

# Fiscal Year 2020-21

## Fiscal Stabilization Plan

### Part 2

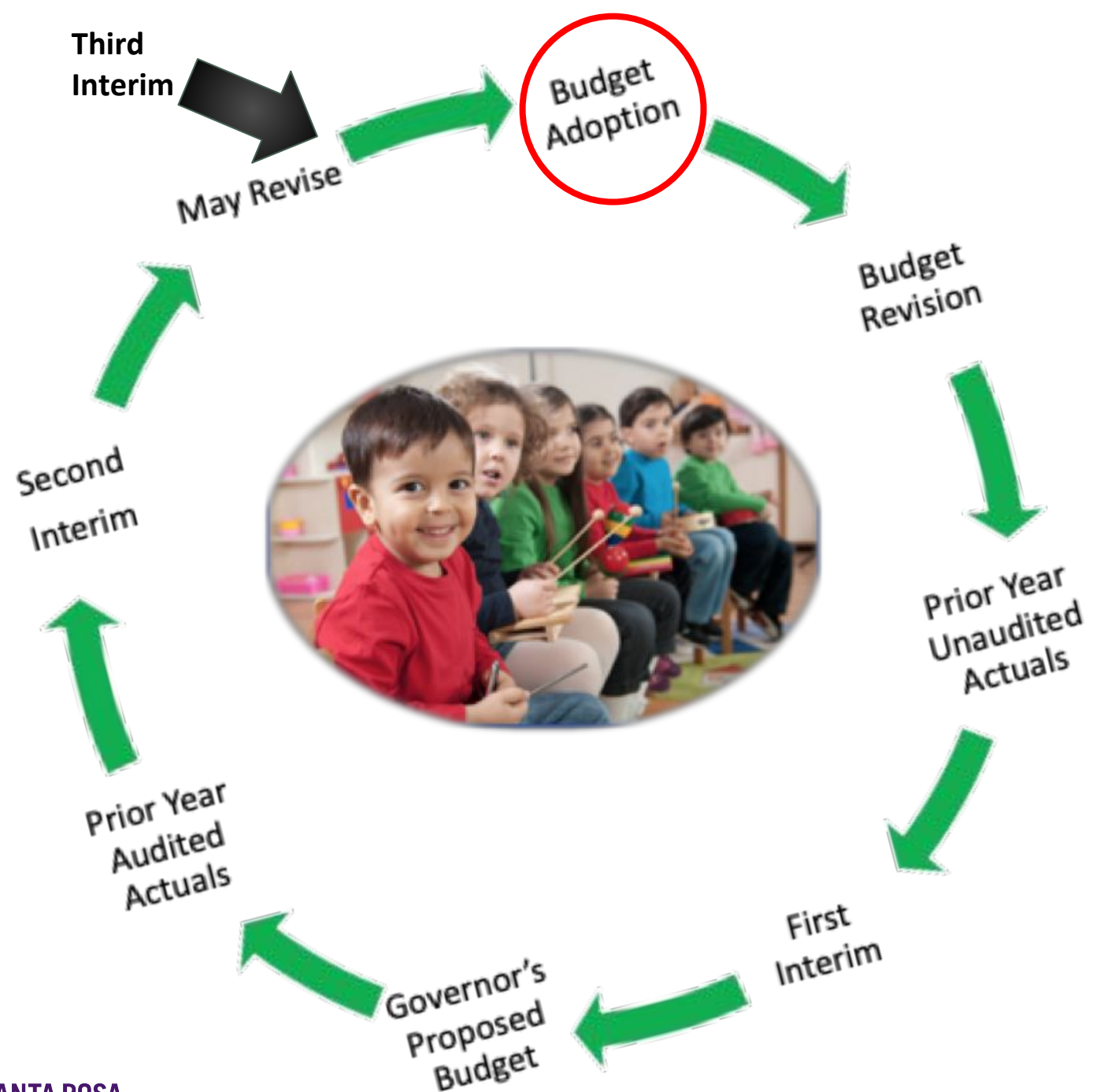
# Presentation Items

- 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
<b>Total Revenues</b>	<b>181,780,682</b>	<b>166,255,892</b>	<b>162,861,762</b>
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
<b>Future Unidentified Fiscal Stabilization Measures</b>		<b>-9,739,162</b>	<b>-31,332,984</b>
<b>Total Expenditures</b>	<b>191,875,605</b>	<b>184,925,310</b>	<b>164,320,530</b>
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
<b>Current Year Increase/Decrease In Fund Balance</b>	<b>-9,254,299</b>	<b>-17,828,793</b>	<b>-618,143</b>
<b>Beginning Balance</b>	<b>30,825,874</b>	<b>25,371,576</b>	<b>7,542,783</b>
<b>Ending Balance</b>	<b>21,571,576</b>	<b>7,542,783</b>	<b>6,924,640</b>

# 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
<b>Unassigned/Unappropriated Ending Balance</b>	<b>13,506,568</b>	<b>0</b>	<b>0</b>

# 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
<b>Total Revenues</b>	<b>181,681,984</b>	<b>180,238,332</b>	<b>176,473,031</b>
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
<b>Future Unidentified Fiscal Stabilization Measures</b>			<b>-14,094,296</b>
<b>Total Expenditures</b>	<b>191,875,605</b>	<b>194,664,472</b>	<b>181,559,218</b>
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
<b>Current Year Increase/Decrease In Fund Balance</b>	<b>-9,352,997</b>	<b>-13,585,515</b>	<b>-4,245,562</b>
<b>Beginning Balance</b>	<b>30,825,874</b>	<b>25,272,878</b>	<b>11,687,362</b>
<b>Ending Balance</b>	<b>21,472,878</b>	<b>11,687,362</b>	<b>7,441,800</b>

# 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
<b>Total Revenues</b>	<b>181,681,984</b>	<b>180,238,332</b>	<b>176,473,031</b>	<b>178,187,747</b>
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
<b>Future Unidentified Fiscal Stabilization Measures</b>			<b>-14,094,296</b>	<b>-21,124,821</b>
<b>Total Expenditures</b>	<b>191,875,605</b>	<b>194,664,472</b>	<b>181,559,218</b>	<b>179,102,085</b>
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
<b>Current Year Increase/Decrease In Fund Balance</b>	<b>-9,352,997</b>	<b>-13,585,515</b>	<b>-4,245,562</b>	<b>-73,714</b>
<b>Beginning Balance</b>	<b>30,825,874</b>	<b>25,272,878</b>	<b>11,687,362</b>	<b>7,441,800</b>
<b>Ending Balance</b>	<b>21,472,878</b>	<b>11,687,362</b>	<b>7,441,800</b>	<b>7,368,087</b>

# 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
<b>Unassigned/Unappropriated Ending Balance</b>	<b>13,407,870</b>	<b>3,852,404</b>	<b>0</b>	<b>0</b>

# 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 2<sup>nd</sup> 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 2<sup>nd</sup> 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)
<b>Subtotal</b>		<b>(1,196,491)</b>	<b>(1,198,673)</b>	<b>(1,201,186)</b>	<b>(3,596,350)</b>

# 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)
<b>Resulting Total Budget Reduction</b>	<b>(\$3,181,564)</b>	<b>(\$2,581,843)</b>	<b>(\$2,399,507)</b>	<b>(\$8,162,914)</b>

# 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