

2023-24 Adopted Budget Summary Report

June 6, 2023



Agenda

- Budget Cycle
- Economy and State Budget
- 2023-24 General Fund Budget Assumptions
 - Revenues
 - Expenditures
- 2023-24 LCAP Revenues and Expenditures
- 2022-23 Adopted Budget Financial Summary and Multi Year Projection (MYP)
- Next Steps

Budget Cycle and Fiscal Oversight

- State law requires school districts to submit comprehensive financial reports aligned to the timeline below.
- CDE requires submission of the reports utilizing SACS, a statewide, uniform financial reporting format.



Report	Period Covered	Due Date
Adopted Budget	New fiscal year	July 1st
First Interim	July 1 - October 31	December 15
Second Interim	July 1 - January 31	March 15
Estimated Actuals	July 1 - June 30	July 1st
Unaudited Actuals	July 1 - June 30	September 15

State Budget Timeline & Process

Governor: Budget Proposal by mid January

Governor: Revised Budget released by mid May

District: Review Estimated Actuals for 2022-23 and 2023-24 Budget on June 6th; Action on June 13th
Legislature: must pass a State budget by June 15th
Governor and Legislature: must adopt by June 30th

January

May

June

➤ **Between the May Revise (May 15th) and Budget Adoption (June 30th), negotiations take place:**

- State Senate
- State Assembly
- Governor and his administration (i.e. Dept. of Finance, etc.)

California Economy and State Budget

- Direction of the economy is uncertain with positive (low unemployment, GDP growth, rising wages) and negative (inflation, interest rates, yield curve, banking sector) indicators
- State revenue is highly dependent on highest earners, and personal income tax receipts unknown until late 2023
- Governor's May Revision does not predict a recession and the LAO reports that revenues could be \$11B lower during the budget period
- Risk level: High (though the state has some available tools in reserves, deferrals, COLA deficits, additional revenues, etc)

California Economy and State Budget (cont.)

- 8.22% COLA for LCFF and categoricals
- Continued investments in existing priorities (ELOP, TK, universal meals, educator workforce, transportation, etc)
- New programs introduced, including \$300M for Equity Multiplier to support schools serving high-needs students with additional LCAP accountability
- “Revenue problem” for 2023-24 solved by “claw back” of one-time block grants awarded in 2022-23
 - Arts, Music, Instructional Materials (AMIM) reduced by 50%
 - Learning Recovery Emergency (LRE) reduced by 33%

SRVUSD LCFF Revenue Assumptions

	2023-24	2024-25	2025-26
Enrollment	29,200	28,750	28,300
ADA Ratio	94.99%	94.98%	94.97%
Unduplicated %	10.24%	10.53%	10.71%
Statutory COLA	8.22%	3.54%	3.31%
Total LCFF Revenue	338,368,822	338,168,819	342,019,447
LCFF Supplemental Revenue	6,717,617	6,898,009	7,092,427
LCFF Change over PY (%)	5.14%	-0.06%	1.14%
LCFF Revenue Per ADA	11,494	11,915	12,313

- Declining Enrollment - losing 450 students / year
- ADA ratio about 2% lower than SRVUSD historical (pre-pandemic) ratios
- The “Declining Enrollment COLA”

Other Revenues

- Special Education Revenue relatively flat (COLA only, offset by declining enrollment) after multiple years additional state commitments
- Proposition 28 (Arts & Music Education) not budgeted due to lack of state guidance
- Parcel tax expires in 2024-25

Budget Assumptions: “Turn the page” Expenditures

	2023-24	2024-25	2025-26
STRS	19.10%	19.10%	19.10%
PERS (<i>Increase from 25.37% in 2021-22</i>)	26.68%	27.70%	28.30%
Step & Column for Salaries	1%	1%	1%
Health and Welfare Benefit Cost Increases	10%	10%	10%
California CPI	3.54%	3.02%	2.64%



Strategic Directions Investments

Expenditures	2023-24	2024-25	2025-26
Turn the page	2,658,920	2,684,411	2,786,540
2022-23 "claw back"	2,000,000	0	4,500,000
Site / Department increases	500,000	500,000	500,000
Ongoing currently covered by 1x	1,500,000	4,200,000	7,000,000
Total expenditures new to LCFF	6,658,920	7,384,411	14,786,540

- Strategic Investments & Programs that will need to be funded with LCFF dollars
- With limited resources, SRVUSD may be faced with difficult choices

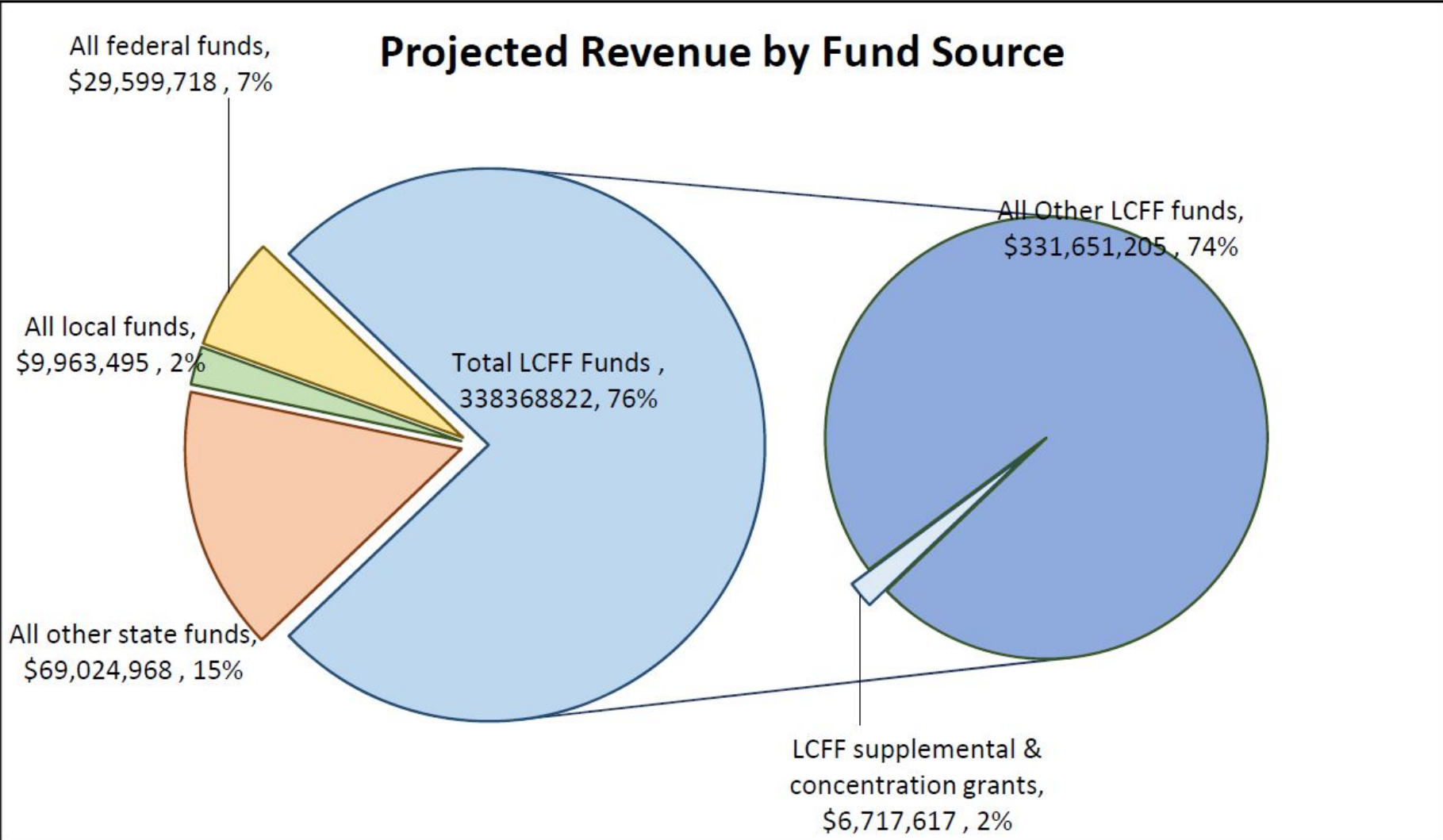
2023-24 Adopted Budget Multi-Year Projection

	2023-24 Budget	2024-25 Projection	2025-26 Projection
Revenues			
LCFF Sources	\$338,368,822	\$338,168,819	\$342,019,447
Federal Revenue	\$9,963,495	\$6,807,184	\$6,807,184
Other State Revenue	\$69,024,968	\$66,382,669	\$66,460,701
Other Local Revenue	\$29,599,719	\$29,443,646	\$22,663,023
Transfers In	\$107,403	\$107,403	\$3,107,403
Total	\$447,064,407	\$440,909,721	\$441,057,758
Expenditures			
Certificated Salaries	\$180,882,345	\$181,313,910	\$181,352,881
Classified Salaries	\$69,221,964	\$69,193,566	\$69,925,460
Employee Benefits	\$133,256,879	\$134,917,907	\$139,501,255
Books and Supplies	\$16,789,440	\$16,410,611	\$19,157,401
Services	\$45,669,601	\$44,600,795	\$44,160,541
Capital Outlay	\$150,000	\$150,000	\$150,000
Other Outgo/Indirect Costs	\$512,045	\$512,045	\$512,045
Transfers Out	\$2,768,292	\$2,768,292	\$2,768,292
Total	\$449,250,566	\$449,867,126	\$457,527,875
Net Increase (Decrease) in Fund Balance	-\$2,186,159	-\$8,957,405	-\$16,470,117

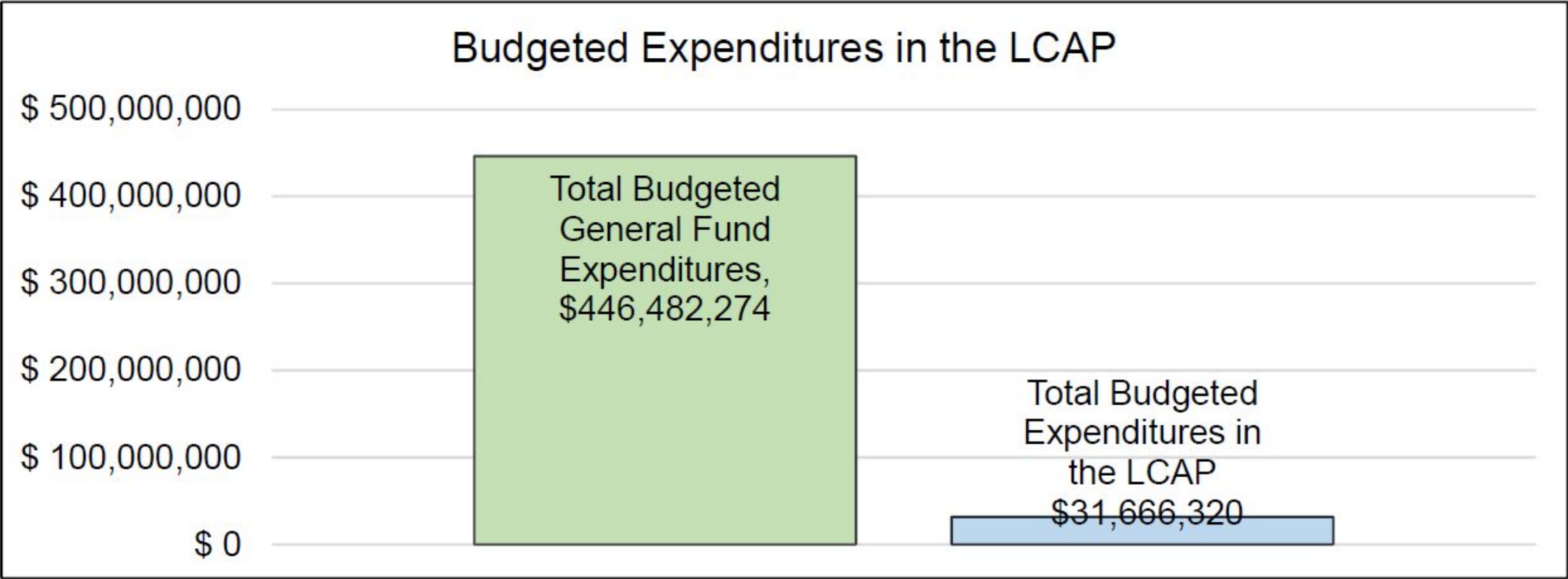
SRVUSD Fund Balance and Reserves

	2023-24	2024-25	2025-26
General Fund 01 Balance	Budget	Projection	Projection
Net Beginning Fund Balance	\$33,186,051	\$30,999,892	\$22,042,486
Ending Fund Balance	\$30,999,892	\$22,042,486	\$5,572,369
Components of Ending Fund Balance			
-Non-spendable	\$667,391	\$667,391	\$667,391
-Legally Restricted	\$10,965,077	\$5,051,426	\$4,400,442
-Committed	\$0	\$0	\$0
-Assigned	\$19,367,424	\$16,323,668	\$484,687
-Undesignated/Unappropriated	\$0	\$0	\$0
Total Ending Fund Balance	\$30,999,892	\$22,042,485	\$5,552,520
Fund 17 Balance			
Reserve for Economic Uncertainties (REU)	\$13,477,518	\$13,496,014	\$13,725,837
Declining Enrollment (Assigned)	\$3,526,610	\$3,808,114	\$878,291
Reserve Percentage (Fund 17 REU + Fund 01 and Fund 17 Assigned)	8.10%	7.48%	3.30%

2023-24 LCAP Revenues



2023-24 LCAP Expenditures



This chart provides a quick summary of how much San Ramon Valley USD plans to spend for 2023-24. It shows how much of the total is tied to planned actions and services in the LCAP.

Next Steps and Timeline

June 7: Public Hearing and review of the 2023-24 SRVUSD Budget

June 13: Action to adopt the 2023-24 SRVUSD Budget

June 30: Sacramento must adopt 2023-24 State Budget

August Board Meeting: “45 Day Budget Revision” to align the SRVUSD district budget with the state budget

August to October: review actual enrollment, ADA, revenue, expenditures

September: 2022-23 Unaudited Actuals

December: 2023-24 First Interim Financial Report

Board Discussion