



2020-21 Original Budget – Final Adoption

Prepared by: Andi Stubbs, Chief Business Official
Prepared for: June 18, 2020 Regular Board Meeting

63	44
440	3 054
670	135
	293
	95 155
	720



2020-21 Original Budget:

May 14, 2020 Public
Hearing

compared with

June 18, 2020 Board
Meeting



2020-21 Multi-Year Projection- Key Assumptions

May 14,
2020
Board
Meeting:

Public Hearing	2020-21	2021-22	2022-23
REVENUES/TRANSFERS IN	\$39,116,879	\$40,137,681	\$41,189,108
EXPENDITURES/TRANSFERS OUT	\$38,445,567	\$40,155,598	\$41,208,657
Excess(Deficiency):	\$671,612	(\$17,917)	(\$19,549)
<i>Unrestricted:</i>	<i>\$642,834</i>	<i>\$60,896</i>	<i>\$57,858</i>

June 18,
2020
Board
Meeting:

Final Adoption	2020-21	2021-22	2022-23
REVENUES/TRANSFERS IN	\$38,970,653	\$39,991,456	\$41,042,883
EXPENDITURES/TRANSFERS OUT	\$38,243,814	\$39,748,981	\$41,104,454
Excess(Deficiency):	\$726,839	\$242,475	(\$61,571)
<i>Unrestricted:</i>	<i>\$732,397</i>	<i>\$282,193</i>	<i>\$25,141</i>

Differences Between Public Hearing & Final Adoption – 2020-21 Revenue

Description:	Public Hearing (May 14, 2020)	Final Adoption (June 18, 2020)	Dollar Change:	Percent Change:	REASON FOR CHANGE:
Minimum State Aid (LCFF):	\$481,492	\$433,343	(\$48,149)	(10.00%)	May Revise
District of Choice:	\$115,163	\$103,647	(\$11,516)	(10.00%)	May Revise
Education Protection Act (EPA):	\$250,846	\$235,438	(\$15,408)	(6.54%)	May Revise
Special Education – Property Tax Transfer:	\$697,740	\$641,038	(\$56,702)	(8.85%)	SELPA Formula
Federal Funding (SPED, Title I):	\$535,611	\$523,238	(\$12,373)	(2.31%)	SELPA Formula
CTE Agriculture Grant:	\$2,551,318	\$2,553,395	(\$2,078)	(0.08%)	May Revise
TOTAL:	\$4,632,170	\$4,490,099	(\$146,226)	(3.16%)	

Differences Between Public Hearing & Final Adoption – 2020-21 Expenses

Description:	Public Hearing (May 14, 2020)	Final Adoption (June 18, 2020)	Dollar Change:	Percent Change:	REASON FOR CHANGE:
Employee Benefits:	\$11,059,152	\$10,607,604	(\$451,548)	(4.08%)	STRS-PERS rate reductions, May Revise: (\$461,698). Worker's Comp. rate increase: \$9,785. Other: \$365.
Supplies/Materials:	\$1,516,642	\$1,514,565	(\$2,077)	(0.14%)	Reduction to CTE Agriculture grant expenses: (\$2,077).
Services/ Operating:	\$4,164,760	\$4,266,632	\$101,872	2.45%	Placeholder for additional distance learning expenses and Special Education costs: \$100,000. Other: \$1,872.
Capital Outlay:	\$10,000	\$1,500,000	\$150,000	1,500%	Placeholder for COVID-19 safety equipment and/or complete current Future Ready Classrooms Projects: \$150,000.
TOTAL:	\$4,632,170	\$4,490,099	(\$201,753)	(1.20%)	

Key Assumptions, Multiyear Projection: Revenue

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Description:	2020-21	2021-22	2022-23
Property Taxes/All LCFF Sources:	\$34,026,737	\$35,047,570	\$36,098,997
Property Taxes, Percent Increase From Prior Year:	3.00%	3.00%	3.00%
Unrestricted Lottery Per ADA:	\$153	\$153	\$153
Enrollment, Estimated:	1,243	1,243	1,243
Average Daily Attendance, Estimated:	1,177.19	1,177.19	1,177.19
Unduplicated Pupils (Eligible for Free/Reduced Lunch, English Learners, Foster Youth):	565	565	565
Minimal Proportionality Percentage:	8.89%	9.09%	9.09%
Supplemental Grant Portion, Local Control Funding Formula:	\$839,817	\$858,903	\$858,903
Cost of Living Adjustment (COLA)-Applies components of the Local Control Funding Formula (LCFF), Child Nutrition, Special Education, and other programs:	2.29% 0.00%	2.71% 0.00%	2.82% 0.00%

Revenue for one-time or short-term scholarships, donations and grants are budgeted as received and removed from subsequent years

Key Assumptions, Multiyear Projection: Expenses

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Description:	2020-21	2021-22	2022-23
Step and Column Increases, Certificated:	≈2%	2%	2%
Negotiated Salary Increases (Closed contract through June 30, 2022; negotiations for 2022-23 and beyond begin in 2021-22)	4.00%	3.00%	0.00%
State Teachers' Retirement System (STRS) Rate:	18.40% 16.15%	18.10% 16.02%	18.10%
Step and Column Increases, Classified:	≈2%	2%	2%
California Public Employees Retirement System (PERS) Rate:	22.80% 20.70%	24.90% 22.84%	25.90% 25.50%
Medical Benefits Increases:	10% eff. 01.01.2021	10% eff. 01.01.2022	10% eff. 01.01.2023
Consumer Price Index (CPI):	2.99% 0.62%	2.89% 1.73%	2.69% 2.12%

Expenses (and revenue) for one-time or short-term scholarships, donations and grants are budgeted as revenue is received and removed from subsequent years

Assigned Reserves – 2020-21 through 2022-23

DESCRIPTION:	2020-21	2021-22	2022-23
Net Savings, May Revise Revenue Reductions/STRS-PERS Rate Reductions (use to offset any potential budget deficits in 2021-22 and 2022-23 resulting from the COVID-19 crisis):	\$400,000	\$400,000	\$0.00
PERS Increases Beyond the Multi-Year Projection:	\$50,000	\$50,000	\$50,000
Technology Infrastructure:	\$200,000	\$200,000	\$200,000
Technology Devices/Equipment:	\$150,000	\$150,000	\$150,000
Program Development (ELD, Math, Summer School, Intervention, etc.)	\$300,000	\$300,000	\$300,000
Operational Costs (Unexpected; e.g. Legal, Special Education, Transportation, Food Services, etc.)	\$400,000	\$400,000	\$400,000
Student Mental Health Support:	\$75,000	\$75,000	\$75,000
Field Trips, Wellness Goals (Post-Kaiser Grant):	\$225,000	\$225,000	\$225,000
School Site Carryover Set-Aside, e.g. CTE Grant, Matching Funds; Local Donations, etc.:	\$225,000	\$225,000	\$225,000
Future Ready Classrooms Set-Aside:	\$200,000	\$200,000	\$200,000
TOTALS:	\$2,225,000	\$2,225,000	\$1,825,000

Supplemental Information: COVID 19 Relief Funds:

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- **CARES Act ESSER Fund Allocations – 2020-21**

- ✓ The Coronavirus Aid, Relief, and Economic Security (CARES) Act provides funding to LEAs through Section 18003 of the Elementary and Secondary School Emergency Relief (ESSER) Fund, to address the impact of COVID-19 on elementary and secondary schools
- ✓ An LEA may use ESSER funds for any allowable expenditure through September 30, 2022.
- ✓ LEAs may use ESSER funds for personal protective equipment (PPE), cleaning and sanitizing materials, and similar supplies necessary to maintain school operations during and after the COVID-19 pandemic. LEAs are encouraged to target ESSER funding on activities that will support remote learning for all students, especially disadvantaged or at-risk students, and their teachers
- ✓ SHUSD allocation: **\$178,861**
- ✓ Included in the 2020-21 First Interim Report (SACS software not updated in time for June adoption)

COVID-19 EVENT – IMPACT ON NAPA COUNTY COMMUNITY-FUNDED (“BASIC AID”) SCHOOL DISTRICTS

“Downward assessments of properties could begin impacting property tax revenues in 2021-22 and beyond. At a minimum, districts should consider running an MYP planning scenario with 0% growth in 2021-22 and 2022-23 to begin considerations of how the district might respond if such a scenario played out.”

-Excerpt from the April 30, 2020 Napa County Office of Education (NCOE) Memorandum to Community Funded (“Basic Aid”) Districts – *“Budget Risk Assessment in Uncertain Times”*

COVID-19 EVENT – DISTRICT RESPONSE

2020-21 Business Operations Committee

- Monthly meetings in 2020-21
 - ✓ Regular quarterly meetings
 - ✓ Additional “Ad-Hoc” meetings as needed
- Monitor impact of COVID-19 event on SHUSD financial outlook
- Develop a mitigation plan in the event that revenues fall below expected levels
 - ✓ Collaborate with Board of Trustees
 - ✓ Collaborate with bargaining units
- Board review/approval

Staff Recommendation

Approve the 2020-21 Original Budget

