

Saddleback Valley
Unified School District



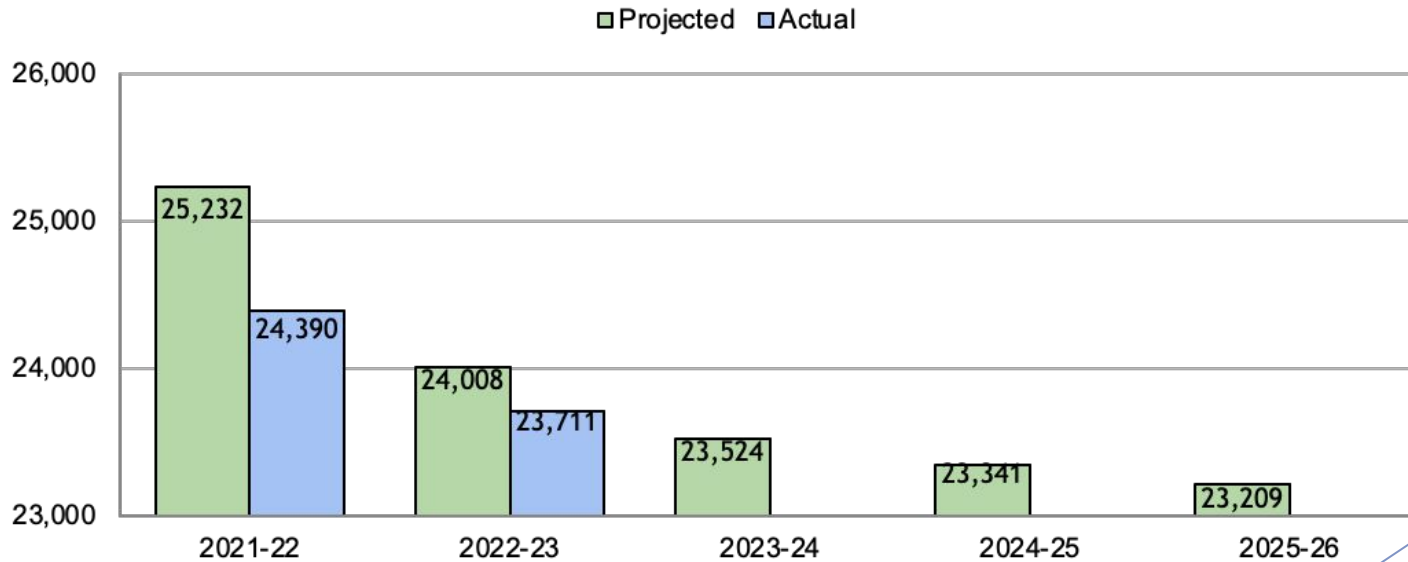
2023-24 Original Budget

June 15, 2023

2023-24 Original Budget Major Assumptions

1. **Local Control Funding Formula (LCFF) revenue is based on the Governor's May Budget Revision**
 - a) Cost of Living Adjustment (COLA) of 8.22%
 - b) Universal Transitional Kindergarten (UTK) add-on funding of \$3,044 per ADA
 - c) Increase to Home-to School Transportation funding
2. **Funded Average Daily Attendance (ADA) 23,938.52**
 - a) Funded on the average of three prior years' ADA
3. **Salaries and benefits reflect all identified positions as of 04/30/23 including vacancies**
 - a) Increase of 14.0 certificated FTE for English Language Development (ELD) and proposed UTK enrollment, reduction of 15.76 FTE due to attrition, expiration of COVID-19 grants, and staffing revision for Expanded Learning Opportunities Program (ELO-P)
 - b) Increase of 43.79 classified FTE for projected UTK enrollment, staffing revision for ELO-P, addition of Special Education Clerk II positions, and restructure of School Community Outreach Liaisons
4. **STRS employer contribution rate = 19.10% (same as 2022-23)**
5. **PERS employer contribution rate = 26.68% (increased from 25.37% in 2022-23)**

2023-24 Original Budget Multi-Year Projected Declining Enrollment



2023-24 Original Budget Net Effect of Increased COLA

2022-23

Grade Span	3-Prior Year ADA Average	Base Grant	Funding
TK-3	7,130.48	\$9,166	\$65,357,980
Grades 4-6	5,325.57	\$9,304	\$49,549,103
Grades 7-8	3,707.62	\$9,580	\$35,519,000
Grades 9-12	8,466.24	\$11,102	\$93,992,196
2022-23 Total Funding			\$244,418,279

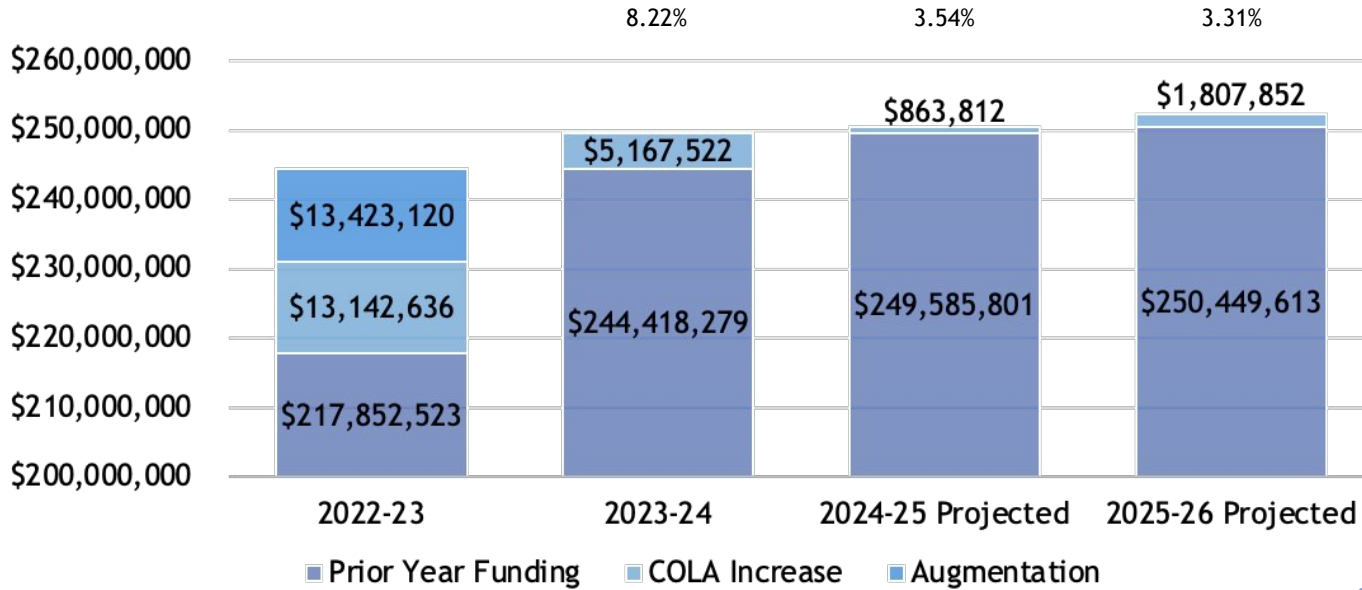
2023-24, Includes 8.22% COLA

Grade Span	3-Prior Year ADA Average	Base Grant	Funding
TK-3	6,853.81	\$9,919	\$67,982,941
Grades 4-6	5,103.77	\$10,069	\$51,389,860
Grades 7-8	3,491.74	\$10,367	\$36,198,869
Grades 9-12	7,824.73	\$12,015	\$94,014,131
2023-24 Total Funding			\$249,585,801

Funding Increase/(Decrease) = \$5,167,522

Percent Change Year over Year = 2.11%

2023-24 Original Budget Multi-Year Net Effect of Increased COLA



2023-24 Original Budget One-Time Projected Reductions

Arts, Music, and Instructional Materials Discretionary Block Grant

- Reduction of 51% of the 2022-23
allocation.

Initial 2022-23 allocation	\$15,122,245
<u>51% reduction</u>	<u>- \$7,712,345</u>

New 2022-23 allocation \$7,409,900

Learning Recovery Emergency Block Grant

- Reduction of 32% of the 2022-23
allocation.

Initial 2022-23 allocation	\$19,311,803
<u>32% reduction</u>	<u>- \$6,179,777</u>

New 2022-23 allocation \$13,132,026

2023-24 Original Budget Multi-Year Assumptions

1. **Local Control Funding Formula (LCFF) revenue**
 - a) Net COLA adjustments, 2024-25 3.54%, 2025-26 3.31%
2. **Enrollment and ADA projections based on historical trends and demographer study**
 - a) Decrease in funded ADA of 170.93 in 2024-25 and 99.47 in 2025-26 for LCFF target entitlement calculation
 - b) Due to declining enrollment we are funded on the average of three prior years' ADA
3. **Salaries and benefits adjusted**
 - a) Step & column, attrition and changes to retirement contributions (STRS & PERS)
 - b) Staffing changes due to implementation of Universal Transitional Kindergarten (UTK)
4. **Inflation and Consumer Price Index (CPI) increases applied to utilities, fuel, and other contracted services**
5. **Textbook adoptions are adjusted based on projected curriculum needs**

2023-24 Original Budget Multi-Year Projection - Unrestricted Only

	2023-24 Original Budget	2024-25 Projected	2025-26 Projected
Beginning Fund Balance	78,009,399	78,009,577	83,582,232
Revenue	306,236,163	304,404,327	306,661,176
Expenditures	306,235,985	298,831,672	305,469,056
Surplus/(Deficit)	178	5,572,655	1,192,120
Ending Fund Balance	78,009,577	83,582,232	84,774,352
Nonspendable Reserves	4,556,839	3,532,439	2,508,039
Designated for Economic Uncertainties	19,202,894	18,418,036	18,649,461
Other Commitments	37,281,284	38,556,020	43,056,020
Assigned Fund Balance	4,357,017	0	0
Unappropriated Fund Balance	12,611,543	23,075,737	20,560,832

2023-24 Original Budget Unrestricted Fund Balance Assignments/Commitments

Assignments

Negotiated Benefit Increase	4,357,017
Total	4,357,017

Nonspendable

Revolving Cash	120,000
Stores	376,117
Prepaid Textbooks	4,060,722
Total	4,556,839

Commitments

Technology	3,800,000
Facilities/Modernization/Def. Maint	13,500,000
Universal TK Implementation	7,641,284
Comprehensive Program Implementation	4,500,000
Safety Projects	1,340,000
SV Innovates Classrooms	2,500,000
Future Liabilities	4,000,000
Total	37,281,284

Impact of STRS and PERS Contribution Rate

	2023-24	2024-25	2025-26
STRS Rate	19.10%	19.10%	19.10%
PERS Rate	26.68%	27.70%	28.30%
STRS Expenditures	28,846,174	29,441,679	30,035,324
PERS Expenditures	14,215,259	15,045,177	15,632,271
Total STRS/PERS Expenditures	43,061,433	44,486,857	45,667,595
Total General Fund Expenditures	384,057,878	368,360,726	372,989,219
% of General Fund Expenditures	11.21%	12.08%	12.24%
<i>Note: Does not include the STRS on Behalf accounting entry</i>			

2023-24 Original Budget: Next Steps

- 1. Legislature Approved State Budget on June 15th**
 - a) Negotiations will continue between the Legislature and the Governor until agreement is reached on the final budget
 - b) Governor must reject or approve budget by June 30th
- 2. 45 day budget revision if substantive changes occur between Governor's Proposed Budget and State Adopted Budget**
- 3. Continue to monitor enrollment, attendance, and shifting of unduplicated eligible pupil counts**
- 4. Close out 2022-23 actuals by September 15th**
- 5. First Interim budget presented for approval in December**

2023-24 Original Budget: Closing Thoughts

1. Ongoing evaluation of program needs

- a) Sustainability of program enhancements once one-time COVID funds expire
- b) Impacts on school sites with lower program participation once COVID funds end
- c) Determine base level programs for all grade spans

2. The structural operating expenditures are increasing each year

- a) Employer contributions for PERS and STRS absorb a substantial portion of increase to LCFF funding
- b) The cost of Special Education services continues to rise

3. Continue to evaluate reserves for future needs

- a) Comprehensive Program
- b) Technology
- c) Facility and safety needs
- d) Universal TK

Questions?