

SRCS 2023-24 First Interim

December 13, 2023

Lisa Cavin, Associate Superintendent Business Services

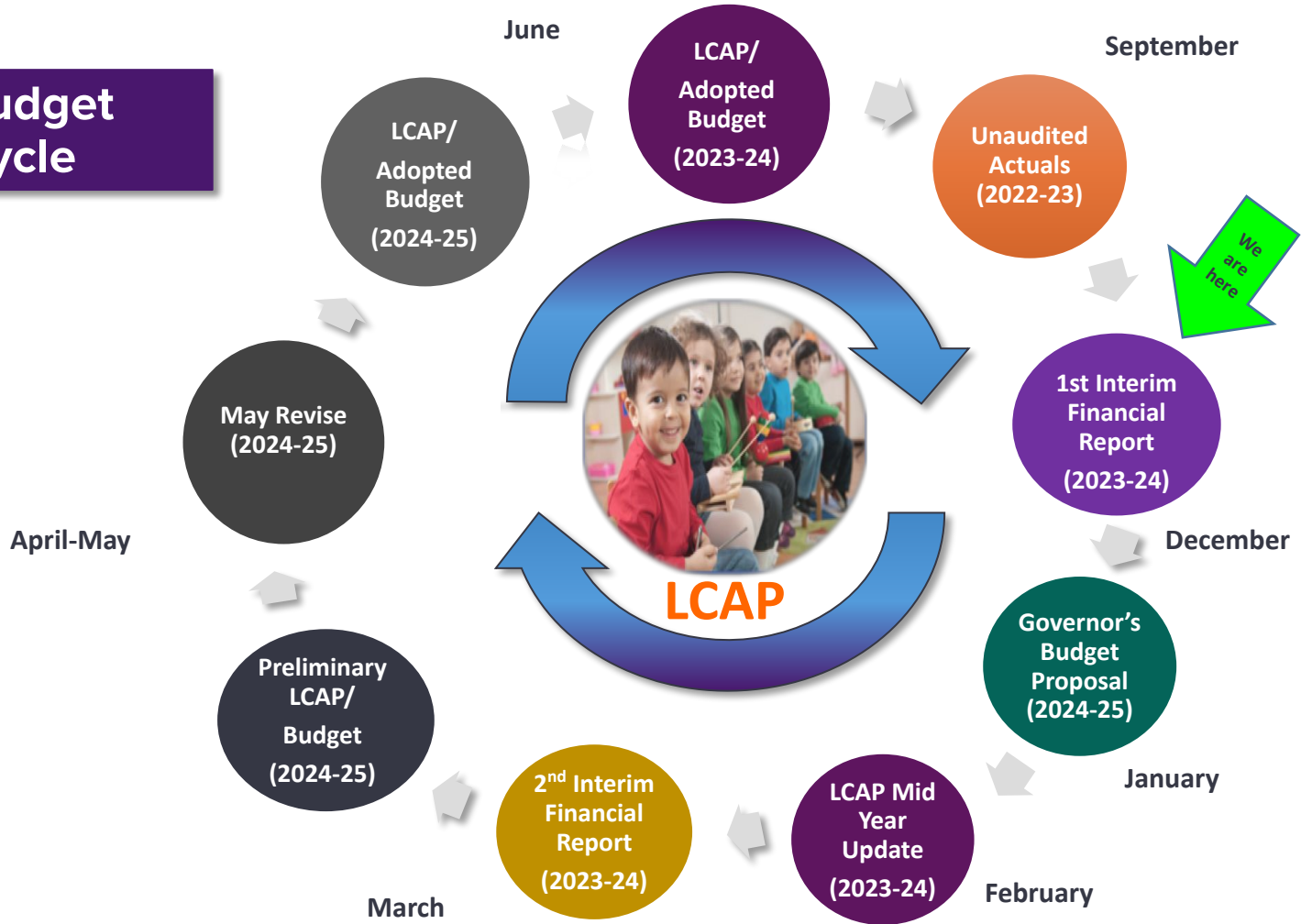
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Presentation Items

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

The Annual Budget Reporting 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.

2023-24 First Interim Assumptions

District Enrollment and Average Daily Attendance (ADA) Data Assumptions used in First Interim
(Does not include Charter Schools):

	2023-24	2024-25	2025-26
District Enrollment	12,939	12,811	12,683
District ADA	11,966	11,847	11,729
District Funded ADA (greater of current, prior year or three year prior average; hold harmless)	12,624	12,119	11,878

2023-24 First Interim Assumptions

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

	2023-24	2024-25	2025-26
Cesar Chavez Language Academy			
Enrollment	811	811	811
Average Daily Attendance (ADA)	754	754	754
Santa Rosa Accelerated Charter			
Enrollment	129	129	129
Average Daily Attendance (ADA)	122	122	122
Santa Rosa Charter School for the Arts			
Enrollment	414	414	414
Average Daily Attendance (ADA)	385	385	385
Santa Rosa French-American Charter (SRFACS)			
Enrollment	468	468	468
Average Daily Attendance (ADA)	435	435	435

First Interim Assumptions

District Budget Planning Factor Assumptions used in First Interim:

	2023-24	2024-25	2025-26
Local Control Funding Formula (LCFF) Funded Cost Of Living Adjustment (COLA) - Statutory & Augmentation/Suspension	8.22%	Scenario 1 3.94% Scenario 2 1.27%	3.29%
Department of Finance Statutory COLA	8.22%	Scenario 1 3.94% Scenario 2 1.27%	3.29%
COLA Augmentation/Suspension - The CA Legislative Analyst's Office (LAO) revised 2022-23 and 2023-24 COLA estimates	0%	0%	0%
CalSTRS Employer Rate	19.10%	19.10%	19.10%
CalPERS Employer Rate	26.68%	27.70%	28.30%

Fund 01 2023-24 Revenues:

REVENUES	2023-24 Adopted Budget	2023-24 First Interim	Difference
LCFF Sources	\$169,082,398	\$170,000,051	\$917,653
Federal Revenue	\$18,476,647	\$19,407,779	\$931,132
Other State Revenue	\$23,369,921	\$25,118,659	\$1,748,738
Other Local Revenue	\$18,197,505	\$18,661,979	\$464,474
Other Financing Sources / Uses	\$1,358,284	\$1,358,284	\$0
TOTAL REVENUES & OTHER FINANCING SOURCES/USES	\$230,484,755	\$234,546,752	\$4,061,997

Fund 01 2023-24 Expenditures:

EXPENDITURES	2023-24 Adopted Budget	2023-24 First Interim	Difference
Certificated Salaries	\$98,539,742	\$96,428,833	-\$2,110,909
Classified Salaries	\$33,464,371	\$32,438,440	-\$1,025,931
Employee Benefits	\$59,687,022	\$57,906,264	-\$1,780,758
Books and Supplies	\$2,925,919	\$7,404,557	\$4,478,638
Services and Other Operating Expenditures	\$41,503,232	\$54,208,025	\$12,704,793
Capital Outlay	\$7,378	\$251,228	\$243,850
Other Outgo (excluding Transfers of Indirect Costs)	\$93,737	\$93,737	\$0
Other Outgo - Transfers of Indirect Costs	-\$392,156	-\$392,156	\$0
TOTAL EXPENDITURES	\$235,829,245	\$248,338,927	\$12,509,682

Scenario #1 - 2023-24 First Interim Multi Year Projection (MYP) General Fund 01

REVENUES	2023-24	2024-25	2025-26
LCFF Sources	170,000,051	171,935,435	174,831,854
Remaining Revenues	63,188,417	49,878,632	49,878,632
Total Revenues	233,188,468	221,814,066	224,710,486
EXPENDITURES			
Salaries & Benefits	186,773,537	184,460,453	186,384,896
Books/Supplies & Outlay	7,655,785	6,100,519	6,100,519
Services & Operating Expenses & Other Adjustments	54,208,025	52,103,522	52,103,522
Other Outgo & Indirect Costs	-298,419	-298,419	-298,419
Other Adjustments: Identified and Future Unidentified Fiscal Stabilization Measures Needed	0	0	-17,608,078
Total Expenditures	248,338,928	242,366,075	226,682,440
Operating Net Increase/Decrease	-15,150,459	-20,552,008	-1,971,954
Transfers In and Other Sources & Transfers Out and Other Uses	1,358,284	1,358,284	1,358,284
Current Year Increase/Decrease In Fund Balance	-13,792,175	-19,193,724	-613,670
Beginning Balance	52,752,191	38,960,015	19,766,291
Ending Balance	38,960,015	19,766,291	19,152,621

Scenario #1 -Fund 01 Components of the Ending Fund Balance:

Ending Balance	38,960,015	19,766,291	19,152,621
Components of Ending Balance, Reserves	2023-24	2024-25	2025-26
Restricted Ending Balance	30,603,766	13,052,249	12,911,588
Special Reserve Fund - Non Capital Outlay (Fund 17)	554,441	556,941	559,441
Reserve for Economic Uncertainty	6,895,727	6,714,042	6,241,032
Unassigned/Unappropriated Ending Balance	1,460,522	0	0
Fund 01 Unrestricted Ending Balance & Fund 17 Reserve %	3.59%	3.00%	3.00%

Scenario #2 -2023-24 First Interim Multi Year Projection (MYP) General Fund 01

REVENUES	2023-24	2024-25	2025-26
LCFF Sources	170,000,051	167,627,610	170,454,824
Remaining Revenues	63,188,417	49,878,632	49,878,632
Total Revenues	233,188,468	217,506,241	220,333,456
EXPENDITURES			
Salaries & Benefits	186,773,537	184,460,453	186,384,896
Books/Supplies & Outlay	7,655,785	6,100,519	6,100,519
Services & Operating Expenses & Other Adjustments	54,208,025	52,103,522	52,103,522
Other Outgo & Indirect Costs	-298,419	-298,419	-298,419
Other Adjustments: Identified and Future Unidentified Fiscal Stabilization Measures Needed	0	-2,598,408	-23,517,250
Total Expenditures	248,338,928	239,767,667	220,773,268
Operating Net Increase/Decrease	-15,150,459	-22,261,425	-439,812
Transfers In and Other Sources & Transfers Out and Other Uses	1,358,284	1,358,284	1,358,284
Current Year Increase/Decrease In Fund Balance	-13,792,175	-20,903,141	918,472
Beginning Balance	52,752,191	38,960,015	18,056,874
Ending Balance	38,960,015	18,056,874	18,975,346

Scenario #2 -Fund 01 Components of the Ending Fund Balance:

Ending Balance	38,960,015	18,056,874	18,975,346
Components of Ending Balance, Reserves	2023-24	2024-25	2025-26
Restricted Ending Balance	30,603,766	11,420,785	12,911,588
Special Reserve Fund - Non Capital Outlay (Fund 17)	554,441	556,941	559,441
Reserve for Economic Uncertainty	6,895,727	6,636,089	6,063,757
Unassigned/Unappropriated Ending Balance	1,460,522	0	0
Fund 01 Unrestricted Ending Balance & Fund 17 Reserve %	3.59%	3.00%	3.00%

Fiscal Stabilization Plan Process

For 2023-24 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 2nd 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 23/24 2nd Interim

Other Funds 2023-24 Ending Balance:

OTHER FUNDS: FUND BALANCE, RESERVES	2023-24 Proposed Budget	2023-24 First Interim	Difference
Student Activity Special Revenue Fund 08	\$998,070	\$1,099,900	\$101,830
Charter Schools Special Revenue Fund 09	\$2,669,315	\$1,848,997	\$485,973
Child Development Fund 12	\$7,430	\$3,531	-\$3,899
Cafeteria Special Revenue Fund 13	\$4,030,649	\$3,474,411	-\$556,238
Deferred Maintenance Fund 14	\$750,162	\$356,908	-\$393,254
Special Reserve Fund for Other than Capital Outlay Projects Fund 17	\$572,379	\$554,441	-\$17,938
Building Fund 21 (Bond Fund)	\$141,204,846	\$127,495,009	-\$13,709,837
Capital Facilities Fund 25 (Developer Fees)	\$9,608,190	\$9,899,729	\$291,539
County Schools Facilities Fund 35	\$0	\$0	\$0
Special Reserve Fund for Capital Outlay Projects Fund 40	\$6,567,649	\$4,677,829	-\$1,889,820
Self-Insurance Fund 67 (Dental)	\$546,442	\$726,206	\$179,764
Scholarship Fund 73	\$168,888	\$172,633	\$3,745

Areas to Monitor

- Tight labor market
- State and National Economy - slowing economic growth, federal budget uncertainty
- Employee negotiations
- Changes in statutory Cost of Living Adjustment (COLA)
- Declining enrollment and attendance rates
- Dependent Charter Schools fiscal solvency
- Cost of Universal Transitional Kindergarten Program
- Sustainability and prioritization
- New Local Control Accountability Plan (3 year LCAP cycle)
- Potential Parcel Tax

Next Steps

January 2024

- Governor's Budget Proposal
- Budget Advisory Committee (BAC)

February 2024

- If needed Approval of FSP-P1
- 2022-23 Audit Report
- LCAP Midyear Report
- BAC

March 2024

- BAC
- Second Interim Report

April 2024

- BAC

May 2024

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

June 2024

- 2023-24 Estimated Actuals
- 2024-25 LCAP and Budget Public Hearings and Adoptions

Board Member Questions

