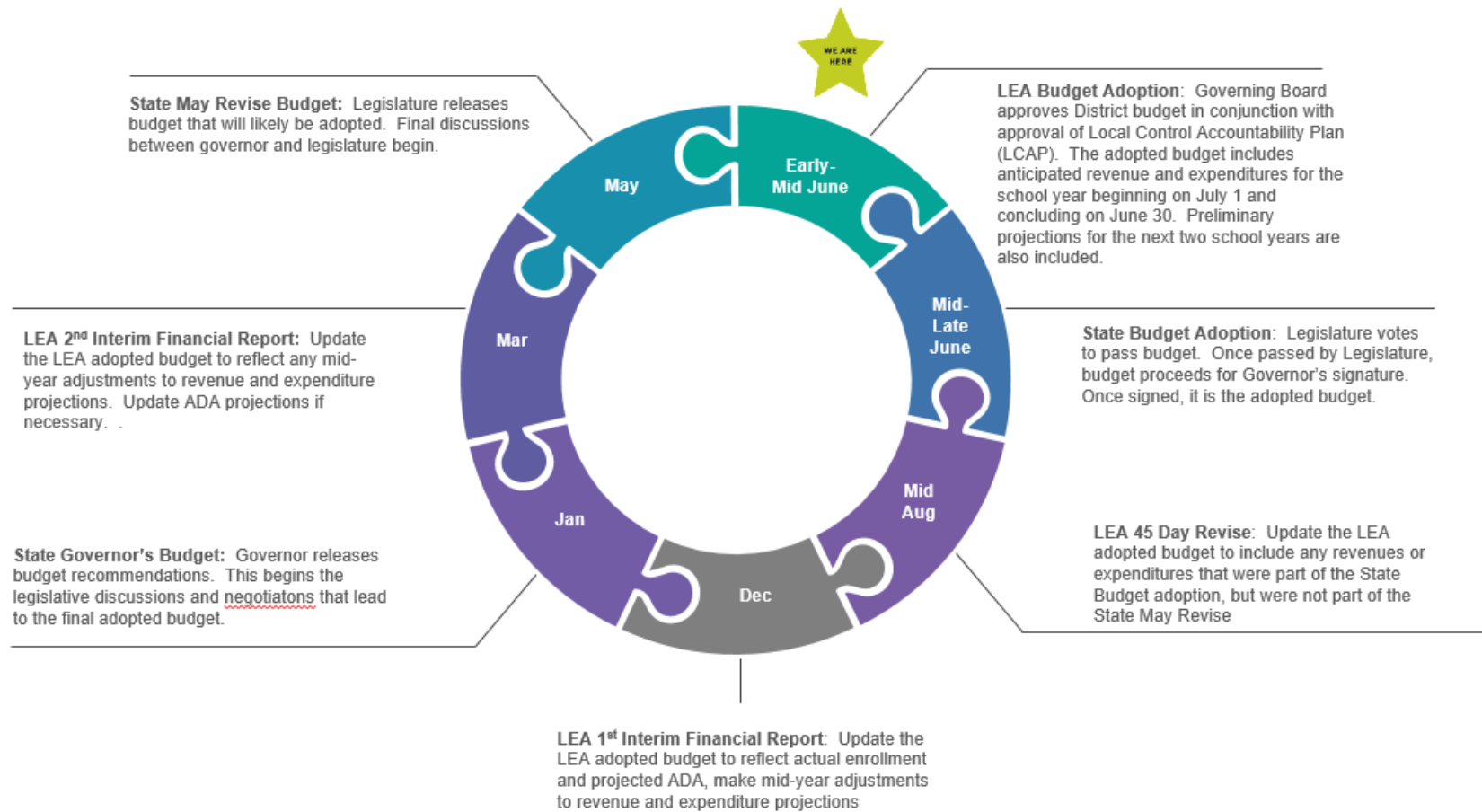




Roseland School District  
2023-24  
Proposed Adopted Budget  
Presentation & Public Hearing

Governing Board of Trustees  
June 7, 2023

# Background Information: Budget Cycle



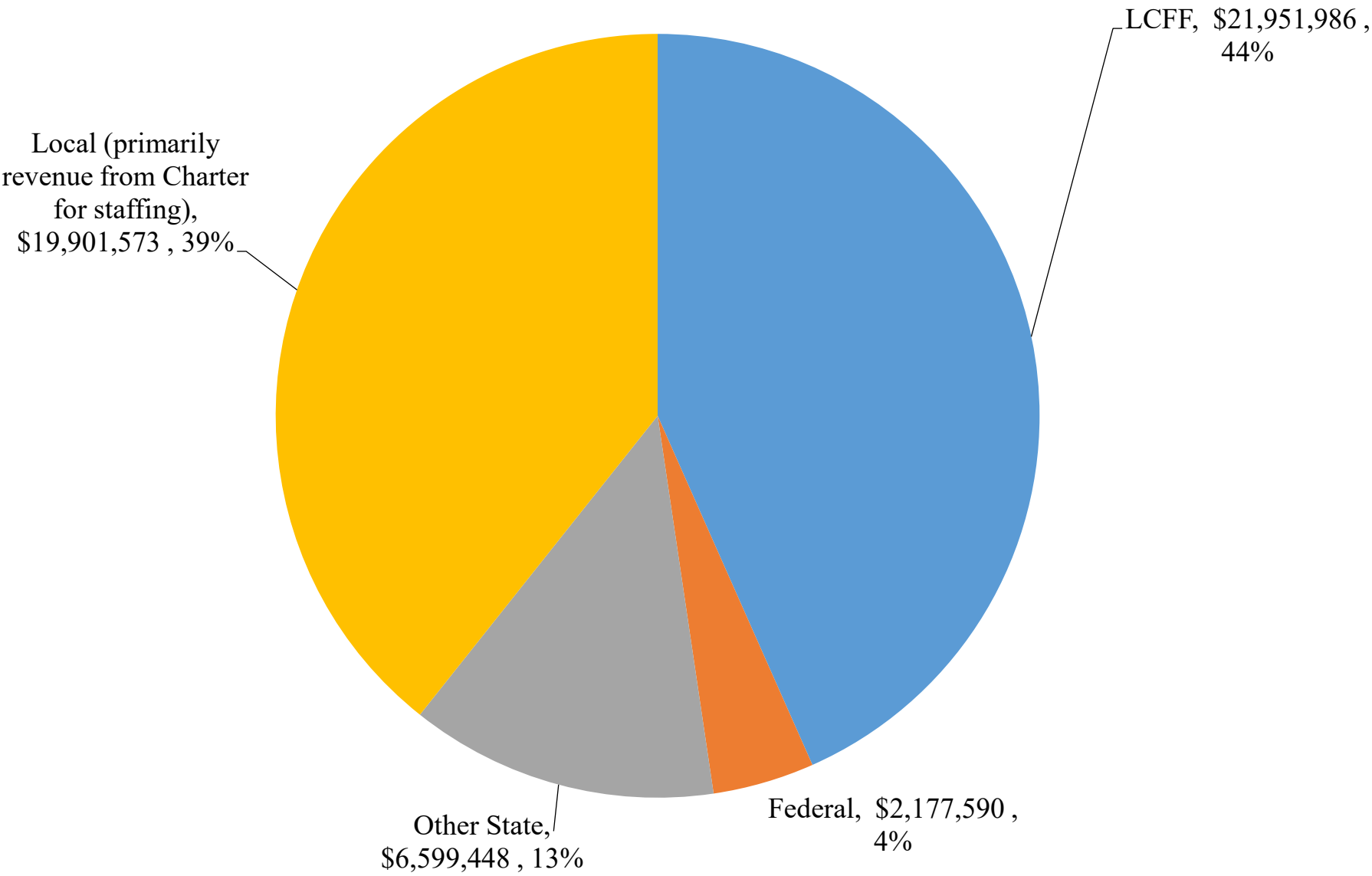
## **Budgeted Revenue (2023-24)**

### **2023-24 Revenue Planning Factors:**

- Enrollment: 1459
  - 2022-23 – 1459 actual enrollment
- Average Daily Attendance (ADA): 94.3%
  - 2022-23 – 92.0% actual attendance
- Cost Of Living Adjustment (COLA): 8.22%

| <b>Revenue Type</b>                  | <b>Unrestricted</b> | <b>Restricted</b> | <b>Total</b>      |
|--------------------------------------|---------------------|-------------------|-------------------|
| Local Control Funding Formula (LCFF) | 21,501,811          | 450,175           | 21,951,986        |
| Federal Revenues                     | 20,000              | 2,157,590         | 2,177,590         |
| Other State Revenues                 | 429,333             | 6,170,115         | 6,599,448         |
| Other Local Revenues                 | 19,114,129          | 787,444           | 19,901,573        |
| <b>Total Revenues</b>                | <b>41,065,273</b>   | <b>9,565,324</b>  | <b>50,630,597</b> |

**Budgeted Total Revenue (2023-24)**



## **Revenue: Impact of ADA Fluctuations Due to Pandemic**

- School districts are funded on the best of one of the following three options: the current year, prior year, or the average of three prior years' ADA
- Pandemic legislation provided additional cushion with “Hold Harmless” and the “Proxy Yield” for 2021-22 and 2022-23
- This has cushioned pandemic related ADA drops that have occurred over the past several years, but the impact is felt in the 2023-24 budget year

|                   | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|-------------------|---------|---------|---------|---------|---------|
| <b>Actual ADA</b> | 1359.75 | 1359.75 | 1301.07 | 1346.26 | 1369    |
| <b>Funded ADA</b> | 1359.75 | 1359.75 | 1413.7  | 1413.7  | 1373.23 |

### **Impact on 2023-24 LCFF Revenue (Unrestricted):**

- 2022-23: 20,383,916
- 2023-24: 21,501,811

**LCFF Revenue Increase: 5.48% (compared to 8.22% COLA)**

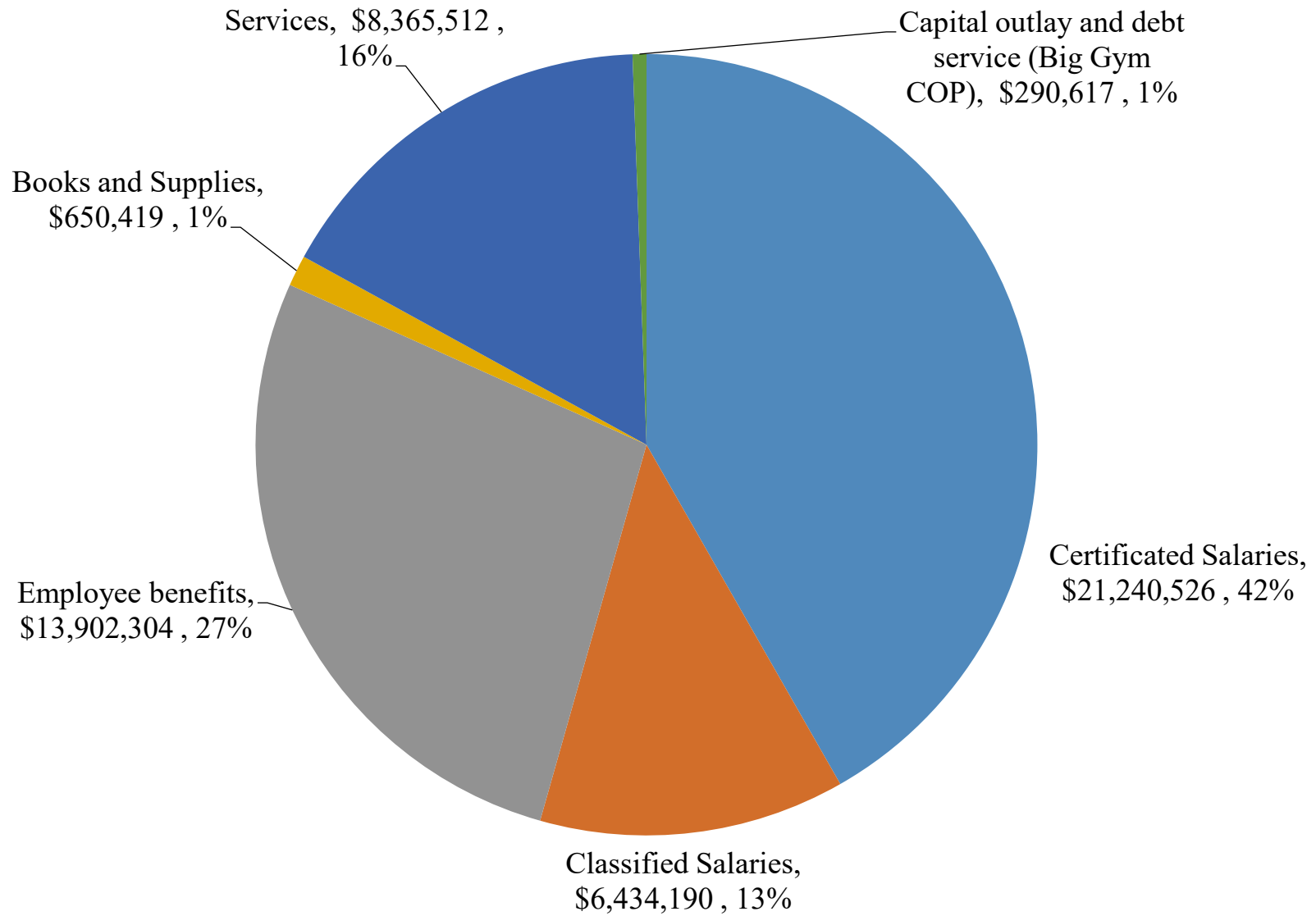
## **Budgeted Expenditures (2023-24)**

Most expenditures are defined in the Local Control Accountability Plan (LCAP)

| <b>Expenditure Type</b>                     | <b>Unrestricted</b> | <b>Restricted</b>   | <b>Total</b>        |
|---------------------------------------------|---------------------|---------------------|---------------------|
| Certificated salaries                       | 18,411,841          | 2,828,685           | 21,240,526          |
| Classified salaries                         | 4,891,243           | 1,542,947           | 6,434,190           |
| Employee benefits (employer portion)        | 9,992,019           | 3,910,285           | 13,902,304          |
| Supplies, books and instructional materials | 388,620             | 261,799             | 650,419             |
| Services                                    | 2,669,317           | 5,696.195           | 8,365,512           |
| Capital outlay                              | 3,245               |                     | 3,245               |
| Other outgo (Big Gym COP)                   | 287,372             |                     | 287,372             |
| <b>Total Expenditures</b>                   | <b>\$36,643,657</b> | <b>\$14,239.911</b> | <b>\$50,883,568</b> |

This budget includes several expenditures that are not included in the LCAP – Expanded Learning Opportunity Program (ELOP), COVID pandemic relief positions, other one-time funded costs

## **Budgeted Total Expenditures (2023-24)**



## **Multi-year Projections: Budgeted Revenue & Expense**

### **Revenue Assumptions:**

- 2024-25: Project 3.94% COLA
- 2025-26: Project 3.29% COLA
- 2026-27: Project 3.19% COLA
- All future years: Project 1459 enrollment and 94.3% attendance rate

### **Expenditure Assumptions:**

| <b>Assumption</b>       | <b>2023-24</b> | <b>2024-25</b> | <b>2025-26</b> |
|-------------------------|----------------|----------------|----------------|
| Step & Column Increase  | 2%             | 2%             | 2%             |
| PERS Rates              | 26.68%         | 27.70%         | 28.30%         |
| STRS Rates              | 19.10%         | 19.10%         | 19.10%         |
| Health Benefit Increase | 1%             | 1%             | 1%             |
| Supply Costs Increase   | 1%             | 1%             | 1%             |
| Service Costs Increase  | 1%             | 1%             | 1%             |

## Multi-year Projection (Simplified)

- See page 14 of the report for detailed information

| ROSELAND SCHOOL DISTRICT<br><br>2023-24 Adopted Budget<br><br>& Multi-Year Projections<br>for 2023-24 and 2024-25 | 2023-24 Adopted Budget                          |             |            | 2024-25 Projections                            |             |            | 2025-26 Projections                             |             |            |
|-------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|-------------|------------|------------------------------------------------|-------------|------------|-------------------------------------------------|-------------|------------|
|                                                                                                                   | COLA                                            | 8.22%       | ADA: 94.3% | COLA                                           | 5.38%       | ADA: 94.3% | COLA                                            | 4.02%       | ADA: 94.3% |
|                                                                                                                   | Funded ADA: 1386.62                             |             |            | Funded ADA: 1389.71                            |             |            | Funded ADA: 1382.39                             |             |            |
|                                                                                                                   | Enrollment                                      | 1,459       | Flatline   | Enrollment                                     | 1,459       | Flatline   | Enrollment                                      | 1,459       | Flatline   |
|                                                                                                                   | 3 yr ave. Unduplicated Pupil Percentage: 93.48% |             |            | 3 yr ave. Unduplicated Pupil Percentage: 93.7% |             |            | 3 yr ave. Unduplicated Pupil Percentage: 93.65% |             |            |
| REVENUE                                                                                                           | Unrestricted                                    | Restricted  | Total      | Unrestricted                                   | Restricted  | Total      | Unrestricted                                    | Restricted  | Total      |
| Total Revenue                                                                                                     | 41,065,273                                      | 9,565,324   | 50,630,597 | 42,757,109                                     | 6,619,102   | 49,376,211 | 44,172,742                                      | 6,651,859   | 50,824,601 |
| EXPENDITURES                                                                                                      |                                                 |             |            |                                                |             |            |                                                 |             |            |
| Total Expenditures                                                                                                | 36,643,657                                      | 14,239,911  | 50,883,568 | 37,637,244                                     | 11,397,693  | 49,034,937 | 38,248,434                                      | 11,533,628  | 49,782,062 |
| Excess (Deficiency) of Revs over Exps                                                                             | 4,421,616                                       | (4,674,587) | (252,971)  | 5,119,865                                      | (4,778,591) | 341,274    | 5,924,308                                       | (4,881,768) | 1,042,540  |
| Contributions to Special Ed, Deferred Maint                                                                       | (4,309,228)                                     | 4,309,228   | -          | (4,438,505)                                    | 4,438,505   | -          | (4,571,660)                                     | 4,571,660   | -          |
| Net Increase (Decrease)                                                                                           | 112,388                                         | (365,359)   | (252,971)  | 681,361                                        | (340,087)   | 341,274    | 1,352,648                                       | (310,108)   | 1,042,540  |
| FUND BALANCE                                                                                                      |                                                 |             |            |                                                |             |            |                                                 |             |            |
| Beginning Balance                                                                                                 | 12,003,188                                      | 8,085,766   | 20,088,954 | 12,115,576                                     | 7,720,407   | 19,835,983 | 12,796,937                                      | 7,380,320   | 20,177,257 |
| Net Ending Balance                                                                                                | 12,115,576                                      | 7,720,407   | 19,835,983 | 12,796,937                                     | 7,380,320   | 20,177,257 | 14,149,585                                      | 7,070,212   | 21,219,797 |
| Unassigned/Unappropriated Amount                                                                                  | 626,541                                         | -           | 626,541    | 1,585,196                                      | -           | 1,585,196  | 2,825,775                                       | -           | 2,825,775  |

## **Multi-year Projection Highlights**

- The District is “deficit” spending in the Restricted column because we received a large allocation of one-time dollars in the 2022-23 school and fiscal year – the Learning Recovery and Arts and Music grants (see the “Net Increase” row)
  - Those funds are intended to be used for multiple years, so the allocation can be seen as a large balance in the Fund Balance’s Restricted column
  - There is a possibility that a portion of the Restricted funds in the Fund Balance will need to be “returned” to the state, as they are being considered as a method to manage the future state budget deficits
  - Our planned expenditures are lower than the amounts that are anticipated to remain even if a portion of these funds will need to be returned
- Not factored into this MYP is the potential transfer of \$3.5M out of the District’s ending fund and into Fund 40
  - That resolution will be brought for consideration following next week’s agenda item to approve and adopt the proposed budget, and will then be visible in the First Interim budget report

# Charter Multi-year Projection (Simplified)

| ROSELAND CHARTER SCHOOL<br>2024 Adopted Budget &<br>Multi-year Projections Through 2025/26 |  | 2023/24 PROJECTION             |                                  |             | 2024/25 PROJECTION             |                                  |             | 2025/26 PROJECTION             |                                  |             |
|--------------------------------------------------------------------------------------------|--|--------------------------------|----------------------------------|-------------|--------------------------------|----------------------------------|-------------|--------------------------------|----------------------------------|-------------|
|                                                                                            |  | Projected Enrollment           |                                  | 1,300       | Projected Enrollment           |                                  | 1,300       | Projected Enrollment           |                                  | 1,300       |
|                                                                                            |  | Projected Unduplicated Pupil % |                                  | 81.78%      | Projected Unduplicated Pupil % |                                  | 82.76%      | Projected Unduplicated Pupil % |                                  | 82.69%      |
|                                                                                            |  | Projected ADA                  |                                  | 1,225.63    | Projected ADA                  |                                  | 1,225.63    | Projected ADA                  |                                  | 1,225.63    |
|                                                                                            |  | Projected ADA Rate             |                                  | 94.3%       | Projected ADA Rate             |                                  | 94.3%       | Projected ADA Rate             |                                  | 94.3%       |
|                                                                                            |  | 8.22% FUNDED COLA              |                                  |             | 3.94% FUNDED COLA              |                                  |             | 3.29% FUNDED COLA              |                                  |             |
| REVENUES                                                                                   |  | UNRESTRICTED                   | RESTRICTED                       | TOTAL       | UNRESTRICTED                   | RESTRICTED                       | TOTAL       | UNRESTRICTED                   | RESTRICTED                       | TOTAL       |
| Total Revenues                                                                             |  | 18,113,370                     | 4,220,662                        | 22,334,032  | 18,985,668                     | 2,588,749                        | 21,574,417  | 19,579,052                     | 2,639,692                        | 22,218,744  |
| EXPENDITURES                                                                               |  | UNRESTRICTED                   | RESTRICTED                       | TOTAL       | UNRESTRICTED                   | RESTRICTED                       | TOTAL       | UNRESTRICTED                   | RESTRICTED                       | TOTAL       |
| Total Expenses                                                                             |  | 19,495,059                     | 4,218,911                        | 23,713,970  | 20,301,572                     | 2,587,782                        | 22,889,354  | 20,964,830                     | 2,621,982                        | 23,586,812  |
| Ending Fund Beginning Balance                                                              |  | 29,407,894                     | 8,286,325                        | 37,694,219  | 28,026,205                     | 8,288,076                        | 36,314,281  | 26,710,301                     | 8,289,043                        | 34,999,344  |
| Net Excess (Deficiency) of Revenues over Expenses                                          |  | (1,381,689)                    | 1,751                            | (1,379,938) | (1,315,904)                    | 967                              | (1,314,937) | (1,385,778)                    | 17,710                           | (1,368,068) |
| Ending Fund Net Ending Balance                                                             |  | 28,026,205                     | 8,288,076                        | 36,314,281  | 26,710,301                     | 8,289,043                        | 34,999,344  | 25,324,523                     | 8,306,753                        | 33,631,276  |
|                                                                                            |  |                                |                                  |             |                                |                                  |             |                                |                                  |             |
| COMPONENTS OF ENDING BALANCE                                                               |  | ASSIGNED                       | RESTRICTED OR CAPITAL FACILITIES | TOTAL       | ASSIGNED                       | RESTRICTED OR CAPITAL FACILITIES | TOTAL       | ASSIGNED                       | RESTRICTED OR CAPITAL FACILITIES | TOTAL       |
| Total Designations                                                                         |  | 6,775,869                      | 28,622,680                       | 35,398,549  | 6,734,638                      | 27,087,743                       | 33,822,381  | 6,769,511                      | 25,494,675                       | 32,057,239  |
| NET UNDESIGNATED ENDING FUND BALANCE                                                       |  |                                |                                  | 915,733     |                                |                                  | 1,176,964   |                                |                                  | 1,574,038   |

| Footnotes Regarding Cash Flow Within Ending Fund Balance       |  |           |  |  |           |  |  |           |  |
|----------------------------------------------------------------|--|-----------|--|--|-----------|--|--|-----------|--|
| 1. Unrestricted cash flow (Net Deficiency less Depreciation)   |  | (337,888) |  |  | (272,103) |  |  | (341,977) |  |
| 2. Cash outflow required to pay principal of RUP facility loan |  | (198,844) |  |  | (202,855) |  |  | (206,947) |  |
| 3. Cash outflow required to pay principal of RAMS (Mod) loan   |  | (12,760)  |  |  | (13,016)  |  |  | (13,276)  |  |
| 4. Cash outflow estimated to pay principal of RAMS (NC) loan   |  |           |  |  | (220,000) |  |  | (225,000) |  |
| 5. Total Cash Flows within Ending Fund Balance                 |  | (549,492) |  |  | (707,974) |  |  | (787,200) |  |

## **Charter Multi-year Projection Highlights**

- The Charter is projected to spend more than it will receive in unrestricted revenues – this is referred to as a “structural deficit”
  - This means that the Charter will use funds from the ending fund to pay for ongoing expenses – this is unsustainable in time, and the deficit will be increased as the facility loan costs are increased in the next several years
  - Over time, this is unsustainable and must be corrected – the Charter will need to adjust so that revenues are aligned with, or slightly exceed expenses
  - We have budgeted the use of the one-time grants that were allocated by the State (Learning Recovery Grant and Arts and Music Grant) to offset the deficit for the next several years – this will give us more time to adjust without needing to make cuts, but will also limit our ability to sustain COVID funded positions
- Not factored into the multiyear projection are the following:
  - Costs to pay for the RCP “balloon payment” of \$4.5M (due 2026-27)
  - Costs to pay for deferred maintenance at any Charter site
  - Costs to pay for RCP facility development (significant construction)

## **Next Steps and Discussion**

- Pending discussion tonight, the Administration will return next week and will recommend Adoption of this proposed budget for the 2023-24 school and fiscal year
- The state will adopt its budget in late June or early July. If any of the assumptions we included in our budget are changed by the state, the District will file a “45 Day Revision” to the Adopted Budget – which will be reviewed at the August or September Board meeting
- The District will file multiple interim reports throughout the year to reflect budget revisions – the “First Interim Financial Report” (December 2023) and the “Second Interim Financial Report” (March 2024)
- The Business Office will be “closing the books” for the 2022-23 school and fiscal year over the summer, and will present the “Unaudited Actuals” financial report in September 2023
- In the fall, our auditors will audit the Unaudited Actuals and will prepare the Audited Financial Statements for the winter 2023-24 (usually January or February Board)