

2022-23 Estimated Actuals & 2023-24 Budget



Presentation Overview



Budgetary Building Blocks



2023-24 Budget Overview for Parents



Multi-Year Projections



State Budget Update



Next Steps

Budgetary Building Blocks - Revenues

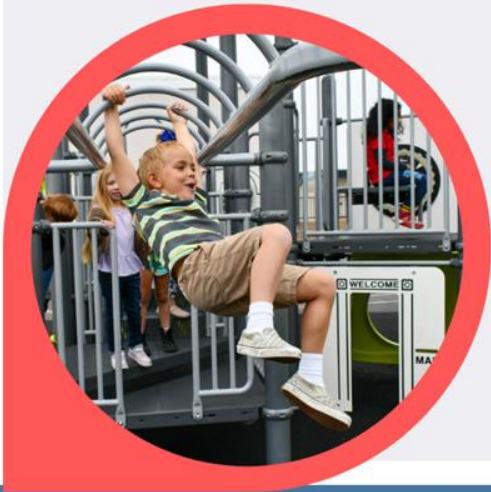


Local Control Funding Formula (LCFF)

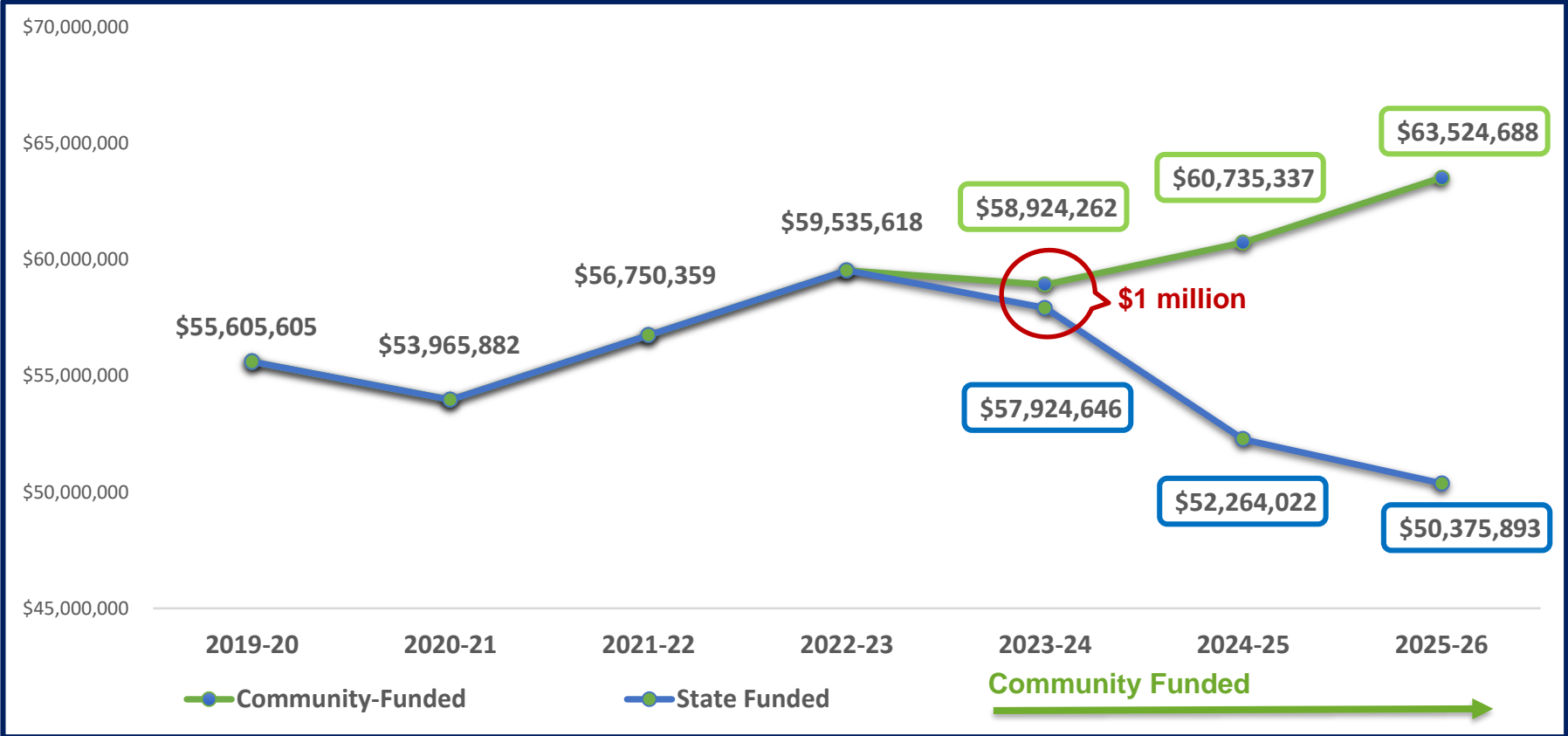
Factors	2023-24	2024-25	2025-26
Enrollment	4,407	4,107	3,857
Attendance Rate	93.48%	93.48%	93.48%
Unduplicated %	26.58%	28.20%	27.48%
COLA*	8.22%	3.94%	3.29%

*Cost of Living Adjustment

- Local property tax estimates based on projection models
 - Community-funded status in 2023-24
- Special Education funding reduction of approximately \$1M
- May Revision proposed reductions to 2022-23 one-time
 - Art, Music, Inst. Materials Block Grant: from \$3M to \$1.5M
 - Learning Recovery Grant: from \$2.3M to \$1.5M



LCFF Revenue Comparison



Budgetary Building Blocks - Expenditures



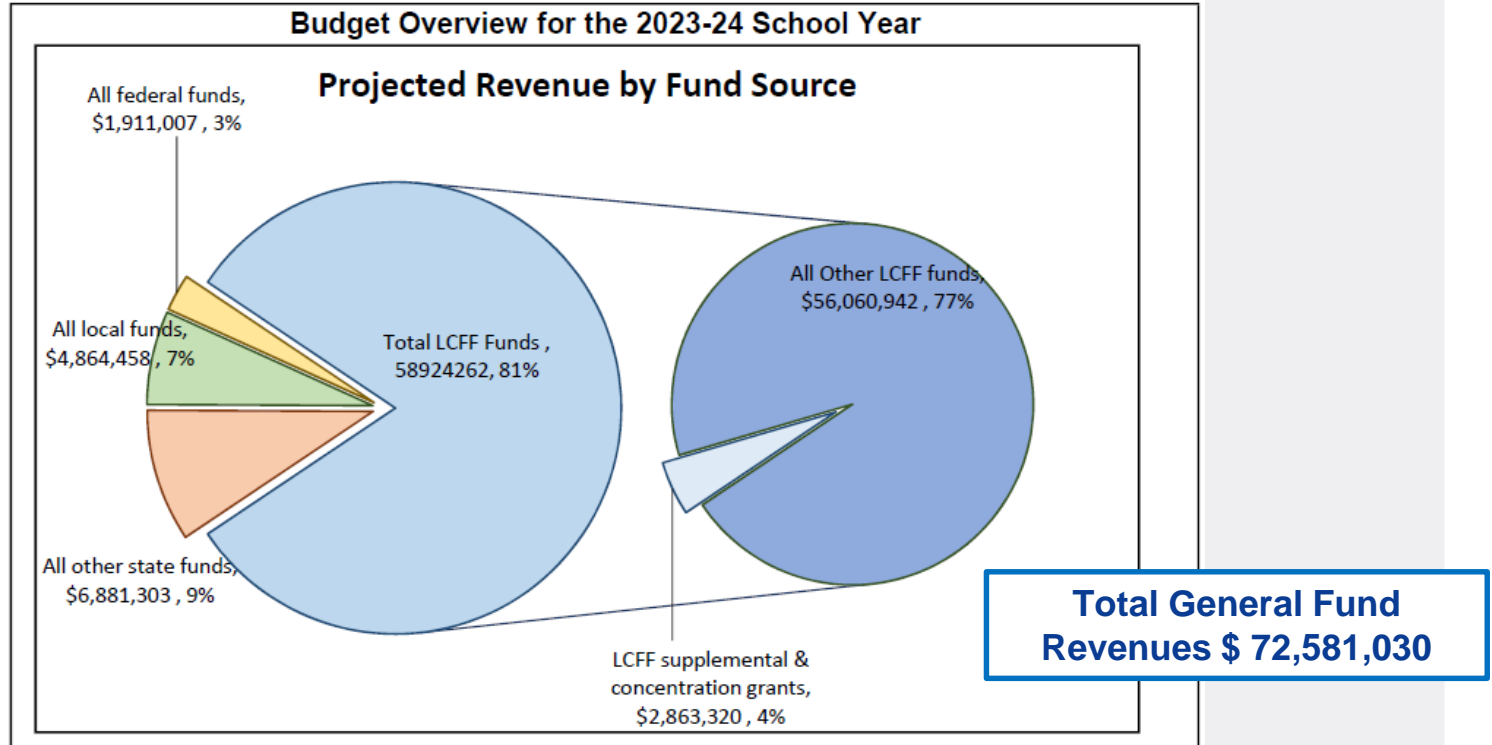
- Salaries & Benefits
 - Cost of Step and Column
 - Certificated & Leadership: 2% of salaries
 - Classified: 1.5% of salaries
 - Employer Benefit Rates

	2023-24	2024-25	2025-26
CalSTRS	19.10%	19.10%	19.10%
CalPERS	26.68%	27.70%	28.30%

- Do not include outcome of labor negotiations
 - Set aside under assigned reserves
- \$1.3 M Learning Recovery Grant expenses included

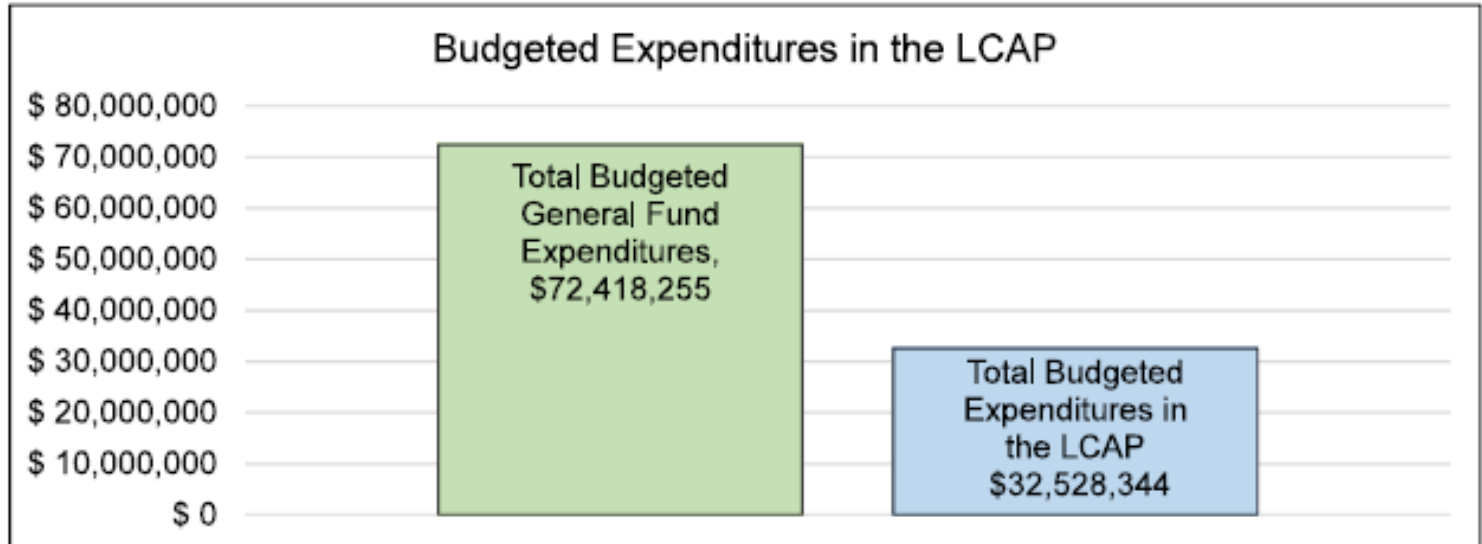


2023-24 Budget Overview for Parents



This chart shows the total general purpose revenue Huntington Beach City School District expects to receive in the coming year from all sources.

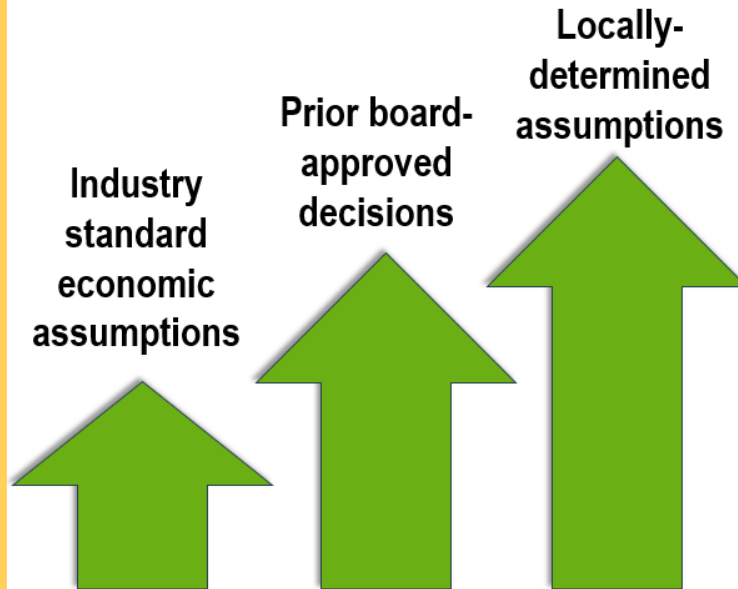
2023-24 Budget Overview for Parents



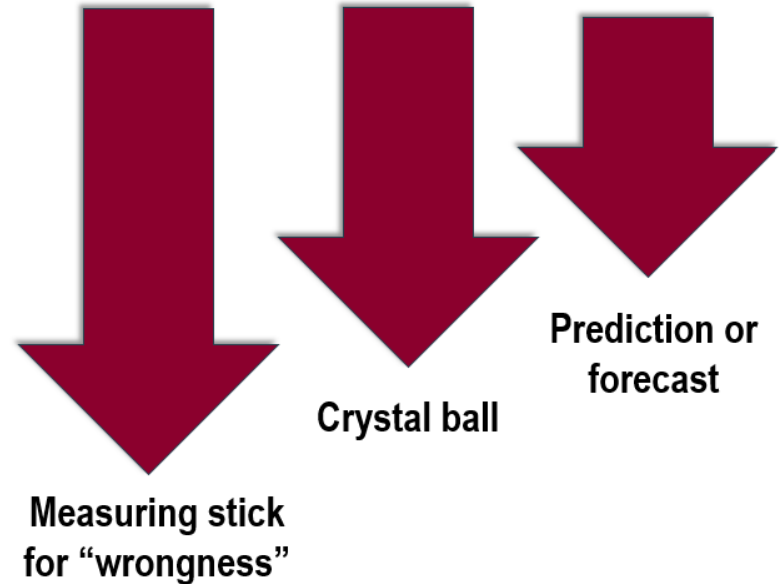
This chart provides a quick summary of how much Huntington Beach City School District plans to spend for 2023-24. It shows how much of the total is tied to planned actions and services in the LCAP.

Multi-Year Projections

Result of mathematical calculations based on the following:



Should not be used or characterized as the following:



Multi-Year Projections

	2022-23	2023-24	2024-25	2025-26
TOTAL REVENUES	81,800,588	72,581,030	74,364,243	77,153,595
TOTAL EXPENDITURES	77,294,202	72,418,255	71,888,243	72,983,741
CHANGE IN FUND BALANCE	4,506,386	162,775	2,476,000	4,169,854
BEGINNING BALANCE	19,082,716	23,589,102	23,751,877	26,227,877
PROJECTED ENDING BALANCE	23,589,102	23,751,877	26,227,877	30,397,731
Components of the Ending Fund Balance				
Stores, Revolving Cash, and Restricted Reserves	(10,099,413)	(8,629,006)	(9,075,110)	(9,521,214)
Assigned Reserves	(3,057,168)	(6,240,772)	(9,424,376)	(12,607,980)
Other Committed Reserves	(2,731,567)	(3,353,098)	(2,239,109)	(2,450,722)
Board Policy Additional Reserve 4%	(3,091,768)	(2,896,730)	(2,875,530)	(2,919,350)
State Required Reserve 3%	(2,318,826)	(2,172,548)	(2,156,647)	(2,189,512)
UNASSIGNED AMOUNT	2,290,360	459,723	457,105	708,953



State Budget – May Revision

- State Budget may be too optimistic
 - Concerns regarding inflation, decline in stock market, delay in collection of taxes
- 8.22% Cost of living adjustment
- Relies on one-time reductions to support the cost of the LCFF in 2023-24
- Proposes reductions to 2022-23 one-time grants
 - Decrease of 50% to Art, Music, Instructional Mat. Block Grant
 - Decrease of 32% to Learning Recovery Grant
- \$300 M for Equity Multiplier – **no funding** for HBCSD
- No further guidance on Proposition 28

State Budget – January vs. May

Item	Governor's Budget	May Revision
LCFF Funding Increase	\$5.04 billion ¹	\$4.04 billion ²
Proposition 98 Minimum Guarantee		
2021-22	\$110.4 billion	\$110.6 billion
2022-23	\$107.0 billion	\$106.8 billion
2023-24	\$108.8 billion	\$106.8 billion
2023-24 Statutory COLA	8.13%	8.22%
Arts, Music, and Instructional Materials Discretionary Block Grant Reduction	-\$1.2 billion	-\$1.8 billion
Learning Recovery Emergency Block Grant Reduction	No Reduction	-\$2.5 billion

¹Reflects an LCFF increase of \$4.2 billion for the 8.13% COLA and \$855 million to support TK expansion

²Reflects an LCFF increase of \$3.6 billion for the 8.22% COLA and \$460 million to support TK expansion



State Budget – May Revision

Proposition 28 Implementation Considerations—Operational Advice

A cautious approach to planning is the most prudent action



The level of funding is not yet known

- Funding levels are dependent on the prior year Proposition 98, which has already declined for the May Revision



Expenditure plans do not have a statutory deadline



Key provisions still need clarity

- Statutory changes to facilitate state level implementation are anticipated
- Additional guidance from the CDE is also needed



LEAs have three years to expend funds





Next Steps

State Level

- Budget Bill approved by Legislature by June 15
- The Governor could change/reduce expenditures or language
- Final budget deal by June 30

Local Level

- LCAP & Budget Adoption – June 20
- 45-Day Revision – August (if necessary)
- 2022-23 Unaudited Actuals – September

DRAFT



HUNTINGTON BEACH
CITY SCHOOL DISTRICT

User-Friendly Budget

JUNE 20, 2023



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