



2022-23

First Interim Report

COTATI-ROHNERT PARK UNIFIED SCHOOL DISTRICT

SCHOOL BOARD PRESENTATION

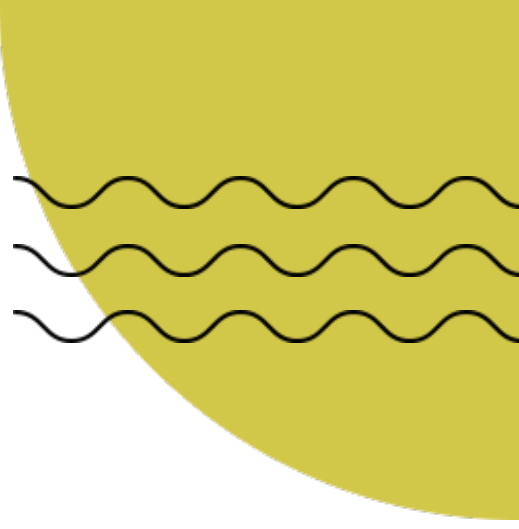
DATE 12/13/22

2022-23 1st 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



2022-23 1st Interim State Report



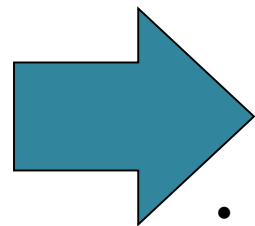
Process:

- 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

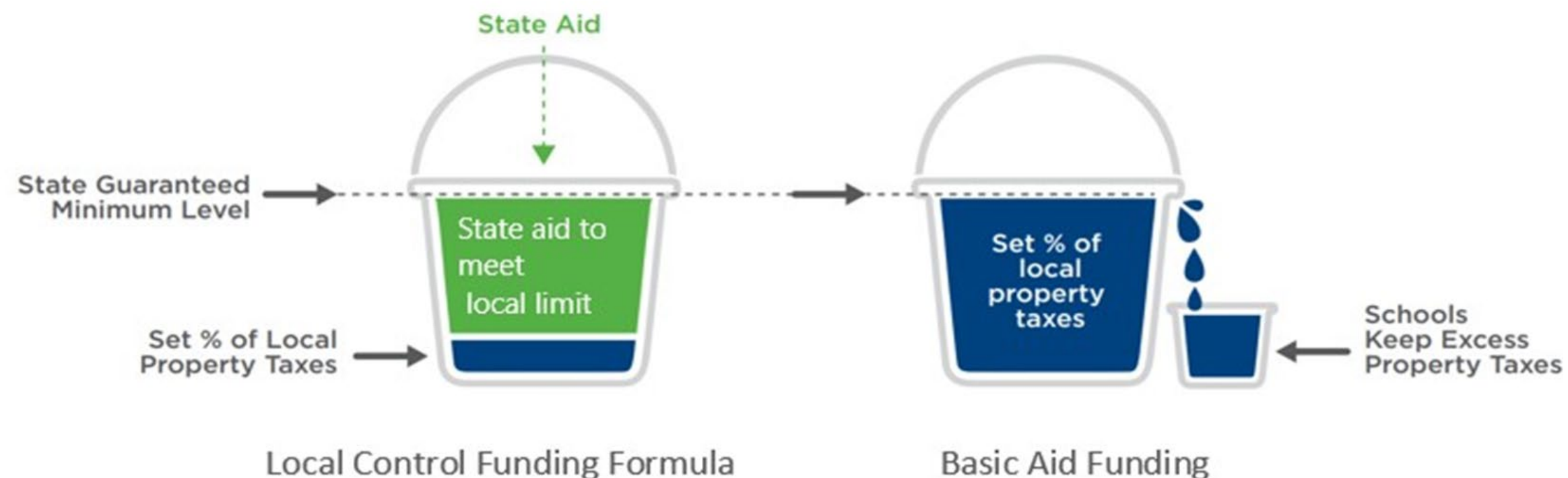
- January
 - Governor's proposed budget for budget year
- February
 - Legislative Analyst review with comments
- April
 - Statutory COLA recalculated
- May
 - "May Revise" reflects tax adjustments
- June 15 (or later)
 - Final adopted State budget
 - COLAs, "gap" funding
 - Potential additional programs, 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...



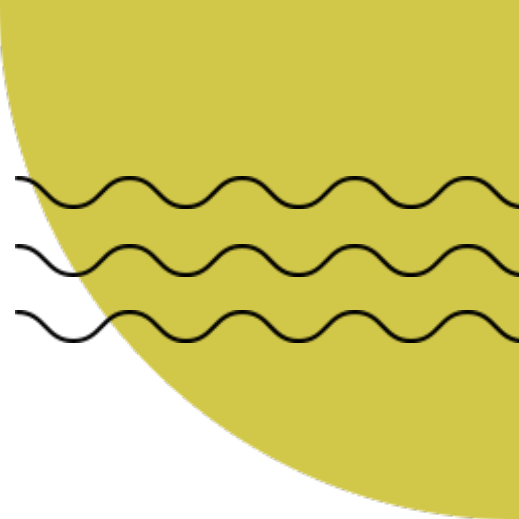
State Funded vs Basic Aid

- 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 2022-23 and MYPs

	2021-22	2022-23	2023-24	2024-25
Statutory COLA	1.70%	6.56%	5.38%	4.02%
COLA Investment	0.00%	6.70%	0.00%	0.00%
Funded LCFF Cola	5.07%	13.26%	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	\$ 170.00	\$ 170.00	\$ 170.00
Restricted	\$ 65.00	\$ 67.00	\$ 67.00	\$ 67.00
Mandated Block Grant for Districts				
K-8 per ADA	\$ 32.79	\$ 34.94	\$ 36.82	\$ 38.30
9-12 per ADA	\$ 63.17	\$ 67.31	\$ 70.93	\$ 73.78
Routine Restricted Maintenance	Minimum of 3% of total GF expenditures (based on actual expenditures)			
Est. Funded ADA	5,423	5,631	5,553	5,570
Enrollment	5,954	6,090	6,090	6,090
Unduplicated Pupil Count %	47.11%	46.09%	44.74%	44.41%
# of Positions	RPCEA 340.6FTE SEIU 101.90 FTE CSEA 107.33 FTI Non-Rep 70.5 FTE			



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

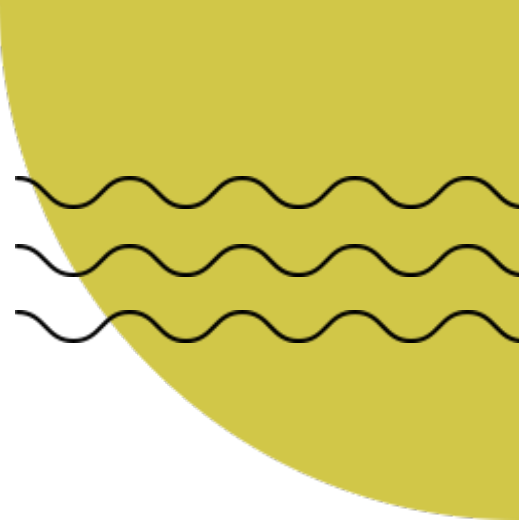


LCFF ADA Loss Mitigation

- **Ongoing change to ADA used for school district LCFF funding calculation**
 - **LCFF funding is based on greater of:**
 - **Current-year ADA**
 - **Prior-year ADA or**
 - **Computed average ADA using the three most recent prior years' ADA**
- **One-time allowance for classroom-based charter schools**
 - **Implemented through uncodified language in AB 181**
 - **Applies to 2021-22 only**
 - **LCFF funding for 2021-22 is based on greater of**
 - **Current-year ADA or**
 - **Prior-year ADA**



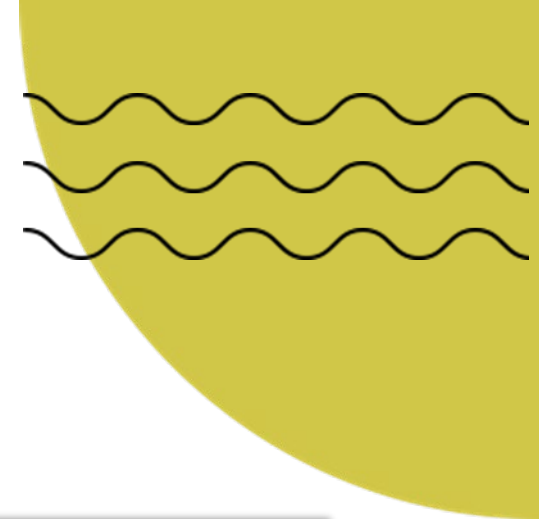
Key Budget Assumptions



- All step and column adjustments, vacancies and late hires reflected in budget
- Department of Finance 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 5,631 (prior year ADA) for 2022-23
- Funded ADA for 2023-24 of 5,616 (current projected ADA for 2023-24)
- Funded ADA for 2024-25 of 5,634 (3-PY Average)
- 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
- 5.38% salary increase for 2023-24 for all employee groups
 - Costs for salary settlement included in MYP for 2023-24



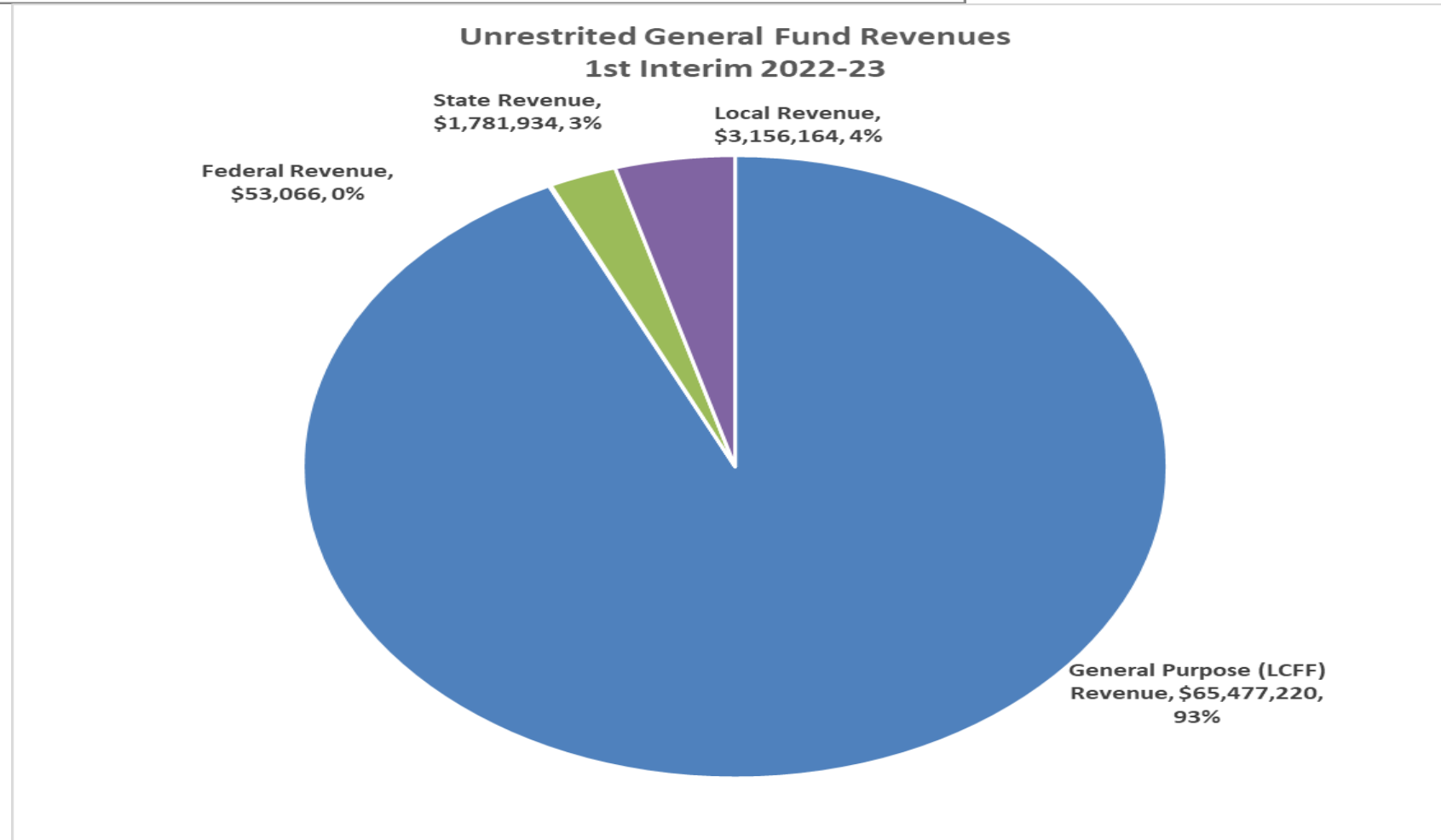
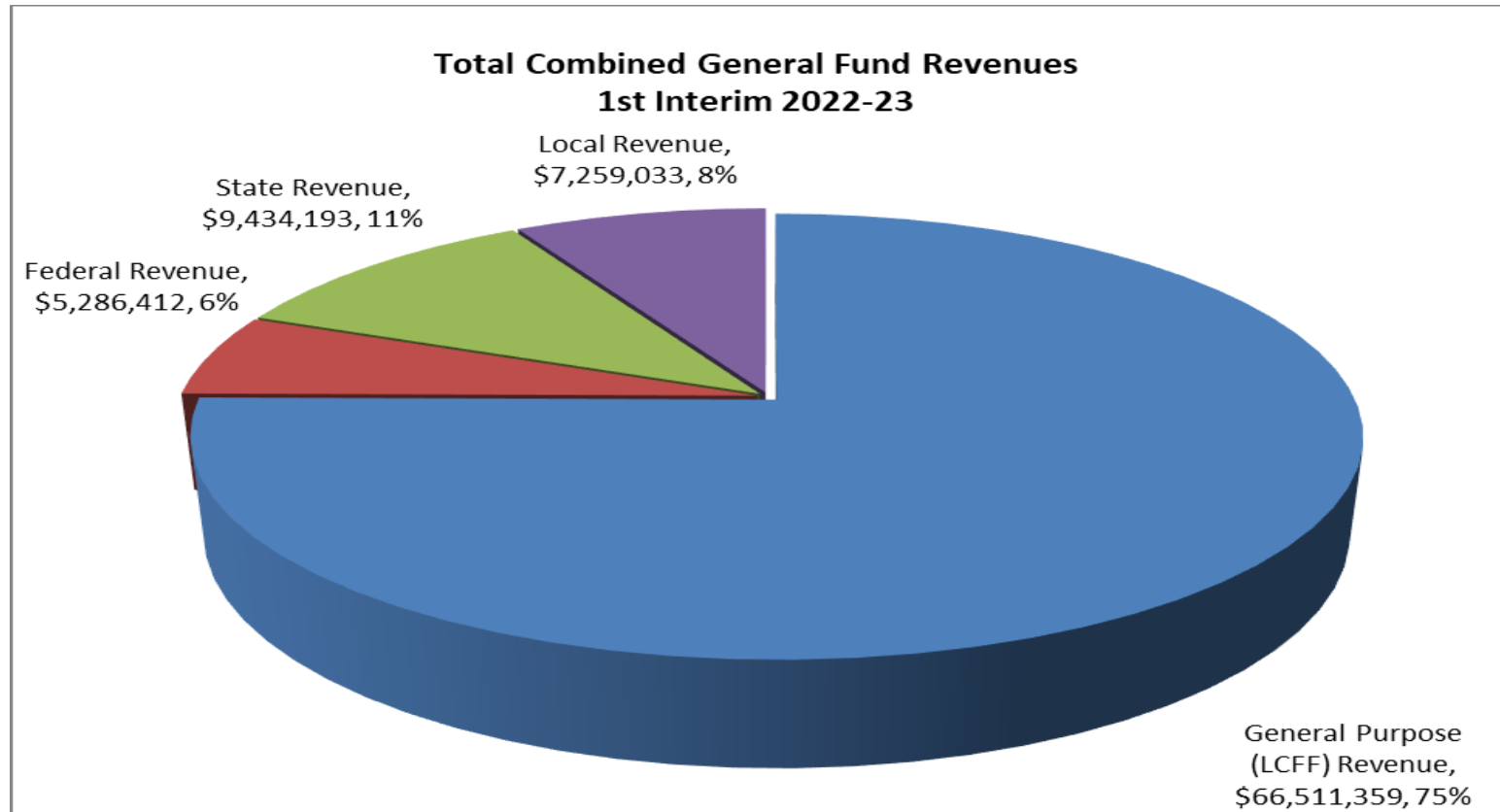
General Fund 2022-23 Revenue Budget



DESCRIPTION	Unrestricted	Combined	
General Purpose (LCFF) Revenue	\$65,477,220	\$66,511,359	<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, 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	\$53,066	\$5,286,412	
State Revenue	\$1,781,934	\$9,434,193	
Local Revenue	\$3,156,164	\$7,259,033	
TOTAL	\$70,468,384	\$88,490,997	



General Fund Revenue Budget



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

Federal – District must
follow specific grant
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Other State – State
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General Fund Expenditures

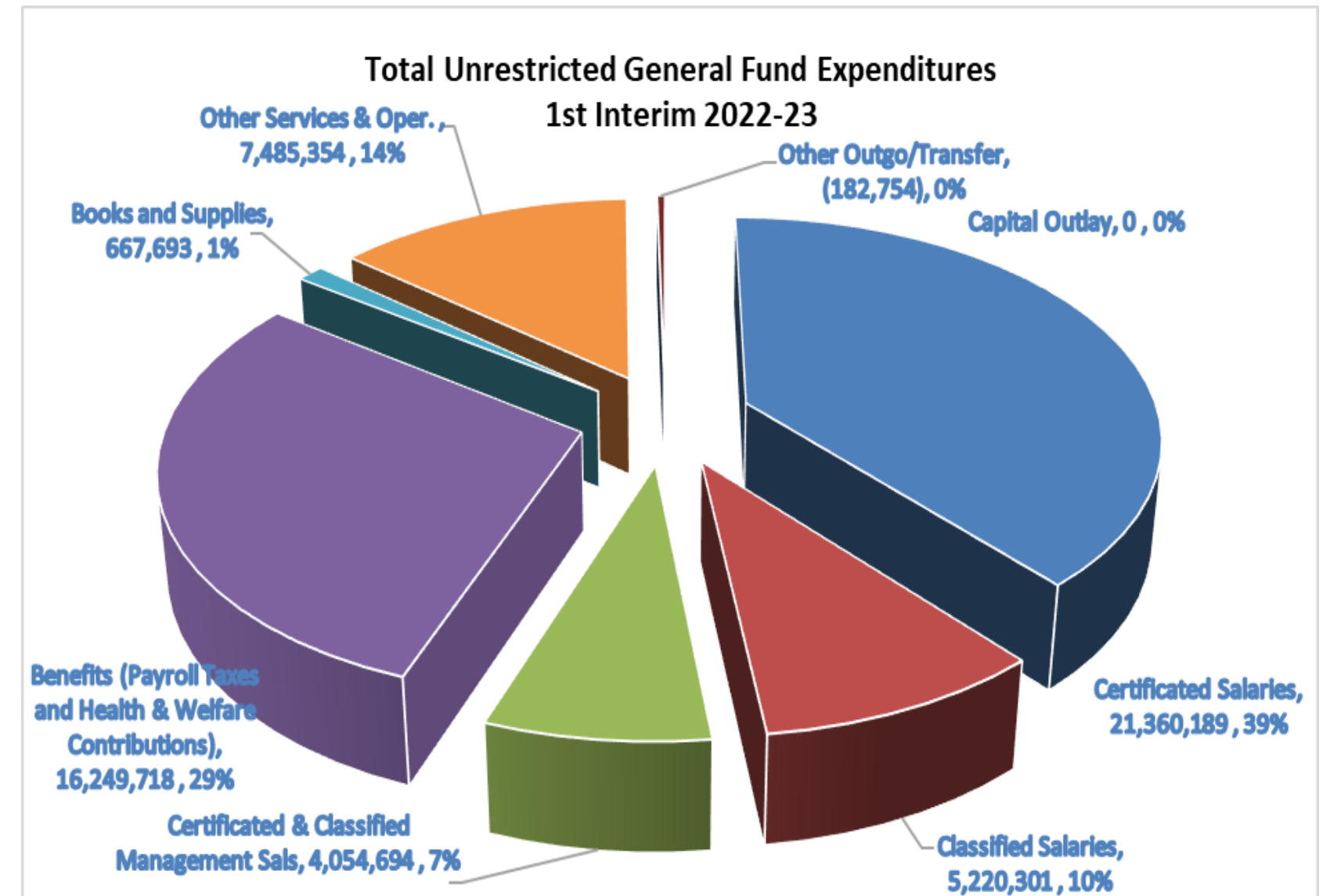
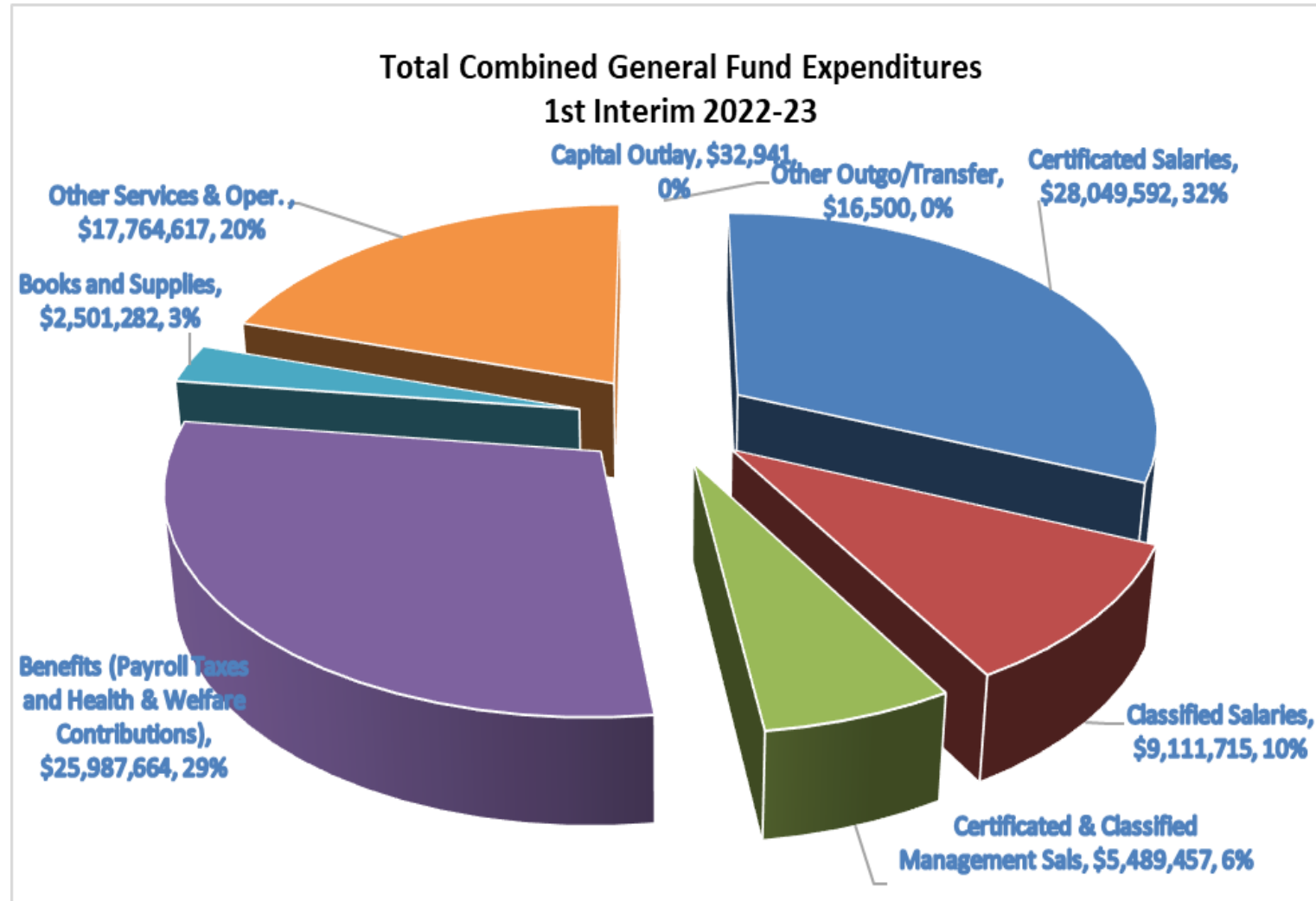
- Reflects General Fund only (no Cafeteria, Bonds, Capital Facilities)
- Employee costs comprise approximately 85% of the Districts unrestricted budget

DESCRIPTION	UNRESTRICTED	COMBINED
Certificated Salaries	21,360,189	\$28,049,592
Classified Salaries	5,220,301	\$9,111,715
Certificated & Classified Management Sals	4,054,694	\$5,489,457
Benefits (Payroll Taxes and Health & Welfare Contributions)	16,249,718	\$25,987,664
Books and Supplies	667,693	\$2,501,282
Other Services & Oper.	7,485,354	\$17,764,617
Capital Outlay	0	\$32,941
Other Outgo/Transfer	(182,754)	\$16,500
TOTAL	54,855,195	\$88,953,768

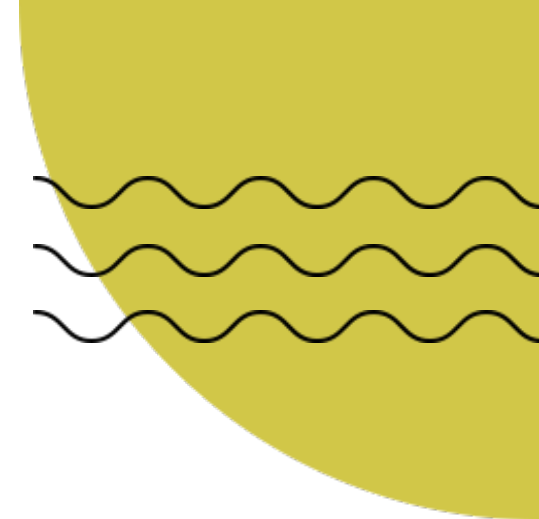


General Fund Expenditures

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Change in Fund Balance since 45-Day Budget Revision



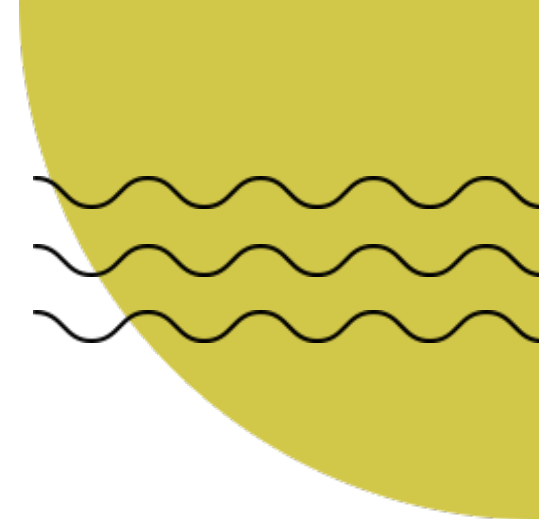
Unrestricted Changes Since 45-Day Budget Revision		Change in Fund Balance 2022-23
Excess of Expenditures over Revenues at Estimated Actuals		\$ 719,252
Revenue Changes		
LCFF Funding - Funded ADA & Funded COLA adjustment	1,121,440	
Federal Revenue -	0	
Other State Revenue - Updated Lottery & Transportation Income	597,360	
Other Local Revenue	35,050	
	1,753,850	\$ 1,753,850
Expenditure Changes		
Certificated Salaries - adj cert teacher and cert management salaries, subs	319,303	
Classified Salaries -	223,688	
Benefits - based on above + H&W adjustments	(104,840)	
Books and Supplies - adjusted budget to reflect projected expense	81,096	
Other Services, Operations - adjusted utilities budgets	99,282	
Contribution to Special Ed	10,716	
	612,689	\$ 612,689
Total Expenditure Change		
		\$ 1,860,413
Revised Excess of Revenues over Expenditures at Second Interim		\$ 1,860,413

First Interim General Fund Summary

CRPUSD 1st Interim 2022-23			
Description	Unrestricted	Restricted	Total
Total Revenues	70,468,384	18,022,613	88,490,997
Total Expenditures	54,855,195	34,582,161	89,437,356
Excess/(Deficiency)	15,613,189	(16,559,548)	(946,359)
Transfer to RRMA & SpEd	(14,292,158)	14,292,158	0
Transfer in from FD 17	539,382		539,382
Transfer from FD 40 to RRMA		700,000	700,000
Surplus/(Deficit)	1,860,413	(1,567,390)	293,023
Beginning Fund Balance	6,625,533	3,714,071	10,339,604
Math Textbook Adoption Reserve	(1,000,000)		
1% Additional Reserve per Board Policy	(888,980)		
Ending Fund Balance	6,596,966	2,146,681	10,632,627
Special Reserve - Fund 17	2,284,311		
AB 1200 Reserve Percentage	10%		



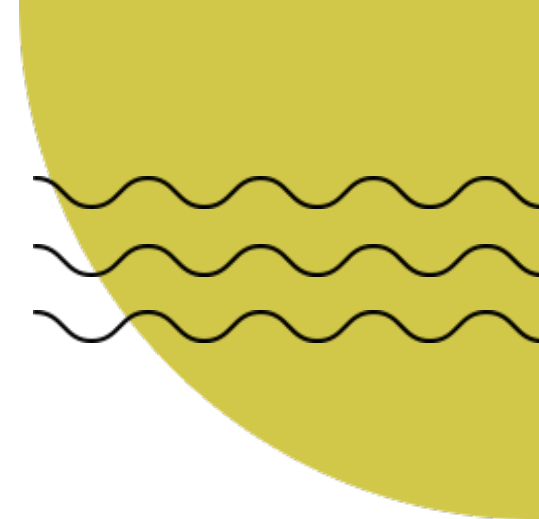
Summary Multi-Year Projection (MYP)



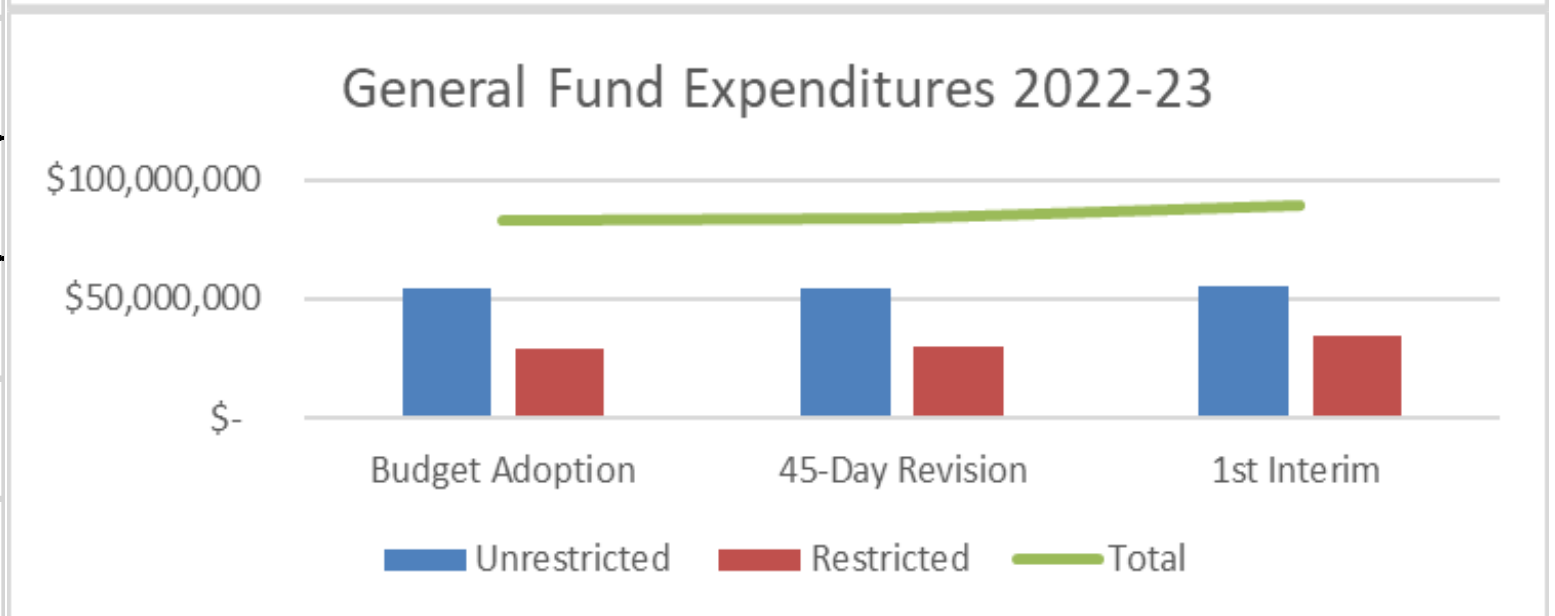
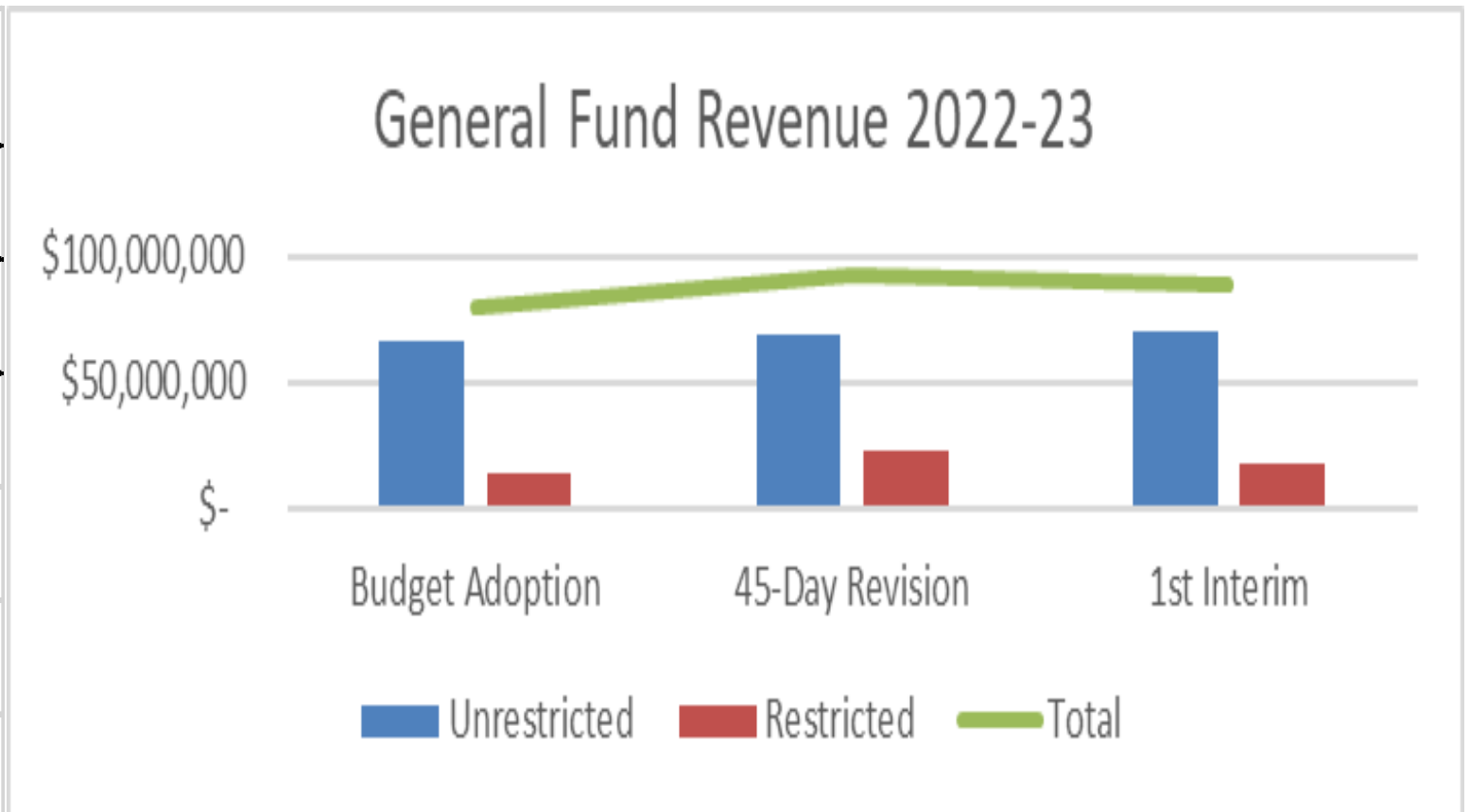
2022-23 1st Interim Multi-Year Projection (Unrestricted General Fund)			
Description	2022-23 Revised Budget	Projected 2023-24	Projected 2024-25
Total Revenues	70,468,384	72,960,366	75,911,613
Total Expenditures	54,855,195	58,294,055	59,682,704
Excess/(Deficiency)	15,613,189	14,666,311	16,228,909
Transfer in from FD17	539,382		
Transfer to RRMA & SpEd	(14,292,158)	(14,058,472)	(14,194,828)
Surplus/(Deficit) (Total Rev - Total Exp)	1,860,413	607,839	2,034,081
Add: Beginning Fund Balance	6,625,533	6,596,966	7,204,805
Math Textbook Adoption Reserve	(1,000,000)		
1% Additional Reserve per Board Policy	(888,980)	(926,107)	(948,221)
Reserve for future salary comp increase	0	0	(2,043,366)
Technology Infrastructure Refresh	0	(1,000,000)	(1,000,000)
Ending Fund Balance	6,596,966	7,204,805	9,238,886
Special Reserve - Fund 17	2,284,311	2,299,311	2,314,311
AB 1200 Reserve Percentage	10%	10%	10%



2022-23 Budget Revision Summary



2022-23 Budget Cycle				
Revenue				
		Unrestricted	Restricted	Total
Jun-22	Budget Adoption	\$ 66,496,862	\$ 13,885,650	\$ 80,382,512
Aug-22	45-Day Revision	\$ 69,253,916	\$ 23,188,558	\$ 92,442,474
Oct-22	1st Interim	\$ 70,468,384	\$ 18,022,613	\$ 88,490,997
Expenditures				
		Unrestricted	Restricted	Total
Jun-21	Budget Adoption	\$ 53,867,379	\$ 29,318,480	\$ 83,185,859
Aug-22	45-Day Revision	\$ 54,253,222	\$ 29,431,388	\$ 83,684,610
Oct-22	1st Interim	\$ 54,855,195	\$ 34,582,161	\$ 89,437,356



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, 2023 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)



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

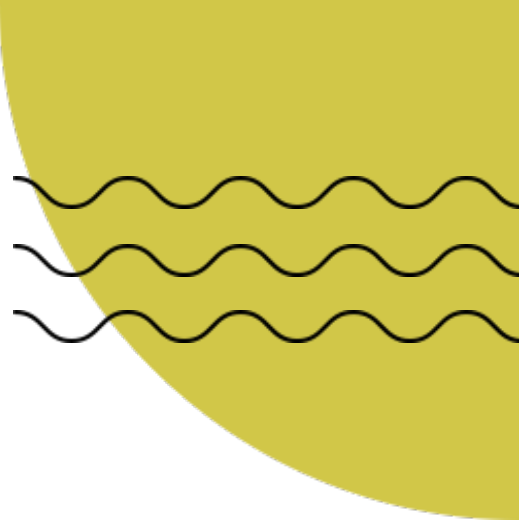


First Interim Certification

- 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
reconnect



reconnect



reimagine