



• UNION SCHOOL DISTRICT •



# **2024-2025 PROPOSED BUDGET**

**REGULAR BOARD MEETING**

**JUNE 26, 2024**

# Presentation



- Vision, Mission and Budget Development
- General Fund Summary
  - 2024-2025 Revenues and Expenditures
- Local Reserves Requirement
- Multi-Year Projection
- Other Funds
- Looking Ahead

# 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

# Budget Development



- Priorities were further discussed and identified through Budget Workshops and key approvals in the 2023-2024 school year
  - September 21, 2023 – Budget Workshop: Capital Programs & Measure MM
  - October 17, 2023 – Budget Workshop: Budget & Visioning
  - January 17, 2024 – Board Approval of TKEI for 2024-2025 school year

# Budget Priorities



- Small Class Size
- STEAM+
- Support for student well-being and success
  - School Counselors
  - Differentiated supports for students
  - Teacher on Special Assignment
  - Mathematics intervention teachers
  - Reading intervention teachers
  - Co-teaching
- Neighborhood Schools
- World Language Program
- Deferred Maintenance
- OPEB Trust Fund

# GENERAL FUND SUMMARY





# 2024-2025 Revenue Summary



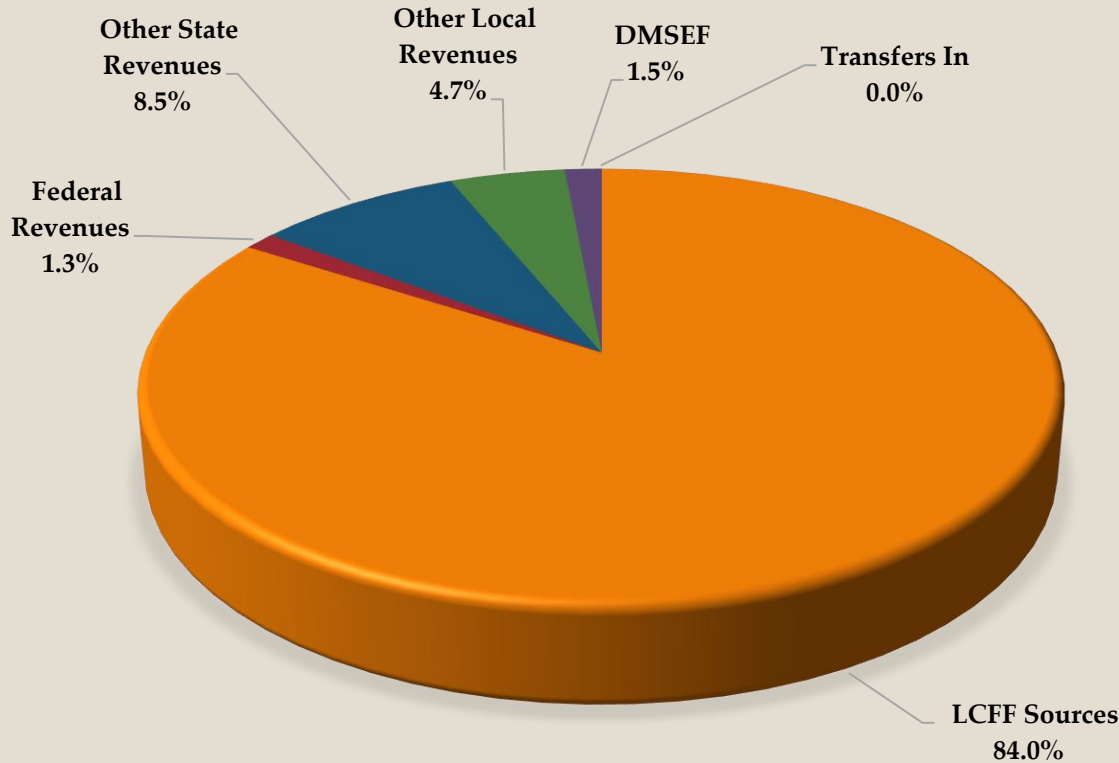
	2024-2025 First Read	2024-2025 Proposed Budget	Difference
LCFF Sources	64,560,029	65,642,753	1,082,724
Federal Revenues	1,020,746	1,010,921	(9,825)
Other State Revenues	6,355,307	6,601,939	246,632
Other Local Revenues	4,556,275	4,846,275	290,000
Transfers In			
Total Revenues	76,492,357	78,101,888	1,609,531

# Revenue Assumptions



- Property Tax Revenue 4.0%
- Deferred Maintenance Fund 14 transfer 0.5%
- 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 \$724,284 based upon three-year average P-2 ADA of 3,621 funded at the minimum guarantee of \$200/ADA.

# 2024-2025 Revenue Summary



Revenue Source	Amount
LCFF Sources	65,642,753
Federal Revenues	1,010,921
Other State Revenues <sup>1</sup>	6,601,939
Other Local Revenues	3,671,275
DMSEF <sup>2</sup>	1,175,000
Transfers In	-
Total Revenues	78,101,888

1. Other State Revenues includes State STRS “on-behalf” contribution of \$3,476,749
2. All DMSEF funds are allocated towards STEAM+ salary and benefits

# 2024-2025 Expenditure Summary



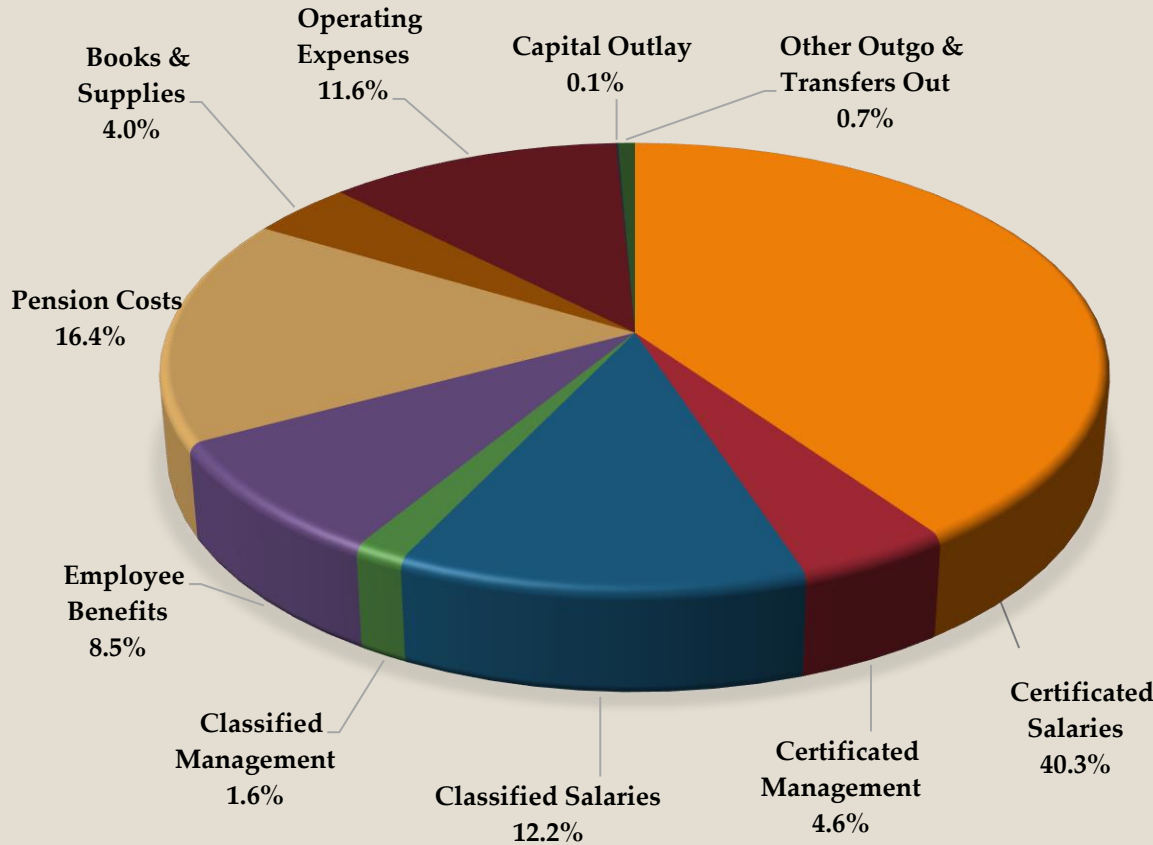
	2024-2025 First Read	2024-2025 Proposed Budget	Difference
Certificated Salaries	35,007,448	35,007,448	0
Classified Salaries	10,706,173	10,753,133	46,960
Employee Benefits	19,430,401	19,430,401	0
Books & Supplies	2,949,868	3,149,868	200,000
Operating Expenses	7,816,613	9,048,335	1,231,722
Capital Outlay	50,000	50,000	0
Other Outgo, Debt Service, & Transfer Out	520,000	520,000	0
Total Expenditures	76,480,503	77,959,185	1,478,682

# Expenditure Assumptions



- Increase to Restricted Maintenance Contribution
- \$1,000 increase to health cap per Collective Bargaining Agreement approved at the January 17, 2024 Board Meeting
- Additional Counselor
- Continue OPEB Trust Contribution
- Increase in Pension Rates
  - PERS from 26.68% to 27.8%
  - STRS remains at 19.10%
- Student Chromebook Refresh
- Student Transportation during Del Mar Hills Modernization

# 2024-2025 Expenditure Summary



Expenditure	Amount
Certificated Salaries	31,393,645
Certificated Management	3,613,803
Classified Salaries	9,541,384
Classified Management	1,211,749
Employee Benefits	6,609,253
Pension Costs	12,821,148
Books & Supplies	3,149,868
Operating Expenses	9,048,335
Capital Outlay	50,000
Other Outgo & Transfer Out	520,000
<b>Total Expenditures</b>	<b>77,959,185</b>

**Total Salary and Benefits\* = 83.6%**

\*Pension costs includes State STRS "on-behalf" contribution of \$3,476,749

# Ending Fund Balance



## Components of the Ending Fund Balance

	2024-2025 Proposed Budget
Net Increase in Fund Balance	142,703
Beg Fund Balance	21,583,244
Ending Fund Balance	21,725,947
Revolving Cash	25,000
Restricted	2,357,781
Minimum Reserve Policy 15% and Assignments	11,693,878
Math Curriculum	750,000
3% Minimum Reserve for Economic Uncertainty	2,338,776
Unassigned/Unappropriated	4,560,513
Total Unrest. General Fund Reserve %	24.8%

# Local Reserves Requirement



## Proposed 2024-2025 Ending Fund Balances:

Assigned and Unassigned/Unappropriated Fund Balances: \$21,384,239

Less Minimum 3% Reserve for Economic Uncertainties: \$2,338,776

Remaining Balance to Substantiate Need: \$19,045,463

\$ 4,560,513 Basic Aid stabilization and reserve for pensions, OPEB, and  
Future Obligations

\$ 750,000 Math Curriculum Adoption

\$ 11,693,878 Fund Balance Policy requiring reserves of at least 15%

\$ 2,041,072 Pacific Sky Child Nutrition Operations Reserve (Fund 17)

\$ 19,045,463 Total Need Supported by Excess Fund Balances



# MULTI-YEAR PROJECTION



# Multi-Year Projection



DESCRIPTION	FY 2024-25 Current (Base Year)	FY 2025-26 First Projected Year	FY 2026-27 Second Projected Year
<b>Revenues</b>			
LCFF Sources	65,642,753	67,533,958	69,491,456
Federal Revenues	1,010,921	1,010,921	1,010,921
Other State Revenues	6,601,939	6,594,156	6,577,473
Other Local Revenues	4,846,275	4,557,705	4,559,181
Transfers In	0	0	0
<b>Total Revenues</b>	<b>78,101,888</b>	<b>79,696,740</b>	<b>81,639,031</b>
<b>Expenditures</b>			
Certificated Salaries	35,007,448	35,707,597	36,421,749
Classified Salaries	10,753,133	10,968,196	11,187,560
Employee Benefits	19,430,401	19,797,838	20,158,636
Books & Supplies (includes Chromebooks, Audio Visual Equipment)	3,149,868	3,131,626	3,159,114
Services, Other Operating Expenses (includes Facility Maintenance Projects)	9,048,335	9,273,681	9,524,051
Capital Outlay	50,000	51,430	52,906
Other Outgo, Debt Service, & Transfers Out	520,000	520,000	520,000
<b>Total Expenditures:</b>	<b>\$77,959,185</b>	<b>\$79,450,368</b>	<b>\$81,024,015</b>

# Multi-Year Projection Continued



DESCRIPTION	FY 2024-25 Current (Base Year)	FY 2025-26 First Projected Year	FY 2026-27 Second Projected Year
<b>Net Increase (Decrease) In Fund Balance</b>	142,703	246,372	615,016
<b>Beginning Balance as of July 1</b>	21,583,244	21,725,947	21,972,320
<b>Ending Balance</b>	21,725,947	21,972,320	22,587,335
<b>Revolving Cash</b>	25,000	25,000	25,000
<b>Restricted</b>	2,357,781	1,448,817	210,054
<b>Assigned Minimum Reserve 15%, and Assignments</b>	12,443,878	11,917,555	12,153,602
<b>Reserve for Economic Uncertainties</b>	2,338,776	2,383,511	2,430,720
<b>Unassigned/Unappropriated Amount</b>	4,560,513	6,197,436	7,767,958
<b>Unrestricted General Fund Reserve %</b>	24.8%	25.8%	27.6%

# OTHER FUNDS



# Fund 13 Cafeteria Fund



Total Revenues	\$ 2,445,000
General Fund Transfer	\$ -
Total Expenditures	<u>\$ 2,394,000</u>
Net Increase in Fund Balance	\$ 51,000
Beginning Fund Balance	\$133,750
Ending Fund Balance	\$184,750

*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	\$ 318,709
Total Expenditures	<u>\$ -</u>
Net Increase in Fund Balance	\$ 318,709
Beginning Fund Balance	\$2,865,143
Ending Fund Balance	\$3,183,852

*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 0.5% of property tax revenue is committed by resolution.*

# Fund 17 Special Reserve



Total Revenues	\$	-
Total Expenditures	\$	<u>-</u>
Net Increase/Decrease in Fund Balance	\$	-
Beginning Fund Balance		\$2,041,072
Ending Fund Balance		\$2,041,072

*This fund is used to primarily provide for the accumulation of general fund moneys – prior year contributions from the general fund are assigned for operating costs of the Central Kitchen.*

# Fund 21 Measure MM, Series A & B



Total Revenues	\$ 500,000
Total Expenditures	<u>\$ 24,880,600</u>
Net Decrease in Fund Balance	\$(24,380,600)
Beginning Fund Balance	\$ 17,912,939
Ending Fund Balance	\$ (6,467,661)

*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	\$ 75,000
Total Expenditures	<u>\$ -</u>
Net Increase in Fund Balance	\$ 75,000
Beginning Fund Balance	\$ 1,380,665
Ending Fund Balance	\$ 1,455,665

*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	\$ 150,000
Total Expenditures	<u>\$ 50,000</u>
Net Increase in Fund Balance	\$ 100,000
Beginning Fund Balance	\$ 7,399,712
Ending Fund Balance	\$ 7,499,712

*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/Transfer In	\$ 4,555,000
Total Expenditures/Transfer Out	<u>\$ 3,321,300</u>
Net Increase in Fund Balance	\$ 1,233,700
Beginning Fund Balance	\$ 17,073,602
Ending Fund Balance	\$ 18,307,302

CFD 95-1 Ending Fund Balance: \$ 8,980,339

CFD 99-1 Ending Fund Balance: \$ 9,326,963

# Fund 63 Enterprise Fund



Total Revenues	\$ 3,900,000
Total Expenditures	<u>\$ 3,771,827</u>
Net Increase in Fund Balance	\$ 128,173
Beginning Fund Balance	\$ 2,669,713
Ending Fund Balance	\$ 2,797,886

*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	\$ 34,945
Ending Fund Balance	\$ 35,170

*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



- State Budget
  - Dealing with a budget shortfall
  - Protecting K-14 funding
    - ✦ Universal Meals
    - ✦ ELOP
    - ✦ Funded COLA
  - Still no funding for Universal Transitional Kindergarten for DMUSD
- Continue Monitoring Universal Meals and Child Nutrition Services Program
- Continue Monitoring Enrollment and Staffing Projections
- Budget workshops in Fall 2024

Questions?

