



# 2020-2021 Proposed Budget

Board Meeting  
June 18, 2020  
Agenda Item No. 9.1

# 2020-2021 Proposed Budget

- 2020-2021 Proposed Budget is a “tentative” budget
- Based on May Revise
- Enacted State Budget expected to differ from May Revise
- Unknowns: State Revenue & Additional Federal Relief (one-time dollars)
- 2020-2021 SCUSD Budget to be Adopted in June, but revised in August or September

# Major State Budget Proposals for K12: May Revise v. Legislative Budget for 2020-2021

Item	Governor's May Revise: Trigger Off	Senate & Assembly: Trigger On
Trigger	If Additional Federal Funds Received Triggers off Reductions	If no Additional Federal Funds Received Triggers on a "non-Prop 98" Reduction instead applies a \$5.3B Deferral to K-14
LCFF COLA	7.92% Effective Reduction	No Reduction & Funds COLA @2.31%
Categorical Programs	Funding Reductions	No Reductions & Funds at 2019-20 levels
Learning Loss Mitigation Funds	One-Time Federal Funding \$4.4B for Special Ed & LEAs qualifying for Concentration Funds	One-Time Federal Funding \$4.4B for Special Ed & LEAs based on total LCFF Funding

# Agenda

- Current Year 2019-2020 Projections (Estimated Actuals)
- Proposed 2020-2021 Budget
- Multi-Year Projections
- Summary
- Public Hearing on Education Protection Account and Proposed Budget

# Estimated Actuals 2019/2020

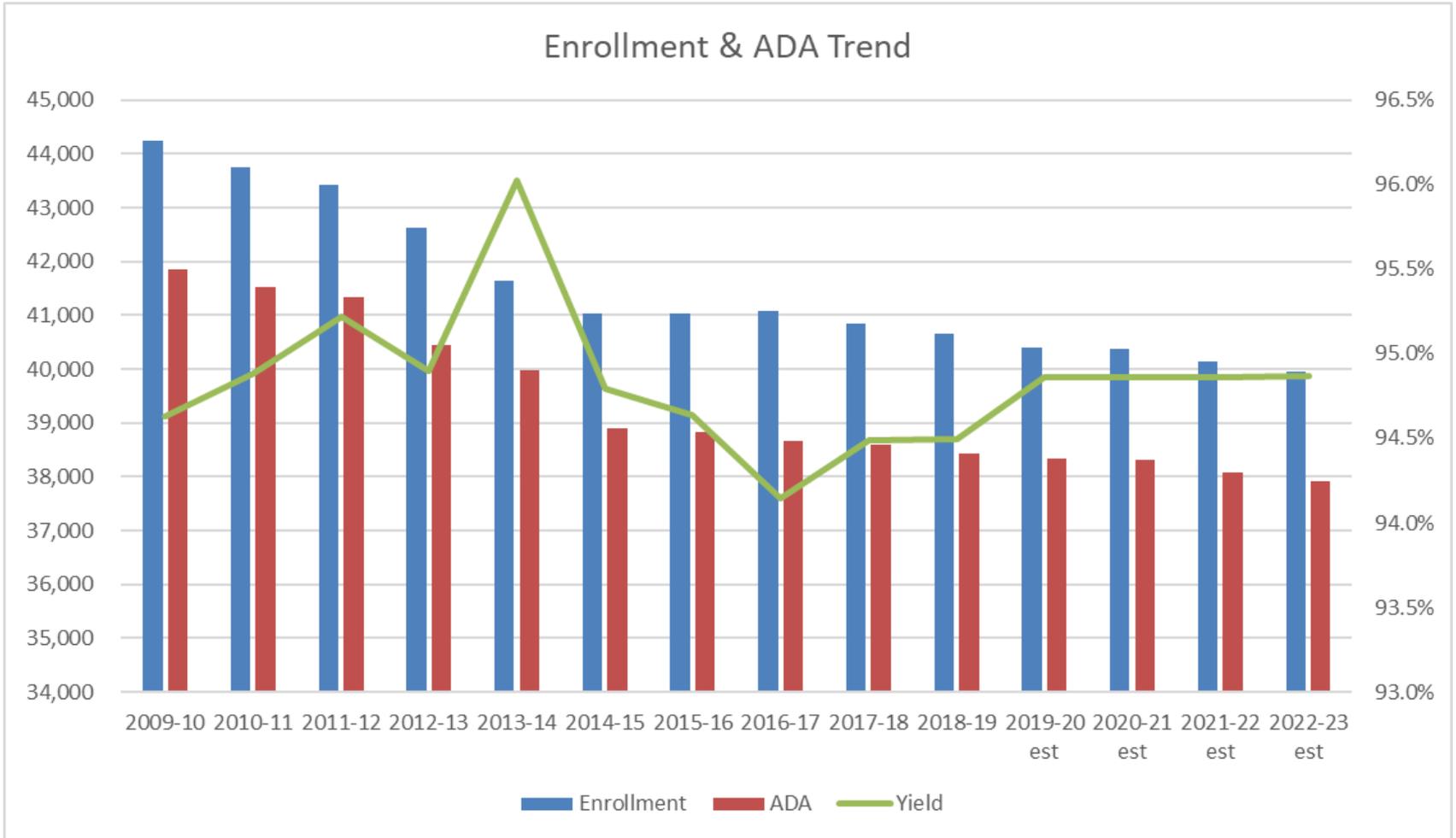
Changes since 2019-20 Third Interim

 Decrease \$600K (approx.) in Unrestricted General Fund Ending Balance

– **Net Increased Costs**  **\$600K**

- Salaries & Benefits **+\$22K**
- Supplies (\$201K)
- Services **+\$700K**
- Capital Outlay & Indirect **+\$57K**

# Proposed 2020-2021 Budget Enrollment Trend



# Proposed 2020-2021 Budget

Proposed Budget 2020-21			
Description	Unrestricted	Restricted	Total
Total Revenues	391,864,696	141,548,754	533,413,450
Total Expenditures	367,975,065	236,045,180	604,020,245
Excess/(Deficiency)	23,889,631	(94,496,426)	(70,606,795)
Other Sources/Uses	(99,262,794)	100,866,561	1,603,767
<b>Net Increase/(Decrease)</b>	<b>(75,373,163)</b>	<b>6,370,136</b>	<b>(69,003,028)</b>
Add: Beginning Fund Balance	63,803,265	0	63,803,265
<b>Ending Fund Balance</b>	<b>(11,569,898)</b>	<b>6,370,136</b>	<b>(5,199,762)</b>

# Proposed 2020-2021 Budget LCFF Revenue

Estimated Total \$379 Million\*

2020-2021 LCFF Target per May Revise			
Compared to 2019-2020 LCFF Funding			
	<b>2019-2020</b>	<b>2020-2021</b>	<b>Difference</b>
Base Grant	316,866,737	291,768,145	(25,098,592)
Supplemental	47,450,477	43,843,135	(3,607,342)
Concentration	28,109,536	26,261,633	(1,847,903)
K-3 CSR	9,669,455.73	8,908,936.74	(760,519)
9-12 CTE	2,615,282.64	2,400,033.04	(215,250)
Targeted Instr			
Improvement Block Grant	2,428,078	2,185,270	(242,808)
Transportation	4,115,457	3,703,911	(411,546)
<b>Total</b>	<b>411,255,023</b>	<b>379,071,064</b>	<b>(32,183,959)</b>

\*Based on Governor's May Revise negative COLA -7.92%

# Proposed 2020-2021 Budget LCFF Funding Factors

<b>2020-2021 LCFF Funding Factors</b>				
<b>Grade Span</b>	<b>2020-21 Base Grant Per ADA</b>	<b>Grade Span Adjustment</b>	<b>Supplemental</b>	<b>Concentration</b>
Grades TK-3	7,092	738	1,133	678
Grades 4-6	7,199		1,041	624
Grades 7-8	7,412		1,072	642
Grades 9-12	8,590	223	1,275	764

# Proposed 2020-2021 Budget Education Protection Act (EPA)

- Proposition 30 temporary tax increase (11/6/2012)
  - Sales tax increase for 2013-2016
  - Personal income tax increase for 2012-2018
- Proposition 55 (11/8/2016) extends personal income tax through 2030
- Tax revenues received are placed into the Education Protection Account
- Proposition 30 and Proposition 55 include several accountability measures:
  - Governing board at a public meeting approves a spending plan
  - Funds cannot be used on administrative costs
  - Website publishing required (EPA funds received & expended)
  - Annual financial audit
- 2020-2021 Projected Revenue \$48,794,201
- Usage: All funds will be used for teacher salary/benefit costs

# Proposed 2020-2021 Budget Other Funds

- Projected \*Contributions to Other Funds
  - Adult Education Fund – \$596,835
  - Child Development Fund – \$438,792
  - Charter School Fund – \$824,189
    - *New Tech* *\$704,903*
    - *George Washington Carver* *\$119,286*

\*Based on Governor's May Revise

# Proposed 2020-2021 Budget Multi-Year Projection Assumptions

## Revenues – LCFF May Revise COLA

- 21/22 - 0%- Second Interim Change Decrease – (\$48.7M)
- 22/23 - 0% - Second Interim Change Decrease – (\$60.8M)

Multi-Year Projections for LCFF		
2019-20 2nd Interim compared to 2020-21 Proposed Budget		
	<b>2021-22</b>	<b>2022-23</b>
2019-20 2nd Interim	427,298,192	437,086,197
2020-21 Proposed Budget	378,590,692	376,294,525
<b>Difference</b>	<b>(48,707,500)</b>	<b>(60,791,672)</b>

- Federal Revenue reduced to remove 1x CARES COVID \$15.8M and SIG \$15M in 2021-22

# Proposed 2020-2021 Multi-Year Projection Assumptions

## Expense Changes Over 2021/22 and 2022/23

- Increase contribution for STRS and PERS (net of May Revise proposed rates) - \$5.32M
- Increase in Health Benefits 8% for Certificated & 14% for Classified est. for future years - \$6.7M
- Increases in Special Education - \$13M (\$7M in 21-22 & \$6M in 22-23)

# Proposed 2020-2021 Unrestricted General Fund Multi-Year Projections

<b>Multi-Year Projection (Total GF)</b>			
<b>Description</b>	<b>Proposed 2020-21</b>	<b>Projected 2021-22</b>	<b>Projected 2022-23</b>
Total Revenues	533,413,450	500,705,413	498,717,119
Total Expenditures	604,020,245	598,897,358	609,133,057
Excess/(Deficiency)	(70,606,795)	(98,191,945)	(110,415,938)
Other Sources/Uses	1,603,767	1,603,767	1,603,767
<b>Net Increase/(Decrease)</b>	<b>(69,003,028)</b>	<b>(96,588,178)</b>	<b>(108,812,171)</b>
Add: Beginning Fund Balance	63,803,265	(5,199,762)	(101,787,940)
<b>Ending Fund Balance</b>	<b>(5,199,762)</b>	<b>(101,787,940)</b>	<b>(210,600,111)</b>

# Summary

- Based on Governor's May Revise
  - Cash flows shows positive cash through January 2021 and cash challenges starting February 2021
- Opportunities
  - Additional Federal Relief
  - Additional LCFF Funding
  - Improved Economy
- Risks
  - Increased and continuing COVID-19 costs exceeding current funding relief sources
  - Unknown costs in re-opening schools and returning work force
  - Unknown impact on future health care costs

# Conduct Public Hearing