



Roseland Charter School

2022-2023 45 Day Budget Update

Board of Directors Meeting
August 10, 2022

BACKGROUND INFORMATION

Education Code Section 42127(h) specifies that:

Not later than 45 days after the Governor signs the annual Budget Act, the District shall make available for public review any revisions in revenues and expenditures that it has made to its budget to reflect the funding made available by that Budget Act.

- The Governor signed the 2021-22 State Budget Act on June 27, 2022. The 45-day period ends August 11, 2022. In accordance with this Code, nothing is required to be submitted to County Office of Education.
- Any necessary budget revisions need only be made available for public review.
- 45 Day Revise will be shared on the August 10, 2022 Board of Trustees meeting.

2022-2023 ENACTED STATE BUDGET –SUMMARY OF CHANGES FROM MAY REVISE STATE BUDGET

- 2022-23 Local Control Funding Formula (LCFF) ongoing revenue – additional funding for base expenses
- Retroactive ADA/Enrollment funding for 2021-22 – intended to address the decrease in ADA that occurred last year as a result of the pandemic surges and quarantines
- New allocation of one-time funding intended to extend and enhance the COVID relief funding we have already received
- New funding for Home-to-School transportation will be introduced next year (2023-24). Plans will need to be developed during this year for the use of the new revenue.

BUDGET REVISIONS

Information noted on this page is reflected in the 2022-23 45 Day Revise Projections presented on the next page.

- A. Unrestricted LCFF Funding increased by **\$463,477** as a result of the increase in the LCFF Base Augmentation from 3.28% to 6.28%

	Adopted Budget	45 Day Revise	Difference
LCFF Revenue Base Increase	\$16,953,056	\$17,416,533	\$463,477

- B. Fund Balance increased by **\$463,477** as a result of the LCFF Funding increase. This increase in revenue will decrease the budget deficit that was included in the Adopted Budget

	Adopted Budget	45 Day Revise	Difference
Net Deficiency	(\$752,205)	(\$288,728)	\$463,477

- C. Fund Balance increased by **\$1,391,421** as a result of the retroactive ADA relief for the 2021-22 fiscal year. *This number is preliminary, and may change slightly as books are closed. Final numbers will be reported in the upcoming Unaudited Actuals and/or First Interim reports.*

	Adopted Budget	45 Day Revise	Difference
Net Ending Fund Balance	\$32,033,186	\$33,888,084	\$1,391,421

ROSELAND CHARTER SCHOOL 2022/23 45 DAY REVISE		2022/23 ADOPTED BUDGET PROJECTION			45 DAY REVISE BUDGET PROJECTION			DIFFERENCES			NOTES
REVENUES		UNRESTRICTED	RESTRICTED	TOTAL	UNRESTRICTED	RESTRICTED	TOTAL	UNRESTRICTED	RESTRICTED	TOTAL	
Local Control Funding Formula (LCFF) Total	8011-8012	16,953,056	0	16,953,056	17,416,533	0	17,416,533	463,477	0	463,477	A
Federal Revenues (COVID & Title I,II,III, IV)	8100-8299	0	2,456,905	2,456,905	0	2,456,905	2,456,905	0	0	0	
Charter School Facilities Rent Grant	8300-8599	0	332,000	332,000	0	332,000	332,000	0	0	0	
Other State (On-going MBG, Lottery)	8300-8599	245,583	1,230,332	1,475,915	245,583	1,230,332	1,475,915	0	0	0	
Special Education- Transfer Apport. From District	8650-8699	0	170,185	170,185	0	170,185	170,185	0	0	0	
Contributions to Restricted (Special Ed)	8980	-1,229,995	1,229,995	0	-1,229,995	1,229,995	0	0	0	0	
Other Local	8650-8699	120,000	0	120,000	120,000	0	120,000	0	0	0	
Total Revenues		16,088,644	5,419,417	21,508,062	16,552,121	5,419,417	21,971,538	463,477	0	463,476	
EXPENDITURES		UNRESTRICTED	RESTRICTED	TOTAL	UNRESTRICTED	RESTRICTED	TOTAL	UNRESTRICTED	RESTRICTED	TOTAL	
Books and Supplies	4000-4999	666,093	374,865	1,040,958	666,093	374,865	1,040,958	0	0	0	
Salaries and Benefits- Reimbursed to District	5805-5806	13,112,627	3,544,415	16,657,042	13,112,627	3,544,415	16,657,042	0	0	0	
Other Services and Operating	5000-5999	1,828,812	1,435,236	3,264,048	1,828,812	1,435,236	3,264,048	0	0	0	
Charter MOU - Transfer Apport. To District	4000-5999	99,304		99,304	99,304	0	99,304	0	0	0	
Depreciation	6000-6999	1,064,594		1,064,594	1,064,594	0	1,064,594	0	0	0	
Indirect Costs	7000-7999	-64,901	64,901	0	-64,901	64,901	0	0	0	0	
Debt Service Payment- Interest Only	7000-7999	134,320		134,320	134,320		134,320	0	0	0	
Total Expenditures		16,840,849	5,419,417	22,260,267	16,840,849	5,419,417	22,260,266	0	0	-1	
Beginning Balance				32,785,391			32,785,391				
Net Excess (Deficiency)				(752,205)			(288,728)			463,477	B
Adjustment to 2021-22 Revenue Due to 2022-23 Budget Act							1,391,421			1,391,421	C
Net Ending Balance				32,033,186			33,888,084			1,854,898	
COMPONENTS OF ENDING BALANCE		ASSIGNED	RESTRICTED, COMMITTED OR NON-SPENDABLE	TOTAL	ASSIGNED	RESTRICTED, COMMITTED, OR NON-SPENDABLE	TOTAL				
Revolving Cash/ASB Accounts	Assigned	134,748	0	134,748	134,748	0	134,748				
Economic Uncertainties- 5% Minimum	Assigned	1,113,013	0	1,113,013	966,943	0	966,943				
Special Education Reserve	Restricted	300,000	0	300,000	300,000	0	300,000				
One-Month Operating Expenses	Restricted	1,500,000	0	1,500,000	1,500,000	0	1,500,000				
Future Debt Service Payments	Assigned	966,000	0	966,000	966,000	0	966,000				
Tech Equipment (Replacement Chromebooks, Network)	Assigned	500,000	0	500,000	500,000	0	500,000				
2019-20 Supplemental/Concentration Funds Carryover		250,000	0	250,000	250,000	0	250,000				
Restricted (Categoricals)	Restricted			0			0				
CARES				0			0				
Scholarships				0			0				
Fire - Insurance Funds			481,950	481,950		481,950	481,950				
RRMA			1,550,000	1,550,000		1,550,000	1,550,000				
RAMS Grant Funding			4,317,963	4,317,963		4,317,963	4,317,963				
Long-Term Debt(RUP \$6.6M)	Assigned		-6,264,073	-6,264,073		-6,264,073	-6,264,073				
Long-Term Debt(RAMS \$8.4M new 2020-21)	Assigned		-8,391,214	-8,391,214		-8,391,214	-8,391,214				
Capital Assets Net of Depreciation (Land, Buildings, Work In Progress, Equipment)	Non-Cash	0	35,474,432	35,474,432	0	35,474,432	35,474,432				
Total Designations		4,763,762	27,169,058	31,932,820	4,617,691	27,169,058	31,786,749				
NET UNDESIGNATED ENDING FUND BALANCE				100,366			709,914				

RETROACTIVE ADA RELIEF FOR 2021-22

Schools receive funding based on the number of students who attend school each day. This is referred to as the Average Daily Attendance rate or ADA. We often refer to this ADA as a percentage of the total student enrollment.

For the last two years, the Charter School's rate declined from prior years due to the pandemic – increased absences due to illness and quarantine requirements:

School Year	Enrollment	Actual ADA	ADA Rate
2017-18	1452	1392.01	95.87%
2018-19	1500	1433.20	95.55%
2019-20	1459	1407.14	96.47%
2020-21	1438	1279.53	88.98%
2021-22	1364	1256.13	92.09%

As a result of the 2022-23 State Budget Act, The Roseland Charter School will receive funding for last year (2021-22) based on the highest actual ADA for the past three years – or the same 1407.14 ADA as the 2019-20 year. This will result in a significant increase from the ADA that was budgeted last year.

Estimated new funding is **\$1.4M**. Because this is funding for last year, this will increase the Fund Balance

Administrative Recommendation: Use this windfall to add funds to the Routine Restricted Maintenance Account to support facilities projects at the Roseland Charter School for RCP, RUP and RAMS

NEW ONE-TIME GRANTS – NOT YET BUDGETED

In addition to increasing the Ongoing LCFF revenue, the State has also allocated additional one time funds intended to provide additional relief from the COVID-19 pandemic by augmenting and extending the federal COVID-19 pandemic relief funds.

These funds have not yet been budgeted as revenue or expenditures. Budgeting for these funds will be updated at First Interim once allocation estimates are confirmed and preliminary expenditure plans have been defined.

1. Learning Recovery Emergency Block Grant:

- Revenues estimated at \$2.5M
- Expenditures allowed from July 2022 to June 2028
- Provides funding to assist with long term recovery from the COVID-19 pandemic, including, but not limited to programs or activities that increase or stabilize instructional learning time, decrease or stabilize staff-to-pupil ratios, provide supports to address barriers to learning, provide instruction for credit deficient students, provide learning supports to close learning gaps, and provide additional academic services

2. Arts, Music and Instructional Materials Discretionary Block Grant:

- Revenues estimated at \$837K
- Expenditures allowed from July 2022 to June 2026
- Provides funding for instructional materials and professional development aligned to best practices for improving school climate, digital literacy, physical education and learning through play

NEXT STEPS

1. Prepare Year End Close and Prepare Unaudited Actuals for 2021-2022

- Presented to Board of Directors during September meeting

2. Develop expenditure plans for the Learning Recovery Emergency Block Grant

3. Develop expenditure plans for the Arts, Music and Instructional Materials Block Grant. Present plan to Board of Trustees for approval (timeline TBD).

4. Prepare First Interim Budget Report– reflecting Budget Revisions for 2022-23 through October 31, 2022

- Presented to Board of Directors during December meeting

5. Present Audited Financial Report for 2021-22 to Board of Trustees – final report for 2021-22 school year

- Anticipated – January or February 2023

6. Develop new Home to School Transportation Plan. Present plan to Board of Trustees for approval by April 2023 (and update annually on an ongoing basis)

7. Prepare Second Interim Budget Report to Board of Trustees – reflecting Budget Revisions through January 31, 2023

- Presented to Board of Directors during March meeting