

# Rincon Valley School District 2020-2021 2nd Interim State Report



Presented by  
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March 9, 2021

# 2020-2021 2<sup>ND</sup> Interim State Report

## \* Purpose:

- California Education Code 42130 requires the Superintendent to prepare and submit two interim financial reports to the Board each fiscal year
- After reviewing the report, California Education Code 42131 requires the Board to certify the districts ability to meet its financial obligations for the remainder of the current fiscal year as well as the following two fiscal years

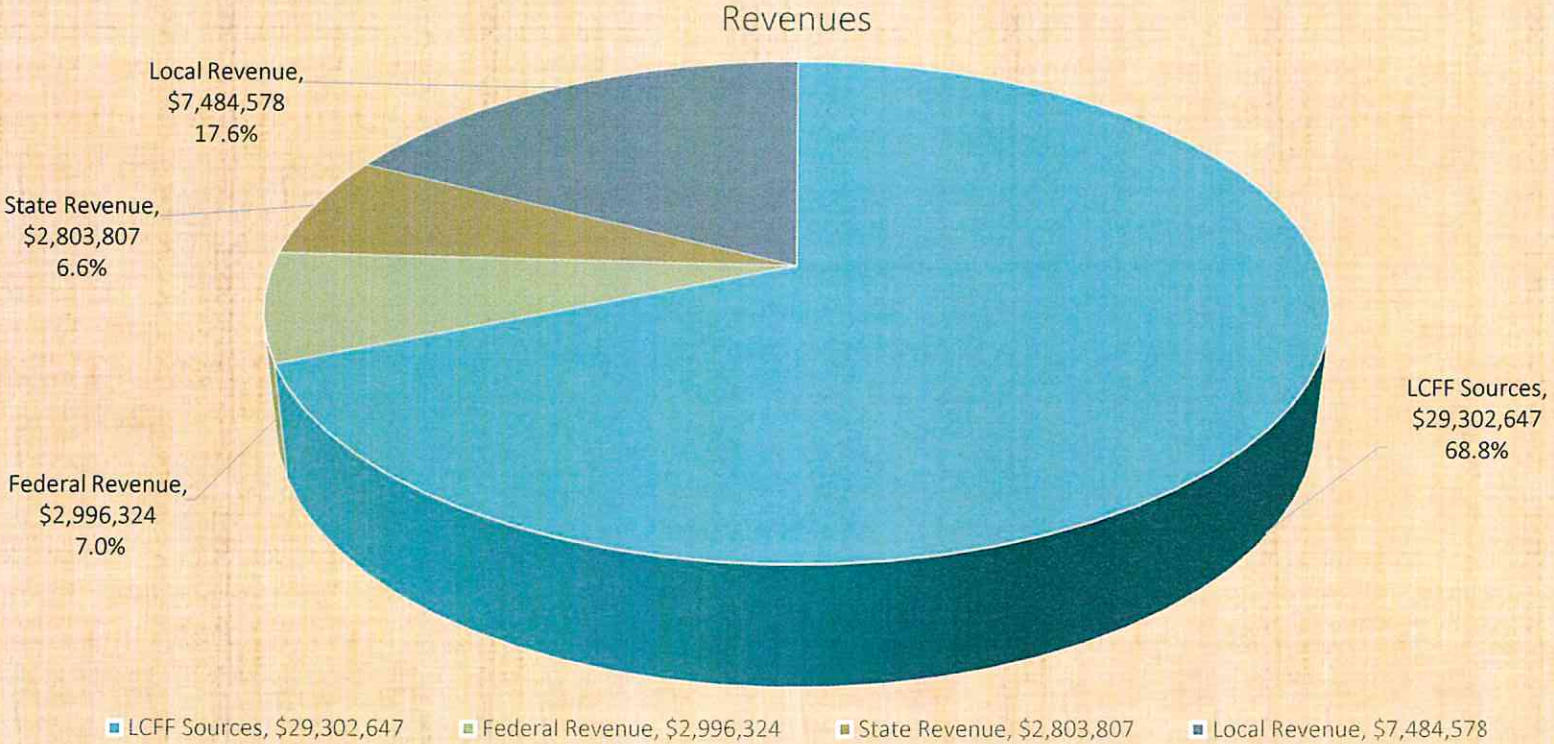
## Process:

- Update the district budget for changes in revenues and expenditures since 1<sup>st</sup> Interim using the most current information available and update multi-year projections using the most current assumptions
- The report is sent to SCOE for review. District will receive a letter from SCOE noting approval (or disapproval)
- The District is projected to meet the required 3% reserve for economic uncertainties for the remainder of the fiscal year and for the subsequent two fiscal years. Based on this staff is recommending that the Board certify a positive certification for the 2020-2021 Second Interim report

Rincon Valley Union School  
District 2020-2021  
General Fund Revenues

LCFF Sources	\$29,302,647
Federal Revenue	\$2,996,324
Which includes ESSER, GEER & COVID19 Funds \$2,014,552	
State Revenue	\$2,803,807
Which includes Learning Loss Mitigation Funds \$246,903	
Local Revenue	<u>\$7,484,578</u>
Which includes Rincon Valley Partnership	
Total Revenue	\$42,587,356

# Rincon Valley Union School District Combined General Fund Revenues 2020-2021



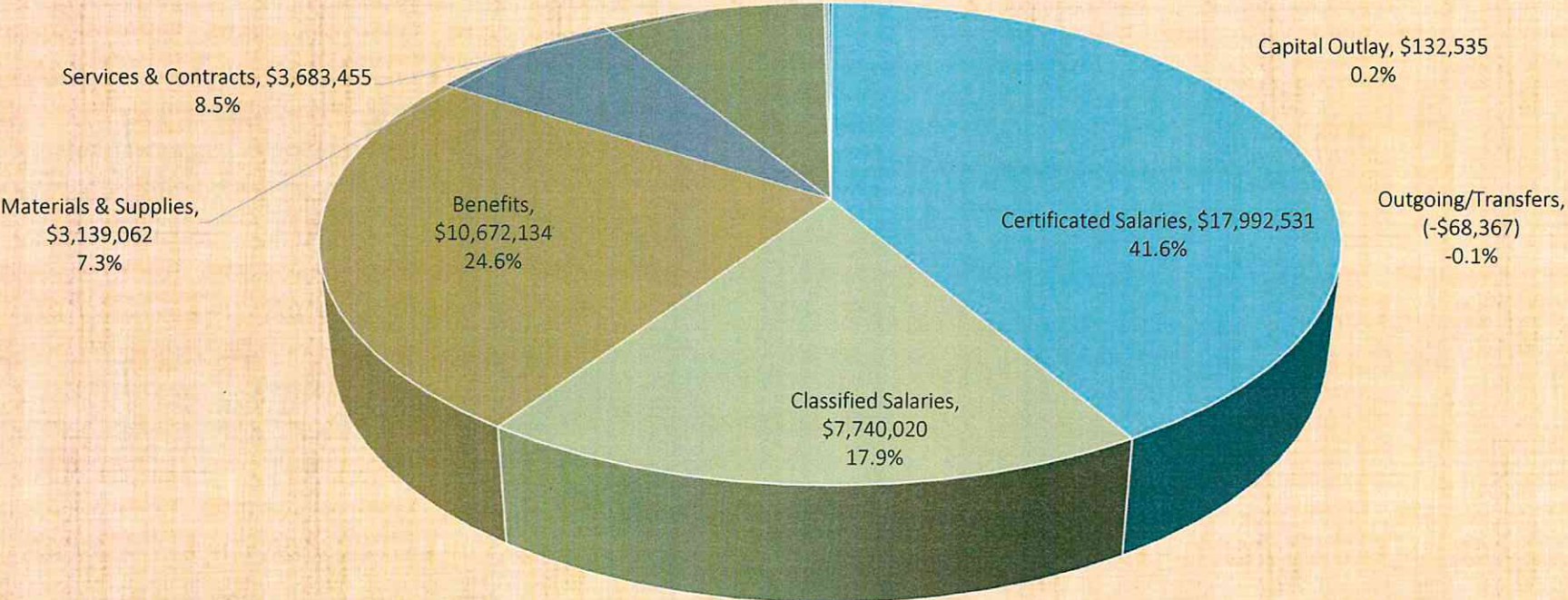
# Rincon Valley Union School District Combined General Fund Expenditures 2020-2021

\* Salaries + Benefits = 84.1% of Total General Fund Expenditures

41.6% Certificated Salaries	\$17,992,531
17.9% Classified Salaries	\$7,740,020
24.6% Benefits	\$10,672,134
7.3% Materials & Supplies	\$3,139,062
8.5% Services & Contracts	\$3,683,455
0.2% Capital Outlay	\$132,535
(.1)% Outgo/Transfers	<u>(\$68,367)</u>
TOTAL EXPENDITURES	\$43,295,023

# Rincon Valley Union School District Combined General Fund Expenditures 2020-2021

## Expenditures



- Certificated Salaries, \$17,992,531
- Classified Salaries, \$7,740,020
- Benefits, \$10,672,134
- Materials & Supplies, \$3,139,062
- Services & Contracts, \$3,683,455
- Capital Outlay, \$132,535
- Outgoing/Transfers, (-\$68,367)

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# District Reserves & Deficit Spending

- **District Reserves:** Reserve funds enable school districts to appropriate money for long-term needs. Used judiciously, they help maintain a district's fiscal integrity. They can also contribute to keeping budget increases moderate and steady by using savings instead of operating funds for unusual and/or large expenses.
- **Deficit Spending:** A deficit in one year isn't necessarily bad for a district, but deficits over time create structural budget imbalances that become more difficult to cure as time progresses. Structural deficits also make districts more vulnerable to unforeseen circumstances.

# Rincon Valley Union School District Ending Fund Balances





# Rincon Valley Union School District Change to Fund Balance

## General Fund Change in Fund Balance



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# State Requirement Fiscal Solvency

- School districts are required to prove fiscal solvency per AB1200 and certify their budget
- This is done at key times including budget adoption, State Interim reports and as part of negotiated salary agreements
- Fiscal solvency is determined by the final Unrestricted General Fund Reserve Level (Reserve for Economic Uncertainties) that is minimum 3% in the current budget year and the two subsequent budget years as determined in Multi-Year projections (MYP)

FEB  
-306  
-11%

-46

MAR  
352  
-12.5%

# RVUSD 2020-2021 Enrollment Summary

85

2YR's  
50%

RVP

\* #  
60 ↗  
=

# [ ] \*

	Enrollment May 2020	Enrollment 8/17/2020	CBEDS 10/8/2020	Enrollment 11/3/2020	Enrollment Feb 2021
Austin Creek		389	356	342	337
Binkley		370	348	340	320
Madrone		416	380	359	360
Matanzas		200	187	185	185
Sequoia		416	399	388	391
Spring Creek		280	245	237	246
Village		356	348	333	330
Whited		383	343	345	339
Home Study		41	150	151	150
RVCS		334	311	299	293
<b>Total</b>		<b>3185</b>	<b>3067</b>	<b>2979</b>	<b>2951</b>

2910

↓  
306  
-11.0%

↓  
MAR  
-12.5%

-352

2458

+103

+46

\* (MAR -46)



## Rincon Valley Union School District Multi-Year Projections (MYP)

The District is projected to meet the required 3% reserve for economic uncertainties for the remainder of the current year and the subsequent two years

Based on this staff is recommending that the Board certify a positive certification for the 2020-21 First Interim Report.

# Challenges for Rincon Valley Union School District

- Governor's Budget Proposal is just that, a Proposal
- COLA only environment, 3.84% 21/22, 1.28% 22/23, 1.61% 23/24
- Declining enrollment
- State budget and economy
- Deferrals Impact to Cash Flow
- STRS/PERS cost in the out years
- Escalating Special Education cost
- Collective Bargaining

# Next Steps for Rincon Valley Union School District

- Continue Budget Advisory Committee:  
*Solutions for structural deficit spending*
- Governor's May Revised Budget Proposal
  - *Possible Additional 1x dollars*
  - *Possible Augmented COLA or increase to LCFF base funding*
- Review staffing due to enrollment changes

Questions

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