

# Pleasanton Unified School District

Budget Realignment/Rightsizing

Fall 2024

# Agenda

1. Welcome
2. Fiscal Challenges of PUSD
3. Process Timelines
4. Budget Advisory Committee (BAC)
5. Recap of the BAC Work
  - a. Income generation options
  - b. Realignment/Rightsizing
6. Communication and Community Engagement
7. Questions and Input

# PUSD's Fiscal Challenges

# Top 5 Financial Challenges of PUSD

## 1. COVID Funds are Gone

- These were one-time funds
- No more \$41 million over four years
- Valuable positions funded remain–ongoing

[CLICK HERE TO LEARN MORE ABOUT PUSD's FISCAL CHALLENGES](#)

## 2. Low-Funded [Local Control Funding Formula \(LCFF\)](#) District

- Same per student formula is applied to all school districts regardless of geographic location
- 16% of our students qualify for LCFF supplemental funds. That's only \$5 million in a \$213 million budget (2%)
- Nine out of 10 districts in the State receive more funding. We get \$12,489 per ADA – The average was \$14,842. Delta:  $\$2353 \times 13876 \times .95 = \sim \$31\text{M}$  or 15% less in our budget

## 3. Low COLA and high Inflation

- In 2024 we received only a 1% cost of living increase
- Inflation in Bay Area is 8.1% over a two year period
- Utility rates and insurance costs have been increasing in double digits in the past two years!  
Anyone look at the water bill? Have you seen your medical premiums lately?

# Top 5 Financial Challenges of PUSD

## 4. Declining Enrollment

- Loss of 1650 students (11%) since 2018/19 (pre COVID)
- Our enrollment decline is less than majority of school districts in Alameda and Contra Costa County. Smaller incoming kindergarten class than graduating senior classes.
- Losing every 100 students in enrollment means \$1.2M in lost revenue

## 5. Attract & Retain Talent

- The greatest resources are Team PUSD!
- Teachers and staff make the difference for students
- The raise and increased health benefits in 23/24 helped attract and retain talented people

## Bonus Material!

### *Local, State and Federal Landscape*

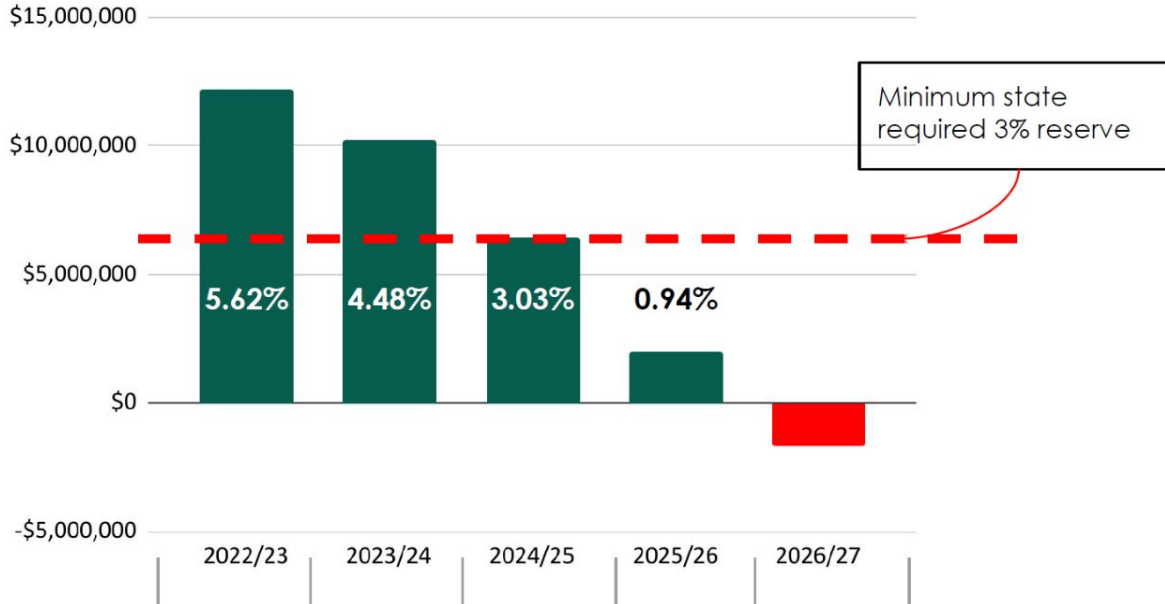
- The \$5.2 Trillion for the Pandemic is gone
- Districts everywhere are feeling the one-time dollar loss
- And you know, it's not only in public education

# Multi-Year Projections

June 27, 2024  
Board Meeting



Total General Fund Reserve\*

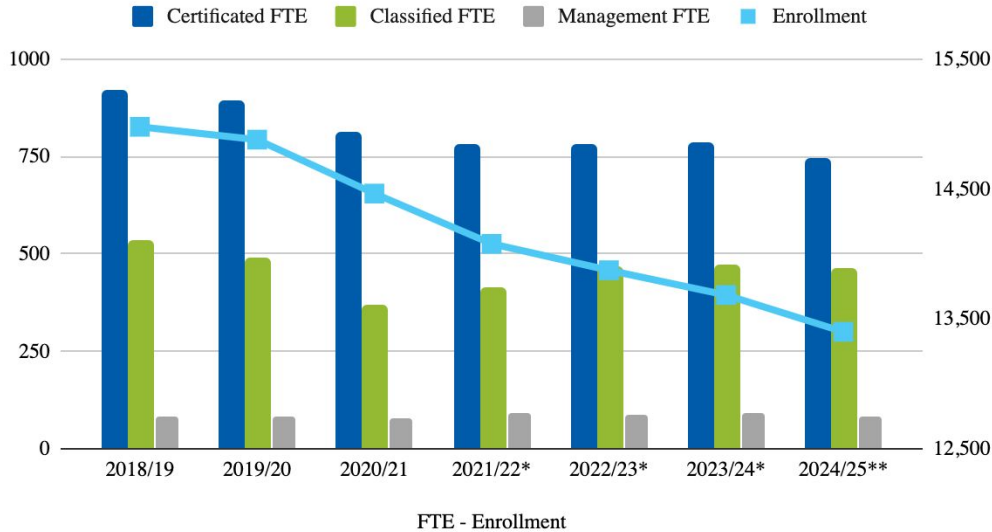


- Restricted funds are not part of the reserves
- For best practice district reserve levels: 10% of GF
- Reserves allow the district to:
  - Weather downturns in the economy
  - Handle emergencies
  - Manage cash flow needs
- District must maintain 3% reserved for the 24/25, 25/26, and 26/27 for Positive Budget Certification
- Proposed budget is **Qualified**

Currently, the District may not meet its financial commitments after this year

# Reduction Work for 2025/26

## Historical Comparison of FTE to Enrollment



\*General Fund POS as of 2nd Interim

\*\*Projected

- In 2024/25, we were able to right-size classes to enrollment and a level of reduction in administration and support services.
- **In 2025/26, our work is much harder** because the rightsizing and reductions must go deeper in variety of programs, administration, and supports that we have benefited from in the past decade but need to be brought into alignment for a District of 13,300 students and the level of funding we receive.

# Summary of Reductions and Rightsizing in 2024/25



Description - The reduction below went through an expedited planning process and were incorporated into the 2024/25 Budget	FTE*	Estimated Savings
Management Reduction Districtwide and Site based: <b>Rightsizing:</b> (5 FTE) Program Supervisor, combine Village VP and Coordinator Summer School & Intersession into 1 FTE, Fiscal Services Coordinator, Technology Coordinator, and HR Coordinator <b>Strategic Attrition:</b> (4 FTE) Assistant Superintendent, Program Supervisor, 1 VP at elementary level (Mohr and Hearst share), Coordinator of Literacy and Numeracy	9 FTE	\$2M
Rightsizing of Teachers with enrollment (31.23 classroom based teachers and 2.2 EL)	33.43 FTE	\$4.5M
Rightsizing of Counselors	3 FTE	\$405K
Classified Reduction in Force (Parent Liaison, Executive Secretary, Health Services Assistant, HR Tech II, Library Media hours, Purchasing Specialist, and Paraprofessional hours)	13.84 FTE	\$1.28M
Department/Site Budget Reductions of 10%, reductions in sub rates, fewer designated subs, and reductions in contracted services		TBD
<b>TOTAL</b>	<b>~ 59.27 FTE</b>	<b>\$8.19M</b>

\* Some positions funded by one-time or restricted funds



# What level of reductions/revenues will be needed in **2025/26**?

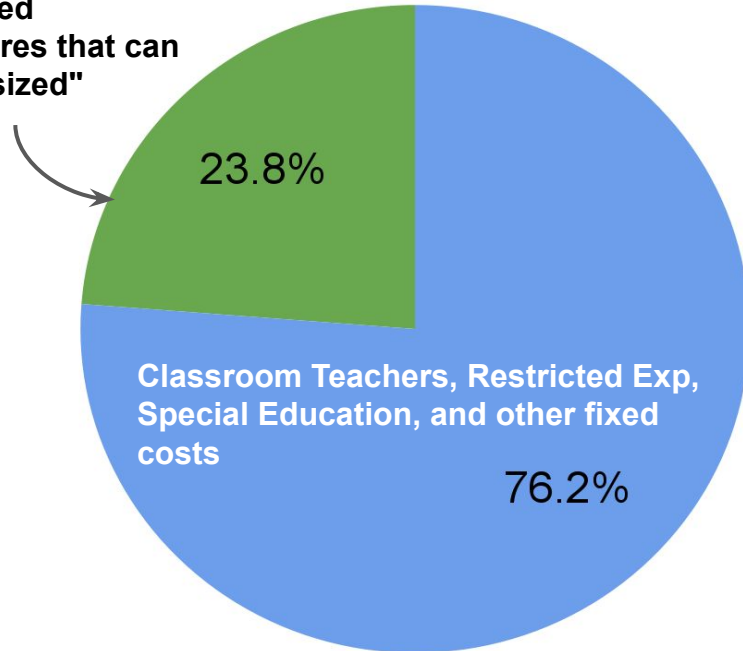
## RESOLUTION CONFIRMING THE DISTRICT'S COMMITMENT TO FISCAL SOLVENCY

**WHEREAS**, the Board of Trustees recognizes that the multi-year projections as updated at Unaudited Actuals indicate that the District will need to identify further expenditure reductions and/or revenue enhancements of at least \$905,204 in 2024-2025 which will be updated at first interim. **The District will also need to make ongoing expenditure reductions and/or revenue enhancements that will net a total of \$8,660,000 in 2025-2026.** Additionally, the Board of Trustees recognizes that this projection may increase or decrease depending on ongoing cost savings, the State revenue allocations or any other changes to the multi-year assumptions, enrollments changes or other changes; and

# Available Expenditures to “Rightsize”

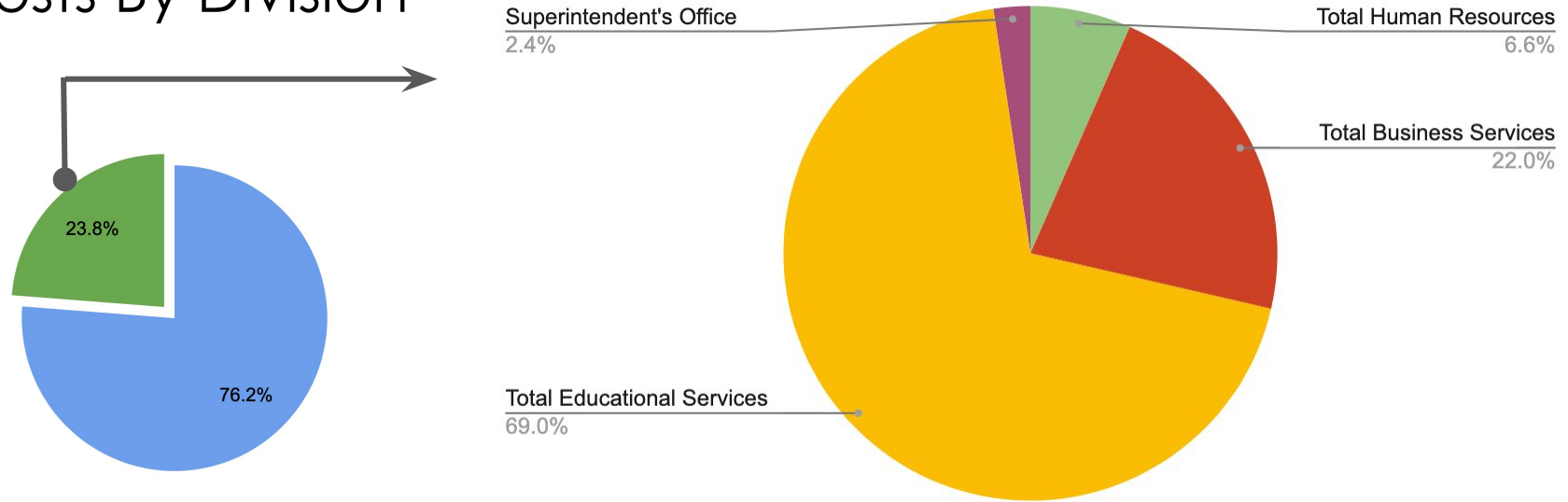
**Total 2024/25 Expenditure Budget: \$213M**

**Unrestricted  
Expenditures that can  
be "Rightsized"**



Of the District's \$213M annual expenditure only about \$50.6M is available to be evaluated for rightsizing as the other expenditures are tied to essential functions, restricted funds, or special education. This makes the remaining reductions challenging.



# Available Expenditures to “Rightsize” Staffing Costs By Division



Looking at General Fund staffing costs - **NOT** including Classroom Teachers, Special Education or Routine Restricted Maintenance, we determined the proportionate shares of cost by Division. This is not weighted - strictly proportionate.

# Process Timelines

# Timeline

Months	Board Discussions/Actions	Staff work/Other	Communication
September 2024	9/24 - Board Workshop 9/26 - Board Resolution (Action) to include broad actions for reductions, general dollar amounts, conditionally approve 24-25 budget	 <ul style="list-style-type: none"> <li>- Work with BAC</li> <li>- Superintendent and Executive Cabinet work in parallel in developing rightsizing options</li> <li>- Update financial and budget information based on actuals and data through 10/31</li> </ul>	 <ul style="list-style-type: none"> <li>- Communicate the District's fiscal challenges in various platforms and methods</li> <li>- Communicate the work of the BAC and Board</li> <li>- Townhall and small group meeting to share the information</li> </ul>
Oct -Dec 2024	12/14 - First Interim Review and Approval	<ul style="list-style-type: none"> <li>- 10/22 BAC Meeting</li> <li>- 11/12 BAC Meeting</li> </ul>	<ul style="list-style-type: none"> <li>- Community meetings</li> </ul>
January 2025	1/9 - Initial Discussion to review Rightsizing Options 1/23 - Final Discussion to review Rightsizing Options	<ul style="list-style-type: none"> <li>- Governor presents initial 2025/26 Budget</li> <li>- Update Enrollment Projections</li> </ul>	<ul style="list-style-type: none"> <li>- Clear communication and proposed Rightsizing Options</li> </ul>

# Timeline

Months	Board Discussions/Actions	Staff work/other	Communication
February 2025	2/13 - Approval of Initial Reduction in Force (RIF) Resolutions, Skipping and Tie Breaking Resolutions	<ul style="list-style-type: none"> <li>- Update Budget for Second Interim</li> <li>- Budget Development for 2025/26</li> <li>- Negotiate impacts and effects RIF</li> </ul>	<ul style="list-style-type: none"> <li>- Communicate Board actions and RIF process to staff and community</li> </ul>
March 2025	3/13 - Review and Approve Second Interim Budget	3/15 - Initial RIF Notices to staff	
April 2025		<ul style="list-style-type: none"> <li>- Budget Development for 2025/26</li> </ul>	
May 2025	5/8 - Final RIF Resolution	5/15 - Final RIF Notices to staff Governor submits his May Revise Budget	
June 2025	6/12 - Public Hearing on 2025/26 LCAP and Budget 6/26 - Review and Approve 2025/26 LCAP and Budget	<ul style="list-style-type: none"> <li>- Finalize the 2025/26 Budget</li> <li>- State Budget Approval by 6/30</li> </ul>	<ul style="list-style-type: none"> <li>- Communicate to the public the District 2025/26 Budget</li> </ul>



# Budget Advisory Committee (BAC)

*Established in May 2024 to assist the Superintendent and Board to address our Fiscal Challenges*

# Budget Advisory Committee

## Committee Members

- Laura Martinez - CSEA
- Cheryl Vangundy - Site Tech/CSEA
- Evan Branning - Teacher/APT
- Gary Johnson - Teacher/APT
- Kathy Narum - Community Member/Chair
- Jenifer Flynn - Community Member
- John Plotts - Community Member
- Susanne Frey - Community Member
- Bill Butler - Community Member
- Connor Lam - Student
- Jake Berg - Principal/Certificated Management
- Mehdi Rajabzadeh - Executive Director, Operations / Classified Management

## Supporting Staff

- Maurice Ghysels - Interim Superintendent
- Ed Diolazo - Deputy Superintendent
- Ahmad Sheikholeslami - Assistant Superintendent, Business Services
- Anne Wells - Executive Director, Fiscal Services
- Lanita Villasenor - Executive Assistant, Supt.'s Office (recorder)

## Meetings

- Committee has held seven meetings since May 2024



# BAC Goals and Objectives

## General Goals and Objectives

- Promote knowledge on how school finance works
- Promote trust via transparency in our fiscal data and planning
- Promote a culture of fiscal responsibility

## Specific Goals and Objectives

- Develop a target range for reductions and revenue generation
- Develop recommendations/advisement that help prioritize programs and expenditures for reduction and/or reallocation
- Identify revenue generating options to reduce reductions or grow programs

# Metrics to Evaluate Rightsizing Options



1. How will the option impact student learning and the emotional well being of the student?
2. How will the option impact the quality of education, including instructional effectiveness, curriculum integrity, and access to learning resources. Consider the impact on the overall student experience, including extracurricular activities and engagement opportunities.
3. How will the option disproportionately impact student subgroups (unduplicated\*, special education, or designated student groups)?
4. How will the option impact staff, staff retention, and well being?
5. How will the option increase liability to the district (unintended/indirect)?

**METRIC (0-3 point) 0=no impact, 1=little impact, 2=moderate impact, and 3=significant impact**

\* Students that qualify for the Federal Free or Reduced Lunch Program, English Learners, and Foster or Unhoused Youth

# Focus of 2025/26 Rightsizing Planning

- Preserve Classroom and Front Lines
  - Experience of the Student
  - Supporting the Front Line educators
- Maintain Service and Compliance
  - Remain in compliance of laws, regulations and requirements
  - Maintain a level of “customer service”
  - Economies of Scale
- Re-think and Re-imagine Opportunities
  - Design change at the school site
  - Look at goals
  - How can goals be met in different ways?

# Recap the work of the BAC

# Income Generating Options

Item	Description	Potential Rev.	Timeline	Comments
1	Increase revenues through facility rentals		Medium	In 2023/24 the district generated about \$475,000 and shared 15% with the sites. Some of these funds pay the direct costs of staff and utilities.
2	Summer educational programs in collaboration with the City		Short	The District has a robust summer enrichment program. This summer it generated \$850K gross.
3	Increase student enrollment through improved marketing		Medium	This is a great opportunity to promote PUSD and Pleasanton.
4	Expand kids club to enroll more students during the school year and summer		Medium	Our programs under Fund 63, currently generate about \$1.5M that is being transferred into the general fund starting in 2023/24. Expansion efforts are ongoing. <a href="#">Link to presentation by Early and Expanded Learning.</a>
5	Provide full day TK and K to increase enrollment		Medium/ Long	This is a great opportunity to promote PUSD and Pleasanton. Potential to increase enrollment from parents that send their students to full day private care. 50 additional students will generate \$600K but will cost about \$400K.

Short: 1 year, Medium: 2-3 years, and Long 4-5 years

# Income Generating Options

Item	Description	Potential Rev.	Timeline	Comments
6	Reduce energy costs - redirect funds from Measure I and I1 to fund energy efficiency or production projects	5-15% Reductions in costs	Medium/ Long	This will need to be explored with the Board. Board has dedicated about \$1M towards this project and we are currently doing a study to determine the potential savings from these efforts.
7	Reduce water costs - redirect funds from Measure I and I1 to fund water conservation projects	5-15% Reductions in costs	Medium/ Long	This will need to be explored with the Board. Some work has been done in the area and the new synthetic middle school fields will reduce water usage significantly.
8	Increase enrollment in PVA with out of district students	Every additional student will generate about \$12K in funding	Short/ Medium	This is a great opportunity to promote PUSD and Pleasanton.
9	Expand Graphics department service to the City to generate income		Medium	This option can be explored but the department does not have much capacity to expand and revenues may not be significant to justify effort.
10	Naming rights to venues/facilities		Short	Fields and certain buildings

Short: 1 year, Medium: 2-3 years, and Long 4-5 years

# Income Generating Options

Item	Description	Potential Rev.	Timeline	Comments
11	Educational campaign to increase ADA - come to school	We currently average 92-97% ADA	Short	Newsletter, social media, PTA
12	Expand paid summer enrichment programs		Short	The District has a robust summer enrichment program. This summer it generated \$850K gross.
13	Purchase revenue generating properties from the sale of the District Office/Vineyard property	\$3-4M Annually	Long	This could potentially bring significant ongoing revenues to the district. The Vineyard property is under contract and old DO may be available in next 3-4 years. Currently, the budget includes a \$500,000 annual revenue from the Gatan lease starting in 24/25 if we payoff or restructure a large portion of the loan.
14	Parcel Tax (Community or District Initiated)	\$4-5M Annually	Medium	Community members have shown interest and recent survey shows a 50%+ support for a Parcel Tax. The revenues generated depends on the size of the bond. Every \$50/parcel will generate about \$1M in revenues.

Short: 1 year, Medium: 2-3 years, and Long 4-5 years

# The BAC and Staff are Evaluating the Following Areas

1. Materials and Supplies
2. Services and Operations
3. Districtwide Administrators (DO)
4. Districtwide Support Services
5. Site Administrative Support (VP/Coord)
6. Site Support Services
7. Custodial Services
8. Technology Support Services
9. Induction Program
10. Teachers on Special Assignment
11. Summer School
12. Elementary Specialist
13. Middle School and High School Electives
14. Mental Health and Family Support Services
15. Curriculum and Instructional Initiatives/PD
16. Graphics
17. Pleasanton Virtual Academy
18. Facilitron
19. Prior PUSD Reduction Strategies



# BAC Realignment/Rightsizing Ideas

## Materials & Supplies

- Percentage cut in each area
- Delay curriculum adoptions
- Choose paper or electronic curriculum, not both
- Avoid multiple curriculums
- Review materials needed by Department Chairs at each school at each level
- Cost analysis from pre-COVID
- Look at free digital options

## Services & Operations

- Bring contracted services in-house and/or reduce
- Utility cost savings plan
- Energy conservation and management
- Freeze travel unless essential
- Review non-critical software
- Rebid insurance
- Use Bond for water/energy conservation projects
- Audit list of software offered and track/analyze cost per software utilized

## Districtwide Admin

- Continue strategic attrition
- Look at comparable DO staffing ratios
- Essential or “nice to have”
- Salary study for DO Management
- Ensure positions have a pipeline to students and improving the district

# BAC Realignment/Rightsizing Ideas

## Districtwide Support

- Review critical vs. non-critical positions and benchmark with neighboring districts
- Use formula allocations to standardize/reduce staffing
- Look at streamlining and efficiencies

## Site Admin Support

- Use weighted site VP/Coordinator allocation
- Review past allocation plans and adjust for enrollment
- Streamline administrative tasks
- Share VP between sites
- Look at Teacher on Special Assignment as a replacement for VP, as a Curricular Lead

## Site Support Services

- Centralize non-classroom functions
- Develop a weighted allocation plan
- Reduce staff after school hours
- Share librarians between sites

# BAC Realignment/Rightsizing Ideas

## Custodial Services

- Staggered A/B schedule
- Split assignments/reduce hours
- Reduce overtime
- Weighted allocation plan
- Educate staff to take garbage to central locations
- Utilize high school students

## Technology Support

- Review current hours
- Centralized model
- Weighted allocation plan
- Look at Workday or other private technology grants for revenue enhancement

## Induction Program

- Adjust based on number/need of new teachers
- Change model to use internal teachers as coaches on a stipend
- Create mentor program within each school with seasoned teacher pairing

# BAC Realignment/Rightsizing Ideas

## Teachers-Spec Assg

- Look at past allocation plans and adjust for enrollment
- Re-evaluate usage and programs supported

## Summer School

- Add paid expansion classes - revenue generating

## Elementary Specialist

- Look at other models of providing these enrichment opportunities

## Secondary Electives

- Look at funding source/cost
- Check into Dual Immersion

## Mental Health/Family Sppt

- Centralized services
- Weighted allocation
- Offset with Medical Billing
- Look at standards, create allocations based on ADA and need

## Professional Development

- Keep in house when possible
- Decrease PD to one day
- Reduce PD & initiatives

# BAC Realignment/Rightsizing Ideas

## Graphics

- Offer more widely as revenue generating

## Virtual Academy

- More outreach to homeschooling families

## Facilities Use

- Ensure cost adjusted to current rate
- Revenue generation

## Prior PUSD Reduction Strategies

- Furlough Days
- Class Size Reduction
- Review classified work year calendars
- Look at budget/staffing cuts in 2008/09 and benchmark from those adjusting for enrollment

# Summary of BAC Concerns

- **Custodial Services:** Custodial services are already stretched very thin. This has a direct impact on students if we are not cleaning the spaces adequately. Sick students means less ADA.
- **Technology Support Services:** Technology is already stretched thin and we have more technology than ever. This will have a direct impact on students and staff.
- **Elementary Specialists:** Specialist and prep sections are contractually mandated. Changes would have to be negotiated.
- **Secondary Electives:** Our elective courses are one of the things that make our district a desired school districts for families. Do we really want to cut programs that attract families to Pleasanton?
- **Mental Health & Family Support Services:** This staff on all levels is stretched pretty thin, I am not sure I can see reducing this area. LVN's are usually dictated by IEP's/504's so we would face being out of compliance if we do not offer the proper services.
- **Districtwide Administration:** What level of admin reductions would impact the ability to manage risk?
- **Site Administration Support:** This has a direct impact on students and should be a last consideration
- **Graphics:** If cut the sites will need to make copies and create media from other sources which would incur its own costs. What would we actually be saving?

# Communication and Community Engagement

- Roadshow to share information of district's finances and seek input
  - Staff at school sites, APT, CSEA, Principals, PUSD Administration, District Office Staff and Parents/PTAs/Site Councils
- Community Meetings
- Meetings with Civic Organizations
- Communication: Content, Media and Channels

# Questions and Input

- Your voice and input are important to us. In order to address your questions and capture your ideas, thoughts, and considerations, we have created a Google Survey where you can ask questions and provide us with input on realignment/reductions/revenue generation ideas.
- Link to Survey: <https://forms.gle/GugrLJH6YSrhoAPNA>





# Budget Realignment Resources

<u>Opportunities to engage</u>	<b>Budget Realignment Resources</b>	<u>Understanding the school funding challenge</u>
<u>PUSD's Budget Realignment: How did we get here?</u>	<u>What are we doing to address these challenges?</u>	<u>Ask a question or provide input</u>