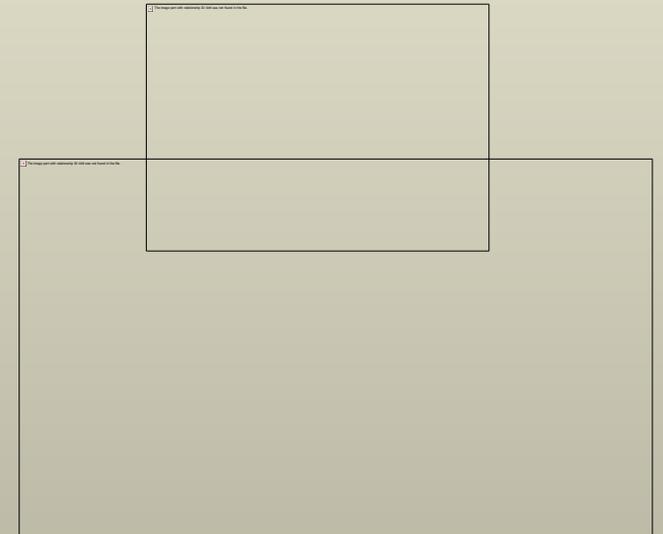


GATEWAY UNIFIEDED SCHOOL DISTRICT

2024-25 Second Interim Budget Update

March 12, 2025



District Net Worth

	Est. June 30, 2025 Balance
Fund 01	\$ 23,954,790
Fund 08 – Student Body	103,271
Fund 13 – Cafeteria	1,070,065
Fund 20 – Post Emp Benefits	449,448
Fund 21 – Capital Building (Balance of Bond)	74
Fund 25 – Developer Fees	3,512,360
Fund 40 – Capital Outlay Projects	992,336
	\$ 30,082,344
Fund 51/52 – Bond Financing (Not included in Net Worth)	2,371,388

REVENUES – Fund 01

	1st Interim	2nd Interim	Difference	Notes
LCFF	30,739,039	30,735,102	(3,937)	Minor drop in Unduplicated Pupil Percentage (UPP) from 77.85% 1 st IT to 77.83% at 2 nd IT. Adj to supplemental & concentration funds.
Federal	3,207,483	3,302,968	105,485	Increase to Title I & II allocations
State	5,486,772	5,915,567	428,795	24-25 LCFF Equity Multiplier funds received
Local	3,355,695	3,836,130	480,435	MediCal funds received, Redding SD APE Services, and increase of interest earned. Local funds are typically budgeted as received.
Interfund Transfers In	100,000	100,000	-0-	
Total Revenue	\$ 42,888,989	\$ 43,799,767	\$ 1,969,166	
Estimated Funded ADA	2,019,63	2,019.62	(0.01)	ADA funded on 3-yr average

EXPENSES

	1st Interim	2nd Interim	Difference	Notes
Certificated Salaries	14,902,011	14,928,159	26,184	Adjusted budgets for vacancies. Increased cost for subs at the certificated level.
Classified Salaries	8,391,141	8,353,755	(37,386)	
Benefits	9,294,684	9,200,112	(94,572)	
Books/Supplies	3,946,606	3,549,613	(369,993)	Adjusted budgets to carryover some discretionary fund at the site level.
Services/Operations	8,987,994	8,908,233	(79,761)	Increase in PO's due to overall cost increases in Utilities, etc.
Capital Outlay	369,025	1,127,828	758,803	Budgeted expenses for bus purchase approved in 2023/24. Bus was paid for with MAA funds.
Other Outgo	453,686	543,508	89,822	Increase to the SCOE ADA transfer
Direct/Indirect Support Costs	(64,935)	(64,935)	-0-	
Interfund Transfers Out	105,000	105,000	-0-	
Total Expenses	\$ 46,385,212	\$ 46,651,273	266,061	

ENDING BALANCE – Fund 01

	1 st Interim	1 st Interim	Difference
Beginning Balance	26,706,296	26,706,296	
Increase/(Deficit)	(3,496,223)	(2,751,506)	
Ending Balance	\$ 23,210,073	\$ 23,954,790	\$ 744,717

RESERVES

	1st Interim Projection		2nd Interim Projection	
Ending Balance	23,210,073		23,954,790	
Revolving Cash/Prepays	46,541		46,541	
Restricted Reserves	7,716,017	16.63%	8,635,157	18.510%
Assigned Reserves	7,098,177	15.30%	6,639,158	14.231%
Economic Uncertainty	8,349,338	18.00%	8,633,934	18.507%
		49.94%		51.25%

Reserves - Detail

ASSIGNED/BOARD DESIGNATED	
Unrestricted Lottery	\$ 865,128
Deferred Maintenance	650,000
Add'l Concentration Funds	25,996
Technology Reserve (Chromebook purchase)	811,844
Mandated Costs	2,297,236
Forest Reserves	1,053,785
SPED Reserves (placement, etc)	159,948
MAA	775,221
15% Board Designated Economic Uncertainty	7,194,945
3% State Economic Uncertainty	1,438,989
TOTAL ASSIGNED/DESIGNATED	\$ 15,273,092

COMMITTED / LEGALLY RESTRICTED	
ELO-P	\$ 477,409
Educator Effectiveness BG	259,723
Scholarships	318,457
LCFF Equity Multiplier	762,714
SPED PreK Intervention	42,927
Art, Music & Inst Material Discr. BG	452,649
Learning Recovery – District Restricted	1,818,706
Mental Health (Educationally Related)	135,688
Golden State Pathway Grant	518,830
Lit Coach Reading Specialist Grant (GEO)	336,696
RDA Funds	1,017,265
MediCal BOP	1,273,272
COVID Supplies	33,995
Restricted Lottery	1,008,648
Classified PD BG	5,895
Prop 28 – Arts & Music	156,234
CA State Standards Alignment	16,049
TOTAL COMMITTED	\$ 8,635,157

MULTI-YEAR PROJECTIONS

2025-26 & 2026-27

Multi-Year Assumptions

- **COLA:**
 - 2025-26 = 2.43%
 - 2026-27 = 3.52%
- **ADA:**
 - 2025-26 = 1962.67 (42.4) - Funded ADA 2003.15 (16.47)
 - 2026-27 = 1894.19 (68.48) - Funded ADA 1974.63 (28.52)
- **Revenues:**
 - Adjusted in both years to reflect new LCFF calculations.
 - 2025-26 – Increased by \$1,1390,17
 - 2026-27 – Increased by \$1,027,140
 - Reduction in estimates for Federal funding due to declining enrollment from allocations based on ADA (Title I).
 - State revenues to decrease in 2025-26 due to not having revenues from Golden State Pathways Grant, CTE Grant, SWP Grant and fully expended UPTK funds. No changes to revenues in 2026-27.
 - Local revenues projected to decline in 2025-26 due to estimated reduction in Special Ed Funding, CBO/Payroll contract with Happy Valley, local grants and donations. Many of these revenues are not budgeted until received. 2026-27 estimating a slight reduction in interest earned on funds.

Multi-Year Assumptions

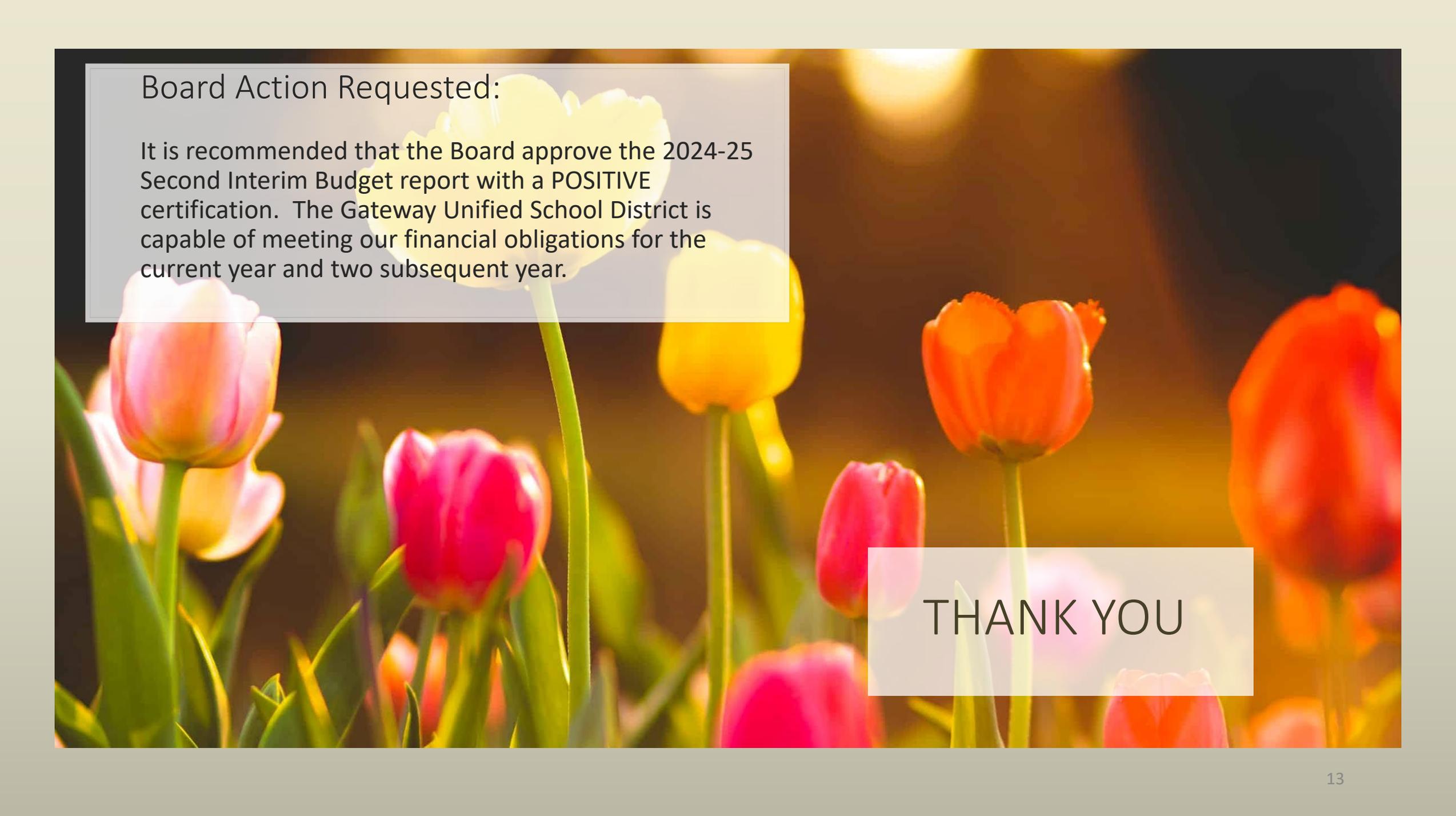
- **Staffing:**
 - **2025-26 – Step & Column is budgeted. Savings from attrition due to retirement is budgeted. No changes to STRS rate and an increase to the PERS rate of 0.35% to 27.40%.**
 - **2026-27 – Step & Column is budgeted. No reduction to staffing levels. Estimate savings from retirement attrition. No change to STRS rate and an increase to the PERS rate of 0.10% to 27.50%.**
- **Expenses: Reduced expenses for all one-time purchases and contracts as they were related to the expiring Block Grant funds in both subsequent years. Increased budget in 2025-26 to spend reserves specific to District Wide Chromebook purchases (\$1,200,000). Also reduced all capital purchases in both subsequent years.**
- **Deficit Spending: The District is PLANNED deficit spending as we are working through one-time dollars that expire in 2026 & 2028. There is still a substantial amount of funds received as block grants that we will reflect as deficit spending as we finish through 2027-28.**

MYP ...

	2024-25 1 st IT	2024-25 2 nd IT	2025-26	2026-27
Revenues	42,888,989	43,899,767	41,802,628	42,650,199
Expenses	46,385,212	46,651,273	45,188,162	43,281,994
Increase/(Deficit)	(3,496,223)	(2,751,506)	(3,385,534)	(631,795)
Ending Balance	\$ 23,210,073	\$ 23,954,790	\$ 20,569,256	\$ 19,937,461
Economic Uncertainty Reserve	8,349,338 18.0%	8,633,934 18.507%	8,370,574 18.5%	8,027,464 18.55%
Total Unrestricted Reserve	33.3%	32.737%	29.83%	32.02%
TOTAL RESERVES	49.94%	51.25%	45.42%	45.96%

Future Indicators to watch....

- Staffing shortages
 - TK Adult to student ratio. 2025-26 and moving forward 10:1.
- Deadlines for spending one-time funds
- Inflation / Recession
- Deficit Spending
- ADA decline



Board Action Requested:

It is recommended that the Board approve the 2024-25 Second Interim Budget report with a POSITIVE certification. The Gateway Unified School District is capable of meeting our financial obligations for the current year and two subsequent year.

THANK YOU