

Fresno Unified School District
Board Agenda Item

Board Meeting Date: August 12, 2020

AGENDA ITEM A-5

AGENDA SECTION: A

(A – Consent, B – Discussion, C – Receive, Recognize/Present)

ACTION REQUESTED: Approve

(Adopt, Approve, Discuss, Receive, etc.)

TITLE AND SUBJECT: Approve Budget Revision No. 1 for Fiscal Year 2020/21

ITEM DESCRIPTION: Included in the Board binders is Budget Revision No. 1 for fiscal year 2020/21. Periodic updates to the district's budget are presented to the Board of Education for approval

The district's 2020/21 Adopted Budget was approved by the Board on June 10, 2020. This included revenue assumptions based on the Governor's May Revise. The State's Adopted Budget was enacted on June 26, 2020 and varied significantly from the May Revise. The impacts thereof are recognized in Budget Revision No. 1 which is included for the Board's consideration and approval. The following itemize the changes (*new* or *revised*) to Fresno Unified's 2020/21 Adopted Budget:

- Local Control Funding Formula (LCFF) – Increased from negative 7.92% cost-of-living (COLA) to 0.00% COLA – \$65.6 million ongoing (*revised*)
- Cash Deferrals – Cash deferrals deepened – no cash will be provided for the above change in budgeted revenues ongoing (*revised*)
 - The state instituted increasing deferred payments for approximately 1/3 of budget revenues pushing payments of 2020/21 revenues to 2021/22. The result is that districts will not receive the same level of cash as budgeted revenues and for the first time since 2002, Fresno Unified will be faced with the possibility of issuing short-term debt to cover all or part of the gap
- After School Education and Safety (ASES) – Reinstated reductions – \$1.6 million ongoing (*revised*)
- Preschool Grants – Reinstated reductions – \$1.5 million ongoing (*revised*)
- Special Education Funding – Adjusted funding – Loss of \$645,000 vs. loss of \$1 million (*revised*)
 - The May Revised budget reduced AB 602 funding as compared to the Governor's January budget proposal resulting in a loss of \$1 million for Fresno Unified. The final State Budget provided some relief to this reduction
- Unrestricted Lottery – Per ADA funding decreased – \$153 to \$150 – (\$210,000) ongoing (*revised*)
- Restricted Lottery – Per ADA funding decreased – \$54 to \$49 – (\$350,000) ongoing (*revised*)
- Coronavirus Aid, Relief, and Economic Security Act (CARES) – Increase of \$21.2 million one-time (*revised*)

Several of the items above also result in considerable changes to the multi-year projections. As a result, the contemplated additional budget reductions for 2021/22 and 2022/23 will be presented at the First Interim Budget Report based on actual expenditures as of October 31, 2020. In any event, at this time, Budget Revision No. 1 proposes an increase in the funds budgeted for additional investments to address distance learning, health and safety considerations for the 2020/21 school year from \$13.1 million to \$23.1 million.

FINANCIAL SUMMARY: As a result, the Unrestricted General Fund Reserve for Economic Uncertainties is estimated at approximately \$189.31 million at June 30, 2021.

PREPARED BY: Kim Kelstrom, Executive Officer




DIVISION: Administrative Services

PHONE NUMBER: (559) 457-6226

CABINET APPROVAL: Ruth F. Quinto
Deputy Superintendent/CFO



SUPERINTENDENT APPROVAL:



**FRESNO UNIFIED SCHOOL DISTRICT
GENERAL FUND
BUDGET REVISION #1**

DESCRIPTION	2020/21 ADOPTED BUDGET	2020/21 CURRENT BUDGET	8/12/2020 2020/21 BUDGET REVISION #1	DIFFERENCE BETWEEN CURRENT AND BR#1	DIFFERENCE BETWEEN ADOPTED AND BR#1
Revenues					
LCFF Sources	\$ 713,234,082	\$ 713,234,082	\$ 778,833,413	\$ 65,599,331	\$ 65,599,331
Federal Revenues	170,849,479	170,849,479	185,370,959	14,521,480	14,521,480
Other State Revenues	120,868,929	120,868,929	128,144,654	7,275,725	7,275,725
Other Local Revenues	15,867,379	15,867,379	15,867,379	-	-
Total Revenues	\$ 1,020,819,869	\$ 1,020,819,869	\$ 1,108,216,405	\$ 87,396,536	\$ 87,396,536
Expenditures					
Certificated Salaries	\$ 429,866,267	\$ 430,403,248	\$ 427,234,667	\$ (3,168,581)	\$ (2,631,600)
Classified Salaries	140,140,726	140,316,706	151,316,706	11,000,000	11,175,980
Employee Benefits	301,423,243	301,468,071	301,720,501	252,430	297,258
Book and Supplies	60,264,876	61,262,938	64,681,677	3,418,739	4,416,801
Services & Operating	103,204,797	101,448,946	102,454,086	1,005,140	(750,711)
Capital Outlay	8,438,252	8,438,252	8,438,252	-	-
Other Outgo	3,460,321	3,460,321	3,460,321	-	-
Direct/Indirect Costs	(3,080,175)	(3,080,175)	(3,135,373)	(55,198)	(55,198)
Total Expenditures	\$ 1,043,718,307	\$ 1,043,718,307	\$ 1,056,170,837	\$ 12,452,530	\$ 12,452,530
Other Sources/(Uses)					
Transfers In	\$ 9,485,329	\$ 9,485,329	\$ 7,385,329	\$ (2,100,000)	\$ (2,100,000)
Transfers Out	(8,856,409)	(8,856,409)	(8,856,409)	-	-
Other Sources	-	-	-	-	-
Other Uses	-	-	-	-	-
Restricted Contribution	-	-	-	-	-
Total Sources/(Uses)	\$ 628,920	\$ 628,920	\$ (1,471,080)	\$ (2,100,000)	\$ (2,100,000)
Net Increase/Decrease in Fund Balance	\$ (22,269,518)	\$ (22,269,518)	\$ 50,574,488	\$ 72,844,006	\$ 72,844,006
Beginning Fund Balance - Unaudited Audit Adjustment	\$ - \$ 138,737,436	\$ - \$ 138,737,436	\$ - \$ 138,737,436	\$ - \$ -	\$ - \$ -
Beginning Balance	\$ 138,737,436	\$ 138,737,436	\$ 138,737,436	\$ -	\$ -
Ending Fund Balance	\$ 116,467,918	\$ 116,467,918	\$ 189,311,924	\$ 72,844,006	\$ 72,844,006
Components of Ending Balance					
Revolving Cash	\$ 78,366	\$ 78,366	\$ 78,366	\$ -	\$ -
Stores	996,741	996,741	996,741	-	-
Prepaid Expense	1,636,102	1,636,102	1,636,102	-	-
Assigned: Other Assignments	60,900,000	60,900,000	80,900,000	20,000,000	20,000,000
Restricted	1	1	1	-	-
Reserve for Economic Uncertainties	52,856,709	52,856,709	105,700,715	52,844,006	52,844,006
Reserve Level %	5.02%	5.02%	9.92%		
Total Ending Fund Balance	\$ 116,467,918	\$ 116,467,918	\$ 189,311,924	\$ 72,844,006	\$ 72,844,006

Per Education Code section 42127(a)(2)(B) the minimum recommended reserve for economic uncertainties is 2% or \$21,300,545

As shown above the reserve for economic uncertainties is \$105,700,715 with an assigned ending balance of \$80,900,000 set aside for future year expenses

As outlined in Board Policy 3100, the Board recognizes the importance of maintaining reserve levels during stable and volatile economic times.

**UNRESTRICTED GENERAL FUND
ADJUSTMENT SUMMARY**

DESCRIPTION	2020/21 ADOPTED BUDGET UNRESTRICTED	2020/21 CURRENT BUDGET UNRESTRICTED	2020/21 BUDGET REVISION #1 UNRESTRICTED	DIFFERENCE BETWEEN CURRENT AND BR#1	DIFFERENCE BETWEEN ADOPTED AND BR#1
Revenues					
LCFF Sources	\$ 713,234,082	\$ 713,234,082	\$ 778,833,413	\$ 65,599,331	\$ 65,599,331
Federal Revenues	-	-	-	-	-
Other State Revenues	14,909,391	14,909,391	14,640,526	(268,865)	(268,865)
Other Local Revenues	10,608,383	10,608,383	10,608,383	-	-
Total Revenues	\$ 738,751,856	\$ 738,751,856	\$ 804,082,322	\$ 65,330,466	\$ 65,330,466
Expenditures					
Certificated Salaries	\$ 308,845,207	\$ 309,370,411	\$ 295,057,455	\$ (14,312,956)	\$ (13,787,752)
Classified Salaries	87,658,280	87,859,139	88,859,139	1,000,000	1,200,859
Employee Benefits	177,051,733	177,069,088	173,986,760	(3,082,328)	(3,064,973)
Book and Supplies	27,002,830	27,976,861	30,768,683	2,791,822	3,765,853
Services & Operating	61,527,992	59,810,543	65,810,543	6,000,000	4,282,551
Capital Outlay	7,604,416	7,604,416	7,604,416	-	-
Other Outgo	1,955,963	1,955,963	1,955,963	-	-
Direct/Indirect Costs	(12,943,864)	(12,943,864)	(12,999,062)	(55,198)	(55,198)
Total Expenditures	\$ 658,702,557	\$ 658,702,557	\$ 651,043,897	\$ (7,658,660)	\$ (7,658,660)
Other Sources/(Uses)					
Transfers In	\$ 2,128,920	\$ 2,128,920	\$ 28,920	\$ (2,100,000)	\$ (2,100,000)
Transfers Out	(1,500,000)	(1,500,000)	(1,500,000)	-	-
Other Sources					
Other Uses					
Restricted Contribution	\$ (100,771,548)	\$ (100,771,548)	\$ (98,816,668)	\$ 1,954,880	\$ 1,954,880
Total Sources/(Uses)	\$ (100,142,628)	\$ (100,142,628)	\$ (100,287,748)	\$ (145,120)	\$ (145,120)
Net Increase/Decrease in Fund Balance	\$ (20,093,329)	\$ (20,093,329)	\$ 52,750,677	\$ 72,844,006	\$ 72,844,006
Beginning Fund Balance - Adopted	\$ 136,561,246	\$ 136,561,246	\$ 136,561,246	\$ -	\$ -
Audit Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -
Beginning Balance	\$ 136,561,246	\$ 136,561,246	\$ 136,561,246	\$ -	\$ -
Ending Fund Balance	\$ 116,467,917	\$ 116,467,917	\$ 189,311,923	\$ 72,844,006	\$ 72,844,006

**FRESNO UNIFIED SCHOOL DISTRICT
RESTRICTED GENERAL FUND
ADJUSTMENT SUMMARY**

DESCRIPTION	2020/21 ADOPTED BUDGET RESTRICTED	2020/21 CURRENT BUDGET RESTRICTED	2020/21 BUDGET REVISION #1 RESTRICTED	DIFFERENCE BETWEEN CURRENT AND BR#1	DIFFERENCE BETWEEN ADOPTED AND BR#1
Revenues					
LCFF Sources	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Revenues	170,849,479	170,849,479	185,370,959	14,521,480	14,521,480
Other State Revenues	105,959,538	105,959,538	113,504,128	7,544,590	7,544,590
Other Local Revenues	5,258,996	5,258,996	5,258,996	-	-
Total Revenues	\$ 282,068,013	\$ 282,068,013	\$ 304,134,083	\$ 22,066,070	\$ 22,066,070
Expenditures					
Certificated Salaries	\$ 121,021,060	\$ 121,032,837	\$ 132,177,212	\$ 11,144,375	\$ 11,156,152
Classified Salaries	52,482,446	52,457,567	62,457,567	10,000,000	9,975,121
Employee Benefits	124,371,510	124,398,983	127,733,741	3,334,758	3,362,231
Book and Supplies	33,262,046	33,286,077	33,912,994	626,917	650,948
Services & Operating	41,676,805	41,638,403	36,643,543	(4,994,860)	(5,033,262)
Capital Outlay	833,836	833,836	833,836	-	-
Other Outgo	1,504,358	1,504,358	1,504,358	-	-
Direct/Indirect Costs	9,863,689	9,863,689	9,863,689	-	-
Total Expenditures	\$ 385,015,750	\$ 385,015,750	\$ 405,126,940	\$ 20,111,190	\$ 20,111,190
Other Sources/(Uses)					
Transfers In	7,356,409	7,356,409	7,356,409	-	-
Transfers Out	(7,356,409)	(7,356,409)	(7,356,409)	-	-
Other Sources	-	-	-	-	-
Other Uses	-	-	-	-	-
Restricted Contribution	100,771,548	100,771,548	98,816,668	(1,954,880)	(1,954,880)
Total Sources/(Uses)	\$ 100,771,548	\$ 100,771,548	\$ 98,816,668	\$ (1,954,880)	\$ (1,954,880)
Net Increase/Decrease in Fund Balance	\$ (2,176,189)	\$ (2,176,189)	\$ (2,176,189)	\$ -	\$ -
Beginning Fund Balance - Adopted	\$ 2,176,190	\$ 2,176,190	\$ 2,176,190	\$ -	\$ -
Beginning Balance	\$ 2,176,190	\$ 2,176,190	\$ 2,176,190	\$ -	\$ -
Ending Fund Balance	\$ 1	\$ 1	\$ 1	\$ -	\$ -

FRESNO UNIFIED BUDGET AUGMENTATION

BOARD PRESENTATION DATE:

August 12, 2020

FUND: Children Center Fund

OBJECT	ACCOUNT TITLE	Adopted BUDGET	Current BUDGET	Revised BUDGET	Net Change BUDGET
APPROPRIATIONS:					
1000	Certificated Salaries	4,617,890	4,617,890	5,530,846	912,956
2000	Classified Salaries	3,822,755	3,822,755	3,822,755	0
3000	Employee Benefits	7,145,948	7,145,948	7,644,693	498,745
4000	Books and Supplies	433,464	433,464	433,464	0
5000	Services and Other Operating	887,565	887,565	887,565	0
6000	Capital Outlay	0	0	0	0
7000	Other Outgo	0	0	0	0
	TOTAL BEFORE INDIRECT	16,907,622	16,907,622	18,319,323	1,411,701
7300	INDIRECT COSTS	658,678	658,678	713,876	55,198
	TOTAL APPROPRIATIONS	17,566,300	17,566,300	19,033,199	1,466,899
REVENUES:					
	REVENUE LIMIT SOURCES	0	0	0	0
	FEDERAL REVENUES	414,010	414,010	414,010	0
	STATE REVENUES	16,996,084	16,996,084	18,462,983	1,466,899
	LOCAL REVENUES	156,206	156,206	156,206	0
	OTHER SOURCES	0	0	0	0
	TOTAL REVENUES	17,566,300	17,566,300	19,033,199	1,466,899
	Beginning Fund Balance	0	0	0	0
	Change to Fund Balance	0	0	0	0
	Ending Fund Balance	0	0	0	0

FRESNO UNIFIED BUDGET AUGMENTATION

BOARD PRESENTATION DATE:

August 12, 2020

FUND: **Adult Education Building Fund**

OBJECT	ACCOUNT TITLE	Adopted BUDGET	Current BUDGET	Revised BUDGET	Net Change BUDGET
APPROPRIATIONS:					
1000	Certificated Salaries	0	0	0	0
2000	Classified Salaries	0	0	0	0
3000	Employee Benefits	0	0	0	0
4000	Books and Supplies	0	0	0	0
5000	Services and Other Operating	119,876	119,876	119,876	0
6000	Capital Outlay	0	0	0	0
7000	Other Outgo	2,100,000	2,100,000	0	(2,100,000)
	TOTAL BEFORE INDIRECT	2,219,876	2,219,876	119,876	(2,100,000)
7300	INDIRECT COSTS	0	0	0	0
	TOTAL APPROPRIATIONS	2,219,876	2,219,876	119,876	(2,100,000)
REVENUES:					
	REVENUE LIMIT SOURCES	0	0	0	0
	FEDERAL REVENUES	0	0	0	0
	STATE REVENUES	0	0	0	0
	LOCAL REVENUES	25,000	25,000	25,000	0
	OTHER SOURCES	0	0	0	0
	TOTAL REVENUES	25,000	25,000	25,000	0
	Beginning Fund Balance	2,194,876	2,194,876	2,194,876	0
	Change to Fund Balance	(2,194,876)	(2,194,876)	(94,876)	2,100,000
	Ending Fund Balance	0	0	2,100,000	2,100,000