

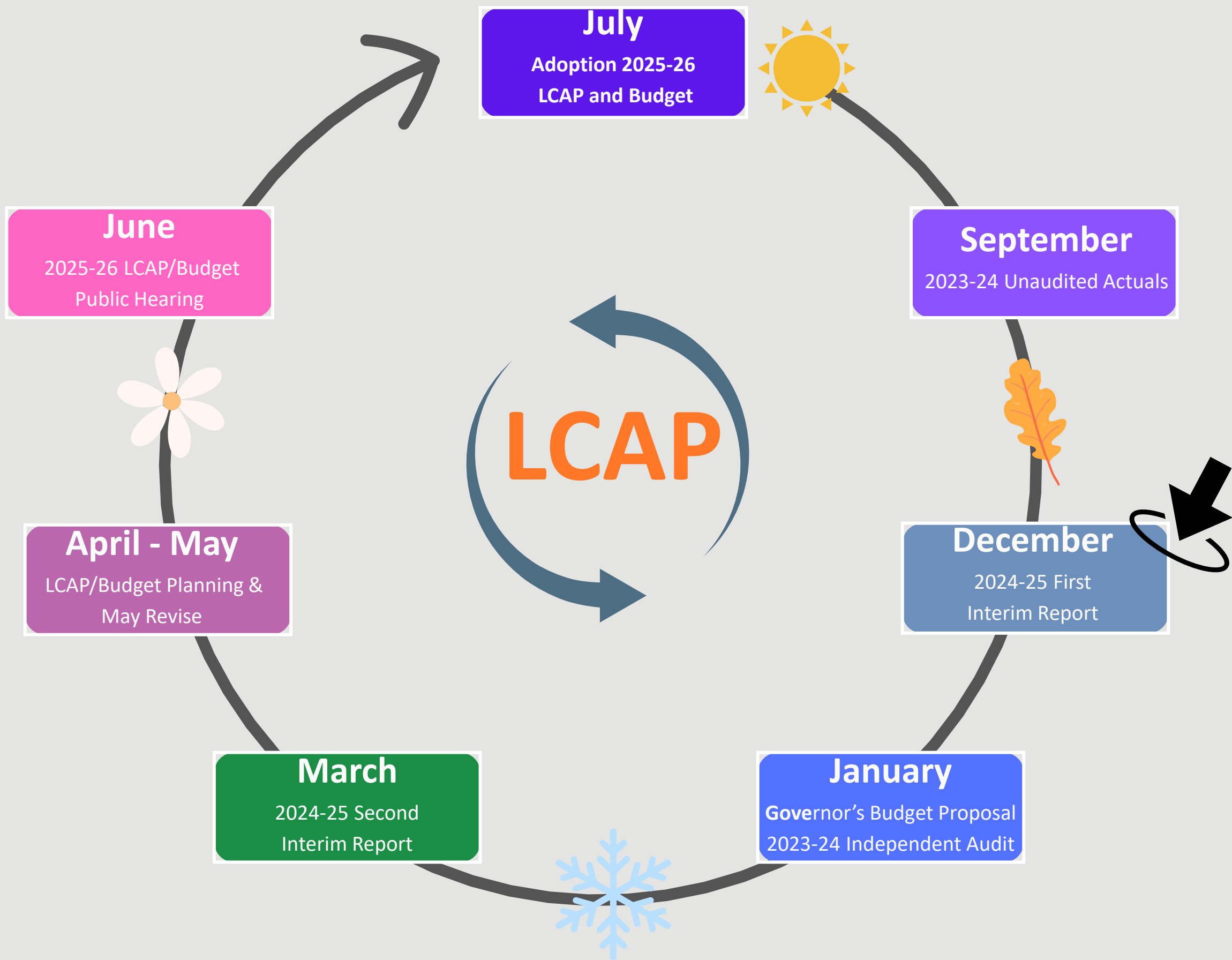
First Interim Budget 2024-25 Fiscal Year

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Director of Fiscal Services

December 18, 2024



Budget Cycle:



Purpose of Interim Budget Reports:

- Required by Ed Code (Section 42130).
- Provide an expenditure plan for the governing board's consideration and approval.
- Provide certification of Financial Status to VCOE.
- Provide evidence of LCAP and Strategic alignment to Budget.



Summary of Changes Revenues

Object	2024-25 Adopted Budget	2024-25 First Interim	Difference	Explanation
8010-8099 LCFF Sources	194,795,986	194,839,570	43,584	Adjustment to LCFF Calculation
8100-8299 Federal Revenue	11,168,273	13,331,058	2,162,785	Increase due to recognition of prior year carryover amounts (Title I, II, III and IV)
8300-8599 Other State Revenue	39,438,525	39,813,316	374,791	Increase due to updated allocation for Prop 28 (Arts and Music), Lottery, and transportation allocation
8600-8799 Other Local Revenue	18,106,855	21,015,641	2,908,786	Local increase in revenue received for sale of equipment, donations, and Medi-Cal
			5,489,946	Total Increase/(Decrease) in Revenue



Summary of Changes Expenditures

2024-25		2024-25 First		Explanation
Object	Adopted Budget	Interim	Difference	
1000-1999				The increase in certificated and classified salaries, along with corresponding benefits, is due to budgeted expenditures recognizing prior year carryover amounts and projected rise in expenditures from the carryover of ELOP, Prop 28 Arts and Music funds and Medi-Cal revenues.
Certificated Salaries	110,590,723	115,871,240	5,280,517	
2000-2999				
Classified Salaries	46,201,871	48,855,490	2,653,619	
3000-3999				
Employee Benefits	63,508,761	65,939,893	2,431,132	
4000-4999				Increases in Supplies, Services & Operating Expenses, and Capital Outlay are due to the recognition of prior year’s carryover amounts and projected rise in expenditures from the carryover of ELOP and Prop 28 Arts and Music Funds.
Materials & Supplies	13,121,511	14,505,058	1,383,547	
5000-5999				
Services & Other Operating	59,187,710	76,529,808	17,342,098	
6000-6999				
Capital Outlay	1,442,586	2,017,956	575,370	
7100-7499				
Outgo	2,024,199	1,972,630	(51,569)	
			29,614,714	Total Increase/(Decrease) in Expenses

Assumptions/Planning Factors

Factor		2024-25	2025-26	2026-27
Statutory COLA		1.07%	2.93%	3.08%
California Lottery	Unrestricted per ADA	\$191	\$191	\$191
	Restricted per ADA	\$82	\$82	\$82
Mandated Block Grant	Per ADA	\$38.21	\$39.33	\$40.54
Enrollment		13,018	12,630	12,227
Estimated ADA		12,302.02	11,973.24	11,678.19
Estimated Funded ADA		13,189.73	12,659.81	12,315.45
Unduplicated Pupil Percentage		91.16%	91.14%	91.11%
STRS		19.10%	19.10%	19.10%
PERS		27.05%	27.60%	28.00%
Step & Column Costs		1.3%	1.3%	1.3%
Salary Negotiations (OEA)		Not yet settled	Not yet settled	Not yet settled
Salary Negotiations (CSEA)		Not yet settled	Not yet settled	Not yet settled
Salary Negotiations (OSSA)		Not yet settled	Not yet settled	Not yet settled

Multi-Year Financial Projections

Components	2024-25	2025-26	2026-27
	First Interim	Projections	Projections
Beginning Fund Balance	146,947,418	90,254,928	65,964,095
+ Revenues	268,999,585	268,711,651	270,228,777
- Expenditures	325,692,075	293,002,484	287,136,171
Net Increase/(Decrease) in Fund Balance	(56,692,490)	(24,290,833)	(16,907,394)
= Ending Fund Balance	90,254,928	65,964,095	49,056,701
<u>Components of Ending Fund Balance</u>			
Reserve for Economic Uncertainty %	10%	10%	10%
Reserve for Economic Uncertainty	32,569,208	29,300,248	28,713,617
Non-Spendable	120,000	120,000	120,000
Commitments	3,768,550	3,768,550	0
Financial Stability Reserve	19,937,216	8,984,538	862,936
Legally Restricted	33,859,955	23,790,759	19,360,149
Unappropriated	0	0	0

Next Steps

1

January 2025

Governor's Proposed Budget for the 2025-26 Fiscal Year

2

March 2025

Second Interim Financial Report

3

January – May 2025

LCAP and Budget Development for 2025-26 Fiscal Year.

Governor's May Revise

4

June 2025

LCAP and Budget hearings and adoption for 2025-26 Fiscal Year



Summary:

- Projecting deficit spending on all three years.
 - Expected as district is spending down categorical balances (i.e. ELOP, LREBG, Prop 28 Arts and Music)
 - Future deficits will need to be addressed through planned expenditure reductions.
- Our budget exceeds the state-mandated 3% reserve level, with a reserve at 10% for current year and two subsequent years.
- Based on the revisions to the budget, the district is certifying a **Positive Certification**, which affirms the district's ability to meet its financial obligations for the current and two subsequent years.
- Staff recommends that the Board of Trustees approve the 1st Interim Report as presented.





Thank you