



## NOVATO UNIFIED SCHOOL DISTRICT

1015 Seventh Street • Novato • CA • 94945 • nusd.org

### NOTES

#### BUDGET ADVISORY COMMITTEE

#### *A Superintendent's Advisory Committee*

**District Office – 1015 7<sup>th</sup> Street, Novato – Room 107**

**March 11, 2024 from 5-7pm**

#### 1. Welcome & Introductions

Joshua started the meeting at 5:04 PM. We are heading into budget development time!

#### 2. Budget / Enrollment Updates

Second interim was discussed. Enrollment numbers have not changed.

#### 3. Budget Education

##### a. Second Interim / SACS Codes

Second Interim gives us an idea of how we will end the year (snapshot as of January 31). Second Interim is a 200-page report of numbers. A portion of it was shared with the Budget Advisory Committee.

- Form or Fund 01 – Fund 99 are the big buckets of money we have
- Fund 01 = General, 12 = Preschool, 13 = Food Services, etc.
- Form AI = Average Daily Attendance, MYP = Multi-Year Projection
- SACS (School Accounting Code Systems) codes are broken into 3 main categories are (1) who is giving us the money is the first 3 numbers, (2) how can that money be spent follows those numbers, and (3) who is responsible for spending it at the end.
- Cas asked about Restricted vs. Unrestricted and where we find that in the code. Green highlighted information (the Resource Code) is what tells us if it's restricted or unrestricted.
- Fund 01 shows the financial health of the District. Other funds are self-sustaining, highly restrictive. Column D shows projected year totals. Column E shows surplus or deficit
- We were certified qualified originally, but with second interim we are now positively certified meaning we will have enough money to operate this year, and the next two years.
- Sarah asked about the 25-26 projections. How do you project the \$11 million restricted funds? District considers step/column adjustments, no projected salary raise, are there any expiring funds? District also looks at trends over an additional year. A fully functioning restricted budget should have every last dollar spent. Resource 8150 = state restricted maintenance, 3% of your entire budget, and any balance that's left rolls over.
- Question from Don – there were unallocated funds. What happened with those? They were left unallocated due to administration change. Now that

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we have Second Interim, District will re-allocate. We only get COLA on money coming in.

## b. PTA/LCAP Budget Presentation

Tomorrow afternoon we have LCAP and budget presentations at the District Office.

- LCFF = Local Control Funding Formula, started in 2013, takes the ADA (Average Daily Attendance) and multiplies it by a dollar amount that is set by the state budget. When we talk about COLA, it is the increase to that dollar amount.
- Example: LCFF Funding = 10 kids, \$100 per kid. Bucket is worth \$1000. Then, property taxes pour in and only fill \$500, the state taxes come in to supplement the remaining \$500.
- Example: Basic Aid Funding = 10 kids, \$100 per kid. Property taxes pour in, and bring in more than \$1000, the District gets to keep any overflow.
- Declining enrollment with increase in property taxes get deeper and deeper into Basic Aid.
- NUSD per student amount of funding is a fraction of some of the Basic Aid Districts in the county.
- How do we become Basic Aid? Not likely for a few decades, as older generations lose ownership of their home, and it gets re-evaluated, if not given to family.
- COLA = Cost Of Living Adjustment
- COLA Projection for 24-25 was 3.94%, however the Governor's new budget proposal said that it's only 0.76%. It may change with the May revise, but it won't go back up to 4%.
- The formula of dollar value is set by legislature, does not have any connection to fundraising, or how we spend it. What we can do is get our students to attend school, which increases our ADA.
- ASB and this budget are separate.
- Parcel Tax = restricted revenue. Whatever you don't spend of it throughout the year, you can transfer it into your unrestricted.
- One-Time Funds have forced us to perform a significant number of layoffs
- From the 2019-2020 school year to now, roughly \$30 billion has come in as one-time funds.

## c. Parcel Tax Update

2022-2023 Annual Report will be presented to the Board on March 19

Parcel Tax is a revenue source, listed within "Other Local Revenues"

### 4. Site Budget Form Decision

How do we make site budgeting easier?

Communication and explanation, clarity with how they can spend it.

### 5. Budget Development Calendar

This will go to the Board on March 19 for their review.

Next year's goal is to come with proposals from Budget Advisory Committee.

### 6. Questions / Comments

### 7. Adjournment

Adjourned at 6:33 PM.