First Interim Report

Presented by
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Deputy Superintendent/CBO

Current Year 2023-24

- The District compared ADA at budget adoption to first interim and adjusted its revenue accounts that are based on Average Daily Attendance (ADA) to a projected 4,691 based on CALPADS enrollment This number may not account for the 135 TK students enrolled.
- Categorical revenue accounts are updated to most recent grant/entitlement letters and other information received from the State and Federal governments. Corresponding expenditure accounts are also adjusted accordingly.
- Other income accounts are analyzed and adjusted to reflect year-to-date receipts and estimated year-end amounts.

- Revenues and expenditures of programs that encroach on the General Fund are updated to current projections and contribution accounts adjusted accordingly.
- Salary and benefit accounts are adjusted to reflect updated staffing levels and changes to benefit costs, including health insurance costs. All budgets reflect the most current negotiated agreements with employee bargaining units.
- All expenditure accounts analyzed and adjusted to reflect year-to-date expenditures and estimated expenditures to finish the year.
- Carryovers from prior year budgets are adjusted accordingly.

- For 1st Interim, the District is projecting a decrease in Unrestricted General Fund revenues of $449,737. This adjustment is due to audit adjustments that have come to light since budget adoption.
- Unrestricted Expenditures have decreased by $814,154. The reduction is due to budgets being moved into restricted programs.

Multi Year Projections-MYP

- 1% Conservative COLA for all three years
- Changes to STRS and PERS
- STRS/PERS

2023-24	STRS 19.10%	PERS 26.68%
2024-25	STRS 19.10%	PERS 27.70%
2025-26	STRS 19.10%	PERS 28.30%

- Changes to enrollment using CALPADS Data
- Revenue penalties for UPP and teacher credentials

Criterion – 1A ADA Variances Pg. 94
Not Met

- This is based on the LCFF Calculator and 3 prior year averages.
- ADA change of:

0%	2023-2024	5,027.82	Met
4.1%	2024-20255	4,662.57	Not Met
(2.6%)	2025-2026	4,387.89	Not Met

Criterion –2A Enrollment at Adoption & CBEDS Pg. 95 Not Met

- At Budget Adoption – 4946 vs 4691

2A. Calculating the District's Enrollment Variances

DATA ENTRY: Budget Adoption data that exist will be extracted; otherwise, enter data into the first column for all fiscal years. Enter data in the second column for all fiscal years. Enter district regular enrollment and charter school enrollment corresponding to financial data reported in the General Fund, only, for all fiscal years.

Fiscal Year	Enrollment Budget Adoption (Form 01CS, Item 3B)	Enrollment First Interim CBEDS/Projected	Percent Change	Status
Current Year (2023-24)				
District Regular	4,945.00	4,691.00		
Charter School				
Total Enrollment	**4,945.00**	**4,691.00**	**(5.1%)**	**Not Met**
1st Subsequent Year (2024-25)				
District Regular	4,871.00	4,475.00		
Charter School				
Total Enrollment	**4,871.00**	**4,475.00**	**(8.1%)**	**Not Met**
2nd Subsequent Year (2025-26)				
District Regular	4,898.00	4,286.00		
Charter School				
Total Enrollment	**4,898.00**	**4,286.00**	**(12.5%)**	**Not Met**

Criterion – 4A LCFF Revenue Pg.97 Not Met

- Significant Changes to Revenue is the COLA

4A. Calculating the District's Projected Change in LCFF Revenue

DATA ENTRY: Budget Adoption data that exist will be extracted; otherwise, enter data into the first column. In the First Interim column, Current Year data are extracted; enter data for the two subsequent years.

	LCFF Revenue (Fund 01, Objects 8011, 8012, 8020-8089)			
Fiscal Year	Budget Adoption (Form 01CS, Item 4B)	First Interim Projected Year Totals	Percent Change	Status
Current Year (2023-24)	63,034,499.00	62,718,331.00	(.5%)	Met
1st Subsequent Year (2024-25)	61,528,500.00	58,322,396.00	(5.2%)	Not Met
2nd Subsequent Year (2025-26)	60,966,593.00	55,380,947.00	(9.2%)	Not Met

Criterion – 6B Operating Revenues Pg.100 Not Met

- Significant changes were made to this section including reduced Federal Funding
- State Revenues from Carryover and increased allocations.
- Increases in Expenditures from Carryover funds for books and supplies and other services.

6B. Calculating the District's Change in Total Operating Revenues and Expenditures

DATA ENTRY: All data are extracted or calculated.

Object Range / Fiscal Year	Budget Adoption Budget	First Interim Projected Year Totals	Percent Change	Status
Total Federal, Other State, and Other Local Revenue (Section 6A)				
Current Year (2023-24)	15,605,973.00	17,786,609.87	14.0%	Not Met
1st Subsequent Year (2024-25)	15,605,973.00	16,868,279.00	8.1%	Not Met
2nd Subsequent Year (2025-26)	15,605,973.00	16,868,279.00	8.1%	Not Met
Total Books and Supplies, and Services and Other Operating Expenditures (Section 6A)				
Current Year (2023-24)	16,932,607.00	23,768,742.00	40.4%	Not Met
1st Subsequent Year (2024-25)	16,525,457.00	22,872,230.00	38.4%	Not Met
2nd Subsequent Year (2025-26)	16,525,457.00	22,872,230.00	38.4%	Not Met

Criterion 7 Facilities and Maintenance Pg.101

- In future years we need to move committed funds for Facilities and Deferred Maintenance into the operating budget. We cannot count on Reserves to maintain aging buildings. Business Department and MOT will identify a strategic plan to address our aging facilities until a bond can be considered and passed.

Criterion – 8B Deficit Spending Pg.107 Not Met

- It Is Time To "Right Size" The Budget!

8B. Calculating the District's Deficit Spending Percentages

DATA ENTRY: Current Year data are extracted. If Form MYPI exists, data for the two subsequent years will be extracted; if not, enter data for the two subsequent years into the first and second columns.

	Projected Year Totals			
Fiscal Year	Net Change in Unrestricted Fund Balance (Form 01I, Section E) (Form MYPI, Line C)	Total Unrestricted Expenditures and Other Financing Uses (Form 01I, Objects 1000-7999) (Form MYPI, Line B11)	Deficit Spending Level (If Net Change in Unrestricted Fund Balance is negative, else N/A)	Status
Current Year (2023-24)	(779,010.00)	48,506,289.00	1.6%	Met
1st Subsequent Year (2024-25)	(5,791,158.00)	49,289,819.00	11.7%	Not Met
2nd Subsequent Year (2025-26)	(8,892,607.00)	49,449,819.00	18.0%	Not Met

Changes to Committed Contribution 23-24

- First Interim is requesting that the board consider changing the committed contribution line for Furniture $1,000,000.

- Invest $500,000 in strategic planning and advisory services to reduce deficit spending;
  - School Services Staffing Study, FCMAT MYP support, consultants to assist as we “right size” the district with planning.
- Invest $450,000 in new roofing (Child Nutrition Services)
- Invest $50,000 in Furniture

Qualified Certification

Based upon current projections and budget assumptions regarding State funding and the District's financial condition, the District is certifying with a Qualified Certification.

Per State guidelines, a Qualified Certification indicates that, based upon current projections, the school district will meet its financial obligations for the current fiscal year, however current spending is not met for the subsequent two fiscal years.

Questions?

Thank You

Roseanne Lascano, Mary Stark and Mike Berg