



Alameda County Office of Education

Alysse Castro, Superintendent

September 16, 2024

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

RE: 2024-25 Local Control and Accountability Plan (LCAP) & Adopted Budget Review

Dear Superintendent Gibson and Members of the Board,

Based on ACOE's review of the District's 2024-25 LCAP and Adopted Budget and Multiyear Budget Projection, we have determined that the District is in compliance with the approval criteria in accordance with the Education Code Sections 42127 and 52070, and both LVJUSD LCAP and Adopted Budget have been approved.

Budget Detail: The attached Budget Review provides a detailed fiscal summary and analysis highlighting areas that will need to be addressed going forward. ACOE District Business & Advisory Services Team will continue to work with the District's budget team to ensure that the District takes all necessary actions to remain fiscally healthy.

We appreciate the continued hard work and commitment of the District staff, the Board, and the community. Please contact us with any questions or concerns.

In community,

Alysse Castro
Alameda County Superintendent of Schools

cc: Kayla Wasley, Assistant Superintendent of Business Services, LVJUSD
Michelle Pechette, Assistant Superintendent of Educational Services, LVJUSD
Doug D'Amour, Director of Fiscal Services, LVJUSD
Allan Garde, Associate Superintendent of Business Services, ACOE
Shirene Moreira, Chief of District Business and Advisory Services, ACOE
Juwen Lam, Chief of Accountability Partnerships, ACOE
Joan Laursen, Director III, District Business & Advisory Services, ACOE
Julia Xu, Director II, District Advisory Services, ACOE

2024-25 Local Control and Accountability Plan & Adopted Budget Livermore Valley Joint Unified School District

Summary of Fiscal Concerns:

- Forecasts assume possible cash flow shortfall and potential cash borrowing in 2024-25.
- Projections include required ongoing reductions of \$4.4 million in 2025-26.
- If enrollment growth does not materialize as projected at Budget Adoption, additional budget adjustments may be required.
- Forecasts include continued deficit spending in the Unrestricted General Fund and significant decreases in Restricted General Fund Balance.

Revenue Projections

Description: The District projects modest enrollment and ADA growth in 2024-25 and to remain stable from 2025-26 to 2026-27. However, ACOE recommends the District have contingency plans should this revenue growth not materialize as projected at the Adopted Budget.

LCFF Revenue Projections	2024-25	2025-26	2026-27
LVJUSD's Unrestricted LCFF Revenue - (MYP)	\$150,098,853	\$154,452,313	\$159,172,449
LVJUSD's Calculator - ADA/Enrollment Ratio - (MYP)	94.49%	94.88%	94.88%
ACOE's Estimates using District's Enrollment Projections with 2023-24 ADA/Enrollment Ratio of 94.20% to adjust LVJUSD's Calculator	\$149,134,162	\$152,016,381	\$156,709,434
ACOE's LCFF Calculator - ADA/Enrollment Ratio	94.20%	94.20%	94.20%
LCFF Revenue Projections - Difference (District vs ACOE)	(\$964,691)	(\$2,435,932)	(\$2,463,015)

Enrollment Projections

Description: The District has projected growth in enrollment from 2022-23 with the universal Transitional Kindergarten (TK) initiative, and to stay flat from 2025-26 to 2026-27 in its 2024-25 Adopted Budget Report.

CALPADS	2024-25	2025-26	2026-27
Projections within the District's Adopted Budget Report	13,100	13,100	13,100
Year-Over-Year Difference	81*	0	0
<i>ACOE Enrollment Projections After review of District's Current Trends</i>	13,012	13,012	13,012

*compared to 2023-24 enrollment of 13,019

Average Daily Attendance (ADA)

Description: The District projects its LCFF revenue based on minor ADA growth in 2024-25 and to remain stable from 2025-26 to 2026-27.

ADA Calculations for Revenue Projections	2024-25	2025-26	2026-27
Total Average Daily Attendance (ADA) for the FY	12,377.98	12,429.57	12,429.57
Total Funded ADA	12,377.98	12,429.57	12,429.57
LCFF ADA Funding Method	Current	Current	Current
<i>Total Funded ADA (ACOE's LCFF Calculator)</i>	12,310.51	12,257.31	12,259.93
<i>LCFF ADA Funding Method (ACOE's LCFF Calculator)</i>	3-PY Average	Current	3-PY Average

Cash Borrowing

Description: The District has projected possible cash flow shortfall and potential cash borrowing in 2024-25. LVJUSD projects borrowing \$20 million from unspecified sources in October 2024, and repaying it in February 2025 in accordance with EC 42603. Although the District's cash is estimated to be positive at the end of the fiscal year, the cash ending balance in June 2025 is projected to be \$9.7 million, which might be insufficient considering the District's projected average monthly disbursements of \$16.4 million. ACOE recommends the District closely monitor its cash position on a monthly basis to ensure that its obligations are fulfilled in all funds.

Required Board Action

Description: In the District's MYP submitted with the Adopted Budget, LVJUSD includes required ongoing reductions of \$4.4 million in 2025-26, and a Board Resolution No. 096-23/24 "To Identify the Amount of Budget Reductions Potentially Needed in 2025-26 and To Require That A List of Budget Reductions and/or Solutions for 2025-26 Be Included with the 2024-25 Adopted Budget". Based on the District's projections, these adjustments will need to be implemented in order for the District to meet its required reserves.

Required Board Action Budget Reductions and/or Revenue	2024-25	2025-26	2026-27
LVJUSD - Ongoing Unrestricted Reductions - Source: MYP		(\$4,400,000)	(\$4,400,000)
Reductions to Certificated Salaries & Benefits from the Educator Effectiveness Block Grant in the Restricted Fund			(\$250,000)
Total Needed Budget Reductions/Adjustments in Submitted Report		(\$4,400,000)	(\$4,650,000)

District's Unrestricted Fund Balance and Required Board Action

Description:LVJUSD projects \$4.4 million in ongoing reductions, and is projected to deficit spend in the Unrestricted General Fund, \$4.9 million in 2024-25 and \$200 thousand in 2025-26, and a surplus of \$566 thousand in 2026-27. If the District is unable to achieve budget-balancing solutions of at least 4.4 million in 2025-26, the fund balance in 2025-26 will be reduced to \$2 million as presented in the chart below.

Adopted Budget Adjustments	2024-25	2025-26	2026-27
Unrestricted Reductions: B.10 Other Adjustments		(\$4,400,000)	(\$4,400,000)
Unrestricted General Fund - Beginning Balance	\$11,558,037	\$6,659,047	\$6,465,828
Unrestricted General Fund - Surplus/(Deficit)	(\$4,898,990)	(\$193,219)	\$566,152
Unrestricted General Fund - Ending Balance	\$6,659,047	\$6,465,828	\$7,031,980
<i>Should the District not implement budget-balancing solutions</i>	2024-25	2025-26	2026-27
Unrestricted General Fund - Ending Balance	\$6,659,047	\$6,465,828	\$7,031,980
Unrestricted Reductions: B.10 Other Adjustments*		\$4,400,000	\$4,400,000
Unrestricted General Fund - Adjusted Ending Balance		\$2,065,828	\$2,631,980

*Without implementation and following through with required ongoing reductions, the expenditures would be added back to the budget, reducing fund balance.

Conclusion

The District's 2024-25 Adopted Budget and Multiyear Projection presents financial risk for the District. The District is recommended to implement board-approved budget-balancing solutions should the District's fiscal position continue to demonstrate an inability to meet the state required minimum reserve standards.