

**Burbank Unified School District
Administrative Services**

REPORT TO THE BOARD

TO: Members of the Board of Education

FROM: Debbie Kukta, Assistant Superintendent, Administrative Services

PREPARED BY: Alyssa Low, Director of Fiscal Services

SUBMITTED BY: Ruthie DiFonzo, Senior Administrative Assistant

DATE: May 19, 2020

SUBJECT: Budget Update and Discussion

Background:

The District faces a significant budget gap next year and beyond. COVID-19 and the Safer at Home orders across the state have had a profound impact on the amount of revenue California districts will receive in the coming years.

Discussion/Issues:

Staff will present information on the District's budget situation in light of the Governor's May Revise of the 2020-2021 State Budget released on May 14, 2020.

Financial Impact:

This is a report only.

Recommendations:

Debbie Kukta, Assistant Superintendent, Administrative Services, will facilitate a presentation on the State's decreased funding to school districts and the anticipated impact to Burbank Unified School District, as presented.



Burbank Unified School District Budget Update and Discussion

Matt Hill, Superintendent

Debbie Kukta, Assistant Superintendent, Administrative Services

Alyssa Low, Director, Fiscal Services

Carin Wantland, Assistant Supervisor of Budget and Finance



Reductions for Fiscal Stability Parcel Tax Did Not Pass

Reductions Made for Fiscal Solvency	2019-20	2020-21	2021-22
Not filling vacancies	\$267,535	\$ 490,859	\$490,859
Central Office Reductions	62,477	300,000	600,000
Special Education Reductions		481,000	570,000
Eliminate Elementary PE Teachers		409,751	409,751
Eliminate Elementary Music Teachers		284,000	536,436
Increase Class Size/Declining Enrollment		753,000	840,000
Reduce Career Tech Program		250,000	550,000
Move Pre-Service day to Supplemental Funding		200,000	800,000
Reduce Contribution to Fund 14.0 – Deferred Maintenance		400,000	400,000
Increase Horace Mann and ATB fees		275,495	248,821
Total Reduction	\$330,012	\$3,844,105	\$5,445,867



COVID – 19 Savings and Expenses

Unrestricted and Restricted General Fund	2019-20 Savings / (Expense)	2020-21 Savings / (Expense)
Face masks for all BUSD for 2020-21 school year		Approx (\$600,000)
Contribution from General Fund to Child Development due to revenue loss	(\$785,000)	
Additional salary expenses for essential work	(154,000)	
Contribution from General Fund to Food Services due to revenue loss	(150,000)	
Expanding capacity on software	(11,750)	
Custodial supplies such as disinfectant, gloves & masks	(11,000)	
Anticipated savings on sub, hourly and overtime pay	694,500	
Allocation from the State for COVID-19 LEA Response Funds	254,618	
Transportation savings	127,000	
Total	(\$35,632)	(\$600,000)

* An additional \$283,000 was spend out of Bond (Measure S) contingency funds for Chromebooks and hot spots.

**Federal CARES ESSER funds have not been confirmed, but BUSD's allocation is projected to be close to \$1,400,000



May Revise Broad Estimates

- Our current projected LCFF is \$138 million
- We were projecting a 2.29% COLA as of Second Interim for 2020-21 which equated to an additional \$3 million in LCFF funds from 2019-20.
- May Revise now projects a reduction of 10% to LCFF funding in 2020-21
 - This equates to \$10,650,000 million less LCFF revenue
- Total of \$13,650,000 million less in LCFF funding
- There will also be a deferral of LCFF apportionment in June 2020
- Additional deferrals of LCFF apportionments in 2020-2021
- Anticipated LCFF deferrals scheduled for payment in 2021-22
- Additional cuts to grant programs. Amounts still to be determined
- Anticipated change in STRS and PERS percentage reduction

This report is being written on May 14, prior to a full analysis of the May Revise. More up-to-date information will be provided at the board meeting



Potential Reductions

Unrestricted and Restricted General Fund	
STRS/PERS contribution change savings over two years	2,090,000
Reduce Contribution to Horace Mann Preschool With the Closure of Horace Mann Infant rooms	140,000
Reduction to LCAP supplemental	1,500,000
Reduction to LCAP Base	9,920,000
Total	13,650,000
Potential Reductions Depending on Advocating and Legislation	
Defer contribution payments to STRS/PERS	TBD
Reduce Instructional Year by 5 Days	TBD

These are assumptions based on data on 5/14/20 and could be subject to change upon the Governor's final adopted budget



Additional Considerations

- Review graduation requirements and reduce electives and/or partner with community colleges
- Saturday school to recoup ADA
- Sweeping carryover balances
- Freeze expenditures, requiring higher level approval to ensure each expenditure is required for legal or contractual compliance, for safety or security purposes, because it serves a categorical program for which the funds must be spent, or for immediate use by teachers or students for instruction
- Require high level pre-approval of overtime
- Review all current extra hours or additional assignments to determine if they can be discontinued
- Have the Health Benefits Committee explore alternative coverages
- Audit covered participants in health benefit programs

Source – School Services of California publication dated 5/12/2020



Budget Update and Discussion

Any questions?