

Governor's May Revision Update to the Proposed 2023-24 State Budget and K-12 Education

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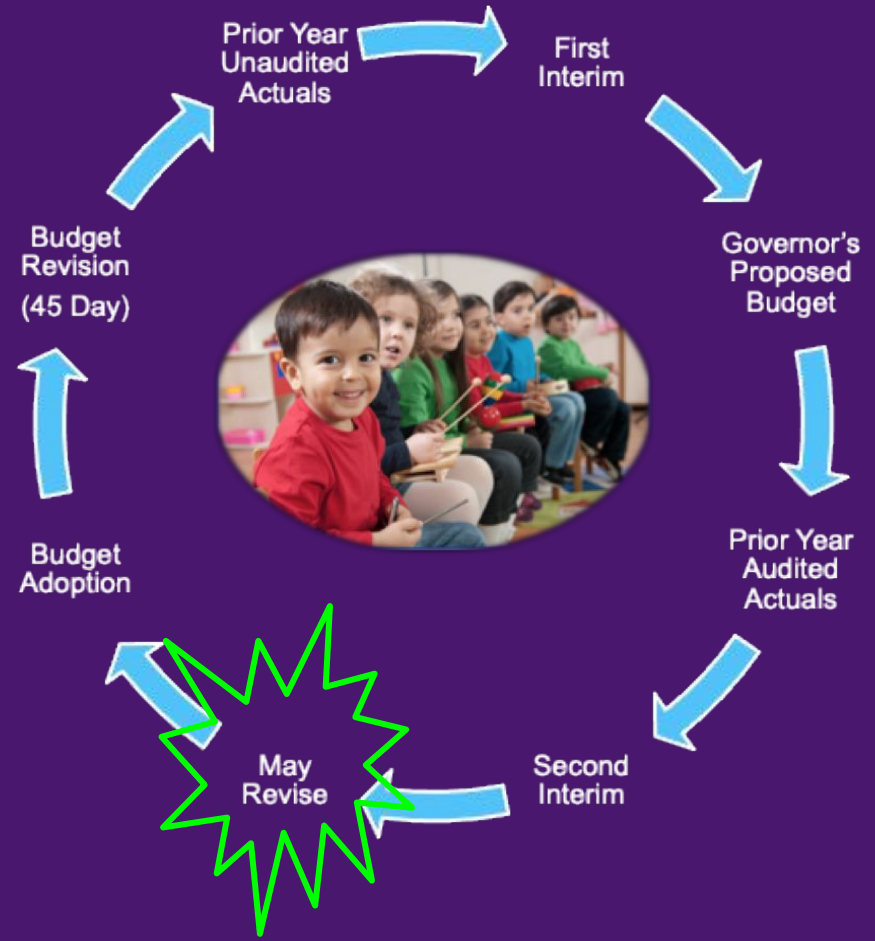
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Presentation Items

- Overview
- Proposed State Education Budget and Santa Rosa City Schools Impacts
- Areas to Monitor
- Next Steps
- Questions

Budget Cycle



Governor's May Revision Takeaways

- Fully fund statutory Cost of Living Adjustment (COLA)
- Continue
 - Universal meals
 - Universal transitional kindergarten implementation
 - Expanded Learning Opportunities Program
- Revoke authorized one-time funds
- Reduction to Prop 28 funds
- Potential for deferrals, COLA deficit, withdrawal from state reserves

Special Education and Reading Difficulties

- 8.22% COLA in 2023-24.
- New for 2023/24 (proposed)
 - Changes to SELPA funding distribution
 - Require districts to begin screening pupils in kindergarten through second grade for reading difficulties, including dyslexia, by the 2025-26 school year.
 - One-time funding to support expert panel to approve screening instruments for these assessments

Legislature's Priorities

- Fully fund statutory Cost of Living Adjustment (COLA)
- Teacher Residency Program
- Reject proposed cuts and delays
- Taxes
 - Suspend tax credit
 - Increase corporate taxes

Proposed State Education Budget and Santa Rosa City Schools Impacts

Local Control Funding Formula and Cost-of-Living Adjustment (Non Charter Schools)

As part of the January Governor’s Budget, the Governor proposed a LCFF COLA of 8.13%. With the May Revision, the COLA for the LCFF has increased to 8.22%

		2022-23	2023-24	2024-25
Elementary & High Combined Districts	8.13% COLA	\$ 159,877,821	\$ 165,926,683	\$ 166,937,085
Elementary & High Combined Districts	8.22% COLA	\$ 159,877,821	\$ 166,061,186	\$ 167,067,839
Difference between January Budget Proposal & May Revise		\$ -	\$ 134,503	\$ 130,754

Local Control Funding Formula and Cost-of-Living Adjustment (Charter Schools)

As part of the January Governor's Budget, the Governor proposed a LCFF COLA of 8.13%. With the May Revision, the COLA for the LCFF has increased to 8.22%

		2022-23	2023-24	2024-25
Santa Rosa Charter School for the Arts	8.13% COLA	\$ 3,722,081	\$ 4,111,206	\$ 4,242,382
Santa Rosa Charter School for the Arts	8.22% COLA	\$ 3,722,081	\$ 4,114,647	\$ 4,245,810
Difference between January Budget Proposal & May Revise		\$ -	\$ 3,441	\$ 3,428
Santa Rosa French-American Charter (SRFACS)	8.13% COLA	\$ 4,164,693	\$ 5,031,853	\$ 5,213,765
Santa Rosa French-American Charter (SRFACS)	8.22% COLA	\$ 4,164,693	\$ 5,036,124	\$ 5,218,041
Difference between January Budget Proposal & May Revise		\$ -	\$ 4,271	\$ 4,276
Cesar Chavez Language Academy	8.13% COLA	\$ 9,235,780	\$ 10,681,765	\$ 11,362,198
Cesar Chavez Language Academy	8.22% COLA	\$ 9,235,780	\$ 10,690,391	\$ 11,371,059
Difference between January Budget Proposal & May Revise		\$ -	\$ 8,626	\$ 8,861
Santa Rosa Accelerated Charter	8.13% COLA	\$ 1,171,109	\$ 1,264,990	\$ 1,306,995
Santa Rosa Accelerated Charter	8.22% COLA	\$ 1,171,109	\$ 1,266,101	\$ 1,308,105
Difference between January Budget Proposal & May Revise		\$ -	\$ 1,111	\$ 1,110

Arts, Music, and Instructional Materials Discretionary Block Grant

- The Governor proposes an additional decrease in funding to the Arts, Music, and Instructional Materials Discretionary Block Grant. This reduction is on top of the reduction proposed in January, bringing the total reduction to 51% of the amount provided in the 2022-23 Enacted Budget for this program.

Fiscal Year 2022-23	January Allocation	Funding amount after 51% reduction	May Revise Projected Allocation	Difference in SRCS Funding
Elementary & High Combined Districts	\$ 7,895,886	49%	\$ 3,868,984	\$ (4,026,902)
Santa Rosa Charter School for the Arts	\$ 240,107	49%	\$ 117,652	\$ (122,455)
Santa Rosa French-American Charter (SRFACS)	\$ 247,068	49%	\$ 121,063	\$ (126,005)
Cesar Chavez Language Academy	\$ 560,183	49%	\$ 274,490	\$ (285,693)
Santa Rosa Accelerated Charter	\$ 80,708	49%	\$ 39,547	\$ (41,161)

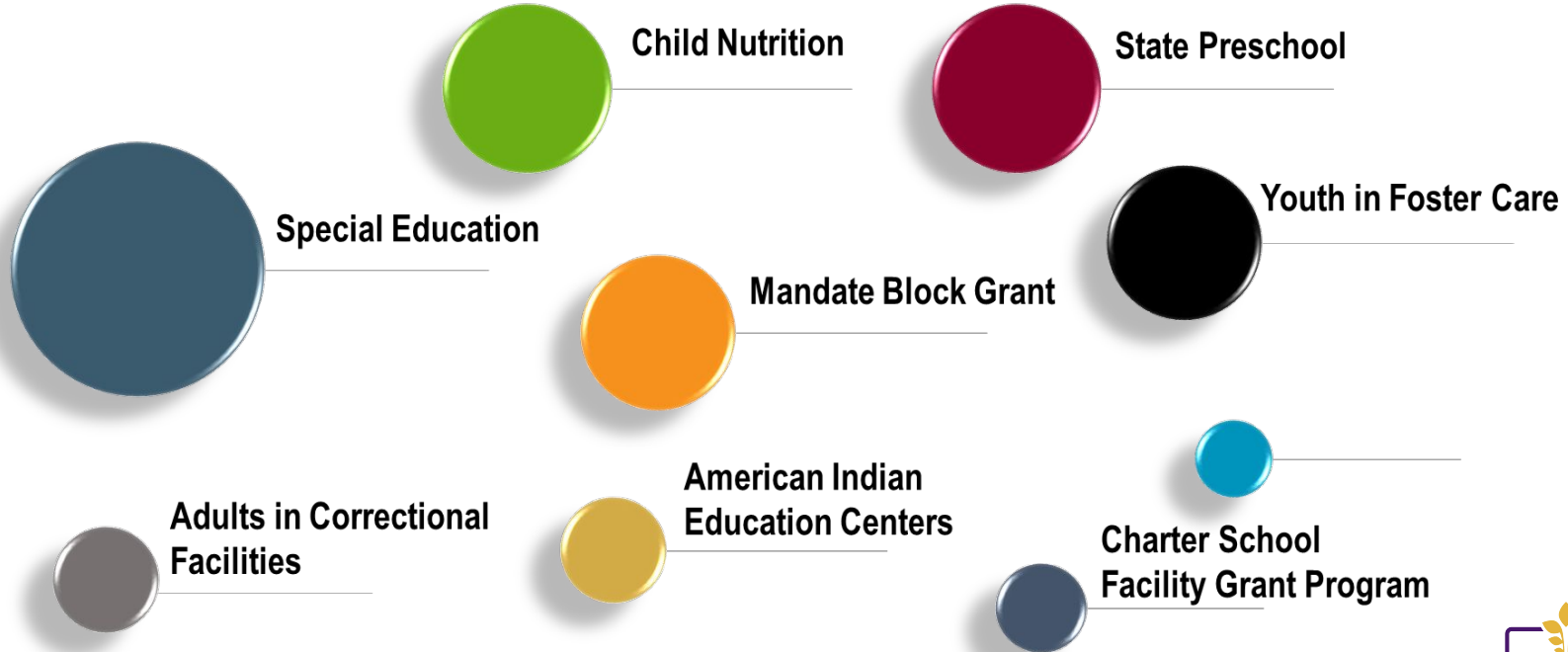
Learning Recovery Emergency Block Grant

- The Governor proposes with his May Revision to reduce funding for the Learning Recovery Emergency Block Grant in one-time funding. This would bring total funding for this program to a decrease of about 32%.

Fiscal Year 2022-23	January Allocation	Funding amount after 32% reduction	May Revise Projected Allocation	Difference in SRCS Funding
Elementary & High Combined Districts	\$ 14,264,335	68%	\$ 9,699,748	\$ (4,564,587)
Santa Rosa Charter School for the Arts	\$ 332,720	68%	\$ 226,250	\$ (106,470)
Santa Rosa French-American Charter (SRFACS)	\$ 238,099	68%	\$ 161,907	\$ (76,192)
Cesar Chavez Language Academy	\$ 1,311,472	68%	\$ 891,801	\$ (419,671)
Santa Rosa Accelerated Charter	\$ 34,024	68%	\$ 23,136	\$ (10,888)

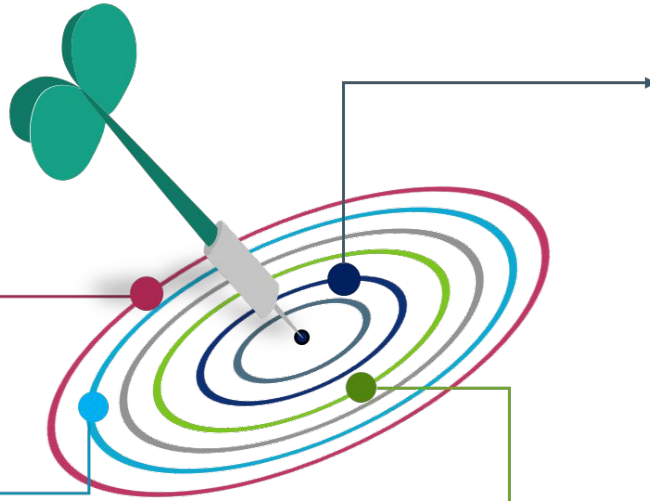
State Categorical Programs Outside the LCFF COLA

The Governor's May Revise includes for other education programs that are funded outside the LCFF to also receive the 8.22% statutory COLA



Multi Year Projections (MYP) - May Revise used for Budget Adoption and updated within 45 Days

Multiyear projections are required by Assembly Bill (AB) 1200 and AB 2756



Projections are anchored in reliable information as of the date of the projection

Projections will change any time the underlying factors change

Projections must be documented, because they will change

Areas to Monitor

- Final budget in June
- Inflation, rising interest rates, supply chain issues, and the struggling stock market
- Still in the Governor's budgeting toolbox should revenues continue to decline: deferrals, reserve account withdrawals, and COLA deficits.
- Echoing his warnings in January, the Governor's summary states "should broader economic risks materialize, deeper reductions will be necessary."
- Federal budget issues/debt ceiling
- Utilizing one-time funding for ongoing expenses
- Declining enrollment and Average Daily Attendance (ADA) rates
- Employee negotiations / Collective Bargaining

Next Steps

June 2023

- 2022-23 Estimated Actuals
- 2023-24 Budget and LCAP Public Hearings and Adoptions
- State Enacted 2023-24 Budget

July, August & September 2023

- Santa Rosa City Schools 45 Day 2023-24 Budget Update
- Budget Advisory Committee reconvenes
- 2022-23 Unaudited Actuals

Board Member Questions

