



2023 - 2024 Budget Development

June 7, 2023

Each student will reach his/her fullest potential as we strive for District excellence through sound leadership, effective communication, accountability, and investment in our staff.

Financial Reporting Cycle

Budget
development
is a
continuous
process

- **State Budget Timeline:**

- Governor released his 2023-24 Budget Proposal in January 2023.
- Governor updated projections and released the May Revise on May 12, 2023, which was based on updated revenue and expenditure data.
- Legislature needs to meet the constitutional deadline and pass the 2023-2024 budget on June 15, 2023.
- Governor has until the end of the month to either sign or veto the budget bill
 - We will not have budget details until late June/early July

- **District Budget timeline:**

- Education Code *Section 42127* requires the district to hold a public hearing on the budget to be adopted for the subsequent year by July 1.
 - Assumptions used to develop the budget were based on the information in the May Revise.
- The budget must be submitted to the Yuba County Office of Education by July 1 in accordance with Education Code.
- Districts are required to file two interim reports on the status of the LEAS's financial health during the year.
 - The interim reports must include a certification of whether or not the District is able to meet its financial obligations
 - This is an opportunity to make adjustments to the assumptions, revenue, and expenditures.
- Reports are due:
 - First Interim – Due December 15, 2023
 - Second Interim – Due March 15, 2024
- Annual financial reporting:
 - Budget Adoption – Due July 1, 2023
 - First Interim – Due December 15, 2023
 - Second Interim – Due March 15, 2024
 - Unaudited Actuals – Due September 15, 2024

Budget Assumptions

	2022-23 Estimated Actuals	2023-24 Budget Development
Statutory COLA	6.56% 6.7% Augmentation	8.22%
Estimated LCFF Entitlement per ADA	\$10,960	\$11,856
Enrollment (includes county)	1500	1500
Unduplicated Pupil Count (includes county)	602	602
Average Daily Attendance (ADA)	1457.37 K-8 + 1.53 County = 1458.90	1457.37 K-8 + 1.53 County = 1458.90
Lottery Base Lottery Prop 20	\$170 per ADA \$67 per ADA	\$170 per ADA \$67 per ADA
STRS	19.10%	19.10%
PERS	25.37%	26.68%
California Consumer Price Index (CPI)	5.71%	3.54%
Mandate Block Grant	\$34.94 per ADA	\$37.81 per ADA
Indirect charges (Categorical Programs & Cafeteria Fund)	6.15% 5.35%	5.66% 5.06%

Budget Assumptions (continued)

- Salaries and Benefits:
 - Step increase for all eligible employees – approximately 2 percent
- Workers' Compensation rate - 1.66 percent
- Unemployment insurance rate – Decreased from 0.50 to 0.05 percent
- District's contribution toward Health, Dental, and Vision insurance (tiered rates)

	High Deductible Plan	All other Plans
Employee only	\$6,996	\$8,220
Employee + 1	\$12,372	\$14,280
Employee + Family	\$16,044	\$18,300

Education Protection Account

- Proposition 55 approved by voters on November 8, 2016 extended the provisions of Prop 30 (approved November 6, 2012) for twelve years:
 - The Schools and Local Public Safety Protection Act of 2012 funding through the Education Protection Account (EPA):
 - Not additional funding, LCFF/State Aid is decreased by this amount
 - District will receive approximately \$4.5 million, which will be used for certificated instructional salaries and benefits

General Administration
Certificated – 1 FTE
Classified – 5.5 FTE

Instructional Staff
Certificated – 89.5 FTE
(1 vacancy)
Classified - 17.25 FTE

Instructional Related Staff
Certificated – 10.0 FTE
Classified – 9.0 FTE

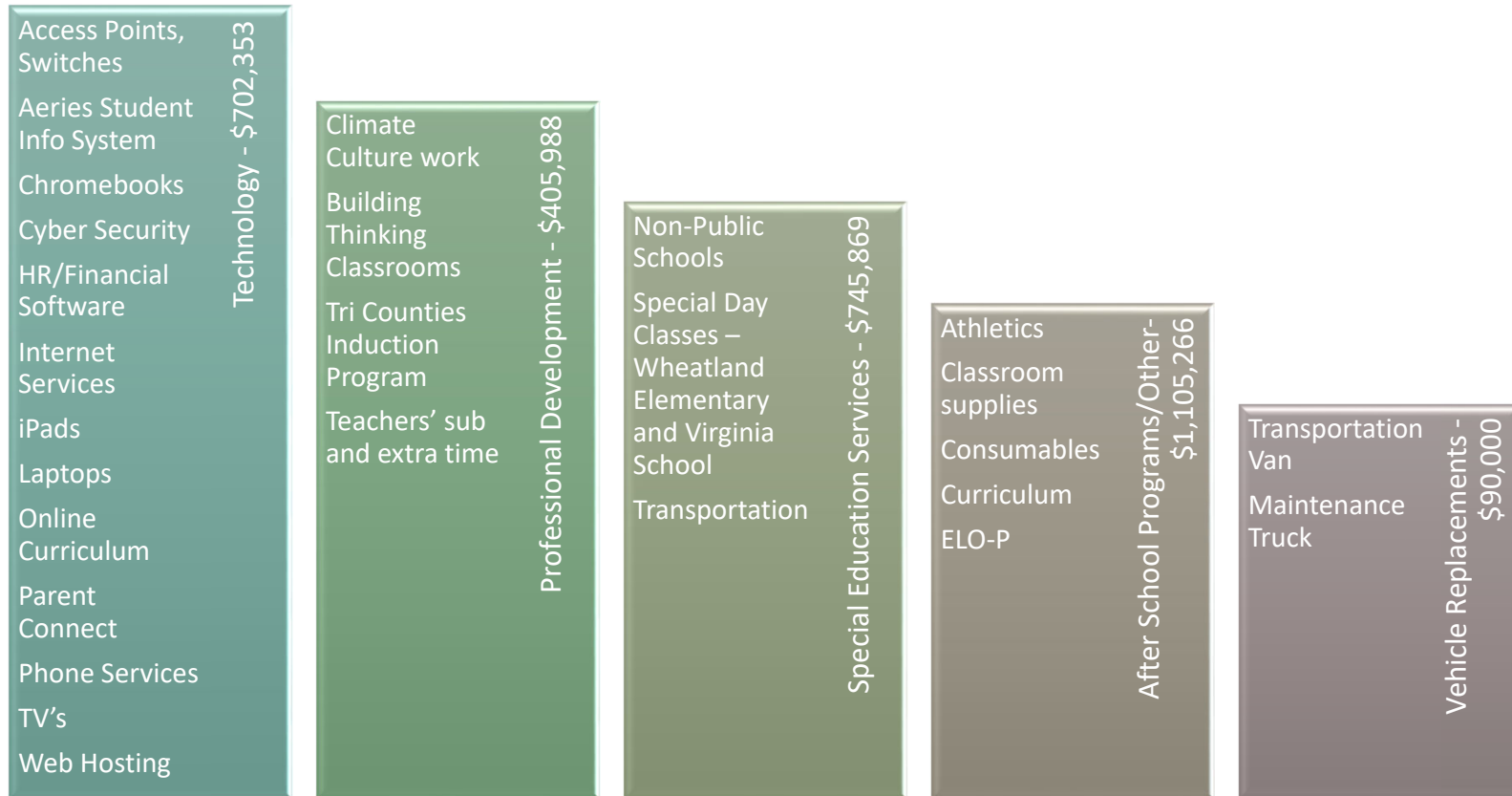
84% of the budget
pays for staff
salaries & benefits

Ancillary Services – School
Sponsored
Certificated – 1 FTE
Classified – 6.75 FTE

Plant Maintenance & Operations
Classified – 15.6

Pupil Services
Guidance/Counseling
Psychological Services
Health Services
Speech Pathology
Transportation
Food Services – Fund 13
Certificated – 9 FTE
Classified – 18.8375 FTE

What Else is in the Budget?



One-Time Funds

Funding Source	Grant Amount/Uses	2022-2023	2023-2024	2024-2025	2025-2026
Arts, Music, and Instructional Materials Discretionary Funds	\$437,300 Security cameras, emergency kits, transportation dispatch system, site radios, tint, laptops, iPads, Chromebooks, online curriculum	Revenue \$437,300 Expenditures \$99,724	Revenue \$0 Expenditures \$337,576	\$0	\$0
Educator Effectiveness Grant	\$328,573 Teacher Professional Development Carryover into 2022-2023 \$262,858	Revenue \$65,715 Expenditures \$59,779	Revenue \$0 Expenditures \$133,922	Revenue \$0 Expenditures \$134,872	\$0
Learning Recovery Block Grant	\$840,705 Intervention paras & teachers, nurse, SEL para, VP	Revenue \$840,705 Expenditures \$0	Revenue \$0 Expenditures \$840,705	\$0	\$0

One-Time Funds (continued)

Funding Source	Grant Amount/Uses	2022-2023	2023-2024	2024-2025	2025-2026
Universal PK Implementation Grant	\$119,618 – Classroom supplies, TK para	Revenue \$68,515 Expenditures \$68,515	Revenue \$51,103 Expenditures \$51,103	\$0	\$0
Total		Revenue \$1,412,235 Expenditures \$228,018 Carryover \$1,447,075	Revenue \$51,103 Expenditures \$1,363,306 Carryover \$134,872	Revenue \$0 Expenditures \$134,872	

Fund 01 – General Fund Revenue Sources

Description	2022-2023 Estimated Actuals	2023-2024 Budget Development	Comments
LCFF Sources	\$16,167,726	\$17,070,711	5.6% - \$902,985 Increase due to COLA
Federal Revenue	\$1,964,680	\$576,133	-70.7% - (\$1,388,547) Decrease due to end of one-time COVID funding, i.e. ESSER funds
Other State Revenue	\$3,749,266	\$1,448,389	-61.4% - (\$2,300,877) Decrease in one-time state funding, i.e. Arts, Music, & Instructional Materials Discretionary Blk Grant & Learning Recovery & STRS on-behalf
w/o STRS	\$2,933,261		- 49.4% - (\$1,484,872) (without STRS)
Other Local Revenue	\$1,726,828	\$1,755,738	1.7% - \$28,910 Increase due to SPED COLA
Transfers in	\$24,500	\$24,500	
Total Revenue	\$23,633,000	\$20,875,471	-11.7% - (\$2,757,529) Overall revenue decrease is due to the conclusion one-time state and federal funding

Fund 01 – General Fund Expenditures

Description	2022-2023 Estimated Actuals	2023-2024 Budget Development	Comments
Certificated Salaries	\$9,664,408	\$10,195,605	5.5% - \$531,197 Added 5 FTE staff; step increases for eligible staff
Classified Salaries	\$3,478,460	\$3,699,870	6.4% - \$221,410 Added 4.53 FTE staff; step increases for eligible staff
Employee Benefits	\$5,396,337	\$5,077,381	-5.9% - (\$318,956) STRS is not included; decrease in unemployment
(w/o STRS)	\$4,580,332		10.9% - \$497,049 (without STRS)
Materials and Supplies	\$979,300	\$820,431	-16.2% - (\$158,869) Decreased furniture & adopted curriculum budgets
Services & Other Operating Expenditures	\$2,324,319	\$2,113,741	-9.1% - (\$210,578) Decreased consulting, insurance, & internet services
Capital Outlay	\$21,945	\$90,000	310.1% - \$68,055 Van and maintenance truck
Other Outgo	\$591,885	\$627,705	6.05% - \$35,820 Increased SPED Excess costs
Total Expenditures	\$22,456,654	\$22,624,733	0.75% - \$168,079

Multi-Year Projections Budget Assumptions

	2022-23	2023-24	2024-25	2025-26
Statutory COLA	6.56% 6.7% Augmentation	8.22%	3.94%	3.29%
Estimated LCFF Entitlement per ADA	\$10,960	\$11,856	\$12,312	\$12,705
Enrollment (includes county)	1500	1500	1500	1500
Unduplicated Pupil Count (includes county)	602	602	602	602
Average Daily Attendance (ADA)	1457.37 K-8 + 1.53 County = 1458.90	1457.37 K-8 + 1.53 County = 1458.90	1457.37 K-8 + 1.53 County = 1458.90	1457.37 K-8 + 1.53 County = 1458.90
Lottery Base Lottery Prop 20	\$170 per ADA \$67 per ADA	\$170 per ADA \$67 per ADA	\$170 per ADA \$67 per ADA	\$170 per ADA \$67 per ADA
STRS	19.10%	19.10%	19.10%	19.10%
PERS	25.37%	26.68%	27.70%	28.30%
California Consumer Price Index (CPI)	5.71%	3.54%	3.02%	2.64%
Mandate Block Grant	\$34.94 per ADA	\$37.81 per ADA	\$39.30	\$40.59
Indirect charges (Categorical Programs & Cafeteria Fund)	6.15% 5.35%	5.66% 5.06%		

Multi-Year Budget Assumptions (continued)

	2023-2024	2024-2025	2025-2026
Arts, Music, and Instructional Materials Discretionary Funds	\$337,576	\$0	\$0
Educator Effectiveness Grant	\$133,922	\$134,872	\$0
Learning Recovery Block Grant	\$840,705	\$0	\$0
Universal PK Implementation Grant	\$51,103	\$0	\$0
Positions cut in projections			
Intervention Paras (3 positions)		-2.25 FTE	
Intervention teachers – Rio & Cob		-1.5 FTE	
Principal on Special Assignment		-1 FTE	
SEL Specialists		-1 FTE	

\$1,312,203



Potential for Additional Revenue

Description	2023-2024	2024-2025	2025-2026
LCFF with ADA 1458.90	\$17,296,958	\$17,961,481	\$18,535,979
LCFF with ADA 1496.33	\$17,707,341	\$18,388,095	\$18,976,614
Possible Additional LCFF Revenue	\$410,383	\$426,614	\$440,635
SPED with ADA 1458.90	\$1,294,044	\$1,345,106	\$1,388,873
SPED with ADA 1496.33	\$1,327,245	\$1,379,616	\$1,424,506
Possible Additional SPED Revenue	\$33,201	\$34,510	\$35,633
Total Possible Additional Revenue	\$443,584	\$461,124	\$476,268

General Fund Multi-Year Projections

	2023-2024	2024-2025	2025-2026
Beginning Balance	\$5,939,531	\$4,190,269	\$3,335,172
Revenue	\$20,875,471	\$21,544,494	\$22,162,531
Expenditures	\$22,624,733	\$22,399,591	\$22,858,603
Net increase or (decrease) in Fund Balance	(\$1,749,262)	(\$855,097)	(\$696,072)
With additional ADA	(\$1,305,678)	(\$393,973)	(\$219,804)
Total Ending Balance	\$4,190,269	\$3,335,172	\$2,639,100
Reserved for Economic Uncertainty 6% (Board approved 6/18/15)	\$1,357,484	\$1,343,976	\$1,371,516
Revolving Fund	\$5,100	\$5,100	\$5,100
Prepays	\$10,762		
Restricted Funds	\$667,621	\$532,749	\$532,749
Committed – COP Debt Service Payment (Board approved 6/16/11)	\$387,255	\$394,972	\$390,191
Stabilization Fund	\$1,762,047	\$1,058,375	\$339,544

Fund 08 – Student Activity Fund

Description	2022-2023 Estimated Actuals	2023-2024 Budget Development	Comments
Beginning Balance	\$65,582	\$65,58	
Revenue			
Other Local Revenue	\$85,000	\$85,000	ASB fund raisers/donations
Expenditures			
Materials and supplies	\$50,000	\$50,000	
Services/Op Expenditures	\$35,000	\$35,000	
Total Expenditures	\$85,000	\$85,000	
Net Increase (decrease) in Fund Balance	\$0	\$0	
Ending Fund Balance	\$65,582	\$65,582	

Fund 13 – Cafeteria Fund

Description	2022-2023 Estimated Actuals	2023-2024 Budget Development	Comments
Beginning Balance	\$483,513	\$636,319	
Revenue			
Federal Revenue	\$594,594	\$550,000	-7.5% - (\$44,594)
State Revenue	\$900,000	\$900,000	
Other Local Revenue	\$17,660	\$15,000	-15.1% - (\$2,660)
Total Revenue	\$1,512,254	\$1,465,000	-3.1%
Expenditures			
Salaries and benefits	\$561,918	\$572,753	+1.9% - \$10,835 - Step increases
Materials/supplies/Services/ Capital Outlay	\$759,217	\$846,985	+11.6% - \$87,768 - Add serving lines, decrease repair costs
Transfers of Indirect	\$38,313	\$40,964	Indirect costs to Fund 01
Total Expenditures	\$1,359,448	\$1,460,702	
Net Increase (decrease) in Fund Balance	\$152,806	\$4,298	
Ending Fund Balance	\$636,319	\$640,617	

Fund 14 – Deferred Maintenance Fund

Description	2021-2022 Estimated Actuals	2022-2023 Budget Development	Difference
Beginning Balance	\$795,015	\$829,337	
Total Revenue	\$224,567	\$226,252	Transfer from General Fund
Total Expenditures	\$197,108	\$332,096	
Net Increase (decrease) in Fund Balance	\$34,322	(\$100,644)	
Ending Fund Balance	\$829,337	\$728,693	

Projects planned 2023-2024: Riv-Exterior paint; Rio-Blacktop; fire alarms; Cob-New flooring; All sites: HVAC replacements, carpet replacements and EMS controls.

Fund 25 – Capital Facilities Fund

Description	2022-2023 Unaudited Actuals	2023-2024 Budget Development	Comments
Beginning Balance	\$5,377,033	\$6,213,703	
Total Revenue	\$10,808,372	\$2,299,588	-13.8% - (\$850,878) 22-23 COP Refi bond issuance (8.2M) Developer Impact fees (\$2.3M) 23-24 Developer impact fees (\$2M)
Total Expenditures	\$9,971,702	\$775,424	-92.2% - (\$9,196,278) 22-23 COP Refi, construction costs 23-24 COP debt service (\$645K) and facilities related consulting services (\$70K) and direct costs (\$60K)
Net Increase/(Decrease) in Fund Balance	\$836,670	\$1,524,164	82.2% - \$687,494
Ending Balance	\$6,213,703	\$7,737,867	

Fund 52 – Debt Service Fund

Description	2022-2023 Unaudited Actuals	2023-2024 Budget Development	Comments
Beginning Balance	\$2,632,096	\$3,061,200	
Total Revenue	\$1,029,192	\$1,086,862	5.6% - \$57,670 Increase in Mello Roos taxes
Expenditures			
Debt Service – CFD 1 and CFD 2	\$316,994	\$323,714	2.1% - \$6,720
Transfers Out	\$283,094	\$264,088	Transfer to Fund 01 for CFD Admin costs and to Fund 25 for portion of COP
Net Increase (Decrease) in Fund Balance	\$429,104	\$499,060	
Ending Fund Balance	\$3,061,200	\$3,560,260	

Other Funds

Description	2022-2023 Estimated Actuals	2023-2024 Budget Development	2022-2023 Estimated Actuals	2023-2024 Budget Development
	Fund 40 Special Reserve Fund for Capital Outlay		Fund 49 Capital Project Fund for Blended Components	
Beginning Balance	\$1,757	\$1,778	\$117	\$118
Revenue	\$21	\$15	\$1	\$1
Net Increase (decrease) in Fund Balance	\$21	\$15	\$1	\$1
Ending Fund Balance	\$1,778	\$1,793	\$118	\$119

Summary

- Based on current budget projections and multi-year projections, the District will have a surplus in the budget year and will be deficit spending in subsequent years.
 - 2023-24 - **(\$1,749,262)**
 - The District is using one-time funds in the amount of \$1,312,203
 - There is one extra teacher in the budget if needed for growth- \$83,263
 - There is a potential for additional LCFF and SPED funding based on enrollment projections - \$443,584
 - 2024-25 – **(\$855,097)**
 - 2025-26 – **(\$696,072)**
- The District has sufficient reserves to cover these deficits and has set aside funds in reserves to cover the operating deficits in subsequent years.
 - The District has experienced growth in enrollment this year and if enrollment/ADA continues to grow there is potential for an increase in revenue.
 - 2023-2024 - \$443,584
 - 2024-2025 - \$461,124
 - 2025-2026 - \$476,268
 - The District will receive additional funding for Home-to-School Transportation, which is currently not in the budget.
 - The District re-examines expenditure priorities during the budget development process and will make decisions based on growth and the state budget outlook.
- Based on current assumptions, staff recommend the PLESD Governing Board approve the 2023-2024 Budget with a positive certification and the 2022-2023 budget adjustments within.

What's Next

- The District must pass a budget by July 1, 2023 for the 2023-2024 school year
 - June 15 – Board meeting to pass the budget
- Legislature must pass budget by June 15
- Most likely the Governor and Legislature will negotiate late into June on the final budget
- If there are significant changes to the State Enacted Budget, we will bring revisions to the August board meeting.

Questions?