

# Moraga School District

## March 14, 2023



2022-23

### 2nd Interim Budget Report

#### **Governing Board:**

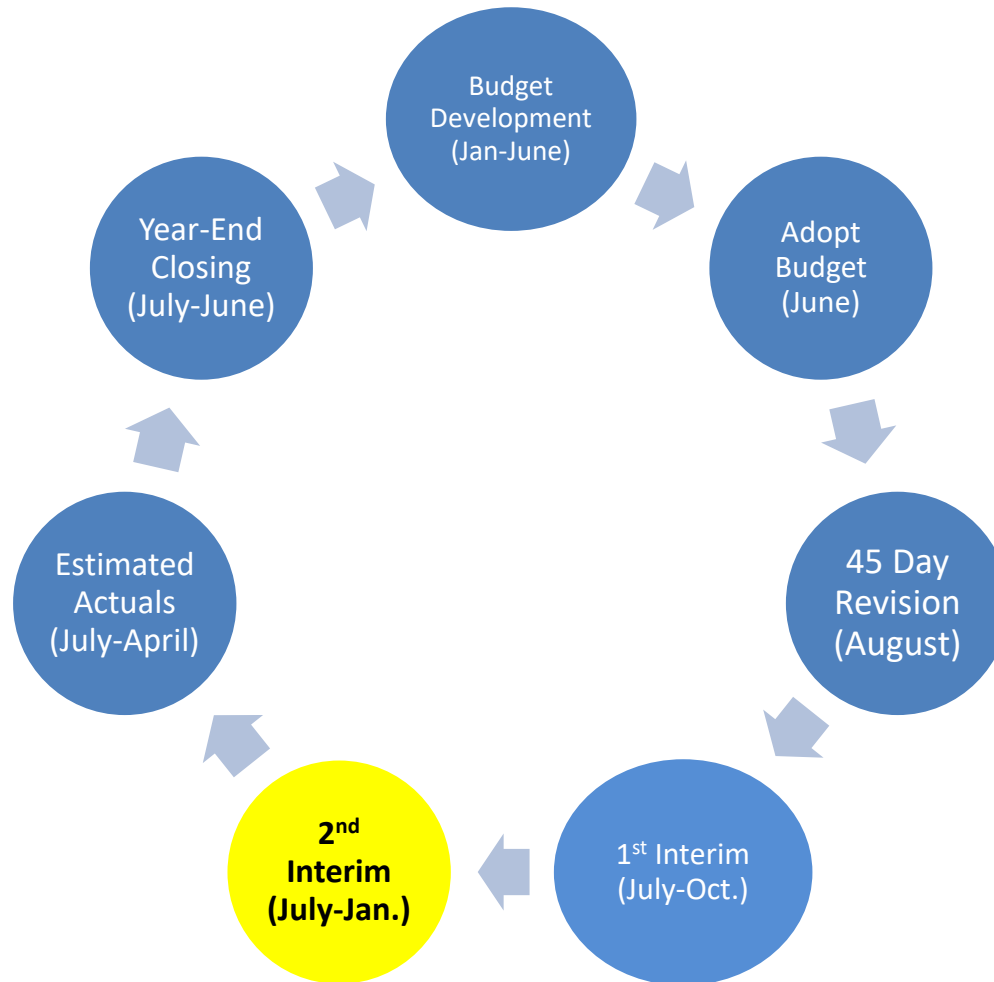
Larry Jacobs, President  
Janelle Chng, Vice-President  
Kristin Kraetsch, Board Member  
Richard Severy, Board Member  
Martha White, Board Member

#### **District Staff:**

Dr. Julie Parks, Superintendent  
Daniela Parasidis, Chief Business Official



# 2022-23 Financial Review Timeline



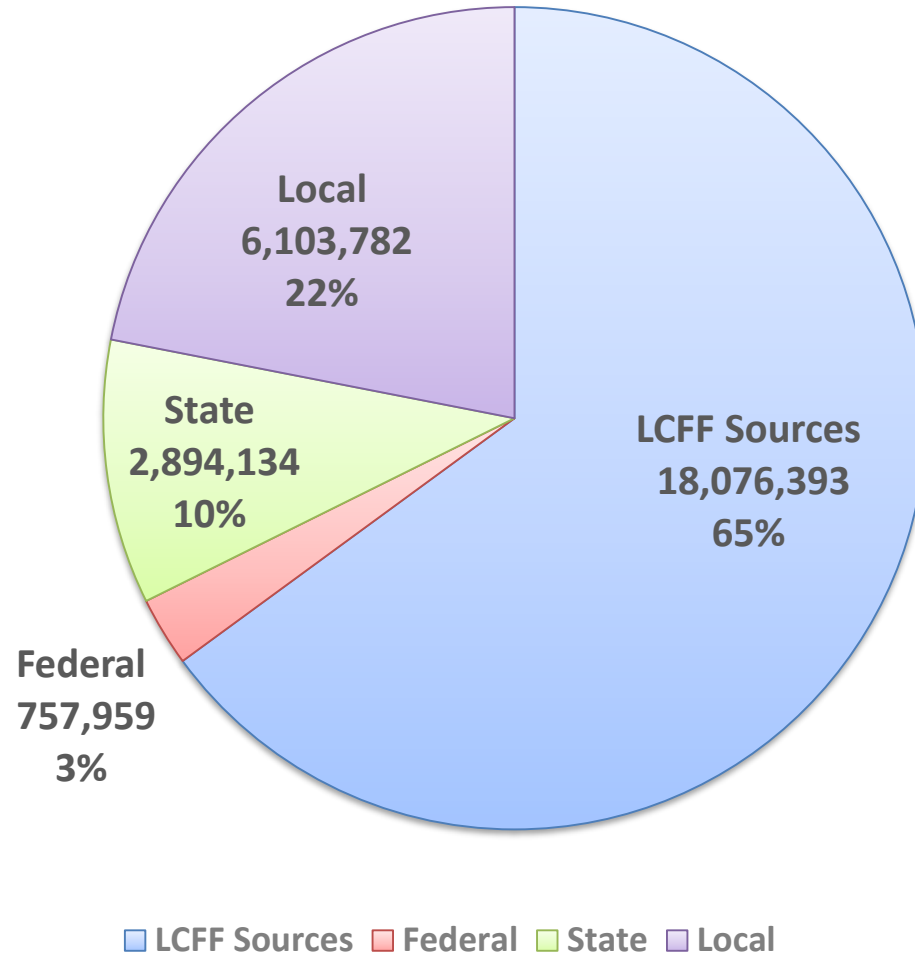


# Purpose of the 2nd Interim

- Analyze and revise the operating budget for updated information
- Communicate the overall financial condition of the District to the Governing Board, County Office of Education, State, and the community for the fiscal period ending January 31, 2023.

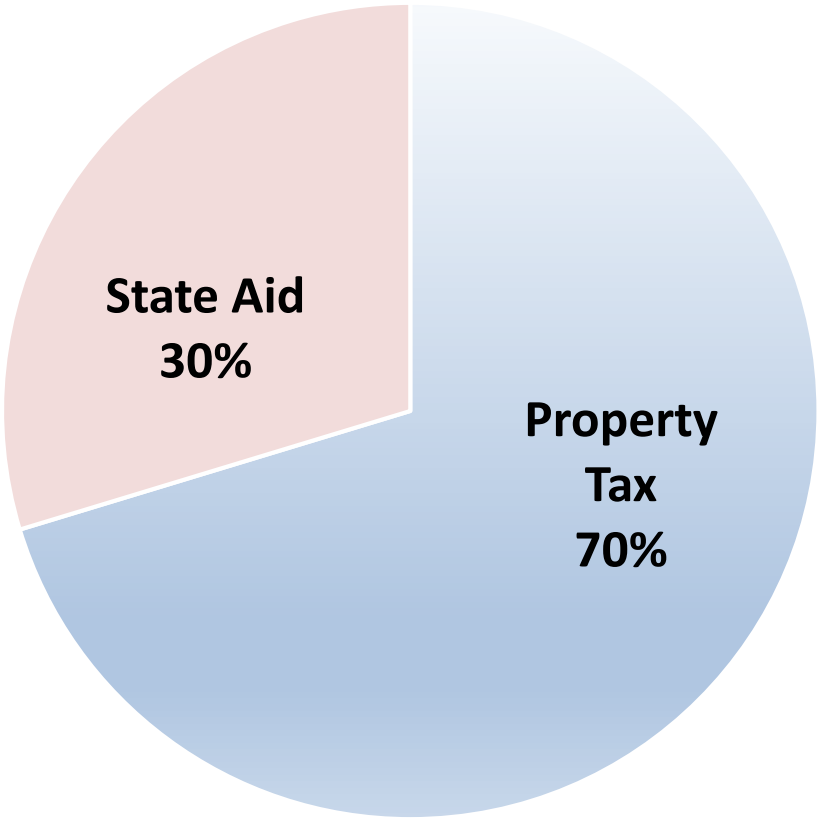


# Current Year Revenue





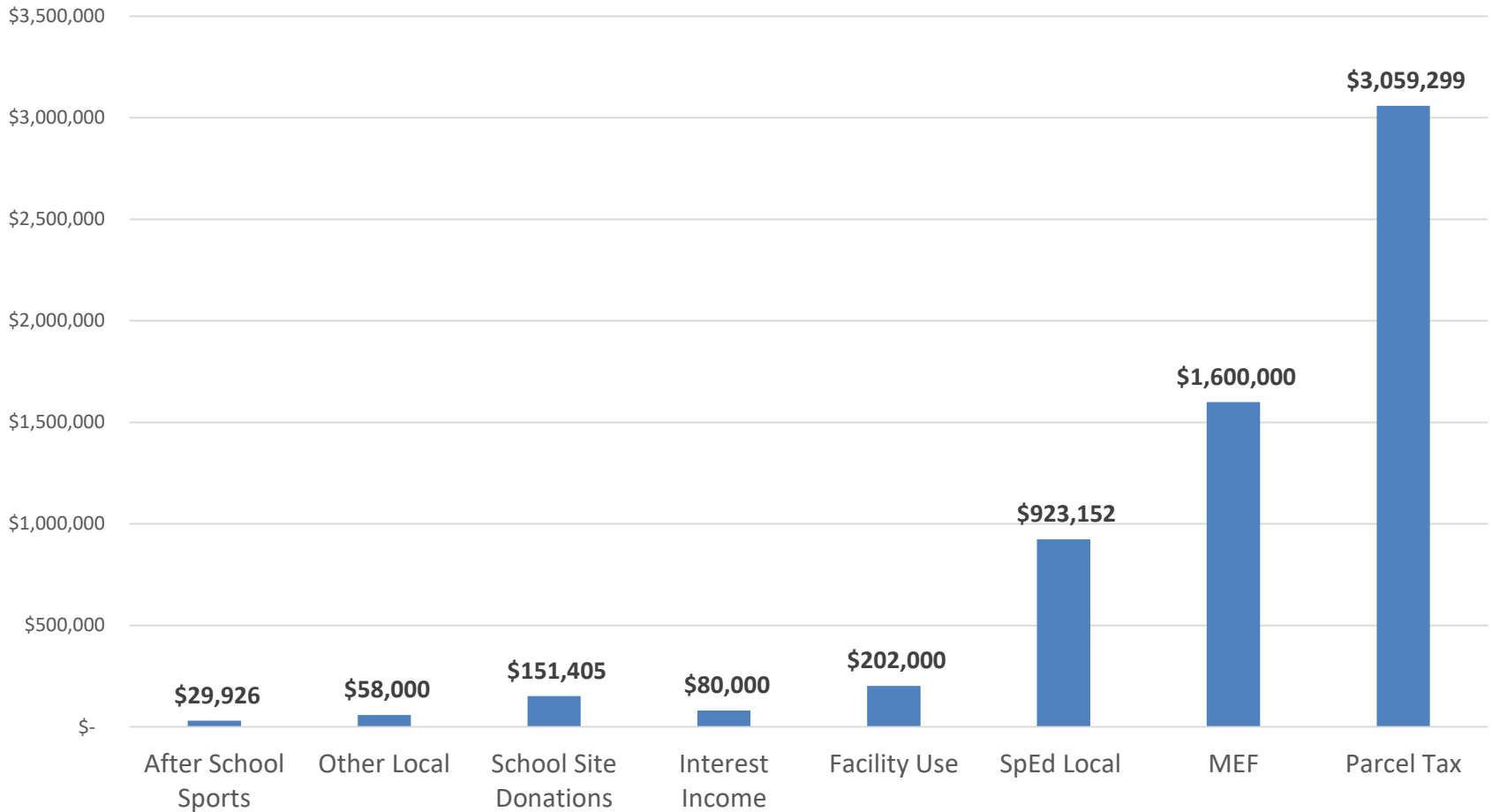
# LCFF Revenue = 65%



<b>Funded ADA*</b>	<b>1,771.57</b>
<b>COLA</b>	<b>6.56%</b>
<b>Additional BASE</b>	<b>6.70%</b>
<b>TK Add-on</b>	<b>\$2,813/ada</b>
<b>LCFF Revenue</b>	<b>\$17,577,099</b>



# Local Revenue Sources = 22%





# Other State Revenue = 10%

## On-Going Funding:

- State Lottery: \$416k
- SpEd Mental Health and Early Intervention Funds: \$180k
- Classified Employee Summer Assistance: \$44k
- Mandated Block Grant: \$59k
- Strs-On-Behalf: \$1.1m
- Expanded Learning Opportunities Program: \$144k
- *NEW: Home-to-School Transportation: \$55k*

## One-time Funding:

- Ca PreK Planning Grant: \$94k
- Learning Recovery Block Grant: \$228k
- *Reduced: Art, Music, and Instructional Materials Grant: \$565k*



# Federal Revenue Sources = 3%

- Special Education: \$365k
- Title I Supplemental Support: \$29k
- Title II Professional Development: \$18k
- Title IV Student Support: \$10k
- One-Time Deferred Stimulus (Covid) Funds: \$335k



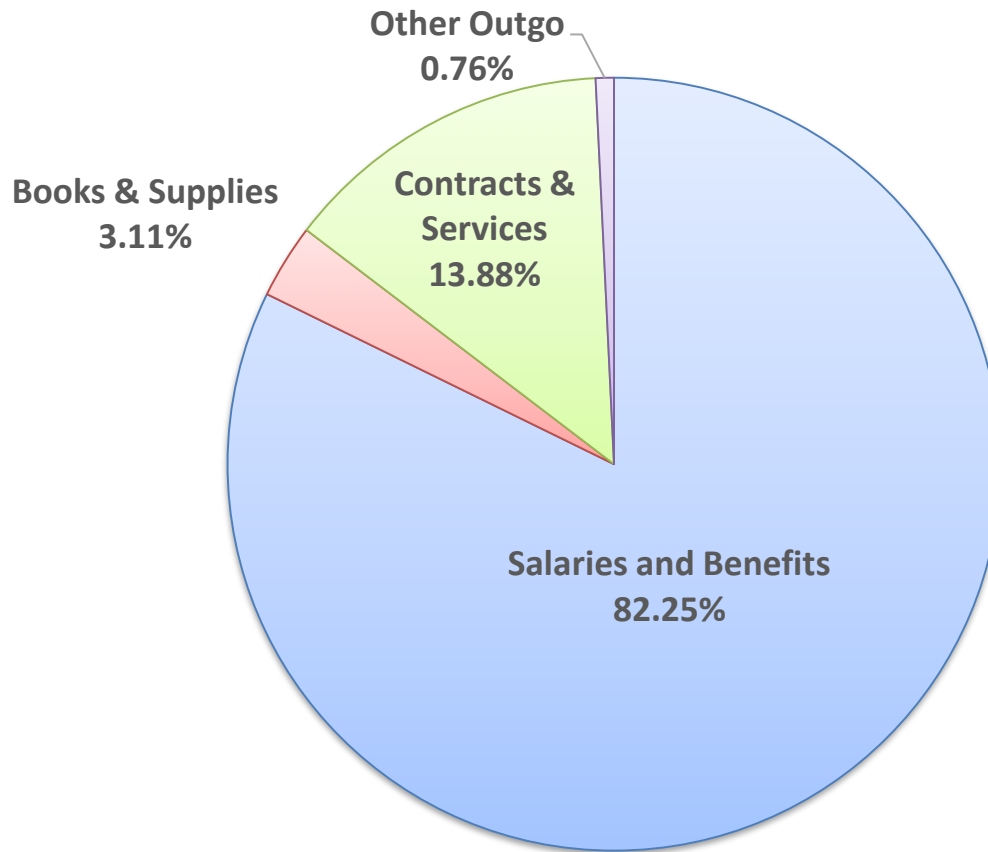


# Current Year Expenditure Adjustments

- Updated personnel costs
  - Salary increases per approved bargaining agreements*
  - Increase stipends to scale up Multi-Tiered System of Support (MTSS)*
  - Reduction of vacant positions*
- Updated employee benefit costs
  - *Open Enrollment changes*
  - *New hire benefit enrollments*
  - *Increases relative to salary increases*
- Updated materials/supplies and contracted services
  - *Purchase of promethean boards*
  - *Special Education and Maintenance contracts*
  - *Increased utilities costs for PG&E*
  - *Spring Fieldtrips*
  - *Reduction to Schneider Electric Loan*



# Current Year Expenditures





# Schedule of Changes-Revenues

	2nd Interim	1st Interim	Change	Explanation
LCFF Sources	18,076,393	18,076,046	347	No substantial changes.
Federal	757,959	757,155	804	No substantial changes.
State	2,894,134	3,385,303	(491,169)	An increase of \$21k in the PreK Implementation Grant and \$53k in Home To School Transportation funds, offset by a reduction of \$565k in Art, Music and Instructional Materials Block Grant.
Local	6,103,782	6,021,289	82,493	An increase of \$77k in site funds for fieldtrips and other donations, \$50k in the Ca SUMS Grant and \$25k in interest income, offset by a reduction of \$70k for Orinda's share of the EIP Program.
<b>TOTAL REVENUES:</b>	<b>27,832,268</b>	<b>28,239,793</b>	<b>(407,525)</b>	

↑ Unrestricted:    \$59,520  
↓ Restricted:        \$467,045  
 Decrease of \$407,525



# Schedule of Changes-Expenditures

	2nd Interim	1st Interim	Change	Explanation
Certificated Salaries	11,460,977	10,644,920	816,057	An increase of \$752k for certificated salaries, \$41k in the CA SUMS Grant stipends and \$23k in additional substitute costs.
Classified Salaries	4,191,428	4,074,037	117,391	An increase of \$252k for classified salaries, offset by \$135k in classified positions that were reduced and/or eliminated.
Benefits	7,523,161	7,457,063	66,098	An increase of \$201k is associated with the salary increases and position changes, offset by \$135k in health benefit coverage due to new employees and open enrollment changes.
Books & Supplies	877,528	798,014	79,514	An increase of \$88k in promethean boards and replacement servers, offset by a reduction of \$9k in miscellaneous supplies.
Contracts & Services	3,911,415	3,673,663	237,752	An increase of \$26k in PG&E costs, \$14k for AB841 Consulting Services, \$90k in SpEd services, \$39k for legal fees, \$80k in fieldtrips and \$6k in miscellaneous adjustments, offset by a reduction of \$17k from prior year erate discounts.
Capital Outlay	70,681	93,681	(23,000)	Transfer to "Books and Supplies" to cover the NAS Servers.
Other Outgo	193,063	386,125	(193,062)	This reduction is for the unused contingency funds from the Schneider Electric project.
Indirect Support Costs	(50,000)	(50,000)	-	
<b>TOTAL EXPENDITURES:</b>	<b>28,178,253</b>	<b>27,077,503</b>	<b>1,100,750</b>	



Unrestricted: \$916,326  
Restricted: \$184,424  
 Increase of \$1,100,750



# Schedule of Changes-Fund Balance

	2nd Interim	1st Interim	Change
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(345,985)</b>	<b>1,162,290</b>	<b>(1,508,275)</b>
<b>FUND BALANCE, RESERVES</b>			
Beginning Balance	5,953,726	5,953,726	-
Ending Balance	5,607,741	7,116,016	(1,508,275)
<b>RESERVES:</b>			
<b><u>Nonspendable:</u></b>			
<i>Revolving Cash</i>	25,000	25,000	-
<i>Prepaid Expenditures</i>	-	-	-
<b><u>Restricted:</u></b>			
<i>Legally Designated (restricted programs)</i>	1,312,918	1,964,387	(651,469)
<b><u>Assigned:</u></b>			
<i>Textbooks</i>	180,000	150,000	30,000
<i>Universal Transitional Kindergarten</i>	128,906	139,876	(10,970)
<i>Technology Replacement/Upgrades</i>	130,000	130,000	-
<b><u>Unassigned:</u></b>			
<i>Designated for Economic Uncertainties</i>	845,348	812,325	33,023
Unassigned Fund Balance	2,985,569	3,894,428	(908,859)
Plus Fund 17	\$960,296	\$960,296	-
<b>TOTAL AVAILABLE RESERVES IN DOLLARS:</b>	<b>4,791,213</b>	<b>5,667,049</b>	<b>(875,836)</b>
<b>TOTAL AVAILABLE RESEVES AS A PERCENTAGE:</b>	<b>17.00%</b>	<b>20.93%</b>	<b>-3.93%</b>



**Unrestricted: (\$856,806)**  
**Restricted: (\$651,469)**  
**Decreases by \$1,508,275**



# Multi-Year Projection

<b>GOVERNOR'S ASSUMPTIONS:</b>	<b>2023-24</b>	<b>2024-25</b>
Cost-of-Living Adjustment	*8.13%	*3.54%
Addition to the LCFF BASE:	0.00%	0.00%
Consumer Price Index	3.44%	2.77%
CalPERS Employer Rate	*27.00%	*28.10%
CalSTRS Employer Rate	19.10%	19.10%
Unemployment Rate	0.20%	0.20%
Classified Driven Benefits	36.75%	37.85%
Certificated Driven Benefits	22.65%	22.65%
<b>DISTRICT ASSUMPTIONS:</b>	<b>2023-24</b>	<b>2024-25</b>
Enrollment	1,701.00	1,741.00
Funded ADA ( <i>based on new 3 yr avg method</i> )	1,731.04	*1698.14
Step & Column Increase	1.00%	1.00%
Health Benefit Rates	7.00%	7.00%
Reserve for Economic Uncertainty	4.00%	4.00%
Routine Restricted Maintenance	3.00%	3.00%

\*This factor has changed since 1<sup>st</sup> Interim.



# Local Control Funding Formula (LCFF Funding)

	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
LCFF Revenue	\$17,577,099	\$18,669,738	\$19,009,635
Change in \$	\$1,840,258	\$1,092,639	\$339,897
Change in %	11.69%	6.22%	1.82%
Funded COLA	13.26%	8.13%	3.54%

The district projects an increase in LCFF in all three years, however the actual % increase each year is less than the “funded COLA” because LCFF allocates funds using a “grade span” formula which provides upper grades with a higher per pupil funding rate than the lower grades.



# Multi-Year Projection

	2022-23	2023-24	2024-25
Total Revenues:	27,832,268	27,674,183	28,014,080
Total Expenditures:	28,178,253	28,294,869	28,940,500
<b>Net Increase (Decrease) to Fund Balance:</b>	<b>(345,985)</b>	<b>(620,686)</b>	<b>(926,420)</b>
<b>FUND BALANCE RESERVES:</b>			
Beginning Balance	5,953,725	5,607,740	4,987,054
Net Increase (Decrease) to Fund Balance:	(345,985)	(620,686)	(926,420)
<b>ENDING FUND BALANCE:</b>	<b>5,607,740</b>	<b>4,987,054</b>	<b>4,060,635</b>
<b>COMPONENTS OF THE ENDING FUND BALANCE</b>			
<b>NONSPENDABLE:</b> Revolving Cash	25,000	25,000	25,000
<b>RESTRICTED:</b> Categorical Programs	1,312,917	695,745	473,722
<b>ASSIGNED:</b>			
Textbook Implementation	180,000	180,000	180,000
Universal Transitional Kindergarten	128,906	279,296	437,665
Technology Replacement/Upgrade	130,000	130,000	130,000
<b>UNASSIGNED AVAILABLE RESERVES:</b>			
**3% Required Reserve	845,348	848,846	868,215
**Undesignated Fund Balance:	2,985,569	2,828,167	1,946,033
<b>TOTAL AVAILABLE RESERVES AS A PERCENTAGE:</b>			
**TOTAL AVAILABLE GENERAL FUND RESERVES	3,830,917	3,677,013	2,814,248
ADD FUND 17 RESERVES	960,296	960,296	960,296
<b>TOTAL AVAILABLE RESERVES IN DOLLARS:</b>	<b>4,791,213</b>	<b>4,637,309</b>	<b>3,774,544</b>
<b>TOTAL AVAILABLE RESERVES AS A PERCENTAGE:</b>	<b>17.00%</b>	<b>16.39%</b>	<b>13.04%</b>





## What's Next??

- Considerations:
  - May Revise – State update's budget assumptions
  - Labor Negotiations begin for 2023-24
  - Universal Meals
  - Universal Transitional Kindergarten
  - Expanding One-time funded programs
  - Facility Master Plan



# Other Funds

- The district administers 7 other funds:
  - Child Care Fund
  - Cafeteria Fund
  - Special Reserve Fund
  - Building Fund
  - Capital Facilities Fund
  - Capital Projects Reserve Fund
  - Bond Fund
  
- All are projected to have positive fund balances



## CERTIFICATION OF 2ND INTERIM

*Certification on the financial condition of the District can be reported as positive, qualified or negative.*

- Positive: District will be able to meet its financial obligations for the current and subsequent two fiscal years.
- Qualified: District may not be able to meet its financial obligations for the current and subsequent two fiscal years.
- Negative: District will not be able to meet its financial obligations for the current and subsequent two fiscal years.



# CERTIFICATION

- Positive – District will be able to meet its financial obligations for the current and subsequent two fiscal years.
- Staff recommends the Governing Board approve the District Second Interim Report.