

SYLVAN UNION SCHOOL DISTRICT
BOARD OF TRUSTEES

Budget Information

November 19, 2024

(Updated from October 29, 2024 Budget Information)

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I. Welcome and Purpose (Peterson, Aguilar)

- This year the district continues to focus on “The Way Forward” committing to meet the needs of the district’s students and community. Our mission to “Ensure a dynamic and comprehensive education that prepares ALL students to be engaged and contributing members of society” is our foundation as we guarantee learning for all of our students. We have made real progress adding support for our students and providing intentional professional development for our educators. For 2025-2026, we will be in year 2 of 3 of the updated LCAP. In addition to the LCAP, many of the supports and actions we have put into place have been delineated in the various plans that the district has prepared and presented to the Board and community. These plans and associated funding have allowed the district to continue supporting many of the increased services and programming that were put in place following the school closures while also enabling the district to continue operations. We have continued to update the Board of Trustees as well as our community at every board meeting on the expenditures utilizing one-time money that was provided by the federal and state government as a response to the school closures. Some funds that support existing services, aligned with the district’s goals, that under different “normal” circumstances, may have been paid for out of the unrestricted budget were paid out of one-time funds. In the 2022-2023 fiscal year, additional one-time funding was added to continue responding to the long-term effects of learning recovery. Starting in the 2022-2023 school year, we experienced an increase in our unduplicated pupil percentage (UPP) of almost ten percent. Our increased UPP provides additional money with supplemental and concentration funds that is now used to sustain many of the personnel and program supports that were added with one-time money.
- As we start planning for the 2025-2026 budget development cycle and future years, our goal is to always manage our resources responsibly and intentionally to support the vision, mission and core values of our district. As one-time funds have been expended, per our plans and action steps, and with more typical COLA amounts put forward by the state (1.07% for 24-25 and 2.93% for 25-26) our current expenses will outpace our funding resulting in possible budget deficits for this academic year and the next two years out. In order to mitigate the loss of one-time money and looking at our current funding levels in all areas, staff will review added support positions and costs to determine possible next steps for budget savings.
- Our current LCAP outlines our action steps tied to our budget to ensure we are providing support and services for all students. Administration and our community partners who are part of our LCAP Committee and the Superintendent’s Focus Groups are reviewing the current plan and providing input on needs and successes. Our goals for the LCAP continue to align with the goals established in previous years with many services and actions designed to address learning loss, support academic rigor and respond to the increasing needs for social/emotional support for our students. We will focus on the acceleration of learning to close gaps and meet the current academic, behavior and social-emotional needs of all of our students, leveraging funding as appropriate and allowed.
- An hour has been set aside this evening to begin preliminary planning for the 2025-2026 budget development process and to receive some initial input from the Board on reductions to salaries and benefits for necessary budget savings for the 2025-2026 budget as well as the outgoing years.

II. Current Budget/MYP (Aguilar, Sandoval)

Multi-year projections (MYP) are the result of decisions based on a given set of assumptions. MYP’s are expected to change as various factors are updated and revised. Projections will change any time the underlying factors and assumptions are modified, therefore, we must plan and prepare to make changes as conditions and situations change.



CURRENT MYP:

This was updated and presented at the October 8, 2024 Board Meeting. Below is a condensed version of this. The full-length version can be found on the following link: <https://tinyurl.com/SylvanMYP>

**Sylvan Union School District
2024-25 Adopted Budget with Revised Projections for FY 23-24 Year End and Negotiations**

UNRESTRICTED	2023-2024 Unaudited Actuals	2024-2025 Projections	2025-2026 Projections	2026-2027 Projections
	COLA	COLA	COLA	COLA
REVENUES	8.22%	1.07%	2.93%	3.08%
Local Control Funding Formula (LCFF)	\$ 95,428,807	\$ 99,359,302	\$ 102,049,687	\$ 105,614,065
Federal Revenues (MAA)	78,897	186,000	186,000	186,000
Other State Revenues	2,853,203	2,322,841	2,331,444	2,340,643
Other Local Revenues	2,211,646	1,332,004	1,346,257	1,385,702
Special Education (RS 6500)	(14,584,479)	(17,470,837)	(17,900,898)	(18,104,006)
Ongoing & Major Maintenance (RS 8150)	(3,552,690)	(4,062,358)	(3,763,343)	(3,864,996)
TOTAL REVENUES and OTHER FINANCING SOURCES	\$ 82,435,385	\$ 81,666,952	\$ 84,249,147	\$ 87,557,408
EXPENSES				
Certificated Salaries	\$ 40,729,159	\$ 42,811,706	\$ 42,811,706	\$ 42,811,706
<i>Transferred to AMIM Arts & Music, RS 6762 - Certificated Salaries & Benefits</i>		<i>(3,063,123)</i>	\$ -	
<i>Transferred to LREBG, RS 7435 - Certificated Salaries & Benefits</i>		<i>(3,022,056)</i>		
<i>Transferred to Mental Health, RS 6546 - Certificated Salaries & Benefits</i>			<i>(947,471)</i>	
Classified Salaries	11,347,050	13,026,387	13,026,387	13,026,387
<i>Transferred to SpEd Early Inter, RS 6547 - Classified Salaries & Benefits</i>			<i>(868,343)</i>	
Cert. & Class. Salaries: Increase of 5% to Salary & Benefits (23-24 Negotiation)		\$7,014,630	\$ 3,507,315	\$ 3,507,315
Employee Benefits				
STRS	7,702,043	8,176,931	8,177,036	8,177,036
PERS	2,833,553	3,708,546	3,354,920	3,646,879
Social Security	674,129	811,941	753,800	807,637
Medicare	749,680	810,653	797,061	809,652
H&W	4,878,460	5,093,932	5,344,740	5,608,088
SUI	57,359	27,930	27,484	27,918
W/C	860,051	904,537	890,511	904,578
OPEB	612,234	571,558	571,558	571,558
Other Benefits	368,233	336,730	336,730	336,730
Reduction to Salary & Benefits		-	(1,300,000)	(1,600,000)
State Adopted Textbooks & Instructional Materials (Partially funded w/ Restricted funds)	9,991	25,000	25,715	26,453
Services & Other Operating Expenditures	5,937,259	5,374,203	5,682,079	5,146,665
Printing Services for Adopted Textbook Consumables		575,000	591,445	608,419
Capital Outlay	46,762	-	-	-
Other Outgo	416,973	210,195	210,195	210,195
Direct Support/Indirect Costs	(1,170,340)	(1,977,571)	(1,125,691)	(1,087,627)
Interfund Transfers Out	\$ -	\$ -	\$ 662,000	\$ 662,000
Other Uses	-	-	200,000	200,000
TOTAL EXPENSES and OTHER USES	\$ 78,162,154	\$ 84,258,555	\$ 85,470,618	\$ 87,235,322
BEGINNING FUND BALANCE	\$ 14,586,491	\$ 18,859,721	\$ 16,268,118	\$ 15,046,648
NET INCREASE/(DECREASE) IN FUND BALANCE	\$ 4,273,230	\$ (2,591,603)	\$ (1,221,471)	\$ 322,086
ENDING FUND BALANCE	\$ 18,859,721 14.93%	\$ 16,268,118 11.57%	\$ 15,046,648 11.52%	\$ 15,368,733 11.47%
GENERAL FUND - COMPONENTS OF ENDING FUND BALANCE				
Nonspendable: Revolving Cash & Prepaid	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Committed	-	-	-	-
Unspent Supplemental and Concentration Grant Funds to Suppo	305,000	-	-	-
Assigned	2,021,416	2,021,416	2,004,256	1,969,384
Insurance Deductibles	600,000	600,000	600,000	600,000
Textbook Adoptions	1,421,416	1,421,416	1,404,256	1,369,384
Unassigned/Unappropriated				
Reserve for Economic Uncertainties (REU)	3,790,115 3.00%	4,216,761 3.00%	3,917,747 3.00%	4,019,400 3.00%
Unassigned/Unappropriated Amount	\$ 12,733,190 10.00%	\$ 10,019,941 7.13%	\$ 9,114,645 6.98%	\$ 9,369,949 6.99%
Reserved Plus Unassigned (Reserve Cap limit of 10%)	13.08%	10.13%	9.98%	9.99%
TOTAL COMPONENTS OF ENDING FUND BALANCE	\$ 18,859,721 14.93%	\$ 16,268,118 11.57%	\$ 15,046,648 11.52%	\$ 15,368,733 11.47%

III. Restricted & Unrestricted Funds - What are they and how do they work?
Below are a few examples of our funds and some FAQ's about funding.

<p>GENERAL FUND (#01) Most of the District Salaries & Benefits are in this Fund and it has both Unrestricted & Restricted Funds.</p>	
<p>Unrestricted Funds characteristics:</p> <ul style="list-style-type: none"> ● “No Rules” (or fewer rules) ● Flexibility to spend ● Some reporting requirements ● Easier to spend, should spend last 	<p>Restricted Funds characteristics:</p> <ul style="list-style-type: none"> ● Many “Strings attached” ● Specific timelines ● Rigid reporting requirements ● Harder to spend, should spend first prior to Unrestricted funds 
<p><i>Examples of some Unrestricted Funds below:</i></p>	
<p>→ Local Control Funding Formula-LCFF #0000 & #0655</p> <ul style="list-style-type: none"> ◆ Some rules-must be tied to LCAP ◆ More rules for part of these funds, must improve/increases services for specific student populations 	<p>→ Expanded Learning Opportunities Program-ELOP #2600</p> <ul style="list-style-type: none"> ◆ Limited to before/after school (academy classes, after school care: childcare & BGC), 2 years to spend or return, Audited annually
<p>→ Education Protection Account-EPA #1400</p> <ul style="list-style-type: none"> ◆ Cannot use for admin cost/salaries 	<p>→ Title I #3010</p> <ul style="list-style-type: none"> ◆ VERY Strict, Federal, 2 years to spend or return, Audited annually
<p>→ Transportation #0655</p> <ul style="list-style-type: none"> ◆ For Transportation Program ◆ State Funding ◆ Requires Transportation Plan ◆ Funding shortfall covered by Unrestricted LCFF Funds 	<p>→ Special Education #3310 & 6500</p> <ul style="list-style-type: none"> ◆ State & Federal ◆ Limited to SpEd Program ◆ Rigid Reporting Requirements ◆ Required Spending Levels ◆ Funding shortfall covered by Unrestricted LCFF funds
<p>→ Lottery #1100</p> <ul style="list-style-type: none"> ◆ VERY Flexible for Educational purposes, Site Funds 	<p>→ Lottery Instructional Materials #6300</p> <ul style="list-style-type: none"> ◆ Limited to instructional materials ◆ No salaries/benefits
<p>CAFETERIA FUND (#13) Only for Nutrition Services staff and program, very strict, audited annually</p>	
<p>FACILITIES FUNDS (#25 & #35) Developer Fees & State Funding only can be used for Facilities</p>	



Funding Frequently Asked Questions (FAQ's)

Q: Why is the district adding portable classrooms to some of the school sites? Can't they use this money to pay staff?

A: The portables are necessary to add additional space to our school sites due to the expansion of enrollment dates for students eligible for transitional kindergarten. Funds used to purchase and set up portables are from restricted funds (noted above as Facilities Funds (#25 & #35) which can not be used for salaries and are used for facilities.



The District does not automatically receive funding to construct/modernize facilities from the State. The District must spend funds first and apply to be reimbursed from the state, which usually occurs 5-10 years later if all of the strict state requirements are met and if there is state funding available (from State Bonds).



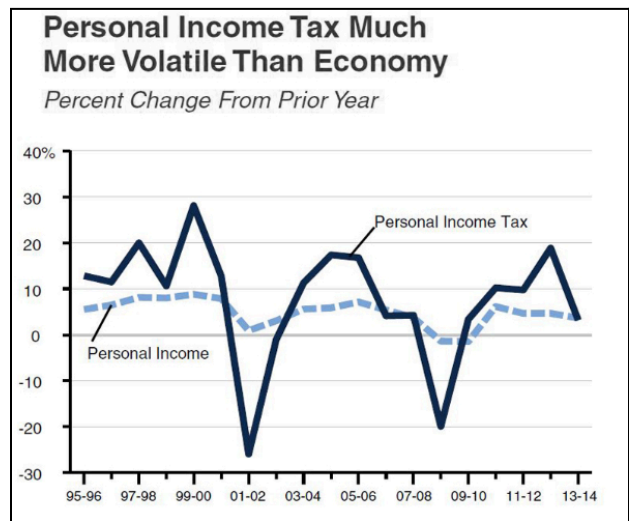
Q: The MYP shows you have a big balance, why doesn't the District use all that?

A: Part of the MYP balance is Restricted and part of it is Unrestricted. The restricted funds can only be spent according to what the state allows and the requirements are very specific. These restricted funds are regularly reviewed and the District uses them when allowed, but must ensure compliance with state

requirements or funds can be taken back from the State. The unrestricted balance includes a 10% reserve to ensure the fiscal stability of the district. If the District is not fiscally responsible, the State can come in and take over the District.

Q: The District says there is no money (or there is a budget crisis/shortfall) and then later that changes, why?

A: The District revenue that pays for most of the employee salaries and benefits comes directly from the state. The state of California sets the funding structure and levels for schools and this constantly changes because the state funding is generated by 3 sources: 1) Personal Income Tax (PIT), 2) Sales Tax, 3) Corporate Tax. Our funding is directly related to these state revenues. Most of the PIT comes from the top 1% income earners, and is very volatile. See chart from the California Legislative Analyst's Office (LAO).



IV. Enrollment and Staffing Projection (Rowe, Aguilar)

- Current Enrollment and Enrollment Projections for General Education will require:
 - Fill/Hold vacancies created through resignations and retirements for 2025-2026, as needed based on class sizes.
Monitor and hold vacant positions for budget savings where applicable and possible.
 - No new General Education Teacher positions are proposed for 2025-2026 at this time.
 - Possible reduction of positions due to loss of one-time money and to align to enrollment/projections as we monitor both of those.
 - **Adjustments may be needed for additional staffing that was put into place during COVID for learning loss and hybrid classrooms, which may result in the reduction of positions.**

- Current Enrollment and Enrollment Projections for Special Education will require:
 - Fill/Hold vacancies created through resignations and retirements for 2025-2026.
 - Special Education teacher and classified positions for 2025-2026: Currently monitoring and reviewing student enrollment and program needs.
 - Monitor and hold vacant positions for budget savings where applicable and possible.

V. 2025-2026 BUDGET REDUCTIONS: SALARIES & BENEFITS

*Based on current MYP, reductions for 2025-2026 are estimated at \$1,300,000
 Reductions for 2026-2027 are estimated at an additional \$300,000 for a total of \$1,600,000 for budget savings for the next two years.*

Certificated Positions: _____ # x \$ _____ = \$ _____

Classified Positions: _____ # x \$ _____ = \$ _____

Management Positions: _____ # x \$ _____ = \$ _____

Savings realized-to-date in the 2024-2025 Budget:

- 1 Assistant Principal - Elementary (Closed)
- 1 Program Specialist (1 current vacancy)
- 1 Credentialed Nurse (1 current vacancy)
- 3 BSA Rovers-Gen Ed (3 current vacancies) Currently there are 2 BSA Gen Ed Rovers.

OTHER POSITIONS FOR REDUCTIONS LISTED BELOW:

Instructional Facilitators were temporary positions funded with one-time funds. For the 2024-2025 school year, the District decided to utilize other, additional one-time funds that had been assigned for other purposes to continue the position of Instructional Facilitators for this school year.

****The reduction of these positions will not result in budget savings as they are tied to one-time money.**

Position(s)	Funding Sources	Projected Salary & Benefit Cost	Additional Information
Instructional Facilitators (10) (current)	AMIM (#6762) LREBG (#7435)	**\$1,500,000	Temporary Positions, One-Time Funds

ONE-TIME FUNDING - PLANS AND STAFFING (last reviewed 4/9/24)

Focus: \$1.3M Budget Savings & Retain Site Support/Programs

Positions*	2021/22 Funding Source	2022/23 Funding Source	2023/24 Funding Source	2024/2025 Actual
Director of Human Resources (HR) (1)	R	R	R/GF	Continued
HR Specialists (2)	R	R	R/GF	Continued 2
Dir. of Compliance & Accountability(1)	C/S	C/S	C/S	Continued
Systems Management Specialist (1)	R	R	R/GF	Continued
21/22 APs (2)	R	R	S	Continued
22/23 APs for Elem (3)	N/A	R	S	Continued
23/24 APs for Elem (2)	N/A	N/A	S	Hold by Attrition-up to 2 ElemAPs (Reduced 1)
Instructional Facilitators (13)	E/R	E/R/S	L	Continued (10) & Reduced by Attrition (3)
EL/Literacy Teachers (3)	E/R	E/R	S	Hold by Attrition 1 (No attrition)
EL Aides (2)	E/R	E/R	S	Continued
21-22 BCBA (1)	E/R	E/R/S SpEd1x	S	Continued
22-23 BCBA (1)	N/A	E/R/S SpEd1x/	S	Continued
23-24 BCBA (2)	N/A	N/A	S	Continued
Mental Health Clinician (1)	N/A	E/R	S	Continued
Counselor (1)	E/R	E/R	S	Hold by Attrition (No attrition)
Counselors (Staffed 1/Elem)	N/A	E/R	S	Continued
TK & Full Day Kinder Paras	N/A	E/R	R	Continued
Gen Ed Behavior Support Aide (BSA) (3)	N/A	E/R	S	Continued
Dean of Students (1/MS=3)	N/A	E/R	S	Continued
Newcomer Teacher MS (1) & Para (1)	N/A	S/C	S/C	Continued

Positions*	2021/22 Funding Source	2022/23 Funding Source	2023/24 Funding Source	2024/2025 Actual
22/23 Induction Coach(1)	N/A	E/R	S	Continued
23/24 Induct/Instruct Coach (1)	N/A	N/A	S	Continued
23/24 Admin Coach (1)	N/A	N/A	S	Reduced
23/24 Para Coach (1)	N/A	N/A	S	Reduced
Child Welfare & Attendance Liaison (1)	N/A	N/A	S	Continued
Independent Study (Teachers, Principal Stipend & Support Staff)	E/R	R	R	Continued
Director of ELOP	N/A	ELOP	ELOP	Continued
Additional Classified Support (Added positions and hours)**	E/R	E/R	S/GF	Hold by Attrition (Held 1 Campus Sup)
Recruit & Retain Personnel	N/A	E/R	R	Continued
Tech Refresh Plans	N/A	E/R	R	Continued

E = Expanded Learning Opportunity Grant (ELO-G)

R = Elementary and Secondary School Emergency Relief I/II/III (ESSER)

S = Supplemental & Concentration (S&C)

C = Categorical (existing programs, such as Title I, II, III, etc)

L = Learning Recovery Emergency Block Grant (LREBG)

GF = General Fund

* # listed represents the quantity of positions, not necessarily full-time equivalent (FTE)

**Noon-duty, Campus Sup, added hours and additional positions

Hold = Position will be left vacant and unfilled at this time.

Additional Actual Savings for 2024-2025:

Vacancies Held for other positions not listed above:

- 1 Program Specialist (1 vacancy)
- 1 Credentialed Nurse (1 vacancy)
- 3 BSA Rovers-Gen Ed (5 current vacancies, 2 will still be filled)

Other Possible Budget Savings:

- Inter-Fund Transfers: Held in 23/24 & 24/25 \$862,000/year
- Prop 28 Arts & Music (Resource #6770) - Possible Waiver for 23/24 Approx. \$1M
- SUSD Teacher/Administrator Induction Program-Savings of \$100K (24/25 savings)

VI. Fiscal Impacts to Consider (Aguilar, Sandoval)

- a. The district will begin negotiations in late fall with SEA or CSEA for 2024-2025 (Not included in budget/projections)
- b. Increases to Health and Welfare benefits/premiums, estimated at \$800,000 per year (Not included in budget/projections)
- c. Increases to STRS contribution requirement (Included in budget/projections)
- d. Increases to PERS contribution requirement (Included in budget/projections)
- e. Minimum wage increased to \$16.50 effective January 2025 and may continue to increase over the next 3 years, as stipulated by law (Not included in budget/projections)
- f. Increasing contribution to Special Education (Included in budget/projections)
- g. Textbook adoptions - Math (Spring 2026) and ELA (Spring 2027) with actual costs to be determined; set asides projected at \$4M at the end of 2024-25 for adoptions and curriculum
- h. Facilities in need of repair beyond the 3% required contribution (Not included in budget/projections)
- i. Revenue is adjusted annually by state COLA rates and subject to change (Included in budget/projections based on 2024-2025 State Budget Adopted)

VII. Next Steps & Budget Calendar (Aguilar, Sandoval)

- District staff will continue to review enrollment and staffing projection needs, as well as a review of programs and staffing to provide options to the Board for budget reductions needed as part of the planning and process in the Budget Development for the 2025-2026 year.
- October 29, 2024 Board Meeting, continue board discussion on budget savings
- November 19, 2024 Board Meeting, board initial discussion on budget savings
- December 17, 2024 Board Meeting - 1st Interim Budget Update, board initial direction on budget savings
- January 21, 2025 Special Board Meeting: Budget Study Session, board resolutions for “reduction in force” or position lay-offs for employee groups

Proposed Budget Calendar

- January 21, 2025: January Governor’s Budget Update
- February 25, 2025: Draft Budget Assumptions & Adopt FY 2025-2026 Budget Calendar
- March 11, 2025: Updated Budget Assumptions, board initial direction
- March 11, 2025: Approve 2nd Interim Report for 2024-25
- April 8, 2025: Update #2 Budget Assumptions
 - Budget Assumptions Draft Update #2/Finalized
 - Final Board Direction on the 2025-26 Fiscal Year Budget provided to Staff
- May 13, 2025: Regular Board Meeting
 - Update on Governor’s May Revise, Budget and LCAP Progress (if necessary)
- June 3, 2025: Regular Board Meeting
 - Public Hearing for the 2025-2026 Local Control and Accountability Plan (LCAP)
 - Public Hearing for the 2025-2026 Fiscal Year Budget
- June 17, 2025: Regular Board Meeting
 - Adopt the 2025-2026 Local Control and Accountability Plan (LCAP)
 - Adopt the 2025-2026 Fiscal Year Budget