

2020-21 Original Budget Assumptions – First Review
Last Business Operations Committee Review: June 3, 2020
Final Board Review: June 18, 2020

General Reserve	<ul style="list-style-type: none"> ▪ Current reserve policy is ten percent (10%) of general fund expenditures; this is accomplished with use of the Special Reserve Fund balance. 10% of general fund expenditures in 2020-21 is estimated at \$3,824,381. ▪ In addition, the District has a goal of achieving a secondary reserve totaling thirty-three percent (33%) of excess property taxes, approximately \$7.9 million in additional reserves. It is anticipated that the District will have a reserve of approximately \$7,580,063 in 2020-21 (between Fund 01 {General Fund} and Fund 17 {Special Reserve for Capital Outlay}) beyond the 10% reserve, after assigned set-asides (see section entitled “Fund Balance – Assigned Set-Asides). ▪ The District will continue to build towards achieving the secondary reserve (33% excess property taxes. A recommendation on a transfer amount to Fund 17 (Special Reserve) will be brought to the Board for consideration of approval During the year-end closing process for 2020-21- <p>NOTE: On October 11, 2017 Governor Jerry Brown signed the Reserve Cap Bill (Senate Bill {SB} 751) which makes changes to the existing school district reserve cap law, which exempts “basic aid” school districts and those with fewer than 2,501 average daily attendance from the reserve cap requirement.</p>
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REVENUE ASSUMPTIONS – Unrestricted General Fund

Property Tax Revenue	<ul style="list-style-type: none"> ▪ Taxes are budgeted at a 3.0% increase above 2019-20 estimated actuals. No taxes are included for the Howell Mountain or Pope Valley High School students. <u>COVID-19 Event Update:</u> 3% is still a safe estimate on property tax growth for 2020-21 based upon discussions with Napa County agencies.
“District of Choice” Revenue	<ul style="list-style-type: none"> ▪ The 2020-21 Budget includes revenue in the amount of \$115,163 \$103,647 for the “District of Choice” program. <u>COVID-19 Event Update:</u> This allocation was reduced by 10% based on the Governor’s May Revision of the 2020-21 State Budget. Assembly Bill (AB) 99 was approved by Governor Jerry Brown on June 27, 2017, extending the “District of Choice” program through July 1, 2023, and repealing it as of January 1, 2024.

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<p>Local Control Funding Formula (“LCFF”)</p> <p>Other State Funds</p> <p>Prop. 98 – One-Time Discretionary Funds</p> <p>Lottery</p> <p>Mandated Costs</p> <p>Other Local Income</p>	<ul style="list-style-type: none"> ▪ LCFF is the State funding model for most State Educational Programs. Since SHUSD is a “basic aid” District, it receives only two of the LCFF funding components: <ul style="list-style-type: none"> ○ Minimum guarantee for previous categorical programs, estimated to remain stable at approximately \$481,492-\$433,343. COVID-19 Event Update: This allocation was reduced by 10% based on the Governor’s May Revision of the 2020-21 State Budget. ○ Education Protection Account (EPA) entitlement associated with Prop. 30, estimated to remain stable at approximately \$250,846-\$235,438. COVID-19 Event Update: This allocation was reduced by 10% based on the Governor’s May Revision of the 2020-21 State Budget. ▪ If one-time Prop. 98 discretionary funding is included in the Governor’s proposal for the 2020-21 State Budget, the Budget Assumptions will be updated accordingly. ▪ Current estimates are \$153.00 Lottery ADA for the unrestricted lottery amount, and \$54.00 Lottery ADA for the restricted lottery revenue. Lottery funds are used for site budgets for supplies and materials. ▪ The District participates in the Mandated Block Grant program which is estimated and budgeted at \$32.92 \$32.18 per K-8 ADA plus \$63.36 \$61.94 per Gr. 9-12 ADA in 2020-21. Occasionally, the State pays additional amounts for certain prior year mandate reimbursements. Such revenues are not budgeted until amounts are known. ▪ Other Local Income includes facility rentals, interest on funds held by the County and other local surplus sales or donations that are not tied to specific locally restricted programs or activities. The District budgets only the likely recurring local income until additional amounts are known.
<p>REVENUE ASSUMPTIONS – Restricted General Fund</p>	
<p>LCFF Sources</p>	<ul style="list-style-type: none"> • The District receives certain property taxes designated by the County and SELPA specifically for Special Education services. These amounts are estimated to remain stable at approximately \$680,773 \$641,037. Note: The decrease in

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Federal Categorical Programs	<p>revenue is due to a recalculation in the Napa County SELPA formula which includes updated P-2 ADA information.</p> <ul style="list-style-type: none"> These programs include Special Education base and discretionary grants, Title I, Title II, Title III, and Vocational Education Grants. Revenues are updated to reflect on-going allocations plus any known one-time grants for 2020-21.
Other State Programs	<ul style="list-style-type: none"> The district will receive a one-time allocation of \$178,861 in 2020-21 under the CARES Act (COVID Relief Funding). These dollars will be included in the 2020-21 First Interim Report because the state reporting software (SACS) is not yet set up to record the allocation or expenses. The funds are restricted but can be used for a wide range of expenditures associated with the COVID-19 event.
Other Local Revenues	<ul style="list-style-type: none"> These programs include Special Education, Lottery Instructional Materials, any unspent portion of the one-time College and Career Readiness Block Grant, and Vocational Education. Revenues are updated to reflect on-going allocations plus any known one-time grants for 2020-21. Special Education SELPA transfers are budgeted as determined by the SELPA. NOTE: The District currently receives Educationally-Related Mental Health (ERMH) funding, which is used to meet the mental health needs of Special Education students. This funding is currently being audited by the state, and may be decreased or eliminated in the future. For 2020-21, \$89,870 \$73,651 of restricted revenue is budgeted based on preliminary estimates from the SELPA. Most of this revenue is applied towards the portion of the contract with Upvalley Family Centers that provides mental health support for students in the Special Education program, based on the services indicated in their Individual Education Plans (IEP's). Any remainder in excess of that amount is applied towards a portion of the salaries for district employees who help to manage mental health services for students based on their IEP's. Beginning in 2020-21, restricted Title IV Student Support funding will be used to support these expenses also (\$15,954 in 2020-21). The remaining costs of approximately \$30,395 associated with the Upvalley Family Center contract are expensed to the unrestricted General Fund. The total

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	<p>estimated cost of Upvalley Family Center contract in 2020-21 is approximately \$112,000 \$120,000.</p> <ul style="list-style-type: none"> Donations from Parent-Teacher groups, Foundations, and others are budgeted when received. COVID-19 Event Update: Some funds allocated in 2019-20 may be carried over to 2020-21.
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EXPENDITURE ASSUMPTIONS

Staffing - Certificated and Classified

The staffing levels for 2020-21 will be developed by District Administration and Staff. **COVID-19 Event Update:** A vacant Floating Custodian/Grounds position (1.00 FTE) will not be filled until after the 2020-21 First Interim Report is presented to the Board in December, 2020, to allow time for an evaluation of revenue (property taxes and state aid).

NOTE: Administration is evaluating the possible addition of a separate transition program for 18-22 year old students with disabilities, which will result in an increase in staffing for 2020-21 if implemented. These students currently attend SHHS. The 2020-21 budget contains a placeholder for the additional costs. **COVID-19 Event Update:** This item is postponed to the 2021-22 school year.

Substitute Teachers

- Budget for certificated subs will include 7 days per certificated employee. The current rate is \$175 /day effective: November 15, 2019.

Step and Col. Increases

- All step/column increases are included in budgeted salaries.

Salary Increases

- The 2020-21 salary schedule agreements with all employees will be included in salary projections.

Mandatory Payroll Rates, 2020-21

- STRS: ~~18.40%~~ 16.15% (May Revise – reduction)
- PERS: ~~22.80%~~ 20.70% (May Revise – reduction)
- Social Security: 6.20%
- Medicare: 1.45%
- Unemployment: 0.05%
- Workers' Comp: ~~1.685%~~ 1.732%

Retirement Incentives

- Two-year STRS and PERS retirement incentives were offered in 2018-19 through a Board-approved Memorandum of Understanding (MOU) with both the St.

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	<p>Helena Teachers’ Association (SHTA), and the California School Employees’ Association (CSEA #287). The STRS retirement incentive will not be offered again until 2022-23 per the MOU. The PERS retirement incentive is offered one-time only. The 2018-19 one-time retirement incentive costs were paid off in one lump sum during the 2019-20 fiscal year.</p>
<p>Health Insurance</p>	<ul style="list-style-type: none"> ▪ The % increase on the highest premium paid by the District for medical benefits effective January 1, 2020 (Kaiser) is 0.03% for single coverage, 0.03% for dual coverage, and 0.03% for family coverage. A projected 10% increase on benefits will be budgeted effective January 1, 2021. Dental and vision premium rates are expected to remain the same in 2020-21 compared with 2019-20.
<p>Other Post-Employment Benefits (OPEB)</p>	<ul style="list-style-type: none"> ▪ The District pays 100% of the least costly individual medical insurance monthly premium for eligible retired unit members until Medicare eligibility. Beginning in 2018-2019, the budget includes a minimum of \$50,000 annually to be deposited into a trust established for the purpose of reducing the long-term costs of OPEB. (The Board of Trustees granted approval to establish an OPEB trust on August 9, 2018).
<p>School Site Allocations</p>	<ul style="list-style-type: none"> ▪ Continue the current level of funding for school sites. Site budgets include the following allocations: <ul style="list-style-type: none"> ▪ School Site and Classroom from Lottery - \$151.24 per pupil. ▪ Site allocations for supplemental professional development and teacher release time to work on district/site initiatives: \$5,000 for SHPS/ES, \$15,000 for RLS/SHHS (previously centralized, or district-level funding). ▪ Decentralized technology allocation for peripherals (keyboards, cartridges, etc) – SHPS, SHES: \$3,000 RLS, SHHS: \$5,000. ▪ \$12,000 for intervention activities at each site. ▪ Allocation of approximately \$20,000 to cover costs of student projects (art, culinary, floral, etc.) and P.E. uniforms, for which student fees were previously charged (one per incoming 6th grader and 9th grader), per Board approval, effective July 1, 2018. ▪ Beginning in 2018-19, the following allocations are added to the SHHS discretionary budget to replace

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	<p>funding provided by the discontinued “College Readiness” grant:</p> <ul style="list-style-type: none"> -College visit field trips: \$3,600 -PSAT test fees (10th & 11th grades): \$2,800 -Pre-ACT test fees (10th & 11th grades): \$800 -\$16,000 budgeted for the full cost of Advanced Placement (AP) tests due to increase in community college dual enrollment offerings. <ul style="list-style-type: none"> ▪ The Local Control Accountability Plan (LCAP) site goals for each school shows how site allocations of funds support educational objectives. Site administrators and office staff are able to access and view up-to-date budget information in the financial data base.
Textbooks	<ul style="list-style-type: none"> ▪ \$275,000 is budgeted for both regular consumable and/or replacement materials that align with Common Core state standards, TK-12, and textbook adoptions (from both restricted and unrestricted sources).
School Safety	<ul style="list-style-type: none"> ▪ Beginning in 2018-19, \$15,000 districtwide is allotted for expenses related to school safety (emergency supply replacements, walkie-talkies, trainings, etc.) These expenses have been covered as needed in the past; a designated allocation moving forward will promote better tracking and resource management.
Other Supplies, Utilities, and Contracted Services	<ul style="list-style-type: none"> ▪ The budget reflects historical budget amounts and projected spending for other supplies, utilities, and contracted services.
Aquatic Center	<ul style="list-style-type: none"> ▪ The Aquatic Center budget in 2020-21 will be adjusted based on an analysis of actual costs for 2019-20. COVID-19 Event Update: 2019-20 actual costs include reductions for pool closure during the school closure/shelter orders.
Copy Machine Leases	<ul style="list-style-type: none"> ▪ The General Fund will continue to fund school copy machine lease and maintenance payments.
Staff Development, Conferences, Workshops	<ul style="list-style-type: none"> ▪ The 2020-21 Budget includes \$185,000 for district-wide staff development, and professional conferences/workshops. <i>NOTE: Includes additional \$25,000 per Board approval of “Academic Excellence” recommendations in 2017-18; ongoing effective July 1, 2018- see “Prior-Year Archived Assumptions” below).</i>

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<p>Summer School</p> <p>“Being Here/Being There” Experiences:</p> <p>Furniture and Equipment</p>	<ul style="list-style-type: none"> ▪ \$85,000 is budgeted for Summer School, including the Extended Year Special Education program. ▪ The Budget includes \$93,000 for TK-8 “Being There,” experiences, and TK-5 “Being Here” experiences. <i>See also “Grants” below. (NOTE: Includes additional \$15,000 per Board approval of “Academic Excellence” recommendations in 2017-18; ongoing effective July 1, 2018-see “Prior-Year Archived Assumptions” below).</i> ▪ The Budget includes \$30,000 for repair/replacement of classroom furniture and equipment annually, with a goal of selecting replacement classroom furniture that supports collaborative learning and innovative instruction.
<p>Other Programs and Services</p> <p>Restricted Routine Maintenance Account (RRMA)</p> <p>Maintenance and Deferred Maintenance Programs</p>	<ul style="list-style-type: none"> ▪ Districts that have received State Prop.1A funds for modernization of facilities are required to budget a certain amount of the budgeted General Fund expenditures in a Routine Maintenance Account to be used for ongoing and deferred maintenance. The 2020-21 budget meets this requirement as outlined in the Governor’s Proposal, which is the greater of either a) the lesser of 3% of total General Fund expenditures or the amount deposited in 2014-15; or b) 2% of General Fund expenditures. ▪ The State previously contributed \$64,000 annually to the District’s Deferred Maintenance program and the District matched this amount. Subsequently, the State’s contribution was “rolled into” LCFF funding. The Budget currently reflects a \$50,000 contribution for Deferred Maintenance. The contribution to Fund 14 was decreased by approximately the amount of the increase to the Routine Restricted Maintenance account as required by law (described above). Beginning in 2016-17, the Budget also includes a \$350,000 transfer to Fund 40 (Special Reserve for Capital Outlay) in order to address “warm/safe/dry” long-term maintenance needs per the District’s site maintenance assessments, and to fund set-asides for the replacement of artificial turf (SHHS), the pool liner (Aquatic Center), and solar panels (RLS); in addition to a major HVAC/roofing project that will be needed at the elementary school by the year 2025. In addition, following fiscal years that conclude with an increase to the unrestricted fund balance, an additional contribution

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	<p>towards long-term maintenance set-asides may be recommended to the Board by the CBO.</p> <p><u>Note:</u> The total contribution to Fund 40 (Special Reserve for Capital Outlay) beginning in 2017-18 is \$400,000 (\$350,000 for maintenance needs described above, and \$50,000 for at least three years for transportation needs per the description under “Transportation” below).</p> <ul style="list-style-type: none"> ▪ Approximately \$780,000 is budgeted in Resource 0707 for all Information Technology (IT) expenses in 2020-21 (device replacement, infrastructure costs, other hardware, telecommunications, software licenses, and photocopier/scanner costs that cannot be charged to the Measure B/C Bond proceeds). Staff is developing a phased replacement plan for devices and classroom projection technology, elements of which will be presented to the Board prior to purchase. Incoming Kinder students receive new iPads, incoming 3rd and 6th graders receive new Chromebooks, and incoming 9th graders receive new laptops as part of the district’s mobile 1:1 device refresh program. In 2020-21 a set of chromebooks will be purchased for 2nd grade students as well to help them learn to use the devices prior to entering 3rd grade.—Classroom projection and audio technology is replaced under the “Future Ready Classrooms” program. ▪ <u>COVID-19 Event Update:</u> 60 wireless hotspots and 12-month licenses were purchased in 2019-20 to support distance learning at a cost of approximately \$21,000. This expense is covered by one-time state emergency funding allocated in 2019-20.
<p>Technology Budget</p>	<ul style="list-style-type: none"> ▪ Continue to provide full time staff at each site. The District belongs to the Napa Valley Consortium for librarian leadership, at no cost to the district. Annual fees for library software and resource databases are paid directly to the vendor (and are included in the Information Technology (IT) budget above. Beginning in 2017-18, \$5,000 is granted to RLS for required library materials, and \$2,000 each is granted to the primary and elementary schools. The high school is currently funded through site discretionary resources.
<p>Library Budget</p>	<ul style="list-style-type: none"> ▪ The District contributes up to \$30,000 annually for scholarships.
<p>St. Helena Preschool</p>	

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Food Service Program Contribution	<ul style="list-style-type: none"> ▪ The District currently contributes to the Food Service Fund to balance the available revenues with the expenditures in the fund. For 2020-21, the District continues to look for solutions to lower this encroachment. If no solutions are found, a \$355,000 contribution will be required for the 2020-21 budget year
Transportation	<ul style="list-style-type: none"> • The transportation program for 2020-21 and beyond is currently under review. The Napa Valley Unified School District discontinued transportation services effective June 30, 2020, and the Board commissioned a study conducted by Pupil Transportation Services to provide options for 2020-21 and beyond. The Board will consider approval of a level of service for 2020-21 during the May 14, 2020 Board meeting. As of 04.02.2020, 2019-20 Multi-Year Projections for 2020-21 and beyond reflect costs for the same level of service provided in 2019-20.
Superintendent's Subcommittees	<p>2020-21 Superintendent's Subcommittee Budgets:</p> <ul style="list-style-type: none"> -Equity, Climate & Culture Committee \$4,000 (General Fund) -Wellness Committee: \$4,000 (Kaiser Grant {see below}) – Year 3 /5
Replacement Funding	<ul style="list-style-type: none"> ▪ The budget includes a contribution each year for long-term maintenance, including replacement of the pool liner, artificial turf, and RLS solar panels (see "Maintenance and Deferred Maintenance Programs" above). ▪ The budget includes funding each year to replace General Fund purchases of technology consumables (computers, tablets, and associated hardware – see Technology Budget above).
Grants	<ul style="list-style-type: none"> ▪ Ongoing grant funding is projected to remain stable in 2020-21 and beyond. Positions funded by those grants are also expected to continue. ▪ A one-time Kaiser grant was received and accepted by the Board in 2017-2018, in the amount of \$381,000. The grant may be used for any educational purpose. The following five-year budget is established for the grant, beginning in 2018-19: <ul style="list-style-type: none"> -Student/Staff Wellness (\$20,000/yr for five years) -Additional "Being Here/There" Support:

\$390,000 →

\$390,000

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<p>Fund Balance “Assigned” Set-Asides</p>	<ul style="list-style-type: none"> -Contribution towards the cost of general field trip transportation (\$20,000/yr for 5 years, district-wide) -Contribution towards the cost of the 8th grade Yosemite Trip (\$20,000/yr for 5 years) -Contribution towards the cost of the 5th Grade Science Trip (\$15,000/yr for 5 years) <p>The above allocations represent approximately 50% of the estimated costs for the activities indicated as of 2018-19.</p> <p>Total: \$375,000 (remaining \$6,000 to be allocated per above)</p> <p align="center">\$400,000</p> <ul style="list-style-type: none"> ▪ \$390,000 to offset any budget cuts in 2021-22 and beyond that are necessitated by the impact of the COVID-19 event on the district’s financial outlook. \$390,000 represents \$400,000 savings resulting from the 2020-21 STRS/PERS rate decreases less estimated revenue reductions of approximately \$75,000. ▪ \$50,000 for STRS/PERS increases beyond the multi-year projection. ▪ \$200,000 for Technology Infrastructure costs after the Technology Allocation in the Measure B/C Bond is spent ▪ \$150,000 for Technology-Devices: refresh needs (devices, equipment, General Fund) beyond the multi-year projection (beginning in 2022-2023) ▪ \$300,000 for additional academic program development, to include ELD, Summer School, Special Education, “Being Here/Being There” experiences, and Academic Intervention ▪ \$400,000 for unexpected operational costs, to include legal and/or Special Education expenses, transportation, Food Services, deferred maintenance needs, etc. ▪ \$75,000 to replace restricted-Special Education mental health support if restricted funding allocated for this purpose is discontinued. ▪ \$225,000 to sustain three years of the 2017-18 one-time Kaiser grant initiative to provide additional support for student and staff wellness activities, and field trips
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	<ul style="list-style-type: none"> ▪ \$225,000 – Career-Technical Education Match- One-time Set-Aside (from three year grant) ▪ \$200,000 for the Future Ready Classrooms (FRC) learning space redesign – one-time reserves to be used for projects with Board approval. <p>TOTAL: Assigned Fund Balance: \$1,825,000 \$2,225,000</p>
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**Prior-Years –
 Archived Assumptions**

Academic Focus Area- Math: The 2018-2019 Budget and Multi-Year Projection includes expenditures established in 2017-2018 to support student achievement in math (e.g. Intervention Teacher, continued Math Task Force, teacher training for a new STEM Robotics class, and release time for peer observation).

Academic Focus Area – ELD: The 2018-2019 Budget and Multi-Year Projection includes \$50,000 in each year (established in 2017-2018) to support student achievement in English Language Development (ELD) for English learners.

Master Scheduling – Staffing Reserve: Equivalent of 1.0 FTE additional staffing support at RLS to support English learner instruction, math intervention, and enrichment beginning in 2018-19. Estimated cost: \$160,000.

Academic Excellence: During the 2018-19 school year, the following amounts are budgeted for increased academic services/programming, based on recommendations generated by the Academic Excellence Committee (Ad-hoc to the Superintendent’s Subcommittee on Curriculum, Technology, and Innovation:

-	Staffing:	\$160,000
-	Professional Development:	\$25,000 (incorporated above)
-	<u>Enrichment:</u>	<u>\$15,000 (incorporated above)</u>
	Total:	\$200,000

\$160,000 to support additional staffing for enrichment activities (e.g. Spanish, Art, or Science, Technology, Engineering, Art, and Math {STEAM}) per the Academic Excellence Ad-Hoc Committee recommendations (Board-approved in 2018-19).

\$96,000 for two six(6)-hour classified “Para-Educator” positions to support students in the Advancement Via Individual Determination (AVID) program (grades 6-12). Note: These figures represent a net increase to provide support – the district currently spends approximately \$11,000/year on AVID tutoring. Supported by the Curriculum, Technology and Innovation (CTI) Committee, Board-approved on December 13, 2018.

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