



2023-24

# First Interim Report

**COTATI-ROHNERT PARK UNIFIED SCHOOL DISTRICT**

**SCHOOL BOARD PRESENTATION**

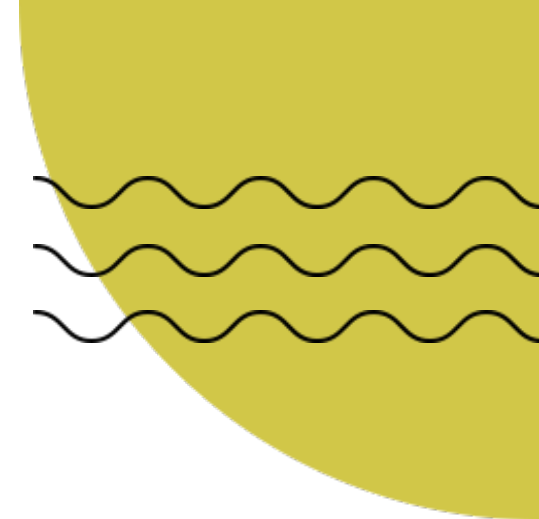
**DATE 12/5/23**

# 2023-24 1<sup>st</sup> Interim State Report

- California Education Code 42130 requires the Superintendent to prepare and submit two interim financial reports to the Board each fiscal year
- After reviewing the report, California Education Code 42131 requires the Board to certify the district's ability to meet its financial obligations for the remainder of the current fiscal year as well as the following two fiscal years



# 2023-24 1<sup>st</sup> Interim State Report



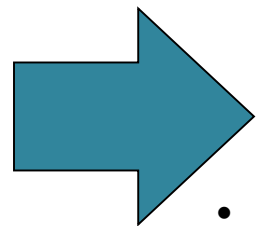
## Process:

- Update the district budget for changes in revenues and expenditures since budget adoption using the most current information available and update multi-year projections (MYP) using the most current assumptions
- The report is sent to the Sonoma County Office of Education (SCOE) for review. District will receive a letter from SCOE noting approval (or disapproval)



# State Budget Process

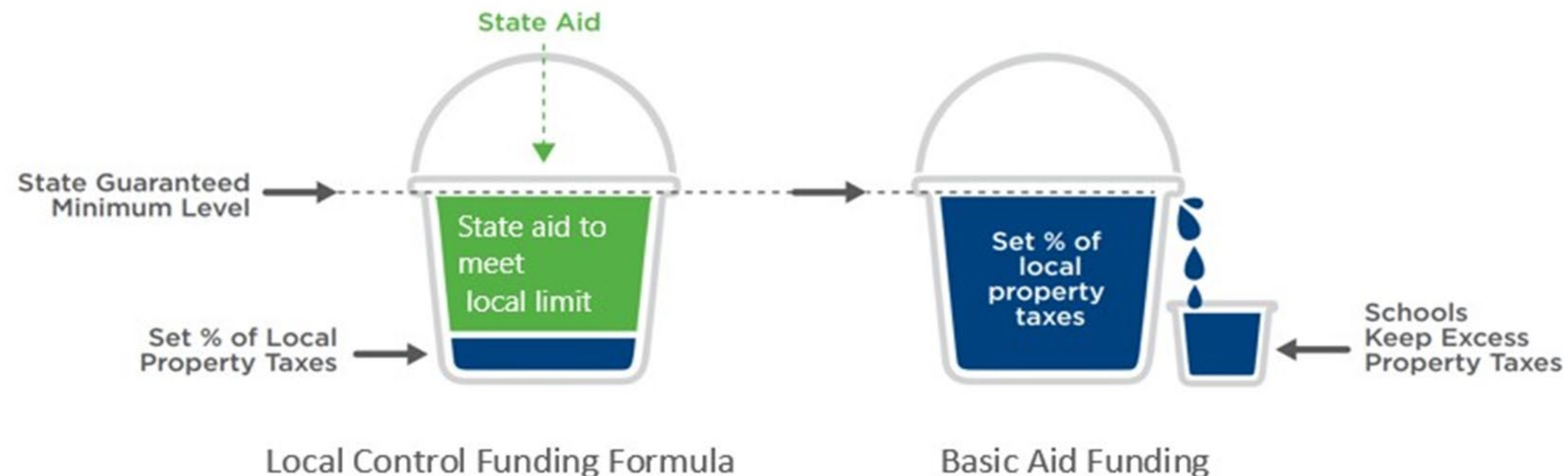
- January
  - Governor's proposed budget for budget year
- February
  - Legislative Analyst review with comments
- April
  - Statutory COLA recalculated
- May
  - "May Revise" reflects tax adjustments
- June 15 (or later)
  - Final adopted State budget
    - COLAs, "gap" funding
    - Potential additional programs, or funding changes
- November
  - Legislative Analyst Report (LAO Report)
    - Projections for next year based on tax collections and economic predictors
- January
  - Governor's proposed budget for next budget year...



# State Funded vs Basic Aid

- District is entitled to a calculated Entitlement
  - Comprised of property taxes and State Aid
  - **When property taxes don't fill the bucket, the State makes up the shortfall with State Aid**

- District is entitled to a calculated Entitlement
  - Comprised of property taxes and State Aid
  - **If Property taxes fill the bucket and overflow, the district keeps the overflow \$\$ and only receives a minimum amount of State Aid**



# Components: Funding Factors

## Planning Factors for 2023-24 and MYPs

	2022-23	2023-24	2024-25	2025-26
<b>Statutory COLA</b>	6.56%	8.22%	3.94%	3.29%
<b>COLA Investment</b>	6.70%	0.00%	0.00%	0.00%
<b>Funded LCFF Cola</b>	13.26%	8.22%	3.94%	3.29%
<b>STRS Employer Rates</b>	19.10%	19.10%	19.10%	19.10%
<b>PERS Employer Rates</b>	25.37%	26.68%	27.70%	28.30%
<b>Unemployment Insurance Rate</b>	0.50%	0.05%	0.05%	0.05%
<b>Lottery per ADA</b>				
<b>Unrestricted</b>	\$ 204.00	\$ 177.00	\$ 177.00	\$ 177.00
<b>Restricted</b>	\$ 100.00	\$ 72.00	\$ 72.00	\$ 72.00
<b>Mandated Block Grant for Districts</b>				
<b>K-8 per ADA</b>	\$ 34.94	\$ 37.81	\$ 39.30	\$ 40.59
<b>9-12 per ADA</b>	\$ 67.31	\$ 72.84	\$ 75.71	\$ 78.20
<b>Routine Restricted Maintenance</b>	Minimum of 3% of total GF expenditures (based on actual expenditures)			
<b>Est. Funded ADA</b>	5,712.18	5,744.41	5,772.89	5,782.14
<b>District Enrollment</b>	6,009	6,148	6,193	6,203
<b>Unduplicated Pupil Count %</b>	47.44%	45.79%	45.71%	45.00%

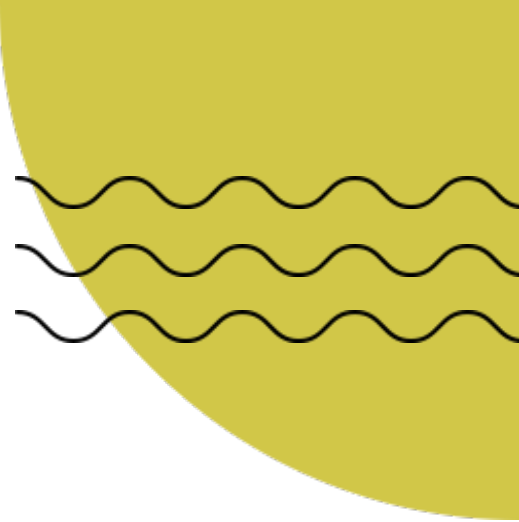


# What has changed since Budget Adoption?

- Adjusted salaries and benefits to reflect actual projected costs
- Posted carryover and budgets were increased accordingly within books, supplies and professional services
- Local revenue budgets are adjusted as actual donations are received
- Contributions to Special Education adjusted closer to projected actual costs



# Key Budget Assumptions

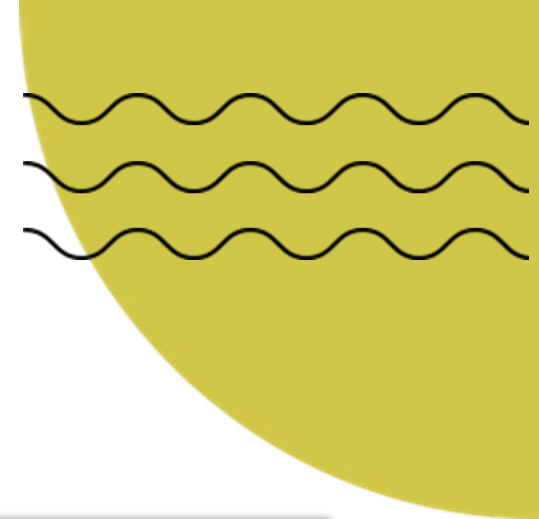


- All step and column adjustments, vacancies and late hires reflected in budget
- Department of Finance published COLA funding assumptions
- Increased STRS & PERS costs accordingly using current projected rates
- 4% increase to health & welfare benefits
- Funded Average Daily Attendance (ADA) projected at 5,744 (current est. ADA) for 2023-24
- Funded ADA for 2024-25 of 5,773 (current projected ADA for 2024-25)
- Funded ADA for 2025-26 of 5,782 (current projected ADA for 2025-26)
- District unduplicated pupil count (UPC) well below the 55% threshold for Concentration Grant Funds
  - District does not project receipt of these funds in foreseeable future
- Costs for potential salary adjustment included below the line in MYP





# General Fund 2023-24 Revenue Budget

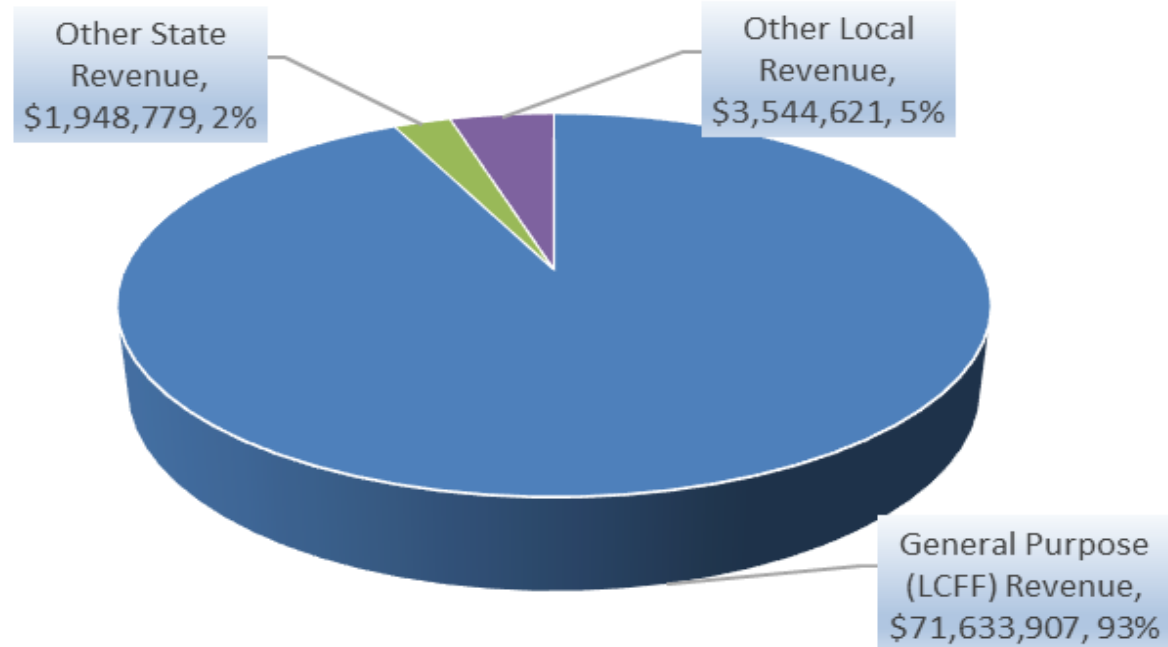


DESCRIPTION	Unrestricted	Combined	
General Purpose (LCFF) Revenue	\$71,633,907	\$72,806,316	<p><b>General Purpose –</b> Property taxes, basic state aide, and education protection account funds</p> <p><b>Federal –</b> District must follow specific grant guidelines (Title I, Title II, etc.)</p> <p><b>Other State –</b> State funds not part of State Aid (Lottery, Special Education, Mandate etc.)</p> <p><b>Local –</b> Funds received from local sources (Parcel Tax, Casino Funds, Foundation support, PTSA support, Interest, etc.)</p>
Federal Revenue	\$0	\$3,684,823	
Other State Revenue	\$1,948,779	\$10,195,734	
Other Local Revenue	\$3,544,621	\$8,536,730	
<b>TOTAL</b>	<b>\$77,127,307</b>	<b>\$95,223,603</b>	

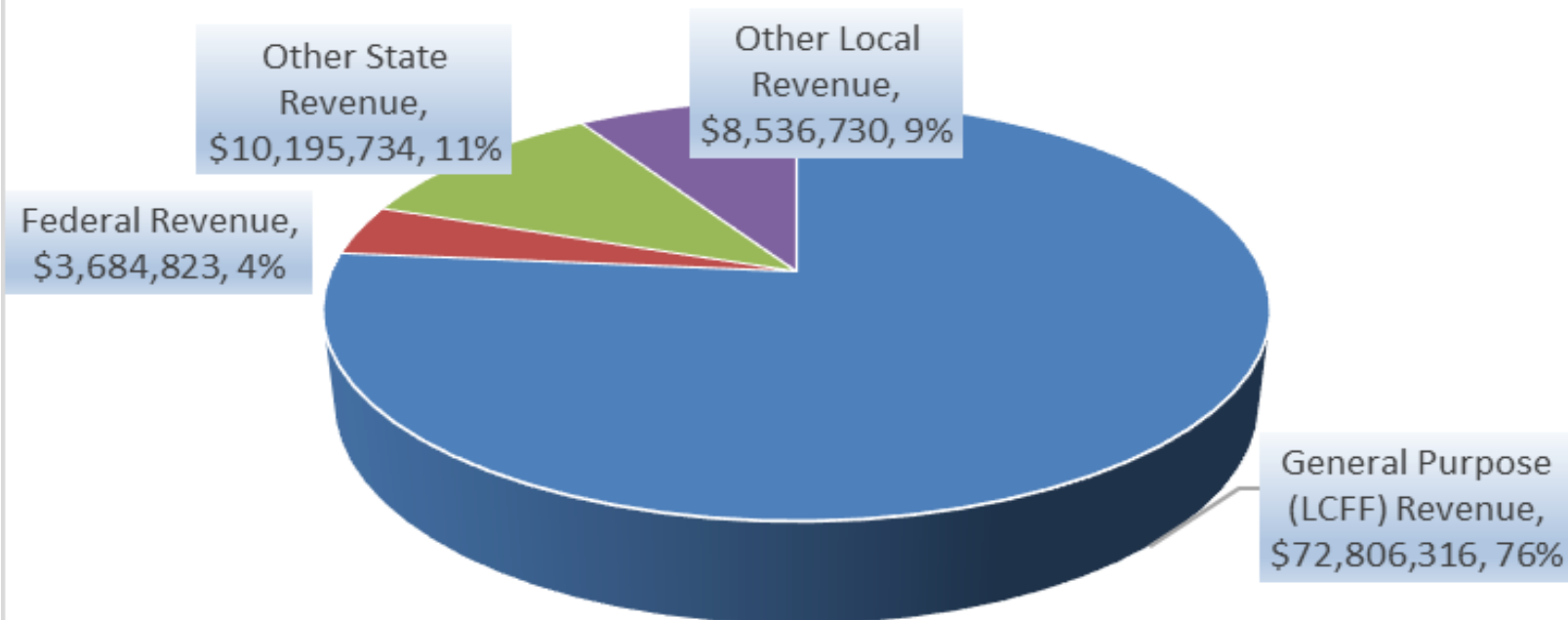


# General Fund Revenue Budget

**2023-24 First Interim  
Unrestricted General Fund Revenue**



**2023-24 First Interim  
Total General Fund Revenue**



**General Purpose –**  
Property taxes, basic state  
aide, and education  
protection account funds

**Federal –** District must  
follow specific grant  
guidelines (Title I, Title II,  
etc.)

**Other State –** State  
funds not part of State  
Aide (Lottery, Special  
Education, Mandate etc.)

**Local –** Funds received  
from local sources (Parcel  
Tax, Casino Funds,  
Foundation support, PTSA  
support, Interest, etc.)



# General Fund Expenditures

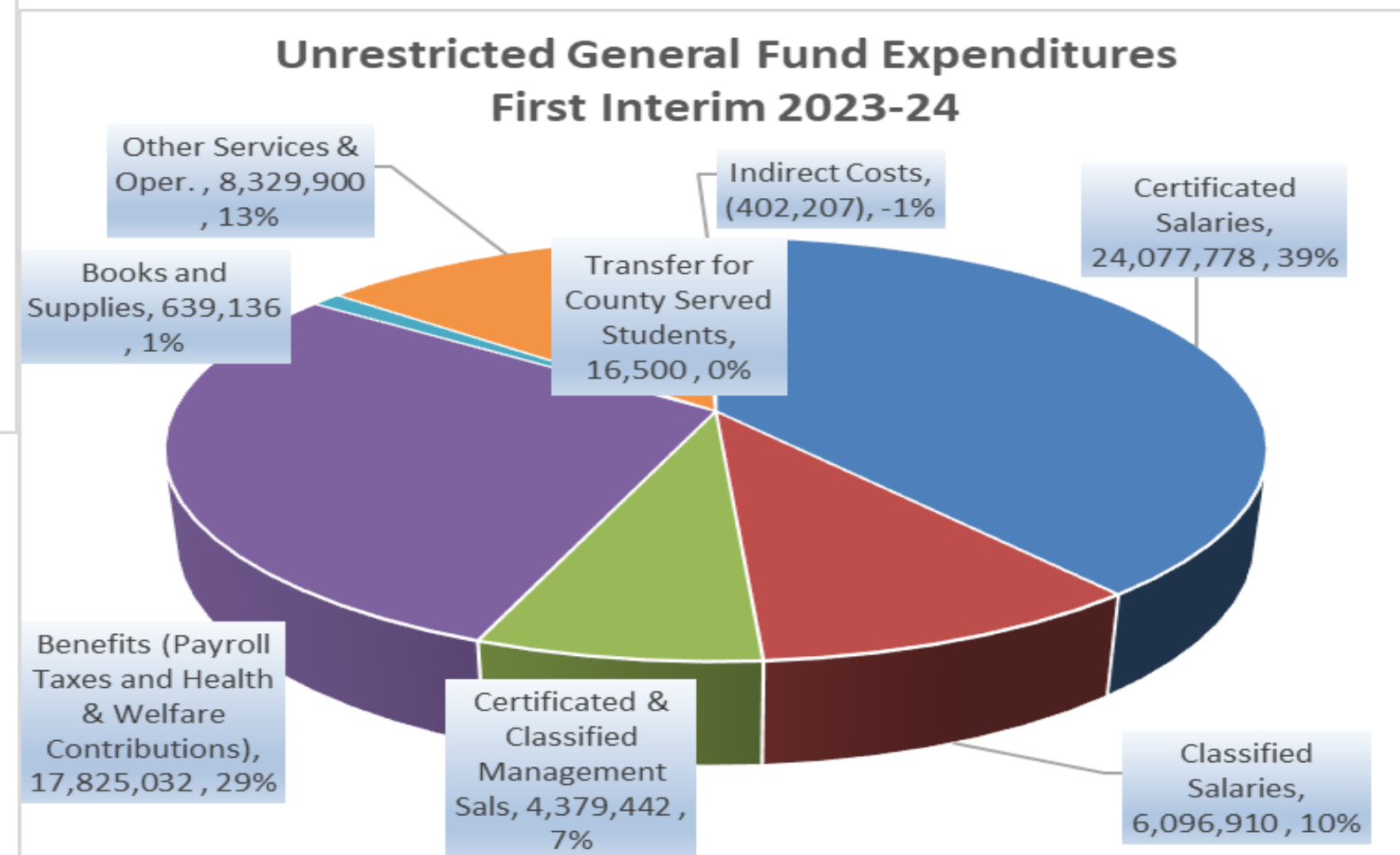
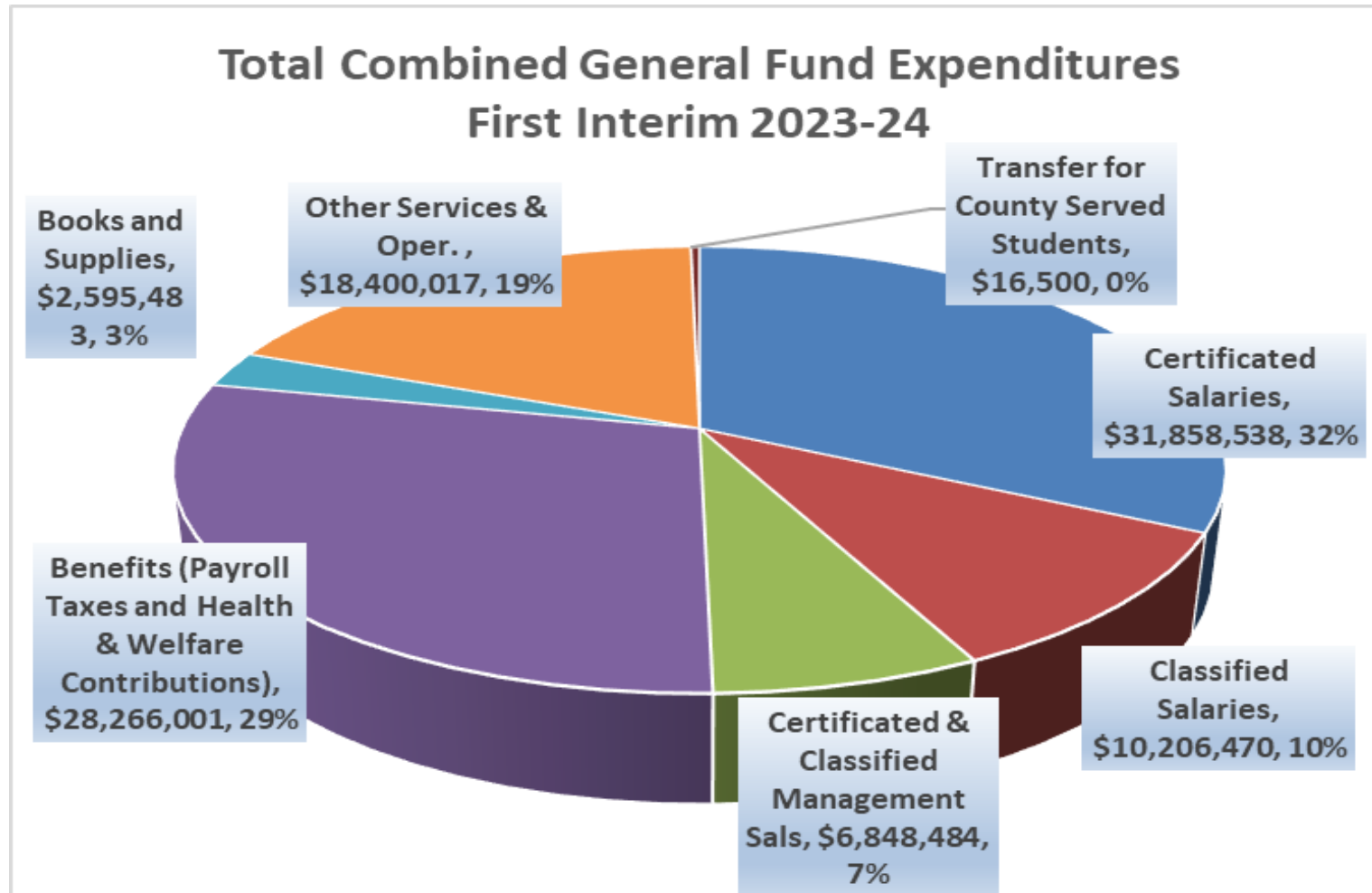
- Reflects General Fund only (no Cafeteria, Bonds, Capital Facilities)
- Employee costs comprise approximately 86% of the Districts unrestricted budget

DESCRIPTION	UNRESTRICTED	COMBINED
Certificated Salaries	24,077,778	\$31,858,538
Classified Salaries	6,096,910	\$10,206,470
Certificated & Classified Management Sals	4,379,442	\$6,848,484
Benefits (Payroll Taxes and Health & Welfare Contributions)	17,825,032	\$28,266,001
Books and Supplies	639,136	\$2,595,483
Other Services & Oper.	8,329,900	\$18,400,017
Transfer for County Served Students	16,500	\$16,500
Equipment > \$5,000	0	\$302,309
Indirect Costs	(402,207)	\$0
<b>TOTAL</b>	<b>60,962,491</b>	<b>\$98,493,802</b>

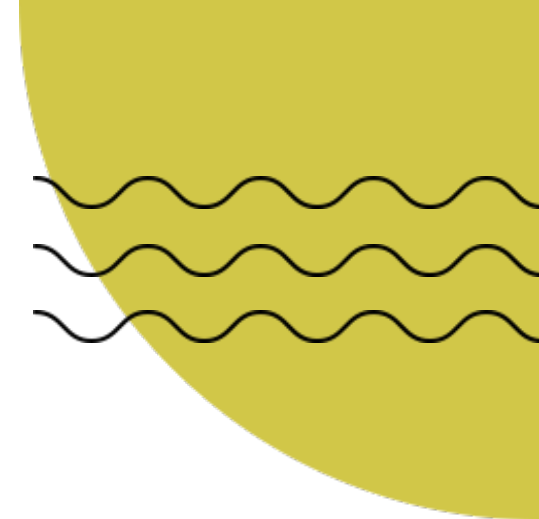


# General Fund Expenditures

- Reflects General Fund only (no Cafeteria, Bonds, Capital Facilities)
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# Change in Fund Balance since Budget Adoption



## Unrestricted Changes Since Budget Adoption

		Change in Fund Balance
<b>Excess of Expenditures over Revenues at Budget Adoption</b>		<b>\$ 88,258</b>
<b>Revenue Changes</b>		
LCFF Funding - adjustment to ADA & UPP%	2,593	
Other State Revenue - Updated Lottery	115,204	
Other Local Revenue - Interest Income	107,549	
	225,346	<b>\$ 225,346</b>
<b>Expenditure Changes</b>		
Certificated Salaries - add'l TK teacher @ MV, Counselor Sub @ TMS, sal sched movement	160,511	
Classified Salaries - Instructional Aides, Athletic Trainer	253,767	
Benefits - based on above + H&W adjustments	102,927	
Books and Supplies - reduction of supplies budget	(15,284)	
Other Services, Operations - Parcel Tax consultant	51,133	
Transfer of Indirect	(126,509)	
Decreased Contribution to SpEd	(19,129)	
	407,416	<b>\$ 407,416</b>
<b>Total Expenditure Change</b>		<b>\$ 407,416</b>
<b>Revised Excess of Revenues over Expenditures at First Interim</b>		<b>\$ (93,812)</b>

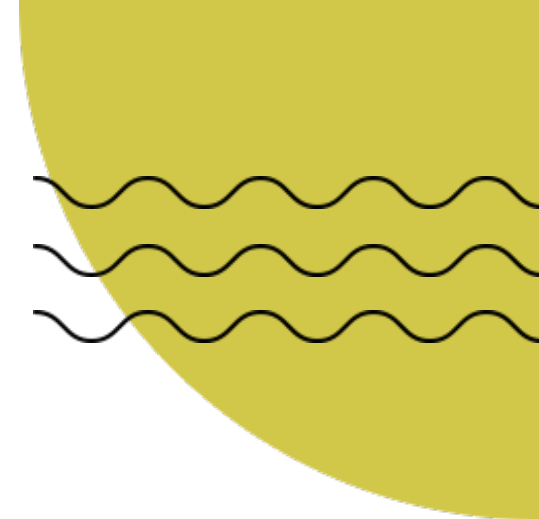


# First Interim General Fund Summary

CRPUSD 1st Interim 2023-24			
Description	Unrestricted	Restricted	Total
Total Revenues	77,127,307	18,096,296	95,223,603
Total Expenditures	60,962,491	37,531,311	98,493,802
Excess/(Deficiency)	16,164,816	(19,435,015)	(3,270,199)
Transfer to RRMA & SpEd	(16,258,628)	16,258,628	0
Transfer from FD 40 to RRMA		1,060,000	1,060,000
<b>Net Increase/(Decrease)</b>	<b>(93,812)</b>	<b>(2,116,387)</b>	<b>(2,210,199)</b>
Beginning Fund Balance	6,976,572	12,847,871	19,824,443
Commitment for Tech Infrastructure/Equip	(1,558,192)		
<b>FD 01 Ending Fund Balance</b>	<b>5,324,568</b>	<b>10,731,484</b>	<b>17,614,244</b>
<b>FD 17 Special Reserve</b>	<b>3,651,290</b>		
Reserve Percentage	9%		



# Summary Multi-Year Projection (MYP)



2023-24 1st Interim Multi-Year Projection (Unrestricted General Fund)			
Description	2023-24 Budget	Projected 2024-25	Projected 2025-26
Total Revenues	77,127,307	80,440,824	83,174,174
Total Expenditures	60,962,491	62,844,883	64,441,963
Excess/(Deficiency)	16,164,816	17,595,941	18,732,211
Transfer to RRMA & SpEd	(16,258,628)	(17,093,870)	(17,940,095)
<b>Surplus/(Deficit) (Total Rev - Total Exp)</b>	<b>(93,812)</b>	<b>502,071</b>	<b>792,116</b>
Add: Beginning Fund Balance	6,976,572	5,324,568	3,598,569
Commitment for Tech Infrastructure/Equip	(1,558,192)		0
Assigned for future compensation adj	0	(2,228,070)	(2,000,000)
<b>FD 01 Unrestricted Ending Fund Balance</b>	<b>5,324,568</b>	<b>3,598,569</b>	<b>2,390,685</b>
<b>Special Reserve - Fund 17</b>	<b>3,651,290</b>	<b>3,691,290</b>	<b>3,731,290</b>
AB 1200 Reserve Percentage	9%	7%	6%



# Cash Flow

- There will be months where the general fund reflects negative cash balances (districts pay their bills faster than property taxes come in)
  - This is why districts, especially those that are deficit spending, must maintain larger fund balances than the meager state 3% minimum. Larger reserves lead to larger cash balances.
- The June 30, 2024 cash balance is projected to be positive for the district, however, the “dry period” of October through December, before property taxes are received, indicates cash shortfalls.
  - The District has prepared to cover short-term borrowing from County Office of Ed funds for the current year (a Tax Anticipation Note)





# Economic Indicators - Update

- ❖ October revenues are reported as coming in below projections
  - month is not closed yet
  - partially due to the later tax deadline
- ❖ US unemployment held steady at 3.8% unchanged since September
- ❖ California unemployment increased slightly from 4.6% to 4.7%
- ❖ US core inflation down from 4.3% in August to 4.1% in September
- ❖ California core inflation fell from 4.6% in June to 4.0% in August
- ❖ Median price of single-family homes is up 3.3% from July to \$859,800, while sales of existing single-family homes were down 5.3% from July



# Areas of Financial Concern

- . Enrollment/ADA trends
- . Future impact of STRS/PERS and COLA
- . Future technology needs
- . Increases in general cost of doing business
- . Containing Special Education costs
- . Inevitable economic downturn
- . Future Collective Bargaining

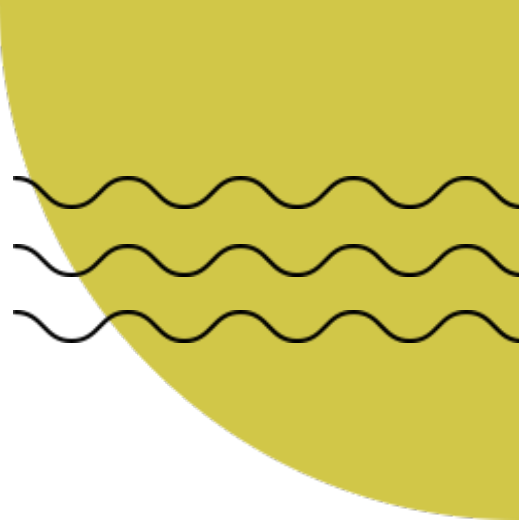


# First Interim Certification

- Per AB 1200
- *The First Interim projection indicates that, as defined in AB 1200, “the Cotati Rohnert Park Unified School District will be able to meet its financial obligations for the current fiscal year and subsequent two years.”*
- ✓ *The Cotati Rohnert Park Unified School District is self-certifying as “Positive”* -



# Questions ?



CRPUSD



reengage  
re

reconnect

reimagine

