

GATEWAY UNIFIED SCHOOL DISTRICT

2023-24 First Interim Budget Update

December 13, 2023



Presentation Overview

- District Net Worth
- Revenues
- Expenses
- Ending Balance / Reserves
- Multi-Year Projections: 2024-25 & 2025-26
- Future Indicators
- Recommendation

District Net Worth

	Est. June 30, 2024 Balance
Fund 01	\$ 19,114,634
Fund 08 – Student Body	94,135
Fund 13 – Cafeteria	975,683
Fund 20 – Post Emp Benefits	433,107
Fund 21 – Capital Building (Balance of Bond)	-0-
Fund 25 – Developer Fees	2,909,474
Fund 40 – Capital Outlay Projects	888,980
Fund 51/52 – Bond Financing	2,498,811
	\$ 26,914,824

REVENUES – Fund 01

	45-Day Revise Budget	1st Interim	Difference	Notes
LCFF	30,912,240	30,165,438	(746,802)	Removed the LCFF Equity Multiplier revenue until a plan is in place. Will come to the District as restricted state revenue
Federal	6,199,834	6,089,667	(110,167)	Reduction to the estimated Forest Reserve funds the District will be receiving
State	4,369,007	4,168,181	(200,826)	Reduction to the estimated funds to be received for ELOP
Local	3,327,427	3,192,210	(135,217)	Reduced one-time local revenues – these types of revenues are budgeted as received.
Interfund Transfers In	118,000	125,215	7,215	
Total Revenue	\$ 44,926,508	\$ 43,740,711	\$ (1,185,797)	
Estimated Funded ADA	2,061.02	2,062.33	1.31	

EXPENSES

	45-Day Revise Budget	1st Interim	Difference	Notes
Certificated Salaries	16,059,685	15,228,331	(813,354)	Reduction in budgeted vacancies and filling vacancies at a lower cost. Reduced 2 positions for early retirements that were not included in original budget.
Classified Salaries	8,276,725	8,186,662	(90,063)	
Benefits	10,825,131	10,588,701	(236,430)	
Books/Supplies	2,124,831	3,470,282	1,345,451	Budgeted carry-over funds from 2022-23 close
Services/Operations	8,115,703	7,965,525	(150,178)	Adj to PD budget within ESSER funding
Capital Outlay	2,075,960	3,268,478	1,192,518	Carry-over projects from 2022-23 that were not completed – BARD Unit replacements, Box truck purchase, final 10-pas van, sod for field
Other Outgo	298,529	351,177	52,648	Increase in ADA transfer to SCOE
Direct/Indirect Support Costs	(106,182)	(58,830)	47,352	Adj to Indirect costs from Cafeteria Fund
Interfund Transfers Out	35,000	145,687	110,687	
Total Expenses	\$ 47,705,382	\$ 49,146,013		

ENDING BALANCE – Fund 01

	45-Day Revise Budget	1 st Interim	Difference
Beginning Balance	23,459,260	24,519,936	
Increase/(Deficit)	(2,778,874)	(5,405,302)	
Ending Balance	\$ 20,680,386	\$ 19,114,634	(\$ 1,565,752)
Funded ADA	2061.02	2062.33	1.31

RESERVES

	1st Interim Projection	
Ending Balance	19,114,634	
Revolving Cash	12,100	
Restricted Reserves	6,433,877	13.09%
Assigned Reserves	5,542,486	11.28%
Economic Uncertainty	7,126,171	14.50%
Total Unrestricted Reserves		25.78%

Assigned/Committed Reserves

COMMITTED / LEGALLY RESTRICTED	
ELO-P	\$ 543,419
Educator Effectiveness BG	414,187
Scholarships	259,369
Bus Purchase Reserve	0
SPED PreK Intervention	198,771
Art, Music & Inst Material Discr. BG	415,385
Learning Recovery Emergency BG	2,124,164
Mental Health (Educationally Related)	17,074
Kitchen Infrastructure Grant	100,000
A-G Access/Success	71,308
RDA Funds	1,262,140
MediCal BOP	210,772
COVID Supplies	33,995
Restricted Lottery	772,058
Classified PD BG	11,235
TOTAL COMMITTED	\$ 6,433,877

ASSIGNED	
Unrestricted Lottery	\$ 531,090
Deferred Maintenance	250,000
Special Education	113,789
Reimbursable Funds	0
Mandated Costs	2,225,460
Forest Reserves	807,242
Technology	837,842
MAA	777,063
TOTAL ASSIGNED	\$ 5,542,486

MULTI-YEAR PROJECTIONS

2024-25 & 2025-26

Multi-Year Assumptions

- COLA:
 - 2024-25 = 1.00% (COLA to District **-0.83%**)
 - 2025-26 = 3.29% (COLA to District 0.33%)
- ADA:
 - 2024-25 = 1941.72 (41.40) - Funded ADA 2024.44 (37.89)
 - 2025-26 = 1919.32 (22.40) - Funded ADA 1970.55 (53.89)
- Revenues:
 - Adjusted in both years to reflect new LCFF calculations.
 - 2024-25 – Declined by (\$247,332)
 - 2025-26 – Increased by \$99,473
 - Reduction in estimates for Federal funding due to declining enrollment.
 - State revenues to increase in 2024-25 due to not having to budget to return Learning Recovery BG funds as we had to in 2023-24. No changes to revenues in 2025-26.
 - Local revenues projected to decline in 2024-25 due to local grants and donations not being budgeted until received. No changes in 2025-26.

Multi-Year Assumptions

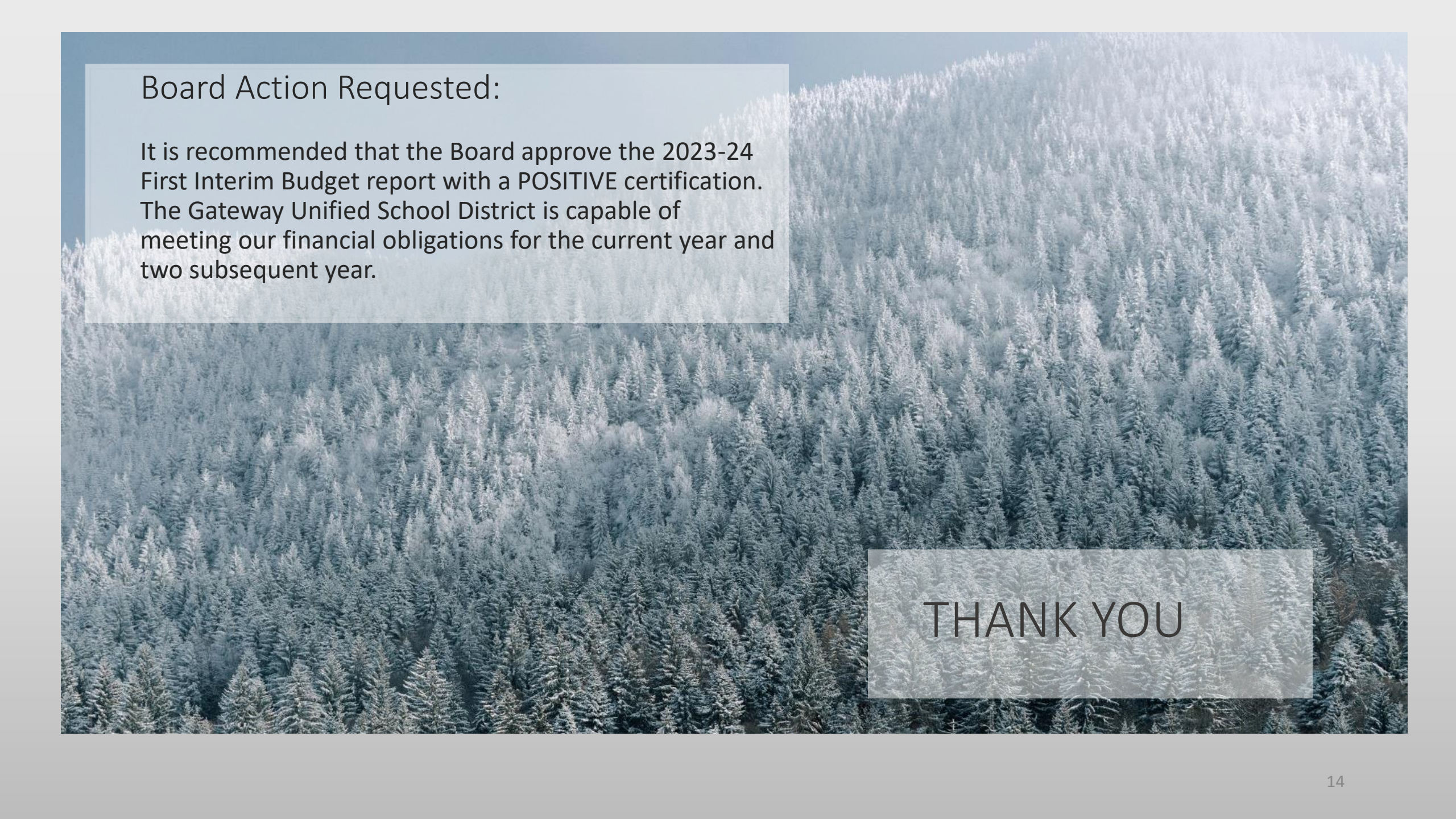
- Staffing:
 - 2024-25 – Step & Column is budgeted. Reduction in one-time staffing expenses (ie. Retention incentives, ESSER positions and extra duty). Working to right-size the District as we are now facing the financial losses due to declining enrollment and one-time funding, we are evaluating our vacant positions and working toward an estimated overall staffing reduction of 33.5 FTE district wide. Majority of these reductions come from vacant positions. No changes to STRS rate and an increase to the PERS rate of 1.02% to 27.70%.
 - 2025-26 – Step & Column is budgeted. No reduction to staffing levels. Estimate savings from retirement attrition. No change to STRS rate and an increase to the PERS rate of 0.60% to 28.30%.
- Expenses: Reduced expenses for all one-time purchases and contracts as they were related to the expiring ESSER and other Block Grant funds. Also reduced all capital purchases in both subsequent years.
- Deficit Spending: The District is working to reduce the deficit spending as we are exhausting one time funds. There is still a substantial amount of funds received as block grants that we will reflect as deficit spending as we finish through 2027-28. We are working diligently to right-size the District as we look at each department and program and get back to pre-pandemic spending.

MYP ...

	2023-24	2024-25	2025-26
Revenues	43,740,711	38,651,713	38,543,697
Expenses	49,146,013	41,322,049	41,320,093
Increase/(Deficit)	(5,405,302)	(2,670,336)	(2,776,396)
Ending Balance	\$ 19,114,634	\$ 16,444,298	\$ 13,667,902
Economic Uncertainty Reserve	7,126,171 14.5%	6,998,726 16.9%	4,979,541 12.05%
Total Unrestricted Reserve	11.28%	12.24%	12.53%
TOTAL RESERVES	38.87%	39.77%	33.05%

Future Indicators to watch....

- Staffing shortages
 - TK Adult to student ratio. Current year 12:1 next year and moving forward 10:1.
- Deadlines for spending one-time funds
- Inflation / Recession
- Deficit Spending
- ADA decline



Board Action Requested:

It is recommended that the Board approve the 2023-24 First Interim Budget report with a POSITIVE certification. The Gateway Unified School District is capable of meeting our financial obligations for the current year and two subsequent year.

THANK YOU