



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

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Summary of Multi-Year Projections June 2019 vs October 2019



Summary of Changes in Proposed Revised Adopted

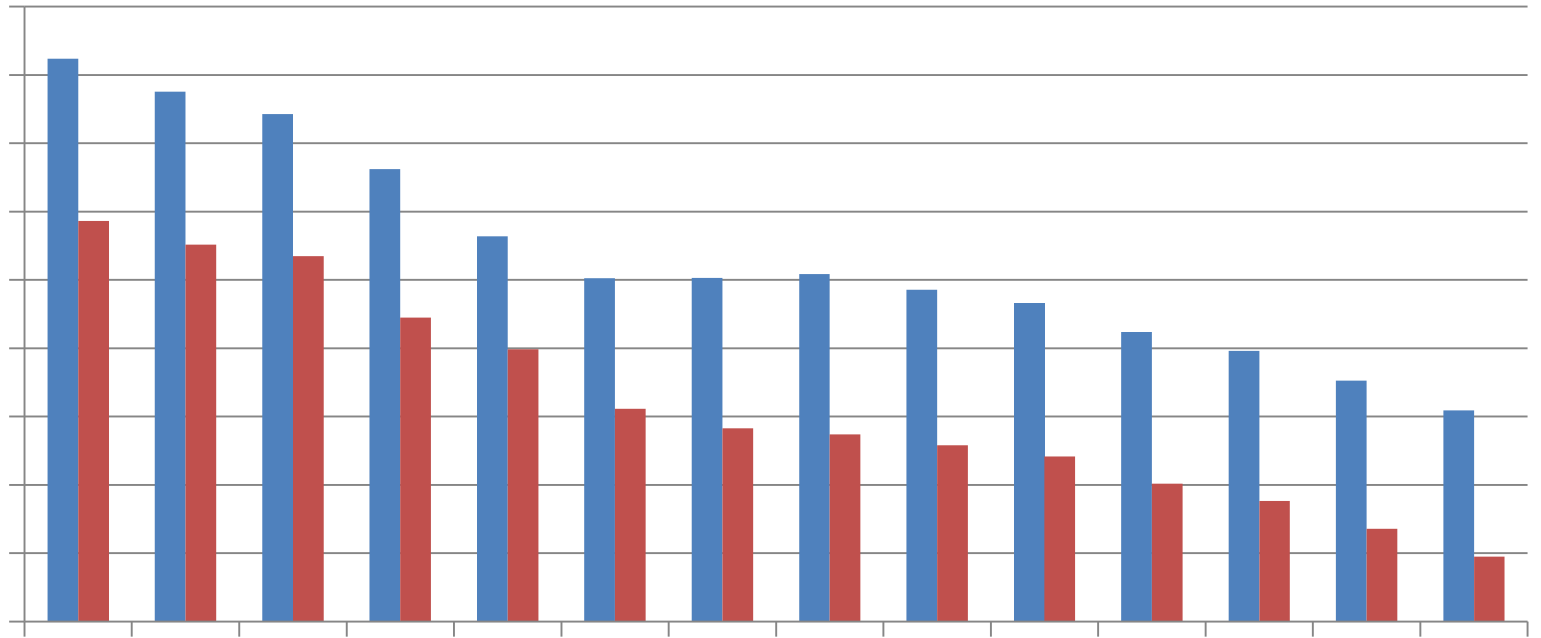
- Recognition of additional State one-time revenues
- Recognition of one-time expenditures
- Recognition of increase local income and contract reductions
- Recognition of additional 9.2% cost for restructuring the teacher salary schedule for substitutes and stipends
- Recognition of additional teacher 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**

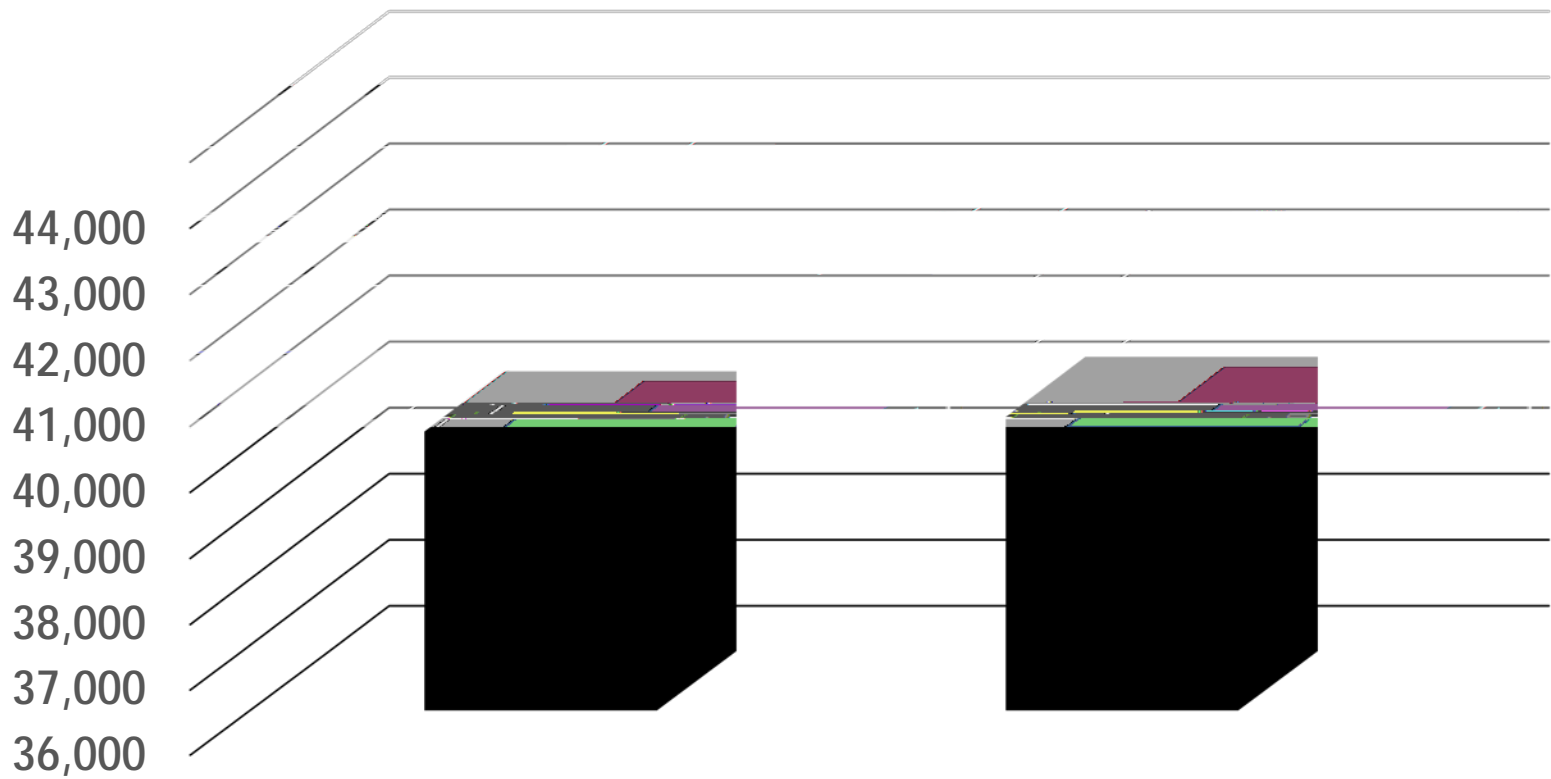
Revenue Changes Since Original Adopted Budget

- 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 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

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