

Sylvan Union School District

*Fiscal Year 2020-21
45-Day Budget Update*

45-Day Budget Update:

Education Code Section (E.C.) 42127:

“Not later than 45 days after the Governor signs the annual Budget Act, the school district shall make available for public review any revisions in revenues and expenditures that it has made to its budget to reflect funding made available by the Budget Act.”

- ▶ *The fiscal year 2020-21 Sylvan Union School District budget was adopted on June 23, 2020.*
- ▶ *Governor Newsom signed the fiscal year 2020-21 Enacted State Budget on June 29, 2020.*
- ▶ *We are required to notify the Board of Trustees of significant impacts to the fiscal year 2020-21 Budget by August 13, 2020.*

Local Control Funding Formula (LCFF)

Analysis of COLA - Cost of Living Adjustment

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Proposed Budget, January	1.56%	2.51%	3.46%	2.29%	2.71%	2.82%
May Revise	1.56%	3.00%	3.26%	-7.92%	-7.92%	-7.92%
Adopted - 45 Day Revise	1.56%	3.70%	3.26%	0.00%	0.00%	0.00%

LCFF Revenue by Fiscal Year

	May Revise	Adopted - 45 Day Revise	May Revise vs Adopted 45 Day Revise, Increase
2020-2021	\$66,848,474	\$72,611,485	\$5,763,011
2021-2022	\$66,656,309	\$72,406,450	\$5,750,141
2022-2023	\$66,442,851	\$72,174,657	\$5,731,806

These increased revenues are added to MYP Scenarios on next pages to show the impact to our bottom line.

Employer Benefit Contribution Rates

	Proposed Budget 2020-2021	May Revise 2020-2021	45 Day Revise, Adopted Budget 2020-2021	Difference Proposed vs Adopted Budget
Retirement Rates:				
STRS	18.40%	16.150%	16.150%	-2.250%
PERS	22.80%	20.700%	20.700%	-2.100%
Statutory Benefits:				
<i>Social Security</i>	6.200%	6.200%	6.200%	0.000%
<i>Medicare</i>	1.450%	1.450%	1.450%	0.000%
<i>State Unemployment Ins</i>	0.050%	0.050%	0.050%	0.000%
<i>Worker's Comp</i>	1.720%	1.720%	1.720%	0.000%
Certificated % Cost	21.620%	19.370%	19.370%	-2.250%
Classified % Cost	32.220%	30.120%	30.120%	-2.100%

Financial Impact for Fund 01 General Fund

	Proposed Budget 2020-2021	May Revise 2020-2021	45 Day Revise, Adopted Budget 2020-2021	Difference Proposed vs Adopted Budget
Certificated	\$7,560,980	\$6,636,404	\$6,636,404	(\$924,576)
Classified	\$3,238,534	\$2,940,248	\$2,940,248	(\$298,286)
Total Saving, STRs & PERs				(\$1,222,862)

Other State Revenues

	Proposed Budget	May Revise	Adopted - 45 Day Revise	Difference
PER ADA \$				
Mandated Block Grant				
K-8	\$32.92	\$32.18	\$32.18	(\$0.74)
Lottery				
Unrestricted (RS 1100)	\$153.00	\$153.00	\$150.00	(\$3.00)
Restricted, Instructional Materials (RS 6300)	\$54.00	\$54.00	\$49.00	(\$5.00)

Other State Revenues - Financial Impact

	Proposed Budget	May Revise	Adopted - 45 Day Revise	Difference
Mandated Block Grant				
K-8	\$258,195.00	\$252,391.00	\$252,391.00	(\$5,804.00)
Lottery				
Unrestricted (RS 1100)	\$1,199,994.00	\$1,199,994.00	\$1,176,465.00	(\$23,529.00)
Restricted (RS 6300), Instructional Materials	\$423,527.00	\$452,527.00	\$384,312.00	(\$39,215.00)
Total State Revenues Decline				(\$68,548.00)

MYP Scenario #1 - No Change to Exp Reductions

UNRESTRICTED	2019-2020 Estimated Actuals	2020-2021 PROPOSED BUDGET	2021-2022 Projections	2022-2023 Projections
	COLA 3.26%	COLA / LCFF COLA 0.00%	COLA 0.00%	COLA 0.00%
Total Revenues	\$ 76,885,369	\$ 75,016,136	\$ 74,811,101	\$ 74,479,308
Total Other Financing Sources	\$ (14,079,581)	\$ (15,962,264)	\$ (15,885,663)	\$ (16,076,296)
TOTAL REVENUES and OTHER FINANCING SOURCES	\$ 62,805,788	\$ 59,053,872	\$ 58,925,438	\$ 58,403,012
<i>Expense Reductions Required to Meet Minimum Reserves</i>			(5,400,000)	(8,700,000)
TOTAL EXPENSES and OTHER USES	\$ 67,376,170	\$ 58,905,861	\$ 55,096,921	\$ 52,436,969
BEGINNING FUND BALANCE	\$ 17,356,323	\$ 12,785,941	\$ 12,933,952	\$ 16,762,469
NET INCREASE/(DECREASE) IN FUND BALANCE	\$ (4,570,382)	\$ 148,011	\$ 3,828,517	\$ 5,966,043
ENDING FUND BALANCE	\$ 12,785,941 12.73%	\$ 12,933,952 14.15%	\$ 16,762,469 20.59%	\$ 22,728,512 28.94%
GENERAL FUND - COMPONENTS OF ENDING FUND BALANCE				
Nonspendable: Revolving Cash & Prepaid	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Assigned	1,224,059	1,129,359	1,481,115	1,830,788
Insurance Deductibles	200,000	200,000	200,000	200,000
Textbook Adoptions	1,024,059	929,359	1,281,115	1,630,788
Unassigned/Unappropriated				
Reserve for Economic Uncertainties (REU)	3,013,126 3.00%	2,742,052 3.00%	2,442,845 3.00%	2,356,254 3.00%
Unassigned/Unappropriated Amount	\$ 8,538,757 8.50%	\$ 9,052,541 9.90%	\$ 12,828,510 15.75%	\$ 18,531,470 23.59%
Reserved Plus Unassigned	11.50%	12.90%	18.75%	26.59%
TOTAL COMPONENTS OF ENDING FUND BALANCE	\$ 12,785,941 12.73%	\$ 12,933,952 14.15%	\$ 16,762,469 20.59%	\$ 22,728,512 28.94%

MYP Scenario #2 - Decreased Exp Reductions

UNRESTRICTED	2019-2020 Estimated Actuals	2020-2021 PROPOSED BUDGET	2021-2022 Projections	2022-2023 Projections
	COLA 3.26%	COLA / LCFF COLA 0.00%	COLA 0.00%	COLA 0.00%
Total Revenues	\$ 76,885,369	\$ 75,016,136	\$ 74,811,101	\$ 74,479,308
Total Other Financing Sources	\$ (14,079,581)	\$ (15,962,264)	\$ (15,996,663)	\$ (16,248,796)
TOTAL REVENUES and OTHER FINANCING SOURCES	\$ 62,805,788	\$ 59,053,872	\$ 58,814,438	\$ 58,230,512
<i>Expense Reductions Required to Meet Minimum Reserves</i>			(1,700,000)	(2,950,000)
TOTAL EXPENSES and OTHER USES	\$ 67,376,170	\$ 58,905,861	\$ 58,796,921	\$ 58,186,969
BEGINNING FUND BALANCE	\$ 17,356,323	\$ 12,785,941	\$ 12,933,952	\$ 12,951,469
NET INCREASE/(DECREASE) IN FUND BALANCE	\$ (4,570,382)	\$ 148,011	\$ 17,517	\$ 43,543
ENDING FUND BALANCE	\$ 12,785,941 12.73%	\$ 12,933,952 14.15%	\$ 12,951,469 15.21%	\$ 12,995,012 15.42%
GENERAL FUND - COMPONENTS OF ENDING FUND BALANCE				
Nonspendable: Revolving Cash & Prepaid	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Assigned	1,224,059	1,129,359	1,481,115	1,830,788
Insurance Deductibles	200,000	200,000	200,000	200,000
Textbook Adoptions	1,024,059	929,359	1,281,115	1,630,788
Unassigned/Unappropriated				
Reserve for Economic Uncertainties (REU)	3,013,126 3.00%	2,742,052 3.00%	2,553,845 3.00%	2,528,754 3.00%
Unassigned/Unappropriated Amount	\$ 8,538,757 8.50%	\$ 9,052,541 9.90%	\$ 8,906,510 10.46%	\$ 8,625,470 10.23%
Reserved Plus Unassigned	11.50%	12.90%	13.46%	13.23%
TOTAL COMPONENTS OF ENDING FUND BALANCE	\$ 12,785,941 12.73%	\$ 12,933,952 14.15%	\$ 12,951,469 15.21%	\$ 12,995,012 15.42%



NEW REVENUES to Fiscal Year 2020-21:

Resource 3210, Restricted Resource - General Fund 01, Source: Federal
CARES Act, Elementary and Secondary School Emergency Relief Fund (ESSERF) Section
3/13/2020 to 9/30/2022

\$1,270,364

COVID-19 Sources of Funding:

Learning Loss Mitigation, Based on Students with Disabilities

Resource 3215, Restricted Resource - General Fund 01, Source Federal
GEER FUNDS, Governor's Emergency Relief Funds
3/13/2020-9/30/2022

\$528,553

Resource 3220, Restricted Resource - General Fund 01, Source: Federal
CRF FUNDS, Corona Virus Relief Funds
3/1/2020-12/30/2020

\$1,703,342

Total Learning Loss Mitigation, SWDs

\$2,231,895

Learning Loss Mitigation, Based on Supplemental & Concentration Funding

Resource 3220, Restricted Resource - General Fund 01, Source: Federal
CRF FUNDS, Corona Virus Relief Funds
3/1/2020-12/30/2020

\$2,188,953

Total Learning Loss Mitigation, SC

\$2,188,953

Learning Loss Mitigation, Based on Local Control Funding Formula

Resource 3220, Restricted Resource - General Fund 01, Source: Federal
CRF FUNDS, Corona Virus Relief Funds
3/1/2020-12/30/2020

\$506,502

Resource 7420, Restricted Resource - General Fund 01, Source: State
PROP 98 FUNDS, LCFF
3/1/2020-12/30/2020

\$621,751

Total Learning Loss Mitigation, LCFF

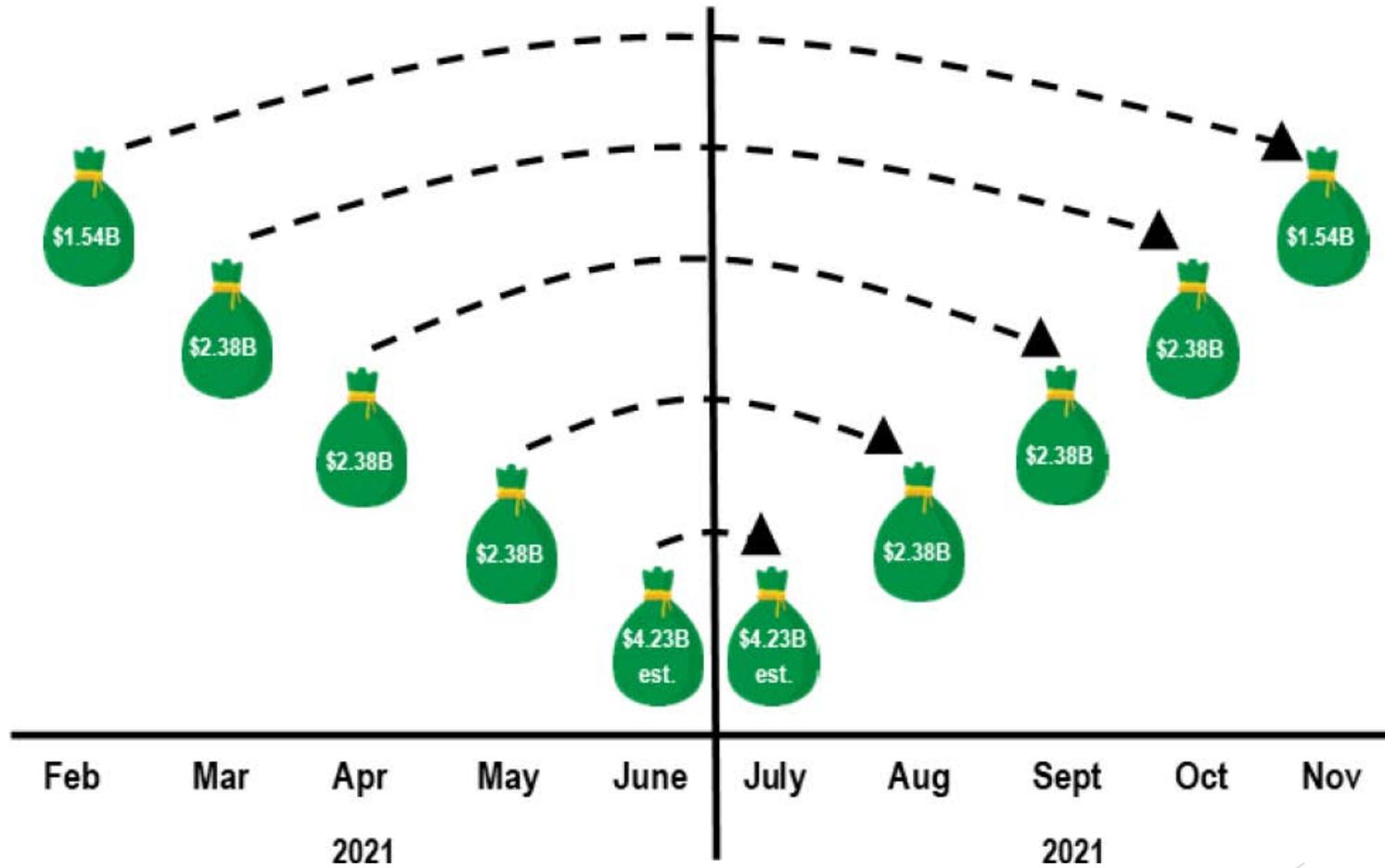
\$1,128,253

Total Potential Funding

\$5,549,101

2020-21 Cash Deferrals

Cash Deferrals 2020-21
(in billions)



The Budget Process - Next Steps

- ▶ *Each line of the budget will be reviewed and updated as necessary.*
- ▶ *Updates will incorporate any new information provided by the State, Federal, and Local Sources.*
- ▶ *The Unaudited Actuals for Fiscal Year 2019-20 will be presented to the Board of Trustees on September 15, 2020.*
- ▶ *The First Interim Budget for Fiscal year 2020-21 will be presented to the Board of Trustees on December 8, 2020.*