

**HARMONY UNION SCHOOL DISTRICT
BUDGET PROJECTIONS - 2021-222 through 2023-24**

2021-22 1st Interim

	UAs	1st Interim	Estimated	Estimated
	Budget	Budget	Budget	Budget
	2020-21	2021-22	2022-23	2023-24
Projected Budgeted ADA	214.70	184.47	177.65	182.40
COLA (Cost of Living Adj. on the Revenue Limit)	2.31%	1.70%	2.48%	3.11%
BEGINNING BALANCE	\$3,627,815	\$3,642,787	\$3,415,504	\$3,148,794
LCFF Revenue	\$2,171,407	\$1,975,268	\$1,897,817	\$2,030,408
Basic Aid Supplemental	\$1,886,260	\$1,900,000	\$1,938,000	\$1,976,760
Special Ed In-Lieu Property Tax	\$34,121	\$18,268	\$18,268	\$18,268
Federal Revenues	\$275,597	\$393,172	\$100,000	\$100,000
State Revenues	\$418,511	\$334,916	\$244,838	\$244,838
Local Revenues	\$224,633	\$107,496	\$120,000	\$120,000
TOTAL REVENUE:	\$5,010,529	\$4,729,120	\$4,318,923	\$4,490,274
EXPENDITURES				
Certificated Salaries	\$1,635,794	\$1,696,333	\$1,706,739	\$1,780,657
Classified Salaries	\$807,308	\$939,346	\$727,559	\$749,386
Employee Benefits (2.5% increase 2021-22)	\$1,256,250	\$1,352,516	\$1,265,835	\$1,303,810
<i>STRS included in employee benefits (16.92%)</i>	<i>\$452,757</i>	<i>\$414,707</i>	<i>\$421,423</i>	<i>\$439,675</i>
<i>PERS included in employee benefits (22.91%)</i>	<i>\$142,102</i>	<i>\$177,977</i>	<i>\$137,850</i>	<i>\$141,986</i>
<i>Retiree Health Benefits</i>	<i>\$35,170</i>	<i>\$27,130</i>	<i>\$15,000</i>	<i>\$15,000</i>
Books, Supplies & Equipment	\$329,679	\$137,340	\$85,000	\$90,000
Services & Operating Expenses (including transportation)	\$778,932	\$772,499	\$730,000	\$735,000
Capital Outlay and Land Improvements	\$102,359	\$10,500	\$10,500	\$10,500
TOTAL EXPENSE:	\$4,910,322	\$4,908,534	\$4,525,632	\$4,669,353
EXCESS (DEFICIT) BEFORE TRANSFERS:	\$100,207	(\$179,414)	(\$206,710)	(\$179,080)
Transfer In from Retiree Benefits Fund	\$35,170	\$27,130	\$15,000	\$15,000
Transfers In from Fund 17	\$20,000	\$20,000	\$0	\$0
Transfer In to Salmon Creek Charter (from Fund	\$2,103,105	\$1,717,549	\$1,740,000	\$1,740,000
Transfer Out to Salmon Creek Charter	(\$2,148,510)	(\$1,700,000)	(\$1,700,000)	(\$1,700,000)
Transfer Out to SC Advisory Board (site council)	\$0	(\$17,549)	(\$40,000)	(\$40,000)
Transfer Out to Cafeteria	(\$95,000)	(\$95,000)	(\$75,000)	(\$75,000)
EXCESS (DEFICIT) AFTER TRANSFERS:	\$14,972	(\$227,283)	(\$266,710)	(\$239,080)
ENDING BALANCE:	\$3,642,787	\$3,415,504	\$3,148,794	\$2,909,714
Components of Above Ending Balance				
Economic Uncertainties Board Designated	\$133,341	\$154,799	\$135,532	\$142,718
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	\$191,576	\$376,185	\$242,445	\$87,608
3) Assigned Ending Balance (Lottery 1100 & EPA 1400)	\$313,446	\$93,746	\$85,000	\$75,000
4) Unassigned Ending Balance	\$603,924	\$390,273	\$285,317	\$203,888

FUND: 14 Restricted Maintenance

		Previous Year	Current Year	Projection Year
		2020-21	2021-22	2022-23
Object Codes				
<u>Revenue</u>				
Transfer from General Fund	8091			\$25,000
Transfer from Fund 40	8919			
Interest	8660	\$530	\$500	\$500
Total Revenue		\$530	\$500	\$25,500
<u>Expenditures</u>				
Custodial Supplies	4370			
Repairs and Maintenance	5630	\$3,300		
Services and Operating Exp.	5800			
Professional Services - Property Management Fee	5830	\$523	\$500	\$500
Professional Services - Tree work (\$400 to date)	5830	\$6,500	\$5,000	\$5,000
Other Outgo	7100-7499			
Total Expenditures		\$10,323	\$5,500	\$5,500
Net Increase (Decrease)		(\$9,793)	(\$5,000)	\$20,000
<u>Fund Balance</u>				
Beginning Balance		\$71,324	\$61,532	\$56,532
Audit Adjustment(s)				
Net Ending Balance		\$61,532	\$56,532	\$76,532

FUND: 17 Special Reserve Fund for Instructional Programs

		Previous Year	Current Year	Projection Year
Object Codes		2020-21	2020-21	2021-22
<u>Revenue</u>				
Interest	8660	\$4,013	\$4,000	\$4,000
Total Revenue		\$4,013	\$4,000	\$4,000
<u>Expenditures</u>				
Salaries & Benefits	1000-3999	\$0	\$0	\$0
Supplies, Svcs., Exp., & Capital Outlay	4000-6999	\$0	\$0	\$0
Setup Music Classroom	4400		\$20,000	
Professional Development	5202	\$20,000		
Transfer to General Fund	7100-7499			
Total Expenditures		\$20,000	\$20,000	\$0
Net Increase (Decrease)		(\$15,987)	(\$16,000)	\$4,000
<u>Fund Balance</u>				
Beginning Balance		\$522,204	\$506,217	\$490,217
Audit Adjustment(s)				
Net Ending Balance		\$506,217	\$490,217	\$494,217

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: 40 Capital Outlay		Previous Year	Current Year	Projection Year
		2020-21	2021-22	2021-22
	Object Codes			
Revenue				
Insurance payout re stolen tractor	8699			
Interest	8660	\$2,862	\$2,500	\$3,300
Total Revenue		\$2,862	\$2,500	\$3,300
Expenditures				
Remodel Tractor Shed	6200	\$10,079		
Replacement Tractor	6500	\$23,341		
Total Expenditures		\$33,420	\$0	\$0
Net Increase (Decrease)		(\$30,558)	\$2,500	\$3,300
Fund Balance				
Beginning Balance		\$379,602	\$349,044	\$351,544
Audit Adjustment(s)				
Net Ending Balance		\$349,044	\$351,544	\$354,844

**HARMONY UNION SCHOOL DISTRICT
BUDGET PROJECTIONS - 2019/20 through 2021/22
FUNDS 01 and 03**

2021-22 1st Interim

REVENUE

*District TK-1 = 57.57, Salmon Creek Charter 2nd- 8th grades = 126.9
and a COLA of 5.07%.*

LCFF Revenue

HUSD

K - 2 District Property Tax	\$2,729,792
EPA (Education Protection Account)	\$13,809
State Aid	\$523,122
In-Lieu of Property Tax	-\$2,435,647
Sp. Ed. In Lieu Property Tax	\$18,268

Salmon Creek

S. C. Charter in Lieu Property Taxes	\$637,417
EPA (Education Protection Account)	\$25,380
State Aid	\$481,395
Basic Aid Charter Supplemental	\$1,900,000
	\$3,893,536

Federal Revenues

Title I (3010)	\$29,969
Title II (4035)	\$3,695
Title IV (4127)	\$10,000
Sp. Ed. Federal Revenues (RS 3310)	Est. \$27,426
REAP Grant (SRSA)(5810)	Est. \$23,949
ESSER II RS3212	\$5,157
ESSER III RS3213	\$185,904
ESSER III RS3214	\$46,476
ESSER III RS3216	\$20,164
ESSER III RS3217	\$4,628
ESSER III RS3218	\$13,145
ESSER III RS3219	\$22,659
	\$393,172

State Revenues

In-Person Instruction (RS7422)	\$32,571
Pre-K Planning Grant RS 6053	\$27,818
ELOP - RS2600	\$55,000
Learning Recovery Fund 6537	\$12,735
Lottery (RS 1100) - estimated from 2021-22 Dartboard	\$35,600
Lottery Prop 20 (RS 6300) - estimated from 2021-22 Dartboard	\$15,600
Mandated Block Grant (Obj8550) 21-22 Dartboard	\$4,592
STRS - On-Behalf (RS 7690)	Est. \$151,000
	\$334,916

Local Revenues

ARK Donation	\$0
Teleconnect Fund	\$2,400
Rent	\$5,000
RESIG Safety Credit	\$1,505
RESIG Return of Equity	\$8,800
State Special Education 6500	\$74,091
Interest Income	Est. \$15,700
	\$107,496

TOTAL REVENUE	\$4,729,120
----------------------	--------------------

**HARMONY UNION SCHOOL DISTRICT
BUDGET PROJECTIONS - 2019/20 through 2021/22
FUNDS 01 and 03**

2021-22 1st Interim

EXPENDITURES

Certificated Salaries

Classroom Teachers, Counselor (includes salary revision)	\$1,415,667	\$1,696,333
Offer of 4,3,3 plus salary revision	\$56,477	
Substitutes	\$10,000	
Teacher Stipends (Stipends and Extra Pay)	\$52,500	
	\$1,534,644	

Administrative Salaries

Superintendent/Principal	\$156,819
Assistant Principal/Curriculum Coordinator	\$4,870
Chief Business Official	\$100,839
	\$262,528

Classified Salaries (includes 4,3,3 offer)

Administrative Assistant	\$59,833
After School Hourly Program (Homework Club)	\$19,220
Paraprofessionals and Instructional Assistants (4 Para, 3IAs, 1 Bilingual)	\$226,868
Classified Salaries Additional Pay / Stipends	\$8,500
Custodians	\$115,521
Data Systems Technician	\$78,172
Farmer/PBL	\$38,990
Garden Coordinator	\$62,399
Garden Liaison (@ .49FTE)	\$18,949
Library Tech	\$29,001
Nurse	\$45,000
Reading Intervention Para	\$34,218
Spanish Club	\$3,000
Special Education (1:1 & RSP)	\$62,707
	\$802,378

Employee Benefits

Payroll costs (STRS,PERS, Medicare, FICA, Workers Comp., Unemp Ins.)	\$597,931
STRS - On-Behalf (RS 7690)	\$151,000
Retiree Benefits	\$27,130
Health Benefits (Blue Cross/Shield, Kaiser, RESIG Dental, Vision, Cash in	\$576,455
	\$1,352,516

Books and Supplies

Artroom startup costs	\$3,500
Athletics/Referee Fees	\$500
Basic Order (Paper, etc.)	\$1,000
Curriculum (Reading and Math)	\$10,000
Custodial Supplies (includes RS 8150 Custodial Supplies)	\$20,575
Electronic Curriculum (Lexia)	\$6,900
Equipment - classroom (includes RS 8150 Equipment)	\$1,500
Equipment - Front Office and Bsn Office	\$1,500
Equipment - technology	\$10,000
First Aid Supplies (616)	\$1,500
Food for Meetings	\$1,000
Garden Maintenance Supplies - custodial maintenance of garden (8200)	\$6,500
Garden Supplies	\$1,500
Math Learning Center (program)(Textbooks)	\$2,500
Music startup costs	\$25,000
Front Office/Bsn Office/Staff Room Supplies	\$6,500
Place Based Learning Materials	\$2,000
Positive Behavior Incentives	\$500
RESIG Safety (RS9090)	\$1,500

Reading Intervention - Summer Program	\$3,000	
Site Council (Annual Costs - Library, recess equipment, teacher requests)	\$15,200	
Spanish Club Materials	\$250	
Special Education Materials	\$1,500	
Teacher Classroom Allocations (RS6300)	\$14,840	
Technology Supplies/Software	\$2,075	
	<hr/>	\$137,340
Sub-Agreements		
Technology Contract (SCOE)	\$10,000	
SCOE - Emergency Sub Exp.	\$110	
	<hr/>	\$10,110
Travel/Workshops/Conferences		
Board & Superintendent Workshops	\$2,000	
School Admin Conference	\$2,350	
Mileage and Reimbursement	\$500	
Professional Development - Instructional	\$2,500	
Professional Development - Parent Participation	\$1,250	
Certificated Professional Development Workshops	\$1,250	
School Sponsored Field Trips	\$10,000	
Special Ed Conf.	\$250	
	<hr/>	\$20,100
Dues/Memberships		
Electronic School Board Membership	\$7,330	
School Admin Memberships	\$2,500	
Superintendent Memberships	\$3,000	
Subscriptions	\$2,500	
Instructional Memberships	\$1,500	
	<hr/>	\$16,830
Insurance		
Property and Liability Insurance Premium	\$37,000	
Pupil Insurance	\$2,145	
Volunteer Accident Insurance	\$500	
	<hr/>	\$39,645
Utilities		
Waste Disposal	\$4,779	
Building Security/Fire Alarm Monitoring - Major Alarm	\$1,500	
Propane	\$21,500	
Electric	\$12,000	
	<hr/>	\$39,779
Leases/Rentals		
Other Equipment - rentals	\$2,000	
Routine Repair and Maintenance (including well)	\$6,500	
Repairs - Technology/music instruments	\$650	
	<hr/>	\$9,150
Services and Operations		
Audit	\$10,000	
Assemblies	\$800	
Copier Charges	\$22,000	
Data Processing	\$300	
Employment Advertising (Obj5865) and all other Advertising (Obj5825)	\$600	
Fees	\$700	
Fingerprinting Costs	\$700	
Frontline	\$4,250	
Legal Services (School & College Legal Services)	\$8,100	
Library Management Fees (Power School)	\$550	
Living Roof (LVRF)	\$1,500	
Negotiator Costs (School & College Legal; Paul Boyland)	\$2,500	
OPEB Actuarial	\$938	
Other Service, Instruction	\$315	
Other Services, Admin	\$2,500	
Other Services, Operations	\$9,000	
Payroll Tech Contract	\$1,500	
School Wise - student data entry tech support (WISE)	\$3,750	
SCOE contract to digitize boxes from storage room (200 boxes @ \$92/box)	\$4,600	22-23 no charge
SCOE Library Contract no charge for AV 2020-21 (Obj5819)	\$736	
Sex Education Class (West County Health) - funding covered by Site Council	\$1,500	

Shredding Costs	\$1,080	
Consult for Superintendent Review	\$6,500	
Water/Well Testing	\$10,000	
Website (Blackboard)	\$14,000	22-23 \$4,528
	<u>\$108,419</u>	

Communications

Telephone	\$6,800	
Cellular phones and hot spots	\$13,250	was \$30,000
Internet Access - Schools Connect	\$4,250	
Postage	\$2,500	
	<u>\$26,800</u>	

Repairs/Land Improvements

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

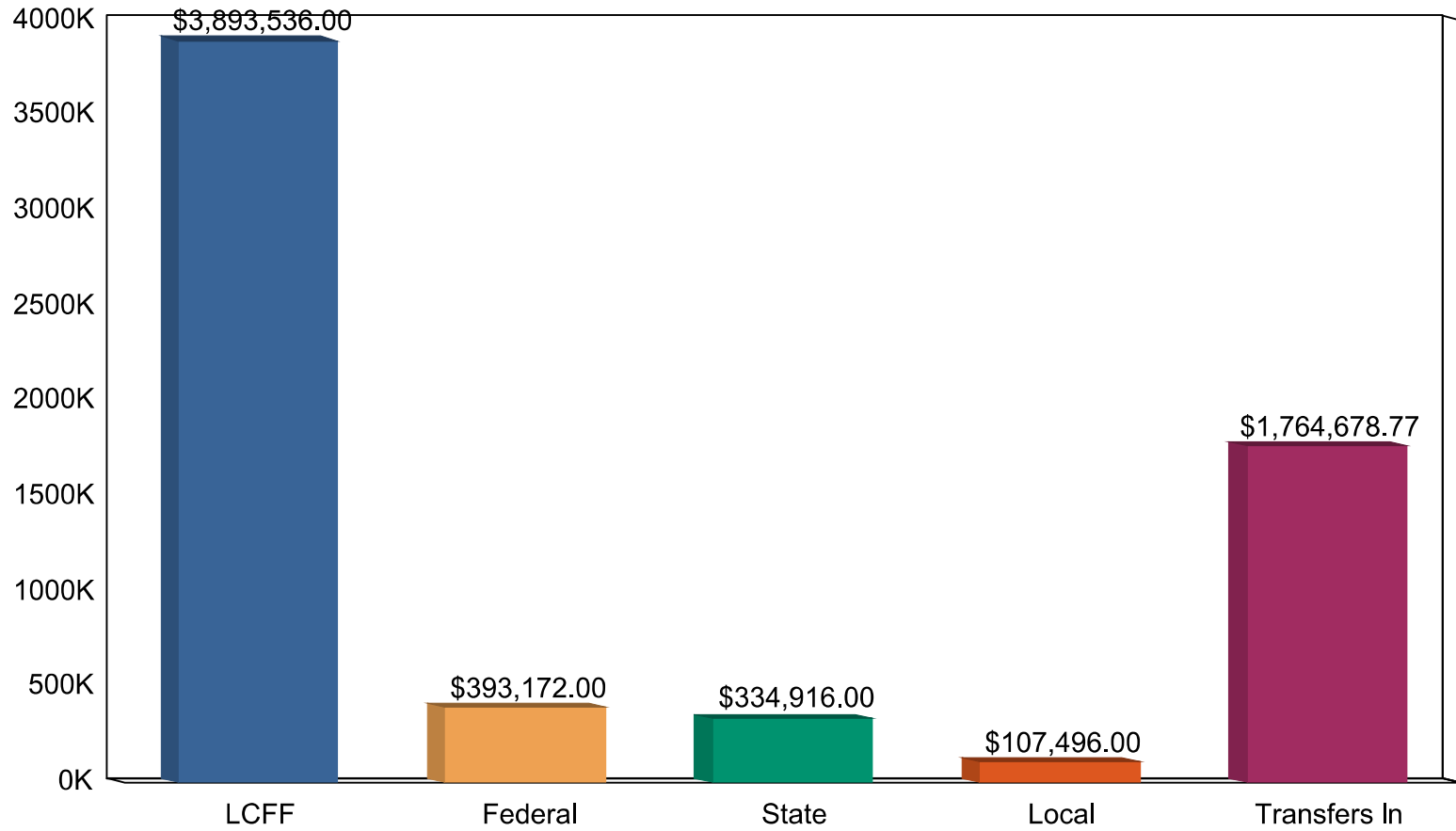
Transportation Costs

Home to school transportation (revenue reflected in LCFF calculation)	\$115,000	
SPED Bus Service Cost	\$17,894	
Out of district Transportation	\$67,144	
	\$200,038	

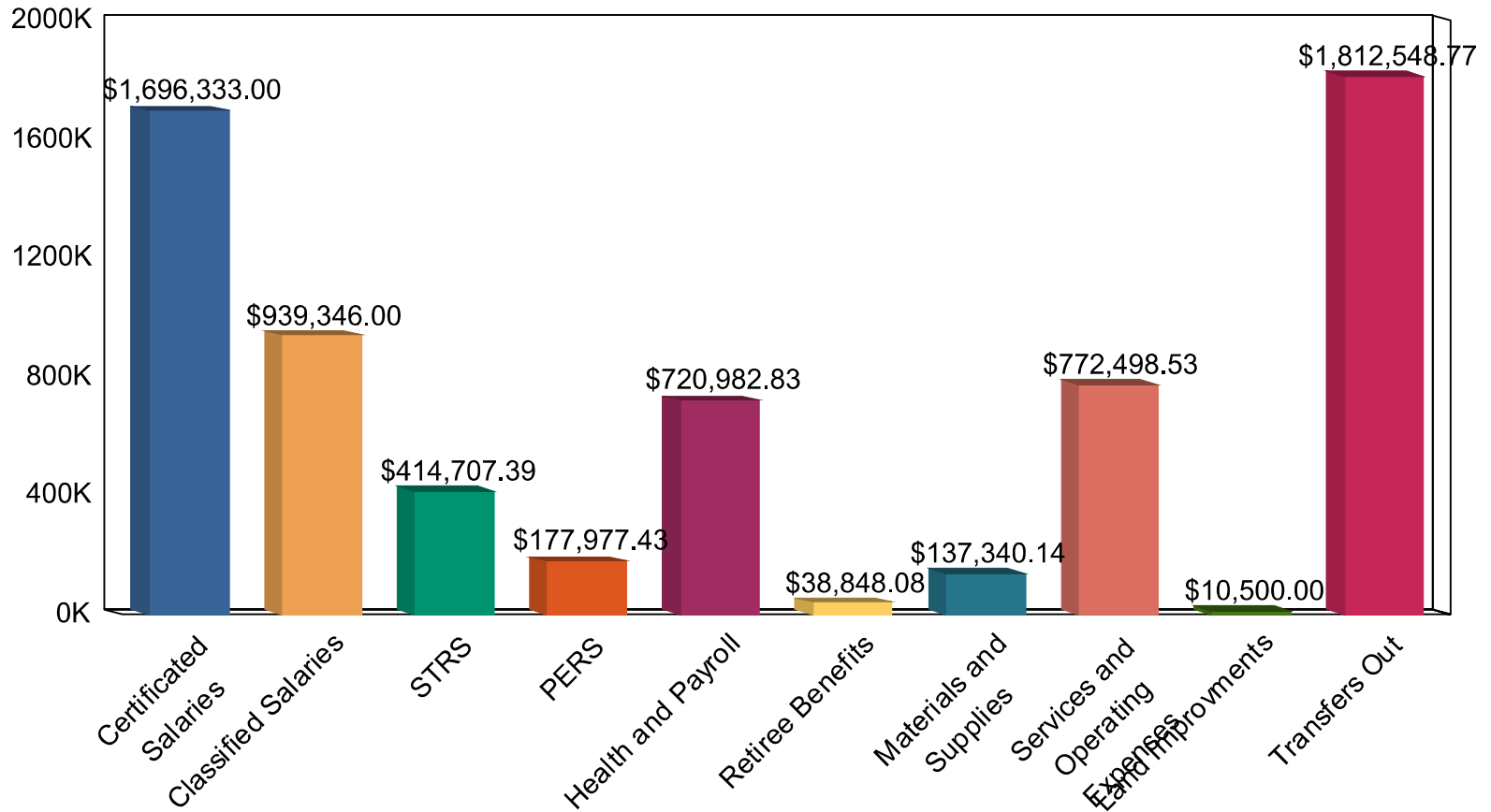
Special Education - estimated costs and students

Consortium - preschool (2 students)	\$35,000	
Consortium - Students in SDC (1 student)	\$52,000	
Consortium - Speech	\$30,000	Consortium Budget
Consortium - Nurse	\$7,200	at 1st Interim:
Forestville Contract - Psych/Beh Analyst	\$30,000	\$146,358
Consortium - Admin/Indirect costs	\$21,000	
Consortium - Learning Recovery Support Portion	\$1,158	
SCOE - SpEd Fee for Service (1 student, 10years old)	\$62,000	
Redwood Pediatric OT	\$10,000	
Anova ESY (6days @ \$245/day)	\$1,470	
New Directions (135 days @ \$370/day)	\$50,000	
SCOE - Admin fee	\$1,800	
	\$301,628	

Revised Budget (from accounts) Revenues



Revised Budget (from accounts) Expenditures



MULTI-YEAR BUDGETS: ACTUAL AND PROJECTED

	Actuals	Actuals	Unaudited Actuals	1st Interim	Budget	Budget
	2018-19	2019-20	2020-21	Budget	Budget	Budget
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Projected Budgeted ADA	236.16	214.7	214.7	185.47	194.75	195.7
COLA (Cost of Living Adj. on the Revenue Limit)	3.00%	3.24%	2.31%	1.70%	2.48%	3.11%
Funded/Planning COLA	3.00%	3.24%	0.00%	5.70%	2.48%	3.11%
BEGINNING BALANCE	\$3,533,559	\$3,834,393	\$3,627,815	\$3,642,787	\$3,415,503	\$3,148,793
REVENUE						
LCFF Revenue	\$2,298,483	\$2,118,374	\$2,171,407	\$1,975,268	\$1,897,817	\$2,030,408
Basic Aid Supplemental	\$1,653,618	\$1,813,215	\$1,886,260	\$1,900,000	\$1,938,000	\$1,976,760
Special Ed In-Lieu Property Tax	\$24,366	\$34,485	\$34,121	\$18,268	\$18,268	\$18,268
Federal Revenues	\$104,179	\$110,463	\$275,597	\$393,172	\$100,000	\$100,000
State Revenues	\$413,864	\$241,897	\$418,511	\$334,916	\$244,838	\$244,838
Local Revenues	\$221,768	\$292,516	\$224,633	\$107,496	\$120,000	\$120,000
TOTAL REVENUE:	\$4,716,278	\$4,610,950	\$5,010,529	\$4,729,120	\$4,318,923	\$4,490,274
EXPENDITURES						
Certificated Salaries	\$1,488,487	\$1,735,646	\$1,635,794	\$1,696,333	\$1,706,739	\$1,780,657
Classified Salaries	\$638,323	\$683,848	\$807,308	\$939,346	\$727,559	\$749,386
Employee Benefits (2% increase 2021-22)	\$1,198,022	\$1,191,387	\$1,256,250	\$1,352,516	\$1,265,835	\$1,303,810
<i>STRS included in employee benefits</i>	\$469,094	\$491,212	\$452,757	\$414,707	\$421,423	\$439,675
<i>PERS included in employee benefits</i>	\$143,980	\$125,449	\$142,102	\$177,977	\$137,850	\$141,986
<i>Retiree Health Benefits</i>	\$55,824	\$45,405	\$35,170	\$27,130	\$15,000	\$15,000
Books, Supplies & Equipment	\$129,591	\$159,394	\$329,679	\$137,340	\$85,000	\$90,000
Services and other Operating Expenses (including transportation)	\$955,466	\$990,764	\$778,932	\$772,499	\$730,000	\$735,000
Capital Outlay and Land Improvements	\$1,380	\$9,613	\$102,359	\$10,500	\$10,500	\$10,500
TOTAL EXPENSE:	\$4,411,267	\$4,770,652	\$4,910,322	\$4,908,534	\$4,525,633	\$4,669,353
EXCESS (DEFICIT) BEFORE TRANSFERS:	\$305,010	(\$159,701)	\$100,207	(\$179,414)	(\$206,710)	(\$179,079)
Transfer In from Retiree Benefits Fund	\$55,824	\$45,405	\$35,170	\$27,130	\$15,000	\$15,000
Transfers In from Fund 17	\$0	\$34,718	\$20,000	\$20,000	\$0	\$0
Transfer In to Salmon Creek Charter (from Fund 01)	\$740,000	\$2,340,000	\$2,103,105	\$1,717,549	\$1,740,000	\$1,740,000
Transfer Out to Salmon Creek Charter	\$700,000	\$2,300,000	\$2,148,510	\$1,700,000	\$1,700,000	\$1,700,000
Transfer Out to SC Advisory Board (site council)	\$40,000	\$40,000	\$0	\$17,549	\$40,000	\$40,000
Transfer Out to Cafeteria	\$60,000	\$127,000	\$95,000	\$95,000	\$75,000	\$75,000
EXCESS (DEFICIT) AFTER TRANSFERS:	\$300,834	(\$206,578)	\$14,972	(\$227,284)	(\$266,710)	(\$239,079)
ENDING BALANCE:	\$3,834,393	\$3,627,815	\$3,642,787	\$3,415,503	\$3,148,793	\$2,909,714
Components of Above Ending Balance						
Economic Uncertainties Board Designated 5%	\$260,563	\$361,883	\$133,341	\$154,799	\$135,532	\$142,718
Budget Stabilization	\$2,400,000	\$2,400,000	\$2,400,000	\$2,400,000	\$2,400,000	\$2,400,000
1) Revolving Fund	\$500	\$500	\$500	\$500	\$500	\$500
2) Restricted Ending Balance	\$200,284	\$203,682	\$191,576	\$376,185	\$242,445	\$87,608
3) Assigned Ending Balance (Lottery & EPA)	\$271,109	\$224,996	\$313,446	\$93,746	\$85,000	\$75,000
4) Unassigned Ending Balance	\$701,937	\$436,755	\$603,924	\$390,273	\$285,316	\$203,888

HARMONY UNION SCHOOL DISTRICT
2021-22 1st Interim Comparison to Budget Projections
FUNDS 01 and 03
Analysis of Changes

ADA 199.5 184.47
BEGINNING BALANCE \$3,642,787 \$3,642,787

REVENUE	2021-22 Budget	2021-22 1st Interim	Difference	Comments
LCFF Revenue	\$2,215,944	\$1,975,268	(\$240,676)	LCFF Calc was updated using most recent calculator, lower ADA than projected and 90% attendance rate per illnesses and quarantine days
Basic Aid Charter Supplemental	\$1,890,000	\$1,900,000	\$10,000	Basic Aid Supplemental estimation based on out of district LCFF students.
Sp. Ed. In Lieu Property Tax	\$31,280	\$18,268	(\$13,012)	Amount based off of LCFF ADA and Property Taxes
Federal Revenues	\$446,069	\$393,172	(\$52,897)	Recalc of all Federal funds including COVID one-time funds
State Revenues	\$298,860	\$334,916	\$36,056	Funds recalculated re COVID and TK Grant
Local Revenues	\$132,405	\$107,496	(\$24,909)	HUSD is not counting on fund from the shArk parent group for 2021-22 due to their inability to fund raise last year but still gifting the district \$40,000.
Total Revenue	\$5,014,558	\$4,729,120	(\$285,438)	Increase (Decrease) in Revenue

EXPENDITURES	2021-22 Budget	2021-22 1st Interim	Difference	Comments
Certificated Salaries	\$1,701,481	\$1,696,333	(\$5,148)	Salaries include 4% offer, less VP position, including music and art teachers at accurate placement on Salary Schedule.
Classified Salaries	\$825,979	\$939,346	\$113,367	Salaries include 4% offer and multiple new hires at accurate placement on Salary Schedule.
Employee Benefits	\$1,381,345	\$1,352,516	(\$28,829)	Estimated medical costs at accurate amount per employee usage.
Books and Supplies	\$103,200	\$137,340	\$34,140	Increase due to setting up music and art classrooms
Services and other Operating Expenditures	\$748,364	\$772,499	\$24,135	Increase of possible NPS placement for a student \$50,000, less hotspot contract of \$25,000
Capital Outlay	\$10,500	\$10,500	\$0	n/a
Total Expenditures	\$4,770,869	\$4,908,534	\$137,665	Increase (Decrease) in Expenses

Totals for the following Balances:

Change

Difference of transfer in/out of Gen Fund	(\$67,870)	(\$47,870)	\$20,000	
ENDING BALANCE	\$175,819	(\$227,284)	(\$403,103)	
Economic Uncertainties	\$238,543	\$245,427	\$6,883	5% of Fund01/03 Expenses
Restricted Ending Balance	\$215,000	\$376,185	\$161,185	Federal and State Funds remaining re COVID one-time funds
Revolving Fund	\$500	\$500	\$0	
Assigned Ending Balance	\$271,109	\$93,746	(\$177,363)	Unrestricted and Restricted Lottery funds remaining
Budget Stabilization	\$2,400,000	\$2,400,000	\$0	
Unassigned Ending Balance	\$761,324	\$347,515	(\$413,808)	Property Taxes and BAS

HARMONY UNION SCHOOL DISTRICT

Board Meeting December 9, 2021
2021-22 1st Interim

The 2021-22 1st Interim was developed using the May 14, 2021, agreement between Governor Newsom and the State Legislature which preserves funding at current levels for K-12. Due to COVID-19 and the Governor's 2021-22 Budget, the LCFF Calculator used in developing the 2021-22 Multi Year Projection used a 5.07% COLA for 2021-22, 2.48% for 2022-23 and 3.11% for 2023-24. For these reasons, the Harmony Union School District Board is being presented with a 2021-22 1st Interim for review and adoption that is deficit spending in school years 2021-22, 2022-23 and 2023-24.

The 2021-22 1st Interim 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 2021-22 1st Interim Budget, the District's unduplicated count is 8 and the Supplemental/Concentration Grant percentage for the District is 25.17%. The District does not qualify for concentration grant funding as the unduplicated count percentage would have to exceed 55%.

The 2021-22 school year will include additional revenue connect to COVID Relief:

In-Person Instruction \$32,570: IPI Grants may be used for any purpose consistent with providing in-person instruction for any pupil participating in in-person instruction, including, but not limited to, COVID-19 testing, cleaning and disinfection, personal protective equipment, ventilation and other school site upgrades necessary for health and safety, salaries for certificated or classified employees providing in-person instruction or services, and social and mental health support services provided in conjunction with in-person instruction.

ESSER III \$298,133: Any activity authorized by the ESEA, the Individuals with Disabilities Education Act (IDEA), the Adult Education and Family Literacy Act (AEFLA), or the Carl D. Perkins Career and Technical Education Act of 2006 (Perkins). Coordination of LEA preparedness and response efforts with state, local, tribal, and territorial public health departments, and other relevant agencies, to improve coordinated responses with other agencies to prevent, prepare for, and respond to coronavirus. Activities to address the unique needs of low-income children or students, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and foster care youth, including how outreach and service delivery will meet the needs of each population. Developing and implementing procedures and systems to improve the preparedness and response efforts of LEAs. Training and professional development for LEA staff on sanitation and minimizing the spread of infectious diseases. Purchasing supplies to sanitize and clean the facilities of an LEA, including buildings operated by such agency. Purchasing educational technology (including hardware, software, and connectivity) for students served by the LEA that aids in regular and substantive educational interactions between students and their classroom teachers, including low-income students and children with disabilities, which may include assistive technology or adaptive equipment. Providing mental health services and supports, including through the implementation of evidence-based full-service community schools. Planning and implementing activities related to summer learning and supplemental afterschool programs, including providing classroom instruction or online learning during the summer months and addressing the needs of low-income students, students with

disabilities, English learners, migrant students, students experiencing homelessness, and children in foster care. Addressing learning loss among students, including low-income students, students with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and children in foster care, of the LEA. School facility repairs and improvements to reduce risk of virus transmission and exposure to environmental health hazards, and to support student health needs. Inspection, testing, maintenance, repair, replacement, and upgrade projects to improve the indoor air quality in school facilities, including mechanical and non-mechanical heating, ventilation, and air conditioning systems, filtering, purification, and other air cleaning, fans, control systems, and window and door repair and replacement. Developing strategies and implementing public health protocols including, to the greatest extent practicable, policies in line with guidance from the Centers for Disease Control and Prevention for the reopening and operation of school facilities to effectively maintain the health and safety of students, educators, and other staff. Other activities that are necessary to maintain operations and continuity of services and continuing to employ existing staff.

In previous years, the Board has been warned about the volatility of Basic Aid Supplemental funding due to the criteria of receiving the funding. With the concern of Assembly Bills 1505 and 1507, passed in October of 2019, the District contacted FCMAT, the CDE and SCOE regarding the outcome of the Basic Aid Supplemental, should the District no longer be able to sponsor Pathway's Charter. The outcome to these discussions and calculations informed the District that should the District no longer sponsor Pathway's Charter, the District would lose 75% of the Basic Aid Supplemental funding, however, the District would discontinue sending in lieu property taxes to Pathways, therefore the end result in affecting the District's budget is a wash.

The 38.7 ADA for Harmony Elementary at 2021-22 1st Interim includes a transitional kindergarten in its counts for ADA and enrollment. ADA and enrollment for these TK students can only be reported to the State once the transitional kindergarten student turns five years of age. The ADA and enrollment continue to climb throughout the school year as these students turn five.

Special Ed student enrollment has increased raising the cost of special education services for the District. The revenue for these students has increased, but the contribution from the General Fund for this program is significant at \$461,000.

Property taxes per ADA x Charter ADA is reflected below:

	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
<u>Local Property Taxes</u>	<u>\$2,729,792</u>	<u>\$2,784,388</u>	<u>\$2,840,076</u>
District LCFF ADA	47.5	49.4	49.4
	\$294,145	\$230,662	\$242,527
S.C. Charter LCFF ADA	130.15	133	131.1
	\$637,417	\$619,107	\$640,122
Pathways Charter ADA	358.68	406.7	406.7
	\$1,798,230	\$1,934,619	\$1,957,427

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 \$0.00 for 2021-22, but then increases to \$25,000 for 2022-23 and 2023-24.

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 TLC Architects and a final draft of the master plan was brought back to the December 2018 board meeting for approval.

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.*

1st Interim projections for 2021-22 through 2023-24 reflect an average of 2.44% increase in salaries due to step in column increases. The Administrative configuration for 2021-22 will be a full time Superintendent/Principal, a full time Chief Business Official and a full time Office Manager. There is a certificated position layoff reflected in 2022-23.

The 1st Interim reflects one certificated retiree receiving the monthly CAP of \$790 per month and one retiree receiving the monthly CAP of \$825. These two retirees are reflected in 2021-22 with an estimated cost for retiree health benefits of \$27,130. Both of these retirees age out during 2022. The District signed a 5 year contract in June of 2019 agreeing to pay \$15,000 to an HUSD Retiree through June of 2024. This \$15,000 has been added to the cost of retirees.

In summary:

At this time, the 2021-22 1st Interim is deficit spending in 2021-22, 2022-23 and 2023-24. If the State does not provide adequate funding within the next three (3) years, it is recommended that additional budget reductions be made in addition to the reductions presented in this Budget Development.

Posted in the November 30, 2021 edition of School Services of California, "Using the premise that we can do anything in education, but not everything, many local educational agencies (LEAs) find themselves in a bind for 2021-22 as they balance demands at the bargaining table with the maintenance of current staffing levels amidst significant declining enrollment. It's likely that most LEAs have carried forward staffing levels from 2019-20 through 2021-22, because of COVID-related legislation and/or to staff the demands for independent study. Beginning in 2022-23, the requirement to offer independent study goes away, and more importantly, the relief provided by the 2020-21 average daily attendance (ADA) hold harmless expires which means that a district with declining enrollment will experience two years' worth of ADA loss in one year (losses experienced in 2020-21 and 2021-22).

As LEAs grapple with this conundrum, it's likely that reductions in force may be necessary even though funding for K-14 education is at an all-time high. Although the funding loss referenced above will be experienced in 2022-23, the planning process starts now for layoffs in spring 2022 due to the restrictive timelines prescribed by the statute for certificated, and now classified employees per the passage of Assembly Bill (AB) 438."

With the uncertainty of the California State Budget it is highly recommended that the District monitor the budget closely. With an ending balance of \$3,415,502, 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 \$376,181 the district's unassigned ending balance at 1st Interim is \$390,276.

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>
2021-22	\$1,975,268	\$39,189	\$1,004,517
2022-23	\$1,897,817	\$83,238	\$1,044,406
2023-24	\$2,030,408	\$75,197	\$1,097,562

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

ADA used for LCFF calculations are:

@Budget Development		@1 st Interim	
2021-22	199.5	2021-22	185.47
2022-23	194.75	2022-23	194.75
2023-24	195.7	2023-24	195.7

2022-23 and 2023-24 reflect expenditure increases in salaries due to step in column increases and 3% increases per the district's offer. Estimated health and welfare benefit increases 3% as well as a increases in STRS & PERS costs per the most recent Dartboard.

The 1st Interim 2021-22 reflects a positive certification for Harmony Union School District. It will be able to meet its financial obligations for the 2021-22 through 2023-24 fiscal years.

At this time, it is expected that all other funds (Cafeteria, Deferred Maintenance, Capital Facilities, Bond, Special Reserves and Retiree Benefits) will have a positive ending balance for the 2021-22 school year. Projected Ending Balance spreadsheet is attached.

The LCFF Calculator Universal Assumptions for Harmony Union Elementary and Salmon Creek Charter used for the 2021-22 1st Interim is included.

Appendix B – Accounting for One-Time Funds

COVID-19 Accounting & Compliance Schedule

Program	SB98 Learning Loss Mitigation (LLM)			SB117	Elementary & Secondary School Emergency Relief (ESSER)				AB86- In Person Instruction (IPI) and Expanded Learning Opportunities (ELO)		
	LLM	LLM	LLM	COVID-19 relief	ESSER I	ESSER II	ESSER III	ESSER III - LLM	IPI	ELO	ELO paras
Program Acronym	Federal	Federal	State	State	Federal	Federal	Federal	Federal	State	State	State
Source	GEER	CRF	Prop 98	Prop 98	CARES	CRSAA	ARP	ARP	Prop 98	Prop 98	Prop 98
Funding	Sep-22	May-21	Jun-21	n/a	Sep-22	Sep-23	Sep-24	Sep-24	Aug-22	Aug-22	Aug-22
Spending deadline	3215	3220	7420	7388	3210	3212	3213	3214	7422	7425	7426
Resource	U	U	F	F	U	U	U	U	U	F	F
Unearned Revenue/Fund Bal	8290	8290	8590	8590	8290	8290	8290	8290	8590	8590	8590
SACS Revenue Code											
Federal requirements:											
Excess Interest earned	YES	NO			YES	YES	YES	YES			
Private School Equitable Services	YES	NO			YES	NO	NO	NO			
Supplement not supplant	NO	NO			NO	NO	NO	NO			
Maintenance of Effort	YES	NO			YES	YES	YES	YES			
NEW Maintenance of Equity	n/a	n/a			NO	NO	YES	YES			
Indirect Costs	YES	NO			YES	YES	YES	YES	NO	NO	
Cash dependent on reporting	YES	NO			YES	YES	YES	YES			
State requirements:											
Plan required	Learning Continuity & Attendance Plan (in place of 2020-21 LCAP)								IPI Certification Due:	Expanded Learning Opportunity Grant Plan	
									June 1, 2021	Board Adoption by June 1, 2021	

COVID-19 Accounting & Timeline

Resource	Program Name	Fiscal Yr	FROM		SPENDING PERIOD THROUGH					
			2019-20	2020-21	2020-21	2020-21	2022-23	2022-23	2023-24	2024-25
			13-Mar-20		31-May-21	30-Jun-21	31-Aug-22	30-Sep-22	9/30/2023	9/30/2024
7388	COVID-19	Prop 98								
3215	LLM	GEER								
3220	LLM	CRF								
7420	LLM	Prop 98								
3210	ESSER I	CARES								
3212	ESSER II	CRSAA								
3213	ESSER III	ARP								
3214	ESSER III - LLM	ARP								
7422	IPI	Prop 98								
7425	ELO	Prop 98								
7426	ELO paras	Prop 98								

Program	SB98 Learning Loss Mitigation			SB117	Elementary & Secondary School Emergency Relief			AB86- In Person Instruction (IPI) and Expanded Learning Opportunities		
	LLM	LLM	LLM	COVID-19	ESSER I	ESSER II	ESSER III	IPI	ELO	ELO paras
Source	Federal	Federal	State	State	Federal	Federal	Federal	State	State	State
Funding	GEER	CRF	Prop 98	Prop 98	CARES	CRSAA	ARP	Prop 98	Prop 98	Prop 98
Spending deadline	Sep-22	May-21	Jun-21	n/a	Sep-22	Sep-23	Sep-24	Aug-22	Aug-22	Aug-22
Resource	3215	3220	7420	7388	3210	3212	3213/3214	7422	7425	7426

[Click Here for COVID-19 Related Resources](#)

FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Revenues Continue to Beat Projections in November Finance Bulletin



Copyright 2021 School Services of California, Inc.

posted November 30, 2021

The Department of Finance's latest monthly [Finance Bulletin \(Bulletin\)](#) shows that General Fund revenues continue to outpace forecasts from the 2021-22 State Budget Act. Cash receipts for the month of October were more than \$2 billion, or 22% higher than projections and overall state revenues are more than 26% (\$11.2 billion) above forecast through the first four months of the 2021-22 fiscal year. This is welcomed news for the Newsom Administration who is currently crafting their 2022-23 State Budget proposal, which is set to be released by January 10, 2022.

Despite the strong revenue numbers, inflation continues to be a national and state concern as the Bulletin highlights that U.S. headline inflation rose by 6.2% year-over-year in October 2021, its fastest pace since 1990. The latest monthly numbers follow an average of 5.3% over the previous five months with the October increase driven by food and energy. Year-to-date, U.S. headline inflation has averaged 4.2%, which is up from 1.2% at the same point last year. With the holiday season upon us, President Joe Biden is set to speak later this week to discuss his administration's efforts to mitigate inflation, strengthen the nation's supply chain, and ensure that shelves are stocked for holiday shoppers.

The national unemployment rate fell to 4.6% in October 2021 from 4.8% in September 2021 with civilian employment increasing by 359,000. Comparing the most recent October 2021 jobs data to February 2020, there were 4.7 million fewer employed, 3 million fewer persons in the labor force, and 1.7 million more unemployed. California's unemployment rate also fell by 0.2% in October to 7.3%. Employment increased by 32,700 while unemployment and the labor force decreased by 41,200 and 8,400, respectively. After adding 96,800 nonfarm jobs in October 2021, California has recovered 67.4% of the 2.7 million jobs lost in March and April 2020, the beginning of the pandemic.

Overall, the Bulletin underlines that the state and national economies continue to recover from the recession caused by the onset of the COVID-19 pandemic. While revenues continue to soar and unemployment steadily declines, the top economic concern nationally and statewide continues to be inflation and finding ways to strengthen the supply chain.