



UPLAND UNIFIED SCHOOL DISTRICT



2023-24 1st Interim Report

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December 12, 2023

Agenda

1st Interim Overview
State Economic Outlook
Budget Pressures
Budget Planning Factors
Revised Budget
Multi Year Projections
General Fund Summary
Learning Loss Mitigation Funds
Other Funds Summary
Looking forward

OUR MISSION
Creating Excellence



OUR PRIORITIES

Well-being & Safety

*Academic Equity,
Growth, & Mastery*

Signature Identity

*Fiscal & Personnel
Stability*



OUR VALUES

*Integrity
Well-being
Empathy
Service
Equity
Community*



OUR GOALS

*Safe, Connected &
Engaged*

*Academically
Prepared &
Equipped*

*College & Career
Empowered*



1st Interim Overview

First Official
Revision

July 1, 2023 -
October 31,
2023

Positive



Qualified

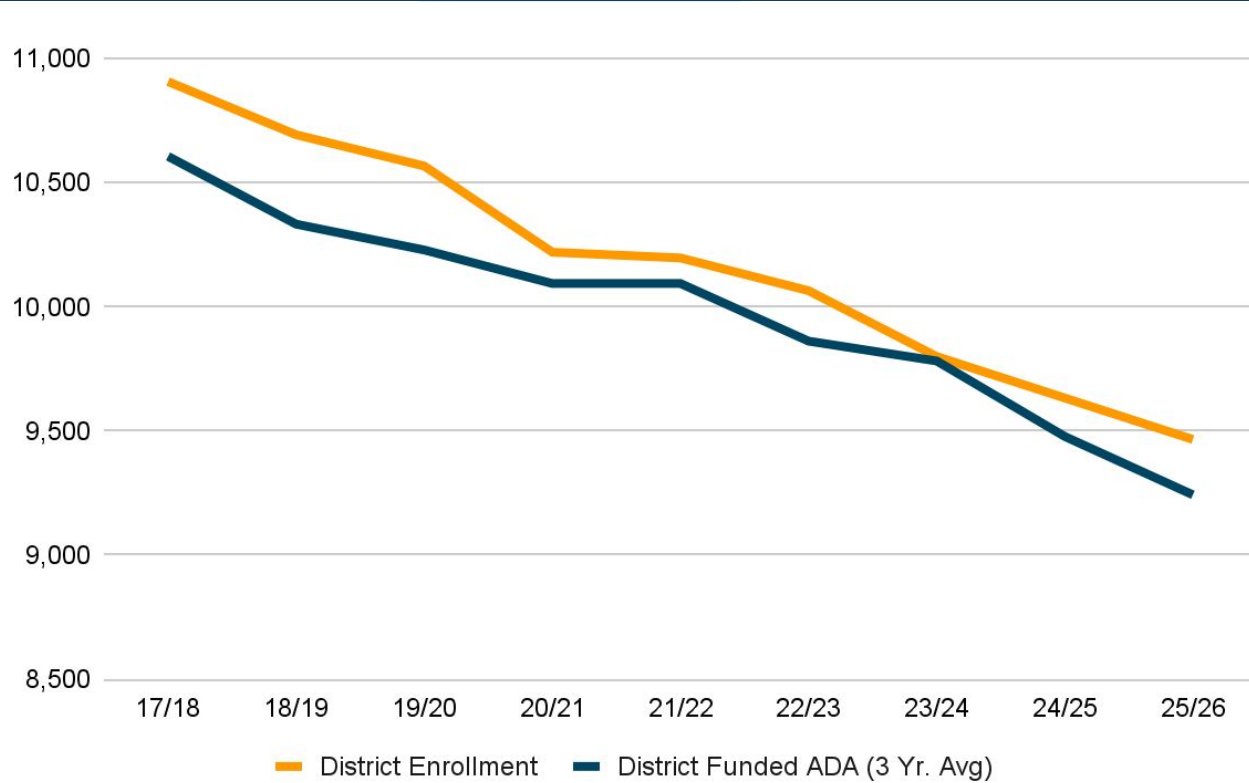
Negative

State Economic Outlook

- Consumer spending in California has been flat over the past year.
- Recent job growth in California has been relatively weak.
- Increase in unemployment rate has triggered the Sahm Recession Warning Indicator.
- The rate of inflation is down from previous peak.
- The State economy has entered a mild down turn which, historically implies weakness for the year ahead.
- 2022 California Tax Revenue down by \$26B (SSC, Dec. 2023)



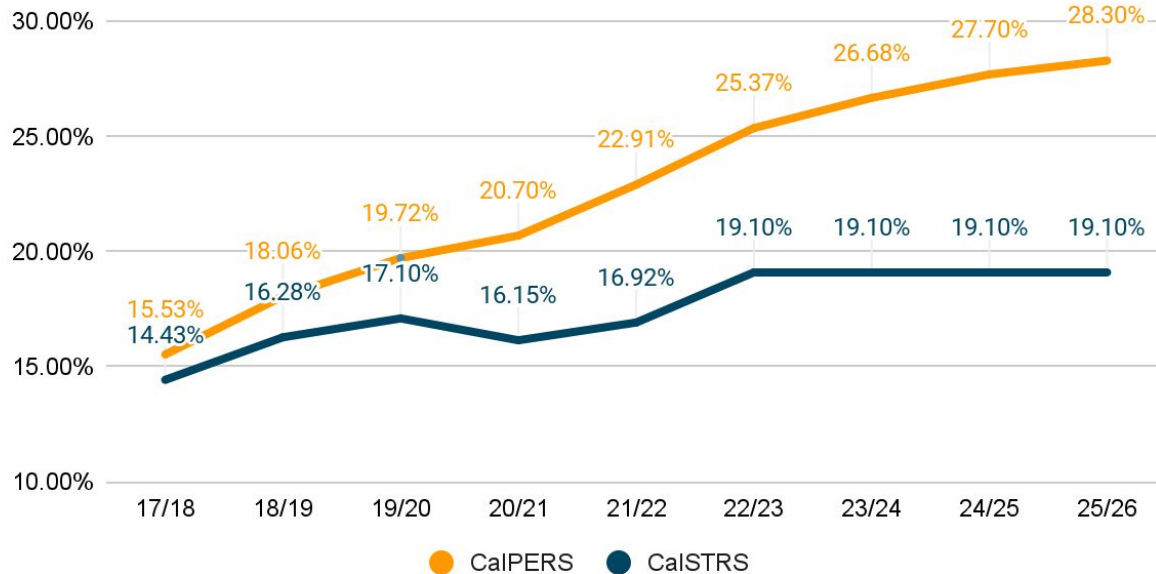
Budget Pressures - Declining Enrollment



Fiscal Year	District Funded ADA	% Change	Funding Basis
17-18	10,606	---	Prior
18-19	10,333	-2.6%	Prior
19-20	10,229	-1.0%	Prior
20-21	10,094	-1.3%	Current
21-22	10,094	---	Prior
22-23	9,862	-2.3%	3 PY Avg
23-24	9,782	-0.8%	3 PY Avg
24-25	9,478	-3.1%	3 PY Avg
25-26	9,243	-2.7%	3 PY Avg



Budget Pressures – Increasing Pension Rates



Fiscal Year	Total Pension Contribution
17-18	\$9,989,645
18-19	\$11,596,046
19-20	\$12,387,774
20-21	\$11,922,251
21-22	\$13,406,840
22-23	\$16,169,876
23-24	\$17,296,674
24-25	\$17,787,581
25-26	\$18,189,511

Budget Pressures – General Fund - Employee Benefits







* Health and Welfare costs shown net of STRS on Behalf

Planning Factors

	2022-23	2023-24	2024-25	2025-26
District Enrollment	10,065	9,800	9,633	9,466
Average Daily Attendance / ADA%	9,316 (93%)	9,208 (94%)	9,055 (94%)	8,898 (94%)
District Funded ADA	10,055 (3 PY Avg)	9,782 (3 PY Avg)	9,478 (3 PY Avg)	9,243 (3 PY Avg)
UPP % (Single Year / 3 Year Average)	68.61% /64.82%	68.58% /64.82%	68.43% /68.48%	68.42% /68.42%
Statutory COLA	13.26%	8.22%	3.94%	3.29%
Step and Column (Cert. / Class.)	1.37% / 0.93%	1.37% / 0.93%	1.37% / 0.93%	1.37% / 0.93%
CalPERS Employer Rate	25.37%	26.68%	27.70%	28.30%
CalSTRS Employer Rate	19.10%	19.10%	19.10%	19.10%
State Unemployment Insurance	0.50%	0.05%	0.05%	0.05%
Health & Welfare Cost (General Fund)	\$15.6m	\$16.9m	\$18.3m	\$19.7m





Unrestricted General Fund – Revised Budget & MYP

<u>Category</u>	<u>2023-24 Adopted Budget</u>	<u>2023-24 1st Int Budget</u>	<u>2024-25 Projection</u>	<u>2025-26 Projection</u>
Total Revenues	139,970,549	139,954,350	141,172,512	142,023,502
<i>Certificated Salaries</i>	47,502,664	 48,232,581	49,004,303	49,788,371
<i>Classified Salaries</i>	16,898,260	 16,263,104	16,425,735	16,589,993
<i>Employee Benefits</i>	31,055,623	32,055,476	34,619,914	37,389,507
<i>Books and Supplies</i>	3,549,626	3,891,172	4,009,075	4,114,914
<i>Services and other Operating Expenditures</i>	14,104,027	 15,631,887	11,238,000	11,136,000
<i>Capital Outlay</i>	3,477,088	1,094,564	1,235,000	1,235,000
<i>Other Outgoing Expenditures</i>	(635,827)	(626,949)	(264,197)	(234,824)
Total Expenditures	115,951,461	116,541,835	116,267,830	120,018,961
Excess (Deficiency) of Revenues over Expenditures	24,019,088	23,412,514	24,904,683	22,004,541
Contributions & Transfers	(25,804,766)	 (27,279,039)	(27,590,425)	(27,647,954)
<u>Net Increase (Decrease) in Fund Balance</u>	<u>(1,785,678)</u>	<u>(3,866,524)</u>	<u>(2,685,742)</u>	<u>(5,643,413)</u>

Revised Budget Highlights – Unrestricted

- **LCFF Revenue down by \$16k compared to Adopted Budget**
- **Certificated Salaries up \$750k compared to Adopted Budget**
 - Prior positions moved from one-time sources
- **Classified Salaries down \$635k compared to Adopted Budget**
 - Vacant positions
- **Services and Other Operating Expenditures up by \$1.5m compared to Adopted Budget**
 - Services for unfilled positions
- **Contributions to Restricted Resources up \$1.5m compared to Adopted Budget**
 - Increase in contribution to SPED by \$1m due to lower revenue projection from SELPA

Restricted General Fund – Revised Budget & MYP

	<u>2023-24 Adopted Budget</u>	<u>2023-24 1st Int Budget</u>	<u>2024-25 Projection</u>	<u>2025-26 Projection</u>
Total Revenues	42,918,991	 45,098,690	32,668,909	32,677,389
<i>Certificated Salaries</i>	19,333,238	19,956,703	20,276,010	20,600,426
<i>Classified Salaries</i>	7,370,875	7,202,870	7,274,899	7,347,648
<i>Employee Benefits</i>	20,541,226	20,293,894	21,917,406	23,670,798
<i>Books and Supplies</i>	4,609,007	 6,672,960	6,875,151	7,056,655
<i>Services and other Operating Expenditures</i>	12,961,513	 16,320,282	5,440,094	5,365,000
<i>Capital Outlay</i>	614,183	 1,356,588	890,580	890,580
<i>Other Outgoing Expenditures</i>	2,101,774	2,095,439	1,732,687	1,695,327
Total Expenditures	67,531,816	73,898,736	64,406,827	66,626,435
Excess (Deficiency) of Revenues over Expenditures	(24,612,825)	(28,800,046)	(31,737,918)	(33,949,046)
Contributions & Transfers	25,804,766	27,279,039	27,590,425	27,647,954
<u>Net Increase (Decrease) in Fund Balance</u>	<u>1,191,941</u>	<u>(1,521,007)</u>	<u>(4,147,493)</u>	<u>(6,301,092)</u>

Revised Budget Highlights – Restricted

- **Revenue up \$2.2m compared to Adopted Budget**
 - Recognized all one-time restricted funding
- **Books and Supplies up \$2m compared to Adopted Budget**
- **Services and Other Operating Expenditures up by \$3.3m compared to Adopted Budget**
- **Capital Outlay up \$740k compared to Adopted Budget**
 - Sunset of last issuance of Measure K funds and budgeting restricted carryover

Combined General Fund – Revised Budget & MYP

	<u>2023-24 Adopted Budget</u>	<u>2023-24 1st Int Budget</u>	<u>2024-25 Projection</u>	<u>2025-26 Projection</u>
Total Revenues	182,889,540	185,053,040	173,841,421	174,700.891
Total Expenditures	183,483,277	190,440,572	180,674,656	186,645,396
<u>Excess (Deficiency) of Revenues over Expenditures</u>	<u>(593,737)</u>	<u>(5,387,532)</u>	<u>(6,833,236)</u>	<u>(11,944,505)</u>
Transfers	---	---	---	---
<u>Net Increase. (Decrease) in Fund Balance</u>	<u>(593,737)</u>	<u>(5,387,532)</u>	<u>(6,833,236)</u>	<u>(11,944,505)</u>

General Fund Summary

	<u>2023-24 Adopted Budget</u>	<u>2023-24 1st Int Budget</u>	<u>2024-25 Projection</u>	<u>2025-26 Projection</u>
Beginning Funding Balance	47,941,818	51,955,189	46,567,658	39,734,422
<u>Ending Fund Balance</u>	<u>47,348,082</u>	<u>46,567,658</u>	<u>39,734,422</u>	<u>27,789,917</u>
<u>Fund Balance Components</u>				
Non-spendable	750,000	750,000	750,000	750,000
Restricted Fund Balance	27,193,573	26,660,415	22,512,922	16,211,830
Committed (<i>Facilities, Technology, Wellness, & Signature Schools</i>)	2,000,000	2,000,000	2,000,000	2,000,000
Assigned - Site Initiatives (0090)	840,000	840,000	840,000	840,000
Assigned - Future Deficit Spending	11,000,000	10,560,000	8,170,000	2,360,000
Reserve for Economic Uncertainty (Min 3%)	5,504,498	5,713,217	5,420,240	5,599,362
Unassigned / Unappropriated	60,011	44,026	41,261	28,725
Available Reserve (% of Expenditures)	10.58%	10.06%	9.12%	5.8%

One-Time Funding Update

Funding Source	Expiration Date	Grant Amount	Actual Expenditures (As of 6/30/23)	Remaining Balance
Elementary and Secondary School Emergency Relief - CARES Act I	expired	\$ 2,312,236	\$ 2,312,236	\$ -
Elementary and Secondary School Emergency Relief - CARES Act II	expired	\$ 7,925,889	\$ 7,925,889	\$ -
American Rescue Plan - ESSER III (RS 3213)	Sep 2024	\$ 17,816,932	\$ 5,700,450	\$ 12,116,482
ESSER III State Reserve Emergency Needs (RS 3218)	Sept 2024	\$694,995	\$575,342	\$119,653
Arts and Instructional Mat. Discretionary Block Grant (RS 6762)	June 2026	\$6,057,429	\$ -	\$6,057,429
Learning Recovery Block Grant	June 2028	\$11,676,841	\$ -	\$11,676,841

Other Funds - Ending Fund Balance

<u>Fund</u>	<u>2023-24 Adopted Budget</u>	<u>2023-24 1st Int Budget</u>
Fund 08 – ASB Activity	\$ 1,476,883	\$ 1,313,375
Fund 11 – Adult Education	\$ 561,234	\$ 757,428
Fund 13 – Nutrition Services	\$ 3,143,667	\$ 3,230,354
Fund 21 – Measure K	\$ -	\$ -
Fund 25 – Developer Fees	\$ 717,007	\$ 2,638,142
Fund 40 – Special Projects	\$ 6,177,187	\$ 2,913,682

Considerations Looking Forward

Need to maintain Fund Balance Reserves higher than the 3% mandated minimum

- 3% Reserve equates to a week and a half of payroll
- Addressing economic downturn helps preserve vital educational programs
- Monitoring enrollment and attendance
- Increasing costs of maintaining and replacing assets
- Uncapped health and welfare benefits
- Lower reserves can negatively affect bond ratings resulting in higher costs for taxpayers

Thank You

Thank You From the Fiscal Services team

- **Jennifer De Anda**, Ed.D., *Assistant Superintendent, Business Services*
- **Stefanie Jennings**, *Executive Assistant*
- **Jeannette Sanchez**, *Senior Director, Fiscal Services*
- **Lauren Talamantes**, *Admin. Assistant, Purchasing Clerk*
- **Chris Praxmarer**, *Accounting Supervisor*
- **Jason Horacek**, *Fiscal Analyst*
- **Barbara Dazalla**, *Senior Fiscal Clerk*
- **Eva Zuniga**, *Accounting Specialist Certificated Payroll*
- **Leslie Evangelista**, *Accounting Specialist Classified Payroll*
- **Vacant**, *Buyer II*
- **Juliet Banderas**, *Accounting Specialist, Accounts Receivable*
- **Maria Lopez-Arias**, *Account Clerk III*
- **Jesline Claros**, *Account Clerk II*

