



Fresno Unified
School District

Agenda Item B-31



2023/24
Governor's May Revise

Board of Education

May 24, 2023

Outline

- State Revenue Forecast
- State Economic Overview
- May Revise Updates
- Upcoming Budget Discussions

State Revenue Forecast – Long-term

Long-Term Revenue Forecast—Three Largest Sources

(General Fund Revenue—Dollars in Billions)

	2020-21	2021-22 ^{e/}	2022-23 ^{e/}	2023-24 ^{e/}	2024-25 ^{e/}	2025-26 ^{e/}	2026-27 ^{e/}
Personal Income Tax	\$128.9	\$137.1	\$122.8	\$118.2	\$118.9	\$127.5	\$141.8
(Year-over-Year Change)	29.4%	6.4%	-10.5%	-3.7%	0.6%	7.2%	11.2%
Corporation Tax	\$22.6	\$45.1	\$42.1	\$42.1	\$43.4	\$36.4	\$26.6
(Year-over-Year Change)	61.9%	99.8%	-6.7%	0.0%	3.1%	-16.1%	-26.8%
Sales and Use Tax	\$29.1	\$33.0	\$33.1	\$33.4	\$34.4	\$35.5	\$36.3
(Year-over-Year Change)	14.0%	13.6%	0.1%	0.9%	3.0%	3.3%	2.2%
Total	\$180.5	\$215.3	\$197.9	\$193.6	\$196.7	\$199.4	\$204.8
(Year-over-Year Change)	29.8%	19.3%	-8.1%	-2.2%	1.6%	1.4%	2.7%

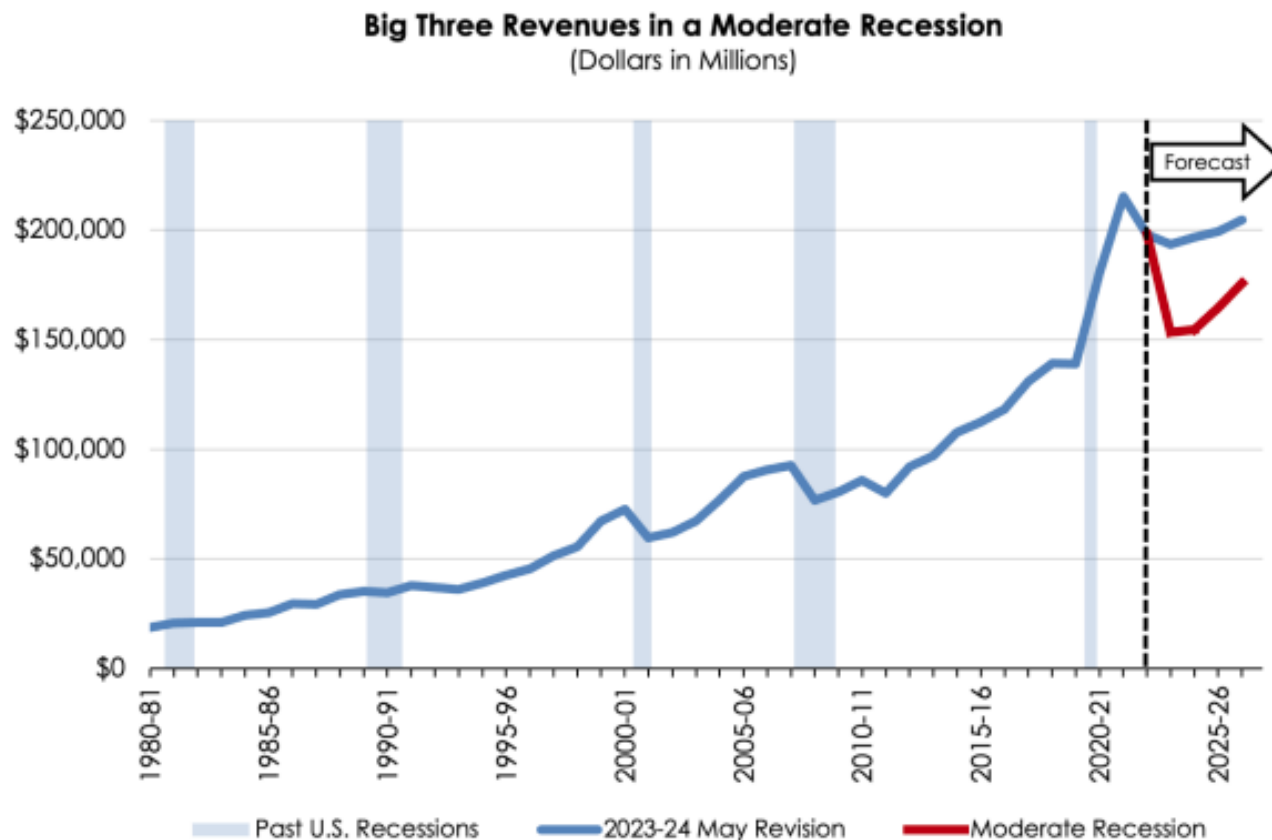
^{e/}Estimated

Source: California Department of Finance, 2023-24 May Revision Forecast.

Source: Governor's May Revise



State Revenue Forecast – Long-term



Shaded areas indicate previous U.S. recessions.

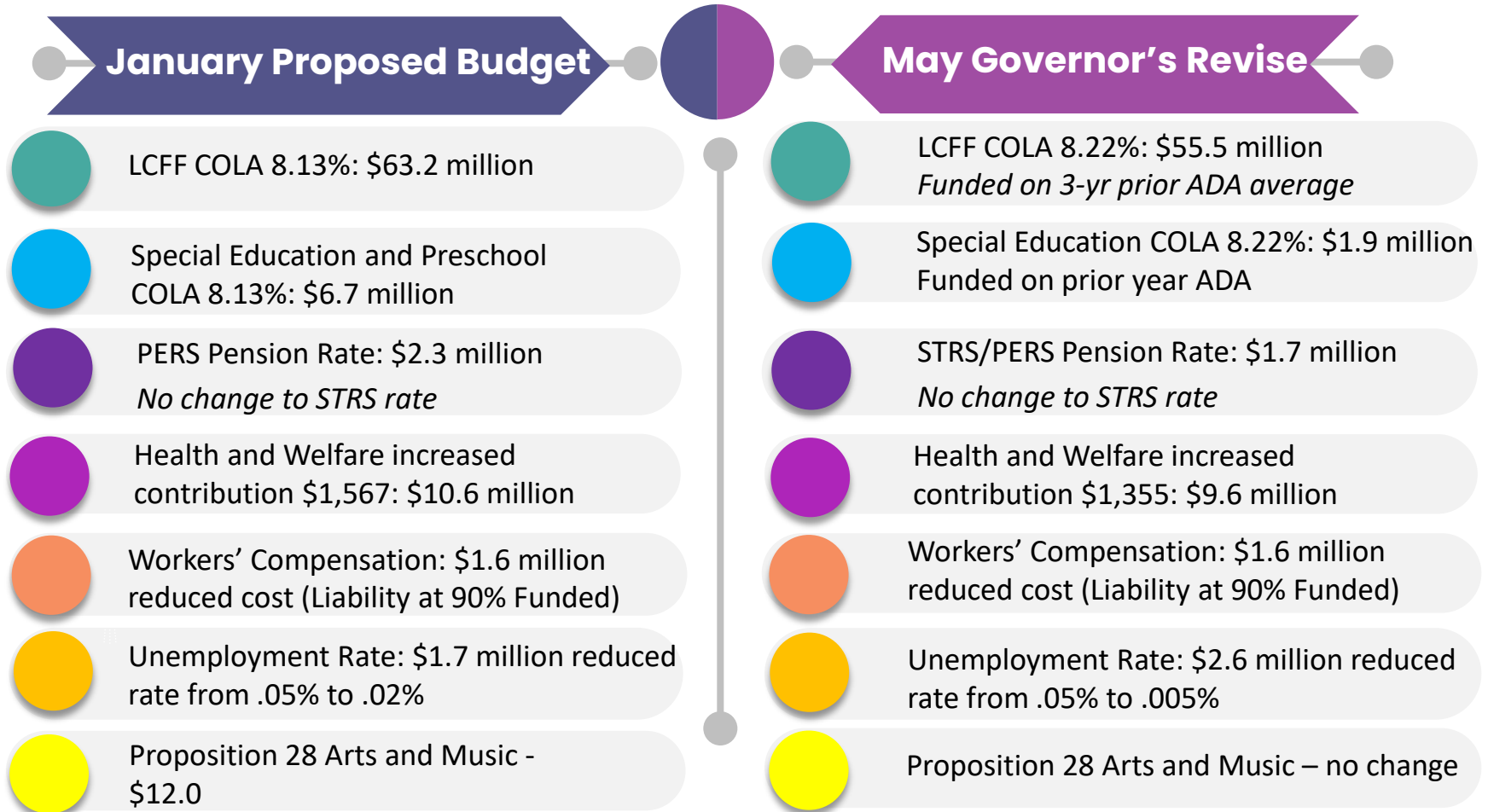
Source: California Department of Finance, 2023-24 May Revision Forecast.

Source: Governor's May Revise

State Economic Overview

- California's economy – “Holds the line without making significant reductions over the Governor's Budget. However, should broader economic risks materialize, deeper reductions will be necessary.”
- Unemployment Rates as of March 2023
 - National – 3.5%
 - State – 4.8%
 - Fresno County – 8.6%
- Risks and Uncertainties
 - Economic fallout from a debt limit impasse
 - Higher interest rates
 - Uncertainty in financial institutions
 - Delayed tax receipts

Updating State Budget Impacts for Fresno Unified— January Proposal to May Revise

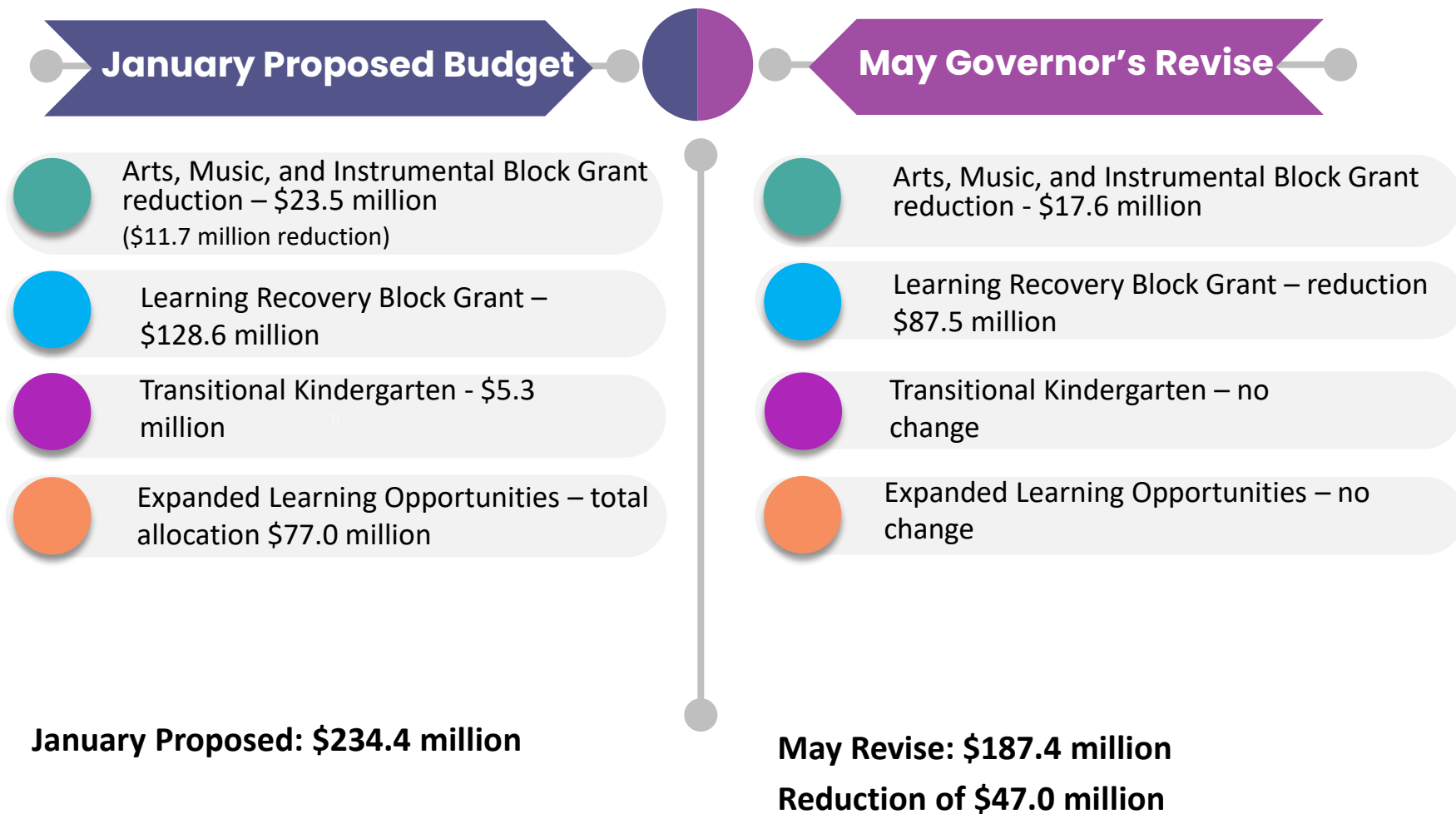


January Proposed: \$72.3 million

May Revise: \$62.3 million
Reduction of \$10.0 million

Updating State Budget Impacts for Fresno Unified

January Proposal to May Revise – 2022/23 Fiscal Year Changes



Projected Employer Pension Increases

CALSTRS®

- 2013/14 – 8.25%
- 2014/15 – 8.88%
- 2015/16 – 10.73%
- 2016/17 – 12.58%
- 2017/18 – 14.43%
- 2018/19 – 16.28%
- 2019/20 – 17.10%
- 2020/21 – 16.15%
- 2021/22 – 16.92%
- 2022/23 – 19.10%
- **2023/24 – 19.10%**
- 2024/25 – 19.10%
- 2025/26 – 19.10%
- 2026/27 – 19.10%
- 2027/28 – 19.10%

 CalPERS

- 2013/14 – 11.442%
- 2014/15 – 11.771%
- 2015/16 – 11.847%
- 2016/17 – 13.888%
- 2017/18 – 15.531%
- 2018/19 – 18.062%
- 2019/20 – 19.721%
- 2020/21 – 20.700%
- 2021/22 – 22.910%
- 2022/23 – 25.370%
- **2023/24 – 26.680%***
- 2024/25 – 27.700%*
- 2025/26 – 28.300%*
- 2026/27 – 28.700%*
- 2027/28 – 30.000%*

**Estimated rates provided by CalPERS*



Upcoming Budget Discussions

- Public Hearings of LCAP and Budget
 - June 14, 2023
- Public Adoption of LCAP and Budget
 - June 21, 2023