



# **2021-2022 PROPOSED BUDGET**

**REGULAR BOARD MEETING**

**JUNE 30, 2021**

# Presentation



- Vision and Mission Statement
- Budget Development
- General Fund Summary
  - 2021-2022 Revenues and Expenditures
- Local Reserves Requirement
- Multi-Year Projection
- Looking Ahead
- Other Funds

# **VISION AND MISSION STATEMENT**

# Vision



*Unrelenting pursuit of the extraordinary  
school experience.*

# Mission



*To ignite genius and empower students to  
advance the world.*

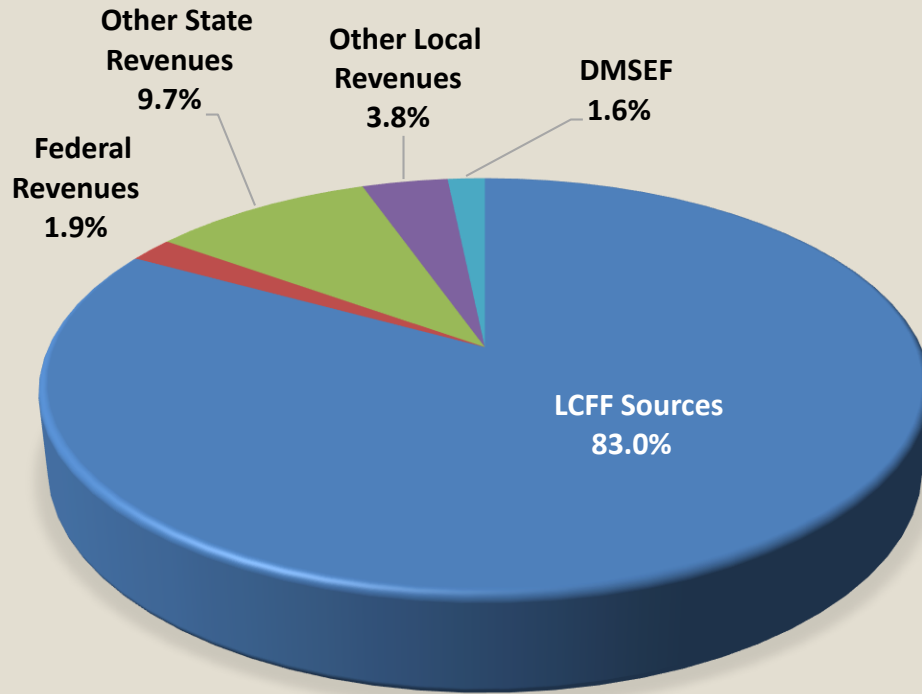
# Budget Development



- Budget determinations have been made in accordance with the goals of District Design 2022 and the Local Control Accountability Plan (LCAP)
- Maintain a fiscally sound reserve balance for a community funded school district (Basic Aid) and a continued commitment to proactive fiscal planning
- Communicate the budget to all stakeholders

# **GENERAL FUND SUMMARY**

# 2021-2022 Revenue Summary



LCFF Sources	56,390,101
Federal Revenues	1,309,201
Other State Revenues*	6,581,923
DMSEF	1,100,000
Other Local Revenues	2,543,866
<b>Total Rev. &amp; Other Sources</b>	<b>\$67,925,091</b>

\*Other State Revenues includes:

- One-time Expanded Learning Opportunities Grant of \$2,096,289
- State STRS “on-behalf” contribution of \$3,380,082

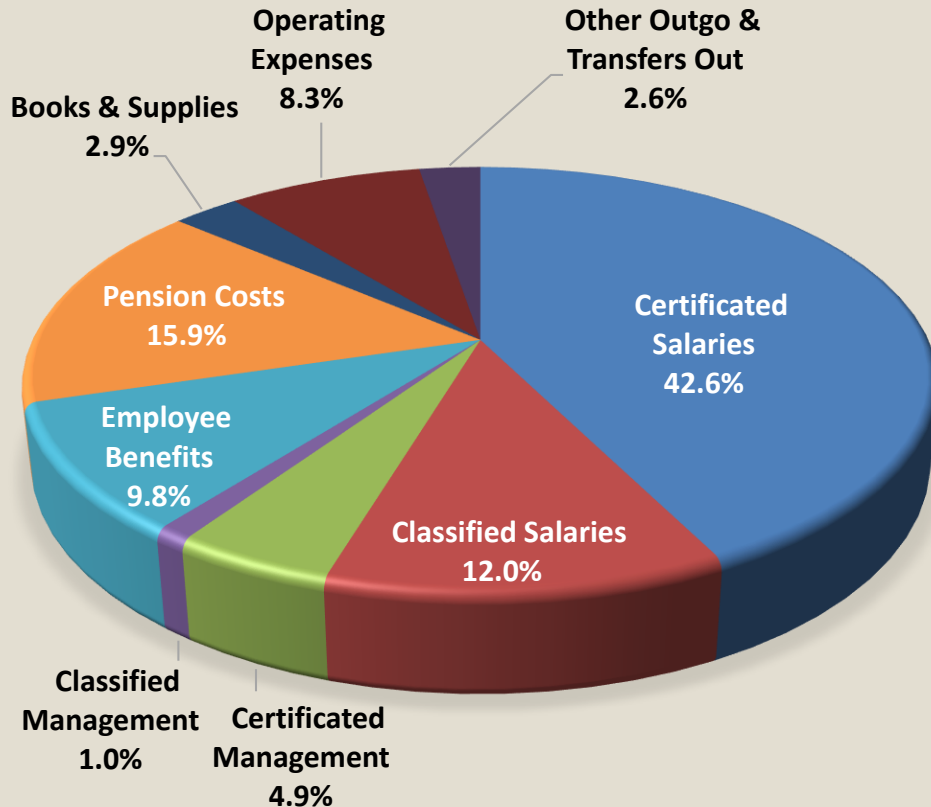


# Key Revenue Assumptions



- Property Tax Revenue is budgeted at 2.25% above the 2020-2021 estimated revenue.
  - Prop 8 temporary commercial assessment reductions
  - CPI growth 1% vs. 2% maximum
- State Aid (which is also referred to as “hold harmless”) is budgeted at \$1,170,350. This amount is the past allocated categorical funding, less the permanent \$2.5 million Basic Aid Reduction which was incurred during the recession.
- Education Protection Account (Prop 30/55) Budget is \$802,600 based upon 2019-2020 hold harmless P-2 ADA of 4,013 funded at the minimum guarantee of \$200/ADA.
- Del Mar Schools Education Foundation estimated donation of \$1.1 million
- Deferred Maintenance Fund 14, 0.50% of Property Tax Revenue
- ESSER III and Expanded Learning Opportunities Grant

# 2021-2022 Expenditure Summary



Certificated Salaries	28,933,699
Certificated Management	3,304,313
Classified Salaries	8,175,252
Classified Management	700,308
Employee Benefits	6,651,285
Pension Costs*	10,832,549
Books & Supplies	1,939,118
Operating Expenses	5,621,390
Other Outgo & Transfer Out	1,767,177
<b>Total Exp. &amp; Other Outgo</b>	<b>67,925,091</b>

**Total Salary and Benefits\* = 86.2%**

\*Pension costs includes State STRS "on-behalf" contribution of \$3,380,082

# Key Expenditures Assumptions



## Certificated and Classified Salaries and Benefits:

- Teachers to meet lower class size in Grade 4 – 6
- Addition of Counselors and Mental Health Therapist
- Continue OPEB Trust Contribution
- Increase in Pension Rates
  - STRS from 16.15% to 16.92%
  - PERS from 20.70% to 22.91%
- Increase in State Unemployment Insurance from 0.05% to 1.23%

## Operating Expenditures:

- Implementation of Amplify Science Phase II
- Chromebook Refresh
- Del Mar Heights Rebuild Transportation
- Transfer to Fund 17 Reserve for Pacific Sky School Operating Costs

# Expanded Learning Opportunities Grant



Expanded Learning Opportunities Grant: \$2,361,000

- 2020-2021 Expenditures
  - Distance Learning Support: \$260,000
  - Co-Teaching Professional Learning: \$5,000
  
- 2021-2022 Expenditures
  - Lower class size Grades 4 – 6 : \$1,002,600
  - Combo Class Support: \$65,000
  - Co-Teaching TOSA: \$141,000
  - Additional Academic Support: \$852,000
  - Diversity, Equity, and Inclusion Training: \$35,400

# Ending Fund Balance



## Components of the Ending Fund Balance

	2021-2022 Proposed Budget
Net Inc (Dec) in Fund Balance	-
Beg Fund Balance	15,271,143
Ending Fund Balance	15,271,143
Revolving Cash	25,000
Restricted	146,283
Assigned: Minimum Reserve 15%	10,188,765
3% Minimum Reserve for Economic Uncertainty	2,037,753
Unassigned/Unappropriated	2,873,342
Total Unrest. General Fund Reserve %	22.2%
Fund 17 Sp. Reserve Fund – Pacific Sky School Reserve	2,824,219

# Local Reserves Requirement



## Proposed 2021-2022 Ending Fund Balances:

Assigned and Unassigned/Unappropriated Fund Balances: \$17,924,079

Less Minimum 3% Reserve for Economic Uncertainties: \$2,037,753

Remaining Balance to Substantiate Need: \$15,886,326

\$ 2,873,342 Basic Aid stabilization and reserve for pensions, OPEB, and  
Future Obligations

\$ 10,188,765 Fund Balance Policy requiring reserves of at least 15%

\$ 2,824,219 Pacific Sky School Operations Reserve (Fund 17)

\$ 15,886,326 Total Need Supported by Excess Fund Balances

# **MULTI-YEAR PROJECTION**

# Multi-Year Projection



DESCRIPTION	FY 2021-22 Current (Base Year)	FY 2022-23 First Projected Year	FY 2023-24 Second Projected Year
<b>Revenues</b>			
LCFF Sources	56,390,101	57,980,219	59,654,529
Federal Revenues	1,309,201	1,209,201	1,209,201
Other State Revenues	6,581,923	4,539,821	4,539,821
Other Local Revenues	3,643,866	3,645,018	3,646,114
Transfers In	-	-	-
<b>Total Revenues</b>	<b>67,925,091</b>	<b>67,374,259</b>	<b>69,049,665</b>
<b>Expenditures</b>			
Certificated Salaries	32,238,012	31,956,867	32,596,003
Classified Salaries	8,875,560	9,289,491	9,475,281
Employee Benefits	17,483,834	18,465,361	18,593,559
Books & Supplies (includes Chromebooks, Audio Visual Equipment)	1,939,118	1,554,118	1,688,775
Services, Other Operating Expenses (includes Facility Maintenance Projects)	5,621,390	5,641,245	5,701,505
Other Outgo & Transfers Out	1,767,177	467,177	467,177
<b>Total Expenditures:</b>	<b>67,925,091</b>	<b>67,374,259</b>	<b>68,522,300</b>



# Multi-Year Projection Continued



DESCRIPTION	FY 2021-22 Current (Base Year)	FY 2022-23 First Projected Year	FY 2023-24 Second Projected Year
<b>Net Increase (Decrease) In Fund Balance</b>	-	-	527,365
<b>Beginning Balance as of July 1</b>	15,271,143	15,271,143	15,271,143
<b>Ending Balance</b>	15,271,143	15,271,143	15,798,508
<b>Revolving Cash</b>	25,000	25,000	25,000
<b>Restricted</b>	146,283	146,283	146,283
<b>Assigned Minimum Reserve 15%</b>	10,188,765	10,106,139	10,278,345
<b>Reserve for Economic Uncertainties</b>	2,037,753	2,021,228	2,055,669
<b>Unassigned/Unappropriated Amount</b>	2,873,342	2,972,493	3,293,211
<b>Unrestricted General Fund Reserve %</b>			
	22.2%	22.4%	22.8%

# LOOKING AHEAD

# Looking Ahead



- Await Final State Budget
  - Universal Transitional Kindergarten Funding
  - Pension Rates
  - Unemployment Rate
  - Categorical Programs
- Continue Monitoring Enrollment and Staffing Projections
- Staffing for Pacific Sky School

# OTHER FUNDS

# Fund 13 Cafeteria Fund



Total Revenues	\$ 716,142
General Fund Transfer	\$ 100,000
Total Expenditures	<u>\$ 816,142</u>
Net Increase/Decrease in Fund Balance	\$ -
Beginning Fund Balance	\$ -
Ending Fund Balance	\$ -

*This fund is used to account separately federal, state and local resources to operate the food service program.*

# Fund 14 Deferred Maintenance



Total Revenues	\$ 284,515
Total Expenditures	<u>\$ -</u>
Net Increase in Fund Balance	\$ 284,515
Beginning Fund Balance	\$1,383,188
Ending Fund Balance	\$1,667,703

*This fund is used to account for deferred maintenance projects for major replacement or repair - a contribution to the deferred maintenance fund from the general fund of 0.50% of property tax revenue is committed by resolution.*

# Fund 17 Special Reserve



Total Revenues	\$1,310,000
Total Expenditures	<u>\$ -</u>
Net Increase in Fund Balance	\$1,310,000
Beginning Fund Balance	\$1,514,219
Ending Fund Balance	\$2,824,219

*This fund is used to primarily provide for the accumulation of general fund moneys – the contribution from the general fund is assigned for the future operating costs of Pacific Sky School*

# Fund 21 Measure MM, Series 2019 A



Total Revenues	\$ 300,000
Total Expenditures	<u>\$ 42,174,670</u>
Net Decrease in Fund Balance	\$(41,874,670)
Beginning Fund Balance	\$ 47,517,901
Ending Fund Balance	\$ 5,643,231

*This fund is used to account for capital projects approved under 2018 General Obligation Bond Measure MM*



# Fund 25 Capital Facilities Fund



Total Revenues	\$ 58,000
Total Expenditures	<u>\$ 13,000</u>
Net Increase in Fund Balance	\$ 45,000
Beginning Fund Balance	\$ 811,927
Ending Fund Balance	\$ 856,927

*The 2021 Developer Fees for Residential is \$3.79/sq. ft. and Commercial is \$0.61/sq. ft.  
DMUSD receives 47.47% (\$1.80 & \$0.29 /sq. ft. respectively) and the San Dieguito Union High School District  
receives the remaining 52.53%.*

*Funds are to be used to increase capacity at a school site.*

# Fund 40 Special Reserve for Capital Outlay



Total Revenues	\$ 98,000
Total Expenditures	<u>\$ 1,170,000</u>
Net Decrease in Fund Balance	\$(1,072,000)
Beginning Fund Balance	\$ 6,464,761
Ending Fund Balance	\$ 5,392,761

Modernize learning environments with furniture, network equipment, outdoor tables

*This fund is used to account for the renovation of district facilities and other capital projects*

# Fund 49 CFD 95-1 & CFD 99-1 Combined



Total Revenues	\$ 4,392,000
Total Expenditures	<u>\$ 37,267,025</u>
Net Decrease in Fund Balance	\$(32,875,025)
Beginning Fund Balance	\$ 42,205,360
Ending Fund Balance	\$ 9,330,335
CFD 95-1 Ending Fund Balance:	\$ 6,279,365
CFD 99-1 Ending Fund Balance:	\$ 3,050,970

*CFD 99-1 funds being used towards Pacific Sky School construction costs.*

# Fund 63 Enterprise Fund



Total Revenues	\$ 2,807,576
Total Expenditures	<u>\$ 2,519,143</u>
Net Increase in Fund Balance	\$ 288,433
Beginning Fund Balance*	\$ 189,351
Ending Fund Balance*	\$ 477,784

\*Net of Pension and OPEB Liabilities

*This fund is used to account for the revenue and expenditures of the childcare programs.*

# Fund 73 Trust Fund



Total Revenues	\$ 400
Total Expenditures	<u>\$ -</u>
Net Increase in Fund Balance	\$ 400
Beginning Fund Balance	\$ 34,808
Ending Fund Balance	\$ 35,208

*This fund is for Del Mar Heights School and is in memory of Erin Ellerman, any interest earned may be used for scholarships and library books.*

**QUESTIONS?**