

45-Day Revision Budget 2021-2022



August 12, 2021

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2021-2022 Budget Calendar

Budgeting for a school district is a continuous, year-round process. Projections continually change based on new and changing information

- June 30, 2021 Adopt 2021-22 Budget
- August 12, 2021 Provide update on 45-Day Budget Revisions
- September 15, 2021 Unaudited Actuals for 2020-21
- December 15, 2021 1st Interim Budget (Data as of October 31)
- March 15, 2022 2nd Interim Budget (Data as of January 31)
- June 30, 2022 Adopt 2022-23 Budget

Other than the presentation of the unaudited actual financial information all other budget presentations are a combination of actuals and projections for the current and upcoming year.



A BUDGET ...

... is a plan of financial operations consisting of estimates of revenues and expenditures based upon the most reasonable assumptions and recent information at the time of preparation

... is a management tool for fiscal, program, and personnel accountabilities

... is the fiscal foundation of the Westminster School District Local Control Accountability Plan (LCAP)

May Revision Budget Proposal vs Enacted Budget

- **Multiple Cost of Living Adjustment (COLA)**
 - Proposed MEGA COLA of 5.07%(Compounded) made up of:
 - 1.70% 2021-22 Statutory COLA
 - 2.31% 2020-21 COLA not funded
 - Additional 1% for the Local Control Funding Formula (LCFF)
 - Special Education COLA of 4.05 (1.70% + 2.31% adjusted for compounding)
 - Programs funded at 1.70% COLA
 - Child Nutrition
 - State Preschool
 - Mandate Block Grant
- All of the above stayed the same with the Enacted Budget



May Revision Budget Proposal vs Enacted Budget

The May Revision includes proposed increases in costs for 2021-22

- CalSTRS increase to 16.92% from 16.15% (stayed the same with the Enacted Budget)
- CalPERS increase to 22.91% from 20.70% (stayed the same with the Enacted Budget)
- Increase in State Unemployment Insurance to 1.23% from .05%. (This was changed to 0.5% instead of 1.23%)



Enacted State Budget

- On June 28, 2021, Governor Gavin Newsom signed an on-time budget
- Significant policy changes
 - A new grant within the LCFF concentration grant
 - New LCFF carryover and Local Control and Accountability Plan (LCAP) requirement
 - Significant new requirements for all districts to offer Independent Study



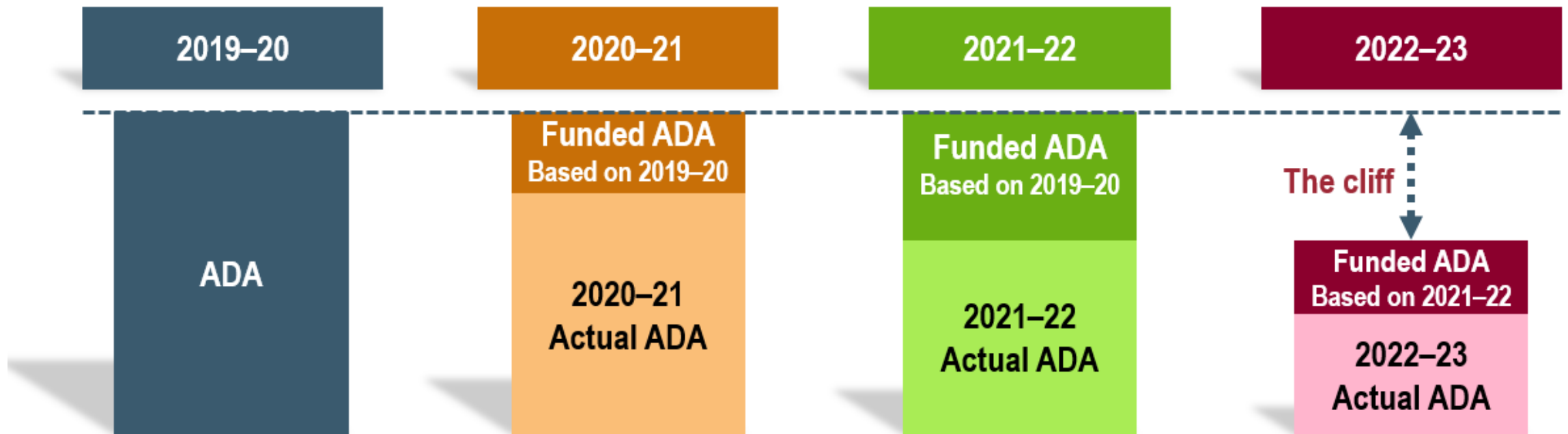
Risks to the Budget

- There are three major risks to the state and, by extension, the education budget
 1. The potential for an overheated economy largely due to runaway inflation caused by:
 - Unrelenting supply chain blockages
 - Worker shortages
 - Nearly unparalleled levels of federal spending
 2. Wall Street reaction to inflationary pressures and future Federal Reserve actions on interest rates
 3. Potential resurgence of COVID-19 due to vaccine resistant variants or under-vaccinated populations



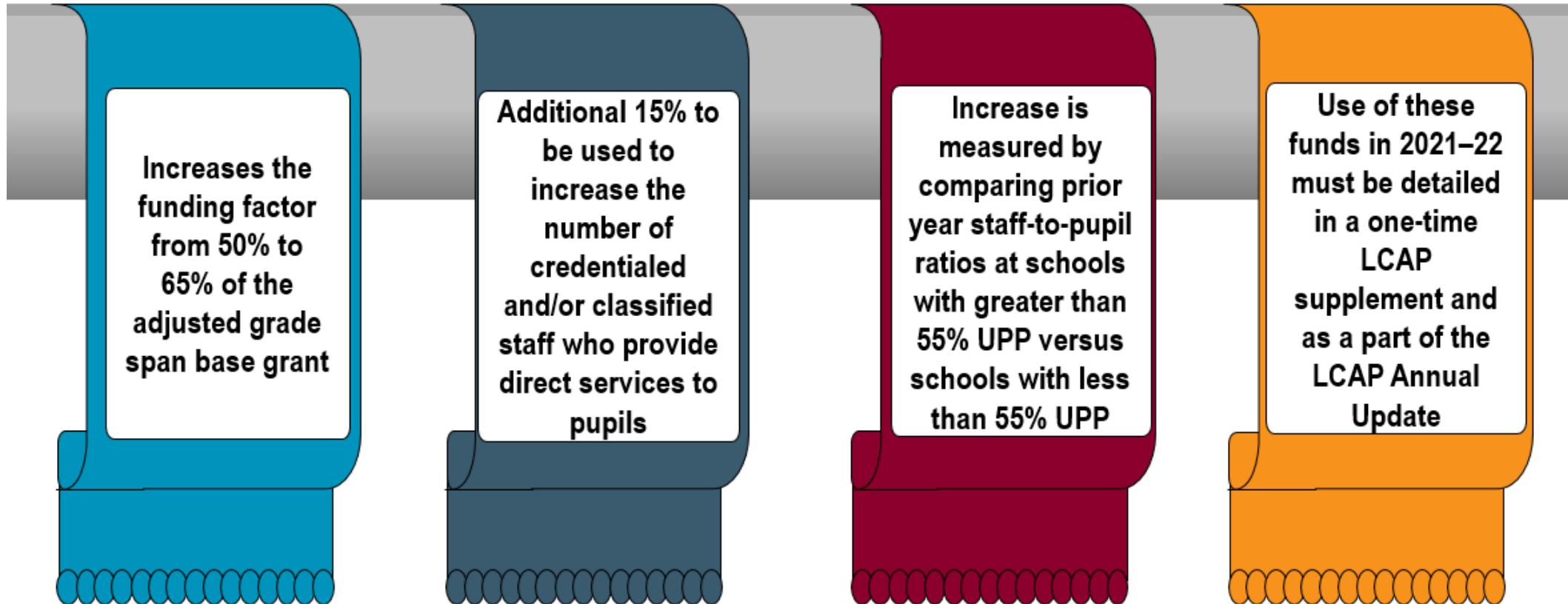
2021–22 ADA and Staffing Impacts

- The 2021–22 school year for many represents a return to normal
- Still looming is the ADA cliff for school district funding in 2022–23
 - Impacts funding for LCFF, Lottery, and Mandate Block Grant



LCFF Concentration Grant Version 2.0

- **Enacted Budget includes \$1.1 billion ongoing to augment the concentration grant component of the LCFF beginning in 2021–22**



LCAP Updates—One-time Supplement

LCAP Supplement

SBE* Adoption

By November 30, 2021, the SBE must adopt a one-time supplemental template to the 2021–22 LCAP Annual Update

LEA Presentation

LEAs are required to present an update on the 2021–22 LCAP Annual Update and Budget Overview for Parents at a regularly scheduled meeting of the LEA governing board on or before February 28, 2022, which includes:

- The one-time supplement
- All available mid-year outcome data related to metrics in the 2021–22 LCAP
- Mid-year expenditure and implementation data on all actions in the 2021–22 LCAP

Supplement Adoption

- Must be submitted to COE or the SSPI, as applicable, for approval
- The supplement will be considered part of the 2022–23 LCAP for purposes of adoption, review, and approval

*State Board of Education

45-Day Revision Budget

Education Code Section 42127(h) specifies that:

Not later than 45 days after the Governor signs the annual Budget Act, the District shall make available for public review any revisions in revenues and expenditures that it has made to its budget to reflect the funding made available by that Budget Act.

The Governor signed the 2021-22 State Budget Act on June 28, 2021.
The 45-day period ends August 12, 2021.

Budget Revisions

- Reduction of State Unemployment Insurance from 1.23% to 0.50%
 - Reduction of approximately \$445,000
- The recognition of ESSER III Funds – total of \$19,476,639
 - Resource 3213 (80%): \$15,581,311
 - Resource 3214 for Learning Loss (20%): \$ 3,895,328
- LCFF Concentration Grant increase to 65% of base grant instead of 50%
 - Increase of approximately \$2.1M

MULTI-YEAR PROJECTIONS - COMBINED

	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>
Revenue	\$148,021,239.00	\$115,329,786.00	\$117,094,609.00
Expenditures	\$160,620,531.00	\$120,119,267.00	\$119,213,370.00
Difference	(\$12,599,292.00)	(\$4,789,481.00)	(\$2,118,761.00)
Beginning Balance	\$46,945,945.00	34,346,653	29,557,172
Ending Balance	\$34,346,653.00	\$29,557,172.00	\$27,438,411.00
<u>Components of Ending Fund Balance</u>			
Board Priority Reserve for Economic Uncertainties at 7%	\$9,978,759.00	\$8,408,349.00	\$8,344,936.00
Revolving Cash	\$100,000.00	\$100,000.00	\$100,000.00
Stores	\$20,000.00	\$20,000.00	\$20,000.00
Restricted Designation	\$2,416,597.00	\$2,416,597.00	
Affordable Care Act/AB1522 Sick Leave	\$387,189.56	\$387,189.56	\$387,189.56
Textbook Adoptions	\$400,000.00	\$400,000.00	\$400,000.00
2021-2022 Estimated Site Carry Over	\$650,000.00		
District Essential Needs	\$1,200,000.00	\$835,000.00	\$835,000.00
Vehicle Replacement	\$120,000.00	\$120,000.00	\$120,000.00
LCFF Concentration for CE & CL positions (required)	\$2,182,726.00	\$2,117,769.00	\$2,242,998.00
Unassigned/Unappropriated Amount	\$16,891,381.44	\$14,752,267.44	\$14,988,287.44



Programs/Funding – awaiting more information

- Expanded Learning Opportunities Program
 - This is different from the Expanded Learning Opportunities Grant previously received
 - To provide access to comprehensive expanded learning for all unduplicated students in elementary schools
 - Estimated to be about \$4M for WSD
- Special Education
 - 2021-22 base rate increase from \$625 to \$715 per ADA for SELPAs
 - Several one-time special education allocations including federal American Rescue Plan Act to supplement existing IDEA funds
- Educator Effectiveness Block Grant
 - One-time funds available for use from 2021/22 through 2025/26 to provide professional learning for teachers, administrators, paraprofessionals who work with students, and classified staff that interact with students
- Universal Transitional Kindergarten beginning in 2022-23

Next Steps

- Unaudited Actuals in September 2021
- First Interim Budget Revision in December 2021
 - Updated student enrollment certification & updated staffing
 - Reconciliation of State Adopted Budget
- Second Interim Budget Revision in March 2022
 - Final Student enrollment certification & updated staffing
 - Assumptions based on Governor's Proposed Budget



THANK YOU

A stylized graphic consisting of two parallel, wavy blue lines that curve upwards and then downwards, resembling a wave or a flourish. The lines are positioned below the text 'THANK YOU'.