

Pleasanton Unified School District

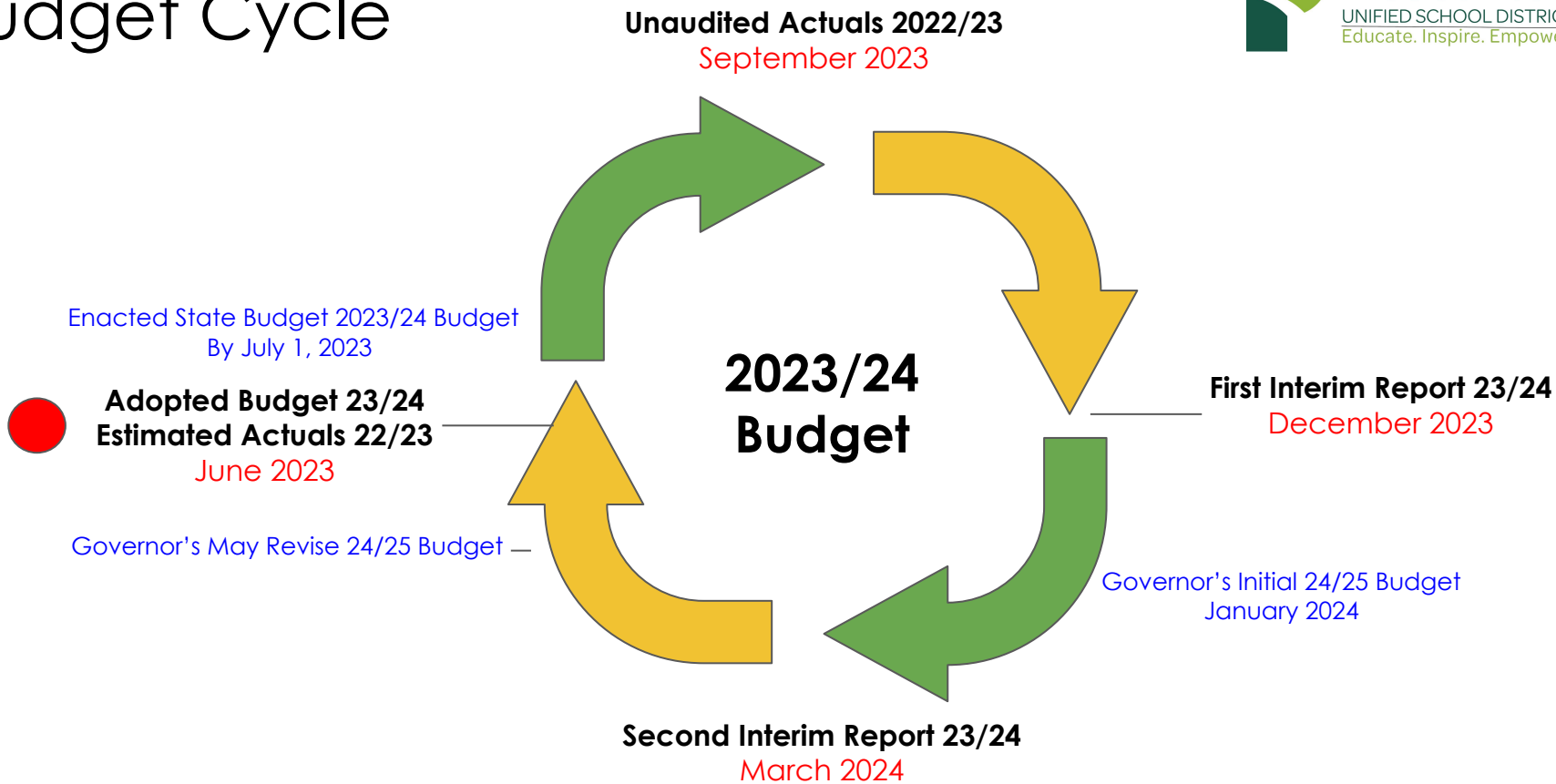
APT Negotiations Budget Update

September 23, 2023

Presentation Summary

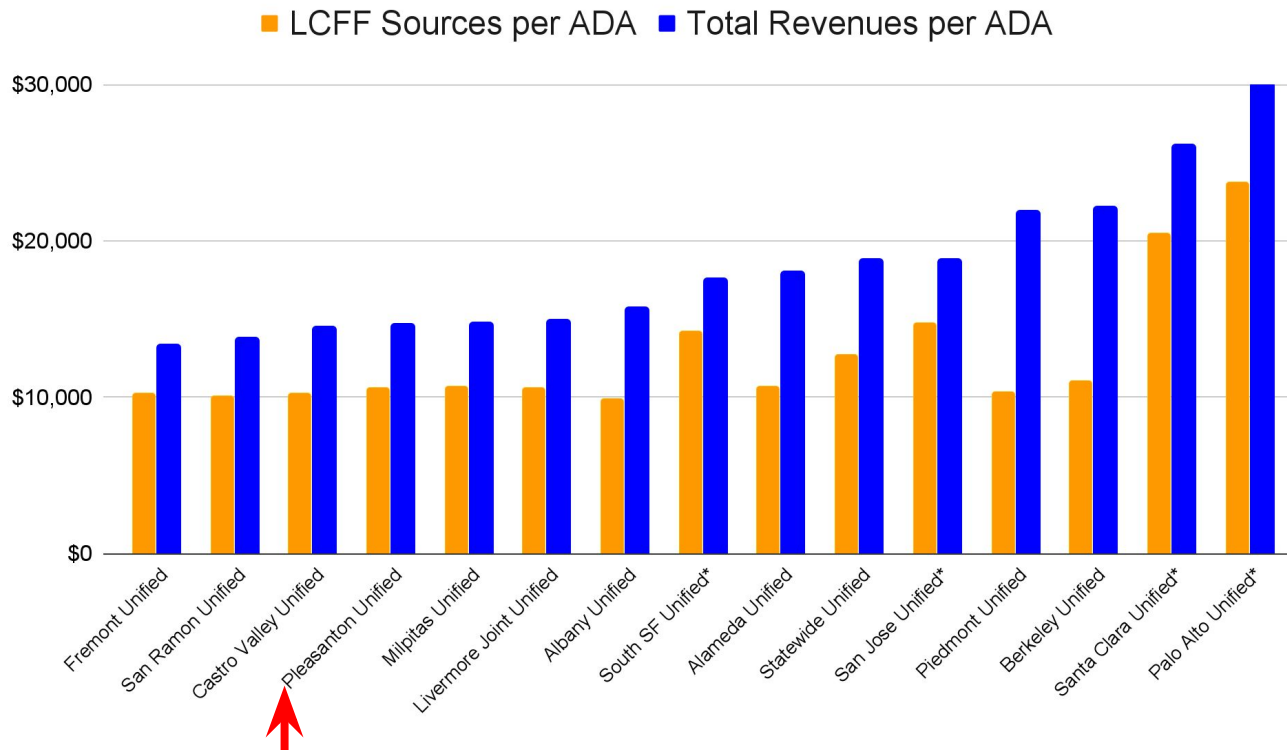
- Budget Cycle and Comparable Funding
- Review 2023/24 Adopted Budget
- Review 2022/23 Unaudited Actuals
- Budget Model for Negotiations and Impact

Budget Cycle



Comparable Revenues per ADA: 2021/22**

2021/22 LCFF Sources per ADA and Total Revenues per ADA



Data shows the revenues generated per ADA from LCFF and all sources. The available funds to spend on salaries, benefits, programs and operational costs is determined by our revenues which for PUSD is fourth from the bottom in this group.

* Community funded Districts

** Source Ed-Data.org

2023/24 Budget Assumptions

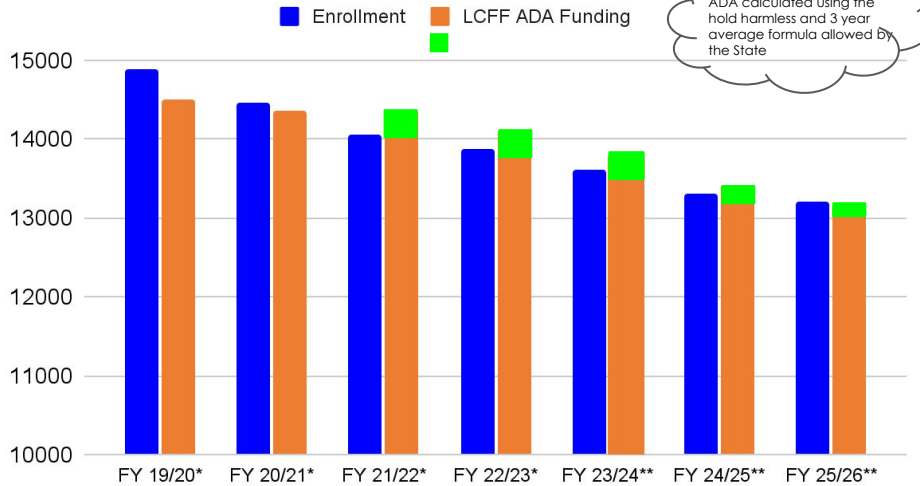
Local Control Funding Formula Assumptions 2022/23			
School Year	FY 23/24	FY 24/25	FY 25/26
Enrollment	13,600	13,300	13,200
LCFF ADA Funding	13,794	13,402	13,174
COLA	8.22%	3.94%	3.29%
Unduplicated as % Enrollment	16.13%	15.98%	15.90%
Grades TK-3 \$/per Student	\$9,919	\$10,310	\$10,649
Grades 4-6 \$/per Student	\$10,069	\$10,466	\$10,810
Grades 7-8 \$/per Student	\$10,367	\$10,775	\$11,130
Grades 9-12 \$/per Student	\$12,015	\$12,488	\$12,899
K-3 Grade Span Adj \$/per Student	\$1,032	\$1,073	\$1,108
9-12 Grade Span Adj \$/per Student	\$312	\$324	\$335
TK Add on \$/Student	\$3,044	\$3,164	\$3,268
TOTAL EST LCFF Funding - unrestricted	\$166,014,441	168,019,083	171,108,807

- 8.22% COLA Adjustment to per student funding
- ADA calculation uses 3 year average
- Staffing adjustment reflects reductions related lower enrollment
- Includes 1.75% in increased salary cost from step and column increases
- Increased Pension cost from PERS
- Includes negotiated compensation increase for CSEA and place-holder for remaining staff for 2023/24
- Includes increase of 8.22% to programs outside of LCFF per the May Revise
- Increased Property and Liability Insurance

Effective Net Funding Increase	5.9%	1.2%	1.8%
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Enrollment Drives Funding

Enrollment and LCFF ADA Funding



PUSD Projected Enrollment and ADA

	FY 19/20*	FY 20/21*	FY 21/22*	FY 22/23*	FY 23/24**	FY 24/25**	FY 25/26*
Total Enrollment	14,879	14,464	14,060	13,872	13,600	13,300	13,200
ADA (Funding)	14,490	14,355	14,355	14,111	13,794	13,402	13,174

- *** Actual ** Projections**
- PUSD like most other districts has been impacted by the on going declining enrollment
- PUSD uses a 3 year Average ADA formula
- Funded ADA is above actual enrollment due to Hold harmless years from the pandemic

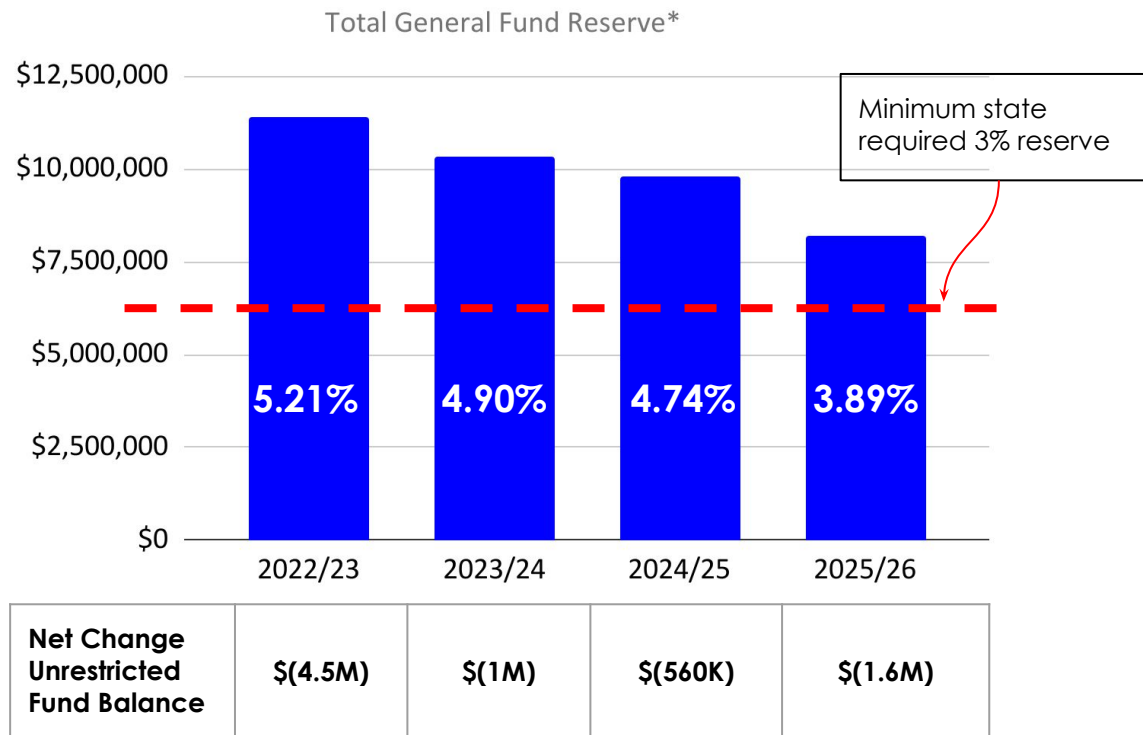
- The hold harmless has shielded the District from additional \$6.8M in revenue loss
- The decline in enrollment from 19/20 levels has resulted in loss of revenue of \$7.56M

Restricted Programs Estimated Ending

Restricted Programs	Estimated Ending Fund Balance 22/23
Expanded Learning Opportunities Program	\$976,771
ESSA: Title III, English Learner Student Program	\$8
Educator Effectiveness, FY 2021-22	\$1,637,293
Special Education	\$382,365
Special Ed: Dispute Prevention and Dispute Resolution	\$426,275
Special Education Early Intervention Preschool Grant	\$156,372
Arts, Music, and Instructional Materials Discretionary Block Grant*	\$3,594,437
A-G Access/Success Grant	\$294,679
A-G Learning Loss Mitigation Grant	\$61,761
Classified School Employee Summer Assistance Program	\$353,517
Expanded Learning Opportunities (ELO) Grant:	
Paraprofessional Staff	\$328,267
Learning Recovery Emergency Block Grant*	\$3,762,766
Other Restricted State	\$128,190
Ongoing & Major Maintenance Account (RMA: Education Code Section 17070.75)	\$1,111,457
Other Restricted Local	\$117,818
Total, Restricted Balance	\$13,331,976

- **Data from Estimated Actuals 2022/23**
- **Restricted funds must be spent on the area of designation**
- **District has multi-year plan to spend these funds**
- *** Includes reductions of \$7.48M as propose in the May Revise**
- **These restricted funds support critical staffing positions**

Multi-Year Projections (23/24 Adopted Budget)



* General Fund Reserve: Economic Uncertainty and Undesignated/Unapportioned adjusted

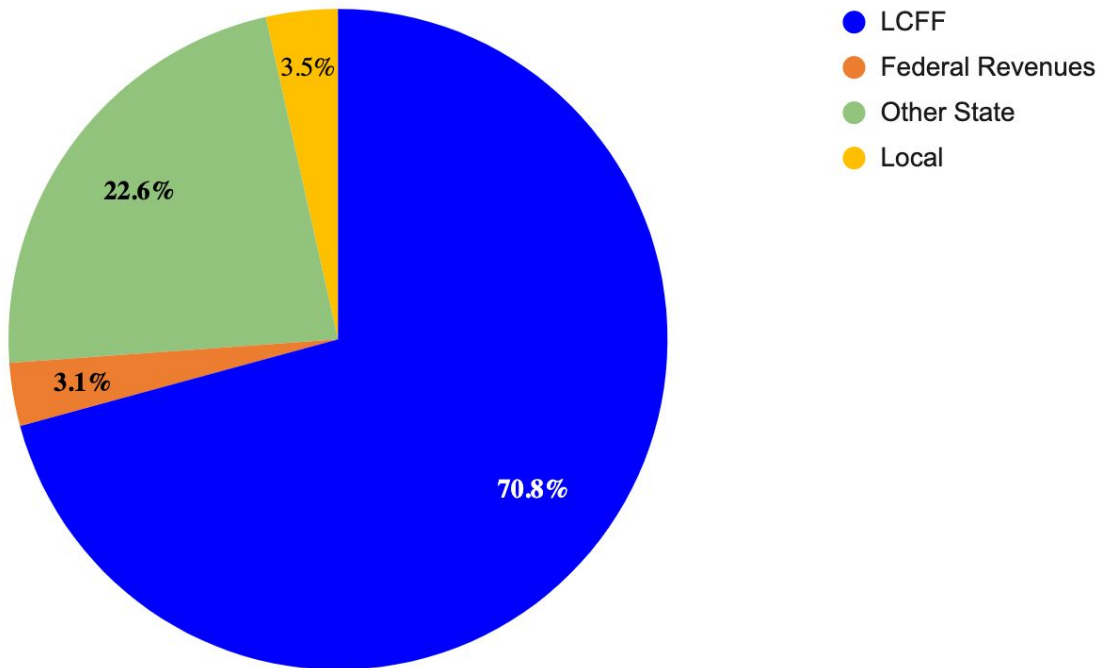
- **Restricted funds are not part of the reserves**
- **For best practice district reserve levels: 10% of GF**
- **Reserves allow the district to:**
 - Weather downturns in the economy
 - Handle emergencies
 - Manage cash flow needs
- **Reserves are one-time funds**
- **Consider allocating one-time funds to increase reserve levels**

2022/23 Unaudited Actuals

- Unaudited Actuals: Closing of the books for 2022/23 that accounts for all revenues and expenses
- State made new investments into LCFF and provided Restricted grants in 2022/23
- Total **Restricted** Program Ending Fund Balance: \$20.9M
- Received \$13M in **one-time** restricted funds in 2022/23
- Total reserves is at **\$12.17M or 5.62%** of total expenditures
- In 2022/23, PUSD had Unrestricted **deficit of \$2.34M**
- Increased costs in Salaries, Benefits, and Services and Operations
- Contribution from unrestricted to restricted programs has increased

2022/23 Unaudited Actuals Revenues

2022/23 Unaudited Actuals Revenue Sources

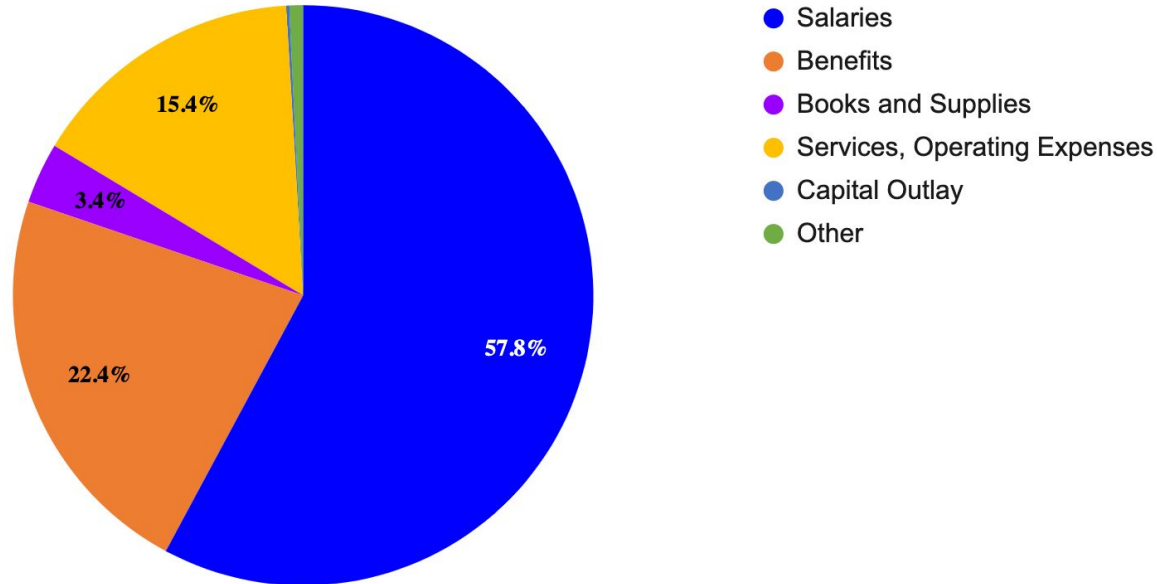


Total Revenues:
\$223,166,723

- LCFF revenues grew by 11.24%
- 6.56% COLA for 2021/22 + 6.07% increase to base
- LCFF revenue based on 3 year average ADA (hold harmless)
- Enrollment has declined 1,100 students since 2019/20 (CBED)
- Includes \$13M of one-time funding

2022/23 Unaudited Actuals Expenditures

2022/23 Unaudited Actuals Expenditures



Total Expenditures: \$216,716,200

- Salaries and Benefits represents 80.2% of total expenditures
- Includes increased compensation and benefits for 2022/23
- Includes staff right sizing from 2021/22
- Includes increased restricted expenditures from pandemic related funding
- \$8.25M increase in Services and Operating costs from 21/22
- Increased contribution towards special education and routine maintenance

PLEASANTON UNIFIED SCHOOL DISTRICT

Variance Report - 2022/2023



Variance Reports

Unrestricted & Restricted General Fund	Original Budget	45-Day Budget	First Interim	Second Interim	Estimated Actuals	Unaudited Actuals	Increase / (Decrease)	Percentage
BEGINNING FUND BALANCE	\$27,885,747	\$27,885,747	\$27,885,747	\$27,885,747	\$27,885,747	\$27,885,747	\$ -	0.00%
REVENUE								
LCFF Sources/Property Taxes	153,037,845	0	157,888,876	157,692,158	157,894,764	157,919,426	24,662	0.02%
Federal Revenues	6,055,715	0	6,913,373	7,007,054	7,007,059	6,915,514	(91,545)	-1.31%
Other State Revenue (1)	33,558,759	0	51,592,609	52,414,211	44,927,404	50,471,143	5,543,739	12.34%
Other Local Revenue (2)	2,912,054	0	4,128,232	4,747,668	5,427,669	7,860,640	2,432,971	44.83%
TOTAL REVENUE	\$195,564,373	\$0	\$220,523,090	\$221,861,091	\$215,256,896	\$223,166,724	7,909,828	3.67%
EXPENDITURES								
Certificated Salaries (3)	94,738,878	0	95,921,971	96,144,289	96,648,855	97,919,252	1,270,397	1.31%
Classified Salaries (3)	26,884,840	0	26,096,469	25,734,933	26,592,953	27,438,851	845,898	3.18%
Employee Benefits (3)	50,505,269	0	50,534,194	50,451,539	48,833,087	48,518,167	(314,920)	-0.64%
Books and Supplies (4)	6,999,762	0	10,676,635	10,650,030	9,656,551	7,339,775	(2,316,776)	-23.99%
Services, Operating Expenses (4)	21,871,863	0	28,919,345	32,477,083	34,803,791	33,470,169	(1,333,622)	-3.83%
Capital Outlay	795,500	0	946,524	752,461	681,766	356,491	(325,275)	-47.71%
Other Outgo	1,567,527	0	1,567,527	1,567,527	1,635,841	1,918,398	282,557	17.27%
Direct Support/Indirect Costs	-150,504	0	-150,504	-262,873	-262,873	-244,902	17,971	-6.84%
TOTAL EXPENDITURES	203,213,135	0	214,512,161	217,514,989	218,589,971	216,716,201	(1,873,770)	-0.86%
OTHER FINANCING SOURCES								
Transfers In	531,000	-	540,278	729,218	736,158	737,979	1,821	0.25%
Contributions	-	-	-	-	-	-	-	
Transfers Out and Other Uses	-	-	-	-	-	-	-	
INCOME minus EXPENSES & TRANSFERS	(7,117,762)	-	6,551,207	5,075,320	(2,596,917)	7,188,502	9,785,419	376.81%
ENDING FUND BALANCE	\$20,767,985	\$27,885,747	\$34,436,954	\$32,961,067	\$25,288,830	\$35,074,249	9,785,419	38.69%

1 State revenues are up due to an increase in Lottery and less of a reduction to restricted grant programs

2 Recognize revenue when received

3 Final Staffing adjustments, stipends, and sub costs

4 Less supply and operating expenses resulting in carryover to the restricted program budget

Unrestricted General Fund - 2022/23		Original Budget	45-Day Budget	First Interim	Second Interim	Estimated Actuals	Unaudited Actuals	Increase / (Decrease)	Percentage
BEGINNING FUND BALANCE		16,419,511	16,419,511	16,419,511	16,419,511	16,419,511	16,419,511		0.00%
REVENUE									
	LCFF Sources/Property Taxes	152,005,894		156,856,925	156,660,207	156,790,457	156,792,524	2,067	0.00%
	Federal Revenues	-		-				-	
	Other State Revenue	6,339,237		7,368,995	7,619,247	7,619,247	8,249,580	630,333	8.27%
	Other Local Revenue	1,418,985		1,507,068	1,625,369	1,833,423	2,264,901	431,478	23.53%
TOTAL REVENUE		159,764,116	-	165,732,988	165,904,823	166,243,127	167,307,006	1,063,879	0.64%
EXPENDITURES									
	Certificated Salaries	75,733,477		76,556,731	77,391,294	77,956,369	78,477,394	521,025	0.67%
	Classified Salaries	15,574,058		14,886,207	14,723,662	15,223,528	15,407,103	183,575	1.21%
	Employee Benefits	28,920,184		28,948,891	29,196,234	28,104,255	27,830,553	(273,702)	-0.97%
	Books and Supplies	4,647,636		5,716,697	4,891,678	3,668,700	3,144,314	(524,386)	-14.29%
	Services, Operating Expenses	12,220,487		13,970,814	14,280,501	15,569,228	15,408,514	(160,714)	-1.03%
	Capital Outlay	195,500		341,300	338,223	367,233	90,151	(277,082)	-75.45%
	Other Outgo	1,367,527		1,367,527	1,367,527	1,367,527	1,424,163	56,636	4.14%
	Transfers of Indirect Costs	(2,152,972)		(2,103,974)	(2,294,652)	(2,301,683)	(2,234,364)	67,319	-2.92%
TOTAL EXPENDITURES		136,505,897	-	139,684,193	139,894,467	139,955,157	139,547,827	(407,330)	-0.29%
OTHER FINANCING SOURCES									
	Transfers In/Out	531,000		540,278	729,218	736,158	737,979	1,821	0.25%
	Other Sources/Uses							-	
	Contributions	(31,190,606)		(31,376,626)	(30,989,335)	(31,486,785)	(30,836,092)	650,693	-2.07%
	Categorical Programs							-	
	Special Education	(25,505,692)		(25,694,982)	(25,304,691)	(25,520,141)	(24,704,452)	815,689	-3.20%
	Restricted Routine Repair	(5,684,644)		(5,684,644)	(5,684,644)	(5,984,644)	(6,131,640)	(146,996)	2.46%
	Transfers Out and Other Uses	-						-	
TOTAL - OTHER FINANCING		(30,659,606)	-	(30,836,348)	(30,260,117)	(30,750,627)	(30,098,113)	652,514	-2.12%
INCOME <i>minus</i> EXPENSES & TRANSFERS		(7,401,387)	-	(4,787,553)	(4,249,761)	(4,462,657)	(2,338,934)	2,123,723	
ENDING FUND BALANCE		9,018,124	16,419,511	11,631,958	12,169,750	11,956,854	14,080,577	2,123,723	17.76%

Variance Reports

Variance Reports

Restricted General Fund - 2022/23	Original Budget	45-Day Budget	First Interim	Second Interim	Estimated Actuals	Unaudited Actuals	Increase / (Decrease)	Percentage
BEGINNING FUND BALANCE	\$11,466,236	\$11,466,236	\$11,466,236	\$11,466,236	\$11,466,236	\$11,466,236		0.00%
REVENUE								
LCFF Sources/Property Taxes	1,031,951		1,031,951	1,031,951	1,104,307	1,126,902	22,595	2.05%
Federal Revenues	6,055,715		6,913,373	7,007,054	7,007,059	6,915,514	(91,545)	-1.31%
Other State Revenue	27,219,522		44,223,614	44,794,964	37,308,157	42,221,563	4,913,406	13.17%
Other Local Revenue	1,493,069		2,621,164	3,122,299	3,594,246	5,595,739	2,001,493	55.69%
TOTAL REVENUE	35,800,257	-	54,790,102	55,956,268	49,013,769	55,859,718	6,845,949	13.97%
EXPENDITURES								
Certificated Salaries	19,005,401		19,365,240	18,752,995	18,692,486	19,441,858	749,372	4.01%
Classified Salaries	11,310,782		11,210,262	11,011,271	11,369,425	12,031,748	662,323	5.83%
Employee Benefits	21,585,085		21,585,303	21,255,305	20,728,832	20,687,614	(41,218)	-0.20%
Books and Supplies	2,352,126		4,959,938	5,758,352	5,987,851	4,195,461	(1,792,390)	-29.93%
Services, Operating Expenses	9,651,376		14,948,531	18,196,582	19,234,563	18,061,655	(1,172,908)	-6.10%
Capital Outlay	600,000		605,224	414,238	314,533	266,341	(48,192)	-15.32%
Other Outgo	200,000		200,000	200,000	268,314	494,236	225,922	84.20%
Direct Support/Indirect Costs	2,002,468		1,953,470	2,031,779	2,038,810	1,989,462	(49,348)	-2.42%
TOTAL EXPENDITURES	66,707,238	-	74,827,968	77,620,522	78,634,814	77,168,374	(1,466,440)	-1.86%
OTHER FINANCING SOURCES								
Transfers In	-		-				-	
Contributions	31,190,606		31,376,626	30,989,335	31,486,785	30,836,092	(650,693)	-2.07%
Categorical Programs*							-	
Special Education	25,505,692		25,694,982	25,304,691	25,502,141	24,704,452	(797,689)	-3.13%
Restricted Routine Repair	5,684,644		5,684,644	5,684,644	5,984,644	6,131,640	146,996	2.46%
Transfers Out and Other Uses	-						-	
INCOME minus EXPENSES & TRANSFERS	283,625		11,338,760	9,325,081	1,865,740	9,527,435	7,661,695	
ENDING FUND BALANCE	11,749,861	11,466,236	22,804,996	20,791,317	13,331,976	20,993,672	7,661,695	57.47%

Components of the Ending Fund Balance

Restricted Balances	\$20,934,072
Expanded Learning Opportunities Program	\$1,331,042
Other Restricted Federal	\$3,063
Educator Effectivness	\$1,595,602
Lottery Instructional Material	\$108,281
Special Education	\$303,431
Mental Health Related Services	\$414,311
Special Education Early Intervention Preschool Grant	\$35,649
Art, Music, and Instr. Materials Discretionary Block Grant	\$7,534,034
Child Nutrition: Kitchen Infrastructure Upgrade Funds	\$12,500
Child Nutrition: Food Service Staff Training Funds	\$36,240
A-G Access Success Mitigation Grant	\$315,625
A-G Learning Loss Mitigation Grant	\$61,761
ELO Grant (Paraprofessional)	\$367,269
Learning Recovery Emergency Block Grant	\$4,244,383
Other Restricted State	\$125,114
Routine Maintenance Account:	\$2,028,100
Other Restricted Local	\$2,417,668
Unrestricted Assigned Fund Balances	\$371,000
Program Carryover	\$371,000
Reserves	\$12,170,122
Economic Uncertainty	\$6,501,826
AR 3100	\$2,386,491
Unassigned/Unappropriated	\$3,281,805
Non-Spendable Cash	\$1,599,055
Total Ending Fund Balance	\$35,074,250



Long list of
State
Restricted
and
Categorical
Programs



5.62% of GF
expenditures,
about one
month of
operating
expenses

Multi Year Expenditure Plans for Restricted Funds

Arts, Music, and Instructional Materials Discretionary Block Grant (Assembly Bill 181, Sec 134)

Arts, Music, and Instructional Materials Discretionary Block Grant (Assembly Bill 181, Sec 134)

Learning Recovery Grant : 5.38M

Learning Recovery Grant : 5.38M

EXPENDITURE PLAN - PUSD

Total amount of funds received by the LEA:

\$5,375,380

Area	Area	Actions	Measures of Success	Funds Appropriated			
				2022-23	2023-24	2024-25	2025-26
1a. Increasing Instructional Time	3a. Providing Pupil and Staff Support to address barriers to learning	Continue with full time elementary counselors. Prior to the pandemic each school had 0.5 FTE. With this funding we are able to continue the 1.0 FTE at each elementary school	Improved social and emotional health of students		\$550,000	\$600,000	\$650,000
	3b. Providing Pupil and Staff Support to address barriers to learning	Continue the current additional Social Workers funded by one time funds	Improved social and emotional health of students		\$120,000	\$125,000	\$130,000
2a. Closing Learning Gaps	4a. Provide Access to Instruction for Credit deficient pupils	Continue with credit recovery and extended summer school programs	Improved graduation rates, improved academic performance, and student progress.	\$450,000	\$450,000	\$450,000	\$450,000
	4b. Provide Access to Instruction for Credit deficient pupils	PVA High School - Concurrent enrollment 6/5th sections or split schedules	Improved graduation rates, improved academic performance, and student progress.		\$60,000	\$50,000	\$35,380
2c. Closing Learning Gaps	4c. Provide Access to Instruction for Credit deficient pupils	2nd Semester Credit Recovery @ Comprehensive High Schools	Graduation Rates indicator on CA School Dashboard		\$60,000	\$60,000	\$60,000
Totals				\$450,000	\$1,615,000	\$1,660,000	\$1,650,380
Grand Total				\$5,375,380			

* Staff three y

Budget Model for Negotiations and Impact

- Incorporated Unaudited Actuals ending balances into 2023/24 Budget and made LCFF adjustment for slight enrollment improvement
- Added additional ongoing salary/benefit costs per the PUSD proposals (above the fairshare formula)
- To meet the Multi-Year Projections of minimum reserves level of 3% significant further reductions will be needed to reduce deficit spending.
- Annual deficit spending to increase \$2.5M which is not sustainable

Pleasanton Unified School District FAIR SHARE CALCULATION - 2023/24

Step 1: Revenues/Adjustments*		
New LCFF Revenue	\$	8,605,155
New SPED Revenue (AB 602)		319,263
Less: New Supplemental/Concentration		(176,906)
Less: Pension Cost Increases		(418,492)
Staffing Adjustment		2,200,000
New LCFF Base Grant Revenues		10,529,020
Step 2: Unit's Share of Revenues		
New LCFF Base Grant Revenues		10,529,020
	From Spring 2023	
Unit's Percentage		61.80%
Unit's Share of Base Grant Revenues		6,506,833
Step 3: Step and Column Cost		
Unit's Step and Column Costs		1,130,431
Net Step and Column Costs		1,130,431
Step 4: Cost of Benefit Changes		
Employer CalSTRS Costs		178,731
Employer Health and Welfare Costs		288,000
Employer UI Costs		(298,537)
Employer Workers' Compensation Costs		66,560
New Employer Benefit Costs		234,754
Step 5: Other Adjustments		
Total Adjustments		-
Net Dollars Available for Compensation		5,141,647
Step 6: Cost of 1%		
Unit's Cost of 1%		
(unrestricted plus encroaching programs)		910,470
Computed Fair Share Compensation Increase		5.65%

* Based on LCFF assumption of 8.13% COLA and 2nd Interim ADA assumptions

District Proposal 9/6/23

- 6.25% increase on the salary schedule
- 75% of Single Kaiser covered starting Jan 1, 2024
- Stipend for Special Education and BCLAD for DLI
- Net: 7.34% increase to APT

Item	APT Proposal		District Proposal		Difference (APT - District)	
	% Change	Cost	% Change	Cost	% Change	Cost
Salary	15.50%	\$17,050,000	6.25%	\$6,875,000	9.25%	\$10,175,000
Medical: Benefits*	7.38%	\$8,114,421	0.64%	\$708,802	6.73%	\$7,405,619
Medical:	Additional \$500					
Cash in Lieu	(0.60%)	(\$664,500)			(0.60%)	(\$664,500)
Stipends/ Hourly Rate	2.28%	\$2,510,578	0.45%	\$495,000	1.83%	\$2,015,578
Class Size	7.44%	\$8,181,794			7.44%	\$8,181,794
Years of Service	Unknown					
Signing Bonus	Unknown					
Totals	31.99%	\$35,192,293	7.34%	\$8,078,802	24.65%	\$27,113,491

* APT Proposal is based on 75% usage; District Proposal is based on 36% usage
Initial year cost data for both proposals reflects 50% of the total medical benefits cost

District Proposal 9/27/23

- 6.3% increase on the salary schedule
- 80% of Single Kaiser covered starting Jan 1, 2024
- Stipend for Special Education, BCLAD for DLI, and Outdoor Ed
- Net: 7.56% increase to APT

Item	APT Proposal		District Proposal		Difference (APT - District)	
	% Change	Cost	% Change	Cost	% Change	Cost
Salary	15.00%	\$16,500,000	6.30%	\$6,930,000	8.70%	\$9,570,000
Medical: Benefits*	1.78%	\$1,957,349	0.74%	\$810,063	1.04%	\$1,147,286
Medical: Cash in Lieu	20% of Kaiser One					
	(0.00%)	(\$4,752)			(0.00%)	(\$4,752)
Stipends/ Hourly Rate	2.31%	\$2,545,940	0.53%	\$578,961	1.79%	\$1,966,978
Class Size	7.44%	\$8,181,794			7.44%	\$8,181,794
Years of Service	Unknown					
Signing Bonus	Unknown					
Totals	26.53%	\$29,180,330	7.56%	\$8,319,024	18.96%	\$20,861,306

* APT Proposal is based on 40% usage; District Proposal is based on 37% usage

Initial year cost data for both proposals reflects 50% of the total medical benefits cost

NOTE: 2023-24 COLA is 8.22%. Effective new LCFF Funding for PUSD is 5.9%.

Questions

