

Fiscal Year 2019-20

Fiscal Stabilization Plan

Part 1

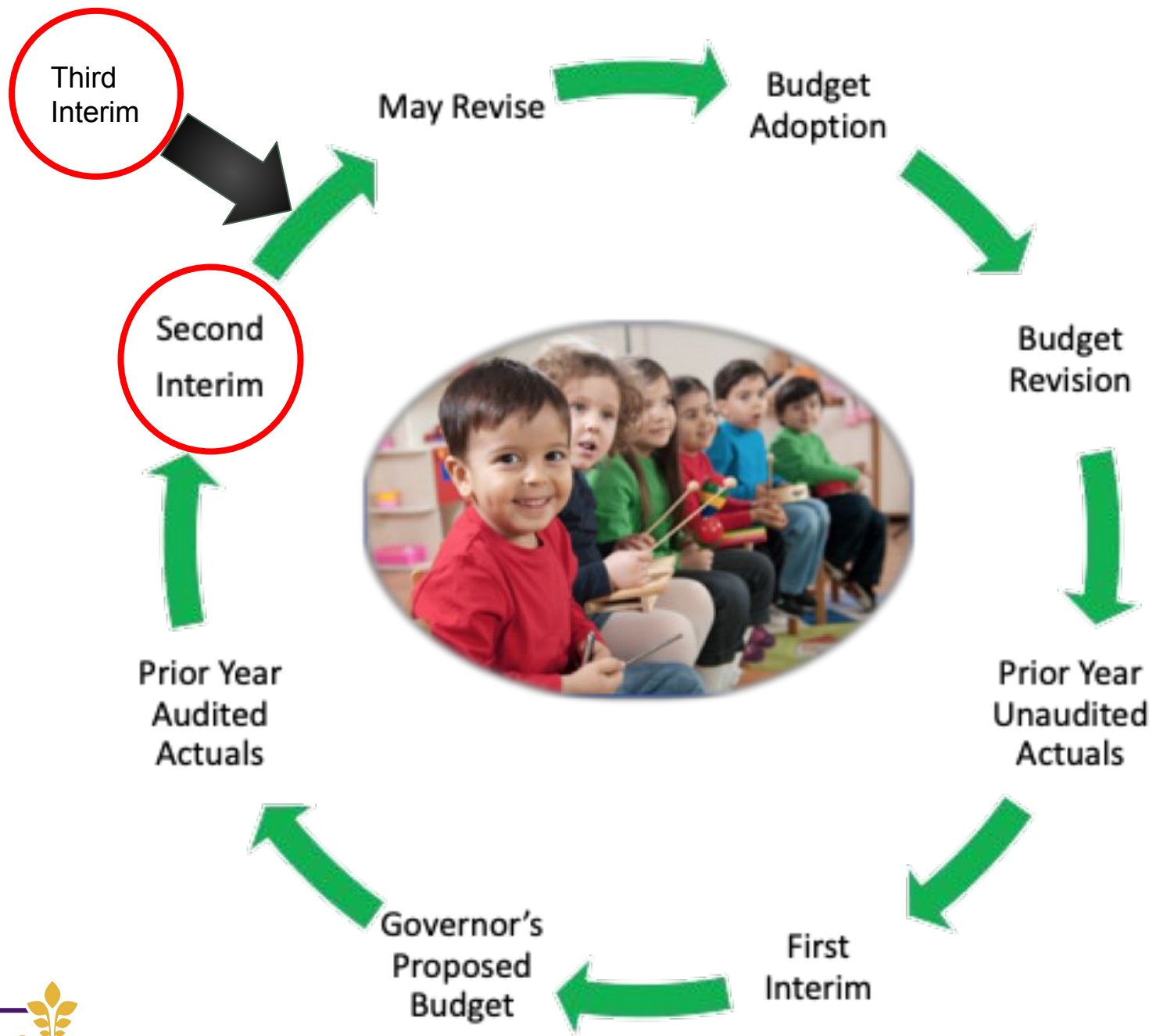
Presentation Items

- Annual Budget Cycle
- 2019-20 1st Interim General Fund Multi-Year Projection
- Certification
- Budget Advisory Committee
- Fiscal Stabilization Plan Part 1
- Financial Status
- 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



General Fund Multi-Year Projection

2019-20 1st Interim Multi Year Projection (MYP)			
REVENUES	2019-20	2020-21	2021-22
LCFF Sources	145,761,639	148,221,844	151,640,336
Remaining Revenues	36,437,007	33,320,906	33,320,906
Total Revenues	182,198,646	181,542,750	184,961,242
EXPENDITURES			
Salaries & Benefits	144,883,432	153,216,911	157,333,078
Books/Supplies & Outlay	7,573,553	4,937,101	4,937,101
Services & Operating Expenses	39,943,405	38,669,093	38,669,093
Other Outgo & Indirect Costs	-924,236	-1,026,320	-1,026,320
Future Unidentified Fiscal Stabilization Measures		0	-12,983,466
Total Expenditures	191,476,153	195,796,784	186,929,486
Operating Net Increase/Decrease	-9,277,508	-14,254,034	-1,968,244
Transfers In and Other Sources	979,415	979,415	979,415
Transfers Out and Other Uses	-138,790	-138,790	-138,790
Current Year Increase/Decrease In Fund Balance	-8,436,883	-13,413,409	-1,127,619
Beginning Balance	30,825,874	22,388,992	8,975,582
Ending Balance	22,388,992	8,975,582	7,847,963

Components of Ending Fund Balance

Components of Ending Balance	2019-20	2020-21	2021-22
Restricted Ending Balance (only can be spent on federal or state mandates, or per donor requirements)	2,235,899	2,235,899	2,235,899
Reserve for Economic Uncertainty	5,748,448	5,878,067	5,612,048
Unassigned/Unappropriated Ending Balance	14,404,644	861,616	15



Certification

The Certification of the District's financial condition may take one of three forms:



Positive Certification: The District will meet its financial obligations for the current fiscal year and subsequent two years.



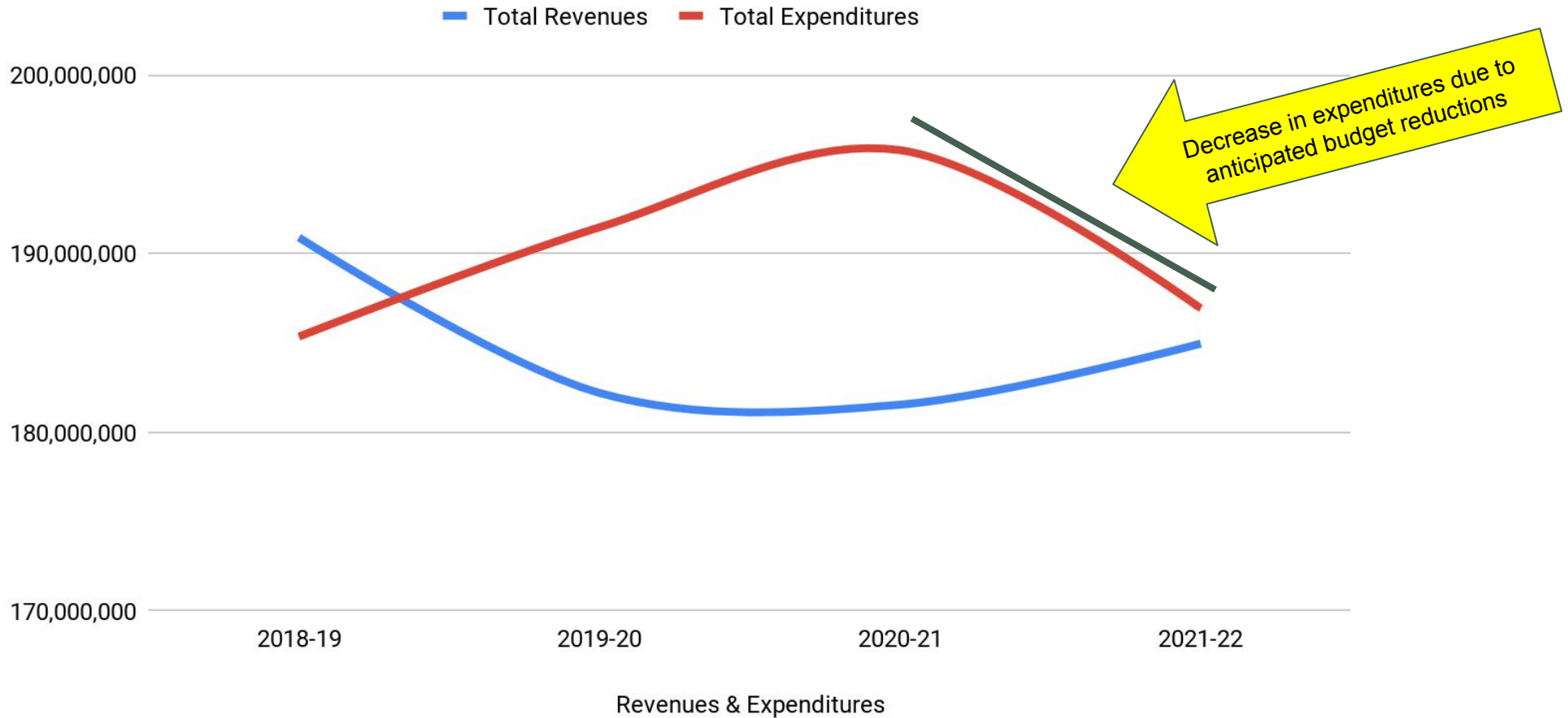
Qualified Certification: The District may not meet its financial obligations for the current fiscal year or subsequent two years.



Negative Declaration: The District will not meet its financial obligations for the remainder of the fiscal year or for the subsequent fiscal years.

Revenue vs Expenditure

Total Revenues and Total Expenditures



Budget Advisory Committee

Worked Performed:

- ❑ Reviewed District Budgets
- ❑ Gathered Information
- ❑ Discussed potential revenue enhancements and expenditure reductions
- ❑ Prepared recommendations to give to the Superintendent and the Board

Meeting Dates:

- ❑ September 26, 2019
- ❑ October 17, 2019
- ❑ November 21, 2019
- ❑ December 5, 2019
- ❑ January 23, 2020
- ❑ February 13, 2020
- ❑ February 20, 2020

Budget Advisory Committee

- ❑ Tammy Affonso, CSEA
- ❑ Linda Zabala, CSEA
- ❑ Betty Garcia, CSEA
- ❑ Kristen Hendricks, Parent
- ❑ Mark Jenkins, Parent
- ❑ Jeff Gospe, Community / Parent
- ❑ Alex Chui, Student Representative
- ❑ Dan Condron, Business Member
- ❑ Mike Lopez, Business Member
- ❑ Frank Pugh, Community Member

- ❑ Margie Brady-long, SRTA
- ❑ Kyle Hart, SRTA
- ❑ Gabe Albavera, SRCS HS Admin
- ❑ Kimberly Clissold, SRCS HS Admin
- ❑ Valerie Jordan, SRCS HS Admin
- ❑ Vicki Zands, SRCS MS Admin
- ❑ Jeanine Wilson, SRCS Elem Admin
- ❑ Kaesa Enemark, SRCS DO Admin
- ❑ Tim Zalunardo, Director T&L

Meetings Facilitators:

- ❑ Rick Edson, Deputy Superintendent
- ❑ Joel Dontos, Executive Director Fiscal Services

Fiscal Stabilization Plan Process

For FSP-P1



1. Convene BAC

Budget Advisory Committee
Reviews Revenues and
Expenditures



2. BAC Recommendations

BAC forwards recommendations to
the Superintendent



3. Superintendent

Makes recommendations
to the Board



4. Board of Education

Takes action on
recommendations for inclusion
in 2nd Interim/Budget

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 2nd Interim and 20/21 Budget

Fiscal Stabilization Plan - Part 1

A. Revenue Enhancements					
Item #	Budget Action	2019-20 Proposed Budget Amount	2020-21 Proposed Budget Amount	2021-22 Proposed Budget Amount	Total 3 Year Savings to 2022
A-1	Impact of reductions to 3% minimum contribution to RRM	\$23,239	\$91,610	\$105,663	\$220,512
A-2	Impact of reductions to 3% minimum contribution to Reserve for Economic Uncertainty	\$23,239	\$91,610	\$105,663	\$220,512
A-3	Charter Fund 09 Reserve move into Fund 01*	\$-	\$3,000,000	\$-	\$3,000,000
A-4	Dental Fund 67 Reserve move into Fund 01*	\$-	\$800,000	\$-	\$800,000
Subtotal		\$46,478	\$3,983,220	\$211,326	\$4,241,024

*These items, if approved, will have the specific details of this transfer included in the 2019-20 Second Interim Report that will be presented to the Board for approval at the March 11, 2020 meeting.

Fiscal Stabilization Plan Part 1

Expenditure Reductions - B. Certificated Administration					
Item #	Budget Action	2019-20 Proposed Budget Amount	2020-21 Proposed Budget Amount	2021-22 Proposed Budget Amount	Total 3 Year Savings to 2022
B-1	Administrators on Special Assignment eliminate	\$-	(\$250,000)	(\$257,500)	(\$507,500)
Subtotal		\$-	(\$250,000)	(\$257,500)	(\$507,500)

Fiscal Stabilization Plan Part 1

Expenditure Reductions - D. Certificated Personnel					
Item #	Budget Action	2019-20 Proposed Budget Amount	2020-21 Proposed Budget Amount	2021-22 Proposed Budget Amount	Total 3 Year Savings to 2022
D-1	Do not fill and eliminate vacant and partial secondary TOSA positions; approximately 6.7 FTE	\$-	(\$608,400)	(\$620,567)	(\$1,228,967)
D-2	Elementary Reading Teachers discontinue	\$-	(\$397,330)	(\$409,250)	(\$806,580)
D-3	SOLL Counselors discontinue	\$-	(466,774)	(\$480,777)	(\$947,551)
Subtotal		\$-	(\$1,472,504)	(\$1,510,594)	(\$2,983,098)

Fiscal Stabilization Plan Part 1

Expenditure Reductions - E. Classified Personnel					
Item #	Budget Action	2019-20 Proposed Budget Amount	2020-21 Proposed Budget Amount	2021-22 Proposed Budget Amount	Total 3 Year Savings to 2022
E-1	Eliminate 3 Vacant Student Engagement Positions	\$-	(\$158,841)	(\$163,606)	(\$322,447)
Subtotal		\$-	(\$158,841)	(\$163,606)	(\$322,447)

Fiscal Stabilization Plan Part 1

Expenditure Reductions - F. Other					
Item #	Budget Action	2019-20 Proposed Budget Amount	2020-21 Proposed Budget Amount	2021-22 Proposed Budget Amount	Total 3 Year Savings to 2022
F-1	Naviance Software replace with alternative; possibly free software	\$-	(\$35,550)	(\$35,550)	(\$71,100)
F-2	Let's Go Learn Diagnostic Software replace with MAP	\$-	(\$31,000)	(\$31,000)	(\$62,000)
F-3	Do not renew Cenergistic in 21/22	\$-	\$-	(\$400,000)	(\$400,000)
F-4	Reduce for anticipated savings from PGE Lighting and controls upgrades	\$-	(\$400,000)	(\$400,000)	(\$800,000)
F-5	Reduction in DO Furniture and office equipment budget	\$-	(\$10,000)	(\$10,000)	(\$20,000)
F-6	Reduce budget for meals; only have light snacks / beverages	\$-	(\$10,000)	(\$10,000)	(\$20,000)
F-7	Eliminate Admin SCOE Inductions	\$-	(\$32,000)	(\$32,000)	(\$64,000)

Fiscal Stabilization Plan Part 1

Expenditure Reductions - F. Other (Continued..)					
Item #	Budget Action	2019-20 Proposed Budget Amount	2020-21 Proposed Budget Amount	2021-22 Proposed Budget Amount	Total 3 Year Savings to 2022
F-8	Move 15% of night custodian salaries into 8150 maintenance	\$-	(\$325,000)	(\$334,750)	(\$659,750)
F-9	Move 50% of grounds workers salaries into 8150 maintenance	\$-	(\$277,287)	(\$285,605)	(\$562,892)
F-10	Discontinue Employee Assistance Program (EAP)	\$-	(\$36,500)	(\$36,500)	(\$73,000)
F-11	Realize encumbered budget immediately for positions not expected to fill	(\$774,634)	\$-	\$-	(\$774,634)
F-12	Nursing Program Reimbursement Reduction	\$-	(\$15,000)	(\$15,000)	(\$30,000)
Subtotal		(\$774,634)	(\$1,172,337)	(\$1,590,405)	(\$3,537,376)

Fiscal Stabilization Plan Part 1

Summary of Revenue Enhancements and Expenditure Reductions				
	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)
Resulting Total Budget Reduction	(\$821,112)	(\$7,036,902)	(\$3,733,431)	(\$11,531,445)

Financial Status

- The Stabilization Plan - Part 1 provides the foundation to meet the \$12.9MM Unidentified Reductions.
- It is important to note that SRCS must continue to prepare for:
 - ❑ **CSEA employee negotiations in the spring of 2020**
 - ❑ **SRTA employee negotiations in the spring of 2021**
 - ❑ **Uncertain education funding in California**
 - ❑ **Declining enrollment**
- Additional information will be provided with the 19/20 Second Interim Report on March 11.

Next Steps

February 2020

- ❑ Present 2019-20 Audit Report
- ❑ Superintendent / BAC Recommendations

March 2020

- ❑ Present 2019-20 Second Interim
- ❑ Present 2020-21 Budget Assumptions
- ❑ BAC begins work on FSP-P2

April 2020

- ❑ BAC continues with FSP-P2

May 2020

- ❑ BAC recommendations to the Superintendent
- ❑ Present Governor's 2020-21 May Revise
- ❑ Present Updated 2020-21 Budget Assumptions
- ❑ Fiscal Stabilization Plan - Part 2
- ❑ 2019-20 Third Interim if needed

June 2020

- ❑ 2020-21 Budget and LCAP Public Hearings
- ❑ 2020-21 Budget and LCAP Adoption