

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT

Report to the Board of Education

2023-2024 Second Period Interim Financial Report

The 2023-2024 Second Interim Report has been prepared based on the Governor's January Budget Proposal. The report is a snapshot in time of the District's revenue and expenditure forecasts for the current year as well as a projection for the subsequent two years.

Changes since First Interim

As of January 31, 2024, total revenues are projected to be \$202,529,106 with total expenditures projected to be \$218,462,740. This results in projected deficit spending of \$15,933,634, which will be covered from one-time reserves.

Revenue

Revenue increased by \$6,571,792 from the First Interim Report. The Local Control Funding Formula was recalculated and increased by \$1,097,867. \$1,002,110 of this increase was related to an increase in our unduplicated pupil count which resulted in an increase to our supplemental grant funding, \$76,206 of the increase was for special education property taxes, and \$19,551 was related to the recalculation of our average daily attendance. Federal Revenue increased by \$1,293,128 due to an increase in our Title I grant as well as other minor increases to restricted programs such as IDEA and other Federal grants. Other State Revenue increased by \$2,260,385 due to an increase of \$1.7 million for the Prop 28 grant as well as other minor increases to restricted state programs such as After School Education and Safety Program (ASES). Other Local Revenue increased by \$1,920,412 due to posting local revenues received for donations and other local grants.

Expenditures

Expenditures increased by \$4,812,600 from the First Interim Report. Salaries and benefits were increased by \$4,286,754 related to increased grant revenues received and noted above. Books and Supplies were increased by \$729,640, \$205,079 was due to a reclassification from Services and Other Operating Expenditures and \$524,561 was related to increased grant revenues received and noted above. Services and Other Operating Expenditures were reduced by \$205,079, due to the reclassification to Books and Supplies, and the Capital Outlay category was increased by \$1,285.

Assumptions used for the Second Interim

2023-2024 Budget Assumptions

- Revenue based on FCMAT LCFF calculator
- Funded Cost of Living Adjustment (COLA) = 8.22%
- Additional increase to LCFF Base = \$0
- CALPADS enrollment was 13,020
- Using three year average of Average Daily Attendance (ADA) = 12,617.92
- Projected Parcel Tax revenue of \$3.98 million
- Lottery = \$177.00 unrestricted and \$72.00 restricted per ADA
- STRS employer rate = 19.10%
- PERS employer rate = 26.68%

Multi-Year Projection (MYP) Assumptions

2024-2025

- Revenue based on FCMAT LCFF calculator
- School Services estimated Cost of Living Adjustment (COLA) = 0.76%
- Using projected 2024-25 Average Daily Attendance (ADA) = 12,377.98
- Projected Parcel Tax revenue of \$3.98 million
- Lottery = \$177.00 unrestricted and \$72.00 restricted per ADA
- STRS employer rate = 19.10%
- PERS employer rate = 27.80%
- Removed all one-time revenues and prior year carry over

2025-2026

- Revenue based on FCMAT LCFF calculator
- School Services estimated Cost of Living Adjustment (COLA) = 2.73%
- Using projected 2025-26 Average Daily Attendance (ADA) = 12,429.57
- Projected Parcel Tax revenue of \$3.98 million
- Lottery = \$177.00 unrestricted and \$72.00 restricted per ADA
- STRS employer rate = 19.10%
- PERS employer rate = 28.50%

State Budget

The Governor's Budget proposal for K-12 education aims to protect school districts from the local impact of a nearly \$12 billion reduction to Prop 98, that left unmitigated, would have harmed our students and the professionals who dedicate their lives to teaching and supporting them. Despite the significant underperformance of the State's General Fund revenues, the Governor is not proposing any new cuts to education or any deferrals to K-12 education. However, the bad news is that for 2024-2025 school districts are facing a COLA-only year, in which the statutory cost-of-living adjustment (COLA) is

significantly less than in prior year, and significantly less than the original projections. The COLA projection for 2024-2025 was reduced by 3.18%, from 3.94% down to 0.76%.

Summary

As of the Second Interim, the District's projected ending fund balance for the 2023-2024 fiscal year is \$12,379,808.

Of this amount, \$5,570,800 is restricted one-time funding allocated for future programs:

Educator Effectiveness	\$ 1,586,779
Learning Recovery Emergency Block Grant	\$ 2,484,021
Expanded Learning Opportunities Grant	\$ 1,500,000

Of the unrestricted funds, we are designating \$50,000 for the revolving fund, \$200,000 in estimated warehouse inventory, and \$6,553,883 as a 3% reserve for economic uncertainty. This leaves \$5,125 as unappropriated at this time.