



# **Folsom Cordova Unified School District**

## **2023-2024**

### **Adopted Budget**

Public Hearing – June 1, 2023  
Board Adoption– June 15, 2023



# Overview on Adopted Budget for 2023-2024

- This presentation is a user-friendly summary of the 2023-2024 FCUSD budget proposed for adoption.
  - ⊕ All information included is from the official Standardized Account Code Structure (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 May 4, 2023, and by using the best information available from FCUSD known data, School Services of California (SSC), 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 18, 2023.
- Additionally, included in the SACS documents is an updated budget for the 2022-2023 fiscal year with revised revenues and expenditures as of May 1, 2023.
- This presentation document is showing activities including revenues and expenses from the General Fund (01), unless noted otherwise.

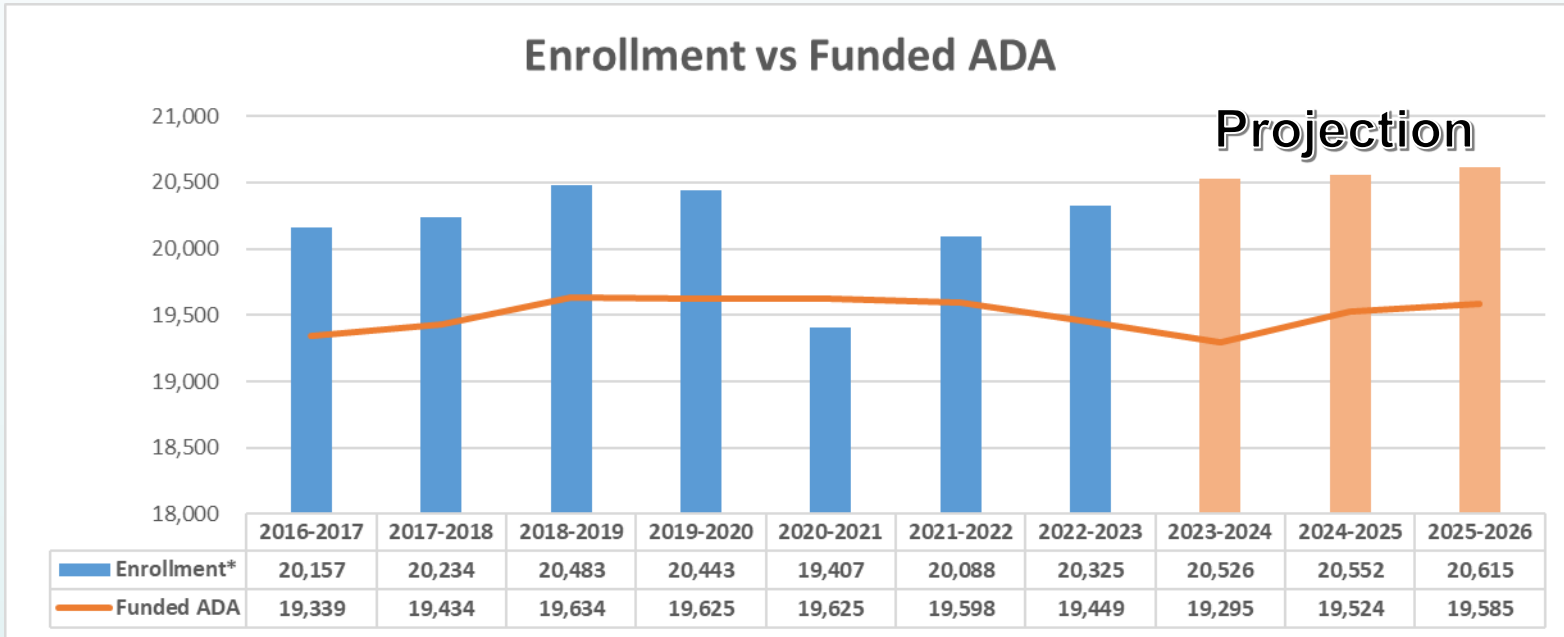


# Building the Adopted Budget

- 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 a significant impact to revenues
  - ⊕ Enrollment is not known, and attendance rates have not rebounded from Pre-COVID-19 levels
    - Enrollment is the primary driver of the LCFF funding amount which is projected to be 76% 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 2023-2024, it is even more critical that the projections are met as any reduction will impact funding
  - ⊕ Staffing is projected to be 84% of the 2023-2024 expenditures, and as of May 18<sup>th</sup>, there are over 700 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 2022-2023 are not included
    - At 1<sup>st</sup> 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. 3



# FCUSD Enrollment\* / Attendance History



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

**Narrative** – The District receives over 76% 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 2023-2024, 2024-2025, and 2025-2026.

In 2020-2021, due to COVID-19, enrollment dropped by over one-thousand students. Enrollment is projected to fully rebound in 2023-2024 at 20,526 with continued growth in 2023-2024 and 2024-2025.

The District is funded on the greater of current, prior year, or three-year average ADA. For 2023-2024, the attendance rate is projected at 94% (historical is 95.8%) and current year ADA is used. In 2024-2025 and 2025-2026, the ADA is projected based upon an ADA-to-Enrollment percentage of 95.0%, and current year ADA is projected to be used.



# Key Revenue Assumptions for 2023-2024

- LCFF revenue factors are based upon the Governor's May Revision for 2023-2024 which includes a Cost-of-Living Adjustment (COLA) of 8.22%.
  - ⊕ Legislative Analyst's Office (LAO) released a forecast of the state's economy, projecting the state's General Fund revenues for the budget period could be \$11 billion lower than those assumed in the Governor's May Revision.
  - ⊕ Even if COLA is fully funded there are on-going state budget concerns due to the use of one-time funding to pay for on-going obligations
- Funding related to Proposition 28 – Art and Music Education Funding is not budgeted due to the California Department of Education (CDE) not providing allocations, account codes, or details on this funding.
  - ⊕ *SSC estimates districtwide allocation of \$2.7 million.*
- Local revenues for facility use, transportation fees, and other activities are budgeted to pre-COVID-19 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% * 36.19%	= c + d + e + f	= b * g
TK - 3	5,621.26	\$ 9,919	\$ 1,032		\$ 793	\$ 11,744	\$ 66,014,016
4 - 6	4,424.76	\$ 10,069			\$ 729	\$ 10,798	\$ 47,777,648
7 - 8	3,110.13	\$ 10,367			\$ 750	\$ 11,117	\$ 34,576,446
9 - 12	6,328.22	\$ 12,015		\$ 312	\$ 892	\$ 13,219	\$ 83,654,185
<b>Total</b>	<b>19,484.37</b>						<b>\$ 232,022,295</b>

**1<sup>st</sup> 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.

**2<sup>nd</sup> 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 36.19%

**3<sup>rd</sup> Step – Determine the Total Funding** – There are three additional add-ons to the ADA funding that account for the total targeted funding amount - Transportation, Transitional Kindergarten (TK), 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	p
ADA Funding	Add-on Transportation	Add-on TIIG	Add-on TK	Total Amount	Deferred Maintenance (Fund 14) Transfer Out	Adjusted LCFF Funding	COE Transfer for ADA
= h				= i + j + k + l		= m + n	Objt 7142
\$ 232,022,295	\$ 1,057,025	\$ 749,374	\$ 547,961	\$ 234,376,655	\$ (650,566)	\$ 233,726,089	\$ (1,325,915)



# Revenue Change Summary

Unrestricted Account Revenue (Resource 0000-1999)	2022-2023 Estimated Actuals	2023-2024 Adopted Budget	Change	Significant Changes from Estimated Actuals to Adopted Budget
LCFF Entitlement	217,632,956	233,726,089	16,093,133	Increase in LCFF due to 8.22% COLA offset by loss of 154 ADA
Federal Income	-	-	-	
Other State Income	7,135,317	7,868,776	733,459	Additional increase for 60% transportation funding and reduction in lottery revenues
Local Income	3,183,071	4,062,049	878,978	Increase for one-time Electric Bus Grant, E-Rate Reimbursement, and adjustments for misc. activities
<b>Total</b>	<b>227,951,344</b>	<b>245,656,914</b>	<b>17,705,570</b>	

Restricted Account Revenue (Resource 2000-9999)	2022-2023 Estimated Actuals	2023-2024 Adopted Budget	Change	Significant Changes from Estimated Actuals to Adopted Budget
LCFF Taxes	1,011,691	1,011,691	-	Estimated Tax allocated to SELPA AB602 Funding
Federal Income	21,433,306	12,079,180	(9,354,126)	Reduction in funding for Title Program carryover & COVID funding recognized in 2022-2023
Other State Income	63,836,693	43,532,764	(20,303,929)	Decreases for one-time funding including Art, Music, & IM Grant, COVID Funds, and Learning Recovery Grant
Local Income	4,994,383	3,278,308	(1,716,075)	Decrease funding for one-time items Measure H, and Donation/Fundraiser Revenues
<b>Total</b>	<b>91,276,073</b>	<b>59,901,943</b>	<b>(31,374,130)</b>	

Combined Revenue Accounts	2022-2023 Estimated Actuals	2023-2024 Adopted Budget	Change
LCFF Entitlement	218,644,647	234,737,780	16,093,133
Federal Income	21,433,306	12,079,180	(9,354,126)
Other State Income	70,972,010	51,401,540	(19,570,470)
Local Income	8,177,454	7,340,357	(837,097)
<b>Total</b>	<b>319,227,417</b>	<b>305,558,857</b>	<b>(13,668,560)</b>

**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.



# Key Expenditure Assumptions

- Objects (1000-3999) Staffing and Benefits are 86.4% of the unrestricted budget and 83.92% of all expenditures which include the following details:
  - ⊕ All open positions are budgeted and step/column are projected in the budget
  - ⊕ PERS rate of 26.68% an increase of 1.31% from prior year
  - ⊕ Negotiated settlement for 2023-2024 is still pending
  
- 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



# Key Expenditure Assumptions – Special Education

- Special Education contribution from the unrestricted general fund for 2023-2024 is projected to be \$42.3 million which is an increase of \$10.2 million over 2022-2023 estimated actuals.
- Thirteen New Special Education Classes for 2023-2024 *(Average Cost per class \$250k-\$300k)*
  - ⊕ Carl Sundahl Elementary - New Intensive Autism
  - ⊕ Cordova Villa Elementary - New Medically Fragile
  - ⊕ Gold Ridge Elementary - New Moderate Autism
  - ⊕ Mangini Ranch Elementary - New Moderate Autism
  - ⊕ Sandra J. Gallardo Elementary - New Mild/Moderate
  - ⊕ Theodore Judah Elementary - New Intensive Autism
  - ⊕ Williamson Elementary - New Moderate Autism
  - ⊕ Folsom Middle School - New .6 Mild/Moderate Program
  - ⊕ Mills Middle School - New Mild/Moderate Program
  - ⊕ Mitchell Middle School - New Mild/Moderate Program
  - ⊕ Sutter Middle School - New .4 Mild/Moderate Program
  - ⊕ Sutter Middle School - New Moderate/Severe ILS Self-Contained
  - ⊕ Vista Del Lago High School - New Counseling Enriched Program
- Assumes all SPED positions will be filled including 96 classified support positions (70 FTE).
- One-time SPED COVID-19 funding finished in 2022-2023 but on-going expenditures continue into 2023-2024.
- Assumes an 8% increase in costs for Non-Public School Placements (NPS).



# Expenditure Change Summary

Unrestricted Account Expense (Resource 0000-1999)	2022-2023 Estimated Actuals	2023-2024 Adopted Budget	Change	Significant Changes from Estimated Actuals to Adopted Budget
Certificated Salaries	94,334,648	96,711,298	2,376,650	Staffing adjustments for budget assumptions of full staffing and costs for Step/Column Increase
Classified Salaries	29,959,553	32,493,406	2,533,853	Staffing adjustments for budget assumptions of full staffing and costs for Step/Column Increase
Employee Benefits	41,480,513	45,244,380	3,763,867	Increases based on salary adjustments including open positions & PERS Rate Increase
Books & Supplies	7,798,535	8,278,366	479,831	Budget increase in 2023-2024 for transportation fuel, ongoing budget for Chromebook replacement
Contract Services	18,595,069	19,316,028	720,959	Budget increase in 2023-2024 for insurance premium, professional development, and utilities.
Capital Outlay	2,845,821	2,170,597	(675,224)	Budget for EV bus purchases and Infrastructure
Other Expenses/Transfer Out	(2,431,270)	(2,364,880)	66,390	Adj. to Indirect cost and Increase in transfers to SCOE, offset by transfers to other funds
<b>Total</b>	<b>192,582,869</b>	<b>201,849,195</b>	<b>9,266,326</b>	

Restricted Account Expense (Resource 2000-9999)	2022-2023 Estimated Actuals	2023-2024 Adopted Budget	Change	Significant Changes from Estimated Actuals to Adopted Budget
Certificated Salaries	32,160,546	30,487,005	(1,673,541)	Reduction in 2022-2023 due to one time cost including COVID funded positions; offset by budget assumptions of full staffing, additional special education positions and costs for Step/Column increase
Classified Salaries	22,506,745	25,978,547	3,471,802	Reduction in 2022-2023 due to one time cost including COVID positions; offset by budget assumptions of full staffing for special education, ELO-P and costs for Step/Column increase
Employee Benefits	30,279,829	33,729,651	3,449,822	Increases based on salary adjustments including open positions & PERS Rate Increase
Books & Supplies	5,021,139	3,925,492	(1,095,647)	Decrease of activities for categorical carryover and ESSER II & III activities; offset by increase for ELO-P
Contract Services	15,649,415	13,325,649	(2,323,766)	Decrease of activities for categorical carryover and ESSER II & III activities; offset by increase for ELO-P and Special Education
Capital Outlay	7,148,203	2,364,278	(4,783,925)	Decrease of activities for COVID Funded HVAC activities and ELO-P one-time activities
Other Expenses/Transfer Out	3,717,553	3,694,463	(23,090)	Decrease in Indirect Cost charges related to decrease in budgeted restricted expenses
<b>Total</b>	<b>116,483,430</b>	<b>113,505,085</b>	<b>(2,978,345)</b>	

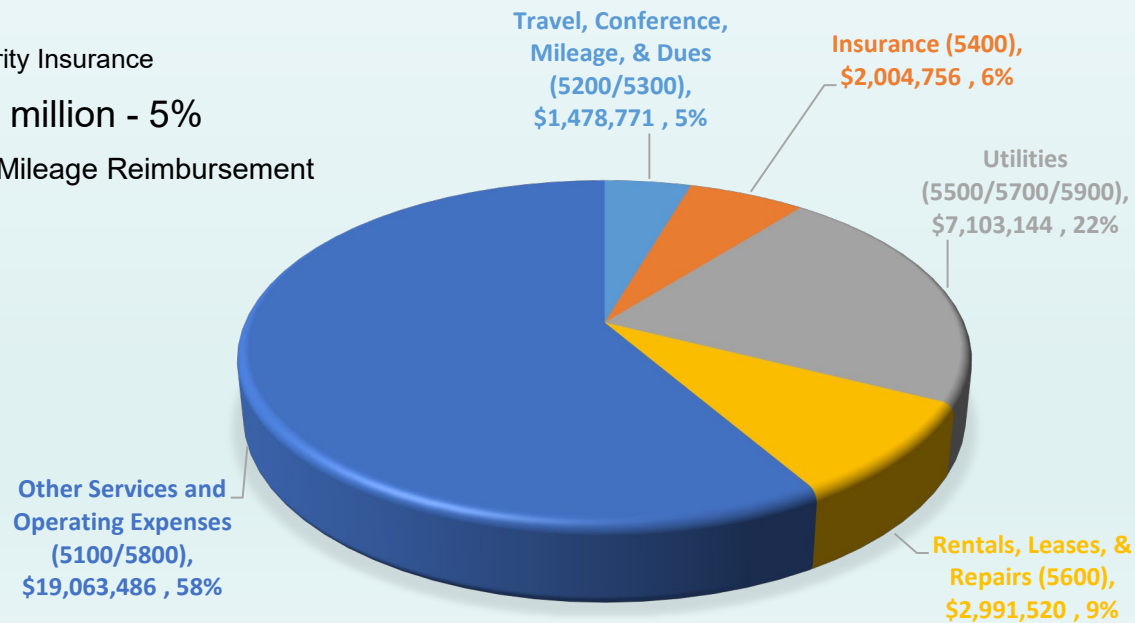
Combined Expenses Accounts	2022-2023 Estimated Actuals	2023-2024 Adopted Budget	Change
Certificated Salaries	126,495,194	127,198,303	703,109
Classified Salaries	52,466,298	58,471,953	6,005,655
Employee Benefits	71,760,342	78,974,031	7,213,689
Books & Supplies	12,819,674	12,203,858	(615,816)
Contract Services	34,244,484	32,641,677	(1,602,807)
Capital Outlay	9,994,024	4,534,875	(5,459,149)
Other Expenses/Transfer Out	1,286,283	1,329,583	43,300
<b>Total</b>	<b>309,066,299</b>	<b>315,354,280</b>	<b>6,287,981</b>

**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 2023-2024 budget staffing is projected to be 86.4% of the unrestricted general fund budget, and 83.9% 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 Services and Other Operating Expenses

- \$32.6 million is budgeted for 2023 - Object 5XXX (10.35% of the budget)
  - ⊕ Other Services and Operating Expenses - \$19 million - 58%
    - Special Education Services, Software, and Other Items (see next slide)
  - ⊕ Utilities - \$7.1 million - 22%
    - Electricity, Water, Sewer, Gas, Communications
  - ⊕ Rentals, Leases, & Repairs - \$ 2.9 million - 9%
    - Copiers, Printshop, Elevator Maintenance, HVAC, Postage Machine
  - ⊕ Insurance - \$2 million - 6%
    - Property, Liability, Cyber Security Insurance
  - ⊕ Travel & Conference - \$1.5 million - 5%
    - Professional Development, Mileage Reimbursement



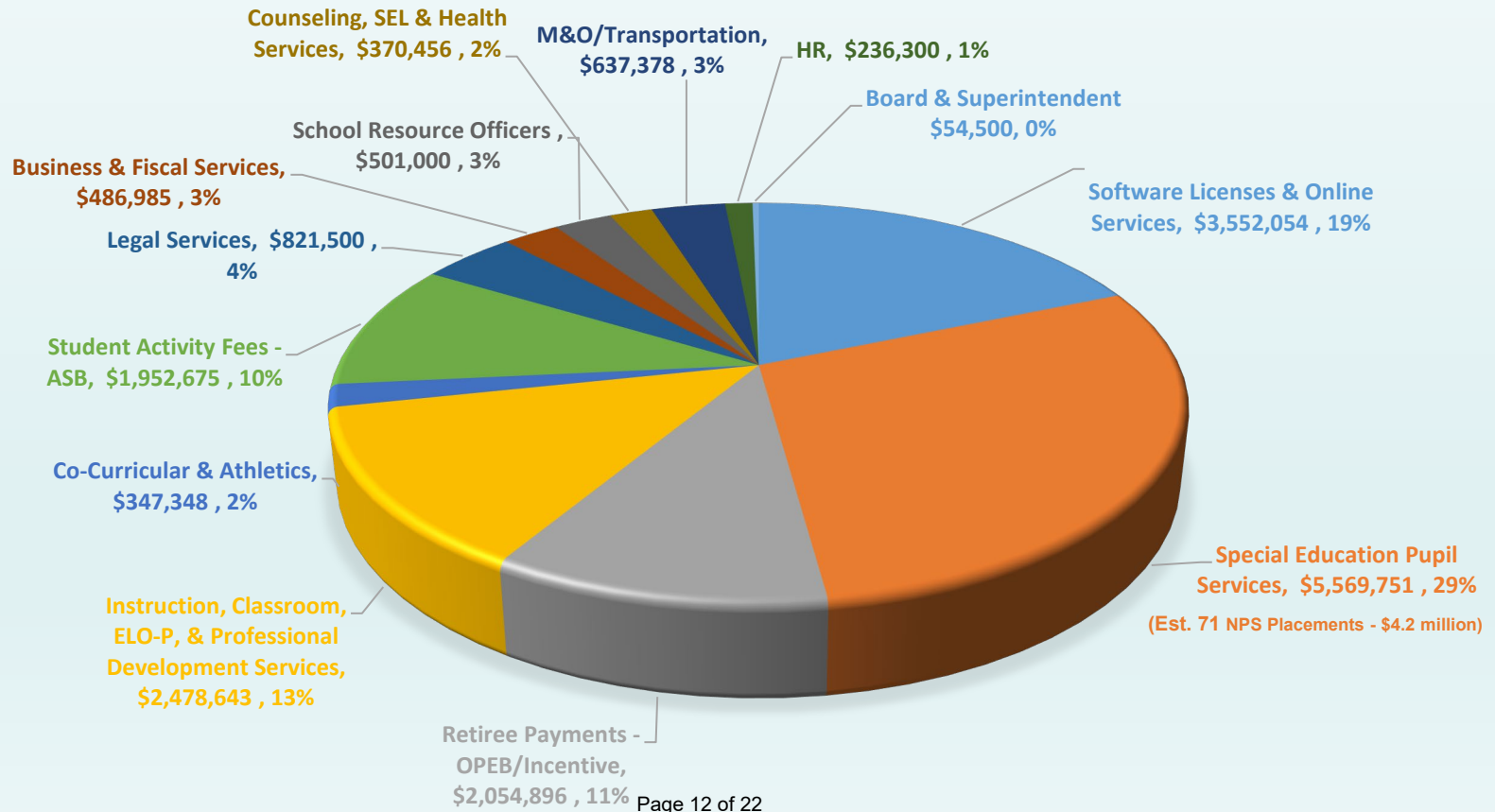


# Deeper Dive into Areas of Interest

## Professional/Consulting Services 2023-2024

■ \$19 million is budgeted for Professional/Consulting Services - Object 51XX/58XX (6.05% of the budget)

⊕ Includes software, Special Education Services, Payments for Current Year OPEB and Retirement Incentives, and Other Services





# Budget Summary

	2022-2023 Estimated Actuals			2023-2024 Adopted Budget			Difference Est. Actuals vs. Adopted Budget		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
Total Revenue	227,951,344	91,276,073	319,227,417	245,656,914	59,901,943	305,558,857	17,705,570	(31,374,130)	(13,668,560)
Total Expenditures	192,582,870	116,483,429	309,066,299	201,849,195	113,505,085	315,354,280	9,266,325	(2,978,344)	6,287,981
Excess/(Deficiency)	35,368,474	(25,207,356)	10,161,118	43,807,719	(53,603,142)	(9,795,423)	8,439,245	(28,395,786)	(19,956,541)
Other Financing Sources	(43,065,965)	41,981,607	(1,084,358)	(53,964,761)	53,148,716	(816,045)	(10,898,796)	11,167,109	268,313
Net Inc/Dec to Fund Bal	(7,697,491)	16,774,251	9,076,760	(10,157,042)	(454,426)	(10,611,468)	(2,459,551)	(17,228,677)	(19,688,228)
Beginning Balance	46,259,285	19,504,611	65,763,895	38,561,794	36,278,862	74,840,655			
Ending Balance	38,561,794	36,278,862	74,840,655	28,404,752	35,824,436	64,229,187			

**Narrative** – For 2023-2024, revenues are anticipated to exceed expenditures in the unrestricted general fund in the amount of \$43.8 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 2023-2024, the contribution to Special Education is projected to be \$42.3 million and the contribution to RRM is \$9.1 million.

It should be noted that the District has many unfilled positions and currently the budget includes cost related to hiring these positions for the 2023-2024 fiscal year, and therefore additional savings to salaries and benefits will most likely occur which will increase the projected surplus at 1<sup>st</sup> interim budget update.



# 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.

<b>Distribution of Ending Fund Balance and Reserves</b>	
<b>Adopted Budget 2023-2024</b>	
Revolving Cash	\$ 75,000
Prepaid Expenses	\$ 56,980
Restricted Accounts	\$ 35,824,436
Committed	\$ 16,004,207
<i>Cash with Fiscal Agent - Trust Account PERS/STRS</i>	\$ 5,023,573
<i>RESOURCE 0037: Instructional Materials &amp; Curriculum Adoption</i>	\$ 3,446,680
<i>RESOURCE 0039: Education Technology &amp; Information Systems</i>	\$ 570,932
<i>RESOURCE 0385: District Athletics &amp; PE</i>	\$ 147,393
<i>RESOURCE 0485: Medi-Cal Billing Admin</i>	\$ 890,834
<i>RESOURCE 0711: Supplemental Funding</i>	\$ 3,728,358
<i>RESOURCE 0712: Career and Technical Education</i>	\$ 596,837
<i>RESOURCE 0730: Transportation</i>	\$ 500,000
<i>Liability - Compensated Absences for 12 Month Employees</i>	\$ 1,099,600
Assigned	\$ 2,778,565
<i>Set-aside for Professional Development</i>	\$ 1,000,000
<i>Set-aside for Site Safety Needs</i>	\$ 1,478,565
<i>Set-aside for Alder Creek Start-up Costs</i>	\$ 300,000
<i>Set-aside for Future District Uncertainties</i>	\$ -
<b>Reserve for Economic Uncertainty</b>	<b>\$ 9,490,000</b>
% of Expense	3.00%
Undesignated Fund Balance	\$ -
<b>Total Distribution of Ending Fund Balance</b>	<b>\$ 64,229,187</b>



# MULTI-YEAR PROJECTION (MYP)



# Summary of MYP Revenues

REVENUE PROJECTIONS					
	Adopted Budget 2023 - 2024	Projection 2024 - 2025	Change 23-24 vs. 24-25	Projection 2025 - 2026	Change 24-25 vs 25-26
<i>Total LCFF/Taxes</i>	234,737,780	246,983,315	12,245,535	255,795,459	8,812,144
<i>Federal Revenues</i>	12,079,180	9,119,915	(2,959,265)	9,119,915	-
<i>Other State Revenues</i>	51,401,540	53,001,540	1,600,000	53,001,540	-
<i>Other Local/Financing Rev</i>	7,474,312	6,071,912	(1,402,400)	6,071,912	-
<b>Total Revenues</b>	<b>\$ 305,692,812</b>	<b>\$ 315,176,682</b>	<b>\$ 9,483,870</b>	<b>\$ 323,988,826</b>	<b>\$ 8,812,144</b>
<i>COLA %</i>	8.22%	3.94%	-4.28%	3.29%	-0.65%
<i>Funded Unduplicated %</i>	36.19%	36.98%	0.79%	36.97%	-0.01%
<i>LCFF Enrollment</i>	20,641	20,667	26	20,730	63
<i>Attendance/Enrollment %</i>	94%	95%	1.00%	95%	0.00%
<i>Funded ADA</i>	19,484.37	19,714.11	229.74	19,774.44	60.33

**Narrative** – LCFF funding for 2024-2025 is projected to increase by \$12.2 million due to ADA increases from projected growth from new home construction and a projected COLA of 3.94%. In 2025-2026 LCFF revenues are anticipated to increase by \$8.8 million due to a projected COLA of 3.29%.

Federal and Other Local revenues are projected to decrease in 2024-2025 due to one-time activities being removed.

Other State revenues are projected to increase in 2024-2025 due to one-time grant funding for transportation electric buses and other one-time activities being removed.



# Summary of MYP Expenses

EXPENSE PROJECTIONS					
	Adopted Budget 2023 - 2024	Projection 2024 - 2025	Change 23-24 vs. 24-25	Projection 2025 - 2026	Change 24-25 vs 25-26
Certificated Salaries	127,198,303	128,241,373	1,043,070	131,104,467	2,863,094
Classified Salaries	58,471,953	60,768,776	2,296,823	61,932,325	1,163,549
Employee Benefits	78,974,031	80,341,063	1,367,032	81,701,553	1,360,490
<i>Subtotal Personnel Costs</i>	264,644,287	269,351,212	4,706,925	274,738,345	5,387,133
<i>Books &amp; Supplies</i>	12,203,858	11,630,300	(573,558)	11,480,300	(150,000)
<i>Services &amp; Other Operating</i>	32,641,677	32,084,634	(557,043)	32,084,634	0
<i>Capital Outlay</i>	4,534,875	666,204	(3,868,671)	666,204	-
<i>Other Outgo/Support (7xxx)</i>	2,279,583	1,962,620	(316,963)	1,645,656	(316,964)
<b>Total Expenses</b>	<b>\$ 316,304,280</b>	<b>\$ 315,694,970</b>	<b>\$ (609,310)</b>	<b>\$ 320,615,139</b>	<b>\$ 4,920,169</b>
<i>PERS Rate</i>	26.68%	27.70%	1.02%	28.30%	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 2024-2025 and 2025-2026 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 2024-2025, one-time funded costs are removed from the budget. In 2025-2026, adjustments are adjusted for one-time activities from the prior year.



# Multi-Year Projection Summary

	2023-2024	2024-2025	2025-2026
Revenues & Other Financing Sources	305,692,812	315,176,682	323,988,826
Expenditures & Other Financing Uses	316,304,280	315,694,970	320,615,139
Net Increase (Decrease) to Fund Balance	(10,611,468)	(518,288)	3,373,687
Beginning Fund Balance	74,840,655	64,229,187	63,710,899
Ending Fund Balance	64,229,187	63,710,899	67,084,586
Required Economic Reserve of 3%	9,489,128	9,470,849	9,618,454
Projected Unrestricted General Fund Balance as a Percentage of Total General Fund Expenditures, Transfers, and Other Uses	8.98%	8.17%	8.52%

	2023-2024		2024-2025		2025-2026	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Revenues & Other Financing Sources	192,242,153	113,450,659	201,323,254	113,853,428	209,031,481	114,957,345
Expenditures & Other Financing Uses	202,399,195	113,905,085	203,938,892	111,756,078	207,505,378	113,109,761
Net Increase (Decrease) to Fund Balance	(10,157,042)	(454,426)	(2,615,638)	2,097,350	1,526,103	1,847,584
Beginning Fund Balance	38,561,794	36,278,862	28,404,752	35,824,436	25,789,114	37,921,786
Ending Fund Balance	28,404,752	35,824,436	25,789,114	37,921,786	27,315,217	39,769,370

**Narrative** – At Adopted Budget the projected unrestricted deficit for 2024-2025 decreases to approximately \$2.6 million and 2025-2026 the unrestricted balance shows a surplus of \$1.5 million. This is based upon COLAs of 3.94% and 3.29%, continued growth of enrollment, STRS rates that will remain flat, and PERS rates that will increase to 1.02% and 0.60%. No salary settlements are included in these projections.

Due to current concerns related to the current projected State budget shortfall and potential recession discussions, it is important to recognize that any potential downturn impacts these projections.



# Summary of Other Funds

2023-2024 Adopted Budget - Other Funds							
Other Funds	Charter School (09)	Adult Ed (11)	Child Dev (12)	Cafeteria (13)	Deferred Maintenance (14)	Building Funds (21-40)	Student Care Center (63)
Total Revenue	1,498,994	1,511,918	2,759,184	11,499,900	653,066	31,521,519	3,183,000
Total Expenditures	1,498,994	1,487,132	2,870,162	10,029,098	1,399,000	65,567,462	3,023,811
Excess/(Deficiency)	-	24,786	(110,978)	1,470,802	(745,934)	(34,045,943)	159,189
Other Financing Sources	-	-	-	-	950,000	-	(133,955)
Net Inc/Dec to Fund Bal	-	24,786	(110,978)	1,470,802	204,066	(34,045,943)	25,234
Beginning Balance	574,771	1,004,822	510,820	5,000,393	4,285	176,584,901	587,541
Ending Balance	574,771	1,029,608	399,842	6,471,195	208,351	142,538,958	612,775

## Notes on Other Funds

- **Fund 09** - The Charter School program is budgeted to show a balanced budget at adoption; however, due to enrollment projected at 160 based upon current registrations there are concerns that revenues may not meet all expenditures at 1<sup>st</sup> interim. This will be monitored by staff.
- **Fund 11 B** - 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.
- **Fund 14** - The Deferred Maintenance fund is projected to have a small surplus, but these funds will be used for areas of need and will be updated at 1<sup>st</sup> Interim.
- **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 surplus, and once final registrations and staffing are finalized these numbers will be updated.



# In Closing...

- The State budget proposal for 2023-2024 includes an 8.22% which generates a projected \$16 million in new unrestricted revenues; however, FCUSD is building upon a budget that starts with a \$7 million shortfall, additional costs related to hiring all open positions, new program needs for Special Education, costs increases for utilities, and other activities which creates a projected unrestricted deficit of \$10 million.
  - ⊕ It should be noted that savings will be generated for positions that remain unfilled after the start of the year.
- By 2025-2026 the deficit is projected to be eliminated; however, this assumes the State can fully fund the projected COLAs, and it does not include any negotiation costs with bargaining units.
- One major factor that could create additional funding for FCUSD is if enrollment exceeds projections and/or if attendance rates can return to pre-COVID-19 levels.
- 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 2023-2024 Budget

June 15, 2023	<ul style="list-style-type: none"> <li>FCUSD Budget and LCAP Approved</li> </ul>
June – August 2023	<ul style="list-style-type: none"> <li>State Budget approved by June 15 and signed (TBD)</li> <li>If material changes occur, a revised FCUSD budget will be presented within 45 days</li> </ul>
December 2023 – April 2024	<ul style="list-style-type: none"> <li>Budget Advisory Committee Meetings - 12/6, 1/17, 2/21, 3/13, &amp; 4/24</li> </ul>
December 2023	<ul style="list-style-type: none"> <li>First Interim Budget</li> </ul>
March 2024	<ul style="list-style-type: none"> <li>Second Interim Budget</li> </ul>
June 2024	<ul style="list-style-type: none"> <li>June Update as part of 2023-2024 Budget Presentation</li> </ul>
September 2024	<ul style="list-style-type: none"> <li>Presentation of 2023-2024 Unaudited Actuals</li> </ul>
January 2025	<ul style="list-style-type: none"> <li>Audit Report of 2023-2024 Actuals</li> </ul>

