

SRCS 2022-23 Second Interim

March 8, 2023

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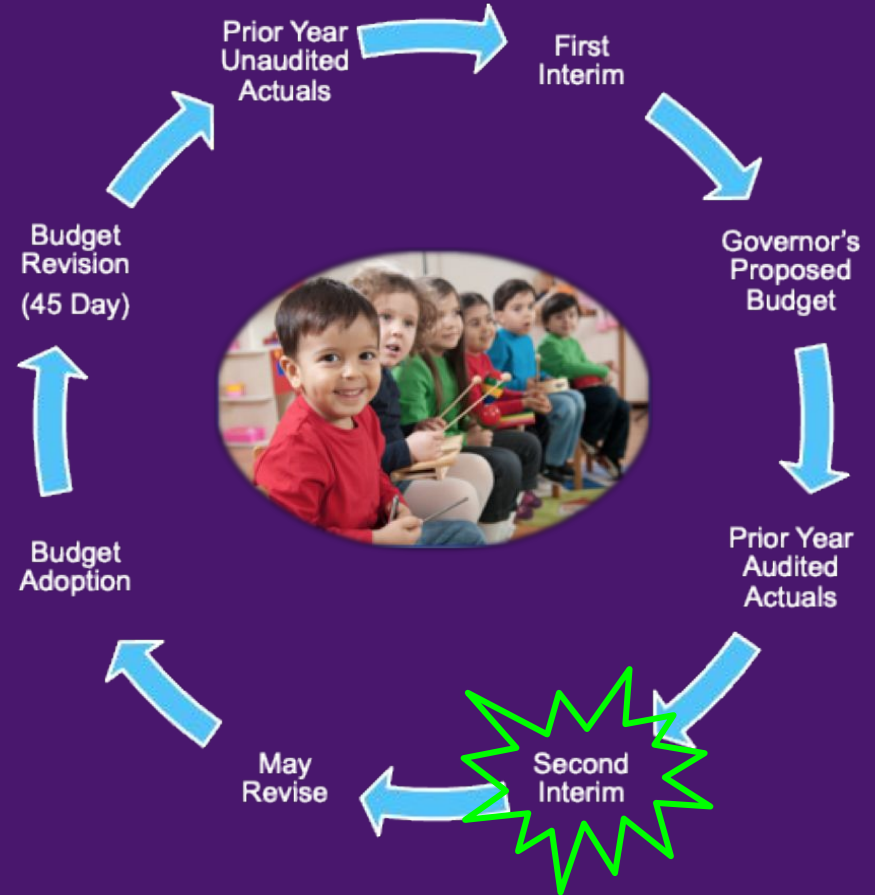


Presentation Items

- 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.

2022-23 Second Interim Assumptions

District Enrollment and Average Daily Attendance (ADA) Data Assumptions used in Second Interim
(Does not include students enrolled in Charter Schools or COE programs):

	2022-23	2023-24	2024-25
District Enrollment	13,123	13,238	13,238
District Actual ADA	11,776	12,007	12,007
District Funded ADA (greater of current, prior year or three year prior average; hold harmless)	13,090	12,548	12,084
Funded Difference (Funded ADA less Actual ADA)	-1,314	-541	-77

[Current COVID Relief/One Time Funding Assumptions](#)

2022-23 Second Interim Assumptions

Charter School Enrollment and Average Daily Attendance (ADA) Data Assumptions used in Second Interim:

	2022-23	2023-24	2024-25
Cesar Chavez Language Academy			
Enrollment	853	907	907
Average Daily Attendance (ADA)	777	826	826
Santa Rosa Accelerated Charter			
Enrollment	128	128	128
Average Daily Attendance (ADA)	121	121	121
Santa Rosa Charter School for the Arts			
Enrollment	391	400	400
Average Daily Attendance (ADA)	353	361	361
Santa Rosa French-American Charter (SRFACS)			
Enrollment	436	489	489
Average Daily Attendance (ADA)	397	445	445

2022-23 Second Interim Assumptions

District Budget Planning Factor Assumptions used in Second Interim:

	2022-23	2023-24	2024-25
Local Control Funding Formula (LCFF) Funded Cost Of Living Adjustment (COLA) - Statutory & Augmentation/Suspension	13.26%	8.13%	3.54%
Department of Finance Statutory COLA	6.56%	8.13%	3.54%
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%	27.00%	28.10%

Fund 01 2022-23 Revenues:

REVENUES	2022-23 Original Budget	2022-23 First Interim	2022-23 Second Interim	Difference 2nd to 1st Interim
LCFF Sources	\$155,456,632	\$161,964,006	\$162,843,362	\$879,356
Federal Revenue	\$14,065,966	\$14,633,017	\$14,736,660	\$103,642
Other State Revenue	\$36,593,606	\$22,785,402	\$42,665,079	\$19,879,677
Other Local Revenue	\$15,403,551	\$17,742,290	\$19,872,807	\$2,130,518
Other Financing Sources / Uses	\$1,496,000	\$330,577	\$330,577	\$0
TOTAL REVENUES & OTHER FINANCING SOURCES/USES	\$223,015,755	\$217,455,292	\$240,448,485	\$22,993,193

Fund 01 2022-23 Expenditures:

EXPENDITURES	2022-23 Original Budget	2022-23 First Interim	2022-23 Second Interim	Difference 2nd to 1st Interim
Certificated Salaries	\$91,625,773	\$93,280,798	\$93,188,180	-\$92,618
Classified Salaries	\$28,502,820	\$30,419,363	\$29,801,529	-\$617,834
Employee Benefits	\$53,425,968	\$54,477,217	\$53,596,600	-\$880,617
Books and Supplies	\$4,025,793	\$6,258,058	\$7,455,705	\$1,197,647
Services and Other Operating Expenditures	\$37,918,529	\$44,079,560	\$46,514,940	\$2,435,380
Capital Outlay	\$581,226	\$648,971	\$677,663	\$28,692
Other Outgo (excluding Transfers of Indirect Costs)	\$77,921	\$77,921	\$77,921	\$0
Other Outgo - Transfers of Indirect Costs	-\$713,246	-\$392,156	-\$392,156	\$0
TOTAL EXPENDITURES	\$215,444,784	\$228,849,733	\$230,920,383	\$2,070,650

2022-23 Second Interim Fund 01 Multi-Year Projection:

2022-23 Second Interim Multi Year Projection (MYP) General Fund 01			
REVENUES	2022-23	2023-24	2024-25
LCFF Sources	162,843,362	168,892,224	169,902,626
Remaining Revenues	77,274,546	48,233,826	48,233,826
Total Revenues	240,117,907	217,126,050	218,136,452
EXPENDITURES			
Salaries & Benefits	176,586,310	180,269,729	182,481,702
Books/Supplies & Outlay	8,133,368	4,655,539	4,655,539
Services & Operating Expenses	46,514,940	43,537,825	43,537,825
Other Outgo & Indirect Costs	-314,235	-696,457	-696,457
Total Expenditures	230,920,383	227,766,636	229,978,609
Operating Net Increase/Decrease	9,197,524	-10,640,586	-11,842,157
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	9,528,102	-9,144,586	-10,346,157
Beginning Balance	32,655,031	42,183,133	33,038,547
Ending Balance	42,183,133	33,038,547	22,692,389

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)	32,495,551	26,767,859	16,357,343
Special Reserve Fund - Non Capital Outlay (Fund 17)	561,367	562,312	564,312
Reserve for Economic Uncertainty	6,366,244	6,270,687	6,335,046
Unassigned/Unappropriated Ending Balance	\$3,321,338	\$0.00	\$0.00
Fund 01 Unrestricted Reserve & Fund 17 EFB %	4.20%	3.00%	3.00%

Other Funds 2022-23 Ending Balance:

OTHER FUNDS: FUND BALANCE, RESERVES	2022-23 Original Budget	2022-23 First Interim	2022-23 Second Interim	Difference 2nd to 1st Interim
Student Activity Special Revenue Fund 08	\$830,962	\$998,070	\$998,070	\$0
Charter Schools Special Revenue Fund 09	\$1,940,550	\$1,253,472	\$4,057,223	\$2,803,751
Child Development Fund 12	\$7,410	\$7,430	\$7,430	\$0
Cafeteria Special Revenue Fund 13	\$665,382	\$3,049,869	\$3,049,869	\$0
Deferred Maintenance Fund 14	\$696,339	\$745,162	\$745,162	\$0
Special Reserve Fund for Other than Capital Outlay Projects Fund 17	\$560,311	\$561,367	\$561,367	\$0
Building Fund 21 (Bond Fund)	\$45,328,057	\$29,381,547	\$27,310,869	-\$2,070,678
Capital Facilities Fund 25 (Developer Fees)	\$7,501,249	\$8,285,412	\$8,285,412	\$0
County Schools Facilities Fund 35	\$0	\$0	\$0	\$0
Special Reserve Fund for Capital Outlay Projects Fund 40	\$7,450,700	\$5,993,010	\$5,913,999	-\$79,012
Self-Insurance Fund 67 (Dental)	\$232,036	\$543,942	\$543,942	\$0
Scholarship Fund 73	\$0	\$169,888	\$169,888	\$0

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 and low attendance rates
- Dependent Charter Schools Fiscal Solvency
- Cost of Universal Transitional Kindergarten Program

Next Steps

April 2023

- BAC

May 2023

- Governor's May Revise
- BAC

June 2023

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

Board Member Questions

