

# Budget Advisory Committee 1-27-2025

Ryland | STRATEGIC BUSINESS  
CONSULTING

Live Oak School District

# Agenda

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- ▶ Introductions
- ▶ Target for budget solutions
- ▶ Possible Budget Solutions
- ▶ Rank budget solutions
- ▶ Public Comment



# Introductions

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The purpose of the Budget Advisory Committee is to advise the Superintendent in budget planning, development, reductions and implementation matters for recommendations to the Board of Trustees.



## Committee membership

Parents and School  
Community Members

Administration

Board Member

# Budget Advisory Committee Materials

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- ▶ The district is maintaining a webpage for the Budget Advisory Committee
- ▶ Presentations and supporting materials for all meetings are available on the webpage

## Budget Recovery

# First Interim Budget Unrestricted General Fund

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- ▶ A Target budget solution of \$1.5 million has been included in the first interim budget which returns the district to a surplus position, restoring reserves.
- ▶ The first interim budget does NOT include the following potential increases included in the BAC budget recovery target:
  - ▶ Labor negotiations \$251,000
  - ▶ Restoration of yard duty/recess coaches \$128,000
  - ▶ Restoration of management increase \$ 65,000
  - ▶ **Total anticipated increases \$444,000**
- ▶ The fiscal stabilization plan target is **\$2 million**

# Targeted Budget solutions

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- ▶ Over the course of meetings held in the last months of 2024, the target for budget solutions grew with each meeting.
- ▶ When the budget advisory committee last met, the target for budget solutions stood at ~\$2 million.
- ▶ The target has not changed, however, staff have developed additional budget solutions for the committee's review.

# Deficit Reduction & Reserve Recovery Target

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- ▶ Target to balance the district's budget and restore reserves: \$2,000,000
  - ▶ The budget advisory committee's role is to recommend solutions
  - ▶ The board's role is to adopt solutions
- ▶ Potential solutions should exceed the target
  - ▶ If the solutions presented to the board are equal to the target the board is given no options thereby circumventing the decision-making process
- ▶ Total solutions to be presented for committee consideration of \$2,500,000



# Budget Advisory Committee Process & Timeline

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- ▶ **November 6, 2024**
  - ▶ Overview of the Adopted Budget
  - ▶ Deficit reduction and reserve recovery plan: Identify the recovery plan target
  - ▶ Prepare a budget “Frequently Asked Questions” document incorporating questions from the committee meeting
- ▶ **November 20, 2024**
  - ▶ Presentation of budget solutions including program impact
- ▶ **December 4, 2024**
  - ▶ Program overview: Parcel tax and Arts and Music in Schools (Prop 28)
  - ▶ Presentation of additional budget solutions
- ▶ **December 17, 2024**
  - ▶ First Interim Budget update
  - ▶ Rank budget solution recommendations
- ▶ **January 27, 2025**
  - ▶ Finalize budget solution recommendations
- ▶ **February 2025**
  - ▶ Board to review and approve Fiscal Stabilization Plan to be included in the 2024-25 Second Interim Budget

# Questions ?

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## Budget Solutions

# Potential Budget Solutions

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- ▶ The preliminary options presented this evening as potential budget solutions are for BAC discussion and review
- ▶ Additional options for both immediate and long-term fiscal stability are still being investigated
- ▶ Recommendations from the BAC will be presented to the Board for consideration in February 2025
- ▶ **No decisions have been made about the potential budget solutions to be implemented.**

# Changes to Potential Solutions

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Since the last BAC meeting the following changes have occurred:

## **BETTER UTILIZATION OF RESTRICTED RESOURCES**

- ▶ The district currently pays for the middle school after school coaches from parcel tax revenues. These costs can be shifted to the Expanded Learning Opportunity Program as the district offers a fully compliant program to all K-6 students.
  - **Utilize parcel tax revenues to pay for other allowable purposes with net savings to the unrestricted general fund of \$50,000 annually**
  - **A review of the ELOP regulations indicate it would be difficult to shift middle school program costs and a review of the parcel tax budget indicates it already needs to trim costs in 2025-26 to remain in balance, therefore, this solution is not viable.**

# Changes to Potential Solutions

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## **BETTER UTILIZATION OF RESTRICTED RESOURCES, continued**

- ▶ The district has met with the County Behavioral Health department and they have increased their offer of partial funding for mental health clinicians from 3FTE to up to 5FTE. The district currently employs 3.8 FTE of which 0.8 FTE has been included in budget solutions. The County have further indicated they can support the district's efforts to increase revenues in the medical billing program which could create an ongoing funding stream to support these services.
  - **The BAC ranked mental health clinicians as the third most important service to maintain or restore. The draft fiscal stabilization plan would reclassify these positions to align with the grant which requires each position to be at least 0.75 FTE for full funding. As a result, plan savings increase by \$75,000. Administration is currently determining if it would be possible to accept funding for a fifth (new) position.**
- ▶ The district's early childhood development program utilizes the services of the school psychologist and can afford to add their fair share of costs to their budget.
  - **The early childhood program utilizes 0.4 FTE psychologist services, providing a new solution of \$44,000, and reduces the layoff solution to 0.2 FTE**

# Changes to Potential Solutions

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## REVENUE GENERATION

- ▶ The district's first interim budget reflected minimal changes in the local control funding formula as although enrollment and associated attendance (ADA) improved from the adopted budget, the count of “unduplicated pupils” (low-income, English Learner, Foster and Homeless Youth) had decreased. The district has since completed all work to identify unduplicated students which increases the count to historical levels although slightly lower than last year. The district should continue with efforts to ensure all students qualifying as low-income are identified to maintain funding.
  - **Update the budget for improved enrollment and associated attendance \$118,000**
  - **The Governor recently released his budget proposal for 2025-26 and indicated the cost-of-living adjustment will be 0.5% lower than previously anticipated. This solution is, therefore, no longer viable.**



## Changes to Potential Solutions

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- ▶ As a result of these changes, the total amount of solutions decreased by approximately \$100,000
- ▶ As stated at each meeting, the intent has always been to develop more solutions than needed to provide the board with options
- ▶ Staff have therefore developed some additional budget solutions for BAC discussion and review



# Additional Potential Solutions

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## EXPENDITURE REDUCTIONS – PERSONNEL

- ▶ In the district office, a position previously identified for reclassification has since become vacant.
  - **Reduce DO personnel by an additional 1 FTE in place of reclassification: \$85,000**
- ▶ As the district declines in enrollment the district must stay right-sized.
  - **Ocean restructure – Release 0.5 Principal position replacing with stipend – additional annual savings of \$33,000**
- ▶ Special Education costs have grown at a faster rate than any other area of the budget. The following solutions will need to be critically analyzed to ensure the district can maintain required service levels, but all areas of the budget are being opened for consideration.
  - **Reduce 3 RSP Aides for annual savings of ~\$90,000**
  - **Reduce districtwide coordinator for annual savings of \$166,000**

# Additional Potential Solutions

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## EXPENDITURE REDUCTIONS – PERSONNEL

- ▶ Potential budget solutions previously ranked by the committee include 2 FTE Reading Intervention Teachers leaving 2FTE to serve elementary schools. The committee ranked these 2 reductions 5<sup>th</sup> and 6<sup>th</sup> out of 10. The district also employs RTI Aides to support the teachers, however, the aides cannot legally provide pullout interventions without direct supervision from a certificated teacher.
  - **Reduce 4 RTI Aides (2.5 FTE) for annual savings of \$110,000**
  - **Reduce an additional 1 FTE Intervention teacher leaving 1 FTE for all elementary: \$106,000**
- ▶ Another potential budget solution could be to negotiate a furlough day with all staff – essentially reducing all contracts by 1 day. This solution would need critical analysis and would require negotiation with the district’s bargaining units. A furlough day is also usually a temporary solution.
  - **One furlough day for all staff saves ~\$75,000**

# Potential Solutions – Restricted Funds

Since the last BAC meeting the following changes to better utilizing restricted funding sources have occurred – note Solution A-2 is still being analyzed:

		1/27/2025	BAC 12-17-24	Change	BAC Priority
<b>Better utilize restricted funding sources</b>					
A-1	Shift a portion of custodial costs to the Cafeteria Fund	\$ 40,000	\$ 56,000	\$ (16,000)	
A-2	Charge pro-rata share of utilities to cafeteria, child development and Expanded Learning Opportunities Program	TBD	TBD		
A-3	Charge retiree benefits to the OPEB reserve fund <i>Included in first interim budget update</i>	-	-	-	
A-4	Shift 0.5 Financial Analyst in D.O. to restricted funds	54,000	50,000	4,000	
A-5	Mental Health funding through County Behavioral health for 25-26 then reduce 1 FTE in 26-27	330,200	246,000	84,200	3
A-5	Medi-Cal Billing Option	100,000	100,000	-	
A-6	Parcel tax: Utilize ELOP for MS After School Coaches	-	50,000	(50,000)	
A-7	Reclass 0.4 FTE Psychologist services to Fund 12	44,000	-	44,000	4
	<b>Total restricted funds</b>	<b>\$ 568,200</b>	<b>\$ 502,000</b>	<b>\$ 66,200</b>	



# Potential Solutions – Revenue generation

- ▶ An increase to the Local Control Funding Formula has been removed with the news of a lower cost-of-living adjustment, and other potential solutions in this area remain under development:

Revenue Generation - In Process		1/27/2025	BAC 12-17-24	Change	BAC Priority
B-1	LCFF - Increased ADA	\$ -	\$ 118,000	\$ (118,000)	
B-2	Implement attendance recovery program	TBD	TBD	TBD	
B-3	Increase facility rental income	TBD	TBD	TBD	
B-4	Review all agreements with outside agencies	TBD	TBD	TBD	
B-5	Potential fee adjustments with Tierra Pacifica Charter	TBD	TBD	TBD	
B-6	SDC placement	\$ 24,000	\$ 24,000	\$ -	
		<b>\$ 24,000</b>	<b>\$ 142,000</b>	<b>\$ (118,000)</b>	



# Potential Solutions – Expenditure Reductions

- ▶ Since the last BAC meeting new solutions in the area of personnel have been developed:

Expenditure Reductions - Personnel		1/27/2025	BAC 12-17-24	Change	BAC Priority
C-4	Restructure Elem sch site offices: Reduce 1 FTE per site	250,000	250,000	-	1
C-7	Reduce site leadership 0.5 FTE	79,000	79,000	-	2
C-6	Districtwide pupil support services: Reduce 2 FTE	252,000	305,000	(155,000)	3,4,5,9
C-9	Middle School Intervention: Reduce 1 FTE	106,000	106,000	-	6
C-5	Elementary Physical Education: Reduce 1 FTE	100,000	100,000	-	7
C-3	Ocean Alternative School: site restructure	133,000	100,000	33,000	8*
C-8	Reclassification in technology services	27,000	27,000	-	10
C-1	District office: reclassify 1 FTE, Leave 2 FTE vacant	\$ 275,204	\$ 190,000	\$ 85,204	n/a
C-2	Business office restructure: eliminate Director replace with financial analyst	77,000	96,000	(19,000)	n/a
C-10	Reduce all 4 RTI Aides (2.5 FTE Classified)	110,000	-	110,000	NEW
C-11	Reduce 1 FTE Elementary Sch Intervention Teacher	106,000	-	106,000	NEW
C-12	Reduce 3 RSP Aides (Classified)	90,000	-	90,000	NEW
C-13	Reduce 1 FTE District wide coordinator (Certificated)	166,000	-	166,000	NEW
C-14	Furlough Day - all units 1 day	75,000	-	75,000	NEW
		<b>\$ 1,846,204</b>	<b>\$ 1,253,000</b>	<b>\$ 491,204</b>	

# Potential Solutions – Expenditure Reductions

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- ▶ There have been no changes to potential expenditure reductions in the area of non-personnel:

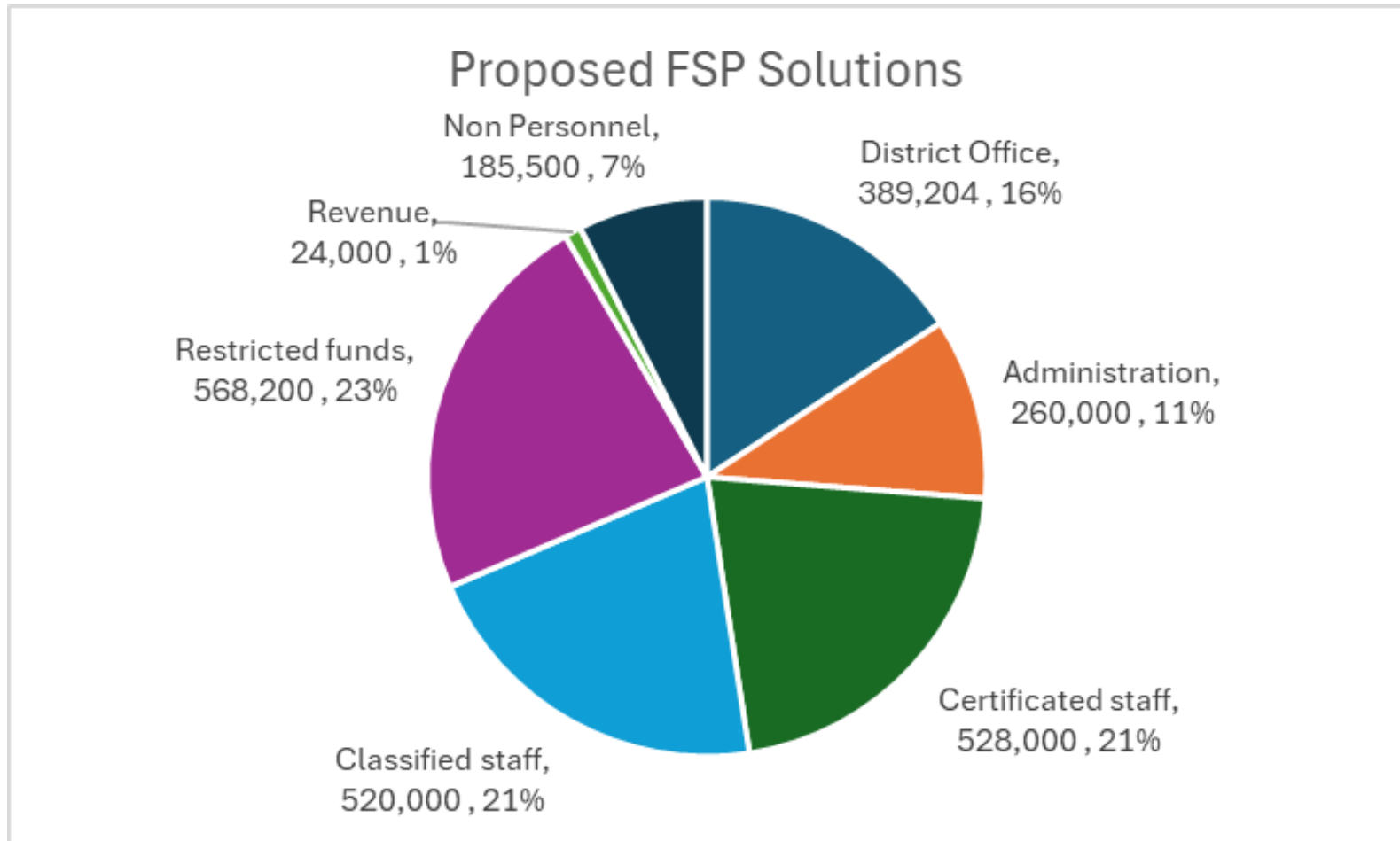
<b>Potential Expenditure Reductions - Non-Personnel</b>		
D-1	Contract savings - Centegix	130,500
D-2	Bring back 2 students from NPS placement	55,000
		<b>\$ 185,500</b>

# Summary Potential Solutions

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|--------------------------------------|--------------------|
| ▶ Restricted funds                   | \$ 568,200         |
| ▶ Revenue generation                 | \$ 24,000          |
| ▶ Expenditure reductions - Personnel | \$1,846,204        |
| ▶ Non-personnel expenditures         | <u>\$ 185,500</u>  |
| ▶ TOTAL POTENTIAL SOLUTIONS          | <u>\$2,623,904</u> |
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- ▶ Staff will continue to investigate additional options to generate revenue and better utilize available restricted funding. As additional options are found, the district hopes to limit the total expenditure reductions that will have to be made.

# Potential Solutions Summary





# December 2024 BAC Ranking

Budget Advisory Committee members ranked preliminary solutions in December as shown below.

Districtwide restructuring and position changes			BAC Rating	BAC Priority
Ocean Alternative School restructure				
1	Site determined changes in staffing	100,000	6.78	8
Restructure school site offices				
2	Reduce school site support by 1 FTE per site	250,000	3.28	1
3	Elementary Physical Education 1 FTE	100,000	6	7
District wide pupil support services				
4	Elementary Intervention teacher 1 FTE	106,000	4.83	5
5	Middle Sch Intervention 1 FTE	106,000	4.89	6
6	Psychologist 0.6 FTE	65,000	4.28	4
7	Mental Health Clinician 0.8 FTE	113,000	4	3*
8	Library Media Tech reduce 0.03 FTE	15,000	8.06	9
Leadership				
9	Reduce 0.5 FTE Assistant Principal	79,000	4	2*
10	Reclassify Director to Coordinator	27,000	9.06	10

# Ranking options for expenditure reductions

Please rank from 1-10 to consider the new solutions with #1 representing the position you recommend restoring first.

Districtwide restructuring and position changes			BAC Priority
Restructure school site offices			
1	Reduce school site support by 1 FTE per site	250,000	
District wide pupil support services			
2	Elementary Intervention teacher 1 FTE	106,000	
3	An Additional El Intervention teacher 1 FTE	106,000	
4	Middle Sch Intervention 1 FTE	106,000	
5	4 RTI Aides (2.5 FTE Classified)	110,000	
6	Elementary Physical Education 1 FTE	100,000	
7	Mental Health Clinician 0.8 FTE	102,000	
8	Psychologist 0.6 FTE	65,000	
Leadership			
9	Reduce 0.5 FTE Assistant Principal	79,000	
Other			
10	Ocean Alternative School restructure	133,000	

# Table Talk

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In break-out rooms, choose a group reporter and discuss the following:

- ▶ Please discuss the options for personnel related expenditure reductions and be prepared to rank the options.
  - ▶ This ranking provides the priority with which personnel reductions would be restored – #1 is the first priority to restore, #10 is the lowest priority to restore.
- ▶ Please be prepared to report your groups top three priorities
- ▶ At the conclusion, BAC members will be directed to a google poll to individually rank the listed reductions

# Public Comment

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Members of the public have an opportunity to comment.

- ▶ A total of 15 minutes has been reserved with comments limited to two (2) minutes each.



# Next Steps

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- ▶ To ensure our fiscal health and protect the quality of education for our students, we will:
  - ▶ Finalize and implement a sustainable **fiscal stabilization plan**.
  - ▶ Closely monitor cash flow and expenditure trends.
  - ▶ Collaborate with the SCCOE and other stakeholders to achieve financial stability.
  - ▶ Re-evaluate all **Memorandums of Understanding** with outside agencies that utilize our facilities.
  - ▶ Re-evaluate rental charges for district-owned properties to align with market rates in our area.
  - ▶ Continue to seek appropriate **grants** that can help offset expenditures from the General Fund.
  - ▶ Continue to evaluate all expenditures for the remainder of this fiscal year.
  - ▶ Seek support from the SCCOE to fully evaluate Special Education Services
  - ▶ Initiate a Demographic Study to deeply understand enrollment trends and opportunities to increase enrollment
  - ▶ Initiate a market analysis and marketing campaign to increase district enrollment.
- ▶ Your engagement and support are crucial during this time and is greatly appreciated. Together, we can navigate these challenges to build a stronger financial foundation for our district and preserve the high-quality education our students deserve.
- ▶ Thank you for your understanding and commitment to the Live Oak School District.



*Thank You!*

