

Executive Summary

Introduction

The California education code requires all school districts to adopt a budget for the 2022 - 2023 school year by July 1, 2022. This budget is to be used as the spending plan for the school year. However, the budget is a living document and will change as conditions in the State vary or as unanticipated needs arise within the local community.

The 2021 - 2022 school year marked the first return to full-time in-person instruction since 2018 – 2019. This was a celebration, but the District still faced many challenges related to the COVID-19 pandemic. Although the District still maintained many of the COVID-19 mitigation strategies implemented in 2020 – 2021, we still experienced many surges in COVID cases leading to temporary classroom closures. The District was also required to administer new testing procedures for all staff and students and keep up with the ever-changing quarantine and contact tracing protocols. Finally, the District suffered from large classified staffing shortages affecting our ability to provide full instructional and operational support. Luckily, we received additional funding through ESSER III and Expanded Learning Opportunities grants to keep up with most of these demands. The funding allowed the District to provide a safe learning environment for staff and students but also provided additional resources to address the socio-emotional and instructional needs of students. This included the addition of counselors, social workers, therapists, Middle School Wellness Centers, professional development, and supplemental instructional support. Many of these programs will remain in 2022 – 2023.

2022 – 2023 Budget

State Budget proposal for 2022 - 2023 was released on May 13, 2022 with a positive outlook for the new budget year. State revenues continue to exceed expectations and estimated revenues for 2022 – 2023 have increased by \$23.8 Billion compared to the January Budget Proposal. This directly benefits K-12 education and increases the Proposition 98 guarantee for 2022 - 2023 by \$8.35 Billion. At the time of this writing, the Legislature has reviewed the Governor’s budget and proposed an alternative budget which makes changes to some of the Governor’s May revision proposal. Some of the major highlights of the May Revision include:

- 1) **LCFF Funding.** The Governor has proposed a 6.56% increase to LCFF funding. This includes additional funding to increase supplemental and concentration grants for LCFF Districts. The Governor is also proposing an additional \$2.1 Billion to apply to the base LCFF funding bringing the total increase to 10.0%. However, TTUSD continues to be a Basic Aid (or community funded) school district in 2022 - 2023. This means our property tax revenue exceeds the minimum base funding level established by the State. Our Property Taxes exceed our LCFF calculation by approximately \$21,952,107.
- 2) **Expanded Learning Opportunity Program.** The May Revision continues the Expanded Learning Opportunity Program introduced in 2021 – 2022 and provides \$4.8 Billion in ongoing funding. This funding is intended to provide expanded before and after school enrichment

programs for targeted high needs students. The District is currently working on a plan to implement this program.

- 3) **Facilities.** The May Revision includes \$4.025 Billion in one-time funding to fully fund facilities projects currently in the School Facilities Program application pipeline.
- 4) **Universal Transitional Kindergarten.** The May Revisions includes the Governor’s plan for districts to provide Universal TK to all eligible students by 2025 – 2026. Universal TK will be phased in by expanding the age eligibility each year beginning in 2022 – 2023. Next year, the District will be required to offer TK to any student whose fifth birthday occurs between September 2 and February 2. That eligibility window will expand to April 2 in 2023 – 2024 and June 2 in 2024 – 2025. In 2025 – 2026 the District will be required to offer TK to any student turning four by September 1. Universal TK also imposes adult to student staffing ratios of 12:1 in 2022 – 2023 and 10:1 in subsequent years.
- 5) **Universal Meals Program.** The May Revision includes \$1.2 Billion for implementation of the Universal Meals Program. Beginning in 2022- 2023, districts are required to provide 2 free meals per day to every student that requests a meal. This funding will backfill meal reimbursements not eligible under the Federal School Nutrition Program.
- 6) **Special Education Base Rate.** The Governor is proposing a 6.56% COLA for local Special Education funding. This has been included in the budget.
- 7) **One-time Discretionary Dollars.** This proposal would provide \$8 Billion in one-time funding allocated on a per pupil basis to all districts. This equates to approximately \$1,500 per pupil and would provide TTUSD with over \$5 Million. Since this proposal has not yet been approved by legislature, we have not included it in the budget.

Budget Development

The development of this budget is consistent with the vision, beliefs, goals, and priorities of the Board of Education of the Tahoe Truckee Unified School District. All financial and budgetary decisions were made with consideration of the Board’s Belief No. 1: Students are the focus of all decisions.

Major Budget Assumptions

The following is a list of major assumptions used to develop the 2022 - 2023 budget:

1. **Revenue**
 - a. Property Tax increases of 5.66% in 2022 - 2023.
 - b. Mandated Block grant of \$157,457.
 - c. ESSER III Funding carryover of \$1,817,505.
 - d. Education Protection Account Funding of \$738,844.
 - e. Measure AA revenue of \$5.65 million.
 - f. Washoe County Tuition of \$700,000.

- g. Career Technical Education Incentive Grant (CTEIG) Funding of \$261,575.
- h. Forest Reserve funding in 2022 - 2023 of \$142,770.
- i. Transfer of \$200,000 to the Deferred Maintenance Fund.
- j. Contribution of \$250,000 for COP possible debt service.
- k. Contributions of \$222,457 to the Bus Replacement Fund and \$125,000 to Tech Replacement Reserve Fund.
- l. CalSTRS On-behalf Contribution revenue of \$3,663,379.
- m. Contribution of \$621,972 to Measure AA to sustain classroom programs.
- n. Contribution of \$2,335,000 for Routine Restricted Maintenance. This represents the required contribution of 3% of total general fund expenditures.
- o. In-lieu property tax transfer of \$1,906,404 to Sierra Expeditionary Learning School. This is an increase of \$119,946 from 2021 – 2022.
- p. \$49,852 in Medi-Cal Administrative Activities funding.
- q. Partial restoration of local revenues such as facility use, interest earnings, etc. No Bus Pass revenue included in 2022 – 2023.
- r. Local Special Education increases of 6.56%.

2. Expenditures

- a. 1.8% step and column increase for Certificated staff and 2.2% step and column increase for Classified staff.
- b. CalSTRS Employer contribution rates at 19.10% in 2022 - 2023.
- c. CalPERS Employer contribution rates at 25.37% in 2022 - 2023.
- d. Decrease in workers compensation rate from 1.58% to 1.57%.
- e. Intervention and Site Operational funding included.
- f. Education Protection Account funds used for teacher salaries in 2022 - 2023.
- g. \$100,000 out of state tuition payment.
- h. Career Technical Education Incentive Grant expenditures of \$261,575.
- i. Bus purchase of \$200,000
- j. CalSTRS On-behalf Contribution expenditures of \$3,663,379.
- k. Chromebook replacement of \$309,000.
- l. Increase to property and liability insurance of \$29,000.
- m. Staff computer replacement of \$65,000.
- n. Temporary transfer of Summer Programs, a portion of the Coordinator of Curriculum and Instruction and Assessment, Middle School Wellness Centers, and two TOSA coaches to ESSER III and ELO grants. To be returned to the Unrestricted General Fund in 2022 – 2023.
- o. Recapture of vacancy savings from 2021 – 2022 for Custodians, Special Ed Instructional Assistants, Bus Drivers, and Campus Monitors.

What's New in This Year's Budget

In addition to the items listed in the expenditure assumptions, the District has added the following positions/expenditures in 2022 - 2023 in order to enhance and support our schools and students:

- Net Increase of 5.7 FTE teachers to accommodate growth, classroom overages, and leaves.
- Temporary increases to RSP and Visually Impaired Special Education Programs of 0.2 FTE each.
- 0.34 FTE increase for an Administrator Intern at Truckee High School.
- 1.0 FTE Elementary Assistant Principal split between Kings Beach and Tahoe Lake Elementary Schools.
- 0.5 FTE temporary Counselor increase at Kings Beach.
- 1.0 FTE temporary Counselor at Truckee High School funded by the A-G grant.
- 1.0 FTE temporary Career Center Technician at North Tahoe High School Funded by the A-G grant.
- 0.875 FTE increase for a School Secretary at Alder Creek Middle School
- 1.0 FTE increase for an additional Credential Technician in Human Resources.
- 3.75 FTE increase for Transitional Kindergarten Instruction Assistants to meet 12:1 student/adult ratio requirements.
- \$1.85 Million in remaining Expanded Learning Opportunity Grants and ESSER III funding which includes the following programs first introduced in 2021 - 2022:
 - Partial funding for the Coordinator of Curriculum Instruction.
 - 0.5 FTE Temporary ELO Coordinator.
 - 1.0 FTE Temporary Community Liaison.
 - Summer Programs.
 - 2.0 FTE Teachers on Special Assignment (TOSA).
 - Middle School Wellness Centers.
 - Temporary Social Workers and Therapists for socio-emotional support of students.
 - Temporary increases to Enhancement Paraprofessionals for additional learning support.
 - Temporary Additional Campus Monitors.
 - Temporary increases to counseling.
 - Certificated and classified extra duty to support extended learning for students and professional development.

Financial Summary and Comparisons

Enclosed you will find the 2022 - 2023 proposed budget for TTUSD. The attached budget report is in the Standardized Account Code System (SACS) financial reporting format. This executive summary includes financial data that summarizes and explains the SACS report. The following section provides descriptions of the major funding sources and expenditure categories for the General Fund and highlights the changes and assumptions built into the 2022 - 2023 Proposed Budget.

Estimated Actuals

Throughout the budget cycle there are many revisions applied to the original adopted budget as new information becomes available, including the adoption of the State budget. The district is required to present formal revisions to the adopted budget at specific reporting periods during the year: The First Interim Report includes all budget revisions through October 31, 2021 and is presented in December. The Second Interim Report includes budget revisions as of January 31, 2022 and is reported in March. The Board has already reviewed and approved the First and Second Interim changes to the 2021 - 2022 budget. The last budget revision required by the District is Estimated Actuals which is included in the SACS report alongside the 2022 - 2023 Proposed Budget. Estimated Actuals are staff's best estimate on how we will end the 2021 - 2022 fiscal year. The estimated actuals are not only a way to gauge our ending fund balances, but they also help us determine appropriate budget amounts when building the proposed 2022 - 2023 budget. Since these are the final budget revisions for 2021 - 2022, they are a better indicator when comparing changes to the new budget. Therefore, all variances calculated in the tables and narrative below result from the comparisons between the 2021 - 2022 Estimated Actuals and the 2022 - 2023 Proposed Budget. However, we have also included the 2021 - 2022 Original Budget numbers as an additional reference when reviewing the Proposed Budget.

Revenue

Overall, the 2022 - 2023 budget shows an increase in revenue of \$1,116,182 when compared to the 2021 - 2022 estimated actuals. Changes in revenues are included in the summaries below.

1. **Property Taxes/State Aid/EPA (LCFF Sources):** The majority of revenue in this category is property taxes. Property taxes consist of homeowner's exemptions, timber yield taxes, secured roll taxes, and unsecured roll taxes. This also includes State Aid from former categorical programs, Education Protection Account Funding and the in-lieu tax obligation paid to Sierra Expeditionary Learning School. Overall, this category increased \$2,941,537 or 4.92%. This is mostly as a result of increases in property tax revenues. The following provides more detail of the funding sources included in this category.
 - a. **Property Taxes:** This category is our main source of unrestricted general fund revenues. Increases in property taxes are dependent upon the performance of the local real estate market (i.e., sales of existing homes and commercial properties) and new residential and commercial construction projects in our area. It is estimated that the assessed values of properties within the District will increase by 5.66% in 2022 - 2023. This translates to an overall increase of 5.66% or \$3,204,430 in new property tax revenues for 2022 - 2023.
 - b. **Former Redevelopment Agency (RDA) revenues:** The district receives revenue from the RDA in the form of community funds and residual tax allocations. We are projecting an increase of \$105,666 in RDA revenues for 2022 - 2023.
 - c. **Education Protection Account (EPA):** EPA funding was authorized by the passage of Proposition 30 and later extended by Proposition 55. EPA funding was intended to backfill funding shortages for school district revenue limits and prevent future cuts to K-12 schools. The language of Proposition 30 also provided that no school district would receive less than \$200 per student. This exclusively benefits Basic Aid school districts that do not

receive LCFF funding. We anticipate \$738,844 in EPA funding for the 2022 - 2023 budget, an increase of \$2,766.

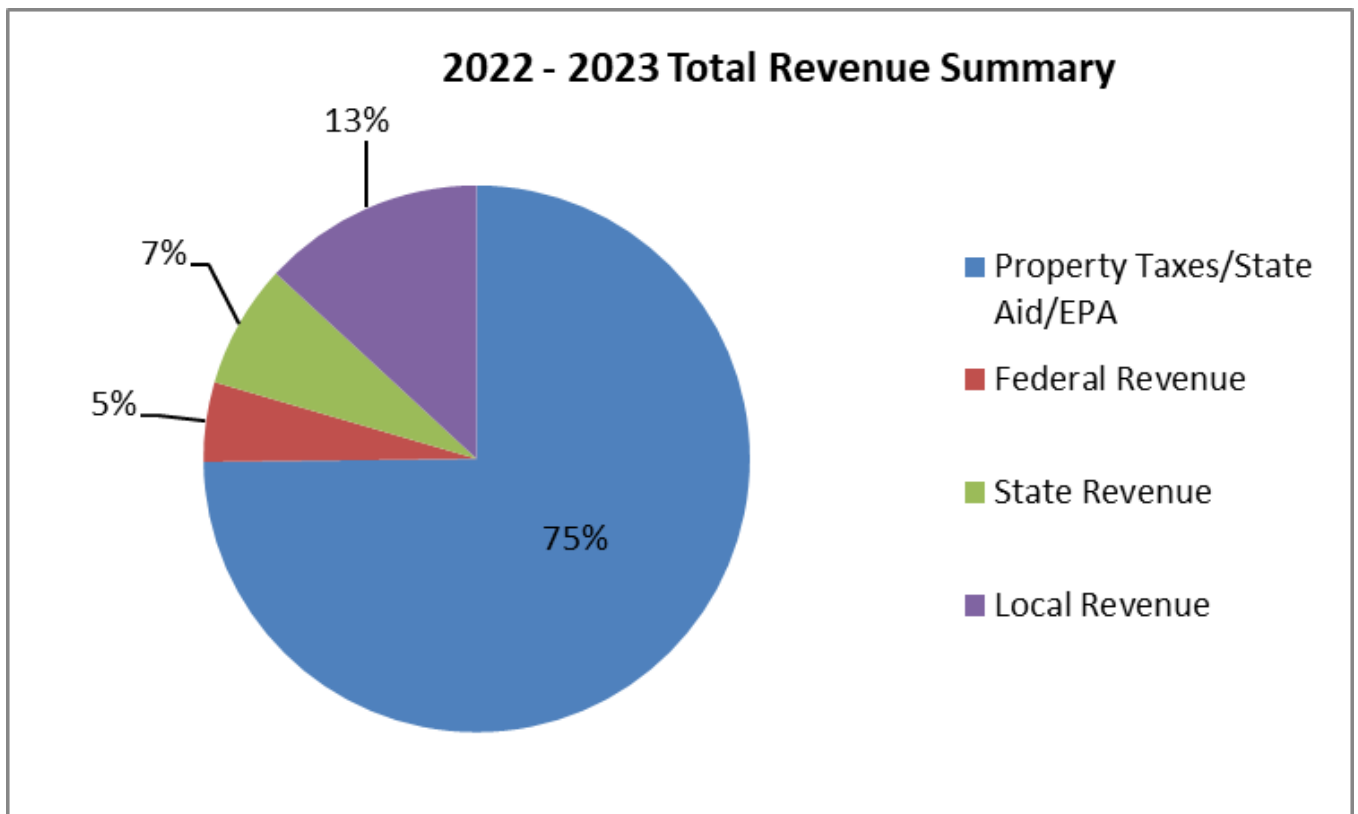
- d. **Transfers to Charter School:** We currently fund the general purpose entitlement grants for SELS through our property tax collections. This is called our in-lieu property tax obligation. SELS is funded according to the LCFF model. The per student LCFF funding amounts are updated by the State annually. When the State increases the LCFF funding, our in-lieu tax obligation increases, thereby reducing our overall property taxes. In 2022 - 2023 our in-lieu property tax transfer is estimated at \$1,906,404, an increase of \$119,946 from 2021 - 2022.
 - e. **Transfers to Deferred Maintenance:** In order to ensure that there is adequate funding to perform long-term maintenance projects, the District makes annual transfers to the Deferred Maintenance Fund. This budget includes a \$200,000 contribution to this fund for the purposes of deferred maintenance projects.
 - f. **Transfers for COP Debt Service:** The budget includes an allocation of \$250,000 to supplement debt service payments on the COPs. If it is not needed it will revert back to the reserve.
 - g. **State Aid:** The District anticipates to receive \$1,906,330 as Minimum State Aid from the State.
2. **Federal Revenue:** This revenue category consists of funding for all Federal programs to include: Title I, Title II, Title III, and IDEA (Federal Special Education Grants). Federal funding has increased by \$268,812 due to the following:
- a. Increase of \$88,762 as a result of Title I carryover from 2021 - 2022.
 - b. Increase of \$24,522 in Federal Special Education Funding.
 - c. Increase of \$282,484 for ESSA carryover.
 - d. Decrease of \$42,003 in ESSER II funding.
 - e. Decrease of \$1,323,754 in ESSER III funding.
 - f. Increase of \$1,070,926 in Federal Expanded Learning Opportunity grant carryover.
 - g. Increase of \$8,085 in Federal Homeless Youth grant carryover.
 - h. Increase of \$164,072 in Title II funding carryover.
3. **State Revenue:** This revenue source is composed of numerous categorical programs (Lottery revenues, mandate block grant, mental health programs, etc.). State revenue has decreased by \$1,885,098 for the 2022 - 2023 year. This decrease is attributed to:
- a. Increase of \$145,568 in CalSTRS On-behalf Contribution revenues which are offset by the same amount in expenditures.
 - b. Decrease of \$365,627 in A-G Access grant funding awarded in 2021 - 2022.
 - c. Decrease of \$1,572,861 in Educator Effectiveness grant funding.
 - d. Increase of \$68,193 in Lottery funding.
 - e. Decrease of \$122,841 in one-time Special Education funding.
 - f. Decrease of \$39,420 in one-time Food Services infrastructure and training grants.

4. **Local Revenue:** Major components of this revenue source include the Measure AA parcel tax, RDA pass-thru funding, facility use fees, interagency fees, local grants and special education funding. The local revenues have decreased by \$209,069 or 1.8% for the 2022 - 2023 fiscal year. However, the 2022 - 2023 budget does not include many of the grants and donations that were received from local organizations and community members during the 2021 - 2022 school year (e.g., Excellence in Education, PTO, etc). These grants and donations are not guaranteed and will be included in the budget as they are received. Major changes in local revenue include:
- a. Measure AA Parcel Tax: In 2018 voters approved a nine-year extension of the Measure A parcel tax (now Measure AA) along with an increase of the tax from \$135 to \$148 per parcel. The estimated revenues from Measure AA are expected to be \$5.65 Million. There is no change in revenue from the prior year.
 - b. RDA Pass-through funds: In addition to the RDA funding noted in the Property Tax/State Aid/EPA sources section, the district also receives additional revenue from the RDA. This funding is restricted and can only be used for capital improvements. We anticipate a decrease of \$177,640 due to the removal of one-time RDA pass-through payments made in 2021 - 2022.
 - c. Interagency Agreements: Most of this revenue is related to fees charged to SELS for providing services and facilities. There is a \$7,000 increase to this revenue in 2022 - 2023.
 - d. Decrease of \$169,171 from 2021 - 2022 donations not included in 2022 - 2023.
 - e. \$30,000 decrease in Washoe County tuition.
 - f. \$25,000 increase in facility use fees.
 - g. \$401,126 increase in Special Education revenues.
 - h. \$69,000 increase in interest earnings.
 - i. \$420,000 decrease in ERATE funding.
 - j. \$45,000 increase in transportation trip revenue.
 - k. \$13,262 reduction in Placer First Five grants.
 - l. \$99,102 increase in Placer County Wellness grants.
 - m. \$20,117 increase in Nevada County Wellness grants.
 - n. \$10,000 increase in Chromebook repair reimbursements.
 - o. \$75,000 decrease in bus replacement grants.

The table and graph on the next page summarize the anticipated revenue for 2022 - 2023.

**2022 - 2023 Proposed Budget
Unrestricted and Restricted Revenues**

Revenue	2021 - 2022 Original Budget	2021 - 2022 Est. Actuals	2022 - 2023 Proposed Budget	Variance of Proposed Budget & Est. Actuals
Property Taxes/State Aid/EPA	\$ 58,151,780	\$ 59,810,415	\$ 62,751,952	\$ 2,941,537
Federal Revenue	\$ 4,558,621	\$ 3,680,739	\$ 3,949,551	\$ 268,812
State Revenue	\$ 6,106,995	\$ 8,040,185	\$ 6,155,087	\$ (1,885,098)
Local Revenue	\$ 10,382,088	\$ 11,226,525	\$ 11,017,456	\$ (209,069)
Total Revenue	\$ 79,199,484	\$ 82,757,864	\$ 83,874,046	\$ 1,116,182



Expenditures

The district projects expenditures to be \$83,161,473 in 2022 - 2023. The largest portion of the budget is allocated for personnel. Salaries and benefits account for 84.0% of the budget. The 2022 - 2023 budget shows an increase in expenditures of approximately \$2,799,953 from the 2021 - 2022 estimated actuals. This increase is attributed to a variety of increases and decreases in different expenditure categories. The following is breakdown of the different general fund expenditure categories along with assumptions used for the estimating expenditures.

1. **Certificated Salaries:** This category includes salaries and wages for all teachers, certificated specialists, site and certificated administrators, substitutes, and psychologists. The salaries for certificated staff will increase by \$91,679 in the 2022 - 2023 fiscal year. The increase includes:
 - a. \$736,105 in additional staffing as noted in “What’s New” (salary only).
 - b. Step and Column Increase of \$490,000 (estimate).
 - c. Decrease of \$65,000 for a temporary nurse in 2021- 2022.
 - d. Decrease of \$443,000 in temporary certificated support staff, extra duty, and substitute costs funded in 2020 – 2021 from ELO and ESSER funds.
 - e. \$202,000 decrease for attrition savings due to retirements (estimated).
 - f. Decrease of \$423,000 in one-time payments of \$1,500 to TTEA members made in 2021 - 2022.
 - g. Decrease of \$31,000 in one-time payments to certificated administrators made in 2021 – 2022.
 - h. Decrease in substitute teacher costs of \$88,000.
 - i. \$117,000 increase in extra duty for professional development and support in other programs.

2. **Classified Salaries:** These expenditures include all non-certificated district support staff to include district office personnel, bus drivers, maintenance and custodial staff, site support staff, instructional aids, classified management, and others. Classified salaries increased by \$1,497,035 in 2022 - 2023. Although there were some minor staffing changes within the classified ranks much of this increase is due to:
 - a. \$208,000 estimate for step and column.
 - b. Increase of \$123,539 in temporary classified support staff and extra duty from ELO and ESSER funds.
 - c. Increase of \$1,206,157 for restoration of vacancy savings realized in 2021 – 2022 for Custodians, Bus Drivers, Special Education Instructional Assistants, Campus Monitors, and Yard Duties.
 - d. Decrease of \$28,250 for custodial subs and extra duty.
 - e. Decrease of \$129,200 in custodial overtime.
 - f. Increase of \$53,203 for 1.0 FTE District Receptionist.
 - g. Increase of \$53,579 for 1.0 FTE Credential Technician.
 - h. Increase of \$38,142 for 0.875 FTE School Secretary at Alder Creek Middle School.
 - i. Increase of \$111,635 for 3.75 FTE TK Instructional Assistants.
 - j. Decrease of \$254,700 for \$1,000 one-time payments made to classified staff in 2021 – 2022.

- k. Decrease of \$20,294 for COVID Testing stipend offered in 2021 – 2022.
 - l. Increase of \$50,000 for additional Social Workers for Elementary schools.
 - m. Increase of \$44,181 for Career Center Technician funded with A-G grant.
3. **Employee Benefits:** This expenditure area includes all payments relating to payroll taxes (social security, unemployment insurance, Medicare, etc.), retirement plans (i.e., CalPERS, CalSTRS), and health and welfare benefits. The rates for payroll taxes are determined by the State and Federal Government. The rates for CalPERS and CalSTRS are determined each year by the individual retirement plans. The Governor’s Budget proposal includes an increase in the CalSTRS rate to 19.10%; an increase of 2.18%. The CalPERS rate has been set at 25.37% an additional 2.46% over the 2021 - 2022 rate. The health and welfare benefit caps for all employees are: \$8,900 annually for employee only, \$10,300 annually for employee plus one, and \$14,100 annually for employees plus family. In 2022 - 2023, employee benefits have increased approximately \$2,585,749. The increase is due to the following:
- a. CalSTRS increase: The estimated increase for the 2.18% CalSTRS rate increase is approximately \$717,719.
 - b. CalPERS increases: The estimated costs for the 2.46% CalPERS rate increase is approximately \$346,195.
 - c. Increase of \$145,568 to recognize the State’s CalSTRS on-behalf contributions.
 - d. The remaining variance is a result of additional payroll liabilities and health and welfare benefits from the increases in certificated and classified salaries, added positions, and recapture of 2021 – 2022 vacancies.
4. **Books and Supplies:** The 2022 - 2023 budget for materials and supplies shows an overall increase of approximately \$760,289 when compared to 2021 - 2022 estimated actuals. Some of the major budget changes in this category are:
- a. Increase of \$93,026 in site operations funds due to accounting reclassification from other expenditure categories.
 - b. Decrease of \$257,464 for COVID mitigation materials and supplies funded with ELO and ESSER funds in 2021 – 2022.
 - c. Decrease of \$396,000 in staff computer replacements.
 - d. Increase of \$30,000 in diesel fuel costs for transportation.
 - e. Increase of \$127,000 for instructional materials.
 - f. Increase of \$197,878 from ESSA School Improvement Grant carryover.
 - g. Increase of \$255,863 for Title I carryover. These funds may be reclassified into other expenditure categories throughout the year.
 - h. Increase of \$73,921 for Title II carryover. These funds may be reclassified into other expenditure categories throughout the year.
 - i. Increase of \$39,420 for Food Services kitchen equipment and staff training.
 - j. Increase of \$22,727 for employee professional development materials.
 - k. Increase of \$191,603 for materials and supplies funded from the A-G Access grant.
 - l. Increase of \$34,769 for maintenance materials and supplies.
 - m. Increase of \$220,992 from donations carryover.
 - n. Decrease of \$15,988 in Placer and Nevada County Wellness supplies.

- o. Increase of \$153,883 in Measure AA expenditures. A large portion of this increase from re-appropriating savings realized in 2021 – 2022 and reclassification of expenditure categories.
 - p. Miscellaneous accounting re-classifications carryover of other programs.
5. **Services and Other Operating Expenditures:** This category includes expenditures for professional services, legal counsel, utilities, repairs, and service contracts. Overall, there is a decrease of \$1,314,192 in services and operating expenditures. Changes to the 2022 - 2023 budget include:
- a. Reduction of \$100,000 for technology license renewals.
 - b. \$123,147 decrease in billback payments to Placer County Office of Education for operation of the Community School. The District will offer educational opportunities for these students internally starting in 2022 – 2023.
 - c. \$48,846 decrease in athletics contracted transportation services.
 - d. Decrease of \$121,000 for District salary study.
 - e. Decrease of \$112,340 in consulting fees, including Laserfiche file conversion.
 - f. Decrease of \$130,000 in legal fees.
 - g. Decrease of \$20,000 in audit services.
 - h. Decrease of \$35,000 in snow removal services.
 - i. \$28,700 decrease in BTSA costs.
 - j. \$23,490 decrease in site operational allocations due to reclassification of expenditure categories.
 - k. \$69,000 increase in contributions for Placer County School Resource Officer.
 - l. \$98,000 decrease in lottery expenditures from reduction in instructional licenses and reclassification into other expenditure categories.
 - m. \$122,028 decrease in Title I expenditures due to re-allocation to books and supplies category.
 - n. \$80,065 increase in ESSA School Improvement Grant expenditures.
 - o. \$160,780 decrease for HVAC air testing and balancing performed in 2021 – 2022 with ESSER III funds.
 - p. \$102,399 increase in Title II carryover.
 - q. \$48,683 decrease in Special Education contracted services.
 - r. \$230,407 decrease in Routine Restricted Maintenance expenditures from reclassification into other expenditure categories.
 - s. Increase of \$55,766 in donations carryover.
 - t. Increase of \$37,326 in Placer and Nevada County Wellness services.
 - u. \$29,230 increase for property and liability insurance.
 - v. \$13,142 increase in utilities.
 - w. Decrease of \$12,871 for Truckee Tahoe Workforce Housing Agency operating budget contribution.
 - x. The remaining balance consists of miscellaneous re-allocations of funding to other expenditure categories.

6. **Capital Outlay:** All building and capital improvements as well as large equipment purchases are within this category. We expect a decrease of \$1,064,527 in capital outlay in 2022 - 2023.
 - a. Decrease of \$760,165 for technology upgrades funded by ERATE in 2021 - 2022.
 - b. Decrease of \$239,000 for security camera purchases for school sites.
 - c. Decrease of \$162,222 for purchase of uninterrupted power supplies.
 - d. Increase of \$100,000 for security camera installation in 2022 – 2023.

7. **Other Outgo:** This category combines debt service payments and indirect costs (allowable transfers from restricted programs to the unrestricted general fund for providing administrative services). The 2022 - 2023 budget includes \$395,812 in expenditures in this category, a decrease of \$35,000. This category also includes out of State tuition payments to Washoe County of \$100,000 and charges for special education services provided by Placer County Office of Education (PCOE).

8. **Other Financing Sources/Uses:** This category includes transfers (or contributions) from the unrestricted general fund to programs in other funds such as pre-school, food service and the STEPP program. These expenditures are expected to increase by approximately \$313,247.
 - a. \$19,287 increase to the pre-school program for salary increases and program contributions.
 - b. \$293,960 increase to Food Service contribution due anticipated revenue decreases and additional food costs.

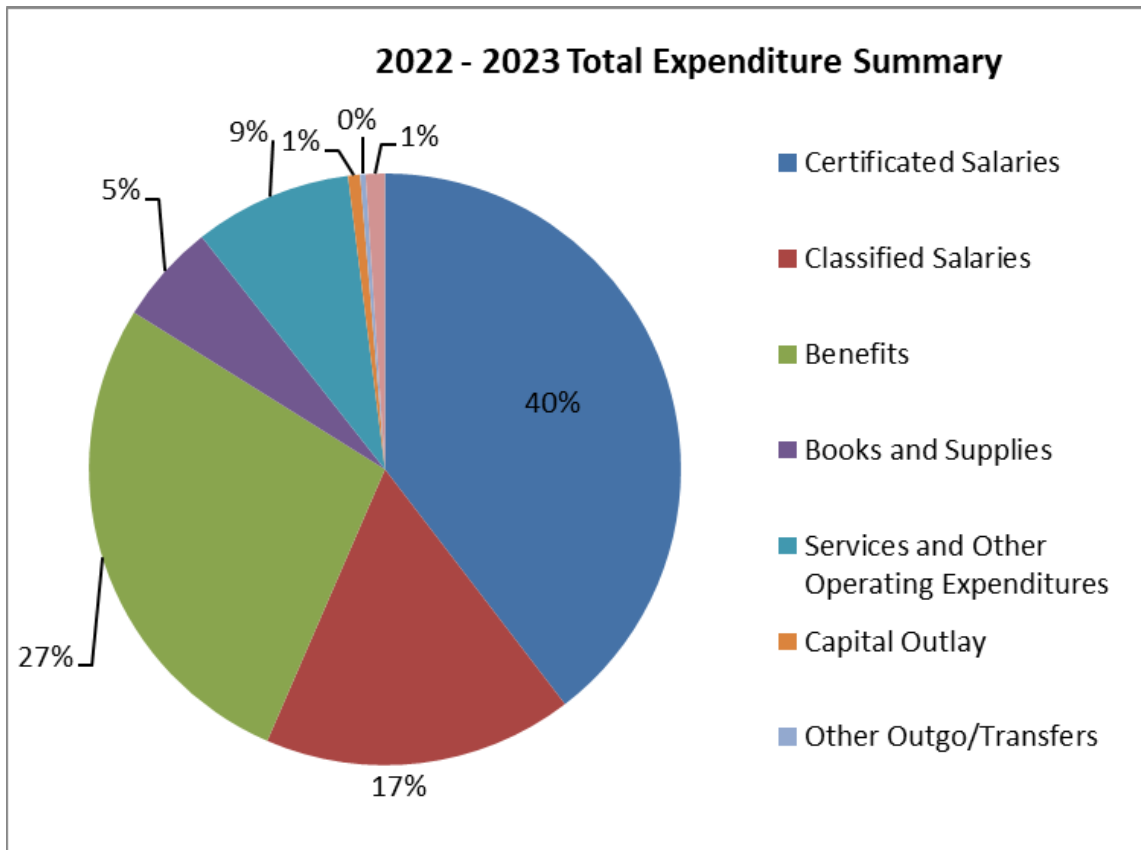
9. **Contributions:** These are the contributions from the unrestricted general fund to restricted general fund programs such as special education and maintenance. There is an increase to contributions in the amount of \$835,617 in 2022 - 2023 compared to the 2021 - 2022 estimated actuals. This is due to increased staffing and salaries in the special education program including the restoration of vacancies from 2020-2021. The Special Education Contribution is partially offset by revenue increases. In addition, we have increased the contribution to the Routine Restricted Maintenance Account by \$35,000 and are contributing \$621,972 to Measure AA to sustain classroom programs.

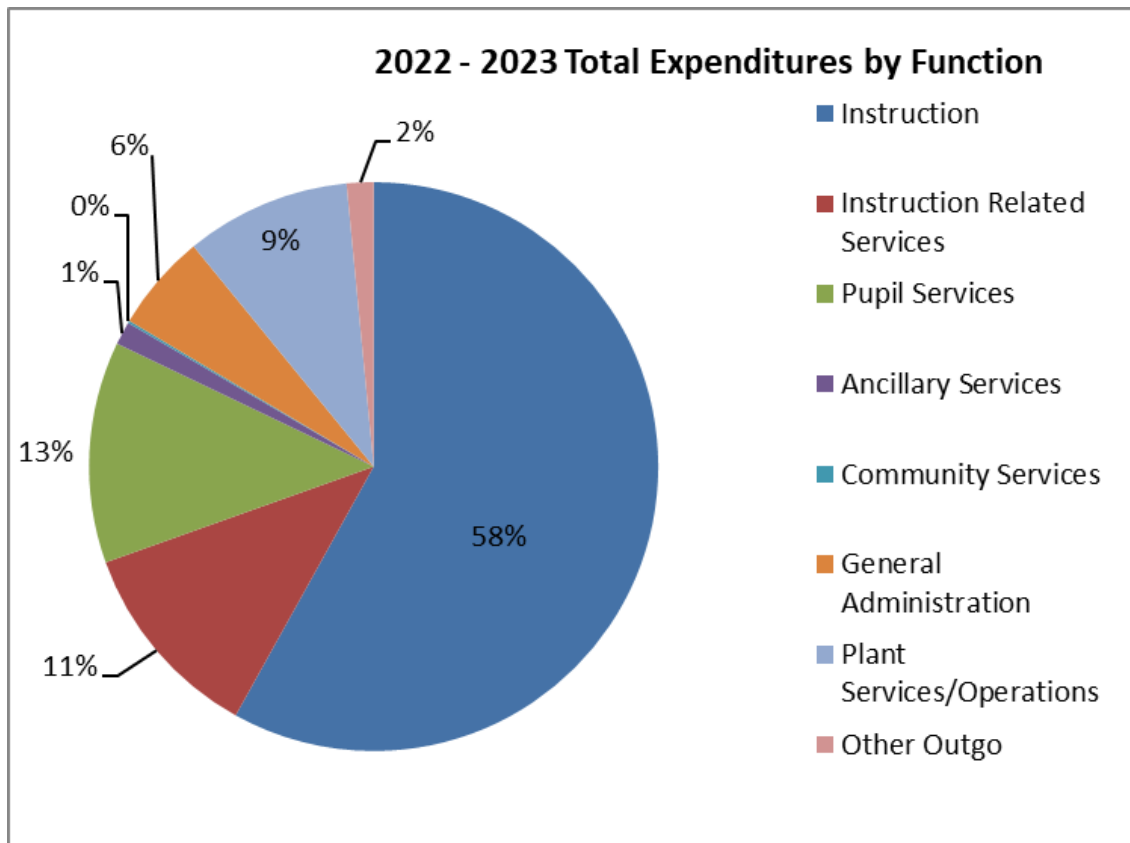
The table on the next page summarizes the expenditures for 2021 - 2022 estimated actuals and the 2022 - 2023 proposed budget.

**2022 - 2023 Proposed Budget
Unrestricted and Restricted Expenditures**

Expenditures	2021 - 2022 Original Budget	2021 - 2022 Est. Actuals	2022 - 2023 Proposed Budget	Variance of Proposed Budget & Est. Actuals
Certificated Salaries	\$ 31,695,136	\$ 32,831,227	\$ 32,922,906	\$ 91,679
Classified Salaries	\$ 12,638,656	\$ 12,575,896	\$ 14,072,931	\$ 1,497,035
Benefits	\$ 20,486,847	\$ 20,188,912	\$ 22,774,661	\$ 2,585,749
Books and Supplies	\$ 4,345,605	\$ 3,797,936	\$ 4,558,225	\$ 760,289
Services and Other Operating Expenditures	\$ 6,910,248	\$ 8,483,949	\$ 7,169,757	\$ (1,314,192)
Capital Outlay	\$ 676,397	\$ 1,611,888	\$ 547,361	\$ (1,064,527)
Other Outgo	\$ 430,812	\$ 430,812	\$ 395,812	\$ (35,000)
Transfers of Indirect Cost	\$ (74,220)	\$ (113,659)	\$ (147,986)	\$ (34,327)
Other Financing Sources	\$ 961,005	\$ 554,559	\$ 867,806	\$ 313,247
Contributions	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 78,070,486	\$ 80,361,520	\$ 83,161,473	\$ 2,799,953

The charts below and on the next page illustrate how the district spends its money, both by category and by function.





Education Protection Account (Proposition 55) Requirement

Proposition 55 requires that the use of EPA funds be determined by the governing board at an open public meeting. It is the opinion of the California Department of Education that this can be incorporated into the annual budget adoption. EPA revenues and expenditures are included in the 2022 - 2023 Proposed Budget. All EPA funds will be used exclusively to cover teacher salaries. An expenditure plan has been included in the section following the narrative.

Fund Balance and Reserves

Board Policy 3100 establishes a minimum reserve for the district:

Recognizing the unique status of the district as a basic aid district and that ending balance is a one-time funding source, the district will maintain a reserve for economic uncertainty greater than the minimum required by law.

Based upon recommendations of the Governmental Accounting Standards Board, Government Finance Officers Association, California Department of Education's Standardized Account Code Structure (SACS) forum, and the Placer County Office of Education the District shall maintain a reserve for economic uncertainty that falls between a range of 10% and 16%. These measurements are a percentage of current

year budgeted expenditures of the general fund. At no time should the minimum reserve for economic uncertainty fall below 10%. If this occurs the School Board shall direct the Superintendent Chief Learning Officer or designee to make plans to replenish the reserve for economic uncertainty within two fiscal years.

The School Board shall have discretion as to the use of the reserve for economic uncertainty, and as a part of the approval of the annual budget shall review this policy.

Board Policy No. 3100 effectively establishes a target minimum REU of 10.0% and an acceptable range of 10.0% to 16.0%. The projected Reserve for Economic Uncertainties (REU) is \$13,391,965 in 2022 - 2023 which represents 16.10% of total budgeted expenditures and other outgo. In addition to this reserve, there are estimated ending fund balances of \$5,126,755 in “Restricted” and \$1,614,609 in “Other Assigned” designations. The other assigned designation includes \$1,090,734 in the board designated instructional materials reserve fund, \$96,964 in the technology replacement reserve, \$216,771 in the bus replacement fund, and \$128,569 in MAA. The REU increased by approximately \$843,810 from 2021 - 2022 estimated actuals due to increased revenues exceeding expenditures. The components of fund balance for 2021 - 2022 and 2022 - 2023 are shown in the table on the next page.

Fund Balance	2021 - 2022 Original Budget (Adjusted for UA)	2021 - 2022 Est. Actuals	2022 - 2023 Proposed Budget
Restricted	\$ 3,878,403	\$ 5,204,385	\$ 5,126,755
Unrestricted			
Reserve for Economic Uncertainty and Basic Aid	\$ 11,663,191	\$ 12,548,155	\$ 13,391,965
Reserve for Cash, Stores and Prepaid Expense	\$ 60,000	\$ 64,583	\$ 60,000
Designated (Inst. Materials Reserve, MAA, Bus and Tech Reserves)	\$ 2,611,816	\$ 1,663,633	\$ 1,614,609
Undesignated	\$ -	\$ -	\$ -
Unrestricted Subtotal	\$ 14,335,007	\$ 14,276,371	\$ 15,066,574
Total Ending Balance	\$ 18,213,410	\$ 19,480,756	\$ 20,193,329
Reserve for Economic Uncertainty and Basic Aid	14.94%	15.61%	16.10%

Multi-Year Projections

As a requirement of AB 1200, school districts are required to prepare a multi-year projection that includes the current fiscal year as well as the two subsequent fiscal years. Districts are required to show that they can meet their financial obligations in all three years while maintaining the state mandated reserve for economic uncertainty. The multi-year projection is a planning tool that allows districts ample time to make changes if fiscal insolvency appears in the horizon. The multi-year projection (Form MYP) for 2022 - 2023 documents that the District will be able to meet its financial obligations in all three years. Some of the major assumptions used in the multi-year projections are as follows:

1. Revenue

- a. Property Tax increases of 3.25% in 2023 - 2024 and 2.75% in 2024 - 2025.
- b. Increase to charter school in-lieu tax payment of \$102,551 in 2023 – 2024 and \$80,751 in 2024 - 2025.
- c. Mandated Block grant ongoing.
- d. No one-time discretionary funding from the State.
- e. COLA increases of 5.38 % in 2023 - 2024 and 4.02% in 2024 - 2025 on “Other State Revenues” and local special education funding.
- f. Education Protection Account (Prop 30) Funding continues in all years.
- g. Forest Reserve funding in all out years.
- h. Measure AA parcel tax funding relatively flat in out years.
- i. Contribution to Deferred Maintenance of \$200,000 ongoing.
- j. Routine Restricted Maintenance Account contributions increase \$65,000 in 2023 – 2024 and an additional \$50,000 in 2024 – 2025.
- k. Annual contribution to facilities program financing of \$250,000 ongoing.
- l. Increase of \$155,000 in bus pass sales in 2023 – 2024 restoring to pre-COVID levels.
- m. Increase of \$30,000 in interest earnings in 2023 – 2024 restoring to pre-COVID levels.

2. Expenditures

- a. No salary increases included.
- b. Annual Step and Column increases of 1.8% for certificated staff and 2.2% for classified staff.
- c. CalSTRS Employer contribution rates at 19.10% in all out years.
- d. CalPERS Employer contribution rates at 25.2% in 2023 - 2024 and 224.60% in 2024 - 2025. This is a reduction of 0.53% in 2023 – 2024 and 0.60% in 2024 – 2025.
- e. Site operational funding included in all years.
- f. Addition of one TOSA in 2023 – 2024.
- g. Removal of Temporary Social Workers and Therapists in 2023 – 2024.
- h. Removal of additional Temporary Yard Duties in 2023 – 2024.
- i. Removal of additional Temporary Campus Monitors in 2024 – 2025.
- j. Transfer Summer Programs, Coordinator of Curriculum and Instruction and Assessment, Middle School Wellness Center staff, and TOSA coaches back to Unrestricted General Fund in 2023 – 2024.
- k. Bus Replacement in all years.
- l. Annual Chromebook replacement of \$309,000 in all years.
- m. Reduction to Food Service contribution of \$100,000 in 2023 – 2024 and \$100,000 in 2024 -2025.
- n. Attrition reductions of \$125,000 annually.
- o. EPA funds used for teacher salaries in all years.
- p. CTEIG funding of \$261,000 in out years.
- q. Contributions of \$639,052 in 2023 – 2024 and \$699,602 in 2024 – 2025 to Measure AA programs.
- r. \$94,500 staff computer replacement in 2023 – 2024.

- s. \$100,000 for technology upgrades funded partially with ERATE in 2024– 2025.
- t. \$150,000 instructional materials adoption in 2023 – 2024 and \$150,000 in 2024 – 2025.
- u. 2% annual increases in unrestricted materials and supplies purchases and services and other operating expenditures.
- v. No ESSER or ELO Grant funding after 2022 - 2023.
- w. Annual insurance increases of \$40,000.
- x. Additional 1.5 FTE and 2.0 FTE TK Teachers in 2023 – 2024 and 2024 – 2025, respectively.
- y. Additional 2.5 FTE and 3.0 FTE TK Instructional Assistants in 2023 – 2024 and 2024 – 2025, respectively.

The projection of multi-year ending fund balances is shown below.

2022 - 2023 TTUSD Proposed Budget Multi-Year Projection Ending Fund Balances				
Fund Balance	2021 - 2022 Est. Actuals	2022 - 2023 Projected	2023 - 2024 Projected	2024 - 2025 Projected
Restricted	\$ 5,204,385	\$ 5,126,755	\$ 5,175,519	\$ 5,406,449
Unrestricted				
Reserve for Economic Uncertainty and Basic Aid	\$ 12,548,155	\$ 13,391,965	\$ 14,592,810	\$ 16,634,543
Reserve for Cash, Stores and Prepaid Expense	\$ 64,583	\$ 60,000	\$ 60,000	\$ 60,000
Designated (Inst. Materials Reserve, MAA, Bus and Tech Reserves)	\$ 1,663,633	\$ 1,614,609	\$ 1,515,632	\$ 1,508,307
Undesignated	\$ -	\$ -	\$ -	\$ -
Unrestricted Subtotal	\$ 14,276,371	\$ 15,066,574	\$ 16,168,441	\$ 18,202,850
Total Ending Balance	\$ 19,480,756	\$ 20,193,329	\$ 21,343,960	\$ 23,609,299
Reserve for Economic Uncertainty and Basic Aid	15.61%	16.10%	17.58%	19.83%

New Reserve Requirement

In accordance with Education Code 42127, beginning in the 2015–16 fiscal year, the governing board of a school district that proposes to adopt a budget that includes a combined assigned and unassigned ending fund balance in excess of the minimum recommended reserve for economic uncertainties shall at the public hearing, provide all of the following for public review and discussion:

- (i) The minimum recommended reserve for economic uncertainties for each fiscal year identified in the budget.
- (ii) The combined assigned and unassigned ending fund balances that are in excess of the minimum recommended reserve for economic uncertainties for each fiscal year identified in the budget.

(iii) A statement of reasons that substantiates the need for an assigned and unassigned ending fund balance that is in excess of the minimum recommended reserve for economic uncertainties for each fiscal year that the school district identifies an assigned and unassigned ending fund balance that is in excess of the minimum recommended reserve for economic uncertainties.

The excess reserves for 2022 - 2023 and the two subsequent fiscal years are as follows:

	2022 - 2023	2023 - 2024	2024 - 2025
Assigned and Unassigned Ending Fund Balances	\$ 15,006,574	\$ 16,108,441	\$ 18,142,850
Minimum Recommended Reserve (3% of Total General Fund Expenditures)	\$ 2,494,844	\$ 2,489,844	\$ 2,516,320
Excess of Minimum Reserves	\$ 12,511,730	\$ 13,618,598	\$ 15,626,530

The District feels it is necessary to maintain a reserve range of 10-16 % of total general fund expenditures which are in excess of the 3% minimum required reserve level. The excess reserves are needed for the following reasons:

- 1) Protection from property tax declines. The majority of TTUSD revenue is comprised of local property taxes. Property values are vulnerable during economic downturns which can result in large decreases of property tax revenues for the district.
- 2) To address increased staffing as a result of enrollment growth.
- 3) Increased liability for employer contributions for CalSTRS and CalPERS.
- 4) Purchasing large equipment vital to educational program (e.g., buses, custodial equipment, CTE equipment, etc.).
- 5) Maintaining a high credit rating which results in lower interest cost to taxpayers for long term debt.
- 6) Maintaining positive cash balances and eliminating the need to borrow funds.
- 7) Protection from potential future State education cuts directed at Basic Aid Districts (e.g., Basic Aid Fair Share).
- 8) School facilities maintenance and improvements.
- 9) Instructional materials adoptions to implement California Common Core State Standards.

Other Funds

The district utilizes several other funds in the course of its operations. These funds are separate from the main general operating fund (Fund 01-Genral Fund).

- A. Fund 11 (Adult Education Fund) - The District has received funding from the Adult Education Block Grant through the Sierra Joint Consortium for Adult Education and the federal Workforce Innovation and Opportunity Act. This funding is used to support adult education, workforce training, our PIQE program and testing for adults pursuing a GED. The District plans to spend \$176,623 in 2022 - 2023.
- B. Fund 12 (Child Development Fund) - This fund is used for our State pre-school program as well as the STEPP program. A total of \$711,240 is budgeted for program expenditures in 2022 - 2023.
- C. Fund 13 (Cafeteria Fund) - This fund is used to perform all transactions pertaining to the food service program. The District anticipates \$2,393,273 in total program expenditures.
- D. Fund 14 (Deferred Maintenance) - This fund is used for large scale building repair and component replacement. The District continues to contribute \$200,000 to this fund. The 2022 - 2023 includes a total of \$200,000 in expenditures for large scale maintenance repairs.
- E. Fund 21 (Building Fund) - This fund is reserved for capital improvements funded by the 2019 COPS. The District has budgeted \$2,611,718 for project expenditures in 2022 – 2023 for the re-roofing and Wellness center at Alder Creek Middle School and the planning for projects at North Tahoe Middle and High Schools.
- F. Fund 25 (Capital Facilities Fund) - This fund is restricted for fees collected by developers. The fees are used to perform growth related facilities projects around the district. The District estimates that we will collect \$2.9 Million in fees in 2022 - 2023. We have budgeted \$517,386 for the administration of developer fees, planning, and State School Facilities Program eligibility analysis and application processing. It also includes \$2.2 Million in debt service payments for the 2019 COP.