

BUDGET REPORT



BOARD OF TRUSTEES
STUDY SESSION

DECEMBER 7, 2021

FIRST INTERIM

SUMMARY OF CHANGES IN ENACTED BUDGET



CHANGES IN STATE BUDGETS:

May Revision	Enacted Budget
<ul style="list-style-type: none">■ Adult Education Block Grant COLA = 1.7%■ Unemployment Insurance = 1.23%■ Cash flow and Deferrals = \$2.6B	<ul style="list-style-type: none">■ Adult Education Block Grant COLA = 4.05%■ Unemployment Insurance = 0.5%■ Cash flow and Deferrals = \$0■ Shifting 1-time AB 86 Funding from State Funding Sources to Federal Funding Sources■ Adding more 1-time Funding

SOURCES OF FUNDS ADDED AT MAY REVISION:

- ESSER II = \$651,143
- ESSER III = \$1,491,385
- AB86 In-Person Instruction (IPI) = \$3,504,668
Penalty for not resuming in-person instruction by April 1
- AB86 Expanded Learning Opportunity (ELO) = \$6,656,753
- AB86 Expanded Learning Opportunity (ELO) = \$738,195
Restricted to Paraprofessionals
- Total One-Time Funding = \$13,042,144



SOURCES OF FUNDS ADDED AT ENACTED STATE BUDGETS:

- Educator Effectiveness = \$2,138,755
- A-G Grant = \$1,641,025*
- Kitchen Infrastructure = Minimum \$25,000*
- Special Education Prevention and Dispute Resolution = \$104,234
- Special Education Learning Recovery Support = \$586,316

* Not included at 1st Interim Budget



SUMMARY OF CHANGES SINCE ADOPTION

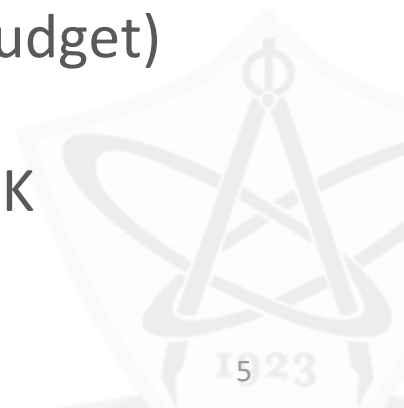


Revenue:

- Property Tax Growth: 4.82% = increase of 2.05%
- On-going Special Ed. Based Rate = Increase of \$90 per ADA (from \$625 to \$715 per ADA)
- One-Time State Funding = Increase of \$2.1M
- ASB (New Budget Line Item) = \$2.5M

Expenditures:

- Certificated Salary = Decrease of \$1.3M
- UI rate = 0.5% (decrease of 0.73 %)
- CSEA & FMA Health insurance cap increased to \$995.43
- Books and Supplies = Increase \$1.98M (carryover Budget)
- Contribution to Restricted = Decrease \$535K
- Contribution to Food Service Fund = Decrease \$907K
- ASB (New Budget Line Item) = \$2.5M

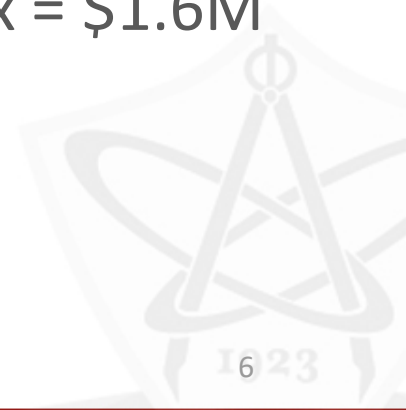


GENERAL FUND REVENUE ASSUMPTIONS

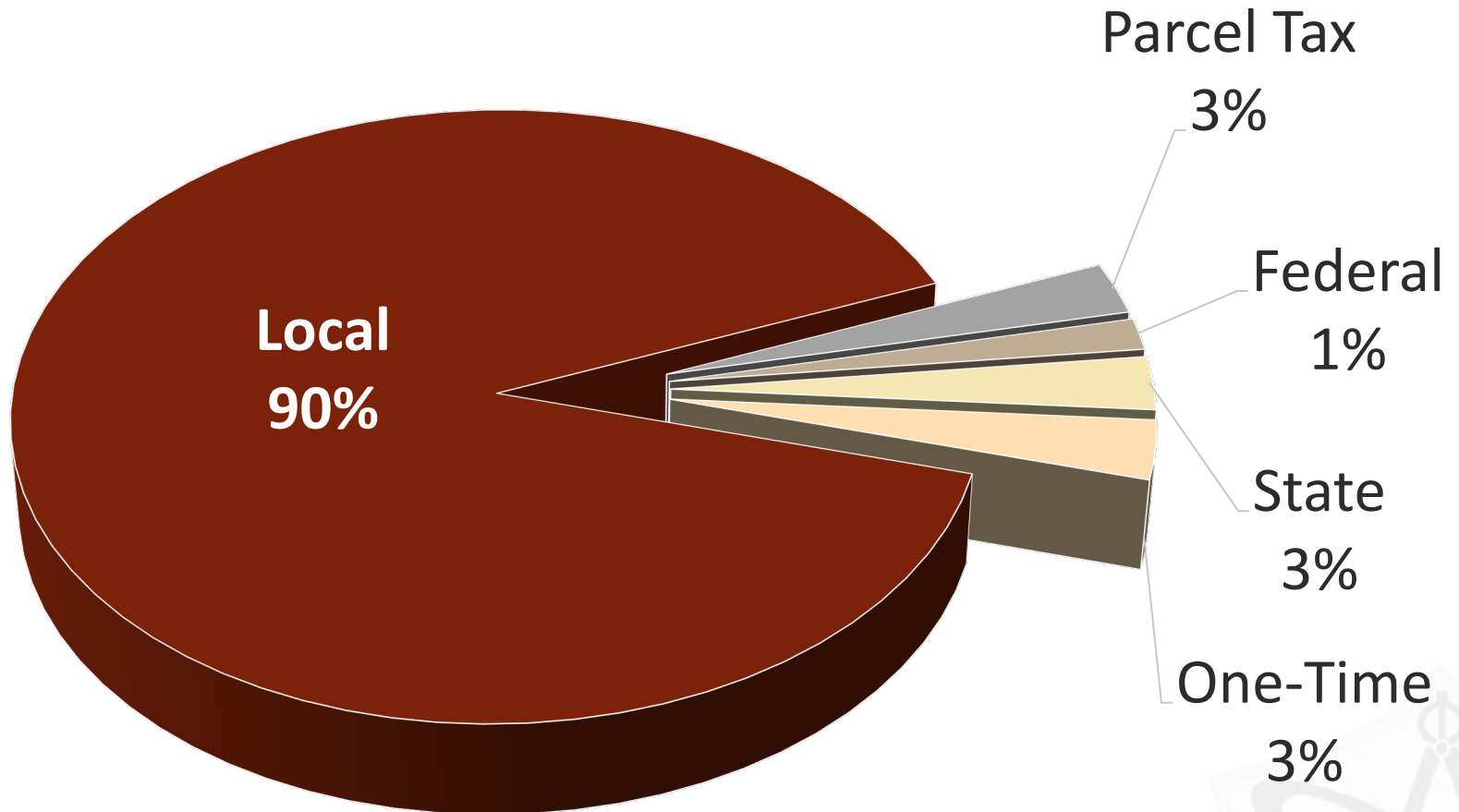


ASSUMPTIONS FOR FIRST INTERIM:

- Local Property Tax Growth = 4.82%
- Guaranteed State Aid = \$1.45M
- Mandated Block Grant Ongoing = \$661K
- Prop. 55 = \$2.15M
- Lottery Unrestricted = \$1.79M
- One-Time Revenue = \$5.9M
- Due to Charter Schools in Lieu of Property Tax = \$1.6M



GENERAL FUND REVENUE



LOCAL PROPERTY TAXES



ADOPTED TO FIRST INTERIM

Description	2021-22 Adopted	2021-22 1 st Interim	Change
Secured	147,708,540	151,133,000	3,424,460
Unsecured	8,957,885	8,110,000	-847,885
RDA	2,642,151	3,595,706	953,555
Total	159,308,576	162,838,706	3,530,130

LOCAL PROPERTY TAXES



3-YEAR SUMMARY: 19-20 TO 21-22

Description	2019-20 Actual	2020-21 Actual	2021-22 1 st Interim
Secured	133,657,563	143,665,335	151,133,000
Unsecured	8,507,355	8,957,885	8,110,000
RDA	2,849,758	2,720,436	3,595,706
Total	145,014,676	155,343,656	162,838,706
Growth	6.15%	7.12%	4.82%

ASSUMPTIONS FOR FIRST INTERIM:

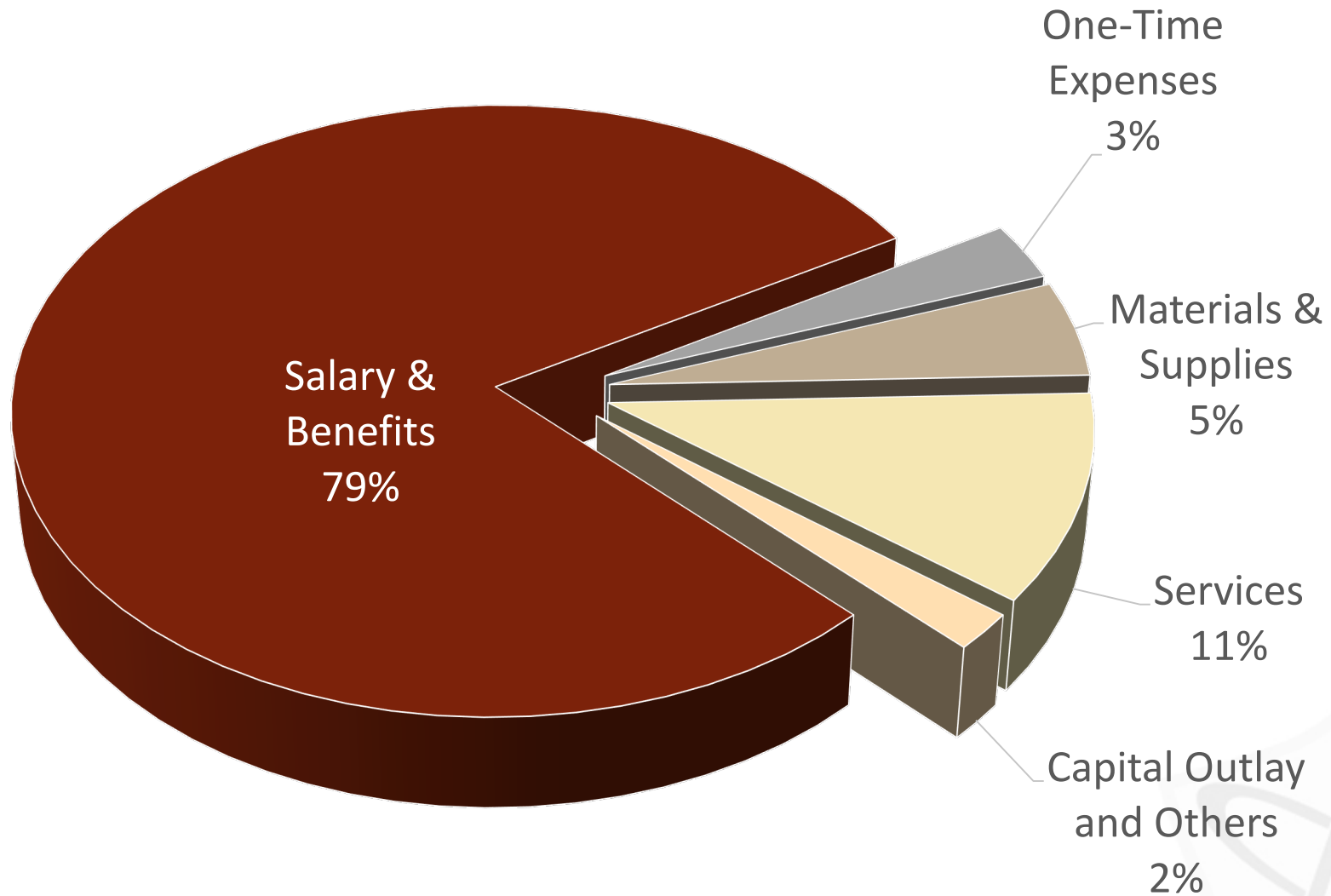
- No Salary changes for CSEA, FEA and FMA
- Step and Col. = 1.5% for all three groups
- CSEA and FMA Health insurance cap increased from \$900.00 to \$995.43
- FEA Health insurance increased 6%
- Teaching FTE decrease of 17 FTE
- Statutory Benefits: Certificated 20.61%, Classified Classic 40.31%, Classified PEPRA 32.82%
- Unemployment Insurance increased from 0.05% to 0.5%
- Coaching stipends increased \$50K
- Increases in substitutes, utilities, bus passes and transportation due to students returning to in-person instruction

STATUTORY BENEFIT RATES (%)

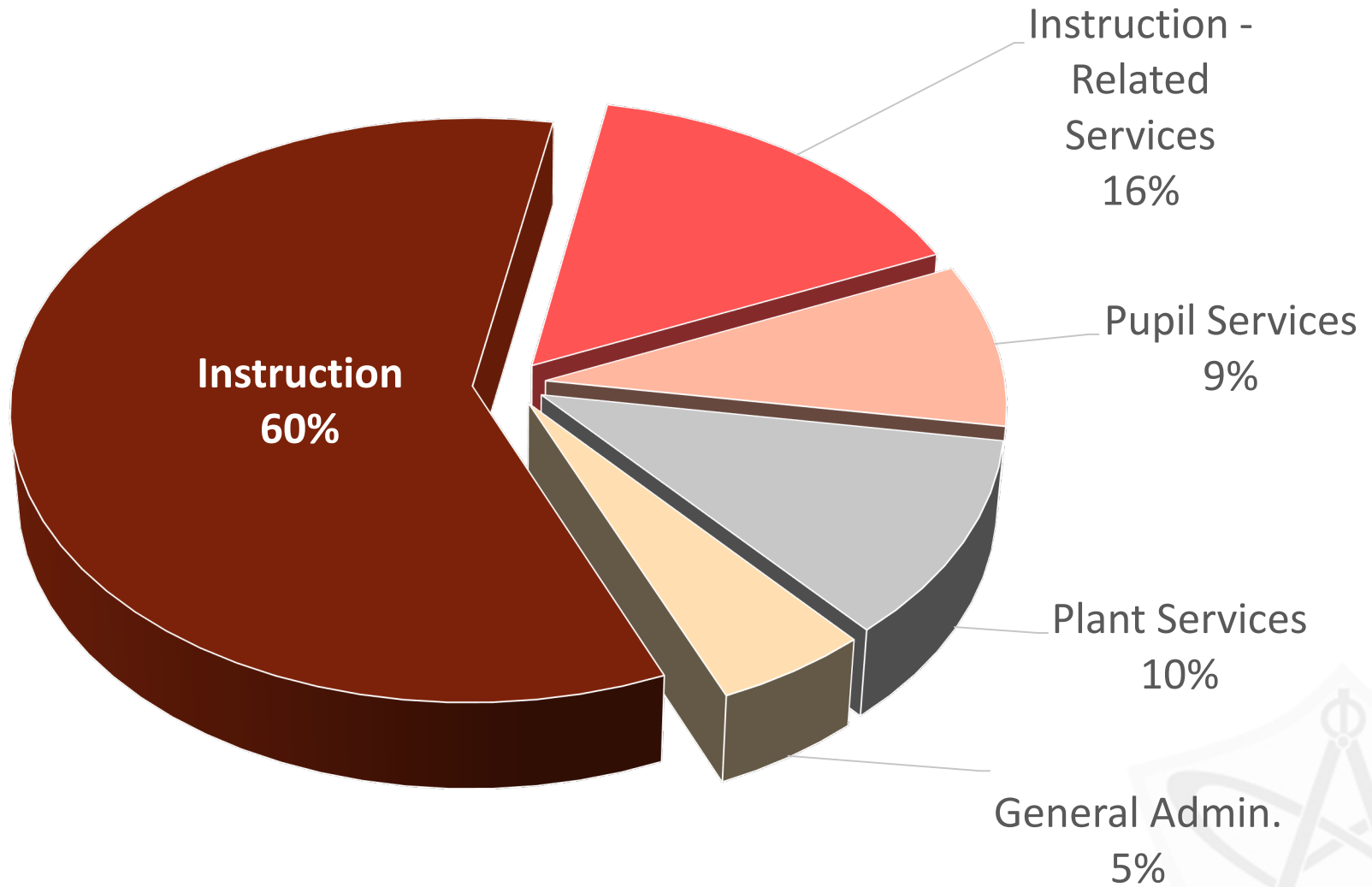


Benefit	Cert.	Classic	PEPRA
STRS – Employer	16.92		
Unemployment Ins.	0.50	0.50	0.50
Workers Comp.	1.40	1.40	1.40
Medicare Ins.	1.45	1.45	1.45
Income Protection	0.34	0.36	0.36
OASDI – Disability		6.20	6.20
PERS – Employer		22.91	22.91
PERS – Employee		7.49	
Total Statutory	20.61%	40.31%	32.82%

GENERAL FUND EXPENDITURE



GENERAL FUND EXPENDITURES BY FUNCTION



ENROLLMENT CHANGES SINCE ADOPTION



PROJECTED AND ACTUAL ENROLLMENT 2021-22

SCHOOL	PROJECTED	ACTUAL	CHANGE
FREMONT	2,166	2,174	8
HOMESTEAD	2,289	2,319	30
MONTA VISTA	1,913	1,829	-84
CUPERTINO	2,104	2,098	-6
LYNBROOK	1,815	1,757	-58
COMM. DAY	7	6	-1
DISTRICT	10,294	10,183	-111

ENROLLMENT HISTORY



3-YEAR SUMMARY: 19-20 TO 21-22

SCHOOL	19-20	20-21	21-22
FREMONT	2,158	2,207	2,174
HOMESTEAD	2,422	2,365	2,319
MONTA VISTA	2,178	2,021	1,829
CUPERTINO	2,255	2,175	2,098
LYNBROOK	1,922	1,920	1,757
COMM. DAY	15	7	6
DISTRICT	10,950	10,695	10,183
CHANGE	-43	-255	-512

UTILITIES EXPENDITURES



3-YEAR SUMMARY: 19-20 TO 21-22

Description	2019-20 Actual	2020-21 Actual	2021-22 1 st Interim
Electricity	1,621,688	1,175,789	1,946,025
Gas	729,436	676,941	831,557
Water/Sewage	658,427	619,493	662,714
All Other*	364,284	270,744	425,251
Total	3,373,835	2,742,967	3,865,547

*All Other includes Waste Disposal and Security

SPECIAL EDUCATION CONTRIBUTION



ADOPTED TO FIRST INTERIM

Description	2021-22 Adopted*	2021-22 1 st Interim	Change
Federal Rev.	2,494,113	2,458,561	-35,552
Local/State Rev.	4,952,306	5,624,269	671,963
State 1-Time		690,550	690,550
Total Revenue	7,446,419	8,773,380	1,326,961
Salaries	20,720,784	20,757,267	36,483
Benefits	9,037,378	8,852,238	-185,140
All Other	10,733,379	11,198,457	465,078
Reserve for 1-Time	0	393,794	393,794
Total Exp. & Reserve	40,491,541	41,201,756	710,215
GF Contribution	32,976,377	32,359,630	-616,747
Prop 55 Contribution	68,746	68,746	0

*Excludes AB86 Expenditures

SPECIAL EDUCATION CONTRIBUTION



3-Year Summary: 19-20 to 21-22

Description	2019-20 Actual	2020-21 Actual	2021-22 1 st Interim
Federal Rev.	2,492,899	2,248,122	2,458,561
Local/State Rev.	4,666,853	5,031,336	5,624,269
State 1-Time			690,550
Total Revenue	7,159,752	7,279,458	8,773,380
Salaries	19,127,351	20,159,820	20,757,267
Benefits	8,049,701	8,400,711	8,852,238
All Other*	9,496,456	8,293,474	11,198,457
Reserve for 1-Time			393,794
Total Exp. & Reserve	36,673,508	36,854,005	41,201,756
GF Contribution	29,418,606	29,497,267	32,359,630
Prop 55 Contribution	95,150	77,280	68,746

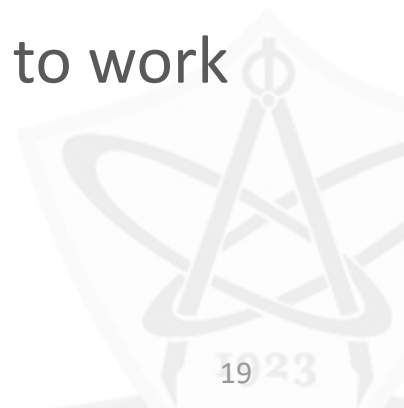
*Includes Special Ed Transportation and Non Public School

Revenue

- Federal funding = No change
- State funding = Increased by COLA of 4.07%
- Local = Increased \$90K from prior year

Expenditures

- Salaries increased \$260K from prior year
- CSEA/FMA = 1.5% step/column increase
- Increase technology support for students
- Professional development for staff returning to work



ADULT EDUCATION (FUND 11)



Adopted to First Interim

Description	2021-22 Adopted	2021-22 1 st Interim	Change
Other State Revenue	3,054,627	3,131,372	76,745
STRS/PERS on-Behalf	151,662	142,536	-9,126
Other Local (Fees)	727,500	659,000	-68,500
Federal/Grants	441,975	449,757	7,782
Total Revenue	4,375,764	4,382,665	6,901
Salaries	2,907,924	2,819,758	-88,166
Benefits	1,008,507	855,748	-152,759
STRS/PERS on-Behalf	151,662	142,536	-9,126
All Other Expenses	557,525	661,581	104,056
Total Expenses	4,625,618	4,479,623	-145,995

ADULT EDUCATION (FUND 11)



3-Year Summary: 19-20 to 21-22

Description	2019-20 Actual	2020-21 Actual	2021-22 1st Int
Beginning Balance	1,354,009	1,161,540	1,310,005
Other State Revenue	3,057,359	3,009,800	3,131,372
STRS/PERS on-Behalf	136,444	111,203	142,536
Other Local (Fee Based)	777,927	568,945	659,000
Federal Revenue	357,497	517,080	449,757
Total Revenue	4,329,227	4,207,028	4,382,665
Salaries	2,871,805	2,559,084	2,819,758
Benefits	947,172	847,409	855,748
STRS/PERS on-Behalf	136,444	111,203	142,536
All Other Expenses	566,275	540,867	661,581
Total Expenses	4,521,696	4,058,563	4,479,623
Ending Balance	1,161,540	1,310,005	1,213,047



REVENUE CHANGES

- Nationwide waiver to allow school districts to offer free breakfast and lunch meals in 2021-22
- Student meal participation increased by 300% leading to historically high reimbursements
- Nearly 100% of revenue coming from federal and state funds
- Small amount of revenue coming from staff meals, student second meals and a la carte sales



EXPENDITURES CHANGES

- Step and Col. increased by 1.5%
- CSEA and FMA Health insurance cap increase
- Significant increase in food costs
 - Increased production
 - Supply chain issues
 - Inflation
- Increases in labor
 - Added 5 short term employees (1 per site)
 - Implementation of student worker program
- Equipment purchases for increased production and new serving areas

FOOD SERVICES (FUND 13)



ADOPTED TO FIRST INTERIM

Description	2021-22 Adoption	2021-22 1st Interim	Change
Federal Revenue	1,549,987	3,677,519	2,127,532
State Revenue	135,935	322,481	186,546
Local Revenue	108,582	139,632	31,050
Total Revenue	1,794,504	4,139,632	2,345,128
Salaries	1,716,055	1,903,300	187,245
Benefits	884,582	886,475	1,893
All Other	1,325,544	2,564,022	1,238,478
Total Expenses	3,926,181	5,353,797	1,427,616
GF Contribution	1,957,230	1,050,111	-907,119

FOOD SERVICES (FUND 13)



3-YEAR SUMMARY: 19-20 TO 21-22

Description	2019-20 Actual	2020-21 Actual	2021-22 1st Interim
Federal Revenue	885,758	1,737,279	3,677,519
State Revenue	71,808	325,768	322,481
Local Revenue	1,225,099	32,239	139,632
Total Revenue	2,182,665	2,095,286	4,139,632
Salaries	1,651,239	1,711,041	1,903,300
Benefits	725,203	757,271	886,475
All Other	1,081,775	690,337	2,564,022
Total Expenses	3,458,217	3,158,649	5,353,797
GF Contribution	1,298,343	1,212,349	1,050,111

MULTI-YEAR



2021-2022

TO

2023-2024

PROJECTIONS

COVID ONE-TIME FUNDING



Due to the pandemic, the district has received various sources of one-time funding.

These funds are restricted funds, but there is flexibility in how we use them.



SOURCES OF FUNDS ADDED AT MAY REVISION:

- ESSER II = \$651,143
- ESSER III = \$1,491,385
- AB86 In-Person Instruction (IPI) = \$3,504,668
Penalty for not resuming in-person instruction by April 1
- AB86 Expanded Learning Opportunity (ELO) = \$6,656,753
- AB86 Expanded Learning Opportunity (ELO) = \$738,195
Restricted to Paraprofessionals
- Total One-Time Funding = \$13,042,144



COVID ONE-TIME FUNDING USAGE



USAGE OF FUNDS:

- Expand Paraprofessional services
- Extending instructional learning time beyond requirements
- Accelerating progress to close learning gaps
- Integrated pupil supports, such as the provision of mental health services, access to school meal programs, before and after school programs, and programs to address trauma
- Community learning hubs to provide pupils with access to technology, high-speed internet and other supports
- Supports for credit-deficient pupils to complete graduation requirements and to improve pupils' college eligibility

COVID ONE-TIME FUNDING USAGE



- Academic services for pupils, such as diagnostic progress monitoring and benchmark assessments of pupil learning
- Training for school staff on strategies including trauma-informed practices, engaging pupils & families in social-emotional health & academic needs
- COVID-19 testing
- Cleaning & disinfecting
- Personal protective equipment
- Ventilation & other school upgrades for health/safety
- Social & mental health services provided with in-person instruction

COVID ONE-TIME FUNDING - MULTI YEAR BUDGET



EDUCATIONAL SERV. & TECHNOLOGY	2020-21	2021-22	2022-23
Care Solace		13,839	13,839
Chromebooks	5,944	750,000	750,000
Hot Spots & Comcast Internet Essentials		100,000	100,000
MinuteTraq Software		12,000	12,000
Special Ed - Increase ACT Classrooms		270,000	
Special Ed - Non Public Schools (NPS)		400,000	400,000
Tech Supplies (Headphones, Doc Cameras, Speakers, Video Cams)	1,168	25,000	25,000
Test Security Software		50,000	50,000
Translations		10,000	10,000
Zoom License		32,000	70,000
Kami Software		30,000	

COVID ONE-TIME FUNDING - MULTI YEAR BUDGET



EDUCATIONAL SERV. & TECH. CONT'D	2020-21	2021-22	2022-23
7 hour EL Paraprofessionals		55,000	
Extra time for Special Ed Paraprofessionals		20,000	20,000
Training for school staff on accelerated learning strategies		5,000	
.6 School-Based Therapist Curr. Lead (.6)		135,000	135,000
Specialized Academic Instruction 8th block over 3 sessions		30,000	30,000
Customization of Student Data Analytics System (Hoonuit)		120,723	
Training on strategies for executive functioning & trauma informed practices		5,000	
Program Supplies		30,000	10,000

COVID ONE-TIME FUNDING - MULTI YEAR BUDGET



PERSONNEL	2020-21	2021-22	2022-23
Appreciation/Support Bonus Classified	58,328		
Learning Loss Administrative Support			140,000
Remote Learning Program		270,000	40,000
Extra Support for Social Distancing	10,000		
Return to school timesheets for teachers	131,818		
Staff hourly pay related to expanded learning opportunities		10,000	
Schoology Implementation Leads		544,000	571,200
Schoology Training		50,000	50,000
Surveillance Testing	154,265	600,000	
Extra Support for Contact Tracing		300,000	

COVID ONE-TIME FUNDING - MULTI YEAR BUDGET



SAFETY / SANITATION / OTHER	2020-21	2021-22	2022-23
Additional PPE Supplies & Equipment		25,000	
Cafeteria Service		105,000	
Fire Extinguisher Expenses (Cafeteria)		6,591	
Cleaning and Sanitizing Equipment & Supplies for Custodial Use		25,000	
Cleaning and Sanitizing Supplies for Students & Staff		25,000	
ESSER II Fund Backfill Unemployment Insurance Increase in 2021-22		620,136	
Legal Expenses - COVID related		10,000	
Indirect Cost			457,350

COVID ONE-TIME FUNDING - MULTI YEAR BUDGET



FACILITIES / MAINT / OPERATIONS	2020-21	2021-22	2022-23
Air Quality Testing/Repairs		300,000	200,000
HVAC - CDE Preapproval required	2,500,000	1,600,000	650,000
Merv Filters		50,000	25,000

TOTALS FOR MULTI-YEAR	2020-21	2021-22	2022-23
ANNUAL TOTALS	2,861,524	6,634,290	3,759,389
3-YEAR TOTAL			13,255,203

MULTI-YEAR REVENUE ASSUMPTIONS



- Local Property Taxes
 - 21-22 = 4.82% growth
 - 22-23 & 23-24 = 2.0% growth
- Parcel Tax = \$5.2M annual
- Guaranteed State Aid = \$1.45M annual
- Mandated Block Grant = \$661K annual
- Prop. 55 = \$2.15M annual
- Lottery Unrestricted = \$1.79M annual
- Due to Charter Schools = \$1.6M annual



MULTI-YEAR EXPENDITURE ASSUMPTIONS



Salary Schedules = no change for all groups

Step & Column = 1.5% per year for all groups

Staffing Changes for FEA

- 2021-22 = decrease 17 FTE
- 2022-23 = decrease 16 FTE
- 2023-24 = decrease 18 FTE

Health & Welfare

- FEA = increase 6% annual
- CAP = \$995.43 monthly for CSEA and FMA

Unemployment Insurance

- 2021-22 = 0.5%
- 2022-23 = 0.5%
- 2023-24 = 0.2%



ATTENDING ENROLLMENT PROJECTIONS



3-YEAR PROJECTIONS

SCHOOL	21-22	22-23	23-24
FREMONT	2,174	2,145	2,059
HOMESTEAD	2,319	2,227	2,067
MONTA VISTA	1,829	1,751	1,636
CUPERTINO	2,098	1,950	1,758
LYNBROOK	1,757	1,707	1,697
COMM. DAY	6	7	8
DISTRICT	10,183	9,787	9,225
CHANGE	-512	-396	-562

CalSTRS CONTRIBUTION RATES



Year	Employer %	Employee PEPRA %	Employee Classic %
2020-21	16.150	10.205	10.25
2021-22	16.920	10.205	10.25
2022-23	19.100	10.205	10.25
2023-24	19.100	10.205	10.25
2024-25	19.100	10.205	10.25

CalPERS CONTRIBUTION RATES



Year	Employer %	Employee PEPRA %	Employee Classic %
2020-21	20.700	7.0	7.0
2021-22	22.910	7.0	7.0
2022-23	26.100	7.0	7.0
2023-24	27.100	7.0	7.0
2024-25	27.700	7.0	7.0

MULTI-YEAR REVENUE



Unrestricted GF	2021-22	2022-23	2023-24
LCFF Revenue*	162.91	166.17	169.49
State Revenue**	2.45	2.45	2.45
Parcel Tax	5.2	5.2	5.2
Other Local***	1.04	1.04	1.04
Other Fin. Sources	0	0	0
Contribution	-36.43	-38.25	-40.16
Total	135.17	136.61	138.02

* Included: Property Taxes, EPA, GSA

** Included: MCB, Lottery

*** Included: Interest, Fees, Leases

MULTI-YEAR EXPENDITURES



Unrestricted GF	2021-22	2022-23	2023-24
Salary + Benefits	114.59	117.79	121.17
Supplies & Other	15.71	17.00	18.4
*Other Financing Uses	2.77	2.77	2.77
Total	133.07	137.56	142.34

*Transfer to Self Insurance Fund and Food Services



MULTI-YEAR PROJECTIONS



Unrestricted GF	2021-22	2022-23	2023-24
Beginning Fund Balance	26.57	28.67	27.73
Plus			
Total Revenue & Other Financing Sources	135.17	136.61	138.02
Less			
Total Expenditures & Other Financing Uses	133.07	137.56	142.34
Less			
Reserve for Economic Uncertainties	19.51	20.00	20.54
Less			
Committed/Assigned	2.90	1.46	0.26
Net Shortfall/Surplus	6.26	6.26	2.61

KEY BUDGET DEADLINES 2021-22



BUDGET ITEM	DATE
Budget/LCAP Public Hearing	June 15, 2021
Adopted Budget Approval	June 22, 2021
First Interim	December 7, 2021
Calculation of RSP	February of 2022
Enrollment Projections	February of 2022
Second Interim	March 15, 2022
Site Budget Allocations	May of 2022
Unaudited Actuals	September 15, 2022
Final Audit Report	December 15, 2022

Certification:

Positive Certification

The District ***will*** meet its financial obligations for the current year, and the two subsequent fiscal years.

