

KERNVILLE UNION SCHOOL DISTRICT

2021-22 45-DAY BUDGET REVISION

AUGUST 6, 2021

2021-22 45-DAY BUDGET REVISION

Education Code 42127 states that not later than 45 days after the Governor signs the annual Budget Act, the school district shall make available for public review any revisions in revenues and expenditures that it has made to its budget to reflect the funding made available by that Budget Act.

The Governor signed the 2021-22 State Budget Act on June 28, 2021. The significant changes to Prop 98 funding since the Governor's May Revision Budget was an increase to Special Education, and providing \$396.8 million in ongoing funds to LCFF. All cash deferrals have been eliminated for fiscal year 2021-2022.

2020-21 45-DAY BUDGET REVISION

KERNVILLE UNION SCHOOL DISTRICT				
2021-2022 45-DAY BUDGET REVISION				
August 6, 2021				
		July 1 Budget	45-Day Revisions	Revised Budget
BEGINNING FUND BALANCE		3,231,863		3,231,863
REVENUE				
LCFF Sources	8010-8099	9,026,136	300,069	9,326,205
Federal Revenue	8100-8299	2,193,941	0	2,193,941
Other Revenue	8300-8599	1,480,262	0	1,480,262
Other Local Revenue	8600-8799	1,193,347	41,210	1,234,557
TOTAL REVENUE		13,893,686	341,309	14,234,995
EXPENSE				
Certificated Salaries	1000-1999	5,157,995	0	5,157,995
Classified Salaries	2000-299	2,154,213	0	2,154,213
Employee Benefits	3000-3999	4,186,715	0	4,186,715
Books and Supplies	4000-4999	844,101	0	844,101
Services and other Operating Expenses	5000-5999	1,651,130	0	1,651,130
Capital Outlay	6000-6999	318,900	0	318,900
Other Outgo	7000-7999	70,397	0	70,397
TOTAL EXPENSES		14,383,451	0	14,383,451
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES		(489,765)	341,309	(148,456)
ENDING FUND BALANCE		2,742,098	341,309	3,083,407
Ending Fund Balance Percentage		19.06%		21.44%

RESERVES

The budget includes \$719,167 of one-time federal funds and a ADA hold harmless for 2021-2022. The district needs to focus on maximizing use of one-time funds due their restrictive nature for this period of time and reserve local resources to address the potential impacts of possible deterioration of future revenue streams. The one-time use of funds to provide current year protection may not be sustainable in a continued weak economy.

The need for excess reserves above the minimum for economic uncertainty is greater now more than ever. The required minimum reserve only covers a few weeks of payroll. The Government Finance Officers Association recommends, at a minimum, equal to two months of average general fund operating expenditures, or about 17%.

Prudent reserves afford districts and their governing boards time to thoughtfully identify and implement budget adjustments over time. Inadequate reserves force districts to react quickly, often causing significant disruption to student programs and employees.