

Fiscal Year 2020-21

Fiscal Stabilization Plan

Part 2

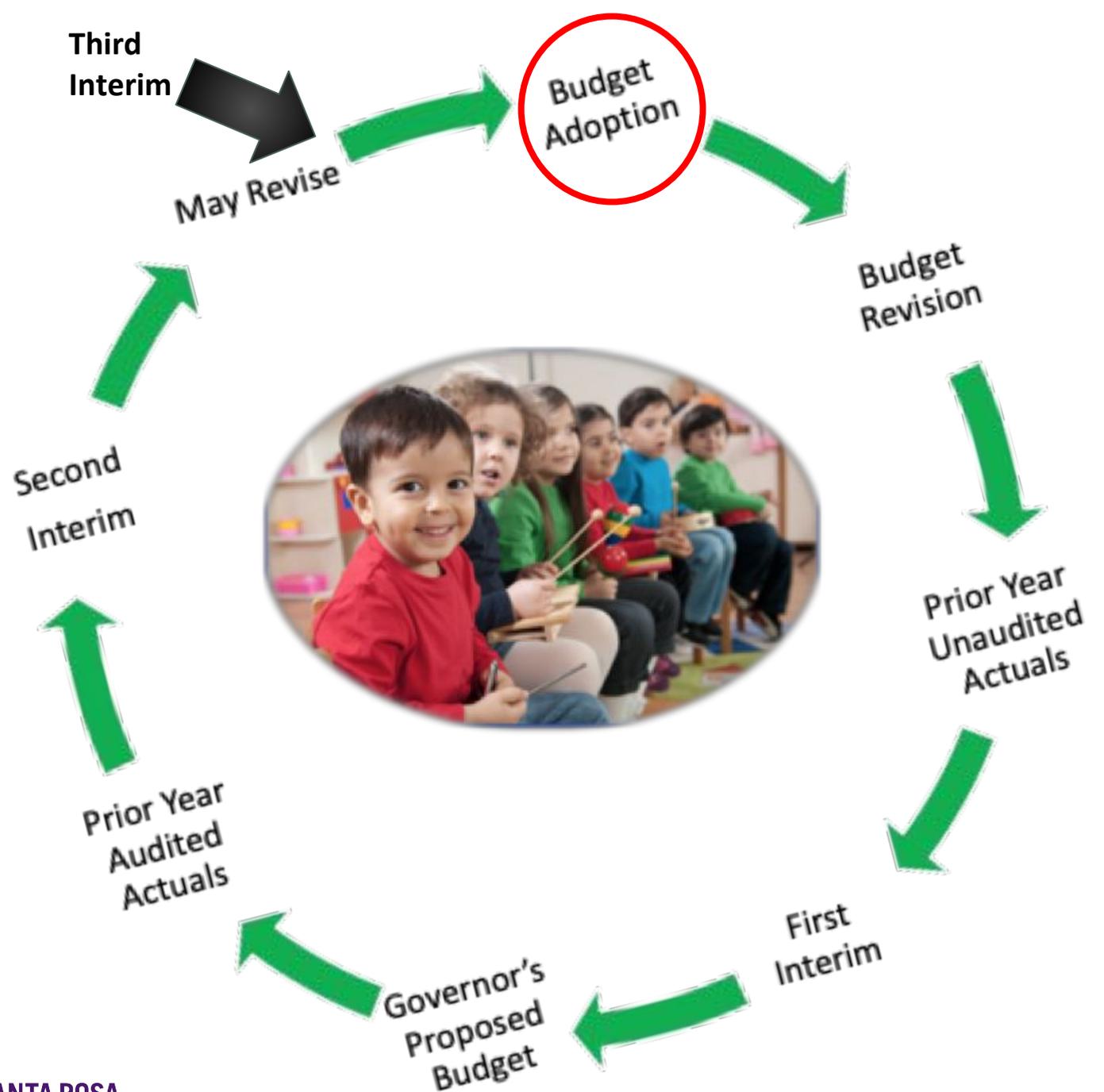
Presentation Items

- Annual Budget Cycle
- Multi-Year Projection Scenarios
- Certification
- Budget Advisory Committee
- Fiscal Stabilization Plan Part 2
- Financial Status
- Next Steps

The Annual Budget Cycle

At each period, we:

- Update Budget
- Certify District's Financial Condition
- Present Summary to Board of Education
- Submit Copies to Sonoma County Office of Education



The Annual Budget Cycle

Under Prop 98 we are part of the State Budget process:

- ❑ Governor's January Proposed Budget
- ❑ Governor's May Revision
- ❑ Enacted Budget passed by the Legislature and signed by the Governor by June 15.



The Department of Finance welcomes you to the

California Budget

2020-21

Gavin Newsom Governor
State of California

Select Budget Year 2020-21 ▾

Governor's Proposed Budget

(January)

The Budget proposed by the Governor

[Summary »](#)

[Detail »](#)

May Revision

(May)

Changes to the Governor's Proposed Budget based upon the latest economic forecasts

[Summary »](#)

[Detail »](#)

Enacted Budget

(Summer)

The Budget passed by the Legislature and signed by the Governor

General Fund Multi-Year Projection

2019-20 3rd Interim Multi Year Projection (MYP)			
REVENUES	2019-20	2020-21	2021-22
LCFF Sources	144,791,523	129,942,081	126,547,951
Remaining Revenues	36,989,159	36,313,811	36,313,811
Total Revenues	181,780,682	166,255,892	162,861,762
EXPENDITURES			
Salaries & Benefits	141,905,074	149,057,373	152,446,415
Books/Supplies & Outlay	10,110,814	7,421,171	5,421,171
Services & Operating Expenses	40,783,953	39,110,165	38,710,165
Other Outgo & Indirect Costs	-924,236	-924,236	-924,236
Future Unidentified Fiscal Stabilization Measures		-9,739,162	-31,332,984
Total Expenditures	191,875,605	184,925,310	164,320,530
Operating Net Increase/Decrease	-10,094,924	-18,669,418	-1,458,768
Transfers In and Other Sources	979,415	979,415	979,415
Transfers Out and Other Uses	-138,790	-138,790	-138,790
Current Year Increase/Decrease In Fund Balance	-9,254,299	-17,828,793	-618,143
Beginning Balance	30,825,874	25,371,576	7,542,783
Ending Balance	21,571,576	7,542,783	6,924,640

Components of Ending Fund Balance

Components of Ending Balance	2019-20	2020-21	2021-22
Restricted Ending Balance (only can be spent on federal or state mandates, or per donor requirements)	2,304,576	1,990,860	1,990,860
Reserve for Economic Uncertainty	5,760,432	5,551,923	4,933,780
Unassigned/Unappropriated Ending Balance	13,506,568	0	0

General Fund Multi-Year Projection

2019-20 3rd Interim Multi Year Projection (MYP) updated with Senate and Assembly June 3, 2020 reached agreement on the 2020–21 State Budget

REVENUES	2019-20	2020-21	2021-22
LCFF Sources	144,692,825	143,924,521	140,159,220
Remaining Revenues	36,989,159	36,313,811	36,313,811
Total Revenues	181,681,984	180,238,332	176,473,031
EXPENDITURES			
Salaries & Benefits	141,905,074	149,057,373	152,446,415
Books/Supplies & Outlay	10,110,814	7,421,171	5,421,171
Services & Operating Expenses	40,783,953	39,110,165	38,710,165
Other Outgo & Indirect Costs	-924,236	-924,236	-924,236
Future Unidentified Fiscal Stabilization Measures			-14,094,296
Total Expenditures	191,875,605	194,664,472	181,559,218
Operating Net Increase/Decrease	-10,193,622	-14,426,140	-5,086,187
Transfers In and Other Sources	979,415	979,415	979,415
Transfers Out and Other Uses	-138,790	-138,790	-138,790
Current Year Increase/Decrease In Fund Balance	-9,352,997	-13,585,515	-4,245,562
Beginning Balance	30,825,874	25,272,878	11,687,362
Ending Balance	21,472,878	11,687,362	7,441,800

General Fund Multi-Year Projection

2019-20 3rd Interim Multi Year Projection (MYP) updated with Senate and Assembly June 3, 2020 reached agreement on the 2020–21 State Budget as well as the addition of the preliminary look at the 2022-23 Year

REVENUES	2019-20	2020-21	2021-22	2022-23
LCFF Sources	144,692,825	143,924,521	140,159,220	141,873,936
Remaining Revenues	36,989,159	36,313,811	36,313,811	36,313,811
Total Revenues	181,681,984	180,238,332	176,473,031	178,187,747
EXPENDITURES				
Salaries & Benefits	141,905,074	149,057,373	152,446,415	157,019,807
Books/Supplies & Outlay	10,110,814	7,421,171	5,421,171	5,421,171
Services & Operating Expenses	40,783,953	39,110,165	38,710,165	38,710,165
Other Outgo & Indirect Costs	-924,236	-924,236	-924,236	-924,236
Future Unidentified Fiscal Stabilization Measures			-14,094,296	-21,124,821
Total Expenditures	191,875,605	194,664,472	181,559,218	179,102,085
Operating Net Increase/Decrease	-10,193,622	-14,426,140	-5,086,187	-914,339
Transfers In and Other Sources	979,415	979,415	979,415	979,415
Transfers Out and Other Uses	-138,790	-138,790	-138,790	-138,790
Current Year Increase/Decrease In Fund Balance	-9,352,997	-13,585,515	-4,245,562	-73,714
Beginning Balance	30,825,874	25,272,878	11,687,362	7,441,800
Ending Balance	21,472,878	11,687,362	7,441,800	7,368,087

Components of Ending Fund Balance

Components of Ending Balance	2019-20	2020-21	2021-22	2022-23
Restricted Ending Balance (only can be spent on federal or state mandates, or per donor requirements)	2,304,576	1,990,860	1,990,860	1,990,860
Reserve for Economic Uncertainty	5,760,432	5,844,098	5,450,940	5,377,226
Unassigned/Unappropriated Ending Balance	13,407,870	3,852,404	0	0

Budget Advisory Committee

Worked Performed:

- ❑ Reviewed District Budgets
- ❑ Gathered Information
- ❑ Discussed potential revenue enhancements and expenditure reductions
- ❑ Prepared recommendations to give to the Superintendent and the Board

Meeting Dates:

- ❑ September 26, 2019
- ❑ October 17, 2019
- ❑ November 21, 2019
- ❑ December 5, 2019
- ❑ January 23, 2020
- ❑ February 13, 2020
- ❑ February 20, 2020
- ❑ May 21, 2020
- ❑ June 4, 2020
- ❑ June 16, 2020

Fiscal Stabilization Plan Process

For FSP-P1 & P2



1. Convene BAC

Budget Advisory Committee
Reviews Revenues and
Expenditures



2. BAC Recommendations

BAC forwards recommendations to
the Superintendent



3. Superintendent

Makes recommendations
to the Board



4. Board of Education

Takes action on
recommendations for inclusion
in 2nd Interim/Budget

1. The BAC is charged with reviewing SRCS financial information and information regarding programs and services.
2. The BAC makes recommendations to the Superintendent for possible revenue enhancements and expenditure reductions.
3. The Superintendent can accept, not accept, modify, or add new recommendations to submit to the Board for consideration.
4. The Board can act on all, none, or some for inclusion in 19/20 2nd Interim and 20/21 Budget

Fiscal Stabilization Plan - Part 2

A. Revenue Enhancements					
Item #	Budget Action	2020-21 Proposed Budget Amount	2021-22 Proposed Budget Amount	2022-23 Proposed Budget Amount	Total 3 Year Savings to 2023
A-1	PG&E 6 Month Deferral of On-Bill Financing Payments. Extends terms.	\$225,000	\$0	\$0	\$225,000
A-2	Move summer school expenditures to Title Funding	\$300,000	\$300,000	\$300,000	\$900,000
Subtotal		\$525,000	\$300,000	\$300,000	\$1,125,000

Fiscal Stabilization Plan Part 2

Expenditure Reductions - B. Certificated Administration					
Item #	Budget Action	2020-21 Proposed Budget Amount	2021-22 Proposed Budget Amount	2022-23 Proposed Budget Amount	Total 3 Year Savings to 2023
B-1	Do not fill Ridgway AP and Elementary AP Split	(232,000)	(236,640)	(242,556)	(711,196)
Subtotal		(232,000)	(236,640)	(242,556)	(711,196)

Fiscal Stabilization Plan Part 2

Expenditure Reductions - E. Classified Personnel					
Item #	Budget Action	2020-21 Proposed Budget Amount	2021-22 Proposed Budget Amount	2022-23 Proposed Budget Amount	Total 3 Year Savings to 2023
E-1	Cap on overtime at 25% of 2018-19 total. 2018-19 total = ~\$620K	(\$465,000)	(\$465,000)	(\$465,000)	(\$1,395,000)
E-2	Mild/Moderate Instructional Aids Reduce 20 of 28 open/unfilled FTE. Create hiring pool. Once all positions in original pool are filled determine additional need and appropriate budget. Traditionally hard to fill position that remains vacant.	(\$763,073)	(\$381,530)	(\$190,765)	(\$1,335,368)
Subtotal		(\$1,228,073)	(\$846,530)	(\$655,765)	(\$2,730,368)

Fiscal Stabilization Plan Part 2

Expenditure Reductions - F. Other					
Item #	Budget Action	2020-21 Proposed Budget Amount	2021-22 Proposed Budget Amount	2022-23 Proposed Budget Amount	Total 3 Year Savings to 2023
F-1	Schoolzilla cancel Contract for this service. Data mining software.	(87,291)	(89,473)	(91,986)	(268,750)
F-2	Center for Educational Leadership service provider for Admin PD	(56,200)	(56,200)	(56,200)	(168,600)
F-3	Reduce future use of Design X	(100,000)	(100,000)	(100,000)	(300,000)
F-4	Moratorium on all Travel and Conferences	(198,000)	(198,000)	(198,000)	(594,000)
F-5	Reduce Books and Supplies Operating Budget by ~10%	(500,000)	(500,000)	(500,000)	(1,500,000)
F-6	SCOE/NPS placement potential to reduce cost based on providing services within SRCS. Further identification is needed. Initial goal of 15 students.	(255,000)	(255,000)	(255,000)	(765,000)
Subtotal		(1,196,491)	(1,198,673)	(1,201,186)	(3,596,350)

Fiscal Stabilization Plan Part 2

Summary of Revenue Enhancements and Expenditure Reductions				
	2020-21 Proposed Budget Amount	2021-22 Proposed Budget Amount	2022-23 Proposed Budget Amount	Total 3 Year Savings to 2023
Revenue Enhancements	\$525,000	\$300,000	\$300,000	\$1,125,000
Expenditure Reductions	(\$2,656,564)	(\$2,281,843)	(2,099,507)	(\$7,037,914)
Resulting Total Budget Reduction	(\$3,181,564)	(\$2,581,843)	(\$2,399,507)	(\$8,162,914)

Financial Status

- The Stabilization Plan - Part 2 provides the foundation to meet the Unidentified Reductions.
- It is important to note that SRCS must continue to prepare for:
 - ❑ **CSEA employee negotiations**
 - ❑ **SRTA employee negotiations in the spring of 2021**
 - ❑ **Uncertain education funding in California**
 - ❑ **Declining enrollment**
 - ❑ **Opening schools with restrictions due to COVID-19**

Next Steps

June 2020

- ❑ State 2020-21 Budget Act
- ❑ 2020-21 Budget Public Hearings
- ❑ 2020-21 Budget Adoption