

2021-22 Fiscal Stabilization Plan (FSP-P1)

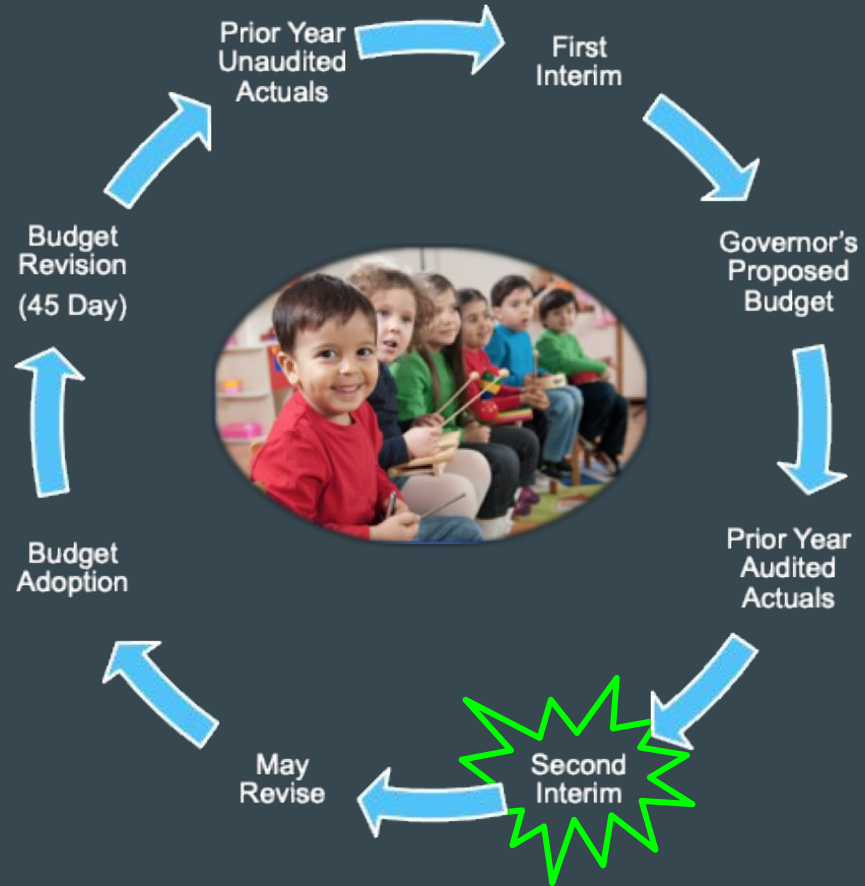


Santa Rosa City Schools

Presentation Items

- Annual Budget Cycle
- 2021-21 1st Interim General Fund Multi-Year Projection
- Budget Advisory Committee
- Fiscal Stabilization Plan Part 1
- Financial Status
- Next Steps

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

Recap of 2021-22 First Interim Fiscal Stabilization Plan - FSP-P1 Budget Assumptions used:

Total three year 2021-22 Fiscal Stabilization Plan - FSP-P1 Fiscal Impact to the Budget used as assumptions in the 2021-22 First Interim \$23,015,694

FSP-P1 Item #	Revenue Enhancements:	2021-22	2022-23	2023-24
A-1	Transfer in Dental Fund 67 Reserve to Fund 01 after the 2020-21 unaudited actuals ending balance.	\$ 750,000	\$ -	\$ -
A-2	Increase the Santa Rosa City Schools Child Care Program Fee Schedule by 10%	\$ -	\$ 75,000	\$ 75,000
A-3	Impact of reductions to 3% minimum contribution to RRM	\$ 31,885	\$ 186,778	\$ 192,928
A-4	Impact of reductions to 3% minimum Reserve for Economic Uncertainty	\$ 31,885	\$ 186,778	\$ 192,928
A-5	Return of Equity (RESIG)	\$ 267,000	\$ 200,000	\$ 200,000
A-6	SCOE Grant to pay for Aeries student data information system implementation year 1	\$ 163,310	\$ -	\$ -
A-7	The CA Legislative Analyst's Office (LAO) revised 2022-23 and 2023-24 COLA estimates	\$ -	\$ 3,503,452	\$ 3,239,023
Total Revenue Enhancements:		\$ 1,244,080	\$ 4,152,008	\$ 3,899,879
FSP-P1 Item #	Expenditure Reductions:	2021-22	2022-23	2023-24
E-2	Move District School Based Therapists into ESSER III	\$ (1,062,841)	\$ (1,115,983)	\$ (1,171,782)
F-1	Copier Leases, other supplies.	\$ -	\$ (100,000)	\$ (100,000)
F-2	Item F-1 from FSP 2020-21 P1: Reduce positions in line with and due to declining enrollment 52 Full Time Equivalent (FTE) positions (Management/Classified/Certificated) Evaluate total number for 22-23	\$ -	\$ (4,972,966)	\$ (5,122,155)
F-5	Discontinue Trellis Education training for pre-service teachers in content-agnostic and STEM specific training, including induction support. Building a community of support in STEM education to implement best practices that promote social justice, equity and student voice.	\$ -	\$ (37,000)	\$ (37,000)
Total Expenditure Reductions:		\$ (1,062,841)	\$ (6,225,949)	\$ (6,430,937)
		2021-22	2022-23	2023-24
Total 2021-22 Fiscal Stabilization Plan - FSP-P1 Fiscal Impact to the Budget at First Interim		\$ 2,306,921	\$ 10,377,957	\$ 10,330,816

2021-22 1st Interim Multi Year Projection (MYP) General Fund 01

REVENUES	2021-22	2022-23	2023-24
LCFF Sources	149,235,287	145,598,423	148,847,978
The CA Legislative Analyst's Office (LAO) revised 2022-23 and 2023-24 COLA estimates	0	3,878,840	4,527,339
Remaining Revenues	40,912,895	34,505,823	33,949,772
Federal COVID-19 Pandemic Grants Revenue	0	20,271,582	0
Total Revenues	190,148,182	204,254,668	187,325,088
EXPENDITURES			
Salaries & Benefits	158,181,876	165,107,229	172,640,194
Books/Supplies & Outlay	8,626,846	4,835,069	4,835,069
Services & Operating Expenses	39,541,303	37,403,027	37,403,027
Other Outgo & Indirect Costs	-1,441,625	-1,441,625	-1,441,625
Future Unidentified Federal COVID-19 Pandemic Grants Expenditures	0	20,271,582	0
Fiscal Stabilization Measures in 2021-22 Fiscal Stabilization Plan - Part 1	0	-5,109,966	-5,259,155
Future Unidentified Fiscal Stabilization Measures (If 2022-23 measures are on-going then measures in 2023-24 would be reduced to \$12,069,028)	0	-5,983,673	-18,052,701
Total Expenditures	204,908,400	215,081,643	190,124,810
Operating Net Increase/Decrease	-14,760,218	-10,826,975	-2,799,721
Transfers In and Other Sources & Transfers Out and Other Uses	2,079,415	979,415	979,415
Current Year Increase/Decrease In Fund Balance	-12,680,803	-9,847,560	-1,820,306
Beginning Balance	34,051,934	21,371,131	11,523,571
Ending Balance	21,371,131	11,523,571	9,703,265

Fund 01 Components of the Ending Fund Balance

Components of Ending Balance	2021-22	2022-23	2023-24
Restricted Ending Balance (only can be spent on federal or state mandates, or per donor requirements)	6,489,345	5,627,173	4,555,572
Special Reserve Fund - Non-capital Outlay (Fund 17)	556,051	556,051	556,051
Reserve for Economic Uncertainty	5,591,201	5,896,398	5,147,693
Unassigned/Unappropriated Ending Balance	9,290,585	0	0



21-22 1st Interim Certification

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 Advisory Committee

Worked Performed:

- Reviewed District Budgets
- Gathered Information
- Discussed potential revenue enhancements and expenditure reductions
- Prepared recommendations to give to the Superintendent and the Board

Meeting Dates:

- September 30, 2021
- October 21, 2021
- November 4, 2021
- December 2, 2021
- January 27, 2022
- February 3, 2022
- February 10, 2022
- February 17, 2022

Budget Advisory Committee

Members:

- Jeff Gospe, Community Member
- Frank Pugh, Community Member
- Dan Condron, Business Member
- Mike Lopez, Business Member
- Margie BradyLong, SRTA Representative
- Kyle Hart, SRTA Representative
- Linda Zabala, CSEA Representative
- Mary Lehman, CSEA Representative
- Tammy Affonso, CSEA Representative
- Kristin Hendricks, Parent Member

Members:

- Gabe Albavera, Secondary Principal
- Kimberly Clissold, Secondary Principal
- Valerie Jordan, Secondary Principal
- Jeanine Wilson, Elementary Principal
- Vicki Zands, Director, Human Resources
- Tim Zalunardo, Executive Director, Ed Services

Meetings Facilitators:

- Rick Edson, Deputy Superintendent
- Joel Dontos, Executive Director Fiscal Services

Fiscal Stabilization Plan Process

For 2021-22 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 21/22 2nd Interim and 22/23 Budget

Fiscal Stabilization Plan

- Goals of the 21-22 FSP
 - Create a plan to demonstrate fiscal solvency in current budget cycle
 - Create a plan to address uncertain funding
 - Maximize existing fiscal resources
 - Use of one-time funds
 - Retain personnel
 - Minimize creation of “Combo-Classes”
 - Continue programs and services to support students and staff

Fiscal Stabilization Plan Part 1

Fiscal Stabilization Part 1 Summary of Revenue Enhancements and Expenditure Reductions:

	2020-21 Proposed Budget Amount	2022-23 Proposed Budget Amount	2023-24 Proposed Budget Amount	Total 3 Year Savings to 2024
Revenue Enhancements	\$1,861,772	\$17,284,929	\$11,233,372	\$30,380,073
Expenditure Reductions	(\$3,460,626)	(\$4,973,939)	(\$10,033,798)	(\$18,468,363)
Resulting Total Budget Reduction	(\$5,322,397)	(\$22,258,868)	(\$21,267,170)	(\$48,848,435)

Fiscal Stabilization Plan Part 1

Fiscal Stabilization Part 1 A. Revenue Enhancements:

Item #	Budget Action	2021-22 Proposed Budget Amount	2022-23 Proposed Budget Amount	2023-24 Proposed Budget Amount	Total 3 Year Savings to 2024
A-1	Transfer in Dental Fund 67 Reserve to Fund 01 after the 2020-21 unaudited actuals ending balance.	\$750,000	\$0	\$0	\$750,000
A-2	Increase the Santa Rosa City Schools Child Care Program Fee Schedule by 20%	\$0	\$75,000	\$75,000	\$150,000
A-3	Impact of reductions to 3% minimum contribution to RRM	103,819	\$149,218	301,014	\$554,051
A-4	Impact of reductions to 3% minimum Reserve for Economic Uncertainty	103,819	\$149,218	301,014	\$554,051
A-5	Return of Equity (RESIG)	\$267,000	\$200,000	\$200,000	\$667,000
A-6	SCOE Grant to pay for Aeries student data information system implementation year 1	\$163,310	\$0	\$0	\$163,310

Fiscal Stabilization Plan Part 1

Fiscal Stabilization Part 1 A. Revenue Enhancements Continued:

Item #	Budget Action	2021-22 Proposed Budget Amount	2022-23 Proposed Budget Amount	2023-24 Proposed Budget Amount	Total 3 Year Savings to 2024
A-7	The CA Legislative Analyst's Office (LAO) revised 2022-23 and 2023-24 COLA estimates (2021-22 5.07%, 2022-23 5.35%, 2023-24 3.5%)	\$0	\$3,503,452	\$3,239,023	\$6,742,475
A-8	SB 579 (Allen, D-Santa Monica), a bill to provide "hold harmless" funding protections for schools during the current and upcoming school year.	\$473,824	\$7,663,295	\$0	\$8,137,119
A-9	On Feb. 1, 2022 the LAO revised COLA from the Governor's January Proposal of 5.33% to 6.17% for 2022-23 this splits the difference and assumes a 5.75% COLA, and Governor's January Proposed 2022 Budget of 3.61% in 2023-24	\$0	\$579,129	\$701,403	\$1,280,532
A-10	1% increase to projected ADA in 2022-23 anticipating relief to COVID restrictions	\$0	\$0	\$1,450,301	\$1,450,301
A-11	Expanded Learning Opportunities Program	\$0	\$4,965,617	\$4,965,617	\$9,931,234
Subtotal		\$1,861,772	\$17,284,929	\$11,233,372	\$30,380,073

Fiscal Stabilization Plan Part 1

Fiscal Stabilization Part 1 Expenditure Reductions - B. Certificated Administration:

Item #	Budget Action	2021-22 Proposed Budget Amount	2022-23 Proposed Budget Amount	2023-24 Proposed Budget Amount	Total 3 Year Savings to 2024
B-1	Move 25% of District Certificated Directors into COVID relief funds because of their work diverted to fight the pandemic. COVID relief funds are excluded from the RRM 3%.	\$ (283,728)	\$ (297,914)	\$ (312,810)	\$ (894,452)
B-2	Math Coordinator	\$ -	\$ (148,192)	\$ (152,638)	\$ (300,830)
Subtotal		\$ (283,728)	\$ (446,106)	\$ (465,448)	\$ (1,195,282)

Fiscal Stabilization Plan Part 1

Fiscal Stabilization Part 1 Expenditure Reductions - D. Certificated Personnel:

Item #	Budget Action	2021-22 Proposed Budget Amount	2022-23 Proposed Budget Amount	2023-24 Proposed Budget Amount	Total 3 Year Savings to 2024
D-1	Move District Funded TOSAs to COVID relief Funds to use them to combat the pandemic in lieu of discontinuing due to lack of funding. COVID relief funds are excluded from the RRM 3%.	\$ (1,072,853)	\$ (1,126,496)	\$ (1,182,820)	\$ (3,382,169)
D-2	Eliminate COSA (Currently .2 Filled/.8 Vacant)	\$ (105,000)	\$ (108,150)	\$ (111,395)	\$ (324,545)
Subtotal		\$ (1,177,853)	\$ (1,234,646)	\$ (1,294,215)	\$ (3,706,714)

Fiscal Stabilization Plan Part 1

Fiscal Stabilization Part 1 Expenditure Reductions - E. Classified Personnel:

Item #	Budget Action	2021-22 Proposed Budget Amount	2022-23 Proposed Budget Amount	2023-24 Proposed Budget Amount	Total 3 Year Savings to 2024
E-1	Move District School Based Therapists into ESSER III	\$ (1,062,841)	\$ (1,115,983)	\$ (1,171,782)	\$ (3,350,606)
Subtotal		\$ (1,062,841)	\$ (1,115,983)	\$ (1,171,782)	\$ (3,350,606)

Fiscal Stabilization Plan Part 1

Fiscal Stabilization Part 1 Expenditure Reductions - F. Other:

Item #	Budget Action	2021-22 Proposed Budget Amount	2022-23 Proposed Budget Amount	2023-24 Proposed Budget Amount	Total 3 Year Savings to 2024
F-1	Copier Leases, other supplies.	\$ -	\$ (100,000)	\$ (100,000)	\$ (200,000)
F-2	Item F-1 from FSP 2020-21 P1: Reduce positions in line with and due to attrition (retirements/resignation)(Management/Classified/Certificated) Evaluate total number for 22-23	\$ -	\$ -	\$ (4,925,149)	\$ (4,925,149)
F-3	Move 35% of Energy costs into COVID relief funds because of the energy diverted to fight the pandemic. Gas, Electricity, Water, and Sewer. COVID relief funds are excluded from the RRM 3%.	\$ (936,204)	\$ (936,204)	\$ (936,204)	\$ (2,808,612)
F-4	Move LCAP Software Expenditures to COVID Relief Funds	\$ -	\$ (1,141,000)	\$ (1,141,000)	\$ (2,282,000)
Subtotal		\$ (936,204)	\$ (2,177,204)	\$ (7,102,353)	\$ (10,215,761)

Financial Status

- *The Stabilization Plan - Part 1 provides the fiscal means to meet the \$24M Unidentified Reductions in 2021-22 First Interim for the 2021-22 Second Interim*
- *Good, not great, but good news in the January Governor's 2022-23 Budget Proposal*
- *Looking forward to the May Revision to the 2022-23 Budget*
- *Global supply chain crisis*
- *Shortage of teachers, substitutes, nutritional services, classified and other staff*
- *Employee negotiations*
- *Uncertain education funding in California*
- *Declining enrollment*
- *Cost of Universal Transitional Kindergarten Program*
- *STRS/PERS Increases*

Additional information will be provided with the 2021/22 Second Interim Report on March 9

Next Steps



March 2022

- Second Interim Report
- BAC Meetings



April 2022

- BAC Meetings



May 2022

- Third Interim (If Necessary)
- BAC Meetings
- May Revise



June 2022

- 22-23 Budget and LCAP Public Hearings
- 22-23 Budget and LCAP Adoption