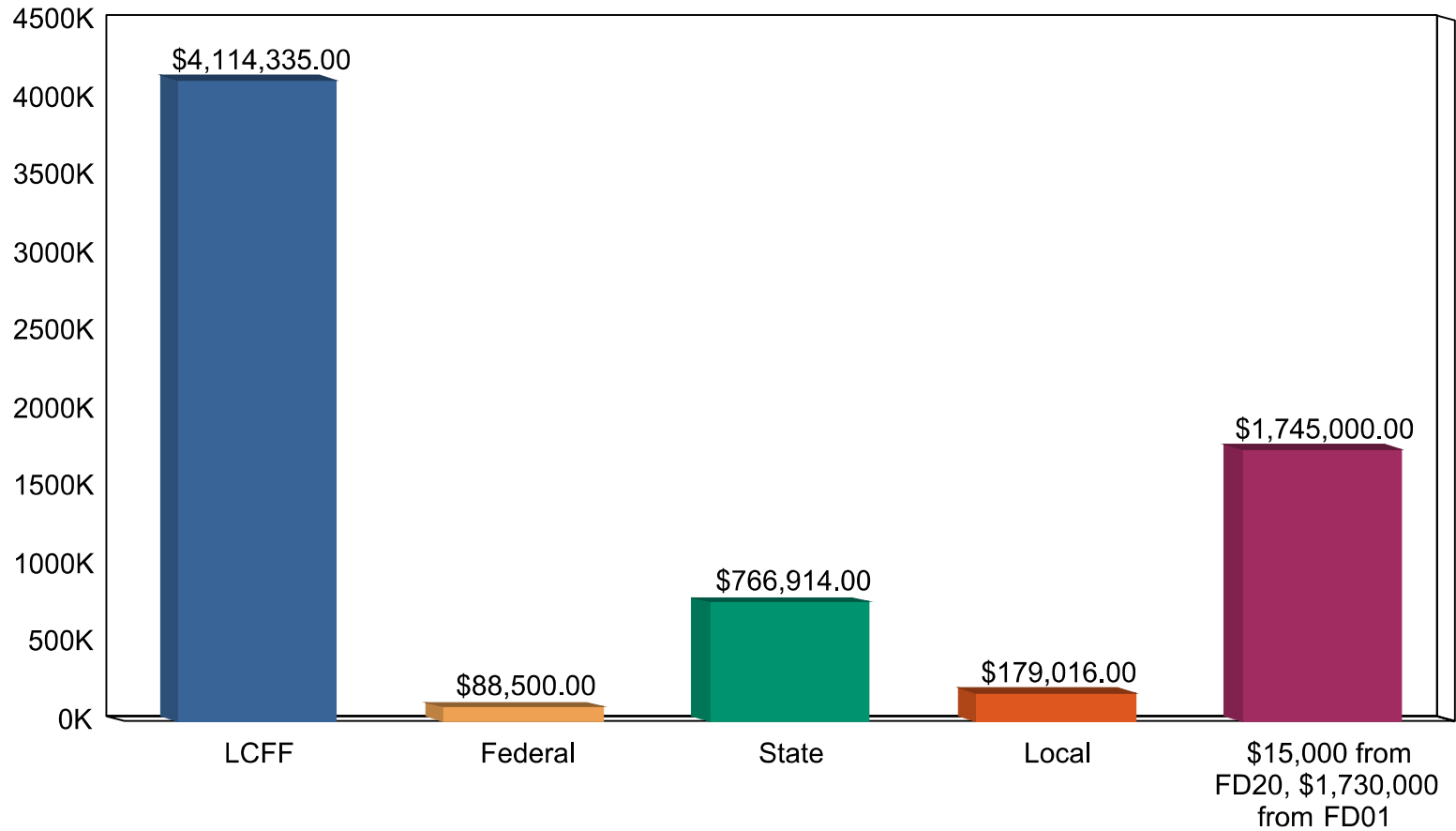


**HARMONY UNION SCHOOL DISTRICT
BUDGET PROJECTIONS 2022-23 through 2024-25**

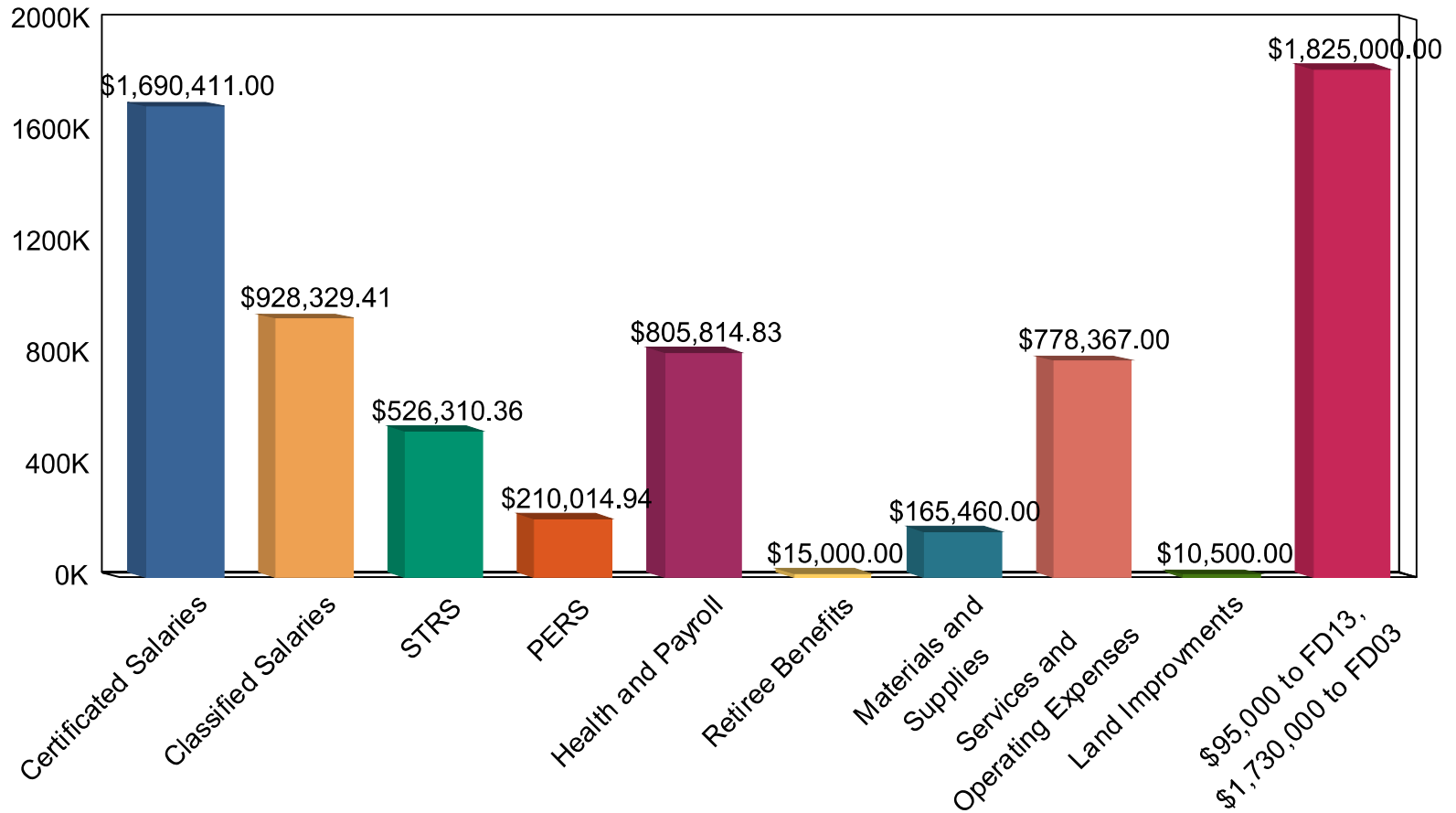
2022-23 Budget Development

	UAs	Budget	Estimated	Estimated
	Budget	Development	Budget	Budget
	2021-22	2022-23	2023-24	2024-25
<i>Projected Budgeted ADA</i>	184.10	177.66	184.28	184.28
<i>COLA (Cost of Living Adj. on the Revenue Limit)</i>	1.70%	6.56%	5.38%	4.02%
BEGINNING BALANCE	\$3,642,787	\$3,384,077	\$3,322,635	\$3,252,917
LCFF Revenue	\$1,937,115	\$2,141,335	\$2,227,309	\$2,293,238
Basic Aid Supplemental	\$1,881,917	\$1,950,000	\$1,975,000	\$2,000,000
Special Ed In-Lieu Property Tax	\$22,350	\$23,000	\$23,500	\$23,500
Federal Revenues	\$391,578	\$88,500	\$89,500	\$89,500
State Revenues	\$489,226	\$766,914	\$503,356	\$508,032
Local Revenues	\$172,997	\$179,016	\$181,515	\$181,515
TOTAL REVENUE:	\$4,895,183	\$5,148,765	\$5,000,180	\$5,095,784
EXPENDITURES				
Certificated Salaries	\$1,749,808	\$1,690,411	\$1,734,482	\$1,764,539
Classified Salaries	\$909,056	\$928,329	\$865,237	\$875,999
Employee Benefits (8% increase from 2021-22)	\$1,391,844	\$1,557,140	\$1,510,474	\$1,521,314
<i>STRS included in employee benefits (19.10%)</i>	<i>\$462,826</i>	<i>\$526,310</i>	<i>\$518,394</i>	<i>\$524,134</i>
<i>PERS included in employee benefits (25.37%)</i>	<i>\$177,567</i>	<i>\$210,015</i>	<i>\$192,815</i>	<i>\$195,359</i>
<i>Retiree Health Benefits</i>	<i>\$27,130</i>	<i>\$15,000</i>	<i>\$15,000</i>	<i>\$0</i>
Books, Supplies & Equipment	\$209,605	\$165,460	\$165,733	\$174,020
Services & Operating Expenses (including transportation)	\$827,758	\$778,367	\$703,472	\$616,271
Capital Outlay and Land Improvements	\$17,952	\$10,500	\$10,500	\$10,500
TOTAL EXPENSE:	\$5,106,023	\$5,130,207	\$4,989,898	\$4,962,642
BALANCE BEFORE TRANSFERS:	(\$210,840)	\$18,558	\$10,282	\$133,142
Transfer In from Retiree Benefits Fund	\$27,130	\$15,000	\$15,000	\$0
Transfers In from Fund 17	\$20,000	\$0	\$0	\$0
Transfer Into Salmon Creek Charter	\$1,717,549	\$1,730,000	\$1,730,000	\$1,730,000
Transfer Out to Salmon Creek Charter	(\$1,700,000)	(\$1,700,000)	(\$1,700,000)	(\$1,700,000)
Transfer Out to SC Advisory Board (site council)	(\$17,549)	(\$30,000)	(\$30,000)	(\$30,000)
Transfer Out to Cafeteria	(\$95,000)	(\$95,000)	(\$95,000)	(\$95,000)
BALANCE AFTER TRANSFERS:	(\$258,710)	(\$61,442)	(\$69,718)	\$38,142
GENERAL FUND ENDING BALANCE:	\$3,384,077	\$3,322,635	\$3,252,917	\$3,291,059
Components of General Fund Ending Balance				
Economic Uncertainties (5% of Exp.) Board Designated	\$345,929	\$347,730	\$340,745	\$339,382
Budget Stabilization	\$2,400,000	\$2,400,000	\$2,400,000	\$2,400,000
1) Revolving Fund	\$500	\$500	\$500	\$500
2) Restricted Ending Balance	\$320,925	\$327,399	\$230,148	\$139,398
3) Assigned Ending Balance (Lottery 1100 & EPA 1400)	\$54,043	\$0	\$25,000	\$25,000
4) Unassigned Ending Balance	\$262,681	\$247,006	\$256,524	\$386,779

General Funds Budget Model - OB23-01 Revenues



General Funds Revised Budget (from accounts) Expenditures



MULTI-YEAR BUDGETS: ACTUAL AND PROJECTED

	Actuals	Actuals	Incomplete	Current Year	Next Year
	2019-20	2020-21	UAs	Budget	Budget
	2019-20	2020-21	2021-22	2022-23	2023-24
Projected Budgeted ADA (Hold Harmless)					
COLA (Cost of Living Adj. on the Revenue Limit)	3.00%	2.31%	1.70%	6.56%	5.38%
BEGINNING BALANCE	\$3,829,933	\$3,623,355	\$3,642,787	\$3,384,077	\$3,322,635
REVENUE					
LCFF Revenue	\$2,104,707	\$2,246,038	\$1,937,115	\$2,141,335	\$2,227,309
Basic Aid Supplemental	\$1,813,215	\$1,813,215	\$1,881,917	\$1,950,000	\$1,975,000
Special Ed In-Lieu Property Tax	\$34,485	\$32,535	\$22,350	\$23,000	\$23,500
Federal Revenues	\$110,463	\$337,249	\$391,578	\$88,500	\$89,500
State Revenues	\$272,376	\$403,147	\$489,226	\$766,914	\$503,356
Local Revenues	\$275,704	\$182,805	\$172,997	\$179,016	\$181,515
TOTAL REVENUE:	\$4,610,950	\$5,014,989	\$4,895,183	\$5,148,765	\$5,000,180
EXPENDITURES					
Certificated Salaries	\$1,735,646	\$1,635,794	\$1,749,808	\$1,690,411	\$1,734,482
Classified Salaries	\$683,848	\$807,308	\$909,056	\$928,329	\$865,237
Employee Benefits (5% increase 2020-21)	\$1,191,387	\$1,256,250	\$1,391,844	\$1,557,140	\$1,510,474
<i>STRS included in employee benefits</i>	\$491,212	\$410,418	\$462,826	\$526,310	\$518,394
<i>PERS included in employee benefits</i>	\$125,449	\$153,389	\$177,567	\$210,015	\$192,815
<i>Retiree Health Benefits</i>	\$45,405	\$35,170	\$27,130	\$15,000	\$15,000
Books, Supplies & Equipment	\$159,394	\$329,679	\$209,605	\$165,460	\$165,733
Services and other Operating Expenses (including transp	\$990,764	\$778,932	\$827,758	\$778,367	\$703,472
Capital Outlay and Land Improvements	\$9,612	\$102,359	\$17,952	\$10,500	\$10,500
TOTAL EXPENSE:	\$4,770,651	\$4,910,322	\$5,106,023	\$5,130,207	\$4,989,898
EXCESS (DEFICIT) BEFORE TRANSFERS:	(\$159,701)	\$104,667	(\$210,840)	\$18,558	\$10,282
Transfer In from Retiree Benefits Fund	\$45,405	\$35,170	\$27,130	\$15,000	\$15,000
Transfers In from Fund 17	\$34,718	\$20,000	\$20,000	\$0	\$0
Transfer In to Salmon Creek Charter (from Fund 01)	\$2,300,000	\$2,103,105	\$1,717,549	\$1,730,000	\$1,730,000
Transfer Out to Salmon Creek Charter	(\$2,300,000)	(\$2,148,510)	(\$1,700,000)	(\$1,700,000)	(\$1,700,000)
Transfer Out to SC Advisory Board (site council)	\$0	\$0	(\$17,549)	(\$30,000)	(\$30,000)
Transfer Out to Cafeteria	(\$127,000)	(\$95,000)	(\$95,000)	(\$95,000)	(\$95,000)
EXCESS (DEFICIT) AFTER TRANSFERS:	(\$206,578)	\$19,432	(\$258,710)	(\$61,442)	(\$69,718)
ENDING BALANCE:	\$3,623,355	\$3,642,787	\$3,384,077	\$3,322,635	\$3,252,917
Components of Above Ending Balance					
Economic Uncertainties Board Designated 5%	\$238,533	\$245,516	\$345,929	\$347,730	\$340,745
Budget Stabilization	\$2,400,000	\$2,400,000	\$2,400,000	\$2,400,000	\$2,400,000
1) Revolving Fund	\$500	\$500	\$500	\$500	\$500
2) Restricted Ending Balance	\$240,715	\$250,809	\$320,925	\$327,399	\$230,148
3) Assigned Ending Balance (Lottery & EPA)	\$275,916	\$269,935	\$54,043	\$0	\$25,000
4) Unassigned Ending Balance	\$467,691	\$476,027	\$262,681	\$247,006	\$256,524

HARMONY UNION SCHOOL DISTRICT
2022-23 BUDGET COMPARISON to 2021-22 Prior Fiscal Year
FUNDS 01 and 03
Analysis of Changes

BEGINNING BALANCE \$3,642,787 \$3,642,787 \$3,642,787 \$3,853,627

REVENUE	2021-22 Budget	2021-22 1st Interim	2021-22 preUAs	2022-23 Budget	Difference	Comments
LCFF Revenue	\$2,215,944	\$1,975,268	\$1,937,115	\$2,141,335	\$204,220	Calculations based on 18 year average.
Basic Aid Charter Supplemental	\$1,890,000	\$1,900,000	\$1,881,917	\$1,950,000	\$68,083	Calculations based on 15 year average.
Sp. Ed. In Lieu Property Tax	\$31,280	\$18,268	\$22,350	\$23,000	\$650	SpEd Prop tax increased
Federal Revenues	\$296,064	\$393,172	\$391,578	\$88,500	(\$303,078)	No COVID Funding expected.
State Revenues	\$298,860	\$334,916	\$489,226	\$766,914	\$277,688	Potential Block Grant and Farm to School Grant
Local Revenues	\$132,405	\$107,496	\$172,997	\$179,016	\$6,019	Increase due to State Special Education (AB602)
Total Revenue	\$4,864,553	\$4,729,120	\$4,895,183	\$5,148,765	\$253,582	Increase (Decrease) in Revenue

EXPENDITURES	2021-22 Budget	2021-22 1st Interim	2021-22 preUAs	2022-23 Budget	Difference	Comments
Certificated Salaries	\$1,701,481	\$1,696,333	\$1,749,808	\$1,690,411	(\$59,397)	Difference is due to laying off 1.8 FTE Certificated positions, restructuring Certificated Salary Schedule, a 4% raise, and step and column increases
Classified Salaries	\$825,979	\$939,346	\$909,056	\$928,329	\$19,272	Difference is due to laying off 1.95 FTE Classified positions, restructuring Classified Salary Schedule, a 4% raise, and step and column increases
Employee Benefits	\$1,381,345	\$1,352,516	\$1,391,844	\$1,557,140	\$165,296	2022-23 will have a 7.7% increase to H&W Benefits, and increases to STRS & PERS
Books and Supplies	\$103,200	\$137,340	\$209,605	\$165,460	(\$44,145)	Budget increased in 2021-22 due to unforeseen expenses with COVID, plus building the music, art and science programs
Services and other Operating Expenditures	\$748,364	\$772,499	\$827,758	\$778,367	(\$49,391)	2021-22 increased due to student entering SCOE Program. Student aged out in 6/2022.
Capital Outlay	\$10,500	\$10,500	\$17,952	\$10,500	(\$7,452)	2021-22 increased due to COVID expenses
Total Expenditures	\$4,770,869	\$4,908,534	\$5,106,023	\$5,130,207	\$24,184	Increase (Decrease) in Expenses

Totals for the following Balances:

					Change
Excess/Deficit	\$93,684	(\$179,414)	(\$210,840)	\$18,558	\$229,398

Projected Ending Balances

FUND 8 through FUND 40

As of
June 21, 2022

Ending Balances –	Unassigned/Unappropriated
Fund 8 – Student Body Account	\$33,380
Fund 13 – Cafeteria Fund <i>Restricted</i> – cafeteria expenditures <i>Transfer in from the General Fund 01 - \$95,000</i>	\$40,337
Fund 14 – Deferred Maintenance <i>Committed</i> – deferred maintenance projects <i>Transfer in from the General Fund 01 - \$0</i>	\$71,481
Fund 17 – Special Reserve Fund <i>Committed</i> – instructional Program expenditures	\$488,717
Fund 20 – Postemployment Benefits <i>Committed</i> – retiree benefit expenditures <i>Transfer out to the General Fund 01 - \$15,000</i>	\$817,917
Fund 21 – Building Fund <i>Assigned</i> – building projects	\$3,017,213
Fund 25 – Capital Facilities Fund <i>Assigned</i> – building projects	\$194,719
Fund 40 – Capital Outlay Projects <i>Committed</i> – capital projects	\$350,823

FUND: 14 Restricted Maintenance

		Previous Year	Current Year	Projection Year
Object Codes		2021-22	2022-23	2023-24
<u>Revenue</u>				
Transfer from General Fund	8091	\$25,000	\$25,000	\$25,000
Transfer from Fund 40	8919			
Interest	8660	\$330	\$330	\$330
Total Revenue		\$25,330	\$25,330	\$25,330
<u>Expenditures</u>				
Custodial Supplies	4370	\$7		
Repairs and Maintenance	5630		\$5,000	\$5,000
Professional Services - Property Management Fee	5830	\$383	\$1,000	\$1,000
Professional Services - Tree work	5830	\$400	\$10,000	\$10,000
Professional Services - Major Alarm (Fire Panel Replacement)		\$14,591		
Total Expenditures		\$15,380	\$16,000	\$16,000
Net Increase (Decrease)		\$9,950	\$9,330	\$9,330
<u>Fund Balance</u>				
Beginning Balance		\$61,532	\$71,481	\$80,811
Audit Adjustment(s)				
Net Ending Balance		\$71,481	\$80,811	\$90,141

**FUND: 17 Special Reserve Fund for
Instructional Programs**

		Previous Year	Current Year	Projection Year
Object Codes		2021-22	2022-23	2023-24
<u>Revenue</u>				
Interest	8660	\$2,500	\$2,500	\$2,500
Total Revenue		\$2,500	\$2,500	\$2,500
<u>Expenditures</u>				
Music Instruments	4400	\$20,000	\$0	\$0
Total Expenditures		\$20,000	\$0	\$0
Net Increase (Decrease)		(\$17,500)	\$2,500	\$2,500
<u>Fund Balance</u>				
Beginning Balance		\$506,217	\$488,717	\$491,217
Audit Adjustment(s)				
Net Ending Balance		\$488,717	\$491,217	\$493,717

Notes/Assumptions: Expenses reported in FD 17 are transfers made into FD 01 to balance the budget for that year. The transfers in will offset expenditures for instructional programs such as curriculum and field trips.

FUND: 20 Postemployment Benefits Fund		Previous Year	Current Year	Projection Year	Projection Year	Projection Year
		2021-22	2022-23	2023-24	2024-25	2025-26
Object Codes						
Revenue						
Interest	8660	\$4,200	\$4,000	\$4,000	\$4,000	\$4,000
Total Revenue		\$4,200	\$4,000	\$4,000	\$4,000	\$4,000
Expenditures						
Postemployment Benefits (2 retirees)	7619	\$12,130	\$0	\$0	\$0	\$0
2019-20 Settlement	7619	\$15,000	\$15,000	\$15,000	\$0	\$0
Possible retirees per HUTA contract				\$13,000	\$13,000	\$10,833
Total Expenditures		\$27,130	\$15,000	\$28,000	\$13,000	\$10,833
Net Increase (Decrease)		(\$22,930)	(\$11,000)	(\$24,000)	(\$9,000)	(\$6,833)
Fund Balance						
Beginning Balance		\$840,847	\$817,917	\$806,917	\$782,917	\$773,917
Audit Adjustment(s)						
Net Ending Balance		\$817,917	\$806,917	\$782,917	\$773,917	\$767,084

FUND: 40 Capital Outlay		Previous Year	Current Year	Projection Year
		2021-22	2022-23	2023-24
Object Codes				
Revenue				
Interest	8660	\$1,780	\$1,800	\$1,800
Total Revenue		\$1,780	\$1,800	\$1,800
Expenditures				
Total Expenditures		\$0	\$0	\$0
Net Increase (Decrease)		\$1,780	\$1,800	\$1,800
Fund Balance				
Beginning Balance		\$349,043	\$350,823	\$352,623
Audit Adjustment(s)				
Net Ending Balance		\$350,823	\$352,623	\$354,423

**HARMONY UNION SCHOOL DISTRICT
BUDGET PROJECTIONS 2022-23 through 2024-25**

REVENUE

LCFF Revenue

HUSD

K - 2 District Property Tax	\$2,850,000
EPA (Education Protection Account)	\$14,949
State Aid	\$523,123
Basic Aid Charter Supplemental	\$1,950,000
In-Lieu of Property Tax	(\$2,587,882)
Transfer out to FD 14 - Deferred Maint	(\$25,000)
Sp. Ed. In Lieu Property Tax	\$23,000

Salmon Creek

S. C. Charter in Lieu Property Taxes	\$686,410
EPA (Education Protection Account)	\$32,336
State Aid	\$647,399
	<u>\$1,366,145</u>

Federal Revenues

Title I RS3010	\$30,000
Title II RS4035	\$3,500
Title IV RS4127	\$10,000
Sp. Ed. Federal Revenues RS3310	\$21,000
REAP Grant (SRSA) RS5810	\$24,000
	<u>\$88,500</u>

State Revenues

Pre-K Planning Grant RS6053	\$47,000
Cafeteria Farm to Table	\$75,000
ELOP - RS2600	\$100,000
Lottery RS1100 - 2022-23 Dartboard Est	\$28,959
Lottery Prop 20 RS6300 - 2022-23 Dartboard Est	\$11,548
Mandated Block Grant HUSD 2022-23 Dartboard	\$1,387
Mandated Block Grant SCC 2022-23 Dartboard	\$2,530
CSESAP Program REV	\$34,000
STRS - On-Behalf RS7690	\$200,000
Concentration Block Grant (\$1,500 x ADA)	\$266,490
	<u>\$766,914</u>

Local Revenues

ARK Donation RS0242	\$20,000
Rent	\$10,000
RESIG Safety Credit RS9090	\$2,460
State Special Education (AB602 REV)	\$130,056
Interest Income	\$16,500
	<u>\$179,016</u>

TOTAL REVENUE

\$4,606,776

EXPENDITURES

Certificated Salaries (includes 21-22 4,3,3 offer)

Classroom Teachers, Counselor and Music	\$1,387,911
Substitutes	\$15,000
Teacher Stipends	\$52,500
ELOP Salaries	\$15,000
	<u>\$1,470,411</u>

Administrative/Confidential Salaries

Superintendent/Principal	\$180,000
Chief Business Official	\$103,865
Administrative Assistant	\$74,715
School Psychologist (0.2875 FTE)	\$40,000
	<u>\$398,580</u>

Classified Salaries (includes 21-22 4,3,3 offer)

After School Hourly Program (Homework Club)	\$23,338
Business Services Technician	\$83,946
Classified Salaries Additional Pay / Stipends	\$12,000
CSESAP Match	\$34,000
Custodial and Maintenance	\$138,960
Farm and Garden Assistant	\$40,147
Head of Farm and Garden	\$63,280
Library and Media Services Technician	\$29,263
Paraeducators and Instructional Assistants (4 Para, 2IAs, 1 Bilingual)	\$214,832
Reading Intervention Para	\$33,507
Spanish Club (Stipend)	\$3,000
Special Education (1:1 & RSP)	\$61,476
ELOP Salaries	\$12,000
	<hr/>
	\$749,749

Employee Benefits

Payroll costs (Medicare, FICA, Workers Comp., Unemp Ins.)	\$213,427
STRS	\$326,310
PERS	\$210,015
STRS - On-Behalf (RS 7690)	\$200,000
Retiree Benefits	\$15,000
Health Benefits (Medical, Dental, Vision, Cash in Lieu)	\$592,387
	<hr/>
	\$1,557,140

Books/Materials/Supplies

Basic Order (Paper, etc.)	\$2,000
Books other than textbooks	\$10,000
Computer Software	\$8,000
COVID Materials	\$5,000
Curriculum	\$7,500
Custodial Supplies (includes RS 8150 Custodial Supplies)	\$15,200
Drama Materials and Supplies	\$1,500
ELOP Summer School materials and supplies	\$3,500
Electronic Curriculum (Lexia/TCI)	\$7,250
Equipment - Front Office and Bsn Office	\$5,000
Equipment - technology (iPads, Chromebooks, etc)	\$25,000
First Aid Supplies (616)	\$1,510
Food for Meetings	\$2,500
Front Office, Bsn Office and Staff Room Supplies	\$10,000
Staff room furniture	\$10,000 (22-23 desk for MM, couch for staff room)
Garden Maintenance Supplies - custodial maintenance of garden (8200)	\$5,500
Garden Supplies	\$1,750
Music (instrument replacements/repair)	\$500
Positive Behavior Incentives	\$500
Site Council (Grants + annual costs of library and recess equipment)	\$25,000
Spanish Club Materials	\$250
Special Education Classroom Materials	\$1,500
Teacher Classroom Allocations (\$750 x 14 teachers)	\$10,500
Technology Supplies	\$1,000
Textbooks	\$5,000
	<hr/>
	\$165,460

Sub-Agreements

Technology Contract (SCOE)	\$2,500
SCOE - Emergency Sub Exp.	\$110
	<hr/>
	\$2,610

Travel/Workshops/Conferences

Board & Superintendent Workshops	\$1,300
School Admin Conference	\$600
Mileage and Reimbursement	\$500
Professional Development - Certificated	\$2,500
Professional Development - Parent Participation	\$1,250
School Sponsored Field Trips	\$10,000
Special Ed Conf.	\$250
	<hr/>
	\$16,400

Dues/Memberships

Electronic School Board Membership	\$9,500
School Admin Memberships	\$1,700
Superintendent Memberships	\$2,700
Subscriptions	\$2,600
	<hr/>
	\$16,500

Insurance

Food Service	\$750
Property and Liability Insurance Premium	\$45,000
Pupil Insurance	\$2,200
	<hr/>
	\$47,950

Utilities

Waste Disposal	\$6,250
Building Security/Fire Alarm Monitoring - Major Alarm	\$500
Propane	\$18,000
Electric	\$42,500
	<hr/>
	\$67,250

Leases/Rentals

Other Equipment - rentals	\$3,000
Routine Repair and Maintenance (including well)	\$10,950
Repairs - Technology/music instruments	\$850
	<hr/>
	\$14,800

Services and Operations

Athletics/Referee Fees	\$500
Audit	\$10,500
Copier Lease (term date 9/2027)	\$18,660
Data Processing	\$1,250
Employment Advertising (Obj5865) and all other Advertising (Obj5825)	\$340
Fees	\$1,500
Fingerprinting Costs	\$2,000
Frontline	\$4,432
Legal Services (School & College Legal Services)	\$0
Library Management Fees (Power School)	\$3,090
Living Roof (LVRF)	\$1,500
Negotiator Costs (School & College Legal; Paul Boyland)	\$1,250
OPEB Actuarial	\$5,000
Other Service, Instruction	\$5,000
Other Services, Admin	\$2,500
Other Services, Operations	\$7,500
Payroll Tech Contract	\$500
School Wise - student data entry tech support (WISE)	\$700
SCOE contract to digitize boxes from storage room	\$500
Sex Education Class (West County Health) - funding covered by Site Council	\$1,500
Shredding Costs	\$1,300
SpEd Software	\$300
Youth Survey for LCAP	\$5,150
Water/Well Testing	\$11,500
Website (Blackboard)	\$4,528
	<hr/>
	\$91,000

Communications

Telephone (AT&T/PYS Communications)	\$7,700
Cellular phones and hot spots (Verizon)	\$3,600
Internet Access - Schools Connect	\$3,200
Postage	\$200
	<hr/>
	\$14,700

Repairs/Land Improvements

Facility/Land Improvements	\$10,500
	<hr/>
	\$10,500

Transportation Costs

Home to school transportation (revenue added in LCFE Calc)	\$115,000
SPED Bus Service Cost	\$33,740
ELOP Bussing	\$9,500
Out of district Transportation	\$78,772
	<hr/>
	\$237,012

Special Education - estimated costs and students

Consortium - preschool (1 student)	\$31,500
Consortium - Students in SDC (1 student - ages out 6/24)	\$80,000
Consortium - Speech	\$30,000
Consortium - Nurse	\$8,250
Consortium - Admin/Indirect costs	\$19,595
SCOE - SpEd Fee for Service (1 student, ages out 6/23)	\$84,000
Redwood Pediatric OT	\$15,000
SCOE - Admin fee	\$1,800
	<hr/>
	\$270,145

HARMONY UNION SCHOOL DISTRICT

Board Meeting June 21, 2022
2022-23 Budget

Harmony USD's 2022-23 Budget is based off Governor Newsom's 2022-23 May Revision. The Governor, the State Legislature and State Assembly signed a placeholder budget to satisfy the June 15 deadline, with expectations of a full resolution by August 2022. In not having a State Adopted Budget, Harmony USD's 2022-23 Budget is provisional until the State Budget is adopted. A copy of the 2022-23 Budget Comparison Chart between Governor Newsom and the Joint Legislative is included in this Board Packet for reference.

The LCFF Calculator used in developing the 2022-23 Budget Multi Year Projection used a 6.56% for 2022-23, 5.38% for 2023-24 and 4.02 for 2024-25. For these reasons, the Harmony Union School District Board is being presented with a 2022-23 Budget for review and adoption that is deficit spending in school years 2022-23 and 2023-24.

The 2022-23 Budget is based on the LCFF calculation which includes supplemental and concentration grants based on the number of English Language Learners pupils, students eligible for free and reduced meal programs and foster youth. (Unduplicated pupil counts) The ADA, enrollment and pupil counts have been updated to reflect estimates as best as can be determined at this time. The number of unduplicated pupils enrolled in each school district as a percentage of total enrollment will constitute the unduplicated count. Each year the District will provide the State the total number of unduplicated pupil counts in these categories, which will determine the grant funding the District qualifies for. At the 2022-23 Budget, the District's unduplicated count is nine (9) and the Supplemental/Concentration Grant percentage for the District is 20.31%. The District does not qualify for concentration grant funding, as the unduplicated count percentage would have to exceed 55%.

The 2022-23 Budget does not include additional revenue based on COVID Relief. It does include \$100,000 funding towards the Expanded Learning Opportunities Program (ELO-P). "Expanded learning" means before school, after school, summer, or intersession learning programs that focus on developing the academic, social, emotional, and physical needs and interests of pupils through hands-on, engaging learning experiences.

Harmony USD's 2022-23 Budget also includes funds in the amount of \$266,490 based on the Block Grant calculation of \$1,500 per ADA ($\$1,500 \times 177.66$). Should the State Budget chose to not increase the LCFF base or offer the Block Grant, the District will need to pull from other funds to cover the loss.

Harmony USD has included \$75,000 in Farm to Table Grant funds for the 2022-23 and out years. Harmony's Head of Foods Services is working diligently on this grant. Funds as much as \$150,000 may be awarded. Harmony received \$20,000 in Farm to Table Grant funds during school year 2021-22, which was the maximum offered at that time. All funds received will go towards Harmony's Cafeteria and Garden costs to promote and continue farm to table meals for our students as well as placed based learning.

In 2021, legislation was passed that requires any local education agency (LEA) operating a kindergarten to also provide a TK program for all four-year-old children by 2025–26. TK uses a modified kindergarten curriculum that is age and developmentally appropriate and based on California's Preschool Learning Foundations and Frameworks. The age at which children are eligible for TK changes from 2021–22 to 2025–26. In the 2022–23 school year, children who will turn five between September 2 and February 2 are eligible for TK. In the 2023–24 school year, children who will turn five between September 2 and April 2 are eligible for TK. In the 2024–25 school year, children who turn five between September 2 and June 2 are eligible for TK. In the 2025–26 school year, and in

each school year thereafter, children who will turn four by September 1 are eligible for TK. Harmony USD's 2022-23 Budget includes the TK add-on of \$2,813 per TK ADA. ADA and enrollment for these TK students is reported to the State once the TK student turns five years of age. Commencing with the 2023-24 school year, and for each year thereafter, Harmony USD must maintain an average of at least one adult for every 10 pupils for transitional kindergarten classrooms, contingent upon an appropriation of funds for this purpose.

Special Education student enrollment has decreased for the 2022-23 and projected school years, however revenue for Special Education has not increased, so the contribution from the General Fund to cover these programs remains significant at \$366,000.

Property taxes per ADA x Charter ADA is reflected below:

	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
<u>Local Property Taxes</u>	<u>\$2,850,000</u>	<u>\$2,975,400</u>	<u>\$3,106,318</u>
District LCFF ADA	37.8	36	40.5
	\$264,537	\$241,283	\$230,220
S.C. Charter LCFF ADA	131.4	138.6	135
	\$686,410	\$735,368	\$774,776
Pathways Charter ADA	350.40	390	390
	\$1,899,053	\$1,998,749	\$2,011,322

Deferred Maintenance Program Fund 14: With the implementation of LCFF, the annual State's deferred maintenance apportionment was eliminated. There will no longer be a revenue stream in this fund unless funds are permanently transferred from the general fund. These funds have been committed for deferred maintenance purposes by an approved board resolution. The contribution to the deferred maintenance program from the General Fund is \$25,000 for 2022-23, 2023-24 and 2024-25.

Measure C, a school improvement obligation (G.O.) bond measure ballot to modernize and renovate our campus was passed on the June 5, 2018. The Bond is in the amount of \$9.6 million. The District continues to try and organize a Citizens' Oversight Committee to monitor bond expenditures, a requirement of the Prop 39 bond measure. The District created their own Bond Committee that has representation of staff, a board trustee, community, and administration. This committee has been an intricate part of bond planning. A master plan was presented at the 2018 November regular board meeting by TLCDC Architects and a final draft of the master plan was brought back to the December 2018 board meeting for approval. Currently the Bond construction is in its final phase, expecting to be completed by January 2023.

Proposition 51 effects the required minimum contribution a District must deposit to the Restricted Routine Repair and Maintenance account from their General Fund. The rate is 3% of the total General Fund expenditures within the General Fund for ongoing and major maintenance. *Currently the District is not required to meet that requirement due to the fact that District's with ADA under 300 are exempt.*

The 2022-23 Budget reflects one (1) certificated retiree's 5-year contract, signed in June of 2019, agreeing to pay \$15,000 through June of 2024. This \$15,000 has been added to the cost of retirees. Funds from Fund 20 will be transferred to Fund 01 to cover the cost.

In summary:

At this time, the 2022-23 Budget is deficit spending in years 2022-23 and 2023-24 with a 1.85 classified reduction in FTE for 2023-24. If the State does not provide adequate funding within the next year, it is recommended that additional budget reductions be made in addition to the reductions presented in this Budget Development.

With an ending balance of \$3,322,635, we are well within the State's "Criteria and Standards" which state that our District should have an ending balance for Economic Uncertainties of 5%. With the District assigning funds in a Budget Stabilization account, in the amount of \$2,400,000, and restricted funds in the amount of \$327,399 the district's unassigned ending balance at 2022-23 Budget is \$247,066.

A fluctuation in revenue is reflected based on the changes in ADA (see below):

	<u>*LCFF Revenue</u>	<u>EPA Revenue</u>	<u>State Aid Revenue</u>
2022-23	\$4,091,335	\$47,285	\$1,170,522
2023-24	\$4,202,309	\$37,507	\$1,235,407
2024-25	\$4,293,238	\$37,224	\$1,263,721

*EPA and State Aid Revenues are included within the LCFF Revenue.

ADA used for LCFF calculations are:

@ 2021-22 2 nd Interim (using .9 ADA)		@2022-23 Budget (using .945 ADA)	
2021-22	167.32	2022-23	177.66
2022-23	175.75	2023-24	184.28
2023-24	182.4	2024-25	184.28

Projected Budget 2023-24 reflects expenditure increases in salaries due to step in column increases and 3% increase per the district's offer. Estimated health and welfare benefit increases 2.5% as well as increases in STRS & PERS costs per the most recent Dartboard.

The 2022-23 Budget reflects a positive certification for Harmony Union School District. It will be able to meet its financial obligations for the 2022-23 through 2024-25 fiscal years.

At this time, all other funds (Cafeteria, Deferred Maintenance, Capital Facilities, Bond, Special Reserves and Retiree Benefits) will have a positive ending balance for the 2022-23 school year. Projected Ending Balance spreadsheet is included in this Board Packet.

The LCFF Calculator Universal Assumptions for Harmony Union Elementary and Salmon Creek Charter used for the 2022-23 Budget is included.