

# South San Francisco Unified School District

## Budget Proposal Presentation

FY 2020-2021

Ted O, Assistant Superintendent, Business Services

June 25, 2020

# Presentation Agenda

- Overview
- Budget Assumptions
- Projected Revenues and Expenditures
- Multi-Year Projection Assumptions
- Multi-Year Projection
- Ending Fund Balances
- Minimum Reserve Requirement
- Looking Ahead

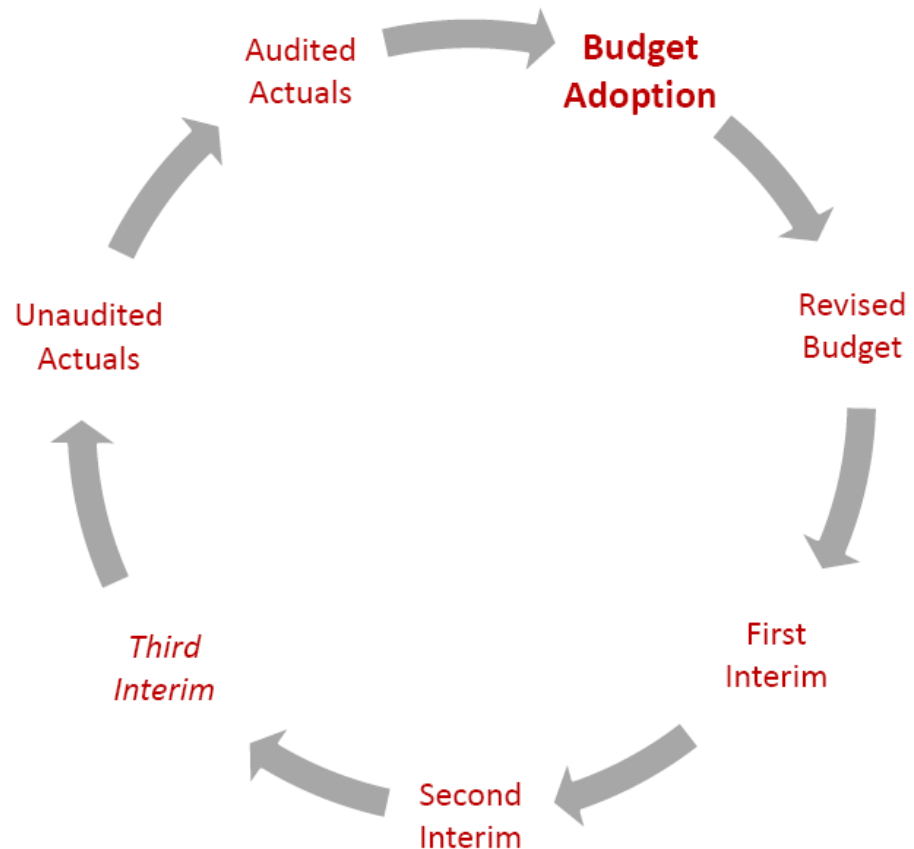
# Education Code Reporting Requirements

- Education Code Section 42127 (a)(1) states that:  
*“On or before July 1 of each year, the governing board of each school district shall hold a public hearing on the budget to be adopted for the subsequent fiscal year. The budget to be adopted shall be prepared in accordance with Section 42126. The agenda for that hearing shall be posted at least 72 hours prior to the public hearing and shall include the location where the budget will be available for public inspection.”*
- Then, the budget is adopted and filed with the County Office of Education (COE), which approves or disapproves the budget

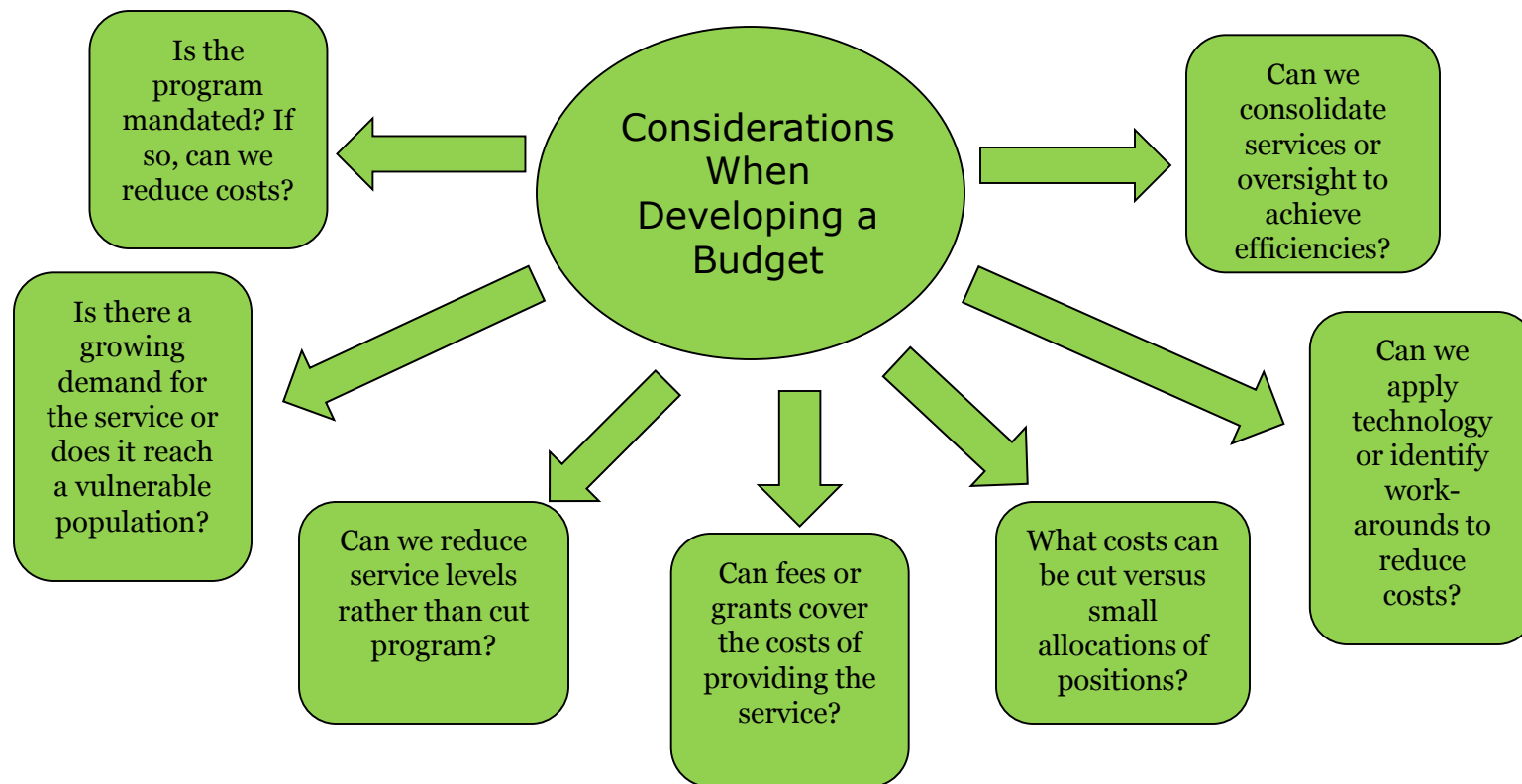
# The Annual Budget Cycle

At each period, we:

- Update budget
- Certify District's financial condition
- Present summary to Board of Education
- Submit copies to County Office of Education and State



# Considerations When Developing a Budget



# LCAP Goals/Actions in Budget

- Under the Local Control Accountability Plan (LCAP), districts are required to put aside funds to provide additional support for the unduplicated students in the district.
- The unduplicated students include English Learners, Students on Free and Reduced Price Meals, and Foster Youth/Homeless.
- For 2020-21, the District has budgeted \$6,099,967 as LCAP-Supplement Funds to support these students.
- The LCAP is made up of three goals and multiple actions within each goal.

# LCAP Goals/Actions in Budget

- Normally, the LCAP is adopted at the same time the budget is adopted.
- This year is different due to the impacts of the COVID-19 pandemic.
- Governor Newsom's Executive Order N-56-20 postpones the deadline this year for adoption of the LCAP from July 1, 2020 to December 15, 2020.
- This evening is only for the public hearing and adoption of the 2020-21 Budget.



## LCAP GOAL 1

### Academic Achievement

The district will provide a high quality curricular program for students that will raise student proficiency on the California Common Core State Standards as measured by overall academic achievement on state assessments, CA Dashboard results, interim assessment data and ELPAC/Reclassification data.

## LCAP GOAL 2

### Professional Development

Identified classified staff, certificated and administrative staff will participate in professional development to create capacity and expertise in curriculum program implementation based on the development of scope and sequence as measured by walkthrough observations and other evidence (artifacts and student work).

## LCAP GOAL 3

### Student, Parent & Community Engagement

Improve parent school engagement through an increase in participation in site and district parent groups such as SSC, PTSA, DELAC, ELAC, AAPAC as well as in other parent meetings as measured by attendance sign in sheets.

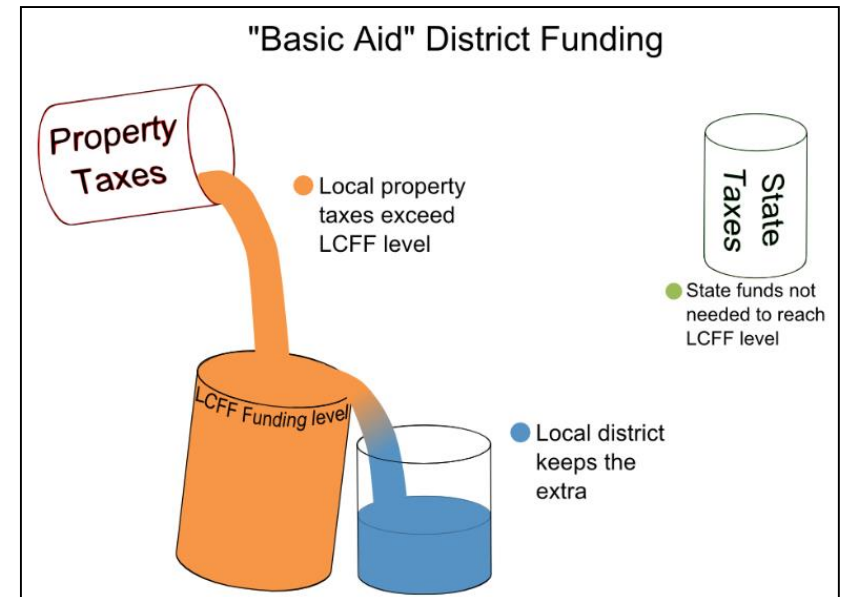
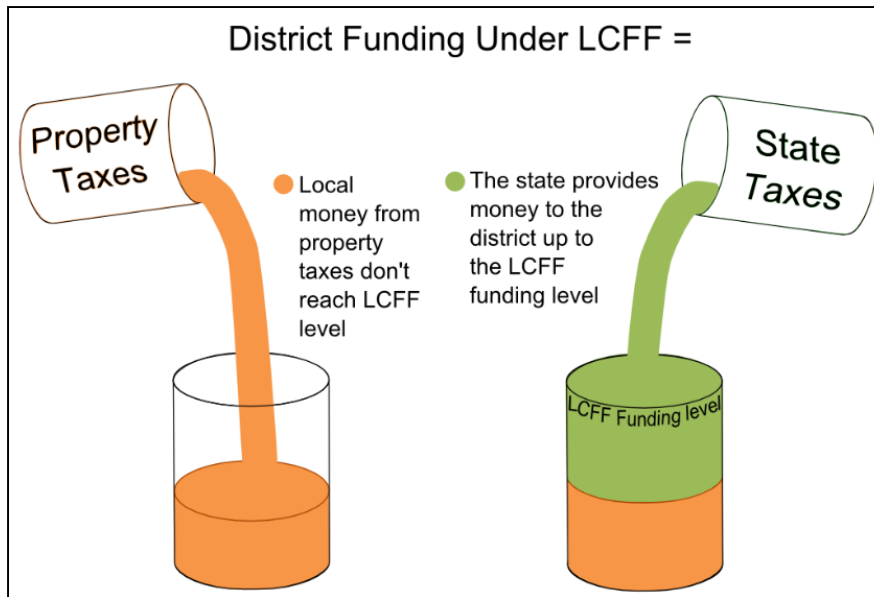
## District Priorities

Improve Curriculum,  
Instruction &  
Assessment

Bolster Professional  
Learning and  
Collaboration

Strengthen  
Leadership Capacity

# Funding for School District - LCFF vs. Basic Aid



# 2020-21 SSFUSD Budget Assumptions

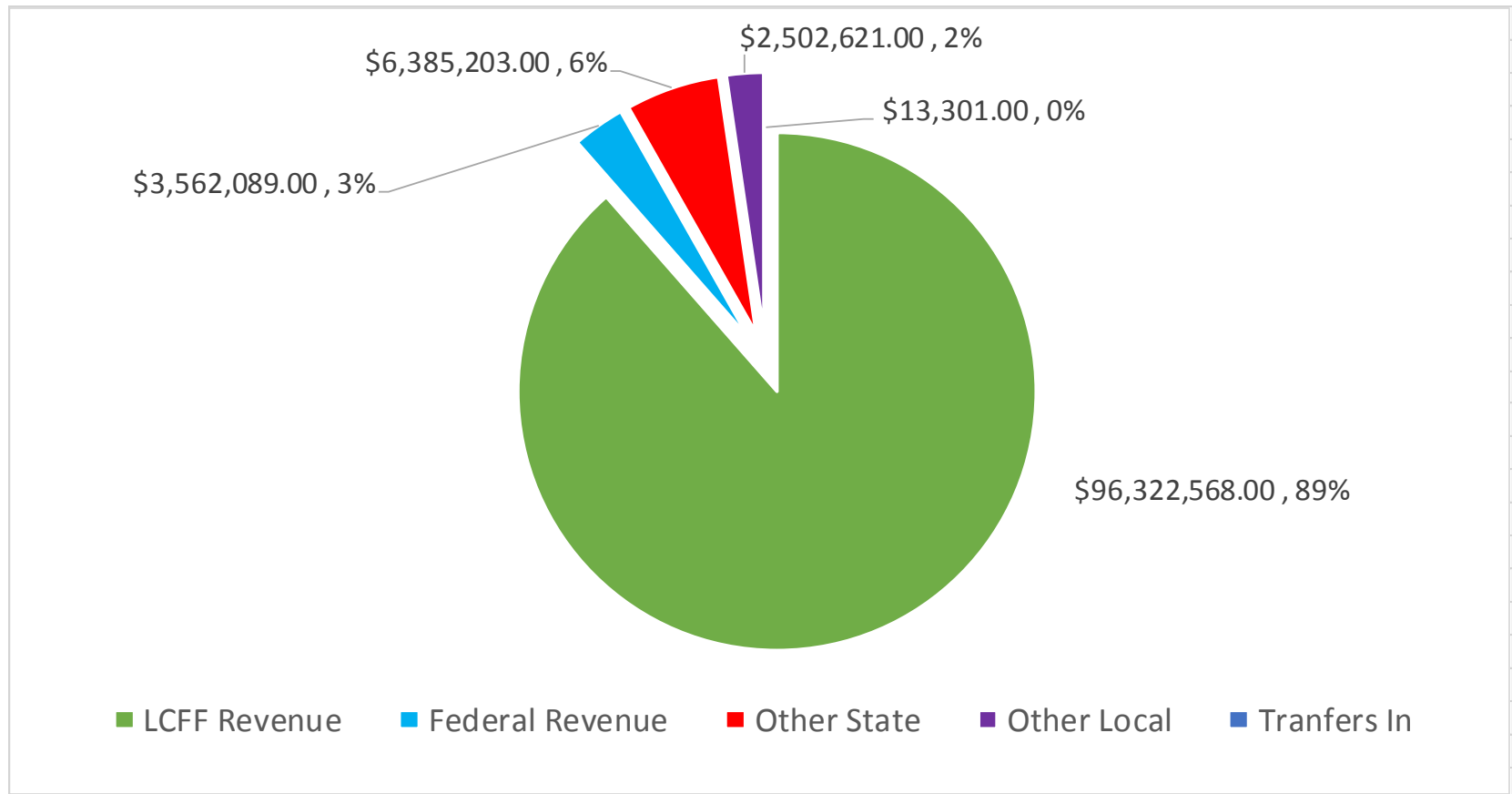
- Projected reduction in property tax
- Projected reduction in on-going RDA revenue
- District will remain Community Funded/Basic Aid
- Estimated Step & Column cost included
- Enrollment/ADA declining
- LCAP Goals/Actions are included in the budget
- Discontinue Deferred Maintenance transfer
- Maintain contribution to Routine Restricted Maintenance
- Estimated STRS/PERS increase included
- Contribution to Special Ed is budgeted
- Gifts and donations are budgeted when received
- Program carryovers not budgeted until books are closed

# 2020-21 Proposed Budget

## General Fund Projected Revenues

<b>REVENUES</b>	<b>2020-21</b>	<b>PERCENTAGE</b>
<b>LCFF Revenue</b>	<b>\$96,322,568</b>	<b>88.54%</b>
<b>Federal Revenue</b>	<b>\$3,562,089</b>	<b>3.27%</b>
<b>Other State</b>	<b>\$6,385,203</b>	<b>5.88%</b>
<b>Other Local</b>	<b>\$2,502,621</b>	<b>2.30%</b>
<b>Transfers In</b>	<b>\$13,301</b>	<b>0.01%</b>
<b>TOTAL</b>	<b>\$108,785,782</b>	<b>100%</b>

# 2020-21 Revenues (Proposed)



# Revenues: LCFF Sources

- State Aid
- Education Protection Account (EPA)
- Tax Relief Subventions
- Secured Tax Rolls
- Unsecured Tax Rolls
- Prior Year Taxes
- Community Redevelopment Funds (RDA)

# Revenues: Federal Sources

- Special Education Entitlement
- Special Education Discretionary
- Interagency Contracts
- Title I, II, III and IV
- Migrant Education
- Medical Administrative Activities (MA)
- All other federal revenue

# Revenues: Other State

- Special Education
- Mandated Costs Reimbursements
- Lottery
- Career Technical Education (CTE)
- All other state revenues

## Revenues: Other Local

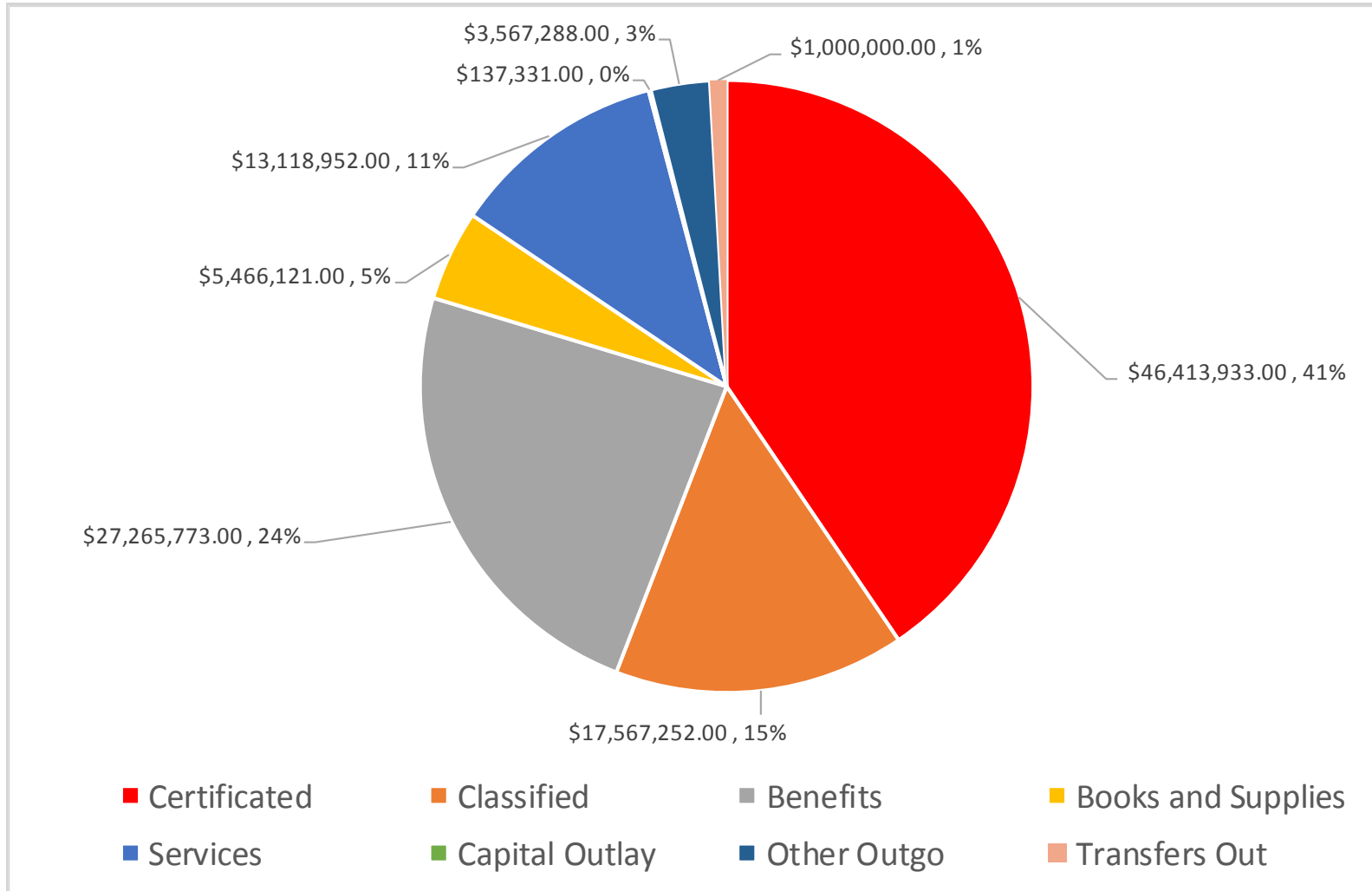
- Community Redevelopment Funds not subject to LCFF deduction.
- Lease and Rentals
- Interest
- Interagency Services
- Tuition
- Gifts and Donations
- All other local revenue

# 2020-21 Proposed Budget

## General Fund Projected Expenditures

<b>EXPENDITURES</b>	<b>2020-2021</b>	<b>PERCENTAGE</b>
<b>Certificated Salaries</b>	<b>\$46,413,933</b>	<b>40.52%</b>
<b>Classified Salaries</b>	<b>\$17,567,252</b>	<b>15.34%</b>
<b>Benefits</b>	<b>\$27,265,773</b>	<b>23.81%</b>
<b>Books &amp; Supplies</b>	<b>\$5,466,121</b>	<b>4.78%</b>
<b>Services</b>	<b>\$13,118,952</b>	<b>11.45%</b>
<b>Capital Outlay</b>	<b>\$137,331</b>	<b>0.12%</b>
<b>Other Outgo</b>	<b>\$3,567,288</b>	<b>3.11%</b>
<b>Transfers Out</b>	<b>\$1,000,000</b>	<b>0.87%</b>
<b>TOTAL</b>	<b>\$114,536,650</b>	<b>100%</b>

# 2020-21 Expenditures (Proposed)



# Expenditure Classifications

- **Certificated Salaries**
  - **Certificated salaries are salaries that require a credential or permit. Examples include but are not all inclusive:**
    - **Teachers, Nurses, Counselors, Administration and Psychologists.**

# Expenditure Classifications

- **Classified Salaries**
  - Classified salaries are salaries that do not require a credential or permit. Examples include but are not all inclusive:
    - Paraeducators, Administrative Assistants, Accounting staff, Payroll staff, Cafeteria Workers, Facilities and Maintenance staff, Custodians and Technicians (HR, PR, IT, etc.).

# Expenditure Classifications

- **Employee Benefits**
  - This classification is used to account for contributions to employee retirement plans, health and welfare benefits, state unemployment insurance, social security, Medicare, workers compensation insurance and other post-employment benefits associated with certificated and classified personnel.

# Expenditure Classifications

- Books and Supplies
  - Expenditures for the purchase of instructional materials, books, equipment (under \$5,000) reference materials, paper, pencils and operational materials are recorded in this category.

# Expenditure Classifications

- **Services and Other Operating Expenditures**
  - This classification is used to record expenditures for services such as rents, leases, repairs, software licenses, maintenance contracts, agreements, dues, travel, insurance, utilities and legal expenses.

# Expenditure Classifications

- Capital Outlay
  - Expenditures for the purchase and/or replacement of sites, buildings, and capitalized equipment are recorded here.

# Expenditure Classifications

- Other Outgo
  - This classification is used to account for tuition payments and excess costs to non-public schools as well as transfers to County Offices and outside educational agencies.

# Expenditure Classifications

- **Interfund Transfers-Out**
  - This classification is used to account for any contribution from the General Fund (restricted or unrestricted) to other funds maintained by the District.

# 2021-22 & 2022-23 MYP Assumptions

- Projected no increase in property tax
- Projected no increase on-going RDA revenue
- Estimated STRS/PERS increase included
- Estimated Step & Column costs included
- Enrollment/ADA continue to decrease
- Discontinues Deferred Maintenance transfer
- Maintains Adult Education transfer
- Contributions to Special Ed and Transportation
- Maintain contributions to Routine Restricted Maintenance program

# Multi Year Projections Assumptions

	<b>STRS</b>	<b>PERS</b>	<b>COLA</b>	<b>COLA Reduction</b>	<b>Lottery</b>	<b>Mandated Block Grant</b>	<b>ADA</b>
<b>19-20</b>	17.10%	19.72%	3.26%	0.00%	\$207	\$94.12	7,893.75
<b>20-21</b>	16.15%	20.70%	2.31%	<b>-10.00%</b>	\$207	\$94.12	7,735.88
<b>21-22</b>	16.02%	22.84%	2.48%	<b>-12.178%</b>	\$207	\$94.12	7,581.16
<b>22-23</b>	18.10%	25.50%	3.26%	<b>-14.95%</b>	\$207	\$94.12	7,429.53

# Multi Year Projection Unrestricted (Before Designations)

<b>GENERAL FUND UNRESTRICTED</b>	<b>Proposed Budget</b>	<b>Projected Budget</b>	<b>Projected Budget</b>
<b>Multi-Year Projections</b>	<b>2020-2021</b>	<b>2021-2022</b>	<b>2022-2023</b>
<b>Revenues &amp; Other Financing Sources</b>			
LCFF/State Aid/Property Tax	\$ 91,815,328	\$ 91,783,754	\$ 91,752,808
Federal Revenues	\$ -	\$ -	\$ -
State Income	\$ 1,587,199	\$ 1,593,615	\$ 1,586,999
Local Income	\$ 1,406,320	\$ 1,406,320	\$ 1,406,320
Transfers in	\$ 13,301	\$ 13,301	\$ 13,301
Other Sources	\$ -	\$ -	\$ -
Contributions	\$ (23,349,145)	\$ (23,449,145)	\$ (23,549,145)
<b>Total</b>	<b>\$ 71,473,003</b>	<b>\$ 71,347,845</b>	<b>\$ 71,210,283</b>
<b>Expenditures &amp; Other Financing Uses</b>			
Certificated Salaries	\$ 37,658,443	\$ 38,223,320	\$ 38,796,670
Classified Salaries	\$ 12,030,375	\$ 12,210,831	\$ 12,393,993
Employee Benefits	\$ 17,455,564	\$ 17,955,360	\$ 19,431,926
Books & Supplies	\$ 2,652,414	\$ 2,652,414	\$ 2,652,414
Services and Operating	\$ 8,063,915	\$ 8,029,716	\$ 7,957,896
Capital Outlay	\$ 61,456	\$ 61,456	\$ 61,456
Other Outgo	\$ (771,844)	\$ (772,325)	\$ (760,988)
Transfers Out	\$ -	\$ -	\$ -
Other Uses	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 77,150,323</b>	<b>\$ 78,360,772</b>	<b>\$ 80,533,367</b>
<b>Net Increase / (Decrease)</b>	<b>\$ (5,677,320)</b>	<b>\$ (7,012,927)</b>	<b>\$ (9,323,084)</b>
Beg. Balance	\$ 27,076,184	\$ 21,398,864	\$ 14,385,937
<b>Ending Fund Balance</b>	<b>\$ 21,398,864</b>	<b>\$ 14,385,937</b>	<b>\$ 5,062,853</b>

# Multi Year Projection Restricted (Before Designations)

<b>GENERAL FUND RESTRICTED</b>	<b>Proposed Budget</b>	<b>Projected Budget</b>	<b>Projected Budget</b>
<b>Multi-Year Projections</b>	<b>2020-2021</b>	<b>2021-2022</b>	<b>2022-2023</b>
<b>Revenues &amp; Other Financing Sources</b>			
LCFF/State Aid/Property Tax	\$ 4,507,240	\$ 4,507,240	\$ 4,507,240
Federal Revenues	\$ 3,562,089	\$ 3,562,089	\$ 3,562,089
State Income	\$ 4,798,004	\$ 4,798,004	\$ 4,798,004
Local Income	\$ 1,096,301	\$ 1,096,301	\$ 1,096,301
Transfers in	\$ -	\$ -	\$ -
Other Sources	\$ -	\$ -	\$ -
Contributions	\$ 23,349,145	\$ 23,449,145	\$ 23,549,145
<b>Total</b>	<b>\$ 37,312,779</b>	<b>\$ 37,412,779</b>	<b>\$ 37,512,779</b>
<b>Expenditures &amp; Other Financing Uses</b>			
Certificated Salaries	\$ 8,755,490	\$ 8,886,822	\$ 9,020,124
Classified Salaries	\$ 5,536,877	\$ 5,619,930	\$ 5,704,229
Employee Benefits	\$ 9,810,209	\$ 9,986,661	\$ 10,407,612
Books & Supplies	\$ 2,813,707	\$ 2,813,951	\$ 2,573,995
Services and Operating	\$ 5,055,037	\$ 4,694,498	\$ 4,406,827
Capital Outlay	\$ 75,875	\$ 75,875	\$ 75,914
Other Outgo	\$ 4,339,132	\$ 4,335,042	\$ 4,324,078
Transfers Out	\$ 1,000,000.00	\$ 1,000,000	\$ 1,000,000
Other Uses	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 37,386,327</b>	<b>\$ 37,412,779</b>	<b>\$ 37,512,779</b>
<b>Net Increase / (Decrease)</b>	<b>\$ (73,548)</b>	<b>\$ -</b>	<b>\$ -</b>
Beg. Balance	\$ 3,924,156	\$ 3,850,608	\$ 3,850,608
<b>Ending Fund Balance</b>	<b>\$ 3,850,608</b>	<b>\$ 3,850,608</b>	<b>\$ 3,850,608</b>

# Multi-year Projection - Projected Ending Fund Balances

The District's projected Ending Fund Balance for both the Unrestricted and Restricted program budgets combined. These amounts are prior to the State required designations and the District designations.

	<b>Estimated</b>	<b>Proposed</b>	<b>Projected</b>	<b>Projected</b>
<b>Unrestricted and Restricted Funds</b>	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-2023</b>
<b>Revenues</b>	\$ 122,874,507	\$ 108,785,782	\$ 108,760,624	\$ 108,723,062
Total Sources of Funds	\$ 122,874,507	\$ 108,785,782	\$ 108,760,624	\$ 108,723,062
<b>Expenditures</b>	\$ 122,649,358	\$ 114,536,650	\$ 115,773,551	\$ 118,046,146
Total Usage of Funds	\$ 122,649,358	\$ 114,536,650	\$ 115,773,551	\$ 118,046,146
<b>Net Incr/Decr in Fund Balance</b>	\$ 225,149	\$ (5,750,868)	\$ (7,012,927)	\$ (9,323,084)
Beginning Fund Balance	\$ 30,775,191	31,000,340	25,249,472	18,236,545
Projected Ending Fund Balance	\$ 31,000,340	\$ 25,249,472	\$ 18,236,545	\$ 8,913,461

# Ending Fund Balances (Reserves)

GASB Statement No. 54 establishes certain classification that governmental agencies are required to report their fund balances

- Nonspendable
- Restricted
- Committed
- Assigned
- Undesignated/Unassigned

# Ending Fund Balance Designations

<b>GENERAL FUND</b>	<b>Estimated</b>	<b>Proposed</b>	<b>Projected</b>	<b>Projected</b>
<b>Unrestricted and Restricted Funds</b>	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>
<i>Estimated Actual/Projected Ending Fund Balance</i>	<i>31,000,340</i>	<i>25,249,472</i>	<i>18,236,545</i>	<i>8,913,461</i>
<b>Nonspendable</b>				
Revolving Cash	25,100	25,100	25,100	25,100
Stores	66,087	75,000	75,000	75,000
Prepaid Expenditures	73,336	100,000	100,000	100,000
<b>Restricted</b>	<b>3,924,156</b>	<b>3,850,608</b>	<b>3,850,608</b>	<b>3,850,608</b>
Committed	0	0	0	0
<b>Assigned/Designated</b>				
STRS/PERS Increases: 2023-24	241,000	241,000	241,000	241,000
STRS/PERS Increases: 2024-25	525,000	525,000	525,000	525,000
Property Tax Repayment - Litigation (Est.)	8,500,000	8,500,000	5,402,933	187,219
Carryover - 19/20 Site Discretionary Funds	368,151	368,151	368,151	368,151
Dual-Immersion Program (Estimate)	550,000	550,000	550,000	0
2 Athletic Trainers - HS Football	220,000	220,000	440,000	0
PCRC-CIS Program Cost (Estimate)	150,000	150,000	300,000	0
1 Additional Nurse	108,473	108,473	216,946	0
3 Additional Health Technicians	176,565	176,565	353,130	0
<b>Reserve:</b>				
Reserved for Economic Uncertainties	6,132,468	5,726,833	5,788,678	3,541,384
Undesignated Reserve	9,940,004	4,632,742	0	0

# Excess Minimum Reserve Requirements

Adopted Budget 2020-21 Budget Attachment Balances in Excess of Minimum Reserve Requirements			
Reasons for Assigned and Unassigned Ending Fund Balances in Excess of Minimum Recommended Reserves (Education Code Section 42127(a)(2)(B) requires a statement of the reasons that substantiates the need for assigned and unassigned ending fund balances in excess of the minimum reserve standard for economic uncertainties for each fiscal year identified in the budget.)			
<b>Combined Assigned and Unassigned/unappropriated Fund Balances</b>			
Form	Fund	2020-21 Adopted Budget	
			Add total of Object Codes 9780/9789/9790 from:
01	General Fund	\$15,471,931.00	<-- a) Form 01
17	Special Reserve Fund for Other Than Capital Outlay Project	\$16,174,790.00	<-- b) Form 17
Total Assigned and Unassigned Ending Fund Balances		\$31,646,721.00	
District Standard Reserve Level		3%	<-- Source: Form 01CS Line 10B-4
Less District Minimum Reserve for Economic Uncertainties		\$3,436,100	<-- Source: Form 01CS Line 10B-7
<b>Total Assigned &amp; Unassigned Ending Balance in Excess of Minimum</b>		<b>\$28,210,621.00</b>	
<b>Reasons for Fund Balances in Excess of Minimum Reserve for Economic Uncertainties:</b>			
SACS Form	Fund	2020-21 Adopted Budget	Description of Need
<i>(These are samples only; please modify as appropriate)</i>			
01	General Fund	\$766,000.0	STRS/PERS Projected Increases 22/23 & 23/24
01	General Fund	\$8,500,000.0	Property Tax Re-Payment - Litigation (Est.)
01	General Fund	\$550,000.0	Dual-Immersion Program One-time Start-up (Est.)
01	General Fund	\$220,000.0	2 Athletic Trainers - HS Football
01	General Fund	\$150,000.0	PCRC-CIS Program Cost
01	General Fund	\$108,473.0	1 Additional Nurse
01	General Fund	\$176,565.0	3 Additional Health Technicians
01	General Fund	\$368,151.0	Carryover - 19/20 Site Discretionary Funds
01	General Fund	\$1,196,642.0	Needed to cover deficit spending in 21/22 and 22/23
17	Special Reserve Fund for Other Than Capital Outlay Project	\$3,174,790.00	Reserve for insurance deductible for flood and property damage
17	Special Reserve Fund for Other Than Capital Outlay Project	\$13,000,000.00	3-months Payroll Reserve to cover district's deficit spending
<i>Insert Lines above as needed</i>			
<b>Total of Substantiated Needs</b>		<b>\$28,210,621.00</b>	
<b>Remaining Unsubstantiated Balance</b>		<b>\$0.00</b>	<b>Balance should be Zero</b>

# Other Funds

- Fund 11      Adult Education
- Fund 12      Child Development
- Fund 13      Cafeteria Fund
- Fund 14      Deferred Maintenance
- Fund 17      Special Reserve
- Fund 21      Bond Fund
- Fund 25      Capital Facilities
- Fund 40      Special Reserve Capital Projects
- Fund 73      Trust Fund

# Looking Ahead

- Public Hearing & Adoption of the 2020-21 Budget
  - June 25, 2020
- 2019-20 Unaudited Actuals
  - September 2020
- 2020-21 First Interim Report
  - December 2020

Comments / Questions?

A decorative graphic consisting of a solid teal horizontal bar at the top, followed by a white horizontal bar below it. On the right side of the white bar, there are three thin, parallel teal lines extending horizontally.