

Ravenswood City
School District

SY21-22 Budget Update

Business Office

Overview

While we are working on the SY21-22 budget, we are also nearing the end of the SY20-21 budget

- Budget Approval
- First Interim
- SY21-22 Budget Update ← *We are currently here*
- Second Interim (March 11th)
- Budget Approval
- Year End Close
- First Interim

Key

SY20-21 | SY21-22



Overview

We find ourselves in a unique budget situation and tasked with helping our students overcome the effects of the global pandemic

- Enrollment **dropped significantly from last year to this year**, and we expect to see **significant enrollment declines again next year**. We hope to see enrollment start to flatten out in 2-3 years
 - In a normal year, given fewer students, we would see less revenue from the state
 - However, due to a one-time COVID provision, we are likely to **be funded at our SY19-20 student numbers**, thus giving us **~\$3m in one-time funds for next year (SY21-22)**
 - This one-time provision sets the district up for a revenue cliff, where we will see two years of significant enrollment declines compound into an LCFF revenue decline of **~\$4m**
- Further complicating our future revenue picture is our surprising transition from LCFF to Basic Aid; for SY20-21 **RCSD is currently just on the threshold for being on Basic Aid**
- Despite the meaningful size of one-time COVID funds that the district has received, much of these funds will end up covering the **increased student need caused by the pandemic**



Agenda

Overview

SY21-22 Budget Context

- **Governors Budget Update**
- **Declining Enrollment**
- **Basic Aid**
- **Stimulus**
- **Rising Student Need**

SY21-22 Budget Process



SY21-22 Budget Context: Governor's Budget Update

On Jan 8th 2021, Governor Newsom released his budget proposal for FY21-22 which included a note on a "hold-harmless" provision

Increased per-pupil spend & hold-harmless

- The Local Control Funding Formula (LCFF) for FY21-22 is **increasing by 3.84%** to accommodate 2 years worth of COLA (Cost of Living Adjustment) increases for both the FY20-21 and FY21-22 years. **Furthermore there will be a hold-harmless provision, which will fund districts under the FY19-20 ADA**
- **\$250m will be invested** over multiple years to provide grants to LEAs to **expand Transitional Kindergarten (TK) programs**
- RCSD is likely to see a small increase in per-pupil LCFF allocations in FY21-22 and will be funded at a similar rate as FY20-21 Furthermore, the district is likely to see additional grant funds towards our TK programs

Further COVID relief & learning acceleration funds

- California will receive **\$6.4b in additional COVID funds**
- In addition, **\$2b will be made available** in Feb 2021 in order **to help schools that re-open** by a certain date (date not disclosed)
- A proposed **\$4.6b of targeted grants** that would help fund areas such as an extended school year, community learning hubs, and other evidence-based targeted approaches **to address "learning loss"**. These funds would be prioritized for low-income students, foster youth, English learners, and homeless youth
- RCSD will see the additional COVID funding and will need to determine how to best allocate these funds with the approval of the Board

Additional funding for preschool slots

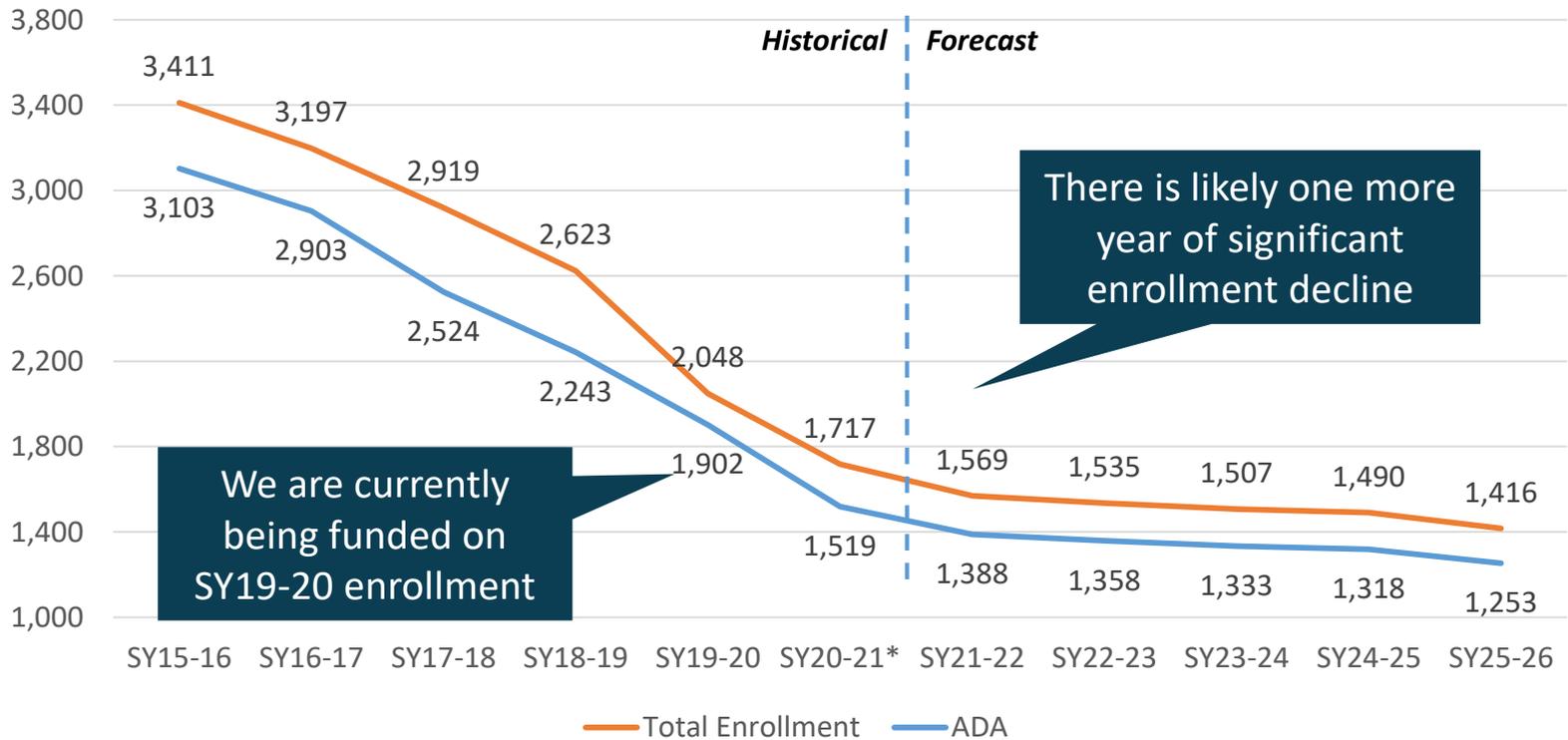
- An increase of \$31.9m in FY20-21 and \$127m from FY21-22 General Fund will be put towards an **additional 10,000 State Preschool slots at non-local educational agencies** for low income 4 year olds, starting April 1, 2021.
- Given that they are currently earmarked for non-local education agencies, RCSD is likely not to see any of these funds. However, one of RCSD's partners like All Five may see some of these funds, thus helping to provide additional services in the East Palo Alto area.



SY21-22 Budget Context: Declining Enrollment

Our enrollment and projected ADA is projected to decline in the next couple of years

RCSD Historical Enrollment vs Overall District FTEs, SY15-16 to SY20-21



We are currently being funded on SY19-20 enrollment

There is likely one more year of significant enrollment decline

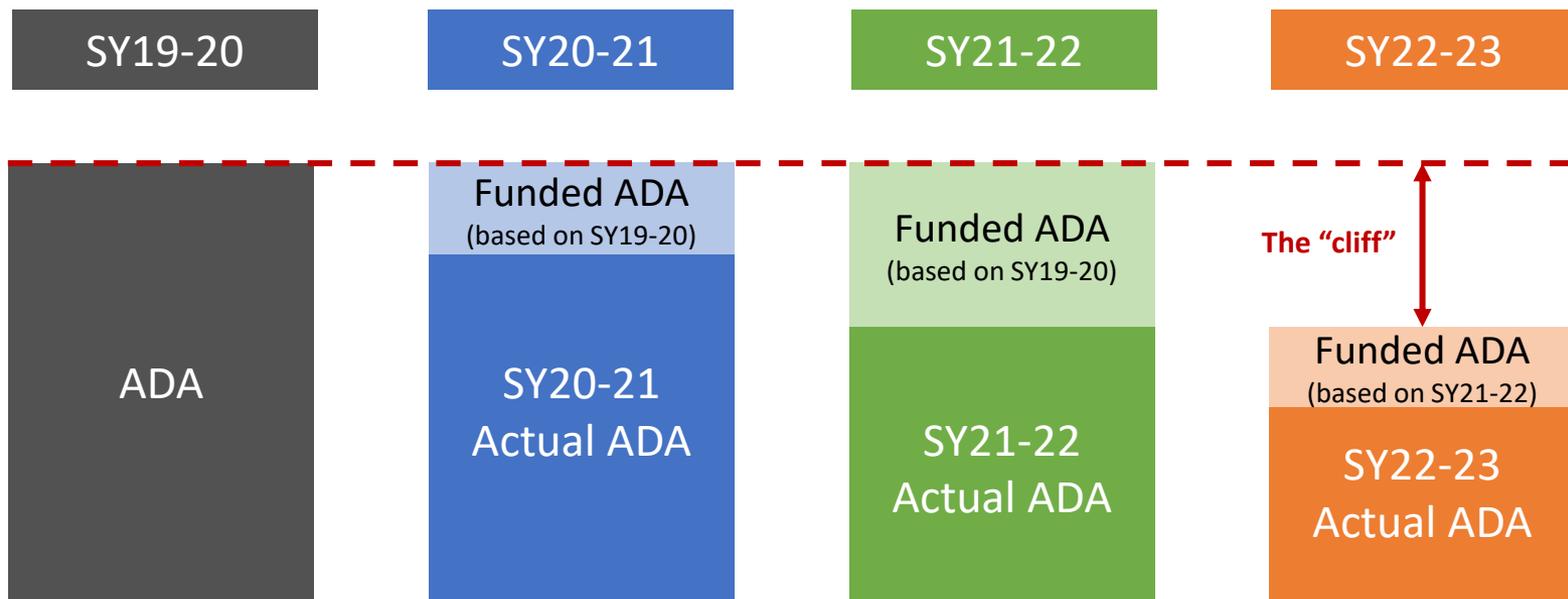


Note: SY20-21 total enrollment is based off of attendance on 12/2/2020, SY20-21 FTEs are based off of best estimates from prior year data
Source: Internal Data

SY21-22 Budget Context: Declining Enrollment

The proposed budget effectively holds districts with declining enrollment harmless next year, creating a cliff in SY22-23

Funded ADA from SY19-20 through SY22-23



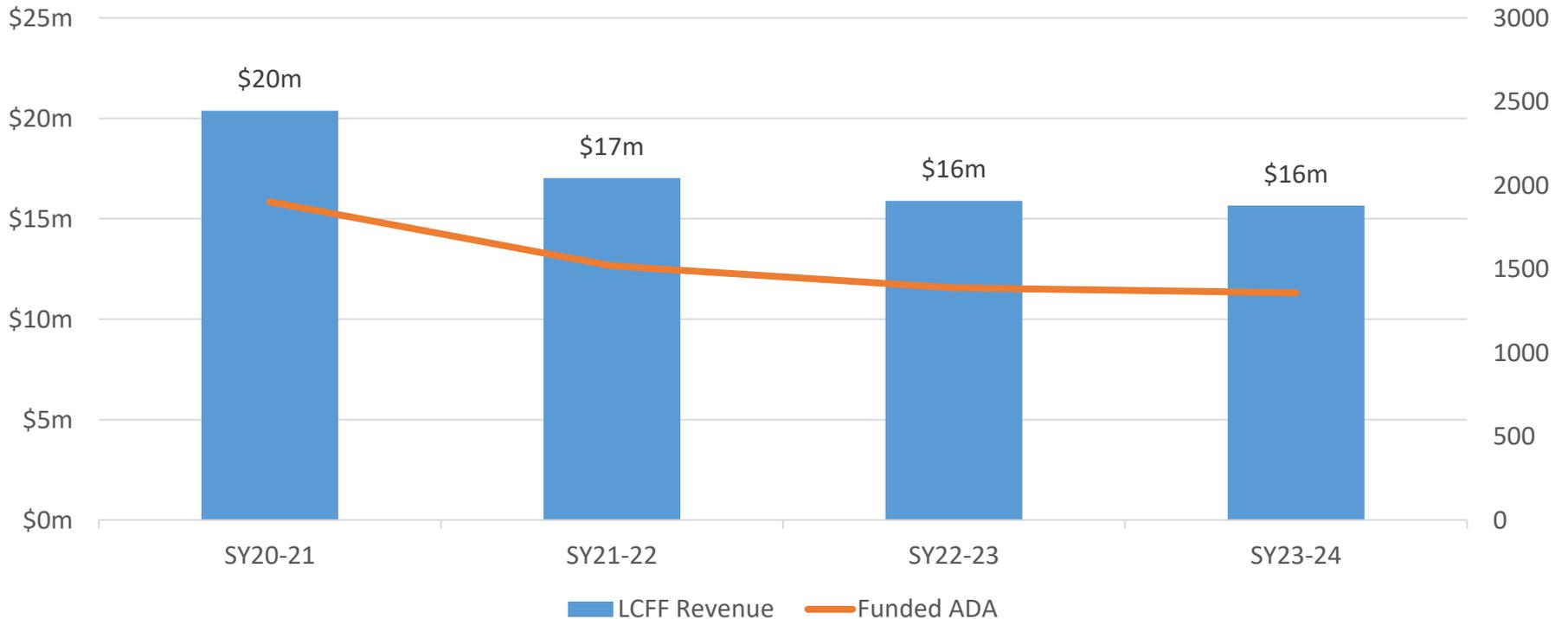
Note: SY20-21 total enrollment is based off of attendance on 12/2/2020, SY20-21 FTEs are based off of best estimates from prior year data
Source: Adapted from School Services of California

SY21-22 Budget Context: Declining Enrollment

For RCSD, that means that in 'normal times', we would see a revenue drop next year due to our projected declining enrollment...

Forecast LCFF and Enrollment

"Normal" Scenario



Note: Funded ADA is the prior year ADA, for example SY20-21 is funded under SY19-20 ADA; also, COLA has not been added to these calculations for simplification purposes

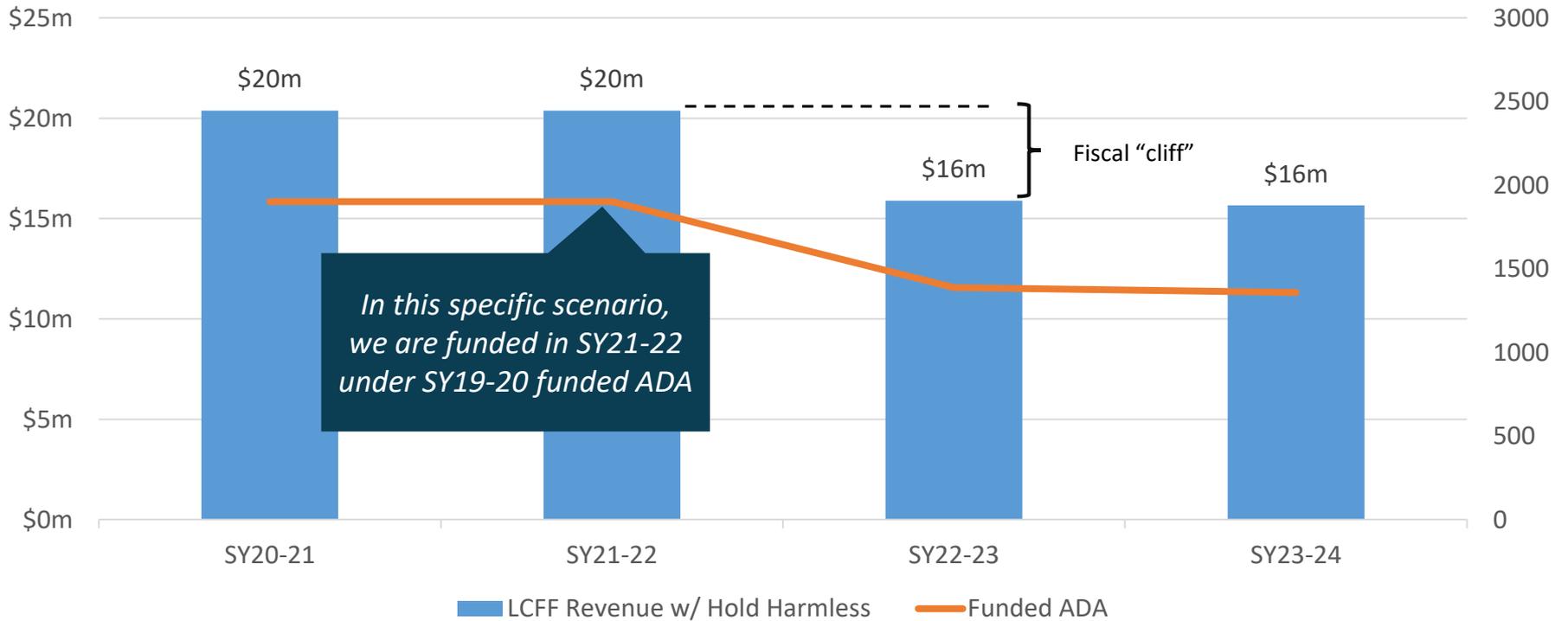
Source: Internal Data



SY21-22 Budget Context: Declining Enrollment

... but instead we'll see an artificial bump in SY21-22 funding followed by a ~\$4m "cliff" when funding returns back to normal

Forecast LCFF and Enrollment
"Hold Harmless" Scenario



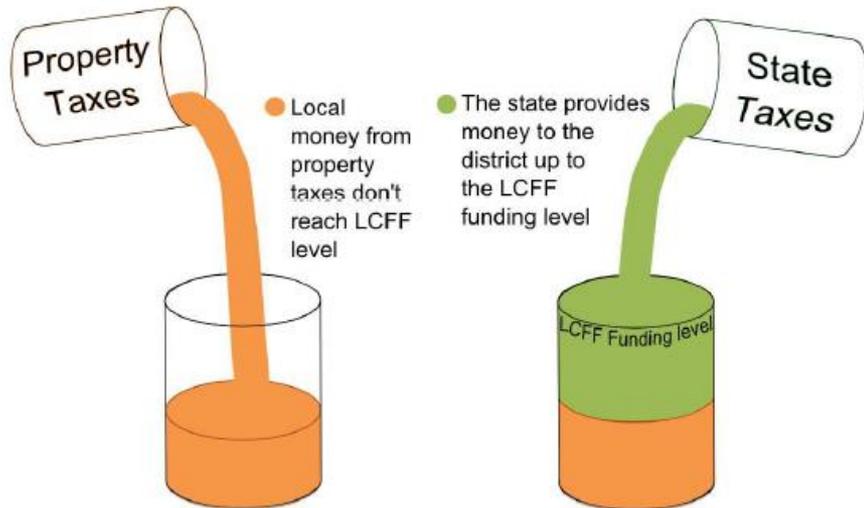
Note: Funded ADA is the prior year ADA, for example SY20-21 is funded under SY19-20 ADA; also, COLA has not been added to these calculations for simplification purposes
 Source: Internal Data

SY21-22 Budget Context: Basic Aid

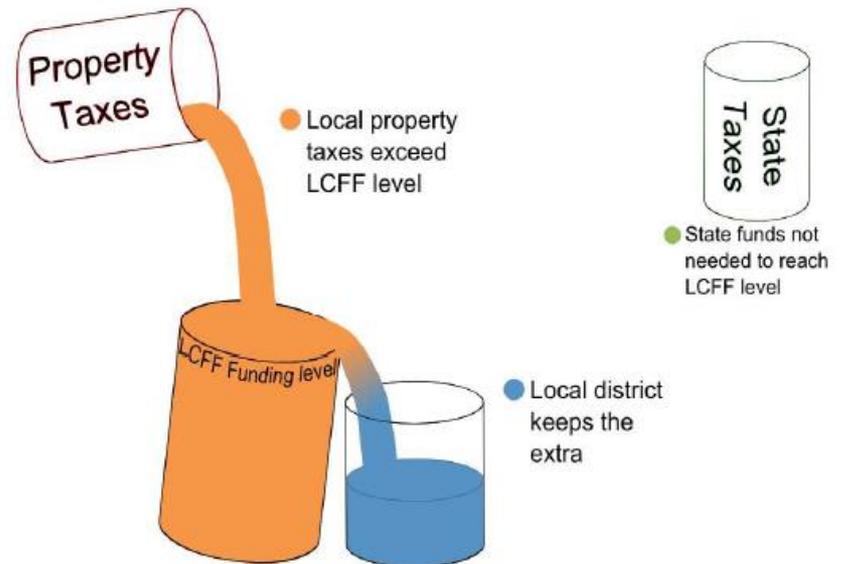
Furthermore, the district is also entering territory of Basic Aid, which is an alternate funding source to LCFF funds

LCFF districts

District Funding Under LCFF =



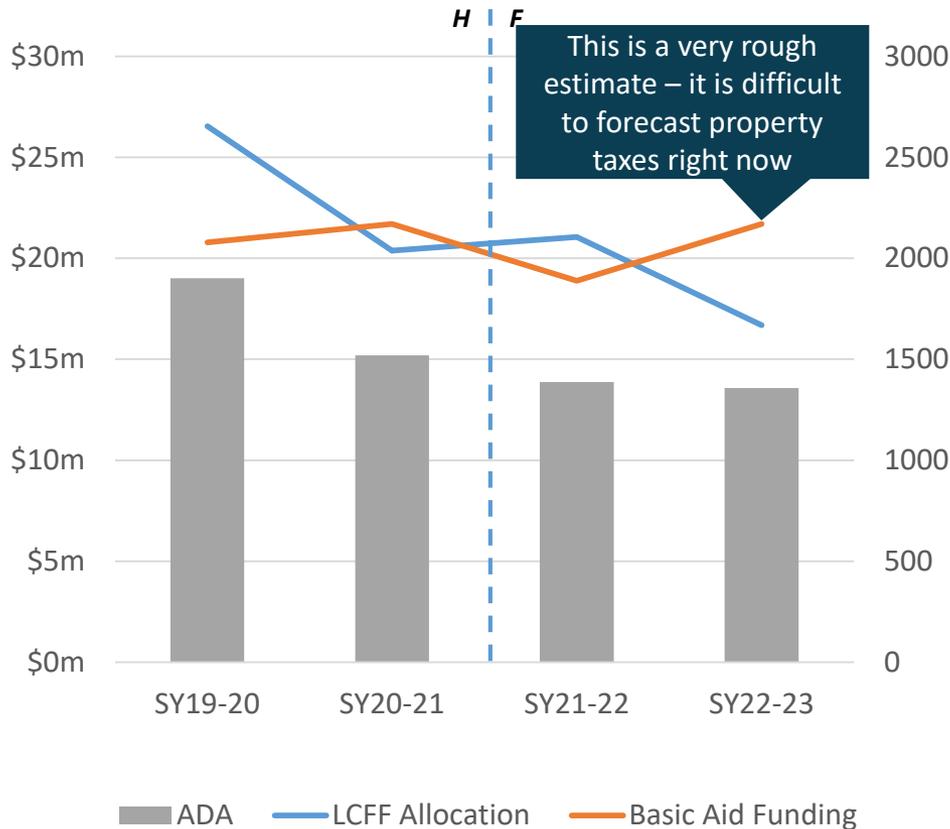
Basic Aid School Districts



SY21-22 Budget Context: Basic Aid

Due to falling enrollment and rising property tax revenue, we find ourselves at the crossroads between these two funding sources

LCFF Allocation vs. Basic Aid Funding



We are projected to be under Basic Aid for SY20-21

- For the 2nd half of this year, RCSD is projected to have more property tax revenue than what would be generated through the LCFF allocation
- We are likely to flip back into LCFF next school year

Implications for RCSD

- We are likely to see ~\$500k in one-time revenue for this year (SY20-21)
- It provides the district with a funding floor that will trigger if student enrollment continues to decline
- This could create cash flow concerns for the district



SY21-22 Budget Context: Stimulus

We are working on spending down the remainder of the first round of COVID funding and are preparing for the next wave of funds

Stimulus Funds Received by RCSD in SY20-21

Fund name	Amount allocated	Status	Spending deadline
Learning Loss Mitigation Fund (LLMF)	\$2,999,045	Spent	Sep 2021
Elementary and Secondary School Emergency Relief Fund (ESSER)	\$613,077	Spending down	Sep 2021
Governor's Emergency Education Relief Fund (GEER)	\$128,688	Spending down	Sep 2021
December 2020 COVID Relief Funds	~\$3m	Have not received	Unknown
<i>Total</i>	\$6,740,810		



SY21-22 Budget Context: Stimulus

A recent ERS report found that the first wave of stimulus funding largely balanced district cost increases...

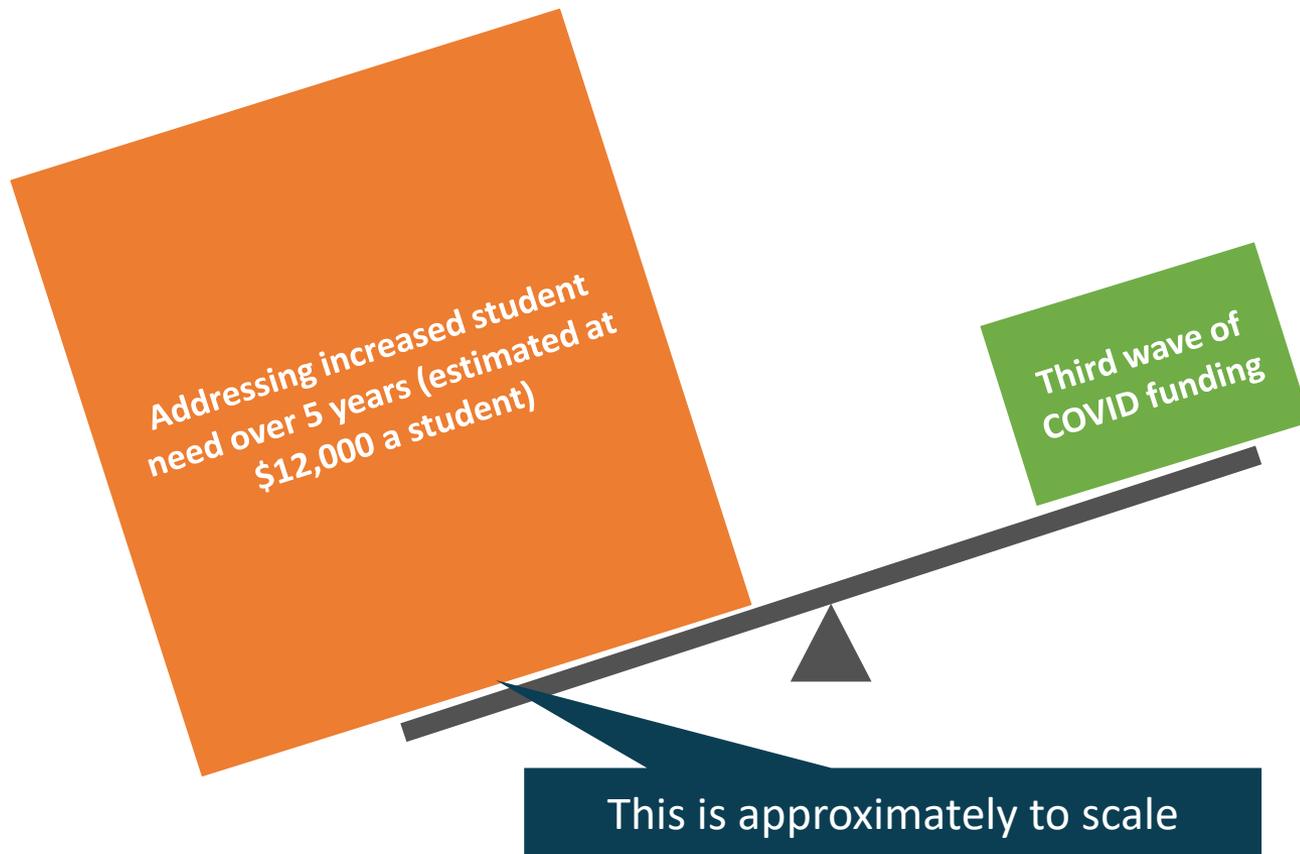
Existing Needs Were Largely Balanced With Prior Stimulus Funds...



SY21-22 Budget Context: Stimulus

... however, they estimate RCSD could need an additional ~\$18m to address learning acceleration coming out of the pandemic

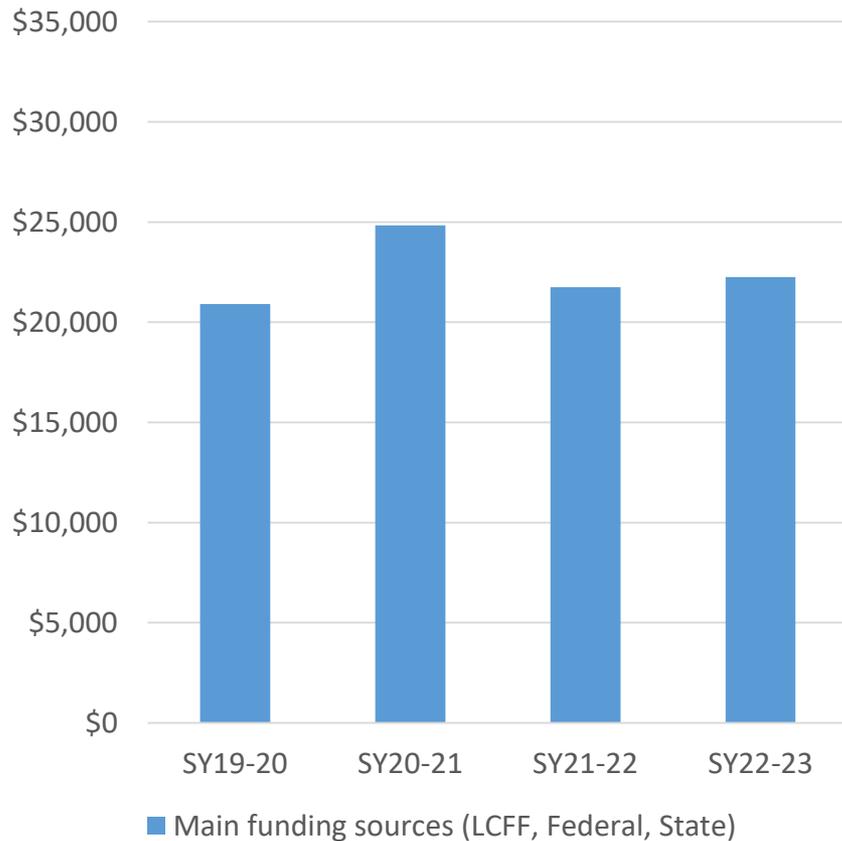
... However, expected learning acceleration costs currently dwarf existing new stimulus funding



SY21-22 Budget Context: Stimulus

Put another way, while we are expecting to see rising per-pupil expenditure...

Per Pupil Expenditure

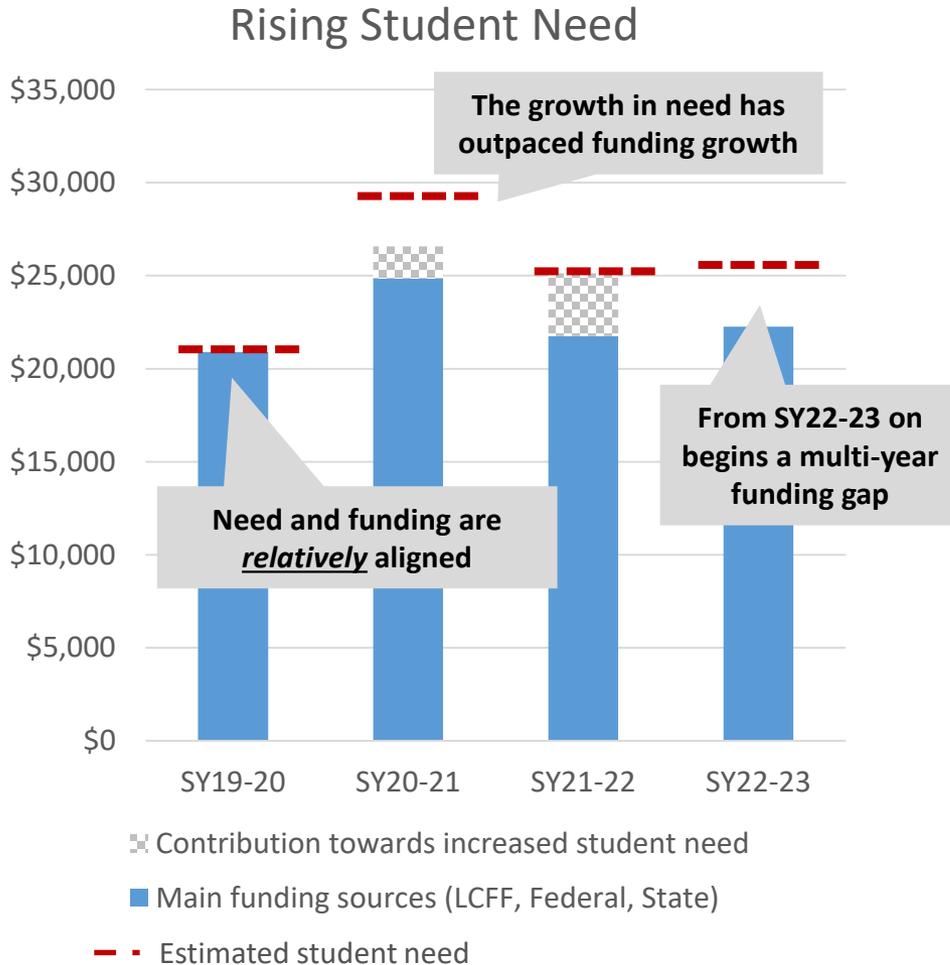


- Per pupil expenditure in SY20-21 and SY21-22 is unusually high due to two factors:
 - An influx of stimulus funds
 - Declining enrollment while the district is funded at the prior year level



SY21-22 Budget Context: Stimulus

... when accounting for student need, we face a large budget shortfall



- ERS has estimated that a typical district will need to invest an additional **~\$12k per student over the next five years to address increased student needs**
- Including factoring in a gradual ramp-down of this spending and declining enrollment, this **works out to \$18m in additional costs for RCSD**
- Between the ~\$3m December stimulus, the effective ~\$3m state hold harmless for next year, and the possibility for additional stimulus, **this works out to an additional \$10m need in new funding**

Note: The first round of COVID funding for the SY20-21 school year does not count towards the rising student need, ERS's estimated \$12k per student is in addition to those ~\$3.7m of COVID funding
 Source: Internal Data



Agenda

Overview

SY21-22 Budget Context

SY21-22 Budget Process

- **LCAP**
- **Engaging Schools**
- **Staffing**
- **Long Term Outlook**
- **Capital Budget**



SY21-22 Budget Process: LCAP

One of our priorities for this SY21-22 budget season will be to better incorporate the budget into the LCAP

Overview of the LCAP

What is the LCAP?

- The Local Control and Accountability Plan (LCAP) is a state-mandated 3 year plan that each district fills out
- The goal of the LCAP is to create a publicly-accessible document of a district's goals and how it plans to achieve them
- The LCAP ties together all facets of the district, including but not restricted to: budget, curriculum, student supports, and community engagement
- RCSD last finished our LCAP in SY17-18, meaning we are currently working on our LCAP for the next 3 years

Why does it matter?

- A proper LCAP process helps to confirm the district's strategic priorities moving forward
- Furthermore, because it involves so many stakeholders, it ensures that the district has a unified vision moving forward



SY21-22 Budget Process: Engaging Schools

In school budgets, we have slightly increased and evened per-pupil expenditure while decreasing total expenditure

Process for Allocating SY21-22 School Budgets

General Fund

- We have kept per-pupil funding amounts the same as SY20-21
- We then allocated those per-pupil funding amounts based on the projected number of students per site
- This results in a \$1.8m total reduction across school budgets
- LRRM is the exception, given that the allocating the site just the per-pupil amounts would not allow the site to be viable

REF & Title

- Similarly for Title, we have kept per-pupil funding amounts the same as SY20-21 and allocated based on estimated pupil numbers
- For REF funds, we have worked with REF to fund the district at the same level as last year

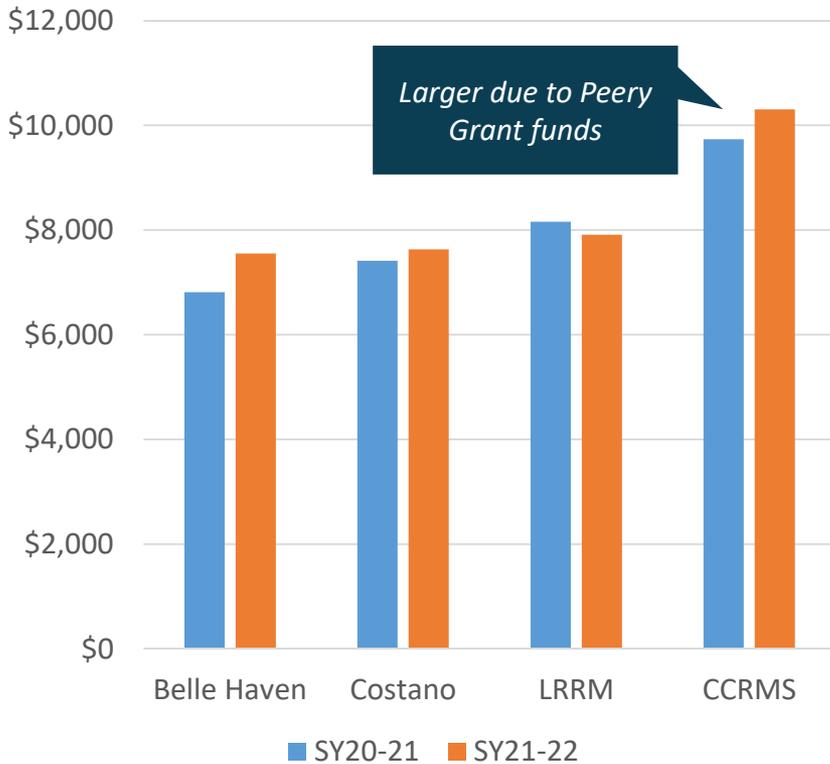
By keeping budgets on a per-pupil basis, we are able to account for our declining enrollment



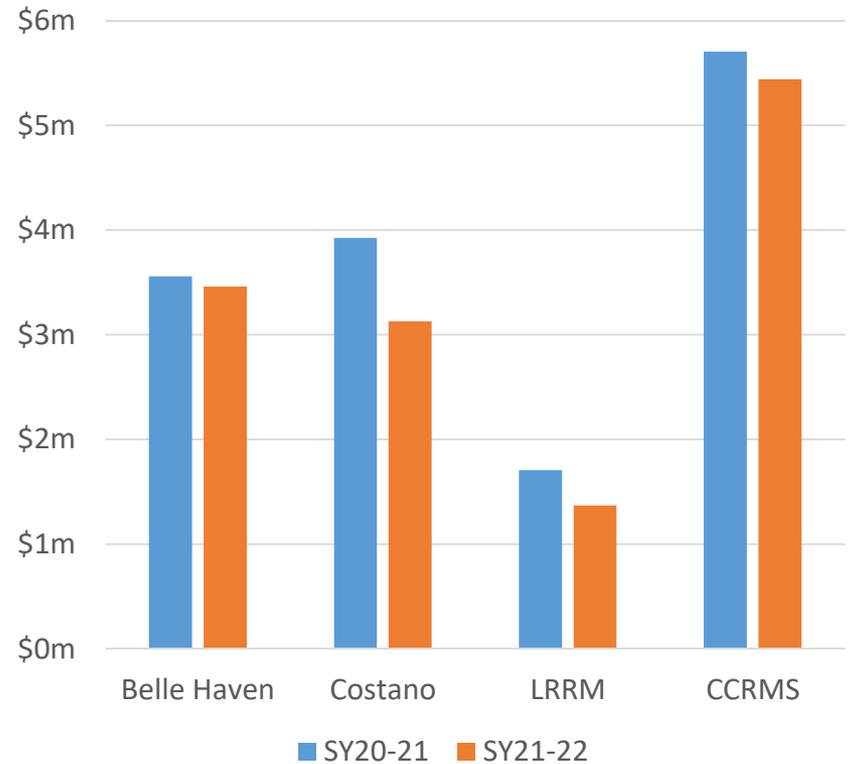
SY21-22 Budget Process: Engaging Schools

Although different on an absolute basis, they are similar on a per-pupil basis

School Based Per Pupil Expenditure, SY20-21 & SY21-22



Total School Budgets, SY20-21 & SY21-22



Overall, we are planning on spending \$1.8m less on the general fund on schools next year



SY21-22 Budget Process: Engaging Schools

Here's how we worked with school leaders to create a collaborative budgeting process

Business office developed templates with all SY20-21 school spending (including reductions)

School leaders created draft proposals on those budgets

Those proposals went to cabinet for feedback

Principals revised budget proposals with cabinet support

District develops LCAP goals and actions based on student data and with stakeholder input

Principals develop site goals and actions based on district LCAP goals and site student data

Principal modifies budget proposal based on student needs

Budgets are revised with community feedback, funding sources finalized, budget is board approved



SY21-22 Budget Process: Engaging Schools

Example of budget tool that department and school leaders are currently working on

You are currently editing the budget for the following site: **LRRM**

This Year's Spending					
	Personnel Spending	Non-personnel spending	Combined Total	Total Allocation	Remaining
General Fund	\$1,188,300	\$35,139	\$1,223,439	\$1,110,125	-\$113,314
Title I	\$0	\$47,584	\$47,584	\$47,584	\$0
Title III	\$0	\$7,175	\$7,175	\$7,175	\$0
REF - School Culture & Clin	\$0	\$10,000	\$10,000	\$10,000	\$0
REF - Additional Allocation	\$224,616	\$45,000	\$269,616	\$194,073	-\$75,543
COVID Response	\$0	\$0	\$0	\$0	\$0
Donations	\$0	\$0	\$0	\$1,845	\$1,845

<- NOTE: This needs to be \$0, since there will likely not be any COVID funding next year

Personnel / Non-Personnel	Activity Name (Both)	Object (Non-Personnel Only)	Position Name (Personnel Only)	Fill Average Total Cost for This Po (Personnel Only)	Total FTE SY20-21 (For Reference)	FTE (Personnel Only)	Grant Name	Total SY20-21 Cost (For Reference)	Proposed Cost	Description
Non-Personnel	Instructional Supplies and Materi	INSTRUCTIONAL MATERIALS					Title III	\$10,640	\$7,175	School site Title III allocations
Non-Personnel	School Site Administration	OFFICE AND OTHER SUPPLIES					General Fund	\$3,639	\$3,639	Supplies - rollover of SY19-20
Non-Personnel	Facility Enhancement	SITE MAINTENANCE					General Fund	\$30,000	\$0	Aspirational - interest in doing murals on site
Non-Personnel	School Site Administration	OFFICE AND OTHER SUPPLIES					General Fund	\$5,000	\$5,000	Admin supply line
Non-Personnel	Instructional Supplies and Materi	INSTRUCTIONAL MATERIALS					Title I	\$49,925	\$39,633	Instructional materials - rollover from SY19-20: 1
Non-Personnel	Student Supports	CONSULTANT SVCS-CERT					Title I	\$7,000	\$7,000	Food Core
Non-Personnel	Parent Family Engagement	MATERIALS AND SUPPLIES					Title I	\$951	\$951	Required parent / family engagement
Non-Personnel	Instructional Supplies and Materi	MATERIALS AND SUPPLIES					COVID Response	\$17,681	\$0	School leader COVID allocations - LRRM
Non-Personnel	Instructional Professional Develop	CONSULTANT SVCS-CERT					REF - Additional Allocation	\$1	\$0	Teacher professional development - line hold in c
Non-Personnel	Instructional Professional Develop	TEACHERS SALARIES (HRLV)					REF - Additional Allocation	\$4,000	\$0	Teacher professional development
Non-Personnel	School Site Administration	MATERIALS AND SUPPLIES					REF - School Culture & Clima	\$7,500	\$7,500	Staff lunch, Yearbooks, additional staffing, etc.
Non-Personnel	Teacher Supports	MATERIALS AND SUPPLIES					REF - School Culture & Clima	\$2,500	\$2,500	
Non-Personnel	Facility Enhancement	SITE MAINTENANCE					REF - Additional Allocation	\$20,000	\$0	Outdoor classroom support
Non-Personnel	Instructional Professional Develop	TEACHERS SALARIES (HRLV)					REF - Additional Allocation	\$1	\$0	Teacher ILT Line Hold
Non-Personnel	CASSY						REF - Additional Allocation	\$45,000	\$45,000	Cassy
Non-Personnel	Playworks						General Fund	\$26,500	\$26,500	Playworks
Personnel			PRINCIPAL	\$156,694	1	1	General Fund		\$156,694	Alex
Personnel			ADMINISTRATIVE ASSISTANT	\$77,253	1	1	General Fund		\$77,253	Lizbeth
Personnel			CLASSROOM TEACHER	\$98,160	9	8	General Fund		\$785,280	Total teachers
Personnel			SCHOOL SUPPORT STAFF	\$27,879	2	2	General Fund		\$55,758	Margarita / Ma Del Carmen
Personnel			TINKERER-STEM SUPPORT	\$62,073	1	1	REF - Additional Allocation		\$62,073	Manuel
Personnel			GYM TEACHER	\$87,000	1	1	REF - Additional Allocation		\$87,000	Rhythm & Moves
Personnel			ENRICHMENT TEACHER	\$94,429	1.2	1.2	General Fund		\$113,315	Alexis Hamilton / Kimberly
Personnel			ENRICHMENT TEACHER	\$94,429	0.8	0.8	REF - Additional Allocation		\$75,543	Alexis Hamilton / Kimberly

Department & school leaders can request personnel & non-personnel changes while seeing what was spent on the item / the number of people per position in this year (SY20-21)



SY21-22 Budget Process: Staffing

Due to a mix of one-time funding increases, external support, and a need to reduce staff, we are offering a set of separation incentives

- We have been working quickly with our union partners and staff to increase the number of staff naturally leaving the district by giving them the option to accept a two-year service credit or the cash equivalent.
- This program will have a one-time cost associated with it that will depend on the number of staff who accept the program, and the specific costs of those individuals.
- This will reduce longer term costs in two ways:
 - Reducing the number of overall staff
 - Shifting from our most senior (and therefore most expensive) staff to less experienced (and cheaper) staff
- We are actively exploring bringing in new additional external funding to support this initiative through REF, as part of their long term commitment to supporting our staff



SY21-22 Budget Process: Long Term Outlook

Despite these many short-term challenges, our long term outlook remains promising

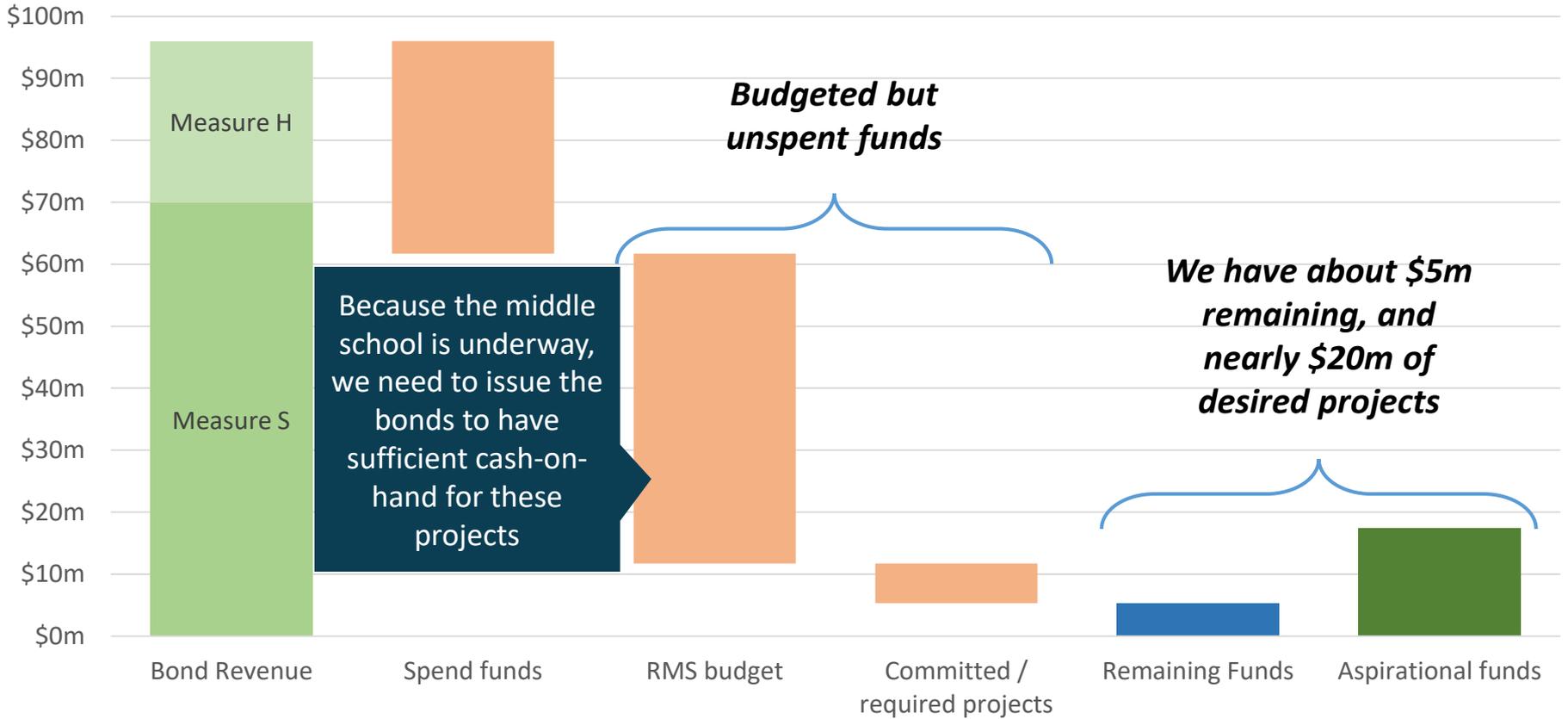
- We expect enrollment to level off in two years as the local charters will no longer be phasing grades in
- In the short term, we are actively seeking ways to bring in new revenue through REF or leveraging for state grants – especially in facilities (e.g. Prop 68, AB 841)
- In the long term, there is the possibility of additional revenue through a switch to basic aid and through rental revenues
- We are proactively taking steps to right-size the overall staffing levels in the district to our enrollment levels – and doing that in a humane way



SY21-22 Budget Process: Capital Budget

Over the next few months, we expect to issue the remaining voter-approved Measure S bonds

Measure S and H Bond Budget Overview



This does not include new bond revenue, state reimbursements, or possible grant opportunities

