

First Interim Budget 2021-2022



December 10, 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)

Assumptions

- **Multiple Cost of Living Adjustment (COLA)**

- MEGA COLA of 5.07%(Compounded) for 2021-22 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)

COLA: 2021-22: 5.07% 2022-23: 2.48% 2023-24: 3.11%

- Special Education COLA of 4.05 (1.70% + 2.31% adjusted for compounding)

- **CalSTRS Employer Rate**

2021-22: 16.92% 2022-23: 19.10% 2023-24: 19.10%

- **CalPERS Employer Rate**

2021-22: 22.91% 2022-23: 26.10% 2023-24: 27.10%

- **State Unemployment Insurance Rate**

2021-22: 0.50% 2022-23: 0.50% 2023-24: 0.20%



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



Budget Revisions

- Reduction of State Unemployment Insurance from 1.23% to 0.50%
 - Reduction of \$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 \$2.4M



Programs/Funding – not reflected in First Interim

- 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
 - \$3,445,773 for WSD. This will be reflected in Second Interim.
- 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
 - First Interim does include the Dispute Prevention & Dispute Resolution Program (\$147,502) and Learning Recovery Support Program (\$663,760)
- 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
 - \$2,015,259 for WSD. This will be reflected in Second Interim.
- Universal Transitional Kindergarten beginning in 2022-23

MULTI-YEAR PROJECTIONS - COMBINED

	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>
Beginning Fund Balance	\$48,389,325.00	\$35,913,411.00	\$30,139,468.00
Revenues			
LCFF/Revenue Limit Sources	\$98,318,122.00	\$94,142,082.00	\$97,647,746.00
Federal Revenues	\$40,030,375.00	\$7,267,889.00	\$7,267,889.00
State Revenues	\$12,220,381.00	\$8,671,922.00	\$9,194,681.00
Other Local and Financing Sources	\$6,983,035.00	\$6,659,529.00	\$7,000,198.00
Total Revenues	\$157,551,913.00	\$116,741,422.00	\$121,110,514.00
TOTAL Fund Balance & Revenues	\$205,941,238.00	\$152,654,833.00	\$151,249,982.00
Expenditures			
Certificated Salaries	56,764,738	55,813,141	56,455,366
Classified Salaries	18,150,017	18,099,680	18,337,599
Employee Benefits	27,791,093	30,500,327	33,698,423
Books and Supplies	48,026,774	7,559,243	7,854,343
Services and Other Operating Expenditures	14,641,703	11,957,543	11,441,497
Capital Outlay	1,517,722	1,517,722	1,517,722
Other Outgo, Financing Uses, and Other Adjustments	3,135,780	(2,932,291)	(3,336,793)
Total Expenditures	170,027,827	122,515,365	125,968,157
ENDING FUND BALANCE	\$35,913,411.00	\$30,139,468.00	\$25,281,825.00
<u>Components of Ending Fund Balance</u>			
Board Priority Reserve for Economic Uncertainties at 7%	\$11,873,948.00	\$8,576,076.00	\$8,817,771.00
Revolving Cash	\$100,000.00	\$100,000.00	\$100,000.00
Stores	\$20,000.00	\$20,000.00	\$20,000.00
Unassigned/Unappropriated Amount	\$23,919,463.00	\$21,443,392.00	\$16,344,054.00



Certification Definition

- **Positive** = A school district that, based on current projections, **will** be able to meet its financial obligations for the current fiscal year and subsequent two fiscal years.
 - Superintendent is recommending that the Board approve the 2021-2022 First Interim Report with a Positive Certification
- **Qualified** = A school district that, based on current projections, **may not** meet its financial obligations for the current fiscal year and subsequent two fiscal years.
- **Negative** = A school district that, based on current projections, **will be unable** to meet its financial obligations for the current fiscal year and subsequent two fiscal years.



Next Steps

- Governor's Budget Workshop – January 21, 2022
- Second Interim Budget Revision in March 2022
 - Final Student enrollment certification & updated staffing
 - Assumptions based on Governor's Proposed Budget
- Governor's May Revision Workshop – May 2022
- July 1 Budget for 2022-2023 – June 2022



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