

# Fiscal Year 2020-21 45 Day Budget Update

August 12, 2020

# Presentation Items

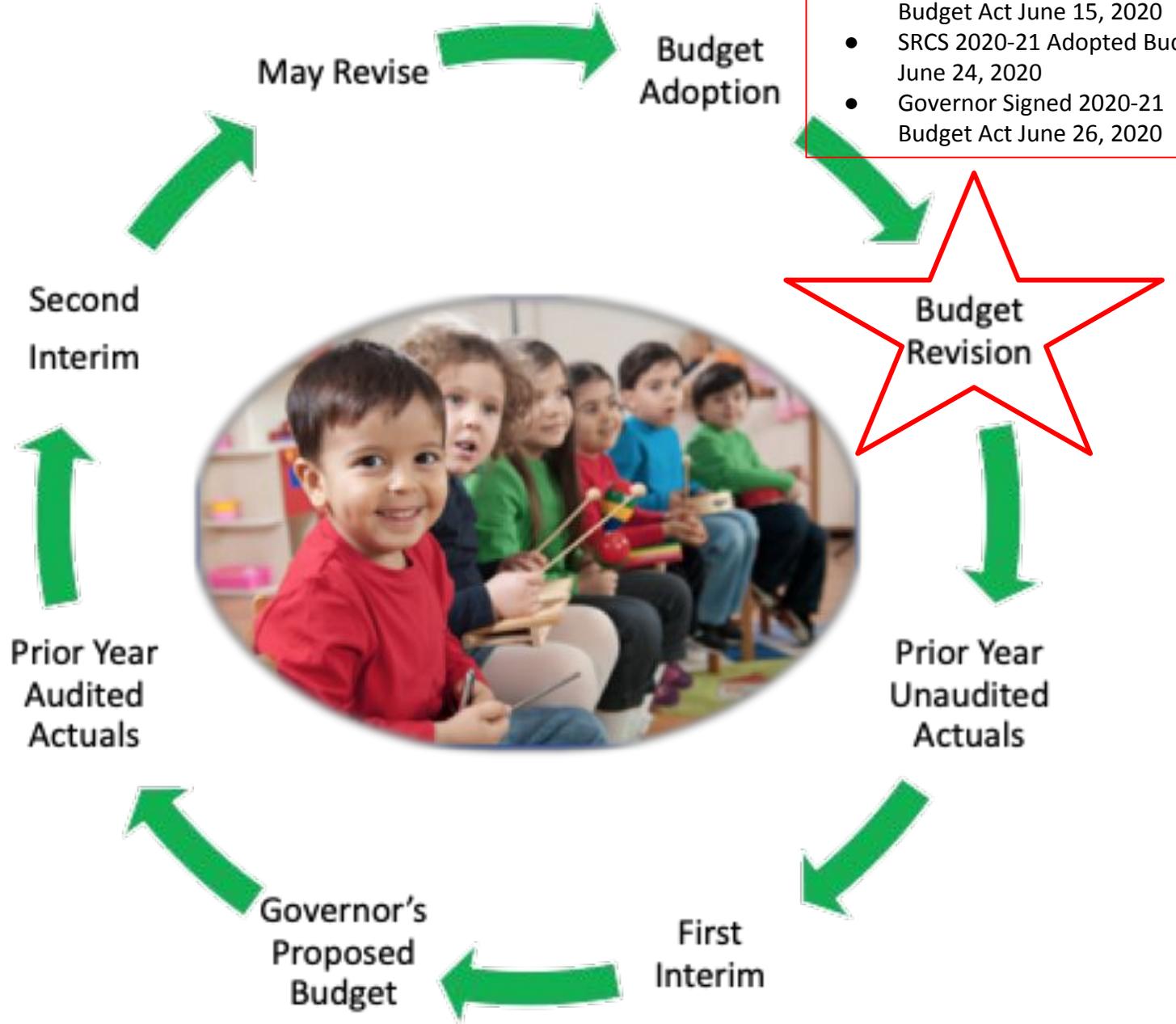
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- Review Annual Budget Cycle
- Budget Assumption changes from 2020-21 Budget Adoption to 45 Day Budget Update
- New Budget Assumptions included with 45 Day Budget Update
- General Fund 01 Budget update
- Updated Multi-Year Projection
- Budget Advisory Committee (BAC) and Fiscal Stabilization Plan (FSP)
- Charter Funds
- Financial Status
- Next Steps

# The Annual Budget Cycle

At each period, we:

- Update the Budget
- Present Summary to Board of Education
- Submit Copies to Sonoma County Office of Education



# Updated Key Budget Factors / Assumptions

LCFF Assumptions	May Revision (Just After Coronavirus)	Legislature Budget Act (Our 2020-21 Adopted Budget Assumptions)	Enacted Budget (Our 2020-21 45 Day Budget Revision Assumptions)
Cost of Living Adjustment (COLA):			
Statutory COLA	2.31%	2.31%	2.31%
Augmentation	-2.31%	0.00%	-2.31%
Funded COLA	0.00%	2.31%	0.00%
Deficit Factor	-10.00%	0.00%	0.00%
LCFF Revenue Deferrals	None	None	February 2021 through June 2021 deferred to following fiscal year 2021-22 (this was in order to allow for maintaining flat funding from 2019-20)
ADA Hold Harmless (using prior year 2019-20 reporting data) provides an added layer of protection for declining enrollment in the 2021–22 fiscal year.	N/A	N/A (Not enough info to include)	Included

# Updated Key Budget Factors / Assumptions

- ❑ Zero COLA, Flat Funding from 2019-20
- ❑ ADA Hold Harmless in 2020-21

General Fund 01 MYP Assumption:	2020-21	2021-22	2022-23
Statutory Cost of Living Adjustment (COLA)	2.31%	2.48%	3.26%
Augmentation	<del>0.00%</del> -2.31%	-2.48%	-3.26%
Statutory COLA & Augmentation	<del>2.31%</del> 0.00%	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)	<del>13,186.10</del> 13,554.49	12,992.56	12,827.32
Funded ADA (Non-Charter Schools)	13,554.49	<del>13,186.10</del> 13,554.49	12,992.56

# Updated Key Budget Factors / Assumptions

## General Fund 01 LCFF Revenue update:

	2020-21	2021-22	2022-23
2020-21 Adopted Budget	\$140,978,801	\$137,184,310	\$138,872,073
2020-21 45 Day Budget Update	\$137,653,324	\$137,568,599	\$132,457,755
Change	(\$3,325,477)	\$384,289	(\$6,414,318)

- Continues to assume declining enrollment

# New Key Budget Factors / Assumptions

Revenue reductions beyond zero COLA were shifted to cash deferrals in 2020-21 across fiscal years in order to allow for flat Funding from 2019-20 through 2022-23. Deferred state aid revenue in 2020-21 is \$18,911,147 as follows:

- ❑ February 2021 (Deferred) to November 2021 - \$4,228,344
- ❑ March 2021 (Deferred) to October 2021 - \$4,230,866
- ❑ April 2021 (Deferred) to September 2021 - \$4,221,743
- ❑ May 2021 (Deferred) to August 2021 - \$4,185,956
- ❑ June 2021 (Deferred) to July 2021 - \$2,044,237

## Interest Revenue update:

	2020-21
2020-21 Adopted Budget Projected Interest Revenue	\$442,616
2020-21 Cost of Borrowing due to State deferrals	(\$119,055)
2020-21 Loss of interest opportunity	(\$177,046)
2020-21 45 Day Budget Update Projected Interest Revenue	\$146,514

# New Key Budget Factors / Assumptions

General Fund 01 Change to California Lottery Revenue update:

	Unrestricted				Restricted for Instructional Materials		
	2020-21	2021-22	2022-23		2020-21	2021-22	2022-23
Budget Adoption \$153 per ADA	\$2,017,473	\$1,987,862	\$1,962,580	Budget Adoption \$54 per ADA	\$712,049	\$701,598	\$692,675
45 Day Budget Update \$149 per ADA	\$2,019,619	\$1,935,891	\$1,911,271	45 Day Budget Update \$48 per ADA	\$650,616	\$623,643	\$615,711
Change	\$2,146	\$(51,970)	\$(51,309)	Change	\$(61,433.88)	\$(77,955)	\$(76,964)

# New Key Budget Factors / Assumptions

## Learning Loss Mitigation Funds (one time funds)

Receipt of learning loss mitigation funds are contingent upon the adoption of a Learning Continuity and Attendance Plan, to be adopted by September 30, 2020.

Allowable Uses:

- ❑ Student learning supports
- ❑ General measures that extend instructional time for students
- ❑ Provide additional core academic support for students who need it
- ❑ Provide integrated services that support teaching and learning—such as **student and staff technology needs**, mental health services, staff professional development, and **student nutrition**

# New Key Budget Factors / Assumptions

## General Fund 01 Learning Loss Mitigation Funds (one time funds)

	Governor's Emergency Education Relief (GEER) funds to be used from March 13, 2020, <b>to September 30, 2021</b> (resource 3215)	Federal CARES Act: Coronavirus Relief Fund (CRF) funds to be used from March 1, 2020, <b>to December 30, 2020</b> (resource 3220)	General Fund to be used from March 1, 2020, <b>to December 30, 2020</b> (resource 7420)
Learning Loss Mitigation – based on students with disabilities (SWDs)	\$1,096,207	\$3,532,691	
Learning Loss Mitigation—based on supplemental and concentration grants		\$4,540,233	
Learning Loss Mitigation—based on Local Control Funding Formula (LCFF)		\$965,834	\$1,185,600

# New Key Budget Factors / Assumptions

Coronavirus Aid, Relief, and Economic Security (CARES) Act Elementary and Secondary School Relief (ESSER) funds (one time funds)

To be used from March 13, 2020 to **September 30, 2022**.

Resource 3210

	2020-21
2020-21 45 Day Budget Update	\$2,197,379

# New Key Budget Factors / Assumptions

## Coronavirus Aid, Relief, and Economic Security (CARES) Act Elementary and Secondary School Relief (ESSER) funds (one time funds)

### Allowable Uses:

- ❑ District's can use ESSER funds for any activities authorized by the Elementary and Secondary Education Act of 1965 (ESEA) as amended by the Every Student Succeeds Act of 2000 (ESSA), IDEA, the Adult Education and Family Literacy Act, the Perkins CTE Act, or the McKinney-Vento Homeless Assistance Act.
- ❑ **Coordination of preparedness and response efforts of District's with State, local, Tribal, and territorial public health departments, and other relevant agencies**
- ❑ Providing principals and others school leaders with the resources necessary to address the needs of their individual schools
- ❑ Activities to address the unique needs of low-income children or students, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and foster care youth, including how outreach and service delivery will meet the needs of each population
- ❑ Developing and implementing procedures and systems to improve the preparedness and response efforts of District's
- ❑ Planning for and coordinating on long-term closures (including on meeting IDEA requirements, how to provide online learning, and how to provide **meals to students**)

# New Key Budget Factors / Assumptions

Coronavirus Aid, Relief, and Economic Security (CARES) Act Elementary and Secondary School Relief (ESSER) funds (one time funds)

Allowable Uses:

- ❑ Staff training and professional development on sanitation and minimizing the spread of infectious disease
- ❑ Purchasing supplies to sanitize and clean the facilities of LEA, including buildings operated by the District
- ❑ **Purchasing educational technology (hardware, software, and connectivity) for students, that aids in the regular and substantive educational interaction between students and their classroom instructors, including low-income students and students with disabilities, which may include assistive or adaptive technology**
- ❑ Mental health services and supports
- ❑ Summer learning and supplemental after-school programs, including providing classroom instruction or online learning during the summer months and addressing the needs of low-income students, students with disabilities, English learners, migrant students, students experiencing homelessness, and children in foster care
- ❑ Discretionary funds for school principals to address the needs of their individual schools
- ❑ Other activities that are necessary to maintain the operation and continuity of services in LEAs and to continuing the employment of their existing staff

# New Key Budget Factors / Assumptions

## 2019-20 and 2020-21 Expenses incurred for COVID-19:

	2019-20	2020-21
COVID {Occupy with COVID restrictions}	\$233,005	\$2,772,857
RTSC {Return To School Committees}	\$17,790	
Cafeteria Fund 13 Deficit	\$1,750,863	
7388 {SB117 COVID-19 LEA Response} Deficit	\$256,822	
COVID-19 Coordinator		\$140,582
International Academy of Science License for Distance Learning		\$35,000
Seesaw Learning Contract		\$16,537
Added one day in 2020-21 only for Professional Development to SRTA work days		\$471,433

# New Key Budget Factors / Assumptions

## COVID-19 Federal Funding Flexibility Waiver

Due to the pandemic, the flexibility that we received for 2019-20 Title I, Part A; Title II, Part A; Title III English Learner; and Title IV, Part A funds is to allow us to carryover more than 15%. There is no flexibility for the use of these funds.

	2019-20 Ending Balance	Percent of Carryover
Title I, Part A	\$2,180,990	82%
Title II, Part A	\$451,173	100%
Title III English Learner	\$328,268	85%
Title IV, Part A	\$199,045	100%

# 2020-21 General Fund 01

Fund 01 - General Operating Fund	2019-20 Estimated Actuals			2020-21 Budget		
	2019-20 Estimated Actuals Budget Adoption	Update	2019-20 Estimated Actuals 45 Day Budget Update	2020-21 Budget Adoption	Update	2020-21 45 Day Budget Update
<b>REVENUES</b>						
LCFF Sources	\$ 144,791,523.00		\$ 144,791,523.00	\$145,023,173.00	\$ (3,325,477.00)	\$141,697,696.00
Federal Revenue	\$ 9,937,076.00		\$ 9,937,076.00	\$ 8,726,736.00	\$ 5,356,854.00	\$ 14,083,590.00
Other State Revenue	\$ 14,420,413.51		\$ 14,420,413.51	\$ 13,980,253.00	\$11,261,277.12	\$ 25,241,530.12
Other Local Revenue	\$ 12,654,444.11		\$ 12,654,444.11	\$ 11,845,740.00	\$ (296,101.00)	\$ 11,549,639.00
<b>TOTAL REVENUES</b>	<b>\$ 181,803,456.62</b>	<b>\$ -</b>	<b>\$ 181,803,456.62</b>	<b>\$179,575,902.00</b>	<b>\$12,996,553.12</b>	<b>\$192,572,455.12</b>
<b>EXPENDITURES</b>						
Certificated Salaries	\$ 79,242,394.49	\$ 14,114.00	\$ 79,256,508.49	\$ 80,519,787.00	\$ 386,421.00	\$ 80,906,208.00
Classified Salaries	\$ 22,941,889.01	\$ 624.00	\$ 22,942,513.01	\$ 25,099,606.00	\$ 106,066.00	\$ 25,205,672.00
Employee Benefits	\$ 39,726,263.81	\$ 3,052.00	\$ 39,729,315.81	\$ 43,092,668.00	\$ 119,528.00	\$ 43,212,196.00
Books and Supplies	\$ 9,901,142.26	\$ 489,827.00	\$ 10,390,969.26	\$ 6,027,657.00	\$ 2,772,857.00	\$ 8,800,514.00
Services and Other Operating Expenditures	\$ 40,798,672.54		\$ 40,798,672.54	\$ 40,318,463.00	\$ 51,537.00	\$ 40,370,000.00
Capital Outlay	\$ 171,839.00		\$ 171,839.00	\$ 151,256.00		\$ 151,256.00
Other Outgo (excluding Transfers of Indirect Costs)	\$ 127,717.00		\$ 127,717.00	\$ 88,086.00		\$ 88,086.00
Other Outgo - Transfers of Indirect Costs	\$ (1,051,953.00)		\$ (1,051,953.00)	\$ (759,773.00)		\$ (759,773.00)
Remaining Learning Loss Mitigation and CARES ESSER Expenses to be planned					\$ 7,823,055.00	\$ 7,823,055.00
2019-20 COVID-19 Federal Funding Flexibility Waiver Carryover Expenses to be planned					\$ 2,341,876.84	\$ 2,341,876.84
<b>TOTAL EXPENDITURES</b>	<b>\$ 191,857,965.11</b>	<b>\$ 507,617.00</b>	<b>\$ 192,365,582.11</b>	<b>\$194,537,750.00</b>	<b>\$13,601,340.84</b>	<b>\$208,139,090.84</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES AND USES</b>	<b>\$ (10,054,508.49)</b>	<b>\$ (507,617.00)</b>	<b>\$ (10,562,125.49)</b>	<b>\$ (14,961,848.00)</b>	<b>\$ (604,787.72)</b>	<b>\$ (15,566,635.72)</b>
<b>OTHER FINANCING SOURCES/USES</b>			\$ -			\$ -
Interfund Transfers:			\$ -			\$ -
Transfers In	\$ 979,415.00	\$ -	\$ 979,415.00	\$ 4,779,415.00	\$ -	\$ 4,779,415.00
Transfers Out	\$ 138,790.00		\$ 138,790.00			\$ -
Contributions	\$ -	\$ (1,750,863.00)	\$ (1,750,863.00)	\$ -		\$ -
<b>TOTAL, OTHER FINANCING SOURCES/USES</b>	<b>\$ 840,625.00</b>	<b>\$ (1,750,863.00)</b>	<b>\$ (910,238.00)</b>	<b>\$ 4,779,415.00</b>	<b>\$ -</b>	<b>\$ 4,779,415.00</b>
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>	<b>\$ (9,213,883.49)</b>	<b>\$ (2,258,480.00)</b>	<b>\$ (11,472,363.49)</b>	<b>\$ (10,182,433.00)</b>	<b>\$ (604,787.72)</b>	<b>\$ (10,787,220.72)</b>

# 2020-21 General Fund 01



Fund 01 - General Operating Fund	2019-20 Estimated Actuals			2020-21 Budget		
	2019-20 Estimated Actuals Budget Adoption	Update	2019-20 Estimated Actuals 45 Day Budget Update	2020-21 Budget Adoption	Update	2020-21 45 Day Budget Update
<b>Components of Ending Balance</b>						
Restricted	\$ 2,364,914.09		\$ 2,364,914.09	\$ 2,730,157.09		\$ 2,730,157.09
Reserve for Economic Uncertainty	\$ 5,768,551.00		\$ 5,768,551.00	\$ 5,836,133.00		\$ 5,836,133.00
Unassigned/Unappropriated Amount	\$ 13,478,525.72	\$ (2,258,480.00)	\$ 11,220,045.72	\$ 2,863,267.72	\$ (2,863,267.72)	\$ 0.00

# General Fund 01 Multi-Year Projection



## 2020-21 45 Day Budget Revision

REVENUES	2020-21	2021-22	2022-23
LCFF Sources	141,697,696	141,612,971	136,502,127
Remaining Revenues	50,874,759	34,422,804	34,424,456
<b>Total Revenues</b>	<b>192,572,455</b>	<b>176,035,775</b>	<b>170,926,583</b>
EXPENDITURES			
Salaries & Benefits	149,324,076	151,822,402	154,998,338
Books/Supplies & Outlay	8,951,770	4,178,913	4,178,913
Services & Operating Expenses	40,370,000	39,904,785	39,904,785
Other Outgo & Indirect Costs	-671,687	-671,687	-671,687
<b>Future Unidentified Learning Loss Mitigation, ESSER, and Federal Carryover Expenses</b>	<b>10,164,932</b>		
<b>Future Unidentified Fiscal Stabilization Measures</b>		<b>-17,465,983</b>	<b>-26,450,416</b>
<b>Total Expenditures</b>	<b>208,139,091</b>	<b>177,768,430</b>	<b>171,959,934</b>
Operating Net Increase/Decrease	-15,566,636	-1,732,655	-1,033,351
Transfers In and Other Sources	4,779,415	979,415	979,415
<b>Current Year Increase/Decrease In Fund Balance</b>	<b>-10,787,221</b>	<b>-753,240</b>	<b>-53,936</b>
<b>Beginning Balance</b>	<b>19,353,511</b>	<b>8,566,290</b>	<b>7,813,050</b>
<b>Ending Balance</b>	<b>8,566,290</b>	<b>7,813,050</b>	<b>7,759,114</b>

If 2021-22 Measures are on-going then \$8,984,433 in 2022-23

# Components of the Ending Fund Balance

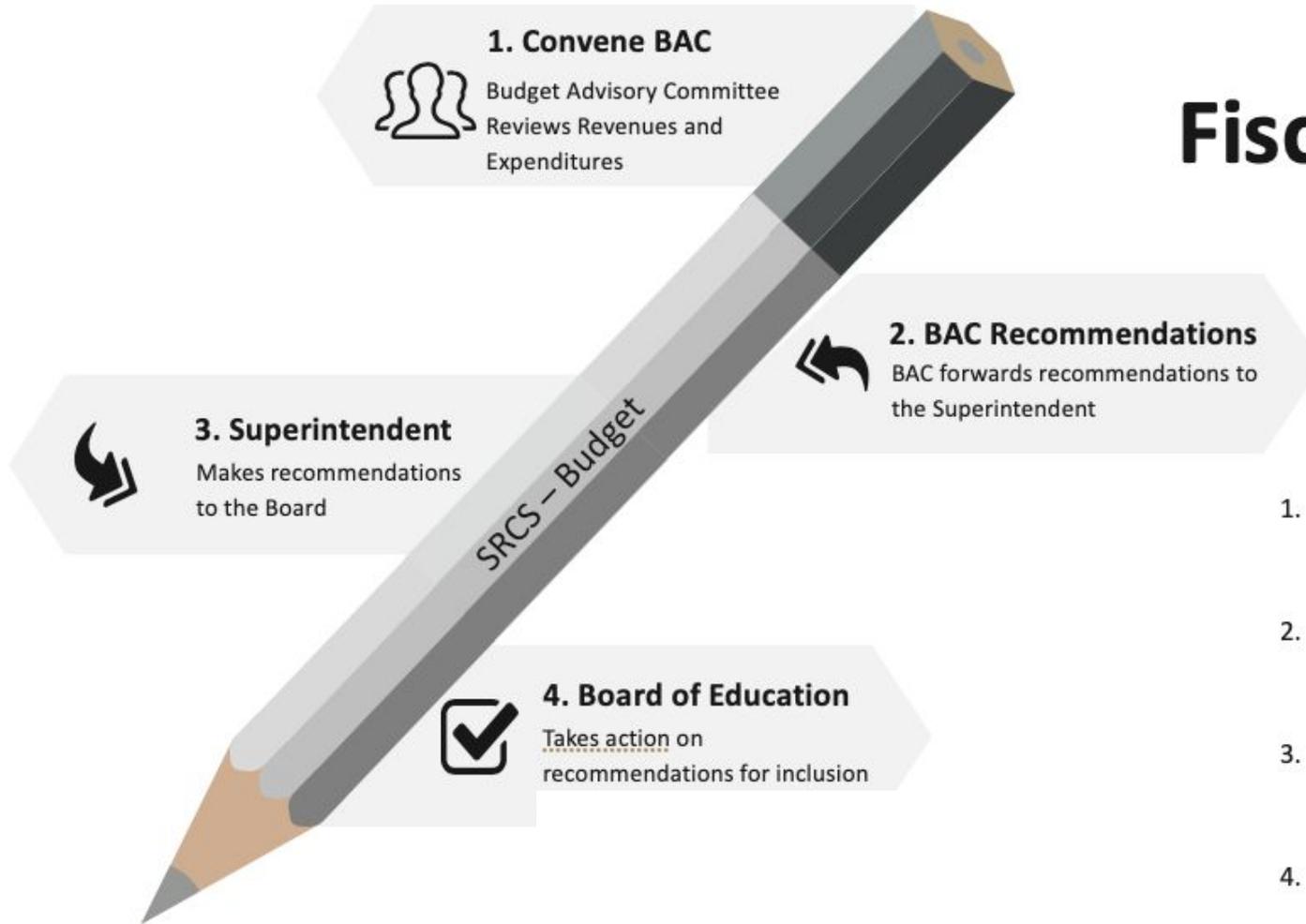
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<b>Components of Ending Balance</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>
Restricted Ending Balance (only can be spent on federal or state mandates, or per donor requirements)	2,730,157	2,402,778	2,402,778
Reserve for Economic Uncertainty	5,836,133	5,410,272	5,356,336
<b>Unassigned/Unappropriated Ending Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Charter Funds Budget Act LCFF Revenue 45 Day Budget Revision Update

Accelerated Charter Fund 09				Arts Charter Fund 08			
2020-21 Adopted Budget	2020-21	2021-22	2022-23	2020-21 Adopted Budget	2020-21	2021-22	2022-23
ADA Projection	122.88	122.88	122.88	ADA Projection	371.88	371.88	371.88
Total LCFF Funding	\$1,029,515	\$1,028,493	\$1,053,452	Total LCFF Funding	\$3,351,712	\$3,350,219	\$3,436,408
2020-21 45 Day Budget Revision	2020-21	2021-22	2022-23	2020-21 45 Day Budget Revision	2020-21	2021-22	2022-23
ADA Projection with Hold Harmless	124.07	122.88	122.88	ADA Projection with Hold Harmless	387.05	371.88	371.88
Total LCFF Funding	\$1,015,252	\$1,005,732	\$1,005,789	Total LCFF Funding	\$3,399,564	\$3,270,338	\$3,277,575
	2020-21	2021-22	2022-23		2020-21	2021-22	2022-23
<b>Change in Total LCFF Funding</b>	<b>-\$14,263</b>	<b>-\$22,761</b>	<b>-\$47,663</b>	<b>Change in Total LCFF Funding</b>	<b>\$47,852</b>	<b>-\$79,881</b>	<b>-\$158,833</b>
CCLA Fund 07				French Charter Fund 06			
2020-21 Adopted Budget	2020-21	2021-22	2022-23	2020-21 Adopted Budget	2020-21	2021-22	2022-23
ADA Projection	428.67	522.06	548.76	ADA Projection	455.55	455.55	455.55
Total LCFF Funding	\$4,351,612	\$5,262,624	\$5,665,821	Total LCFF Funding	\$4,059,401	\$4,054,028	\$4,153,802
2020-21 45 Day Budget Revision	2020-21	2021-22	2022-23	2020-21 45 Day Budget Revision	2020-21	2021-22	2022-23
ADA Projection with Hold Harmless	401.09	522.06	548.76	ADA Projection with Hold Harmless	452.5	455.55	455.55
Total LCFF Funding	\$3,984,453	\$5,143,527	\$5,403,943	Total LCFF Funding	\$3,935,735	\$3,961,728	\$3,961,804
	2020-21	2021-22	2022-23		2020-21	2021-22	2022-23
<b>Change in Total LCFF Funding</b>	<b>-\$367,159</b>	<b>-\$119,097</b>	<b>-\$261,878</b>	<b>Change in Total LCFF Funding</b>	<b>-\$123,666</b>	<b>-\$92,300</b>	<b>-\$191,998</b>

# Fiscal Stabilization Plan Process



- FSP - P1 Adopted and Implemented
- FSP - P2 Adopted and Implemented
- FSP - P3 Working on for 2020-21 1st Interim Dec. 2020

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

# Financial Status

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- The Fiscal Stabilization Plans - Part 1 & Part 2 provided the foundation to meet Future Unidentified Reductions. The Fiscal Stabilization Plan - Part 3 is underway with added needs from the State economic recession due to COVID-19.
- It is important to note that SRCS must continue to prepare for:
  - ❑ **Opening schools with COVID-19**
  - ❑ **CSEA employee negotiations**
  - ❑ **SRTA employee negotiations**
  - ❑ **Uncertain education funding in California**
  - ❑ **Declining enrollment**

# Next Steps

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## August 2020

- ❑ Learning Loss Mitigation and CARES ESSER Expenses to be planned
- ❑ 2019-20 COVID-19 Federal Flexibility Waiver Carryover Expenses to be planned

## September 2020

- ❑ 2019-20 Unaudited Actuals
- ❑ **Possible Budget Revision Based on CA State Budget Revision**
- ❑ Budget Advisory Committee
- ❑ Learning Continuity and Attendance Plan Approved

## 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