal impact of projected decline of 227 ADA is budgeted in 2022-23*

CalSTRS Pension Update

No additional Direct funding for STRS proposed in May Revision

| Actual | Actual | Actual | Projected | Projected | Projected |
|---------|---------|---------|-----------|-----------|-----------|
| 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| 16.28% | 17.10% | 16.15% | 16.92% | **19.10% | **19.10% |



State Direct Payment included in State budget for 2020-21 reduced rates for 3 years but rate still increased in April 2021 from 15.92% to 16.92%..



Rate jumps by 2.18% \$1 million

In April and May 2021, the projected rates increased even further for 2021-22 and 2022-23

- 2021-22 - 15.92% to 16.92%
- 2022-23 - 18.10% to 19.10%

**** Rates are subject to change based on information provided by CalSTRS Board and could impact multi-year projections**

CalPERS Pension Update

No additional Direct Payment to PERS proposed in May Revision

| Actual | Actual | Actual | Projected | Projected | Projected |
|---------|---------|---------|-----------|-----------|-----------|
| 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| 17.7% | 19.72% | 20.70% | 22.91% | **26.10% | **27.10% |

State Direct Payment included in State budget for 2020-21 reduced rates for 2 years

During school year 2020-21, the rates increased as follows:

- 2021-22 - 22.84% to 22.91
- 2022-23 - 25.50% to 26.10%

Rate jumps by 3.19% \$500,000

**** Rates are subject to change based on information provided by CalPERS Board and could impact multi-year projections**

2022-23 Multi-Year Budget Assumptions¹²

Revenue

- Increased projected COLA from 1.28% to 2.48% as provided by the School Services of California (COLA projection is not guaranteed)
- Removal of \$2.2 million in one expenditures
- Projected decrease in ADA (attendance) of 85 due to charter expansion
- Estimates of all other federal, state, and local revenues to remain relatively constant for the two subsequent years

Expenditures

- Removal of 2020-21 one time expenditures
- Reduction of 4 FTE certificated staff due to projected decrease in ADA in 2021-22
- Step and column increase for certificated and classified staff
- **Significant jump in pension rates due to sunset of Direct Payment from State**
- Included STRS rate increase from 16.92% to 19.10% which is a 2.18% increase (estimated to cost \$1,000,000)
- Included CalPERS rate increase from 22.91% to 26.10% which is a 3.19% increase (estimated to cost \$500,000)

2023-24 Multi-Year Budget Assumptions¹³

Revenue

- Increased projected COLA from 1.61% to 3.11% as provided by the School Services of California (COLA projection is not guaranteed)
- Projected decrease in ADA (attendance) of 85 due to charter expansion
- Estimates of all other federal, state, and local revenues to remain relatively constant for the two subsequent years

Expenditures

- Removal of 2022-23 one time expenditures
- Reduction of 2 FTE certificated staff due to decrease in ADA
- Step and column increase for certificated and classified staff
- Included the same STRS rate of 19.10% projected in 2022-23 and CalPERS rate increase from 26.10% to 27.10% (\$200,000)
- Although pension rates appear to stabilize, these rates are subject to change based on STRS and PERS calculations

Budget Timeline Going Forward

- ❑ **June - Present for Adoption the**
 - ❑ 2019-20 Local Control Accountability Update Report (LCAP)
 - ❑ 2020-21 Learning Continuity and Attendance Plan Annual Update Report
 - ❑ 2021-24 Local Control Accountability Plan
 - ❑ 2021-22 Budget

- ❑ **September/October**
 - ❑ Unaudited Actuals for 2020-21 (Closing of the Books)

QUESTIONS