

# SRCS 2022-23 First Interim

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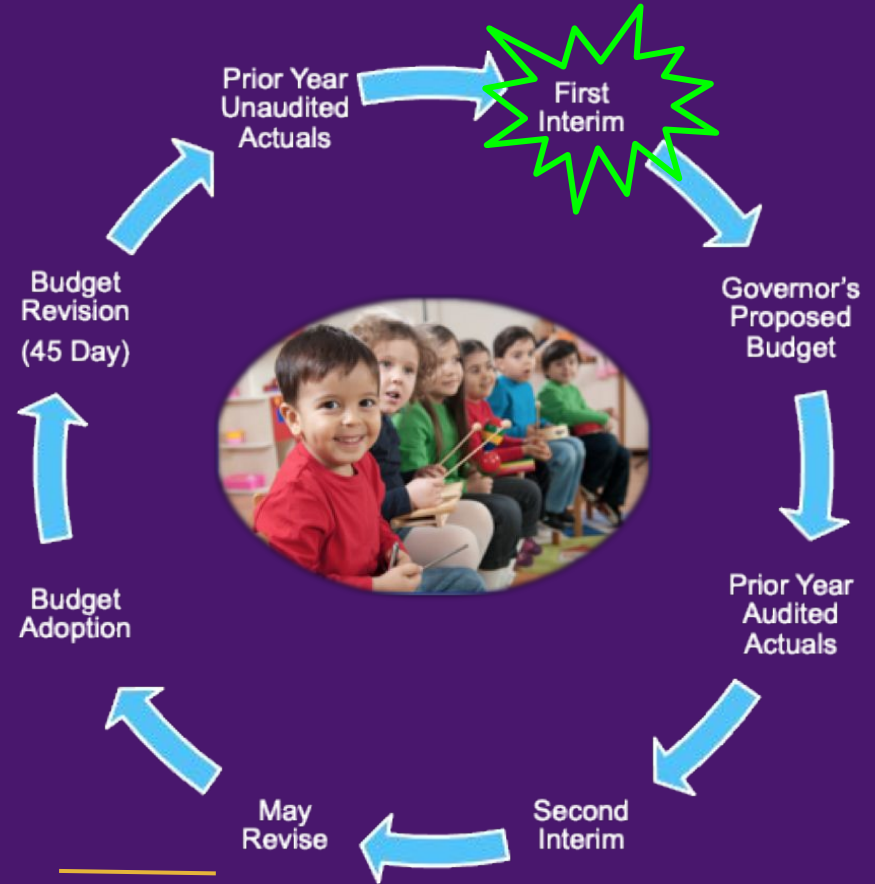


# Presentation Items

- Overview
- Budget Assumptions
- General Fund
- Multi-Year Projection
- Other Funds
- Areas to Monitor
- Next Steps

# Overview

## The Annual Budget Cycle



# Overview

**Education Code Section 42130:** Requires that school districts certify to the State the fiscal stability of the District. Districts must demonstrate they can meet their fiscal obligations for the current year and two years out. The reports must be presented to and approved by the District's Governing Board no later than 45 days after the close of the report period.

- 1st Interim, covers actual expenditures and actual revenues from July 1 through October 31, and updates projections for the balance of the year
- 2nd Interim, covers actual expenditures and actual revenues from July 1 through January 31, and updates projections for the balance of the year
- If needed due to Qualified Certification at 2nd Interim, 3rd Interim, covers actual expenditures and actual revenues from July 1 through April 30, and updates projects for the balance of the year

# Overview Continued

The Certification of the District's financial condition may take one of three forms:

- **Positive Certification:** The District will meet its financial obligations for the current fiscal year and subsequent two years.
- ✓ **Qualified Certification:** The District may not meet its financial obligations for the current fiscal year or subsequent two years.
- **Negative Declaration:** The District will not meet its financial obligations for the remainder of the fiscal year or for the subsequent fiscal years.

# Budget Assumptions

District Enrollment and Average Daily Attendance (ADA) Data Assumptions used in First Interim

(Does not include Charter Schools or COE):

	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
District Enrollment	13,179	13,179	13,179
District ADA	12,369	12,369	12,369
District Funded ADA (greater of current, prior year or three year prior average; hold harmless)	13,064	12,729	12,396

# Budget Assumptions Charter School Enrollment and Average Daily Attendance (ADA)

Data Assumptions used in First Interim:

	2022-23	2023-24	2024-25
<b>Cesar Chavez Language Academy</b>			
Enrollment	844	928	928
Average Daily Attendance (ADA)	768	886	886
<b>Santa Rosa Accelerated Charter</b>			
Enrollment	128	128	128
Average Daily Attendance (ADA)	121	123	123
<b>Santa Rosa Charter School for the Arts</b>			
Enrollment	391	393	393
Average Daily Attendance (ADA)	359	373	373
<b>Santa Rosa French-American Charter (SRFACS)</b>			
Enrollment	437	398	398
Average Daily Attendance (ADA)	410	378	378

# Budget Assumptions

District Budget Planning Factor Assumptions used in First Interim:

	2022-23	2023-24	2024-25
Local Control Funding Formula (LCFF) Funded Cost Of Living Adjustment (COLA) - Statutory & Augmentation/Suspension	13.26%	5.38%	4.02%
Department of Finance Statutory COLA	6.56%	5.38%	4.02%
COLA Augmentation/Suspension - The CA Legislative Analyst's Office (LAO) revised 2022-23 and 2023-24 COLA estimates	6.70%	0%	0%
CalSTRS Employer Rate	19.10%	19.10%	19.10%
CalPERS Employer Rate	25.37%	25.20%	24.60%

# Fund 01 2022-23 Revenues:

<b>REVENUES</b>	<b>2022-23 Original Budget</b>	<b>2022-23 First Interim</b>	<b>Difference</b>
LCFF Sources	\$155,456,632	\$161,964,006	\$6,507,374
Federal Revenue	\$14,065,966	\$14,633,017	\$567,051
Other State Revenue	\$36,593,606	\$22,785,402	-\$13,808,204
Other Local Revenue	\$15,403,551	\$17,742,290	\$2,338,739
Other Financing Sources / Uses	\$1,496,000	\$330,577	-\$1,165,423
<b>TOTAL REVENUES &amp; OTHER FINANCING SOURCES/USES</b>	<b>\$223,015,755</b>	<b>\$217,455,292</b>	<b>-\$5,560,463</b>

# Fund 01 2022-23 Expenditures:

<b>EXPENDITURES</b>	<b>2022-23 Original Budget</b>	<b>2022-23 First Interim</b>	<b>Difference</b>
Certificated Salaries	\$91,625,773	\$93,280,798	\$1,655,025
Classified Salaries	\$28,502,820	\$30,419,363	\$1,916,543
Employee Benefits	\$53,425,968	\$54,477,217	\$1,051,249
Books and Supplies	\$4,025,793	\$6,258,058	\$2,232,265
Services and Other Operating Expenditures	\$37,918,529	\$44,079,560	\$6,161,031
Capital Outlay	\$581,226	\$648,971	\$67,745
Other Outgo (excluding Transfers of Indirect Costs)	\$77,921	\$77,921	\$0
Other Outgo - Transfers of Indirect Costs	-\$713,246	-\$392,156	\$321,090
<b>TOTAL EXPENDITURES</b>	<b>\$215,444,784</b>	<b>\$228,849,733</b>	<b>\$13,404,949</b>

## 2022-23 First Interim Multi Year Projection (MYP) General Fund 01

REVENUES	2022-23	2023-24	2024-25
LCFF Sources	161,964,006	165,839,141	168,860,143
Remaining Revenues	55,160,709	45,676,629	45,676,629
<b>Total Revenues</b>	<b>217,124,715</b>	<b>211,515,770</b>	<b>214,536,772</b>
EXPENDITURES			
Salaries & Benefits	178,177,378	181,888,198	183,606,089
Books/Supplies & Outlay	6,907,030	3,646,083	3,646,083
Services & Operating Expenses	44,079,560	37,031,067	37,031,067
Other Outgo & Indirect Costs	-314,235	-680,293	-680,293
Other Adjustments: FSP-P1 Fiscal Stabilization Measures	\$ -	-6,418,787	-6,418,787
Other Adjustments: One-time Expenses moved into Arts, Music, and Instructional Materials Discretionary Block Grant and/or Learning Recovery Emergency Block Grant		-6,122,254	-1,689,794
Other Adjustments: Future Unidentified Fiscal Stabilization Measures	\$ -	\$ -	-5,142,905
<b>Total Expenditures</b>	<b>228,849,733</b>	<b>209,344,014</b>	<b>210,351,460</b>
Operating Net Increase/Decrease	-11,725,018	2,171,756	4,185,312
Transfers In and Other Sources & Transfers Out and Other Uses	330,577	1,496,000	1,496,000
Current Year Increase/Decrease In Fund Balance	-11,394,441	3,667,756	5,681,312
Beginning Balance	32,655,031	21,260,590	24,928,347
<b>Ending Balance</b>	<b>21,260,590</b>	<b>24,928,347</b>	<b>30,609,659</b>

# Fund 01 Components of the Ending Fund Balance:

Components of Ending Balance, Reserves	2022-23	2023-24	2024-25
Restricted Ending Balance (only can be spent on federal or state mandates, or per donor requirements)	14,635,105	19,210,338	24,863,427
Special Reserve Fund - Non Capital Outlay (Fund 17)	561,367	562,312	564,312
Reserve for Economic Uncertainty	6,304,125	5,718,009	5,746,232
<b>Unassigned/Unappropriated Ending Balance</b>	<b>\$321,361.40</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Unassigned/Unappropriated Ending Balance %</b>	<b>3.14%</b>	<b>3.00%</b>	<b>3.00%</b>

# Fiscal Stabilization Plan Process

For 2022-23 FSP - P1

## 1. Convene BAC



Budget Advisory Committee  
Reviews Revenues and  
Expenditures

## 2. BAC Recommendations



BAC forwards recommendations  
to the Superintendent

## 3. Superintendent



Makes recommendations  
to the Board

## 4. Board of Education



Acts on recommendations for  
inclusion in 2<sup>nd</sup> Interim/Budget

1. The BAC is charged with reviewing SRCS financial information and information regarding programs and services.
2. The BAC makes recommendations to the Superintendent for possible revenue enhancements and expenditure reductions.
3. The Superintendent can accept, not accept, modify, or add new recommendations to submit to the Board for consideration.
4. The Board can act on all, none, or some for

Inclusion in 22/23 2nd Interim

# Other Funds 2022-23 Ending Balance:

OTHER FUNDS: FUND BALANCE, RESERVES	2022-23 Original Budget	2022-23 First Interim	Difference
Student Activity Special Revenue Fund 08	\$830,962	\$998,070	\$167,108
Charter Schools Special Revenue Fund 09	\$1,940,550	\$1,253,472	-\$687,078
Child Development Fund 12	\$7,410	\$7,430	\$20
Cafeteria Special Revenue Fund 13	\$665,382	\$3,049,869	\$2,384,487
Deferred Maintenance Fund 14	\$696,339	\$745,162	\$48,823
Special Reserve Fund for Other than Capital Outlay Projects Fund 17	\$560,311	\$561,367	\$1,056
Building Fund 21 (Bond Fund)	\$45,328,057	\$29,381,547	-\$15,946,510
Capital Facilities Fund 25 (Developer Fees)	\$7,501,249	\$8,285,412	\$784,163
County Schools Facilities Fund 35	\$0	\$0	\$0
Special Reserve Fund for Capital Outlay Projects Fund 40	\$7,450,700	\$5,993,010	-\$1,457,690
Self-Insurance Fund 67 (Dental)	\$232,036	\$543,942	\$311,906
Scholarship Fund 73	\$0	\$169,888	\$169,888

# Areas to Monitor

- State and National Economy - Mixed Signals
- Shortage of teachers, substitutes, nutritional services, classified and other staff
- Employee negotiations
- Uncertain education funding in California
- Declining enrollment
- Dependent Charter Schools Fiscal Solvency
- Cost of Universal Transitional Kindergarten Program
- Expanded Learning Opportunities Program (ELO-P) Funding Uncertainty

# Next Steps

## January 2023

- Governor's Budget Proposal
- 2021-22 Audit Report
- Budget Advisory Committee (BAC)

## February 2023

- If needed Approval of FSP-P1
- BAC

## March 2023

- BAC
- Second Interim Report

## April 2023

- BAC

## May 2023

- Governor's May Revise
- If necessary Third Interim
- BAC

## June 2023

- 2022-23 Estimated Actuals
- 2023-24 Budget and LCAP Public Hearings and Adoptions

# Board Member Questions

