



# Burbank Unified School District 2020-21 First Interim Budget

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# The Budget Cycle

Report	Description	Due
Adopted Budget	Details spending plan of district and includes estimated actual ending balances for prior fiscal year	On or before July 1
<b>First Interim</b>	<b>Actual revenues &amp; expense July 1 to October 31 with projections for remainder of current and 2 future fiscal years</b>	<b>On or before December 15</b>
Second Interim	Same as above but for period July 1 to January 31	On or before March 15
Unaudited Actuals	Details actual ending balances, all revenues and expenditures for year ended June 30	On or before September 15



# First Interim Assumptions Revenues

## LCFF

### Base Grant based off of Average Daily Attendance (ADA) 96%

Grade Span	K-3	4-6	7-8	9-12
Total	\$7,702	\$7,818	\$8,050	\$9,329
2020-21	2021-22		2022-23	
14,708	14,708		14,136	

- EPA revenue 2020-21, 2021-22 and 2022-23
  - \$22,280,039
- Cost of Living Adjustment (COLA) 2020-21, 2021-22 and 2022-23
  - 0.00%



# Impact of Declining Enrollment on LCFF Revenues

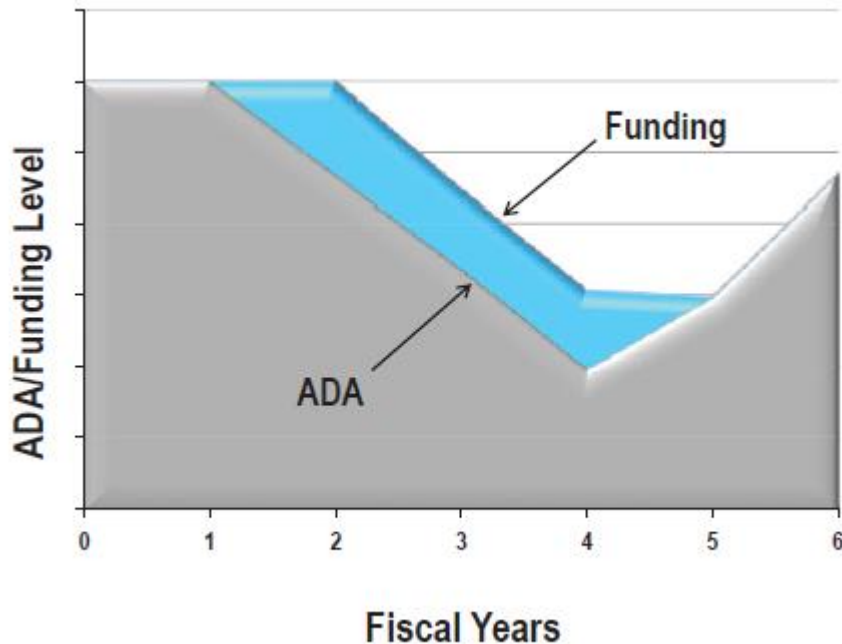
- A drop in average daily attendance (ADA) will result in a drop of LCFF funding
  - However, the state provides limited protection from revenue losses related to declining enrollment for school districts:
    - A district is funded on the greater of current-year or prior-year ADA
    - The protection provides a revenue floor in the current year for declining enrollment districts
    - Then the current – year ADA will determine next year’s revenues

Source: 2020-School Services of California



# Impact of Declining Enrollment on LCFF Revenues, Cont'd.

## Impact of ADA Decline LCFF Hold Harmless



- Declining enrollment districts receive LCFF funds based on the greater of current-year or prior-year ADA
- Declining enrollment funding only delays – it doesn't relieve – budget reductions
- Compensation increases will be lost in years of decline unless there are budget reductions equal to the revenue loss
- A budgeting crisis will also occur at the turnaround – more students, no more dollars

Source: 2020-School Services of California



# Impact of Declining Enrollment on Supplemental Grant Funding

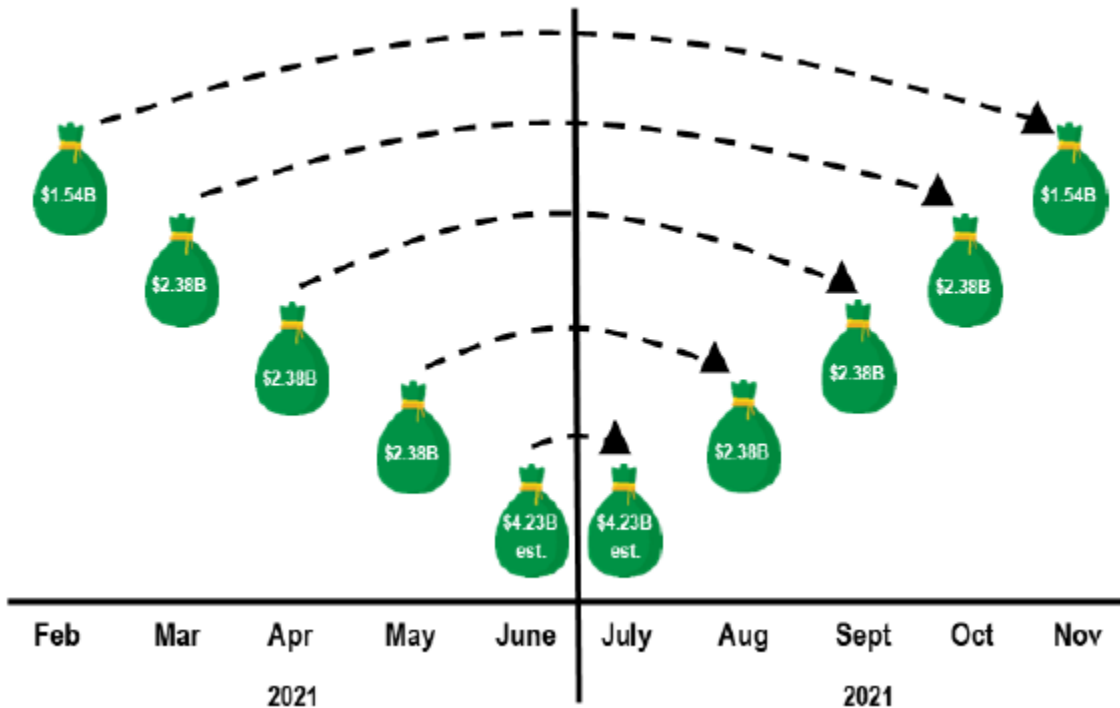
Supplemental grants equal 20% of the adjusted base grants multiplied by the LEA’s unduplicated percentage of English learners, income eligible for free or reduced-priced meals, and foster youth pupils. Concentration grants equal to 50% of the adjusted base grant multiplied by an LEA’s percentage of unduplicated pupils above 55%. Burbank USD’s projected unduplicated count is as follows:

2020-21	2021-22	2022-23
<b>Supplemental Grant - Unduplicated Pupil Count</b>		
40%	36.73%	33.48%
10,213,775	9,364,752	8,199,424



# Cash Flow - TRANs

Cash Deferrals 2020-21  
(in billions)



## Financing Methods:

- TRANs
- Interfund
- Borrowing
- Borrowing from County Treasury
- Deferral Waiver
- Legislative Action?

Source: 2020 School Services



# First Interim Assumptions Revenues

- **Lottery revenue 2020-21, 2021-22 and 2022-23**
  - Unrestricted \$150 per ADA
  - Restricted \$49 per ADA
- **Mandate Block Grant Revenue 2020-21, 2021-22 and 2022-23**
  - \$32.18 per K-8 grade ADA
  - \$61.94 per 9-12 grade ADA





# First Interim Assumptions Revenues

## One time Coronavirus Relief Funds

Funding	Amount
CARES-ESSERF	\$1,405,910
Corona Virus Relief Funds-LLM	6,840,423
Governor’s Emergency Education Relief GEER - LLM	909,442
State Learning Loss-Prop 98 - LLM	1,181,661
<b>Total One-Time Corona Virus Funds</b>	<b>\$10,337,437</b>

Funding due to be spent by 12/30/2020	Amount
<b>Corona Virus Relief Funds-LLM</b>	<b>\$6,840,423</b>
Total Expended as of 10/30/2020	1,965,350
Total Obligated as of 10/30/2020	283,261
Total expenditures between 11/1/2020 & 12/30/2020	\$4,591,812



# General Fund First Interim Revenue Assumption

Unrestricted/ Restricted Combined	2020-21 Budget Adoption	202-21 First Interim	2021-22 Projected	2022-23 Projected
LCFF	\$127,772,729	\$138,872,365	\$138,023,342	\$131,829,612
Federal	7,236,437	15,798,732	5,894,579	5,894,579
Other State	16,197,898	17,934,854	15,820,049	15,820,049
Other Local	2,737,143	2,658,538	2,367,770	2,455,542
<b>Total</b>	<b>\$153,944,207</b>	<b>\$175,264,489</b>	<b>\$162,105,740</b>	<b>\$155,999,782</b>



# First Interim Revenue Differences

## **LCFF Revenue Changes**

- No longer -7.92% COLA, funded at 0% COLA

## **Federal Revenue Changes**

- Additional Federal Funding due to COVID-19

## **State Revenue Changes**

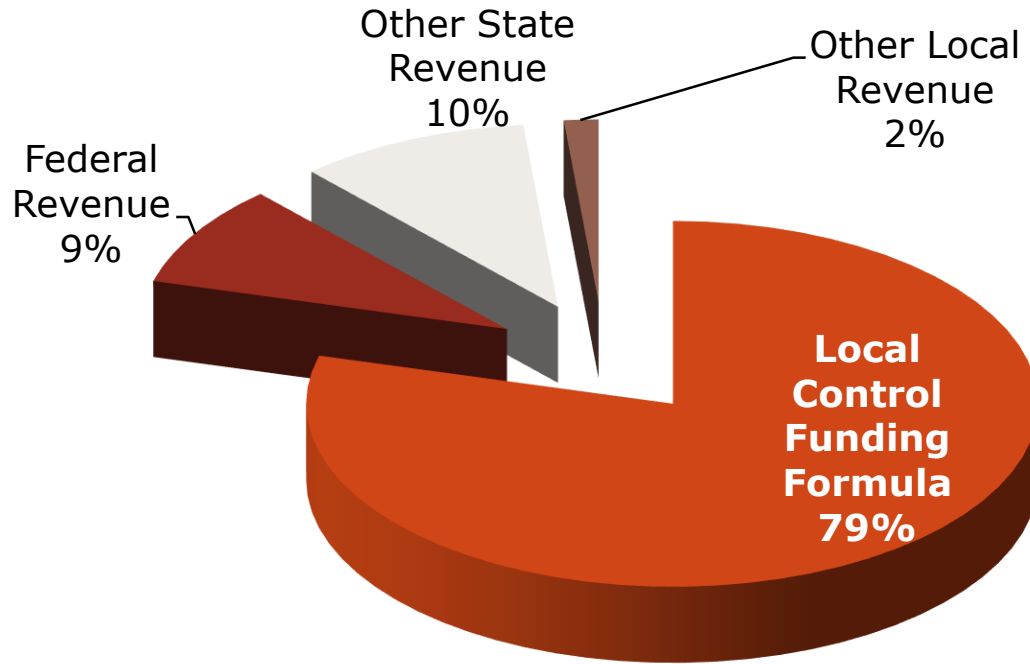
- Additional Funding due to COVID-19

## **Local Revenue Changes**

- Slight change in local revenue due to less revenue in rentals



# First Interim Revenue Summary





# First Interim Expenditure Assumptions

## Expenditure Assumption

- Step and Column increases
- Consumer Price Index – CPI
- Election costs for 2020-21
- Operational Site Budgets
- Health and Welfare 2% increase
- Minimum Wage increase to \$14 in 2020-21 and \$15 in 2021-22
  - 2020-21 \$75,348
  - 2021-22 - \$419,767

	2020-21	2021-22	2022-23
PERS	20.70%	23.00%	26.30%
STRS	16.15%	16.00%	18.10%



# General Fund First Interim Expenditures

Unrestricted / Restricted Combined	2020-21 Budget Adoption	2020-21 First Interim	2021-22 Projected	2022-23 Projected
Certificated Salaries	\$72,487,936	\$72,750,343	\$73,473,348	\$75,033,314
Classified Salaries	28,037,795	28,457,375	29,152,088	29,892,859
Employee Benefits	36,276,748	36,059,964	38,432,655	43,689,066
Books/Supplies	4,322,306	16,331,903	4,281,376	4,366,344
Services/Operating	18,023,368	20,050,133	17,528,420	18,481,547
Capital Outlay	161,915	224,594	-0-	-0-
Other Outgo	3,264,514	3,254,004	3,203,780	3,336,280
Indirect	(792,635)	(669,685)	(1,100,514)	(1,028,514)
Other Adjustments	(9,000,000)	-0-	-0-	(18,289,554)
<b>Total:</b>	<b>\$152,781,947</b>	<b>\$176,458,631</b>	<b>\$164,971,153</b>	<b>\$155,481,342</b>



# First Interim Expenditure Differences

## **Certificated Salaries**

- Step and Column increases

## **Classified Salaries**

- Step and Column Increases
- Support staff paid out of one-time COVID funds

## **Benefits**

- Changes with Step and Column increases
- STRS/PERS increases
- Health and Welfare 2% increase

## **Materials and Supplies**

- Expenditures to match gifts and donations revenue
- One time COVID funding expenditures

## **Services**

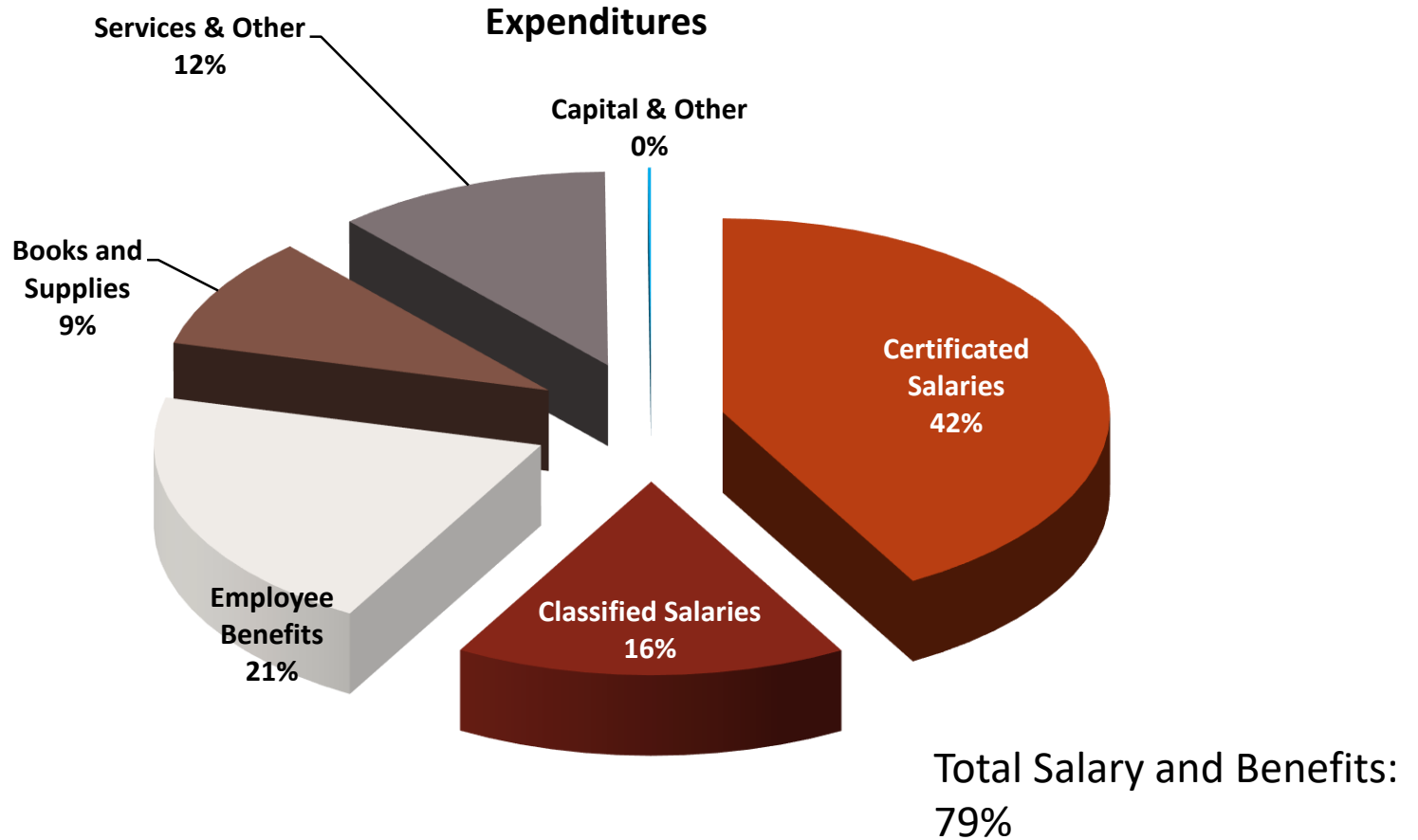
- Contracted services for Special Education needs
- One time COVID funding expenditures

## **Capital Outlay**

- Repairs and equipment purchases



# First Interim General Fund Expenditure Summary







# Contribution

## Special Education Contribution Changes Adopted Budget to First Interim

- Increase in AB602 funding – additional \$415,000
- Salaries and Benefits - (\$654,000)
  - Due to savings seen in PERS/STRS percentage change and other benefit changes
- Services – \$73,674 increase
  - Minimal change due to savings in transportation contracts due to COVID
- Excess Costs – (\$158,000)

	<b>Budget Adoption 2020-21</b>	<b>First Interim 2020-21</b>	<b>Projected 2021-22</b>	<b>Projected 2022-23</b>
Special Education	\$21,257,871	\$20,241,279	\$21,810,942	\$23,487,430
Routine Restricted Maintenance	4,893,582	5,411,806	4,949,135	4,664,430
District Rentals Revenue	(340,192)	(188,150)	(340,192)	(340,192)
<b>Totals:</b>	<b>\$25,811,261</b>	<b>\$25,464,935</b>	<b>\$26,419,885</b>	<b>\$27,811,678</b>



# Contribution

## Transfers In/Out

### Fund 12 – Child Development and Horace Mann contribution increase from Budget Adoption to First Interim:

- *Less revenue due to lower enrollment in light of COVID-19*
- *Expenditures remain the unchanged*
- *No LCAP contribution in 2020-21 due to additional state revenues not projected to receive in the subsequent two years*

	<b>2020-21 Budget Adoption</b>	<b>2020-21 First Interim</b>	<b>2021-22 Projected</b>	<b>2022-23 Projected</b>
<b>Fund 12 – Child Development / Horace Mann LCAP</b>	\$135,846	\$-0-	\$135,846	\$135,846
<b>Fund 12 – Child Development Fund / Horace Mann</b>	850,182	2,245,332	1,180,372	1,200,725
<b>Totals:</b>	<b>\$986,028</b>	<b>\$2,245,332</b>	<b>\$1,316,218</b>	<b>\$1,336,571</b>



# Contribution

## Transfers In/Out

### Fund 13 – Child Nutrition Services contribution increase from Budget Adoption to First Interim:

- *Less revenue due to COVID-19*
- *Expenditures remain the unchanged*
- *Projected years assume in-person instruction with students returning to school participating in the school lunch program with no need for further general fund contribution.*

	2020-21 Adopted Budget	2020-21 First Interim
Revenues	\$3,833,948	\$1,529,744
Expenditures	\$3,852,533	\$3,227,514
Excess/(Deficit)	(\$18,585)	(\$1,697,770)
Interfund Transfers	\$18,585	\$1,148,892
Beginning Fund Balance	\$548,878	\$548,878
Ending Fund Balance	\$548,878	\$-0-



# General Fund Multi-Year Projection

	2020-21	2021-22	2022-23
Beginning Balance	\$16,346,412	\$11,574,262	\$7,208,851
Revenue	175,264,489	162,105,740	155,999,782
Fiscal Stability Plan—Expense Reduction	-0-	-0-	(18,289,560)
Expense <i>(including interfund transfers out and Fiscal Stability Plan – Expense Reduction)</i>	180,036,638	166,471,153	157,001,689
<b>Fund Balance</b>	<b>11,574,262</b>	<b>7,208,851</b>	<b>6,206,943</b>
Non Spendable	100,060	100,060	100,060
CSEA Job Study	390,000	390,000	390,000
Assigned	2,483,800	1,653,377	999,200
Reserve (REU) 3%	5,401,099	4,994,135	4,710,051
Board REU up to 3%	3,199,304	71,280	7,633
<b>Unified School District Statewide Average Reserve Level/GFOA Recommended Reserve Level - 17%</b>	<b>\$30,606,228</b>	<b>\$28,300,096</b>	<b>\$26,690,288</b>

Note: Columns may not add up due to rounding



# Board Approved Fiscal Stability Plan

<b>Board Approved Reductions</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
<b>Not filling vacancies</b>	<b>\$267,535</b>	<b>\$490,859</b>	<b>\$490,859</b>
• Two TOSA Positions			
• Supervisor M&O			
• Assistant Principal – Miller Elementary			
<b>Central Office Reductions</b>	<b>62,477</b>	<b>300,000</b>	<b>600,000</b>
Reduce Deferred Maintenance		400,000	400,000
Increase Horace Mann and ATB fees		275,495	248,821
<b>Special Education Reductions</b>		<b>481,000</b>	<b>570,000</b>
Eliminate Elementary PE Teachers		410,000	410,000
Eliminate Elementary Music Teachers		284,000	536,436
Reduce Career Tech Ed Program		250,000	550,000
Increase Class Size		753,000	840,000
Move Pre-Service day to Supplemental Funding		200,000	800,000
<b>Total Reduction</b>	<b>\$330,012</b>	<b>\$3,844,354</b>	<b>\$5,446,116</b>



# Fiscal Stabilization Plan as of First Interim

	2020-21	2021-22	2022-23
<b>Management</b>	\$423,000	\$423,000	\$423,000
• Program Specialist			
• Supervisor M&O			
• Assistant Principal – Miller Elementary			
<b>Certificated</b>	\$966,000	\$966,000	\$966,000
• Elementary PE Teachers – 5.0 FTE			
• Elementary Music Teachers – 3.0 FTE			
• TOSA – 2.0 FTE			
• Assistive Tech TOSA - .20 FTE			
• Increase Class Size	\$1,464,593	\$1,464,593	\$1,464,593
• Teacher Single Subject – 10.0 FTE			
• Teacher Multiple Subject – 3.0 FTE			
<b>Classified</b>	\$195,630	\$195,630	\$195,630
• District Office Attendance Technician – 1.0 FTE			
• Tech Support Specialist I – 1.0 FTE			
• Employee Benefits Tech - .50 FTE			
Move Pre-Service day to Supplemental Funding	\$200,000	\$800,000	\$800,000
Reduce Deferred Maintenance	\$400,000	\$400,000	\$400,000
Reduce Career Tech Ed Program	\$250,000	\$250,000	\$250,000
<b>Total Reductions as of First Interim</b>	<b>\$3,899,223</b>	<b>\$4,499,223</b>	<b>\$4,499,223</b>
<b>Reductions still needed as of First Interim for FY 22-23</b>			<b>\$18,289,560</b>



# Early Issues for 2021

- New Legislature – new members, other changes?
- COVID restrictions will affect Legislature’s operations in 2021 – limit capacity
- Roughly 2/3 of all bills died in 2020 – could see reintroductions of those
- Focus likely to be on COVID-related impacts
- Early relevant issues include:
  - Vaccine priority and requirements – buckle up
  - PPE/Testing for staff and students
  - Learning loss – also SPED impacts
  - Child care
  - Digital equity
  - ADA funding issues – unduplicated counts (budget issue)
  - Mental health (students and staff)
  - Charter schools – age cap and non-classroom based
  - Police on campus

Source: Capitol Advisors



# 2020-21 First Interim

**Any questions?**