

SRCS 2023-24 Second Interim

March 13, 2024

Lisa August, Associate Superintendent Business Services

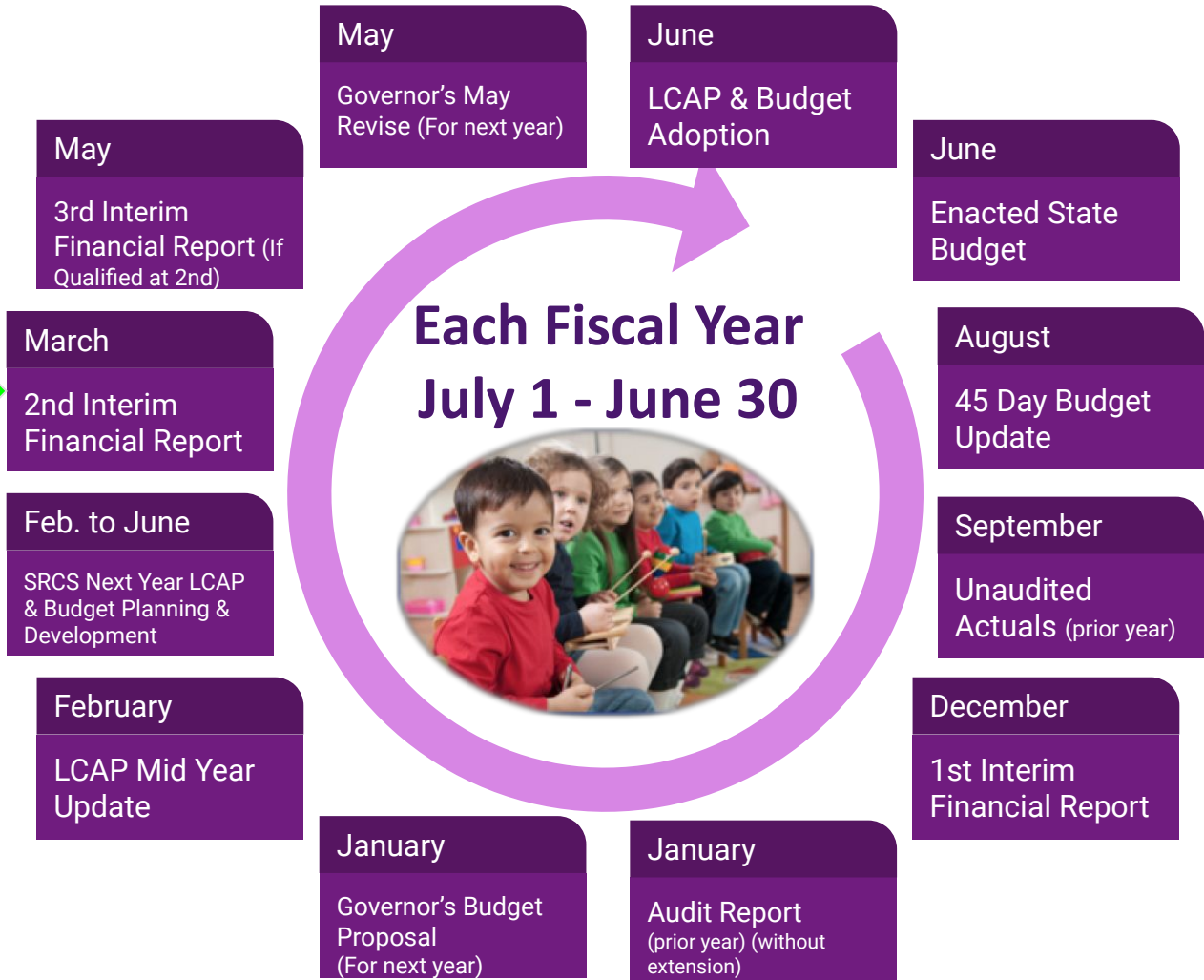
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Presentation Items

- 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 Second Interim Assumptions

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

	2023-24	2024-25	2025-26
District Enrollment	12,928	12,652	12,526
District ADA	11,921	11,668	11,552
District Funded ADA (hold harmless: greater of current, prior year, or three year prior average)	12,622	12,102	11,821

2023-24 Second Interim Assumptions

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

	2023-24	2024-25	2025-26
Cesar Chavez Language Academy			
Enrollment	811	811	811
Average Daily Attendance (ADA)	761	761	761
Santa Rosa Accelerated Charter			
Enrollment	129	129	129
Average Daily Attendance (ADA)	125	125	125
Santa Rosa Charter School for the Arts			
Enrollment	414	414	414
Average Daily Attendance (ADA)	384	384	384
Santa Rosa French-American Charter (SRFACS)			
Enrollment	468	468	468
Average Daily Attendance (ADA)	445	445	445

Second Interim Assumptions

District Budget Planning Factor Assumptions used in Second Interim:

	2023-24	2024-25	2025-26
Statutory COLA & Augmentation/Suspension (as calculated by the Department of Finance, DOF)	8.22%	0.76%	2.73%
Statutory COLA	8.22%	0.76%	2.73%
COLA Augmentation/Suspension	0%	0%	0%
CalSTRS Employer Rate	19.10%	19.10%	19.10%
CalPERS Employer Rate	26.68%	27.80%	28.50%

*Fund 01 2023-24 Revenues:

REVENUES	2023-24 First Interim	2023-24 Second Interim	Difference
LCFF Sources	\$170,000,051	\$169,766,168	-\$233,883
Federal Revenue	\$19,407,779	\$19,632,929	\$225,150
Other State Revenue	\$25,118,659	\$26,183,998	\$1,065,338
Other Local Revenue	\$18,661,979	\$19,928,430	\$1,266,451
Other Financing Sources / Uses	\$1,358,284	\$1,358,284	\$0
TOTAL REVENUES & OTHER FINANCING SOURCES/USES	\$234,546,752	\$236,869,809	\$2,323,056

*Includes both unrestricted and restricted revenues

*Fund 01 2023-24 Expenditures:

EXPENDITURES	2023-24 First Interim	2023-24 Second Interim	Difference
Certificated Salaries	\$96,428,833	\$97,900,400	\$1,471,567
Classified Salaries	\$32,438,440	\$32,602,903	\$164,463
Employee Benefits	\$57,906,264	\$57,437,428	-\$468,836
Books and Supplies	\$7,404,557	\$7,545,319	\$140,761
Services and Other Operating Expenditures	\$54,208,025	\$57,041,127	\$2,833,102
Capital Outlay	\$251,228	\$662,333	\$411,105
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	\$248,338,927	\$252,891,090	\$4,552,162

*Includes both unrestricted and restricted expenditures

2023-24 Second Interim Multi Year Projection (MYP) General Fund 01

REVENUES	2023-24	2024-25	2025-26
LCFF Sources	169,766,168	166,092,501	167,212,027
Remaining Revenues	65,745,357	54,126,139	53,639,609
Total Revenues	235,511,525	220,218,640	220,851,636
EXPENDITURES			
Salaries & Benefits	187,940,730	186,070,324	187,961,254
Books/Supplies & Outlay	8,207,651	6,427,869	6,427,869
Services & Operating Expenses & Other Adjustments	57,041,127	55,390,685	55,390,685
Other Outgo & Indirect Costs	-298,419	-299,395	-299,395
Other Adjustments: PKS for the 2024-25	0	-8,301,765	-8,550,818
Other Adjustments: Plug in 2024-25: \$4k per cell, Med Ben: 100% emp., 50% emp +1, & 40% emp. + fam., in 2025-26 3% for SRTA settlement	0	4,796,554	8,197,585
Other Adjustments: Identified and Future Unidentified Fiscal Stabilization Measures	0	-3,232,476	-26,023,219
Total Expenditures	252,891,090	240,851,797	223,103,961
Operating Net Increase/Decrease	-17,379,565	-20,633,158	-2,252,325
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	-16,021,281	-19,274,874	-894,041
Beginning Balance	52,752,191	36,730,909	17,456,036
Ending Balance	36,730,909	17,456,036	16,561,995

*Includes most recent SRCS proposal to SRTA for projection purposes

2023-24 Second Interim Multi Year Projection (MYP) General Fund 01 Components of the Ending Fund Balance:

Ending Balance	36,730,909	17,456,036	16,561,995
Components of Ending Balance, Reserves	2023-24	2024-25	2025-26
Restricted Ending Balance	29,694,530	10,787,423	10,428,317
Special Reserve Fund - Non Capital Outlay (Fund 17)	554,441	556,941	559,441
Reserve for Economic Uncertainty	7,032,292	6,668,613	6,133,678
Unassigned/Unappropriated Ending Balance	4,087	0	0
Fund 01 Unrestricted Ending Balance & Fund 17 Reserve %	3.00%	3.00%	3.00%



1. Convene BAC

Budget Advisory Committee
Reviews Revenues and
Expenditures

Fiscal Stabilization Plan Process

For 2023-24 & 2024-25

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 of

Other Funds 2023-24 Ending Balance:

OTHER FUNDS: FUND BALANCE, RESERVES	2023-24 First Interim	2023-24 Second Interim	Difference
Student Activity Special Revenue Fund 08	\$1,099,900	\$1,099,900	\$0
Charter Schools Special Revenue Fund 09	\$3,155,288	\$2,609,472	-\$545,817
Child Development Fund 12	\$3,531	\$3,531	\$0
Cafeteria Special Revenue Fund 13	\$3,474,411	\$1,648,241	-\$1,826,171
Deferred Maintenance Fund 14	\$356,908	\$356,908	\$0
Special Reserve Fund Other than Capital Outlay Projects Fund 17	\$554,441	\$317,348	-\$237,093
Building Fund 21 (Bond Fund)	\$127,495,009	\$94,712,592	-\$32,782,416
Capital Facilities Fund 25 (Developer Fees)	\$9,899,729	\$9,882,629	-\$17,100
County Schools Facilities Fund 35	\$0	\$0	\$0
Special Reserve Fund for Capital Outlay Projects Fund 40	\$4,677,829	\$5,928,754	\$1,250,925
Self-Insurance Fund 67 (Dental)	\$726,206	\$726,206	\$0
Scholarship Fund 73	\$172,633	\$172,633	\$0

Areas to Monitor

- Staffing challenges in some areas
- State and National Economy - slowing economic growth, federal & state 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
- Expiration of one-time funds
- Increased restrictions on some remaining one-time funds
- New Local Control Accountability Plan (3 year LCAP cycle)
- Potential Parcel Tax

Next Steps

April 2024

- BAC
- 2024-25 LCAP & Budget Development

May 2024

- Third Interim
- Governor's May Revise
- BAC
- 2024-25 LCAP & Budget Development

June 2024

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

Board Member Questions

