

**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: Debbie Kukta, Assistant Superintendent, Administrative Services

SUBMITTED BY: Ruthie DiFonzo, Senior Administrative Assistant

DATE: March 18, 2021

SUBJECT: Approval of the Updated Fiscal Stabilization Plan Required by Los Angeles County Office of Education (LACOE) Based on the First Interim Reporting

Background:

The Los Angeles County Office of Education (LACOE) is requiring the District to approve a Fiscal Stabilization Plan based on its First Interim Report submitted in December 2020. The plan should be based on the most current information available as well as unfavorable assumptions to demonstrate the District's ability to address adverse scenarios.

Discussion/Issues:

In the letter to the Board President dated January 14, 2021, LACOE concurred with the District's positive certification in the First Interim Report. However, concern was expressed regarding the projected trend of deficit spending and its impact on the District's ability to maintain the required reserve for economic uncertainty levels in future years. Because of the impact of these potential shortfalls, LACOE specifically requires an updated Fiscal Stabilization Plan that provides the implementation status of planned reductions, alternative options for contingent expenditure reductions and specific revenue enhancements with the 2020-21 Second Interim Report.

The Fiscal Stabilization Plan that has been implemented thus far is attached. (Attachment A)

Due to COVID-19, Districts across the State received emergency one-time funding from Federal and State sources in order to help mitigate Learning Loss, as well as address health and safety concerns such as the procurement of personal protective equipment (PPE) and supplies for sanitizing and cleaning facilities. The funds can also be used for current expenditures of staff who are being utilized not only for learning loss interventions, but for those who are being used for a substantially different use due to the pandemic. Subsequently, using these restricted funds in lieu of unrestricted general funds, provides relief of general fund expenditures where personnel, materials, supplies and services were charged. Since First Interim, additional COVID one-time funds are projected to be allocated to School Districts through ESSER II, which equals \$5.6 million dollars of additional funding.

In the multi-year projection, using COVID one-time funds in 2020-21 & 2021-22, the following assumption of personnel listed in Attachment A who are typically part of unrestricted expenditures, are able to utilize one-time COVID funding. This relief, along with the increase in COLA projected with the Governor's budget from a 0% COLA in fiscal years 2021-22 and 2022-23 to 3.84% and 1.28% respectively, and the reductions the district has already implemented from its prior Fiscal Stabilization Plan, allow Burbank to meet its required 3% reserve for economic uncertainties in the current and following two fiscal years. This is in contrast to the \$18 million dollars in reductions the District was facing in order to remain fiscally solvent at First Interim in 2022-23. This

doesn't mean the District is out of the woods yet – we are projecting a structural deficit of \$11.2 million for fiscal year 2022-23, increasing to \$14.8 million in 2023-24, with the required 3% minimum reserve for economic uncertainties not being met in that fourth year out. It would be strategic to start identifying and making reductions now, with the cumulative effect of those reductions having a growing impact as the years progress.

It is important to note this relief is one time. Once the funds are expended in 2021-22, personnel, materials and services which utilized one-time COVID funds, are now back to being spent out of unrestricted general funds. **This provides Burbank time to evaluate its expenditures and encourage families to return to its distinguished campuses.**

Fiscal Impact:

As stated above.

Recommendation:

Debbie Kukta, Assistant Superintendent, Administrative Services, recommends that the Board of Education approve the updated Fiscal Stabilization Plan, as presented.

Attachment A: Updated Fiscal Stability Plan of Implemented Reductions

Implemented Fiscal Stability Plan	2020-21	2021-22	2022-23
Management	\$423,000	\$423,000	\$423,000
• Program Specialist			
• Supervisor M&O			
• Assistant Principal – Miller Elementary			
Certificated	\$966,000	\$966,000	\$966,000
• Elementary PE Teachers – 5.0 FTE			
• Elementary Music Teachers – 3.0 FTE			
• TOSA – 2.0 FTE			
• Assistive Tech TOSA - .20 FTE			
• Increase Class Size	\$1,464,593	\$1,464,593	\$1,464,593
• Teacher Single Subject – 10.0 FTE			
• Teacher Multiple Subject – 3.0 FTE			
Classified	\$195,630	\$195,630	\$195,630
• District Office Attendance Technician – 1.0 FTE			
• Tech Support Specialist – 1.0 FTE			
• Employee Benefits Tech - .5 FTE			
Move Pre-Service Day to Supplemental Funding	\$200,000	\$800,000	\$800,000
Reduce Deferred Maintenance	\$400,000	\$400,000	\$400,000
Reduce Career Tech Ed Program	\$250,000	\$250,000	\$250,000
Total Reductions as of First Interim	\$3,899,223	\$4,499,223	\$4,499,223

Personnel Utilizing COVID One-Time Funding	2020-21
Certificated (Salary and Benefits)	\$2,705,802
• Nurses	
• Curriculum Specialists	
• ELD Specialists	
• Student Services	
• RTI Intervention Specialist	
• 1 ½ pre-service training days	
Classified (Salary and Benefits)	\$1,300,712
• Media Tech Specialists	
• LVN/Health Aides	
• At-Risk Specialists	
• PE Aides	
• COVID related personnel in Student Services	
• COVID related personnel in Human Resources	

Personnel Utilizing COVID One-Time Funding	2021-22
Certificated (Salary and Benefits)	\$2,116,518
• Nurses	
• 14 FTE for class size reduction	
Classified (Salary and Benefits)	\$248,863
• LVN/Health Aides	
• COVID related personnel in Human Resources	