

2020-2021 Budget Development Update

Presented by:

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Outcomes of Presentation

- Affirm RUSD budget priorities
- Clarify the past and present factors impacting RUSD's budget/budget development for 2020-2021
- Outline the impacts of ongoing reductions/cuts vs. 1x cuts/delays to the multi-year budget
- Revised Recommended budget reductions
- Budget reductions that have been considered, but are not recommended at this time
- Identify the unknowns in the budget development process at this time
- Next steps in budget development process

RUSD Budget Priorities

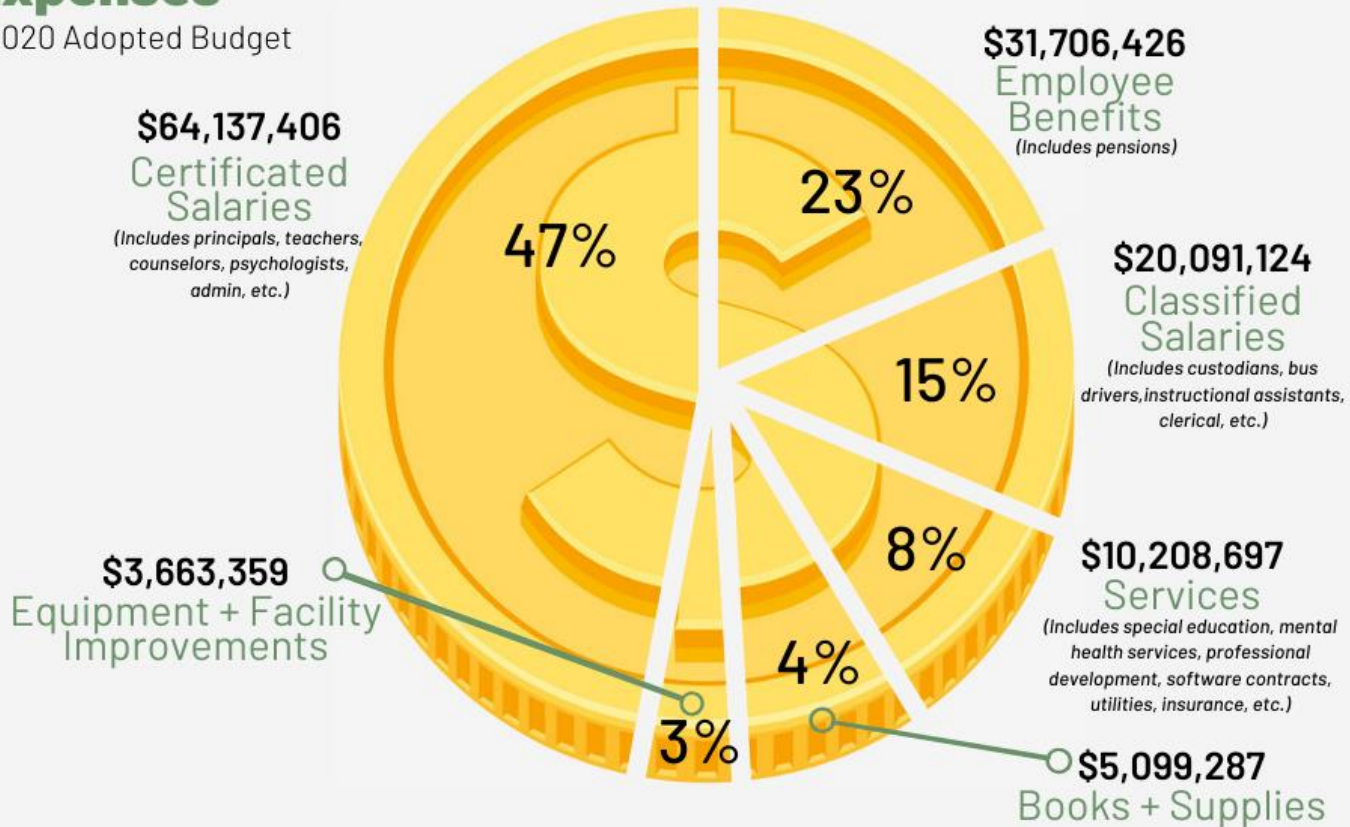
- Reprioritize funds to attract and retain high quality employees
- Support student safety, learning, and wellness
- Support employee safety, learning, and wellness
- Systems to support schools

District Expenses

RUSD Budget Information at a Glance

District Expenses

Based on 2019-2020 Adopted Budget



Total Expenditures: \$134,906,299

How did we get here?

Why budget reductions?

1. 2019-20 RUSD adopted budget
 - Deficit spending
 - Reserves at state minimum level
2. Increased funding vs. increased costs
3. Budget assumptions changed
 - Slower enrollment growth
 - Decline in daily attendance
 - Lower COLA

How did we get here?

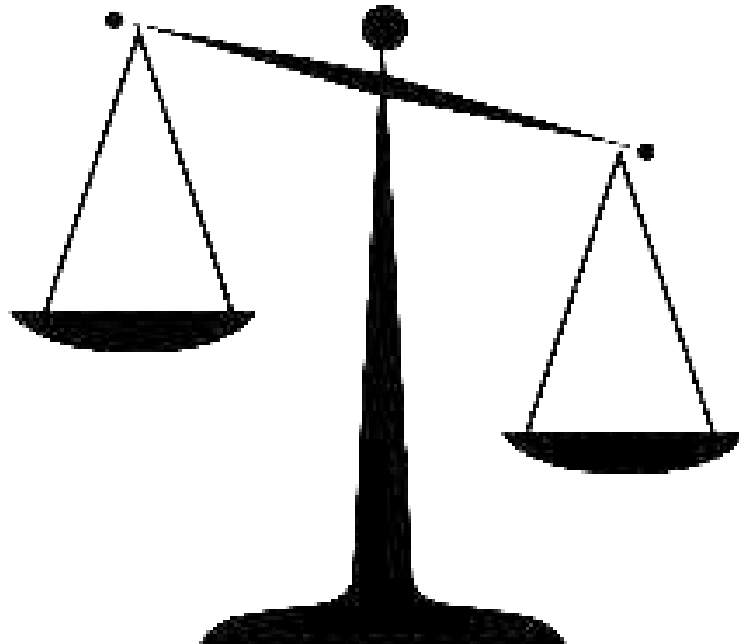
Adopted 2019-20 Budget (June 2019)

		2018-19 Estimated Actuals	2019-20 Adopted Budget	2020-21 Projected Budget	2021-22 Projected Budget
A.	TOTAL REVENUES AND FINANCING SOURCES	\$ 126,483,342	\$ 126,960,082	\$ 131,124,224	\$ 135,321,605
B.	TOTAL EXPENDITURES & USES	(129,665,153)	(134,906,299)	(136,519,001)	(139,982,062)
C.	TOTAL NET INCREASE (DECREASE) IN FUND BALANCE (Deficit Spending)	\$ (3,181,811)	\$ (7,946,217)	\$ (5,394,777)	\$ (4,660,457)
D.	FUND BALANCE, RESERVES				
1.	Beginning Fund Balance	27,814,652	24,632,841	16,686,624	11,291,847
2.	Ending Fund Balance	\$ 24,632,841	\$ 16,686,624	\$ 11,291,847	\$ 6,631,390
E.	COMPONENTS OF FUND BALANCE				
1.	Nonspendable	\$ 397,814	\$ 292,777	\$ 198,684	\$ 104,592
2.	Restricted	6,790,856	4,483,117	2,622,561	846,628
3.	Committed	703,257	756,687	505,117	558,547
4.	Assigned				
a.	Other assigned	2,574,955	1,407,903	1,122,903	920,119
b.	Subsequent year unrestricted deficit spending	5,638,478	3,534,221	2,747,012	
5.	Unassigned (REU)	\$ 8,527,481	\$ 6,211,919	\$ 4,095,571	\$ 4,201,504
	REU as a % of total expenditures	6.58%	4.60%	3.00%	3.00%
	REU and LCFF contingency as a % of total expenditures	10.93%	7.22%	5.01%	3.00%
	1% Reserve	1,296,652	1,349,063	1,365,190	1,399,821
	3% Reserve	3,889,955	4,047,189	4,095,570	4,199,462

How did we get here?

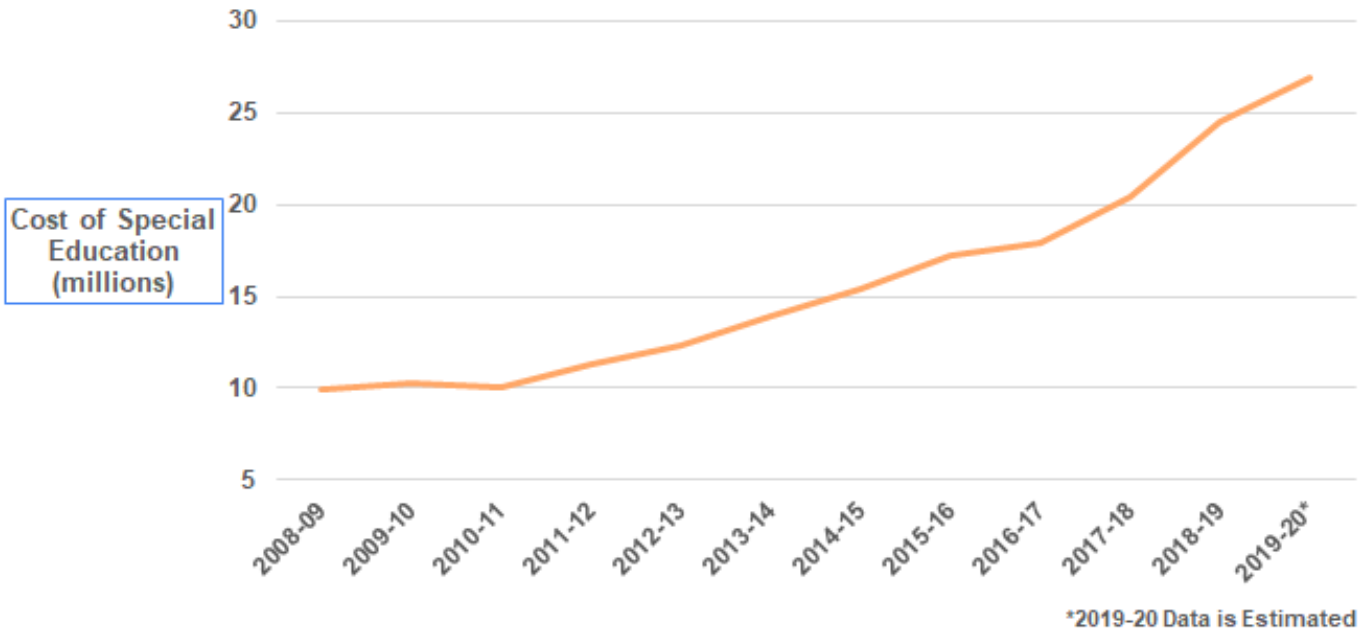
RUSD Increases in Funding vs. Increase in Costs

New LCFF Revenues
(COLA + Enrollment Growth)
\$3 million



Increase in Expenditures
Special Education Costs **\$1.2 Million**
Step & Column Costs (net of retirement - all employees) **\$1.4 million**
CalPERS pension costs **\$0.6 million**
CalSTRS pension costs **\$1 million**
Total 4.2 million

Increasing Special Education Costs



	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20*
Sp. Ed. Pupil Count as of Dec 1	1076	1093	1070	1094	1148	1179	1260	1354	1390	1425	1488	1572
Sp. Ed. Cost (millions)	\$9.9	\$10.3	\$10.1	\$11.3	\$12.3	\$13.9	\$15.4	\$17.2	\$17.9	\$20.4	\$24.6	\$27
Avg. Cost per Sp. Ed Student	\$9,252	\$9,419	\$9,427	\$10,370	\$10,755	\$11,816	\$12,223	\$12,726	\$12,893	\$14,290	\$16,505	\$17,146

How did we get here?

Budget Assumptions Changed

- Slower enrollment growth
- Lower average daily attendance
- Governor's Budget Proposal
 - Lower COLA

How did we get here?

Budget Assumptions Changed - Revenue Impacts

	District Adopted Budget	Decrease from Adopted Budget to 1st Interim for Change in Enrollment	Decrease from 1st Interim for Decrease in COLAs per Governor's Budget Proposal	Decrease from Governor's Budget Proposal for (30) ADA	Decrease in LCFF Revenue from Adopted Budget (June 2019) to Governor's Budget Proposal (January 2020)
19-20:	3.26%	Increase of 75 (not 154)			
Total LCFF Revenue	\$ 106,152,215	\$ (479,816)	\$ -	\$ (288,467)	\$ (768,283)
20-21:	3.00%	Increase of 84 (not 125)	2.29%		
Total LCFF Revenue	\$ 110,322,757	\$ (851,873)	\$ (758,191)	\$ (295,845)	\$ (1,905,909)
21-22:	2.80%	Increase of 75 (not 125)	2.71%		
Total LCFF Revenue	\$ 114,503,056	\$ (1,311,386)	\$ (878,490)	\$ (305,386)	\$ (2,495,262)
22-23:	3.16%	Increase of 50	2.82%		
Total LCFF Revenue	\$ 118,554,788	\$ (1,342,913)	\$ (1,295,500)	\$ (315,470)	\$ (2,953,883)

How did we get here?

Why budget reductions?

With only minimally required state budget reserves, increased costs that outpace increased funding, and changing budget assumptions the only option available is to make budget reductions by reducing spending.

How Much Needs to be Reduced?

Based on current budget assumptions, and if the proposed one time reductions and delays are implemented, an additional \$3.1 million of ongoing budget reductions are needed in 2020-21 to maintain the minimum state required 3% Reserve for Economic Uncertainty in 2022-23.

Multi Year Budget vs. 1 Year Cuts

Example: If you need \$12 million in reductions by year 3, the earlier you reduce spending, the fewer cuts you have to make:

EXAMPLE	year 1	year 2	year 3	Total Savings needed in year 3
Option One				
Ongoing budget reduction of \$4M in Yr 1	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 12,000,000
Option Two				
Ongoing budget reduction required in Yr 2 to maintain 3% in Yr 2		\$ 5,450,000	\$ 5,450,000	\$ 10,900,000
Additional budget reduction required in Yr 3 to maintain 3% in Yr 3			\$ 1,028,000	\$ 1,028,000
				\$ 11,928,000
Deeper cuts required if you wait until Year 2 and 3		\$ 1,450,000	\$ 2,478,000	
One time cuts only help in the year of the cut				
Deferral / Delay only postpone the expense to a future year that hopefully has more funding available				
<i>Note: Impact of change in contribution to RRMA in each option is ignored for simple illustration purposes (which accounts for the difference in total savings above)</i>				

Budget Reductions Approved by the Board in 2018/19

ITEM	FTE	2018/19	2019/20	2020/21	2021/22	2022/23
District Management Positions	2	-	111,475	111,475	111,475	111,475
District Classified Position	1	55,871	55,871	55,871	55,871	55,871
Site Administrator Position	1	-	113,133	113,133	113,133	113,133
Ed Services Positions	2	181,243	181,244	181,245	181,246	181,247
Educational Services: Professional		82,902	805,852	805,851	476,189	476,188
Development, Materials & Supplies						
Technology Equipment Replacement		50,000	200,000	200,000	200,000	200,000
Deferred Maintenance		200,000	300,000	400,000	400,000	400,000
Site Discretionary Budget Cuts (10% + 75% of Carryover from 2017/18)		321,676	42,590	85,180	85,180	85,180
Department Budget Cuts (10%)		14,101	45,928	45,928	45,928	45,928
School Bus Replacement		-	180,000	-	180,000	-
Delay of Textbook Adoption		-	-	500,000	(500,000)	-
Total		\$ 905,793	\$ 2,036,093	\$ 2,498,683	\$ 1,349,022	\$ 1,669,022

Summary of Previous Budget Reductions

- Previously approved budget reductions did not eliminate any positions in classrooms.
- 6 administrative and district office positions were eliminated
- No programs providing direct service to students were eliminated
- Reductions focused on support services
 - facility maintenance
 - school bus replacement
 - technology equipment replacement
 - professional development

Budget Development Process/Stakeholder Input

- January 10 - Governor's Budget Proposal
- January 21/Feb 5 - District Leadership Team input
- January 22 - Board Study Session (Budget)
- February 11 - Board Meeting
- February 19 - Ongoing community feedback (regarding budget) from online portal (as of Feb 28, 467 responses)
- March 4 - Board Meeting
- February/April- Local Control and Accountability Plan (LCAP) Advisory Process
- May 20 - Board Meeting LCAP draft
- June 10 - Board Meeting (Public Hearing Budget and LCAP)
- June 24 - Board Meeting (Adoption of Budget and LCAP)

Changes to Budget Reduction Recommendations

Items REMOVED/MODIFIED on Budget Reduction Recommendation List:

Item	Impact	Why Removed/Modified?
Eliminate 2.0 FTE Elementary 5th and 6th grade Music Program (staff)	No elimination of elementary 5th and 6th grade music program.	REMOVED - Identified additional reductions elsewhere in the budget.
Eliminate freshmen sports coaching stipends	No elimination of 9th grade sports programs due to restructuring of voluntary athletic contributions.	MODIFIED - Rocklin and Whitney High Schools Administration and Athletic Departments have restructured the Voluntary Athletic Contribution (VAC) to pay for the costs of the stipends. This will increase the voluntary contribution requested by \$35 for each 9th grade sports team.
Eliminate 2.0 FTE Custodian positions at Rocklin Academy Charter (RAC) schools	Per the Long Term Housing Agreement with RAC, RAC will provide its own custodial services for the facilities that they occupy beginning July 1, 2020.	REMOVED - Per a request from RAC to continue using RUSD custodians to clean their facilities on the Ruhkala campus (funded by RAC).

Changes to Budget Reduction Recommendations

Items ADDED to the list of Budget Reductions:

Item	Impact	Why Added?
Eliminate .75 FTE Communications Technician	District Communications and Community Engagement Department reduced to one employee less productivity and communications content	To offset the budget reduction revisions.
Eliminate .50 FTE Middle School Assistant Principal at Spring View Middle School	Leaves 1 FTE Assistant Principal at Spring View. Less support for teaching and learning and school climate	To offset the budget reduction revisions.

Follow Up to Board Questions

- Elementary Summer School program effectiveness?
- How will EL program staffing modifications affect English Language Learners?
- What impact will reducing Instructional Coaches have on teaching and learning?

Revised Recommended Budget Reductions

	Reduction	Impact	2020-21 Estimated Cost Savings	2021-22 Estimated Cost Savings	2022-23 Estimated Cost Savings
1	Move 5.1 FTE Instructional Coaches back to classroom (net effect of moving coaches and removing temps; .6 FTE Title I funded)	Revises the Instructional Coach Model to include 1 elementary and 1 secondary instructional coaches, limits coaching support for site data teams and grade level data digs, limits RUSDs ability to provide professional development in C&I, potential loss of assessment data due to less support for data tracking/analysis. Savings excludes Title I impact.	556,980	556,980	556,980
2	Reduce Assistant Principal at Sunset Ranch (SR) to staffing ratio, leaving .5 FTE	Is in line with AP staffing for student enrollment.	76,770	76,770	76,770
3	Reduce 2.3 FTE English Language (EL) teacher positions	Limits Designated English Language Development taught by EL employees (teacher or aide) to newcomers, novice and emerging ELs only, teachers will need additional training on Integrated and Designated ELD, teachers will need to incorporate Designated English Language Development in their instructional day as required by Ed. Code, reconfigure administering initial and summative ELPAC and monitoring student progress of reclassified students based on decreased EL staff.	234,178	234,178	234,178

Recommended Budget Reductions, Cont'd.

	Reduction	Impact	2020-21 Estimated Cost Savings	2021-22 Estimated Cost Savings	2022-23 Estimated Cost Savings
4	Eliminate 1.0 FTE Clerk (front desk) position at District Office	Will require existing administrative staff to staff front desk for 1/2 day/weekly.	79,726	79,726	79,726
5	Reduce .5 FTE Custodian (day) position at SR due to staffing ratio	Will be staffed at same level as other elementary schools of similar size.	27,596	27,596	27,596
6	Reduce 1.0 FTE Custodian (night) position at elementary school level	By eliminating this position, the elementary rooms would go back to cleaning every 3 days instead of every 2 days	56,390	56,390	56,390
7	Use Redevelopment Agency (RDA) restricted revenues as part of 3% required contribution to the Routine Restricted Maintenance Account (RRMA)	This would eliminate all spending on deferred maintenance outside of the RRMA. This will reduce the number of summer deferred maintenance projects to include but not limited to; asphalt paving and repairs, carpet replacement, HVAC repair/replacement, ADA path of travel concrete replacement, roof repairs, interior and exterior painting. This reduction in deferred maintenance is in addition to the \$400k already reduced in 2019.	660,000	660,000	660,000
8	Eliminate elementary summer school	Possible loss of learning for Socio-economically disadvantaged student group and English Learners over the summer, possible additional need for intervention for these student groups during the school year. This does not impact Extended School Year for students with special needs.	41,169	41,169	41,169

Recommended Budget Reductions, Cont'd.

	Reduction	Impact	2020-21 Estimated Cost Savings	2021-22 Estimated Cost Savings	2022-23 Estimated Cost Savings
9	Reduce 10% site discretionary budgets (in addition to 10% previously reduced)	Limits resources of principals to provide additional/needed staffing, materials, programs at their school sites.	86,274	86,274	86,274
10	Reduce 10% restricted lottery for sites	See above - limits principals' ability to provide for site needs.	11,858	11,858	11,858
11	Reduce site supplemental (formerly SLIP) allocation by 10%	Limits resources of principals to provide additional/needed staffing, materials, programs at their school sites.	32,265	32,265	32,265
12	Reorganize Computer Tech Support K-8: Reduce 2.0 FTE Computer Center Tech II at middle school level (net savings equivalent to 1.0 FTE as a result of reorganization).	Change in support for teachers in classrooms, change in length of time for repairs and replacement, not available for additional duties as assigned, change to site MAP and CAASPP testing support, potential effect on support of Clubs/Electives.	47,134	47,134	47,134
13	Reorganize Computer Tech Support K-8: Reduce 6.98 FTE Computer Center Tech I at elementary school level (net savings equivalent to 2.98 FTE as a result of reorganization).	Better utilize our resources, no longer have computer labs. Will necessitate a 1 tech to 3 site ratio. Will potentially reduce sites ability to address tech needs, provide tech training to staff and students, and utilize this position as a "utility player" to meet supervision, crossing, and other site needs. May reduce capacity for site Maker Spaces.	130,826	130,826	130,826

Recommended Budget Reductions, Cont'd.

	Reduction	Impact	2020-21 Estimated Cost Savings	2021-22 Estimated Cost Savings	2022-23 Estimated Cost Savings
14	Savings in reorganization of Rocklin Independent Charter Academy	Convert to RUSD independent study program.	50,000	50,000	50,000
15	Reduce 1.92 FTE library aides at high schools (two aides at each high school)	Possibly limits hours library is open for students, Requires full time library technician to regularly interface with students.	68,945	68,945	68,945
16	Reduce District Office supply budgets (in addition to the 10% already reduced)	Limits professional development, materials and supplies to support work.	28,644	28,644	28,644
17	Cancel Discovery Streaming video license	Eliminates streaming video surface that supports all curricular areas. Probable minimal impact due to low usage and other free alternatives.	20,000	20,000	20,000
18	Reduce special education (SPED) staff discretionary supply budgets by 10% (in addition to 10% already reduced)	Reduces site certificated SPED staff's ability to purchase additional instructional materials, testing protocols, apps, and supplies to meet the needs of his/her students. Decreases SPED staff for conference attendance.	4,850	4,850	4,850

Recommended Budget Reductions, Cont'd.

	Reduction	Impact	2020-21 Estimated Cost Savings	2021-22 Estimated Cost Savings	2022-23 Estimated Cost Savings
19	Eliminate .5 FTE Work Experience program for high schools (1 section at each high school)	Eliminate one class at each high school. Need to identify alternatives to give students credit for work experience.	62,838	62,838	62,838
20	Eliminate 0.17 teacher section to support district "WAVE" cable channel	No students are currently assigned to this section. Teacher is on an overage contract, so no layoff.	21,214	21,214	21,214
21	Eliminate District Music and VAPA program equipment replacement	Eliminates additional funding for music and performing arts for additional equipment (\$30k K-12 music, \$15k K-12 VAPA).	45,000	45,000	45,000
22	Eliminate freshmen sports coaching stipends	MODIFIED - Rocklin and Whitney High Schools Administration and Athletic Departments have restructured the Voluntary Athletic Contribution (VAC) to pay for the costs of the stipends. This will increase the voluntary contribution requested by \$35 for 9th grade sports.	72,818	72,818	72,818
23	Reduce 1.0 FTE District Librarian	Will leave 1 FTE District Librarian for 16 school sites. Reduces ability to provide professional development/ support to elementary library assistants. Impact efforts to modernize library spaces o media centers/21st century learning areas.	134,963	134,963	134,963

Recommended Budget Reductions, Cont'd.

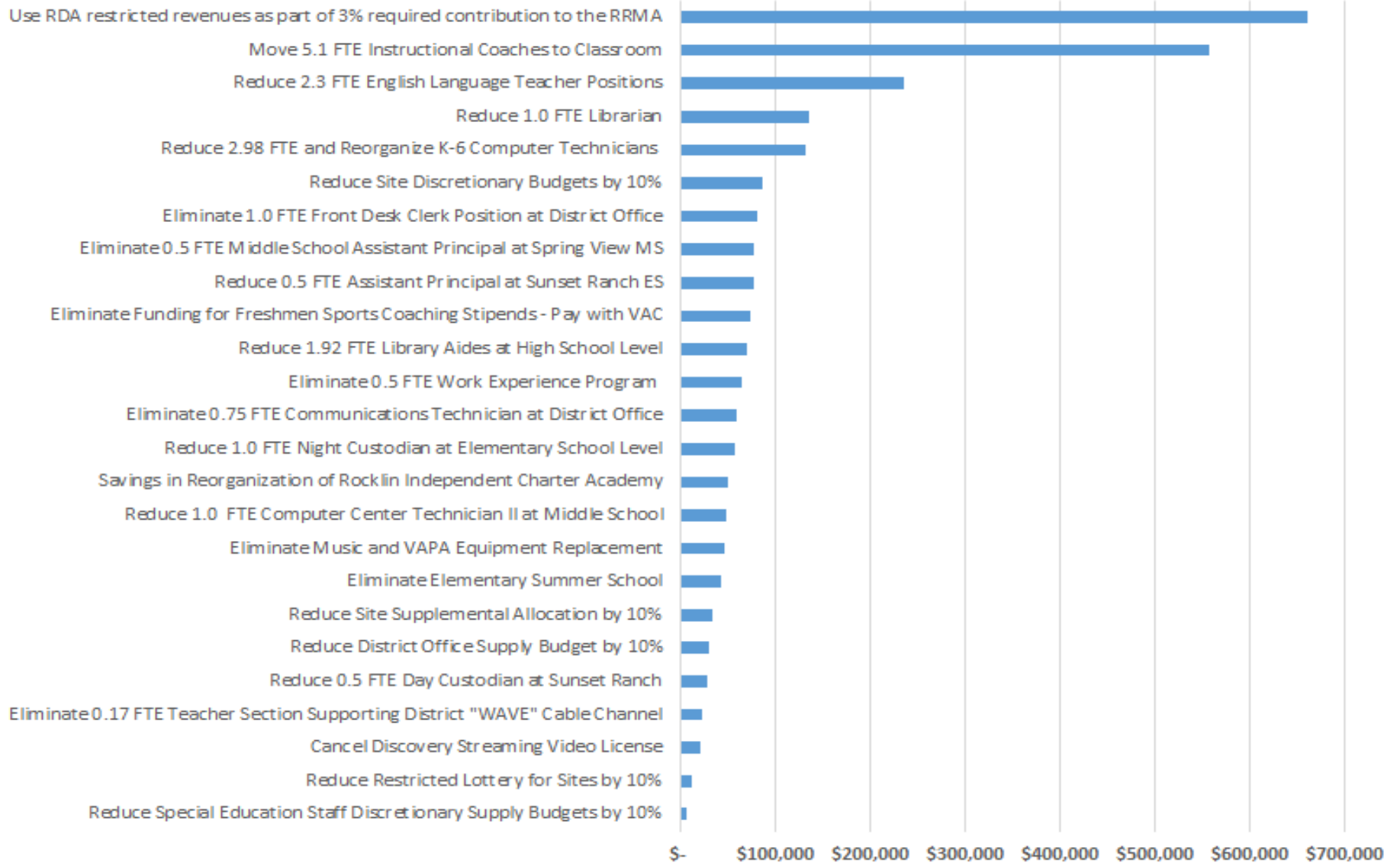
	Reduction	Impact	2020-21 Estimated Cost Savings	2021-22 Estimated Cost Savings	2022-23 Estimated Cost Savings
24	Eliminate .75 FTE Communications Technician	RUSD Communications and Community Engagement Department reduced to one employee for all RUSD communications, securing and maintaining community partners for a variety of school and district-wide programs and student benefit, media relations, event planning and fundraising to assist various school and district-wide programs and student benefit.	57,844	57,844	57,844
25	Eliminate .50 FTE Middle School Assistant Principal at Spring View Middle School	Leaves 1 FTE Assistant Principal at Spring View. Less support for teaching and learning and school climate.	77,168	77,168	77,168
		Total Ongoing	2,685,451	2,685,451	2,685,451

Note: These amounts are based on actual costs when possible; otherwise they are estimates and average salary and benefit costs that will be finalized prior to the budget adoption in June.

Recommended Budget Reductions - One Time or Delay

	Reduction	Impact	2020-21 Estimated Cost Savings	2021-22 Estimated Cost Savings	2022-23 Estimated Cost Savings
26	Sweep unrestricted district Professional Development budgets	Reduces professional learning.	35,000		
27	DELAY opening of new elementary school by one year to 2022-23	The site would need to be maintained by grounds staff, cameras would be installed to monitor the site, interior cleaning as needed and run HVAC systems periodically. Some school sites will remain at a larger size.		580,722	
28	Use 1x funds (set aside) transferred to fund 40 for new school to help balance budget.	Reduced one time funds to open new elementary school for furniture, equipment, technology, and start up staffing.	700,000		
29	Defer math adoption from 2021-22 to 2023-24 of \$1,050,000. Reduce purchase of science modules in grades 5-6. Delay adoption in grades K-4, net savings to unrestricted.	Textbooks will be 10 years old.		364,891	
30	Use 1x Mandated Cost Reimbursement funding that was allocated for textbooks in 2021-22.	Increases unfunded textbook adoption funding in 2023-24 to \$1.1M - Purchase single grade modules over multiple years rather than comprehensive adoption for K-6.		204,425	
		Total - One Time/ Delay	735,000	1,150,038	-
	Total Combined 1x and Ongoing Cuts		3,420,451	3,835,489	2,685,451

Proposed Ongoing Budget Reductions 2020-21



Considered, but Not Recommended

Reduction	FTE	Estimated Amount
Sweeping of carry over at 6/30/19 - Site Supplemental (Formerly SLIP) Site Discretionary, Site Restricted Lottery		\$461,794
Eliminate Site Supplemental (formerly SLIP) funds to sites		\$322,651
Student Mental Health Therapeutic Services Contract		\$238,159
Cancel Schoology software license		\$51,593
Increase class size in TK from 20 to 24; grades K-3 from 24 to 25	3.00	\$305,449
Increase class size in grades 4-6 from 32 to 33	2.00	\$203,633
Increase class size in grades 7-8 from 32 to 33	2.33	\$236,389
Increase class size in grades 9-12 from 34 to 35	4.17	\$423,066
Increase class size in 9th grade math and English from 28 to 34	2.33	\$236,389
Eliminate Academy model at one grade in Middle School	5.00	\$507,273
Middle School - athletic stipends		\$114,396

Budget Unknowns

- New Proposed Special Education Funding and Expenditures
- Actual COLA
- P-2 ADA (Average Daily Attendance)
- Property/Liability & Workers' Compensation Insurance Premiums
- May Budget Revision/State Adopted Budget
- Retirements / Resignations
- 2020-21 Enrollment

Collaboration on Interests with Labor Partners

- Engage in dialogue to clarify aspects of budget and budget development process
- Commitment to working collaboratively on shared interests with Labor Partners
- Plan to communicate the budget, reductions, cuts and continuing developments to stakeholders
- Acknowledge obligation to bargain effects with Labor Partners

Next Steps

- Request Board approval of revised budget reductions and preliminary layoff notices
- Make adjustments to recommendations based on Board input as budget development process continues
- Continue consultation/collaboration with Labor Partners
- Work to rescind preliminary layoff notices as possible
- Revise Budget projections based on Governor's May Revise
- June - Adopt 2020-21 Budget
- After Final State of California Adopted Budget reconcile RUSD Budget with 45 days