

CARRYOVER PRESENTATION

Committee of the Whole

November 30, 2021

Agenda

- Carryover 101
- Budget to Actual Variances
- Principal's Perspective
- Proposed Carryover Guidance
- 2022-23 Budget Calendar

What is carryover?

- The difference between budget and actual spending that carries forward from one fiscal year to the next in accordance with programmatic or District guidelines. The balance is then available in the following year's budget.

Current Carryover Practice

Which accounts carryover?

- Select Unrestricted General Fund programs managed by schools
 - General Fund School Program
 - Targeted Student Population Programs, including SENI
- Select Unrestricted General Fund programs managed by Local Districts and Communities of Schools (CoS)
- Donations and filming/non-filming proceeds

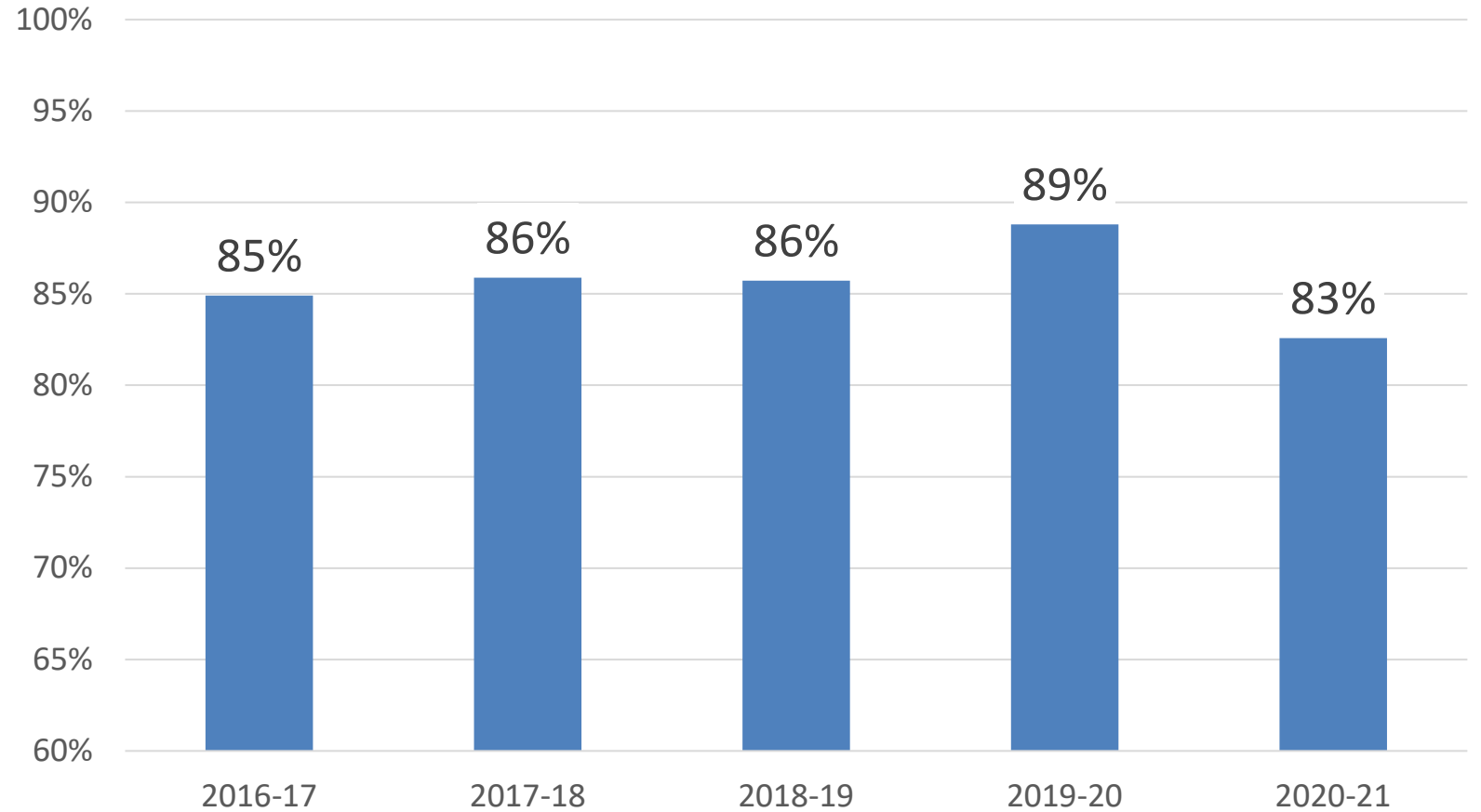
Current Carryover Practice

Which accounts *do not* carryover?

- Special Education Funds
- Title I, II, III and IV Funds
- COVID Relief Funds
- Cafeteria Funds
- Central Office Accounts

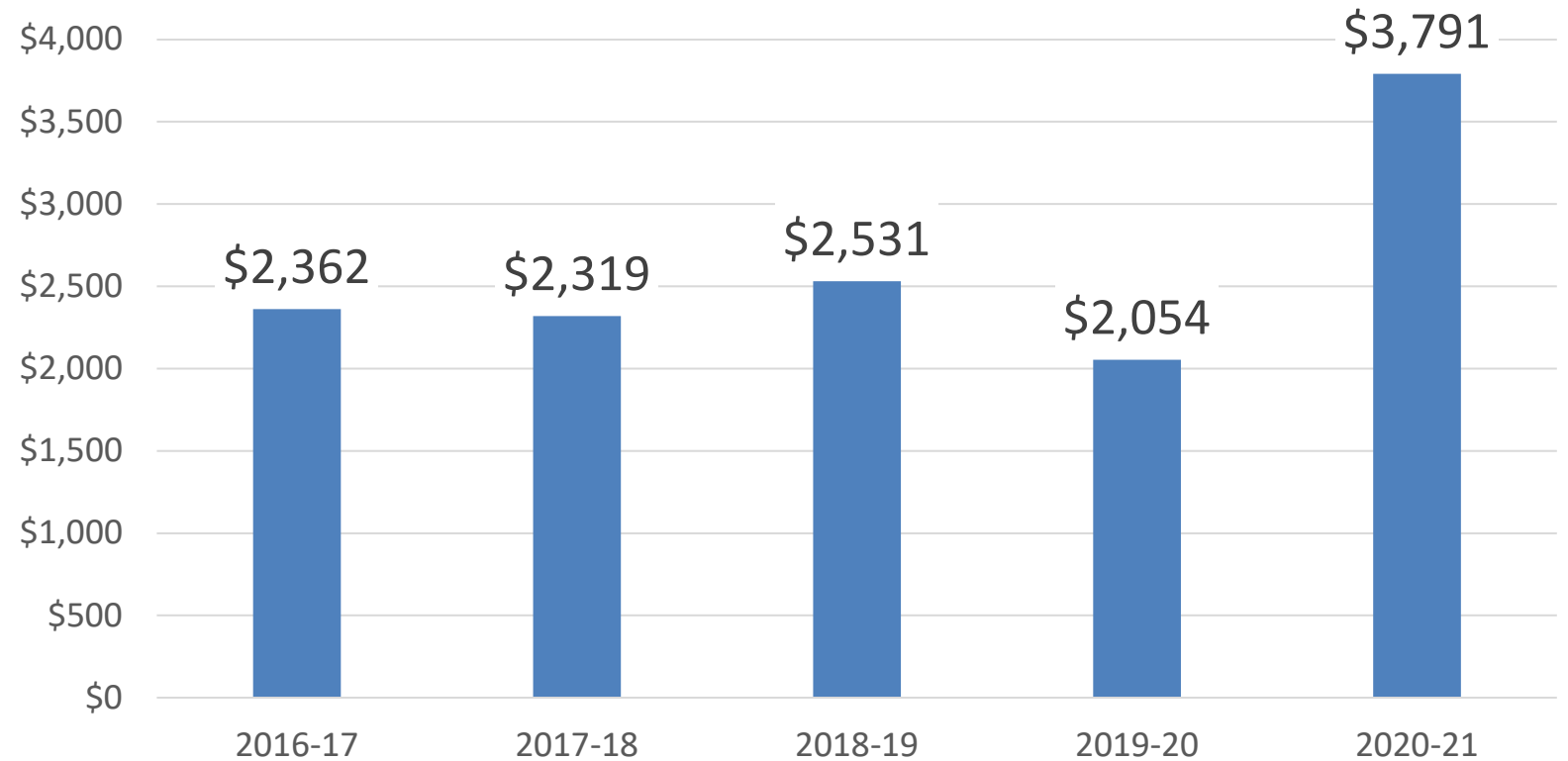
On average, the District Spends 86% of its General Fund Budget

Districtwide General Fund Spending, as a Percent of Budget



The Difference Between Budget and Actual Spending Averages about \$2,612 per student Districtwide

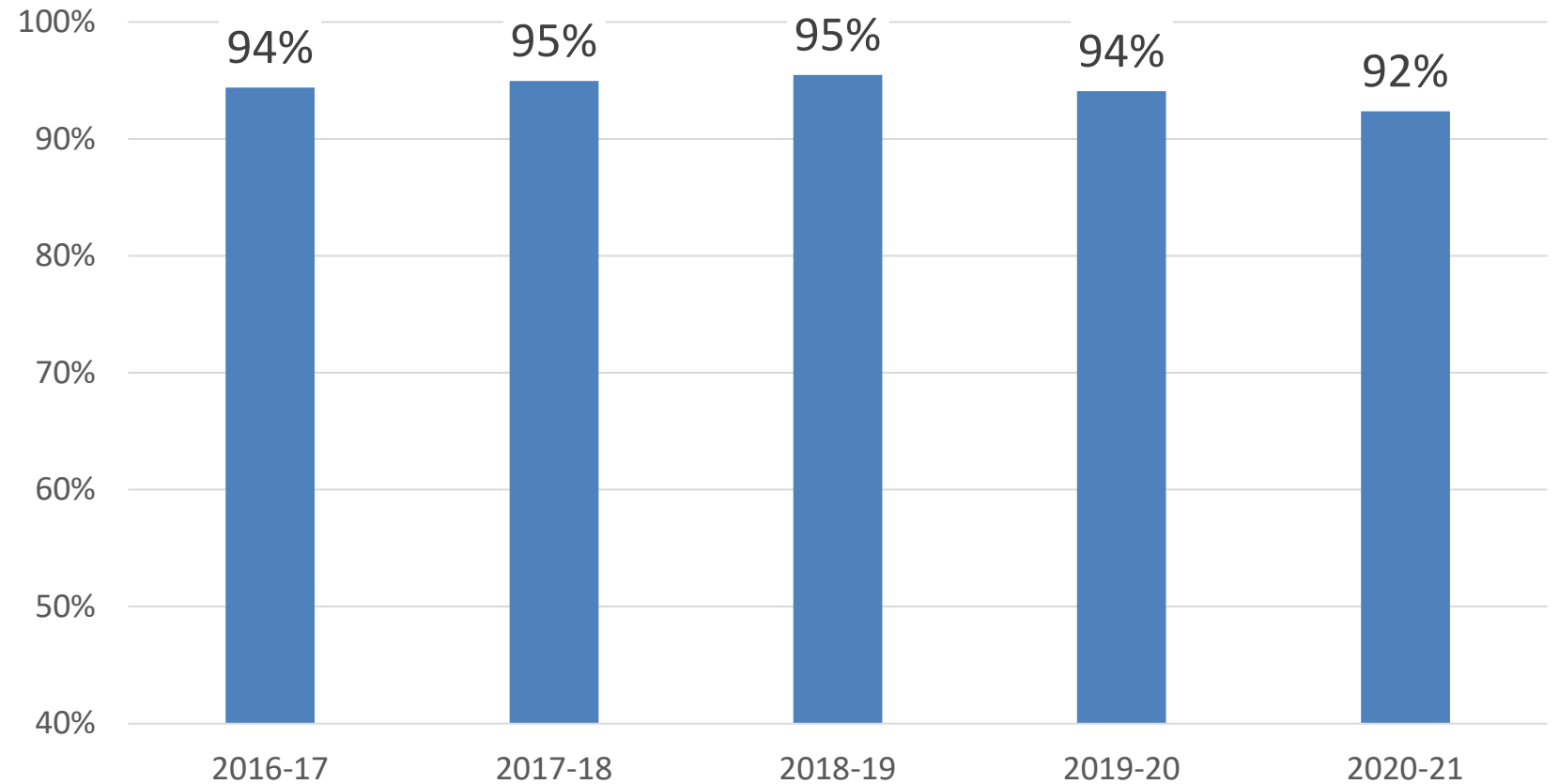
Difference Between General Fund Budget and Actual Spending Districtwide Per Student



Schools spend 94% of their General Fund Allocation on average.

This includes their Norm Allocations (Teachers, Administrators, Clerical, Et Al).

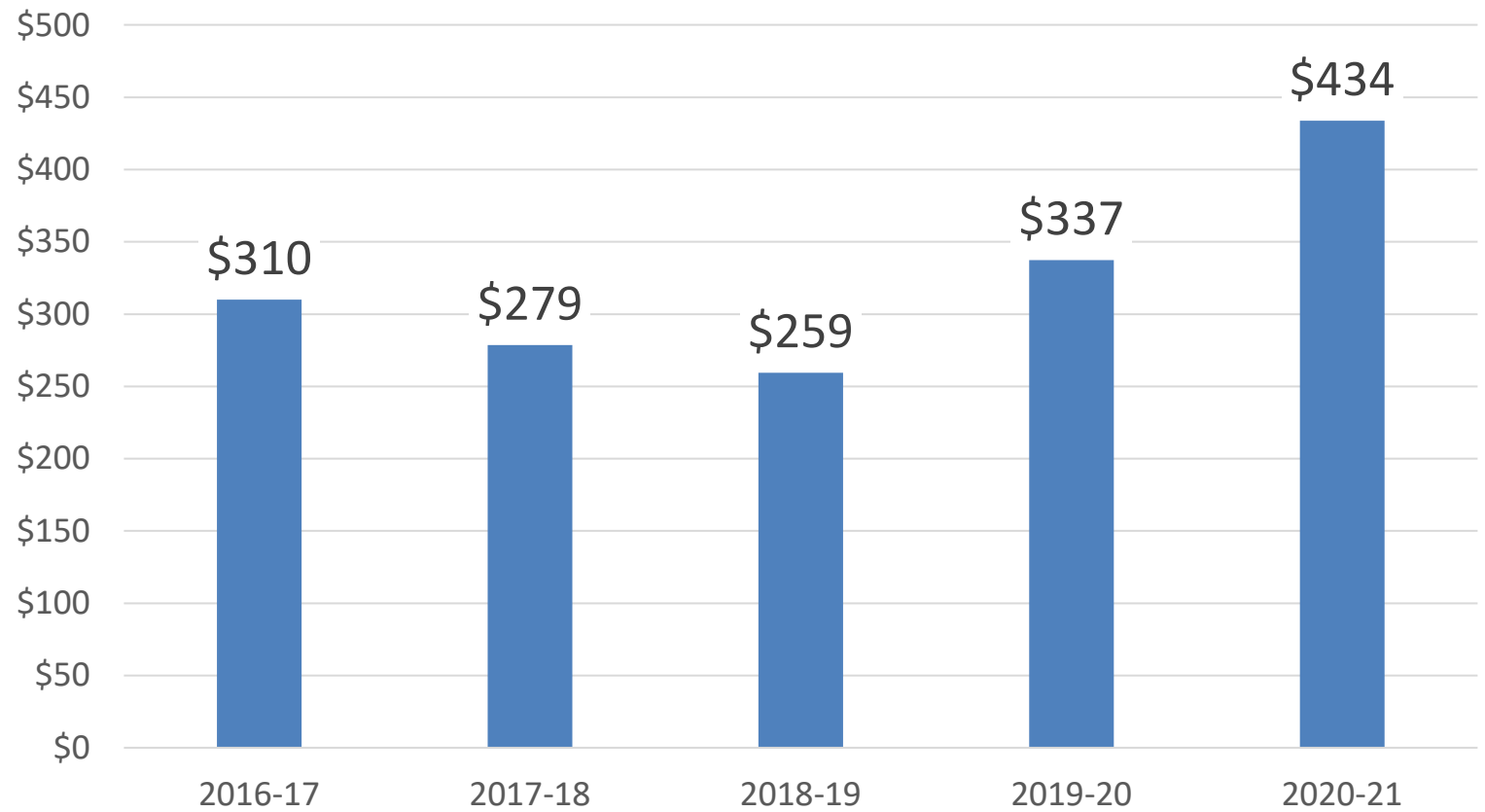
General Fund School Allocation Spending, as a Percentage of Budget



*Does not include COVID funds

The Difference Between Budget and Actual Spending Averages about \$324 per student under the General Fund School Allocation

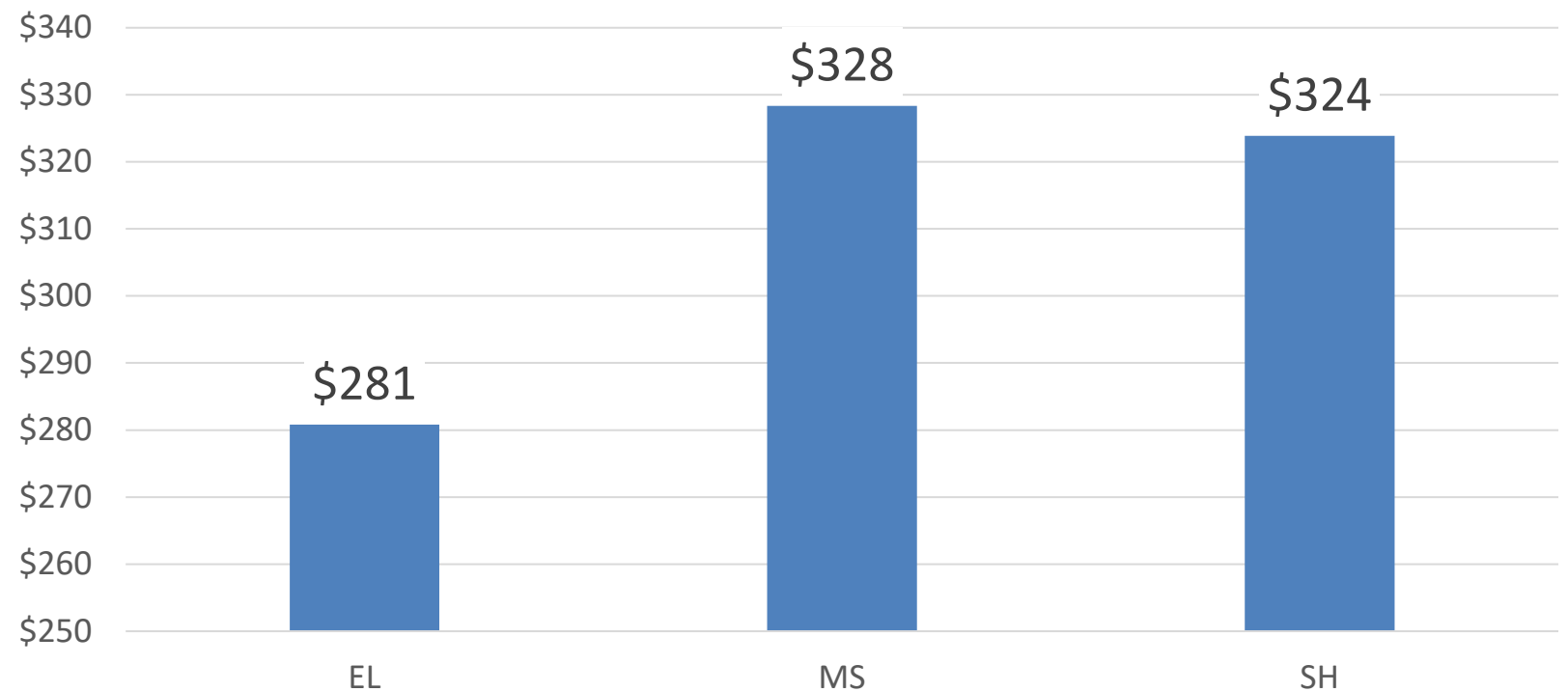
Difference Between Budget and Actual Spending Per Student, General Fund School Allocation



*Does not include COVID funds

The Difference
Between Budget to
Actual Spending Per
Student is Greater at
Secondary Schools

Difference Between Budget and Actual Spending Per Student, General Fund School Allocation, 5 Year Average by School Type



*Does not include COVID funds. Includes Fiscal Years 2016-17 to 2020-21

Spending as a Percentage of Budget for Other Programs

Program	Spending as a Percentage of Budget, 5-Year Average
SENI*	80%
Title I	89%
Special Education	99%

*Only three years of data is available (2018-19 to 2020-21).
5-year average is based on Fiscal Years 2016-17 to 2020-21

Why is there a variance between budget and actual spending?

Feedback from the field:

- To be able to continue or add essential positions in future years when they may not have enough funds. *Example: fund an additional Assistant Principal or itinerant position such as a PSA Counselor*
- To save funds for computer lab or other technology in future years
- To save funds for unexpected expenses
- Some schools may not have planned the use of all their funds
- Positions go unfilled

COVID resources lead to higher budget to actual variances

- COVID resources allocated to schools are abundant and bound to grant deadlines.
 - ESSER SENI
 - Black Student Achievement Plan (HEET)
 - Parent and Community Engagement
- Purchases initiated by central offices relieve individual school site purchases.
- Policies such as Hold Harmless in FY 2020-21 and No Displacement in FY 2021-22 allowed schools to retain more teachers, funded with COVID resources. In pre-pandemic years, schools used their resources to purchase teachers above the norm.
- The Path to Recovery Plan increased staffing for psychiatric social workers, navigators, and psychologists typically funded with school site resources.
- Staffing shortages of teachers, nurses, counselors, etc. lead to underspending in both COVID resources and General Fund programs.

Principal Perspective

Robin Polito – Arroyo Seco Museum Science Magnet



- Why does my school have carryover funds?
 - Good teacher attendance, which leads to underused substitute account
 - Unfilled positions such as Custodial and Teacher Assistants
 - District now funds items and positions not previously funded such as PSW, nurse, technology
 - I had previously purchased enough devices to create a one-to-one school and for replacements and upgrades; now the District provides

Principal Perspective

Robin Polito – Arroyo Seco Museum Science Magnet



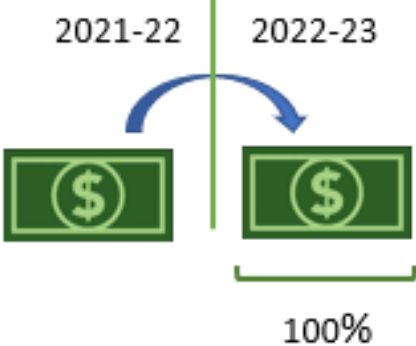
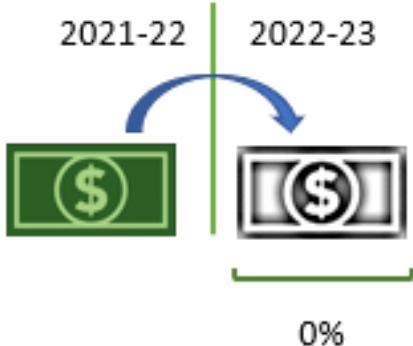
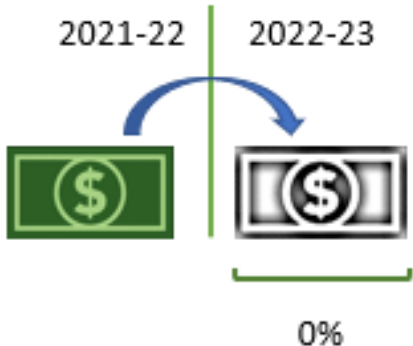
- Why does my school need carryover funds and what do we do with them?
 - Teacher Activity Differentials: We receive \$540 and it costs \$1,528 to fund just one teacher.
 - Contracts such as Inner-City Arts, enrich LA
 - We don't have an auditorium, multi-purpose room or gym; we rent Ramona Hall
 - Alterations & Improvement - flooring in the library, for example
 - Loss of a position (we were going to lose the MS PE teacher)
 - Incentive for teacher attendance (Wish List)

Proposed Carryover Guidance

- Schools develop a 3-year Strategic Carryover Plan
 - Outcome driven
 - Approved by Communities of Schools Administrators
 - Reviewed annually at budget development
- Schools will receive 100% of their carryover, of which 80% will be allocated in advance at budget development
 - Funds remain in pending distribution until strategic plan is approved
 - Remaining carryover balances are provided after the books are closed
- Chief Financial Officer (CFO) recommends actions on carryover balances
 - If any of the current or multi-year ending balances is negative at Interim Projections, the CFO shall make recommendations on the use of carryover.

Proposed Carryover Guidance

Carryover of Fiscal Year 2021-22 budget to actual variances to Fiscal Year 2022-23

School-managed Accounts	Other Funds Allocated to Schools	Central, Local District, and Communities of Schools Accounts
<p><i>Select School Accounts</i></p> 		<p><i>Select LD and CoS accounts may carry over</i></p> 

Budget Calendar

- First Interim – December 14, 2021
- ESSER
 - Quarterly Expenditure Report – week of January 3, 2022
 - Maintenance of Equity – timeline pending from CDE
- Governor's Proposed Budget – January 7, 2022
- Board Adoption of Carryover Policy and other fiscal policies – February 8, 2022
- School Allocations Released – February 11, 2022
- ESSER III Budget Check In – February 22, 2022
- Update to the 2021–22 LCAP – on or before February 28, 2022
- Second Interim – March 8, 2022
- May Revision – May 13, 2022
- LCAP/Budget Hearing – June 7, 2022
- LCAP/Budget Adoption – June 14, 2022



Thank you