

BUDGET REPORT



BOARD OF TRUSTEES
STUDY SESSION

DECEMBER 6, 2022

FIRST INTERIM

1923

GOVERNOR'S VS. MAY REVISION VS. ENACTED BUDGET



Item	Governor's January Proposal	May Revision	Enacted Budget
LCFF Funding Increase	\$3.3 billion	\$6.1 billion	\$8.9 billion
Discretionary Block Grant Funding	\$0	\$8 billion (\$1,500/ADA or \$14.6M)	\$3.6 billion (\$6,518,340)*
Learning Recovery Emergency Block Grant	\$0	\$0	\$7.9 billion (\$3,873,276)**
Ethnic Studies	\$0	\$0	\$263,232

* \$666.08 per ADA

** \$2,396.08 per ADA x 16.5% (Unduplicated Pupil %)



\$3.6 billion one-time

Distribution
Intend to distribute on a
per-pupil basis using
2021-22 P-2 ADA



Plan
Governing board must
discuss and approve plan
for expenditure of funds at
regularly scheduled public
meeting

Deadline
Encumber through the
2025-26 school year

Estimated allocation amounts
available in workshop resources

\$6,518,340 for FUHSD



ART, MUSIC, INSTRUCTIONAL MATERIALS DISCRETIONARY BLOCK GRANT



ALLOWABLE USES:

- Offset increased operational costs (ex. retirement/healthcare)
- COVID-19 mitigation
- Standards aligned professional development and instructional materials
- Support art and music education programs
- \$6,518,340 for FUHSD
- Must be spent by June 30, 2026



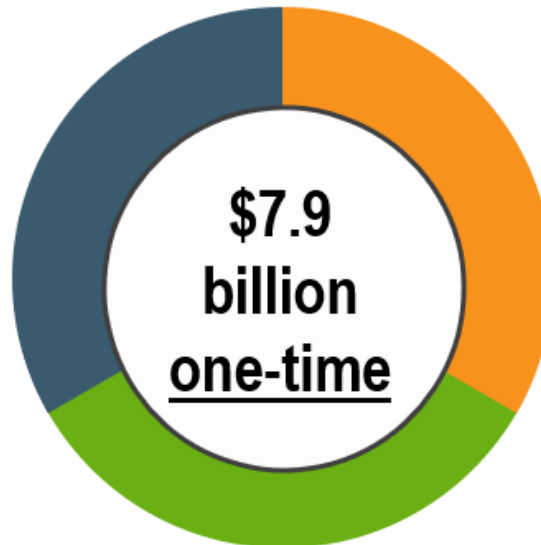
LEARNING RECOVERY EMERGENCY BLOCK GRANT



Assist school districts, county offices of education (COEs), and charter schools with long-term recovery from the COVID-19 pandemic

Distribution

Funds allocated based on 2021-22
Second Principal Apportionment (P-2)
ADA multiplied by 2021-22 UPP



Deadline

Funds may be used through
2027-28 school year

Reporting

- Must report interim expenditures to the California Department of Education (CDE) by December 1, 2024, and December 1, 2027
- Must submit a final report on expenditures by December 1, 2029

Estimated allocation amounts
available in workshop resources

\$3,873,276 for FUHSD



ALLOWABLE USES:

- Purpose is to assist districts with long term recovery from the pandemic
- \$3,873,276 for FUHSD
- Must be spent by 2027-2028 fiscal year



ONE-TIME ETHNIC STUDIES FUNDS



- Purpose is to support curriculum and instructional development
- Support the creation or expansion of Ethnic Studies course offering
- \$263,232 for FUHSD
- No deadline for expending funds



PROPOSITION 28 -ARTS AND MUSIC EDUCATION FUNDING



- Proposition 28 was one of three statewide ballot measures that California voters approved at the November 5, 2022 Midterm Election
- Beginning with the 2023-24 fiscal year, Proposition 28 requires the state to provide additional funding to increase arts instruction and/or arts programs in public schools
- Community-funded districts will benefit in the same manner as state-funded districts



PROPOSITION 28 -ARTS AND MUSIC EDUCATION FUNDING



- The Proposition requires at least 80% of the funding to be used to hire staff
- Proposition 28 includes a supplement not supplant provision.
- This is approximately \$1.1 million for FUHSD



- Develop multi-year budget/plan for use of block grants, including a plan for Proposition 28, Arts and Music Education Funding
- Revise budget – 2nd Interim, March 14, 2023



SUMMARY OF CHANGES SINCE ADOPTION



REVENUE:

- Property Tax Growth: increase of 4.77% (since Adoption)
- One-Time Funding: Discretionary Block Grant
 - Decrease of \$4.2M
 - Adjusted from Unrestricted to Restricted

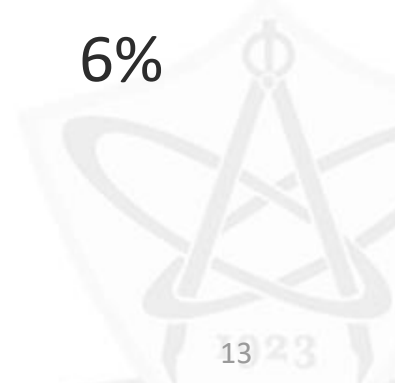
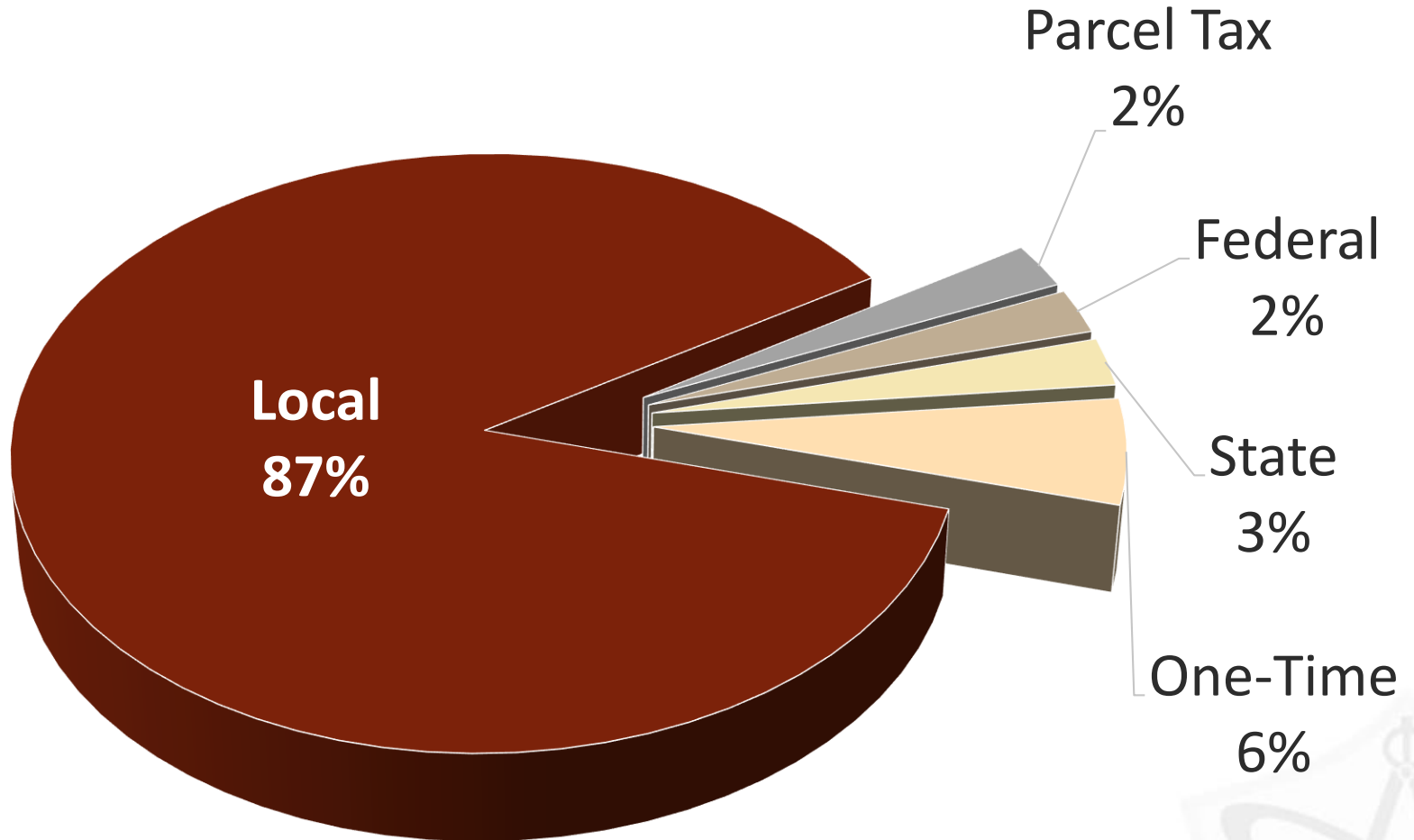
EXPENDITURES:

- Salary = Increase \$1.6M due to one-time Look Back
- Worker's Comp rate = 1.521% (increase of 0.117%)
- CSEA & FMA Health insurance cap increased to \$1,052.11 from \$995.43/FTE/month
- Contribution to SpEd = Increase \$630K
- Teaching FTE decrease of 6 FTE
- Contribution to Nutrition Services Fund = Decrease \$1.18M

ASSUMPTIONS FOR FIRST INTERIM:

- Local Property Tax = 6.59% increase
- Parcel Tax = \$5.2M
- Guaranteed State Aid = \$1.45M
- Mandated Block Grant = \$657K
- Prop. 55 = \$1.95M
- Lottery Unrestricted = \$1.66M
- Due to Charter Schools in Lieu of Property Tax = \$1.5M
- State Special Education Base Rate = \$820 per ADA
- One-Time Discretionary Block Grant = \$10.4M

GENERAL FUND REVENUE



ADOPTED TO FIRST INTERIM

Description	2022-23 Adopted	2022-23 1 st Interim	Change
Secured	154,601,680	162,964,000	8,362,320
Unsecured	8,328,000	7,891,000	-437,000
RDA	3,690,706	3,704,849	14,143
Total	166,620,386	174,559,849	7,939,463

LOCAL PROPERTY TAXES



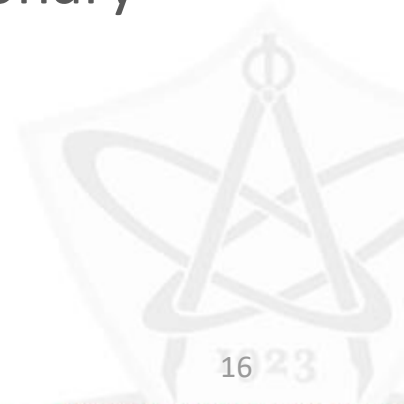
3-YEAR SUMMARY: 20-21 TO 22-23

Description	2020-21 Actual	2021-22 Actual	2022-23 1 st Interim
Secured	143,665,335	151,714,487	162,964,000
Unsecured	8,957,885	8,327,649	7,891,000
RDA	2,720,436	3,727,801	3,704,849
Total	155,343,656	163,769,937	174,559,849
Growth	7.12%	5.42%	6.59%



ASSUMPTIONS FOR FIRST INTERIM:

- Step and Col. = 1.5% for all three groups
- CSEA and FMA Health insurance cap increased from \$995.43 to \$1,052.11
- FEA Health insurance increased 6% for 22-23
- Statutory Benefits: Certificated 22.91%, Classified Classic 42.89%, Classified PEPRA 35.38%
- No expenditures budgeted for One-Time Discretionary Block Grant

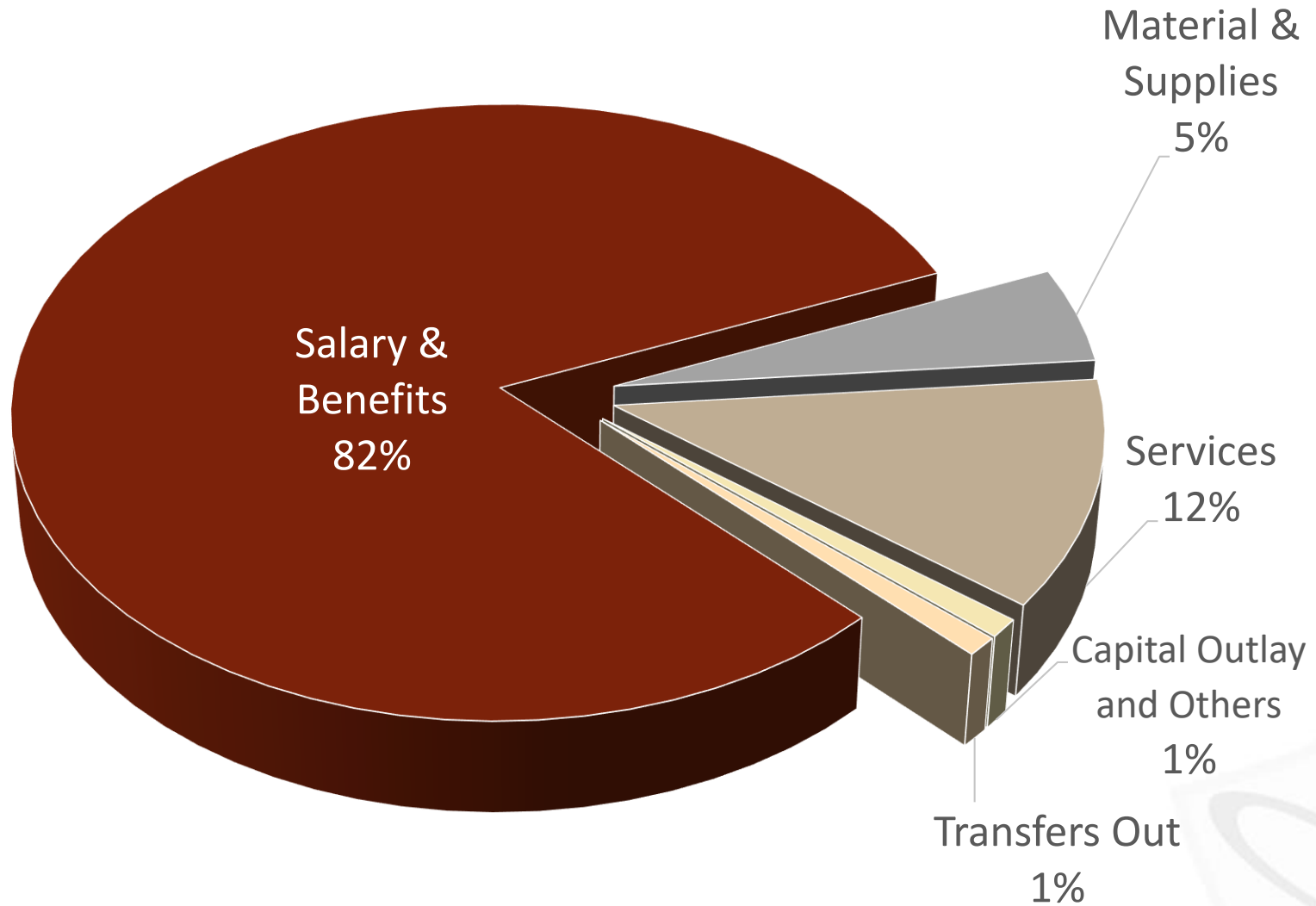


STATUTORY BENEFIT RATES (%)

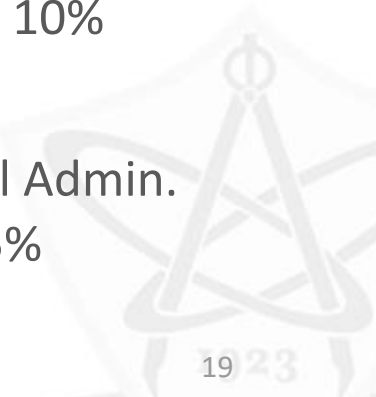
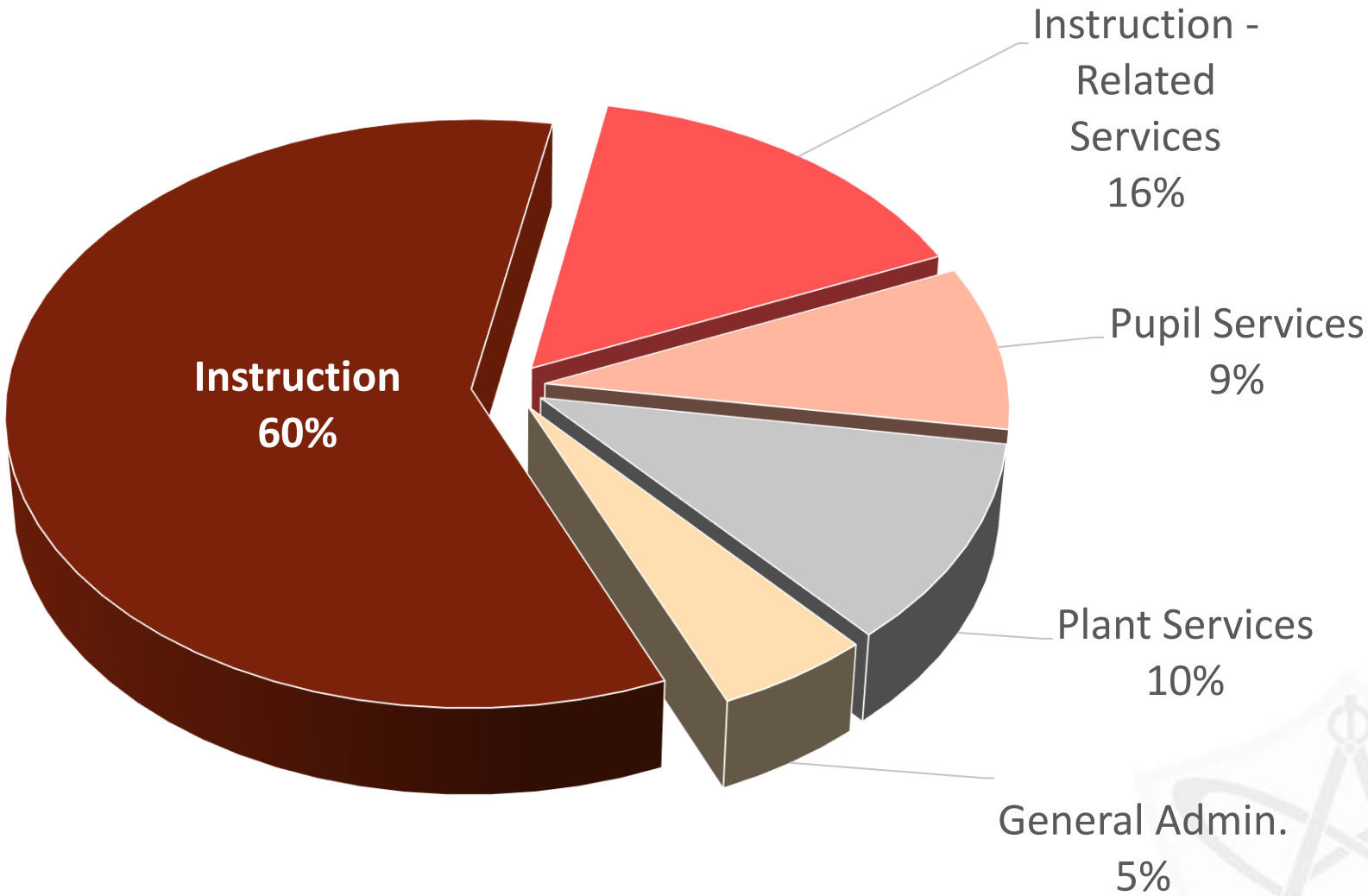


Benefit	Cert.	Classic	PEPRA
STRS – Employer	19.10		
Unemployment Ins.	0.50	0.50	0.50
Workers Comp. (+0.12% from 21-22)	1.52	1.52	1.52
Medicare Ins.	1.45	1.45	1.45
Income Protection	0.34	0.36	0.34
OASDI – Disability		6.20	6.20
PERS – Employer		25.37	25.37
PERS – Employee		7.49	
Total Statutory	22.91%	42.89%	35.38%

GENERAL FUND EXPENDITURE



GENERAL FUND EXPENDITURES BY FUNCTION



EXPENDITURES BY FUNCTION



INSTRUCTION

Total Cost of Instructional Staff

Supplies, Materials, & All Other Costs

INSTRUCTIONAL RELATED SERVICES

Instructional Supervision & Admin.

Curriculum Development

Instructional Staff Development

Library, Media & Technology

PUPIL SERVICES

Guidance and Counseling Services

Psychological Services

Attendance and Social Work Services

Health Services

Speech Pathology Services

Pupil Testing Services

Pupil Transportation

GENERAL ADMINISTRATION

Board and Superintendent

Public Information

Fiscal Services

Personnel/Human Resources

Purchasing

Printing, Publishing and Duplicating

Data Processing Services

ENROLLMENT CHANGES SINCE ADOPTION



PROJECTED AND ACTUAL ENROLLMENT 2022-23

SCHOOL	PROJECTED	ACTUAL	CHANGE
FREMONT	2,145	2,152	7
HOMESTEAD	2,236	2,309	73
MONTA VISTA	1,748	1,747	-1
CUPERTINO	1,947	1,980	33
LYNBROOK	1,704	1,723	19
COMM. DAY	7	8	1
DISTRICT	9,787	9,919	132

UTILITIES EXPENDITURES



3-YEAR SUMMARY: 20-21 to 22-23

Description	2020-21 Actual	2021-22 Actual	2022-23 1 st Interim
Electricity	1,175,789	1,717,982	1,875,500
Gas	676,941	1,318,185	1,336,065
Water/Sewage	619,493	745,650	671,179
All Other*	270,744	337,278	347,680
Total	2,742,967	4,119,095	4,230,424

*All Other includes Waste Disposal and Security

SPECIAL EDUCATION CONTRIBUTION



ADOPTED TO FIRST INTERIM

Description	2022-23 Adopted	2022-23 1 st Interim	Change
Federal Rev.	3,169,005	2,982,862	-186,144
Local/State Rev.	7,573,305	7,786,820	213,515
Total Revenue	10,742,310	10,769,682	27,372
Salaries	22,758,517	23,041,055	282,538
Benefits	10,181,551	10,449,085	267,534
All Other	11,500,833	11,607,821	106,988
Total Exp. & Reserve	44,440,901	45,097,961	657,060
GF Contribution	33,698,591	34,328,279	629,688
Prop 55 Contribution	54,997	54,997	0

SPECIAL EDUCATION CONTRIBUTION



3-YEAR SUMMARY: 2020-2021 to 2022-2023

Description	2020-21	2021-22	2022-23
	Actual	Actual	1 st Interim
Federal Rev.	2,248,122	2,526,838	2,982,862
Local/State Rev.	5,031,336	6,651,281	7,786,820
Total Revenue	7,279,458	9,178,119	10,769,682
Salaries	20,159,820	21,817,522	23,041,055
Benefits	8,400,711	9,305,865	10,575,855
All Other*	8,293,474	10,063,331	11,481,051
Total Exp. & Reserve	36,854,005	41,186,718	45,097,961
GF Contribution	29,497,267	32,536,141	34,328,279
Prop 55 Contribution	77,280	68,746	54,997

*Includes Special Ed Transportation and Non Public School

CHANGES SINCE ADOPTION

REVENUE

- Federal funding: Increase in allocation \$42.6K
- State funding: Increase in allocation \$38.5K
- Local: Decrease in enrollment \$5K due to decrease in classes

EXPENDITURES

- Reduction in hourly teachers
- CSEA/FMA: 1.5% step/column increase
- Increase technology support for students
- Conferences and landscaping at new preschool site



ADOPTED TO FIRST INTERIM

Description	2022-23 Adopted	2022-23 1 st Interim	Change
Other State Revenue	3,298,275	3,336,793	38,518
STRS/PERS on-Behalf	146,386	122,436	(23,950)
Other Local (Fees)	740,550	739,519	(1,031)
Federal/Grants	449,757	492,445	42,688
Total Revenue	4,634,968	4,691,193	56,225
Salaries	2,890,807	2,794,165	(96,642)
Benefits	1,011,353	1,007,782	(3,571)
STRS/PERS on-Behalf	146,386	122,436	(23,950)
All Other Expenses	608,094	694,985	86,891
Total Expenses	4,656,640	4,619,368	(37,272)

ADULT EDUCATION (FUND 11)



3-YEAR SUMMARY: 20-21 to 22-23

Description	2020-21	2021-22	2022-23
	Actual	Actual	1st Int
Beginning Balance	1,161,540	1,310,005	1,248,678
Other State Revenue	3,009,800	3,131,372	3,336,793
STRS/PERS on-Behalf	111,203	138,199	122,436
Other Local (Fee Based)	568,945	746,010	739,519
Federal Revenue	517,080	449,757	492,445
Total Revenue	4,207,028	4,465,338	4,691,193
Salaries	2,559,084	2,804,608	2,794,165
Benefits	847,409	980,206	1,007,782
STRS/PERS on-Behalf	111,203	138,199	122,436
All Other Expenses	540,867	603,652	694,985
Total Expenses	4,058,563	4,526,665	4,619,368
Ending Balance	1,310,005	1,248,678	1,320,503



REVENUE

- Continued Increases in Revenue and shift from Federal to State
 - Increased reimbursement rates
 - Student participation continues to increase despite enrollment decreases
- One-Time State Funding to support Supply Chain Issues = \$240K
- Projected **Elimination** of General Fund Contribution to support the Nutrition Services Program.



EXPENDITURES

- Step and Col. increased by 1.5%
- Increase in food and paper costs due to inflation
- Equipment purchases to meet ongoing demand



NUTRITION SERVICES (FUND 13)



ADOPTED TO FIRST INTERIM

Description	2022-23 Adoption	2022-23 1st Interim	Change
Federal Revenue	886,394	1,449,255	562,861
State Revenue	3,226,926	4,339,602	1,112,676
Local Revenue	173,900	173,900	0
Total Revenue	4,287,220	5,962,757	1,675,537
Salaries	2,134,260	2,277,116	142,856
Benefits	943,683	960,254	16,571
All Other	2,456,465	2,712,732	256,267
Total Expenses	5,534,408	5,950,102	415,694
GF Contribution	1,178,938	0	-1,178,938



3-YEAR SUMMARY: 20-21 TO 22-23

Description	2020-21 Actual	2021-22 Actual	2022-23 1st Interim
Federal Revenue	1,737,279	4,548,161	1,449,255
State Revenue	325,768	324,083	4,339,602
Local Revenue	32,239	85,030	173,900
Total Revenue	2,095,286	4,957,274	5,962,757
Salaries	1,711,041	2,060,710	2,277,116
Benefits	757,271	843,463	960,254
All Other	690,337	2,178,309	2,712,732
Total Expenses	3,158,649	5,082,482	5,950,102
GF Contribution	1,212,349	213,947	0

MULTI-YEAR



2022-2023

TO

2024-2025

PROJECTIONS



MULTI-YEAR REVENUE ASSUMPTIONS



- Local Property Taxes
 - 22-23 = 6.59% growth
 - 23-24 & 24-25 = 2.0% growth
- Parcel Tax = \$5.2M annual
- Guaranteed State Aid = \$1.45M annual
- Mandated Block Grant = \$657K annual
- Prop. 55 = \$1.95M annual
- Lottery Unrestricted = \$1.66M annual
- Due to Charter Schools = \$1.52M annual
- One-Time Discretionary Block Grant:
 - 22-23 = \$10.4M
 - 23-24 & 24-25 = \$0



MULTI-YEAR EXPENDITURE ASSUMPTIONS



Salary Schedules = no change for all groups

Step & Column = 1.5% per year for all groups

Staffing Changes for FEA

- 2022-23 = decrease 10 FTE
- 2023-24 = decrease 24 FTE
- 2024-25 = decrease 13 FTE

Health & Welfare

- FEA = increase 6% annual
- CAP = \$1,052.11 monthly for CSEA and FMA

Contribution = increase 5% each year (includes SpEd, RRMA, Transportation)

CaSTRS CONTRIBUTION RATES



Year	Employer %	Employee PEPRA %	Employee Classic %
2020-21	16.150	10.205	10.25
2021-22	16.920	10.205	10.25
2022-23	19.100	10.205	10.25
2023-24	19.100	10.205	10.25
2024-25	19.100	10.205	10.25

CalPERS CONTRIBUTION RATES



Year	Employer %	Employee PEPRA %	Employee Classic %
2020-21	20.700	7.0	7.0
2021-22	22.910	7.0	7.0
2022-23	25.370	8.0	7.0
2023-24	25.200	8.0	7.0
2024-25	24.600	8.0	7.0

Post-PEPRA members hired on or after 1/1/13 will see 1% increase to their current contribution of 7%.

MULTI-YEAR REVENUE



Unrestricted GF[#]	2022-23	2023-24	2024-25
LCFF Revenue*	174.48	177.97	181.54
State Revenue**	2.32	2.32	2.32
Parcel Tax	5.17	5.17	5.17
Other Local***	0.16	0.16	0.16
Other Fin. Sources	0	0	0
Contribution	-38.58	-40.51	-42.53
Total	143.55	145.10	146.65

In millions

* Included: Property Taxes, EPA, GSA

** Included: MCB, Lottery

*** Included: Interest, Fees, Leases

MULTI-YEAR EXPENDITURES



Unrestricted GF	2022-23	2023-24	2024-25
Salary + Benefits	120.53	120.42	122.36
Supplies & Other	16.34	17.88	19.46
*Other Financing Uses	1.71	2.89	2.89
Total	138.58	141.19	144.71

*Transfer to Self Insurance Fund and Nutrition Services



MULTI-YEAR PROJECTIONS



Unrestricted GF	2022-23	2023-24	2024-25
Beginning Fund Balance	26.03	30.99	34.91
Plus Total Revenue & Other Financing Sources	143.53	145.10	146.65
Less Total Expenditures & Other Financing Uses	138.58	141.19	144.71
Less Reserve for Economic Uncertainties	20.54	20.95	21.60
Less Committed/Assigned	1.61	1.61	1.61
Net Shortfall/Surplus	8.83	12.34	13.64

KEY BUDGET DEADLINES 2022-23



BUDGET ITEM	DATE
Budget/LCAP Public Hearing	June 21, 2022
Adopted Budget Approval	June 23, 2022
First Interim	December 6, 2022
Calculation of RSP	February of 2023
Enrollment Projections	February of 2023
Second Interim	March 14, 2023
Site Budget Allocations	May of 2023
Unaudited Actuals	September 15, 2023
Final Audit Report	December 15, 2023

Certification:

Positive Certification

The District *will* meet its financial obligations for the current year, and the two subsequent fiscal years.

