

Budget Solutions

**School Board:
Special Meeting**

March 2, 2020



Presentation Outcomes

- Share budget process, reports, certification options, types of revenue
- Revisit budget cuts in the last 12 years
- Discuss shortfall for 2020/2021 and structural deficit to address
- Timelines and proposed administrative, certificated and classified reductions
- Review budget adjustments, vacancy savings, department budget reductions
- Programs and services that were explored
- Share opportunities for revenue enhancements and what we can/cannot include
- Lay the foundation for board discussion and action

- School district budgets must be approved, by CA Education Code, by the end of June
- They are based on assumptions made by the State of California and the district
- Budgets are based on projections of students, regardless of actual attendance - we still have to pay for the staff if the students do not show up in August
- If the State Budget changes, we lose revenue midyear but cannot easily course correct because we have most of our employees who we have to pay until June 30 of the next year
- The State can change our budget mid-year and we have no way to cover what they reduce

What is the budget process in California public schools?



Reports that Districts Use

Adopted Budget

The board adopts in June, as a best estimate for revenue and expenditures based on a set of assumptions.

1st/2nd Interim

1st (July 1 - Oct 31) report that is a “check in” on budget.

2nd (Nov 1 - Jan 31) that is a “check in” on budget.

Both are reported to the Contra Costa County Office of Education.

Audited Actuals

Actual results of the prior year revenue and expenditures; can inform future budgeting but is based on prior year’s actions.



Three Types of Certification

Positive - A school district can meet its obligations for next year and the two subsequent years

Qualified - A school district may not meet its financial obligations for the current or two consecutive years

Negative - A district cannot meet its financial obligations for the remainder of the current fiscal year or for the subsequent fiscal year.



Types of Revenue

Restricted:

Those from state, federal, or grants with restrictions on how the money is spent. We use those first. Some are deferred revenue and some are unearned income.

Unrestricted:

Funds we receive that are most flexible, allowing us to spend them on a variety of educational or staff purposes.

\$30,600,000 in 09/10

- Class sizes up to contractual limits
- Elementary, middle and high school librarians
- Management reductions including: Assistant Superintendents, Directors, Administrative Assistants, Auditors, Technology/Personnel/Curriculum/Fiscal administrators
- Vice Principals, Program Specialists
- School closures
- Parent subsidized transportation
- Custodians
- School sites budgets
- Materials & supplies budgets districtwide
- Limits on health care costs

\$3,200,000 in 19/20

- Did not fill many vacancies in positions across the district, including administrators and teachers – anticipated savings of \$2.9M
- TK-8 summer school program eliminated – anticipated savings of \$500K
- Outside contracts reduced – anticipated savings of \$100K
- Cell phone stipends – anticipated savings of \$40K
- Food for meetings – anticipated savings of \$15K

There were many positions intended to be eliminated last year that did not fully materialize.

General Fund - Combined Revenue & Expenditures

Year	Revenue	Expense
2015 – 2016	\$344,604,849	\$317,930,340
2016 – 2017	\$353,129,952	\$362,277,908
2017 – 2018	\$344,741,728	\$376,994,560
2018 – 2019	\$379,334,193	\$387,145,921
2019 – 2020	\$367,910,009	\$390,731,435 (\$22,821,426)
2020 – 2021 projected	\$363,828,707	\$381,614,534 (\$17,785,826)
2021 – 2022 projected	\$370,126,658	\$386,452,886 (\$16,326,228)

Includes MDEA tentative agreement and “me too” clause, based on 2nd interim.



Unrestricted Ending Fund Balance

Year	Unrestr Ending Fund Balance	Percentage	Change from Prior Year
2015/2016	\$83,458,565	41.05%	- 7.41%
2016/2017	\$70,339,732	30.44%	- 10.62%
2017/2018	\$38,482,772	15.73%	- 14.71%
2018/2019	\$30,087,204	12.88%	- 2.85%
2019/2020 *	\$20,967,376	8.76%	- 4.12%
2021/2022 est.	\$5,370,673	2.19%	-6.57%
2022/2023 est.	\$8,662,695	-3.48%	-5.67%

- Based on 2nd interim draft report



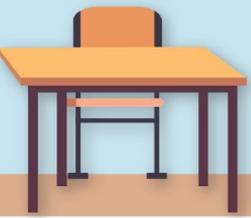
The intentional Deficit Spending included.....

- Provided raises to staff salaries to be competitive with other districts
- Brought back counselors
- Purchased technology for students (state testing)
- Restored district support for middle and high school sports programs
- Added coaches to support beginning teachers and staff in Title I schools
- Added hours to classified roles, increased student support aides
- Restored elementary music programs,
- Put magnet schools in place
- Added to elementary library programs
- Added and expanded programs and services for more students
- Implemented online learning assessment tools
- Invested in school sites and campus infrastructure
- Increased employee medical benefits
- Reinstated previously eliminated administrative positions

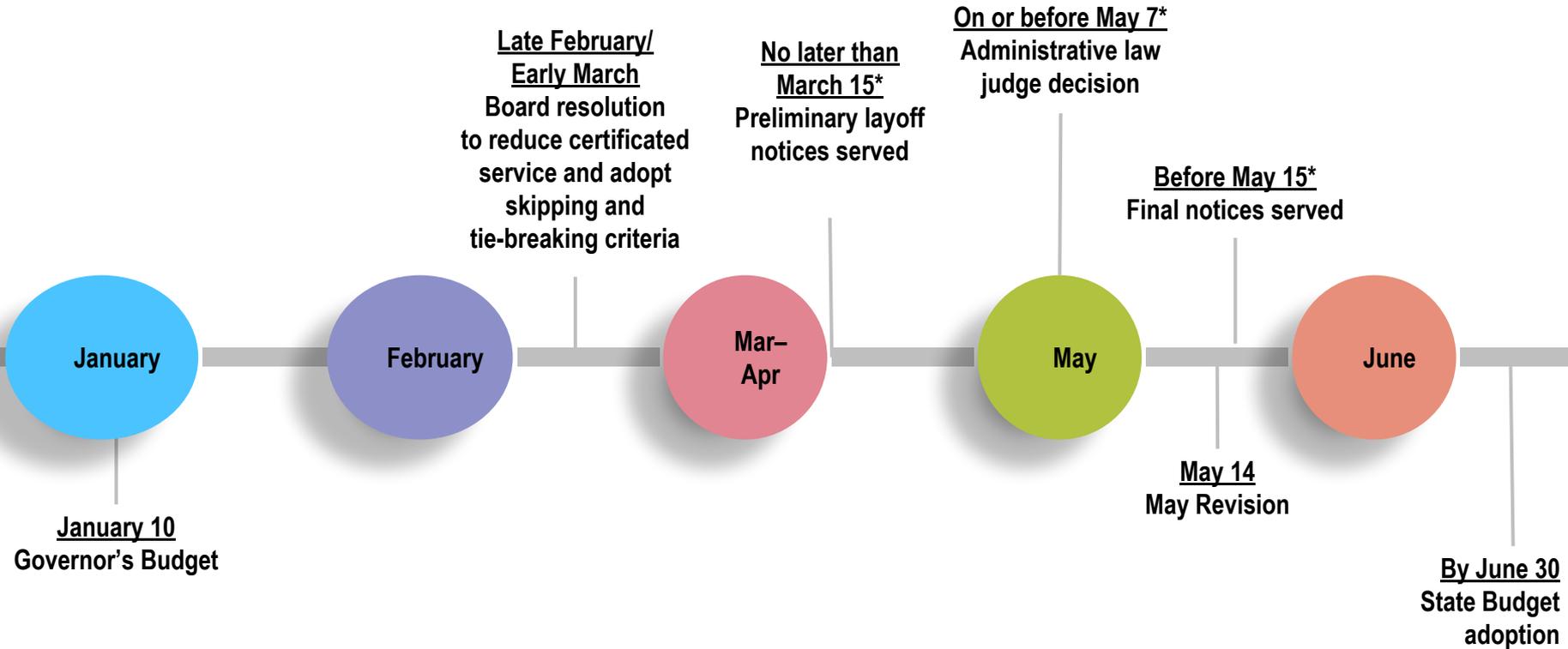


What else is contributing to the deficit?

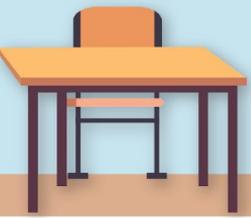
- Cost of Living Adjustment (COLA) does not cover the cost of living increases
- Increasing CalSTRS and CalPERS contributions (retirement costs)
- Year over year intentional deficit spending
- Declining enrollment (ADA - average daily attendance)
- General fund contributions
- Tentative agreement with our bargaining groups



Certificated Layoffs and Timelines



*Statutory deadlines per EC § 44949 and 44955



Classified Layoffs and Timelines

On or about March 20
Board adopts resolution to reduce classified service for lack of work or lack of funds

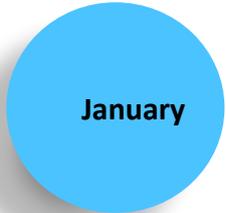
On or about March 27
Notice of layoff personally served on affected employees, including notice of bumping rights and election form

Additional time should be provided to manage bumping and to serve additional notices if needed

Fifteen Days

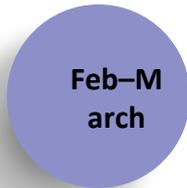
EC § 45117
Notices to be served sixty days prior to the effective date of the layoff for lack of work/lack of funds
Notices of layoff must be served before April 29 for specially funded programs

Layoff effective June 30



January

January 10
Governor's Budget



Feb-March

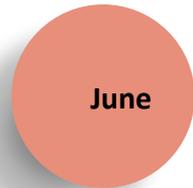


April



May

May 14
May Revision



June

By June 30
State Budget adoption



What is our target amount for budget solutions?

\$21,100,000

Progress so far?

- Budget reductions for vacancies to date -
- Ongoing elimination of certain vacant positions -
- Recategorized personnel costs from unrestricted to restricted -

- Decreased departmental budgets across the district - \$2.7M
- Recapture unspent school, grade level, departmental budgets - \$260K
- *Has not reduced any direct services to students*

\$14,500,000



Contracts, Programs and Service Reductions - Recommendations

	Financial Impact
JROTC - consolidate programs (eliminate contract for 1.0 FTE)	\$92,045.37
Extra time for sites with no AP's	\$76,000
Middle school sports	\$142,000
iReady - contract is for \$780,000 (maintain assessment modules)	\$580,000
Consulting contracts	\$325,000
Training, workshops, conferences	\$150,000
	Subtotal: \$1,365,045.37



Administration/Central Office Reductions - Recommendations

	Total FTE Recommended Reduction	Financial Impact
Certificated management	6.0 FTE	\$1,143,434.75
Classified management	3.0 FTE	\$349,461.60
Confidentials	3.0 FTE	\$332,843.14
<ul style="list-style-type: none">Will present a reorganization proposal in coming months	Subtotal: \$1,825,739.49	



Site Administrator Reductions - Recommendations

	Total FTE	Recommended Reduction	Financial Impact
Elementary Vice Principals	6.0 FTE	2.0 FTE	\$216,400.68
Middle School Vice Principals	15.0 FTE	3.5 FTE	\$390,556.29
High School Vice Principals	12.5 FTE	1.0 FTE	\$130,757.19
Continuation School Vice Principals	3.0 FTE	2.0 FTE	\$275,990.08
	Subtotal: \$1,013,704.24		



Certificated Reductions - Recommendations

	Recommended Reduction	Financial Impact
Elementary teaching staff	35.0 FTE	\$3,072,405
Middle school teaching staff	10.0 FTE	\$877,830
High school teaching staff	10.0 FTE	\$877,830
Elementary librarian	1.0 FTE	\$84,459.23
Middle school librarian (replace with instruc media tech)	3.2 FTE	\$31,126.94 net
High school librarian (replace with instruc media tech)	2.6 FTE	\$25,940.01 net



Certificated Reductions (cont.) - Recommendations

	Recommended Reduction	Financial Impact
Elementary instructional music - current 11.9 FTE	6.0 FTE of 4th grade music	\$687,022.04
BTSA Coach (beginning teacher support & assessment)	1.0 FTE	\$87,783.00
TOSA (teacher on special assignment)= have 16.9 - move 4 FTE into Restricted	2.5 FTE	\$219,457 + \$351,132
Elementary PE teachers	5.0 FTE	\$517,442.47
Alternative education teachers	2.6 FTE	\$228,235.80
ELD support teachers - have 15.94 FTE	11.44 FTE	\$1,004,237.52



Certificated Reductions (cont.) - Recommendations

	Recommended Reduction	Financial Impact
High school IB coordinator - 3 sections	.6 FTE	\$43,175.19
Elementary counselors - have 15.80 FTE	7.8 FTE	\$659,125.04
Middle school counselors - have 17.0 FTE	5.5 FTE	\$464,767.66
High school counselors - have 15.0 FTE	1.0 FTE	\$84,503.21
Stipends for extra duty		\$15,000
Athletic directors - reduce .2 FTE of prep for each of 5	1.0 FTE	\$87,783
Subtotal:		\$ 9,419,255.11



Classified Reductions

- Will come forward at a future board meeting

	Recommended Reduction	Financial Impact
Classified (CST, CSEA, Teamsters)	Approx. 60.4 FTE	\$2,048,365.28



Summary of Recommendations to the Board

	Recommended Reduction	Financial Impact
Contracts, Programs, Services		\$1,365,045.37
Administrators	20.5 FTE	\$2,839,443.73
Certificated	107.24 FTE	\$ 9,419,255.11
Classified (CST, CSEA, Teamsters)	Approx. 60.4	\$2,048,365.28
Total: \$ 15,672,109.49		



Additional ideas for Board consideration

	Financial Impact
AVID (advanced determination for individual determination)	\$200,000
IB programs	\$88,500
School Resource Officers (\$431,433.60 - Concord, \$93,000 - Pleasant Hill)	\$524,433.60



Revenue Enhancements - What we can/can't include

Can

Revenue and grant funds for which we have documentation that we will receive

Can

Charges for appropriate use of school facilities, including cost of living adjustments on custodial, utilities, and commercial square foot charges in local communities

Cannot

Revenue we think will come in but can't confirm

Cannot

Revenue we might receive each year but have no idea what it will be, such as an adjustment or backpayment for programs like MAA or Special Education adjustments



- Board Discussion
& Action