



Fiscal Recovery Plan

Board Meeting
February 4, 2021
Agenda Item No 10.3

History/Background

- District's budget has been operating a structural deficit for several years due to on-going expenditures exceeding going revenues
- The District has managed the deficit with ~~time~~ sources and reserves a non-sustainable plan as these resources will eventually be depleted
- The District is projected to experience serious cash challenges by March 2021 and will be at risk of an emergency apportionment (State Loan)

PROPOSED FISCAL RECOVERY PLAN

Items Subject to Negotiations

Item	Example	Potential Cost Savings
Health Benefits	Reduce District Contribution to Employee only/75% other	18,793,471
Dental & Vision Benefits	Reduce District Contribution to Employee only	3,132,000
Cash In-Lieu of Benefits	Assume 3% Participation	1,400,000
Other Contract Items	OPEB 1% Employee Contribution	2,000,000
Other Contract Items	de15.9123 -0 0 15.8874 629.5093 25817216.3166(E)40,0736Tj	15.9123 -0

PROPOSED FISCAL RECOVERY PLAN

Proposed Items With Alternative Funding Source

Non-Negotiable Unrestricted General Fund Budget Reduction Options

Reduction Item/Temporary Alternative Funding	Potential Cost Savings	Potential Alternative Funding Source
Social Workers	885,000	Temporary CARES Fundin
Counselors above staffing ratio	235,000	Temporary CARES Fundin
After School /Youth Development	500,000	Temporary CARES Fundin
Total Potential Cost Savings	1,620,000	(n)28(a)-28(t)-g

PROPOSED FISCAL RECOVERY PLAN

Proposed Items Pending State Budget/Further Review by 7/1/21

Proposed Items Pending the State Budget/Further Review by 7/1/2021	Potential Cost Savings
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PROPOSED FISCAL RECOVERY PLAN

Proposed Items Potential Cost Savings: Reductions & Alternative Funding Source

Non-Negotiable Unrestricted General Fund Budget Reduction Options	
Total Potential Cost Savings Reductions	3,186,000
Total Potential Cost Savings Alternative Funding	1,620,000
Preschool Contribution (Unfunded portion)*	564,000
Total Potential Cost Savings	\$5,370,000

*Amount does not include the Preschool Parent Participation Program (PPPP), effective 7/1/20,

Background: Average Costs per Student

<u>Factors Used:</u>	
1. Unrestricted Funding	
2. School Site Staffing by FTE including	
-Teachers	
-Administrators	
-Instructional Assistants	
-Custodial/Operations	
-Office Support	
3. Average salaries for all FTEs	
4. 2019-2020 enrollment	

Proposed Items Requiring Further Analysis for Elimination and/or Potential Restructure

Background: Average Cost per Student K-8 Schools

Background: Average Cost per Student Elementary School

Elementary School

Due to low enrollment, additional FTE above the base is required to support the IB Program.

Elementary School IB Program	2019-2020 Enrollment	Unrestricted Cost Per E
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Background: Average Cost per Student 7-12 Schools

7-12 Schools					
Enrollment for 7-12 schools is about 50% of the average enrollment for high schools and about 50% of the average enrollment for middle schools					
7-12 Schools	2019-2020 Enrollment	Unrestricted Cost Per Student by Site	Unrestricted Cost Per Student Average for 7-12 Schools	Difference in Cost	Total Average Additional Cost Based on 2019-2020 Enrollment
SES 7 -12	538	\$7,058	\$6,326	\$732	\$393,816
Kit Carson 7-12	581	\$7,753	\$6,326	\$1,427	\$829,087
Total Additional Cost 7-12 Schools					\$1,222,903

Background: Average Cost per Student Small High School

UPDATED Projected Deficit- Adjusted ONLY for Governor's Proposed COLA, Unduplicated Percentage, Projected Enrollment & \$5.3M Fiscal Recovery Plan

(based on 2020-2021 1st Interim Financial Report)

Sacramento City Unified School District	1st Interim 2020-21	2021-22 Projected	2022-23 Projected
Deficit Spending as of 2020-2021 1st Interim Financial Report	-\$31,150,477	-\$38,905,362	-\$56,072,127
Revised Deficit Reduction Target	-\$24,904,366	-\$17,459,047	-\$33,549,372
On-going budget reductions 2020-21		\$5,370,000	\$5,370,000
On-going budget reductions 2021-22			\$5,370,000
On-going budget reductions 2022-23			\$5,370,000
Cummulative On-Going Budget Reductions	\$0	\$5,370,000	\$5,370,000
Revised Surplus	\$5,370,000	\$5,370,000	\$5,370,000

Next Steps

If a Fiscal Recovery Plan is not implemented July 1 , 2021 the District is projected to experience serious cash issues by March 2022 and will be at risk of an emergency apportionment (State Loan).

- SCOEs fiscal responsibilities continue until structural deficit is eliminated and budget is approved

Approve a Fiscal Recovery Plan Effective 7/1/21