

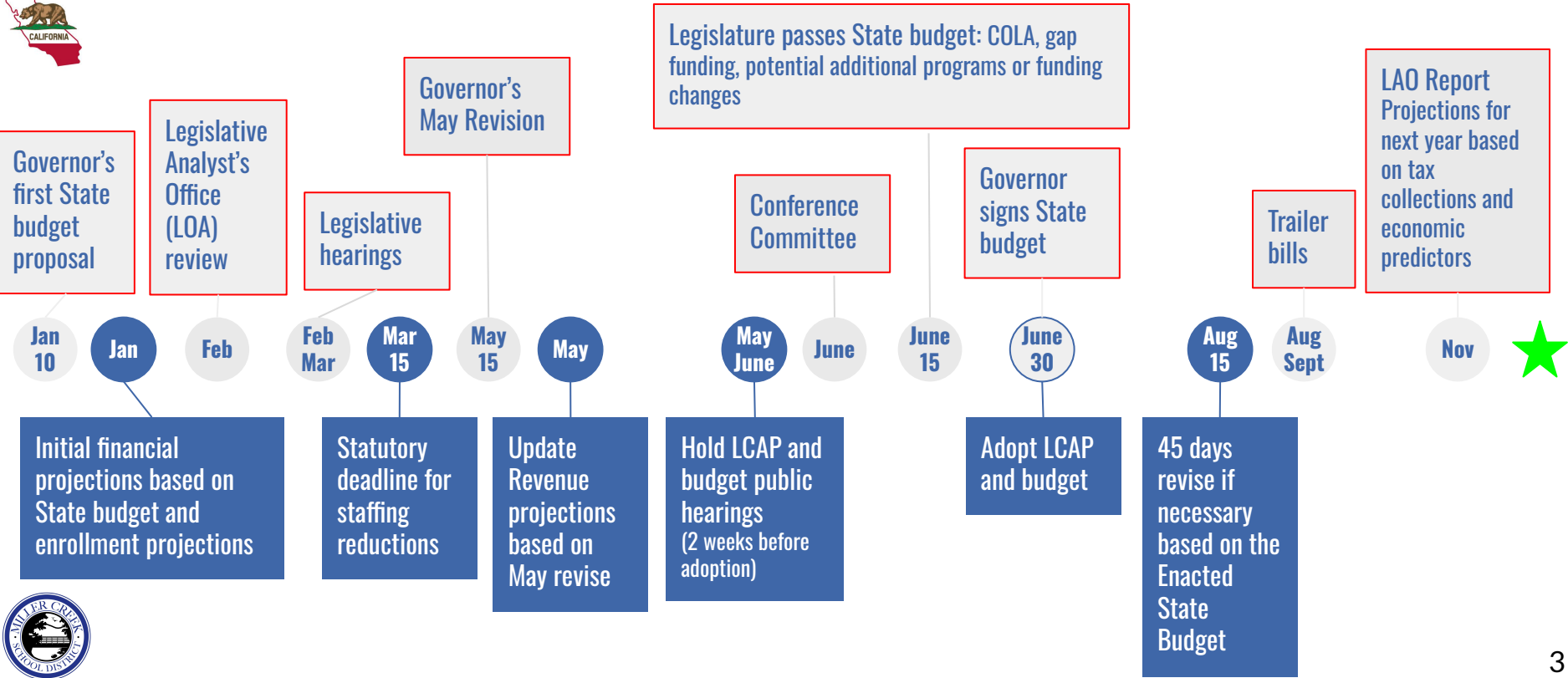


# 1st Interim

Miller Creek School District Board Meeting December 12th, 2023

# Introduction

# Budget Cycle



# 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

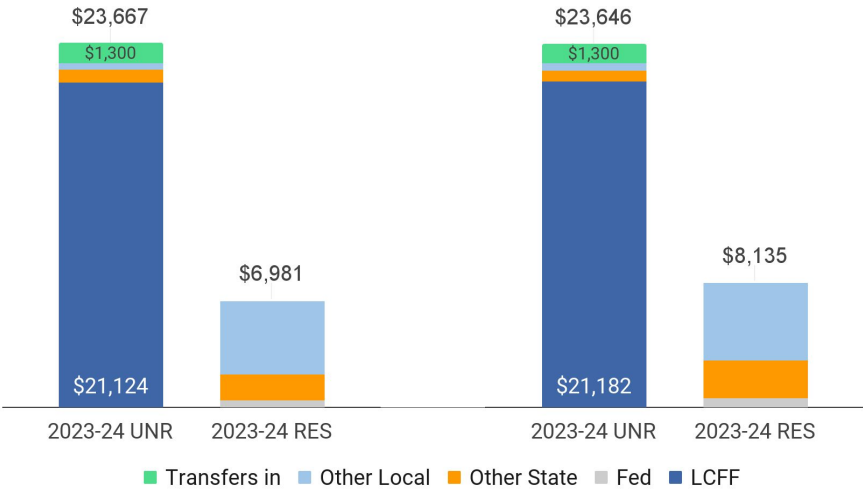
# Budget Update (2023-24)

# 2023-24 Revenue Projection



## Budget

## 1st Interim



### LCFF

- Update based on latest November Property Tax Report from the County Treasurer
- Funded ADA stable
- Remaining in Basic Aid Funded status

### OTHERS

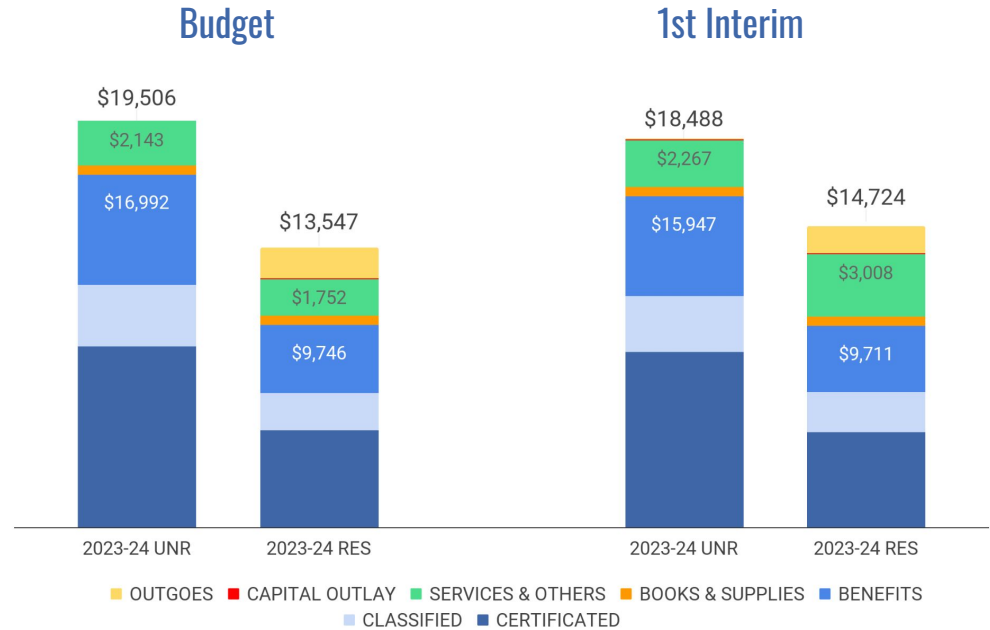
- Updated revenue for Prop 28, Art&Music Block Grant and Learning Recover Grant
- Confirmed ELO Program revenue (and associated expenses in service fees)
- Senior Exemption audit of Parcel tax
- Emergency Connectivity Fund (3rd round)

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

# 2023-24 Expenses Projection



- **Employees expenses:**
  - Transfer from UNR to RES to maximize the use of added funds in Prop 28, Art&Music Block Grant and Learning Recover Grant
  - Unfilled positions in Special Ed
  - Reduction in Transportation staffing
  - Benefits reduced due to H&W overstated in budget model
- **Outsourced Services:**
  - Special Ed for unfilled positions + additional assessments
  - Transportation contract
  - ELO Program



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

# Review of changes since Budget Adoption

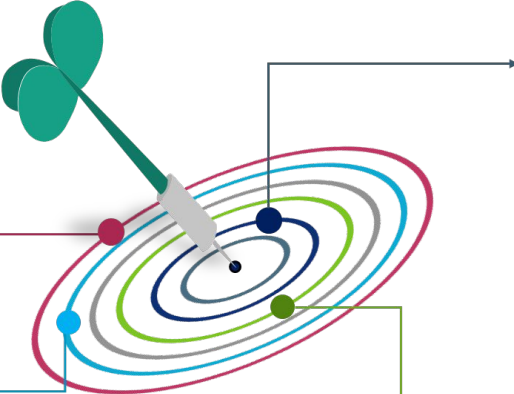
| Description                               | 2023-24 Budget    |                    |                    |              | 2023-24 1st INTERIM |                   |                    |              |
|---|-------------------|--------------------|--------------------|--------------|---------------------|-------------------|--------------------|--------------|
|   | Unrestricted      | Restricted         | Combined           |              | Unrestricted        | Restricted        | Combined           |              |
| <b>Revenue</b>                            | <b>18,631,555</b> | <b>12,019,729</b>  | <b>30,651,284</b>  |              | <b>18,385,402</b>   | <b>13,743,902</b> | <b>32,129,304</b>  |              |
| <b>Expenditures</b>                       | <b>19,506,044</b> | <b>13,547,582</b>  | <b>33,053,626</b>  |              | <b>18,492,445</b>   | <b>14,724,598</b> | <b>33,217,043</b>  |              |
| <b>Deficit/Surplus</b>                    | <b>(874,489)</b>  | <b>(1,527,853)</b> | <b>(2,402,342)</b> |              | <b>(107,043)</b>    | <b>(980,696)</b>  | <b>(1,087,739)</b> |              |
| Beginning Balance                         | 4,980,122         | 2,564,798          | 7,544,920          |              | 3,962,632           | 3,200,105         | 7,162,737          |              |
| <b>Ending Balance</b>                     | <b>4,105,633</b>  | <b>1,036,945</b>   | <b>5,142,578</b>   | <b>15.6%</b> | <b>3,855,589</b>    | <b>2,219,409</b>  | <b>6,074,998</b>   | <b>18.3%</b> |
| Revolving Cash (non spendable)            | 3,000             |                    | 3,000              |              | 3,000               |                   | 3,000              |              |
| Restricted Programs                       | 0                 | 1,036,945          | 1,036,945          | 3.1%         | 0                   | 1,873,739         | 1,873,739          | 5.6%         |
| <i>One time resources</i>                 |                   | <u>571,000</u>     |                    |              |                     | <u>550,635</u>    |                    |              |
| <i>Other restricted resources</i>         |                   | 465,945            |                    |              |                     | 1,323,104         |                    |              |
| Assigned                                  | 375,000           |                    | 375,000            | 1.1%         | 1,217,697           | 345,670           | 1,563,367          | 4.7%         |
| <i>Pension Stabilization</i>              | 75,000            |                    |                    |              |                     |                   |                    |              |
| <i>Exceptional Maintenance</i>            | 150,000           |                    |                    |              | 225,000             |                   |                    |              |
| <i>Special Ed (NPS)</i>                   | 150,000           |                    |                    |              | 150,000             |                   |                    |              |
| <i>Excess Taxes Basic Aid</i>             |                   |                    |                    |              | 842,697             |                   |                    | 2.5%         |
| <i>OPEB (from closing Fund 68)</i>        |                   |                    |                    |              |                     | 345,670           |                    | 1.0%         |
| <b>Available Reserves</b>                 | <b>3,727,633</b>  |                    | <b>3,727,633</b>   | <b>11.3%</b> | <b>2,634,892</b>    |                   | <b>2,634,892</b>   | <b>7.9%</b>  |
| <i>Reserve for Economic Uncertainties</i> | 992,000           |                    | 992,000            | 3.0%         | 997,000             |                   | 997,000            | 3.0%         |
| <i>Unassigned/Uappropriated Amount</i>    | 2,735,633         |                    | 2,735,633          | 8.3%         | 1,637,892           |                   | 1,637,892          | 4.9%         |



# Multi Year Projection (MYP)

# Multi Year Projections aka MYP

Multiyear projections are required by Assembly Bill (AB) 1200 and AB 2756



Projections are anchored in reliable information as of the date of the projection

Projections will change any time the underlying factors change

Projections must be documented, because they will change

# Enrollment Projections

Reviewed and approved 11-14-2023 

| Fiscal Year | 2013-14   | 2014-15                  | 2015-16 | 2016-17 | 2017-18   | 2018-19   | 2019-20 | 2020-21   | 2021-22       | 2022-23        | 2023-24   | 2023-24         |
|-------------|-----------|--------------------------|---------|---------|-----------|-----------|---------|-----------|---------------|----------------|-----------|-----------------|
| Grade Level | Actual    | Actual                   | Actual  | Actual  | Actual    | Actual    | Actual  | Actual    | Actual 1/7/22 | Actual 1/15/23 | Budgeted  | Actual 10/20/23 |
| T/K         |           | <sup>25 at K total</sup> | 16      | 37      | 34        | 54        | 63      |           |               | 44             | 55        | 67              |
| K           | 252       | 262                      | 204     | 174     | 216       | 211       | 205     | 193       | 178           | 183            | 189       | 155             |
| 1           | 221       | 221                      | 235     | 205     | 178       | 211       | 212     | 202       | 198           | 189            | 185       | 188             |
| 2           | 195       | 219                      | 230     | 241     | 213       | 180       | 212     | 202       | 190           | 198            | 192       | 188             |
| 3           | 189       | 207                      | 218     | 233     | 254       | 204       | 179     | 199       | 201           | 195            | 200       | 200             |
| 4           | 208       | 196                      | 197     | 223     | 230       | 247       | 214     | 164       | 181           | 210            | 197       | 198             |
| 5           | 242       | 212                      | 200     | 192     | 226       | 228       | 245     | 203       | 165           | 194            | 212       | 213             |
| 6           | 235       | 248                      | 211     | 216     | 203       | 225       | 245     | 234       | 203           | 181            | 200       | 202             |
| 7           | 199       | 232                      | 250     | 207     | 216       | 207       | 235     | 235       | 231           | 205            | 182       | 185             |
| 8           | 197       | 202                      | 228     | 254     | 214       | 215       | 214     | 228       | 222           | 225            | 206       | 209             |
| Enrollment  | 1938      | 1999                     | 1989    | 1982    | 1984      | 1982      | 2024    | 1860      | 1769          | 1824           | 1818      | 1805            |
| Funding     | Basic Aid | LCFF                     | LCFF    | LCFF    | Basic Aid | Basic Aid | LCFF    | Basic Aid | Basic Aid     | LCFF           | Basic Aid | Basic Aid       |

NOTE: 17 Out of range TK

|                  | 23-24       | 24-25       | 25-26       | 26-27       |
|------------------|-------------|-------------|-------------|-------------|
| TK               | 67          | 96          | 114         | 96          |
| K-3              | 731         | 718         | 707         | 732         |
| 4-6              | 613         | 617         | 598         | 591         |
| 7-8              | 394         | 393         | 428         | 428         |
| <b>sub-total</b> | <b>1805</b> | <b>1824</b> | <b>1847</b> | <b>1847</b> |
| Development      |             | 10          | 44          | 94          |
| NPS              | 10          | 10          | 10          | 8           |
| <b>TOTAL</b>     | <b>1815</b> | <b>1844</b> | <b>1901</b> | <b>1949</b> |

# Basic Aid or not Basic Aid?

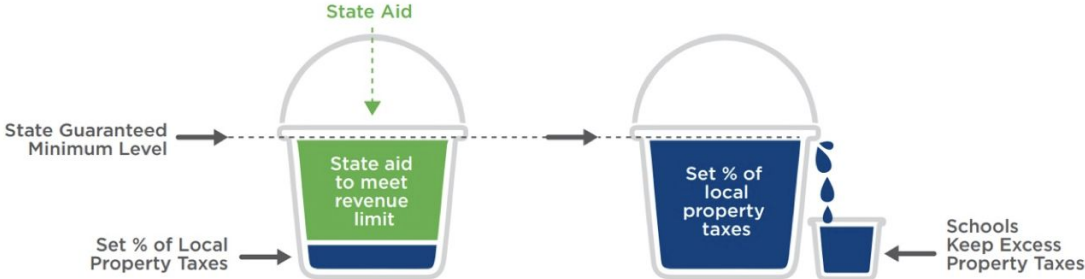
That is the question ...

## 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

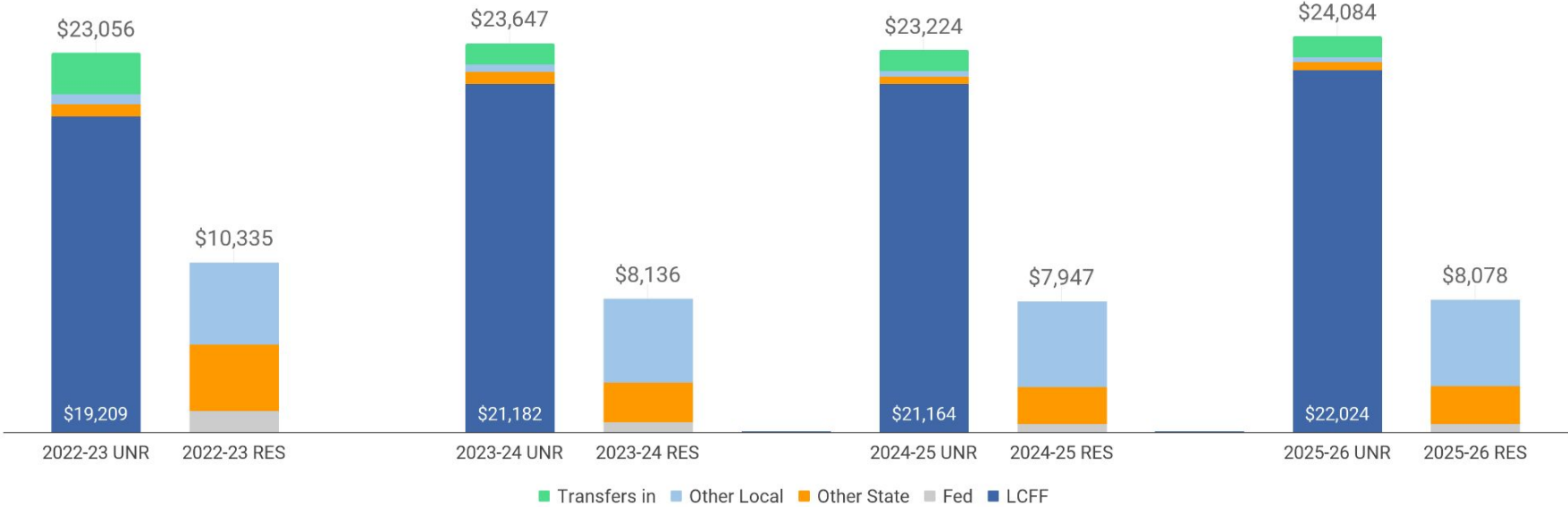


# Revenue Assumptions



|  | 2023-24                                | 2024-25                                | 2025-26                                |
|--|--|--|--|
| Funding  | Basic Aid<br><i>(Community Funded)</i> | Basic Aid<br><i>(Community Funded)</i> | Basic Aid<br><i>(Community Funded)</i> |
| Secured Property Tax   | 5.41% ↘ <u>4.12%</u>                   | 4.56% ↘ <u>4.31%</u>                   | 4.56% ↘ <u>4.31%</u>                   |
| COLA   | 8.22%                                  | 3.94% ↘ <u>1.5%</u>                    | 3.29% ↘ <u>2%</u>                      |
| Actual ADA <small><i>(line 149, LCFF Calculator)</i></small>                         | 1,737 ↘ <u>1,731</u>                   | 1,775 ↘ <u>1,758</u>                   | 1,859 ↘ <u>1,812</u>                   |
| Funded ADA <small><i>(line 155, LCFF Calculator)</i></small>                         | 1,796 → <u>1,797</u>                   | 1,775 ↘ <u>1,758</u>                   | 1,859 ↘ <u>1,812</u>                   |
| Method   | 3-PY average                           | Current                                | Current                                |
| Includes One-time  | -                                      | -                                      | -                                      |
| Parcel Taxes   | \$3.96M + <u>\$70K</u>                 | 3% increase                            | 3% increase                            |
| Funded UPP <small><i>(Unduplicated Pupil Count)</i></small>                          | 22.51% ↗ <u>22.63%</u>                 | Stable                                 | Stable                                 |
| Other Federal and State Revenue  | Per entitlement                        | Flat                                   | Flat                                   |
| CanDo!   | \$679,000                              | Flat                                   | Flat                                   |
| COVID carryover  | \$571,000                              | None                                   | None                                   |
| Interest Earnings <small><i>(Interest Rate Trend for 10-Year Treasuries)</i></small> | \$72,000                               | 2.98%                                  | 2.90%                                  |

# MYP Revenue Projections (4Y)

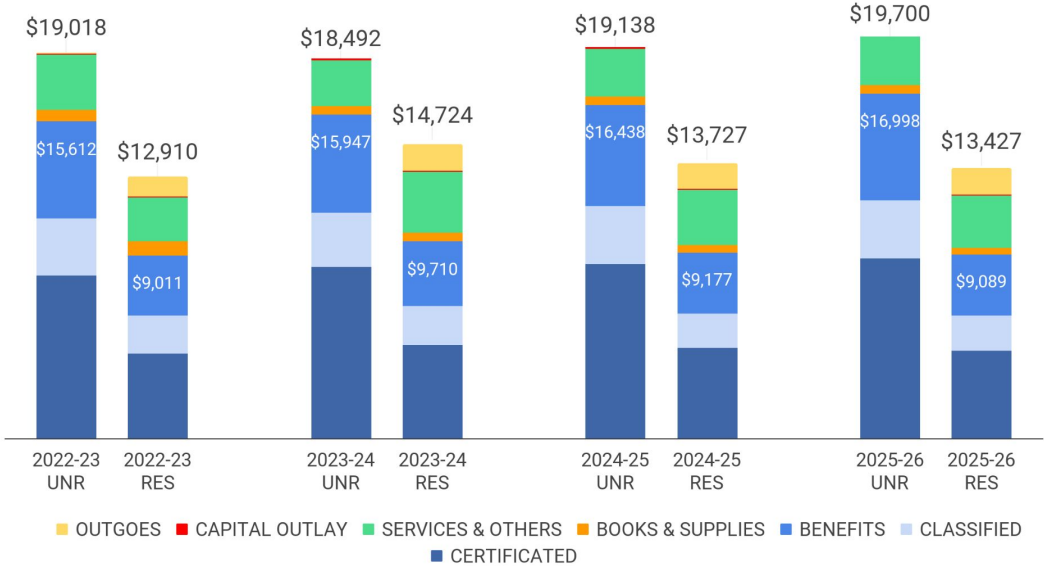


Excludes Contributions from UNR to RES:  
 2023-24: \$5,261,000    2024-25: \$5,326,000    2025-26: \$5,398,000

# MYP Expenses Projection (4Y)



- Step & column: 1.8% for certificated, 1.2% for classified
- H&W benefits increase 6%
- A partial time Music certificated position will be created in 2024-25 with the Prop 28 funds
- Sunset of classified and certificated positions and all other expenses paid from One-time funds in 2024-25
- All Unrestricted non employee other expenses will remain at the same level as 2023-24 + California Consumer Price Index (CPI) on Service fees



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

# MYP - 3 years at a glance

| Description                     | 2023-24 45 1st INTERIM |                   |                    | 2024-25 Projected Budget |                   |                    | 2025-26 Projected Budget |                   |                   |
|---------------------------------|------------------------|-------------------|--------------------|--------------------------|-------------------|--------------------|--------------------------|-------------------|-------------------|
|                                 | Unrestricted           | Restricted        | Combined           | Unrestricted             | Restricted        | Combined           | Unrestricted             | Restricted        | Combined          |
| <b>Revenue</b>                  |                        |                   |                    |                          |                   |                    |                          |                   |                   |
| General Purpose                 | 21,182,495             |                   | 21,182,495         | 21,164,218               |                   | 21,164,218         | 22,024,366               |                   | 22,024,366        |
| Federal Revenue                 |                        | 608,363           | 608,363            |                          | 492,324           | 492,324            |                          | 492,324           | 492,324           |
| State Revenue                   | 720,110                | 2,433,039         | 3,153,149          | 460,233                  | 2,269,485         | 2,729,718          | 462,042                  | 2,307,087         | 2,769,129         |
| Local Revenue                   | 444,743                | 5,094,884         | 5,539,627          | 300,094                  | 5,185,845         | 5,485,939          | 298,494                  | 5,279,535         | 5,578,029         |
| Transfers in                    | 1,300,000              | 345,670           | 1,645,670          | 1,300,000                |                   | 1,300,000          | 1,300,000                |                   | 1,300,000         |
| Contributions to Restricted     | (5,261,946)            | 5,261,946         | 0                  | (5,226,273)              | 5,226,273         | 0                  | (5,298,397)              | 5,298,397         | 0                 |
| <b>Total Revenue</b>            | <b>18,385,402</b>      | <b>13,743,902</b> | <b>32,129,304</b>  | <b>17,998,272</b>        | <b>13,173,927</b> | <b>31,172,199</b>  | <b>18,786,505</b>        | <b>13,377,343</b> | <b>32,163,848</b> |
| <b>Expenditures</b>             |                        |                   |                    |                          |                   |                    |                          |                   |                   |
| Certificated Salaries           | 8,436,278              | 4,598,342         | 13,034,620         | 8,588,131                | 4,454,523         | 13,042,654         | 8,871,717                | 4,339,375         | 13,211,092        |
| Classified Salaries             | 2,714,020              | 1,936,452         | 4,650,472          | 2,846,269                | 1,689,970         | 4,536,239          | 2,880,424                | 1,710,250         | 4,590,674         |
| Employee Benefits               | 4,797,088              | 3,176,648         | 7,973,736          | 5,004,795                | 3,034,188         | 8,038,983          | 5,247,269                | 3,040,674         | 8,287,943         |
| Books and Supplies              | 435,520                | 449,879           | 885,399            | 432,295                  | 338,079           | 770,374            | 433,519                  | 299,079           | 732,598           |
| Other Services & Oper. Expenses | 2,267,857              | 3,008,023         | 5,275,880          | 2,320,550                | 2,723,137         | 5,043,687          | 2,367,852                | 2,593,318         | 4,961,170         |
| Capital Outlay                  | 53,682                 | 40,000            | 93,682             | 95,391                   | 40,000            | 135,391            | 5,000                    | 40,000            | 45,000            |
| Other Outgo 7xxx                | 4,000                  | 1,299,254         | 1,303,254          |                          | 1,299,254         | 1,299,254          |                          | 1,299,254         | 1,299,254         |
| Transfer of Indirect 73xx       | (216,000)              | 216,000           | 0                  | (148,700)                | 148,700           | 0                  | (105,300)                | 105,300           | 0                 |
| <b>Total Expenditures</b>       | <b>18,492,445</b>      | <b>14,724,598</b> | <b>33,217,043</b>  | <b>19,138,731</b>        | <b>13,727,851</b> | <b>32,866,582</b>  | <b>19,700,481</b>        | <b>13,427,250</b> | <b>33,127,731</b> |
| <b>Deficit/Surplus</b>          | <b>(107,043)</b>       | <b>(980,696)</b>  | <b>(1,087,739)</b> | <b>(1,140,459)</b>       | <b>(553,924)</b>  | <b>(1,694,383)</b> | <b>(913,976)</b>         | <b>(49,907)</b>   | <b>(963,883)</b>  |



# Deficit Spending

# MYP - Deficit Spending & Reserve Level

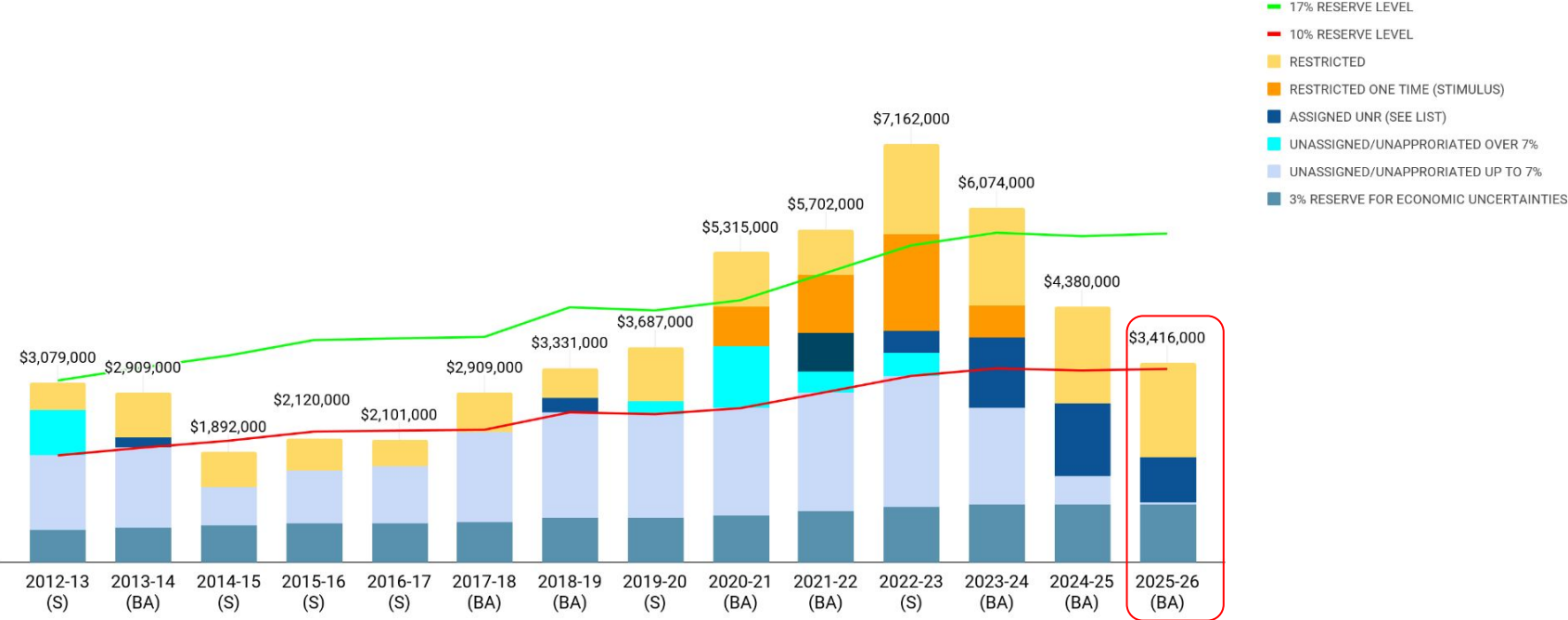
| Description                               | 2023-24 45 1st INTERIM |                  |                    |              | 2024-25 Projected Budget |                  |                    |              | 2025-26 Projected Budget |                  |                  |              |
|---|------------------------|------------------|--------------------|--------------|--------------------------|------------------|--------------------|--------------|--------------------------|------------------|------------------|--------------|
|   | Unrestricted           | Restricted       | Combined           |              | Unrestricted             | Restricted       | Combined           |              | Unrestricted             | Restricted       | Combined         |              |
| <b>Deficit/Surplus</b>                    | <b>(107,043)</b>       | <b>(980,696)</b> | <b>(1,087,739)</b> |              | <b>(1,140,459)</b>       | <b>(553,924)</b> | <b>(1,694,383)</b> |              | <b>(913,976)</b>         | <b>(49,907)</b>  | <b>(963,883)</b> |              |
| Beginning Balance                         | 3,962,632              | 3,200,105        | 7,162,737          |              | 3,855,589                | 2,219,409        | 6,074,998          |              | 2,715,130                | 1,665,485        | 4,380,615        |              |
| <b>Ending Balance</b>                     | <b>3,855,589</b>       | <b>2,219,409</b> | <b>6,074,998</b>   | <b>18.3%</b> | <b>2,715,130</b>         | <b>1,665,485</b> | <b>4,380,615</b>   | <b>13.3%</b> | <b>1,801,154</b>         | <b>1,615,578</b> | <b>3,416,732</b> | <b>10.3%</b> |
| Revolving Cash (non spendable)            | 3,000                  |                  | 3,000              |              | 3,000                    |                  | 3,000              |              | 3,000                    |                  | 3,000            |              |
| Restricted Programs                       | 0                      | 1,873,739        | 1,873,739          | 5.6%         | 0                        | 1,319,815        | 1,319,815          | 4.0%         | 0                        | 1,269,908        | 1,269,908        | 3.8%         |
| <i>One time Stimulus resources</i>        |                        | 550,635          |                    |              |                          |                  |                    |              |                          | 0                |                  |              |
| <i>Other restricted resources</i>         |                        | 1,323,104        |                    |              |                          | 1,319,815        |                    |              |                          | 1,269,908        |                  |              |
| Assigned                                  | 1,217,697              | 345,670          | 1,563,367          | 4.7%         | 1,231,359                | 345,670          | 1,577,029          | 4.8%         | 782,443                  | 345,670          | 1,128,113        | 3.4%         |
| <i>Exceptional Maintenance</i>            | 225,000                |                  |                    |              | 225,000                  |                  |                    |              | ✘                        |                  |                  |              |
| <i>Special Ed (NPS)</i>                   | 150,000                |                  |                    |              | 150,000                  |                  |                    |              | 150,000                  |                  |                  |              |
| <i>Excess Taxes Basic Aid</i>             | 842,697                |                  |                    | 2.5%         | 856,359                  |                  |                    | 2.6%         | 632,443                  |                  |                  | 1.9%         |
| <i>OPEB (from closing Fund 68)</i>        |                        | 345,670          |                    | 1.0%         |                          | 345,670          |                    | 1.1%         |                          | 345,670          |                  | 1.0%         |
| <b>Available Reserves (1)</b>             | <b>2,634,892</b>       |                  | <b>2,634,892</b>   | <b>7.9%</b>  | <b>1,480,771</b>         |                  | <b>1,480,771</b>   | <b>4.5%</b>  | <b>1,015,711</b>         |                  | <b>1,015,711</b> | <b>3.1%</b>  |
| <i>Reserve for Economic Uncertainties</i> | 997,000                |                  | 997,000            | 3.0%         | 986,000                  |                  | 986,000            | 3.0%         | 994,000                  |                  | 994,000          | 3.0%         |
| <i>Unassigned/Uappropriated Amount</i>    | 1,637,892              |                  | 1,637,892          | 4.9%         | 494,771                  |                  | 494,771            | 1.5%         | 21,711                   |                  | 21,711           | 0.1%         |

In 2024-25, no more restricted balance from One time Stimulus resources.

In 2025-26, exceptional maintenance projects will likely be funded by Fund 35 (School Facilities).

# Reserve

# ENDING FUND BALANCE



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

**APPROVAL IS RECOMMENDED**

**ANY QUESTIONS?**