

# 2021-22 Second Interim



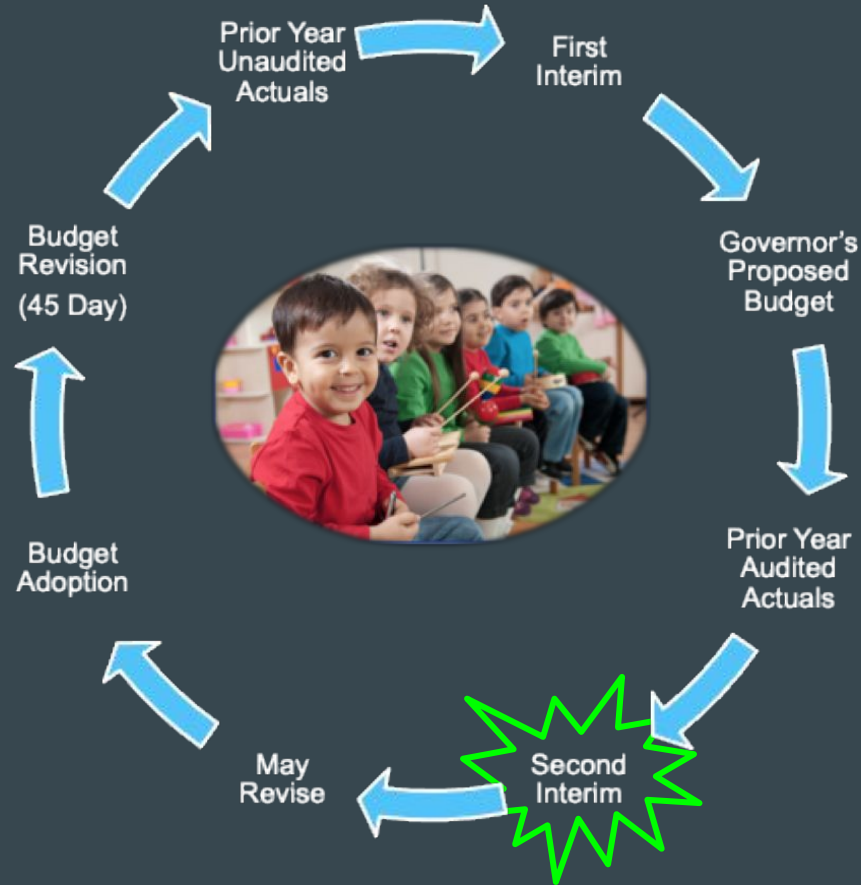
Santa Rosa City Schools

# Presentation Items

- Overview
- Budget Assumptions
- General Fund 01
- Multi-Year Projection General Fund 01
- One-time COVID-19 Federal and State Stimulus Funds
- 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

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 Assumptions

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

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
District Enrollment	14,744	14,531	14,110	13,503	13,401	13,401
District ADA	13,816.54	13,553.52	13,553.52	P1=12,752.51 P2=13,553.52*	12,658.16	12,756.86**
District Funded ADA (greater of current or prior year; hold harmless)		13,816.54	13,553.52	13,553.52	13,553.52*	12,756.86**

\*2021-22 FSP-P1 Item A-8 - SB 579 “hold harmless” in 2021-22 back to 2019-20

\*\*2021-22 FSP-P1 Item A-10 - 1% increase to projected ADA in 2022-23 anticipating relief to COVID restrictions

# Budget Assumptions

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

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
<b>Cesar Chavez Language Academy</b>						
Enrollment	368	423	440	924	923	923
Average Daily Attendance (ADA)	352.24	401.09	420.2	850.82	886.08	886.08
Funded ADA	352.24	401.09	420.2	850.82	886.08	886.08
<b>Santa Rosa Accelerated Charter</b>						
Enrollment	128	129	127	128	128	128
Average Daily Attendance (ADA)	123.47	124.07	124.07	123.52	123.04	123.04
Funded ADA	123.47	124.07	124.07	124.07*	123.04	123.04
<b>Santa Rosa Charter School for the Arts</b>						
Enrollment	400	408	401	393	393	393
Average Daily Attendance (ADA)	375.77	387.05	387.05	373.35	377.28	377.28
Funded ADA	375.77	387.05	387.05	387.05*	377.28	377.28
<b>Santa Rosa French-American Charter (SRFACS)</b>						
Enrollment	465	476	427	398	398	398
Average Daily Attendance (ADA)	439.21	452.5	452.5	378.1	358.08	358.08
Funded ADA	439.21	452.5	452.5	452.5*	358.08	358.08

\*Assuming SB 579 “hold harmless” for Charter Schools, without then funded on current year only.

# Budget Assumptions

## District Budget Planning Factor Assumptions used in Second Interim:

	2021-22	2022-23	2023-24
Local Control Funding Formula (LCFF) Funded Cost Of Living Adjustment (COLA)	5.07%	5.75%*	3.61%**
CalSTRS Employer Rate	16.92%	19.10%	19.10%
CalPERS Employer Rate	22.91%	26.10%	27.10%

\*2021-22 FSP-P1 Item A-9 - 5.75% is the split between the 2022-23 Gov's Budget Proposal and LAO Feb. projection

\*\*2021-22 FSP-P1 Item A-9 - 2022-23 Gov's Budget Proposal for 2023-24



# Budget Assumptions

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

	2021-22 Budget Amount	2022-23 Budget Amount	2023-24 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)

# Budget Assumptions

## Fiscal Stabilization Part 1 A. Revenue Enhancements:

Item #	Budget Action	2021-22 Budget Amount	2022-23 Budget Amount	2023-24 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

# Budget Assumptions

## Fiscal Stabilization Part 1 A. Revenue Enhancements Continued:

Item #	Budget Action	2021-22 Budget Amount	2022-23 Budget Amount	2023-24 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
<b>Subtotal</b>		<b>\$1,861,772</b>	<b>\$17,284,929</b>	<b>\$11,233,372</b>	<b>\$30,380,073</b>

# Budget Assumptions

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

Item #	Budget Action	2021-22 Budget Amount	2022-23 Budget Amount	2023-24 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)
<b>Subtotal</b>		<b>\$ (283,728)</b>	<b>\$ (446,106)</b>	<b>\$ (465,448)</b>	<b>\$ (1,195,282)</b>

# Budget Assumptions

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

Item #	Budget Action	2021-22 Budget Amount	2022-23 Budget Amount	2023-24 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)

# Budget Assumptions

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

Item #	Budget Action	2021-22 Budget Amount	2022-23 Budget Amount	2023-24 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)

# Budget Assumptions

## Fiscal Stabilization Part 1 Expenditure Reductions - F. Other:

Item #	Budget Action	2021-22 Budget Amount	2022-23 Budget Amount	2023-24 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)

# Fund 01 2021-22 Revenues:

	2021-22 First Interim	2021-22 Second Interim	Delta
<b>REVENUES</b>			
LCFF Sources	\$ 149,235,287	\$ 149,208,159	\$ (27,129)
Federal Revenue	\$ 11,899,944	\$ 22,817,887	\$ 10,917,943
Other State Revenue	\$ 17,005,640	\$ 23,772,129	\$ 6,766,488
Other Local Revenue	\$ 12,007,312	\$ 12,293,543	\$ 286,231
<b>TOTAL REVENUES</b>	<b>\$ 190,148,182</b>	<b>\$ 208,091,717</b>	<b>\$ 17,943,535</b>



# Fund 01 2021-22 Expenditures:

<b>EXPENDITURES</b>	<b>2021-22 First Interim</b>	<b>2021-22 Second Interim</b>	<b>Delta</b>
Certificated Salaries	\$ 85,252,671	\$ 86,366,256	\$ 1,113,585
Classified Salaries	\$ 26,508,093	\$ 26,593,047	\$ 84,953
Employee Benefits	\$ 46,421,112	\$ 46,662,848	\$ 241,736
Books and Supplies	\$ 8,294,770	\$ 9,167,672	\$ 872,902
Services and Other Operating Expenditures	\$ 39,541,303	\$ 40,351,379	\$ 810,076
Capital Outlay	\$ 332,076	\$ 1,830,159	\$ 1,498,082
Other Outgo (excluding Transfers of Indirect Costs)	\$ 77,921	\$ 77,921	\$ -
Other Outgo - Transfers of Indirect Costs	\$ (1,519,546)	\$ (1,519,546)	\$ -
<b>TOTAL EXPENDITURES</b>	<b>\$ 204,908,401</b>	<b>\$ 209,529,735</b>	<b>\$ 4,621,335</b>

# Fund 01 2021-22 Ending Reserve Balance:

	2021-22 First Interim	2021-22 Second Interim	Difference
NET INCREASE (DECREASE) IN FUND BALANCE	-\$12,680,803	\$641,397	\$13,322,200
<b>FUND BALANCE, RESERVES</b>			
Beginning Fund Balance	\$34,051,934	\$34,051,934	\$0
Ending Balance	\$21,371,131	\$34,693,331	\$13,322,200
<b>Components of Ending Balance</b>			
Restricted	\$6,489,345	\$18,406,694	\$11,917,349
Reserve for Economic Uncertainty	\$5,591,201	\$5,729,841	\$138,640
<b>Unassigned/Unappropriated Amount</b>	<b>\$9,290,585</b>	<b>\$10,556,796</b>	<b>\$1,266,211</b>

## Summary 2021-22 2nd Interim Multi Year Projection (MYP) General Fund 01

REVENUES	2021-22	2022-23	2023-24
LCFF Sources	149,208,159	156,821,695	154,076,110
Remaining Revenues	58,883,559	38,486,061	38,486,061
Federal COVID-19 Pandemic Grants Earned Revenue	Included above	4,617,597	4,744,616
<b>Total Revenues</b>	<b>208,091,717</b>	<b>199,925,353</b>	<b>197,306,787</b>
EXPENDITURES			
Salaries & Benefits	159,622,151	163,010,085	169,881,565
Books/Supplies & Outlay	10,997,831	4,362,825	4,362,825
Services & Operating Expenses	40,351,379	36,330,235	36,330,235
Other Outgo & Indirect Costs	-1,441,625	-1,518,959	-1,518,959
2021-22 Fiscal Stabilization Plan - P1 - Federal COVID-19 Pandemic Grants Expenditures	Included above	4,617,597	4,744,616
Fiscal Stabilization Measures in 2021-22 Fiscal Stabilization Plan - Part 1	Included above	-1,489,192	-6,418,787
Future Unidentified Fiscal Stabilization Measures	0	0	0
<b>Total Expenditures</b>	<b>209,529,735</b>	<b>205,312,591</b>	<b>207,381,495</b>
Operating Net Increase/Decrease	-1,438,018	-5,387,239	-10,074,708
Transfers In and Other Sources & Transfers Out and Other Uses	2,079,415	2,079,415	2,079,415
<b>Current Year Increase/Decrease In Fund Balance</b>	<b>641,397</b>	<b>-3,307,824</b>	<b>-7,995,293</b>
<b>Beginning Balance</b>	<b>34,051,934</b>	<b>34,693,331</b>	<b>31,385,507</b>
<b>Ending Balance</b>	<b>34,693,331</b>	<b>31,385,507</b>	<b>23,390,214</b>

# Fund 01 Components of the Ending Fund Balance

<b>Components of Ending Balance</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
Restricted Ending Balance (only can be spent on federal or state mandates, or per donor requirements)	18,406,694	18,098,330	17,724,820
Special Reserve Fund - Non Capital Outlay (Fund 17)	556,051	556,051	556,051
Reserve for Economic Uncertainty	5,729,841	5,603,327	5,665,394
<b>Unassigned/Unappropriated Ending Balance</b>	<b>10,556,796</b>	<b>7,683,850</b>	<b>0</b>

# One-time COVID-19 Federal and State Stimulus Funds

Resource Code	Resource Description	SRCS Allocation	SRCS Plan	Deadline for Use	FY 2019-20 & 2020-21 (Actuals)	FY 2021-22 2nd Interim Budget	FY 2022-23 & 2023-24 FSP-P1	Remaining Balance
<b>Federal Resources:</b>								
3210	Elementary & Secondary School Emergency Relief - ESSER I	\$2,212,353	N/A	30-Sep-2022	\$2,177,165	\$35,188	\$0	\$0
3212	Elementary & Secondary School Emergency Relief - ESSER II	\$9,928,456	N/A	30-Sep-2023	\$6,188,788	\$3,739,668	\$0	\$0
3213	Elementary & Secondary School Emergency Relief - ESSER III (80%)	\$17,851,121	ESSER III	30-Sep-2024	\$0	\$5,298,981	\$8,751,489	\$3,800,651
3214	Elementary & Secondary School Emergency Relief - ESSER III (20%) impact of lost instructional time	\$4,462,780	ESSER III	30-Sep-2024	\$0	\$373,244	\$610,724	\$3,478,812
3215	Learning Loss Mitigation - Governor's Emergency Education Relief (GEER)	\$1,096,207	N/A	30-Sep-2022	\$1,095,443	\$764	\$0	\$0
3216	Expanded Learning Opportunities Grant (ELO) - ESSER II State Reserve	\$1,411,883	ELOG	30-Sep-2023	\$0	\$0	\$0	\$1,411,883
3217	Expanded Learning Opportunities Grant (ELO) - GEER II	\$324,040	ELOG	30-Sep-2023	\$0	\$0	\$0	\$324,040
3218	Expanded Learning Opportunities Grant (ELO) - ESSER III State Reserve Emerg Needs	\$920,383	ELOG	30-Sep-2024	\$0	\$0	\$0	\$920,383
3219	Expanded Learning Opportunities Grant (ELO) - ESSER III Learning Loss	\$1,586,583	ELOG	30-Sep-2024	\$0	\$0	\$0	\$1,586,583
3220	Learning Loss Mitigation - Coronavirus Relief (CR)	\$9,038,758	N/A	31-May-2021	\$9,038,758	\$0	\$0	\$0
<b>Sub-total</b>		<b>\$48,832,564</b>			<b>\$18,500,154</b>	<b>\$9,447,845</b>	<b>\$9,362,213</b>	<b>\$11,522,351</b>

# One-time COVID-19 Federal and State Stimulus Funds Continued....

Resource Code	Resource Description	SRCS Allocation	SRCS Plan	Deadline for Use	FY 2019-20 & 2020-21 (Actuals)	FY 2021-22 2nd Interim Budget	FY 2022-23 & 2023-24 FSP-P1	Remaining Balance
<b>State Resources:</b>								
2600	Expanded Learning Opportunities Program	\$1,640,026	TBD	30-June-2023	\$0	\$0	\$0	\$1,640,026
6537	Special Education Learning Recovery Supports for Students with Disabilities	\$1,528,797	SELPA Learning Recovery Plan	30-June-2023	\$0	\$64,591	\$0	\$1,464,206
7388	Senate Bill 117	\$237,126	N/A	No timeline	\$237,126	\$0	\$0	\$0
7420	Learning Loss Mitigation - State General Fund (GF)	\$1,185,600	N/A	30-June-2021	\$1,185,600	\$0	\$0	\$0
7422	In-Person Instruction Grant (IPI)	\$4,573,049	N/A	31-Aug-2022	\$3,232,900	\$1,340,149	\$0	\$0
7425	Expanded Learning Opportunities Grant (ELO) - State GF	\$4,401,351	ELOG	30-Sep-2024	\$534,822	\$1,346,556	\$0	\$2,519,973
7426	Expanded Learning Opportunities Grant (ELO)-Paraprofessionals	\$1,429,053	ELOG	30-Sep-2024	\$0	\$26,107	\$0	\$1,402,945
<b>Sub-total</b>		<b>\$14,995,002</b>			<b>\$5,190,448</b>	<b>\$2,777,404</b>	<b>\$0</b>	<b>\$7,027,150</b>
<b>TOTAL COVID-19 STIMULUS FUNDING</b>		<b>\$63,827,566</b>			<b>\$23,690,602</b>	<b>\$12,225,249</b>	<b>\$9,362,213</b>	<b>\$18,549,502</b>

# Other Funds 2021-22 Ending Balance:

<b>OTHER FUNDS: FUND BALANCE, RESERVES</b>	<b>2021-22 First Interim</b>	<b>2021-22 Second Interim</b>	<b>Difference</b>
Student Activity Special Revenue Fund 08 (new for 2020-21)	\$830,961	\$830,961	\$0
Charter Schools Special Revenue Fund 09	\$349,518	\$1,562,595	\$1,213,077
Child Development Fund 12	\$7,410	\$7,410	\$0
Cafeteria Special Revenue Fund 13	\$665,382	\$665,382	\$0
Deferred Maintenance Fund 14	\$691,144	\$691,144	\$0
Special Reserve Fund for Other than Capital Outlay Projects Fund 17	\$556,051	\$556,051	\$0
Building Fund 21 (Bond Fund)	\$48,278,147	\$48,278,147	\$0
Capital Facilities Fund 25 (Developer Fees)	\$5,760,890	\$5,760,890	\$0
County Schools Facilities Fund 35	\$0	\$0	\$0
Special Reserve Fund for Capital Outlay Projects Fund 40	\$9,554,877	\$9,522,678	-\$32,199
Self-Insurance Fund 67 (Dental)	\$222,771	\$222,771	\$0

# Areas to Monitor

- *Looking forward to the May Revision to the 2022-23 Budget*
- *Looking forward to the SB 579 outcome*
- *COVID-19 Pandemic Status and Coronavirus Variants*
- *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 / Decreases*



# Next Steps

