

South San Francisco Unified School District

Budget Proposal Presentation

FY 2023-2024

Ted O, Assistant Superintendent, Business Services

June 22, 2023

Presentation Agenda

- Overview
- Budget Assumptions
- Projected Revenues and Expenditures
- Multi-Year Projection Assumptions
- Multi-Year Projection
- Projected Ending Fund Balances
- Other District Funds
- Looking Ahead

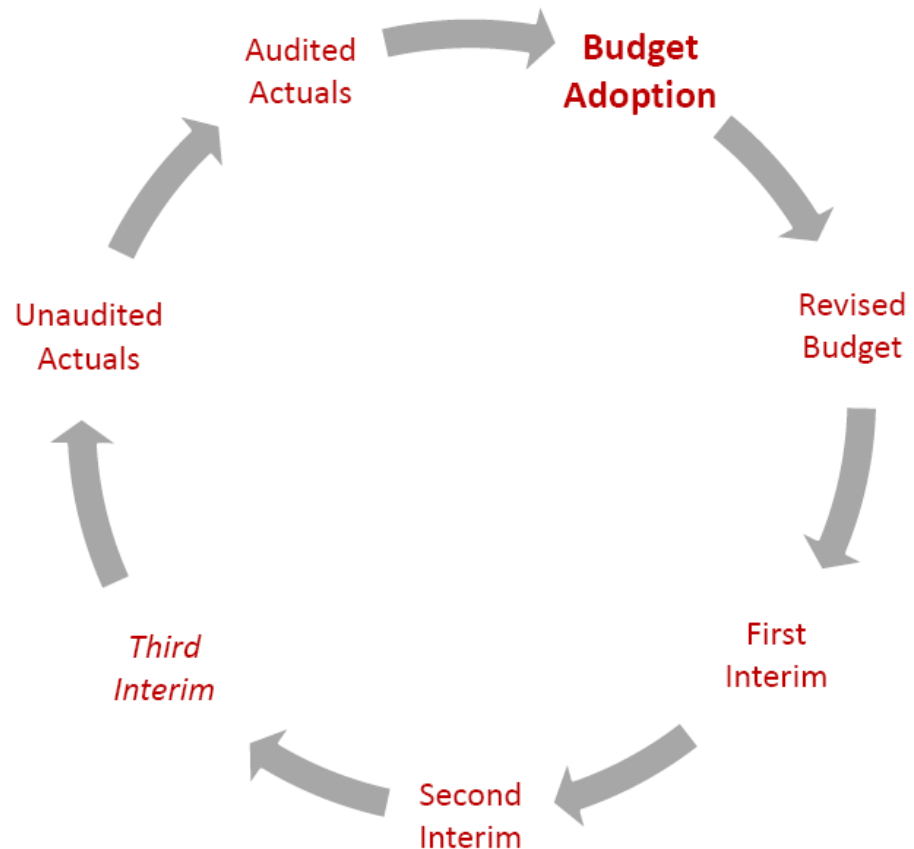
Education Code Reporting Requirements

- Education Code Section 42127 (a)(1) states that:
“On or before July 1 of each year, the governing board of each school district shall hold a public hearing on the budget to be adopted for the subsequent fiscal year. The budget to be adopted shall be prepared in accordance with Section 42126. The agenda for that hearing shall be posted at least 72 hours prior to the public hearing and shall include the location where the budget will be available for public inspection.”
- Then, the budget is adopted and filed with the County Office of Education (COE), which approves or disapproves the budget

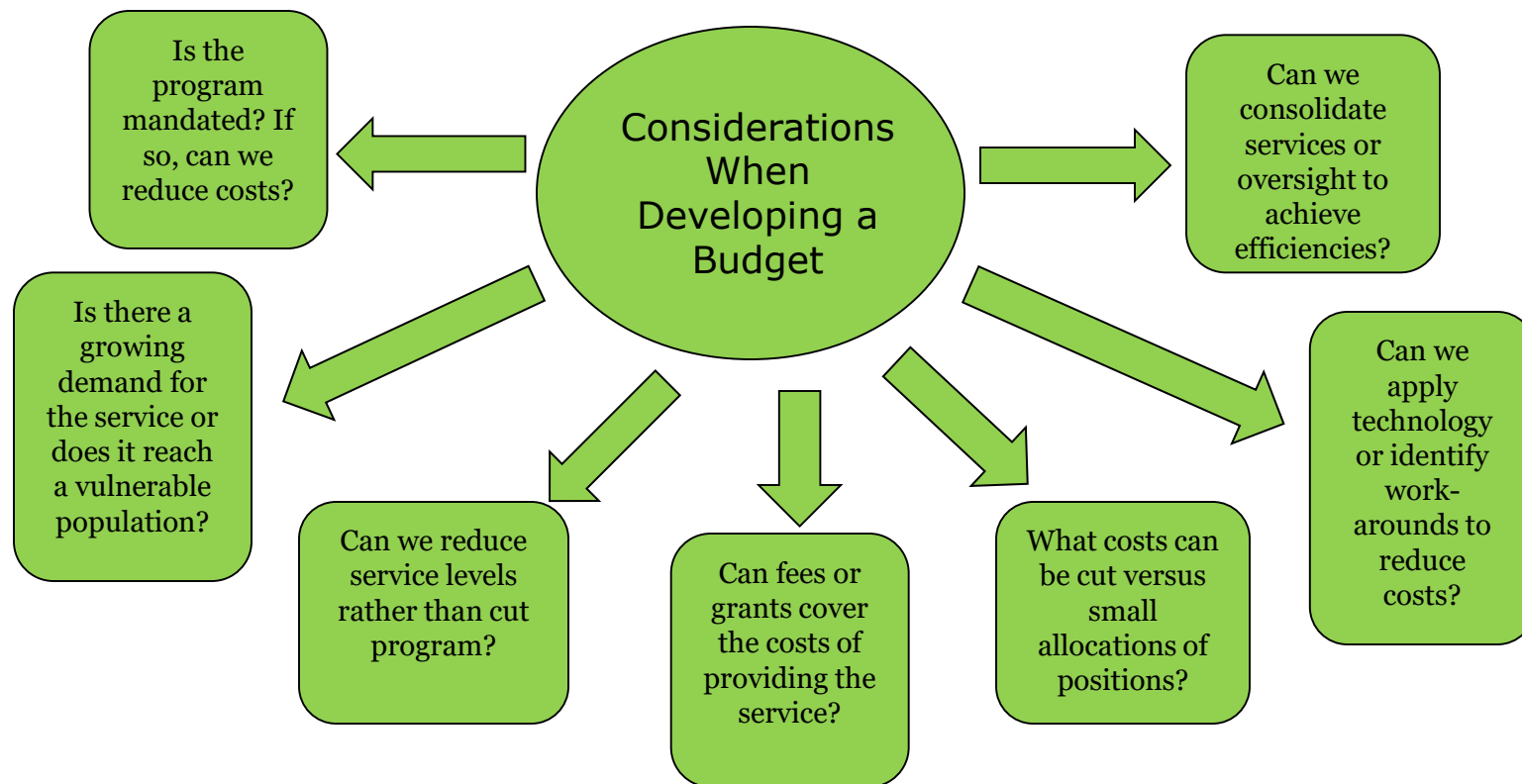
The Annual Budget Cycle

At each period, we:

- Update budget
- Certify District's financial condition
- Present summary to Board of Education
- Submit copies to County Office of Education and State



Considerations When Developing a Budget



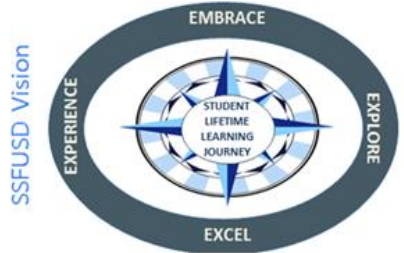
LCAP Goals/Actions in Budget

- Under the Local Control Accountability Plan (LCAP), districts are required to put aside funds to provide additional support for the unduplicated students in the district.
- The unduplicated students include English Learners, Students on Free and Reduced-Price Meals, and Foster Youth/Homeless.
- For 2023-24, the District has budgeted \$7,699,756 as LCAP-Supplement Funds to support these students.
- The LCAP is made up of multiple goals and multiple actions within each goal.

LCAP GOAL 1

Academic Achievement

The district will provide a high quality curricular program for students that will raise student proficiency on the California Common Core State Standards as measured by overall academic achievement on state assessments, CA Dashboard results, interim assessment data and ELPAC/Reclassification data.



LCAP GOAL 4

Academic Achievement

The district will provide a high quality curricular program for students with IEPs that will raise student engagement in school and proficiency on the California Common Core State Standards as measured by overall academic achievement on state assessments, and engagement rates.

LCAP GOAL 2

Professional Development

Identified classified staff, certificated and administrative staff will participate in professional development to create capacity and expertise in curriculum program implementation based on the development of scope and sequence as measured by walkthrough observations and other evidence (artifacts and student work).

LCAP GOAL 3

Student, Parent & Community Engagement

Improve parent school engagement through an increase in participation in site and district parent groups such as SSC, PTSA, DELAC, ELAC, AAPAC as well as in other parent meetings as measured by attendance sign in sheets.

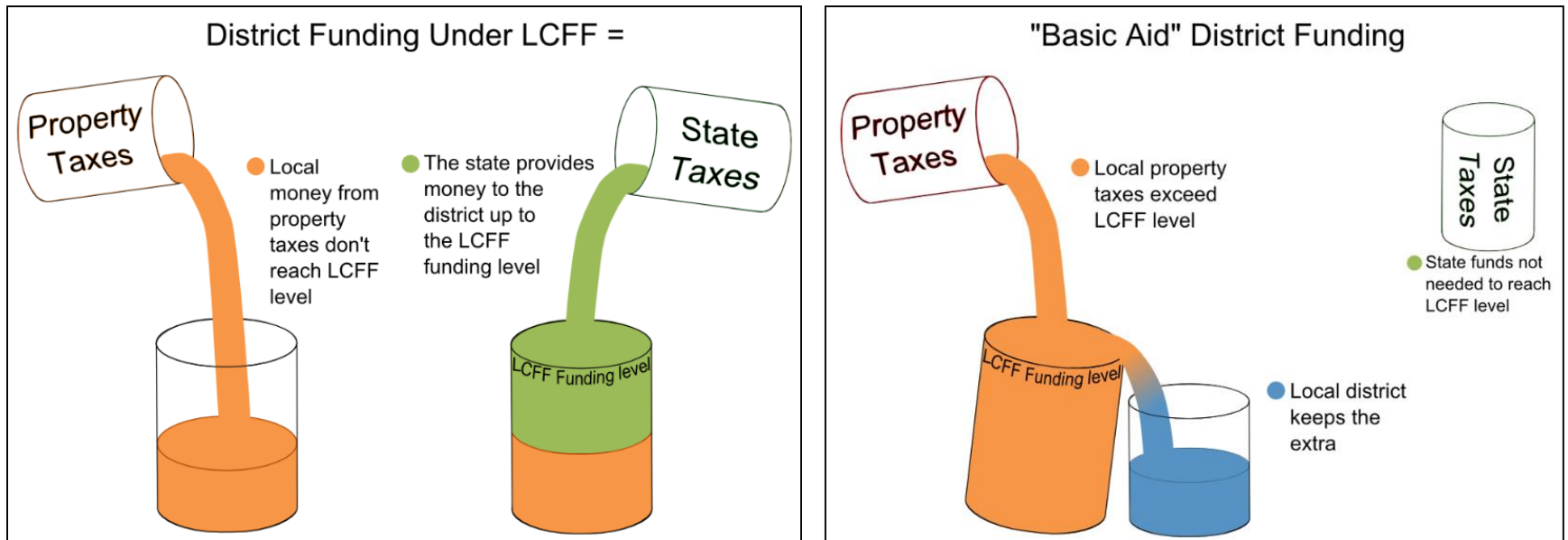
District Priorities

Improve Curriculum,
Instruction &
Assessment

Bolster Professional
Learning and
Collaboration

Strengthen
Leadership Capacity

Funding for School District - LCFF vs. Basic Aid



2023-24 SSFUSD Budget Assumptions

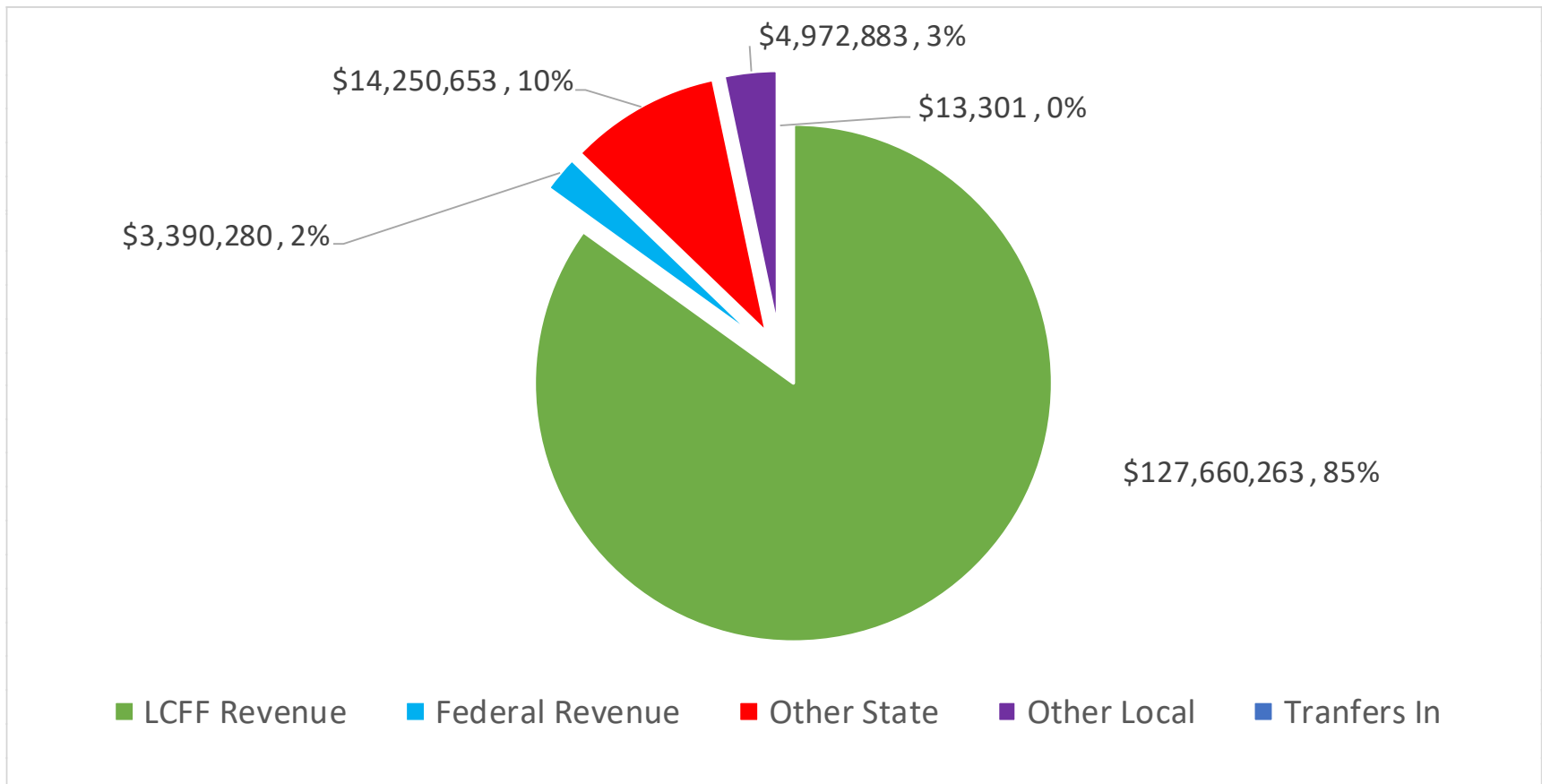
- Projected increase in property tax
- Projected increase in on-going RDA revenue
- District will remain Community Funded/Basic Aid
- Estimated Step & Column cost included
- Enrollment/ADA declining
- LCAP Goals/Actions are included in the budget
- Maintain contribution to Routine Restricted Maintenance
- Estimated STRS/PERS increase included
- Contribution to Special Ed and Transportation are budgeted
- Gifts and donations are budgeted when received
- Program carryovers, including one-time stimulus funds, not budgeted until books are closed

2023-24 Proposed Budget

General Fund Projected Revenues

REVENUES	2023-24	PERCENTAGE
LCFF Revenue	\$127,660,263	84.94%
Federal Revenue	\$3,390,280	2.26%
Other State	\$14,250,653	9.48%
Other Local	\$4,972,883	3.31%
Transfers In	\$13,301	0.01%
TOTAL	\$150,287,380	100%

2023-24 Revenues (Proposed)



Revenues: LCFF Sources

- State Aid
- Education Protection Account (EPA)
- Tax Relief Subventions
- Secured Tax Rolls
- Unsecured Tax Rolls
- Prior Year Taxes
- Community Redevelopment Funds (RDA)

Revenues: Federal Sources

- Special Education Entitlement
- Special Education Discretionary
- Interagency Contracts
- Title I, II, III and IV
- Migrant Education
- Medical Administrative Activities (MAA)
- One-time Federal Stimulus Funds
- All other federal revenue

Revenues: Other State

- Special Education
- Mandated Costs Reimbursements
- Lottery
- Career Technical Education (CTE)
- One-time State Stimulus Funds
- All other state revenues

Revenues: Other Local

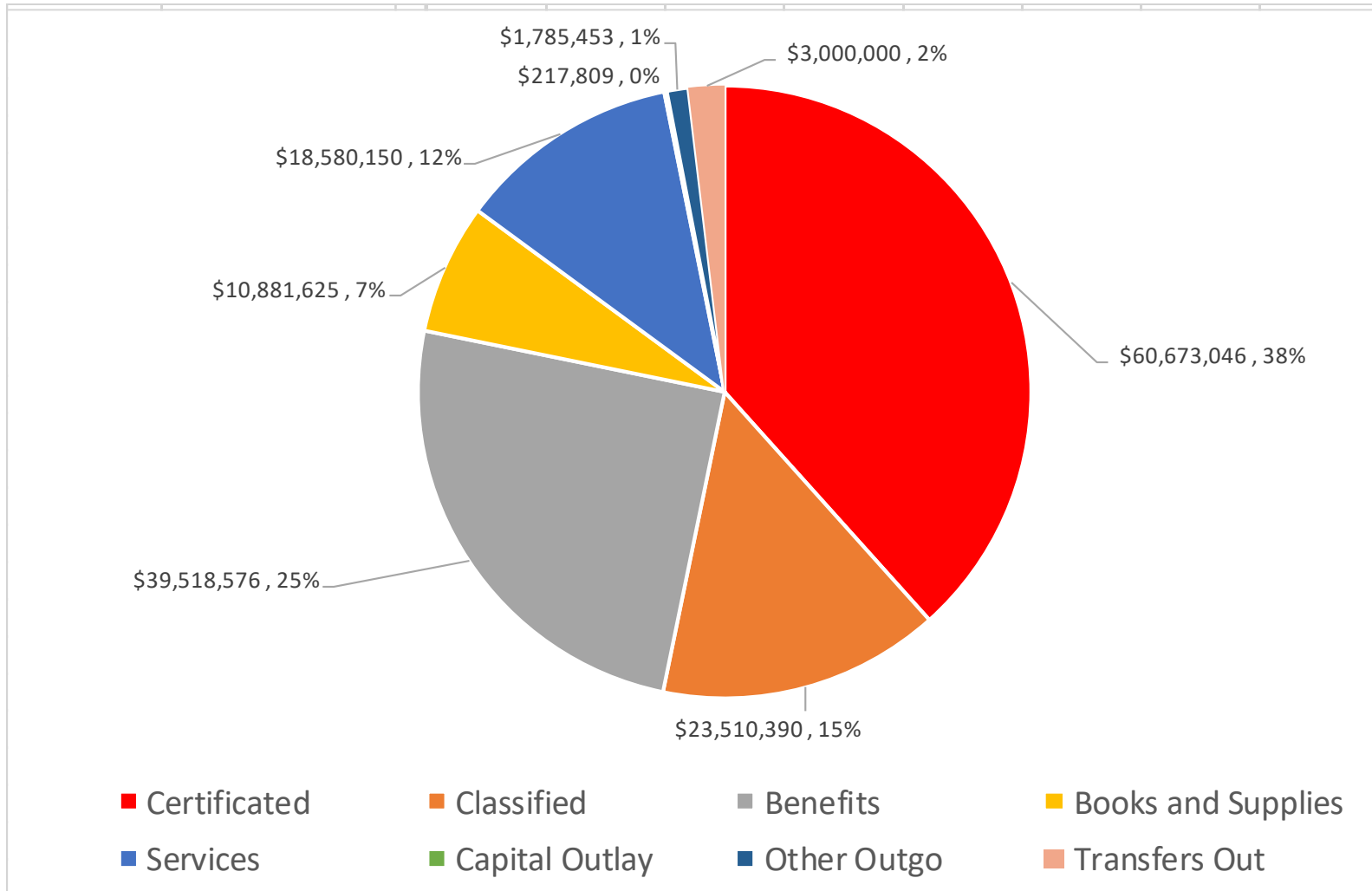
- Community Redevelopment Funds not subject to LCFF deduction.
- Lease and Rentals
- Interest
- Interagency Services
- Tuition
- Gifts and Donations
- All other local revenue

2023-24 Proposed Budget

General Fund Projected Expenditures

EXPENDITURES	2023-2024	PERCENTAGE
Certificated Salaries	\$60,673,046	38.35%
Classified Salaries	\$23,510,390	14.86%
Benefits	\$39,518,576	24.99%
Books & Supplies	\$10,881,625	6.88%
Services	\$18,580,150	11.75%
Capital Outlay	\$217,809	0.14%
Other Outgo	\$1,785,453	1.13%
Transfers Out	\$3,000,000	1.90%
TOTAL	\$158,167,049	100%

2023-24 Expenditures (Proposed)



Expenditure Classifications

- **Certificated Salaries**
 - **Certificated salaries are salaries that require a credential or permit. Examples include but are not all inclusive:**
 - **Teachers, Nurses, Counselors, Administration and Psychologists.**

Expenditure Classifications

- **Classified Salaries**
 - Classified salaries are salaries that do not require a credential or permit. Examples include but are not all inclusive:
 - Paraeducators, Administrative Assistants, Accounting staff, Payroll staff, Cafeteria Workers, Facilities and Maintenance staff, Custodians and Technicians (HR, PR, IT, etc.).

Expenditure Classifications

- **Employee Benefits**
 - This classification is used to account for contributions to employee retirement plans, health and welfare benefits, state unemployment insurance, social security, Medicare, workers compensation insurance and other post-employment benefits associated with certificated and classified personnel.

Expenditure Classifications

- Books and Supplies
 - Expenditures for the purchase of instructional materials, books, equipment (under \$5,000) reference materials, paper, pencils and operational materials are recorded in this category.

Expenditure Classifications

- **Services and Other Operating Expenditures**
 - This classification is used to record expenditures for services such as rents, leases, repairs, software licenses, maintenance contracts, agreements, dues, travel, insurance, utilities and legal expenses.

Expenditure Classifications

- Capital Outlay
 - Expenditures for the purchase and/or replacement of sites, buildings, and capitalized equipment are recorded here.

Expenditure Classifications

- Other Outgo
 - This classification is used to account for tuition payments and excess costs to non-public schools as well as transfers to County Offices and outside educational agencies.

Expenditure Classifications

- **Interfund Transfers-Out**
 - This classification is used to account for any contribution from the General Fund (restricted or unrestricted) to other funds maintained by the District.

2024-25 & 2025-26 MYP Assumptions

- Property tax increases – estimated at 4% & 4%
- Estimated RDA revenue is budgeted
- Estimated STRS/PERS increase included
- Estimated Step & Column costs included
- Enrollment/ADA projected to decrease by 2% per year
- LCAP Goals/Actions are included in the budget
- Mandated Block Grant and Lottery Funds are budgeted
- Contributions to Special Ed and Transportation
- Maintains contributions to Routine Restricted Maintenance program

Multi Year Projections Assumptions

	STRS	PERS	SUI	COLA	Lottery	Mandated Block Grant	ADA
22-23	19.10%	25.37%	0.50%	6.56%	\$237	\$102.25	7,461.76
23-24	19.10%	26.68%	0.05%	8.22%	\$237	\$110.65	7,313.47
24-25	19.10%	27.70%	0.05%	3.94%	\$237	\$115.01	7,168.16
25-26	19.10%	28.30%	0.05%	3.29%	\$237	\$118.79	7,025.75

Multi Year Projection Unrestricted (Before Designations)

GENERAL FUND UNRESTRICTED	Proposed Budget	Projected Budget	Projected Budget
Multi-Year Projections	2023-2024	2024-2025	2025-2026
Revenues & Other Financing Sources			
LCFF/State Aid/Property Tax	\$ 120,672,786	\$ 125,243,527	\$ 129,989,639
Federal Revenues	\$ -	\$ -	\$ -
State Income	\$ 1,667,297	\$ 1,673,967	\$ 1,678,419
Local Income	\$ 1,932,979	\$ 1,932,979	\$ 1,932,979
Transfers in	\$ 13,301	\$ 13,301	\$ 13,301
Other Sources	\$ -	\$ -	\$ -
Contributions	\$ (35,174,281)	\$ (35,174,281)	\$ (35,174,281)
Total	\$ 89,112,083	\$ 93,689,493	\$ 98,440,057
Expenditures & Other Financing Uses			
Certificated Salaries	\$ 46,047,441	\$ 48,665,015	\$ 49,394,990
Classified Salaries	\$ 14,015,224	\$ 14,738,410	\$ 14,959,486
Employee Benefits	\$ 23,383,007	\$ 24,914,536	\$ 25,432,453
Books & Supplies	\$ 2,587,413	\$ 2,587,413	\$ 2,587,413
Services and Operating	\$ 11,392,674	\$ 11,142,745	\$ 6,578,748
Capital Outlay	\$ 193,818	\$ 193,818	\$ 193,818
Other Outgo	\$ (200,875)	\$ (200,250)	\$ (200,129)
Transfers Out	\$ -	\$ -	\$ -
Other Uses	\$ -	\$ -	\$ -
Total	\$ 97,418,701	\$ 102,041,687	\$ 98,946,779
Net Increase / (Decrease)	\$ (8,306,618)	\$ (8,352,194)	\$ (506,722)
Beg. Balance	\$ 26,621,049	\$ 18,314,431	\$ 9,962,237
Ending Fund Balance	\$ 18,314,431	\$ 9,962,237	\$ 9,455,515

Multi Year Projection Restricted (Before Designations)

GENERAL FUND RESTRICTED	Proposed Budget	Projected Budget	Projected Budget
Multi-Year Projections	2023-2024	2024-2025	2025-2026
Revenues & Other Financing Sources			
LCFF/State Aid/Property Tax	\$ 6,987,477	\$ 6,987,477	\$ 6,987,477
Federal Revenues	\$ 3,390,280	\$ 3,390,280	\$ 3,390,280
State Income	\$ 12,583,356	\$ 7,126,139	\$ 7,126,139
Local Income	\$ 3,039,904	\$ 3,039,904	\$ 3,039,904
Transfers in	\$ -	\$ -	\$ -
Other Sources	\$ -	\$ -	\$ -
Contributions	\$ 35,174,281	\$ 35,174,281	\$ 35,174,281
Total	\$ 61,175,298	\$ 55,718,081	\$ 55,718,081
Expenditures & Other Financing Uses			
Certificated Salaries	\$ 14,625,605	\$ 14,844,989	\$ 15,067,664
Classified Salaries	\$ 9,495,166	\$ 9,637,593	\$ 9,782,157
Employee Benefits	\$ 16,135,569	\$ 16,545,537	\$ 16,778,893
Books & Supplies	\$ 8,294,212	\$ 2,950,534	\$ 2,598,750
Services and Operating	\$ 7,187,477	\$ 6,901,059	\$ 6,690,196
Capital Outlay	\$ 23,991	\$ 68,253	\$ 35,332
Other Outgo	\$ 1,986,329	\$ 1,770,116	\$ 1,765,089
Transfers Out	\$ 3,000,000.00	\$ 3,000,000	\$ 3,000,000
Other Uses	\$ -	\$ -	\$ -
Total	\$ 60,748,348	\$ 55,718,081	\$ 55,718,081
Net Increase / (Decrease)	\$ 426,950	\$ 0	\$ 0
Beg. Balance	\$ 6,334,443	\$ 6,761,392	\$ 6,761,392
Ending Fund Balance	\$ 6,761,392	\$ 6,761,392	\$ 6,761,392

Multi-year Projection - Projected Ending Fund Balances

The District's projected Ending Fund Balance for both the Unrestricted and Restricted program budgets combined. These amounts are prior to the State required designations and the District designations.

	Estimated Actual 2022-23	Proposed Budget 2023-24	Projected Budget 2024-25	Projected Budget 2025-2026
Unrestricted and Restricted Funds				
Revenues	\$ 164,562,447	\$ 150,274,079	\$ 149,394,273	\$ 154,144,837
Interfund Transfer In	13,301	13,301	13,301	13,301
Total Sources of Funds	\$ 164,575,748	\$ 150,287,380	\$ 149,407,574	\$ 154,158,138
Expenditures *	\$ 167,785,782	\$ 155,167,049	\$ 154,759,768	\$ 151,664,858
Interfund Transfer Out	2,917,814	3,000,000	3,000,000	3,000,000
Total Usage of Funds	\$ 170,703,596	\$ 158,167,049	\$ 157,759,768	\$ 154,664,858
Net Incr/Decr in Fund Balance	\$ (6,127,848)	\$ (7,879,669)	\$ (8,352,194)	\$ (506,720)
Beginning Fund Balance	\$ 39,083,340	32,955,492	25,075,823	16,723,629
Projected Ending Fund Balance	\$ 32,955,492	\$ 25,075,823	\$ 16,723,629	\$ 16,216,909
* Reduced 2025-26 expenditures by \$4.3 million to balance budget.				

Ending Fund Balances (Reserves)

GASB Statement No. 54 establishes certain classification that governmental agencies are required to report their fund balances

- Nonspendable
- Restricted
- Committed
- Assigned
- Undesignated/Unassigned

Ending Fund Balance Designations

GENERAL FUND	Estimated	Proposed	Projected	Projected
Unrestricted and Restricted Funds	Actual	Budget	Budget	Budget
	2022-23	2023-24	2024-25	2025-26
<i>Estimated Actual/Projected Ending Fund Balance</i>	32,955,492	25,075,823	16,723,629	16,216,909
Nonspendable				
Revolving Cash	25,103	25,100	25,100	25,100
Stores	52,803	75,000	75,000	75,000
Prepaid Expenditures	34,469	150,000	150,000	150,000
Restricted	6,334,443	6,761,392	6,761,392	6,761,392
Committed	0	0	0	0
Assigned/Designated				
STRS/PERS Increases: 2026-27	350,000	359,384	359,384	359,384
STRS/PERS Increases: 2026-27 & 2027-28	700,000	733,791	733,791	733,791
Property Tax Repayment - Litigation (Est.)	8,500,000	8,500,000	351,975	0
Budget Reduction Needed to Balance Budget*	0	0	0	Needed
Carryover - 22/23 Site Discretionary Funds	379,000	379,000	379,000	379,000
Reserve:				
Reserved for Economic Uncertainties	8,535,167	7,908,352	7,887,988	7,733,243
Undesignated Reserve	8,044,507	183,804	0	0

* Budget reduction of \$4.5 million needed in 2025-26 to maintain a balanced budget.

Other District Funds

- Fund 8 Associated Student Body
- Fund 11 Adult Education
- Fund 12 Child Development
- Fund 13 Cafeteria Fund
- Fund 14 Deferred Maintenance
- Fund 17 Special Reserve
- Fund 21 Bond Fund
- Fund 25 Capital Facilities
- Fund 35 County School Facilities
- Fund 40 Special Reserve Capital Projects
- Fund 51 Bond Interest & Redemption
- Fund 73 Trust Fund

Looking Ahead

- Adoption of the 2023-24 Budget
 - June 22, 2023
- 2022-23 Unaudited Actuals
 - September 2023
- 2023-24 First Interim Report
 - December 2023

Comments / Questions?

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