



2023-24 First Interim Budget

December 14, 2023
Agenda Item No. 10.1

Acronyms

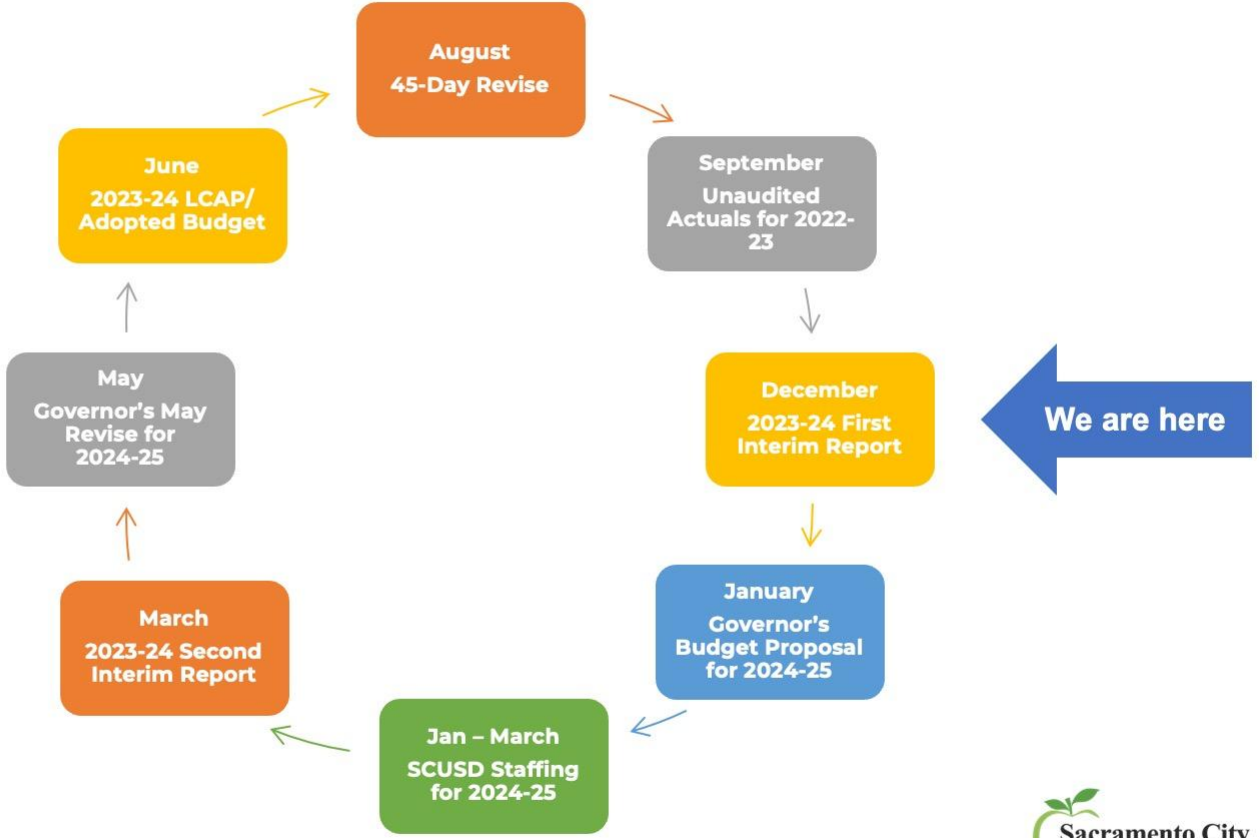
ADA	Average Daily Attendance	LCFF	Local Control Funding Formula
AMIM	Arts Music Instructional Materials Block Grant (1x)	LREBG	Learning Recovery Emergency Block Grant (1x)
ASES	After School Education and Safety	MYP	Multi-Year Projections
COLA	Cost of Living Adjustment	OPEB	Other Post Employment Benefits
CTE	Career Technical Education	P-2	Second Period Attendance Reporting Cycle
ELOG	Expanded Learning Opportunities Grant (1x)	PERS	California Public Employees' Retirement System
ELOP	Expanded Learning Opportunities Program (Ongoing)	S&C	Supplemental and Concentration (Ongoing)
EPA	Education Protection Account	SCOE	Sacramento County Office of Education
ESSER	Elementary and Secondary School Emergency Relief (1x)	STRS	California State Teachers Retirement System
FEMA	Federal Emergency Management Agency (1x)	SUI	State Unemployment Insurance
HTS	Home-To -School Transportation LCFF Add-On (Ongoing)	TIIG	Targeted Instructional Improvement Grant LCFF Add-On (Ongoing)
IPI	In Person Instruction Grant (1x)	UPK	Universal Prekindergarten Planning and Implementation Grant
LCAP	Local Control Accountability Plan	UPP	Unduplicated Pupil Percentage

*1x indicates a one-time funding source

Agenda

- **Budget Reporting Cycle**
- **Revenues**
- **Expenditures**
- **Surplus / Deficit & Fund Balance**
- **Multi-Year Projections & Other Funds**
- **Summary and Certification**

Budget Reporting Cycle





Revenues

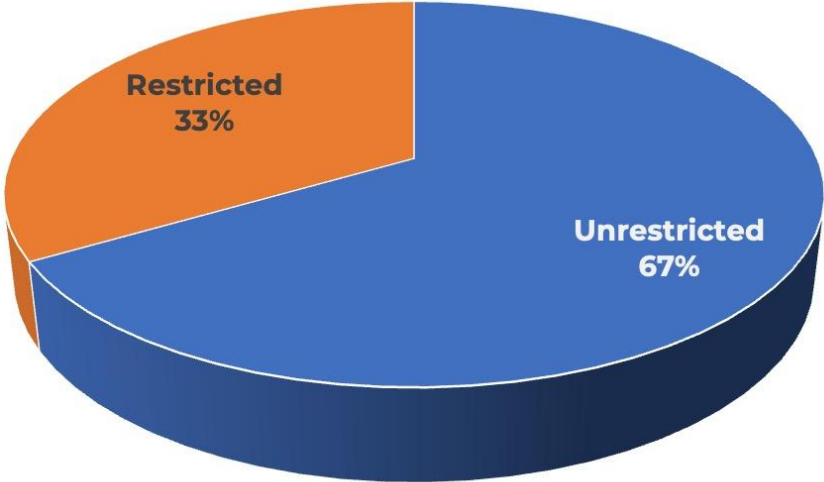
2023-24 First Interim Report



2023-24 First Interim Revenues

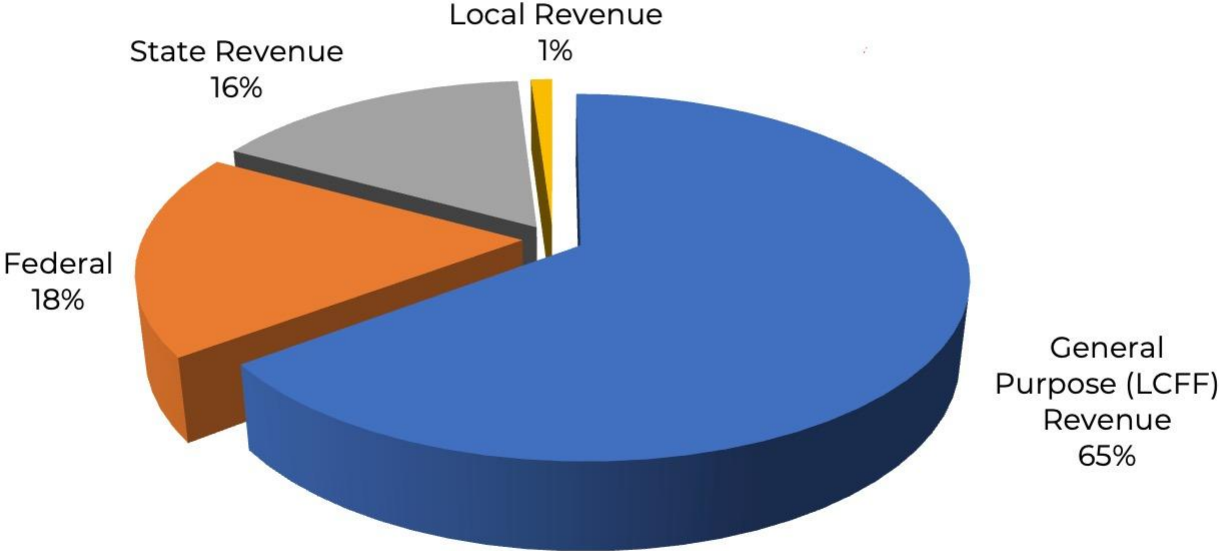
- District revenues are received as restricted or unrestricted funds
- Unrestricted funds are used for general purposes and are the primary resource for core educational programs
- Restricted revenues are received for specific and limited purposes

General Fund Revenues

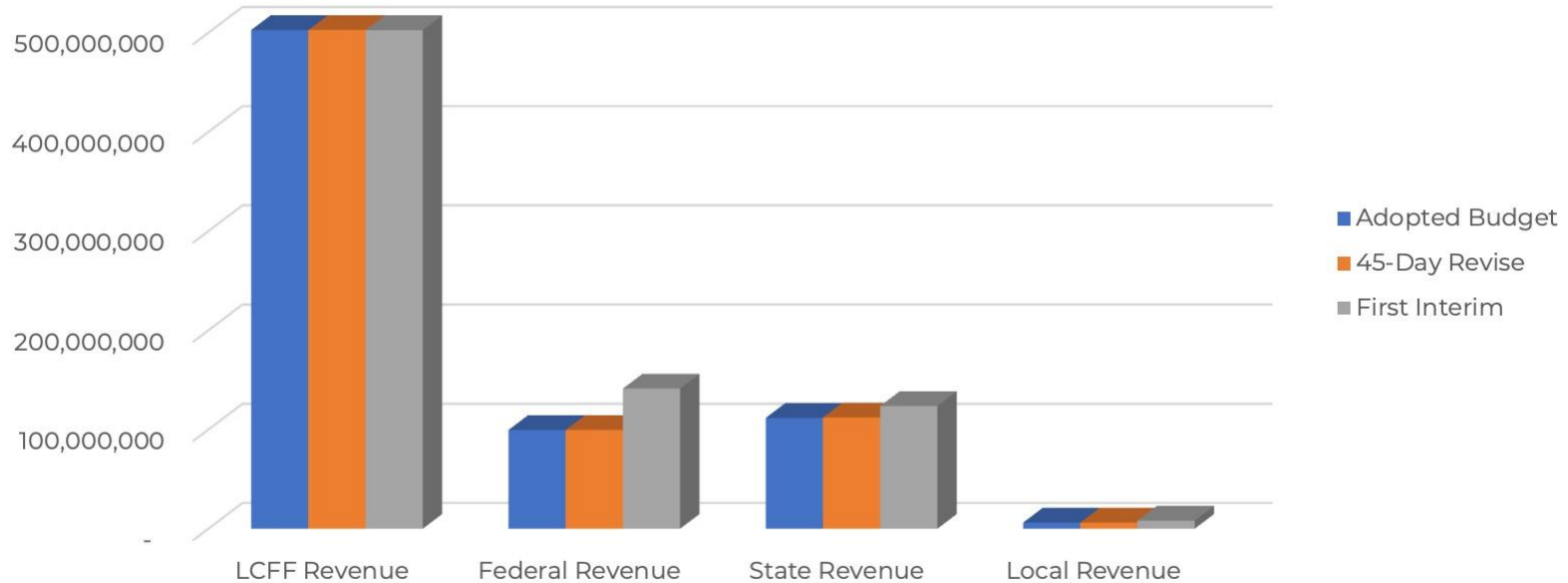


2023-24 First Interim Revenues by Source

Total General Fund Revenue 2023-24 First Interim



2023-24 Revenue Summary Comparison



2023-24 First Interim Revenue Changes

Unrestricted Revenue

- LCFF is consistent with projection YTD
- Increased local revenue from additional local donation funds

Restricted Revenue

- Federal revenue increased due to carryover funds in ESSER of \$24M, Title Programs of \$8.1M, and addition of \$7.1M one-time FEMA funds received
- State revenues increased due to carryover funds including ASES of \$1.8M, UPK Planning funds of \$2M, CTE of \$3M, and an increase in the special education early intervention preschool grant of \$1.9M
- Local revenue was also adjusted to reflect local grant carryover funds



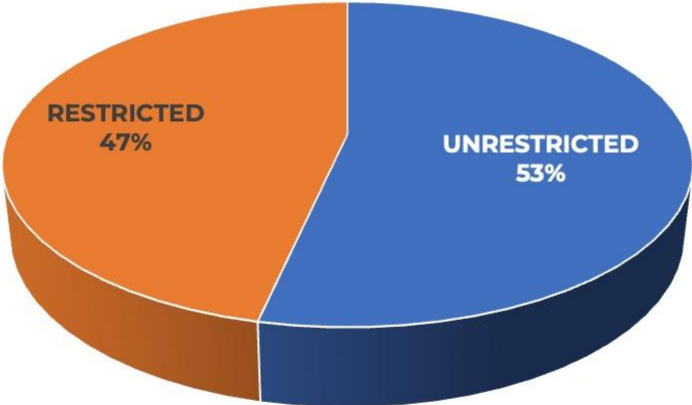
Expenditures

2023-24 First Interim Report

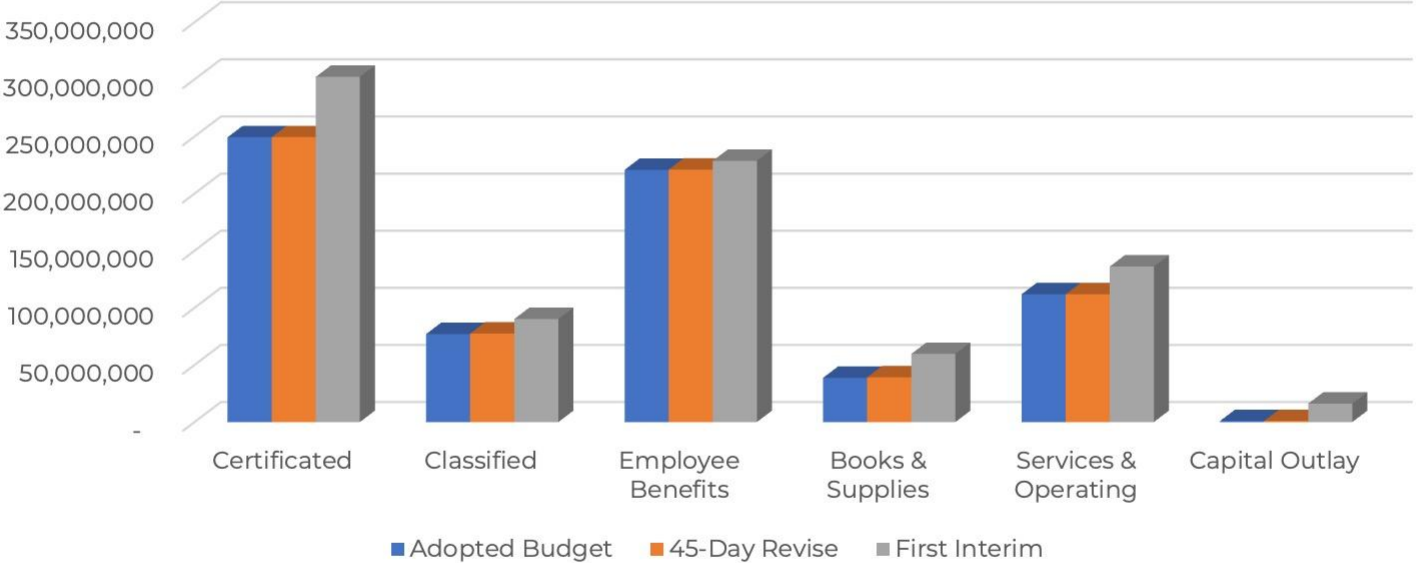


2023-24 First Interim Expenditures

General Fund Expenditures



2023-24 First Interim Expenditures



2023-24 First Interim Expenditure Changes

- Certificated and Classified salaries/benefits increased due to settled bargaining agreements including retroactive and ongoing costs
- Salaries/benefits decreased to reflect estimated \$4.7M in vacancy savings
- Books and supplies increase due to budgeting of carryover funds in ESSER, Title Programs, and other state and local grant resources
- Services & Operating cost increases include \$5M ELOP funds, \$924K ESSER, \$2.6M for transportation services, \$7M special education services, and budgeting of carryover grant funds
- Capital outlay increased due to one-time bus purchase and budgeting of ESSER funded capital outlay projects, both carried over from the 2022-23 year

General Fund Contributions

- Some programs do not generate revenues that are sufficient to cover all expenses
- For these programs, the General Fund must “contribute” unrestricted dollars to maintain the program or services
- Projected general fund contributions as of the 2023-24 First Interim report are illustrated in the table below:

Program	2023-24 45- Day Revise Budget	2023-24 First Interim Budget
Special Education	\$86,432,343	\$103,520,644
Restricted Maintenance Account	\$18,493,200	\$18,493,200
Total	\$104,925,543	\$122,013,844

- The increase in contributions for special education include the estimated one-time and ongoing salary and benefit costs of bargaining agreements

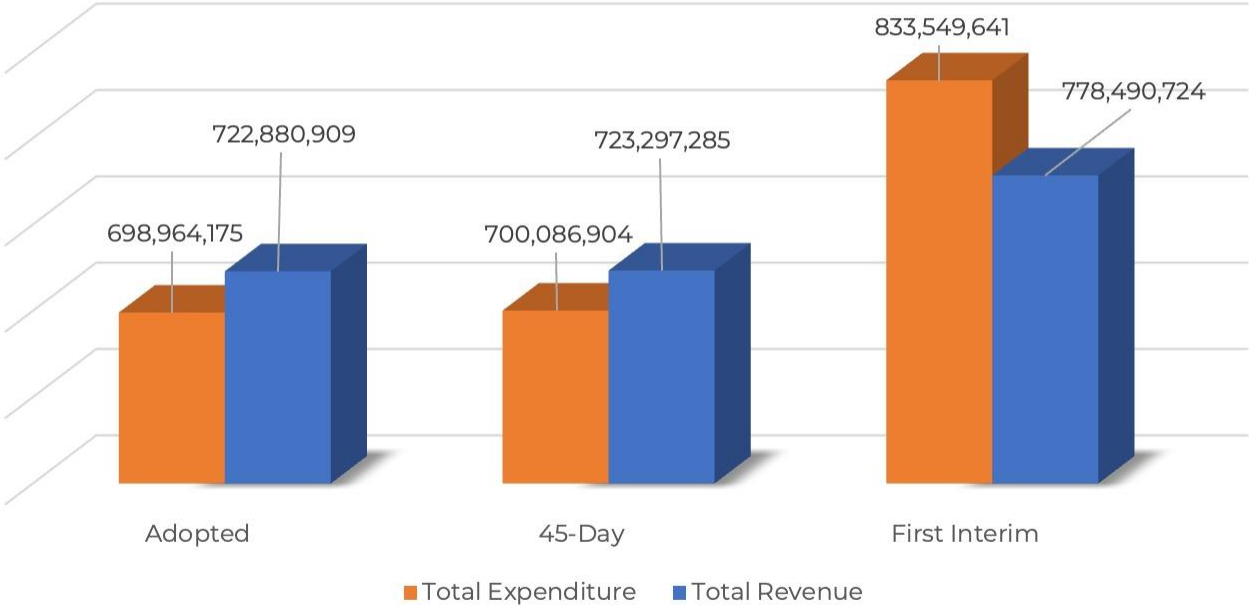


Surplus/(Deficit) and Fund Balance Summary

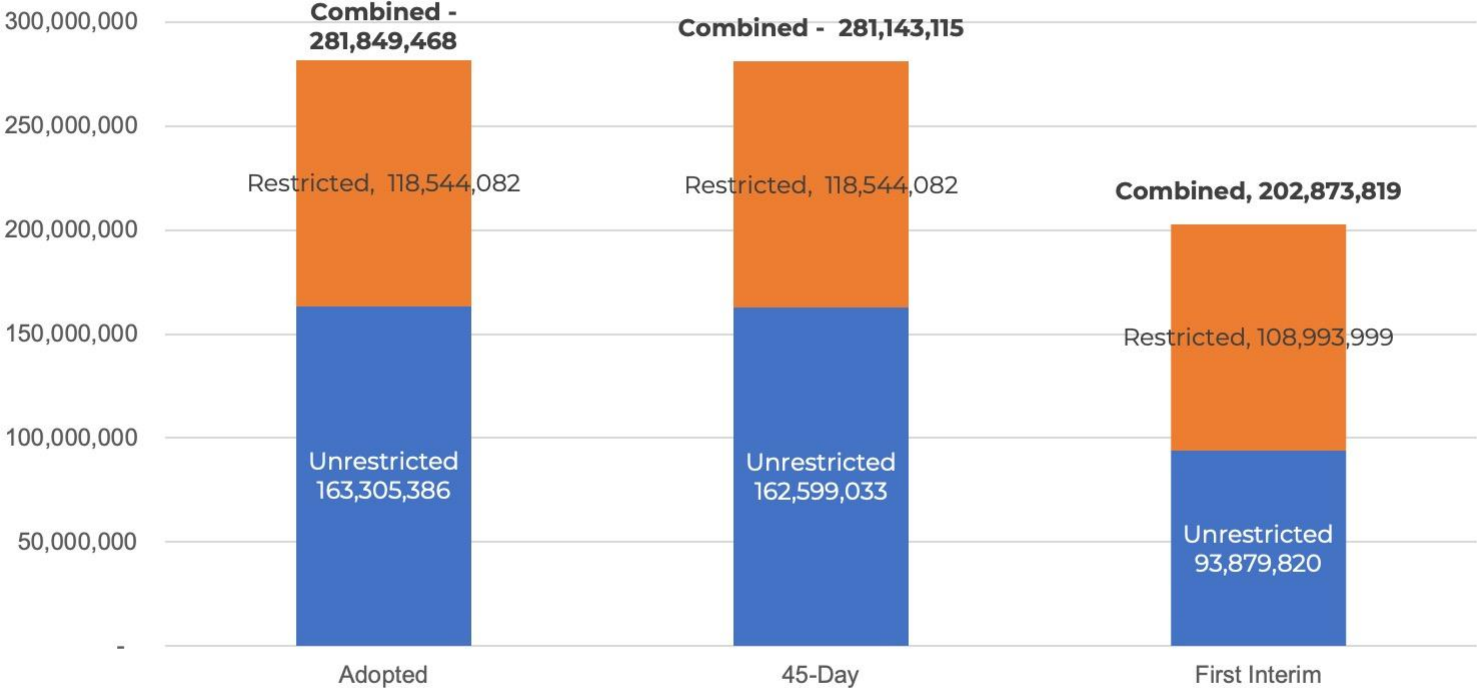
2023-24 First Interim Report



2023-24 Surplus / (Deficit) Comparison



2023-24 Ending Fund Balance Comparison





Multi-Year Projections & Other Funds

2023-24 First Interim Report



Other Funds Summary

Fund		2023-24 Beginning Fund Balance	Budgeted Net Change	2023-24 First Interim Budget Ending Fund Balance
01	General Fund	\$257,932,735	(\$55,058,916)	\$202,873,818
08	Student Activity Fund	\$1,570,033	\$0	\$1,570,033
09	Charter Schools	\$15,520,269	(\$1,987,041)	\$13,533,227
11	Adult	\$1,061,008	(\$465,066)	\$595,942
12	Child Development	\$1,239,859	\$1,463,888	\$2,703,746
13	Cafeteria	\$18,388,342	\$277,815	\$18,666,157
21	Building Fund	\$277,090,337	(\$170,159,698)	\$106,930,640
25	Capital Facilities	\$26,933,108	(\$411,294)	\$26,521,814
35	County School Facilities Fund	\$4,891	\$0	\$4,891
49	Capital Projects for Blended Components	\$1,794,788	\$791,739	\$2,586,527
51	Bond Interest and Redemption	\$41,979,247	\$649,823	\$42,629,069
61	Cafeteria Enterprise Fund	\$25,047	\$0	\$25,047
67	Self-Insurance Fund	\$12,328,878	(\$1,330,171)	\$10,998,707

MYP Revenue Assumptions

Unrestricted Revenue Assumptions

- Continued declining enrollment resulting in decreased state and federal revenue
- LCFF COLA of 3.94% for 2024-25 and 3.29% for 2025-26
- Increased state revenue due to additional transportation reimbursement funding
- Contributions to Special Education adjusted based on historical trends for 2024-25 and 2025-26

Restricted Revenue Assumptions

- Federal, State and Local revenue reduced in 2024-25 to remove carryover funds and one-time revenue received in 2023-24
 - Includes carryover funds in ESSER, IPI, Title Programs, CTE, ASES, UPK, Special Ed and FEMA
- Contributions to Special Education adjusted based on historical trends for 2024-25 and 2025-26

WARNING

SCUSD utilizes the
SSCAL dashboard for
revenue projections

The dashboard still shows a
3.94% COLA
for 2024-25

It is estimated that the
2024-25 COLA could be
1% or lower

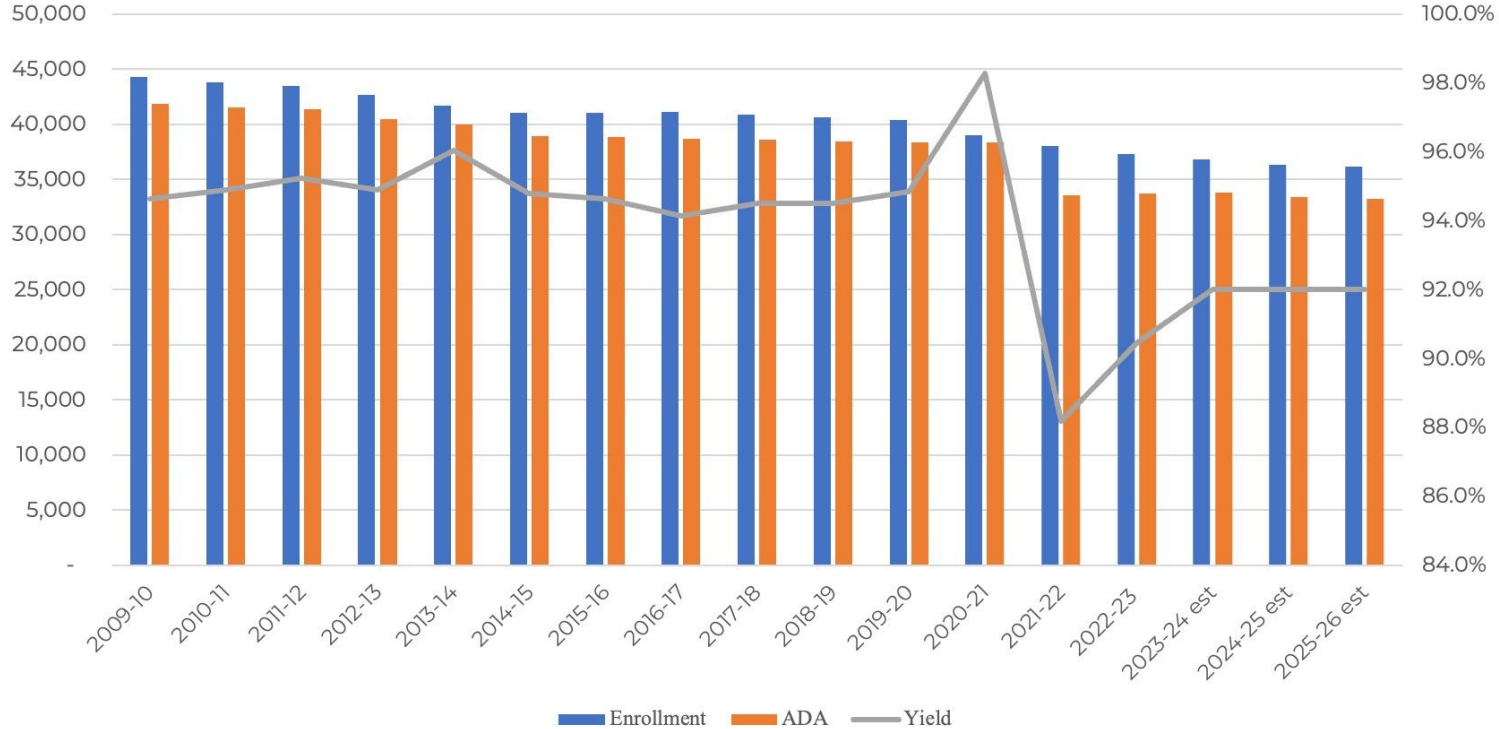


MYP Expenditure Assumptions

Expenditure Assumptions for 2024-25 and 2025-26

- Estimated step and column costs of 1.4% for Certificated and .7% for Classified
- Certificated salaries/benefits adjustments for FTE alignment with enrollment decline
- Classified salaries/benefits adjustments for implementation of a \$20 minimum wage effective 7/1/24
- STRS contribution to remain flat and PERS increase of 1.02% in 24-25 and .6% in 25-26
- Benefits increased by projected 8.80% for escalating health care costs
- Books & Supplies / Services & Operating assume discontinuation of costs associated with one-time revenue sources

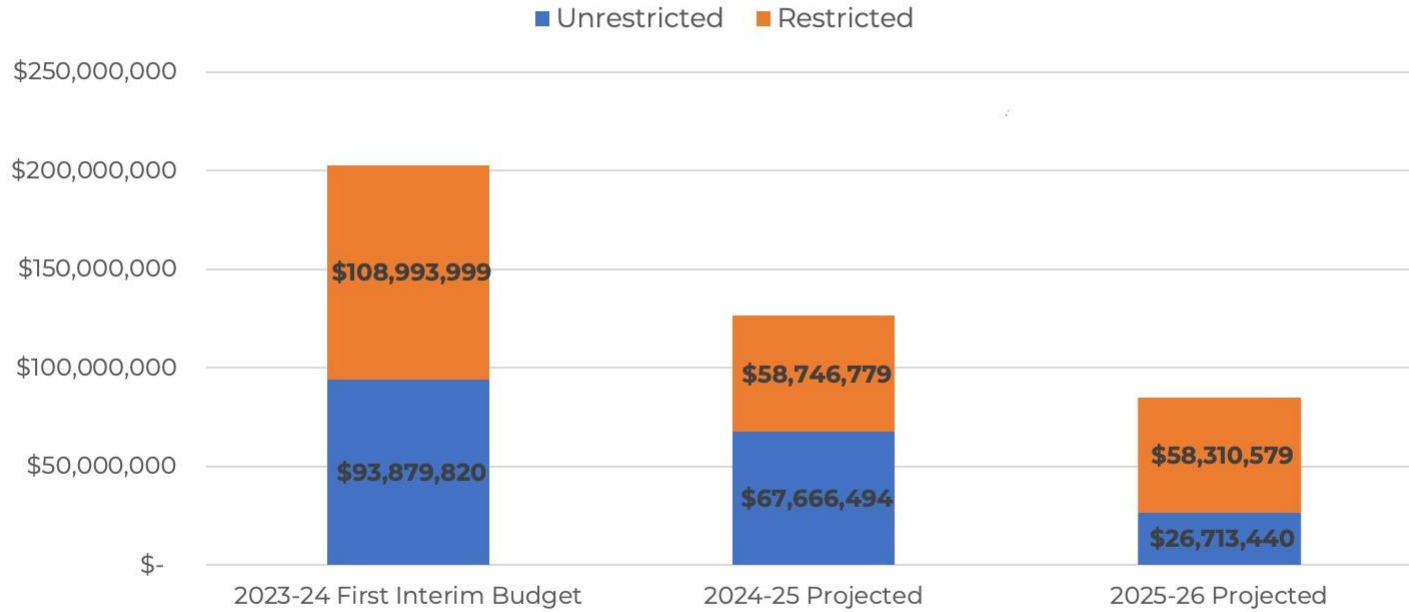
SCUSD Enrollment & ADA Trend



2023-24 Multi-Year Projections & Components of Ending Fund Balance

Description	2023-24 First Interim Budget	Projected 2024-25	Projected 2025-26
Total Revenues	776,015,325	665,234,714	668,859,345
Total Expenditures	833,549,641	744,170,658	712,723,998
Net Increase/(Decrease)	(55,058,916)	(76,460,545)	(41,389,254)
Beginning Fund Balance	257,932,735	202,873,819	126,413,273
Ending Fund Balance	202,873,819	126,413,273	85,024,019
Nonspendable	325,000	325,000	325,000
Restricted	108,993,999	58,746,779	58,310,579
Committed	10,000,000	10,000,000	10,000,000
Assigned	-	-	-
2% REU	16,621,485	14,833,905	14,204,972
Unassigned/Unappropriated	66,933,335	42,507,589	2,183,468

2023-24 Multi-Year Projections & Components of Ending Fund Balance



Summary and Certification

- The District is projected to satisfy the 2% reserve for economic uncertainties and maintain a positive cash flow in 2023-24, 2024-25 and 2025-26
- The District projects an unrestricted deficit of (\$41.8M) in 2023-24, (\$26.2M) in 2024-25 and (\$40.9M) in 2025-26
- Strategic budget planning and discussions are ongoing
- Governor’s Budget proposal in January expected to yield changes to COLA and will be used for planning guidance
- Education Code 42131 requires the Interim report and Certification of Financial Condition be approved by the Governing Board of the School District
- **Staff recommends a “Positive Certification” which certifies that, based on current projections, SCUSD will meet its financial obligations for the current and subsequent two fiscal years**



Thank You

