

Miller Creek School District



2023-2024 1st Interim Report

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Presented Dec. 12. 2023

Education Code Section 42130 requires school districts to submit a first interim report, which covers the financial status as of October 31, 2023, to the governing board of the district for certification and then submitted to the County Office of Education on or before December 15, 2022.

Overview

The Governing Board recognizes its critical responsibility for approving and maintaining a sound budget for each fiscal year which is aligned with the district’s vision, goals, priorities, and comprehensive plans. The district budget shall guide administrative decisions and actions throughout the year and shall serve as a tool for monitoring the fiscal health of the district.

The District is required to file one of the following certifications based on these projections.

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

District Summary

The overall financial goal for the district is to maintain an appropriate level of reserve, maximize district revenue and expend resources in areas achieving the highest quality educational value while meeting all federal, state, and local guidelines and regulations.

This document reflects the Original Adopted Budget for 2023-24, Approved Operating Budget and Updated Projected Totals for 2023-24, as well as the Multi-Year Projection for 2024-25 and 2025-26. The district developed a set of budget assumptions that described the basis for the revenue and expenditures that was presented on June 15, 2023. These assumptions were developed using the Governor’s 2023-24 State Budget May Revision along with guidance from School Services of California and the Marin County Office of Education.

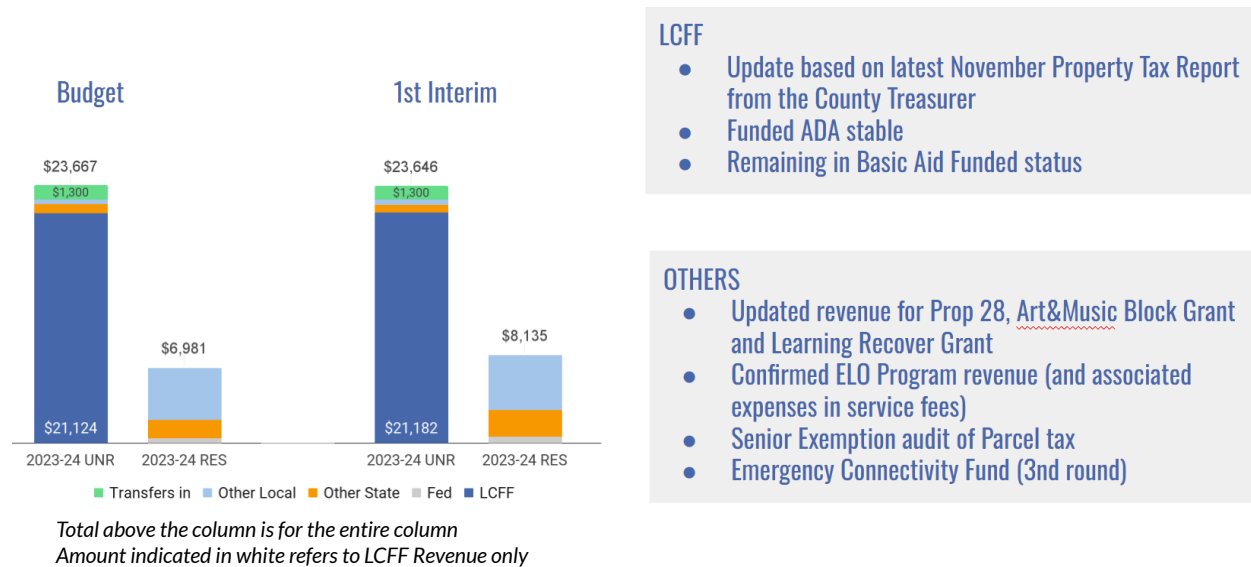
California school district revenue and expenditures are constantly changing. The district must diligently update the budget based on federal, state, and local decisions and projections.

The Multi-Year Projection (MYP) shows the impact of today’s decisions on future budgets. The MYP also indicates the district’s ability to maintain the required Reserve for Economic Uncertainties and Board Assigned Reserves for the current and subsequent two years. Reasonable assumptions are made by utilizing multiple sources, trends, and historical data. It is important to remember that projections are only estimates based on the most current information available at that point in time.

Unless noted otherwise most of this document refers to the **General Fund (Fund 01)**. When relevant our charts are showing Unrestricted (UNR) and Restricted (RES) in separate columns.

Updated Projection for 2023-24 (named 1st interim)

Revenue projection



<p>General Purpose LCFF (State)</p> <p>66%</p> <p>General Purpose Dollars</p> <p>Formula to calculate level of funding, including additional funding for low income students and English Learners</p>	<p>Federal</p> <p>2%</p> <p>Special Education</p> <p>Title I, II, III, IV</p> <p>COVID Stimulus \$</p>	<p>Other State</p> <p>10%</p> <p>Special Education</p> <p>COVID Stimulus \$</p>	<p>Local</p> <p>22%</p> <p>Parcel Tax</p> <p>Can Do!</p> <p>HSC Donations</p> <p>Lease Fund Transfer</p>
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LCFF State Factors for 2023-24

Grade Span	TK	K-3	4-6	7-8	9-12
2022-23 Base Grant per ADA	\$9,166	\$9,166	\$9,304	\$9,580	\$11,102
8.22% COLA	\$753	\$753	\$765	\$787	\$913
2023-24 Base Grant per ADA	\$9,919	\$9,919	\$10,069	\$10,367	\$12,015
Grade Span Adjustment (GSA)	\$1,032	\$1,032	–	–	\$312
TK Add-on (inclusive of COLA)	\$3,044	–	–	–	–
2023-24 Adjusted Base Grant per ADA	\$13,995	\$10,951	\$10,069	\$10,367	\$12,327
20% Supplemental Grant per ADA ¹	–	\$2,190	\$2,014	\$2,073	\$2,465
65% Concentration Grant per ADA ²	–	\$7,118	\$6,545	\$6,739	\$8,013

¹Maximum amount per ADA—to arrive at LEA's grant amount, multiply adjusted base grant per ADA by 20% and Unduplicated Pupil Percentage (UPP)

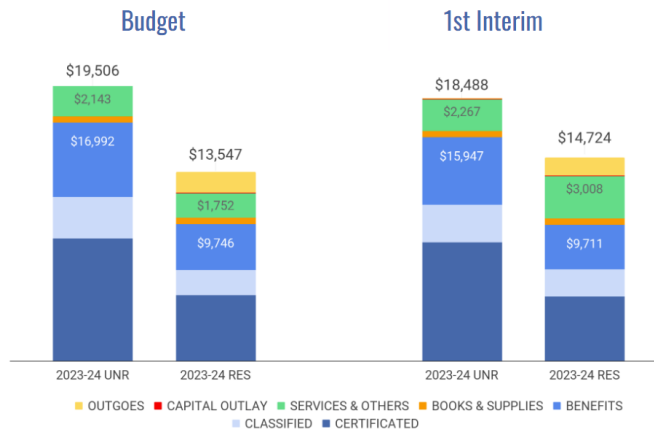
²Maximum amount per ADA—to arrive at LEA's grant amount, multiply adjusted base grant per ADA by 65% and UPP above 55%

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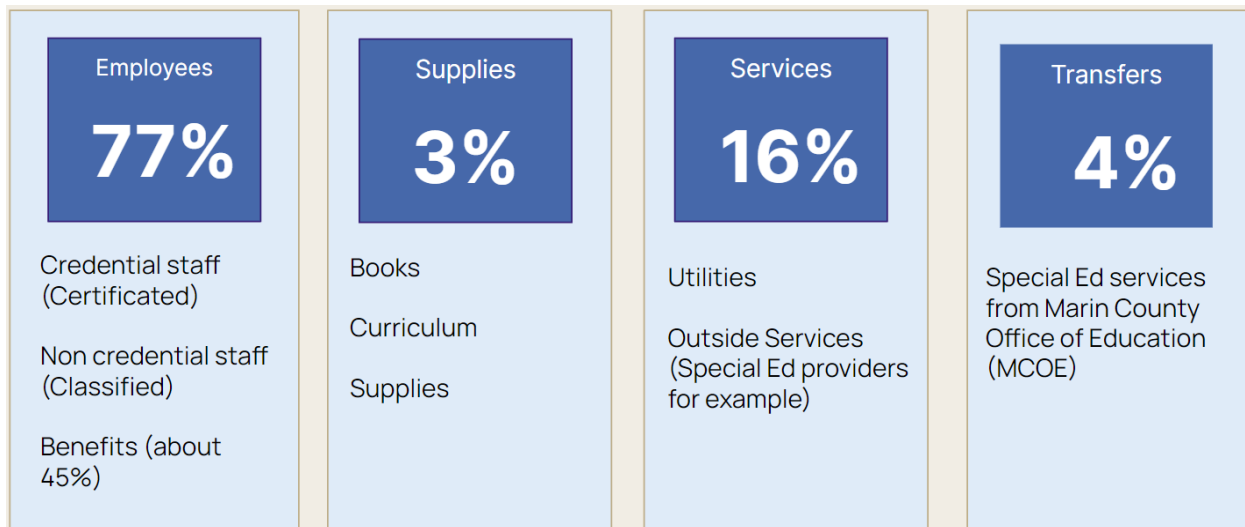
For more details, consult Appendix A.

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



Total above the column is for the entire column
Amount indicated in white refers to Total Employees Costs



For more details, consult Appendix A.

Ending balance projection

Description	2023-24 Budget				2023-24 1st INTERIM			
	Unrestricted	Restricted	Combined		Unrestricted	Restricted	Combined	
Revenue	18,631,555	12,019,729	30,651,284		18,385,402	13,743,902	32,129,304	
Expenditures	19,506,044	13,547,582	33,053,626		18,492,445	14,724,598	33,217,043	
Deficit/Surplus	(874,489)	(1,527,853)	(2,402,342)		(107,043)	(980,696)	(1,087,739)	
Beginning Balance	4,980,122	2,564,798	7,544,920		3,962,632	3,200,105	7,162,737	
Ending Balance	4,105,633	1,036,945	5,142,578	15.6%	3,855,589	2,219,409	6,074,998	18.3%
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%
Available Reserves	3,727,633		3,727,633	11.3%	2,634,892		2,634,892	7.9%
<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%

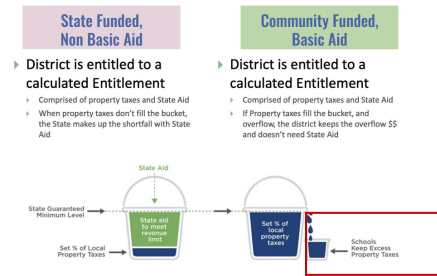
The difference in beginning balance is due to the close of 2022-23 fiscal year (Unaudited actuals) happening AFTER budget adoption.

Overall our planned deficit spending went from \$2,402,342 to \$1,083,739, resulting in an ending balance going from \$5,142,578 to \$6,074,998.

We have made 2 changes to the assigned reserve:

- Added \$842,697 representing the portion of Excess Taxes we should be receiving as a result of being in Basic Aid status this year (we commonly refer to this as the additional drops in our side bucket, see illustration).
We have not had the practice to set aside this in the past, but that was a recommendation from FCMAT and MCOE and we are adopting this new practice with this new submission and moving forward (See MYP section).

Basic Aid or not Basic Aid? That is the question ...



- We have received recommendations from auditors, past CBOs and MCOE to close our Fund 68. We will bring the resolution to close that Fund in our January Board meeting and until then, we are recommending to transfer the balance of this Fund in a Restricted dedicated resource that will carry the balance of that Fund for future Post Employment Benefits liabilities.

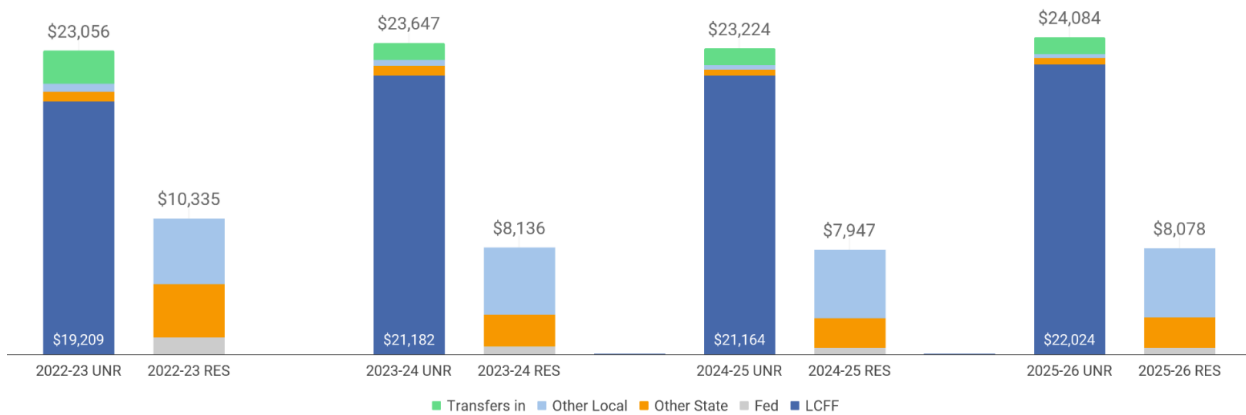
For more details, consult Appendix A.

Multi-Year Projection (MYP) 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
Revenue									
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
Total Revenue	18,385,402	13,743,902	32,129,304	17,998,272	13,173,927	31,172,199	18,786,505	13,377,343	32,163,848
Expenditures									
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
Total Expenditures	18,492,445	14,724,598	33,217,043	19,138,731	13,727,851	32,866,582	19,700,481	13,427,250	33,127,731
Deficit/Surplus	(107,043)	(980,696)	(1,087,739)	(1,140,459)	(553,924)	(1,694,383)	(913,976)	(49,907)	(963,883)

Multi-Year Projection (MYP) Revenue Assumptions

Trend



The Local Control Funding Formula (LCFF) is the largest funding source for the district representing over 66% of total revenue. The LCFF comprises State Aid and Property Taxes. Based on the 2023-24 LCFF calculation for Miller Creek School District the district will remain a Community Funded or Basic Aid district for the current and next two years. We will wait to hear more from the State budget in January to confirm some of those assumptions.

LCFF Planning Factors: Enrollment

(update presented at Nov 17th, 2023 Board Meeting)

Past trends and current year update:

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		*25 of K total	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												

Moving forward our projections shown are based on low enrollment/low development scenarios, which are the most conservative.

These projections were adjusted modestly from the straight cohort survival method to match trends in our year to year grade level changes, particularly at the middle school level. We also begin to phase in low numbers based on the students from approved development and from projects for which there are proposals pending, which show slower increases than at Budget Adoption, primarily because the development is not coming in at the rate initially described to us by city, county and developer representatives.

Approved Projects accounted for in our 1st interim submission are:

- Tallus: Called the Legacy at Lucas Valley Homes. 28 single family homes, 6 of which are deed restricted affordable and 22 which are market rate. The 22 market rate homes will include an ADU. Homesites are pre-selling now.
- Los Gamos; called the neighborhood at Los Gamos. 192 unit apartment project. 36 studios, 48 one bedroom, 90 2 bedroom and 18 3 bedroom.

	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
sub-total	1805	1824	1847	1847
Development		10	44	94
NPS	10	10	10	8
TOTAL	1815	1844	1901	1949

LCFF and other Revenue Planning Factors: Local Assumptions

The below table summarizes all Revenue assumptions, including changes since Budget Adoption indicated in each cell if appropriate.

	2023-24	2024-25	2025-26
Funding	Basic Aid <i>(Community Funded)</i>	Basic Aid <i>(Community Funded)</i>	Basic Aid <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%

Latest Property Taxes for 2023-24 are based on the Nov 15, 2023 County of Marin Department of Finance P1 Report of Property Taxes Received. The result is an increase of 4.12% from last year. For 2024-25 and 2025-26, we are using the latest average of the last 5 years yearly increase (+5.31%) minus one point.

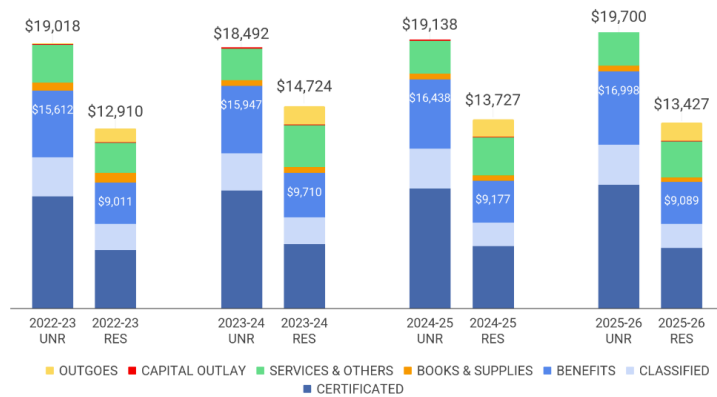
We have adjusted the COLA down to 1.5% in 2024-25 and 2% in 2025-26. At this point, we are waiting for the latest State Budget update in January and those COLA assumptions will probably be re-adjusted again at Second Interim. **The lower ADA projections and the lower COLA are keeping the District in Basic Aid status for the next 2 years.**

Local revenue includes the Parcel Tax, Can Do! Foundation, Home and School Club donation, Interest Income, Lease Income, Miscellaneous Income and Special Education AB602 Funding.

Measure B Parcel Tax got renewed on May 08, 2018 and will expire in 2030. The multi-year projection presented at first interim continues to illustrate the passage of the parcel tax with a 3% incremental increase. Last summer we identified parcels no longer eligible for the senior exemption of the previous homeowner. The impact of this effort was confirmed on the most recent Parcel Tax information received from the County Treasurer (Nov 14, 2023) with an impact of about \$70,000 in current year, and a favorable compounding effect over the next 2 years.

Multi-Year Projection (MYP) Expenditure Assumptions

- 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



Certificated and Classified Salaries

Salaries and benefits have been adjusted to reflect actual placement on the salary schedule for all new staff hired, resignations, as well as column movement after budget adoption. Salaries include step and column in the budget year and two subsequent years. The impact of Steps & Column on salaries is (excluding benefits):

		2024-25	2025-26
Certificated Staff	1.8%	\$229,767	\$234,767
Classified Staff	1.2%	\$53,789	\$54,434

Salary settlements include a 5% increase in the current year.

The other salaries movements in the future years are:

- We anticipate needing additional certificated FTE in music to address and anticipate TK-2 enrollment growth and TK expansion. This would be financed from Prop 28 funds (Potential impact +\$99,000 plus benefits associated)
- Sunset of positions and other expenses paid from One-time Stimulus funds in 2024-25 (Impact -\$389,000 in 2024-25 and -\$66,000 in 2025-26 plus benefits associated)

Benefits

	2023-24	2024-25	2025-26
STRS	19.10%	19.10%	19.10%
PERS	26.68%	27.70%	28.30%
Health & Welfare Rate Increase		6%	6%

Books and Supplies

Books and supplies (including curriculum) are budgeted flat, no CPI adjustment, therefore some of the purchases might decrease to accommodate some price increase due to inflation.

The overall decrease in the subsequent year is due to the sunshine of the expenses paid from One-time Stimulus funds.

Services and Other Operating Expenditures:

Services and other operating expenditures include various categories: travel and conferences, dues and memberships, insurance, utilities, rentals, leases and repairs and the largest percentage to other contracted services. Contracted services consist of agreements with legal and audit services, grounds and maintenance, professional development, special education non-public school/agency costs and transportation along with other miscellaneous services.

Subsequent years include an increase based on CPI and the elimination of all one-time expenditures.

There is also a decrease of \$200,000 in Special Education in 2025-26 due to the exceptionally high costs we are encountering this current year with our focus on assessing students who are candidates to exit their current IEPs. We are also expecting that in 2024-25 and 2025-26 the District will enroll and provide services to 4 years olds previously served in MCOE classes.

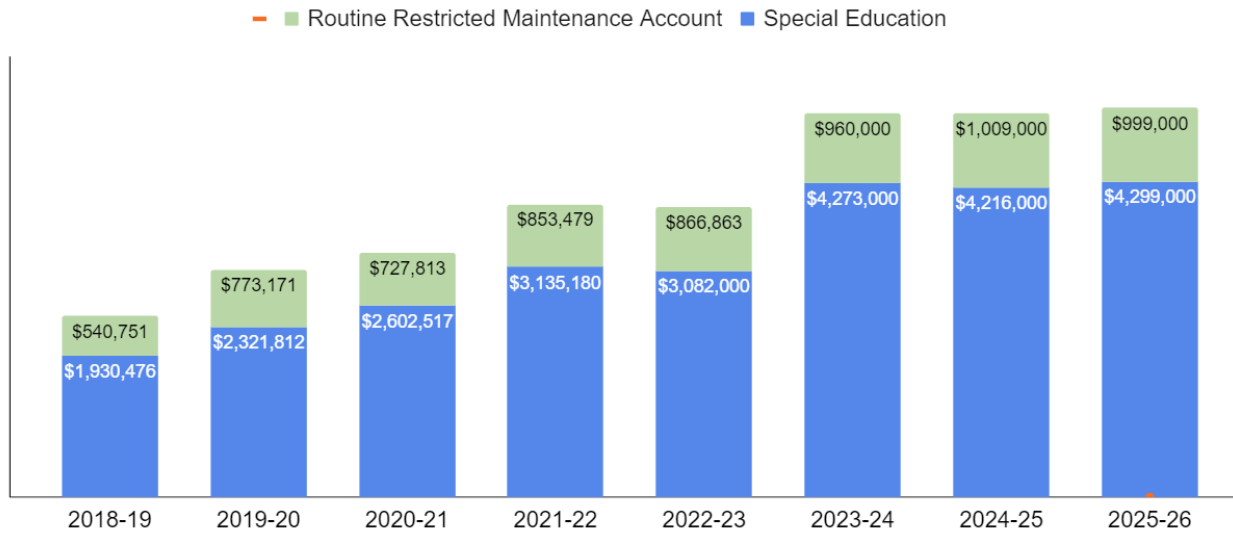
Capital Outlay:

Capital outlay includes some of our technology investments financed by the Emergency Connectivity Fund (in 2023-24 and 2024-25).

Other Outgo/Excess Costs

Other outgo is based on special education services provided through MCOE or other schools as defined in the student's Individual Education Plan (IEP).

Contributions



The contributions represent the money taken from our Unrestricted resource to finance or complement some Restricted programs:

- Routine Restricted Maintenance (also known as Ongoing and Major Maintenance/Restricted Maintenance Account (OMMA/RMA). No revenue is coming from any State or Federal agencies to maintain the facilities. But school districts are required to contribute to facilities maintenance funding as required pursuant to Education Code Section 17070.75.
- Special Education is a mandate that is not receiving enough funding, therefore school districts have to contribute enough to cover their expenses. Looking at the Resource 6500 (the main State Resource for Special Education), we have been contributing up to 71% of the expenses in 2022-23, with the percentage going up to 79% in 2023-24 and beyond.

Deficit Spending & Reserve

Description	2023-24 45 1st INTERIM			2024-25 Projected Budget			2025-26 Projected Budget					
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined			
Deficit/Surplus	(107,043)	(980,696)	(1,087,739)	(1,140,459)	(553,924)	(1,694,383)	(913,976)	(49,907)	(963,883)			
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			
Ending Balance	3,855,589	2,219,409	6,074,998	18.3%	2,715,130	1,665,485	4,380,615	13.3%	1,801,154	1,615,578	3,416,732	10.3%
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%
Available Reserves (1)	2,634,892		2,634,892	7.9%	1,480,771		1,480,771	4.5%	1,015,711		1,015,711	3.1%
<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%

We are currently projecting deficit spending in all the 3 years of the MYP.

At the end of 2024-25, we will not have any restricted balance from One time Stimulus resources.

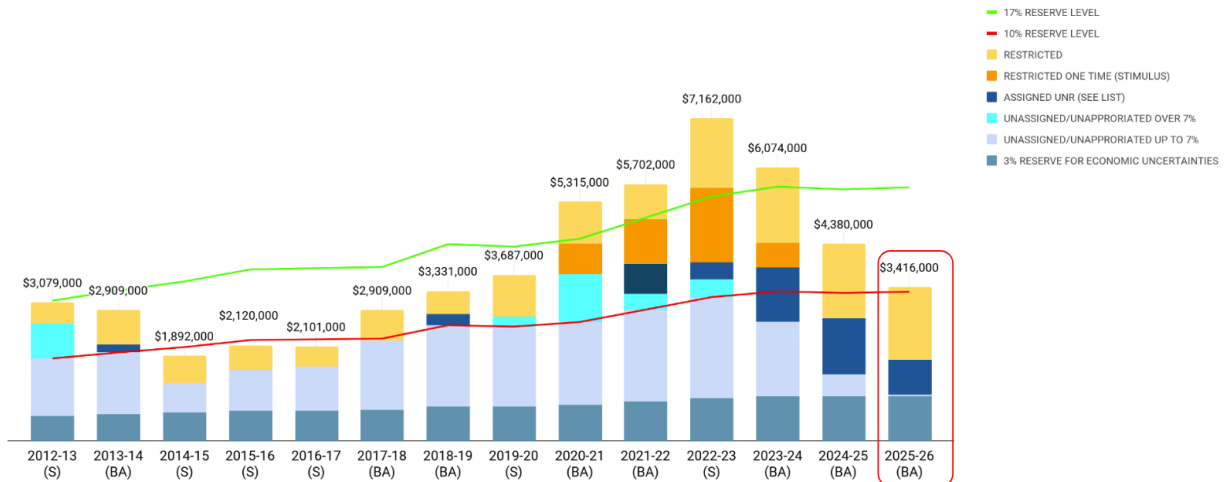
In 2025-26, we are planning to remove the reserved assignment of \$225,000 for exceptional facilities maintenance as we shall assume that large maintenance projects will likely be funded by Fund 35 (School Facilities).

Between 2023-24 and 2025-26, our ending balance will reduce from \$6.1M (18.3%) to \$3.4M (10.3%).

In 2025-26, our ending balance components are projected to be:

- Restricted balance (47% of total balance): \$1,615,578, including \$345,670 set aside for OPEB
- 3% Economic Uncertainties: \$994,000
- Assigned Special Ed reserve (representing the cost of 2 students placed in a Non Public School): \$150,000
- Set aside Excess Taxes due to our basic Aide status: \$632,443
- Remaining unassigned: \$21,711

The District has established a Budget Advisory Committee to gather community input to identify budget priorities and develop recommendations for the Board regarding the need to reduce deficit spending and for budget adjustments for 2024-25.



Other operating funds

Due to the lack of material changes impacting other funds between Budget and Oct 31, 2023, we have not made any major changes to those funds at 1st Interim. We will bring an update of those funds in our January meeting, namely:

- A resolution to close the Fund 68 (Post Employment Benefits)
- Fund 35 (School Facilities). We are expecting to receive a significant fund from the State Allocation Board this winter. We will also bring a conversation about what type of near-term projects could/should be financed from this Fund.

2023-24	Beginning Fund Balance	Budgeted Net Change	Projected Fund Balance
Cafeteria	\$36,263	-\$35,927	\$336
Building Fund (GO Bonds)	\$38,958		\$38,958
Capital Facilities (Developer Fees)	\$0		\$0
School Facilities (Fund 35)	\$5,267,125	\$169,999	\$5,437,124
Special Reserve for Capital Outlay	\$3,013,855	-\$71,768	\$2,942,087
<i>Lease Properties</i>	\$1,751,441	-\$86,768	\$1,664,673
<i>Ex-Dixie Foundation</i>	\$1,262,414	\$15,000	\$1,277,414
Bond Interest and Redemption (GO Bond Repayment)	\$1,063,173	\$20,000	\$1,083,173
Self-Insurance Fund	\$247,088	-\$247,088	\$0

Final Comment

The projection demonstrates that 2024-25 and 2025-26 will meet the required reserves and result in a Positive Ending Fund Balance.

Based on the information provided to you in the 2023-24 First Interim Report, the recommendation to the Board is to adopt a positive certification.

Appendix A
Changes between Budget Adoption and
1st Interim

Unrestricted (UNR)
Restricted (RES)
Combined Unrestricted/Restricted

FISCAL YEAR 2023-24, Miller Creek Elementary, First Interim, Unrestricted

Description	Object Codes	Adopted Budget (A)	1st INTERIM (B)	Difference (Col B - Col A)	Comments
BEGINNING FUND BALANCE		4,980,119.65	3,962,632.81	(\$1,017,487)	
LCFF REVENUE					
State Aid - Current Year	8011	\$681,526	\$681,526	\$0	
Education Protection Account State Aid - Current Year	8012	\$359,308	\$359,308	\$0	
State Aid - Prior Years	8019	\$0	\$0	\$0	
Homeowners' Exemptions	8021	\$66,813	\$65,284	(\$1,529)	
Secured Roll Taxes	8041	\$19,079,469	\$18,892,045	(\$187,424)	Update LCFF calculation based on Nov Tax estimates
Unsecured Roll Taxes	8042	\$348,274	\$351,926	\$3,652	
Prior Years' Taxes	8043	\$27,807	\$27,384	(\$423)	
Supplemental Taxes	8044	\$561,195	\$805,022	\$243,827	Update LCFF calculation based on Nov Tax estimates
Education Revenue Augmentation Fund (ERAF)	8045	\$0	\$0	\$0	
TOTAL, LCFF SOURCES		\$21,124,392	\$21,182,495	\$58,103	
FEDERAL REVENUE					
Maintenance and Operations	8110	\$0	\$0	\$0	
Special Education Entitlement	8181	\$0	\$0	\$0	
Special Education Discretionary Grants	8182	\$0	\$0	\$0	
Title I, Part A, Basic	8290	\$0	\$0	\$0	
Title II, Part A, Supporting Effective Instruction	8290	\$0	\$0	\$0	
Title III, Part A, English Learner Program	8290	\$0	\$0	\$0	
Public Charter Schools Grant Program (PCSGP)	8290	\$0	\$0	\$0	
Other NCLB / Every Student Succeeds Act	8290	\$0	\$0	\$0	
All Other Federal Revenue	8290	\$0	\$0	\$0	
TOTAL, FEDERAL REVENUE		\$0	\$0	\$0	
OTHER STATE REVENUE					
Current Year	8311	\$0	\$0	\$0	
Mandated Costs Reimbursements	8550	\$63,000	\$63,000	\$0	
Lottery - Unrestricted and Instructional Materials	8560	\$372,110	\$372,110	\$0	
Drug/Alcohol/Tobacco Funds	8590	\$0	\$0	\$0	
All Other State Revenue	8590	\$386,000	\$285,000	(\$101,000)	- Reversal of \$150,000 placeholder at budget adoption for Prop 28 (recorded at 1st Interim in the restricted resource 6770) - Adjustment of +\$49,000 for AB181 Transportation funding related to 2022-23 operations.
TOTAL, OTHER STATE REVENUE		\$821,110	\$720,110	(\$101,000)	
OTHER LOCAL REVENUE					
Parcel Taxes	8621	\$0	\$0	\$0	
Leases and Rentals	8650	\$10,000	\$0	(\$10,000)	Field Trips transportation fees removed from Transportation revenue
Interest	8660	\$30,000	\$72,000	\$42,000	Reviewed Interest earnings based on higher than anticipated Q1 receipt from Treasurer (\$24,000 for Q1 only)
Net Increase (Decrease) in the Fair Value of Investments	8662	\$0	\$0	\$0	
Fees and Contracts					
Transportation Fees From Individuals	8675	\$140,000	\$40,000	(\$100,000)	Home to School bus passes fees removed from Transportation revenue
Interagency Services	8677	\$0	\$0	\$0	
Mitigation/Developer Fees	8681	\$0	\$0	\$0	
All Other Fees and Contracts	8689	\$140,000	\$140,000	\$0	
All Other Local Revenue	8699	\$102,494	192,743.40	\$90,249	Grant from ECF, Emergency Connectivity Fund, dedicated to technology investments.
From County Offices	8792	\$0	\$0	\$0	
TOTAL, OTHER LOCAL REVENUE		\$422,494	444,743.40	\$22,249	
TOTAL, REVENUES		\$22,367,996	22,347,348.40	(\$20,648)	

FISCAL YEAR 2023-24, Miller Creek Elementary, First Interim, Unrestricted

Description	Object Codes	Adopted Budget (A)	1st INTERIM (B)	Difference (Col B - Col A)	Comments
CERTIFICATED SALARIES					
Certificated Teachers' Salaries	1100	\$7,482,342	\$7,177,959	(\$304,383)	-\$180,000 moved from UNR to RES (Prop 28 and Parcel tax), -\$250,000 on natural salary savings, +\$120,000 of additional Substitutes (Long term and short term), Overtime and extra duties
Certificated Pupil Support Salaries	1200	\$0	\$0	\$0	
Certificated Supervisors' and Administrators' Salaries	1300	\$1,260,093	\$1,258,319	(\$1,774)	
Other Certificated Salaries	1900	\$0	\$0	\$0	
TOTAL, CERTIFICATED SALARIES		\$8,742,435	\$8,436,278	(\$306,157)	
CLASSIFIED SALARIES					
Classified Instructional Salaries	2100	\$922,619	\$779,915	(\$142,704)	Positions moved from UNR (Supplemental, over-committed) to RES (Stimulus and Parcel tax)
Classified Support Salaries	2200	\$977,615	867,883.63	(\$109,731)	-\$180,000 due to Transportation team reduction +\$45,000 of additional Overtime and extra duties
Classified Supervisors' and Administrators' Salaries	2300	\$151,259	\$141,148	(\$10,111)	Move from UNR to RES (Parcel tax)
Clerical, Technical and Office Salaries	2400	\$854,271	\$919,754	\$65,483	
Other Classified Salaries	2900	\$13,100	\$5,320	(\$7,780)	
TOTAL, CLASSIFIED SALARIES		\$2,918,864	2,714,020.63	(\$204,843)	
EMPLOYEE BENEFITS					
STRS	3101-3102	\$2,029,925	\$1,972,734	(\$57,191)	The majority of benefit variations are related to Certificated and Classified adjustments described above with the exception of Health and Welfare Benefits that were overstated in the adopted budget due to a flaw in the benefits model mainly for the Classified non full time employees. Impact: -\$251,000
PERS	3201-3202	\$923,657	762,325.39	(\$161,332)	
OASDI/Medicare/Alternative	3301-3302	\$366,798	324,758.75	(\$42,039)	
Health and Welfare Benefits	3401-3402	\$1,702,002	\$1,450,488	(\$251,514)	
Unemployment Insurance	3501-3502	\$6,530	6,333.23	(\$197)	
Workers' Compensation	3601-3602	\$199,160	185,236.03	(\$13,924)	
OPEB, Allocated	3701-3702	\$55,567	\$51,407	(\$4,160)	
OPEB, Active Employees	3751-3752	\$32,357	\$27,916	(\$4,441)	
Other Employee Benefits	3901-3902	\$16,690	\$15,890	(\$800)	
TOTAL, EMPLOYEE BENEFITS		\$5,332,686	4,797,088.40	(\$535,598)	
BOOKS AND SUPPLIES					
Approved Textbooks and Core Curricula Materials	4100	\$0	\$0	\$0	
Books and Other Reference Materials	4200	\$2,000	2,592.92	\$593	
Materials and Supplies	4300	\$405,100	422,474.14	\$17,374	
Noncapitalized Equipment	4400	\$11,500	10,453.80	(\$1,046)	
Food	4700	\$0	\$0	\$0	
TOTAL, BOOKS AND SUPPLIES		\$418,600	435,520.86	\$16,921	
SERVICES AND OTHER OPERATING EXPENDITURES					
Subagreements for Services	5100	\$0	\$0	\$0	
Travel and Conferences	5200	\$22,300	\$25,700	\$3,400	
Dues and Memberships	5300	\$12,500	\$12,500	\$0	
Insurance	5400-5450	\$318,859	\$318,859	\$0	
Operations and Housekeeping Services	5500	\$613,000	\$613,000	\$0	
Rentals, Leases, Repairs, and Noncapitalized Improvements	5600	\$112,000	\$85,500	(\$26,500)	
Transfers of Direct Costs	5710	(\$12,000)	(\$12,000)	\$0	
Transfers of Direct Costs - Interfund	5750	\$0	\$0	\$0	
Professional/Consulting Services and Operating Expenditures	5800	\$944,800	1,104,298.95	\$159,499	Additional transportation costs with Michaels (HTS) and Happy Cab and other providers for Special Ed transportation
Communications	5900	\$132,000	\$120,000	(\$12,000)	
TOTAL, SERVICES AND OTHER OPERATING EXPENDITURES		\$2,143,459	2,267,857.95	\$124,399	
CAPITAL OUTLAY					
Buildings and Improvements of Buildings	6200	\$0	\$0	\$0	

FISCAL YEAR 2023-24, Miller Creek Elementary, First Interim, Unrestricted

Description	Object Codes	Adopted Budget (A)	1st INTERIM (B)	Difference (Col B - Col A)	Comments
Equipment	6400	\$5,000	53,682.35	\$48,682	Technology investment (Erate program) paid with ECF Grant.
Equipment Replacement	6500	\$0	\$0	\$0	
TOTAL, CAPITAL OUTLAY		\$5,000	53,682.35	\$48,682	
OTHER OUTGO (excluding Transfers of Indirect Costs)					
Payments to County Offices	7142	\$0	\$0	\$0	
TOTAL, OTHER OUTGO (excluding Transfers of Indirect Costs)		\$0	\$0	\$0	
OTHER OUTGO - TRANSFERS OF INDIRECT COSTS					
Transfers of Indirect Costs	7310	(\$55,000)	(\$216,000)	(\$161,000)	Review of Indirect Costs to align with best practices.
Transfers of Indirect Costs - Interfund	7350	\$0	\$0	\$0	
TOTAL, OTHER OUTGO - TRANSFERS OF INDIRECT COSTS		(\$55,000)	(\$216,000)	(\$161,000)	
TOTAL, EXPENDITURES		\$19,506,044	18,488,448.19	(\$1,017,596)	
INTERFUND TRANSFERS					
INTERFUND TRANSFERS IN					
From: Special Reserve Fund	8912	\$0	\$0	\$0	
From: Bond Interest and Redemption Fund	8914	\$0	\$0	\$0	
Other Authorized Interfund Transfers In	8919	\$1,300,000	\$1,300,000	\$0	
TOTAL, INTERFUND TRANSFERS IN		\$1,300,000	\$1,300,000	\$0	
CONTRIBUTIONS					
Contributions from Unrestricted Revenues	8980	(\$5,036,441)	(\$5,261,946)	(\$225,505)	Contribution increase to cover additional Special Education costs.
Contributions from Restricted Revenues	8990	\$0	\$0	\$0	
TOTAL, CONTRIBUTIONS		(\$5,036,441)	(\$5,261,946)	(\$225,505)	
TOTAL, OTHER FINANCING SOURCES/USES		(\$3,736,441)	(\$3,961,946)	(\$225,505)	
EXCESS OF REVENUES OVER EXPENSES		(\$874,489)	(103,045.96)	\$771,443	
COMPONENTS OF ENDING FUND BALANCE					
a) Nonspendable					
Revolving Cash	9711	\$3,000	\$3,000	\$0	
Stores	9712	\$0	\$0	\$0	
Prepaid Items	9713	\$0	\$0	\$0	
All Others	9719	\$0	\$0	\$0	
b) Restricted					
9740 \$0 \$0 \$0					
c) Committed					
Stabilization Arrangements	9750	\$0	\$0	\$0	
Other Commitments	9760	\$0	\$0	\$0	
d) Assigned					
		\$375,000	\$1,217,697	\$842,697	
Pension Stabilization	9780	\$75,000	\$75,000	\$0	
Routine Restricted Maintenance	9780	\$150,000	\$150,000	\$0	
Special Ed	9780	\$150,000	\$150,000	\$0	
Excess Taxes Basic Aid	9780		\$842,697	\$842,697	Recommendation from FCMAT to set aside excess taxes in case we were changing status mid year.
OPEB (from closing Fund 68)	9780				
e) Unassigned/Unappropriated					
Reserve for Economic Uncertainties	9789	\$992,000	\$997,000	\$5,000	
Unassigned/Unappropriated Amount	9790	\$4,602,120	\$2,741,936	(\$1,860,184)	
TOTAL ENDING FUND BALANCE		4,105,630.65	3,859,586.85	(\$246,044)	

FISCAL YEAR 2023-24, Miller Creek Elementary, First Interim, Restricted

Description	Object Codes	Original Budget (A)	1st INTERIM (B)	Difference (Col B - Col A)	Comments
BEGINNING FUND BALANCE		2,564,798.51	3,200,105.01	\$635,307	
LCFF REVENUE					
State Aid - Current Year	8011	\$0	\$0	\$0	
Education Protection Account State Aid - Current Year	8012	\$0	\$0	\$0	
State Aid - Prior Years	8019	\$0	\$0	\$0	
Homeowners' Exemptions	8021	\$0	\$0	\$0	
Secured Roll Taxes	8041	\$0	\$0	\$0	
Unsecured Roll Taxes	8042	\$0	\$0	\$0	
Prior Years' Taxes	8043	\$0	\$0	\$0	
Supplemental Taxes	8044	\$0	\$0	\$0	
Education Revenue Augmentation Fund (ERAF)	8045	\$0	\$0	\$0	
TOTAL, LCFF SOURCES		\$0	\$0	\$0	
FEDERAL REVENUE					
Maintenance and Operations	8110	\$0	\$0	\$0	
Special Education Entitlement	8181	\$331,145	\$332,780	\$1,635	
Special Education Discretionary Grants	8182	\$22,790	\$22,790	\$0	
Title I, Part A, Basic	8290	\$64,207	64,577.14	\$370	
Title II, Part A, Supporting Effective Instruction	8290	\$28,813	29,345.70	\$533	
Title III, Part A, English Learner Program	8290	\$28,898	\$30,640	\$1,742	
Other NCLB / Every Student Succeeds Act	8290	\$10,000	12,191.28	\$2,191	
All Other Federal Revenue	8290	\$0	116,038.94	\$116,039	Deferred Revenue Resources Carry Over adjustment
TOTAL, FEDERAL REVENUE		\$485,853	608,363.06	\$122,510	
OTHER STATE REVENUE					
Current Year	8311	\$21,000	\$21,000	\$0	
Mandated Costs Reimbursements	8550	\$0	\$0	\$0	
Lottery - Unrestricted and Instructional Materials	8560	\$172,000	\$172,000	\$0	
Drug/Alcohol/Tobacco Funds	8590	\$7,500	\$7,500	\$0	
All Other State Revenue	8590	\$1,422,047	2,232,539.52	\$810,493	- Prop 28 revenue projection adjusted from \$150,000 (in Unrestricted at Budget Adoption) to \$220,000 in newly set-up Restricted resource 6770 = total impact +\$70,000 - Art & Music Block Grant and Learning Recovery Grant restoration. Some of the funds were already restored at Unaudited Actuals and were part of the Ending Balance, this is only the final adjustment for a total of \$71,000. - Correction of Revenue/Other outgo Expenses in Special Ed (reduction of revenue by \$113,000 and reduction of outgo expenses by \$200,000. Net impact = +87,000 - Adjustment ELO Program: +\$500,000 of Revenue compensated by +\$448,000 in services fees. Net impact: +\$52,000
TOTAL, OTHER STATE REVENUE		\$1,622,547	2,433,039.52	\$810,493	
OTHER LOCAL REVENUE					
Parcel Taxes	8621	\$2,961,046	\$3,032,042	\$70,996	Identification of parcels no longer eligible for the senior exemption of the previous homeowner. Impact confirmed on the most recent Parcel Tax information received from the County Treasurer.
Leases and Rentals	8650	\$0	\$0	\$0	
Interest	8660	\$0	\$0	\$0	
Net Increase (Decrease) in the Fair Value of Investments	8662	\$0	\$0	\$0	
Transportation Fees From Individuals	8675	\$0	\$0	\$0	
All Other Fees and Contracts	8689	\$0	\$0	\$0	
All Other Local Revenue	8699	\$746,055	\$895,055	\$149,000	- Set-up of Field trip budgets, both in local revenue and in service fees for \$134,000. Pass through, net impact = \$0 - HSC Funding about \$15,000 of CanDo! Programs (materials and supplies)
From County Offices	8792	\$1,167,787	\$1,167,787	\$0	

FISCAL YEAR 2023-24, Miller Creek Elementary, First Interim, Restricted

Description	Object Codes	Original Budget (A)	1st INTERIM (B)	Difference (Col B - Col A)	Comments
TOTAL, OTHER LOCAL REVENUE		\$4,874,888	\$5,094,884	\$219,996	
TOTAL, REVENUES		\$6,983,288	8,136,286.58	\$1,152,999	
CERTIFICATED SALARIES					
Certificated Teachers' Salaries	1100	\$3,563,455	3,608,296.75	\$44,842	+\$180,000 moved from UNR to RES (Prop 28 and Parcel tax) +\$15,000 of additional Overtime and extra duties -\$35,000 of natural salary savings - Correcting coding for a teacher position at budget adoption for \$115,889.
Certificated Pupil Support Salaries	1200	\$961,062	\$742,454	(\$218,608)	SPED Positions not filled, budget moved to Consulting Fees
Certificated Supervisors' and Administrators' Salaries	1300	\$57,574	\$173,463	\$115,889	Correcting coding for an admin position at budget adoption.
Other Certificated Salaries	1900	\$109,322	\$74,129	(\$35,193)	Restructuring of the Curriculum Coach position, now combined with the ELD coordination position. Savings of .40 FTE.
TOTAL, CERTIFICATED SALARIES		\$4,691,413	4,598,342.75	(\$93,070)	
CLASSIFIED SALARIES					
Classified Instructional Salaries	2100	\$919,836	1,083,336.68	\$163,501	Positions moved from UNR (Supplemental, over-committed) to RES (Stimulus)
Classified Support Salaries	2200	\$636,499	\$598,368	(\$38,131)	Extended School Year adjustment
Classified Supervisors' and Administrators' Salaries	2300	\$204,775	\$215,925	\$11,150	Move from UNR to RES (Parcel tax)
Clerical, Technical and Office Salaries	2400	\$32,323	\$32,323	\$0	
Other Classified Salaries	2900	\$0	\$6,500	\$6,500	Missing stipend at budget adoption
TOTAL, CLASSIFIED SALARIES		\$1,793,433	1,936,452.68	\$143,020	
EMPLOYEE BENEFITS					
STRS	3101-3102	\$1,570,131	1,553,831.92	(\$16,299)	The majority of benefit variations are related to Certificated and Classified adjustments described above with the exception of Health and Welfare Benefits that were overstated in the adopted budget due to a flaw in the benefits model mainly for the Classified non full time employees. Impact: -\$53,000
PERS	3201-3202	\$371,561	360,124.73	(\$11,436)	
OASDI/Medicare/Alternative	3301-3302	\$210,666	208,611.17	(\$2,055)	
Health and Welfare Benefits	3401-3402	\$943,692	\$889,936	(\$53,756)	
Unemployment Insurance	3501-3502	\$3,883	3,713.02	(\$170)	
Workers' Compensation	3601-3602	\$109,837	109,545.90	(\$291)	
OPEB, Allocated	3701-3702	\$30,302	\$29,784	(\$518)	
OPEB, Active Employees	3751-3752	\$19,439	\$18,602	(\$837)	
Other Employee Benefits	3901-3902	\$2,500	\$2,500	\$0	
TOTAL, EMPLOYEE BENEFITS		\$3,262,011	3,176,648.74	(\$85,362)	
BOOKS AND SUPPLIES					
Approved Textbooks and Core Curricula Materials	4100	\$87,000	\$87,000	\$0	
Books and Other Reference Materials	4200	\$24,000	\$24,728	\$728	
Materials and Supplies	4300	\$333,800	\$328,151	(\$5,649)	
Noncapitalized Equipment	4400	\$10,000	\$10,000	\$0	
Food	4700	\$0	\$0	\$0	
TOTAL, BOOKS AND SUPPLIES		\$454,800	\$449,879	(\$4,921)	
SERVICES AND OTHER OPERATING EXPENDITURES					
Subagreements for Services	5100	\$415,000	\$510,000	\$95,000	NPS additional contract
Travel and Conferences	5200	\$37,000	\$37,400	\$400	
Dues and Memberships	5300	\$0	\$0	\$0	
Insurance	5400-5450	\$0	\$0	\$0	
Operations and Housekeeping Services	5500	\$0	\$0	\$0	
Rentals, Leases, Repairs, and Noncapitalized Improvements	5600	\$130,000	\$130,000	\$0	
Transfers of Direct Costs	5710	\$12,000	\$12,000	\$0	
Transfers of Direct Costs - Interfund	5750	\$0	\$0	\$0	

FISCAL YEAR 2023-24, Miller Creek Elementary, First Interim, Restricted

Description	Object Codes	Original Budget (A)	1st INTERIM (B)	Difference (Col B - Col A)	Comments
Professional/Consulting Services and Operating Expenditures	5800	\$1,157,671	\$2,318,623	\$1,160,952	- Adjustment ELO Program: +\$500,000 of Revenue compensated by +\$448,000 in services fees. Net impact: +\$52,000 - Set-up of Field trip budgets, both in local revenue and in service fees for \$134,000. Pass-through, net impact = \$0 - SPED positions not filled -> \$340,000 contracts to cover for those services - Additional SPED services for about \$100,000 to cover additional assessments (including bilingual)
Communications	5900	\$0	\$0	\$0	
TOTAL, SERVICES AND OTHER OPERATING EXPENDITURES		\$1,751,671	\$3,008,023	\$1,256,352	
CAPITAL OUTLAY					
Buildings and Improvements of Buildings	6200	\$40,000	\$40,000	\$0	
Equipment	6400	\$0	\$0	\$0	
Equipment Replacement	6500	\$0	\$0	\$0	
TOTAL, CAPITAL OUTLAY		\$40,000	\$40,000	\$0	
OTHER OUTGO (excluding Transfers of Indirect Costs)					
Payments to County Offices	7142	\$1,499,254	\$1,299,254	(\$200,000)	Correction of Revenue/Other outgo Expenses in Special Ed (reduction of revenue by \$113,000 and reduction of outgo expenses by \$200,000. Net impact = +87,000
TOTAL, OTHER OUTGO (excluding Transfers of Indirect Costs)		\$1,499,254	\$1,299,254	(\$200,000)	
OTHER OUTGO - TRANSFERS OF INDIRECT COSTS					
Transfers of Indirect Costs	7310	\$55,000	\$216,000	\$161,000	Review of Indirect Costs to align with best practices.
Transfers of Indirect Costs - Interfund	7350	\$0	\$0	\$0	
TOTAL, OTHER OUTGO - TRANSFERS OF INDIRECT COSTS		\$55,000	\$216,000	\$161,000	
TOTAL, EXPENDITURES		\$13,547,582	14,724,600.17	\$1,177,018	
INTERFUND TRANSFERS					
INTERFUND TRANSFERS IN					
From: Special Reserve Fund	8912	\$0	\$0	\$0	
From: Bond Interest and Redemption Fund	8914	\$0	\$0	\$0	
Other Authorized Interfund Transfers In	8919	\$0	\$345,670	\$345,670	One-time transfer of Fund 68 balance to a dedicated resource that will hold that reserve for Post Employment Benefits (OPEB)
TOTAL, INTERFUND TRANSFERS IN		\$0	\$345,670	\$345,670	
CONTRIBUTIONS					
Contributions from Unrestricted Revenues	8980	\$5,036,441	5,261,946.17	\$225,505	Contribution increase to cover additional Special Education costs.
Contributions from Restricted Revenues	8990	\$0	\$0	\$0	
TOTAL, CONTRIBUTIONS		\$5,036,441	5,261,946.17	\$225,505	
TOTAL, OTHER FINANCING SOURCES/USES		\$5,036,441	5,607,616.17	\$571,175	
EXCESS OF REVENUES OVER EXPENSES		(\$1,527,853)	(980,697.42)	\$547,156	
COMPONENTS OF ENDING FUND BALANCE					
a) Nonspendable					
Revolving Cash	9711	\$0	\$0	\$0	
Stores	9712	\$0	\$0	\$0	
Prepaid Items	9713	\$0	\$0	\$0	
All Others	9719	\$0	\$0	\$0	
b) Restricted	9740	1,058,397.24	\$2,233,108	\$1,174,711	
c) Committed					
Stabilization Arrangements	9750	\$0	\$0	\$0	
Other Commitments	9760	\$0	\$0	\$0	
d) Assigned					
Pension Stabilization	9780				
Routine Restricted Maintenance	9780				
Special Ed	9780				
Excess Taxes Basic Aid	9780				

FISCAL YEAR 2023-24, Miller Creek Elementary, First Interim, Restricted

Description	Object Codes	Original Budget (A)	1st INTERIM (B)	Difference (Col B - Col A)	Comments
OPEB (from closing Fund 68)	9780			\$345,670	One-time transfer of Fund 68 balance to a dedicated resource that will hold that reserve for Post Employment Benefits (OPEB)
e) Unassigned/Unappropriated					
Reserve for Economic Uncertainties	9789	\$0	\$0	\$0	
Unassigned/Unappropriated Amount	9790	\$2,564,799	\$3,200,105	\$635,307	
<u>TOTAL ENDING FUND BALANCE</u>		<u>1,036,945.51</u>	<u>2,219,407.59</u>	<u>\$1,182,462</u>	

FISCAL YEAR 2023-24, Miller Creek Elementary, First Interim, Combined: Unrestricted/Restricted

Description	Object Codes	Original Budget (A)	1st INTERIM (B)	Difference (Col B - Col A)	Comments
BEGINNING FUND BALANCE		7,544,918.16	7,162,737.82	(\$382,180)	
LCFF REVENUE					
State Aid - Current Year	8011	\$681,526	\$681,526	\$0	
Education Protection Account State Aid - Current Year	8012	\$359,308	\$359,308	\$0	
State Aid - Prior Years	8019	\$0	\$0	\$0	
Homeowners' Exemptions	8021	\$66,813	\$65,284	(\$1,529)	
Secured Roll Taxes	8041	\$19,079,469	\$18,892,045	(\$187,424)	UNR: Update LCFF calculation based on Nov Tax estimates
Unsecured Roll Taxes	8042	\$348,274	\$351,926	\$3,652	
Prior Years' Taxes	8043	\$27,807	\$27,384	(\$423)	
Supplemental Taxes	8044	\$561,195	\$805,022	\$243,827	UNR: Update LCFF calculation based on Nov Tax estimates
Education Revenue Augmentation Fund (ERAF)	8045	\$0	\$0	\$0	
TOTAL, LCFF SOURCES		\$21,124,392	\$21,182,495	\$58,103	
FEDERAL REVENUE					
Maintenance and Operations	8110	\$0	\$0	\$0	
Special Education Entitlement	8181	\$331,145	\$332,780	\$1,635	
Special Education Discretionary Grants	8182	\$22,790	\$22,790	\$0	
Title I, Part A, Basic	8290	\$64,207	\$64,577	\$370	
Title II, Part A, Supporting Effective Instruction	8290	\$28,813	\$29,346	\$533	
Title III, Part A, English Learner Program	8290	\$28,898	\$30,640	\$1,742	
Other NCLB / Every Student Succeeds Act	8290	\$10,000	\$12,191	\$2,191	
All Other Federal Revenue	8290	\$0	\$116,039	\$116,039	RES: Deferred Revenue Resources Carry Over adjustment
TOTAL, FEDERAL REVENUE		\$485,853	\$608,363	\$122,510	
OTHER STATE REVENUE					
Current Year	8311	\$21,000	\$21,000	\$0	
Mandated Costs Reimbursements	8550	\$63,000	\$63,000	\$0	
Lottery - Unrestricted and Instructional Materials	8560	\$544,110	\$544,110	\$0	
Drug/Alcohol/Tobacco Funds	8590	\$7,500	\$7,500	\$0	
All Other State Revenue	8590	\$1,808,047	\$2,517,539	\$709,492	UNR: - Reversal of \$150,000 placeholder at budget adoption for Prop 28 (recorded at 1st Interim in the restricted resource 6770) - Adjustment of +\$49,000 for AB181 Transportation funding related to 2022-23 operations. RES: - Prop 28 revenue projection adjusted from \$150,000 (in Unrestricted at Budget Adoption) to \$220,000 in newly set-up Restricted resource 6770 = total impact +\$70,000 - Art & Music Block Grant and Learning Recovery Grant restoration. Some of the funds were already restored at Unaudited Actuals and were part of the Ending Balance, this is only the final adjustment for a total of \$71,000. - Correction of Revenue/Other outgo Expenses in Special Ed (reduction of revenue by \$113,000 and reduction of outgo expenses by \$200,000. Net impact = +87,000 - Adjustment ELO Program: +\$500,000 of Revenue compensated by +\$448,000 in services fees. Net impact: +\$52,000
TOTAL, OTHER STATE REVENUE		\$2,443,657	\$3,153,149	\$709,492	
OTHER LOCAL REVENUE					
Parcel Taxes	8621	\$2,961,046	\$3,032,042	\$70,996	RES: Identification of parcels no longer eligible for the senior exemption of the previous homeowner. Impact confirmed on the most recent Parcel Tax information received from the County Treasurer.

FISCAL YEAR 2023-24, Miller Creek Elementary, First Interim, Combined: Unrestricted/Restricted

Description	Object Codes	Original Budget (A)	1st INTERIM (B)	Difference (Col B - Col A)	Comments
Leases and Rentals	8650	\$10,000	\$0	(\$10,000)	UNR: Field Trips transportation fees removed from Transportation revenue
Interest	8660	\$30,000	\$72,000	\$42,000	UNR: Reviewed Interest earnings based on higher than anticipated Q1 receipt from Treasurer (\$24,000 for Q1 only)
Net Increase (Decrease) in the Fair Value of Investments	8662	\$0	\$0	\$0	
Transportation Fees From Individuals	8675	\$140,000	\$40,000	(\$100,000)	UNR: Home to School bus passes fees removed from Transportation revenue RES:
All Other Fees and Contracts	8689	\$140,000	\$140,000	\$0	
All Other Local Revenue	8699	\$848,549	\$1,087,798	\$239,249	UNR: Grant from ECF, Emergency Connectivity Fund, dedicated to technology investments. RES: - Set-up of Field trip budgets, both in local revenue and in service fees for \$134,000. Pass through, net impact = \$0 - HSC Funding about \$15,000 of CanDo! Programs (materials and supplies)
From County Offices	8792	\$1,167,787	\$1,167,787	\$0	
TOTAL, OTHER LOCAL REVENUE		\$5,297,382	\$5,539,627	\$242,245	
TOTAL, REVENUES		\$29,351,284	\$30,483,635	\$1,132,351	
CERTIFICATED SALARIES					
Certificated Teachers' Salaries	1100	\$11,045,797	\$10,786,256	(\$259,541)	UNR: -\$180,000 moved from UNR to RES (Prop 28 and Parcel tax), -\$250,000 on natural salary savings, +\$120,000 of additional Substitutes (Long term and short term), Overtime and extra duties RES: +\$180,000 moved from UNR to RES (Prop 28 and Parcel tax) +\$15,000 of additional Overtime and extra duties -\$35,000 of natural salary savings - Correcting coding for a teacher position at budget adoption for \$115,889.
Certificated Pupil Support Salaries	1200	\$961,062	\$742,454	(\$218,608)	RES: SPED Positions not filled, budget moved to Consulting Fees
Certificated Supervisors' and Administrators' Salaries	1300	\$1,317,667	\$1,431,782	\$114,115	RES: Correcting coding for an admin position at budget adoption.
Other Certificated Salaries	1900	\$109,322	\$74,129	(\$35,193)	RES: Restructuring of the Curriculum Coach position, now combined with the ELD coordination position. Savings of .40 FTE.
TOTAL, CERTIFICATED SALARIES		\$13,433,848	13,034,620.75	(\$399,227)	
CLASSIFIED SALARIES					
Classified Instructional Salaries	2100	\$1,842,455	1,863,251.68	\$20,797	Positions moved from UNR (Supplemental, over-committed) to RES (Stimulus and Parcel tax)
Classified Support Salaries	2200	\$1,614,114	1,466,251.63	(\$147,862)	UNR: -\$180,000 due to Transportation team reduction +\$45,000 of additional Overtime and extra duties RES: Extended School Year adjustment
Classified Supervisors' and Administrators' Salaries	2300	\$356,034	\$357,073	\$1,039	Move from UNR to RES (Parcel tax)
Clerical, Technical and Office Salaries	2400	\$886,594	\$952,077	\$65,483	
Other Classified Salaries	2900	\$13,100	\$11,820	(\$1,280)	RES: Missing stipend at budget adoption
TOTAL, CLASSIFIED SALARIES		\$4,712,297	4,650,473.31	(\$61,824)	
EMPLOYEE BENEFITS					
STRS	3101-3102	\$3,600,056	3,526,565.92	(\$73,490)	The majority of benefit variations are related to Certificated and Classified adjustments described above with the exception of Health and Welfare
PERS	3201-3202	\$1,295,218	1,122,450.12	(\$172,768)	
OASDI/Medicare/Alternative	3301-3302	\$577,464	533,369.92	(\$44,094)	Benefits that were overstated in the adopted budget due to a flaw in the benefits model mainly for the Classified non full time employees. Impact: -\$305,000
Health and Welfare Benefits	3401-3402	\$2,645,694	\$2,340,424	(\$305,270)	
Unemployment Insurance	3501-3502	\$10,413	10,046.25	(\$367)	
Workers' Compensation	3601-3602	\$308,997	294,781.93	(\$14,215)	

FISCAL YEAR 2023-24, Miller Creek Elementary, First Interim, Combined: Unrestricted/Restricted

Description	Object Codes	Original Budget (A)	1st INTERIM (B)	Difference (Col B - Col A)	Comments
OPEB, Allocated	3701-3702	\$85,869	\$81,191	(\$4,678)	
OPEB, Active Employees	3751-3752	\$51,796	\$46,518	(\$5,278)	
Other Employee Benefits	3901-3902	\$19,190	\$18,390	(\$800)	
TOTAL, EMPLOYEE BENEFITS		\$8,594,697	7,973,737.14	(\$620,960)	
BOOKS AND SUPPLIES					
Approved Textbooks and Core Curricula Materials	4100	\$87,000	\$87,000	\$0	
Books and Other Reference Materials	4200	\$26,000	27,320.92	\$1,321	
Materials and Supplies	4300	\$738,900	750,625.14	\$11,725	
Noncapitalized Equipment	4400	\$21,500	20,453.80	(\$1,046)	
Food	4700	\$0	\$0	\$0	
TOTAL, BOOKS AND SUPPLIES		\$873,400	885,399.86	\$12,000	
SERVICES AND OTHER OPERATING EXPENDITURES					
Subagreements for Services	5100	\$415,000	\$510,000	\$95,000	RES: NPS additional contract
Travel and Conferences	5200	\$59,300	\$63,100	\$3,800	
Dues and Memberships	5300	\$12,500	\$12,500	\$0	
Insurance	5400-5450	\$318,859	\$318,859	\$0	
Operations and Housekeeping Services	5500	\$613,000	\$613,000	\$0	
Rentals, Leases, Repairs, and Noncapitalized Improvements	5600	\$242,000	\$215,500	(\$26,500)	
Transfers of Direct Costs	5710	\$0	\$0	\$0	
Transfers of Direct Costs - Interfund	5750	\$0	\$0	\$0	
Professional/Consulting Services and Operating Expenditures	5800	\$2,102,471	3,422,921.95	\$1,320,451	UNR: Additional transportation costs with Michaels (HTS) and Happy Cab and other providers for Special Ed transportation RES: - Adjustment ELO Program: +\$500,000 of Revenue compensated by +\$448,000 in services fees. Net impact: +\$52,000 - Set-up of Field trip budgets, both in local revenue and in service fees for \$134,000. Pass-through, net impact = \$0 - SPED positions not filled -> \$340,000 contracts to cover for those services - Additional SPED services for about \$100,000 to cover additional assessments (including bilingual)
Communications	5900	\$132,000	\$120,000	(\$12,000)	
TOTAL, SERVICES AND OTHER OPERATING EXPENDITURE		\$3,895,130	5,275,880.95	\$1,380,751	
CAPITAL OUTLAY					
Buildings and Improvements of Buildings	6200	\$40,000	\$40,000	\$0	
Equipment	6400	\$5,000	53,682.35	\$48,682	UNR: Technology investment (Erate program) paid with ECF Grant.
Equipment Replacement	6500	\$0	\$0	\$0	
TOTAL, CAPITAL OUTLAY		\$45,000	93,682.35	\$48,682	
OTHER OUTGO (excluding Transfers of Indirect Costs)					
Payments to County Offices	7142	\$1,499,254	\$1,299,254	(\$200,000)	RES: Correction of Revenue/Other outgo Expenses in Special Ed (reduction of revenue by \$113,000 and reduction of outgo expenses by \$200,000. Net impact = +87,000
TOTAL, OTHER OUTGO (excluding Transfers of Indirect Co:		\$1,499,254	\$1,299,254	(\$200,000)	
OTHER OUTGO - TRANSFERS OF INDIRECT COSTS					
Transfers of Indirect Costs	7310	\$0	\$0	\$0	
Transfers of Indirect Costs - Interfund	7350	\$0	\$0	\$0	
TOTAL, OTHER OUTGO - TRANSFERS OF INDIRECT COSTS		\$0	\$0	\$0	
TOTAL, EXPENDITURES		\$33,053,626	33,213,048.36	\$159,422	
INTERFUND TRANSFERS					

FISCAL YEAR 2023-24, Miller Creek Elementary, First Interim, Combined: Unrestricted/Restricted

Description	Object Codes	Original Budget (A)	1st INTERIM (B)	Difference (Col B - Col A)	Comments
INTERFUND TRANSFERS IN					
Other Authorized Interfund Transfers In	8919	\$1,300,000	\$1,645,670	\$345,670	RES: One-time transfer of Fund 68 balance to a dedicated resource that will hold that reserve for Post Employment Benefits (OPEB)
TOTAL, INTERFUND TRANSFERS IN		\$1,300,000	\$1,645,670	\$345,670	
CONTRIBUTIONS					
Contributions from Unrestricted Revenues	8980	\$0	\$0	\$0	
Contributions from Restricted Revenues	8990	\$0	\$0	\$0	
TOTAL, CONTRIBUTIONS		\$0	\$0	\$0	
TOTAL, OTHER FINANCING SOURCES/USES		\$1,300,000	\$1,645,670	\$345,670	
EXCESS OF REVENUES OVER EXPENSES		(\$2,402,342)	(1,083,743.38)	\$1,318,599	
COMPONENTS OF ENDING FUND BALANCE					
a) Nonspendable					
Revolving Cash	9711	\$3,000	\$3,000	\$0	
Stores	9712	\$0	\$0	\$0	
Prepaid Items	9713	\$0	\$0	\$0	
All Others	9719	\$0	\$0	\$0	
b) Restricted					
	9740	1,058,397.24	\$2,233,108	\$1,174,711	
c) Committed					
Stabilization Arrangements	9750	\$0	\$0	\$0	
Other Commitments	9760	\$0	\$0	\$0	
d) Assigned					
		<u>\$375,000</u>	<u>\$1,217,697</u>	<u>\$1,188,367</u>	
Pension Stabilization	9780	\$75,000	\$75,000	\$0	
Routine Restricted Maintenance	9780	\$150,000	\$150,000	\$0	
Special Ed	9780	\$150,000	\$150,000	\$0	
Excess Taxes Basic Aid	9780	\$0	\$842,697	\$842,697	UNR: Recommendation from FCMAT to set aside excess taxes in case we were changing status mid year
OPEB (from closing Fund 68)	9780	\$0	\$0	\$345,670	RES: One-time transfer of Fund 68 balance to a dedicated resource that will hold that reserve for Post Employment Benefits (OPEB)
e) Unassigned/Unappropriated					
Reserve for Economic Uncertainties	9789	\$992,000	\$997,000	\$5,000	
Unassigned/Unappropriated Amount	9790	\$7,166,918	\$5,942,041	(\$1,224,877)	
TOTAL ENDING FUND BALANCE		5,142,576.16	6,078,994.44	\$936,418	

The Marin Common Message

2023-24 First Interim

MARIN COUNTY OFFICE OF EDUCATION

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First Interim Report Key Guidance

Governor Gavin Newsom signed an on-time budget in June. Subsequently, the state legislature adopted Senate Bill (SB) 141, which introduces small changes to the budget. The most significant of these changes include:

- Language was added to address emergency closure situations for the Expanded Learning Opportunities Program. In the event of a Request for Allowance of Attendance Due to Emergency Conditions ([Form J-13 A](#)) qualifying emergency, each LEA is required to adopt a board resolution that outlines the facts substantiating the need for an emergency closure. Furthermore, they must provide supporting documentation for audit purposes.
- Language was added to clarify that the new early enrollment Transitional Kindergarten (TK) classroom enrollment and the adult-to-student thresholds are specific to individual classrooms, rather than averaged across each school site like the other TK requirements.

In November 2022, California voters passed Proposition 28, which mandates the annual allocation of 1% of the TK-12 portion of Proposition 98 funding for arts and music instruction in schools. However, no further clarification has been issued beyond the language enacted in early July as part of Senate Bill (SB) 115. Given that LEA and school site allocations are not yet known, and certain key provisions of Proposition 28 (including the requirement that 80% of these funds be used to hire staff and the restriction that these funds supplement, not supplant current funding) lack clarity, LEAs should continue to exercise caution in planning for the use of these funds.

Possible Government Shutdown

There is a significant risk that the federal government may face a shut down in mid-November because of Congress's inability to reach a budget agreement. President Joe Biden recently signed a 45-day continuing resolution that prevented a government shutdown and ensured federal government funding through November 17. If Congress cannot reach an agreement by November 17, they will need to pass another continuing resolution to maintain government funding or they will face a government shutdown.

However, according to the CDE, LEAs are not expected to experience any short-term funding disruptions in the event of a federal government shutdown. This is due to the funding mechanisms in place for various programs:

- The Every Student Succeeds Act (ESSA) Titles III, IV, and V operate on a forward-funding basis. Funds allocated for the state fiscal year 2023-24 were appropriated in the federal fiscal year 2022-23 budget but only became accessible on July 1, 2023.
- Funding for ESSA Title I and Title II programs was also appropriated in the previous year's federal budget. However, these programs rely on a combination of forward funding and advanced appropriations. The forward-funded portion became available on July 1, 2023, while the remaining funds for state fiscal year 2023-24 were advanced appropriations, accessible from October 1, 2023.

- Child Nutrition and Early Education programs, while not forward-funded in the same manner as the programs discussed above, are also expected to remain funded for several months following a government shutdown.

Planning Factors for 2023-24 and Multiyear Projections

Below are the key planning factors that LEAs should incorporate into their 2023-24 First Interim Reports and multiyear projections (MYPs). These factors are based on the most up-to-date information available:

Planning Factor	2023-24	2024-25	2025-26
Cost-of-Living Adjustment (COLA)			
Local Control Funding Formula (LCFF) COLA	8.22%	3.94% ¹	3.29%
Special Education COLA	8.22%	3.94% ¹	3.29%
Employer Benefit Rates			
CalSTRS	19.10%	19.10%	19.10%
CalPERS-Schools	26.68%	27.70%	28.30%
State Unemployment Insurance	0.05%	0.05%	0.05%
Lottery			
Unrestricted per Average Daily Attendance (ADA)	\$177.00	\$177.00	\$177.00
Proposition 20 per ADA	\$72.00	\$72.00	\$72.00
Minimum Wage	\$16.00 ²	\$16.50 ³	\$16.90 ⁴
Universal TK/ADA LCFF add-on for the 12-to-1 student-to-adult ratio	\$3,044.00	\$3,164.00	\$3,268.00
Mandate Block Grant			
School Districts			
Grades K-8 per ADA	\$37.63 ⁵	\$39.30	\$40.59
Grades 9-12 per ADA	\$72.49 ⁵	\$75.71	\$78.20
Charter Schools			
Grades K-8 per ADA	\$19.76 ⁵	\$20.63	\$21.31
Grades 9-12 per ADA	\$54.91 ⁵	\$57.34	\$59.23

1. Note that five out of the eight data points used to calculate the statutory COLA indicate that it will be significantly lower than currently projected.

2. Effective January 1, 2024.
3. Effective January 1, 2025.
4. Effective January 1, 2026.
5. These rates reflect a reduction of 0.47% due to the appropriation for the program being insufficient to fully fund it.

Reductions to Block Grants

Arts, Music and Instructional Materials Discretionary Block Grant

The 2022-23 State Budget established the Arts, Music and Instructional Materials Discretionary Block Grant, initially totaling \$3.6 billion in one-time funds. This grant was designed to provide LEAs with funding for specified uses, including standards-aligned professional development, instructional materials, improved school culture, and the development of diverse and culturally relevant book collections.

However, the 2023-24 State Budget reduced this amount by \$200 million, or approximately 6% of the original grant amount. The first 50% of the original grant amount was distributed to LEAs in November 2022, while the remaining funds, reduced to account for the \$200 million budget cut, were distributed to LEAs in October 2023.

As a reminder, the grant requires LEA governing boards to approve expenditure plans consistent with the allowable uses defined by the grant.

Learning Recovery Emergency Block Grant

The 2022-23 State Budget also established the Learning Recovery Emergency Block Grant, initially totaling \$7.9 billion in one-time funds. It is designed to support academic learning recovery and the social and emotional well-being of staff and students. This funding is designated to be spent through the 2027-28 fiscal year.

However, the 2023-24 State Budget reduced the funding for the Learning Recovery Emergency Block Grant by \$1.1 billion, which amounts to approximately a 14% reduction in the 2022-23 fiscal year. That said, the legislature intends to restore these funds, beginning in the 2025-26 fiscal year, with an annual increase of \$378.7 million through the 2027-28 fiscal year.

In the 2022-23 fiscal year, LEAs received the full apportionment for the Learning Recovery Emergency Block Grant. To recover the reduction in funds, the CDE will reduce most LEAs' principal apportionment in the 2023-24 fiscal year. However, in rare cases where reducing the principal apportionment is not a viable option, the CDE may bill an LEA for the amount to be returned.

These reductions will be applied to the October 2023 Principal Apportionment payments that are currently in process. A small number of LEAs may experience these reductions in their November and/or December Principal Apportionments. Consequently, LEAs will receive less revenue than initially projected for those months and will need to adjust their cash flow projections accordingly. The reduction in revenue should be attributed to the Learning Recovery Emergency Block Grant in Resource Code 7435.

Transitional Kindergarten

As a reminder, the 2023-24 State Budget made significant changes to TK staffing requirements:

- Beginning in 2023-24, any LEA that chooses to enroll children in TK who meet the definition of “early enrollment children” (those whose fourth birthday falls between June 3 and September 1 preceding the school year in which they are enrolled in TK) must adhere to a 10-to-1 student-to-adult ratio and maintain a maximum class size of 20 for classes that include an early enrollment child.
- Beginning in 2025-26, all TK classrooms must be staffed at a 10-to-1 student-to-adult ratio. While the legislature intends to provide funding to support this staffing ratio, the 10-to-1 requirement is no longer contingent upon the receipt of additional funding. Districts will need to incorporate this lower staffing ratio into their First Interim MYPs.

Special Education

The 2023-24 State Budget includes an 8.22% COLA for the Special Education base grant, increasing it to approximately \$887.40 per funded ADA. In preparing for the 2023-24 First Interim Report, consider the following additional nuances:

- Special Education Local Plan Areas (SELPAs) are required to allocate base funding of at least the same amount provided to their member LEAs in the 2022-23 fiscal year for 2023-24. This minimum allocation should be increased by the 8.22% COLA and adjusted to account for any changes in the funded ADA.
- LEAs may allocate funds back to their SELPA for purposes of providing regionalized or other programmatic services.
- The moratorium on the creation of new single-district SELPAs has been extended by an additional two years to June 30, 2026.
- The CDE must post each SELPA’s annual local plan on its website.

Equity Multiplier

The 2023-24 State Budget created a new program called the Local Control Funding Formula Equity Multiplier. Under this program, funding will be allocated to LEAs for schools meeting specific criteria: a prior year nonstability rate exceeding 25% and a prior year socioeconomically disadvantaged pupil (as defined [here](#)) rate exceeding 70%. The CDE will certify these allocations at the First Principal Apportionment.

Local Educational Agencies should take into consideration that schools’ eligibility for Equity Multiplier funds may change from year to year based on fluctuations in their nonstability rate and/or their socioeconomically disadvantaged pupil rate. Data on stability rates can be found on DataQuest or [downloaded](#) from the CDE. The data for the 2023-24 fiscal year is expected to be published in early 2024.

Equity Multiplier funding is restricted (for SACS coding, please use Resource Code 7399 and Revenue Object Code 8590). Starting with the 2024-25 LCAP adoption, it will be subject to reporting requirements in the Local Control and Accountability Plan (LCAP). The CDE provides further details about the Equity Multiplier, which are available [here](#).

Local Control and Accountability Plan

The 2023-24 State Budget mandates several revisions to the LCAP template and its instructions. Drafts of the revisions were reviewed by the SBE during their September 2023 meeting, and the SBE is expected to formally adopt the revised template at their November 2023 meeting.

For more information on the proposed changes, please refer to the SBE's September 2023 Agenda Item #02 and the draft LCAP template, both of which were presented during the meeting. The final changes approved by the SBE in November will be detailed in the Second Interim Common Message.

Summary

The purpose of this edition of the Common Message is to provide LEAs with data and guidance for fiscal planning and the development of their First Interim Report and MYPs. The information provided for fiscal year 2023-24 and beyond includes the latest known proposals and projections to facilitate effective multiyear planning.

Local Educational Agencies should be aware that the state faces potential revenue shortfalls and budget deficits that could result in further cuts to education spending. The state's total revenue for the last fiscal year will not be known until all outstanding 2022 taxes have been filed, because nearly all residents and some corporations were granted tax filing extensions until November.

Moreover, the Legislative Analyst's Office recently indicated that the state may be experiencing a mild recession that began in the fourth quarter of 2022. While state revenues appear to be stabilizing, the office projects that the state will face a nearly \$10 billion deficit in 2024-25. To compound matters, the 2024-25 COLA is showing a downward trend towards 2%. This projection is based on five out of the eight data points used to calculate the statutory COLA.

LEAs face near and long-term challenges, including risks to the state revenue forecast, reduced ADA because of COVID-19-related student absences, cost pressures (e.g., pension rate increases), expiring one-time COVID-19 relief funds, and declining enrollment. Given that each LEA has unique funding and program needs, it is crucial that LEAs continuously assess their individual situations, work closely with their COE, and develop comprehensive plans that maintain their fiscal solvency and preserve the integrity of their educational programs.