



2024-25 PUSD Budget Development

Presented to the Board of Education
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Agenda

- State of the State Budget
- Poway Unified School District (PUSD) Fiscal Outlook
- Approach to Minimizing the PUSD Budget Gap
- Potential PUSD Budget Solutions



Kevin Gordon
President & Partner

State of the State Budget

- SIZE of the proposed 2024-25 CA General Fund Spending Plan = \$209 Bil
- SIZE of the projected BUDGET GAP (expenditures exceeding revenues)

Nov- December 2023	\$58 Billion	(LAO)
January 2024	\$38 Billion	(DOF)
February 2024	\$73 Billion	(LAO)

Major Drivers of the CA State Budget GAP

- Consistent Rosy Revenue Projections by the Department of Finance
- Lackluster Tax Receipt Collections – *past*
 - e.g.- DOF's estimates were off by over 25% last year
- Lackluster Tax Receipt Collections – *present*
 - e.g.- January 2024 personal income tax collections came in \$5 Bil (24.5%) below the Governor's budget estimate
- Undefined Budget Solutions for prior and current year

Major Drivers of the Poway Unified School District Budget GAP

- Anemic COLA (3.96% to 1.27% to 0.76%)
- Sunsetting of COVID pandemic related ADA relief
- Low(er) Attendance Rates across the district
- Increasing Operating Costs
- Unfunded/Underfunded Mandates (e.g.- RRMA, TK, Busing)
- 50 positions, approximately, funded with one-time funds

*These factors, collectively, will result in a multiyear
PUSD general fund structural deficit*



Poway Unified School District General Fund Combined MULTI-YEAR PROJECTIONS

DESCRIPTION	2024-25 Projected	2025-26 Projected	2026-27 Projected
Total GF Revenues	\$ 501,016,234	\$ 516,016,711	\$ 529,877,295
Total GF Expenditures	\$ 547,247,572	\$ 552,187,391	\$ 559,355,479
Other Financing Sources/Uses	\$ 4,718,045	\$ 4,718,045	\$ 4,718,045
Net Activity - Combined	\$ (41,513,294)	\$ (31,452,635)	\$ (24,760,139)
Net Activity - Restricted	\$ (13,461,555)	\$ (7,204,091)	\$ (0)
Net Activity - Unrestricted	\$ (28,051,739)	\$ (24,248,544)	\$ (24,760,139)
Beginning Fund Balance	\$ 95,641,958	\$ 54,128,664	\$ 22,676,028
Ending Fund Balance	\$ 54,128,664	\$ 22,676,028	\$ (2,084,111)
Reserve Amount	\$ 36,327,292	\$ 12,078,748	\$ (12,681,392)
Reserve %	6.6%	2.2%	-2.3%



Approach to Minimizing the PUSD Budget GAP

- Two-year Approach [2024-25 & 2025-26]
- First year, a mix of one-time savings and ongoing savings (a minimum of \$15 million)
- Second year, mostly ongoing savings will be needed (approximately \$10 million)
- Develop ideas to generate additional GF Revenues
- Begin with Reductions/Solutions that have little to no impact to classroom instruction
- Review programs that are costly and serve a limited number of students
- Engage our bargaining unit partners in solutions



Potential Budget Solutions

Tier 1

Utilize Remaining one-time COVID funds
Reduce substantially General Education busing
Reduce Departmental Budgets (BSS, LSS, PSS, SSS, T&I)
Increase ESS Indirect Charge to General Fund
Reappropriate EDY funds centrally
Freeze Vacant Management positions when possible
Eliminate Management mileage stipends
Implement 80/20 H&W model for Management
Sweep Restricted Lottery funds

These total approximately \$9 million



Potential Budget Solutions

Tier 2

Reduce Administrative TOSA support at ES

Re-envision Connect Academy

Re-envision PHEP

Review Voyager Program

Reduce schools' Budget Standards

Allocate Restricted Lottery Funds centrally for textbook adoptions

Re-envision ES Arts & Music support

These total approximately \$3.5 million



Potential Budget Solutions

Tier 3

Class Sizes (negotiable)
Other Negotiable Items
Review Palomar Middle College
Other

Total Solutions = TBD

THANK YOU

Questions?

