2021-22 BUDGET UPDATE

Board Meeting
August 19, 2021
Agenda Item No. 10.2

Agenda

- State Enacted Budget – Key Items
- Impact to Multiyear Projections
- Enrollment Update
  - Impact to MYP
- Additional programs with State Enacted Budget
- Next Steps

State Enacted Budget – Key Items

- Local Control Funding Formula Concentration grant increased from 50% to 65%
  - Projected increase of $8.8M in current year, approximately $9M in two subsequent years
    - With enrollment assumptions of 39,703 and Unduplicated Pupil Percentage of 72%
    - No impact to fund balance, revenues offset with increased staffing expenditures at school sites providing direct services to students
- Lottery revenue increases
  - Projected increase to unrestricted state revenues of $500k
    - Positive impact to unrestricted ending fund balance
  - Projected increase to restricted state revenues of $618k
    - No impact to fund balance, revenues offset with increased textbook expenditures

State Enacted Budget – Key Items

- Unemployment Insurance rate lowered from 1.23% to 0.5%
  - Projected unrestricted savings of $1.4M, additional savings of $620K in 2023-24
    - Rate drops to 0.2% in fiscal year 2023-24
    - Positive impact to unrestricted fund balance
- Special Education base funding increase to $715 per ADA
  - Projected state revenue increase of $2.6M
    - Would impact unrestricted fund balance if increase used to lower contribution to special education programs
      - Does not lower projected 2021-22 budget spending level
- Cash deferrals eliminated

Impact to Multiyear Projections

	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined

Enrollment Update

- Adopted Budget enrollment assumed 39,703 students
  - CBEDS Enrollment for 2020-21 was down 1,405 students from prior year (39,003 from 40,408)
  - Utilized DecisionInsite projections
  - Included Pre-registration numbers for secondary schools
  - 1% decline in two subsequent years

- As of August 9th, enrollment is trending at 38,039 students
  - Majority of difference coming from Kindergarten & 1st grades & 9th-12th grade span
  - Impact to Multiyear projections include 0.5% decline in two subsequent years
  - If flat enrollment was utilized from 2020-21, the District would still be approximately 1,000 under enrolled

Impact to Ending Fund Balance Enrollment of 38,039

Description	Adopted Budget 2021-22 Unrestricted	Projection 2022-23 Unrestricted	Projection 2023-24 Unrestricted
2021-22 Adopted Budget Net Increase (decrease) in Fund Balance	$ (6,694,864)	$ (18,217,221)	$ (24,929,252)
State Enacted Budget Impact	$ 4,500,000	$ (16,508,490)	$ (14,363,347)
Adjusted Net Increase (decrease) in Fund Balance	$ (2,194,864)	$ (34,725,711)	$ (39,292,599)
Beginning Fund Balance	$ 95,627,953	$ 93,433,089	$ 58,707,378
Adjusted Budget Ending Fund Balance	$ 93,433,089	$ 58,707,378	$ 19,414,779
Adopted Budget Ending Fund Balance	$ 88,933,089	$ 70,715,868	$ 45,786,617
Difference	$4,500,000	($12,008,490)	($26,371,838)

*Using enrollment of 38,039 with 0.5% enrollment decline in subsequent years, MYP shows unrestricted deficit growing to $39M in 3rd year and eroding unrestricted ending fund balance

Additional Programs from State Enacted Budget

Universal School Meals	Universal Transitional Kindergarten
Community Schools Partnerships	Classified Summer Assistance Program
Expanded Learning Opportunities	A-G Completion Improvement
Pre-K Planning and Implementation	School tane@ias(o)1.es

Next Steps

- Continue to monitor enrollment
  - Impact to staffing and multiyear projections

- Continued analysis of information from the State on one-time program initiatives

- 2020-21 Unaudited Actuals presented September 16th Board Meeting

Questions