



Fiscal Year 2020-21 Budget

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Impacts to the Budget

- ▶ Adoption of the LCAP has been delayed to December 2020. In its place, a brief written report is required with budget adoption as a placeholder for LCAP adoption in December.
- ▶ After analyzing trends in property tax collections during the last recession, the district is not projecting any increase in property tax revenues in the budget year and a drop of 2% in FY 21-22 with flat funding in FY 22-23.
- ▶ The May Revise includes cuts to state funded programs after a funded COLA, resulting in cuts of 7.92% to state programs. Basic Aid Supplement and District of Choice funding has been reduced to reflect those cuts and revenues have been reserved.

Budgeted Funds in 2020-21

	Beginning Balance	Revenues	Expenditures	Ending Balance
General Fund- includes district and charter restricted and unrestricted balances	\$1,951,381	\$4,358,418	\$4,440,835	\$1,810,880
Cafeteria Fund	\$0	\$156,225 includes General Fund contribution of \$98,084	\$156,225	\$ 0
Capital Facilities	\$28,131	\$300	\$7,383	\$21,047
Capital Projects	\$71,026	\$395	\$70,000	\$1,421

Enrollment/ADA

- ▶ Enrollment is budgeted to be 52 in the district and 216 in the charter, based on our K-8 model.
- ▶ ADA is budgeted at 82.82% of enrollment for the district and 92% for the charter.
- ▶ Projected ADA is 43.16 for the district and 199.48 for the charter.
- ▶ Lottery and mandate funds are awarded based on ADA, as is the charter's allocation of former categorical funds.

REVENUES

- ▶ The district's property tax-based and LCFF revenues are projected to be \$3,924,658 in unrestricted and \$25,884 in restricted funds (Special Education).
- ▶ Federal revenues are estimated to be \$124,986 in restricted funds (Title I & II, REAP, IDEA).
- ▶ Other state revenues are projected to be \$41,052 unrestricted and \$144,769 in restricted funds consisting primarily of revenue from the state for STRS contributions. Other local revenues include \$65,500 in unrestricted and \$31,569 in restricted funding.
- ▶ State tax collection revenues are not known due to a postponement of tax payment deadlines into July 2020. An August budget revision will be required.
- ▶ The LCFF calculates property taxes to be transferred between the district and charter at \$1,480,301.

REVENUES

- ▶ Transportation revenue includes a 10% reduction, at \$92,700 and the district will contribute to the JPA for any gaps between revenues and operating expenditures.
- ▶ Federal revenue is budgeted at lower amounts for 2020-21 to reflect potential reductions as a result of federal stimulus spending.
- ▶ Basic aid supplement is budgeted at \$167,361 and district of choice budgeted at \$8,896, reflecting reductions in projected funding as a result of the Governor's May Revision proposed 10% funding reductions.
- ▶ Revenues for Special Education are projected at \$111,111, including SELPA estimated revenues, Property Taxes for Special Education and Federal Special Education IDEA funding.
- ▶ Revenue for donations, fundraisers, Education Foundation awards, RESIG safety credit and classroom accounts are not included in the budget; they will be budgeted as received and any carryover from 2019-20 will be budgeted after the books are closed and accounts are settled at fiscal year-end.

EXPENDITURES -Salaries and Benefits

- ▶ The currently budgeted contribution rates are 16.15% to CalSTRS from 17.10% in the current year, and 20.7% to CalPERS from 19.721% in the current year.
 - ▶ If the governor's "buy-down" of contribution rates is not included in the final budget deal, rates would go back up to the higher previously released rates.
- ▶ The RESIG workers compensation rate increased from 1.47% to 1.56%.
- ▶ Ending fund balances as a result of Covid-19 closures were higher than anticipated in the 19-20 budget, funds in the capital projects fund are being budgeted for maintenance in order to release a corresponding amount from the maintenance reserve, and lottery balances are budgeted for textbook purchases, making additional general funds available.
- ▶ Total funded full time equivalent (FTE) positions in the budget year are as follows: certificated 16.0, classified 13.9, certificated management 2.0, classified confidential/management 2.5.

Other costs

- ▶ As a result of continuing underfunding of special education program costs at the state and federal levels, a contribution of \$447,207 is made to support program costs.
- ▶ The General Fund transfer to the Cafeteria program was increased to \$98,084 to support operations and account for lower projected revenues as a result of Covid-19. If revenues are realized at higher rates, the contribution will be reduced.
- ▶ The day care program is budgeted at \$45,000 in revenue with a \$41,222 General Fund contribution to account for operations of the program and account for lower than anticipated revenues in the current fiscal year. If revenues are higher than projected the contribution will be reduced.

GENERAL FUND RESERVE

- ▶ The projected ending 2019-20 reserve includes:
 - ▶ \$4,000 for revolving cash set aside,
 - ▶ \$74,819 committed to maintenance,
 - ▶ \$165,7361 for Basic Aid Choice & Supplemental,
 - ▶ \$134,224 of unspent one-time mandate money,
 - ▶ \$154,607 of restricted
 - ▶ \$664,748 Reserve for Economic Uncertainty at 15%, and
 - ▶ \$611,122 uncommitted.

MULTI-YEAR PROJECTIONS

- ▶ A previously assumed increase in property tax revenues in FY 2020-21 are now projected at the same revenue level as FY 2019-20.
- ▶ A 2% reduction in revenue has been assumed for FY 21-22 with revenues remaining level into FY 22-23. If a recovery materializes more rapidly, forecasted revenues will be revised to match economic conditions.
- ▶ The Board may be requested to authorize use of funding from the 10% reserve for economic uncertainty in out-years of the multi-year projection, should it be needed to support staffing costs during a potential downturn in FY 21-22 and 22-23.
- ▶ During this timeframe the district projects the economy may begin to recover, allowing the later replenishment of the reserve without making staffing reductions.

BUDGET CONCERNS

- ▶ This budget is based on the Governor's May Revision. This budget is based on a 7.92% reduction in state funding sources.
- ▶ If the legislature's proposal is implemented, the net reduction in state funding would be reversed, though apportionment payments will be deferred within the budget year and across fiscal years to maintain the state's fiscal solvency.
- ▶ Major elements of the state's budget will remain unknown until after the mandated adoption date. This document is a necessary and required placeholder for an August 2020 budget revision that will reflect the impacts of the state's budget and spending plan on the district's budget.

BUDGET CONCERNS

- ▶ Cashflow will remain a paramount concern for the district and interfund borrowing, borrowing against property tax collections, and short-term debt-financed borrowing to maintain cash flow may all be necessary to ensure solvency through the duration of the economic downturn and payment deferrals by the state. The cashflow does not currently reflect a need for these.
- ▶ The cafeteria program continues to receive contributions from the General Fund to fully support the cost of operations. The cafeteria program deficit in FY 20-21 is projected to be \$98,084 an increase over prior year operations, but also heavily affected by Covid-19 and loss of revenues resulting from school closures during the year.

OTHER FUNDS

- ▶ **Cafeteria Fund-** Revenues are based on current year State and federal reimbursement rates. The General Fund is budgeted to contribute \$98,084.
- ▶ **Capital Facilities Fund-** Expenditure from the fund is for the district's portion of the transportation Joint Powers Authority's bus facility lease.
- ▶ **Capital Projects Fund-** Funding will be directed to discrete aspects of the deferred maintenance plan to support the longevity of capital facilities, including supporting on-going habitability and projects supporting the long-term value of the district's capital assets.