

SAN MATEO UNION HIGH SCHOOL DISTRICT



**2020-21
General Fund Adopted Budget
June 25, 2020**

AGENDA

- State Budget
- Sources of Information
- Background Budget Information
- Revised Budget Assumptions
- General Fund Adopted Budget
- General Fund Multi-Year Projections
- General Fund Multi-Year Projections
- Items Not included in Budget

STATE BUDGET AGREEMENT

Applicable to SMUHSD

- Rejected 10% Local Control Funding Formula reduction
- Allocates \$5.53 billion in discretionary federal funds and General Fund for one-time COVID-19 expenses
- Allocates \$1.4 billion in Federal School Emergency Relief Fund to LEA's based on their Title I Student distribution
- Provides \$2.3 billion funding relief to reduce school employers' rate contribution to the STRS and PERS
- Restores K-12 categorical programs reductions highlighted at the May Revise
- Provides \$450,000 for the CDE to support the alignment and integration of online platforms supporting the California School Dashboard, Local Control and Accountability plan electronic templates system and the school accountability report card
- Provides \$60 million for the CSEA Summer Assistance Program through 2025

STATE BUDGET AGREEMENT

Applicable to SMUHSD Continued

- Defer 2019-20 June apportionment to July 2020
- Defer \$11 billion of apportionment from Feb, Mar, Apr, May, Jun for one to nine months
- Defer \$3.4 billion until 2021-22
- Proceeds from the sale of Surplus Property may be deposited into the General Fund for one-time purposes. Requests must be submitted to the State Allocation Board for approval.
- Micro-college Prohibition-school district shall not expend funds provided for courses or instruction offered by private or public college or universities beyond that permitted in pursuit of a high school diploma, except for courses of instruction in which pupils are enrolled in before July 1, 2020
- Inter-fund Borrowing Allowances. If the state defers any payments owed to school districts, the Board may authorize funds be temporarily transferred. Funds transferred must be transferred back in the same fiscal year.

STATE BUDGET AGREEMENT

Applicable to SMUHSD Continued

- Parameters for distance learning
- 2020-21 minimum minutes 240 minutes. 11th and 12th grade students enrolled in Cal State or University of California classes or enrolled in a continuation high school program require 180 minutes.
- Attendance-Documents students participating in school each day. A student that does not participate in distance learning will be marked.
- Child Nutrition shall provide meals for students who are eligible for free and reduced price meals whether they are enrolled in distance learning or in-person instruction.
- Prohibits lay-offs of specific Credentialed employees
- Prohibits lay-offs of specific Classified employees assigned to transportation, student nutrition, or custodial services.
- Special Education provides \$654 million for funding reform

STATE BUDGET AGREEMENT

Applicable to SMUHSD Continued

- Use of Federal Funds
 - \$1.5 billion allocated to LEA's on a per pupil basis
 - \$2.9 billion allocated to supplemental and concentration grant funding
 - \$540 billion allocated to LEA's on the basis of its LCFF entitlement determined as of 2019-20 ADA

SOURCES OF INFORMATION

- San Mateo County Assessor's Office
- San Mateo County Office of Education
- Federal Budget
- State Budget
- School Services of California
- District vendors
- District Enrollment – Decision Insite
- District Special Education department
- District Curriculum and Instruction
- District Human Resources Position Control/Staffing
- Every department and school site in the district

BUDGET DEVELOPMENT

The 2020-21 budget was difficult to develop due to the COVID-19 pandemic. We are experiencing an economic downturn and to what degree remains to be seen. It created extensive sanitation demands and challenged the delivery of the instructional program.

As the year progresses, we will have a better grasp at both revenues and expenditures projections.

ENROLLMENT

High				ACTUAL ENROLLMENT						PROJECTION		
School	2011-12	2012-13	2013-14	2014-15	2015-15	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Aragon	1,499	1,441	1,441	1,419	1,474	1,555	1,639	1,675	1,716	1,789	1,850	1,885
Burlingame	1,314	1,352	1,306	1,301	1,344	1,425	1,475	1,492	1,527	1,502	1,505	1,521
Capuchino	1,127	1,104	1,108	1,096	1,127	1,177	1,213	1,187	1,225	1,144	1,074	1,053
Hillsdale	1,318	1,350	1,348	1,338	1,376	1,418	1,534	1,569	1,652	1,694	1,711	1,688
Mills	1,325	1,284	1,232	1,207	1,198	1,240	1,220	1,182	1,205	1,238	1,256	1,271
Peninsula	261	251	224	0	230	178	160	186	212	150	165	167
San Mateo	1,373	1,408	1,469	1,552	1,616	1,670	1,665	1,713	1,736	1,701	1,693	1,633
NPS				11	36	27	26	16	36			
Total	8,217	8,190	8,128	7,924	8,401	8,690	8,932	9,020	9,309	9,218	9,254	9,218

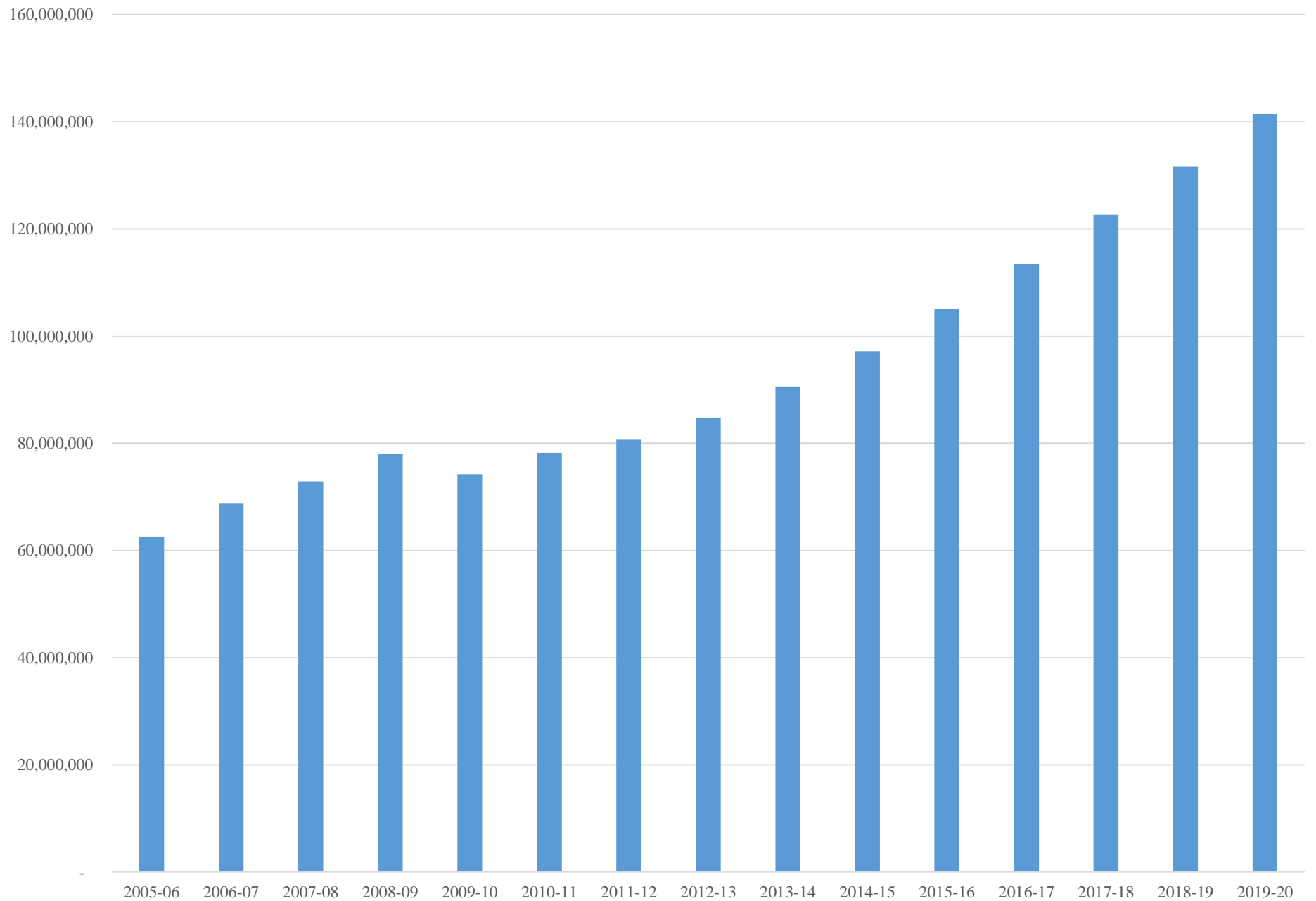
STAFFING TREND

		2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
		Adopted	Adopted	Adopted	Adopted	Adopted	Adopted
		Budget	Budget	Budget	Budget	Budget	Budget
OBJECT	DESCRIPTION	FTE	FTE	FTE	FTE	FTE	FTE
1100	Teachers	417.60	424.20	438.60	446.00	452.20	449.95
1200	Certificated Pupil Support	40.60	40.70	39.40	36.60	38.40	38.20
1300	Cert Supv and Admin	28.00	26.60	27.00	33.00	33.00	33.00
1900	Other Certificated	25.00	29.59	29.40	22.40	20.00	20.25
	TOTAL CERTIFICATED FTE	511.20	521.09	534.40	538.00	543.60	541.40
Total Budget	1000-1999	\$56,500,057	\$59,669,303	\$60,900,859	\$66,491,691	\$69,675,958	\$71,369,183
2100	Instructional Aides	88.50	100.43	74.80	78.60	85.27	93.75
2200	Classified Support	122.70	126.86	148.44	158.15	157.83	159.69
2300	Class Supv and Admin	20.00	20.00	21.00	21.00	24.00	21.00
2400	Clerical and Office	97.40	105.19	110.75	105.15	104.01	104.51
2900	Other Classified	26.00	33.44	32.74	33.38	33.38	34.38
	TOTAL CLASSIFIED FTE	354.60	385.92	387.73	396.28	404.49	413.33
Total Budget	2000-2999	\$21,995,065	\$25,517,321	\$25,559,082	\$28,498,720	\$30,851,658	\$30,965,186
	Total Position FTE	865.80	907.01	922.13	934.28	948.09	954.73
	Total Position \$	78,495,122	85,186,624	\$86,459,941	\$94,990,411	\$100,527,616	\$102,334,369
	Administrators	48.00	46.60	48.00	54.00	57.00	54.00
	Certificated	483.20	494.49	507.40	505.00	510.60	508.40
	Classified	334.60	365.92	366.73	375.28	380.49	392.33

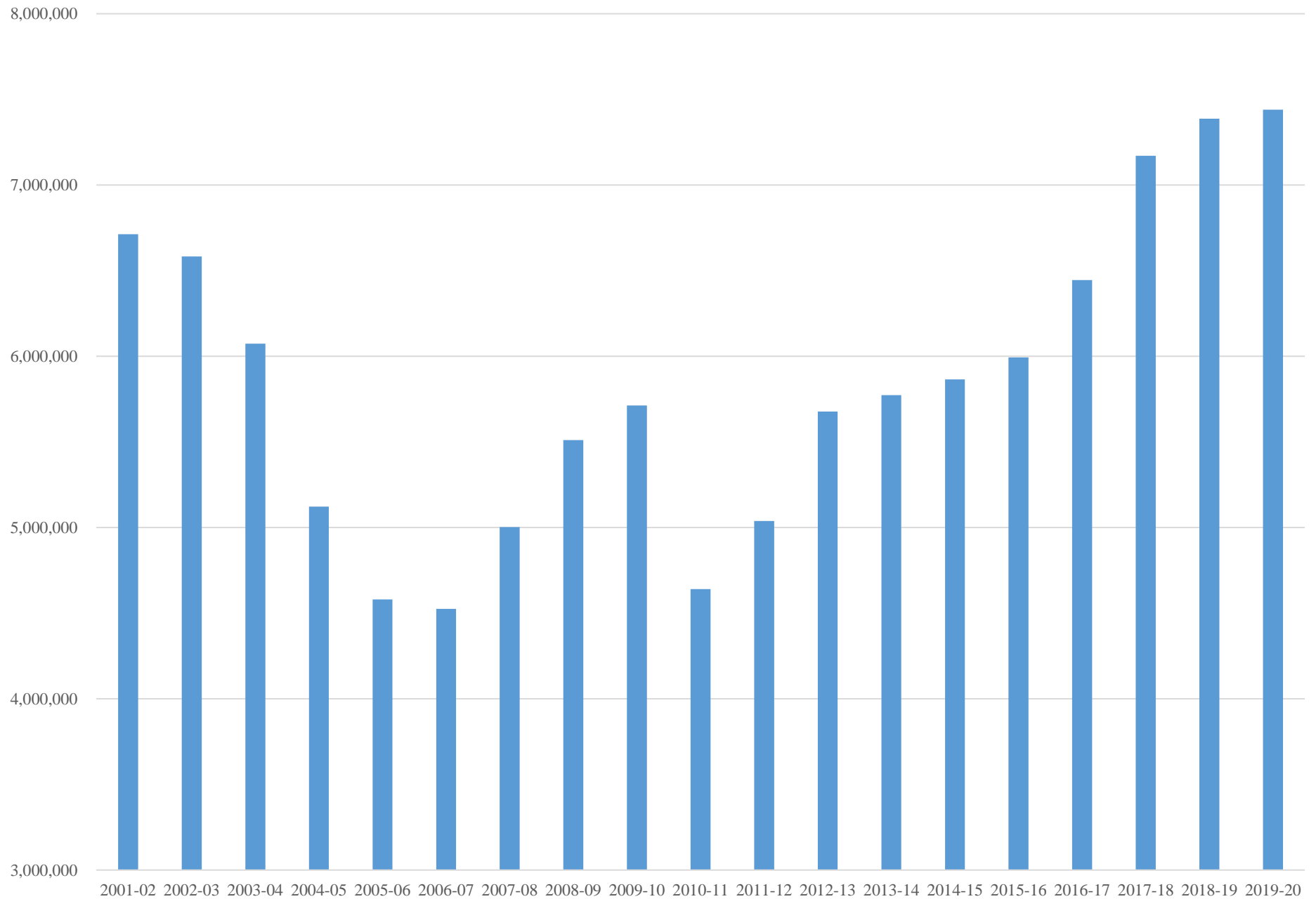
SECURED AND UNSECURED TAXES

	Secured	Difference		Unsecured	Difference
2005-06	62,569,761		2005-06	4,580,490	
2006-07	68,836,874	6,267,113	2006-07	4,525,351	(55,139)
2007-08	72,862,223	4,025,348	2007-08	5,003,061	477,710
2008-09	77,977,064	5,114,842	2008-09	5,511,519	508,459
2009-10	74,228,392	(3,748,672)	2009-10	5,713,351	201,832
2010-11	78,215,315	3,986,922	2010-11	4,641,056	(1,072,295)
2011-12	80,761,081	2,545,767	2011-12	5,038,168	397,111
2012-13	84,649,948	3,888,866	2012-13	5,676,960	638,792
2013-14	90,551,244	5,901,297	2013-14	5,773,275	96,315
2014-15	97,206,864	6,655,619	2014-15	5,865,525	92,250
2015-16	105,014,918	7,808,055	2015-16	5,994,211	128,686
2016-17	113,381,524	8,366,606	2016-17	6,445,719	451,508
2017-18	122,725,304	9,343,780	2017-18	7,171,084	725,365
2018-19	131,647,622	8,922,318	2018-19	7,387,239	216,156
2019-20	141,469,901	9,822,279	2019-20	7,439,720	52,481

SECURED TAXES



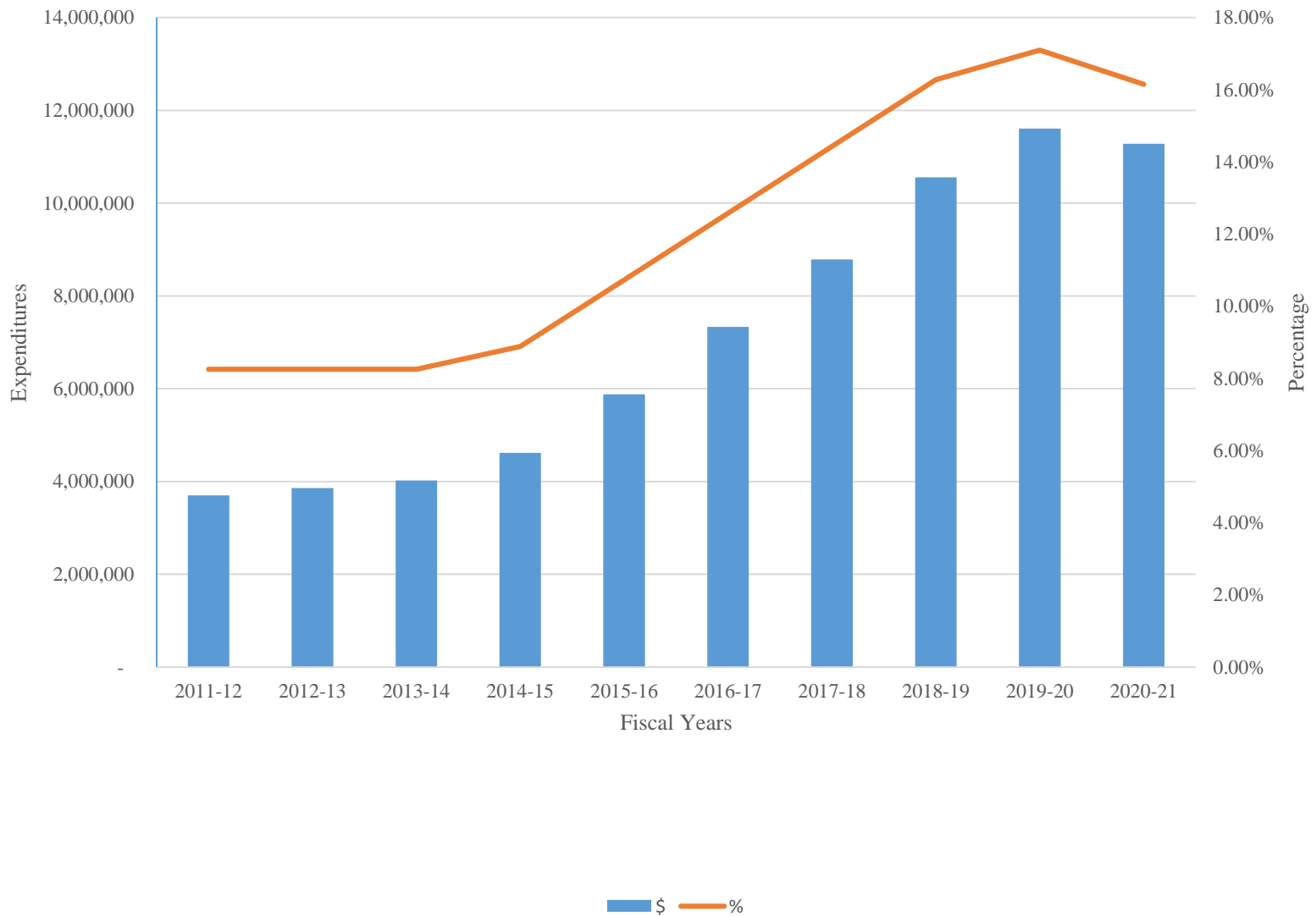
UNSECURED TAXES



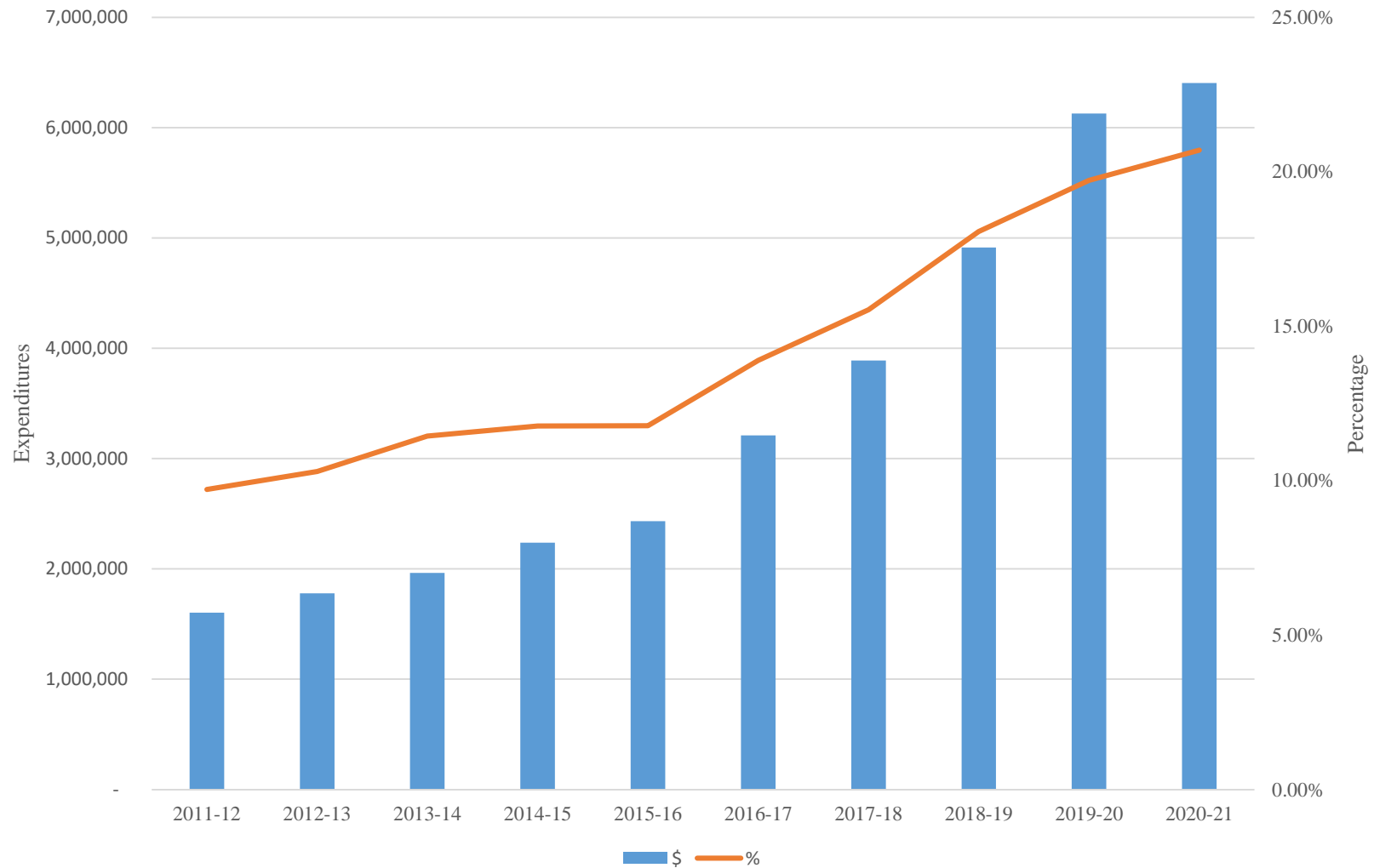
CalSTRS and CalPERS Pension Contribution Rate Increase

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Pension Contribution	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Estimate	Proj
STRS Employer Rate	8.25%	8.88%	10.73%	12.58%	14.43%	16.28%	17.10%	16.15%
Employer Contribution	\$4,025,042	\$4,618,133	\$5,876,896	\$7,331,029	\$8,784,508	\$10,555,697	\$11,607,397	\$11,229,465
Increase Prior Year		\$593,091	\$1,258,763	\$1,454,133	\$1,453,479	\$1,771,189	\$1,051,700	(\$377,932)
PERS Employer Rate	11.42%	11.77%	11.85%	13.88%	15.53%	19.72%	19.72%	20.70%
Employer Contribution	\$1,963,639	\$2,236,939	\$2,432,826	\$3,209,953	\$3,888,696	\$4,913,460	\$5,849,946	\$6,405,534
Increase Prior Year		\$273,300	\$195,887	\$777,127	\$678,743	\$1,024,764	\$936,486	\$555,588
Total Pension	\$5,988,681	\$6,855,072	\$8,309,722	\$10,540,982	\$12,673,204	\$15,469,157	\$17,457,343	\$17,634,999
Total Increase Prior Year		\$866,391	\$1,454,650	\$2,231,260	\$2,132,222	\$2,795,953	\$1,988,186	\$177,656
Cummulative Increase		\$866,391	\$2,321,041	\$4,552,301	\$6,684,523	\$9,480,476	\$11,468,662	\$11,646,318

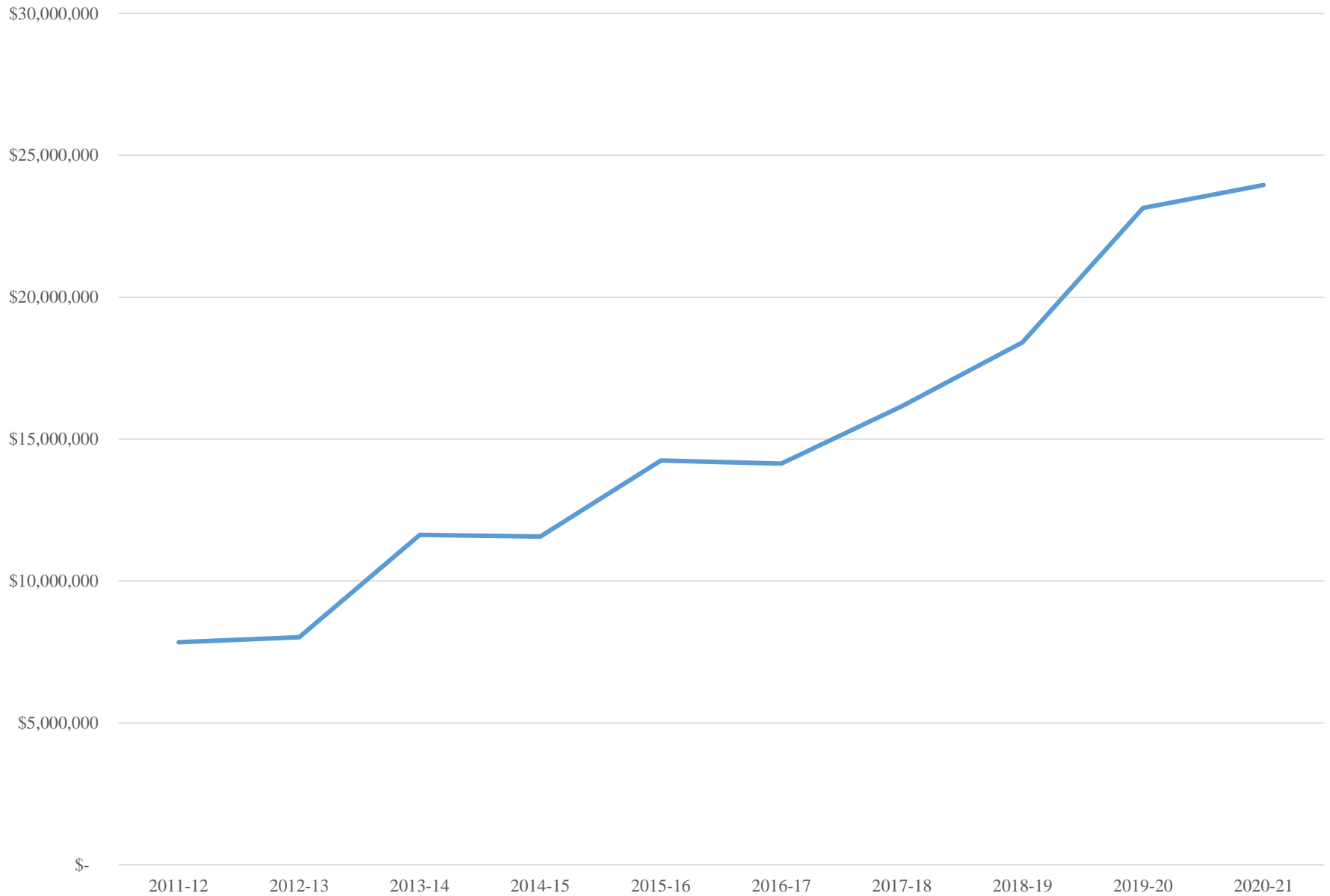
STRS RETIREMENT



PERS RETIREMENT



SPECIAL EDUCATION ENCROACHMENT



2020-21 BUDGET ASSUMPTIONS

REVENUES:

\$ 3,036,948

Local Control Funding Formula:

- Secured property taxes increased by 7.6%, \$10,751,712
- Unsecured property taxes reduced by (25%) \$1,964,720
- 2020-21 represents full LCFF implementation. The 2.31% COLA was revised to a (10.0%) deficit at the May Revise. District applied (7.92%) effective deficit factor to charter in-lieu.

Federal Revenues:

- CARES Act grant was included in the budget at 50% of anticipated amount
- FEMA grant will be submitted for reimbursement
 - The reimbursement rate remains unknown

State Revenues:

- State budget proposal increased the special education per pupil allocation by \$88 or 16% from the current year. \$645 per ADA included in the Budget.

Other Local Revenues:

- Local grants and donations (PTO's) are not budgeted in the adopted budget. When money is received, they are posted along with the associated expenses. Since revenues equal expenses for these programs, the receipt of the donations do not impact the ending balance.

2020-21 FUND BUDGET ASSUMPTIONS

EXPENDITURES:

\$3,133,842

Certificated Salaries:

- Step and Column Movement 1.25%
- 0% Cost-of-Living Increase
- Stipends for Multi-Year Services for teachers
- Professional Development for teachers totaling \$2,100,000

Classified Salaries:

- Step and Column Movement 1.25%
- 0% Cost-of-Living Increase
- Additional hours for HHS Family Engagement Coordinator
- 4.7 FTE Special Education Instructional Aides
- Reduction 4.0 FTE Classified Managers
 - 2.0 Student Support Coordinators
 - 1.0 Auditorium Manager
 - 1.0 FTE Facilities Use Coordinator

Employee Benefits:

- Reduce STRS contribution rate (0.95%)
- PERS slight rate increase 0.98%
- No change to Health Plan Contribution
- No changes in payroll taxes (Medicare rate, Unemployment, Workers Compensation)

2020-21 FUND BUDGET ASSUMPTIONS

EXPENDITURES:

Books and Supplies:

- Per pupil supply allocation reduced 25% (\$220,000)
- COVID-19 Budget \$700,000
- Nurse Budget \$5,000
- Technology Budget \$1,475,000
 - Teacher laptop replacement
 - Student Chromebooks
 - Student Hot Spots
 - New Licensing agreement

Services and Other:

- Human Resource Student Loan employee benefit \$16,000
- Human Resource Eco Commute \$4,000
- Tree removal \$200,000
- Special Education NPA/NPS contract reductions (\$1,174,593)
- Conference budget (\$606,050)
- Election costs \$150,000
- Utility rate increases and increased usage \$996,742

Transfer Outs

- SMCOE programs increased an additional \$198,524

2020-21 FUND BUDGET ASSUMPTIONS

FUND BALANCE:

- Basic Aid reserve states the unrestricted fund balance is to be maintained at 12%, which includes the mandatory 3% State Reserve for Economic Uncertainty
- 2019-20 Estimated Actuals projects the Unrestricted fund balance at 11.80%
- 2020-21 Estimated fund balance ending balance is projected at 10.24%

	2019-20 Estimated Actuals				2020-21 Budget			
	Unrestricted	Restricted	Total		Unrestricted	Restricted	Total	Difference
REVENUES								
LCFF	\$ 155,005,693	\$ 4,528,753	\$ 159,534,446		\$ 162,547,461	\$ 5,001,564	\$ 167,549,025	\$ 8,014,579
Federal	\$ -	\$ 3,118,044	\$ 3,118,044		\$ -	\$ 3,117,490	\$ 3,117,490	\$ (554)
State	\$ 1,826,605	\$ 8,126,178	\$ 9,952,783		\$ 1,879,857	\$ 8,028,802	\$ 9,908,659	\$ (44,124)
Local	\$ 4,520,228	\$ 3,019,632	\$ 7,539,860		\$ 1,982,000	\$ 646,414	\$ 2,628,414	\$ (4,911,446)
Total Revenues	\$ 161,352,526	\$ 18,792,607	\$ 180,145,133		\$ 166,409,318	\$ 16,794,270	\$ 183,203,588	\$ 3,058,455
EXPENDITURES								
Certificated Salaries	\$ 59,974,170	\$ 9,552,025	\$ 69,526,195		\$ 62,583,461	\$ 8,801,748	\$ 71,385,209	\$ 1,859,014
Classified Salaries	\$ 21,099,451	\$ 9,672,157	\$ 30,771,608		\$ 21,268,007	\$ 9,699,131	\$ 30,967,138	\$ 195,530
Employee Benefits	\$ 29,841,233	\$ 14,576,618	\$ 44,417,851		\$ 31,063,132	\$ 14,472,086	\$ 45,535,218	\$ 1,117,367
Books and Supplies	\$ 4,853,658	\$ 3,163,407	\$ 8,017,065		\$ 7,019,463	\$ 1,471,685	\$ 8,491,148	\$ 474,083
Services and Other	\$ 11,135,910	\$ 9,445,926	\$ 20,581,836		\$ 10,591,856	\$ 9,697,790	\$ 20,289,646	\$ (292,190)
Capital Outlay	\$ 478,253	\$ 76,772	\$ 555,025		\$ 400,000	\$ 150,000	\$ 550,000	\$ (5,025)
Other Outlay	\$ 261,233	\$ 4,328,414	\$ 4,589,647		\$ 257,950	\$ 4,530,221	\$ 4,788,171	\$ 198,524
Other Outgo	\$ (125,000)	\$ 5,000	\$ (120,000)		\$ (125,000)	\$ 5,000	\$ (120,000)	\$ -
Total Expenditures	\$ 127,518,908	\$ 50,820,319	\$ 178,339,227		\$ 133,058,869	\$ 48,827,661	\$ 181,886,530	\$ 3,547,303
OTHER SOURCES/USES								
Transfer In	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
Uses	\$ 4,254,507	\$ -	\$ 4,254,507		\$ 3,841,048	\$ -	\$ 3,841,048	\$ (413,459)
Sources	\$ 21,506	\$ -	\$ 21,506					
Contributions	\$ (31,517,064)	\$ 31,517,064	\$ -		\$ (32,033,391)	\$ 32,033,391	\$ -	
Total Oth Sources/Use	\$ (35,750,065)	\$ 31,517,064	\$ (4,233,001)		\$ (35,874,439)	\$ 32,033,391	\$ (3,841,048)	\$ (413,459)
Change Fund Balance	\$ (1,916,447)	\$ (510,649)	\$ (2,427,095)		\$ (2,523,990)	\$ -	\$ (2,523,990)	
Beginning Balance	\$ 23,457,498	\$ 510,649	\$ 23,968,147		\$ 21,541,051	\$ -	\$ 21,541,052	
Ending Balance	\$ 21,541,051	\$ -	\$ 21,541,052		\$ 19,017,061	\$ -	\$ 19,017,062	
Basic Aid Reserve			11.80%				10.24%	

MYP ASSUMPTIONS FOR 2021-22

- Secured Taxes increased by 3.5%
- Unsecured Taxes remain flat at \$5,475,000
- Federal Cares grant eliminated
- College Readiness, Strong Workforce & CTE Categorical programs sunset
- Facilities Use revenues increase by \$158,000
- CE FTE
- CL FTE
- No Salary Schedule Cost-of-living adjustment for any bargaining unit
- Step and Column movement
- No change to District contribution to health plans
- STRS rate reduced by .13%
- PERS rate increased by 2.14%
- 2021-22 Professional Development eliminated
- Technology budget reduced for COVID-19 expenses
- COVID-19 expenses eliminated
- Utilities increase by 5%
- NPA and NPS contracts increase by 5%

MYP ASSUMPTIONS FOR 2022-23

- Secured Taxes increased by 3.5%
- Unsecured Taxes reduced by \$5,475,000
- Facility Use revenues increase by \$637,000
- CE FTE
- CL FTE
- No Salary Schedule Cost-of-living adjustment for any bargaining unit
- Step and Column movement
- No change to District contribution to health plans
- STRS rate increased by 2.08%
- PERS rate increased by 2.66%
- Utilities increase 5%
- NPA and NPS contracts increase by 5%

MULTI-YEAR PROJECTIONS

	2018-19	2019-20	2020-21	2021-22	2022-23
	UNAUDITED	EST ACTUALS	ADOPTED	PROJECTED	PROJECTED
REVENUES					
LCFF	150,189,708	159,534,446	167,549,025	172,963,710	178,475,141
Federal	2,931,665	3,118,044	3,117,490	2,867,490	2,867,490
State	17,423,573	9,952,783	9,908,659	9,697,311	9,697,311
Local	8,875,118	7,539,859	2,628,414	2,779,434	3,779,503
Total Revenues	179,420,064	180,145,132	183,203,588	188,307,945	194,819,445
EXPENDITURES					
Certificated Salaries	65,659,412	69,526,195	71,385,209	70,359,254	71,215,440
Classified Salaries	29,409,969	30,771,608	30,967,138	31,263,526	31,469,236
Employee Benefits	46,557,611	44,417,851	45,535,218	46,206,447	48,761,244
Books and Supplies	6,488,733	8,017,065	8,491,148	6,267,717	6,258,046
Services and Other	17,650,064	20,581,837	20,289,646	20,660,230	21,280,892
Capital Outlay	1,560,326	555,025	550,000	550,000	550,000
Other Outlay	4,384,520	4,589,647	4,788,171	5,027,080	5,277,934
Other Outgo	(116,122)	(120,000)	(120,000)	(120,000)	(120,000)
Total Expenditures	171,594,513	178,339,228	181,886,530	180,214,254	184,692,792
OTHER SOURCES/USES					
Uses	6,700,757	4,254,507	3,841,048	3,516,048	3,516,048
Sources	385,372	21,507	0	0	0
Total Oth Sources/Uses	(6,315,385)	(4,233,000)	(3,841,048)	(3,516,048)	(3,516,048)
Change Fund Balance	1,510,166	(2,427,096)	(2,523,990)	4,577,643	6,610,605
Beginning Balance	22,790,820	23,968,147	21,541,052	19,017,062	23,594,705
Ending Balance	24,300,986	21,541,051	19,017,062	23,594,705	30,205,310
Basic Aid Reserve	13.66%	11.80%	10.24%	12.84%	16.05%

ITEMS NOT INCLUDED IN THE BUDGET

REVENUES:

- Property tax fluctuation
- Federal - 50% CARES Act grant \$250,000
- Federal - FEMA reimbursement
- Change to Charter School In-Lieu from adopted LCFF COLA

EXPENDITURES:

- Salary Schedule Cost-of-Living adjustment
 - Cost of 1% increase for all bargaining units \$1,200,000
- 2019-20 CSEA future mediated settlement agreement
- CSEA Reclassification study
- Change to District contribution for health and welfare benefits
- COVID-19 additional unforeseen expenses
- Technology needs related to COVID-19

NEXT STEPS

- Details of the State Adopted Budget
- Review SMCOE Assessed Valuation Tracker
- Communicate regularly with the assessor's office on defaults
- Monitor interest rates, enrollment projections and staffing changes
- COVID-19 Recession
- Analyze how long term management plans align with the District's goals and LCAP
- Manage fund balances and financial resources to maintain long term fiscal stability
- Resist using future projected dollars or one-time monies to justify paying for ongoing expenditures
- Be mindful that it is critical to maintain healthy reserves for future contingencies
- Cash is king