



Plumas County Office of Education
Plumas Unified School District

50 Church St., Quincy CA 95971
Ph: (530) 283-6500 • Fax: (530) 283-6530
www.pcoe.k12.ca.us

Jim Frost
Interim Superintendent

Melissa Leal
Assistant Superintendent of Educational Services

Mallory R. Marin
Chief Business Official

Meghan C. Daun
Director, Human Resources

Jessica L. Stone
Director, SELPA/Special Education

Andrea Ceresola-White
Director, Student Services

February 20, 2025

Dear PUSD Staff, Parents, and Community Members,

Many have speculated, some very creative ideas, regarding the reason we are in our negative budgetary situation. This memo aims to explain the "perfect storm" of circumstances that led to our present situation. I have been in education for over 40 years, and during my time, I have realized that educational funding is very complex. I am committed to doing my best to explain our current financial situation.

Prior to the COVID outbreak, we were funded as a Local Control Funding Formula district (LCFF). This means we got our local taxes designated for K-12 education plus another supplement from the State to bring us up to our assigned revenue limit. The total is based on student enrollment/attendance and other minor factors.

When you are an LCFF-funded district, and your enrollment declines, the State does not immediately cut your funding; they grant one year at the current level so the district can adjust its budget and reduce program and personnel. With the chaos created by COVID, the State granted another year of stable funding because, with distance learning, many districts were unclear about what their enrollment would be when they returned full-time to school. During this time, PUSD was experiencing an enrollment decline of around 200 students, but because of what I explained above, our funding stayed stable, reflecting enrollment higher than we actually had.

Another factor presented was a large infusion of one-time money from the state and federal government. We had an increase in revenue made up of one-time grants to address the cost of COVID and the negative effect on student learning caused by the pandemic (we must remember that one-time money is gone once it is spent). So now we are in a position of artificially high ongoing state funding plus a significant amount of money from one-time grants. We then used this money to hire more certificated and classified personnel. We gave salary increases of around 13%, in addition to an increase to the insurance contribution for employees, in both bargaining units. These are ongoing expenses that need to be funded annually. (I want to be clear that the salary increases were deserved and fairly negotiated).

Given the lower student enrollment of the district and increased salaries to our staff, a thoughtful decrease to staffing levels and expenditures was necessary to stabilize the budget; however, this

Governing Board of Trustees

David Keller, Board President
Joleen Cline
Leslie Edlund
Chelsea Harrison
JoDee Read

Our mission is to collectively inspire every child, in every classroom, every day.

We ensure an exemplary education with diverse opportunities and we accept no limits on the learning potential of any child.

approach was not implemented by the previous superintendent and this partially contributed to the current financial challenges that the district faces.

When things returned to normal after the pandemic and the State saw our lower enrollment, they immediately reduced our funding to reflect this. The State actually drew back around 3 million dollars they had already allocated to the district for the 24/25 school year. This put the district in a deficit spending position because the one-time COVID funding we had previously had to fill in gaps was now spent.

Another negative factor was that before COVID, we received around \$800,000 for Greenville High School, which qualified for small but necessary school funding from the State.

We no longer qualified for these funds when this became a charter school. In addition, our decreasing enrollment meant we were no longer an LCFF district that received the supplement from the State. As a result, we became what is called a locally funded district or, more commonly, "Basic Aid." Basic aid districts do not qualify for small but necessary school funding. I only bring this up because it was revenue we once had but no longer qualify for.

I am truly saddened by this situation because of what it means for some of our colleagues. As I have explained before, 15% of our budget is spent on more fixed expenses like paying the PG&E bill or buying bus fuel. We can get some small savings in this part of the budget, but not nearly enough. The other 85% of our budget funds programs. In our case, this primarily means people.

We have now been assigned a state-appointed financial advisor to monitor our budget reduction process and ensure a balanced budget.

In no way do I want to make light of this because budget cuts are not easy on anyone. We like what we have and who we have. However, with today's costs, we can save some money through efficiency and minimize the inevitable layoff of personnel (classified, certificated, and administrative). Our goal is to minimize job loss or job change.

We are not the only district in this State facing the same situation. Actually, as difficult as our problem is to solve, many districts are looking at closing schools and massive personnel layoffs. In the reductions proposed, there has been no discussion of closing schools. At this time, we are looking at not filling some vacant positions and suggesting personnel reductions through layoffs to rightsize the district to match funding and enrollment. District leadership as well as school site leaders have been working on a plan for the board of education to right size the district and ensure long-term financial stability.

It is the responsibility of the Superintendent to make sure that our district operates within our budget. I take this seriously and want to leave a stable fiscal situation for the next person to fill

this position. Please join me in facilitating positive dialogue to solutions that will restore Plumas Unified to a positive financial position. Together, we can rise above this unfortunate turn of events.

Sincerely,

A handwritten signature in blue ink that reads "Jim Frost". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Jim Frost
Acting Superintendent
Plumas Unified School District