

# **2023-24 1st Interim Report**

Piedmont USD Budget Advisory Committee Meeting  
December 20, 2023

# Agenda

- Introductions
- Purpose of BAC
- Review of 2023-24 1st Interim Report
  - Budget and Actuals to Date
  - Multi-Year Projections
- Committee Feedback
- Adjourn

# Purpose of BAC

- The Budget Advisory Committee is a standing committee with representatives from all stakeholders in the District.
- Its purpose is to:
  - review the District's Budget,
  - share the information with constituent groups, and
  - generate recommendations for Board consideration in the budget development process.
- The BAC is a vehicle to disseminate information to as many parents, students, staff and community members as possible.

# 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    1<sup>st</sup> Interim Report to ACOE

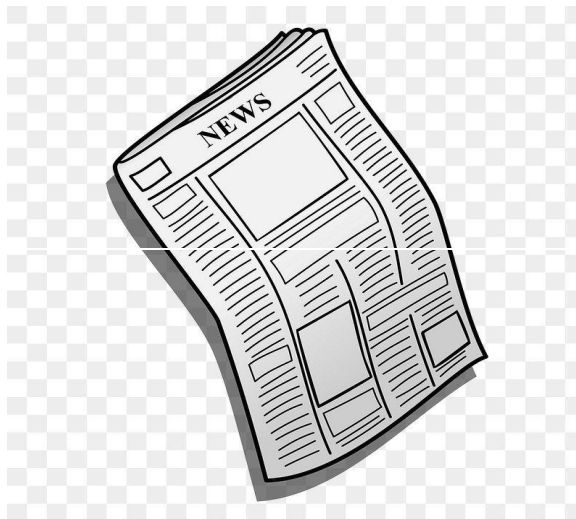
- March 15              2<sup>nd</sup> Interim Report to ACOE

- June 30                Estimated Actuals

- September 15    Unaudited Actuals

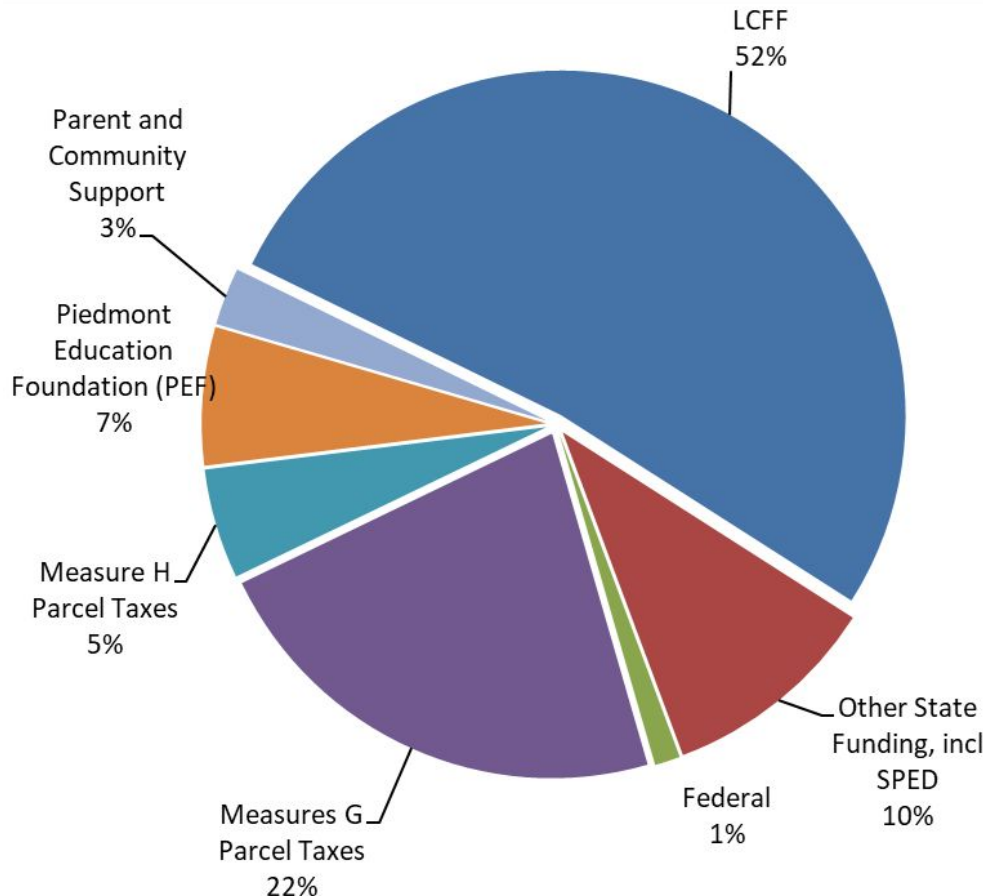
# Headlines

- 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.

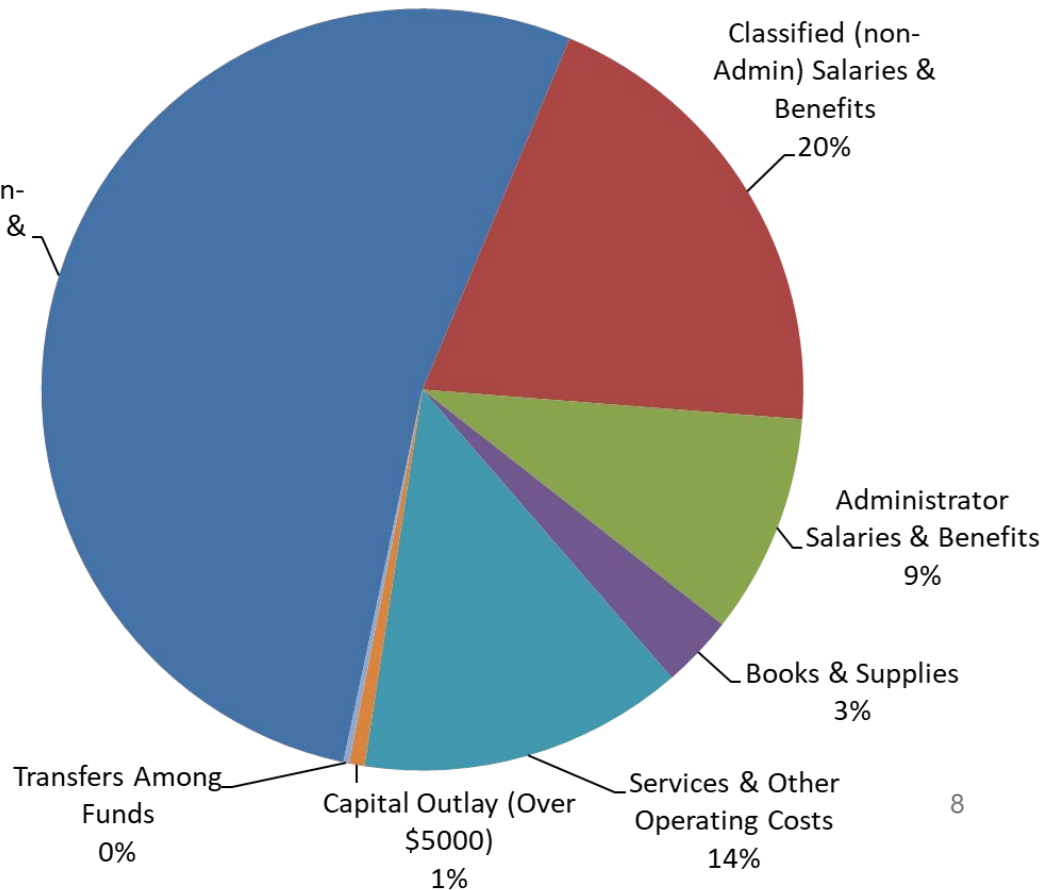
General Fund Revenues			
	2023-24 Budget	2023-24 1st Interim	Difference 6/23-->12/23
<b>Revenues</b>			
LCFF - Base	\$ 26,553,314	\$ 26,630,851	\$ <b>77,537</b>
PARCEL TAX REVENUE	14,141,136	14,179,254	38,118
LOCAL REVENUES - PEF	3,230,000	3,332,000	102,000
LOCAL REVENUES - ALL OTHERS	896,823	1,352,402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

# 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	2023-24 1st	Difference 6/23-->10/23
	Budget	Interim	
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
<b>Total Expenditures</b>	<b>\$ 50,345,438</b>	<b>\$ 51,631,714</b>	<b>\$ 1,286,276</b>

# 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	<b>1,548,222</b>	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)	<b>881,349</b>	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%
<b>STRS Rate</b>	<b>19.10%</b>	<b>19.10%</b>	<b>19.10%</b>
<b>PERS Rate</b> (increases coming...)	<b>26.68%</b>	<b>27.70%</b>	<b>28.30%</b>

# 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.	13



# 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	<b>\$ 3,305,629</b>	<b>\$ 3,407,417</b>	<b>\$ 3,632,383</b>
<u>Components of Ending</u>			
Restricted Funds	\$ 655,058	\$ 435,129	\$ 327,129
Committed / not available	221,000	100,000	100,000
Required Reserve	<b>1,548,222</b>	<b>1,421,083</b>	<b>1,437,075</b>
Add'l Unassigned	881,349	1,451,205	1,768,179
Ending Fund Balance	<b>\$ 3,305,629</b>	<b>\$ 3,407,417</b>	<b>\$ 3,632,383</b>

# 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
<b>Components of Ending Balance:</b>			
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"> <li>• 12/13 1st Interim Report presented with MYP Projections</li> <li>• <b>12/20</b> BAC Meeting to review 1st Interim</li> </ul>
January	<ul style="list-style-type: none"> <li>• <i>1/10 Governor's Budget Proposal released</i></li> <li>• 1/11 Board Budget Workshop #1</li> <li>• 1/18 BAC Meeting to review Governor's Budget Proposal</li> <li>• 1/24 Board review of how Gov's Budget will affect PUSD</li> <li>• 1/25 Board Budget Workshop #2</li> </ul>
February	<ul style="list-style-type: none"> <li>• 2/14 Board Public Hearing on Proposed Reductions</li> <li>• 2/28 Board action on Proposed Reductions for 2024-25</li> </ul>
March	<ul style="list-style-type: none"> <li>• 3/13 2nd Interim Report presented with MYP Projections</li> <li>• 3/14 BAC Meeting to review 2nd Interim</li> <li>• 3/15 If required, March 15 notices mailed</li> </ul>
May	<ul style="list-style-type: none"> <li>• Governor releases May Revisions to budget proposal for 2023-24</li> </ul>
June	<ul style="list-style-type: none"> <li>• Board holds public hearing on draft budget</li> <li>• Final budget adopted by Board</li> </ul>

# What does \$1.4 M look like?

The Board will begin considering budget adjustments for 2024-25 in January. Here are some ballpark numbers to help understand the **scope of the challenge**...

Program / Expense	Cost	To get to \$1.4 M
1 Certificated Staff	\$130,215	10.8 FTE
1 Classified Staff	\$86,376	16.2 FTE
1 Administrator	\$165,000	8.5 FTE

Revenue Enhancements	Per Unit	To get to \$1.4 M	
1 Student Over Current Est.	\$10,500	133	students
1% increase in COLA	\$251,266	6.7%	COLA (+5.7% from current estimate)

# What does \$1.4 M look like?

Another way to consider the district budget is by program. The following list is for purposes of providing examples of programs and is **not** a recommendation for cuts.

Program / Expense	Unrestricted (includes Parcel Taxes & PEF Grant)	Parent Contributions	Restricted Grant	Total
Athletics	<b>\$418,933</b>	\$278,594	\$73,598	\$771,125
Wellness Center	<b>161,326</b>	63,089	60,149	284,564
Libraries	<b>773,918</b>	24,602	0	798,520
Arts Program	<b>1,439,403</b>	88,990	0	1,528,393
Counseling (K-12)	<b>979,465</b>	86,026	0	1,065,491
DEIB	<b>182,702</b>	0	196,158	378,860
Professional Development	<b>158,567</b>	5,354	6,665	170,586
IT Hardware - Chromebooks	<b>145,700</b>	19,970	0	165,670

# Comments / Questions?

BAC Comments / Questions:

# Acknowledgments

Thank you to the Business Services Team!

Accounting / Accounts Receivable: Julie Kim

Invoices / Accounts Payable: Upexa Captan

Recordkeeping Technician: Shamaree Worley

HR: Suzanne Binder, Kim Randlett

Payroll: Cherrie Deangkinay, Cindy Sivilaythong

Administrative Assistant: Jennifer Stahl

Fiscal Manager: Cheryl Kaiser

Chief Business Officer: Ruth Alahydoian

# **APPENDIX**

## **Selected Slides from November 9, 2023 BAC Meeting**

# Cost of 1% of Salary Increase

	Salaries	Salary Driven Benefits	Total
<b>APT:</b>	\$ 17,952,194	\$4,026,677	<b>\$ 21,978,871</b>
<b>1%</b>	\$ 179,522	\$ 40,267	<b>\$ 219,789</b>
<b>APT FTE:</b>	184.42		
<b>CSEA:</b>	\$ 6,388,606	\$ 2,313,314	<b>\$ 8,701,920</b>
<b>1%</b>	\$ 63,886	\$ 23,133	<b>\$ 87,019</b>
<b>CSEA FTE:</b>	135.65		
<b>APSA:</b>	\$ 2,919,164	801,381	<b>\$ 3,720,545</b>
<b>1%</b>	\$ 29,192	\$8,014	<b>\$ 37,205</b>
<b>APSA FTE:</b>	21.00		
<b>TOTAL 1%</b>			<b>\$ 344,013</b>

# 1000s Salaries - Certificated

	Teachers	School Counselors	Librarians	Support Services (Nurse, Psychologist)	Administrators
# of FTE	159.2	8.72	3.8	10.1	11.4
Salary Range per Schedule	\$63,941-\$115,364	\$63,941 - \$120,838	\$63,941 - \$121,132	\$63,941 - \$129,205	\$133,819 - \$181,695
Average Salary	\$96,336	\$103,078	\$105,121	\$103,108	\$161,305
Days/year	185 190 SPED, Site Techs	185 Elem 195 Sec	185 Elem 190. Sec	185 Nurse 195 Psych	210-225

Note: The salary ranges and average salary are based on 1.0 full-time equivalent employee (FTE).



# 2000s Salaries - Classified

	Para-Educators	Admin. Support	Custodians & Grounds	Business, IT, Eng. Lab	Facilities/ Maint./ Theater Tech	Food Services	Admin- istrators
# of FTE	66.76	20.84	17.35	11.09	7.15	6.88	9.60
Salary Range per Schedule	\$26,510- \$53,632	\$35,985 - \$87,781	\$43,994 - \$85,785	\$49,940 - \$101,134	\$36,789 - \$96,616	\$31,985 - \$66,232	\$65,876 - \$167,872
Average Salary	\$34,072	\$62,078	\$61,168	\$61,382	\$56,608	\$33,784	\$110,828
Hours/week	30 Elem, 33 Sec	37.5	40	37.5	40	37.5	40
Paid days/year	207-216	207/220/ 238 Sites 260 DO	260	238 Sites 260 DO	260	220	205-225

## Notes:

- The salary ranges and average salary are based on 1.0 FTE; Positions from all funds are included
- Paid days per year include holidays and vacation.
- Occupational Therapist position not included - 1.2 FTE, 185 days, range is \$75,203 - \$113,119.

# 3000s Statutory Benefits - Employer Portion

Certificated		Classified	
STRS Pension	19.10%	PERS Pension	26.68%
State Unemployment Ins	0.05%	State Unemployment Ins	0.05%
Medicare	1.45%	Medicare	1.45%
Worker's Compensation	1.83%	Worker's Compensation	1.83%
Social Security	0.00%	Social Security	6.20%
<b>Total</b>	<b>22.43%</b>	<b>Total</b>	<b>36.21%</b>

For example, the "all-in" cost for the average teacher is calculated as:

Avg Salary	\$96,336
+ 22.43%	<u>\$21,608</u>
=	\$117,944
+ 2-party Health*	<u>\$16,271</u>
=	\$134,215

*\*Health benefits are covered on next 2 slides.*

# 4000s Books and Supplies

Books & Supplies	Unrestricted	Semi-Restricted	Restricted	Total
Materials & Supplies	\$172,746	\$351,070	\$115,909	\$639,725
Books	153,604	42,563	85,531	281,698
Computers & Supplies	144,017	0	2,000	146,017
Bldgs & Vehicle Supplies	2,000	4,443	91,000	97,443
Equip. (over \$500)	69,244	14,097	36,791	120,132
Custodial Supplies	80,000		0	80,000
Testing materials	2,010	0	13,300	15,310
TOTAL	\$623,621	\$412,173	\$344,531	\$1,380,325

# 5000s Services and Other Operating Expenses

Services & Other Op. Exp.	Unrestricted	Semi-Restricted	Restricted	Total
SPED Contracts	\$308,900		\$2,862,272	\$3,171,172
Contracts for Services	679,139	272,101	126,082	1,077,322
Utilities	778,503		0	778,503
Comm/Data/ Internet	580,494	14,414	131,590	726,498
Insurance	451,558	0	0	451,558
Rentals & Repairs – Equip, Facilities, Copiers, Buses	99,675	1,300	81,008	181,983
Travel & Conf, Mbrshps	90,172	69,285	6,165	165,622
Legal, Audit, Election, Ads	<u>116,802</u>	<u>100</u>	<u>6,000</u>	<u>122,902</u>
<b>TOTAL</b>	<b>\$3,105,243</b>	<b>\$357,200</b>	<b>\$3,213,117</b>	<b>\$6,675,560</b>