

Fresno Unified School District
Board Agenda Item

Board Meeting Date: August 10, 2022

AGENDA ITEM A-8

AGENDA SECTION: A

(A – Consent, B – Discussion, C – Receive, Recognize/Present)

ACTION REQUESTED: Approve

(Adopt, Approve, Discuss, Receive, etc.)

TITLE AND SUBJECT: Approve Budget Revision No. 1 for Fiscal Year 2022/23

ITEM DESCRIPTION: Included in the Board binders is Budget Revision No. 1 for fiscal year 2022/23. Periodic updates to the district's budget are presented to the Board of Education for approval.

The district's 2022/23 Adopted Budget was approved by the Board on June 15, 2022. This included assumptions based on the Governor's May Revise. The State Budget was enacted on June 30, 2022, and below are the impacts to Fresno Unified's 2022/23 Adopted Budget:

- Local Control Funding Formula (LCFF)
 - Increase LCFF Statutory COLA from 6.56% to 12.84%, resulting in an ongoing increase of \$52.3 million, of which \$14.7 million must be programmed for supplemental and concentration actions
 - In accordance with the current employee bargaining agreements, the 2022/23 district's health contribution level increases to \$22,953 per employee participant. An increase over the adopted budget of \$1,269, equating to \$9.5 million for the Health Fund
 - Based on contingency language, the budget includes a total salary increase of 6%, of which 3% was included in the adopted budget resulting in an ongoing increase of \$18.0 million
- Home-to-School Transportation funding – Establishes reimbursement equal to 60% of an LEA's prior year reported Home-to-School Transportation costs – \$7.0 million
- Expanded Learning Opportunities Program (ELOP) – Increased rate for districts with UPP greater than 7% from \$2,500 to \$2,750, however decreased overall allocation due to an adjustment from enrollment to Average-Daily-Attendance (ADA) reported in 2021/22 – (\$9.6) million
- Learning Recovery Emergency Block Grant – Provides \$2,100 for each unduplicated student to be utilized through 2027/28. This revision allocates 20% of the Block Grant for 2022/23. Expenditures can be utilized for increasing instructional time, staff-to-pupil ratios, closing learning gaps through tutoring, pupil supports to address learning barriers, instruction for credit deficient students, and additional academic services – \$128.6 million (*one-time*)
- Art, Music, and Instructional Materials Discretionary Block Grant – Provides \$600 per ADA to be utilized through 2025/26. This revision allocates 20% of the Block Grant for 2022/23. Expenditures can be utilized for standards-aligned professional development and instructional materials, diverse book collections, and culturally relevant texts in pupils' home languages, pandemic related supplies, and other operational costs – \$35.2 million (*one-time*)
- Unrestricted Lottery – Per ADA funding increased – \$163 to \$170 per ADA – \$400,000 (*ongoing*)
- Restricted Lottery – Per ADA funding increased – \$65 to \$67 per ADA – \$100,000 (*ongoing*)

Grant Revisions

The chart below shows new grants, revisions to existing grants, and entitlements as follows:

Name	2022/23 Current Budget Allocation	2022/23 Adjusted Award Amount	Revised Budget Allocation
Art, Music and Instructional Materials Block Grant	\$-	\$7,838,175	\$7,838,175
Expanded Learning Opportunities Program	104,297,691	94,727,224	(9,570,467)
Lottery: Instructional Materials	6,136,096	6,258,808	122,712
Learning Recovery Emergency Block Grant	-	24,956,724	24,956,724
Total	\$110,433,787	\$133,780,931	\$23,347,144

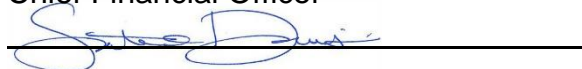
FINANCIAL SUMMARY: As a result, the Unrestricted General Fund Reserve for Economic Uncertainties is estimated at approximately \$151.5 million at June 30, 2023.

PREPARED BY: Kim Kelstrom
Executive Officer

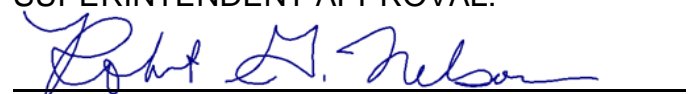


DIVISION: Business and Financial Services
PHONE NUMBER: (559) 457-6226

CABINET APPROVAL: Santino Danisi
Chief Financial Officer



SUPERINTENDENT APPROVAL:



**FRESNO UNIFIED SCHOOL DISTRICT
GENERAL FUND
BUDGET REVISION No. 1**

DESCRIPTION	2022/23 ADOPTED BUDGET	2022/23 CURRENT BUDGET	8/10/2022 2022/23 BUDGET REVISION No. 1	DIFFERENCE BETWEEN CURRENT AND BR No. 1	DIFFERENCE BETWEEN ADOPTED AND BR No. 1
Revenues					
LCFF Sources	\$ 899,699,347	\$ 899,699,347	\$ 951,954,642	\$ 52,255,295	\$ 52,255,295
Federal Revenues	342,818,761	342,818,761	342,818,761	-	-
Other State Revenues	257,589,458	257,589,458	288,366,094	30,776,636	30,776,636
Other Local Revenues	21,913,286	21,913,286	21,913,286	-	-
Total Revenues	\$ 1,522,020,852	\$ 1,522,020,852	\$ 1,605,052,783	\$ 83,031,931	\$ 83,031,931
Expenditures					
Certificated Salaries	\$ 514,758,032	\$ 514,857,486	\$ 554,347,717	\$ 39,490,231	\$ 39,589,685
Classified Salaries	199,933,019	199,863,019	205,476,817	5,613,798	5,543,798
Employee Benefits	411,514,320	411,542,844	430,305,896	18,763,052	18,791,576
Book and Supplies	139,662,812	139,588,762	134,180,441	(5,408,321)	(5,482,371)
Services & Operating	171,031,064	171,047,136	177,618,177	6,571,041	6,587,113
Capital Outlay	107,961,661	107,961,661	107,961,661	-	-
Other Outgo	4,016,103	4,016,103	4,016,103	-	-
Direct/Indirect Costs	(2,161,572)	(2,161,572)	(2,161,572)	-	-
Total Expenditures	\$ 1,546,715,439	\$ 1,546,715,439	\$ 1,611,745,240	\$ 65,029,801	\$ 65,029,801
Other Sources/(Uses)					
Transfers In	\$ 7,385,329	\$ 7,385,329	\$ 7,385,329	\$ -	\$ -
Transfers Out	(8,856,409)	(8,856,409)	(8,856,409)	-	-
Other Sources	-	-	-	-	-
Other Uses	-	-	-	-	-
Restricted Contribution	-	-	-	-	-
Total Sources/(Uses)	\$ (1,471,080)	\$ (1,471,080)	\$ (1,471,080)	\$ -	\$ -
Net Increase/Decrease in Fund Balance	\$ (26,165,667)	\$ (26,165,667)	\$ (8,163,537)	\$ 18,002,130	\$ 18,002,130
Beginning Fund Balance - Unaudited Audit Adjustment	\$ - \$ 330,779,722	\$ - \$ 330,779,722	\$ - \$ 330,779,722	\$ - \$ -	\$ - \$ -
Beginning Balance	\$ 330,779,722	\$ 330,779,722	\$ 330,779,722	\$ -	\$ -
Ending Fund Balance	\$ 304,614,055	\$ 304,614,055	\$ 322,616,185	\$ 18,002,130	\$ 18,002,130
Components of Ending Balance					
Revolving Cash	\$ 96,776	\$ 96,776	\$ 96,776	\$ -	\$ -
Stores	2,528,519	2,528,519	2,528,519	-	-
Prepaid Expense	977,806	977,806	977,806	-	-
Other Commitments	122,400,000	122,400,000	122,400,000	-	-
Assigned: Other Assignments	29,800,000	29,800,000	29,800,000	-	-
Restricted	15,268,741	15,268,741	15,268,741	-	-
Reserve for Economic Uncertainties	133,542,214	133,542,214	151,544,344	18,002,130	18,002,130
Reserve Level %	8.58%	8.58%	9.35%		
Total Ending Fund Balance	\$ 304,614,055	\$ 304,614,055	\$ 322,616,185	\$ 18,002,130	\$ 18,002,130

Per Education Code section 42127(a)(2)(B) the minimum recommended reserve for economic uncertainties is 2% or \$32,412,033

As shown above the reserve for economic uncertainties is \$151,544,344 with an assigned and committed ending balance of \$152,200,000 set aside for future year expenses

As outlined in Board Policy 3100, the Board recognizes the importance of maintaining reserve levels during stable and volatile economic times.

**UNRESTRICTED GENERAL FUND
BUDGET REVISION No. 1**

	2022/23 ADOPTED BUDGET	2022/23 CURRENT BUDGET	8/10/2022 BUDGET REVISION No. 1	DIFFERENCE BETWEEN CURRENT	DIFFERENCE BETWEEN ADOPTED
DESCRIPTION	UNRESTRICTED	UNRESTRICTED	UNRESTRICTED	AND BR No. 1	AND BR No. 1
Revenues					
LCFF Sources	\$ 899,699,347	\$ 899,699,347	\$ 951,954,642	\$ 52,255,295	\$ 52,255,295
Federal Revenues	-	-	-	-	-
Other State Revenues	14,194,023	14,194,023	21,623,515	7,429,492	7,429,492
Other Local Revenues	11,589,836	11,589,836	11,589,836	-	-
Total Revenues	\$ 925,483,206	\$ 925,483,206	\$ 985,167,993	\$ 59,684,787	\$ 59,684,787
Expenditures					
Certificated Salaries	\$ 349,536,571	\$ 349,636,025	\$ 368,906,905	\$ 19,270,880	\$ 19,370,334
Classified Salaries	94,427,544	94,357,544	97,834,024	3,476,480	3,406,480
Employee Benefits	224,321,314	224,349,838	238,139,711	13,789,873	13,818,397
Book and Supplies	41,495,577	41,421,527	41,421,527	-	(74,050)
Services & Operating	76,862,786	76,878,858	76,992,287	113,429	129,501
Capital Outlay	41,148,257	41,148,257	41,148,257	-	-
Other Outgo	1,421,745	1,421,745	1,421,745	-	-
Direct/Indirect Costs	(20,069,423)	(20,069,423)	(19,921,469)	147,954	147,954
Total Expenditures	\$ 809,144,371	\$ 809,144,371	\$ 845,942,987	\$ 36,798,616	\$ 36,798,616
Other Sources/(Uses)					
Transfers In	\$ 28,920	\$ 28,920	\$ 28,920	\$ -	\$ -
Transfers Out	(1,500,000)	(1,500,000)	(1,500,000)	-	-
Other Sources					
Other Uses					
Restricted Contribution	\$ (113,325,755)	\$ (113,325,755)	\$ (118,209,796)	\$ (4,884,041)	\$ (4,884,041)
Total Sources/(Uses)	\$ (114,796,835)	\$ (114,796,835)	\$ (119,680,876)	\$ (4,884,041)	\$ (4,884,041)
Net Increase/Decrease in Fund Balance	\$ 1,542,000	\$ 1,542,000	\$ 19,544,130	\$ 18,002,130	\$ 18,002,130
Beginning Fund Balance - Adopted	\$ 287,803,315	\$ 287,803,315	\$ 287,803,315	\$ -	\$ -
Audit Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -
Beginning Balance	\$ 287,803,315	\$ 287,803,315	\$ 287,803,315	\$ -	\$ -
Ending Fund Balance	\$ 289,345,315	\$ 289,345,315	\$ 307,347,445	\$ 18,002,130	\$ 18,002,130

**FRESNO UNIFIED SCHOOL DISTRICT
RESTRICTED GENERAL FUND
BUDGET REVISION No. 1**

DESCRIPTION	2022/23 ADOPTED BUDGET	2022/23 CURRENT BUDGET	8/10/2022 BUDGET REVISION No. 1	DIFFERENCE BETWEEN CURRENT	DIFFERENCE BETWEEN ADOPTED
	RESTRICTED	RESTRICTED	RESTRICTED	AND BR No. 1	AND BR No. 1
Revenues					
LCFF Sources	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Revenues	342,818,761	342,818,761	342,818,761	-	-
Other State Revenues	243,395,435	243,395,435	266,742,579	23,347,144	23,347,144
Other Local Revenues	10,323,450	10,323,450	10,323,450	-	-
Total Revenues	\$ 596,537,646	\$ 596,537,646	\$ 619,884,790	\$ 23,347,144	\$ 23,347,144
Expenditures					
Certificated Salaries	\$ 165,221,461	\$ 165,221,461	\$ 185,440,812	\$ 20,219,351	\$ 20,219,351
Classified Salaries	105,505,475	105,505,475	107,642,793	2,137,318	2,137,318
Employee Benefits	187,193,006	187,193,006	192,166,185	4,973,179	4,973,179
Book and Supplies	98,167,235	98,167,235	92,758,914	(5,408,321)	(5,408,321)
Services & Operating	94,168,278	94,168,278	100,625,890	6,457,612	6,457,612
Capital Outlay	66,813,404	66,813,404	66,813,404	-	-
Other Outgo	2,594,358	2,594,358	2,594,358	-	-
Direct/Indirect Costs	17,907,851	17,907,851	17,759,897	(147,954)	(147,954)
Total Expenditures	\$ 737,571,068	\$ 737,571,068	\$ 765,802,253	\$ 28,231,185	\$ 28,231,185
Other Sources/(Uses)					
Transfers In	7,356,409	7,356,409	7,356,409	-	-
Transfers Out	(7,356,409)	(7,356,409)	(7,356,409)	-	-
Other Sources	-	-	-	-	-
Other Uses	-	-	-	-	-
Restricted Contribution	113,325,755	113,325,755	118,209,796	4,884,041	4,884,041
Total Sources/(Uses)	\$ 113,325,755	\$ 113,325,755	\$ 118,209,796	\$ 4,884,041	\$ 4,884,041
Net Increase/Decrease in Fund Balance	\$ (27,707,667)	\$ (27,707,667)	\$ (27,707,667)	\$ -	\$ -
Beginning Fund Balance - Adopted	\$ 42,976,407	\$ 42,976,407	\$ 42,976,407	\$ -	\$ -
Beginning Balance	\$ 42,976,407	\$ 42,976,407	\$ 42,976,407	\$ -	\$ -
Ending Fund Balance	\$ 15,268,740	\$ 15,268,740	\$ 15,268,740	\$ -	\$ -