

Budget Study Session

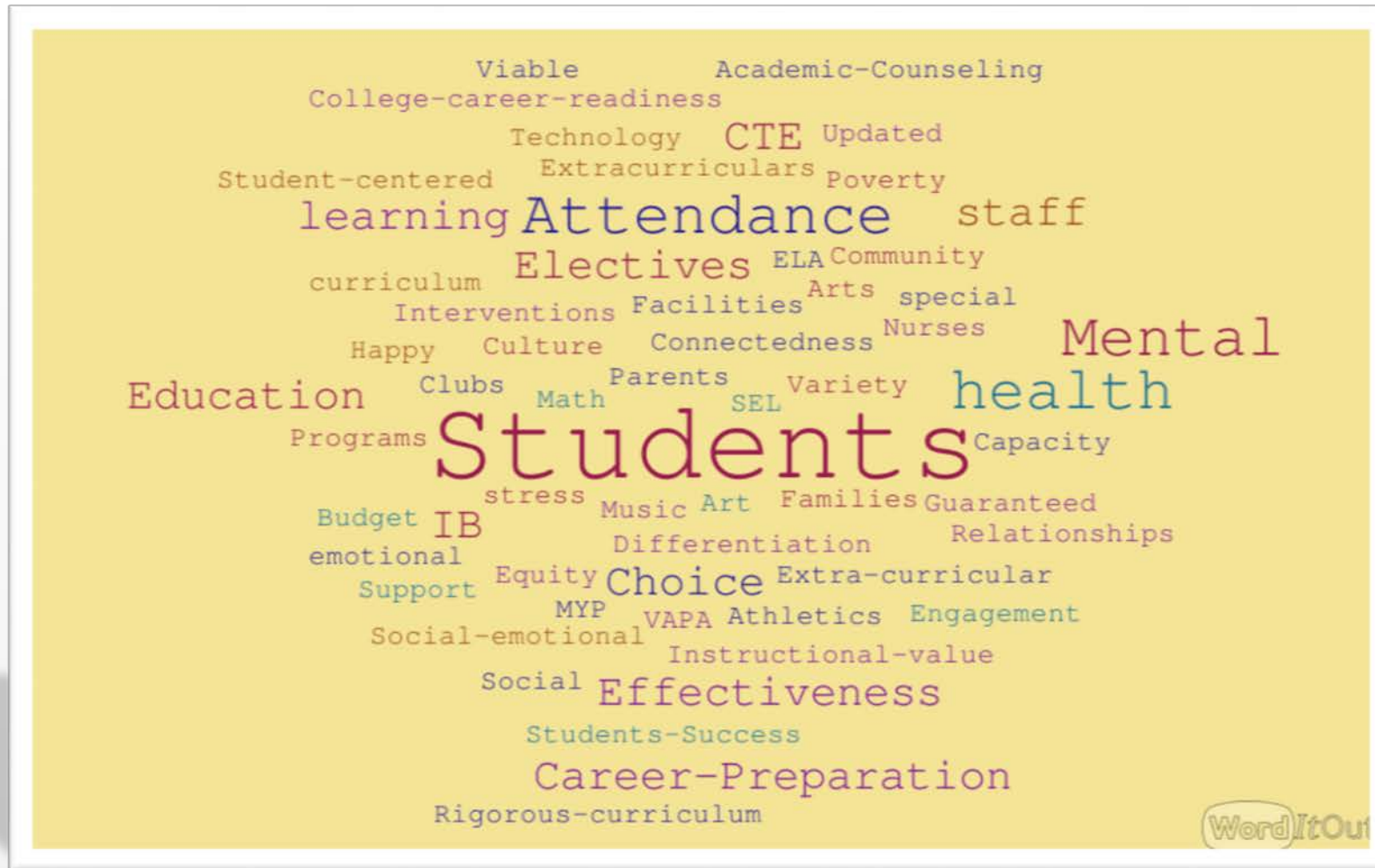
OCTOBER 22, 2020
BOARD OF EDUCATION



Tonight's Discussion

- ✓ Guiding Principles
 - Reduce expenditures
 - Minimize impact to students
 - Minimize potential layoffs
 - Review programs
- ✓ District vision and values
- ✓ Recap of Budget Study Sessions
 - Identified and implemented reductions
- ✓ Why are we here
- ✓ Identify priorities for First Interim
- ✓ Review timelines and next steps

District Vision and Values



RECAP

Budget Journey Recap

Budget Study Sessions

- o November 1, 2018
- o January 17, 2019
- o February 28, 2019
- o April 11, 2019
- o October 24, 2019
- o February 27, 2020

FCEA Early Retirement Incentive for 2019/20 (\$969,530)

- o Reduction of Elementary Intervention Teachers – 10.3 FTE
- o Reduction of Secondary Intervention Teachers – 2.0 FTE
- o Reduction of Special Education Roving Sub – 1.0 FTE

Budget Journey Recap (continued)

Board Approved Reductions for 2019/20

ESC/Management (\$506,316)

- o Child Welfare Coordinator – 1.0 FTE
- o Assistant Principal – 1.0 FTE
- o Director of Family Engagement - 1.0 FTE
- o Administrative Assistant – Supt Office – 1.0 FTE
- o Administrative Assistant – ADP Office – 1.0 FTE
- o Administrative Assistant – Instruction – 1.0 FTE
- o Personnel Tech – HR – 1.0 FTE
- o Food Service Worker – ESC Café - .625 FTE

CSEA (\$56,209)

- o Career Guidance Clerk – .375 FTE
- o Categorical Program Asst – 1.0 FTE

Operating Reductions (\$2,494,064)

- o Travel and conference (\$300,000)
- o Summer School (\$275,000)
- o One-time expenditures (\$1,992,246)
- o Suspension of Retiree Benefit Fund Contribution – (\$2,194,064)

Budget Journey Recap (continued)

Board Approved Reductions for 2020/21

ESC/Administration (\$485,370)	- o ESC Director reduction \$156,744 - o Alt Ed Principal \$130,621 - o Principal on Special Assignment \$130,621 - o ESC Administrative Secretary \$67,384
FCEA (\$1,141,386)	- o Redirection of Folsom Lake High School to other Alt Ed options • Reduce certificated positions \$145,400 - o Reduce PE prep coverage (Standardize Kindergarten schedules to AM/PM • (Does not eliminate PE prep for Kinder teachers) \$62,822 - o Reduce Lead Teacher positions \$153,072 - o Reduce Prep periods at Mills \$298,465 - o Reduce Prep periods at Mitchell \$281,627 - o Reduce Summer School (Secondary) \$200,000

Budget Journey Recap (continued)

Board Approved Reductions for 2020/21 (continued)

- | | |
|-----------------|--|
| CSEA (\$28,244) | <ul style="list-style-type: none">○ Redirection of Folsom Lake High School to other Alt Ed options<ul style="list-style-type: none">• Reduce classified positions \$28,244○ Early Retirement Incentive<ul style="list-style-type: none">• Reductions to be determined |
|-----------------|--|

- | | |
|---------------------|--|
| Other (\$1,042,586) | <ul style="list-style-type: none">○ Sweep site carryovers \$529,344 (one-time \$)○ Reduce travel/conference \$360,101○ Eliminate district-paid Naviance & Safari Montage \$153,141 |
|---------------------|--|

Why are we here?

Why budget reductions?

- Deficit Spending
 - Expenditures higher than revenue
- Budget Assumptions to be revised
 - 0% COLA
 - Declining UPP% (unduplicated pupil percentage)
 - Decline in elementary enrollment
- Opportunity to use compounding effect of reductions

SCOE Directive

“The District shall submit a board-approved budget reduction plan that identifies the \$9.9m in budget reductions needed to meet reserve requirements in 2022-2023. The plan should include support of ongoing expenditures from ongoing revenue sources, along with a timeline showing when and how each line item adjustment will be implemented.”

-David Gordon, Superintendent, Sacramento County Office of Education

Multiyear Projections based on 45-day revise

	Revised Budget 2020-21	Projected 2021-22	Projected 2022-23
Beginning Balance, July 1	\$ 33,141,684	\$ 34,018,618	\$ 24,962,490
Revenues/Other Financing	\$ 238,123,114	\$ 236,984,029	\$ 236,517,255
Expenditures/Other Financing	\$ 237,246,180	\$ 246,040,157	\$ 252,976,429
Ending Balance, June 30	\$ 34,018,618	\$ 24,962,490	\$ 8,503,316
Designated for Economic Uncertainties	\$ 7,350,000	\$ 7,550,000	\$ 7,500,000
Legally Restricted	\$ 8,157,466	\$ 9,060,791	\$ 9,255,473
Assigned/Committed	\$ 3,746,665	\$ 1,660,697	\$ 1,660,697
Unassigned/Unappropriated	\$ 14,764,487	\$ 6,691,002	\$ (9,912,854)

Note: Does not include salary increases for 2020/21, 2021/22, or 2022/23

Compounding effect of reductions

	Year 1	Year 2	Year 3	Total Savings	
Option 1:					
Year 1 Reduction	\$3,000,000			\$3,000,000	\$9m total reductions
Ongoing Reduction		\$3,000,000	\$3,000,000	\$6,000,000	
Option 2:					
Year 1 Reduction	\$0			\$0	\$6m total reductions
Year 2 Reduction		\$3,000,000		\$3,000,000	
Ongoing Reduction			\$3,000,000	\$3,000,000	

Notes:

One-time cuts only help in the year of the cut – not ongoing

Deeper cuts are required if reductions are postponed until year 2 or year 3

2019/2020

Approved Reductions*:

- FCEA Retirement Incentive: (\$969,359)
- Contribution to Fund 71: (\$2,194,064)
- ESC/Management: (\$506,316):
- CSEA: (\$56,209)
- Eliminated one-time expenditures: (\$1,992,246)
- Travel & Conference: (\$300,000)
- Summer School: (\$275,000)

2020/2021

Approved Reductions*:

- CSEA Retirement Incentive: TBD
- ESC/Administration: (\$485,370)
- FCEA: (\$1,141,386)
- CSEA: (\$28,244)
- Sweep site/department carryovers (one-time \$) (\$529,344)
- Reduce travel & conference: (\$360,101)
- Eliminate district-paid Naviance & Safari Montage: (\$155,141)

2021/2022

(\$ 3,000,000)

(\$3,000,000)

Items Under Consideration for 21/22:

2022/2023

(\$3,000,000)

(\$3,000,000)

(\$3,000,000)

Items Under Consideration for 22/23:

Reductions needed - \$9,912,184 by 2022/23

(\$ 3,000,000)

* Reductions made in the 2019/2020 and 2020/2021 school years already accounted for in the following years

First Interim Report – December 17

- Revenues
 - Increase for CARES Act funds
 - Decrease for facility usage and parent-paid fees
 - Increase for Special Education funding
- Expenditures
 - Increase for CARES Act expenditures
 - Adjustments for staffing and benefits
 - Increase for leave coverage, decrease for substitutes, decrease for vacant positions, decrease for positions moved to Charter
 - Adjustments to program contributions
 - Increase for Charter, Student Care, Transportation, and Special Education
- Updated multi-year projections
 - ADA adjustments
 - UPP%
 - 0% COLA
 - Step & Column
 - PERS/STRS employer contributions

Current and Future Challenges

- State Revenue unknowns
- Structural deficit
- Elementary declining enrollment
- Zero % COLA
- Increasing program cost contributions
- Step & Column
- SCOE directive from adopted budget
 - Address \$9.9m shortfall for 2022/23
- SB 328 – Later start times
 - Revised elementary, middle, high school schedules
 - Impact on transportation

General Fund Program Contributions

Program	2020-21 Budgeted	2020-21 45-Day Revise
BTSA / Teacher Induction	201,464	\$ 201,464
CalSafe (Adolescent Parent Program)	318,248	\$ 336,395
Charter School	-	\$ 2,440,010
FCEA Release Time	73,294	\$ 93,818
GATE	12,253	\$ 12,253
National Board Certification	42,580	\$ 42,580
Project Lead The Way consumables	113,025	\$ 113,025
ROTC	103,090	\$ 103,090
Special Ed	27,608,047	\$ 28,067,731
Student Care	-	\$ 2,828,467
Transportation	5,839,311	\$ 5,857,107
Total	\$ 34,311,312	\$ 40,095,940

Cost of 1%

	Amount
FCEA	\$ 1,005,310
CSEA	446,383
Management/Confidential	132,765
Total	\$ 1,584,458

Note: Based on 45-Day Revised Budget

School Resource Officers (SROs)

- SRO Cost 2020/21 = \$593,498
 - City of Folsom - \$188,136
 - Sac County Sheriff's - \$405,362
 - RCPD SRO Deputy, K9, vehicle x 1/2 cost = \$160,136
 - RCPD SRO Deputy, vehicle x 10/12 cost = \$245,226
 - Folsom wants same reimbursement amount for equal number of officers
 - Would bring total cost to \$810,724
- Options:
 - Reduce number of SROs from 3 to 2 each
 - Reduce number of SROs from 3 to 1 each
 - Do not renew any MOUs for 2021/22
 - Different option

Identify Priorities

Reduction Planning

- Establish priorities
- Review restricted resources and redirect expenditures
- Review formula allocations
- Make needed reductions to achieve a balanced budget
- Maintain appropriate reserve levels
- Make reductions that enable organizational efficiencies
- Direct one time expenditures to one-time revenues

Next Steps

- SROs
 - Board direction for next year
- Review budget book
 - 2020-2021 budget formula allocations (pages 26-27)
- Meetings with stakeholder groups
 - Discuss priorities based on previous feedback
 - Collect feedback on priorities
- Recommend reductions to Board on November 5

Timelines

October 22	• Board Budget Study Session
October 26 November 3 November 4 November 5 November 14 November 19 TBD	• FCLA Meet and Confer • FCEA Budget Study Session • CSEA Budget Study Session • Board Budget Study Session – Recommendations • Superintendent Communication Committee • Budget Study Session Follow-up • DELAC
December 17	• First Interim Report to Board • LCAP Budget Overview for Parents
December 15	• P1 ADA report
January 2021	• Governor’s Budget Proposal for 2021/22
March 2021	• Second Interim Report to Board