



2020 – 2021 Budget Update

West Contra Costa Unified School District
February 12, 2020

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Associate Superintendent, Business Services

2019 – 2020 Budget Calendar

Budgeting for a school district is a continuous, year-round process. Projections continually change based on new and changing information. There are 5 formal reports presented to the Board:

- | | |
|----------------------|---|
| ❖ June 30, 2019 | Adopted 2019 – 20 Budget |
| ❖ September 18, 2019 | Unaudited Actuals |
| ❖ December 11, 2019 | 1 st Interim Budget <i>(Data as of October 31, 2019)</i> |
| ❖ March 11, 2020 | 2 nd Interim Budget <i>(Data as of January)</i> |
| ❖ May 20, 2020 | 3 rd Interim Budget <i>(Data as of April)</i> |
| ❖ June 10/24, 2020 | Adopted 2020 – 21 Budget |



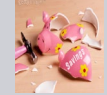
Other than the presentation of the actual financial information (unaudited actuals) all other budget presentations are a combination of actuals and projections for the current and upcoming year

Budget Reductions - Strategy

- Working collaboratively with the Contra Costa County Office of Education in coordination with the FCMAT (Fiscal Crisis Management Assistance Team) to ensure implementation of reductions
- Completed outreach with various stakeholder groups including the release of all recommended non-salary reductions on January 30th for review (\$6 million)
- Site Reductions of \$2 million to be implemented for 2020-2021.
- Now meeting collaboratively with all associations to identify reductions that require negotiations (\$22 million)

**COMPLETED
JANUARY 26,
2020**

Budget Reductions Current Year 2019 – 2020 – (\$39.9 million)






Action	Description	Amount	Cut Target Remaining
	Utilization of Fund 71 (OPEB)	\$15.6	\$24.3
	Utilization of One-time PreSchool Block Grant	\$4.5	\$19.8
	Fund 17 and Reserves	\$19.8	\$---

ACTIONS COMPLETED JANUARY 26, 2020 AND BOARD APPROVED

The District would be projected to maintain an Ending Fund Balance of approximately \$23 million at the end of the school year (which includes the audit adjustment) and is approximately \$9 million over the minimum required amount of 3%

**ACTIONS
TONIGHT
FEBRUARY
12, 2020**

Budget Reductions Next Year Year 2020 – 2021 (\$47.8 million)

Action	Description	Amount	Cut Target Remaining
	Utilization of Fund 71 (OPEB)	\$15.8	\$32.0
	Identified Non-Salary Reductions	\$6.0	\$26.0
	Site Budget Allocation Reductions	\$2.0	\$24.0
	Identified Management Reductions	\$2.0	\$22.0
	Reductions impacting Bargaining units (UTR, Teamsters, SSA, WCCAA)	\$22.0	\$---

After utilizing Fund 71 for a second year, the District will identify \$32.0 million in ongoing cuts for the upcoming school year.

A total of \$15.8 million in additional cuts will need to be identified for 2021-22⁵

Non-Salary Reductions

- A total of \$6 million has been identified from Central Office Budgets based upon all input received from multiple stakeholder groups
 - This is a significant percentage of the unrestricted budget for this category and very much an ambitious and aggressive target
 - The total unrestricted non-salary expenditures are just over \$33 million with approximately \$25 million “fixed” – these represent almost a 67% reduction in services
- The Proposals were released for public review on January 30, 2020
 - These are very deep cuts in services and operations and unfortunately will impact the level of services that we provide
- Tonight we are recommended the Board adopt these reductions
 - For any reductions that are not adopted, another reduction must be identified to meet the target of \$6 million

Recommended Non-Salary Reductions

- The following is the summary of Central Office Non-Salary Reductions recommended for adoptions for the 2020-2021 school year

Department	Total Reduction
Superintendent	\$561,734
Business Services	\$259,472
Facilities	\$1,100,000
Technology	\$320,855
Human Resources	\$192,800
Communications	\$27,250
Special Education (General Fund transportation)	\$1,196,379
Educational Services	\$2,439,177
Total Recommended Reductions	\$6,097,667

Negotiations - \$22 million in Reductions

- The District is actively working with all 4 bargaining groups to identify \$22 million in negotiated reductions that would be approved through MOUs (Memo's of Understanding)
- Until these MOUs are approved, the District must follow required Statutory deadlines for notice of employees
 - Certificated notices prior to March 15th with action taken for Reduction of Force (RIF) and possible reassignment letters taken at the February 26, 2020 Board meeting
 - Notices are possible action with final determination by May 30, 2020
 - Classified notices prior to May 1st (60-day notice) with possible action taken at the April 22, 2020 Board meeting
- The District's goal is to limit the impact on employees and once MOUs are adopted be able to reduce or rescind employee notices

District's Goal is to continue to work collaboratively with our associations.



Calendar of Upcoming Budget Events

- Board Presentation February 12, 2020 – Board adoption of non-salary reductions of \$6 million and site reductions of \$2 million
- February 26, 2020 – Board action on Certificated notification pending results of negotiations
 - Certificated Particular Kinds of Service (PKS) Reduction in Force Resolution
 - Certificated Management Notice of Possible Reassignment
 - Unrepresented Management Reductions (\$2 million)
- March 11, 2020 – Presentation of Second Interim Budget
- April 22, 2020 – Board action on Classified notifications pending results of negotiations
 - Including reduction of positions that are grant, site, or one-time funded

Reduction Target - Next Steps

**Days
Remaining to
Identify/Adopt
2020–21
Reductions**

133

(as of February 12, 2020)



Date	Event or Activity
February 12, 2020	closed session discussion of management staffing and open session adoption of non-salary and site allocation reductions
February 26, 2020	Closed session discussion of negotiations and open session approval of PKS notice and Certificated Management notifications
March 11, 2020	Closed session negotiations update and Second Interim adoption

2019 - 20 Remaining Reduction Target = \$- million

2020 – 21 Budget Reduction Target = \$32.0 million

2021 – 22 Budget Reduction Target = \$15.8 million

BACK UP SLIDES



Superintendent's Budget

- Superintendent's Office Budget = \$1,691,433
 - Reductions \$561,734 (33.2%)
- Key contracts and reductions
 - Legal \$281,750
 - Educational Training and Research Associates \$28,476
 - GODBE Corporation \$40,850
 - School Innovations and Achievement (A2A) \$110,000
 - Consultant budget (5860 / 5890) \$51,249
- District will move forward with an RFP for legal and the recruitment of General Counsel

Business Services Budget

- Business Services Office Budget = \$2,136,540
 - Reductions \$257,472
 - Many of the contracts are for essential services such as the Management Information System, Printing Supplies, Audits, County Contracts, etc.
- Key contracts and reductions
 - Printshop Leases \$100,000
 - School Innovations and Achievement (Mandates) \$42,700
 - Procure America (Energy) \$7,000
 - Consultant budget (5860 / 5890) \$51,000
- The 2020-2021 Budget will consolidate all “fixed” contracts into the Business Services budget that more clearly track these expenses that cross multiple divisions

Facilities / Maintenance Budget

- Facilities / Maintenance & Operations Budget = \$6,372,333
 - Reductions \$100,000
 - Most of these expenses are within the “fixed” budgetary expenses for custodial support, utilities (\$6.45 million) and insurance (\$2.35 million) with the MRAD Offset.
 - RRMA Transfer of Expenses \$1,000,000
 - Routine Restricted Maintenance Projects are funded with a required 3%; the District will identify staff to partially fund with this resource and reduce ongoing projects and contracts in ongoing maintenance to meet this target
- Key contracts and reductions from the Discretionary fall into Materials and Supplies

Technology Budget

- Technology Budget = \$3,468,560
 - Reductions \$320,855
 - Most of these expenses are within the “fixed” budgetary expenses for internet connectivity and infrastructure software licenses including PowerSchool. Assessment software and other educational software reside in the Educational Services budgets
- Key reductions include reduction in VOIP (Voice over IP) services and Gaggle email archiving and Firewall software

Human Resources Budget

- Human Resources Budget = \$521,900
 - Reductions \$192,800
 - Most of these expenses are within the “fixed” budgetary expenses for support programs for credential clearing with CSU Eastbay, software for recruitment, substitutes, and onboarding (Edjoin, Informed K12, and Fingerprinting)
- Key reductions in recruitment budget and software development other cuts are embedded in budgets that are under Pupil Services and Educational Services

Special Education* Budget

- Special Education Central LCAP Office Budget = \$181,636
 - Reductions \$84,279
- Special Education Transportation and 504 Office Budget = \$9,339,402
 - Reductions \$1,112,100
 - Special Education Transportation will be reduced by \$1,000,000 through a consolidation of programs and elimination of non-mandated transportation for pre-school and speech only students (More details on this plan will be presented at a later date and this will reduce the contribution to the program while maintaining the required Maintenance of Effort requirements)
- The Majority of Special Education Expenditures are mandated and part of the restricted budget
- *No Direct Services for Special Education Students are part of these recommended reductions

Educational Services Budget

- Contains several budgets include Student Services, Educational Services and Central LCAP with contracts and services within each of the budgets. They are divided into groups for this summary
- Educational Services (Unrestricted) = \$1,001,899
 - Reductions \$244,429
 - Key Reductions in Library Services software, small consultant reductions, and supplies and travel budgets

Educational Services (LCAP) Budget

- Educational Services Central LCAP Budget (Unrestricted) = \$3,359,999
 - Reductions \$993,301
- Key reductions in Contracts paid centrally include the following:
 - Accelerated Reader/ - \$64,696
 - Illuminate / Fastbridge - \$199,346
 - Reading and Writing Project LLC (TC) – \$169,447
 - Young Scholars - \$37,000
 - AP / SAT Fees - \$100,000
 - Teach For America - \$160,000

Pupil Services Budget

- Pupil Services Office Budget = \$2,386,124
 - Reductions \$561,365
 - Many of the contracts are for essential services such as Police and Safety Services
- Key contracts and reductions would be in Middle School Police contracts and small reductions in miscellaneous budgets
- Pupil Services Office Central LCAP Budget = \$1,760,232
 - Reductions \$685,830
 - Includes central supports for s3
- Reductions to s3 are included in these cuts along with department supply and miscellaneous budgets

Communications Budget

- Communications Office Budget = \$158,127
 - Reductions \$27,250
 - Many of the contracts are for essential services such as Pinole Valley Cable for Board meetings and the Radio Station located at El Cerrito High School
- Key contracts and reductions will reduce outside support for communication products