

2023-24 1st Interim Report

Piedmont USD Board of Education Meeting
December 13, 2023

Required Reports

- The District is required to adopt a budget and provide updates to the Alameda County Office of Education (ACOE) by:

- July 1 Adopt a budget

→ ○ December 15 1st Interim Report to ACOE

- March 15 2nd Interim Report to ACOE

- June 30 Estimated Actuals

- September 15 Unaudited Actuals

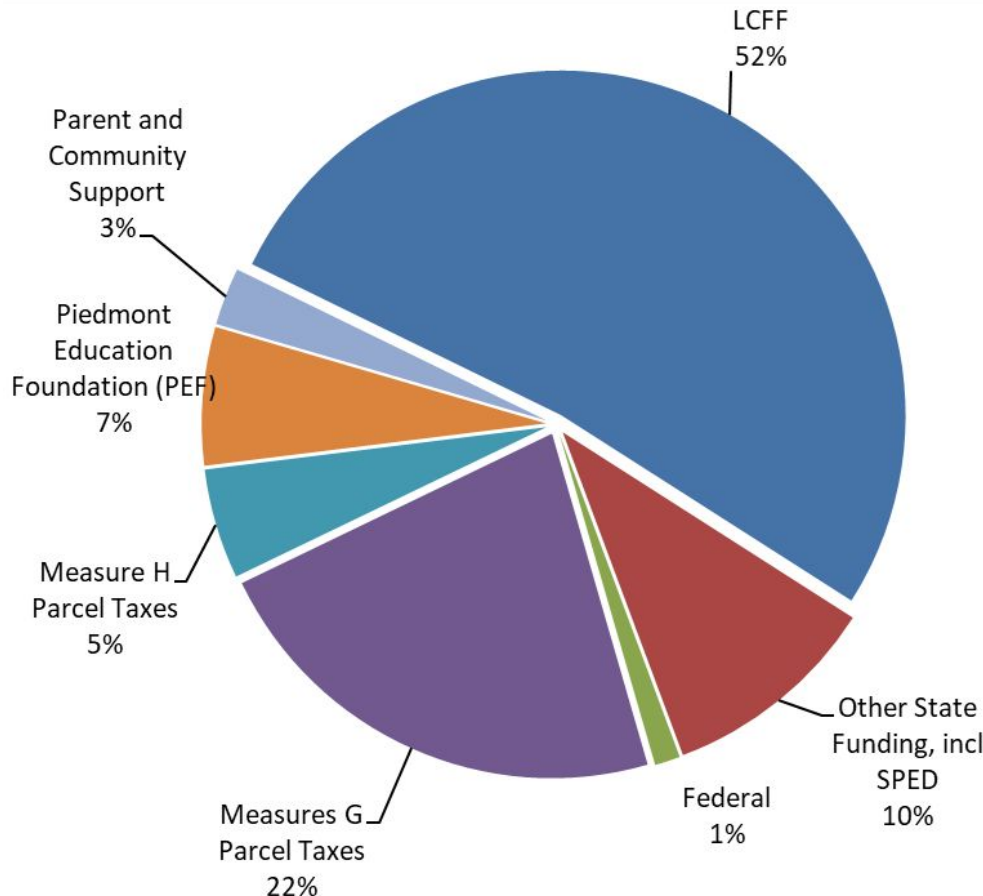
Headlines

- The District expects to meet all financial obligations, including the requirement for a 3% reserve.
- Special Education expenses are stabilizing.
- Increased support from PEF for class size reduction at PHS.
- \$40,000 grant for Wellness to support B-PIC interns.
- Title I and Title IV funds allocated to Piedmont for the first time since 2019-20.



Revenues

- 52% is based on the Local Control Funding Formula (LCFF).
- 37% is locally generated - parcel taxes, PEF, parent donations.
- District receives **\$22,296** per pupil in revenues.



**LCFF = 52% of Revenues
= \$26.6 M**

COLA increase to per
pupil amount from
2022-23 to 2023-24:
8.22% = 4% in LCFF
revenues for PUSD
= \$1 M = 2% increase in
total revenues

State COLA 8.22%
PUSD nets 2%

Changes to Revenues

- LCFF and State revenues are adjusted per final State budget.
- Local contributions for specific uses are incorporated.

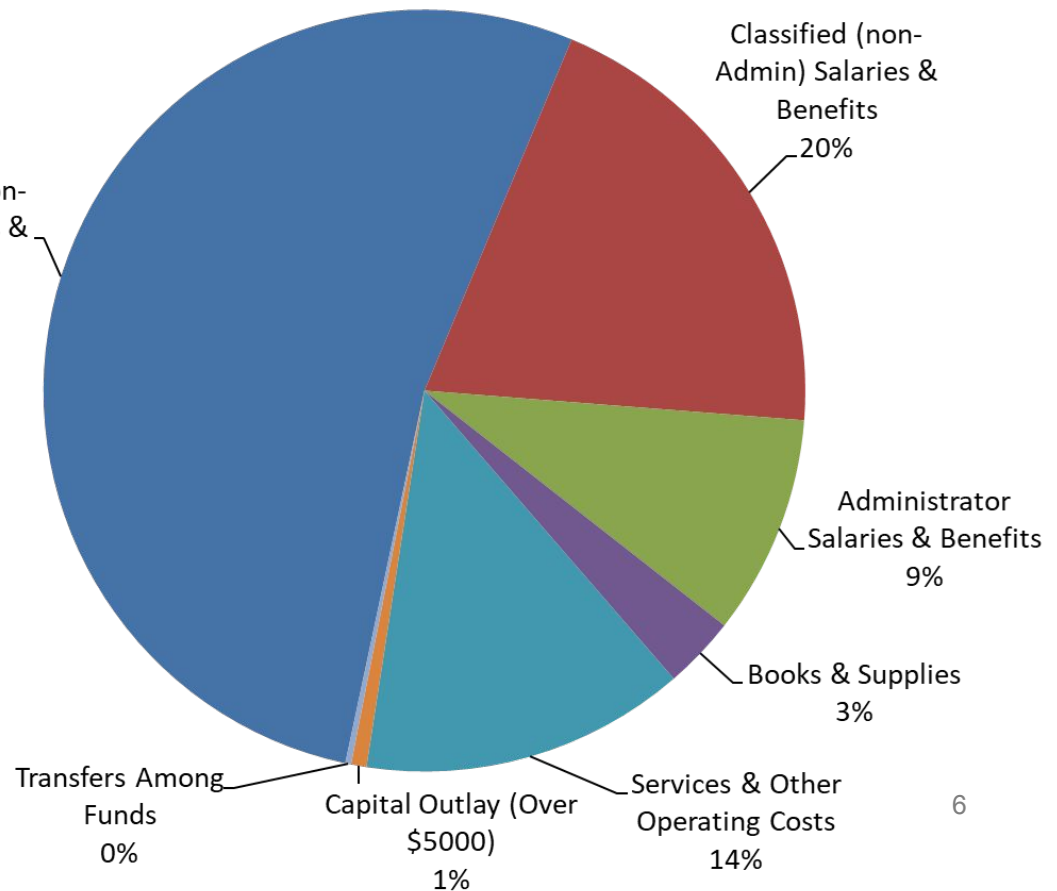
General Fund Revenues			
	2023-24 Budget	2023-24 1st Interim	Difference 6/23-->12/23
Revenues			
LCFF - Base	\$ 26,553,314	\$ 26,630,851	\$ 77,537
PARCEL TAX REVENUE	14,141,136	14,179,254	38,118
LOCAL REVENUES - PEF	3,230,000	3,332,000	102,000
LOCAL REVENUES - ALL OTHERS	896,823	1,352,402	455,579
STATE REVENUES	3,410,363	3,579,839	169,476
TRFS APPORT FR DISTRICTS (SELPA)	1,736,681	1,698,077	(38,604)
FEDERAL REVENUES	575,523	615,645	40,122
Total Revenues	\$ 50,543,840	\$ 51,388,068	\$ 844,228

Expenditures

- 82% of expenditures are salaries and benefits.
- Overall, the District spends **\$22,400** per pupil.

Personnel Costs = 82%
82% = \$42 M

Non-Personnel Costs = 18%
18% = \$9.1 M
Unrestricted portion = 53% or \$4.8 M



Changes to Expenditures

- Approximately \$400 K in carryover balances from prior year are incorporated into the budget as books & supplies or services.
- \$595 K in increased local contributions are incorporated.
- Cost of contracting out for services due to vacancies is incorporated.

General Fund - Expenditures			
Expenditures	2023-24 Budget	2023-24 1st Interim	Difference 6/23-->10/23
Certificated Salaries	\$ 20,925,407	\$ 20,972,063	\$ 46,656
Classified Salaries	7,643,526	7,641,344	(2,182)
Benefits	13,964,980	13,913,277	(51,703)
Books & Supplies	1,118,380	1,577,132	458,752
Services/Other Oper.	6,234,675	7,069,410	834,735
Capital Outlay	348,517	337,807	(10,710)
Internal Transfers	109,953	120,681	10,728
Total Expenditures	\$ 50,345,438	\$ 51,631,714	\$ 1,286,276

Why have non-personnel costs increased?

Books and Supplies:

- **\$358 K** for expenditures of unspent funds from prior year that were for a specific purpose (eg, unspent funds from last year's PHS concert collections).
- **\$112 K** for certain curriculum, custodial and maintenance supplies that we knew we needed but had to shave out of original budget to meet reserve reqmnt.
- Parent contributions for specific classes and activities *above the original budgeted amount* are recorded in revenues and the budget is set-up in expenditures.

Services and Other Operating Expenses:

- **\$649 K** for SpEd contracts for personnel (vacancies)
- **\$82 K** in online subscriptions for instructional materials; a shift from physical textbooks to online content.
- Parent contributions for specific classes and activities *above the original budgeted amount* are recorded in revenues and the budget is set-up in expenditures

Net Change to Fund Balance

- The reserve requirement is met.
- Reserves are set-aside for the Adult Ed and Cafeteria funds to cover shortfalls.
- The net available balance is as projected in October.

Ending Fund Balance			
	2023-24 Adopted Budget	2023-24 1st Interim	Difference June-->Dec
Beginning Balance	\$ 2,736,151	\$ 3,549,275	\$ 813,124
+ Revenues	50,543,840	51,388,068	844,228
- Expenditures	50,345,438	51,631,714	1,286,276
Rev-Exp = Surplus(Deficit)	198,402	(243,646)	(442,048)
Ending FB	2,934,553	3,305,629	371,076
3% Minimum Reserve	1,510,363	1,548,222	37,859
Less Restricted & Revolving	710,431	655,058	(55,373)
Less Committed/not available	805,160	221,000	(584,160)
Over (Under) Reserve	(91,401)	881,349	972,750
Available from Fund 17	100,000	100,000	-

General Fund - Multiyear

The Multiyear Projections are updated at 1st Interim with the latest information available. The following assumptions were used in the MYP:

Assumption	2023-24	2024-25	2025-26
Enrollment	2,305	2,284	2,250
ADA used for LCFF calculations	2,333.54	2,224.70	2,185.09
Cost of Living Increase (COLA) for LCFF per pupil funding (LCFF is 50% of revenues)	8.22%	1.00%	3.29%
COLA for other State funds	8.22%	1.00%	3.29%
COLA for Measure G Funds	2.0%	2.0%	2.0%
Natural progression (Step & Column) in Employee Salaries	APT: 1.15% CSEA: 1.00%	APT: 1.15% CSEA: 1.00%	APT: 1.15% CSEA: 1.00%
STRS Rate	19.10%	19.10%	19.10%
PERS Rate (increases coming...)	26.68%	27.70%	28.30%

Add'l Elements of MYP

- Only those expenses that are known to be one-time in 2023-24 or are directly tied to one-time funding are eliminated in out years.

Assumptions about:	2024-25	2025-26
Certificated Employees	Eliminate MTSS positions (Ed Effectiveness funding ends)	Eliminate Spring Fling funded add'l counseling FTEs
Classified Employees	Eliminate one-time bonus of \$400 in 2023-24	Eliminate Spring Fling funded lunch/library paras.
Books and Supplies	Reduce expenditures that are the result of carryover from Prior Year.	
Services & Other Operating Expense	Reduce expenditures that are the result of carryover from PY & for SPED contracts expected to end.	
Capital Expenses	Reduce by \$300 K - tied to specific projects.	11

General Fund - Multiyear

- \$880 K is available in the Ending Fund Balance.
- Revenues decreasing next year due to declining enrollment.
- District is able to meet all commitments for this year and next two.

MULTIYEAR PROJECTIONS - 2023-24 First Interim			
	2023-24	2024-25	2025-26
Beginning Balance	\$ 3,549,275	\$ 3,305,629	\$ 3,407,417
Total Revenues	\$51,391,209	\$50,804,558	\$51,460,783
Total Expenditures	51,634,855	50,702,771	51,235,817
Add'l Adjustments		-	-
Net Surplus (Deficit)	(243,646)	101,788	224,966
Ending Fund Balance	\$ 3,305,629	\$ 3,407,417	\$ 3,632,383
<u>Components of Ending</u>			
Restricted Funds	\$ 655,058	\$ 435,129	\$ 327,129
Committed / not available	221,000	100,000	100,000
Required Reserve	1,548,222	1,421,083	1,437,075
Add'l Unassigned	881,349	1,451,205	1,768,179
Ending Fund Balance	\$ 3,305,629	\$ 3,407,417	\$ 3,632,383

Impact of Offer

- The District has made an offer of **9%** in salary increases over three years.
- The impact is shown as an increase in expenditures in the following MYP, with a corresponding offset to afford the increases.
- Adjustments of **\$1.4 M** will need to be identified for 2024-25 and **\$2.8 M** in 2025-26.



MYP w/ Salary Increase

Projections assuming proposed salary increases:

MULTIYEAR PROJECTIONS - 2023-24 First Interim			
	2023-24	2024-25	2025-26
Beginning Balance	\$ 3,549,275	\$ 2,614,703	\$ 2,038,633
Total Revenues	\$ 51,388,068	\$50,802,177	\$ 51,459,124
Total Expenditures	51,631,714	50,702,771	51,235,817
2% Increase 23-24	690,926	690,926	690,926
4% Increase 24-25	-	1,384,550	1,384,550
3% Increase 25-26	-	-	1,048,094
Add'l Adjustments	-	(1,400,000)	(2,800,000)
Net Surplus (Deficit)	(934,572)	(576,069)	(100,263)
Ending Fund Balance	\$ 2,614,703	\$ 2,038,633	\$ 1,938,370
Components of Ending Balance:			
Restricted Funds	\$ 655,058	\$ 435,129	\$ 327,129
Committed / not available	221,000	100,000	100,000
Required Reserve	1,548,222	1,441,347	1,446,782
Add'l Unassigned	190,423	62,157	64,460
Ending Fund Balance	\$ 2,614,703	\$ 2,038,633	\$ 1,938,370

Next Steps

December →	<ul style="list-style-type: none">• 12/13 1st Interim Report presented with MYP Projections• 12/19 BAC Meeting to review 1st Interim
January	<ul style="list-style-type: none">• 1/10 Governor's Budget Proposal released• 1/11 Board Budget Workshop #1• 1/18 BAC Meeting to review Governor's Budget Proposal• 1/24 Board review of how Gov's Budget will affect PUSD• 1/25 Board Budget Workshop #2
February	<ul style="list-style-type: none">• 2/14 Board Public Hearing on Proposed Reductions• 2/28 Board action on Proposed Reductions for 2024-25
March	<ul style="list-style-type: none">• 3/13 2nd Interim Report presented with MYP Projections• 3/14 BAC Meeting to review 2nd Interim• 3/15 If required, March 15 notices mailed
May	<ul style="list-style-type: none">• Governor releases May Revisions to budget proposal for 2023-24
June	<ul style="list-style-type: none">• Board holds public hearing on draft budget• Final budget adopted by Board

Acknowledgments

Thank you to the Business Services Team!

HR: **Suzanne Binder, Kim Randlett**

Payroll: **Cherrie Deangkinay, Cindy Sivilaythong**

Accounting / Accounts Receivable: **Julie Kim**

Accounts Payable: **Upexa Captan**

Recordkeeping Technician: **Shamaree Worley**

Administrative Assistant: **Jennifer Stahl**

Fiscal Manager: **Cheryl Kaiser**

Chief Business Officer: **Ruth Alahydoian**