

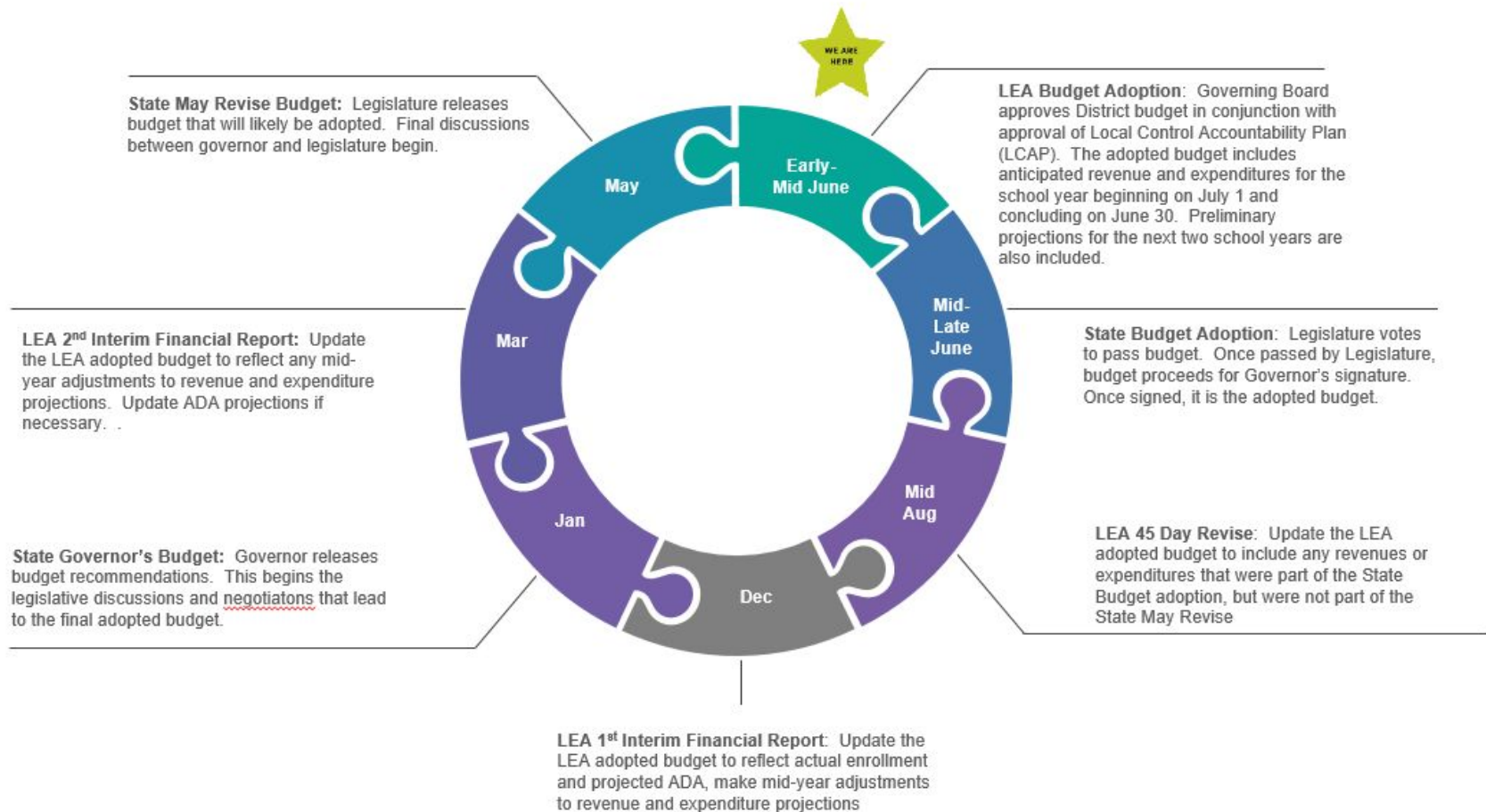


Proposed Adopted Budget 2024-25

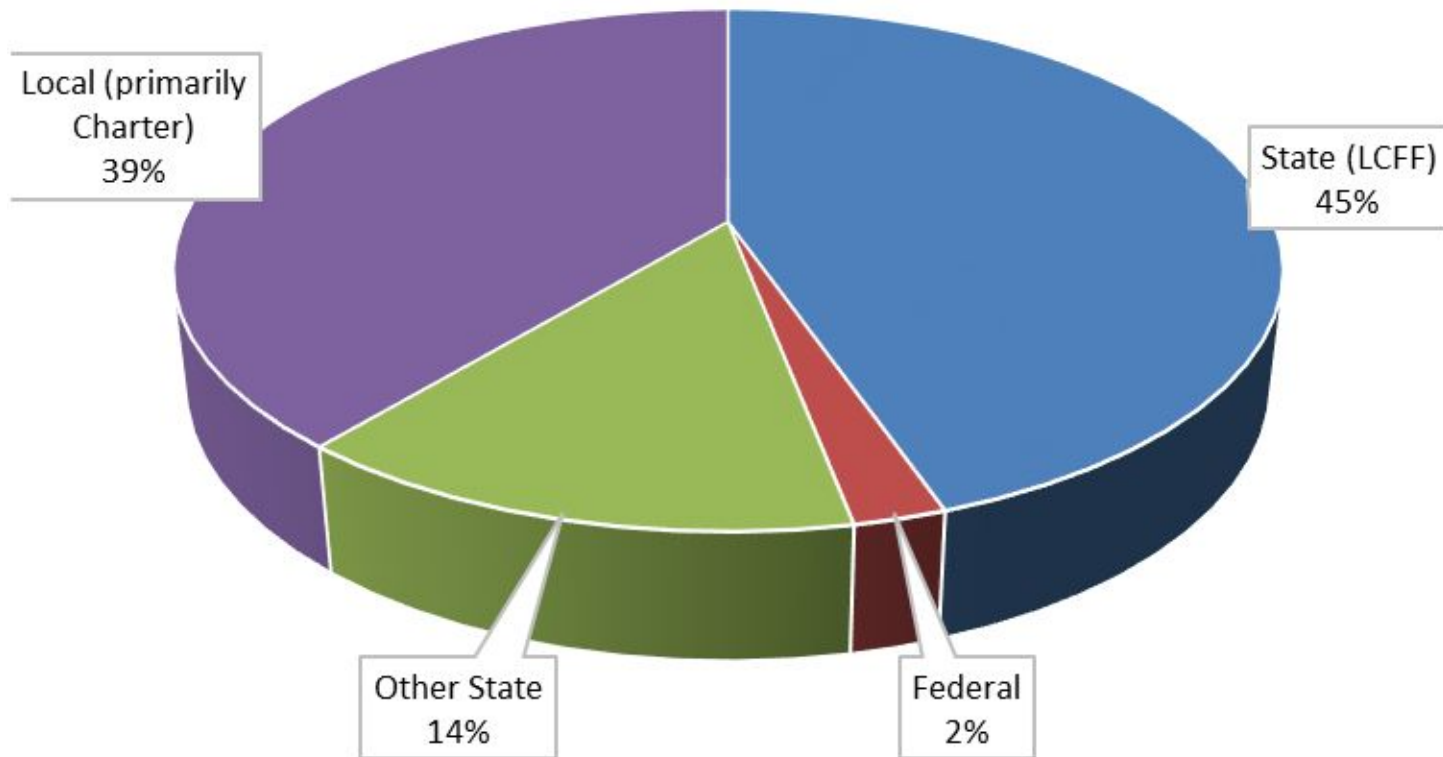
Roseland School District Governing Board
June 20, 2024

(Revenues revised after public hearing on June 12, 2024)

Background Information: Budget Cycle

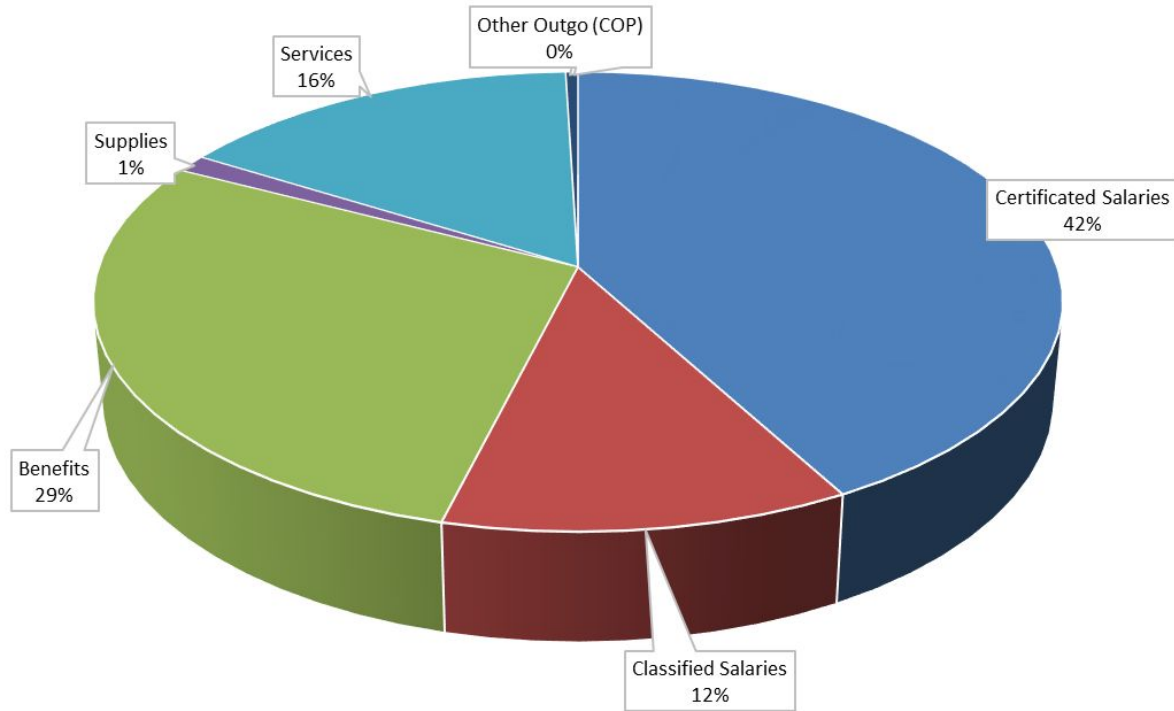


Revenues: 2024-25 Projections



	Unrestricted	Restricted	Combined
State (LCFF)	\$ 22,068,412	\$ 476,571	\$ 22,544,983
Federal	\$ -	\$ 1,157,690	\$ 1,157,690
Other State	\$ 448,627	\$ 6,677,792	\$ 7,126,419
Local (primarily Charter)	\$ 19,031,223	\$ 597,799	\$ 19,629,022
Totals:	\$ 41,548,262	\$ 8,909,852	\$ 50,458,114

Expenditures: 2024-25 Projections



	Unrestricted	Restricted	Combined
Certificated Salaries	\$ 19,320,913	\$ 3,271,936	\$ 22,592,849
Classified Salaries	\$ 4,776,155	\$ 1,594,002	\$ 6,370,157
Benefits	\$ 11,091,710	\$ 4,340,527	\$ 15,432,237
Supplies	\$ 368,521	\$ 293,732	\$ 662,253
Services	\$ 2,375,872	\$ 6,040,439	\$ 8,416,311
Capital Outlay	\$ -	\$ -	\$ -
Other Outgo (COP)	\$ 254,772	\$ -	\$ 254,772
Totals:	\$ 38,187,943	\$ 15,540,636	\$ 53,728,579

2024-25 Adopted Budget (Simplified)

REVENUE	Unrestricted	Restricted	Total
Total Revenue	41,548,262	8,909,852	50,458,114
EXPENDITURES			
Total Expenditures	38,187,943	15,540,636	53,728,579
Excess (Deficiency)	3,360,319	(6,630,784)	(3,270,465)
Net Increase (Decrease)	(2,164,546)	(1,105,919)	(3,270,465)
FUND BALANCE			
Beginning Balance	8,807,552	7,349,241	16,156,793
Net Ending Balance	6,643,006	6,243,322	12,886,328

- Budget includes cost increases for approved wage increases for REA, but not for CSEA and management/unrepresented groups
- Unrestricted deficit spending primarily due to impact of REA wage increase in excess of COLA, increased Special Education costs, and staffing costs for new teachers/aides to support enrollment
- Restricted deficit spending primarily due to costs associated with Learning Recovery Block Grant, Arts/Music/Instructional Materials Block Grant and other small grants. Revenues for these 1x grants were allocated and received in 2022-23 - and are now in ending fund. **Positions and services associated with these grants will need to be eliminated when funding expires between the end of 2025 and 2028.**
- Additional restricted deficit spending occurring as a result of spending carried over Deferred Maintenance funding from prior years

Multi-Year Projection Assumptions: COLA

Cost of Living Adjustment (COLA) Projections

<i>Year</i>	<i>State Budget Act (SBA) July 2023</i>	<i>Governor's Budget Proposal January 2024</i>	<i>May Revise Proposal May 2024</i>
2023-24	8.22%	8.22%	8.22%
2024-25	3.94%	0.76%	1.07%
2025-26	3.29%	2.73%	2.93%
2026-27	3.19%	3.11%	3.08%
2027-28	3.16%	3.17%	3.30%

COLA Uncertainty Impacts & Considerations:

- Approximately \$550K in revenue year decline for the 2024-25 school year from the Adopted Budget 2023-24 (June 2023)
- State budget shortfalls may result in lower than budgeted COLAs in the future years, which could result in less revenue for same number of students in future years than budgeted

Multi-Year Projection (Simplified)

	2024-25 Adopted Budget			2025-26 Projections			2026-27 Projections		
REVENUE	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
Total Revenue	41,548,262	8,909,852	50,458,114	42,662,054	8,663,557	51,325,611	43,850,629	8,670,540	52,521,168
EXPENDITURES									
Total Expenditures	38,187,943	15,540,636	53,728,579	38,131,597	15,715,145	53,846,742	38,803,339	14,790,478	53,593,818
Excess (Deficiency)	3,360,319	(6,630,784)	(3,270,465)	4,530,457	(7,051,588)	(2,521,131)	5,047,290	(6,119,939)	(1,072,649)
Net Increase (Decrease)	(2,164,546)	(1,105,919)	(3,270,465)	(1,132,530)	(1,388,601)	(2,521,131)	(757,272)	(315,378)	(1,072,649)
FUND BALANCE									
Beginning Balance	8,807,552	7,349,241	16,156,793	6,643,006	6,243,322	12,886,328	5,510,476	4,854,720	10,365,196
Net Ending Balance	6,643,006	6,243,322	12,886,328	5,510,476	4,854,720	10,365,196	4,753,204	4,539,343	9,292,547

- Impact of negotiated wage increases for CSEA and Management not yet factored in for 2024-25
- No wage increase factored in for any workers in 2025-26 or 2026-27; 2% Step and Column and 0.5% benefit cost increased each year
- Supplies increased by 2% each year; services increased by 3% each year
- Arts/Music/Instructional Materials and Educator Effectiveness Grants are part of restricted Fund Balance – anticipated to be fully spent by 2026 - **MYP includes reductions in staffing and supplies as a result of funding expiration**
- Learning Recovery Block Grant and Literacy Coaches/Reading Spec. Grant is a part of restricted Fund Balance - anticipated to be fully spent by 2028 - **MYP includes reductions in staffing and supplies as a result of funding expiration**

Multi-Year Projection: Fund Balance & Reserves

	2024-25 Adopted Budget			2025-26 Projections			2026-27 Projections		
Net Increase (Decrease)	(2,164,546)	(1,105,919)	(3,270,465)	(1,132,530)	(1,388,601)	(2,521,131)	(757,272)	(315,378)	(1,072,649)
FUND BALANCE									
Beginning Balance	8,807,552	7,349,241	16,156,793	6,643,006	6,243,322	12,886,328	5,510,476	4,854,720	10,365,196
Net Ending Balance	6,643,006	6,243,322	12,886,328	5,510,476	4,854,720	10,365,196	4,753,204	4,539,343	9,292,547
Components of Ending Balance:									
Revolving Cash 9711	17,500		17,500	17,500		17,500	17,500		17,500
Prepaid 9713									
Restricted 9740		6,243,322	6,243,322		4,854,720	4,854,720		4,539,343	4,539,343
Reserve for Econ.Uncert. 3%	1,611,857		1,611,857	1,615,402		1,615,402	1,607,815		1,607,815
Board Res. #11-19: Additional 12%	5,013,648		5,013,648	3,877,574		3,877,574	3,127,890		3,127,890
Unappropriated Amount	0	-	0	(0)	-	(0)	(0)	-	(0)
Shortfall of 12% Local Reserve	(1,433,781)			(2,584,035)			(3,303,368)		

- District is projected to maintain the 3% state mandated reserve for all three years included in the MYP - however the unrestricted deficit spending could make that unlikely in future years that are outside of MYP (2027-28 and beyond)
- District is NOT projected to be able to maintain the 12% additional reserve mandated in Board Resolution 11-19 due to deficit spending
- Careful monitoring of actual revenues and expenses should occur in the next school year. Expense reductions (unrestricted) in 2024-25 and beyond should be considered in order to restore additional 12% Board reserves and ensure the district can maintain the 3% State mandated reserves

Discussion & Analysis

- Budgets are plans based on assumptions and information we know at the time the budget is prepared – the 2024-25 budget and multi-year projection has a great deal of uncertainty included that may result in budget changes in the future, including:
 - COLA uncertainty in the future years
 - Actual costs for new staff being recruited now
 - Actual costs for Special Education
 - Wage settlements with CSEA and management/unrepresented
- District should plan for staffing and service reductions in the next few years due to expiration of restricted funds
- District should avoid incurring new costs during this period of uncertainty given the high level of deficit spending included in this budget, and may wish to consider unrestricted expenditure reductions in order to balance budget (make revenues = expenditures) and in order to maintain reserves

Next Steps

- Roseland Charter School Adopted Budget for 2024-25 will be presented to the Roseland District Board for ratification on June 20, 2024
- State's Enacted Budget is expected to be finalized by the legislature by the statutory deadline of June 15th, and signed by Governor by the end of June or early July
- If the State's budget enactment results in material changes to the Roseland Charter School Adopted Budget, they will be reported to the Board at the 45 Day Revise report in August/September 2024
- Next full budget revision will be presented to the Board in December - the First Interim Financial Report

Errata/Revisions from June 12th, 2024

- An error in the calculation of revenues was discovered after the public hearing was held on June 12th. The budget report and this presentation were revised accordingly.
 - Revenues were understated (less than they should have been)
 - Because revenues were understated, ending balances and reserves were also understated (less than they should have been)
- Slides 3, 5, 7 and 8 were updated in this presentation to show the corrected revenues in the budget and subsequent years, and the corrected impact on the ending fund/reserves
- Typos in the date of the year being reported were also found on slide 4 and have been corrected in this presentation