

GATEWAY UNIFIED SCHOOL DISTRICT

2023-24 PRELIMINARY BUDGET REPORT

JUNE 21, 2023



OVERVIEW OF PRESENTATION

- ADA
- Revenues
- Expenses
- Ending Balance
- Economic Uncertainty
- Reserves
- Multi-Year Projections: 2024-25 & 2025-26
- Future Indicators

EST ENROLLMENT**EST P-2 ADA****EST FUNDED ADA**

2,159

1,978.51

2,061.02

Decrease of 22 students

Estimated 91.6% attendance

Based on prior 3YR average

PRELIMINARY BUDGET

Notes

LCFF	30,148,294	8.22% COLA with declining ADA – Increase of \$1,1996,983 over 2022/23 = 6.3% increase
Federal	5,464,900	Budgeted the balance of the ESSER/ARP Pandemic relief funds
State	2,894,732	\$1,656,374 negative revenue that was budgeted to be received and part of the ending balance in <u>2022-23</u> based on reductions to the Learning Recover BG & Art, Music, Instructional Materials, Discretionary BG
Local	2,527,427	Local revenues are budgeted as received. Interest, Special Education, RDA funds & ongoing misc funds have been budgeted
Interfund Transfers In	215,350	From Fund 20 for retiree H&W Benefits
Total Revenue	\$41,250,703	
Estimated Funded ADA	2061.02	2022-23 Estimated ADA is using the 3YR Prior Average



REVENUES

	PROJECTED	Notes
Certificated Salaries	\$16,059,685	All settlements for 2023/24 have been budgeted along with step & column movement
Classified Salaries	8,276,725	
Benefits	10,825,129	Increase in Health & Welfare CAP to \$11,200 per FTE
Books/Supplies	2,060,931	
Services/Operating	7,380,769	Increased budget for Special Election expense, Special Education placements, increased contracted services for Special Education due to vacant positions
Capital Outlay	470,042	2 new buses & box truck for cafeteria
Other Outgo	298,529	SCOE Transfers / Copier leases
Direct Support / Indirect Costs	(106,182)	Indirect costs received from Cafeteria fund
Interfund Transfers Out	245,000	To Fund 20 for estimated Retiree H&W benefits
TOTAL EXPENSES	\$45,510,628	

EXPENSES

	BUDGETED	LCAP Summary
Goal 1 – Action 1	\$ 846,197	PD, technology, Intervention Teacher, STEM/STEAM, Art Teacher
Goal 1 – Action 2	1,504,140	VAPA Courses, A-G Courses, CTE Pathways, CTE
Goal 1 – Action 3	857,208	Libraries, TK Paraprofessionals, Intervention, Speech
Goal 1 – Action 4	428,027	Minimum Mondays – PLC Teams
Goal 1 – Action 5	183,604	EL Support staff, Teacher & Paraprofessionals
Goal 1 – Action 6	1,570,472	RSP Teachers, Psychologists, Speech
Goal 1 – Action 7	152,559	Indian Education
Goal 2 – Action 1	4,156,318	REACH, CalPADS, SRO, Campus Monitors, ERICS, Attendance, Counseling, PBIS
Goal 3 – Action 1	15,783	School Messenger
Goal 4 – Action 1	5,000	HR PD
Goal 4 – Action 2	50,400	New Teacher Induction Program
Goal 5 – Action 1	1,235,324	Maintenance / Facilities
Goal 5 – Action 2	255,357	IT Staff & PD
TOTAL LCAP EXPENSES	\$11,260,389	

LCAP EXPENSES WITHIN BUDGET

PROJECTED

Beginning Balance	\$23,459,260
Increase/(Deficit)	(4,259,925)
Ending Balance	\$19,199,335
Funded ADA	2,061.02

ENDING BALANCES

RESERVE FOR ECONOMIC UNCERTAINTY

	PROJECTED	
Ending Balance	\$19,199,335	
Cash/Stores	\$12,100	
Restricted Reserves	6,793,896	
Assigned Reserves	5,555,836	12.21%
Reserve for Economic Uncertainty (State & District)	6,837,503	15.02%

ASSIGNED/COMMITTED RESERVES

COMMITTED / LEGALLY RESTRICTED

ELOP	1,073,634
Educator Effectiveness BG	384,730
Scholarships	253,388
KIT Funds	164,997
A-G Access/Success	144,467
RDA Funds	1,252,888
MediCal BOP	204,816
COVID Supplies	33,995
Restricted Lottery	684,223
Classified PD BG	5,193
Site Specific Fundraising	119,992
SPED PreK Intervention	407,224
Learning Recovery BG	1,865,534
New Bus Reserve	198,815
TOTAL COMMITTED	\$6,793,896

ASSIGNED

Unrestricted Lottery	174,431
Deferred Maintenance	250,000
Mandated Costs	1,961,777
Forest Reserves	1,017,457
Chromebook Purchase/Technology	837,842
MAA	1,214,329
SPED Services	100,000
Declining Enrollment / District Uncertainty	5,472,184
TOTAL COMMITTED	\$11,028,020

STATE REQUIRED 3 % MINIMUM RESERVE

\$1,365,319

MULTI-YEAR PROJECTIONS



MULTI-YEAR ASSUMPTIONS

- COLA: 2024-25 = 3.94% (2.5%) 2025-26 = 3.19% (1.2%)
- Funded ADA: 2024-25 = 2,030.66 (30.36) 2025-26 = 1,994.35 (36.31)
- Unduplicated Count: 2024-25 = 73.72% 2025-26 = 73.15%
- Revenues: Adjusted in both years to reflect new LCFF calculations and adjusted to the normal funding sources for Federal and State with the elimination of ESSER & Cares Act funding.
- Staffing: **2024-25**: Staffing reduced by 7.2 FTE, extra duty and extra substitute funded through COVID funds, retention stipends for all staff and estimated attrition from retirements. PERS rate increased to 27.7%. Step & column movement is budgeted and contracts are not settled. **2025-26**: PERS rate increased to 28.3%. Step & column movement is budgeted and contracts are not settled.
- Expenses: in both **2024-25** and **2025-26**, Overall expenses were increased by 5% for Supplies and Services, to reflect inflation. One-time expenses from ESSER, CSI, and SWP Workforce grants have all be eliminated and the special election estimated expenses have been reduced.
- Capital Outlay: No capital outlay is projected for **2024-25** or **2025-26**.

		2023-24 Adopted			2024-25 Projected			2025-26 Projected		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
REVENUES	Object									
LCFF Revenue Sources	8010 - 8099	30,148,294	-	30,148,294	30,910,618	-	30,910,618	31,277,509	-	31,277,509
Federal Revenues	8100 - 8299	110,441	5,354,459	5,464,900	11,044	1,964,781	1,975,825	11,044	1,825,000	1,836,044
Other State Revenues	8300 - 8599	426,820	2,467,912	2,894,732	397,500	3,885,490	4,282,990	397,000	3,843,786	4,240,786
Other Local Revenues	8600 - 8799	278,433	2,248,994	2,527,427	125,000	2,180,866	2,305,866	120,000	2,130,866	2,250,866
Interfund Transfers In	8910 - 8929	215,350	-	215,350	280,000	-	280,000	280,000	-	280,000
Other Sources	8930 - 8979	-	-	-	-	-	-	-	-	-
Contributions	8980 - 8999	(5,147,435)	5,147,435	-	(3,398,392)	3,398,392	-	(4,882,624)	4,882,624	-
TOTAL REVENUES		26,031,903	15,218,800	41,250,703	28,325,770	11,429,529	39,755,299	27,202,929	12,682,276	39,885,205
EXPENDITURES	Object									
Certificated Salaries	1000 - 1999	12,322,640	3,737,045	16,059,685	12,094,083	3,257,577	15,351,660	12,184,118	3,246,865	15,430,983
Classified Salaries	2000 - 2999	4,804,982	3,471,743	8,276,725	4,870,029	3,142,408	8,012,437	4,935,774	3,197,400	8,133,174
Total Employee Benefits	3000-3999	6,958,928	3,866,201	10,825,129	6,899,108	3,716,297	10,615,405	6,943,878	3,782,688	10,726,566
Total Salary and Benefits		24,086,550	11,074,989	35,161,539	23,863,220	10,116,282	33,979,502	24,063,770	10,226,953	34,290,723
Books and Supplies	4000 - 4999	999,623	1,061,308	2,060,931	1,049,604	481,929	1,531,533	1,102,084	506,025	1,608,109
Services, Other Operating Expenses	5000 - 5999	3,144,636	4,236,133	7,380,769	3,196,868	2,496,718	5,693,586	3,304,211	2,621,554	5,925,765
Capital Outlay	6000 - 6599	-	470,042	470,042	-	-	-	-	-	-
Other Outgo	7100 - 7499	288,529	10,000	298,529	288,529	11,188	299,717	288,529	12,188	300,717
Direct Support / Indirect Costs	7300 - 7399	(921,055)	814,873	(106,182)	(539,840)	488,402	(51,438)	(547,295)	493,286	(54,009)
Interfund Transfers Out	7610 - 7629	245,000	-	245,000	185,868	-	185,868	185,868	-	185,868
Other Uses	7630 - 7699	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES		27,843,283	17,667,345	45,510,628	28,044,249	13,594,519	41,638,768	28,397,167	13,860,006	42,257,173
NET INCREASE/DECREASE IN FUND BALANCE		(1,811,380)	(2,448,545)	(4,259,925)	281,521	(2,164,990)	(1,883,469)	(1,194,238)	(1,177,730)	(2,371,968)
BEGINNING BALANCE		14,216,819	9,242,441	23,459,260	12,405,439	6,793,896	19,199,335	12,686,960	4,628,906	17,315,866
Audit Adjustment/Restatement		-	-	-	-	-	-	-	-	-
ENDING BALANCE		12,405,439	6,793,896	19,199,335	12,686,960	4,628,906	17,315,866	11,492,722	3,451,176	14,943,898
Components of Ending Fund Balance										
Reserved Rev Cash/GAINS/Stores		12,100	-	12,100	12,100	-	12,100	12,100	-	12,100
Economic Uncertainty		6,837,503	-	6,837,503	7,318,860	-	7,318,860	6,055,622	-	6,055,622
Board Designated/Assigned		5,555,836	-	5,555,836	5,356,000	-	5,356,000	5,425,000	-	5,425,000
Restricted		-	6,793,896	6,793,896	-	4,628,906	4,628,906	-	3,451,176	3,451,176
Undesignated		-	-	-	-	-	-	-	-	-
Total Ending Fund Balance		12,405,439	6,793,896	19,199,335	12,686,960	4,628,906	17,315,866	11,492,722	3,451,176	14,943,898

MULTI-YEAR SUMMARY

	2023-24	2024-25	2025-26
REVENUES	\$ 41,250,703	\$ 39,755,299	\$ 39,885,205
EXPENSES	45,510,628	41,638,768	42,257,173
Increase/(Deficit)	(4,259,925)	(1,883,469)	(2,371,968)
ENDING BALANCE	\$ 19,199,335	\$ 17,315,866	\$ 14,943,898
Economic Uncertainty Reserve	\$ 6,837,503	\$ 7,318,860	\$ 6,055,622
	15.02%	17.6%	14.33%

INDICATORS TO WATCH FOR.....

- Continual rise in inflation
- ADA decline
- Staffing shortages
- Mid-year cuts or deferrals
- Final year of one-time ESSER funds
- Political climate

BOARD ACTION REQUESTED

It is recommended that the Board approve the Preliminary Budget for 2023-24.

The District is capable of meeting our financial obligations for the projected year and the two subsequent years.

