

# Proposed Budget 2021-2022

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Great Schools  
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Report to the Board of  
Trustees

June 8, 2021

FULLERTON  
SCHOOL  
DISTRICT



# Fullerton School District Proposed Budget

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# Board Responsibility

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- Review financial status of the District
- Approve spending plan for 2021-22 for all funds
- Review subsequent two-year pattern of revenues and expenditures
- Adopt 2021-22 District Budget by June 30, 2021



# Fullerton School District Estimated **Unrestricted** Revenue 2020-21 (In Millions)

	<b>2020-21 Second Interim</b>	<b>2020-21 Estimated Actuals</b>	<b>Change</b>
LCFF	\$114.70	\$114.62	<b>(\$0.08)</b>
Federal Revenue*	-----	-----	-----
State Revenue	2.32	2.34	0.02
Other Local Revenue	1.22	0.93	<b>(0.29)</b>
<b>Total Revenue</b>	<b>\$118.24</b>	<b>\$117.89</b>	<b>(\$0.35)</b>

\* Federal Revenue all considered Restricted

# Fullerton School District Estimated **Unrestricted** Expenditures 2020-21 (In Millions)

	2020-21 Second Interim	2020-21 Estimated Actuals	Change
Certificated Salaries	\$52.11	\$52.18	\$0.07
Classified Salaries	15.22	15.09	(0.13)
Employee Benefits	26.51	26.26	(0.25)
Books and Supplies	5.21	4.72	(0.49)
Services /Operating Expenses	5.52	5.51	(0.01)
Capital Outlay	0.05	0.07	0.02
Other Outgo/Transfers	0.12	(0.15)	(0.27)
Transfer In	(1.62)	(1.61)	0.01
Contributions	18.31	18.26	(0.02)
<b>Total Expenditures</b>	<b>\$121.43</b>	<b>\$120.36</b>	<b>(\$1.07)</b>

# FSD Estimated **Unrestricted** Ending Fund Balance (In Millions)

	2020-21 Second Interim	2020-21 Estimated Actuals	Change
Beginning Balance	\$30.88	\$30.88	\$0.00
Revenue	118.24	117.89	(0.35)
Expenditures	121.43	120.36	(1.07)
<b>Ending Balance</b>	<b>\$27.69</b>	<b>\$28.41</b>	<b>\$0.72</b>
<b>Deficit Spending</b>	<b>(\$3.19)</b>	<b>(\$2.47)</b>	<b>\$0.72</b>



**Total Unrestricted Deficit Spending of \$2.47 M for 2020-2021 includes \$1.61 M carryover from 2019-2020**

# COVID-19 Relief Funds (Restricted Funds)

## COVID Restricted Funds:

Federal	Allocation	Spent as of 6/2/21	Remaining
ESSER (262)	9,367,994	8,764,136	603,858
ESSER (263)	2,259,648	2,259,648	-
LLM (264)	6,355,636	6,355,636	-
LLM GEER (265)	714,397	714,397	-
ESSER III (268)	16,785,260	-	16,785,260
ESSER III (269)	4,196,315	-	4,196,315
	<b>\$ 39,679,250</b>	<b>\$ 18,093,817</b>	<b>21,585,433</b>

State	Allocation	Spent as of 6/2/21	Remaining
In Person (376)	3,764,748	-	3,764,748
Expanded Learning (377)	7,297,782	-	7,297,782
ELO Paraprofessionals (378)	792,976	-	792,976
LLM (379)	991,739	991,739	-
	<b>\$ 12,847,245</b>	<b>\$ 991,739</b>	<b>11,855,506</b>

<b>Federal &amp; State</b>	<b>\$ 52,526,495</b>	<b>\$ 19,085,556</b>	<b>\$ 33,440,939</b>
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**ESSER** - Elementary and Secondary School Emergency Relief

**GEER** - Governor's Emergency Education Relief

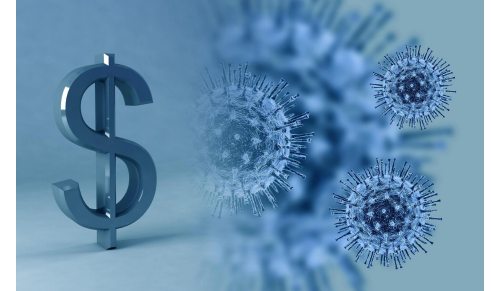
**LLM** - Learning Loss Mitigation

**ELO** - Expanded Learning Opportunities

# State Budget Outlook

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- On May 14, 2021, Governor Newsom released his May Revision
- “California Comeback Plan”
  - Ongoing and one-time investments
- California’s unemployment rate was at 8.3% in March, 2021 compared to 16.3% in May, 2020

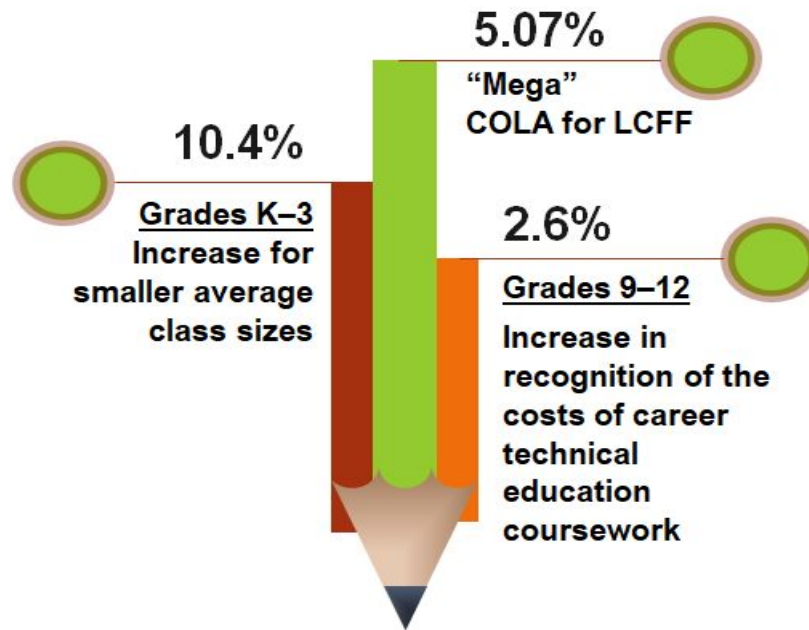




# Education Funding for 2021-22

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- The May Revision increased the cost-of-living adjustment (COLA) which is applied to the LCFF base grants for each grade span
  - There was no COLA in 2020-21



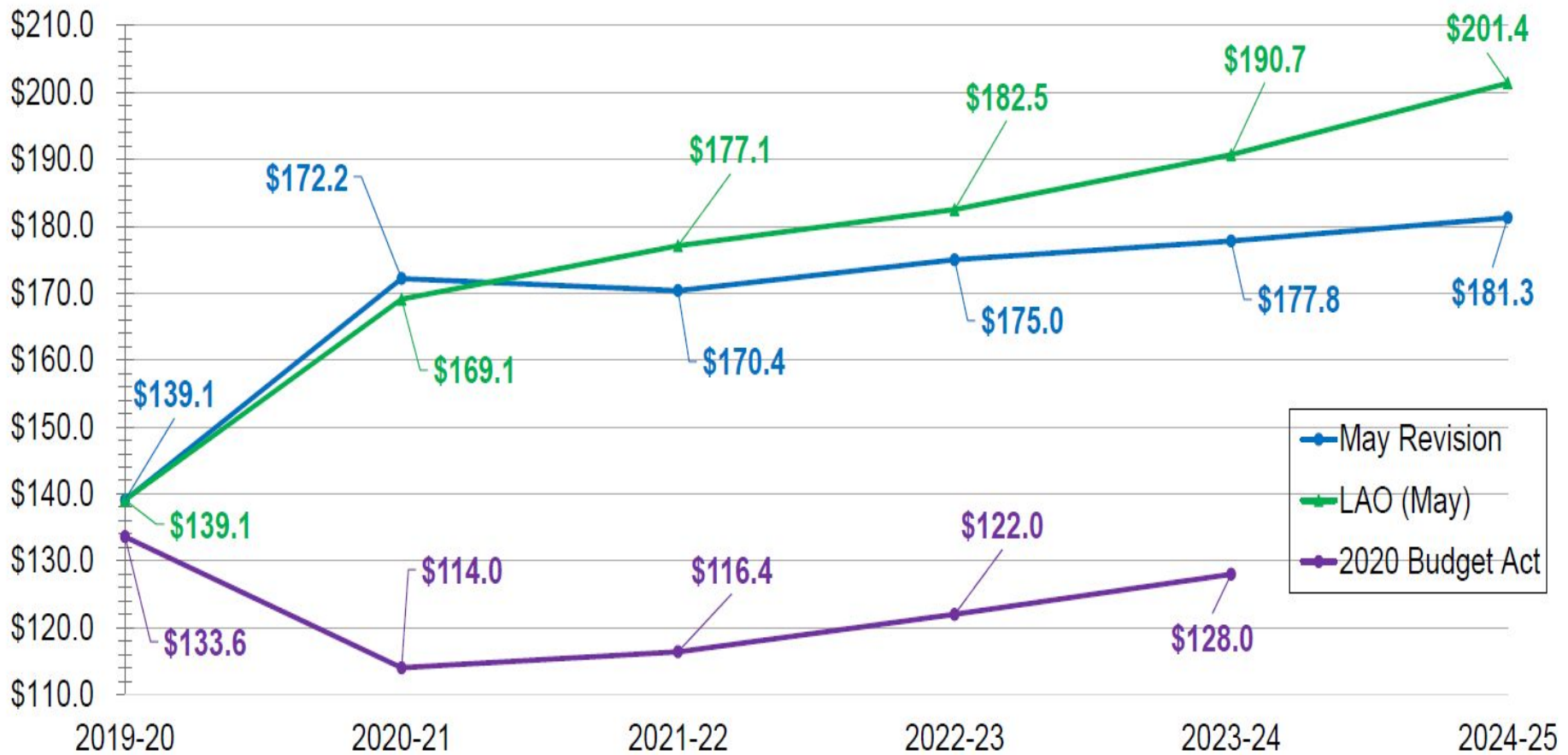
# Cash Flow and Deferrals

- The proposed pay down eliminates the ongoing deferrals scheduled for February through May 2022
- It does not impact current deferrals
- The June to July deferral once again encompasses the full apportionment



# California Revenue Outlook (in billions)

## Personal Income Tax, Sales and Use Tax, and Corporate Tax



# What's Behind The Positive Revenue Projections?

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- Tax collections have increased from previous years:
  - Up 20% from 2019-20
  - Up 27% from 2018-19
- Increase in capital gains from investments-Stock Market High
- Rebounding consumer spending
- Most of the General Fund revenue decline from the pandemic was isolated to the second quarter of 2020
- Many sectors and many individuals and families are still hurting
- Multi-year revenue forecast is highly uncertain

# General Fund Budget Assumptions (Based on May Revise)



<b>Description</b>	<b>2021-22</b>
<b>Enrollment</b>	<b>11,983</b>
<b>Funded ADA</b>	<b>12,461.93</b>
<b>LCFF Statutory COLA</b>	<b>5.07%</b>
<b>Unduplicated Count (3-year rolling average)</b>	<b>54.04%</b>
<b>LCFF Per ADA *</b>	<b>\$9,661</b>
<b>Lottery Per ADA</b>	<b>\$199</b>

\* As reference, LCFF Per ADA for 2020-21 was \$9,198.

# General Fund Budget Assumptions (Based on May Revise)

Description	2021-22
Step and Column Increase	\$985,943
Current Employee Health & Welfare Premium Cap	Sgl/2P \$16,600 Family \$18,612
Savings from Early Retirement Incentive to Align with Enrollment (including benefits)	(\$1,545,000)
District Unrestricted STRS Contribution - Increase over 2020-21	16.92% \$391,872
District Unrestricted PERS Contribution - Increase over 2020-21	22.91% \$266,082



## 2021-22 Projected **Combined** Revenues (In Millions)

	<b>2020-21 Estimated Actuals</b>	<b>2021-22 Projected Budget</b>	<b>Change</b>
LCFF	\$114.62	*\$120.40	\$5.78
Federal Revenue	**48.09	6.29	(41.80)
State Revenue	***37.81	14.67	(23.14)
Other Local Revenue	10.51	10.44	(0.07)
<b>Total Revenue</b>	<b>\$211.03</b>	<b>\$151.80</b>	<b>(\$59.23)</b>

\* LCFF includes 5.07% COLA

\*\* 2020-21 Federal Revenue includes \$39.68 million CARES/COVID as well as additional one-time Federal grants

\*\*\* 2020-21 State Revenue includes \$12.85 million CARES/COVID. 2021-22 had a decrease of \$3m for STRS on Behalf

## 2021-22 Projected **Combined** Expenditures (In Millions)

	2020-21 Estimated Actuals	2021-22 Projected Budget	Change
Certificated Salaries	\$82.13	\$64.49	<b>(\$17.64)</b>
Classified Salaries	30.96	24.57	<b>(6.39)</b>
Employee Benefits	51.10	46.84	<b>(4.26)</b>
Books and Supplies	31.51	5.59	<b>(25.92)</b>
Services and Other Operating Expenses	13.27	7.94	<b>(5.33)</b>
Capital Outlay	6.04	0.69	<b>(5.35)</b>
Other Outgo/Transfers	3.61	2.00	<b>(1.61)</b>
Contributions	-----	-----	
<b>Total</b>	<b>\$218.62</b>	<b>\$152.12</b>	<b>(\$66.50)</b>



# General Fund Budget Assumptions (Based on May Revise)

<b>Description</b>	<b>2022-23</b>	<b>2023-24</b>
<b>Funded ADA</b>	<b>11,840</b>	<b>11,640</b>
<b>LCFF Statutory COLA</b>	<b>2.48%</b>	<b>3.11%</b>
<b>Unduplicated Count</b>	<b>54.51%</b>	<b>54.88%</b>
<b>One-Time Discretionary Funding</b>	<b>\$0</b>	<b>\$0</b>
<b>LCFF Per ADA</b>	<b>\$9,910</b>	<b>\$10,224</b>
<b>Lottery Per ADA</b>	<b>\$199</b>	<b>\$199</b>



# General Fund Budget Assumptions (Based on May Revise)

<b>Description</b>	<b>2022-23</b>	<b>2023-24</b>
<b>Certificated Step and Column Increase - Unrestricted</b>	<b>\$824,881</b>	<b>\$818,880</b>
<b>Classified Step and Column Increase - Unrestricted</b>	<b>\$157,426</b>	<b>\$158,999</b>
<b>Current Employee Health &amp; Welfare Premium Cap</b>	<b>Sgl/2P \$16,600 Family \$18,612</b>	<b>Sgl/2P \$16,600 Family \$18,612</b>
<b>District Unrestricted STRS Contribution</b>	<b>19.10% \$1,127,208</b>	<b>19.10% \$0</b>
<b>District Unrestricted PERS Contribution</b>	<b>26.10% \$387,914</b>	<b>27.10% \$122,285</b>



# FSD Unrestricted Multi-Year Projections 2020-21 to 2022-23 at Second Interim Presentation on March 9, 2021 (In Millions)

<b>Second Interim</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
Beginning Balance	\$30.88	\$27.69	\$26.81	
Revenue	118.24	122.51	119.88	
Expenditures	121.43	123.39	127.1	
Net Income/(Loss)	<b>(3.19)</b>	<b>(0.88)</b>	<b>(7.22)</b>	
<b>Ending Balance</b>	<b>\$27.69 M</b>	<b>\$26.81 M</b>	<b>\$19.59 M</b>	
<b>*Total Reserve</b>	<b>22.80%</b>	<b>21.73%</b>	<b>15.41%</b>	

\* Total Reserve = Ending Balance divided by Unrestricted Expenditures

# FSD Unrestricted Multi-Year Projections 2020-21 to 2023-24

<b>Adopted Budget</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
Beginning Balance	\$30.88	\$28.41	\$28.28	\$27.71
Revenue	117.89	123.84	120.73	122.35
Expenditures	120.36	123.97	121.30	126.98
Net Income/(Loss)	<b>(2.47)</b>	<b>(0.13)</b>	<b>(0.57)</b>	<b>(4.63)</b>
<b>Ending Balance</b>	<b>\$28.41</b>	<b>\$28.28</b>	<b>\$27.71</b>	<b>\$23.087</b>
<b>*Total Reserve</b>	<b>23.60%</b>	<b>22.81%</b>	<b>22.84%</b>	<b>18.18%</b>

\* Total Reserve = Ending Balance divided by Unrestricted Expenditures

# Nest Steps - Legal Requirements

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- Board action is required for Budget Adoption in accordance with Education Code 42127
- Board members must authorize an operating budget by June 30<sup>th</sup> of each year
- 45 days after the Governor signs Budget, the District shall make available for public review any significant revisions in revenues and expenditures that it has made to its budget to reflect the funding made available by the Budget Act (E.C. 42127[i][4])



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# Questions?

