

# RSF School District 2022-23 Proposed Budget



June 3, 2022 Public Hearing  
June 7, 2022 Adoption

# Agenda

Governor's May Revise Proposals

State's Long-term Forecast

Enrollment & Class Size

Revenues

Expenses

Ending Fund Balance

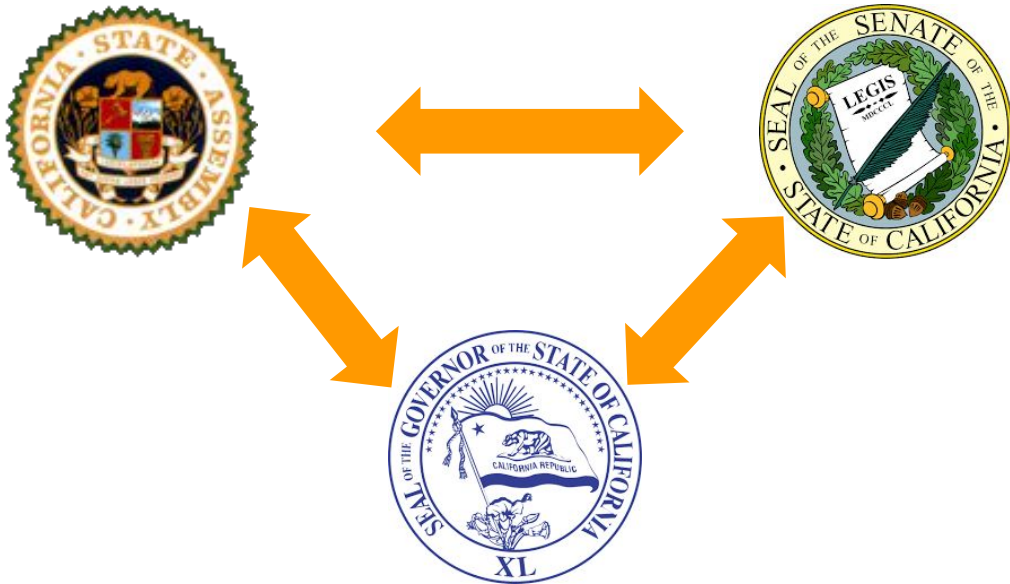
Set Asides Recap

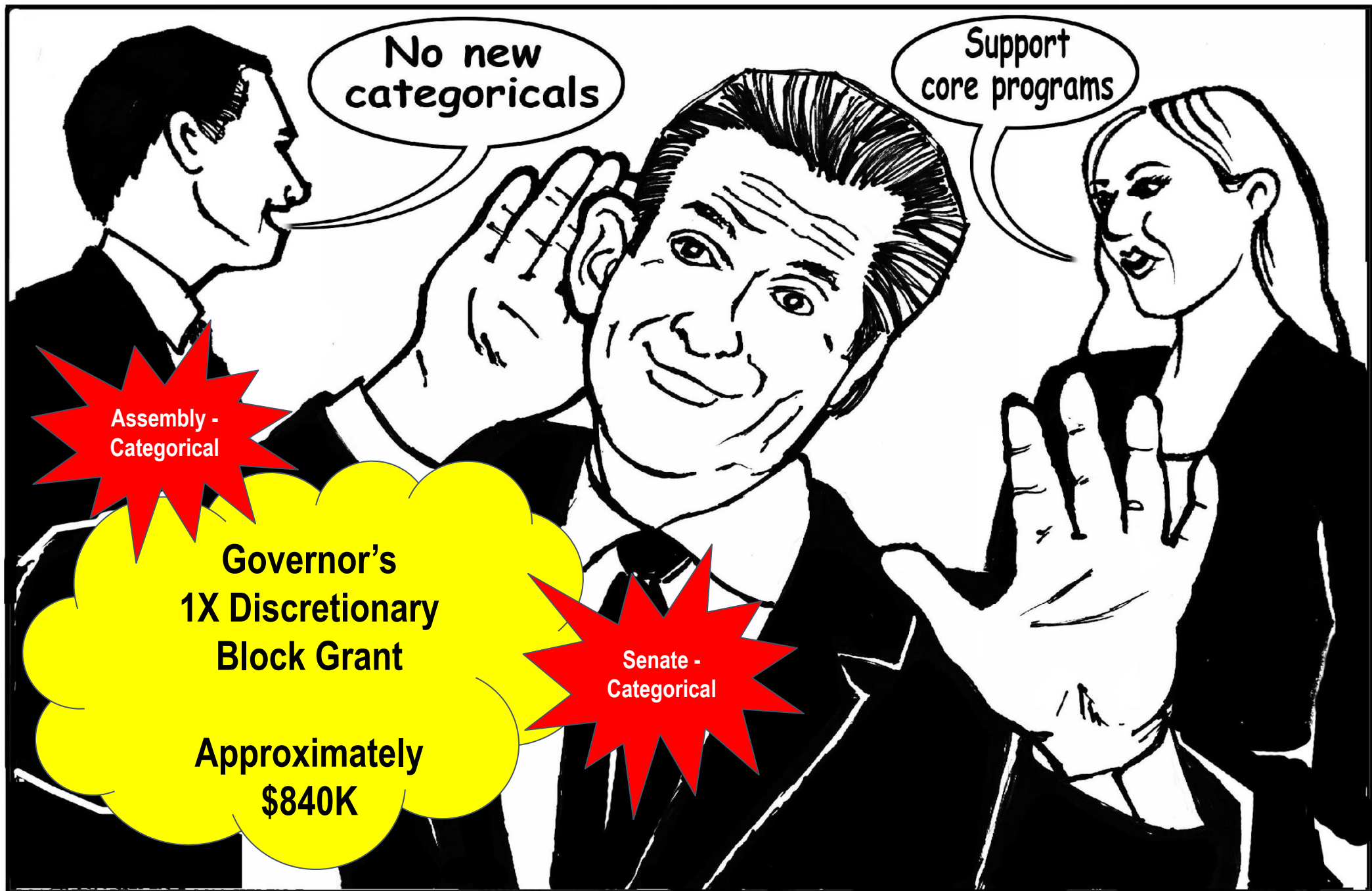
Multi Year Projections

Next Steps

# Governor's MAY REVISE

- \$30 Billion more in state revenues since January's budget
- Budget adoption by 7-1-22
- Inequities of funding for small district continues by Legislators





No new  
categoricals

Support  
core programs

Assembly -  
Categorical

Governor's  
1X Discretionary  
Block Grant

Approximately  
\$840K

Senate -  
Categorical

# Key May Revise Proposals

## Doesn't Impact Us:

- **Increased LCFF funding along with COLA increases of 10% - 15%**
- **ADA Cliff - revised calculations for LCFF funding (our ADA increased to 560 from 538)**

## Impacts Us:

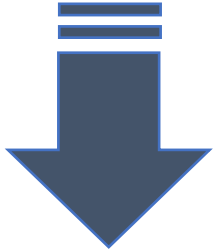
- **1x Discretionary Block Grant**
- **Deferred Maintenance - \$100K minimum per school district (Governor's budget only)**
- **ELOP - fully funded for 4 years: \$119K for 23/24 (up from \$50K)**
- **6.56% COLA accounting for inflation - impact for collective bargaining**
- **State unemployment staying at .5%**
- **Independent Studies instead of Distant Learning (simplify process)**
- **Increased funding for UMP reimbursement (close the gap with federal funds decreasing)**

## Disappointments:

- **No pension relief for this upcoming year (CalPERS to decline slightly through 27-28 from 25.37% to 22.6% and CalSTRS to remain at 19.1% for the next several years)**
- **NO proposal to assist basic aid districts for implementing TK**
- **No-opt out for UMP or ELOP**

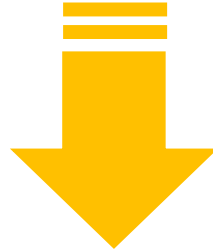
# Risks to the Budget and Long-Term Forecast

- 12 years of sustained growth with the last 2 years as blockbusters - State now has some budget resiliency due to large reserves
- Governor has built his state budget capitalizing on windfall that is likely to be short lived
- The economy is facing significant headwinds and is beginning to enter turbulent territory; the wild ride is expected to level-off or decline - significant risk to the economy and state budget

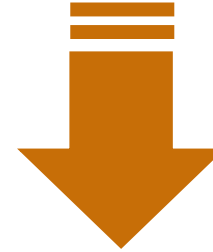


**Inflation and fears of prolonged inflation pose the most immediate risk to the economy**

- Becoming widespread
- Could slow GDP
- Federal Reserve actions could cause a recession



**Supply chain bottlenecks continue to aggravate supply and demand, which exacerbates inflationary pressures**



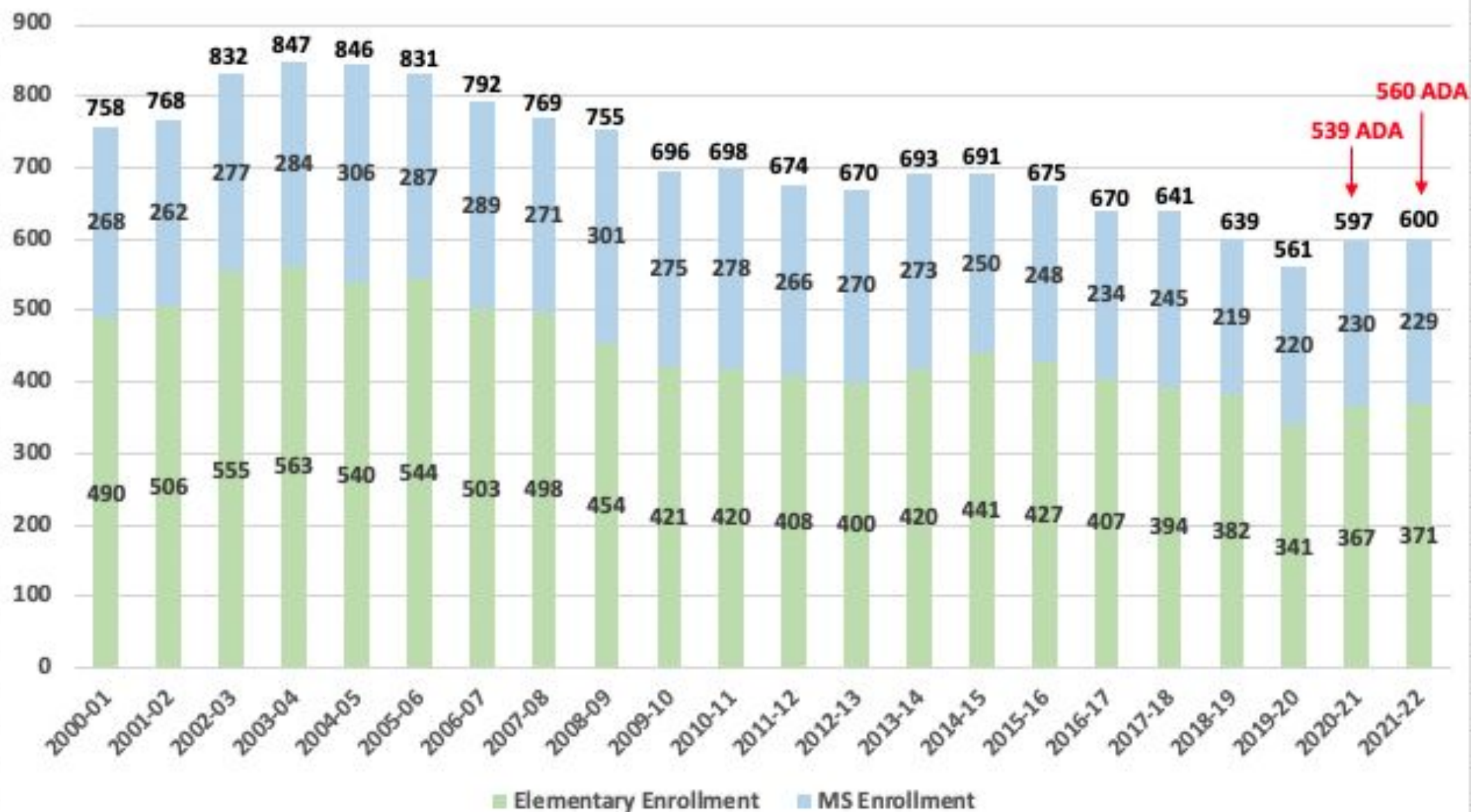
**The volatility of the stock market creates great uncertainty and risk for the economy and for state General Fund revenues because of our over-reliance on the state's wealthiest residents**



**The Ukraine-Russia War and potential surges in COVID-19 cases may worsen vulnerable economic conditions**



# Historic Enrollment



# Class Size Projections

| Grade        | FY 2021-2022<br>Enrollment<br>(6.1.22)* | FY 2022-2023 | FY 2022-2023<br>New Enrollment<br>Not completed | Total   | <i>Number of Teachers<br/>Needed</i> |
|--------------|---|--------------|---|---------|--------------------------------------|
| K            | 48                                      | 0            | 29  | 29 (42) | 3                                    |
| 1            | 58                                      | 48           | 7   | 55      | 3                                    |
| 2            | 52                                      | 58           | 6   | 64      | 3 or 4                               |
| 3            | 62                                      | 52           | 7   | 59      | 4                                    |
| 4            | 79                                      | 62           | 7   | 69      | 4                                    |
| 5            | 76                                      | 79           | 6   | 85      | 4 or 5                               |
| <b>Total</b> | <b>375</b>                              |              |   |         |                                      |
| 6            | 77                                      | 74 (76 - 2)  | 11  | 85      |                                      |
| 7            | 76                                      | 75 (77 - 2)  | 3   | 78      |                                      |
| 8            | 77                                      | 76           | 0   | 76      |                                      |
| <b>Total</b> | <b>230</b>                              |              |   |         |                                      |



# Revenues

| Category       | 21-22<br>Estimated Actuals | 21-22<br>Projected Actuals | 22-23<br>Proposed Budget |
|----------------|----------------------------|----------------------------|--------------------------|
| LCFF/EPA       | \$ 270,001                 | \$ 270,001                 | \$ 269,463               |
| Property Taxes | \$ 10,430,701              | \$ 10,430,701              | \$ 10,639,325            |
| RSFEF          | \$ 800,000                 | \$ 800,000                 | \$ 1,236,000             |
| Federal        | \$ 458,083                 | \$ 413,083                 | \$ 524,998               |
| State          | \$ 370,107                 | \$ 218,198                 | \$ 437,020               |
| STRS on Behalf | \$ 615,802                 | \$ 615,802                 | \$ 641,271               |
| Local - Other  | \$ 256,428                 | \$ 256,428                 | \$ 206,500               |
| SPED (All)     | \$ 686,206                 | \$ 631,022                 | \$ 679,100               |
| <b>Total:</b>  | <b>\$ 13,887,328</b>       | <b>\$ 13,635,235</b>       | <b>\$ 14,633,677</b>     |

- ← 21-22 @3%, estimating 2%
- ← \$1M grant + \$236,000 in excess
- ← Moving ESSER funds to 22-23
- ← Moving ELOP & Ed Effectiveness to 22-23
- ← ipad sales in 21-22
- ★ 68% increase since 20-21

# Expenses

| Category           | 21-22<br>Estimated Actuals | 21-22<br>Projected Actuals | 22-23<br>Proposed Budget |
|--------------------|----------------------------|----------------------------|--------------------------|
| Certificated Staff | \$ 5,810,838               | \$ 5,700,000               | \$ 6,155,199             |
| Classified Staff   | \$ 2,098,831               | \$ 1,975,000               | \$ 2,220,334             |
| Employee Benefits  | \$ 2,930,560               | \$ 2,675,000               | \$ 3,270,231             |
| STRS on Behalf     | \$ 615,802                 | \$ 615,802                 | \$ 641,271               |
| Books & Supplies   | \$ 664,453                 | \$ 590,000                 | \$ 691,750               |
| Services           | \$ 1,512,425               | \$ 1,180,000               | \$ 1,488,828             |
| Capital Outlay     | \$ 255,733                 | \$ 253,770                 | \$ -                     |
| <b>Total:</b>      | <b>\$ 13,888,642</b>       | <b>\$ 12,989,572</b>       | <b>\$ 14,467,613</b>     |

← 2.25+ teachers, S&C, \$169K ELOP

← S&C

← 2.18% STRS increase & 5.4% PERS increase

← \$95K in LCAP

← \$198K in LCAP (Ed Effectiveness, ESSER), \$50K utilities, \$75K UMP, \$103K Summer Projects

# SPED Expenses



| Category           | 21-22<br>Estimated Actuals | 21-22<br>Projected Actuals | 22-23<br>Proposed Budget |
|--------------------|----------------------------|----------------------------|--------------------------|
| Certificated Staff | \$ 5,268,654               | \$ 5,233,872               | \$ 5,722,254             |
| Classified Staff   | \$ 1,652,480               | \$ 1,539,240               | \$ 1,788,743             |
| Employee Benefits  | \$ 2,555,410               | \$ 2,371,366               | \$ 2,870,607             |
| STRS on Behalf     | \$ 615,802                 | \$ 615,802                 | \$ 641,271               |
| Books & Supplies   | \$ 659,116                 | \$ 585,317                 | \$ 679,413               |
| Services           | \$ 1,300,700               | \$ 1,083,331               | \$ 1,311,328             |
| SPED (All)         | \$ 1,580,747               | \$ 1,306,874               | \$ 1,453,997             |
| Capital Outlay     | \$ 255,733                 | \$ 253,770                 | \$ -                     |
| Total:             | \$ 13,888,642              | \$ 12,989,572              | \$ 14,467,613            |
|                    |                            |                            |                          |
| Unfunded SPED      | \$ 894,541                 | \$ 675,852                 | \$ 774,897               |


**21-22:**  
Actual 1 MOU

**22-23:**  
Budgeted for  
2 MOUs &  
1 Transportation

# Ending Balance

|   | 21-22<br>Estimated Actuals | 21-22<br>Projected Actuals | 22-23<br>Proposed Budget |
|---|----------------------------|----------------------------|--------------------------|
| Beginning Balance   | \$ 2,441,671               | \$ 2,441,671               | \$ 2,927,592             |
| Add Revenues  | \$ 13,887,328              | \$ 13,635,235              | \$ 14,633,677            |
| Less Expenditures   | \$ (13,888,642)            | \$ (12,989,572)            | \$ (14,467,613)          |
| Less Gym Commitment*  | \$ (220,000.00)            | \$ (220,000.00)            | \$ (220,000.00)          |
| Transfers In  | \$ 232,733                 | \$ 232,733                 | \$ -                     |
| Less additonal ELOP & UMP                                     |                            |                            | TBD                      |
| Less staff negotiations                                       |                            |                            | TBD                      |
| Ending Balance:   | \$ 2,453,090               | \$ 3,100,067               | \$ 2,873,656             |
| Deficit/Surplus:  | \$ 11,419                  | \$ 658,396                 | \$ (53,936)              |
| Voluntary Set Asides: Tech \$110K & OPEB \$62,475             | \$ (172,475)               | \$ (172,475)               | \$ (172,475)             |
| Ending Fund Balance:  | \$ 2,280,615               | \$ 2,927,592               | \$ 2,701,181             |
| Deficit/Surplus:  | \$ (161,056)               | \$ 485,921                 | \$ (226,411)             |
| * Based on \$850K for the gym - \$203K in 23-24 to cover cost |                            |                            |                          |

 \$169K ELOP & \$75K UMP  
 \$96K 1% increase  
 - \$65K Certified  
 - \$21K Classified  
 - \$10K Mgmt - no Superintendent

 \$259,510 more than 21-22 beginning fund balance



# Set Asides Recap

|  | OPEB        | Technology  | Deferred Maintenance |
|--|-------------|-------------|----------------------|
| 19-20 Set Asides                                 | \$ 70,000   | \$ 110,000  | \$ 220,000           |
| 19-20 OPEB Payment                               | \$ (70,000) |             |                      |
| 20-21 Set Asides                                 | \$ 79,316   | \$ 110,000  | \$ 220,000           |
| 20-21 Tech Payment                               |             | \$ (99,000) |                      |
| 20-21 OPEB Payment                               | \$ (79,316) |             |                      |
| 21-22 Set Asides                                 | \$ 62,475   | \$ 110,000  | \$ 220,000           |
| 21-22 OPEB Payment                               | \$ (62,475) |             |                      |
| 21-22 Playground Project                         |             |             | \$ (232,733)         |
| 22-23 Set Asides                                 | \$ 62,475   | \$ 110,000  | \$ 220,000           |
| 22-23 OPEB Payment                               | \$ (62,475) |             |                      |
| Balance:   | \$ -        | \$ 341,000  | \$ 647,267           |
| * \$203K balance in 23-24 for \$850K gym project |             |             |                      |

# Multi-Year Projections

|  | 22-23           | 23-24           | 24-25           |
|--|-----------------|-----------------|-----------------|
| <b>Beginning Balance</b>   | \$ 2,927,592    | \$ 2,701,181    | \$ 1,941,668    |
| <b>Add Revenues</b>  | \$ 14,633,677   | \$ 13,962,691   | \$ 14,123,621   |
| <b>Less Expenditures</b>   | \$ (14,467,613) | \$ (14,329,729) | \$ (14,534,165) |
| <b>Less Gym Commitment*</b>  | \$ (220,000.00) | \$ (203,000.00) |                 |
| <b>Less Additonal ELOP &amp; UMP</b>   | TBD             | TBD             | TBD             |
| <b>Less Staff Negotiations</b>   | TBD             | TBD             | TBD             |
| <b>Ending Balance:</b>   | \$ 2,873,656    | \$ 2,131,143    | \$ 1,531,124    |
| <b>Deficit/Surplus:</b>  | \$ (53,936)     | \$ (570,038)    | \$ (410,544)    |
|  |                 |                 |                 |
| <b>Voluntary Set Asides: Tech \$110K &amp; OPEB \$62,475 &amp; \$220K Maintenance in 24/25</b> | \$ (172,475)    | \$ (189,475)    | \$ (392,475)    |
| <b>Ending Fund Balance:</b>  | \$ 2,701,181    | \$ 1,941,668    | \$ 1,138,649    |
| <b>Deficit/Surplus:</b>  | \$ (226,411)    | \$ (759,513)    | \$ (803,019)    |

# Next Steps:



**2022-23 45-Day Budget: August 12**



**Further UMP Answers**



**2021-22 Unaudited Actuals: December**



**Questions**