

Huntington Beach City School District 2022-23 First Interim Reports



Jenny Delgado

Assistant Superintendent, Administrative Services

December 13, 2022

Presentation Overview



Budget Cycle



General Fund Budget



Community-Funded Status Update

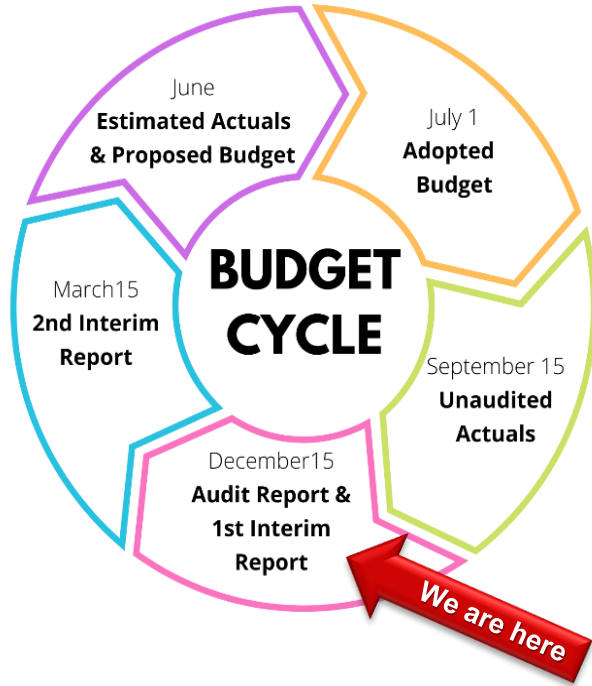


Multi-Year Projections



Prop 28 and Next Steps

Budget Cycle



First Interim Reports

- The First Interim Financial Report updates the July Adopted Budget based on the most current information
- The report covers all transactions through October 31, 2022

Audit Report

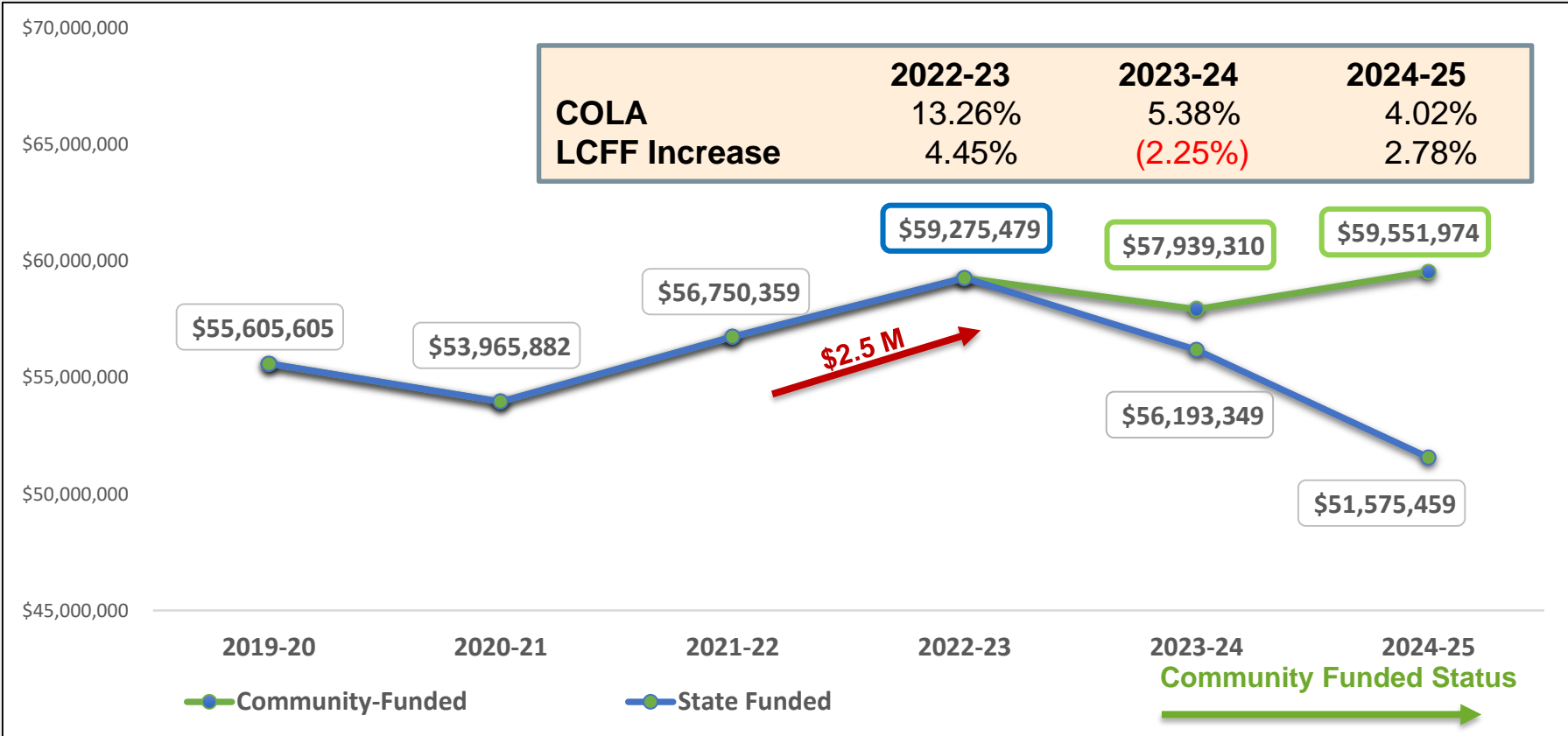
- The 2021-22 external audit has been completed and submitted to the State
- Reports will be presented to the Board in January



Budgetary Building Blocks - Revenues

- **Local Control Funding Formula (LCFF) – Enacted State Budget**
 - Base grant increased by 6.7%
 - Use the average of the most recent three prior years' ADA
 - Use the 2021-22 ADA adjusted to reflect the 2019-20 attendance rate
- **Estimated property tax growth of 4% annually**
 - On trajectory to community-funded status
- **New State Grant Allocations (one-time and restricted)**
 - \$3 million Arts/Music, Inst. Materials Discretionary Block Grant
 - \$2 million Learning Recovery Block Grant
- **Home-to-School Transportation Reimbursement not included**

LCFF Revenue Comparison





Budgetary Building Blocks - Expenditures

- **Salaries & Benefits reflect:**
 - Approved 2021-22 Labor Agreements
 - Cost of Step and Column
 - Certificated & Leadership: 2% of salaries
 - Classified: 1.5% of salaries
 - Changes in actuals vs budgeted salaries
 - Increased share of state pension costs

Employer Rates	2022-23	2023-24	2024-25
CalSTRS	19.10%	19.10%	19.10%
CalPERS	25.37%	25.20%	24.60%



Budgetary Building Blocks - Expenditures

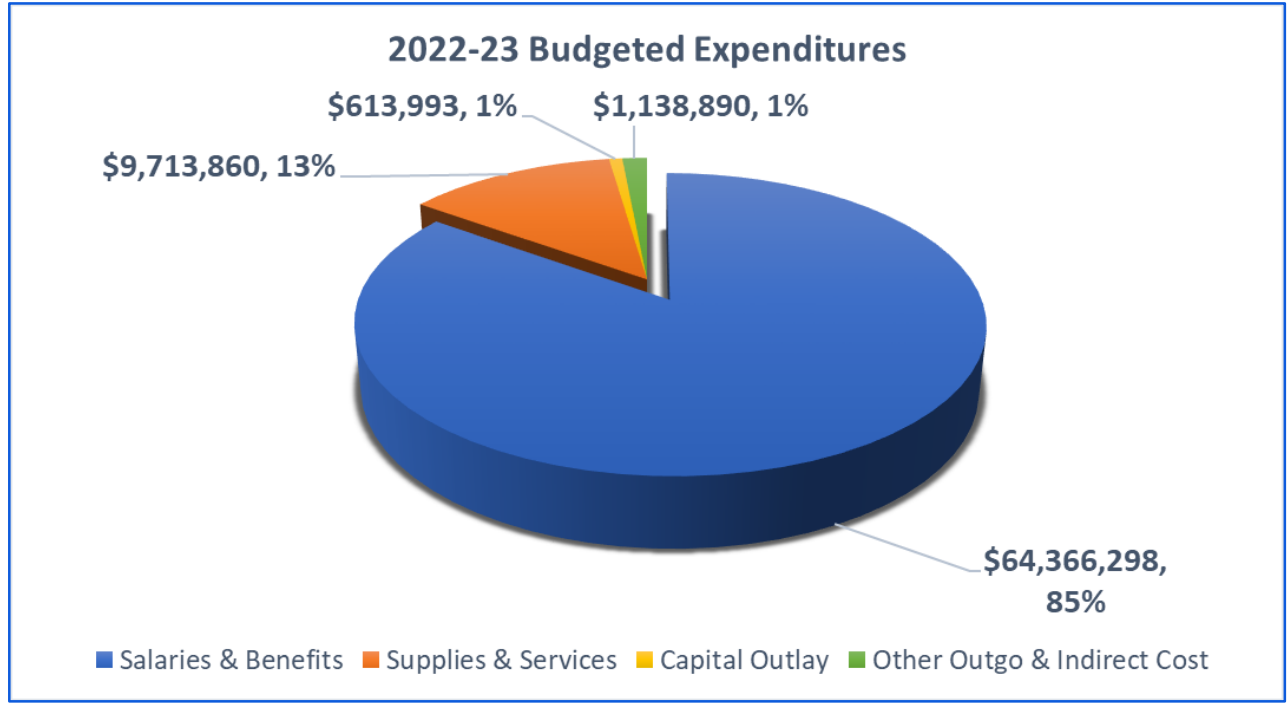


Other Expenditures include:



- Ongoing increases to property & liability coverage
- Universal TK implementation
- Expanded Learning Opportunities Plan
- Device Replacement Plan
- \$100 K allocated to schools from Learning Recovery Grant
- New grant funds (about \$5 million) were set aside under restricted reserves pending expenditure plans




Expenditures



Multi-Year Projections - Summary

	2022-23	2023-24	2024-25
TOTAL REVENUES	83,099,250	73,557,048	75,149,712
TOTAL EXPENDITURES	75,833,041	71,206,383	72,432,380
CHANGE IN FUND BALANCE 	7,266,209	2,350,665	2,717,332
BEGINNING BALANCE	19,082,716	26,348,925	28,699,590
PROJECTED ENDING BALANCE	26,348,925	28,699,590	31,416,922
Components of the Ending Fund Balance			
Stores, Revolving Cash, and Restricted Funds 	(11,616,454)	(11,968,456)	(12,857,261)
Committed Reserves (includes 4% Board reserve)	(6,786,889)	(7,121,333)	(6,806,384)
Required Reserve for Economic Uncertainties	(2,274,991)	(2,136,191)	(2,172,971)
Unassigned/Unappropriated Amount	5,670,591	7,473,610	9,580,306

Multi-Year Projections – Unrestricted Only

	2022-23	2023-24	2024-25
TOTAL REVENUES	60,825,339	59,528,438	61,121,102
TOTAL EXPENDITURES	50,441,462	49,730,973	51,318,608
REVENUES OVER EXPENDITURES	10,383,879	9,797,465	9,802,494
Contributions to Restricted Programs	(7,477,993)	(7,798,802)	(7,973,967)
NET INCREASE IN FUND BALANCE 	2,905,886	1,998,663	1,828,527
BEGINNING BALANCE	11,861,585	14,767,471	16,766,134
PROJECTED ENDING BALANCE	14,767,471	16,766,134	18,594,661
Components of the Ending Fund Balance			
Stores, Revolving Cash & Other Commitments	(3,788,567)	(4,308,078)	(3,944,089)
4% Board Reserve for Economic Uncertainties	(3,033,322)	(2,848,255)	(2,897,295)
Reserve for Economic Uncertainties – 3%	(2,274,991)	(2,136,191)	(2,172,971)
Unassigned/Unappropriated Amount	5,670,591	7,473,610	9,580,306

Proposition 28: Arts & Music Education Funding



- Approved by voters at the November 8, 2022 election
- Starting in 2023-24 fiscal year, the state will provide additional funding to increase arts instruction and/or arts programs in public schools
- Funding to be distributed based on enrollment in preschool and K-12
 - 70% will be allocated based on the district's share of statewide enrollment
 - Remaining 30% based on the district's share of low-income students
- Requires at least 80% of the funding be used to hire staff
- Includes a supplement not supplant provision
- Requires certification, board-approved report, and annual audit

Next Steps

Local Level

- 2021-22 Audit Report – January 17, 2023
- 2022-23 Second Interim Reports – March 7, 2023
- Transportation Plan Approval – March 7, 2023

State Level

- Governor's January Budget Proposal for FY 2023-24
- Governor's May Revision

