



Franklin-McKinley
School District

PREPARING ALL CHILDREN AS GLOBAL LEARNERS

Budget Proposal 2024-25

June 11, 2024

Presented by

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Topics Covered

Budget Cycle

May Revise Themes & FMSD Impact

MYP Assumptions

Proposed Cuts

Multi-Year Projection

Budget Overview For Parents

Upcoming Action Items



Tough Decisions Need to Be Made! Fiscal Solvency at RISK!!

- Spec. Educ. Expense Expected to Double The Contribution Since June 30, 2022
- Substitute Costs Have Increase over 700% Since June 30, 2022
- Contracted Nursing Costs Have Almost Tripled Since June 30, 2022
- Reserve will be exhausted by June 30, 2025
- Declining Enrollment
- Less Funding Per Student
- No More COVID Funds



THIS IS NOT SUSTAINABLE!

We **NEED** to make very **DIFFICULT CHOICES** by **March 15, 2025....!**

We need **\$22.9M** in Cuts or the District will be in State Receivership!

Budget Cycle

- Where we are in the cycle.
- State Budget not yet approved.
- Assumptions will change.

Governor's
Proposal
(Jan.)

**May Revise &
District Budget
Adoption**
(May / June)

State
Adopts
Their
Budget
(June)

45-Day
Budget
Revision
(Aug.)

Close
District's
Books
(Sept.)

Audited
Financials
(Dec.)



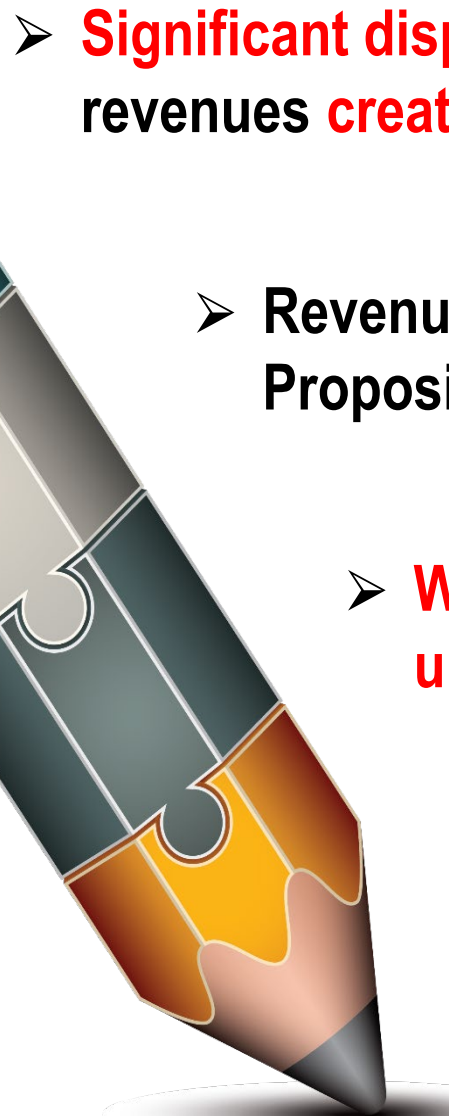
Themes for the May Revision **[The State and FMSD are in CRISIS!]**

- At the May Revision, Governor must resolve projected budget deficits in 2024-25 and 2025-26, and actual deficits in the current fiscal year **[Just like FMSD]**
 - Outside education, he proposes significant spending cuts to government operations, reductions to programs, and pauses of new investments
 - K-14 education shielded from ongoing reductions by:
 - **Fully depleting the Proposition 98 Rainy Day Fund**
 - Increasing Proposition 98 **“funding maneuver”**
 - Adding one-time education cuts
- **The Governor does not assume a recession**, but includes risks that would affect Proposition 98 should they come to pass



[The Deal To Reverse the ‘Maneuver’ Still To Be Negotiated]

Proposition 98 *[Main Funding Source for Education]*

- 
- **Significant disparities between *budgeted* and *actual* state General Fund revenues create problems for the education budget—state and local**
 - **Revenue volatility has led to multi-billion-dollar reductions in the Proposition 98 minimum guarantee for 2022-23 and 2023-24**
 - **We are feeling the effects of the risky revenue assumptions underlying the 2022-23 funding level**
 - **Governor Newsom's Proposition 98 “maneuver” has significant implications for future K-14 resources**
- [The Deal To Reverse the ‘Maneuver’ Still Being Negotiated]**

Early Action Budget Agreement—AB 106

Assembly Bill (AB) 106 includes \$17.3 billion in early action solutions to reduce the projected shortfall:

- **\$3.6 billion in reductions**
- **\$5.2 billion in revenue and borrowing**
- **\$5.2 billion in delays and deferrals**
- **\$3.4 billion in cost shifts from the General Fund to other state funds**

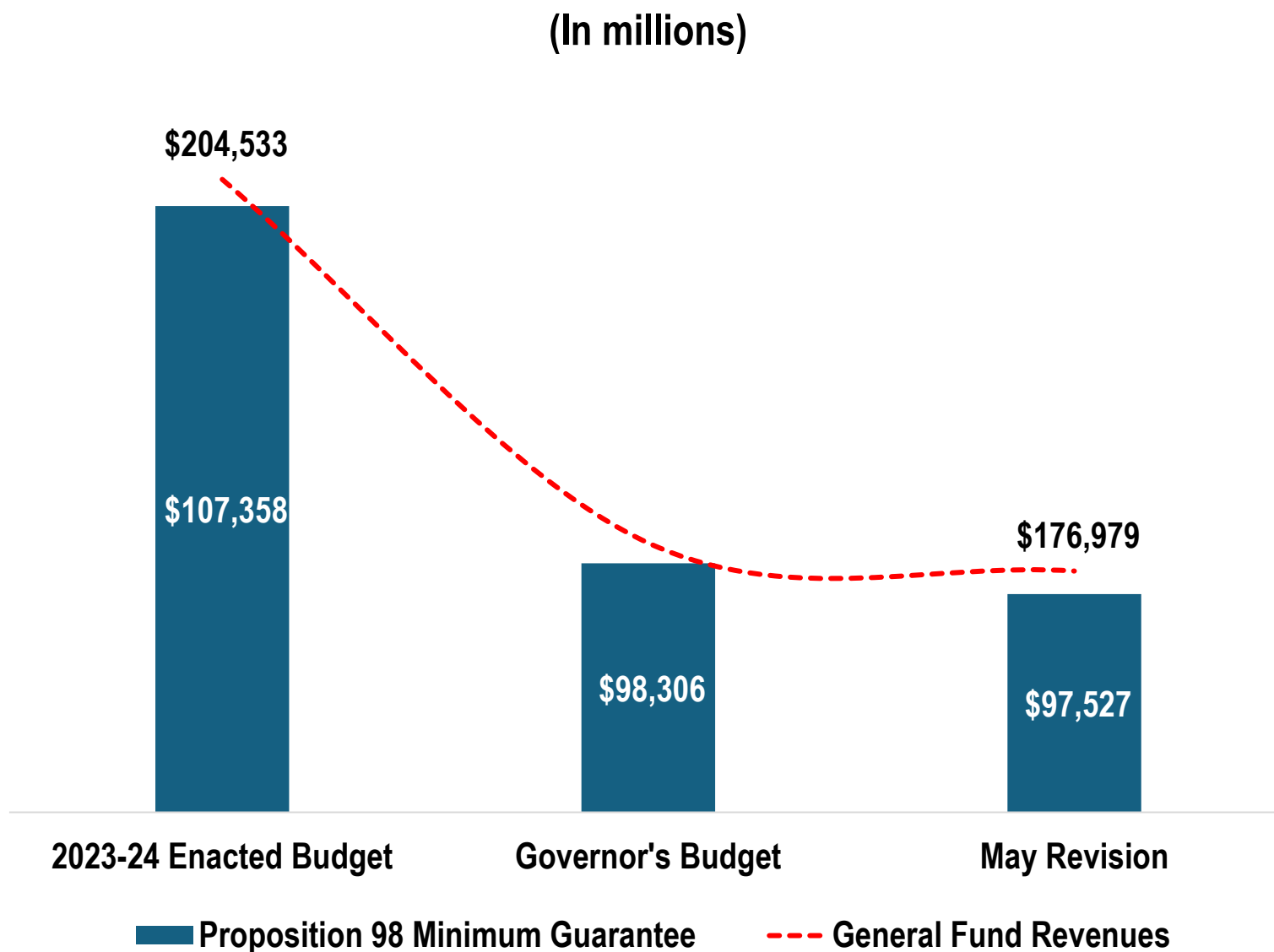
AB 106 does not make changes to core education funding

- **Delays \$550 million contribution to California Preschool, Transitional Kindergarten (TK), and Full-Day Kindergarten Facilities Grant Program**
 - **May Revision proposes to eliminate the \$550 million altogether**
- **Reduces a planned \$875 million one-time investment for the School Facility Program by \$500 million**
 - **May Revision proposes to eliminate the remaining \$375 million**

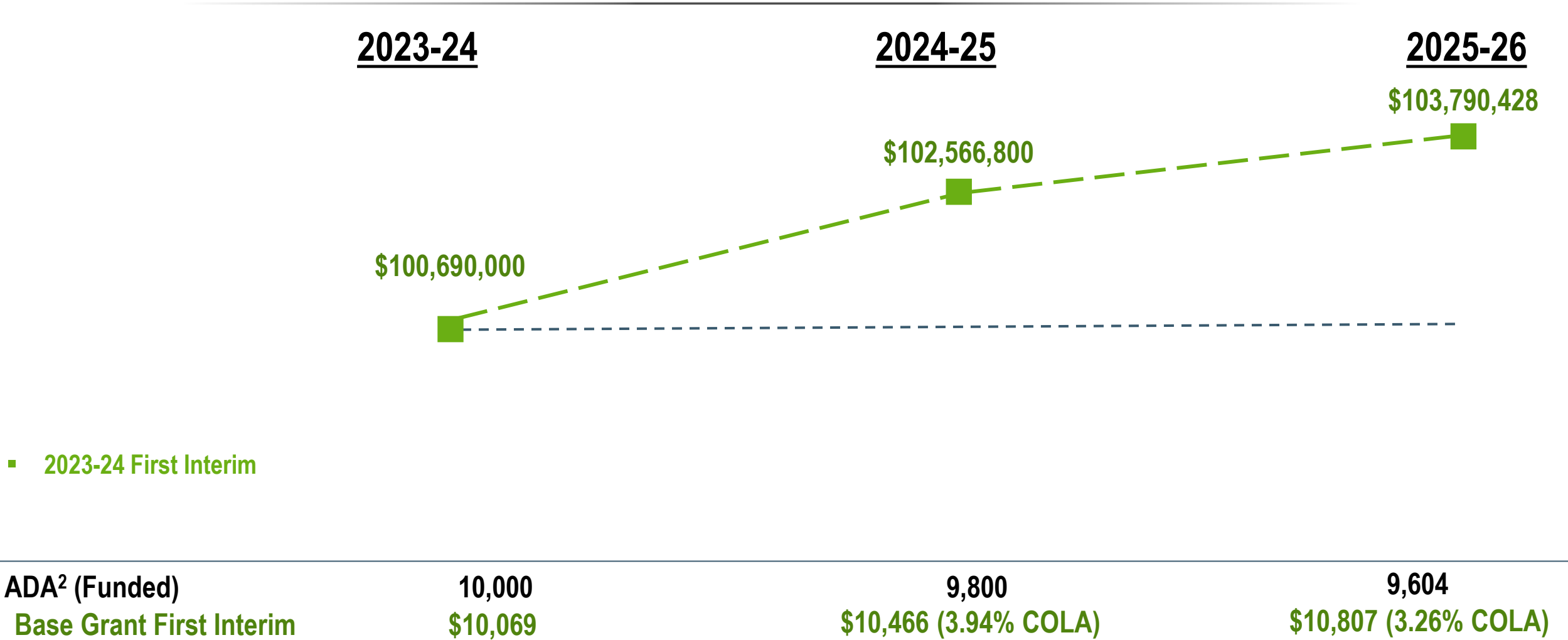
The Governor estimates that AB 106 reduces the 2024-25 budget shortfall from \$44.9 billion to \$27.6 billion

The 2022-23 Conundrum

- In that Proposition 98 spending consumes nearly 40% of all state General Fund revenues, the 2022-23 appropriation above the revised minimum guarantee in the May Revision creates a significant budget dilemma
- *Why are we here?* The 2022 personal income and corporation taxes came in \$26 billion below estimates

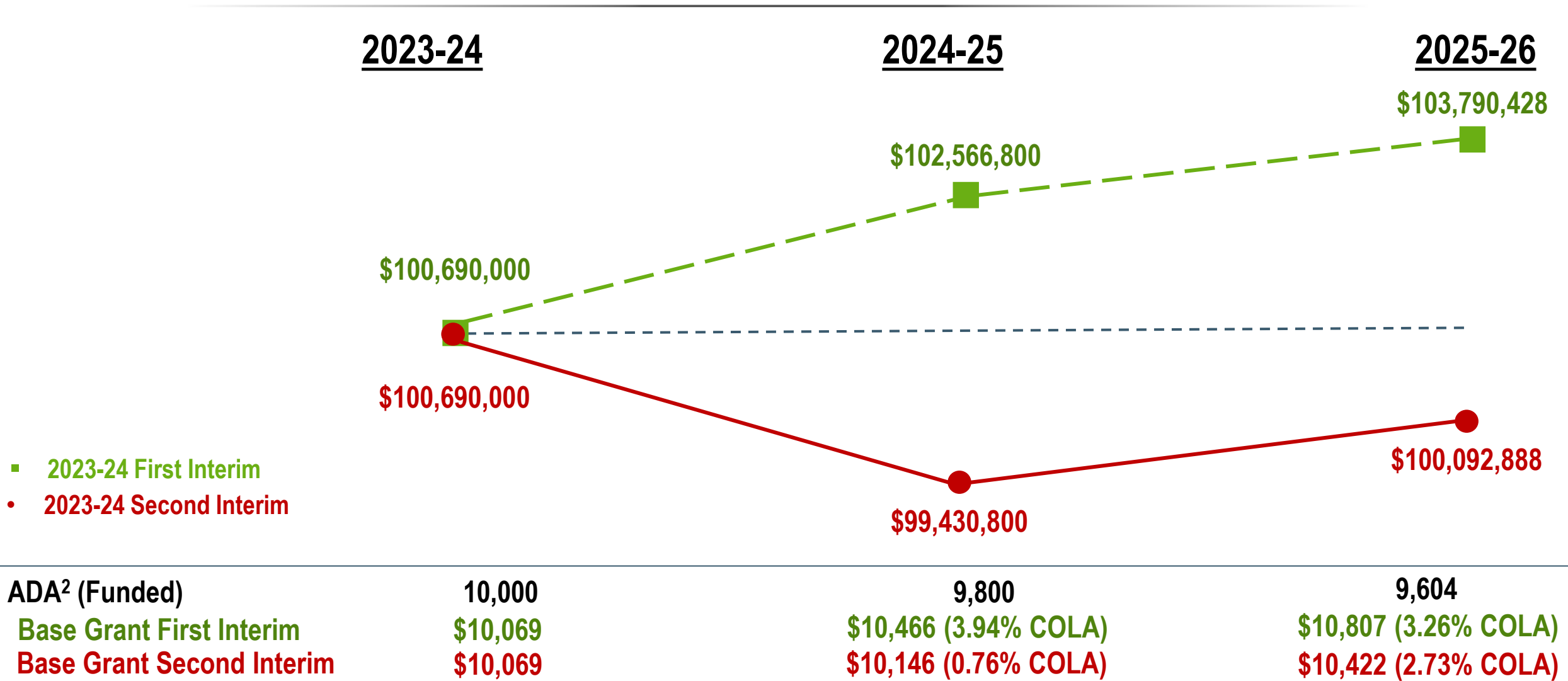


A Tale of Three Multiyear LCFF¹ Revenue Projections

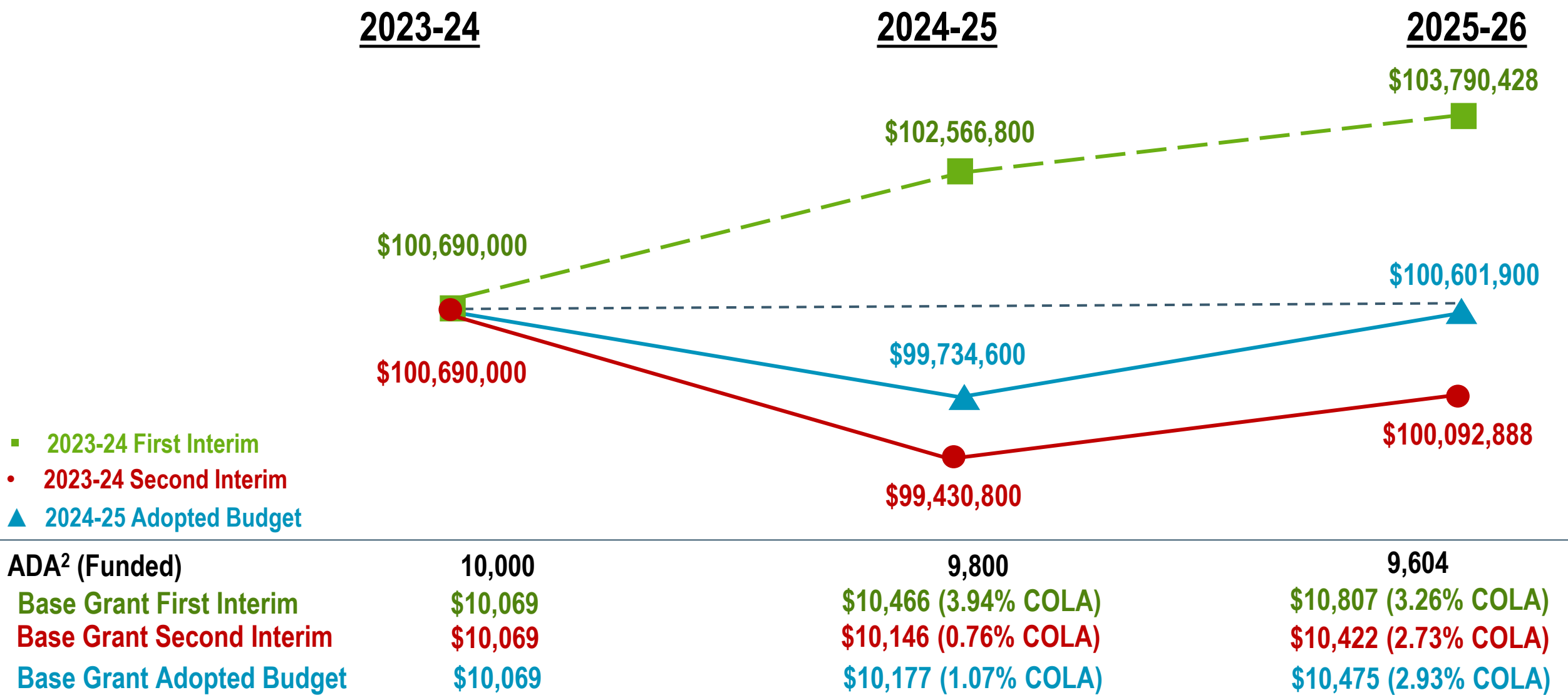


¹Local Control Funding Formula (LCFF) ²Average daily attendance (ADA)

A Tale of Three Multiyear LCFF¹ Revenue Projections

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¹Local Control Funding Formula (LCFF) ²Average daily attendance (ADA)

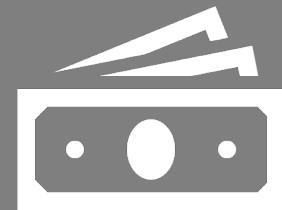
What's Not in the May Revision, But Could Be in the Final Budget

- Despite the deteriorating revenue situation, Governor Newsom does not rely on **deferrals** to balance the Proposition 98 side of the budget
 - This could change between now and the final 2024-25 Enacted Budget, especially if the Legislature rejects the Proposition 98 funding maneuver or any significant one-time cuts and needs other Proposition 98 solutions as a result

It is full steam ahead with Universal Transitional Kindergarten implementation, with no student-teacher ratio relief proposed for 2025-26 when ratios drop from 12:1 to 10:1



Although several pots of one-time funds are being pulled back, including funding to increase access to inclusive early learning and care programs for children with disabilities, there are no ongoing programmatic reductions within core K-12 programs



Legislative Priorities for the State Budget and Proposition 98

- During early budget action negotiations, the Assembly noted that if budget subcommittees are unable to agree to some of the Governor's budget proposals, they will begin to identify "alternative cuts" to ongoing programs in order to balance the 2024-25 and future State Budgets

To save for prospective rainy days, the Assembly intended to utilize a similar portion (about half) of the state's reserves as proposed by Governor Newsom in January

This is no longer aligned with the Governor's plan to use more reserves (including depleting the Proposition 98 reserve) at the May Revision

Some fissures have already emerged between the two houses regarding their willingness to accept the Proposition 98 funding maneuver as the least-bad option in a difficult year

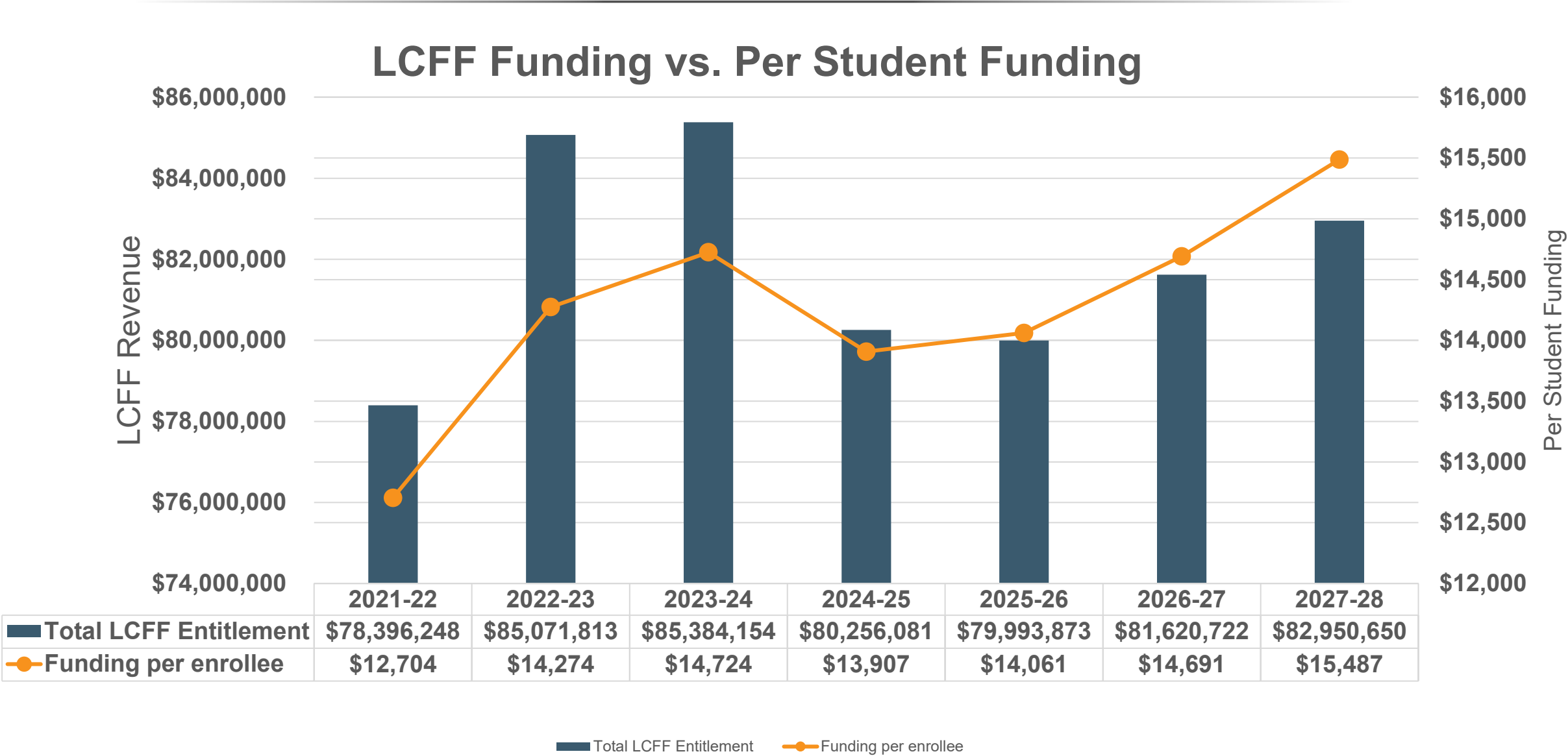
If the Legislature does not agree to the Governor's Proposition 98 funding maneuver, and/or does not want to utilize all Proposition 98 rainy day funds, other solutions must be found

What Does the LCFF Mean for FMSD?

Fiscal Year	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Total LCFF Entitlement	\$78,396,248	\$85,071,813	\$85,384,154	\$80,256,081	\$79,993,873	\$81,620,722	\$82,950,650
Enrollment Count	6,171	5,960	5,799	5,771	5,689	5,556	5,356
Funding per enrollee	\$12,704	\$14,274	\$14,724	\$13,907	\$14,061	\$14,691	\$15,487
Change in per student		\$1,570	\$450	(\$817)	\$154	\$629	\$797
Percent Change		12.36%	3.15%	-5.55%	1.11%	4.48%	5.42%

- LCFF funding per student enrolled will go down for FMSD in FY 2024-25
- It will take us two additional years to recover that per student enrolled funding
- There are no more one-time COVID Funds to hide deficit spending
- Changes to LCFF that propped up student funding no longer benefits FMSD
- We are once again **back in crisis mode** and **ACTION IS NEEDED NOW!**

What Does FMSD’s LCFF Trend Look Like?



The Road Ahead

- The May Revision **relies significantly on the use of one-time funds for ongoing programs** and a novel accounting technique that would get a district chief business official fired
 - Should either of these underpinning proposals be rejected by the Legislature, other solutions will be necessary
 - Need details of “The Deal” between Governor and CTA to understand FMUSD impact
 - The Deal still requires the Legislature to agree
- FMUSD will need to plan based on the May Revision, but be poised to adjust based on the final Enacted Budget
- We will continue to monitor the debate over the final Enacted Budget
- FMUSD 45-day budget revision will provide impact of the final State adopted budget for 24-25

MYP Assumptions

\$22.9M In Cuts Required Before July 1, 2025 to Maintain 3% Reserve

<u>Category</u>	<u>Estimated Savings</u>
People	\$ 22,188,607
Contracts and Supplies	\$ 711,393
Total Cuts	\$ 22,900,000

Cuts impacting staff need to be Board approved by March 15, 2025

\$22.9M In Cuts Required Before July 1, 2025 to Maintain 3% Reserve

<u>Type of Cut</u>	<u>FTE</u>	<u>Estimated Savings</u>
Certificated	50.55	\$ 7,694,705
Classified	19.67	\$ 1,826,880
Management	4.00	\$ 755,014
School Consolidation / Reduce Work Calendar / Salary Adjustments (FMEA, CSEA, & Management)	61.06	\$ 11,912,008
Contracts/Supplies	-	\$ 711,393
Total Cuts	135.28	\$ 22,900,000

- **MUST** Finalize personnel reductions before March 15, 2024
- FMSD still requires another **\$4M in cuts by July 1, 2026** to maintain 3% Reserve. **[Perhaps the “Maneuver” Deal will reduce this cut]**
- This is before any salary and stipend increases for FMEA, CSEA, and Mgmt.
- The cuts above assume **\$8M+ of the cut to come from Special Education** to drastically reduce the contribution to the Special Education program.

Expenditure Trends Destroying District's Fiscal Solvency

Trends Destroying District's Fiscal Solvency								
<i>(in Thousands)</i>							Estimated	Budget
		Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Projections
<u>Vendor</u>	<u>Description of Services</u>	<u>18-19</u>	<u>19-20</u>	<u>20-21</u>	<u>21-22</u>	<u>22-23</u>	<u>23-24</u>	<u>24-25</u>
Nurse Registry	Diabetic Support and Other	\$ -	\$ 76.2	\$ -	\$ 335.5	\$ 926.7	\$ 1,242.4	\$ 1,000.0
Swing	Provides Sub. Paraeducators & Teachers	\$ 273.0	\$ 231.4	\$ 85.3	\$ 215.9	\$ 701.5	\$ 1,820.0	\$ 900.0
Utilities	Sewer, Trash, Electricity, Gas, Water, Pest Control, etc.	\$ 1,878.2	\$ 1,761.7	\$ 1,811.0	\$ 2,032.2	\$ 2,159.6	\$ 2,512.5	\$ 2,662.2
Contributions to Special Education	Additional Educational Supports not fully funded by Special Ed Funding	\$ 14,443.0	\$ 13,800.0	\$ 13,399.0	\$ 13,721.0	\$ 16,733.0	\$ 22,000.0	\$ 27,000.0

SSC School District and Charter School Financial Projection Dartboard 2024-25 May Revision

This version of School Services of California Inc. (SSC) Financial Projection Dartboard is based on the Governor's 2024-25 May Revision. We have updated the cost-of-living adjustment (COLA), Consumer Price Index (CPI), and other planning factors. We have also updated the Local Control Funding Formula (LCFF) factors. SSC relies on various state agencies and outside sources in developing these factors, but we assume responsibility for them with the understanding that they are general guidelines.

LCFF PLANNING FACTORS					
Factor	2023-24	2024-25 ¹	2025-26	2026-27	2027-28
Department of Finance Statutory COLA	8.22%	1.07%	2.93%	3.08%	3.30%

LCFF GRADE SPAN FACTORS FOR 2024-25				
Entitlement Factors per ADA ¹	TK-3	4-6	7-8	9-12
2023-24 Base Grants	\$9,919	\$10,069	\$10,367	\$12,015
Statutory COLA of 1.07%	\$106	\$108	\$111	\$129
2024-25 Base Grants	\$10,025	\$10,177	\$10,478	\$12,144
Grade Span Adjustment Factors	10.4%	—	—	2.6%
Grade Span Adjustment Amounts	\$1,043	—	—	\$316
2024-25 Adjusted Base Grants ²	\$11,068	\$10,177	\$10,478	\$12,460
Transitional Kindergarten (TK) Add-On ³	\$3,077	—	—	—
Average daily attendance (ADA)				

OTHER PLANNING FACTORS						
Factors		2023-24	2024-25	2025-26	2026-27	2027-28
California CPI		3.33%	3.10%	2.86%	2.87%	2.80%
California Lottery	Unrestricted per ADA	\$177	\$177	\$177	\$177	\$177
	Restricted per ADA	\$72	\$72	\$72	\$72	\$72
Mandate Block Grant (District) ⁴	Grades K-8 per ADA	\$37.81	\$38.21	\$39.33	\$40.54	\$41.88
	Grades 9-12 per ADA	\$72.84	\$73.62	\$75.78	\$78.11	\$80.69
Mandate Block Grant (Charter) ⁴	Grades K-8 per ADA	\$19.85	\$20.06	\$20.65	\$21.29	\$21.99
	Grades 9-12 per ADA	\$55.17	\$55.76	\$57.39	\$59.16	\$61.11
Interest Rate for Ten-Year Treasuries		4.32%	4.19%	3.76%	3.70%	3.70%
CalSTRS Employer Rate ⁵		19.10%	19.10%	19.10%	19.10%	19.10%
CalPERS Employer Rate ⁵		26.68%	27.05%	27.60%	28.00%	29.20%
Unemployment Insurance Rate ⁶		0.05%	0.05%	0.05%	0.05%	0.05%
Minimum Wage ⁷		\$16.00	\$16.50	\$17.00	\$17.40	\$17.90

STATE MINIMUM RESERVE REQUIREMENTS FOR 2024-25	
Reserve Requirement	District ADA Range
The greater of 5% or \$87,000	0 to 300
The greater of 4% or \$87,000	301 to 1,000
3%	1,001 to 30,000
2%	30,001 to 250,000
1%	250,001 and higher

MYP Assumptions

- 24-25 COLA at 1.07%
- School Services Dartboard (May 2024)
 - Funding rates per student
 - Consumer Price Index
 - COLA in the out years
 - Lottery funding rates
 - CalSTRS and CalPERS rates
 - Unemployment Insurance Rates
- Step and Column Schedules
- Plans for One-Time Funds
- Cuts to meet 3% reserve
 - Eliminating Over 135 FTEs
 - Closing schools, Reducing Work Calendar
 - Reducing Contracts / Supplies budget

Revised Eligibility for Transportation Services

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- ✓ Live within the Franklin-McKinley School District boundaries
- ✓ Pre K-8th grade students who live farther than 2 miles from their school and
 - K-8th George Shirakawa School students living in the Communication Hill San Jose Ave. and Monterey Highway attendance areas
 - K-6th Franklin Elementary School students living in the Umbarger Rd, Lewis Rd, Lone Bluff Way and both sides of 7th street
 - K-6th Captain Jason Dahl School students residing east of Senter Rd south of Dadis Way and west of Monterey Hwy
 - K-8th Stonegate Students residing east of Senter Road
 - 7th-8th CCA students residing at the south end of the district, YB siblings allowed to ride
 - 7th-8th Bridges and Sylvandale no home-to-school transportation
- ✓ Students with disabilities; Foster; Homeless
- ✓ Work with VTA to issue bus passes to eligible students
- ✓ TK student not attending their home school (transport from their home school to TK school)

Moving Forward...



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- ❑ FMSD will prioritize eligible low income students in grades TK-8th grade and work to expand services
- ❑ Continue to advertise to hire additional bus drivers, driver trainers, etc.
- ❑ Provide more free VTA passes to eligible middle school students not within walking distance of school
- ❑ Inform the community of current public transportation options VTA offers
- ❑ Incorporate stakeholder feedback into future services

Transportation Plan

- EC 39800.1 – New requirement for new funding
- New funding provides additional reimbursement to cover up to 60% of Transportation Costs
- Estimated to be \$642K for 23-24
- Must develop a new “Transportation Plan” that prioritize services
- Obtain feedback from various stakeholders
- Adopted new plan on March 28, 2023
 - [Detailed in AR 3541](#) (adopted April 2023)
- As of January 2024, Administration determined no changes expected for FY 2024-25 so plan will remain the same.

MYP



Multi-Year Projections For FMSD

Summary of MYP for Proposed Budget (in Thousands)	Estimated Actuals	<u>Multi-Year Projections</u>		
	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>
Revenue	\$132,681.9	\$113,028.5	\$112,189.0	\$114,498.3
Expense	<u>\$143,546.3</u>	<u>\$140,381.3</u>	<u>\$117,185.3</u>	<u>\$112,963.5</u>
Change	(\$10,864.4)	(\$27,352.8)	(\$4,996.3)	\$1,534.8
Beginning Fund Balance	<u>\$48,999.2</u>	<u>\$38,134.8</u>	<u>\$10,782.0</u>	<u>\$5,785.7</u>
Ending Fund Balance - June 30	\$38,134.8	\$10,782.0	\$5,785.7	\$7,320.5
Total Expense (B)	\$143,546.3	\$140,381.3	\$117,185.3	\$112,963.5
Unrestricted & Assigned Balance (A)	\$7,179.9	\$4,217.0	\$3,525.2	\$3,398.6
Reserve % = (A) / (B)	5.0%	3.0%	3.0%	3.0%

Multi-Year Projections For FMSD

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Multi-Year Revenue Projections By Component for FMSD

Summary of MYP for Proposed Budget <i>(in Thousands)</i>	Estimated <u>Actuals</u>	<u>Multi-Year Projections</u>		
	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>
LCFF Sources	\$ 85,992.8	\$ 80,256.1	\$ 79,993.9	\$ 81,620.7
Federal Sources	\$ 13,192.1	\$ 4,976.6	\$ 4,976.6	\$ 4,976.6
Other State Revenue	\$ 24,848.4	\$ 21,527.6	\$ 22,158.3	\$ 22,840.8
Other Local Revenue	\$ 8,648.6	\$ 6,268.2	\$ 5,060.2	\$ 5,060.2
Revenue Components	\$ 132,681.9	\$ 113,028.5	\$ 112,189.0	\$ 114,498.3

Multi-Year Revenue Projections By Component for FMSD

Summary of MYP for Proposed Budget <i>(in Thousands)</i>	Estimated			
	<u>Actuals</u>	<u>Multi-Year Projections</u>		
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Other Local Revenue	\$ 8,648.6	\$ 6,268.2	\$ 5,060.2	\$ 5,060.2
Revenue Components	\$ 132,681.9	\$ 113,028.5	\$ 112,189.0	\$ 114,498.3

Multi-Year Expenditure Projections By Component for FMSD

Summary of MYP for Proposed Budget	Estimated			
(in Thousands)	<u>Actuals</u>	<u>Multi-Year Projections</u>		
	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>
Expenditure Components				
Certificated Salaries	\$ 53,523.1	\$ 51,598.9	\$ 43,012.2	\$ 42,623.3
Classified Salaries	\$ 20,726.5	\$ 20,926.1	\$ 17,393.3	\$ 17,267.3
Employee Benefits	\$ 33,486.6	\$ 33,670.5	\$ 30,437.3	\$ 30,368.5
Books and Supplies	\$ 6,975.6	\$ 4,553.7	\$ 2,883.9	\$ 1,653.9
Services & Other	\$ 28,594.0	\$ 27,963.6	\$ 22,811.3	\$ 20,353.3
Capital Outlay (CNS KIT Funds/Vehicles)	\$ 250.2	\$ 1,061.9	\$ 150.0	\$ 150.0
Other Outgo	\$ (9.8)	\$ 606.7	\$ 497.3	\$ 547.2
Total Expenditures	\$ 143,546.3	\$ 140,381.4	\$ 117,185.3	\$ 112,963.5

Components of Ending Fund Balance

	June 30, 2025	June 30, 2025	June 30, 2025	
Components of Ending Balance	<u>Unrestricted</u>	<u>Restricted</u>	<u>Combined</u>	<u>Percentage Of Ending Balance</u>
<i>(Amounts in thousands)</i>				
Non-spendable	713.0	-	713.0	6.6%
Legally Restricted (1)	-	5,403.2	5,403.2	50.1%
Assigned (2% Board Reserve)	-	-	-	0.0%
3% Economic Uncertainty	4,217.0	-	4,217.0	39.1%
Committed (2)	448.7	-	448.7	4.2%
Unassigned Reserve	-	-	-	0.0%
Ending Balance	<u>\$ 5,378.7</u>	<u>\$ 5,403.2</u>	<u>\$ 10,781.9</u>	<u>100.0%</u>

(1) Needed for ELOP - \$3.4M, Learning Recovery EBG - \$0.7M, CCSPP - \$0.5M, Educator Effectiveness - \$0.3M, Lottery - \$0.3M, and Prop 28 (Arts & Music in Schools) - \$0.2M

(2) To make the next two years of SERP payments; Mitigation measures are fully exhausted.



Buckets of the Projected Ending Balance

<u>Category</u>	<u>Amount</u>	<u>Description</u>
Ed Code Requirement	\$4.2M	3% reserve for economic uncertainty required by Ed Code
Non-Spendable	\$0.7M	Prepaid Health Insurance Expenditures
Committed	\$0.4M	Supplemental Employment Retirement Plan (SERP) Payments to be made
Assigned	\$0.0M	Additional 2% reserve based on board resolution 2011-25
Committed	\$0.0M	Mitigations measures [Fully Exhausted] – Was to offset future deficit spending; extend positions funded with expired one-time funds.
Committed	\$0.0M	Curriculum Adoption & Tech Refresh [Fully Exhausted]



Buckets of the Projected Ending Balance

<u>Category</u>	<u>Amount</u>	<u>Description</u>
Restricted	\$3.4M	Expanded Learning Opportunities Program – Ongoing funding that provides funding for afterschool, intersessional and summer school enrichment programs; Can't be used during the day; Focus on developing the academic, social, emotional, and physical needs and interests of pupils through hands-on, engaging learning experiences;
Restricted	\$0.7M	Learning Recovery Emergency Block Grant can only be used for learning recovery initiatives through the 2027-28 school year that supports academic learning recovery, and staff and pupil social and emotional well-being. Currently used to pay for Social Workers, Student Support Specialists and increased hours for Paraeducators. (Spend by June 2028) [May fully exhaust in 24-25 to offset unobtained cuts]
Restricted	\$0.5M	Other Restricted Local Grants are restricted based on funding source. Include funds received from the State for the CA Community Schools Partnership Program Grant. supports schools' efforts to partner with community agencies and local government to align community resources to improve student outcomes. These partnerships provide an integrated focus on academics, health and social services, youth and community development, and community engagement.



Buckets of the Projected Ending Balance

<u>Category</u>	<u>Amount</u>	<u>Description</u>
Restricted	\$0.3M	Educator Effectiveness Block Grant funds are intended to support professional learning for teachers, administrators, classified staff, and paraprofessionals who work with pupils. Primary focus is SEL & ELD. Funds cover the compensation of 3 teachers (Spend by June 2026)
Restricted	\$0.3M	Lottery: Instructional Materials – Shall only be used for the purchase of instructional materials.
Restricted	\$0.2M	Prop 28 (Arts and Music In Schools) - Ongoing program supporting arts instruction in schools beginning in 2023–24. Funds will be used to either hire teachers and/or contractors to support the expansion of the Arts and Music program within FMUSD.

Budget Overview for Parents (B.O.P.)

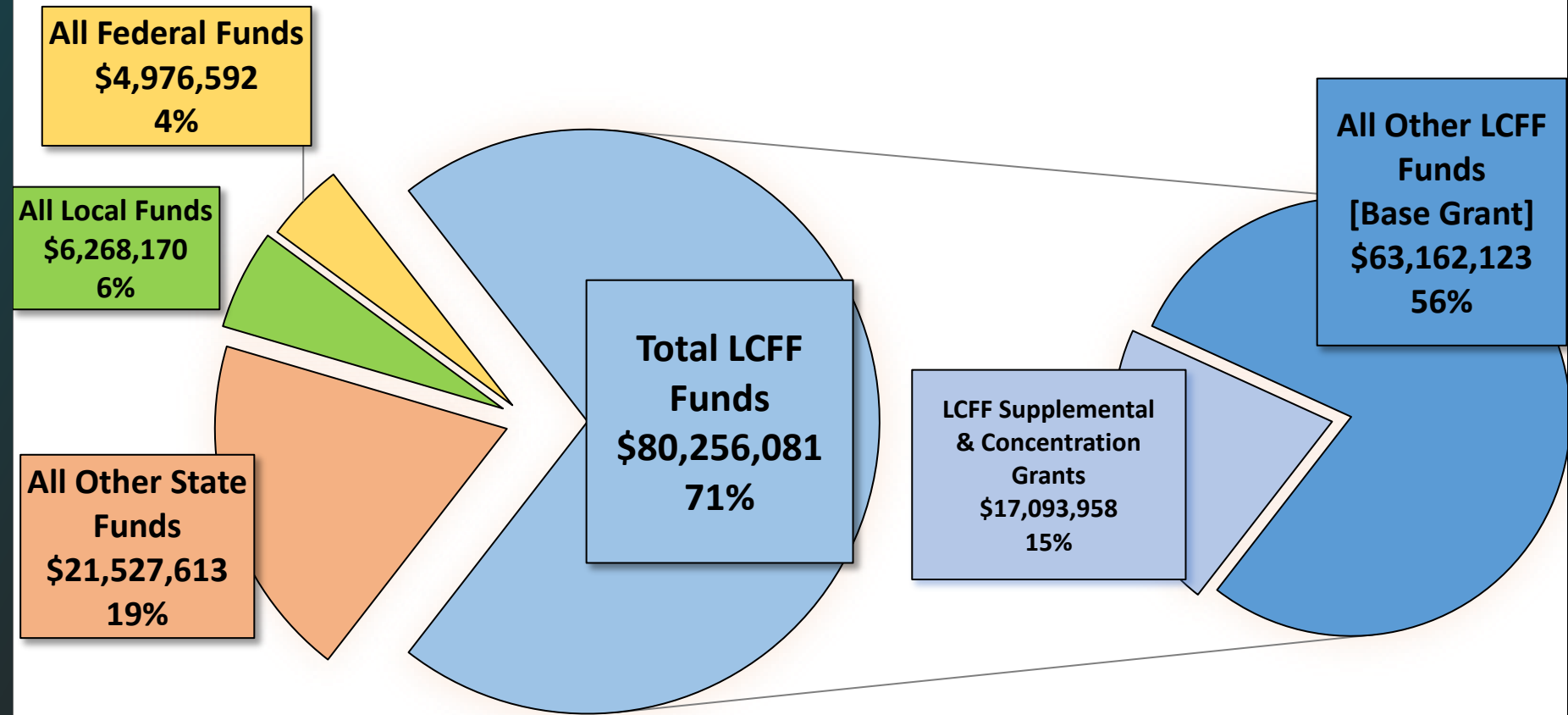
Budget Overview for Parents (2024-25)

Why the B.O.P.?

- Education Code Section 52064.1 requires school districts to develop the Local Control Funding Formula Budget Overview for Parents (BOP) in conjunction with the Local Control Accountability Plan (LCAP) by July 1 of each year.
- The statute requires the BOP to use language that is understandable and accessible to parents in order to provide transparency.

Budget Overview for Parents (2024-25)

Projected Revenue of \$113M by Funding Sources

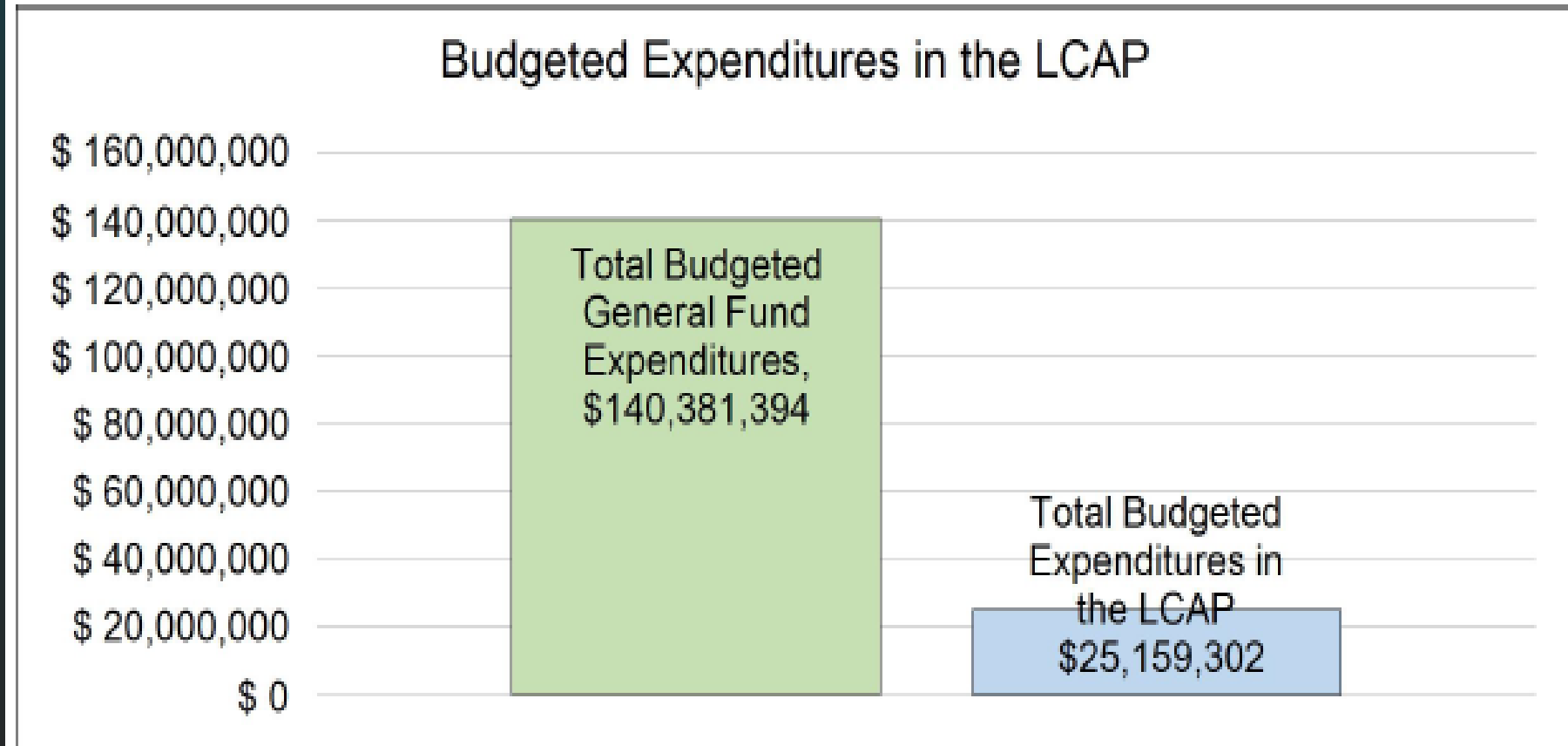


This chart shows the total general purpose revenue Franklin-McKinley Elementary School District expects to receive in the coming year from all sources.

Budget Overview for Parents (2024-25)

REVISED SLIDE – LCAP Increased From \$20.4M to \$25.2M

The LCFF gives school districts more flexibility in deciding how to use state funds. In exchange, school districts must work with parents, educators, students, and the community to develop a Local Control and Accountability Plan (LCAP) that shows how they will use these funds to serve students.

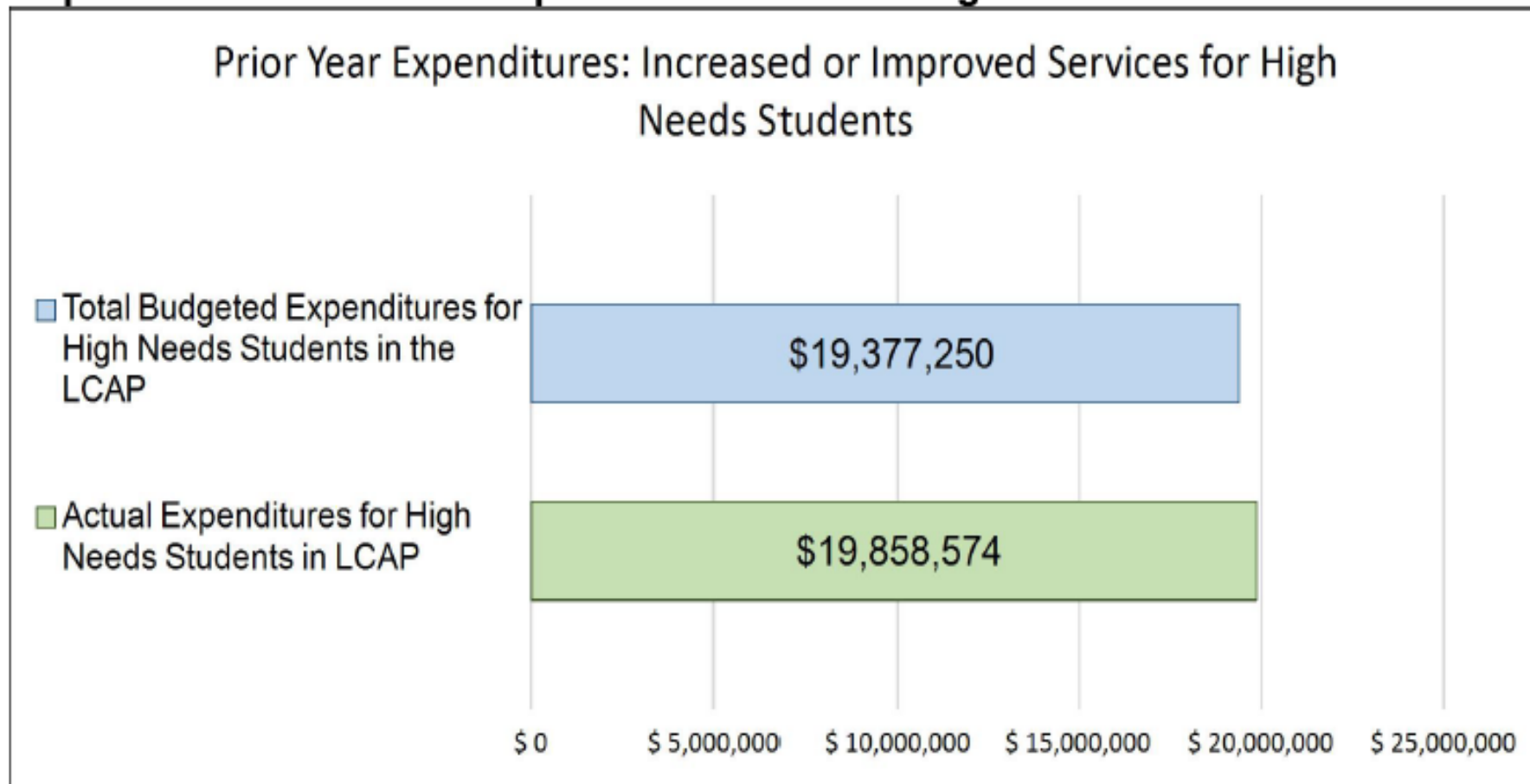


This chart provides a quick summary of how much Franklin-McKinley Elementary School District plans to spend for 2024-25. It shows how much of the total is tied to planned actions and services in the LCAP.

Budget Overview for Parents

(Focus on 23-24 Budget vs. Estimated Actuals)

Update on Increased or Improved Services for High Needs Students in 2023-24



This chart compares what Franklin-McKinley Elementary School District budgeted last year in the LCAP for actions and services that contribute to increasing or improving services for high needs students with what Franklin-McKinley Elementary School District estimates it has spent on actions and services that contribute to increasing or improving services for high needs students in the current year.

Upcoming Actions

Next Budget Milestones & Board Actions

- **Mid June** – Legislature sends budget to the Governor; Governor approves and start line items vetoes
- **June 25** – District adopts proposed budget; Parcel Tax Ballot Measure
 - Including Committed Resolution & Reduction Plan
- **Early July** – Decipher State's budget & trailer bill language
- **August** – 45-day budget revision presented to Board
- **September/October** – County reviews FMSD's budget
- **Fall/Winter** – Parcel Tax Results; More discussion on budget cuts

Thank you!

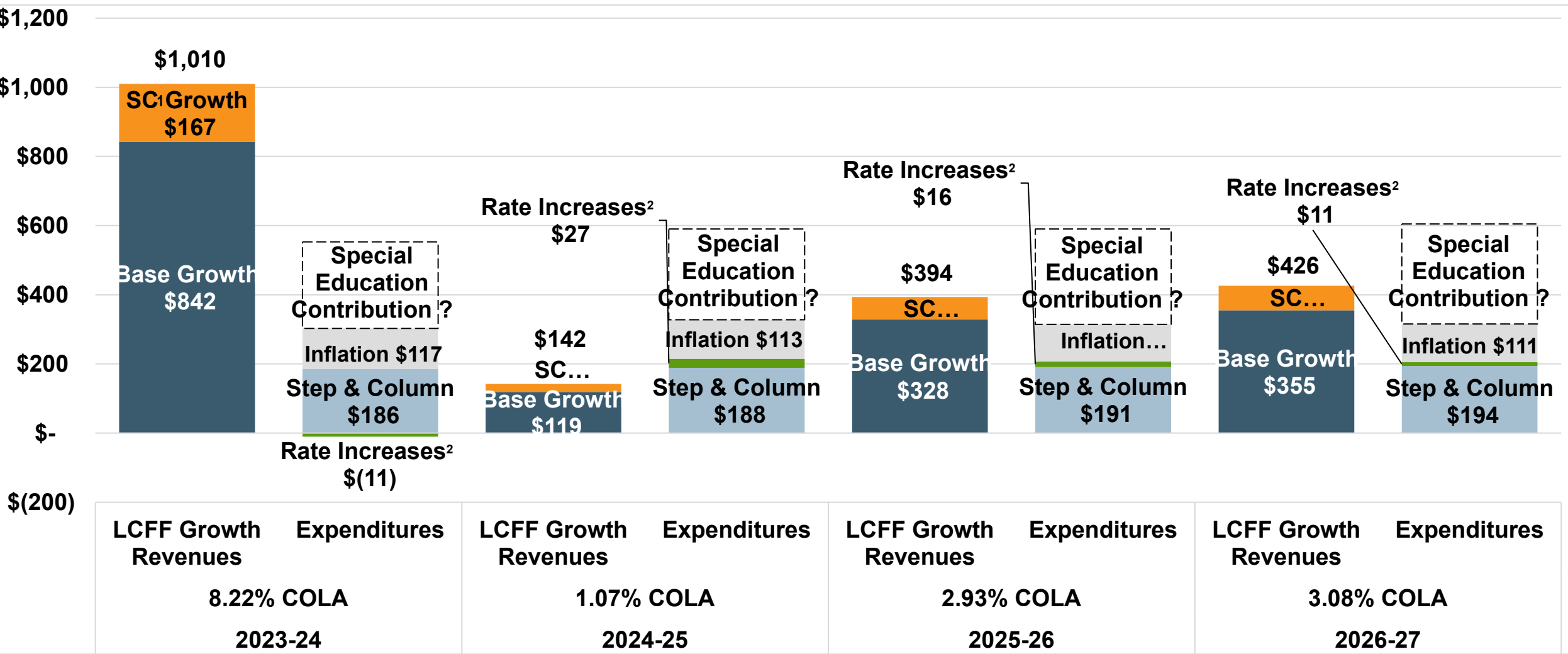


Thank you



Appendix

Multiyear Cost Forecast



¹Supplemental and Concentration (SC)
²Rate increases includes increases to the CalSTRS and CalPERS employer contribution rates as well as any increases to Unemployment Insurance



Per Student Funding

(May Revise)

2024-25 LCFF Funding Factors

Grade Span	TK-3	4-6	7-8	9-12
2023-24 Base Grant per ADA	\$9,919	\$10,069	\$10,367	\$12,015
1.07% COLA	\$106	\$108	\$111	\$129
2024-25 Base Grant per ADA	\$10,025	\$10,177	\$10,478	\$12,144
Grade Span Average	\$1,043	—	—	\$316
2024-25 Adjusted Base Grant per ADA	\$11,068	\$10,177	\$10,478	\$12,460
20% Supplemental Grant per ADA ¹	\$2,214	\$2,035	\$2,096	\$2,492
65% Concentration Grant per ADA ²	\$3,237	\$2,977	\$3,065	\$3,645
TK Add-On (inclusive of COLA)	\$3,077	—	—	—

¹Maximum amount per ADA—to arrive at LEA’s grant amount, multiply adjusted base grant per ADA by 20% and Unduplicated Pupil Percentage (UPP)

²Maximum amount per ADA—to arrive at LEA’s grant amount, multiply adjusted base grant per ADA by 65% and UPP above 55%

SSC Financial Projection Dartboard

Planning Factors						
		2023-24	2024-25	2025-26	2026-27	2027-28
DOF ¹ Planning COLA		8.22%	1.07%	2.93%	3.08%	3.30%
California CPI ²		3.33%	3.10%	2.86%	2.87%	2.80%
CalSTRS ³ Employer Rate		19.10%	19.10%	19.10%	19.10%	19.10%
CalPERS ⁴ Employer Rate		26.68%	27.05%	27.60%	28.00%	29.20%
Unemployment Insurance		0.05%	0.05%	0.05%	0.05%	0.05%
California Lottery	Unrestricted per ADA	\$177.00	\$177.00	\$177.00	\$177.00	\$177.00
	Restricted per ADA	\$72.00	\$72.00	\$72.00	\$72.00	\$72.00
Mandate Block Grant (District) ⁵	Grades K-8 per ADA	\$37.81	\$38.21	\$39.33	\$40.54	\$41.88
	Grades 9-12 per ADA	\$72.84	\$73.62	\$75.78	\$78.11	\$80.69
Mandate Block Grant (Charter)	Grades K-8 per ADA	\$19.85	\$20.06	\$20.65	\$21.29	\$21.99
	Grades 9-12 per ADA	\$55.17	\$55.76	\$57.39	\$59.16	\$61.11

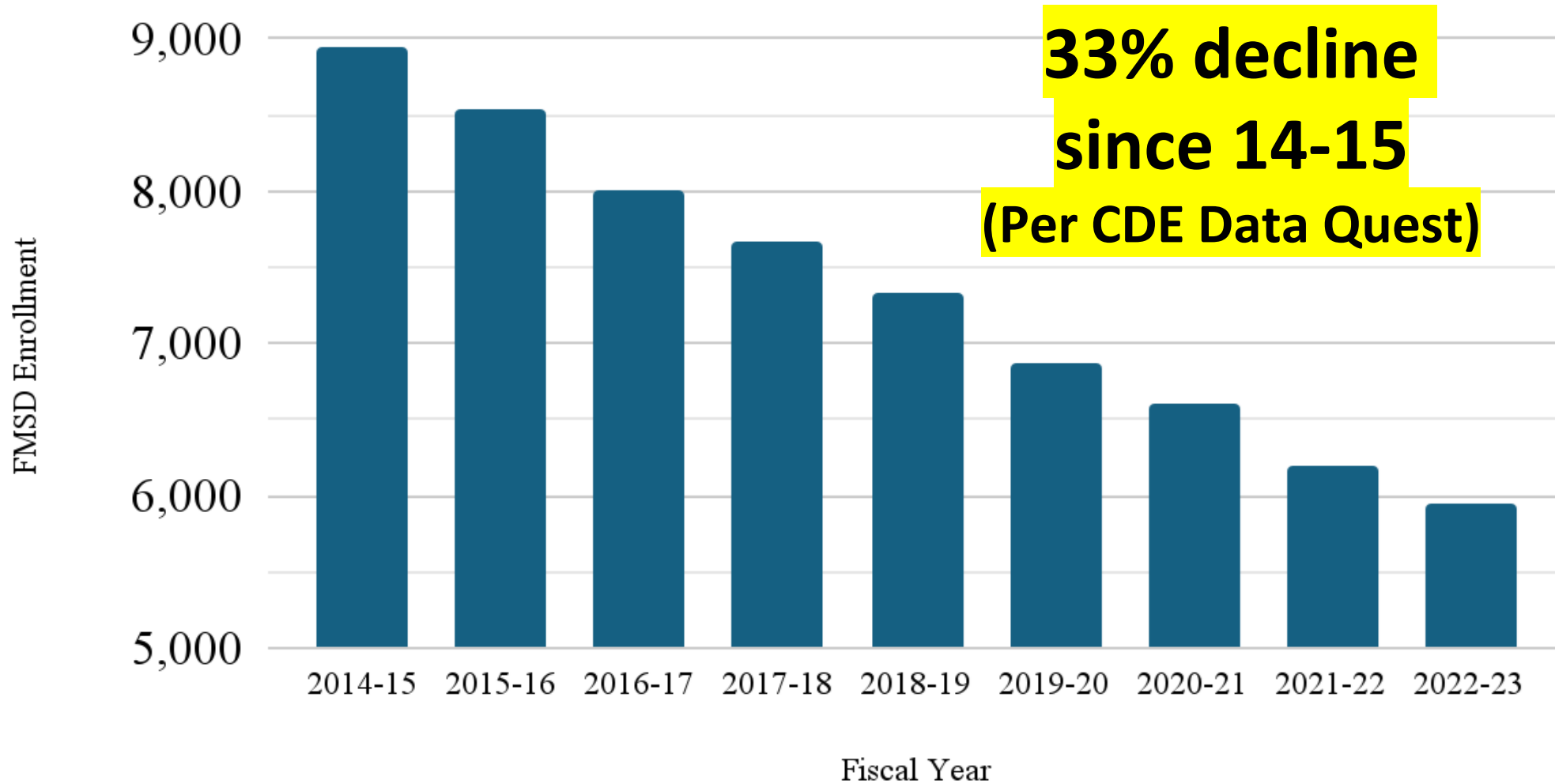
¹Department of Finance, ²Consumer Price Index, ³California State Teachers' Retirement System, ⁴California Public Employees' Retirement System, ⁵County Office of Education Mandate Block Grant for 2024-25: \$38.21 per ADA grades K-8; \$73.62 per ADA grades 9-12; \$1.28 per unit of countywide ADA



Enrollment Trends

(as of 2nd Interim)

Enrollment Trend

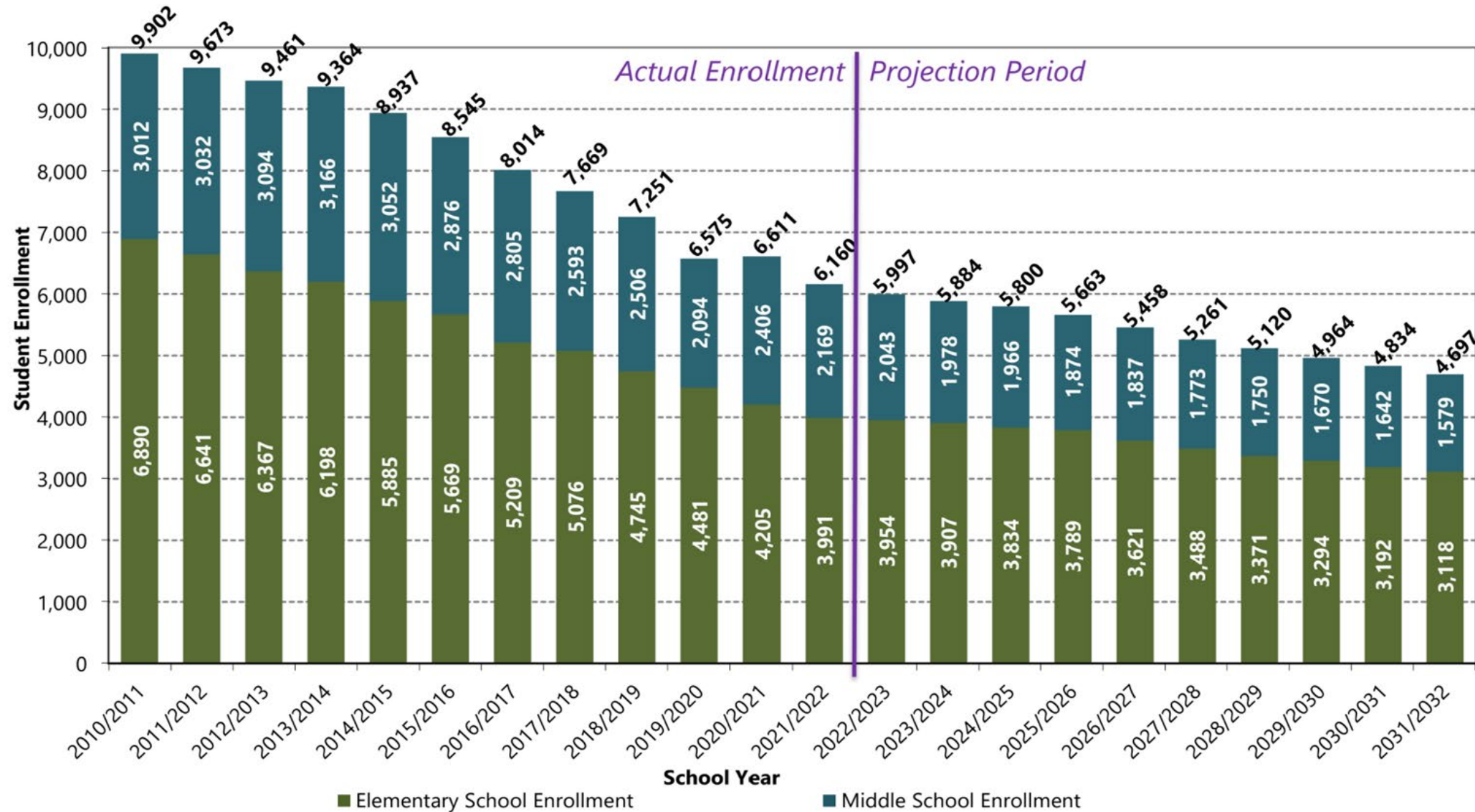


Enrollment Trend

This is important! The fewer students we have the less funding FMSD will receive!

► ENROLLMENT PROJECTION

DISTRICTWIDE STUDENT ENROLLMENT PROJECTIONS BY SCHOOL YEAR



**Last Enrollment Projection
(March 2022)**

Enrollment By FMSD School Site Trend

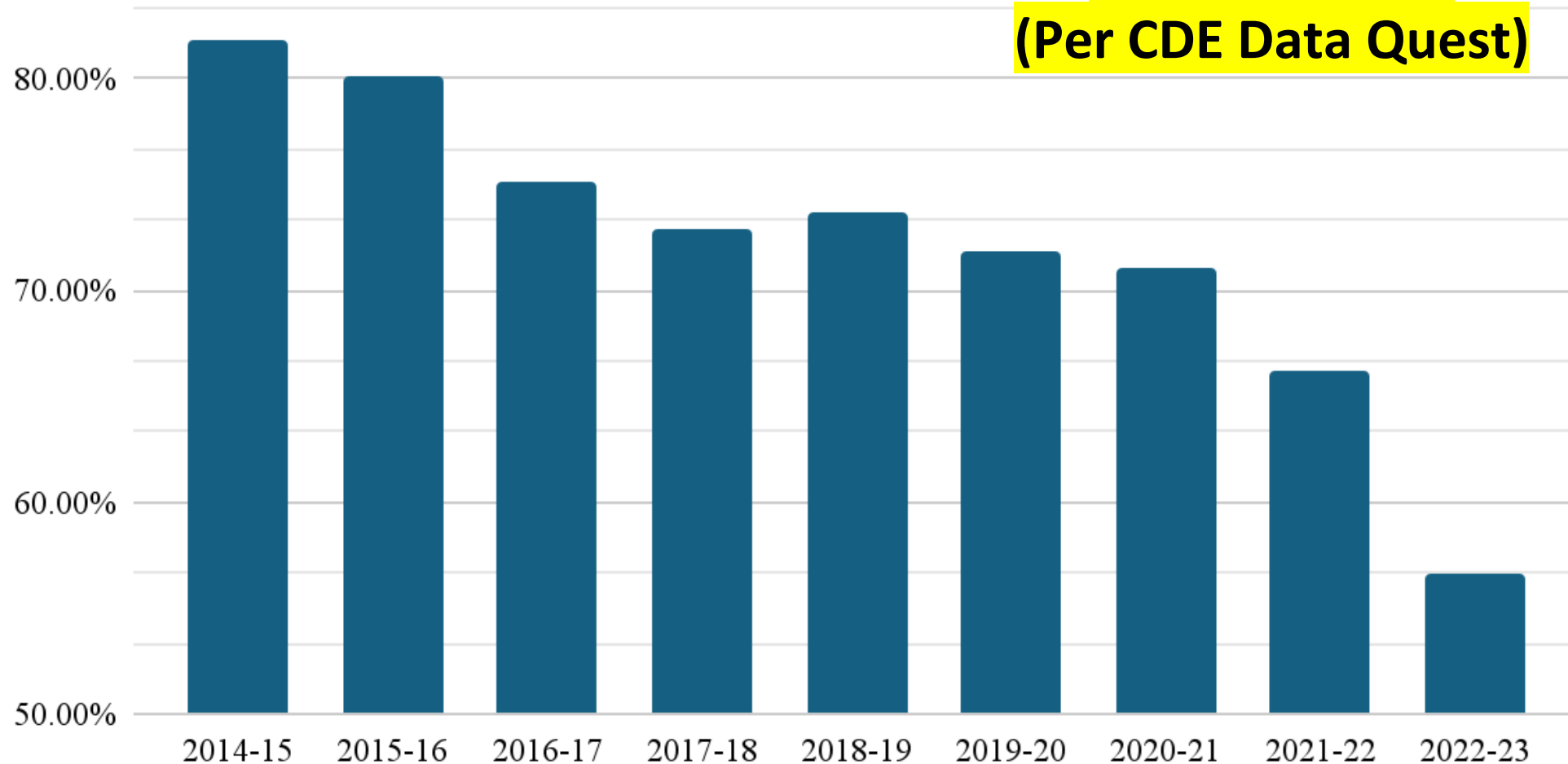
	Enrollment Number by site								Increase (Decrease)
	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24	
Bridges	452	378	345	297	331	315	287	282	-38%
Dahl	611	565	549	521	486	426	414	414	-32%
CCA	175	196	210	214	239	209	199	203	16%
Franklin	726	680	665	603	567	525	521	544	-25%
Hellyer	384	407	402	402	374	363	374	373	-3%
Meadows	533	521	501	481	491	459	432	436	-18%
Lairon	402	359	383	330	338	300	315	318	-21%
Los Arboles	399	370	353	310	247	225	188	195	-51%
McKinley	348	315	286	272	236	230	236	241	-31%
Ramblewood	368	371	351	346	312	275	259	260	-29%
Kennedy	441	420	390	388	363	306	308	309	-30%
Santee	443	425	423	413	388	363	359	345	-22%
Shirakawa	814	799	759	703	664	793	633	522	-36%
Stonegate	728	705	681	636	594	536	537	523	-28%
Sylvandale	713	716	574	465	462	401	371	328	-54%
Windmill	470	437	440	481	508	461	509	570	21%

Enrollment By Charter School Site Trend

	Enrollment Number - Charter Schools							Increase (Decrease)
	16-17	17-18	18-19	19-20	20-21	21-22	22-23	
ACE	278	304	288	250	244	222	221	-21%
Cornerstone	451	519	543	538	521	521	520	15%
KIPP	335	451	452	456	453	452	447	33%
Rocketship Mosaic	583	574	579	584	616	558	565	-3%
Rocketship Raising Star	465	561	631	630	616	608	593	28%
Rocketship Spark	591	601	608	618	625	571	558	-6%
Voice	483	478	481	457	431	403	364	-25%
Total	3186	3488	3582	3533	3506	3335	3268	3%

This is important! Even some charters are experiencing declining enrollment and seek students outside of FMSSD to reverse trends!

FRPM Percentage Trend



This is important! As the % decreases the amount of LCFF funding per student can decrease!



Other Funds

Other Restricted Funds *(in Millions)*

2024-25 Funds (In Millions)	Cafeteria	Building	Capital Facilities	Capital Outlay	Bond Interest & Redemption	Self Insurance
Beginning Balance	\$5.80	\$21.89	\$9.00	\$0.93	\$8.10	\$1.70
Revenue	\$7.50	\$23.50	\$0.52	\$0.01	\$9.21	\$1.37
Expenditures	<u>\$6.38</u>	<u>\$33.13</u>	<u>\$0.02</u>	<u>\$0.60</u>	<u>\$9.91</u>	<u>\$1.28</u>
<i>Change</i>	<u>\$1.12</u>	<u>-\$9.63</u>	<u>\$0.50</u>	<u>-\$0.59</u>	<u>-\$0.70</u>	<u>\$0.09</u>
Ending Balance	\$6.92	\$12.26	\$9.50	\$0.34	\$7.40	\$1.79



Other Restricted Funds - *Purpose*

- **Cafeteria Fund** - This fund accounts for federal, state, and local resources to operate the food service program (Education Code sections 38090 and 38093). The Cafeteria Fund (Fund 13) shall be used only for those expenditures authorized by the governing board as necessary for the operation of the LEA's food service program (Education Code sections 38091 and 38100).
- **Building Fund** - This fund accounts for proceeds received and use of proceeds from the sale of bonds (Education Code Section 15146 and 16058) and may not be used for any purposes other than those for which the bonds were issued. Other authorized revenues to the Building Fund (Fund 21) are revenue from rentals and leases of real property specifically authorized for deposit into the fund by the governing board (Education Code Section 41003).

Other Restricted Funds - *Purpose*

- **Capital Facilities Fund** - This fund accounts for moneys received from fees levied on development projects (“Developer Fees”) as a condition of approval (Education Code sections 17620–17626 and Government Code Section 65995 et seq.). Interest earned in the Capital Facilities Fund (Fund 25) is restricted to that fund (Government Code Section 66006). Expenditures in Capital Facilities Fund are restricted to the purposes specified in Government Code sections 65970–65981 or Government Code Section 65995 et seq., or to the items specified in agreements with the developer (Government Code Section 66006). Costs of justifying and adopting developer fees may be paid from Fund 25 (Education Code Section 17620). Administrative costs of collecting fees may be reimbursed from Fund 25 (Education Code Section 17620).

Other Restricted Funds - *Purpose*

- **Capital Outlay Fund** - This fund accounts for general fund moneys for capital outlay purposes (Education Code Section 42840). This fund may also account for any revenues specifically for capital projects that are not restricted to other funds. Other authorized resources that may be deposited to the Fund are rentals and leases of real property (Education Code Section 41003). Transfers from the general fund to Fund 40 authorized must be expended for capital outlay purposes. Proceeds from the sale or lease-with-option-to-purchase may be spent for capital outlay purposes, costs of maintenance of the LEA's property, and future maintenance and renovation of school sites (Education Code Section 17462). Salaries of employees working directly on projects financed by Fund 40 revenues are capitalized as a part of the capital facilities project.

Other Restricted Funds - *Purpose*

- **Bond Interest and Redemption Fund** - This fund is used for the repayment of bonds issued (Education Code sections 15125–15262). Any premiums or accrued interest received from the sale of the bonds must be deposited in the Bond Interest and Redemption Fund (Fund 51) of the LEA. The county auditor maintains control over the Fund. The principal and interest on the bonds must be paid by the county treasurer from taxes levied by the county auditor-controller. Expenditures in this fund are limited to bond interest, redemption, and related costs. Any money remaining in this fund after the payment of all bonds shall be transferred to the general fund upon order of the county auditor (Education Code Section 15234).

Other Restricted Funds - *Purpose*

- **Self-Insurance Fund** - Self-insurance funds are used to separate moneys received for self-insurance activities from other operating funds of an LEA. We use this fund for the dental and vision self-insurance (Education Code Section 17566). Expenses in the Self-Insurance Fund (Fund 67) include the payment of claims, estimates of costs relating to incurred but not reported (IBNR) claims, administrative costs, deductible insurance amounts, cost of excess insurance, and other related costs. Amounts contributed to Fund 67, Self-Insurance Fund, are lawfully restricted for insurance purposes (Education Code Section 17566 and Government Code Section 53205).