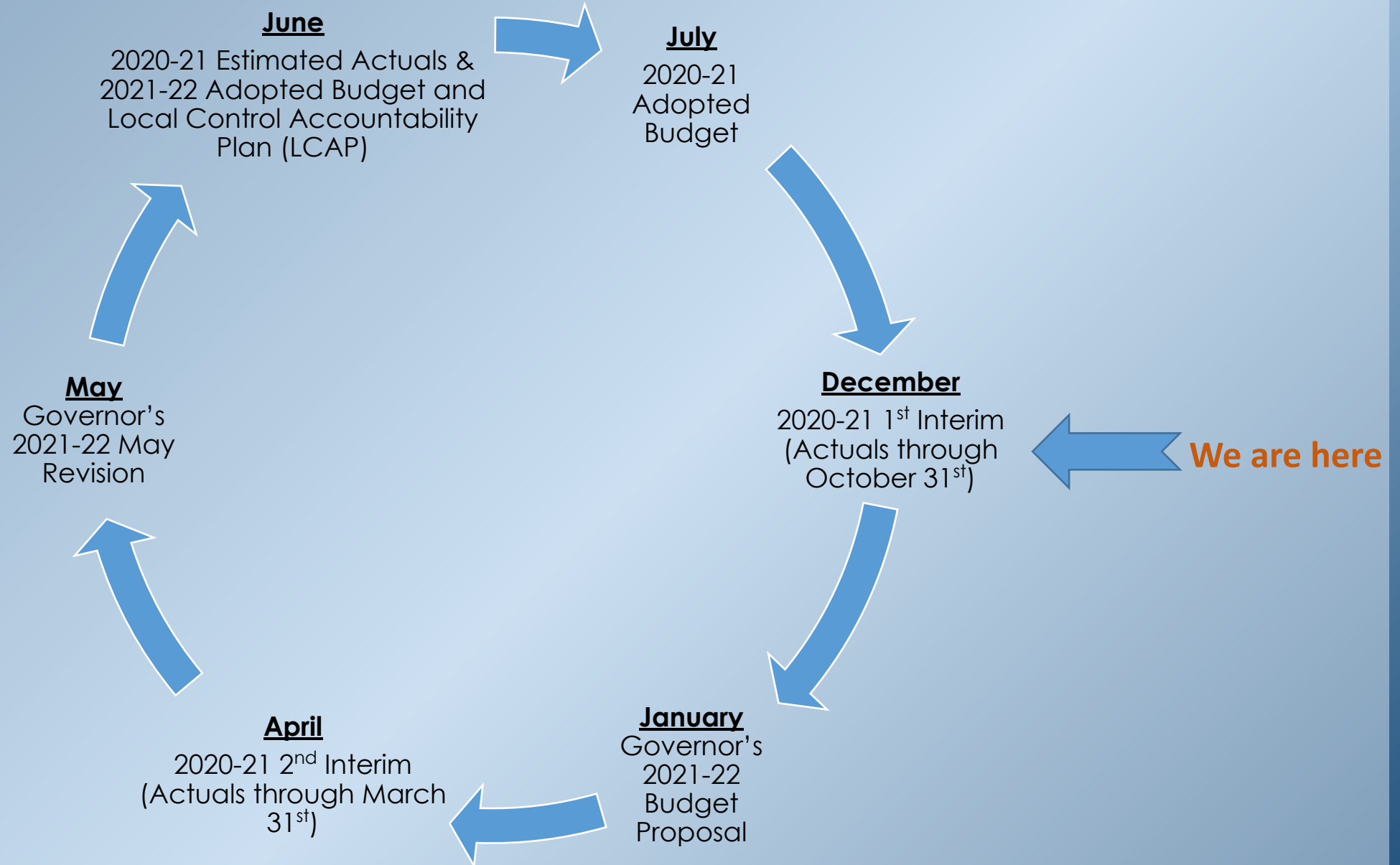




Saratoga Union School District

2020-21 First interim Presentation
December 11, 2020

The Budget Reporting Cycle

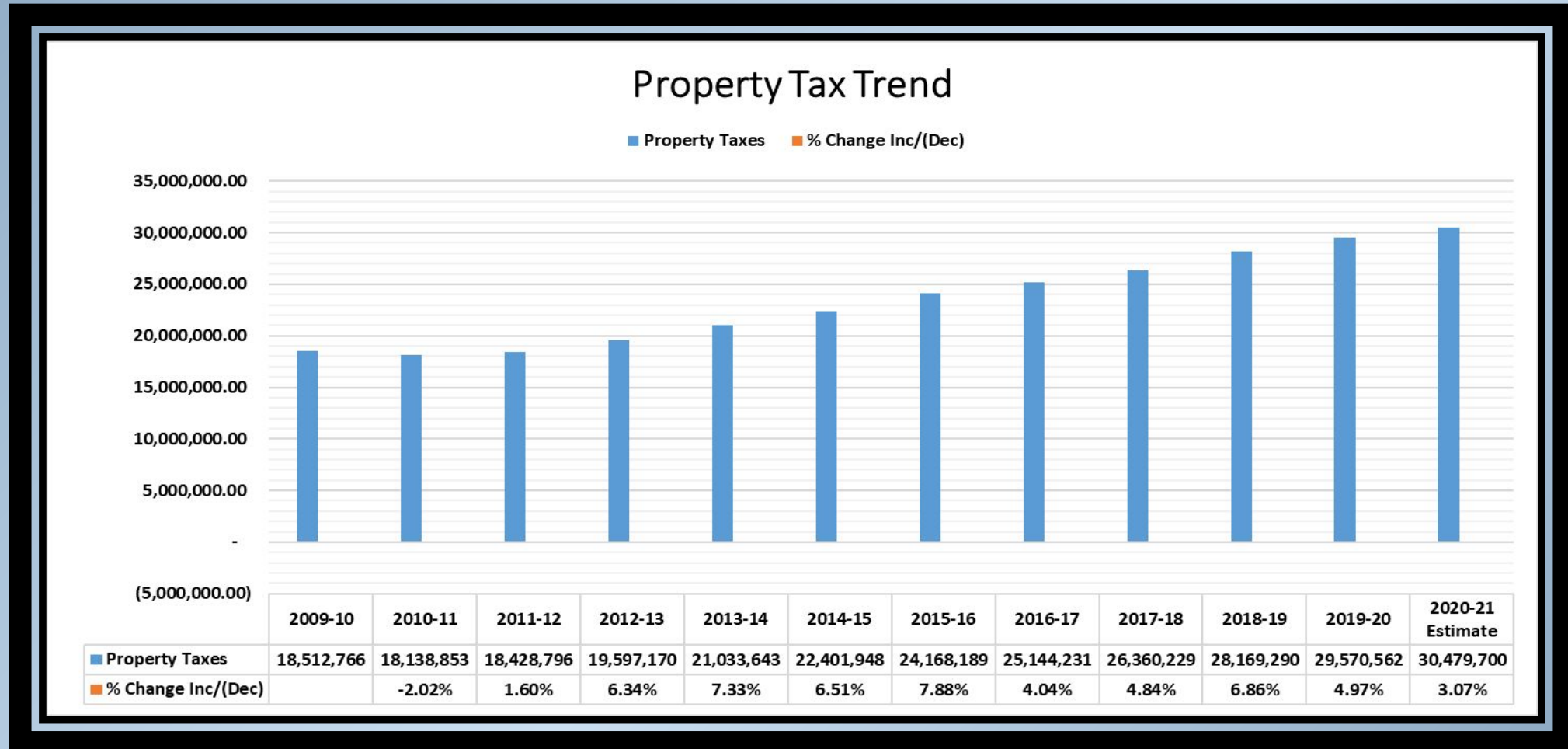


The Economy

- Election Year – We have a new President and likely new Education policies in our near future.
- COVID-19 cases continue to rise, but hope for a vaccine that may be widely available in Spring 2021.
- Consumer Price Index has been low and will affect property tax growth.
- Unemployment still higher than normal, but home sales are steady and increasing.
- Economic decline does not appear to be directly impacting SUSD's budget, but the pandemic has impacted the food service and child care programs.

SUSD Property Taxes Trend

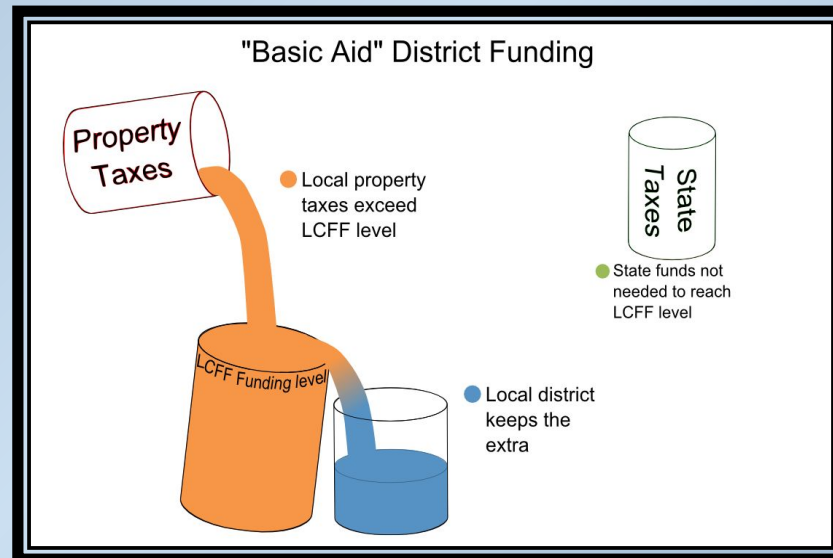
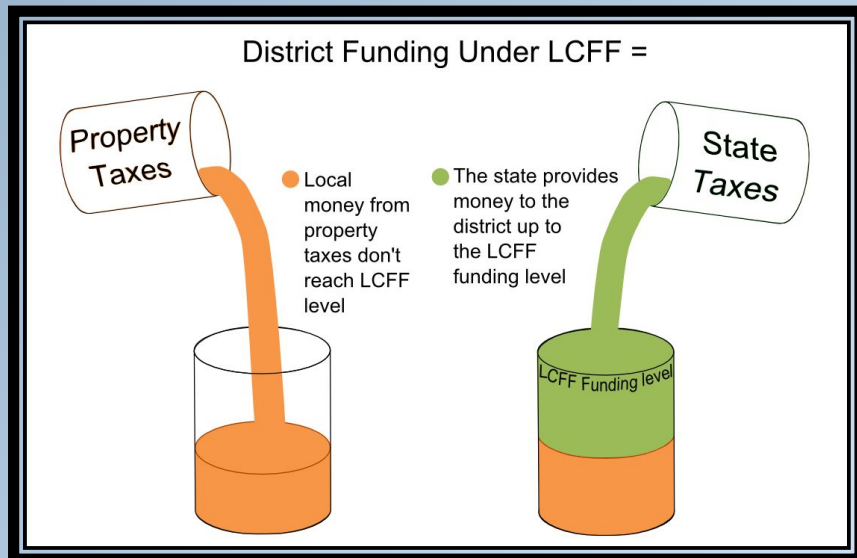
- Largest source of General Fund revenues for SUSD is property taxes. Although this year's growth is lower than in recent years, revenues are still higher and collections have been steady.



BASIC AID District

California public school districts receive funding from a variety of local, state, and federal sources. Some of the funds are earmarked for specific groups of students, including students from low-income families, English language learners, and students with disabilities. The rest of the funds are for general purposes.

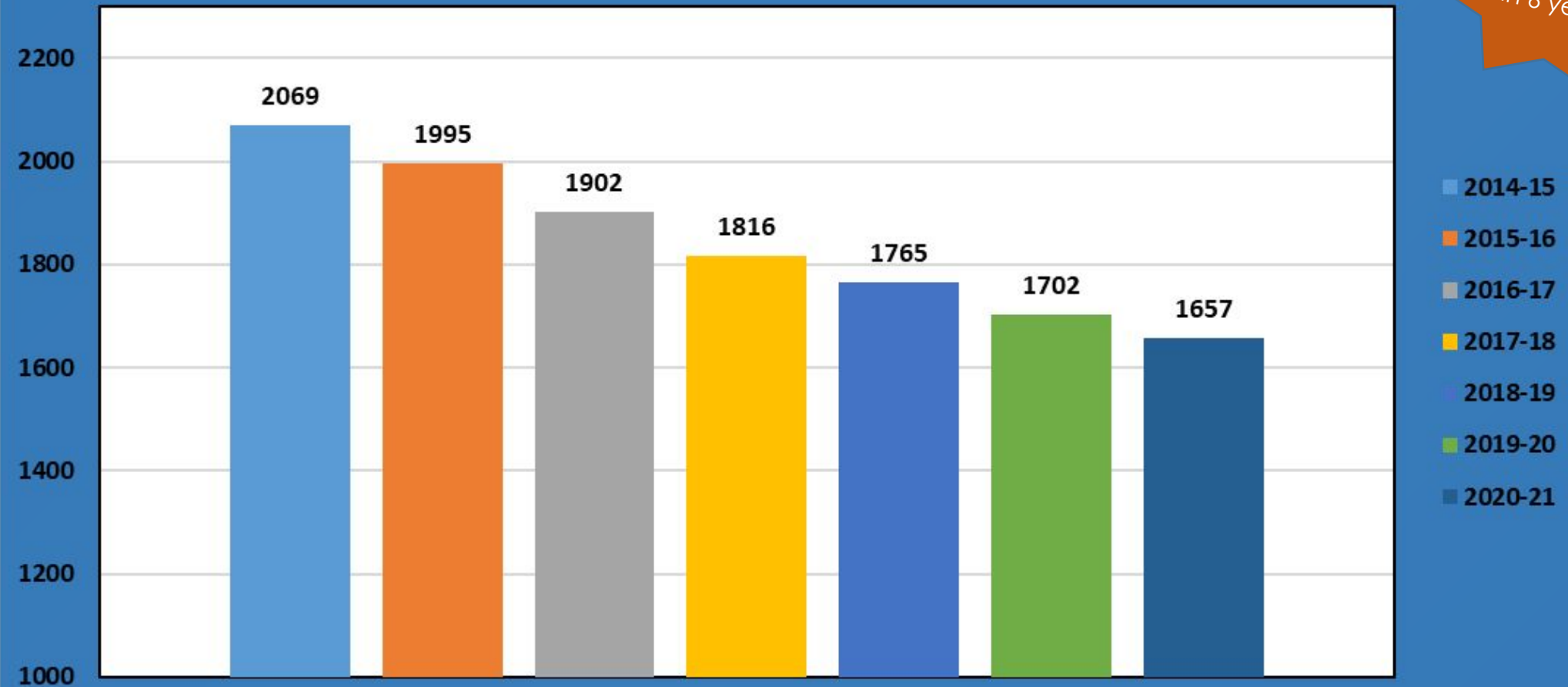
The amount of general purpose funding a school district receives per student (using average daily attendance, also known as ADA) is called its Local Control Funding Formula (LCFF). A district's total LCFF is funded through a combination of local property taxes and state taxes. Each of the nearly 1,000 school districts in California has its own LCFF calculation and different funding rates are applied to grades TK-3, grades 4-6, grades 7-8, grades 9-12.



**SUSD
is a
Basic Aid
district**

Declining Enrollment Trend

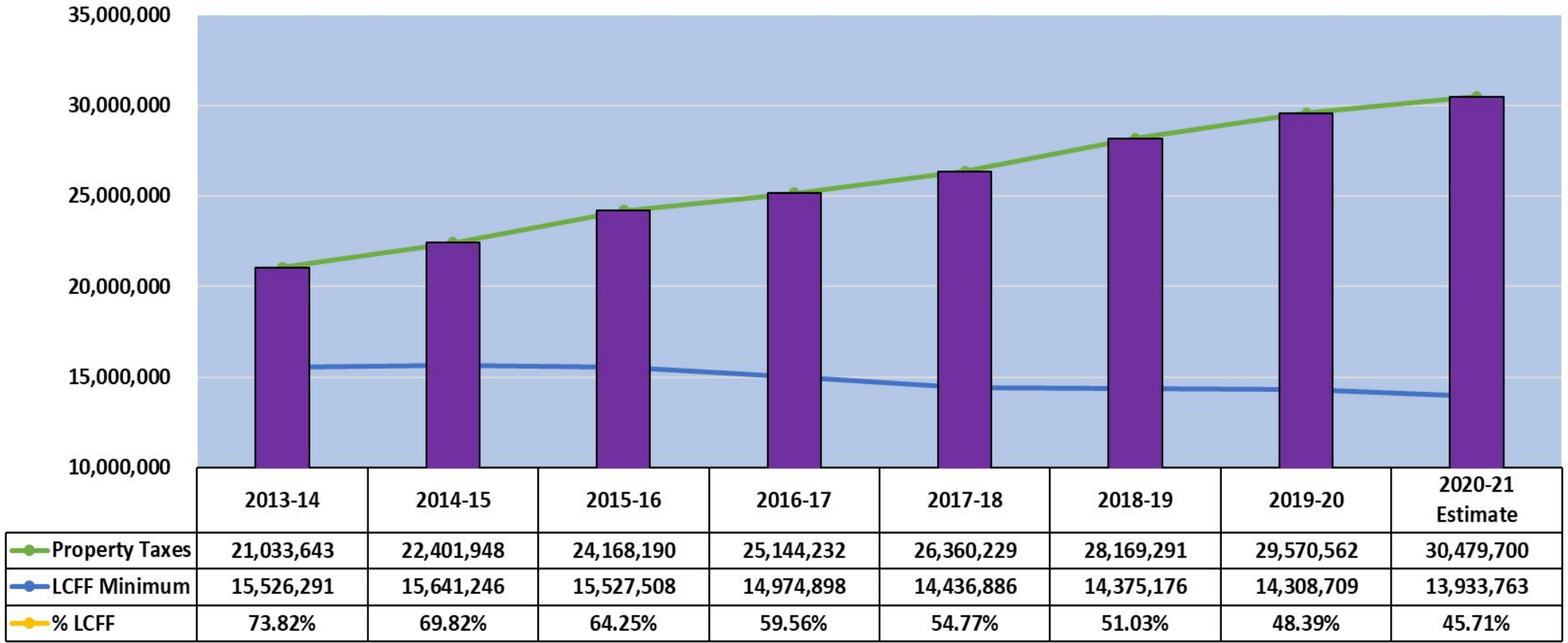
SUSD Enrollment History



20%
Decline
in 6 years

Declining Enrollment Effect on State Aid

Local Control Funding Formula vs. SUSD Property Taxes



Assumption Changes Since Adopted Budget

Assumption Factors	2020-21 Adopted Budget	2020-21 First Interim
District Enrollment	1,655	1,657
Unduplicated Students/%	137/8.58%	135/8.54%
Property Tax Growth %	2%	3.07%
Parcel Taxes	\$475,000	\$475,000
PERS Employer Rate	20.70%	20.70%
STRS Employer Rate	16.15%	16.15%
Certificated FTEs	108.43	108.17
Classified FTEs	72.6	69.0
Mgmt/Confidential FTEs	18.0	18.0
Health & Welfare Rate Increase Kaiser/Anthem BC	-2.8%/8.38%	-2.8%/8.38%
Step & Column %	1.5%	1.5%
Available Reserves % (General and Special Reserve Funds)	17.24%	19.02%

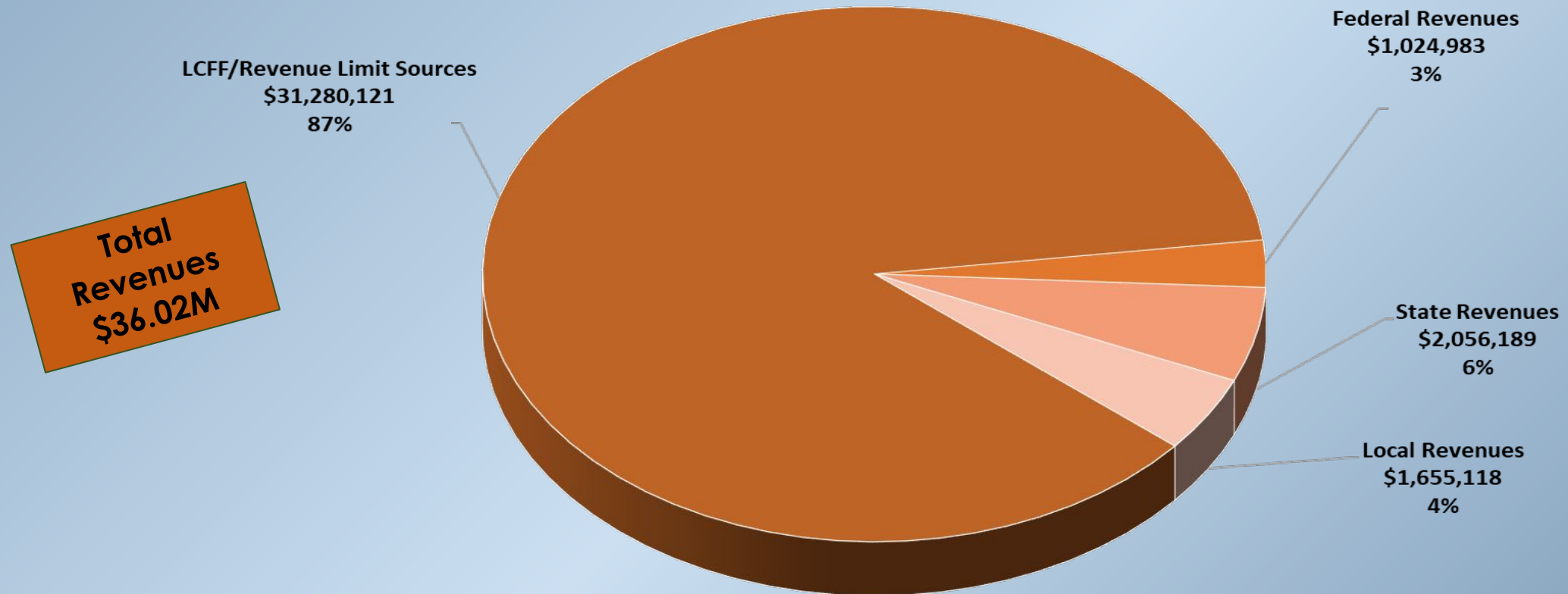
New One-Time Revenues COVID19 Resources

Revenue	Source	2020-21 Allocation	Allowable Uses	Expenditure Deadline
Senate Bill 117	State General Fund	\$29,905	Maintaining nutrition services, cleaning and disinfecting facilities, personal protective equipment, and materials necessary to provide students with opportunities for distance learning	Open
Elem & Secondary School Emergency Relief (ESSER)	Federal CARES Act	\$34,486	Very Broad Use of Funds to support COVID 19 response activities	Mar 13, 2020 to Sept 30, 2022
Learning Loss Mitigation	Federal CARES Act – GEER Funds	\$87,402	<ol style="list-style-type: none"> 1. Student learning supports 2. General measures that extend instructional time for students 3. Provide additional core academic support for students who need it 4. Provide integrated services that support teaching and learning—such as student and staff technology needs, mental health services, staff professional development, and student nutrition 	Mar 13, 2020 to Sept 30, 2022
Learning Loss Mitigation	Federal CARES Act – Coronavirus Relief Fund (CRF)	\$281,667	Same as Learning Loss Mitigation	Mar 13, 2020 to Dec 30, 2020
Learning Loss Mitigation (based on LCFF Supplemental Funds)	Federal CARES Act – Coronavirus Relief Fund (CRF)	\$71,613	Same as Learning Loss Mitigation	Mar 13, 2020 to Dec 30, 2020
Learning Loss Mitigation (based on LCFF Funds)	State Proposition 98 funds	\$121,822	Same as Learning Loss Mitigation	Mar 13, 2020 to June 30, 2021
Learning Loss Mitigation (based on LCFF Supplemental Funds)	Federal CARES Act – Coronavirus Relief Fund (CRF)	\$99,241	Same as Learning Loss Mitigation	Mar 13, 2020 to Dec 30, 2020
TOTAL COVID-19 Resources		\$726,136		

Use of funds for technology, distance learning supports, learning labs and COVID19 supplies. These funds are not enough to cover the school year and some costs are supported by the General Fund as COVID19 resources are depleted.

Revenue Update – Total General Fund

Revenue Factors	Projected/Actual * 2020-21	Projected 2021-22	Projected 2022-23
Property Taxes	3.07%	2.00%	2.00%
Enrollment (CBEDS)	1,657*	1,616	1,588
Average Daily Attendance (ADA)	1,676.01	1,626.54	1,586.36
Unduplicated Student %	8.54%	8.25%	8.33%



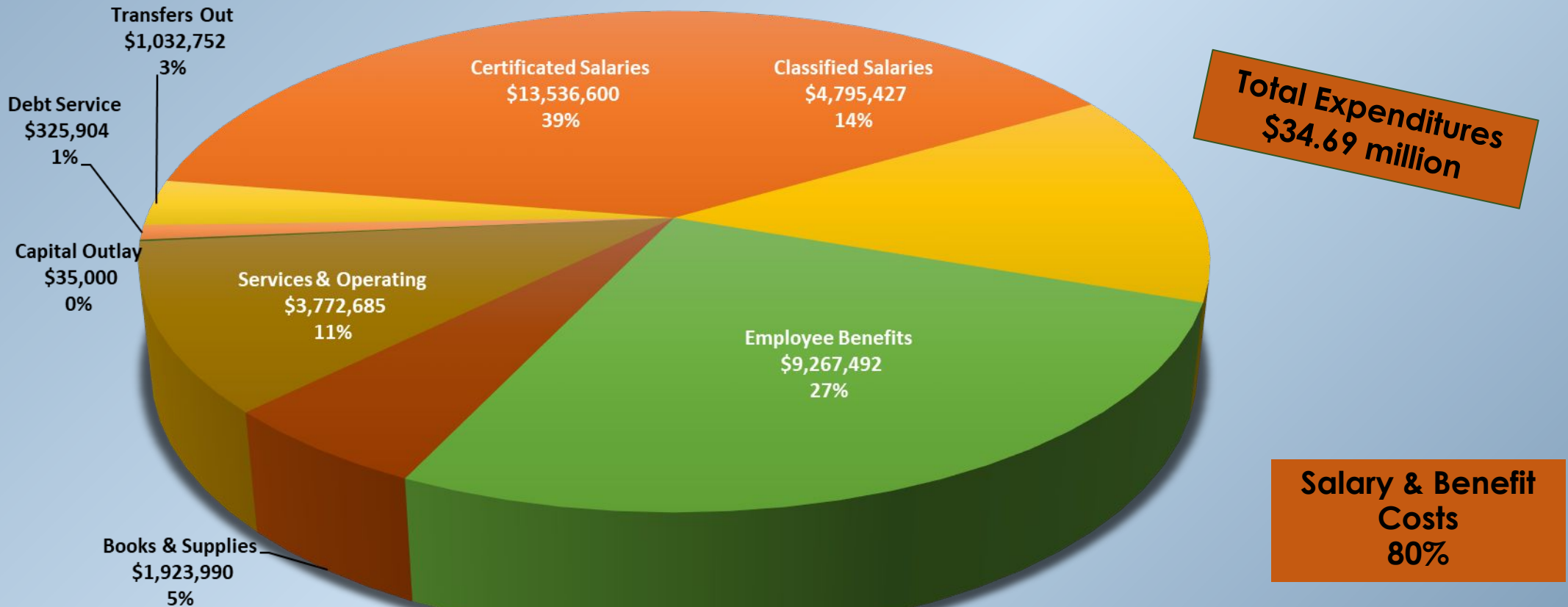
Unrestricted Revenue Budget Changes

Revenue Categories (In Millions)	2020-21 Adopted Budget	2020-21 First Interim	Change
LCFF Sources	\$30.32	\$30.74	\$0.42
Federal Revenues	\$0	\$0	\$0
State Revenues	\$0.33	\$0.32	(\$0.01)
Local Revenues	\$0.51	\$0.55	\$0.04
Transfers In	\$0	\$0	\$0
TOTAL REVENUES	\$31.16	\$31.61	\$0.45

Increase for Property Taxes and site cash collections and decrease in Lottery revenues

Expenditure Update – Total General Fund

Expenditure Factors	Projected 2020-21	Projected 2020-21	Projected 2021-22
STRS Employer Rate Increases (Decrease)	(0.95%)	(0.15%)	2.10%
PERS Employer Rate Increases	0.979%	2.30%	3.30%
Health Benefit Increases	5.58% (Avg)	10%	10%
Step/Column Increases	1.5%	1.5%	1.5%



Changes

Expenditure Category (In Millions)	2020-21 Adopted Budget	2020-21 First Interim	Change
Certificated Salaries	\$11.21	\$10.95	(\$0.26)
Classified Salaries	\$2.54	\$2.71	\$0.17
Employee Benefits	\$5.87	\$5.76	(\$0.11)
Books & Supplies	\$1.18	\$1.28	\$0.10
Services & Operating	\$2.13	\$2.22	\$0.09
Capital Outlay	\$0	\$0	\$0
Debt Service/Other Outgo	\$0.32	\$0.33	\$0.01
Transfers Out	\$0.21	\$1.03	\$0.82
Contributions to Restricted Programs	\$6.49	\$6.18	(\$0.31)
TOTAL EXPENDITURES	\$29.95	\$30.46	\$0.51

Adjusted for actual staffing, increase for Science textbook adoption, increase in insurance costs for premiums and legislation changes, reduced travel and conference due to COVID cancellations, eliminated direct costs from Child Care Fund, increase in transfer requirement to Special Reserve Fund 17 per Board Fund Balance Policy, and increases in contributions for Child Care and Food Service due to school closures.

Components of General Fund Ending Fund Balance

Description	Unrestricted	Restricted	Total
Revolving Cash	\$635	-	\$635
Restricted	-	\$491,170	\$491,170
Assigned (Maintenance/Other Projects, Technology Plan, K-8 Textbook Adoptions and Supplemental Early Retirement Plan)	\$2,853,616	-	\$2,853,616
Economic Uncertainty (Required 3%)	\$1,040,645	-	\$1,040,645
Unassigned/Unappropriated	\$2,365,757	-	\$2,365,757
Total Ending General Fund Balance	\$6,260,653	\$491,170	\$6,751,823

Ending Fund Balance = One-Time Money!

Multi-Year Projections (MYP) – General Fund Combined

Categories (In Millions)	2020-21 1 st Interim	2021-22 Projection	2022-23 Projection
Beginning Balance – July 1	\$ 5.42	\$ 6.75	\$ 7.70
Revenues	\$36.02	\$35.48	\$36.09
Transfers In	\$0.00	\$0.00	\$ 0.00
Total Revenues & Transfers In	\$36.02	\$35.48	\$36.09
Expenditures	(\$33.66)	(\$33.61)	(\$34.84)
Transfers Out	(\$ 1.03)	(\$ 0.92)	(\$1.25)
Total Expenditures & Transfers	(\$34.69)	(\$34.53)	(\$36.09)
Surplus/(Deficit Spending)	\$ 1.33	\$ 0.95	\$ 0
Ending Balance – June 30	\$ 6.75	\$ 7.70	\$ 7.70
Ending Balance (Fund 01 & Fund 17) Available Reserves % (Must be at least 3% for Positive Qualification)	19.20%	25.26%	28.17%

Other Funds - Summary

Fund	Beginning Balance	Revenues	Expenditures	Ending Balance
Fund 13 – Cafeteria	\$45,774	\$461,525	(\$464,386)	\$42,913
Fund 14 – Deferred Maintenance	\$648,834	\$407,500	(\$279,530)	\$776,804
Fund 17 – Basic Aid Special Reserve (BASR)	\$2,931,996	\$322,752	(\$0)	\$3,254,748
Fund 20 – Special Reserve (OPEB)	\$469,898	\$6,000	\$-	\$475,898
Fund 21 – Building Fund	\$2,032,544	\$25,034	(\$1,000)	\$2,056,689
Fund 25 – Capital Facilities	\$3,359,895	\$108,595	(\$15,000)	\$3,453,490
Fund 35 – School Facilities	\$121	\$1	\$0	\$122
Fund 51 – Bond Interest Redemption	\$6,646,645	\$-	\$-	\$6,646,645
Fund 63 – After School Child Care Fund	\$76,637	\$655,100	(\$630,660)	\$101,077

Board Comments & Questions?

