



CABRILLO UNIFIED SCHOOL DISTRICT

*Every Student. Every Day!*

# Cabrillo Unified School District Budget Advisory Committee Meeting

March 15, 2023

J Jesus Contreras

Chief Business Officer

# 2022-23 Second Interim Financial Report

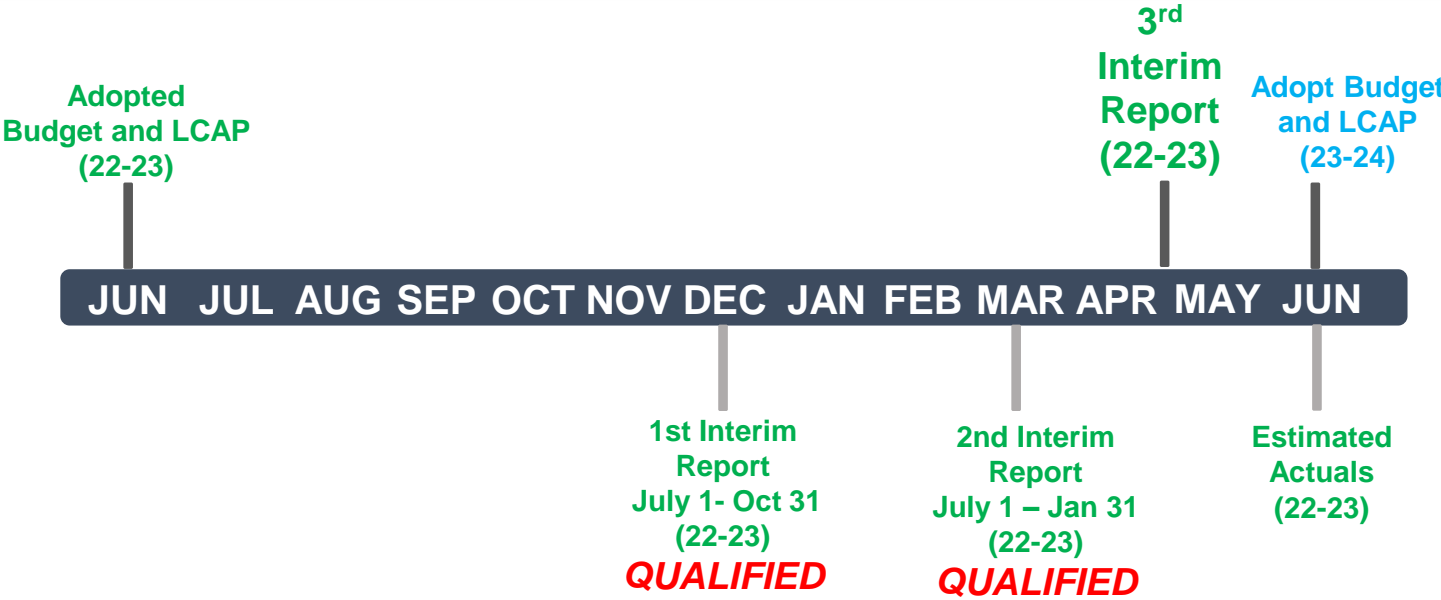
The ***First Interim Financial Report*** (December 2022): July 1, 2022 through October 31, 2022. The CUSD Board approved the First Interim Report as **“Qualified.”**

This ***Second Interim Financial Report*** included all fiscal activity through January 31, 2023. The CUSD Board approved the Second Interim Report as **“Qualified.”**

***Qualified*** = CUSD may not meet its financial obligations for the current fiscal year & subsequent two fiscal years



# 2022-23 Financial Reports



# 2022-23 Financial Reports

Guidance and data for the financial reports include: **assumptions** from the Department of Finance (**DOF**), the California Department of Education (**CDE**), the Fiscal Crisis and Management Assistance Team (**FCMAT**), and the San Mateo County Office of Education (**SMCOE**).



# 2022-23 Second Interim Assumptions:

## LCFF PLANNING FACTORS

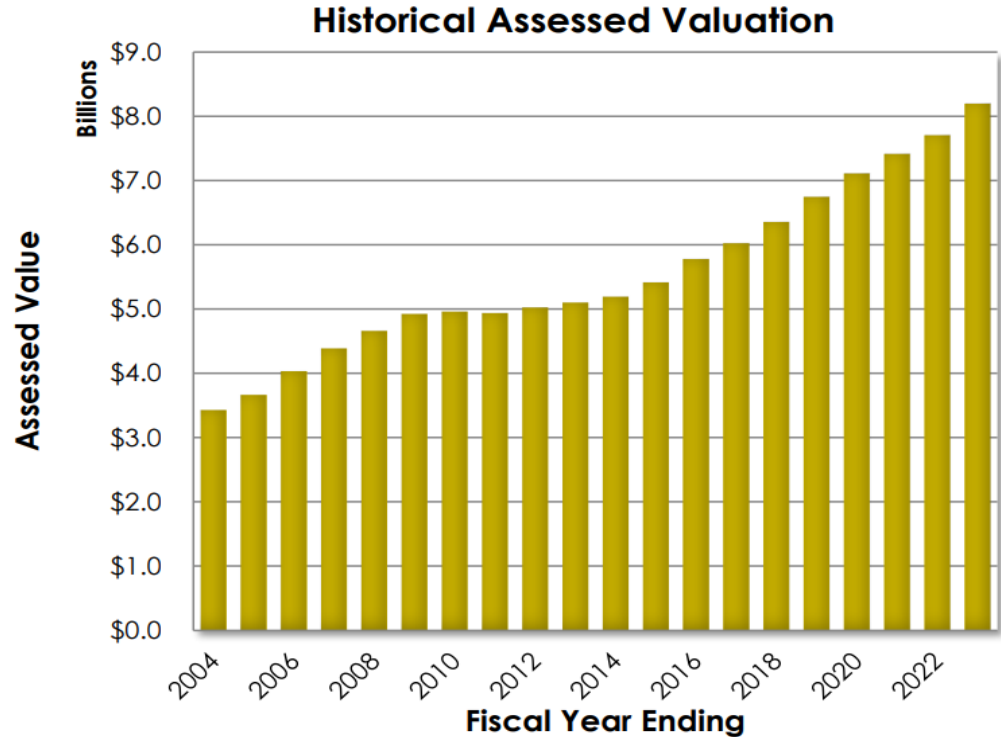
Factor	2022-23	2023-24 <sup>1</sup>	2024-25	2025-26	2026-27
Department of Finance Statutory COLA	6.56%	8.13%	3.54%	3.31%	3.23%
Planning COLA	6.56%	8.13%	3.54%	3.31%	3.23%

## OTHER PLANNING FACTORS

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	\$170
	Restricted per ADA	\$67	\$67	\$67	\$67	\$67
Mandate Block Grant (District)	Grades K-8 per ADA	\$34.94	\$37.78	\$39.12	\$40.41	\$41.72
	Grades 9-12 per ADA	\$67.31	\$72.78	\$75.36	\$77.85	\$80.36
Mandate Block Grant (Charter)	Grades K-8 per ADA	\$18.34	\$19.83	\$20.53	\$21.21	\$21.90
	Grades 9-12 per ADA	\$50.98	\$55.12	\$57.07	\$58.96	\$60.86
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	

- ❖ The District's 2022-23 assessed value ("AV") is \$8,193,583,467. The total AV for the District has increased on average by 4.7% per year since 2004.

Fiscal Year Ending	Assessed Valuation Growth Rate
2004	N/A
2005	6.8%
2006	10.1%
2007	8.8%
2008	6.2%
2009	5.6%
2010	0.8%
2011	-0.5%
2012	1.7%
2013	1.6%
2014	1.8%
2015	4.3%
2016	6.7%
2017	4.2%
2018	5.5%
2019	6.2%
2020	5.4%
2021	4.2%
2022	3.9%
2023	6.4%
<b>Average</b>	<b>4.7%</b>



Source: California Municipal Statistics, Inc.

# 2022-23 Second Interim Assumptions:

<b>FY 2021 Property Taxes</b>	<b>28,485,396</b>	<b>District remains Basic Aid</b>
<b>FY 2122 Property Taxes</b>	<b>28,778,973</b>	<b>District remains Basic Aid</b>
FY 2122 Property Taxes	28,778,973	
Less Supplemental Taxes	-	<b>No Supplemental Taxes when BA previous year</b>
Net taxes	28,778,973	
<b>FY 2223 Property Taxes</b>	<b>30,591,250</b>	<b>District flips to NON BASIC AID</b>
FY 2223 Property Taxes	30,591,250	
Less Supplemental Taxes	-	<b>No Supplemental Taxes when BA previous year</b>
Net taxes	30,591,250	
<b>Tax Growth</b>	<b>0.02</b>	<b>CUSD Assumption</b>
<b>FY 2324 Property Taxes</b>	<b>31,203,075</b>	<b>District flips back to Basic Aid</b>
FY 2324 Property Taxes	31,203,075	
Less Supplemental Taxes	-	<b>No Supplemental Taxes when BA previous year</b>
Net taxes	31,203,075	
<b>Tax Growth</b>	<b>0.02</b>	<b>CUSD Assumption</b>
<b>FY 2425 Property Taxes</b>	<b>31,827,137</b>	<b>District remains Basic Aid</b>
FY 2425 Property Taxes	31,827,137	
Less Supplemental Taxes	-	<b>No Supplemental Taxes when BA previous year</b>
Net taxes	31,827,137	
<b>Tax Growth</b>	<b>0.02</b>	<b>CUSD Assumption</b>
<b>FY 2526 Property Taxes</b>	<b>32,463,680</b>	<b>District remains Basic Aid</b>



# LCFF Calculator at Second Interim:

Cabrillo Unified (68890) - FY 22/23 2nd Interim with 2% annual tax growth						
	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
<b>SUMMARY OF FUNDING</b>						
<b>General Assumptions</b>						
COLA & Augmentation	5.07%	13.26%	8.13%	3.54%	3.31%	3.23%
Base Grant Proration Factor	0.00%	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%	0.00%
<b>LCFF Entitlement</b>						
Base Grant	\$25,930,957	\$28,234,654	\$29,165,499	\$28,681,519	\$29,202,037	\$29,696,353
Grade Span Adjustment	927,271	1,001,328	1,025,269	998,216	1,017,039	1,034,052
Supplemental Grant	2,368,359	2,489,737	2,494,966	2,350,636	2,335,935	2,333,667
Concentration Grant	-	-	-	-	-	-
Add-ons: Targeted Instructional Improvement Block Grant	-	-	-	-	-	-
Add-ons: Home-to-School Transportation	336,514	336,514	363,873	376,754	389,225	401,797
Add-ons: Small School District Bus Replacement Program	-	-	-	-	-	-
Add-ons: Transitional Kindergarten	-	-	-	-	-	-
Total LCFF Entitlement Before Adjustments, ERT & Additional State Aid	\$29,563,101	\$32,062,233	\$33,049,607	\$32,407,125	\$32,944,236	\$33,465,869
Miscellaneous Adjustments	-	-	-	-	-	-
Economic Recovery Target	-	-	-	-	-	-
Additional State Aid	-	-	-	-	-	-
<b>Total LCFF Entitlement</b>	<b>29,563,101</b>	<b>32,062,233</b>	<b>33,049,607</b>	<b>32,407,125</b>	<b>32,944,236</b>	<b>33,465,869</b>
<b>LCFF Entitlement Per ADA</b>	<b>\$ 10,010</b>	<b>\$ 11,314</b>	<b>\$ 12,232</b>	<b>\$ 12,656</b>	<b>\$ 13,054</b>	<b>\$ 13,461</b>
<b>Components of LCFF By Object Code</b>						
<b>State Aid (Object Code 8011)</b>	<b>\$ 1,021,371</b>	<b>\$ 24,222,014</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)	\$ 590,656	\$ 7,840,219	\$ 540,394	\$ 512,142	\$ 504,732	\$ 497,212
<b>Local Revenue Sources:</b>						
Property Taxes (Object 8021 to 8089)	\$ 28,778,973	\$ -	\$ 33,203,075	\$ 31,827,137	\$ 32,463,680	\$ 33,112,954
In-Lieu of Property Taxes (Object Code 8096)	-	-	-	-	-	-
<i>Property Taxes net of In-Lieu</i>	<i>\$ 28,778,973</i>	<i>\$ -</i>	<i>\$ 33,203,075</i>	<i>\$ 31,827,137</i>	<i>\$ 32,463,680</i>	<i>\$ 33,112,954</i>
<b>TOTAL FUNDING</b>	<b>30,391,000</b>	<b>32,062,233</b>	<b>34,764,840</b>	<b>33,360,650</b>	<b>33,989,783</b>	<b>34,631,537</b>
<b>Basic Aid Status</b>						
Excess Taxes	\$ 237,243	\$ -	\$ 1,174,839	\$ 441,383	\$ 540,815	\$ 668,456
EPA in Excess to LCFF Funding	\$ 590,656	\$ -	\$ 540,394	\$ 512,142	\$ 504,732	\$ 497,212
<b>Total LCFF Entitlement</b>	<b>29,563,101</b>	<b>32,062,233</b>	<b>33,049,607</b>	<b>32,407,125</b>	<b>32,944,236</b>	<b>33,465,869</b>





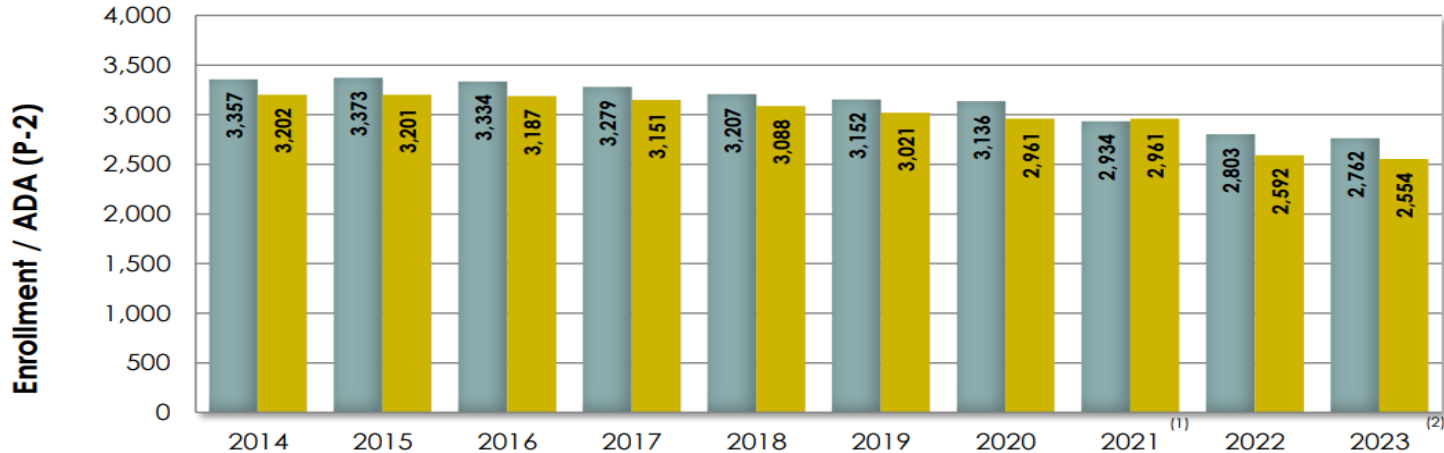
# Enrollment and ADA Trends

Enrollment and P-2 ADA for FY 2014-2023

Cabrillo Unified School District

- ❖ Enrollment and average daily attendance (ADA) at P-2 have decreased in recent years due to the impact of COVID-19. The District's unduplicated pupil percentage (UPP) is approximately 42.1%.
- ❖ The District has been on the community funded / basic aid bubble for the last few years.

### Enrollment and Average Daily Attendance (ADA) Trends



<sup>(1)</sup> Due to the COVID-19 pandemic, the requirement to report attendance was suspended for 2020-21. School Districts were funded based on 2019-20 ADA. (Executive Order N-26-20)

<sup>(2)</sup> Projected

# Who We Serve & Supplemental Grant LCFF Calculations



## 1.17 LCFF Unduplicated Pupil Count

<b>Academic Year:</b> 2022-2023	<b>LEA:</b> Cabrillo Unified	<b>User ID:</b> ournitsasy@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)

#### Free/Reduced Meal Eligibility Counts Based On:

School Code	School Name	Total Enrollment	Free & Reduced Meal Program: 181/182	Foster	Tribal Foster Youth: 193	Homeless (1)	Migrant Program: 135	Direct Certification	Unduplicated Free/Reduced Meal Counts	EL Funding Eligible (2)	Total Unduplicated FRPM/EL Eligible Count (3)
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)

#### Free/Reduced Meal Eligibility Counts Based On:

School Code	School Name	Total Enrollment	Free & Reduced Meal Program: 181/182	Foster	Tribal Foster Youth: 193	Homeless (1)	Migrant Program: 135	Direct Certification	Unduplicated Free/Reduced Meal Counts	EL Funding Eligible (2)	Total Unduplicated FRPM/EL Eligible Count (3)
<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)



# More Assumptions from Governor's Budget – January 2023

**Governor's Proposed 2023-24 Budget (1/10/2023).** The proposed Budget reflects a California projected deficit of \$22.5 billion which continues to grow.

- 8.13 % COLA.
- LCFF Equity Multiplier to close the achievement gap – Targets poor K-12 schools. CUSD schools do not qualify.
- **Continued funding for the Expanding Learning Opportunity Program**
- Second year of Transitional Kindergarten expansion.
- **Support for the 8.13% COLA for State Preschool reimbursement rates.**
- Delayed Preschool, Transitional Kindergarten, and Full-Day Kindergarten Facilities grant.
- TK student-to-adult ratio of 12-to-1 for 2023-24.
- ADA affirmed as the average of the most recent three prior years.



	Cabrillo USD Multi-Year-Projections at 2022-23 Second Interim											
	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
LCFF	32,124,212	1,961,492	34,085,704	34,760,462	1,961,492	36,721,954	33,347,396	1,961,492	35,308,888	33,963,951	1,961,492	35,925,443
Federal Revenue	8,819	1,959,148	1,967,967	8,819	1,137,931	1,146,750	8,819	1,137,931	1,146,750	8,819	1,137,931	1,146,750
State Revenue	567,516	9,423,257	9,990,773	550,686	3,938,647	4,489,333	532,836	3,931,612	4,464,448	515,326	3,924,711	4,440,037
Local Revenue	240,616	2,923,773	3,164,389	240,616	2,618,903	2,859,519	240,616	2,618,903	2,859,519	240,616	2,618,903	2,859,519
Total Revenues	32,941,163	16,267,670	49,208,833	35,560,583	9,656,973	45,217,556	34,129,667	9,649,938	43,779,605	34,728,712	9,643,037	44,371,749
Certificated Salaries	13,253,224	3,890,214	17,143,438	13,210,833	3,541,256	16,752,089	13,475,050	3,612,081	17,087,131	13,744,551	3,684,323	17,428,874
Classified Salaries	3,581,176	4,341,571	7,922,747	3,599,131	4,077,158	7,676,289	3,671,114	4,158,701	7,829,815	3,744,536	4,241,875	7,986,411
Benefits	6,729,907	5,451,669	12,181,576	6,843,128	5,262,053	12,105,181	6,999,627	5,360,562	12,360,189	7,147,762	5,445,656	12,593,418
Supplies	552,949	2,445,958	2,998,907	586,688	1,131,741	1,718,429	593,723	1,124,706	1,718,429	600,624	1,117,805	1,718,429
Services	3,094,400	2,998,913	6,093,313	3,094,400	2,594,917	5,689,317	3,094,400	2,594,917	5,689,317	3,094,400	2,594,917	5,689,317
Capital Outlay	0	86,495	86,495	0	86,495	86,495	0	86,495	86,495	0	86,495	86,495
Other Outgo/Indirect	86,016	129,851	215,867	86,016	129,851	215,867	86,016	129,851	215,867	86,016	129,851	215,867
Total Expenses	27,297,672	19,344,671	46,642,343	27,420,196	16,823,471	44,243,667	27,919,930	17,067,313	44,987,243	28,417,889	17,300,922	45,718,811
Surplus/(Deficit)	5,643,491	(3,077,001)	2,566,490	8,140,387	(7,166,498)	973,889	6,209,737	(7,417,375)	(1,207,638)	6,310,823	(7,657,885)	(1,347,062)
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	(7,701,866)	7,701,866	0	(7,737,560)	7,737,560	0	(8,201,680)	8,201,680	0	(8,442,190)	8,442,190	0
Other In / Out	(7,901,866)	7,701,866	(200,000)	(7,937,560)	7,737,560	(200,000)	(8,401,680)	8,201,680	(200,000)	(8,642,190)	8,442,190	(200,000)
Total Surplus/(Deficit)	(2,258,375)	4,624,865	2,366,490	202,827	571,062	773,889	(2,191,943)	784,305	(1,407,638)	(2,331,367)	784,305	(1,547,062)
9791	3,283,273	1,748,786	5,032,058	873,939	6,373,651	7,247,589	1,076,766	6,944,713	8,021,478	(1,115,177)	7,729,018	6,613,840
9793	(150,959)		(150,959)			0			0			0
9795												
Beginning Balance	3,132,314	1,748,786	4,881,099	873,939	6,373,651	7,247,589	1,076,766	6,944,713	8,021,478	(1,115,177)	7,729,018	6,613,840
Ending Balance	873,939	6,373,651	7,247,589	1,076,766	6,944,713	8,021,478	(1,115,177)	7,729,018	6,613,840	(3,446,544)	8,513,323	5,066,778
Revolving Cash, Stores & Prepaid	45,000		45,000	45,000		45,000	45,000		45,000	45,000		45,000
Restricted Programs		6,373,651	6,373,651		6,944,713	6,944,713		7,729,018	7,729,018		8,513,323	8,513,323
3% REU (9789)	1,405,271	0	1,405,271	1,333,311	0	1,333,311	1,355,618	0	1,355,618	1,377,565	0	1,377,565
UNASSIGNED (9790)	(576,332)	0	(576,332)	(301,545)	0	(301,545)	(2,515,795)	0	(2,515,795)	(4,869,109)	0	(4,869,109)



# CUSD Arts, Music, & Instructional Materials Discretionary Block Grant Plan

- Original CUSD Grant Entitlement: \$1,726,609
- Approximated Expected Reduced Entitlement: \$1,105,030\*

<b>Arts, Music &amp; Instructional Materials Discretionary Block Grant Through FY 2025-26</b>		
<b>CUSD OBJECTIVES</b>	<b>CUSD Plan</b>	
	<b>Original Entitlement June 2022</b>	<b>Reduced Entitlement May 2023</b>
	<b>\$1,726,609.00</b>	<b>\$ 1,105,030.00</b>
<b>Current CUSD VAPA Initiatives (LCAP)</b>	\$ 150,000.00	\$ 150,000.00
<b>2023-24 Mathematics Adoption (6-12)</b>	\$ 220,000.00	\$ 220,000.00
<b>2023-24 Science Adoption - Elementary</b>	\$ 450,000.00	\$ 450,000.00
<b>Operational Costs including Retirement, Health Care and other allowable costs.</b>	\$ 906,609.00	\$ 285,030.00
<b>TOTALS</b>	<b>\$1,726,609.00</b>	<b>\$ 1,105,030.00</b>

\*NOTE: Final entitlement amount expected by May 2023



# CUSD Arts, Music, & Instructional Materials (AMIM) Discretionary Block Grant

- > Discretionary block grant, authorized under Section 56 of Assembly Bill 185AB - 06/30/22
- > In January 2023, Gov. proposed reduction of grant from \$3.6B to \$2.3B - Approx. 36%
- Allowable expenditure on any combination of the following:

1. **Standards-aligned professional development and instructional materials in specific subject areas**
2. Professional development on improving school culture
3. Diverse and culturally relevant book collections
4. **Operational costs, including retirement and health care cost increases**
5. COVID personal protective equipment





# Other Savings Measures: Input

- Streamline staffing to CUTA contract ratios
- Meeting with CUSD leaders to discuss streamlining positions and services paid out of the General Fund
- Account for retirements and attrition
- Facilities maintenance (cost)
- Closure of a school (cost)
- Facilities expenditures... Cost per student at each site
- Boundaries (redefinition of attendance boundaries) –even out
- PD – If paid out of General Fund: Identify Potential Cost Savings → Equity Audit
- Identify consultant resources – What are we paying for what out of General Fund?
- DO Positions could be consolidated?



# Questions?

*Thank you!*



**CUSD**

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*Every Student. Every Day!*