

Budget Study Session

MULTI-YEAR PROJECTIONS

September 24, 2021



MULTI-YEAR PROJECTIONS

| 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 | 106,438,868 | 0 | 106,438,868 | 107,326,470 | 0 | 107,326,470 | 110,663,631 | 0 | 110,663,631 |
| Federal Revenue | 0 | 7,300,478 | 7,300,478 | 0 | 7,300,478 | 7,300,478 | 0 | 7,300,478 | 7,300,478 |
| State Revenue | 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 | 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 | 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 | 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 | 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 | 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 | 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 | 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 | (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 |
| Transfer Out | 0 | (701,648) | (701,648) | 0 | (110,000) | (110,000) | 0 | (115,000) | (115,000) |
| Net Other Sources (Users) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Contributions to Restricted | (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) |

MULTI-YEAR PROJECTION

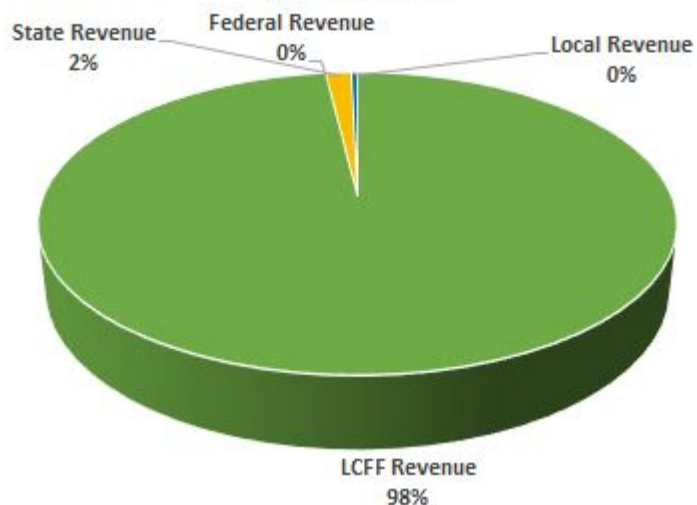
MYP Ending Fund Balances

| Description | 2021-22 Projected Budget | | | 2022-23 Projected Budget | | | 2023-24 Projectd 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 |

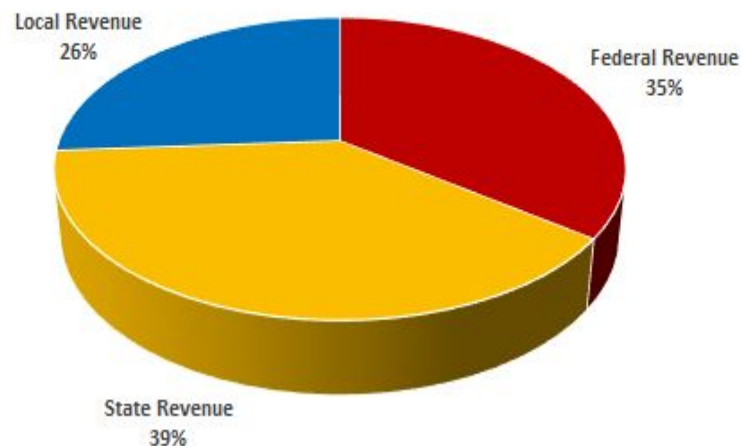
2021-22 TOTAL GENERAL FUND REVENUES



Unrestricted



Restricted



LOCAL CONTROL FUNDING FORMULA (LCFF) and ASSUMPTIONS



| | 2021-22 | 2022-23 | 2023-24 |
|--|----------------------|----------------------|----------------------|
| SUMMARY OF FUNDING | | | |
| General Assumptions | | | |
| COLA & Augmentation | 5.07% | 2.48% | 3.11% |
| <i>Unduplicated Pupil Percentage (3 Yr Average)</i> | <i>77.84%</i> | <i>76.13%</i> | <i>76.05%</i> |
| <i>LCAP Percentage to Increase or Improve Services</i> | <i>30.41%</i> | <i>28.96%</i> | <i>28.89%</i> |
| LCFF Entitlement | | | |
| Base Grant | \$79,997,832 | \$81,983,449 | \$84,518,252 |
| Grade Span Adjustment | 3,365,668 | 3,448,739 | 3,388,981 |
| Supplemental Grant | 12,978,030 | 13,007,904 | 13,370,691 |
| Concentration Grant | 12,376,145 | 11,733,684 | 12,027,908 |
| Add-ons: Home-to-School Transportation | 1,456,762 | 1,456,762 | 1,456,762 |
| Total LCFF Entitlement Before Adjustments, ERT & Additional State Aid | \$110,174,437 | \$111,630,538 | \$114,762,594 |
| LCFF Entitlement Per ADA | | | |
| | \$ 11,872 | \$ 12,029 | \$ 12,409 |

CALCULATION OF LOCAL CONTROL FUNDING FORMULA (LCFF)



Marysville Joint Unified (72736) - Unaudited Actuals

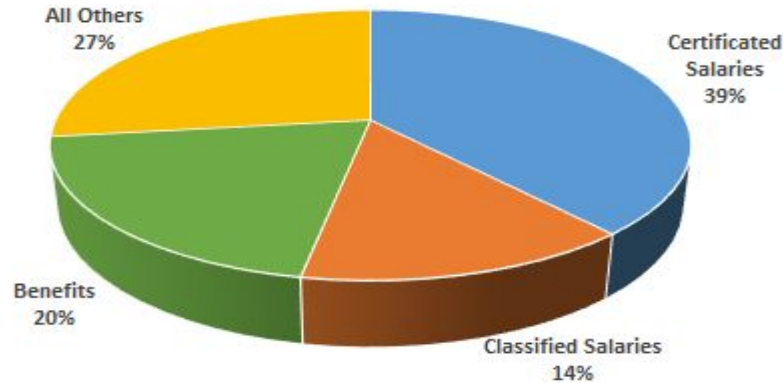
| LOCAL CONTROL FUNDING FORMULA | | 2021-22 | | | | |
|-------------------------------|-------------------------|---------------------|-------------------------|-------------------------------|---------------------|----------------------|
| LCFF ENTITLEMENT CALCULATION | | | | | | |
| | COLA & Augmentat ion | | Base Grant Proration | Unduplicated Pupil Percentage | | |
| Calculation Factors | 5.07% | | 0.00% | 77.84% | 77.84% | |
| | ADA | Base | Grade Span | Supplemental | Concentration | Total |
| Grades TK-3 | 3,264.82 | \$ 8,093 | \$ 842 | \$ 1,391 | \$ 1,326 | \$ 38,043,285 |
| Grades 4-6 | 2,263.58 | \$ 8,215 | | \$ 1,279 | \$ 1,220 | \$ 24,250,888 |
| Grades 7-8 | 1,333.09 | \$ 8,458 | | \$ 1,317 | \$ 1,256 | \$ 14,704,537 |
| Grades 9-12 | 2,418.39 | \$ 9,802 | \$ 255 | \$ 1,566 | \$ 1,493 | \$ 31,718,965 |
| TOTAL BASE | 9,279.88 | \$79,997,832 | \$3,365,668 | \$12,978,030 | \$12,376,145 | \$108,717,675 |

2021-22 TOTAL GENERAL FUND EXPENDITURES



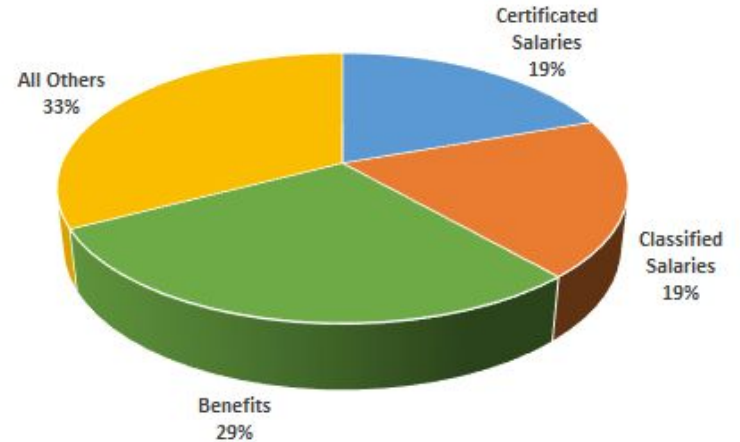
| 2021-22 Budgeted Expenditures | | |
|-------------------------------|--------------|------------|
| | Unrestricted | Restricted |
| Certificated Salaries | 42,522,733 | 7,497,312 |
| Classified Salaries | 15,851,228 | 7,225,859 |
| Benefits | 22,210,625 | 11,028,464 |
| All Others | 29,766,291 | 12,494,105 |
| Total | 110,350,877 | 38,245,740 |

Unrestricted



Total Salary & Benefits - 73%

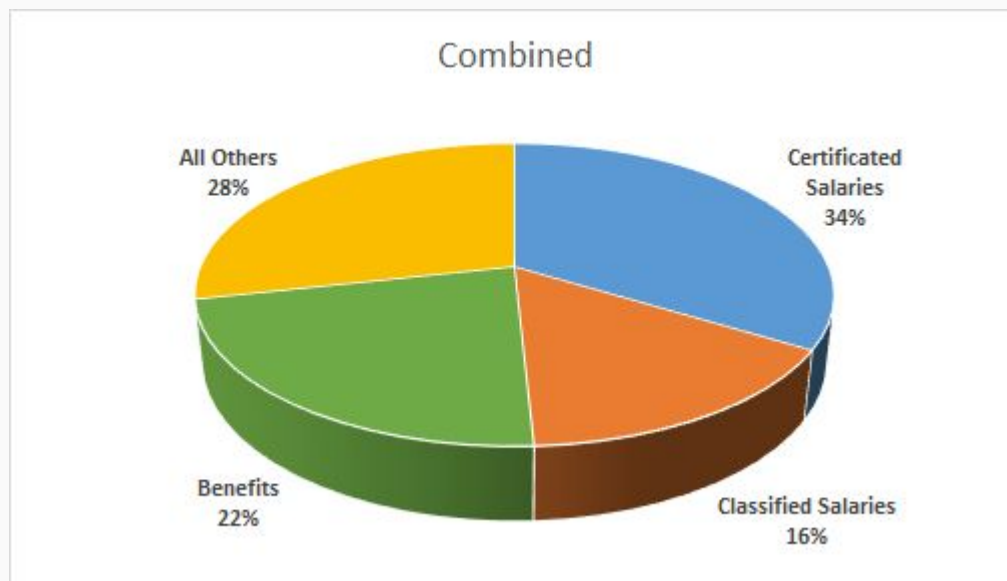
Restricted



Total Salary & Benefits - 67%

2021-22 TOTAL GENERAL FUND EXPENDITURES - COMBINED

| 2021-22 Budgeted Expenditures Unrestricted & Restricted Combined | |
|---|-------------|
| Certificated Salaries | 50,020,045 |
| Classified Salaries | 23,077,087 |
| Benefits | 33,239,089 |
| All Others | 42,260,396 |
| Total | 148,596,617 |





Cost of Step and Column (2.0%)

- 2022-23 - Total \$1,484,000
 - Salaries - \$1,167,000
 - Benefits - \$ 317,000
- 2023-24 - Total Cost: \$ 1,521,000
 - Salaries - \$1,194,000
 - Benefits - \$ 327,000

Employer Statutory Costs

- **CalSTRS**

- 2021-22 - 16.92% (an increase of .77% from 2020-21)
- 2022-23 - 19.10%
- 2023-24 - 19.10%

| 2021-22 STRS Total | |
|--------------------|-----------------------|
| 0.1692 | STRS |
| 0.0145 | Medicare |
| 0.0050 | Unemployment |
| <u>0.0140</u> | <u>Worker's Comp.</u> |
| 20.3% | Total |

- **CalPERS**

- 2021-22 - 22.91% (an increase of 2.21% from 2020-21)
- 2022-23 - 26.10%
- 2023-24 - 27.10%

| 2021-22 PERS Total | |
|--------------------|-----------------------|
| 0.2291 | PERS |
| 0.0620 | Social Security |
| 0.0145 | Medicare |
| 0.0050 | Unemployment |
| <u>0.0140</u> | <u>Worker's Comp.</u> |
| 32.5% | Total |

- **Unemployment Insurance Rate**

- 2021-22 - 0.50% (an increase of .495% from 2020-21)
- 2022-21 - 0.50%
- 2022-23 - 0.20%

IMPACT OF SALARY INCREASES



DEFICIT SPENDING

Deficit Unassigned Fund Balance



| | 2021-22 Adopted Budget | 2021-22 (with salary increases) | 2022-23 | 2023-24 |
|-------------------------|------------------------|---------------------------------|--------------|-------------|
| Deficit | \$1,754,134 | \$4,896,935 | \$7,450,934 | \$8,922,052 |
| Unassigned Fund Balance | \$19,592,698 | \$16,449,898 | \$12,717,197 | \$9,059,642 |

EMPLOYEE FTE

2019-2020 2020-2021 2021-2022

| | | | |
|---------------------------|---------------|---------------|---------------|
| AMACE CERT MGMT | 51.6 | 52.2 | 56.1 |
| AMACE CLASS MGMT | 7 | 6 | 6 |
| AMACE CLASS CONF | 7 | 6 | 6 |
| CSEA #326 | 121.3 | 104.6 | 106.3 |
| CSEA #648 | 12.2 | 12.8 | 12.2 |
| MUTA | 494.9 | 499.3 | 501.7 |
| OE3 | 303.0 | 307.9 | 304.5 |
| SUPERVISORS | 24.0 | 27.0 | 29.0 |
| UNREPRESENTED/CABINET | 3.0 | 3.0 | 3.0 |
| UNREPRESENTED.SLIPA/ASPSP | 21.0 | 17.4 | 28.1 |
| UNREPRESENTED/OUTREACH | | | 15.9 |
| YARD DUTY | 13.0 | 8.0 | 10.6 |
| TOTAL FTE | 1058.0 | 1044.1 | 1079.4 |



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Cap on District Reserves

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- Since the May Revision estimates that the total deposit the state is required to make into the Proposition 98 Reserve is \$4.6 billion (up from \$3.0 billion in January), it triggers the law that caps local school district reserves for the 2022–23 fiscal year

A large orange circle with a 3D effect and a shadow, containing the text "3%".

3%

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

A large blue circle with a 3D effect and a shadow, containing the text "10%".

10%

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

Basic aid and districts with fewer than 2,501 ADA are exempt from the cap

10% RESERVES EXAMPLE

Example of 10% Reserve Calculation - Informational purposes only

| | |
|-------------|---------------------------------|
| 132,314,186 | Expenditures |
| 701,648 | Other Outgo |
| <hr/> | |
| 133,015,834 | Total Expenditures |
| 0.10 | X 10% |
| <hr/> | |
| 13,301,583 | 10% Reserve Cap |
| | |
| 13,301,583 | 10% Reserve Cap |
| 3,990,475 | Less 3% Required REU |
| 9,311,108 | Max Assigned/Unassigned Balance |

| | |
|------------|-----------------------|
| 498,377 | Nonspendable |
| 25,343,256 | Restricted |
| 182,866 | Committed |
| 16,586,025 | Assigned |
| 3,990,475 | Unassigned - REU @ 3% |
| 19,592,698 | Unassigned - Other |
| 0 | Other Assignments |
| <hr/> | |
| 66,193,697 | Ending Fund Balance |

In this example, using our 2021-22 Adopted Budget, the Assigned and Unassigned Balances combined could not exceed \$9,311,108.



Total Remaining: \$32.6 million

| | ESSER I | ESSER II | ESSER III | ESSER III Learning Loss | Expanded Learning | In-Person Grant | TOTAL |
|------------------------|--------------------|--------------------|--------------------|----------------------------|----------------------|--------------------|------------|
| Deadline to spend | September 30, 2022 | September 30, 2023 | September 30, 2024 | September 30, 2024 | September 30, 2024 | September 30, 2024 | |
| Funds Allocated | 3,313,502 | 13,334,943 | 17,698,597 | 4,424,649 | 7,396,090 | 4,046,553 | 50,214,334 |
| Amount Spent/Obligated | 3,305,009 | 7,346,317 | 2,370,132 | 372,281 | 3,934,173 | 294,758 | 17,622,671 |
| Amount Remaining | 8,493 | 5,988,626 | 15,328,465 | 4,052,368 | 3,461,917 | 3,751,795 | 32,591,663 |

One-Time Funds - Not to be spent on ongoing expenses



Spending Plans for remaining COVID Relief Funds and Reserves

Facilities

- Mary Covillaud Elementary
 - \$20 million

LCAP Positions

- EL Specialists
- Outreach Consultants

Additional Programs

- Adult Education
- STEM programs
- Dual Immersion

Technology plan

- 1:1 technology devices

Capital Outlay (Fund 40) for future facilities projects

- Foothill Intermediate
 - TBD

Certificates of Participation payments

- Previously known as 2006 COPs
 - \$2.3 million due June 2023
- 2020 Solar project
 - \$ 0.5 million due December 2022
 - \$1.8 million due June 2023



COVILLAUD PROJECT - INFORMATIONAL ONLY

Option 1

| | |
|-------------------|----------------------------------|
| 6,000,000 | ESSER II |
| 7,000,000 | ESSER II (move exp to ESSER III) |
| 7,000,000 | General Fund |
| <hr/> | |
| 20,000,000 | Total Estimated Cost |

Covillaud Project approved with ESSER II funds

Only \$6 Million currently available

Move \$7 Million spent/obligated ESSER II to ESSER III

Fund remaining balance (\$7 M) with Unassigned General Fund

Option 2

| | |
|-------------------|--------------------------------|
| 6,000,000 | ESSER II |
| 14,000,000 | ESSER III (apply for approval) |
| <hr/> | |
| 20,000,000 | Total Estimated Cost |

Use \$6 Million ESSER II funds currently available

Use \$14 Million ESSER III funds currently available (apply for approval)



Discussions & Questions