

## 2019-20 Proposed Revised Adopted Budget

Board Meeting October 3, 2019 Agenda Item No. 9.1

## Purpose of Proposed Revised Adopted Budget

- District 2019-20 Adopted Budget disapproved by SCOE
  - Due to 2021-22 Unrestricted General Fund negative ending balance
- Education Code 42127 requires District to develop and approve a Revised Adopted Budget by Oct 8, 2019
  - Public Notice and Public Hearing is required
- Include latest information



#### SCOE Recognition of District Progress

#### SCOE Suggested Next Steps

#### Summary of Multi-Year Projections June 2019 vs October 2019

### 2018/19 Budget Adjustments

Month	Ongoing Current Yr	Ongoing Future Yrs	One-Time	Items
December 2018	\$17.5		\$3.6	Position Control, Debt Service, OPEB, Central Office Personnel, Supplies, Services, Utilities
Feb/March				

## Summary of Changes in Proposed Revised Adopted

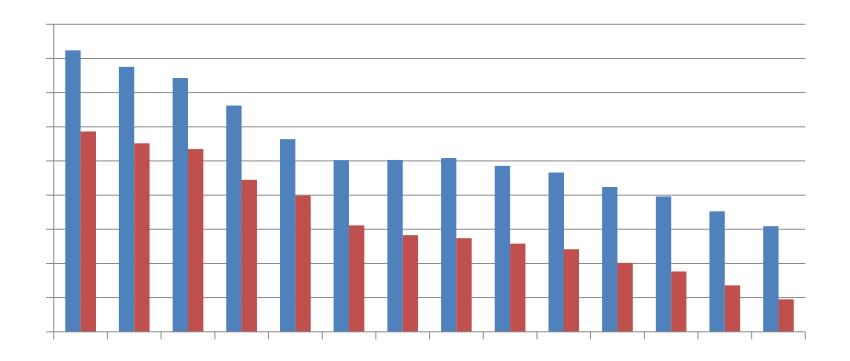
- Recognition of additional State one-time revenues
- Recognition of one-time expenditures
- Recognition of increase local income and contract reductions
- Recognition of additional 9.2% cost for restructuring the teacher salary schedule for substitutes and stipends
- Recognition of additional teacher positions and utilization of restricted funds for positions above baseline
- Cash flows shows positive cash through October 2020 and major cash challenges starting October 2021
- Revised Multi-Year Projection (while improved) has a negative ending balance for 2021-22 Unrestricted General Fund
- Need a negotiated solution to achieve \$27 million

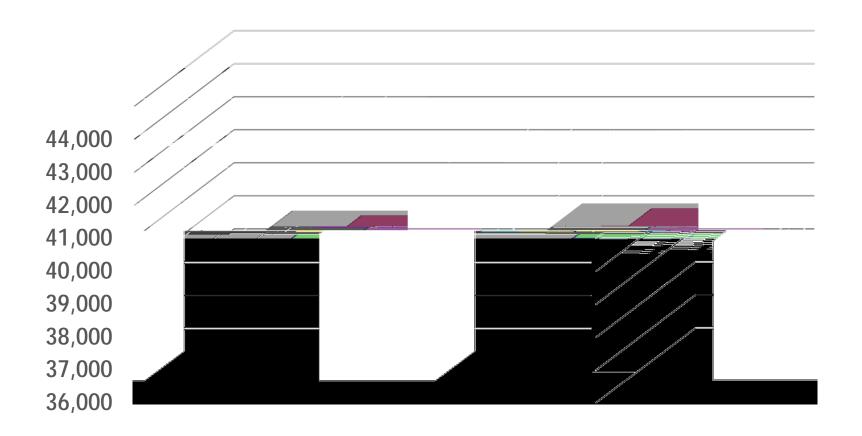
#### Revenue Changes Since Original Adopted Budget

- Increase in State Revenues 8/15 Board Meeting
  - Lottery \$120,000
  - One Time Funds
    - Special Education Equalization \$2.2 million
    - Special Education Preschool \$4.2 million -Unrestricted
- Increase in Local Revenues
  - Interest Revenue -

### Proposed Expenditures Changes Since Original Adopted Budget

- Additional Teacher Salary Restructure Cost for Unrestricted General Fund - \$1.3 million
  - Substitutes, Stipends, Adult Education Salaries
- Staffing of Schools -
  - Added 22.2 FTE due to enrollment and program needs
    - Teachers above baseline increased from 89 to 127 positions
    - 30 additional teacher positions with Title I funds
  - Additional classified positions per staffing parameters 2 FTE
  - Head teacher/school athletics stipends at smaller secondary schools - \$50,000





### Proposed Expenditures Changes Since Original Adopted Budget

- Graduation Costs for Memorial Auditorium \$46,500
- SCOE Community Day , SCOE Special Education Excess Cost – \$370,000
- Restricted Routine Maintenance increased \$1 million
  - Maintains 3% of General Fund as required
- Expenditure savings Totaling \$701,000
  - Utilities based on 2018-19 actuals \$215,000 savings
  - Contract Saving based on 2018-19 \$486,000 savings
- Reprioritize existing funds
  - Legal Services budget to fund paralegal position

    Proposed Revised Adopted 2019-20 Budget

# Proposed Expenditures Since Original Adopted Budget

- Unrestricted One-Time Expenditures Totaling \$1.97 million
  - Waldorf Second Year Training \$20,000
  - Teacher Stipends for Science Book Adoption \$200,000
  - AED Equipment \$72,000
  - Student Interim Assessment \$25,000
  - Designations
    - Donations, Computer Replacement Program, Computer Blade Server, Sites Saturday Incentive, Lost Books - \$1.65 million
- Special Education One-Time Expenditures \$1.77 million
  - Professional Learning \$1.2 million
  - IEP Team to assist with backlog for one year \$551,000
  - Release Time for Preschool Teacher for Desired Results Development Profile - \$15,000

#### Multi-Year Projection Assumptions

#### Revenues – LCFF COLA

- 20-21 3.0% \$8.4 million
- 21-22 2.8% \$8.75 million

#### Expenditure Changes Over 2020-21 and 2021-22

- Increase contribution for STRS and PERS per statute \$3.4 million
- Increase in Health 4% est. for future years \$3.6 million
- Increase charter school contribution \$0.7 million
- Increase utilities (estimates per various authorities) \$1.1 million
- Increases in Special Education \$14.6 million (\$7.3 million each year)
- Decrease teaching positions due to declining enrollment \$1.5 million

### Recommended Plan for Unrestricted General Fund Multi-Year Projections

#### Summary

- District has implemented reductions
- Options are limited to personnel costs
- Solution required to avoid a crisis
- Passage of time is a problem for SCUSD



#### Conduct Public Hearing