



GATEWAY UNIFIED SCHOOL DISTRICT

2022-23 Second Interim Budget
Update

March 15, 2023



Presentation Overview

- District Net Worth
- Revenues
- Expenses
- Ending Balance / Reserves
- Multi-Year Projections: 2023-24 & 2024-25
- Future Indicators
- Recommendation

District Net Worth

| | Est. June 30, 2023 Balance |
|--|-----------------------------------|
| Fund 01 | \$ 23,459,260 |
| Fund 08 – Student Body | 33,826 |
| Fund 13 – Cafeteria | 994,635 |
| Fund 20 – Post Emp Benefits | 450,322 |
| Fund 21 – Capital Building (Balance of Bond) | -0- |
| Fund 25 – Developer Fees | 2,689,829 |
| Fund 40 – Capital Outlay Projects | 922,514 |
| Fund 51/52 – Bond Financing | 2,412,113 |
| | \$ 30,962,499 |

Revenues – Fund 01

| | 1 st Interim | 2 nd Interim | Difference | Notes |
|------------------------|-------------------------|-------------------------|-------------|---|
| LCFF | \$ 28,151,311 | \$ 28,151,311 | -0- | |
| Federal | 9,529,868 | 9,574,532 | 44,644 | Federal ESSER allocations |
| State | 9,606,501 | 10,944,176 | 1,337,675 | Budgeted to receive grant funds for the 3 buses received this year. |
| Local | 2,435,272 | 2,638,997 | 203,725 | Budgeting of donations / fundraisers as received |
| Interfund Transfers In | 337,631 | 337,631 | -0- | |
| Total Revenue | \$ 50,060,583 | \$ 51,646,647 | \$1,586,064 | |
| Estimated FUNDED ADA | 2,101.53 | 2,101.53 | | |

Expenses

| | 1 st Interim | 2 nd Interim | Difference | Notes |
|-------------------------|-------------------------|-------------------------|------------|---|
| Certificated Salaries | \$ 14,184,965 | \$ 14,151,443 | (33,522) | Adjusted budgets for vacant positions |
| Classified Salaried | 7,367,049 | 7,341,848 | (25,201) | |
| Benefits | 9,583,437 | 9,556,138 | (27,299) | |
| Books/Supplies | 2,938,583 | 3,319,223 | 380,640 | Spending down of ESSER funds |
| Services/Operations | 6,541,110 | 6,726,993 | 185,883 | Increase in legal fees; SPED services; Contracted Services |
| Capital Outlay | 5,062,094 | 6,737,998 | 1,675,904 | Increased for 3 new buses offset by grant revenue; fencing for GEO move; sod for CV field; beginning of SLS track project |
| Other Outgo | 298,529 | 298,529 | -0- | |
| Direct/Indirect Costs | (46,762) | (50,980) | (4,218) | Increase to Cafeteria Indirect costs |
| Interfund Transfers Out | 367,281 | 367,281 | -0- | |
| Total Expenses | \$ 46,296,286 | \$ 48,448,473 | 2,152,187 | |

Ending Balance – Fund 01

| | 1st Interim | 2nd Interim | Difference |
|-------------------------|-------------------------------|-------------------------------|-------------------|
| Beginning Balance | \$ 20,261,086 | \$ 20,261,086 | |
| Increase/(Deficit) | 3,764,297 | 3,198,174 | |
| Ending Balance | \$ 24,025,383 | \$ 23,459,260 | \$ (566,123) |
| Estimated FUNDED ADA | 2,101.53 | 2,101.53 | |

Assigned/Committed Reserves

| Assigned | |
|--------------------------------|---------------------|
| Unrestricted Lottery | \$ 154,475 |
| Deferred Maintenance | 250,000 |
| Tech/Chromebooks | 593,842 |
| Mandated Costs | 1,908,913 |
| Forest Reserves | 907,683 |
| SPED Services/Litigation | 500,000 |
| Reimbursable Funds | 26,829 |
| MAA | 1,214,329 |
| | |
| Total Assigned Reserves | \$ 5,556,071 |

| Committed/Legally Restricted | |
|-------------------------------------|---------------------|
| ELO-P | \$ 1,044,664 |
| Educator Effectiveness | 568,467 |
| Studied BG | 18,075 |
| Restricted Lottery | 524,730 |
| New Bus Reserve | 200,000 |
| SPED PreK Intervention | 314,878 |
| Learning Recovery BG | 3,125,100 |
| Art, Music, Instr Mat'l, & Disc BG | 1,229,263 |
| Classified PD BG | 5,193 |
| SB117 - COVID | 33,995 |
| A-G Learning Loss/Access | 144,467 |
| ELO / ELO Paraprofessionals | 226,457 |
| RDA Funds | 1,162,888 |
| MediCal BOP | 259,816 |
| Scholarships | 255,560 |
| First 5 Grant / GREAT Carryover | 5,859 |
| Donations/Site Specific | 123,029 |
| | |
| Total Restricted Reserves | \$ 9,242,441 |

Components of Ending Fund Balance – Fund 01

| | 2nd Interim | |
|--|-------------------------------|--------|
| Ending Balance | \$ 23,459,260 | |
| | | |
| Revolving Cash | 12,100 | |
| Restricted Reserves | 9,242,441 | 19.08% |
| Assigned Reserves | 5,556,071 | 11.47% |
| State Required Economic Uncertainty | 1,453,454 | 3% |
| District Economic Uncertainty | 7,195,194 | 14.85% |



MULTI-YEAR PROJECTIONS

2023-24 & 2024-25

Multi-Year Assumptions

- COLA: 2023-24 = 8.13% 2024-25 = 3.54%
- Unduplicated Pupil Count: 2023-24 = 73.0% 2024-25 = 72.76%
- Enrollment/ADA: 2023-24 = 2,182/1,959.17 2024-25 = 2,152/1,936.34
- Funded ADA: 2023-24 = 2,012.67 2024-25 = 1,965.11 (Based on 3 Prior Year Average)
- Revenues: Projected in both years to reflect new LCFF calculations, final ESSER fund allocations, newly awarded grants and estimates of on-going revenues.
- Staffing:
 - 2023-24 Staffing remains the same as current year with the exception of attrition from retirements and filling Superintendent position. Step & column and negotiated settlements for GTA and NRU are budgeted. Negotiations for CSEA are unsettled. STRS rates remain the same and PERS rates are projected to increase from 25.37% to 27.00% (a cost of \$119,672)
 - 2024-25 Staffing is projected to remain the same, however extra duty and sub costs have been reduced due to the COVID MOU's expiring and funding fully expended. Step & column has been budgeted and negotiations remain unsettled. The Retention bonus for staff has also been eliminated in 2024-25. STRS rates remain the same at 19.10% and PERS rates are again projected to increase from 27.00% to 28.10% (a cost of \$81,868)
- Expenses: Overall, expenses were increased 5% for supplies and services to reflect inflation. One-time expenses have been removed from the budget and expenses pertaining to the new one-time grants have been added. Increased budget for potential SPED placements and potential special election. Capital expenses have been budgeted for new bus purchases through a grant and the match required by the District for the new CTE Pathway at CVHS.
- Deficit Spending: The District is in planned deficit spending due to funds received through block grants and the pandemic. These have all been received in prior/current years and projected to be spent in subsequent years.

MYP

| | 2022-23 | 2023-24 | 2024-25 |
|---|----------------|----------------|----------------|
| Revenues | \$ 51,646,647 | \$ 41,920,450 | \$ 38,100,727 |
| Expenses | 48,448,473 | 44,862,305 | 42,332,084 |
| Increase/(Deficit) | 3,198,174 | (2,941,855) | (4,231,357) |
| | | | |
| Ending Balance | \$ 23,459,260 | \$ 20,517,405 | \$ 16,286,048 |
| Economic Uncertainty Reserve (State & District) | 8,648,648 | 8,047,335 | 6,488,600 |
| | 17.85% | 17.9% | 15.33% |
| Funded ADA | 2,101.53 | 2,060.86 | 2,011.21 |

Future

- Staffing shortages continue to plaque the District – and the state as a whole.
 - TK student to adult ratio possibly getting another year at 12:1 and going to 10:1 in 2024-25
- Inflation / Recession – impact on the District
- Deficit Spending – getting the District back to very minimal deficit spending. Long range plan.
- Enrollment / ADA Decline

Recommendation

It is the recommendation of the District that the Board approve the 2022-23 Second Interim Budget report with a POSITIVE certification. The Gateway Unified School District is capable of meeting the financial obligations for the current year and two subsequent years.



THANK YOU!