

HUNTINGTON BEACH CITY SCHOOL DISTRICT



User-Friendly Budget June 22, 2021



8750 Dorsett Drive
Huntington Beach, CA 92646
www.hbcasd.us

A message from:

The Office of the Assistant Superintendent of Administrative Services

This User-Friendly Budget has been created as a tool to improve the level of transparency and communication with parents and community members. It is our intent to assist stakeholders in understanding the District's financial commitments aligned to the educational programs.

The 2021-22 Budget was developed based on information contained in the Governor's Proposed State Budget and advisories from county and state agencies. The District's Budget Development process considers the feedback and input from stakeholders through the Local Control and Accountability Plan (LCAP) engagement process that includes surveys and focus groups.

Huntington Beach City School District is committed to support student achievement and to maintain fiscal stability during these unprecedented times. Your support for our students is so very important to their education and in making our schools and our community strong.

Sincerely,

Jenny Delgado
Assistant Superintendent,
Administrative Services



The Huntington Beach City School District, established in 1903, is located in the western coastal area of Orange County, approximately 35 miles southeast of Los Angeles. The District currently operates six elementary and two middle schools. The projected enrollment for the 2021-2022 school year is 5,100 students.



Inside this issue:

District Information	3
District Budget Overview	4
General Fund Revenues	5
General Fund Expenditures	6
Multi-Year Projections	7
Budget Overview for Parents	7
Measure Q Update	8

District Information

Mission Statement

Our Mission is to support the academic and personal development of every student so that each student becomes a responsible, well-rounded individual who achieves success and fulfillment in a global environment.

AT-A-GLANCE



6 elementary schools
2 middle schools
3 preschool academies
1 State preschool program
1 charter school

Shared Values

High academic standards;

Belief that each child will learn to his or her highest potential;

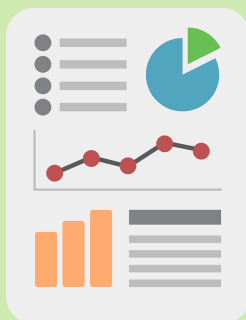
Collaboration among staff, students, parents, and community for the benefit of all students;

Supportive, educational and professional environment;

Data and research-based instruction.



20% unduplicated
(English learners, low-income, and foster youth)
19% socio-economical disadvantaged
12.4% students with disabilities



**2020-21 Estimated
General Fund Budget**
Revenues \$73 M
Expenditures \$68 M
(Includes COVID Relief Funds)

District Budget Overview

The Purpose of the Budget

The District's Budget is an expression in dollars of its educational program. The budget serves as an outline for estimated revenue and expenses for the fiscal year and is intended to serve a variety of purposes:

- ◆ A reflection of the educational goals of the District
- ◆ A statement of the District priorities
- ◆ A financial guide for the utilization of resources to meet the needs of students
- ◆ An accountability tool and a public information document

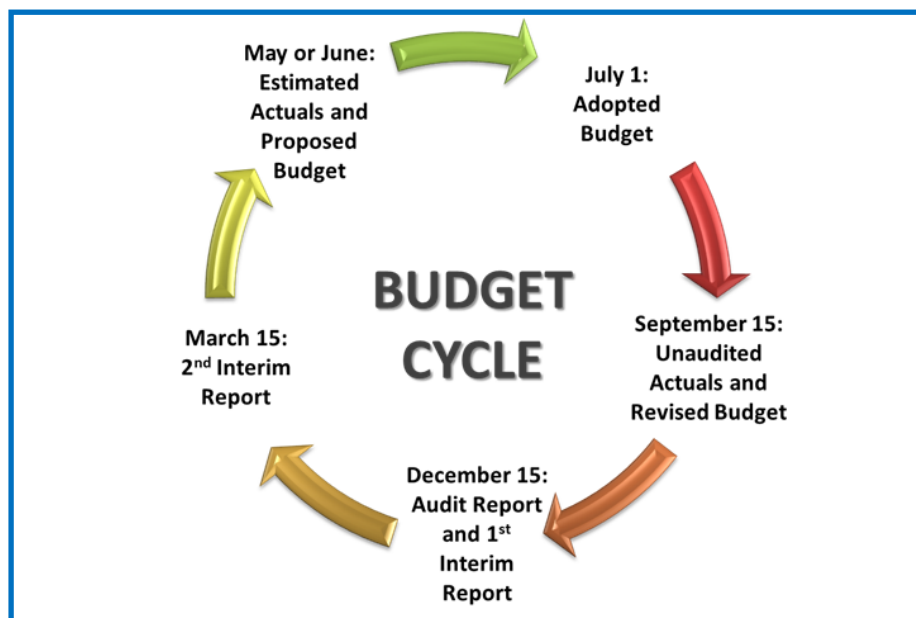
The General Fund is the primary operating fund and it is used to account for the ordinary operations of the District. The General Fund includes all transactions except those accounted for in a specialized fund, like Nutrition Services, Measure Q, or Capital Projects.

The Budget Cycle

Education Code requires local education agencies to submit financial reports at least four times a year. The reports must follow State guidelines and meet pre-determined financial standards to measure risk factors and the overall fiscal solvency of the district.

During the District's budget development process, Fiscal Services staff conducts budget sessions with each school and department administrator to develop their site budgets.

This chart is an overview of the Education Code reporting requirements.



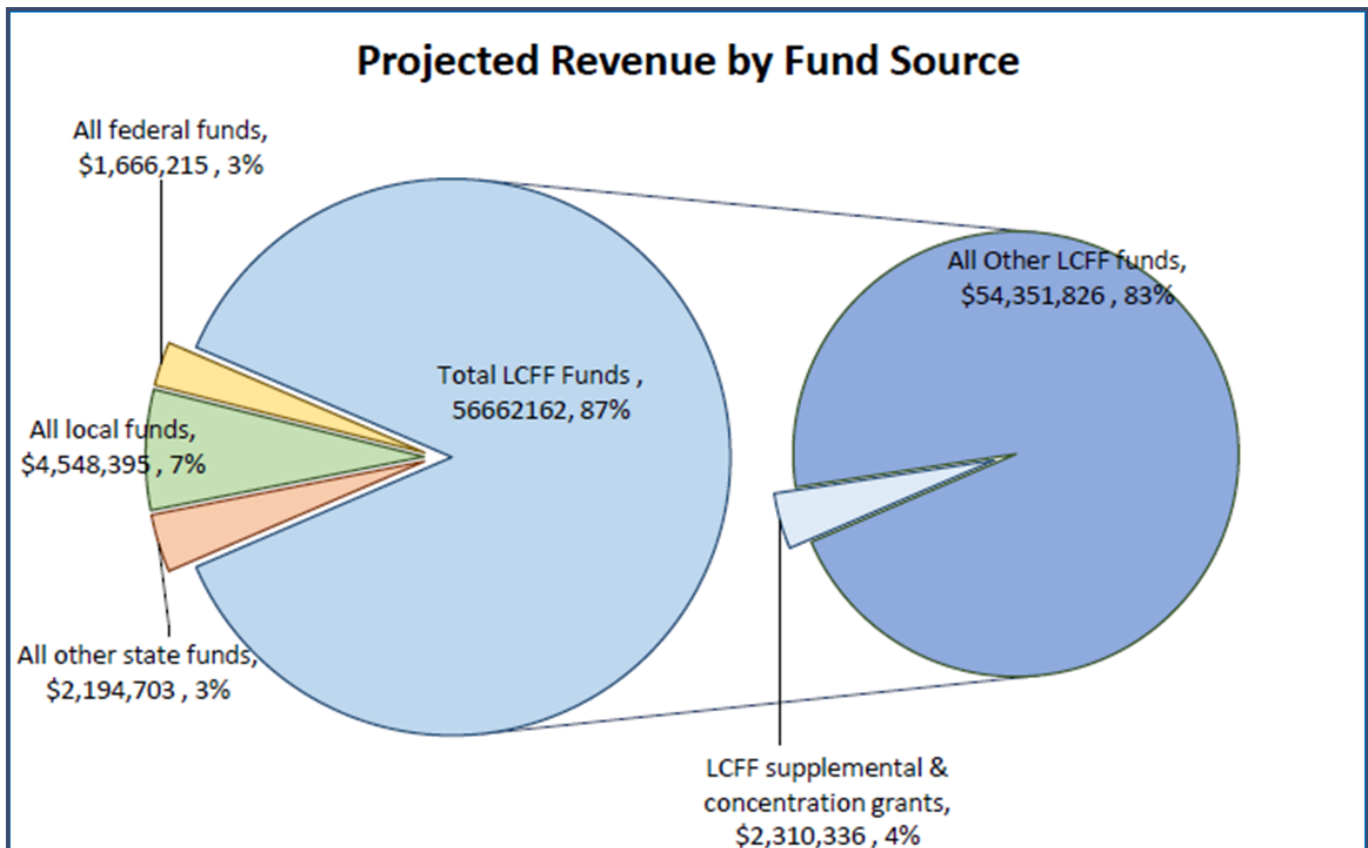
General Fund Revenues

2021-22 Adopted Budget – June 22, 2021

The total revenues from the Local Control Funding Formula are projected at \$56.7 million or 87% of the District total revenues. Driving factors for the LCFF apportionment calculation are: Average Daily Attendance (ADA); the percentage of unduplicated English Learners, Low-Income students, Foster Youth; and the cost of living adjustment. The last factor is determined at the state level. Due to the COVID-19 Pandemic, the state enacted a hold-harmless provision to continue funding districts based on the 2019-20 ADA. The 2021-22 LCFF Estimated Revenues include the hold-harmless provision.

Federal Revenues are projected at \$1.7 million, State Revenues at \$2.2 million, and Other Local Revenues at \$4.5 million, representing 3%, 3%, and 7% respectively of total revenues.

	Restricted	Unrestricted	Total
LCFF Sources	\$0	\$56,662,162	\$56,662,162
Federal Revenues	\$1,666,215	\$0	\$1,666,215
Other State Revenues	\$1,081,089	\$1,113,614	\$2,194,703
Other Local Revenue	\$4,212,305	\$336,090	\$4,548,395
TOTAL REVENUES	\$6,959,609	\$58,111,866	\$65,071,475



General Fund Expenditures

2021-22 Adopted Budget – June 22, 2021

	2021-22
Certificated Salaries	\$30,308,901
Classified Salaries	\$10,586,692
Employee Benefits	\$15,792,088
Books and Supplies	\$1,997,129
Services and Other Operating	\$4,864,114
Capital Outlay	\$841,441
Other/Transfers Out	\$1,981,357
TOTAL EXPENSES	\$66,371,722

The General Fund Expenditures for 2021-22 are projected at \$66.3 million, with approximately 85% of those expenses earmarked to cover the salaries and benefits of teachers and support service providers. Salaries and benefits are projected based on established staffing ratios and Board approved positions. As part of the Expanded Learning Plan, the District is using State COVID Relief funds to implement a class-size reduction initiative and other strategies to meet the education and social-emotional needs of our students.

In addition, budget allocations are provided to each school site on a per-student basis to cover operational costs like instructional materials, postage, printing, office, and library supplies.

Expenses associated with State and Federal categorical programs are projected not-to-exceed program revenues, except for Special Education since the apportioned state funds are inadequate to meet the needs of students served. The General Fund contribution to categorical programs including Special Education and Routine Restricted Maintenance totals \$7.4 million.

Stakeholders often inquire about the use of Lottery funds, which represents 2% of our annual General Fund budget or approximately \$1.2 million (\$199 per ADA). The District uses the funds to purchase textbooks, other instructional materials, and support site administrators.

A PEOPLE BUSINESS

Education is a service-oriented business where students are served by teachers and support service providers.

Approximately 85% of General Fund expenditures are for employees, including those who directly serve the children of this District.

Services are provided by teachers, nurses, counselors, librarians, psychologists, speech therapists, custodians, secretaries, clerks, maintenance workers, bus drivers, technical support personnel, instructional aides, substitutes, principals, supervisors, and other administrative and support staff.

Since our business relies so heavily on people, our budget is impacted by increasing costs of employee benefits and by the cost to attract and retain quality employees who are qualified to serve our children.

Multi-Year Projections

General Fund Multi-Year Projections

At each reporting period, multi-year projections are included with the financial statements, and therefore District's staff is regularly estimating the current plus two subsequent years based on the latest economic indicators and advisories provided by State agencies and Orange County Department of Education. Based on current projections, the District is on a trajectory to becoming a Basic Aid or Community-Funded District in 2022-23 fiscal year as property taxes are estimated to exceed the funding entitlement established by the State. These Multi-Year Projections are a snapshot as of June 2021 and will be updated at the next reporting period. In the next few months, District staff will be providing additional information on what it means to be a community-funded district.

	2020-21	2021-22	2022-23	2023-24
TOTAL REVENUES	72,945,430	65,071,475	63,023,914	64,462,494
TOTAL EXPENDITURES	67,769,666	66,371,722	64,404,825	63,571,765
CHANGE IN FUND BALANCE	5,175,764	(1,300,247)	(1,380,911)	890,729
BEGINNING BALANCE	8,547,487	13,723,251	12,423,004	11,042,093
PROJECTED ENDING BALANCE	13,723,251	12,423,004	11,042,093	11,932,822
Adjustment to Ending Fund Balance				
Stores, Revolving Cash, Restricted, and Supplemental Funds	(7,704,234)	(4,050,323)	(3,385,730)	(3,003,928)
Reserve for Enrollment Decline	(1,500,000)	(1,500,000)		
5% State Required Contingency	(3,409,755)	(3,318,636)	(3,220,241)	(3,178,588)
Assigned Reserves above 5%	1,109,262	3,554,045	4,436,122	5,750,306

Local Control and Accountability Plan and Budget Overview for Parents

The Local Control and Accountability Plan (LCAP) is a tool for local educational agencies to set goals, plan actions, and leverage resources to meet those goals to improve student outcomes. The LCAP provides an opportunity for districts to share their stories of how, what, and why programs and services are selected to meet their local needs. The LCAP is a three-year plan that describes the goals, actions, services, and expenditures to support positive student outcomes that address state and local priorities.

HBCSD engaged stakeholders to gather feedback and input through surveys and focus groups as well as through site and department meetings. Through this engagement process, the District has established five goals that align and support the eight California state priorities. The actions and services are developed or enhanced from the input and represent around \$6.7 million dollars of our budget. The LCAP Budget is designed to provide student programs and support that primarily serve our students who are identified as English Learners, Low Income or Foster Youth.

In addition, school districts are required to develop the Budget Overview for Parents (BOP) along with the LCAP. The BOP is a document developed by the California Department of Education to provide fiscal transparency to stakeholders. The 2021-22 BOP was adopted along with the LCAP at the June 22, 2021 Board Meeting. The full copy of the LCAP is available on the District's website.

Measure Q Update

At the November 8th, 2016 Election, Voters approved HBCSD Bond Measure Q.

Measure Q will provide \$159,850,000 in locally controlled funds to repair and upgrade HBCSD schools across the District.

Measure Q will cost approximately \$27 per \$100,000 of assessed property value (not market value) annually, or about \$175 per year for the average residence.

Upcoming Construction Schedule

Summer 2021 - Eader Site Improvements, Seacliff Site Improvements, Peterson Classroom Modernization.

Summer 2022 - Eader Classroom Modernization, Peterson Site Improvements.

Construction

Construction teams are ready and waiting for the beginning of summer to start site construction. Where possible, procurement and preconstruction activities have started to get a jump on the upcoming work.

Sowers Middle School

The Board has narrowed the options for modernization of the current campus or modular reconstruction. The project team continues to study the site to provide information needed for final decisions. Additional Sowers project info can be found [here](#).

Citizens' Bond Oversight Committee (CBOC)

The CBOC has held four meetings since November 2019 and delivered the 2020 annual report to the Board of Education on June 30, 2020. The 7-member committee acts independently from the Board of Education to promote transparency and provide assurances to the District taxpayers.

Find more info about Measure Q at HBCSDMeasureQ.com

Board of Trustees

Ann Sullivan
President

Bridget Kaub
Vice President

Paul Morrow, Ed.D.
Clerk

Diana Marks
Member

Shari Kowalke
Member

Executive Management

Leisa Winston, Ed.D.
Superintendent of Schools

Budget Preparation

Jenny Delgado
Assistant Superintendent,
Administrative Services

Thoraia Soliman
Executive Director,
Fiscal Services

For more information, please contact:

Administrative Services
(714) 964-8888
www.hbcasd.us