



Ravenswood City School District Business Office

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Ms. Gina Sudaria
Interim Superintendent

“OUR CHILDREN – OUR FUTURE”

Date: June 13, 2019
To: Honorable Board of Trustees
From: Ms. Gina Sudaria, Interim Superintendent
Re: 2019-20 Proposed Ravenswood City School District Budget

The Ravenswood City School District's (here after "The District") proposed budget is presented to the Board of Trustees and is scheduled to be adopted on June 27, 2019.

Ravenswood City School District has a total of seven (7) schools and one (1) Charter School that serve the areas of East Palo Alto and East Menlo Park.

The District's fiscal year 2019-2020 Proposed Budget is developed using the latest estimates of enrollment, revenue, formula driven staffing levels and projected beginning and ending fund balances. The District is highly dependent on funding from the State of California. At the time of the District's budget, the State of California had not adopted the 2019-2020 budget. Therefore, some of the assumptions contained in the District's proposed budget may change. If there are material changes to the RCSD's 2019-20 budget as a result of the state's adopted budget, those revisions will be incorporated a revised 2019-20 budget and presented to the Board of Trustees within 45 days of the adoption of the proposed budget.

The District's strategic goals emphasize the achievement of all students, and this budget reflects this emphasis as well. Following are the Ravenswood Board of Trustee's Strategic Goals:

- **LEARNING** Cultivate empowered and passionate learners.
- **EXPLORATION** Promote inquiry and exploration.
- **RESPECT** Foster an environment of inclusiveness and mutual respect.
- **CULTURE** Create a collaborative culture of learning.

Financial Summary:

The Local Control Funding Formula (LCFF) is a major change in the way California school districts will receive State Aid funding. The LCFF funding is allocated based on grade spans and ADA basis, with the additional supplemental and concentration funding for the school districts that have populations of English Language Learners, Low Income and Foster Youth students called Unduplicated Student Counts.

SMCOE also informed the District that it is incumbent upon the District Governing Board to continue promoting the successful implementation of the Fiscal Reform Package to improve the fiscal condition of the District. The County Office reiterated its commitment to support the District throughout this process.

The Fiscal Reform Package lays the foundation for restoring fiscal solvency on a multi-year basis and will continue to be updated and revised. The 2019-20 fiscal year budget and the two (2) subsequent fiscal years budgets were developed within the framework outlined in the Fiscal Reform Package.

Budget Assumptions used by the District include:

- Enrollment projection - 2,114
- ADA projection – 2,008
- COLA: 3.26%
- Base Grant Amount:
 - K-3 \$7,702 per ADA
 - 4-6 \$7,818 per ADA
 - 7-8 \$8,050 per ADA
- Grade Span Adjustment Amount: K-3 \$801 per ADA
- Unduplicated Pupil Count: 94.74%
- Decrease in Federal Revenues
- One time revenues are not included
- Reduction in Other State Revenues
- (No Carryover is included)
- Decrease in Local Revenues
- Unrestricted Lottery - \$151 per annual ADA
- Restricted Lottery - \$53 per annual ADA

Expenditures:

- Step and Column Adjustment
 - 1.02%
- Benefits projected as follows:
 - CalSTRS: 16.700%
 - CalPERS: 20.733%
 - Health & Welfare: Approximate 4% increase
- All other expenditures are based on the estimates and trends of current and prior years
- Staffing Positions: Salaries are built on a reduction of:
 - 10.0000 FTE Certificated Staff - Teachers
 - 5.0000 FTE Certificated Management (Vice Principals)
 - 1.0000 FTE STEM Coordinator
 - 1.0000 FTE Assistant Superintendent C&I
 - 0.9375 FTE Secretary II
 - 1.0000 FTE Accounting Manager
 - 0.9375 FTE Data Quality Support Technician
 - 2.8125 FTE Bilingual School Clerk

- 0.9375 FTE Custodian
- 0.7330 FTE Instructional Aide
- Change from Confidential Secretary classification to Administrative Secretary
- Staffing Positions: Salaries also include an increase due to:
 - Administrative Assistants/Translators/Interpreters change in classification and/or work year
 - Proposed Classified Management changes

Negotiations:

The District has reached a tentative agreement with RTA and is currently in negotiations with CSEA. The proposed budget reflects the tentative agreement with RTA. For budgeting purposes, the proposed 2019-20 budget assumes that a similar agreement will be reached with CSEA. If there are subsequent changes to this assumption, the budget will be adjusted accordingly.

General Fund - Revenues and Expenditures:

Fiscal Year 2019-2020 General Fund revenues are projected to be \$39,224,043 excluding transfers in. General Fund expenditures are projected to be \$38,563,265. Contributions to Restricted General Fund programs are as follows:

•	Special Education - Instruction	\$5,854,678
•	Restricted Maintenance Account	\$1,196,821
•	Cafeteria Fund – Child Nutrition & Education	\$ 155,000
•	Other	<u>\$ 125,048</u>
	Total:	<u>\$7,331,547</u>

Fund Balance and Reserve:

Fund Balance represents the starting and ending point of each year's financial activity. It also represents a crucial parameter for financial planning and budgeting, indicating fiscal solvency.

Fiscal Year 2018-2019:

The projected ending fund balance for the General Fund is \$3,347,484 of which 3% or \$1,200,000 is reserved for Economic Uncertainties

Fiscal Year 2019-2020:

The projected ending fund balance for the General Fund is \$4,153,261 of which 3% or \$1,060,548 is reserved for Economic Uncertainties.

Other Funds:

It is estimated that the Cafeteria Fund will require a contribution from the General Fund of \$155,000 to maintain a positive fund balance in fiscal year 2019-2020.

Workers Compensation Insurance Premium rates for FY 2019-2020 is \$5.531 per \$100 payroll. The District Administration is continually working with Keenan & Associates to review and reduce the number of cases resulting in a reduction of unfunded liabilities and overall worker's compensation claims.

All of the district's other funds are projected to end fiscal year 2019-2020 with a positive ending fund balance.

Multi-Year Projections for 2020-2021 & 2021-2022:

The budget process includes the requirements to project out the budget-year plus two (2) subsequent years to ensure fiscal solvency. This requires the district to make assumptions in the development of the three (3) year projections.

Assumptions - Fiscal Year 2020-2021:

- COLA : 3.00%
- Enrollment Projection: 1,921
- ADA-1,825
- Unduplicated Pupil Count: 94.15%

Assumptions - Fiscal Year 2021-2022:

- COLA: 2.80%
- Enrollment Projection: 1,803
- ADA-1,713
- Unduplicated Pupil Count: 94.95%