



Evergreen School District

From strong roots grow bright futures

February 8, 2018

To: Board of Trustees
From: Kathy Gomez *KAG*
Re: Budget Development

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January 2018

In January 2018 we presented the Board the initial 2018 – 2019 budget. With the new revenue and expenditure assumptions, it contained an \$18 million deficit and a \$20.6 million shortfall in meeting the required 3% reserve in 2020-2021.

February 2018

On January 29, we received news from our SELPA that the projected 2018-2019 excess cost increase will be \$767, 478, rather than our budgeted \$1.3 million. Additionally, SCCOE is refunding \$314,774 for 2016-2017. This has had a positive impact to our current and three-year projections to the amount of \$3,097,566.

Additionally, the PERS rate has been adjusted and using the School Services information, we are able to reduce projected three-year expenditure assumptions by \$244,417.

Finally, because our General Fund contribution to Routine Restricted Maintenance is based on expenditures, we are able to adjust that contribution by \$90,847.

The impact of these changes result in our \$20,682,702 shortfall in 2020-2021, dropping to \$16,885,534.

Moving Forward

Because our structural deficit still exists and because with the full funding of LCFF, our revenue increases moving forward will likely be limited to COLA, which is projected to fall somewhere between 2.5% and 3% and because our cost increases (STRS/PERS, special education, healthcare) are expected to exceed 4%, we will still need to make significant budget reductions.

Our recommendations from January 2018 to February 2018 remain constant with one change: it is recommended that we leave the principals in place.

As a reminder, our recommendation in January was \$1.5 million reductions to Supplemental Fund and \$1.5 million reductions to General Fund and \$3.8 million in negotiated items. By leaving the principals in place, the General Fund reduction becomes \$828,026.

Details of these reductions are as follows:

Supplemental Expenditures

- Instructional Coaches (3.5 FTE)
- ELD Instructional Assistants (6.875 FTE) **(Board Action Required)**
- 20% Reduction 1593 (Instructional Support)
- 20% Reduction 1595 (Parent Engagement)
- 25% Reduction of 1596 (Staff Development)
- 100% Reduction of 1592 (Site Technology Support)
- 100% Reduction of 1597 (Release Day)

General Fund Expenditures

Middle School Assistant Principal (.5 FTE, Leyva)
Mechanic (1 FTE, to be vacant) **(Board Action Required)**
Instruction Department Clerical (.5 FTE) **(Board Action Required)**
Social Worker (reassign funding from GF to Mental Health)
*Coordinator, Special Education (1 FTE)
*Principal on Special Assignment (1 FTE - realign positions)
ELD Assessment Specialist (1 FTE, to be covered by IT staff) **(Board Action Required)**
Custodian (1 FTE) **(Board Action Required)**
Maintenance Worker (1 FTE) **(Board Action Required)**
HR/Superintendent Office (reassign funding from GF to Bond and Restricted Maintenance)
20% Reduction of 1170 (Site budget allocation)
100% Reduction of SEAT
100% Reduction of 1250 (Middle School one-time extra-curricular)
Cell phones stipend reduction

**Principal on Special Assignment is currently funded through supplemental funds. Coordinator, Special Education is funded through General Fund. Realigned position will support Special Education and Instruction Department and will be funded through supplemental funds.*

School Consolidation Plan

The Board has requested a formal plan for the implementation of the school consolidation recommendations. That Plan is attached. Note that it is not intended for the Board to discuss this plan at tonight's meeting, however, as it remains a recommendation, the Plan is being shared and can be agendaized for discussion as desired by the Board.

Next Steps

The 2018-2019 budget that will be presented to the Board for approval in June will contain these reductions. The Reduction in Particular Kinds of Service (PKS) (all of the above items that require Board action) will be brought to the Board for action in March.