2024-25 2nd Interim Report

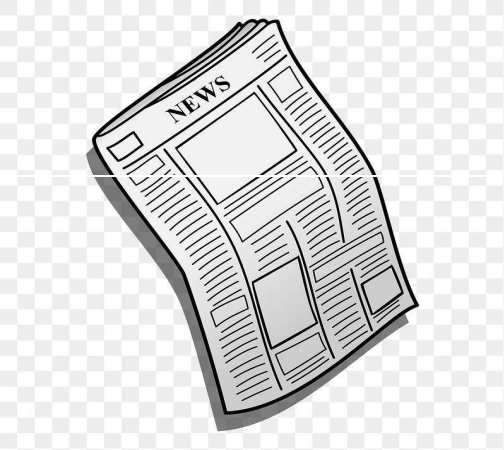
Piedmont USD Budget Advisory Committee Meeting
March 6, 2025

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

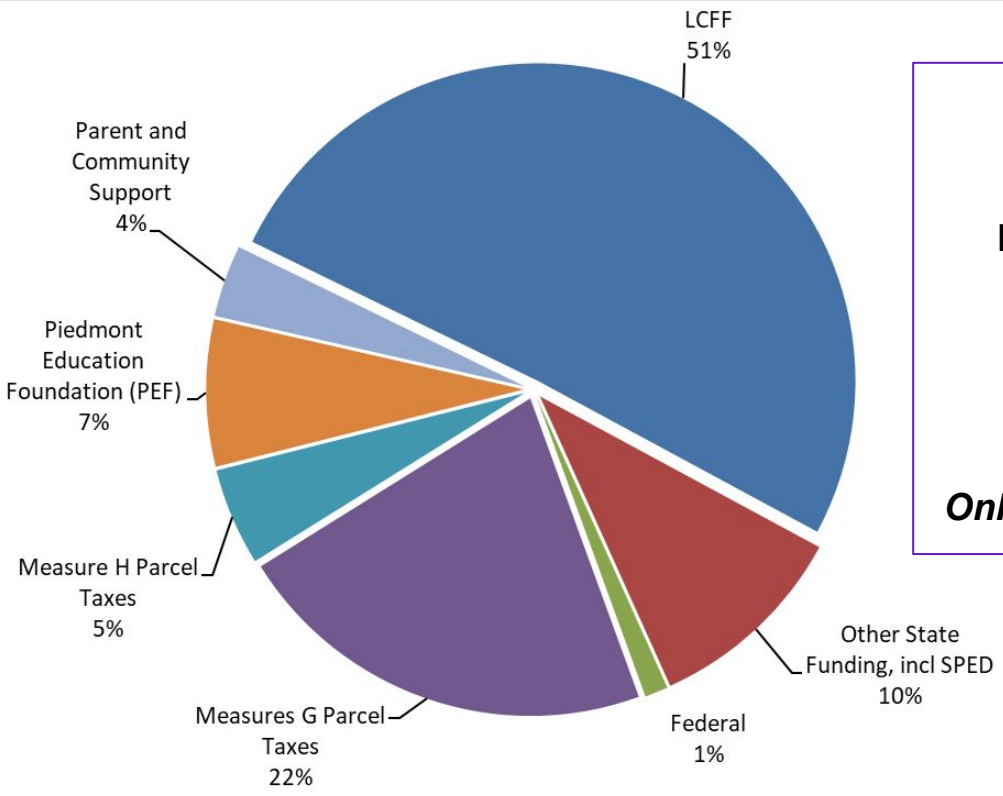
Headlines

- The District expects to meet all financial obligations, including the requirement for a 3% reserve.
- Thanks to the passage of **Measure P,** the District is able to give a 4.50% salary increase to the employee groups in 2025-26.
- Unlike other Districts across the Bay Area and the State, Piedmont will NOT be making budget cuts in 2025-26.
- The 2025-26 budget includes add'l FTE for the expansion of programs approved by the Board at the January budget workshop.



Revenues

- 51% is based on the Local Control Funding Formula (LCFF).
- 38% is locally generated - parcel taxes, PEF, parent donations.
- District receives **$22,008** per pupil in revenues from all sources.



LCFF = 51%
51% = $27 M

Restricted Revenues = 11%
11% = $6 M

All other sources = 38%
38% = $21 M

Only LCFF will increase by COLA

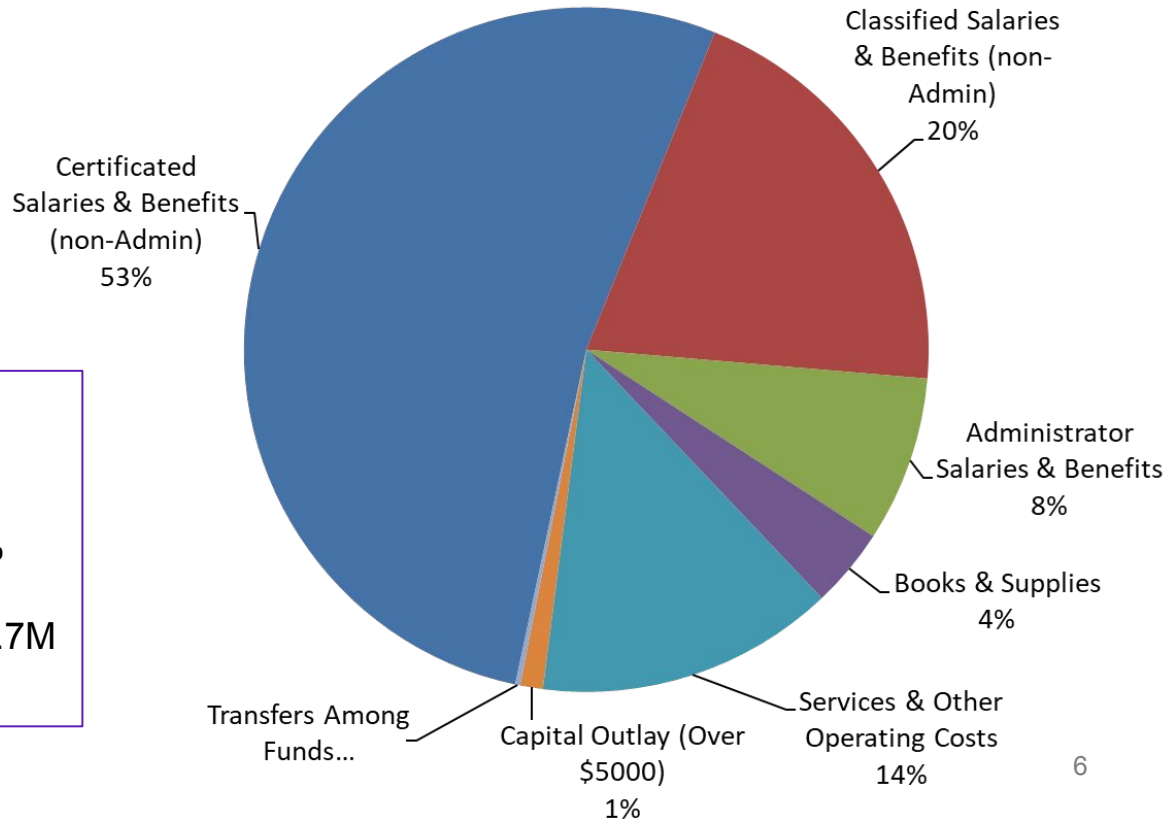
Changes to Revenues

- LCFF was adjusted for attendance through P-1.
- Local revenues include: rebate for electric vehicles, parent contributions for AP exam fees, and other local donations for specific purposes / classes / or programs.

General Fund Revenues	2024-25 1st Interim	2024-25 2nd Interim	Difference 12/24->3/25
Revenues			
LCFF	$ 27,282,609	$ 27,370,695	**$ 88,086**
PARCEL TAX REVENUE	14,389,667	14,389,667	-
LOCAL REVENUES - PEF	4,039,957	4,039,957	-
LOCAL REVENUES - ALL OTHERS	1,490,373	1,980,445	**490,072**
STATE REVENUES	3,871,031	3,870,680	**(351)**
SELPA FUNDS	1,740,556	1,740,556	-
FEDERAL REVENUES	636,134	638,634	**2,500**
Total Revenues	**$ 53,450,327**	**$ 54,030,634**	**$ 580,307**

Expenditures

- 81% of expenditures are salaries and benefits.
- Overall, the District spends **$22,232** per pupil.



Personnel Costs = 81%
81% = $44 M

Non-Personnel Costs = 19%
19% = $10.5 M
Unrestricted portion = 55% or $5.7M

Changes to Expenditures

- Adjustments to salaries & benefits due to vacancies.
- Add'l local revenues increased the budgets for Books & Supplies (e.g., AP fees)
- Services/Other Operating Expenses are a NET decrease - reductions to SPED legal and other costs slightly offset by add'l maintenance costs.
- Capital Outlay increase is the 2 electric trucks (offset by the rebate) and Binks Gym sound system upgrade.

General Fund - Expenditures			
Expenditures	2024-25 1st Interim	2024-25 2nd Interim	Difference 12/24->3/25
Certificated Salaries	$ 21,820,223	$ 21,785,149	**$ (35,074)**
Classified Salaries	8,001,737	7,875,297	**(126,440)**
Benefits	14,549,719	14,462,561	**(87,158)**
Books & Supplies	1,707,091	2,049,436	**342,345**
Services/Other Oper.	7,783,416	7,694,987	**(88,429)**
Capital Outlay	287,353	586,142	**298,789**
Internal Transfers	124,811	124,811	-
Total Expenditures	**$ 54,274,350**	**$ 54,578,383**	**$ 304,033**

Net Change to Fund Balance

- The reserve requirement is met.
- Decent position going into uncertainty of 2025-26 State budget.

Ending Fund Balance	2024-25 1st Interim	2024-25 2nd Interim	Difference Dec -->March
Beginning Balance	$ 4,527,288	$ 4,527,288	$ -
+ Revenues	53,450,327	54,030,634	580,307
- Expenditures	(54,274,350)	(54,578,383)	(304,033)
Rev-Exp = Surplus(Deficit)	(824,023)	(547,749)	276,274
Ending FB	3,703,265	3,979,539	276,274
3% Minimum Reserve	1,628,400	1,640,000	11,600
Less Restricted & Revolving	973,033	791,630	(181,403)
Less Committed/not available	100,000	100,000	-
Over (Under) Reserve	1,001,832	**1,447,909**	446,077

General Fund - Multiyear

The MYP is updated at each Interim with the latest information available. The following assumptions were used in the MYP:

Assumption	2024-25	2025-26	2026-27
Enrollment	2,455	2,455	2,456
ADA used for LCFF calculations	2,372.93	2,371.07	2,356.66
COLA for LCFF per pupil funding	1.07%	2.43%	3.52%
COLA for other State funds	1.07%	2.43%	3.52%
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%

Add'l Elements of MYP

Program enrichment directed by the Board on February 7 are incorporated into 2025-26 expenditures.

Category	2025-26
Certificated Employees	**Add 2.6 FTE for World Language expansion** **Add 1.2 FTE for Performing Arts expansion** **Add 0.6 FTE for Add'l course offerings** **Add 2.4 FTE for SPED program changes** **Reduce .72 FTE for Elem Counselors** - Spring Fling funded partial positions - funds are expended
Classified Employees	No changes
Books and Supplies	Reduce expenditures that are the result of carryover from Prior Year.
Services & Other Operating Expense	Reduce expenditures that are the carryover from PY & for SPED contracts expected to end.
Capital Expenses	No changes

General Fund - Multiyear

- Revenues increasing next year due to Measure P & 2.43% COLA
- Expenditures incorporate February 7 Board direction on add'l positions.
- Still deficit spending in 2025-26, but can balanced in 2026-27.

MULTIYEAR PROJECTIONS - 2nd INTERIM			
	2024-25	2025-26	2026-27
Beginning Balance	$ 4,527,289	$ 3,979,540	$ 3,749,336
Total Revenues	$ 54,030,634	$ 57,266,813	$ 58,461,547
Total Expenditures	54,578,383	57,497,017	58,208,051
Net Surplus (Deficit)	(547,749)	(230,204)	253,496
Ending Fund Balance	**$ 3,979,540**	**$ 3,749,336**	**$ 4,002,832**
Components of Ending Balance:			
Restricted / Committed	$ 891,630	$ 891,630	$ 891,630
Required Reserve	**1,640,000**	**1,724,911**	**1,746,242**
Add'l Unassigned	1,447,910	1,132,796	1,364,961
Ending Fund Balance	**$ 3,979,540**	**$ 3,749,336**	**$ 4,002,832**

State of Schools in CA

- At 1st Interim, across the State:
  - 7 Negative Certifications, including SFUSD, Oakland, Hayward
  - 32 Qualified Certifications, including 3 in Alameda County
  - These are the highest numbers since COVID
- COLA expected to be less than prior estimates
  - Last May, we were told to use **3.29%** for the 2025-26 COLA. Now we're expecting it to be under 2.43%
- Enrollment continues to decline
  - Declining birth rates
  - Out-migration due to the high cost of living, and
  - Slowdown of foreign immigration
- Lay-offs due to COVID funds used for positions that can no longer be supported.



Next Steps for District

- Review personnel needs in light of:
  - Enrollment
  - Retirements
  - Course selections
  - Programmatic adjustments
- Review non-personnel budgets for adjustments based on current year experience.



Need for a BAC Subcommittee

Measure G and **Measure H** Parcel Taxes (and next year, Measure P) require citizen oversight through a subcommittee of the BAC. The Subcommittee's responsibilities are to:

- Prepare a report on how parcel taxes were spent in current year.
- Review need for an increase in the rate - for Measure G only, and maximum is 2%.
- Present recommendation to Board in May for upcoming tax year.
- Accountability Language (linked)
- Last Year's Report

Next Steps for BAC

December	• *12/5 BAC Meeting to review 1st Interim* • *12/11 1st Interim Report presented with MYP Projections*
January	• *1/10 Governor's Budget Proposal released* • *1/24 Board review of how Gov's Budget will affect PUSD* • *1/23 BAC Meeting to review Governor's Budget Proposal*
February	• *2/7 Board Budget Workshop - Direction provided for 25-26*
March →	• **3/6 BAC Meeting** to review 2nd Interim • 3/12 2nd Interim Report presented with MYP Projections
April	• **4/24 BAC Meeting** - Budget development update
May	• Governor releases May Revisions to budget proposal for 2025-26 • **5/22 BAC Meeting** - Budget development update
June	• 6/11 Board holds public hearing on draft budget • 6/25 Final budget adopted by Board

Questions, Concerns, Comments?

Thank you to the Business Services Team!