

SRCS 2023-24 45 Day Budget Update

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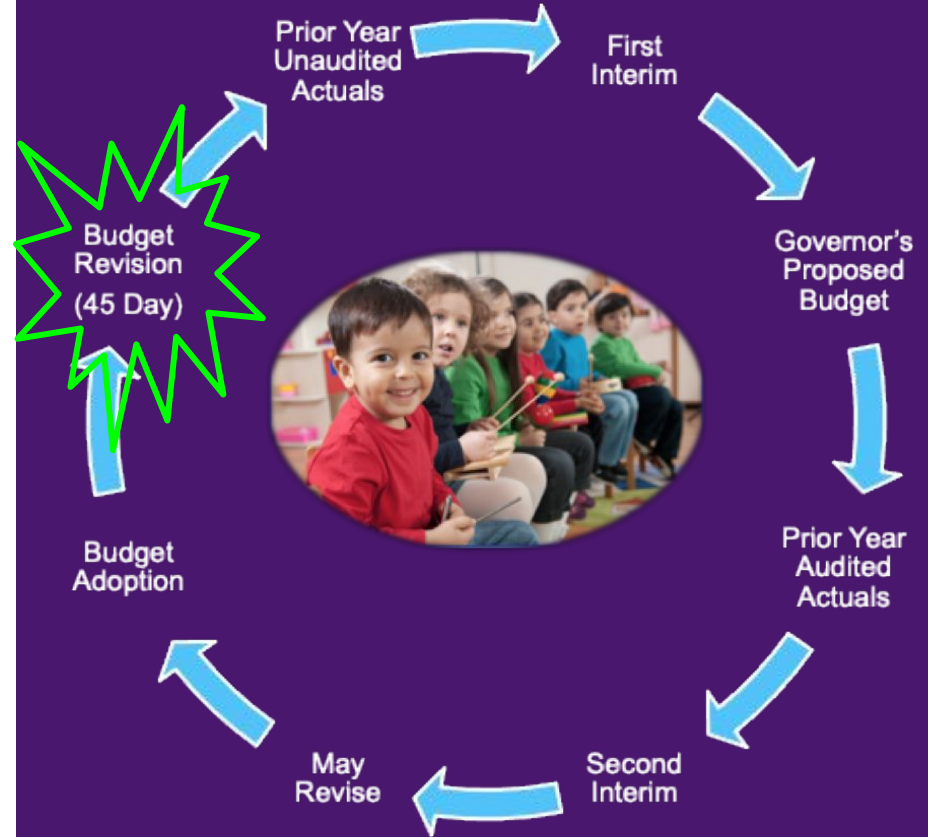


Presentation Items

- Overview
- Revenue & Expenditure Updates
- Areas to Monitor
- Next Steps

Overview

The Annual Budget Cycle



Overview

- The State Constitution requires the Governor to submit a budget proposal to the Legislature by January 10 of each year for the following fiscal year beginning July 1.
- By May 14, the Governor must announce an updated revenue forecast, accounting for revenue changes since January. The update is known as the "May Revise" or "May Revision."
- After its introduction, the Legislature has until June 15 to pass the budget.
- The Governor then has 12 working days to sign the budget bill into law after its passing by the Legislature.
- Education Code Section 42127(h) specifies that “Not later than 45 days after the Governor signs the annual Budget Act, the school district shall make available for public review any revisions in revenues and expenditures that it has made to reflect the funding made available by the “Budget Act.”

23-24 45 Day Budget Updates

- **Local Control Funding Formula (LCFF):**
 - 8.22% cost-of-living adjustment – largest COLA in the history of LCFF is maintained.
- **Changes to the Local Control Accountability Plan (LCAP) requirements:**
 - Require actions to address any school or student group assigned the lowest performance level on any California School Dashboard indicator
 - Must change actions that have not proved effective over a three-year period
 - Requires a midyear update be presented on or before February 28 at a regularly scheduled governing board meeting.

23-24 45 Day Budget Updates

- **Programmatic changes to the Expanded Learning Opportunities Program (ELOP)** include licensing requirements and a requirement for our third-party operators to report health or safety-related issues.
- **Requires TK classrooms to maintain a ratio of 1:10 in 2025-26.** Allows SRCS to enroll children whose fourth birthday falls between June 2 and September under certain circumstances. These early enrollment children may be enrolled in TK only if all the following criteria are met:
 - Must concurrently offer enrollment in our California State Preschool Program
 - 10:1 ratio if the TK includes an early enrollment child
 - Prioritize assigning to the TK class with an early enrollment child a TK teacher that meets the additional ECE qualifications, to the extent possible
 - TK class enrollment with an early enrollment must not exceed 20 students.
- **Prop 28:** The Budget Act Revision estimates a slight increase from May Revision. The Budget Act answers several questions surrounding the funds while still leaving many unanswered. Funds will be issued to SRCS through the Principal Apportionment and the allocations estimates are expected in the fall.

23-24 45 Day Budget Updates

- Arts, Music, and Instructional Materials Discretionary Block Grant**
 The final reduction was ~6%. The final allocation is ~94.4% of the original allocation.

	2022-23 Fully Funded Allocation	68% May Revise Projected Allocation	Difference in Funding at 2023-24 Budget	2023-24 Budget Act	Reinstated Funding with 2023-24 45 Day Budget Update
Elementary & High Combined Districts	\$7,895,886	\$3,868,984	-\$4,026,902	\$7,453,716	\$3,584,732
Santa Rosa Charter School for the Arts	\$240,107	\$117,652	-\$106,470	\$226,661	\$109,009
Santa Rosa French-American Charter (SRFACS)	\$247,068	\$121,063	-\$76,192	\$233,232	\$112,169
Cesar Chavez Language Academy	\$560,183	\$274,490	-\$419,671	\$528,813	\$254,323
Santa Rosa Accelerated Charter	\$80,708	\$39,547	-\$10,888	\$76,188	\$36,641

23-24 45 Day Budget Updates

- Learning Recovery Emergency Block Grant** received a reduction /delay with the 2023-24 Budget Act. This grant is reduced by ~15% in 2022-23, which is thereby delayed to 2025-26, 2026-27, and 2027-28 fiscal years. The final allocation is ~85.6% of the original allocation.

	2022-23 Fully Funded Allocation	68% May Revise Projected Allocation	Difference in Funding at 2023-24 Budget	2023-24 Budget Act	Reinstated Funding with 2023-24 45 Day Budget Update
Elementary & High Combined Districts	\$14,264,335	\$9,699,748	-\$4,564,587	\$12,210,271	\$2,510,523
Santa Rosa Charter School for the Arts	\$332,720	\$226,250	-\$106,470	\$284,808	\$58,559
Santa Rosa French-American Charter (SRFACS)	\$238,099	\$161,907	-\$76,192	\$203,813	\$41,905
Cesar Chavez Language Academy	\$1,311,472	\$891,801	-\$419,671	\$1,122,620	\$230,819
Santa Rosa Accelerated Charter	\$34,024	\$23,136	-\$10,888	\$29,125	\$5,988

Areas to Monitor

- States complete revenue will not be known until after all 2022 taxes are filed in October
- State remains at risk for further revenue shortfalls that could result in additional cuts to education spending
- State and National Economy - Mixed Signals, Inflation
- 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
- Sustainability and prioritization
- Expiring one-time COVID-19 relief funds

Next Steps

September 2023

- 2022-23 Unaudited Actuals Financial Report
- Budget Advisory Committee (BAC)

October 2023

- CALPADS 2023-24 Student Data Census Day
- Update Enrollment Projections
- BAC

November 2023

- If needed BAC/Superintendent Recommendations submitted to the Board of Education

December 2023

- 2023-24 First Interim Financial Report

Board Member Questions

