



2021-22 Proposed Budget

BOARD OF TRUSTEES BUDGET PUBLIC HEARING

JUNE 15, 2021

BOARD OF TRUSTEES BUDGET ADOPTION

JUNE 22, 2021



Acknowledgement

Special thanks to the following team who made this budget possible:

- Cindy Helms, District Office
- Amy Littlefield, District Office
- Kim Sutherland, District Office
- Angela Salcido, District Office
- Terri Ryland, Ryland School Consulting
- Doug Crancer, Ryland School Consulting

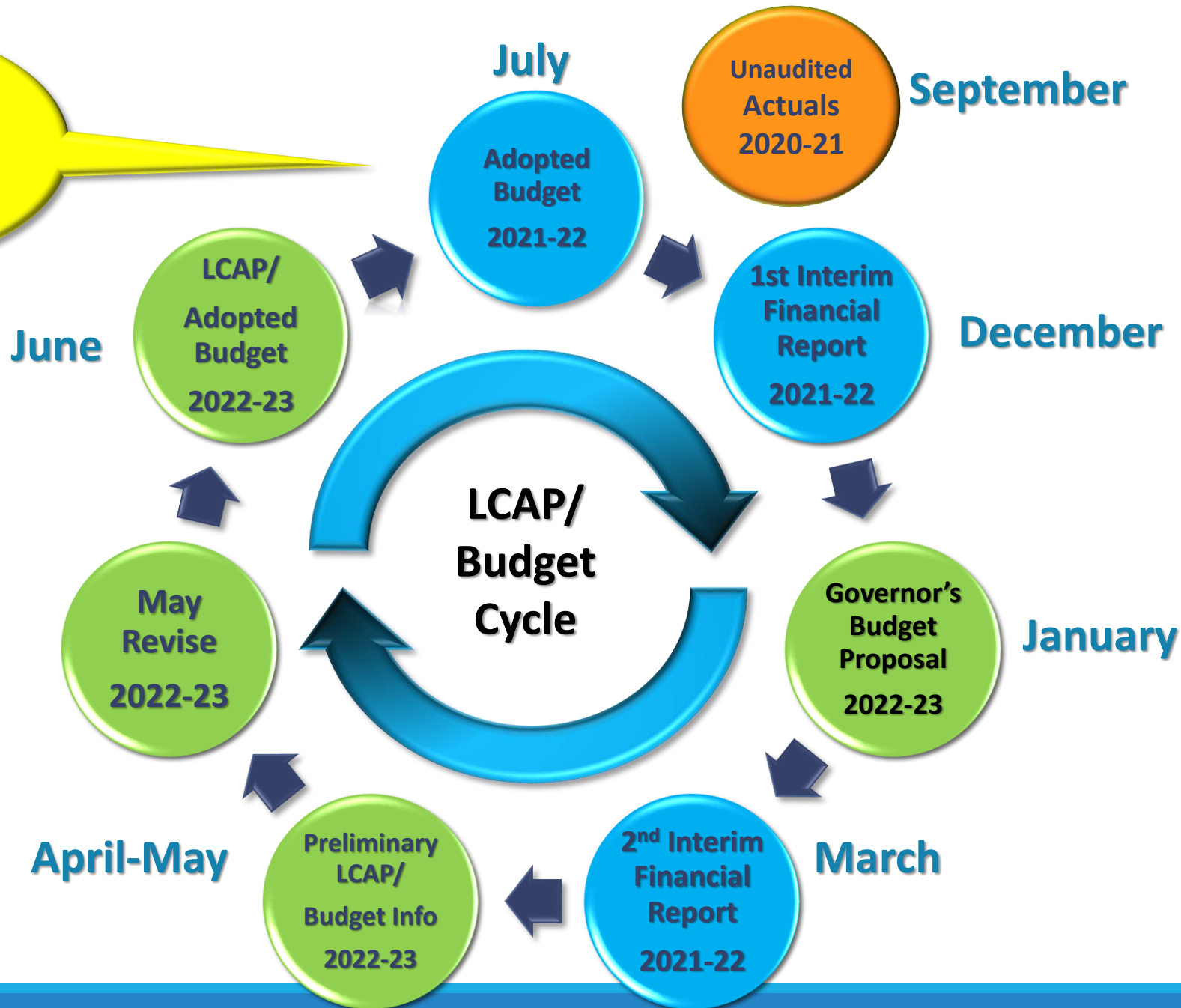


Agenda



- Review LCAP/Budget Cycle
- May Revision – California Update
- 2020-21 Estimated Actuals
- COVID Funds
- 2021-22 Proposed Budget
- LCAP – Budget Changes
- Multi-Year Projection
- Reserve
- Other Funds
- Next steps

We Are Here



2020-21
2021-22
2022-23





May Revision Economic Effects of COVID-19

Leading up to the May Revision, Governor Gavin Newsom announced that the state was facing a \$100 billion surplus, dubbed the “California Comeback Plan”

- \$76 billion from extra state revenues and \$25 billion from federal resources
- The forecasted \$54 billion deficit of one year ago is a distant memory
 - *Remember, last year MJUSD was considering a 10% reduction (about \$10M) at this time.*

While California’s coffers are overrun, not all Californians’ bank accounts are experiencing the same

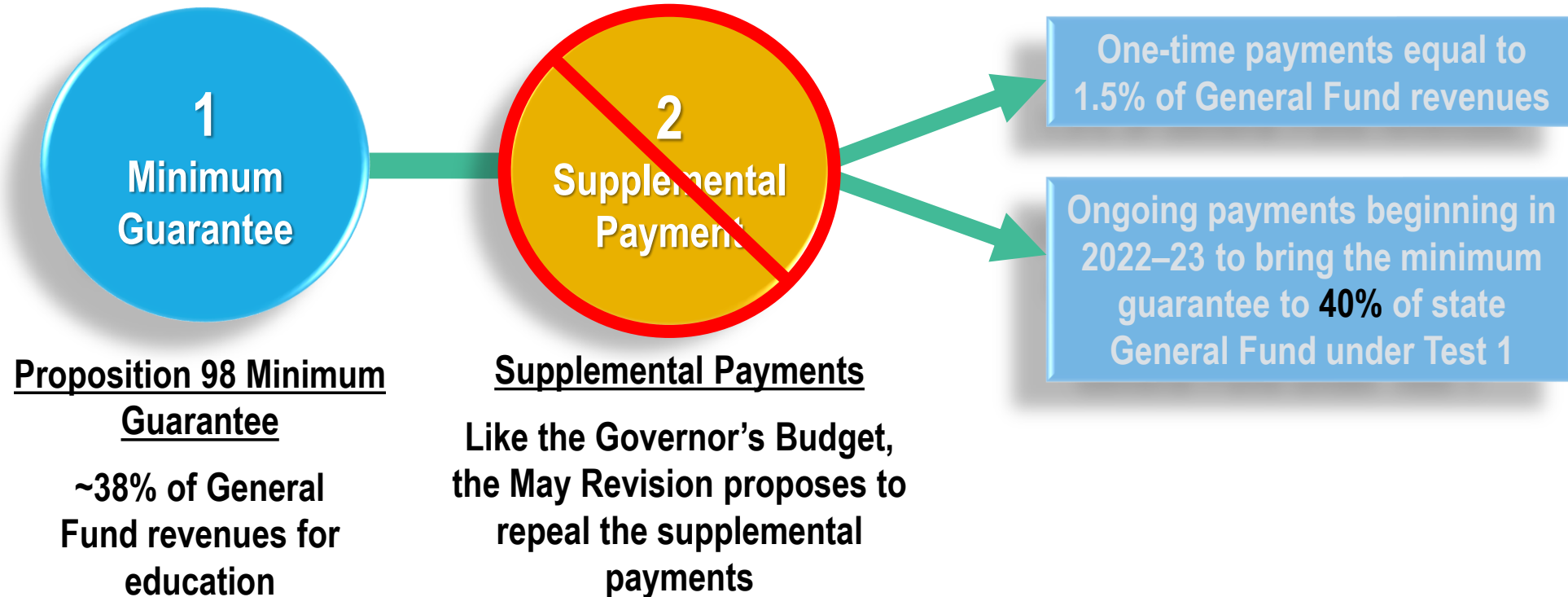
- California’s unemployment rate was at 8.3% in March 2021
- \$12 billion of the California Comeback Plan is direct cash payments to expand the Golden State Stimulus

State Education Funding for 2021–22



Education funding in the Governor's Budget included the Proposition 98 minimum guarantee and a one-time supplemental payment of \$2.3 billion, while proposing to repeal the 2020 Budget Act's supplemental payment provisions

Instead, Proposition 98 will be permanently increased by \$2.7 billion* to pay for **ongoing costs of universal transitional kindergarten**



*Beginning with \$900 million in 2022–23 and growing to \$2.7 billion in 2024–25 and ongoing

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California General Fund Budget Summary

2021–22 General Fund Budget Summary (in millions)

Resources & Expenses

Total available resources increase 5.54% in 2021–22, while total expenditures increase by 19.09%

Reserves

The rainy day fund reaches \$16 billion, or 9.06% of revenues

	2020–21	2021–22
Prior-Year Balance	\$5,658	\$27,435
Revenues and Transfers	\$187,020	\$175,921
Total Resources Available	\$192,678	\$203,356
Non-Proposition 98 Expenditures	\$98,166	\$130,421
Proposition 98 Expenditures	\$67,077	\$66,374
Total Expenditures	\$165,243	\$196,795
Fund Balance	\$27,435	\$6,561
Reserve for Liquidation of Encumbrances	\$3,175	\$3,175
Special Fund for Economic Uncertainties	\$24,260	\$3,386
Public School System Stabilization Account	\$1,984	\$4,601
Safety Net Reserve	\$450	\$450
Budget Stabilization Account/Rainy Day Fund	\$12,494	\$15,939

Source: 2021–22 May Revision Budget Summary, page 12



Cash Flow and Deferrals

The proposed pay down eliminates the ongoing deferrals scheduled for February through May 2022

It does not impact current deferrals

- In other words, it will not accelerate repayment of February through June 2021 deferrals that will be received in July through November 2021

The June to July deferral once again encompasses the full apportionment, though only \$2.6 billion is scored for State Budget purposes

California Education Budget





2020-21

Estimated Actuals

2020-21 General Fund Estimated Actuals



Description	2020-21 Estimated Actuals		
	Unrestricted	Restricted	Combined
REVENUES			
General Purpose Revenue	102,720,654	0	102,720,654
Federal Revenue	13,424	36,541,954	36,555,378
State Revenue	1,833,236	23,431,921	25,265,157
Local Revenue	1,168,327	5,439,878	6,608,205
Total Revenues	105,735,641	65,413,753	171,149,394
EXPENDITURES			
Certificated Salaries	39,410,895	7,442,492	46,853,387
Classified Salaries	12,645,609	7,352,369	19,997,978
Benefits	19,541,234	10,387,461	29,928,695
Books and Supplies	6,142,989	14,061,899	20,204,888
Other Services & Oper. Expenses	9,482,096	6,816,302	16,298,398
Capital Outlay	5,126,161	1,660,428	6,786,589
Other Outgo 7xxx	422	5,371,961	5,372,383
Transfer of Indirect 73xx	(1,958,816)	1,068,900	(889,916)
Total Expenditures	90,390,590	54,161,812	144,552,402
Excess / (Deficiency)	15,345,051	11,251,941	26,596,992
OTHER SOURCES/USES			
Transfers In	0	0	0
Transfers Out	0	(744,009)	(744,009)
Net Other Sources (Uses)	0	0	0
Contributions to Restricted	(14,581,527)	14,581,527	0
Total Financing Sources/Uses	(14,581,527)	13,837,518	(744,009)
Net Increase (Decrease)	763,524	25,089,459	25,852,983

Transfers Out \$744K

\$600K To Cafeteria Fund 13 due to loss of revenue from COVID-19 school closures. Reduced from \$1.5M anticipated at 2nd Interim in March 2021. **\$144K To MCAA** for Title I.

Fund Balance net increase of \$25M mainly due to additional COVID funds expenses not yet budgeted.



2020-21 General Fund Estimated Actuals

Description	2020-21 Estimated Actuals		
	Unrestricted	Restricted	Combined
FUND BALANCE, RESERVES			
Beginning Balance	41,841,051	2,181,883	44,022,934
Ending Balance	42,604,575	27,271,342	69,875,917
Nonspendable	498,377		498,377
Restricted		27,271,341	27,271,341
Committed	956,933		956,933
Assigned	16,621,486		16,621,486
Unassigned - REU	3,990,473		3,990,473
Unassigned - Other	20,537,306		20,537,306
Total - Fund Balance	42,604,575	27,271,341	69,875,916

2020-21 Fund Balance Details

Assigned Fund Balance:

5 Yr Technology Replace	\$4,740,000
One-time Facilities	\$1,759,082
5 Yr Textbooks Adoption	\$5,372,000
2020 COPs due Dec '22	\$ 437,972
2020 COPs due Jun '23	\$2,265,944
School Site Carryover	\$ 760,000
Lottery Site Carryover	\$1,028,488
Elementary Counselors	\$ 258,000
Total Assigned:	\$16,621,486



COVID FUNDS



COVID FUNDS

Name	ESSER I	ESSER II	ESSER III	IN-PERSON INSTRUCTION	EXPANDED LEARNING OPPORTUNITY
Allocation	\$3.3M	\$13.1M	\$29.9M	\$3.3M	\$7.1M
Deadline	Sep 2022	Sep 2023	Sep 2024	Aug 2022	Aug 2022
Amount Remaining	zero	\$9.6M	\$29.9M	\$3.3M	\$7.1M



COVID Funds Current Uses

ESSER II

5 Health Aides
School Technology Lead Position
Computer Specialist I
4 Custodians
Custodian Supervisor
Supervisor Health/Wellness
3 Elementary Counselors
Communication Engagement Specialist

EXPANDED LEARNING OPPORTUNITY

Actions based on Board approved plan

Including:

- Summer School 2021 and 2022
- After School Tutoring 2021/22
- Additional “expanded” learning opportunities



COVID Funds Recommended Uses

ESSER II

Current Uses = \$3.5M

Remaining Amount: \$9.6M

Portion of remainder may be used for school facility upgrade projects to improve indoor air quality to lessen transmission of COVID

Recommend:

1. Feasibility study at Foothill Intermediate
 - School Facility Improvement Project
2. Transfer to MCAA per Title I formula

ESSER III \$29.9M

Plan must be Board approved by September 2021

20% must be for instruction \$5.98M

80% may be used for school facility upgrade projects to improve indoor air quality \$23.92M

Recommend:

1. Covillaud Elementary School
 - School Facility Improvement Project \$20M
2. Transfer to MCAA per Title I formula



COVID Funds Possible Uses

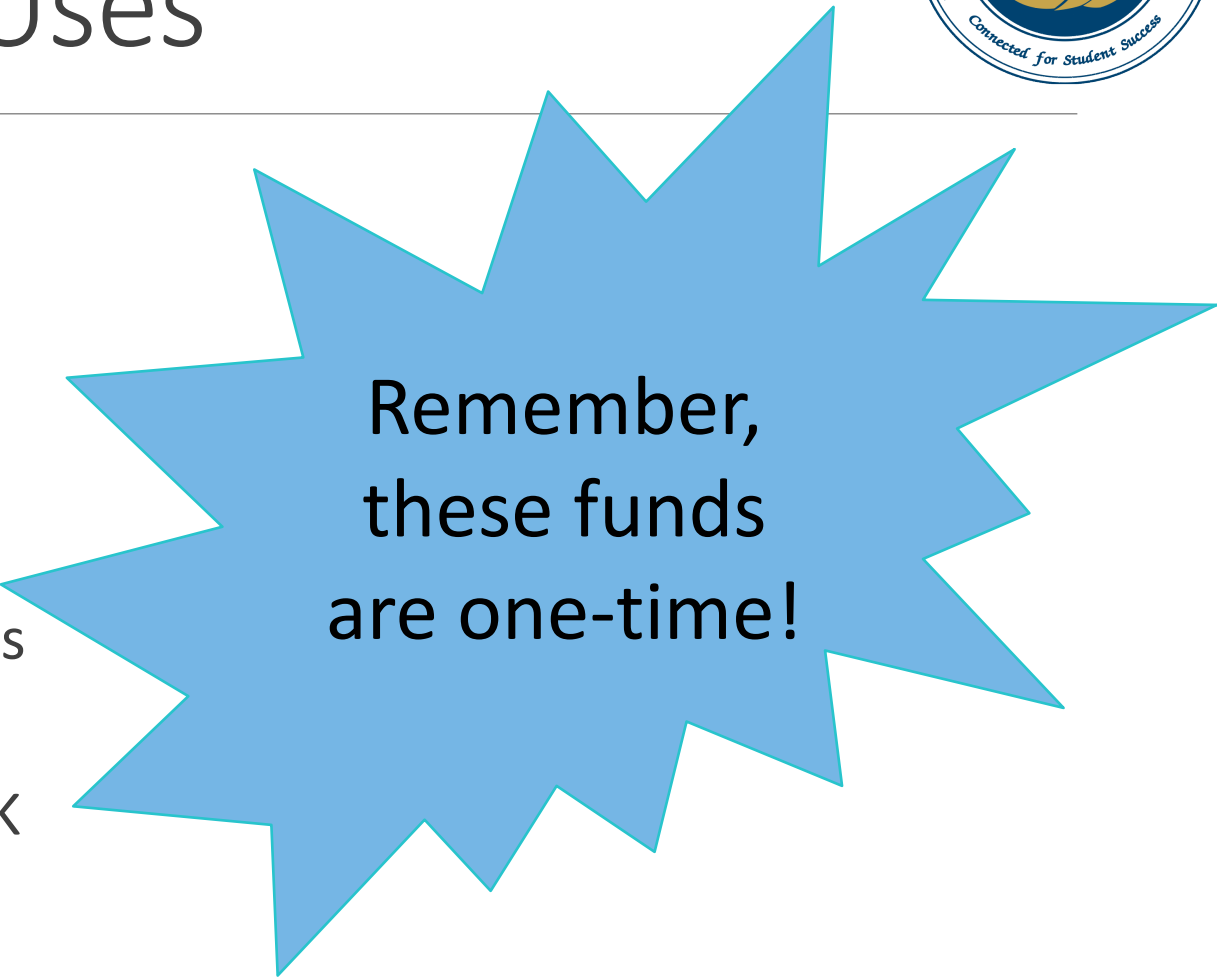
IN-PERSON INSTRUCTION

Allocation: \$3.3M

May be spent on:

1. COVID testing, N-95 masks, etc.
2. One-time salary increase to bring students back to in-person instruction:

Cost of 1% Increase for all employees: \$898K

A large, multi-pointed blue starburst graphic with a darker blue outline, containing the text "Remember, these funds are one-time!".

**Remember,
these funds
are one-time!**



2021-22 Proposed Budget

LCAP

Budget Additions for 2021-22

Some expenses
removed from LCAP to
better reflect
measurable services.

These numbers are
estimates only.

Goal	Action	LCAP Item	2021-22 Projected LCAP
2	7	PBIS/MTSS Coordinator	\$ 200,000
2	12	Educational Data Tech (PLC data)	\$ 150,000
3	8	Seeing Myself Equity initiative	\$ 100,000
3	11	Beyond SST	\$ 13,000
3	12	EL facilitators allocated at a ratio of 150 EL : 1 teacher	\$ 910,000
3	13	Early College Program (Yuba College)	\$ 60,000
3	14	Homeless/Foster/High Risk Case Manager at a ratio of 75:1	\$ 390,000
3	15	K-3 Literacy coach	\$ 150,000
3	16	4-12 Literacy coach	\$ 150,000
3	17	Para educators for Math program support	\$ 250,000
4	3	Parent institutes	\$ 150,000
4	4	Parent Liaisons at a ratio of 500:1	\$ 798,000
4	5	Communications Director	\$ 130,000
5	2	Wellness activities through Insurance partners	\$ 60,000
5	3	Increase classroom support for teachers with need for student behavior management	\$ 100,000
5	4	Increase PD related to social emotional well-being	\$ 100,000
5	5	Bi-annual stress survey and analysis	\$ 10,000
		New activities- placeholder accounts	\$ 3,721,000



2021-22 Budget General Fund

Local Control
Funding Formula

Includes estimated budget
for all new positions per the
LCAP

Note: There will be unknown expenses due to
COVID that are not budgeted, but will need to
be added as they become known

Transfer to Fund 13 Cafeteria, if needed

Decrease in Unrestricted Fund Balance

2021-22 Proposed Budget			Description
Unrestricted	Restricted	Combined	
			REVENUES
106,438,868	0	106,438,868	General Purpose Revenue
0	7,300,478	7,300,478	Federal Revenue
1,753,002	8,036,438	9,789,440	State Revenue
404,873	5,399,956	5,804,829	Local Revenue
108,596,743	20,736,872	129,333,615	Total Revenues
			EXPENDITURES
42,522,733	7,497,312	50,020,045	Certificated Salaries
15,851,228	7,225,859	23,077,087	Classified Salaries
22,210,625	11,028,464	33,239,089	Benefits
5,599,205	2,440,309	8,039,514	Books and Supplies
9,190,550	3,306,064	12,496,614	Other Services & Oper. Expenses
965,125	0	965,125	Capital Outlay
0	5,524,015	5,524,015	Other Outgo 7xxx
(1,569,372)	522,069	(1,047,303)	Transfer of Indirect 73xx
94,770,094	37,544,092	132,314,186	Total Expenditures
13,826,649	(16,807,220)	(2,980,571)	Excess / (Deficiency)
			OTHER SOURCES/USES
0	0	0	Transfers In
0	(701,648)	(701,648)	Transfers Out
0	0	0	Net Other Sources (Uses)
(15,580,783)	15,580,783	0	Contributions to Restricted
(15,580,783)	14,879,135	(701,648)	Total Financing Sources/Uses
(1,754,134)	(1,928,085)	(3,682,219)	Net Increase (Decrease)



2021-22 Proposed Budget

General Fund Ending Fund Balance

Assigned Fund Balance:

5 Yr Technology Replace	\$4,740,000
One-time Facilities	\$1,759,082
5 Yr Textbooks Adoption	\$5,372,000
2020 COPs due Dec '22	\$ 437,972
2020 COPs due Jun '23	\$2,265,944
School Site Carryover	\$ 760,000
Lottery Site Carryover	\$ 993,027
Elementary Counselors	\$ 258,000
Total Assigned:	\$16,586,025

	Unrestricted	Restricted	Combined
FUND BALANCE, RESERVES			
Beginning Balance	42,604,575	27,271,341	69,875,916
Ending Balance	40,850,441	25,343,256	66,193,697
Nonspendable	498,377		498,377
Restricted		25,343,256	25,343,256
Committed	182,866		182,866
Assigned	16,586,025		16,586,025
Unassigned - REU	3,990,475	0	3,990,475
Unassigned - Other	19,592,698	0	19,592,698
Total - Fund Balance	40,850,441	25,343,256	66,193,697



2021-22 & MYP Budget Assumptions

Enrollment and Average Daily Attendance (ADA)

2021-22

- District projects an enrollment increase of 230 students
- ADA may not increase commensurately due to currently unknown amount of COVID related absences
- LCFF calculation includes guaranteed ADA of 9,279.88
 - ADA to be updated when attendance percentage rate is known

2022-23 and 2023-24

- LCFF ADA decreased to 9,209 (-70)

**2021-22
Enrollment
+230**

**2021-22
ADA
Remains
Constant
9,279**

2021-22 & MYP Budget Assumptions (Continued)



Revenues

■ 2021-22

■ LCFF COLA 5.07%

MEGA COLA is 2020-21 of 2.31%, 2021-22 of 1.7%, and additional 1%

Calculated as $(1.70\% + 1.00\%) \times 1.0231 = 2.76\%$ $2.31\% + 2.76\% = 5.07\%$

- Federal, local revenue remain constant, State Special Ed increased 4.05%
- ESSER III funds to be added to 45-day budget revision

■ 2022-23

■ LCFF COLA 2.48%

- Federal, State, local revenue remains constant

■ 2022-23

■ LCFF COLA 3.11%

- Federal, State, local revenue remains constant

Revenue
funding may
change based
on the
State Enacted
Budget

2021-22 & MYP Budget Assumptions (Continued)



Expenses

- Salary and benefits projected to increase by 2% step and column costs each year.
- Salary schedule increases are not budgeted.
- Added 6 FTE teachers for anticipated enrollment growth in 2021-22.
- Benefits are adjusted commensurate with changes in salaries and according to PERS & STRS and Unemployment Insurance cost increases as shown here.

	CalPERS Rate Comparison					
	2018-19	2019-20	2020-21	2021-22	2022-23 est	2023-24 est
Employer Rates	18.06%	19.72%	20.70%	22.91%	26.10%	27.10%
Change	2.53%	1.66%	0.98%	2.21%	3.19%	1.00%
	CalSTRS Rate Comparison					
Employer Rates	16.28%	17.10%	16.15%	16.92%	19.10%	19.10%
Change	1.85%	0.82%	-0.95%	0.77%	2.18%	0.00%
	Unemployment Rate Comparison					
Employer Rates	0.05%	0.05%	0.05%	1.23%	0.20%	0.20%
Change	0.00%	0.00%	0.00%	1.18%	-1.03%	0.00%

2021-22 & MYP Budget Assumptions (Continued)



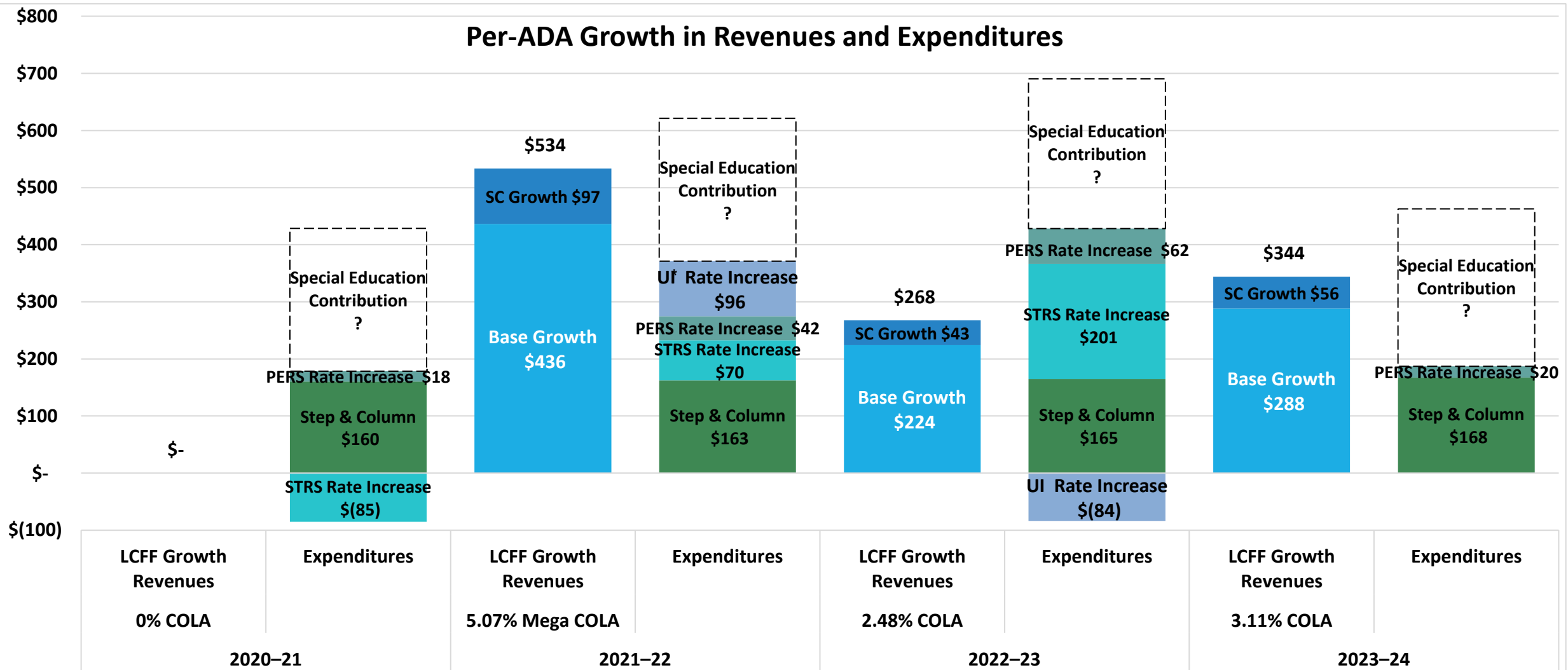
Expenses (continued)

- Materials/Supplies and Other Operating Expenses budgeted with Consumer Price Index increase of 2.4% in 2022-23.
- Other Outgo increases by COPs payment amounts in 2022-23 with the first COPS payment.

Other Sources/Uses

- Increase in contributions to restricted programs due to projected step, column and maintenance costs.
- Transfer to Cafeteria Fund eliminated in 2022-23 and 2023-24.

Multiyear Projections – Big Picture



*Unemployment Insurance

General Fund Multi-Year Projection (MYP)



Description	2021-22 Projected Budget			2022-23 Projected Budget			2023-24 Projected Budget		
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined
REVENUES									
LCFF Revenue (A)	106,438,868	0	106,438,868	107,326,470	0	107,326,470	110,663,631	0	110,663,631
Federal Revenue (B)	0	7,300,478	7,300,478	0	7,300,478	7,300,478	0	7,300,478	7,300,478
State Revenue (C)	1,753,002	8,036,438	9,789,440	1,753,000	8,036,438	9,789,438	1,753,000	8,036,438	9,789,438
Local Revenue (D)	404,873	5,399,956	5,804,829	404,873	5,399,956	5,804,829	404,873	5,399,956	5,804,829
Total Revenues	108,596,743	20,736,872	129,333,615	109,484,343	20,736,872	130,221,215	112,821,504	20,736,872	133,558,376
EXPENDITURES									
Certificated Salaries (E)	42,522,733	7,497,312	50,020,045	43,373,187	7,647,258	51,020,445	44,240,651	7,800,203	52,040,854
Classified Salaries (E)	15,851,228	7,225,859	23,077,087	16,168,253	7,370,377	23,538,630	16,494,788	7,517,785	24,012,573
Benefits (F)	22,210,625	11,028,464	33,239,089	22,876,944	11,359,318	34,236,262	23,563,252	11,700,097	35,263,349
Books and Supplies (G)	5,599,205	2,440,309	8,039,514	5,733,586	1,578,554	7,312,140	5,733,586	2,032,422	7,766,008
Other Services & Oper. Exp (G)	9,190,550	3,306,064	12,496,614	9,411,123	3,306,064	12,717,187	9,411,123	3,306,064	12,717,187
Capital Outlay	965,125	0	965,125	680,000	0	680,000	680,000	0	680,000
Other Outgo 7xxx (G)	0	5,524,015	5,524,015	437,972	5,524,015	5,961,987	2,265,944	5,524,015	7,789,959
Transfer of Indirect 73xx (H)	(1,569,372)	522,069	(1,047,303)	(1,569,372)	522,069	(1,047,303)	(1,569,372)	522,069	(1,047,303)
Total Expenditures	94,770,094	37,544,092	132,314,186	97,111,693	37,307,655	134,419,348	100,819,972	38,402,655	139,222,627
Excess / (Deficiency)	13,826,649	(16,807,220)	(2,980,571)	12,372,650	(16,570,783)	(4,198,133)	12,001,532	(17,665,783)	(5,664,251)
OTHER SOURCES/USES									
Transfers In	0	0	0	0	0	0	0	0	0
Transfers Out (I)	0	(701,648)	(701,648)	0	(110,000)	(110,000)	0	(115,000)	(115,000)
Net Other Sources (Uses)	0	0	0	0	0	0	0	0	0
Contributions to Restricted (J)	(15,580,783)	15,580,783	0	(16,680,783)	16,680,783	0	(17,780,783)	17,780,783	0
Total Financing Sources/Uses	(15,580,783)	14,879,135	(701,648)	(16,680,783)	16,570,783	(110,000)	(17,780,783)	17,665,783	(115,000)
Net Increase (Decrease)	(1,754,134)	(1,928,085)	(3,682,219)	(4,308,133)	0	(4,308,133)	(5,779,251)	0	(5,779,251)

See Next
Slide For
Ending
Fund
Balances

Multi-Year Projection (MYP) – FUND BALANCE

Description	2021-22 Projected Budget			2022-23 Projected Budget			2023-24 Projected Budget		
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined
FUND BALANCE, RESERVES									
Beginning Balance	42,604,575	27,271,341	69,875,916	40,850,441	25,343,256	66,193,697	36,542,308	25,343,256	61,885,564
Ending Balance	40,850,441	25,343,256	66,193,697	36,542,308	25,343,256	61,885,564	30,763,057	25,343,256	56,106,313
Nonspendable	498,377	0	498,377	498,377		498,377	498,377		498,377
Restricted	0	25,343,256	25,343,256	0	25,343,256	25,343,256	0	25,343,256	25,343,256
Committed	182,866		182,866	0		0	0		0
Assigned	16,586,025	0	16,586,025	16,148,053		16,148,053	13,882,109		13,882,109
Unassigned - REU @ 3%	3,990,475		3,990,475	4,035,881		4,035,881	4,180,129		4,180,129
Unassigned - Other	19,592,698		19,592,698	15,859,997	0	15,859,997	12,202,442	0	12,202,442
Total - Fund Balance	40,850,441	25,343,256	66,193,697	36,542,308	25,343,256	61,885,564	30,763,057	25,343,256	56,106,313

The MYP is based on the information known at this time. The projection will change as the underlying assumptions used to develop the MYP change, i.e. enrollment, COLA, expense adjustments, etc.

The Yuba County Office of Education and the California Department of Education both use the MYP as an indication of the financial stability of the District. **While the above projection indicates declining reserves, the fund balance is sufficient for a financial certification of POSITIVE.**



Cap on District Reserves

- Since the May Revision estimates that the total deposit the state is required to make into the Proposition 98 Reserve is \$4.6 billion, it **triggers the law that caps local school district reserves for the 2022–23 fiscal year.**

A large blue circle with a green shadow underneath. A horizontal green line extends from the right side of the circle.

3%

Cap on reserves is effective when the amount in the State education rainy day fund is at least 3% of the K–12 share of Proposition 98

A large green circle with a grey shadow underneath. A horizontal teal line extends from the right side of the circle.

10%

Local reserves in adopted or revised budget cannot exceed 10% of combined assigned and unassigned General Fund balances



Cap on District Reserves (continued)

Board action is recommended should the law that caps local school district reserves for the 2022–23 fiscal year be triggered:

Possible Reserve Adjustments:

- Move 5 Year Technology Replacement to Restricted side of budget
- Move 5 Year Textbook Adoption to Restricted side of budget
- Move some of reserve to Fund 40 Capital Outlay Projects



Local reserves in adopted or revised budget cannot exceed 10% of combined assigned and unassigned General Fund balances

Remember, reserves are one-time in nature and may not be used for on-going expenses!

Other Funds

Estimated Ending Balances



FUND	2020-21	Est. Net Change	2021-22
GENERAL (UNRESTRICTED & RESTRICTED)	\$69,875,917	(\$3,682,219)	\$66,193,698
STUDENT ACTIVITY SPECIAL REVENUE	\$588,436	\$0	\$588,436
CHARTER SCHOOL FUND (MCAA)	\$1,705,312	\$144,955	\$1,850,267
CHILD DEVELOPMENT FUND	\$471,032	\$15,000	\$486,032
CAFETERIA FUND	\$1,584,284	\$746,447	\$2,330,731
DEFERRED MAINTENANCE	\$1,736,674	\$20,000	\$1,756,674
BUILDING FUND	\$34,281	\$35,000	\$69,281
CAPITAL FACILITIES	\$6,582,815	(\$4,000,000)	\$2,582,815
COUNTY SCHOOL FACILITIES	\$156,665	\$2,500	\$159,165
BOND INTEREST & REDEMPTION	\$5,338,992	\$0	\$5,338,992
DEBT SERVICE FUND FOR BLENDED COMPONENT UNITS	\$3,551,956	\$0	\$3,551,956
FOUNDATION PRIVATE PURPOSE TRUST	\$1,193,114	\$12,000	\$1,205,114
TOTAL	\$92,819,478	(\$6,706,317)	\$86,113,161

All Other Funds of the District are estimated to maintain positive fund balances for 2021-22.



Next Steps

Administration recommends the following:

- June 22, 2021 Board to Adopt Proposed Budget for 2021-22
- Move Forward With Facility Feasibility Study For
Foothill Intermediate School
- Present 45-day Budget Revision in August



Thank you

Questions?