



2024-25

Adopted Budget

COTATI-ROHNERTPARK UNIFIED SCHOOL DISTRICT

PRESENTATION

DATE 6/4/24

Thank You

Maite Iturri

Molly Koler

Nikki Doble

Josh Savage

Debbie O'Dell

Matt Marshall

Josh Savage

Lisa Breining

Jennifer Hansen

Rachel Allen

Robert Valdivia Gonzales

Alana DeMars

Dr. Jamal Fields

Gigi Fusco

Suzie King

All Site Principals



Proposed Budget 2024-25

- 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 18, 2024



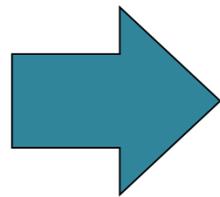
Proposed Budget 2024-25

- The Proposed Budget for 2024-25 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 2024-25 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 2024 -25 which could potentially provide additional funding and/or reduce expenditures for schools

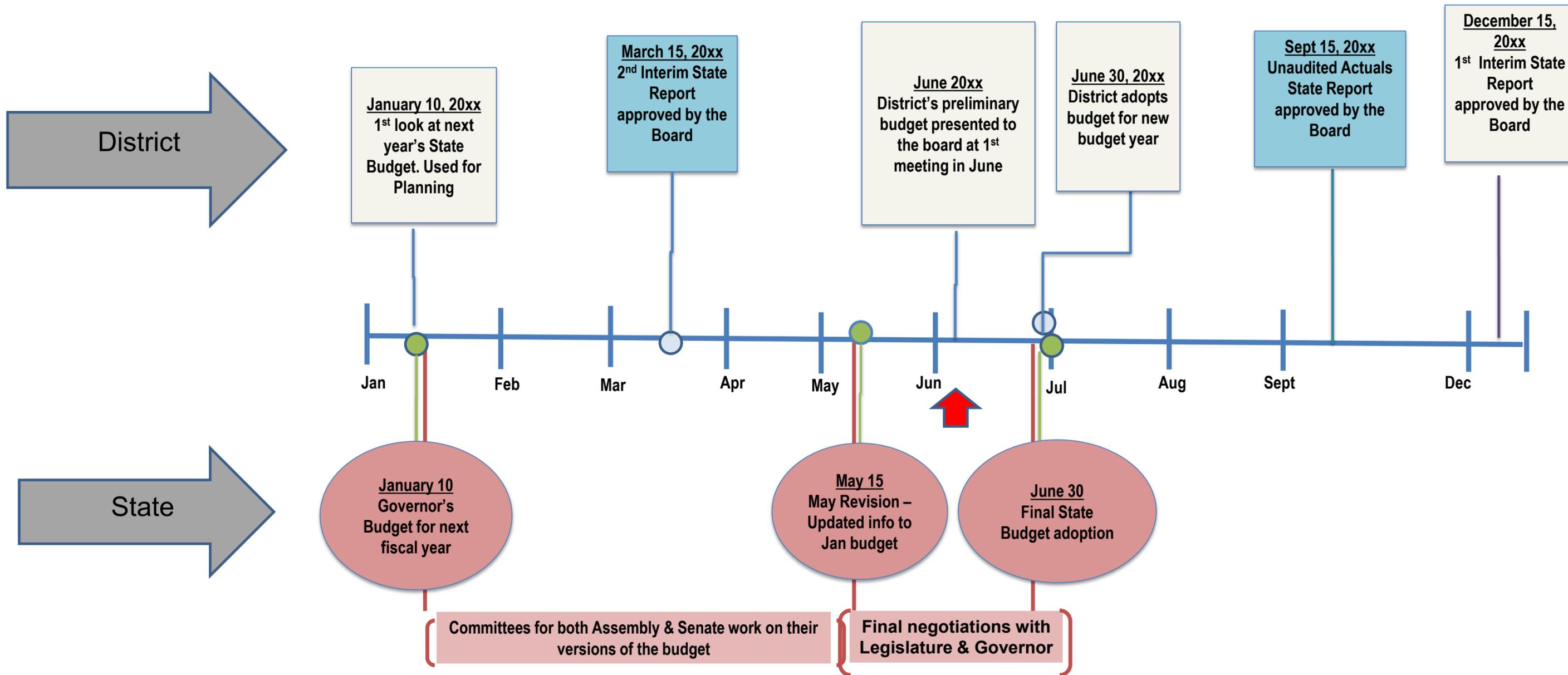


State Budget Process

- 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

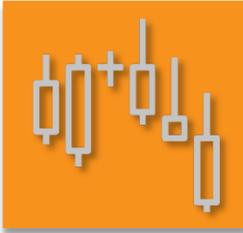


Themes for the May Revision

- **At the May Revision, Governor Gavin Newsom must resolve projected budget deficits in 2024-25 and 2025-26, and actual deficits in the current fiscal year**
 - **Outside education, he proposes significant spending cuts to government operations, reductions to programs, and pauses of new investments**
 - **Thankfully, K-14 education continues to be shielded from ongoing programmatic reductions**
 - **This is accomplished by fully depleting the Proposition 98 Rainy Day Fund, increasing the size of the Proposition 98 “funding maneuver,” and adding one-time education cuts**
- **The Governor does not assume a recession, but includes risks that would affect Proposition 98 should they come to pass**



The State Budget and the Economy



Both the Dow Jones and the S&P 500 are trending up with single digit percentage growth since the Governor's January budget release



Stagflation, which occurs when there is simultaneous slow growth, high unemployment, and rising costs, is now a concern



California's unemployment rate has grown significantly and is currently the highest in the nation



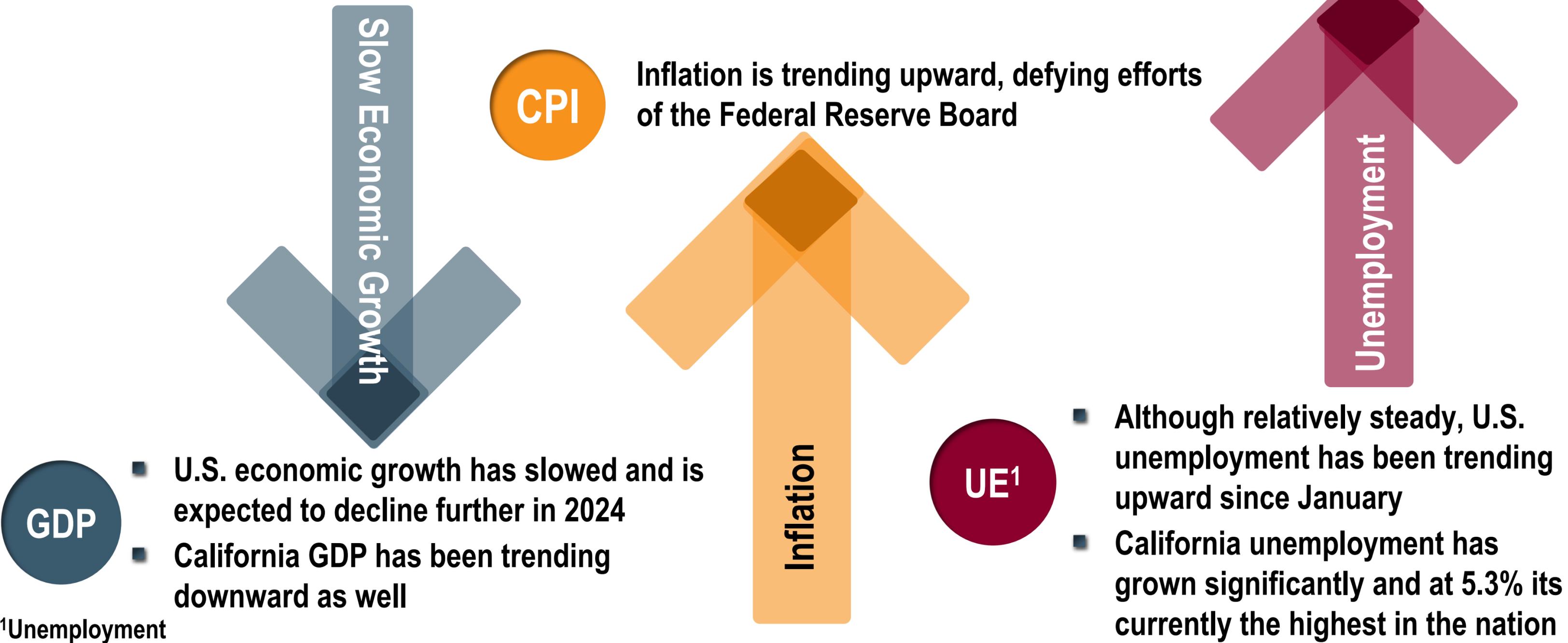
California's Gross Domestic Product (GDP) has been trending down



The big-three sources of state revenue (i.e., personal income, corporation, and sales and use taxes) are projected to be lower by \$10.5 billion over the three-year budget window when compared to January

Stagflation

- Stagflation occurs when there is simultaneous slow growth, high unemployment, and rising costs and can be protracted and difficult to correct



Risks to the State Budget

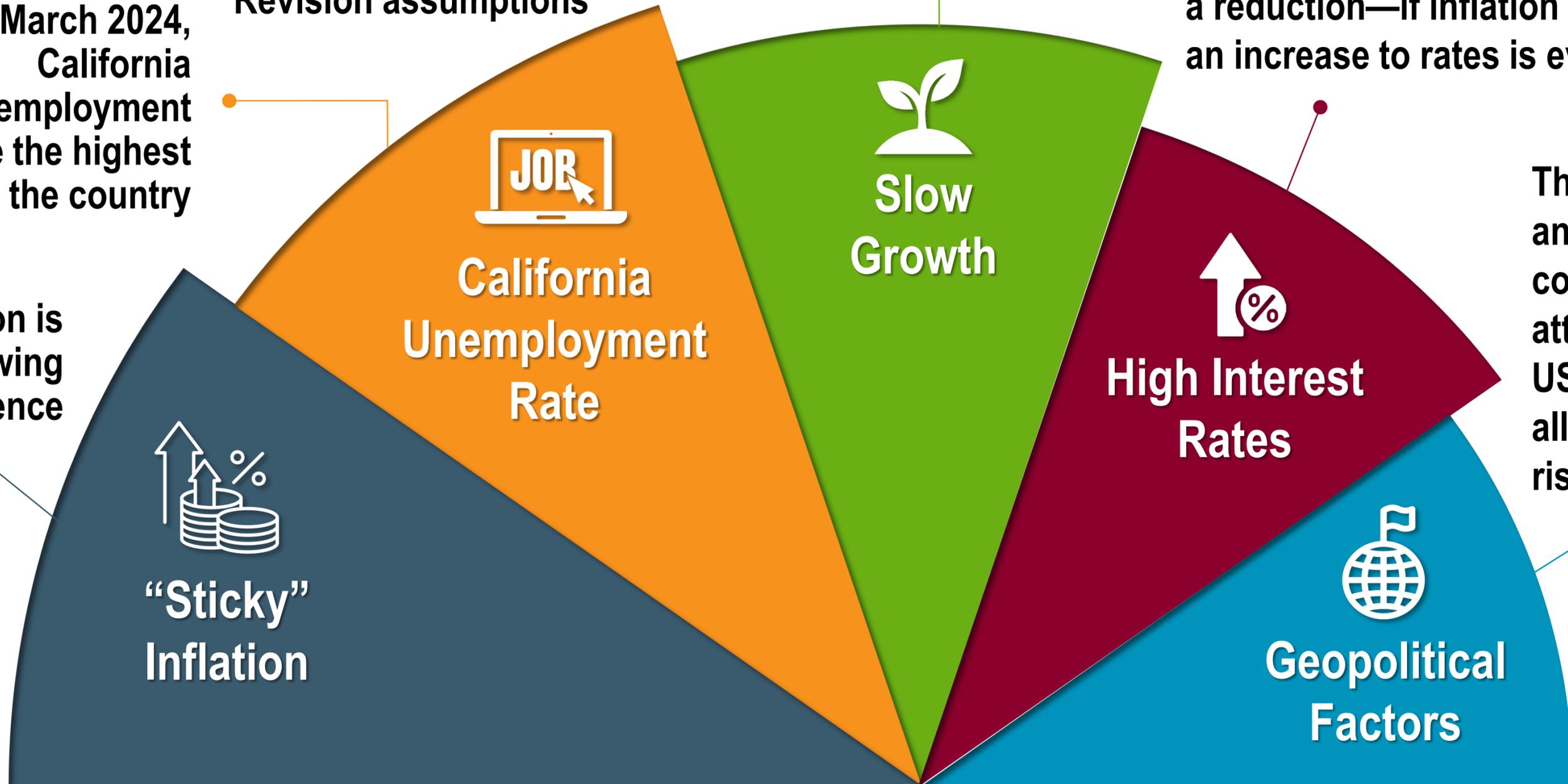
The state and national economies are in a slow growth pattern and may grow more slowly than the May Revision assumptions

Elevated rates curtail growth. The Fed rate is anticipated to hold steady until later this year, when we are hoping to see a reduction—if inflation continues to rise, an increase to rates is even possible

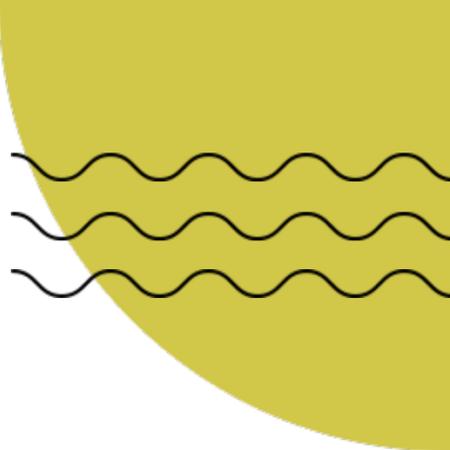
In March 2024, California unemployment became the highest in the country

Inflation is showing persistence

The Russia-Ukraine and middle east conflicts, cyber-attacks, and US/China relations all pose economic risks



Change in Fund Balance since 2nd Interim



Unrestricted Changes Since 2nd Interim Budget Revision		Change in Fund Balance
Excess of Expenditures over Revenues at 2nd Interim		\$ 491,813
Revenue Changes		
LCFF Funding - P2 ADA	(542,032)	
Federal Revenue -	0	
Other State Revenue - Assessment Funding	22,547	
Other Local Revenue - Graton grant + Interest Income	445,060	
	<u>(74,425)</u>	\$ (74,425)
Expenditure Changes		
Certificated Salaries - adj cert teacher and cert management sub expense	80,149	
Classified Salaries - adj CSEA, SEIU sub expense	65,023	
Benefits - based on above + H&W adjustments	(131,564)	
Books and Supplies - Secondary Math Adoption	18,351	
Other Services, Operations - adjusted utilities budgets, Teacher Induction Program	61,942	
Capital Outlay - Technology Infrastructure Refresh	1,503,120	
Other Outgo - County Served District Funded ADA	8,162	
Transfer of Indirect	(18,937)	
Increased Contribution to M&O	215,287	
	<u>1,801,533</u>	\$ 1,801,533
Total Expenditure Change		\$ 1,801,533
Revised Excess of Revenues over Expenditures at Second Interim		\$ (1,384,145)

Components: Funding Factors

Planning Factors for 2024-25 and MYPs

	2023-24	2024-25	2025-26	2026-27
Statutory COLA	8.22%	1.07%	2.93%	3.08%
COLA Investment	0.00%	0.00%	0.00%	0.00%
Funded LCFF Cola	8.22%	1.07%	2.93%	3.08%
STRS Employer Rates	19.10%	19.10%	19.10%	19.10%
PERS Employer Rates	26.68%	27.05%	27.60%	28.00%
Unemployment Insurance Rate	0.05%	0.05%	0.05%	0.05%
Lottery per ADA				
Unrestricted	\$ 177.00	\$ 177.00	\$ 177.00	\$ 177.00
Restricted	\$ 72.00	\$ 72.00	\$ 72.00	\$ 72.00
Mandated Block Grant for Districts				
K-8 per ADA	\$ 37.81	\$ 38.21	\$ 39.33	\$ 40.54
9-12 per ADA	\$ 72.84	\$ 73.62	\$ 75.78	\$ 78.11
Routine Restricted Maintenance	Minimum of 3% of total GF expenditures (based on actual expenditures)			
Est. Funded ADA	5,746.44	5,810.98	5,879.61	5,879.61
District Enrollment	6,009	6,171	6,129	5,968
Unduplicated Pupil Count %	47.53%	49.30%	49.65%	49.48%
# of Positions	RPCEA 359.23FTE	SEIU 121.89 FTE	CSEA 88.81 FTE	Non-Rep 78.0 FTE
# of Positions 2023-24 Budget Adoption	RPCEA 340.69FTE	SEIU 106.65 FTE	CSEA 87.31 FTE	Non-Rep 70.4 FTE



Key Budget Assumptions

- Department of Finance COLA funding assumptions
- Step and Column movement cost increases 1.5% annually
- Health and Welfare cost increase of 9.7% in 2024-25, 4% in subsequent years
- Assumed STRS & PERS costs using current projected rates
- Funded Average Daily Attendance (ADA) projected at 5,810.98 (current year ADA) for 2024-25
- Funded ADA for 2025-26 of 5,879.61 (current projected ADA for 2025-26)
- Funded ADA for 2026-27 of 5,879.61 (prior year ADA)



2024-25 LCFF Funding Factors

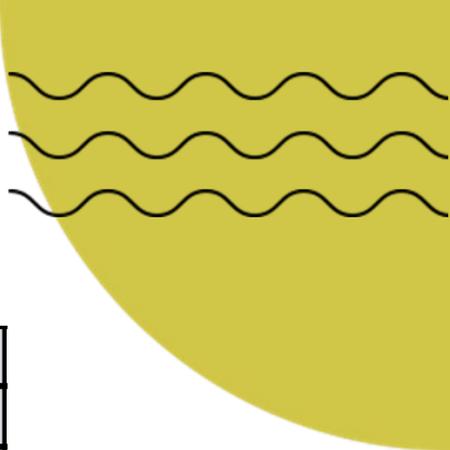
Grade Span	TK-3	4-6	7-8	9-12
2023-24 Base Grant per ADA	\$9,919	\$10,069	\$10,367	\$12,015
1.07% COLA	\$106	\$108	\$111	\$129
2024-25 Base Grant per ADA	\$10,025	\$10,177	\$10,478	\$12,144
GSA	\$1,043	–	–	\$316
2024-25 Adjusted Base Grant per ADA	\$11,068	\$10,177	\$10,478	\$12,460
20% Supplemental Grant per ADA¹	\$2,214	\$2,035	\$2,096	\$2,492
65% Concentration Grant per ADA²	\$3,237	\$2,977	\$3,065	\$3,645
TK Add-On (inclusive of COLA)	\$3,077	–	–	–

¹Maximum amount per ADA—to arrive at LEA’s grant amount, multiply adjusted base grant per ADA by 20% and UPP

²Maximum amount per ADA—to arrive at LEA’s grant amount, multiply adjusted base grant per ADA by 65% and UPP above 55%

LCFF Revenue 2024-25

Cotati-Rohnert Park Unified (73882) - Projected Budget		v.25.1		CY			
LOCAL CONTROL FUNDING FORMULA		2024-25					
LCFF ENTITLEMENT CALCULATION							
Calculation Factors		<u>COLA & Augmentation</u>		<u>Base Grant Proration</u>	<u>Unduplicated Pupil Percentage</u>		
		1.07%		0.00%	49.30%	49.30%	
		Current Yr					
		ADA	Base	Grade Span	Supplemental	Concentration	Total
Grades TK-3		1,756.38	\$ 10,025	\$ 1,043	\$ 1,091	\$ -	\$21,356,360
Grades 4-6		1,210.13	10,177		1,003	-	13,529,801
Grades 7-8		843.07	10,478		1,033	-	9,704,689
Grades 9-12		2,001.40	12,144	316	1,229	-	27,396,276
Subtract Necessary Small School ADA and Funding		-	-	-			-
Total Base, Supplemental, and Concentration Grant			\$ 63,061,892	\$ 2,464,346	\$ 6,460,888	\$ -	\$71,987,126
NSS Allowance			-				-
TOTAL BASE		5,810.98	\$ 63,061,892	\$ 2,464,346	\$ 6,460,888	\$ -	\$71,987,126
ADD ONS:							
Targeted Instructional Improvement Block Grant							\$ 502,003
Home-to-School Transportation (COLA added commencing 2023-24)							749,239
Small School District Bus Replacement Program (COLA added commencing 2023-24)							-
Transitional Kindergarten (Commencing 2022-23)		TK ADA	211.37	TK Add-on rate	\$ 3,077.00		650,385
ECONOMIC RECOVERY TARGET PAYMENT							-
LCFF Entitlement							\$73,888,753



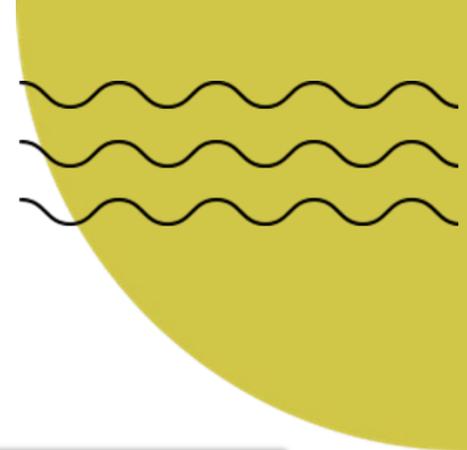
Impact of COVID-19 Protections on Multiyear Projections

- The COVID-19 pandemic resonated through all facets of public education, including on the rate at which students attended school
- In 2019-20, on average, a student missed 9 days of school annually
 - Fast forward to 2022-23 and, on average, a student missed 14 days of school annually

ADA-to-Enrollment Ratios		
Grade Span	2019-20	2022-23
TK-3	94.72%	91.03%
4-6	95.93%	92.86%
7-8	95.40%	92.04%
9-12	93.81%	90.61%

Source: California Department of Education (CDE) Principal Apportionment and California Longitudinal Pupil Achievement Data System (CALPADS) data

General Fund 2024-25 Revenue Budget



DESCRIPTION	Unrestricted	Combined	
General Purpose (LCFF) Revenue	\$73,888,753	\$75,089,279	<p>General Purpose – Property taxes, basic state aide, and education protection account funds</p> <p>Federal – District must follow specific grant guidelines (Title I, Title II, ESSER etc.)</p> <p>Other State – State funds not part of State Aid (Lottery, Special Education, Mandate etc.)</p> <p>Local – Funds received from local sources (Parcel Tax, Casino Funds, Foundation support, PTSA support, Interest, etc.)</p>
Federal Revenue	\$0	\$2,799,199	
Other State Revenue	\$2,032,858	\$10,748,778	
Other Local Revenue	\$4,041,100	\$8,469,823	
TOTAL	\$79,962,711	\$97,107,079	



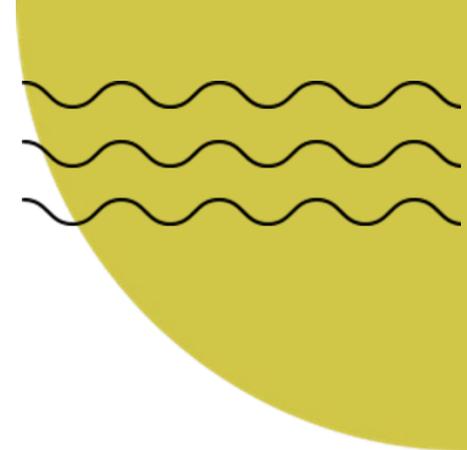
General Fund Expenditures

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

DESCRIPTION	UNRESTRICTED	COMBINED
Certificated Salaries	24,894,136	\$33,394,756
Classified Salaries	6,476,213	\$11,192,557
Certificated & Classified Management Sals	4,448,183	\$7,158,109
Benefits (Payroll Taxes and Health & Welfare Contributions)	18,566,986	\$30,391,559
Books and Supplies	685,359	\$2,590,132
Other Services & Oper.	8,592,631	\$18,546,934
Transfer for County Served Students	49,417	\$49,417
Equipment > \$5,000	0	\$0
Indirect Costs	(460,124)	\$0
TOTAL	63,252,801	\$103,323,464



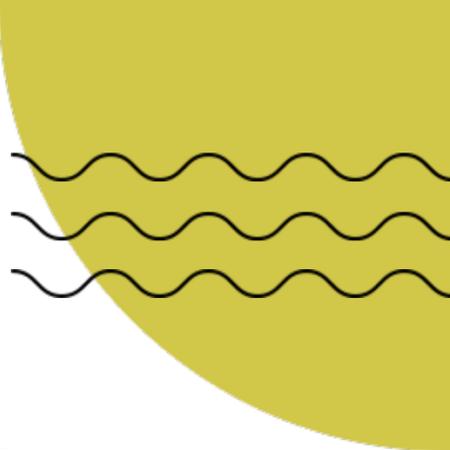
Unrestricted Funds to Restricted Programs



CRPUSD Contributions to Restricted	Amount
Special Ed IDEA	17,376,459
Routine Restricted Maintenance	1,996,389
Total Contributions	19,372,848



Budget Adoption General Fund Summary



CRPUSD Budget Adoption 2024-25			
Description	Unrestricted	Restricted	Total
Total Revenues	79,962,711	17,144,368	97,107,079
Total Expenditures	63,252,801	40,070,663	103,323,464
Excess/(Deficiency)	16,709,910	(22,926,295)	(6,216,385)
Transfer to RRMA & SpEd	(19,372,848)	19,372,848	0
Transfer from FD 40 to RRMA		1,000,000	1,000,000
Net Increase/(Decrease)	(2,662,938)	(2,553,447)	(5,216,385)
Beginning Fund Balance	5,592,427	10,458,412	16,050,838
FD 01 Ending Fund Balance	2,929,489	7,904,965	10,834,453
FD 17 Special Reserve	3,723,887		
Reserve Percentage	6.5%		



Statewide Average Reserve Levels

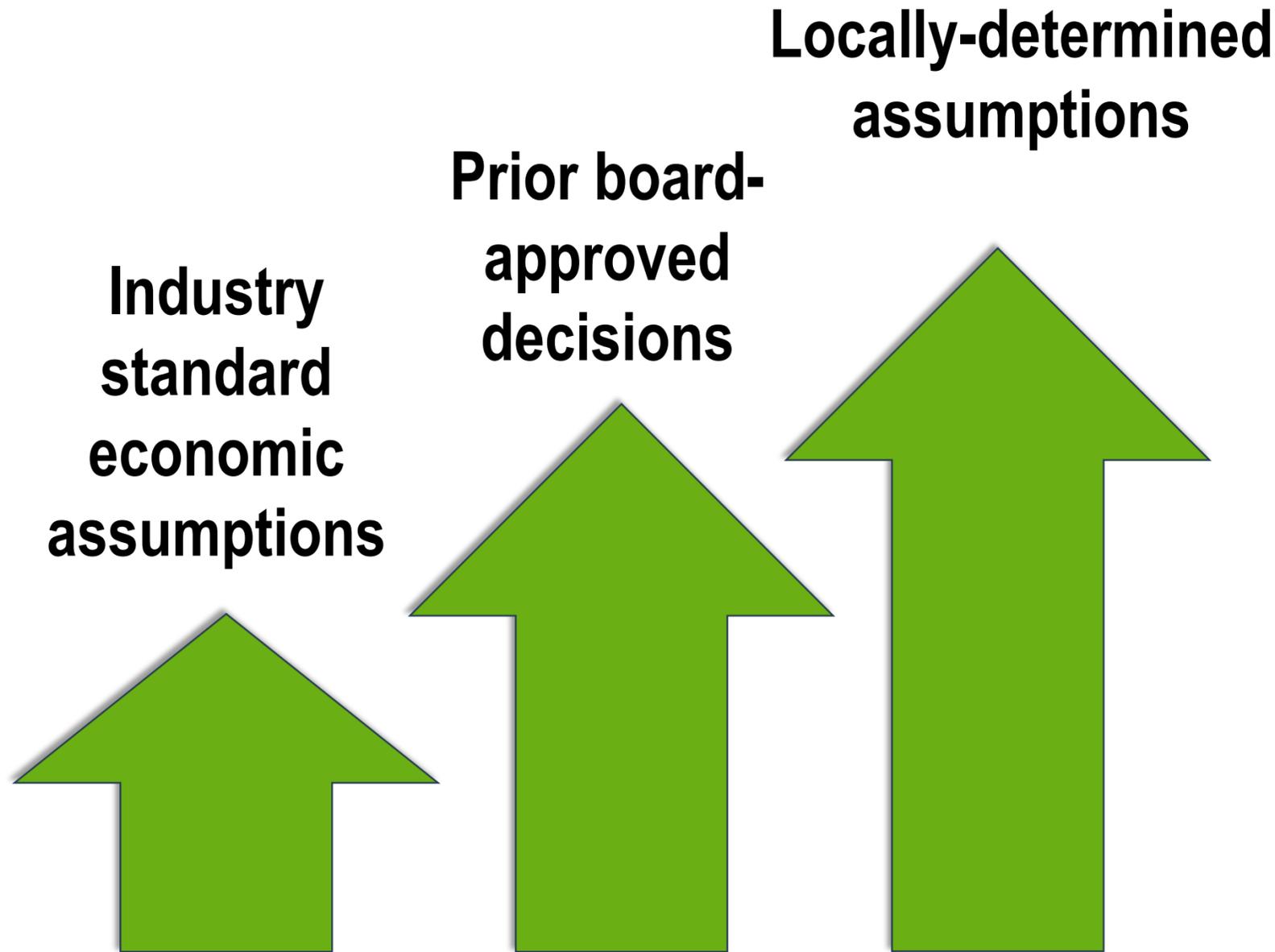
- The latest statewide data on school district reserves available is for 2022-23
 - Rise in reserves is likely due to the 6.70% augmentation to the Local Control Funding Formula (LCFF) in the 2022-23 Enacted Budget, spending of one-time, restricted revenues, and additional average daily attendance (ADA) mitigation policies

Average Unrestricted General Fund, Plus Fund 17, Ending Balances¹					
	2018-19	2019-20	2020-21	2021-22	2022-23
Unified School Districts	17.26%	18.82%	22.36%	22.19%	23.74%
Elementary School Districts	20.47%	22.70%	26.01%	25.32%	25.55%
High School Districts	15.64%	17.34%	21.82%	21.29%	22.94%

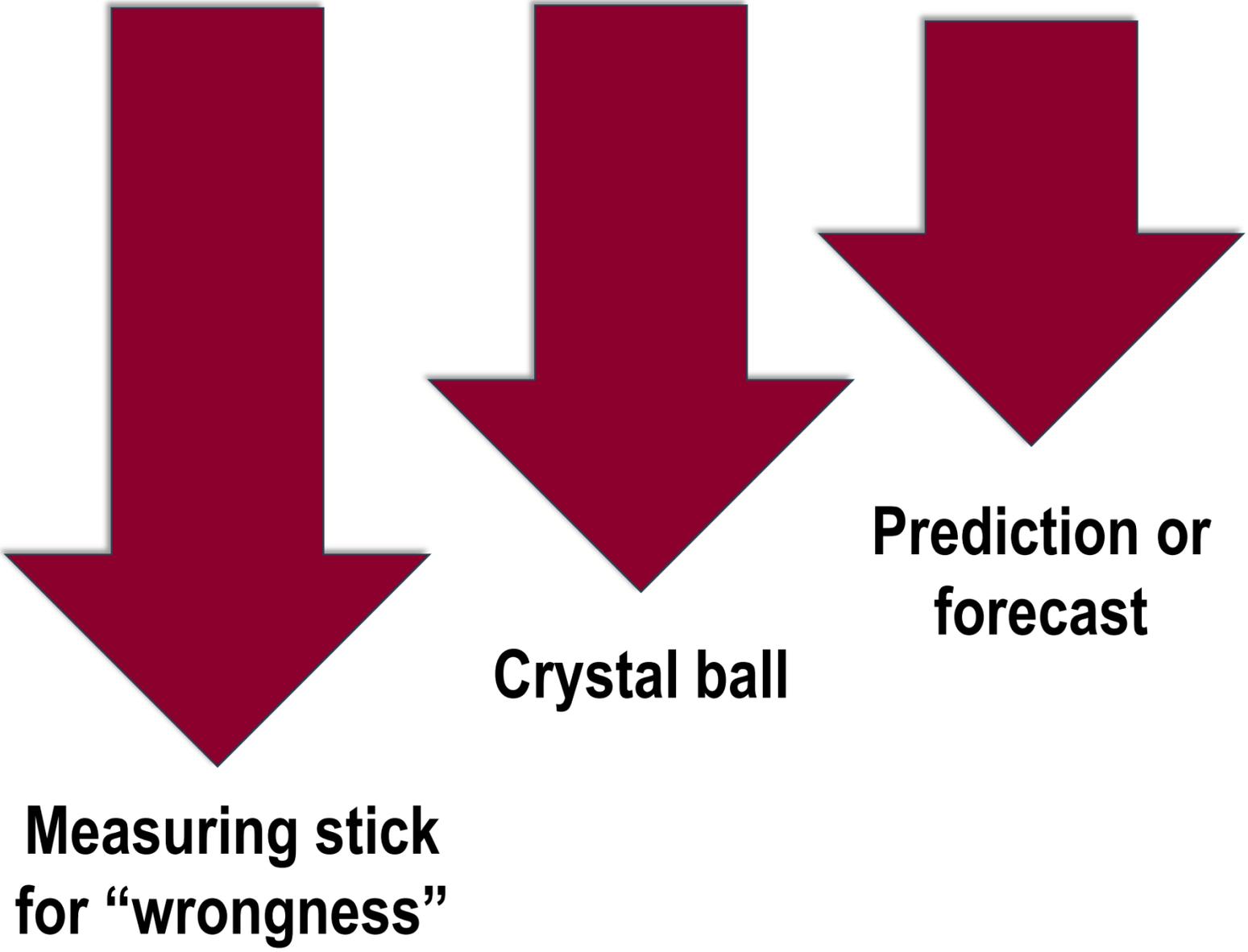
¹As a percentage of total General Fund expenditures, transfers, and other uses

Multi-Year Projections

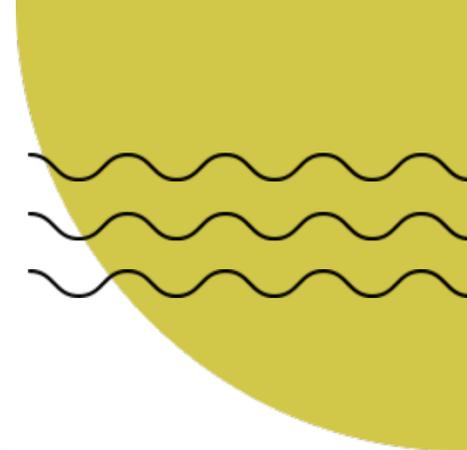
Result of mathematical calculations based on the following:



Should not be used or characterized as the following:



Summary Budget Adoption Multi-Year Projection(MYP)



2024-25 Budget Adoption Multi-Year Projection (Unrestricted General Fund)			
Description	2024-25 Budget	Projected 2025-26	Projected 2026-27
Total Revenues	79,962,711	82,124,909	84,476,550
Total Expenditures	63,252,801	64,881,301	66,380,119
Excess/(Deficiency)	16,709,910	17,243,608	18,096,431
Transfer to RRMA & SpEd	(19,372,848)	(20,207,219)	(21,077,439)
Surplus/(Deficit) (Total Rev - Total Exp)	(2,662,938)	(2,963,611)	(2,981,008)
Add: Beginning Fund Balance	5,592,427	2,929,489	(34,122)
FD 01 Unrestricted Ending Fund Balance	2,929,489	(34,122)	(3,015,130)
Special Reserve - Fund 17	3,723,887	3,763,887	3,803,887
AB 1200 Reserve Percentage	6.5%	3.5%	0.7%

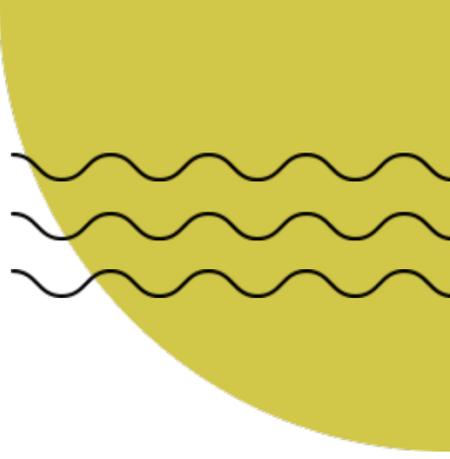


Areas of Financial Concern

- Enrollment/ADA trends
- Future impact of STRS/PERS
- Future technology needs
- Increases in general cost of doing business
- Containing Special Education costs
- Compensation cost pressures
- Expiring one-time funds



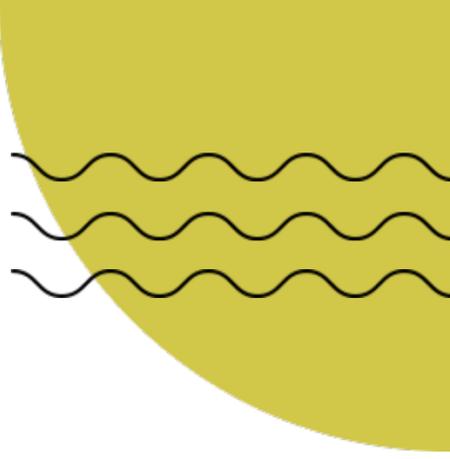
Budget Adoption Approval



- . 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 one subsequent year*
- . Staff recommends that the Board adopt the 202425 budget as presented*



Questions?



CRPUSD

renew
reengage



reimagine

reconnect