



Sacramento City Unified School District 2020-2021 Budget Revisions

Board Meeting
August 20, 2020
Agenda Item No. 10.2

Budget Revisions Presentation Agenda

- State Budget signed June 29, 2020
 - Three Key Items
 1. 0% COLA for LCFF Funds
 2. Additional Cash Deferrals and Projected Cash Flow
 3. Federal Funds
- Multi-Year Projections
- Fiscal Status
- Next Budget Update – September 2020

0% LCFF COLA

- Adopted budget based on a 2.3% COLA and a -10% deficit factor, effective COLA -7.92%
- State budget eliminated both the COLA and the deficit, leaving LCFF base funding rates flat
- Impact to District is projected revenue improvement

0% COLA

Projected LCFF Funding per the 2020-2021 State Enacted Budget			
LCFF COLA	2020-2021	2021-22	2022-23
0% COLA	410,569,690	410,469,826	403,662,672
May Revise 2.3% COLA and 10% deficit	379,071,064	378,590,692	376,294,525
Projected Difference	31,498,626	31,879,134	27,368,147

Additional Cash Deferrals

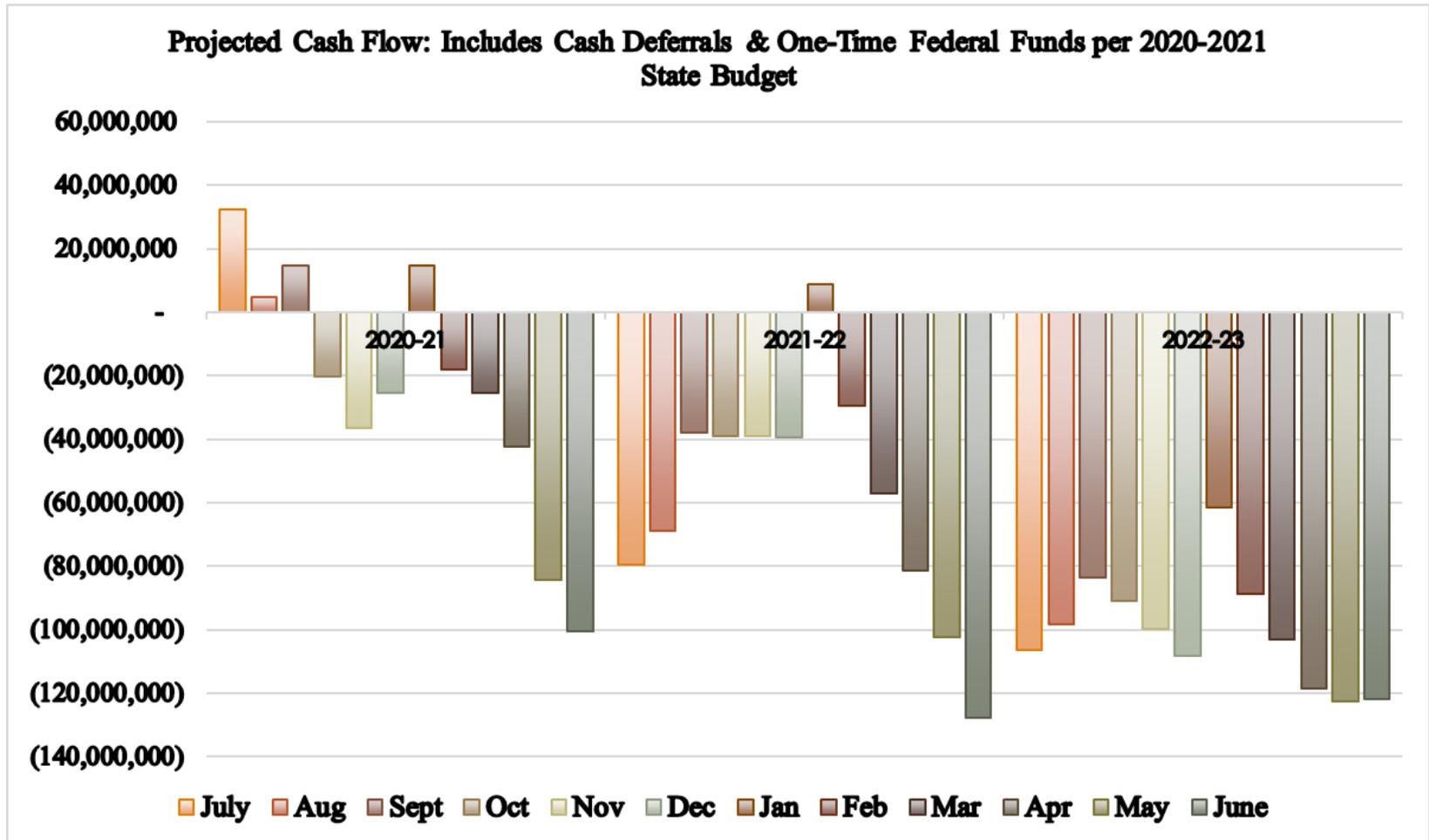
- State budget increased the cash deferrals by approximately \$12 billion
- February through June for both fiscal years 2020-2021 and 2021-2022
- For the District this represents additional cash deferral of approximately \$36 million in 2020-2021 and \$30 million in 2021-2022.
- Decreases the District's projected cash balance at 6/30/21 by \$16M for a projected ending cash balance of -\$100M

Additional Cash Deferrals

Projected Cash Deferrals	20-21	21-22	22-23
February 44.44% deferred to November	\$ 14,200,000	\$ 12,300,000	\$ -
March 66.67% deferred to October	\$ 21,200,000	\$ 18,400,000	\$ -
April 66.67% deferred to September	\$ 21,200,000	\$ 18,400,000	\$ -
May 66.67% deferred to August	\$ 21,200,000	\$ 18,400,000	\$ -
June 100% deferred to July	\$ 31,840,000	\$ 27,660,000	\$ -
Total Projected Deferrals	\$ 109,640,000	\$ 95,160,000	\$ -

Additional Cash Deferrals

The District Faces Fiscal Insolvency Within the Year



Federal Funds

Title	Amount	Allowable Uses	Time Constraints
Elementary and Secondary School Emergency Relief (ESSER)	1X \$15.8M Based on a proportionate share of 2019 Title 1 Part A Funds Funds received after expenditures are incurred.	<ul style="list-style-type: none"> • COVID-19 response activities • Any other purpose supported by federal elementary and secondary education laws 	Expenses incurred on or after March 13, 2020 through September 30, 2022

Federal Funds

Title	Amount	Allowable Uses	Time Constraints
New Item Governor’s Emergency Education Relief (GEER) and Coronavirus Relief Fund (CRF) AKA Learning Loss Mitigation Funds	1X \$40.5M based on: 1. 2019 Fall Count Special Ed Students 2. Proportionate share of 2019-20 Supplemental & Concentration 3. Proportionate share of 2019-20 LCFF Funds received after expenditures are incurred.	Four general categories: 1. Student Learning Supports 2. General Measures that extend instructional time for students 3. Additional core academic support for students who need it 4. Integrated services that support teaching and learning	Expenses incurred on or after March 1, 2020 through December 30, 2020 for \$37.6M and Expenses incurred on or after March 1, 2020 through September 30, 2022 for \$2.8M

Revised Multi-Year Projections

Multi-Year Projection (Total GF)			
Description	Proposed Revised 2020-21	Projected 2021-22	Projected 2022-23
Total Revenues	590,948,889	549,127,112	528,073,562
Total Expenditures	631,616,026	609,173,192	615,485,518
Excess/(Deficiency)	(40,667,137)	(60,046,079)	(87,411,956)
Other Sources/Uses	690,752	690,752	690,752
Net Increase/(Decrease)	(39,976,385)	(59,355,327)	(86,721,204)
Add: Beginning Fund Balance	63,803,265	23,826,881	(35,528,447)
Ending Fund Balance	23,826,881	(35,528,447)	(122,249,651)

Fiscal Status: Remains Negative

1. Projected 2% Required Reserves not met after this year

	Proposed Revised 2020-21	Projected 2021-22	Projected 2022-23
Projected Unrestricted Ending Fund Balance	\$ 24,054,243	\$ (35,528,447)	\$ (122,249,651)
2% Required Reserve	\$ 12,618,505	\$ 12,169,649	\$ 12,295,895
Requirement Met	Yes	No	No

2. Projected Cash Flow negative starting in February 2021 and does not fully recover to a positive cash status

Running out of cash means fiscal insolvency

District's Next Budget Dates

- September 2020 – Unaudited Actuals for 2019-2020 (Year-End Financial Statements)
- October 2020 – Revised Proposed District Budget for Fiscal Year 2021-2020

Questions?