

# Fiscal Year 2020-21 Budget Presentation

June 24, 2020

# Presentation Items

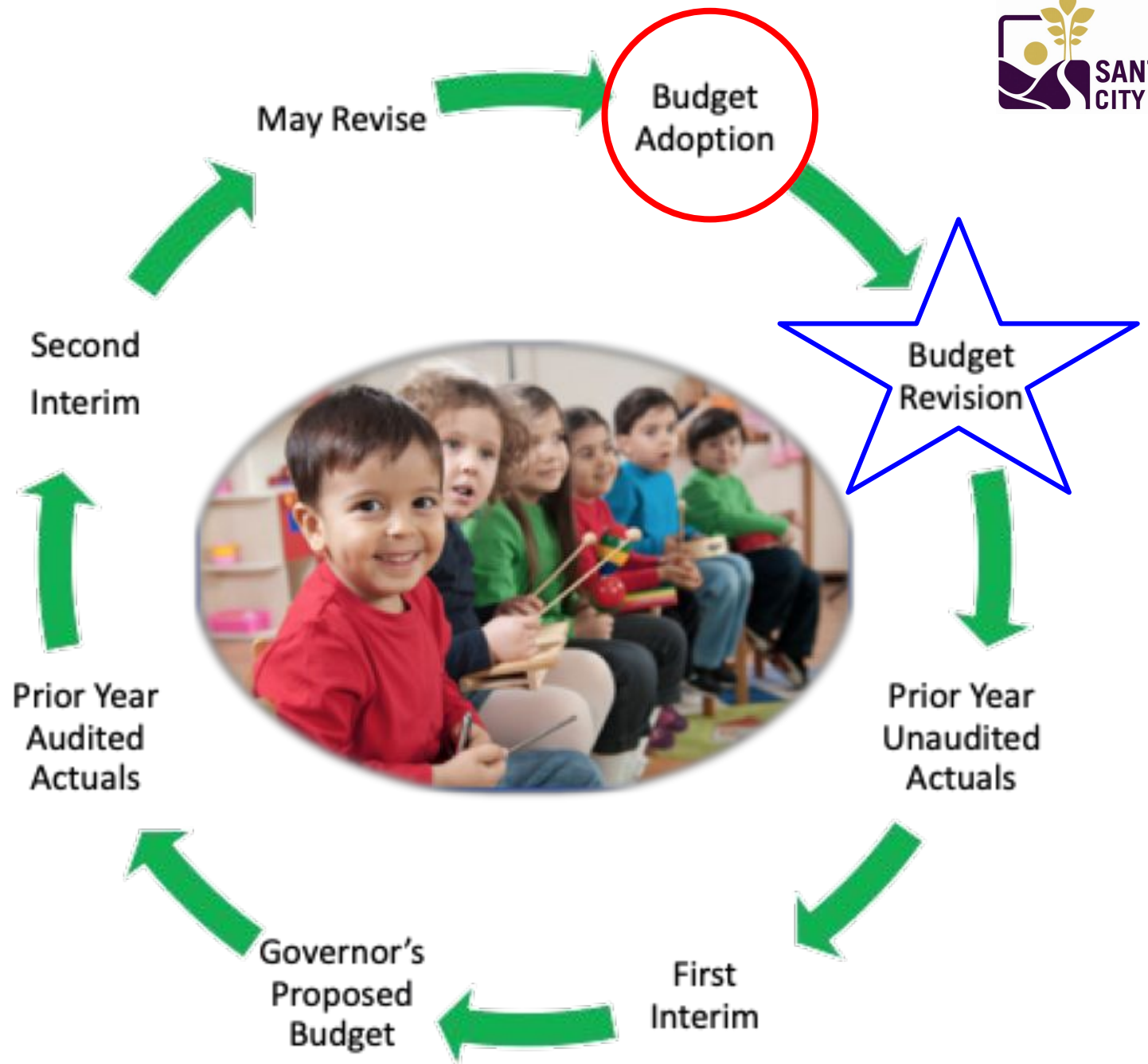
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- ☐ Annual Budget Cycle
- ☐ Budget Assumptions
- ☐ Fiscal Stabilization Plan
- ☐ 2020-21 General Fund
- ☐ Multi-Year Projection
- ☐ Other Funds
- ☐ Next Steps

# 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



# Key Budget Factors / Assumptions

MYP Assumption:	2020-21	2021-22	2022-23
Statutory Cost of Living Adjustment (COLA)	2.31%	2.48%	3.26%
Augmentation	0.00%	-2.48%	-3.26%
Statutory COLA & Augmentation	2.31%	0.00%	0.00%
Proration factor used for LCFF add-ons	0.00%	0.00%	0.00%
CalPERS Employer Rate	20.70%	22.84%	25.50%
CalSTRS Employer Rate	16.15%	16.02%	18.01%
Enrollment (Non-Charter Schools)	14,161	13,953	13,775
Projected ADA (Non-Charter Schools)	13,186.10	12,992.56	12,827.32
Funded ADA (Non-Charter Schools)	13,554.49	13,186.10	12,992.56

# Assumptions - CalPERS Rate Increases

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- ❑ Employer Contribution to CalPERS is proposed to increase to 20.70% in 20-21, up from 19.72% in 19-20.
- ❑ This rate reflects language in the May Revision and Legislature's Budget
- ❑ "Classic" members continue to pay 7%
- ❑ New Members pay 6% subject to fluctuation based on PEPRA requirement to pay half of the normal cost rate

Year	Employer	Pre-PEPRA Employees	Post-PEPRA Employees
2019-20	19.72%	7.00%	6.00%
2020-21	20.70%	7.00%	6.00%
2021-22	22.84%	7.00%	6.00%
2022-23	25.50%	7.00%	6.00%

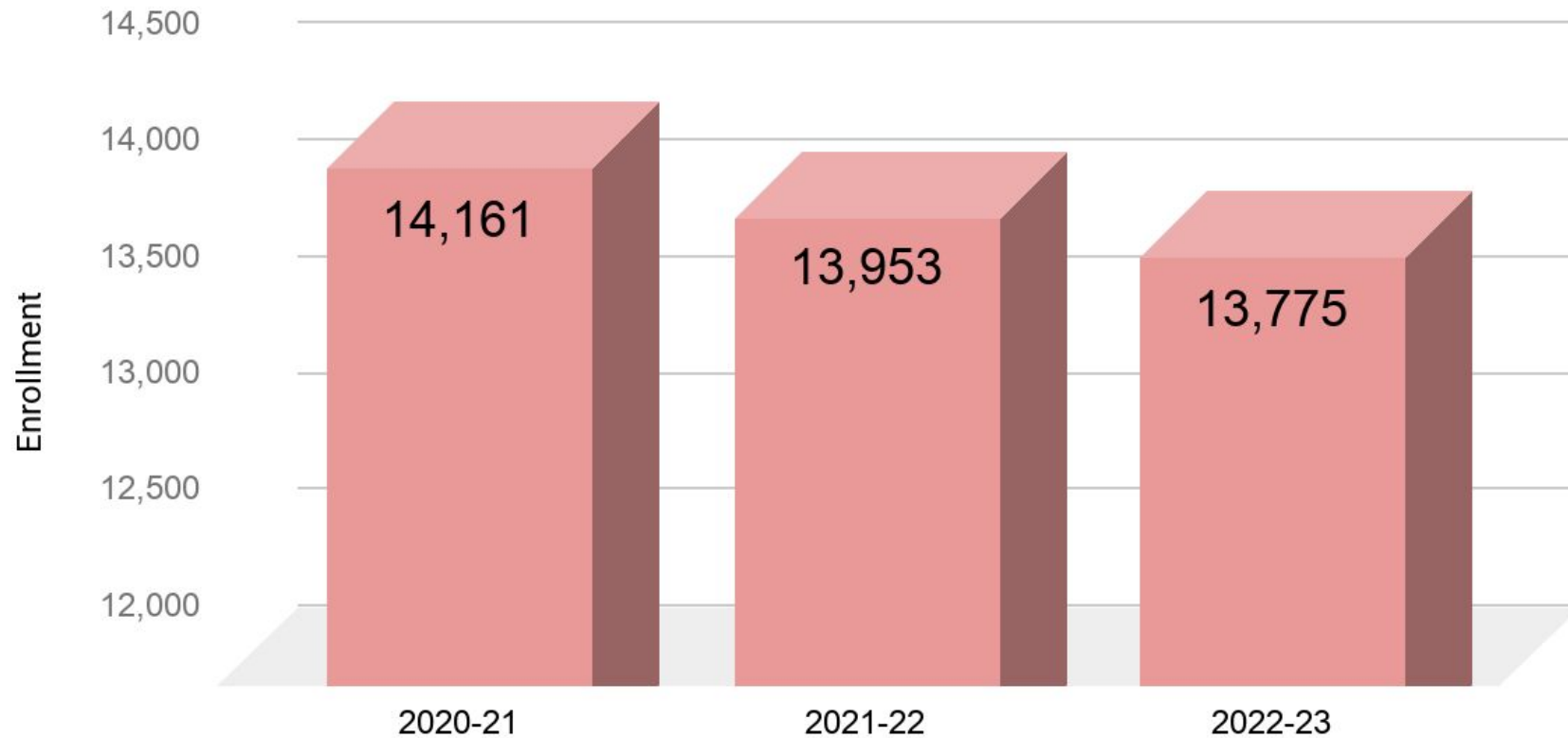
# Assumptions - CalSTRS Rate Increases

- ❑ Employer rates are decreasing to 16.15% in 20-21, up from 17.10% in 19-20
- ❑ This rate reflects language in the May Revision and Legislature's Budget

Year	Employer	Pre-PEPRA Employees	Post-PEPRA Employees
2019-20	17.10%	10.25%	9.21%
2020-21	16.15%	10.25%	9.21%
2021-22	16.02%	10.25%	9.21%
2022-23	18.10%	10.25%	9.21%

# Assumptions - Enrollment

## SRCS Enrollment Projections\*

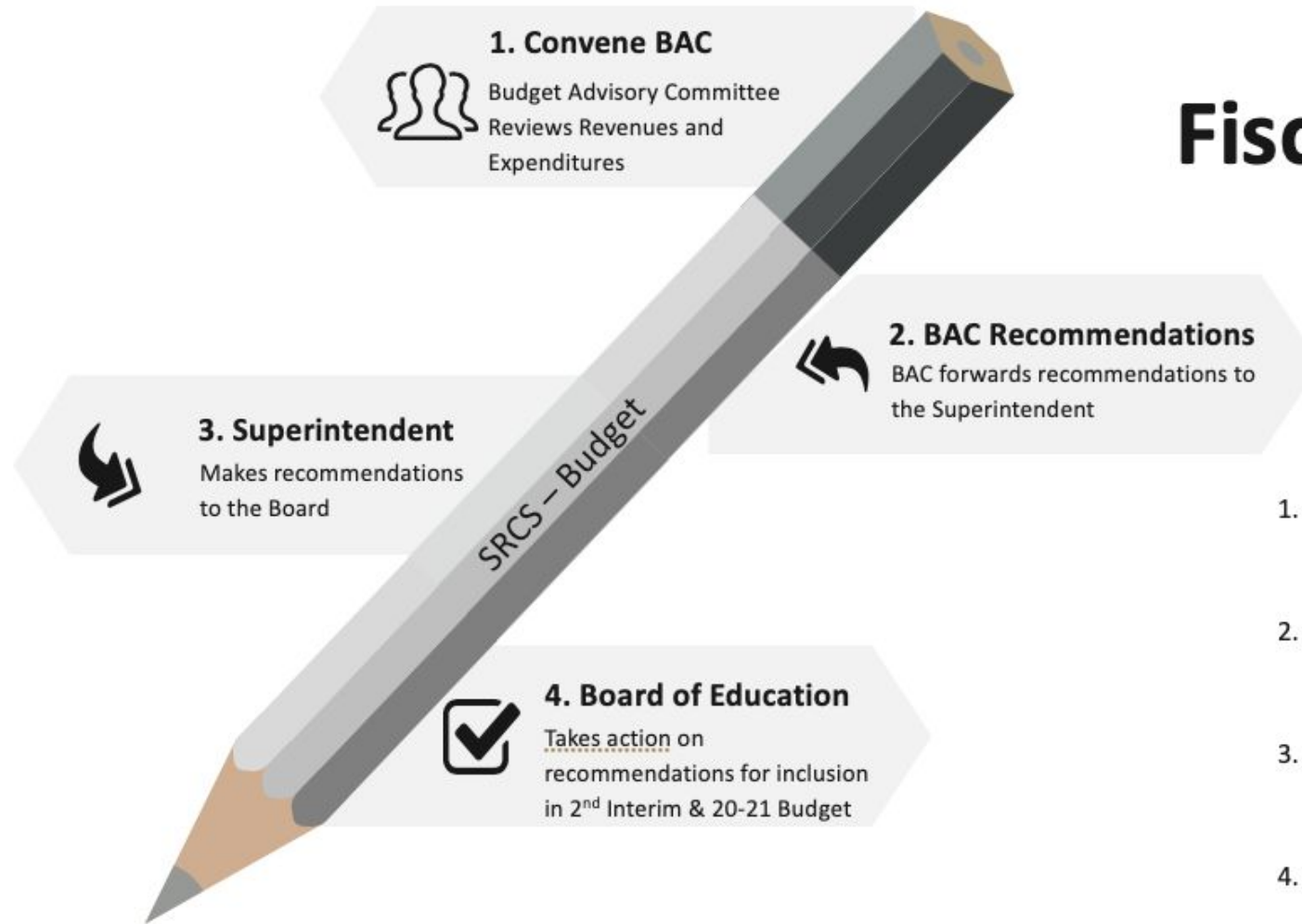


SRCS

\*Does not include Charter Schools

# Fiscal Stabilization Plan Process

For FSP-P1 & P2



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 Plans - P1 & P2

<b>Fiscal Stabilization Part 1</b> <b>Summary of Revenue Enhancements and Expenditure Reductions</b>				
	2019-20 Proposed Budget Amount	2020-21 Proposed Budget Amount	2021-22 Proposed Budget Amount	Total 3 Year Savings to 2022
Revenue Enhancements	\$46,478	\$3,983,220	\$211,326	\$4,241,024
Expenditure Reductions	(\$774,634)	(\$3,053,682)	(3,522,105)	(\$7,350,421)
<b>Resulting Total Budget Reduction</b>	<b>(\$821,112)</b>	<b>(\$6,639,572)</b>	<b>(\$3,324,181)</b>	<b>(\$10,784,865)</b>

<b>Fiscal Stabilization Plan Part 2</b> <b>Summary of Revenue Enhancements and Expenditure Reductions</b>				
	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>

# 2020-21 General Fund

			2019-20 Estimated Actuals			2020-21 Budget			
Description	Resource Codes	Object Codes	Unrestricted (A)	Restricted (B)	Total Fund col. A + B (C)	Unrestricted (D)	Restricted (E)	Total Fund col. D + E (F)	% Diff Column C & F
A. REVENUES									
1) LCFF Sources		8010-8099	140,747,151.00	4,044,372.00	144,791,523.00	140,978,801.00	4,044,372.00	145,023,173.00	0.2%
2) Federal Revenue		8100-8299	135,000.00	9,802,076.00	9,937,076.00	135,000.00	8,591,736.00	8,726,736.00	-12.2%
3) Other State Revenue		8300-8599	3,648,240.00	10,772,173.51	14,420,413.51	3,648,240.00	10,332,013.00	13,980,253.00	-3.1%
4) Other Local Revenue		8600-8799	4,631,343.38	8,023,100.73	12,654,444.11	4,874,923.00	6,970,817.00	11,845,740.00	-6.4%
5) TOTAL REVENUES			149,161,734.38	32,641,722.24	181,803,456.62	149,636,964.00	29,938,938.00	179,575,902.00	-1.2%
B. EXPENDITURES									
1) Certificated Salaries		1000-1999	62,269,163.64	16,973,230.85	79,242,394.49	63,585,405.00	16,934,382.00	80,519,787.00	1.6%
2) Classified Salaries		2000-2999	16,145,530.63	6,796,358.38	22,941,889.01	17,635,363.00	7,464,243.00	25,099,606.00	9.4%
3) Employee Benefits		3000-3999	24,986,657.14	14,739,606.67	39,726,263.81	27,217,291.00	15,875,377.00	43,092,668.00	8.5%
4) Books and Supplies		4000-4999	4,408,261.81	5,492,880.45	9,901,142.26	3,828,215.00	2,199,442.00	6,027,657.00	-39.1%
5) Services and Other Operating Expenditures		5000-5999	18,500,227.84	22,298,444.70	40,798,672.54	18,895,460.00	21,423,003.00	40,318,463.00	-1.2%
6) Capital Outlay		6000-6999	0.00	171,839.00	171,839.00	0.00	151,256.00	151,256.00	-12.0%
7) Other Outgo (excluding Transfers of Indirect Costs)		7100-7299 7400-7499	127,717.00	0.00	127,717.00	88,086.00	0.00	88,086.00	-31.0%
8) Other Outgo - Transfers of Indirect Costs		7300-7399	(1,410,846.98)	358,893.98	(1,051,953.00)	(1,044,088.00)	284,315.00	(759,773.00)	-27.8%
9) TOTAL EXPENDITURES			125,026,711.08	66,831,254.03	191,857,965.11	130,205,732.00	64,332,018.00	194,537,750.00	1.4%
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES AND USES (A5 - B9)									
			24,135,023.30	(34,189,531.79)	(10,054,508.49)	19,431,232.00	(34,393,080.00)	(14,961,848.00)	48.8%

# General Fund Multi-Year Projection

2020-21 Budget			
REVENUES	2020-21	2021-22	2022-23
LCFF Sources	145,023,173	141,228,682	142,916,445
Remaining Revenues	34,552,729	34,552,729	34,552,729
<b>Total Revenues</b>	<b>179,575,902</b>	<b>175,781,411</b>	<b>177,469,174</b>
EXPENDITURES			
Salaries & Benefits	148,712,061	151,822,402	154,998,338
Books/Supplies & Outlay	6,178,913	4,178,913	4,178,913
Services & Operating Expenses	40,318,463	39,904,785	39,904,785
Other Outgo & Indirect Costs	-671,687	-671,687	-671,687
<b>Future Unidentified Fiscal Stabilization Measures</b>		<b>-14,892,003</b>	<b>-19,872,821</b>
<b>Total Expenditures</b>	<b>194,537,750</b>	<b>180,342,410</b>	<b>178,537,529</b>
Operating Net Increase/Decrease	-14,961,848	-4,560,999	-1,068,355
Transfers In and Other Sources	4,779,415	979,415	979,415
<b>Current Year Increase/Decrease In Fund Balance</b>	<b>-10,182,433</b>	<b>-3,581,584</b>	<b>-88,940</b>
<b>Beginning Balance</b>	<b>21,619,491</b>	<b>11,437,058</b>	<b>7,855,474</b>
<b>Ending Balance</b>	<b>11,437,058</b>	<b>7,855,474</b>	<b>7,766,534</b>

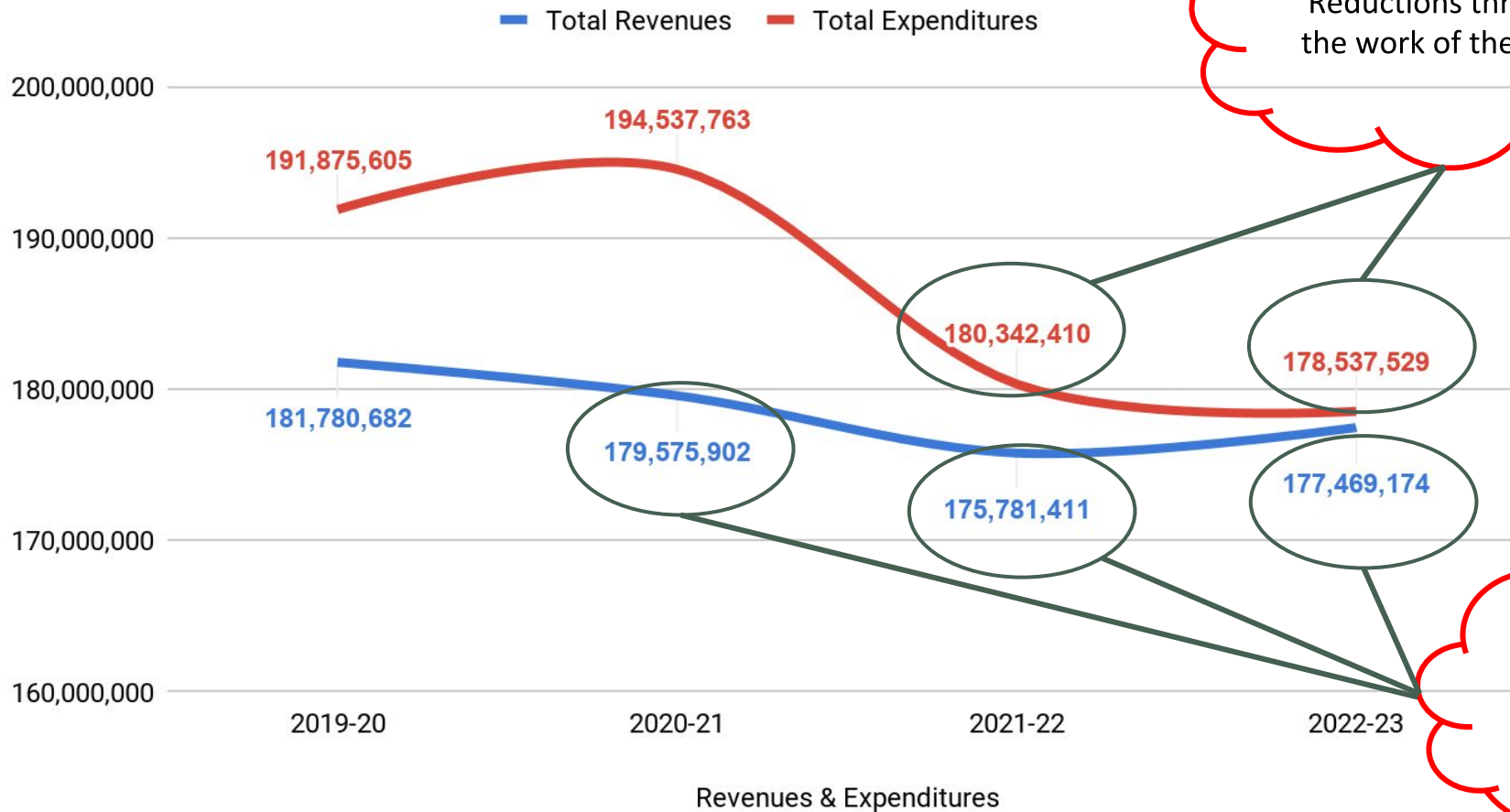
# Components of the Ending Fund Balance

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Components of Ending Balance	2020-21	2021-22	2022-23
Restricted Ending Balance (only can be spent on federal or state mandates, or per donor requirements)	2,730,157	2,402,778	2,402,778
Reserve for Economic Uncertainty	5,836,133	5,410,272	5,356,336
<b>Unassigned/Unappropriated Ending Balance</b>	<b>2,870,768</b>	<b>42,423</b>	<b>7,420</b>

# Revenue vs Expenditure

## Total Revenues and Total Expenditures



# Other Funds Ending Balances (20-21)

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Fund	Balance
Fund 9 (Charters)	\$1,769,507
Fund 12 (Child Dev)	\$4,298
Fund 13 (Cafeteria)	\$(552,616)
Fund 14 (DM)	\$730,039
Fund 17 (Spec Res)	\$557,092

Fund	Balance
Fund 21 (Bond)	\$20,408,488
Fund 25 (DF)	\$5,077,117
Fund 35	\$1,039
Fund 40 (Cap Outlay)	\$10,365,593
Fund 67 (Dental)	\$428,314

# Next Steps

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## June 2020

- ☐ Budget Public Hearing
- ☐ Budget Adoption

## July / August 2020

- ☐ 45 Day 2020-21 Budget Revision
- ☐ Budget Advisory Committee (BAC)
  - ☐ Fiscal Stabilization Plan Development

## September 2020

- ☐ 2019-20 Unaudited Actuals
- ☐ Possible Budget Revision Based on CA State Budget Revision
- ☐ Budget Advisory Committee

## October 2020

- ☐ Budget Advisory Committee

## November 2020

- ☐ BAC/Superintendent Recommendations submitted to the Board of Education

## December 2020

- ☐ 2020-21 First Interim
  - ☐ Including Fiscal Stabilization Plan
- ☐ LCAP Public Hearing and Approval