

CSFP Briefing Document: What is the Timing for School Finance?

The timing of the legislature's work on school finance and district decisions for their budget are not synced.

Legislature

January to early May: The legislature convenes in January and begins work on School Finance in March or April for the upcoming school year. (i.e. January – May 2023 will determine funding for 2023-24 school year.)

To determine funding for the upcoming 2023-24 school year, the legislature uses estimates. Once actual numbers are available and state forecasts are updated, the legislature may adjust funding to districts in January or February.

- I. An **estimated enrollment count** (from May 2023) is used until CDE audits the October Membership Count in December 2023.
- II. An **estimated local share** (local property taxes and specific ownership tax) is used until the final mill levy certification, which is determined in December 2023.
- III. In **January 2023, via the Supplemental Process, the legislature adjusts allocations to school district funding**. The desired outcome is to increase revenue to reflect enrollment changes and local property tax collections. When **the state does not make up what might be needed in additional revenue it is then taken back from school districts in the form of a mid-year rescission. This impacting revenue in last few months of a fiscal year making it challenging.**

School Districts

Finance decisions for the upcoming school year are decided **prior** to finalizing the school finance act. School districts must register students, hire staff, and determine class offerings by March of 2023. Since school districts must adopt the upcoming fiscal years' budget by the end of June 2023, budgets may need to be amended and adjusted in fall 2023. Amending a budget is common practice. This uncertainty requires fluidity and flexibility for districts.