

BUDGET REPORT



BOARD OF TRUSTEES
STUDY SESSION

JUNE 13, 2023

BUDGET ADOPTION





Changes since January Proposed Budget

- May Revision - \$1.1B lower than in January
- Statutory COLA – 8.22% (was 8.13%)
- Art, Music, and Instructional Materials Discretionary Block Grant - \$1.8B reduction (was \$1.2 billion)
- Learning Recovery Emergency Block Grant - \$2.5B reduction (new)



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~~ / ~~\$4,302,104~~ / \$3,187,000 for FUHSD
- Must be spent by June 30, 2026



Learning Recovery Emergency Block Grant

- Purpose is to assist districts with long-term recovery from the pandemic
- ~~\$3,873,276~~ \$2,628,000 for FUHSD
- Must be spent by 2027-2028 fiscal year

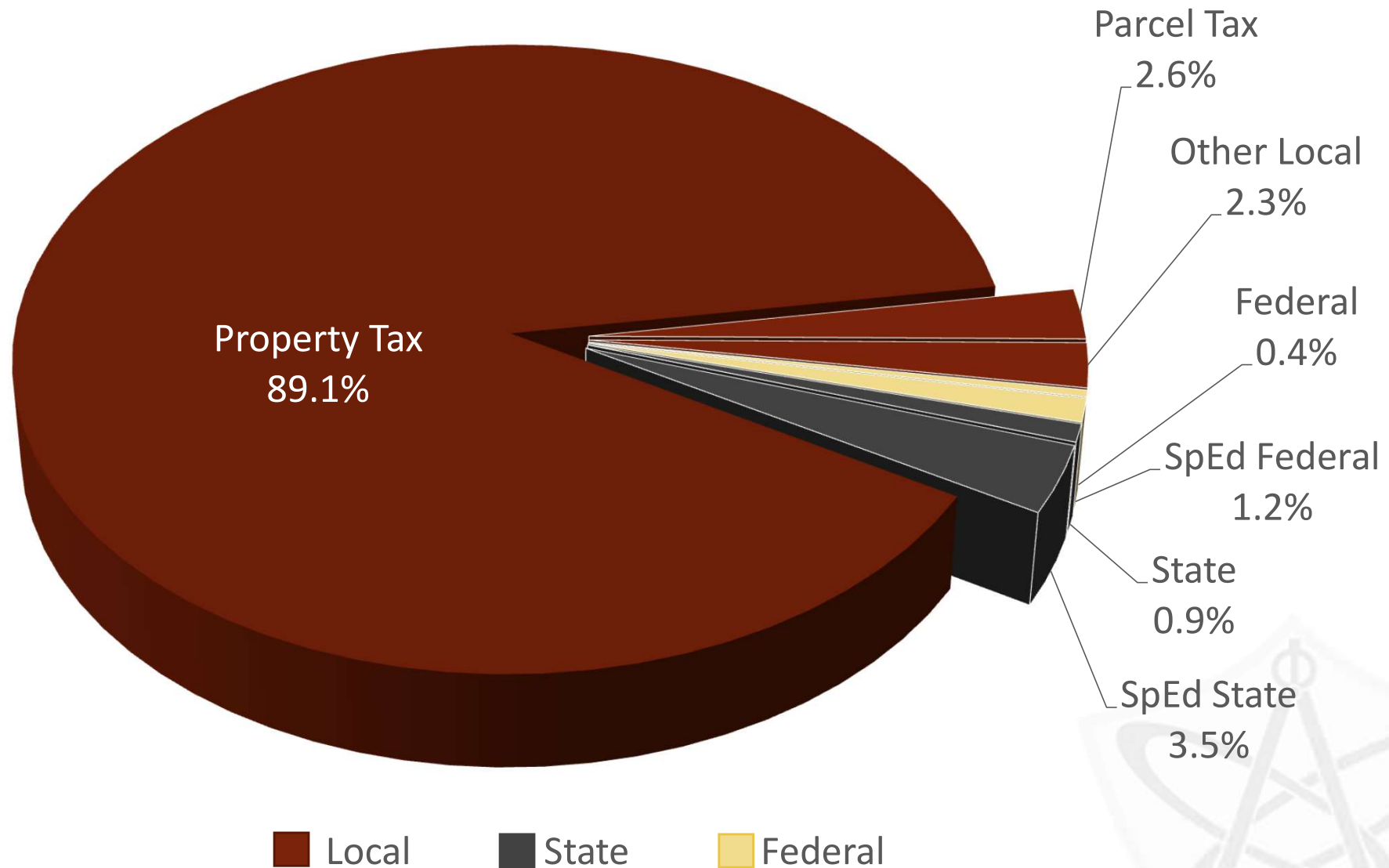


GENERAL FUND REVENUE ASSUMPTIONS



- Secured Local Property Tax Growth = 2%
- Parcel Tax = \$5.2M (ends 2030)
- Guaranteed State Aid = \$1.45M
- Mandated Block Grant Ongoing = \$657K
- Prop. 55 = \$2M (ends 2030)
- Lottery Unrestricted = \$1.59M
- Due to Charter Schools in Lieu of Property Tax = \$600K
- Prop 28 Funding not included in Budget per County guidance (estimated at \$1.2M)

GENERAL FUND REVENUE



*Excludes STRS on Behalf

LOCAL PROPERTY TAXES



3-Year Summary: 2021-2022 to 2023-2024

Description	2021-22 Actual	2022-23 Est. Actual	2023-24 Adopted
Secured	151,714,487	163,672,000	166,945,720
Unsecured	8,327,649	9,007,000	9,007,000
RDA	3,727,801	3,809,995	3,809,995
Total	163,769,937	176,488,995	179,762,715
Growth	5.42%	7.77%	1.85%

LCFF CALCULATION 2023-2024



Total 2023-24 LCFF Calculation

Base Funding w/ COLA (8.22%)	\$120,513,213
9-12 Augmentation (CTE @ 2.6%)	\$3,129,432
Supplemental Grant	\$4,228,578
Transportation & TIIG Add-On	\$873,728
Total 23-24 LCFF Funding	\$128,744,951

The District's estimated Property Tax revenue (minus the in-lieu transfer) is \$51M greater than the estimated LCFF funding; therefore, the District will remain in Community Funded/Basic Aid status.

LCFF = Local Control Funding Formula

TIIG = Targeted Instructional Improvement Block Grant

GENERAL FUND EXPENDITURE ASSUMPTIONS



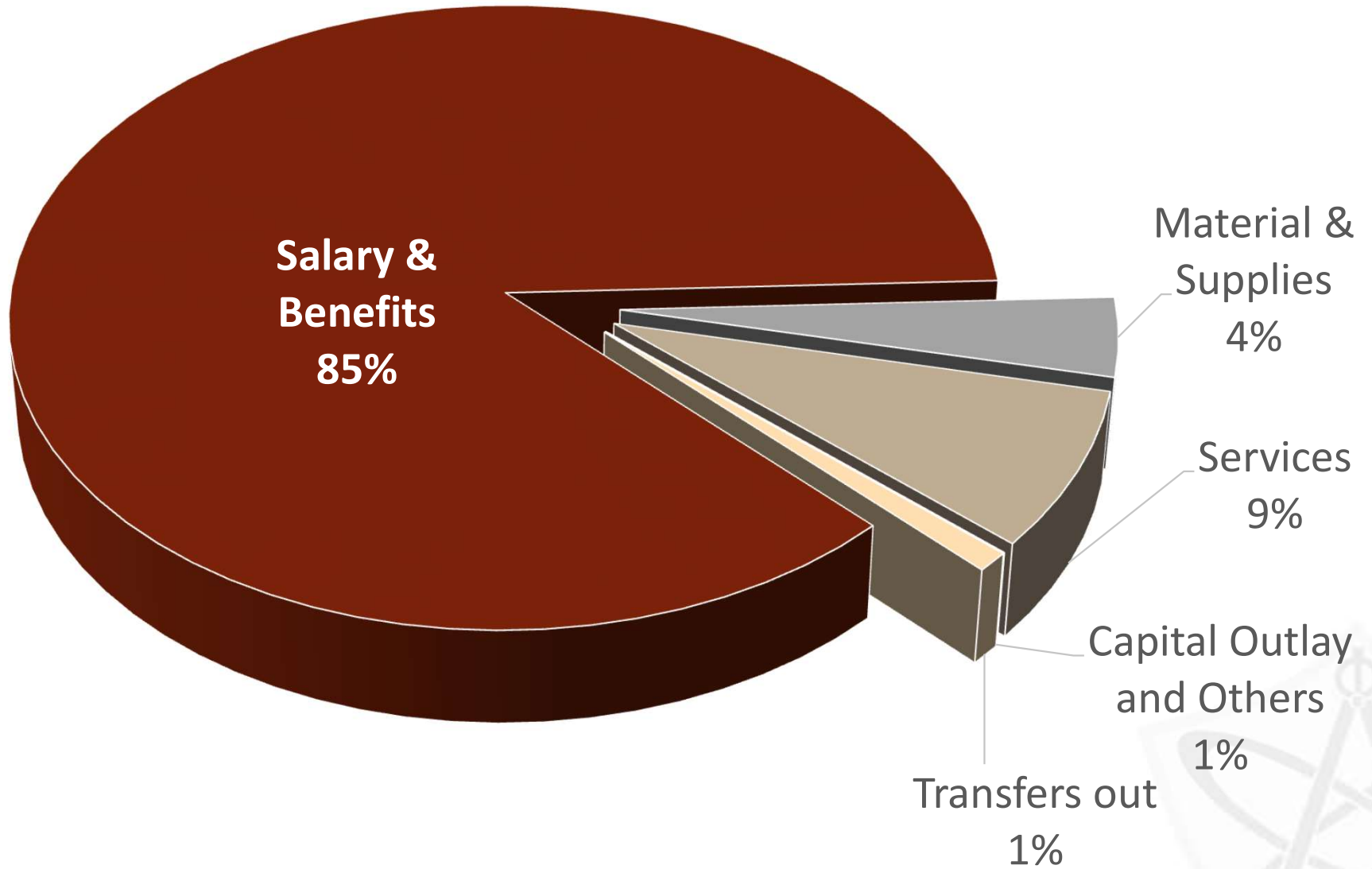
- Salaries = \$1.7M to account for step/column
- CSEA = 2% increase to consolidate to one salary schedule
- FEA = 8.8 FTE decrease (44 sections)
- CSEA and FMA health insurance cap = \$1,052.11
- FEA health insurance = 6% increase
- Statutory Benefits = Certificated 22.46%, Classified 36.26%,
~~Classified Classic 43.75%/Classified PEPRA 36.26%~~
- Discretionary Block Grant (Art, Music, Instructional Materials) = \$743K
- Learning Recovery Emergency Block Grant = \$1.6M

STATUTORY BENEFIT RATES (%)



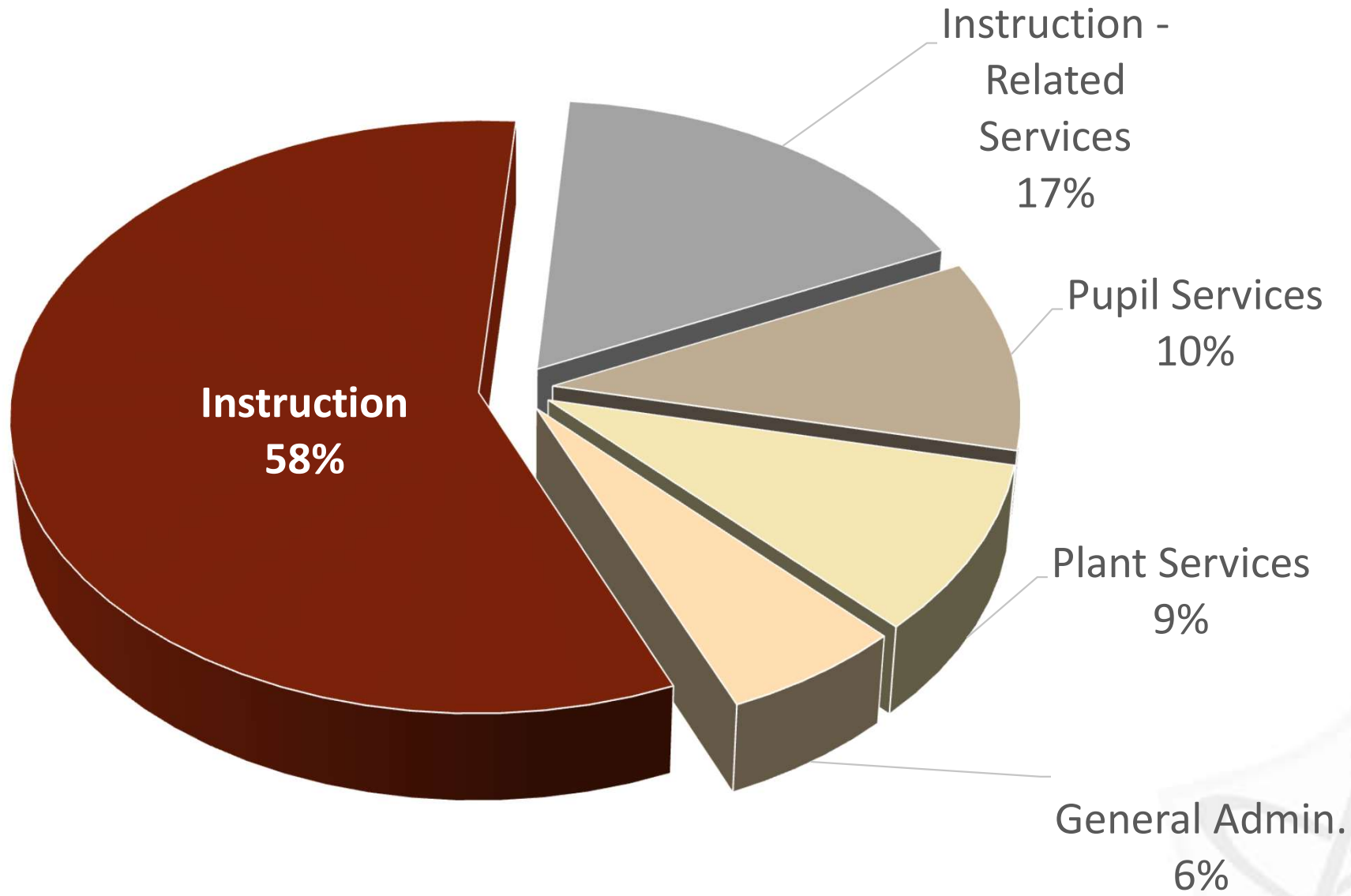
Benefit	Cert.	Classic	PEPRA
STRS – Employer	19.10		
Unemployment Ins. (decreased 0.45% from 22-23)	0.05	0.05	0.05
Workers Compensation	1.52	1.52	1.52
Medicare Insurance	1.45	1.45	1.45
Income Protection	0.34	0.36	0.36
OASDI – Disability		6.20	6.20
PERS – Employer (increased 1.31% from 22-23)		26.68	26.68
PERS – Employee		7.49%	
Total Statutory Rate	22.46%	36.26%	36.26%

GENERAL FUND EXPENDITURES



*Excludes STRS on Behalf

GENERAL FUND EXPENDITURES BY FUNCTION



*Excludes STRS on Behalf

EXPENDITURES BY FUNCTION



Instruction

Total Cost of Instructional Staff

Supplies, Materials, & All Other Costs

Plant Services

Facilities/Maintenance

Utilities

Pupil Services

Guidance and Counseling Services

Health Services

Speech Pathology Services

Pupil Testing Services

Pupil Transportation

Instructional Related Services

Instructional Supervision & Admin.

Curriculum Development

Instructional Staff Development

Library, Media and Technology

General Administration

Board and Superintendent

Public Information

Fiscal Services/Purchasing

Personnel/Human Resources

Data Processing Services

ART, MUSIC, AND INSTRUCTIONAL MATERIALS DISCRETIONARY BLOCK GRANT



Item	2022-23	2023-24	2024-25	2025-26	Totals
School Based Therapist as a SEL lead (.8)		\$205,000	\$214,208	\$267,776	\$686,984
Instructional Coach for High Leverage SPED practices			\$185,000	\$239,916	\$424,916
Instructional Coach for EL teaching practices		\$240,000	\$249,000	\$259,000	\$748,000
Curriculum Lead Science			\$188,000	\$196,000	\$384,000
Athletic Director extra release		\$100,000	\$75,000	\$50,000	\$225,000
Providing support for Art and Music departments	\$100,000	\$100,000	\$100,000	\$100,000	\$400,000
Parent Education (internal timesheets or external contracts, Project Cornerstone, My DigitalTat2, etc.)	\$10,000	\$10,000	\$10,000	\$10,000	\$40,000
Short-Term Intensive Behavioral Support for Gen Ed students	\$50,000	\$50,000	\$50,000	\$50,000	\$200,000
Release period for Health Course Lead		\$38,300	\$39,800		\$78,100
Totals	\$160,000	\$743,300	\$1,111,008	\$1,079,776	\$3,187,000

Total Allocation = \$3,187,000

LEARNING RECOVERY EMERGENCY BLOCK GRANT



Item	2022-23	2023-24	2024-25	2025-26	Totals
Schoology Instructional Support		\$350,000	\$364,000	\$379,800	\$1,093,000
Shade for Preschool		\$120,000			\$120,000
Destiny Upgrade	\$14,000				\$14,000
Remote Excel		\$12,000	\$12,480	\$12,980	\$37,460
Language Diagnostic Testing and Placement Decision	\$11,000	\$11,440	\$11,900	\$12,400	\$46,740
Increase early notification of retirement bonus (14 x \$4,000)	\$56,000				\$56,000
Housing JPA	\$80,000	\$20,000	\$20,000	\$20,000	\$140,000
Additional teaching competency stipend		\$120,000			\$120,000
Offset Operational Costs		\$1,000,000			\$1,000,000
Totals	\$161,000	\$1,633,440	\$408,380	\$425,180	\$2,628,000

Total Allocation = \$2,628,000

UTILITIES EXPENDITURES



3-Year Summary: 2021-2022 to 2023-2024

Description	2021-22 Actuals	2022-23 Est. Actual	2023-24 Adopted
Electricity	1,717,982	2,408,500	2,606,479
Gas	1,318,185	1,936,065	2,095,210
Water/Sewage	745,650	750,275	811,948
All Other*	337,279	367,680	397,903
Total	4,119,095	5,462,520	5,911,540

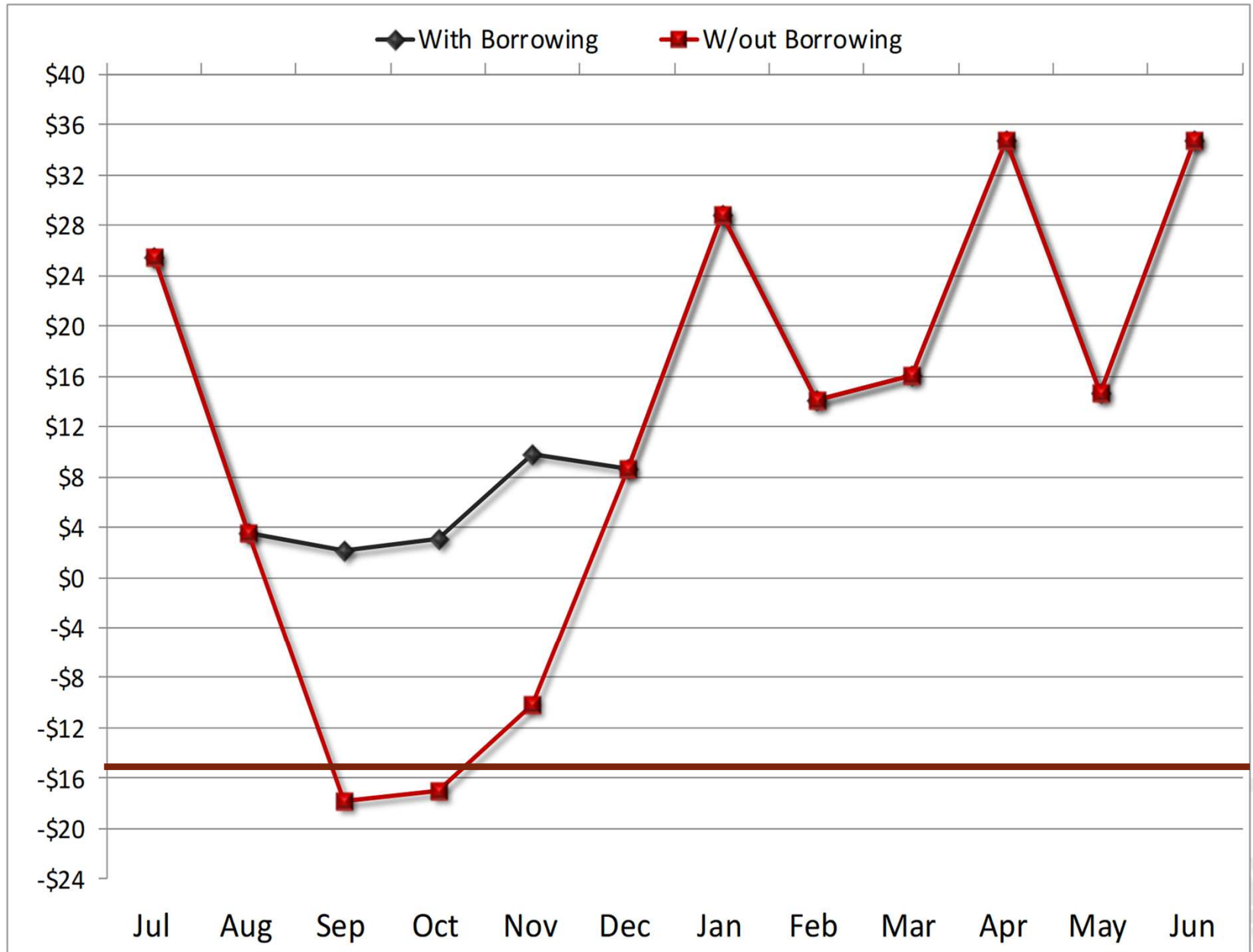
*All Other includes Waste Disposal, Security, and Storm Fees

ANNUAL CASH FLOW



W/OUT Borrowing

Jul	25,466,573
Aug	3,529,715
Sep	-17,814,107
Oct	-16,949,889
Nov	-10,180,575
Dec	8,639,543
Jan	28,798,373
Feb	14,097,743
Mar	16,114,148
Apr	34,783,191
May	14,626,374
Jun	34,710,942



GENERAL FUND 3-YEAR SUMMARY



2021-22 to 2023-24

Description	2021-22 Actuals	2022-23 Est. Actuals	2023-24 Adopted
BEGINNING BALANCE	\$46,095,949	\$51,139,167	\$58,000,963
LCFF Sources	167,430,922	183,149,257	187,820,027
Federal	8,308,593	5,205,419	3,114,094
State	18,924,078	22,021,107	12,531,560
Other Local	8,281,845	10,984,580	10,800,015
Total Revenue	\$202,945,438	\$221,360,364	\$214,265,696
Salaries	111,874,029	122,277,970	120,930,554
Benefits	52,314,323	56,621,327	56,648,257
Supplies/Services	27,887,797	33,557,541	31,237,149
All Other Expenses	3,314,357	1,155,901	215,412
Total Expenses	\$195,390,506	\$213,612,740	\$209,031,372
Net Transfers In/Out	-2,511,714	-885,828	-1,574,655
ENDING BALANCE	\$51,139,167	\$58,000,963	\$61,660,632

SPECIAL EDUCATION ASSUMPTIONS



REVENUE

- Decrease in Mental Health funds = Federal \$277K and State \$639K
 - No longer passing through SELPA
- No more one-time Federal funding = \$380K

EXPENDITURES

- Classified: Addition of 2 FTE for District Occupational Therapist positions
- Certificated
 - Decrease 3.2 FTE Teachers
 - Decrease 0.4 FTE Psychologists

SUPPLIES/SERVICES

- Increase in COLA 8.22%



SPECIAL EDUCATION CONTRIBUTION



3-YEAR SUMMARY: 2021-2022 to 2023-2024

DESCRIPTION	2021-22 Actuals	2022-23 Est. Act.	2023-24 Adopted
Federal	2,526,838	3,044,679	2,397,237
State/Other Local	6,651,281	7,271,326	6,953,478
TOTAL REVENUE	9,178,119	10,316,005	9,350,715
Salaries	21,817,522	24,517,237	24,733,981
Benefits	9,305,865	10,882,030	10,940,354
All Other*	10,063,331	11,429,372	11,655,269
TOTAL EXPENDITURE	41,186,718	46,828,639	47,329,604
GF Contribution	32,536,141	35,982,495	37,934,891
Prop 55 Contribution	68,746	54,997	43,998

*Includes: Supplies, Services, Transportation, Non-Public Schools

ADULT EDUCATION BUDGET ASSUMPTIONS



REVENUE

- Federal Funding – No change
- State Funding – 8.22% increase (COLA)
- Local funding – No change

EXPENDITURES

- Certificated – Addition of Vice Principal position
- Classified – Retirement of Administrator
- Supplies, Services, & Other – Additional Chromebooks



ADULT EDUCATION 3-YEAR SUMMARY



2021-22 to 2023-24

Description	2021-22 Actual	2022-23 Est Actuals	2023-24 Adopted
Beginning Balance	1,310,005	1,248,678	1,292,917
Other State Revenue	3,131,372	3,340,762	3,688,034
STRS on-Behalf	138,199	95,547	72,988
Other Local (Fee Based)	746,010	918,550	918,550
Federal Revenue	449,757	492,445	492,445
Total Revenue	4,465,338	4,847,304	5,099,029
Salaries	2,804,608	2,966,142	3,054,311
Benefits	980,206	1,069,024	1,083,210
STRS on-Behalf	138,199	95,547	72,988
All Other Expenses	603,652	672,352	731,966
Total Expenses	4,526,665	4,803,065	4,942,475
Ending Balance	1,248,678	1,292,917	1,449,472

NUTRITION SERVICES ASSUMPTIONS



REVENUE

- Federal Revenue = \$858K
Decrease in meal reimbursement rates
(\$.40 for lunch and \$.15 for brunch)
- State Revenue = \$4.4M
- One-Time Funding
 - Federal Funding = \$318K
 - State Funding = \$500K of \$1.2M

EXPENDITURES

- Requirement to increase all 3 hour employees to 4 hours
(increase of \$255,088)
- Inflation and continued increased food costs = \$421K

NUTRITION SERVICES ONE-TIME FUNDING



Federal Funding

Supply Chain Funds = \$ 318,331

- For purchase of unprocessed/minimally processed domestic food products
- Use by 2023-24 school year

State Funding = \$1.2M

Kitchen Infrastructure and Training (KIT) Funds = \$552,414

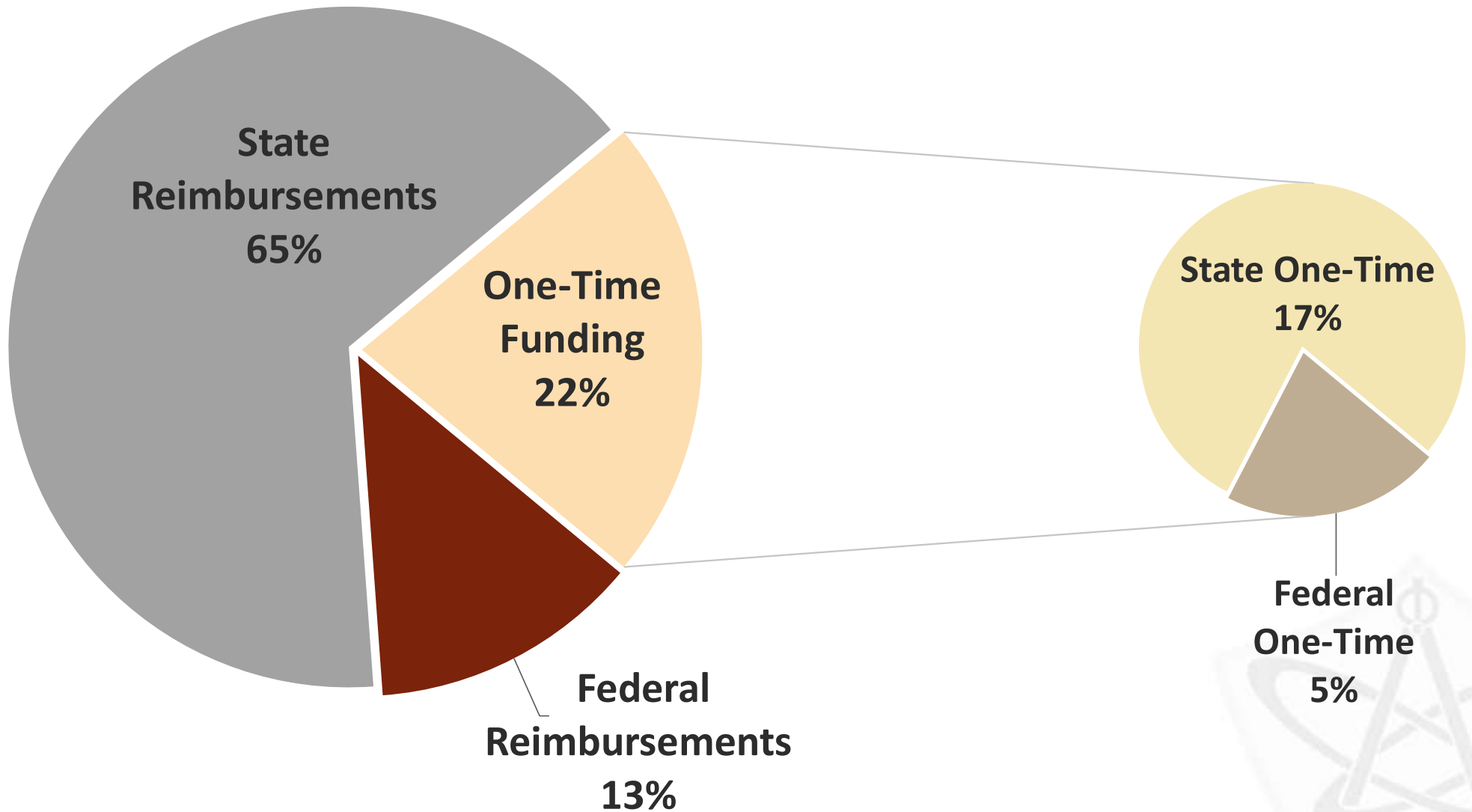
- Allowable use includes equipment, infrastructure
- Use by June 2025

Freshly Prepared Meals Funds = \$603,141

- 40% of meals to be freshly prepared on site
- Use by June 2025

The District will continue to opt in/apply for these type of funds in the future.

NUTRITION SERVICES REVENUE



NUTRITION SERVICES 3-YEAR SUMMARY



2021-22 to 2023-24

Description	2021-22 Actuals	2022-23 Est. Actuals	2023-24 Adopted
Federal Revenue	4,548,161	1,465,817	858,232
State Revenue	324,083	4,409,602	4,356,367
Local Revenue	85,030	123,195	61,000
One-Time Federal Funds			318,331
One-Time State Funds			500,000
Total Revenue	4,957,274	5,998,614	6,093,930
Salaries	2,060,710	2,368,008	2,561,962
Benefits	843,463	970,907	1,031,962
Food	1,704,000	1,987,671	2,408,276
All Other Expenses	474,309	643,068	431,041
Total Expenses	5,082,482	5,969,654	6,433,241
GF Contribution	1,212,349	0	339,311

MULTI-YEAR



2023-2024

to

2025-2026

PROJECTIONS

MULTI-YEAR REVENUE ASSUMPTIONS



	2023-24	2024-25	2025-26
Secured Local Property Taxes	2% growth	2% growth	2% growth
Parcel Tax	\$5.2M	\$5.2M	\$5.2M
Guaranteed State Aid	\$1.45M	\$1.45M	\$1.45M
Mandated Block Grant	\$657K	\$657K	\$657K
Prop. 55	\$2.0M	\$1.90M	\$1.82M
Lottery Unrestricted	\$1.59M	\$1.51M	\$1.45M
Due to Charter Schools	\$600K	\$600K	\$600K
Contribution: Routine Restricted Maintenance Account (RRMA)	3% of GF expenditures	3% of GF expenditures	3% of GF expenditures
Contribution: Special Education	5% increase	5% increase	5% increase

MULTI-YEAR EXPENDITURE ASSUMPTIONS



	2023-24	2024-25	2025-26
Step/Column Increases	\$1.71M	\$1.35M	\$1.34M
Staffing Changes for FEA (\$40K per section)	\$1.76M decrease 8.8 FTE (44 sections)	\$2M decrease 10 FTE (50 sections)	\$2M decrease 10 FTE (50 sections)
Health & Welfare FEA	6% increase	6% increase	6% increase
Health & Welfare CSEA & FMA	floating CAP 3% increase	floating CAP 3% increase	floating CAP 3% increase
CalPERS Employer Rate	26.68%	27.70%	28.30%
CalSTRS Employer Rate	19.1%	19.1%	19.1%
Supplies/Services (COLA)	8.22% increase	3.94% increase	3.29% increase

MULTI-YEAR REVENUE



Unrestricted GF*	2023-24	2024-25	2025-26
LCFF Sources	182.62	185.86	189.19
State Revenue	2.25	2.16	2.10
Parcel Tax	5.17	5.17	5.17
Other Local	0.38	0.38	0.38
Contribution	-41.22	-43.09	-45.07
Total	149.20	150.48	151.77

* In millions



MULTI-YEAR EXPENDITURES



Unrestricted GF*	2023-24	2024-25	2025-26
Salary + Benefits	127.25	127.18	126.98
Supplies & Other	15.92	16.55	17.09
Other Financing Uses	0.89	0.90	0.91
Total	144.06	144.63	144.98

* In millions



MULTI-YEAR PROJECTIONS



Unrestricted GF*	2023-24	2024-25	2025-26
Beginning Fund Balance	25.93	31.06	36.92
Plus Total Revenue & Other Financing Sources	149.20	150.48	151.77
Less Total Expenditures & Other Financing Uses	144.06	144.63	144.98
Less Reserve for Economic Uncertainties	21.14	21.38	21.49
Less Committed/Assigned	2.21	1.77	0.81
Net Shortfall/Surplus	7.72	13.76	21.41

* In millions



- Senate Bill 858 passed in 2014
- School District's adopted budget shall not contain an Ending Fund Balance of more than 10%
- Required to state the minimum reserve for economic uncertainty (3% of General Fund expenditures)
- Required to identify any excess reserves to substantiate needs
- As a Community Funded/Basic Aid District, FUHSD is exempt from this reserve cap



SB 858 - RESERVE COMPONENTS



COMPONENTS OF ENDING FUND BALANCE	2023-24
Revolving Cash	15,000
Prepaid Expenses	250,000
Prop. 55	1,492,943
Reserve for FEA	429,192
Reserve for Economic Uncertainty (3%)	6,343,253
Reserve for Economic Uncertainty (7%)	14,800,923
Designations	7,728,713
TOTAL ENDING FUND BALANCE	\$31,060,024

KEY BUDGET DEADLINES 2023-2024



BUDGET ITEM	DATE
Budget/LCAP Public Hearing	June 13, 2023
Adopted Budget Approval	June 20, 2023
First Interim	December 5, 2023
Calculation of RSP	February of 2024
Enrollment Projections	February of 2024
Second Interim	March 12, 2024
Site Budget Allocations	May of 2024
Unaudited Actuals	September 15, 2024
Final Audit Report	December 15, 2024



Certification:

1. This Budget was developed using the state-adopted Criteria and Standards. It includes the expenditures necessary to implement the Local Control and Accountability Plan (LCAP) or annual update to the LCAP that will be effective for the budget year. The Budget was filed and adopted subsequent to a public hearing by the governing board of the school district pursuant to Education Code sections 33129, 42127, 52060, 5201 and 52062
2. School district's 3-year budget complies with SB 858 – Reserve Cap

