



• UNION SCHOOL DISTRICT •



2023-2024 PROPOSED BUDGET

REGULAR BOARD MEETING
JUNE 21, 2023

Presentation



- Vision, Mission and Budget Development
- General Fund Summary
 - 2023-2024 Revenues and Expenditures
- Local Reserves Requirement
- Multi-Year Projection
- Looking Ahead
- Other Funds

Vision and Mission in the Budget Development Process



Vision and Mission



***Vision:** Unrelenting pursuit of the extraordinary school experience*

***Mission:** To ignite genius and empower students to advance the world*

Budget Development



- Budget determinations have been made in accordance with the goals outlined in the District Strategic Plan: Destination 2028! and the Local Control Accountability Plan (LCAP)
- Maintain a fiscally sound reserve balance for a community funded school district (Basic Aid) and a continued commitment to proactive fiscal planning
- Communicate the budget to all stakeholders

GENERAL FUND SUMMARY



2023-2024 Revenue Summary



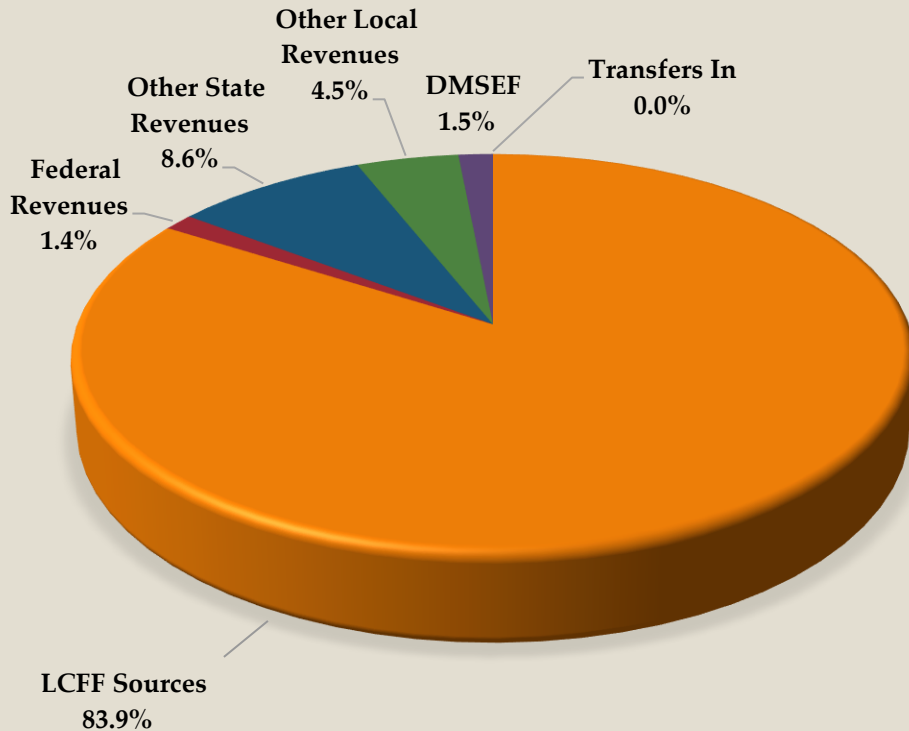
	2023-2024 First Read	2023-2024 Proposed Budget	Difference
LCFF Sources	62,151,962	62,151,962	-
Federal Revenues	1,001,059	1,001,059	-
Other State Revenues	6,404,479	6,404,479	-
Other Local Revenues	4,485,379	4,485,379	-
Transfers In	-	-	-
Total Revenues	74,042,879	74,042,879	-

Revenue Assumptions



- Property Tax Revenue 4.0%
- Deferred Maintenance Fund 14 transfer 1.0%
- Decrease in Arts Music Instructional Materials Block Grant
- Decrease in Learning Recovery Block Grant
- State Aid (which is also referred to as “hold harmless”) is budgeted at \$1,170,350. This amount is the past allocated categorical funding, less the permanent \$2.5 million Basic Aid Reduction which was incurred during the recession.
- Education Protection Account (Prop 30/55) Budget is \$750,000 based upon three-year average P-2 ADA of 3,800 funded at the minimum guarantee of \$200/ADA.

2023-2024 Revenue Summary



Revenue Source	Amount
LCFF Sources	62,151,962
Federal Revenues	1,060,547
Other State Revenues ¹	6,404,479
Other Local Revenues	3,355,379
DMSEF ²	1,130,000
Transfers In	0
Total Revenues	74,042,879

1. Other State Revenues includes State STRS “on-behalf” contribution of \$3,092,986
2. All DMSEF funds are allocated towards STEAM+ salary and benefits

2023-2024 Expenditure Summary



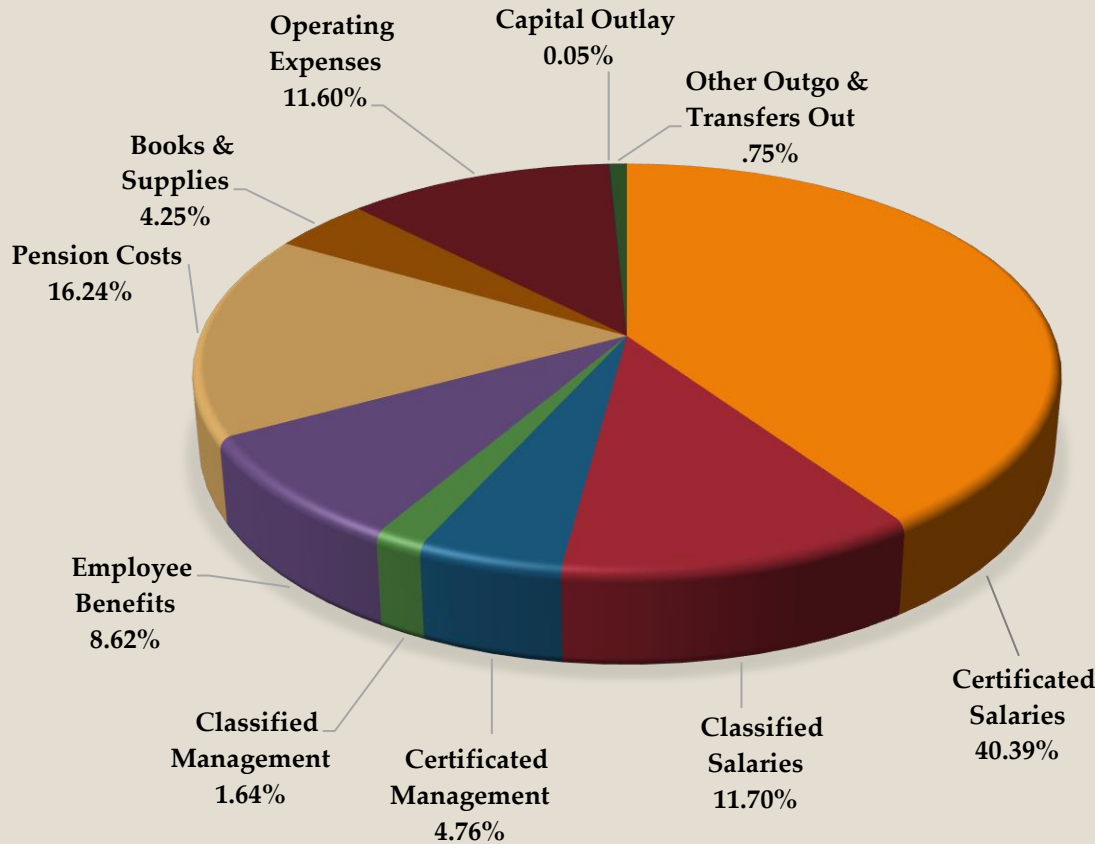
	2023-2024 First Read	2023-2024 Proposed Budget	Difference
Certificated Salaries	33,421,147	33,433,600	12,453
Classified Salaries	9,830,327	9,877,286	46,959
Employee Benefits	18,410,715	18,410,715	-
Books & Supplies	3,143,463	3,143,463	-
Operating Expenses	8,549,116	8,589,703	40,588
Capital Outlay	30,000	30,000	-
Other Outgo & Transfer Out	658,112	558,112	(100,000)
Total Expenditures	74,042,879	74,042,879	-

Expenditure Assumptions



- Math Curriculum Adoption
- \$1,000 increase to health cap
- Pacific Sky School Central Kitchen
- Social emotional learning supports
- Continue OPEB Trust Contribution
- Increase in Pension Rates
 - STRS remains at 19.10%
 - PERS from 25.37% to 26.68%
- Chromebook Refresh
- Continue Del Mar Heights Rebuild Transportation

2023-2024 Expenditure Summary



Expenditure	Amount
Certificated Salaries	29,908,775
Certificated Management	3,524,825
Classified Salaries	8,659,316
Classified Management	1,217,971
Employee Benefits	6,383,967
Pension Costs	12,026,747
Books & Supplies	3,143,463
Operating Expenses	8,589,703
Capital Outlay	30,000
Other Outgo & Transfer Out	558,112
Total Expenditures	74,042,879

Total Salary and Benefits* = 83.4%

*Pension costs includes State STRS "on-behalf" contribution of \$3,092,986

Ending Fund Balance



Components of the Ending Fund Balance

	2023-2024 Proposed Budget
Net Increase in Fund Balance	0
Beg Fund Balance	20,989,566
Ending Fund Balance	20,989,566
Revolving Cash	25,000
Restricted	2,519,548
Minimum Reserve Policy 15% and Assignments	11,856,434
3% Minimum Reserve for Economic Uncertainty	2,221,286
Unassigned/Unappropriated	4,367,298
Total Unrest. General Fund Reserve %	24.9%

Local Reserves Requirement



Proposed 2023-2024 Ending Fund Balances:

Assigned and Unassigned/Unappropriated Fund Balances: \$20,175,218

Less Minimum 3% Reserve for Economic Uncertainties: \$2,21,286

Remaining Balance to Substantiate Need: \$17,953,932

\$ 4,367,302 Basic Aid stabilization and reserve for pensions, OPEB, and
Future Obligations

\$ 750,000 Math Curriculum Adoption

\$ 11,106,430 Fund Balance Policy requiring reserves of at least 15%

\$ 1,730,200 Pacific Sky School Operations Reserve (Fund 17)

\$ 17,953,932 Total Need Supported by Excess Fund Balances

MULTI-YEAR PROJECTION



Multi-Year Projection



DESCRIPTION	FY 2023-24 Current (Base Year)	FY 2024-25 First Projected Year	FY 2025-26 Second Projected Year
Revenues			
LCFF Sources	62,151,962	63,945,724	65,797,128
Federal Revenues	1,001,059	1,001,059	1,001,059
Other State Revenues	6,404,479	6,480,110	6,560,032
Other Local Revenues	4,485,379	4,486,829	4,488,134
Transfers In	-	-	-
Total Revenues	74,042,879	75,913,722	77,846,353
Expenditures			
Certificated Salaries	33,433,600	33,802,445	34,478,494
Classified Salaries	9,877,286	10,035,832	10,236,548
Employee Benefits	18,410,715	18,702,054	19,065,557
Books & Supplies (includes Chromebooks, Audio Visual Equipment)	3,143,463	3,093,396	2,405,261
Services, Other Operating Expenses (includes Facility Maintenance Projects)	8,589,703	8,749,522	8,968,629
Capital Outlay	30,000	30,906	31,722
Other Outgo & Transfers Out	558,112	559,178	560,139
Total Expenditures:	74,042,879	74,973,332	75,746,350

Multi-Year Projection Continued



DESCRIPTION	FY 2023-24 Current (Base Year)	FY 2024-25 First Projected Year	FY 2025-26 Second Projected Year
Net Increase (Decrease) In Fund Balance	0	940,390	2,100,003
Beginning Balance as of July 1	20,989,566	20,989,566	21,929,956
Ending Balance	20,989,566	21,929,956	24,029,959
Revolving Cash	25,000	25,000	25,000
Restricted	2,519,548	2,519,548	2,519,548
Assigned Minimum Reserve 15%, and Assignments	11,856,434	11,246,000	11,361,953
Reserve for Economic Uncertainties	2,221,286	2,249,200	2,272,391
Unassigned/Unappropriated Amount	4,367,298	5,890,208	7,851,068
Unrestricted General Fund Reserve %	24.9%	25.9%	28.4%

OTHER FUNDS



Fund 13 Cafeteria Fund



Total Revenues	\$ 2,346,071
General Fund Transfer	\$ -
Total Expenditures	<u>\$ 2,346,071</u>
Net Increase/Decrease in Fund Balance	\$ -
Beginning Fund Balance	\$ 311
Ending Fund Balance	\$ 311

This fund is used to separately account for federal, state and local resources to operate the food service program.

Fund 14 Deferred Maintenance



Total Revenues	\$ 634,611
Total Expenditures	<u>\$ -</u>
Net Increase in Fund Balance	\$ 634,611
Beginning Fund Balance	\$2,209,383
Ending Fund Balance	\$2,843,994

This fund is used to account for deferred maintenance projects for major replacement or repair - a contribution to the deferred maintenance fund from the general fund of 1.0% of property tax revenue is committed by resolution.

Fund 17 Special Reserve



Total Revenues	\$ 40,000
Total Expenditures	<u>\$ -</u>
Net Increase in Fund Balance	\$ 40,000
Beginning Fund Balance	\$1,730,200
Ending Fund Balance	\$1,770,200

This fund is used to primarily provide for the accumulation of general fund moneys – the contribution from the general fund is assigned for operating costs of Pacific Sky School and Central Kitchen.

Fund 21 Measure MM, Series A & B



Total Revenues	\$ 800,000
Total Expenditures	<u>\$ 39,492,500</u>
Net Decrease in Fund Balance	\$(38,692,500)
Beginning Fund Balance	\$ 57,705,197
Ending Fund Balance	\$ 19,012,697

This fund is used to account for capital projects approved under 2018 General Obligation Bond Measure MM. Series 2019 A was issued in the amount of \$55,285,000; Series 2022 B was issued in the amount of \$64,000,000.

Fund 25 Capital Facilities Fund



Total Revenues	\$ 74,000
Total Expenditures	<u>\$ -</u>
Net Increase in Fund Balance	\$ 74,000
Beginning Fund Balance	\$ 1,177,033
Ending Fund Balance	\$ 1,251,033

The 2023 Developer Fees for Residential is \$2.27/sq. ft. and Commercial is \$0.37/sq. ft. DMUSD receives 47.47% (\$1.08 & \$0.18 /sq. ft. respectively) and the San Dieguito Union High School District receives the remaining 52.53%. Funds are to be used to increase capacity at a school site.

Fund 40 Special Reserve for Capital Outlay



Total Revenues	\$ 100,000
Total Expenditures	<u>\$ 50,000</u>
Net Decrease in Fund Balance	\$ 50,000
Beginning Fund Balance	\$ 5,499,534
Ending Fund Balance	\$ 5,549,534

This fund is used to account for the renovation of district facilities and other capital projects.

Fund 49 CFD 95-1 & CFD 99-1 Combined



Total Revenues	\$ 4,575,000
Total Expenditures	<u>\$ 3,332,725</u>
Net Increase in Fund Balance	\$ 1,242,275
Beginning Fund Balance	\$ 9,724,667
Ending Fund Balance	\$ 10,966,942
CFD 95-1 Ending Fund Balance:	\$ 7,719,259
CFD 99-1 Ending Fund Balance:	\$ 3,247,683

CFD 99-1 funds are used towards Pacific Sky School construction costs.

Fund 63 Enterprise Fund



Total Revenues	\$ 3,730,500
Total Expenditures	<u>\$ 3,623,411</u>
Net Increase in Fund Balance	\$ 107,089
Beginning Fund Balance	\$ 1,824,976
Ending Fund Balance	\$ 1,932,065

This fund is used to account for the revenue and expenditures of the Early Childhood Development Center and After School Programs.

Fund 73 Trust Fund



Total Revenues	\$ 225
Total Expenditures	<u>\$ -</u>
Net Increase in Fund Balance	\$ 225
Beginning Fund Balance	\$ 34,126
Ending Fund Balance	\$ 34,351

This fund is for Del Mar Heights School and is in memory of Erin Ellerman, any interest earned may be used for library books.



Looking Ahead

Looking Ahead



- Economic Outlook
 - ✦ Potential recession
 - Moderate recession is forecast to reduce California's Big Three tax revenues by \$40B in 2023-24
 - ✦ California Legislative Analyst's Office
 - Projects revenue to be \$11B less than Governor's projections

- Await Final State Budget and Trailer Bill Language
 - ✦ One-time Discretionary Block Grant Reductions
 - ✦ Still no funding for Universal Transitional Kindergarten for DMUSD
 - ✦ No Proposed Pension Relief

- Continue Monitoring Universal Meals and Child Nutrition Services Program

- Continue Monitoring Enrollment and Staffing Projections

Questions?

