

Budget Advisory Committee

May Revision and 2023-24 Budget Update

May 18, 2023

Agenda

- Introductions & Purpose of BAC
- Governor's May Revision to 2023-24 Budget
- Impact on PUSD 2023-24 Budget
- Discussion / Comments / Questions
- Suggestions for next year's BAC meetings
- Adjourn

Purpose of BAC

- The Budget Advisory Committee is a standing committee with representatives from all stakeholders in the District.
- Its purpose is to:
 - Review the District's Budget,
 - Share the information with constituent groups, and
 - Generate recommendations for Board consideration in the budget development process.
- The BAC is a vehicle to disseminate information to as many parents, students, staff and community members as possible.

Budget Development Process

- We are in the final stretch of budget development for 2022-23.
- The Board will hold a public hearing and the budget adoption meeting in June.

Initial Budget - December 2022

All current year ongoing revenues are carried forward and one-time revenues are eliminated.
All current year expenditures are carried forward and one-time costs are eliminated.

Revised - March 2023

Adjustments are made based on Governor's Budget Proposal and enrollment projections.

Fine-Tune - May 2023

Revenues are adjusted to the updated information from the May Revision. Final staffing and other costs are incorporated into costs.



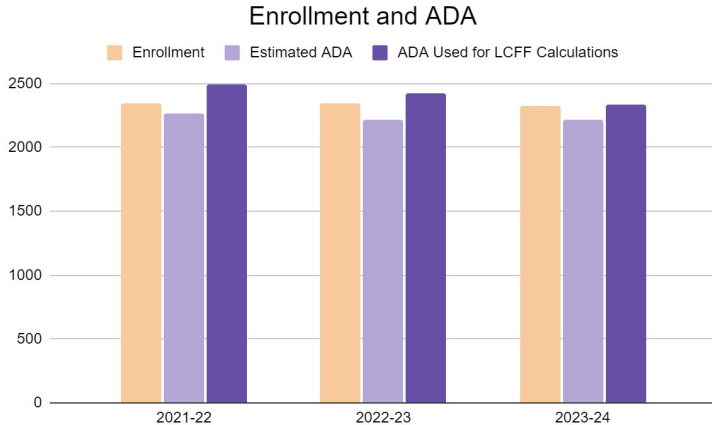
Headlines

- Governor solves the State's 2023-24 budget gap by taking back funds allocated to school districts in 2022-23. Net impact from January proposal is **-\$300K**.
- COLA of 8.22% is proposed to be funded. Increase to District's LCFF is 4.35%, which is 50% of District revenues. Net dollar impact from January proposal is **-\$28K**
- Uncertainty on rules around Prop. 28 Arts funds reduces access to apply funds to budget by **-\$267K**
- TK expansion and Universal Meals will continue to be funded.

LCFF Funding

The May Revise confirms the COLA at 8.22%.

- Net difference from 2nd Interim Projections is -\$28K. Gain of \$22,000 offset by adjustment to ADA based on P-2 (April 2023).
- Increase over 2022-23 is \$1,110,598. This is a 4.35% increase in LCFF revenues.
- LCFF is only 50% of District's revenues; other revenues will not increase at the same rate.



23-24 LCFF Projections	2nd Interim	P-2 ADA Adj	May Revise
COLA	8.13%	8.13%	8.22%
Funded ADA	2,337.16	2,331.46	2,331.46
LCFF	\$26,653,316	\$26,602,823	\$26,624,587
Difference from 2nd Interim		-\$50,493	-\$28,729

State Budget Solutions

Two of the Governor's solutions to the State budget gap are to claw back funds that have already been allocated to schools in 2022-23:

- AMIM Block Grant - plans to take back 50%
 - In January, proposal was to take back 30%.
 - For Piedmont, \$1.5 M reduced by \$750K - this is **\$250K** more than expected.
- Learning Recovery Emergency Block Grant - plans to take back 30%
 - This one is new.
 - For Piedmont, **\$167 K reduced by \$50 K.**
- Because we have already received these funds, and spent them, we need to set-aside the equivalent amounts in the **Ending Fund Balance.**



3rd Interim for 2022-23

- Because of Governor's January proposal to clawback the AMIM grant and slowness in funding other 2022-23 commitments (transportation and facilities), the 2022-23 budget will not meet **3% reserve** requirement.
- As a result, the District's 2nd Interim Report was "**Qualified**", requiring a 3rd Interim Report to be prepared.
- The **3rd Interim** gives us a better idea of how we will end the year, rather than waiting until we close the books.

Changes from 2nd Interim

Revenues:

\$ 36,845	LCFF - SPED Adj from other districts
29,501	Fed - funds received after expended
(21,525)	State - adjustments
(434,384)	STRS-on-behalf adjustment
227,455	Local - increase in parent contributions
<u>(14,823)</u>	SELPA - reduction in per pupil calcs
(176,931)	Net reduction to Revenues

Expenditures:

(\$209,022)	Salaries & Benefits - closing vacant positions and related benefits.
(434,384)	STRS on-behalf adjustment
(76,162)	Books & Supplies - reduced unused POs
172,647	Services - net increase, mostly utilities; some related to incr in contributions
(151,812)	Capital Outlay - moved to State facilities funds facilities expected by 6/30
<u>(144,574)</u>	Transfers to Other Funds - reduced due to state funds for Kit infrastructure and facilities.
(843,307)	Net Reduction to Expenditures

2022-23 3rd Interim Financials

	Ending Fund Balance		
	2022-23 Second Interim	2022-23 Third Interim	Difference Jan -->May
Beginning Balance	\$ 4,888,296	\$ 4,888,296	\$ -
Revenues	52,509,962	52,333,031	(176,931)
Expenditures	(55,720,926)	(54,877,619)	843,307
Rev-Exp = Surplus(Deficit)	(3,210,964)	(2,544,588)	666,376
Ending FB	1,677,332	2,343,708	666,376
Restricted & Revolving	897,777	1,133,847	236,070
Committed/not available	451,012	751,687	300,675
3% Minimum Reserve	1,671,628	1,646,329	(25,299)
Over (Under) Reserve	(1,343,085)	(1,188,155)	154,930

Impacts on 2023-24 Projections

Impacts from 3rd Interim Adjustments:

- STRS on-behalf reduction ~ \$430K
- State facilities funding reduces capital outlay and transfers to other funds.
- Beginning Fund Balance increase ~ \$670K

Impacts from May Revision:

- Prop 28 not in revenues ~ 270K
- Ending Fund Balance includes the AMIM and LR block grant claw-backs ~300K (in addition to 250K)

Updated Projections for 2023-24 Financials

2023-24 Budget Projections		2023-24	2023-24	Difference
		From 2nd Interim	May Revise	
Beginning Balance		\$1,677,332	\$2,343,706	\$666,374
	Revenues	52,002,007	51,155,723	(846,284)
	Expenditures	(51,371,490)	(50,732,260)	639,230
	Rev-Exp = Surplus(Deficit)	630,517	423,463	(207,054)
Ending FB		2,307,849	2,767,169	459,320
	3% Reserve Requirement	1,541,145	1,521,968	(19,177)
	Less Restricted + Rev Cash	414,660	482,086	67,426
	Less Measure H reserved for CSEA	320,872	320,872	0
	Less AMIM & LR Grants held back	451,012	801,817	350,805
	Over (Under) Reserve	(419,840)	(359,574)	60,266

Where are we on Budget Adjustments?

- Board authorized position reductions have been incorporated.
- Adjustments to discretionary spending have been incorporated into site and department budgets.
- Special Education Strategic Planning has occurred with site principals, Special Education Director, Asst. Supt., SPED program specialists and business services involved.
- All open positions are being evaluated before being filled.

Calendar

May →	5/12 Governor releases May Revisions to budget proposal for 2023-24 5/24 Board reviews and approves 3rd Interim Report
June	6/14 Board holds public hearing on LCAP & draft budget 6/28 Final budget adopted by Board

**Comments or
Questions?**

Suggestions

For Next Year's Budget Advisory
Committee?

Acknowledgments

Thank you to the Business Services Team!

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