



Eureka City
Schools

2023/2024

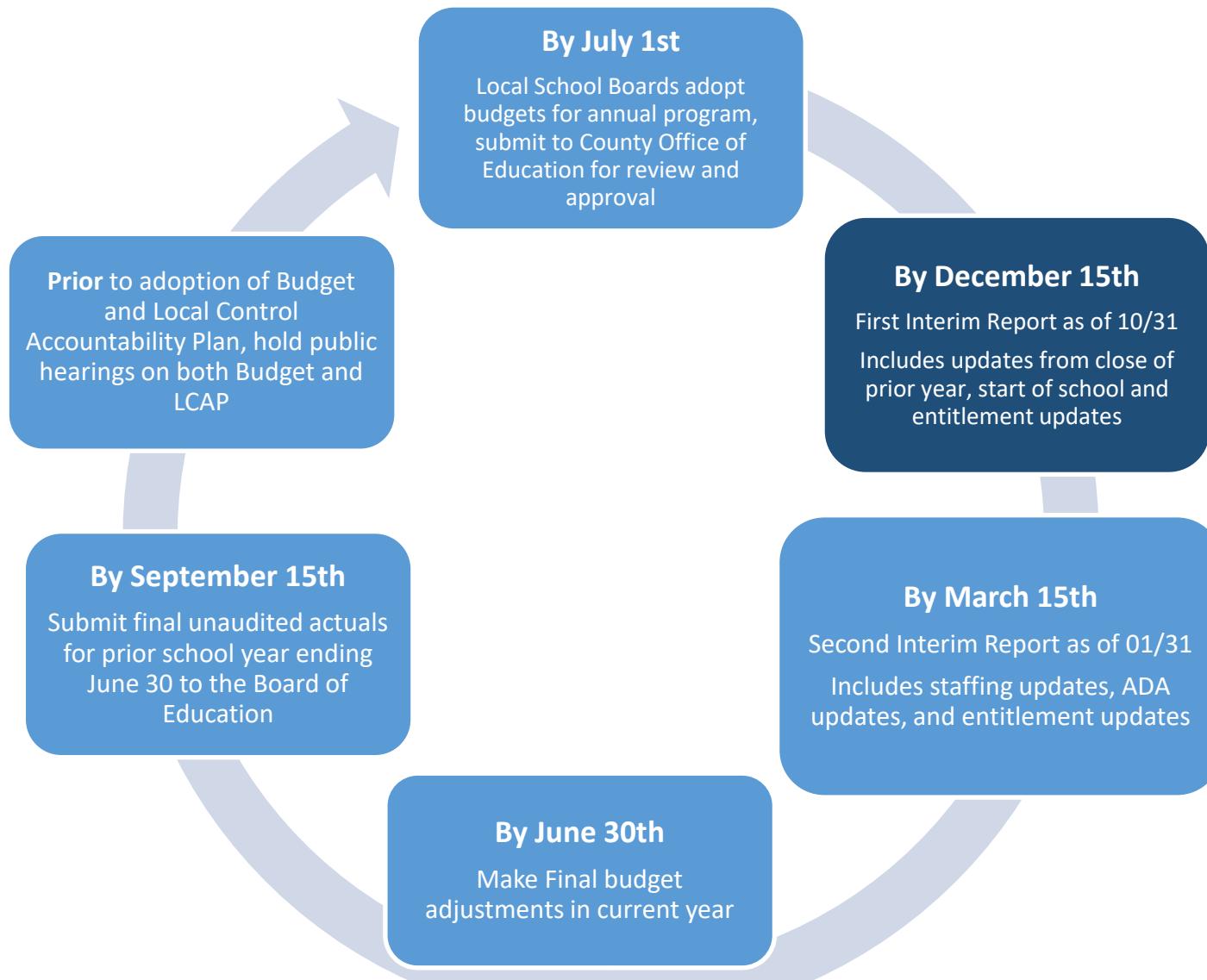
First Interim Report

*December 14, 2023
Presented by: Paul Ziegler
Assistant Superintendent*

ACTION REQUESTED:

Pursuant to Education Code Section 42131, the Governing Board is asked to discuss, receive, and self-certify that Eureka City Schools 2023/2024 First Interim Report is **POSITIVE**. A positive certification means that, based upon current projections, the District will meet its financial obligations for the current fiscal year and two subsequent years.

Certification of the First Interim Report is an annual requirement.



Budget Pressures & Key Considerations

- 1. Expiration of One-Time Funds*
- 2. State's Shifting Financial Picture*
- 3. COLA Projections*
- 4. Declining Enrollment and Average Daily Attendance (ADA)*
- 5. Compensation and Negotiations*
- 6. Facilities*
- 7. Site Supports and Staffing Levels*
- 8. Increased Spending*
- 9. Reserve Levels*



EUREKA CITY SCHOOLS
2023-24 FIRST INTERIM
GENERAL FUND Operating Assumptions

		<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>
COLA (School Services of California Projected COLA)		8.22%	3.94%	3.29%
LCFF BASE PER ADA BY GRADE SPAN	K-3	\$9,919	\$10,310	\$10,649
	4-6	\$10,069	\$10,466	\$10,810
	7-8	\$10,367	\$10,775	\$11,129
	9-12	\$12,015	\$12,488	\$12,899
Unduplicated Percent (Three Year Rolling Average)		73.07%	73.66%	73.67%
Unduplicated Percent Annual		73.67%	73.67%	73.67%
Enrollment		3,526	3,447	3,420
ADA		3,208	3,135	3,110
ADA Guarantee (The greater of CURRENT Year, PRIOR Year, or THREE YEAR ROLLING)		3,353	3,272	3,185
Lottery Per ADA	Base	\$170	\$170	\$170
	Prop 20	\$67	\$67	\$67
COVID Funds Spending Update				
Extended Learning Opportunity Grant (One-time)		\$1,508,253	-	-
ESSER III Learning Loss Funding (One-Time)		\$2,171,194	-	-
	Totals	\$3,679,447	\$0	\$0

EUREKA CITY SCHOOLS
2023-24 FIRST INTERIM
GENERAL FUND Operating Assumptions

	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	
New Funding Sources				
Arts, Music, and Instructional Materials Discretionary (available through 2025/26) (Remaining balance as of June 30, 2023)	\$1,090,990	-	-	
Learning Recovery Emergency Block Grant (available through 2027/28) (Remaining balance as of June 30, 2023)	\$3,687,057	-	-	
School Based Mental Health Grant	\$1,112,176	\$1,130,308	\$1,145,970	
California Community Schools Partnership Program (CCSPP)	\$2,350,000	\$2,350,000	\$2,350,000	
Totals	\$8,240,223	\$3,480,308	\$3,495,970	
Step & Column (Salary & Statutory Benefits)	Certificated Classified Management TOTAL	\$256,321 \$153,895 \$68,582 \$478,798	\$280,193 \$212,156 \$75,370 \$567,719	\$272,869 \$218,583 \$75,518 \$566,970
1% Increase (Salary & Statutory Benefits) - General Fund Only	Certificated Classified Management TOTAL	\$185,359 \$125,006 \$77,637 \$388,002	--- --- --- ---	--- --- --- ---
Retirees (Certificated)		2.0	2.0	2.0
CALPERS Projected Rates	Classified	26.68%	27.70%	28.30%
CalSTRS Projected Rates	Certificated	19.10%	19.10%	19.10%
Projected Minimum Wage Rates	\$ 16.00	\$ 16.50	\$ 16.90	
Cumulative Estimated Salary and Benefits Increase Cost for All Funds	\$ 1,155	\$ 18,071	\$ 49,152	

REVENUE PROJECTIONS

EUREKA CITY SCHOOLS
 2023/24 1st Interim
 LCFF REVENUE PROJECTIONS

1st Interim vs. Budget Adoption

	Projected 2023/24	Projected 2024/25	Projected 2025/26
<u>2023/24 Budget Adoption:</u>			
Base/Add-On	38,758,983	39,479,265	40,025,268
Sup & Con	<u>9,982,514</u>	<u>10,335,723</u>	<u>10,460,491</u>
Total	<u>48,741,497</u>	<u>49,814,988</u>	<u>50,485,759</u>
<u>2023/24 1st Interim:</u>			
Base/Add-On	38,797,540	39,482,067	39,723,478
Sup & Con	<u>9,996,157</u>	<u>10,349,336</u>	<u>10,396,622</u>
Total	<u>48,793,697</u>	<u>49,831,403</u>	<u>50,120,100</u>
<u>Change from Budget Adoption to 1st Interim:</u>			
Base/Add-On	38,557	2,802	(301,790)
Sup & Con	<u>13,643</u>	<u>13,613</u>	<u>(63,869)</u>
Total	<u>52,200</u>	<u>16,415</u>	<u>(365,659)</u>

EUREKA CITY SCHOOLS
 2023/24 1st Interim
 LCFF REVENUE PROJECTIONS

LCFF Revenue Year-Over-Year Comparison

	<u>Actual 2022/23</u>	<u>Projected 2023/24</u>	<u>Change From Prior Year</u>		<u>Projected 2024/25</u>	<u>Change From Prior Year</u>		<u>Projected 2025/26</u>	<u>Change From Prior Year</u>	
COLA	6.56%	8.22%			3.94%			3.29%		
Augmentation	6.70%	---			---			---		
Base/Add-On	36,802,259	38,797,540	1,995,281	5.42%	39,482,067	684,527	1.76%	39,723,478	241,411	0.61%
Sup & Con	9,095,774	9,996,157	900,383	9.90%	10,349,336	353,179	3.53%	10,396,622	47,286	0.46%
Total	45,898,033	48,793,697	2,895,664	6.31%	49,831,403	1,037,706	2.13%	50,120,100	288,697	0.58%

EUREKA CITY SCHOOLS
2023/24 1st Interim
LCFF REVENUE PROJECTIONS

1% COLA SCENARIO

	Actual 2022/23	Projected 2023/24	Change From Prior Year	Projected 2024/25	Change From Prior Year	Projected 2025/26	Change From Prior Year
COLA	6.56%	8.22%		1.00%		1.00%	
Augmentation	6.70%	---		---		---	
Base/Add-On	36,802,259	38,797,540	1,995,281 5.42%	38,372,205	(425,335) -1.10%	37,756,173	(616,032) -1.61%
Sup & Con	9,095,774	9,996,157	900,383 9.90%	10,056,852	60,695 0.61%	9,878,989	(177,863) -1.77%
Total	45,898,033	48,793,697	2,895,664 6.31%	48,429,057	(364,640) -0.75%	47,635,162	(793,895) -1.64%

2023/24 COLA	<u>3,772,819</u>	<u>8.22%</u>
Lost Revenue due to Declining Enrollment/ADA	(877,155)	-1.91%
Total PROJECTED LCFF REVENUE	<u>2,895,664</u>	<u>6.31%</u>
OTHER PROJECTED COST INCREASES		
PERS Rate Increase	(158,170)	-0.34%
Step & Column	(478,498)	-1.04%
Special Education Expenditures	(1,204,424)	-2.62%
Energy and Utilities Increase	---	---
Inflation	---	---
NET PROJECTED EFFECTIVE LCFF REVENUE	<u>1,054,572</u>	<u>2.30%</u>

RECAP OF ONE-TIME FUNDING

Legislation/ Funding Source	From	To	Allocation	Remaining Dollars***
CR Funds	CARES	3/1/2020	5/30/2021	\$ 3,005,939
GF Funds	CARES	3/1/2020	6/30/2021	\$ 313,573
GEER	CARES	3/13/2020	9/30/2021	\$ 271,407
In-Person Instruction Grant	AB 86	3/1/2020	8/31/2022	\$ 1,412,217
ESSER I	CARES	3/13/2020	9/30/2022	\$ 1,163,076
ESSER II	CRRSA	3/13/2020	9/30/2023	\$ 4,829,296
** ESSER III	ARPO	3/1/2020	9/30/2024	\$ 10,852,848
* Extended Learning Opportunities	AB 86	3/1/2020	9/30/2024	\$ 2,687,378
SB 117 Covid 19	SB 117	3/13/2020	N/A	\$ 60,397
				\$ 24,596,131
				\$ 3,703,362

* ELO funding is inclusive of Allocation for Homeless Students and 10% set-aside for paraprofessionals

** ESSER III funding is inclusive of 20% set-aside for learning loss resources

***As of June 30, 2023

OTHER FUNDING

	Legislation/ Funding Source	From	To	Allocation	Remaining Dollars***
ELO-P (New Recurring)*	State	7/1/2023	6/30/2024	\$ 1,860,519	\$ -
Educator Effectiveness (One-Time)	State	7/1/2021	6/30/2026	\$ 969,267	\$ 775,414
Universal PreK Planning Grant	State	7/1/2021	6/30/2024	\$ 142,152	\$ 142,152
California Community Schools Partnership Program (CCSPP) Round 1	State	7/1/2022	6/30/2027	\$ 3,562,500	\$ 2,812,500
California Community Schools Partnership Program (CCSPP) Round 2**	State	7/1/2023	6/30/2028	\$ 7,600,000	\$ 7,600,000
Learning Recovery Support (Special Ed)	State	7/1/2021	6/30/2023	\$ 332,909	\$ -
Arts, Music, Instructional Materials Block Grant	State	7/1/2022	6/30/2026	\$ 1,090,990	\$ 1,090,990
Learning Recovery Emergency Block Grant	State	7/1/2022	6/30/2028	\$ 3,687,057	\$ 3,687,057
A-G Completion Improvement Grant	State	7/1/2022	6/30/2026	\$ 162,618	\$ 162,618
Universal PreK Planning Grant	State	7/1/2021	6/30/2024	\$ 142,152	\$ 142,152
School Based Mental Health Services Grant	Federal	1/1/2023	12/31/2027	\$ 5,075,302	\$ 4,542,910
Prop 28 Funding**	State	7/1/2023	6/30/2024	\$ 623,999	\$ 623,999

*ELOP received 729,153 for 21/22 Estimated \$2M for 22/23 onward

**Not included in the Budget Adoption

EXPENDITURE ITEMS

2023/24 1st Interim

STRS AND PERS TREND (General Fund Only)

	<u>STRS %</u>	<u>STRS \$</u>	<u>PERS %</u>	<u>PERS \$</u>
2015/16	10.73%	\$1,660,276	11.80%	\$765,148
2016/17	12.58%	\$1,929,774	13.89%	\$818,957
2017/18	14.43%	\$2,211,089	15.53%	\$982,449
2018/19	16.28%	\$2,540,490	18.06%	\$1,221,977
2019/20	17.10%	\$2,625,095	19.72%	\$1,346,925
2020/21	16.15%	\$2,407,839	20.70%	\$1,372,829
2021/22	16.92%	\$2,917,293	22.91%	\$1,942,088
2022/23	19.10%	\$3,438,617	25.37%	\$2,569,771
2023/24	19.10%	\$3,602,722	26.68%	\$3,096,415
2024/25	19.10%	\$3,663,540	27.70%	\$3,279,019
2025/26	19.10%	\$3,702,962	28.30%	\$3,422,042

(Excludes STRS & PERS on Behalf of Pension contribution)

**EUREKA CITY SCHOOLS
2023/24 FIRST INTERIM
SPECIAL EDUCATION COSTS**

	Actual Costs				Projected Costs		
	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>
<u>Special Education Expense</u>							
State and Federal	6,128,320	5,792,255	6,280,275	7,061,602	7,702,043	7,865,702	7,992,677
HCOE Chargeback	2,105,469	2,146,620	1,776,924	2,248,938	2,812,921	2,812,921	2,812,921
Total Expenditures	8,233,789	7,938,875	8,057,199	9,310,540	10,514,964	10,678,623	10,805,598
Increase From Prior Year	(71,029)	(294,914)	118,324	1,253,341	1,204,424	163,659	126,975
Encroachment	<u>5,072,000</u>	<u>4,614,000</u>	<u>4,524,000</u>	<u>4,822,000</u>	<u>6,879,000</u>	<u>7,009,000</u>	<u>7,136,000</u>
% of Total Expense	62%	58%	56%	52%	65%	66%	66%

- 2017/18 through 2024/25 ENCROACHMENT adjusted to show estimated ADA revenue (Local Control Funding Formula) generated by Special Education students

GENERAL FUND & RESERVES COMPARISON

2023/24 First Interim General Fund Comparison

	General Fund 2022/23 Unaudited Actuals	General Fund 2023/24 Budget Adoption	General Fund 2023/24 1st Interim	General Fund 2024/25 MYP1	General Fund 2025/26 MYP2
A. REVENUES					
LCFF/Revenue Limit Sources	\$ 45,901,013	48,741,497	48,793,697	49,831,403	50,120,100
Federal Sources	10,773,160	6,998,234	9,847,140	5,572,444	5,579,056
Other State Sources	13,151,120	7,097,581	9,610,463	9,224,497	9,076,919
Other Local Sources	2,929,368	3,696,467	3,573,406	3,573,406	3,573,406
Total Revenue	72,754,661	66,533,779	71,824,706	68,201,750	68,349,481
B. EXPENDITURES					
Certificated Salaries	18,859,544	19,747,338	20,208,910	20,293,171	20,502,262
Classified Salaries	10,504,178	11,988,484	12,074,031	12,293,768	12,560,118
Employee Benefits	15,676,813	17,703,842	17,405,774	17,706,970	17,923,210
Supplies	5,210,265	4,919,445	5,844,896	4,988,839	4,939,028
Services & Other Operating	5,683,210	6,868,447	10,521,639	8,840,246	7,224,566
Capital Outlay	1,328,935	1,448,219	2,442,795	1,942,795	1,942,795
Other Outgo (Chargeback from HCOE)	2,746,344	3,335,972	3,537,719	3,537,719	3,537,719
Support Costs (Indirect Cost Transfers)	(167,811)	(134,216)	(134,216)	(134,216)	(134,216)
Total Expenditures	59,841,478	65,877,531	71,901,548	69,469,292	68,495,482
C. EXCESS REVENUES (EXPENDITURES)	12,913,183	656,248	(76,842)	(1,267,542)	(146,001)
D. OTHER FINANCING SOURCES/USES					
Interfund Transfers In	0	0	0	0	0
Interfund Transfers (Out)	(61,467)	(441,988)	(70,850)	(369,595)	(431,458)
Total Other Sources (Uses)	(61,467)	(441,988)	(70,850)	(369,595)	(431,458)
E. FUND BALANCE INCREASE (DECREASE)	12,851,716	214,260	(147,692)	(1,637,137)	(577,459)
F. ADJUSTED BEGINNING BALANCE	26,550,701	35,743,890	39,402,417	39,254,725	37,617,588
G. ENDING BALANCE	\$ 39,402,417	35,958,150	39,254,725	37,617,588	37,040,129

2023/24 First Interim Unrestricted General Fund Comparison

	General Fund 2022/23 Unaudited Actuals	General Fund 2023/24 Budget Adoption	General Fund 2023/24 1st Interim	General Fund 2024/25 MYP1	General Fund 2025/26 MYP2
A. REVENUES					
LCFF/Revenue Limit Sources	\$ 45,901,013	48,741,497	48,793,697	49,831,403	50,120,100
Federal Sources	543	601	601	601	601
Other State Sources	1,052,899	717,513	740,681	740,681	740,681
Other Local Sources	(587,414)	626,349	626,349	626,349	626,349
Total Revenue	<u>46,367,041</u>	<u>50,085,960</u>	<u>50,161,328</u>	<u>51,199,034</u>	<u>51,487,731</u>
B. EXPENDITURES					
Certificated Salaries	11,706,438	13,001,180	12,950,809	15,021,867	15,152,621
Classified Salaries	4,986,115	6,700,426	6,639,872	7,068,016	7,223,265
Employee Benefits	7,717,194	9,536,083	9,018,882	10,312,054	10,440,131
Supplies	3,471,817	3,819,759	3,266,594	3,015,167	3,015,167
Services & Other Operating	3,765,360	4,432,746	4,512,089	4,153,365	4,151,933
Capital Outlay	534,002	1,065,152	2,059,728	1,559,728	1,559,728
Other Outgo (Chargeback from HCOE)	599,085	724,798	724,798	724,798	724,798
Support Costs (Indirect Cost Transfers)	(562,383)	(435,182)	(475,753)	(425,183)	(425,183)
Total Expenditures	<u>32,217,628</u>	<u>38,844,962</u>	<u>38,697,019</u>	<u>41,429,812</u>	<u>41,842,460</u>
C. EXCESS REVENUES (EXPENDITURES)	<u>14,149,413</u>	<u>11,240,998</u>	<u>11,464,309</u>	<u>9,769,222</u>	<u>9,645,271</u>
D. OTHER FINANCING SOURCES/USES					
Interfund Transfers In	0	0	0	0	0
Interfund Transfers (Out)	(61,467)	(441,988)	(70,850)	(369,595)	(431,458)
Contributions	(8,057,140)	(9,901,061)	(9,812,383)	(9,999,761)	(10,157,239)
Total Other Sources (Uses)	<u>(8,118,607)</u>	<u>(10,343,049)</u>	<u>(9,883,233)</u>	<u>(10,369,356)</u>	<u>(10,588,697)</u>
E. FUND BALANCE INCREASE (DECREASE)	<u>6,030,806</u>	<u>897,949</u>	<u>1,581,076</u>	<u>(600,134)</u>	<u>(943,426)</u>
F. ADJUSTED BEGINNING BALANCE	<u>22,331,298</u>	<u>28,301,435</u>	<u>28,362,104</u>	<u>29,943,180</u>	<u>29,343,046</u>
G. ENDING BALANCE	\$ 28,362,104	29,199,384	29,943,180	29,343,046	28,399,620

2023/24 First Interim

Restricted General Fund Comparison

	General Fund 2022/23 Unaudited Actuals	General Fund 2023/24 Budget Adoption	General Fund 2023/24 1st Interim	General Fund 2024/25 MYP1	General Fund 2025/26 MYP2
A. REVENUES					
Revenue Limit Sources	\$ 0	0	0	0	0
Federal Sources	10,772,617	6,997,633	9,846,539	5,571,843	5,578,455
Other State Sources	12,098,221	6,380,068	8,869,782	8,483,816	8,336,238
Other Local Sources	3,516,782	3,070,118	2,947,057	2,947,057	2,947,057
Total Revenue	<u>26,387,620</u>	<u>16,447,819</u>	<u>21,663,378</u>	<u>17,002,716</u>	<u>16,861,750</u>
B. EXPENDITURES					
Certificated Salaries	7,153,106	6,746,158	7,258,101	5,271,304	5,349,641
Classified Salaries	5,518,063	5,288,058	5,434,159	5,225,752	5,336,853
Employee Benefits	7,959,619	8,167,759	8,386,892	7,394,916	7,483,079
Supplies	1,738,448	1,099,686	2,578,302	1,973,672	1,923,861
Services & Other Operating	1,917,850	2,435,701	6,009,550	4,686,881	3,072,633
Capital Outlay	794,933	383,067	383,067	383,067	383,067
Other Outgo (Chargeback from HCOE)	2,147,259	2,611,174	2,812,921	2,812,921	2,812,921
Support Costs (Indirect Cost Transfers)	394,572	300,966	341,537	290,967	290,967
Total Expenditures	<u>27,623,850</u>	<u>27,032,569</u>	<u>33,204,529</u>	<u>28,039,480</u>	<u>26,653,022</u>
C. EXCESS REVENUES (EXPENDITURES)	<u>(1,236,230)</u>	<u>(10,584,750)</u>	<u>(11,541,151)</u>	<u>(11,036,764)</u>	<u>(9,791,272)</u>
D. OTHER FINANCING SOURCES/USES					
Interfund Transfers Out	0	0	0	0	0
Contributions	8,057,140	9,901,061	9,812,383	9,999,761	10,157,239
Total Other Sources (Uses)	<u>8,057,140</u>	<u>9,901,061</u>	<u>9,812,383</u>	<u>9,999,761</u>	<u>10,157,239</u>
E. FUND BALANCE INCREASE (DECREASE)	<u>6,820,910</u>	<u>(683,689)</u>	<u>(1,728,768)</u>	<u>(1,037,003)</u>	<u>365,967</u>
F. ADJUSTED BEGINNING BALANCE	<u>4,219,403</u>	<u>7,442,455</u>	<u>11,040,313</u>	<u>9,311,545</u>	<u>8,274,542</u>
G. ENDING BALANCE	\$ 11,040,313	6,758,766	9,311,545	8,274,542	8,640,509

2023/24 First Interim Reserves Comparison

UNRESTRICTED RESERVES COMPARISON

	Unaudited Actuals 2022/23	1st Interim 2023/24 Current Year	1st Interim 2024/25 MYP 1	1st Interim 2025/26 MYP 2
Fund 01 Unrestricted Ending Balance	28,362,104	29,943,180	29,343,046	28,399,620
Fund 17 Special Reserve Ending Balance	1,595,277	1,625,277	1,655,277	1,685,277
TOTAL RESERVES:	<u>29,957,381</u>	<u>31,568,457</u>	<u>30,998,323</u>	<u>30,084,897</u>
Total General Fund Expenditures, Transfers Out and Uses	<u>59,902,945</u>	<u>71,972,398</u>	<u>69,838,887</u>	<u>68,926,940</u>
Budgeted Reserve Level	<u>50.01%</u>	<u>43.86%</u>	<u>44.39%</u>	<u>43.65%</u>
<i>Budgeted Reserve Level at 2023/24</i>				
<i>Budget Adoption</i>	-----	<u>46.57%</u>	<u>45.47%</u>	<u>43.34%</u>

EUREKA CITY SCHOOLS
2023/24 1st INTERIM

UNRESTRICTED RESERVES COMPONENTS

	2023/24 1st INTERIM		2025/26 MYP 2	
	\$	%	\$	%
Designated for Economic Uncertainty & Fund 17 Special Reserves (5%)	3,598,620	5.00%	3,446,347	5.00%
Routine Maintenance Reserve (3%)	2,159,172	3.00%	2,067,808	3.00%
Special Education Reserve (2%)	1,439,448	2.00%	1,378,539	2.00%
Equipment Reserve (1%)	719,724	1.00%	689,269	1.00%
Computer Replacement/Technology Reserve	2,448,000	3.40%	2,856,000	4.14%
Supplemental and Concentration Fund Reserve	4,833,697	6.72%	5,481,903	7.95%
Other Resources (Lottery, Instructional Materials, etc.)	677,688	0.94%	699,064	1.01%
Neighborhood Investment Reserve	350,000	0.49%	350,000	0.51%
Construction/Solar Investment Reserve	10,000,000	13.89%	10,000,000	14.51%
OPEB Trust Funding Reserve	4,783,848	6.65%	2,557,707	3.71%
Excess Salary increase Reserve	472,848	0.66%	472,848	0.69%
Cash, Prepaid, Stores, Other	85,412	0.12%	85,412	0.12%
TOTAL UNRESTRICTED RESERVES: (Target 11%)	31,568,457	43.86%	30,084,897	43.64%
Total General Fund Expenditures, Transfers Out and Uses	<u>71,972,398</u>		<u>68,926,940</u>	

RECOMMENDATION

Staff recommends the Governing Board approve the 2023/24 First Interim Report with a **POSITIVE** certification.