



Rescue Union School District

2023-24 2nd Interim Update

March 12, 2024



Board of Trustees

Michael Gordon, President Kim White, Vice-President
Michelle Bebout, Clerk Jamie Hunter, Member Michael Flaherty, Member



The promise of public education is for every child to succeed in school and life. To realize this promise, every child must be given resources, support, and interventions based on his or her needs. Our school district is uniquely positioned to fulfill this promise to all of our students.

The concept of educational equity can mean different things to different people so the Rescue Union School District Board of Trustees and Superintendent want to be very clear with our intention:

- ✦ We affirm in our actions that each student can, will, and shall learn.
- ✦ We believe educational equity is the intentional allocation of resources, instruction, and opportunities according to need.
- ✦ We affirm that factors including but not limited to disability, race, ethnicity, and socio-economic status, should not affect our students rights to quality educational opportunities.



Timeline and Certifications

School Districts and county offices of education are required to file two reports during the fiscal year (interim reports) on the status of their financial health.

- The ***first interim report is due by December 15*** and the ***second interim report is due by March 15***.
- These reports must include a certification of whether a school district is able to meet its financial obligations. The certifications are classified as positive, qualified, or negative.
 - A ***positive*** certification is assigned when the district will meet its financial obligations for the current and two subsequent fiscal years.
 - A ***qualified*** certification is assigned when the district may not meet its financial obligations for the current or two subsequent fiscal years.
 - A ***negative*** certification is assigned when a district will be unable to meet its financial obligations for the remainder of the current year or for the subsequent fiscal year.
- The county superintendent of schools determines the validity of a school district's certification, and may reclassify a district's certification from positive to qualified or negative.



Timeline and Certifications

Financial Cycle for 2023-24

- ✓ **June 13, 2023** – Public Hearing
- ✓ **June 27, 2023** – Board Approval/Budget Adoption
- ✓ **August 8, 2023** - If there are material changes in the District budget due to state budget adoption or revision, budget revisions are due 45 days afterwards.
- ✓ **December 12, 2023** - First Interim Budget
- ✓ **March, 12 2024** - Second Interim Budget
- ✚ **June 2023** - June Budget Update (with 2024-25 budget adoption)
- ✚ **September 2023** - Unaudited Actual Financials
- ✚ **December 2023** - Audit Report



2023-24

2nd Interim Budget

- This revision includes:
 - Updated budget assumptions
 - Multi-year budget assumptions
 - Updated attendance and enrollment
 - Historical Enrollment and Attendance
 - Updated revenues
 - Updated expenditures
 - STRS/PERS update
 - A look into the future
 - Updated cash-flow (separate report)
 - Detail Multi-year projections (separate report)
 - All fund summary report (separate report)
- Next budget update June 2024 (with 2024-25 budget adoption)





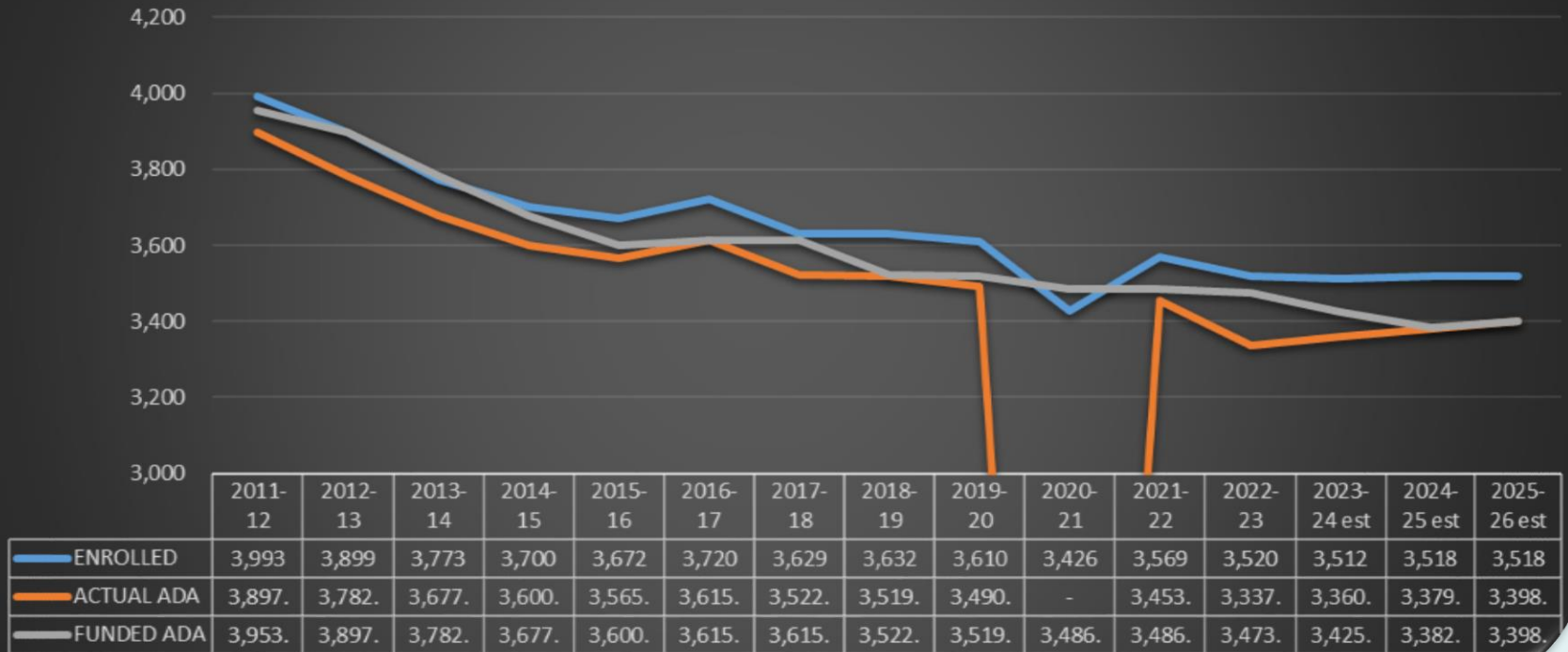
Multi-Year Budget Assumptions

ASSUMPTIONS	2023-24	2024-25	2025-26
<u>COLA</u>	8.22%	0.76%	2.73%
<u>ENROLLED / ADA</u>	3,512 / 3,360.06	3,512 / 3,379.90	3,512 / 3,398.90
<u>FUNDED ADA</u>	3,425.35	3,382.46	3,398.90
<u>UPC %</u>	18.85%	18.19%	18.18%
<u>STRS RATE / PERS RATE</u>	19.10% / 26.68%	19.10% / 27.80%	19.10% / 28.50%
<u>NEGOTIATION STATUS</u>	SETTLED	NOT SETTLED	NOT SETTLED
<u>ONE-TIME FUNDS</u>	EEF - Year 3 \$188k	EEF - Year 4 \$188k	EEF - Year 5 \$188k
	Art/Music Discretionary Learning Rec	Est Retirees: 5	Est Retirees: 4



RUSD Enrollment History

ADA / ENROLLMENT HISTORY



School Districts receive funding on the greater of current of prior year average daily attendance (ADA), with some annual adjustments. Beginning 2022-23, we can also use a 3 year average for ADA. Although Rescue has seen the benefits of the three year average, you can see our “Funded” ADA declining in 2023-24 and beginning to stabilize in 2025-26.



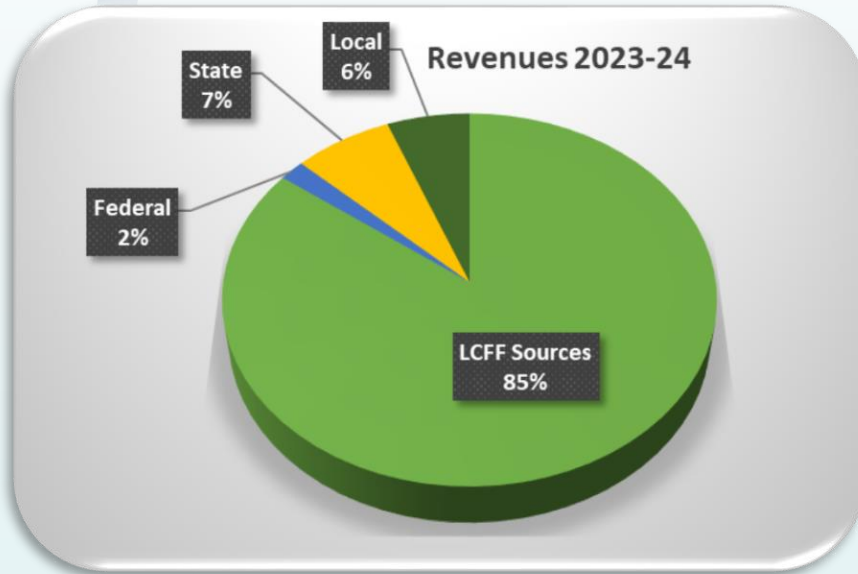
General Fund

Rescue Union District Financial Status Comparison 2023-24										
	b	c	d	e	f	g	h	i	j	k
		1st Interim Budget 2023-24			2nd Interim Budget 2023-24			Compare Budget Adoption to 1st Interim		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted Variance	Restricted Variance	Total Variance
4										
5										
6	Revenue Detail									
7	LCFF Sources (8010-8099)	38,560,671	-	38,560,671	38,534,410	-	38,534,410	(26,261)	-	(26,261)
8	Federal Revenue (8100-8299)	-	889,860	889,860	-	1,040,661	1,040,661	-	150,801	150,801
9	Other State Revenue (8300-8599)	975,242	4,760,176	5,735,418	959,990	4,600,697	5,560,687	(15,252)	(159,479)	(174,732)
10	Other Local Revenue (8600-8799)	2,386,026	3,323,665	5,709,691	2,518,159	3,586,356	6,104,515	132,133	262,690	394,824
11	Total Revenue	41,921,939	8,973,702	50,895,640	42,012,559	9,227,714	51,240,273	90,620	254,012	344,632
12										
13	Expenditure Detail									
14	Certificated	17,443,575	3,416,884	20,860,459	17,202,993	3,284,618	20,487,611	(240,582)	(132,266)	(372,848)
15	Classified	5,575,849	2,618,579	8,194,428	5,542,859	2,569,190	8,112,050	(32,990)	(49,389)	(82,379)
16	Employee benefits	6,587,157	4,913,890	11,501,047	6,431,032	4,909,479	11,340,512	(156,124)	(4,411)	(160,535)
17	Books & Supplies	852,192	1,604,576	2,456,768	911,462	1,440,387	2,351,849	59,269	(164,189)	(104,920)
18	Service, Other Operating	2,543,304	4,114,743	6,658,047	2,657,558	4,068,198	6,725,757	114,255	(46,545)	67,710
19	Capital Outlay	1,676,670	2,002,425	3,679,095	1,853,670	1,408,347	3,262,016	177,000	(594,079)	(417,079)
20	Other Outgo	274,270	1,349,529	1,623,799	274,270	1,349,482	1,623,752	-	(47)	(47)
21	Indirect Costs	(251,965)	211,496	(40,469)	(202,848)	162,379	(40,469)	49,117	(49,117)	-
22	Total Expenditures	34,701,051	20,232,123	54,933,174	34,670,997	19,192,080	53,863,077	(30,055)	(1,040,043)	(1,070,097)
23										
24	Excess/(Deficiency)	7,220,887	(11,258,421)	(4,037,534)	7,341,562	(9,964,366)	(2,622,804)	120,674	1,294,055	1,414,729
25										
26	Other Financing Sources/uses									
27	Transfers In			-			-	-	-	-
28	Transfers Out	703,596		703,596	762,662		762,662	59,066	-	59,066
29	Other Sources			-			-	-	-	-
30	Other Uses			-			-	-	-	-
31	Contributions (8800-8999)	(7,658,187)	7,658,187	-	(7,079,961)	7,079,961	-	578,225	(578,225)	-
32	Total Other Sources/Uses	(8,361,783)	7,658,187	(703,596)	(7,842,623)	7,079,961	(762,662)	519,159	(578,225)	(59,066)
33										
34	Net Inc/Dcr to Fund Balance	(1,140,895)	(3,600,235)	(4,741,130)	(501,061)	(2,884,405)	(3,385,466)	639,834	715,830	1,355,664
35										
36	Beginning Balance	9,241,304	7,076,441	16,317,745	9,241,304	7,076,441	16,317,745	-	-	-
37	Ending Balance	8,100,409	3,476,206	11,576,615	8,740,243	4,192,036	12,932,279	639,834	715,830	1,355,664



2023-24

2nd Interim Revenue Projections



Local Control Funding Formula (LCFF) funds are our primary source of revenues. Adjusting for one-time funds and local bus grant funds, our LCFF is 83% of our total revenue

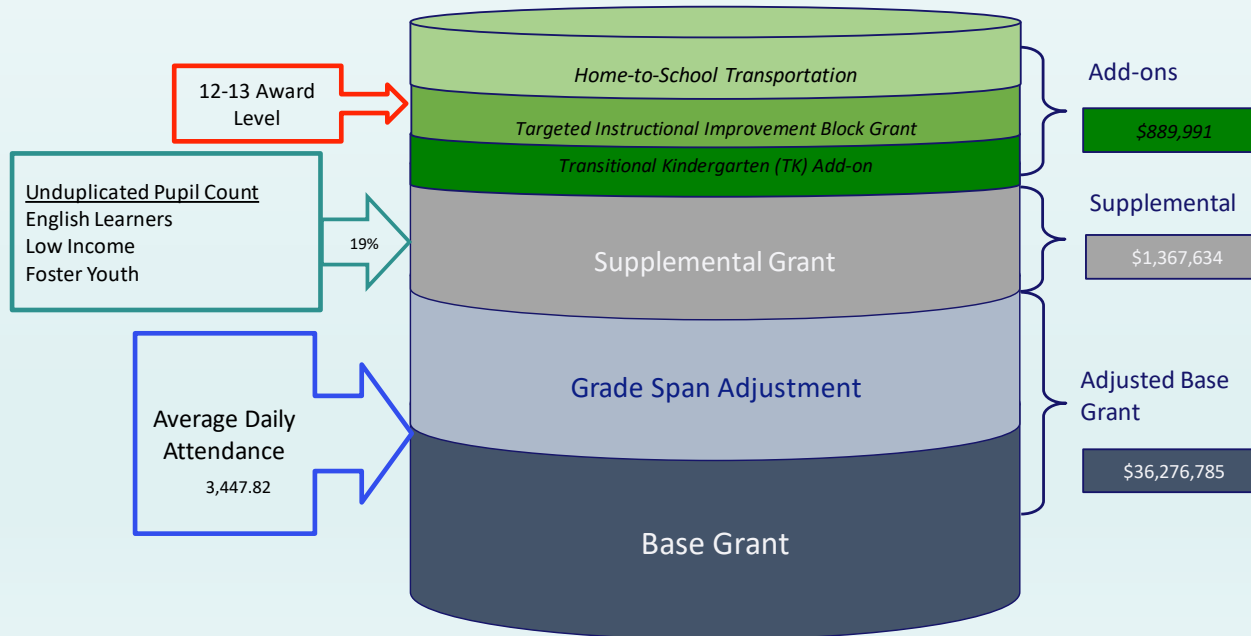




LCFF-Local Control Funding Formula

- Base grant and Grade Span Adjustment is based on greater of current or prior year ADA
- Supplemental and concentration funding is added based on the “unduplicated count” percentage
 - ⊕ Supplemental funding is 20% of our funding by grade x our Unduplicated rate
 - ⊕ Concentration funding is available to Districts with at least 55% UPP.
- Home to school transportation has been funded at 2012-13 funding level until 2023-24 when COLA began.

Rescue USD LCFF Funding Summary



LCFF Base Rates:	
*TK-3	10,951.00
4-6	10,069.00
7-8	10,367.00
*includes grade span adjustment	

Total LCFF Funding: \$38,534,410



Revenue Changes since 1st Interim

Total Revenue Change \$344,632

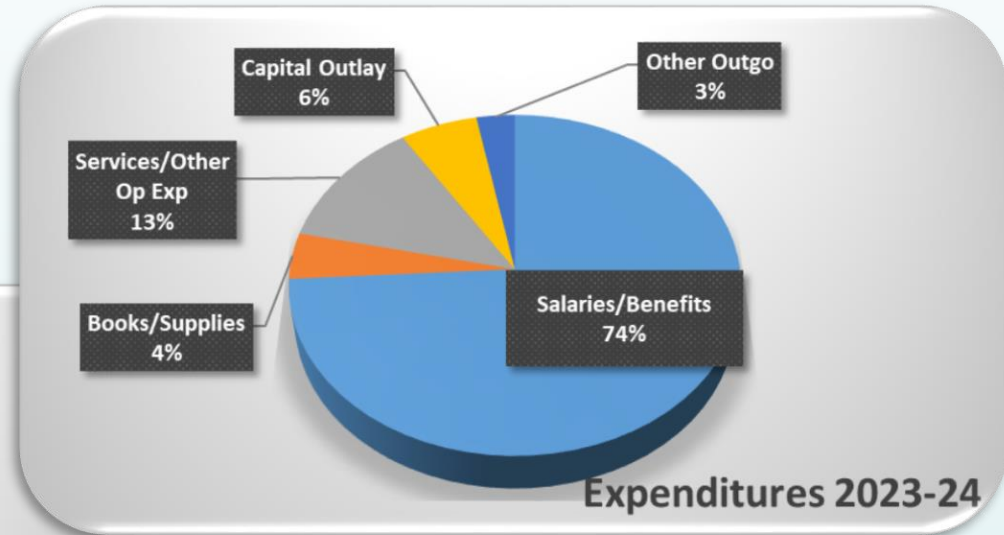
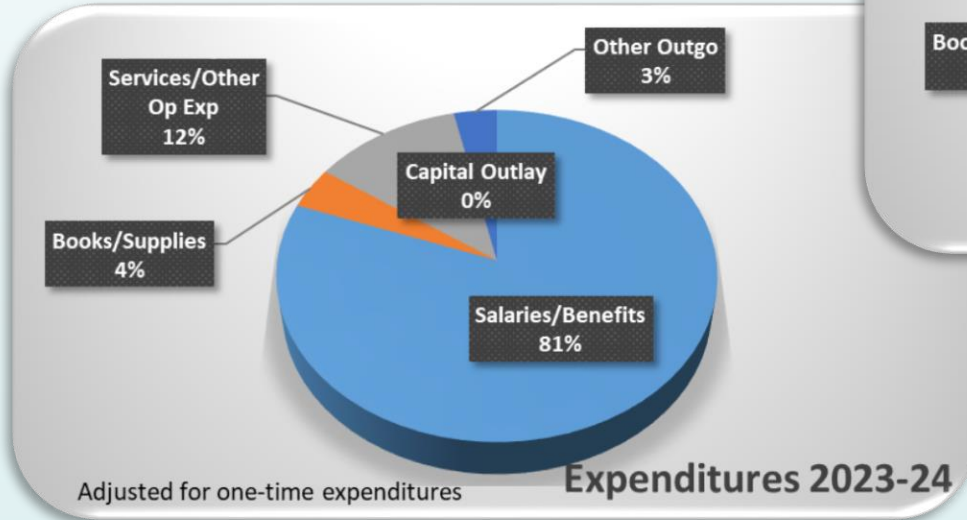


- **LCFF** \$<26,261>
 - Current year ADA is tracking lower than originally projected
- **Federal** \$150,801
 - \$100k Title I
 - 44k SPED
 - 6k Title II
- **State** \$<174,732>
 - \$<158k> Universal TK Grant (move to 2024-25)
 - \$<15k> Lottery
- **Local** \$394,824
 - \$152k Donations
 - \$113k Special Education
 - \$100k Interest
 - \$30k Transportation



2023-24

2nd Interim Expenditure Projections



When one-time expenditures such as the bus purchase and residential placement costs are removed, Salaries/ Benefits are 81% of our total expenditures



Expenditure Changes since 1st Interim

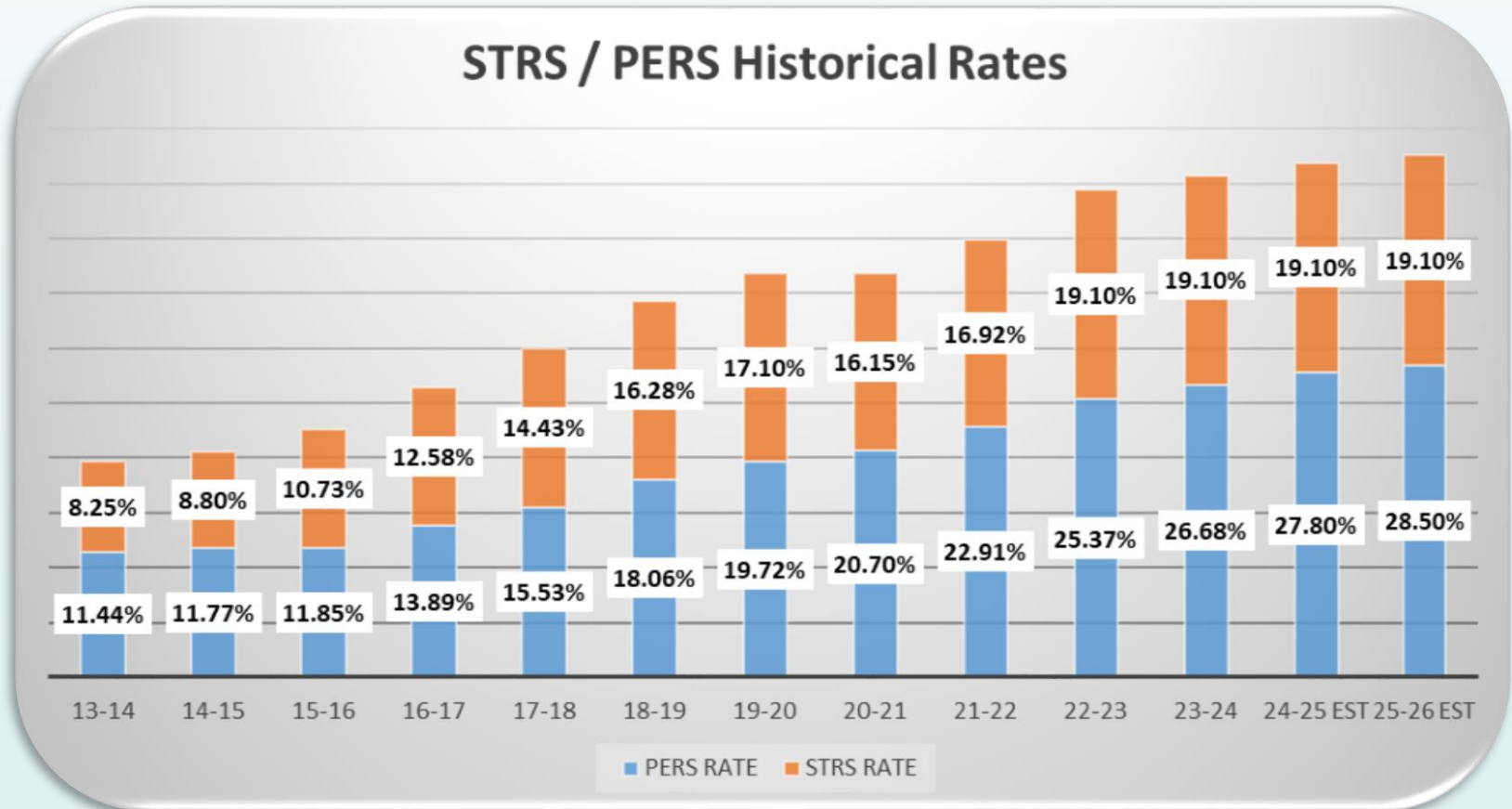
- **Salaries/Benefits** - \$<615,762>
 - \$<82K> Unfilled classified positions
 - \$<371k> Removed Prop 28 until 2024-25
 - \$<160k> Associated benefits
- **Books/Supplies** - \$<104,920>
 - \$<158k> Move Universal TK Expenditures to 2024-25
 - \$32k site donations
 - \$13k SPED Curriculum
- **Services/Contracts** - \$67,710
 - \$<157k> reduce Residential placement budget
 - \$98k site donations
 - \$50k legal expenses
 - \$15k audit expense (PY expense)
 - \$18k Psych Assessments
 - \$10k Misc utilities
- **Capital Outlay** - \$<417,079>
 - \$<500k> PG Kitchen remodel to 2024-25
 - \$50k Phone System Upgrade
 - \$32k equipment for new buses
- **Other Outgo** - \$<47>
 - \$84k Regional Prog Aides





STRS/PERS

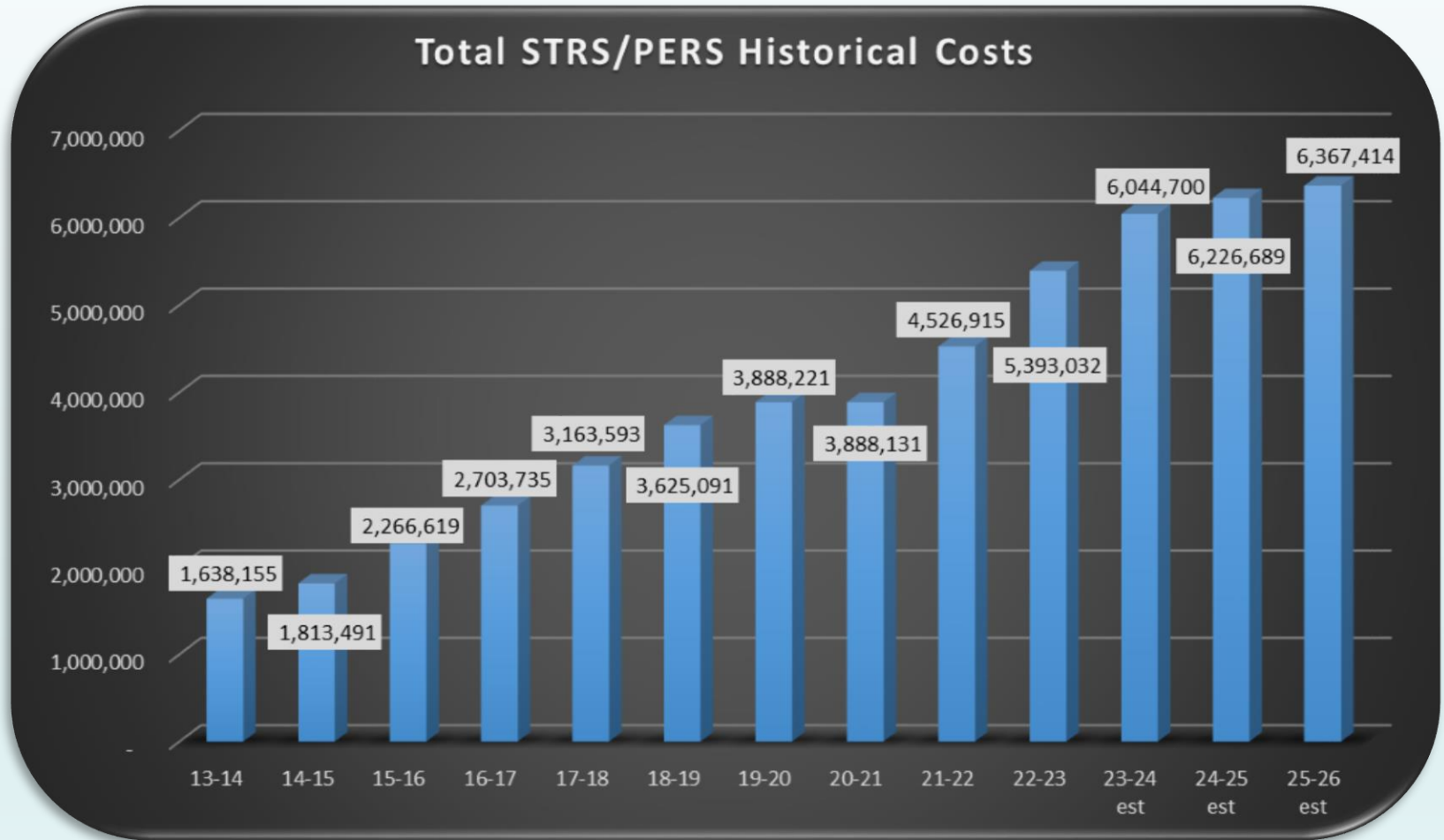
Historical rates and costs





STRS/PERS

Historical rates and costs





Multi-Year Projections (MYP)

Assumptions - Revenues

■ LCFF COLA

- ✦ 0.76%
- ✦ \$<225k> reduction in funding for 2024-25 compared to 2023-24 due to less “Funded ADA”

■ Educator Effectiveness

- ✦ Total **\$815,622**
 - 2021-22 \$50k
 - 2022-23 to 2026-27 \$188k annually

■ Learning Recovery Grant and Art/Music/Discretionary Grant

- ✦ We plan to have these funds spent by 2024-25

■ Prop 28 Art/Music

- ✦ Funds received 2024-25
- ✦ Plans are being developed at sites
- ✦ Majority of plans will begin in 2025-26

■ No Additional one-time funding

■ Expanded Learning Opportunities Program (ELOP)

- ✦ 2023-24 **\$875,776**
- ✦ First year to be audited for compliance
- ✦ Requirements include
 - Offer after school programs up to a 9 hour day
 - Offer 30 additional 9 hour days (i.e. summer school)
 - Required to offer the ELOP to all TK/K-6 classroom based unduplicated pupils and provide program access to 50% of enrolled TK/K-6 classroom-based unduplicated pupils.
 - Plan to be approved by the board prior to use of funds.



Multi-Year Projections (MYP) Assumptions – Expenditures

- Continue annual Tech Replacement Budget, at a reduce amount
- No changes to staffing
 - ✦ While this budget assumes all retirees will be replaced, we need to wait for student enrollment to ensure we know where to hire (e.g. additional TK and Kinder classes, LTIS, etc.)
 - ✦ TK teacher ratio change in 2025-26 (max 20 students per class)
- 3 year positions expire June 2025, so they are included in the current MYP
 - ✦ Special Education Supports (2022-2025)
 - Psychologist – Continues 2025-26
 - SPED TOSA – Ends 2025
 - ✦ Garden / Outdoor Education (2022-2025)
 - Continues in 2025-26
 - ✦ Student Support Secretary to replace DO Clerk (2022-2025)
 - Continues 2025-26
- 2025-26 has 9% reserves. We need approx. \$500k in budget adjustments to meet the board requirement of 10%.
- Cash flow from the state is expected to have deferrals (late payments)



Rescue Union School District
Multi-Year Projected Budget

2023-24 2ND INTERIM		J 2023-24 2nd INTERIM Total	N 2024-25 2nd INTERIM Total	O DIFFERENCE N - J	R 2025-26 2nd INTERIM Total	S DIFFERENCE R - N
COLA		8.22%	0.76%		2.73%	
LCFF Enrollment		3,512	3,512		3,512	
LCFF ADA:		3,425.35	3,382.46		3,398.90	
UPC %		18.85%	18.19%		18.18%	
A. REVENUE:						
LCFF Sources	8010-8099	38,534,410	38,309,543	(224,867)	39,540,571	1,231,028
Federal Revenue	8100-8299	1,040,661	764,363	(276,299)	748,967	(15,395)
Other State Revenue	8300-8599	5,560,687	5,223,015	(337,672)	5,217,122	(5,893)
Local Revenue	8600-8799	6,104,515	3,421,152	(2,683,363)	3,399,537	(21,614)
TOTAL REVENUE		51,240,273	47,718,073	(3,522,200)	48,906,198	1,188,126
B. EXPENDITURES:						
Certificated Salaries	1000-1999	20,487,611	21,025,871	538,260	22,046,392	1,020,521
Classified Salaries	2000-2999	8,112,050	8,208,548	96,499	8,354,888	146,340
Benefits	3000-3999	11,340,512	12,457,439	1,116,928	11,870,542	(586,897)
Books & Supplies	4000-4999	2,351,849	2,220,562	(131,287)	1,771,490	(449,072)
Services	5000-5999	6,725,757	6,404,098	(321,659)	4,448,219	(1,955,879)
Capital Outlay	6000-6599	3,262,016	750,292	(2,511,724)	151,400	(598,892)
Other Outgo	7100-7299	1,623,752	1,550,208	(73,544)	1,550,208	-
Direct Support/Indirect Costs	7300-7399	(40,469)	(40,469)	-	(40,469)	-
TOTAL EXPENDITURES		53,863,077	52,576,549	(1,286,528)	50,152,670	(2,423,879)
C. EXCESS (DEFICIENCY)		(2,622,804)	(4,858,477)	(2,235,672)	(1,246,472)	3,612,005
D. OTHER FINANCING SOURCES/USES						
Interfund Transfers In	8910-8929	-	-	-	-	-
Interfund Transfers Out	7610-7629	762,662	749,553	(13,109)	-	(749,553)
Other Sources	8930-8979	-	-	-	-	-
Other Uses	7630-7699	-	-	-	-	-
Contributions	8980-8999	-	-	-	-	-
TOTAL SOURCES/USES		(762,662)	(749,553)	13,109	-	749,553
E. NET INCREASE (DECREASE)		(3,385,466)	(5,608,030)	(2,222,563)	(1,246,472)	4,361,557
BEGINNING BALANCE		16,317,745	12,932,279	(3,385,466)	7,324,249	(5,608,030)
Audit adj		-	-	-	-	-
F. RESTATED BEGINNING BALANCE		16,317,745	12,932,279	(3,385,466)	7,324,249	(5,608,030)
PROJECTED ENDING BALANCE		12,932,279	7,324,249	(5,608,030)	6,077,777	(1,246,472)



**Rescue Union School District
Multi-Year Projected Budget**

2023-24 2ND INTERIM		L 2024-25 2nd INTERIM Unrestricted	M 2024-25 2nd INTERIM Restricted	N 2024-25 2nd INTERIM Total	O DIFFERENCE N - J	P 2025-26 2nd INTERIM Unrestricted	Q 2025-26 2nd INTERIM Restricted	R 2025-26 2nd INTERIM Total	S DIFFERENCE R - N
		COLA 0.76%				2.73%			
		LCFF Enrollment 3,512				3,512			
		LCFF ADA: 3,382.46				3,398.90			
		UPC % 18.19%				18.18%			
A. REVENUE:									
LCFF Sources	8010-8099	38,309,543	-	38,309,543	(224,867)	39,540,571	-	39,540,571	1,231,028
Federal Revenue	8100-8299	-	764,363	764,363	(276,299)	-	748,967	748,967	(15,395)
Other State Revenue	8300-8599	959,990	4,263,025	5,223,015	(337,672)	959,990	4,257,133	5,217,122	(5,893)
Local Revenue	8600-8799	915,343	2,505,808	3,421,152	(2,683,363)	893,729	2,505,808	3,399,537	(21,614)
TOTAL REVENUE		40,184,877	7,533,196	47,718,073	(3,522,200)	41,394,290	7,511,908	48,906,198	1,188,126
B. EXPENDITURES:									
Certificated Salaries	1000-1999	17,819,774	3,206,097	21,025,871	538,260	18,915,886	3,130,506	22,046,392	1,020,521
Classified Salaries	2000-2999	5,656,139	2,552,410	8,208,548	96,499	5,873,016	2,481,872	8,354,888	146,340
Benefits	3000-3999	7,569,392	4,888,048	12,457,439	1,116,928	7,845,347	4,025,195	11,870,542	(586,897)
Books & Supplies	4000-4999	1,418,837	801,725	2,220,562	(131,287)	931,282	840,208	1,771,490	(449,072)
Services	5000-5999	2,577,204	3,826,894	6,404,098	(321,659)	2,078,693	2,369,526	4,448,219	(1,955,879)
Capital Outlay	6000-6599	151,400	598,892	750,292	(2,511,724)	151,400	-	151,400	(598,892)
Other Outgo	7100-7299	274,270	1,275,938	1,550,208	(73,544)	274,270	1,275,938	1,550,208	-
Direct Support/Indirect Costs	7300-7399	(302,422)	261,953	(40,469)	-	(258,645)	218,176	(40,469)	-
TOTAL EXPENDITURES		35,164,594	17,411,955	52,576,549	(1,286,528)	35,811,250	14,341,421	50,152,670	(2,423,879)
C. EXCESS (DEFICIENCY)		5,020,282	(9,878,759)	(4,858,477)	(2,235,672)	5,583,041	(6,829,513)	(1,246,472)	3,612,005
D. OTHER FINANCING SOURCES/USES									
Interfund Transfers In	8910-8929	-	-	-	-	-	-	-	-
Interfund Transfers Out	7610-7629	749,553	-	749,553	(13,109)	-	-	-	(749,553)
Other Sources	8930-8979	-	-	-	-	-	-	-	-
Other Uses	7630-7699	-	-	-	-	-	-	-	-
Contributions	8980-8999	(7,306,857)	7,306,857	-	-	(6,794,788)	6,794,788	-	-
TOTAL SOURCES/USES		(8,056,410)	7,306,857	(749,553)	13,109	(6,794,788)	6,794,788	-	749,553
E. NET INCREASE (DECREASE)		(3,036,127)	(2,571,902)	(5,608,030)	(2,222,563)	(1,211,748)	(34,724)	(1,246,472)	4,361,557
BEGINNING BALANCE		8,740,243	4,192,036	12,932,279	(3,385,466)	5,704,115	1,620,134	7,324,249	(5,608,030)
Audit adj		-	-	-	-	-	-	-	-
F. RESTATED BEGINNING BALANCE		8,740,243	4,192,036	12,932,279	(3,385,466)	5,704,115	1,620,134	7,324,249	(5,608,030)
PROJECTED ENDING BALANCE		5,704,115	1,620,134	7,324,249	(5,608,030)	4,492,368	1,585,410	6,077,777	(1,246,472)



**Rescue Union School District
Multi-Year Projected Budget**

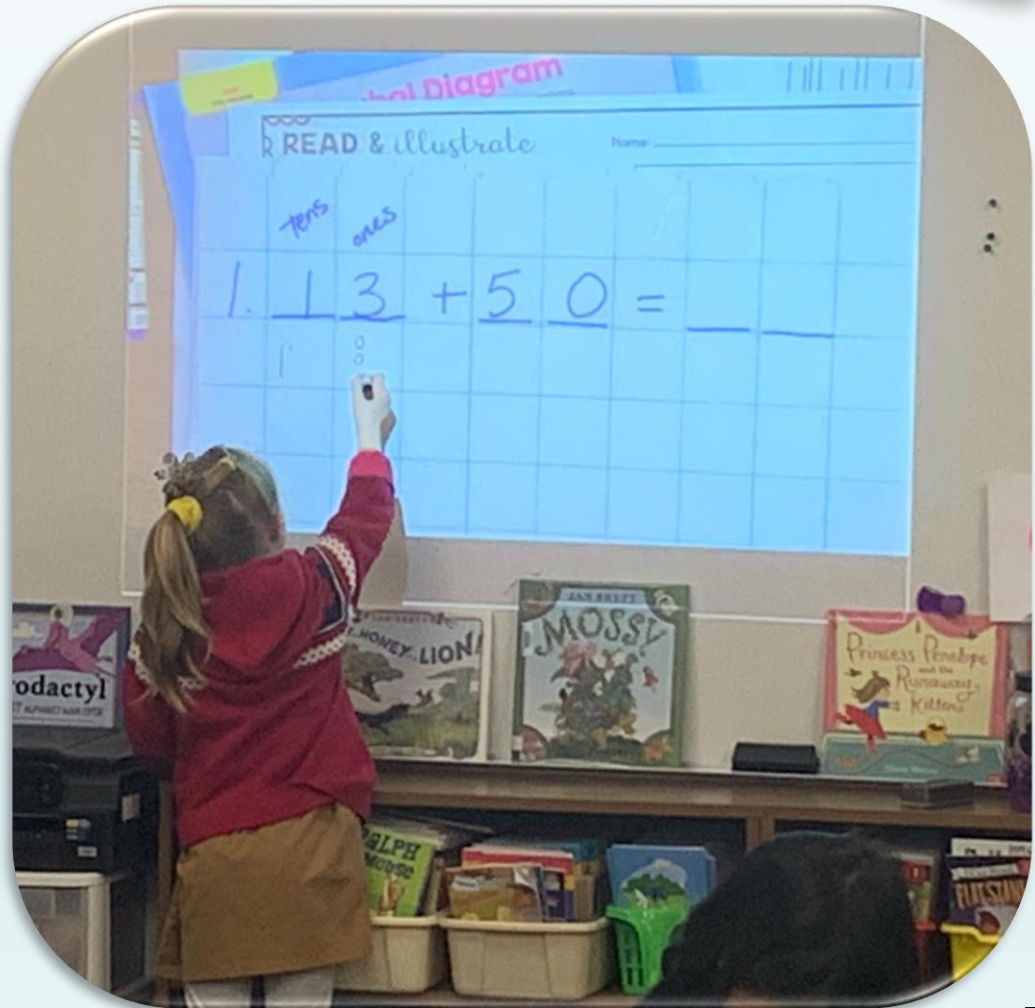
	L 2024-25	M 2024-25	N 2024-25	O DIFFERENCE	P 2025-26	Q 2025-26	R 2025-26	S DIFFERENCE
2023-24 2ND INTERIM	2nd INTERIM	2nd INTERIM	2nd INTERIM	N - J	2nd INTERIM	2nd INTERIM	2nd INTERIM	R - N
	Unrestricted	Restricted	Total		Unrestricted	Restricted	Total	
G. COMPONENTS OF THE ENDING BALANCE:								
a) Nonspendable								
Revolving Cash	6,500		6,500	-	6,500		6,500	-
Stores			-	-			-	-
Prepaid expenses			-	-			-	-
All Others			-	-			-	-
b) Restricted		1,620,134	1,620,134	(2,571,902)		1,585,410	1,585,410	(34,724)
Expanded Learning Opportunities (ELOP) RS 2600		-	-	(519,903)		-	-	-
Educator Effectiveness RS 6266		249,745	249,745	(188,659)		-	-	(249,745)
Lottery Instructional Materials RS 6300		604,618	604,618	(177,161)		427,457	427,457	(177,161)
ERMHS RS 6546		-	-	-		456,392	456,392	456,392
Early Intervention RS 6547		331,804	331,804	(52,223)		279,580	279,580	(52,223)
Learning Recovery Emer Grant RS 7435		-	-	(265,185)		-	-	-
Medi-Cal Billing		11,986	11,986	(31,786)		-	-	(11,986)
TUPE		-	-	(29)		-	-	-
Arts, Music & Inst Mat'l's Block Grant RS 6762		-	-	(850,771)		-	-	-
Arts & Music In Schools (Prop 28) RS 6770		421,981	421,981			421,981		
c) Committed				-				
Stabilization Arrangements				-				
Other Commitments	381,040		381,040	(2,890,128)	(0)		(0)	(381,041)
Liability - Compensated Absences			-	(150,000)			-	-
Liability - H/W Prior Year adjust			-	(200,000)			-	-
U/R Lottery - Instr Supplies / Textbook Adopt	256,040		256,040	(984,001)			-	-
MAA - Health services			-	(86,300)			-	-
Emergency Facility Needs			-	(132,425)			-	-
Safety Improvements			-	(50,000)			-	-
CalPERS/CalSTRS			-	-			-	-
SPED residential reserve			-	-			-	-
Declining Enrollment Mitigation	125,000		125,000	(1,287,403)	(0)		(0)	
d) Assigned	-	-	-	-		-	-	-
Assigned Descriptions:			-	-			-	-
e) Unassigned				-				
Reserve for Economic Uncertainties 10%	5,316,575	-	5,316,575	(145,999)	4,485,868	0	4,485,868	(830,707)
Unassigned/Unappropriated		-	-	-		-	-	-
Ending Fund Balance	5,704,115	1,620,134	7,324,249	(10,583,876)	4,492,368	1,585,410	6,077,777	(1,281,196)
REU	10%		10%		9%		9%	



Future Budget Impacts



- Enrollment updates and impacts to LCFF
- May Revise and Final State Budget Adoption
- Ongoing State Budget Deficits
- Negotiations





Questions?

