

2021-22 1st Interim Budget

Budget Information / Discussion

December 15, 2021



CHICO UNIFIED

SCHOOL DISTRICT



2021-22 1st Interim Budget

Major Themes

- **Average Daily Attendance (ADA) Hold Harmless Provision for 2021-22**
- **Affect of COVID-19 on Attendance Percentage and Projected Enrollment**
- **COVID Relief Funding**
- **PERS & STRS Annual Pension Costs**



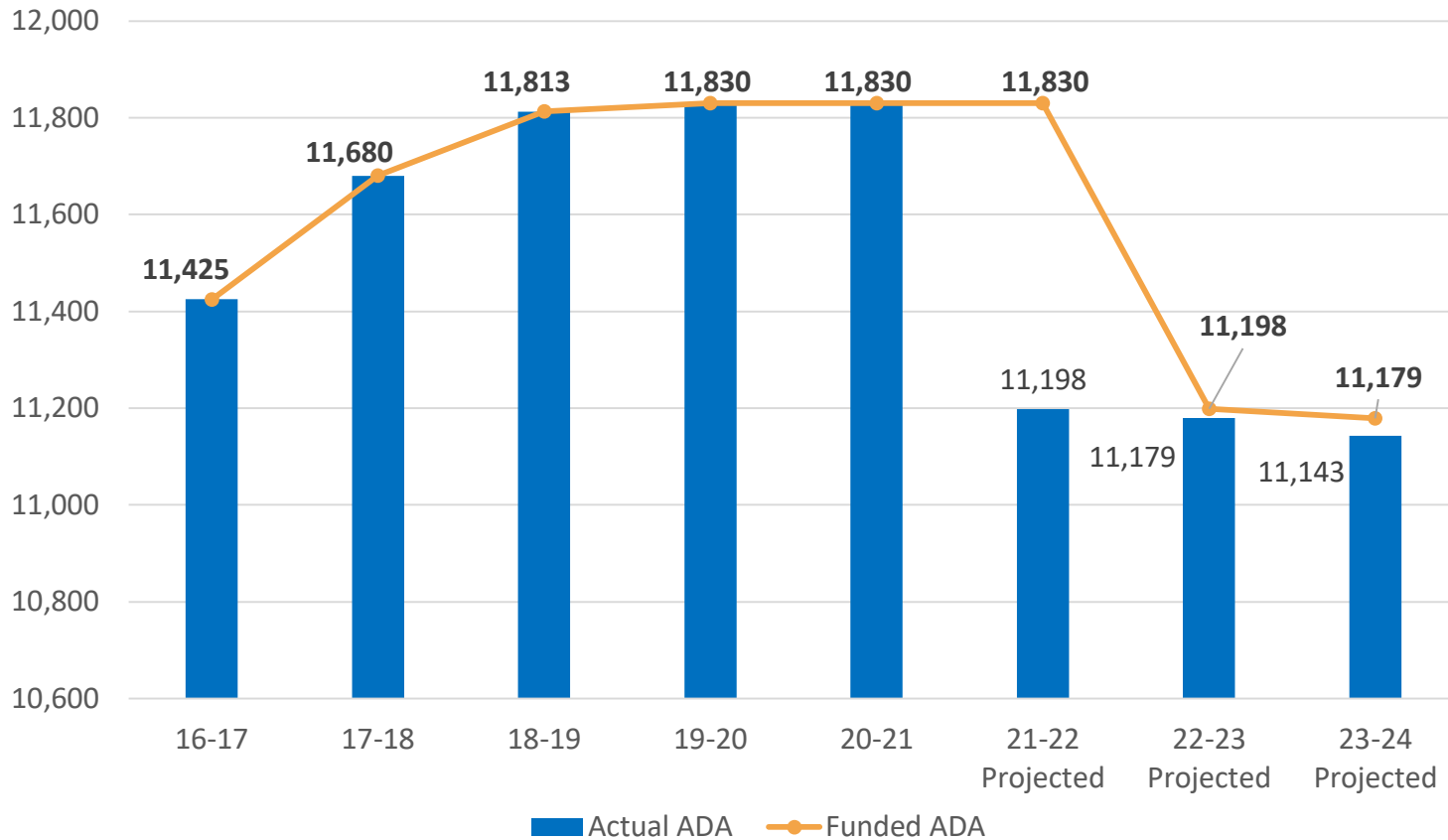
2021-22 1st Interim Budget

Major Factor – ADA Projections

Year	Enrollment (CBEDS)	P-2 ADA	Attendance %	Change in Enrollment	Change in ADA
15-16	11,807	11,353.40	96.16%	60	77
16-17	11,965	11,427.38	95.51%	158	74
17-18	12,201	11,679.82	95.73%	236	252
18-19	12,242	11,809.04	96.46%	41	129
19-20	12,362	11,830.15	95.70%	120	21
20-21	11,911	N/A	N/A	-451	N/A
21-22 Proj.	12,093	11,198.12	92.60%	182	-632
22-23 Proj.	11,892	11,178.91	94.00%	-201	-19
23-24 Proj.	11,729	11,142.74	95.00%	-163	-36



2021-22 1st Interim Budget Actual ADA vs. Funded ADA





2021-22 1st Interim Budget Covid-19 Relief Funding

<u>Grant Name</u>	<u>Resource Code</u>	Allocation	Expenditures 19-20	Expenditures 20-21	Expenditures 21-22	Total Remaining
<u>Federal</u>						
ESSER	32XX	\$38,615,223	\$0	\$4,174,713	\$9,621,434	\$24,819,076
GEER	32XX	\$1,039,861		\$30,652	\$399,498	\$609,711
CRF	3220	\$6,239,260	\$195,867	\$6,043,393	\$0	\$0
<u>State</u>						
COVID-19 Response Funds	7388	\$413,514	\$206,757		\$0	\$206,757
Prop 98 LLMF	7420	\$965,335		\$965,335	\$0	\$0
In-Person Instruction Grant	7422	\$3,714,938		\$31,659	\$1,846,136	\$1,837,143
ELO	7425	\$8,412,131		\$649,544	\$4,330,076	\$3,432,511
ELO-Parapro Staff	7426	\$787,890			\$787,890	\$0
		\$60,188,152	\$402,624	\$11,895,296	\$16,985,034	\$30,905,198

ESSER = Elementary and Secondary School Emergency Relief

GEER = Governor's Emergency Education Relief

CRF = Coronavirus Relief Funds

LLMF = Learning Loss Mitigation Funding

ELO = Expanded Learning Opportunities



2021-22 1ST Interim Budget Major Assumptions

- **Local Control Funding Formula (LCFF) revenue is based on the State adopted budget**
 - LCFF base funding increased due to Cost of Living Adjustment (COLA) 5.07%
- **Funded Average Daily Attendance (ADA) will be based on prior year at 11,830.15**
- **Unduplicated students identified in targeted sub-groups percentage is 52.94%**
- **Salaries and benefits reflect position control as of November 1st (including vacancies)**



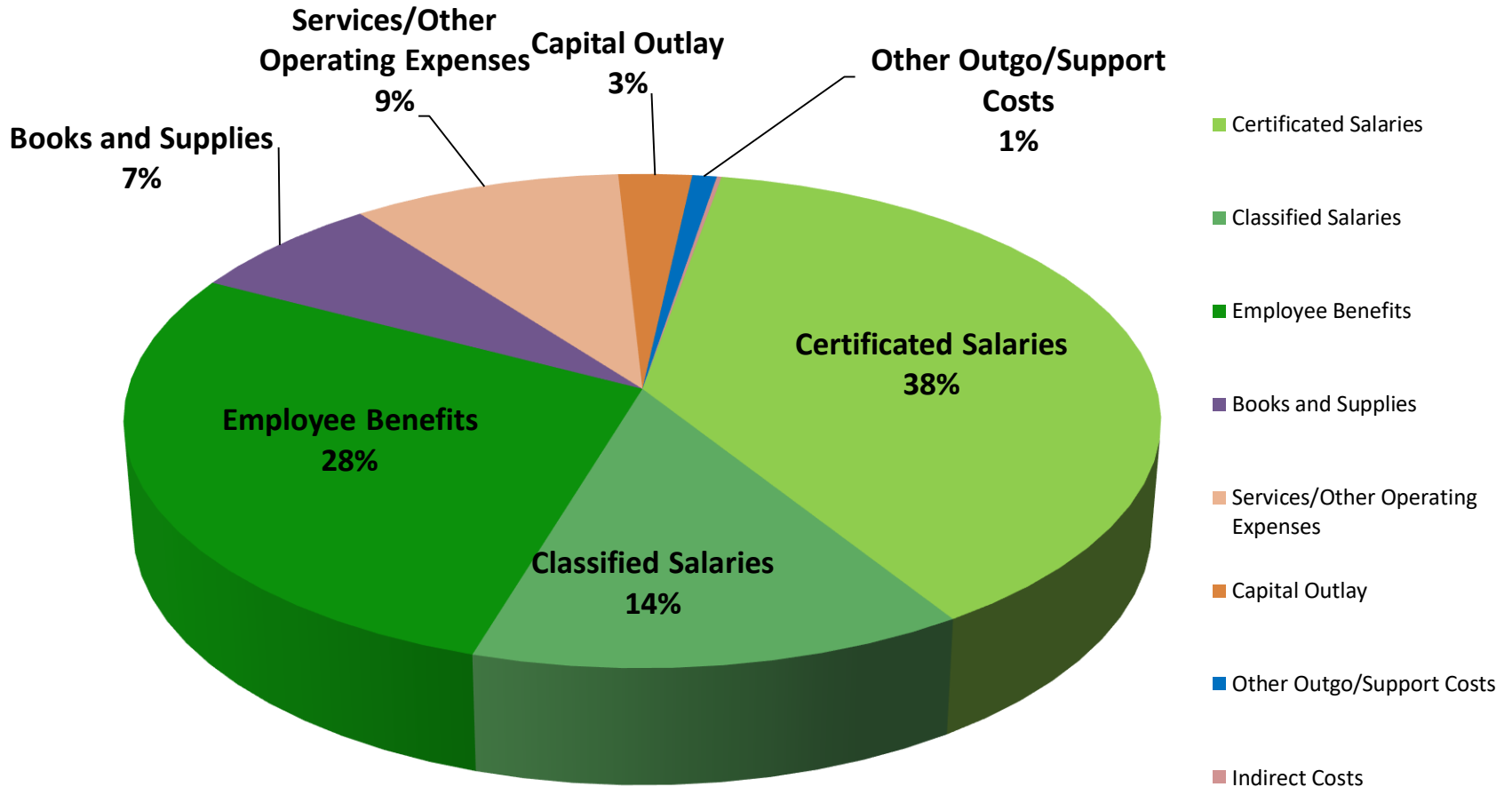
2021-22 1st Interim Budget
General Fund Income Statement

	<u>UNRESTRICTED</u>	<u>RESTRICTED</u>	<u>TOTAL</u>
Revenue			
LCFF	\$119,986,359	\$0	\$119,986,359
Federal Revenues	\$0	\$22,751,652	\$22,751,652
State Revenues	\$2,308,645	\$18,523,010	\$20,831,655
Local Revenues	\$1,967,928	\$10,043,701	\$12,011,629
Total Revenue	\$124,262,932	\$51,318,363	\$175,581,295
Expenditures			
Staffing Salaries/Benefits	\$91,619,551	\$55,062,401	\$146,681,952
Supplies & Services	\$12,912,556	\$17,358,989	\$30,271,545
Capital Outlay	\$2,265,685	\$2,501,009	\$4,766,694
Other Outgo	\$579,152	\$1,012,760	\$1,591,912
Direct Support/Indirect Costs	(\$3,529,329)	\$3,227,825	(\$301,504)
Total Expenditures	\$103,847,615	\$79,162,984	\$183,010,599
Transfers & Contributions	(\$18,991,563)	\$22,584,563	\$3,593,000
Change in Fund Balance	\$1,423,754	(\$5,260,058)	(\$3,836,304)



2021-22 1st Interim Budget

Pie Chart – Unrestricted & Restricted Expenses

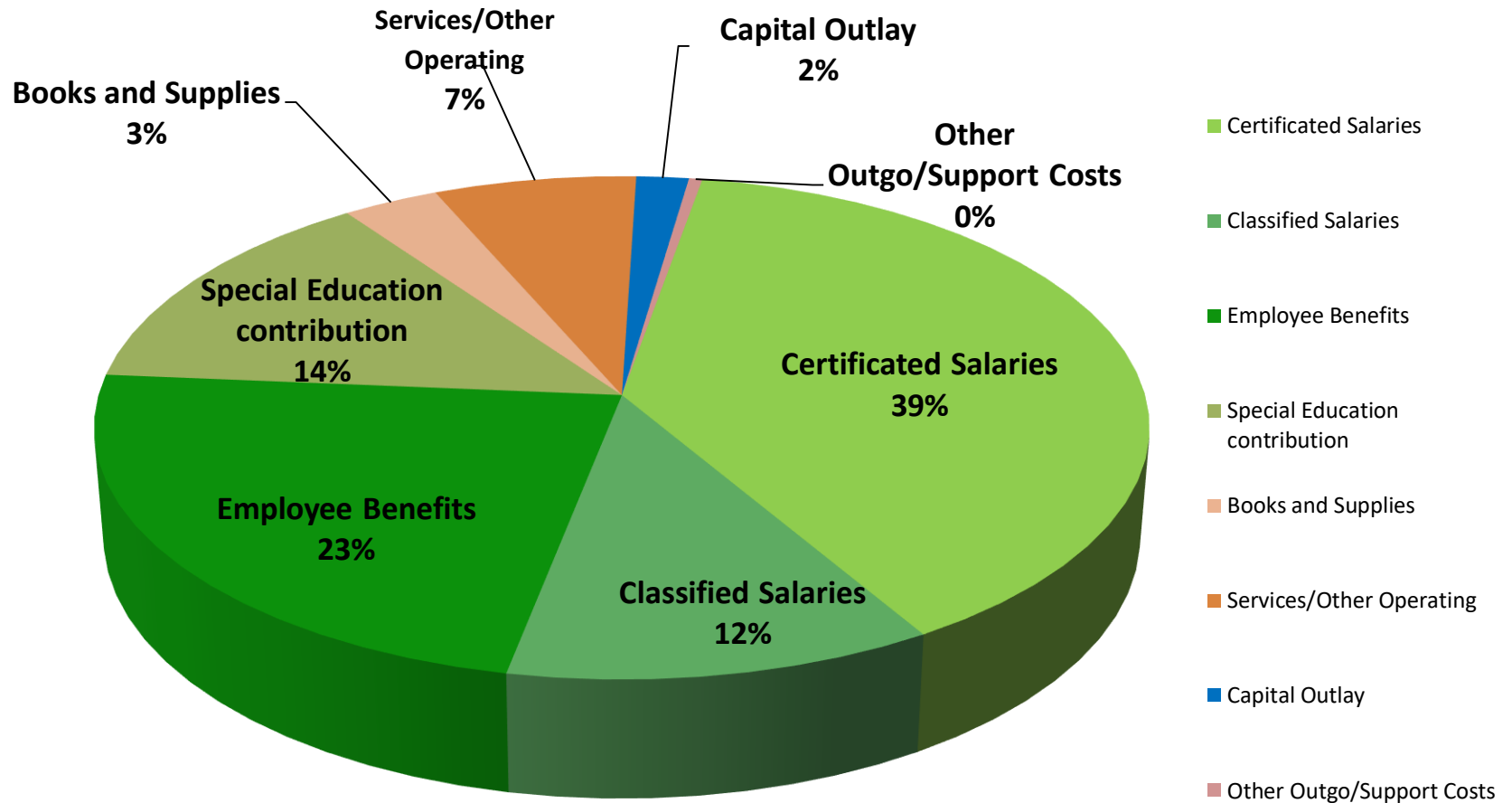


Note: Salaries & Benefits Expense is 80% of Total Expenses due in part to COVID Relief Funding



2021-22 1st Interim Budget

Pie Chart – Unrestricted Expenses & Special Ed Contribution



Note: Unrestricted and Special Ed Salaries & Benefits Expense is 88% of Total Expenses 9



2021-22 1st Interim Budget Other Financing Sources/Uses & Contributions

- **Transfers In from other funds \$3,593,000**
 - RDA pass-through revenues used for RRMA \$3,503,000 (Fund 41)
 - Developer fee administrative support \$90,000 (Fund 25)
- **Transfers Out to other funds \$0**
 - No Transfer Out to Nutrition Services program (Fund 13) due to “Free Meals for All”
- **Contributions to Restricted programs (\$22,584,563)**
 - Special Education (\$17,191,641)
 - Routine Restricted Maintenance (RRMA) (\$5,273,224)
 - Title III LEP (\$119,698)



2021-22 1st Interim Budget Unrestricted Budget Comparison

	45 Day Update	1st Interim	Variance	Reason for Change
Revenue				
LCFF	\$119,589,996	\$119,986,359	\$396,363	UPP increase of 2.79%
Federal Revenues	\$0	\$0	\$0	
State Revenues	\$2,350,887	\$2,308,645	(\$42,242)	
Local Revenues	\$1,837,677	\$1,967,928	\$130,251	Int'l Student Tuition; Butte County Air Quality
Total Revenue	\$123,778,560	\$124,262,932	\$484,372	
Expenditures				
Certificated Salaries	\$46,343,525	\$48,173,968	\$1,830,443	Compensation increase & add'l staff
Classified Salaries	\$13,990,674	\$14,496,117	\$505,443	Compensation increase & add'l staff
Employee Benefits	\$27,914,857	\$28,949,466	\$1,034,609	Compensation increase & add'l staff
Books and Supplies	\$4,107,585	\$4,157,073	\$49,488	
Services	\$8,316,997	\$8,755,483	\$438,486	Carryover in E-Rate
Capital Outlay	\$2,021,659	\$2,265,685	\$244,026	Shade structure projects
Other Outgo	\$343,315	\$579,152	\$235,837	Butte County CCS Prior Yr Adj
Support/Indirect Costs	(\$3,442,785)	(\$3,529,329)	(\$86,544)	Carryover
Total Expenditures	\$99,595,827	\$103,847,615	\$4,251,788	
Transfers & Contributions				
	(\$18,987,164)	(\$18,991,563)	(\$4,399)	
Change in Fund Balance	\$5,195,569	\$1,423,754	(\$3,771,815)	



2021-22 1st Interim Budget
Multi Year Projection (MYP) Assumptions

- **2021-22, 2022-23, and 2023-24 enrollment and Average Daily Attendance (ADA) projections based on estimates noting COVID-19 impact. Decreased ADA estimated at 19 and 36 for 2022-23 & 2023-24 respectively.**
- **Decrease of 6 certificated FTE in 2022-23 and 5 certificated FTE in 2023-24 due to continued declining enrollment**
- **Increased budget for step & column, changes in STRS & PERS rates, and inflation for utility expenses and insurance costs**
- **Net changes (including salary savings and retiree health benefits) for certificated and classified retirements**
 - **Note: Estimated 20 certificated retirements in both 2022-23 & 2023-24**
- **COLA estimates of 2.48% in 2022-23 and 3.11% 2023-24**



2021-22 1st Interim Budget
Multi Year Projection - Unrestricted General Fund Only

	2021-22	2022-23	2023-24
	1st Interim	Projected	Projected
Total Revenue	\$124,262,932	\$120,682,755	\$124,065,815
Total Expenditures	(\$103,847,615)	(\$104,504,858)	(\$104,596,967)
Interfund Transfers & Contributions to Restricted	(\$18,991,563)	(\$20,123,031)	(\$20,367,652)
Net Increase / (Decrease) in Fund Balance	\$1,423,754	(\$3,945,134)	(\$898,804)
Beginning Fund Balance	\$32,053,506	\$33,477,260	\$29,532,126
Ending Fund Balance	\$33,477,260	\$29,532,126	\$28,633,322

Components of Fund Balance:

<i>Non-spendable Reserves</i>	\$1,048,603	\$1,048,603	\$1,048,603
<i>3% Required Reserve for Economic Uncertainties</i>	\$5,490,318	\$5,284,732	\$4,989,042
<i>Board Reserve - 2%</i>	\$3,660,212	\$3,523,154	\$3,326,028
<i>Board Reserve - 18-19 One-time Funds</i>	\$1,798,313	\$1,798,313	\$1,798,313
<i>Other Assigned</i>	\$0	\$0	\$0
Undesignated Fund Balance	\$21,479,814	\$17,877,324	\$17,471,336



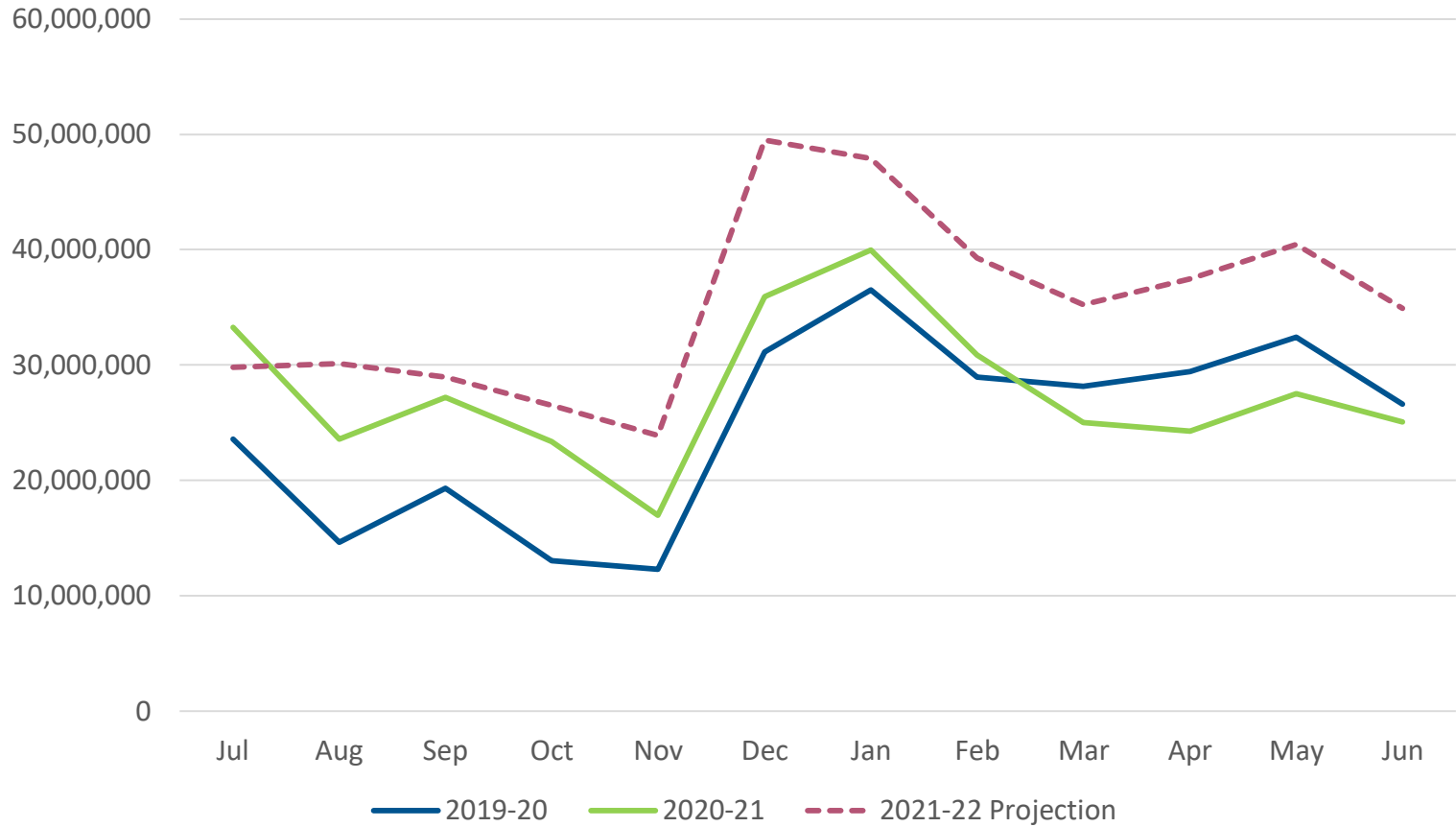
2021-22 1st Interim Budget
IMPACT OF STRS & PERS COST INCREASES (Unrestricted Only)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22 Projected	2022-23 Projected	2023-24 Projected
Increase in STRS								
Employer Costs	\$787,084	\$803,460	\$854,841	\$471,139	(\$584,150)	\$392,301	\$1,076,151	\$0
Increase in PERS								
Employer Costs	\$186,411	\$198,264	\$460,593	\$344,536	\$80,845	\$650,207	\$480,787	\$152,591
	<u>\$973,495</u>	<u>\$1,001,724</u>	<u>\$1,315,434</u>	<u>\$815,675</u>	<u>(\$503,305)</u>	<u>\$1,042,508</u>	<u>\$1,556,938</u>	<u>\$152,591</u>
STRS Rate	12.58%	14.43%	16.28%	17.10%	16.15%	16.92%	19.10%	19.10%
PERS Rate	13.888%	15.53%	18.062%	19.721%	20.70%	22.91%	26.10%	27.10%

Note: These amounts represent annual increases



2021-22 1st Interim Budget General Fund Cash Flow





2021-22 1st Interim Budget
Budget Certification

- Interim reports require certification
 - Positive – **will** meet obligations in current year and subsequent 2 years
 - Qualified – **may not** meet obligations in current year and subsequent 2 years
 - Negative – **will not** meet obligations in current or subsequent year
- Chico Unified is self-certifying a **positive** 2021-22 First Interim budget
- District's First Interim budget must be Board approved and submitted to Butte County Office of Education by December 15, 2021 (per Education Code 42131(a)(1))



2021-22 1st Interim Budget
Next Steps

- Next steps
 - Monitor 2022-23 Governor's budget proposal (January 2022)
 - Continue to evaluate program and associated expenditures as they relate to LCAP goals, district priorities, and addressing deficit spending
 - Begin conversation regarding the 2022-23 educational program
 - Review COVID Relief spending plan and revise as necessary
 - Review projected enrollment and adjust staffing accordingly

QUESTIONS?



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