



Budget Advisory Committee

2022-23

Budget Adoption Review

**COTATI-ROHNERT PARK UNIFIED SCHOOL
DISTRICT
PRESENTATION
DATE 6/16/22**

Proposed Budget 2022-23

- The Local Control Funding Formula (LCFF) was implemented in 2013-14
- A key piece to the formula is the Local Control Accountability Plan (LCAP)
The LCAP requires reporting of goals and related expenditures that will align with the district's budget
- Both the Preliminary LCAP and Preliminary Budget must be presented in a public hearing in a meeting prior to adoption to allow for discussion and public input
- The LCAP and Proposed Budget are both presented tonight for final adoption and approval at our next meeting June 21, 2022



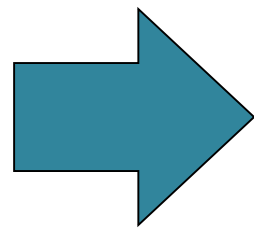
Proposed Budget 2022-23

- The Proposed Budget for 2022-23 contains the most updated information available up to and including the Governor's May Revision Proposal
- The Governor is just one voice in the state's 2022-23 budget, and he cannot pass the budget alone
- The State Senate and State Assembly get to weigh in and each have submitted their budget proposals for 2022-23 which could potentially provide additional funding and/or reduce expenditures for schools

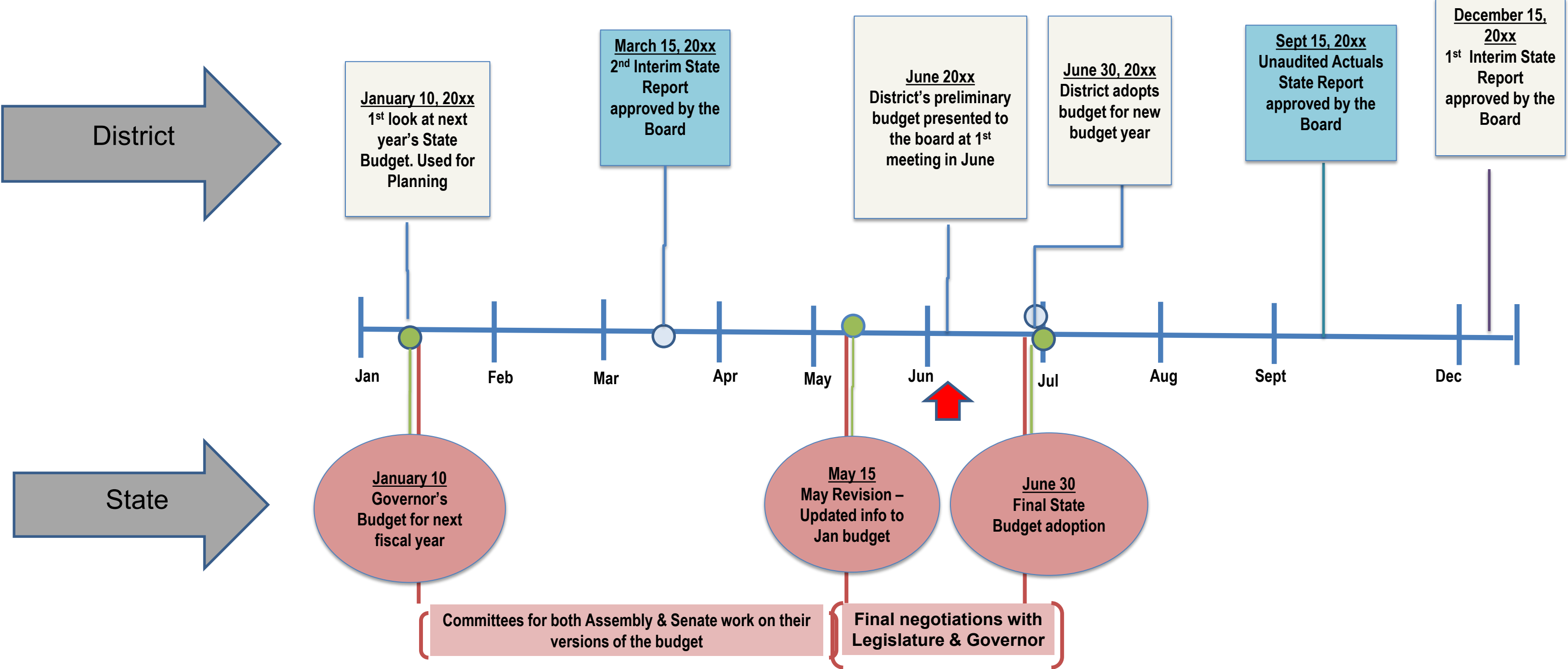


State Budget Process

- 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
 - Final COLA
 - 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...



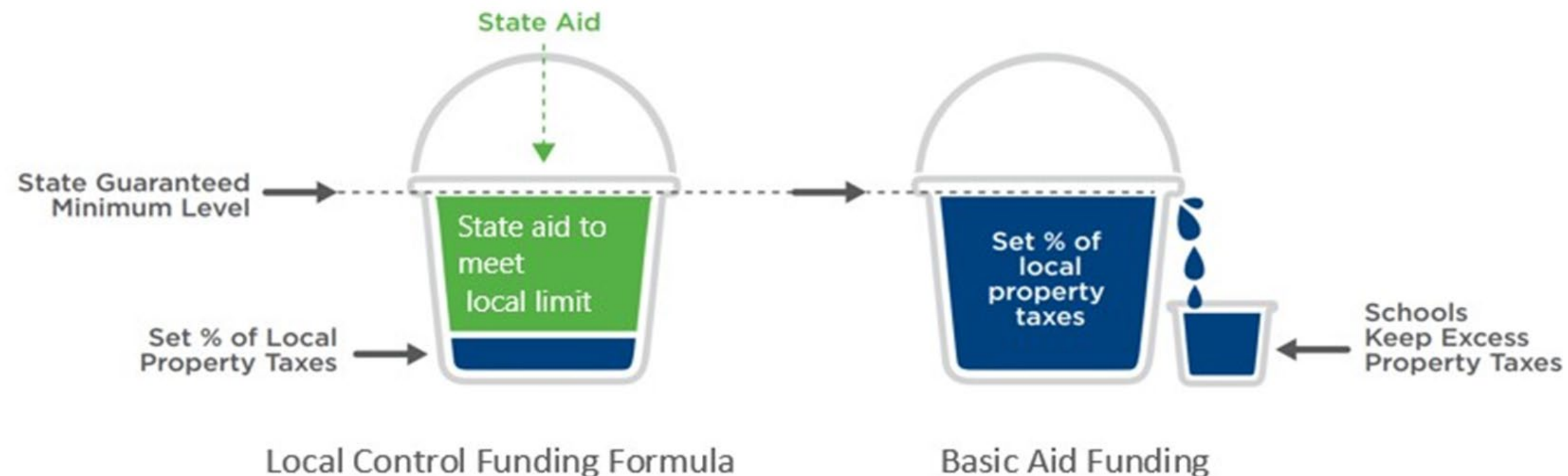
District Budget Process



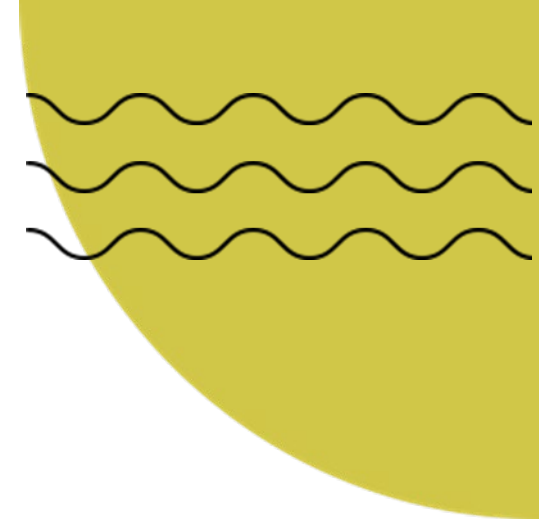
State Funded vs Basic Aid

- 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



	2021-22	2022-23	2023-24	2024-25
Statutory COLA	1.70%	6.56%	5.38%	4.02%
COLA Suspension	0.00%	0.00%	0.00%	0.00%
Funded LCFF Cola	5.07%	6.56%	5.38%	4.02%
STRS Employer Rates	16.92%	19.10%	19.10%	19.10%
PERS Employer Rates	22.91%	25.37%	25.20%	24.60%
Unemployment Insurance Rate	0.50%	0.50%	0.20%	0.20%
Lottery per ADA				
Unrestricted	\$ 163.00	\$ 163.00	\$ 163.00	\$ 163.00
Restricted	\$ 65.00	\$ 65.00	\$ 65.00	\$ 65.00
Mandated Block Grant for Districts				
K-8 per ADA	\$ 32.79	\$ 34.94	\$ 36.82	\$ 37.98
9-12 per ADA	\$ 63.17	\$ 67.31	\$ 70.93	\$ 73.16
Routine Restricted Maintenance	Minimum of 3% of total GF expenditures (based on actual expenditures)			
Est. Funded ADA	5,423	5,548	5,548	5548
Enrollment	5,991	5,904	5,904	5904
Unduplicated Pupil Count %	47.11%	46.58%	45.68%	45.81%
# of Positions	RPCEA 321.18FTE SEIU 93.38 FTE CSEA 85.11 FTE Non-Rep 61.4 FTE			

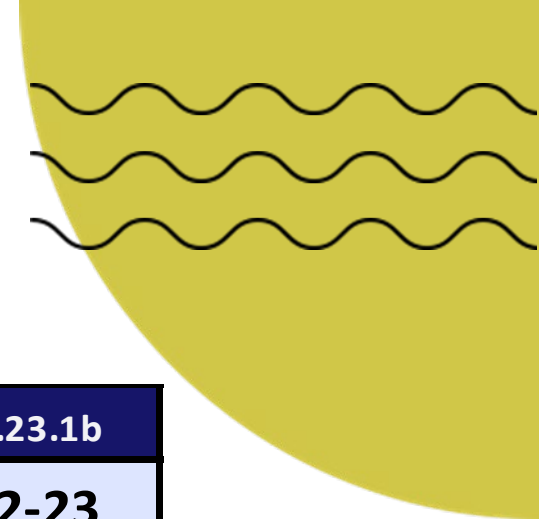


Key Budget Assumptions

	<p style="writing-mode: vertical-rl; transform: rotate(180deg);">May Revision</p>	<ul style="list-style-type: none"> • Provides an additional \$2.1 billion in ongoing Proposition 98 General Fund to increase LCFF funding <ul style="list-style-type: none"> • Applied through the existing formula, which subsequently increases the GSAs, as well as supplemental and concentration grants
	<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Assembly</p>	<ul style="list-style-type: none"> • Assembly Bill (AB) 1948 (Ting, D-San Francisco)—15% COLA for LCFF <ul style="list-style-type: none"> • Increases LCFF funding by approximately \$5.6 billion • Increases number of students identified as low-income
	<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Senate</p>	<ul style="list-style-type: none"> • \$5 billion, growing to \$10 billion by 2024-25, for a permanent ongoing increase



LCFF Revenue 2022-23



Cotati-Rohnert Park Unified (73882) mv.23.1b

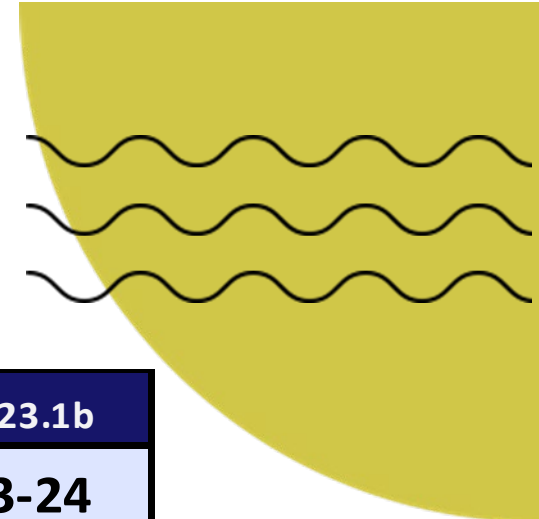
LOCAL CONTROL FUNDING FORMULA - 2022-23 Proposed Budget Modeling Version 2022-23

LCFF ENTITLEMENT CALCULATION

Calculation Factors	COLA & Augmentation		Base Grant Proration	Unduplicated Pupil Percentage		Total
	ADA	Base	Grade Span	Supplemental	Concentration	
Calculation Factors		9.85%	0.00%	46.58%	46.58%	
Grades TK-3	1,646.70	\$ 8,890	\$ 925	\$ 914	\$ -	\$17,668,047
Grades 4-6	1,153.97	9,024		841	-	11,383,540
Grades 7-8	844.88	9,291		866	-	8,581,066
Grades 9-12	1,902.42	10,767	280	1,029	-	22,973,888
Subtract Necessary Small School ADA and Funding	-	-	-			-
Total Base, Supplemental, and Concentration Grant		\$53,385,724	\$ 2,055,876	\$ 5,164,941	\$ -	\$60,606,541
NSS Allowance						-
TOTAL BASE	5,547.97	\$53,385,724	\$ 2,055,876	\$ 5,164,941	\$ -	\$60,606,541
ADD ONS:						
Targeted Instructional Improvement Block Grant						\$ 502,003
Home-to-School Transportation						685,000
Small School District Bus Replacement Program						-
Transitional Kindergarten (2022-23 forward)						344,564
ECONOMIC RECOVERY TARGET PAYMENT						-
LCFF ENTITLEMENT						\$62,138,108



LCFF Revenue 2023-24



Cotati-Rohnert Park Unified (73882)

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LOCAL CONTROL FUNDING FORMULA - 2022-23 Proposed Budget Modeling Version

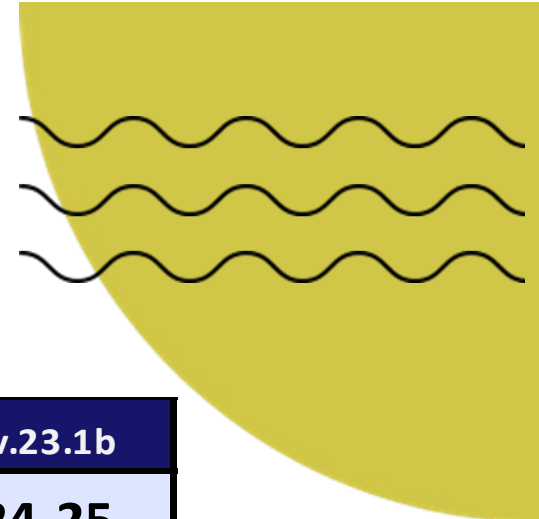
2023-24

LCFF ENTITLEMENT CALCULATION

Calculation Factors	COLA & Augmentation		Base Grant Proration		Unduplicated Pupil Percentage		Total
	ADA	Base	Grade Span	Supplemental	Concentration		
	5.38%		0.00%	45.68%	45.68%		
Grades TK-3	1,646.70	\$ 9,368	\$ 974	\$ 945	\$ -		\$18,586,047
Grades 4-6	1,153.97	9,509		869	-		11,975,603
Grades 7-8	844.88	9,791		895	-		9,027,970
Grades 9-12	1,902.42	11,346	295	1,064	-		24,169,336
Subtract Necessary Small School ADA and Funding	-	-	-				-
Total Base, Supplemental, and Concentration Grant		\$56,256,464	\$ 2,165,099	\$ 5,337,393	\$ -		\$63,758,956
NSS Allowance							-
TOTAL BASE	5,547.97	\$56,256,464	\$ 2,165,099	\$ 5,337,393	\$ -		\$63,758,956
ADD ONS:							
Targeted Instructional Improvement Block Grant							\$ 502,003
Home-to-School Transportation							685,000
Small School District Bus Replacement Program							-
Transitional Kindergarten (2022-23 forward)							363,102
ECONOMIC RECOVERY TARGET PAYMENT							-
LCFF ENTITLEMENT							\$65,309,061



LCFF Revenue 2024-25



Cotati-Rohnert Park Unified (73882)

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LOCAL CONTROL FUNDING FORMULA - 2022-23 Proposed Budget Modeling Version

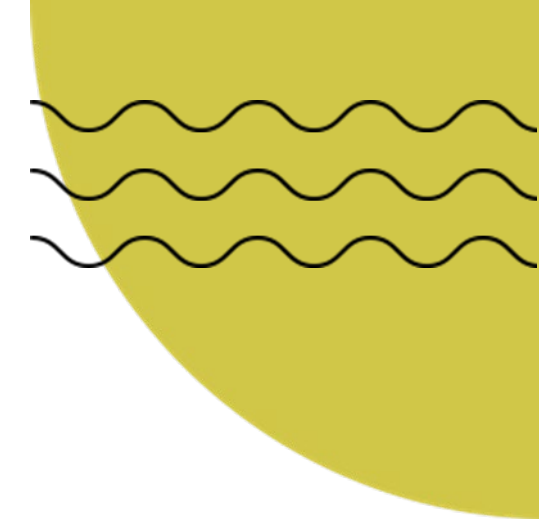
2024-25

LCFF ENTITLEMENT CALCULATION

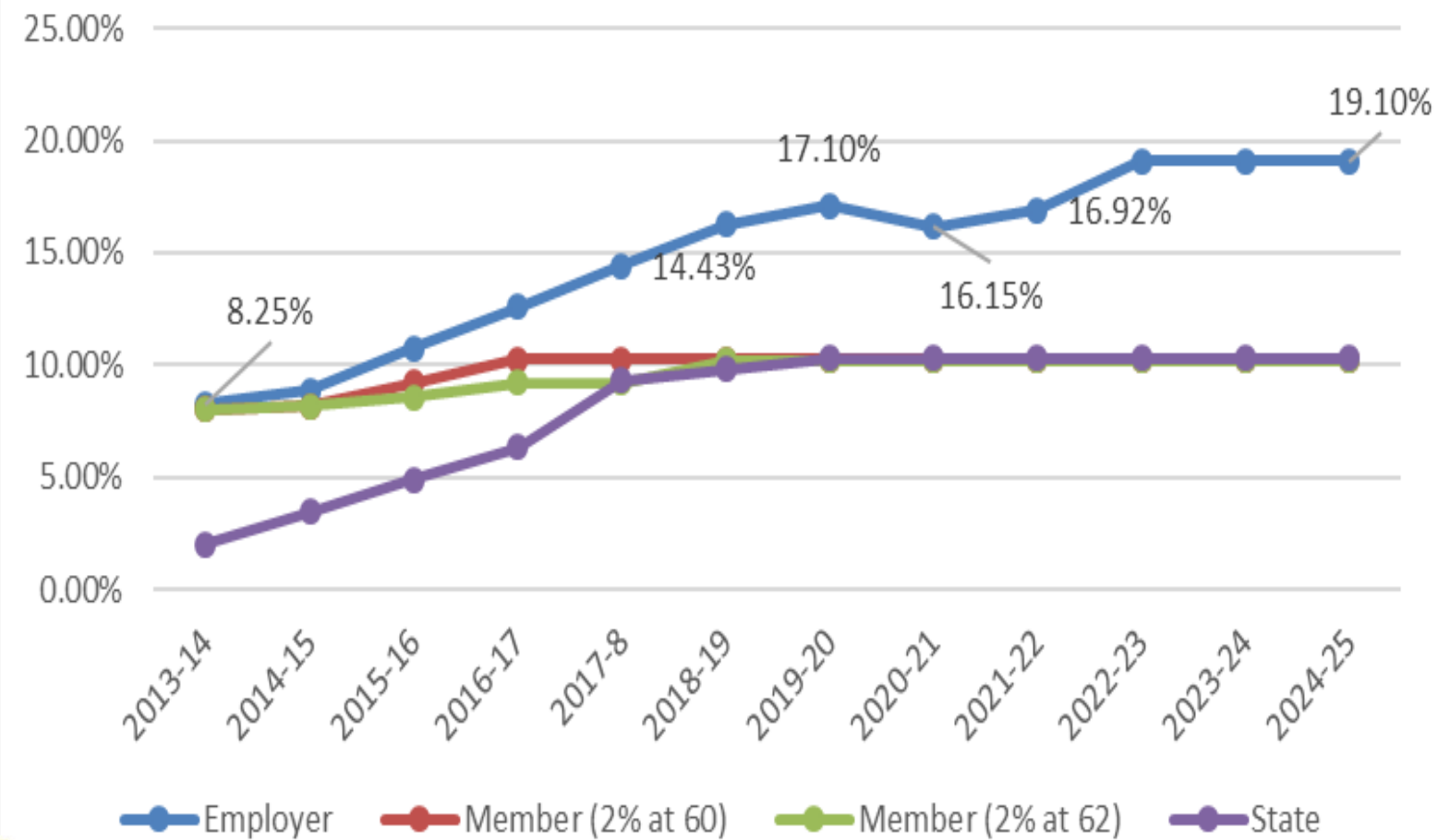
Calculation Factors	COLA & Augmentation		Base Grant Proration		Unduplicated Pupil Percentage	
	ADA	Base	Grade Span	Supplemental	Concentration	Total
Calculation Factors		4.02%		0.00%	45.81%	45.81%
Grades TK-3	1,646.70	\$ 9,745	\$ 1,013	\$ 986	\$ -	\$19,338,265
Grades 4-6	1,153.97	9,891		906	-	12,459,660
Grades 7-8	844.88	10,185		933	-	9,393,503
Grades 9-12	1,902.42	11,802	307	1,109	-	25,146,999
Subtract Necessary Small School ADA and Funding	-	-	-			-
Total Base, Supplemental, and Concentration Grant		\$58,518,473	\$ 2,252,150	\$ 5,567,804	\$ -	\$66,338,427
NSS Allowance						-
TOTAL BASE	5,547.97	\$58,518,473	\$ 2,252,150	\$ 5,567,804	\$ -	\$66,338,427
ADD ONS:						
Targeted Instructional Improvement Block Grant						\$ 502,003
Home-to-School Transportation						685,000
Small School District Bus Replacement Program						-
Transitional Kindergarten (2022-23 forward)						377,699
ECONOMIC RECOVERY TARGET PAYMENT						-
LCFF ENTITLEMENT						\$67,903,129



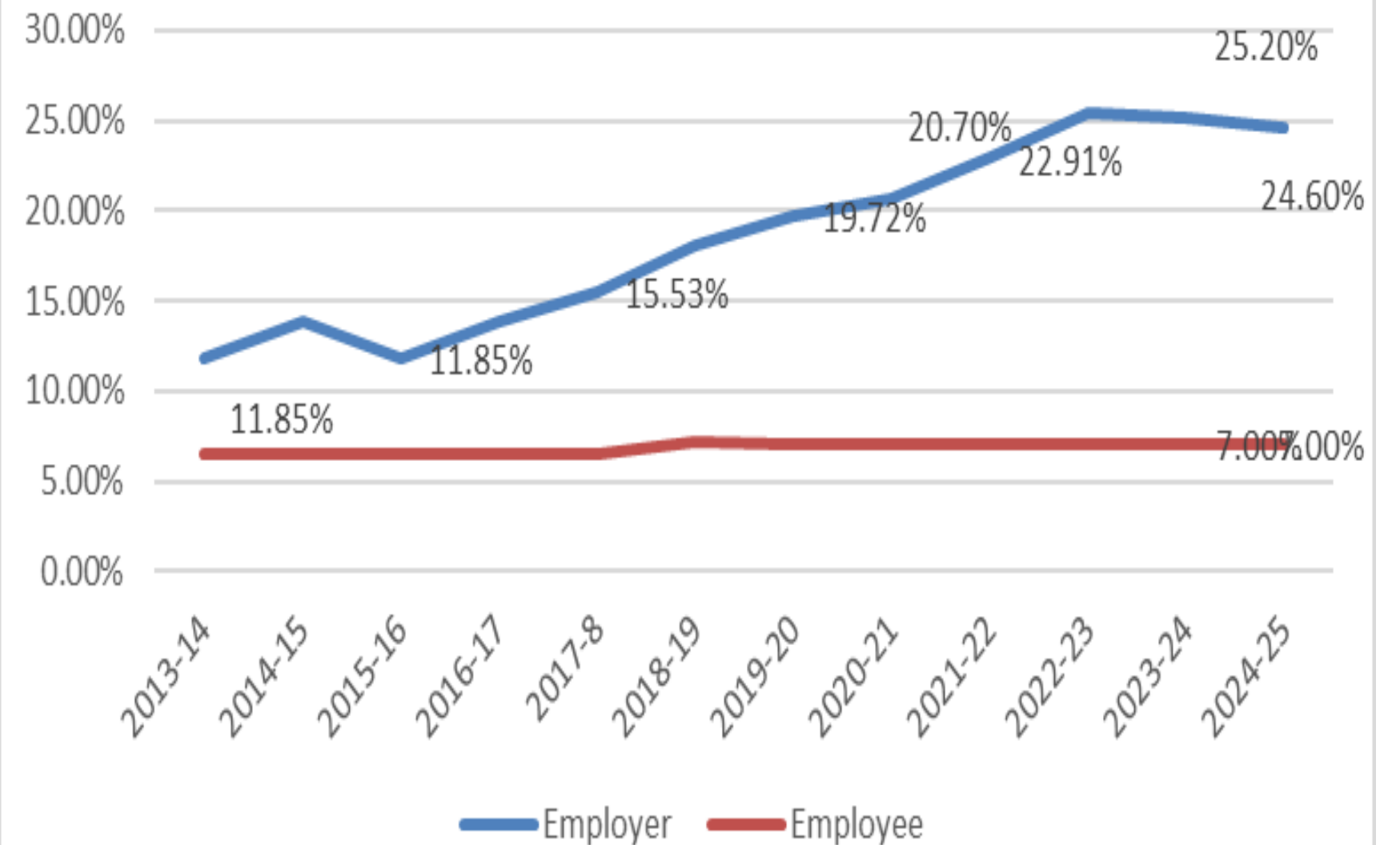
Components: Pension Reform



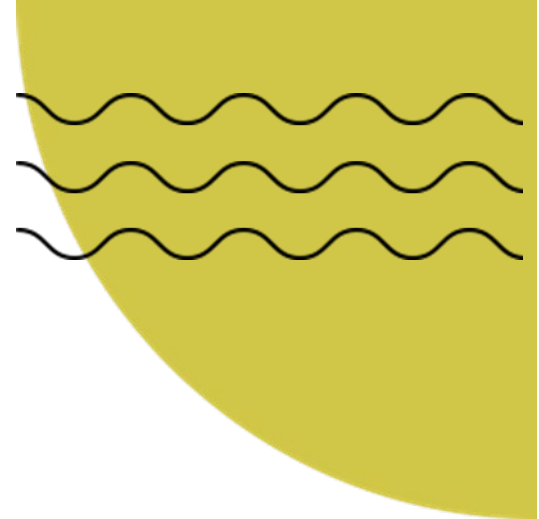
STRS Contribution Rates



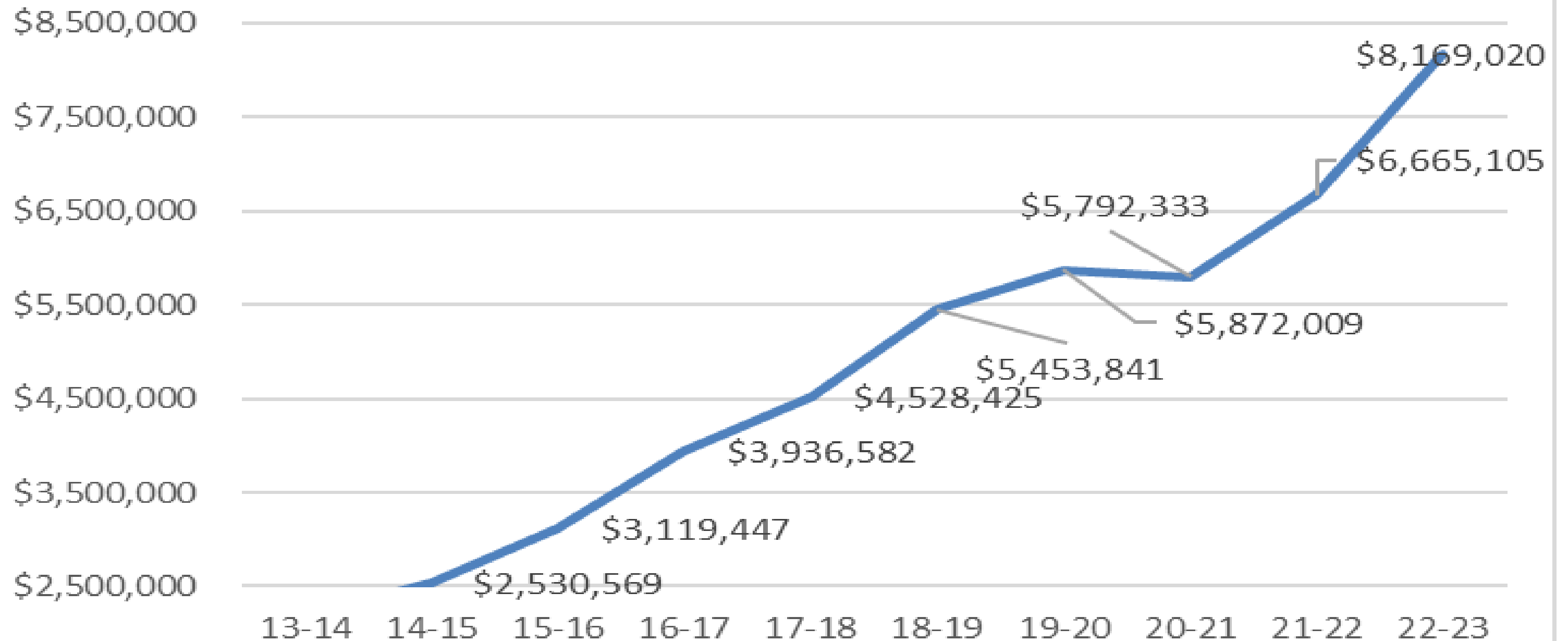
PERS Contribution Rates



Components: Pension Reform



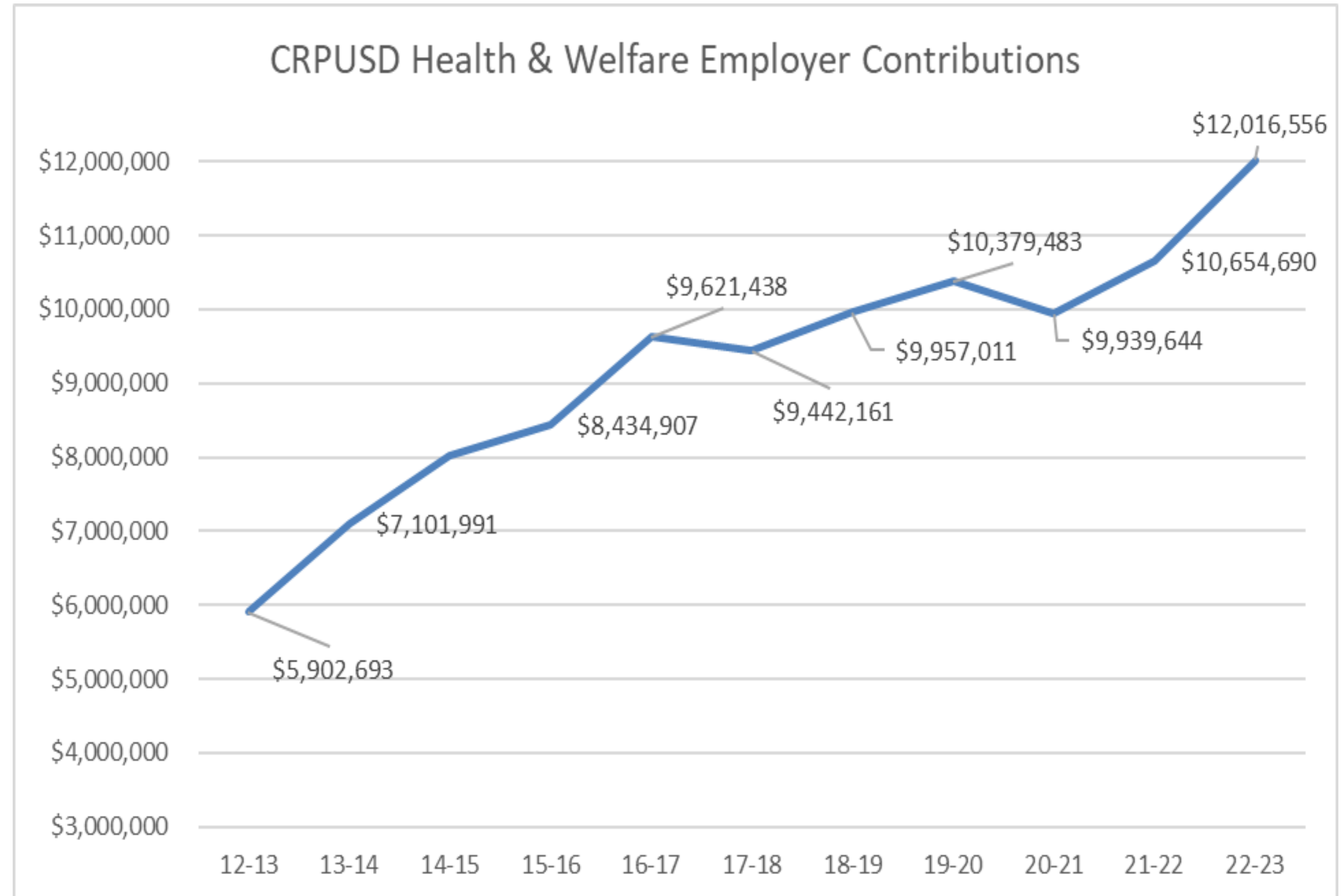
CRPUSD STRS & PERS Employer Contributions



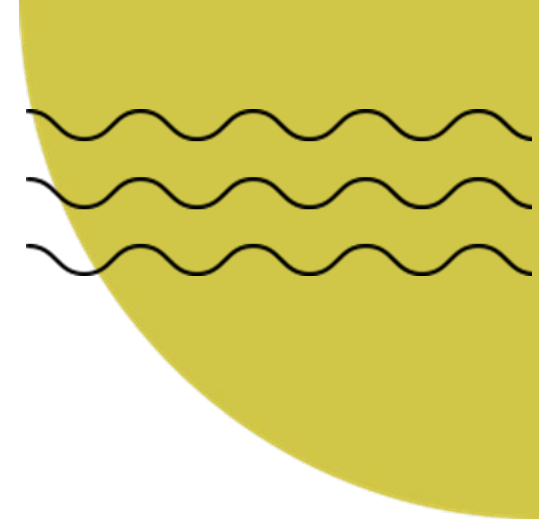
Components: Health & Welfare

Costs

Year	H&W Benefit Increase
13-14	12.2%
14-15	8.7%
15-16	2.0%
16-17	0.0%
17-18	1.5%
18-19	3.3%
19-20	5.5%
20-21	0.0%
21-22	5.0%
22-23	5.0%



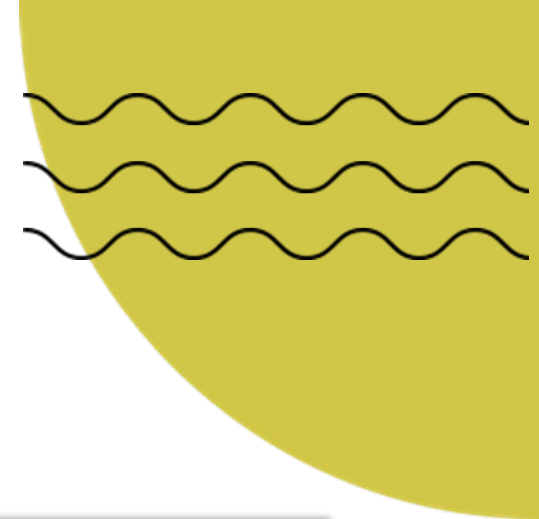
Key Budget Assumptions



- Department of Finance COLA funding assumptions
- Negotiated salary increases of 5% in 2022-23 and 5.38% in 2023-24
- Step and Column movement cost increases 1.5% annually
- Health and Welfare cost increase of 5% in 2022-23, 3% in subsequent years
- Assumed STRS & PERS costs using current projected rates
- Flat enrollment throughout MYP
- Funded Average Daily Attendance (ADA) projected at 5,548 (93.5% of projected enrollment) in subsequent years of MYP (historically 96%)
- 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



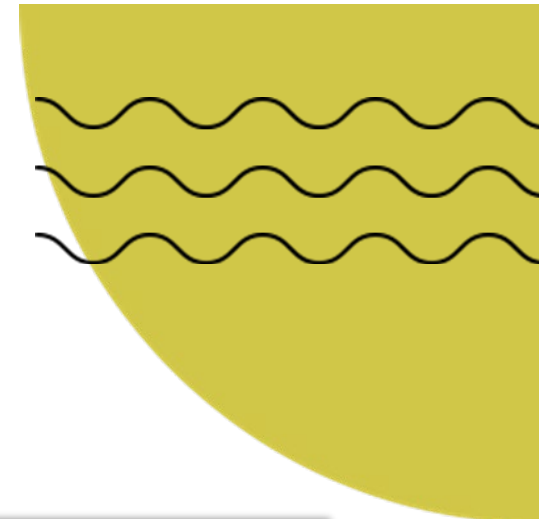
General Fund 2022-23 Revenue Budget



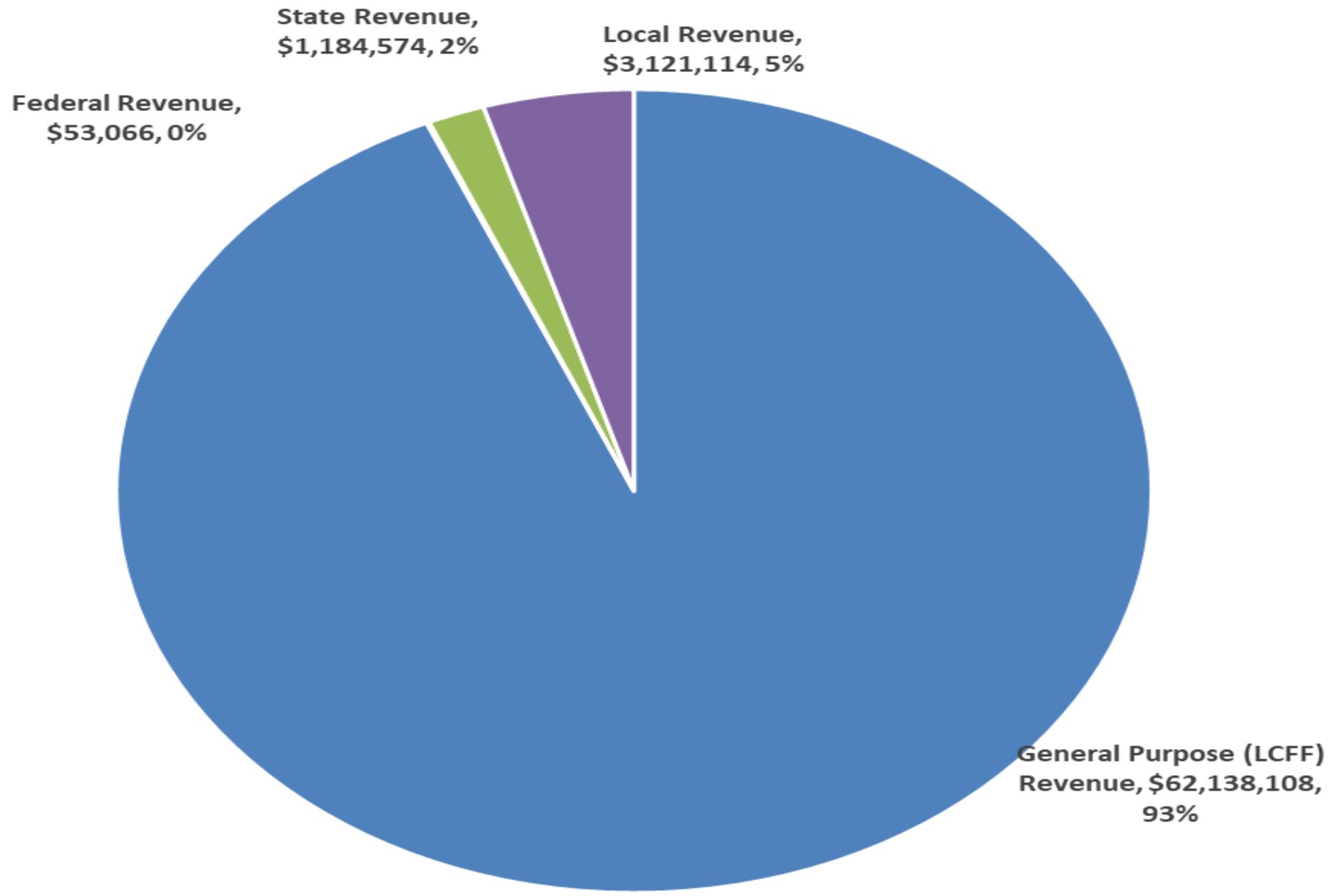
DESCRIPTION	Unrestricted	Combined	
General Purpose (LCFF) Revenue	\$62,138,108	\$63,172,247	General Purpose – <i>Property taxes, basic state aide, and education protection account funds</i>
Federal Revenue	\$53,066	\$3,471,965	Federal – <i>District must follow specific grant guidelines (Title I, Title II, etc.)</i>
State Revenue	\$1,184,574	\$7,048,821	Other State – <i>State funds not part of State Aid (Lottery, Special Education, Mandate etc.)</i>
Local Revenue	\$3,121,114	\$6,689,479	Local – <i>Funds received from local sources (Parcel Tax, Casino Funds, Foundation support, PTSA support, Interest, etc.)</i>
TOTAL	\$66,496,862	\$80,382,512	



Unrestricted General Fund Revenue Budget



Unrestricted General Fund Revenues
Budget Adoption 2022-23



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

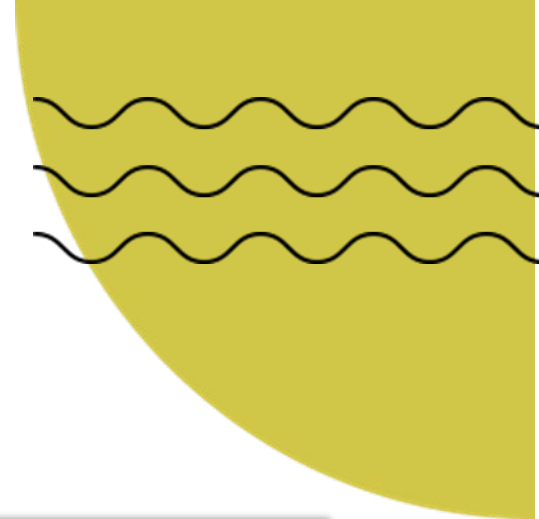
Federal – District must follow specific grant guidelines (Title I-IV, Esser I-III, etc.)

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

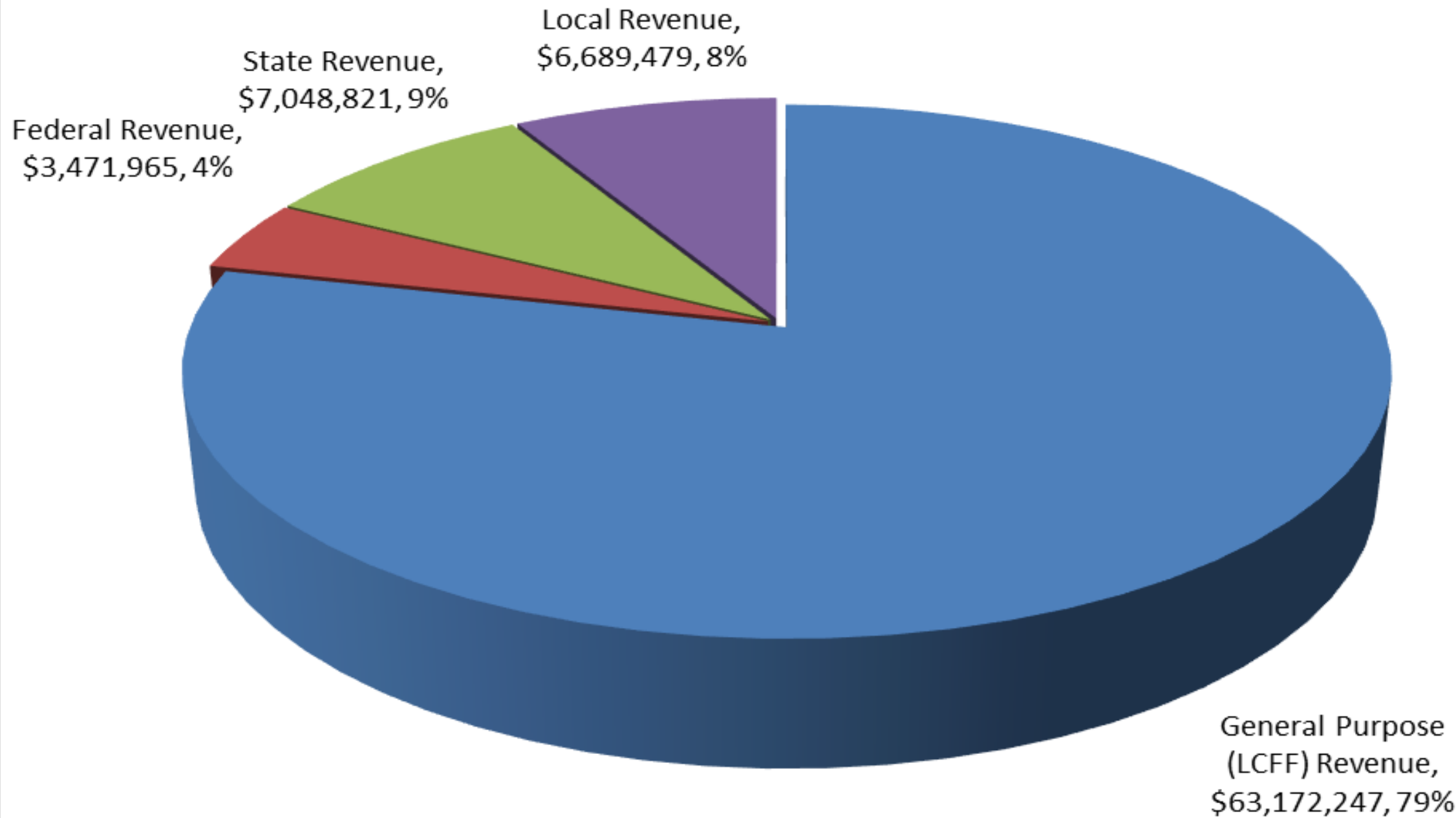
Local – Funds received from local sources (Parcel Tax, Casino Funds, Foundation support, PTSA support, Interest, etc.)



General Fund Revenue Budget



**Total Combined General Fund Revenues
Budget Adoption 2022-23**



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

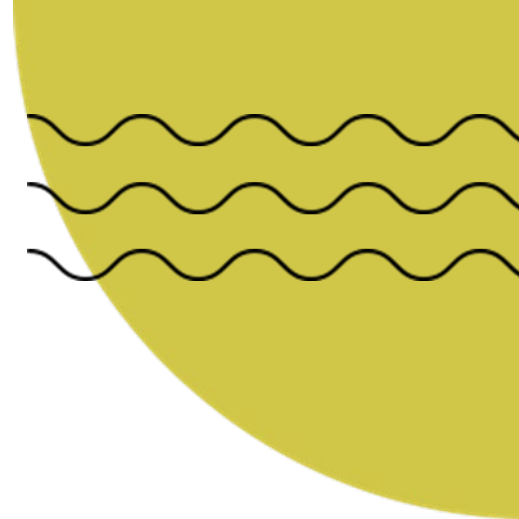
Federal – *District must follow specific grant guidelines (Title I, Title II, etc.)*

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

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



General Fund Expenditures



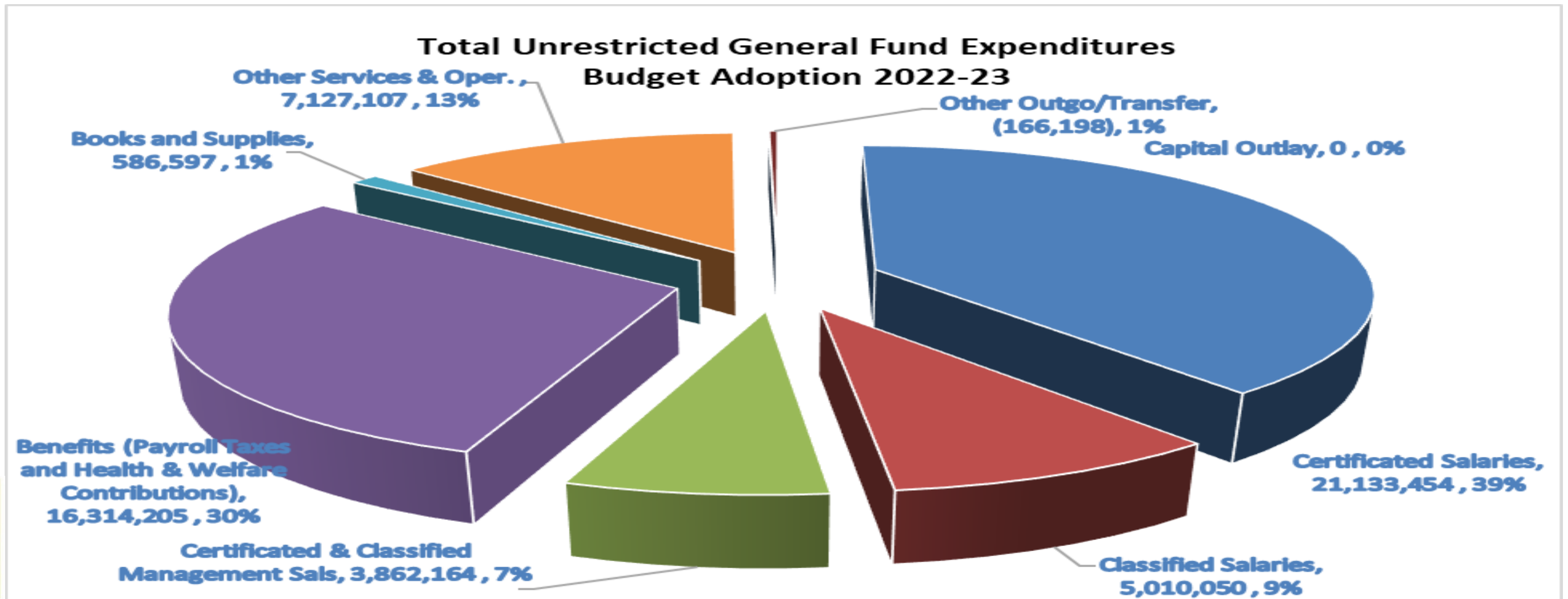
- Reflects General Fund only (no Cafeteria, Bonds, Capital Facilities)
- Employee costs comprise approximately 86% of the Districts unrestricted budget

DESCRIPTION	UNRESTRICTED	COMBINED
Certificated Salaries	21,133,454	\$26,687,795
Classified Salaries	5,010,050	\$8,694,902
Certificated & Classified Management Sals	3,862,164	\$5,489,457
Benefits (Payroll Taxes and Health & Welfare Contributions)	16,314,205	\$25,377,125
Books and Supplies	586,597	\$1,574,124
Other Services & Oper.	7,127,107	\$15,345,956
Capital Outlay	0	\$0
Other Outgo/Transfer	(166,198)	\$16,500
TOTAL	53,867,379	\$83,185,859



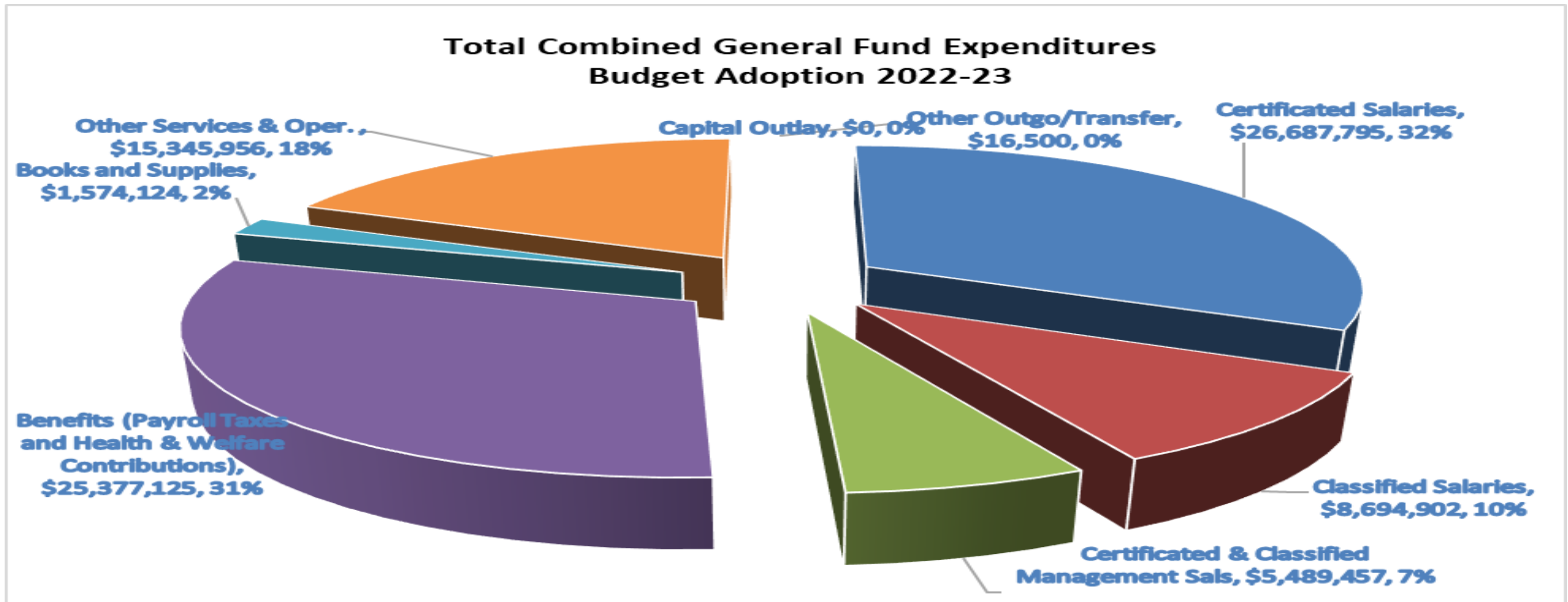
General Fund Unrestricted Expenditures

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



General Fund Combined Expenditures

- Reflects General Fund only (no Cafeteria, Bonds, Capital Facilities)
- Employee costs comprise approximately 80% of the Districts combined budget



Multiyear Projections



- **Result of mathematical calculations for future years based on the following:**
 - **Industry standard economic assumptions**
 - **Decisions that have already been made**
 - **Locally calculated data point estimates**



- **Predictions or forecasts**
- **Crystal balls**
- **Measuring sticks for “wrongness”**

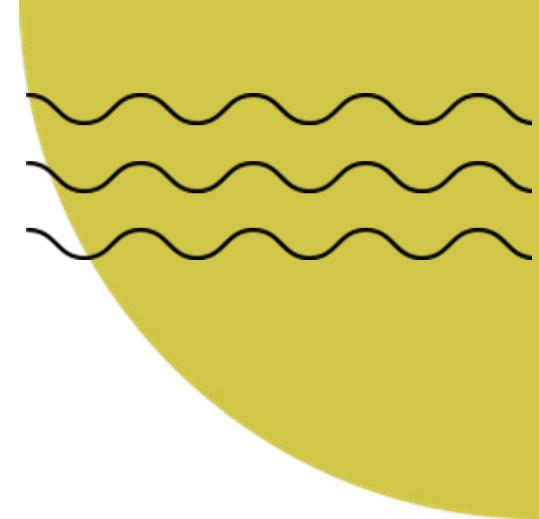
Impacts on Multiyear Projections

- **Funded LCFF Increase**
- **Increased categorical funds' COLAs**
- **One-time federal funds**
- **One-time state funds**



- **Cost of goods and services**
- **State pension costs**
- **“New hires” with one-time funds**
- **Additional costs to mitigate learning loss**

Unrestricted Funds to Restricted Programs



CRPUSD Contributions to Restricted	Amount
Special Ed IDEA	12,859,350
Routine Maintenance	1,422,092
Total Contributions	14,281,442



Special Education Budget

Cotati-Rohnert Park USD

Business Services

2022/23 Adopted Budget

Special Education Budget

INCOME

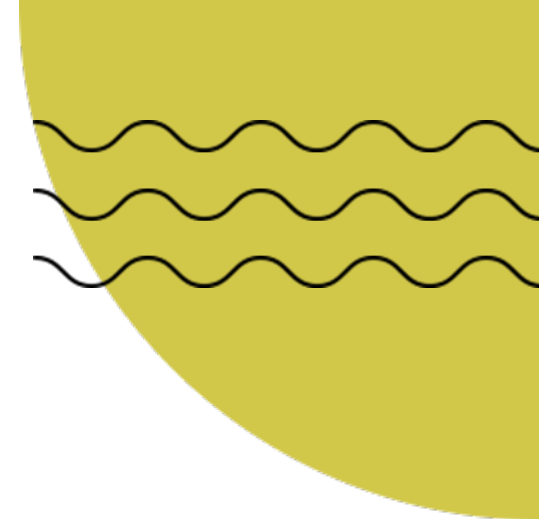
LCFF Sources and Tax Transfer	\$	1,034,139
Federal Allowances/Grants		1,359,408
State Allowance/Grants		744,307
Local Revenue		3,545,119
Contribution from Unrestricted		<u>12,859,350</u>
	\$	19,542,323

EXPENSES

Teacher Salaries	\$	3,083,247
Speech & Language Teachers Salaries		1,006,925
Psychologists		567,020
Certificated Admin		784,706
Classified/SEIU Salaries		2,422,869
Employee Benefits		4,775,122
Books and Supplies		11,648
Non Public School Exp		2,455,837
SCOE Programs		2,787,000
Non Public Agency Exp		842,780
Board & Care Exp		468,900
Settlement Agreements		155,000
Nursing Contracts		77,040
Legal Fees		48,231
Speech Services		36,029
Indirect Costs		19,969
	\$	19,542,323

Surplus/(Deficit) \$ -

PROJECTED ENDING BALANCE \$ -



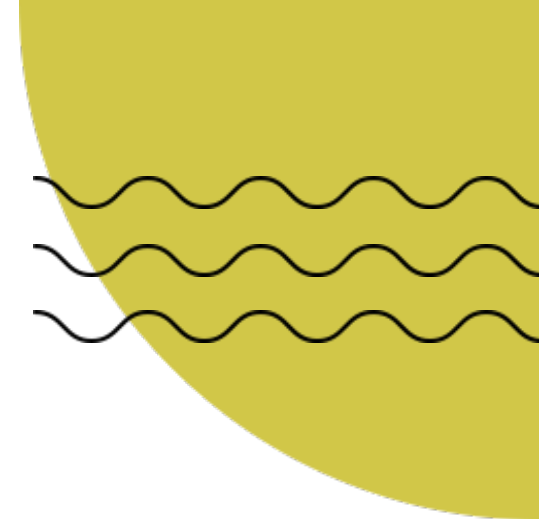
Budget Adoption General Fund Summary

CRPUSD Budget Adoption 2022-23

Description	Unrestricted	Restricted	Total
Total Revenues	66,496,862	13,885,650	80,382,512
Total Expenditures	53,867,379	29,318,480	83,185,859
Excess/(Deficiency)	12,629,483	(15,432,830)	(2,803,347)
Transfer to RRMA & SpEd	(14,281,442)	14,281,442	0
Transfer in from FD 17	539,382		539,382
Transfer from FD 40 to RRMA		700,000	700,000
Net Increase/(Decrease)	(1,112,577)	(451,388)	(1,563,965)
Beginning Fund Balance	3,310,210	3,357,197	6,667,407
Ending Fund Balance	2,197,633	2,905,809	5,103,442



Summary Budget Adoption Multi-Year Projection (MYP)



2022-23 Budget Adoption Multi-Year Projection (Unrestricted General Fund)			
Description	2022-23 Adopted Budget	Projected 2023-24	Projected 2024-25
Total Revenues	66,496,862	69,681,028	72,285,501
Total Expenditures	53,867,379	56,844,737	57,875,506
Excess/(Deficiency)	12,629,483	12,836,291	14,409,995
Transfer in from FD17	539,382		
Transfer to RRMA & SpEd	(14,281,442)	(13,032,559)	(13,266,516)
Surplus/(Deficit) (Total Rev - Total Exp)	(1,112,577)	(196,268)	1,143,479
Add: Beginning Fund Balance	3,310,210	2,197,633	2,001,365
Instructional Material Reserve	0		
Ending Fund Balance	2,197,633	2,001,365	3,144,844
Special Reserve - Fund 17	2,279,009	2,294,009	2,309,009
AB 1200 Reserve Percentage	5%	5%	6%



The Road Ahead



- **The Governor has built his State Budget capitalizing on a windfall that is likely to be short lived**
 - **The May Revision reflects \$49.2 billion in discretionary surplus and the Budget spends 94% on one-time projects**
 - **Proposition 98 grows 0.0009% from 2021-22 to 2022-23, signaling an anticipated slow down of State General Fund revenues**
 - **The education community should read this as a warning of more modest State budgets ahead**

- **But for now, the May Revision demonstrates that the Governor has heard the call of the education community**
 - **More investments in LCFF funding!**
 - **Flexible one-time resources without a required plan!**
 - **No new categorical programs!**
 - **Let's hope these priorities stick through the next step**

What's Not in the May Revision?

Additional Pension Relief

The state's contribution to subsidize employer rates has run out
Both pension plans will significantly increase in 2022-23

Transportation Funding

Transportation funding remains inequitably distributed, is based on a decades-old formula, and receives zero COLA

UPP Solutions

Implementation of universal meals will likely have an immediate and direct impact on UPP

Budget Adoption Approval

- . The Budget Adoption projection indicates that the Cotati Rohnert Park Unified School District is projected to meet the required 3% reserve for economic uncertainties for the budget year and subsequent two years*
- . Staff recommends that the Board adopt the 2022-23 budget as presented*



Areas of Financial Concern

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



May Revision Proposals

Discretionary Block Grant

- Taking a page from his predecessor, Governor Newsom proposes a one-time \$8 billion Discretionary Block Grant for LEAs for the 2022-23 fiscal year

- This equates to approximately \$1,500 per ADA




- The funding would be distributed on a per-ADA basis using 2021-22 **Second Principal Apportionment (P-2)** reported ADA © 2022 School Services of California, Inc.

- Expenditure of these funds is determined by the local governing board and can be used for any one-time purpose



- Funds will offset LEAs' outstanding mandate reimbursement claims on a dollar-for-dollar basis
- There is intent language that this funding be used to address student learning challenges, protect staff levels, and support the mental health and wellness of students and staff
 - It is important to remember that intent language does not have the force of law

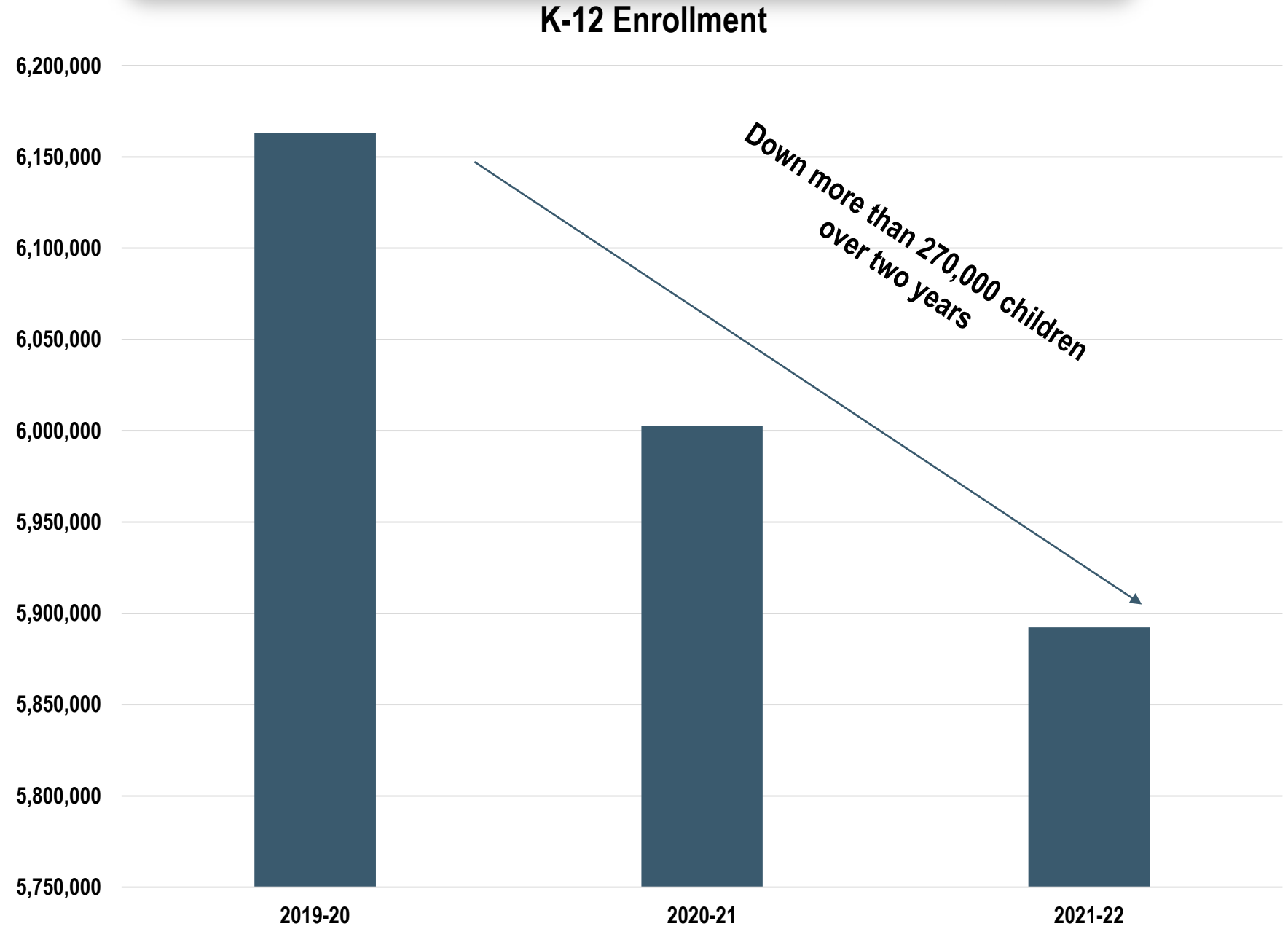
Discretionary Block Grant

	May Revision	<ul style="list-style-type: none">• Proposes one-time \$8 billion Discretionary Block Grant for LEAs for the 2022-23 fiscal year
	Assembly	<ul style="list-style-type: none">• Learning Recovery Block Grant to support students and staff<ul style="list-style-type: none">▪ Does not specify an amount
	Senate	<ul style="list-style-type: none">• \$10 billion in one-time, formula-based funds spread over multiple years for a COVID-19-related Learning Recovery Block Grant• \$5 billion one-time, formula-based funds for student enrichment materials in music, arts, technology, instructional materials, etc.

2022-23 ADA “Cliff”

■ The ADA “Cliff” has become a two-headed monster—the combination is significant

Declining Enrollment



ADA-to-Enrollment Percentage

- The rate at which children are attending school is on the decline
 - Quarantine/illness
 - Independent study
 - Unsigned master agreements
 - Homework not returned in a timely manner
 - Audit findings on the rise?

Source: Department of Finance (DOF) Demographic Research Unit

ADA Cliff—Proposed Solution

- **The Governor has proposed solutions to mitigate both these issues**
 - **The first solution benefits school districts only**
 - **This was in the Governor's Budget**
- **The declining enrollment protection has also been included in the amended version of Assembly Bill (AB) 1948 (Ting, D-San Francisco)**

Declining Enrollment Protection

Funding would be based on the greater of:

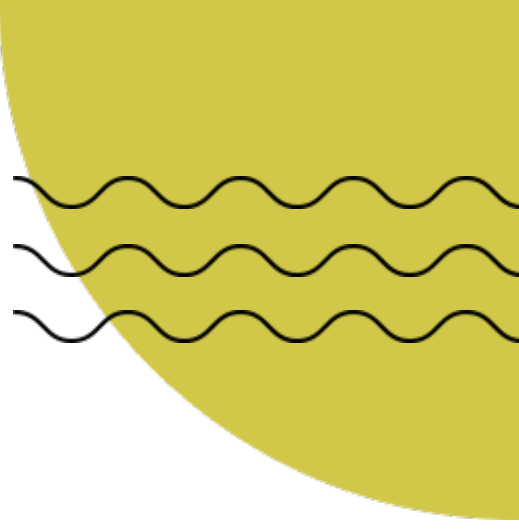
Current-year ADA,

Prior-year ADA,

or

Computed average ADA using the prior three years' ADA

Questions?



CRPUSD

renew
space



reimagine

reconnect

Unrestricted Expenditures: Other Services & Operations

Unrestricted General Fund Budget Services & Other Operating Expenditures

Year	2022-23**	2021-22*	2020-21	2019-20	2018-19	2017-18
Utilities (55xx)	\$ 2,114,077	\$ 2,036,904	\$ 1,571,767	\$ 1,613,511	\$ 1,538,051	\$ 1,362,688
Transportation (5804)	2,185,962	2,026,352	1,770,893	2,034,368	2,051,057	2,090,133
P&L Insurance (54xx)	1,129,939	1,075,939	831,629	553,040	426,585	381,007
Comp Software (5840,5817)	376,495	396,652	537,266	471,245	859,440	778,364
Phones, Cell, Postage (59xx)	293,981	294,151	257,177	358,750	303,324	298,010
Rentals, Repairs, Copiers (56xx)	206,277	203,444	150,127	160,764	184,813	180,469
Legal Fees (5823)	145,000	252,706	118,574	112,551	61,133	113,067
Beg Teach Support & Assess BTSA	68,400	136,800	93,050	160,750	176,000	113,993
Conference, Mileage (52xx)	78,251	74,950	23,940	54,312	94,344	101,212
Professional/Consultant Services (5830)	43,268	47,416	38,498	42,102	158,706	179,764
Positive Beh. Intervention Supp PBIS	48,250	48,425	31,140	53,663	40,000	-
Printing, SCOE Graphics (5812,5813)	29,034	25,856	9,652	19,282	43,910	38,388
Dues & Memberships (53xx)	39,042	39,072	33,706	33,761	31,827	37,723
Attention to Attendance (5800)	37,500	37,500	37,500	37,500	61,900	58,900
Audit Costs (5821)	35,000	40,250	32,500	31,000	31,000	31,000
Other	296,631	268,525	42,042	284,754	879,871	555,726
Total	\$ 7,127,107	\$ 7,004,942	\$ 5,579,461	\$ 6,021,352	\$ 6,941,961	\$ 6,320,443



*Budget

**Adopted Budget