

2024-25 2nd Interim Report

Piedmont USD Board of Education
March 12, 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

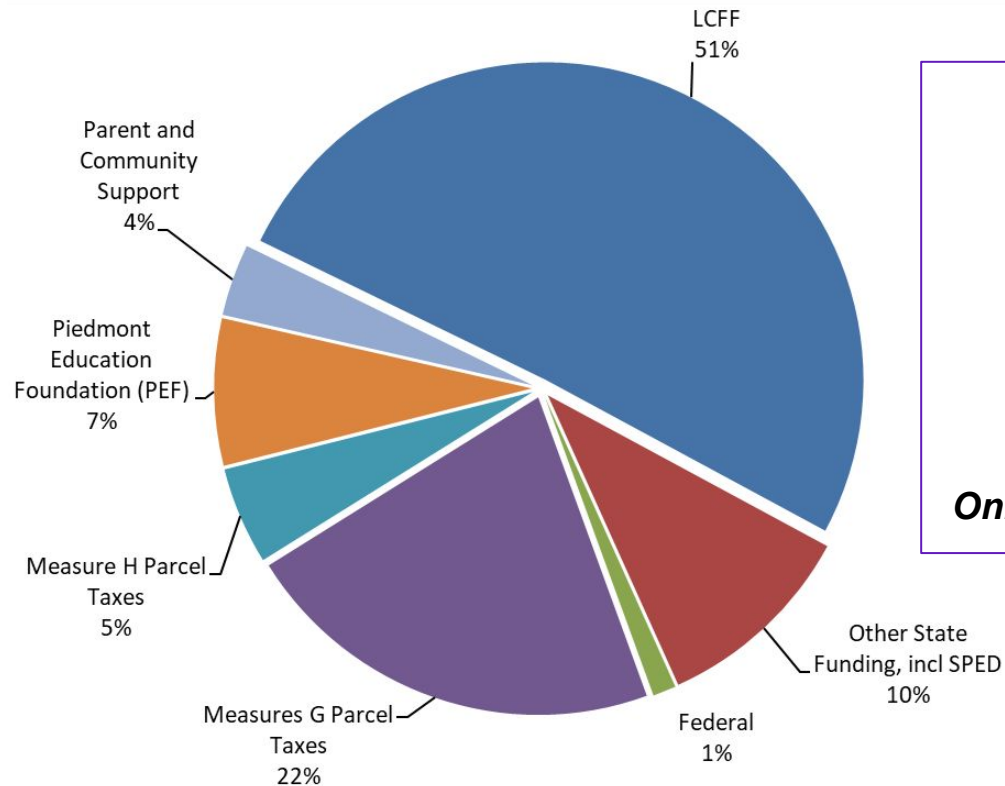
Headlines

- The District expects to meet all financial obligations, including the requirement for a **3% reserve**.
- In 2025-26, thanks to the passage of **Measure P**, the District is able to give a **4.50% salary increase** to the employee groups.
- 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 February 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

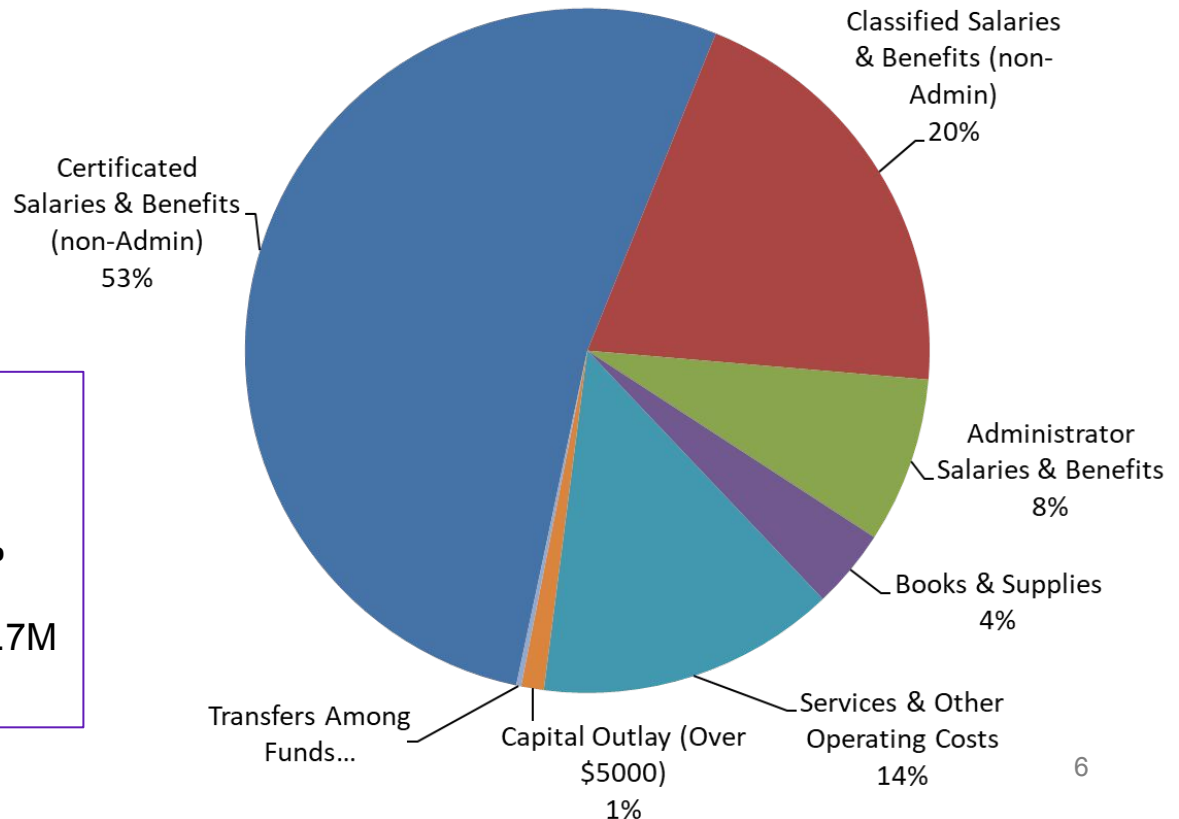
Changes to Revenues

- 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			Difference 12/24->3/25
Expenditures	2024-25 1st Interim	2024-25 2nd Interim	
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	716,630	(256,403)
Less Committed/not available	100,000	175,000	75,000
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 be 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
- Lay-offs of positions that were funded with COVID funds that have been spent down.



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.



Next Steps

December	<ul style="list-style-type: none"> • 12/5 BAC Meeting to review 1st Interim • 12/11 1st Interim Report presented with MYP Projections
January	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 2/7 Board Budget Workshop - Direction provided for 25-26
March →	<ul style="list-style-type: none"> • 3/6 BAC Meeting to review 2nd Interim • 3/12 Board Meeting to review 2nd Interim
April	<ul style="list-style-type: none"> • 4/24 BAC Meeting - Budget development update
May	<ul style="list-style-type: none"> • Governor releases May Revisions for 2025-26 Budget • 5/22 BAC Meeting - Budget development update • 5/28 Board update on May Revise
June	<ul style="list-style-type: none"> • 6/11 Board holds public hearing on draft budget • 6/25 Final budget adopted by Board

Thank you to the Business Services Staff!

Thank you to the Business Services Team!