

Pleasanton Unified School District

Fiscal Year 2024/25

Second Interim Report
Presentation to Board of Trustees

March 13, 2025

Presentation Summary

- Executive Summary
- Second Interim Adjustments
- 2024/25 Second Interim Revenues and Expenditures
- Key Budget Assumptions
- Multi-year Projections and Reductions
- Other Funds
- Conclusion / Next Steps
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Executive Summary

- 2024/25 Projected Reserve is at 3.08% of total expenditures
- Second Interim Budget has improved slightly and meets the required **Positive Certification** meaning it can meet the required 3% reserve requirement for the current or two subsequent years.
- \$6.5M in budget reductions per the Board's direction has been incorporated into the Multi-Year Projection (MYP)
- Staffing has been aligned with enrollment for 25/26 and 26/27 in the MYP
- PUSD continues to be impacted by increasing cost, stagnant revenues and declining enrollment
- COLA for 2024/25 is 1.07%. Effective LCFF funding decreased by **-2.0%**
- COLA for 2025/26 has been estimated at 2.43%

2024/25 Second Interim Adjustments

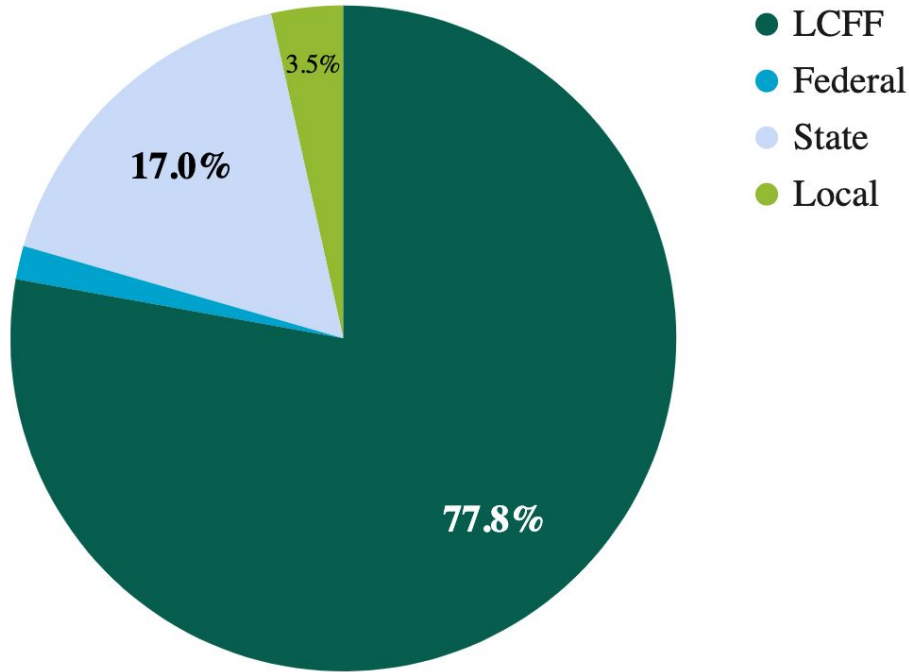
- \$1,811,135 net increase in revenue - key items listed below
 - Net increase in unrestricted revenue sources of \$547,322
 - LCFF decrease: \$-110,941
 - Other State increases: \$93,159
 - Local increase: \$565,104
 - Net increase in restricted revenue sources of \$1,263,813
 - Other State (CTE Grants, and Medical MAA): \$753,117
 - Other Local (local donations, PTA): \$540,093

2024/25 Second Interim Adjustments

- \$3,957,365 in increased expenditures - key items listed below
 - Net Increase in unrestricted expenditures of \$641,041
 - Salaries increase: \$544,898
 - Benefits increase: \$36,595
 - Books and Supplies reduction: \$-70,108
 - Services, Operating Expenses increase: \$188,548
 - Net increase in restricted expenditures of \$3,316,324
 - Salaries increase(Grants, Substitutes, Prop 28, LEA BOP): \$548,933
 - Benefits increase: \$390,274
 - Services, Operating Expenses increase (ELOP, Special Education, Prop 28, donations, PTA, and outdoor education):\$1,945,786
 - Capital Outlay increase (ELOP, RRM Prop 28, and PTA): \$865,689

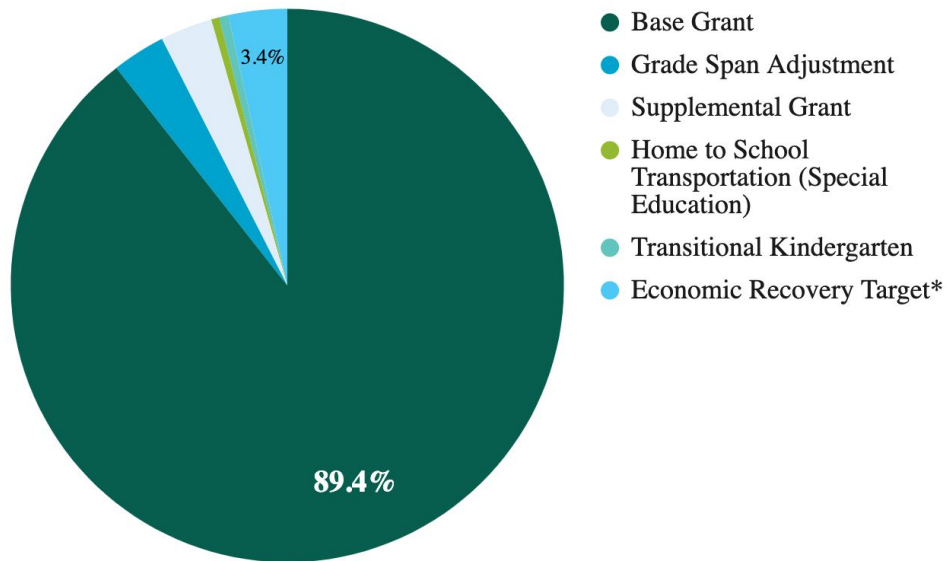
2024/25 Second Interim Revenues

Pleasanton USD 2024/25 Revenue Sources



- **Total Revenue: \$210,542,362**
- **Restricted Revenue: \$40,565,829 (19.3% of total revenue)**
- **District depends on State Funding (62% of LCFF from local property taxes)**
- **LCFF includes \$5M in Supplemental Grants**
- **1.07% Cost of Living Adjustment in LCFF (Effective growth negative 2%)**
- **LCFF revenues based on 3 year ADA rolling average**

2024/25 LCFF Breakdown

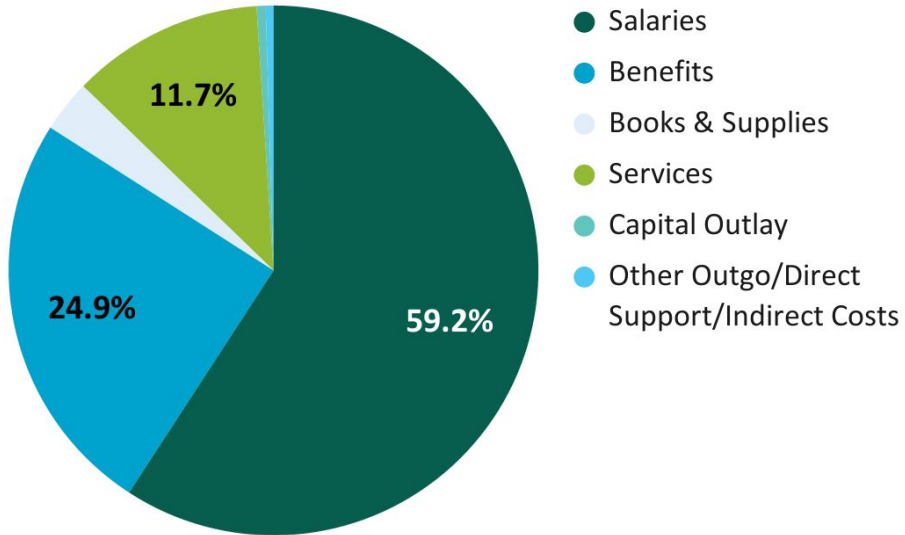


PUSD LCFF for 2024/25	
Base Grant	\$145,462,939
Grade Span Adjustment	\$5,068,518
Supplemental Grant	\$4,967,539
Home to School Transportation (Special Education)	\$758,990
Transitional Kindergarten	\$887,253
Economic Recovery Target*	\$5,579,044
Total	\$162,724,283

* No COLA

Second Interim 2024/25 Expenditures

Pleasanton USD 2024/25 Expenditures

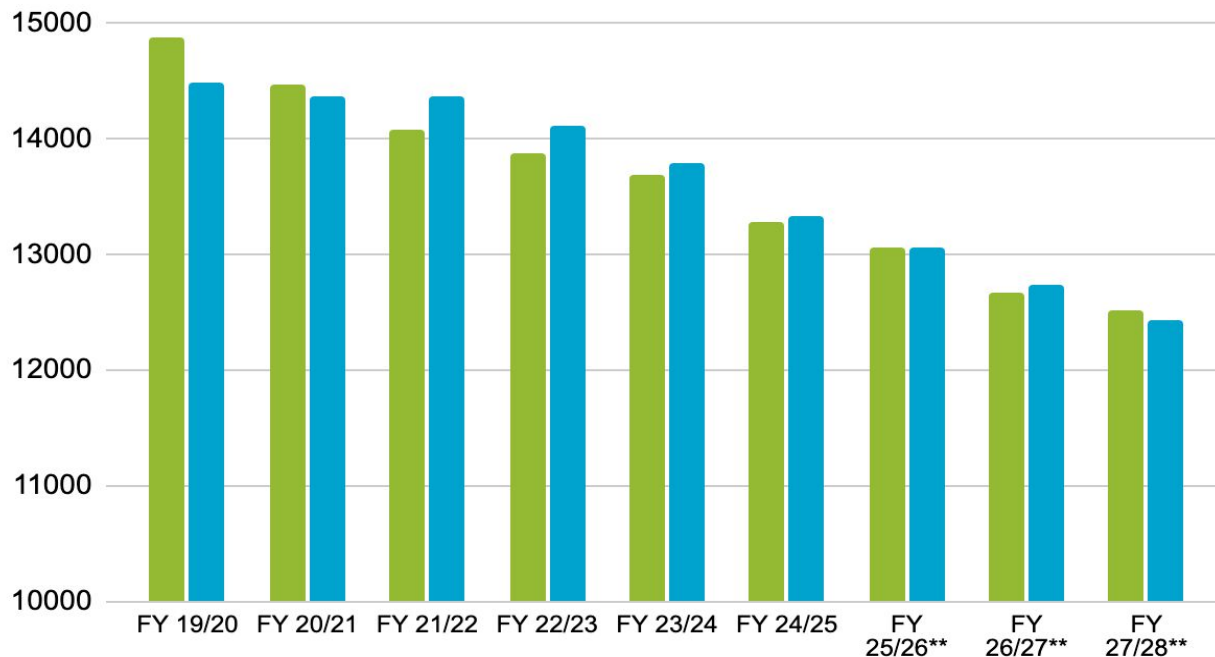


- **Total Expenditures: \$219,411,881**
- **84.1% Expenditures on Salaries and Benefits**
- **Total Restricted Expenditures: \$79,683,770**
- **Contributions to Restricted programs: \$34,904,301**
 - **Special Education: \$28.8M**
 - **Routine Restricted Maintenance (3% of Exp): \$6.12M**
- **Projected Unrestricted Deficit Spending: \$2.6M**

Enrollment and ADA Funding

PUSD Historical Enrollment

■ Enrollment ■ LCFF ADA Funding



- Decline of about 1,580 students since 2019/20
- Includes growth in TK
- Hold harmless years created inverted ADA Funding compared to actual ADA
- 3 year average ADA calculation softens the impact of enrollment loss
- Enrollment projections updated with latest projections from 2/25.

Local Control Funding Formula Factors

Local Control Funding Formula Assumptions 2024/25 - Second Interim			
School Year	FY 24/25	FY 25/26	FY 26/27
Enrollment	13,277	13,060	12,672
LCFF ADA Funding	13,340	13,055	12,736
COLA	1.07%	2.43%	3.52%
Unduplicated as % Enrollment	16.50%	16.55%	16.39%
Grades TK-3 \$/per Student	\$10,025	\$10,269	\$10,630
Grades 4-6 \$/per Student	\$10,177	\$10,424	\$10,791
Grades 7-8 \$/per Student	\$10,478	\$10,733	\$11,111
Grades 9-12 \$/per Student	\$12,144	\$12,439	\$12,876
K-3 Grade Span Adj \$/per Student	\$1,043	\$1,068	\$1,106
9-12 Grade Span Adj \$/per Student	\$316	\$323	\$335
TK Add on \$/Student	\$3,077	\$3,152	\$3,263
TOTAL EST LCFF Funding - unrestricted	\$ 162,724,283	\$ 163,629,253	\$ 165,084,132
Effective Growth/Decline in LCFF Funding	-2.02%	0.56%	0.89%

- District enrollment has **declined about 1580 students** from 2019/20 levels
- Updated enrollment projections are lower from First Interim for 25/26 and 26/27
- The COLA will be finalized with the May Revise. Governor's January COLA is 2.43%. LAO projects a 2.22% COLA for 25/26.
- COLA decrease from 2.43% to 2.22% will reduce the LCFF funding by about \$315,000 in 25/26 (ongoing)
- Proposed increase in TK add on funding will increase LCFF revenues by \$1,200,000 on 25/26 (ongoing)

Key Budget Assumptions

- Increased Revenue transfer from Fund 630 (Kids Club) by \$500,000 for 2024/25
- 2025/26 includes \$6.5M in Board directed reductions
- Includes adjustment to staffing due to declining enrollment
- Increased TK Staffing for growth and lower staffing ratios in 2025/26
- Increased healthcare costs in 2025/26 as a result of increased usage
- 4% growth in unrestricted Services & Operating Costs in 25/26 and 26/27
- Flat growth in Books and Supplies
- No increased compensation placeholder in 2024/25, 2025/26, and 2026/27 other than salary schedule movements
 - Cost to increase compensation by 1% for all staff: ~ \$1.6M

Multi-Year Budget Adjustments /Reductions

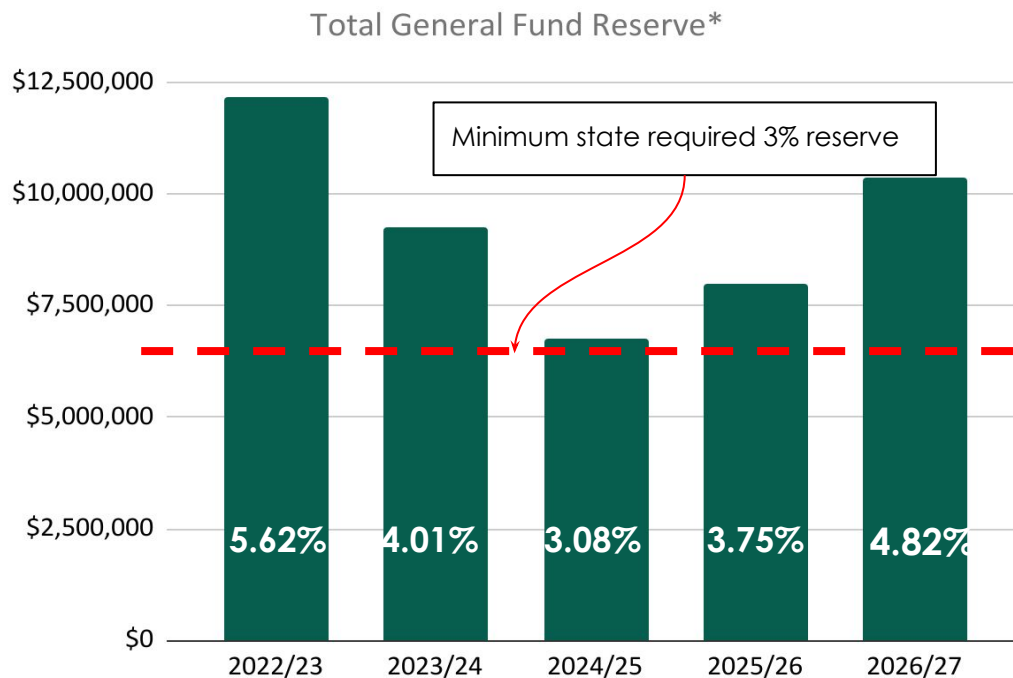
- **Revenue Adjustments**
 - 2024/25: \$500,000 transfer from OPEB Fund - one-time
 - 2025/26: \$250,000 transfer from OPEB Fund - ongoing
 - 2025/26: \$900,000 property lease income - ongoing
- **Reductions - Board Direction**
 - 2025/26: \$6.5M that includes 32.82 FTE reductions
- **Staffing to Enrollment Reductions**
 - 2025/26: \$2,835,000 about 21 FTE
 - 2026/27: \$1,755,000 about 13 FTE
- **Transfer In from Fund 63 (Kids Club)**
 - 2024/25: \$2,000,000
 - 2025/26: \$2,000,000
 - 2026/27: \$2,250,000

Restricted Ending Fund Balance

Restricted Programs Total	\$8,392,477
Expanded Learning Opportunities Program	\$110,419
Other Restricted Federal	\$3,063
Early Education: UPK Planning and Implementation	\$475,556
Educator Effectiveness, FY 2021-22	\$68,238
Lottery: Instructional Materials	\$632,079
Golden State Pathways Program	\$2,068,930
Special Education Early Intervention Preschool Grant	\$47,408
Arts, Music, and Instruct Mat Discretionary BG	\$378,580
Arts and Music in Schools (Proposition 28)	\$2,148,481
Child Nutrition: Food Service Staff Training Funds	\$4,852
Dual Enrollment Opportunities (CCAP)	\$134,400
A-G Access/Success Grant	\$71,366
A-G Learning Loss Mitigation Grant	\$61,761
Other Restricted State	\$87,223
Ongoing & Major Maintenance Account (RMA)	\$1,087,976
Other Restricted Local	\$1,012,145

Over the past several years the State has expanded its restricted funding programs. While these funds are welcomed, they do require significant additional work, staffing, and programming effort. Funding is restricted and is required to be spent on allowable expenditures.

Multi-Year Projections



* General Fund Reserve: Economic Uncertainty and Undesignated/Unapportioned adjusted

- Projected unrestricted deficit spending for 2024/25 is \$2.6M
- Reserves allow the district to:
 - Weather downturns in the economy
 - Handle emergencies
 - Manage cash flow needs
- Statewide Average for Unified School Districts is 24.36%
- Reserves are one-time funds
- Includes reduction of \$6.5M in 2025/26 per Board direction
- Includes reductions to staffing for declining enrollment
- Does not include negotiated salary increases for 24/25, 25/26, and 26/27

Staffing - Second Interim

Full Time Equivalent (FTE)- Positions

Fiscal Year 24/25	Second Interim	First Interim
Classified*	472.75	472.3
Certificated*	754.67	753.3
Management Subtotal	74.93	74.53
Total	1302.35	1300.18

**Net Increase of 2.17 FTE
Since Second Interim**

* As of February 28, 2024, there are about 18.94 FTE vacancies in certificated, mainly in special education, that have been backfilled with contracted employees and about 38.89 FTE in classified positions, mainly in special education. The salaries budget has been adjusted to reflect vacancies filled by contracted staff.

Other Funds

Pleasanton Unified School District FY 2024/25 Second Interim

Special Revenue Funds	Adult Ed Fund 11	Child Development Fund 12	Cafeteria Fund 13	Enterprise Fund 63
BEGINNING FUND BALANCE	\$ 891,173	\$ 222,239	\$ 7,017,739	\$ 3,364,986
Revenue	\$ 6,695,478	\$ 1,480,466	\$ 7,123,684	\$ 4,430,000
Expenditures	\$ 6,758,378	\$ 1,475,176	\$ 7,721,272	\$ 3,611,205
Revenue Over (under) Expenses	\$ (62,900)	\$ 5,290	\$ (597,588)	\$ 818,795
Transfers In (Out)	\$ -	\$ -	\$ -	\$ (2,000,000)
ENDING FUND BALANCE	\$ 828,273	\$ 227,529	\$ 6,420,151	\$ 2,183,781

Special Reserve Funds	OPEB Fund 71	Capital Fund 40
BEGINNING FUND BALANCE	\$ 5,882,905	\$ 2,635,970
Revenue	\$ 400,000	\$ 1,049,894
Expenditures	\$ -	\$ 1,944,636
Revenue Over (under) Expenses	\$ 400,000	\$ (894,742)
Transfers In (Out)	\$ -	\$ -
ENDING FUND BALANCE	\$ 6,282,905	\$ 1,741,228

Capital Outlay Funds	Capital Sycamore/ Property Sale Fund 41	Deferred Maintenance Fund 14	Measure I1 and I Fund 21	Capital Facilities Fund 25	County School Facilities Fund 35
BEGINNING FUND BALANCE	\$ 7,353,969	\$ 16,904	\$ 136,804,057	\$ 2,290,999	\$ 6,093
Revenue	\$ 1,265,850	\$ 500	\$ 1,811,120	\$ 1,030,000	\$ 10,000
Expenditures	\$ -	\$ -	\$ 137,074,827	\$ 218,875	\$ -
Revenue Over (under) Expenses	\$ 1,265,850	\$ 500	\$ (135,263,707)	\$ 811,125	\$ 10,000
Transfers In (Out)	\$ (50,000)	\$ -	\$ -	\$ (30,000)	\$ -
ENDING FUND BALANCE	\$ 8,569,819	\$ 17,404	\$ 1,540,350	\$ 3,072,124	\$ 16,093

Conclusions/Next Steps

- District's fiscal health and outlook has improved as a result of actions taken by the School Board and management
- 2024/25 Budget is extremely tight with just the minimum reserve level and deficit spending
- Risk and vulnerabilities remain from State funding, rising costs, compensation and other fiscal pressures
- 2024/25 Negotiations with APT will need to be concluded
- 2025/26 Budget Development
- Governor's May Revise and final Enacted Budget for 2025/26

Appendix: Budget Approval Process

Education Code Section 42130 requires that school districts certify to the State the fiscal stability of the District. Districts must demonstrate they can meet their fiscal obligations for the current year and two years out. The reports must be presented to and approved by the District's Governing Board no later than 45 days after the close of the report period.

- 1st Interim, covers actual expenditures and actual revenues from July 1 through October 31, and updates projections for the balance of the year
- 2nd Interim, covers actual expenditures and actual revenues from July 1 through January 31, and updates projections for the balance of the year

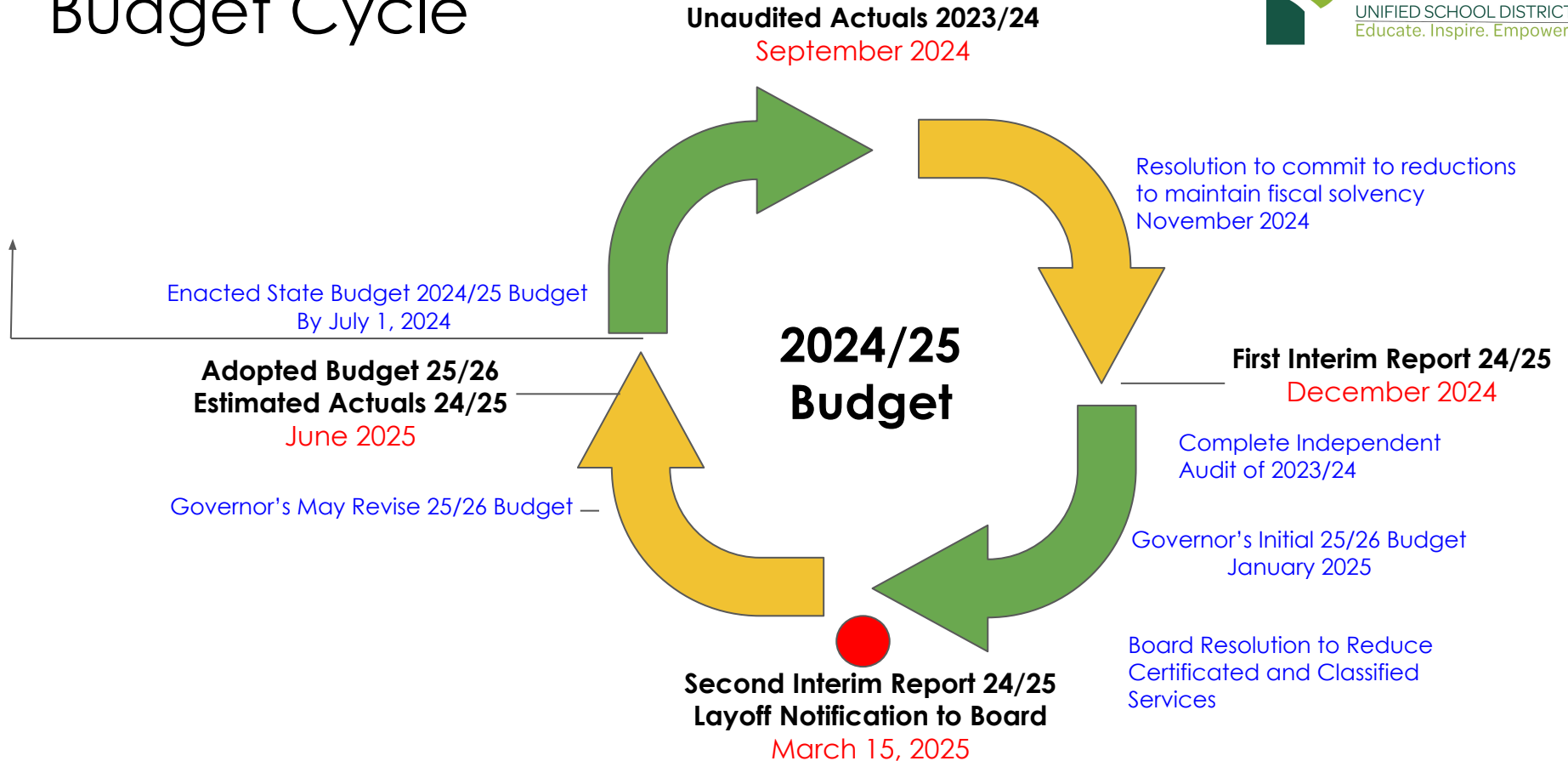
The Certification of the District's financial condition may take one of three forms:

Positive Certification: The District will meet its financial obligations for the current fiscal year and subsequent two years.

Qualified Certification: The District may not meet its financial obligations for the current fiscal year or subsequent two years.

Negative Declaration: The District will not meet its financial obligations for the remainder of the fiscal year or for the subsequent fiscal years.

Budget Cycle



Appendix: District Funds

Fund	Description
01	General Fund
10	Special Education Pass Through
11	Adult Education
12	Child Development
13	Cafeteria (Food Service)
17	Special Reserve Fund for Other Than Capital Outlay Projects
63	Other Enterprise Fund (Preschool, and child care)

Fund	Description
14	Deferred Maintenance
21	Building (Bond Program)
25	Capital Facilities
35	County School Facilities
40	Special Reserve Fund for Capital Outlay Projects
51	Bond Interest & Redemption
71	Other Post Employment Benefits