



September 16, 2024

Dr. Torie F. Gibson, Superintendent
Members of the Board of Education
Livermore Valley Joint Unified School District (LVJUSD) via email

2023-24 Annual Report Regarding Fiscal Solvency of LVJUSD

Executive Summary

This executive summary provides a condensed overview of the 2023-24 Annual Report on the fiscal solvency of the Livermore Joint Unified School District (LVJUSD), in accordance with Education Code Section 1240(e) under Assembly Bill (AB) 139. ACOE approved LVJUSD's 2023-24 Adopted Budget and Local Control & Accountability Plan (LCAP), based on Board approved resolutions for potential budget reductions in 2023-24 and 2024-25. The ACOE also expressed concerns related to the level of cash borrowing. Based on the implementation of those budget reductions, the District projected that it could meet its minimum reserve requirement in 2023-24 through 2025-26. At the end of 2023-24, LVJUSD approved a collective bargaining agreement where, to meet minimum reserve requirements, additional budget reductions in 2024-25 and 2025-26 are needed. Due to various Cabinet-level transitions, including the Superintendent, the Board approved a budget reduction resolution as part of the 2024-25 Adopted Budget. ACOE will work with the District and support staff to navigate its fiscal position.

Background

Under Assembly Bill (AB) 139, the Alameda County Superintendent of Schools is mandated to present an annual report to the LVJUSD governing board (Board) and the Superintendent of Public Instruction regarding the fiscal solvency of any school district with a disapproved budget, a qualified or negative interim certification, or that has been identified as being in fiscal uncertainty as per EC 42127.6.

Budget Reports Overview

Financial reports during 2023-24 include the Adopted Budget (Approved), 45-Day Budget Revision, First Interim Budget Report (Certified as Positive), Second Interim Budget Report (Certified as Qualified), and Third Interim Budget Report (for districts certified as Qualified at Second Interim only). ACOE and the District staff have had ongoing communication regarding the District's financial situation in the form of in-person meetings, phone calls, zoom and emails prior to and between the financial reporting periods.

LVJUSD submitted its 2023-24 Adopted Budget and Local Control & Accountability Plan (LCAP) and received approval from the Alameda County Office of Education (ACOE). The District projected that it could meet its minimum reserve requirement in 2023-24 through

2025-26, based upon the implementation of budget reductions for certificated and classified staff salaries. The District approved Board Resolutions committing to a balanced budget that are further explained below.

The District's 2023-24 First Interim Financial Report was submitted with a POSITIVE certification, and LVJUSD filed a QUALIFIED Second Interim Budget Report indicating potential fiscal difficulties.

No certification is required for the Third Interim Budget Report. The District's Third Interim Report showed an increase in the projected ending fund balance for 2023-24 compared to the Second Interim Report based on LCFF Supplemental Grant increases, one-time funds and budgetary solutions.

Enrollment and ADA

The District projected a slight increase in enrollment from 2022-23 for the current and two subsequent years, which positively impacted the District's projected revenue.

Cash Flow

LVJUSD's cash position continues to present a risk of being insufficient to support the District's ongoing operations. The District approved board-authorized interfund cash borrowing in 2023-24, and projects a possible cash flow shortfall requiring cash borrowing in 2024-25.

Communications

LVJUSD staff met with ACOE's District Business & Advisory Office to discuss the budget challenges facing the District and the efforts and options to balance the budget.

Board Actions and Staff Recommendations

At the June 20, 2023 Budget Adoption Board meeting, the LVJUSD's board approved Resolution *No. 088-22/23 Temporary Borrowing Between Funds for the 2023-24 School Year* per Ed Code 42603 to ensure the District's ability to meet financial obligations; also approved Resolution *No. 085-22/23 Budget Reductions potentially needed for 2023-24*, for potential budget reductions of \$6.3 million in 2023-24 and Resolution *No. 086-22/23 Budget Reductions potentially needed in 2024-25* outlining \$6.0 million as its budget-balancing solutions.

Collective Bargaining

On June 06, 2024, ACOE received the Public Disclosure of Collective Bargaining Agreement (CBA) and Tentative Agreement (TA) between LVJUSD and CSEA as required by Government Code (GC) Section 3547.5, GC 3540.2(a) and Assembly Bill (AB) 1200 (Statutes of 1991, Chapter 1213). Based on ACOE's analysis, it appeared the District could meet its 3% minimum

required reserve in 2023-24 contingent on the Board and District staff following through with the implementation of the proposed \$2.5 million in salary reductions in 2024-25, in addition to the unspecified reductions of \$4.4 million in 2025-26, as presented in the District's Public Disclosure documents.

Conclusion

While the Third Interim Budget Report submitted by LVJUSD showed an improvement in the District's financial status for 2023-24 over Second Interim, the District remained in a position of fiscal uncertainty as such improvement was entirely contingent on the Board and District staff following through with the implementation of the proposed \$2.5 million in salary reductions in 2024-25, in addition to the unspecified ongoing reductions of \$4.4 million in 2025-26.

As LVJUSD's financial stability was dependent on the Board and District staff approving and implementing budget-balancing solutions outlined within the Third Interim Report; to ensure the long-term viability of the District's fiscal health as the District transitioned cabinet-level leadership, ACOE requested LVJUSD submit a Board-approved resolution that disclosed the budget-balancing solutions needed within its 2024-25 Adopted Budget.

Attached to this letter please find a detailed summary of the District's Financial position as well as copies of ACOE's communications to the District's Board throughout the fiscal year.

In community,



Alysse Castro
Alameda County Superintendent of Schools

cc: Kayla Wasley, Assistant Superintendent, Business Services, LVJUSD
Tony Thurmond, State Superintendent of Public Instruction, CDE
Michael H. Fine, Fiscal Crisis and Management Assistance Team
Allan Garde, Associate Superintendent of Business Services, ACOE
Shirene Moreira, Chief of District Business & Advisory Services, ACOE
Julia Xu, Director II, District Advisory Services, ACOE

Attachments

- [2023-24 Adopted Budget Approval Letter](#)
- [Board Actions](#)
- [2023-24 District's 45-Day Budget Revision](#)
- [2023-24 First Interim Letter](#)
- [2023-24 Second Interim Letter](#)
- [2023-24 to 2025-26 CSEA \(Paraeducator – Adult Transition\) CBA Letter](#)

Details

2023-24 Annual Report Regarding Fiscal Solvency of Livermore Valley Joint Unified School District Pursuant to Education Code Section 1240(e)

The District experienced financial distress throughout the year; please see its annual fiscal summary below:

2023-24 Report Periods - General Fund Fiscal Summary					
Description	Adopted Budget	45-Day Budget Revision	1st Interim	2nd Interim	3rd Interim
Status: Approval/ Certification	Approved	n/a	Positive	Qualified	n/a
Total Revenues & Other Sources	192,620,524	192,620,524	195,968,326	202,540,118	206,734,932
Total Expenditures & Other Uses	205,299,216	204,836,487	213,650,140	218,462,740	217,568,835
Surplus/(Deficit)	(12,678,692)	(12,215,963)	(17,681,814)	(15,922,622)	(10,833,903)
Total Ending Fund Balance	9,585,635	8,050,190	10,620,616	12,379,808	17,468,527
REU* - 3% Minimum	6,158,976	6,145,095	6,409,505	6,553,883	6,527,066
Total Available Reserves - by Amount	6,277,930	6,145,096	6,415,104	6,559,008	11,315,281
Total Available Reserves - by Percentage	3.06%	3.00%	3.00%	3.00%	5.20%
REU Met/ Not Met	Met	Met	Met	Met	Met
Average Daily Attendance (ADA) P-2 Projections	12,255.68	12,255.68	12,255.68	12,255.68	12,265.19
2023-24 Funded ADA	12,631.88	12,631.88	12,617.92	12,617.92	12,617.63
Difference (Funded ADA -P-2 ADA Projections)	376.20	376.20	362.24	362.24	352.44

*REU (Reserve for Economic Uncertainties)

At each reporting period, the District disclosed financial difficulty. In order to meet its minimum Reserve for Economic Uncertainties (REU), LVJUSD projected required budget adjustments (reductions), see below:

2023-24 Report Periods - Multiyear Projected **Unrestricted** Adjustments (Reductions)

Description	2024-25	2025-26	2026-27
2023-24 Adopted Budget	(3,100,000)	-	n/a
2023-24 First Interim	(6,000,000)	(6,000,000)	n/a
2023-24 Second Interim	(10,500,000)	(10,500,000)	n/a
2023-24 Third Interim	-	(4,400,000)	n/a
2024-25 Adopted Budget		(4,400,000)	(4,400,000)

Adopted Budget Report and Local Control Accountability Plan (LCAP)

On June 22, 2023, LVJUSD submitted its Adopted Budget Report and LCAP. ACOE reviewed the District's 2023-24 LCAP, Adopted Budget and Multiyear Budget Projection, and approved both LVJUSD's LCAP and Adopted Budget. However, ACOE expressed concerns with the District's estimated cash borrowing of \$17.5 million and the projected required reductions of \$3.1 million needed in 2024-25 in order for LVJUSD to meet its Reserve for Economic Uncertainties (REU) of 3%.

On August 11, 2023, the District submitted a 45-Day Budget Revision which indicated that the 2023-24 Ending Fund Balance would decrease by a net amount of \$1.5 million to \$8.05 million due to the reduction of the *Arts, Music & Instructional Materials Block Grant* and *Learning Recovery Block Grant*. The District planned to reduce an additional \$1.5 million in expenditures in 2024-25 in order to meet the REU.

First Interim Budget Report

LVJUSD filed a POSITIVE certification of its 2023-24 First Interim Budget Report with ACOE, which the District's Board approved on December 12, 2023. ACOE reviewed the District's First Interim Budget Report and had highlighted the following continued concerns:

- **Cash Borrowing:** The District projected required internal cash borrowing, and the amount increased to \$20 million from its estimates of \$17.5 million at the Adopted Budget.
- **Unspecified ongoing budget reductions:** The MYP submitted with its First Interim Report indicated that the District would be able to maintain its minimum required REU of 3% through 2025-26; however, it could only be achieved if the District implemented the unspecified ongoing budget reductions of \$6.0 million in 2024-25 and 2025-26.
- **Inflated Revenue Projections:** Legislative Analyst's Office (LAO) announced in November 2023 that the Governor's June 2023 COLA estimates for fiscal years 2024-25 and 2025-26 were inflated. The COLA for 2024-25 would come in closer to 0.76%, versus 3.94% in June. LVJUSD's forecasts assumed a higher State COLA than ACOE advised, likely requiring the Board to take further action should revenue forecasts decrease.

COLA	2024-25	2025-26	
LVJUSD's LCFF Calculator (Revenue Projections)	3.94%	3.29%	
The Legislative Analyst's Projections/ACOE's Estimates	0.76%	2.00%*	
LCFF Revenue Projections	2023-24	2024-25	2025-26
LVJUSD's Unrestricted LCFF Revenue (MYP)	\$149,797,781	\$153,091,150	\$158,727,061
ACOE's Estimates after adjusting LVJUSD's Calculator	\$149,797,781	\$148,429,326	\$151,986,046
Difference due to COLA adjustment only	-	(4,661,824)	(6,741,015)

As expressed to the District in December, that if the projected revenues decreased by the amounts indicated above as a result of the lower COLA rates, the District would not meet the REU in 2024-25 and 2025-26, as illustrated below:

RESERVES	2023-24	2024-25	2025-26
LVJUSD's Reserves - Source: MYP with higher COLA	\$6,409,505	\$6,000,597	\$6,141,597
REU %	3.00%	3.00%	3.55%
Is REU Met or Not Met in Submitted Financial Report?	Met	Met	Met
Amount of Revenue that the LEA may not receive if COLA is lower		(4,661,824)	(6,741,015)
District's Reserves if LCFF Revenue is Reduced		1,338,773	(599,418)
Is REU Met or Not Met if COLA is decreased?	Met	Not Met	Not Met

- Board Action and Required Next Steps:** As mentioned above at Adopted Budget, the LVJUSD Board approved Resolution *No. 086-22/23* outlining that the District might need to implement budget reductions and/or solutions of at least \$6.0 million in 2024-25. At First Interim, the District staff had projected that \$6.0 million in ongoing reductions would be needed in 2024-25 *and* 2025-26. However, LVJUSD did not include the impact of the reduced COLA factor.

ACOE expressed concerns as additional reductions appeared to be required as the COLA was forecasted to be funded at levels below those projected within the District's First Interim MYP, as shown below:

Required Board Action Budget Reductions and/or Revenue	2023-24	2024-25	2025-26
LVJUSD's Unrestricted Reductions - Source: MYP with higher COLA		(6,000,000)	(6,000,000)
District will further reduce the Restricted Side one-time categorical positions and professional development		(1,900,000)	(1,900,000)
Total Needed Budget Reductions/Adjustments in Submitted Report		(7,900,000)	(7,900,000)
<i>Should the COLA not be funded at current projections within the District's financial Report</i>			
Required Board Action Budget Reductions and/or Revenue	2023-24	2024-25	2025-26
LVJUSD's Unrestricted Reductions - Source: MYP with higher COLA		(6,000,000)	(6,000,000)
District will further reduce the Restricted Side one-time categorical positions and professional development		(1,900,000)	(1,900,000)
Amount of Revenue that the LEA may not receive if COLA is lower		(4,661,824)	(6,741,015)
Total Needed Budget Reductions/ Adjustments if COLA is reduced		(12,561,824)	(14,641,015)

ACOE District Business & Advisory Services staff met with the District's staff to discuss the financial challenges facing the District. The LVJUSD Board and staff were expected to closely monitor its cash position and approve and implement budget-balancing solutions in February 2024.

Second Interim Budget Report

LVJUSD filed a QUALIFIED certification of the District’s 2023-2024 Second Interim Budget Report, which LVJUSD’s Board of Education approved on March 05, 2024. ACOE concurred with the certification and highlighted continued concerns in the following areas:

- **Cash Borrowing:** The District projected possible cash flow shortfall due to low fund balance and potential cash borrowing in 2024-25.
- **Enrollment and ADA:** The District projected its LCFF Revenue based on current CALPADS enrollment and leveraging the three-year rolling average ADA for 2023-24, with modest growth due to TK in the projected enrollment and ADA in 2024-25 and 2025-26. See below:

Fiscal Year	CALPADS	Year-over-Year Difference	% Difference
2018-19	13,722		
2019-20	13,698	-24	-0.17%
2020-21	13,304	-394	-2.88%
2021-22	12,991	-313	-2.35%
2022-23	12,947	-44	-0.34%
2023-24	13,020	73	0.56%
2024-25	13,100	80	0.61%
2025-26	13,100	0	0.00%

District LCFF Calculations	2023-24	2024-25	2025-26
Enrollment	13,020	13,100	13,100
UPC	3,529	3,529	3,529
ADA	12,255.68	12,377.98	12,429.57
Total Funded ADA	12,617.92	12,377.98	12,429.57
Funded ADA Option	3-PY Average	Current	Current

The District was advised to have contingency plans should this enrollment/ revenue growth not materialize as projected.

- **Increased Unrestricted Budget Reductions and Deficit Spending and Required Board Action:**
 The MYP submitted with the Second Interim Budget Report projected increased ongoing unidentified budget reductions from \$6.3 million to \$10.5 million in 2024-25 and 2025-26 in order for the District to meet the minimum required REU of 3%. Even with the implementation of these increased budget reductions, LVJUSD projected continued deficit spending and the total Unrestricted/ Restricted General Fund Ending Balance was projected to decrease from \$28.3 million at 2022-23 Unaudited Actuals to \$6.3 million in 2025-26, and the Restricted General Fund balance would be depleted in 2024-25.

See illustration below:

Required Board Action Budget Reductions and/or Revenue	2023-24	2024-25	2025-26
LVJUSD - Ongoing Unrestricted Reductions - Source: MYP		(\$10,500,000)	(\$10,500,000)
Reductions to Certificated and Classified Salaries & Benefits due to the ending of one-time temporary categorical work in the Restricted Fund		(\$2,100,000)	(\$730,000)
Total Needed Budget Reductions/Adjustments in Submitted Report		(\$12,600,000)	(\$11,230,000)

Without the Board’s approval and implementation of \$10.5 Million in budget-balancing solutions, the District was projected to deplete its \$6.4 Million Unrestricted General Fund Balance, resulting in a Negative Fund Balance in 2024-25, as shown in the following illustration:

Second Interim Budget Adjustments	2023-24	2024-25	2025-26
Unrestricted Reductions: B.10 Other Adjustments		(\$10,500,000)	(\$10,500,000)
Unrestricted General Fund - Beginning Balance	\$6,316,858	\$6,809,008	\$6,442,594
Unrestricted General Fund - Surplus/(Deficit)	\$492,150	(\$366,414)	(\$102,653)
Unrestricted General Fund - Ending Balance	\$6,809,008	\$6,442,594	\$6,339,941
Should the District not implement budget balancing solutions.			
Unrestricted General Fund - Ending Balance	\$6,809,008	\$6,442,594	(\$4,057,406)
Unrestricted Reductions: B.10 Other Adjustments*		\$10,500,000	\$10,500,000
Unrestricted General Fund - Adjusted Ending Balance		(\$4,057,406)	(\$14,557,406)

**Without board approval, the expenditures would be added back to the budget, reducing fund balance.*

From the communications with the District staff, ACOE understood that LVJUSD was working to implement budget-balancing solutions, and that the District anticipated attrition savings. ACOE requested the Board and the District approve and implement its list of ongoing budget solutions of \$10.5 million to ensure that the District retained a positive fund balance in fiscal year 2024-25.

Next Steps – Board Action and Third Interim Report

Third Interim Budget Report

In accordance with EC Section 42131, as a district with a qualified Second Interim certification, LVJUSD submitted a Board-approved Third Interim Budget Report on May 22, 2024. No certification is required for this report.

ACOE reviewed the District’s Third Interim Budget Report and analyzed the following areas:

- **Cash Borrowing:** The District estimated a cash shortfall in November 2024 and indicated a need for a loan in October 2024.
- **Enrollment and ADA:** In the Third Interim Budget Report, the District continued to project a slight increase in enrollment for the current and two subsequent years, as shown below:

District LCFF Calculations	2022-23	2023-24	2024-25	2025-26
Enrollment	12,947	13,020*	13,100	13,100
UPC	4,354	3,529	3,529	3,529
ADA	12,164.21	12,265.19	12,377.98	12,429.57
Funded ADA	12,961.60	12,617.92	12,377.98	12,429.57
Funded ADA Method	3-PY Average	3-PY Average	Current	Current

* 2023-24 CALPADS Certified

- Unspecified Budget Reductions in 2025-26, Increased Fund Balance and Reserves: The Third Interim Budget Report showed an improvement in the District’s financial status for 2023-24 over the Second Interim.

In its Third Interim Budget Report, LVJUSD has projected a net increase of \$1.7 million in Revenues in 2023-24 due to an increase in its LCFF Revenues as a result of a UPP Adjustment, one-time funding, and estimated net reductions of \$3.1 million as budgetary solutions. With these adjustments, the District’s 2023-24 Ending Fund Balance had increased by \$5.1 million.

The District’s MYP projected surpluses of \$5.2 million in the Unrestricted General Fund in 2023-24, deficit spending of \$5.0 million in 2024-25 and \$0.1 million in 2025-26. In these projections, LVJUSD included unspecified ongoing budget reductions of \$4.4 million in 2025-26, for which the District stated in their Board presentation that staff would continue to identify budget solutions.

LVJUSD’s Third Interim Budget Report projected that it would be able to meet its minimum required REU of 3% in 2023-24, 2024-25, and 2025-26; however, this can only be achieved if the Board and District staff follow through with the implementation of the proposed combine salary reductions of \$2.5 million in 2024-25 and the unspecified ongoing reductions of \$4.4 million in 2025-26. At present, ACOE is monitoring the District’s enrollment trends and the District’s progress in balancing its ongoing revenues and expenditures to ensure it can meet its financial obligations and maintain long-term fiscal health.



Alameda County Office of Education

Alysse Castro, Superintendent

September 15, 2023

Chris Van Schaack, Superintendent
Members of the Board of Education
Livermore Valley Joint Unified School District (LVJUSD)
685 East Jack London Blvd
Livermore, CA 94551

RE: 2023-24 Local Control and Accountability Plan & Adopted Budget Review

Dear Superintendent Schaack and Members of the Board,

Based on ACOE's review of the District's 2023-24 LCAP and Adopted Budget and Multiyear Budget Projection, we have determined that the District is in compliance with the approval criteria per Education Code Sections 42127 and 52070, and both LVJUSD LCAP and Adopted Budget have been approved.

One of the elements of ACOE's review is to determine whether the Adopted Budget will allow the district to meet its financial obligations during the current fiscal year and is consistent with a financial plan that will enable the district to satisfy its multiyear financial commitments. Based on our review of the District's 2023-24 Adopted Budget and Multiyear Budget Projection (MYP), we have determined that the District is in compliance with the above criteria, however, our concerns are outlined below:

Form CASH

LVJUSD projects internal borrowing of \$17.5 million from unspecified other District funds in September 2023, and repaying it in April 2024, which has been authorized by the Board with approval of blanket Resolution No. 088-22/23 on June 20, 2023.

Although the District's cash is projected to be positive at the end of the fiscal year, the cash ending balance in June 2024 is projected as \$621 thousand, which is substantially insufficient considering the District's projected average monthly disbursements of \$16.3 million. ACOE recommends the District closely monitor its cash position on a monthly basis to ensure that its obligations are fulfilled in all funds.

Multiyear Budget Projection (MYP), Deficit Spending and Reserve for Economic Uncertainties (REU)

In the District's MYP submitted with the Adopted Budget, LVJUSD includes total planned reductions of \$5.03 million in 2024-25 due to the removal of salaries funded

by the Learning Recovery Block Grant. ACOE commends the District and the Board for ensuring that the District maintains the minimum REU of 3%.

45-Day Budget Revision

The District's 45-Day Budget Revision submitted to ACOE on August 11, 2023 indicates that the 2023-24 Ending Fund Balance will decrease by a net amount of \$1,535,445 to \$8,050,190 due to the reduction of Arts, Music & Instructional Materials Block Grant and Learning Recovery Block Grant. The District is projected to reduce expenditures an additional \$1,535,445 in 2024-25 to maintain the REU.

ACOE recommends that the District continue to monitor its ADA and Enrollment, and proactively assess its deficit spending and implement the planned required reductions in a timely manner in order to ensure that it can meet its financial obligations and maintain its fiscal solvency.

ACOE's Research, Assessment, and Accountability Partnerships (RAAP) department will continue to work with LVJUSD over the coming year to provide Differentiated Assistance (DA) and to ensure that actions associated with DA are aligned to and reflected in LVJUSD's LCAP priorities. *The 2023-24 Education Omnibus Budget Trailer Bill (SB114) now requires a midyear LCAP update to be presented to the Board on or before February 28th, and to include all available midyear data for outcomes, expenditures, and implementation.*

We want to thank the District staff, the Board, and the community for their continued diligence and hard work. If you have any questions or concerns regarding our review process, please feel free to contact my office at (510) 670-4140.

In community,



Alysse Castro
Alameda County Superintendent of Schools

cc: Teresa Fiscus, Assistant Superintendent of Business Services, Livermore Valley Joint USD
Juwen Lam, Chief of Accountability Services, ACOE
Shirene Moreira, Chief of District Business and Advisory Services, ACOE
Joan Laursen, Director III, District Business and Advisory Services, ACOE
Julia Xu, Director II, District Advisory Services, ACOE

Livermore Valley Joint

Unified School District

AGENDA ITEM

Meeting Date: 8/8/2023 - 7:00 PM
Category: INFORMATION / DISCUSSION ITEMS
Type: Info
Subject: 9.1 45-Day Budget Revision for 2023-2024

:

Policy:

Attachment Summary: Budget Revision Report

File Attachment:
 45 Day Revise Budget Projection Spreadsheet.pdf

Quick Summary / Abstract: Staff will present key highlights and elements of the 2023-2024 Revised Budget to our Board and community.

Background: California Boards of Education are required to adopt a budget for the upcoming fiscal year prior to July 1. Our Board of Education met the statutory requirement to have a budget in place prior to this deadline. We refer to the July 1 budget as a placeholder budget due to the fact that it is adopted prior to the final details of the State budget being revealed.

Once the State Budget Act is signed, our District has 45 days to revise our budget and make the revisions available for public review.

Status: On June 27, 2023, the Governor signed the 2023-2024 Budget Act, Senate Bill (SB)101, which allows our District to make and present revisions to our budget through August 11, 2023.

The State's Enacted Budget for 2023-2024 includes reductions to the Art and Music Discretionary Block Grant and the Learning Recovery Block Grant. These reductions were not previously included in our budget projections and will reduce the projected beginning balance for the fiscal year 2023-2024.

Fiscal Impact: Our District's projected beginning fund balance for 2023-2024 will be reduced by \$1,998,174. However, the reduction of \$462,729 related to the Art & Music Discretionary Block Grant will be balanced out by a budget reduction in 2023-2024, resulting in a net effect of \$0 on the ending fund balance for 2023-2024. On the other hand, the reduction of \$1,535,445 related to the Learning Recovery Block Grant will lead to a decrease in the projected ending fund balance for 2023-2024 by the same amount. To counter this reduction, we will reduce the projected expenses in our multi-year projection for 2024-2025 by \$1,535,445.

Superintendent's Recommendation This item is informational only and requires no action to be taken by our Board of Education.

Approvals:

Recommended By:

Signed By: *Signature*
Jodi Robison - Executive Assistant

Signed By: *Signature*

Teresa Fiscus - Assistant Superintendent

Signed By:

Signature

Chris Van Schaack - Superintendent

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT

	Adopted July 1, 2023			Adjustments			45 Day Revise August 1, 2023		
	Unrestricted	Restricted	Totals	Unrestricted	Restricted	Totals	Unrestricted	Restricted	Totals
A. REVENUE									
1. LOCAL CONTROL FUNDING FORMULA	\$ 149,788,303	\$ 990,879	\$ 150,779,182	\$ 0	\$ 0	\$ 0	\$ 149,788,303	\$ 990,879	\$ 150,779,182
2. FEDERAL REVENUE	\$ -	\$ 6,575,674	\$ 6,575,674	\$ 0	\$ 0	\$ 0	\$ -	\$ 6,575,674	\$ 6,575,674
3. STATE REVENUE	\$ 3,958,600	\$ 15,302,220	\$ 19,260,820	\$ 0	\$ 0	\$ 0	\$ 3,958,600	\$ 15,302,220	\$ 19,260,820
4. LOCAL REVENUE	\$ 1,672,384	\$ 14,321,452	\$ 15,993,836	\$ 0	\$ 0	\$ 0	\$ 1,672,384	\$ 14,321,452	\$ 15,993,836
TOTAL	\$155,419,287	\$37,190,225	\$192,609,512	\$ 0	\$ 0	\$ 0	\$155,419,287	\$37,190,225	\$192,609,512
B. EXPENDITURES									
1. CERTIFICATED SALARIES	\$ 66,924,250	\$ 23,536,342	\$ 90,460,592	\$ 0	\$ 0	\$ 0	\$ 66,924,250	\$ 23,536,342	\$ 90,460,592
2. CLASSIFIED SALARIES	\$ 17,914,311	\$ 15,668,329	\$ 33,582,640	\$ 0	\$ 0	\$ 0	\$ 17,914,311	\$ 15,668,329	\$ 33,582,640
3. EMPLOYEE BENEFITS	\$ 29,320,571	\$ 22,953,687	\$ 52,274,258	\$ 0	\$ 0	\$ 0	\$ 29,320,571	\$ 22,953,687	\$ 52,274,258
4. BOOKS AND SUPPLIES	\$ 1,757,572	\$ 3,573,568	\$ 5,331,140	\$ 0	\$ 0	\$ 0	\$ 1,757,572	\$ 3,573,568	\$ 5,331,140
5. SERV & OTHER OPER EXP	\$ 207,597	\$ 21,548,198	\$ 21,755,795	\$ 0	\$ (462,729)	\$ (462,729)	\$ 207,597	\$ 21,085,469	\$ 21,293,066
6. CAPITAL OUTLAY	\$ 83,923	\$ -	\$ 83,923	\$ 0	\$ 0	\$ 0	\$ 83,923	\$ -	\$ 83,923
7. OTHER OUTGO	\$ 465,000	\$ 1,558,220	\$ 2,023,220	\$ 0	\$ 0	\$ 0	\$ 465,000	\$ 1,558,220	\$ 2,023,220
8. INDIRECT COSTS	\$ (539,339)	\$ 326,987	\$ (212,352)	\$ 0	\$ 0	\$ 0	\$ (539,339)	\$ 326,987	\$ (212,352)
TOTAL	\$ 116,133,885	\$ 89,165,331	\$ 205,299,216	\$ 0	\$ (462,729)	\$ (462,729)	\$ 116,133,885	\$ 88,702,602	\$ 204,836,487
C. DEFICIENCY OF REV TO EXP	\$39,285,402	(\$51,975,106)	(\$12,689,704)	\$ 0	\$ 462,729	\$ 462,729	\$39,285,402	(\$51,512,377)	(\$12,226,975)
D. INTERFUND TRANSFERS									
1. TRANSFERS IN	\$11,012	\$ 0	\$11,012	\$ 0	\$ 0	\$ 0	\$11,012	\$ 0	\$11,012
CONTRIBUTION TO RESTR. PROG.	(\$39,217,434)	\$39,217,434	\$ 0	\$ 0	\$ 0	\$ 0	(\$39,217,434)	\$39,217,434	\$ 0
E. NET CHANGE IN FUND BALANCE	\$78,980	(\$12,757,672)	(\$12,678,692)	\$ 0	\$ 462,729	\$ 462,729	\$78,980	(\$12,294,943)	(\$12,215,963)
F. BEGINNING BALANCE	\$6,483,425	\$15,780,902	\$22,264,327	\$ 0	(\$1,998,174)	(\$1,998,174)	\$6,483,425	\$13,782,728	\$20,266,153
AUDIT ADJUSTMENTS	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
G. ESTIMATED ENDING BALANCE	\$6,562,405	\$3,023,230	\$9,585,635	\$ 0	(\$1,535,445)	(\$1,535,445)	\$6,562,405	\$1,487,785	\$8,050,190
COMPONENTS OF ENDING BAL:									
1. REVOLVING CASH	\$50,000	\$ 0	\$50,000	\$ 0	\$ 0	\$ 0	\$50,000	\$ 0	\$50,000
2. STORES/WAREHOUSE	\$234,475	\$ 0	\$234,475	\$ 0	\$ 0	\$ 0	\$234,475	\$ 0	\$234,475
3. RESERVE FOR ECONOMIC UNCERTAINTY	\$6,158,977	\$ 0	\$6,158,977	(\$13,881)	\$ 0	(\$13,881)	\$6,145,096	\$ 0	\$6,145,096
4. OTHER DESIGNATIONS	\$ 0	\$3,023,230	\$3,023,230	\$ 0	\$ (1,535,445)	\$ (1,535,445)	\$ 0	\$1,487,785	\$1,487,785
5. UNDESIGNATED BALANCE	\$118,953	\$ 0	\$118,953	\$13,881	\$ 0	\$13,881	\$132,834	\$ 0	\$132,834



Alameda County Office of Education

Alysse Castro, Superintendent

January 12, 2024

Chris Van Schaack, Superintendent
Members of the Board of Education
Livermore Valley Joint Unified School District (LVJUSD)
685 East Jack London Blvd, Livermore, CA 94551

RE: 2023-24 First Interim Budget Report

Dear Superintendent and Members of the Board,

LVJUSD filed a POSITIVE certification of the District's 2023-2024 First Interim Budget Report covering the period ending October 31st, which LVJUSD's Board of Education approved on December 12, 2023. A Positive Certification means that a district will meet its financial obligations for the remainder of the fiscal year and, based on current forecasts, for the subsequent two fiscal years.

ACOE has reviewed LVJUSD's First Interim Budget Report and we are highlighting concerns in two areas:

- *Forecasts include future reductions pending board action.*
- *Forecasts assume a high state COLA; however, the state's revenue projections are down significantly and will likely require the board to take further action in the future.*

Please see the attached report for details we wish to highlight for the Board in support of performing its fiduciary duty over the three projected years within the Multiyear Budget Projections (MYP).

We want to acknowledge and express our appreciation to the District staff, the Board, and the community for their continued diligence and hard work. If you have any questions or concerns regarding our review process, please don't hesitate to reach out to me or the District Business & Advisory Services Team.

In community,

Alysse Castro
Alameda County Superintendent of Schools

cc: Teresa Fiscus, Assistant Superintendent Business Services, Livermore Valley Joint USD
Shirene Moreira, Chief of District Business & Advisory Services, ACOE
Joan Laursen, Director III, District Business & Advisory Services, ACOE
Julia Xu, Director II, District Advisory Services, ACOE

2023-24 First Interim Review
Livermore Valley Joint Unified School District

Revenue Projections:

Description: The Legislative Analyst's Office announced in November 2023 that the Governor's June 2023 COLA estimates for fiscal years 2024-25 and 2025-26 were inflated. The COLA for 2024-25 will come in closer to 0.76% vs. 3.94% as projected in June of 2023.

COLA	2024-25	2025-26	
LVJUSD's LCFF Calculator (Revenue Projections)	3.94%	3.29%	
Governor's January Budget Proposal/ACOE's Estimates*	0.76%	2.00%*	

LCFF Revenue Projections	2023-24	2024-25	2025-26
LVJUSD's Unrestricted LCFF Revenue (MYP)	\$149,797,781	\$153,091,150	\$158,727,061
ACOE's Estimates after adjusting LVJUSD's Calculator	\$149,797,781	\$148,429,326	\$151,986,046
Difference due to COLA adjustment only	-	(4,661,824)	(6,741,015)

Cash Borrowing:

Description: The District has internally borrowed \$20.0 million from Fund 35 in September 2023, which was authorized by the board with blanket resolution No.088-22/23 on June 20, 2023. The District's cash flow should include a repayment schedule under EC 42603 to ensure the district's June 2024 Ending Cash Balance is sufficient to meet its average monthly disbursement of \$ 16.9 million. The Temporary borrowings repayment is due within this fiscal year.

Reserve for Economic Uncertainties (REU):

Description: Districts the size of LVJUSD are required to meet 3% minimum required reserves for each year through 2025-26.

RESERVES	2023-24	2024-25	2025-26
LVJUSD's Reserves - Source: MYP with higher COLA	\$6,415,104	\$6,000,597	\$7,269,628
REU %	3.00%	3.00%	3.55%
Is REU Met or Not Met in Submitted Financial Report?	Met	Met	Met
Amount of Revenue that the LEA may not receive if COLA is lower		(4,661,824)	(6,741,015)
District's Reserves if LCFF Revenue is Reduced		1,338,773	528,613
Is REU Met or Not Met if COLA is decreased?	Met	Not Met	Not Met

Required Board Action:

Description: The LVJUSD board approved Resolution No. 086-22/23 at Adopted Budget that outlines the district may need to implement budget reductions and/or solutions of \$6.0 million in 2024-25. Staff have outlined \$6,000,000 in ongoing reductions are needed in 2024-25 and 2025-26 at First Interim, not including the additional amount that may be needed should the COLA not be funded at levels projected within the District's First Interim MYP.

Required Board Action Budget Reductions and/or Revenue	2023-24	2024-25	2025-26
LVJUSD's Unrestricted Reductions - Source: MYP with higher COLA		(6,000,000)	(6,000,000)
District will further reduce the Restricted Side one-time categorical positions and professional development		(1,900,000)	(1,900,000)
Total Needed Budget Reductions/Adjustments in Submitted Report		(7,900,000)	(7,900,000)

Should the COLA not be funded at current projections within the District's financial Report

Required Board Action Budget Reductions and/or Revenue	2023-24	2024-25	2025-26
LVJ USD's Unrestricted Reductions - Source: MYP with higher COLA		(6,000,000)	(6,000,000)
District will further reduce the Restricted Side one-time categorical positions and professional development		(1,900,000)	(1,900,000)
Amount of Revenue that the LEA may not receive if COLA is lower		(4,661,824)	(6,741,015)
Total Needed Budget Reductions/ Adjustments if COLA is reduced		(12,561,824)	(14,641,015)

Conclusion:

The District's First Interim Report does not include the impact of the reduced COLA factor. Should the COLA factor be reduced as projected, the District will be required to **not only** implement the \$7.9 million in budget reductions in 2024-25 and 2025-26, but further reductions will be needed.

Next Steps:

The District Board and staff are expected to approve and implement budget-balancing solutions in February 2024. Failure to approve and implement the required reductions for 2024-25 will put the District at risk of Lack of Going Concern.



Alameda County Office of Education

Alysse Castro, Superintendent

April 15, 2024

Chris Van Schaack, Superintendent
Members of the Board of Education
Livermore Valley Joint Unified School District (LVJUSD)
685 East Jack London Blvd, Livermore, CA 94551

RE: 2023-24 Second Interim Budget Report

Dear Superintendent and Members of the Board,

LVJUSD filed a QUALIFIED certification of the District's 2023-2024 Second Interim Budget Report covering the period ending January 31st, which LVJUSD's Board of Education approved on March 05, 2024. A Qualified Certification means that a district *may or may not* meet its financial obligations for the remainder of the fiscal year or, based on current forecasts, for the subsequent two fiscal years. ACOE has reviewed LVJUSD's Second Interim Budget Report and concurs with the District's QUALIFIED certification.

ACOE is highlighting concerns in the following areas:

- *Forecasts include plans for unspecified future reductions that will require additional board action.*
- *Without the board's approval and implementation of \$10.5 Million in budget-balancing solutions, the District is projected to deplete its \$6.4 Million Unrestricted General Fund Balance, resulting in a Negative Fund Balance in 2024-25.*
- *The District projects interfund cash borrowing OR a loan from the County Treasurer for cash shortfall in the General Fund.*

Please see the attached report for a detailed summary and analysis. If you have any questions or concerns regarding our review process, please don't hesitate to reach out to me or the District Business & Advisory Services Team.

With appreciation to the District staff, Board, and community for their continued efforts,

Alysse Castro
Alameda County Superintendent of Schools

cc: Teresa Fiscus, Assistant Superintendent, Livermore Valley Joint USD
Allan Garde, Associate Superintendent of Business Services, ACOE
Shirene Moreira, Chief of District Business & Advisory Services, ACOE
Joan Laursen, Director III, District Business & Advisory Services, ACOE
Julia Xu, Director II, District Advisory Services, ACOE

**2023-24 Second Interim Review
Livermore Valley Joint Unified School District**

Revenue Projections

Description: The District projects modest enrollment and ADA growth to the out years. The District should have contingency plans should this revenue growth not materialize as projected.

LCFF Revenue Projections	2023-24	2024-25	2025-26
LVJUSD's Unrestricted LCFF Revenue - (MYP)	\$150,819,442	\$149,634,032	\$153,676,519
LVJUSD's Calculator - ADA/Enrollment Ratio - (MYP)	94.13%	94.49%	94.88%
ACOE's Estimates using District's Enrollment Projections with 2022-23 ADA/Enrollment Ratio 93.95% to adjust LVJUSD's Calculator	\$150,849,272	\$148,824,296	\$152,235,078
ACOE's LCFF Calculator - ADA/Enrollment Ratio	93.95%	93.95%	93.95%
LCFF Revenue Projections - Difference (District vs ACOE)	\$29,830	(\$809,736)	(\$1,441,441)

Enrollment Projections

Description: The District has projected growth in enrollment for the current and two subsequent years compared to 2022-23 in its Second Interim Budget Report.

CALPADS	2023-24	2024-25	2025-26
Projections within the District's Second Interim Report	13,019*	13,100	13,100
Year-Over-Year Difference	72**	80	0

* CALPADs certified

**compared to 2022-23 enrollment of 12,947

Average Daily Attendance (ADA)

Description: The District projects its LCFF revenue based on current CALPADS enrollment and leveraging the three-year rolling average ADA for 2023-24, with minor growth in the projected enrollment and ADA in 2024-25 and 2025-26.

ADA Calculations for Revenue Projections	2023-24	2024-25	2025-26
Enrollment	13,020	13,100	13,100
Total Average Daily Attendance (ADA) for the FY	12,255.68	12,377.98	12,429.57
Total Funded ADA	12,617.92	12,377.98	12,429.57
Funded ADA Option	3-PY Average	Current	Current

Cash Borrowing

Description: The District borrowed \$20.0 million in cash from its Fund 35 in September 2023, which was authorized by the board with blanket resolution No.088-22/23 on June 20, 2023, which was repaid in January 2024 in accordance with EC 42603. However, the cash ending balance in June 2024 is estimated to be \$11 million, considering the District's projected average monthly disbursements of \$17 million, LVJUSD's cash position may be insufficient to support the District's operations. The District has projected possible cash flow shortfall and potential cash borrowing in 2024-25.

Required Board Action

Description: The LVJUSD board approved Resolution No. 086-22/23 at Adopted Budget previously indicating that the District may need to implement budget reductions and/or solutions of at least \$6.0 million in 2024-25. At Second Interim, the District currently projects ongoing unidentified budget reductions of \$10,500,000 in 2024-25 and 2025-26 in order for the District to maintain the minimum required REU of 3%.

Required Board Action Budget Reductions and/or Revenue	2023-24	2024-25	2025-26
LVJUSD - Ongoing Unrestricted Reductions - Source: MYP		(\$10,500,000)	(\$10,500,000)
Reductions to Certificated and Classified Salaries & Benefits due to the ending of one-time temporary categorical work in the Restricted Fund		(\$2,100,000)	(\$730,000)
Total Needed Budget Reductions/Adjustments in Submitted Report		(\$12,600,000)	(\$11,230,000)

District's Unrestricted Fund Balance and Required Board Action

Description: LVJUSD projects continued deficit spending in the combined Unrestricted/Restricted General Fund in the MYP submitted with the Second Interim Budget Report of \$16 million in 2023-24, \$6 million in 2024-25 and \$0.1 million in 2025-26. The total Unrestricted/Restricted General Fund Ending Balance is projected to decrease from \$28.3 million at 2022-23 Unaudited Actuals to \$6.3 million in 2025-26, and the Restricted General Fund balance will be completely depleted in 2024-25. This may result in a significant negative impact on the Unrestricted General Fund as the District may need to increase contributions from the Unrestricted General Fund to support the operations in the Restricted General Fund.

Second Interim Budget Adjustments	2023-24	2024-25	2025-26
Unrestricted Reductions: B.10 Other Adjustments		(\$10,500,000)	(\$10,500,000)
Unrestricted General Fund - Beginning Balance	\$6,316,858	\$6,809,008	\$6,442,594
Unrestricted General Fund - Surplus/(Deficit)	\$492,150	(\$366,414)	(\$102,653)
Unrestricted General Fund - Ending Balance	\$6,809,008	\$6,442,594	\$6,339,941
<i>Should the District not implement budget balancing solutions.</i>	2023-24	2024-25	2025-26
Unrestricted General Fund - Ending Balance	\$6,809,008	\$6,442,594	(\$4,057,406)
Unrestricted Reductions: B.10 Other Adjustments*		\$10,500,000	\$10,500,000
Unrestricted General Fund - Adjusted Ending Balance		(\$4,057,406)	(\$14,557,406)

*Without board approval, the expenditures would be added back to the budget, reducing fund balance.

Conclusion

ACOE understands LVJUSD is working to implement the budget-balancing solutions and the District anticipates attrition savings. ACOE requires the District approve and implement its list of the ongoing budget solutions of \$10.5 million to ensure the District retains a positive fund balance in fiscal year 2024-25. We appreciate LVJUSD's partnership and remain confident that the District will continue to make the necessary decisions concerning ongoing revenues and expenditures to ensure it is able to meet its financial obligations and maintain long-term fiscal health.

Next Steps - Board Action and Third Interim Report

Pursuant to EC Section 42131, as a District with a Qualified certification, LVJUSD shall provide to ACOE and its state partners a Board-approved Third Interim Budget Report no later than June 1, 2024, with projections through June 30, 2024, for the period ending April 30, 2024. ACOE expects the District's Third Interim Budget Report to include any recent Board-approved actions as well as any necessary and sufficient budget balancing solutions to return the District to a path toward a Positive certification. Should the District fail to approve and implement the required reductions for 2024-25, the District risks becoming a Lack of Going Concern.



Alameda County Office of Education

Alysse Castro, Superintendent

June 14, 2024

Chris Van Schaack, Superintendent
Members of the Board of Education
Livermore Valley Joint Unified School District (LVJUSD)
685 East Jack London Blvd
Livermore, CA 94551

RE: Public Disclosure of Collective Bargaining Agreement Between LVJUSD and California School Employees Association (CSEA)

Dear Superintendent and Members of the Board,

On June 06, 2004, ACOE received the Public Disclosure of Collective Bargaining Agreement (CBA) and Tentative Agreement (TA) between LVJUSD and CSEA as required by Government Code (GC) Section 3547.5, GC 3540.2(a) and Assembly Bill (AB) 1200 (Statutes of 1991, Chapter 1213). The TA includes an ongoing salary schedule increase of 5% for 13 Paraeducators reclassified in the Adult Transition Program, effective December 01, 2023, and is scheduled to be approved by the District's Governing Board (Board) on June 18, 2024.

Per the Public Disclosure, the cumulative fiscal impact of this agreement is:

Description	2023-24	2024-25	2025-26	Cumulative Cost over 3 years
Ongoing Fiscal Impact	\$36,424	\$57,247	\$60,098	\$153,769
Total Fiscal Impact	\$36,424	\$57,247	\$60,098	\$153,769

The District's AB1200 Public Disclosure states that the salary increase will be funded from the General Fund. ACOE has reviewed the Multiyear Budget Projection (MYP) from the 2023-24 Third Interim Budget Report and incorporated the estimated fiscal impact of the salary increase. Based on ACOE's analysis, it appears the District can meet its 3% minimum required reserve in 2023-24 contingent on the Board and District staff following through with the implementation of the proposed \$2.5 million in salary reductions in 2024-25, in addition to the unspecified reductions of \$4.4 million in 2025-26, as presented in the District's Public Disclosure documents.

The Board will need to approve and implement all the budget-balancing solutions outlined in its financial documents to ensure the District returns to a Positive Certification. Similar to last year's budget reductions resolutions and to ensure the district's progress toward the positive certification, a Board-approved resolution to address the District's required budget-balancing solutions is needed when submitting its 2024-25 Adopted Budget.

ACOE appreciates the assistance and cooperation of the District's business office during our review process. If you have any questions or concerns, please feel free to call me at (510) 670-4140.

In community,

A handwritten signature in black ink, appearing to read 'Alysse Castro', with a stylized flourish at the end.

Alysse Castro
Alameda County Superintendent of Schools

cc: Teresa Fiscus, Assistant Superintendent of Business Services, LVJUSD
Allan Garde, Associate Superintendent, Business Services, ACOE
Shirene Moreira, Chief of District Business & Advisory Services, ACOE
Joan Laursen, Director III, District Advisory Services, ACOE
Julia Xu, Director II, District Advisory Services, ACOE
Doug D'Amour, Director of Fiscal Services, LVJUSD

Livermore Valley Joint Unified School District

RESOLUTION NO. 085-22/23

TO IDENTIFY THE AMOUNT OF BUDGET REDUCTIONS POTENTIALLY NEEDED IN 2023-2024 AND TO REQUIRE THAT A LIST OF BUDGET REDUCTIONS AND/OR SOLUTIONS BE INCLUDED WITH THE 2023-2024 ADOPTED BUDGET.

WHEREAS, the Livermore Valley Joint Unified School District (“District”) Board of Education has a fiduciary duty to meet its financial obligations in the current fiscal year and two subsequent fiscal years pursuant to Education Code 42127; and

WHEREAS, for 2023-2024 it is projected that the State may reduce funding streams for both the Art and Music Discretionary Block Grant and the Learning Recovery Block Grant,

WHEREAS, for 2023-2024 it is projected that the proposed funding reductions could equal up to 50% for the Art and Music Discretionary Block Grant (\$4,024,811) and up to 30% for the Learning Recovery Block Grant (\$2,280,363),

WHEREAS, for 2023-2024 and 2024-2025 it is projected that our District may need to implement budget reductions and or solutions of \$6,305,174; and

WHEREAS, while these actions must be taken to maintain the fiscal stability of our District, the Board of Education will continue to make every effort to sustain a high-quality education program for our students; and

NOW, THEREFORE, BE IT RESOLVED, if the State’s enacted 2023-2024 State Budget includes the proposed reductions, our District will implement at least \$6,305,174 in budget reductions and/or solutions for 2023-2024 and 2024-2025.

BE IT FURTHER RESOLVED, that in the event that reductions are necessary our District has submitted a list of budget reductions and/or solutions with the 2023-2024 Adopted Budget.

PASSED AND ADOPTED by the Governing Board of the Livermore Valley Joint Unified School District on this 20th day of June, 2023, by the following vote:

AYES:	Bueno	<input checked="" type="checkbox"/>	Drouin	<input type="checkbox"/>	Guzmán	<input checked="" type="checkbox"/>	Prusso	<input checked="" type="checkbox"/>	Wang	<input checked="" type="checkbox"/>
NOES:	Bueno	<input type="checkbox"/>	Drouin	<input type="checkbox"/>	Guzmán	<input type="checkbox"/>	Prusso	<input type="checkbox"/>	Wang	<input type="checkbox"/>
ABSTENTIONS:	Bueno	<input type="checkbox"/>	Drouin	<input type="checkbox"/>	Guzmán	<input type="checkbox"/>	Prusso	<input type="checkbox"/>	Wang	<input type="checkbox"/>
ABSENT:	Bueno	<input type="checkbox"/>	Drouin	<input checked="" type="checkbox"/>	Guzmán	<input type="checkbox"/>	Prusso	<input type="checkbox"/>	Wang	<input type="checkbox"/>

I, Emily, Clerk/Secretary of the Governing Board, do hereby certify that the foregoing is a full, true and correct copy of a resolution duly passed and adopted by said Board at a regularly called and conducted meeting held on said date.

Emily Prusso

Clerk of the Board of Education
Livermore Valley Joint Unified School District of Alameda
County and Contra Costa County, State of California

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT

Potential reductions for 2023-2024

Art and Music Discretionary Block Grant

One-time	FTE	
2023-2024 Hiring Freeze	35	\$ 3,500,000
2023-2024 Spending Freeze	0	524,811
Total	<u>35</u>	<u>\$ 4,024,811.00</u>

Learning Recovery Block Grant

One-time	FTE	
2023-2024 Spending Freeze	0	\$ 180,723
2024-2025 Program Elimination	7	2,099,640
Total	<u>7</u>	<u>\$ 2,280,363.00</u>

Total Potential Reductions	42	<u><u>\$ 6,305,174.00</u></u>
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Livermore Valley Joint Unified School District

RESOLUTION NO. 086-22/23

TO IDENTIFY THE AMOUNT OF BUDGET REDUCTIONS POTENTIALLY NEEDED IN 2024-2025 AND TO REQUIRE THAT A LIST OF BUDGET REDUCTIONS AND/OR SOLUTIONS FOR 2024-2025 BE INCLUDED WITH THE 2023-2024 ADOPTED BUDGET.

WHEREAS, the Livermore Valley Joint Unified School District ("District") Board of Education has a fiduciary duty to meet its financial obligations in the current fiscal year and two subsequent fiscal years pursuant to Education Code 42127; and

WHEREAS, for 2024-2025 it is projected that our District may need to implement budget reductions and/or solutions of \$6.0 million; and

WHEREAS, while these actions must be taken to maintain the fiscal stability of our District, the Board of Education will continue to make every effort to sustain a high-quality education program for our students; and

NOW, THEREFORE, BE IT RESOLVED, if the fiscal condition further deteriorates, our District will implement at least \$6.0 million in budget reductions and/or solutions for 2024-2025.

BE IT FURTHER RESOLVED, that in the event that reductions are necessary our District has submitted a list of budget reductions and/or solutions with the 2023-2024 Adopted Budget.

PASSED AND ADOPTED by the Governing Board of the Livermore Valley Joint Unified School District on this 20th day of June, 2023, by the following vote:

AYES:	Bueno	<input checked="" type="checkbox"/>	Drouin	<input type="checkbox"/>	Guzmán	<input checked="" type="checkbox"/>	Prusso	<input checked="" type="checkbox"/>	Wang	<input checked="" type="checkbox"/>
NOES:	Bueno	<input type="checkbox"/>	Drouin	<input type="checkbox"/>	Guzmán	<input type="checkbox"/>	Prusso	<input type="checkbox"/>	Wang	<input type="checkbox"/>
ABSTENTIONS:	Bueno	<input type="checkbox"/>	Drouin	<input type="checkbox"/>	Guzmán	<input type="checkbox"/>	Prusso	<input type="checkbox"/>	Wang	<input type="checkbox"/>
ABSENT:	Bueno	<input type="checkbox"/>	Drouin	<input checked="" type="checkbox"/>	Guzmán	<input type="checkbox"/>	Prusso	<input type="checkbox"/>	Wang	<input type="checkbox"/>

I, Emily, Clerk/Secretary of the Governing Board, do hereby certify that the foregoing is a full, true and correct copy of a resolution duly passed and adopted by said Board at a regularly called and conducted meeting held on said date.

Emily Prusso
Clerk of the Board of Education
Livermore Valley Joint Unified School District of
Alameda County and Contra Costa County, State of
California

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT

Potential reductions included in Adopted Budget Multi-Year Projection for 2024-2025

Ongoing	FTE	
Certificated Staffing Formula Realignment	20	\$ 2,000,000
Reduce Classified Support	15	650,000
Reduce Leadership/Manager Support	3	450,000
Employee Benefits		1,136,700
Special Education Contracted Services/Materials		396,300
Specialized Program Staffing Reduction	3	367,000
One-time		
Reduce Learning Recovery Plan		\$ 1,000,000
Total	<u>41</u>	<u>\$ 6,000,000</u>

Currently, the Governor's proposal for the 2023-2024 State Budget includes a reduction to the Learning Recovery Block Grant revenue that was awarded to our District in the enacted 2022-2023 State Budget. If this reduction is included when the State Budget is enacted for 2023-2024, our District will be required to reduce an additional \$1 million in expenses for 2024-2025 to offset the one-time solution noted above. This will be done through the reduction of an additional 7 FTE of Certificated, Classified, and Leadership positions.

Livermore Valley Joint

Unified School District

AGENDA ITEM

Meeting Date: 6/20/2023 - 7:00 PM

Category: CONSENT ITEMS - RESOLUTIONS


Type: Action

Subject: 12.5 Resolution No. 088-22/23, Temporary Borrowing Between Funds for Fiscal Year 2023-2024

:

Attachment Summary:

File Attachment:

 6-20 Resolution #088-2223Temporary Borrowing Between Funds.docx.pdf

Quick Summary / Abstract:

Background: State funding flows to our District at different times of the year based on statutory timelines and formulas, which may result in short term cash shortages in the General Fund. We closely monitor our cash flow conditions and take action to borrow from other funds if necessary.

Status: Education Code 42603 requires the Livermore Valley Joint Unified School District (LVJUSD) to have a resolution in place before any borrowing can take place between funds.

Fiscal Impact: There is no long-term impact to the General Fund. These temporary transfers ensure fiscal solvency and the ability to meet financial obligations.

Superintendent's Recommendation Our Superintendent recommends adoption, by roll call vote, of Resolution No. 088-22/23, Temporary Borrowing Between Funds for the Fiscal Year 2023-2024.

Approvals:

Recommended By:

Signed By: *Signature*
Jodi Robison - Executive Assistant

Signed By: *Signature*
Teresa Fiscus - Assistant Superintendent

Signed By: *Signature*
Chris Van Schaack - Superintendent

Vote Results:

Original Motion

Member **Kristie Wang** Moved, Member **Yanira Guzman** seconded to approve the **Original** motion 'Our Superintendent recommends adoption, by roll call vote, of Resolution No. 088-22/23, Temporary Borrowing Between Funds for the Fiscal Year 2023-2024.'. Upon a Roll-Call Vote being taken, the vote was: Aye: **4** Nay: **0**. The motion **Carried** 4 - 0

Craig Bueno	Yes
Emily Prusso	Yes
Kristie Wang	Yes
Yanira Guzman	Yes

RESOLUTION NO. 088-22/23

TEMPORARY BORROWING BETWEEN FUNDS FOR THE 2023-2024 SCHOOL YEAR

WHEREAS, the Livermore Valley Joint Unified School District Board of Education has determined that State funding flows to our District at different times of the year based on statutory timelines and formulas, which may result in short term cash shortages in the General Fund; and

WHEREAS, Education Code Section 42603 permits the Governing Board of any school district to direct that monies held in any fund or account may be temporarily transferred to another fund or account of the District for payment of obligations; and

WHEREAS, the transfer shall be accounted for as temporary borrowing between funds and shall not be available for appropriation or be considered income to the borrowing fund;

NOW, THEREFORE, BE IT RESOLVED that in accordance with Education Code Section 42603, monies may be transferred between funds of the District and repaid in accordance with Education Code Section 42603.

PASSED AND ADOPTED by the Governing Board of the Livermore Valley Joint Unified School District on this 20th day of June, 2023, by the following vote:

AYES: Bueno _____ Drouin _____ Guzmán _____ Prusso _____ Wang _____

NOES: Bueno _____ Drouin _____ Guzmán _____ Prusso _____ Wang _____

ABSTENTIONS: Bueno _____ Drouin _____ Guzmán _____ Prusso _____ Wang _____

ABSENT: Bueno _____ Drouin _____ Guzmán _____ Prusso _____ Wang _____

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Clerk of the Board of Education
Livermore Valley Joint Unified School District of Alameda
County and Contra Costa County, State of California