



# Woodland Joint Unified School District

## 2023-24 July 1<sup>st</sup> Budget Adoption

# Overview

- Introductions
  - Lewis Wiley, Associate Superintendent of Business
  - Norma Palomar, Director of Fiscal Services
- May Revision
- Proposed Budget FY 2023-24
  - Budget Assumptions
  - General Fund Proposed Budget
  - Multi Year Projections
  - Future Considerations
- Q/A

# Acronyms

ADA	Average Daily Attendance
CalPERS	California Public Employees' Retirement System
CalSTRS	California State Teachers' Retirement System
COLA	Cost-of-Living Adjustment
GSA	Grade Span Adjustment
LCAP	Local Control Accountability Plan
LCFF	Local Control Funding Formula
OASDI	Old Age, Survivors and Disability Insurance
SIA	Schools Insurance Authority
SSC	School Services of California
TK	Transitional Kindergarten



# May Revision

# Themes for the May Revision



Governor Gavin Newsom attempts to reach a balance of protecting existing investments while anticipating continued economic uncertainties



Revenues have continued to underperform, forcing the Administration to now recognize a \$31.5 billion budget shortfall



Despite this uncertainty, education falls into the category of an investment to protect



Even within education, a tradeoff is made: Protecting the Local Control Funding Formula (LCFF) comes at the expense of one-time funds reduced in the current year, some of which have already hit local educational agency (LEA) coffers



Echoing his warnings in January, the Governor's summary states "should broader economic risks materialize, deeper reductions will be necessary"



Still in the budgeting toolbox should revenues continue to decline: deferrals, reserve account withdrawals, and cost-of-living adjustment (COLA) deficits

# State Budget and Economy



**Governor Newsom, in his May Revision, highlights the volatile nature of California state revenues due to its progressive tax system**



**A near 20% decline in the S&P 500 has impacted high income earners, which the state relies on for over nearly half its total revenue**



**State revenues have softened since the Governor's Budget proposal in January that has increased the state's budget deficit from \$22.5 billion to \$31.5 billion**



**Postponement of personal income tax (PIT) and corporation tax returns until October means an estimated \$42 billion are not due to come until fall**



**Interest rate hikes, persistent inflation, bank failures, and the debt ceiling fight in Washington D.C. all have the potential to add risk to the May Revision's projected revenue picture**

# Proposition 98 and the LCFF



Due to significantly less revenue than estimated in January, the May Revision reduces the 2023-24 Proposition 98 minimum guarantee from the Governor's Budget



Meanwhile, obligations in 2023-24 increase significantly

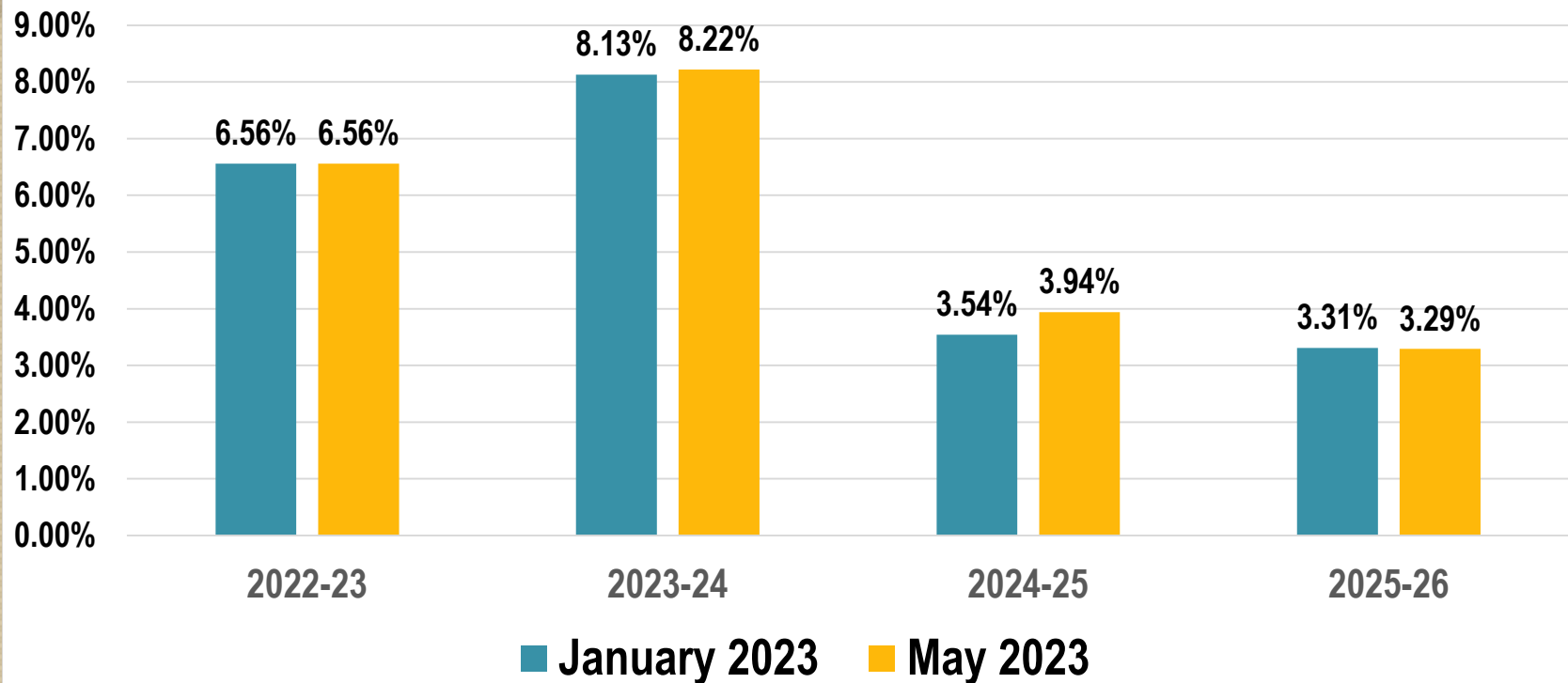
- Adjustments to LCFF costs
- Major increases in required deposits into the Proposition 98 reserves



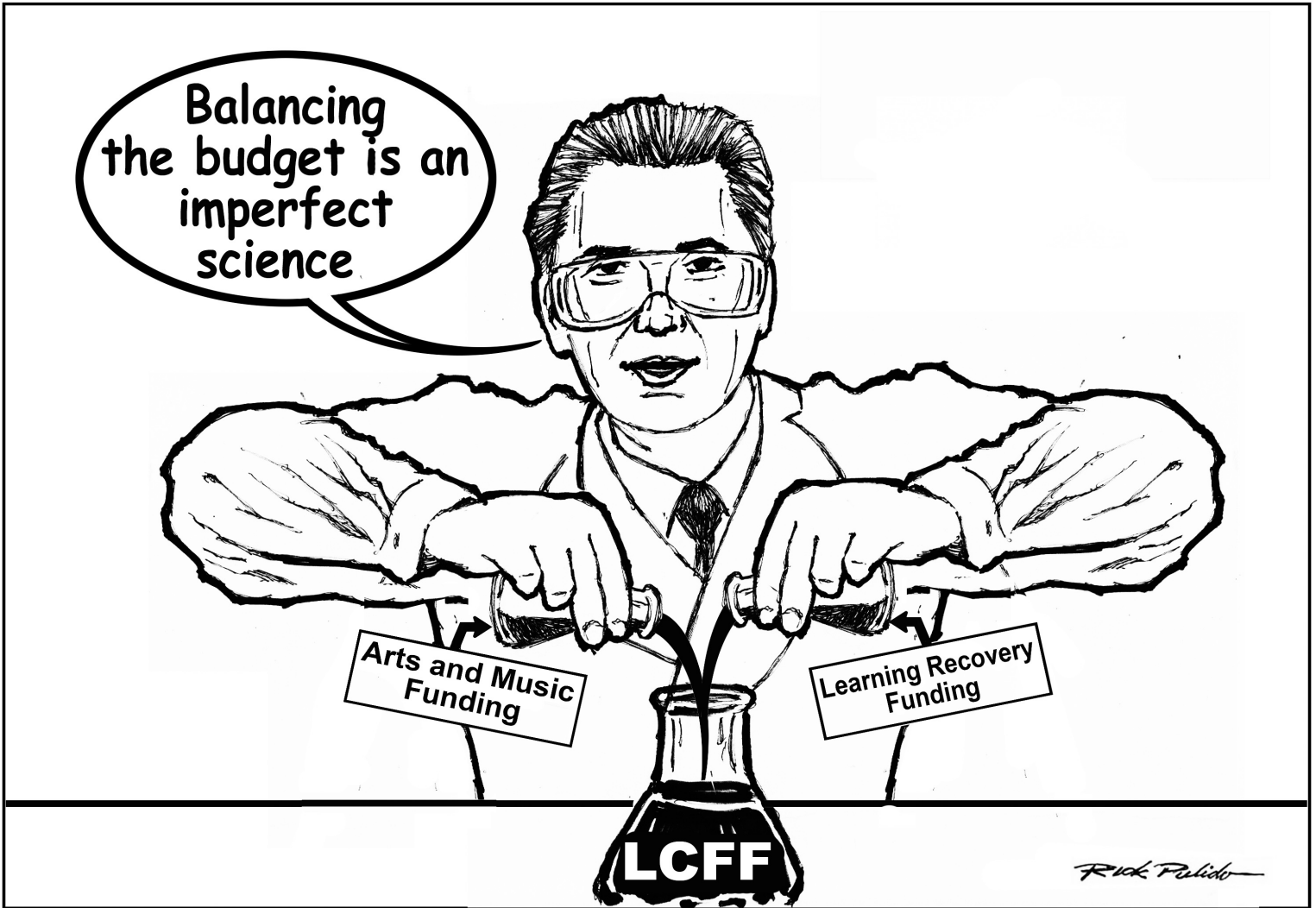
What was already a problem in January is worse in May and relies heavily on the accuracy of the Governor's broader economic assumptions

# Changing Assumptions From the State

## COLA Projections from the DOF





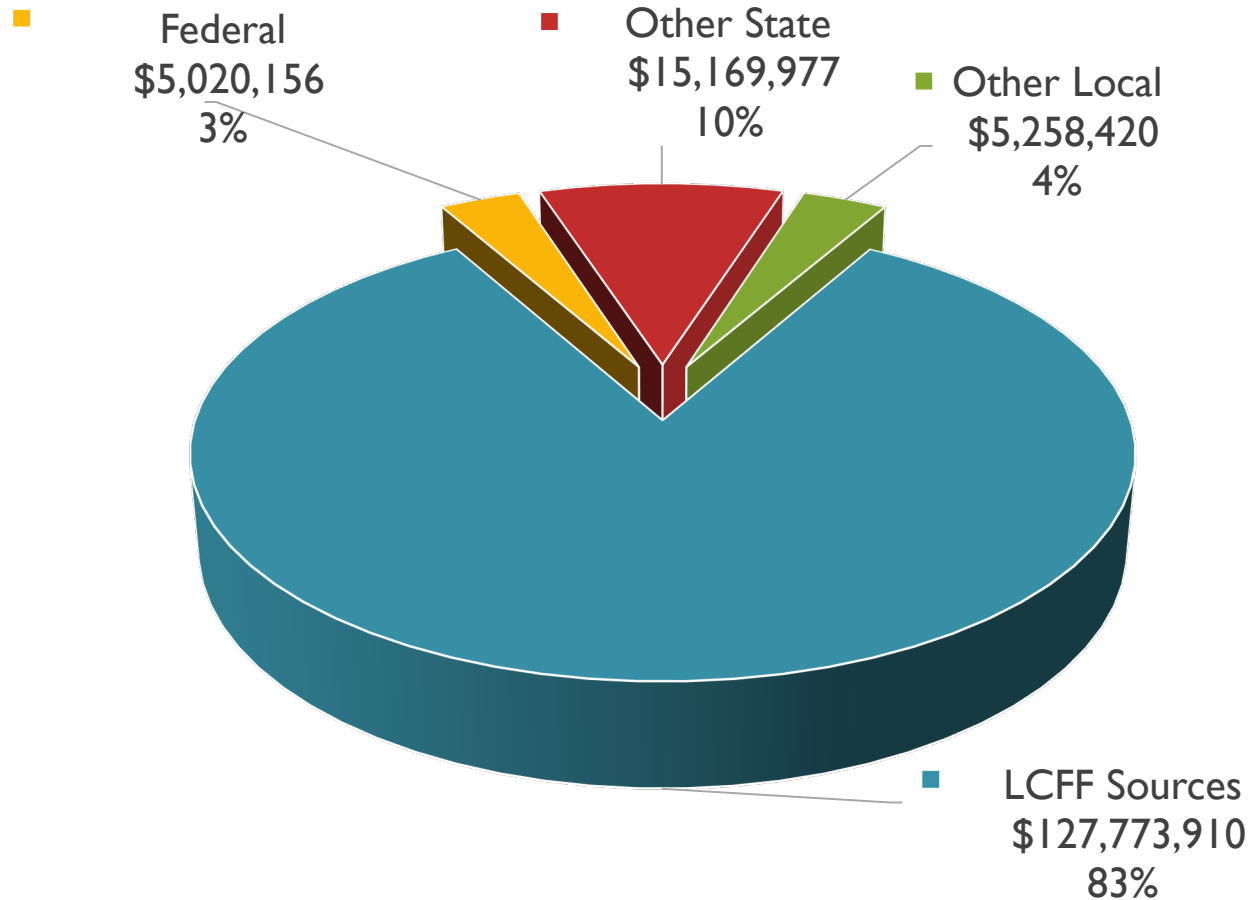




# WJUSD's Proposed Budget 2023-24

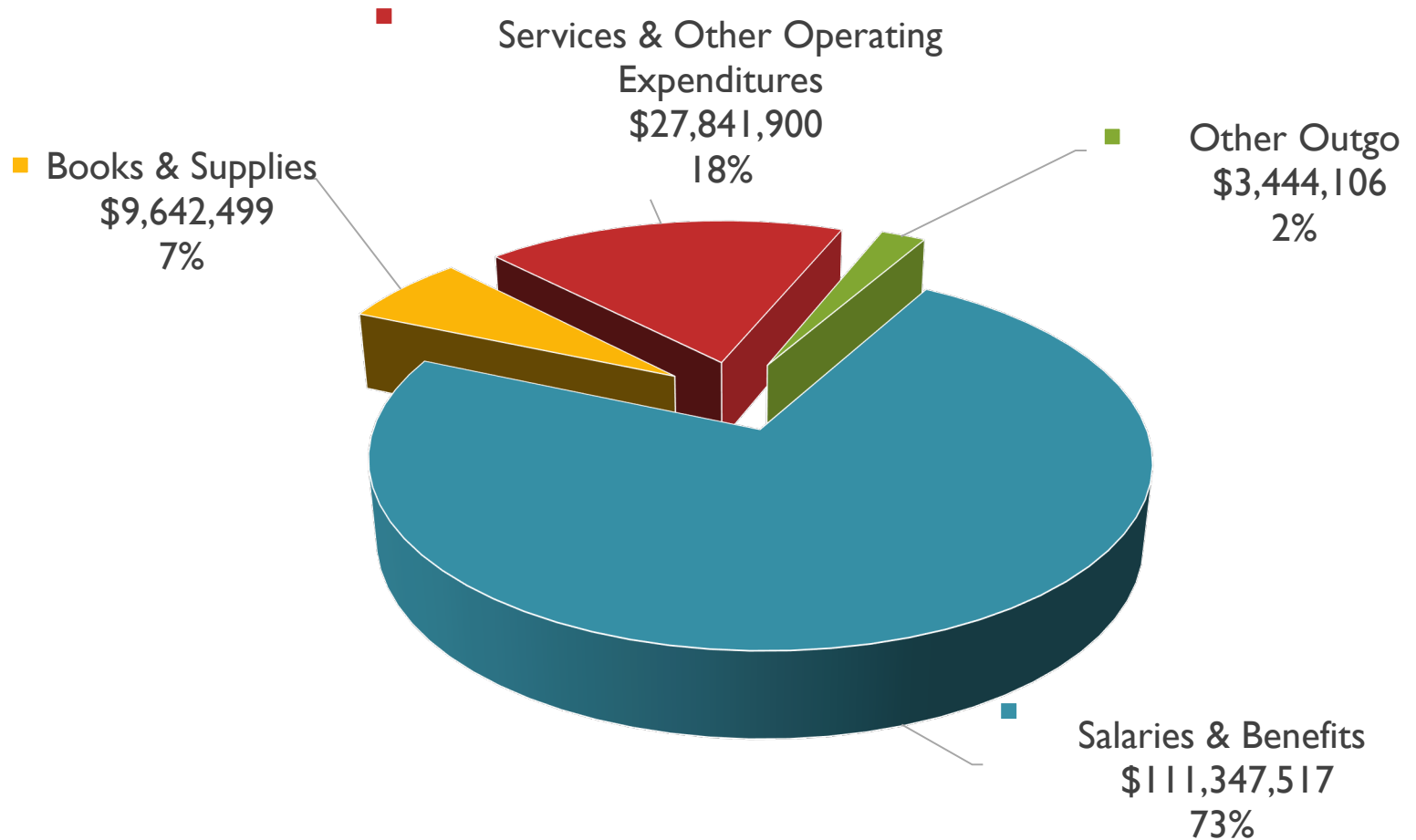
# 2023-24 General Fund Revenues

**Total Revenues \$153,222,463**



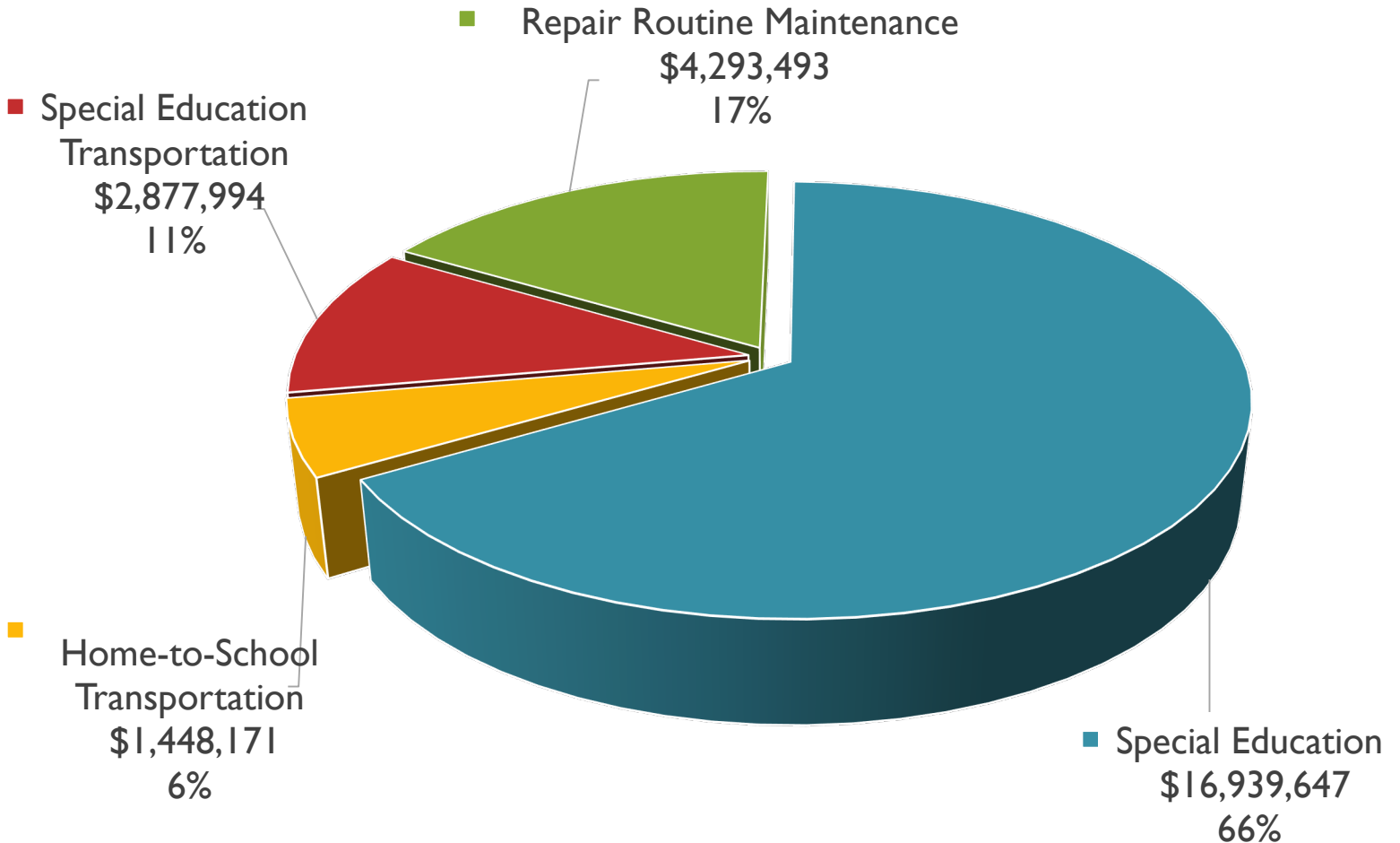
# 2023-24 General Fund Expenditures

**Total Expenditures \$152,276,022**



# 2023-24 Projected Contributions

**Total Contributions \$25,559,305**



# WJUSD PROPOSED BUDGET for FY 2023-24

## Budget Assumptions

### Enrollment/ADA Projections

- Enrollment projection of 9,531 was used to develop staffing allocations
- Average Daily Attendance (ADA) is projected to be 8,431.57 - not including students currently enrolled in Adult Education or Science and Technology Academy
- Universal TK is a new program for 2023-24. The projected ADA is 159.25

# WJUSD PROPOSED BUDGET for FY 2023-24

## Budget Assumptions (con't)

### School Site Staffing Assumptions for Classrooms

- Classes are staffed at the following ratio of students per teacher:
  - TK – 3 Classes are staffed at an average classroom ratio  $\leq$  the negotiated Grade Span Adjustment (GSA) target of 26:1
  - 32 students for 1 teacher for 4-8 grades
  - 35 students for 1 teacher for 9-12 grades
  - 20 students for 1 teacher for Cache Creek Continuation High School

### Classified Staffing Assumptions

- Classified positions remain budgeted at the same levels/formulas as in fiscal year 2022-23, specific details can be found in the Budget Assumptions narrative, pages 2 - 3

# WJUSD PROPOSED BUDGET for FY 2023-24

## Budget Assumptions

### Revenue Assumptions (con't)-

- Federal revenues based on 2022-23
- The District estimates \$3.6M in GSA funding
- Lottery – Unrestricted \$170 and restricted \$67 per estimated Annual ADA
  - The District is estimated to receive \$2.0M in Lottery Funding



# WJUSD PROPOSED BUDGET for FY 2023-24

## Budget Assumptions

### Expenditure Assumptions

- Salary Projections – include step and column costs of approximately 1.0% - 1.5% per year
- Employee benefits and other fringe cost are projected based on recent updates as applicable for the following:

#### Certificated Employees

- CalSTRS 19.10%
- Medicare 1.45%
- Workers Compensation 1.45%
- Unemployment 0.50%
- Health & Welfare \$675/month or \$8,100/year

#### Classified Employees

- CalPERS 26.68%
- Medicare 1.45%
- OASDI 6.20%
- Workers Compensation 1.45%
- Unemployment 0.50%
- Health & Welfare\* \$655/month or \$7,860/year
- \* Administrators/Confidential \$675/month or \$8,100/year

# WJUSD PROPOSED BUDGET for FY 2023-24

## Budget Assumptions

### **Expenditure Assumptions (con't) -**

- Utilities budgeted for 2023-24 will be estimated 3.87% higher for the following:
  - Electricity, Natural Gas, Water and Garbage
- Property and liability insurance are budgeted based on SIA's program rates for the 2023-24 year

# General Fund Combined

2023-24  
Proposed Budget

Revenues:

LCFF Sources	\$127,773,910
Federal Revenue	5,020,156
Other State and Local Revenue	<u>20,428,397</u>
Total Revenues:	<u>153,222,463</u>

Expenditures:

Certificated Salaries	55,198,058
Classified Salaries	23,830,173
Certificated Benefits	21,133,844
Classified Benefits	11,185,441
Books and Supplies	9,642,499
Services and Other Operating Expenditures	27,841,900
Capital Outlay and Other Outgo	<u>3,444,106</u>
Total Expenditures:	<u>152,276,022</u>

Net Increase (Decrease) In Fund Balance \$946,441

# General Fund Combined Ending Fund Balance

2023-24  
Proposed Budget

## Fund Balance, Reserves

Beginning Balance, July 1, 2023	\$34,519,499 *
Audit Adjustment/Restatements	-
Ending Balance, June 30, 2024	\$35,465,940

## Components of Ending Balance

Revolving Cash	\$24,000
Stores	25,000
Restricted	3,110,894
3% Designated for Economic Uncertainties	4,568,281
Unassigned/Unappropriated	\$ 27,737,765

\* Based on estimated actual's ending fund balance for Fiscal Year 2022-2023

# General Fund Combined Ending Fund Balance (continued)

		2023-24 Amount
Total Unassigned/Unappropriated	\$	<u>27,737,765</u>
Components:		
Donations	\$	135,653
Facilities Bond Project		154,669
One-Time Funding		2,160,214
One-Time Compensation Settlement		2,676,210
Supplemental & Concentration Carryover		8,496,947
Restricted Grants		632,454
Unassigned/Unappropriated	\$	<u><u>14,256,147</u></u>

# Multi-Year Projected Ending Fund Balances Based On School Services of California (SSC)

Fiscal Year	2023-24	2024-25	2025-26
Projected Beginning Balance	\$34,519,499	\$35,465,940	\$35,734,616
Operating Surplus/(Deficit)	946,441	268,676	433,871
<b>Projected Ending Balance</b>	<b>35,465,940</b>	<b>35,734,616</b>	<b>36,168,488</b>
Restricted	(3,110,894)	(3,110,893)	(3,110,892)
3% Required Reserve	(4,568,281)	(4,647,795)	(4,714,589)
Reserve Met (Yes/No)	Yes	Yes	Yes
Nonspendables	(49,000)	(49,000)	(49,000)
<b>Unassigned/Unappropriated Status</b>	<b>\$27,737,765 Positive</b>	<b>\$27,926,928 Positive</b>	<b>\$28,294,007 Positive</b>

# Considerations on the Horizon

- Special Education
- CalPERS and CalSTRS increases
- Declining Enrollment
- Economic Uncertainty
- Deferrals (Apportionment) and Deficits (COLAS)

# Fiscal Year 2023-24 Budget Adoption

The Governing Board of the Woodland Joint Unified School District is required to approve the District's budget as of July 1, 2023.

Copies of the budget will be available at the District Office:

Woodland Joint Unified School District  
435 Sixth Street  
Woodland, CA 95695





Questions?