



Budget Advisory Committee 2023-24

Governor's Budget for 2024-25
January 18, 2024

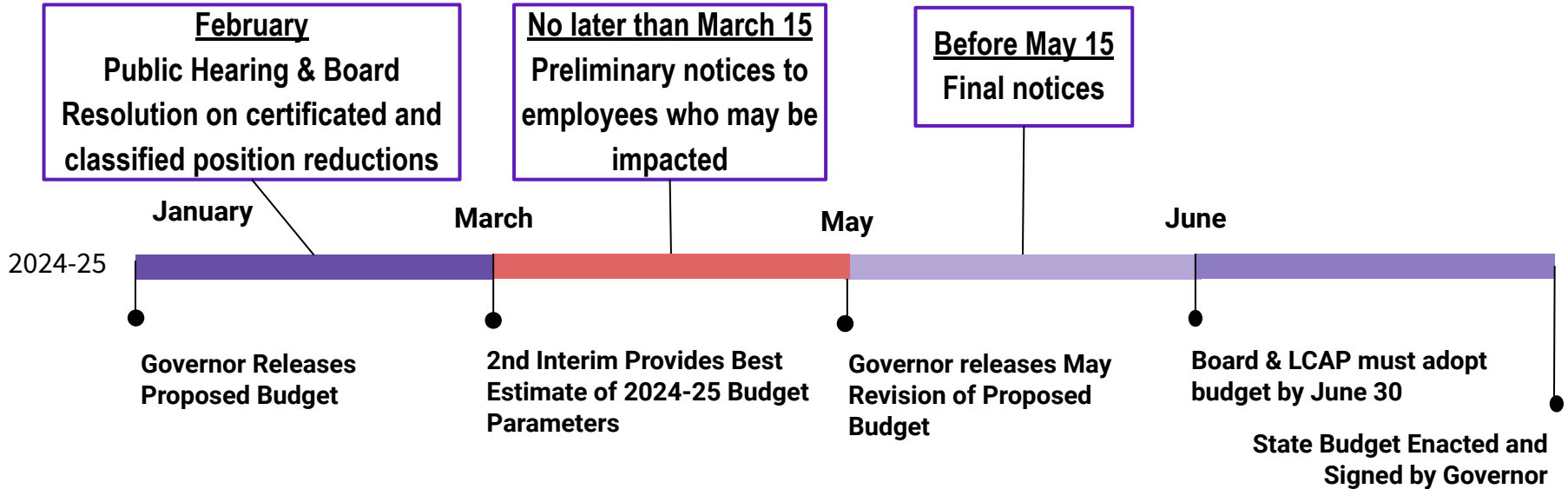
Agenda

- Introductions & Purpose of BAC
- 2024-25 Governor's Budget Proposal
- Adjustments to Multi-year Projections
- 2024-25 Budget Development
 - Process
 - Ideas for Budget Adjustments
- Questions / Discussion
- 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.

Budget Decisions & Employee Notification Timeline



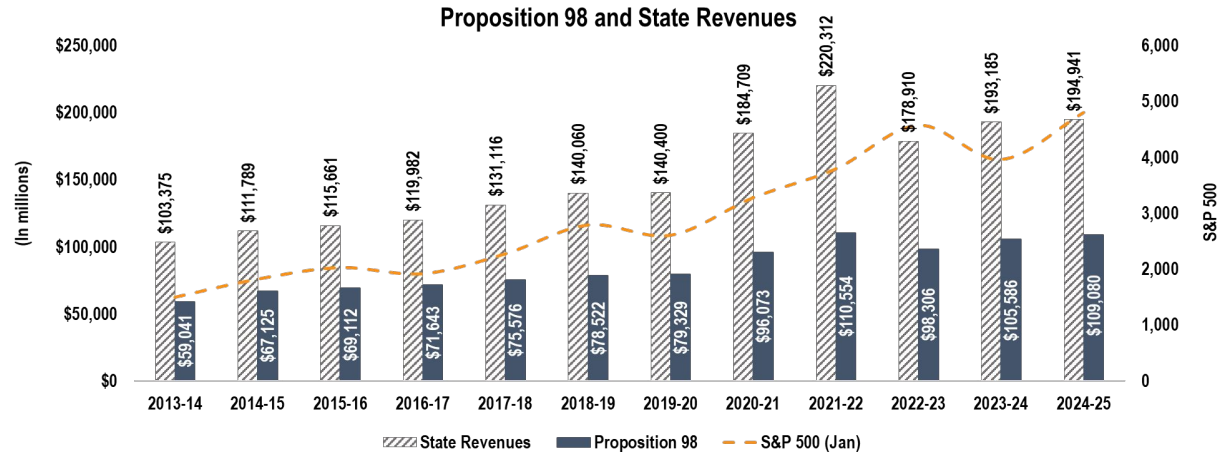
Governor's Proposal for 2024-25 Budget

Highlights

- Good news:
 - Despite State revenue shortfall, no clawbacks or changes to current year funding.
 - Inflation rate is down yr over yr
 - Recession not projected
- Bad news:
 - COLA only .76%
 - State is deficit spending to cover Prop 98 Commitments

State Revenues, School Funding & Proposition 98

- Proposition 98 Test 1 requires 38% of new revenue to be allocated to schools.
- Big Three Taxes determine health of state revenue:
 - Personal Income Tax
 - Sales and Use Tax
 - Corporation Tax
- Capital gains (stock market movement) - impacts P.I.
- Employment (unemployment) impacts P.I. and Sales & Use.



Cost of Living Adjustment (COLA)

The COLA is a statutory formula computed using federally aggregated metrics.

- It measures the rate of change in the cost of goods and services purchased by state and local governments over the past year.
- The final calculation is in May, when the last two data points are available.

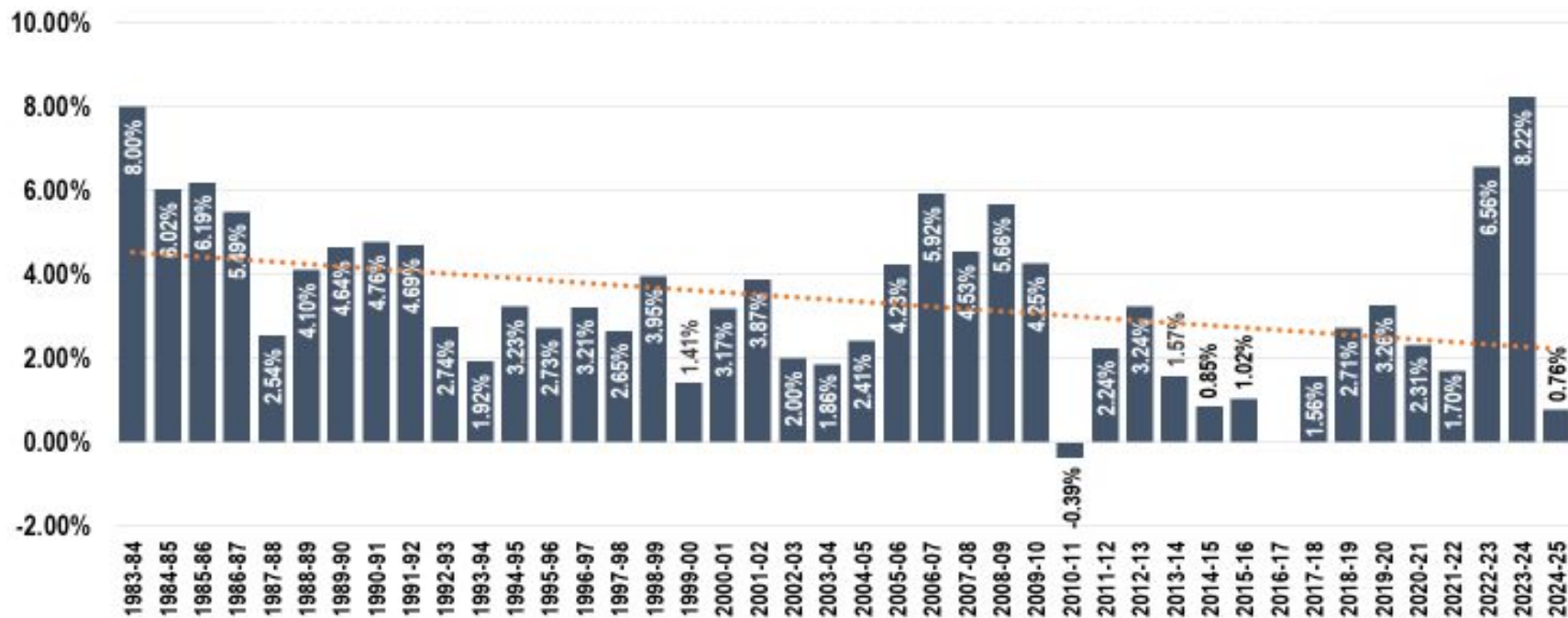
It is applied to the per pupil amounts in the Local Control Funding Formula (LCFF) and other state programs.

It is also applied to other State funds such as for Special Education, Child Nutrition, etc.

While the COLA is a statutorily calculated percentage, the Governor and Legislature must still decide whether and how to fund it. It is independent of Proposition 98.

Historical Statutory COLAs

- The statutory COLA for 2024-25 feels anomalous relative to the last two years, but when looking back, COLA is beginning to normalize to historical trends—COLAs above 6% are the anomalies



LCFF and Piedmont

Year	Enrollment	Funded ADA*	LCFF \$ per ADA	Total Funds
2023-24	2,308	2,332.41	11,324	26,411,324
2024-25	2,286	2,239.29	11,429	25,593,745
Difference:	-22	-93.12	105	-817,579
% Change	-0.95%	-3.99%	.93%	-3.10%

*Funded ADA uses prior 3 year average to slowly catch-up to actual ADA. 2023-24 is still using inflated ADA from COVID years.

Instructional Continuity

The Governor's Budget proposes several instructional continuity measures

Attendance Recovery Time

Allow for Saturday school, intersessional school, and before/after school attendance

- Generates ADA-based funding
- Mitigates chronic absenteeism

Hybrid/Remote Instruction

Encourages LEAs to provide additional hybrid/remote instruction options for students unable to attend school in person

Instruction for Emergencies

For emergencies lasting longer than 5 days, LEAs would be required to offer

- Remote instruction, or
- Support to enroll in a neighboring LEA

The Governor's Budget proposes \$6 million one-time Proposition 98 funding to research and develop models of hybrid learning to support attendance and to develop a methodology for more detailed absence data reporting to the state

Note: Additional details regarding the impact to instructional time, attendance accounting, and compulsory education requirements is expected in trailer bill language

Multiyear Projections

MYP

Projections at 1st Interim were close
to newer projections (1% COLA vs
.76%)

General Fund Assumptions for Multiyear

The following assumptions are used in the Multiyear Projections:

Assumption	2023-24	2024-25	2025-26
Enrollment	2,308	2,286	2,252
ADA used for LCFF calculations	2,332.41	2,239.29	2,202.66
Cost of Living Increase (COLA) for LCFF per pupil funding (LCFF is 50% of revenues)	8.22%	.76%	2.73%
COLA for other State funds	8.22%	.76%	2.73%
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%	27.80%	28.50%

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.	

General Fund - Multiyear

- \$881 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	\$ 3,407,416
Total Revenues	\$ 51,391,209	\$50,804,558	\$ 51,460,783
Total Expenditures	51,634,855	50,702,771	51,235,817
Net Surplus (Deficit)	(243,646)	101,787	224,966
Ending Fund Balance	\$ 3,305,629	\$ 3,407,416	\$ 3,632,382
<u>Components of Ending Balance:</u>			
Restricted/Committed Funds	\$ 876,058	\$ 535,129	\$ 427,129
Required Reserve	1,548,222	1,521,083	1,537,075
Add'l Unassigned	881,349	1,351,204	1,668,179

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 the necessary adjustment each year to afford the increases.



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	\$ 2,041,014
Total Revenues	\$ 51,391,209	\$50,804,558	\$ 51,460,783
Total Expenditures	51,634,855	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)	(573,689)	(98,604)
Ending Fund Balance	\$ 2,614,703	\$ 2,041,014	\$ 1,942,410
<u>Components of Ending Balance:</u>			
Restricted / Committed Funds	\$ 876,058	\$ 535,129	\$ 427,129
Required Reserve	1,548,222	1,441,347	1,446,782
Add'l Unassigned	190,423	64,538	68,499

2024-25 Starting Point

At a minimum...

\$1.4 million in reductions in 2024-25.

If reductions are ongoing, then another **\$1.4 million** in adjustments in 2025-26.

If reductions are one-time only, then another **\$2.8 million** in adjustments in 2025-26.

Or, if possible...

\$2.2 million in ongoing adjustments in 2024-25, to avoid having to go through this again next year.

What does \$1.4 M look like?

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% better attendance (96% vs 95%)	\$90,000	7% (101% attendance)
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	\$418,933	\$278,594	\$73,598	\$771,125
Wellness Center	161,326	63,089	60,149	284,564
Libraries	773,918	24,602	0	798,520
Arts Program	1,439,403	88,990	0	1,528,393
Counseling (K-12)	979,465	86,026	0	1,065,491
DEIB	182,702	0	196,158	378,860
Professional Development	158,567	5,354	6,665	170,586
IT Hardware - Chromebooks	145,700	19,970	0	165,670
IT Software	352,572	0	5,853	358,425
TOTAL	\$4,612,586	\$566,625	\$342,423	\$5,521,634

Budget Adjustments made in 2022-23 to get us to where we are now

	Adjustments	Amount
	<i>Reduce Counseling (added for COVID)</i>	\$100,000
Certificated Staffing	<i>Reduce MTSS TOSAs by 1.0 FTE</i>	125,000
	<i>Reduce District TOSA (differentiation spec.) .6 FTE</i>	75,000
	<i>Secondary Staffing Reductions due to enrollment</i>	375,000
	<i>Eliminate Health Coordinators 2.0 FTE</i>	120,000
Classified Staffing	<i>Reduce Extra Library Aide .56 FTE</i>	40,000
	<i>Reduce 1.0 FTE in IT</i>	85,000
District Office	<i>Eliminate Director Position</i>	200,000
	<i>After-School Tutoring Program</i>	50,000
One-Time	<i>Election Costs (only savings in 23-24)</i>	130,000
Costs	<i>SPED Out-Placements - return to PUSD</i>	450,000
	<i>Other one-time expenses</i>	100,000
12-15% Reduction to	<i>District Office budget reductions</i>	90,000
Discretionary Budgets	<i>Site budget reductions</i>	30,000
Other	<i>Transportation Revenue (2022-23)</i>	150,000
Budget	<i>Facilities Rental Fees</i>	50,000
Adjustments	<i>Athletics Revenues</i>	25,000
	Total Adjustments Identified	\$2,195,000

Enrollment Projections

With cohort progression, full enrollment in TK and K, and approx. 20 new enrollees in other grades, we are still anticipating a net decrease in enrollment.

Census Day	TK	K	1	2	3	4	5	6	7	8	9	10	11	12	Total	% Change	# Change
2022	46	153	147	163	142	167	176	183	161	169	191	224	207	215	2,344	-0.17%	-4
2023	48	135	156	152	169	144	174	177	186	170	166	193	226	212	2,308	-1.54%	-36
2024	60	155	145	156	152	169	144	174	177	186	180	166	193	229	2,286	-0.95%	-22

This year, 2023-24, the graduating class is over 200, while the incoming Kindergarten is less than 140.

Staffing by Site

	Beach	Havens	Wildwood	PMS	MHS	PHS	Adult Ed
Enrollment	291	415	270	532	59	730	1600
Administrator	1.00	1.00	1.00	2.00	1.00	4.00	0.40
Teachers	19.40	28.10	16.40	32.50	1.90	44.00	0.90
Cert Student Support	3.16	1.80	2.16	4.00	1.00	5.80	
Class Student Support	13.59	20.95	10.78	14.62	1.40	8.67	
Other Class Site Staff	2.78	4.30	2.73	6.50	1.00	12.34	2.00
TOTAL FTE	39.93	56.15	33.07	59.62	6.30	74.81	3.30
Student to Staff Ratio	7.29	7.39	8.16	8.92	9.37	9.76	484.85

Staffing by Department

	Business	Facilities	SPED & Wellness	IT	Food Services	C & I / DEIB	District Mgmt
Serving...	400 Employees	6 Sites	2308 Students	2308 / 400	2308 Students	2308	2308 / 400
Administrator	3.00	1.00	1.00	1.00	2.00	0.60	3.00
Certificated Staff	0.00		14.50			4.00	
Classified Staff	4.30	8.50	2.00	7.00	6.88		3.00
TOTAL FTE	7.30	9.50	17.50	8.00	8.88	4.60	6.00

Possible Adjustments - Revenue Enhancements

Department	Adjustment	Estimated Savings	Students Impacted
Art	Use Prop 28 to replace PEF reduced funding	260,000	Restore art programs
Enrollment	Adding students w/out increasing staff	110,000	~ 10 More students
MHS	Add Independent Study program	150,000	~ 15 More students
		\$520,000	

Possible Adjustments - Administrative (APSA) Positions

Department	Adjustment	FTE	Estimated Savings	Impact
District	Reduce Administrative Support	1.0	120,000	Shared workload
PHS	Reduce Assistant Principal	1.0	167,000	Shared workload
		2.0	\$287,000	

Possible Adjustments - Certificated Positions

Department	Adjustment	FTE	Estimated Savings	Impact
DEIB	Anti-bias Grant TOSA	0.4	48,000	Teacher PD provided differently
District	TOSA - MTSS	2.2	-0-	Ongoing Teacher PD provided
PMS/PHS/MHS	Redesign Counselor Duties	0.5	60,000	Redistribute duties
PMS/PHS/MHS	Redesign Site Tech Teacher duties	0.6	72,000	Shared workload
PMS/PHS/MHS	Rightsizing Certificated	4.0	480,000	Staff according to enrollment
TEAM	Reduce # of staff in TEAM		16,000	Rightsizing the number of coaches
Tri Schools	Reduce Counselors, Increase Psychs	0.8	96,000	Redistribute duties
Tri Schools	Rightsizing Certificated	1.0	120,000	Staff according to enrollment
All Schools	Reduce librarians	0.8	96,000	Librarian time is reduced
Wellness	Reduce clinical oversight FTE	0.2	24,000	Replace with Admin Support
		10.5	\$1,012,000	

Possible Adjustments - Classified Positions

Department	Adjustment	FTE	Estimated Savings	Impact
District Office	Reduce Administrative Support	1.0	100,000	Restructure responsibilities
Facilities	Reduce Groundskeeper	1.0	100,000	Reduction of Duties
Theater	Reduce Theater Tech	0.5	35,000	Reduced hours
PMS/PHS/MHS	Rightsize daily hours for 24 SPED Paras to Bell Schedule	2.4	80,000	Staff according to bell schedule
Tri Schools	Rightsize # of Instructional Aids	2.6	140,000	Staff according to enrollment
		7.5	\$455,000	

Possible Adjustments - Non-Personnel Reductions

Department	Adjustment	Estimated Savings	Impact
C&I & Sites	Professional Development	50,000	PD will be targeted
DEIB	Alder Program	39,000	3 is the appropriate # for a district our size
IT	Chromebooks	20,000	Rightsizing inventory
IT	Online Subscriptions	10,000	Rightsizing according to use
Sites	Reduce PRA per pupil rates by 20%	30,000	Carryover balance accommodates needs
		\$149,000	

Summary





Budget Category	FTE	Estimated Savings	% of Headcount for Empl Group
Revenue		520,000	
APSA	2.0	287,000	9.5%
APT	10.5	1,012,000	5.7%
CSEA	7.5	455,000	5.5%
Non-Personnel		149,000	
TOTAL	20.0	\$2,423,000	

Budget Development Process

Next Steps

- School Board Workshops
- Public Hearing and Resolution
- Budget Advisory Committee
- Final Budget Adoption

Next Steps

January 	<ul style="list-style-type: none"> • 1/10 - Governor's Budget released • 1/11 - Board Budget Workshop #1 • 1/18 - BAC Meeting to review Gov's Budget • 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 - Public Hearing on Positions to be Eliminated • 2/28 - Board resolution finalizing decisions
March 	<ul style="list-style-type: none"> • 3/13 - 2nd Interim Report presented with budget adjustments incorporated into MYP • 3/14 - BAC Meeting to review 2nd Interim • 3/15 - Deadline to provide notices to affected employees
April 	<ul style="list-style-type: none"> • 4/18 - BAC reviews Parcel Tax revenues, expenses, and need for 2% increase.
May 	<ul style="list-style-type: none"> • 5/18 - BAC presents budget recommendations to Board (possible increase to parcel tax levy) • 5/22 - Governor releases May Revisions to budget proposal for 2022-23
June	<ul style="list-style-type: none"> • 6/12 - Board holds public hearing on draft budget • 6/26 - Final budget adopted by Board