



MT. DIABLO

UNIFIED SCHOOL DISTRICT

2023-2024

Second Interim Report

March 06, 2024 Board Meeting

Adrian Vargas, Chief Business Officer
Nancy Chen, Executive Director of Fiscal Services

California School District Financial Reporting Requirements

- California Education Code requires school districts to file their fiscal condition for TWO reporting periods, October 31 and January 31, including projections of the budget through June 30
- The Second Interim report is snapshot of actual income and expenses through January 31, 2024 and projects budgets through 6/30/2024
- Multi year projections for the next two fiscal years based on the current School Services of California Dartboard
- Requires Governing Board approval and certification



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Financial Reporting Certifications

There are three types of certification based on the multi-year projections at each reporting period.

- **Positive Certification**: District can meet its financial obligations for the current and two subsequent years.
- **Qualified Certification**: District may not meet financial obligations for the current and two subsequent years.
- **Negative Certification**: District will not meet financial obligations in the current year or two subsequent years. Usually shows negative fund balance or reserve for economic uncertainty below the minimum state requirement, 3% for MDUSD



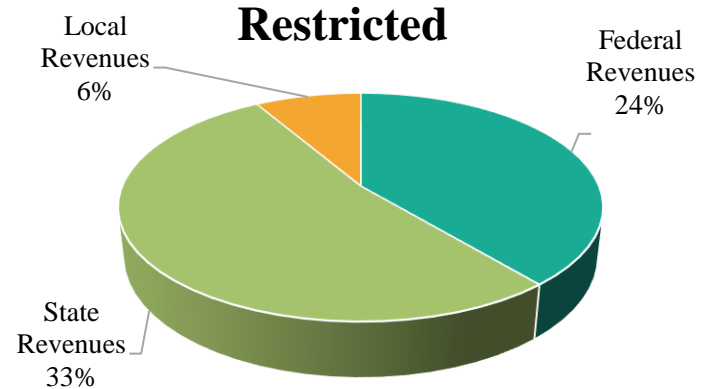
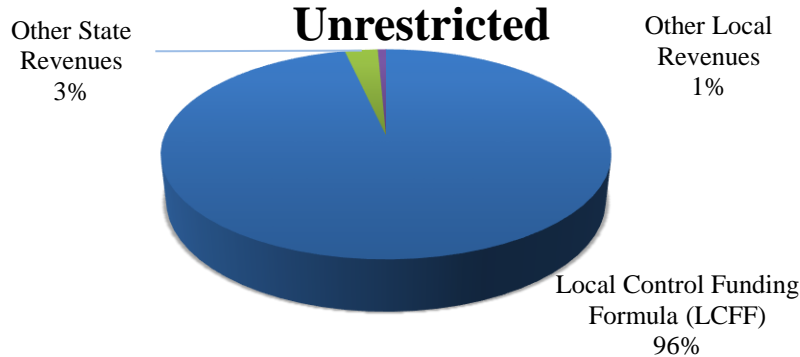
Notable Changes Since First Interim

- Increased LCFF revenues as a result of increased enrollment projections (28,804 to 29,064), higher ADA for Transitional Kindergarten students
- Vacancy savings removed from the unrestricted budget of \$4.3M for both certificated and classified salaries, this was offset by increases for health benefits of \$2.7M
- Restricted materials, supplies and contracted services increased overall by \$1M
- Restricted capital outlay increased by \$2.6M, primarily in our ESSER funds
- Contributions increased by \$1.7M primarily due to covering the health cost increases
- Multiyear projections include the agreement with the MDEA bargaining unit, providing a 9% on the salary schedule increase effective July 1, 2024 and 100% coverage of the Kaiser tier rates effective January 1, 2024



2023-24 General Fund Revenues

Local Control Funding Formula (LCFF)	340,658,388	-	340,658,388
Federal Revenues	-	52,071,958	52,071,958
State Revenues	9,914,672	70,393,325	80,307,997
Local Revenues	2,476,447	12,410,122	14,886,569
Total	353,049,507	134,875,405	487,924,912

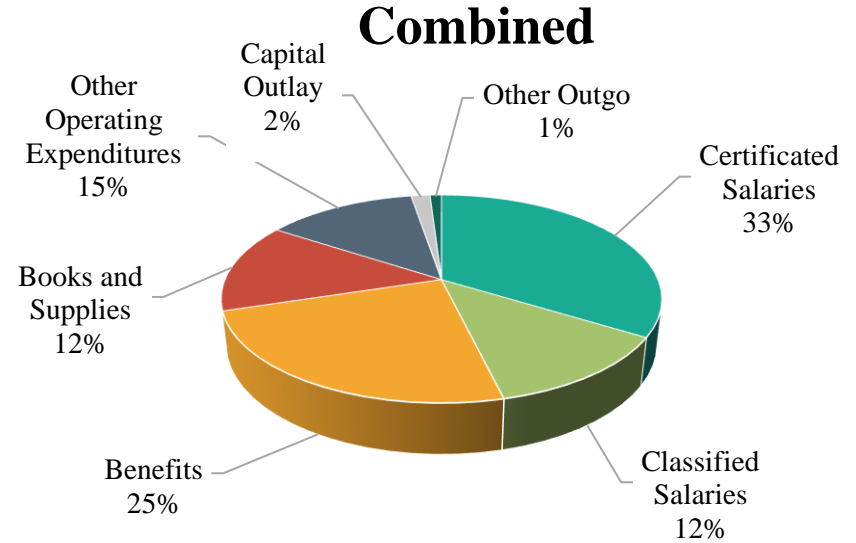
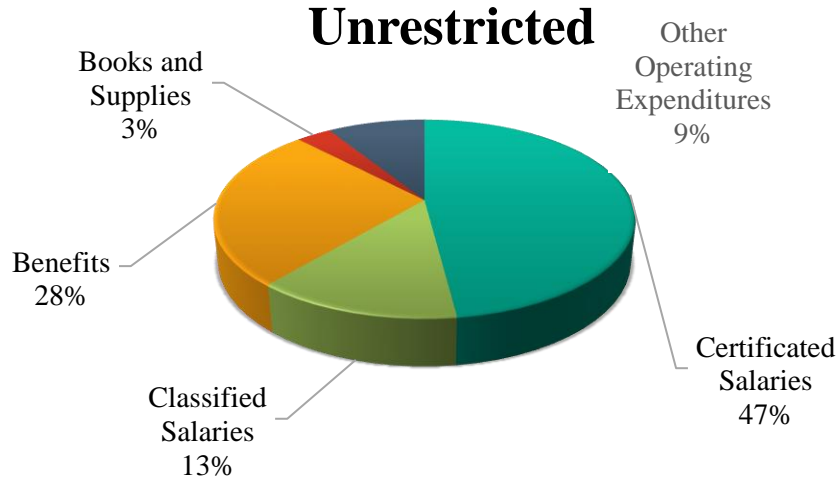


2023-24 General Fund Expenditures

Description	Unrestricted	Restricted	Combined
Certificated Salaries	\$ 128,641,056	\$ 41,680,228	\$ 170,321,284
Classified Salaries	\$ 36,437,548	\$ 26,709,584	\$ 63,147,132
Benefits	\$ 76,197,113	\$ 51,784,237	\$ 127,981,350
Books and Supplies	\$ 8,591,111	\$ 53,704,775	\$ 62,295,886
Other Operating Expenditures	\$ 24,991,479	\$ 53,470,656	\$ 78,462,135
Capital Outlay	\$ 716,534	\$ 10,400,141	\$ 11,116,675
Other Outgo	\$ (4,748,803)	\$ 9,960,530	\$ 5,211,727
TOTAL	\$ 270,826,039	\$ 247,710,151	\$ 518,536,190



2023-24 General Fund Expenditures



2023-24 General Fund Contributions & Transfers Out

Special Education Programs = \$62M

Routine Restricted Maintenance Account = \$15.4M

Federal Program = \$10K

Local Programs = \$1.3M

Total Contributions = \$78.4M

Transfers Out to Deferred Maintenance Fund = \$5M



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2023-24 Fund Summaries

Fund	2022-23	Est. Net Change	2023-24
General (Unrestricted & Restricted)	\$ 182,609,430	\$ (30,611,278)	\$ 151,998,152
Student Activity Fund	\$ 710,408	\$ -	\$ 710,408
Charter Schools Special Revenue Fund	\$ 2,025,844	\$ (266,820)	\$ 1,759,025
Adult Education Fund	\$ 3,145,989	\$ (792,589)	\$ 2,353,400
Cafeteria Special Revenue Fund	\$ 11,808,448	\$ 1,672,450	\$ 13,480,898
Deferred Maintenance Fund	\$ 2,204,536	\$ (1,427,555)	\$ 776,982
Building Fund	\$ 75,918,794	\$ (47,765,074)	\$ 28,153,720
Capital Facilities Fund	\$ 21,952,392	\$ 2,729,760	\$ 24,682,152
County School Facilities Fund	\$ 3,498,508	\$ 111,473	\$ 3,609,981
Capital Projects Fund for Blended Component Units	\$ 31,603	\$ 1,615,041	\$ 1,646,644
Bond Interest and Redemption Fund	\$ 44,746,381	\$ 2,511,078	\$ 47,257,459
Debt Service Fund for Blended Component Units	\$ 7,202,118	\$ 657,013	\$ 7,859,131
Foundation Private-Purpose Trust Fund	\$ 60,883	\$ 1,940	\$ 62,823
TOTAL	\$ 355,915,335	\$ (71,564,560)	\$ 284,350,775



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2023-24 Multiyear (MYP) Assumptions

2024-25 & 2025-26 Revenue Assumptions

- Enrollment flat at 29,064
- ADA to Enrollment ratio at 93.3%, UPP% of 47% for each subsequent year
- LCFF COLA of 0.76%, 2.73% respectively
- Federal, state and local revenues projected to remain constant after the removal of one-time and expiring resources
- Contributions to Special Education programs at \$3M in each of the two subsequent years



2023-24 MYP Assumptions

2024-25 & 2025-26 Expenditure Assumptions

- Step and column increases projected at 1.56% for each year
- 9% on the schedule salary increase effective July 1, 2024
- Unrestricted salaries increase due to TK expansion, the movement of ESSER funded positions and the add back of vacancy savings from 2023-24
- Restricted salaries decrease due to the removal of one-time funds and are offset by projected increases for special education salaries
- Increased benefit costs due to increasing PERS pension rates and health benefits
- Books & materials for unrestricted resources increase due to the CPI. Restricted books and supplies decrease in 2024-25, due to the removal of one time funds.



2023-24 MYP Assumptions

2024-25 & 2025-26 Expenditure Assumptions

- Services and other operating expenditures are projected to increase for unrestricted resources due to projected increases for utilities, property & liability insurance and contracts.
- Restricted services and other operating expenditures decrease in 2024-25 due to the removal of ESSER funds, federal & state carryover funds and are offset by projected increases for special education service contracts.
- Capital outlay and other outgo are projected to remain constant after the removal of one-time expenses
- Indirect costs are adjusted for the removal of one-time restricted expenditures
- Transfers out to the deferred maintenance fund are only being projected in the 2023-24 fiscal year.



2023-24 Second Interim MYP

	2023-24			2024-25			2025-26		
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined
REVENUES AND OTHER FINANCING SOURCES									
LCFF/Revenue Limit Sources	340,658,388	0	340,658,388	335,307,198	-	335,307,198	344,793,741	-	344,793,741
Federal Revenues	0	52,071,958	52,071,958	0	18,609,573	18,609,573	0	18,609,573.26	18,609,573
Other State Revenues	9,914,672	70,393,325	80,307,997	9,914,672	66,445,361	76,360,033	9,914,672	66,445,360.53	76,360,033
Other Local Revenues	2,476,447	12,410,122	14,886,569	2,476,447	11,817,283	14,293,730	2,476,447	11,817,283.06	14,293,730
Total	353,049,507	134,875,405	487,924,912	347,698,317	96,872,217	444,570,533	357,184,860	96,872,216.85	454,057,076
EXPENDITURES AND OTHER FINANCING USES									
Certificated Salaries	128,641,056	41,680,228	170,321,284	146,665,724	40,043,935	186,709,659	148,953,724	41,043,935.02	189,997,659
Classified Salaries	36,437,548	26,709,584	63,147,132	43,963,674	24,294,745	68,258,419	44,649,474	24,794,745.02	69,444,219
Employee Benefits	76,197,113	51,784,237	127,981,350	83,895,205	49,716,260	133,611,464	84,942,605	50,435,259.52	135,377,864
Books and Supplies	8,591,111	53,704,775	62,295,886	8,851,411	19,564,441	28,415,852	9,111,711	14,595,440.62	23,707,152
Services and Operating Expenditures	24,991,479	53,470,656	78,462,135	26,148,679	44,201,643	70,350,322	25,912,559	44,951,642.91	70,864,202
Capital Outlay	716,534	10,400,141	11,116,675	738,234	1,147,091	1,885,325	760,534	1,147,090.54	1,907,625
Other Outgo	0	1,097,586	1,097,586	0	1,097,586	1,097,586	0	1,097,586.00	1,097,586
Other Outgo - Indirect Costs	(9,748,803)	8,862,944	(885,858)	(7,372,230)	6,486,372	(885,858)	(7,372,230)	6,486,371.86	(885,858)
Other Financial Uses-Transfer Out	5,000,000	0	5,000,000	0	0	0	0	0	0
Total	270,826,039	247,710,151	518,536,190	302,890,697	186,552,071	489,442,769	306,958,377	184,552,071.49	491,510,449
OVER/SHORT	82,223,468	(112,834,746)	(30,611,278)	44,807,619	(89,679,855)	(44,872,236)	50,226,482	(87,679,854.64)	(37,453,373)
CONTRIBUTIONS	(78,428,265)	78,428,265	0	(81,428,265)	81,428,265	0	(84,428,265)	84,428,264.61	0
NET INCREASE (DECREASE) IN FUND BALANCE	3,795,203	(34,406,481)	(30,611,278)	(36,620,646)	(8,251,590)	(44,872,236)	(34,201,783)	(3,251,590.03)	(37,453,373)
FUND BALANCE									
Beginning Fund Balance	93,998,538	88,610,892	182,609,430	97,793,741	54,204,411	151,998,152	61,173,096	45,952,820.51	107,125,916
Ending Fund Balance	97,793,741	54,204,411	151,998,152	61,173,096	45,952,821	107,125,916	26,971,313	42,701,230.48	69,672,543
Restricted	722,000	54,204,411	54,926,411	722,000	45,952,821	46,674,821	722,000	42,701,230.48	43,423,230
Committed - 24/25 Negotiation Settlement	45,465,182	0	45,465,182	22,732,591	0	22,732,591	0	0	0
Committed - Legal Settlements	3,000,000	0	3,000,000	3,000,000	0	3,000,000	3,000,000	0	3,000,000
Committed - LCAP Supplemental	12,851,849	0	12,851,849	6,290,263	0	6,290,263	871,814	0	871,814
Assigned: Technology Refresh	0	0	0	0	0	0	2,500,000	0	2,500,000
Assigned: Textbook Adoption	0	0	0	0	0	0	5,000,000	0	5,000,000
Assigned: Projected Deficits	20,197,710	0	20,197,710	13,744,242	0	13,744,242	0	0	0
Reserve for Economic Uncertainties	15,557,000	0	15,557,000	14,684,000	0	14,684,000	14,746,000	0	14,746,000
Unassigned	0	0	0	(0)	(0)	(0)	131,499	0	131,499
Reserve Cap (must be below 10%)				6.90%		5.81%			3.03%



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Future Considerations/Risks

1

The State economy

2

Expiring and
spending down of
one time funds

3

Cost increases for STRS/PERS
rates, health benefits and
other operating costs like
insurance and utilities

4

Enrollment and Student
Attendance maintaining
growth?



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Budget Calendar Timeline



- GOVERNORS 2024
25 JANUARY
BUDGET
PROPOSALS

- 2023-24 SECOND
INTERIM REPORT

- GOVERNORS 2024-25
MAY REVISION

- 2024-25
PROPOSED
BUDGET – PUBLIC
HEARING

- 2024-25 BUDGET
DEVELOPMENT

- 2024-25 BUDGET
ADOPTION



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2023-24 Second Interim Certification

- The district will be able to maintain a 3% minimum required reserve for economic uncertainties in the current year and subsequent years.
- Staff recommends a **POSITIVE** certification for the 2023-24 Second Interim Financial Report.



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Thank You



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