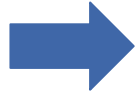




2nd INTERIM

Miller Creek School District Board Meeting March 14th, 2023

State Budget Cycle



- **January**
 - Governor's proposed budget for budget year
- **February**
 - Legislative Analyst review with comments
- **April**
 - Statutory COLA recalculated
- **May**
 - "May Revise" reflects tax adjustments
- **June 15 (or later)**
 - Final adopted State budget
 - COLAs, "gap" funding
 - Potential additional programs, or funding changes
- **November**
 - Legislative Analyst Report (LAO Report)
 - Projections for next year based on tax collections and economic predictors
- **January**
 - Governor's proposed budget for next budget year...

Objective of Interim Reports

- The First Interim is as of October 31st for actuals
- Projects financial activity through June 30th
- Contains: Detailed projection for current year + Multi-Year Projections

- Board must approve certification of financial condition (per AB 1200)
 - ✓ Positive: Able to meet financial obligations for the current and two subsequent fiscal years
 - Qualified: May not be able to meet its financial obligations for the current fiscal year or two subsequent fiscal years
 - Negative: Unable to meet its financial obligations for the current fiscal year or two subsequent fiscal years

Basic Aid or not Basic Aid?

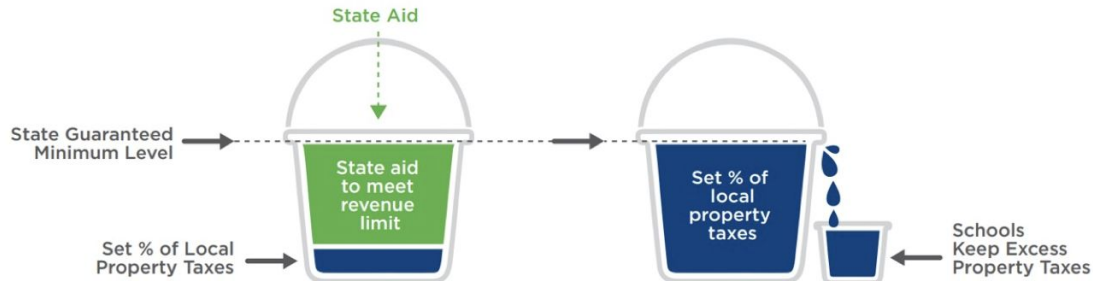
That is the question ...

State Funded, Non Basic Aid

- ▶ District is entitled to a calculated Entitlement
 - ▶ Comprised of property taxes and State Aid
 - ▶ When property taxes don't fill the bucket, the State makes up the shortfall with State Aid

Community Funded, Basic Aid

- ▶ District is entitled to a calculated Entitlement
 - ▶ Comprised of property taxes and State Aid
 - ▶ If Property taxes fill the bucket, and overflow, the district keeps the overflow \$\$ and doesn't need State Aid



Basic Aid or not Basic Aid?

Not all submissions have the same answer ...



State Funded,
Non Basic Aid

Community Funded,
Basic Aid

	2021-22	2022-23	2023-24	2024-25
2022-23 Budget Adoption		\$ 19,413	\$ 20,121	\$ 20,676
2022-23 45 days revise		\$ 19,559	\$ 20,902	\$ 20,811
2022-23 1st Interim - DOF COLA	\$ 18,728	\$ 19,605	\$ 20,407	\$ 21,220
2022-23 2nd Interim - DOF COLA	\$ 18,728	\$ 19,219	\$ 21,280	\$ 21,642

Key assumptions for this submission

- Updated Property tax growth rates
- Enrollment long term growth
- Salary increase for 2022-23 = 8% for all units, regardless of negotiations status
- Salary increase for 2023-24 = 5% for all units, regardless of negotiations status

- Updated COLA for the out years
- Reverse of a 2018-19 ERAF revenue
- Prop 28: not taken into account
- Arts & Music & Instructional Materials Block Grant: 30% left untouched

Enrollment projections

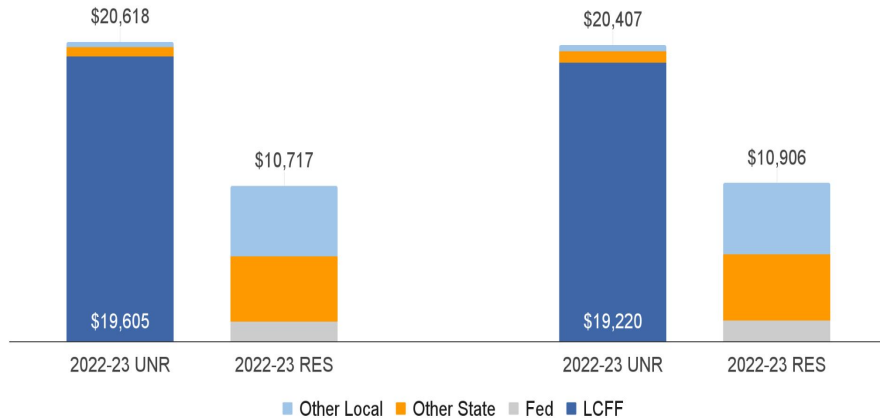
	06/2020	01/2021	01/2022	Budget 22-23	01/2023	Projections 23-24				Projections 24-25			
						Cohort	New housing	Demographics movements	Total	Cohort	New housing	Demographics movements	Total
TK	61	0	0	44	44	54	1	0	55	65	5	0	70
K	208	185	178	160	183	188	1	0	189	178	5	0	183
1	210	192	198	178	190	183	1	1	185	188	6	1	195
2	210	199	190	198	198	190	1	1	192	183	5	2	190
3	179	188	201	190	196	198	1	1	200	190	5	2	197
4	214	158	181	201	210	196	1	1	198	198	7	2	207
5	247	205	165	181	194	210	1	1	212	196	5	2	203
6	246	228	203	165	181	194	1	5	200	210	5	6	221
7	237	228	231	203	205	181	1	-1	181	194	5	4	203
8	214	226	222	229	225	205	1	-1	205	181	5	-2	184
	2,026	1,809	1,769	1,749	1,826	1,799	10	8	1,817	1,783	53	17	1,853

2022-23 Revenue

2nd Interim - Overall stable

1st Interim

2nd Interim



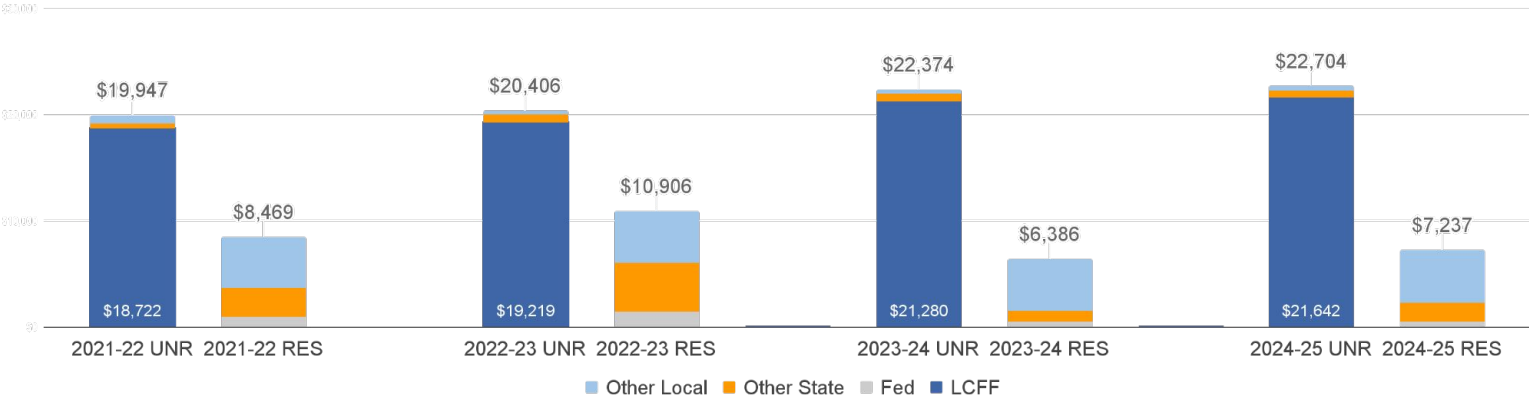
LCFF

- COLA stable
- Funded ADA down by 12 students (St Vincent students not properly removed from previous projections)
- Remaining in State Funded status
- ERAF Reversal due to 2019-20 R3 revision, negative impact of \$264K

OTHERS

- Federal revenues (mainly categorical) remain relatively constant, entitlements updated and previous years adjusted as we received extra cash
- Other Local revenue increases due to transportation fees and facilities rent latest run rate.

MYP Revenue Projection



	2021-22	2022-23	2023-24	2024-25
Property Tax	6.26%	5.82%	5.25%	5.25%
COLA	5.07%	6.56% + 6.70%	8.13%	3.54%
Actual ADA * <small>(line 159)</small>	1,700.1	1,723.7	1,742.3	1,776.65
Funded ADA <small>(line 164)</small>	1,967.9	1,875.7	1,798.0	1,776.6
Method	Prior	3-PY average	3-PY average	Current (CLIFF)
Increase YOY	-	+2.7%	+10.7%	+1.7%
Includes One-time	\$1.2M	\$2.9M	\$-0.8M	-

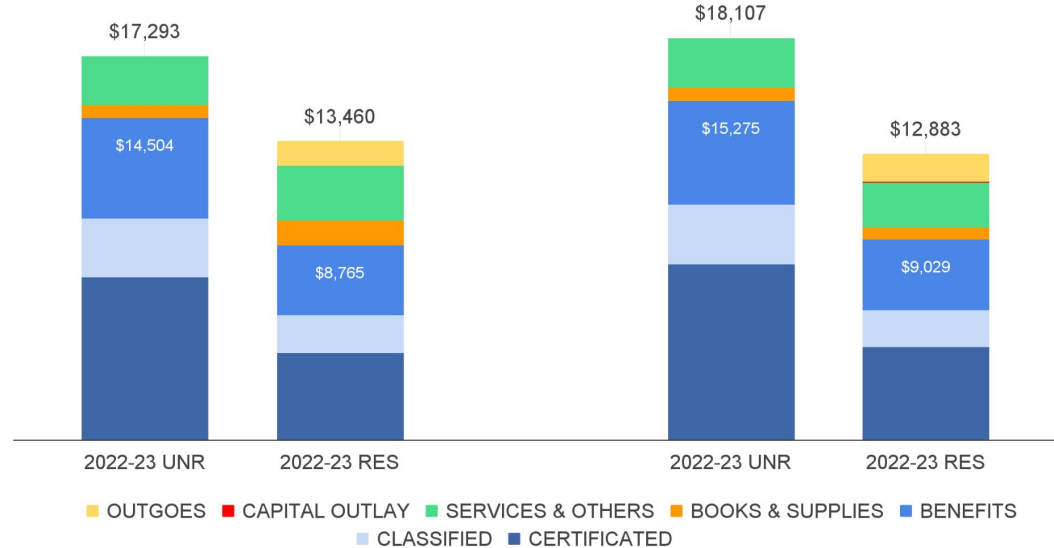
2022-23 Expenses Projection



- Employees expenses related to positions increased by 8%
- Total benefits didn't grow proportionally due to the cap in H&W
- Reduction in books/supplies due to the shift of the ELO program
- Outsourced services were inflated (overly conservative) at 1st interim due to Special Ed services

1st Interim

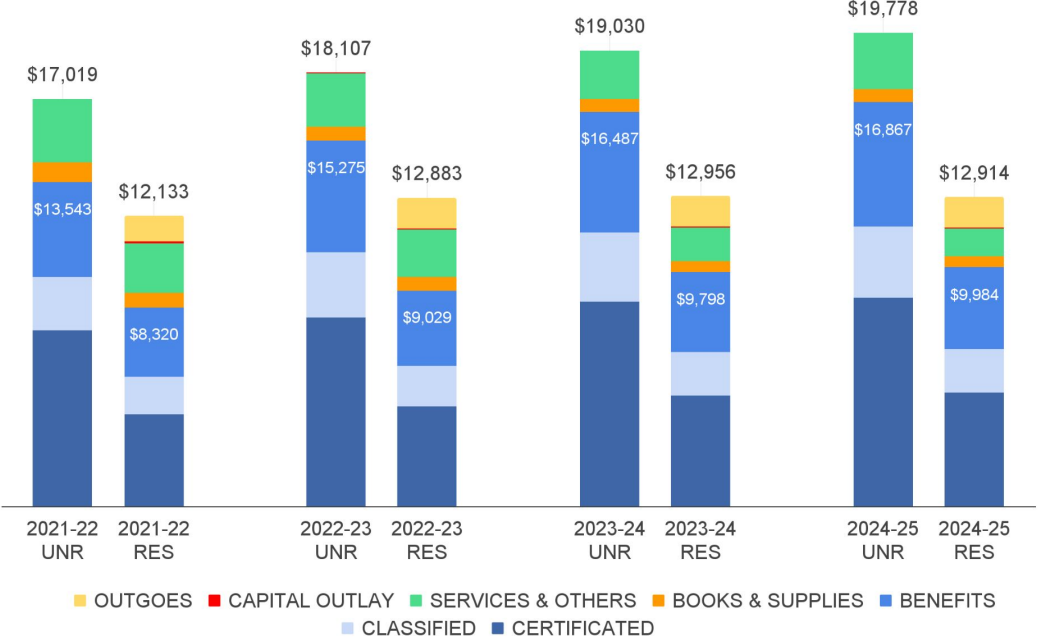
2nd Interim



MYP Expenses Projection



- 2023-24: 5% salary increase
- 2% step & column every year
- One more school counselor in 2023-24
- Positions paid from One-time funds will eventually be 100% funded out of General Fund in 2025-26
- All non employee other expenses will remain at the same level as this year as 2022-23 + California Consumer Price Index (CPI)



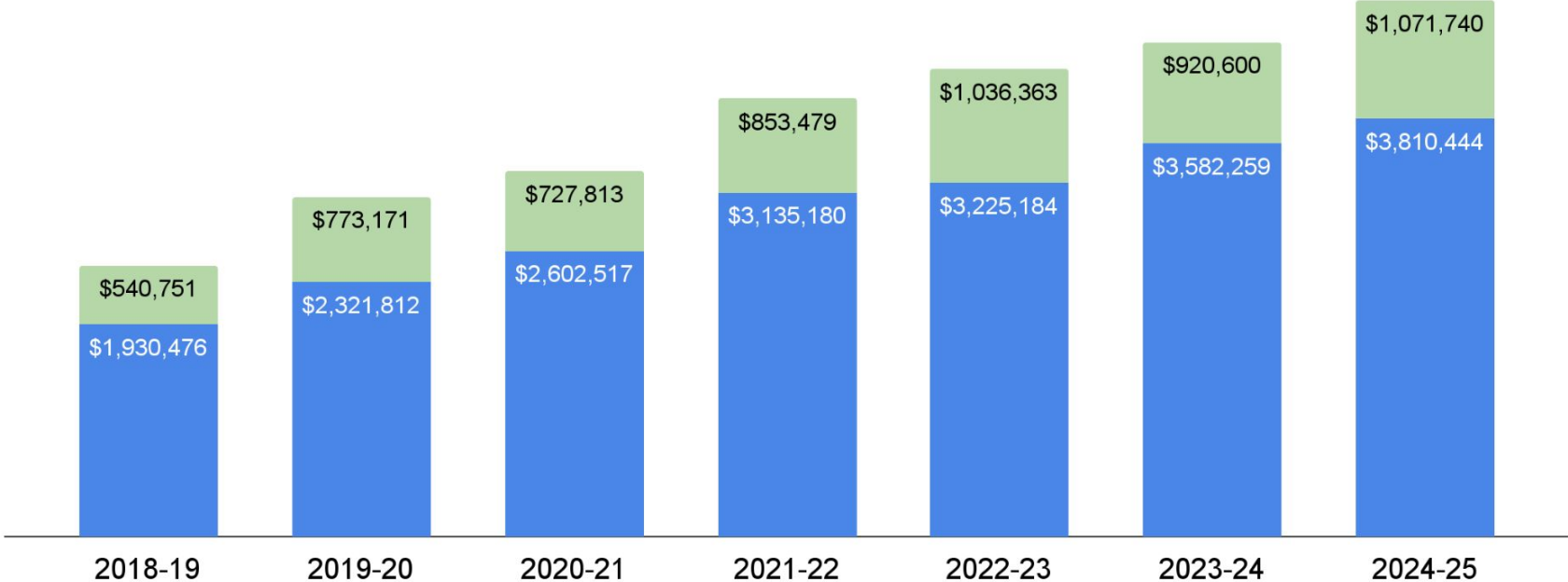
General Fund only - UNR (Unrestricted) and RES (Restricted)
 Total above the column is for the entire column
 Amount indicated in white refers to Total Employees Costs

For more information about this section, check out board package pages 16, 17

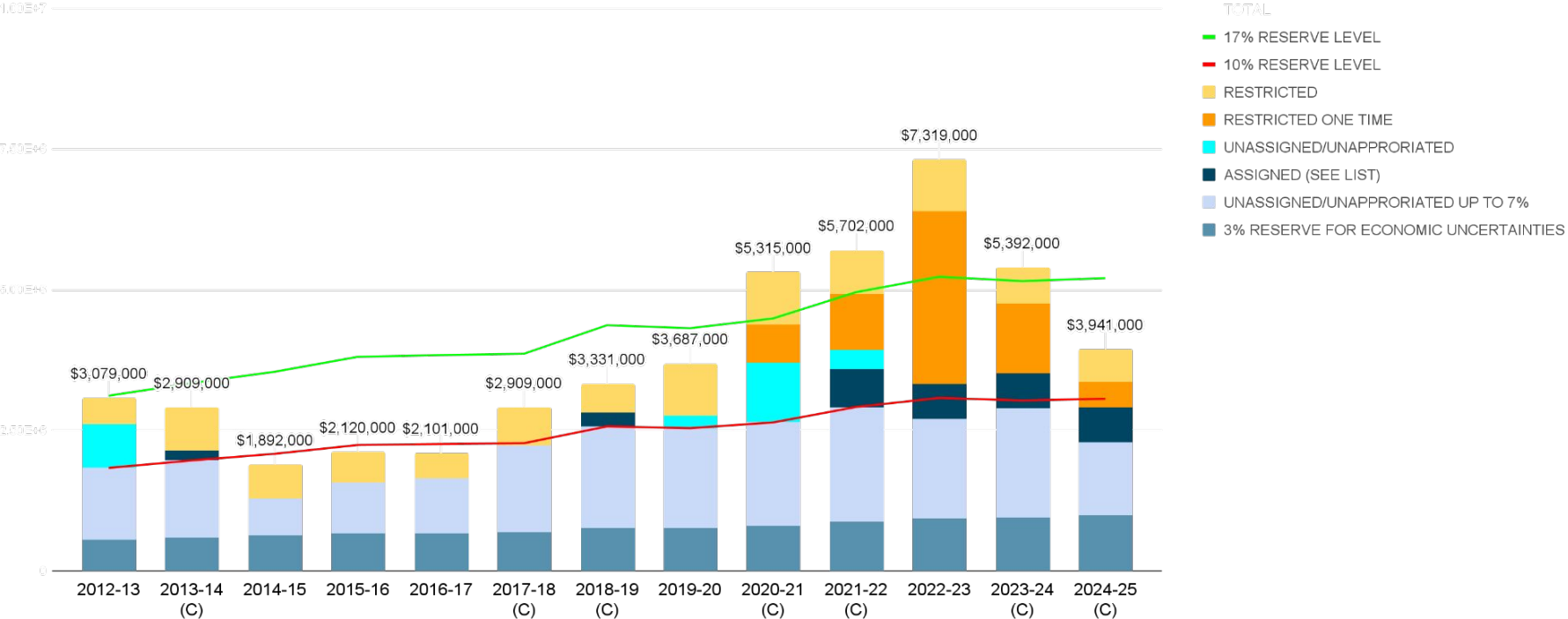
CONTRIBUTIONS



■ Routine Restricted Maintenance Account ■ Special Education



ENDING FUND BALANCE



(C) indicates years when the district was/will be Community Funded (aka Basic Aid)

For more information about this section, check out board package pages 16, 17

ENDING FUND BALANCE

Back-up

	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2022-2023	2023-2024	2024-2025
	UA	UA	UA	UA	UA	UA	UA	UA	UA	UA	1ST INTERIM	2ND INTERIM	MYP	MYP
3% RESERVE FOR ECONOMIC UNCERTAINTIES	\$ 549,673	\$ 589,316	\$ 624,930	\$ 671,758	\$ 677,122	\$ 681,312	\$ 770,817	\$ 761,452	\$ 792,078	\$ 874,583	\$ 922,625	\$ 930,000	\$ 960,000	\$ 981,000
UNASSIGNED/UNAPPROPRIATED UP TO 7%	\$ 1,282,569	\$ 1,375,070	\$ 670,056	\$ 904,138	\$ 975,771	\$ 1,554,240	\$ 1,798,573	\$ 1,776,721	\$ 1,848,182	\$ 2,040,694	\$ 2,152,792	\$ 1,768,143	\$ 1,933,915	\$ 1,312,901
ASSIGNED (SEE LIST)	\$ -	\$ 177,872					\$ 255,716	\$ -	\$ -	\$ 675,000	\$ 675,000	\$ 625,000	\$ 625,000	\$ 625,000
UNASSIGNED/UNAPPROPRIATED	\$ 770,794	\$ (1)	\$ 0	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ 214,588	\$ 1,056,561	\$ 344,339	\$ 625,254	\$ -	\$ -	\$ -
RESTRICTED ONE TIME									\$ 678,275	\$ 994,000	\$ 2,321,369	\$ 3,069,480	\$ 1,240,975	\$ 438,830
RESTRICTED	\$ 475,572	\$ 766,640	\$ 596,897	\$ 543,721	\$ 448,289	\$ 673,382	\$ 505,529	\$ 934,256	\$ 939,778	\$ 773,853	\$ 884,062	\$ 926,683	\$ 631,978	\$ 583,237
TOTAL	\$ 3,078,608	\$ 2,908,897	\$ 1,891,883	\$ 2,119,617	\$ 2,101,182	\$ 2,908,934	\$ 3,330,634	\$ 3,687,017	\$ 5,314,875	\$ 5,702,469	\$ 7,581,102	\$ 7,319,306	\$ 5,391,868	\$ 3,940,968

OTHER FUNDS OVERVIEW



	Beginning Fund Balance	Budgeted Net Change	2022-23 Projected Fund Balance
Cafeteria	\$55,909	\$51,891	\$107,800
Building Fund (GO Bonds)	\$38,958		\$38,958
Capital Facilities (Developer Fees)	\$40,768		\$40,768
NEW - School Facilities		\$6,378,174	\$6,378,174
Special Reserve for Capital Outlay	\$3,424,971	-\$386,511	\$3,038,460
<i>Lease Properties</i>	<i>\$1,222,557</i>	<i>-\$397,511</i>	<i>\$825,046</i>
<i>Ex-Dixie Foundation</i>	<i>\$2,202,414</i>	<i>\$11,000</i>	<i>\$2,213,414</i>
Bond Interest and Redemption (GO Bond Repayment)	\$1,023,992	\$39,181	\$1,063,173

Questions?