



SANTA ANA UNIFIED SCHOOL DISTRICT

Preparing All Students for Success in College and Career

2021-22 Proposed Budget Report



June 8, 2021

Agenda

- Public Hearing for the 2021-22 Budget**
- Our Vision, Mission and Budget**
- Budget Reporting Cycle**
- California Economy**
- Our Financial Position**
- Comparability**
- Fiscal Outlook**

Proposed Budget

Education Code 42127 requires the governing board of each school district to hold a public hearing and adopt the budget for the subsequent fiscal year. The budget to be adopted shall be prepared in accordance with the format prescribed by the Superintendent of Public Instruction.

Staff is recommending the Proposed Budget for consideration and adoption in the next Board Meeting on June 22, 2021. The proposed budget certifies that based upon the current assumptions Santa Ana Unified School District will meet its financial obligations for the current fiscal year and subsequent two fiscal years.

Financial Health



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EDUCATION CODE - EDC

TITLE 2. ELEMENTARY AND SECONDARY EDUCATION [33000 - 65001] (Title 2 enacted by Stats. 1976, Ch. 1010.)

DIVISION 2. STATE ADMINISTRATION [33000 - 33596] (Division 2 enacted by Stats. 1976, Ch. 1010.)

PART 20. STATE EDUCATIONAL AGENCIES [33000 - 33596] (Part 20 enacted by Stats. 1976, Ch. 1010.)

CHAPTER 2. Superintendent of Public Instruction [33100 - 33195.6] (Chapter 2 enacted by Stats. 1976, Ch. 1010.)

ARTICLE 2. Powers and Duties [33110 - 33133.5] (Article 2 enacted by Stats. 1976, Ch. 1010.)

33128. (a) The standards and criteria to be adopted by the State Board of Education pursuant to Section 33127 shall include, but not be limited to, comparisons and reviews, including appropriate methods of projection, of all of the following:

- (1) Average daily attendance.
- (2) Revenues and expenditures.
- (3) Reserves and fund balance.
- (4) Multiyear commitments, including cost-of-living adjustments.

(b) In addition to the requirements of subdivision (a), the standards and criteria to be adopted by the State Board of Education pursuant to Section 33127 shall include, but not be limited to, all of the following:

- (1) Clear definitions and guidelines for positive, qualified, and negative interim financial certifications pursuant to Sections 42130 and 42131.
- (2) District financial health indicators to provide a comprehensive review and assessment of the financial condition of districts and to help identify districts that are developing financial problems before the problems become severe. The indicators shall take into account issues including, but not limited to, all of the following:
 - (A) Increasing or decreasing balances available for general purposes and general purpose reserve size relative to the standard for the district.
 - (B) Long-term commitments for rates of increase in significant cost centers that are more or less than current revenue growth rate projections, including the projected cost change of the workforce taking into account the progression of newer hires and existing staff through the salary schedule and likely turnover, and all compensation for the superintendent of the school district and executive positions reporting directly to the superintendent of the school district.





Vision

We will work collaboratively and comprehensively with staff, parents, and the community to strengthen a learning environment focused on raising the achievement of all students and preparing them for success in college and career.

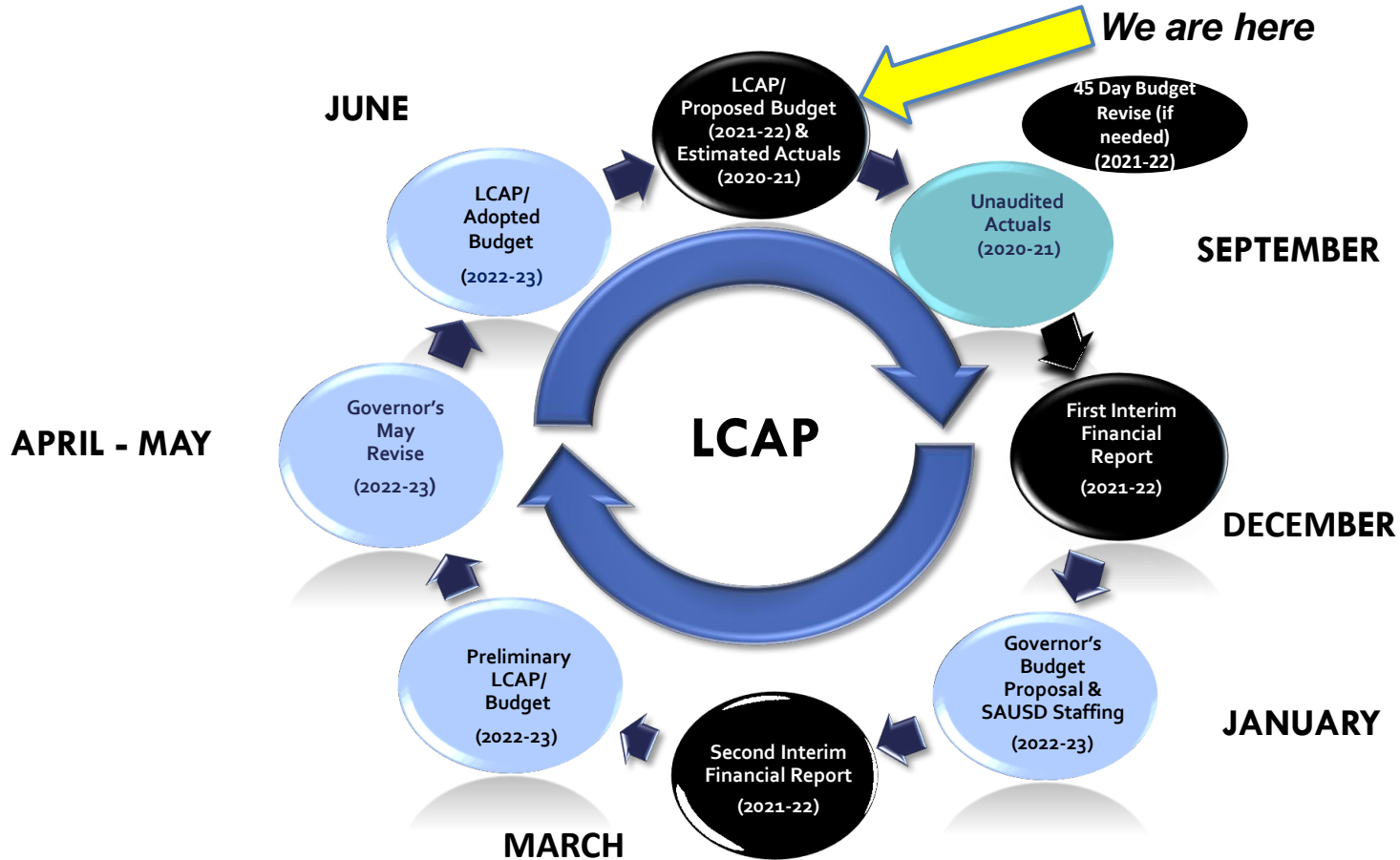
Mission

We assure well-rounded learning experiences, which prepare our students for success in college and career. We engage, inspire, and challenge all of our students to become productive citizens, ethical leaders, and positive contributors to our community, country and a global society.



Maintain District stability, solvency, and local control

Budget Reporting Cycle

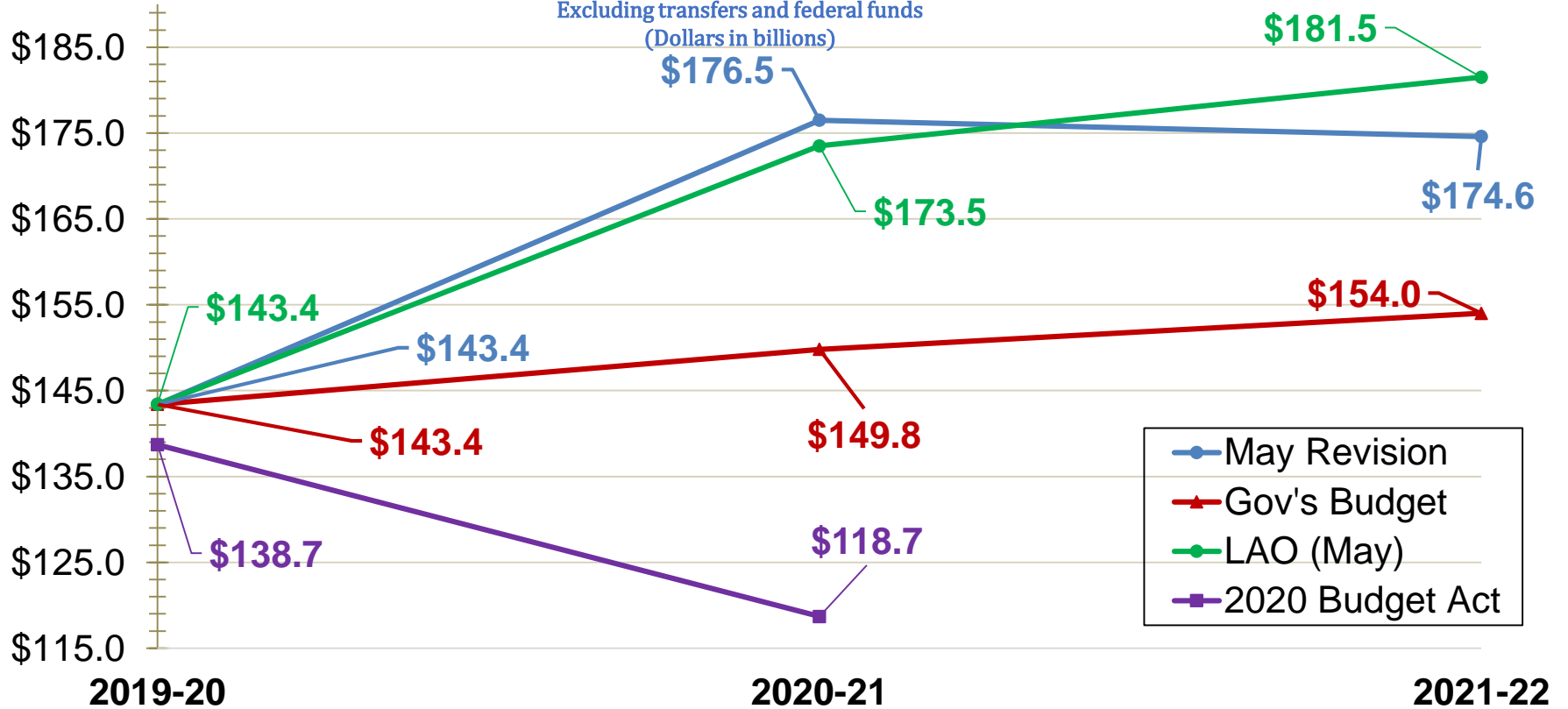


California Economy



State General Fund Revenues

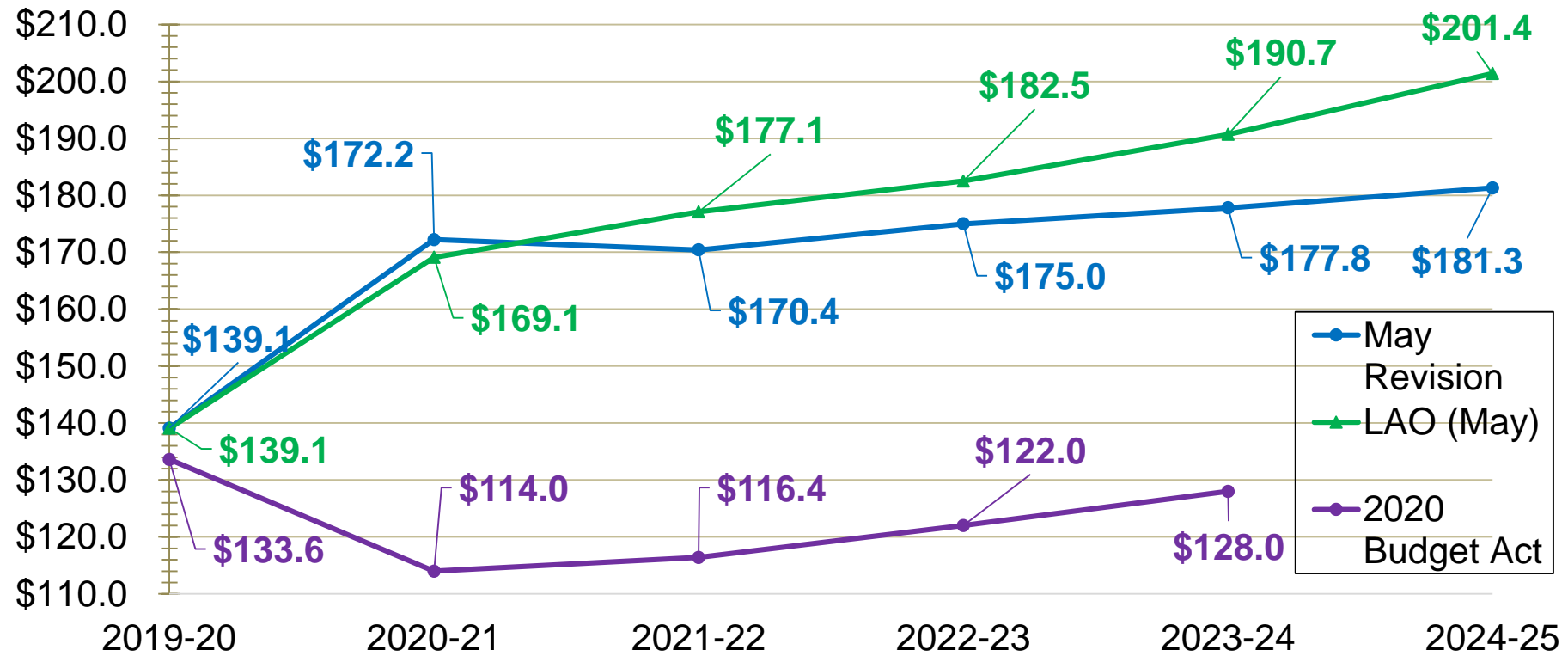
Excluding transfers and federal funds
(Dollars in billions)



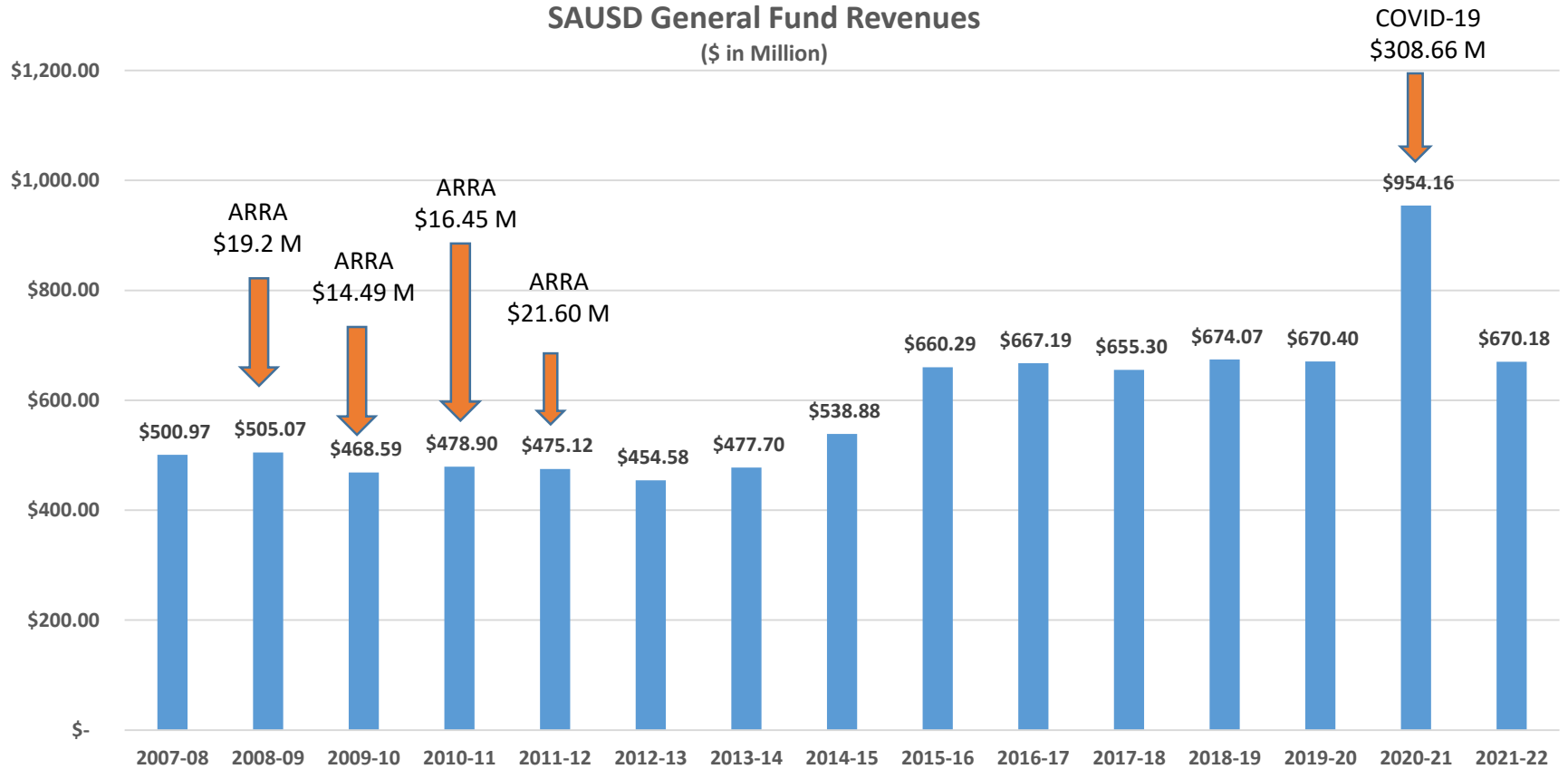
California Economy



Revenue Outlook
"The Big Three"
(Dollars in billions)



Our Financial Position – 2020-21 Estimated Actuals



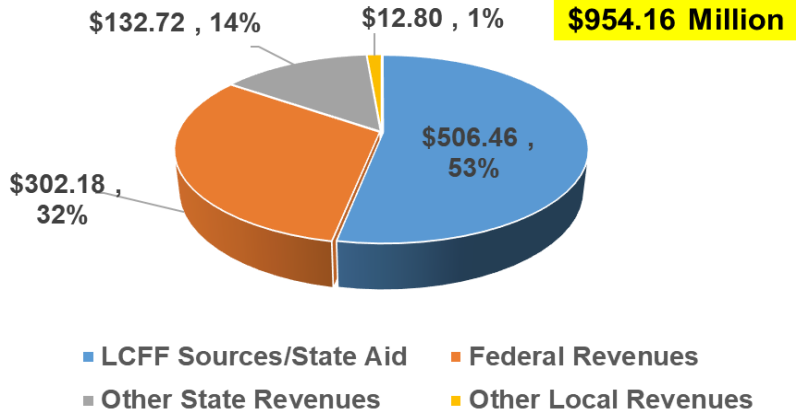
2020-21 Estimated Ending General Fund Balance: \$385.78 M (\$140 M Unrestricted, \$245.78 M Restricted)

Our Financial Position - Covid-19 Fiscal Impact

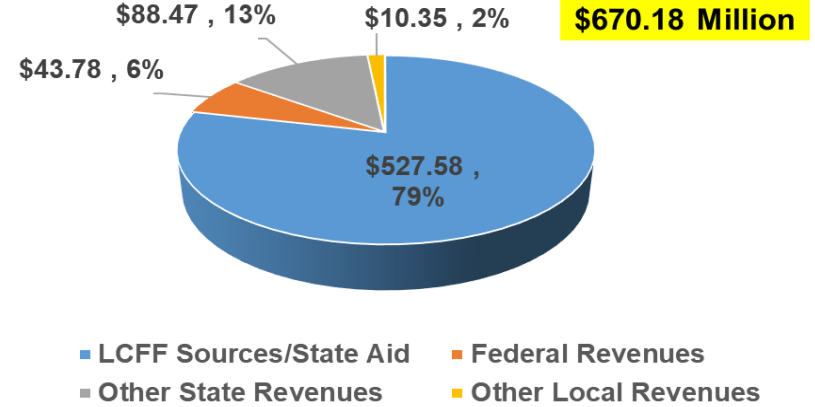
	Learning Loss Mitigation-based on Local Control Funding Formula (LCFF)	Learning Loss Mitigation-based on Local Control Funding Formula (LCFF)	In-Person Instruction (IPI) Grants	Expanded Learning Opportunity (ELO) Grant	Expanded Learning Opportunity (ELO) Grant Restricted to Paraprofessional	ESSER Funds - CDE Certified	GEER	ESSER II Funds CDE - Preliminary Allocations	ESSER III Funds SSC - Estimated Allocations	ESSER III Funds SSC - Estimated Allocations Learning Loss	SB 117 COVID-19	Total
	Federal	State	State	State	State	Federal	Federal	Federal	Federal	Federal	State	
	Coronavirus Aid, Relief, and Economic Security (CARES) Act	Prop 98 GF - Coronavirus Aid, Relief, and Economic Security (CARES) Act	AB 86	AB 86	AB 86	Coronavirus Aid, Relief, and Economic Security (CARES) Act	Coronavirus Aid, Relief, and Economic Security (CARES) Act	Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) 2021	American Rescue Plan Elementary and Secondary School Emergency Relief (ARP) March 11, 2021	American Rescue Plan Elementary and Secondary School Emergency Relief (ARP) March 11, 2021	Senate Bill No. 117	
Revenue	\$51.97	\$4.47	Forfeited \$16.24	\$36.74	\$3.44	\$14.49	\$2.97	\$59.39	\$107.52	\$26.88	\$0.79	\$308.66
Encumbrance		\$0.08				\$1.55	\$0.06	\$6.46				\$8.15
Expenditure	\$51.97	\$2.98				\$3.69	\$2.27	\$5.60			\$0.41	\$66.92
Balance as of 6-1-2021	\$0.00	\$1.41		\$36.74	\$3.44	\$9.25	\$0.64	\$47.33	\$107.52	\$26.88	\$0.38	\$233.59

Our Financial Position & Comparability

2020-21 General Fund Revenues



2021-22 General Fund Revenues



Enrollment: 43,911

COLA: 0.00%

1-Time COVID-19: State (\$44.32 Million) and

Federal: (\$261.20 Million) Funding

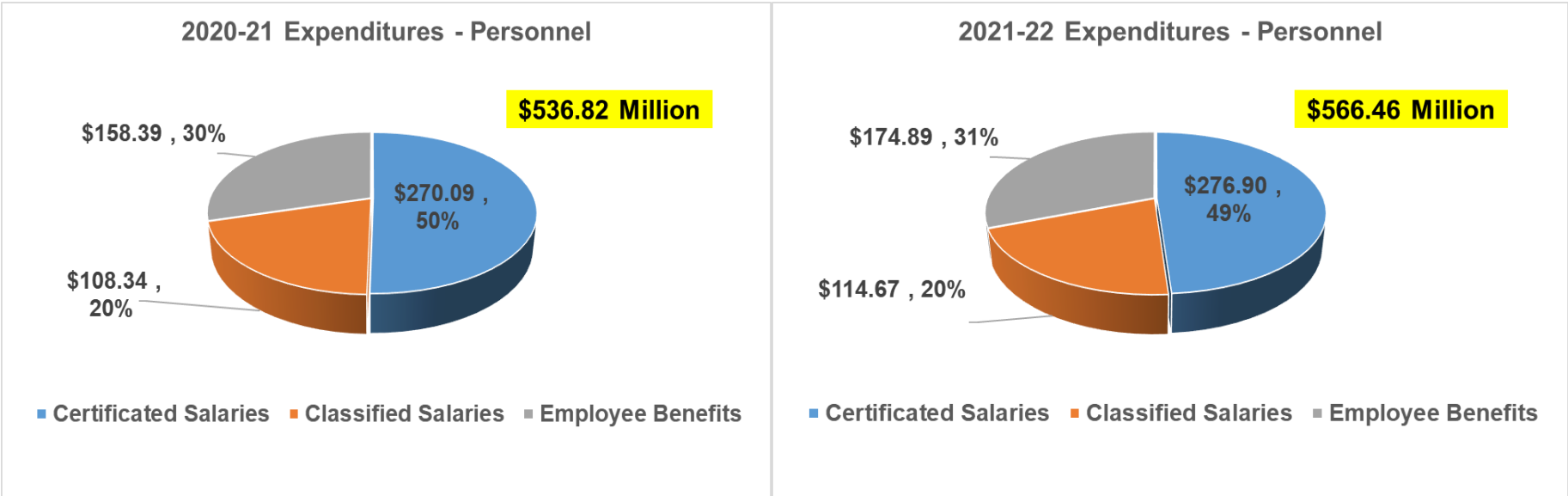
Enrollment: 42,715

LCFF COLA: 5.07% = \$21.14 Million

Federal: Title I (\$2.80 Million)

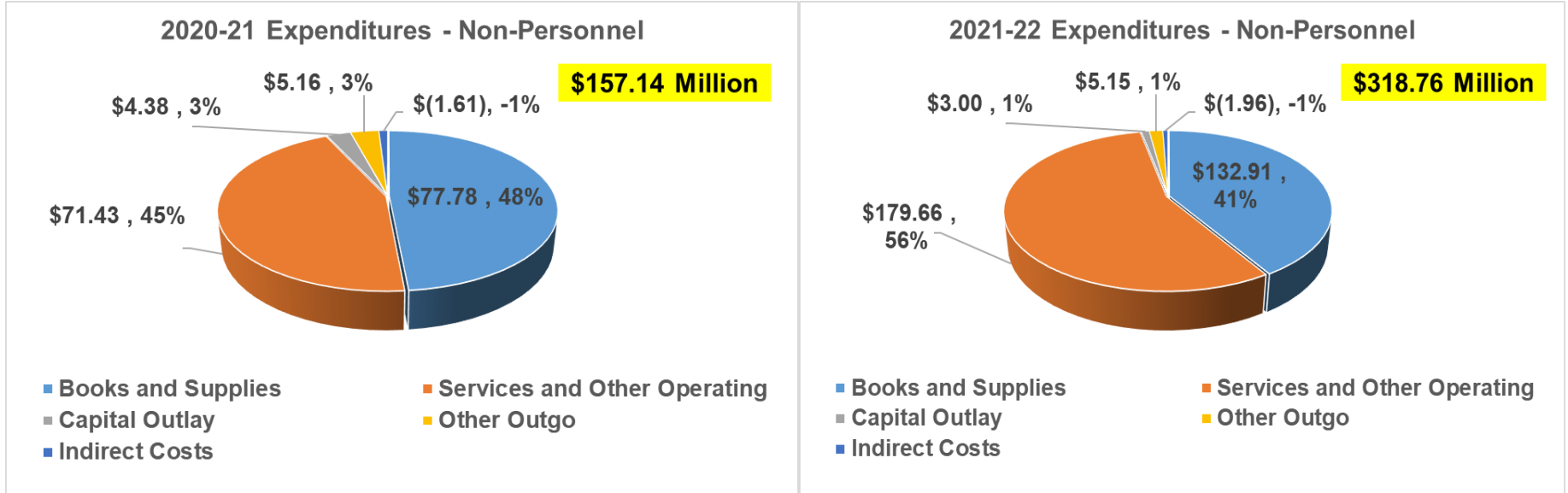
Local Revenue: (-\$2.45 Million)

Our Financial Position & Comparability



Fully budgeted partial/vacant positions in 2021-22 as well as extra duty and subs.
 Activity Monitors were partially paid with CR funds from September to December 2020 and for 2021-22 they are fully budgeted with unrestricted funds
 COVID-19 funds carryover for teacher training, summer, and subs.
 Step & Column Increases
 CalSTRS, CalPERS, SUI, and Health benefits Increases

Our Financial Position & Comparability



New PARS Supplemental Retirement Plan

Utilities Increases

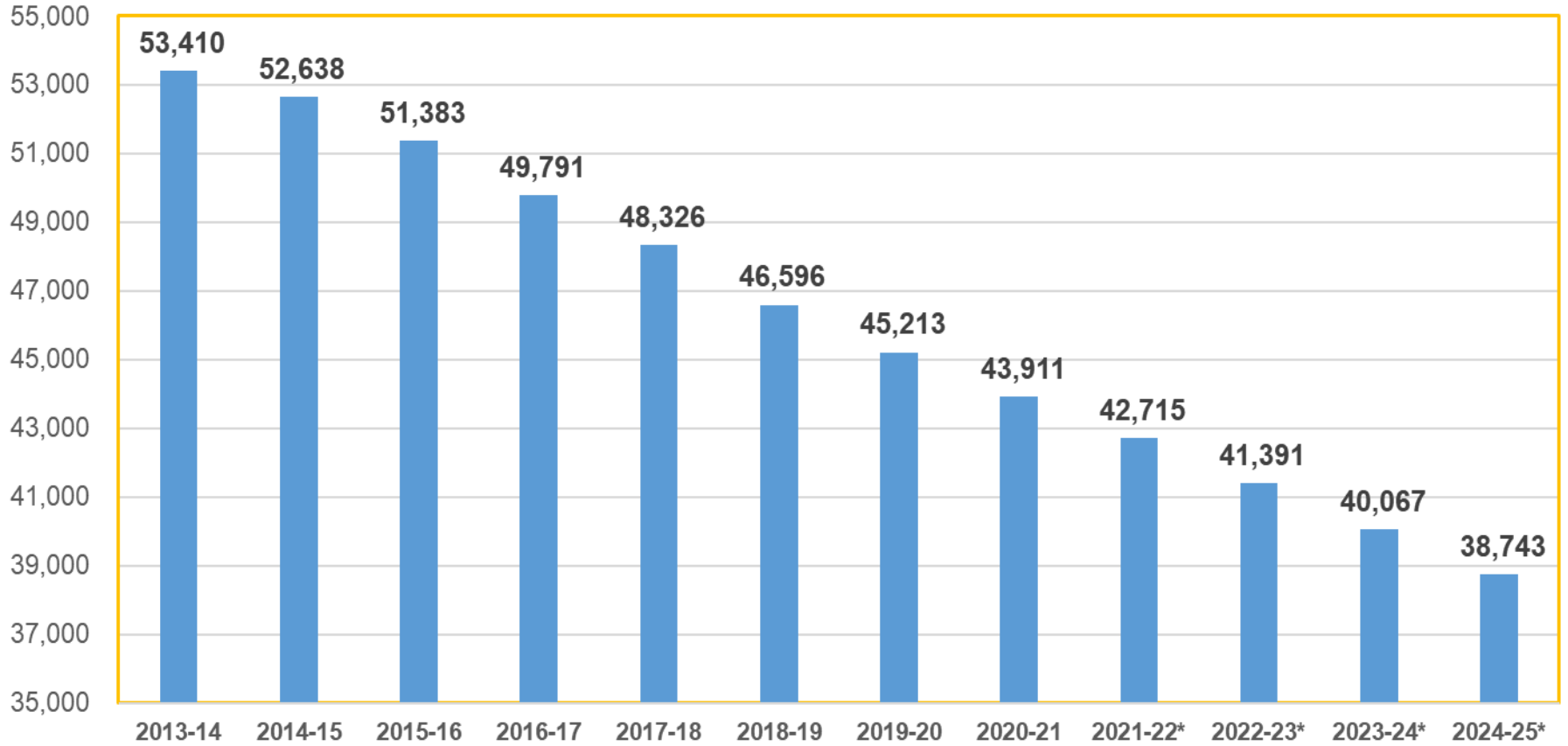
Books and supplies as well as Services and Other Operating Increases mostly due to budgeting for ESSER II and ESSER III as a place holder

Our Financial Position– All Other Funds

		2021-22 July 1 Budget			
Fund	Fund Description	Beginning Fund Balance	Revenues + Transfers in + other sources	Expenditures + Transfers out + other uses	Ending Fund Balance
09	Charter Schools Special Revenue Fund (ALA)	\$ 3,791,036.22	\$ 4,949,128.23	\$ 4,681,530.34	\$ 4,058,634.11
12	Child Development Fund	\$ 1,228,736.45	\$ 11,499,986.00	\$ 11,484,966.00	\$ 1,243,756.45
13	Cafeteria Fund	\$ 12,726,634.75	\$ 36,646,000.00	\$ 37,101,939.10	\$ 12,270,695.65
14	Deferred Maintenance Fund	\$ 2,258,593.81	\$ 2,060,000.00	\$ 2,062,800.00	\$ 2,255,793.81
17	Special Reserve for Other Than Capital Outlay Projects	\$ 1,237,445.07	\$ 8,000.00	\$ -	\$ 1,245,445.07
20	Special Reserve for Postemployment Benefits	\$ 332,574.86	\$ 3,000.00	\$ -	\$ 335,574.86
21	Building Fund	\$ 74,149,929.98	\$ 500,000.00	\$ 4,222,718.89	\$ 70,427,211.09
25	Capital Facilities Fund	\$ 24,947,261.40	\$ 7,443,933.00	\$ 4,849,282.17	\$ 27,541,912.23
35	Special Reserve Fund for Capital Outlay	\$ 447,535.03	\$ 15,000.00	\$ 1,500.00	\$ 461,035.03
40	County School Facilities Fund	\$ 6,982,773.22	\$ 3,441,756.88	\$ 4,014,857.88	\$ 6,409,672.22
49	Capital Project Fund for Blended Component Units	\$ 549,527.89	\$ 4,800.00	\$ 148,982.36	\$ 405,345.53
51	Bond Interest & Redemption Fund	\$ 34,434,876.00	\$ 7,758,878.00	\$ 27,183,191.00	\$ 15,010,563.00
56	Debt Service Fund	\$ 4,540,152.88	\$ 7,745,878.07	\$ 7,691,378.07	\$ 4,594,652.88
67	Self-Insurance Fund	\$ 36,619,316.33	\$ 14,735,327.66	\$ 19,369,772.78	\$ 31,984,871.21
71	Retiree Benefit Fund	\$ 40,013,534.21	\$ 250.00	\$ 10,000,008.00	\$ 30,013,776.21

Fiscal Outlook

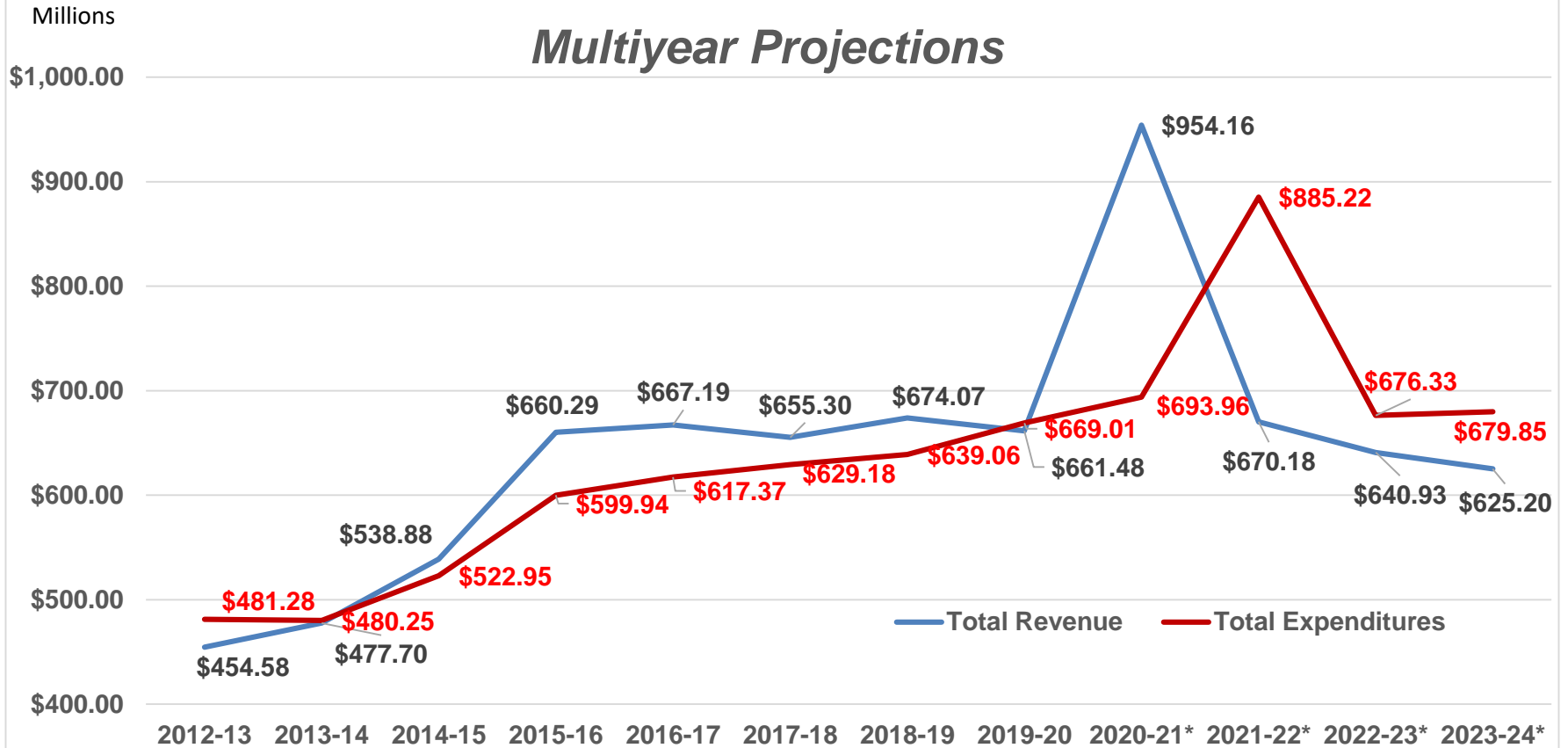
SAUSD Student Enrollment



*Projections

Fiscal Outlook

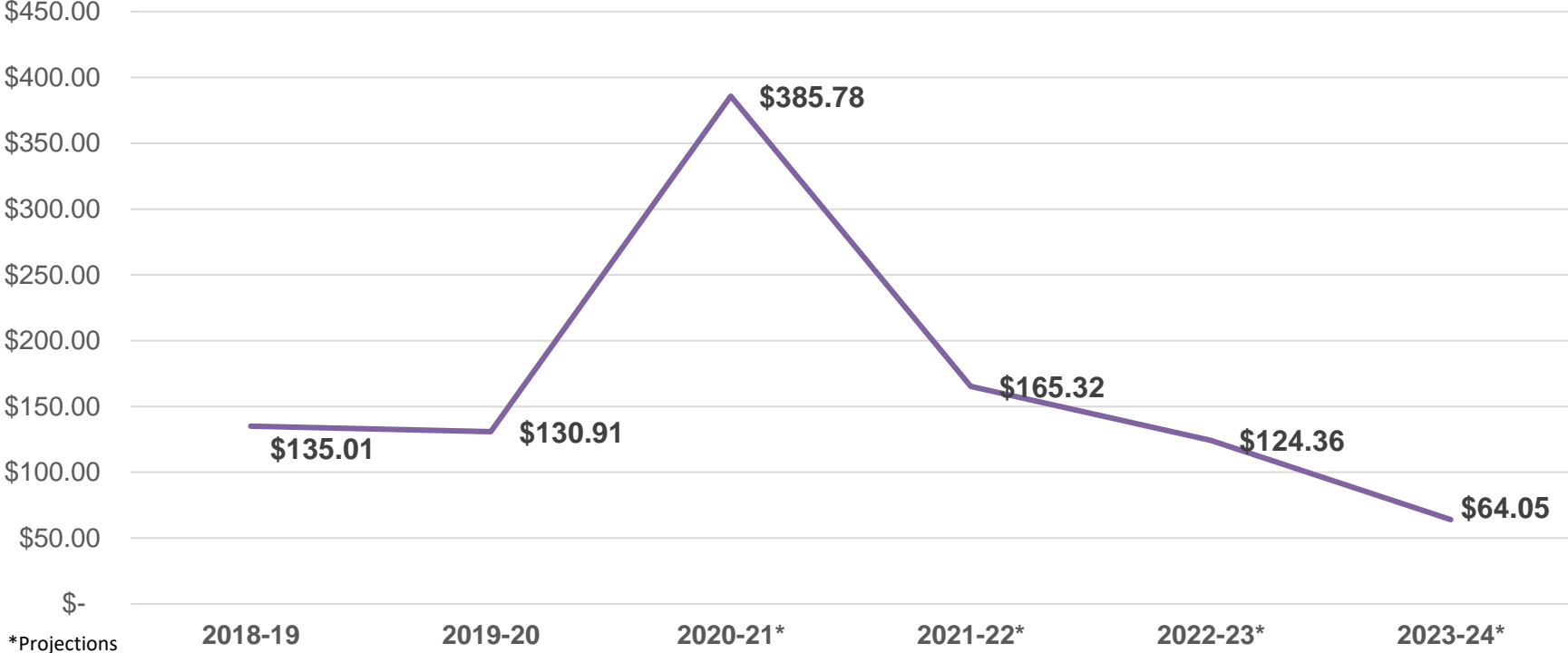
Multiyear Projections



*Projections

Fiscal Outlook

**SAUSD Ending Fund Balance
Multiyear Projections**



Fiscal Outlook - State

- Virtual Learning Option for the 2021-22 school year
- Budget deal between the CA Senate and Assembly reached on June 1, setting the stage for a final round of negotiations with Governor Newsom
- Legislature's budget uses the Legislative Analyst's Office (LAO) higher revenue estimates, adding \$4 billion in the budget year and \$20 billion by 2024-25
- Legislature is proposing several key differences from the Governor, including:
 - ✓ ~~Unemployment Insurance~~ - Proposes to lower the Unemployment Insurance (UI) rate from 1.23% to .5% for the 2021-22 and 2022-23 fiscal years.
 - ✓ **Full Pay-Off of Inter-year Deferrals** - Proposes to fully retire the remaining inter-year deferrals (\$2.6 billion beyond the Governor's May Revision).
 - ✓ **Pension Costs** - Proposes spending nearly \$2.8 billion over four years to make supplemental pension payments for schools and community colleges (non-Prop 98).

Next Steps

- Board Adoption of Budget (June 22, 2021)
- Executions of MOUs with Bargaining Units (Budgeting/Actuals at detail level)
- Instructional Plan (Academic Support) and Wellness (Mental Health Support) Plan
- Governor's Signed Budget by June 30, 2021 (Potential 45 days Revise)
- School Reopening 2021-21/Actual Enrollment /Staffing Adjustments
- Ongoing Pandemic expenditures
- 2021-22 First Interim – Dec 2021

Questions?