



Gateway Unified School District

Providing Excellence in Learning: Every Student, Every Day

4411 Mountain Lakes Blvd. ■ Redding, CA 96003 ■ (530) 245-7900 ■ (530) 245-7920
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August 10, 2023

To: Gateway USD Board of Trustees

From: Beth Roberts, Director of Business Services

Re: 45 Day Budget Revision

Due to the State budget changes from the May Revise to the Final Enacted Budget and the Governor signing trailer bills passed by the State Legislature in July, we are presenting a 45-day budget revision. This reflects increases and/or adjustments to LCFF Equity Multiplier, Prop 28 Art & Music Funding and one-time block grants. We also made adjustments to the budget to reflect the intent to purchase additional diesel buses and retiree benefits bases on actual events.

NOTABLE BUDGET ADJUSTMENTS:

The LCFF funded dollars will increase due to the **Equity Multiplier** a new LCFF add-on. These funds could be on-going if GUSD qualifies based on the needs of our population. The amended formula approved in the Final Enacted State Budget qualified GUSD to receive an **additional \$763,946**. This income has not been offset by expenses at this time as we are giving our sites time to evaluate how their funds will be used by their sites.

Proposition 28 Arts & Music Education was approved by the voters in November 2022 and is just now making its way into schools. GUSD will **receive \$361,917** in on-going funds to support the Arts & Music in schools. 80% of these funds are intended to be spent on personnel. We had anticipated these funds and began to recruit for 3 new art teachers at the elementary level and those positions were included in the Adopted Budget. The personnel expenses were moved to this funding source and the balance was budgeted for each site to have discretionary dollars to supply their Arts & Music programs.

Art, Music, Instructional Materials, Discretionary Block Grant was presented in the Adopted Budget to have a cut to previously budgeted revenue of \$626,925 – over 50% reduction. The Final State Budget dropped the reduction to 5% so we were able to **restore \$565,463** in revenue back to our Budget. The Board approved a plan on how these funds are to be used through 2025-26 and the reduction will come off the plans for PD in the final year.

BUCKEYE SCHOOL OF THE ARTS
3407 Hiatt Drive
Redding, CA
96003
(530) 225-0420

CENTRAL VALLEY HIGH SCHOOL
4066 La Mesa Avenue
Shasta Lake, CA
96019
(530) 275-7075

GATEWAY EDUCATIONAL OPTIONS
17752 Shasta Dam Blvd.
Shasta Lake, CA
96019
(530) 275-7000

GRAND OAKS ELEMENTARY
5309 Grand Avenue
Shasta Lake, CA
96019
(530) 275-7040

MOUNTAIN LAKES HIGH SCHOOL
17752 Shasta Dam Blvd.
Shasta Lake, CA
96019
(530) 275-7000

SHASTA LAKE SCHOOL
4620 Vallecito Street
Shasta Lake, CA
96019
(530) 275-7020

Learning Recovery Block Grant was presented in the Adopted Budget to have a cut of \$1,029,449 from the funds that had already been received – approximately 33% cut. The Final Budget restored about half of the original cut and **restored \$546,895** adjusting the overall reduction to about 14%. The cut is planned to be restored in 2025-26 and 2026-27, but at this time we will not project for those funds to be restored in the out years.

Transportation purchases were updated in this 45-day budget adjustment. We budgeted **\$800,000 in revenue** that is coming from a bus grant for 2 electric buses that was entered into in May 2022. The budget was also updated to reflect the purchase of the 2 electric buses and the 3 additional diesel buses that were approved in June 2023.

Retiree Benefits were adjusted to reflect actual retirees. Funds from the general fund (Fund 01) were adjusted from \$245,000 down to \$35,000 to reflect the total Retiree benefits owed to for the new eligible retirees. Also, funds coming into the general fund from Fund 20 were reduced from \$215,350 to \$118,000 for the expense of the estimated benefits. This had a positive effect on the general fund of \$53,350 from what was anticipated at the time of the Adopted Budget.

Overall adjustments to the 2023-24 Adopted Budget reflect increased revenues of \$3,675,805 and increased expenses of \$2,194,754. Increasing our ending balance by \$1,481,051. Keep in mind, within this ending balance is the unbudgeted expenses for the LCFE Equity Multiplier, the increase in reserves for the block grants of \$1,112,358 and the increase to the 3% state required reserve due to the increase in expenses. We also reduced reserves for the bus new diesel bus purchases by \$805,918.

The additional revenue and any changes in subsequent expenses, will be reflected at the December 2023 Board meeting when First Interim is presented.