

# Gold Oak Union School District

## **Board of Trustees**

Renee Ferguson  
Sheri Cook  
Casey Murdock  
Aaron Pratt  
Jerald Soracco

## **Superintendent/Principal**

Meg Enns

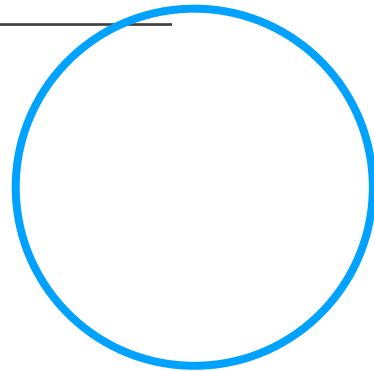
## **Principal**

Shirleen Hernandez

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2022-23 BUDGET REPORT

• JUNE 6<sup>TH</sup>, 2022





# INCLUDED IN PRESENTATION



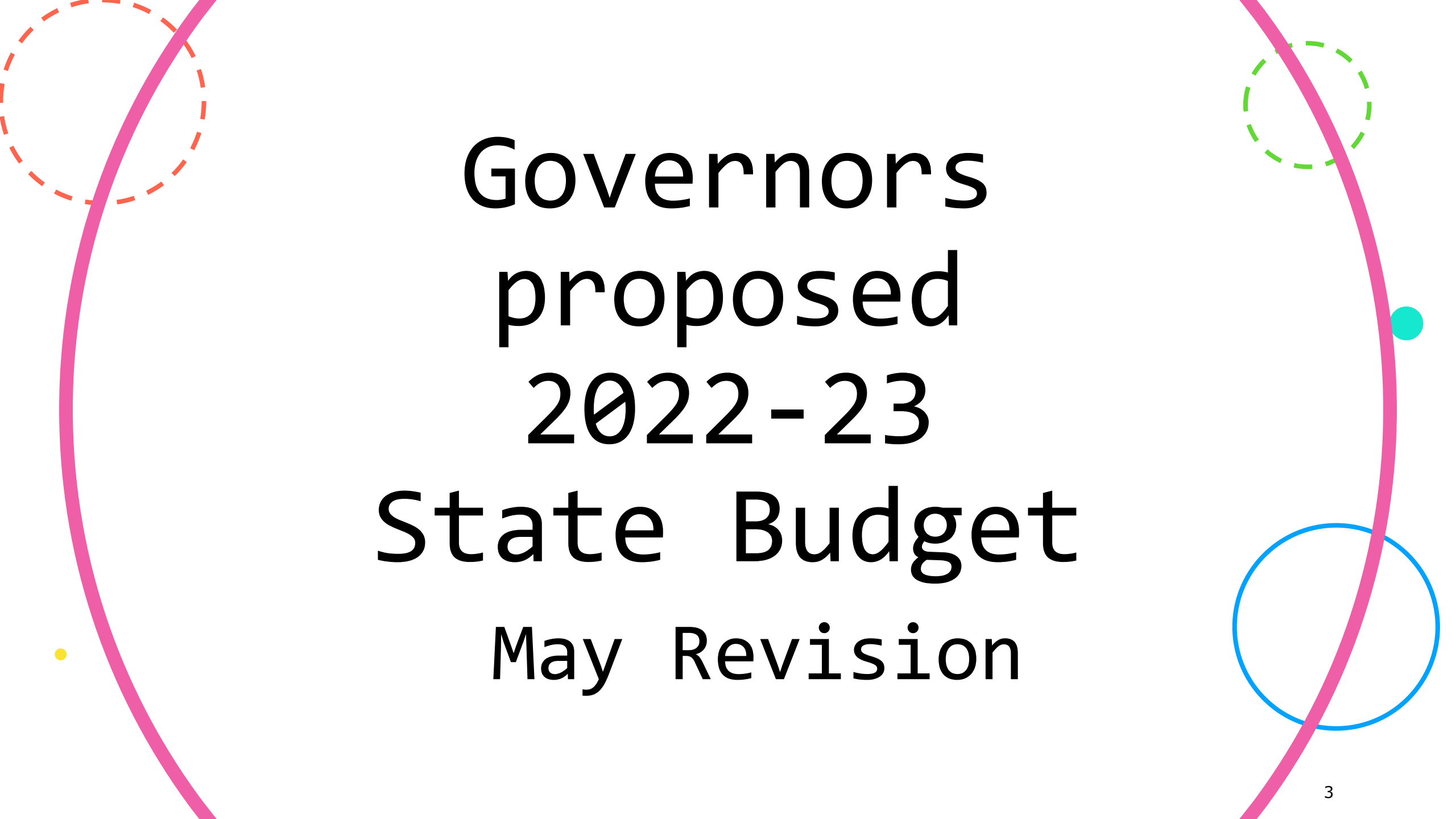
PROPOSED STATE  
BUDGET



IMPACT TO 2022-23  
DISTRICT BUDGET



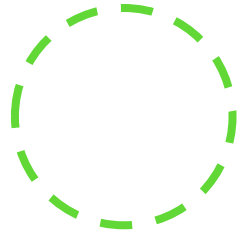
MULTI YEAR  
PROJECTIONS



# Governors proposed 2022-23 State Budget May Revision



# GOVERNORS PROPOSED 2022-23 STATE BUDGET MAY REVISION



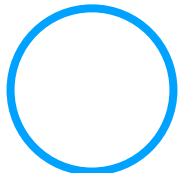
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## Governor's Budget vs. May Revision

Item	Governor's Budget	May Revision
LCFF <sup>1</sup> Funding Increase	\$3.3 billion	\$6.1 billion
Proposition 98 Minimum Guarantee		
2020-21	\$95.9 billion	\$96.1 billion
2021-22	\$99.1 billion	\$110.2 billion
2022-23	\$102.0 billion	\$110.3 billion
2022-23 Statutory COLA <sup>2</sup>	5.33%	6.56%
One-Time Discretionary Funds	\$0	\$8 billion

<sup>1</sup>Local Control Funding Formula (LCFF)

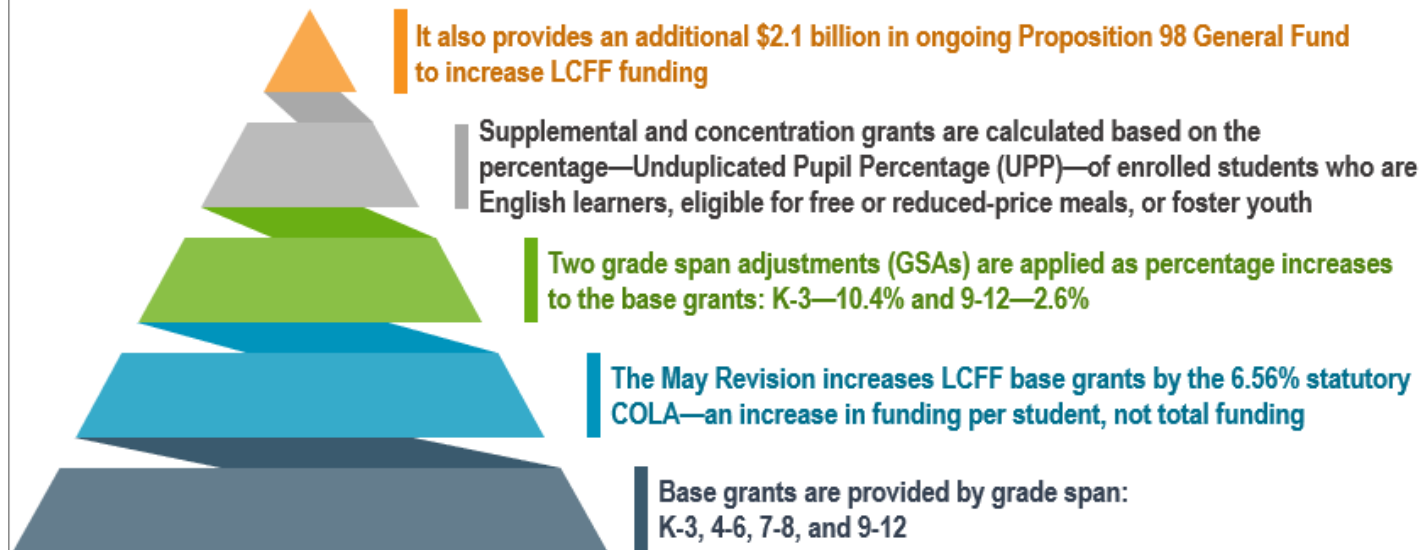
<sup>2</sup>Cost-of-living adjustment (COLA)



# GOVERNORS PROPOSED 2022-23 STATE BUDGET MAY REVISION

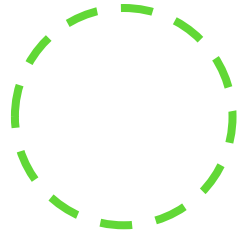
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## 2022-23 LCFF Funding Factors





# GOVERNORS PROPOSED 2022-23 STATE BUDGET MAY REVISION



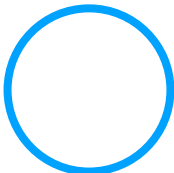
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## SSC Financial Projection Dartboard

- Cost of goods and services are projected to increase more dramatically in the near-term
  - Shortage of goods due to lack of production
  - Increased demand resulting from economy reopening, plus infusion of multiple federal stimulus packages

LCFF Planning Factors Governor’s Budget vs. May Revision						
	2022-23		2023-24		2024-25	
	January	May	January	May	January	May
DOF <sup>1</sup> Estimated COLA	5.33%	6.56%	3.61%	5.38%	3.64%	4.02%

<sup>1</sup>Department of Finance (DOF)



# GOVERNORS PROPOSED 2022-23 STATE BUDGET MAY REVISION

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## 2022-23 LCFF Funding Factors

Grade Span	K-3	4-6	7-8	9-12
2021-22 Base Grant per ADA <sup>1</sup>	\$8,093	\$8,215	\$8,458	\$9,802
6.56% COLA	\$531	\$539	\$555	\$643
Additional LCFF Investment <sup>2</sup>	\$266	\$270	\$278	\$322
2022-23 Base Grant per ADA	\$8,890	\$9,024	\$9,291	\$10,767
GSA	\$925	–	–	\$280
2022-23 Adjusted Base Grant per ADA	\$9,815	\$9,024	\$9,291	\$11,047
20% Supplemental Grant per ADA (Total UPP)	\$1,963	\$1,805	\$1,858	\$2,209
65% Concentration Grant per ADA (UPP Above 55%)	\$6,380	\$5,866	\$6,039	\$7,181

<sup>1</sup>Average daily attendance (ADA)

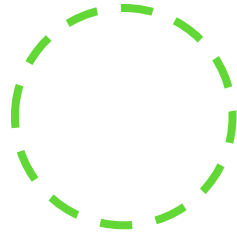
<sup>2</sup>School Services of California (SSC) estimate of the impact the additional \$2.1 billion investment brings to LCFF funding by increasing the base rates

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# GOVERNORS PROPOSED 2022-23 STATE BUDGET MAY REVISION

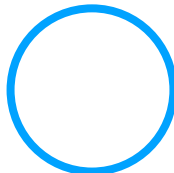


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- In LEAs experiencing declining enrollment, there may be the need to make staffing and operational adjustments, despite having received a COLA

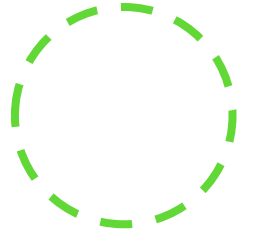
6.56% LCFF COLA Scenarios—Example		
	No Enrollment Change	2.5% <u>Decline</u> <sup>1</sup>
Description	District 1	District 2
Prior-Year Funded ADA	10,000	10,000
Prior-Year \$ per ADA	<u>\$10,000</u>	<u>\$10,000</u>
Prior-Year Total	\$100,000,000	\$100,000,000
Current-Year Funded ADA	10,000	9,750
Current-Year \$ per ADA	\$10,656	\$10,656
Current-Year LCFF Dollars	\$106,560,000	\$103,896,000
Percentage Increase	6.56%	3.89%

<sup>1</sup>Assumed decline after ADA mitigation proposal





# GOVERNORS PROPOSED 2022-23 STATE BUDGET MAY REVISION



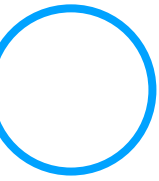
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## ADA Cliff—Proposed Solution

- The Governor has proposed solutions to mitigate both these issues
  - The first solution benefits school districts only
  - This was in the Governor's Budget
- The declining enrollment protection has also been included in the amended version of Assembly Bill (AB) 1948 (Ting, D-San Francisco)

### Declining Enrollment Protection

Funding would be based on the greater of:  
Current-year ADA,  
Prior-year ADA,  
or  
Computed average ADA using the prior three years' ADA



# GOVERNORS PROPOSED 2022-23 STATE BUDGET MAY REVISION

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## Discretionary Block Grant

- Taking a page from his predecessor, Governor Newsom proposes a one-time \$8 billion Discretionary Block Grant for LEAs for the 2022-23 fiscal year

- This equates to approximately \$1,500 per ADA
- The funding would be distributed on a per-ADA basis using 2021-22 Second Principal Apportionment (P-2) reported ADA
- Expenditure of these funds is determined by the local governing board and can be used for any one-time purpose



- Funds will offset LEAs' outstanding mandate reimbursement claims on a dollar-for-dollar basis
- There is intent language that this funding be used to address student learning challenges, protect staff levels, and support the mental health and wellness of students and staff
  - It is important to remember that intent language does not have the force of law

# GOVERNORS PROPOSED 2022-23 STATE BUDGET MAY REVISION

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## Special Education—Largely Unchanged at the May Revision

- \$500 million in Proposition 98 special education funding
- 6.56% COLA
- These investments continue to result in a base rate increase to \$820 per ADA
- Funds will flow through the AB 602 funding formula via Special Education Local Plan Areas
- The Governor's Budget proposed several changes for special education, most of which have not changed at the May Revision:
  - Individual Education Program (IEP) best practices resource lead
  - Model IEP template expert panel
  - Alternate diploma for students with disabilities who demonstrate completion of the state graduation requirements
  - Educationally related mental health funds shift



# GOVERNORS PROPOSED 2022-23 STATE BUDGET MAY REVISION

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## Universal Transitional Kindergarten



2022-23

Offer TK to  
four-year-olds  
whose  
fifth birthday  
occurs between  
September 2  
and February 2;  
inclusive



2023-24

Offer TK to  
four-year-olds  
whose  
fifth birthday  
occurs between  
September 2  
and April 2;  
inclusive



2024-25

Offer TK to  
four-year-olds  
whose  
fifth birthday  
occurs between  
September 2  
and June 2;  
inclusive



2025-26

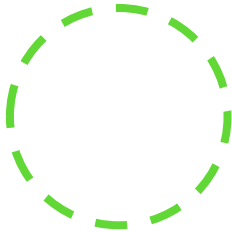
Offer TK to  
four-year-olds  
whose  
fourth birthday  
occurs by  
September 1;  
inclusive

- LEAs may accelerate Universal TK by enrolling four-year-olds whose fifth birthdays occur after the annual age eligibility window
- But law prohibits LEAs from enrolling in TK any child whose fifth birthday occurs after June 30

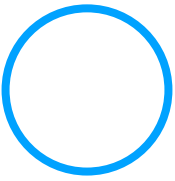
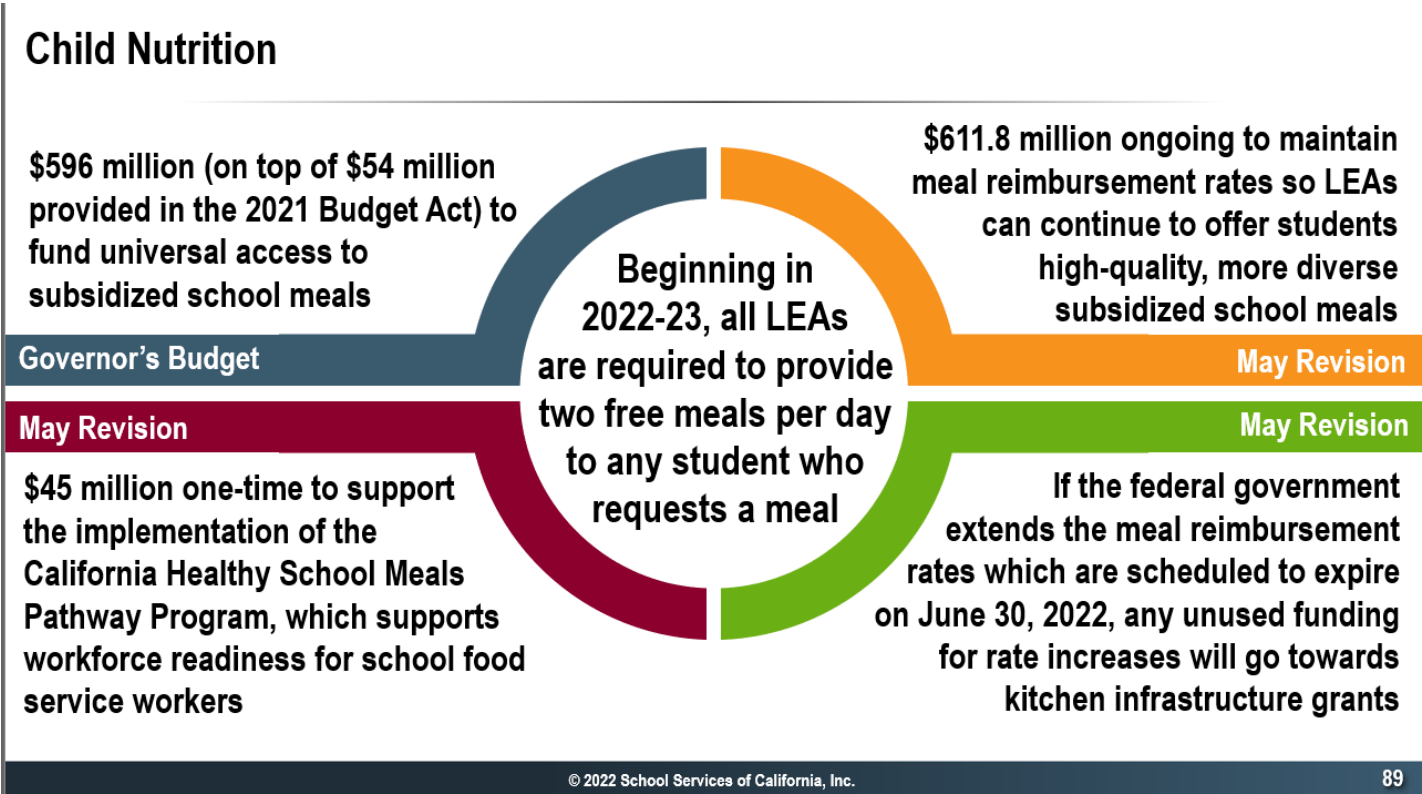


# GOVERNORS PROPOSED 2022-23 STATE BUDGET

## MAY REVISION



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# GOVERNORS PROPOSED 2022-23 STATE BUDGET MAY REVISION

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## Deferred Maintenance

- The May Revision allocates \$1.7 billion in one-time Proposition 98 General Fund dollars to deferred maintenance

### Eligibility

- School districts
- Charter schools operating in school district facilities
- COEs

### Funding

- \$100,000 for each county office
- Remaining funds apportioned to school districts and eligible charter schools on an equal amount per unduplicated pupil enrolled in K-12 in 2021-22
  - Minimum allocation \$100,000

### Uses

- Major repair or replacement of building systems
- Investigation and removal of asbestos- and lead-containing materials
- Painting of school buildings
- Any other significant maintenance items

### Requirements

- Establish a restricted fund known as the “2022-23 deferred maintenance fund”
- Governing board to discuss proposals and plans for the use of the funds at a regularly scheduled public meeting
- Funds must be encumbered or expended by June 30, 2026

# GOVERNORS PROPOSED 2022-23 STATE BUDGET MAY REVISION

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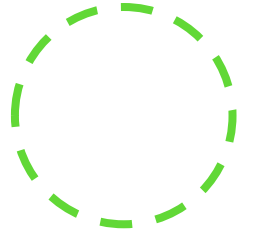
## Expanded Learning Opportunities Program Funding

- The May Revision proposes ongoing funding for the Expanded Learning Opportunities Program (ELO-P) of \$4.8 billion starting in 2022-23
- This will provide \$2,500 per classroom-based ADA in grades transitional kindergarten (TK)-6 multiplied by the UPP at eligible school districts and charter schools
  - Prior-year ADA and UPP are used in this calculation

	Current Law	Governor's Budget Proposal	May Revision Proposal
Total State Funding Level	\$1 billion ongoing plus \$754 million one-time	\$4.4 billion	\$4.8 billion
Per Pupil Amount	UPP ≥ 80%: \$1,170 UPP < 80%: \$672	UPP ≥ 75%: \$2,500 UPP < 75%: \$2,027	UPP ≥ 75%: \$2,500 UPP < 75%: \$2,500



# GOVERNORS PROPOSED 2022-23 STATE BUDGET MAY REVISION



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## 2022-23 Independent Study—Governor's Budget

- The current mandate to offer independent study is proposed to expire at the end of the current school year
- As a reminder, the Governor's Budget included the following proposed changes to independent study programs:



Exclusion of specified independent study ADA from continuation high school, opportunity school, and opportunity program cap



Changes to tiered reengagement triggers and requirements



Amendments to "teacher of record" requirements for synchronous instruction



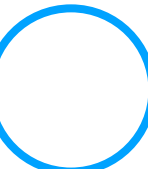
Inclusion of synchronous instruction in instructional time and ADA calculations



Changes to written agreement signature requirements



Striking one of the "educational opportunities" that can be offered through traditional independent study



# GOVERNORS PROPOSED 2022-23 STATE BUDGET MAY REVISION

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## COVID-19 One-Time Funds



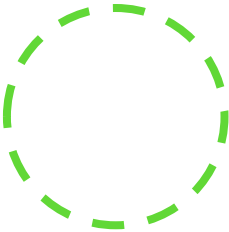
\*Elementary and Secondary School Emergency Relief

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# GOVERNORS PROPOSED 2022-23 STATE BUDGET MAY REVISION



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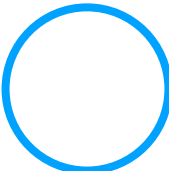
## CalPERS Employer Contribution Rates

- The California Public Employees’ Retirement (CalPERS) Board adopted an employer contribution rate of 25.37% for 2022-23 (up 2.46% from the current-year rate of 22.91%)
- Post-PEPRA<sup>1</sup> members hired on or after January 1, 2013, will see a 1.00% increase to their current contribution of 7.00%, for a total of 8.00% of their salary effective July 1, 2022
  - Classic member contribution rates are not subject to PEPRA and are set by statute—they will continue to contribute 7.00% of their salary

	Actual	Projected				
Employer Contribution Rate	2022-23*	2023-24	2024-25	2025-26	2026-27	2027-28
	25.37%	25.20%	24.60%	23.70%	22.60%	22.60%

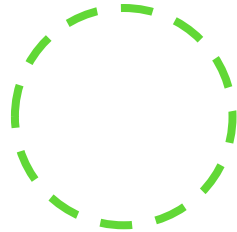
\*2022-23 Employer contribution rate approved by CalPERS Board on April 18, 2022

<sup>1</sup>Public Employees Pension Reform Act (PEPRA)





# GOVERNORS PROPOSED 2022-23 STATE BUDGET MAY REVISION



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## Minimum Wage Increase

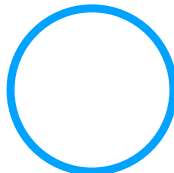
**\$15.50 per hour for all workers  
effective January 1, 2023**



The increase in minimum wage is triggered by increasing costs due to inflation

Because the CPI-W¹ exceeded 7%, the first adjusted increase was accelerated; therefore, employees will be guaranteed the \$15.50 rate even if they work for small employers (<25 employees) (Labor Code Section [§]1182.12[c][3][A-B])

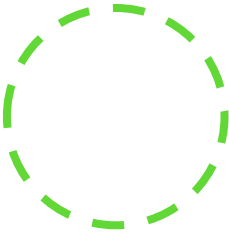
<sup>1</sup>Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W)



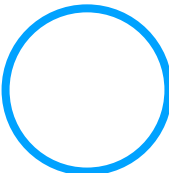
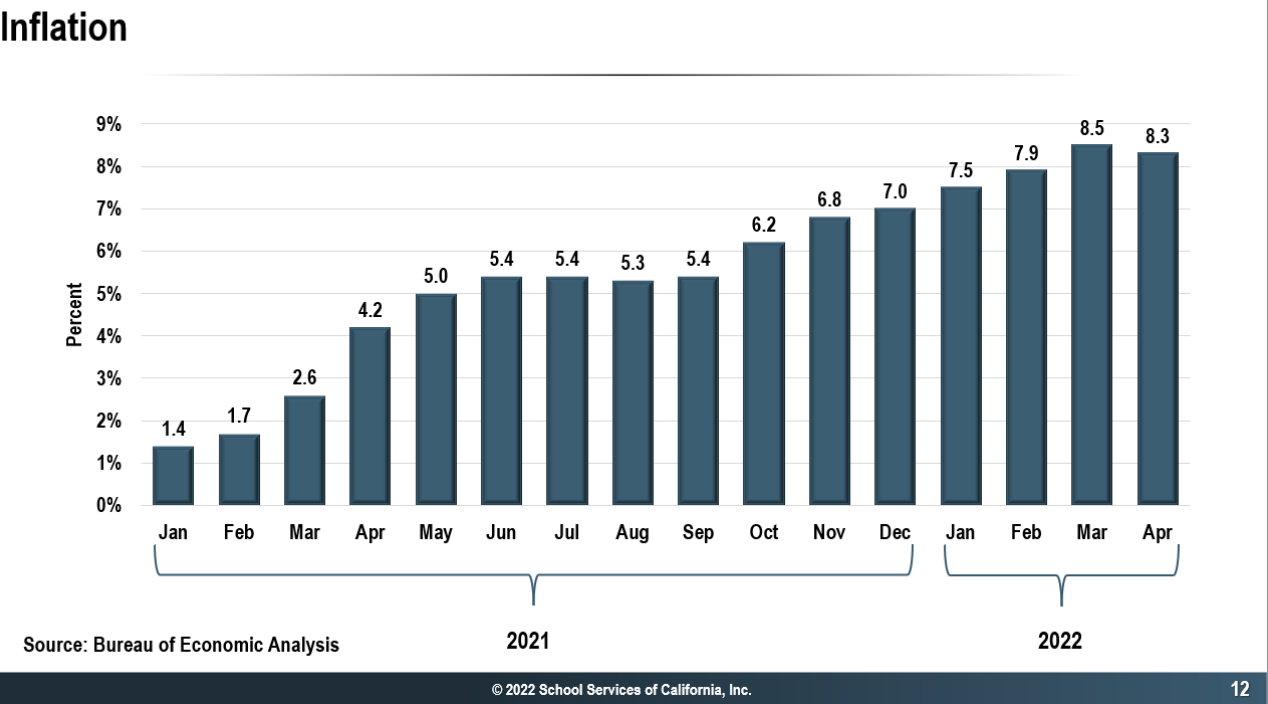


# GOVERNORS PROPOSED 2022-23 STATE BUDGET

## MAY REVISION



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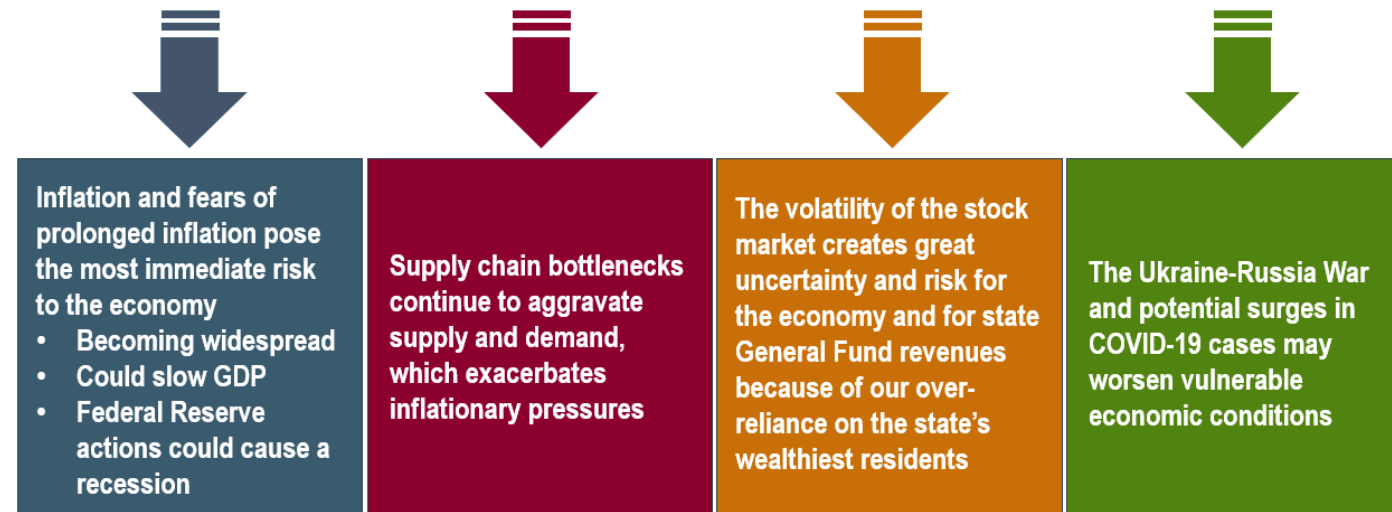


# GOVERNORS PROPOSED 2022-23 STATE BUDGET MAY REVISION

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## Risks to the Budget and Long-Term Forecast

- The economy is facing significant headwinds and is beginning to enter turbulent territory
- Many factors pose significant risk to the economy, the State Budget, and the long-term forecast





# District Budget

2021-22 June Update  
2022-23 Budget



# BUDGET TIMELINES

## JULY 1st-Adopted Budget 2022-23 and LCAP 2022-2024

- Not later than 45 days after the Governor signs the annual Budget Act, the school 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 the Budget Act. (EC 42127 (i) (4))

## SEPTEMBER – Unaudited Actuals 2021-22

- The Unaudited Actuals report will be presented at the public board meeting in September of each year. This report will reflect the actual revenue and expenditures of the district for the budget year.

## DECEMBER – 1st Interim Budget 2022-23

- The 1st Interim report will be presented at the public board meeting in December of each year. This report will include any changes made to the budget since the budget adoption in June, including those reported 45 days after the Governor signed the annual Budget Act.

## MARCH – 2nd Interim Budget 2022-23

- The 2nd Interim report will be presented at the public board meeting in March of each year. This report will include any changes made to the budget since the 1st Interim report was presented in December.

## JUNE 1ST – 3rd Interim Budget 2022-23 (Qualified or Negative Certified Districts Only)

- No later than June 1, each school district with a qualified or negative certification for the second interim report must provide financial statement projections of the district's fund and cash balances through June 30 for the period ending April 30 to the county superintendent, the Controller, and the SPI.



# BUDGET REMINDERS

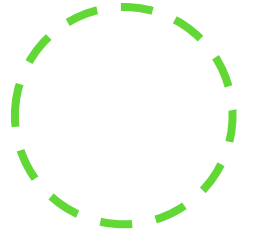
- A budget is a snapshot in time, based on the most up-to-date information on hand.
- The budget is revised and presented throughout the year as new information is available
- Each budget looks at a time period of at least 3 years: current year and the two subsequent years
- Multiyear projections are not predictions or forecasts of the future, but are calculations based on decisions already made and reasonable assumptions
- In times of high volatility and multiple unknowns, budgets are going to change
  - “They are exactly wrong, but approximately right” (SSC)



# 2021-22 ASSUMPTIONS FOR JUNE UPDATE



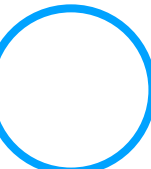
- Enrollment: 431
- Funded Average Daily Attendance (ADA): 444.99
  - Hold Harmless- funding based on 19/20 P-2 ADA
- Unduplicated Pupil percentage: 38.06%
  - (Homeless, Foster Youth, English Learners, Low Income)
- Cost of Living Adjustment (COLA): 5.07%
- Staffing Assumptions:
  - Includes Step/Column
  - STRS Employer contribution rate= 16.92%
  - PERS Employer contribution rate= 22.91%
- Updated Revenues and Expenditures
- Updated Cash Flow



# 2022-23 ASSUMPTIONS FOR BUDGET

- Enrollment: 412
- Funded Average Daily Attendance (ADA): 420.82
  - ADA is based on the proposed 3-year average calculation
- Unduplicated Pupil percentage: 38.07%
  - (Homeless, Foster Youth, English Learners, Low Income)
- LCFF Cost of Living Adjustment (COLA): 6.56%
  - Budget also includes the proposed addition to the LCFF base (\$2.1 billion statewide)

- Staffing Assumptions:
  - Includes Step/Column
  - STRS Employer contribution rate= 19.10%
  - PERS Employer contribution rate= 25.37%
- Remove prior year one-time revenue and expenditures
- Updated Cash Flow



# 2022-23 BUDGET SNAPSHOT

## Gold Oak Union School District

District Net Worth - All Funds

2022-23 Adopted Budget - All Funds

2022-23	General Fund	Student Body Fund	Cafeteria Fund	Def. Maint. Fund	Capital Facilities Fund	Bond Fund	Total Net Worth
Total Revenues	\$5,945,569	\$1,500	\$171,001	\$30,050	\$25,600	\$256,567	\$6,430,287
Total Expenses	\$6,191,947	\$1,500	\$245,480	\$11,500	\$2,000	\$260,881	\$6,713,308
Transfers in/out	-\$75,000		\$75,000				\$0
Excess (Deficiency)	-\$321,378	\$0	\$521	\$18,550	\$23,600	-\$4,314	-\$283,021
Beginning Balance	\$1,635,387	\$7,339	\$1,491	\$30,127	\$255,327	\$232,746	\$2,162,417
Estimated Ending Balance	<b>\$1,314,009</b>	<b>\$7,339</b>	<b>\$2,012</b>	<b>\$48,677</b>	<b>\$278,927</b>	<b>\$228,432</b>	<b>\$1,879,396</b>

# 2022-23 REVENUE VARIANCE FROM JUNE UPDATE

## Gold Oak Union School District 2022-23 Adopted Budget

	a	b	c	d	e	f	g	h	i
	<u>2021-22 June Update</u>			<u>2022-23 Adopted Budget</u>					
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted Variance	Restricted Variance	Total Variance
1 <b>Revenue Detail</b>									
2 Local Control Funding Formula	4,359,904	-	4,359,904	4,527,811	-	4,527,811	167,907	-	167,907
3 Federal Revenue	10,312	377,760	388,072	5,000	440,473	445,473	(5,312)	62,713	57,401
4 Other State Revenue	87,103	751,792	838,895	82,300	560,000	642,300	(4,803)	(191,792)	(196,595)
5 Other Local Revenue	69,139	374,225	443,364	64,020	265,965	329,985	(5,119)	(108,260)	(113,379)
6 <b>Total Revenue</b>	<b>4,526,458</b>	<b>1,503,778</b>	<b>6,030,236</b>	<b>4,679,131</b>	<b>1,266,438</b>	<b>5,945,569</b>	<b>152,673</b>	<b>(237,339)</b>	<b>(84,666)</b>

2022-23 Adopted Budget  
Revenue Projections



Total projected revenue in the district's general fund has *decreased* by (\$84.6k) due to:

- LCFF – adjustments to ADA calculation (3-year avg), declining Enrollment/ADA, COLA, and proposed addition to Base funding
- Federal Revenues – add/remove one-time funding
- State Revenues – add/remove one-time funding
- Local Revenues – adjust Special Education funding and remove one-time funding

# 2022-23 EXPENDITURES

## VARIANCE FROM JUNE UPDATE

### Gold Oak Union School District 2022-23 Adopted Budget

	a	b	c	d	e	f	g	h	i
	<u>2021-22 June Update</u>			<u>2022-23 Adopted Budget</u>					
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted Variance	Restricted Variance	Total Variance
8 <b>Expenditure Detail</b>									
9 Certificated	1,681,184	467,160	2,148,344	1,597,821	381,589	1,979,410	(83,363)	(85,571)	(168,934)
10 Classified	692,747	300,661	993,408	755,243	276,891	1,032,134	62,496	(23,770)	38,726
11 Employee benefits	1,060,110	469,329	1,529,439	1,089,509	452,275	1,541,784	29,399	(17,054)	12,345
12 Books & Supplies	82,757	85,101	167,857	218,728	155,247	373,974	135,971	70,146	206,117
13 Service, Other Operating	365,434	350,934	716,368	362,260	799,408	1,161,668	(3,174)	448,474	445,300
14 Capital Outlay	-	62,657	62,657	-	57,194	57,194	-	(5,463)	(5,463)
15 Other Outgo	18,325	26,440	44,765	18,757	33,216	51,973	432	6,776	7,208
16 Direct Support/Indirect	(44,136)	37,940	(6,196)	(49,861)	43,671	(6,190)	(5,725)	5,731	6
17 <b>Total Expenditures</b>	<b>3,856,421</b>	<b>1,800,221</b>	<b>5,656,642</b>	<b>3,992,457</b>	<b>2,199,491</b>	<b>6,191,947</b>	<b>136,035</b>	<b>399,270</b>	<b>535,305</b>

Total projected expenditures in the district's general fund has *increased* by \$535k due to:

- Salaries and Benefits –adjust Employer contribution rates- STRS/PERS, substitutes, retirements and temporary positions
- Books & Supplies– adjust for one-time items and textbook adoptions
- Services and Capital Outlay- adjust for one-time items and Expanded Learning Opportunity Program
- Other Outgo and Indirect – increase special education services and adjust indirect costs between Unrestricted and Restricted programs

# 2022-23 COMPONENTS OF ENDING FUND BALANCE

## VARIANCE FROM JUNE UPDATE

	a			b			c			d			e			f			g			h			i		
	2021-22 June Update			2022-23 Adopted Budget																							
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
21 Other Financing Sources/uses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22 Transfers In	(50,730)	(14,270)	(65,000)	(75,000)	-	(75,000)	(75,000)	-	(75,000)	24,270	(14,270)	10,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23 Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24 Other Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25 Other Uses	(625,840)	625,840	-	(672,135)	672,135	-	(672,135)	672,135	-	(46,295)	46,295	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26 Contributions	(676,570)	611,570	(65,000)	(747,135)	672,135	(75,000)	(747,135)	672,135	(75,000)	(22,024)	32,024	10,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27 Total Other Sources/Uses	(6,533)	315,126	308,593	(60,461)	(260,918)	(321,378)	(60,461)	(260,918)	(321,378)	(53,927)	(576,044)	(629,971)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28 Net Inc/Dcr to Fund Balance	1,045,364	281,430	1,326,794	1,038,831	596,557	1,635,387	1,038,831	596,557	1,635,387	(6,533)	315,126	308,593	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29 Beginning Balance	1,038,831	596,557	1,635,387	978,370	335,639	1,314,009	978,370	335,639	1,314,009	(60,461)	(260,918)	(321,378)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30 Ending Balance																											
31																											
32 Components of Ending Fund Balance																											
33																											
34 Revolving Cash	1,625	-	1,625	1,625	-	1,625	1,625	-	1,625	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35 Stores	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36 Prepaid Expend.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37 Reserve for Economic Uncertainty	228,866	-	228,866	250,678	-	250,678	250,678	-	250,678	21,812	-	21,812	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38 Restricted	-	596,557	596,557	-	335,639	335,639	-	335,639	335,639	-	(260,918)	(260,918)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39 Assigned	808,340	-	808,340	726,067	-	726,067	726,067	-	726,067	(82,273)	-	(82,273)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40 Compensated Absence Liability	3,000	-	3,000	3,000	-	3,000	3,000	-	3,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
41 Retiree Reserve (2013/14)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
42 Technology Reserve	52,565	-	52,565	55,741	-	55,741	55,741	-	55,741	3,176	-	3,176	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43 PV Sports Uniforms	16	-	16	16	-	16	16	-	16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44 Music Program	1,630	-	1,630	1,630	-	1,630	1,630	-	1,630	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45 Gold Oak/Playground Structures	13,459	-	13,459	13,459	-	13,459	13,459	-	13,459	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
46 Instructional Materials (IMF) Reserve	100,000	-	100,000	40,000	-	40,000	40,000	-	40,000	(60,000)	-	(60,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
47 District Reserve Goal (17%)	621,521	-	621,521	611,401	-	611,401	611,401	-	611,401	(10,119)	-	(10,119)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48 Lottery	15,330	-	15,330	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
49 Fieldtrips	717	-	717	717	-	717	717	-	717	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50 Gold Oak Grants	102	-	102	102	-	102	102	-	102	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
51 Unassigned / Unappropriated	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
52 Total	1,038,831	596,557	1,635,387	978,370	335,639	1,314,009	978,370	335,639	1,314,009	(60,461)	(260,918)	(321,378)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
53																											

% EUR

4.00%

4.00%




# Multi Year Projections

2023-24 and 2024-25




# 2023-24 ASSUMPTIONS FOR BUDGET

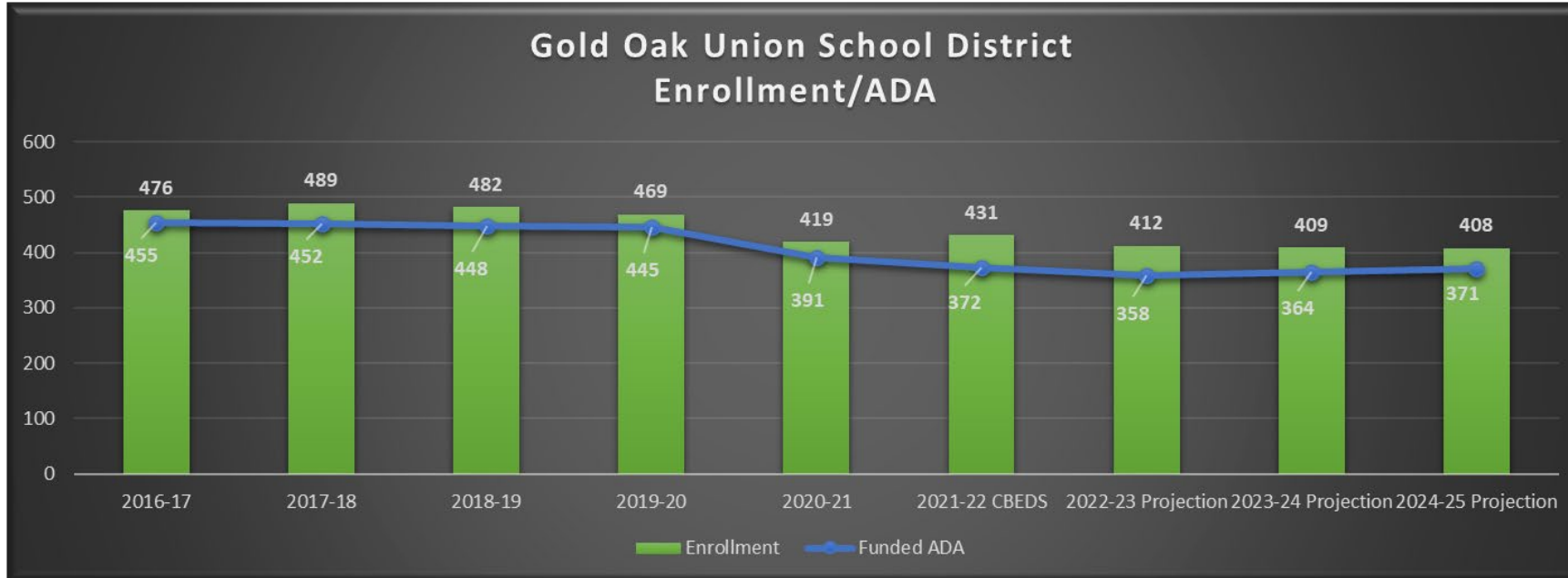
- Enrollment: 409
  - Funded Average Daily Attendance (ADA): 391.97
    - Based on 3-year average calculation
  - Unduplicated Pupil percentage: 39.59%
    - (Homeless, Foster Youth, English Learners, Low Income)
  - LCFF Cost of Living Adjustment (COLA): 5.38%
  - Staffing Assumptions:
    - Includes Step/Column
    - Remove temporary positions
    - STRS Employer contribution rate= 19.10%
    - PERS Employer contribution rate= 25.20%
  - Remove prior year one-time revenue and expenditures
- 



# 2024-25 ASSUMPTIONS FOR BUDGET

- Enrollment: 408
  - Funded Average Daily Attendance (ADA): 371.28
    - Based on Current Year ADA calculation
  - Unduplicated Pupil percentage: 38.83%
    - (Homeless, Foster Youth, English Learners, Low Income)
  - LCFF Cost of Living Adjustment (COLA): 4.02%
  - Staffing Assumptions:
    - Includes Step/Column
    - Remove temporary positions
    - STRS Employer contribution rate= 19.10%
    - PERS Employer contribution rate= 24.60%
  - Remove prior year one-time revenue and expenditures
- 

# ENROLLMENT AND ATTENDANCE



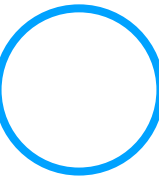
1	ADA Summary		2019-20	2020-21	2021-22 CBEDS	2022-23 Projection	2023-24 Projection	2024-25 Projection
2	Current Year ADA (CY)		444.99	391.45	372.47	358.44	364.01	371.28
3	Prior Year ADA (PY)		447.67	444.99	391.45	372.47	358.44	364.01
4	3 prior year average (3yr)		N/A	N/A	N/A	420.82	391.97	364.97
5	growth/loss in ADA from prior year		(2.68)	(53.54)	(18.98)	(14.03)	5.57	7.27
6	Funded ADA ( > CY or PY or 3yr)	> line 2,3,or 4	447.67	444.99	391.45	420.82	391.97	371.28
7	Hold Harmless Provision	2019-20		444.99	444.99			
8	PY funded ADA		452.22	447.67	444.99	444.99	420.82	391.97
9	CY Gain/Loss in funded ADA		(4.55)	(2.68)	0.00	(24.17)	(28.85)	(20.69)

	d	e	f	g	h	i	j	k	l
	2022-23 Budget			2023-24 Budget			2024-25 Budget		
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined
1 LCFF Revenue	4,527,811	-	4,527,811	4,463,549	-	4,463,549	4,402,304	-	4,402,304
2 Federal Revenue	5,000	440,473	445,473	5,000	304,431	309,431	5,000	149,175	154,175
3 Other State Revenue	82,300	560,000	642,300	82,300	552,500	634,800	81,300	558,000	639,300
4 Local Revenue	64,020	265,965	329,985	64,555	265,965	330,520	64,555	235,965	300,520
5 OTHER FINANCING SOURCES									
6 Interfund Transfers In	-	-	-	-	-	-	-	-	-
7 Other Sources	-	-	-	-	-	-	-	-	-
8 Contributions	(672,135)	672,135	-	(758,036)	758,036	-	(790,014)	790,014	-
9 TOTAL REVENUE	4,006,996	1,938,573	5,945,569	3,857,368	1,880,932	5,738,300	3,763,145	1,733,154	5,496,299
10									
11 B. EXPENDITURES:									
12 Certificated Salaries	1,597,821	381,589	1,979,410	1,598,850	317,827	1,916,677	1,610,185	291,824	1,902,009
13 Classified Salaries	755,243	276,891	1,032,134	766,382	273,528	1,039,910	775,882	256,370	1,032,252
14 Benefits	1,089,509	452,275	1,541,784	1,061,928	415,752	1,477,680	1,083,788	413,197	1,496,985
15 Books & Supplies	218,728	155,247	373,974	168,416	73,758	242,174	89,026	56,975	146,001
16 Services	362,260	799,408	1,161,668	363,257	715,156	1,078,413	362,540	632,473	995,013
17 Capital Outlay	-	57,194	57,194	-	-	-	-	-	-
18 Other Outgo	18,757	33,216	51,973	19,381	37,963	57,344	20,051	44,093	64,144
19 OTHER FINANCING USES									
20 Interfund Transfers Out	75,000	-	75,000	70,000	-	70,000	70,000	-	70,000
21 Other Uses	-	-	-	-	-	-	-	-	-
22 Direct Support/Indirect Costs	(49,861)	43,671	(6,190)	(49,961)	42,775	(7,186)	(49,961)	43,771	(6,190)
23 TOTAL EXPENDITURES	4,067,457	2,199,491	6,266,947	3,998,253	1,876,759	5,875,012	3,961,511	1,738,703	5,700,214
24									
25 C. EXCESS ( DEFICIENCY)	(60,461)	(260,918)	(321,378)	(140,885)	4,173	(136,712)	(198,366)	(5,549)	(203,915)
26									
27 BEGINNING BALANCE	1,038,831	596,557	1,635,387	978,370	335,639	1,314,009	837,485	339,812	1,177,297
28 Audit Adjustment	-	-	-	-	-	-	-	-	-
29 F. RESTATED BEGINNING BALANCE	1,038,831	596,557	1,635,387	978,370	335,639	1,314,009	837,485	339,812	1,177,297
30 PROJECTED ENDING BALANCE	978,370	335,639	1,314,009	837,485	339,812	1,177,297	639,119	334,263	973,382



	d	e	f	g	h	i	j	k	l
	2022-23 Budget			2023-24 Budget			2024-25 Budget		
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined
30 PROJECTED ENDING BALANCE	978,370	335,639	1,314,009	837,485	339,812	1,177,297	639,119	334,263	973,382
31 G. COMPONENTS OF ENDING BALANCE:									
32 Revolving Cash/ Nonspendable	1,625	-	1,625	1,625	-	1,625	1,625	-	1,625
33 Prepaid expenses	-	-	-	-	-	-	-	-	-
34 Reserve for Economic Uncertainty (EUR)	250,678	-	250,678	235,001	-	235,001	228,009	-	228,009
35 Restricted	-	335,639	335,639	-	339,812	339,812	-	334,263	334,263
36 Assigned	726,067	-	726,067	600,859	-	600,859	409,485	-	409,485
37 <i>Compensated Absence Liability</i>	3,000	-	3,000	3,000	-	3,000	3,000	-	3,000
38 <i>Retiree Reserve (2013/14)</i>	-	-	-	-	-	-	-	-	-
39 <i>Technology Reserve</i>	55,741	-	55,741	19,723	-	19,723	1,705	-	1,705
40 <i>PV Sports Uniforms</i>	16	-	16	16	-	16	16	-	16
41 <i>Music Program</i>	1,630	-	1,630	1,630	-	1,630	1,630	-	1,630
42 <i>Gold Oak/Playground Structures</i>	13,459	-	13,459	13,459	-	13,459	13,459	-	13,459
43 <i>Instructional Materials (IMF) Reserve</i>	40,000	-	40,000	6,000	-	6,000	26,000	-	26,000
44 <i>District Reserve Goal (17%)</i>	611,401	-	611,401	556,928	-	556,928	363,573	-	363,573
45 Gold Oak Grants	102	-	102	102	-	102	102	-	102
46 Unassigned/Unappropriated	-	-	-	-	-	-	-	-	-
47 Ending Fund Balance	978,370	335,639	1,314,009	837,485	339,812	1,177,297	639,119	334,263	973,382
48 Combined EUR %			4.00%			4.00%			4.00%

The Board may change these reserve designations at any time to meet current needs.



## Reasons for Assigned and Unassigned Ending Fund Balances Above the State Recommended Minimum Level

Education Code Section 42127(a)(2)(B) requires a statement of the reasons that substantiates the need for assigned and unassigned ending fund balances in excess of the minimum reserve standard for economic uncertainties for each fiscal year identified in the budget.

District: Gold Oak Union School District

Combined Assigned and Unassigned Fund Balances		2022-23 Adopted Budget	2023-24 Budget	2024-25 Budget	
Fund	Fund Description				
01	General Fund/County School Service Fund	\$ 976,745	\$ 835,860	\$ 637,494	Fund 01, Objects 9780/9789/9790
17	Special Reserve Fund for Other Than Capital Outlay Projects	\$0	\$0	\$0	Fund 17 Objects 9780/9789/9790
Total Assigned and Unassigned Fund Balance		\$976,745	\$835,860	\$637,494	
District Standard Reserve Level		4.00%	4.00%	4.00%	Form 01CS Line 10B-4
Less: District's Reserve Standard amount		\$ 250,678	\$ 235,001	\$ 228,009	Form 01CS Line 10B-7
Fund Balance over 4% State Recommended Minimum Level		\$726,067	\$600,859	\$409,485	

Reasons for Assigned and Unassigned Ending Fund Balances Above the State Recommended Minimum Level					
Form	Fund	2022-23 Adopted Budget	2023-24 Budget	2024-25 Budget	Reasons
01	General Fund/County School Service Fund				
	Compensated Absence Liability	\$3,000	\$3,000	\$3,000	Unfunded Liability
	Retiree Reserve (2013/14)	\$0	\$0	\$0	Unfunded Liability
	Technology Reserve	\$55,741	\$19,723	\$1,705	Maintain Technology
	PV Sports Uniforms	\$16	\$16	\$16	From Donations
	Music Program	\$1,630	\$1,630	\$1,630	From Donations
	Gold Oak/Playground Structures	\$13,459	\$13,459	\$13,459	From Donations
	Instructional Materials (IMF) Reserve	\$40,000	\$6,000	\$26,000	From Donations
	District Reserve Goal (17%)	\$611,401	\$556,928	\$363,573	Budget Stabilization
	Lottery	\$0	\$0	\$0	Lottery- classroom supplies
	Fieldtrips	\$717	\$0	\$0	Postponed Fieldtrips
	Gold Oak Grants	\$102	\$102	\$102	From Donations
17	Special Reserve Fund for Other Than Capital Outlay Projects	\$ -			
Total of Substantiated Needs		\$726,067	\$600,859	\$409,485	
Percent of Total Substantiated Reserves		11.59%	10.23%	7.18%	
Percent of Total Current Reserves		15.59%	14.23%	11.18%	




# Final Thoughts



# RESERVES FOR ECONOMIC UNCERTAINTY (EUR)




- State required minimum reserves is 4%
    - Represents less than 3 weeks of payroll
  - Government Finance Officer's Association recommends 2 months of operating expense (roughly 17%)
  - Rating agencies like Fitch or Moody's typically assess the adequacy of a district's reserves by comparing them to statewide averages
    - The California Department of Education released the 2020-21 Unaudited Actuals data which reveals Elementary School Districts averaged 26.01% reserve levels
  - Reserves can help carry you through a tough financial time – but only temporarily since they are **one-time funds**
  - Temporary adjustments to programs in conjunction with one-time funding has provided the district the ability to meet the required 4% and build an additional assigned reserve for budget stabilization.
    - *As one-time revenue is exhausted, any on-going expenditures will shift back to unrestricted sources causing deficit spending unless revenues increase or expenditure reductions are made.*
- 



# 2022-23 BUDGET ADOPTION

It is recommended, the Governing Board approve the Gold Oak Union School District 2022-23 proposed Budget which includes multi-year projections for 2023-24 and 2024-25.

Although we recommend approval of the proposed budget, it is important to understand that the following items are still specific areas of concern:

- **Universal Pressures**
    - Pandemic Recovery
    - Health care and pension costs
    - Rising Special Education costs
  - **Declining Enrollment/ ADA**
  - **Deficit Spending**
  - **Identifying and implementing reductions as needed**
  - **Rebuilding/ restoring reserves**
- 



THANK YOU!

