



2021-22

Budget Advisory Committee

December 7, 2021

Recent News from Sacramento

- Revenue continues to grow
- Inflation is on the rise
- Public entities challenged to stay within expense growth limits
- Commitments established in the 2021-22 Budget Act need to additional funding
 - Unfunded mandates (Transitional Kindergarten, Expanded Learning Grants, Free School Meals, Spec Ed)
- Decline in enrollment and decline in unduplicated counts present funding challenges for SCCS and other districts

Certification

- **Positive Certification** – Certifies that the District will be able to meet its financial obligation for the current and subsequent two fiscal years
- **Santa Cruz City Schools** 1st Interim 2021-22 is self-certified as “Positive”

First Interim Adjustments

Changes in Revenue:

LCFF Sources decreased by (\$28,838)

- Driven by enrollment updates and property tax decreases

Federal Revenue increased by \$94,088

- Carryover in Title I, Special Ed-Local Assistance, Title II, Title IV, and Medi-Cal

State Revenue increased by \$236,033

- Carryover budgeted, added new one-time COVID Special Ed resources, decreases in Lottery (Unrestricted & Restricted)

Local Revenue increased by \$767,507

- Special Education increased which offsets decreased interest rate earnings

First Interim Adjustments

Changes in Expenditures:

Certificated Salaries decreased by (\$421,624)

- Updated staffing costs from budget adoption and start of school

Classified Salaries increased by \$1,274,839

- Updated staffing costs from budget adoption for support services utilizing learning loss dollars

Employee Benefits decreased by (\$1,126,896)

- Updated State unemployment Insurance reductions from 1.23% to 0.50%, PERS reductions from budget updates and Health and Welfare decreases

First Interim Adjustments

Changes in Expenditures:

Books and Supplies decreased by (\$470,432)

- Updated Materials/Supplies Carryover and Non-capitalized equipment

Services and Operating increased by \$285,495

- Updated professional/consulting services in special education and reductions in travel/conferences and communications

Capital Outlay increased by \$143,145

- Purchase of equipment (new electric bus, boiler) & carryover

Changes in Fund Balance

	Revised Budget	1st Interim	Changed
Beg Fund Balance	\$28,295,091	\$28,295,091	\$0
Surplus/(Deficit)	<u>(\$5,013,966)</u>	<u>(\$3,932,100)</u>	<u>\$1,081,866</u>
Ending Fund Balance	\$23,281,125	\$24,362,991	\$1,081,866
Restricted	\$978,071	\$638,178	(\$339,893)
3% Reserve	\$3,516,809	\$3,516,416	(\$393)
Assigned	\$11,421,008	\$8,142,452	(\$3,278,556)
Undesigned	<u>\$7,365,237</u>	<u>\$12,065,945</u>	<u>\$4,700,708</u>
% Unrestricted Reserve	9.28%	13.29%	4.01%

First Interim Multi-Year Projection

		5.07% COLA			Other Financing	0		
11/30/2021		2021/22			Transfers In	2,500,000	0	2,500,000
		Projected			Transfers Out	602,397	0	602,397
		Unrestricted	Restricted	Total	Contributions To Restr.	(19,818,929)	19,818,929	0
Revenue					Transfers/Contributions	(17,921,326)	19,818,929	1,897,603
LCFF Sources		75,037,138	0	75,037,138		0	0	0
Federal Revenue			17,453,505	17,453,505	Net Inc/Dcr to Fund Balance	278,346	(4,210,446)	(3,932,100)
State Revenue		1,162,776	8,498,298	9,661,074	Beg Fund Balance	23,701,880	4,593,211	28,295,091
Local Revenue		7,042,193	1,587,866	8,630,059	Audit Adjustments			0
Total Revenue		83,242,107	27,539,669	110,781,776	Ending Fund Balance	23,980,226	382,765	24,362,991
Expenditures					Legally Restricted/Designated	63,484	574,694	638,178
Certificated		29,845,323	11,405,143	41,250,466				
Classified		9,615,354	5,254,086	14,869,440	Unrestricted Reserve:			
Benefits		16,276,706	10,295,222	26,571,928	Reserve for 22-23 Deficit	391,974		391,974
Books & Supplies		3,565,945	14,687,390	18,253,335	Reserve for 23-24 Deficit	2,744,396		2,744,396
Services, Other Ops		6,740,571	7,929,877	14,670,448	Reserve for 24-25 Deficit	2,123,630		2,123,630
Capital Outlay		277,364	693,136	970,500	LCFF Supplemental(\$450K)	1,000,000		1,000,000
Other Outgo		25,362	0	25,362	Chromebooks(1,000 yr 1, 600 for yr 2-4)	0		0
Direct/Indirect Support		(1,304,190)	1,304,190	0	Hold for Repayment of 62.40 Charter ADA	632,452		632,452
					Curriculum Master Plan	1,000,000		1,000,000
					For TK Facilities 4x1M?			
Total Expenditures		65,042,435	51,569,044	116,611,479	For TK Aides 4@7hrs for 22-23 & 8@7hrs for 23-24			0
					Preliminary Health & Welfare Savings	250,000		250,000
Excess/Deficiency		18,199,672	(24,029,375)	(5,829,703)	Reserve 3% Econ. Uncert.	3,516,416		3,516,416
					Undesignated	12,257,874	(191,929)	12,065,945
					% Unrestricted Reserve including 3% Econ. Uncert.			13.29%

First Interim Multi-Year Projection

		2.48% COLA Using SSC			Other Financing		
11/30/2021		2022/23			Transfers In		
		Projected			Transfers Out		
		Unrestricted	Restricted	Total	Contributions To Restr.		
Revenue					Transfers/Contributions		
LCFF Sources		76,484,699	0	76,484,699	Net Inc/Dcr to Fund Balance		
Federal Revenue		0	4,291,886	4,291,886	Beg Fund Balance		
State Revenue		1,162,776	5,196,102	6,358,878	Audit Adjustments		
Local Revenue		7,007,727	1,578,756	8,586,483	Ending Fund Balance		
Total Revenue		84,655,202	11,066,744	95,721,946			
Expenditures					Legally Restricted/Designated		
Certificated		30,114,628	7,485,163	37,599,791	Unrestricted Reserve:		
Classified		9,789,706	4,189,149	13,978,855	Reserve for 22-23 Deficit		
Benefits		18,094,734	9,730,533	27,825,267	Reserve for 23-24 Deficit		
Books & Supplies		2,536,655	2,227,090	4,763,745	Reserve for 24-25 Deficit		
Services, Other Ops		7,046,315	6,789,122	13,835,437	LCFF Supplemental(\$450K)		
Capital Outlay		277,364	390,864	668,228	Chromebooks(1,000 yr 1, 600 for yr 2-4)		
Other Outgo		25,362	0	25,362	Hold for Repayment of 62.40 Charter ADA		
Direct/Indirect Support		(1,275,419)	1,275,419	0	Curriculum Master Plan		
Total Expenditures		66,609,345	32,087,340	98,696,685	For TK Facilities 4x1M?		
Excess/Deficiency		18,045,857	(21,020,596)	(2,974,739)	For TK Aides 4@7hrs for 22-23 & 8@7hrs for 23-24		
					Preliminary Health & Welfare Savings		
					Reserve 3% Econ. Uncert.		
					Undesignated		
					% Unrestricted Reserve including 3% Econ. Uncert.		

First Interim Multi-Year Projection

	3.11% COLA Using SSC			Other Financing	0		
11/30/2021	2023/24			Transfers In	2,500,000	0	2,500,000
	Projected			Transfers Out	300,000	0	300,000
	Unrestricted	Restricted	Total	Contributions To Restr.	(21,113,102)	21,113,102	0
Revenue				Transfers/Contributions	(18,913,102)	21,113,102	2,200,000
LCFF Sources	75,901,244	0	75,901,244		0	0	0
Federal Revenue	0	4,291,886	4,291,886	Net Inc/Dcr to Fund Balance	(2,744,396)	0	(2,744,396)
State Revenue	1,162,776	5,196,102	6,358,878	Beg Fund Balance	23,588,252	(0)	23,588,252
Local Revenue	6,973,434	1,578,756	8,552,190	Audit Adjustments			0
Total Revenue	84,037,454	11,066,744	95,104,198	Ending Fund Balance	20,843,856	(0)	20,843,856
Expenditures							
Certificated	30,557,926	7,596,463	38,154,389	Legally Restricted/Designated	63,484	0	63,484
Classified	9,967,544	4,266,837	14,234,381	Unrestricted Reserve:			
Benefits	18,855,912	9,991,229	28,847,141	Reserve for 22-23 Deficit	0		0
Books & Supplies	2,536,655	1,837,389	4,374,044	Reserve for 23-24 Deficit	0		0
Services, Other Ops	6,955,927	6,789,122	13,745,049	Reserve for 24-25 Deficit	2,123,630		2,123,630
Capital Outlay	277,364	390,864	668,228	LCFF Supplemental(\$450K)	450,000		450,000
Other Outgo	25,362	0	25,362	Chromebooks(1,000 yr 1, 600 for yr 2-4)	250,000		250,000
Direct/Indirect Support	(1,307,942)	1,307,942	0	Hold for Repayment of 62.40 Charter ADA	0		0
				Curriculum Master Plan	1,000,000		1,000,000
				For TK Facilities 4x1M?			
Total Expenditures	67,868,748	32,179,846	100,048,594	For TK Aides 4@7hrs for 22-23 & 8@7hrs for 23-24	596,312		596,312
				Preliminary Health & Welfare Savings			0
Excess/Deficiency	16,168,706	(21,113,102)	(4,944,396)	Reserve 3% Econ. Uncert.	3,010,458		3,010,458
				Undesignated	13,349,973	(0)	13,349,972
				% Unrestricted Reserve including 3% Econ. Uncert.			16.30%

First Interim Multi-Year Projection

		3.54% COLA Using SSC			Other Financing		0		
11/30/2021		2024/25			Transfers In		2,500,000	0	2,500,000
		Projected			Transfers Out		300,000	0	300,000
		Unrestricted	Restricted	Total	Contributions To Restr.		(21,529,897)	21,529,897	0
Revenue					Transfers/Contributions		(19,329,897)	21,529,897	2,200,000
LCFF Sources		78,257,278	0	78,257,278			0	0	0
Federal Revenue		0	4,291,886	4,291,886	Net Inc/Dcr to Fund Balance		(2,123,630)	0	(2,123,630)
State Revenue		1,162,776	5,196,102	6,358,878	Beg Fund Balance		20,843,856	(0)	20,843,856
Local Revenue		6,939,312	1,578,756	8,518,068	Audit Adjustments				0
Total Revenue		86,359,366	11,066,744	97,426,110	Ending Fund Balance		18,720,226	(0)	18,720,226
Expenditures					Legally Restricted/Designated		63,484	0	63,484
Certificated		31,007,873	7,708,937	38,716,810					
Classified		10,148,939	4,346,078	14,495,017	Unrestricted Reserve:				
Benefits		19,428,648	10,182,955	29,611,603	Reserve for 22-23 Deficit		0		0
Books & Supplies		2,536,655	1,837,390	4,374,045	Reserve for 23-24 Deficit		0		0
Services, Other Ops		7,069,553	6,789,122	13,858,675	Reserve for 24-25 Deficit		0		0
Capital Outlay		277,364	390,864	668,228	LCFF Supplemental(\$450K)		450,000		450,000
Other Outgo		25,362	0	25,362	Chromebooks(1,000 yr 1, 600 for yr 2-4)		250,000		250,000
Direct/Indirect Support		(1,341,295)	1,341,295	0	Hold for Repayment of 62.40 Charter ADA		0		0
					Curriculum Master Plan		1,000,000		1,000,000
					For TK Facilities 4x1M?				
Total Expenditures		69,153,099	32,596,641	101,749,740	For TK Aides 4@7hrs for 22-23 & 8@7hrs for 23-24				0
					Preliminary Health & Welfare Savings				0
Excess/Deficiency		17,206,267	(21,529,897)	(4,323,630)	Reserve 3% Econ. Uncert.		3,061,492		3,061,492
					Undesignated		13,895,250	(0)	13,895,250
					% Unrestricted Reserve including 3% Econ. Uncert.				16.62%

Adjustments for Second Interim

- Increases in supplies and services as consumer price index expected to increase
- Increases in PG&E costs
- Increases to fuel and repair parts
- Increases to construction and materials
- Increases to the food supply chain
- Increases associated with state and federal mandated programs

Next Steps

- **January 2022**- Governor's January Budget for 2021-22
- **January 2022** - Work with PowerSchool for updated enrollment #'s
- **Feb. 2022** - Preliminary Certificated and Classified Staffing reviews
- **March 9, 2022** - Second Interim Report
- **May 2022** - Governor's May Revise
- **June 1, 2022** - LCAP Hearing, Budget Hearing
- **June 15, 2022** - LCAP Adoption, Budget Adoption



Questions



Enrollment

Budget Advisory Committee
December 7, 2021

Enrollment Projections

- District is working with Powerschool, formerly known as DecisionInsite, for our enrollment projections for 2022-23
- District is reviewing Transitional Kindergarten new requirements proposed by State

Enrollment

CBEDS Enrollment Numbers for 2018-19 to 2021-22

Year	Elementary	Middle School	High School	Small Schools	Total Enrollment
2018-19	1,841	1,073	3,157	396	6,467
2019-20	1,842	1,085	3,119	365	6,411
2020-21	1,567	990	3,123	525	6,205
2021-22 (unverified)	1,610	988	3,198	388	6,184

Enrollment Projections

Current projected CBEDS data for 2021-22 and prior projected data for years 2022-23 to 2024-25

Year	Elementary	Middle School	High School	Small Schools	Total Enrollment
2021-22 (unverified)	1,610	988	3,198	388	6,187
2022-23	1,604	951	2,857	418	5,830
2023-24	1,572	915	2,850	425	5,762
2024-25	1,573	870	2,711	425	5,579

Key Figures

- Unduplicated count of pupils
 - (1) English learners
 - (2) Free and Reduced National School Lunch program (3) Foster youth/Homeless
 - “Unduplicated count” means that each pupil is counted only once even if the pupil meets more than one of these criteria
- Supplemental dollars are derived from our unduplicated count



Questions