

Culver City USD

2024-25 Second Interim Budget Report

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March 14, 2025

The Budget Financial Reporting Cycle





What are Second Interim Budget Revisions?

- Education Code Section 42131 requires school districts to submit to the County Office of Education (LACOE) a First Interim Financial Report no later than December 15th.
- The Second Interim Report reflects changes to the budget, including revised assumptions, and projections occurring since the First Interim through January 31, 2025.
- Provides updated financial information to the Board of Education, LACOE and CDE.



Key Terms

- **Average Daily Attendance (ADA):** Equal to the average number of pupils actually attending classes who are enrolled for at least the minimum school day. Attendance is reported to the California Department of Education three times a year.
- **Cash Flow Report:** This report demonstrates the District's cash position for every month of the fiscal year. It is a tool that the District uses to ensure that it has sufficient cash available to meet its financial obligations, or if temporary borrowing is necessary.
- **Cost of Living Adjustment (COLA):** An increase in funding, including the LCFF target calculation and certain categorical programs.
- **Local Control Funding Formula (LCFF):** A multi-part formula to calculate the District's Principal Apportionment - the largest source of unrestricted revenue.
- **Multi-Year Projections (MYP):** Financial projections for the current and two subsequent years. In order to file a positive certification, a District must certify that it will meet its financial obligations for the current fiscal year and two subsequent two fiscal years.



Second Interim Major Assumptions

SI Major assumptions	2024-25	2025-26	2026-27
State Funded COLA	1.07%	2.43%	3.52%
CalSTRS Rate	19.10%	19.10%	19.10%
CalPERS Rate	27.05%	27.40%	27.50%
Estimated ADA	6289.00	6156.49	6116.70
Funded ADA	6476.38	6348.41	6264.02
Enrollment	6595.00	6510.00	6468.00
ADA to Enrollment	95.33%	94.57%	94.57%
Unduplicated Pupil %	39.72%	38.14%	36.28%

What Changed at Second Interim?

Combined Unrestricted & Restricted Revenues	2024-25 Budget	2024-25 First Interim Budget	2024-25 Second Interim Budget	Change
LCFF	\$ 79,238,099.00	\$ 78,954,946.00	\$ 79,126,992.00	172,046.00
Federal	\$ 2,360,771.00	\$ 2,624,028.00	\$ 2,637,973.00	13,945.00
Other State	\$ 19,317,474.00	\$ 19,136,551.00	\$ 20,037,126.00	900,575.00
Other Local	\$ 5,854,102.00	\$ 7,887,098.00	\$ 6,661,159.00	(1,225,939.00)
Total Revenues	\$ 106,770,446.00	\$ 108,602,623.00	\$ 108,463,250.00	(139,373.00)

- +172K Slight Increase in LCFF
- + 14K Slight Increase in Restricted - Federal Funding
- **-325K** Reduction of Other State and Other Local



Impact of Declining Enrollment

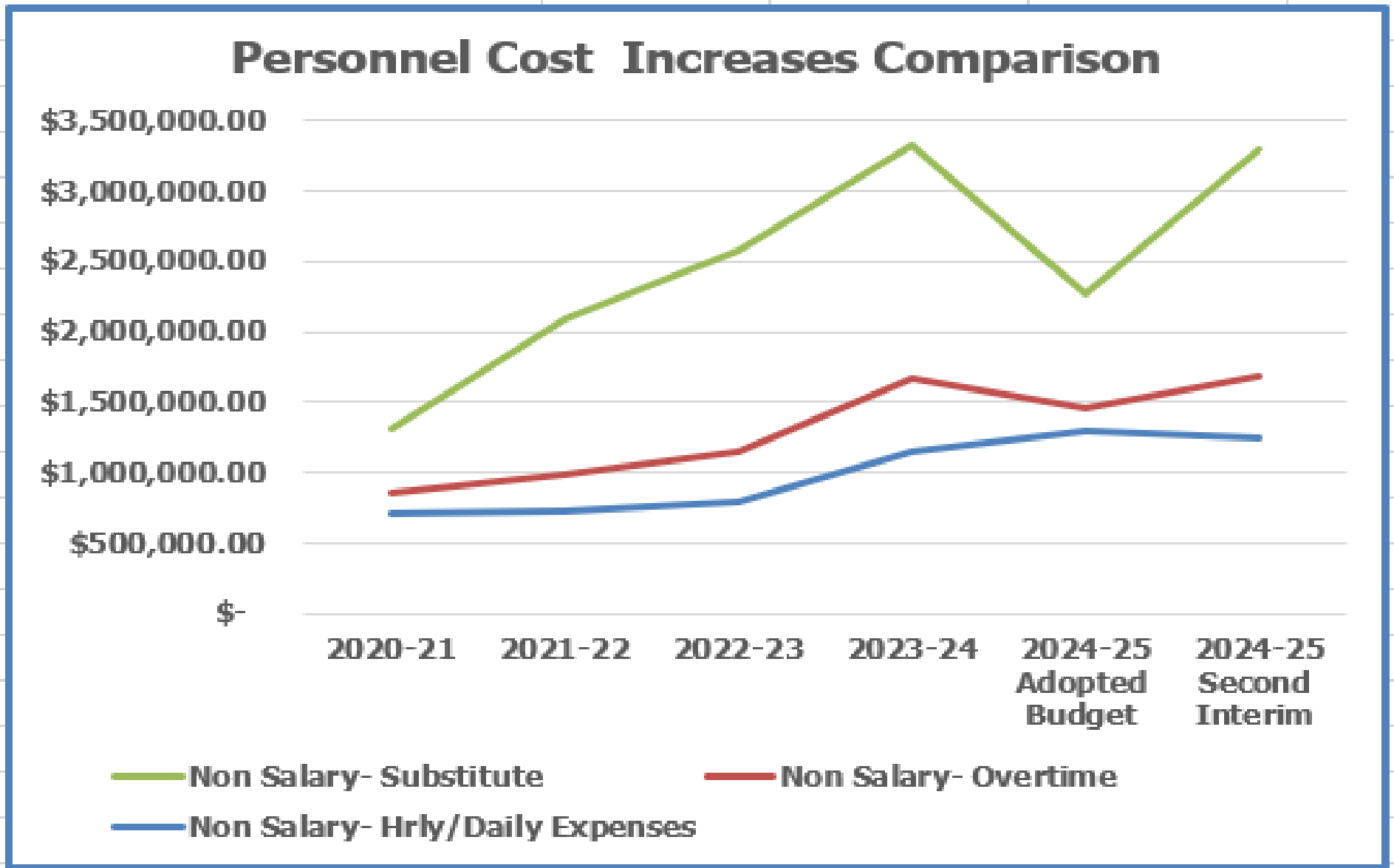
Fiscal Year	Revenue at adoption	@ First Interim	@ Second Interim	Change from FI	LCFF reduction %
2024-25	\$ 79,238,099.00	\$ 78,965,796.00	\$ 79,126,992.00	\$ 161,196.00	0.20%
2025-26	\$ 80,382,919.00	\$ 79,334,017.00	\$ 79,179,871.00	(\$154,146.00)	-0.19%
2026-27	\$ 82,626,417.00	\$ 80,405,246.00	\$ 80,596,569.00	\$ 191,323.00	0.24%
3 year impact of COLA increases & declining enrollment				\$198,373.00	0.25%

- COLA increases of 1.07%, 2.43% and 3.52% are absorbed by the declining enrollment resulting in a slight increase of \$198K.
- From adoption, the LCFF is reduced by \$3.3 million at Second Interim.

What Changed at Second Interim?

Unrestricted	Object	2024-25 Budget	2024-25 Second Interim	Change
Certificated Salaries	1000-1999	\$ 36,592,645	\$ 38,301,402	\$1,708,757
Classified Salaries	2000-2999	\$ 11,528,037	\$ 13,047,016	\$1,518,979
Employee Benefits	3000-3999	\$ 18,238,632	\$ 19,767,741	\$ 1,529,109
Total		\$ 66,359,314	\$ 71,116,159	\$ 3,883,671
Revenue + Transfers In Total		\$ 88,985,959	\$ 94,455,416	\$ 5,469,457
Percentage		74.57%	75.29%	
Expense+ Transfers Out Total		\$ 71,253,718	\$ 75,137,389	\$ 3,883,670
Percentage		93.13%	94.65%	

- Total Unrestricted expenses budget increased by \$3.8 million.
- 71% of the expenditure increases are Personnel costs
 - With the expiry of one time funds, one time funded positions are moved to General Fund Unrestricted funding sources in 2024-25.
- 29% of the expenditure increases are in Supplies and Contracted Services.
- **95% of the total budget is in personnel costs.** This does not include vacant positions that are covered by contracted personnel.



- Year over year increase of extra hourly, overtime and substitute costs during COVID and it's continuing...



What Changed at Second Interim

Contributions:	2024-25 Budget	2024-25 FI	2024-25 SI	Change SI-FI
CTEIG	\$1,525,475.00	\$1,466,269.00	\$1,466,269.00	\$0.00
Special Education	\$14,285,171.00	\$14,909,023.00	\$15,885,977.00	\$976,954.00
Title II	\$0.00	\$1,499.00	\$149,079.00	\$147,580.00
A-G Grant	\$0.00	\$17,931.00	\$405,814.00	\$387,883.00
Universal Preschool	\$0.00	\$323,259.00	\$89,801.00	(\$233,458.00)
Culver Current	\$0.00	\$75,957.00	\$12,100.00	(\$63,857.00)
Summer Enrichment	\$0.00	\$12,100.00	\$10,000.00	(\$2,100.00)
Total Contributions	\$15,810,646.00	\$16,806,038.00	\$18,019,040.00	\$1,213,002.00

- From Adopted Budget the contributions have increased by \$2.2M
- From First Interim to Second Interim, it has increased by \$1.2M



Fund Balance Changes at Second Interim

@ Adopted Budget 2024-25:

Net Decrease in Fund Balance - \$1,663,314

@ Second Interim 2024-25:

Net Decrease in Fund Balance - \$2,371,080

Reduced Fund balance is \$2.64 M

Multiyear Projections - Revenue at Second Interim

Description	Object Codes	Projected Year Totals (Form 011) (A)	% Change (Cols. C-A/A) (B)	2025-26 Projection (C)	% Change (Cols. E-C/C) (D)	2026-27 Projection (E)
(Enter projections for subsequent years 1 and 2 in Columns C and E; current year - Column A - is extracted)						
A. REVENUES AND OTHER FINANCING SOURCES						
1. LCFF/Revenue Limit Sources	8010-8099	79,126,992.00	.07%	79,179,871.00	1.79%	80,596,569.00
2. Federal Revenues	8100-8299	2,637,973.00	(.85%)	2,615,559.00	0.00%	2,615,559.00
3. Other State Revenues	8300-8599	20,037,126.00	(.11%)	20,014,712.00	0.00%	20,014,712.00
4. Other Local Revenues	8600-8799	6,661,159.00	(.73%)	6,612,815.00	.80%	6,665,633.00
5. Other Financing Sources						
a. Transfers In	8900-8929	6,934,381.00	(18.75%)	5,634,381.00	0.00%	5,634,381.00
b. Other Sources	8930-8979	0.00	0.00%	0.00	0.00%	0.00
c. Contributions	8980-8999	0.00	0.00%	0.00	0.00%	0.00
6. Total (Sum lines A1 thru A5c)		115,397,631.00	(1.16%)	114,057,338.00	1.29%	115,526,854.00

Changes in Revenue:

- RDA funds are transferred for Facility Repairs and Maintenance (**Board Resolution#19**)
- One-time transfer of revenue in 2024-25

Multi-Year Projections - Expenses

Culver City Unified
Los Angeles County

2024-25 Second Interim
General Fund
Multiyear Projections
Unrestricted/Restricted

19 64444 0000000
Form MYP
F824X971TF(2024-25)

Description	Object Codes	Projected Year Totals (Form 011) (A)	% Change (Cols. C-A/A) (B)	2025-26 Projection (C)	% Change (Cols. E-C/C) (D)	2026-27 Projection (E)
B. EXPENDITURES AND OTHER FINANCING USES						
1. Certificated Salaries						
a. Base Salaries				49,923,846.00		48,583,035.00
b. Step & Column Adjustment				147,914.00		0.00
c. Cost-of-Living Adjustment				0.00		148,653.00
d. Other Adjustments				(1,488,725.00)		0.00
e. Total Certificated Salaries (Sum lines B1a thru B1d)	1000-1999	49,923,846.00	(2.69%)	48,583,035.00	.31%	48,731,688.00
2. Classified Salaries						
a. Base Salaries				18,151,520.00		16,685,967.00
b. Step & Column Adjustment				122,001.00		42,165.00
c. Cost-of-Living Adjustment				0.00		0.00
d. Other Adjustments				(1,587,554.00)		0.00
e. Total Classified Salaries (Sum lines B2a thru B2d)	2000-2999	18,151,520.00	(8.07%)	16,685,967.00	.25%	16,728,132.00
3. Employee Benefits	3000-3999	30,689,139.00	(4.36%)	29,349,918.00	.18%	29,403,778.00
4. Books and Supplies	4000-4999	5,584,982.00	0.00%	5,584,982.00	0.00%	5,584,982.00
5. Services and Other Operating Expenditures	5000-5999	16,479,540.00	(1.05%)	16,306,985.00	4.14%	16,981,924.00
6. Capital Outlay	6000-6999	3,000.00	0.00%	3,000.00	0.00%	3,000.00
7. Other Outgo (excluding Transfers of Indirect Costs)	7100-7299, 7400-7499	43,178.00	0.00%	43,178.00	0.00%	43,178.00
8. Other Outgo - Transfers of Indirect Costs	7300-7399	(710,716.00)	0.00%	(710,716.00)	0.00%	(710,716.00)
9. Other Financing Uses						
a. Transfers Out	7600-7629	0.00	0.00%	0.00	0.00%	0.00
b. Other Uses	7630-7699	0.00	0.00%	0.00	0.00%	0.00
10. Other Adjustments						
				0.00		0.00
11. Total (Sum lines B1 thru B10)		120,164,489.00	(3.59%)	115,846,349.00	.79%	116,765,966.00
C. NET INCREASE (DECREASE) IN FUND BALANCE						
(Line A6 minus line B11)		(4,766,858.00)		(1,789,011.00)		(1,239,112.00)

Board approved Resolution for the Fiscal Stabilization Plan with Second Interim Report

Supplies & Contracted Services are reduced



Components of Ending Fund Balance

Components of Ending Fund Balance @ SI	2024-25	2025-26	2026-27
Combined Fund Balance	\$ 8,421,124.96	\$ 6,632,113.60	\$ 5,393,001.60
Restricted Fund Balance	\$ 5,771,506.96	\$ 3,673,012.60	\$ 2,332,097.60
Unrestricted (UR) Fund Balance	\$2,649,618.00	\$ 2,959,101.00	\$3,060,904.00
Unrestricted Fund Balance %	2.20%	2.55%	2.62%

- Second Interim Budget does not meet 3% minimum reserve requirement for all three years.
- Minimum reserve of 3% impacts the cash balance due to the timing differences in the spending and receipt of funds.



Second Interim Certification

- The District must certify the Second Interim Report as either:
 - **POSITIVE** = The District, based on current projections, will be able to meet its financial obligations for the current and subsequent two fiscal years
 - **QUALIFIED** = The District, based on current projections, may not be able to meet its financial obligations for the current and subsequent two fiscal years
 - **NEGATIVE** = The District, based on current projections, will be unable to meet its financial obligations for the current and subsequent two fiscal years
- District Administration recommends a **QUALIFIED** certification.
- Based on current projections, the District may not be able to meet its financial obligations for the current and two subsequent fiscal years.

How do we meet 3% reserve?

	Details	2024-25	2025-26	2026-27
Services & Other Operating Expenditures	1. Contracts & Services	\$ 49,000.00	\$ 250,000.00	\$ 250,000.00
	2. Travel & Conference	\$ 14,853.00	\$ 15,000.00	\$ 15,000.00
	3. Legal Services	\$ 102,079.00	\$ 150,000.00	\$ 150,000.00
	4. Transportation contracts	\$ 20,000.00	\$ 75,000.00	\$ 75,000.00
	5. Personnel Service Agreements	\$ 35,000.00	\$ 70,000.00	\$ 70,000.00
Certificated and Classified Salaries	1. Hiring Freeze	\$ 138,258.00	\$ 150,000.00	\$ 150,000.00
	2. Substitute Cost	\$ 253,253.00	\$ 275,000.00	\$ 275,000.00
	3. Extra Hours, Overtime	\$ 245,639.00	\$ 250,000.00	\$ 250,000.00
Proposed reductions		\$ 858,082.00	\$ 1,235,000.00	\$ 1,235,000.00



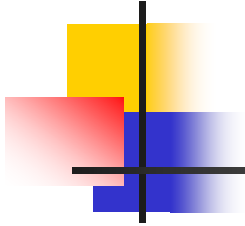
Next Steps to Continue – 2024-2025 Budget and Beyond

- Implement Austerity Measure for 2024-25, 2025-26 and 2026-27
- Monitor Spending and Position Control Measures
- Monitor Cash Balances
- Improve Attendance Rate and Increase Intradistrict Permits



Next Steps

- Recommend that the Board of Education take formal action to adopt the Second Interim Budget Report.
- File financial documents with the Los Angeles County Office of Education (LACOE).
- Work in collaboration with administrators to implement austerity measures to meet 3% reserve requirement by the end of the fiscal year.



QUESTIONS & ANSWERS

THANK YOU!