

# **Sierra Sands Unified School District**



## **Fiscal Recovery Plan**

**Fiscal Years 2021-23**

**December 14, 2020**

## **Introduction**

This Fiscal Recovery Plan has been created by the Sierra Sands Unified School District management team. This plan outlines the preliminary steps the district is proposing to take in order to make budgetary adjustments to impact the multi-year financial projections to reflect a sound fiscal foundation, which supports the district's primary purpose: the education of our students. Though steps in this transition are necessary, many of which include budgetary reductions, an open and transparent collaboration that levies the support of all district stakeholders will be the only viable path to a sound fiscal future. It is the intent of the district to establish a Budget Committee in January 2021 to facilitate this process.

The Fiscal Recovery Plan was developed to address the structural deficit identified in the district's budget for fiscal years 2021-23, of which the district notified the Kern County Superintendent of Schools (KCSOS). The goal of this plan is to outline the steps that the district plans to take in order to directly address key and targeted areas to improve the district's 2021-2023 multi-year financial projections. This plan is meant to be adaptable to all budgetary conditions in California's school funding laws, to the current enrollment of the district, and the educational needs of the students of the district.

The 2020-21 fiscal year is a very difficult year to serve as a baseline for the fiscal recovery plan for two primary reasons: 1) Due to COVID-19, schools are operating in a distance learning mode, which has resulted in atypical expense patterns; and 2) the district has received approximately \$5.2M in Coronavirus Aid, Relief, and Economic Security (CARES) Act and State COVID-19 Funding, which has positively impacted the district's ending fund balance.

### **2020-21 Fiscal Year Variables**

**Recurring Expenditures.** The distance learning model has decreased the amount expended for books and supplies and other operating expenses, such as fuel, utilities, and contractual services.

**Coronavirus Aid, Relief, and Economic Security (CARES) Act and State COVID-19 Funding.** The district was allocated over \$5.5M in funding through the Coronavirus Aid, Relief, and Economic Security (CARES) Act and State COVID-19 funding. While recognizing that the funds are one-time funds and will not impact a structural deficit, the district has been able to offset recurring General Fund expenses with this funding for the 2020-21 fiscal year.

**Transfers.** The Child Nutrition Services Department is projected to require a contribution from the General Fund of \$862,260 for the 2020-21 school year. Higher food costs, lower participation, individual packaging of "grab and go" meals, and free meals to all community members 18 years or younger have contributed to this loss.

Special Education Program Contribution. Several Special Education recurring expenses in professional services were reduced this year, due to the fact that school was implemented in a distance learning mode. This resulted in a decrease of ~\$1M in the amount contributed from the General Fund.

**Fiscal Year 2021-23 Risks**

Enrollment/ADA. The district has lost ~250 students during the 2020-21 fiscal year. While districts were given approval to use 2019-21 ADA for LCFF calculations, it is unclear what the impact will be on revenues in the out years.

Unduplicated Pupil Percentage (UPP). The district is not certain what the UPP will be for the 2021-23 fiscal years.

Negotiations. The district was able to reach agreement with the bargaining units for a step and column-only increase during the 2020-21 fiscal year. Negotiations will be a significant factor in cost escalation in the out years.

Child Nutrition Services. It is unclear at this time how the CNS budget will impact the General Fund in 2021-23. The multi-year projection currently projects a \$500,000 contribution for those fiscal years.

**Recovery Plan**

SSUSD is proposing 10 changes to begin addressing the structural deficit forecast in the district’s 2021-23 multi-year financial projections. These areas are designed to address the structural problems within the budget while seeking to uphold the district’s adherence to the needs of the students of the schools.

An important consideration of this recovery plan is the Local Control and Accountability Plan (LCAP). Budgets will continue to be built upon the goals in the LCAP and the renewed focus to the services targeted for students.

<b>Proposed Changes – 2021-22</b>		<b>Description</b>	<b>Estimated Savings</b>
1	Classified Reductions	The following vacated positions will not be filled: Mechanic – Transportation Accounting Clerk IV – Business Office Software Support – IT	\$100,000
2	Certificated Reductions	Eliminate Secondary Support TOSAs	\$300,000
3	Certificated Reductions	Reduce 2 PD Days from Work Schedule	\$200,000
4	Management Reductions	Reallocate Construction Director to Grant Funds	\$120,000
5	Paraprofessionals	Analyze/Restructure Paraprofessional Assignments	Unknown
6	Site Budget Reductions	2% Reduction in All Site Budgets	\$30,000

7	Curriculum Adoption	50% Reduction in Curriculum Adoption Annual Allocation	
8	Chromebook Refresh Cycle	Extend cycle to bi-annually	\$250,000
9	Child Nutrition Services	Analyze CNS to reduce contribution – FCMAT review	\$350,000
10	CARES Act funding	One-time General Fund reductions	\$1,000,000
		Total Estimated Savings – Ongoing	\$1,350,000
		Total Estimated Savings – One Time	\$1,000,000
		<b>Total 2021-22 Savings</b>	<b>\$2,350,000</b>

**Conclusion**

This Fiscal Recovery Plan is subject to revision and will adapt to changing fiscal conditions of the district. The plan will be updated as progress is made and more accurate data is available regarding enrollment, UPP, and state funding conditions.