

EL RANCHO CHARTER SCHOOL

MYP Multiyear Projections

Preliminary Budget

For Fiscal Years 26, 27 and 28

The preliminary budget is based on the factors from the Governor's budget release in January and the May Revision. At budget development and completion, the May Revision had not yet been announced. However, since then, the Revision only reflected nominal differences. There is still a level of uncertainty in state finance as well as on the federal level. We remain cautious about the potential for deferrals if the final state budget.

As in most school districts in Orange County, El Rancho has experienced the effects of declining enrollment. Enrollment has declined in El Rancho's attendance area feeder schools that have contributed to the lower enrollment. Conversely, Open Enrollment and Inter-District transfers continue to be the focus to offset that shortfall. Our enrollment remains steady with a waitlist for the second year in a row. We are seeing somewhat of a return to regular attendance rates; however, the effects of the Covid-19 pandemic continue to affect attitudes in attendance.

REVENUES

LCFF Funding

- ADA: For FY26 ADA was calculated using current enrollment numbers as of March 31, 2025 of 1135 and Attendance Rate of 95%. For FY27 and FY28, after seeing a decline in analysis of enrollment data of our feeder schools' ADA, we remain stationary. We see our Open Enrollment and Inter-District transfers supporting the difference and our waitlist reinforces that theory.
- LCFF Funding: Revenues were estimated using the FCMAT Local Control Funding Formula Calculator.
- COLA in FY26 is 2.30%, per the governor's proposed budget, 3.52% in FY27 and 3.63% FY28.

Estimated LCFF	2025-26	2026-27	2027-28
Funding per ADA (Excluding Concentration Grant)	\$10,719	\$11,096	\$11,499

Federal Revenues

- Special education is projected to remain stationary per prior year enrollment.
- There is additional direct funding of mental health funds coming from Federal resources.

State Revenues

- Lottery: Projected flat rate at \$191 for all years for instruction offset.
- Lottery: Projected flat rate at \$82 for all years for instructional materials.

- Supplemental Grant: Projected rates as stated with same parameters as base revenue. Spending plan in this area is also reflected in the LCAP.
- Mandate Block Grant: Projected rates as stated with same parameters as base revenue.
- STRS on behalf: Projected to remain level in the next 2 years.
- Special education remains stationary.
- Special education mental health revenue will continue to be directly funded in principal apportionment.
- Prop 28: Arts and Music in Schools grant is ongoing under the specific parameters of the program.

Local Revenue

- Transportation: Revenue to remain constant.
- Facility rental: We are experiencing more consistency in occupancy and reservations in facility rentals. We project this will continue.
- Interest: Interest income has increased as interest rates are much higher and projected to hold. Interest is reduced by 20% in year three as there is potential for interest rates to drop.

EXPENDITURES

- Expenses exceed revenue in FY26 as there are expenditures for grants where the income was posted in previous years.
- Overall, expenses were increased by 4% in year 2 and year 3 to allow for an increase in costs due to inflation (keeping in mind the rate of inflation is decreasing), tariffs and an overall increase in expenses.
- Operating reserve is set at a minimum placeholder for years 2 and 3.
- OUSD oversight fees: 2% of LCFF revenue and 4% expenses were estimated.
- Liability insurance: Liability insurance is \$100,000 for year one and a 4% increase for year two and 4% for year three.
- Debt Service: Building principal and interest projected according to COP payment schedule.
- Certificated staffing was adjusted with a 2% increase and 3.5% for step and column in future years as the majority of our certificated staff receive an increase each year.
- Classified Staffing in the latter two years has an additional 2% increase and 2.5% to allot for step and column increases. Our classified staff receive column increases of 5% each year, but half of our staff is already at the maximum.
- Statutory Benefits: Based on salary calculations.
- Health Benefits: Based on salary calculations.
- STRS: Employer contributions remain stationary for all three years.
- PERS: Increases in contribution from 27.40 to .10% in FY2027 and 1.0% in FY2028.

- Supplies, services, and operating expenses projected to increase in cost due to rising costs of goods and services. Repairs and improvements were reduced in FY26, and projects could be determined at a later date dependent upon state and federal budget updates. Anticipating there could be necessary maintenance projects, FY27 was increased by 10% and then returned to a steady 4% increase in year three. The intent is to consistently maintain a stellar campus environment for our students and staff.
- Transportation services will continue with three buses and one Special Education bus.
- Special Ed expenses included in overall budgeted expenses unless otherwise indicated. Expenses in this program have increased due to expanded services needed to support our students. This area also requires a significant budget for legal expenses.

In future years, there appears to be a 1-1.5% deficit in those budgets. This is considered negligible as we maintain a healthy reserve that is necessary as we remain prepared for declines in enrollment and other economic uncertainties. At this level, we will maintain our current staffing. Expenses will be continually revisited and tightened as the revenue and overall economic picture becomes clearer, at least in the short term.

RESERVES

- Revolving cash: stationary.
- The Restricted EFB included revenue from grants and carryover of Lottery revenue. This will continue to decrease as spending will continue in these categories.
- The Reserve for Economic Uncertainties mandated at 5% remains at the established 7% for all three years.
- Building fund debt service: The maximum annual obligation per the COP payment schedule to continue to maintain a 100% reserve on that expense annually. In addition, an additional principal and interest payment due September of the following year has been added to ensure availability of funds for all COP payments.
- A reserve for textbooks remains for potential need.
- In FY21, we established a Multi-Year Fiscal Stabilization Fund in the EFB. This will sustain us through potential economic volatility as we manage other expenses as well. The multiyear stabilization fund remains vital to our operation to provide the best staff for our students, the best environment to teach and learn, and to maintain and grow the overall program of excellence we enjoy at El Rancho. The fund allows us to operate responsibly and soundly regardless of the negative factors that constantly surround education funding.

This will potentially be used to offset the reduced revenue in future years that can be offset by adding enrollment or that enrollment may not decrease as much as anticipated. This is truly a case of preparing for the worst.