

2019-2020 Proposed Budget

Public Hearing

June 5, 2019



Javetta Cleveland, Deputy Superintendent
Vina Guzman, Director of Budget and Accounting

Vision

All NUSD students
graduate as college
and career ready,
productive,
responsible, and
engaged global
citizens

Goals 2017-2022

1. Increase student success in ELA, math, science, literacy, and civics
2. Prepare students to be college and career ready
3. Engage parents and families to support student success in school
4. Create safe and welcoming learning environments where students attend and are connected to their schools
5. Recruit, hire, train, and retain high quality staff who are committed, collaborative, caring and exemplary

Objectives

- Share Budget Highlights and Assumptions
- Share Investments in Programs and Services
- Present Revenues, Expenditures and Reserves
- Present Multi-Year Projection Assumptions

2019-20 Proposed Budget

Positive Certification

Will meet financial obligations in current (2019-20) and two subsequent years (2021-2022)

- Includes required 3% reserve for economic uncertainties of \$3.64 million
- CBEDS Enrollment projected at 10,430
- Average Daily Attendance projected at 9,883
 - Includes projected Increase of 130 ADA
- Unduplicated count for targeted students projected at 67.28%
- Developed in conjunction with NUSD Local Control Accountability Plan (LCAP)

2019-20 Proposed Budget ³

- Reduced LCFF revenue due to reduction of statutory COLA from 3.46% to 3.26% in Governor's May Revision
- STRS increased by \$1.3 million, including STRS rate increase from 16.28% to 18.13%
 - Governor's proposed STRS one-time payment will not be included in the budget until confirmed in State Budget
- PERS increased by \$660K, including PERS rate increase from 18.06% to 20.73%
- Included investments in board approved programs with associated cost and other budget items presented in the April 2019 Budget Update

2019-20 Proposed Budget

- Included budget reductions and reallocations needed to cover cost of board approved programs with associated cost and other budget priorities and investments
- Budget process also included making reductions to address potential fiscal challenges ahead including increasing pension costs and potential reduction in enrollment due to charter expansion

| | |
|--|--------------------|
| Ed Center Department budget reductions (Updated since April 2019) | \$1,450,682 |
| Transfer allowable expenditures to restricted programs | \$236,042 |
| Savings due to K-8 conversions starting in 2018-19 | \$319,000 |
| | \$2,005,724 |

Summary of Investments 2019-20

| Strategic Direction | Investments | Amount |
|---|--|------------------|
| Building and Construction Trades and Public Safety Pathway | | |
| 2.1. 4.2 | Additional teacher staffing for two new Career Technical Education (CTE) Pathways | \$180,000 |
| 2.1. 4.2 | Start up cost for materials and supplies for two new CTE Pathways (one-time) | \$329,000 |
| 2.1, 4.2 | Ongoing materials and supplies for two new CTE Pathways | \$28,000 |
| 2.1, 4.2 | General Fund contribution to support existing CTE Programs due to reduction in CTE Grant (CTEIG) | \$296,636 |
| | TOTAL COST FOR CTE Pathways | \$833,636 |

Summary of Investments 2019-20

| Strategic Direction | Investments | Amount |
|---------------------------|---|--------------------|
| All | 3% negotiated and proposed salary increase for all employees | \$2,400,000 |
| 4.2 | 6 FTE Growth staffing/CSR stabilization | \$534,000 |
| 1.1, 1.3 | Strategic plan development and implementation of Comprehensive support and Improvement (CSI) at ALS and BCS (State CSI Grant) | \$344,000 |
| 1.1, 1.3, 2.1, 4.2 | 2 Assistant Principals added for ALS and BCS (using reallocated funding) | \$262,000 |
| 1.2, 1.3, 1.8 | Additional IB Program Support including programs at PVS and JS (includes use of Title IV funds of \$36,000) | \$256,000 |
| 2.4 | Start up cost for K-8 Conversion for PVS | \$50,000 |
| 1.1, 1.5 | Advanced Placement (AP) program expansion at NHS and LGA which have been approved for the new Pre-AP program (Funding Title IV) | \$94,000 |

Summary of Investments 2019-20

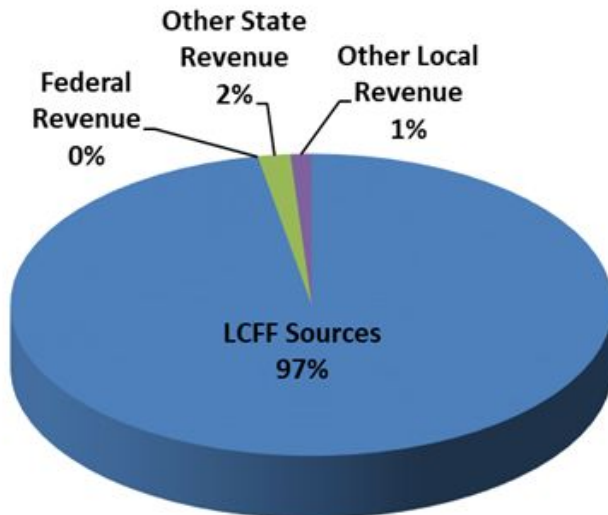
(Summary of Investments Continued)

| Strategic Direction | Investments | Amount |
|---------------------|---|-----------------|
| 1.1, 1.3, 2.1 | Advancement Via Individual Determination (AVID) for TRE and WRE (\$29,000 of this amount is one-time) | \$54,000 |
| 2.5 | 20% Match for ERATE 2020 to Support Technology Infrastructure (One-Time) | \$40,000 |

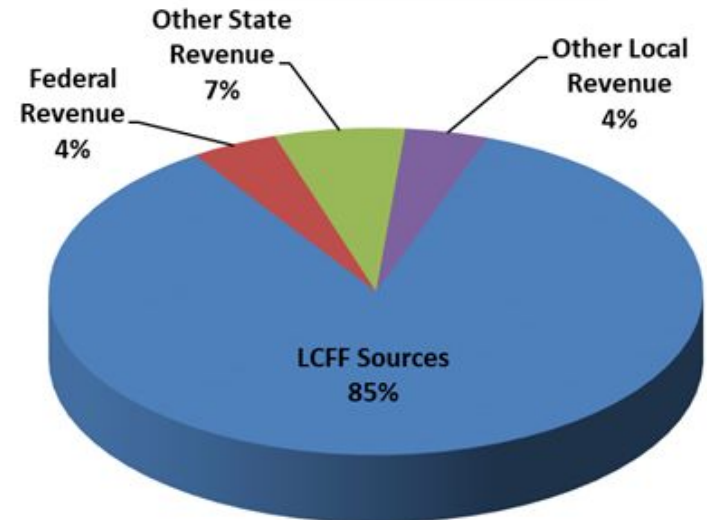
2019-20 General Fund Revenues

| Description | Unrestricted General Fund | Total General Fund |
|-----------------------|---------------------------|-----------------------|
| LCFF Sources | \$ 102,331,894 | \$ 102,331,894 |
| Federal Revenue | - | 5,162,787 |
| Other State Revenue | 1,983,689 | 7,909,625 |
| Other Local Revenue | 1,193,451 | 4,953,387 |
| TOTAL REVENUES | \$ 105,509,034 | \$ 120,357,693 |

Unrestricted Revenues



Total General Fund Revenues

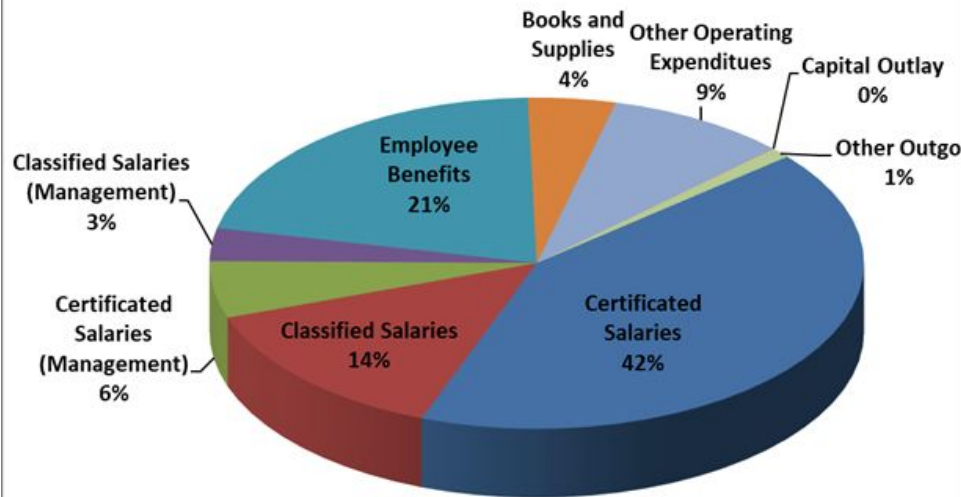


2019-20 General Fund Expenditures

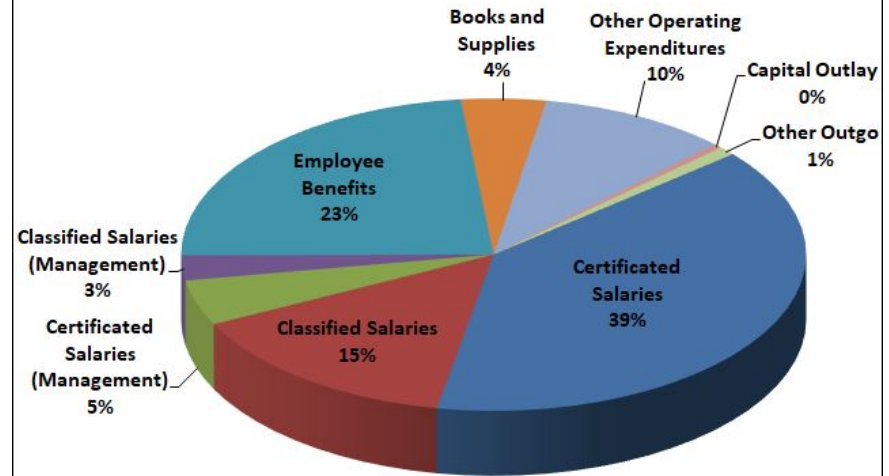
| Description | Unrestricted General Fund | Total General Fund |
|------------------------------------|---------------------------|-----------------------|
| Certificated Salaries | \$ 37,528,660 | \$ 47,517,548 |
| Classified Salaries | 12,500,928 | 5,717,478 |
| Certificated Salaries (Management) | 4,969,223 | 17,924,846 |
| Classified Salaries (Management) | 2,881,715 | 3,147,938 |
| Employee Benefits | 18,993,370 | 28,481,838 |
| Books and Supplies | 3,890,358 | 5,360,684 |
| Other Operating Expenditures | 8,037,375 | 11,955,976 |
| Capital Outlay | 40,208 | 563,904 |
| Other Outgo | 889,197 | 1,096,197 |
| TOTAL | \$ 89,731,034 | \$ 121,766,409 |

General Fund Expenditures Combined ¹⁰

Unrestricted Expenditures



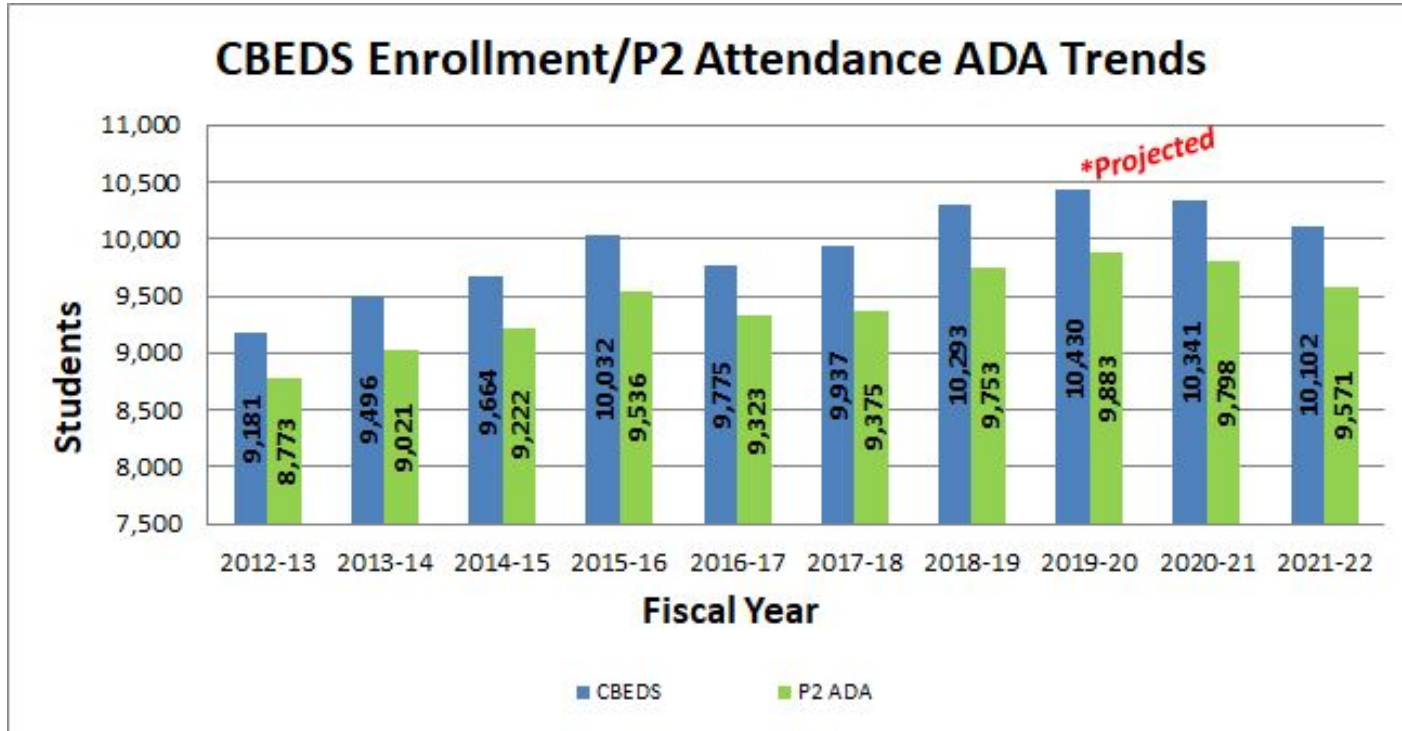
Total General Fund Expenditures



General Fund Reserves Committed/Restricted

| | Economic Uncertainty | Committed for Stabilization | Committed/ Assigned | Restricted |
|---|---------------------------------|--|--------------------------------|--------------------|
| Economic Uncertainty - State Mandated 3% | \$3,643,000 | | | |
| Stabilization Arrangements per board policy (i.e ups/downs in enrollment and State Budget) | | \$6,862,562 | | |
| SELPA (Special Ed) Stabilization | | | \$500,000 | |
| Science Textbook Adoption | | | \$1,500,000 | |
| Diversity Recruitment Plan | | | \$280,833 | |
| PARS Pension Rate Stabilization | | | | \$1,514,523 |
| Restricted (Categoricals) | | | | \$3,041,477 |

CBEDS Enrollment/P2 ADA trend



- Excludes Charter Schools including Leroy Greene Academy
- *Due to potential charter expansion, projected decrease in ADA of 85 in 2020-21 and decrease of 227 in 2021-22*
- *In declining enrollment, revenue is projected using the higher of current or prior year ADA, therefore, the fiscal impact of projected decline of 227 ADA will be in 2022-23*

2020-21 Multi-Year Budget Assumptions¹³

Revenue

- COLA from 3.26% to 3.0% at Governor's May revision
- Projected decrease in ADA (attendance) of 85 due to charter expansion
- Estimates of all other federal, state, and local revenues to remain relatively constant for the two subsequent years

Expenditures

- Continue funding Diversity Recruitment/Aspiring Leaders plan
- Reduction of 3 FTE certificated staff due to decrease in ADA
- Removal of one time expenditures
- Step and column increase for certificated and classified
- Contribution rate increases of 0.97% for STRS and 2.87% for PERS
- Total PERS/STRS increase of \$1.3 Million

2021-22 Multi-Year Budget Assumptions¹⁴

Revenue

- COLA from 3.0% to 2.8% at Governor's May revision
- Projected decrease in ADA (attendance) of 227 due to charter expansion
- Estimates of all other federal, state, and local revenues to remain relatively constant for the two subsequent years

Expenditures

- Removal of 2020-21 one time expenditures
- Reduction of 4 FTE certificated staff due to decrease in ADA
- Step and column increase for certificated and classified staff
- Any contribution rate increase for STRS has not yet been determined
- Contribution rate increases of 1.3% for PERS
- Total PERS/STRS increase of \$0.5 Million

Looking Ahead

- Board approval of the 2019-20 Budget and LCAP on June 19th
- State Budget will be adopted on or before July 1st
- Fiscal impact of charter expansion in 2022-23 (one year beyond multi-year projections) is projected to reduce revenue by \$3.5 million
- Early budget reductions has mitigated some of the impact of this projected revenue decrease
- The District needs to continue to make budget reductions early to prevent or minimize deficit spending and maintain a positive certification
- Continued monitoring of enrollment and the State economy closely is critical

QUESTIONS