



Preliminary Budget Assumptions for the 2022-23 School Year

SRVUSD Board of Education Meeting
March 29, 2022



Agenda

1. Fiscal Outlook
2. Variables to Consider
3. Multi-Year Projection



State Fiscal Outlook

- Department of Finance reports state revenues are 15% higher than governor estimates from January
- \$17.5 billion additional dollars
- Big three tax revenues are all above the projection
 - Personal income = 12.3%
 - Sales and use tax = 6.3%
 - Corporate tax = 78.4%*

**\$6.3b in elective payments that accrue personal income tax credits; actual number could end up being lower*



State Fiscal Outlook

- Inflation
 - National level = 7.9%
 - Federal Reserve: trying to reduce demand
 - increased Fed Funds rate by 0.25%
 - decreasing liquidity and shrinking the money supply
- State Spending Limits
 - Applies to excess revenues
 - Reduced discretion for the Legislature to spend the surplus
 - More concerning for non education programs like childcare, health care, and other social programs

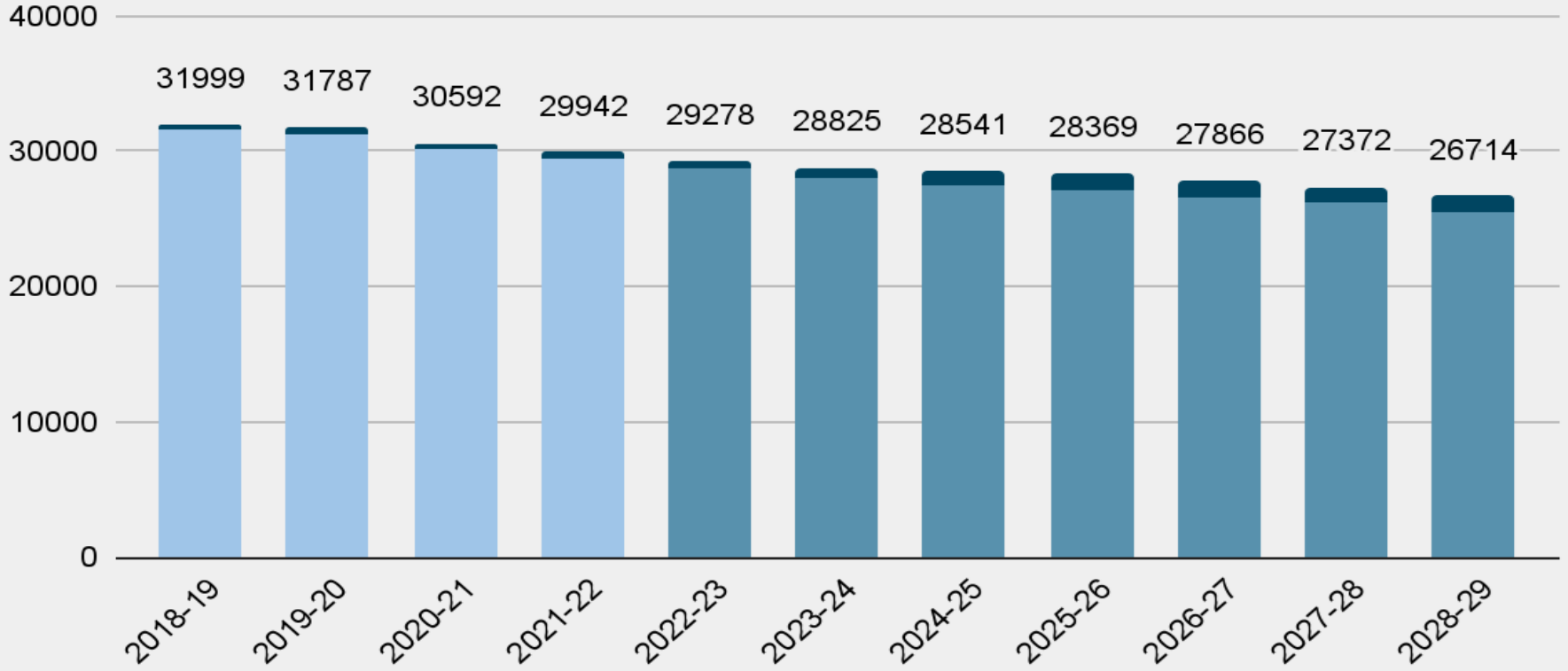


Enrollment and Attendance

- Enrollment and attendance are the biggest drivers of district revenues
 - Resident Enrollment Projection
 - Roll-up Projection
 - Students eligible for Special Education services
 - Universal Transitional Kindergarten
- Attendance Rate is the difference between enrollment and attendance

Resident Enrollment Projections through 2028-29

TK K-12





Enrollment: Resident vs. Rollup

Resident Enrollment Projection	29,278
Rollup Enrollment	$28,675 + 650 = 29,325$
<i>Enrollment as of 3.18.22</i>	<i>29,251</i>

Current sign ups for 2022 -23 have already met the demographer's projection, and are quickly approaching our internal prediction

Multi -Year Projection

- Three significant “Turn the Page” Costs
 - Step/Column Salary Increases
 - STRS/PERS
 - Health and Welfare Costs
- Cost of Living Adjustment (COLA)
- Average Daily Attendance (ADA)
 - Three year average option
- Attendance rate: normally over 97%



MYP Assumptions: Revenues

	2022-23	2023-24	2024-25
Enrollment <i>(-275 per year)</i>	29,325	29,050	28,775
Attendance Rate <i>down from rate of 97+% historically</i>	96.73%	96.73%	96.73%
COLA	5.33%	3.61%	3.64%
Special Ed. Per Pupil Rate (AB602) <i>up from previous rate of \$715 per pupil</i>	\$820	\$820	\$820

MYP Assumptions: Expenditures

	2022-23	2023-24	2024-25
STRS <i>Up from 16.92% in 2021-22</i>	19.10%	19.10%	19.10%
PERS <i>Up from 22.91% in 2021-22</i>	25.40%	25.20%	24.60%
Step & Column for Salaries	1%	1%	1%
Health and Welfare Benefit Cost Increases	10%	10%	10%

Next Steps and Timeline

- Budget and economic updates to the Board throughout the spring
- Governor's May Revise
- SRVUSD's 2022-23 Adopted Budget previewed on June 7th, action on June 14th
- California's 2022 -23 Adopted Budget by June 30th
- 45-Day Budget Revision in August 2022 will incorporate any changes from our final assumptions to match the enacted state budget

Thank you