

PIEDMONT UNIFIED SCHOOL DISTRICT

2020-21 Draft Budget

Public Hearing

Board of Education Meeting

6/10/2020

2020-21 Budget Development

- o December 2019 - MYP in 1st Interim
- o January 2020 – Governor’s Proposed 2020-21 Budget
- o March 2020 – MYP in 2nd Interim
- o May 2020 – May Revision in Governor’s Proposed Budget
- o June 10, 2020 – Public Hearing / First Reading
- o June 24, 2020 – 20-21 Budget Adopted by Board

Headlines

- o Based on the Governor's May Revise and current estimates of the District's revenues, the District will need to implement \$2 million in reductions to meet the basic reserve levels for 2020-21.
- o There are two sets of negotiations that will determine whether some or all of those reductions can be avoided:
 - o The State Legislature and the Governor are negotiating how the State will fund education.
 - o The District and its employee groups are negotiating how Measure H funds will be used for salaries and job retention.
- o An updated budget will be brought to the Board for adoption on June 24 that will reflect the results of those negotiations.

The Rollercoaster Ride



Deficit for 2020-21 at 2nd Interim	-\$485,000
May Revise - Loss in LCFF	-2,280,000
May Revise - Loss in Other State	-50,000
May Revise - Pension Relief	<u>+545,000</u>
Revised Deficit due to May Revise	-2,270,000
May - Workers Comp rate reduction	+135,000
May - Prop/Liab rate increase	-60,000
PEF Grant Increase	+660,000
Need for COVID Reserve	<u>-500,000</u>
Deficit for 20-21 by May 27	-2,035,000

And now for the loop...

Deficit for 20-21 by May 27	-\$2,035,000
Revised Local Rev Est	-325,000
Revised Parcel Tax Est	-50,000
Revised 19-20 EFB Est	<u>-60,000</u>
Deficit for 20-21 by June 5	-2,470,000
Tier 1 Reductions	570,000
Tier 2 Reductions	1,470,000
Reduce COVID Reserve	<u>430,000</u>
Deficit for 20-21 on June 10	-0-



Where will it end?

Deficit for 20-21 by June 10	0
State/Measure H Funds	+\$2,000,000
Restore Tier 2	-1,470,000
Bring COVID Reserve to \$600K	<u>-530,000</u>
20-21 Budget by June 24 - Balanced!	0



Tier 1 & Tier 2

- o Reductions were made based on:
 - o *Where do we have vacancies and temporary employees?*
 - o *Which programs may be reduced in scope by COVID?*
 - o *Least amount of disruption to classrooms.*
 - o *Prioritize health and wellness of students and staff.*
 - o *Fewest # of people lose jobs.*

Tier 1 & Tier 2

Tier 1 - \$570,000:

- o Reduce/eliminate:
 - o .4 FTE Administrator
 - o 1.2 FTE classified
 - o 1.6 FTE certificated
 - o Assistant coaches
 - o Travel/conferences
 - o Classroom supplies

Tier 2 - \$1,470,000

- o Reduce/eliminate/
involuntary transfers
 - o 9.3 FTE certificated
 - o 17.3 FTE classified
 - o Stipends

Next Steps

- June 12 Negotiations with employee groups will have progressed – hope to have tentative agreements.
- June 12 Legislature must post a budget for vote by June 15 – we will know how much additional State funding we can expect.
- June 24 Revised 2020-21 Budget is presented with revised revenues and final Tier 1 and Tier 2 reductions identified for Board review and adoption.

Appendix

Summary Information on General Fund and Other Funds



Assumptions

- o The Draft 2020-21 Budget is based on the following assumptions from the Governor's May Revision:

Factor	Per May Revision
LCFF – Change to base rates	-7.92%
STRS Employer Rate	16.15%
PERS Employer Rate	20.70%
Lottery (same as 19-20)	\$153 per ADA Unrestricted \$54 per ADA Restricted
Mandated Costs (same as 19-20)	\$1,626 per K-8 ADA \$904 per 9-12 ADA
Special Education	\$645 per ADA as passed through SELPA

Revenues

- o The following table compares revenues in the Estimated Actuals for 2019-20 to the Draft Budget for 2020-21:

Revenue (\$ in Millions)	19-20 Est Actuals	20-21 Draft Budget	Difference
LCFF	\$22.280	\$20.170	-\$2.110
Federal Revenues	0.673	0.680	0.007
Other State	2.764	2.628	-0.136
Local	6.122	5.429	-0.693
Measures G & H	10.603	13.362	2.759
Total	\$42.442	\$42,269	-\$0.173

Expenditures

- o The following table compares expenditures in the Estimated Actuals for 2019-20 to the Draft Budget for 2020-21 :

Expenditures (\$ in Millions)	19-20 Est Actuals	20-21 Draft Budget	Difference
Certificated Salaries	\$18.586	\$18.052	-\$0.534
Classified Salaries	5.936	5.131	-0.805
Benefits	11.634	11.399	-0.235
Books & Supplies	1.787	1.071	-0.716
Services & Operating	5.425	4.325	-1.100
Internal Transfers	-0.005	-0.021	-0.016
Total	\$41.50	\$40.88	-\$3.406

Ending Fund Balance

(\$ in Millions)

	19-20 Est Actuals	20-21 Draft Budget
Beginning Balance	\$2.464	\$1.543
Revenues	42.442	42.269
Expenditures	<u>-43.364</u>	<u>-39.957</u>
Surplus (Deficit)	1.543	3.854
<u>Components of Ending Balance:</u>		
Measure H Reserve	0	2.587
3% Reserve	1.301	1.199
COVID Reserve	0	0.043
Net Surplus (Deficit)	242	0

Other Funds

- o The District maintains other funds for specified purposes. The activity and fund balances are summarized in the table below:

Fund #	Fund Name	Beginning Balance	Revenues	Expenditures	Ending Fund Balance
11	Adult Education	\$ 198,776	\$ 462,894	\$ 620,264	\$ 41,406
13	Cafeteria	310,890	425,654	612,477	124,067
14	Deferred Maintenance	100,303	52,000	50,000	102,303
17	Special Reserve-Noda	107,460	3,500	-	110,960
21	Building Fund	10,636,454	10,500,000	6,165,455	14,970,999
35	State School Fac	255	77	-	332
40	Reserve-Cap Facilities	421,343	5,000	-	426,343
51	Bond Repayment	9,591,597	9,290,425	8,440,425	10,441,597
67	Self Insurance	3,533	-	-	3,533
		\$ 21,370,611	\$ 20,739,550	\$ 15,888,621	\$ 26,221,540