



2024-25 1st Interim Report

Piedmont USD Budget Advisory Meeting
December 5, 2024

Agenda

- Introductions
- Purpose of BAC
- Review of 2023-24 1st Interim Report
 - Budget and Actuals to Date
 - Multi-Year Projections
- Formation of Revenue Generation Subcommittee
- 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 1st Interim Report to ACOE

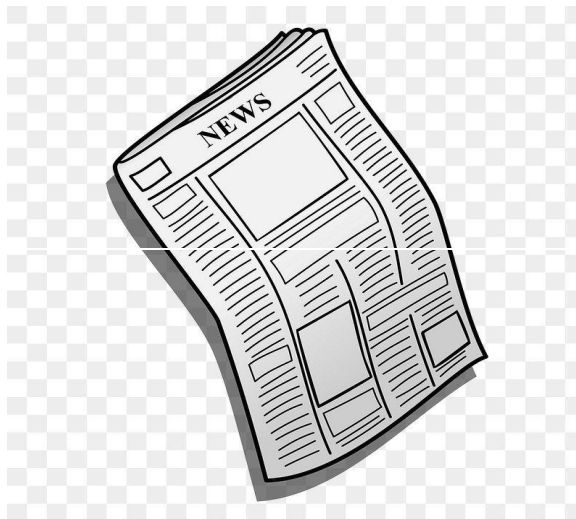
- March 15 2nd Interim Report to ACOE

- June 30 Estimated Actuals

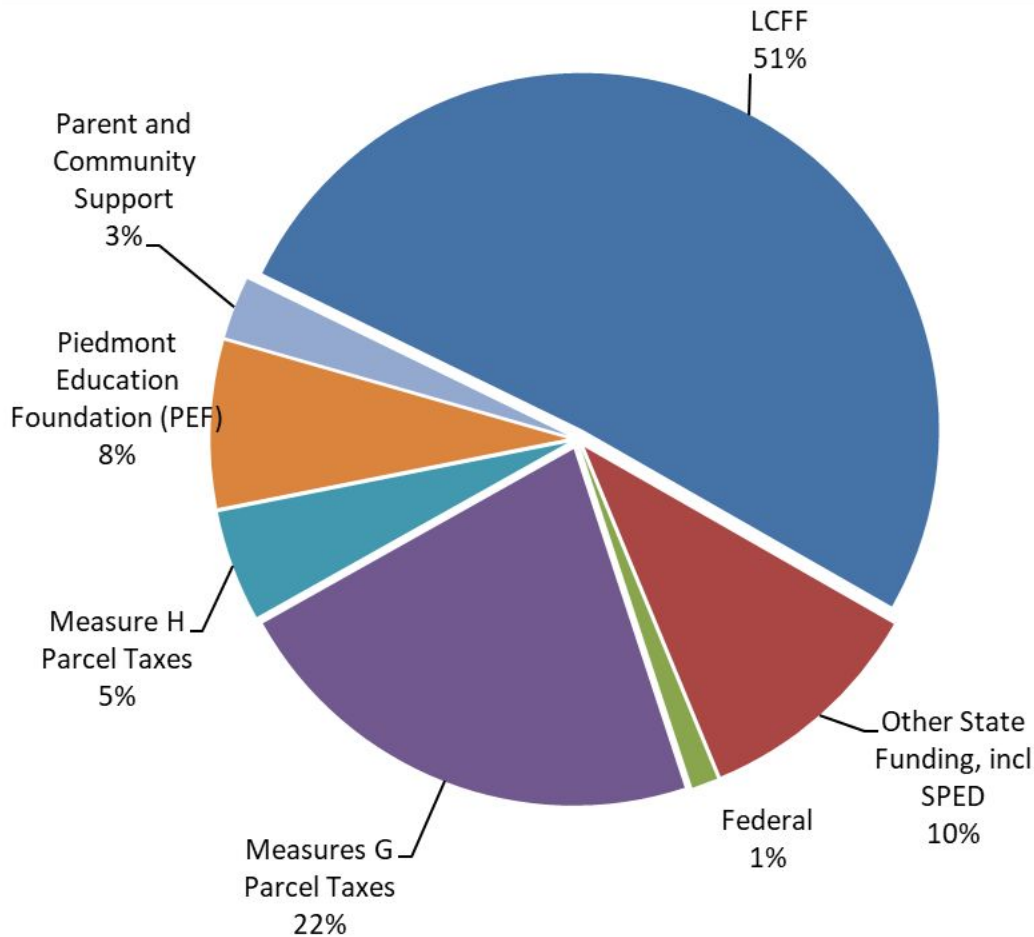
- September 15 Unaudited Actuals

Headlines

- The District expects to meet all financial obligations, including the requirement for a 3% reserve.
- Measure P was approved by voters! Adds \$2.6 M annually.
- Special Education expenses are stabilizing, though some positions are filled with contractors.
- As economy unfolds in 2025, District should be able to adjust to different circumstances.



Revenues



- 51% is Local Control Funding Formula (LCFF).
- 38% is locally generated - parcel taxes, PEF, parent donations.
- Per pupil, all revenue sources = **\$21,717**

Changes to Revenues

- LCFF and State revenues are adjusted using Census Day enrollment.
- Add'l PEF funds are Spring Fling, PAF, PD, plus extra fundraising.
- Increase in State funds includes lottery funds + 1X dishwasher grant.

General Fund Revenues			
	2024-25 Adopted Budget	2024-25 1st Interim	Difference 6/24->12/24
Revenues			
LCFF	\$ 26,612,087	\$ 27,282,609	\$ 670,522
PARCEL TAX REVENUE	14,389,667	14,389,667	-
LOCAL REVENUES - PEF	3,480,000	4,039,957	559,957
LOCAL REVENUES - ALL OTHERS	1,332,283	1,490,373	158,090
STATE REVENUES	3,759,299	3,871,031	111,732
SELPA FUNDS	1,740,556	1,740,556	-
FEDERAL REVENUES	628,160	636,134	7,974
Total Revenues	\$ 51,942,052	\$ 53,450,327	\$ 1,508,275

Expenditures

- 82% of expenditures are salaries and benefits.
- Overall, the District spends **\$22,400** per pupil.

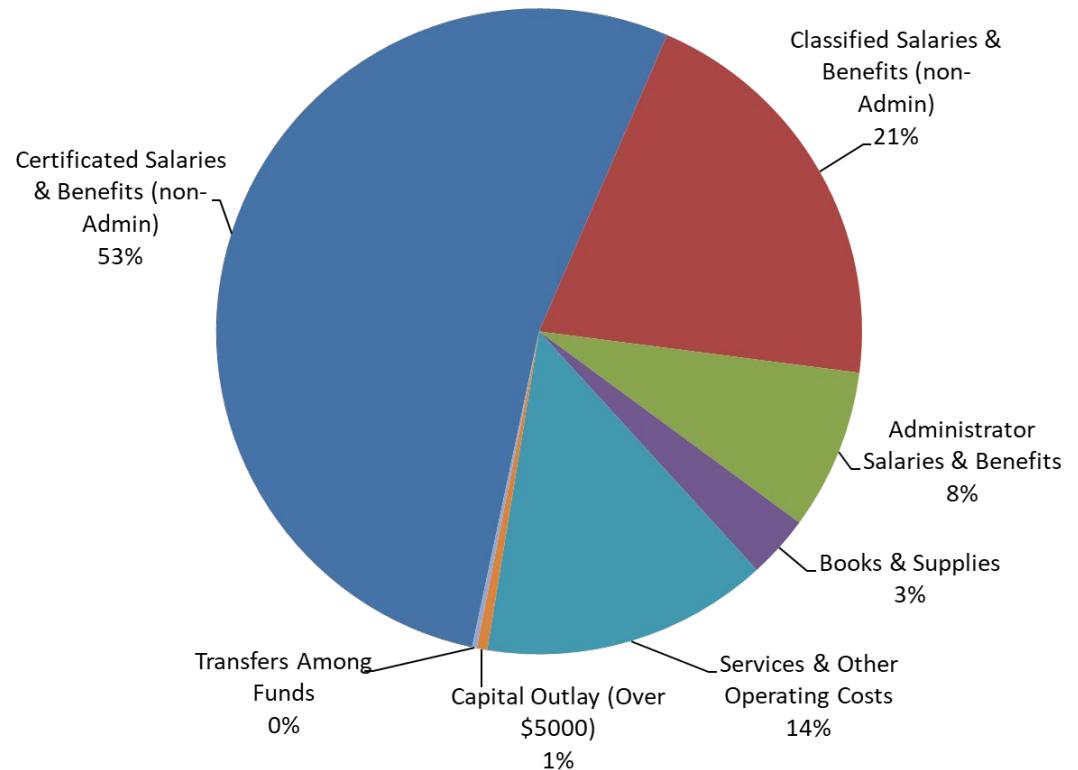
Personnel Costs = 82%

82% = \$44 M

Non-Personnel Costs = 18%

18% = \$9.9 M

Unrestricted portion = 56% or \$5.6M



Changes to Expenditures

- Unfilled positions - funds shifted to Contracts (Services)
- District contributions to health benefits incorporated.
- Approximately \$615 K in carryover balances from prior year are incorporated into the budget as books & supplies or services.
- \$321K from Spring Fling, \$20K from PAF, \$25K from donor thru PEF for PD are some of the increased local contributions incorporated into expenses.

General Fund - Expenditures			
Expenditures	2024-25 Adopted Budget	2024-25 1st Interim	Difference 6/24-->12/24
Certificated Salaries	\$ 21,942,055	\$ 21,820,223	\$ (121,832)
Classified Salaries	7,833,890	8,001,737	167,847
Benefits	14,228,138	14,549,719	321,581
Books & Supplies	1,265,338	1,705,642	440,304
Services/Other Oper.	6,616,214	7,783,416	1,167,202
Capital Outlay	213,306	287,353	74,047
Internal Transfers	126,260	126,260	-
Total Expenditures	\$ 52,225,201	\$ 54,274,350	\$ 2,049,149

Net Change to Fund Balance

- The reserve requirement is met.
- Reserves are set-aside for the Adult Ed and Cafeteria funds to cover possible shortfalls.
- **The net available balance is better than projected in October.**

Ending Fund Balance			
	2024-25 Adopted Budget	2024-25 First Interim	Difference June --> Dec
Beginning Balance	\$ 4,134,549	\$ 4,527,288	\$ 392,739
+ Revenues	51,942,052	53,450,327	1,508,275
- Expenditures	(52,225,201)	(54,274,350)	(2,049,149)
Rev-Exp = Surplus(Deficit)	(283,149)	(824,023)	(540,874)
Ending FB	3,851,400	3,703,265	(148,136)
3% Minimum Reserve	1,472,173	1,628,400	156,227
Less Restricted & Revolving	778,725	973,033	194,308
Less Committed/not available	1,590,803	100,000	(1,490,803)
Over (Under) Reserve	9,699	1,001,832	992,132

Multi Year Projections

The First Interim is when we start to adjust plans for 2025-26 and beyond.

- Certain assumptions are not likely to shift much between now and June:
 - Measure G and Measure P amounts
 - STRS & PERS rates
 - cost of step & column increases
 - incorporating negotiated 4.5% salary increases.
- Other assumptions are very likely to shift:
 - COLA
 - Enrollment
 - Enrollment and program-related staffing needs
 - Additional salary increases
- The following MYP assumptions show what is used in the 1st Interim and the range of how much revenues and expenses could shift.

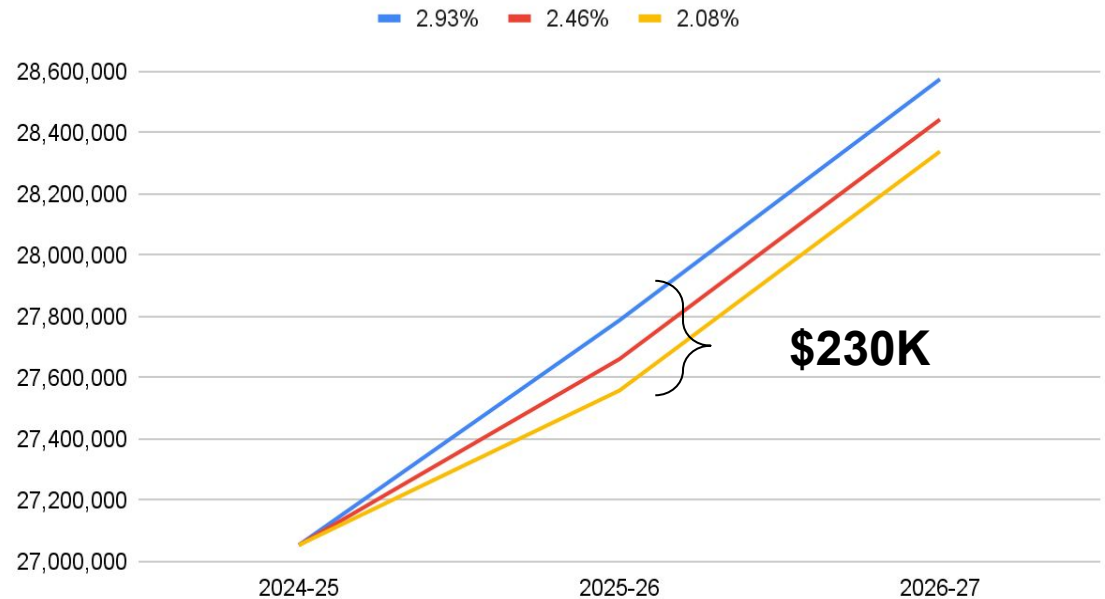
LCFF COLA

The Cost of Living Adjustment (COLA) is applied to the base LCFF formula to determine how much more we will have in future years.

Each increase/decrease of 0.5% = +/- \$135,000 for Piedmont.

- **2.93%** - assumed by the State in the 2024-25 State budget for 2025-26. ACOE has asked us to use this in the 1st Interim.
- **2.46%** - LAO projection
- **2.08%** - School Services projection

COLAs Scenarios



Enrollment Progression

	TK	K	1	2	3	4	5	6	7	8	9	10	11	12	Total	% Change	# change
2015	31	136	159	178	221	204	215	251	237	196	237	210	226	207	2,708	0.07%	2
2016	26	154	149	157	187						21	21				-0.59%	(16)
2017	28	152	163	156	163						23	23				-2.56%	(69)
2018	21	150	161	163	162						24	24				-1.03%	(27)
2019											21	21				-1.12%	(29)
2020																	
2021																	
2022																	
2023	4	135	156	152	169	144	17	177	186	170	166	193	226	212	2,308	-1.54%	(36)
2024	79	160	156	170	161	187	167	193	189	195	201	173	198	227	2,456	6.41%	148
2025	80	154	160	161	170	171	187	193	193	189	220	206	173	199	2,456	0.00%	-
2026	80	154	154	160	161	175	171	197	193	193	218	220	206	174	2,456	0.00%	-
2027	80	154	154	154	160	161	175	191	197	193	193	218	220	207	2,457	0.04%	1

TK (4 classes)
and K (7 classes)
at capacity

Maintain 7
"sections" of 28
students per
grade at PMS

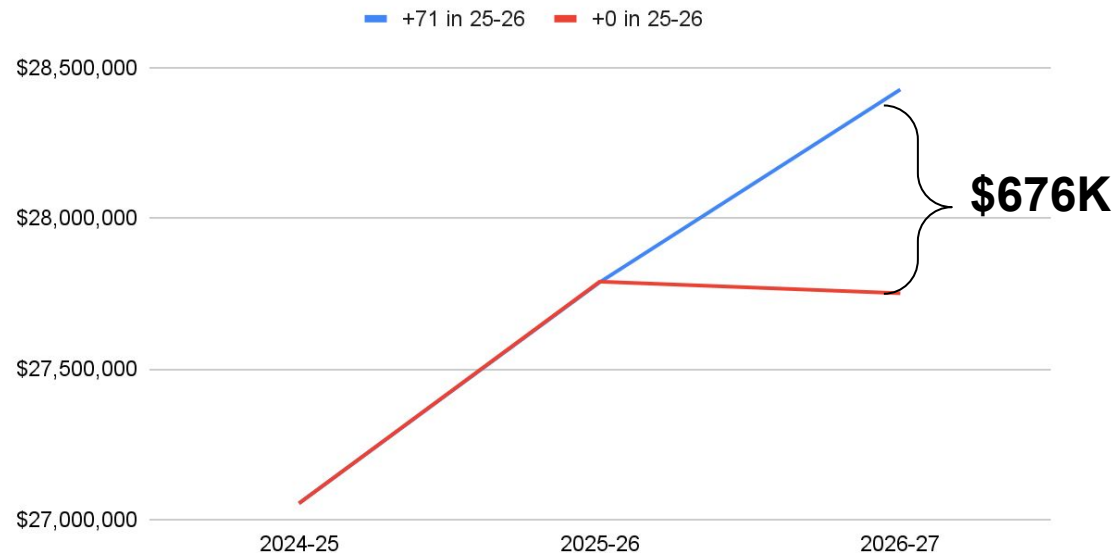
Maintain 200
per grade at
PHS + 60 at
MHS

Enrollment Variation

Enrollment is declining throughout California. In Piedmont, our "bubble" classes are graduating. Will we be able to maintain the increase in enrollment in 2024-25 into the future?

- To maintain current #s, need to add 71 new students (net) next year.
- With natural progression and no new admits, we're protected for 1 year, then decline will be felt.
- Each new student brings approx. **\$11,000** of LCFF funding

Alternative Enrollment



People-Related Costs

The following assumptions are in the MYP:

- Increase salaries by **4.5%** in 2025-26 thanks to the passage of Measure P.
- Step & Column increases based on salary schedules
 - 1.15% for Certificated
 - 1% for Classified
- Add 2 FTE for Counseling Enriched Classroom at PMS.
- Reduce partial FTEs added with Spring Fling funds from 2023.
- The cost of a 1% salary increase in 2026-27 will be \$371,000.
 - 2.3% ongoing would be \$850 K (no adjustments needed)
 - 5.0% ongoing would be \$1.85 M and would require \$1.0 M in adjustments



General Fund - Multiyear

- About \$1M is available in the Ending Fund Balance.
- Just enough if COLA and/or Enrollment are less than projected.
- District is able to meet all commitments for this year and next two.

MULTIYEAR PROJECTIONS - 2024-25 First Interim			
	2024-25	2025-26	2026-27
Beginning Balance	\$ 4,527,289	\$ 3,703,266	\$ 3,707,675
Total Revenues	\$ 53,450,327	\$ 56,682,693	\$ 57,319,533
Total Expenditures	54,274,350	56,678,284	57,385,087
Net Surplus (Deficit)	(824,023)	4,409	(65,553)
Ending Fund Balance	\$ 3,703,266	\$ 3,707,675	\$ 3,642,122
<u>Components of Ending Balance:</u>			
Restricted Funds	\$ 973,033	\$ 973,033	\$ 973,033
Committed / not available	100,000	100,000	100,000
Required Reserve	1,628,400	1,700,349	1,721,553
Add'l Unassigned	1,001,833	934,294	847,536
Ending Fund Balance	\$ 3,703,266	\$ 3,707,675	\$ 3,642,122

General Fund MYP Assumptions

The following assumptions were used in the MYP:

Assumption	2024-25	2025-26	2026-27
Enrollment	2,456	2,456	2,456
ADA used for LCFF calculations	2,367.16	2,355.6	2,343.71
COLA for LCFF per pupil funding	1.07%	2.93%	3.08%
COLA for other State funds	1.07%	2.93%	3.08%
COLA for Measure G Funds	2.00%	2.00%	2.00%
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	27.05%	27.40%	27.50%

Next Steps

December →	<ul style="list-style-type: none"> • 12/5 BAC Meeting to review 1st Interim • 12/11 1st Interim Report presented with MYP Projections
January	<ul style="list-style-type: none"> • 1/10 Governor's Budget Proposal released • Possible Board Budget Workshop • 1/22 Board review of how Gov's Budget will affect PUSD • 1/23 BAC Meeting to review Governor's Budget Proposal
February	<ul style="list-style-type: none"> • 2/12 Board Public Hearing on any proposed reductions • 2/28 Board action on any proposed reductions for 2025-26
March	<ul style="list-style-type: none"> • 3/6 BAC Meeting to review 2nd Interim • 3/12 2nd Interim Report presented with MYP Projections • 3/15 If required, March 15 notices mailed
April	<ul style="list-style-type: none"> • 4/24 BAC Meeting - Budget development update
May	<ul style="list-style-type: none"> • Governor releases May Revisions to budget proposal for 2025-26 • 5/22 BAC Meeting - Budget development update
June	<ul style="list-style-type: none"> • Board holds public hearing on draft budget • Final budget adopted by Board

Revenue Generation



- To tap into the creative resources of the Piedmont community, we'd like to assemble interested individuals to brainstorm ideas for future revenue generation.
- A "subcommittee" of this Budget Advisory Committee will start meeting in January.
- Ideally, the subcommittee will generate a playbook of ideas and next steps to share with the Board.

Questions and/or Comments?

Thank you for participating today. Please complete the
[feedback form here](#)
to help us improve for next month.