



2023-24

Second Interim Report

COTATI-ROHNERT PARK UNIFIED SCHOOL DISTRICT

SCHOOL BOARD PRESENTATION

DATE 3/12/24

2023-24 Second 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
- The Second Interim Report is from July 1st through January 31st, and projects financial activity through June 30th



2023-24 Second Interim State Report

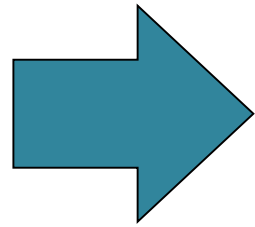
Process:

- Update the district budget for changes in revenues and expenditures since first interim 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...



Components: Funding Factors

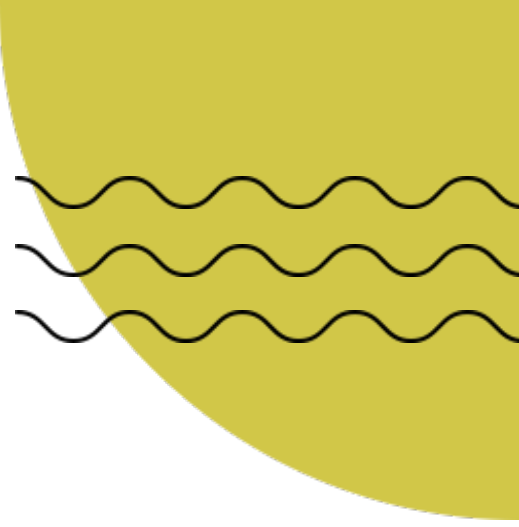
Planning Factors for 2023-24 and MYPs

	2022-23	2023-24	2024-25	2025-26
Statutory COLA	6.56%	8.22%	0.76%	2.73%
COLA Investment	6.70%	0.00%	0.00%	0.00%
Funded LCFF Cola	13.26%	8.22%	0.76%	2.73%
STRS Employer Rates	19.10%	19.10%	19.10%	19.10%
PERS Employer Rates	25.37%	26.68%	27.80%	28.50%
Unemployment Insurance Rate	0.50%	0.05%	0.05%	0.05%
Lottery per ADA				
Unrestricted	\$ 204.00	\$ 177.00	\$ 177.00	\$ 177.00
Restricted	\$ 100.00	\$ 72.00	\$ 72.00	\$ 72.00
Mandated Block Grant for Districts				
K-8 per ADA	\$ 34.94	\$ 37.81	\$ 38.10	\$ 39.14
9-12 per ADA	\$ 67.31	\$ 72.84	\$ 73.39	\$ 75.39
Routine Restricted Maintenance	Minimum of 3% of total GF expenditures (based on actual expenditures)			
Est. Funded ADA	5,712.18	5,789.54	5,789.54	5,832.17
District Enrollment	6,009	6,155	6,185	6,297
Unduplicated Pupil Count %	47.00%	47.53%	49.42%	49.63%

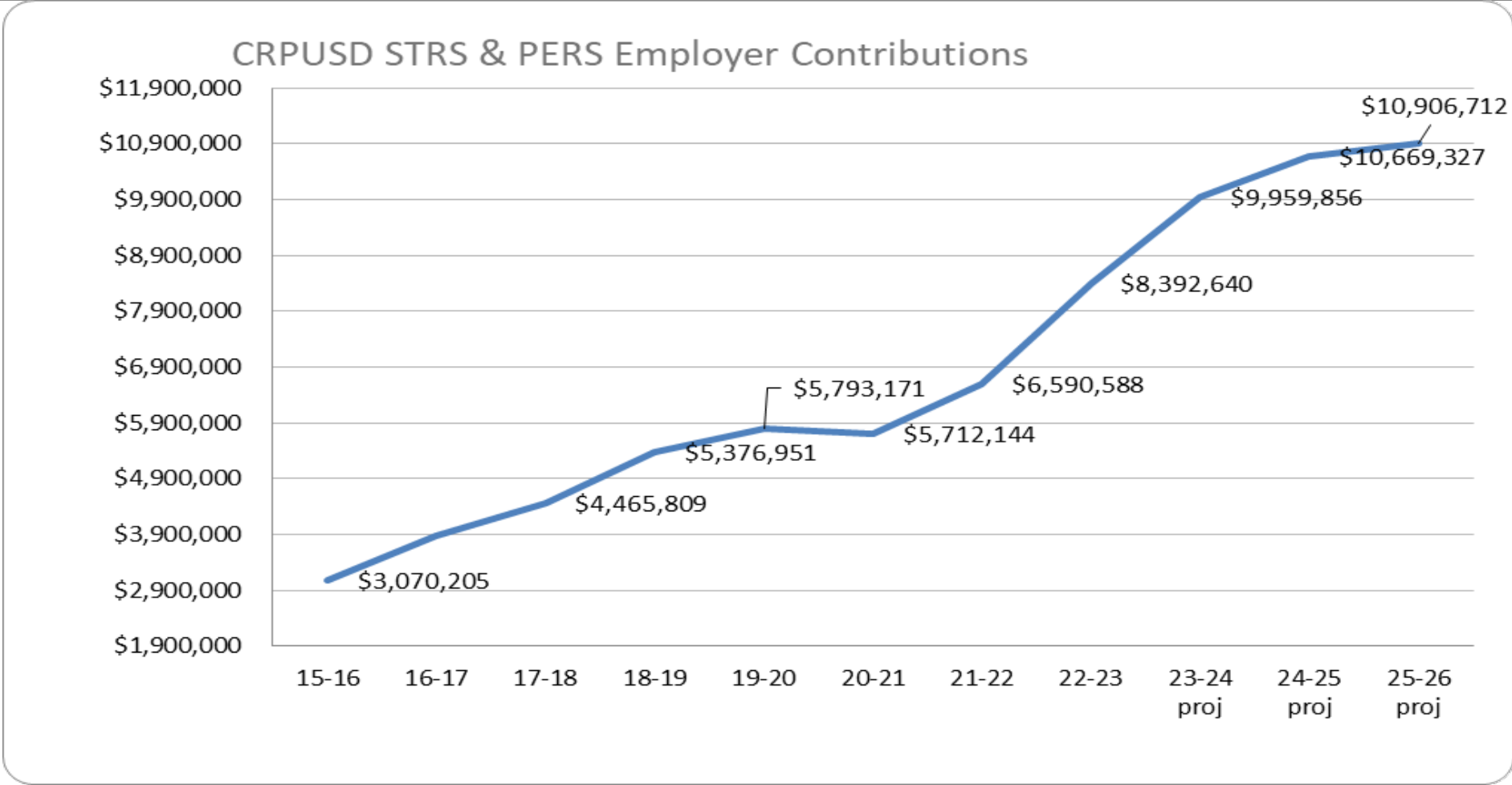
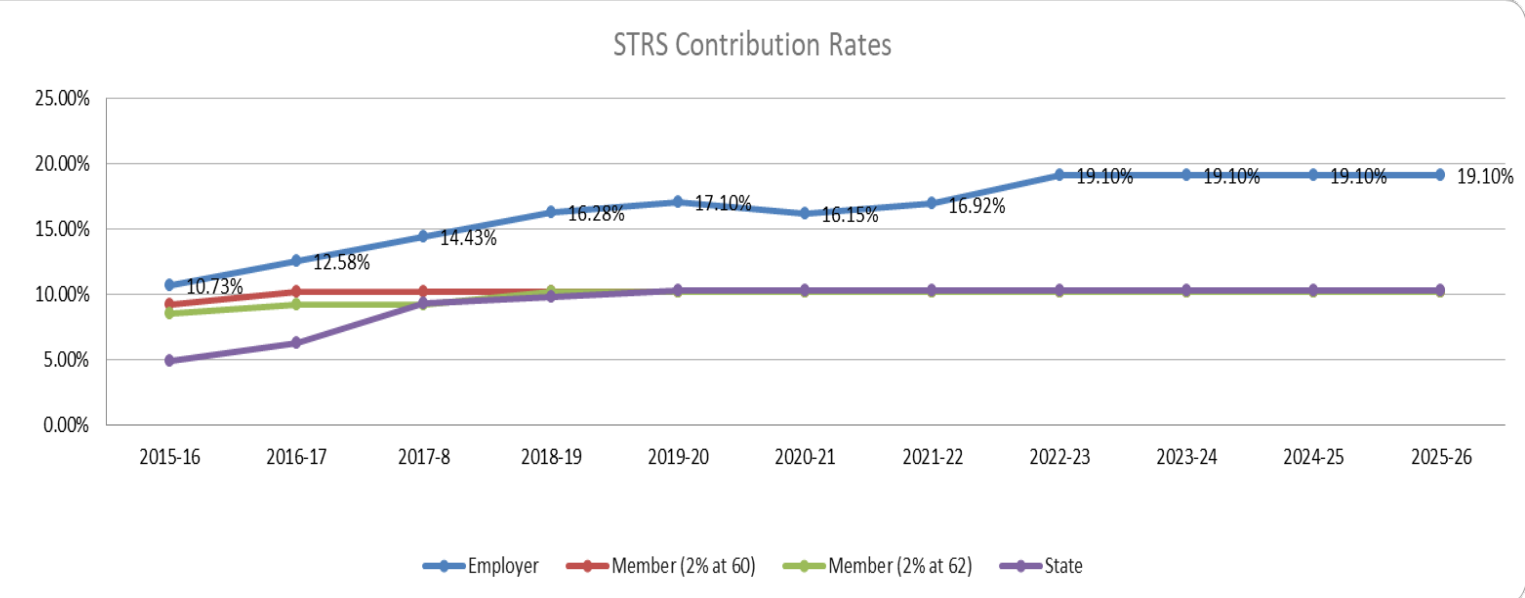
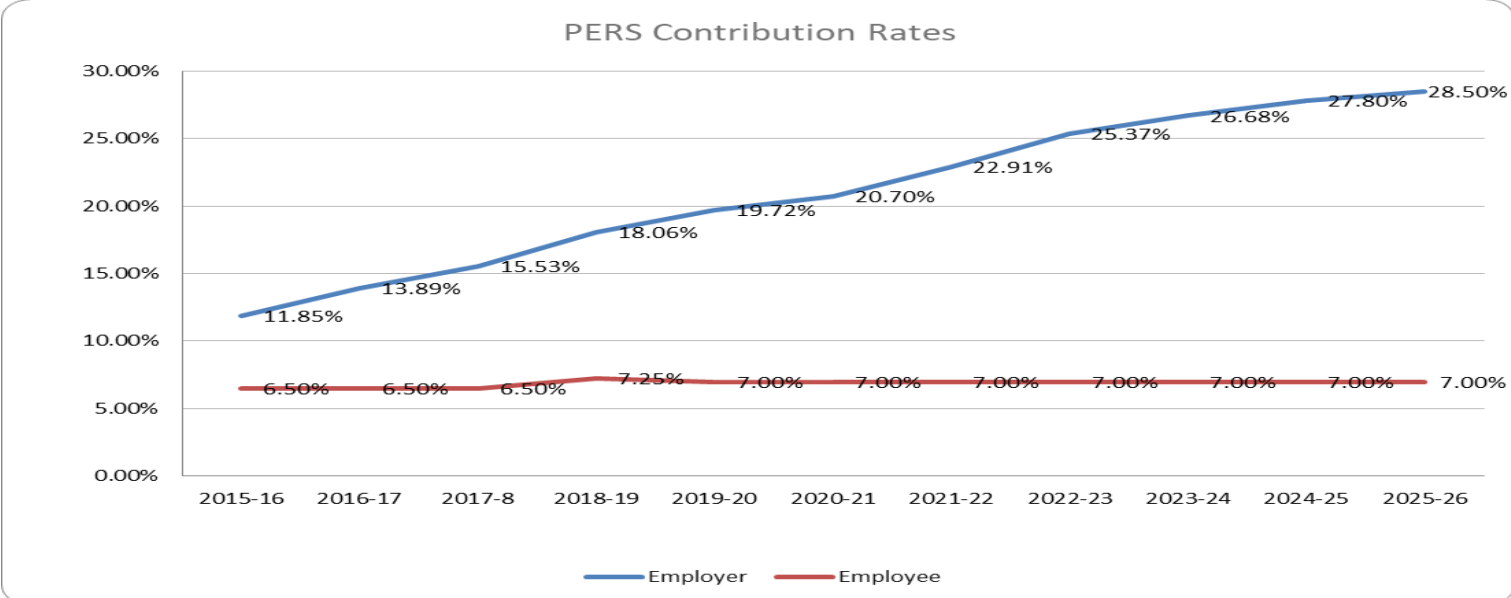
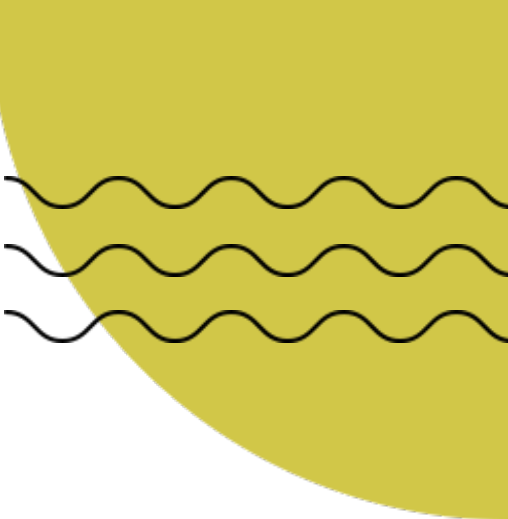


What has changed since 1st Interim?

- Adjusted salaries and benefits to reflect actual projected costs
- PERS rates increased in outyears of MYP
- Adjusted substitute projected costs
- Local revenue budgets are adjusted as actual donations are received
- Contributions to SpEd & M&O adjusted closer to projected actual costs



Pension Reform

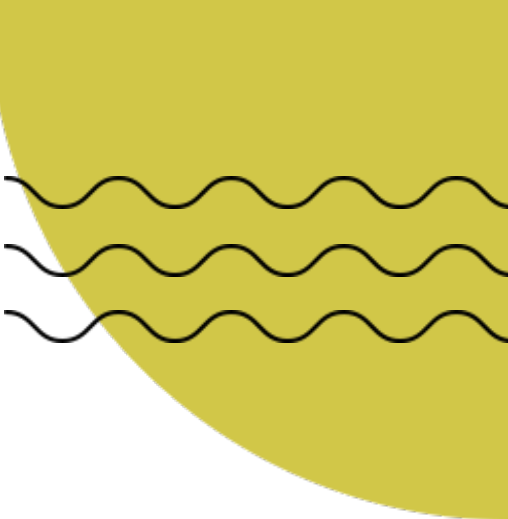


Key Budget Assumptions

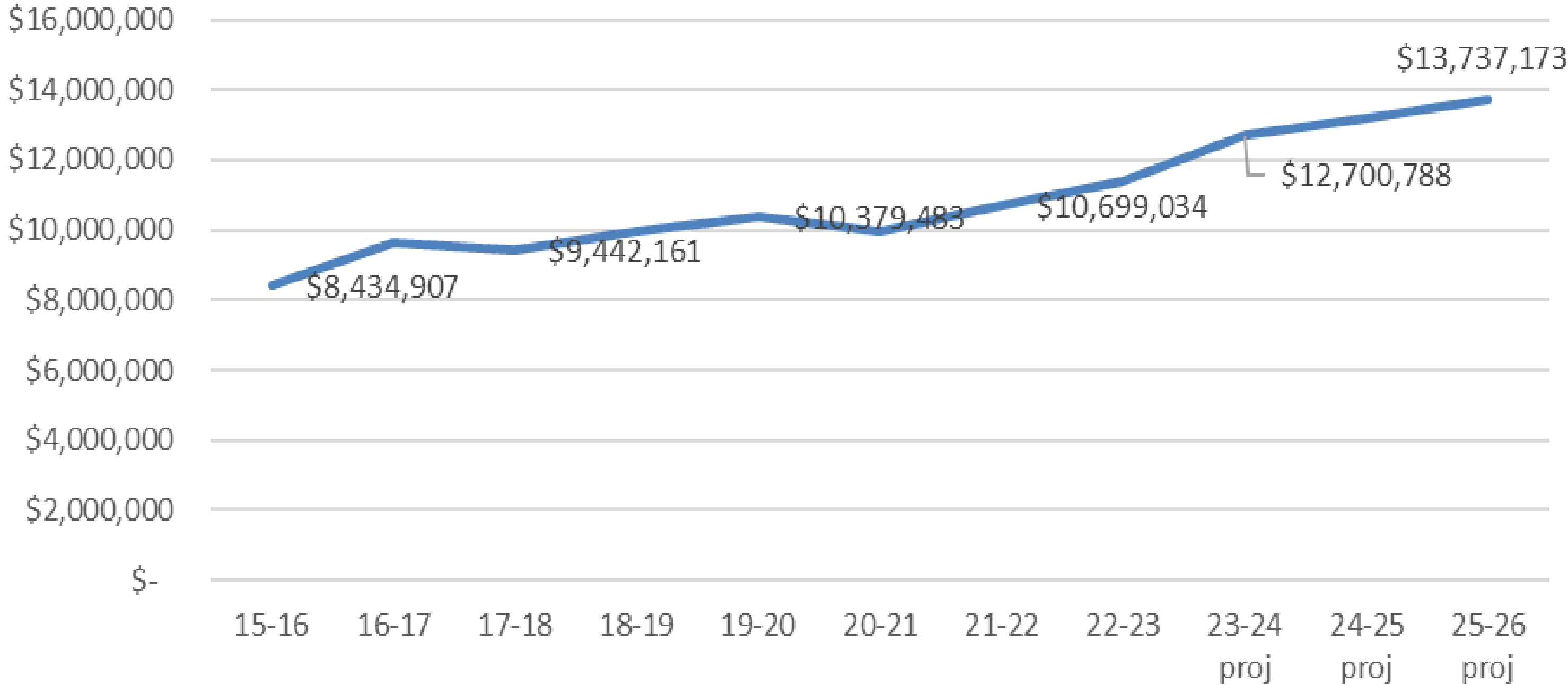
- Department of Finance COLA funding assumptions
- Step and Column cost increases 1.5% annually
- Assumes Health and Welfare cost increases 4% annually
- Increased PERS costs accordingly using current projected rates
- Funded Average Daily Attendance (ADA) projected at 5,790 (current year ADA) for 2023-24
- Funded ADA for 2024-25 of 5,790 (prior year ADA for 2023-24)
- Funded ADA for 2024-25 of 5,832 (projected ADA for 2024-25)
 - Salary increase cost shown “below the line” in MYP for 2024-25



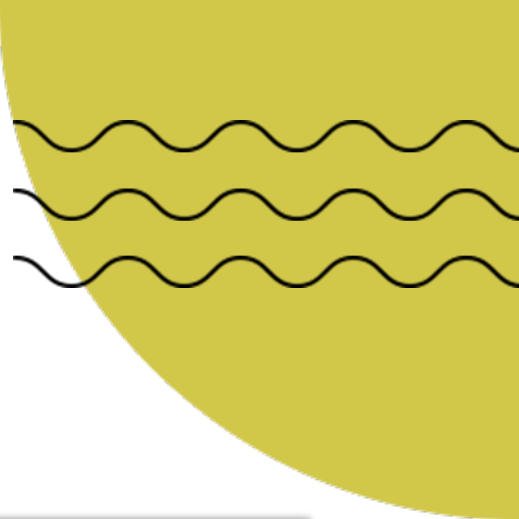
Health & Welfare Costs



CRPUSD Health & Welfare Employer Contributions



General Fund 2023-24 Revenue Budget

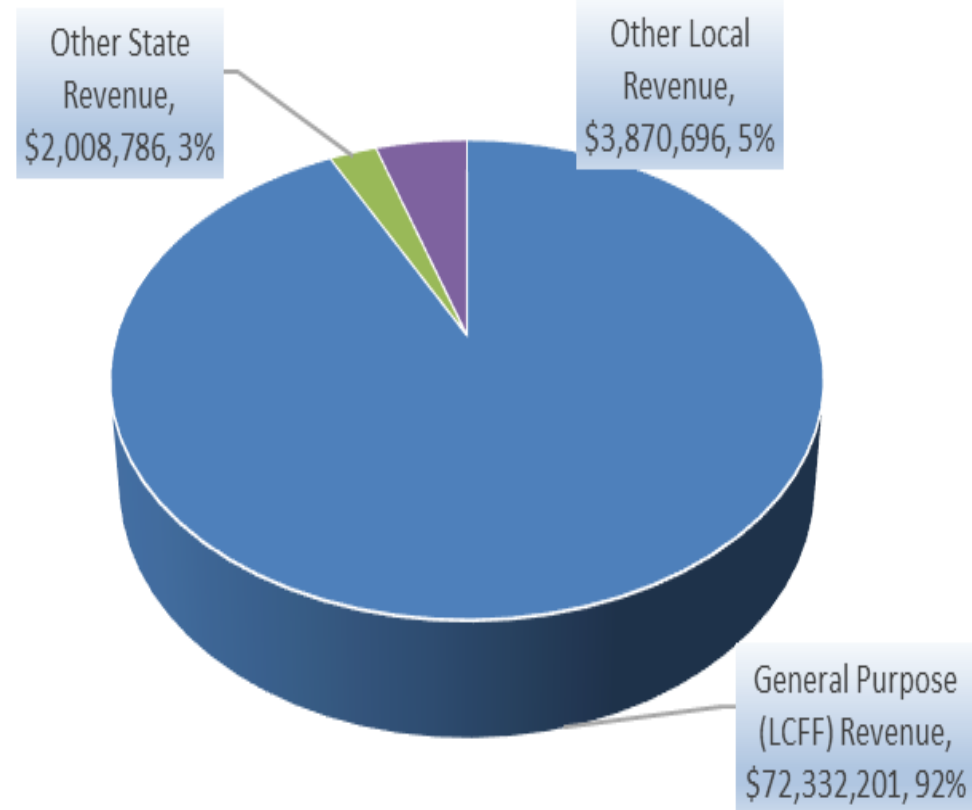


DESCRIPTION	Unrestricted	Combined	
General Purpose (LCFF) Revenue	\$72,332,201	\$73,504,610	<i>General Purpose – Property taxes, basic state aide, and education protection account funds</i>
Federal Revenue	\$0	\$3,722,909	<i>Federal – District must follow specific grant guidelines (Title I, Title II, ESSER, etc.)</i>
Other State Revenue	\$2,008,786	\$10,707,587	<i>Other State – State funds not part of State aide (Lottery, Special Education, Mandate etc.)</i>
Other Local Revenue	\$3,870,696	\$9,517,908	<i>Local – Funds received from local sources (Parcel Tax, Casino Funds, Foundation support, PTSA support, Interest, etc.)</i>
TOTAL	\$78,211,683	\$97,453,014	

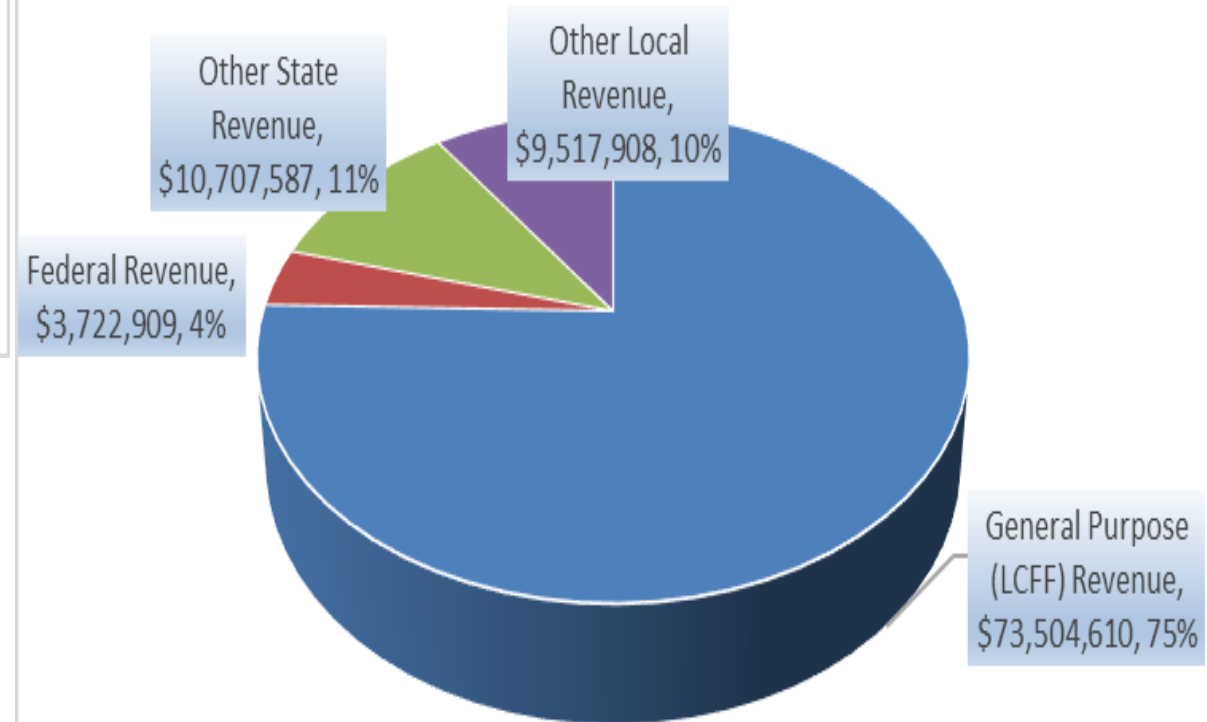


General Fund Revenue Budget

**2023-24 Second Interim
Unrestricted General Fund Revenue**



**2023-24 Second Interim
Total General Fund Revenue**



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

Federal – District must
follow specific grant
guidelines (Title I, Title II,
etc.)

Other State – State
funds not part of State aide
(Lottery, Special
Education, Mandate etc.)

Local – Funds received
from local sources (Parcel
Tax, Casino Funds,
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General Fund Expenditures

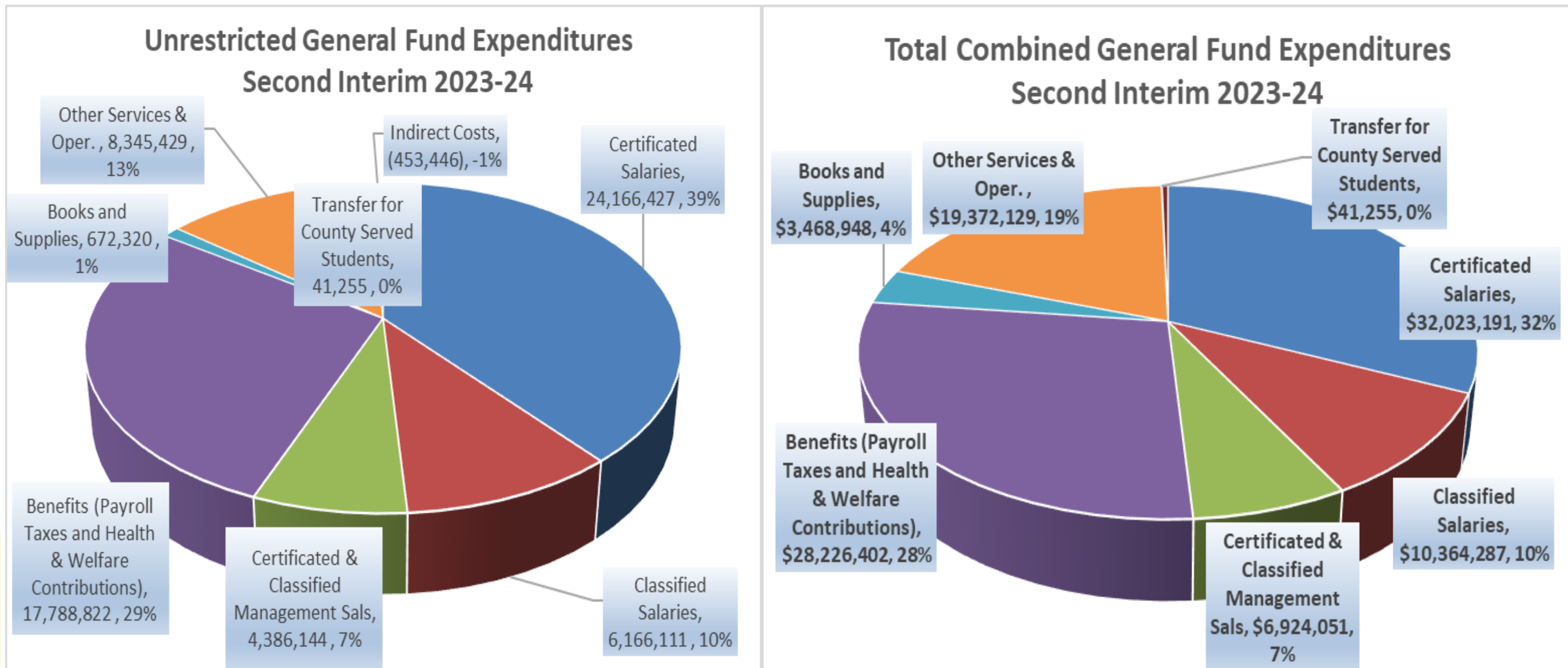
- Reflects General Fund only (no Cafeteria, Bonds, Capital Facilities)
- Employee costs comprise approximately 86% of the Districts unrestricted budget

DESCRIPTION	UNRESTRICTED	COMBINED
Certificated Salaries	24,166,427	\$32,023,191
Classified Salaries	6,166,111	\$10,364,287
Certificated & Classified Management Sals	4,386,144	\$6,924,051
Benefits (Payroll Taxes and Health & Welfare Contributions)	17,788,822	\$28,226,402
Books and Supplies	672,320	\$3,468,948
Other Services & Oper.	8,345,429	\$19,372,129
Transfer for County Served Students	41,255	\$41,255
Equipment > \$5,000	0	\$377,278
Indirect Costs	(453,446)	\$0
TOTAL	61,113,062	\$100,797,541

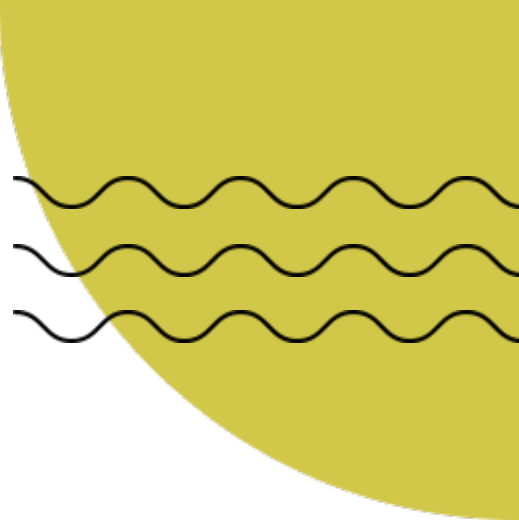


General Fund Expenditures

- Reflects General Fund only (no Cafeteria, Bonds, Capital Facilities)
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Change in Fund Balance since 1st Interim

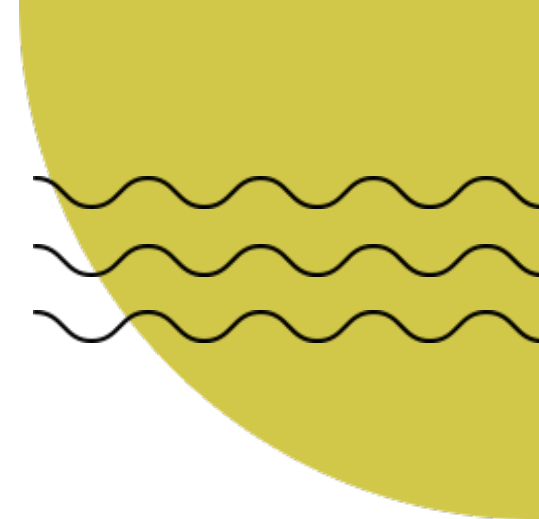


Unrestricted Changes Since 1st Interim

		Change in Fund Balance
Excess of Expenditures over Revenues at Budget Adoption		\$ (93,812)
Revenue Changes		
LCFF Funding - adjustment to ADA & UPP%	698,294	
Other State Revenue - Updated Lottery	60,007	
Other Local Revenue - Interest Income	326,075	
	1,084,376	\$ 1,084,376
Expenditure Changes		
Certificated Salaries - Counselor Support @ RCHS, sal sched movement	95,351	
Classified Salaries - custodial subs, IA subs	69,201	
Benefits - based on above + H&W adjustments	(36,210)	
Books and Supplies - misc supplies	33,184	
Other Services, Operations - Athletics transportation	15,529	
Transfer of Indirect	(51,239)	
Increased Contribution to SpEd	348,180	
	498,751	\$ 498,751
Revised Excess of Revenues over Expenditures at First Interim		\$ 491,813



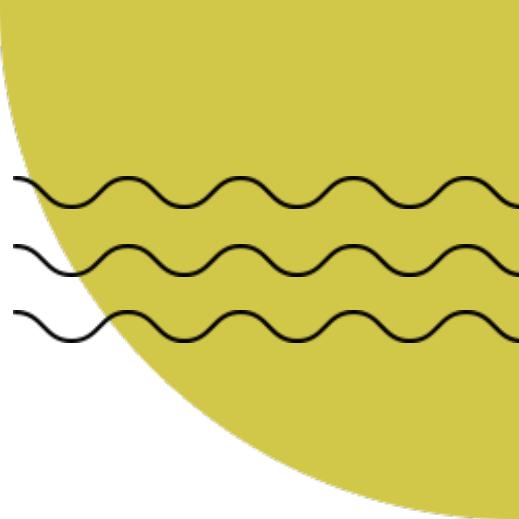
Unrestricted Funds to Restricted Programs



CRPUSD Contributions to Restricted	Amount
Special Ed IDEA	14,885,706
Routine Restricted Maintenance	1,721,102
Total Contributions	16,606,808



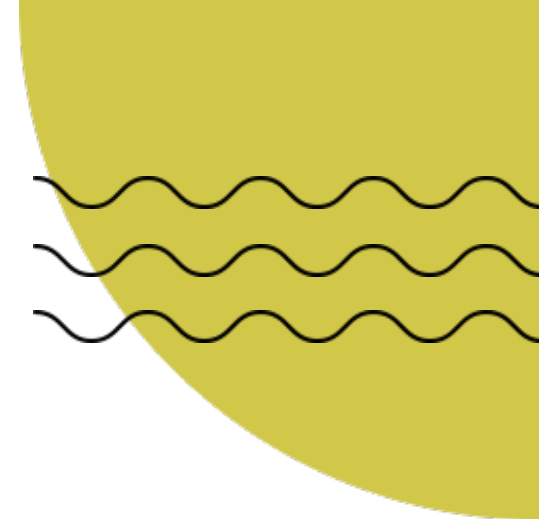
Second Interim General Fund Summary



CRPUSD 2nd Interim 2023-24			
Description	Unrestricted	Restricted	Total
Total Revenues	78,211,683	19,241,331	97,453,014
Total Expenditures	61,113,062	39,684,479	100,797,541
Excess/(Deficiency)	17,098,621	(20,443,148)	(3,344,527)
Transfer to RRMA & SpEd	(16,606,808)	16,606,808	0
Transfer from FD 40 to RRMA		1,060,000	1,060,000
Net Increase/(Decrease)	491,813	(2,776,340)	(2,284,527)
Beginning Fund Balance	6,976,572	12,847,871	19,824,443
Commitment for Tech Infrastructure/Equip	(1,500,000)		
FD 01 Ending Fund Balance	5,968,385	10,071,531	17,539,916
FD 17 Special Reserve	3,651,290		
Reserve Percentage	10%		



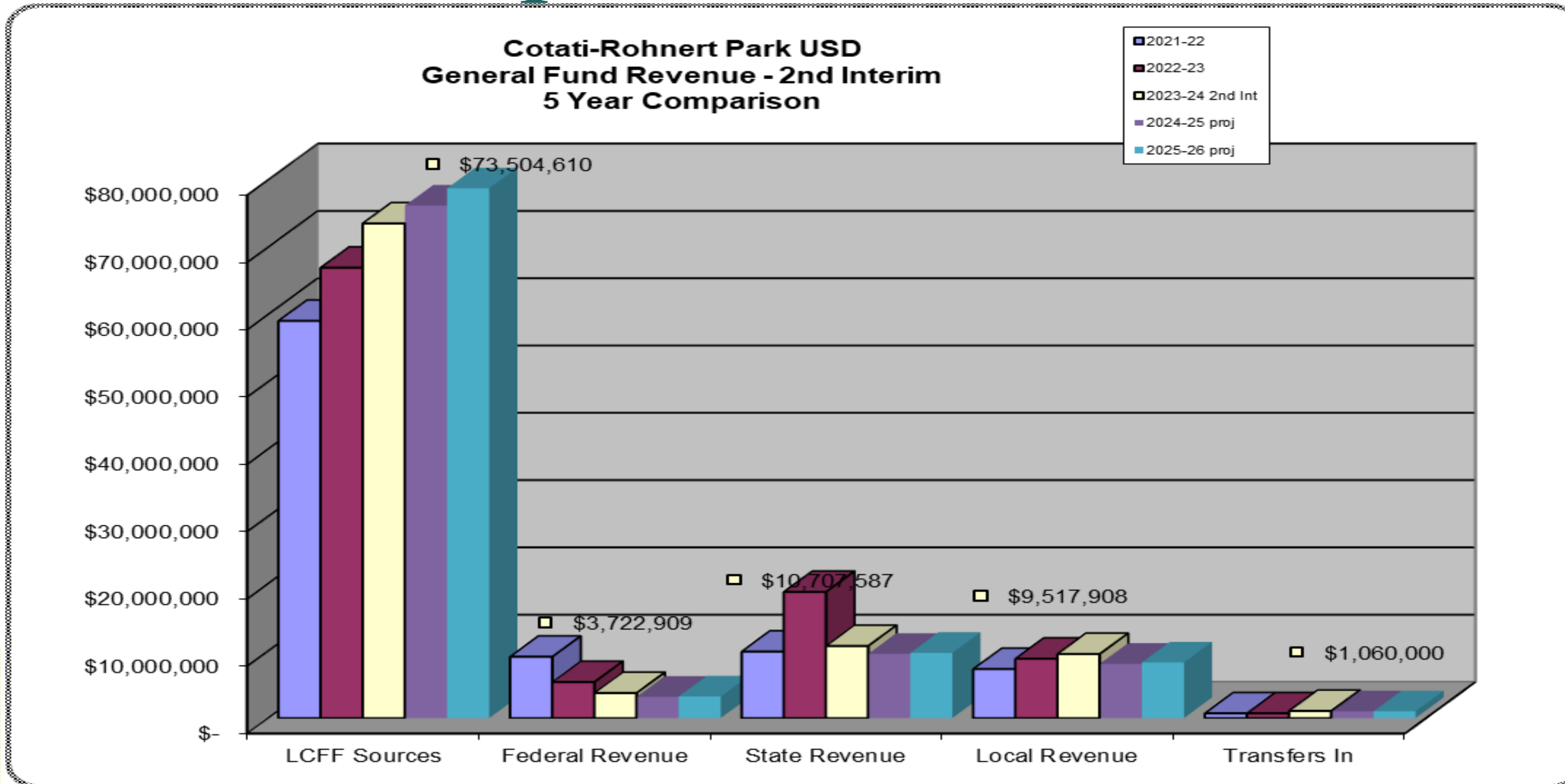
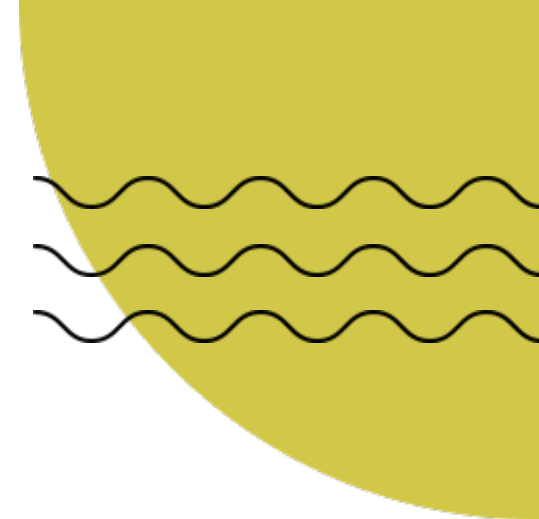
Summary Budget Adoption Multi-Year Projection(MYP)



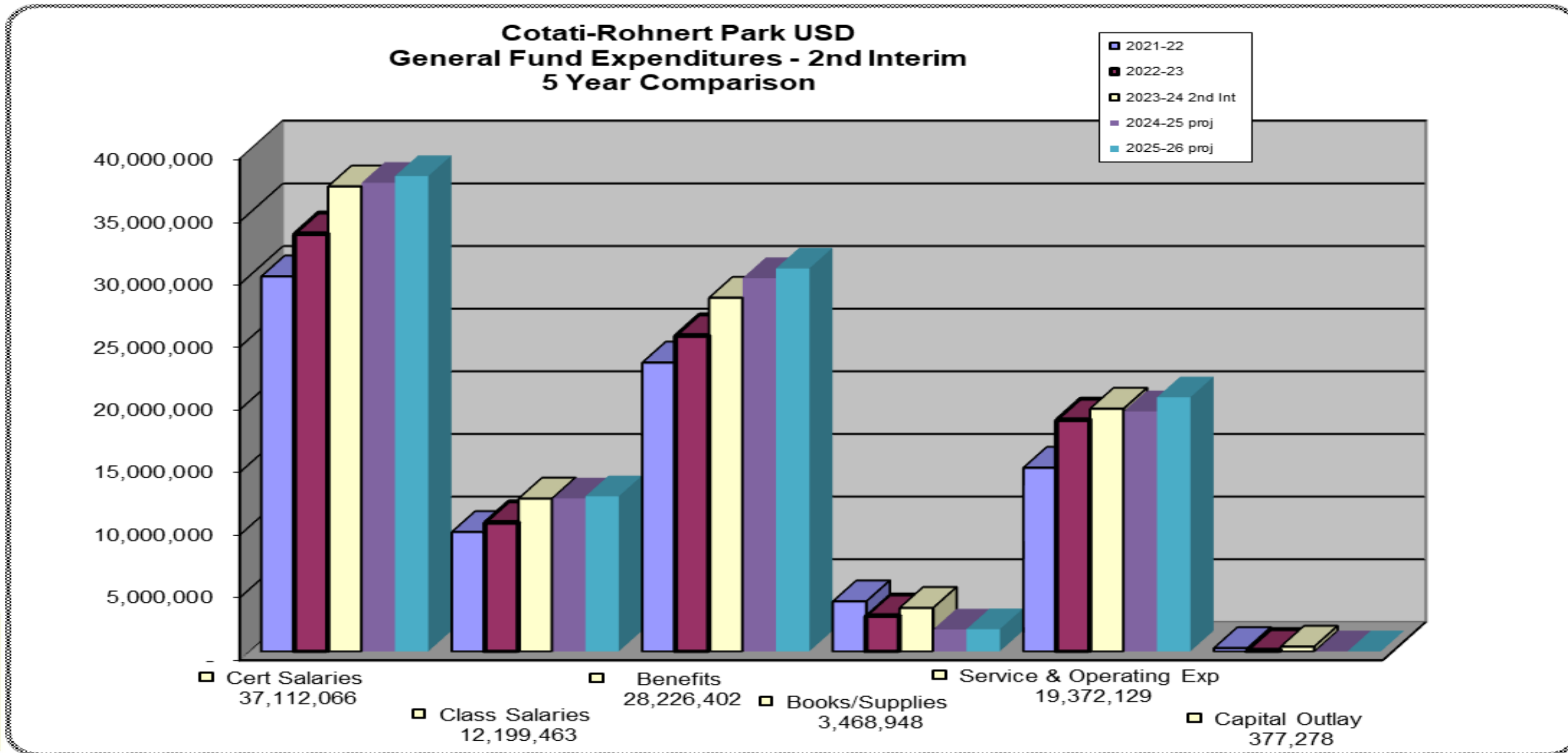
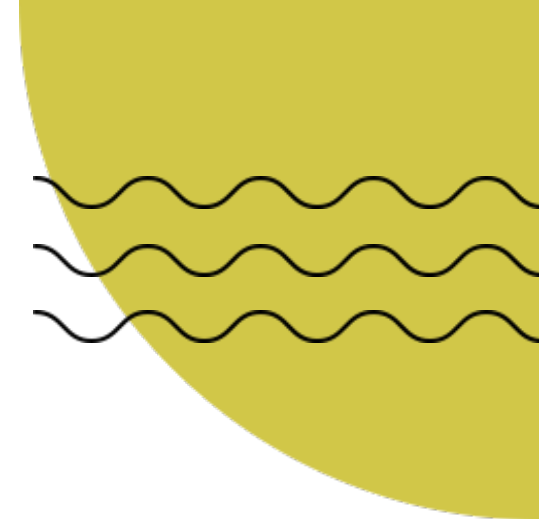
2023-24 2nd Interim Multi-Year Projection (Unrestricted General Fund)			
Description	2023-24 Budget	Projected 2024-25	Projected 2025-26
Total Revenues	78,211,683	78,764,748	82,137,008
Total Expenditures	61,113,062	62,843,281	65,264,269
Excess/(Deficiency)	17,098,621	15,921,467	16,872,739
Transfer to RRMA & SpEd	(16,606,808)	(17,852,636)	(18,708,010)
Surplus/(Deficit) (Total Rev - Total Exp)	491,813	(1,931,169)	(1,835,271)
Add: Beginning Fund Balance	6,976,572	5,968,385	1,809,146
Commitment for Tech Infrastructure/Equip	(1,500,000)		0
Assigned for future compensation adj	0	(2,228,070)	
FD 01 Unrestricted Ending Fund Balance	5,968,385	1,809,146	(26,125)
Special Reserve - Fund 17	3,651,290	3,691,290	3,731,290
AB 1200 Reserve Percentage	10%	5%	4%



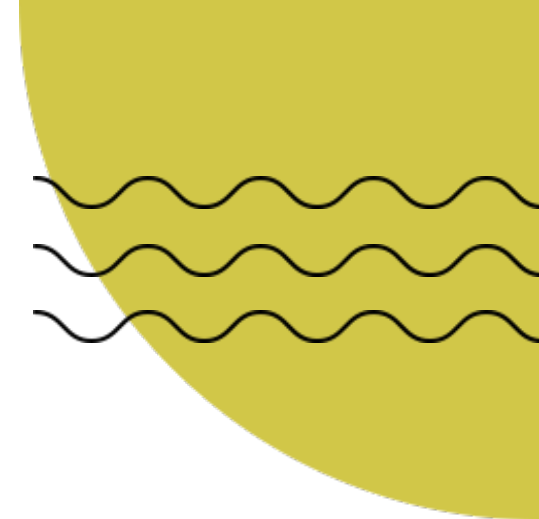
Multi-Year Projection (MYP) 5 Year Comparison – Revenues



Multi-Year Projection (MYP) 5 Year Comparison – Expenses



CRPUSD Athletics Budget



CRPUSD Athletics Budget	Amount
Athletic Directors	
Thomas Page Academy	3,465
Technology Middle School	5,772
Lawrence Jones Middle School	4,617
Technology High School	4,617
Rancho Cotate High School	30,366
Total	\$ 48,837
Supplies/Officials/League Fees/Transportation	
Thomas Page Academy	1,500
Technology Middle School	41,000
Lawrence Jones Middle School	6,000
Technology High School	31,692
Rancho Cotate High School	9,000
Total	\$ 89,192
Certified Athletic Trainer	
RCBS/THS	162,907
Total	\$ 162,907
Coaching Stipends	
Thomas Page Academy	10,050
Technology Middle School	18,268
Lawrence Jones Middle School	32,272
Technology High School	56,494
Rancho Cotate High School	153,700
Total	\$ 270,784
Grand Total	\$ 571,720

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, 2024 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
- State and Federal economic downturn
- Future Collective Bargaining

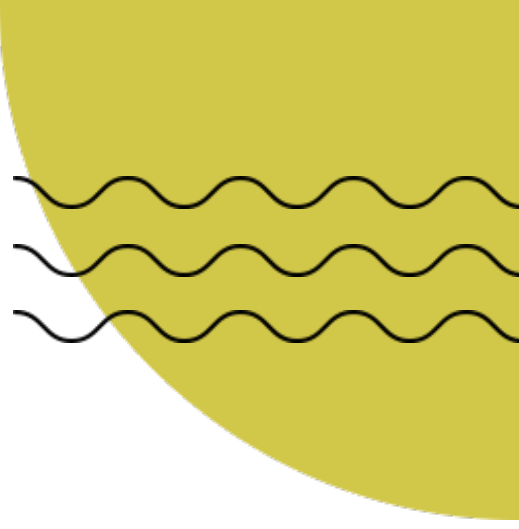


Second Interim Certification

- Per AB 1200
- *The Second Interim projection indicates that, as defined in AB 1200, “the Cotati Rohnert Park Unified School District will be able to meet its current financial obligations in this fiscal year and subsequent two years.”*
- ✓ ***The Cotati Rohnert Park Unified School District is self-certifying as “Positive”***



Questions?



CRPUSD



we speak

reconnect

reimagine

