

Budget Advisory Committee Meeting



East Side Union High School District

Presented by Chris Jew, Associate Superintendent of Business Services, Silvia Pelayo, Director of Finance, and Chris Funk, Superintendent

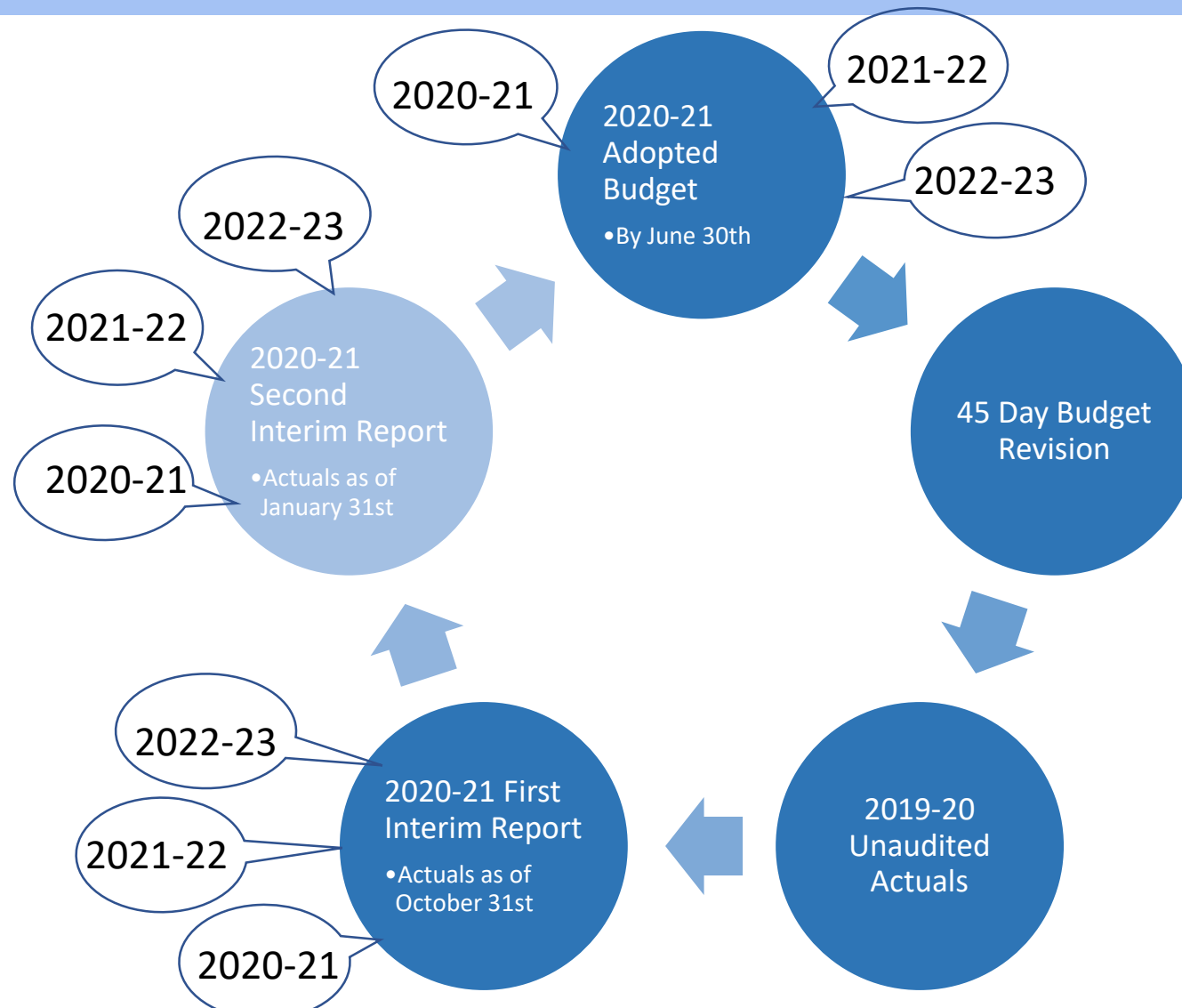
January 12, 2021



Budget Advisory Committee Meeting

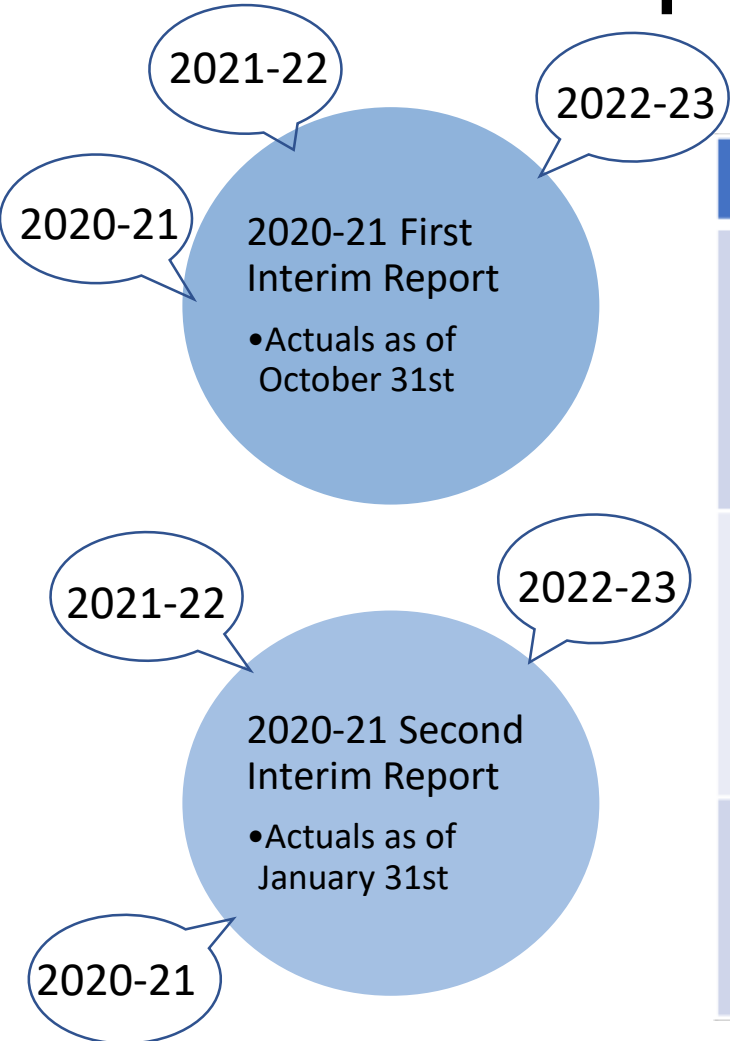
- Welcome and Introduction
- Review Budget Update
 - 2021-22 Governor's January Budget Proposal
 - District's Multi-Year Projection Update
- Break out Groups
 - Questions and Clarification

2020-21 Budget and Fiscal Reporting Cycle



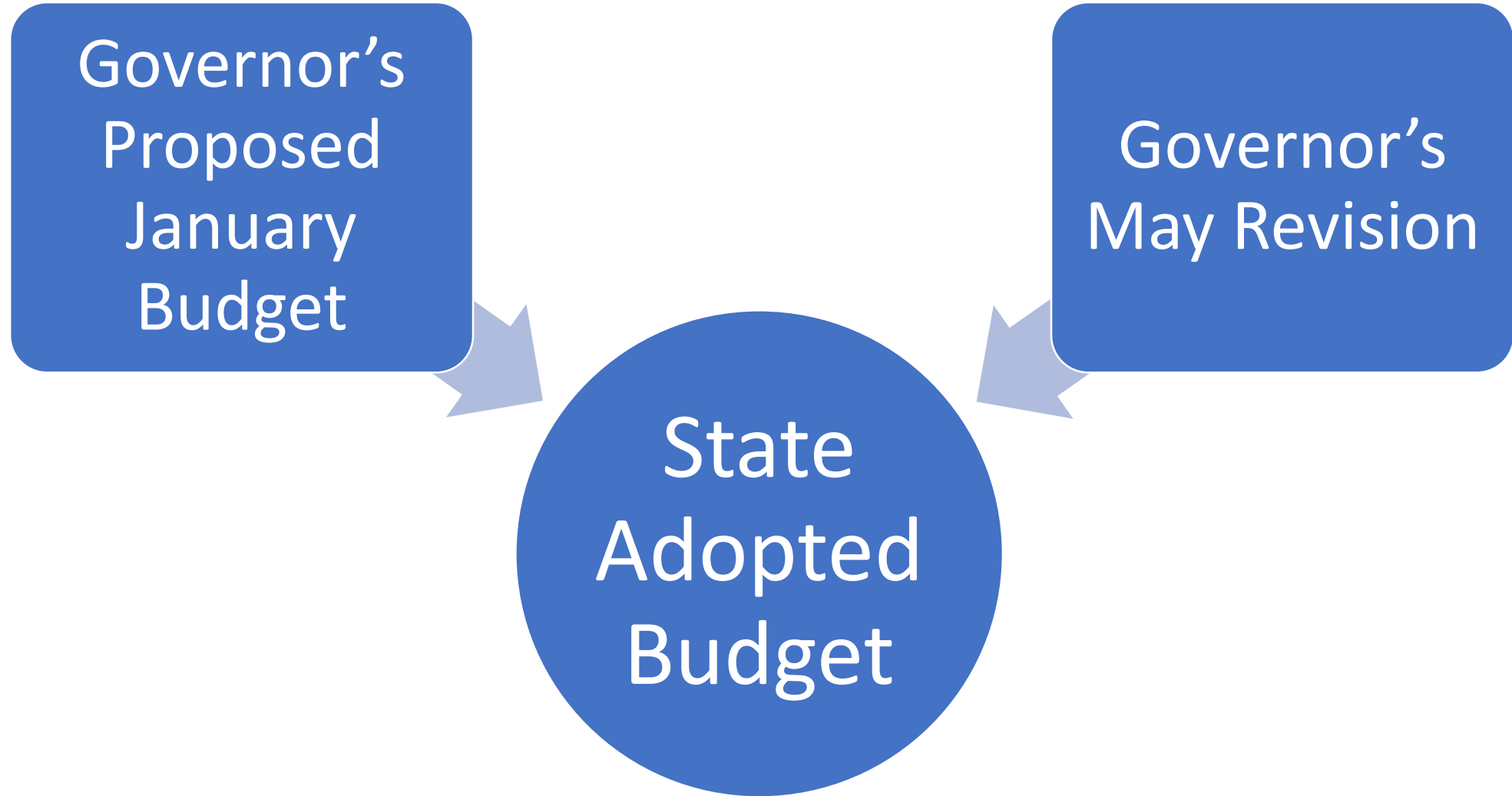


Interim Report Certification

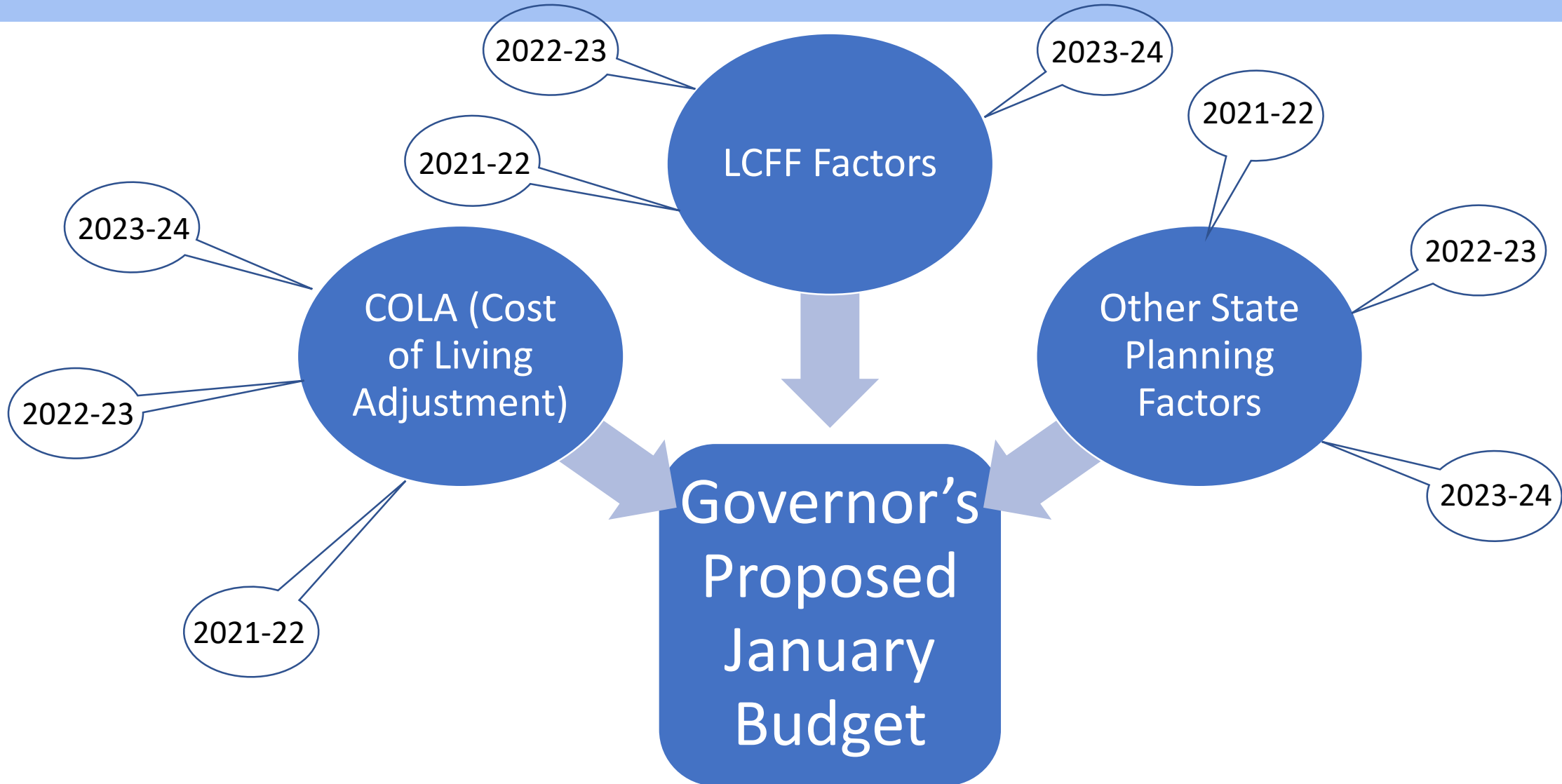


Certification	
Positive	District <u>WILL</u> meet its financial obligations for the remainder of the fiscal year and the subsequent 2 years
Qualified	District <u>MAY NOT</u> be able to meet its financial obligations either in the current year or the subsequent 2 years
Negative	District <u>WILL NOT</u> be able to meet its financial obligation for current fiscal year or subsequent year

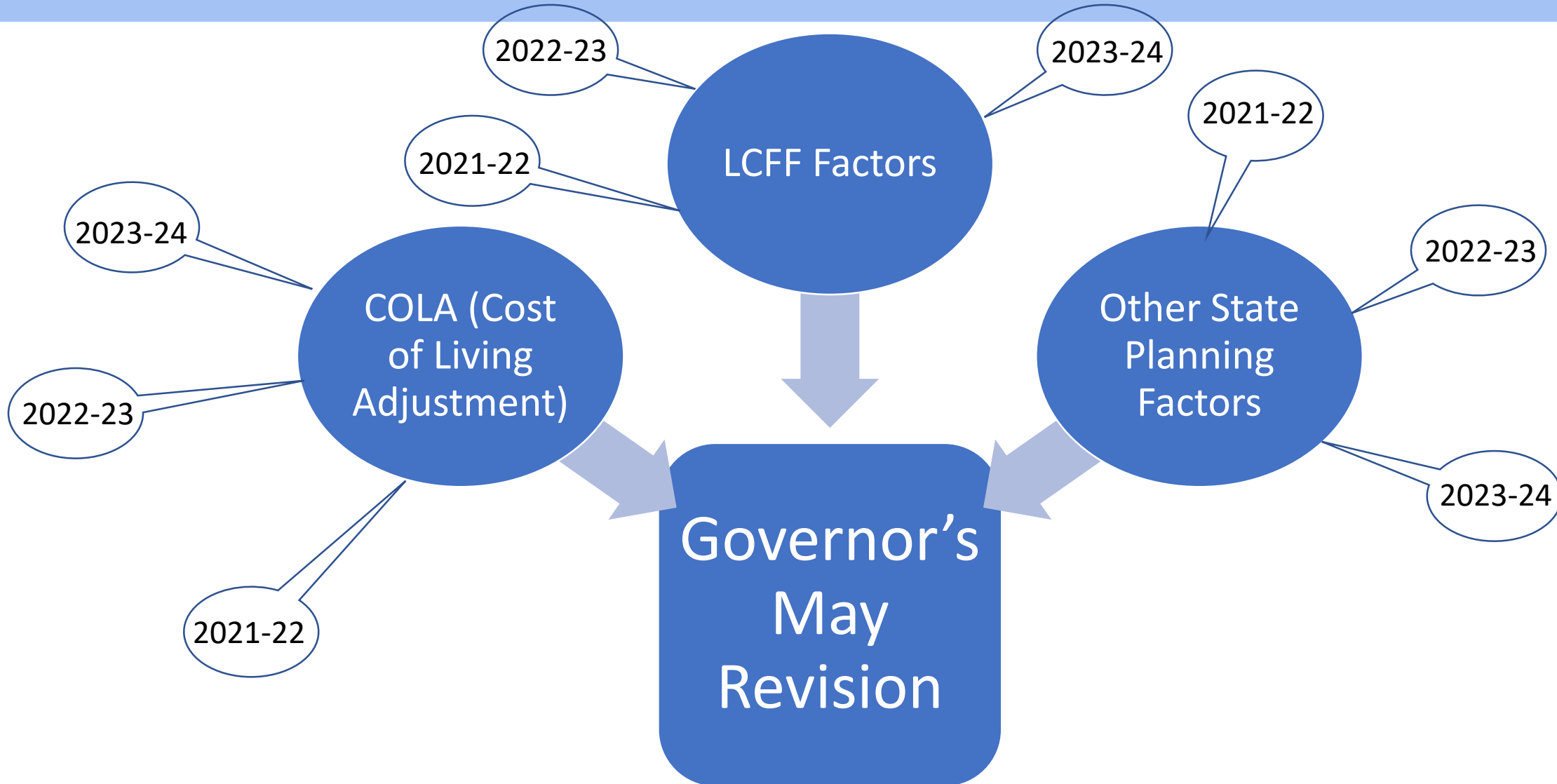
Annual State Budget Development Cycle



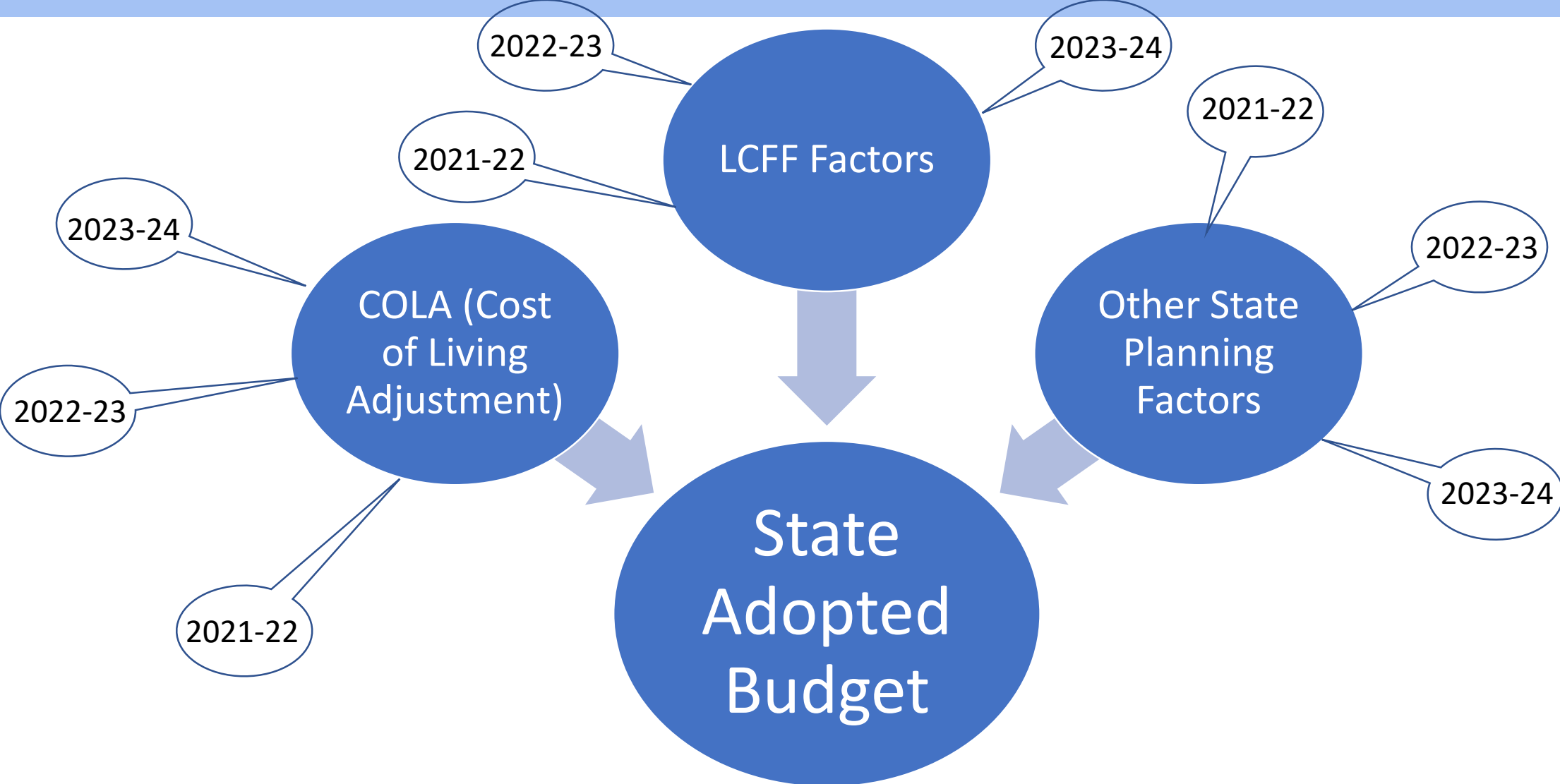
Budget Development Assumptions



Budget Development Assumptions



Budget Development Assumptions





District Budget Assumptions Changes and Governor's 2021-22 January Budget Proposal Assumptions

Budget Development Assumptions



	Factors	2019-20	2020-21	2021-22 (est)	2022-23 (est)	2023-24 (est)	2024-25 (est)
Governor's January Budget 2020-21	COLA	3.26%	2.29%	2.71%	2.82%	2.60%	Not Avail
	CalSTRS Employer Rate	17.10%	18.40%	18.10%	18.10%	18.10%	Not Avail
	CalPERS Employer Rate	19.72%	22.80%	24.90%	25.90%	26.60%	Not Avail
May Revision 2020-21	COLA	3.26%	-10.00%	0.00%	0.00%	0.00%	Not Avail
	CalSTRS Employer Rate	17.10%	16.15%	16.02%	18.10%	18.10%	Not Avail
	CalPERS Employer Rate	19.72%	20.70%	22.84%	25.50%	26.20%	Not Avail
State Adopted Budget 2020-21	Dept of Finance Est. COLA		2.31%	2.48%	3.26%	Not Avail	Not Avail
	Funded COLA		0.00%	Not Available			Not Avail
	School Services Est. COLA		2.31%	0.60%	0.70%	1.60%	Not Avail
	School Services Recommended Planning COLA		0.00%	0.00%	0.00%	0.00%	Not Avail
	CalSTRS Employer Rate	17.10%	16.15%	16.00%	18.10%	18.10%	Not Avail
	CalPERS Employer Rate	19.72%	20.70%	23.00%	26.30%	27.30%	Not Avail
	Federal Stimulus Funds		\$14.5 M				
Governor's January Budget 2021-22	Statutory COLA		2.31%	1.50%	1.36%	1.50%	1.51%
	Funded COLA		0.00%	3.84%	1.36%	1.50%	1.51%
	CalSTRS Employer Rate		16.15%	15.92%	18.10%	18.10%	18.10%
	CalPERS Employer Rate		20.70%	23.70%	26.30%	27.30%	27.30%
	Federal Stimulus Funds		\$14.5 M	\$11.4 M			

Relevant Budget Assumptions Changes

2020-21 Governor's Proposed Budget	2019-20	2020-21	2021-22 (Estimated)	2022-23 (Estimated)	2023-24 (Estimated)
COLA	3.26%	2.29%	2.71%	2.82%	2.60%
Increase/ (Decrease) LCFF Funding	0.12%	1.61%	1.62%	1.82%	1.62%
	\$290,054	\$3,856,229	\$3,929,269	\$4,476,080	\$4,060,557
STRS	17.10%	18.40%	18.10%	18.10%	18.10%
PERS	19.721%	22.80%	24.90%	25.90%	26.60%
*****Target Cuts = \$21.8 Million*****					

2020-21 Governor's May Revise Budget	2019-20	2020-21	2021-22 (Estimated)	2022-23 (Estimated)	2023-24 (Estimated)
COLA	3.26%	0.00%	0.00%	0.00%	0.00%
Deficit Factor		(7.92%)	(7.92%)	(7.92%)	(7.92%)
Increase/ (Decrease) LCFF Funding	0.19%	(8.26%)	(0.99%)	(0.85%)	(0.19%)
	\$460,323	(\$19,729,993)	(\$2,164,667)	(\$1,835,144)	(\$458,547)
STRS	17.10%	16.15%	16.02%	18.10%	18.10%
PERS	19.721%	20.70%	22.84%	25.50%	26.20%
*****Target Cuts = \$58.3 Million*****					



Relevant Budget Assumptions Changes

2020-21 Enacted State Budget	2020-21	2021-22 (Estimated)	2022-23 (Estimated)	2023-24 (Estimated)	2024-25 (Estimated)
Statutory COLA	2.31%	0.60%	0.70%	1.6%	1.50%
Funded COLA	0.00%	0.00%	0.00%	0.00%	0.00%
Increase/ (Decrease) LCFF Funding	(0.50%) (\$1,189,208)	(0.27%) (\$644,500)	(1.71%) (\$4,058,297)	(0.95%) (\$2,210,921)	(0.95%) (\$2,188,947)
STRS	16.15%	16.00%	18.10%	18.10%	18.10%
PERS	20.70%	23.00%	26.30%	27.30%	27.30%
Federal Stimulus	\$14.5 M (One-Time funding)	*****Target Cuts = \$19.25 Million*****			

2021-22 Governor's January Budget	2020-21	2021-22 (Estimated)	2022-23 (Estimated)	2023-24 (Estimated)	2024-25 (Estimated)
Statutory COLA	2.31%	1.50%	1.36%	1.50%	1.51%
Funded COLA	0.00%	3.84%	1.36%	1.50%	1.51%
Increase/ (Decrease) LCFF Funding	(0.50%) (\$1,189,208)	3.40% \$8,085,423	(0.43%) (\$1,059,853)	0.48% \$1,166,103	0.47% \$1,165,977
STRS	16.15%	15.92%	18.10%	18.10%	18.10%
PERS	20.70%	23.70%	26.30%	27.30%	27.30%
Federal Stimulus	\$14.5 M (One-Time funding)	\$11.4 M (One-Time funding)	*****Target Cuts = \$6.5 Million*****		



Current known expenditure change assumptions

	2021-22
Step and Column / Longevity increases on current salary schedules	1.5% increase for Certificated 2.0% increase for Classified 1.5% increase for Management
STRS and PERS Employer Contribution rate	No change in STRS Increase of 3% in PERS
Health Insurance Premiums	6% increase
Utilities and Property/Liability Insurance	10% and 8% increase
Contributions – Special Education	\$1.8 million increase
Contributions – Child Nutrition Services	\$1.1 million increase

Federal Stimulus Funds

- One Time Funds
- Limited time to spend funds
- Can only be spend on certain types of things
 - Restricted
- Newest funds are being shown at this time offsetting the District's budget deficit. As the District plans to return to classroom learning, there may be some expenses that have not been identified as of yet.

Learning Loss Mitigation Funds

Categories for State Reporting		Coronavirus Relief Fund (CRF) 575, 576, 577-3215 Expires: 12/30/21 Award \$11,391,884			Prop 98 State LLMF 579-7420 Expires: 6/30/21 Award \$2,015,739			Governor's Emergency Ed Relief (GEER) 573-3215 Expires: 9/30/22 Award \$1,085,626		
		Expensed	Encumbered	Total Committed	Expensed	Encumbered	Total Committed	Expensed	Encumbered	Total Committed
1	Addressing learning loss or accelerating progress to close learning gaps through the implementation, expansion, or enhancement of learning supports	131,194	155,500	286,694	27,408	-	27,408	-	-	-
2	Extending the instructional minutes, time or school year to increase the amount of instructional time or services provided to pupils based on their learning needs:	-	-	-	-	-	-	-	-	-
3	Providing additional academic services for pupils, such as diagnostic assessments of pupil learning needs or intensive instruction for addressing gaps in core academic skills:	-	272,649	272,649	-	-	-	-	-	-
4	Providing additional instructional materials or supports:	1,831,282	1,033,872	2,865,154	481,236	536,981	1,018,217	-	231,314	231,314
5	Providing devices or connectivity for in-classroom and distance learning:	1,868,262	2,790,718	4,658,979	114	770,000	770,114	-	216,000	216,000
6	Providing health, counseling, or mental health services:	58,528	-	58,528	-	-	-	-	-	-
7	Professional development opportunities to help teachers and parents support pupils in distance-learning contexts:	489,102	308,602	797,704	-	-	-	-	200,000	200,000
8	Access to school breakfast and lunch programs:	736,677	547,074	1,283,751	-	-	-	-	200,000	200,000
9	Pupil trauma and social-emotional learning	-	-	-	-	-	-	-	-	-
10	Public health testing, personal protective equipment, supplies to sanitize and clean the facilities and school buses:	439,372	729,053	1,168,425	-	200,000	200,000	-	-	-
Total		5,554,417	5,837,468	11,391,884	508,758	1,506,981	2,015,739	-	847,314	847,314
		Balance Available		(0)	Balance Available		0	Balance Available		238,312

Total CARES Act Funds	14,493,249
Total spent as of 12/31/20	(6,063,174)
Encumbered	(8,191,763)
Total available	238,312

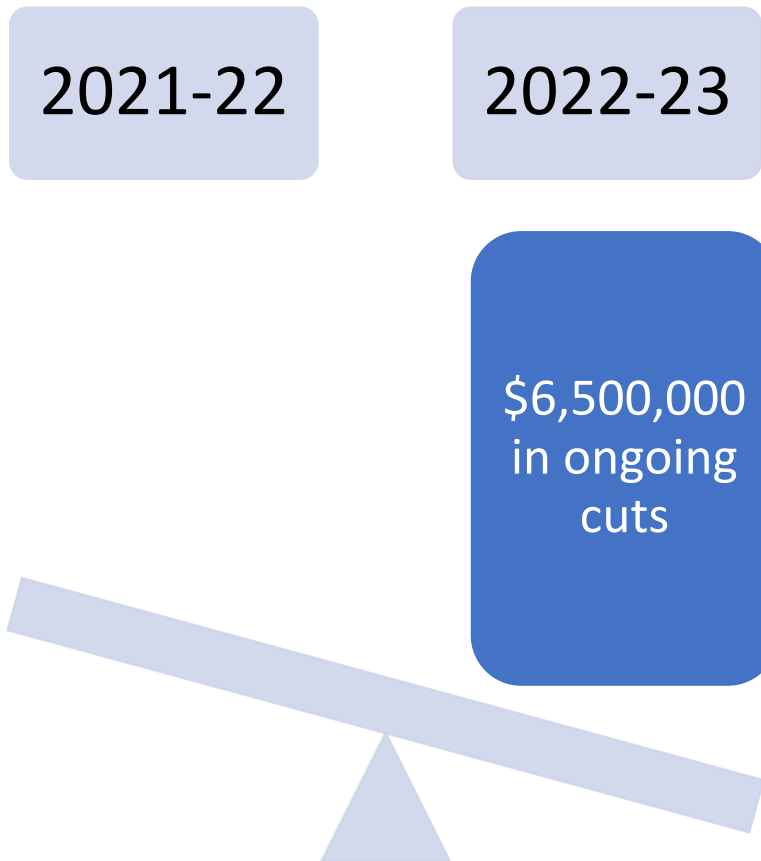
Encumbrances	
Salary & Benefits	2,856,685
Instr Supplies & Contracted Services	5,335,078
	8,191,763
Instructional Supplies & Equipment	2,418,004
Princeton tutoring	155,500
Subscriptions	21,600
ON-SITE COVID-19 DIAGNOSTIC TEST	1,732,640
Community Wireless Network	709,685
Niroga Institute Mindfulness	25,000
Newsela Inc online platform for instruction	272,649
	5,335,078



Multi-Year Projection (REVISED as of 1-12-2021)



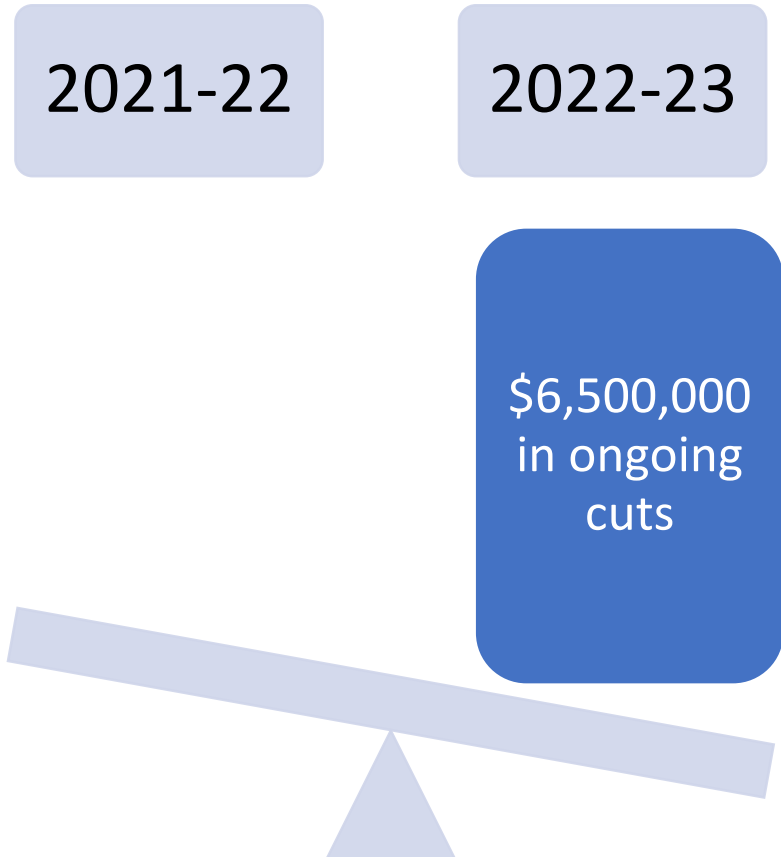
Revised Scenario #1



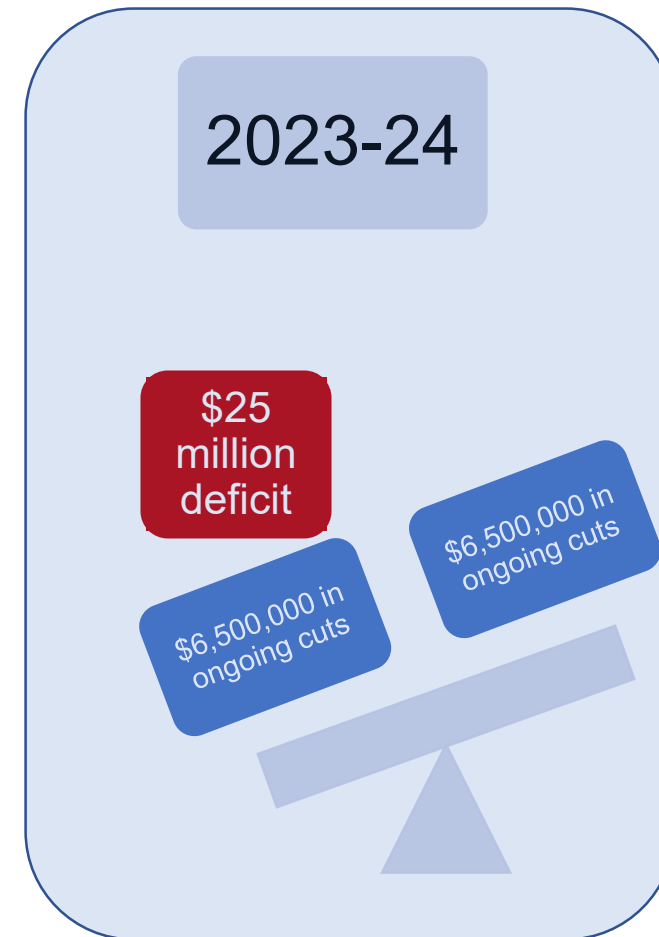
Ongoing reductions totaling \$6.5 million starting in 2022-23 to meet 3% reserve requirement in 2022-23.



Revised Scenario #1



Projected MYP for 2023-24



Deficit spending still continues into 2023-24 totaling \$25 million.

REVISED SCENARIO #1

Year 1: 2020-2021 - UNRESTRICTED GENERAL FUND					* First Interim Multi-Year Projection			
Savings		Revenue		Expense		Balance		
What is left in the bank from last year?		How much is expected to come in?		How much money will be spent this year?		Do we have money left in the bank to meet 3% Reserve?	Require 3% Reserve	How much is the District Deficit Spending?
\$ 38,041,632	+	\$ 203,357,682	-	\$ 196,966,536	=	\$ 44,432,778	\$ 8,960,790	\$ -
Year 2: 2021-2022 - UNRESTRICTED GENERAL FUND * BASED ON GOVERNOR'S JANUARY BUDGET PROPOSAL								
Savings		Revenue		Expense		Balance		
What is left in the bank from last year?		How much is expected to come in?		How much money will be spent this year?		Do we have money left in the bank to meet 3% Reserve?	Require 3% Reserve	How much is the District Deficit Spending?
\$ 44,432,778	+	\$ 202,962,005	-	\$ 212,653,010	=	\$ 34,741,773	\$ 9,344,703	\$ (9,691,005)
Year 3: 2022-2023 - UNRESTRICTED GENERAL FUND * BASED ON GOVERNOR'S JANUARY BUDGET PROPOSAL								
Savings		Revenue		Expense		Balance		
What is left in the bank from last year?		How much is expected to come in?		How much money will be spent this year?		Do we have money left in the bank to meet 3% Reserve?	Require 3% Reserve	How much is the District Deficit Spending?
\$ 34,741,773	+	\$ 199,821,041	-	\$ 224,882,379 (\$6,500,000) Ongoing Reductions	=	\$ 9,680,435	\$ 9,444,072	\$ (25,061,338)



REVISED SCENARIO #1

Year 1: 2020-2021 - RESTRICTED GENERAL FUND					* First Interim Multi-Year Projection			
Savings What is left in the bank from last year?		Revenue How much is expected to come in?		Expense How much money will be spent this year?		Balance Do we have money left in the bank to meet 3% Reserve?	Restricted Reserve Balance	How much is the District Deficit Spending?
\$ 4,852,278	+	\$ 101,961,636	-	\$ 101,726,476	=	\$ 5,087,438	\$ 5,087,438	\$ -

Year 2: 2021-2022 - RESTRICTED GENERAL FUND					* BASED ON GOVERNOR'S JANUARY BUDGET PROPOSAL			
Savings What is left in the bank from last year?		Revenue How much is expected to come in?		Expense How much money will be spent this year?		Balance Do we have money left in the bank to meet 3% Reserve?	Restricted Reserve Balance	How much is the District Deficit Spending?
\$ 5,087,438	+	\$ 96,942,405 <small>\$11.4 million ESSER Funds</small>	-	\$ 98,837,089	=	\$ 3,192,754	\$ 3,192,754	\$ (1,894,684)

Year 3: 2022-2023 - RESTRICTED GENERAL FUND					* BASED ON GOVERNOR'S JANUARY BUDGET PROPOSAL			
Savings What is left in the bank from last year?		Revenue How much is expected to come in?		Expense How much money will be spent this year?		Balance Do we have money left in the bank to meet 3% Reserve?	Restricted Reserve Balance	How much is the District Deficit Spending?
\$ 3,192,754	+	\$ 88,121,212	-	\$ 89,920,020	=	\$ 1,393,946	\$ 1,393,946	\$ (1,798,808)



REVISED SCENARIO #1

Year 1: 2020-2021 - COMBINED GENERAL FUND					* First Interim Multi-Year Projection			
Savings		Revenue		Expense		Balance		Require 3% Reserve
What is left in the bank from last year?		How much is expected to come in?		How much money will be spent this year?		Do we have money left in the bank to meet 3% Reserve?		How much is the District Deficit Spending?
\$ 42,893,910	+	\$ 305,319,318	-	\$ 298,693,012	=	\$ 49,520,216		\$ 8,960,790
								Restricted Reserve Balance \$ 5,087,438
Year 2: 2021-2022 - COMBINED GENERAL FUND					* BASED ON GOVERNOR'S JANUARY BUDGET PROPOSAL			
Savings		Revenue		Expense		Balance		Require 3% Reserve
What is left in the bank from last year?		How much is expected to come in?		How much money will be spent this year?		Do we have money left in the bank to meet 3% Reserve?		How much is the District Deficit Spending?
\$ 49,520,216	+	\$ 299,904,410 <small>\$11.4 million ESSER Funds</small>	-	\$ 311,490,099	=	\$ 37,934,527		\$ 9,344,703
								Restricted Reserve Balance \$ 3,192,754
Year 3: 2022-2023 - COMBINED GENERAL FUND					* BASED ON GOVERNOR'S JANUARY BUDGET PROPOSAL			
Savings		Revenue		Expense		Balance		Require 3% Reserve
What is left in the bank from last year?		How much is expected to come in?		How much money will be spent this year?		Do we have money left in the bank to meet 3% Reserve?		How much is the District Deficit Spending?
\$ 37,934,527	+	\$ 287,942,253	-	\$ 314,802,399 <small>(\$6,500,000) Ongoing Reductions</small>	=	\$ 11,074,381		\$ 9,444,072
								Restricted Reserve Balance \$ 1,393,946





Fiscal Solvency Resolution (Required)

- Address 100% of Reduction in Force going into ~~2021/2022~~ 2022/2023
School Year - ~~\$58,300,000~~ ~~\$31,000,000~~ ~~\$29,350,000~~ \$6,500,000
~~435~~ ~~231~~ ~~219~~ 47 Total FTEs
 - ESTA = ~~296~~ ~~157~~ ~~149~~ 32 FTEs
 - CSEA = ~~115~~ ~~61~~ ~~58~~ 13 FTEs
 - Admin/Management = ~~24~~ ~~13~~ ~~12~~ 2 FTEs

Budget Advisory Committee Meeting



Break Out Groups

Questions and Clarification



Questions or Comments