

# Cambrian School District Budget Study Session

September 30, 2021

# Purpose

- Review current revenue streams
- It shows the concern of the board of its fiscal position
- Not to solve all budget issues but improve budget processes
- Create board direction for management
- Develop issues to follow-up
- Ensure understanding of revenues by board
- Maybe we solve it but probably not
  - And being respectful of everyone's time

# Fiscal Risk Indicators

- Recommended by SCCOE to review these tools
- Fiscal Crisis Management & Assistance Team (FCMAT) provides assistance and analysis of districts in financial distress
- FCMAT has created several tools for districts for self analysis
  - Indicators of Risk or Potential Insolvency (Attachment 1)
  - Fiscal Health Risk Analysis Tool (Attachment 2)

*Takeaway: What action can the district take to reduce fiscal risk?*

# LCFF Funding-How are we Funded?

- Funded per ADA
  - Charters are funded on current year ADA
  - District is funded on greater of current or prior year ADA
  - Rates are \$8,093, \$8,215, \$8,458 for TK-3, 4-6, & 7-8 (Attachment 4)
- Supplemental Funding
  - Based on the number of Unduplicated Students; English Learners, Free/Reduced Eligible, Homeless, Foster youth
  - Based on 3 year average
- Add-ons
  - Grade-Span Adjustment for TK-3 at \$842 per ADA

# Enrollment Projections

- FCMAT Presentation on ADA trends (Attachment 3)
  - Adopted Budget projected reduction of 20 and 40 for 2022-23 & 2023-2024
- Review again of enrollment projections (Attachment 5)
  - Reduced ADA of 170 @ \$8,900 = \$1.5M
- How will full TK implementation impact district?

*Takeaway: How can the district create enrollment stability?*

# Categorical Funds

- Most state & federal funds are entitlements
  - No application necessary; it is apportioned to the district
- Some categoricals are application based
  - Provide specific funding usually for new service or program
  - Generally not revenue generators
- 2021-2022 Enacted State Budget: Funds Summary (SSC)
  - Review of programs that may assist the district (Attachment 6)

*Takeaway: What categorical funds should we pursue?*

# Revenue Comparison (2019-20)

## General Fund Revenue Dollars/Students(ADA)

Resource Codes	Type of Revenues	Total Revenues	This District (ADA 3,269)	% Avg Elementary School Districts	Statewide Avg Elementary School Districts	Statewide Avg All Districts	Compare to Average Elementary School Districts	
0000-1999	Total, Unrestricted Resources	\$33,793,308	\$10,337	92%	\$11,268	\$11,584	-931	-9%
Total, Unrestricted Resources		\$33,793,308	\$10,337	92%	\$11,268	\$11,584	-931	-9%
2000-2999	Restricted Revenue Limit Resources	\$0	\$0	0%	\$0	\$0	0	0%
2420	County Community Schools (Obsolete)	\$0	\$0	0%	\$0	\$0	0	0%
Subtotal, Restricted Revenue Limit Resources		\$0	\$0	0%	\$0	\$0	0	0%
3000-5999	Federal Resources Restricted	\$995,999	\$305	51%	\$602	\$699	-297	-97%
6000-7999	State Resources Restricted	\$3,700,993	\$1,132	81%	\$1,393	\$1,506	-261	-23%
8000-9999	Local Resources Restricted	\$243,000	\$74	33%	\$227	\$224	-153	-207%
Total, Restricted Resources		\$4,939,992	\$1,511	68%	\$2,221	\$2,429	-710	-47%
Total, Resources		\$38,733,300	\$11,848	88%	\$13,489	\$14,013	-1641	-14%

# Revenue Comparison

- What can we observe?
  - Based on 2019-2020 average state-wide elementary school districts, Cambrian is \$5.4M below the average (3,269 ADA x \$1,641 revenue difference per ADA)
  - This doesn't compare to local districts

*Takeaway: Can we create a additional revenue goal or target?*



# Lease Revenues

- Projected lease revenues
- Future projects
- Marketing of facility use rentals

(Attachment 7)

*Discussion: Are there other properties that can be monetized?*

# Other Revenues

- Charter flips
- Parcel Tax (Attachment 8)
- Extended Care
- Donations
- Foundation Support
- Cost Recovery
  
- Decisions:
  - Should Extended Care be breakeven or create additional revenues
  - How do you determine the proper size of parcel tax
  - How do you develop strong foundation support
  - Do we require sports groups to support utilities & maintenance costs

# Expenditure Comparison (2019-20)

## General Fund Expenditure Dollar/Student (ADA)

Object Codes	Type of General Fund: Expenditures	Unrestricted	Restricted	Total	This District (ADA 3,269)	% Avg Elementary School Districts	Statewide Avg Elementary School Districts	Statewide Avg All Districts	Compare to Average Elementary School Districts	
1000-1999	Certificated Personnel Salaries	\$15,328,898	\$2,574,883	\$17,903,781	\$5,477	98%	\$5,585	\$5,759	(108.00)	-2.0%
2000-2999	Classified Personnel Salaries	\$3,105,882	\$1,564,055	\$4,669,937	\$1,428	74%	\$1,942	\$2,040	(514.00)	-36.0%
3000-3999	Employee Benefits	\$5,988,855	\$3,702,836	\$9,691,691	\$2,965	85%	\$3,484	\$3,738	(519.00)	-17.5%
4000-4999	Books and Supplies	\$716,674	\$711,957	\$1,428,630	\$437	91%	\$478	\$502	(41.00)	-9.4%
5000-5999	Services and Other Operating Expenditures	\$2,900,477	\$3,329,013	\$6,229,490	\$1,906	142%	\$1,341	\$1,436	565.00	29.6%
6000-6999	Capital Outlay	\$0	\$0	\$0	N/A	N/A	N/A	N/A		
7000-7499	Other Outgo (excl. 7300-7399)	\$0	\$0	\$0	N/A	N/A	N/A	N/A		
7300-7399	Transfers of Indirect Costs	(\$3,758)	\$3,758	\$0	N/A	N/A	N/A	N/A		
Total Expenditures		\$28,037,028	\$11,886,501	\$39,923,529	\$12,212	93%	\$13,173	\$13,781	(961.00)	-7.9%

# Expenditure Comparison

- What can we observe?
  - Spends \$3.4M from average state-wide elementary school district (3,269 ADA x \$961 expenditure difference per ADA)
  - Some possible explanations; transportation, ASES, Title grants
- What is offered at average district which is not at Cambrian?

# Summary

- What follow-up questions that management needs to address?
- Create list of directions by the board
- Create list of directions that need to be made by the board