



Folsom Cordova Unified School District

2022-2023

Adopted Budget

Public Hearing – June 9, 2022
Board Adoption – June 23, 2022



Overview on Adopted Budget for 2022-2023

- This presentation is a user-friendly summary of the 2022-2023 FCUSD budget proposed for adoption.
 - ⊕ All information included is from the official “SACS” documents that will be submitted to Sacramento County Office of Education (SCOE) for review and approval.
- The District bases its budget on the guidelines document reviewed by the Budget Advisory Committee and approved by the FCUSD Board on April 28, 2022, and by using the best information available from FCUSD known data, School Services of California, SCOE, and other fiscal education sources at the time of adoption.
 - ⊕ The budget, therefore, should be considered a “financial snapshot” with information known as of May 20, 2022
- Additionally, included in the SACS documents is an updated budget for the 2021-2022 fiscal year with revised revenues and expenditures as of May 1, 2022.
- This presentation document is showing activities including revenues and expenses from the General Fund (01), unless noted otherwise.



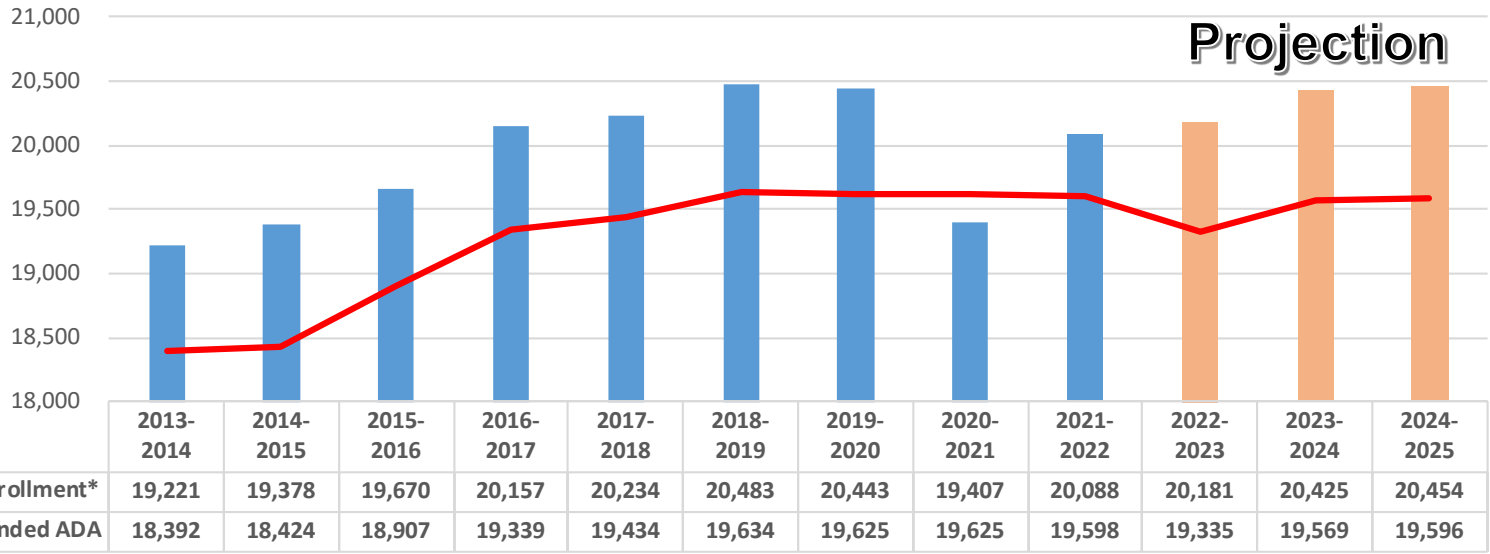
Building the Adopted Budget

- The FCUSD adopted budget is built upon many assumptions that can and will change during the course of the year, sometimes significantly...Why?
 - ⊕ The State Budget has not been finalized
 - Adjustment from the Governor's May Proposal to allocations for the Local Control Funding Formula (LCFF), Special Education, and other core programs could have significant impact to revenues
 - ⊕ Enrollment is not known and attendance rates could be impacted by another outbreak
 - Enrollment is the primary driver of the LCFF funding amount which is projected to be 74% of the District's budget. As current enrollment is projected to be the funding method, not prior year, for LCFF, due to increasing enrollment for 2022-2023, it is even more critical that the projections are met as any reduction will impact funding
 - ⊕ Staffing is projected to be 83% of the 2022-2023 expenditures and as of May 31st, there are over 400 open positions in FCUSD
 - The budget guidelines require that all positions be budgeted even if unfilled, which will impact the revised budget if they remain vacant during the year
 - ⊕ Spending of carry-over from the ending fund balance and revenues from donations/fundraisers from 2021-2022 are not included
 - At 1st interim all carry-over will be budgeted which will increase expenses to spend down ending fund balances
 - Donations/fundraiser revenues are not budgeted until received and throughout the fiscal reporting period additional revenues and corresponding expenses will be budgeted
- The adopted budget is used as a compass to determine the direction of the District's finances and overall health. It will change during the year, and this change will be reflected in the interim budget updates.



FCUSD Enrollment*/ Attendance History

Enrollment vs Funded ADA



* Enrollment excludes Charter, SCOE, Adult Education, and Preschool Programs

Narrative – The District receives over 74% of revenues from the Local Control Funding Formula (LCFF) which is based upon Average Daily Attendance (ADA). Enrollment is the total number of students enrolled in district schools at Census Day (October); ADA is the Average Daily Attendance of enrolled students. This graph shows the historical enrollment and funded ADA with projections for 2022-2023, 2023-2024, and 2024-2025.

In 2020-2021, due to COVID, enrollment dropped by over one-thousand students. Enrollment rebounded in 2021-2022 by 681 students and enrollment is projected to increase by 93 for 2022-2023 with continued growth in 2023-2024 and 2024-2025.

The District is funded on the greater of current or prior year ADA. For 2022-2023 current year ADA is projected to be used. In 2022-2023, 2023-2024 and 2024-2025 the funded ADA is projected based upon historical 5-year average (pre-COVID) of the ADA-to-Enrollment percentage of 95.8%



Key Revenue Assumptions for 2022-2023

- LCFF revenue factors are based upon the Governor's May Revise for 2022-2023 and include the following:
 - ⊕ Cost of Living Adjustment (COLA) of 6.56%
 - ⊕ On-going LCFF Base increase of \$2.1 billion
- The Governor's proposal for ADA averaging was not used in the LCFF projection as there is a competing model from the legislature and neither would have an impact significant enough to include at budget adoption. Current year projected ADA was used due to District enrollment growth.
- The Governor's proposal for the one-time Discretionary Block Grant of \$8 billion (Projection of \$27 million for FCUSD) was not included in the adopted budget as the resource and details regarding allowable expenditures are not known and therefore information is insufficient to budget accurately.
- The Universal Transitional Kindergarten funding to help with lower class sizes was not included in the budget due to the limited details on how the funding will be calculated and allocated, but will be included at 1st interim once these details have been approved.
- The remaining COVID funding including federal (ESSER II/III) and state (In-person Instruction/Expanded Learning Grant) allocations and offsetting expenditures are budgeted
- Local revenues for facility use, transportation fees, and other activities are budgeted to pre-COVID levels
- One-time revenues are budgeted for grant funding related to reimbursement for electric buses



Quick Calculation of Local Control Funding Formula (LCFF)

a	b	c	d	e	f	g	h
Grade Span	Total Funded ADA (Includes COE)	Base Funding per ADA	TK-3 GSA Add-on	9-12 CTE Add-on	Supplemental Add-On	Funding Per ADA	ADA Funding
			=c * 10.4%	=c * 2.6%	=(c + d + e) * 20% * 34.77%	=c + d + e + f	=b * g
TK - 3	5,614.30	\$ 8,890	\$ 925		\$ 683	\$ 10,498	\$ 58,936,312
4 - 6	4,453.74	\$ 9,024			\$ 628	\$ 9,652	\$ 42,985,401
7 - 8	3,038.03	\$ 9,291			\$ 646	\$ 9,937	\$ 30,189,196
9 - 12	6,341.53	\$ 10,767		\$ 280	\$ 768	\$ 11,815	\$ 74,926,498
Total	19,447.60						\$ 207,037,407

1st Step – Determine the Total District ADA – Under LCFF, base funding is segregated into grade spans and includes students that reside in the district but attend Non-Public School (NPS) programs and County Office of Education (COE) programs. Funding received for COE programs is transferred back to the COE.

2nd Step – Calculate the ADA Funding – The district ADA is now multiplied by the Base Grant with add-ons for Grade Span Adjustment (GSA), 9-12 CTE, and the Supplemental Grant. The Supplemental Grant is a 20% add-on to the Base Grant multiplied by the percentage of the district population that are eligible for Free/Reduced Meals, are English Language Learners, or are Foster Youth (this figure is known as the Unduplicated Pupil Percentage (UPP). FCUSD's 3-year average for UPP is 34.77%

3rd Step – Determine the Total Funding – There are two additional add-ons to the ADA funding that account for the total targeted funding amount - Transportation and Targeted Instructional Improvement Block Grant (TIIG). The sum of all three determines the total LCFF Funding amount.

Finally, the district transfers funds to Fund 14 Deferred Maintenance and to the COE an agreed amount for ADA that are in COE programs.

i	j	k	l	m	n	o
ADA Funding	Add-on Transportation	Add-on TIIG	Total Amount	Deferred Maintenance (Fund 14) Transfer Out	Adjusted LCFF Funding	COE Transfer for ADA
= h			= i + j + k		= m + n	Objt 7142
\$ 207,037,407	\$ 976,737	\$ 749,374	\$ 208,763,518	\$ (650,566)	\$ 208,112,952	\$ (1,137,627)



Local Control Funding Formula Comparison

Total LCFF Funding Amount Per Pupil*						
<i>Sacramento County Districts over 10k Students</i>	<i>Total District Enrollment</i>	<i>UPP% 3 Year Average</i>	<i>Grade Span TK-3</i>	<i>Grade Span 4-6</i>	<i>Grade Span 7-8</i>	<i>Grade Span 9-12</i>
Elk Grove	61,985	52.96%	\$ 9,881	\$ 9,085	\$ 9,354	\$ 11,122
Natomas	10,742	62.28%	\$ 10,471	\$ 9,627	\$ 9,912	\$ 11,786
Sac City	38,059	70.90%	\$ 11,125	\$ 10,229	\$ 10,531	\$ 12,522
San Juan	38,089	53.45%	\$ 9,890	\$ 9,093	\$ 9,362	\$ 11,132
Twin Rivers	21,721	90.68%	\$ 12,628	\$ 11,610	\$ 11,954	\$ 14,213
Average			\$ 10,799	\$ 9,929	\$ 10,223	\$ 12,155
FCUSD	20,079	35.59%	\$ 9,571	\$ 8,800	\$ 9,060	\$ 10,773
Funding Difference per ADA			\$ (1,228)	\$ (1,129)	\$ (1,163)	\$ (1,382)
FCUSD ADA for 2022-2023			5,614.30	4,433.92	2,956.59	6,329.93
Additional Funding		\$ 24,088,181	\$ 6,894,843	\$ 5,006,437	\$ 3,437,089	\$ 8,749,812
*From CDE Principal Apportionment Exhibits 2021-2022 P-1						

Narrative – LCFF revenues include additional funding called supplemental and concentration based upon a district's Unduplicated Pupil Percentage (UPP) which are students who fall into three categories: socio-economically disadvantaged, English language learners, and foster youth. As you can see the other “large” districts in Sacramento County all have a higher UPP and therefore receive more funding per pupil. If FCUSD was to receive the average per pupil allocation of these other districts it would be an additional LCFF amount of \$24 million for the 2022-2023 year.



Revenue Change Summary

Unrestricted Account Revenue (Resource 0000-1999)	2021-2022 Estimated Actuals	2022-2023 Adopted Budget	Change	Significant Changes from Estimated Actuals to Adopted Budget
LCFF Entitlement	192,441,318	208,112,952	15,671,634	Increase in LCFF due to 6.56% COLA & Base Funding Increase offset by loss of 271 ADA
Federal Income	-	-	-	
Other State Income	5,064,149	4,190,223	(873,926)	Reduction for one-time COVID funding received in 2021-2022
Local Income	2,511,582	4,948,391	2,436,809	Increase for one-time Electric Bus Grants and adjustments for misc. activities
Total	200,017,049	217,251,566	17,234,517	
Restricted Account Revenue (Resource 2000-9999)	2021-2022 Estimated Actuals	2022-2023 Adopted Budget	Change	Significant Changes from Estimated Actuals to Adopted Budget
LCFF Taxes	980,211	919,007	(61,204)	Updated Estimated Tax allocated to SELPA AB602 Funding
Federal Income	38,450,732	20,467,549	(17,983,183)	Reduction in funding for Title Program carryover and COVID funding recognized/spent in 2021-2022
Other State Income	43,610,303	40,084,544	(3,525,759)	Increased funding for ELO-P, CTE, STRS On-Behalf, SPED, Decreases for one-time funding including A-G, In-Person Instruction, SPED Learning Loss
Local Income	4,019,599	3,025,102	(994,497)	Decrease funding for one-time SMUD Rebates (8150), updated Donation/Fundraiser Revenues
Total	87,060,845	64,496,202	(22,564,643)	
Combined Revenue Accounts	2021-2022 Estimated Actuals	2022-2023 Adopted Budget	Change	Narrative - A portion of California school district income is restricted income and, as such, can only be expended for selected purposes as determined by the granting agency--usually higher levels of government. The balance of the district income is called unrestricted, since it can be expended as determined by the local agency for general educational priorities. Due to the LCFF Funding many categorical programs are now unrestricted including transportation. The largest restricted program is Special Education.
LCFF Entitlement	193,421,529	209,031,959	15,610,430	
Federal Income	38,450,732	20,467,549	(17,983,183)	
Other State Income	48,674,452	44,274,767	(4,399,685)	
Local Income	6,531,181	7,973,493	1,442,312	
Total	287,077,894	281,747,768	(5,330,126)	



Key Expenditure Assumptions

- Objects (1000-3999) Staffing and Benefits are 85.8% of the unrestricted budget and 83% of all expenditures which include the following:
 - ⊕ All open positions are budgeted and step/column are projected in the budget
 - ⊕ Pension costs increases are projected to increase \$3.8 million over prior year
 - STRS rate of 19.10% an increase of 2.18% from prior year – total budgeted \$20.7 million
 - PERS rate of 25.37% an increase of 2.45% from prior year – total budgeted \$11.3 million
 - Since 2013-2014, PERS has increased 13.97% and STRS has increased 10.8% which if not budgeted for 2022-2023 is an additional savings of \$17.9 million
- Objects (4000-5999) Books & Supplies and Contracted Services are projected based upon site and department budgeting, contracts, and historical usage
- Objects (6000-6999) Capital Outlay includes purchases of EV and diesel buses, vehicle purchases for M&O, CTE equipment, copiers, and other office equipment
- Objects (7000-7999) Transfer for LCFF funding to County Office of Education



Expenditure Change Summary

Unrestricted Account Expense (Resource 0000-1999)	2021-2022 Estimated Actuals	2022-2023 Adopted Budget	Change	Significant Changes from Adopted Budget to 1st Interim
Certificated Salaries	83,710,083	86,248,185	2,538,102	Staffing adjustments for budget assumptions of full staffing and costs for Step/Column Increase
Classified Salaries	24,430,044	26,908,187	2,478,143	Staffing adjustments for budget assumptions of full staffing and costs for Step/Column Increase
Employee Benefits	34,436,292	37,984,938	3,548,646	Increases based on salary adjustments including open positions & STRS/PERS Rate Increase
Books & Supplies	6,290,306	7,744,502	1,454,196	Budget increase in 2022-2023 for transportation fuel, ongoing budget for Chromebook replacement
Contract Services	14,955,876	15,203,896	248,020	Budget increase in 2022-2023 for insurance premiums
Capital Outlay	1,026,012	4,414,596	3,388,584	Budget increase in 2022-2023 for one-time diesel and EV bus purchases
Other Expenses/Transfer Out	(2,620,999)	(2,413,830)	207,169	Adj. to Indirect cost and Increase in transfers to COE, offset by transfers to other funds
Total	162,227,614	176,090,474	13,862,860	

Restricted Account Expense (Resource 2000-9999)	2021-2022 Estimated Actuals	2022-2023 Adopted Budget	Change	Significant Changes from Adopted Budget to 1st Interim
Certificated Salaries	32,374,153	27,399,680	(4,974,473)	Reduction in 2022-2023 due to one time cost including COVID pay and Summer School offset by budget assumptions of full staffing and costs for Step/Column increase
Classified Salaries	20,948,858	22,623,805	1,674,947	Reduction in 2022-2023 due to one time cost including COVID pay and Summer School offset by budget assumptions of full staffing and costs for Step/Column increase
Employee Benefits	27,282,570	30,794,201	3,511,631	Increases based on salary adjustments including open positions & STRS/PERS Rate Increase
Books & Supplies	10,063,040	5,049,848	(5,013,192)	Decrease of activities for categorical carryover and ESSER II & III activities
Contract Services	18,242,475	12,098,246	(6,144,229)	Decrease of activities for categorical carryover and ESSER II & III activities
Capital Outlay	6,772,275	1,952,210	(4,820,065)	Decrease of activities for COVID Funded HVAC activities
Other Expenses/Transfer Out	3,805,469	3,693,838	(111,631)	Decrease in Indirect Cost charges related to increase in budgeted restricted expenses
Total	119,488,841	103,611,828	(15,877,013)	

Combined Expenses Accounts	2021-2022 Estimated Actuals	2022-2023 Adopted Budget	Change
Certificated Salaries	116,084,236	113,647,865	(2,436,371)
Classified Salaries	45,378,902	49,531,992	4,153,090
Employee Benefits	61,718,862	68,779,139	7,060,277
Books & Supplies	16,353,346	12,794,350	(3,558,996)
Contract Services	33,198,351	27,302,142	(5,896,209)
Capital Outlay	7,798,287	6,366,806	(1,431,481)
Other Expenses/Transfer Out	1,184,470	1,280,008	95,538
Total	281,716,454	279,702,302	(2,014,152)

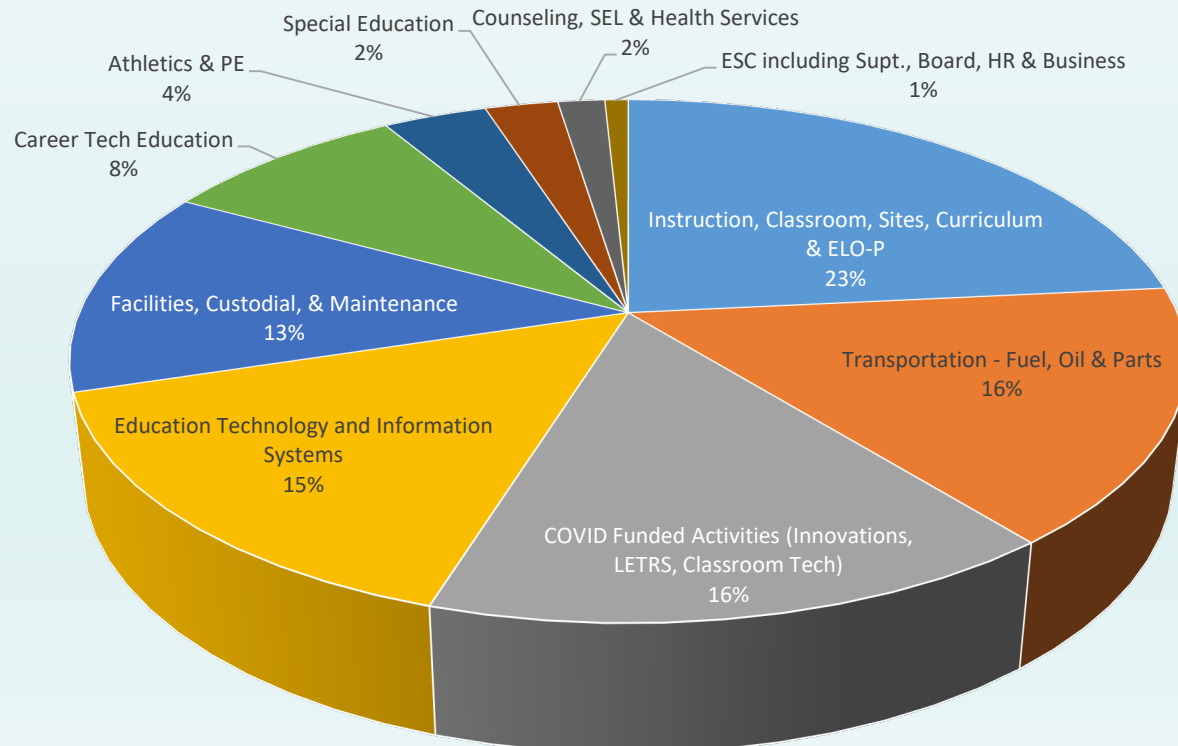
Narrative – For most school districts in the state, the largest portion of expenses is for staffing. Salaries and benefits of staff often account for 80 to 90 percent of the district's budget. For the 2022-2023 budget staffing is projected to be 85.8% of the unrestricted general fund budget, and 83% of the total district budget. The majority of these expenses is paid from unrestricted funds, but some salaries are paid from restricted accounts, depending upon the program and duties of the employee. Special Education is usually the largest restricted program. Often, the expenses for these programs are greater than the governmental funding, and they must be supported by a contribution from the district's unrestricted funds.



Deeper Dive into Areas of Interest

Materials & Supplies for 2022-2023

- \$10.8 million is budgeted for Materials and Supplies – Object 43XX (3.86% of the budget)
 - ⊕ Supplies and materials that individually cost under \$500 including Chromebooks, consumables, paper, books, etc.
 - ⊕ 41.7% from restricted funds / 58.3% from Unrestricted



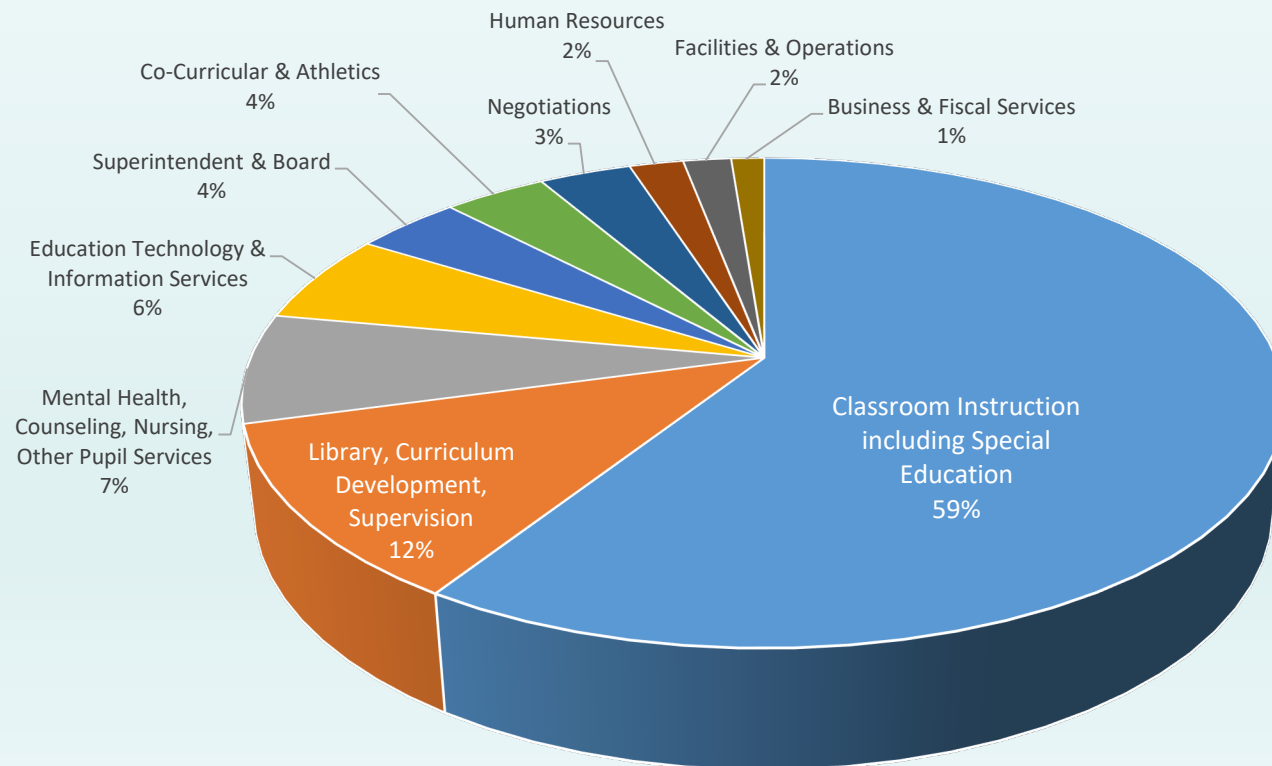


Deeper Dive into Areas of Interest

Travel and Conference for 2022-2023

- \$1 million is budgeted for Travel and Conference – Object 52XX (0.366% of the budget)

- ⊕ Includes mileage registration fees, travel costs, food, and lodging
- ⊕ 63.7% from restricted funds / 36.3% from Unrestricted

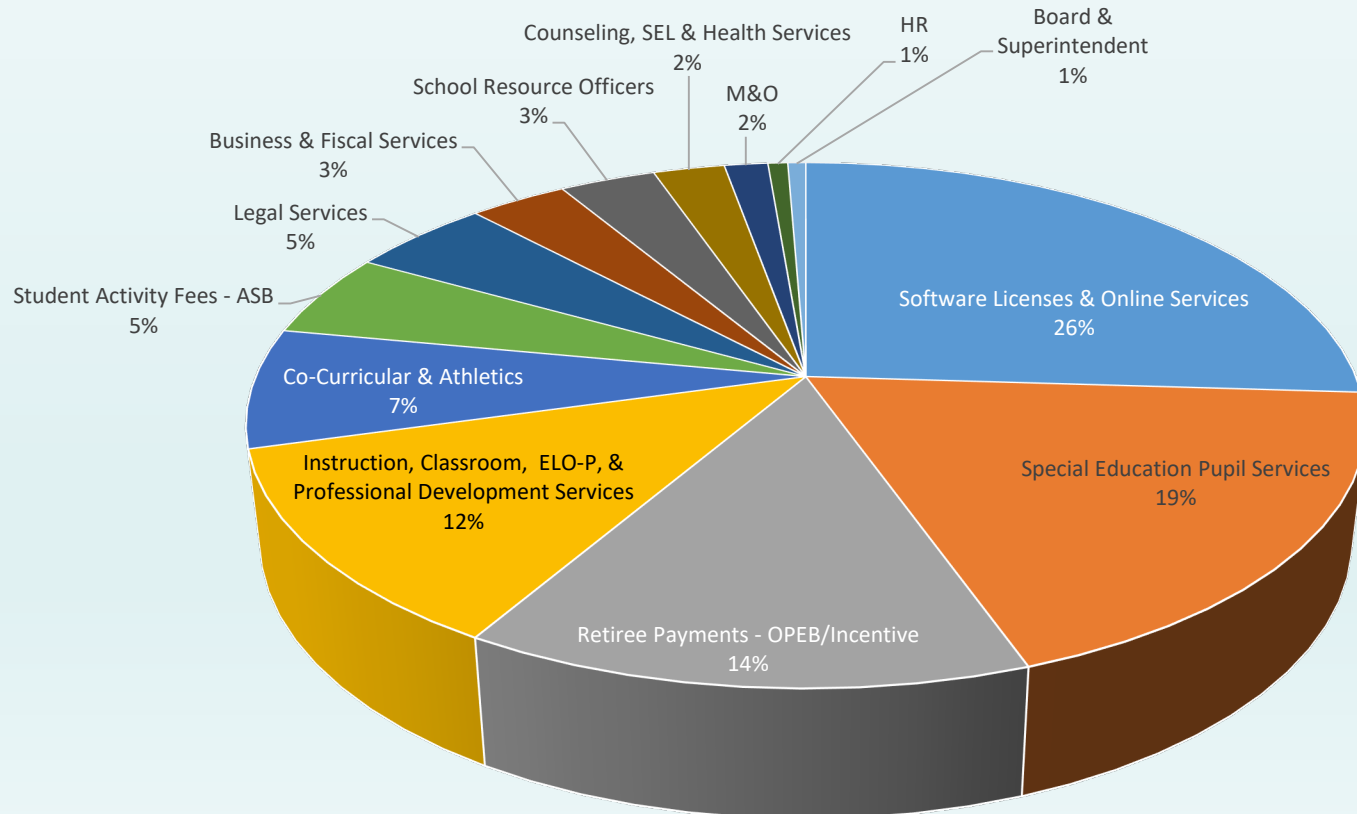




Deeper Dive into Areas of Interest

Professional/Consulting Services 2022-2023

- \$15.3 million is budgeted for Professional/Consulting Services – Object 58XX (5.456% of the budget)
 - ✦ Includes software, Special Education services, payments for current year OPEB and retirement incentives, and other services
 - ✦ 52.06% from restricted funds / 47.94% from Unrestricted





Budget Summary

	2021-2022 Estimated Actuals			2022-2023 Adopted Budget			Difference Est. Actuals vs. Adopted Budget		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
Total Revenue	200,017,049	87,060,845	287,077,894	217,251,566	64,496,202	281,747,768	17,234,517	(22,564,643)	(5,330,126)
Total Expenditures	162,227,614	119,488,841	281,716,454	176,090,474	103,611,828	279,702,302	13,862,860	(15,877,013)	(2,014,152)
Excess/(Deficiency)	37,789,435	(32,427,995)	5,361,440	41,161,092	(39,115,626)	2,045,466	3,371,657	(6,687,631)	(3,315,974)
Other Financing Sources	(37,538,580)	35,867,259	(1,671,321)	(40,967,645)	39,817,645	(1,150,000)	(3,429,065)	3,950,386	521,321
Net Inc/Dec to Fund Bal	250,855	3,439,264	3,690,119	193,447	702,019	895,466	(57,408)	(2,737,245)	(2,794,653)
Beginning Balance	45,386,579	11,433,739	56,820,318	45,637,434	14,873,003	60,510,437			
Ending Balance	45,637,434	14,873,003	60,510,437	45,830,881	15,575,022	61,405,903			

Narrative – For 2022-2023, revenues are anticipated to exceed expenditures in the unrestricted general fund in the amount of \$41.1 million; however, there are transfers required (Other Financing Sources) to the restricted general fund to support special education and the routine repair and maintenance (RRM) accounts.

The District is required, as part of the School Facilities Program, to transfer an amount equal to at least 3% of the projected annual expenditures to the RRM account. Special Education requires a contribution to cover all costs associated with providing service to students. For the 2022-2023, the contribution to Special Education is projected to be \$32.3 million and the contribution to RRM is \$7.7 million.

It should be noted that the District has many unfilled positions and currently the budget includes cost related to hiring these positions for 2022-2023 fiscal year, and therefore additional savings to salaries and benefits will most likely occur which will increase the projected surplus at 1st interim budget update.



Components of the Ending Fund Balance

Reserve Cap Process and Recommendations

- Beginning with the 2022–2023 fiscal year, the district reserve cap requires that a school district’s adopted or revised budget pursuant to EC Section 42127 shall not contain a combined assigned or unassigned ending general fund balance of more than 10 percent of those funds.
- Both the Financial Crisis & Management Assistance Team (FCMAT) and the Legislative Analystist Office (LAO) have stated that general fund reserves are a key indicator of a school district’s fiscal health
- The local reserve 10 percent figure is measured as a percentage of total general fund expenditures, transfers out and other uses. This is the same as the computation used to determine a local district’s minimum reserve level, or reserve for economic uncertainties.
- For 2022-2023 at Adopted Budget, the 10 percent cap is \$28.3 million
- There are three main ways a district can meet the 10 percent cap requirements are:
 - ⊕ Spend down reserves below the 10 percent level
 - ⊕ Request a temporary waiver from the Sacramento County Superintendent of Schools
 - ⊕ Reclassify any unassigned or assigned components of the fund balance to the committed or restricted category of the fund balance
- Staff is recommending that local resources and future liabilities be moved from assigned to committed by approving a Board resolution at the June 23 meeting.
 - ⊕ By taking this action the District will have assigned and economic uncertainties totaling \$23.2 million which is 8.2 percent of the estimated expenses.



Components of the Ending Fund Balance

Narrative – The “Ending Fund Balance” is made up of the resources that are required or remain after expenditures are deducted from the total budget amount.

Folsom Cordova Unified School District is required to have a minimum reserve of 3% of budgeted expenses for economic uncertainty based upon the District’s enrollment size.

Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by external agencies (i.e. State & Federal programs).

Committed fund balance includes funds that may be used for specific purposes stipulated by formal action of the Board.

Assigned fund balance comprises amounts intended to be used for district defined purposes but no formal action has been taken.

The Assigned and the Economic Reserves cannot exceed 10% of total expenses and transfers out.

Distribution of Ending Fund Balance and Reserves		
Adopted Budget 2022-2023		
Revolving Cash		\$ 75,000
Prepaid Expenses		\$ 1,125,034
Restricted Accounts		\$ 15,575,022
Committed		\$ 21,432,929
<i>Cash with Fiscal Agent - Trust Account PERS/STRS</i>	\$ 5,823,610	
<i>RESOURCE 0037: Instructional Materials & Curriculum Adoption</i>	\$ 4,779,526	
<i>RESOURCE 0039: Education Technology & Information Systems</i>	\$ 2,034,440	
<i>RESOURCE 0455: Language Saturday School</i>	\$ 919	
<i>RESOURCE 0485: Medi-Cal Billing Admin</i>	\$ 1,048,149	
<i>RESOURCE 0489: Project Lead The Way</i>	\$ 8,398	
<i>RESOURCE 0640: Scholarships</i>	\$ 350	
<i>RESOURCE 0711: Supplemental Funding</i>	\$ 5,112,141	
<i>RESOURCE 0712: Career and Technical Education</i>	\$ 580,400	
<i>RESOURCE 0730: Transportation</i>	\$ 500,000	
<i>Liability - Compensated Absences for 12 Month Employees</i>	\$ 1,544,996	
Assigned		\$ 14,697,918
<i>Set-aside for Professional Development</i>	\$ 3,300,000	
<i>Set-aside for Site Safety Needs</i>	\$ 2,500,000	
<i>Set-aside for Future District Uncertainties</i>	\$ 8,897,918	
Reserve for Economic Uncertainty		\$ 8,500,000
% of Expense	3.03%	
Undesignated Fund Balance		\$ 0
Total Distribution of Ending Fund Balance		\$ 61,405,903



MULTI-YEAR PROJECTION (MYP)



Summary of MYP Revenues

REVENUE PROJECTIONS					
	Adopted Budget 2022 - 2023	Projection 2023 - 2024	Change 22-23 vs 23-24	Projection 2024 - 2025	Change 23-24 vs 24-25
<i>Total LCFF/Taxes</i>	209,031,959	222,662,613	13,630,654	231,723,996	9,061,383
<i>Federal Revenues</i>	20,467,549	8,958,246	(11,509,303)	8,958,246	-
<i>Other State Revenues</i>	44,274,767	42,266,949	(2,007,818)	42,266,949	-
<i>Other Local/Financing Rev</i>	7,973,493	5,373,201	(2,600,292)	5,373,201	-
Total Revenues	\$ 281,747,768	\$ 279,261,009	\$ (2,486,759)	\$ 288,322,392	\$ 9,061,383
<i>COLA %</i>	6.56%	5.38%	-1.18%	4.02%	-1.36%
<i>Funded Unduplicated %</i>	34.77%	34.56%	-0.21%	34.56%	0.00%
<i>Enrollment</i>	20,181	20,425	244	20,454	29
<i>Funded ADA</i>	19,334.74	19,568.70	233.96	19,596.06	27.36

Narrative – LCFF funding for 2023-2024 is projected to increase by \$13.6 million due to ADA increases from projected growth from new home construction and a projected COLA of 5.38%. In 2023-2024 LCFF revenues are anticipated to increase by \$9 million due to a projected COLA of 4.02%.

Federal and Other State revenues are projected to decrease in 2023-2024 due to COVID related funds and other one-time activities being removed.

Other Local revenues are projected to decrease in 2023-2024 due one-time grant funding for transportation electric buses and other one-time activities being removed.



Summary of MYP Expenses

EXPENSE PROJECTIONS					
	Adopted Budget 2022 - 2023	Projection 2023 - 2024	Change 22-23 vs 23-24	Projection 2024 - 2025	Change 23-24 vs 24-25
Certificated Salaries	113,647,865	113,925,110	277,245	116,316,310	2,391,200
Classified Salaries	49,531,992	49,212,212	(319,780)	50,162,509	950,297
Employee Benefits	68,779,139	67,872,636	(906,503)	68,442,224	569,588
<i>Subtotal Personnel Costs</i>	231,958,996	231,009,958	(949,038)	234,921,043	3,911,085
<i>Books & Supplies</i>	12,794,350	11,117,960	(1,676,390)	11,117,960	-
<i>Services & Other Operating</i>	27,302,142	25,647,709	(1,654,433)	24,735,588	(912,121)
<i>Capital Outlay</i>	6,366,806	280,926	(6,085,880)	280,926	-
<i>Other Outgo/Support (7xxx)</i>	2,430,008	2,430,008	-	2,113,044	(316,964)
Total Expenses	\$ 280,852,302	\$ 270,486,561	\$ (10,365,741)	\$ 273,168,561	\$ 2,682,000
<i>PERS Rate</i>	25.37%	25.20%	-0.17%	24.60%	-0.60%
<i>STRS Rate</i>	19.10%	19.10%	0.00%	19.10%	0.00%

Narrative – The largest expense is for personnel costs; projections for 2023-2024 and 2024-2025 include filling of all open positions, teaching positions added for additional enrollment projection, ongoing increases for step & column, and benefit costs adjusted for employer pension rate changes.

In 2023-2024, due to fully spending COVID funding, all COVID funded staffing positions are removed excluding Innovations Academy whose costs will be moved to the unrestricted general fund, as this is an ongoing program. Also, other COVID and one-time funded costs are removed from the budget in supplies, services, and capital outlay.

In 2024-2025, adjustments are adjusted for one-time activities from the prior year.



Multi-Year Projection Summary

	2022-2023	2023-2024	2024-2025
Revenues & Other Financing Sources	281,747,768	279,261,009	288,322,392
Expenditures & Other Financing Uses	280,852,302	270,486,561	273,168,561
Net Increase (Decrease) to Fund Balance	895,466	8,774,448	15,153,831
Beginning Fund Balance	60,510,437	61,405,903	70,180,351
Ending Fund Balance	61,405,903	70,180,351	85,334,182
Required Economic Reserve of 3%	8,425,569	8,114,597	8,195,057
Projected Unrestricted General Fund Balance as a Percentage of Total General Fund Expenditures, Transfers, and Other Uses	21.86%	25.95%	31.24%

	2022-2023		2023-2024		2024-2025	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Revenues & Other Financing Sources	177,033,921	104,713,847	186,457,918	92,803,091	194,736,149	93,586,243
Expenditures & Other Financing Uses	176,840,474	104,011,828	179,192,251	91,294,310	181,091,099	92,077,462
Net Increase (Decrease) to Fund Balance	193,447	702,019	7,265,667	1,508,781	13,645,050	1,508,781
Beginning Fund Balance	45,637,434	14,873,003	45,830,881	15,575,022	53,096,548	17,083,803
Ending Fund Balance	45,830,881	15,575,022	53,096,548	17,083,803	66,741,598	18,592,584

Narrative – At Adopted Budget the projected unrestricted surplus increases in 2023-2024 to approximately \$7.3 million and 2024-2025 the unrestricted surplus increases to \$15 million. This is based upon COLAs of 5.38% and 4.02%, continued growth of enrollment, STRS rates that will remain flat, and PERS rates that will decline.

Due to current concerns related to the continued impact of COVID, inflation and rising costs, supply chain issues, current stock market trends (S&P down 15% since January), and potential recession discussions, it is important to recognize that the 2024-2025 projected budget could have a downturn that will impact the projected surplus.



2022-2023 Adopted Budget - Other Funds

<i>Other Funds</i>	<i>Charter School (09)</i>	<i>Adult Ed (11)</i>	<i>Child Dev (12)</i>	<i>Cafeteria (13)</i>	<i>Deferred Maintenance (14)</i>	<i>Building Funds (21-40)</i>	<i>Student Care Center (63)</i>
Total Revenue	1,739,133	1,457,148	2,128,937	8,305,000	652,566	22,928,284	2,582,552
Total Expenditures	1,984,316	1,450,638	2,128,937	8,147,553	1,710,297	40,730,230	2,592,003
Excess/(Deficiency)	(245,183)	6,510	-	157,447	(1,057,731)	(17,801,946)	(9,451)
Other Financing Sources	-	-	-	-	950,000	200,000	-
Net Inc/Dec to Fund Bal	(245,183)	6,510	-	157,447	(107,731)	(17,601,946)	(9,451)
Beginning Balance	491,255	1,086,599	467,765	2,999,735	229,384	200,248,485	505,727
Ending Balance	246,072	1,093,109	467,765	3,157,182	121,653	182,646,539	496,276

Notes on Other Funds

- **Fund 09** – The Charter School program is budgeted to show a deficit at adoption due to enrollment projected at 160 based upon current registrations; however it is hoped that projection will be at 200 by beginning of the school year and if so, funding will be adjusted at 1st interim.
- **Fund 11** – The Adult Education programs are anticipated to have a balanced budget
- **Fund 12** – The District Child Development (Pre-School) programs are anticipated to have a balanced budget
- **Fund 13** – The Food Service Program is anticipated to have a surplus due to Universal meals being offered which will increase participation. This budget does assume all open positions being filled for the 2022-2023 year.
- **Fund 14** – The Deferred Maintenance fund is projected to deficit spend using up reserves to help pay for several projects including paving and roofing across the District
- **Fund 21-40** - These are the building accounts including Developer Fees, State Facilities Funds and Bond Funds. Activities include facilities staff and the modernization and new construction projects occurring throughout the District
- **Fund 63** - The Student Care program is projected to have a slight deficit but once all student registrations and the impact of ELO-P has been determined.



In Closing...

- The State budget allocation for 2022-2023 will be at historic levels not seen before which will allow FCUSD to see a positive unrestricted general fund surplus.
- Both 2023-2024 and 2024-2025 look promising with the projected increase in COLA, enrollment growth, and flat or even declining rates for STRS and PERS.
- However, due to current concerns related to the continued impact of COVID, inflation and rising costs, supply chain issues, current stock market trends (S&P down 15% since January), and potential recession discussions, it is important to recognize that the 2024-2025 projected budget could have a downturn that will impact the projected surplus.
- District staff will continue to monitor enrollment, staffing, reserve levels, and cash flow to ensure the financial well-being of the District.
- The next major update will be when the Governor and the legislature agree to the enacted State budget by June 15. Once signed, staff will have 45 days to provide an update to the FCUSD Board.



Next Steps Timeline for 2022-2023 Budget

June 23, 2022	<ul style="list-style-type: none">• FCUSD Budget Approved
June – August 2022	<ul style="list-style-type: none">• State Budget approved by June 15 and signed (TBD)• If material changes occur, a revised FCUSD budget will be presented within 45 days
TBD	<ul style="list-style-type: none">• Budget Advisory Committee Meetings
December 2022	<ul style="list-style-type: none">• First Interim Budget
March 2023	<ul style="list-style-type: none">• Second Interim Budget
June 2023	<ul style="list-style-type: none">• June Update as part of 2023-2024 Budget Presentation
September 2023	<ul style="list-style-type: none">• Presentation of Unaudited Actuals
January 2024	<ul style="list-style-type: none">• Audit Report of 2022-2023 Actuals



Questions?