

# Budget Recommendations

Board of Education Meeting  
February 27, 2025



**PASADENA**  
Unified School District



# Agenda

- Funding Context and Fiscal Outlook
- Strategic Plan as our Guiding Principles
- Superintendent's Budget Advisory Committee
- Comprehensive Planning Process- Staffing to Ratio
- Impact on Personnel
- Overall Reductions

# Ongoing Presentations on Fiscal Outlook

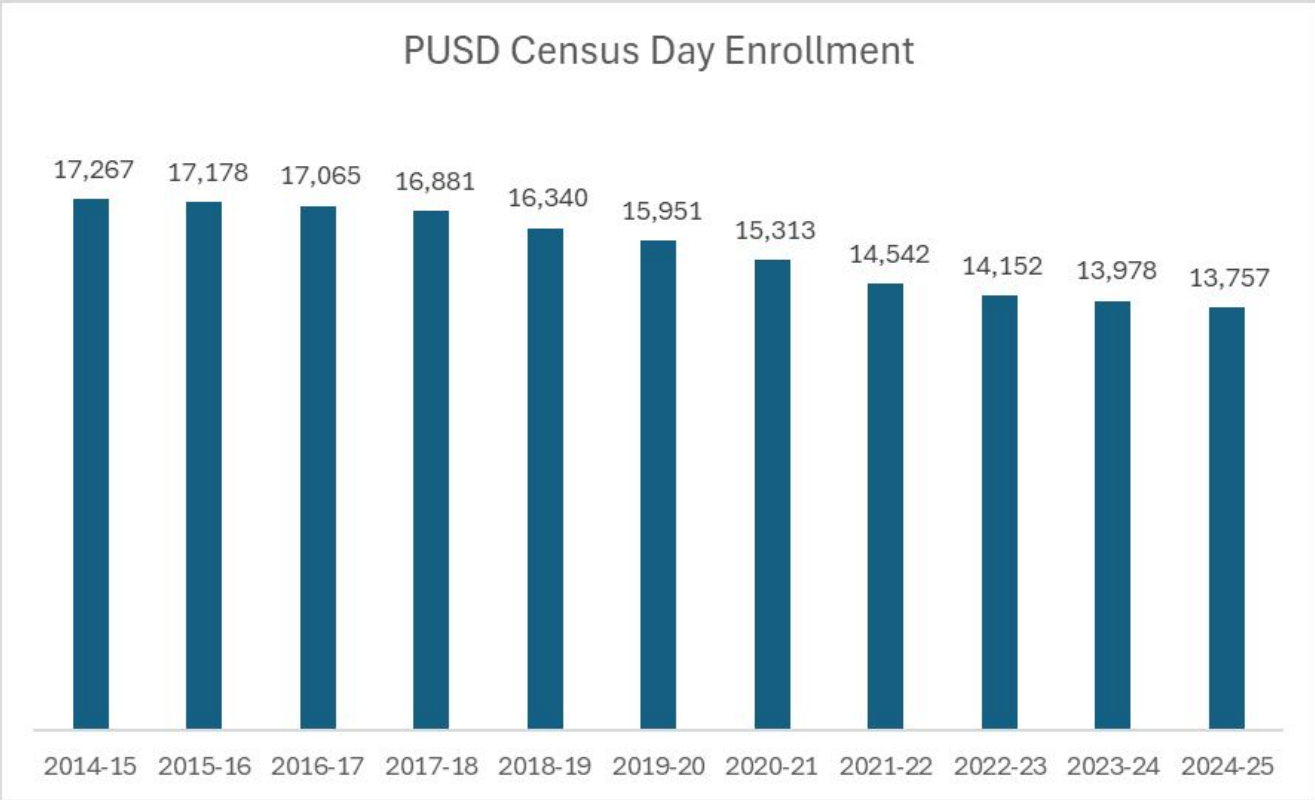
- Staff has made several public presentations to the Board about it's challenging fiscal outlook
  - **June 2024** - [2024-25 Adopted Budget](#) and [Fiscal Stabilization Plan](#)
  - **August 2024** - [Superintendent's Budget Advisory Committee](#)
  - **September 2024** - [2023-24 Unaudited Actuals](#)
  - **December 2024** - [2024-25 First Interim](#) and [Superintendent's Budget Advisory Committee](#)

# Budget Outlook

## PUSD Fiscal Outlook

- PUSD's enrollment continues to decline each year
- One-time COVID relief funds have been fully expended
- State funding in 2024-25 was lower than previously anticipated
- After years of surpluses, PUSD had a General Fund Unrestricted operating deficit in 2023-24, and is projected to have operating deficits each year in the future
- While not reflected at 1st interim, PUSD's Unduplicated Pupil Percentage (UPP) is almost 4% points lower in 2024-25, which has a significant negative impact on LCFF revenue
- Due to PUSD's fiscal outlook, LACOE has required the submission of Fiscal Stabilizations Plans as part of our recent budget adoption and interim reports

# Declining Enrollment



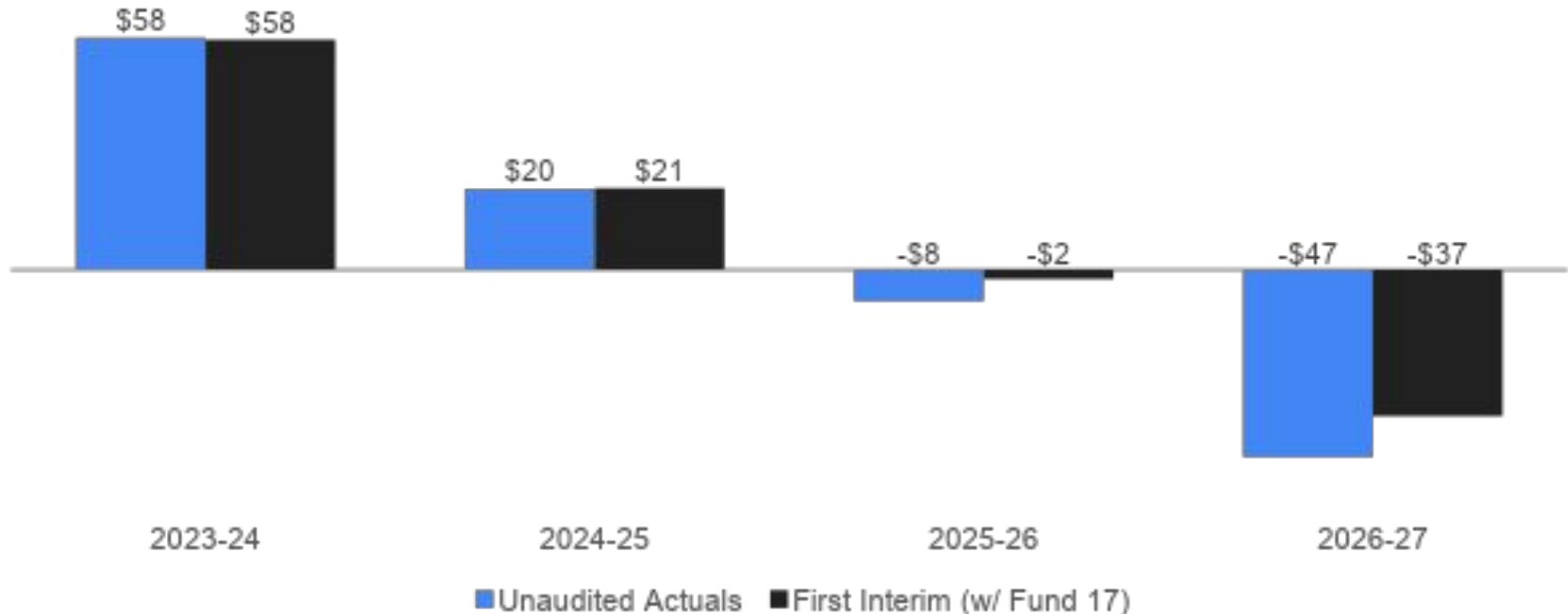
# Budget Outlook

## California Fiscal Outlook

- Governor's Proposed Budget "positives"
  - Student Support and Discretionary Block Grant
  - Learning Recovery Emergency Block Grant
  - Increase to TK Add-On
  - PUSD ADA Hold Harmless for 2025-26
- Governor's Proposed Budget "negatives"
  - 2025-26 COLA of 2.43%, down from 2.93%

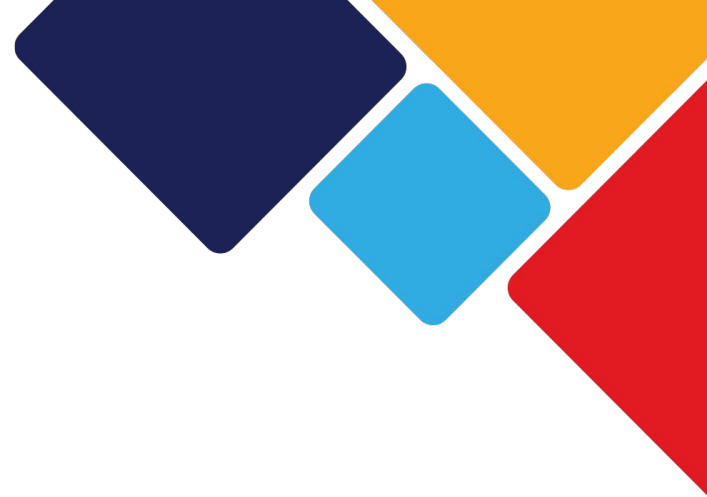
# 1st Interim Multi Year Projection – No Fiscal Stabilization Plan

GF Unassigned/Undesignated Balances - No FSP  
(amounts in millions)



## Factors Not Reflected in MYP

- Future changes in compensation
- Unknown liabilities
- Potential impact of economic downturn
- Potential reductions in state or federal funding
- Potential new major programmatic/operational investments





**If PUSD provides...**

**...by...**

**...then we will...**

**...so that...**

**Learner-Focused Instruction**

Providing culturally relevant and linguistically sustaining instruction that builds upon learners' strengths and identity, all students learn to read, read to learn, and are fluent in numerical thinking and able to apply mathematical concepts on or beyond grade level...

Meet the needs of diverse learners and prepare them to be ready for college, career, and life as contributing members of their community...

**Outstanding and Respected Employees**

Providing employees with resources, support for their wellbeing, time, and professional development to be skilled, culturally competent, and professional in their work...

Attract, value, and retain employees who are culturally competent, inclusive, and thrive within a culture of excellence...

**Quality Learning Environments**

Providing schools that are welcoming, accommodating, and are inclusive for all students, with facilities and grounds that are clean and well-maintained, where all students are heard, valued, respected, have caring relationships and access to a wide variety of engagement activities, before, during and after the school day...

Support and promote students' ability to thrive, both physically and cognitively...

**An Effective, Responsive, and Accountable District**

Using tools, structures, and systems to monitor and improve processes that are timely and responsive to student, family/caregiver, and school site needs, in which site leadership and decision-making is shared...

Ensure systems and processes are effective, transparent, and efficient and the central office is responsive to the needs of the school sites...

**Purposeful Collaboration**

Increasing families, caregivers, and community trust in PUSD, communicating effectively, empowering them to advocate for students, and creating/strengthening business, community and academic alliances...

Have partnerships with families and community that improve student outcomes...

**PUSD becomes a District of choice where the entire community considers the District its first choice for education.**

# Addressing the Budget Shortfall

- Two processes identified budget reductions:
  - Superintendent's Budget Advisory Committee
  - Comprehensive planning process
- After the fires, staff had discussions with FCMAT, LACOE, and the State Board of Education (SBE) about how to approach budget reductions and potential layoffs. All three advised PUSD to move forward with any reductions that were already planned before the fire
  - Demonstrating fiscal responsibility will give us a better chance of securing additional fire-related relief from the State
- Proposed reductions are not sufficient to close the shortfall (based on 1st interim projections), but are what we believe the school system can prudently implement at this time
- **PUSD is not proposing any reductions based on any potential loss of enrollment due to the fires**



# Superintendent's Budget Advisory Committee

Process conducted from September to November, 2024

- Training in funding model, role, and prioritization/ranking process
- Staff presentations of centralized budget packages
- Committee members' individual deliberations and ranking
- Whole group discussion and evaluation



## **Committee Process: Incremental Budgeting (based on Poston's *School Budgeting For Hard Times*)**

### **Transparent**

- Clarified goals, identifies alternatives, and aligns efforts to continuous improvement
- Made the budget understandable by parents, staff, and partners

### **Participatory**

- Increased participation and shared decision-making for improved quality and commitment

### **Linked to Results**

- Allocated resources based on needs of students and equity

Superintendent's Budget Advisory Committee- Outcomes	Unrestricted Funding Level	Approx. Reduction
Academics Elementary & Secondary Services	90%	\$0.8M
Academics Vertical Services	80%	\$1.3M
Academic Systems	80%	\$0.5M
Business Services	80%	\$1.1M
Cares Program	60%	\$1.0M
Communications/KLRN	80%	\$0.2M
Facilities/Maintenance	100%	\$0.3M
Human Resources	80%	\$0.6M
Innovative Technology Services	90%	\$0.7M
Wellness Services	95%	\$0.4M
<b>TOTAL</b>		<b>\$7.0M</b>

# Comprehensive Planning Process

- The district's comprehensive planning process included the review of school-based staffing levels
- School-based reductions result from the implementation of previously approved teacher staffing ratios, which are aligned to both the UTP collective bargaining agreement and state law. PUSD was in a position to staff in excess of those ratios while COVID relief funds were in place, but those funds were fully expended by the end of 2023-24.

# Teacher Staffing Ratios

Grade Span	Ratio	Source of Ratio
TK	24:1	State Law
K-3*	24:1	LCFF Class Size Reduction
4-5	32.75	UTP Contract
6-8	29.5	UTP Contract
9-12	29.75	UTP Contract

\* PUSD's K-3 grade class sizes are lower than those in the UTP contract

# Impacts to Personnel

- Elimination recommendations based on:
  - Recommendations from the Superintendent's Budget Advisory Committee (**SBAC**) convened in the fall of 2024
    - Composed of staff, students, labor partners, community members
    - “Package” eliminations and reductions reviewed and voted on
  - Adherence to **staffing ratios** dictated by certificated collective bargaining agreements and state law
    - Fall staffing meetings with site administrators to adjust FTE allocations
      - Review of historical enrollment and attrition data\*\*
      - Review of expiring funds and subsequent action required



# Certificated and Classified Resolution Data



Number of <b>Certificated</b> Positions Eliminated	Closed <b>Certificated</b> Vacancies	Number of Employees Reassigned	Number of Employees being laid off for 2025-2026
117.6 FTE*  48.9 staffing to ratio; 68.7 SBAC recommendations	Temp Contracts: 24.1 Vacant: 10.4	57.9  20 of 57.9 positions previously held by Temp Contracts	60.2

\*FTE: Full time equivalent; 1 full time position

Number of <b>Classified</b> Positions Eliminated	Number of Positions Eliminated, but vacant (no impact to existing PUSD employee)	Number of Employees Reassigned	Number of Employees being laid off for 2025-2026
34	12	20 <i>Includes: 1) reassignments without FTE reduction, 2)reassignments with an FTE reduction, and 3)reassignments to lower classifications</i>	14

\*FTE: Full time equivalent; 1.0 FTE is equivalent to 8 hours

# Governing the Process

- California Education Code and collective bargaining agreements
  - Education Code 45117 (classified employees) and Education Code 44949 (certificated employees)
  - Article XXII (UTP and PACTE), Article XVI (CSEA and Teamsters 911)
    - Dependent upon **seniority**
- If certificated and classified layoff resolutions are not approved at the February Board of Trustees meeting, statutory deadlines will not be met.

# Grand Total

\$7M of central reductions from the SBAC process

\$5M of classroom reductions from staffing teachers to ratio

\$12M of total ongoing reductions

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Questions?