SAN LEANDRO UNIFIED SCHOOL DISTRICT

2020-21 FIRST INTERIM

Kevin Collins, Ed.D.
Assistant Superintendent

December 15, 2020

2020-21 First Interim

Overview:

- Timing of Budget Reports
- Legislative Analyst's Office (LAO) Update
- 2020-21 Budget and Reserve Update
- SLUSD Multi-Year Projection
  - Learning Loss Mitigation Funding
- Enrollment Update
- Unduplicated Count and LCFF Budget Update
- Next Steps

Timing of 2020-21 District Budget

- Governor's May Revise called for 10% cut to K-12 funding due to loss of tax revenue from pandemic
- Legislature balked and called for full funding of COLA
- District budget was adopted in June assuming 2.29% COLA
- Final statutory COLA was 2.31%, but compromise funded COLA adopted by state at 0%
- $15 Million in SLUSD deferrals impact cash flow, but not reflected in budget document
- **SLUSD First Interim reduces revenue from 2.29% to 0% - about a $2 Million reduction**

Legislative Analyst's Office Report

- LAO released an annual fiscal outlook report on November 18
- LAO reports dramatic recovery in state tax revenue
  - Additional $1.6 Billion for 2019-20
  - Additional $12 Billion for 2020-21
  - Could decide to call off deferrals
  - Looking at potential deposit to rainy day fund
- LAO estimates 2021-22 COLA at 1.14%

Legislative Analyst's Office Report

- LAO report was a surprise to many.
- Things could change if virus load continues to get worse leading to extended shelter-in-place orders.
- Because First Interim covers activity through October 31, LAO information is not included in presented budget update.
- Updated assumptions will be included in Second Interim

Economic Outlook

- Property valuations, which relate to local property taxes, have continued to grow during pandemic.
- Personal income tax revenue also is strong, including capital gains taxes from record stock market levels
- Rather than referring to U or V shaped recoveries, some economists are using the term K shaped recovery
  - K reflects that while many people are experiencing recovery from the pandemic, there are many, many people and sectors of the economy that are struggling or shut down completely with no relief in site.

Budget Updates For First Interim

- Major Revenue updates include:
  - Learning Loss Mitigation Funding $ 8,241,897
  - SLED Funding $ 59,135

  - LCFF ($ 2,038,857)
  - Lottery ($ 57,129)
  - Title III - Immigrant ($ 42,483)
  - Title I ($ 24,806)

Budget Updates For First Interim

- Major Expenditure updates include:
  - Learning Loss Mitigation expenditures $8,241,897

$590,194 of LLM funds can be spent through June 2022

2020-21 Revenues – General Fund Original Budget vs First Interim

Revenue Source	Original Budget	First Interim	Difference
LCFF	$91,713,695	$89,674,838	($2,038,857)
Federal	$5,693,707	$13,033,672	$7,339,965
State	$9,443,899	$10,720,226	$1,276,327
Local	$6,956,599	$7,054,107	$97,508
Total	**$113,807,900**	**$120,482,843**	**$6,674,943**

2020-21 Expenditures – General Fund Original Budget vs First Interim

Expense	Original Budget	First Interim	Difference
Certificated Salaries	$54,648,786	$54,595,542	($53,244)
Classified Salaries	$14,312,418	$14,254,775	($57,643)
Employee Benefits	$21,911,344	$22,620,011	$708,667
Books/ Supplies	$2,785,490	$10,155,972	$7,370,482
Services	$16,786,199	$18,090,046	$1,303,847
Capital Outlay	$131,900	$131,900	_
Other Outgo	$1,281,582	$1,281,582	_
Other Outgo – Transfers	($287,555)	($287,555)	_
Total Expenditures	**$111,570,164**	**$120,842,273**	**$9,272,107**

2020-21 Fund Balance (Restricted and Unrestricted)

	Original Budget	First Interim	Difference
Revenue	$113,807,900	$120,482,843	$6,674,943
Expenditures	$111,570,165	$120,842,273	$9,272,108
Other Financing	$110,000	$110,000	–
Excess/ (Deficiency)	$2,127,735	($469,430)	($2,597,165)
Beginning Balance	$13,362,410	$16,469,447	$3,107,037
Audit Adjustments			
Ending Balance	**$15,490,145**	**$16,000,017**	**$509,872**

2020-21 Estimated Ending Fund Balance and Reserves

- Estimated Unrestricted General Fund: $ 8,699,650
- Estimated Restricted General Fund: $ 7,300,367

- Estimated GF Expenditures $ 120,842,273

Unrestricted GF Reserves: 7.2%

"Excess Reserves" above 3% $ 5,031,082

General Fund Multi-Year Projection (*Restricted and Unrestricted*)

	2020-21	2021-22	2022-23
Revenue	$120,482,843	$111,440,205	$111,452,002
Expenditures	$120,952,273	$112,646,799	$116,553,418
Restricted Ending Balance	$7,300,367	$8,713,795	$6,155,405
Unrestricted Ending Balance	$8,659,650	$6,039,629	$3,496,603
% Unrestricted Reserves	7.16%	5.36%	3.00%

- Assumes 0% COLA for 3 years
- Does not include future negotiated salary increases
- Assumes 95% attendance and flat enrollment for next two years
- Restricted reserves are primarily facilities accounts for future use

First Interim Summary - MYP

- Assumption of 0% COLA over 3 years is likely to be updated positively with Governor's January Budget Proposal next month.
- Current MYP maintains 3% minimum reserves.
- 3rd year minimum reserves are accomplished by scheduled transfer from restricted reserves in area of facilities

Learning Loss Mitigation Funding

Deadline	Amount	Status
December 30, 2020	$6,889,491	100% Complete
June 30, 2021	$762,212	50% complete
June 30, 2022	$590,194	0% Complete

LLM Funds have been used for:

- *Chromebooks*
- *Hotspots*
- *Student supplies*
- *Textbooks*
- *Personal Protective Equipment*
- *Outreach Support for Attendance/engagement*
- *Additional library books*
- *Online Learning Platforms*
- *Enhanced Summer School*
- *English Language Learner Para Educators*

Enrollment Update (240 Decrease)

	2019-20 CBEDS	2020-21 Current
TK	140	99
K	697	611
1	702	675
2	705	686
3	615	698
4	669	600
5	622	655
6	676	610
7	676	658
8	684	662
9	719	697
10	754	700
11	681	749
12	727	727
Total	9067	8827

Enrollment Update

	2019-20 CBEDS	2020-21 Current	Change from "Expected"
TK	140	99	-41
K	697	611	-86
1	702	675	-22
2	705	686	-16
3	615	698	-7
4	669	600	-15
5	622	655	-14
6	676	610	-12
7	676	658	-18
8	684	662	-14
9	719	697	13
10	754	700	-19
11	681	749	-5
12	727	727	46
Total	9067	8827	

Unduplicated Count

2019-20	2020-21
6028	5870
66.5%	66.5%

2020-21 Breakdown:

- *Free/Reduced Meal: 61%*
- *English Learner: 11%*
- *Both: 28%*

2020-21 Unduplicated Count includes students identified as English Learners, qualifying for Free and Reduced Priced Meals, and Foster Youth - through December 31, 2020

158 fewer students equates to same percentage because of 230 fewer students overall

LCFF Budget Overview

- The LCFF Budget Overview for Parents is a new requirement that is also being presented for approval tonight.
- With LCAP on pause this year, the Learning Continuity and Attendance Plan (LCP) and Budget Overview are intended provide budgetary and programmatic information to the community.
- We engaged families in 3 central meetings and 25 site based meetings in winter of 2020 prior to Shelter in Place. We will continue this practice in 2021 (February) in order to both explain purpose of LCFF funding and get input on desired actions to build the LCAP for 2021-2024.

Next Steps

- The Governor will release his 2021-22 Budget in January which will be followed by the School Services of California virtual conference
- Second Interim will be presented at March board meeting.
- 2020-21 Budget and LCAP will be presented for review and adoption in June.

Questions or Comments?