

# RIM OF THE WORLD UNIFIED SCHOOL DISTRICT

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2021-22 PROPOSED BUDGET



## Budget Approval

APPROVED	CONDITIONALLY APPROVED	DISAPPROVED
Meets reserve, obligations, no material errors	Meets reserve, obligations, but has material errors	Does not meet reserve and obligations in all three years
<ul style="list-style-type: none"><li>➤ BAS rolls District Adopted Budget to APPROVED</li><li>➤ District notified by September 15<sup>th</sup> of Approved Status</li><li>➤ No further action necessary by District</li></ul>	<ul style="list-style-type: none"><li>➤ Governing Board approves Revised Budget</li><li>➤ Resubmit to BAS by October 8<sup>th</sup></li><li>➤ District operates on submitted Budget</li></ul>	<ul style="list-style-type: none"><li>➤ BAS will unlock District Adopted Budget</li><li>➤ District enters revisions in BDV</li><li>➤ Governing Board approves revised Budget</li><li>➤ Resubmit to BAS by October 8<sup>th</sup></li></ul>



## Budget Approval Continued

*Education Code 42128:*

*If the governing board of any school district neglects or refuses to make a school district budget as prescribed by this article, or neglects to file interim reports pursuant to Section 42130, the county superintendent of schools shall not make any apportionment of state or county school money for the particular school district for the current school year, and the county superintendent shall notify the appropriate county official that he or she shall not approve any warrants issued by the school district.*

Consequences of Budget not being Approved/Adopted by the district by July 1 include, but not limited to, no issuance of commercial and salary warrants and no receipt of apportionments.

# Budget Oversight

San Bernardino County Superintendent of Schools (SBCSS) has the role to monitor school districts and per AB1200 (Assembly Bill 1200) mandates they intervene under certain circumstances to ensure districts can meet their financial obligations. Our district maintains a positive working relationship with the county office.

A school district is required to provide the county office with multi-year projections (MYP's). The districts MYP's must show that a district has a positive ending fund balance in the current and two subsequent years. For districts with declining enrollment and a structural deficit spending trend, it is recommended to review projections up to 5 years.



# Building the Budget

## Revenues

- LCFF
  - State Aid, EPA, Property Taxes
- Federal
- State
  - Lottery, Mandates
- Local
  - Special Education, Interest

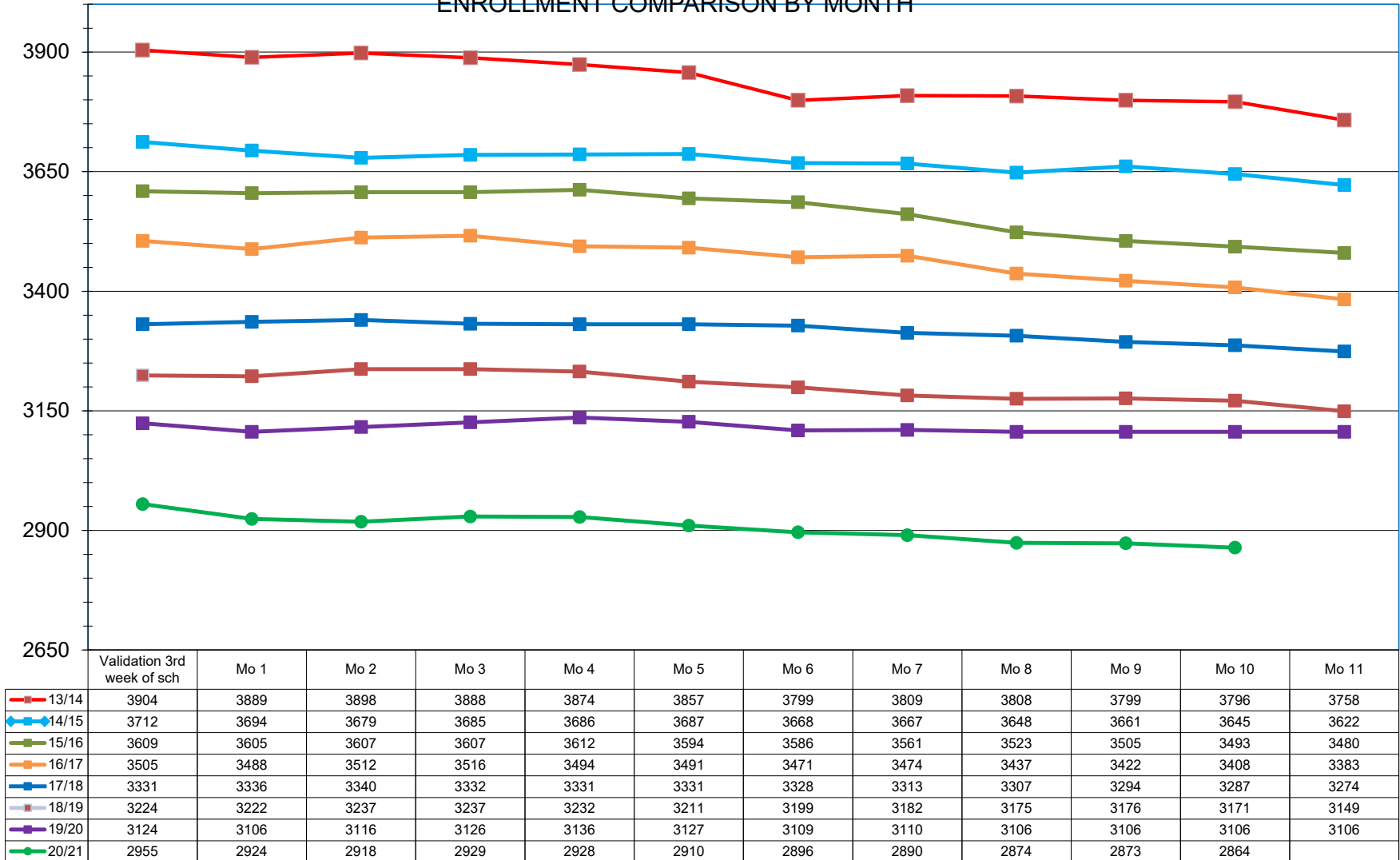
## Expenses

- Salaries & Benefits (Include STRS/PERS and Step increases)
- Supplies & Services (utility increases)
- Equipment
- Debt Payments

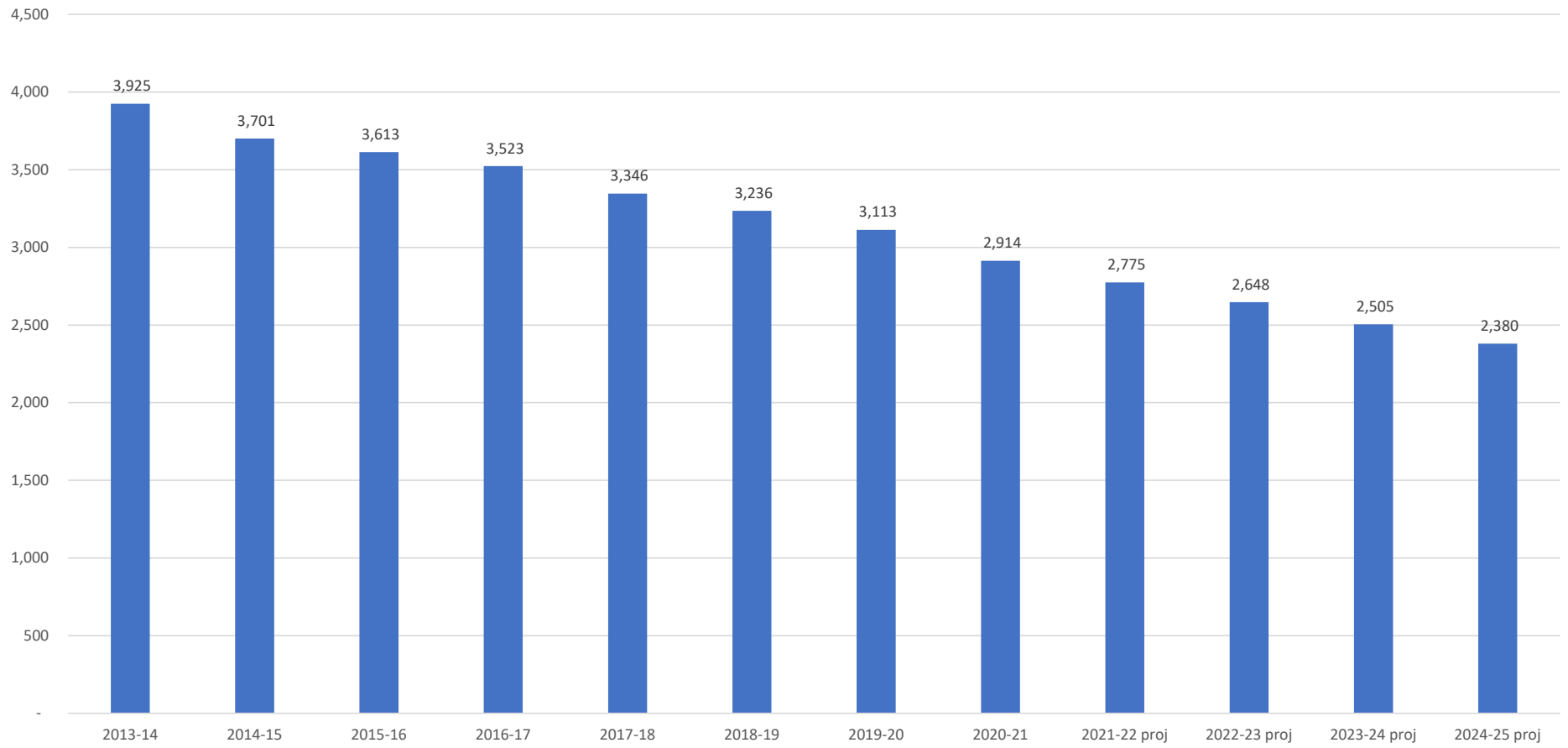
## Fund Balance

- Reserves for Economic Uncertainties
- Revolving Cash
- Stores
- Assignments/Commitments

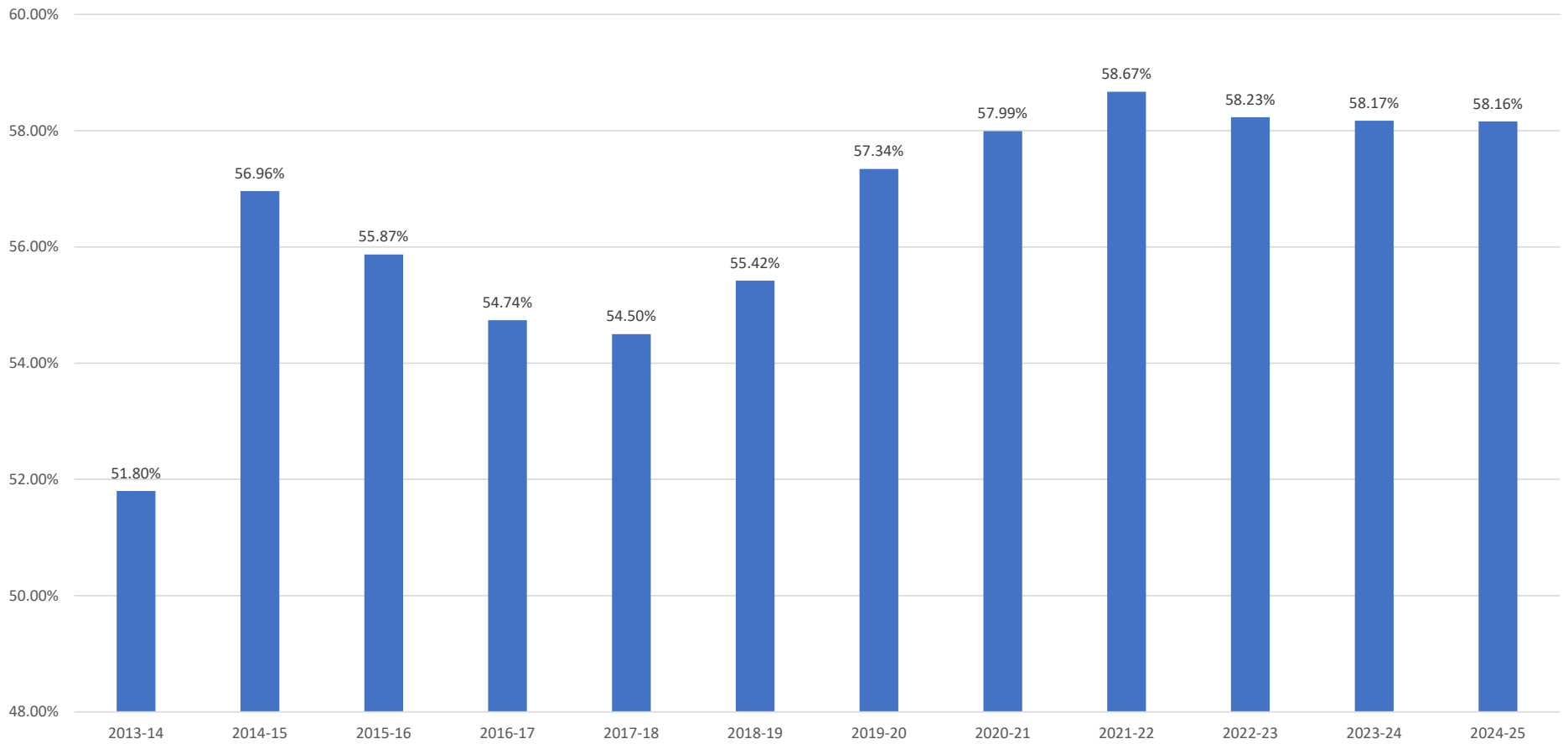
### RIM OF THE WORLD UNIFIED SCHOOL DISTRICT ENROLLMENT COMPARISON BY MONTH



Rim of the World USD - CBEDS Enrollment



### Rim of the World USD - UPP %






# Multi-year Projections Assumptions COLA

Fiscal Year	Statutory COLA	Actual Funded COLA
2013-14	1.57%	1.57%
2014-15	0.85%	0.85%
2015-16	1.02%	1.02%
2016-17	0.00%	0.00%
2017-18	1.56%	1.56%
2018-19	2.71%	3.70%
2019-20	3.26%	3.26%
2020-21	2.31%	<b>0.00%</b>
2021-22	1.70%	<b>5.07%</b>
2022-23	2.48%	<b>2.48%</b>
2023-24	3.11%	<b>3.11%</b>
2024-25	3.54%	<b>3.54%</b>

Components of LCFF By Object Code								
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19		
State Aid/EPA	17,220,636.00	19,117,707.00	19,081,233.00	18,419,797.00	17,847,467.00	17,925,971.00		
Property Taxes	8,686,622.00	8,538,361.00	10,497,787.00	11,859,440.00	12,139,515.00	12,444,724.00		
TOTAL FUNDING	25,907,258.00	27,656,068.00	29,579,020.00	30,279,237.00	29,986,982.00	30,370,695.00		
Increase (Decrease) in LCFF Funding		1,748,810.00	1,922,952.00	700,217.00	(292,255.00)	383,713.00		
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
State Aid/EPA	17,933,838.00	16,819,292.00	18,523,742.00	15,931,251.00	15,478,027.00	14,891,602.00	14,086,605.00	13,299,443.00
Property Taxes	12,821,987.00	13,098,583.00	12,960,342.00	12,960,342.00	12,960,342.00	12,960,342.00	12,960,342.00	12,960,342.00
TOTAL FUNDING	30,755,825.00	29,917,875.00	31,484,084.00	28,891,593.00	28,438,369.00	27,851,944.00	27,046,947.00	26,259,785.00
Increase (Decrease) in LCFF Funding	385,130.00	(837,950.00)	1,566,209.00	(2,592,491.00)	(453,224.00)	(586,425.00)	(804,997.00)	(787,162.00)



May Revise vs  
January Budget  
proposal – COLA  
increases to LCFF

- Updated projected enrollment and ADA – slight decrease to ADA projected (17.81)
- 21/22 COLA – was 3.84% currently 5.07%
  - 21/22 - + 351,248
  - 22/23 - + 2,214
  - 23/24 - + 47,272
  - 24/25 - + 457,122

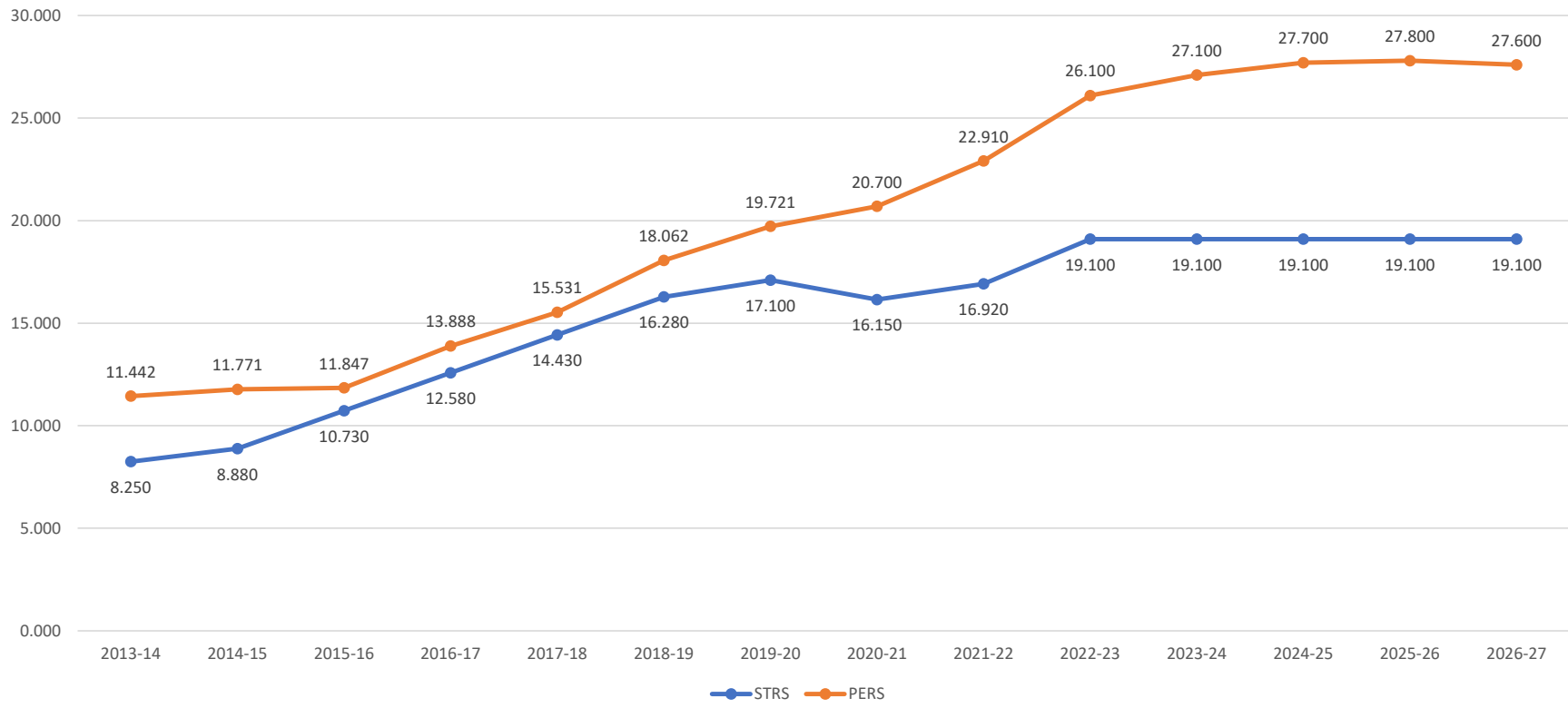
## May Revise and Major impacts on budget building

- The districts budget is based on the May Governors Budget proposal, although the Senate and the Assembly have their own budget proposal. The final State adopted budget will contain a mix of the May Revise and other proposals – Our budget will be revised.
- The Governor's budget includes additional funds from the State receiving increases in tax revenue. The budget contains a super COLA and SEVERAL ONE-TIME funding opportunities.
- All but the June deferrals have been eliminated – impact is positive on cash flow
- One-time funds (Federal) with the exception of ESSER III is included in the proposal. ESSER III will be included in the budget revision (August or September).
- The numerous one-time programs proposed by the Governor will be included in future budget revisions. Note Rim will not be able to participate in all due to the structure proposed by the Governor and allocation to concentration districts.
- Traditional attendance accounting returns in 2021-22, impact of declining enrollment and a lower attendance rate impacts Multi-year projections. Decreases in LCFF is reflected in the budget and subsequent years.

# Multi-year Projections Assumptions

- LCFF revenue – Base on current CBEDS enrollment and updated ADA. Declining enrollment continues to be the biggest impact to lower UNRESTRICTED GENERAL FUND DOLLARS.
- Updated Other State and Federal restricted revenue – Included One-time funding under ESSER II and ELO.
- Step and Column increases
- Health and Welfare increase – 5.83%
- Savings from retirements and staff reduction due to enrollment declines
- Postponed 21/22 layoffs for Certificated, Classified and Management positions and utilizing restricted funds. TEMPORARY!!
- Reduction of one-time expenditure budgets – 10%
- Increase in STRS and PERS costs – (adjusted per Governors May Revise)
  - STRS rate – 16.92%
  - PERS rate – 22.91%
- Savings from prior years negotiated items
- Reduction of one-time revenues
- Lottery (per ADA; note this is a reduction coupled with lower ADA):
  - Unrestricted - \$150
  - Restricted - \$49

Rim of the World USD - Retiree STRS & PERS Employer Contribution



# Federal Pandemic Funding

	LLM Fund – Coronavirus Relief (CR) Fund	LLM Fund – GEER I	ESSER I	ESSER II	ESSER III
Resource	3220	3215	3210	3212	3213
Funding for Rim	\$1,779,251	\$188,145	\$767,488	\$3,641,467 Estimate	\$8,314,861 Preliminary Est
Deadline for Use	May 31, 2021	September 30, 2022	September 30, 2022	September 30, 2023	September 30, 2024
Remaining Funds for Planning/expending (estimate)	\$0	\$100K	\$0	\$1M	\$5.1M

# State Pandemic Funding

	SB 117	LCFF	IN-PERSON IG AB86	EXTEND LEARNING AB86
Resource	7388	7420	7422	7425/26
Funding for Rim	\$52,591	\$262,029	\$985,688	\$2,141,173
Deadline for Use	N/A	JUNE 30, 2021	AUGUST 31, 2022	AUGUST 31, 2022
Remaining Funds for Planning/expending	\$0	\$0	\$0	\$0



MAJOR CATEGORY OF FUNDING SOURCES AND EXPENDITURES

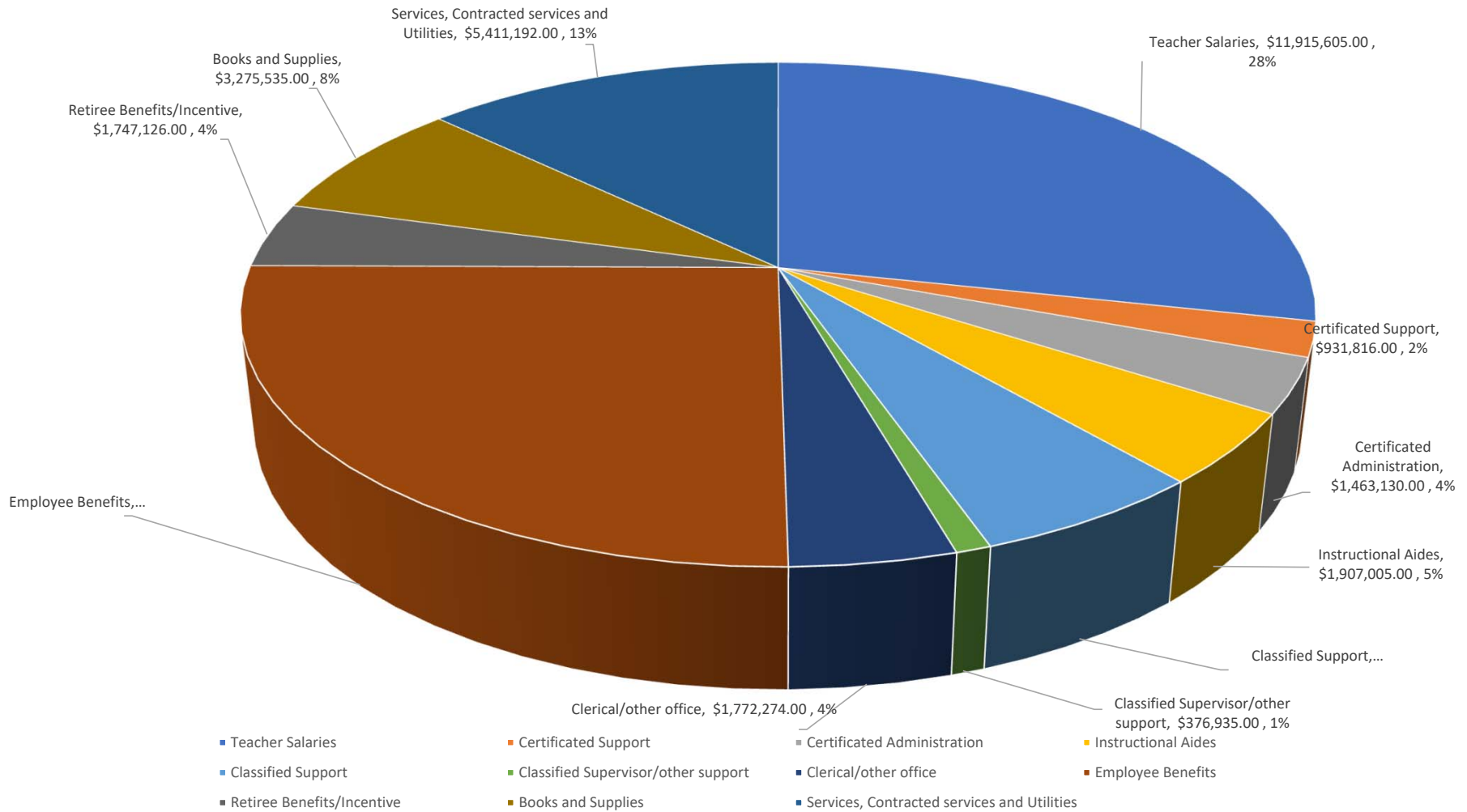
**2021 - 22 Proposed Budget (includes STRS on behalf)**

	Unrestricted	Restricted	TOTALS
LCFF Sources	31,484,084	-	31,484,084
	-		
Federal Revenue	-	6,876,713	6,876,713
	<i>Major categories: Special Ed, Title I, II, III</i>		
Other State Revenue	539,219	4,677,899	5,217,118
	<i>Major categories: One time Mandated Cost funding, Other Special Ed revenue, Lottery, Mental Health funds</i>		
Local Revenue	315,136	1,631,575	1,946,711
	<i>Major categories: Donations, Special Ed funding Transportation fees from individuals</i>		
<b>TOTAL REVENUE</b>	<b>32,338,439</b>	<b>13,186,187</b>	<b>45,524,626</b>

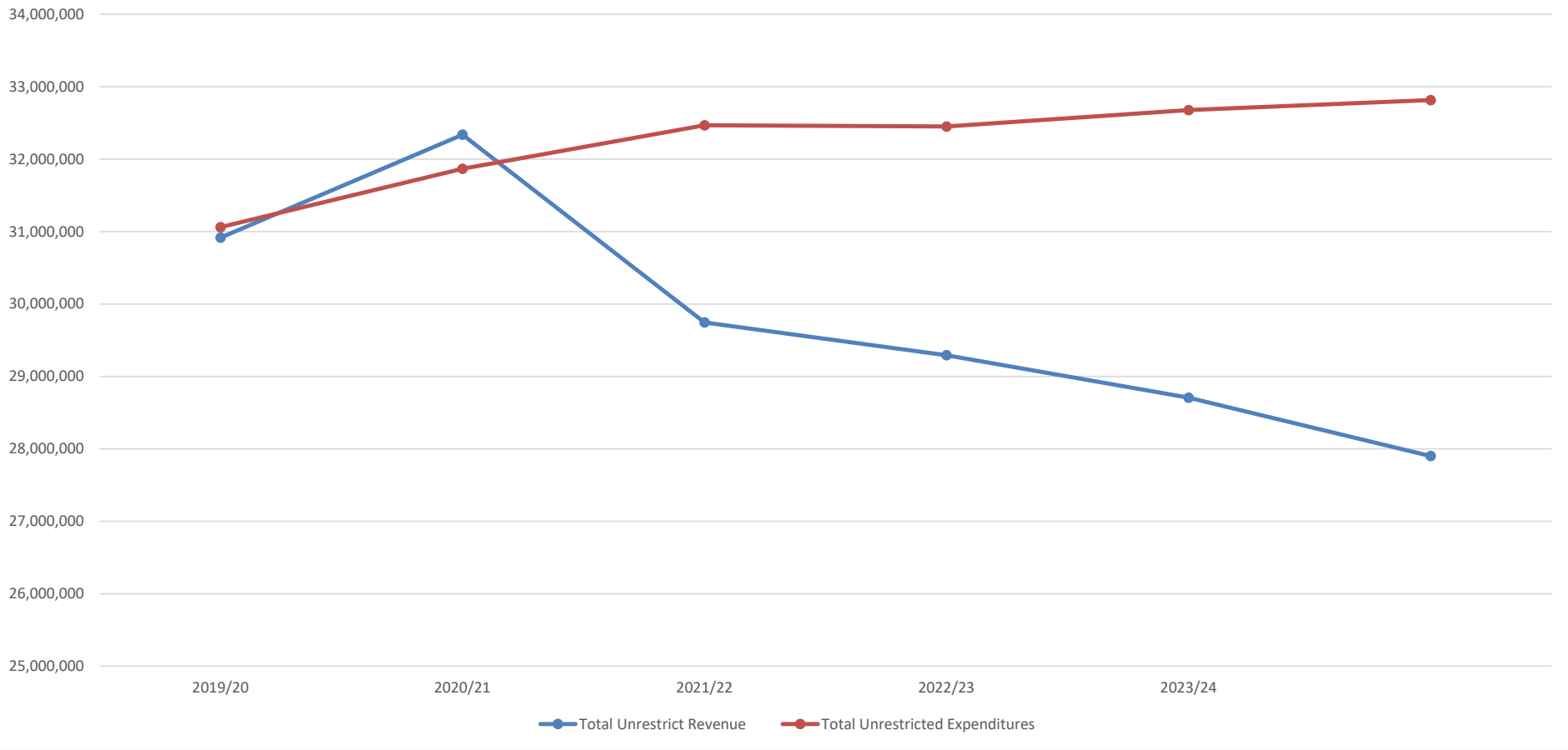
	Unrestricted	Restricted	TOTALS	PERCENT OF TOTAL EXPENDITURES
Certificated Salaries				
Teacher Salaries	8,625,464	3,290,141	11,915,605	0.28
Certificated Support	327,733	604,083	931,816	0.02
Certificated Administration	1,309,980	153,150	1,463,130	0.03
	10,263,177	4,047,374	14,310,551	0.34
Classified Salaries				
Instructional Aides	183,004	1,724,001	1,907,005	0.05
Classified Support	2,166,253	345,521	2,511,774	0.06
Classified Supervisor/other support	296,537	80,398	376,935	0.01
Clerical/other office	1,562,604	209,670	1,772,274	0.04
	4,208,398	2,359,590	6,567,988	0.16
Employee Benefits	6,886,526	3,769,757	10,656,283	0.25
Retiree Benefits/Incentive	1,747,126	-	1,747,126	0.04
	8,633,652	3,769,757	12,403,409	0.29
				<b>0.79</b>
Books and Supplies	644,967	2,630,568	3,275,535	
Services, Contracted services and Utilities	3,183,372	2,227,820	5,411,192	
	3,828,339	4,858,388	8,686,727	0.21
Contributions:				
Special Education	3,490,189	(3,490,189)	-	
Routine Repair and Maintenance	1,343,396	(1,343,396)	-	
Cafeteria	100,000		100,000	
			-	0.00
<b>Total Expenditures</b>	<b>31,867,150</b>	<b>10,201,524</b>	<b>42,068,675</b>	<b>1.00</b>

(Deficit)/Surplus	471,289	2,984,663	3,455,951
Beginning Fund Balance	8,056,901	2,055,643	10,112,544
Ending Fund Balance	8,528,190	5,040,306	13,568,496
3% Minimum Reserve	1,262,060	-	
Other Reserves	1,262,451	-	
	2,524,511	-	
<b>FUND BALANCE CARRYOVER TO NEXT YEAR</b>	<b>6,003,679</b>	5,040,306	
<b>FUND BALANCE CARRYOVER FROM PRIOR YEAR BEFORE RESERVES - UNRESTRICTED ONLY</b>			
<b>2022-23</b>			
Beginning Fund Balance (before reserves)	8,528,189.59		
Unrestricted Revenues	29,745,948.00		
Unrestricted Expenditures	27,534,590.00		
Contributions to Restricted Programs	4,933,585.00		
(Deficit)/Surplus	(2,722,227.00)		
3% Minimum Reserve	1,282,897.00		
Other Reserves *	1,262,451.00		
	2,545,348.00		
<b>FUND BALANCE CARRYOVER TO NEXT YEAR</b>	<b>3,260,615</b>		
<b>2023-24</b>			
Beginning Fund Balance (before reserves)	5,805,962.59		
Unrestricted Revenues	29,292,724.00		
Unrestricted Expenditures	27,517,840.00		
Contributions to Restricted Programs	4,933,585.00		
(Deficit)/Surplus	(3,158,701.00)		
3% Minimum Reserve	1,225,201.00		
Other Reserves *	1,262,451.00		
	2,487,652.00		
<b>FUND BALANCE CARRYOVER TO NEXT YEAR</b>	<b>159,610</b>	Note: 24/25 EFB	(3,878,294.00)
		Note: 25/26 EFB	(8,799,881.00)

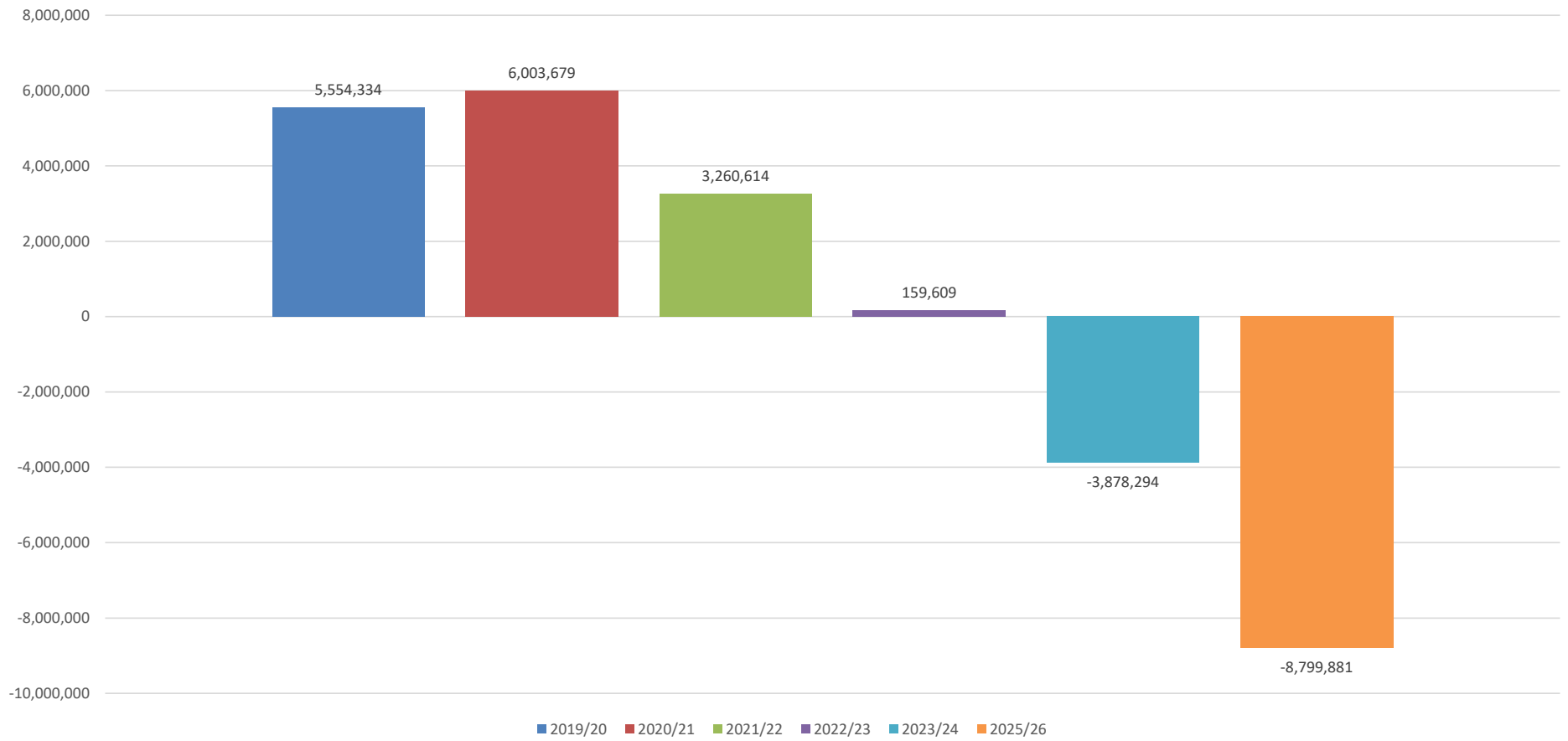
### RIM OF THE WORLD USD PROPOSED BUDGET - TOTAL EXPENDITURES BY CATEGORY 2021-22



Rim of the World Unified School District Deficit Spending

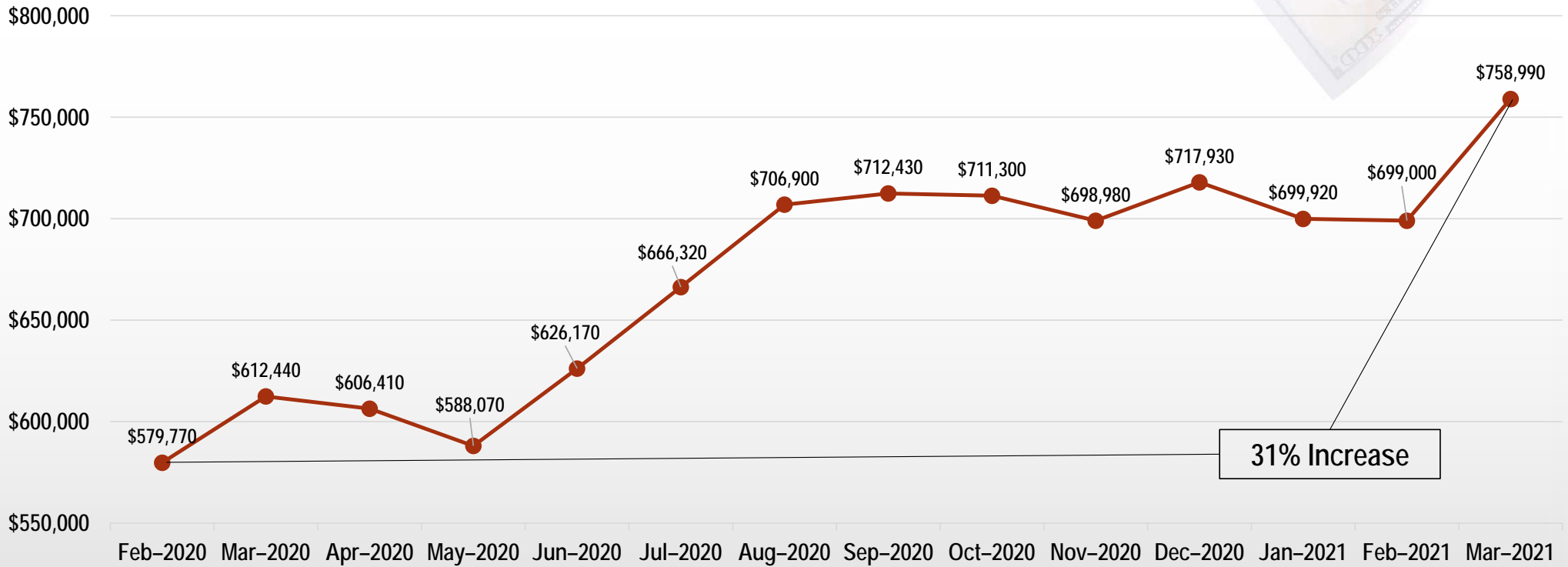


Rim of the World Unified School District Unallocated Ending Fund Balance



# California Real Estate

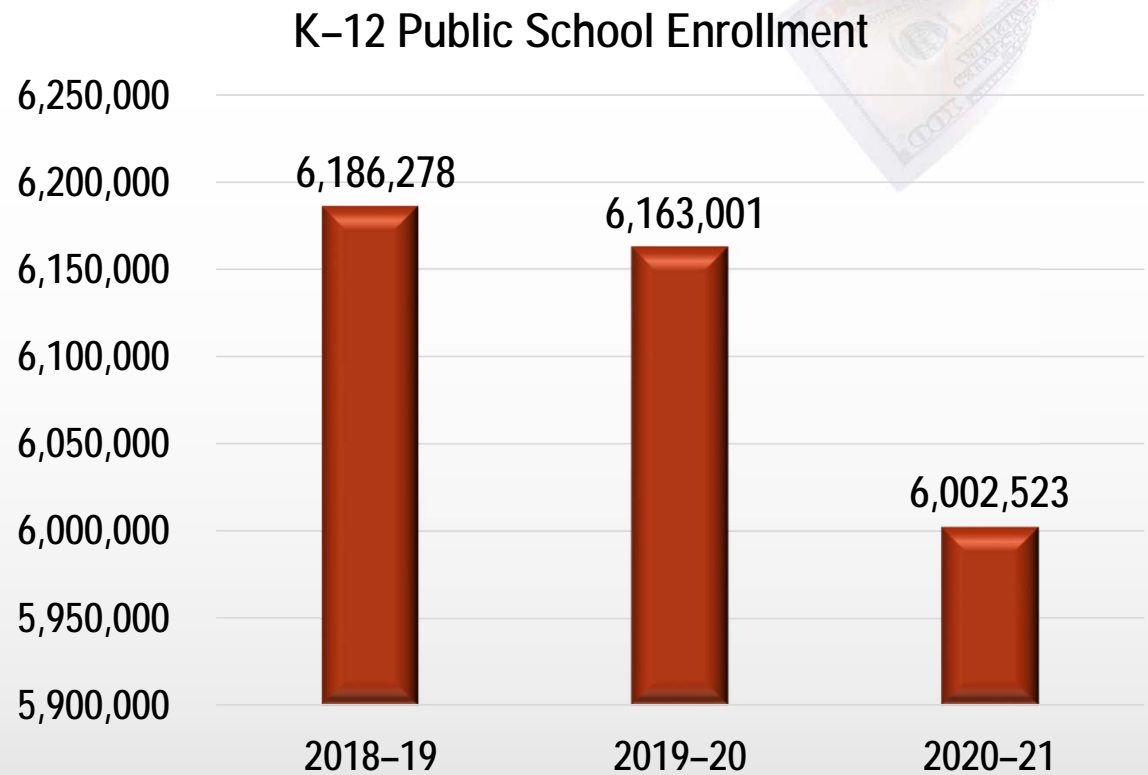
Median Price (Existing Single-Family Detached Homes)



Source: California Association of Realtors

# Managing Enrollment and ADA

- The pandemic impacted learning in many ways, but perhaps the starkest example is the loss of K–12 students in 2020–21
- Based on state-certified data, the state’s K–12 student population declined by more than 160,000
- Sharp contrast to estimated loss of 20,000 to 30,000 annually



Source: DataQuest, California Department of Education (CDE)



CBEDS (Dst) Enrollment - 21/22 - projection			
2,771.00	ADA @ X %	Revenue - est	Revenue Gain with higher ADA
0.9349	2,590.61	28,882,687.48	
0.9399	2,604.46	29,037,156.87	154,469.40
0.9449	2,618.32	29,191,626.27	308,938.79
0.9499	2,632.17	29,346,095.66	463,408.18
0.9549	2,646.03	29,500,565.06	617,877.58
0.9599	2,659.88	29,655,034.45	772,346.98
0.9649	2,673.74	29,809,503.85	926,816.37
0.9699	2,687.59	29,963,973.24	1,081,285.77
0.9749	2,701.45	30,118,442.64	1,235,755.16
0.9799	2,715.30	30,272,912.03	1,390,224.56
0.9849	2,729.16	30,427,381.43	1,544,693.95

Average Per ADA Funding for 22/23 = \$11,149 - estimate			
			Per Day
Base	80.87%	9,016.20	50.09
GSA	3.10%	345.62	1.92
Add on (Trans/TIG)	4.70%	524.00	2.91
Supplemental	9.80%	1,092.60	6.07
Concentration	1.53%	170.58	0.95
	100.00%	11,149.00	61.94

Every day counts!!

# Committee Updates

- Budget Committee meeting: Last meeting date was May 18, 2021. The next meeting is scheduled for September 21, 2021 and will continue every other month. The committee will review the final 20/21 budget and review MYP's and discuss reductions needed for fiscal solvency.
- Strategic Planning and Advisory Committee (7-11): Last meeting date was April 21, 2021 & will meet after our boundary, capacity and enrollment study is completed.
- Citizens oversight committee: will have 1 – 2 more meetings, dependent on remaining Measure W funds.

# Questions?

# Next Steps:

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Submit budget and supporting documents to County Office

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July through September – close the books for fiscal year 2020-2021 – continue working on audit and prepare for Fall wrap up (possible in person visit)

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Prepare for a State Budget Revision in August

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Continue to collaborate with employees regarding funding scenarios for the current and future years

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Continue the Budget Committee

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Continue to monitor enrollment and staffing

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Adjust and be flexible due to the unknowns that exist due to the States economic forecast and the ever-changing State guidelines in response to the pandemic