



• UNION SCHOOL DISTRICT •



# **2022-2023 PROPOSED BUDGET**

**REGULAR BOARD MEETING**

**JUNE 22, 2022**

# Presentation



- Vision, Mission and Budget Development
- General Fund Summary
  - 2022-2023 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 of District Design 2022 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**

# 2022-2023 Revenue Summary



	2022-2023 First Read	2022-2023 Proposed Budget	Difference
LCFF Sources	58,515,049	59,044,553	529,504
Federal Revenues	1,060,547	1,060,547	-
Other State Revenues	6,162,504	6,162,504	-
Other Local Revenues	3,434,797	4,368,395	933,598
Transfers In	350,000	350,000	-
Total Revenues	69,522,897	70,985,999	1,463,102

# Budget Updates and Revenue Assumptions



## Updates:

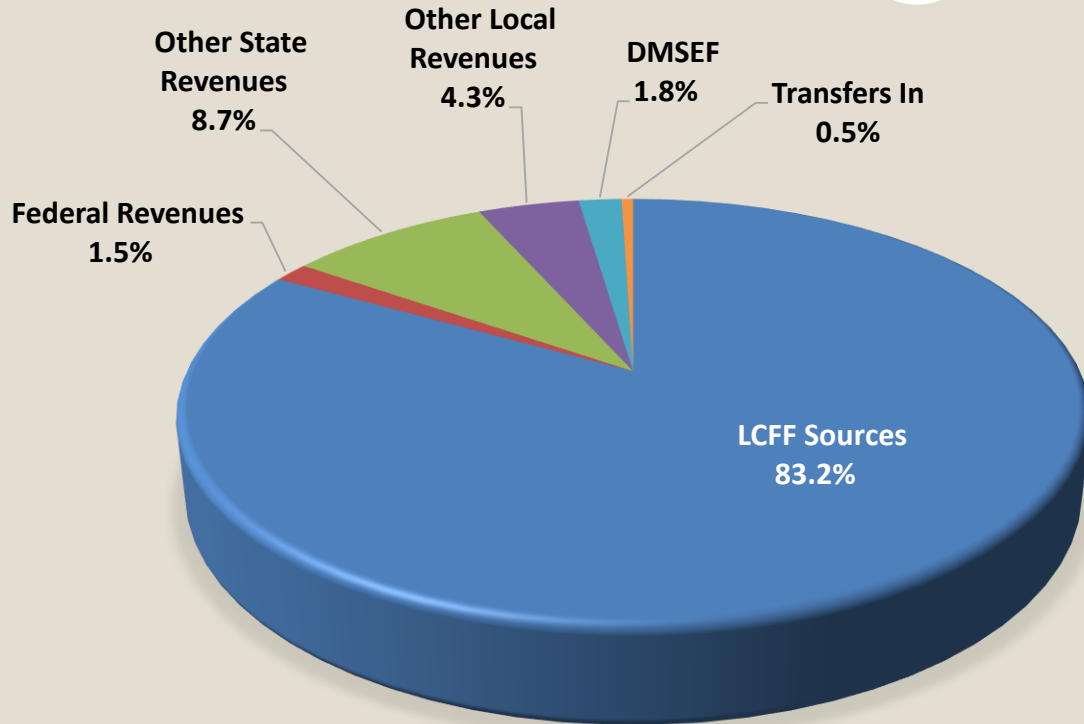
- Property Tax Revenue increase from 3.5% to 5.0%
- Increase Del Mar Schools Education Foundation donation from \$1.13 million to \$1.3 million
- Increase for SELPA AB602 revenue
- Increase Deferred Maintenance Fund 14 transfer, 0.50% to 1.0%

## Other Assumptions:

- 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 \$780,000 based upon three year average P-2 ADA of 3,900 funded at the minimum guarantee of \$200/ADA.



# 2022-2023 Revenue Summary



LCFF Sources	59,044,553
Federal Revenues	1,060,547
Other State Revenues*	6,162,504
Other Local Revenues	3,068,395
DMSEF	1,300,000
Transfers In	350,000
<b>Total Rev. &amp; Other Sources</b>	<b>\$70,985,999</b>

\*Other State Revenues includes:

- State STRS "on-behalf" contribution of \$4,116,526

# 2022-2023 Expenditure Summary



	2022-2023 First Read	2022-2023 Proposed Budget	Difference
Certificated Salaries	32,138,150	32,138,150	-
Classified Salaries	9,300,747	9,300,747	-
Employee Benefits	18,924,502	19,055,995	131,493
Books & Supplies	1,597,088	2,347,088	750,000
Operating Expenses	7,104,604	7,131,049	26,445
Capital Outlay	60,000	60,000	-
Other Outgo & Transfer Out	872,802	872,802	-
Total Expenditures	69,997,893	70,905,831	907,938

# Budget Updates and Expenditures Assumptions



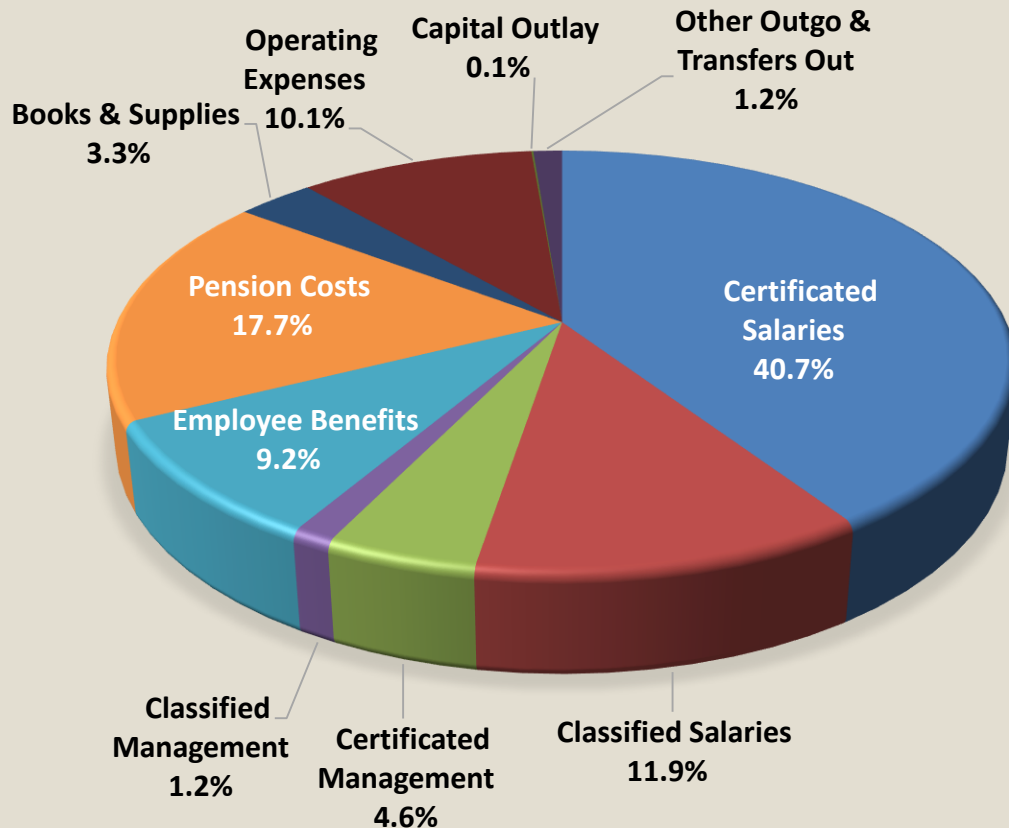
## Update:

- Social Science Curriculum Adoption

## Assumptions:

- 5% increase to salary schedule and \$1,500 increase to health cap
- Increase and reallocate staff for Pacific Sky School opening
- Teachers to meet lower class size in Grade 4 – 6
- Social emotional learning supports
- Continue OPEB Trust Contribution
- Increase in Pension Rates
  - STRS from 16.92 % to 19.10%
  - PERS from 22.91 % to 25.37%
- Implementation of Universal Meals
- Chromebook Refresh
- Continue Del Mar Heights Rebuild Transportation
- New Apple leases

# 2022-2023 Expenditure Summary



Certificated Salaries	28,858,337
Certificated Management	8,421,781
Classified Salaries	3,279,813
Classified Management	878,966
Employee Benefits	6,490,887
Pension Costs*	12,565,108
Books & Supplies	2,347,088
Operating Expenses	7,131,049
Capital outlay	60,000
Other Outgo & Transfer Out	872,802
<b>Total Exp. &amp; Other Outgo</b>	<b>\$70,905,831</b>

**Total Salary and Benefits\* = 85.3%**

\*Pension costs includes State STRS "on-behalf" contribution of \$4,116,526

# Ending Fund Balance



## Components of the Ending Fund Balance

	2022-2023 Proposed Budget
Net Increase in Fund Balance	80,168
Beg Fund Balance	18,249,864
Ending Fund Balance	18,330,032
Revolving Cash	25,000
Restricted	1,442,089
Assigned: Minimum Reserve Policy 15%	10,635,875
3% Minimum Reserve for Economic Uncertainty	2,127,175
Unassigned/Unappropriated	4,099,893
Total Unrest. General Fund Reserve %	23.8%

# Local Reserves Requirement



## Proposed 2022-2023 Ending Fund Balances:

Assigned and Unassigned/Unappropriated Fund Balances: \$19,368,030

Less Minimum 3% Reserve for Economic Uncertainties: \$2,127,175

Remaining Balance to Substantiate Need: \$17,240,855

\$ 4,099,893 Basic Aid stabilization and reserve for pensions, OPEB, and  
Future Obligations

\$ 10,635,875 Fund Balance Policy requiring reserves of at least 15%

\$ 2,505,087 Pacific Sky School Operations Reserve (Fund 17)

\$ 17,240,855 Total Need Supported by Excess Fund Balances

# **MULTI-YEAR PROJECTION**

# Multi-Year Projection



DESCRIPTION	FY 2022-23 Current (Base Year)	FY 2023-24 First Projected Year	FY 2024-25 Second Projected Year
<b>Revenues</b>			
LCFF Sources	59,044,553	61,021,870	62,765,254
Federal Revenues	1,060,547	1,060,547	1,060,547
Other State Revenues	6,162,504	6,190,860	6,190,860
Other Local Revenues	4,368,395	4,369,902	4,370,877
Transfers In	350,000	-	-
<b>Total Revenues</b>	<b>70,985,999</b>	<b>72,643,179</b>	<b>74,387,538</b>
<b>Expenditures</b>			
Certificated Salaries	32,138,150	32,900,913	33,558,932
Classified Salaries	9,300,747	9,688,762	9,882,537
Employee Benefits	19,055,995	19,364,817	19,608,600
Books & Supplies (includes Chromebooks, Audio Visual Equipment)	2,347,088	1,721,688	1,755,606
Services, Other Operating Expenses (includes Facility Maintenance Projects)	7,131,049	7,049,596	7,185,105
Capital Outlay	60,000	214,000	350,000
Other Outgo & Transfers Out	872,802	522,802	522,802
<b>Total Expenditures:</b>	<b>70,905,831</b>	<b>71,462,578</b>	<b>72,863,582</b>



# Multi-Year Projection Continued



DESCRIPTION	FY 2022-23 Current (Base Year)	FY 2023-24 First Projected Year	FY 2024-25 Second Projected Year
<b>Net Increase (Decrease) In Fund Balance</b>	80,168	1,180,601	1,523,956
<b>Beginning Balance as of July 1</b>	18,249,864	18,330,032	19,510,633
<b>Ending Balance</b>	18,330,032	19,510,633	21,034,589
<b>Revolving Cash</b>	25,000	25,000	25,000
<b>Restricted</b>	1,442,089	920,675	628,979
<b>Assigned Minimum Reserve 15%</b>	10,635,875	10,719,384	10,929,537
<b>Reserve for Economic Uncertainties</b>	2,127,175	2,143,877	2,185,907
<b>Unassigned/Unappropriated Amount</b>	4,099,893	5,701,697	7,265,166
<b>Unrestricted General Fund Reserve %</b>			
	23.8%	26.0%	28.0%

# LOOKING AHEAD

# Looking Ahead



- Await Final State Budget and Trailer Bill Language
  - Universal Transitional Kindergarten Funding
  - Home to School Transportation Funding
  - Deferred Maintenance Funding
  - One-time Discretionary Block Grant
- Opening of Pacific Sky School
- Universal Meals Implementation
- Continue Monitoring Enrollment and Staffing Projections

# OTHER FUNDS

# Fund 13 Cafeteria Fund



Total Revenues	\$ 2,806,917
General Fund Transfer	\$ 350,000
Total Expenditures	<u>\$ 3,156,917</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	\$ 584,462
Total Expenditures	<u>\$ -</u>
Net Increase in Fund Balance	\$ 584,462
Beginning Fund Balance	\$1,672,969
Ending Fund Balance	\$2,257,431

*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	\$ 24,000
Total Expenditures	<u>\$ 350,000</u>
Net Decrease in Fund Balance	\$(326,000)
Beginning Fund Balance	\$2,831,087
Ending Fund Balance	\$2,505,087

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

# Fund 21 Measure MM, Series A & B



Total Revenues	\$ 420,000
Total Expenditures	<u>\$ 43,904,694</u>
Net Decrease in Fund Balance	\$(43,484,694)
Beginning Fund Balance	\$ 77,735,325
Ending Fund Balance	\$ 34,250,631

*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	\$ 106,000
Total Expenditures	<u>\$ 12,000</u>
Net Increase in Fund Balance	\$ 94,000
Beginning Fund Balance	\$ 1,103,103
Ending Fund Balance	\$ 1,197,103

*The 2022 Developer Fees for Residential is \$3.79/sq. ft. and Commercial is \$0.61/sq. ft.*

*DMUSD receives 47.47% (\$1.80 & \$0.29 /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 35 School Facilities Fund



Total Revenues	\$ 2,400
Total Expenditures	<u>\$ -</u>
Net Increase in Fund Balance	\$ 2,400
Beginning Fund Balance	\$ 262,777
Ending Fund Balance	\$ 265,177

*This fund is used to account for State matching funds for modernization and new construction.*

# Fund 40 Special Reserve for Capital Outlay



Total Revenues	\$ 40,000
Total Expenditures	<u>\$ 50,000</u>
Net Decrease in Fund Balance	\$ (10,000)
Beginning Fund Balance	\$ 6,415,451
Ending Fund Balance	\$ 6,405,451

*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	\$ 4,395,200
Total Expenditures	<u>\$ 9,867,425</u>
Net Decrease in Fund Balance	\$ (5,472,225)
Beginning Fund Balance	\$ 15,196,892
Ending Fund Balance	\$ 9,724,667
CFD 95-1 Ending Fund Balance:	\$ 6,967,009
CFD 99-1 Ending Fund Balance:	\$ 2,757,658

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

# Fund 63 Enterprise Fund



Total Revenues	\$ 3,657,985
Total Expenditures	<u>\$ 3,260,581</u>
Net Increase in Fund Balance	\$ 397,404
Beginning Fund Balance*	\$ 1,427,572
Ending Fund Balance*	\$ 1,824,976

\*Net of Pension and OPEB Liabilities

*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	\$ 35,284
Ending Fund Balance	\$ 35,509

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

**QUESTIONS?**