Fresno Unified School District
Board Agenda Item

Board Meeting Date: January 19, 2022

AGENDA ITEM A-5

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. 3 for Fiscal Year 2021/22

ITEM DESCRIPTION: Included in the Board binders is Budget Revision No. 3 for fiscal year 2021/22. Periodic updates to the district's budget are presented to the Board of Education for approval. Budget Revision No. 3 includes adjustments for updated information and necessary adjustments to support the acceptance of various grant awards.

The following items are included in Budget Revision No. 3 for fiscal year 2021/22:

- Expense changes to reflect items reported in the First Interim Financial Report approved by the Board on December 08, 2021
- Program adjustments
- Grant Revisions
- Other Funds

FINANCIAL SUMMARY: As a result, the Unrestricted General Fund Reserve for Economic Uncertainties is estimated at approximately $117.1 million at June 30, 2022.

PREPARED BY: Kim Kelstrom
Executive Officer

DIVISION: Administrative Services
PHONE NUMBER: (559) 457-6226

CABINET APPROVAL: Santino Danisi
Chief Financial Officer

SUPERINTENDENT APPROVAL:

Unrestricted General Fund Adjustments and Revisions

As presented in the 2021/22 First Interim Financial Report approved by the Board on December 08, 2021, the following adjustments are being made:

- Decrease of $900,000 to the Local Control Funding Formula as a result of lower attendance for community day
- Decrease of $5.0 million in salaries and benefits based on year-to-date expenditures compared to historic averages
- Recognize $6.0 million for an additional 1% salary increase from 3% included in the adopted budget to 4% in accordance with collective bargaining agreements
- Decrease of $3.4 million in supplies, services and capital outlay at school sites and departments based on expenditures compared to historic averages
- Increase Indirect $2.0 million based on historic averages due to grants not being completely spent
- Assigned $15.0 million in one-time expenses anticipated to be expensed in 2022/23 in salaries and benefits based on additional supplemental and concentration funding allocated for increased staff at school sites
- Assigned $3.5 million in one-time expenses anticipated to be expensed in 2022/23 which include Design Science Facility of $3.3 million and Restroom Renovations of $200,000
- Assigned $5.0 million in one-time expenses anticipated to be expensed in 2022/23 for the Ed Center building remodel
    - Allocate $2.0 million from assigned fund balance to begin work on the Ed Center building remodel
- Allocate $900,000 from Assigned Fund balance for Physics Textbook Adoption previously committed in the fund balance that will be utilized in this fiscal year

Program Adjustments to 2021/22 Budget Recommended for Approval

The following items are included for the Board's consideration and approval:

- Recognize $170,000 for Human Resources for an application tracking system contract and Principal, Vice Principal, and Guidance Learning Advisor compensation studies
- Recognize $40,000 for Human Resources to support an additional Administrator for certificated labor relations
- Decrease of $300,000 in Unrestricted Preschool due to grant increases
- Decrease Indirect $900,000 based on new grant allocations

Grant Revisions

The charts below, and on the following pages, show carryover, new grants, revisions to existing grants and entitlements:

Name	2021/22 Current Budget Allocation	2021/22 Adjusted Award Amount	Revised Budget Allocation
American Rescue Plan – Homeless Children and Youth II (ARP)	-	$996,036	$996,036
CA Prekindergarten Planning and Implementation Grant [(A)]	378,501	(378,501)	-
California Newcomer Education and Well-Being Project	282,078	282,078	564,156
Emergency Connectivity Fund	-	16,685,613	16,685,613
ESSA: Comprehensive Support & Improvement (CSI)	3,023,484	108,968	3,236,978
Elementary and Secondary School Emergency Relief II	104,029,568	4,266,600	108,296,168
Homeless Children Education Grant	-	97,400	97,400
IASA: Title I Basic Grants Low	72,747,466	447,341	73,194,807
Kaiser Grant Student Wellness	-	75,000	75,000
Medi-Cal Billing Option	3,259,537	15,589	3,275,126
Ongoing & Major Maintenance Account	36,974,852	190,562	37,165,414
Partnership Academies – Edison Clean & Green Energy	100,483	3,330	103,813
Partnership Academies – McLane Medical Ed and Research	118,200	3,330	121,530
Partnership Academies – McLane Visual and Fine Arts	-	3,330	3,330
Partnership Academies – Roosevelt UMC Health	-	3,330	3,330
Partnership Academies – Sunnyside Video	127,881	3,330	131,211
Special Education	135,268,523	983,451	136,251,974
Special Education - Infant Program	1,824,936	13,910	1,838,846
Special Education - Mental Health Services	5,742,121	27,473	5,769,594
Special Education – Preschool Local Assistance	-	30,000	30,000
Special Education – We Can Work	-	52,252	52,252
Special Education – Workability	460,025	4,300	464,325
Title II – Teacher Quality	14,580,627	58,080	14,638,707
Unbound Learning	-	13,500	13,500
Vocational Programs: Voc & App	1,084,387	147,476	1,231,863
Wallace Foundation	1,790,000	100,000	1,890,000
Total	**$381,792,669**	**$24,233,778**	**$406,026,447**

[(A)] Shift to Child Development Fund

Adult Education Fund – Budget Revision No. 3 reflects an increase in expenses of $250,000 for adjustments in various grant awards:

Name	2021/22 Current Budget Allocation	2021/22 Adjusted Award Amount	Revised Budget Allocation
Citizenship and Integration Direct Services Grant Program	$48,276	$250,000	$298,276
Total	**$48,276**	**$250,000**	**$298,276**

Children's Center Fund – Budget Revision No. 3 reflects an increase in expenses of $3,306,334 for adjustments in various grant awards:

Name	2021/22 Current Budget Allocation	2021/22 Adjusted Award Amount	Revised Budget Allocation
Child Development: California State Preschool Program (CSPP) [B]	$16,443,867	$328,560	$16,772,427
Licensed Care Facility Stabilization Stipend	-	354,400	354,400
CA Prekindergarten Planning and Implementation Grant	-	1,205,239	1,205,239
Fresno EOC Head Start Partnership	-	1,418,135	1,418,135
Total	**$16,443,867**	**$3,306,334**	**$19,750,201**

[B] Shift from Restricted General Fund

Cafeteria Fund – Budget Revision No. 3 reflects an increase in expenses of $830,925 for adjustments in various grant awards:

Name	2021/22 Current Budget Allocation	2021/22 Adjusted Award Amount	Revised Budget Allocation
Child Nutrition: Child Care Food	$4,555,700	$291,579	$4,847,279
Child Nutrition: Fresh Fruit & Vegetables	2,350,103	406,957	2,757,060
Specialty Crop Block Grant	-	132,389	132,389
Total	**$6,905,803**	**$830,925**	**$7,736,728**

FRESNO UNFIED SCHOOL DISTRICT
GENERAL FUND
BUDGET REVISION No. 3

DESCRIPTION	2021/22 ADOPTED BUDGET	2021/22 CURRENT BUDGET	1/19/2022 2021/22 BUDGET REVISION No. 3	DIFFERENCE BETWEEN CURRENT AND BR No. 3	DIFFERENCE BETWEEN ADOPTED AND BR No. 3
Revenues					
LCFF Sources	$ 814,231,696	$ 847,475,392	$ 846,606,462	$ (868,930)	$ 32,374,766
Federal Revenues	209,856,651	287,885,677	293,919,481	6,033,804	84,062,830
Other State Revenues	187,187,967	209,393,877	210,195,001	801,124	23,007,034
Other Local Revenues	18,328,074	21,190,454	37,358,319	16,167,865	19,030,245
Total Revenues	$ 1,229,604,388	$ 1,365,945,400	$ 1,388,079,263	$ 22,133,863	$ 158,474,875
Expenditures					
Certificated Salaries	$ 493,099,101	$ 556,217,286	$ 546,031,815	$ (10,185,471)	$ 52,932,714
Classified Salaries	153,062,064	158,986,094	156,839,777	(2,146,317)	3,777,713
Employee Benefits	344,307,261	350,280,040	348,101,238	(2,178,802)	3,793,977
Book and Supplies	67,666,687	113,127,488	134,669,012	21,541,524	67,002,325
Services & Operating	128,537,800	156,704,424	155,613,509	(1,090,915)	27,075,709
Capital Outlay	8,011,642	9,008,018	7,658,018	(1,350,000)	(353,624)
Other Outgo	2,711,567	3,801,567	4,001,619	200,052	1,290,052
Direct/Indirect Costs	(2,528,840)	(2,308,849)	(2,365,510)	(56,661)	163,330
Total Expenditures	$ 1,194,867,282	$ 1,345,816,068	$ 1,350,549,478	$ 4,733,410	$ 155,682,196
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	$ 33,266,026	$ 18,658,252	$ 36,058,705	$ 17,400,453	$ 2,792,679
Beginning Fund	$ -	$ -	$ -	$ -	$ -
Balance - Unaudited	$ 189,916,304	$ 189,916,304	$ 189,916,304	$ -	$ -
Audit Adjustment					
Beginning Balance	$ 189,916,304	$ 229,193,036	$ 229,193,036	$ -	$ 39,276,731
Ending Fund Balance	$ 223,182,330	$ 247,851,288	$ 265,251,741	$ 17,400,453	$ 42,069,410
Components of Ending Balance					
Revolving Cash	$ 90,918	$ 96,776	$ 96,776	$ -	$ 5,858
Stores	2,725,284	2,528,519	2,528,519	-	(196,765)
Prepaid Expense	1,162,384	977,806	977,806	-	(184,578)
Other Commitments	87,100,000	87,100,000	86,200,000	(900,000)	(900,000)
Assigned: Other Assignments	32,000,000	32,000,000	57,050,000	25,050,000	25,050,000
Restricted	1,169,794	1,169,794	1,169,794	-	-
Reserve for Economic Uncertainties	98,933,951	123,978,393	117,228,846	(6,749,547)	18,294,895
Reserve Level %	8.22%	9.15%	8.62%		
Total Ending Fund Balance	$ 223,182,330	$ 247,851,288	$ 265,251,741	$ 17,400,453	$ 42,069,410

Per Education Code section 42127(a)(2)(B) the minimum recommended reserve for economic uncertainties is 2% or $27,1188,118

As shown above the reserve for economic uncertainties is $117,228,846 with an assigned and committed ending balance of $143,250,000 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.

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UNRESTRICTED GENERAL FUND
BUDGET REVISION No. 3

DESCRIPTION	2021/22 ADOPTED BUDGET UNRESTRICTED	2021/22 CURRENT BUDGET UNRESTRICTED	1/19/2022 BUDGET REVISION No. 3 UNRESTRICTED	DIFFERENCE BETWEEN CURRENT AND BR No. 3	DIFFERENCE BETWEEN ADOPTED AND BR No. 3
Revenues					
LCFF Sources	$ 814,231,696	$ 847,475,392	$ 846,606,462	$ (868,930)	$ 32,374,766
Federal Revenues	-	-	-	-	-
Other State Revenues	14,650,014	15,583,002	15,583,002	-	932,988
Other Local Revenues	11,139,137	12,066,534	12,066,534	-	927,397
Total Revenues	$ 840,020,847	$ 875,124,928	$ 874,255,998	$ (868,930)	$ 34,235,151
Expenditures					
Certificated Salaries	$ 322,961,417	$ 353,536,890	$ 342,875,378	$ (10,661,512)	$ 19,913,961
Classified Salaries	88,607,498	90,562,271	87,693,200	(2,869,071)	(914,298)
Employee Benefits	192,326,546	194,177,236	191,703,486	(2,473,750)	(623,060)
Book and Supplies	24,379,864	25,513,816	25,738,566	224,750	1,358,702
Services & Operating	72,578,942	68,738,496	66,305,211	(2,433,285)	(6,273,731)
Capital Outlay	5,906,340	6,404,918	5,054,918	(1,350,000)	(851,422)
Other Outgo	1,207,209	1,207,209	1,407,261	200,052	200,052
Direct/Indirect Costs	(20,028,099)	(22,584,552)	(22,722,104)	(137,552)	(2,694,005)
Total Expenditures	$ 687,939,717	$ 717,556,284	$ 698,055,916	$ (19,500,368)	$ 10,116,199
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	$ (111,622,266)	$ (108,920,213)	$ (110,151,198)	$ (1,230,985)	$ 1,471,068
Total Sources/(Uses)	$ (113,093,346)	$ (110,391,293)	$ (111,622,278)	$ (1,230,985)	$ 1,471,068
Net Increase/Decrease in Fund Balance	$ 38,987,784	$ 47,177,351	$ 64,577,804	$ 17,400,453	$ 25,590,020
Beginning Fund Balance - Adopted	$ 183,024,753	$ 183,024,753	$ 183,024,753	$ -	$ -
Audit Adjustment	$ -	$ -	$ -	$ -	$ -
Beginning Balance	$ 183,024,753	$ 199,504,143	$ 199,504,143	$ -	$ 16,479,391
Ending Fund Balance	$ 222,012,537	$ 246,681,494	$ 264,081,947	$ 17,400,453	$ 42,069,411

FRESNO UNFIED SCHOOL DISTRICT
RESTRICTED GENERAL FUND
BUDGET REVISION No. 3

DESCRIPTION	2021/22 ADOPTED BUDGET RESTRICTED	2021/22 CURRENT BUDGET RESTRICTED	1/19/2022 BUDGET REVISION No. 3 RESTRICTED	DIFFERENCE BETWEEN CURRENT AND BR No. 3	DIFFERENCE BETWEEN ADOPTED AND BR No. 3
Revenues					
LCFF Sources	$ -	$ -	$ -	$ -	$ -
Federal Revenues	209,856,651	287,885,677	293,919,481	6,033,804	84,062,830
Other State Revenues	172,537,953	193,810,875	194,611,999	801,124	22,074,046
Other Local Revenues	7,188,937	9,123,920	25,291,785	16,167,865	18,102,848
Total Revenues	$ 389,583,541	$ 490,820,472	$ 513,823,265	$ 23,002,793	$ 124,239,724
Expenditures					
Certificated Salaries	$ 170,137,684	$ 202,680,396	$ 203,156,437	$ 476,041	$ 33,018,753
Classified Salaries	64,454,566	68,423,823	69,146,577	722,754	4,692,011
Employee Benefits	151,980,715	156,102,804	156,397,752	294,948	4,417,037
Book and Supplies	43,286,823	87,613,672	108,930,446	21,316,774	65,643,623
Services & Operating	55,958,858	87,965,928	89,308,298	1,342,370	33,349,440
Capital Outlay	2,105,302	2,603,100	2,603,100	-	497,798
Other Outgo	1,504,358	2,594,358	2,594,358	-	1,090,000
Direct/Indirect Costs	17,499,259	20,275,703	20,356,594	80,891	2,857,335
Total Expenditures	$ 506,927,565	$ 628,259,784	$ 652,493,562	$ 24,233,778	$ 145,565,997
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	111,622,266	108,920,213	110,151,198	1,230,985	(1,471,068)
Total Sources/(Uses)	$ 111,622,266	$ 108,920,213	$ 110,151,198	$ 1,230,985	$ (1,471,068)
Net Increase/Decrease in Fund Balance	$ (5,721,758)	$ (28,519,099)	$ (28,519,099)	$ -	$ (22,797,341)
Beginning Fund Balance - Adopted	$ 6,891,552	$ 6,891,552	$ 6,891,552	$ -	$ -
Beginning Balance	$ 6,891,552	$ 29,688,892	$ 29,688,892	$ 0	$ 22,797,341
Ending Fund Balance	$ 1,169,794	$ 1,169,793	$ 1,169,793	$ 0	$ (0)

FRESNO UNIFIED BUDGET AUGMENTATION

BOARD PRESENTATION DATE: January 19, 2022

FUND: **Adult Education Fund**

OBJECT	ACCOUNT TITLE	Adopted BUDGET	Current BUDGET	Revised BUDGET	Net Change BUDGET
APPROPRIATIONS:					
1000	Certificated Salaries	2,436,842	2,564,154	2,623,154	59,000
2000	Classified Salaries	1,620,303	1,633,907	1,633,907	0
3000	Employee Benefits	2,362,927	2,362,542	2,394,609	32,067
4000	Books and Supplies	1,790,112	1,646,602	1,746,602	100,000
5000	Services and Other Operating	863,140	1,019,778	1,068,519	48,741
6000	Capital Outlay	0	0	0	0
7000	Other Outgo	0	0	0	0
	TOTAL BEFORE INDIRECT	9,073,324	9,226,983	9,466,791	239,808
7300	INDIRECT COSTS	276,879	276,879	287,071	10,192
	TOTAL APPROPRIATIONS	9,350,203	9,503,862	9,753,862	250,000
REVENUES:					
	REVENUE LIMIT SOURCES	0	0	0	0
	FEDERAL REVENUES	1,151,245	1,243,904	1,493,904	250,000
	STATE REVENUES	6,098,047	6,098,047	6,098,047	0
	LOCAL REVENUES	608,087	608,087	608,087	0
	OTHER SOURCES	0	0	0	0
	TOTAL REVENUES	7,857,379	7,950,038	8,200,038	250,000
	Beginning Fund Balance	1,723,286	1,745,523	1,745,523	0
	Change to Fund Balance	(1,492,824)	(1,553,824)	(1,553,824)	0
	Ending Fund Balance	230,462	191,699	191,699	0

FRESNO UNIFIED BUDGET AUGMENTATION

BOARD PRESENTATION DATE: January 19, 2022

FUND: **Children Center Fund**

OBJECT	ACCOUNT TITLE	Adopted BUDGET	Current BUDGET	Revised BUDGET	Net Change BUDGET
APPROPRIATIONS:					
1000	Certificated Salaries	5,604,024	5,686,111	6,001,276	315,165
2000	Classified Salaries	4,263,276	4,263,276	4,263,276	0
3000	Employee Benefits	8,423,832	8,351,745	8,351,745	0
4000	Books and Supplies	1,608,419	2,273,138	4,484,937	2,211,799
5000	Services and Other Operating	1,129,238	1,483,459	2,216,360	732,901
6000	Capital Outlay	0	0	0	0
7000	Other Outgo	0	0	0	0
	TOTAL BEFORE INDIRECT	21,028,789	22,057,729	25,317,594	3,259,865
7300	INDIRECT COSTS	869,928	913,658	960,127	46,469
	TOTAL APPROPRIATIONS	21,898,717	22,971,387	26,277,721	3,306,334
REVENUES:					
	REVENUE LIMIT SOURCES	0	0	0	0
	FEDERAL REVENUES	1,401,845	1,401,845	1,401,845	0
	STATE REVENUES	20,229,316	20,229,316	21,763,115	1,533,799
	LOCAL REVENUES	267,556	636,831	2,409,366	1,772,535
	OTHER SOURCES	0	0	0	0
	TOTAL REVENUES	21,898,717	22,267,992	25,574,326	3,306,334
	Beginning Fund Balance	0	703,395	703,395	0
	Change to Fund Balance	0	(703,395)	(703,395)	0
	Ending Fund Balance	0	0	0	0

FRESNO UNIFIED BUDGET AUGMENTATION

BOARD PRESENTATION DATE: January 19, 2022

FUND: **Cafeteria Fund**

OBJECT	ACCOUNT TITLE	Adopted BUDGET	Current BUDGET	Revised BUDGET	Net Change BUDGET
APPROPRIATIONS:					
1000	Certificated Salaries	0	0	41,111	41,111
2000	Classified Salaries	14,820,482	14,820,482	14,820,482	0
3000	Employee Benefits	11,668,385	11,668,385	11,678,662	10,277
4000	Books and Supplies	23,254,999	23,544,178	23,951,135	406,957
5000	Services and Other Operating	2,769,998	2,769,998	2,846,888	76,890
6000	Capital Outlay	0	520,000	811,579	291,579
7000	Other Outgo	0	0	0	0
	TOTAL BEFORE INDIRECT	52,513,864	53,323,043	54,149,857	826,814
7300	INDIRECT COSTS	1,382,033	1,382,033	1,386,144	4,111
	TOTAL APPROPRIATIONS	53,895,897	54,705,076	55,536,001	830,925
REVENUES:					
	REVENUE LIMIT SOURCES	0	0	0	0
	FEDERAL REVENUES	52,069,158	52,069,158	52,608,504	539,346
	STATE REVENUES	1,708,586	1,708,586	1,708,586	0
	LOCAL REVENUES	1,289,060	1,389,426	1,389,426	0
	OTHER SOURCES	0	0	0	0
	TOTAL REVENUES	55,066,804	55,167,170	55,706,516	539,346
	Beginning Fund Balance	16,830,805	13,364,854	13,364,854	0
	Change to Fund Balance	1,170,907	462,094	170,515	(291,579)
	Ending Fund Balance	18,001,712	13,826,948	13,535,369	(291,579)