



CABRILLO UNIFIED SCHOOL DISTRICT  
*Every Student. Every Day!*

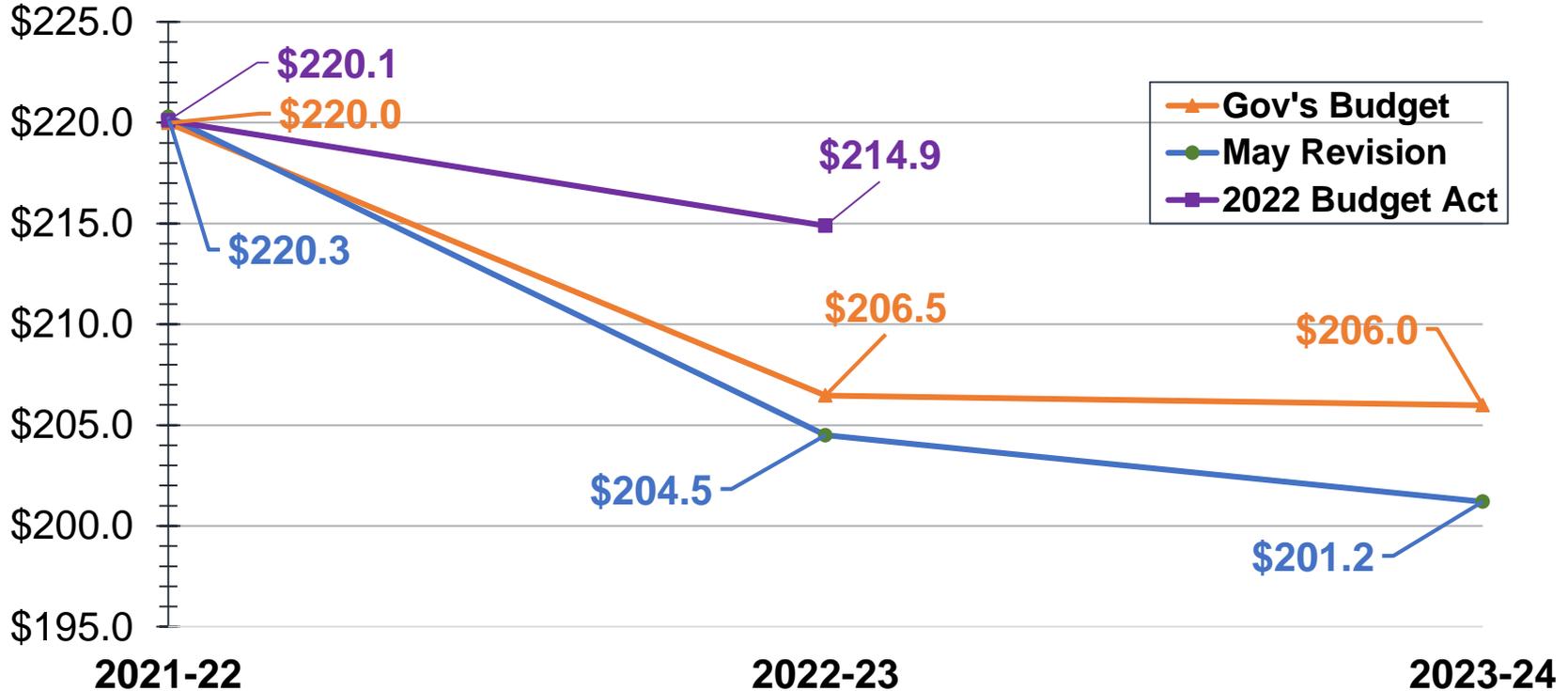
# Cabrillo Unified School District Budget Advisory Meeting

J Jesus Contreras  
Chief Business Officer  
August 2, 2023

# State General Fund Revenues

Includes only revenues that affect calculation of Prop 98 minimum guarantee

(Dollars in billions) – Source: Capitol Advisors



CUSD

CABRILLO UNIFIED SCHOOL DISTRICT  
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# District LCFF Entitlement

- Base Grant per ADA (with 8.22% COLA)  
TK-3 = \$9,919 (+\$8/+\$753)\*                      7-8 = \$10,368 (+\$8/+\$787)  
4-6 = \$10,068 (+\$8/+\$765) 9-12 = \$12,014 (+\$10/+\$913)
- Grade Span Adjustments:
  - 10.4% = \$1,032 (+\$1/+\$78) per K-3 ADA
  - 2.6% = \$312 (same/+\$24) per 9-12 ADA
- Supplemental Grant = 20% of Adjusted Base Grant
- **Concentration Grant = 65% of Adjusted Base Grant - NONE for CUSD**
- **TK add-on for staff = \$3,044 per TK ADA – Based on LCFF Funding**
- Total LCFF an estimated \$79.9 billion for 2023-24

\*(change from Jan/change from 2022 Budget Act)  
Source – Capitol Advisors



# Cuts to One-Time Block Grants

- Cuts to to the Arts/Music/Instructional Materials Discretionary Block Grant and Learning Recovery Emergency Block Grant – **SB 114**
- The Arts/Music Block Grant is reduced – **SB 114**

Source – Capitol Advisors



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# CUSD 2022-23 Financial Reports

The First Interim Financial Report (December 2022) provided CUSD's Governing Board with a synthesis of revenue and expenditures through October 31, 2022. The CUSD Board approved the First Interim Report as “**Qualified.**”

The Second Interim Financial Report (March 2023) provided the CUSD's Governing Board a report of the revenue and expenditure forecasts for 2022-23. It included all fiscal activity through January 31, 2023. The CUSD Board approved the Second Interim Report as “**Qualified.**”



# 2022-23 Financial Reports

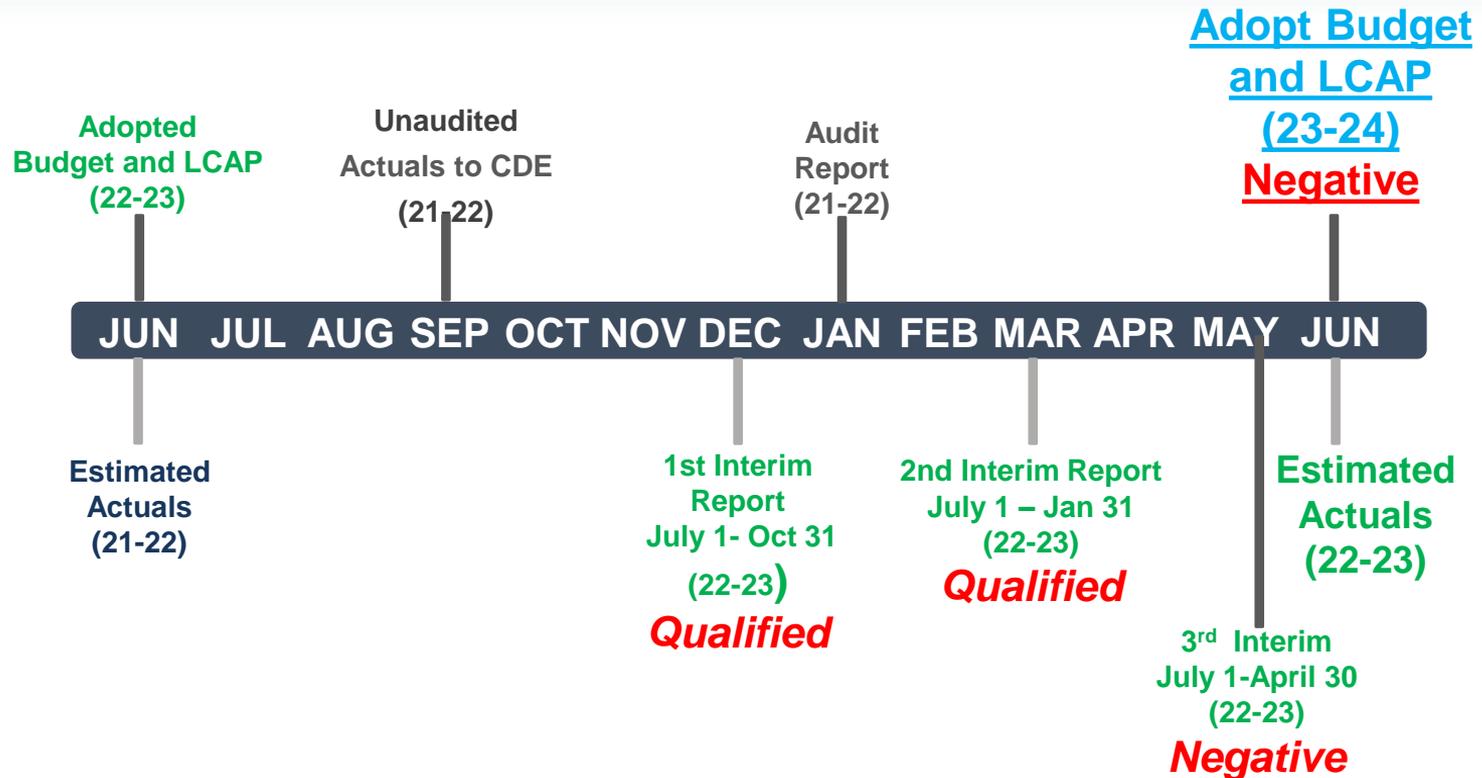
As required by EC 42131 (e), the *Third Interim Financial Report* (May 30, 2023) provided the CUSD's Governing Board a report of the revenue and expenditure forecasts through June 30, 2023. It included all 2022-23 actual fiscal activity through April 30, 2023. The CUSD Board approved the Third Interim Report as "Negative."

Deficit spending, declining enrollment and flipping Basic Aid/LCFF/Basic Aid status continues to sorely affect the CUSD fiscal situation. SMCOE has assigned a fiscal advisor who will exercise an active role in the CUSD financial procedures.

**Board Certified its CUSD 2023-24 Budget as Negative.**



# CUSD Financial Reports



# Assumptions for LCFF and Budget

<b>LCFF PLANNING FACTORS</b>					
Factor	2022-23	2023-24 <sup>1</sup>	2024-25	2025-26	2026-27
Department of Finance Statutory COLA	6.56%	8.13%	3.54%	3.31%	3.23%
Planning COLA	6.56%	8.13%	3.54%	3.31%	3.23%

<b>LCFF GRADE SPAN FACTORS FOR 2023-24</b>				
Entitlement Factors per ADA*	TK-3	4-6	7-8	9-12
2022-23 Base Grants	\$9,166	\$9,304	\$9,580	\$11,102
Statutory COLA of 8.13%	\$745	\$756	\$779	\$903
2023-24 Base Grants	\$9,911	\$10,060	\$10,359	\$12,005
Grade Span Adjustment Factors	10.4%	–	–	2.6%
Grade Span Adjustment Amounts	\$1,031	–	–	\$312
2023-24 Adjusted Base Grants <sup>2</sup>	\$10,942	\$10,060	\$10,359	\$12,317
Transitional Kindergarten (TK) Add-On <sup>3</sup>	\$3,042	–	–	–

\*Average daily attendance (ADA)

<b>OTHER PLANNING FACTORS</b>					
Factors	2022-23	2023-24	2024-25	2025-26	2026-27
California CPI	6.00%	3.44%	2.77%	2.49%	2.74%
California Lottery	Unrestricted per ADA	\$170	\$170	\$170	\$170
	Restricted per ADA	\$67	\$67	\$67	\$67
Mandate Block Grant (District)	Grades K-8 per ADA	\$34.94	\$37.78	\$39.12	\$40.41
	Grades 9-12 per ADA	\$67.31	\$72.78	\$75.36	\$77.85
Mandate Block Grant (Charter)	Grades K-8 per ADA	\$18.34	\$19.83	\$20.53	\$21.21
	Grades 9-12 per ADA	\$50.98	\$55.12	\$57.07	\$58.96
Interest Rate for Ten-Year Treasuries	3.78%	3.23%	2.79%	2.70%	2.80%
CalSTRS Employer Rate <sup>4</sup>	19.10%	19.10%	19.10%	19.10%	19.10%
CalPERS Employer Rate <sup>4</sup>	25.37%	27.00%	28.10%	28.80%	29.20%
Unemployment Insurance Rate <sup>5</sup>	0.50%	0.20%	0.20%	0.20%	0.20%
Minimum Wage <sup>6</sup>	\$15.50	\$16.00	\$16.40	\$16.80	\$17.20

# Our Students:



## 1.17 LCFF Unduplicated Pupil Count

<b>Academic Year:</b> 2022-2023	<b>LEA:</b> Cabrillo Unified	<b>User ID:</b> ourunitsasy@cabrillo.k12.ca.us
<b>View:</b> SNAPSHOT	<b>School Type:</b> ALL	<b>Revision Date:</b> 1/12/2023 2:10:47 AM
<b>Revision ID:</b> 4177831	<b>School:</b> ALL	<b>Print Date:</b> 3/1/2023 4:16:04 PM

### Non-Charter School(s)

School Code	School Name	Total Enrollment	Free/Reduced Meal Eligibility Counts Based On:						Unduplicated Free/Reduced Meal Counts	EL Funding Eligible (2)	Total Unduplicated FRPM/EL Eligible Count (3)
			Free & Reduced Meal Program: 181/182	Foster	Tribal Foster Youth: 193	Homeless (1)	Migrant Program: 135	Direct Certification			
6043616	<a href="#">Alvin S. Hatch Elementary</a>	542	242	0	0	2	36	169	252	215	292
4168890	<a href="#">Cabrillo Unified</a>	22	2	0	0	0	0	6	6	0	6
6043624	<a href="#">El Granada Elementary</a>	318	118	0	0	3	6	81	119	76	141
6043632	<a href="#">Farallone View Elementary</a>	164	22	0	0	0	0	20	24	13	29
4132817	<a href="#">Half Moon Bay High</a>	1024	320	0	0	9	14	218	329	92	352
6043657	<a href="#">Kings Mountain Elementary</a>	53	7	0	0	0	0	7	8	2	9
6043665	<a href="#">Manuel F. Cunha Intermediate</a>	584	227	0	0	9	8	159	237	90	257
0000001	<a href="#">NPS School Group for Cabrillo</a>	3	0	0	0	0	0	1	1	1	1
4130027	<a href="#">Pilarcitos Alternative High</a>	38	21	0	0	0	0	18	22	6	22
<b>TOTAL - Selected Schools</b>		2748	959	0	0	23	64	679	998	495	1109

### Charter School(s)

School Code	School Name	Total Enrollment	Free/Reduced Meal Eligibility Counts Based On:						Unduplicated Free/Reduced Meal Counts	EL Funding Eligible (2)	Total Unduplicated FRPM/EL Eligible Count (3)
			Free & Reduced Meal Program: 181/182	Foster	Tribal Foster Youth: 193	Homeless (1)	Migrant Program: 135	Direct Certification			
<b>TOTAL - Selected Schools</b>											
<b>TOTAL LEA</b>		2748	959	0	0	23	64	679	998	495	1109

# CUSD Enrollment Projection Assumptions:

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
<b>Enrollment</b>	3207	3152	3136	2933	2803	2762	2732	2683	2640
COE Enrollment	2	1	3	3	3	3	3	3	3
<b>Total Enrollment</b>	3209	3153	3139	2936	2806	2765	2735	2686	2643
<b>Unduplicated Count</b>	1435	1352	1409	1271	1224	1116	1081	1036	991
COE Enrollment	2	1	3	3	3	3	3	3	3
<b>Total Unduplicated</b>	1437	1353	1412	1274	1227	1119	1084	1039	994
UPP %	44.78%	42.91%	44.98%	43.39%	43.73%	40.47%	39.63%	38.68%	37.61%
<b>DECLINE</b>		(55)	(16)	(203)	(130)	(41)	(30)	(49)	(43)



Cabrillo Unified (68890) - FY 23/24 Budget with 2% annual tax growth		2022-23	2023-24	2024-25	2025-26	2026-27
<b>SUMMARY OF FUNDING</b>						
<b>General Assumptions</b>						
COLA & Augmentation		13.26%	8.22%	3.94%	3.29%	3.19%
Base Grant Proration Factor		0.00%	0.00%	0.00%	0.00%	0.00%
Add-on, ERT & MSA Proration Factor		0.00%	0.00%	0.00%	0.00%	0.00%
<b>LCFF Entitlement</b>						
Base Grant		\$28,237,285	\$29,067,391	\$28,692,665	\$29,209,758	\$29,833,080
Grade Span Adjustment		1,002,471	1,034,784	1,025,131	1,055,753	1,079,039
Supplemental Grant		2,490,057	2,487,644	2,353,649	2,339,524	2,347,466
Concentration Grant		-	-	-	-	-
Add-ons: Targeted Instructional Improvement Block Grant		-	-	-	-	-
Add-ons: Home-to-School Transportation		336,514	364,175	378,523	390,976	403,448
Add-ons: Small School District Bus Replacement Program		-	-	-	-	-
Add-ons: Transitional Kindergarten		-	-	-	-	-
<b>Total LCFF Entitlement Before Adjustments, ERT &amp; Additional State Aid</b>		<b>\$32,066,327</b>	<b>\$32,953,994</b>	<b>\$32,449,968</b>	<b>\$32,996,011</b>	<b>\$33,663,033</b>
Miscellaneous Adjustments		-	-	-	-	-
Economic Recovery Target		-	-	-	-	-
Additional State Aid		-	-	-	-	-
<b>Total LCFF Entitlement</b>		<b>32,066,327</b>	<b>32,953,994</b>	<b>32,449,968</b>	<b>32,996,011</b>	<b>33,663,033</b>
<b>LCFF Entitlement Per ADA</b>		<b>\$ 11,313</b>	<b>\$ 12,249</b>	<b>\$ 12,731</b>	<b>\$ 13,137</b>	<b>\$ 13,541</b>
<b>Components of LCFF By Object Code</b>						
<b>State Aid (Object Code 8011)</b>		<b>\$ 23,646,243</b>	<b>\$ 1,021,371</b>	<b>\$ 1,021,371</b>	<b>\$ 1,021,371</b>	<b>\$ 1,021,371</b>
EPA (for LCFF Calculation purposes)		\$ 8,420,084	\$ 538,066	\$ 509,786	\$ 502,348	\$ 497,210
<i>Local Revenue Sources:</i>						
<b>Property Taxes (Object 8021 to 8089)</b>		\$ -	\$ 33,373,742	\$ 32,001,217	\$ 32,641,241	\$ 33,294,066
<b>In-Lieu of Property Taxes (Object Code 8096)</b>		-	-	-	-	-
<i>Property Taxes net of In-Lieu</i>		\$ -	\$ 33,373,742	\$ 32,001,217	\$ 32,641,241	\$ 33,294,066
<b>TOTAL FUNDING</b>		<b>32,066,327</b>	<b>34,933,179</b>	<b>33,532,374</b>	<b>34,164,960</b>	<b>34,812,647</b>
<b>Basic Aid Status</b>		<b>Non-Basic Aid</b>	<b>Basic Aid</b>	<b>Basic Aid</b>	<b>Basic Aid</b>	<b>Basic Aid</b>
Excess Taxes		\$ -	\$ 1,441,119	\$ 572,620	\$ 666,601	\$ 652,404
EPA in Excess to LCFF Funding		\$ -	\$ 538,066	\$ 509,786	\$ 502,348	\$ 497,210
<b>Total LCFF Entitlement</b>		<b>32,066,327</b>	<b>32,953,994</b>	<b>32,449,968</b>	<b>32,996,011</b>	<b>33,663,033</b>

2023-24 Budget Adoption: Cabrillo USD Summary and Multi-Year-Projections												
	2022-23: LCFF			2023-24: Basic Aid			2024-25: Basic Aid			2025-26: Basic Aid		
	UNRESTRICTED	RESTRICTED	COMBINED	UNRESTRICTED	RESTRICTED	COMBINED	UNRESTRICTED	RESTRICTED	COMBINED	UNRESTRICTED	RESTRICTED	COMBINED
Row Labels	22/23 Proj	22/23 Proj	22/23 Proj	23/24 Proj	23/24 Proj	23/24 Proj	24/25 Proj	24/25 Proj	24/25 Proj	25/26 Proj	25/26 Proj	25/26 Proj
LCFF	32,066,327	2,275,943	34,342,270	34,933,179	2,275,943	37,209,122	33,532,374	2,275,943	35,808,317	34,164,960	2,275,943	36,440,903
Federal Revenue	19,235	1,511,506	1,530,741	19,235	1,630,007	1,649,242	19,235	1,144,674	1,163,909	19,235	1,144,674	1,163,909
State Revenue	567,516	6,902,539	7,470,055	550,686	4,067,993	4,618,679	532,836	3,616,183	4,149,019	515,326	3,609,282	4,124,608
Local Revenue	282,536	3,250,316	3,532,852	282,536	2,442,525	2,725,061	282,536	2,359,689	2,642,225	282,536	2,359,689	2,642,225
Total Revenues	32,935,614	13,940,304	46,875,918	35,785,636	10,416,468	46,202,104	34,366,981	9,396,489	43,763,470	34,982,057	9,389,588	44,371,645
Certificated Salaries	12,908,965	4,280,346	17,189,311	13,023,289	3,994,669	17,017,958	13,283,755	3,895,763	17,179,518	13,549,430	3,946,434	17,495,864
Classified Salaries	3,655,996	4,368,112	8,024,108	3,762,460	4,273,715	8,036,175	3,837,709	4,358,641	8,196,350	3,914,463	4,445,814	8,360,277
Benefits	6,305,743	5,634,177	11,939,920	6,957,540	5,132,439	12,089,979	7,115,219	5,184,105	12,299,324	7,263,857	5,267,927	12,531,784
Supplies	957,424	1,485,013	2,442,437	991,163	1,817,640	2,808,803	998,198	1,080,719	2,078,917	1,005,099	1,073,818	2,078,917
Services	3,318,913	3,833,101	7,152,014	3,318,913	3,298,038	6,616,951	3,705,555	2,684,476	6,390,031	4,068,522	2,321,509	6,390,031
Capital Outlay	0	444,495	444,495	0	86,495	86,495	0	86,495	86,495	0	86,495	86,495
Other Outgo/Indirect	77,594	177,216	254,810	77,594	177,216	254,810	77,594	177,216	254,810	77,594	177,216	254,810
Total Expenses	27,224,635	20,222,460	47,447,095	28,130,959	18,780,212	46,911,171	29,018,030	17,467,415	46,485,445	29,878,965	17,319,213	47,198,178
Surplus/(Deficit)	5,710,979	(6,282,156)	(571,177)	7,654,677	(8,363,744)	(709,067)	5,348,951	(8,070,926)	(2,721,975)	5,103,092	(7,929,625)	(2,826,533)
Transfer in (891X)	0	0	0	0	0	0	0	0	0	0	0	0
Transfer out (761X)	200,000	0	200,000	200,000	0	200,000	200,000	0	200,000	200,000	0	200,000
Contribution	(7,932,009)	7,932,009	0	(7,847,534)	7,847,534	0	(8,232,228)	8,232,228	0	(8,487,320)	8,487,320	0
Other In / Out	(8,132,009)	7,932,009	(200,000)	(8,047,534)	7,847,534	(200,000)	(8,432,228)	8,232,228	(200,000)	(8,687,320)	8,487,320	(200,000)
Total Surplus/(Deficit)	(2,421,030)	1,649,853	(771,177)	(392,857)	(516,210)	(909,067)	(3,083,277)	161,302	(2,921,975)	(3,584,228)	557,695	(3,026,533)
9791	3,283,273	1,748,786	5,032,058	711,284	3,398,639	4,109,922	318,427	2,882,429	3,200,855	(2,764,850)	3,043,731	278,880
9793	(150,959)		(150,959)			0			0			0
9795												
Beginning Balance	3,132,314	1,748,786	4,881,099	711,284	3,398,639	4,109,922	318,427	2,882,429	3,200,855	(2,764,850)	3,043,731	278,880
Ending Balance	711,284	3,398,639	4,109,922	318,427	2,882,429	3,200,855	(2,764,850)	3,043,731	278,880	(6,349,078)	3,601,426	(2,747,653)
Revolving Cash, Stores & Prep	45,000		45,000	45,000		45,000	45,000		45,000	45,000		45,000
Restricted Programs		3,398,639	3,398,639		2,882,429	2,882,429		3,043,731	3,043,731		3,601,426	3,601,426
3% REU (9789)	1,429,413	0	1,429,413	1,413,336	0	1,413,336	1,400,564	0	1,400,564	1,421,946	0	1,421,946
UNASSIGNED (9790)	(763,129)	0	(763,129)	(1,139,909)	0	(1,139,909)	(4,210,414)	0	(4,210,414)	(7,816,024)	0	(7,816,024)

# Measures taken to Mitigate CUSD Fiscal Situation include:

- Reallocate and journal expenditures that meet the funding legal intent of funds
- Align the use of one-time funds to support our current operation
- ESSER II; GEER II; ESSER III
- Arts, Music and Instructional Materials Grant – Through 2025-26
- Learning Recovery Emergency Block Grant - Through 2027-28
- 2.1M - Achieved



# Next Steps:

- San Mateo County Office of Education (SMCOE) issued a letter of going concern to the CUSD Governing Board dated June 28, 2023. Attached
- CUSD working on a **Fiscal Recovery Plan**
- SMCOE will monitor and guide the CUSD Fiscal Recovery Plan
- SMCOE will have a constant presence in the CUSD to ensure solvency
- SMCOE has engaged the **Fiscal Crisis and Management Assistance Team** (FCMAT) to conduct a **Fiscal Health Risk Analysis (FHRA)**.
- Onsite FCMAT visit schedule for August 28-29-30, 2023.



# Input:

- Prioritize based on impact of student:
- What touches the student directly should be prioritized
- i.e.: Restrooms at HMBHS – Directly impact students
- Look for efficiencies (High impact/low cost opportunities).
- Concerted efforts to increase the student experience (what touches the students)



# Questions?

*Thank you!*



**CUSD**

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