



# Budget Update: Governor's January State Budget Proposal

PRESENTED TO THE BOARD OF TRUSTEES  
January 23, 2024

By Ryan DiGiulio & Kate Ingersoll  
Chief Business Officer & Executive Director  
Fiscal Services

# Agenda

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- The Governor's 2024-25 Budget Proposal – January 2024
- Impact to TRUSD's Budget
- The Road Ahead and Next Steps
- Supplemental Information – Reference Only
  - Developing the Budget
  - Planning, Goal Setting, and Financial Policies
  - Understanding California School Finance
  - Multiyear Projections (MYPs)
  - Monitoring the District's Budget
  - Glossary of Terms

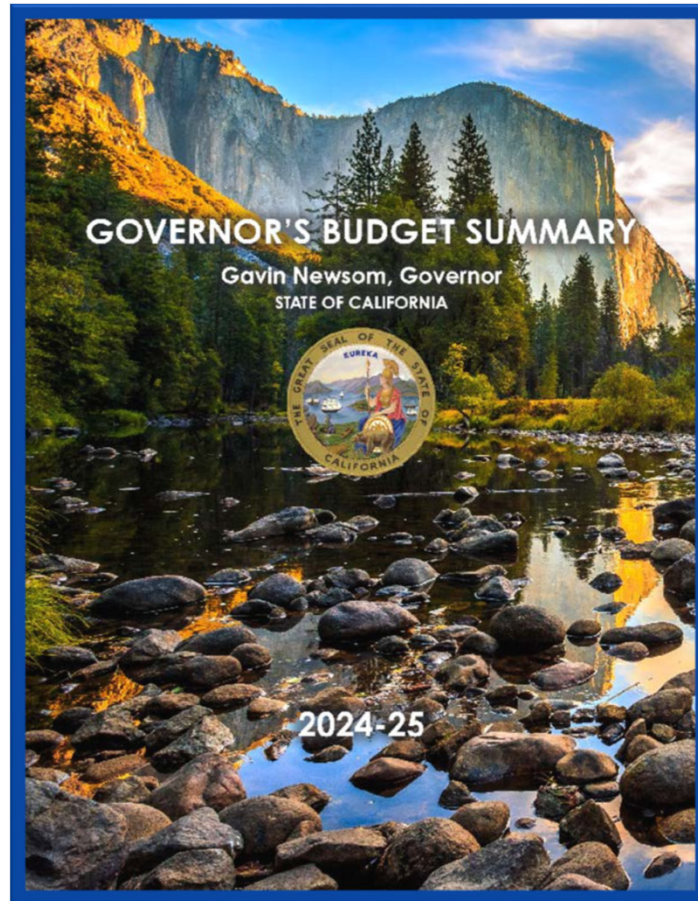




# The Governor's 2024-25 Budget Proposal

# 2024-25 Governor's Budget Proposal

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# State Economy & The Governor's Budget

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- The national and state economies are in a slow growth pattern
- Inflation is down year over year and is expected to decline further through the budget year as leading economists anticipate a reduction to interest rates later in 2024
- A recession is no longer forecasted in 2024 or 2025 by most economists, but there are notable risks to the State Budget
- Governor Gavin Newsom projects a \$37.9 billion budget deficit for 2024-25, due largely to 2022 tax collections well below the budget's assumptions
  - The Governor's Budget uses less pessimistic revenue assumptions than the Legislative Analyst's Office (LAO)
- The Governor's Budget proposal protects the education budget against the local impact of a nearly \$12 billion reduction in Proposition 98 resources
- Budget-balancing measures include drawing down \$13.1 billion in reserves and \$5.7 billion from the Public School System Stabilization Account (PSSSA), along with borrowing, funding reductions in non-Proposition 98 areas, funding delays, deferrals to payroll and University of California/California State University, and tax revenue proposals



# Education Funding: Proposition 98

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- The Proposition 98 budget is a story of “correction and normalization”

## Good News

- The historic increases in Proposition 98 from 2019-20 through 2021-22 resulted in significant financial investments to combat the impacts of the pandemic
- The state is better prepared to weather a financial downturn due to reserves
- Despite the significant underperformance of General Fund revenues in 2022-23, the Governor is not proposing any new cuts or deferrals to K-12 education core programs

## Bad News

- The \$26 billion shortfall of tax revenues for 2022-23 turned a normal year into one where it appears that the state provided money above the minimum guarantee
- The Governor’s solution to mitigate this shortfall is unprecedented and not widely or clearly understood, which creates risk for local educational agencies (LEAs)
- Education is facing a “COLA-only” year where the projected statutory COLA is significantly less than 2023-24 and anticipated for 2024-25 trending

# U.S. Economic Outlook

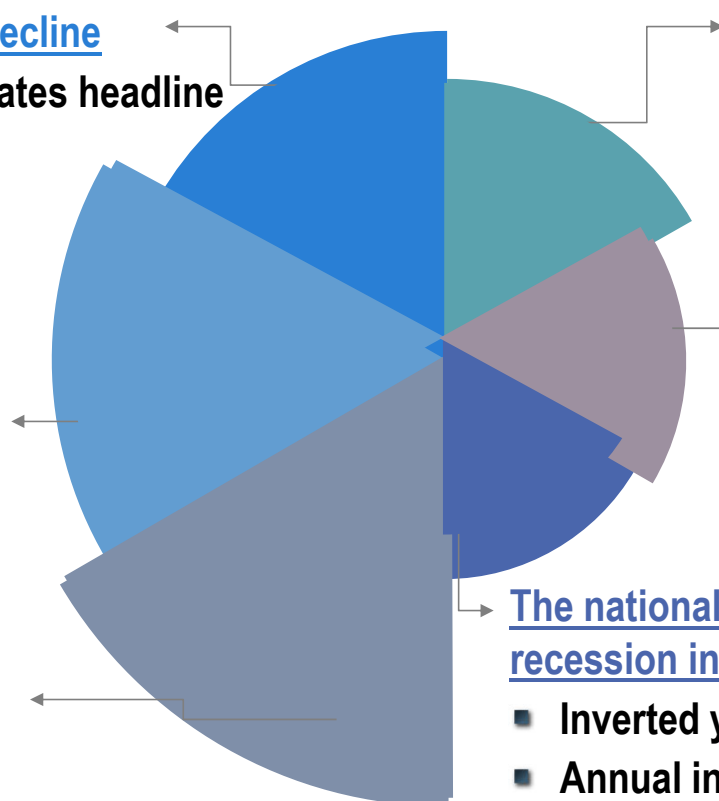
## Inflation is predicted to continue its decline

- UCLA Anderson (Forecast) anticipates headline inflation to fall to 2.7%

## Slow economic growth

- The Forecast projected three quarters of 1.0% growth in 2024, increasing to 2.5% by 2025
- A slow growth economy is especially vulnerable to risk

## A recession is no longer forecasted for the near future



## Interest rate cuts are projected as early as 2024

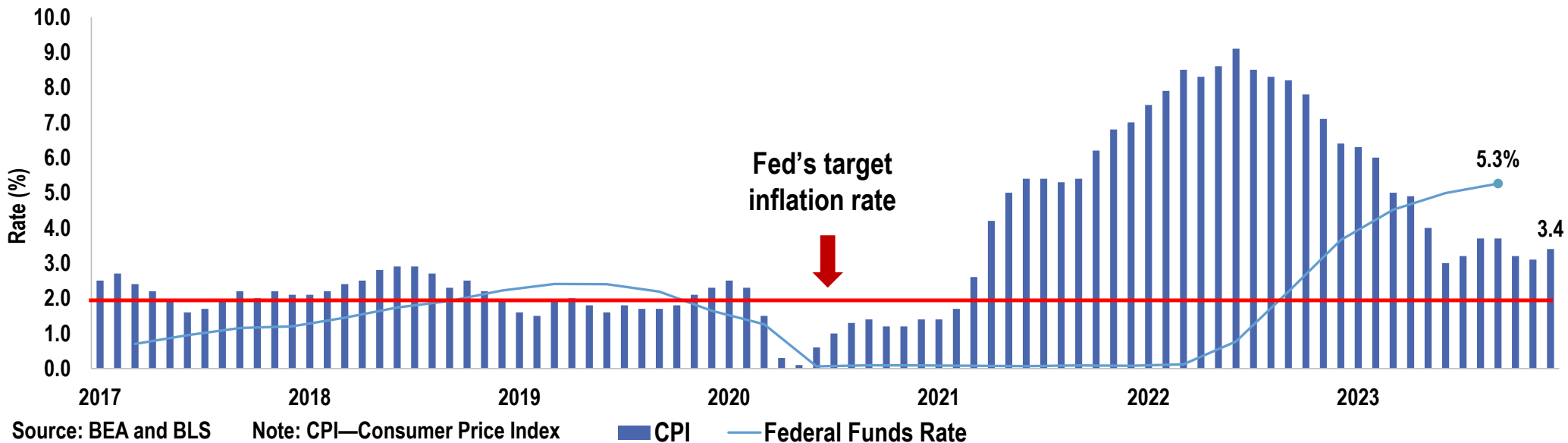
- The Forecast predicts the federal funds rate will be 4.8% by 2025
- ## U.S. employment and income are predicted to remain strong
- The Forecast projects stable U.S. unemployment rates through 2025

## The national economy is defying historical recession indicators

- Inverted yield curve
- Annual inflation falling from above 5.0% to below 3.0%

# Inflation and Federal Funds Rate

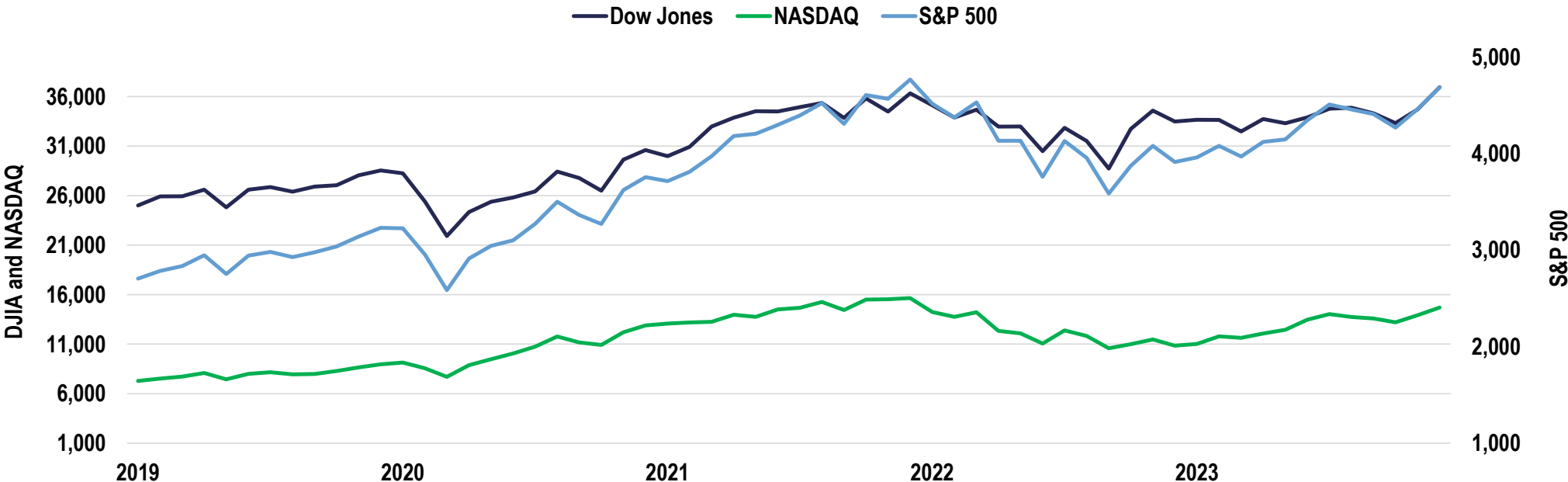
- U.S. headline inflation continues to ease, with December headline inflation at 3.4%
- After a series of 11 increases, the Federal Reserve (Fed) has not increased the federal funds rate since July 2023
- The Fed has consistently maintained its commitment to returning inflation to 2.0%
  - And noted the prospect of rate cuts as early as the end of 2024 if the economy performs as expected





# The Stock Market

- Wall Street outperformed early expectations for 2023; all three major indexes showed double-digit gains for the year
- Interest rates remain elevated, yet the market responded to easing inflation and the possibility of 2024 rate cuts
- At closing on January 12, the Dow Jones was at 37,593, the NASDAQ was at 14,972, and the S&P 500 was at 4,783

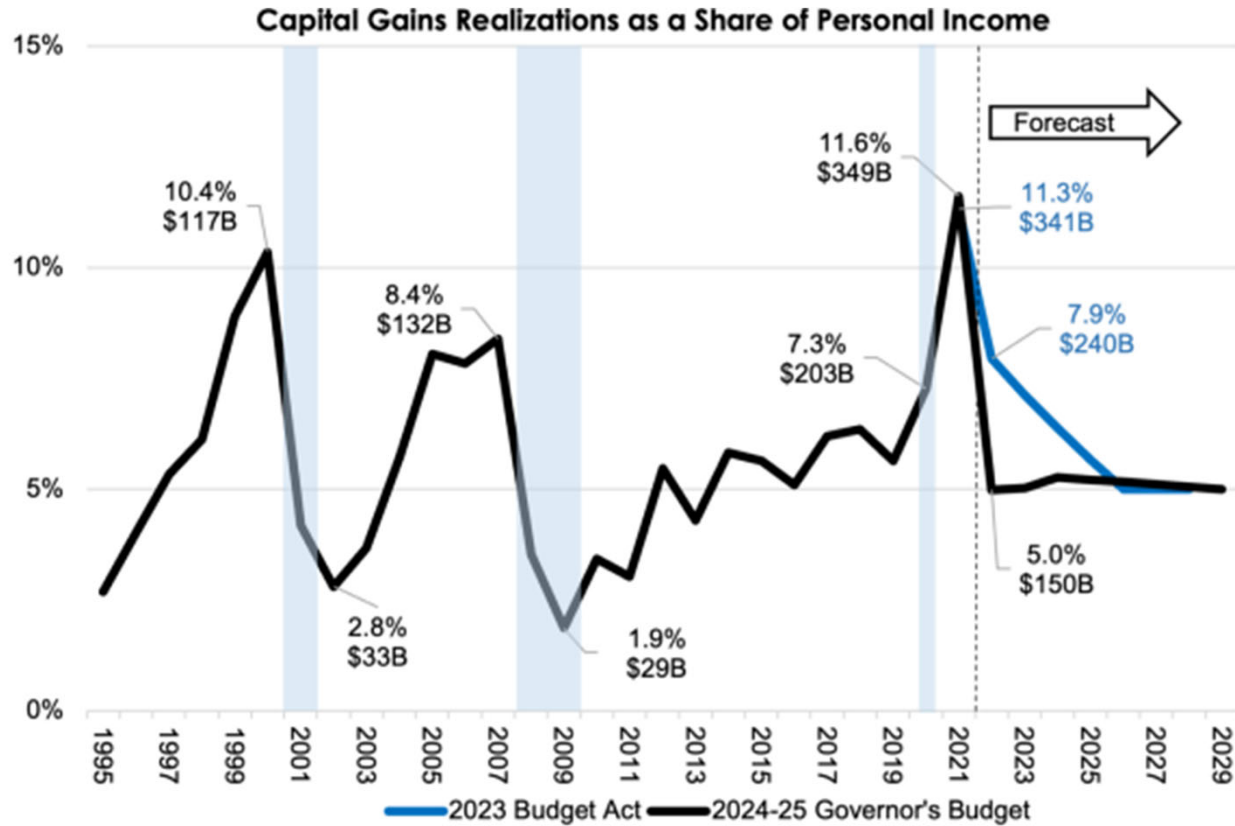


Source: Federal Reserve Economic Data



*Inspiring each student to extraordinary achievement everyday!*

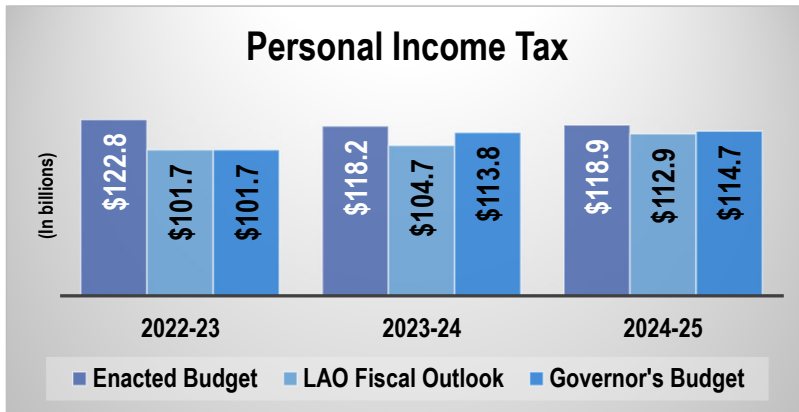
# Capital Gains Realizations as a Share of Personal Income



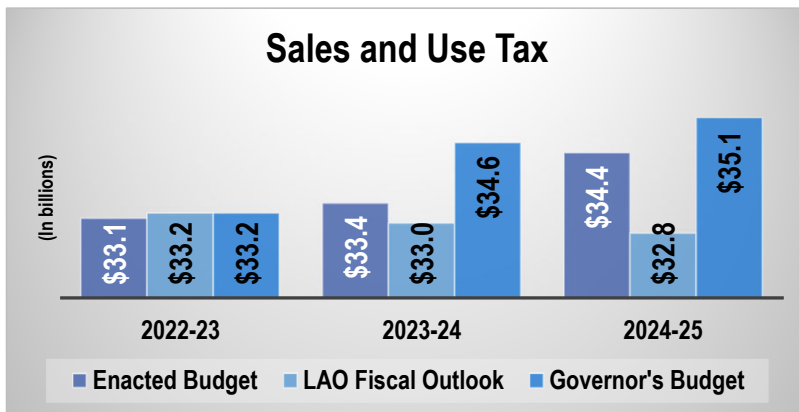
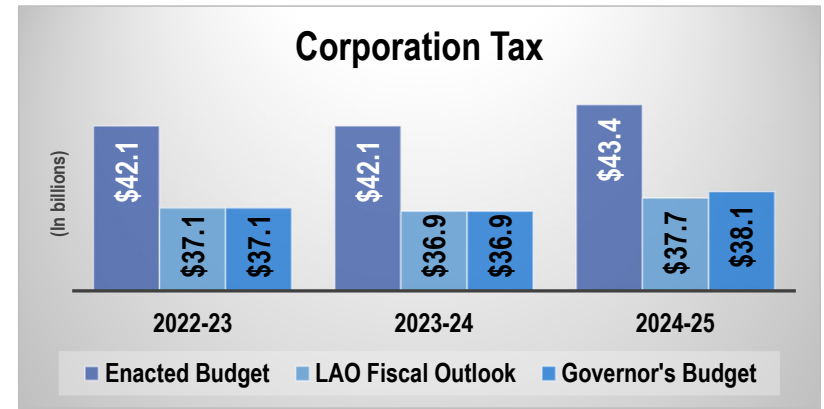
Shaded bars indicate previous U.S. recessions.  
 Source: California Department of Finance, 2024-25 Governor's Budget Forecast.

Source: 2024-25 Governor's Budget Summary

# Big Three Taxes—Governor's Budget vs. LAO's Outlook



Personal income tax (PIT) and corporation tax revenue projections are significantly lower at Governor's Budget than Enacted Budget

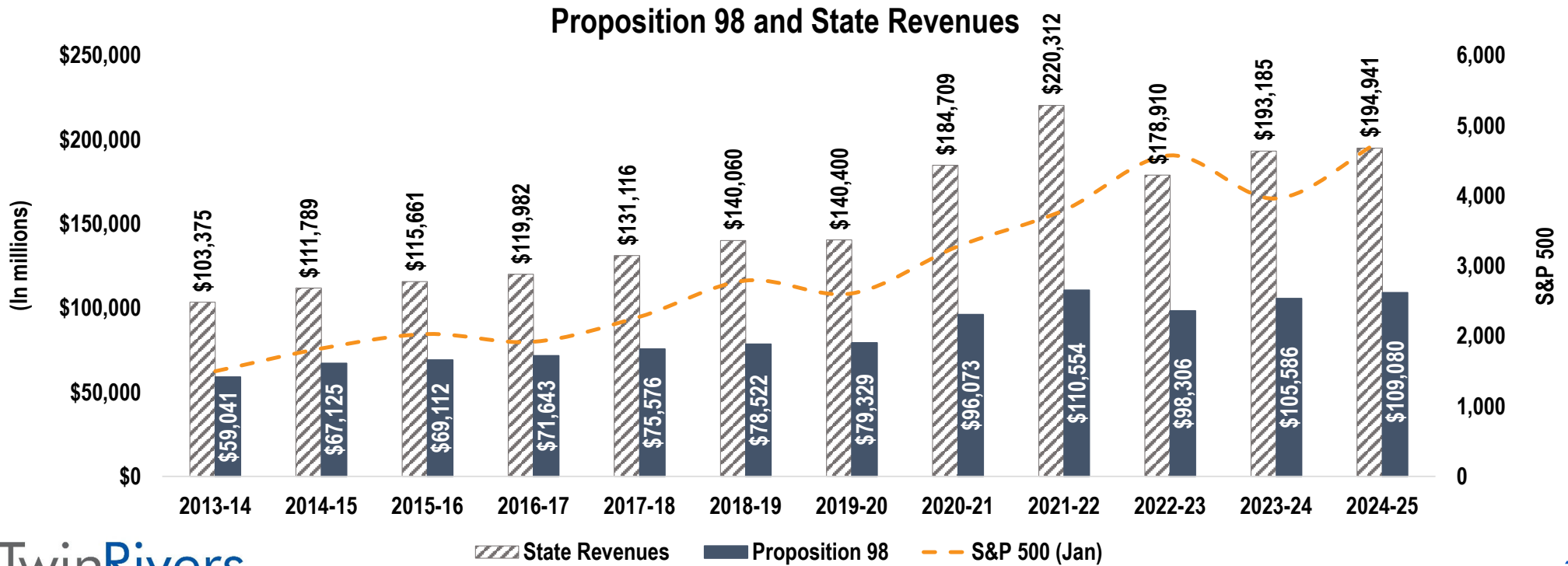


Compared to the LAO's California's Fiscal Outlook, the Governor's Budget projections for:

- PIT is \$9.1 billion and \$1.8 billion higher in 2023-24 and 2024-25, respectively
- Corporation tax is slightly higher
- Sales and use tax is higher than both LAO and 2023-24 Enacted Budget projections

# Proposition 98 Over Time

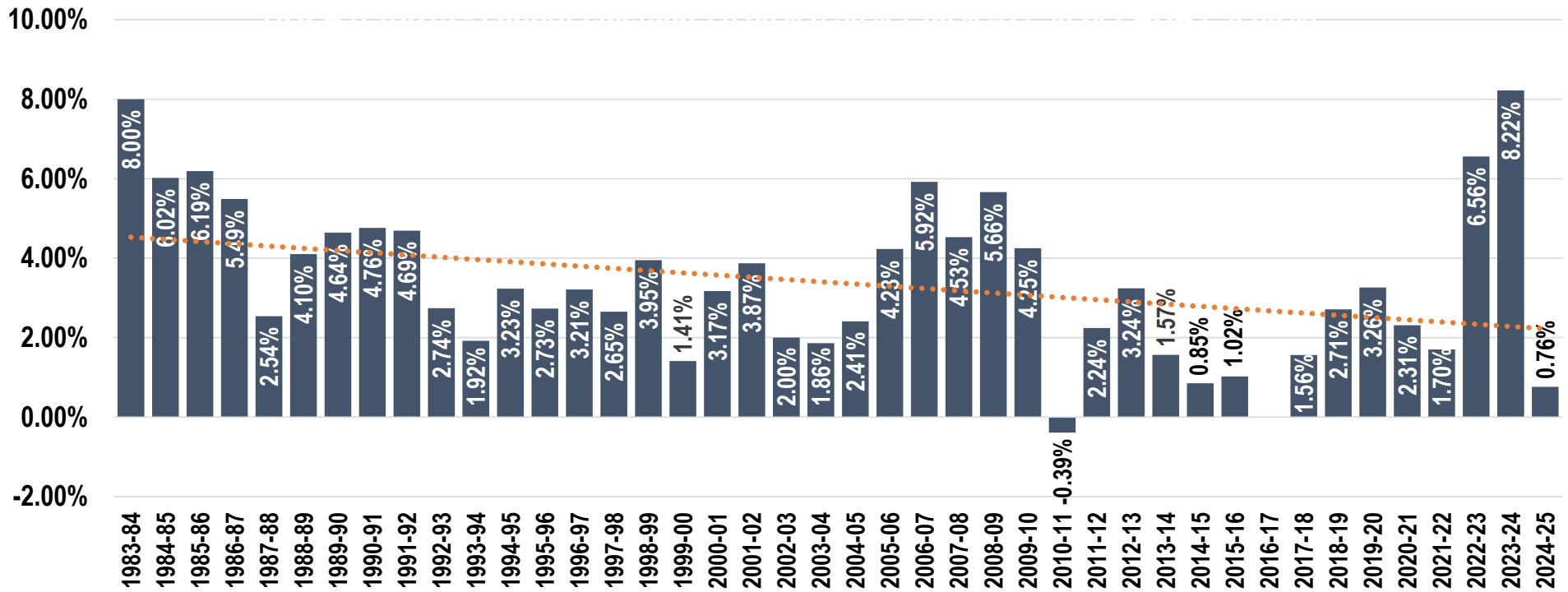
- As we have noted before, General Fund revenues rely heavily on California's top earners
- Even with the downward adjustments, Proposition 98 continues an upward overall trend





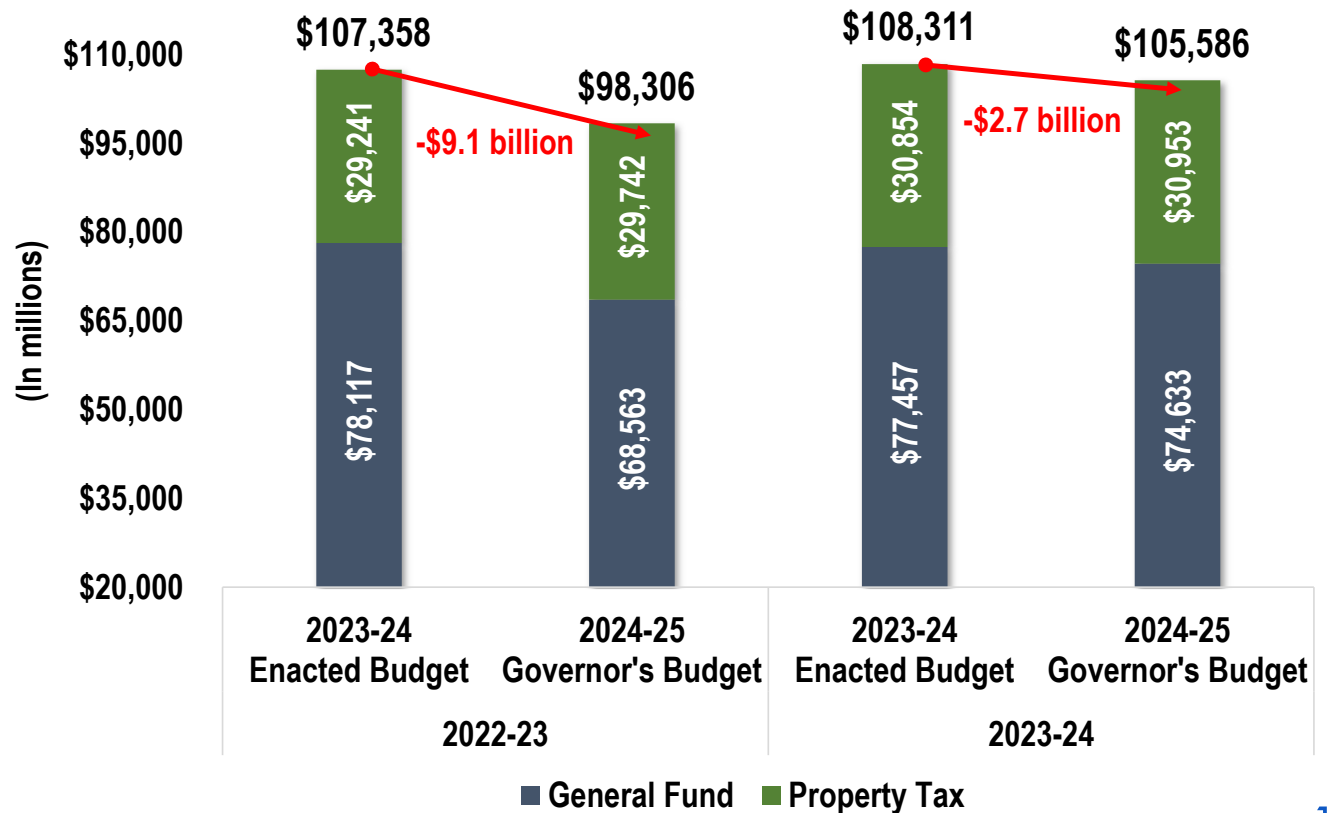
# Historical Statutory COLAs

- The statutory COLA for 2024-25 feels anomalous relative to the last two years, but when looking back, COLA is beginning to normalize to historical trends—COLAs above 6% are the anomalies

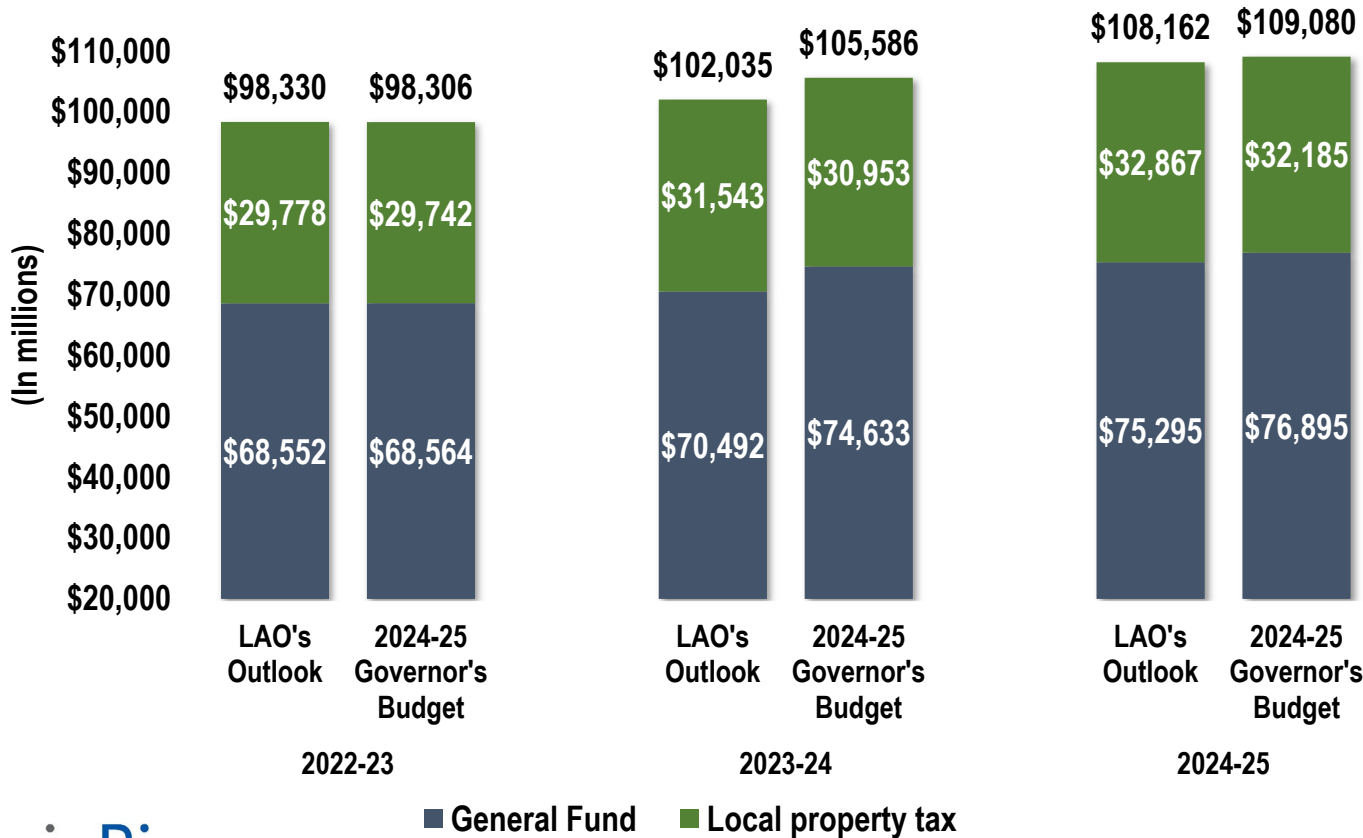


# Proposition 98—2022-23 and 2023-24

- The Governor's Budget adjusts the prior- and current-year Proposition 98 levels from 2023-24 Enacted Budget levels
  - 2022-23: -8.4%
  - 2023-24: -2.5%
- The sole driver of the change is less-than-expected state General Fund revenues
  - Local property tax assumptions are relatively unchanged



# Proposition 98—Governor's Budget vs. LAO's Outlook



- There is a \$4.5 billion difference in the minimum guarantee between the LAO's Outlook and the Governor's Budget for the current and budget year
  - 2023-24: \$3.6 billion
  - 2024-25: \$0.9 billion
- Again, the driver is a \$15.3 billion difference in state General Fund revenue assumptions
  - The LAO assumes modestly higher local property taxes

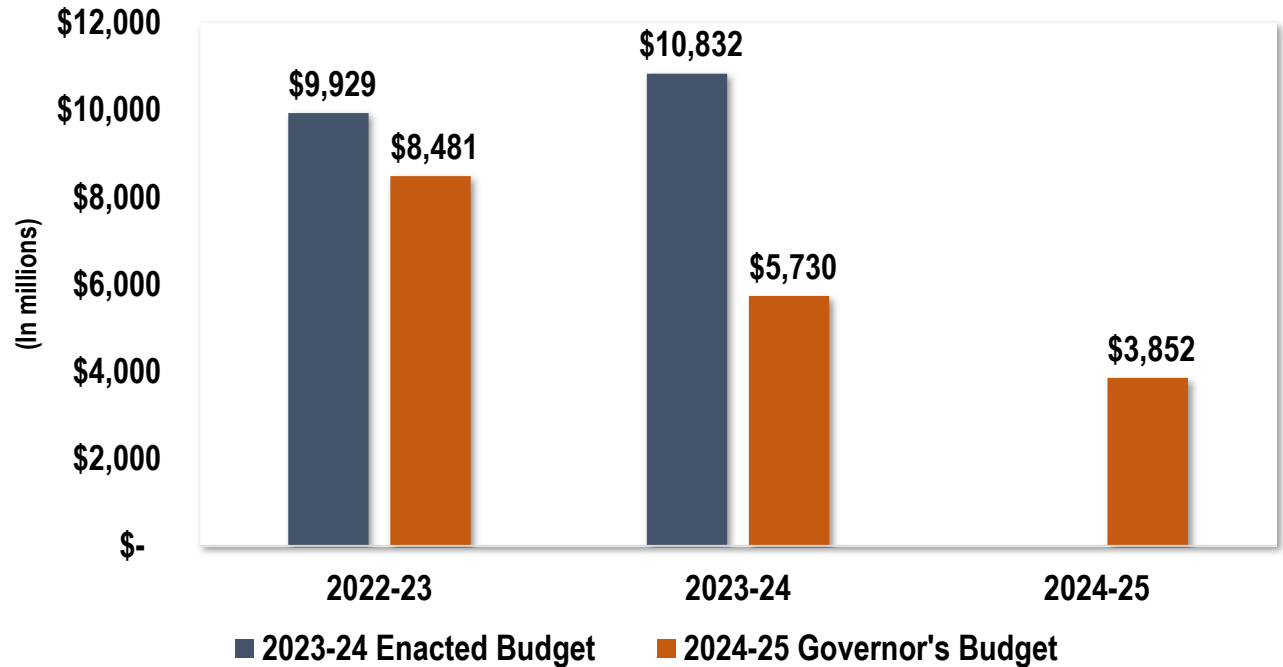
# Proposition 98 Reserve

- California's Constitution determines deposits into and withdrawals from the Proposition 98 reserve
- The proposed withdrawals are discretionary and require the declaration of a budget emergency

**Deposits and Withdrawals**  
(In millions)

Fiscal Year	2023-24 Enacted Budget	2024-25 Governor's Budget
<b>Deposits</b>		
2022-23	\$1,787	\$339
2023-24	\$903	\$288
2024-25	-	\$752
<b>Withdrawals</b>		
2022-23	-	-
2023-24	-	\$3,039
2024-25	-	\$2,630

**Proposition 98 Reserve Account Balance**





# Risks in the Budget

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- Some good in the budget:
  - No Proposition 98 proposed cuts
  - No deferred payments
  - No sweeping of funds from other programs
- But there are risks:
  - General Fund Condition
    - There are conditions that create volatility and vulnerabilities for state revenues pose risks for education funding such as economic shocks and Wall Street performance
  - COLA
    - 2024-25 COLA of 0.76% assumes no increases in the costs of goods and services governments buy in the last quarter of 2023 and the first quarter of 2024 (not likely)
    - If COLA increases by May, it will exacerbate the Proposition 98 deficit
  - Proposition 98 Deficit
    - Spending beyond the means of Proposition 98 in the short-term creates risk for the out-years

# LCFF Overview

- The Governor's Budget once again relies on one-time funding to meet the ongoing obligation to the Local Control Funding Formula (LCFF)
  - Of the proposed \$5.7 billion PSSSA withdrawals across the current and budget year, \$5.0 billion is proposed to be allocated for the purposes of supporting the LCFF

## 2023-24 Enacted Budget



2023-24

## 2024-25 Governor's Budget



2023-24



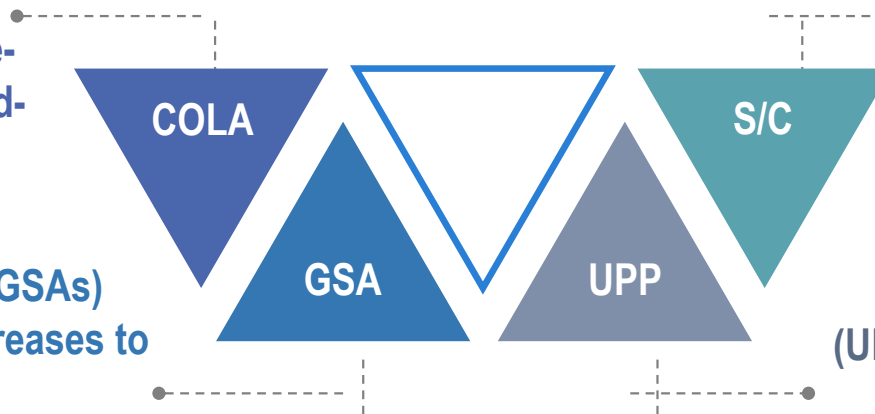
2024-25

# 2024-25 LCFF Funding Factors

0.76% estimated statutory COLA applied to the base grants and transitional kindergarten (TK) and home-to-school transportation additions

Grade span adjustments (GSAs) applied as percentage increases to the base grants

- Grades TK-3—10.4%
- Grades 9-12—2.6%



Supplemental and concentration (S/C) grants calculated based on the UPP

Unduplicated pupil percentage (UPP)—LEA's enrolled students who are English learners, free or reduced-price meal program eligible, or foster youth

NOTE – State Categorical Programs Receiving COLA include: Child Nutrition, Mandate Block Grant, SPED, Youth in Foster Care

# Fluctuating Statutory COLAs

- The changing statutory COLA is NOT related to the state's financial health
  - Rather, the statutory COLA is computed using federally aggregated metrics
- The statutory COLA is a calculated percentage, but the Governor and Legislature must still determine whether there is sufficient money to fund the statutory COLA
- The significant projected decline in 2024-25 is the result of two primary factors:
  - Reversal in price increases that occurred in 2022
  - Revisions to historical data points

	2024-25	2025-26	2026-27
<b>January 2024</b>	<b>0.76%</b>	<b>2.73%</b>	<b>3.11%</b>
<b>June 2023</b>	<b>3.94%</b>	<b>3.29%</b>	<b>3.19%</b>
<b>Percentage Point Decrease</b>	<b>-3.18</b>	<b>-0.56</b>	<b>-0.08</b>



# Impact of COVID-19 Protections on MYPs



## COVID-19 Funding

- More than \$26 billion of federal, one-time funding was invested from 2019-20 through 2024-25
- Final tranche of ESSER is approximately \$14 billion and must be fully obligated by September 30, 2024



## ADA Protections

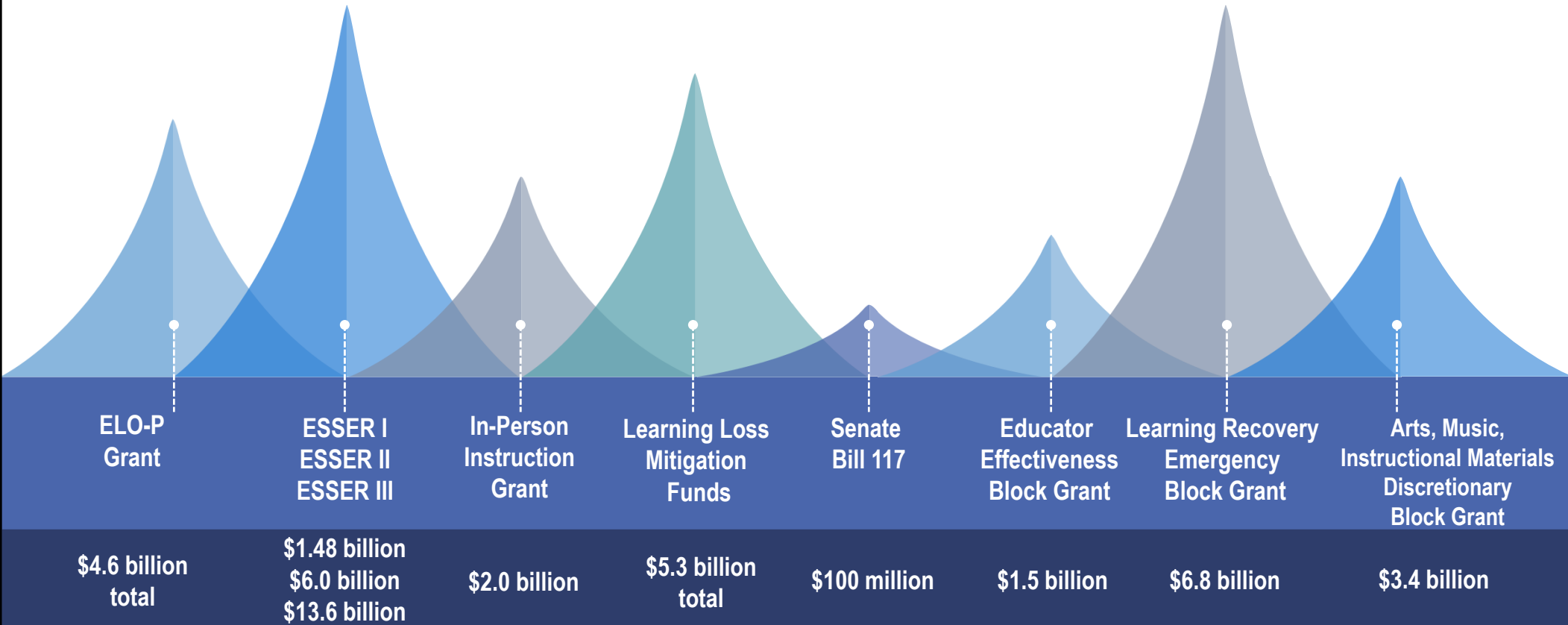
- Adjustments to reported 2021-22 ADA using 2019-20 attendance yields resulted in a one-time bump to funded ADA
- Inclusion of the option to use the average of three prior years' reported ADA to determine current-year funded ADA



## Healthy Reserves

- The infusion of one-time funding, plus the abeyance of declining enrollment and suppressed attendance yields have allowed LEAs to weather the COVID-19 pandemic with minimal disruptions
- In fact, many LEAs were able to add staff and programs

# One-Time Funds





**TwinRivers**  
UNIFIED SCHOOL DISTRICT

**Impact to  
TRUSD's Budget**

# SSC Financial Projection Dashboard

Planning Factors						
		2023-24	2024-25	2025-26	2026-27	2027-28
DOF <sup>1</sup> Planning COLA		8.22%	0.76%	2.73%	3.11%	3.17%
California CPI		3.36%	2.83%	2.70%	2.72%	2.72%
CalSTRS <sup>2</sup> Employer Rate		19.10%	19.10%	19.10%	19.10%	19.10%
CalPERS <sup>3</sup> Employer Rate		26.68%	27.80%	28.50%	28.90%	30.30%
Unemployment Insurance		0.05%	0.05%	0.05%	0.05%	0.05%
California Lottery	Unrestricted per ADA	\$177.00	\$177.00	\$177.00	\$177.00	\$177.00
	Restricted per ADA	\$72.00	\$72.00	\$72.00	\$72.00	\$72.00
Mandate Block Grant (District) <sup>4</sup>	Grades K-8 per ADA	\$37.81	\$38.10	\$39.14	\$40.36	\$41.64
	Grades 9-12 per ADA	\$72.84	\$73.39	\$75.39	\$77.73	\$80.19
Mandate Block Grant (Charter)	Grades K-8 per ADA	\$19.85	\$20.00	\$20.55	\$21.19	\$21.86
	Grades 9-12 per ADA	\$55.17	\$55.59	\$57.11	\$58.89	\$60.76

<sup>1</sup>Department of Finance <sup>2</sup>California State Teachers' Retirement System, <sup>3</sup>California Public Employees' Retirement System, <sup>4</sup>COE Mandate Block Grant: \$38.10 per ADA grades K-8; \$73.39 per ADA grades 9-12; \$1.28 per unit of countywide ADA



The School Services of California Inc. (SSC) Dartboard is available in the workshop resources and on SSC's [website](#)

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# 2024-25 LCFF Funding Factors

Grade Span	TK-3	4-6	7-8	9-12
2023-24 Base Grant per ADA <sup>1</sup>	\$9,919	\$10,069	\$10,367	\$12,015
0.76% COLA	\$75	\$77	\$79	\$91
2024-25 Base Grant per ADA	\$9,994	\$10,146	\$10,446	\$12,106
GSA	\$1,039	–	–	\$315
2024-25 Adjusted Base Grant per ADA	\$11,033	\$10,146	\$10,446	\$12,421
20% Supplemental Grant per ADA <sup>2</sup>	\$2,207	\$2,029	\$2,089	\$2,484
65% Concentration Grant per ADA <sup>3</sup>	\$3,227	\$2,968	\$3,055	\$3,633
<b>TK Add-On (inclusive of COLA)</b>	<b>\$3,067</b>	<b>–</b>	<b>–</b>	<b>–</b>

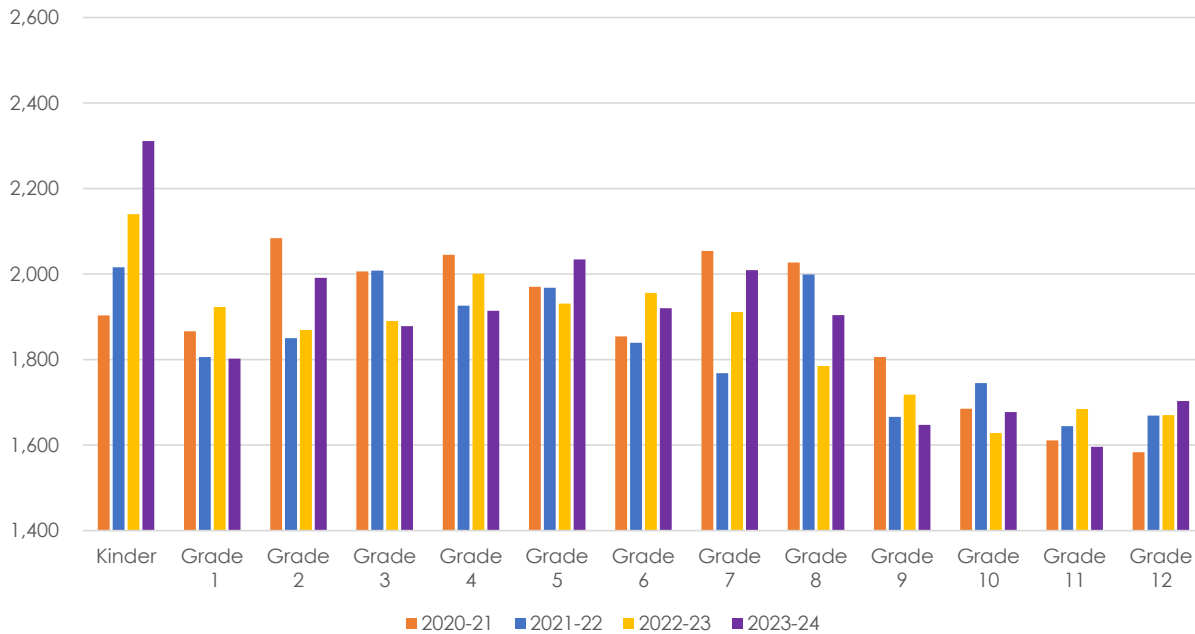
<sup>1</sup>Average daily attendance

<sup>2</sup>Maximum amount per ADA—to arrive at LEA's grant amount, multiply adjusted base grant per ADA by 20% and UPP

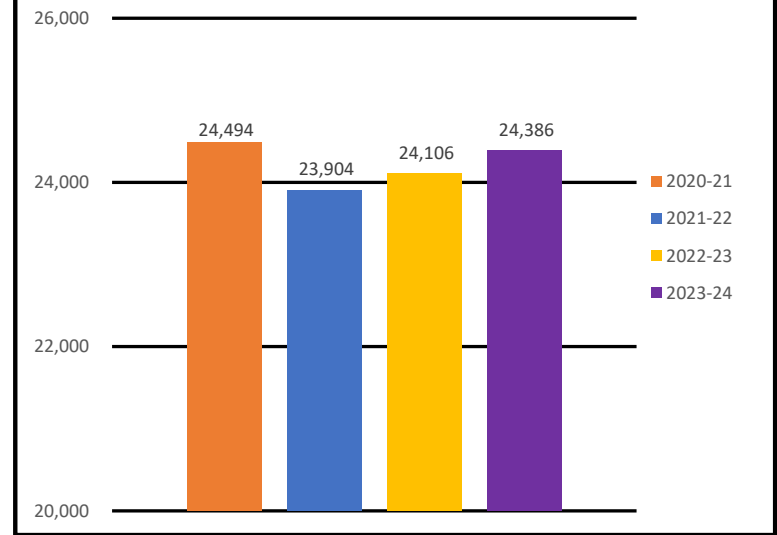
<sup>3</sup>Maximum amount per ADA—to arrive at LEA's grant amount, multiply adjusted base grant per ADA by 65% and UPP above 55%

# Student Change – By Grade

Twin Rivers Unified School District Enrollment by Grade



Twin Rivers Unified School District  
Total Enrollment

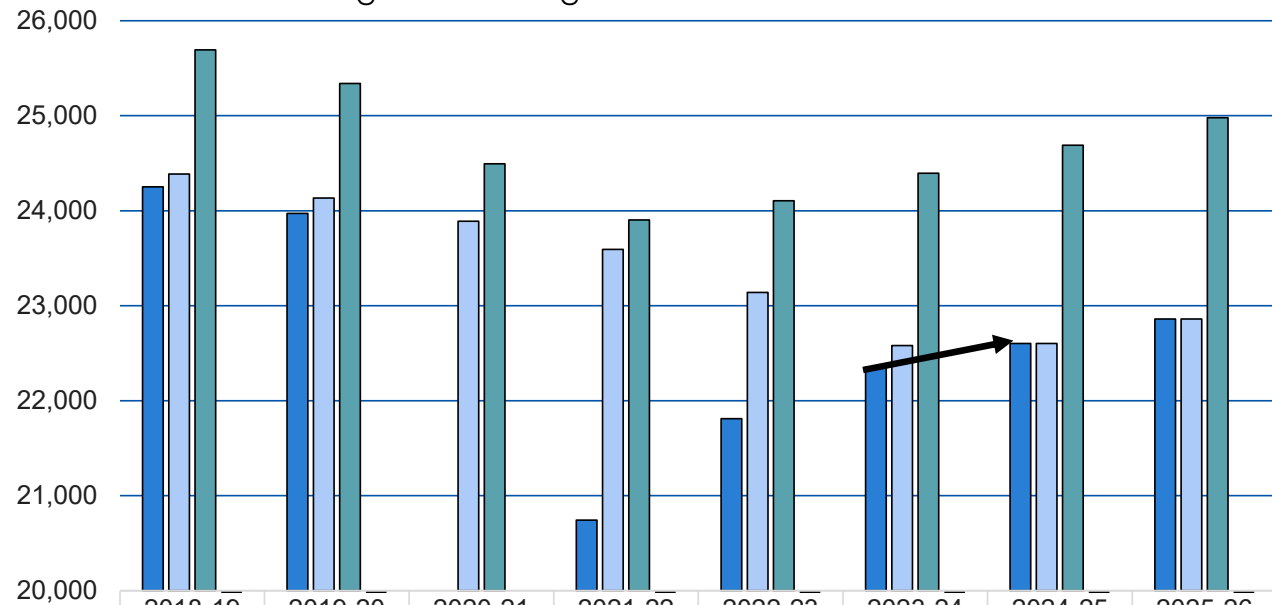


**2023-24 growth is due to the additional months added for TK students and housing development in Northlake area.**



# LCFF “Funded” ADA vs P2 ADA (Includes Charters)

Actual ADA for 2024-25 is projected to be the same as the “funded” ADA;  
not using the declining enrollment calculation.



	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Actuals	2023-24 Projected	2024-25 Projected	2025-26 Projected
■ P-2 ADA (Not Including SCOE)	24,252	23,973	N/A	20,742	21,811	22,355	22,603	22,861
□ LCFF ADA (Not Including SCOE)	24,387	24,135	23,891	23,593	23,140	22,581	22,603	22,861
■ Enrollment (CalPADS date)	25,694	25,339	24,494	23,904	24,106	24,396	24,689	24,979
Attendance Yield	94.4%	94.6%	N/A	86.8%	90.5%	91.6%	91.6%	91.6%

# Revenue Change

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- 2024-25 LCFF revenue decrease of \$1.7 million compared to the multiyear projections on the 2023-24 First Interim
  - COLA decrease from 1.29% to 0.76%
- The following programs will also receive a 0.76% COLA increase:
  - Special Education
  - Mandate Block Grant
  - Equity Multiplier
  - Home-to-School Transportation

# Revenue Sources

## 2023-24 First Interim

LCFF Base	LCFF S/C	Federal	State	Local & Other
<ul style="list-style-type: none"> <li>Salaries</li> <li>Statutory taxes</li> <li>Health benefits</li> <li>Retiree health benefits</li> <li>Department budgets</li> <li>School budgets</li> <li>Instructional Materials</li> <li>Utilities</li> <li>Property and Liability Insurance</li> <li>PARS Early Retirement Payment</li> <li>Routine Restricted Maintenance</li> <li>Special Education</li> </ul>	<ul style="list-style-type: none"> <li>Supplemental/ Concentration LCAP actions and services</li> <li>Visual and Performing Arts</li> <li>Activities Directors</li> <li>Additional Counselors</li> <li>Additional Vice Principals</li> <li>Student Engagement</li> <li>PBIS</li> <li>Facilities/ Custodians</li> <li>Class Size Reduction</li> <li>Yard and Duty</li> <li>Career and Technical Education</li> <li>English Learner Program</li> <li>And more</li> </ul>	<ul style="list-style-type: none"> <li>Title I, Part A, Basic</li> <li>Title I, CSI Program Improvement</li> <li>Special Education</li> <li>Title II, Education Quality</li> <li>Title III English Learner Program</li> <li>Title IV – Student Support &amp; Academic Enrichment</li> <li>Career and Technical Education</li> <li>ARP – ESSER III</li> <li>Other Federal Programs</li> </ul>	<ul style="list-style-type: none"> <li>Special Education</li> <li>CalSTRS</li> <li>Expanded Learning Opportunity Program</li> <li>After School Education and Safety</li> <li>Mandated Cost</li> <li>Lottery</li> <li>Transportation</li> <li>Career and Technical Education</li> <li>Art and Music in Schools</li> <li>Educator Effectiveness Block Grant</li> <li>Art, Music and Instructional Materials Block Grant</li> <li>Clean Mobility in Schools</li> <li>Other State Programs</li> </ul>	<ul style="list-style-type: none"> <li>Transfers In (Indirect from other funds)</li> <li>Interest</li> <li>Oversight Charter Fees</li> <li>CalShape</li> <li>Other Local Revenue</li> </ul>
<b>\$263.1 million</b>	<b>\$101.4 million</b>	<b>\$79.1 million</b>	<b>\$109.6 million</b>	<b>\$15.1 million</b>

# Board Approved Salary Increases

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- 2022-23 10% on salary schedule
- 2023-24 5% on salary schedule
- 2024-25 3% on salary schedule
- 2025-26 Negotiations have not occurred yet
- Total of all negotiated increases for all funds over the four years = **\$55.7 million**

# Certificated Salary Comparison

Twin Rivers Unified School District  
 Certificated Salary Schedule Benchmarks - 2023-2024 as of 12/5/23

TRUSD Included Master Stipend and Longevity Increments in cells BA 60 and Above

Comparison Districts	Contract Days	BA Step 1	RANK	BA-45 Step 5	RANK	BA-60 Step 10	RANK	BA-75 Step 15	RANK	Schedule Max	RANK
<a href="#">TRUSD 23-24 10%</a>	186.0	59,128	2	66,242	4	85,628	4	106,530	1	117,265	4
<a href="#">Elk Grove Unified 23-24 0%</a>	184.0	54,010	8	62,052	11	77,387	10	91,610	10	112,313	7
<a href="#">Folsom-Cordova 23-24</a>	184.0	53,694	9	64,030	7	80,232	9	98,700	6	109,743	9
<a href="#">Natomas Unified 23-24 5%</a>	183.5	56,979	4	63,442	8	80,925	8	93,653	9	117,235	5
<a href="#">Sacramento City Unified 22-24 10%</a>	184.0	55,810	6	64,973	6	81,025	7	101,042	4	117,431	3
<a href="#">San Juan Unified 23-24 1%</a>	186.0	52,217	11	62,216	9	88,602	3	94,435	8	111,100	8
<a href="#">Woodland Joint Unified 23-24 4%</a>	186.0	53,155	10	62,075	10	75,690	11	88,219	11	108,398	10
<a href="#">Marysville Joint Unified 23-24 7%</a>	183.0	61,463	1	69,361	1	88,616	2	101,258	3	132,939	1
<a href="#">Yuba City Unified 22-23 11.5%, 23-24 cor</a>	186.0	58,633	3	67,841	2	89,104	1	102,860	2	121,183	2
<a href="#">Lodi Unified 22-23 3.26%</a>	185.0	55,196	7	67,313	3	82,779	6	98,288	7	115,102	6
<a href="#">Stockton Unified 22-23 4%</a>	187.0	56,429	5	65,203	5	85,264	5	99,560	5	106,924	11

# Increased Cost Step/Column

## Unrestricted General Fund

Increase in salaries	2024-25 Step/Column	2024-25 Unrestricted	2024-25 less subs & stipends	2024-25 Net Unrestricted Salary	Increase x Salary
Certificated	1.20%	\$134,063,399	\$ 6,000,000	\$128,063,399	\$ 1,536,761
Classified	2.20%	\$ 46,742,773	\$ 200,000	\$ 46,542,773	\$ 1,023,941
Statutory Benefits (no health)					\$ 718,738
Total		\$180,806,172			\$ 3,279,440

**Rounded Total \$3,300,000**



## Increased Cost Contribution to Restricted

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- Routine Restricted Maintenance Account and Special Education (restricted programs) require an additional contribution from unrestricted for step/column increases; \$1.5 million for 2024-25
- Total Step/Column = **\$4.8 million**

# CalSTRS Employer Contribution Rates

- Similar to CalPERS, the Governor does not include any new funding towards CalSTRS relief for LEAs
- SSC recommends that LEAs anticipate a CalSTRS employer contribution rate of 19.10% in 2024-25 based on the latest information available from CalSTRS

Effective Date	CalSTRS Funding Plan Increases	
	Rate	Year-Over-Year change
July 1, 2013	8.25%	No increase since 1986
July 1, 2014	8.88%	0.63%
July 1, 2015	10.73%	1.85%
July 1, 2016	12.58%	1.85%
July 1, 2017	14.43%	1.85%
July 1, 2018	16.28%	1.85%
July 1, 2019	17.10%	0.82%
July 1, 2020	16.15%	-0.95%
July 1, 2021	16.92%	0.77%
July 1, 2022	19.10%	2.18%
July 1, 2023	19.10%	0.00%
July 1, 2024	19.10%	0.00%
July 1, 2025	19.10%	0.00%

# CalPERS Employer Contribution Rates

- The Governor did not propose providing CalPERS relief for LEAs
- Based on the latest information from CalPERS, the employer contribution rate for 2024-25 would increase from the current rate of 26.68% to 27.80%

	Actual	Projected				
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Employer Contribution Rate</b>	<b>26.68%</b>	<b>27.80%</b>	<b>28.50%</b>	<b>28.90%</b>	<b>30.30%</b>	<b>30.10%</b>

# Increased Cost STRS & PERS

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## Unrestricted General Fund

Increase in STRS/PERS	2023-24 Rate	2024-25 Proposed Rate	Change	2024-25 Unrestricted Salary	Increase x Salary
STRS	19.10%	19.10%	0.00%	\$134,063,399	\$ 0
PERS	26.68%	27.80%	1.12%	\$ 46,742,773	\$ 523,519
Total				\$180,806,172	\$ 523,519

**Rounded Total \$525,000**

# Cap on District Reserves

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- When the State's education rainy day fund reserve fund balance is at least 3% of the K-12 minimum guarantee, caps on local school district reserves are triggered.
- The cap on District Reserves goes into effect the following year.
- The reserve fund was at least 3% for 2022-23, thus the 2023-24 school district reserves are capped at 10%.
- The 2023-24 reserve fund balance is projected to be above the 3%; 10% cap remains operative in 2024-25.
- TRUSD will utilize BP3100 Budget and commit reserves as needed for specific purposes by a Resolution adopted by the Board.

# COVID Funds

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- No COVID funds are available after 09/30/2024
- One-time discretionary block grant funds are available through 06/30/2026
- One-time Learning Recovery Emergency Block Grant funds are available through 06/30/2028
- The \$13.5 million of positions and \$4.4 million in services paid by one-time funds (providing a surplus to unrestricted funds) will require a new funding source or end 06/30/2026 for half of the items and the other half a year later (06/30/2027).



# COVID Funds

Funding Source	Allocation	Deadline for Use	As of January 15, 2024		
			Spent	Encumbered	Remaining
LLM - CRF	\$ 28,635,940	5/31/2021	\$ 28,635,940	\$ -	\$ -
LLM - Prop 98	\$ 2,436,763	6/30/2021	\$ 2,436,763	\$ -	\$ -
LLM - GEER	\$ 1,822,104	9/30/2022	\$ 1,822,104	\$ -	\$ -
CARES - ESSER	\$ 12,459,391	9/30/2022	\$ 12,459,391	\$ -	\$ -
CRRSA - ESSER II	\$ 54,275,987	9/30/2023	\$ 54,275,987	\$ -	\$ -
IPI Grant	\$ 10,980,373	9/30/2024	\$ 10,980,373	\$ -	\$ -
ELO Grant	\$ 18,523,845	9/30/2024	\$ 17,326,732	\$ 867,225	\$ 329,888
ELO Grant - Paraprofessionals	\$ 1,986,317	9/30/2024	\$ 1,986,317	\$ -	\$ -
ARP - ESSER III	\$ 97,607,378	9/30/2024	\$ 72,333,229	\$ 17,696,513	\$ 7,577,636
ARP - ESSER III Learning Loss	\$ 24,401,845	9/30/2024	\$ 16,474,733	\$ 4,853,670	\$ 3,073,442
SB 117	\$ 418,174	no end date	\$ 418,174	\$ -	\$ -



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# The Road Ahead and Next Steps

# The Road Ahead

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- Despite a multibillion-dollar budget deficit, the Governor is calling for limited early action on issue areas not affecting education
- The next steps in the process are controlled by the Legislature, which has the responsibility to vet the Governor's proposals during budget hearings over the next several weeks and months
  - This process coincides with the release of further details on the Governor's Budget proposals, included in trailer bill language, which is usually released at the beginning of February
  - The LAO and public also get to weigh in with their feedback and counterproposals
  - This process prepares legislators to respond quickly after the next official State Budget checkpoint—the May Revision (in mid-May)



## Next Steps in Budget Development for 2024-25

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- Finish staffing meetings with the sites and departments
- Update the multi-year projections (2023-24 Second Interim Report) to include the key items from The Governor's January Budget Proposal
- Obtain sites' and departments' detailed budgets
- Incorporation of the LCAP
- Updates from the Governor's May Revise Budget
- 2024-25 TRUSD Adopted Budget (June)





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UNIFIED SCHOOL DISTRICT

**Developing  
the Budget**

# What is a Budget?

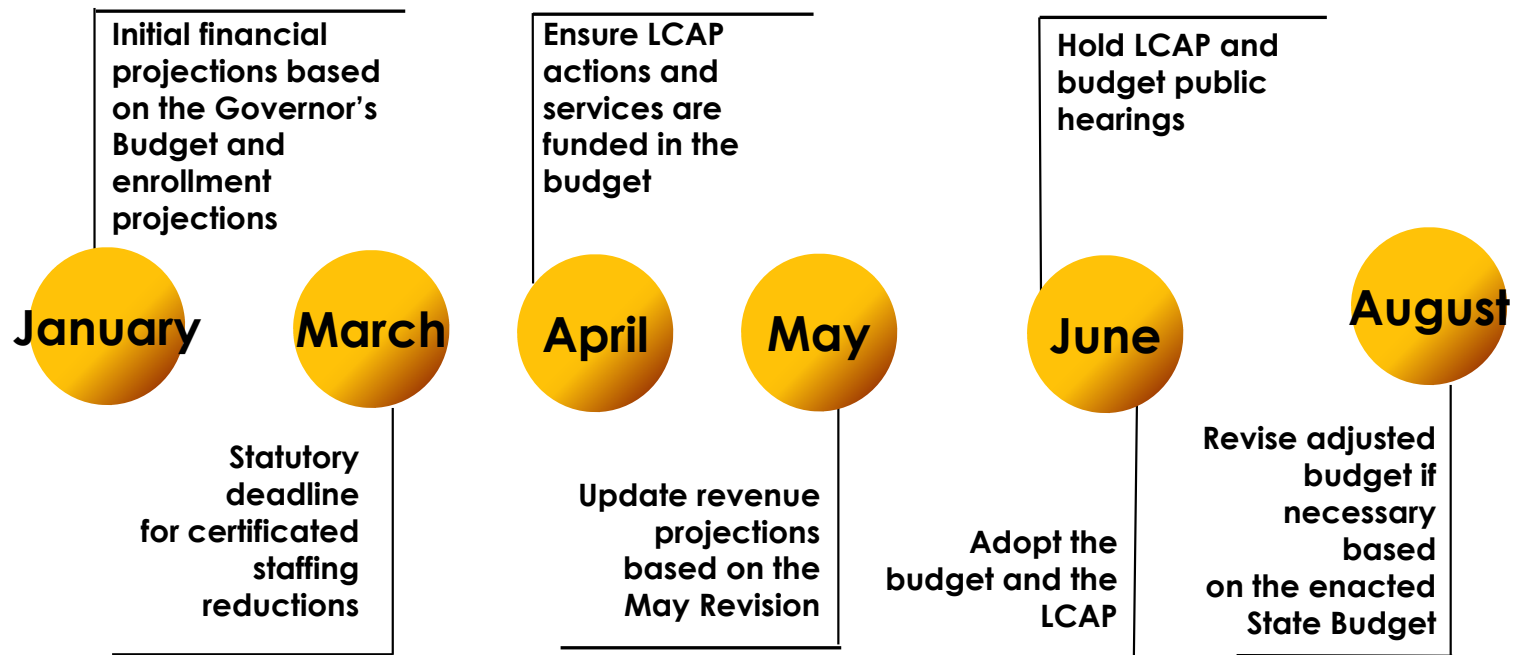
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- In optimum form:
  - A policy document – to reflect the philosophy of the board, the administration, the education community
  - A financial plan – to show where you've been and where you're going
  - An operations guide – to guide administrative decisions and actions throughout the year
  - A communications device – to share with the community the strengths and challenges of the instructional program through integration with the LCAP



# Budget Development

- Budget development can vary significantly from district to district, but would include critical milestones such as:



# Budget Development

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**TRUSD's Budget Development  
Calendar**

Refer to handout in  
**Appendix  
A**



# Budget Development

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- For each budget development and revision
  - Revenue assumptions
    - Initially based on the Governor's Budget
      - Then updated with each revision of the State Budget
  - Expenditure assumptions
    - Staffing levels reviewed and updated for current conditions
    - Inflationary increases for supplies and services
    - Additional actions and services from LCAP
    - Scheduled capital outlay or debt service obligations
  - The condition indicated will set the tone for future financial decisions



# Planning, Goal Setting, and Financial Policies

# Overview – Planning, Goal Setting, and Financial Policies

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**Planning and Goal  
Setting**

**Financial  
Policies**

**Local Reserve  
Policy**

# Planning and Goal Setting

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- Starts with the District's vision
  - *An unwavering focus on powerful and engaging learning experiences that prepare students for college, career and life successes*
- Long-term priorities based on vision
  - TRUSD Core Beliefs
- Strategic goals developed from priorities
  - TRUSD Focus Areas ➡ 50/55
    - There is enough money to do anything you need to do
    - But not everything you want to do
    - Wants and needs must be prioritized





# Planning and Goal Setting

---

- Short-term (one year) operational goals to implement strategic goals for next year
  - Each management team member has an annual goal for each of the three Focus Areas
- Instructional priorities and goals embodied in the annual Local Control and Accountability Plan (LCAP)
  - Needs assessment based upon data
  - Input from stakeholders
  - Actions and services year by year for three years
- Ensure actions, services, and goals for the year are included in the budget

# Financial Policies

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- Adopt sound financial policies
  - Balancing the operating budget (BP 3100 & 3460)
  - Issuing and managing debt (BP 3470)
  - Using one-time revenues for one-time purposes (BP 3100)
  - General Fund reserves (BP 3100)
    - Prudent level
  - Contingency Planning (BP 3460)
  - Maintenance and replacement of capital assets (BP 3517 & 7214)
- Budget review and approval should be through the lens of these policies

# Local Reserves Policy

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- Understanding the definition of reserves: key to budget credibility
  - Assigned/unassigned General Fund (01) and Special Reserve for Other Than Capital Outlay Fund (17)
- The Reserve for Economic Uncertainties is the minimum established by the State Board of Education (SBE)
  - Based upon district size ( enrollment ) – TRUSD is 3% of expenditures
  - Remember this is a minimum
    - All districts need to have higher reserves than this SBE minimum
  - TRUSD Board Policy “intent to maintain a minimum unassigned fund balance which includes a reserve for economic uncertainties equal to at least two months of general fund payroll expenditures or 10 percent of general fund expenditures and other operating financing uses”.

# Local Reserves Policy

---

- Reserves higher than the SBE minimum are needed to protect against:
  - Economic downturns and state-level budget cuts
  - Declining enrollment and loss of funding
  - Unplanned expenses (the “broken boiler” scenario)
  - Carryover balances for schools and departments
  - Cash shortages
  - Layoffs and program reductions by providing lead time to make budget adjustments

# Local Reserves Policy

- TRUSD 2023-24 First Interim General Fund reserves:

	Unrestricted	Restricted	Total
<b>Ending Fund Balance Before Reserves</b>	<b><u>\$ 77,709,076</u></b>	<b><u>\$ 67,986,363</u></b>	<b><u>\$ 145,695,439</u></b>
<b>Nonspendable: Revolving Cash and Stores</b>	\$ 1,839,752	\$ -	\$ 1,839,752
<b>Restricted</b>	\$ -	\$ 67,986,363	\$ 67,986,363
<b>Committed</b>	\$ 20,660,502	\$ -	\$ 20,660,502
<b>Assigned</b>	\$ -	\$ -	\$ -
<b>Unassigned: Reserve for Economic Uncertainties</b>	\$ 18,038,956	\$ -	\$ 18,038,956
<b>Unassigned: Reserve above SBE 3%</b>	\$ 37,169,866	\$ -	\$ 37,169,866
<b>Unassigned</b>	\$ -	\$ -	\$ -

9.18%



# Local Reserves Policy

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- It's a delicate balance:
  - Spend today's dollars on today's children
    - But not at the expense of tomorrow's children

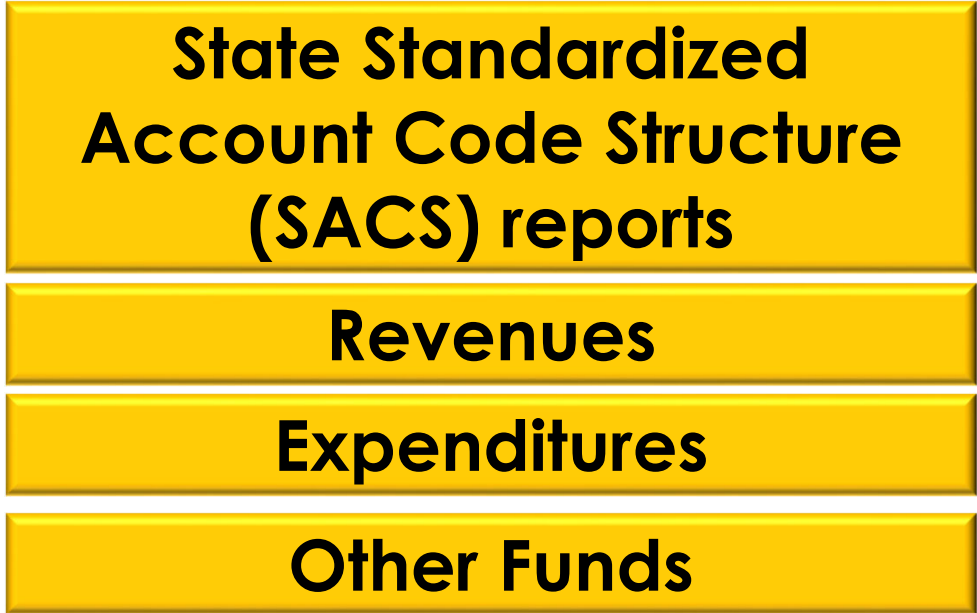




# Understanding California School Finance

# Overview – Understanding California School Finance


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# Meritorious Budget Award

**TwinRivers**  
UNIFIED SCHOOL DISTRICT

OUR MISSION:  
TO INSPIRE EACH STUDENT TO EXTRAORDINARY ACHIEVEMENT EVERY DAY



**2022-2023  
ADOPTED  
BUDGET**

ADOPTED JUNE 21, 2022

FISCAL SERVICES  
5115 DUDLEY BLVD.  
MCCLELLAN, CA 95652  
SACRAMENTO COUNTY  
WWW.TWINRIVERSUSD.ORG



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

This Meritorious Budget Award is presented to

**TWIN RIVERS UNIFIED  
SCHOOL DISTRICT**

for excellence in the preparation and issuance of its budget  
for the Fiscal Year 2022-2023.

The budget adheres to the principles and standards  
of ASBO International's Meritorious Budget Award criteria.



*William A. Sutter*  
William A. Sutter  
President

*David J. Lewis*  
David J. Lewis  
Executive Director

**2023-24  
Adopted Budget  
was submitted to  
ASBO for review  
September 13<sup>th</sup>,  
2023.  
We anticipate a  
response soon.**

## State Standardized Account Code Structure (SACS) reports

---

- Financial reports in the SACS format must be adopted and submitted to the COE at least four times per year:

Report	Period Covered	Due Date
Adopted Budget	New fiscal year	July 1*
First Interim	July 1 – October 31	December 15
Second Interim	July 1 – January 31	March 15
Estimated Actuals	July 1 – June 30	July 1*
Unaudited Actuals	July 1 – June 30	September 15

\*Adopted budget for the next year includes Estimated Actuals for the current year



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# Revenues



# LCFF Entitlement

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- The LCFF was designed to close the achievement gap
  - LCFF components
    - Base grants per pupil by four grade spans – the per pupil amount is the same for all school districts and charter schools
    - Supplemental and concentration grants based on the Unduplicated Pupil Percentage (UPP)
      - UPP is based on three pupil characteristics (English Learner (EL), low income and/or foster youth)
- All funds received through the LCFF are unrestricted

# LCFF Revenue 2023-24 First Interim

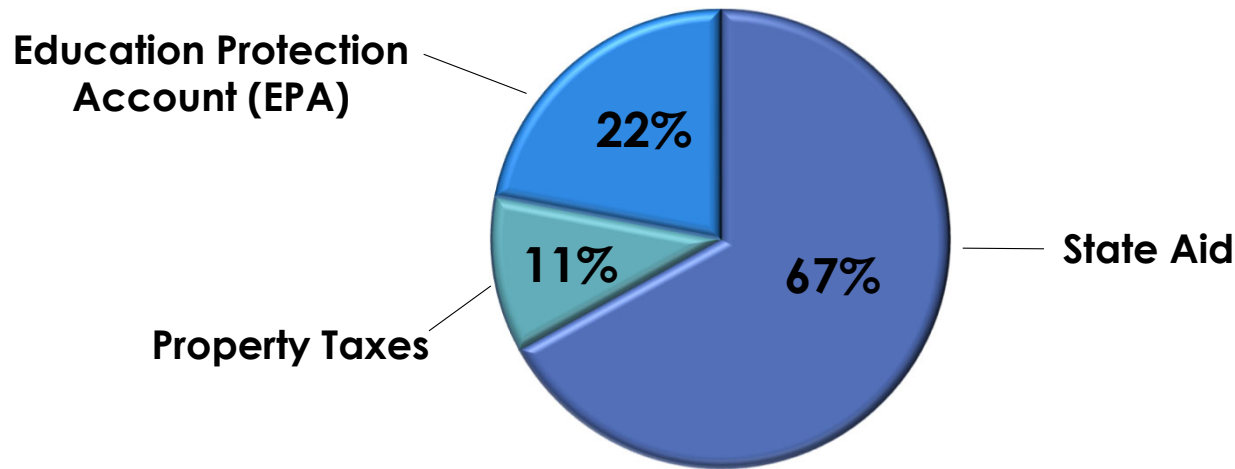
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	Twin Rivers Estimated 2023-24	Creative Connections Estimated 2023-24	Smythe Academy Estimated 2023-24	Westside Prep Charter Estimated 2023-24	Total
2023-24 Estimated LCFF Entitlement	\$331,891,273	\$9,400,083	\$15,929,438	\$5,629,925	\$362,850,719
Base Funding	\$238,509,036	\$7,257,071	\$ 11,273,038	\$4,354,140	\$261,393,285
Supplemental/Concentration	\$ 93,382,237	\$2,143,012	\$ 4,656,400	\$1,275,785	\$101,457,434
Estimated Unduplicated Pupil % (3 year rolling average) (EL, low income and/or foster youth)	90.49%	76.80%	92.42%	76.53%	

# LCFF Entitlement 2023-24 First Interim

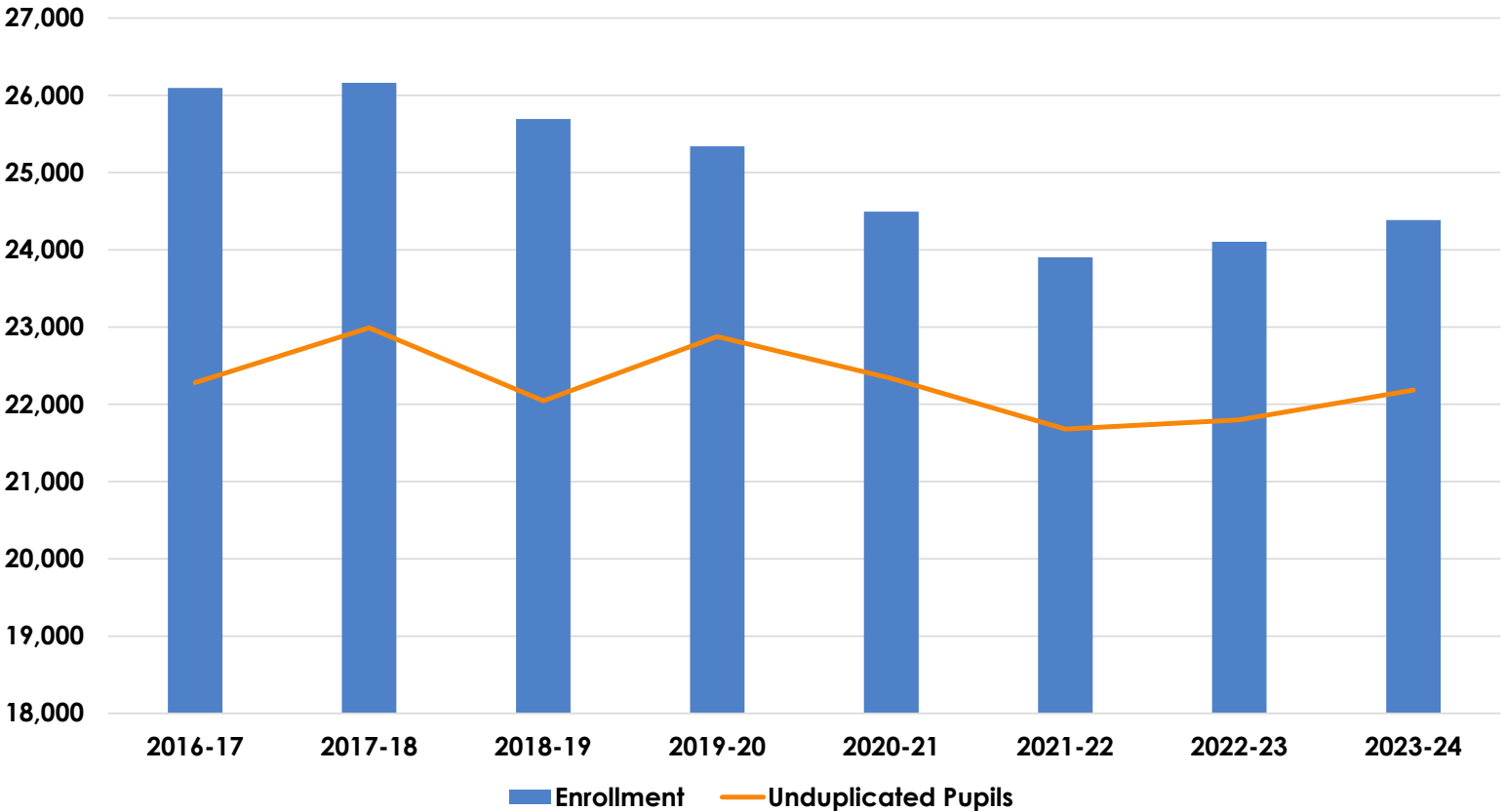
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- LCFF entitlement is made up of three components:



- Exact proportions are unique to each LEA; above is TRUSD 2023-24 First Interim

# Enrollment History



**2023-24  
UPP est.  
90.97%**

# Know Your Revenue Sources

---

- Is the source one time or ongoing?
- Restricted or unrestricted?

	One Time	Ongoing
Restricted	Use <u>first</u>	Use next
Unrestricted	Use if restricted funds are not applicable	Use <u>last</u>

- Supplemental/Concentration funds are for!  
Demonstrate increased or improved actions/services, above the District's base/core programs, "principally directed toward and effective in meeting the District's goals for unduplicated pupils"

# Know Your Revenue Sources

---

## Just Remember Two Major Principles:

1

- Don't use one-time funds to pay for "things that eat"
  - Fund balance dollars are one time

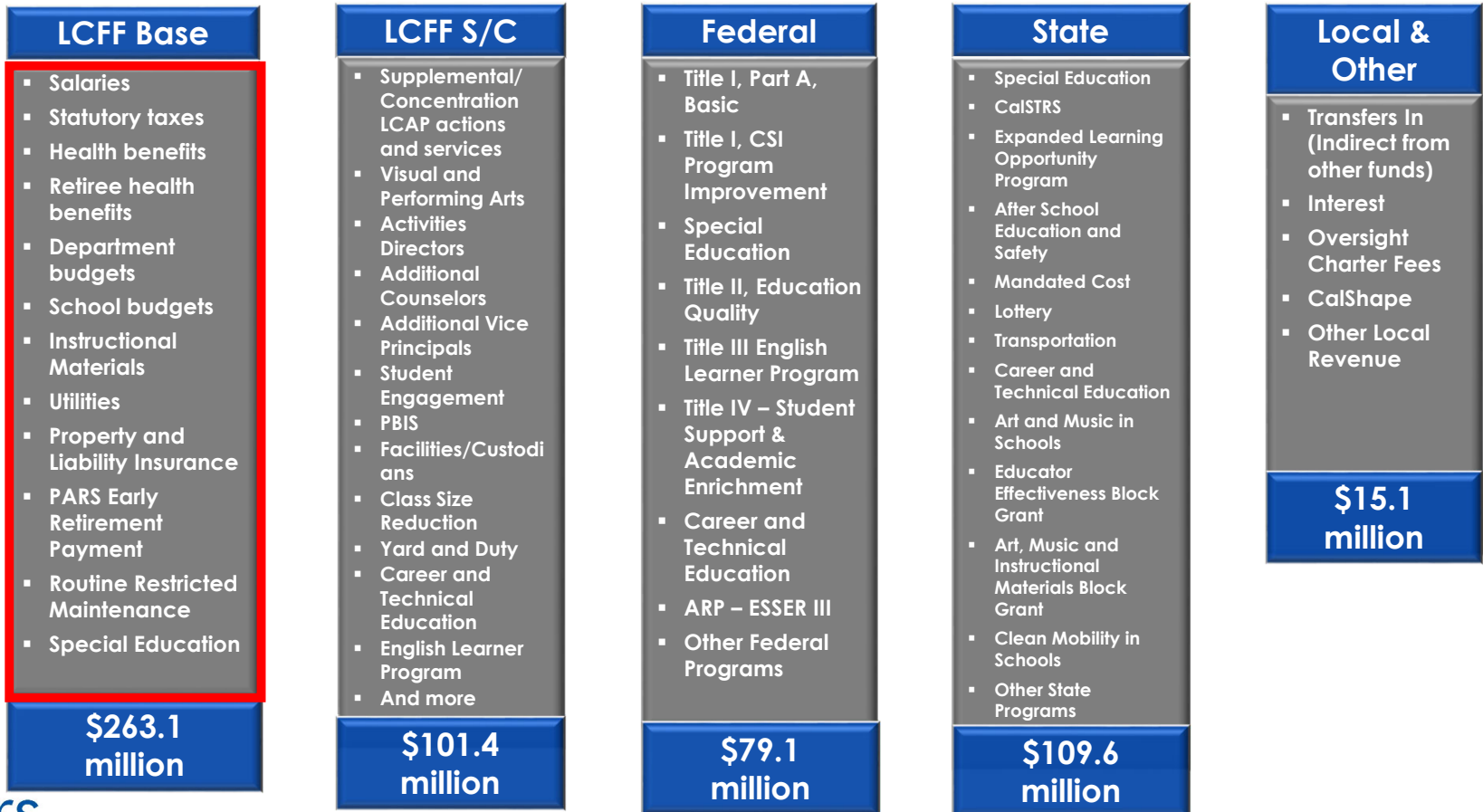
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- Budget restricted dollars first, if they apply



# Revenue Sources

## 2023-24 First Interim



# Revenue History



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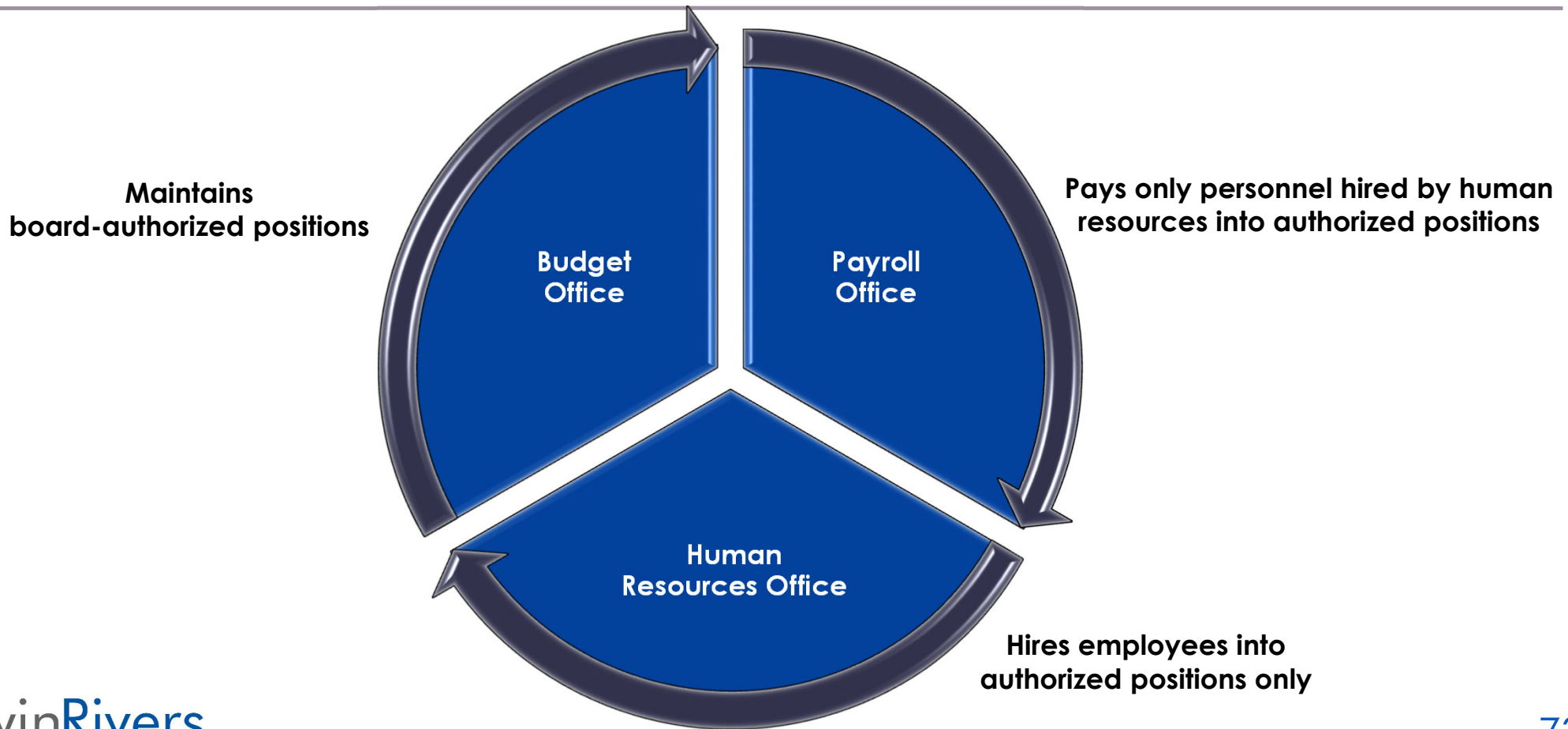
# Expenditures

# Budget Control

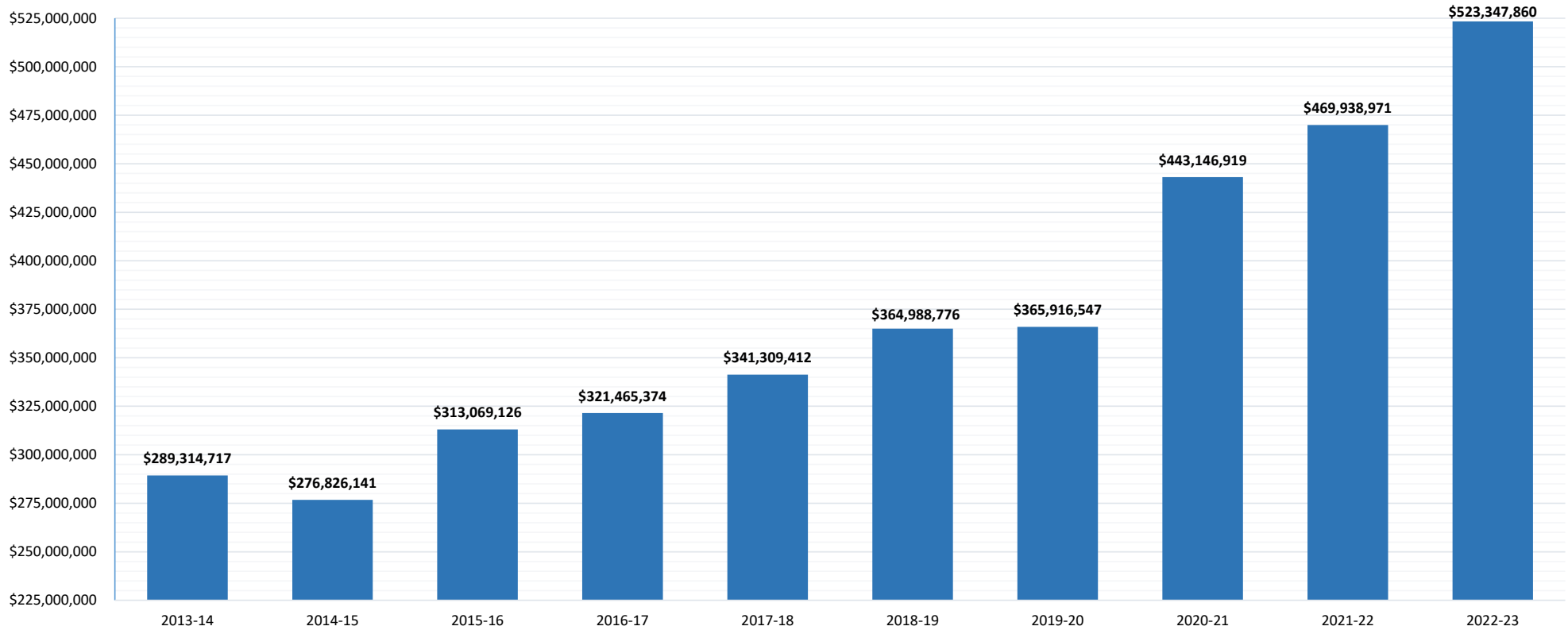
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- Revenues are largely controlled by the state and federal governments, and as such most of a local agency's budget control is on the expenditure side.
  - The board decides how to spend the funds it receives
    - Organizational structure, employee compensation, instructional programs, support services, facilities, etc.
- Over 60% of TRUSD's budget is allocated for personnel
  - Salaries, health benefits, statutory fringe benefits, retiree benefits
  - Mistakes in the staffing budget can cause a fiscal crisis
  - The best way to prevent mishaps is through a fully functioning position control system

# Position Control



# Expenditure History



# Staffing Formulas

---

- Why have staffing formulas?
  - Staffing formulas help to document “core” so that supplemental/concentration and categorical funds can be used to supplement, not supplant
  - Staffing formulas form the standard building blocks for site and department budgets
  - Staffing formulas provide equitable staffing standards across the district
    - And can be used to equitably ratchet back staffing in a fiscal crisis
  - They also play an integral role in controlling personnel costs



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## Other Funds

# Manage a Total Budget, Not Just a General Fund

---

## Funds Other Than the General Fund

- The General Fund is the primary operating fund of a district, but is not the only fund
- Effective management requires an analysis of all funds, all revenues, and all expenses

## TRUSD Other District Funds

- **Special Revenue Funds**
  - Adult Education
  - Cafeteria
  - Child Development
  - Deferred Maintenance
  - Special Reserve (for post employment benefits)
  - Student Activity Fund
- **Capital Projects Funds**
  - Building
  - Capital Facilities (Developer Fees)
  - County School Facility
  - Special Reserve (for capital outlay projects)



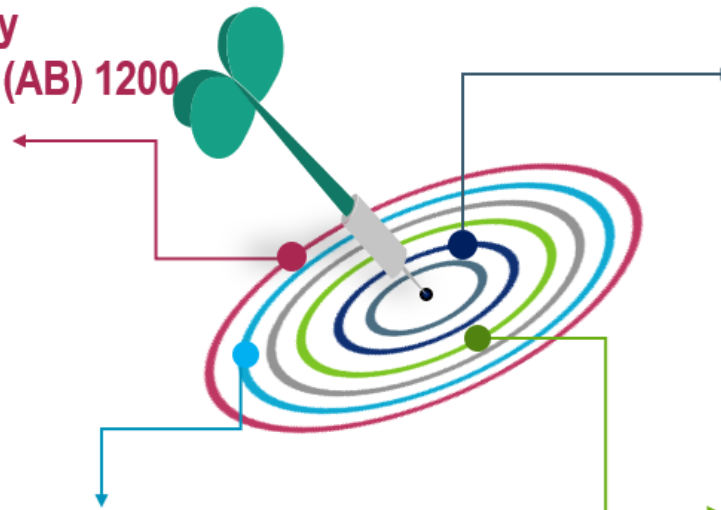
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UNIFIED SCHOOL DISTRICT

# Multiyear Projections

# Multiyear Projections

**Multiyear projections are required by Assembly Bill (AB) 1200 and AB 2756**

**Projections are anchored in reliable information as of the date of the projection**



**Projections will change any time the underlying factors change**

**Projections must be documented, because they will change**

# Multiyear Projections

---

- Since 1992, when Assembly Bill (AB) 1200 was enacted, MYPs have been required by law
  - To be approved, a district budget must demonstrate that it can meet its financial obligations both in the current fiscal year and the subsequent two years
  - Interim reports must meet the same multiyear standards
- Decisions made today affect today and tomorrow
  - So MYPs show the impact of today's decisions on the finances of future years
  - School Services of California and Fiscal Crisis Management Team Strongly recommends taking the MYP seriously given changes in State Funding



# Multiyear Projections

LCFF PLANNING FACTORS					
Factor	2023-24 <sup>1</sup>	2024-25	2025-26	2026-27	2027-28
Department of Finance Statutory COLA	8.22%	0.76%	2.73%	3.11%	3.17%

<sup>1</sup>Also applies to Equity Multiplier, Special Education, Child Nutrition, Youth in Foster Care, Mandate Block Grant, Adults in Correctional Facilities Program, Charter School Facility Grant Program, American Indian Education Centers and the American Indian Early Childhood Education Program.

OTHER PLANNING FACTORS						
Factors		2023-24	2024-25	2025-26	2026-27	2027-28
California CPI		3.36%	2.83%	2.70%	2.72%	2.72%
California Lottery	Unrestricted per ADA	\$177	\$177	\$177	\$177	\$177
	Restricted per ADA	\$72	\$72	\$72	\$72	\$72
Mandate Block Grant (District) <sup>4</sup>	Grades K-8 per ADA	\$37.81	\$38.10	\$39.14	\$40.36	\$41.64
	Grades 9-12 per ADA	\$72.84	\$73.39	\$75.39	\$77.73	\$80.19
Mandate Block Grant (Charter) <sup>4</sup>	Grades K-8 per ADA	\$19.85	\$20.00	\$20.55	\$21.19	\$21.86
	Grades 9-12 per ADA	\$55.17	\$55.59	\$57.11	\$58.89	\$60.76
Interest Rate for Ten-Year Treasuries		4.16%	3.68%	3.50%	3.60%	3.60%
CalSTRS Employer Rate <sup>5</sup>		19.10%	19.10%	19.10%	19.10%	19.10%
CalPERS Employer Rate <sup>5</sup>		26.68%	27.80%	28.50%	28.90%	30.30%
Unemployment Insurance Rate <sup>6</sup>		0.05%	0.05%	0.05%	0.05%	0.05%
Minimum Wage <sup>7</sup>		\$16.00	\$16.50	\$16.90	\$17.30	\$17.70

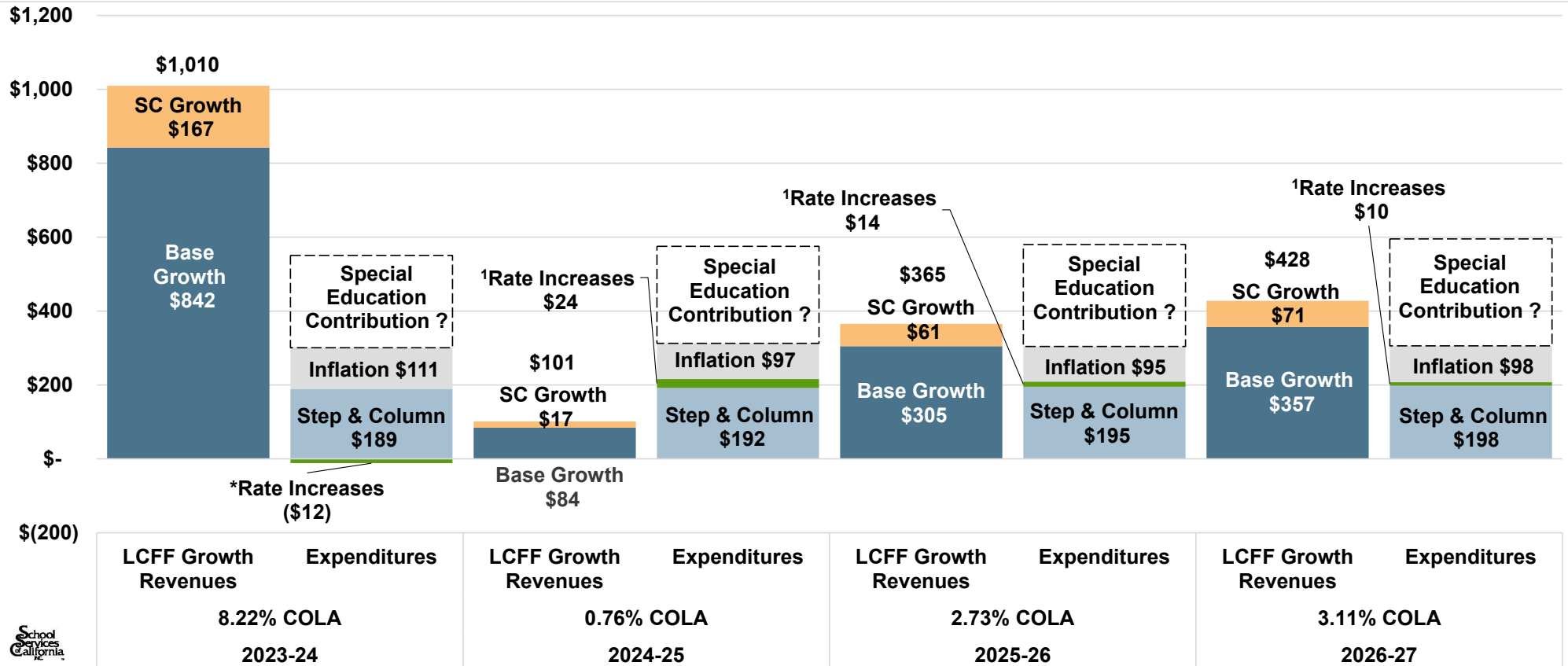
<sup>4</sup>The 2025-26 rate does not factor in the impact of \$25 million for the proposed training to support literacy screenings.

<sup>5</sup>California State Teachers' Retirement System (CalSTRS) and California Public Employees' Retirement System (CalPERS) rates are subject to change based on determination by the respective governing boards.

<sup>6</sup>Unemployment rate in 2023-24 is final, and the subsequent years' rates are subject to actual experience of the pool and will be calculated in accordance with California Unemployment Insurance Code Section 823(b)(2).

<sup>7</sup>Minimum wage rates are effective January 1 of the respective year.

# Cost Pressures on Multiyear Projections



<sup>1</sup>Includes increases to the CalSTRS and CalPERS employer contribution rates as well as any increases to Unemployment Insurance



# Multiyear Projections

---

- Develop expenditure projections to include:
  - Serving changes in pupil enrollment and ADA
  - Changes in the LCAP for program service levels or delivery methods that would affect staffing or purchases
  - Major purchases or projects that would affect capital outlay expenditures
  - Consumer Price Index (CPI) increases on particular expenditure categories
  - Staffing costs: across-the-board pay increases, step and column movement, natural attrition, health benefit cost increases, pension contribution increases

# Multiyear Projections

---

- Determining the components of the ending balance in each year is an important part of the projection process
  - Remember to set aside amounts for:
    - Stores, Revolving Cash, and Prepaid Expense
    - Restricted program ending balances
- The unrestricted reserve balance at this point is important for solvency purposes
  - Set aside a Reserve for Economic Uncertainties
  - Set aside a reserve for revenue volatility
  - Set aside other board-assigned reserves or commitments
- The balance left is the true “bottom line” for each year in the projection model

# Multiyear Projections

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- When the projection has been completed and refined, the district will have:
  - A comprehensive picture of its likely financial future
  - The ability to explore alternate scenarios by assigning alternate values to key variables
- Financial projections can provide a basis for:
  - Measuring the financial impact of major decisions made throughout the year
  - Analyzing the future-year impact of current-year decisions
  - Educating the community and district employees on critical issues
  - The district's long-range financial plan

# Multiyear Projections

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## How to read Multiyear Projections

Refer to handout in

**Appendix  
B**





# Monitoring the District's Budget

# Budget Monitoring

## Budget Calendar

### For Last Year: Close and Audit

AUGUST AND NOVEMBER  
Close, define actuals,  
determine the ending balance

JULY – DECEMBER  
Audit and review

DECEMBER  
Receive audit, evaluate  
management letters

JANUARY – FEBRUARY  
Follow-up on  
management letters

### For This Year: Monitor

JULY  
Adopt and analyze

AUGUST – SEPTEMBER  
Amend and revise

DECEMBER – JANUARY  
Amend, measure, and report  
1st Interim Report

FEBRUARY – APRIL  
Amend, measure, and report  
2nd Interim Report

JULY – SEPTEMBER  
Amend, measure, and analyze

### For Next Year: Developing the Budget

OCTOBER  
Project enrollment, ADA, and revenues

NOVEMBER– DECEMBER  
Identify goals for next year  
and staffing projections

DECEMBER - JANUARY  
Staffing meetings and LCAP Review

FEBRUARY – MARCH  
Conclude staffing levels, incorporate  
LCAP initiatives, program, department,  
and school site budgets

APRIL – JUNE  
Study, update, balance,  
conclude, and adopt



# Budget Monitoring

---

- The budget has been developed and adopted by the board
  - This is just the beginning – work on the budget is year-round
- The budget is a fluid document
  - It can and should be revised on a regular basis
  - Conditions are constantly changing
    - Which can change facts and assumptions used for the budget and MYPs
- Budget revisions are technically accomplished in fiscal services
  - But managing the budget is a districtwide responsibility involving, in one way or another, all staff



# Glossary of Terms

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- **AB** – Assembly Bill
- **ADA** – Average Daily Attendance
- **ARP** – American Rescue Plan
- **B** – Billions
- **BEA** – Bureau of Economic Analysis
- **BLS** – Bureau of Labor Statistics
- **BP** – Board Policy
- **CB** – Core Belief
- **CA** – California
- **CalPADS** – California Longitudinal Pupil Achievement Data System
- **CalPERS** - California Public Employees' Retirement System
- **CalSTRS** - California State Teachers' Retirement System
- **CARES** – Coronavirus Aid, Relief, and Economic Security
- **COE** – County Office of Education
- **COLA** – Cost-of-Living Adjustment
- **COVID** – Coronavirus Disease
- **CPI** – Consumer Price Index
- **CRF** – Coronavirus Relief Fund
- **CSI** – Comprehensive Support and Improvement
- **DIJA** – Dow Jones Industrial Average
- **DOF** – Department of Finance
- **EL** – English Learner
- **ELA** – English Language Arts
- **ELO** – Expanded Learning Opportunities

# Glossary of Terms

---

- **ELO-P** – Expanded Learning Opportunities Program
- **EPA** – Education Protection Account
- **ESSER** – Elementary and Secondary School Emergency Relief
- **GSA** – Grade Span Adjustment
- **IPI** – In-Person Instruction
- **LAO** – Legislative Analyst’s Office
- **LCAP** – Local Control and Accountability Plan
- **LCFF** – Local Control Funding Formula
- **LEA** – Local Educational Agency
- **LLM** – Learning Loss Mitigation
- **MTSS** - Multi-Tiered System of Supports
- **MYP** – Multiyear Projections
- **N/A** – Not Applicable
- **NASDAQ** – National Association of Securities Dealers Automated Quotations
- **P2** – Second Principal Apportionment
- **PARS** - Public Agency Retirement Services
- **PBIS** - Positive Behavioral Interventions and Supports
- **PIT** – Personal Income Tax
- **PERS** – Public Employees Retirement System
- **PSSA** – Public School System Stabilization Account

# Glossary of Terms

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- **S&P**– Standard & Poor's
- **S/C** or **SC** – Supplemental/Concentration
- **SACS** – Standardized Account Code Structure
- **SB** – Senate Bill
- **SBAC** - Smarter Balanced Assessment Consortium
- **SBE** – State Board of Education
- **SCOE** – Sacramento County Office of Education
- **SPED** – Special Education
- **SSC** – School Services of California, Inc.
- **STRS** – State Teachers Retirement System
- **TK** – Transitional Kindergarten
- **TR** – Twin Rivers
- **TRUSD** – Twin Rivers Unified School District
- **UI** – Unemployment Insurance
- **UPP** – Unduplicated Pupil Percentage

## **Appendix A**

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**Twin Rivers USD**

9-19-23 Board meeting

**2024-25 Budget Development Calendar**

		Due Date	Responsible
Sept.	▶ LCAP/Budget Public Input Meeting (2022-23 Unaudited Actuls & updated MYPs)	21-Sep	Instructional Services/Budget
October	▶ Aeries report on CBEDS date (by school, by grade) to Budget	4-Oct	Terrie
	▶ Chris provide CBEDS demographics to Budget	6-Oct	Chris
	▶ LCAP/Budget Public Input Meeting	19-Oct	Instructional Services/Budget
	▶ Review with Executive Cabinet budget items that need their direction to move forward (i.e., school site, department, staffing handbook and LCAP budgets). Exec Cabinet finalize November 6th.	23-Oct	Kate/Heather/ Executive Cabinet
November	▶ Changes to Staffing Handbook for 2024-25 from Executive Cabinet	6-Nov	Executive Cabinet
	▶ Changes to school site, department and program budgets from Executive Cabinet	6-Nov	Executive Cabinet
	▶ 2024-25 enrollment projections (by school, by grade) completed (Nov. 3rd - 9th)	9-Nov	Kate
	▶ Budget to start on school site estimated budgets (done by Dec. 4th)	13-Nov	Budget
	▶ LCAP/Budget Public Input Meeting	16-Nov	Instructional Services/Budget
	▶ Calculate LCFF along with Supplemental/Concentration grants (using 2024-25 enrollment)	17-Nov	Kate
	▶ Provide teacher and school site staffing projections to HR (between 20th - 27th)	27-Nov	Kate
December	▶ DELAC review projected Title III allocations	December	Jisel/Heather
	▶ School site budget (est.) allocations completed (along with current position control with 4% step/column increase + 3% Cert. & 3% Class cost and the costs of annual routine expenditures (i.e., copiers))	4-Dec	Budget
	▶ School site budget (est.) allocation sent to Principals	5-Dec	Leslie
	▶ Unrestricted staffing projections to Principals from HR (teacher staffing spreadsheet and classified allocation changes)	8-Dec	HR
	▶ Budget populate Title I (est.) allocations into the school sites 2024-25 SPSA	8-Dec	Heather
	▶ Staffing Meetings for 2024-25 Elementary & Various Depts.	18-26 Jan	HR/IS/Budget/ Principals
January	▶ LCAP Annual Review - Various Stakeholders	January	Travis
	▶ LCAP/Budget Public Input Meeting (2023-24 First Interim with 2024-25 MYP)	18-Jan	Instructional Services/Budget
	▶ Staffing Meetings for 2024-25; Secondary & Various Departments	29 Jan - 2 Feb	HR/IS/Budget/ Principals
	▶ SPSA Needs Assessment approved by SSC for new or continued Title I positions for 2024-25	31-Jan	School Sites
February	▶ Staffing Meetings for 2024-25; Secondary & Various Departments	29 Jan - 2 Feb	HR/IS/Budget/ Principals
	▶ LCAP Annual Review - Various Stakeholders	February	Travis
	▶ Layoff Analysis complete	9-Feb	HR
	▶ LCAP/Budget Public Input Meeting (Governor's 2024-25 proposed budget)	22-Feb	Instructional Services/Budget
	▶ Budget Analysts receive PAPCs from the January HR/Budget/Site staffing meetings (straggler PAPCs by March 6th)	23-Feb	HR
▶ Midyear LCAP update Board Presentation	27-Feb	Travis	
March	▶ March 15 <sup>th</sup> Notices	27-Feb and/or 12-Mar	HR
	▶ Budget roll position control into 2024-25	8-Mar	Jillmee/Nataliya
	▶ HR review report from Budget of positions that did NOT load into 2024-25 and communicate issues to Budget	13-Mar	HR
	▶ LCAP/Budget Public Input Meeting (2023-24 Second Interim with 2024-25 MYP)	14-Mar	Instructional Services/Budget

## 2024-25 Budget Development Calendar

		Due Date	Responsible
March	▶ Budget send out 2024-25 department budget spreadsheets (with no position control); due back March 22nd	15-Mar	Budget
	▶ LCAP Focus Team - review LCAP input from all stakeholder sources	mid March	Travis
	▶ HR to provide Budget the 2024-25 teacher staffing spreadsheet for each school site	18-Mar	HR
	▶ Instructional Services program budget meetings with Budget	18-22 Mar	Instructional Services/Heather
	▶ SPSA final draft reviewed by SSC and ELAC (Title I budget should be entered into the 2024-25 school site budget spreadsheet due April 15th)	20-Mar	Principals
	▶ 2024-25 department budget spreadsheets (with no position control) returned to Budget	22-Mar	Departments
	▶ Spring Break	25 March - 1 April	-
April	▶ Budget reconcile school site teacher staffing spreadsheets to summary teacher staffing projections	1-Apr	Nataliya/Kate/ Heather/HR
	▶ Budget roll 2024-25 position control into Adopted Budget	4-Apr	Jillmee/Nataliya
	▶ LCAP budget done (incorporate into 2024-25 Budget)	5-Apr	Instructional Services/Budget
	▶ Budget send out 2024-25 School site budget spreadsheets (populate position control April 4th); due back April 15th	8-Apr	Budget Techs
	▶ Budget send out 2024-25 remaining categorical budget spreadsheets (with position control); due back April 19th	12-Apr	Budget
	▶ 2024-25 School site budget spreadsheets returned to Budget (includes Title I from SPSA final draft reviewed by SSC and ELAC)	15-Apr	Principals
	▶ LCAP/Budget Public Input Meeting	18-Apr	Instructional Services/Budget
	▶ 2024-25 categorical budget spreadsheets (with position control) returned to Budget	19-Apr	Departments
	▶ SPSAs approved by Executive Directors of School Leadership, Special Projects & Budget	26-Apr	Cyndi, Yvette & Megan/Travis/Heather
	▶ Lay-off Hearings	April	HR
May	▶ Facilities Funds due to Budget	3-May	Victoria
	▶ Adult Ed., Child Dev. & Cafeteria Funds due to Budget	3-May	Vasseliki & Xochitl
	▶ All budgets entered and balanced	10-May	Budget
	▶ Final Layoff Notices	15-May	HR
	▶ SPSAs approved by SSC	22-May	Principals
	▶ 2023-24 Estimated Actuals and SACS TRCs cleared	24-May	Heather
June	▶ SACS 2024-25 Budget and Exec Summary complete for Board agenda	4-Jun	Kate
	▶ 2024-25 Budget available for public viewing	5-Jun	Kate
	▶ LCAP and Budget public hearing at Board meeting	11-Jun	Instructional Services/Budget
	▶ SPSAs Board approved	11-Jun	Instructional Services/Budget
	▶ LCAP and Budget Adoption by the Board	18-Jun	Instructional Services/Budget
July	▶ Budget review and reconcile SPSA budgets for 1st Interim budget revisions	July	Sr. Budget Analysts
	▶ Meritorious Budget Book to Print Shop	26-Jul	Leslie
Aug.	▶ 45 day Budget revision; if applicable	Aug	Budget
Dec.	▶ First Interim Budget Revision to the Board	mid Dec.	Budget
March	▶ Second Interim Budget Revision to the Board	mid/late March	Budget
June	▶ Third Interim Budget Revision to the Board; if applicable	mid June	Budget
August	▶ Final Budget Revision to the Board	Aug./Sept.	Budget

## **Appendix B**

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Description	Object Codes	Projected Year Totals (Form 011) (A)	% Change (Cols. C-A/A) (B)	2024-25 Projection (C)	% Change (Cols. E-C/C) (D)	2025-26 Projection (E)
(Enter projections for subsequent years 1 and 2 in Columns C and E; current year - Column A - is extracted)						
<b>A. REVENUES AND OTHER FINANCING SOURCES</b>						
1. LCFF/Revenue Limit Sources	8010-8099	362,850,719.00	1.45%	368,117,759.00	3.62%	381,437,544.00
2. Federal Revenues	8100-8299	0.00	0.00%	0.00	0.00%	0.00
3. Other State Revenues	8300-8599	8,732,703.00	0.00%	8,732,703.00	0.00%	8,732,703.00
4. Other Local Revenues	8600-8799	9,307,558.00	0.00%	9,307,558.00	0.00%	9,307,558.00
5. Other Financing Sources						
a. Transfers In	8900-8929	380,500.00	(21.16%)	300,000.00	0.00%	300,000.00
b. Other Sources	8930-8979	0.00	0.00%	0.00	0.00%	0.00
c. Contributions	8980-8999	(47,537,952.00)	4.39%	(49,624,952.00)	1.49%	(50,364,952.00)
6. Total (Sum lines A1 thru A5c)		333,733,528.00	.93%	336,833,068.00	3.73%	349,412,853.00
<b>B. EXPENDITURES AND OTHER FINANCING USES</b>						
1. Certificated Salaries						
a. Base Salaries				129,266,213.00		134,655,393.00
b. Step & Column Adjustment				1,251,194.00		1,315,864.00
c. Cost-of-Living Adjustment				3,127,986.00		0.00
d. Other Adjustments				1,010,000.00		1,045,000.00
e. Total Certificated Salaries (Sum lines B1a thru B1d)	1000-1999	129,266,213.00	4.17%	134,655,393.00	1.75%	137,016,257.00
2. Classified Salaries						
a. Base Salaries				43,204,009.00		46,853,367.00
b. Step & Column Adjustment				814,088.00		1,018,673.00
c. Cost-of-Living Adjustment				1,110,120.00		0.00
d. Other Adjustments				1,725,150.00		226,000.00
e. Total Classified Salaries (Sum lines B2a thru B2d)	2000-2999	43,204,009.00	8.45%	46,853,367.00	2.66%	48,098,040.00
3. Employee Benefits	3000-3999	62,652,077.00	6.48%	66,714,552.00	2.21%	68,190,163.00
4. Books and Supplies	4000-4999	18,349,982.00	(22.52%)	14,218,384.00	3.40%	14,702,384.00
5. Services and Other Operating Expenditures	5000-5999	30,565,973.00	5.15%	32,138,871.00	3.32%	33,205,871.00
6. Capital Outlay	6000-6999	1,981,040.00	0.00%	1,981,040.00	0.00%	1,981,040.00
7. Other Outgo (excluding Transfers of Indirect Costs)	7100-7299, 7400-7499	911,144.00	0.00%	911,144.00	0.00%	911,144.00
8. Other Outgo - Transfers of Indirect Costs	7300-7399	(9,745,274.00)	(15.39%)	(8,245,274.00)	0.00%	(8,245,274.00)
9. Other Financing Uses						
a. Transfers Out	7600-7629	53,775,000.00	0.00%	53,775,000.00	0.00%	53,775,000.00
b. Other Uses	7630-7699	0.00	0.00%	0.00	0.00%	0.00
10. Other Adjustments (Explain in Section F below)				1,604,781.00		4,635,000.00
11. Total (Sum lines B1 thru B10)		330,960,164.00	4.12%	344,607,258.00	2.80%	354,269,625.00
<b>C. NET INCREASE (DECREASE) IN FUND BALANCE</b>						
(Line A6 minus line B11)						
		2,773,364.00		(7,774,190.00)		(4,856,772.00)
<b>D. FUND BALANCE</b>						
1. Net Beginning Fund Balance (Form 011, line F1e)		74,935,712.03		77,709,076.03		69,934,886.03
2. Ending Fund Balance (Sum lines C and D1)		77,709,076.03		69,934,886.03		65,078,114.03
3. Components of Ending Fund Balance (Form 011)						
a. Nonspendable	9710-9719	1,839,752.11		1,839,752.11		1,839,752.11
b. Restricted	9740					
c. Committed						
1. Stabilization Arrangements	9750	0.00		0.00		0.00
2. Other Commitments	9760	20,660,502.00		14,000,000.00		14,000,000.00
d. Assigned	9780	0.00		0.00		0.00
e. Unassigned/Unappropriated						

Description	Object Codes	Projected Year Totals (Form 011) (A)	% Change (Cols. C-A/A) (B)	2024-25 Projection (C)	% Change (Cols. E-C/C) (D)	2025-26 Projection (E)
1. Reserve for Economic Uncertainties	9789	55,208,821.92		54,095,133.92		49,238,361.92
2. Unassigned/Unappropriated	9790	0.00		0.00		0.00
f. Total Components of Ending Fund Balance (Line D3f must agree with line D2)		77,709,076.03		69,934,886.03		65,078,114.03
<b>E. AVAILABLE RESERVES</b>						
1. General Fund						
a. Stabilization Arrangements	9750	0.00		0.00		0.00
b. Reserve for Economic Uncertainties	9789	55,208,821.92		54,095,133.92		49,238,361.92
c. Unassigned/Unappropriated	9790	0.00		0.00		0.00
(Enter other reserve projections in Columns C and E for subsequent years 1 and 2; current year - Column A - is extracted)						
2. Special Reserve Fund - Noncapital Outlay (Fund 17)						
a. Stabilization Arrangements	9750	0.00		0.00		0.00
b. Reserve for Economic Uncertainties	9789	0.00		0.00		0.00
c. Unassigned/Unappropriated	9790	0.00		0.00		0.00
3. Total Available Reserves (Sum lines E1a thru E2c)		55,208,821.92		54,095,133.92		49,238,361.92
<b>F. ASSUMPTIONS</b>						
Please provide below or on a separate attachment, the assumptions used to determine the projections for the first and second subsequent fiscal years. Further, please include an explanation for any significant expenditure adjustments projected in lines B1d, B2d, and B10. For additional information, please refer to the Budget Assumptions section of the SACS Financial Reporting Software User Guide.						
Please see assumptions attached.						



Description	Object Codes	Projected Year Totals (Form 011) (A)	% Change (Cols. C-A/A) (B)	2024-25 Projection (C)	% Change (Cols. E-C/C) (D)	2025-26 Projection (E)
(Enter projections for subsequent years 1 and 2 in Columns C and E; current year - Column A - is extracted)						
<b>A. REVENUES AND OTHER FINANCING SOURCES</b>						
1. LCFF/Revenue Limit Sources	8010-8099	1,600,000.00	0.00%	1,600,000.00	0.00%	1,600,000.00
2. Federal Revenues	8100-8299	79,052,006.00	(56.47%)	34,409,926.00	0.00%	34,409,926.00
3. Other State Revenues	8300-8599	100,890,464.00	(4.93%)	95,912,330.00	(3.90%)	92,167,262.00
4. Other Local Revenues	8600-8799	5,520,351.00	(36.23%)	3,520,351.00	(56.81%)	1,520,351.00
5. Other Financing Sources						
a. Transfers In	8900-8929	0.00	0.00%	0.00	0.00%	0.00
b. Other Sources	8930-8979	0.00	0.00%	0.00	0.00%	0.00
c. Contributions	8980-8999	47,537,952.00	3.24%	49,078,952.00	1.51%	49,818,952.00
6. Total (Sum lines A1 thru A5c)		234,600,773.00	(21.35%)	184,521,559.00	(2.71%)	179,516,491.00
<b>B. EXPENDITURES AND OTHER FINANCING USES</b>						
1. Certificated Salaries						
a. Base Salaries				48,747,121.00		52,465,272.00
b. Step & Column Adjustment				464,965.00		509,583.00
c. Cost-of-Living Adjustment				1,176,362.00		0.00
d. Other Adjustments				2,076,824.00		0.00
e. Total Certificated Salaries (Sum lines B1a thru B1d)	1000-1999	48,747,121.00	7.63%	52,465,272.00	.97%	52,974,855.00
2. Classified Salaries						
a. Base Salaries				21,608,157.00		19,063,950.00
b. Step & Column Adjustment				365,379.00		309,407.00
c. Cost-of-Living Adjustment				509,206.00		0.00
d. Other Adjustments				(3,418,792.00)		0.00
e. Total Classified Salaries (Sum lines B2a thru B2d)	2000-2999	21,608,157.00	(11.77%)	19,063,950.00	1.62%	19,373,357.00
3. Employee Benefits	3000-3999	41,351,943.00	(2.02%)	40,515,360.00	.56%	40,741,259.00
4. Books and Supplies	4000-4999	50,153,156.00	(36.22%)	31,987,930.00	(3.18%)	30,970,541.00
5. Services and Other Operating Expenditures	5000-5999	67,232,068.00	(38.62%)	41,263,810.00	(5.88%)	38,838,016.00
6. Capital Outlay	6000-6999	31,098,483.00	(91.94%)	2,507,920.00	(36.73%)	1,586,880.00
7. Other Outgo (excluding Transfers of Indirect Costs)	7100-7299, 7400-7499	1,998,151.00	0.00%	1,998,151.00	0.00%	1,998,151.00
8. Other Outgo - Transfers of Indirect Costs	7300-7399	8,149,303.00	(18.41%)	6,649,303.00	0.00%	6,649,303.00
9. Other Financing Uses						
a. Transfers Out	7600-7629	0.00	0.00%	0.00	0.00%	0.00
b. Other Uses	7630-7699	0.00	0.00%	0.00	0.00%	0.00
10. Other Adjustments (Explain in Section F below)				0.00		0.00
11. Total (Sum lines B1 thru B10)		270,338,382.00	(27.33%)	196,451,696.00	(1.69%)	193,132,362.00
<b>C. NET INCREASE (DECREASE) IN FUND BALANCE</b>						
(Line A6 minus line B11)		(35,737,609.00)		(11,930,137.00)		(13,615,871.00)
<b>D. FUND BALANCE</b>						
1. Net Beginning Fund Balance (Form 011, line F1e)		103,723,972.19		67,986,363.19		56,056,226.19
2. Ending Fund Balance (Sum lines C and D1)		67,986,363.19		56,056,226.19		42,440,355.19
3. Components of Ending Fund Balance (Form 011)						
a. Nonspendable	9710-9719	0.00		0.00		0.00
b. Restricted	9740	67,986,363.69		56,056,226.19		42,440,355.19
c. Committed						
1. Stabilization Arrangements	9750					
2. Other Commitments	9760					
d. Assigned	9780					
e. Unassigned/Unappropriated						
1. Reserve for Economic Uncertainties	9789					

Description	Object Codes	Projected Year Totals (Form 011) (A)	% Change (Cols. C-A/A) (B)	2024-25 Projection (C)	% Change (Cols. E-C/C) (D)	2025-26 Projection (E)
2. Unassigned/Unappropriated	9790	(.50)		0.00		0.00
f. Total Components of Ending Fund Balance (Line D3f must agree with line D2)		67,986,363.19		56,056,226.19		42,440,355.19
<b>E. AVAILABLE RESERVES</b>						
1. General Fund )						
a. Stabilization Arrangements	9750					
b. Reserve for Economic Uncertainties	9789					
c. Unassigned/Unappropriated Amount	9790					
(Enter current year reserve projections in Column A, and other reserve projections in Columns C and E for subsequent years 1 and 2)						
2. Special Reserve Fund - Noncapital Outlay (Fund 17)						
a. Stabilization Arrangements	9750					
b. Reserve for Economic Uncertainties	9789					
c. Unassigned/Unappropriated	9790					
3. Total Available Reserves (Sum lines E1a thru E2c)						
<b>F. ASSUMPTIONS</b>						
Please provide below or on a separate attachment, the assumptions used to determine the projections for the first and second subsequent fiscal years. Further, please include an explanation for any significant expenditure adjustments projected in lines B1d, B2d, and B10. For additional information, please refer to the Budget Assumptions section of the SACS Financial Reporting Software User Guide.						
Please see assumptions attached.						



Description	Object Codes	Projected Year Totals (Form 011) (A)	% Change (Cols. C-A/A) (B)	2024-25 Projection (C)	% Change (Cols. E-C/C) (D)	2025-26 Projection (E)
(Enter projections for subsequent years 1 and 2 in Columns C and E; current year - Column A - is extracted)						
<b>A. REVENUES AND OTHER FINANCING SOURCES</b>						
1. LCFF/Revenue Limit Sources	8010-8099	364,450,719.00	1.45%	369,717,759.00	3.60%	383,037,544.00
2. Federal Revenues	8100-8299	79,052,006.00	(56.47%)	34,409,926.00	0.00%	34,409,926.00
3. Other State Revenues	8300-8599	109,623,167.00	(4.54%)	104,645,033.00	(3.58%)	100,899,965.00
4. Other Local Revenues	8600-8799	14,827,909.00	(13.49%)	12,827,909.00	(15.59%)	10,827,909.00
5. Other Financing Sources						
a. Transfers In	8900-8929	380,500.00	(21.16%)	300,000.00	0.00%	300,000.00
b. Other Sources	8930-8979	0.00	0.00%	0.00	0.00%	0.00
c. Contributions	8980-8999	0.00	0.00%	(546,000.00)	0.00%	(546,000.00)
6. Total (Sum lines A1 thru A5c)		568,334,301.00	(8.27%)	521,354,627.00	1.45%	528,929,344.00
<b>B. EXPENDITURES AND OTHER FINANCING USES</b>						
1. Certificated Salaries						
a. Base Salaries				178,013,334.00		187,120,665.00
b. Step & Column Adjustment				1,716,159.00		1,825,447.00
c. Cost-of-Living Adjustment				4,304,348.00		0.00
d. Other Adjustments				3,086,824.00		1,045,000.00
e. Total Certificated Salaries (Sum lines B1a thru B1d)	1000-1999	178,013,334.00	5.12%	187,120,665.00	1.53%	189,991,112.00
2. Classified Salaries						
a. Base Salaries				64,812,166.00		65,917,317.00
b. Step & Column Adjustment				1,179,467.00		1,328,080.00
c. Cost-of-Living Adjustment				1,619,326.00		0.00
d. Other Adjustments				(1,693,642.00)		226,000.00
e. Total Classified Salaries (Sum lines B2a thru B2d)	2000-2999	64,812,166.00	1.71%	65,917,317.00	2.36%	67,471,397.00
3. Employee Benefits	3000-3999	104,004,020.00	3.10%	107,229,912.00	1.59%	108,931,422.00
4. Books and Supplies	4000-4999	68,503,138.00	(32.55%)	46,206,314.00	(1.15%)	45,672,925.00
5. Services and Other Operating Expenditures	5000-5999	97,798,041.00	(24.94%)	73,402,681.00	(1.85%)	72,043,887.00
6. Capital Outlay	6000-6999	33,079,523.00	(86.43%)	4,488,960.00	(20.52%)	3,567,920.00
7. Other Outgo (excluding Transfers of Indirect Costs)	7100-7299, 7400-7499	2,909,295.00	0.00%	2,909,295.00	0.00%	2,909,295.00
8. Other Outgo - Transfers of Indirect Costs	7300-7399	(1,595,971.00)	0.00%	(1,595,971.00)	0.00%	(1,595,971.00)
9. Other Financing Uses						
a. Transfers Out	7600-7629	53,775,000.00	0.00%	53,775,000.00	0.00%	53,775,000.00
b. Other Uses	7630-7699	0.00	0.00%	0.00	0.00%	0.00
10. Other Adjustments				1,604,781.00		4,635,000.00
11. Total (Sum lines B1 thru B10)		601,298,546.00	(10.02%)	541,058,954.00	1.17%	547,401,987.00
<b>C. NET INCREASE (DECREASE) IN FUND BALANCE</b>						
(Line A6 minus line B11)						
		(32,964,245.00)		(19,704,327.00)		(18,472,643.00)
<b>D. FUND BALANCE</b>						
1. Net Beginning Fund Balance (Form 011, line F1e)		178,659,684.22		145,695,439.22		125,991,112.22
2. Ending Fund Balance (Sum lines C and D1)		145,695,439.22		125,991,112.22		107,518,469.22
3. Components of Ending Fund Balance (Form 011)						
a. Nonspendable	9710-9719	1,839,752.11		1,839,752.11		1,839,752.11
b. Restricted	9740	67,986,363.69		56,056,226.19		42,440,355.19
c. Committed						
1. Stabilization Arrangements	9750	0.00		0.00		0.00
2. Other Commitments	9760	20,660,502.00		14,000,000.00		14,000,000.00
d. Assigned	9780	0.00		0.00		0.00
e. Unassigned/Unappropriated						
1. Reserve for Economic Uncertainties	9789	55,208,821.92		54,095,133.92		49,238,361.92

Description	Object Codes	Projected Year Totals (Form 011) (A)	% Change (Cols. C-A/A) (B)	2024-25 Projection (C)	% Change (Cols. E-C/C) (D)	2025-26 Projection (E)
2. Unassigned/Unappropriated	9790	(.50)		0.00		0.00
f. Total Components of Ending Fund Balance (Line D3f must agree with line D2)		145,695,439.22		125,991,112.22		107,518,469.22
<b>E. AVAILABLE RESERVES (Unrestricted except as noted)</b>						
<b>1. General Fund</b>						
a. Stabilization Arrangements	9750	0.00		0.00		0.00
b. Reserve for Economic Uncertainties	9789	55,208,821.92		54,095,133.92		49,238,361.92
c. Unassigned/Unappropriated	9790	0.00		0.00		0.00
d. Negative Restricted Ending Balances (Negative resources 2000-9999)	979Z	(.50)		0.00		0.00
<b>2. Special Reserve Fund - Noncapital Outlay (Fund 17)</b>						
a. Stabilization Arrangements	9750	0.00		0.00		0.00
b. Reserve for Economic Uncertainties	9789	0.00		0.00		0.00
c. Unassigned/Unappropriated	9790	0.00		0.00		0.00
3. Total Available Reserves - by Amount (Sum lines E1 thru E2c)		55,208,821.42		54,095,133.92		49,238,361.92
4. Total Available Reserves - by Percent (Line E3 divided by Line F3c)		9.18%		10.00%		8.99%
<b>F. RECOMMENDED RESERVES</b>						
<b>1. Special Education Pass-through Exclusions</b>						
For districts that serve as the administrative unit (AU) of a special education local plan area (SELPA):						
a. Do you choose to exclude from the reserve calculation the pass-through funds distributed to SELPA members?	Yes					
b. If you are the SELPA AU and are excluding special education pass-through funds:						
1. Enter the name(s) of the SELPA(s):						
<b>2. Special education pass-through funds</b>						
(Column A: Fund 10, resources 3300-3499, 6500-6540 and 6546 objects 7211-7213 and 7221-7223; enter projections for subsequent years 1 and 2 in Columns C and E)						
		0.00		0.00		0.00
<b>2. District ADA</b>						
Used to determine the reserve standard percentage level on line F3d (Col. A: Form AI, Estimated P-2 ADA column, Lines A4 and C4; enter projections)						
		22,355.00		22,603.00		22,861.00
<b>3. Calculating the Reserves</b>						
a. Expenditures and Other Financing Uses (Line B11)		601,298,546.00		541,058,954.00		547,401,987.00
b. Plus: Special Education Pass-through Funds (Line F1b2, if Line F1a is No)		0.00		0.00		0.00
c. Total Expenditures and Other Financing Uses (Line F3a plus line F3b)		601,298,546.00		541,058,954.00		547,401,987.00
d. Reserve Standard Percentage Level (Refer to Form 01CSI, Criterion 10 for calculation details)		3%		3%		3%
e. Reserve Standard - By Percent (Line F3c times F3d)		18,038,956.38		16,231,768.62		16,422,059.61
f. Reserve Standard - By Amount (Refer to Form 01CSI, Criterion 10 for calculation details)		0.00		0.00		0.00
g. Reserve Standard (Greater of Line F3e or F3f)		18,038,956.38		16,231,768.62		16,422,059.61
h. Available Reserves (Line E3) Meet Reserve Standard (Line F3g)		YES		YES		YES