

AGENDA
SCHOOL BOARD OF SANTA ROSA COUNTY
WORKSHOP
July 21, 2022-9:00 AM

Items for Review and Discussion

A. Presentation of Proposed 2022-2023 Budget

For a complete word for word transcript, please see the video. The following has been condensed.

Board Chairperson Mrs. Wei Ueberschaer opened the workshop for the 2022-2023 proposed/tentative budget. All Board members were present except Mr. Charles Elliott.

Also present were School Board Attorney, Terry Harmon; and Dr. Karen Barber, Superintendent of Schools and Secretary.

Susan McCole, Assistant Superintendent for Finance, came forward to present the proposed 2022-2023 budget.

Ms. McCole began by thanking her staff, especially Linda Ellis, she is very instrumental in helping put this together. She also explained there is a quick turnaround on the budget since the state provided needed information on Tuesday afternoon (July 19th) prior to this meeting (July 28). Ms. McCole discussed the following points:

- This is a "proposed/tentative" budget and will change during the year. The proposed/tentative budget is approved for advertising on July 21, 2022. The "first" public hearing on the budget is July 28, 2022. The "final" public hearing is on September 8, 2022.*
- The projected Unweighted FTE for 2022/2023 is 31,175. This is an increase of 805 students for the 2022/2023 school year.*
- The District is self-insured for health insurance. The Board contributed approximately \$18,172,142 toward employees' health, life, and dental insurances for fiscal year 2021/2022.*
- In 2021/2022 the District collected \$13,260,717 in sales tax revenue. Sales tax collections increased by \$2,038,773 over the prior year. The additional funds will help with capital projects in 2022/2023.*

Ms. McCole reviewed the five categories of fund balance:

- 1. Non-spendable - Portion of fund balance that cannot be spent because of the form (Inventories)*
- 2. Restricted - Portion of fund balance that reflects resources that are subject to externally enforceable legal restriction (State categoricals, donations,*

Federal and State projects)

3. *Committed - Portion of fund balance that represents resources that have been earmarked or whose use is constrained by limitations that the governing body has imposed upon it (School based budgets)*
4. *Assigned - Portion of fund balance that is constrained by the governments intent to be used for specific purposes, but are not restricted or committed (Board projects such as: STEAM initiatives, utilities, OT/PT/Speech contracts, etc.)*
5. *Unassigned - Portion of fund balance that is available for the Board to use as needed*

Millage rates are as follows:

- *Required Local Effort is 3.312; this rate is set by the state; this has once again gone down, it went down more this year than it has in the past.*
- *Board Option is 0.748*
- *Total Operating is 4.060*
- *Capital Outlay is 1.500*
- *Total Millage is 5.56*

The next slide showed total available budget by fund type. This is calculated by adding the prior year's estimated fund balance to the estimated revenue for the current year. Ms. McCole talked about each of the fund types and balance increase or decrease.

The bar chart showed budgeted appropriations by objects/all budget parts. Salaries and employee benefits comprise 74% of the budgeted appropriations by objects.

The next slide summarized objects from the general object fund with a comparison of 06/30/2022 to 06/30/2023. This slide showed an increase in salaries of 6.9% which part of this is due to the minimum wage increase; had to recode some virtual teachers that were coded to the ESSR funds; benefits increase of 9.45% due to FRS and insurance increase; Purchased services increase of 9.03%; energy services increase of 7.23%.

Materials and supplies decreased by 21.72% due to items being paid out of ARP.

Capital Outlay budgeted appropriations showed a decrease of 65.8% from last year due to computers and equipment being recoded to ARP.

Total assigned project carryovers total is \$282,799. This includes field trip funds, ITFS,/Wireless One, Gifted Flight Program, school athletic allocation, and other assigned projects.

Total restricted project carryovers at June 30, 2022 is \$6,196,847.

Committed project carryover for school-based budgets at June 30, 2022 is \$2,147,571.

When reviewing unassigned and assigned fund balance bar chart Ms. McCole stated we are projected to end 2021-2022 school year with a balance of \$17,856,755.

Dr. Barber stated that it is incredible to finish the fiscal year with a Financial Condition Ratio of 7.45%

Ms. McCole stated the estimated fund balance on June 30, 2023 is estimated at \$12,453,755.08 and the projected Financial Condition Ratio on June 30, 2023 will be 5.01%.

Dr. Barber noted that it's recommended that school districts maintain a Financial Condition Ratio between 5-10% and that the district will need to be very careful to maintain the 5%.

The following slides contained Capital Outlay Projects/Priority Lists, Certification of School Taxable Value for 2022-2023, Budget Ads, and Notice of Proposed Tax Increase.

The workshop adjourned so that after a brief intermission the regular meeting could convene.