

## Multiyear Financial Projection Review

April 4, 2024

### Budget

Amount	Details	Month	Amount
4,500	Mid Year Bonus	June	2,000
2,500	Year End Bonus	December	3,000
		January	5,000

Costs	Month	Amount
2,300	November	450
600	December	600
350	July	300
60	January	880
	January	
	January	
	January	

Annual Budget by Month		
April	May	June
9,915	13,220	16,000
	7,000	7,000
	0	

## Siskiyou Union High School District

Michael H. Fine  
Chief Executive Officer

April 4, 2024

Gregg Gunkel, Board of Trustees President  
Siskiyou Union High School District  
624 Everitt Memorial Highway  
Mt. Shasta, CA 96067

Dear Board President Gunkel:

In September 2023, the Siskiyou Union High School district and the Fiscal Crisis and Management Assistance Team (FCMAT) entered into an agreement for FCMAT to review the district's 2023-24 adopted general fund budget and use it as a baseline to develop an independent multiyear financial projection (MYFP) for the current and two subsequent fiscal years. The MYFP is a snapshot in time of the district's financial status.

Additionally, the scope included recommendations for expenditure reductions and/or revenue increases, if any, to help the district address any projected structural budget deficit.

This report contains the study team's findings and recommendations as well as the MYFP.

FCMAT appreciates the opportunity to serve the Siskiyou Union High School District and extends our thanks to the district staff for their assistance during fieldwork.

Sincerely,



Michael H. Fine  
Chief Executive Officer

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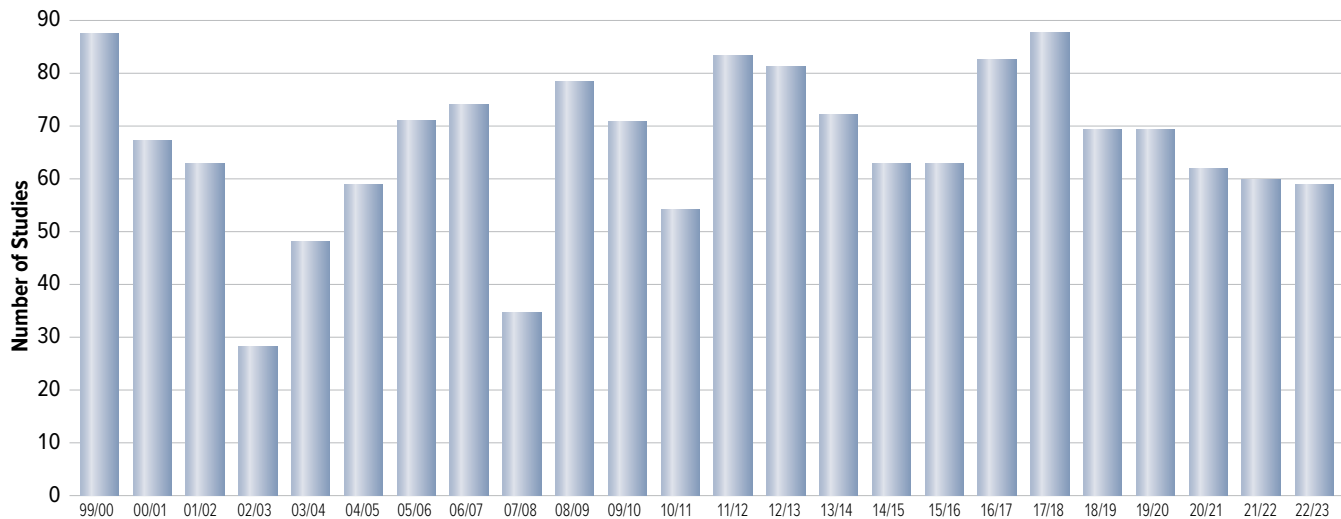
# About FCMAT

FCMAT’s primary mission is to assist California’s local TK-14 educational agencies to identify, prevent, and resolve financial, human resources and data management challenges. FCMAT provides fiscal and data management assistance, professional development training, product development and other related school business and data services. FCMAT’s fiscal and management assistance services are used not just to help avert fiscal crisis, but to promote sound financial practices, support the training and development of chief business officials and help to create efficient organizational operations. FCMAT’s data management services are used to help local educational agencies (LEAs) meet state reporting responsibilities, improve data quality, and inform instructional program decisions.

FCMAT may be requested to provide fiscal crisis or management assistance by a school district, charter school, community college, county office of education, the state superintendent of public instruction, or the Legislature.

When a request or assignment is received, FCMAT assembles a study team that works closely with the LEA to define the scope of work, conduct on-site fieldwork and provide a written report with findings and recommendations to help resolve issues, overcome challenges and plan for the future.

**Studies by Fiscal Year**



FCMAT has continued to make adjustments in the types of support provided based on the changing dynamics of TK-14 LEAs and the implementation of major educational reforms. FCMAT also develops and provides numerous publications, software tools, workshops and professional learning opportunities to help LEAs operate more effectively and fulfill their fiscal oversight and data management responsibilities. The California School Information Services (CSIS) division of FCMAT assists the California Department of Education with the implementation of the California Longitudinal Pupil Achievement Data System (CALPADS). CSIS also hosts and maintains the Ed-Data website ([www.ed-data.org](http://www.ed-data.org)) and provides technical expertise to the Ed-Data partnership: the California Department of Education, EdSource and FCMAT.

FCMAT was created by Assembly Bill (AB) 1200 in 1991 to assist LEAs to meet and sustain their financial obligations. AB 107 in 1997 charged FCMAT with responsibility for CSIS and its statewide data management work. AB 1115 in 1999 codified CSIS’ mission.

AB 1200 is also a statewide plan for county offices of education and school districts to work together locally to improve fiscal procedures and accountability standards. AB 2756 (2004) provides specific responsibilities to FCMAT with regard to districts that have received emergency state loans.

In January 2006, Senate Bill 430 (charter schools) and AB 1366 (community colleges) became law and expanded FCMAT's services to those types of LEAs.

On September 17, 2018 AB 1840 was signed into law. This legislation changed how fiscally insolvent districts are administered once an emergency appropriation has been made, shifting the former state-centric system to be more consistent with the principles of local control, and providing new responsibilities to FCMAT associated with the process.

Since 1992, FCMAT has been engaged to perform more than 1,400 reviews for LEAs, including school districts, county offices of education, charter schools and community colleges. The Kern County Superintendent of Schools is the administrative agent for FCMAT. The team is led by Michael H. Fine, Chief Executive Officer, with funding derived through appropriations in the state budget and a modest fee schedule for charges to requesting agencies.

# Introduction

## Background

Located in rural Siskiyou County, the Siskiyou Union High School District has a seven-member governing board and serves students in grades 9-12 at four high schools as well as providing both online and adult education options. According to data from the California Department of Education (CDE), the district's student enrollment has remained mostly steady, with 537 students in 2019-20 compared to 531 in 2022-23.

The district's California Longitudinal Pupil Achievement Data System (CALPADS) data indicates that the district's unduplicated pupil count (UPC) of students who qualify for free or reduced-price meals and/or are foster youth and/or are English learners has been declining. In 2019-20, the district reported a UPC of 342 students, or 63.69%, whereas in 2022-23, this figure decreased to 224 students, or 42.18%.

The district has experienced recent turnover in key leadership roles, with the superintendent and chief business officer both relatively new to their positions. This transition has caused some uncertainty in the district's financial outlook and was a catalyst for enlisting the Fiscal Crisis and Management Assistance Team (FCMAT) to provide an independent review of the district's multiyear projections and overall fiscal health.

## Study and Report Guidelines

In September 2023, the district and FCMAT entered into an agreement for FCMAT to perform a review of the district's 2023-24 adopted general fund budget and use it as a baseline to develop an independent multiyear financial projection (MYFP) for the current and two subsequent fiscal years. Additionally, the scope included any recommendations for expenditure reductions and/or revenue increases to help the district address any projected structural budget deficit.

FCMAT visited the district on October 26-27, 2023 to conduct interviews with district staff, collect data, and review documentation. Additional questions and discussions occurred via email and phone subsequent to FCMAT's site visit, primarily with the district's chief business official. The district provided relevant documents both during and following fieldwork, as available, to assist in the review and compilation of the MYFP. This report is the result of those activities.

FCMAT's reports focus on systems and processes that may need improvement. Those that may be functioning well are generally not commented on in FCMAT's reports. In writing its reports, FCMAT uses the Associated Press Stylebook, a comprehensive guide to usage and accepted style that emphasizes conciseness and clarity. In addition, this guide emphasizes plain language, discourages the use of jargon and capitalizes relatively few terms.

# Study Team

The study team was composed of the following members:

Jeffrey B. Potter, CFE  
FCMAT Intervention Specialist

Jennifer Nerat  
FCMAT Intervention Specialist

Leonel Martínez  
FCMAT Technical Writer

Each team member reviewed the draft report to confirm accuracy and achieve consensus on the final recommendations.

# Executive Summary

The Siskiyou Union High School District has experienced a recent transition of leadership, with both the superintendent and chief business official relatively new to their respective positions. Accordingly, FCMAT's primary objective in this study was to review the district's 2023-24 adopted general fund budget and develop an independent MYFP. The team reviewed numerous documents and financial reports, including the district's 2023-24 adopted budget, 2022-23 second interim financial report, the 2022-23 unaudited actuals, attendance and enrollment data, and various other current and historical financial information relevant to the study.

Financial projections are based on certain assumptions and criteria, including enrollment and average daily attendance (ADA) trends, cost-of-living increases, economic conditions, and revenue and expenditure estimates. Therefore, when the underlying assumptions change, so do the results of the projection.

The district's budget was based on the governor's May revision budget and other assumptions that were available when it was created. Because of the time that elapsed between the district's adoption of the 2023-24 budget and FCMAT's review and preparation of an equivalent MYFP, FCMAT benefited from more current information compared to the various assumptions used by the district. Specifically, FCMAT's MYFP was based on the final 2023-24 enacted state budget as well as updated information on economic factors, enrollment and ADA projections, the district's completion of the 2022-23 unaudited actuals, and other data that was unavailable until the start of the 2023-24 school year.

The district's 2023-24 adopted budget and MYFP does not project any overall deficit spending in 2023-24 or the subsequent two fiscal years. However, deficit spending is projected in the unrestricted general fund in all three years of the MYFP, with a planned deficit of \$368,710 in 2023-24, \$996,765 in 2024-25 and \$1,135,486 in 2025-26. The district projected to meet the required reserve for economic uncertainties of 4% in both 2023-24 and 2024-25 but projected to be unable to meet the reserve in 2025-26. Moreover, the district projected an unrestricted negative ending fund balance of \$503,525 in 2025-26.

The MYFP prepared by FCMAT also shows projected deficit spending in the unrestricted general fund in all three years, with an excess of expenditures over revenue of \$969,314 in 2023-24, \$1,824,896 in 2024-25 and \$2,583,710 in 2025-26. In 2025-26, FCMAT is also projecting a combined restricted and unrestricted negative ending fund balance, with an unassigned/undesignated amount of negative \$1,956,731 after the restricted balance and required reserve are removed from the ending fund balance. That is, the district will be unable to meet either the required minimum reserve for economic uncertainties or the additional 2% board-designated reserve, in 2025-26 without additional revenue enhancements and/or expenditure reductions, thereby jeopardizing the district's overall fiscal solvency.

It is therefore imperative that the district develop and adopt a detailed deficit reduction plan that includes the identification of specific areas where reductions will be made, and a proactive timeline for implementation prior to 2025-26.

**FCMAT Multiyear Financial Projection Summary, General Fund, Unrestricted Resources Only**

Description	Base Year 2023-24	Year 2 2024-25	Year 3 2025-26
Total, Revenues	7,657,111	7,136,097	6,665,487
Total, Expenditures & Other Uses	8,627,025	8,960,993	9,249,197
Net Increase (Decrease) in Fund Balance	(969,314)	(1,824,896)	(2,583,710)
Beginning Fund Balance, July 1	3,791,156	2,824,818	1,002,898
Ending Fund Balance, June 30	2,821,842	996,946	(1,586,764)
Components of Ending Fund Balance			
Committed – Stabilization (Reserve)	517,622	263,507	0
Committed – Other	453,000	375,000	0
Required Reserve for Econ. Uncertainties	345,081	358,440	369,968
Unassigned/Unappropriated Amount	1,506,139	0	(1,956,731)

Note: Rounding used in calculations.

The negative figure shown as the unassigned/unappropriated balance for 2025-26 is the amount that budgeted expenditures must be reduced, or revenues increased to meet the reserve requirements in accordance with Assembly Bill (AB) 1200. An entity that continues to spend more than it receives depletes its cash resources and, without correction, eventually faces insolvency. The consequences of becoming cash insolvent are severe, including county and state intervention and a loss of local governance and control. This should be avoided at all costs and can be averted with proactive revenue enhancements and/or expenditure reductions.

# Findings and Recommendations

## Multiyear Financial Projection

Assembly Bill 1200 and AB 2756 require multiyear financial projections, and they are part of the budget adoption and interim reporting processes. AB 2756 was signed into law in June 2004 and made substantive changes to the financial accountability and oversight processes used to monitor the fiscal status of school districts and county offices of education. AB 2756 strengthened the roles of the superintendent of public instruction (SPI) and county offices of education and their ability to intervene during fiscal crises, including the authority to request assistance from FCMAT.

If, at any time during the fiscal year, a district cannot meet its financial obligations for the current or two subsequent fiscal years, or has a qualified or negative interim budget certification, the county superintendent of schools is required to notify the district's governing board and the SPI. The county office must follow Education Code (EC) 42127.6 when assisting a school district in fiscal distress. If a district does not maintain its required reserve for economic uncertainties, the MYFP is the primary tool used to help the county office and the district develop a plan to regain fiscal solvency and restore the required reserve.

Prudent financial planning is critical for every local educational agency (LEA), regardless of the organization's size or structure. MYFPs allow a governing board and district to make budget decisions that strategically allocate current and future resources in alignment with their goals, programs, and Local Control and Accountability Plan (LCAP). In addition, recognizing financial trends is essential to maintaining a district's fiscal health. Monitoring and analyzing year-to-year trends in key budget areas helps a district evaluate its budget direction and identify possible areas of concern so solutions can be implemented in a timely manner.

Multiyear financial projections allow a district to forecast the future fiscal effect of current decisions. Projections should be updated at least at each interim financial reporting period, when known economic forecasts change, and before any significant decisions are made that will affect the budget, such as salary increases or other major financial commitments. When developing an MYFP, a district's main objectives are to achieve and sustain a balanced budget, improve academic achievement, and maintain fiscal solvency, thus avoiding any loss of local governance.

California LEAs use many different methods and tools to prepare MYFPs. FCMAT encourages the use of FCMAT's Projection-Pro multiyear and cash flow projection software, a web-based forecasting tool that is available for free to all California school districts, charter schools, and county offices. FCMAT reviewed the district's revenue and expenditure trends during recent years, used industry-standard variables provided by the Department of Finance (DOF) and the School Services of California (SSC) Financial Dartboard, and based its projection on the district's 2023-24 adopted budget for the current and two subsequent fiscal years.

Any forecast of financial data has inherent limitations because calculations are based on certain economic assumptions and criteria, including enrollment trends, cost-of-living adjustments (COLAs), estimates of various one-time and ongoing costs, and changing economic conditions at the state, federal and local levels. Therefore, any projection should be viewed as a trend based on certain criteria and assumptions rather than a prediction of exact numbers.

Regular and frequent budget monitoring becomes even more important in times of fiscal uncertainty. Multiyear projections can become somewhat less reliable during such times, especially in their projections for the subsequent fiscal years, because projected revenue information from the state and federal govern-

ment and related expenditures may change frequently. Nonetheless, the district will need to ensure that multiyear financial and cash flow projections are kept up to date and that the information they contain is accurate and based on the most current budget assumptions available.

One-time funding, such as the federal and state COVID-19 relief funds, can temporarily mask an ongoing operational deficit. Maintaining fiscal solvency while maximizing services to students with available financial resources will be a continuing challenge for LEAs and their governing boards, which have a fiduciary duty to ensure solvency. Each district faces its own financial risk factors based on reserve levels, enrollment trends, employee compensation, degree of revenue volatility, and various other local and statewide factors. Districts must plan accordingly to meet ongoing academic and program objectives while maintaining fiscal solvency.

All LEAs should strive to maintain fiscal solvency and protect the integrity of their educational programs by:

- Analyzing enrollment trends and regularly update MYFPs.
- Maintaining adequate reserves to allow for unanticipated circumstances (with the adequate level based on each LEA's unique circumstances).
- Maintaining fiscal flexibility by (a) limiting commitments to future increased expenditures based on any projections of future revenue growth and/or (b) establishing contingencies that allow expenditure plans to be changed as needed.
- Routinely preparing alternative MYFPs that show the fiscal impact of different budget assumptions through each year of the fiscal model.
- Developing an expenditure reduction plan that can be implemented in a timely manner if necessary.

## Adjustment Analysis

The first step in FCMAT's process was to establish the current year revenues and expenditures. Accurately estimating these values is essential because they are used as a basis in determining the subsequent years' projections.

The following table shows the differences between the district's 2023-24 adopted budget report and FCMAT's analysis. The district used estimated 2022-23 revenues and expenditures to determine the adjusted beginning fund balance, nonspendable amounts, and restricted ending balance. FCMAT used the district's 2022-23 unaudited actuals report, which was completed in September 2023, to determine those amounts. The district's estimated 2023-24 general fund beginning balance was \$2.4 million less than its actual 2023-24 general fund beginning balance. Differences in projected revenues and expenditures are explained in the Revenue and Expenditure Projection Assumptions section of this report.

### Multiyear Financial Projection Comparison Summary, General Fund Unrestricted and Restricted Resources

Description	Object Code	District 2023-24 Adopted Budget*	Adjustment to Base Year	FCMAT 2023-24 Budget
<b>A. Revenues</b>				
LCFF Sources	8010-8099	8,516,390	(200,685)	8,315,705
Federal Revenue	8100-8299	577,962	139,346	717,308
Other State Revenues	8300-8599	820,366	(419,746)	400,620
Other Local Revenues	8600-8799	275,970	-	275,970
Other Transfers In		8600-8799	225,436	(225,436)
<b>Total, Revenue</b>		<b>10,416,124</b>	<b>(706,521)</b>	<b>9,709,603</b>
<b>B. Expenditures</b>				
Certificated Salaries	1000-1999	3,630,100	(238,988)	3,391,112
Classified Salaries	2000-2999	1,488,058	(121,644)	1,366,414
Employee Benefits	3000-3999	2,475,605	(23,108)	2,452,497
Books and Supplies	4000-4999	601,400	250,000	851,400
Services and Other Operating Expenditures	5000-5999	1,241,732	35,000	1,276,732
Capital Outlay	6000-6999	96,650	-	96,650
Other Outgo (excluding Transfers of Indirect Costs)	7100-7299 7400-7499	86,651	-	86,651
Other Outgo - Transfers of Indirect Costs	7300-7399	-	-	-
Other Financing Uses - Transfers Out	7600-7629	225,436	2,976	228,412
<b>Total, Expenditures</b>		<b>9,845,632</b>	<b>(95,764)</b>	<b>9,749,868</b>
<b>C. Net Increase (Decrease) in Fund Balance</b>		<b>570,492</b>	<b>(610,757)</b>	<b>(40,265)</b>
<b>D. Fund Balance</b>				
Beginning Fund Balance, July 1		3,706,146	2,426,426	6,132,572
Ending Balance, June 30		4,276,638	1,815,669	6,092,307
<b>Components of Ending Fund Balance</b>				
Nonspendable	9710-9719	-	-	-
Restricted	9740	2,741,930	528,535	3,270,465
Committed				
Stabilization Arrangements	9750	-	517,662	517,662
Other Commitments	9760	1,257,517	(804,517)	453,000
Assigned	9780	-	-	-
Unassigned/Unappropriated				
Reserve for Economic Uncertainties	9789	371,208	(26,127)	345,081
Unassigned/Unappropriated	9790	(94,018)	1,600,157	1,506,139
<b>Total Available Reserves</b>		<b>277,190</b>	<b>2,091,652</b>	<b>2,368,842</b>

\*Source: District's 2023-24 adopted budget; 2022-23 unaudited actuals.

Note: Rounding used in calculations.

# Enrollment, Unduplicated Pupil Count, and Average Daily Attendance

Accurate enrollment and ADA projections are essential elements of any MYFP. Most of a district's revenue is based on the Local Control Funding Formula (LCFF). Student enrollment, UPC (the number and percentage of students who are English learners and/or foster youth, and/or who qualify for free or reduced-price meals), and ADA by grade level are all core components of the LCFF calculation. Enrollment projections are vital to help identify changes that may significantly affect an LEA's estimated revenue in the current and subsequent years of a projection. Failure to identify potential reductions in revenue based on declines in ADA and to plan for necessary staffing and other reductions in a timely manner can be a significant detriment to a district's financial position. FCMAT found that the district analyzed basic historical enrollment and ADA trends and used that information to develop enrollment and ADA projections as well as making various staffing assignments in the 2023-24 adopted budget.

Accurate projections provide information essential for determining instructional priorities, staffing ratios, grade level configurations, and/or potential boundary changes. Enrollment projections should be prepared frequently and with enough detail to monitor and project class sizes in subsequent years. To maintain the most accurate and meaningful data, districts need to prepare and update enrollment projections regularly and compare them to actual enrollment. Historical enrollment and attendance patterns can help identify potential changes in future enrollment. Projections prepared in a timely manner enables districts to identify potential enrollment declines or increases, allowing them to adjust staffing and expenditure budgets accordingly. Regularly monitoring attendance data also allows districts to forecast any staffing adjustments, thereby providing management with adequate preparation time.

Enrollment and ADA projections have inherent limitations because they are based on certain criteria and assumptions rather than on exact calculations. Limitations include issues such as the unpredictable timing of housing trends, unforeseen factors that affect enrollment, shifts in local and regional demographics, and changing local, state, and federal economic conditions. Therefore, the forecast model should be viewed as a trend rather than a prediction of exact numbers.

Enrollment variables include the following:

- Birthrates and trends.
- The historical ratio of enrollment progression between grade levels.
- Changes in educational programs.
- Incoming and outgoing interdistrict transfers.
- Migration in and out of schools.
- Changes in local and regional demographics.
- Local industry changes.
- Residential housing starts and the correlation of housing starts with local, state or national economics.

In developing the MYFP, FCMAT reviewed the district's enrollment, ADA, and UPC historical trends for all grades.

## Enrollment

District enrollment has remained largely steady since 2019-20, with only a slight decrease over the past four years. FCMAT is uncertain what figures were used for the district's budget development, and no recent demographic study was used to develop the projections. FCMAT used historical enrollment data and preliminary CALPADS reports following the start of the 2023-24 school year to develop enrollment projections. FCMAT's projections did not differ significantly from the district's projections. FCMAT projected district enrollment at 514 students for 2023-24, 516 in 2024-25 and 521 in 2025-26. By comparison, district enrollment was 537 in 2021-22, 528 in 2021-22 and 531 in 2022-23. The district's LCFF calculator provided to FCMAT projected 507 students in 2023-24, a decrease of approximately 5% from the prior year.

Districts need to use reasonable projection methods to produce the most reliable enrollment projections. This is important because most of the district's unrestricted general fund revenues are based on enrollment and ADA. The cohort survival method is commonly used to project enrollment. This technique groups students by grade level on entry and tracks them through each year they remain in school. The method evaluates the longitudinal relationship of the number of students who pass from one grade to the next in the subsequent year. In doing so, the method more closely accounts for retention and new and departing students by grade.

Percentages are calculated from historical enrollment data certified on the Fall 1 census date for CALPADS, which is always the first Wednesday in October. This data is used to determine a percentage of increase or decrease in enrollment between any two grades. For example, if 100 students were certified as enrolled in first grade in 2021-22 and that number increased to 104 in second grade in 2022-23, the cohort survival would be 104%, or a ratio of 1.04. Such ratios are calculated between each pair of grades over several recent years. These ratios are key factors that contribute to the reliability of the projections because of the validity of the data at the starting point. Each ratio encompasses collectively the variables that could account for an increase or decrease in the size of a grade cohort as it progresses over time.

## Unduplicated Pupil Percentage

The district's unduplicated pupil percentage (UPP) is used to determine a portion of its LCFF funding (specifically, supplemental and concentration grant funding). This is the percentage of the district's students who are eligible for free or reduced priced meals and/or are identified as English learners and/or who are foster youth. Each eligible student is counted only once, even if they meet more than one of these criteria. The UPP is determined based on a three-year rolling average of the ratio of unduplicated students enrolled to total enrollment.

The district's UPP has continued to decline from 2021-22, when the district's percentage was reported at just over 60%. In 2022-23, the percentage declined to 53%, and the district projected it to further decrease to 49% in 2023-24. This affects the district's receipt of supplemental and concentration grant funding, which is provided only to districts exceeding a threshold of 55%. Based on recent historical information, FCMAT's projection for 2023-24 is higher at just below 53%.

## Average Daily Attendance

The total number of student attendance days in a school year is divided by the total number of days of instruction to calculate the district's ADA. Traditionally, school district LCFF apportionments were based on the greater of current year or prior year second reporting period (P-2) ADA report. P-2 ADA is calculated

using student attendance from the first day of school through the last school month ending on or before April 15.

Because of the COVID-19 pandemic, several changes were made to how ADA is reported and funded. The second and annual attendance reporting periods were changed for 2019-20 to include full school months from July 1, 2019 through the last month ending on or before February 29, 2020, inclusive. For 2020-21 funding purposes, the state provided a one-time hold-harmless provision on ADA, which allowed LEAs to use 2019-20 ADA as a proxy for 2020-21. LCFF funding for 2021-22 was based on the greater of 2021-22 ADA or the 2019-20 attendance-to-enrollment ratio, applied to 2021-22 enrollment for all classroom-based LEAs that met specified independent study requirements. The 2022-23 state budget added a provision that allows LEAs to use the greater of current year, prior year, or the average of the three most recent prior years' ADA for LCFF funding purposes.

The district's historical attendance rates vary from 87% to 94% of enrollment. FCMAT reviewed the district's enrollment and ADA trends for 2018-19 through 2022-23, comparing the 2023-24 preliminary October CALPADS student enrollment count to determine a projected ADA-to-enrollment ratio. Based on these historical ratios, and assuming the district's ADA continues to climb steadily from the lower attendance experienced during the pandemic, the table below shows FCMAT's projections.

### **FCMAT Projections of Enrollment, Unduplicated Pupils and ADA**

	Actual 2018-19	Actual 2019-20	Actual 2020-21	Actual 2021-22	Actual 2022-23	Projected 2023-24	Projected 2024-25	Projected 2025-26
<b>Enrollment</b>								
Grades 9-12	569	537	537	528	531	514	516	521
<b>Unduplicated Pupils</b>								
Count (UPC)	302	342	323	318	224	289	280	282
Ratio	53.1%	63.7%	58.1%	60.6%	53.8%	52.6%	50.7%	54.8%
<b>Average Daily Attendance (ADA)</b>								
Grades 9-12								
ADA	515	495	505	459	465	464	465	470
Ratio to Enrollment	90.5%	92.2%	94.0%	86.9%	87.6%	90.3%	90.1%	90.2%

FCMAT's projection of enrollment and ADA was slightly lower than the district's in 2023-24, 2024-25, and 2025-26. Overestimating ADA can result in an overstatement of revenue and unrestricted fund balance. It would benefit the district to analyze enrollment and ADA projections regularly and adjust budget and staffing as appropriate.

## **Multiyear Financial Projection Assumptions**

The MYFP prepared by FCMAT used the district's 2023-24 adopted budget report as the baseline and included the impact of the state's 2023-24 enacted budget. The study team reviewed the district's records, interviewed district staff, and examined a variety of financial documents to gather the information needed for the MYFP. Assumptions include conservative economic factors and estimates, described by major object code.

The key planning factors FCMAT used to prepare the MYFP are based on the latest information available at the time the projection was completed, as shown in the table below and further described in the paragraphs that follow. These assumptions are based on projections from various statewide sources, such as

the DOF, SSC, and other commonly used sources. Note that these figures are fluid and subject to periodic changes. The district's 2023-24 adopted budget MYFP used some of the same projection factors, although FCMAT used an updated, lower COLA figure based on more recent economic conditions. A best practice is to use the most recent assumptions available to produce the most reasonable projection.

### **FCMAT MYFP Budget Assumptions**

Description	2023-24	2024-25	2025-26
Statutory COLA (DOF)	8.22%	1.00%	1.00%
LCFF COLA	8.22%	1.00%	1.00%
State Categorical COLA	8.22%	1.00%	1.00%
California Consumer Price Index (CPI)	3.55%	3.03%	2.64%
California Lottery, Unrestricted per ADA	\$177.00	\$177.00	\$177.00
California Lottery, Restricted per ADA (Proposition 20)	\$72.00	\$72.00	\$72.00
Mandate Block Grant, District (K-8), per ADA	\$37.81	\$39.30	\$40.59
Interest Rate Trend for 10-Year Treasuries	3.60%	2.98%	2.90%
CalSTRS Employer Rate	19.10%	19.10%	19.10%
CalPERS Employer Rate	26.68%	27.70%	28.30%
Certificated Staff Step & Column (approx.)	1.00%	1.00%	1.00%
Classified Staff Step & Column (approx.)	2.00%	2.00%	2.00%
Certificated Health & Welfare Percent Change	4.00%	4.00%	4.00%
Classified Health & Welfare Percent Change	4.00%	4.00%	4.00%
State Unemployment Insurance Rate	0.05%	0.05%	0.05%
Workers Compensation Insurance Rate	1.54%	1.54%	1.54%
Indirect Cost Rate	9.80%	9.80%	9.80%

## **Revenues**

Projected revenue was based on validation of funding from the CDE, the DOF, the SSC Dartboard, and analysis of district estimates for any sources that could not be independently verified. The district could not locate various grant entitlement letters. Adjustments were made for any one-time funds or carryover from previous years.

## **Local Control Funding Formula Sources**

The LCFF is the primary funding source for school districts. It was implemented beginning with the 2013-14 fiscal year and replaced the former revenue limit calculation and distribution method. The LCFF funding model eliminated many former state categorical programs and redirected their funding under the LCFF model. The LCFF provides the following:

- A base per-pupil grant that varies by grade level.
- Supplemental funding that provides an additional 20% of the base grant multiplied by the district's percentage of disadvantaged pupils (the unduplicated count of low-income students, English learners, and foster youth).

- A concentration grant that provides an additional 65% (formerly 50%) of the base grant, multiplied by the district's percentage of disadvantageded pupils that exceeds 55% of total enrollment. The district's unduplicated pupil percentage is below 55%, so it does not receive concentration grant funding.

Districts must increase or improve services to unduplicated pupils by the proportion of supplemental and concentration funds to base funds that they receive. This is known as the minimum proportionality percentage. The 2021-22 enacted state budget increased the concentration grant from 50% to 65%. For districts that qualify to receive concentration grant dollars, the additional 15% is to be used to increase the number of credentialed and/or classified staff who provide direct services to students. Beginning in 2021-22, if the quantitative and qualitative increases and improvements in services are insufficient to meet the prior-year minimum proportionality percentage, any unused portion of supplemental and concentration grant funds must be designated in the subsequent year's LCAP and used to provide increased or improved services to unduplicated pupils.

For most districts, the LCFF entitlement is funded through a combination of local property taxes and state aid. A district's property tax will be applied first toward the total LCFF entitlement, and the balance is funded through state aid. When a district's local property taxes meet or exceed the LCFF entitlement, the district is considered a basic aid or community-funded district.

Proposition 30, passed in 2012, temporarily added a quarter-cent sales tax and increased state income tax rates on high-income taxpayers. The sales tax increase expired in 2016; the income tax increase was initially set to expire in 2018, but Proposition 55 extended it through 2030. These revenues are deposited into the state's Education Protection Account (EPA) and are a component of state aid for the LCFF entitlement.

Districts and charter schools are encouraged to use the FCMAT [LCFF Calculator](#) to estimate LCFF funding. FCMAT prepared an independent LCFF calculation for the district using this tool. Although the district also used the FCMAT LCFF calculator, some of the assumptions, such as COLA and enrollment, were updated by FCMAT based on more current information. Some district assumptions, such as ADA, were not available to FCMAT.

As such, FCMAT's projections of enrollment, ADA, UPP, and COLA resulted in LCFF revenue projections that were slightly different than those used by the district in the adopted budget. FCMAT's projections of unrestricted LCFF revenues are approximately \$200,685 lower in 2023-24, \$194,144 lower in 2024-25 and \$471,266 lower in 2025-26 than the district's projections.

### **FCMAT Projections Compared to District Projections**

	2023-24		2024-25		2025-26	
	District	FCMAT	District	FCMAT	District	FCMAT
Enrollment	507	514	520	516	525	521
ADA	Unknown	464	Unknown	465	Unknown	470
Funded ADA	Unknown	489	Unknown	473	Unknown	470
UPC	Unknown	289	Unknown	280	Unknown	282
UPP (three-year percentage)	Unknown	52.6%	Unknown	50.7%	Unknown	54.8%
LCFF Revenues	\$8,516,390	\$8,315,705	\$8,430,790	\$8,236,646	\$8,430,790	\$7,959,524

## Federal Revenue

FCMAT reviewed federal funding amounts, verified them when possible, and adjusted them as appropriate in 2023-24. COVID-19-related funding was projected in 2023-24 based on unspent funds from the prior year. This resulted in only slight variances compared to the district's projections for the budget year.

However, COVID-19-related relief funds, as well as the Perkins Career and Technical Education Grant, are not expected to continue and were therefore not projected by FCMAT beyond the current year. This resulted in significant reductions in 2024-25 and 2025-26 compared to the district's projections in the adopted budget. FCMAT was unable to verify what was included in the district's projections for federal revenue in 2024-25 and 2025-26, although it appears the district may have carried these one-time funding sources into the subsequent years. Approximately 97% of the federal funding from 2023-24 was carried forward to 2024-25 and 2025-26 in the district's projections.

For 2023-24, FCMAT increased funding for Title I by \$137,191 in the budget year to reflect exhibits from the CDE. FCMAT also carried forward funding for Titles I, II, III, IV, and the federal Indian Education Grant into the subsequent fiscal years. A COLA of 1% was applied.

Caution should be exercised when budgeting federal revenues since some members of the legislature have proposed to reduce Title I funding by 81% in the 2024-25 fiscal year. A preferred practice is to update the budget as revenue estimates become known and to ensure that budgeted revenues agree with funding allocation schedules. Carryover or unearned revenues from prior years should not be included in the current year budget until the unaudited actuals are completed and should be eliminated from the subsequent years of the MYFP. Including estimates of carryover or unearned revenues before those amounts are known may result in overbudgeting and overspending.

Based on district reports, some COVID-19-related funding was unspent as of June 30, 2023. The remaining balance is shown in the table below and includes funding obtained through the Elementary and Secondary School Emergency Relief Fund (ESSER).

### Ending Balances, Unspent ESSER Funds

Resource	Description	Balance
3213	ESSER III	\$150,538
3214	ESSER III: Learning Loss	\$52,497
3216	ELO Grant ESSER II State Reserve	\$68,813
3217	ELO Grant GEER II	\$12,350
3218	ELO Grant ESSER III State Reserve, Emergency	\$35,000
3219	ELO Grant ESSER III State Reserve, Learning Loss	\$60,470
<b>Total:</b>		<b>\$379,668</b>

## Other State Revenue

FCMAT confirmed state grant award amounts for 2023-24 using available schedules from the CDE. Where applicable, these were carried forward to 2024-25 and 2025-26.

FCMAT decreased state revenues for 2023-24 by \$419,746. This includes the removal of the \$30,000 Educator Effectiveness Block Grant from 2021-22, which is no longer available. The decrease also includes a reduction of \$86,000 to the Career Technical Education Incentive Grant (CTEIG), which the district received in 2022-23 and has fully spent. The In-Person Instruction Grant for \$147,385 was also removed

because the district has fully spent this grant and no further funding is indicated for 2023-24. Other reductions include \$95,596 for the Learning Recovery Emergency Block Grant since the CDE's exhibit indicates the district was overpaid for this grant. FCMAT removed funding of \$126,685 for 2023-24 for the K-12 Strong Workforce Program since this revenue was duplicated in the district's adopted budget under other local revenue, which is the appropriate revenue category.

Unrestricted funding was added by FCMAT based on state exhibits to include a mandated cost reimbursement of \$33,769 in 2023-24. This was carried forward to the subsequent years and a COLA of 1% was applied.

Lottery funding is initially allocated using the prior year's annual ADA and is adjusted in the subsequent fiscal year based on current year annual ADA. FCMAT projected lottery revenues for 2023-24 and subsequent years based on projected annual ADA, multiplied by \$177 for unrestricted and \$72 for restricted lottery instructional materials. These are the latest statewide projections. Unrestricted lottery projections subsequently decreased slightly, and restricted lottery funding of \$33,379 was added to the district's projections. Restricted lottery funding was not originally included in the district's adopted budget MYFP.

## Other Local Revenue

Local revenue is received from a variety of sources, including leases and rentals, interest earnings, donations, and other miscellaneous sources. Because these revenues cannot be guaranteed from year to year, budgets and MYFPs for these items should be conservative, consider historical trend data, and identify one-time revenues. These budget items should also be monitored and updated throughout the year based on amounts received to date.

FCMAT reviewed the district's budgeted amounts for reasonableness using historical revenues. The study team found that the district budgeted these revenues in alignment with prior year trends, and FCMAT kept these amounts unchanged, including amounts received from the local special education local plan area (SELPA). No additional information was available from the district to suggest any deviations from historical revenue from the SELPA.

## Other Financing Sources – Transfers In

Occasionally, a district may have incoming money from other funds that are transferred to the general fund. When this occurs, it is reflected as revenue to the receiving fund.

The district determined that two other district funds needed support from the general fund – the cafeteria fund (Fund 13) and the deferred maintenance fund (Fund 14). For all three years of the MYFP, the district recorded a projected transfer of \$100,000 from the general fund to the cafeteria fund, and a projected transfer of \$125,436 from the general fund to the deferred maintenance fund.

However, in all three years of the MYFP, the district also recorded corresponding incoming transfers to the general fund, thereby offsetting some, or all, of the impact of the outgoing transfers. In discussions with the district, FCMAT determined that this was likely done erroneously.

In 2023-24, the district recorded an incoming transfer of \$225,436, which represents the total of the two aforementioned outgoing transfers. Neither of these outgoing transfers to the other funds should have a corresponding incoming transfer, as the other funds will expend these funds, and no repayment of the general fund is expected. For 2024-25 and 2025-26, the district recorded an incoming transfer of \$128,412, partially offsetting the projected outgoing transfers in both years of \$225,436.

FCMAT removed the incoming transfers in the MYFP, resulting in a reduction to unrestricted revenue of \$225,436 in 2023-24, and \$128,412 in both 2024-25 and 2025-26.

## Expenditures

FCMAT's MYFP assumes that the district's ongoing costs expensed or transferred in 2022-23 will continue unless adjusted as noted below.

## Salaries

Position control reports are maintained by the district using spreadsheets, and were provided to FCMAT for certificated, classified, confidential and administrative positions. Based on information from district management, all positions in 2022-23 were considered ongoing, and the district indicated there were no vacancies at the time of the budget adoption.

Any ongoing salaries and benefits paid from expired restricted resources were moved to the unrestricted general fund. The actual salaries paid in 2022-23 were adjusted to account for one-time payments, step-and-column movement, any new positions, and salary schedule increases approved by the board.

## Certificated Salaries

Adjustments were made to increase certificated salaries by 6% in the 2023-24 budget year based on 2022-23 actual salaries and adjusted for the negotiated settlement approved by the district's governing board on October 11, 2023. Subsequent increases included in the same settlement were also applied to 2024-25 for 2%, and to 2025-26 for 1.5%.

Certificated salaries were also increased by step and column based on each employee's placement on the salary schedule, as provided by the district. Step-and-column adjustments were extended to 2024-25 and 2025-26, as applicable. This was consistent with the district's adopted budget.

FCMAT also reduced certificated salaries in accordance with benefit costs that were included in both salaries and benefits, duplicating the benefit expenditures. The district acknowledged the oversight and planned to make this correction in the first interim report.

## Classified Salaries

Adjustments were made to increase classified salaries by 3.5% in the 2023-24 budget year based on 2022-23 actual salaries and adjusted for the negotiated settlement approved by the district's governing board on October 11, 2023.

Step-and-column adjustments were extended to 2024-25 and 2025-26, as applicable. This was consistent with the district's adopted budget.

FCMAT also reduced classified salaries in accordance with benefit costs that were included in both salaries and benefits, duplicating the benefit expenditures. As with the certificated salaries, the district acknowledged the oversight and planned to make this correction in the first interim report.

## Employee Benefits

FCMAT calculated statutory benefits in proportion to the adjusted salaries budgeted. FCMAT's overall projection of benefit costs is very close to the district's projection included in the adopted budget for 2023-24.

Statutory benefits were increased in the subsequent years in proportion to increases or decreases in adjusted certificated and classified salaries. Employer contributions for California State Teachers' Retirement System (CalSTRS) and California Public Employees' Retirement System (CalPERS) were adjusted in the subsequent years of the projection based on changes in salaries and the projected change to the rates.

An increase was also included for certificated and classified employees for all years based on the aforementioned negotiated settlements, which increased the health and welfare cap for both represented units from \$12,000 to \$14,000 in 2023-24.

## Books and Supplies

FCMAT reviewed the 2023-24 books and supplies budget for reasonableness and compared it to the 2022-23 expenses and the three prior years' actual expenditures. Expenditures were increased by \$250,000 in the unrestricted general fund to better align with prior year spending patterns and to include all projected expenditures from a detailed list provided by the district. The projection for restricted expenditures remained largely unchanged from the district's estimates, following FCMAT's application of a 3% inflationary cost increase.

## Services and Other Operating Expenditures

FCMAT reviewed the services and other operating expenditures budget for reasonableness and compared it to the actual 2022-23 expenses and the prior three years' actual expenditures. FCMAT increased the district's budgeted 2023-24 unrestricted expenses by \$35,000. This better aligned the MYFP with a detailed list of expenditures in this area FCMAT received from the district.

Restricted expenditures remain unchanged for the budget year but were reduced in 2024-25 and 2025-26 by approximately \$120,000 annually due to the removal of three consultants paid in 2023-24 using ESSER funds. At the time of FCMAT's fieldwork, the district was not planning to continue this expenditure; however, FCMAT recognizes this may change.

FCMAT also applied an inflationary factor of 3% to each of the two subsequent fiscal years.

## Capital Outlay

FCMAT reviewed capital outlay budgets for reasonableness using 2022-23 actual expenditures and the prior two years' actual expenditures. FCMAT agreed with the minimal expenditures planned in this area and made no adjustments to the district's adopted budget unrestricted projections. Neither the district nor FCMAT budgeted any restricted expenditures in this area.

## Other Outgo/Indirect Costs

FCMAT applied charges for indirect costs at the maximum allowable rate for each restricted program in the base year and subsequent years to ensure proper program cost accounting. Indirect costs were based on the CDE's approved rate for the district for 2023-24, which is 9.80%.

The district did not project to charge any programs an indirect cost for any years in the MYFP, including the budget year. FCMAT's application of indirect costs resulted in an increase in costs to the restricted programs of \$109,977 in the budget year, \$81,209 in 2024-25, and \$81,556 in 2025-26 compared to the district's projections. This also resulted in a corresponding expenditure offset in the unrestricted general fund.

## Interfund Transfers

### Transfers Out

The district determined that two other district funds needed support from the general fund: the cafeteria fund (Fund 13) and the deferred maintenance fund (Fund 14). For all three years of the MYFP, the district recorded a projected transfer of \$100,000 from the general fund to the cafeteria fund, and a projected transfer of \$125,436 from the general fund to the deferred maintenance fund.

FCMAT agreed with the transfer to the cafeteria fund; however, a transfer to the deferred maintenance fund was deemed unnecessary since only \$15,000 in expenditures were projected and the ending fund balance is estimated to be \$174,420.

The district indicated that the board had taken action to augment the special reserve for postemployment benefits (Fund 20) to strengthen the district's balance for postemployment liabilities. While FCMAT did not receive the formal board action outlining the board's intentions, it determined this to be a reasonable transfer to the special reserve fund.

FCMAT removed the projected transfer of \$125,436 to the deferred maintenance fund and added a transfer of \$128,412 to the special reserve for postemployment benefits. This figure was determined based on the district's previously mentioned and erroneous incoming transfer of the same amount, representing the district's annual contribution to fund 20. This resulted in a slight increase in the projected outgoing transfers of \$2,976 in each year of the MYFP.

### Contributions

When revenues in restricted programs are insufficient to support program expenditures, a contribution from the unrestricted general fund is required. Restricted programs should be self-supporting, except for special education, routine restricted maintenance, and any restricted program the district has made a deliberate decision to support with unrestricted general funds. Due to the district's participation in state facilities funding, the district is also required to make a 3% contribution to the ongoing major maintenance account.

The district's 2023-24 adopted budget projected a contribution of \$227,523 to special education programs. FCMAT agreed with this projection and used the same figure. The district's adopted budget also projected a contribution of \$702,151 to resource 8150 for ongoing major maintenance, with which FCMAT also agreed.

Additionally, for 2023-24, the district projected a contribution from the unrestricted general fund to restricted general fund for two federal programs, Title I and Title II. FCMAT removed this contribution based

on projected increases in funding to the district in 2023-24, in accordance with CDE payment exhibits. This resulted in a reduction to estimated contributions of \$145,699.

FCMAT retained the district's projection for contributions in 2024-25 of \$1.37 million. However, the district used this same projection for 2025-26, whereas FCMAT increased the estimate by \$196,482, due to expected increases in special education costs, as well as inflationary factors.

## Ending Fund Balance Designations

FCMAT used the district's actual beginning fund balance as of July 1, 2023, which was unknown at the time the district prepared its adopted budget. This resulted in an increase in the beginning fund balance of \$2.4 million.

FCMAT also applied a 4% reserve match and 2% CalSTRS rate increase to the district's committed – stabilization arrangements designation, as well as adding \$78,000 for the nursing program and counseling services, \$175,000 for other unit negotiations, and \$200,000 for emergency preparedness to the committed – other commitments designation. These were applied in accordance with governing board resolution number 23-24-03, dated June 20, 2023, which established additional fiscal commitments at the board's direction.

These designations were partially applied by FCMAT in 2024-25, and completely eliminated in 2025-26, as the resolution specifies that any "residual fund balance above the Reserve for Economic Uncertainties will be committed" as described. The declining ending fund balance could not fully support the board's designation in 2024-25. In 2025-26, the district is projected to be unable to meet the required reserve for economic uncertainties, leaving no funds available for the board's additional commitments.

## Multiyear Financial Projection Analysis

The primary purpose of an MYFP is to evaluate a district's long-term financial sustainability. The MYFP uses current budget assumptions and projects revenues and expenditures over several fiscal years to determine whether the district can achieve and sustain a balanced budget and maintain its state-required reserve for economic uncertainties for the current and two subsequent fiscal years.

FCMAT analyzed all general fund sources and expenditure categories by resource. The unrestricted general fund summary below indicates that, based on current assumptions, without revenue increases and/or expenditure reductions, the district will deficit spend \$40,265 in 2023-24, \$757,080 in 2024-25, and \$1,356,700 in 2025-26. In 2025-26, the district will be unable to meet its required reserve for economic uncertainties of 4% and is projected to have a negative unrestricted ending fund balance.

## Unrestricted General Fund

The district's general fund budget is a combination of unrestricted general purpose dollars and restricted grants and categorical funding. However, when analyzing the district's budget, much attention is focused on the unrestricted budget, in particular deficit spending and the unappropriated ending fund balance.

The unrestricted general fund summary below shows FCMAT's analysis of the district's unrestricted resources. The negative unassigned/unappropriated amount of \$1,956,731 in 2025-26 represents the ending fund balance shortfall of \$1,586,764, as well as the required reserve for economic uncertainties of \$369,968 that the district will be unable to meet based on current projections.

**Unrestricted General Fund Summary**

Description	Object Code	Adjusted Base Year 2023-24	Year 2 2024-25	Year 3 2025-26
<b>A. Revenues</b>				
LCFF Sources	8010-8099	8,315,705	8,236,646	7,959,524
Federal Revenue	8100-8299	87,854	87,854	87,854
Other State Revenues	8300-8599	115,826	117,614	119,921
Other Local Revenues	8600-8799	68,000	68,680	69,367
Total, Revenue		8,587,385	8,510,794	8,236,666
<b>B. Expenditures</b>				
Certificated Salaries	1000-1999	3,161,442	3,249,649	3,319,755
Classified Salaries	2000-2999	1,045,934	1,064,530	1,083,127
Employee Benefits	3000-3999	2,102,782	2,240,724	2,378,305
Books and Supplies	4000-4999	795,400	819,262	843,840
Services and Other Operating Expenditures	5000-5999	1,219,732	1,256,324	1,294,013
Capital Outlay	6000-6999	96,650	96,650	96,650
Other Outgo (excluding Transfers of Indirect Costs)	7100-7299, 7400-7499	86,651	86,651	86,651
Other Outgo - Transfers of Indirect Costs	7300-7399	(109,977)	(81,210)	(81,556)
Total, Expenditures		8,627,025	8,960,993	9,249,197
<b>C. Excess (Deficiency) of Revenues over Expenditures before Other Financing Sources and Uses</b>		(39,640)	(450,199)	(1,012,531)
<b>D. Other Financing Sources/Uses</b>				
<b>Interfund Transfers</b>				
Transfers In	8900-8929	-	-	-
Transfers Out	7600-7629	(228,412)	(228,412)	(228,412)
<b>Other Sources/Uses</b>				
Sources	8930-8979	-	-	-
Uses	7630-7699	-	-	-
Contributions	8980-8999	(929,674)	(1,374,697)	(1,571,179)
Total, Other Financing Sources/Uses		(1,158,086)	(1,603,109)	(1,799,591)
<b>E. Net Increase (Decrease) in Fund Balance</b>		(969,314)	(1,824,896)	(2,583,710)
<b>F. Fund Balance, Reserves</b>				
<b>Beginning Fund Balance</b>		3,791,156	2,821,842	996,946
<b>Ending Balance/Net Position, June 30</b>		2,821,842	996,946	(1,586,764)
<b>Components of Ending Fund Balance</b>				
Nonspendable	9710-9719	-	-	-
Restricted	9740	-	-	-
<b>Committed</b>				
Stabilization Arrangements	9750	517,622	263,507	-
Other Commitments	9760	453,000	375,000	-
<b>Assigned</b>				
Other Assignments	9780	-	-	-

Unassigned/Unappropriated				
Reserve for Economic Uncertainties	9789	345,081	358,440	369,968
Unassigned/Unappropriated Amount	9790	1,506,139	-	(1,956,731)

Note: Rounding used in calculations.

## Restricted General Fund

The following table summarizes FCMAT’s projections for the district’s restricted resources.

### Restricted General Fund Summary

Description	Object Code	Adjusted Base Year 2023-24	Year 2 2024-25	Year 3 2025-26
<b>A. Revenues</b>				
LCFF Sources	8010-8099	-	-	-
Federal Revenue	8100-8299	629,454	239,365	241,759
Other State Revenues	8300-8599	284,794	380,521	380,845
Other Local Revenues	8600-8799	207,970	208,783	209,604
Total, Revenue		1,122,218	828,669	832,208
<b>B. Expenditures</b>				
Certificated Salaries	1000-1999	229,670	237,145	243,583
Classified Salaries	2000-2999	320,480	328,150	335,819
Employee Benefits	3000-3999	349,715	372,656	395,537
Books and Supplies	4000-4999	56,000	57,680	59,410
Services and Other Operating Expenditures	5000-5999	57,000	58,710	60,471
Capital Outlay	6000-6999	-	-	-
Other Outgo (excluding Transfers of Indirect Costs)	7100-7299, 7400-7499	-	-	-
Other Outgo - Transfers of Indirect Costs	7300-7399	109,977	81,210	81,556
Total, Expenditures		1,122,843	1,135,550	1,176,378
C. Excess (Deficiency) of Revenues over Expenditures before Other Financing Sources and Uses		(625)	(306,881)	(344,170)
<b>D. Other Financing Sources/Uses</b>				
<b>Interfund Transfers</b>				
Transfers In	8900-8929	-	-	-
Transfers Out	7600-7629	-	-	-
<b>Other Sources/Uses</b>				
Sources	8930-8979	-	-	-
Uses	7630-7699	-	-	-
Contributions	8980-8999	929,674	1,374,697	1,571,179
Total, Other Financing Sources/Uses		929,674	1,374,697	1,571,179
E. Net Increase (Decrease) in Fund Balance		929,049	1,067,816	1,227,009
<b>F. Fund Balance, Reserves</b>				
Beginning Fund Balance		2,341,416	3,270,465	4,338,281

Ending Balance/Net Position, June 30		3,270,465	4,338,281	5,565,290,
<b>Components of Ending Fund Balance</b>				
Nonspendable	9710-9719	-	-	-
Restricted	9740	3,270,465	4,338,281	5,565,290
Committed				
Stabilization Arrangements	9750	-	-	-
Other Commitments	9760	-	-	-
Assigned				
Other Assignments	9780	-	-	-
Unassigned/Unappropriated				
Reserve for Economic Uncertainties	9789	-	-	-
Unassigned/Unappropriated Amount	9790	-	-	-

Note: Rounding used in calculations.

## Combined General Fund

The combined general fund summary below shows FCMAT’s analysis of all the district’s unrestricted and restricted general fund sources. The district will meet its reserve for economic uncertainties requirement only in the base year and 2024-25. FCMAT projects that, based on information included in the district's adopted budget, the district will be unable to meet the minimum reserve requirement nor maintain a positive unrestricted ending fund balance in 2025-26. The negative unassigned/unappropriated amount of \$1,956,731 in 2025-26 represents the ending fund balance shortfall of \$1,586,764 in the unrestricted general fund, as well as the required reserve for economic uncertainties of \$369,968 that the district will be unable to meet based on current projections. ≠

### Combined General Fund Summary

Description	Object Code	Adjusted Base Year 2023-24	Year 2 2024-25	Year 3 2025-26
<b>A. Revenues</b>				
LCFF Sources	8010-8099	8,315,705	8,236,646	7,959,524
Federal Revenue	8100-8299	717,308	327,219	329,613
Other State Revenues	8300-8599	400,620	498,135	500,766
Other Local Revenues	8600-8799	275,970	277,463	278,971
Total, Revenue		9,709,603	9,339,463	9,068,874
<b>B. Expenditures</b>				
Certificated Salaries	1000-1999	3,391,112	3,486,793	3,563,337
Classified Salaries	2000-2999	1,366,414	1,392,680	1,418,946
Employee Benefits	3000-3999	2,452,497	2,613,381	2,773,842
Books and Supplies	4000-4999	851,400	876,942	903,250
Services and Other Operating Expenditures	5000-5999	1,276,732	1,315,034	1,354,485
Capital Outlay	6000-6999	96,650	96,650	96,650
Other Outgo (excluding Transfers of Indirect Costs)	7100-7299, 7400-7499	86,651	86,651	86,651
Other Outgo - Transfers of Indirect Costs	7300-7399	-	-	-

Total, Expenditures		9,521,456	9,868,131	10,197,162
C. Excess (Deficiency) of Revenues over Expenditures before Other Financing Sources and Uses		188,147	(528,668)	(1,128,288)
D. Other Financing Sources/Uses				
Interfund Transfers				
Transfers In	8900-8929	-	-	-
Transfers Out	7600-7629	228,412	228,412	228,412
Other Sources/Uses				
Sources	8930-8979	-	-	-
Uses	7630-7699	-	-	-
Contributions	8980-8999	-	-	-
Total, Other Financing Sources/Uses				
E. Net Increase (Decrease) in Fund Balance		(40,265)	(757,080)	(1,356,700)
F. Fund Balance, Reserves				
Beginning Fund Balance		6,132,572	6,092,307	5,335,227
Ending Balance/Net Position, June 30		6,092,307	5,335,227	3,978,526
Components of Ending Fund Balance				
Nonspendable	9710-9719	-	-	-
Restricted	9740	3,270,465	4,338,281	5,565,290
Committed				
Stabilization Arrangements	9750	517,622	263,507	-
Other Commitments	9760	453,000	375,000	-
Assigned				
Other Assignments	9780	-	-	-
Unassigned/Unappropriated				
Reserve for Economic Uncertainties	9789	345,081	358,440	369,968
Unassigned/Unappropriated Amount	9790	1,506,139	0	(1,956,731)
Special Reserve Fund – Fund 17				
Stabilization Arrangements	9750	-	-	-
Total Available Reserves		2,368,842	621,946	(1,956,731)

Note: Rounding used in calculations.

# Concerns and Recommendations

## Revenue

### Enrollment and Average Daily Attendance (ADA)

Much of a school district's revenue is based on enrollment and ADA. By increasing enrollment and attendance, a district may increase revenues.

Districts may attract new students and reduce outgoing transfers by promoting innovative programs, low class sizes, and other educational strengths. Various methods can also be used to increase student attendance, including incentives, parent education, and a system to notify parents immediately when students are absent.

Increasing the attendance rate would provide additional revenue and additional time for student learning. The district may set an attendance goal at each grade span or at each school that is higher than the state-wide average attendance rate or each school's current rate. The district can display attendance graphs in prominent locations to show attendance goals and comparisons between past and present school year attendance. The CDE [website](#) identifies several strategies for improving attendance.

When developing its annual school calendar, the district needs to consider the effects of midweek holidays, religious and cultural holidays, staff development days, and other days students commonly miss school. Analysis of historical attendance trends can show times during the school year when attendance is below average. For students going on a planned leave of more than five days, offering short-term independent study can be an effective practice.

### Unduplicated Pupil Percentage (UPP)

The district's count of students who are eligible for free and reduced-price meals, as well as English learners and foster youth (also known as the UPC), results in increased funding for the district through the LCFF. As this count increases, the district receives additional funding for the LCFF supplemental and concentration grants.

The district's UPP has steadily declined, from a recent high of 63.69% in 2019-20 to a significant decrease to 42.18% in 2022-23. Falling below the 55% threshold for receipt of concentration grant funding adversely affects the district's revenue.

The district may benefit from ensuring it properly identifies all students who are eligible for free or reduced-price meals. The direct certification process can help, particularly when direct certification matches are performed at least monthly. Direct certification uses student information from LEAs that utilize a local data match with their county's department of social or welfare services to identify children who are eligible for free meals without completing an application. For students who are not directly certified, the district can offer meal applications online, help parents who need assistance completing the application, and offer incentives to parents or students to submit applications. The district needs to retain documents to support any eligibility determinations and establish practices to audit samples of documents received.

In 2022-23, the state implemented the Universal Meals Program for schools, which requires districts to provide two meals a day to any student who requests one, regardless of income eligibility status. As a result, families have no incentive to complete the application for free or reduced-price meals. The best practice is to encourage these families to complete an alternate household income data collection form. The alter-

native form is easier to complete, and the CDE has developed several sample forms to collect income eligibility information. The district will need to communicate with parents that the collection of this data may increase revenue to the district, and the district may use the increased funding to provide improved or increased services to high-needs pupils.

Accurately identifying and reporting students who are eligible for free or reduced-price meals and/or are foster youth, and/or are English learners can increase the district's supplemental and concentration grant funding. Districts can help ensure that the data reported through CALPADS for these unduplicated pupils is accurate by having the appropriate departments review and correct CALPADS data before submission.

## Indirect Costs and Administrative Costs

All programs have general management costs, commonly known as indirect costs. These typically include administrative activities such as accounting, budgeting, payroll preparation, personnel services, purchasing, and central data processing. An indirect cost rate gives LEAs an efficient and standard way to recover some general management costs from individual programs. The CDE establishes the rates that can be charged to each program in California. An LEA may claim up to its approved indirect cost rate unless a specific authority (e.g., legislation or regulation) limits the rate. Charging each program and fund the maximum allowable rate allows an LEA to provide equitable indirect cost charges across the organization, ensures all general management costs are adequately supported by the various programs, and allows the district to understand the true cost of each program.

Historically, the district has not charged the indirect costs to many programs that receive district office support services. In 2022-23, the district charged indirect costs to only five of 15 possible restricted programs. This causes a significant reduction in reimbursed expenses on behalf of the district and understates the operating costs of the restricted programs.

In addition, EC 17620(a)(5) allows the district to use up to 3% of the developer fees collected in a fiscal year to reimburse itself for the administrative costs incurred in collecting those fees, and to transfer those funds to its general fund. The district does not reimburse the unrestricted general fund for administrative costs related to developer fees. Failure to reimburse the unrestricted general fund for the costs of collecting the fees makes the unrestricted general fund bear these expenses rather than the developer fee fund.

## Recommendations

*The district should:*

1. Communicate its educational strengths and course offerings to parents, students and the community, and continue to explore other options to increase student enrollment.
2. Implement strategies to maximize attendance.
3. Monitor and project enrollment (based on known projection methods), ADA and UPP based on trends, and adjust them for local factors at each financial reporting period to ensure the most recent data is included in its budget assumptions.
4. Ensure accurate identification and reporting of its UPP. Continue to ensure that schools and departments verify their respective CALPADS data and correct it as needed before the report submission deadlines.

5. Charge each restricted resource and fund the full allowable indirect cost rate.
6. Transfer a 3% administrative fee on developer fees to the general fund.

## Expenditures

### Student-to-Teacher Ratio

The district's student-to-teacher ratio was 15-to-1 in 2018-19, and interviews indicated the current ratio is even lower, at approximately 11-to-1. This is significantly below the statewide average of approximately 22-to-1. The district's collective bargaining agreement with certificated employees does not specify required class sizes, and interviews indicated that the district does not apply any standardized class size staffing formulas.

The district would benefit from developing and adhering to more consistent staffing ratios, enabling it to better align staffing with enrollment, and ensuring the number of certificated positions remains in alignment with enrollment and standardized class sizes.

### Restricted Expenditure Coding

The district coded significant expenditures to unrestricted resources in 2022-23, resulting in a restricted ending fund balance that is projected to increase from \$2,341,416 in its 2022-23 unaudited actuals, to \$3,270,465 in FCMAT's 2023-24 MYFP. This carryover must be spent to avoid any need to return funds to the grantor.

The district should ensure that all allowable restricted expenditures are properly coded to each applicable restricted program and use only unrestricted funding when restricted funds have been exhausted. The large and increasing restricted ending fund balance indicates that the district is not fully expending restricted funds in accordance with each program and/or is coding expenditures to the unrestricted general fund that should more appropriately be recorded to each restricted resource. This practice is placing increasing pressure on the unrestricted general fund and is contributing to the declining unrestricted ending fund balance in the subsequent years of the MYFP.

### Spending Controls

The district must reduce expenditures to maintain fiscal solvency. Interviews indicated that the district lacks any formal processes or procedures to control spending. Expenditure budgets need to be reduced, and spending controls must be implemented. The district needs to examine all discretionary expenditures in the budget including allocations to schools and departments and eliminate all one-time and nonessential expenditures. All contracts should only be for essential services and authorized by a member of the superintendent's cabinet.

Spending controls must be in place to avoid overspending. To control expenditures and ensure that they do not exceed the board-authorized budget, proper purchasing procedures must be maintained and enforced. Schools and departments must not be allowed to make purchases without an approved purchase order, and credit card usage policies must be developed and enforced. Maintaining a feature in the financial system that prevents purchases that exceed the budget will help control spending. The district would benefit from requiring a purchase order for all expenditures, prohibiting the processing of a purchase order when the budget is insufficient to support the expenditure, and enforcing limited use of credit cards.

Purchase order cutoff dates can help reduce spending and make it easier to estimate the ending fund balances and reserves. The purchase order cutoff date needs to include all expenditures from all funding sources and needs to be early enough in the year (normally in March and April) that a thorough review of each resource can be made to ensure all restricted resource expenditure deadlines are met.

## Health and Welfare Benefits

The best practice is to conduct a verification and determination of eligibility for benefits for all active and retired employees every five years. FCMAT could not determine from interviews or documents whether the district has done this. Although a determination of eligibility requires staff time to complete, districts often find that they are paying for benefits for individuals who no longer qualify for them.

## Recommendations

*The district should:*

1. Consider adopting staffing ratios for administrative and classified positions and adjusting staffing as appropriate in alignment with enrollment and the newly developed staffing ratios.
2. Develop and implement plans to fully expend grant monies in the fiscal year received.
3. Ensure that restricted funds are allocated and recorded correctly to all qualifying expenditures before expending unrestricted dollars.
4. Consider reducing discretionary budget allocations for schools and departments.
5. Require purchase orders for all expenditures and prohibit the processing of requisitions and purchase orders when the budget is insufficient.
6. Review available account balances before charging expenses and avoid charging expenses in excess of the budget.
7. Review all budgeted expenditures and remove or reduce all one-time or nonessential expenditures.
8. Conduct a verification and determination of eligibility for benefits for all active and retired employees and dependents every five years.

## Ending Fund Balance & Multiyear Projection

The district's multiyear outlook shows a structural deficit, a declining ending fund balance, and an erosion of the district's reserves that should be addressed immediately. This could be worsened by any unanticipated reductions in enrollment or ADA beyond the district's projections, or any unplanned expenditures that may arise.

FCMAT projects the district will face potential insolvency in 2025-26 unless the district and governing board identify revenue enhancements or enact expenditure reductions to balance the budget before then. FCMAT projects the district's undesignated/unappropriated balance to decline from \$1,506,139 in 2023-24, to zero in 2024-25, following the movement of any access funds to the board's commitments, in accordance with the aforementioned board resolution. In 2025-26, FCMAT projects the district will be unable to meet the projected required reserve for economic uncertainties of \$369,968, with a projected negative unrestricted ending fund balance of \$1,586,764.

# Recommendations

*The district should:*

1. Develop a complete and detailed fiscal recovery plan as soon as possible, including a timeline for implementation, to eliminate the structural deficit in the general fund.
2. Develop and adopt a budget and MYFP that eliminate deficit spending and meet reserve requirements in the budget and projection years to prevent fiscal insolvency.
3. Analyze enrollment and ADA projections regularly, compare them to actual enrollment, and adjust budget and staffing as appropriate.
4. Continue to use the most current LCFF calculator, enrollment, ADA and UPC estimates when preparing and revising revenue projections.
5. Use the most current information available and assumptions that align with industry standards to develop budgets and MYFPs.
6. Track and monitor one-time revenues and expenditures to ensure they are removed from budgets and projections.
7. Update revenue budgets throughout the year as award amounts become known, ensuring budgets match information provided by the CDE and award letters.
8. Use the MYFP to identify programs that may require a contribution from the unrestricted general fund in subsequent years, and act as needed to ensure programs are self-sustaining.
9. Continue to monitor and project revenues and expenditures for all other funds throughout the year. Ensure that the financial impact on the unrestricted general fund in the current and two subsequent years is included in all MYFPs.
10. Review all prior district budgeting and reporting practices, including coding of expenditures and general fund designations.

# Appendices

**A: Study Agreement**

**B: Multiyear Financial Projection**

# Appendix A – Study Agreement

## FCMAT

FISCAL CRISIS & MANAGEMENT  
ASSISTANCE TEAM

### FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM STUDY AGREEMENT September 29, 2023

The Fiscal Crisis and Management Assistance Team (FCMAT), hereinafter referred to as the team, and the Siskiyou Union High School District, hereinafter referred to as the district, mutually agree as follows:

#### 1. BASIS OF AGREEMENT

The team provides a variety of services to local education agencies (LEAs). The district has requested that the team assign professionals to study specific aspects of the district's operations. These professionals may include staff of the team, county offices of education, the California Department of Education, school districts, or private contractors. All work shall be performed in accordance with the terms and conditions of this agreement.

In keeping with the provisions of Assembly Bill 1200, the county superintendent will be notified of this agreement between the district and FCMAT and will receive a copy of the final report. The final report will also be published on the FCMAT website.

#### 2. SCOPE OF THE WORK

##### A. Scope and Objectives of the Study

Review the district's 2023-24 adopted general fund budget and use it as a baseline to develop an independent multiyear financial projection (MYFP) for the current and two subsequent fiscal years. The MYFP will be a snapshot in time of the district's financial status. Make recommendations for expenditure reductions and/or revenue increases to help the district eliminate its structural budget deficit, if any.

##### B. Services and Products to be Provided

1. Orientation Meeting – The team will conduct an orientation session at the district to brief district management and supervisory personnel on the team's procedures and the purpose and schedule of the study.
2. On-site Review – The team will conduct an on-site review at the district office and at school sites if necessary.
3. Exit Meeting – The team will hold an exit meeting at the conclusion of the on-site review to inform the district of significant findings and recommendations to that point.
4. Exit Letter – Approximately 10 days after the exit meeting, the team will issue an exit letter briefly memorializing the topics discussed in the exit meeting.

5. Draft Report – Electronic copies of a preliminary draft report will be delivered to the district’s administration for review and comment.
6. Final Report – Electronic copies of the final report will be delivered to the district’s administration and to the county superintendent following completion of the review. Printed copies are available from FCMAT upon request.
7. Follow-Up Support – If requested by the district within six to 12 months after completion of the study, FCMAT will return to the district at no cost to assess the district’s progress in implementing the recommendations included in the report. Progress in implementing the recommendations will be documented to the district in a FCMAT management letter. FCMAT will work with the district on a mutually convenient time to return for follow-up support that is no sooner than eight months and no later than 18 months after completion of the study.

### 3. PROJECT PERSONNEL

The FCMAT study team may include:

*To be determined*

*FCMAT Staff*

### 4. PROJECT COSTS

The cost for studies requested pursuant to Education Code (EC) Section 42127.8(d)(1) shall be as follows:

- A. \$1,100 per day for each staff Team member, while on site, conducting fieldwork at other locations, preparing or presenting reports, or participating in meetings. The cost of independent FCMAT consultants will be billed at their daily rate for all work performed. On-site is defined as either physically at the Client’s office or school site(s), or in a scheduled virtual meeting with Client’s personnel, representatives or others associated to the scope of work.
- B. All out-of-pocket expenses, including travel, meals, and lodging.
- C. The then-applicable indirect rate will be added to all costs billed.
- D. The Client will be invoiced at actual costs plus the applicable indirect rate, with 50% of the estimated cost due following the completion of the on-site review and the remaining amount due upon the Client’s acceptance of the final report. The estimated cost is the original study agreement amount adjusted for any changes agreed to through on-site review.

**Based on the scope and objectives of the study, the total not-to-exceed cost of the study will be \$10,400.**

- E. Any change to the scope of services will affect the total cost. Changes may include delays, revisions to the scope of services and substitution or addition of personnel. Changes shall be communicated by FCMAT to the Client in advance.

Payments for FCMAT's services are payable to Kern County Superintendent of Schools - Administrative Agent, located at 1300 17<sup>th</sup> Street, City Centre, Bakersfield, CA 93301.

## **5. RESPONSIBILITIES OF THE DISTRICT**

- A. The district will provide office and conference room space during on-site reviews.
- B. The district will provide the following if requested:
  - 1. Policies, regulations and prior reports that address the study scope.
  - 2. Current or proposed organizational charts.
  - 3. Current and two prior years' audit reports.
  - 4. Any documents requested on a supplemental list. Documents requested on the supplemental list should be provided to FCMAT only in electronic format; if only hard copies are available, they should be scanned by the district and sent to FCMAT in electronic format.
  - 5. Documents should be provided in advance of fieldwork; any delay in the receipt of the requested documents may affect the start date and/or completion date of the project. Upon approval of the signed study agreement, access will be provided to FCMAT's online SharePoint document repository, where the district will upload all requested documents.
- C. The district's administration will review a draft copy of the report resulting from the study. Any comments regarding the accuracy of the data presented in the report or the practicability of the recommendations will be reviewed with the team prior to completion of the final report.

Pursuant to EC 45125.1(c), representatives of FCMAT will have limited contact with pupils. The district shall take appropriate steps to comply with EC 45125.1(c).

## **6. PROJECT SCHEDULE**

The following schedule outlines the planned completion dates for different phases of the study and will be established upon the receipt of a signed study agreement:

Orientation:	to be determined
Staff Interviews:	to be determined
Exit Meeting:	to be determined
Draft Report Submitted:	to be determined
Final Report Submitted:	to be determined
Board Presentation:	to be determined, if requested
Follow-Up Support:	if requested

## **7. COMMENCEMENT, TERMINATION AND COMPLETION OF WORK**

FCMAT will begin work as soon as it has assembled an available and appropriate study team consisting of FCMAT staff and independent consultants, taking into consideration other jobs FCMAT has previously undertaken and assignments from the state. The team will work expeditiously to complete its work and deliver its report, subject to the cooperation of the district and any other parties from which, in the team's judgment, it must obtain information. Once the team has completed its fieldwork, it will proceed to prepare a draft report and a final report. Prior to completion of fieldwork, the district may terminate its request for service and will be responsible for all costs incurred by FCMAT to the date of termination under Section 4 (Project Costs). If the district does not provide written notice of termination prior to completion of fieldwork, the team will complete its work and deliver its report and the district will be responsible for the full costs. The district understands and agrees that FCMAT is a state agency and all FCMAT reports are published on the FCMAT website and made available to interested parties in state government. In the absence of extraordinary circumstances, FCMAT will not withhold preparation, publication and distribution of a report once fieldwork has been completed, and the district shall not request that it do so.

## **8. INDEPENDENT CONTRACTOR**

FCMAT is an independent contractor and is not an employee or engaged in any manner with the district. The manner in which FCMAT's services are rendered shall be within its sole control and discretion. FCMAT representatives are not authorized to speak for, represent, or obligate the district in any manner without prior express written authorization from an officer of the district.

## **9. INSURANCE**

During the term of this agreement, FCMAT shall maintain liability insurance of not less than \$1 million unless otherwise agreed upon in writing by the district, automobile liability insurance in the amount required under California state law, and workers' compensation as required under California state law. Upon the request of the district and the receipt of the signed study agreement, FCMAT shall provide certificates of insurance, with Siskiyou Union High School District named as additional insured, indicating applicable insurance coverages.

## **10. HOLD HARMLESS**

FCMAT shall hold the district, its board, officers, agents, and employees harmless from all suits, claims and liabilities resulting from negligent acts or omissions of FCMAT's board, officers, agents and employees undertaken under this agreement. Conversely, the district shall hold FCMAT, its board, officers, agents, and employees harmless from all suits, claims and liabilities resulting solely from negligent acts or omissions of the district's board, officers, agents and employees undertaken under this agreement.

**11. COVID-19 PANDEMIC**

Because of the existence of COVID-19 and the resulting shelter-at-home orders, local educational agency closures and other related considerations, at FCMAT’s sole discretion, the Scope of Work, Project Costs, Responsibilities of the District (Sections I, IV and V herein) and other provisions herein may be revised. Examples of such revisions may include, but not be limited to, the following:

- A. Orientation and exit meetings, interviews and other information-gathering activities may be conducted remotely via telephone, videoconferencing, etc. References to on-site work or fieldwork shall be interpreted appropriately given the circumstances.
- B. Activities performed remotely that are normally performed in the field shall be billed hourly as provided as if performed in the field (excluding out-of-pocket costs).
- C. The district may be relieved of its duty to provide conference and other work area facilities for the team.

**12. FORCE MAJEURE**

Neither party will be liable for any failure of or delay in the performance of this study agreement due to causes beyond the reasonable control of the party, except for payment obligations by the district.

**13. CONTACT PERSON**

Name: Michael Wharton  
Telephone: (530) 926-3006  
E-mail: [mwharton@sisuhsd.net](mailto:mwharton@sisuhsd.net)

*Michael Wharton* 09/29/2023  
\_\_\_\_\_  
Michael Wharton, Superintendent Date  
Siskiyou Union High School District

*Michael H. Fine* 9/29/23  
\_\_\_\_\_  
Michael H. Fine, Date  
Chief Executive Officer  
Fiscal Crisis and Management Assistance Team

# Appendix B – Multiyear Financial Projection

Siskiyou UHSD  
 Adopted Budget, 2023-24  
 MYFP

Combined Unrestricted / Restricted

Revenues and Other Financing Sources	2023-24 Budget Total Per USD	2023-24 Budget Total Per FCMAT	Difference	2024-25 Projection Total Per USD	2024-25 Projection Total Per FCMAT	Difference	2025-26 Projection Total Per USD	2025-26 Projection Total Per FCMAT	Difference
LCFF / Revenue Limit Sources	8,516,390	8,315,705	(200,685)	8,430,790	8,236,646	(194,144)	8,430,790	7,959,524	(471,266)
Federal Revenues	577,962	717,308	139,346	562,962	327,219	(235,743)	562,962	329,613	(233,349)
Other State Revenues	820,366	400,620	(419,746)	837,640	498,135	(339,505)	850,583	500,766	(349,817)
Other Local Revenues	275,970	275,970	-	275,970	277,463	1,493	275,970	278,971	3,001
Other Financing Sources									
Transfers In	225,436	-	(225,436)	128,412	-	(128,412)	128,412	-	(128,412)
Other Sources	-	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	196,482	-	(196,482)
<b>Total</b>	<b>10,416,124</b>	<b>9,709,603</b>	<b>(706,521)</b>	<b>10,235,774</b>	<b>9,339,463</b>	<b>(896,311)</b>	<b>10,445,199</b>	<b>9,068,874</b>	<b>(1,376,325)</b>
<b>Expenditures and Other Financing Uses</b>									
<b>Description</b>	<b>2023-24 Budget Total Per USD</b>	<b>2023-24 Budget Total Per FCMAT</b>	<b>Difference</b>	<b>2024-25 Projection Total Per USD</b>	<b>2024-25 Projection Total Per FCMAT</b>	<b>Difference</b>	<b>2025-26 Projection Total Per USD</b>	<b>2025-26 Projection Total Per FCMAT</b>	<b>Difference</b>
<i>Certificated Salaries</i>									
Base Salaries				3,630,100	3,391,112	(238,988)	3,707,956	3,486,793	(221,162)
Step & Column Adjustment				77,848	27,859	(49,989)	79,090	24,242	(54,848)
Cost-of-Living Adjustment				8	-	(8)	6	-	(6)
Other Adjustments				-	67,822	67,822	-	52,302	52,302
<b>Total Certificated Salaries</b>	<b>3,630,100</b>	<b>3,391,112</b>	<b>(238,988)</b>	<b>3,707,956</b>	<b>3,486,793</b>	<b>(221,162)</b>	<b>3,787,052</b>	<b>3,563,337</b>	<b>(223,715)</b>
<i>Classified Salaries</i>									
Base Salaries				1,488,057	1,366,414	(121,643)	1,521,383	1,392,680	(128,702)
Step & Column Adjustment				33,317	26,266	(7,051)	29,901	26,266	(3,635)
Cost-of-Living Adjustment				8	-	(8)	6	-	(6)
Other Adjustments				-	-	-	-	-	-
<b>Total Classified Salaries</b>	<b>1,488,058</b>	<b>1,366,414</b>	<b>(121,644)</b>	<b>1,521,382</b>	<b>1,392,680</b>	<b>(128,702)</b>	<b>1,551,290</b>	<b>1,418,946</b>	<b>(132,344)</b>
Employee Benefits	2,475,605	2,452,497	(23,108)	2,452,033	2,613,380	161,347	2,460,783	2,773,842	313,059
Books and Supplies	601,400	851,400	250,000	619,568	876,942	257,374	634,402	903,250	268,849
Services and Other Operating Expenditures	1,241,732	1,276,732	35,000	1,401,212	1,315,034	(86,178)	1,433,433	1,354,485	(78,948)
Capital Outlay	96,650	96,650	-	96,650	96,650	-	96,650	96,650	-
Other Outgo (excluding Transfers of Indirect Costs)	86,651	86,651	-	86,651	86,651	-	86,651	86,651	-
Other Outgo - Transfers of Indirect Costs	-	-	-	-	-	-	-	-	-
<i>Other Financing Uses</i>									
Transfers Out	225,436	228,412	2,976	225,436	228,412	2,976	225,436	228,412	2,976
Other Uses	-	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>9,845,632</b>	<b>9,749,868</b>	<b>(95,764)</b>	<b>10,110,888</b>	<b>10,096,543</b>	<b>(14,345)</b>	<b>10,275,697</b>	<b>10,425,574</b>	<b>149,876</b>
<b>Net Increase (Decrease) in Fund Balance</b>	<b>570,492</b>	<b>(40,265)</b>	<b>(610,757)</b>	<b>124,886</b>	<b>(757,080)</b>	<b>(881,965)</b>	<b>169,501</b>	<b>(1,356,700)</b>	<b>(1,526,201)</b>
<i>Fund Balance</i>									
Net Beginning Fund Balance	3,706,146	6,132,572	2,426,426	4,276,638	6,092,307	1,815,669	4,401,524	5,335,227	933,704
Ending Fund Balance	4,276,638	6,092,307	1,815,669	4,401,524	5,335,227	933,704	4,571,025	3,978,527	(592,497)
<i>Components of Ending Fund Balance</i>									
Nonspendable	-	-	-	4,053,887	-	(4,053,887)	5,358,874	-	(5,358,874)
Restricted	2,741,930	3,270,465	528,535	-	4,338,281	4,338,281	-	5,565,291	5,565,291
<i>Committed</i>									
Stabilization Arrangements	-	517,622	517,622	-	263,507	263,507	-	-	-
Other Commitments	1,257,517	453,000	(804,517)	-	375,000	375,000	-	-	-
Assigned	-	-	-	-	-	-	-	-	-
<i>Undesignated / Unappropriated</i>									
Reserve for Economic Uncertainties	371,208	345,081	(26,127)	167,434	358,440	191,006	172,971	369,968	196,997
Unassigned / Unappropriated	(94,018)	1,506,139	1,600,157	180,202	(0)	(180,202)	(960,820)	(1,956,731)	(995,911)
<b>Total Components of Ending Fund Balance</b>	<b>4,276,638</b>	<b>6,092,307</b>	<b>-</b>	<b>4,401,523</b>	<b>5,335,227</b>	<b>-</b>	<b>4,571,025</b>	<b>3,978,527</b>	<b>-</b>
<i>Available Reserves</i>									
<i>General Fund</i>									
Stabilization Arrangements	-	517,622	517,622	-	263,507	263,507	-	-	369,968
Reserve for Economic Uncertainties	371,208	345,081	(26,127)	167,434	358,440	191,006	172,971	369,968	-
Unassigned / Unappropriated	-	1,506,139	1,506,139	464,527	(0)	(464,527)	(676,496)	(1,956,731)	(1,280,235)
Negative Restricted Ending Balances	(94,018)	-	94,018	(284,324)	-	284,324	(284,324)	-	284,324
<i>Special Reserve Fund</i>									
Stabilization Arrangements	-	-	-	-	-	-	-	-	-
Reserve for Economic Uncertainties	-	-	-	-	-	-	-	-	-
Unassigned / Unappropriated	-	-	-	-	-	-	-	-	-
<b>Total Available Reserves</b>	<b>277,190</b>	<b>2,368,842</b>	<b>2,091,652</b>	<b>347,637</b>	<b>621,946</b>	<b>274,310</b>	<b>(787,849)</b>	<b>(1,956,731)</b>	<b>(1,168,882)</b>
<b>Total Available Reserves by Percent</b>	<b>2.82%</b>	<b>24.30%</b>	<b>21.48%</b>	<b>3.44%</b>	<b>6.16%</b>	<b>2.72%</b>	<b>-7.67%</b>	<b>-18.77%</b>	<b>-11.10%</b>

**Siskiyou UHSD**  
**Adopted Budget, 2023-24**  
**MYFP**

Unrestricted

Revenues and Other Financing Sources									
Description	2023-24 Budget Total Per USD	2023-24 Budget Total Per FCMAT	Difference	2024-25 Projection Total Per USD	2024-25 Projection Total Per FCMAT	Difference	2025-26 Projection Total Per USD	2025-26 Projection Total Per FCMAT	Difference
LCFF / Revenue Limit Sources	8,516,390	8,315,705	(200,685)	8,430,790	8,236,646	(194,144)	8,430,790	7,959,524	(471,266)
Federal Revenues	87,854	87,854	-	87,854	87,854	-	87,854	87,854	-
Other State Revenues	83,285	115,826	32,541	85,291	117,614	32,323	84,983	119,921	34,938
Other Local Revenues	68,000	68,000	-	68,000	68,680	680	68,000	69,367	1,367
<b>Other Financing Sources</b>									
Transfers In	225,436	-	(225,436)	128,412	-	(128,412)	128,412	-	(128,412)
Other Sources	-	-	-	-	-	-	-	-	-
Contributions	(1,075,373)	(929,674)	145,699	(1,374,697)	(1,374,697)	-	(1,374,697)	(1,571,179)	(196,482)
<b>Total</b>	<b>7,905,592</b>	<b>7,657,711</b>	<b>(247,881)</b>	<b>7,425,650</b>	<b>7,136,097</b>	<b>(289,553)</b>	<b>7,425,342</b>	<b>6,665,487</b>	<b>(759,855)</b>
Expenditures and Other Financing Uses									
Description	2023-24 Budget Total Per USD	2023-24 Budget Total Per FCMAT	Difference	2024-25 Projection Total Per USD	2024-25 Projection Total Per FCMAT	Difference	2025-26 Projection Total Per USD	2025-26 Projection Total Per FCMAT	Difference
<b>Certificated Salaries</b>									
Base Salaries				3,291,891	3,161,442	(130,449)	3,353,960	3,249,649	(104,311)
Step & Column Adjustment				62,065	24,978	(37,087)	63,307	21,361	(41,946)
Cost-of-Living Adjustment				4	-	(4)	3	-	(3)
Other Adjustments				-	63,229	63,229	-	48,745	48,745
<b>Total Certificated Salaries</b>	<b>3,291,891</b>	<b>3,161,442</b>	<b>(130,449)</b>	<b>3,353,960</b>	<b>3,249,649</b>	<b>(104,311)</b>	<b>3,417,270</b>	<b>3,319,755</b>	<b>(97,515)</b>
<b>Classified Salaries</b>									
Base Salaries				944,671	1,045,934	101,263	963,591	1,064,530	100,940
Step & Column Adjustment				18,915	18,597	(318)	19,294	18,597	(697)
Cost-of-Living Adjustment				4	-	(4)	3	-	(3)
Other Adjustments				-	-	-	-	-	-
<b>Total Classified Salaries</b>	<b>944,672</b>	<b>1,045,934</b>	<b>101,262</b>	<b>963,590</b>	<b>1,064,530</b>	<b>100,940</b>	<b>982,888</b>	<b>1,083,127</b>	<b>100,239</b>
Employee Benefits	1,898,870	2,102,782	203,912	1,913,746	2,240,724	326,978	1,922,496	2,378,305	455,809
Books and Supplies	545,400	795,400	250,000	561,871	819,262	257,391	576,704	843,840	267,135
Services and Other Operating Expenditures	1,184,732	1,219,732	35,000	1,220,511	1,256,324	35,813	1,252,732	1,294,013	41,281
Capital Outlay	96,650	96,650	-	96,650	96,650	-	96,650	96,650	-
Other Outgo (excluding Transfers of Indirect Costs)	86,651	86,651	-	86,651	86,651	-	86,651	86,651	-
Other Outgo - Transfers of Indirect Costs	-	(109,977)	(109,977)	-	(81,210)	(81,210)	-	(81,556)	(81,556)
<b>Other Financing Uses</b>									
Transfers Out	225,436	228,412	2,976	225,436	228,412	2,976	225,436	228,412	2,976
Other Uses	-	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>8,274,302</b>	<b>8,627,025</b>	<b>352,723</b>	<b>8,422,415</b>	<b>8,960,992</b>	<b>538,578</b>	<b>8,560,828</b>	<b>9,249,197</b>	<b>688,368</b>
Net Increase (Decrease) in Fund Balance	(368,710)	(969,314)	(600,604)	(996,765)	(1,824,895)	(828,131)	(1,135,486)	(2,583,710)	(1,448,223)
<b>Fund Balance</b>									
Net Beginning Fund Balance	1,997,435	3,791,156	1,793,721	1,628,725	2,821,842	1,193,117	631,961	996,946	364,986
Ending Fund Balance	1,628,725	2,821,842	1,193,117	631,961	996,946	364,986	(503,526)	(1,586,763)	(1,083,237)
<b>Components of Ending Fund Balance</b>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-
<b>Committed</b>									
Stabilization Arrangements	-	517,622	517,622	-	263,507	263,507	-	-	-
Other Commitments	1,257,517	453,000	(804,517)	-	375,000	375,000	-	-	-
Assigned	-	-	-	-	-	-	-	-	-
<b>Undesignated / Unappropriated</b>									
Reserve for Economic Uncertainties	371,208	345,081	(26,127)	167,434	358,440	191,006	172,971	369,968	196,997
Unassigned / Unappropriated	-	1,506,139	1,506,139	464,527	(0)	(464,527)	(676,496)	(1,956,731)	(1,280,235)
<b>Total Components of Ending Fund Balance</b>	<b>1,628,725</b>	<b>2,821,842</b>	<b>1,193,117</b>	<b>631,961</b>	<b>996,946</b>	<b>364,986</b>	<b>(503,526)</b>	<b>(1,586,763)</b>	<b>(1,083,237)</b>
<b>Available Reserves</b>									
<b>General Fund</b>									
Stabilization Arrangements	-	517,622	517,622	-	263,507	263,507	-	-	-
Reserve for Economic Uncertainties	371,208	345,081	(26,127)	167,434	358,440	191,006	172,971	369,968	196,997
Unassigned / Unappropriated	-	1,506,139	1,506,139	464,527	(0)	(464,527)	(676,496)	(1,956,731)	(1,280,235)
<b>Special Reserve Fund</b>									
Stabilization Arrangements	-	-	-	-	-	-	-	-	-
Reserve for Economic Uncertainties	-	-	-	-	-	-	-	-	-
Unassigned / Unappropriated	-	-	-	-	-	-	-	-	-
<b>Total Available Reserves</b>	<b>371,208</b>	<b>2,368,842</b>	<b>1,997,634</b>	<b>631,961</b>	<b>621,946</b>	<b>(10,014)</b>	<b>(503,525)</b>	<b>(1,956,731)</b>	<b>(1,453,206)</b>

**Siskiyou UHSD**  
**Adopted Budget, 2023-24**  
**MYFP**

Restricted

Revenues and Other Financing Sources									
Description	2023-24 Budget Total Per USD	2023-24 Budget Total Per FCMAT	Difference	2024-25 Projection Total Per USD	2024-25 Projection Total Per FCMAT	Difference	2025-26 Projection Total Per USD	2025-26 Projection Total Per FCMAT	Difference
LCFF / Revenue Limit Sources	-	-	-	-	-	-	-	-	-
Federal Revenues	490,108	629,454	139,346	475,108	239,365	(235,743)	475,108	241,759	(233,349)
Other State Revenues	737,081	284,794	(452,287)	752,349	380,521	(371,828)	765,600	380,845	(384,755)
Other Local Revenues	207,970	207,970	-	207,970	208,783	813	207,970	209,604	1,634
<i>Other Financing Sources</i>									
Transfers In	-	-	-	-	-	-	-	-	-
Other Sources	-	-	-	-	-	-	-	-	-
Contributions	1,075,373	929,674	(145,699)	1,374,697	1,374,697	-	1,571,179	1,571,179	(0)
<b>Total</b>	<b>2,510,532</b>	<b>2,051,892</b>	<b>(458,640)</b>	<b>2,810,124</b>	<b>2,203,366</b>	<b>(606,758)</b>	<b>3,019,857</b>	<b>2,403,387</b>	<b>(616,470)</b>
Expenditures and Other Financing Uses									
Description	2023-24 Budget Total Per USD	2023-24 Budget Total Per FCMAT	Difference	2024-25 Projection Total Per USD	2024-25 Projection Total Per FCMAT	Difference	2025-26 Projection Total Per USD	2025-26 Projection Total Per FCMAT	Difference
<i>Certificated Salaries</i>									
Base Salaries				338,209	229,670	(108,539)	353,996	237,145	(116,851)
Step & Column Adjustment				15,783	2,881	(12,902)	15,783	2,881	(12,902)
Cost-of-Living Adjustment				4	-	(4)	3	-	(3)
Other Adjustments				-	4,593	4,593	-	3,557	3,557
<b>Total Certificated Salaries</b>	<b>338,209</b>	<b>229,670</b>	<b>(108,539)</b>	<b>353,996</b>	<b>237,145</b>	<b>(116,851)</b>	<b>369,782</b>	<b>243,583</b>	<b>(126,199)</b>
<i>Classified Salaries</i>									
Base Salaries				543,386	320,480	(222,906)	557,792	328,150	(229,642)
Step & Column Adjustment				14,402	7,670	(6,732)	10,607	7,670	(2,937)
Cost-of-Living Adjustment				4	-	(4)	3	-	(3)
Other Adjustments				-	-	-	-	-	-
<b>Total Classified Salaries</b>	<b>543,386</b>	<b>320,480</b>	<b>(222,906)</b>	<b>557,792</b>	<b>328,150</b>	<b>(229,642)</b>	<b>568,402</b>	<b>335,819</b>	<b>(232,583)</b>
Employee Benefits	576,735	349,715	(227,020)	538,287	372,656	(165,631)	538,287	395,537	(142,750)
Books and Supplies	56,000	56,000	-	57,697	57,680	(17)	57,697	59,410	1,713
Services and Other Operating Expenditures	57,000	57,000	-	180,701	58,710	(121,991)	180,701	60,471	(120,230)
Capital Outlay	-	-	-	-	-	-	-	-	-
Other Outgo (excluding Transfers of Indirect Costs)	-	-	-	-	-	-	-	-	-
Other Outgo - Transfers of Indirect Costs	-	109,977.36	109,977	-	81,209.56	81,210	-	81,556.38	81,556
<i>Other Financing Uses</i>									
Transfers Out	-	-	-	-	-	-	-	-	-
Other Uses	-	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,571,330</b>	<b>1,122,843</b>	<b>(448,487)</b>	<b>1,688,473</b>	<b>1,135,550</b>	<b>(552,923)</b>	<b>1,714,869</b>	<b>1,176,377</b>	<b>(538,492)</b>
Net Increase (Decrease) in Fund Balance	939,202	929,049	(10,153)	1,121,651	1,067,816	(53,835)	1,304,987	1,227,010	(77,978)
<i>Fund Balance</i>									
Net Beginning Fund Balance	1,708,710	2,341,416	632,706	2,647,912	3,270,465	622,553	3,769,563	4,338,281	568,718
Ending Fund Balance	2,647,912	3,270,465	622,553	3,769,563	4,338,281	568,718	5,074,550	5,565,291	490,740
<i>Components of Ending Fund Balance</i>									
Nonspendable	-	-	-	4,053,887	-	(4,053,887)	5,358,874	-	(5,358,874)
Restricted	2,741,930	3,270,465	528,535	-	4,338,281	4,338,281	-	5,565,291	5,565,291
<i>Committed</i>									
Stabilization Arrangements									
Other Commitments									
<i>Assigned</i>									
Undesignated / Unappropriated									
Reserve for Economic Uncertainties									
Unassigned / Unappropriated	(94,018)	-	94,018	(284,324)	-	284,324	(284,324)	-	284,324
<b>Total Components of Ending Fund Balance</b>	<b>2,647,912</b>	<b>3,270,465</b>	<b>622,553</b>	<b>3,769,563</b>	<b>4,338,281</b>	<b>568,718</b>	<b>5,074,550</b>	<b>5,565,291</b>	<b>490,740</b>
<i>Available Reserves</i>									
<i>General Fund</i>									
Stabilization Arrangements									
Reserve for Economic Uncertainties									
Unassigned / Unappropriated									
<i>Special Reserve Fund</i>									
Stabilization Arrangements									
Reserve for Economic Uncertainties									
Unassigned / Unappropriated									
<b>Total Available Reserves</b>									