

Death Valley Unified School District



2024-25

Budget Overview

Death Valley Unified School District July 1st Budget (2024-25)

General Overview

The July 1st Budget was prepared based on a variety of assumptions related to anticipated expenditures and revenues. As presented, the 2024-25 year is projected to end with a \$233,027 deficit, and continue with deficit spending in the two out years. It is important to note \$235,542 of the deficit is spending down prior year restricted fund balance. The unrestricted portion of the budget is projected to end with a slight increase of \$2,515. The following narrative will highlight some of the major assumptions used to prepare the 2024-25 Budget.

LOCAL CONTROL FUNDING FORMULA (LCFF)

The multi-year projection was prepared using the assumption that the district will operate two necessary small schools, Shoshone Elementary, and Death Valley Academy. Based on this assumption, for the 2024-25 year, the district is still projected to be funded above the “minimum state aid” provision of LCFF. This is due to the district receiving tax revenue that is above the amount they would receive from the state for two Necessary small schools. The district will assume a flat amount of tax revenue for the following two years. The district will monitor the revenue closely for any changes.

	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>
Education Protection Account (EPA)	\$4,400	\$4,400	\$4,400
Local Revenue	\$1,052,331	\$1,052,331	\$1,052,331
12/13 categorical funding	<u>\$261,047</u>	<u>\$261,047</u>	<u>\$261,047</u>
Grand Total LCFF Revenue	\$1,317,778	\$1,317,778	\$1,317,778

It is also important to recognize the “Minimum state aid” provision still applies to Death Valley Unified. Therefore, if they do see future decreases in taxes, they will still be protected under this provision. A provision which ensures the level of funding that the district receives is at least the same amount in state aid as received in 2012-13, adjusted for changes in average daily attendance (ADA) and property taxes. The following table provides a summary of what this provision guarantees at minimum for Death Valley.

	<u>Provision</u>
12/13 revenue limit adjusted for ADA	\$22,089
12/13 necessary small school allowance	\$758,611
12/13 categorical funding	<u>\$261,047</u>
Minimum State Aid Provision	\$1,041,747

FEDERAL REVENUES

Federal revenues are projected to be \$73,631 or 5% of the total revenues for the General Fund. This revenue category has seen a significant decrease from prior year due to elimination of one time funding. Federal funding has reverted to a normal funding levels next year in the current year and remains flat for the two out years. The district receives Forest Reserve which is about \$40,000. The district also receives Federal funding for REAP, Special Education, Impact Aid, and various No Child Left Behind programs.

OTHER STATE REVENUES

The total projection for Other State Revenues is \$67,716 or 5% of the total General Fund revenues. There is \$20,000 budgeted for the Community Schools Partnership Program Grant which is eliminated in the first out year. The related expenditures have been eliminated in the second out years of the Multi-Year Projections. The largest revenue within this category outside of the one-time funding is Special Education at \$21,280. Special Education will receive the final decrease in the first out year and is expected to remain stagnant thereafter. Other revenues in this category include unrestricted and restricted Lottery revenues.

OTHER LOCAL REVENUES

The total budget for this revenue category is \$132,521 or 8% of total General Fund revenues. The largest revenue in this category is the E-rate reimbursements of \$68,150 made for the district's internet costs. The district anticipates receiving the \$68,150 for the current and two subsequent years.

SALARIES AND BENEFITS

The Budget includes certificated salaries based on current staffing levels for the 2024-25 year and the two out years. The budget for Classified assumes the district will continue the 2024-25 staffing levels into the first out year. The Community Schools Coordinator position has been removed in the third out year as the funding for that position will be depleted in 25-26.

The current and two subsequent years' projections do not include any COLA adjustment to the salary schedules. Future step and column adjustment costs are included in each year of the multi-year projection.

The multi-year projection includes 6% increases to health & welfare costs for both 2025-26 and 2026-27.

ALL OTHER GENERAL FUND EXPENDITURES & TRANSFERS

All non-payroll expenditure budgets have been updated based on anticipated costs for the current year.

The one-time Cafeteria Improvement expenses of about \$100,000 is expected in 24-25. This should deplete the one time restricted reserve balance and is eliminated in the following out year of the MYP.

The budget includes a General Fund contribution toward the Cafeteria Fund for \$60,000. The amount of contributions required toward the Cafeteria Fund is expected to increase to \$65,000 for 2025-26, 2026-27.

OTHER FUNDS

A one-page recap of the budgets for all funds, including beginning and ending balances, has been included with the 2024-25 Budget Report documents.

RECOMMENDATION

Based on the information presented, you are being asked to approve the proposed budget for the 2024-25 fiscal year as submitted. This is consistent with the district's ability to meet current and future obligations. Following approval by the governing school board, the budget will be submitted to the Inyo County Office of Education for review and approval.