



2021-2022 DRAFT BUDGET OVERVIEW

2021-22 STATE BUDGET UPDATE



2021-22 State Budget (Governor's Proposal) - Key Points

Historic funding levels for K-12 Education

- Attributed to V-shaped recovery. Also proposes a historic deposit into the State's "rainy day" reserve fund

Proposed "Mega" COLA

In-Person is the default for all schools in CA

Paying down deferrals in 2021-22

- The State will **only** defer our June '22 apportionment until July '22

Expansion of IPI Grant & ELO Grant

- Amounts TBD. Funding will be based on LCFF methodology. Focus is Health & Safety (IPI) and Targeted Intervention (ELO)

New Concentration Grant Proposal

- \$1.1 Billion of ongoing funding. Terrific news, but we do not qualify.

Does NOT address pre-funding State pensions (STRS/PERS)

Additional investments: Infrastructure, Child Nutrition, Child Care/TK/PS, Mental Health, Educator Workforce

2021-22 State Budget Update: COLA

- 2021-22 COLA (cost of living adjustment) proposal is **5.07%**
 - This combines the 2020-21 COLA **and** the 2021-22 COLA and only applies to LCFF funding sources
 - For special education, the proposed compounded COLA is **4.5%**
 - For other categorical programs (Mandate Block Grant), the COLA proposal is **1.7%**.

Comparison of Statutory and Funded COLA 2020–21 and 2021–22			
	2020–21	2021–22	Applied to
Statutory COLA	2.31%	1.70%	<ul style="list-style-type: none"> • 5.07% applied to LCFF • 4.5% applied to special education • 1.70% applied other categorical programs (e.g., MBG, Child Nutrition)
Funded COLA	0.00	5.07% ¹	

¹Represents the 2021–22 statutory COLA of 1.70%, plus an additional 1.00%, compounded with 2019–20 statutory COLA of 2.31%

The Governor's proposed COLA provides \$1.38 Million of support for PCHS, but not enough to cover projected expenses

- The chart below outlines how the COLA increase will be distributed and does not account for the (1) impact of negotiations, or (2) increased vendor costs
- Keep in mind, this is a compounded COLA (combined 2020-21 AND 2021-22) compared to single-year cost increases for 2021-22.

IMPACT OF COLA INCREASE

By Dollars
(\$)

Base Grant (compounded COLA of 5.07%)

\$1,384,822

Minus cost increase as a percent of an LEA budget

CalPERS Employer Contribution Change (21-22)

(\$115,644)

CalSTRS Employer Contribution Change (21-22)

(\$125,305)

OPEB (Lifetime Retiree Benefits)

(\$475,000)

FTE (New Positions)

(\$325,000)

Health and Welfare Benefit (SISC)

(\$104,420)

Insurance (Liability/Worker Comp)

(\$167,161)

Unemployment Insurance

(\$239,049)

TOTAL

(\$166,757)

PCHS 2021-22 BUDGET



Assumptions used to develop our 2021-22 Budget

- Enrollment remains flat
- ADA remains flat at 2,907
- Assumes full return to in-person instruction
 - No “hybrid” costs
- Slight decrease in UPP
 - English learners, foster youth, low income, etc.
 - This impacts our supplemental grant funding
 - Decrease in current year Free/Reduced population (3-year rolling avg)
- Prefunding OPEB (retiree benefit) to recommend level of **\$790k**
- Does not account for ESSER II or ESSER III funds
 - Not yet received
 - Once received, will be recognized and allocated
 - CDE requires us to develop a plan before spending the funds

LCFF PLANNING FACTORS					
Factor	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Finance (DOF) Statutory COLA	2.31%	1.70% ¹	2.48%	3.11%	3.54%
SSC Estimated Planning COLA	0.00%	5.07% ²	2.48%	3.11%	3.54%

LCFF GRADE SPAN FACTORS FOR 2021-22				
Entitlement Factors per ADA*	K-3	4-6	7-8	9-12
2020-21 Base Grants	\$7,702	\$7,818	\$8,050	\$9,329
Mega COLA at 5.07%	\$390	\$396	\$408	\$473
2021-22 Base Grants	\$8,092	\$8,214	\$8,458	\$9,802
Grade Span Adjustment Factors	10.4%	-	-	2.6%
Grade Span Adjustment Amounts	\$842	-	-	\$255
2021-22 Adjusted Base Grants ^{3,4}	\$8,934	\$8,214	\$8,458	\$10,057

*Average daily attendance (ADA)

OTHER PLANNING FACTORS					
Factors	2020-21	2021-22	2022-23	2023-24	2024-25
California CPI	2.14%	3.84%	2.40%	2.23%	2.42%
California Lottery	Unrestricted per ADA	\$150	\$150	\$150	\$150
	Restricted per ADA	\$49	\$49	\$49	\$49
Mandate Block Grant (District)	Grades K-8 per ADA	\$32.18	\$32.79	\$33.60	\$34.64
	Grades 9-12 per ADA	\$61.94	\$63.17	\$64.74	\$66.75
Mandate Block Grant (Charter)	Grades K-8 per ADA	\$16.86	\$17.21	\$17.64	\$18.19
	Grades 9-12 per ADA	\$46.87	\$47.84	\$49.03	\$50.55
Interest Rate for Ten-Year Treasuries	1.30%	2.13%	2.40%	2.30%	2.40%
CalSTRS Employer Rate ⁵	16.15%	16.92%	19.10%	19.10%	19.10%
CalPERS Employer Rate ⁵	20.70%	22.91%	26.10%	27.10%	27.70%
Unemployment Insurance Rate ⁶	0.05%	1.23%	0.20%	0.20%	0.20%

STATE MINIMUM RESERVE REQUIREMENTS	
Reserve Requirement	District ADA Range
The greater of 5% or \$71,000	0 to 300
The greater of 4% or \$71,000	301 to 1,000
3%	1,001 to 30,000
2%	30,001 to 400,000
1%	400,001 and higher

2021-22 Proposed Budget: Topline Summary

- Proposed budget includes significant investments to drive student success and increase staff support
- At our initial 5/27 budget development meeting, our budget reflected a deficit of **\$236k**
- As of 6/4, we incorporate new tech/operations/CAPEX items and the budget deficit increased to **\$374k**
- As of 6/8, after Admin team feedback & newly published SpEd rate increases, there is a positive ending balance of **\$260,035**

	21/22 Draft Budget (Full Return)	21/22 Draft Budget w/Tech/Operations Revisions (As of 6/4/21)	21/22 Draft Budget w/Admin reductions (As of 6/8/21)
Total Revenue:	\$ 39,637,153	\$ 39,637,153	\$ 39,950,522
Total Expense	\$ 39,873,777	\$ 40,012,040	\$ 39,690,487
Net balance (Financial statement balance)	\$ (236,624)	\$ (374,987)	\$ 260,035

Investing in our Students & Staff

- The draft 2021-22 budget includes targeted support for students & staff
- Allocated via relief funds and also coming out of our General Fund

Increased Mental Health Services
• +\$220k

PD / Staff Training
• +\$360k

Intervention & Credit Recovery (Auxiliaries)
• +\$190k

Extending Instructional Learning Time
• +\$205k

Tech Needs
• +\$460k (ELO)
• +\$85k (GF)

Funds Retiree Benefit
• +\$475k

3 New Positions
• +\$365k

Increased Instructional Materials (IMA)

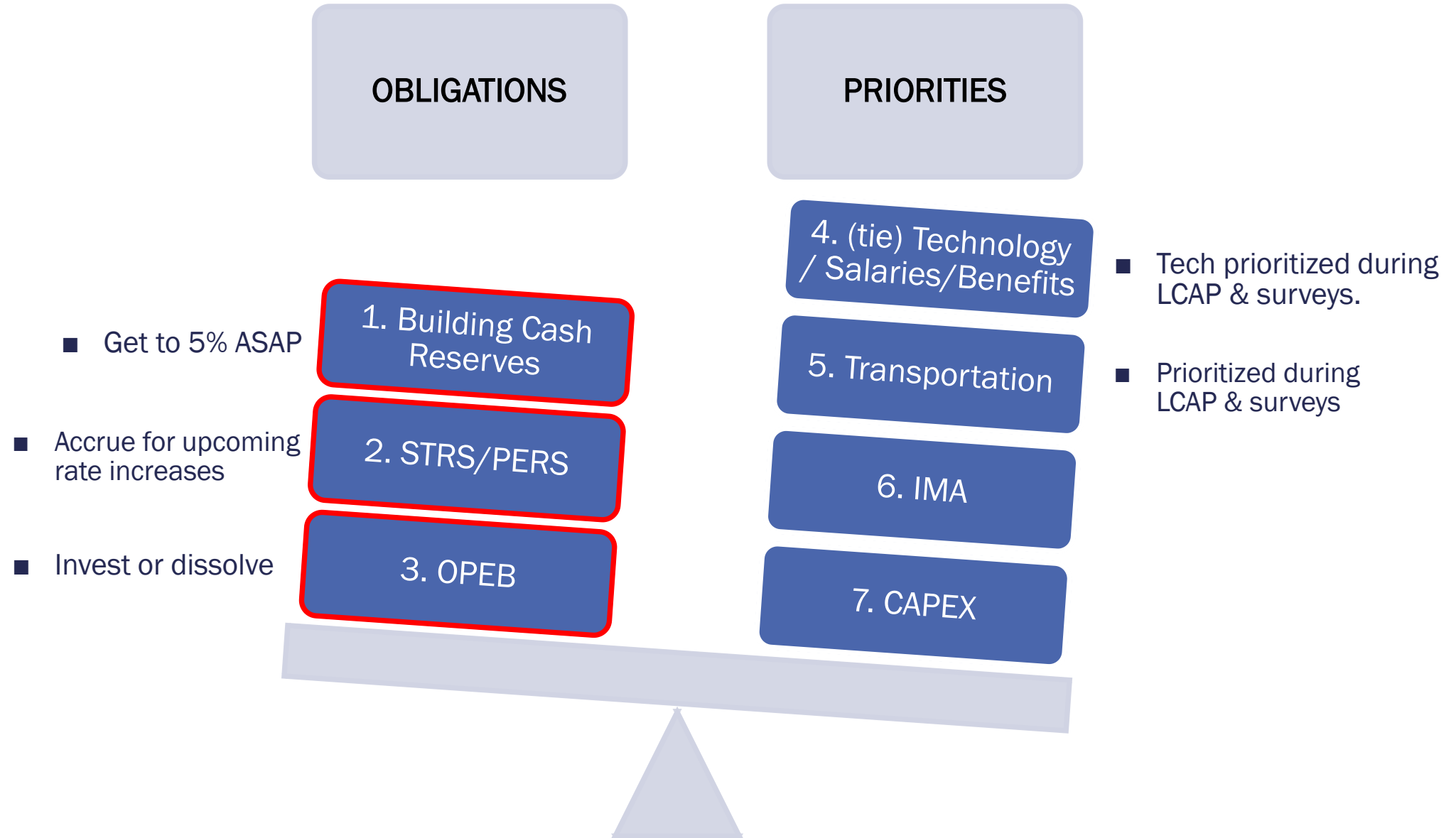
Proposed 15% Reduction in Legal/Consulting

Proposed 16% Reduction in Security

CONSIDERATIONS



Budget Obligations & Priorities



APPENDIX



New Expenses in 21-22 vs Current Year

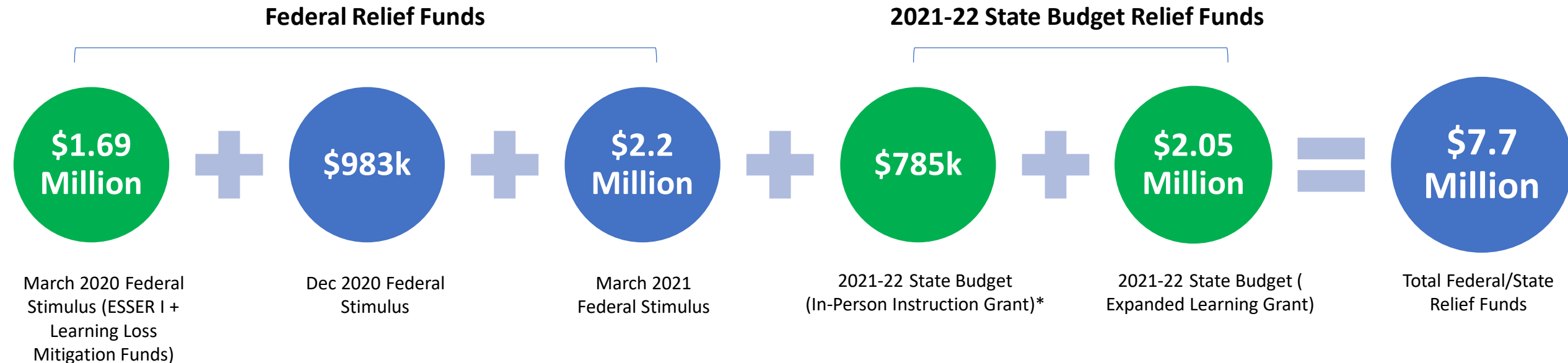
- **Prioritizing OPEB (retiree benefits):** This means contributing beyond the pay-as-you-go plan and funding it according to the actuary funding schedule
 - *21-22 budget accounts for an additional \$475k of OPEB expenses*
- **3 New FTE: (new counselor, new Ed Tech Coordinator, new IT Team Lead)**
 - *21-22 budget accounts for approx. \$365k of incremental expenses**

	20-21 Budgeted Amount	21-22 Budgeted Amount	Increase vs 20-21
OPEB (retiree benefits)	\$ 315,000	\$ 790,000	\$ 475,000
New Counselor	\$0	\$114,813	\$114,813
New Ed Tech Coordinator	\$0	\$120,798	\$120,798
New IT Lead	\$0	\$130,068	\$130,068
TOTAL	\$ 315,000	\$ 1,155,679	\$ 840,679

*Cost of 3 FTE includes salaries, STRS/PERS, taxes & benefits. Counselor salary also includes \$12k required to “create” a workspace.

Overview of COVID-19 One-time Relief Funds

- As of April 2021, PCHS has received **\$1.69 Million** of one-time Federal relief funds
 - Funds have been 100% allocated/spent on mitigating learning loss & COVID preparedness/safety
- Between May 2021 - September 2021, PCHS will receive up to an additional **\$6.01 Million** of Federal/State relief funds
 - The Expanded Learning Opportunity Grant Plan has already been allocated (Board approval on 6/1)



IPI allocation was reduced from \$969k to \$785k due to "reopening" date. The \$2.05 M ELO grant has been allocated (board approved on 6/1).

The Dec 2020 & March 2021 Federal stimulus funds should be received in the next 1-4 months & the CDE requires that we gather feedback from stakeholders and develop a plan by 9/30/21.