



Presentation of 2024-25 First Interim Budget Board of Education Meeting

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Committed to Serving **Every student. Every day.**

Our mission The Santa Paula Unified School District, in collaboration with educators, parents, and the community, will prepare all students academically, socially, and emotionally for college, careers, global citizenship, leadership, and lifelong learning. The district will use its resources to provide all students with diverse, equitable, differentiated experiences, and learning opportunities by a highly skilled educational team in a safe and supportive learning environment while remaining fiscally responsible.



Key Terms

- **Average Daily Attendance (ADA):** Equal to the average number of pupils attending classes who are enrolled for at least the minimum school day.
- **Cost of Living Adjustment (COLA):** An increase in funding, including the LCFF target calculation and categorical programs.
- **Local Control Funding Formula (LCFF):** A multi-part formula to calculate the District's Principal Apportionment - the largest source of revenue.
- **Unrestricted Revenue** - Unrestricted revenues are those funds whose uses are not subject to external or legal constraints and may be used for any purposes not prohibited by law.
- **Restricted Revenue** - Restricted programs or activities are those funded from revenue sources subject to constraints imposed by external resource providers or by law through constitutional provisions or legislation.
- **Multi-Year Financial Projections (MYFP):** Financial projections for the current and two subsequent years. To file a positive certification, a District must meet its financial obligations for the current fiscal year and two subsequent years.



2024-2025 Financial Reporting Cycles

FOCUS
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FOCUS

Proposed Budget
2024-2025

First Interim Report
Second Interim Report

Estimated Actuals

Unaudited Actuals



Components of the First Interim Report

- All Funds: Actuals as of October 31st, Adopted Budget, and First Interim Projected Totals (Revenue, Expenditure, and Components of Ending Balance)
- Average Daily Attendance (Form A)
- Interim Certification
- Indirect Cost Rate (ICR form)
- Every Student Succeeds Act
- Maintenance of Effort (ESMOE form)
- Cash Flow
- Multi-Year Projection
- Summary of Interfund Activity (SIAA form)
- Criteria and Standards



Legal Requirement

- Education Code §42130 requires Districts to submit two financial interim reports to the County Office of Education each fiscal year:
 - 1st Interim: Financial transactions from July 1 to October 31
 - 2nd Interim: Financial transactions from July 1 to January 31
- **The Interim Financial Report is designed to:**
 - Identify the changes to the budget, since adoption in June. The overall change to revenues, expenditures and ending fund balance and reserves.
 - Provide an in-depth multi-year analysis, using current projection factors, to state the District's ability to meet its financial obligations for the current and two subsequent fiscal years.
 - Certify, in this case Positive, based on current information, the District will be able to meet its fiscal obligations for the current and two subsequent years.



First Interim Certification

The District must certify the 1st Interim Report as either:

- **POSITIVE** = Based on current projections, IUSD will be able to meet its financial obligations for the current and subsequent two fiscal years
- **QUALIFIED** = The District, based on current projections, may not be able to meet its financial obligations for the current and subsequent two fiscal years
- **NEGATIVE** = The District, based on current projections, will be unable to meet its financial obligations for the current and subsequent two fiscal years

The District Administration is recommending a **POSITIVE** certification, because the District, based on current projections, will be able to meet its financial obligations for the current and subsequent fiscal years.



First Interim Report Key Guidance

On September 30, 2024, AB 176 (Education Omnibus Budget Trailer Bill #2) was signed, introducing revisions to the enacted budget provisions.

Major provisions in the 2024-25 State Budget include:

- The funded COLA for the Local Control Funding Formula (LCFF), special education and several other categorical programs outside the LCFF remains at 1.07%.
- To develop the budget package, the state finance team created deferrals in prior budget years that did not directly affect LEAs' past budgets or cash flow. Looking forward, the budget imposes a partial deferral of \$245.6 million from the June 2025 payment to July 2025 — less than 5% of the most recent June second principal apportionment payment. LEAs unable to meet their financial obligations may apply for exemptions from the deferral.
- Several provisions to allow students make up lost instructional time, thereby offsetting student absences and mitigating learning loss. These provisions take effect July 1, 2025
- The budget includes a \$100 million investment in the Inclusive Early Education Expansion Program to increase access to inclusive early care and education for children from birth to five years of age.
- The budget foregoes a planned investment of \$550 million to support the California Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program in 2024-25.
- Suspension of the August 15 summer layoff window for certificated and classified staff during the 2024-25 fiscal year.
- While the budget has many positive aspects, many LEAs continue to experience chronic student absences, long-term declining enrollment, and various cost pressures such as rising pension rates and energy costs.



Enrollment and Average Daily Attendance (ADA)

	2024-25 Adopted Budget	2024-25 First Interim	Variance
Enrollment Count	4640	4614	(26)
ADA Count	4,203	4,153	(50)
Funded ADA	4,472.87	4,472.87	0
ADA %	90.59%	90.01%	-0.58%
Unduplicated Pupil Percentage (UPP)	83.35%	84.19%	0.84%



Unrestricted Revenues

Revenue Sources	2024-25 Adopted Budget	2024-25 First Interim	Variance
LCFF Sources	69,667,766	70,493,754	825,988
Federal Revenue	0	0	0
Other State Revenue	1,633,145	1,639,027	5,882
Other Local Revenue	1,249,008	1,220,746	(28,262)
Total Revenues	72,549,919	73,353,527	803,608



Unrestricted Expenditures

Expenditures	2024-25 Adopted Budget	2024-25 First Interim	Variance
Certificated Salaries	25,928,189	29,855,750	3,927,561
Classified Salaries	10,343,346	10,237,727	(105,619)
Employee Benefits	15,037,175	14,818,612	(218,563)
Books and Supplies	2,055,591	2,501,932	446,341
Services and Other Operating Expenditures	6,645,447	8,158,235	1,512,788
Capital Outlay	10,000	10,000	0
Other Outgo (excluding Transfers of Indirect Costs)	2,198,489	2,198,489	0
Other Outgo - Transfers of Indirect Costs	(1,693,217)	(1,481,873)	211,344
Total	60,525,020	66,298,872	5,773,852



Contributions to Restricted Resources

	2024-25 Adopted Budget	2024-25 First Interim	Variance
Special Education	12,180,145	9,551,617	(2,628,528)
Routine Restricted Maintenance Account	3,161,174	3,642,662	481,488
Redevelopment Funds	0	(3,600,000)	(3,600,000)
Total	15,341,319	9,594,279	(5,747,040)



General Fund Revenues - Combined

	2024-25 Adopted Budget	2024-25 First Interim	Variance
LCFF Sources	69,667,766	70,493,754	825,988
Federal Revenue	4,312,978	4,557,299	244,321
Other State Revenue	12,885,217	14,591,443	1,706,226
Other Local Revenue	6,101,550	6,785,129	683,579
Total Revenues	92,967,511	96,427,625	3,460,114



General Fund Expenditures - Combined

Expenditures	2024-25 Adopted Budget	2024-25 First Interim	Variance
Certificated Salaries	40,434,163	39,958,471	(475,692)
Classified Salaries	17,910,332	17,865,333	(44,999)
Employee Benefits	26,232,700	26,509,483	276,783
Books and Supplies	6,495,560	6,572,510	76,950
Services and Other Operating Expenditures	14,714,903	18,582,462	3,867,559
Capital Outlay	833,588	912,393	78,805
Other Outgo (excl Transfers of Indirect Costs)	2,198,489	2,198,489	0
Other Outgo - Transfers of Indirect Costs	(290,742)	(290,742)	0
Total	108,528,993	112,308,399	3,779,406



Components of Ending Fund Balance - Unrestricted

	2024-25 Adopted Budget	2024-25 First Interim	Variance
Adj. Beginning Fund Balance	11,683,117	13,171,670	1,488,553
Plus: Revenues	72,549,919	73,353,527	803,608
Less: Expenditures	60,525,020	66,298,872	5,773,852
Plus: Transfers Out / Contributions	(15,341,319)	(9,594,279)	5,747,040
Ending Fund Balance	8,366,697	10,632,046	2,265,349
Increase/Decrease of Ending Fund balance	-3,316,420	-2,539,624	-776,796
Cash, Stores & Prepays	5,000	5,000	0
Reserve for Economic Uncertainties	1,815,751	1,988,967	173,216
Other Assignments (LCAP Carryover)	0	1,135,498	1,135,498
Unassigned	6,545,946	7,502,581	956,635



Multi-Year Projections (MYP)



General Fund 010
FY 2024-25, FY 2025-26, and FY 2026-27



MYP Projection Factors

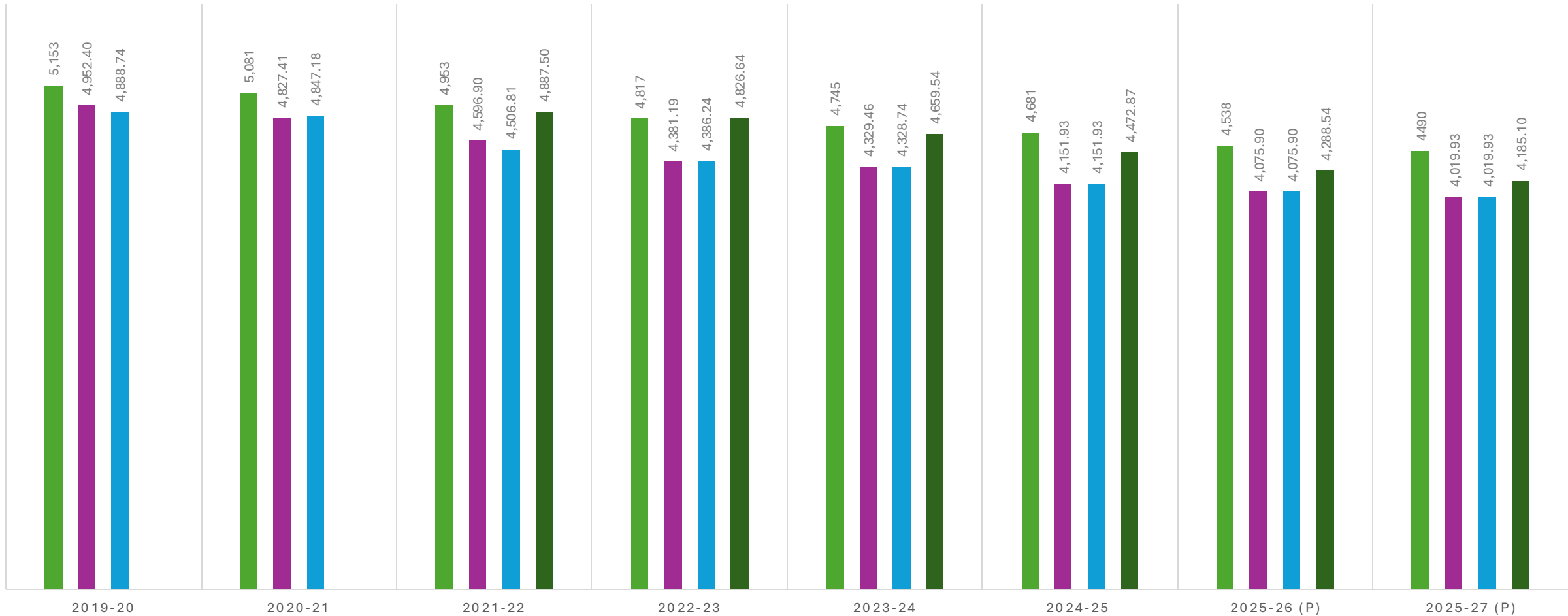
	2024-25	2025-26	2026-27
Step and Column Movement Certificated	1.50%	1.50%	1.50%
Health Savings Account (HSA)	1,750	TBD	TBD
Health & Welfare Benefits CAP	15,000	15,000	15,000
COLA	1.07%	2.93%	3.08%
Lottery Revenue – Unrestricted	\$191	\$191	\$191
Lottery Revenue – Restricted	\$82	\$82	\$82
Mandated Block Grant K-8	\$38.21	\$39.33	\$40.54
Mandated Block Grant 9-12	\$73.62	\$75.78	\$78.11
CalSTRS Employer Rates	19.10%	19.10%	19.10%
CalPERS Employer Rates	27.05%	27.60%	28.00%
Unduplicated % for S & C Grants	83.35	84.19	85.46
California CPI	3.23%	2.86%	2.81%



MYP Enrollment & ADA Assumptions

MYP ENROLLMENT & ADA

■ Enrollment ■ P1 ■ P2 ■ Funded ADA





MYP Revenues and Expenditures - Unrestricted

Revenue Source	2024-25 1st Interim	2025-26 Proj.	2026-27 Proj.
LCFF Sources	70,493,754	70,064,962	70,598,598
Federal Revenue	0	0	0
Other State Revenue	1,639,027	1,788,078	2,039,704
Other Local Revenue	1,220,746	889,959	885,663
Total Revenues	73,353,527	72,742,999	73,523,965

Expenditures	2024-25 1st Interim	2025-26 Proj.	2026-27 Proj.
Certificated Salaries	29,855,750	28,998,850	29,183,833
Classified Salaries	10,237,727	10,664,867	10,574,840
Benefits	14,818,612	15,393,957	16,570,936
Books and Supplies	2,501,932	1,813,487	1,864,446
Services	8,158,235	8,310,448	8,543,860
Capital Outlay	10,000	10,000	10,000
Other Outgo (excl Transfers of Indirect Costs)	2,198,489	2,198,489	2,198,489
Other Outgo	(1,481,873)	(1,556,183)	(1,476,959)
Total Expenditures	66,298,872	65,833,915	67,469,446



MYP Contributions to Restricted Programs

	2024-25 1st Interim	2025-26 Projected	2026-27 Projected
Special Education	9,551,617	10,120,386	10,408,322
Routine Restricted Maintenance Account	3,642,662	3,041,637	3,158,968
Redevelopment Funds	(3,600,000)	(3,860,000)	(800,000)
PARS Incentive	0	260,000	260,000
Total	9,594,279	9,562,023	13,027,290



MYP Components of Ending Fund Balance - Unrestricted

Components	2024-25 1st Interim	2025-26 Projected	2026-27 Projected
Adj. Beginning Fund Balance	13,171,670	10,632,046	8,175,889
Plus: Revenues (LCFF)	70,493,754	70,064,962	70,598,598
Plus: State Revenue	1,639,027	1,788,078	2,039,704
Plus: Local Revenue	1,220,746	889,959	885,663
Plus: Transfers In	3,600,000	3,860,000	4,290,000
Less: Expenditures	66,298,872	65,833,915	67,469,446
Plus: Transfers Out / Contributions	13,194,279	13,225,241	13,567,290
Ending Fund Balance	10,632,046	8,175,889	4,953,117
Increase/Decrease of Ending Fund balance	-2,539,624	-2,456,158	-3,222,772
Cash, Stores & Prepays	5,000	5,000	5,000
Reserve for Economic Uncertainties	1,988,967	1,975,017	2,024,083
Other Assignments (LCAP Carryover)	1,135,498	1,135,498	0
Unassigned	7,502,581	5,060,871	2,924,033

CONSIDERATIONS FOR SECOND INTERIM BUDGET

- Implications of the Governor's proposed budget for 2025-2026
- Settling negotiations for employee compensation, health and welfare, etc.
- Contributions to restricted resources
- Increase in pension rates
- Finalizing the PARS Incentive Contribution after the deadline
- Identifying additional reductions to mitigate the reallocation of expenditures due to the depletion of COVID-19 and One-time Discretionary Block Grants
- Monitoring ADA rates at P1 reporting



Looking Forward

- It is too early in the fiscal year to gauge any significant trends in state revenue that will influence the levels of Proposition 98 funding for 2025-26 and beyond.
- The District will closely monitor state revenues and state budget proposals in January.
- The District faces near and long-term challenges, including risks to the state revenue forecast, rising cost pressures (e.g., pension rate increases), the expiration of one-time COVID-19 relief funds, and declining enrollment.
- The Board's commitment to approve a Fiscal Stabilization Plan, which identify cost-saving measures will be critical in the development of multi-year projections for 2025-26 and 2026-27.



Thank You Fiscal Services Staff

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