

2022-23 Proposed Budget



Santa Rosa City Schools

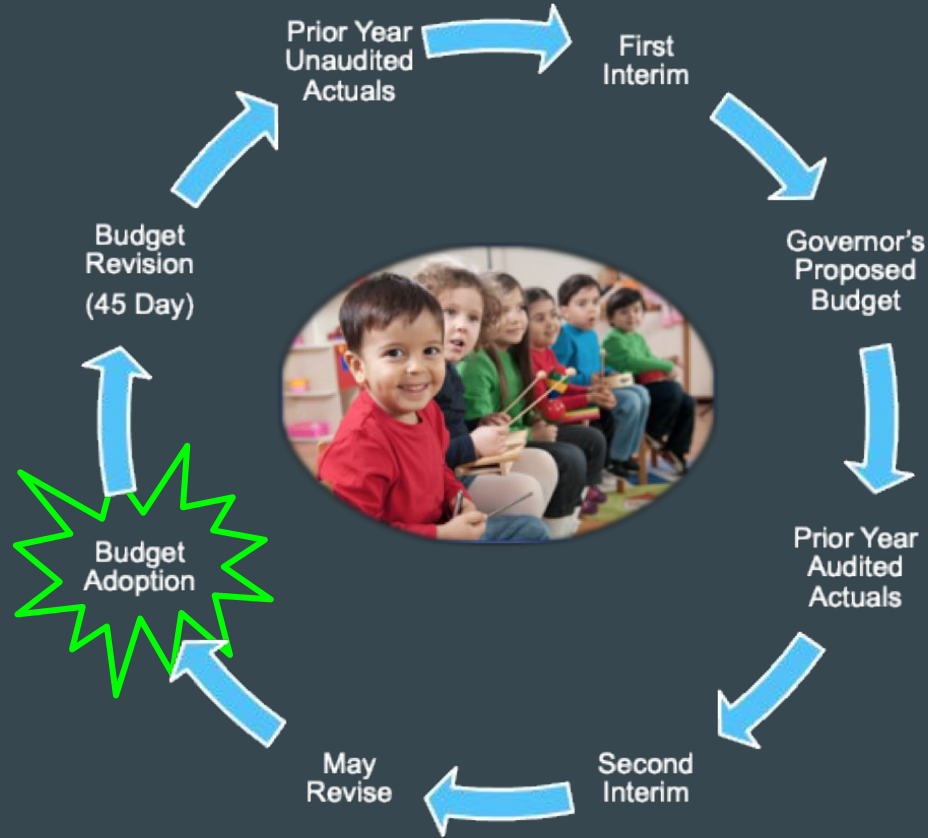
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Overview

The Annual Budget Cycle

- 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"



Budget Assumptions

Non-Charter Schools Enrollment and Average Daily Attendance (ADA) - LCFF funded on ADA:

- Three Prior-Year Average ADA Funding – This option has a “strong probability” of being included in the final budget.
- COVID-19 ADA Relief for 2021-22 – Not as much support. This would modify the 3-year average ADA, if approved. This is not included in our assumptions.

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Enrollment	14,531	14,110	13,460	13,410	13,410	13,410
Actual ADA	13,554	13,554	11,940	12,584	12,584	12,584
Funded ADA (Greater of Current, Prior, or in 2022-23 and beyond 3 Prior Year Average)	13,788	13,554	13,473	12,960	12,711	12,584
Funded Difference (Funded ADA less Actual ADA)	234	-	1,532	376	127	-

Budget Assumptions

Charter Schools Enrollment and Average Daily Attendance (ADA) - LCFF funded on ADA:

- The assumption for Charter Schools in the 2022-23 Budget is they are funded on current year only. If the State Budget is enacted with anything to address Pandemic-driven enrollment and attendance declines this will be updated in a future financial report.

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Santa Rosa French-American Charter						
Enrollment	476	427	396	470	470	470
Average Daily Attendance (ADA)	453	453	371	447	447	447
Cesar Chavez Language Academy						
Enrollment	423	440	924	923	923	923
Average Daily Attendance (ADA)	401	420	841	877	877	877
Santa Rosa Charter School for the Arts						
Enrollment	408	401	393	431	431	431
Average Daily Attendance (ADA)	387	387	360	409	409	409
Santa Rosa Accelerated Charter						
Enrollment	129	127	128	128	128	128
Average Daily Attendance (ADA)	124	124	121	123	123	123

Budget Assumptions

Cost of Living Adjustment (COLA) used for Local Control Funding Formula (LCFF) Revenue - 70% of our revenues:

- The Senate and Assembly agree with the Governor that the base funding should be increased, in fact, the Senate and Assembly both propose higher increases than the Governor.
- Our proposed budget assumes the Senate and Assembly will prevail in an increased COLA, and we include an augmentation to the Governor's May Revise, which was the minimum COLA required by law, of 3.29% bringing the COLA used to 9.85%.

	2022-23	2023-24	2024-25
Statutory COLA & Augmentation	9.85%	5.38%	4.02%
Statutory COLA / May Revise	6.56%	5.38%	4.02%
Augmentation	3.29%	0%	0%

LCFF Revenue for Transitional Kindergarten ADA:

- To fund the additional staffing requirements for the Universal Transitional Kindergarten, the Budget assumptions include a \$2,813 per ADA add-on to the LCFF for Transitional Kindergarten students.

Budget Assumptions

May Revise One-Time Discretionary Grant:

- Unrestricted can be used for any purpose with no deadline for use.

	2021-22 P2 ADA Report	Per ADA	Revenue
Santa Rosa City Schools	11,940	\$1,500	\$17,910,690
Santa Rosa French-American Charter (SRFACS)	371	\$1,500	\$556,395
Cesar Chavez Language Academy	841	\$1,500	\$1,261,530
Santa Rosa Charter School for the Arts	360	\$1,500	\$540,720
Santa Rosa Accelerated Charter	121	\$1,500	\$181,755

Fund 01 2022-23 Budget Revenues:

	2021-22 Estimated Actuals	2022-23 Proposed Budget	% Difference
REVENUES			
LCFF Sources	\$ 146,627,596	\$ 155,456,632	6.0%
Federal Revenue	\$ 19,891,069	\$ 14,065,966	-29.3%
Other State Revenue	\$ 24,800,290	\$ 36,593,606	47.6%
Other Local Revenue	\$ 14,730,959	\$ 15,403,551	4.6%
TOTAL REVENUES	\$ 206,049,914	\$ 221,519,755	7.5%

Fund 01 2022-23 Budget Expenditures:

EXPENDITURES	2021-22 Estimated Actuals	2022-23 Proposed Budget	% Difference
Certificated Salaries	\$ 86,992,145	\$ 91,625,773	6.3%
Classified Salaries	\$ 24,985,581	\$ 28,502,820	14.1%
Employee Benefits	\$ 44,983,137	\$ 53,425,968	19.2%
Books and Supplies	\$ 10,043,622	\$ 4,025,793	-59.8%
Services and Other Operating Expenditures	\$ 42,282,920	\$ 38,218,529	-9.6%
Capital Outlay	\$ 1,822,241	\$ 581,226	-67.5%
Other Outgo (excluding Transfers of Indirect Costs)	\$ 77,921	\$ 77,921	0.0%
Other Outgo - Transfers of Indirect Costs	\$ (962,589)	\$ (713,246)	-25.9%
TOTAL EXPENDITURES	\$ 210,224,978	\$ 215,744,784	3.2%

Fund 01 2022-23 Budget Ending Reserve Balance:

	2021-22 Estimated Actuals	2022-23 Proposed Budget	% Difference
NET INCREASE (DECREASE) IN FUND BALANCE from Unrestricted	-\$8,049,310	\$2,729,118	
NET INCREASE (DECREASE) IN FUND BALANCE from Restricted	\$5,248,815	\$4,841,853	
NET INCREASE (DECREASE) IN FUND BALANCE Combined Unrestricted/Restricted	-\$2,800,495	\$7,570,971	-370.3%
FUND BALANCE, RESERVES			
Beginning Fund Balance	\$34,051,934	\$31,251,439	-8.2%
Ending Balance	\$31,251,439	\$38,822,410	24.2%
Components of Ending Balance			
Restricted	\$14,251,234	\$19,093,086	34.0%
Reserve for Economic Uncertainty	\$5,748,567	\$5,903,032	2.7%
Unassigned/Unappropriated Amount	\$11,251,637	\$13,826,292	26.0%

Summary 2022-23 Budget Multi Year Projection (MYP) General Fund 01	2022-23	2023-24	2024-25
LCFF Sources	155,456,632	160,914,736	166,583,012
Remaining Revenues	66,063,123	41,793,618	41,793,618
TOTAL REVENUES	221,519,755	202,708,354	208,376,630
Salaries & Benefits	173,554,561	176,540,192	177,594,872
Books/Supplies & Outlay	4,607,019	3,608,518	3,608,518
Services & Operating Expenses	37,918,529	36,200,760	36,200,760
Other Outgo & Indirect Costs	-635,325	-676,204	-676,204
Fiscal Stabilization Measures in 2021-22 Fiscal Stabilization Plan - Part 1	0	-6,418,787	-6,418,787
Future Unidentified Fiscal Stabilization Measures	0	0	-2,568,757
TOTAL EXPENDITURES	215,444,784	209,254,479	207,740,402
Operating Net Increase/Decrease	6,074,971	-6,546,125	636,228
Transfers In and Other Sources & Transfers Out and Other Uses	1,496,000	1,496,000	1,496,000
Current Year Increase/Decrease In Fund Balance	7,570,971	-5,050,125	2,132,228
Beginning Balance	31,251,439	38,822,410	33,772,285
Ending Balance	38,822,410	33,772,285	35,904,513

General Fund MYP Components of Ending Balance

Ending Balance	38,822,410	33,772,285	35,904,513
Components of Ending Balance	2022-23	2023-24	2024-25
Restricted Ending Balance (only can be spent on federal or state mandates, or per donor)	19,093,086	24,040,875	30,236,613
Special Reserve Fund - Noncapital Outlay (Fund 17)	560,312	562,312	564,312
Reserve for Economic Uncertainty	5,903,032	5,715,323	5,667,900
Unassigned/Unappropriated Ending Balance	13,826,292	4,016,087	0
Total Available Unrestricted Reserve as a Percent	9.42%	4.92%	3.00%

Other Funds 2022-23 Budget Ending Balance:

OTHER FUNDS: FUND BALANCE, RESERVES	2021-22 Estimated Actuals	2022-23 Budget	% Difference
Student Activity Special Revenue Fund 08 (new for 2020-21)	\$830,961	\$830,961	0.0%
Charter Schools Special Revenue Fund 09	\$500,446	\$1,940,548	287.8%
Child Development Fund 12	\$7,410	\$7,410	0.0%
Cafeteria Special Revenue Fund 13	\$665,382	\$665,382	0.0%
Deferred Maintenance Fund 14	\$693,840	\$696,340	0.4
Special Reserve Fund for Other than Capital Outlay Projects Fund 17	\$558,182	\$560,312	0.4
Building Fund 21 (Bond Fund)	\$45,627,973	\$45,328,058	-0.7%
Capital Facilities Fund 25 (Developer Fees)	\$6,144,762	\$7,501,249	22.1%
County Schools Facilities Fund 35	\$0	\$0	0.0%
Special Reserve Fund for Capital Outlay Projects Fund 40	\$7,820,943	\$7,450,699	-4.7%
Self-Insurance Fund 67 (Dental)	\$229,536	\$232,036	1.1%

Areas to Monitor

- *The true financial outlook will evolve over the next few months as the State budget is adopted, our financial records for 2021-22 are finalized, actual student enrollments for 2022-23 are known after school opens, and the staffing assignments are completed*
- *Employee negotiations*
- *Uncertain education funding in California*
- *Declining enrollment*

Next Steps

June 2022

- State 2022-23 Budget Act signed into Law

July / August 2022

- Santa Rosa City Schools 45 Day 2022-23 Budget Update

September 2022

- 2021-22 Unaudited Actuals Financial Report
- Budget Advisory Committee (BAC)

October 2022

- CALPADS 2022-23 Student Data Census Day
- Update Enrollment Projections
- BAC

November 2022

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

December 2022

- 2022-23 First Interim Financial Report