

# Western Placer Unified School District

Board Presentation  
August 4, 2020

2020-21  
State Budget  
Approval  
&  
District Budget

# Themes for the 2020–21 Enacted State Budget

- ▶ Governor Gavin Newsom and the Legislature provided resources and support beyond the Proposition 98 requirement in 2020–21, giving one-time federal resources and pension rate relief and promising more than the minimum guarantee in 2021–22
- ▶ But troubling tradeoffs were also made—tying the hands of districts that needed to make layoffs, deferring significant portions of cash, and not funding enrollment growth for local educational agencies (LEAs)
- ▶ Programmatically, the 2020–21 State Budget creates rules for distance learning, and in-person and hybrid instruction models as a condition to receive flat funding in 2020–21
  - ▶ These provisions have caused a lot of concern in the field as LEAs adapt education programs for the fall to these new rules and health guidance

# State General Fund Budget Summary

## Revenues & Expenses

Revenues and transfers increase 0.07% in 2020–21, while expenditures decrease by 8.87%

## Reserves

Nearly half of the Rainy Day Fund will be drawn from during the 2020–21 fiscal year

2020–21 General Fund Budget Summary  
(in millions)

	2019–20	2020–21
Prior-Year Balance	\$11,280	\$1,972
Revenues and Transfers	\$137,625	\$137,719
<b>Total Resources Available</b>	<b>\$148,905</b>	<b>\$139,691</b>
Non-Proposition 98 Expenditures	\$94,277	\$88,834
Proposition 98 Expenditures	\$52,656	\$45,066
<b>Total Expenditures</b>	<b>\$146,933</b>	<b>\$133,900</b>
Fund Balance	\$1,972	\$5,791
Reserve for Liquidation of Encumbrances	\$3,175	\$3,175
Special Fund for Economic Uncertainties	-\$1,203	\$2,616
COVID Reserve	-	(\$716)
Safety Net Reserve	\$900	\$450
Budget Stabilization Account/Rainy Day Fund	\$16,116	\$8,310

Source: California State Budget Summary 2020–21

# State January Budget vs. May Revision vs. Enacted Budget

<b>Item</b>	<b>January Budget</b>	<b>May Revision</b>	<b>Enacted Budget</b>
<b>2020–21 LCFF* Funding Change</b>	<b>+\$1.2 billion</b>	<b>-\$6.5 billion</b>	<b>\$0</b>
<b>Proposition 98 Minimum Guarantee</b>			
<b>2018–19</b>	<b>\$78.4 billion</b>	<b>\$78.7 billion</b>	<b>\$78.5 billion</b>
<b>2019–20</b>	<b>\$81.6 billion</b>	<b>\$77.4 billion</b>	<b>\$77.7 billion</b>
<b>2020–21</b>	<b>\$84.0 billion</b>	<b>\$70.5 billion</b>	<b>\$70.9 billion</b>
<b>2020–21 Statutory COLA</b>	<b>2.29%</b>	<b>2.31% (Not funded, additional cuts)</b>	<b>2.31% (Not funded)</b>
<b>One-Time Discretionary Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*Local Control Funding Formula (LCFF)

# 2020-21 WPUSD Revised Budget Based on Final State Budget

## Budget Changes:

1. Elimination of Governor's proposed ten percent LCFF reduction (\$5.1 million), reduction in funded ADA (19/20 Funded) (\$250k)
2. Learning Loss Mitigation funds - Federal portion
3. Learning Loss Mitigation Funds - State portion (\$545k), and reduction in projected lottery revenues (\$55k)
4. Reduction in Special Education base rate from Governor's proposal
5. Expenditure budgets for Learning Loss Mitigation funds, increase in Supplemental expenses due to increased LCFF funding

	2020/21 Original Budget - Adopted	2020/21 Revised Budget - Final State Budget	Difference
Revenue Limit Sources	60,404,653	65,266,798	4,862,145 <sup>1</sup>
Federal Revenue	3,034,583	6,440,691	3,406,108 <sup>2</sup>
Other State Revenue	6,135,443	6,625,880	490,437 <sup>3</sup>
Other Local Revenue	5,398,589	5,253,382	(145,207) <sup>4</sup>
<b>Total Revenues</b>	<b>74,973,268</b>	<b>83,586,751</b>	<b>8,613,483</b>
Certificated Salaries	34,250,314	34,250,314	-
Classified Salaries	10,137,164	10,137,164	-
Employee Benefits	20,469,182	20,469,182	-
Books and Supplies	4,470,412	8,076,949	3,606,537 <sup>5</sup>
Services and Other Operating Expenditures	7,739,265	8,139,265	400,000 <sup>5</sup>
Capital Outlay	147,547	147,547	-
Other Outgo	2,053,123	2,053,123	-
<b>Total Expenditures</b>	<b>79,267,007</b>	<b>83,273,544</b>	<b>4,006,537</b>
Interfund Transfers In	-	-	-
Interfund Transfers Out	(345,360)	(345,360)	-
Other Sources	-	-	-
Other Uses	-	-	-
<b>Total Other Sources/Uses</b>	<b>(345,360)</b>	<b>(345,360)</b>	-
<b>Net Increase/Decrease</b>	<b>(4,639,099)</b>	<b>(32,153)</b>	<b>4,606,946</b>
<b>Beginning Fund Balance</b>	<b>11,143,557</b>	<b>11,143,557</b>	-
<b>Ending Fund Balance</b>	<b>6,504,458</b>	<b>11,111,404</b>	<b>4,606,946</b>
<b>Components of Ending Fund Balance</b>			
<b>Nonspendable:</b>			
Revolving Cash	5,000	5,000	-
Reserve - Designated Programs	1,215,322	1,215,322	-
<b>Reserve - Economic Uncertainty @ 3%</b>	<b>2,388,371</b>	<b>2,508,567</b>	<b>120,196</b>
Reserve-MAA - Ext Day Kindergarten Setup	91,842	91,842	-
Reserve-2 FTE K & MS Class-size Staffing 20/21	160,000	160,000	-
Reserve-Start Up - High School 21/22	1,500,000	1,500,000	-
Reserve-One-Time Science Adoption 20/21	400,000	400,000	-
Reserve-Charter Technical Assistance	270,455	270,455	-
<b>Reserve-Unassigned Economic Uncertainty surplus/(deficit)</b>	<b>473,468</b>	<b>4,960,218</b>	<b>4,486,750</b>
<b>Total Ending Fund Balance</b>	<b>6,504,458</b>	<b>11,111,404</b>	<b>4,606,946</b>

# 2020-21 WPUSD MYP Revised Budget Based on Final State Budget

	August Budget Revision 2020-2021 Combined	Projection 2021-2022 Combined	Projection 2022-23 Combined
Revenues			
LCFF Funding - Base	61,319,417	62,167,561	62,775,220
LCFF Funding - Supplemental	3,947,381	3,957,075	3,995,418
Federal Revenue	6,440,691	2,130,846	2,130,846
State Revenue	6,625,880	6,176,847	6,176,847
Local Revenue	5,253,382	5,253,382	5,253,382
<b>Total Revenue</b>	<b>83,586,751</b>	<b>79,685,711</b>	<b>80,331,713</b>
Expenditures			
Certificated Salaries	34,250,314	35,054,959	35,846,616
Classified Salaries	10,137,164	10,694,507	10,805,029
Benefits	20,469,182	21,108,293	22,295,015
Books and Supplies	8,076,949	3,998,639	3,813,639
Other Services & Oper. Exp	8,139,265	8,070,953	8,070,953
Capital Outlay	147,547	147,547	147,547
Other Outgo 7xxx	2,058,881	1,853,806	1,853,806
Transfer of Indirect 73xx	(5,758)	(5,758)	(5,758)
<b>Total Expenditures</b>	<b>83,273,544</b>	<b>80,922,946</b>	<b>82,826,847</b>
Deficit/Surplus	313,207	(1,237,235)	(2,495,134)
Transfers In	-	-	-
Transfers out	(345,360)	(467,906)	(490,903)
Contributions to Restricted	-	-	-
<b>Net increase (decrease) in Fund Balance</b>	<b>(32,153)</b>	<b>(1,705,141)</b>	<b>(2,986,036)</b>
Beginning Balance	11,143,557	11,111,404	9,406,263
<b>Ending Fund Balance</b>	<b>11,111,404</b>	<b>9,406,263</b>	<b>6,420,227</b>
<b>Components of Ending Fund Balance</b>			
<b>Nonspendable:</b>			
Revolving Cash	5,000	5,000	5,000
<b>Restricted-Federal/State/Local Programs</b>			
Reserve - Designated Programs	1,215,322	1,339,576	1,444,910
Reserve - Prepaid Expenditures			
<b>Unassigned/Unappropriated:</b>			
<b>Reserve - Economic Uncertainty @ 3%</b>	<b>2,508,567</b>	<b>2,441,726</b>	<b>2,499,532</b>
Reserve for Supp Exp in Excess of Adopted	-	315,000	630,000
Reserve-MAA - Ext Day Kindergarten setup	91,842	91,842	91,842
Reserve-2 FTE K & MS Class-size Staffing 20/21	160,000	320,000	480,000
Reserve-Start Up - High School 21/22	1,500,000	248,342	-
Reserve-One-Time Science Adoption 20/21	400,000	400,000	400,000
Reserve-Charter Technical Assistance	270,455	270,455	270,455
<b>Reserve-Unassigned Economic Uncertainty surplus/(deficit)</b>	<b>4,960,218</b>	<b>3,974,323</b>	<b>598,488</b>
<b>Total Ending Fund Balance</b>	<b>11,111,404</b>	<b>9,406,263</b>	<b>6,420,227</b>

# District LCFF Entitlement

- ▶ Hold Harmless
- ▶ Base Grant per ADA (**with Zero COLA on 2019-20 base**):
  - K-3 = \$7,702                      7-8 = \$8,050
  - 4-6 = \$7,818                      9-12 = \$9,329
- ▶ Grade Span Adjustments:
  - ▶ 10.4% = \$801 per K-3 ADA      2.6% = \$243 per 9-12 ADA
- ▶ Supplemental Grant = 20% of Adjusted Base Grant
- ~~▶ Concentration Grant = 50% of Adjusted Base Grant~~
- ▶ TIIIG and Home-to-School Add-ons remain constant
- ▶ Total State-wide LCFF about \$63 billion for 2020-21
- ▶ No Growth Funding for 2020-21

# Stand-Alone Categorical Programs

## Proposed for Ongoing Funding

- ▶ After School Education & Safety Program (\$646 million)
- ▶ Career Technical Education Incentive Grant (\$150 million)
- ▶ Specialized Secondary Education Grants (\$4.9 million)
- ▶ Agricultural Education Incentive Program (\$4.1 million)
- ▶ Special Education: (\$3.9 billion)\*
- ▶ Child Nutrition (\$173.7 million + \$2.8 billion federal)\*
- ▶ Mandate Block Grant: (\$241.4 million)\*

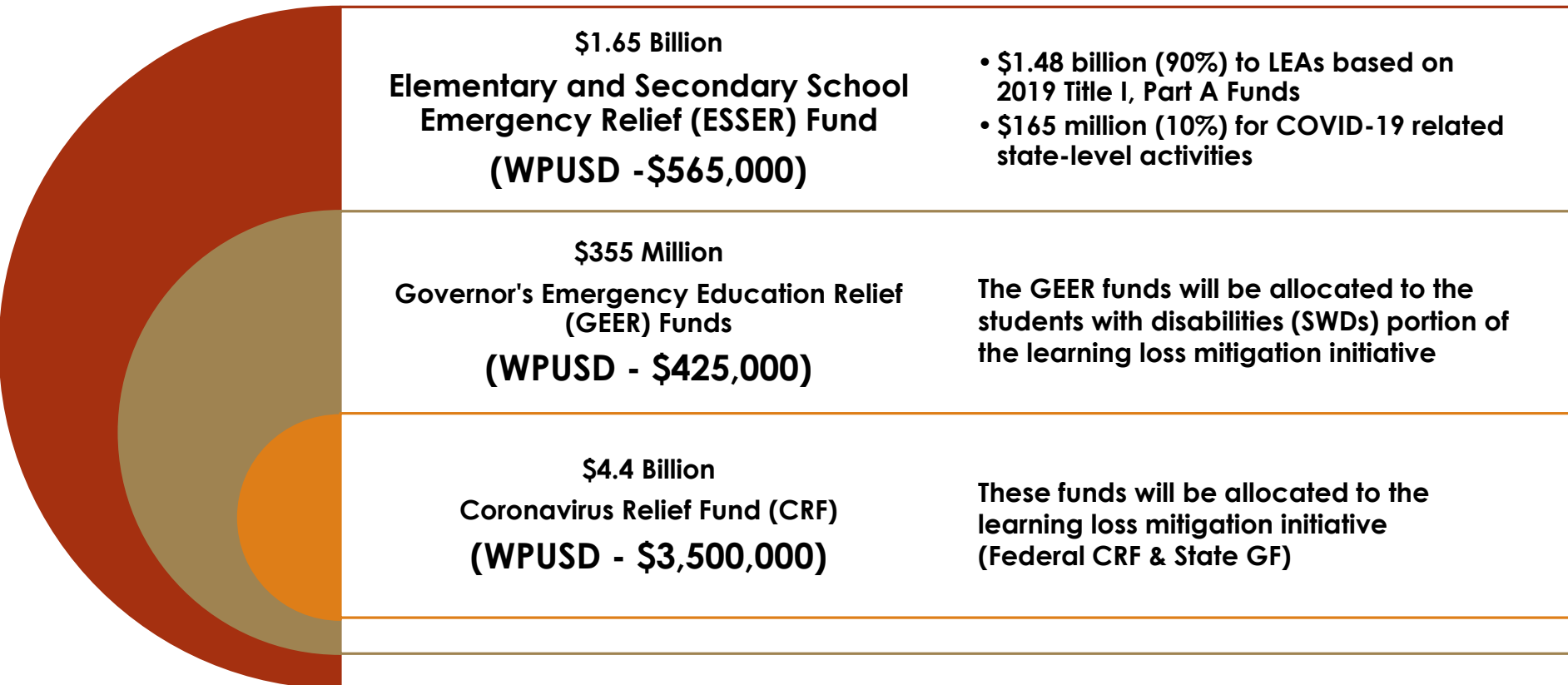
\*normally would receive a COLA



# ADA and Instructional Minutes

- ▶ Sets 2020-21 ADA for funding purposes at 2019-20 P-2 levels
  - ▶ 2019-20 P-2 ADA calculated on July 1, 2019 through February 29, 2020 attendance
  - ▶ Holds LEAs harmless from declining ADA, but provides no increase in funds for ADA growth
  - ▶ Not the traditional “Greater of current or prior year” soft-landing provision
  - ▶ Governor: “I urge members of the Legislature to pursue targeted solutions...”
- ▶ Suspends Annual Instructional Minutes requirement but maintains Minimum Schoolday minutes requirement(s)
- ▶ Maintains Instructional Days (length of year) requirement(s) and penalty
- ▶ Suspends PE Minutes requirement
- ▶ Suspends process for to apply for credit for emergency ADA (J-13A) - No Waiver Days (PSPS)
- ▶ None of these requirements are waivable by the State Board of Education

# CARES Act—Funds Used for K–12 Education



# CARES Act—Learning Loss Mitigation

**\$1.5 Billion  
SWDs**

Estimated at \$1,900 per pupil, based on the 2019–20 fall 1 census enrollment of SWDs ages 3 to 22

**\$2.86 Billion  
Supplemental &  
Concentration Grants**

Based on proportion of supplemental and concentration grant funding using the 2019–20 Second Principal Apportionment (P-2) certification

**\$980 Million  
(\$540 million is Proposition 98)  
LCFF Apportionment**

Based on proportion of LCFF funds using the 2019–20 P-2 certification

**(WPUSD CRF and GEER Funds - \$3,925,000)**

# Employer Contribution Rates

Redirects the \$2.3 billion for employer long-term unfunded liability provided in the 2019-20 Budget to further reduce CalPERS and CalSTRS contribution rates in 2020-21 and 2021-22

## CalSTRS

Fiscal Year	Before 2020 Budget Act	After 2020 Budget Act
2019-20	17.1	17.1
<b>2020-21</b>	<b>18.4</b>	<b>16.15 (-2.25)</b>
2021-22	18.1*	15.92 (-2.18)
2022-23	18.1*	18.4* (+0.3)
2023-24	18.1*	18.4* (+0.3)

\*Latest projected rates and subject to change

## CalPERS

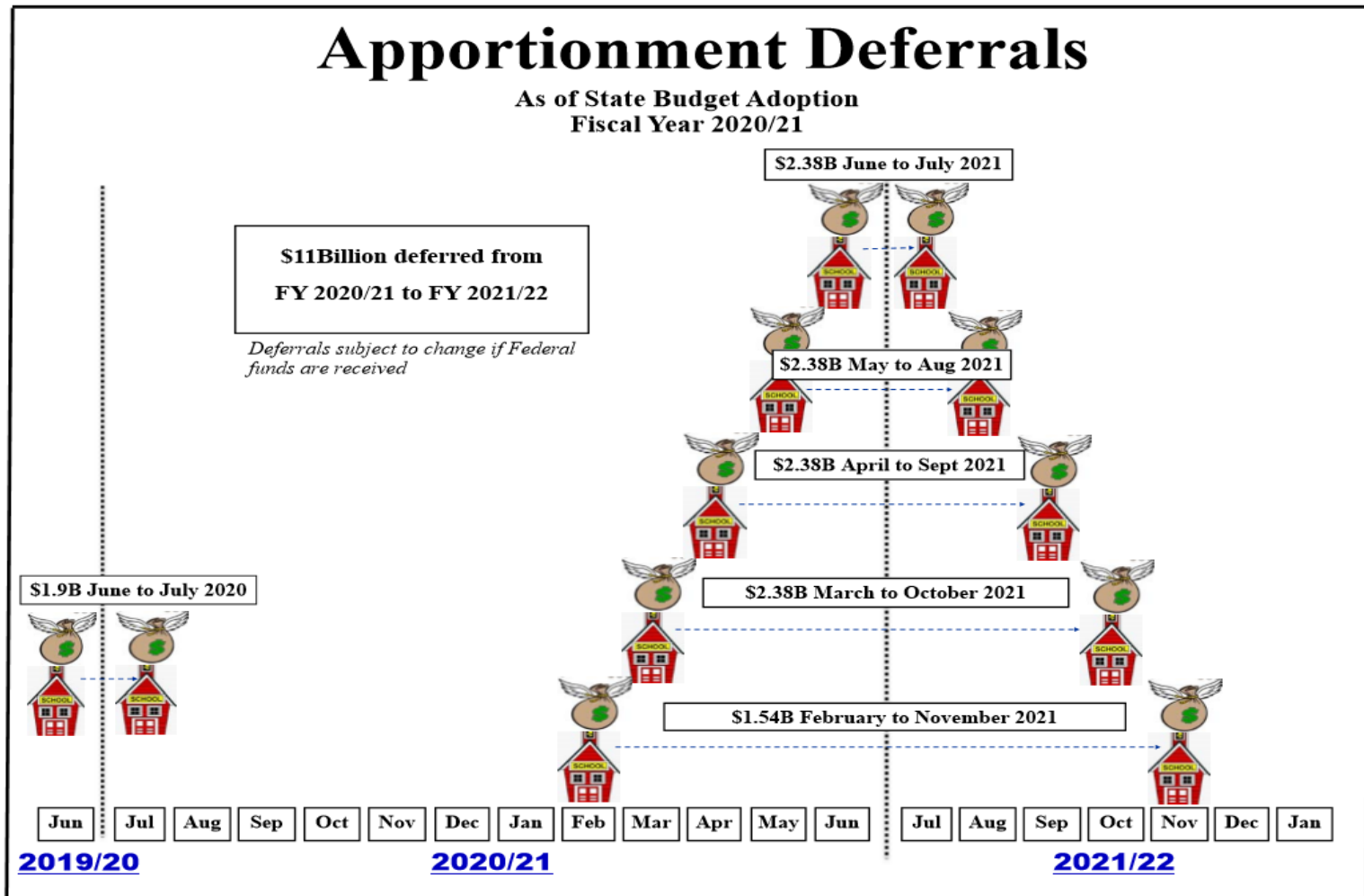
Fiscal Year	Before 2020 Budget Act	After 2020 Budget Act
2019-20	19.7	19.7
<b>2020-21</b>	<b>22.68</b>	<b>20.7 (-1.98)</b>
2021-22	24.6	22.84 (-1.76)
2022-23	25.5*	25.8* (+0.3)
2023-24	26.2*	26.5* (+0.3)
2024-25	26.5*	26.8* (+0.3)
2025-26	26.4*	26.7* (+0.3)
2026-27	26.2*	26.5* (+0.3)

# Principal Apportionment Deferrals

Two sets of K-12 Principal Apportionment Deferrals for a total of \$11.1 billion pushed to next fiscal year:

- ▶ \$1.9 billion in June 2020 payments deferred to July 2020, and then repeated for June 2021 to July 2021
- ▶ Additional \$9.2 billion deferred in 2020-21 from:
  - ▶ June 2021 to July 2021 - \$524.9 million
  - ▶ May 2021 to August 2021 - \$2.38 billion
  - ▶ April 2021 to September 2021 - \$2.38 billion
  - ▶ March 2021 to October 2021 - \$2.38 billion
  - ▶ February 2021 to November 2021 - \$1.54 billion

# Deferrals and Cash Flow



In effect, school districts will receive only about 68% of the state aid apportionment during the year

# Accountability

- No Standard LCAP for 2020-21
- LEAs must adopt a Learning Continuity and Attendance Plan (Continuity Plan) by September 30, 2020
- Hold two public meetings:
  - LEAs present Continuity Plan to governing board--must post 72 hours prior to hearing
  - Second meeting to adopt Continuity Plan after first hearing and on different day
  - LEAs must consult stakeholders, as specified, including Parent Advisory and EL Parent Advisory Committee for review and comment
- LCFF budget overview for parents adopted by December 15, 2020, with the first interim budget report
- Federal one-time funds can be spent before the adoption of the plan
- CDE, in consultation with the SBE executive director, will develop a template for the Continuity Plan by August 1, 2020

# 2020-21 State Budget Approval & District Budget

Budget revisions presented will be reflected at First Interim reporting in December 2020.

# Questions?