



ADOPTED BUDGET
2022-23

River Montessori Charter School 2022-23 Adopted Budget Narrative

Revenues are funded from multiple sources which are primarily based on ADA: LCFF/State Aid Entitlement, Mandated Block Grant, county In-Lieu of Property Taxes, Lottery, and State & Federal Special Education Entitlements. Additional revenue comes from local donations such as The River Montessori Foundation, revenue from River Crew (the before and after school care program for enrolled students), and donations from parents for field trips. Total revenues for 2022-23 are projected to be \$2,137,466.

2022-23 Revenue Summary

(Based on 152.0 ADA)

Dollars & Percentages are rounded

Revenue by Object	Per ADA	Total Amount	% of Budget
LCFF	\$9,855.00	\$1,497,995	70.0%
Federal Revenue	\$615.00	\$93,423	4.0%
State Revenue	\$924.00	\$140,498	7.0%
Local Revenue	\$2,668.00	\$405,550	19.0%
Total Resources	\$14,062.00	\$2,137,466	100%

The LCFF is funded through county In-Lieu of Property Taxes, General State Aid, and the EPA Grant and represents 70 percent of the school's total revenues. Of this amount, \$946,204 comes from County In-Lieu property taxes, \$521,391 from the State General Fund and \$30,400 from the EPA Grant. LCFF revenues are based on ADA for different grade spans, and are revised several times throughout the fiscal year according to actual ADA. Final year funding is based on P-2 ADA, which is the average daily attendance from the beginning of school year through April 15th.

This budget and projections incorporate the best available estimates regarding what revenues will be provided for FY 2023, and is based on the Governor's "May Revise". The May Revision updates the 2022-23 cost of living adjustment (COLA) to 6.56%; the largest COLA in the history of LCFF. Moreover, the proposal "to help local educational agencies address ongoing fiscal pressures, staffing shortages and other operational needs" includes \$2.1 billion ongoing to increase LCFFs base funding. The combined increase to the base funding and the COLA of 6.56% results in an

overall impact of approximately 10%. The Charter took a more conservative approach in budgeting revenues and only added an augmented COLA of 2% on top of the 6.56% COLA. Based on projections provided by the Superintendent's Office, River Montessori is using an estimated ADA of 152.0 which is 95% of estimated total enrollment of 160 for the 2022-23 school year.

Other revenue sources fund the remaining 30 percent of the budget. Federal revenue is the smallest percentage with projected income of \$93K for Expanded Learning Grant, Small Rural School Grant and IDEA Special Education. The other State revenues are projected to be \$140K. State other revenue is mostly Special Education funding, Universal Pre K Funding and the In Person Instruction Funding. Lottery funds are also part of the State revenue with a projected \$35K, based upon \$228.00 per ADA for State Lottery.

The River Montessori Foundation is projecting to contribute \$100,000 for FY 23. Additional local revenue is projected to be \$50,000 from donations, fundraisers and parent donations for field trips. River Crew, the before and after school care program, income is projected to be \$115,000.

Enrollment and Average Daily Attendance

Most school districts in California receive the majority of their funding based on student ADA, which in a typical year for River Montessori is approximately 95% of enrollment. This is a few percentages lower than enrollment due to TK student enrollments prior to the age at which they can be counted for ADA, which lowers the ADA percentage. The current projected number of students provided by the Superintendent's Office for next year is 160. Typically, the enrollment from June to the first day of school can vary from the projection. Significant changes in enrollment will have a corresponding effect on revenues. The Charter should closely monitor enrollment, as it has been declining, and the current projections reflect an increase of 15% in the budget year and a 6% increase in the following subsequent years.

Projected expenditures for 22-23 are \$2,280,433 from a variety of sources. Consistent with prior years, major expenses are from salaries and the building lease. Certificated salaries from classroom teachers, Special Education Support, and the Executive Director & Superintendent are projected to be \$822K. Classified salaries are projected to be \$451K and include the Chief Business Officer, 5 full-time teaching assistants, a part-time Special Education teaching assistant, Office & Clerical Administrative positions, and River Crew staff. Statutory benefits, payroll taxes and health benefits are projected to be \$385K, bringing total salaries and benefits to \$1,658,386 and is 73 percent of budgeted expenditures.

Library books, instructional materials, software, classroom furniture and other student materials are projected to be \$130K and 6 percent of the budget. Due to the nature of Montessori instructional materials, the life cycle and durability of instructional materials spans several years and does not require frequent replacement such as textbooks would. Supplies for the River Crew program are projected to be \$7,000 based on prior year data and include arts and crafts supplies, after school snacks & baking ingredients, playground balls and garden tools. Revenues from the program fees cover these costs to ensure the program is self-sustaining.

Expenses for services and operations are projected to be \$477K and represent 21 percent of the budget. Of this amount, \$282K will be for the building lease.

Expenditures for Special Education include a Psychiatrist, Occupational Therapist, Psychologist, and Speech and Language Pathologist. Federal and State expenditures for these contractors are projected to be \$16,800. This amount does not include hired staff salaries for Student Services Support, an Occupational Therapist and a Speech Pathologist.

Additional operating expenditures include oversight fees. As stated in our MOU with our sponsoring district, Old Adobe Union School District, the allowable charge for oversight services is \$14,980, or 1% of the Local Control Funding Formula.

Future Revenues & Expenses will remain relatively flat except for a decrease of 1 teacher in the out years, as the Charter is using Expanded Learning Opportunity funds, which are one time in nature to fund this temporary position. Certificated substitute costs are also predicted to decrease in future years, as this is budgeted to fund a maternity leave for next year. Student materials is also expected to decrease in the out years, as the Charter is planning to use one-time In Person Instruction funds for Covid related expenses next year. Conferences are further anticipated to decrease in the out years due to one-time professional development tuition and embracing equity costs that were used with Educator Effectiveness one-time funds.

Based on this report, it is recommended that the Board accept the Proposed Budget for 2022-23 fiscal year.