



# **2020-21 Adopted Budget Summary Presentation**

June 9, 2020 --- First Reading  
June 23, 2020 --- Board Action

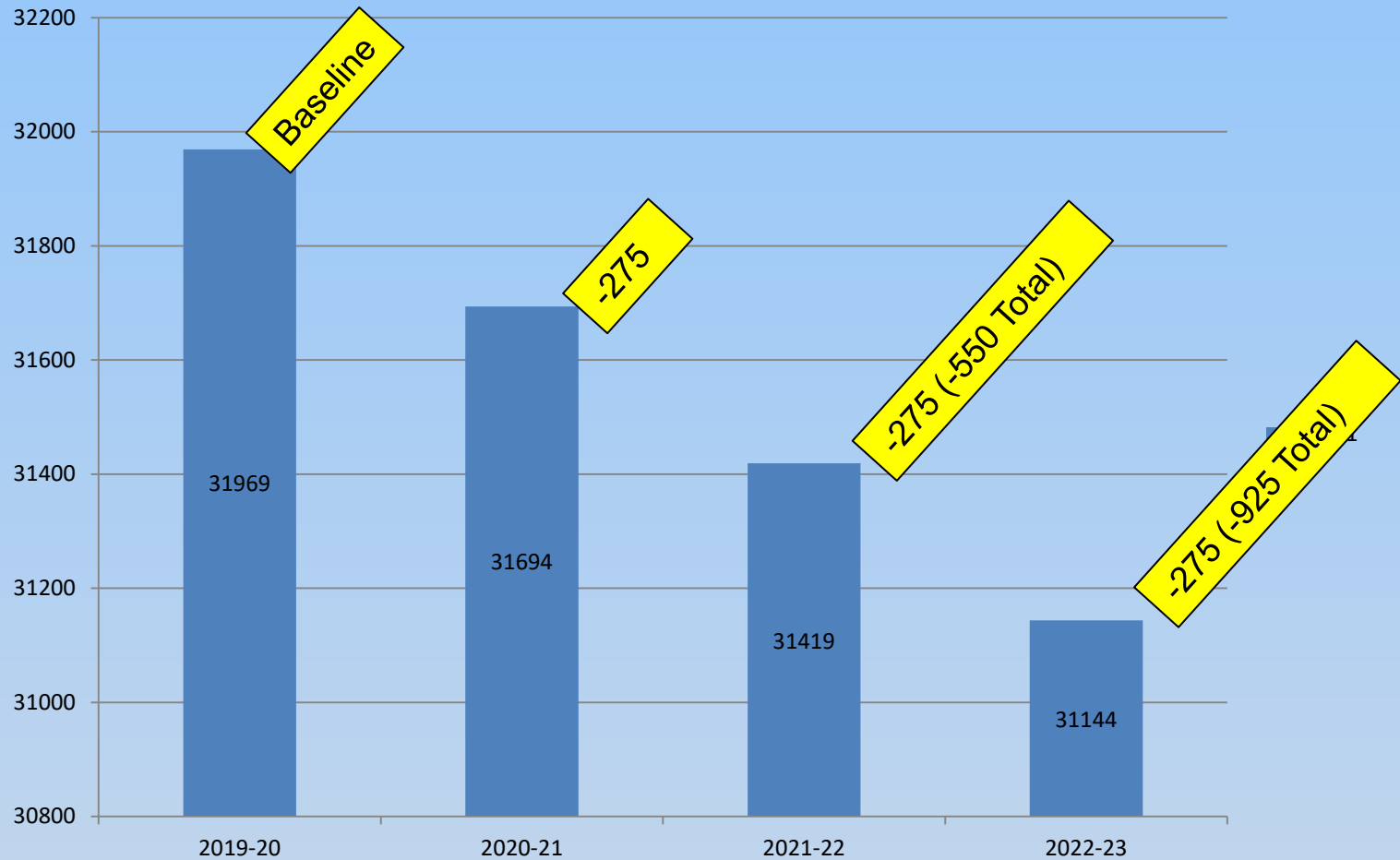
- 2020-21 General Fund Assumptions
  - Revenues
  - Expenditures
- 2020-21 LCAP --- December 2020
- 2020-21 Adopted Budget Financial Summary
- Multi Year Projection (MYP)
- Next Steps

## 2020-21 Assumptions (Revenues)

- Enrollment Decline of 275 Students (Projected 2020-21 Month 2 vs Actual 2019-20 Month 2)
- State COLA: 2.31% with a “Deficit Factor” of “-7.92%” (effectively decreases COLA to below zero)
- Unduplicated Pupil Percentage: 9.53%
- Parcel Tax: \$6.8M included in all three years of the Multi Year Projection (“MYP”)
- Federal Funding Substantially Unchanged through all three years of the MYP
- Mandated Cost Block Grant per ADA: K-8 = \$32.18, 9-12 = \$61.94
- Lottery: \$153 per ADA (Unrestricted) and \$54 per ADA (Restricted)

# Projected Enrollment

## 2019-20, 2020-21, 2021-22 and 2022-23 Projected Enrollment



Multi-Year Projection Enrollment Assumptions

## 2020-21 Assumptions (Expenditures)

- Medical Premium Increase = 8.0% (preliminary confirmation of expected January 2021 rates from Kaiser and United Healthcare expected July 2020)
  - Dental, vision and life premiums unchanged (no expected increase)
- STRS Employer Rate: 16.15% (-5.66% compared to 17.10% in 19-20)
- PERS Employer Rate: 20.70% (+4.96% compared to 19.721% in 19-20)
- Step and Column Increase: 1.0%
- Staffing Ratios --- aligned to contractual agreements pending further collaboration

# 2020-21 Assumptions (LCAP Expenditures)

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- In accordance with Sacramento's updated 2020-21 Local Control Accountability Plan (LCAP) timelines born out of CoronaVirus uncertainty since March, final 2020-21 LCAP Goals and Actions (and associated expenditures) will be determined in Fall 2020 and brought to the Board for action in December 2020

# 2020-21 Adopted Budgeted Combined General Fund Revenues

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<b>Revenues</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>
LCFF Sources	\$252,507,184	\$0	\$252,507,184
Federal Revenue	\$0	\$6,375,307	\$6,375,307
Other State Revenue	\$6,327,650	\$41,397,551	\$47,725,201
Other Local Revenue	\$11,048,623	\$19,957,015	\$31,005,638
<b>Total Revenues</b>	<b>\$269,883,457</b>	<b>\$67,729,873</b>	<b>\$337,613,330</b>

# 2020-21 Adopted Budgeted Combined General Fund Expenditures

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93%

87%

## Expenditures

	Unrestricted	Restricted	Total
Certificated Salaries	\$127,715,007	\$25,066,542	\$152,781,549
Classified Salaries	\$30,785,629	\$25,430,138	\$56,215,767
Employee Benefits	\$66,776,896	\$37,421,287	\$104,198,183
Books and Supplies	\$3,751,674	\$7,514,670	\$11,266,344
Services and Other Operating	\$14,512,646	\$17,718,084	\$32,230,730
Capital Outlay	\$0	\$176,000	\$176,000
Other Outgo	\$0	\$1,308,867	\$1,308,867
Indirect Costs	(\$455,058)	\$455,058	\$0
<b>Total Expenditures</b>	<b>\$243,086,794</b>	<b>\$115,090,646</b>	<b>\$358,177,440</b>



# 2020-21 Adopted Budgeted Combined General Fund Other Sources/Uses

Other Financing Sources/Uses	Unrestricted	Restricted	Total
Transfers In	\$4,500,000	\$0	\$4,500,000
Transfers Out	(\$910,450)	\$0	(\$910,450)
Other Sources	\$0	\$0	\$0
Other Uses	\$0	\$0	\$0
Contributions	(\$46,050,220)	\$46,050,220	\$0
<b>Total Other Sources/Uses</b>	<b>(\$42,460,670)</b>	<b>\$46,050,220</b>	<b>\$3,589,550</b>
<b>Net Increase/Decrease in Fund Balance</b>	<b>(\$15,664,007)</b>	<b>(\$1,310,553)</b>	<b>(\$16,974,560)</b>

Fund 13 Food Service  
Fund 40 Solar Payment

From Fund 17  
Declining Enrollment  
Reserve Depleted to Zero

Special Education,  
Required Routine  
Restricted Maintenance,  
and other Locally  
Restricted Expenses



# 2020-21 Projected Ending Balance

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<b>Fund Balance and Reserves</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>
Beginning Balance (July 1)	\$27,604,860	\$4,969,411	\$32,574,271
Net Increase/Decrease in Fund Balance	-15,664,007	-1,310,553	-16,974,560
<b>Ending Balance (June 30)</b>	<b>\$11,940,853</b>	<b>\$3,658,858</b>	<b>\$15,599,711</b>

<b>Components of Ending Balance</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>
Revolving Cash	\$114,900	\$0	\$114,900
Stores	\$79,254	\$0	\$79,254
Prepaid Expenditures	\$25,000	\$0	\$25,000
Restricted	\$0	\$3,658,858	\$3,658,858
One-time Reserve Assignments	\$10,100,248	\$0	\$10,100,248
Site/Department Carryover	\$0	\$0	\$0
Community Facility Use	\$0	\$0	\$0
Lottery	\$1,621,451	\$0	\$1,621,451
Reserve for Economic Uncertainties	\$0	\$0	\$0
Unassigned/Unappropriated	\$0	\$0	\$0
<b>Total Fund Balance</b>	<b>\$11,940,853</b>	<b>\$3,658,858</b>	<b>\$15,599,711</b>

RRM; \$2.6M  
 SB 117 COVID-19; \$391K  
 Lottery; \$171K  
 Low-Performing; \$276K  
 Other Restricted: \$218K

1x Bridge; \$5.279M  
 1x LCFF Shortfall For  
 Deficit Factor: \$4.821M

Reserve % (EU + Undesignated/Unappropriated)	3.37%
Reserve % (EU + Undesignated/Unappropriated + 1x + Lottery)	6.67%
Reserve % (EU + Undesignated/Unappropriated + 1x + Lottery + Declining Enrollment)	6.67%

# Multi-Year Projection Assumptions

	2020-21	2021-22
COLA*	2.31%	2.48%
LCFF Deficit Factor*	-7.92%	-7.92%
Enrollment Decline for Revenues and Staffing	-275	-275
Federal Funding	No Change	No Change
Lottery/ADA (unrestricted/restricted)*	\$153/\$54	\$153/\$54
AB 602 Funding (State Special Education)*	2.31%	2.48%
Required Restricted Maintenance Funding (RRM)	3.00%	3.00%
PERS Employer Rate*	20.7% (+4.96%)	22.84% (+10.34%)
STRS Employer Rate*	16.15% (-5.66%)	16.02% (-0.81%)
Medical Insurance Premiums	8.00%	8.00%
Cash In Lieu of Health and Welfare	0.00%	0.00%
Step & Column	1.00%	1.00%
ROP/CTE Program Contribution	\$1.4M	\$1.4M
CPI (Supplies/Services/Utilities)*	0.62%	1.73%

\* = 2020-21 May Revise School Services of California Planning Factors published May 2020

# Multi-Year Projection

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	2020-21	2021-22	2022-23
Revenues	Budget	Projection	Projection
LCFF Sources	\$252,507,184	\$250,498,450	\$248,708,884
Federal Revenue	\$6,375,307	\$6,375,307	\$6,375,307
Other State Revenue	\$47,725,201	\$46,998,701	\$47,447,856
Other Local Revenue	\$31,005,638	\$30,193,289	\$30,207,452
Other Financing Sources (Transfers In)	\$4,500,000	\$0	\$0
Total	\$342,113,330	\$334,065,747	\$332,739,499
Expenditures			
Certificated Salaries	\$152,781,549	\$153,397,833	\$153,694,117
Classified Salaries	\$56,215,767	\$56,698,488	\$57,186,287
Employee Benefits	\$104,198,183	\$107,559,585	\$113,796,275
Books and Supplies	\$11,266,344	\$10,720,606	\$10,433,246
Services	\$32,230,730	\$31,718,462	\$32,069,275
Capital Outlay	\$176,000	\$176,000	\$176,000
Other Outgo	\$1,308,867	\$1,308,867	\$1,295,357
Transfers Out	\$910,450	\$910,450	\$2,947,365
Total	\$359,087,890	\$362,490,291	\$371,597,922
Net (Decrease) in Fund Balance	(\$16,974,560)	(\$28,424,544)	(\$38,858,423)
Net (Decrease) Unrestricted Only	(\$15,664,007)	(\$27,201,529)	(\$38,143,101)

# Multi-Year Projection

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	2020-21	2021-22	2022-23
Fund Balance	Budget	Projection	Projection
Net Beginning Fund Balance	\$32,574,271	\$15,599,711	(\$12,824,833)
Ending Fund Balance	\$15,599,711	(\$12,824,833)	(\$51,683,256)
Components of Ending Fund Balance			
Nonspendable	\$219,154	\$219,154	\$219,154
Legally Restricted	\$3,658,858	\$2,435,843	\$1,720,521
Assigned	\$11,721,699	\$0	\$0
Designated for Economic Uncertainties	\$0	\$0	\$0
Undesignated/Unappropriated	\$0	-\$15,479,830	-\$53,622,931
Totals	\$15,599,711	(\$12,824,833)	(\$51,683,256)
Reserve for Economic Uncertainty (Fund 17)	\$ 11,935,802.47	\$ 12,135,802.47	\$ 12,335,802.47
Reserve for Declining Enrollment (Fund 17)	\$ -	\$ -	\$ -
<b>Unrestricted Reserve % (EU (Fund 17) + Unapprop. )</b>	<b>3.37%</b>	<b>-0.92%</b>	<b>-11.11%</b>
2019-20 Second Interim with 2.56% Agreement (Open Session March 3, 2020)	3.00%	3.00%	N/A
<b>Unrestricted Reserve % (EU (Fund 17) + Unapprop. + 1x + Lottery + Declining Enrollment (Fund 17))</b>	<b>6.67%</b>	<b>-0.92%</b>	<b>-11.11%</b>
2019-20 Second Interim with 2.56% Agreement (Open Session March 3, 2020)	7.23%	4.67%	N/A

# Other Funds – Projected 2020-21 Ending Balances Over the Fiscal Year

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- Fund 13 – Cafeteria; \$181,120 (+/- 0 (no change))
  - ❖ Includes net transfer-in from General Fund of \$375,524
- Fund 17 – Special Reserve; \$11,935,802 (-\$4.3 M)
- Fund 21 – Building Fund; \$12,891,104 (-\$55.604 M)
- Fund 25 – Developer Fees; \$5,903,765 (-\$1.289 M)
- Fund 40 – Special Reserve Capital Projects; \$8,669,398 (+\$535K)
- Fund 51 – Bond Int./Red. Fund; \$38,419,524 (+\$4.727M)
- Fund 67 – Self Insurance Fund; \$3,630,350 (+\$263K)
- Fund 71 – Retiree Ben. Fund; \$25,018,874 (-\$389K)

- On Wednesday June 3<sup>rd</sup>, the Legislature’s Budget Conference Committee announced the Senate and Assembly had reached an agreement on the 2020-21 State Budget
  - Based largely on a bailout from the Federal Government’s “HEROES” Act and increasing fiscal year deferrals for Education, this vision for bridging the State’s projected \$54 billion shortfall differs from Governor Newsom’s plan
  - If this vision comes true, this would positively impact 2020-21 and Years 2 and 3 (2021-22 and 2022-23) of the MYP
- The Legislature and Governor have until June 30 to reconcile their differences and approve a budget

# Next Steps for the 2020-21 Adopted Budget

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- 2020-21 Adopted Budget Board Action (June 23<sup>rd</sup>)
- 45-Day Budget Revision (August 2020)
- 2019-20 Unaudited Actuals (September 2020)
- 2020-21 First Interim (December 2020)

Thank you