

Moraga School District

June 6, 2023



2023-24

Proposed Budget-Public Hearing

Governing Board:

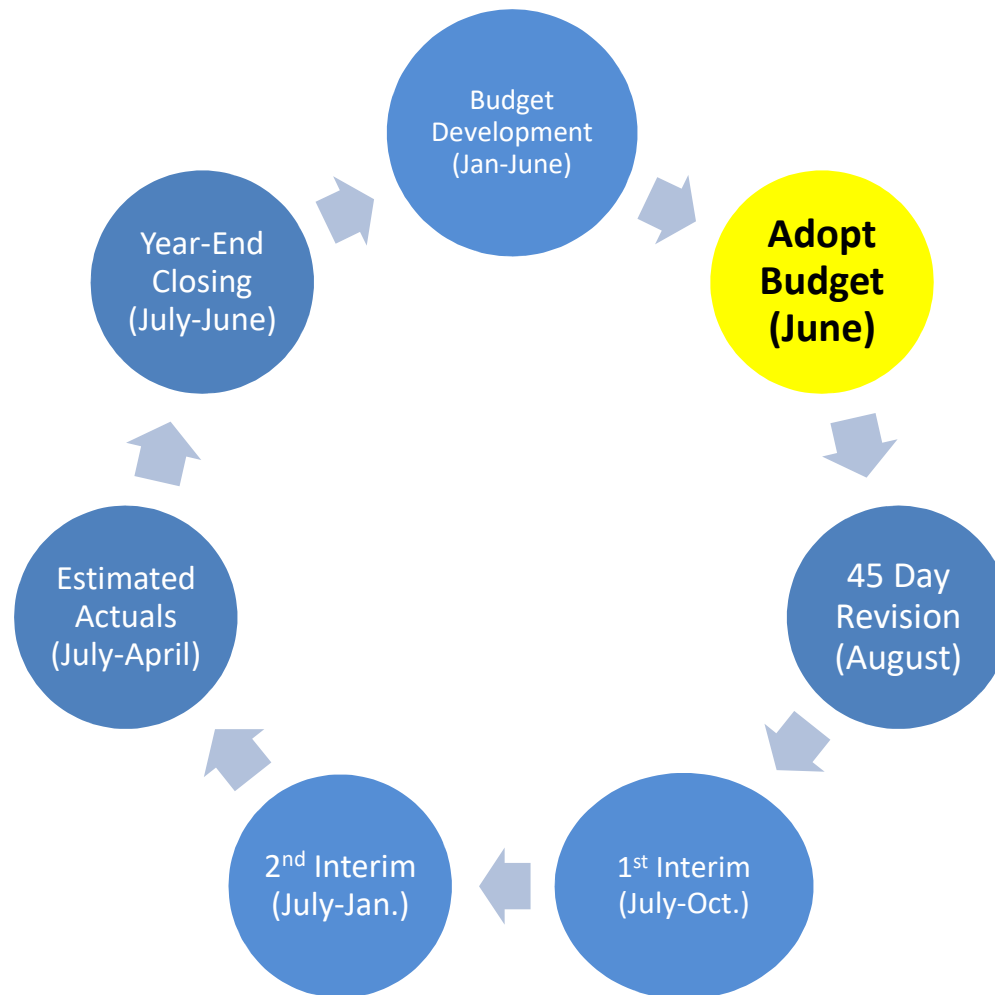
Larry Jacobs, President
Janelle Chng, Vice-President
Kristin Kraetsch, Board Member
Richard Severy, Board Member
Martha White, Board Member

District Staff:

Dr. Julie Parks, Superintendent
Sana Ahmed, Assistant Superintendent



2023-24 Financial Review Timeline





2023-24 Preliminary Adopted Budget

- Review 2022-23 Estimated Actuals
 - Final revision and review of the 2022-23 budget
 - Provides a better estimate of how the year will end
- Review 2023-24 Preliminary Adopted Budget
 - First formal look at the preliminary 2023-24 operating budget
- Review Multi-year Projection for 2024-25 and 2025-26



2022-23 Schedule of Changes-Revenues

	Estimated Actuals	2nd Interim	Change	Explanation
LCFF Sources	18,172,853	18,076,393	96,460	Increase is due to \$83k in SpEd Property Tax and \$13k in LCFF.
Federal	768,817	757,959	10,858	Increase is due to Federal IDEA Special Education funding.
State	3,354,592	2,894,134	460,458	Increase is due to \$322k in the AB841 Grant, \$100k in the KIT Grant and \$37k in TK Planning Grant.
Local	6,208,582	6,103,782	104,800	Increase is due to \$32k in school site donations, bookfair revenue and fieldtrips, \$20k in interest income, \$50k in facility use income, and \$3k in misc. revenue adjustments.
TOTAL REVENUES:	28,504,844	27,832,268	672,576	

Revenues Increased by \$673k



2022-23 Schedule of Changes-Expenditures

	Estimated Actuals	2nd Interim	Change	Explanation
Certificated Salaries	11,363,542	11,460,977	(97,435)	Reduction is due to \$41k in MTSS Stipends carrying over to 2023-24, \$86k in mid-year teacher resignations, offset by an increase of \$26k in teacher substitute costs and \$3k in misc adjustments.
Classified Salaries	4,150,437	4,191,428	(40,991)	Reduction is due to staffing vacancies and employees starting mid-year.
Benefits	7,440,672	7,523,161	(82,489)	Adjustments driven by changes in salaries.
Books & Supplies	838,174	877,528	(39,354)	Increase of \$69k in kitchen equipment covered by the KIT Grant and \$38k in TK furniture offset by a reduction of \$103k transferred to "capital outlay" for technology purchases and \$43k in school site budgets that will be carried over to 2023-24.
Contracts & Services	4,079,368	3,911,415	167,953	Increase of \$23k for Ransomware, \$12k in utilities, \$107k in legal expenses, \$40k in maintenance contracts, offset by a reduction of \$15k in misc. adjustments.
Capital Outlay	204,621	70,681	133,940	Increase is due to \$103k in technology purchases and \$31k in kitchen equipment.
Other Outgo	193,063	193,063	-	
Indirect Support Costs	(70,000)	(50,000)	(20,000)	Increase in the indirect cost charged to the Childcare programs.
Transfers Out	-	-	-	
TOTAL EXPENDITURES:	28,199,877	28,178,253	21,624	



Expenses Increased by \$22k



2022-23 Schedule of Changes-Fund Balance

	Estimated Actuals	2nd Interim	Change
Excess (Deficiency) of Revenues over Expenditures	304,967	(345,985)	650,952
FUND BALANCE, RESERVES			
Beginning Balance	5,953,726	5,953,726	-
Ending Balance	6,258,693	5,607,741	650,952
RESERVES:			
<u>Nonspendable:</u>			
<i>Revolving Cash</i>	25,000	25,000	-
<i>Prepaid Expenditures</i>	-	-	-
<u>Restricted:</u>			
<i>Legally Designated (restricted programs)</i>	1,784,607	1,312,918	471,689
<u>Assigned:</u>			
<i>Textbooks</i>	180,000	180,000	-
<i>Universal Transitional Kindergarten</i>	135,080	128,906	6,174
<i>Technology Replacement/Upgrades</i>	130,000	130,000	-
<u>Unassigned:</u>			
<i>Designated for Economic Uncertainties</i>	845,996	845,348	649
Unassigned Fund Balance	3,158,010	2,985,569	172,441
Plus Fund 17	\$960,296	\$960,296	-
TOTAL AVAILABLE RESERVES IN DOLLARS:	4,964,302	4,791,213	173,089
TOTAL AVAILABLE RESEVES AS A PERCENTAGE:	17.60%	17.00%	0.60%

Overall Fund Balance Increased by \$651k

Unrestricted Increased by \$179k

Restricted Increased by \$472k



Summary of Governor's 2023-24 Proposal for Education-May 2023

- \$31.5 billion state budget deficit
- 8.22% Statutory Cost-of-Living Adjustment (COLA)
- Approximately 33% reduction in the 2022-23 Learning Recovery Emergency Block Grant
- Approximately 50% reduction in the 2022-23 Art, Music, Instructional Materials Discretionary Block Grant
- Continues to implement Transitional Kindergarten, Expanded Learning Opportunities Program (ELOP), California's Universal Meals Program.

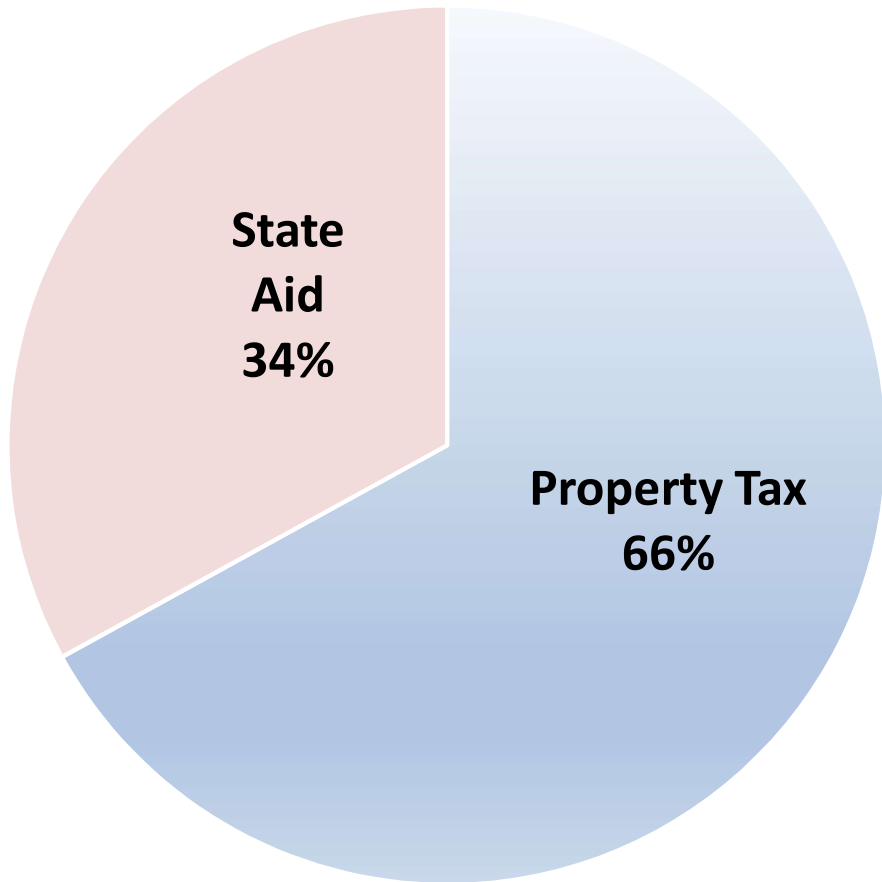


What is NOT Included in MSD's Budget

- Proposition 28 funding for arts and music instruction
- Funding for TK Facilities
- Moraga School District DOES NOT Qualify:
 - LCFF Equity Multiplier
 - Literacy Coaches and Reading Specialist Grant
 - Allocation to high school seniors to provide them with cultural enrichment experiences



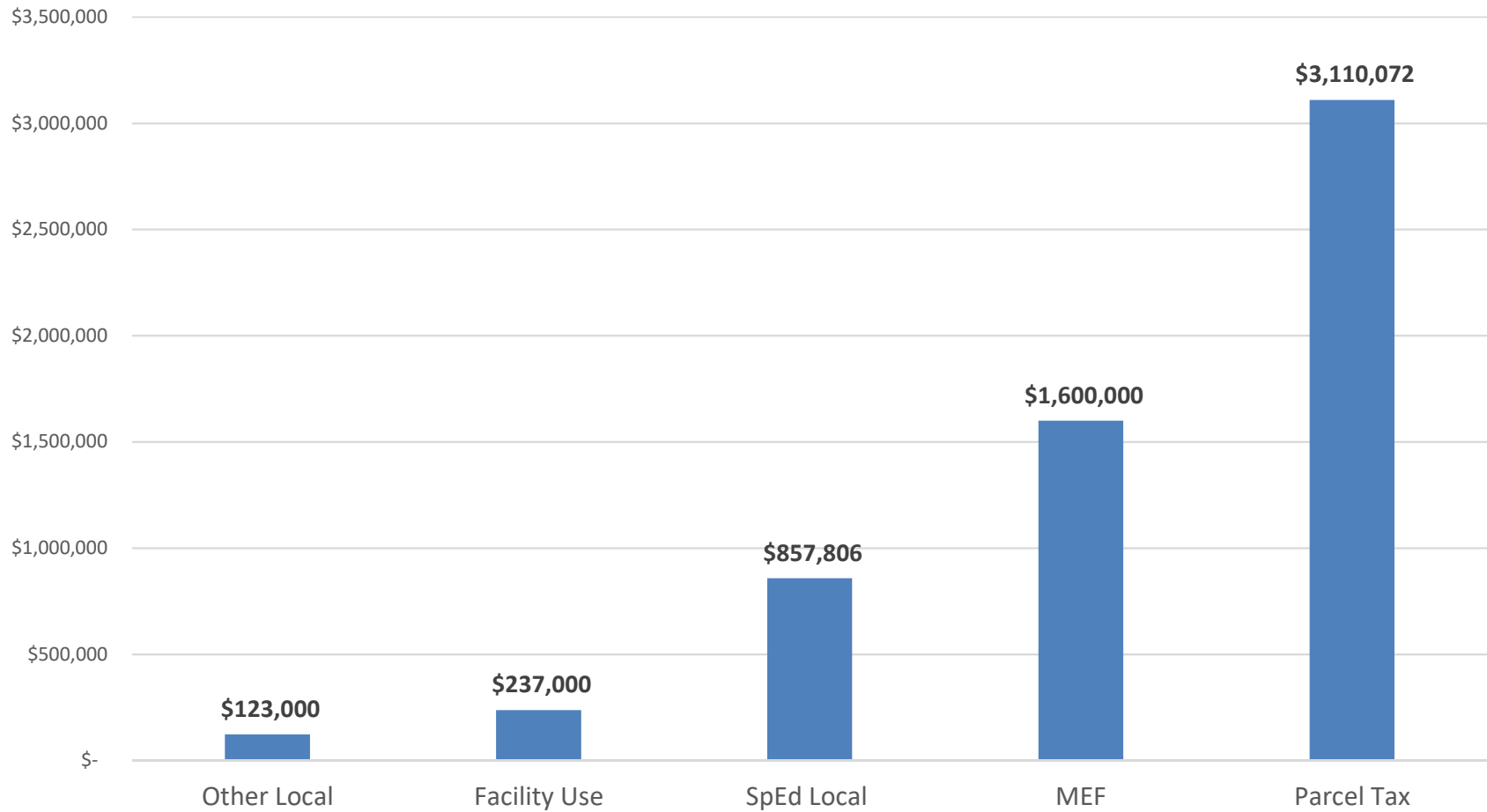
LCFF Revenue = 70%



Funded ADA*	1,726.36
COLA	8.22%
Additional BASE	0.00%
TK Add-on	\$3,044/ada
LCFF Revenue	\$18,630,248



Local Revenue Sources = 21%





Other State Revenue = 7%

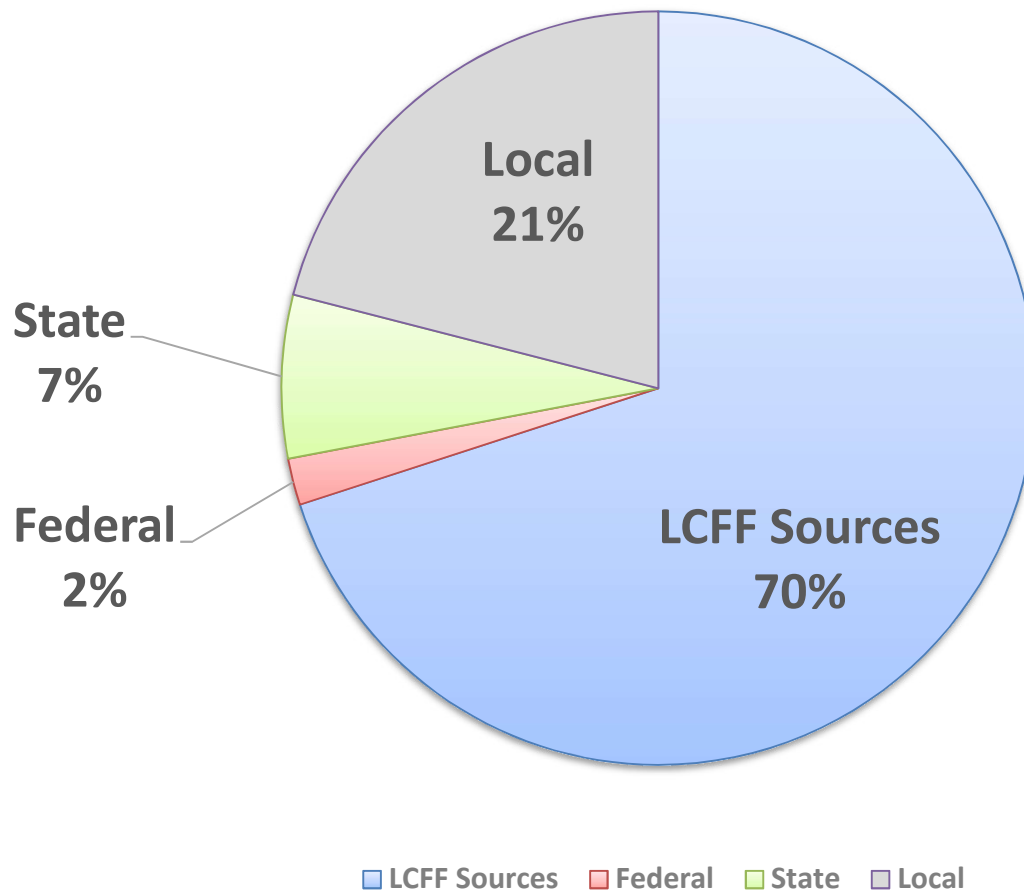
- State Lottery: \$392k
- PreK Planning: \$51k
- Home To School Transportation: \$55k
- SpEd Mental Health: \$193k
- Mandated Block Grant: \$63k
- Classified Employee Summer Assistance Program: \$61k
- STRS-On-Behalf: \$1.2 million

Federal Revenue Sources = 2%

- Special Education:
 - Local Assistance IDEA: \$340k
 - PreK IDEA: \$10k
 - Mental Health: \$21k
- Title I Low Income: \$30k
- Title II Teacher Quality: \$18k
- Title IV Student Success: \$10k



2023-24 % of Total Revenue





2023-24 Expenditures Factors

- Staffing
 - Projected Enrollment of 1,701 TK-8 Students
 - Certificated Staff: 105.80 fte
 - Classified Staff: 62.95 fte
 - Administrative Staff: 17.0 fte
- Certificated/Classified Salaries
 - Step and Column Increases
- Updated health benefit costs
 - Projected increase of 7% to health premiums
- STRS Employer Contribution Rate: 19.10%
- PERS Employer Contribution Rate: 26.68%
- Unemployment Rate: 0.05%
- Updated Workers Compensation Rate 1.77%

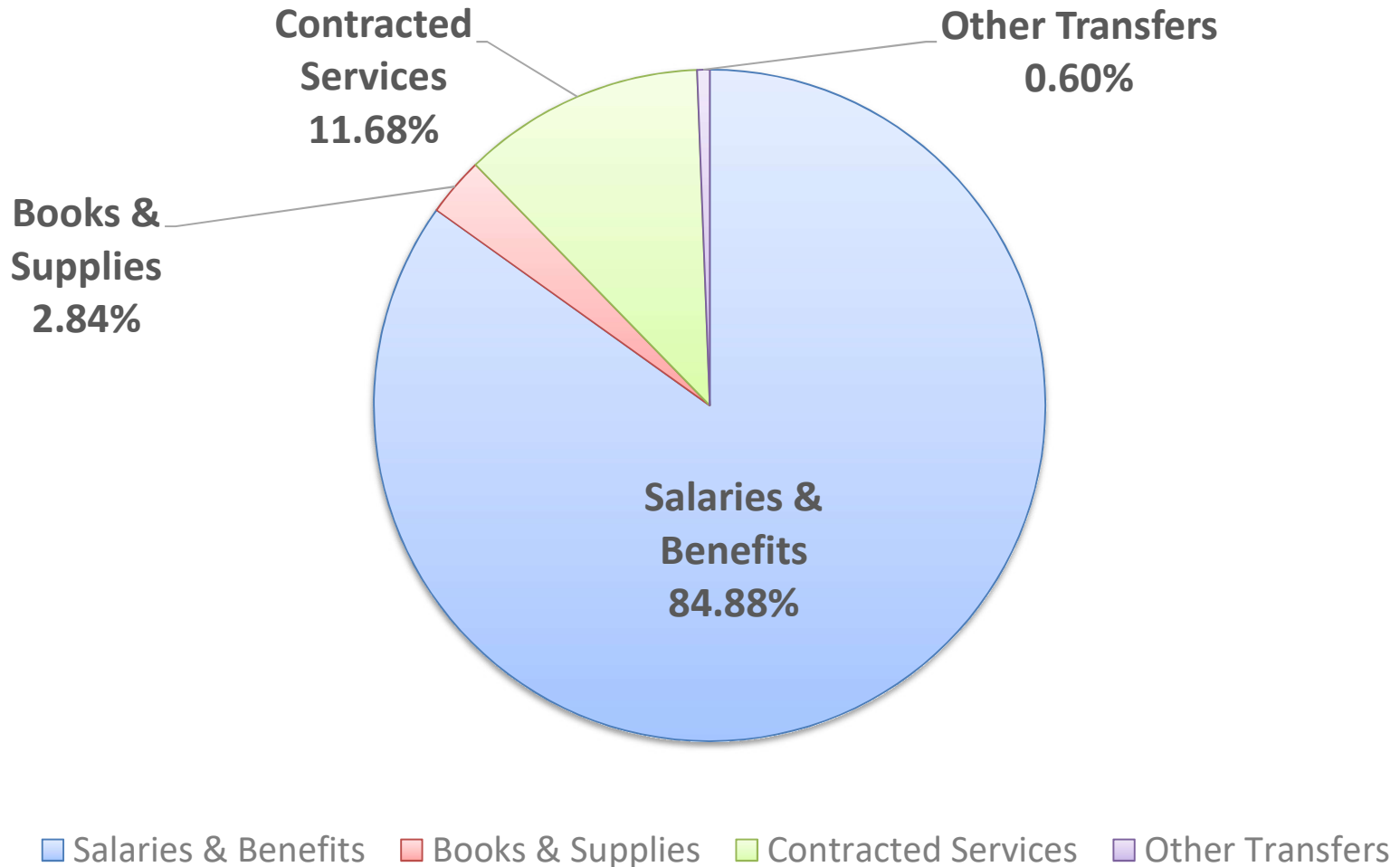


2023-24 Non-Personnel Expenditures Factors

- School Site Discretionary Budgets = \$50/student
- Special Education (Early Intervention Program, NPS/NPA contracts, Transportation, ESY, Service contracts) = \$1.5m
- C&I Dept (Ed Tech, DEI/CPC, Prof.Development, Intervention/Instructional materials, Universal TK, PBIS) = \$546k
- Technology Replacement & Infrastructure = \$278k
- Utilities (PG&E, garbage, water, communications, and sewer) = \$685k
- Maintenance & Operations Dept.= \$234k
- Energy Efficiency Loan Repayment = \$238k
- General Operations = \$524k



2023-24 Expenditures





Multi-Year Projection Assumptions

GOVERNOR'S ASSUMPTIONS:	2023-24	2024-25	2025-26
Cost-of-Living Adjustment	8.22%	3.94%	3.29%
Consumer Price Index	0.00%	3.02%	2.64%
CalPERS Employer Rate	26.68%	27.70%	28.30%
CalSTRS Employer Rate	19.10%	19.10%	19.10%
Unemployment Rate	0.05%	0.05%	0.05%
Classified Driven Benefits	36.15%	37.17%	37.77%
Certificated Driven Benefits	22.37%	22.37%	22.37%
DISTRICT ASSUMPTIONS:	2023-24	2024-25	2025-26
Enrollment	1,701.00	1,741.00	1,749.00
Funded ADA	1,726.36	1,695.91	1,703.68
Step & Column Increase	1.00%	1.00%	1.00%
Health Benefit Rates	7.00%	7.00%	7.00%
Reserve for Economic Uncertainty	4.00%	4.00%	4.00%
Routine Restricted Maintenance	3.00%	3.00%	3.00%



Local Control Funding Formula (LCFF Funding)

	2023-24	2024-25	2025-26
LCFF Revenue	18,630,248	19,068,894	19,937,560
\$ Increase Per Year	1,038,365	438,646	868,666
% Increase Per Year	5.90%	2.35%	4.56%
COLA Per Year	8.22%	3.94%	3.29%



Multi-Year Projection

	2023-24	2024-25	2025-26
Total Revenues:	27,576,935	27,963,997	28,832,663
Total Expenditures:	27,799,738	28,212,206	28,690,693
Net Increase (Decrease) to Fund Balance:	(222,803)	(248,209)	141,970
FUND BALANCE RESERVES:			
Beginning Balance	6,258,693	6,035,890	5,787,681
Net Increase (Decrease) to Fund Balance:	(222,803)	(248,209)	141,970
ENDING FUND BALANCE:	6,035,890	5,787,681	5,929,651
COMPONENTS OF THE ENDING FUND BALANCE			
NONSPENDABLE: Revolving Cash	25,000	25,000	25,000
RESTRICTED: Categorical Programs	1,257,343	1,296,854	1,354,089
ASSIGNED:			
Textbook Implementation	180,000	180,000	180,000
Universal Transitional Kindergarten	355,756	496,127	774,504
Litigation	100,000	100,000	100,000
Technology Replacement/Upgrade	130,000	130,000	130,000
UNASSIGNED AVAILABLE RESERVES:			
**3% Required Reserve	833,992	846,366	860,721
**Undesignated Fund Balance:	3,153,799	2,713,334	2,505,337
TOTAL AVAILABLE RESERVES AS A PERCENTAGE:			
**TOTAL AVAILABLE GENERAL FUND RESERVES	3,987,791	3,559,700	3,366,058
ADD FUND 17 RESERVES	960,296	960,296	960,296
TOTAL AVAILABLE RESERVES IN DOLLARS:	4,948,087	4,519,996	4,326,354
TOTAL AVAILABLE RESERVES AS A PERCENTAGE:	17.80%	16.02%	15.08%



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



Next Steps

- Governing Board will be asked to adopt the proposed budget on June 13, 2023.
- By June 15, the Legislature must pass the budget.
- By June 30, the Governor Acts on the budget
- By August 15, 45 day budget revision brought back to Board of Education