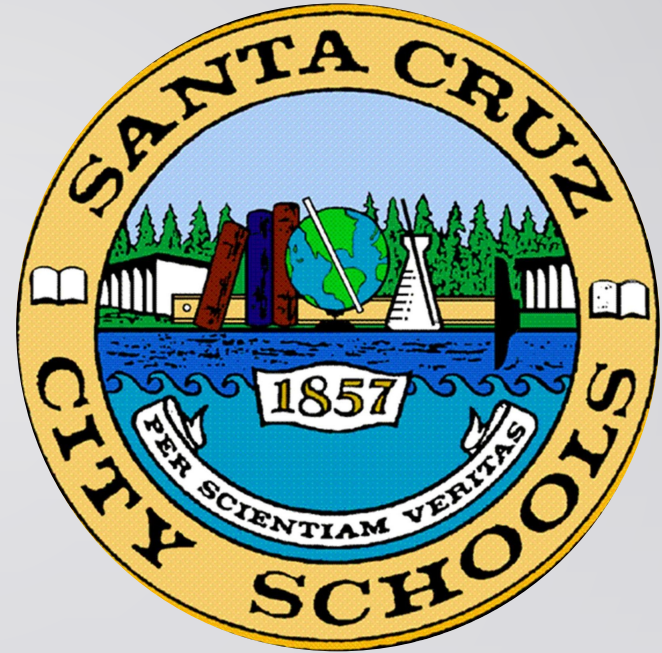



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# Budget Advisory Committee

## 2020-21 Second Interim Report





## Recent News from Sacramento

- Increase in one-time revenues from the State
- Ongoing negotiations on revenue distribution from the Governor's January Budget
- Discussion on fund distribution to support pandemic costs and reopening of schools – negotiated 03/01/21
- Ongoing negotiations of a federal stimulus package
- Increase in Pension costs projected in 2022-23
- Decline in enrollment and unduplicated counts present funding challenges to the state and schools
- Increase discussion of challenges in the out years due to economic effects of the pandemic



# Certification

- Positive Certification – Certifies that the District will be able to meet its financial obligation for the current and subsequent two fiscal years.
- Santa Cruz City Schools 2nd Interim 2020-21 is self-certified as “Positive”



## 2nd Interim Adjustments

### Changes in Revenue:

Local Control Funding Formula (LCFF) Sources increased by \$88,043

- Driven by enrollment updates

Federal Revenue increased by \$23,923

- Changes in Title I, Title II, Title IV, Medi-Cal and Special Ed Preschool

State Revenue increased by \$1,680,762

- STRS On Behalf for 2020-21 increased (mandatory entry)

Local Revenue increased by \$341,014

- Increases in Special Education & Donations



## 2nd Interim Adjustments

### Changes in Expenditures:

Certificated Salaries decreased by \$334,848

- Associated with a variety of position control changes, substitute costs and extra work agreements

Classified Salaries increased by \$29,369

- Mainly attributed to position control changes, extra work agreements, and substitute costs

Employee Benefits increased by \$1,422,902

- Updated STRS On Behalf estimate for 2020-21 \$1.6M increase (mandatory entry)



## 2nd Interim Adjustments

### Changes in Expenditures:

Books and Supplies decreased by \$953,336

- Updated Materials/Supplies and Non-capitalized equipment to projected actuals
- Fewer LCFF Supplemental resources were spent as CARES and Learning Loss Mitigation Funds needed to be spent by specified deadlines

Services and Operating increased by \$529,473

- Updated professional/consulting services in special education and in travel/conferences, rentals/leases/repairs, and hotspots

Capital Outlay decreased by \$4,326

- Equipment and equipment replacements changes to actual costs.

# Learning Loss Mitigation Funds (LLMF)

**\$4,899,963 District received in (LLMF) Learning Loss Mitigation Funds**

**\$878,924 - Resource 3210 Elementary & Secondary School Emergency Relief**  
Spend by September 30, 2022

**\$403,890 - Resource 3215 Governor's Emergency Relief Fund**  
Spend by September 30, 2022

**\$2,999,833 - Resource 3220 Coronavirus Relief Funds, LCFF & Supplemental**  
Spend by **June 30, 2021**

**\$106,435 - Resource 7388 COVID-19**  
Spend by Open

**\$510,881 - Resource 7420 PROP 98**  
Spend by **June 30, 2021**

# Multi-Year Projection (MYP)

## Key Revenue Assumption Changes

- 3.84% Cost-of-Living Adjustment (COLA) for 2021-22 and 1.28% for 2022-23 using School Services of California
- Adjustments to Revenues and Expenditures noted previously included in updated Multi-year Projection

# 2nd Interim Multi Year Projection

	Zero COLA		
2/23/2021	2020/21		
	Projected		
	Unrestricted	Restricted	Total
Revenue			
LCFF Sources	70,115,611	0	70,115,611
Federal Revenue	0	8,081,209	8,081,209
State Revenue	1,174,757	5,798,121	6,972,878
Local Revenue	7,191,044	1,626,683	8,817,727
<b>Total Revenue</b>	<b>78,481,412</b>	<b>15,506,013</b>	<b>93,987,425</b>
Expenditures			
Certificated	29,701,620	7,638,012	37,339,632
Classified	8,829,306	3,893,473	12,722,779
Benefits	15,350,513	8,434,872	23,785,385
Books & Supplies	1,835,102	7,379,918	9,215,020
Services, Other Ops	6,613,120	6,699,391	13,312,511
Capital Outlay	226,884	253,261	480,145
Other Outgo	25,362	0	25,362
Direct/Indirect Support	(769,301)	769,301	0
<b>Total Expenditures</b>	<b>61,812,606</b>	<b>35,068,228</b>	<b>96,880,834</b>
<b>Excess/Deficiency</b>	<b>16,668,806</b>	<b>(19,562,215)</b>	<b>(2,893,409)</b>

	Unrestricted	Restricted	Total
Revenue			
Other Financing	0		
Transfers In	2,500,000	0	2,500,000
Transfers Out	719,537	0	719,537
Contributions To Restr.	(17,533,112)	17,533,112	0
<b>Transfers/Contributions</b>	<b>(15,752,649)</b>	<b>17,533,112</b>	<b>1,780,463</b>
	0	0	0
<b>Net Inc/Dcr to Fund Balance</b>	<b>916,157</b>	<b>(2,029,103)</b>	<b>(1,112,946)</b>
<b>Beg Fund Balance</b>	<b>16,126,910</b>	<b>1,695,652</b>	<b>17,822,562</b>
Audit Adjustments			0
<b>Ending Fund Balance</b>	<b>17,043,067</b>	<b>(333,451)</b>	<b>16,709,616</b>
Legally Restricted/Designated	67,704	523,238	590,942
Unrestricted Reserve:			
Reserve 3% Econ. Uncert.	2,928,011		2,928,011
Reserve for 21-22 Deficit	22,053		22,053
Reserve for 22-23 Deficit	2,115,084		2,115,084
Reserve for 23-24 Deficit	3,974,041		3,974,041
LCFF Supplemental	920,000		920,000
Undesignated	7,016,174	(856,689)	6,159,485
% Unrestricted Reserve			9.31%

# 2nd Interim Multi Year Projection

	<b>3.84% COLA</b>		
<b>2/23/2021</b>	<b>2021/22</b>		
	<b>Projected</b>		
	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>
<b>Revenue</b>			
LCFF Sources	72,284,509	0	72,284,509
Federal Revenue	0	3,628,439	3,628,439
State Revenue	1,174,757	4,798,244	5,973,001
Local Revenue	7,088,021	1,624,420	8,712,441
<b>Total Revenue</b>	<b>80,547,287</b>	<b>10,051,103</b>	<b>90,598,390</b>
<b>Expenditures</b>			
Certificated	30,145,820	7,345,548	37,491,368
Classified	8,990,225	3,802,752	12,792,977
Benefits	16,491,466	8,682,531	25,173,997
Books & Supplies	1,835,102	2,260,627	4,095,729
Services, Other Ops	6,962,294	5,465,120	12,427,414
Capital Outlay	226,884	253,261	480,145
Other Outgo	25,362	0	25,362
Direct/Indirect Support	(781,639)	781,639	0
<b>Total Expenditures</b>	<b>63,895,514</b>	<b>28,591,478</b>	<b>92,486,992</b>
<b>Excess/Deficiency</b>	<b>16,651,773</b>	<b>(18,540,375)</b>	<b>(1,888,602)</b>

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>
<b>Other Financing</b>	0		
Transfers In	2,500,000	0	2,500,000
Transfers Out	300,000	0	300,000
Contributions To Restr.	(18,873,826)	18,873,826	0
<b>Transfers/Contributions</b>	<b>(16,673,826)</b>	<b>18,873,826</b>	<b>2,200,000</b>
	0	0	0
<b>Net Inc/Dcr to Fund Balance</b>	<b>(22,053)</b>	<b>333,451</b>	<b>311,398</b>
<b>Beg Fund Balance</b>	17,043,067	(333,451)	16,709,616
Audit Adjustments			0
<b>Ending Fund Balance</b>	<b>17,021,014</b>	<b>(0)</b>	<b>17,021,014</b>
<b>Legally Restricted/Designated</b>	67,704	0	67,704
<b>Unrestricted Reserve:</b>			
Reserve 3% Econ. Uncert.	2,783,610		2,783,610
Reserve for 21-22 Deficit	0		0
Reserve for 22-23 Deficit	2,115,084		2,115,084
Reserve for 23-24 Deficit	3,974,041		3,974,041
LCFF Supplemental	450,000		450,000
Undesignated	7,630,576	(0)	7,630,575
% Unrestricted Reserve			11.22%

# 2nd Interim Multi Year Projection

	<b>1.28% COLA Using SSC</b>		
	<b>2022/23</b>		
	<b>Projected</b>		
	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>
<b>Revenue</b>			
LCFF Sources	72,494,733	0	72,494,733
Federal Revenue	0	3,628,439	3,628,439
State Revenue	1,174,757	4,798,244	5,973,001
Local Revenue	7,053,571	1,624,420	8,677,991
<b>Total Revenue</b>	<b>80,723,061</b>	<b>10,051,103</b>	<b>90,774,164</b>
<b>Expenditures</b>			
Certificated	30,589,658	7,455,328	38,044,986
Classified	9,154,363	3,875,717	13,030,080
Benefits	17,890,358	9,184,008	27,074,366
Books & Supplies	1,835,102	2,267,135	4,102,237
Services, Other Ops	6,866,952	5,465,120	12,332,072
Capital Outlay	226,884	253,261	480,145
Other Outgo	25,362	0	25,362
Direct/Indirect Support	(801,571)	801,571	0
<b>Total Expenditures</b>	<b>65,787,108</b>	<b>29,302,140</b>	<b>95,089,248</b>
<b>Excess/Deficiency</b>	<b>14,935,953</b>	<b>(19,251,037)</b>	<b>(4,315,084)</b>

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>
<b>Other Financing</b>	0		
Transfers In	2,500,000	0	2,500,000
Transfers Out	300,000	0	300,000
Contributions To Restr.	(19,251,037)	19,251,037	0
<b>Transfers/Contributions</b>	<b>(17,051,037)</b>	<b>19,251,037</b>	<b>2,200,000</b>
	0	0	0
<b>Net Inc/Dcr to Fund Balance</b>	<b>(2,115,084)</b>	<b>0</b>	<b>(2,115,084)</b>
<b>Beg Fund Balance</b>	<b>17,021,014</b>	<b>(0)</b>	<b>17,021,014</b>
Audit Adjustments			0
<b>Ending Fund Balance</b>	<b>14,905,930</b>	<b>(0)</b>	<b>14,905,930</b>
Legally Restricted/Designated	67,704	0	67,704
Unrestricted Reserve:			
Reserve 3% Econ. Uncert	2,861,677		2,861,677
Reserve for 21-22 Deficit	0		0
Reserve for 22-23 Deficit	0		0
Reserve for 23-24 Deficit	3,974,041		3,974,041
LCFF Supplemental	450,000		450,000
Undesignated	7,552,508	(0)	7,552,508
% Unrestricted Reserve			10.92%

# Fund Balances

Fund 11 Adult Education - \$49,320

Fund 14 Deferred Maintenance - \$66,205

Fund 20 Special Reserve for Postemployment Benefits (OPEB) - \$9,929

Per Actuarial study OPEB Liability is \$16,897,030 with a pay as you go of \$780,413

Fund 21 Elementary Bond - \$20,400,000 projected to issue Series C in 2021-22

Fund 21 Secondary Bond - \$42,000,000 projected to issue Series C in 2021-22

# Fund Balances

Fund 21 Redevelopment Agency Elementary - \$4,158,188

Fund 21 Redevelopment Agency Secondary - \$4,453,873

- \$3,000,000 in funds set aside in secondary for performing arts center
- Move to Fund 40 – Special Reserve post 2<sup>nd</sup> Interim

Fund 25 Capital Facilities (Developer Fees) - \$427,205

Fund 40 Special Reserve for Capital Outlay Projects - \$21,428

Fund 56 – Debt Service Fund created post 2<sup>nd</sup> Interim

Fund 73 Foundation Trust (Scholarships) - \$1,923,372

## Fund 13 Cafeteria

Revenues			Expenses	
Beg Fund Balance	\$57,626			
Federal	\$713,000		Classified Salaries	\$703,483
State	\$75,000		Employee Benefits	\$552,113
Local	<u>\$117,556*</u>		Books & Supplies	\$355,209
Total	\$963,182		Services	\$37,522
Contribution	<u>\$719,537</u>		Capital Outlay	<u>\$16,597</u>
Total	\$1,682,719		Total	\$1,664,924
*included in Local is	\$20,703			

# Next Steps

Elementary & Secondary School Emergency Relief (ESSER) II Funds – Resource 3212

Elementary \$983,897

Secondary \$2,653,996 (post 2<sup>nd</sup> Interim)

State Senate Bill 86 will provide additional revenue (negotiated 03/01/21)

– More details will be released soon

March 2021- Preliminary Certificated and Classified Staffing reviews

May 18, 2021- Projected Budget Advisory Committee Meeting

May 20, 2021- Governor's May Revise

June 2, 2021

- Local Control and Accountability Plan (LCAP) Hearing
- Budget Hearing

June 16, 2021

- Local Control and Accountability Plan (LCAP) Adoption
- Budget Adoption/Excess Balances Report

**Multi-Year  
Intervention  
Planning for  
Spring, 2021  
through Summer,  
2022**

- Intervention planning began in July 2020
- Ongoing stakeholder input via ThoughtExchange & Surveys
- Ongoing Principal Collaboration
- Discussion and Ranking
- Budget Development
  - Scaling Plans based on future funding - Elementary and Secondary School Emergency Relief (ESSER 2) Federal Funding, Title I, LCFF Supplemental and potential additional Federal & State Resources

# Ongoing Input from Stakeholders

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Parent, Staff & Student Surveys and Thought Exchanges

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Local Control Accountability Plan Surveys

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Student Input Group

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Student Empathy Interviews

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Rtl Coordinators

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Union Leadership

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Teacher Leaders

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# Elementary School Interventions

## Spring 2021

- Virtual and In-Person Small Group Targeted Academic Assistance
- Expansion of Small Cohorts
- Additional Learning Assistants to support small groups

## Summer 2021 & 2022

- 2-3 Week Sessions
- Academic and Social Emotional Supports
- Extended Services for SDC Students

## School Year 2021-2022

- Additional Rtl Coordinator with a mathematics focus
- Additional Learning Assistants to support small groups
- Social Emotional Supports
- Short-term intervention groups before and after school
- Math and Literacy Online Programs

## Social Emotional Support

- Increased Behavioral Support, including Zones of Regulation and other site-specific programs
- Schoolwide mindfulness - Drop Everything & Reflect (DEAR)

# Middle School Interventions

## Spring 2021

- Expansion of Small Cohorts
- Small Group Virtual and In-Person Tutoring
- Increased Paraeducator Support in Site-Specific Intervention Programs

## Summer 2021 & 2022

- 2-3 Week Sessions for rising 5th through 7th students-- iReady Math and Learning Ally Program Interventions
- Academic and Social Emotional Supports (Growth Mindset)
- Extended Services for SDC Students

## School Year 2021-2022

- Classes 30 - 1 for Hybrid
- Additional AVID Section at each site
- Increased Paraeducator Support
- Additional ELD teacher and support
- Library Tutorial Center 3pm - 5pm

## Social Emotional Support

- Additional 1.0 Social Emotional Counselor at each site
- Wellness Centers

# High School Interventions

## Spring 2021

- 1.0 Credit Recovery Teacher for each High School
- Small Group Virtual and In-Person Tutoring
- Expansion of Small Cohorts

## School Year 2021-2022

- Classes 30 - 1 for Hybrid
- Continue 1.0 Credit Recovery Teachers
- Small Group Tutoring
- Math and English intervention sections
- Bilingual paraeducators

## Summer 2021 & Summer 2022

- Credit Recovery
- Rising 9th Grade Math Bridge
- 3 Week Math Course Boosters
- Extended Services for SDC Students
- Elective Sessions - CTE, VAPA and Intramurals

## Social Emotional Support

- Additional 1.0 Social Emotional Counselor at each High School & .5 for Costanoa / Ark

# Questions

“The best way to cheer yourself is to try to cheer someone else up” – Mark Twain

