

# Fiscal Year 2020-2021 Proposed Budget

Solana Beach School District  
June 2020

# Budget Goals

## 2020-2021 Proposed Budget

- Bring spending in line with revenues
- Maintain programs and services
- Maintain a 20-30% cash balance at fiscal year end
- Account for COVID19 increased costs

# Recommendations

## Due to economic uncertainties:

- No new programs or increased costs to existing programs
- Evaluate replacement of each vacant position through attrition
- Evaluate requests to increase work time to existing employees
- Evaluate *essential* need to attend conferences

# Local Control

## Programs and Services

- Staffing
- Materials and supplies
- Professional Development
  - Substitutes
  - Professional Contracts
- Increases of employee hours/extra hours

## Professional Contracts

- Maintenance and Operations

## Travel/Conference Requests

# Federal and State Control

STRS

PERS

Special Education mandates

State Adopted Budget

Federal and State restrictions  
regarding Social Distancing

Federally funded programs (ESSA)

# Unknowns Due to Pandemic and Economic Uncertainties

Staffing

Personal Protective Equipment  
(PPE)

Health and Safety Protocols

- Cleaning/Disinfecting
- Student and Staff Health Screenings
- Signage and Barriers

Federal and/or State Budget  
Cuts

Increased Costs to CDC/CNS

# Unknowns Due to Pandemic and Economic Uncertainties

Parent Fundraising  
Contributions to Site Programs  
and Services:

- Solana Beach Schools Foundation - Discovery Labs
- PTA/PTO Funded Positions
- Global Funded Positions

# Revenue Assumptions

## Assumptions for 2020-21

- Property Taxes
  - 3.5% increase
- Enrollment
  - 2,990
- No COLA (state revenues)
- 10% cut to state apportionment

## Funding Sources

- Property Tax
- ESSA Titles I, II, and IV
- Lottery - Unrestricted & Restricted
- Mandated Cost Reimbursement
- Special Education



# Expenditure Assumptions

- Certificated teacher staffing to enrollment ratios with various instructional models
- Increase to utilities
- Increase to STRS and PERS
- Workers' Comp Rate increase
- Property & Liability increase
- Child Nutrition Services
- Special Education

## \*COVID-19 Expenses:

- School Closure
- Reopening

\*Costs are currently unknown and will be reflected in the First Interim Budget

# Funding from Parent Groups

Historically:

- Solana Beach Schools Foundation
  - ◆ Receive approximately \$800,000 from fundraising
  - ◆ Majority funds classified employee salaries
  
- PTA/PTO
  - ◆ Receive approximately \$250,000 from fundraising
  - ◆ Majority funds classified employee salaries
  
- Global
  - ◆ Receive approximately \$50,000 from fundraising
  - ◆ Funds classified employee salaries, materials/supplies and activities

# Unknown Costs to Reopen Schools

- What will classrooms look like?
  - ◆ Social Distancing
  - ◆ PPE
  - ◆ Staffing
  - ◆ Play areas
  - ◆ Child Nutrition
  - ◆ Child Care
  - ◆ Transportation (SpEd)
- How will social distancing, PPE, health screening recommendations impact existing programs and services?
- Education will not look like it has for the past 100 years
  - ◆ Remote classroom
  - ◆ Blending Remote/Traditional Model
  - ◆ Social Distancing Model
  - ◆ Other

# Proposed General Fund Budget

*Based on the Governor's May Revise*

	<b>Unrestricted 2020-21</b>	<b>Restricted 2020-21</b>	<b>Combined 2020-21</b>
<b>A Revenues</b>			
LCFF/Property Tax Revenues	\$43,834,596	\$156,049	\$43,990,645
Federal Revenues	\$0	\$711,470	\$711,470
State Revenues	\$530,913	\$2,186,407	\$2,717,320
Local Revenues	\$311,500	\$1,539,190	\$1,850,690
<b>Sub Total Revenues</b>	<b>\$44,677,009</b>	<b>\$4,593,116</b>	<b>\$49,270,125</b>
Contribution to Restricted Programs	-\$8,144,205	\$8,144,205	\$0
<b>Total Revenues</b>	<b>\$36,532,804</b>	<b>\$12,737,321</b>	<b>\$49,270,125</b>

**B Expenditures**

Certificated Salaries	\$20,554,300	\$3,379,498	\$23,933,798
Classified Salaries	\$4,492,835	\$2,311,680	\$6,804,515
Benefits	\$9,568,958	\$4,225,071	\$13,794,029
Books & Supplies	\$958,847	\$854,614	\$1,813,461
Operating Costs	\$3,412,715	\$2,649,527	\$6,062,242
Capital Outlay	\$0	\$0	\$0
Other Outgo	-\$12,086	\$12,086	\$0
<b>Total Expenditures</b>	<b>\$38,975,569</b>	<b>\$13,432,476</b>	<b>\$52,408,045</b>

**C Other Sources/Uses**

Tranfers In/Out	\$150,000	\$0	\$150,000
<b>Total Other Sources</b>	<b>\$150,000</b>	<b>\$0</b>	<b>\$150,000</b>

**D Total All Expenditures (B+C)**

<b>\$39,125,569</b>	<b>\$13,432,476</b>	<b>\$52,558,045</b>
---------------------	---------------------	---------------------

	<b>Unrestricted 2020-21</b>	<b>Restricted 2020-21</b>	<b>Combined 2020-21</b>
<b>Total Revenues</b>	<b>\$36,532,804</b>	<b>\$12,737,321</b>	<b>\$49,270,125</b>
<b>Total All Expenditures</b>	<b>\$39,125,569</b>	<b>\$13,432,476</b>	<b>\$52,558,045</b>
<b>Net Increase/Decrease</b>	<b>-\$2,592,765</b>	<b>-\$695,155</b>	<b>-\$3,287,920</b>
<b>Beginning Fund Balance</b>	<b>\$10,819,976</b>	<b>\$2,307,009</b>	<b>\$13,126,985</b>
<b>Ending Fund Balance</b>	<b>\$ 8,227,211</b>	<b>\$1,611,854</b>	<b>\$ 9,839,065</b>
<b>% of U Ending fund balance/U&amp;R Expenditures</b>	<b>15.7%</b>		<b>18.7%</b>

# Importance of Reserves (Cash Flow Balance)

Reserves have two functions, one is to act as a **savings account** and second is to operate for monthly cash flow purposes.

1. In the event there are any unforeseen circumstances, reserves are designed for **one-time expenditures** to address an immediate need or problem. Reserves cannot be used for ongoing expenses.
2. In a community funded or basic aid district, reserves are essential for the district to have the necessary cash flow to conduct monthly/daily business operations. Where other districts (LCFF funded) receive monthly state apportionments to offset the shortfall of property taxes based on the minimum per pupil funding formula, community funded districts receive the majority of their funding twice a year (December and April property tax receipts)



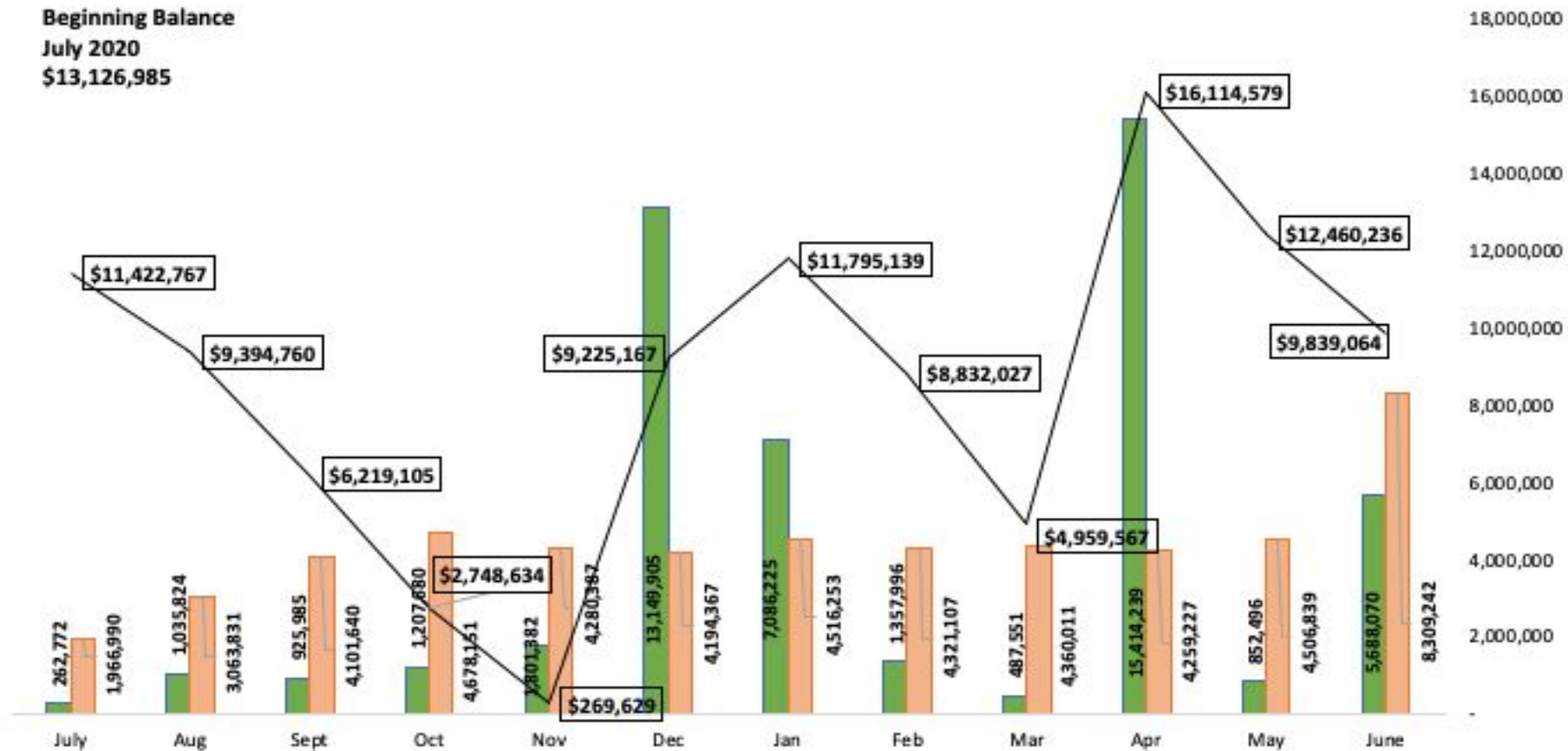
## Cash Flow 2020-21

■ Revenues   
 ■ Expenditures   
 — Ending Balance

**Beginning Balance**

**July 2020**

**\$13,126,985**



# Budget Summary

## Multi-Year Projection (MYP – (Current year, plus two subsequent years)

- Governor's May Revise results in catastrophic cuts to California Public Schools
- Legislature provided the Governor their budget, which softens the cuts somewhat in 2020-21
- Both the Governor's and Legislature's budgets rely on additional federal stimulus money
- Both the Governor's and Legislature's budgets will require cuts in the event there is no additional federal stimulus money.

# Multi-Year Projection Proposed Budget Summary

- SBSD's proposed 2020-21 budget/MYP allows the District to file a positive certification; however, in the third year out (2022-23), the District's reserve level falls significantly below the recommended 20-30%.
- The District plans to utilize the 2020-21 school year to determine if any future cuts to programs and services will be necessary in 2021-22.
- The District must be prepared to address any necessary budget cuts for 2021-22 based upon:
  - December 2020 property tax receipts (for 2020-21)
  - January Governor Budget Proposal for 2021-22
  - April 2021 property tax receipts (for 2021-22)
  - Governor's May Revise for 2021-22

# Questions & Discussion

