



2020-21 Preliminary Budget and Budget Reductions

Board Presentation

June 17, 2020

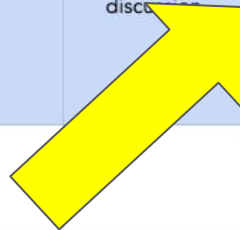
Brent Stephens, Superintendent

Pauline Follansbee, Assistant Superintendent, Business Services

BUSD 2020-2021 Revised Budget Development Process

Response to the Governor's May Revise

		Week of					
	May 14	May 27	June 1	June 8	June 15	June 22	June 29
Staff Preparations P&O, SBAC, EAC, PAC, Principals, and DELAC	Revenue Projections based on Governor's May Revise	Analyze survey of managers for additional reduction ideas; conduct research on budget reduction options; develop projections for COVID-related expenses	Ongoing research on budget options; internal communication with program managers	Respond to SBAC and EAC feedback; prepare presentation to the Board of Education	Respond to Board of Education feedback; prepare revisions to the preliminary proposals; prepare for presentation to the Board	Respond to Board of Education feedback; prepare revisions to the preliminary proposals; prepare for presentation to the Board	Respond to Board of Education feedback; prepare revisions to the preliminary proposals; prepare for presentation to the Board
			Share preliminary proposal for reductions and COVID expenses		Share second proposal for reductions and COVID expenses		
		Share information about BSEP and ASSES grants; share timeline for budget reduction decisions		Present preliminary package of reductions and additional COVID expenses for discussion	Present revised package of reductions and additional expenses for action; present FIRST READING of BUSD's 2020-2021 budget	If needed, present additional reductions expenses for action	If needed, present revised package of reductions expenses for action; present SECOND READING of BUSD's 2020-2021 budget
Board of Education							
PCAD					Share second proposal for reductions and COVID expenses		



Agenda

1. Budget Highlights
 - a. Unrestricted General Fund
 - Variance Report
 - Multi-Year Projections
2. COVID-19 Investments
3. Approval of Budget Reductions
 - a. Unrestricted General Fund
 - b. LCAP Reductions

2020-21 Preliminary Budget

Uncertainty about the 2020-21 Budget

Governor proposes \$14 billion in budget reductions which will be eliminated if federal funding received

Legislature includes anticipated federal revenue in the budget and budget reductions if federal funds not received

BUSD Preliminary Budget based on Governor's May Revise

Budget Highlights

- ❑ Negative COLA for LCFF funding and certain Categoricals
- ❑ SPED funding at \$645 per ADA - no COLA
- ❑ Reduction in STRS and PERS rates for 2020-21 and 2021-22
- ❑ Deferrals of State Revenue from 1-3 months
- ❑ BERRA Parcel Tax Measure included in Funds 01-08 Summary

Budget Highlights

- ❑ Positive Certification AFTER implementing \$9.9 million in budget reductions
\$1.3 million previously board approved

\$8.6 million in budget reductions (pending board approval)
- ❑ Undesignated Fund Balance of \$765,094

Revised Impact of May Revise			
	2020-21		
COLA	Base	Supplemental	Total
Was	2.31%	2.31%	
Revised	-7.92%	-7.92%	
Change	-10.23%	-10.23%	
Amount	Base	Supplemental	Total
Was	\$ 89,373,750	\$ 5,242,003	\$ 94,615,753
Revised	\$ 80,742,088	\$ 4,737,123	\$ 85,479,211
Change	\$ (8,631,662)	\$ (504,880)	\$ (9,136,542)
Retirement Relief UGF	We are required to plan for a \$7.72M reduction to our General Fund in 2020-2021		\$ 1,415,567
			\$ (7,720,975)

Variance Report - Unrestricted General Fund

Link to the District's Unrestricted General Fund Variance Report:

[Preliminary Budget - Variance Report](#)

Multi-Year Projections Unrestricted General Fund

Removal of one-time funding and expenses with flat LCFF funding necessitates significant ongoing reductions in the out years.

Additional funding from the State or Federal Government will mitigate or eliminate the need for budget reductions in the out years.

Multi-Year Projections 2020-21 Preliminary Budget**Unrestricted General Fund**

Unrestricted General Fund (in millions)	2020-21	2021-22	2022-23
REVENUE			
Total COLA - 2020-21 Preliminary Budget	-7.92%	0.00%	0.00%
<i>Based upon Governor's May Revision</i>			
Gap %	100.00%	100.00%	100.00%
LCFF Funding			
<i>Base Funding</i>	80.7	80.7	80.7
<i>Supplemental Funding</i>	4.7	4.6	4.6
Total LCFF Funding	85.4	85.3	85.3
Other State Funding	2.4	2.4	2.4
Local Funding	2.5	2.5	2.5
TOTAL REVENUE	90.3	90.2	90.2

Unrestricted General Fund (in millions)	2020-21	2021-22	2022-23
Sub-Total Expenditures	-88.8	-94.0	-95.6
<i>Board Approved Budget Reductions FY 20-21</i>		<i>-11.0</i>	<i>-13.0</i>
TOTAL EXPENDITURES	-88.8	-83.0	-82.6
TOTAL SOURCES AND USES	-2.5	-7.4	-7.4
Change in Fund Balance	-1.0	-0.2	0.2
Beginning Fund Balance	1.7	0.7	0.5
Ending Fund Balance	0.7	0.5	0.7

Summary of Other Sources and Uses

Fund 01 Only - Not including Parcel Tax Funds

FY 2020-21 Preliminary Budget

Fund 01 Only - Not including Parcel Tax Funds	2020-21			2021-22			2022-23		
	UNRESTRICTED	RESTRICTED	Combined	UNRESTRICTED	RESTRICTED	Combined	UNRESTRICTED	RESTRICTED	Combined
OTHER SOURCES & (USES):									
INTERFUND TRANSFERS IN			-						
TOTAL INTERFUND TRANSFERS IN		-	-						
INTERFUND TRANSFERS									
From Fund 20 - Post Employment Benefits	6,100,000		6,100,000	-		-	-		-
To Fund 11- Adult Education /LCFF	-		-	-		-	-		-
To Fund 12 - Child Development	0		0	0		0	0		0
To Fund 67 - Self Insurance	(215,132)		(215,132)	(215,132)		(215,132)	(215,132)		(215,132)
To Fund 13 - Cafeteria Fund	(451,527)		(451,527)	(600,000)		(600,000)	(600,000)		(600,000)
TOTAL INTERFUND TRANSFERS OUT	5,433,341	0	5,433,341	(815,132)	0	(815,132)	(815,132)	0	(815,132)
CONTRIBUTIONS:									
Contributions In									
BSEP Contribution	15,510,300		15,510,300	16,810,300		16,810,300	16,810,300		16,810,300
Contributions Out									
Special Ed	(23,422,835)	23,422,835	-	(23,422,835)	23,422,835	-	(23,422,835)	23,422,835	-
NET CONTRIBUTIONS	(7,912,535)	23,422,835	15,510,300	(6,612,535)	23,422,835	16,810,300	(6,612,535)	23,422,835	16,810,300
TOTAL OTHER SOURCES & USES	(2,479,194)	23,422,835	20,943,641	(7,427,667)	23,422,835	15,995,168	(7,427,667)	23,422,835	15,995,168

Anticipated New Expenses

Estimated New Expenses 2020-21 Include

	General Fund	Restricted Federal	BSEP	Total
Distance Learning				
Mental Health	150,000			150,000
Technology				
Zoom License	25,000			25,000
Employee Hotspots	20,000			20,000
Family Hotspots		12,000		12,000
Subscription based curriculum		100,000		100,000
Continuing contracts for Tec to support HR/Business Services	50,000			50,000
	95,000	112,000		207,000
Tutoring Support				
Create a COVID Equity Fund			200,000	200,000
	245,000	112,000	200,000	557,000

Estimated New Expenses 2020-21 Include

	General Fund	Restricted Federal	BSEP	Total
School Opening				
Elementary School Day Camp	500,000			500,000
Cleaning and Protective Wear		300,000		300,000
Contracted Nurse increase in 1 FTE	136,500			136,500
	636,500	300,000		936,500
Total New Expenses	881,500	412,000	200,000	1,493,500
Funding Source		CARES Funding	BSEP Savings	

Updated: Summary of Reductions

20-21 Mid-Year 21-22
If Needed If Needed

Tier One	Tier Two	Tier Three
Selective Hiring Freeze Reduce Staff Overtime DO Admin Furloughs Nutrition Services Contracts Substitutes Cooking & Gardening One Time Funds Reduce Positions	Department Reduction Staff Reductions Staff Furloughs Cooking & Gardening One Time Funding	Transportation Layoffs Additional Furloughs Early Retirement Incentive
-\$5,190,994	\$3,389,951	TBD

Change in Budget Reduction Methodology in the Preliminary Budget

Tiers 1&2 - reduction in expenditures and increased contributions are included in the Preliminary Budget

As revenue is restored, Budget Reductions in Tier 2 will be eliminated

Tier 3 reductions to be determined will be implemented if needed in the following year

Budget Reductions in the Preliminary Budget

List of Budget Reductions totaling \$8.6 million will be presented on the following slides for board approval.

Tier 1 \$5.2 Million

Tier 2 \$3.4 Million

Tier 3 TBD

List of Budget Reductions / Board Voting Sheet

[Board Voting Sheet](#)

Tier 1 Reductions

FY20-21 Reductions Board Vote

Tier	Category	Components	Total	Board Vote(Y/N)
1	Contract	Mandated Costs Consultant	\$ (30,000.00)	
1		SPG	\$ (500,000.00)	
1	Contract Total		\$ (530,000.00)	
1	Gardening	Reduce Gardening	\$ (50,000.00)	
1	Gardening Total		\$ (50,000.00)	
1	Hiring Freeze	Accounting Manager	\$ -	
1		BHS Math Coordinator	\$ (110,000.00)	
1		BIS (up to 4.0)	\$ (171,576.00)	
1		BTA/BIS Attendance Tech	\$ (70,000.00)	
1		Campus Aides, FREEZE 4.4 FTE	\$ (130,000.00)	
1		School Safety Officers x 3	\$ (90,000.00)	
1		Special Ed IAs II (up to 8.0)	\$ (224,000.00)	
1		Sped TSAs (2.4FTE)	\$ (220,000.00)	
1		SWA at BHS	\$ (70,000.00)	
1	Hiring Freeze Total		\$ (1,085,576.00)	

Tier 1 Reductions

FY20-21 Reductions Board Vote

Tier	Category	Components	Total	Board Vote(Y/N)
1	Nutrition Services	Switch meals to grab and go; reduce staffing and costs, unfilled position	\$ (300,000.00)	
1	Nutrition Services Total		\$ (300,000.00)	
1	One Time Funding	Contribution from Fund 20	\$ (1,500,000.00)	
1	One Time Funding Total		\$ (1,500,000.00)	
1	Overtime	Reduce DO Overtime by 50%	\$ (50,000.00)	
1		Shift Security Overtime to Fund 2	\$ (200,000.00)	
1	Overtime Total		\$ (250,000.00)	
1	Staff Furlough	District Office Unrep Managers	\$ (44,418.00)	
1	Staff Furlough Total		\$ (44,418.00)	
1	Substitutes	Reduce spending on substitute teachers/staffing	\$ (1,250,000.00)	
1	Substitutes Total		\$ (1,250,000.00)	
1	Positions	BHS Maintenance Transfer Cost	\$ (101,000.00)	
1		Enrollment Office, 1 FTE	\$ (80,000.00)	
1	Positions Total		\$ (181,000.00)	
1	Total		\$ (5,190,994.00)	

Tier 2 Reductions

		10% reduction from Personnel	
2	Department Reductions	Commission	\$ (50,000.00)
2	Department Reductions Total		\$ (50,000.00)
2	Gardening	Reduce Gardening	\$ (50,000.00)
2	Gardening Total		\$ (50,000.00)
2	One Time Funding	Additional Fund 20	\$ (400,000.00)
2		Additional Fund 20 2	\$ (1,000,000.00)
2	One Time Funding Total		\$ (1,400,000.00)
2	Staff Furlough	3 Day Staff Furlough	\$ (1,814,951.00)
2	Staff Furlough Total		\$ (1,814,951.00)
2	Staff Layoff	Eliminate School Service Assistants	\$ (75,000.00)
2	Staff Layoff Total		\$ (75,000.00)
2	Total		\$ (3,389,951.00)
	Grand Total		\$ (8,580,945.00)

Staff Furlough

Furlough Savings Per Day	
BCCE	-138,446
BFT	-401,224
Non Rep Cert	-11,369
Non Rep Class	-10,840
Local 21	-16,385
UBA	-26,720
	-604,984

CA Government Code, 20969.2.

A “mandatory furlough” includes any time period on or after July 1, 2008, during which employees are directed to be absent from work without pay on the day or days designated by their employer or by a memorandum of understanding by the parties entered into on or after July 1, 2008, for purposes of achieving budgetary savings.

Important Note: A furlough is a bargainable change to the work calendar for each bargaining unit

Fund 20 Summary

2019-20 Beginning Fund Balance	\$ 11,194,861.30
2019-20 Transfers Out	\$ 3,200,000.00
2019-20 Estimated Ending Fund Balance	\$ 7,994,861.30
2020-21 Transfers Out	\$ 3,200,000.00
2020-21 Additional Transfers Out	\$ 2,900,000.00
2020-21 Projected Ending Fund Balance	\$ 1,894,861.30

LCAP

Local Control Accountability
Plan

LCAP Supplemental Funding - a 10% reduction in LCAP is equal to \$512,000

Reduction Strategy	Components	Possible Savings
Longfellow Literacy Coach	Move from UGF to LCAP	\$103,000
Super Science Saturday	Eliminate	-\$70,000
Tutoring Stipends	Eliminate	-\$80,000
0.8 FTE Climate TSA	Close position	-\$70,000
Freeze 1 RJ Counselor, BHS	Freeze the hiring for this position	-\$103,000
Reduce AASP SWA Classified	Close position; keep funding in AASP	\$0
LCAP COVID Equity Fund		\$77,000
SUBTOTAL		-\$133,000

Supplemental Funding - a 10% reduction in LCAP is equal to \$512,000

From previous page		-\$133,000
LCAP Carryover		-\$179,000
LCAP Reserve		-\$200,000
	Total	-\$512,000

Steps in the Budget Building Process

1. Our next June 24. We plan to bring additional analysis of both equity and COVID expenses, including the BLM resolution from June 10. This may involve the presentation of a limited number of additional reduction ideas.
2. Second Reading of the 2020-2021 Budget, June 24