

UNLIMITED YOU



ANAHEIM UNION HIGH SCHOOL DISTRICT

2021-22 SECOND INTERIM REPORT

**PRESENTED BY: NANCY NIEN, PH.D.,
ASSISTANT SUPERINTENDENT OF BUSINESS
SERVICES**

MARCH 3, 2022

2022-23 Governor's Proposed Budget and State Economy

- **The Governor's Budget is balanced, and we hope California as a whole will find its equilibrium again soon**
 - **A \$286 billion spending plan aims to tackle COVID-19 head on, building upon and expanding critical services for Californians, and attempting to strengthen the resiliency of the state to address uncertainties and crises we cannot yet see**
 - **Robust state revenues provide the state General Fund with a surplus of \$45.7 billion for the 2022-23 fiscal year**
- **The Governor's Budget reflects significant reserves including the Budget Stabilization Account (Rainy Day Fund), the Public School System Stabilization Account, and the general operations reserve**
- **Significant increases projected for Personal Income Tax and Sales and Use Tax**
- **While there are many positive economic indicators, there is still a level of economic uncertainty due to the unpredictability of COVID-19 and international issues**

U.S. Economic Outlook

- The national economy continues to grow, but inflation, labor constraints, and supply and demand imbalances pose threats

Gross Domestic Product

- 2021: 5.6%
- 2022: 4.2%
- 2023: 2.7%

Resumes pre-pandemic trends by the third quarter of 2023

Employment

- Economy will add 200,000 to 400,000 jobs each month
- Unemployment rate reaches 3.4% by the end of 2022
- California Dec 2021 unemployment rate: 6.5%

Inflation

Inflation abates but still higher than pre-pandemic levels due to demand and supply imbalances

- Dec 2021: 7.0%
- Jan 2022: 7.5%
- Increase due to transportation & housing

Reserve Cap

- **Senate Bill 751 (Chapter 674, Statutes of 2017) set the threshold for triggering the cap on district reserves and the limits of how much school districts can maintain in their local reserves**

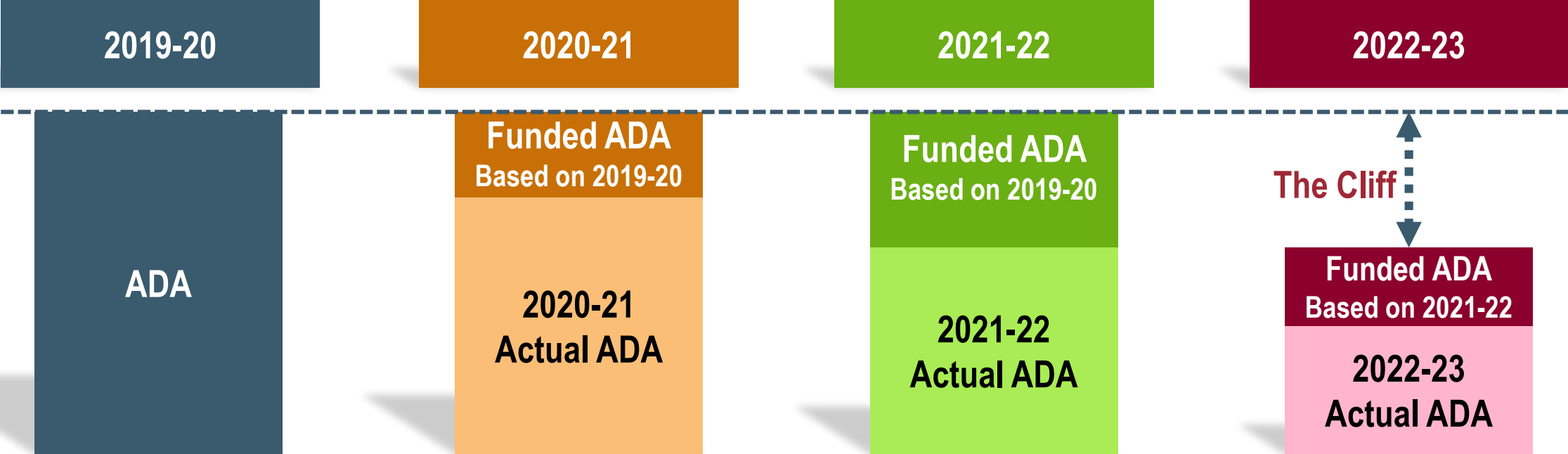
When the state reserve reaches 3% of the K-12 portion of Proposition 98 in that year

Caps district reserves at 10% using assigned/unassigned ending balance of General and Special Reserve Funds

Exempts basic aid districts and districts with fewer than 2,501 ADA

2022-23 ADA “Cliff”

- The ADA “Cliff” has been well-publicized and the subject of many discussions
- Good news—the Governor and Legislature are listening and hearing your collective voices



Financial Projection Dartboard at Second Interim

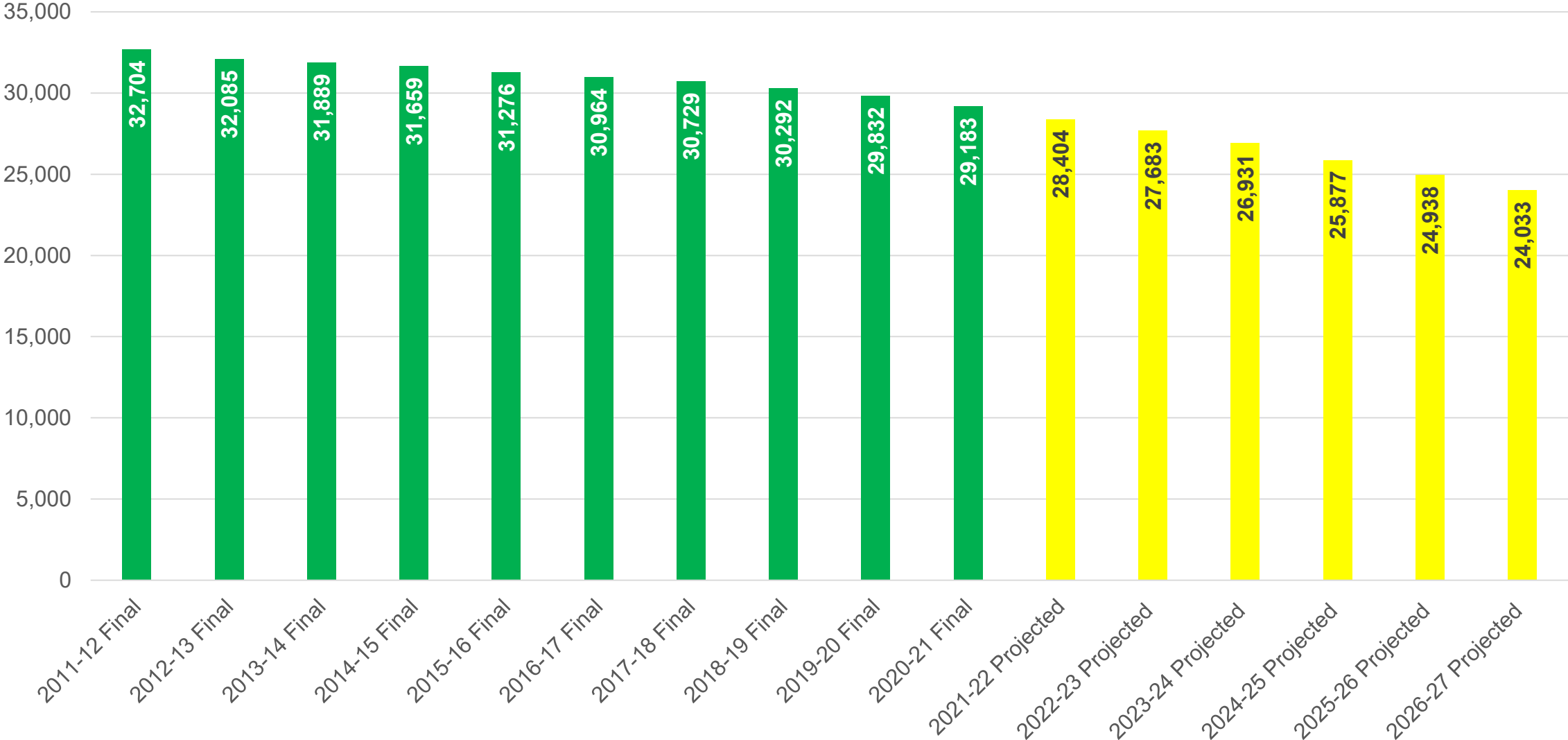
Planning Factors					
	2021-22	2022-23	2023-24	2024-25	2025-26
COLA	5.07%	5.33%*	3.61%	3.64%	3.62%
CalSTRS	16.92%	19.10%	19.10%	19.10%	19.10%
CalPERS**	22.91%	26.10%	27.10%	27.70%	27.80%
Unemployment Insurance	0.50%	0.50%	0.20%	0.20%	0.20%

*LAO estimate for 22-23 at 6.17% COLA

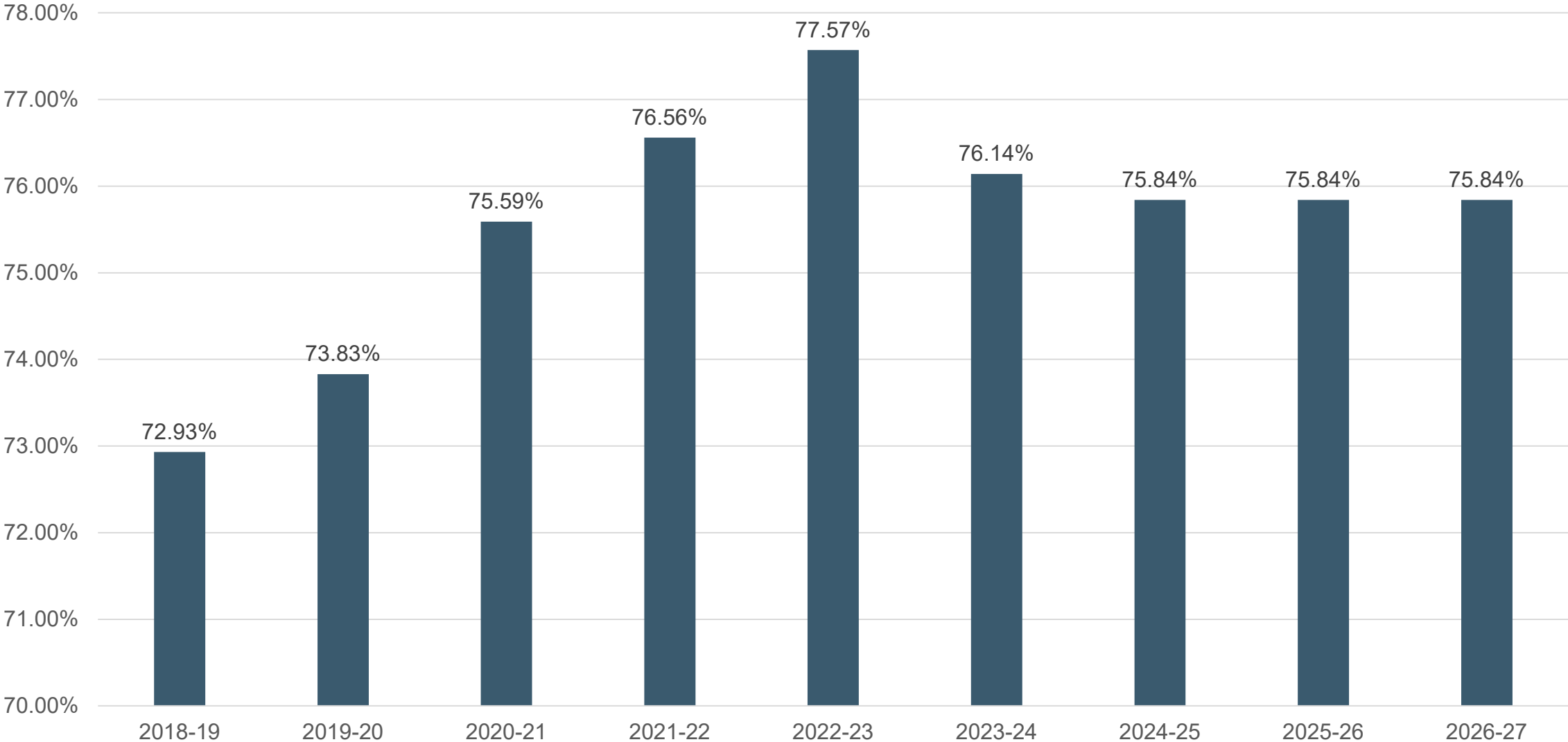
**CalPERS is projected to decrease to 25.2% in 22-23, 24.6% in 23-24, 24.6% in 24-25, 23.6% in 25-26 and 22.5% in 26-27 with addendum

- COLA is at higher levels
 - But so are the projected cost increases that are facing local educational agencies (LEAs)
- The journey the COLA has taken us on has been quite a wild ride

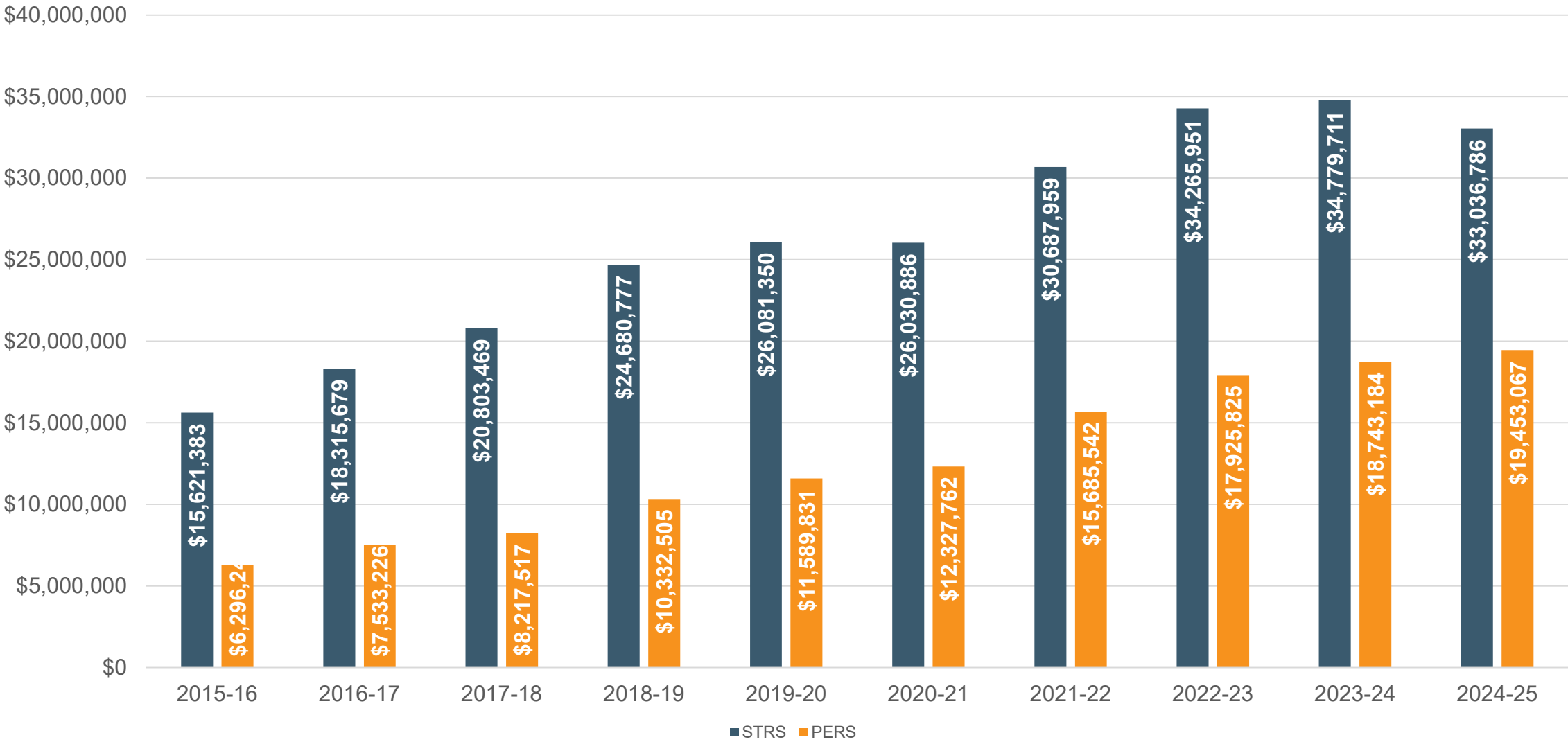
Enrollment Figures



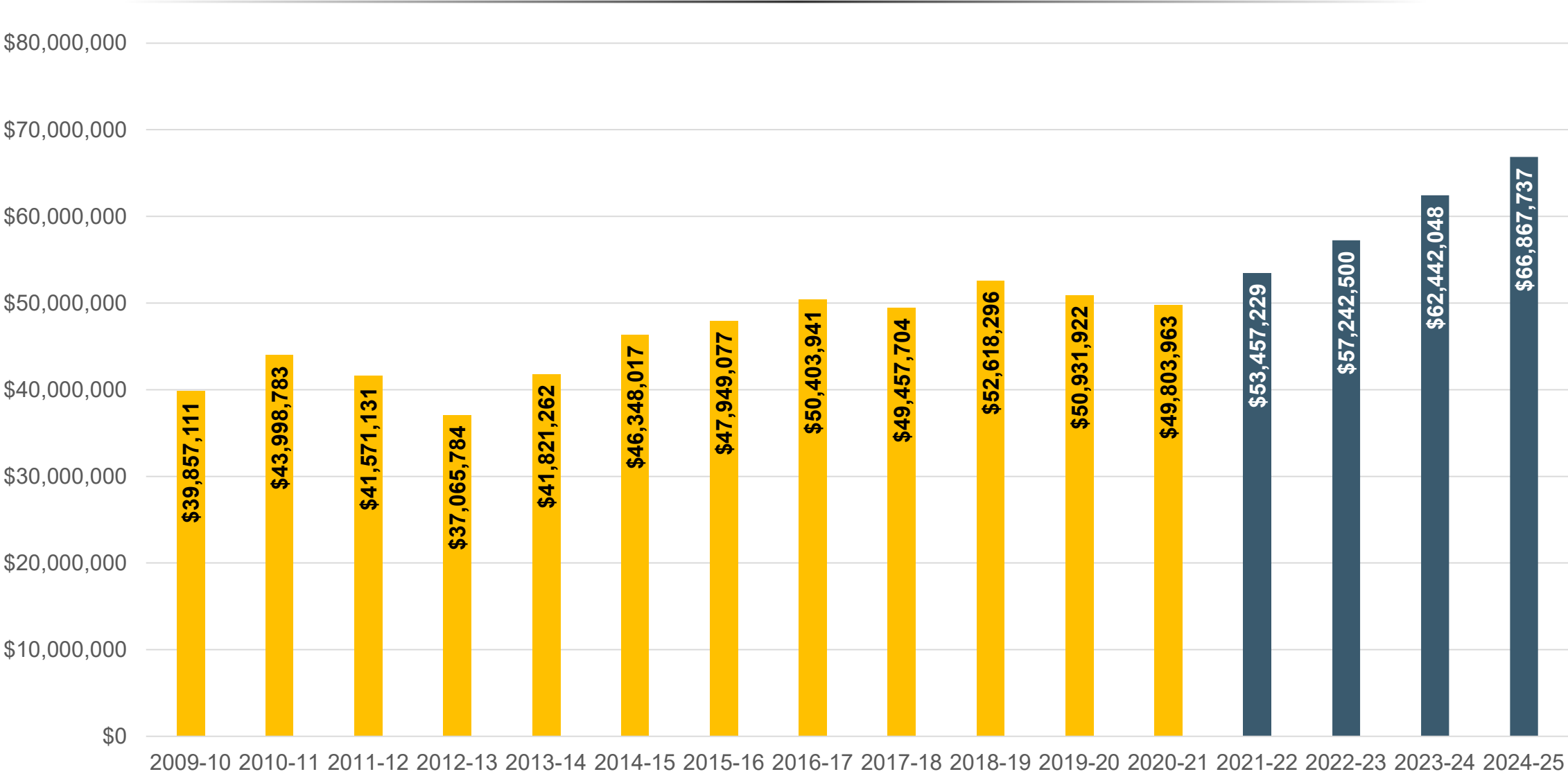
Unduplicated Pupil Count



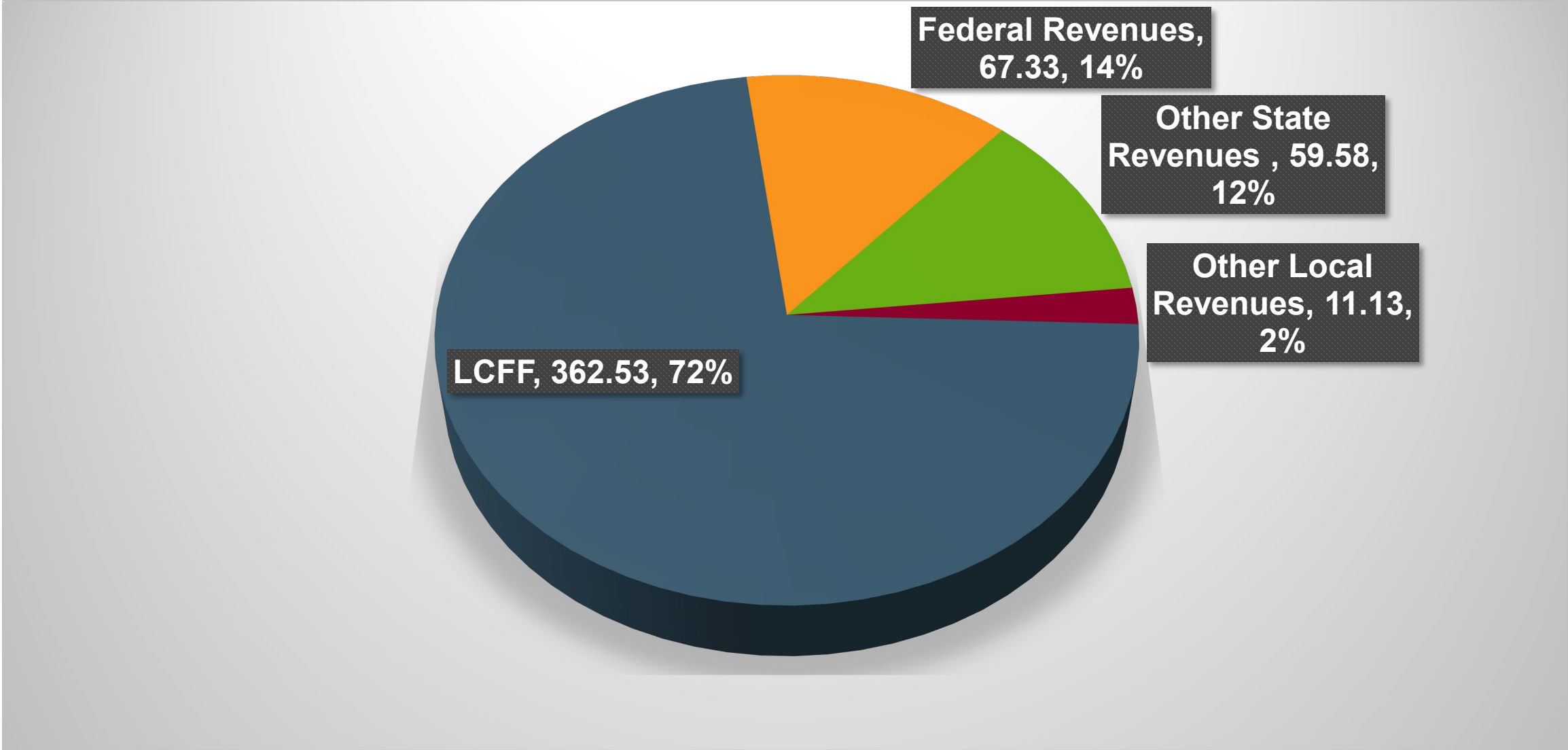
STRS/PERS District Contribution



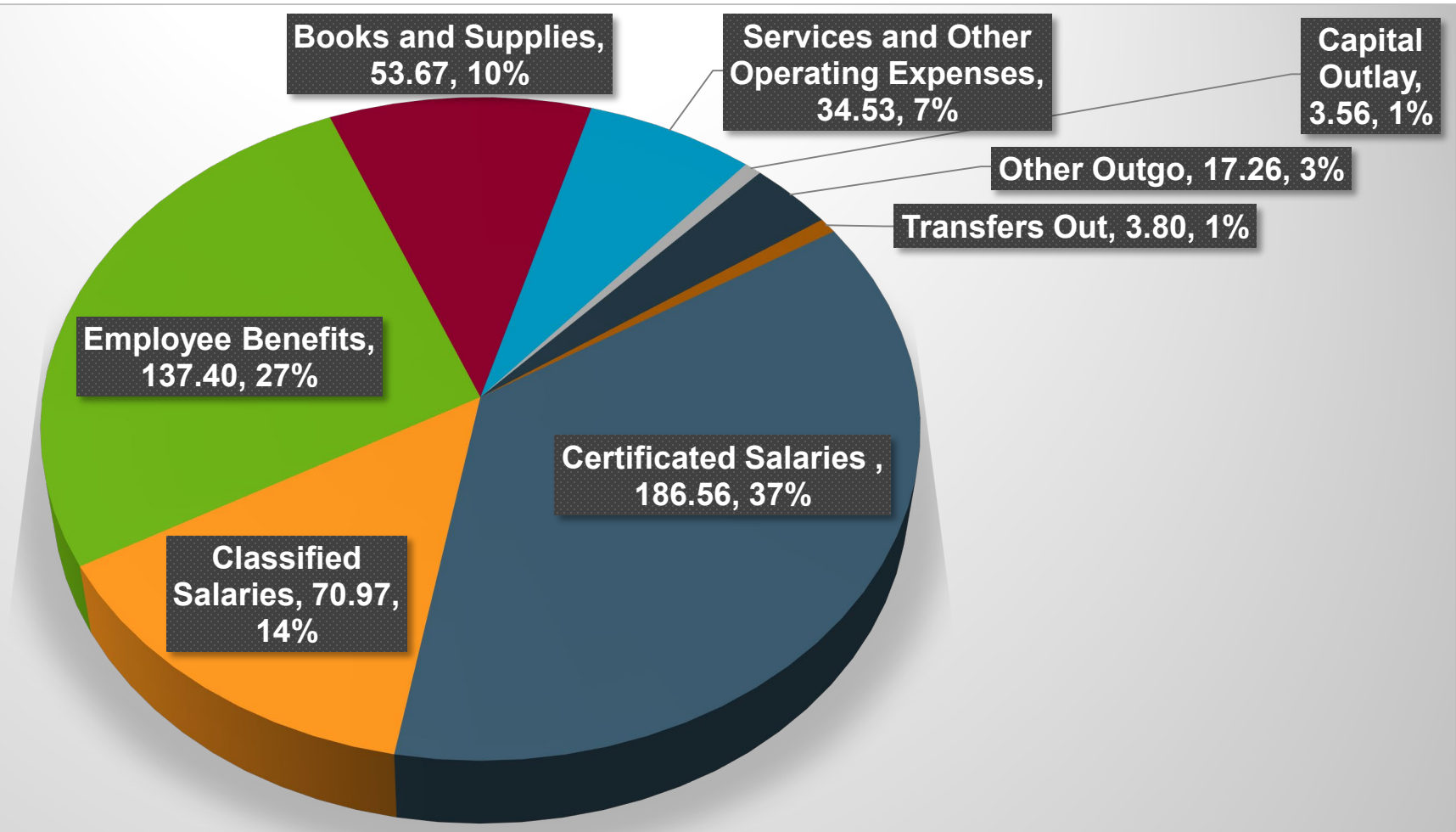
Health and Welfare District Contribution



2021-22 Second Interim General Fund Revenues (Amount Shown In Millions): \$500.56 Million



2021-22 Second Interim General Fund Total Expenditures (Amount Shown In Millions): \$507.75 Million



2021-22 Second Interim Multi-Year Projections

	Second Interim Budget	Projected 2022-23	Projected 2023-24	Projected 2024-25
Beginning Fund Balance	\$ 146,926,659	\$ 139,730,904	\$ 119,246,576	\$ 93,252,228
Audit Adjustment				
Fund Balance	\$ 146,926,659	\$ 139,730,904	\$ 119,246,576	\$ 93,252,228
Annual Revenues (includes other financial sources)	\$ 500,556,525	\$ 467,913,472	\$ 478,654,911	\$ 459,725,445
Annual Expenditures (includes other financing)	\$ 507,752,280	\$ 488,397,800	\$ 504,649,259	\$ 486,787,994
Change in Fund Balance	\$ (7,195,755)	\$ (20,484,328)	\$ (25,994,348)	\$ (27,062,549)
Projected Ending Fund Balance	\$ 139,730,904	\$ 119,246,576	\$ 93,252,228	\$ 66,189,679
I. Unavailable Reserves:				
1) Non Spendable				
a. Revolving Cash	\$ 155,000	\$ 155,000	\$ 155,000	\$ 155,000
b. Inventory	\$ 550,000	\$ 500,000	\$ 500,000	\$ 500,000
c. Prepaid Expenses	\$ -	\$ -	\$ -	\$ -
2) Restricted Balances	\$ 9,136,516	\$ 12,643,319	\$ 4,958,754	\$ 5,059,362
3) Other Commitments	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000
4) Assigned	\$ 27,110,946	\$ 23,580,212	\$ 24,017,856	\$ 185,000
II Total Unrestricted Fund Balance	\$ 72,778,442	\$ 52,368,045	\$ 33,620,618	\$ 30,290,317
1) Reserves for Economic Uncertainness (3%)	\$ 15,232,568	\$ 14,651,934	\$ 15,139,478	\$ 14,603,639
2) Available Reserves:	\$ 57,545,874	\$ 37,716,111	\$ 18,481,140	\$ 15,686,678
III Available Reserves (Unrestricted Funds)	11.33%	7.72%	3.66%	3.22%

Timelines

- **February 3**
 - **LCAP Supplement**
 - **A-G Improvement Grant**
- **March 3: 2021-22 Second Interim**
- **May Revise**
- **June 9: LCAP and Budget presentations**
- **June 16: Board adopts LCAP and Budget**

Questions