



# GATEWAY UNIFIED SCHOOL DISTRICT

2023-24 Second Interim Budget Update

March 13, 2024



# Presentation Overview

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

# Estimated District Net Worth

	Estimated June 30, 2024 Balance
Fund 01	\$ 22,522,001
Fund 08 – Student Body	53,448
Fund 13 – Cafeteria	1,019,369
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	893,980
Fund 51/52 – Bond Financing	2,498,811
	\$ 30,330,190

# Estimated Revenues – Fund 01

	1 <sup>st</sup> Interim	2 <sup>nd</sup> Interim	Difference	Notes
LCFF	\$ 30,165,438	<b>\$ 31,071,452</b>	\$ 906,014	5.5 Funded ADA Incr = \$69,030 Incr UPP 1.85% = \$379,709 PY LCFF Adj = \$451,126
Federal	6,089,667	<b>6,080,738</b>	(8,929)	Adj to carryover estimate for Title 1
State	4,168,181	<b>6,044,833</b>	1,876,652	Literacy Coaches – GEO = \$450,000 LCFF Equity Multiplier = \$911,403 ADJ to Learning Recovery BG = \$482,554
Local	3,192,210	<b>4,389,212</b>	1,197,002	CalSHAPE Grant = \$508,860 Incr to Interest earned = \$150,000 Incr MeciCal Reimb est = \$52,071 RDA Adj = \$450,000 SCOE Community Connect = \$91,278
Interfund Transfers In	125,215	<b>125,215</b>	-0-	
Total Revenue	\$ 43,740,711	<b>\$ 47,711,450</b>	\$3,970,739	
Estimated FUNDED ADA	2,062.33	2,067.88	5.5	

# Estimated Expenses

	1 <sup>st</sup> Interim	2 <sup>nd</sup> Interim	Difference	Notes
Certificated Salaries	\$ 15,228,331	<b>\$ 15,205,973</b>	(22,358)	Adjusted budgets for vacant positions
Classified Salaried	8,186,662	<b>8,120,138</b>	(66,524)	
Benefits	10,588,701	<b>10,311,837</b>	(276,864)	H&W increase included in salaries 23/24
Books/Supplies	3,470,282	<b>3,596,091</b>	125,809	Incr budgets for ELOP supplies
Services/Operations	7,965,525	<b>8,644,346</b>	678,821	Incr contracts for ELOP and speech services
Capital Outlay	3,268,478	<b>3,431,011</b>	162,533	New shade structure @ GOES (ELOP), van for Toyon campus (SCOE Community Connect funds)
Other Outgo	351,177	<b>353,340</b>	2,163	
Direct/Indirect Costs	(58,830)	<b>(53,393)</b>	5,437	Increase to Cafeteria Indirect costs
Interfund Transfers Out	145,687	<b>105,000</b>	(40,687)	Adj for retiree benefits
Total Expenses	\$ 49,146,013	<b>\$ 49,714,343</b>	568,330	

# Estimated Ending Balance – Fund 01

	<b>1<sup>st</sup> Interim</b>	<b>2<sup>nd</sup> Interim</b>	<b>Difference</b>
Beginning Balance	\$ 24,524,894	<b>\$ 24,524,894</b>	
Increase/(Deficit)	(5,405,302)	<b>(2,002,893)</b>	
Ending Balance	\$ 19,119,592	<b>\$ 22,522,001</b>	\$ 3,402,409
Estimated FUNDED ADA	2,062.33	2,067.88	5.55

# Assigned/Committed Reserves

Assigned	
Unrestricted Lottery	\$ 490,278
Additional 15% Concentration	584,955
Tech/Chromebooks	837,842
Mandated Costs	2,223,960
Forest Reserves	807,242
SPED Services/Litigation	100,000
Economic Uncertainty/Declining Enrollment – 14.5%	7,207,562
MAA	829,134
<b>Total Assigned Reserves</b>	<b>\$ 13,080,973</b>

## Committed/Legally Restricted

ELO-P	\$ 270,901
Educator Effectiveness	503,270
Lit Coaches/Reading Spec (GEO) LCRS	450,000
LCFF Equity Multiplier	911,403
KIT – 2022/23	144,888
Studied BG	17,375
Restricted Lottery	770,308
SPED PreK Intervention	165,809
Learning Recovery BG	2,620,421
Art, Music, Instr Mat'l, & Disc BG	494,248
Prop 28: Arts & Music	3,677
Classified PD BG	11,235
SB117 - COVID	33,995
A-G Access	67,365
Mental Health	17,010
RDA Funds	974,652
MediCal BOP	229,438
Scholarships	251,503
<b>Total Restricted Reserves</b>	<b>\$ 7,937,498</b>

# Components of Ending Fund Balance

	2 <sup>nd</sup> Interim	
Ending Balance	\$ 22,522,001	
Revolving Cash	12,100	
Restricted Reserves	7,937,498	15.97%
Assigned Reserves	5,873,411	11.81%
State Required Economic Uncertainty	1,491,430	3%
District Economic Uncertainty	7,207,562	14.5%



# Multi-year projections

2024-25 & 2025-26



# Multi-Year Assumptions

COLA: 2024-25 = 0.76% 2024-25 = 2.73%

Unduplicated Pupil Count: 2024-25 = 77.090% 2025-26 = 78.11%

Enrollment/ADA: 2024-25 = 2,117/1,881.4 2025-26 = 2,083/1,853.8

Funded ADA: 2024-25 = 2,023.78 2025-26 = 1,962.86 (Based on 3 Prior Year Average)

Revenues: Projected in both years to reflect new LCFF calculations, newly awarded grants and estimates of on-going revenues.

## Staffing:

2024-25 Staffing is estimated to be reduced by 20.84 FTE – majority of which are vacant positions. Step & column is budgeted. Negotiations are unsettled for all groups. STRS rates remain the same and PERS rates are projected to increase from 26.68% to 27.70% (a cost of \$82,825)

2025-26 Staffing is projected to remain the same with estimated saving from attrition through retirements. Step & column has been budgeted and negotiations remain unsettled. STRS rates remain the same at 19.10% and PERS rates are again projected to increase from 27.70% to 28.30% (a cost of \$45,446)

Expenses: Overall, expenses are estimated to be decreased with all one-time expenses being removed from the budget and some expenses pertaining to the new one-time grants have been added. Increased budget for potential SPED placements and potential special election. No capital expenses have been budgeted. Estimated a district wide replacement of chromebooks in 2025-26 at a cost of \$1,220,000 which is coming from assigned reserved.

Deficit Spending: The District is in planned deficit spending due to funds received through block grants and the pandemic. These have all been received in prior/current years and projected to be spent in subsequent years. However, we are working diligently to ensure all deficit spending continue to be identified as planned.

# MYP

	2023-24	2024-25	2025-26
Revenues	\$ 47,711,450	\$ 40,788,865	\$ 39,793,022
Expenses	49,714,343	41,977,250	42,881,997
Increase/(Deficit)	(2,002,893)	(1,208,385)	(3,088,975)
Ending Balance	\$ 22,522,001	\$ 21,313,616	\$ 18,224,641
Economic Uncertainty Reserve (State & District)	8,698,992	7,540,756	7,700,010
	17.5%	18.0%	18.0%
Funded ADA	2,067.88	2,023.78	1,962.86

# Future

Staffing shortages continue to plaque the District – and the state as a whole.

TK student to adult ratio possibly getting another year at 12:1 and going to 10:1 in 2025-26

Unknown State budget for 2024-25 – COLA? Cut to existing funding? Deferrals?

Deficit Spending – getting the District back to very minimal deficit spending. Long range plan.

Enrollment / ADA Decline

# Recommendation

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

THANK YOU!

