



MT. DIABLO UNIFIED SCHOOL DISTRICT

2023-24 Proposed Budget

June 14, 2023 Board Meeting

Dr. Adam Clark, Superintendent

Nancy Chen, Executive Director of Fiscal Services

Agenda

- Financial Reporting Requirements
- Information Sources
- Governor's May Revise Highlights
- 2023-24 Proposed Budget
- 2023-24 Multi-year Projections
- Commitments & Assignments
- Future Considerations/Risks
- Next Steps

Financial Reporting Requirements

- ❑ District required to adopt budget prior to July 1 of each year
- ❑ 2023-24 Proposed Budget is a "tentative" budget
- ❑ Based on Governor's May Budget Revise, State Enacted Budget may be different
- ❑ 2023-24 MDUSD Budget will be presented for Adoption on June 28th
- ❑ Material revisions presented within 45 days of State Enacted Budget

Information Sources for Proposed Budget

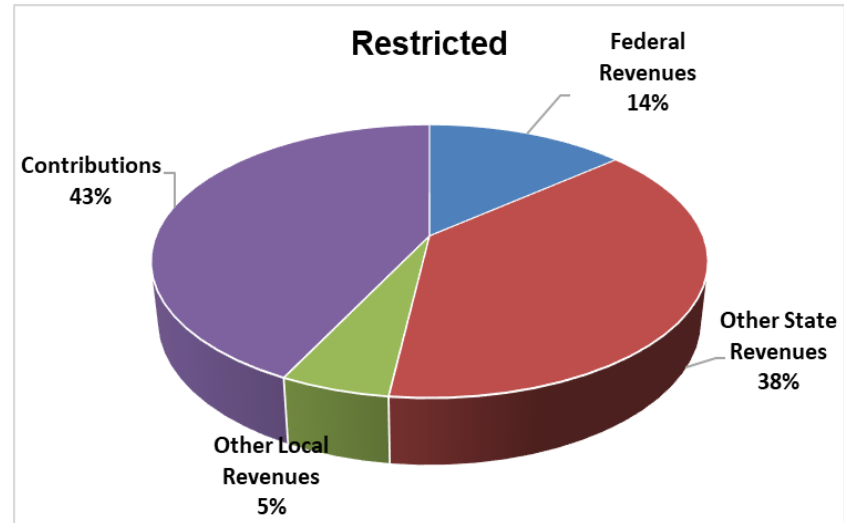
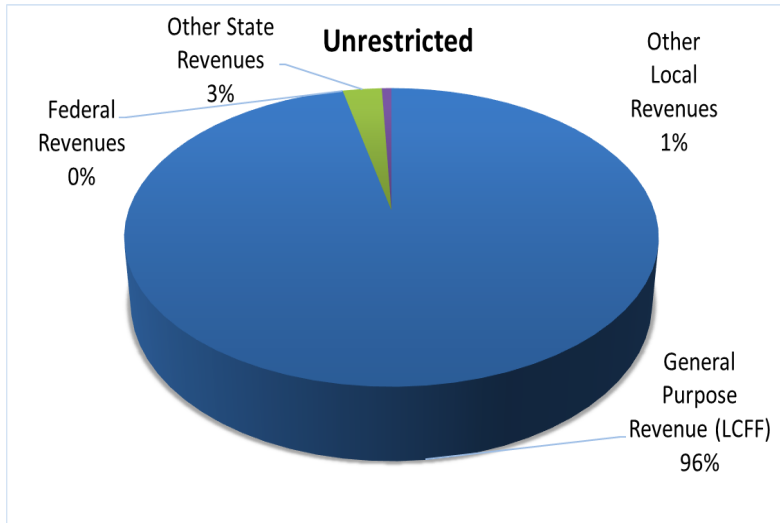
- ❑ School Services of California (SSC) - Final Projection Dartboard, 2023-2024 May Revision
- ❑ California County Superintendents Educational Services Association (CCSESA) - The Common Message for the 2023-24 May Revision
- ❑ California School Board Association (CSBA) - May Budget Revision Update, Implications for Schools
- ❑ MDUSD staff and their input on site & department program needs – budget development process started in January 2023

Governor's May Revise Highlights

- ❑ Increase to the Local Control Funding Formula (LCFF) base rates - 8.22% Cost of Living Adjustment (COLA)
- ❑ Special Education funding to increase by 8.22% COLA, rate going from \$820 to \$887
- ❑ \$1.8B proposed reduction to the Arts, Music & Instructional Materials Discretionary Block Grant - 50% reduction
- ❑ \$2.5B proposed reduction to the Learning Recovery Emergency block grant – 32% reduction
- ❑ 10% Reserve Cap continues for the 2023-24 fiscal year

2023-24 Proposed Budget Revenues

Description	Unrestricted	Restricted
General Purpose Revenue	339,655,451	-
Federal Revenues	-	24,610,382
Other State Revenues	9,914,672	68,038,599
Other Local Revenues	2,427,030	9,578,090
Contributions	(76,133,467)	76,133,467
Total	275,863,686	178,360,539

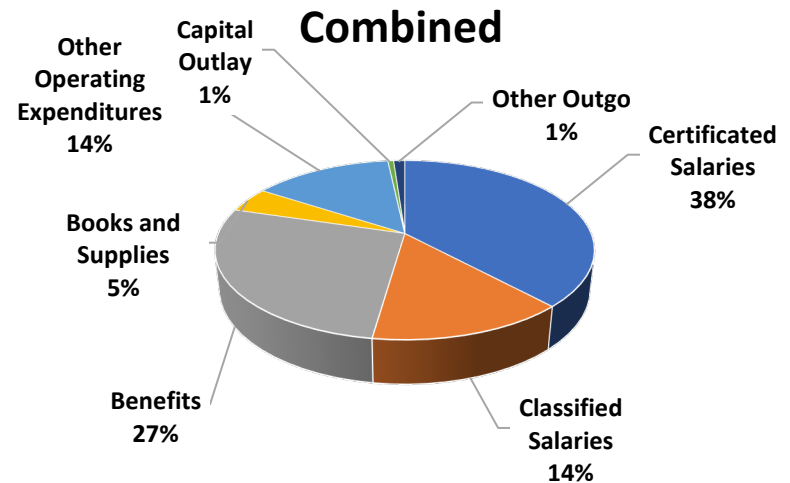
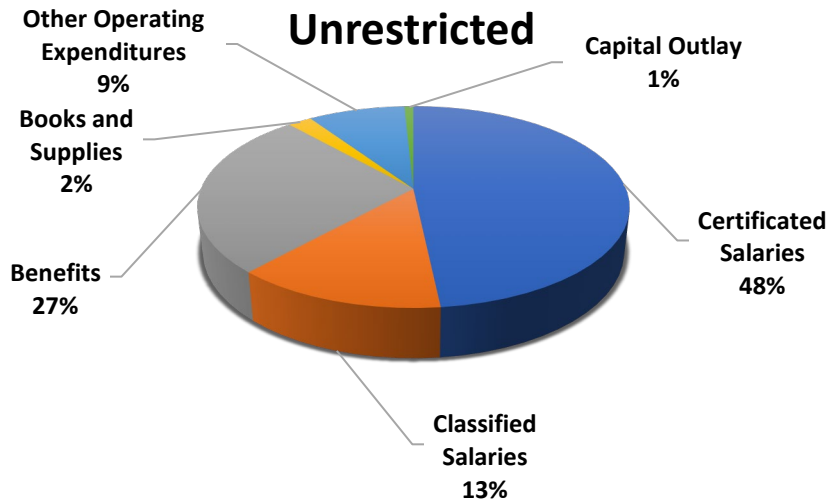


2023-24 Proposed Budget Contributions

Description	Amount
Special Education	\$59,553,156
Routine Restricted Maintenance	\$15,353,311
Athletics, MDEA Reps	\$1,227,000
From General Fund	\$76,133,467

2023-24 Proposed Budget Expenditures

Description	Unrestricted	Combined
Certificated Salaries	\$134,406,272	\$174,959,194
Classified Salaries	\$37,332,197	\$65,607,697
Benefits	\$74,328,250	\$125,689,072
Books and Supplies	\$5,911,132	\$20,861,977
Other Operating Expenditures	\$24,015,341	\$64,997,475
Capital Outlay	\$2,205,000	\$2,687,012
Other Outgo	-\$3,669,995	\$5,248,421
TOTAL	\$274,528,197	\$460,050,849

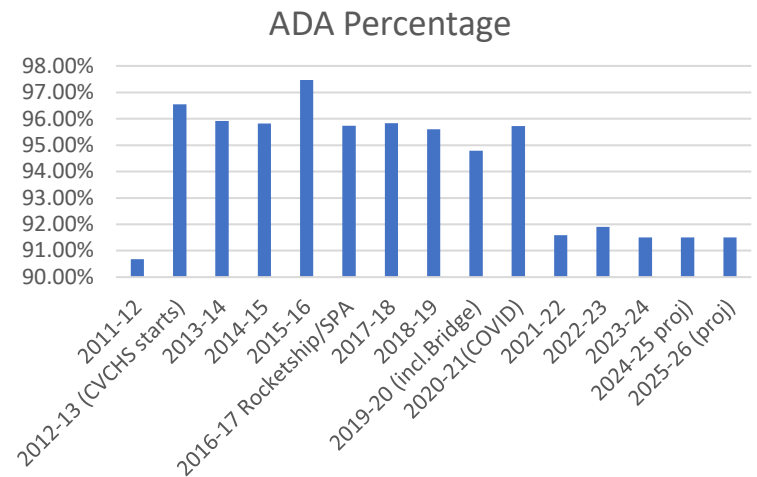
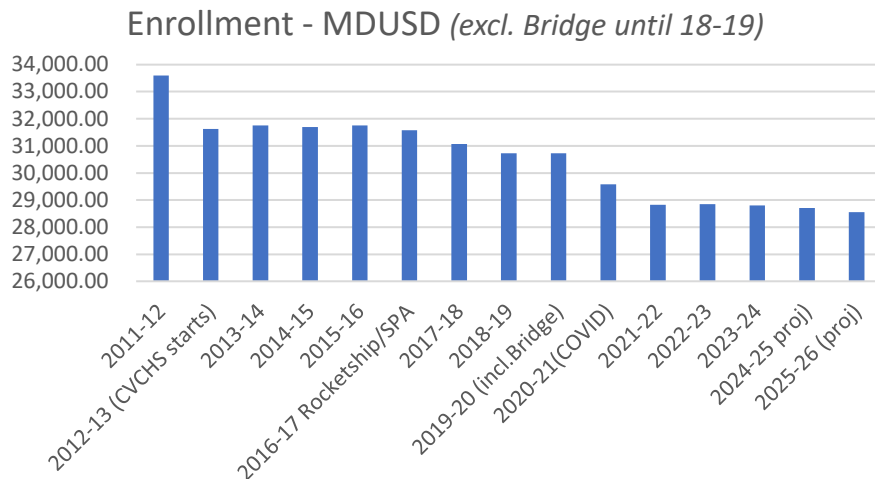


2023-24 Proposed Budget Summary

2023-24 Proposed Budget			
Description	Unrestricted	Restricted	Combined
Total Revenues	351,997,153	102,227,072	454,224,225
Total Expenditures/Other Sources & Uses	274,528,197	185,522,652	460,050,849
Over/Short	77,468,956	(83,295,580)	(5,826,624)
Contributions	(76,133,467)	76,133,467	0
NET INCREASE (DECREASE) IN FUND BALANCE	1,335,489	(7,162,113)	(5,826,624)
FUND BALANCE			
Beginning Fund Balance	78,650,055	68,413,269	147,063,324
Ending Fund Balance	79,985,544	61,251,156	141,236,700

Multi Year Projections (MYP) - LCFF

- ❑ **COLA:** 3.94% for 2024/25; 3.29% for 2025/26
- ❑ **Enrollment:** 28,704 in 2024/25, 28,554 in 2025/26
- ❑ **Unduplicated Pupil Percentage:** projected at 47% each year
- ❑ **Average Daily Attendance:** utilizing 91.5%, MDUSD projected to be funded on 3-year average method due to declining enrollment



MYP Assumptions – Other Revenues

- ❑ **Unrestricted Other State & Local Revenues:** projected to remain flat in 24-25 and 25-26
- ❑ **Restricted Federal Revenues:** projected to remain flat in 24-25 and 25-26 after removing one-time revenues
- ❑ **Restricted Other State & Local Revenues:** projected to remain flat in 24-25 and 25-26
- ❑ **Contributions:** projected to increase by \$3.2M each year to cover projected increases for step & column, PERS pension costs, health benefits and increased costs for supplies and contracted services

MYP Assumptions - Expenditures

- ❑ **Step & Column:** projected at 1.75% for both certificated & classified staff in the two subsequent years
- ❑ **STRS & PERS:** STRS projected to remain flat at 19.10% in the two subsequent years; PERS projected to increase 1.02% to 27.70% in 24-25; 0.60% increase to 28.30% in 25-26
- ❑ **Health Benefits & Utilities:** projected to increase by 5% each year
- ❑ **Unrestricted Salaries:** certificated costs for TK expansion; classified costs increasing for positions funded with ESSER III in 23-24
- ❑ **Restricted Salaries:** certificated positions going from ESSER III to the Learning Recovery Emergency block grant and the removal of classified salaries in ESSER III in 24-25

MYP Assumptions - Expenditures

- ❑ **Health Benefits & Utilities:** projected to increase by 5% each year
- ❑ **Supplies:** adjustments made for LCFF supplemental fund changes net of the Consumer Price Index rates being applied for 24-25 and 25-26. Removal of one-time expenses related to ESSER III and the textbook adoption for restricted resources in 24-25
- ❑ **Other Operating Expenses:** adjustments made for LCFF supplemental fund changes net of the Consumer Price Index rates being applied for 24-25 and 25-26; increases included for contracts that support additional student needs; removal of \$1.7M for the supplemental retirement payment

Multi-Year Projections

	2023-24			2024-25			2025-26			
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	
REVENUES AND OTHER FINANCING SOURCES										
LCFF/Revenue Limit Sources	8010-8099	339,655,451	0	339,655,451	340,259,986	0	340,259,986	346,978,546	0	346,978,546
Federal Revenues	8100-8299	0	24,610,382	24,610,382	0	16,843,170	16,843,170	0	16,843,170	16,843,170
Other State Revenues	8300-8599	9,914,672	68,038,599	77,953,271	9,914,672	68,038,599	77,953,271	9,914,672	68,038,599	77,953,271
Other Local Revenues	8600-8799	2,427,030	9,578,090	12,005,120	2,427,030	9,578,090	12,005,120	2,427,030	9,578,090	12,005,120
Total		351,997,153	102,227,072	454,224,225	352,601,688	94,459,860	447,061,548	359,320,248	94,459,860	453,780,108
EXPENDITURES AND OTHER FINANCING USES										
Certificated Salaries	1000-1999	134,406,272	40,552,922	174,959,194	137,246,685	41,049,981	178,296,666	139,648,485	41,555,781	181,204,266
Classified Salaries	2000-2999	37,332,197	28,275,500	65,607,697	39,879,177	26,158,756	66,037,933	40,577,077	26,398,156	66,975,233
Employee Benefits	3000-3999	74,328,250	51,360,823	125,689,072	77,916,260	49,334,604	127,250,863	80,146,996	50,249,634	130,396,629
Books and Supplies	4000-4999	5,911,132	14,950,845	20,861,977	5,226,086	8,153,770	13,379,856	5,872,256	8,172,861	14,045,117
Services and Operating Expenditures	5000-5999	24,015,341	40,982,135	64,997,475	25,558,655	42,297,135	67,855,789	25,411,873	43,646,851	69,058,723
Capital Outlay	6000-6999	2,205,000	482,012	2,687,012	2,271,600	482,012	2,753,612	2,340,000	482,012	2,822,012
Other Outgo	7100-7499	0	1,097,586	1,097,586	0	1,097,586	1,097,586	0	1,097,586	1,097,586
Other Outgo - Indirect Costs	7300-7399	(8,669,995)	7,820,830	(849,165)	(8,527,143)	7,677,978	(849,165)	(8,693,740)	7,844,575	(849,165)
Other Financial Uses-Transfer Out	7600-7629	5,000,000		5,000,000	0	0	0	0	0	0
Total		274,528,197	185,522,652	460,050,849	279,571,320	176,251,821	455,823,140	285,302,947	179,447,455	464,750,401
OVER/SHORT		77,468,956	(83,295,580)	(5,826,624)	73,030,368	(81,791,961)	(8,761,592)	74,017,301	(84,987,595)	(10,970,293)
CONTRIBUTIONS	8980-8999	(76,133,467)	76,133,467	0	(79,303,714)	79,303,714	0	(82,499,348)	82,499,348	0
NET INCREASE (DECREASE) IN FUND BALANCE		1,335,489	(7,162,113)	(5,826,624)	(6,273,345)	(2,488,247)	(8,761,592)	(8,482,046)	(2,488,247)	(10,970,293)
FUND BALANCE										
Beginning Fund Balance		78,650,055	68,413,269	147,063,324	79,985,544	61,251,156	141,236,700	73,712,199	58,762,909	132,475,108
Ending Fund Balance		79,985,544	61,251,156	141,236,700	73,712,199	58,762,909	132,475,108	65,230,152	56,274,662	121,504,814
Restricted		722,000	61,251,156	61,973,156	722,000	58,762,909	59,484,909	722,000	56,274,662	56,996,662
Committed - Textbook Adoption		10,000,000		10,000,000	10,000,000		10,000,000	10,000,000		10,000,000
Committed - Legal Settlements		2,500,000		2,500,000	2,500,000		2,500,000	2,500,000		2,500,000
Committed- LCAP Supplemental		12,926,344		12,926,344	12,926,344		12,926,344	12,926,344		12,926,344
Committed - Deferred Maintenance		10,000,000		10,000,000	10,000,000		10,000,000	10,000,000		10,000,000
		-		-	-		0	-		0
Assigned (2024-25 Projected Deficit)		6,273,345		6,273,345	-		0	-		0
Assigned (2025-26 Projected Deficit)		8,482,046		8,482,046	8,482,046		8,482,046	-		0
Reserve for Economic Uncertainties		13,802,000		13,802,000	13,675,000		13,675,000	13,943,000		13,943,000
Unassigned		15,279,808		15,279,808	15,406,808		15,406,808	15,138,808		15,138,808

Components of Ending Fund Balance

	2023-24			2024-25			2025-26		
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined
FUND BALANCE									
Beginning Fund Balance	78,650,055	68,413,269	147,063,324	79,985,544	61,251,156	141,236,700	73,712,199	58,762,909	132,475,108
Ending Fund Balance	79,985,544	61,251,156	141,236,700	73,712,199	58,762,909	132,475,108	65,230,152	56,274,662	121,504,814
Restricted	722,000	61,251,156	61,973,156	722,000	58,762,909	59,484,909	722,000	56,274,662	56,996,662
Committed - Textbook Adoption	10,000,000		10,000,000	10,000,000		10,000,000	10,000,000		10,000,000
Committed - Legal Settlements	2,500,000		2,500,000	2,500,000		2,500,000	2,500,000		2,500,000
Committed- LCAP Supplemental	12,926,344		12,926,344	12,926,344		12,926,344	12,926,344		12,926,344
Committed - Deferred Maintenance	10,000,000		10,000,000	10,000,000		10,000,000	10,000,000		10,000,000
	-		-	-		0	-		0
Assigned (2024-25 Projected Deficit)	6,273,345		6,273,345	-		0	-		0
Assigned (2025-26 Projected Deficit)	8,482,046		8,482,046	8,482,046		8,482,046	-		0
Reserve for Economic Uncertainties	13,802,000		13,802,000	13,675,000		13,675,000	13,943,000		13,943,000
Unassigned	15,279,808		15,279,808	15,406,808		15,406,808	15,138,808		15,138,808

Commitments & Assignments

- ❑ Commitment - Textbook Adoptions
- ❑ Commitment - Legal Settlements
- ❑ Commitment - LCAP Supplemental Carryover
- ❑ Commitment - Deferred Maintenance for school site improvements
- ❑ Assignments: Projected Unrestricted deficits in fiscal years 2024-25 and 2025-26

Future Considerations/Risks

- ❑ The economy poses risks to local budgets, but there are other factors that present more impactful risks for Districts
- ❑ Continued declines in enrollment & student attendance
- ❑ Expiring or spending down of one-time resources
- ❑ Final State Enacted Budget – one-time block grants reduced? Or any other significant changes to address projected state shortfalls
- ❑ Continued cost increases associated with pension & operating increases

Next Steps

- ❑ 2023-24 MDUSD Budget Adoption – June 28th
- ❑ State Enacted Budget – by July 1st
- ❑ 45 Day Revise Update – August 2023
- ❑ 2022-23 Unaudited Actuals – September 2023
- ❑ 2023-24 First Interim – December 2023
- ❑ 2024-25 Governor's January Budget Proposal – January 2024



Conduct Public Hearing