

Second Interim Presentation to Board of Education

By Chris Jew
and Tina Bernal

March 5, 2024

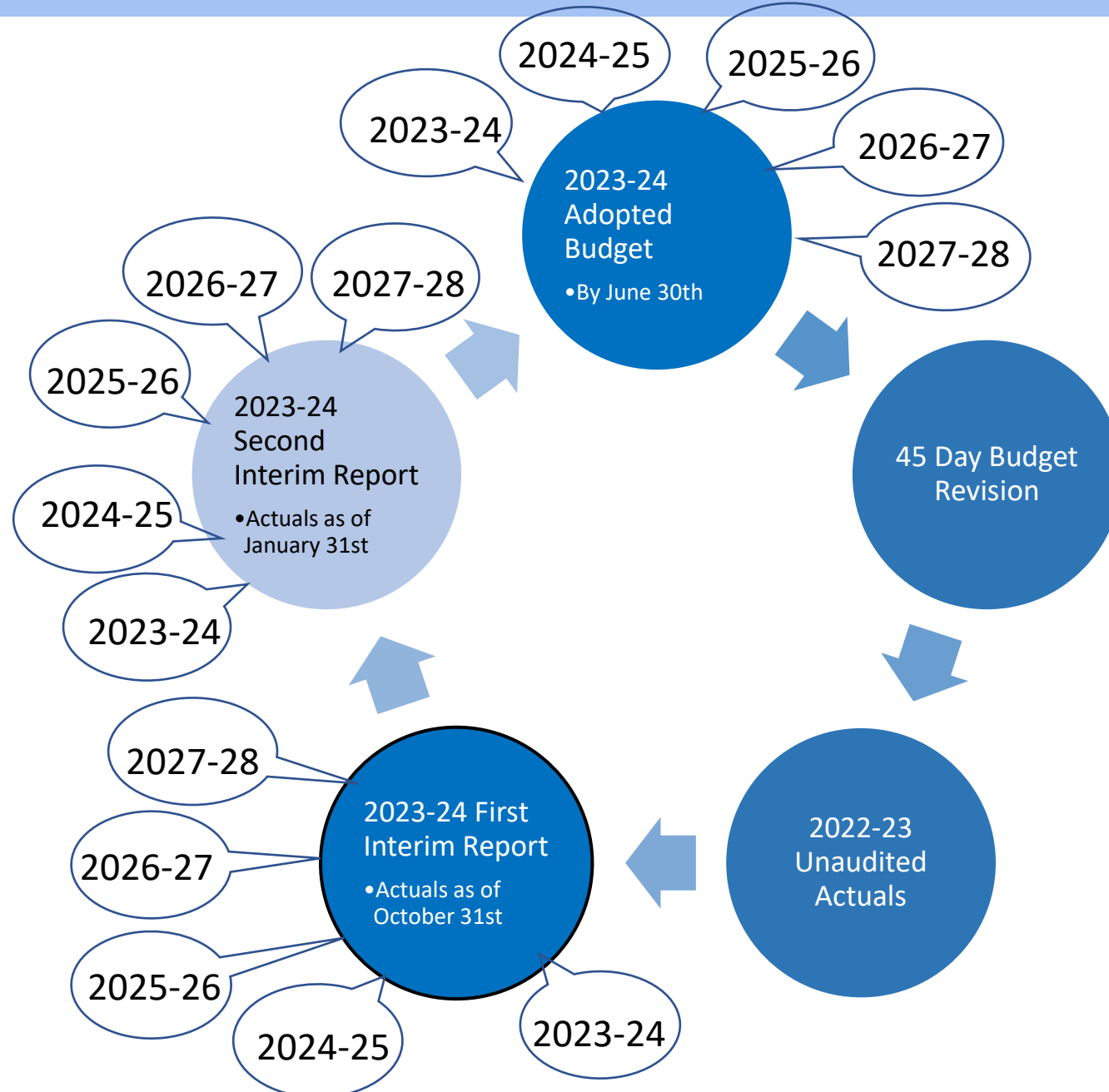


2023-2024 Budget Calendar



- 2023-24 Budget Adoption – June 15, 2023**
- 2023-24 Budget Revision (45 days) – August 10, 2023**
- 2022-23 Annual Financial Report (Unaudited) – Sept. 14, 2023**
- 2023-24 First Interim – December 14, 2023**
-  **2023-24 Second Interim – March 14, 2024**
- 2024-25 Preliminary Budget – June 5, 2024**
- 2024-25 Budget Adoption – June 13, 2024**

2023-24 Budget and Fiscal Reporting Cycle





Revenue changes

Overall increase by \$585,317




LCAP Supplemental




Contribution to
Special Ed



Universal Pre K
Implementation



Various Other Categorical Programs



Local Donations

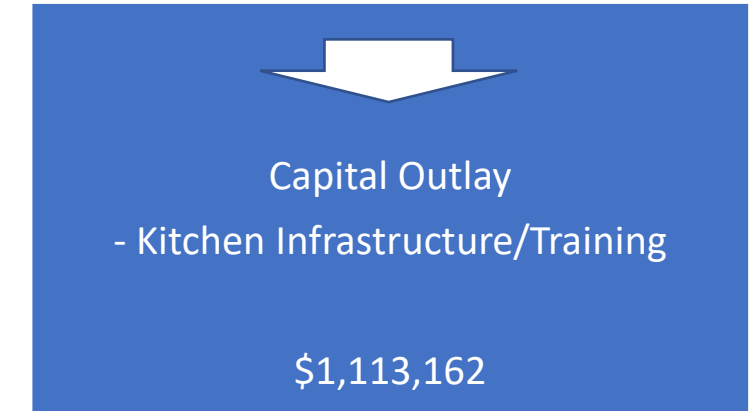
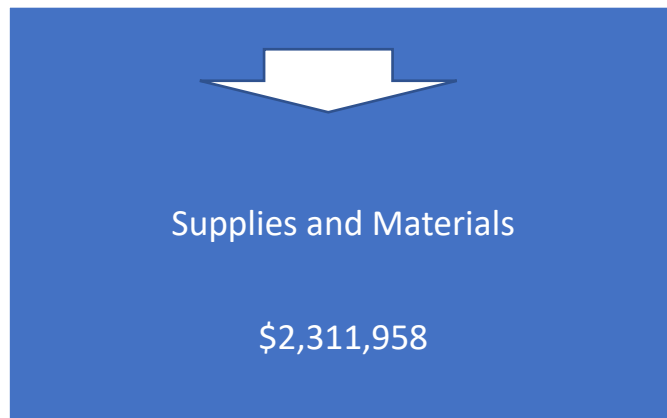
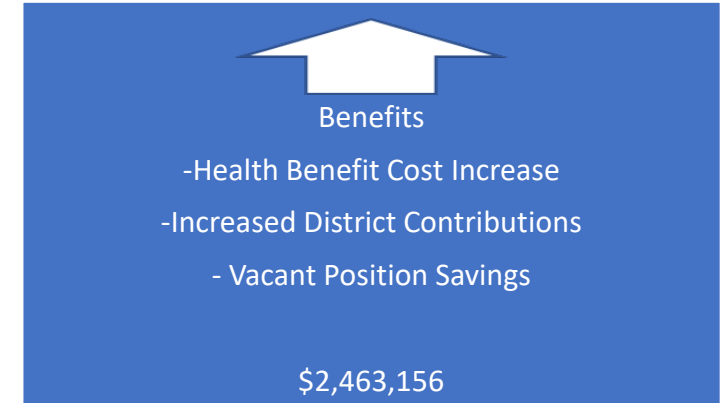


Local Interest



Expenditure changes

Overall decrease by \$8,102,417



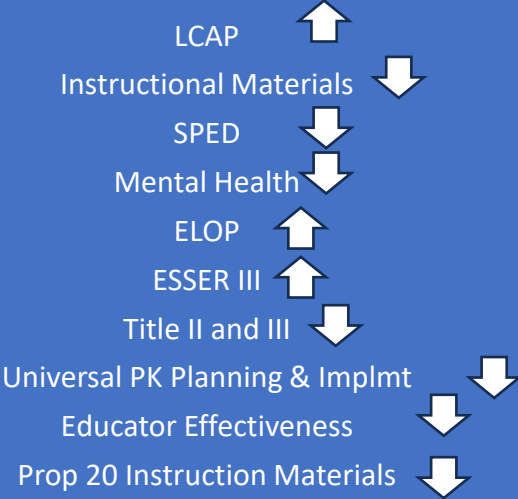


Budget Assumption changes for 2023-24



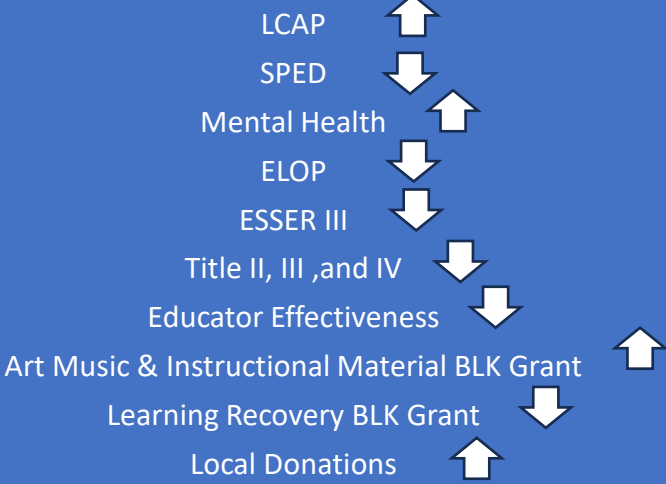
\$2,311,958

Supplies/Materials



\$3,562,370

Services and Operating Expenses

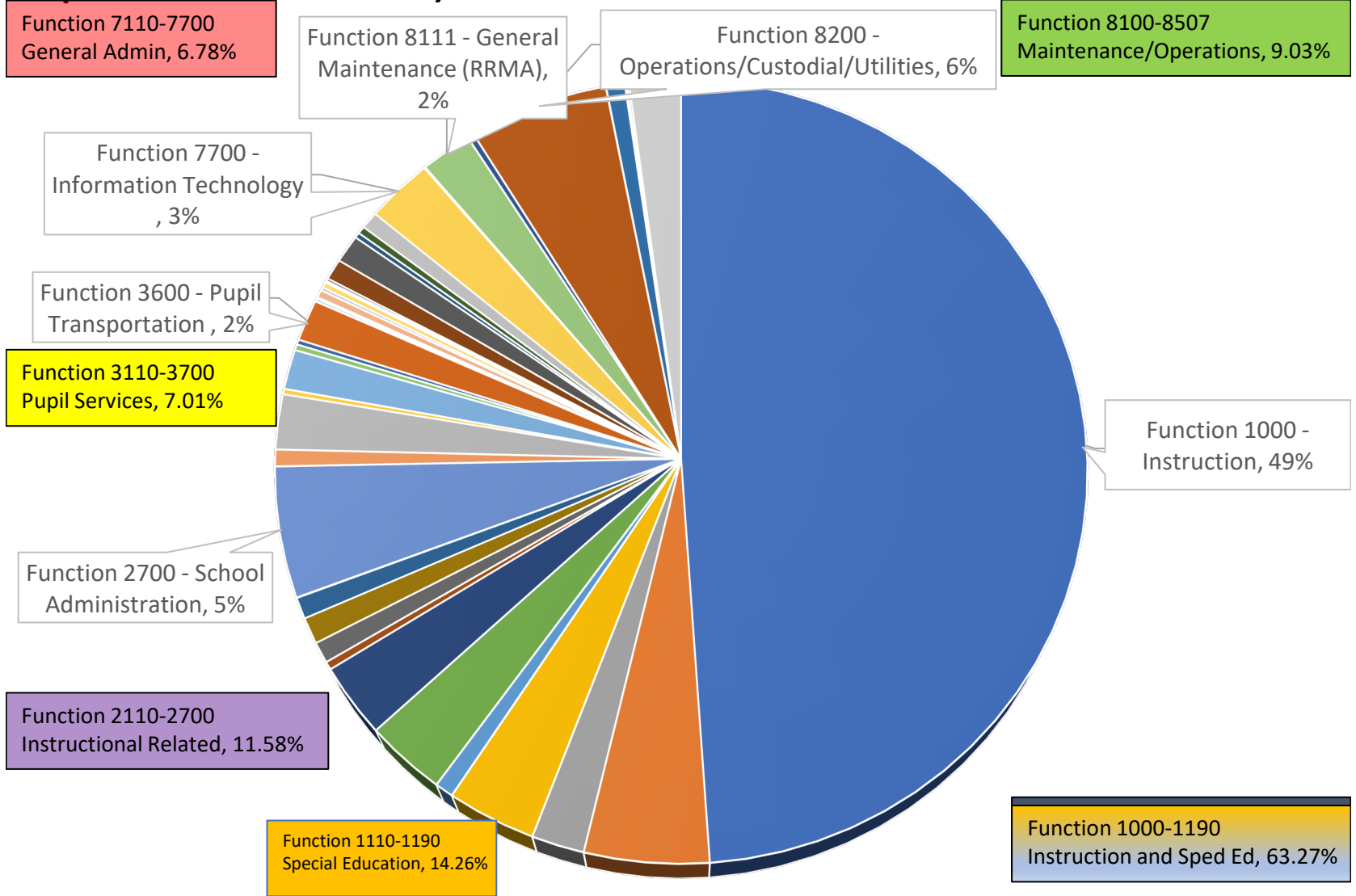


FY 2023-2024 MULTI-YEAR PROJECTION
SECOND INTERIM
GENERAL FUNDS (01-09)

	2023-24	2024-25	2025-26	2026-27	2027-28
UNAUDITED BEGINNING FUND BALANCE, 7/1	\$ 71,464,251	\$ 41,181,319	23,671,728	\$ 15,222,943	\$ 15,426,249
REVENUE					
LCFF SOURCE 8010-8099	161,532,626	172,307,889	180,592,347	189,165,305	198,979,240
SPED PROPERTY TAX REVENUE 8097	9,455,829	9,527,693	9,787,799	10,055,006	10,373,750
FEDERAL REVENUES 8100-8299	7,240,598	5,370,346	5,370,346	5,370,346	5,370,346
STATE REVENUE 8300-8599	25,626,606	20,839,715	20,931,516	21,038,950	21,151,863
LOCAL REVENUE 8600-8799	10,636,159	11,045,350	11,096,153	11,148,566	11,202,404
OTHER FINANCING 8900-8999	5,591,319	7,210,537	5,592,547	5,592,546	5,592,546
TOTAL REVENUE	220,083,137	226,301,530	233,370,708	242,370,719	252,670,150
EXPENDITURES					
CERTIFICATED SALARIES	99,793,288	98,084,439	97,926,836	97,362,447	98,157,160
CLASSIFIED SALARIES	42,236,081	41,901,187	42,379,928	42,865,849	43,465,551
EMPLOYEE BENEFITS	60,783,611	60,144,189	61,258,777	61,299,428	62,126,391
BOOKS & SUPPLIES	15,622,076	15,427,357	13,441,957	13,441,957	13,441,957
SERVICES & OTHER OPERATING	29,988,852	27,673,245	26,231,291	26,617,030	25,922,315
CAPITAL OUTLAY	1,967,323	445,736	445,736	445,736	445,736
OTHER OUTGO	(25,162)	134,968	134,968	134,967	134,967
TOTAL EXPENDITURES	250,366,069	243,811,121	241,819,493	242,167,414	243,694,077
REVENUE LESS EXPENDITURES	(30,282,932)	(17,509,591)	(8,448,785)	203,305	8,976,072
ESTIMATED ENDING FUND BALANCE	41,181,319	23,671,728	15,222,943	15,426,249	24,402,321
COMPONENTS OF ENDING BALANCE (GASB 54)					
Nonspendable (Working Capital)	367,053	367,053	367,053	367,053	367,053
Restricted Categorical Program's Carryover	21,979,855	5,172,396	0	0	0
Unrestricted Various Program's Carryover*	3,812,445	0	0	0	0
3% Reserve for Economic Uncertainties	7,510,983	7,314,333	7,254,584	7,265,022	7,310,822
Additional Board Reserve	7,510,983	10,817,946	7,601,306	7,794,173	16,724,447
Total Reserve	15,021,966	18,132,279	14,855,890	15,059,195	24,035,269
Reserve Total %	6.00%	7.44%	6.14%	6.22%	9.86%
Unassigned Fund Balance	0	0	0	0	0

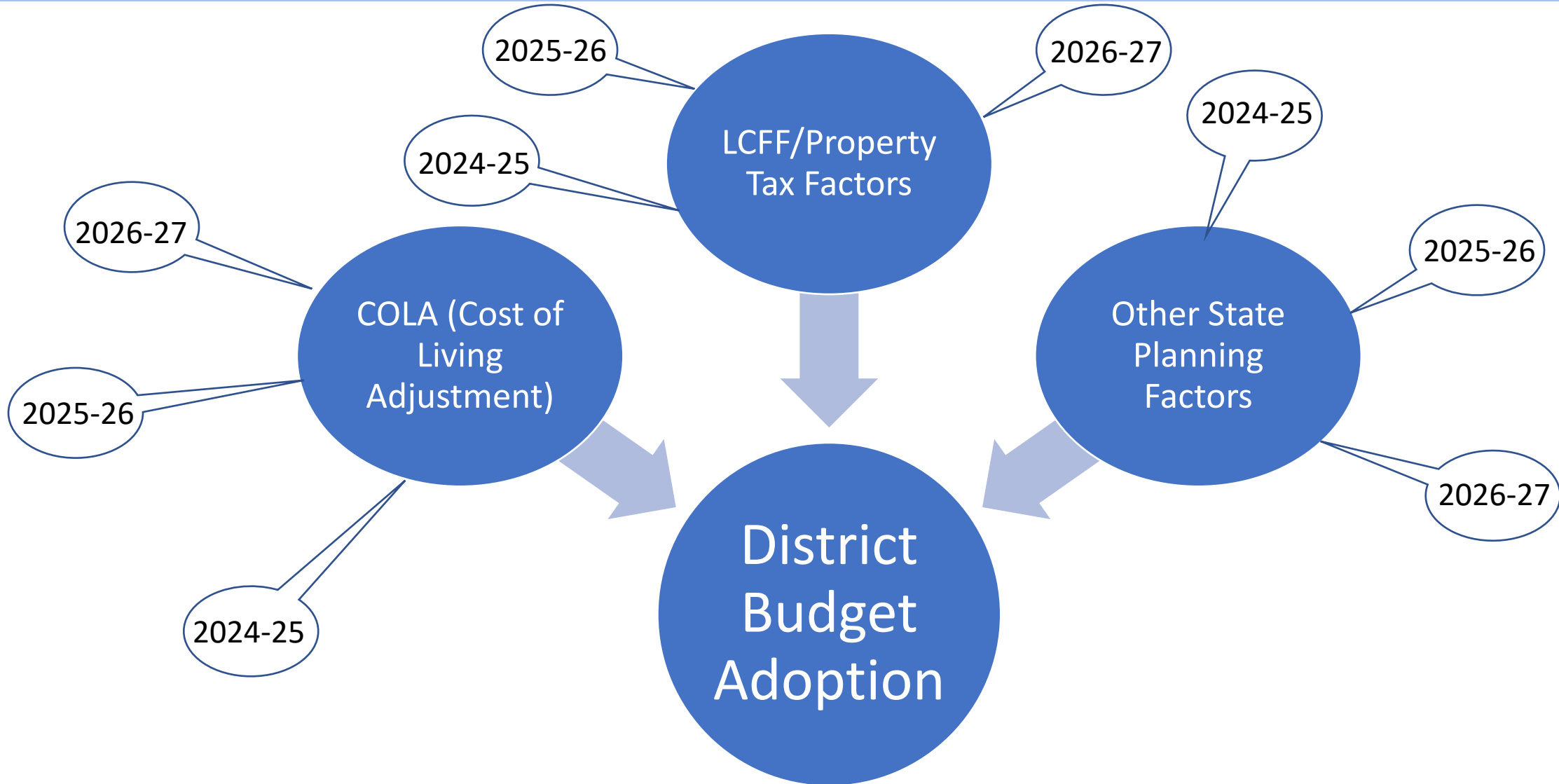
*Unrestricted Various Program assignments adjusted based on available balance

How we plan to spend our resources in 2023-24 (All General Fund Expenditures)

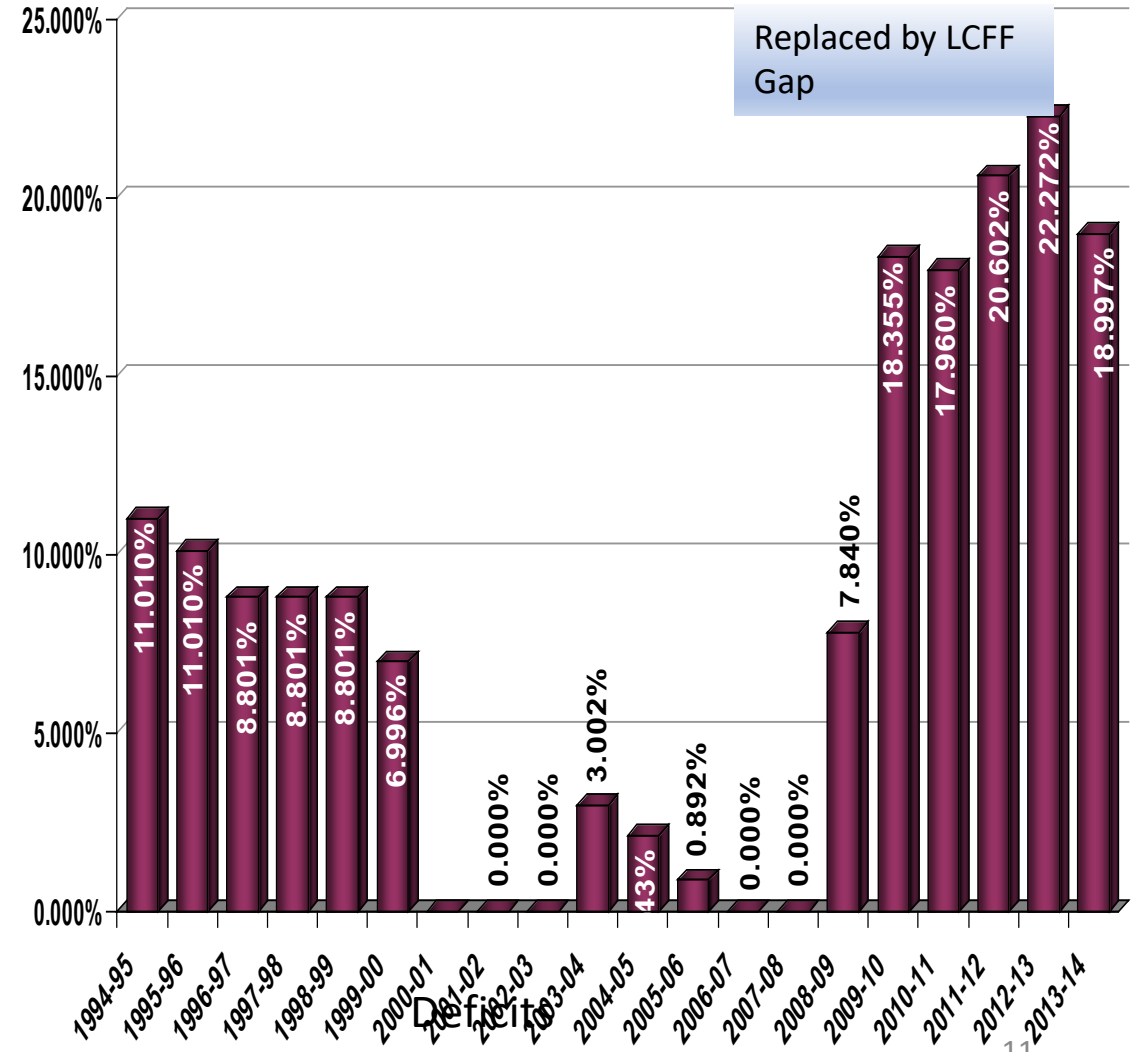
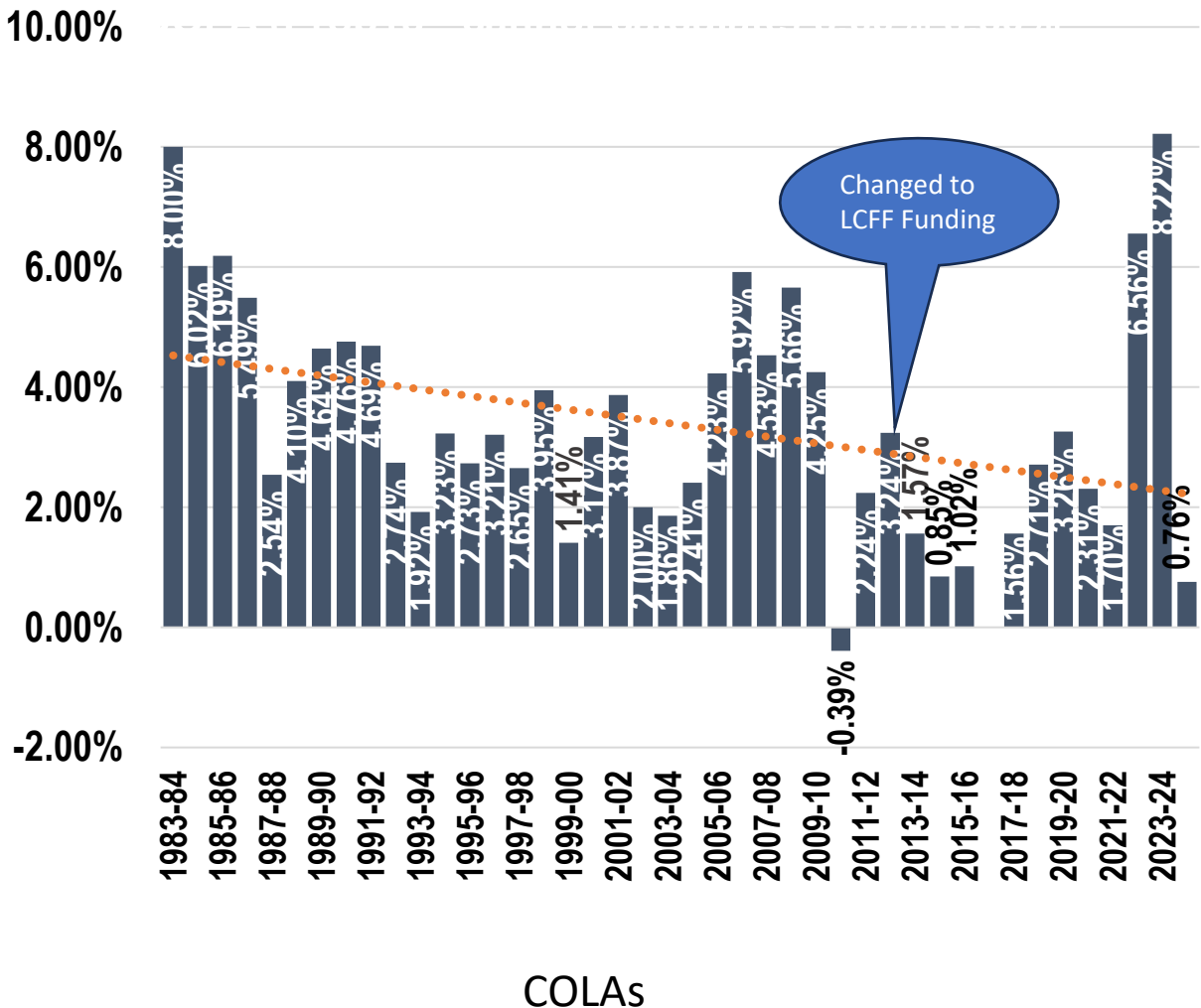


Shift from LCFF to Basic Aid Funding

Budget and Fiscal Reporting Cycle

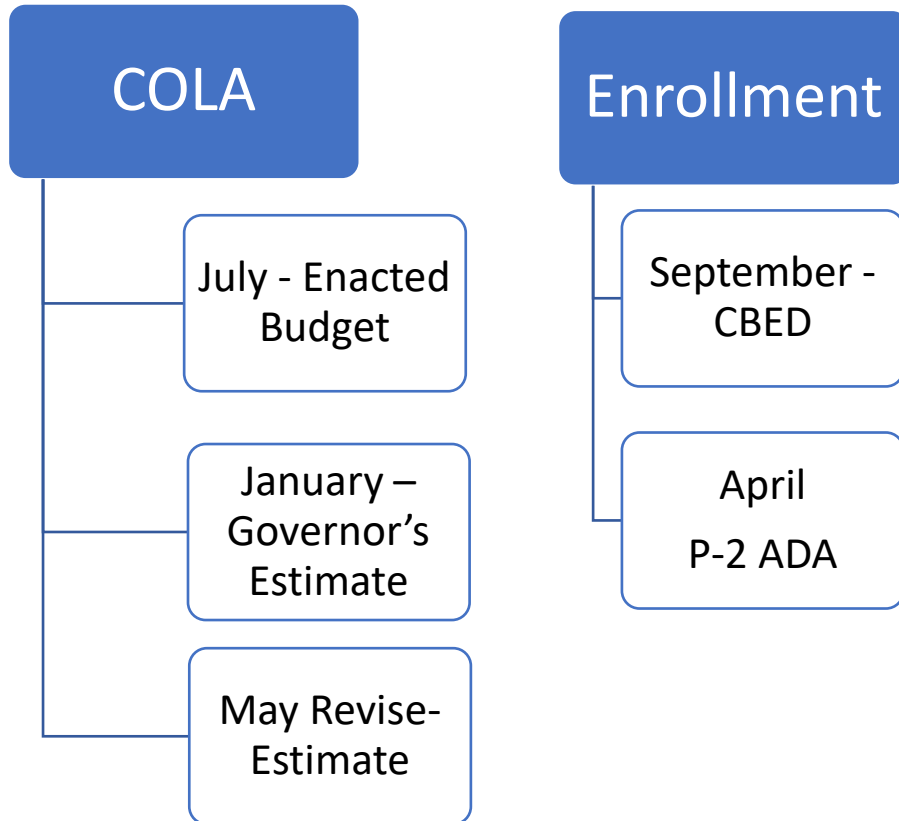


Historical Statutory COLAs and Deficits



Budget and Fiscal Reporting Cycle

LCFF Funding

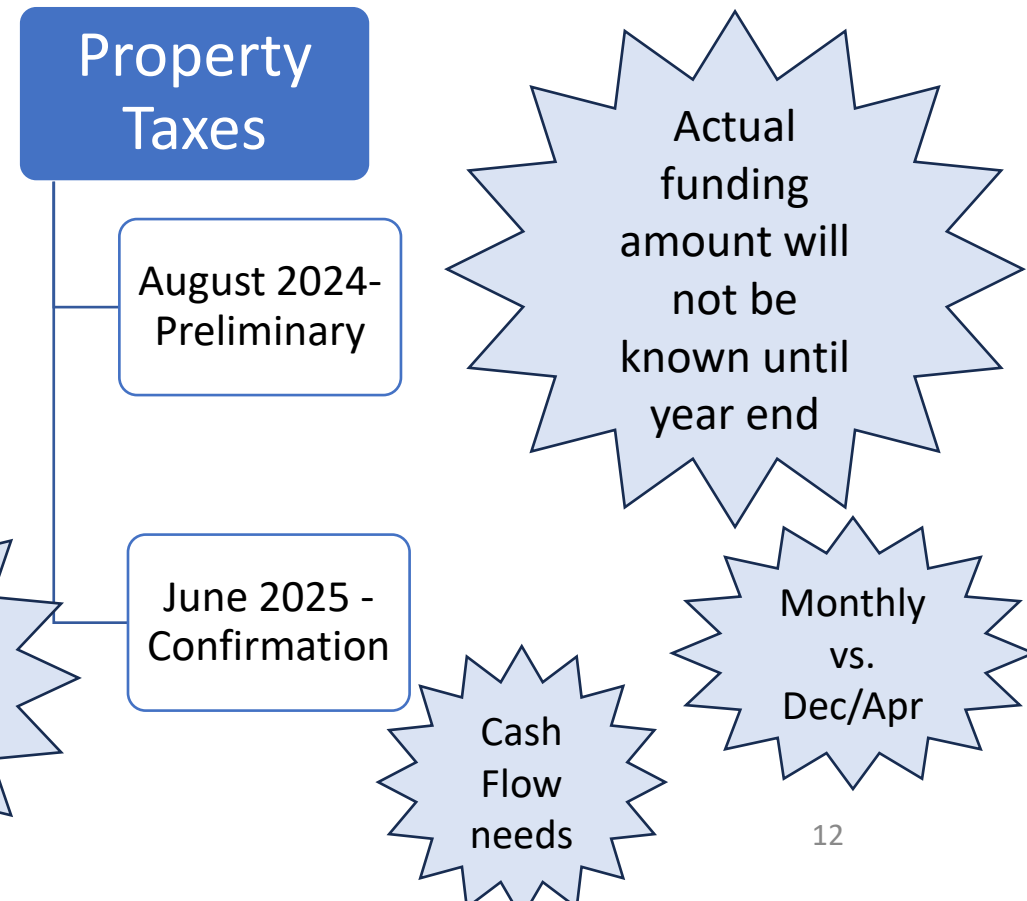


Shift



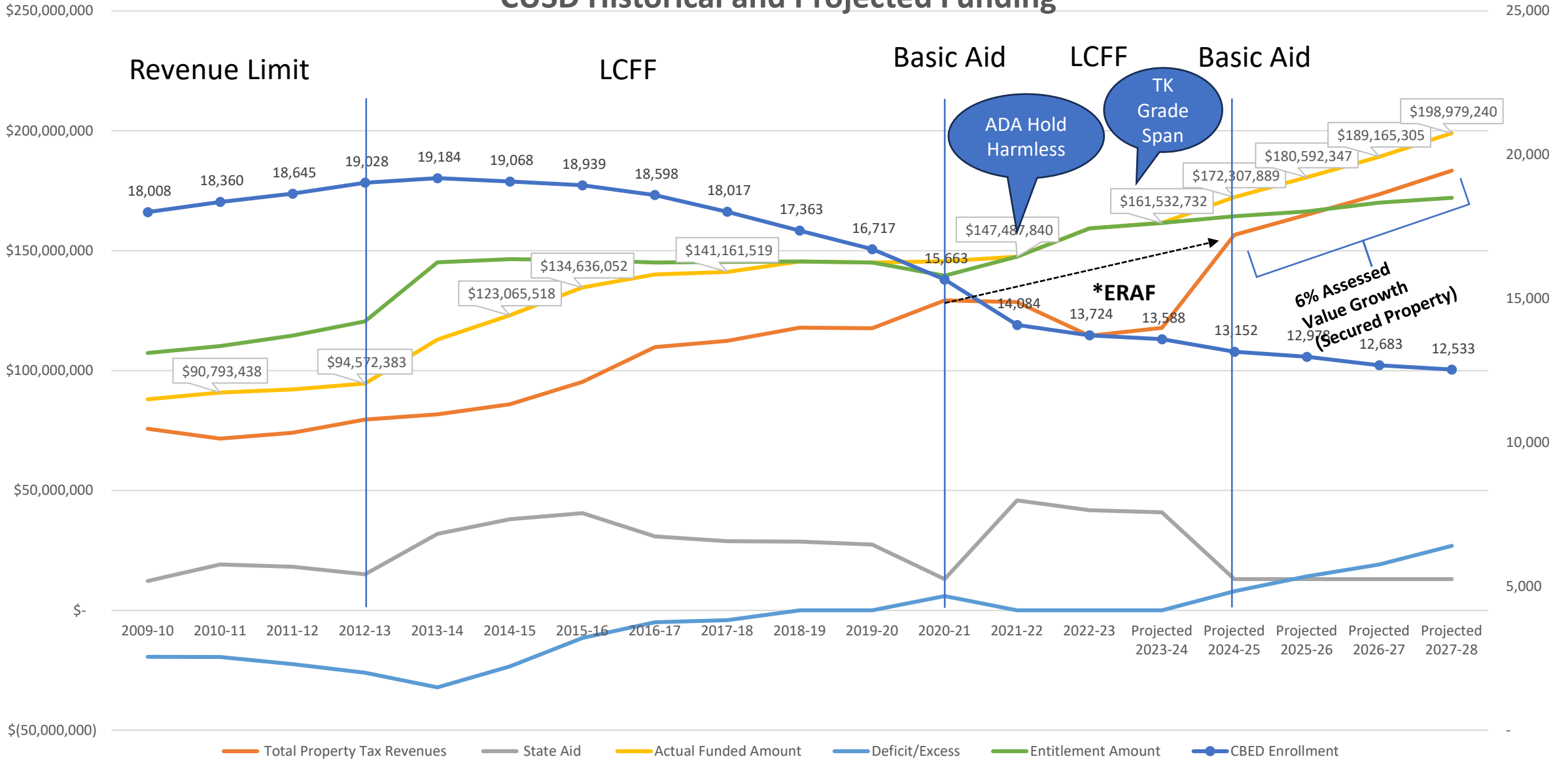
Higher Reserve Levels for Basic Aid Districts

Basic Aid Funding



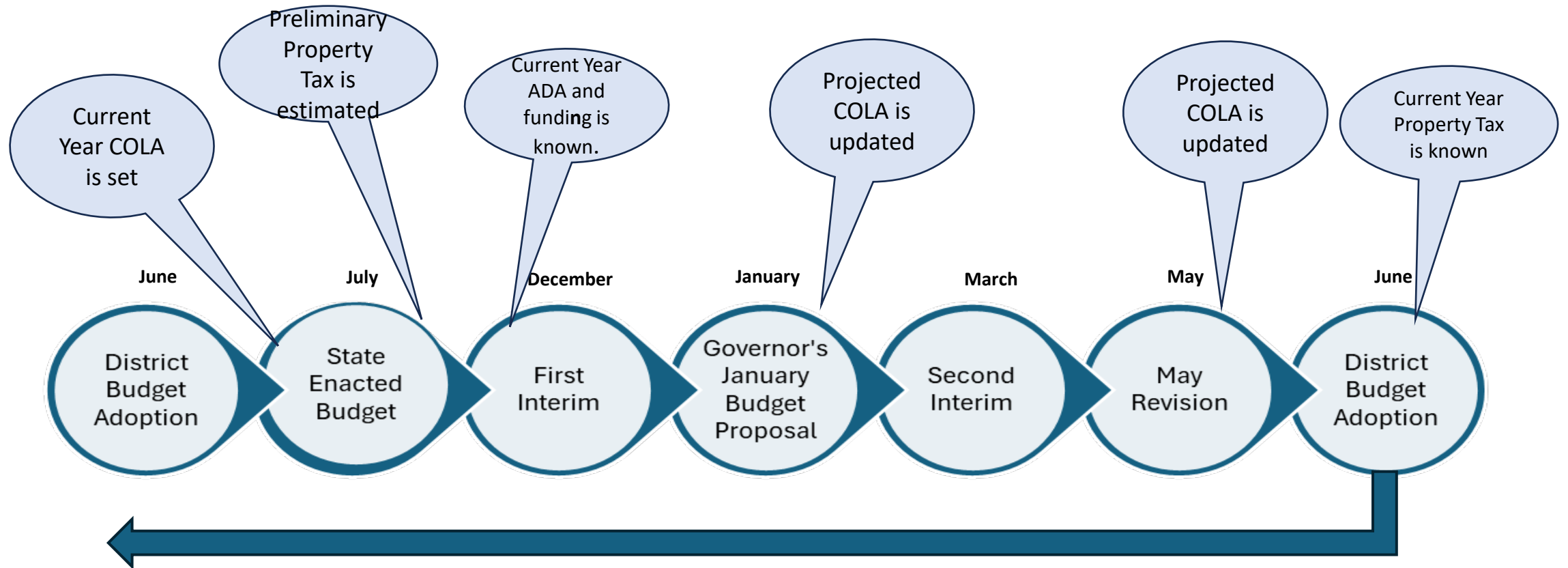
CUSD Historical and Projected Funding

CBEDs



* ERAF is Educational Revenue Augmentation Fund

Budget and Fiscal Reporting Cycle



Assessed Property Tax Values and Property Taxes

- Secured Property Assessment Values

- \$51,899,905,846 in 22-23
- Estimated to grow 6% per year

- Unsecured Property Assessment Values

- \$1,280,804,199 in 22-23
- Projection based on a 4 year Average



- Secured Property Tax Revenues

- \$129,918,797 revenue
- Total Secured Property Tax revenue is 0.25033% of total AV

- Unsecured Property Tax Revenues

- \$6,985,761

- Homeowners Exemptions Revenue

- \$386,055

- Supplemental Property Tax Revenue

- ERAF

Assessed Value

PER PARCEL 2020-21 AV OF SINGLE-FAMILY HOMES

Cupertino Union SD
2020 – 2021
Single-Family Homes⁽¹⁾

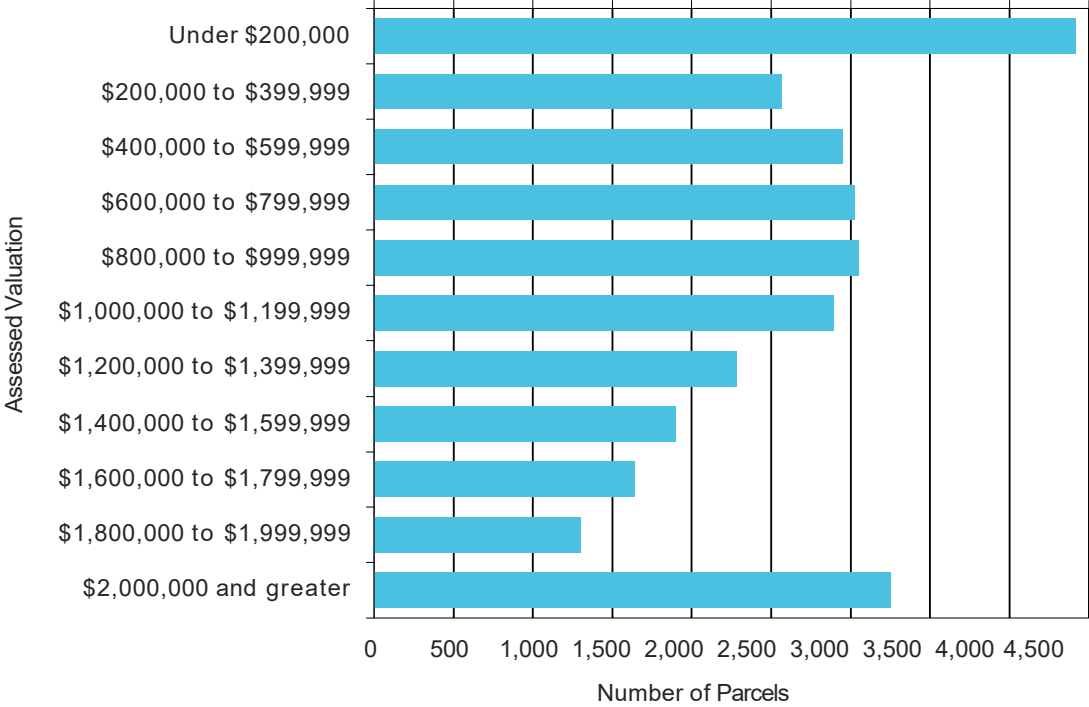
Number of Parcels
29,270

Average Assessed Valuation
\$1,028,963

Median Assessed Valuation
\$910,736

January 2023 Median Value⁽²⁾
\$2,493,409

Cupertino Union SD: Assessed Value of Single-Family Homes



⁽¹⁾ Source: California Municipal Statistics

⁽²⁾ Source: Zillow

Next Steps

- Continue monitoring State Budget and revenues
- Wait to see the Governor's May Revision
- Continue to monitor progress of local property taxes and moving into Basic Aid status (Anticipating moving into 2024-25)
- Monitor COLA assumption changes in the MYP
- Bring back 2nd Interim approval to March 14th meeting



Questions or Comments