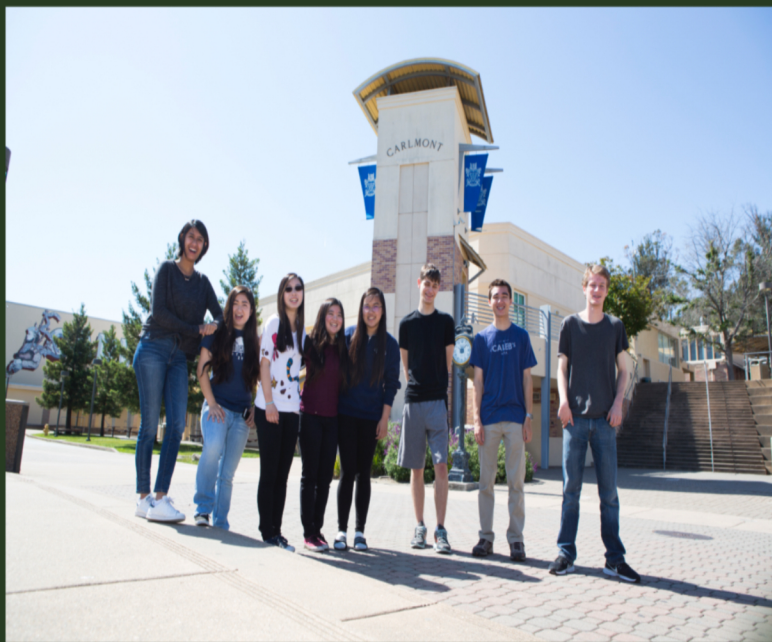


Sequoia Union High School District Budget Plan 2020/21



Approved:

This Budget Plan was approved by the Sequoia
Union High School Board of Trustees June 24, 2020



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Executive Summary

To The Board of Trustees:

I am pleased to submit the Sequoia Union High School District 2020/21 Operational Budget for approval. This budget focuses on our goals and initiatives. It also begins to build financial strategies in our out years that will support initiatives for long range planning.

We are in unrepresented times, building a budget during a pandemic with an economy that has been turned upside down in a matter of months, which requires us to be nimble and more cautious with our projections. Although year over year, the numbers may look similar in trend – we are preparing for some reductions and changes to how we deliver education and supports to our students.

For several years we have benefited from our increasing property tax base and one-time monies issued from the State, and new categorical programs and grants. In the era of COVID, we will not be so fortunate. Many of the categorical and grant programs have had revenues cuts. Our property taxes could see a decline in year over growth in the 2021/22 year, as well as a looming concern that our Fair Share penalty could grow.

This Budget Plan has two sections. The first section details the 2020/21 Budget for Operations, describes the general fund allocation, and presents a forecast for activities. This will include all known and projected revenues and expenses. The second section summarizes the programmatic financial activity for goals and initiatives from the district support level.

Highlights of the Operational Budget:

General Fund Budget, Revenue

Property Tax Revenue

The Assessor is responsible for determining the assessed value of all taxable property located in San Mateo County. With approximately 237,000 assessments each year, the Assessor's Division creates the official record of taxable property (local assessment roll), shares it with the County Controller and Tax Collector, and makes it publicly available. The local assessment roll is determined by identifying, mapping, inspecting and calculating the assessed value for all real (land and structures) and business properties. (<https://www.smcacre.org/assessor>)

The chart below shows our property tax information for the past four years.

Description	15/16 UA	16/17 UA	17/18 UA	18/19 UA
Homeowners' Exemptions	580,709	575,534	571,943	566,352
Timber Yield Tax	209	480	439	541
Other Subventions	149	4,748	1,869	1,957
Secured Roll Tax	103,116,519	111,458,149	120,034,962	128,226,314
Unsecured Roll Tax	4,975,974	4,947,539	5,266,271	6,191,611
Prior Years' Tax	101,562	2,559	146,566	(60,847)
Supplemental Tax	-	-	-	-
Community Redevelopment Tax	4,863,558	5,220,120	6,588,297	7,793,858
TOTAL	113,638,681	122,209,129	132,610,347	142,719,786
Dollar Change Year to Year	10,256,736	8,570,448	10,401,218	10,109,439
Percentage Change Year to Year	9.92%	7.54%	8.51%	7.62%

The chart below show our property tax projection for current year and three subsequent years.

Description	19/20 Projection	20/21 Projection	21/22 Projection	22/23 Projection
Homeowners' Exemptions	557,185	557,185	557,185	557,185
Timber Yield Tax	100			
Other Subventions				
Secured Roll Tax	137,668,508	144,551,933	148,888,491	156,332,916
Unsecured Roll Tax	6,312,369	6,627,987	6,826,827	7,168,168
Prior Year's Tax	120,000	120,000	120,000	120,000
Supplemental Tax				
Community	9,007,702	9,007,702	9,007,702	9,007,702
Redevelopment Tax				
Total	153,665,864	160,864,807	165,400,206	173,185,971
Dollar Change Year to Year	10,946,078	7,198,943	4,535,399	7,785,765
Percentage Change Year to Year	7.6%	5%	3%	5%

Property taxes are expected to slow for the year over year increase. Due to the economic unknowns of COVID-19, it is recommended that for the 2021/22 year we project only a 3% increase over prior year. Any recognized decrease in property tax would not be known for 18 months.

We will be receiving \$350k less in our Basic Aid minimum guarantee.

COVID -19 support funding, \$818,401 which will be used to purchase cleaning equipment and specialized supplies to sanitize classrooms, protective wear for students and staff, funding for sites to add additional technology support, and funding for high risk students with internet connectivity challenges.

General Fund Budget, Expenditures

Certificated salaries are projected at \$73.4M, and could potentially increase with recruitment of special education staff. This potential increase would then be offset by a decrease in contracted services.

Classified salaries are projected at \$27.5M.

Neither salary classification takes into account any additional staffing nor reduction related to COVID-19 supports changes to operations.

Health and Welfare benefits are projected at \$18M, which includes a projected 5% increase in cost.

CalPERS employer rate has decreased to 20.70% creating a savings from prior year of \$280K. CalPERS liability is projected at \$5.5M.

CalSTRS employer rate has decreased to 16.10% creating a savings from prior year of \$900K. CalSTRS liability is projected at \$11.6M

The unrestricted Operational Budget for supplies is projected at \$3.4M, this includes site funds; however, plans for spending are still in process due to all unknowns from COVID-19. This projection does not include the expenditures related to the COVID-19 revenue support we received. The restricted Operational Budget for supplies is projected at \$3.2M; however, revisions in categorical grants are in process to address the funding reductions from the State for Career Technical Incentive and the Strong Workforce Grant.

The unrestricted Operational Budget for services and other operating expenses is projected at \$12M. This projection includes \$360K for contracted out transportation that may not come to fruition due to COVID-19. The restricted Operational Budget for services and operating expenses is projected at \$10M. This projection could decrease with the recruitment and hiring of Special Education staff.

Other Funds

Fund 09, The Charter Schools Special Revenue Fund is used to report the East Palo Alto Academy dependent charter school as part of the SUHSD authorizing district but reported outside of the District's general fund.

Fund 11, The Adult Education Fund is used for the purposed of recording all Adult Education income and expenditures and it is earmarked to support the adult education program throughout the district.

Fund 13, The Cafeteria Fund is used for the purpose of recording only income and expenditures related to the operation of the District's Food Services program.

Fund 14, The Deferred Maintenance Fund is used to record the District's contribution for Deferred Maintenance purposes. Expenditures in this fund are for major repair or replacement of plumbing, heating, roofing, and other items that have been approved by the State Allocation Board (SAB). The approval of projects is based on a five-year deferred maintenance plan that must be filed with SAB.

Fund 21, The Building Fund is used to account for the sale of general obligation bonds from Measure A, approved by the voters in 2014. Bond proceeds are used for construction, remodeling, and modernization and infrastructure repairs throughout the district.

Fund 25, The Capital Facilities Fund is used to separate moneys received from the fees levied upon developers or other agencies as a condition of building or expanding what is called "habitable space." Expenditures from this fund are limited to the expansion or improvement of sites due to enrollment growth.

Fund 35, County School Facilities Fund is established pursuant to Education Code Section 17070.43 to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), the 2004 State School Facilities Fund

(Proposition 55), the 2006 State School Facilities Fund (Proposition 1D) or the 2016 State School Facilities Fund (Proposition 51). The fund is used primarily to account for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (Education Code Section 17070.10 et seq.). We have several projects waiting for approval of reimbursement and should know by August of funding.

Fund 40, The Special Reserve Fund for Capital Outlay is used for capital improvement purposes. Major expenditures over the past several years include: portions of the cost for construction and equipment of the new buildings throughout the District and the replacement of copiers for the sites.

Strategic Context

The 2020/21 Operational Budget planning factors: Prior year estimated actuals were used. May Revision factors: 10% reduction in Basic Aid Minimum Guarantee, Charter School In-Lieu adjustments of -10%, CalSTRS rate of 16.15%, and CalPERS rate of 20.70%. Specifics reductions to categoricals are applied.

The MYP incorporates the following key assumptions:

- An estimated 5% increase in property taxes for 2020-21, with a 3% increase for year 21-22, and 5% increase for year 22-23.
- Federal revenues are projected to decline in current year as programs have wither been cut or reduced. Subsequent two years are projected to be flat funded.
- State revenues are projected to be flat funded.
- Local revenues are projected lower than 2019/20 Estimated Actuals due to revenues from donation, foundation, and facilities leases and rentals being budgeted when received.

Financial Reserves

As we enter the 2020-21 budget year we are concerned about the state of the economy. Economic growth has halted during the pandemic and it is unknown what the recovery will look like. The 2020-21 Operational Budget is projecting approximately \$13.7M or 7.46%.

INFORMATION AT A GLANCE

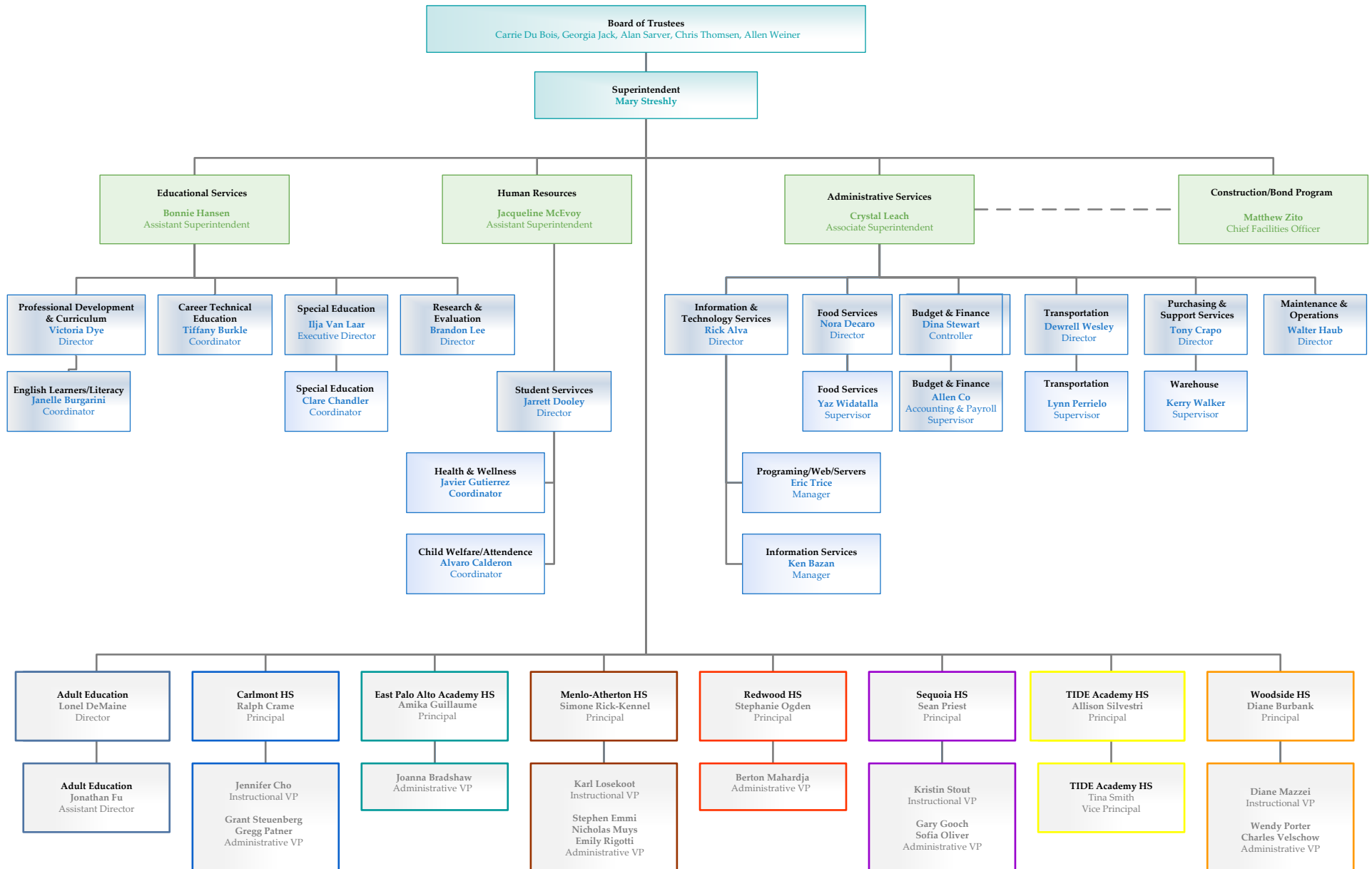
This is intended to provide a quick reference to the most common looked up district information. Detail on these items can be found throughout the Budget of Operations.

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Preliminary	2020-21 Projected
Fall Enrollment (CBEDS)	9079	9204	9385	9306	9549
Unduplicated Pupil Count	2,960	3,417	4,308	4308	4308
Average Daily Attendance (ADA)	8,145	8,206	8,337	8387	8387
Property Tax Collections	122,209,129	132,610,347	142,719,786	153,665,864	160,864,807
Property Tax Growth	7.54	8.51	7.62	7.6	5
Total General Fund Revenue	146,80,271	159,673,694	171,619,601	186,008,350	185,130,823
Total General Fund Expenditures	142,276,008	150,609,339	169,482,176	188,966,661	181,859,023
Salary Increases	4.33	4	3.5	3.25	NA
Total Certificated Salaries	61,746,146	64,664,002	69,101,330	72,691,691	73,464,761
Total Classified Salaries	23,670,050	25,248,974	26,348,326	27,778,405	27,536,416
Number of Certificated	594	601	619	638	667
Number of Classified	396	407	421	425	455
Number of School Sites (Including Adult Education)	6	6	6	7	7
Number of Independent Charter Schools	3	3	3	3	4
Number of Dependent Charters	1	1	1	1	1
Total Charter School Enrollment	1143	1017	1225	1225	1225

SEQUOIA UNION HIGH SCHOOL DISTRICT

Management Organizational Chart

Updated: 5/18/2020



About the Sequoia Union High School District

The Sequoia Union High School District serves eight feeder elementary school districts in the southern portion of San Mateo County from the following:

Cities & Towns within the District

Atherton, Belmont, East Palo Alto, Menlo Park, Portola Valley, Redwood City, San Carlos, Woodside

Unincorporated Areas

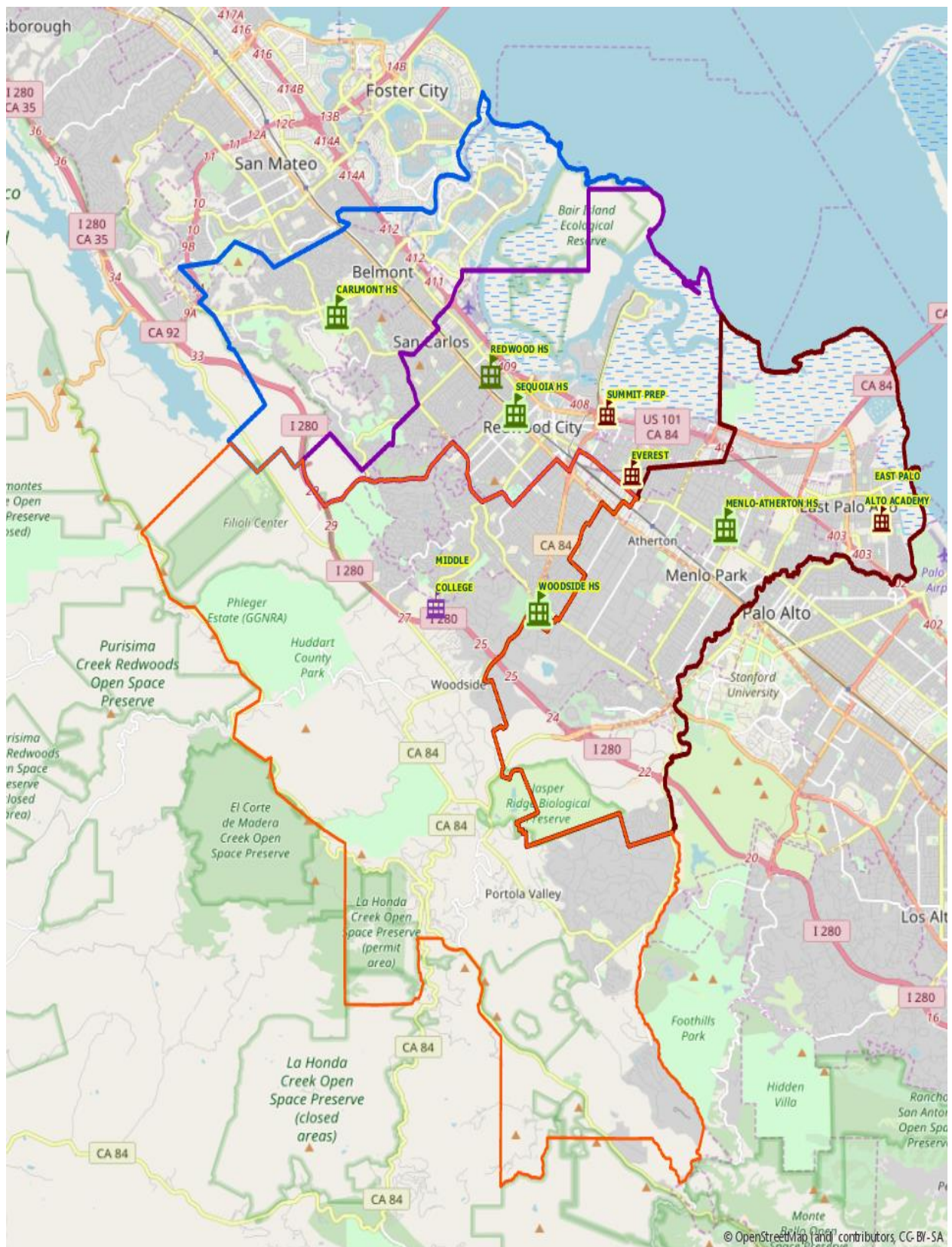
Devonshire, Emerald Lake Hills, Harbor/Industrial, La Honda, Ladera, Los Trancos Woods, Menlo Oaks, Mobile Home Parks, North Fair Oaks, Palomar Park, Sequoia Tract

Educating students throughout one of our many campuses full of opportunities.

Carlmont, Menlo-Atherton, Sequoia, Woodside, Redwood,
East Palo Alto Academy, Middle College,
Independent Study, TIDE Academy

The district is also the sponsoring agency for three independent charter high schools (Summit, Everest, KIPP) and has a memorandum of understanding with San Mateo Union High School District for D-Tech High School. Also, in the district Oxford Day Academy, a San Mateo County Office of Education chartered high school, operates within the District boundaries. The District's Adult School based in Menlo Park serving over 2,000 students annually.

District Boundaries



Student Achievement and Academic Programs

As part of the District's vision of engaging and preparing all students to excel in a global society, the District offers a rigorous college prep curriculum and support to all students who aspire to higher education, including students "in the middle" and first-generation college students.

The District's Strategic Plan focuses on three guiding principles for student success:

TEACHING: Effective teaching will ensure that all students will have the skills and options to pursue a variety of pathways after graduation. The District is committed to providing a professional environment for all staff characterized by a growth mindset, continuous professional development, and mutual respect.

ENVIRONMENT: Academic, social, and personal growth requires a fostering, safe, and engaging environment. All members of the educational community will strive to create and sustain the most ideal environments for students.

EQUITY: A diverse community must ensure equity in access and opportunity. The District is committed to implementing academic and extracurricular program structures and policies that serve the best interests of all students.

COVID-19 Operations Report

This report will discuss how the District met the needs of unduplicated count students, supporting high-quality distance learning, providing non-congregate meals to students, and providing supervision during the day as practicable. The Local Control Accountability Plan has been postponed until the 2021/22 year. The plan will be presented to the Board in December.

Student Enrollment Projections

Demographics

We serve a diverse population of over 9,000 high school students. In addition to our four comprehensive high schools, our District portfolio also includes a continuation high school, middle college and independent study program. Our Adult Education program annually serves approximately 2,000 post-secondary learners. Our attendance area is comprised of the communities of Atherton, Belmont, East Palo Alto, Menlo Park, Portola Valley, Redwood City, Redwood Shores, San Carlos, and Woodside. Our student population consists of 43.1% Latino; 37.7% White; 8.2% Asian; 2.6% African American, 2.4% Pacific Islander; and .3% Native American.

Projections Summary

Total fall enrollment rose significantly in recent years, but that trend will not continue per our enrollment projection consultants. A small decline by 26 students is forecasted for the pending school year (i.e., from October 2019 to October 2020), with accelerating annual reductions over the following three years. The projected total in 2024 is down by over 1,160 students from the current figure, with a drop from 9,384 to 8,222. Then a virtually stable total is projected from 2024 to 2025.

The student distribution through the grades in all relevant districts is a key source of this shift to a notable enrollment decline. Three large classes enrolled into ninth grade in the last three years. This was the main reason for the recent enrollment increase. Based on the current totals in the first through eighth grades, there will be a much smaller incoming ninth grade enrollment moving forward. Three large current classes also will start

graduating from the twelfth grade after next year. This combination of small incoming ninth grade classes and large graduating twelfth grade classes will cause a significant total enrollment decline in each of 2021 through 2024 years.

These changes in enrollment will not be evenly or proportionately distributed across the district's attendance areas. The "resident" (for the primary home school) student total is forecasted to rise in Carlmont's region. The other attendance areas, by contrast, should have modest student reductions in 2020, but subsequently the projected losses quickly become in the hundreds.

Forecast Accuracy

Consultants last forecast, from two years ago, was high by 148, or 1.6%, for the current enrollment, with greater-than-projected declines in the combined "feeder" district grades 1-8 (by a difference of 0.9%) as well.¹ Some of the latter was due to expanding charter school enrollments, especially in East Palo Alto and Redwood City.

District-Wide Projected Enrollments

Total enrollment for all school sites, but excluding the independent Everest, Summit, KIPP charter schools and "NPS" (non public school) students, will drop significantly over the next six years. The total declines by just 26 students from the "current" (October 22, 2019) figure to that forecast on October 1, 2020, but by increasingly larger annual amounts in

¹ This difference between the projected and actual fall 2019 amounts is aside from the students attending EPAA, who were not included in previous forecasts due to some of that school's student file records not being available to analyze the trends from. Kindergarten amounts were excluded from all past forecasts and in this update because of errors in a few of the files provided by the elementary "feeder" districts.

the following three years. The projected annual losses to October of 2021 through 2023 are by 246 (272 cumulative), 330 (602 cumulative) and 343 (945 cumulative) students. Further decline by another 217 students (1,162 cumulative) is forecast in 2024. The following year (2025, meaning from October 1, 2024, to October 1, 2025) has little additional change projected, for a total six-year reduction by 1,165 students, as is shown in the lowest row of the bold box in Table 1 on page 3. That is more than a 12% decline from the current figure, or one out of every eight students, in net.

Table 1: Actual and Projected Total October Enrollments from 2014 to 2025

(with highlighting in pink for class totals that were or will be over 2,300 when in ninth grade, green for totals in 2,200s when in ninth grade, rust for totals in 2,100s when in ninth grade, and brown for less than 2,100 when in ninth grade)

Early Oct.	Total Actual and Projected Enrollments in all Combined Relevant Elementary School Districts (excl. charter schools)*								Total Actual and Projected Enrollments in SUHSD*				SUHSD (9-12) Total*
	1	2	3	4	5	6	7	8	9	10	11	12	
2014	2,715	2,752	2,854	2,815	2,854	2,656	2,469	2,452	2,244	2,248	2,145	2,265	8,902
2015	2,539	2,664	2,700	2,795	2,752	2,748	2,620	2,464	2,204	2,234	2,244	2,268	8,950
2016	2,608	2,451	2,597	2,561	2,725	2,646	2,703	2,563	2,271	2,276	2,211	2,278	9,036
2017	2,529	2,576	2,449	2,572	2,540	2,588	2,631	2,685	2,349	2,286	2,286	2,303	9,224
2018	2,327	2,465	2,524	2,412	2,498	2,385	2,531	2,609	2,384	2,355	2,254	2,310	9,303
2019	2,235	2,294	2,450	2,474	2,357	2,335	2,331	2,493	2,297	2,414	2,372	2,301	9,384
2020	2,244	2,210	2,274	2,421	2,425	2,225	2,300	2,303	2,218	2,309	2,408	2,423	9,358
2021	2,307	2,241	2,208	2,263	2,397	2,306	2,207	2,289	2,075	2,243	2,322	2,472	9,112
2022	2,262	2,296	2,239	2,193	2,236	2,362	2,285	2,196	2,054	2,096	2,251	2,381	8,782
2023	2,168	2,242	2,283	2,220	2,161	2,197	2,333	2,264	1,974	2,069	2,096	2,300	8,439
2024	2,160	2,144	2,223	2,259	2,184	2,118	2,169	2,308	2,034	1,986	2,066	2,136	8,222
2025	2,175	2,139	2,130	2,200	2,224	2,148	2,091	2,149	2,082	2,045	1,985	2,107	8,219

Total Sequoia UHSD Enrollment Change in One Year, to October 2020	-26
Total Sequoia UHSD Enrollment Change in Two Years, to October 2021	-272
Total Sequoia UHSD Enrollment Change in Three Years, to October 2022	-602
Total Sequoia UHSD Enrollment Change in Four Years, to October 2023	-945
Total Sequoia UHSD Enrollment Change in Five Years, to October 2024	-1,162
Total Sequoia UHSD Enrollment Change in Six Years, to October 2025	-1,165

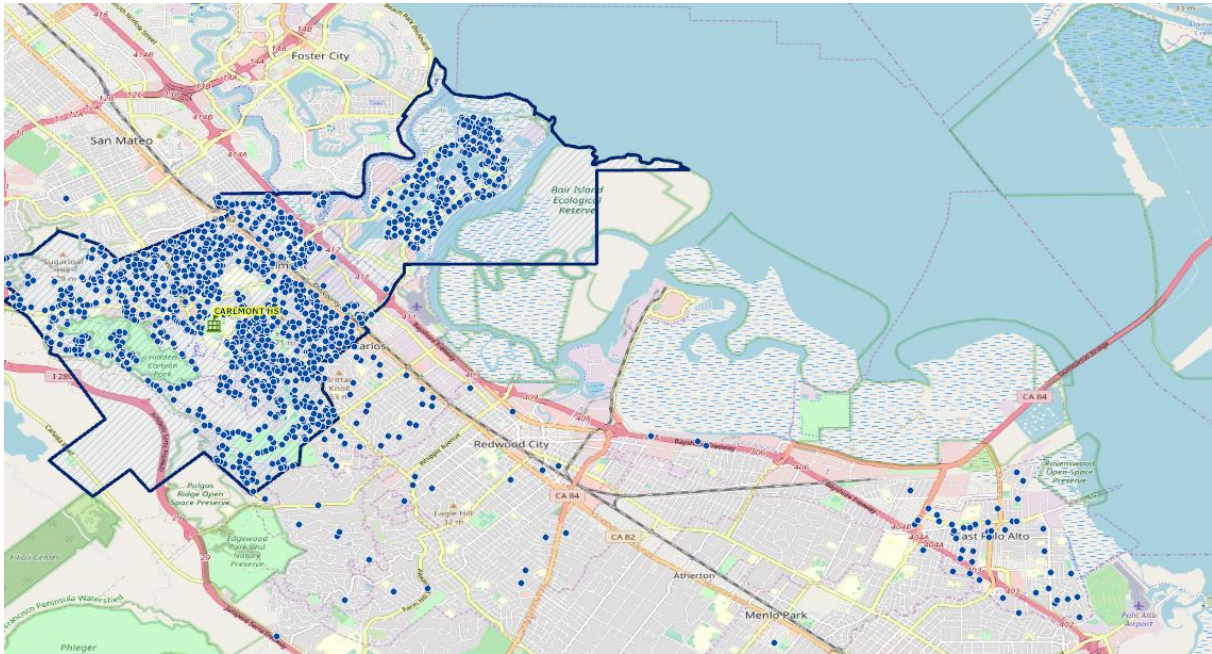
Real Potential Lower SUHSD Total in 2020 (essentially -1%**)	9,260
Real Potential Higher SUHSD Total in 2020 (essentially +1%**)	9,460
Real Potential Lower SUHSD Total in 2025 (essentially -5%)	7,800
Real Potential Higher SUHSD Total in 2025 (essentially +5%)	8,600

* Figures include SDC (Special Day Class, a.k.a., special education), TIDE Academy, East Palo Alto Academy, Redwood Continuation and TRACE but exclude NPS (Non Public School) students, students attending any other charter schools, eighth graders taking SUHSD classes and adult education. Kindergarten totals are excluded because of issues with some recent data (i.e., Redwood City SD including "TK" as kindergartners in their 2015 and 2016 student files), but those numbers are irrelevant to the projected SUHSD enrollments. Actual figures are from student files provided by the relevant districts.

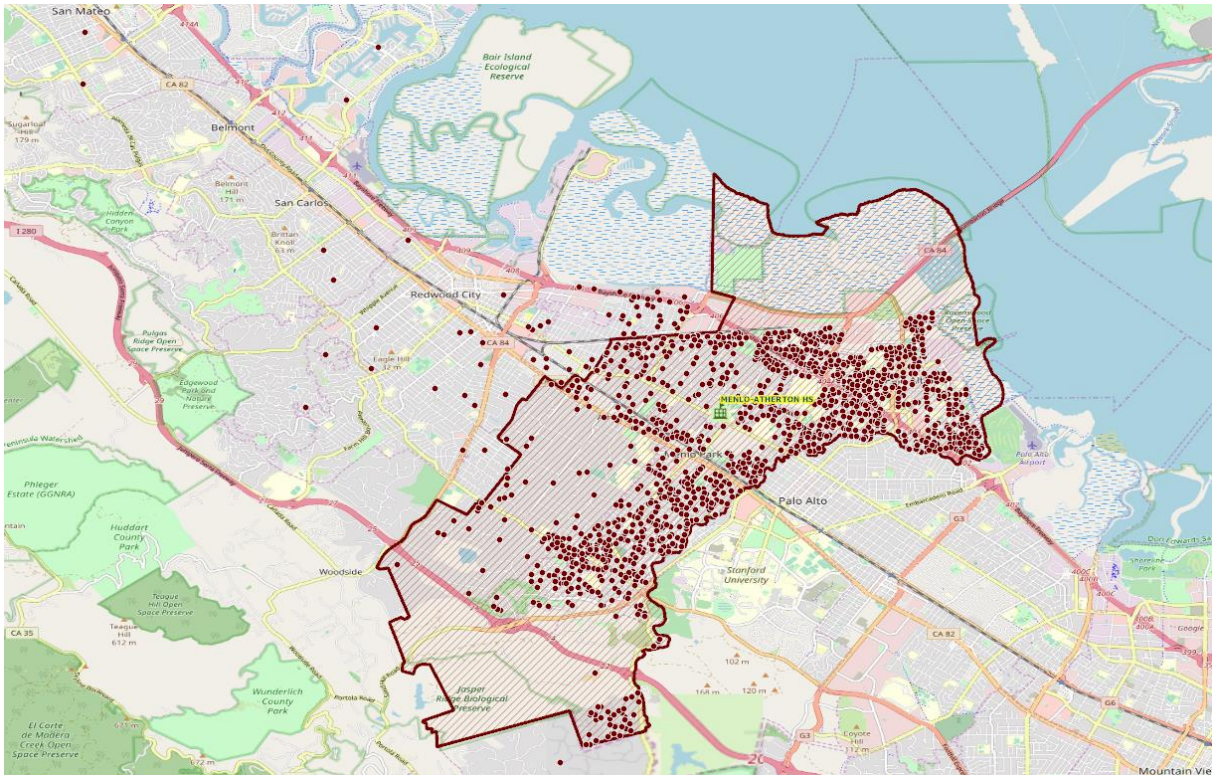
** This 1% plus or minus range is greater than the usual degree for the first forecast year mainly due to uncertainty in how much the pending KIPP charter high school will impact the SUHSD enrollment (opening solely with ninth grade for 2020-21).

Notes: (1) The significant drop in the advancement from fifth to sixth becomes much smaller after 2021 because KIPP Valiant charter school will no longer be taking as many additional students starting in sixth after then. (2) Potential ranges shown are for current facilities and programs, including at alternative private and charter schools, plus the opening of a KIPP high school in East Palo Alto for the 2020-21 school year. With these facility assumptions, the ranges cover essentially 80% probabilities. There are approximately 10% possibilities for each of lower or higher totals.

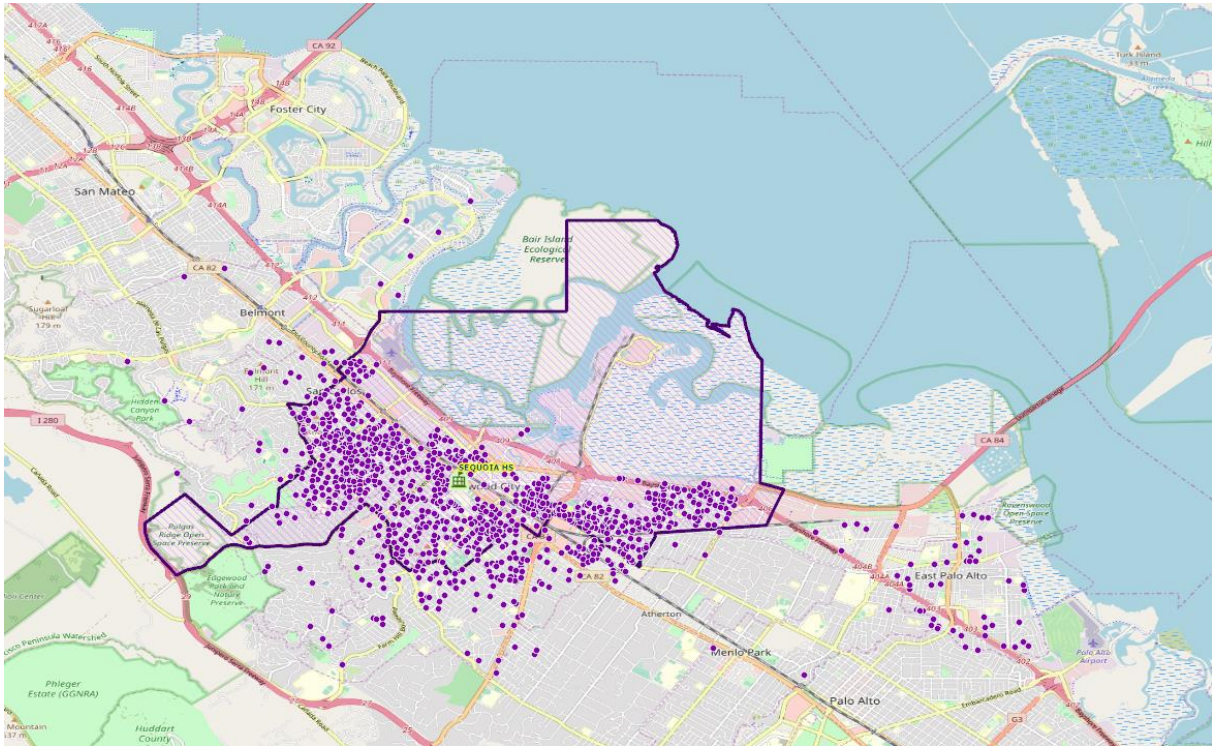
Carlmont High School



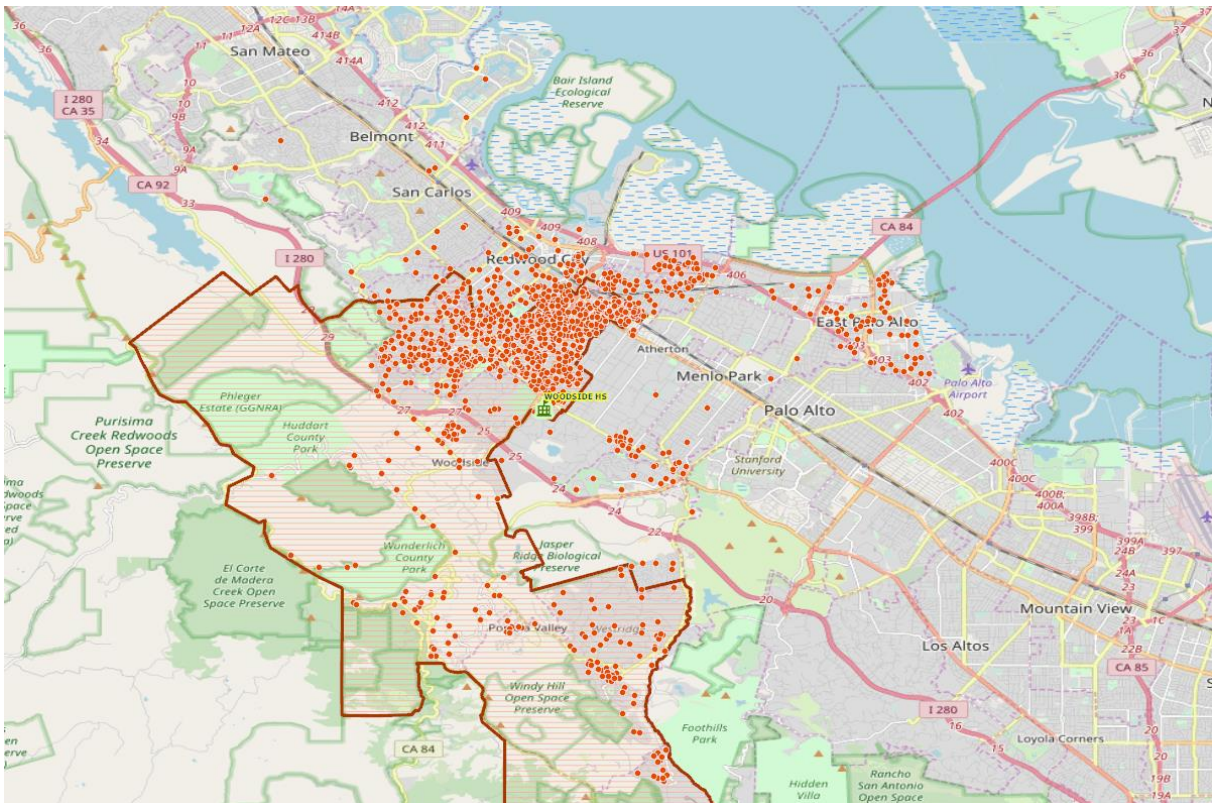
Menlo-Atherton High School



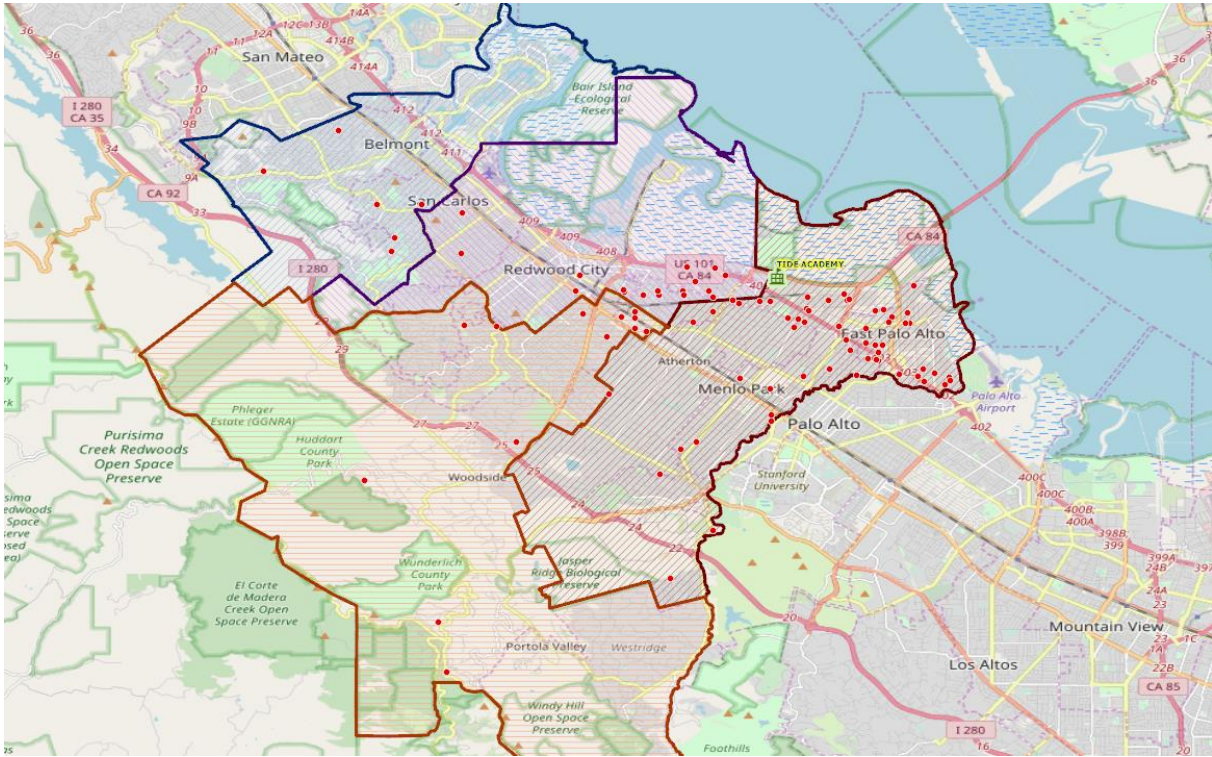
Sequoia High School



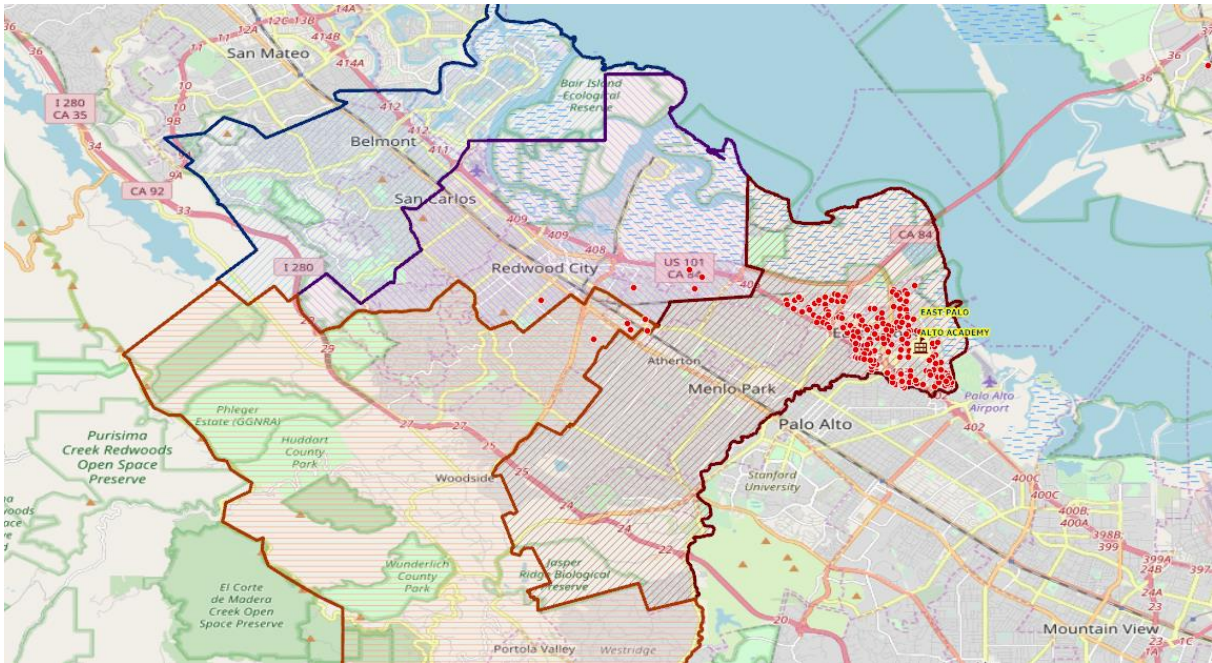
Woodside High School



TIDE Academy

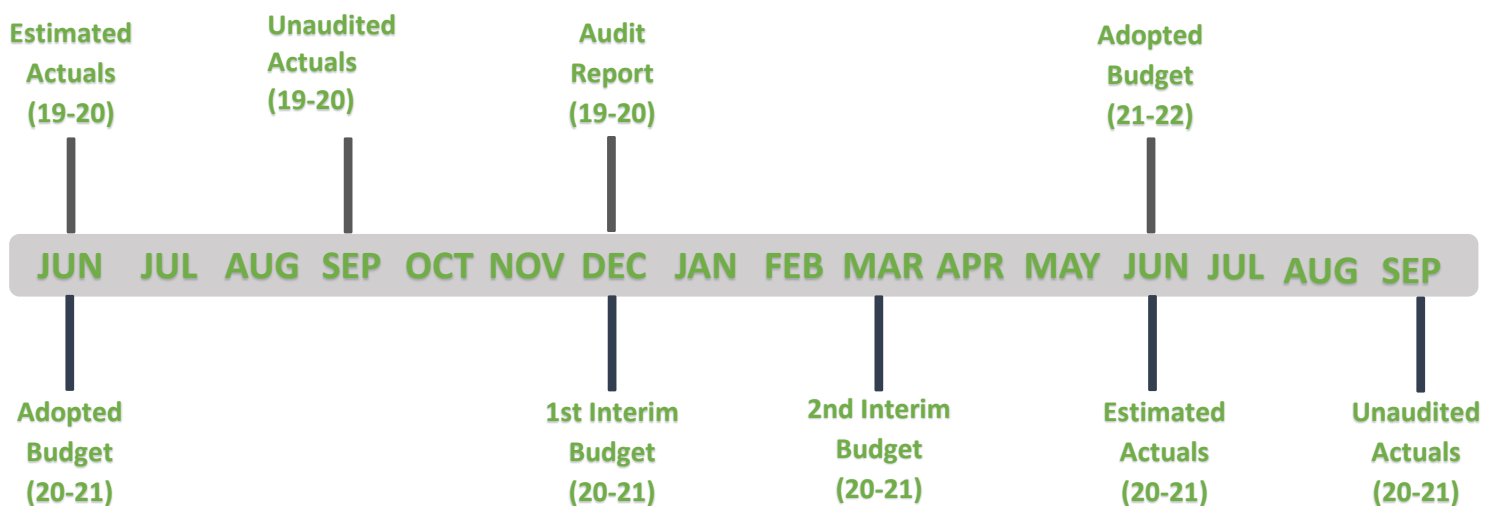


East Palo Alto Academy



Budgeting At Sequoia

Budgeting at Sequoia is a continuous process that is presented to the Board of Trustees four times per fiscal year: Budget Adoption/Estimated Actuals, Unaudited Actuals, First Interim, and Second Interim. The cycle starts with planning that considers the district's needs and initiatives, and continues with the cost drivers such as salary and benefits, and is allocated by available funding sources. Sequoia's "budget" is a combination of unrestricted and restricted funding sources that span several "funds" and follow the general principles and guidelines for accounting policies and procedures in the California School Accounting Manual.



Fund Accounting

Sequoia's budgets are developed and managed according to the principles of governmental accounting on a modified accrual basis: Revenues are recognized in the period when they become available and measurable, and expenditures are recognized when a liability is incurred, regardless of when the receipt or payment of cash takes place. An exception is unmatured interest on general long-term debt, which is recorded when it is due.

Budget Management

Within Sequoia's district budget are several department and school site budgets. The Board of Trustee's goals are the main driver for allocation of the budget. These goals are then pushed into several state required education and operational plans. One of the challenges is the State required financial reports do not tie into the goals and initiatives of the district. It is a convoluted reporting structure of account codes that are submitted in an archaic software. When presented to the Board and community it often leaves them feeling uninvolved in the "budgeting process." With the creation of the Local Control Accountability plan, 90% of Fund 01 budget is connected to goals, actions, and services; with the balance explained in a budget narrative.

Budget Control

The primary control of the budget is available funding and enrollment. Enrollment is the control for staffing and available funding is the control for site and department budgets. Within the site and department budgets, managers have the flexibility to move budget around, as needs change. Salary and benefits which is our largest cost center is centralized and controlled through formulas, mostly enrollment driven - within the Administrative Services Department. Foundation funding is confirmed through a series of commitment letters and billing throughout the year. Grants are accounted for through award letters and controlled through the program manager with the support of the Business Department. All funds and enrollment have a yearly audit from an independent auditing firm.

Although, this is a high-level example of budget controls within the District, a great deal of regulation from the California Department of Education, and the California School and Accounting Manual are in operation below the surface.

Development of the Budget

The budget season begins in January with the Governor's Budget Release. This is our first opportunity to hear what the State's initiatives are for the upcoming year. During this time, Second Interim financial statements are being prepared. Second Interim is one of the most important financial reports as it reports half of the year's actuals and provides ample evidence to adjust projections for the remainder of the year and for the out years. Often the out years reported at Second Interim is the beginning base budget for the upcoming budget year.

February is often when projected enrollment calculations are beginning. Although, enrollment projections are analyzed throughout the year, address verification and course selection are occurring to assist in validating our enrollment numbers. As enrollment projections are verified, staffing sheets are issued to the sites. This activity occurs at a minimum of twice a month and as the spring time arrives are distributed as often as once a week.

Initiatives are driving cost centers through discussions with Cabinet and Principal's Council, and shared with the Board of Trustees through a series of presentations.

The most critical element of the process is forecasting the property tax revenue. This process is an obsession of monitoring the "property tax tracker" which provides insight to the year over increase of our property tax revenue.

The budget season begins to conclude with the release of the Governor's May Revision. The May Revision provides the final planning factors for most of the calculations used for one-time monies, grants, and programs.

Accounting by Fund

The accounts of the district are organized on the basis of funds, each of which is considered to be a separate accounting entity, we have nine active funds, which are described below. The General Funds is the general operating fund of the district. It is used to account for all financial resources except those required to be accounted for in another fund. The district's General Fund is used to account for the day-to-day operations of the district. The salaries of our teachers, classroom aides, administrators, custodians, school secretaries, clerks, libraries, counselors, maintenance workers, district administrators, clerical support staff, as well as all other certificated and classified staff are accounted for in the General Fund. Our textbooks, other books and supplies, utility costs, repair cost, consulting services, and equipment costs are also paid out of the General Fund.

The district's General Fund is divided into two sections: unrestricted funds and restricted funds. Restricted funds are monies received by the district that are categorical in nature, i.e., they can only be used for the purpose prescribed by the funding agency. The state and federal governments provide such funding for many special programs or projects. For example, special education funds are restricted. They can only be spend on student with identified special needs and in the manner outlined in state and federal law.

Unrestricted funds are monies received that are not restricted in their use. The district can spend unrestricted monies on whatever programs it chooses, the majority of our funds are unrestricted.

In addition to the General Fund, the district's other funds are:

Fund 09, The Charter Schools Special Revenue Fund is used to report the East Palo Alto Academy dependent charter school as part of the SUHSD authorizing district but reported outside of the District's General Fund.

Fund 11, The Adult Education Fund is used for the purposed of recording all Adult Education income and expenditures and it is earmarked to support the adult education program throughout the district.

Fund 13, The Cafeteria Fund is used for the purpose of recording only income and expenditures related to the operation of the District's Food Services program.

Fund 14, The Deferred Maintenance Fund is used to record the District's contribution for Deferred Maintenance purposes. Expenditures in this fund are for major repair or replacement of plumbing, heating, roofing, and other items that have been approved by the State Allocation Board (SAB). The approval of projects is based on a Five-Year Deferred Maintenance plan that must be filed with SAB.

Fund 21, The Building Fund is used to account for the sale of general obligation bonds from Measure A, approved by the voters in 2014. Bond proceeds are used for construction, remodeling, and modernization and infrastructure repairs throughout the district.

Fund 25, The Capital Facilities Fund is used to separate moneys received from the fees levied upon developers or other agencies as a condition of building or expanding what is called "habitable space." Expenditures from this fund are limited to the expansion or improvement of sites due to enrollment growth.

Fund 35, County School Facilities Fund is established pursuant to Education Code Section 17070.43 to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), the 2004 State School Facilities Fund (Proposition 55), the 2006 State School Facilities Fund (Proposition 1D) or the 2016 State School Facilities Fund (Proposition 51). The fund is used primarily to account for new school facility construction, modernization projects, and facility

hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (Education Code Section 17070.10 et seq.).

Fund 40, The Special Reserve Fund for Capital Outlay is used for capital improvement purposes. Major expenditures over the past several years include: portions of the cost for construction and equipment of the new buildings throughout the District and the replacement of copiers for the sites.

Allocation of Staffing

Staffing is determined annually through enrollment and the needs of the district. Each spring enrollment for the upcoming year is projected for each school site. All staffing is formula driven. Two staffing sheets are created, one for classified and one for certificated.

For certificated, classroom teacher staffing begins with a ratio of enrollment divided by 27.5 students. This allows for each site to be equally staffed based on enrollment and contracted class size amount. Staffing is added for Federal and State Categorical Programs if the school site has the program. As well as Special Education staffing.

Below are additional staffing sections that are formula driven.

General Fund – Administration

Principal, Instructional Vice Principal, Administrative Principal

General Fund – Core Staffing

Activity Director, Athletic Director, Bilingual Resource Teacher, College and Career Advisor, Counselor, Department Chair, Librarian, Psychologist

General Fund – Program Support Staff

Academic Support sections, Academies, AVID, Career Tech, Build, Caesar Adjustment, Common Core, Counselor, Credit Recovery, ELD CO-Teaching, EL Newcomer, IB Coordinator, Intervention Counselor, Mental Health Support Specialist, Nurse, Technology Support Specialist, WASC, Work Experience

For classified staffing at the site: Attendance Clerk, Campus Security Aide I & II, Guidance Information Specialist, Health Aide, Library Assistant, Principal Secretary, School Secretary, Theater Manager, Technology Support Assistant, Treasurer, Custodians & Grounds, Lead Custodian, and Plan Manager.

CERTIFICATED FTE					Preliminary
LOCATION	16-17	17-18	18-19	19-20	20-21
ADULT SCHOOL	1	2	2	2	2.5
CARLMONT HIGH SCHOOL	114.9	117.1	118.1	122.7	123.7
DISTRICT OFFICE	42	43.5	46.2	42.7	59.7
EAST PALO ALTO ACADEMY	25.4	24	27.6	29.2	29.4
MENLO ATHERTON HIGH SCHOOL	144.1	146.5	146.7	146.7	154.5
MIDDLE COLLEGE	4	4	4	4	4
REDWOOD HIGH SCHOOL	16.5	16.5	17.9	18.1	19
SEQUOIA HIGH SCHOOL	125.8	126.3	128	129.3	127.3
TIDE HIGH SCHOOL	0	0	5	13.8	20.4
TRACE	4	4	5	5.8	5.8
WOODSIDE HIGH SCHOOL	116.5	116.9	118.75	123.82	120.5
Total	594.2	600.8	619.25	638.12	666.8

CLASSIFIED FTE					Preliminary
LOCATION	16-17	17-18	18-19	19-20	20-21
ADULT SCHOOL	7.1	7.1	6.5	6.5	6.5
CARLMONT HIGH SCHOOL	48.3667	49.5	50.9333	48.8634	55.7634
DISTRICT OFFICE	134.134	135.234	138.234	136.7342	138.7342
EAST PALO ALTO ACADEMY	12.9	13.4	13.2	13.2	13.2
MENLO ATHERTON HIGH SCHOOL	58.2334	60.6668	61.0001	63.6767	68.1967
MIDDLE COLLEGE	0	0	0	0	0
OTHER	0.8	0.8	0.8	0	0
REDWOOD HIGH SCHOOL	9.4	8.6	7.6	7.4667	7.4667
SEQUOIA HIGH SCHOOL	54.4	58.7334	64.8	63.8967	72.1967
TIDE HIGH SCHOOL	0	0	0	3.6667	8.6334
TRACE	10.7335	11.5335	12.4002	15.13	15.13
WOODSIDE HIGH SCHOOL	59.9667	61.7666	65.2666	65.63	69.63
Total	396.035	407.335	420.735	424.7644	455.4511

State Forecast

On May 14, 2020, the Governor released his revised proposal for the 2020-21 State Budget. This revision's proposals bear little resemblance to his January State Budget, when the State anticipated a multibillion dollar surplus. Most May Revisions are built upon actual personal income tax receipts and stable economic projections – both are missing this year. The economic effects of COVID-19 are unlike anything we have seen before, there are no models on recovery from a near total shutdown on economies.

With little information available, it is expected the State will revise its' budget in August. Proposition 98 loses 38 cents for every dollar lost in State revenue. The Governor has introduced a new term "triggered off" proposing that if the HEROS Act is passed and provides sufficient funding to backfill, the Governor will reverse the cuts. Although, our fellow LCFF Districts will receive the COLA of

Item	January Budget	May Revision
LCFF Funding Change	+\$1.2B	[-\$6.5b]
Prop 98 Guarantee	\$84B	\$70.5B
Statutory COLA	2.29%	2.31% (Suspended)
One-Time \$	0	0

2.31% and then a reduction of 10%. Basic Aid districts will receive a 10% reduction from the minimum state aid guarantee (EC § 47663). For us that equates to \$350,000 and it is recommended we plan for this reduction for the next three budget cycles. In other related budget reductions, some categoricals are receiving a 50% cut, for us that is Career Technical Education Incentive Grant, K-12 String Workforce Program. In positive news, the Administration proposes to redirect the \$2.3 billion paid in the current-year budget to the California Teachers' Retirement System (CalSTRS) and California Public Employees' Retirement System (CalPERS) towards long-term unfunded liabilities to further reduce employer contribution rates in 2020–21 and 2021–22. This reallocation will reduce the CalSTRS employer rate from 18.41% to approximately 16.15% in 2020–21, and from 18.2% to 16.02% in 2021–22. The CalPERS employer contribution rate will be reduced from 22.67% to 20.7% in 2020–21, and from 25% to 22.84% in 2021–22. For us that equates to a \$1.2M savings.

Earlier this spring, SB117 was enacted to assist in the prevention of loss of funding related to schools moving to distance learning and other COVID-19 related expenses - we received \$147,503. In addition to the SB117, the CARES Act provided \$9.5B to California to support COVID-19 relief, which California schools received \$4.4B known as Elementary and Secondary School Emergency Relief Fund (ESSER), and we received \$670,898 of these funds. In addition to the funding support, districts have also been granted the flexibility to exclude the on-behalf-of-employer- payments (GASB 76) to Routine Restricted Maintenance, and use proceeds from property sales for one-time general fund purposes.

Recommendations for multiyear projections for COLA from the different state organizations vary considerably. Because it is unknown what the economic recovery will look like, it is recommended to project the most conservative approach of zero.

Forecast	2020-21	2021-22	2022-23
DOF	2.31%	2.48%	3.26%
LAO "U" Shaped Forecast	2.31%	(0.03%)	1.11%
LAO "L" Shaped Forecast	2.31%	(0.63%)	(1.04%)
SSC Forecast	2.31%	0.70%	0.80%
SSC Recommends	0.00%	0.00%	0.00%

*Department of Finance – DOF, *Legislative Analyst Office – LAO, *School Services of California – SS

Factors		2019–20	2020–21	2021–22	2022–23
California CPI*		2.06%	0.62%	1.73%	2.12%
California Lottery	Unrestricted per ADA	\$153	\$153	\$153	\$153
	Restricted per ADA	\$54	\$54	\$54	\$54
Mandate Block Grant (District)	Grades 9–12 per ADA	\$61.94	\$61.94	\$61.94	\$61.94

It is important to remember that the COVID-19 recession will impact the Education Budget very different from past recessions and as we plan, we should be nimble and cautious.

Section 1

Budget For Operations

In this section we review the details for the 2020/21 Budget for Operations, describe the General Funds allocation, and present a forecast for activities.

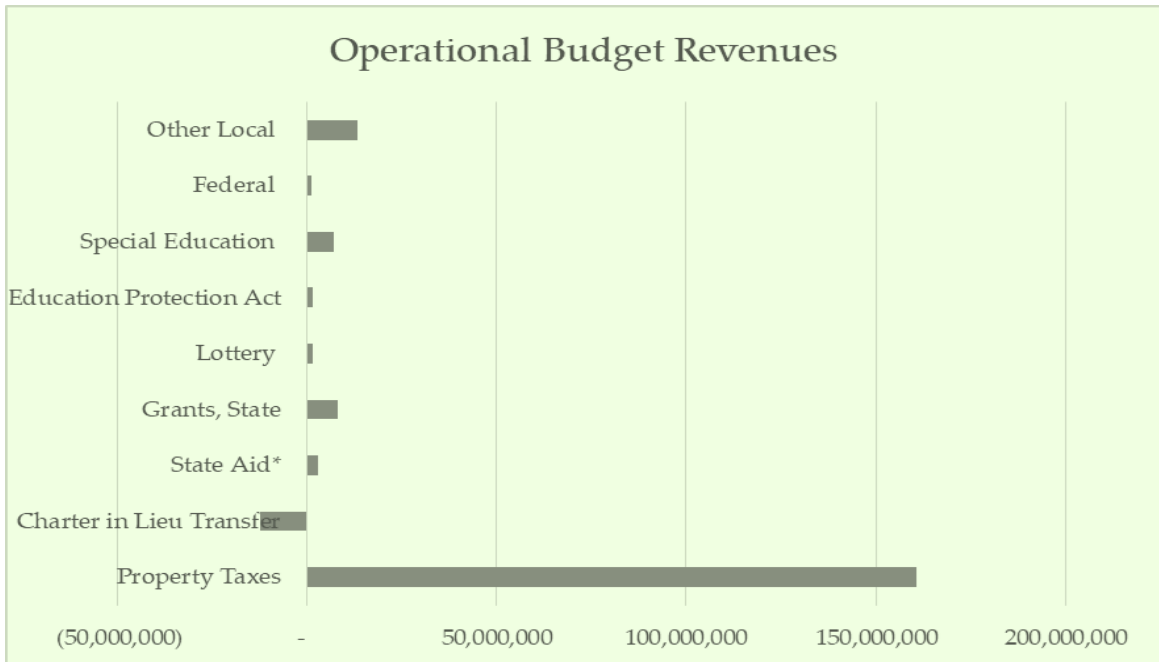
Budget For Operations

The Budget for Operations provides a management-oriented overview of all projected revenues and expenses for the district in the 2020/21 year. The Budget for Operations only includes revenues that have been awarded and does not include any revenue generated from facility rentals or grants submitted. In most years, planning factors released at May Revision are absolutes for the budget year; however, because of COVID-19 a new set of planning factors could be released in late August. If new planning factors are significant, a revision of the Budget for Operations will be released in September.

The 2020/21 Budget for Operations projects a total revenue of \$185,130,823 and expenses of \$181,859,023. Past budget patterns show initial projected budget low, then growing at interims, and then declining toward year-end close. Projections need more attention to decrease the variability throughout the year. Total revenues in 2020/21 are projected to decrease \$877,527 or .5% of revenues expected in 2019/20. For several years we have seen significant revenue increases; however, because of COVID-19 other revenue sources are anticipated to decline from 2019/20.

*Planning factors for Revenues

- 5% increase of property tax over previous year
- 10% reduction to minimum state aid
- 50% reduction to Career Technical Incentive Grant
- 50% reduction to Strong Workforce Grant
- 50% reduction to facilities rental income
- *** only committed local revenue recognized



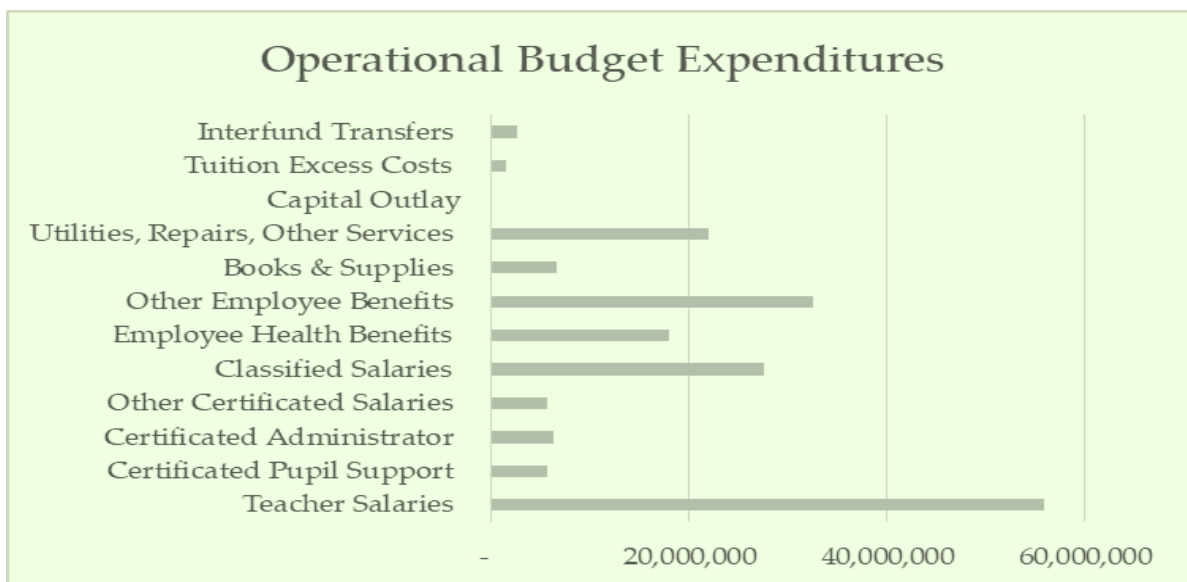
***Planning factors for Expenditures**

16.15% STRS Employer Rate

20.70% PERS Employer Rate

5% increase prior year on Health/Welfare Benefits

3% calculation of Routine Restricted Maintenance excluding
STRS/PERS on behalf payments



*Planning factors listed are recommendations from the State.

Preliminary 2019/Projected 2020

Revenue/Expenditure Comparison

2020

REVENUES	OPERATING EXPENSES	INTER FUND TRANSFERS	EXCESS/DEFICIT	ENDING FUND BALANCE
<div> <div>↓ 0%</div> <div>\$185,130,823</div> </div>	<div> <div>↓ -4%</div> <div>\$181,859,023</div> </div>	<div> <div>↓ -9%</div> <div>\$2,658,801</div> </div>	<div> <div>↓ -211%</div> <div>\$3,271,800</div> </div>	<div> <div>↑ 4%</div> <div>\$14,968,371</div> </div>

ALL METRICS

METRIC	THIS YEAR (2020)	LAST YEAR (2019)	% CHANGE	5 YEAR TREND
REVENUES	\$185,130,823	\$186,008,350	↓	0%
CERTIFICATED SALARIES	\$73,464,761	\$72,691,691	↑	1%
CLASSIFIED SALARIES	\$27,536,416	\$27,778,405	↓	-1%
EMPLOYEE BENEFITS	\$50,685,191	\$52,136,331	↓	-3%
BOOKS & SUPPLIES	\$6,604,533	\$9,520,283	↓	-31%
SERVICES	\$22,006,781	\$23,977,156	↓	-8%
CAPITAL OUTLAY	\$94,948	\$1,396,402	↓	-93%
TUITION/EXCESS COST	\$1,466,393	\$1,466,393	↔	0%
INTER FUND TRANSFERS	\$2,658,801	\$2,935,254	↓	-9%
OPERATING EXPENSES	\$181,859,023	\$188,966,661	↓	-4%
EXCESS/DEFICIT	\$3,271,800	-\$2,958,311	↓	-211%
ENDING FUND BALANCE	\$14,968,371	\$14,355,372	↑	4%

The table on the previous page shows the budgeted revenue and expenses for 2020/21. For comparison purposes, it also shows the actual revenue and expenses for three years beginning with 2016/17 to establish a five year trend.

Revenue has grown steadily over the five year period. Although, it was anticipated that future growth would level off, the economic recovery from the pandemic is unknown and will make forecasting for out years difficult.

For salaries we see the successful negotiated increases over the past years. Salary increases for 2020 are not included in these numbers. The reduction in employee benefits is from one-time STRS/PERS savings offered by the State. Books and Supplies is notably lower from prior year mostly because there is no new major adoption scheduled for the budget year, and prior year one-time carry over expenses for the Local Control Accountably Plan were satisfied in 2019. No bus purchase is projected from the Operational Budget for 2020, resulting in a decrease in capital outlay expenses. Preliminary numbers show a deficit of almost \$3M for last year - 2019. This is a larger preliminary deficit than we have seen in previous years.

REVENUE AND EXPENSE CATEGORIES

Revenues

Property Taxes

Property taxes are projected to increase 5%, \$7.68M in 2020/21 to \$161M. This is unrestricted revenue that accounts for our largest revenue source.

Description	20/21 Projection	21/22 Projection	22/23 Projection
Homeowners' Exemptions	557,185	557,185	557,185
Timber Yield Tax			
Other Subventions			
Secured Roll Tax	144,551,933	148,888,491	156,332,916
Unsecured Roll Tax	6,627,987	6,826,827	7,168,168
Prior Year's Tax	120,000	120,000	120,000
Supplemental Tax			
Community	9,007,702	9,007,702	9,007,702
Redevelopment Tax			
Total	160,864,807	165,400,206	173,185,971
Dollar Change Year to Year	7,198,943	4,535,399	7,785,765
Percentage Change Year to Year	5%	3%	5%

Property taxes increases are generally projected at 5% for out years, but because the pandemic and the unknown economic recovery, the recommendation is to project 3% for 21/22.

Federal Revenues

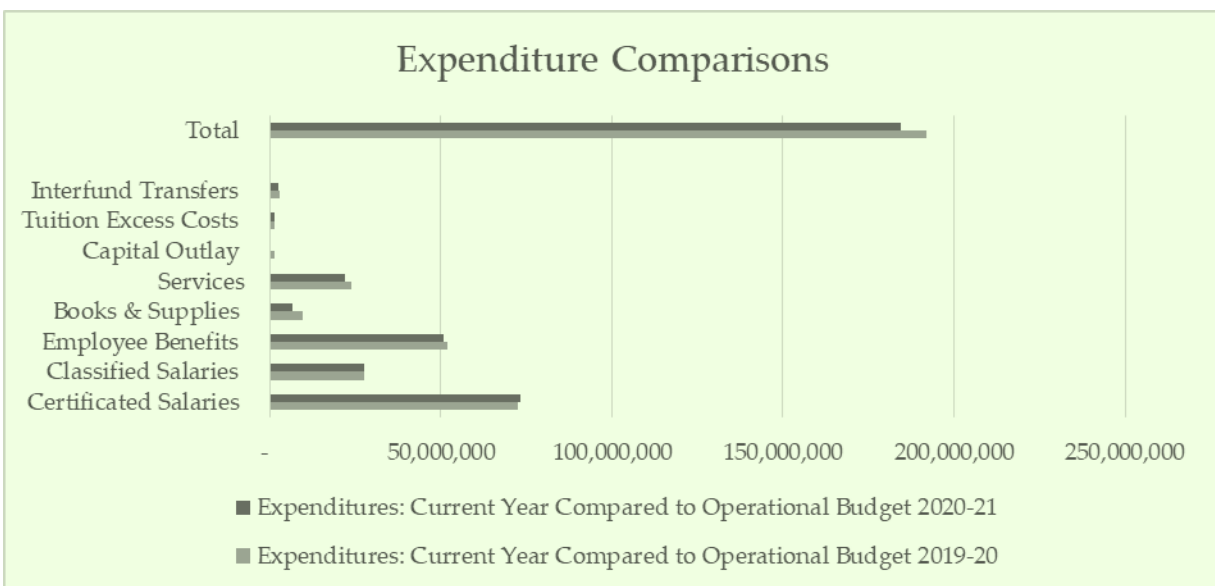
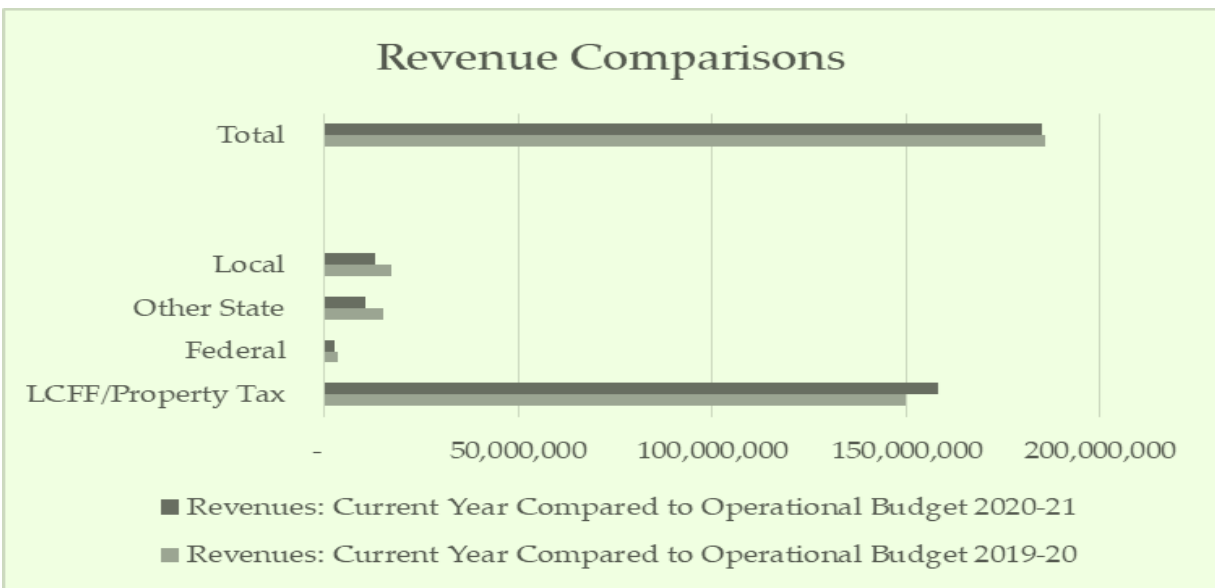
Federal revenues are projected at \$2,783,276, roughly 18% less than prior year. Almost all of Federal revenue is restricted. These funds support the following: Special Education, Title I, II, III, Every Student Succeeds Act, and a portion of Career and Technical Education.

State Revenues

State revenues are projected at \$10,751,404. These revenues have decreased from current year, primarily because of Prop 39 energy funds expiring and the state reduction (cuts) to categorical such as Career Technical Incentive Grant and the Strong Workforce grant.

Local Revenues

Local revenues are projected at \$13,355,831. This is a decrease from prior year. Not all local revenue is budgeted at adoption, because a large portion of this revenue is not guaranteed until received. We anticipate a loss of facilities revenue due to the inability to rent our facilities because of COVID-19.



Total Compensation

Total compensation in the Budget for Operations includes salaries for certificated, classified, and administration; benefits, which include State Teachers' Retirement System, Public Employees' Retirement System, OASDI/Medicare, Health & Welfare Benefits, State Unemployment Insurance, and Workers' Compensation Insurance. Total compensation in 2020/21 is projected to be \$151,686,368.

Salaries – Total salary expense for all staff includes step and column movement, but does not include any projected negotiated increases for the 2020/21 year.

	15/16	16/17	17/18	18/19	19/20
SDTA	5	4.33	4	3.5	3.25
AFSCME	5	4.33	4	3.5	3.25
Supervisors	5	4.33	4	3.5	3.25
Mgmt/Confidential	5	4.33	4	3.5	3.25

*Table measured in %, negotiated salary increase previous 5 years.

Total Certificated Salaries \$73,464,761

Total Classified Salaries \$27,536,416

Total Employee Benefits \$50,685,191

Benefits – Total health benefits expense for all staff is budgeted at \$18,060,038 in the 2020/21, projected increase from estimated actual prior year 5%.

Below are preliminary staffing allocations for certificated positions for sites, excluding EPAA, Middle College, and Independent Study.

PROJECTED ENROLLMENT (as of June 1, 2020)	CHS	MAHS	SHS	WHS	RHS	TIDE	Total
9TH GRADE	635	673	511	514	0	100	2433
10TH GRADE	589	618	492	441	0	100	2240
11TH GRADE	579	642	565	555	124		2465
12TH GRADE	530	554	472	467	128		2151
PROJECTED ENROLLMENT FOR STAFFING	2333	2487	2040	1977	252	200	9289
CLASSROOM TEACHERS (Reg Ed Enrollment / 27.5 class size ratio, RHS 25:1)	83.8	89.16	72.44	70.07	10	13	338.47
GENERAL FUND - ADMINISTRATION							
PRINCIPAL	1	1	1	1	1	1	6
INSTRUCTIONAL VICE-PRINCIPAL	1	1	1	1	0	0	4
ADMINISTRATIVE VICE-PRINCIPAL	2	3	2	2	1	1	11
	4	5	4	4	2	2	21
GENERAL FUND - CORE STAFFING							
ACTIVITY DIRECTOR	0.6	0.6	0.6	0.6	0	0	2.4
ATHLETIC DIRECTOR	0.6	0.6	0.6	0.6	0	0	2.4
BILINGUAL RESOURCE TEACHER	0.6	1	1	0.8	0.4	0	3.8
COLLEGE AND CAREER ADVISOR	1	1	1	1	0	0	4
COUNSELOR (430:1)	5	6	5	4	1	1	22
DEPARTMENT CHAIR	1	1	1	1	0	0	4
LIBRARIAN	1	1	1	1	0	0	4
PSYCHOLOGIST	1	2	2.2	1	0.2	0	6.4
	10.8	13.2	12.4	10	1.6	1	49
GENERAL FUND - PROGRAM SUPPORT STAFF							
11th GRADE LITERACY SUPPORT	0	0.4	0.4	0.4	0	0	1.2
ACADEMIC SUPPORT	1.2	4.4	3.6	2.8	0.4	3.4	15.8
ACADEMY #1	0.2	0.7	0.8	0.9	0	0	2.6
ACADEMY #2	0	0	0.8	0.9	0	0	1.7
ADVANCED PLACEMENT	0	0	0	0.4	0	0	0.4
ASPIRATION ADVOCATES PROGRAM	0	1	0.4	0.4	0	0	1.8
AVID	1.2	1.2	1.2	1.2	0	0	4.8
BUILD	0	0	0.4	0.2	0	0	0.6
CAREER TECH	0.4	0.7	1.2	1	0.6	0	3.9
CESAR ADJUSTMENT	0	0	2	1.4	0	0	3.4
COMMON CORE - LITERACY & MATH LEADS	0.6	0.6	0.6	0.6	0	0	2.4
COUNSELOR	1	0	1	1	0	0	3
CREDIT RECOVERY	0.6	1.2	0.8	0.8	0	0	3.4
ELD III CO-TEACHING	0	0	0	0	0	0	0
IB COORDINATOR	0	0	1	0	0	0	1
INTERVENTION COUNSELOR	1	1	1	1	0	0	4
MENTAL HEALTH SUPPORT SPECIALIST	1	1	0	1	0	0	3
NURSE	0.5	0.5	0.5	0.5	0.5	0	2.5
TECH SUPPORT SPECIALIST	0.2	0.2	0.2	0	0	0	0.6
WASC	0	0	0	0	0	0	0
WORK EXPERIENCE	0.2	0.2	0.2	0.2	0	0	0.8
	8.1	13.1	16.1	14.7	1.5	3.4	56.9
FEDERAL CATEGORICAL PROGRAM							
TITLE I / TITLE III	0	0	0	0	1.2	0	1.2
STATE CATEGORICAL PROGRAM							
CTEIG - Career Tech	0	0	0	0	0.6	0	0.6
SITE, GRANTS, FOUNDATION & LOCAL DONATIONS							
UNRESTRICTED GENERAL FUND							
EL SUPPORT (\$250 per student)	0	0	0	0	0	0	0
SITE DISCRETIONARY	0	0	0	0	0	0	0
SITE PROGRAM SUPPORT CONVERSION (\$100,000)	0	0	0	0	0	0	0
GRANTS, FOUNDATION & LOCAL DONATIONS							
CZI GRANT - ASPIRATION ADVOCATES	0	0	0.6	0.6	0	0	1.2
FOUNDATION/DONATIONS	4.4	14.2	1.2	2.6	0	0	22.4
PRINCIPAL DISCRETIONARY	0	0	0	0	0	0	0
	4.4	14.2	1.8	3.2	0	0	23.6
CERTIFICATED REGULAR ED & SUPPORT STAFFING TOTAL	111.10	134.66	106.74	101.97	16.90	19.40	490.77
SPECIAL EDUCATION STAFF							
MILD-MODERATE	8	11.6	13.1	11.6	1	1	46.3
MODERATE-SEVERE (ILS)	1	2	2	2	1	0	8
STARS I	1	1	1	1	0	0	4
STARS II	1	1	1	1	0	0	4
SDC - Prep Periods	0.6	0.8	0.6	0.8	0	0	2.8
SPEECH	1	1.36	1.85	1.33	0.1	0	5.64
CERTIFICATED STAFFING TOTAL	123.70	152.42	126.29	119.70	19.00	20.40	561.51

Books & Supplies

Cost Center	Amount
Textbook/Core Curricula Materials	\$583,419
Books/Reference Materials	\$43,609
Materials & Supplies	\$3,613,327
Noncapitalized Equipment	\$2,364,178

Services & Operating Expenditures

Cost Center	Amount
Contracts for Services	\$15,550,881
Travel & Conference	\$448,973
Due, Memberships, License	\$140,837
Insurance	\$1,051,324
Operations	\$3,223,825
Rentals, Leases, & Repairs	\$1,042,035
Communications/Community Engagement	\$584,694

Capital Outlay

\$94,948 for purchases of capital equipment for the Maintenance & Operations Department.

Tuition/Excess Costs

\$1,472,209 for payments to the County office and to other districts for services rendered for students.

Interfund Transfers

\$1,272,502 to Fund 13, Cafeteria. \$800,000 to Fund 14, Deferred Maintenance.

Contributions to Restricted Funds

\$27,945,703, Special Education, Title II, Part A, Supporting Effective Instruction, Routine Restricted Maintenance.

Site Budgets

All sites, excluding East Palo Alto Academy, receive a minimum of two types of allocations for funding from the Operational Budget. The site budgets are broken into three categories: Program Support, Discretionary, and Non-Discretionary.

Discretionary dollars are flexible in nature and can be utilized as the site request. These funds are often used for supplies, and at times also for additional staffing needs determined at the site level. In 2017-18 the spending categories were collapsed, creating a hold harmless amount to carry forward. The discretionary dollars are increased each year by the CPI. Non-Discretionary dollars are for district identified program support that include: AVID Supplies, Cheer/Dance Outfits, Custodial Supplies, Miscellaneous Athletics, PAL Membership Dues, S.R.O Activities, School Athletic Trainer, Shadowing, and Technology. All of these categories, except for custodial supplies are flat per site allocations. Custodial supplies are allocated based on enrollment.

Program Support is allocated to the four comprehensive sites and include categories of Former Tier III and SAAP Program.

Although current process is based on per site allocations, when broken down into a per student allocation, the differences are minimal. The district is in the process of examining a weighted student formula, and with the differences being minimal, the cost of transition is promising.

DESCRIPTION	PER SITE/PER STUDENT ALLOCATION	CARLMONT	MENLO-ATHERTON	SEQUOIA	WOODSIDE	TIDE ACADEMY	REDWOOD	INDEPENDENT STUDY	MIDDLE COLLEGE	TOTAL ALLOCATION
<i>Program Support</i>										
Former Tier III	100,000	100,000	100,000	100,000	100,000					\$ 400,000
SAAP Program	100,000	100,000	100,000	100,000	100,000					\$ 400,000
Discretionary		\$ 289,358	\$ 317,670	\$ 286,872	\$ 258,465	\$ 60,688	\$ 45,709	\$ 7,302	\$ 9,081	\$ 1,275,145.00
<i>Non-Discretionary Site Funds</i>										
AVID Supplies	11,500 Per Site	11,500	11,500	11,500	11,500	-	-			\$ 46,000
Cheer \ Dance outfits	Individual Site Allocation	10,000	10,000	10,000	10,000	-				\$ 40,000
Custodial Supplies*	23.53	51,868.36	55,937.82	46,925.23	44,189.27	4,706	5,500			\$ 209,126.69
Misc Athletic	Individual Site Allocation	60,000	60,000	60,000	60,000	10,000				\$ 250,000
PAL Membership Dues	8,275 Per Site	8,275	8,275.00	8,275	8,275		-			\$ 33,100
S.R.O. activities	Individual Site Allocation	30,000	30,000	30,000	30,000	-				\$ 120,000
School Athletic Trainer	Individual Site Allocation	47,000	47,000	47,000	47,000	-				\$ 188,000
Shadowing	15,000 Per Site	15,000	15,000	15,000	15,000	15,000				\$ 75,000
Technology	35,000 Per Site	35,000	35,000	35,000	35,000	17,500	7,500			\$ 165,000
Total - Non-Discretionary		\$ 268,643.36	\$ 272,712.82	\$ 263,700.23	\$ 260,964.27	\$ 47,206	\$ 13,000	\$ -	\$ -	\$ 1,126,226.69

TOTAL SITE ALLOCATION	\$ 758,001.36	\$ 790,382.82	\$ 750,572.23	\$ 719,429.27	\$ 107,894	\$ 58,709	\$ 7,302	\$ 9,081	\$ 3,201,371.69
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<u>School Enrollment as of PY Oct 2</u>		Per Student Allocation		
		Discretionary	Non-Discretionary	Total
Carlmont	2,256 \$	128.26 \$	119.08 \$	335.99
Menlo Atherton	2,433 \$	155.64 \$	112.09 \$	324.86
Sequoia	2,041 \$	149.26 \$	129.20 \$	367.75
Woodside	1,922 \$	134.48 \$	135.78 \$	374.31
TIDE Academy	200 \$	303.44 \$	236.03 \$	539.47
Redwood	201 \$	227.41 \$	64.68 \$	292.08
Independent Study	50 \$	146.04	- \$	146.04
Middle College	106 \$	85.67	\$	85.67

Site Categorical Funding

In addition to the discretionary and non-discretionary dollars, qualifying sites receive categorical funds. Funds are allocated per-pupil for qualifying students.

Menlo Atherton (916 students)

Title I: \$140,750

- Bilingual Paraprofessional (Permanent) \$70,000
- Math Instructional Associate (Short Term) \$25,000
- English Instructional Associate (Short Term) \$25,000
- Parent Engagement Support \$20,750

Redwood High School (157 students)

Every Student Succeeds Act (ESSA): \$163,000, Title I: \$28,000

- Intervention counselor \$15,000 ESSA
- Continued equity training \$5,000 ESSA
- Certified trauma-informed pedagogy \$5,000 ESSA
- Bilingual parent liaison \$28,000 Title I
- Support classes for distance learning \$56,000 ESSA
- Instructional coaching for distance learning \$35,000 ESSA
- Reading intervention support \$32,000 ESSA
- Distance Learning Supports \$15,000 ESSA

Woodside High School (653 students)

Title I: \$101,000

- Bilingual Parent Liaison (Permanent) \$89,000
- Materials, subscriptions (Newsela, glossaries) \$12,000

Sequoia High School (971 students)

Title I: \$150,427

- Continue to support efforts to engage ELD families authentically with learning.
- Build on successes of proactive mental health support under at-home learning.
- Continue to fund adaptive web-based literacy curriculum for ELD students Support truancy intervention and outreach efforts.

TIDE Academy (43 students)

Title I: \$6,661

- Awaiting approval from School Site Council on how the funds will be spent.

Special Education

Special Education is projected to increase primarily due to additional enrollment of students on an IEP (Individualized Education Plan), inherited from our partner districts and an increase of students in our post-secondary program, TRACE.

Furthermore, with the expansion of our Satellite district programs and Satellite Plus program at Green Street, opening in August, we will be able to reduce costs incurred on Non-Public School placements. Cost of program at Green Street is \$450K, plus two certificated teachers and two Instructional Aides. These cost should be offset by serving students within district, instead of Non Public Placement.

This enrollment trend has been consistent over the last four years. Last fiscal year the budget was significantly impacted by contracted personnel, due to the shortage of qualified certificated personnel, particularly School Psychologists and Speech Therapists. Because of robust recruiting efforts this spring semester, the Special Education department is expecting to reduce expenditures on contracted services. This spring, the department has completed several matriculation IEPs for students who will be starting in Satellite Plus in the fall, as opposed to Non-Public Schools. We have to re-allocate a portion of federal special education monies to the General Fund in order to complete the requirements for compliance monitoring (CCEIS-Comprehensive Coordinated Early Intervention Services.)

Special Education Costs as % of Total Expenditures				
	2017-18	2018-19	2019-20	2020-21
State & Federal Revenue	6,490,889	6,397,293	6,875,711	7,104,886
Special Education Expenditures	23,730,196	27,946,917	33,566,360	34,496,416
Contribution to program	20,134,044	25,777,436	29,890,340	30,591,220
Contribution Share of Total Revenue	32.24%	24.82%	23.00%	23.23%
# of Students	1,132	1,151	1,319	1,400
General Fund Expenditures	126,879,203	141,535,259	155,400,301	147,362,607
Special Education Costs as % of Total Expenditures				
	18.70%	19.75%	21.60%	23.41%

Board of Trustees 4 Priorities Areas

Goal #1 Strengthen quality instruction by improving engagement and rigor for all students.

Goal #2 Use an equity lens to bolster student outcomes by overcoming institutional and instructional practices which perpetuate inequities in student outcomes.

Goal #3 Ensure all students receive appropriate academic, behavior and socio-emotional supports by initiating steps to full implementation of MTSS at all sites.

Goal #4 Support and promote successful student outcomes at the District's small schools and alternative programs.

Section 2

This section summarizes the programmatic financial activity for goals and initiatives from the district support level.

Educational Services Budget

Action Item	Budget	Board Goals	Rationale and Considerations During Distance Learning
After School PD	\$2,200	1, 2, 3, 4	Professional development continues to focus on strengthening quality instruction by improving rigor and engagement for all students. Since transitioning to distance learning in March, robust professional development related to these goals has continued in a virtual format. Additionally, professional development focused on best practices for distance learning has and will continue to be developed and implemented. An essential element of distance learning is building classroom community and forging connections between students and between students and teachers. How to use the best technology tools to provide rigorous, engaging, standards-aligned instruction with embedded language support in a blended or distance format, is an ongoing focus of professional learning.
All Staff PD	\$68,000	1, 2, 3, 4	Modifications for a changed academic calendar and ongoing distance learning format will be made as they become formalized. For example, in-person training will be replaced with virtual PD. There will also be opportunities to support attendance of virtual conferences, as with this spring's CUE BOLD attendance (Blended and Online Lesson Design) in which 35 district staff members were registered to attend. PD & Curriculum staff set up morning collaboration activities to provide a structure for staff to share their learning.
Constructing Meaning: training, leadership & support	\$301,499	1, 2, 4	Integrated ELD takes on heightened importance during distance learning. The PD & Curriculum department has adjusted to providing the CM institute in a distance format. The newly-developed distance CM training combines synchronous and asynchronous segments that include and model effective uses of instructional technology. New training related to integrate ELD in a distance format, such as "Oral Language Development for ELs in Blended Learning" have also been created and delivered by the PD & Curriculum staff.
Co-teaching training	\$12,000	2	This training, which happens every fall for new co-teaching partnerships, will take place in a distance format if needed.

Action Item	Budget	Board Goals	Rationale and Considerations During Distance Learning
ELA - Common Units/Assessments	\$36,800	1	A guaranteed, viable curriculum in the form of a standards-aligned scope and sequence is particularly important in distance learning. Work in 20-21 will focus on continuing to revise 9-11th grade common units and assessments, developing 12th grade common units and assessment. The lead teachers will provide needed guidance for course teams to focus on most essential learning and to maintain adherence to Common Core standards.
ELA Support Curriculum	\$43,840	1, 2	This includes training and curriculum revision for the ELA support classes' English support and academic literacy. Training for new teachers will take place in a distance format in the fall. The PD & Curriculum team has developed new assessments for the English support class in order to provide teachers with reliable information about student progress in distance format and to streamline the grading process.
ELD Curriculum	\$18,840	1, 2	Work began in the 2019-20 school year to develop a consistent, standards-aligned scope and sequence across the district for the ELD 1-3 courses. The work of defining the learning outcomes for the courses is especially crucial in a distance format in order for teachers to be able to gauge student progress. Next steps include identifying or creating common standard-based assessment measures and to adopt common curricular resources.
Instructional Supplies	\$19,725	1, 2	These are instructional materials for the Read 180 and System 44 computer-adaptive reading support programs. These programs are used both in an in-person and distance format for the English intensive and reading intervention courses.
Interim Common Assessments	\$3,600	1, 2	In 2020, several CAASPP tests were postponed including the SBAC summative assessment, the ELPAC and the CAST. In the 20-21 school year, continuing to conduct an assessment of standards will provide teachers with actionable data that will allow them to target support where it is most needed.
June Institute	\$57,000	1, 2, 4	This is funding for June Institute, 2021. There will be a continued focus on instructional priorities of rigor, engagement and access, but the content and format will be adjusted for the situation at that time.

Action Item	Budget	Board Goals	Rationale and Considerations During Distance Learning
Math Self Study Phase 2	\$403,350	1, 2	<p>In the 20-21 school year, the math initiative will continue with a focus on developing the Geometry initiative course and on expanding teacher involvement in the Algebra initiative course. The initiative's goals and foci are more needed and relevant in light of the pandemic. To address loss of schooling and unfinished learning in mathematics, we will utilize the collaboration of district teachers and consultants to focus teaching and learning on high priority mathematics and to address unfinished learning through "just in time" support, as it relates to essential learning goals, rather than re-teaching or remediating previous grade level content. Instruction and resources will be designed so that they can be flexibly implemented in a variety of contexts (face-to-face, distance learning, blended hybrids, etc.). The Math Initiative had already been developing a more focused and flexible curriculum. We will continue to prioritize this work and expand the scope to look at vertical alignment.</p> <p>Additionally, we plan to address the social, emotional, and technical challenges presented by distance learning. The instructional routines and math language routines were developed to support student to student interactions, build norms of community, engage students in rich discussions and provide routines to increase student's agency. All of these are essential in a DL context. With the guidance and assistance of the consulting team, we will design versions of these instructional routines that can be done in DL (both asynchronously and synchronously) but are easily adapted to blended or in-person classrooms.</p>
NGSS Alignment	\$130,825	1, 2	The work to continue to shift towards NGSS implementation will continue in 20-21, including an ongoing attempt to develop curricular units in the core sequence: biology, chemistry and physics. This summer and in the fall, the units will be developed for a distance learning environment. At the same time, identifying existing phenomenon-based units through third party publishers (e.g. HHMI) will be pursued.
PD Academy	\$2,100	1	A teacher leadership academy will be conducted once in 20-21. It will be conducted in-person if possible or in a distance format if necessary.
SACs	\$123,000	1	In addition to normal operating costs, this includes funding for proposed leadership and facilitation training for new (and other interested) department chairs in order to build teacher leadership capacity. The goal from the PD and Curriculum department is to develop a shared vision for instruction and to align department, site, Ed Services, and board leadership goals.

Action Item	Budget	Board Goals	Rationale and Considerations During Distance Learning
Sys ELD Training	\$36,400	1, 2	Sys ELD Training is for teachers of designated ELD classes. It focuses on research-based instructional practices for students acquiring English as a second language in their ELD classes. There is significant turnover in ELD teachers and teachers new to the course (who are most often English or world languages teachers) will require support to develop effective instructional practices for this discipline.
Teacher Orientation Week	\$24,500	1, 2	Teacher Orientation Week will take place in a distance format. Goals for TOW 2020 will be: 1. Support existing staff to make instruction more engaging, rigorous, and accessible, particularly in distance format 2. Prepare brand new teachers to launch their courses, particularly in distance format 3. Provide staff, especially new -- vet and beginning -- support in how to plan courses and units, particularly in distance format 4. Orient new staff -- vet and beginning -- to SUHSD
Trauma-Informed Practices PD for ELD & LEP Teachers	\$30,000	2, 3	One component of the plan to support English Learner newcomers more effectively is to provide professional development to LEP and ELD teachers focused on trauma-informed practices, with a particular focus on the experience of immigrant youth. If needed, this will take place in a distance format.
Welcome Center for Newcomer Students	\$9,000	2	Centralizing and standardizing the intake process for students will take on added import in the fall. As sites implement a hybrid model for instruction and student services, we will assess new students and obtain key information for placement and support. Additionally, we will ensure that students are provided with crucial resources and information.

Student Services Budget

Action Item	Budget	Board Goals	Rationale During Modified Learning Program
Professional Development	\$10,000	1, 2, 3, 4	Since modifying the educational program within the district, Counselors (Intervention, Guidance, Career/College) and Administrators have pivoted to supporting students online. June PD (and ongoing throughout 2020-2021) will continue to focus on how to improve these distance supports and services for increased connections between students and between students and staff. Costs include additional speaker and travel fees, plus planning for remote/in-person PD needs (food for in-person, online materials, etc.).
Health Education Services	\$3,000	1, 2, 3, 4	Provides the mandatory First Aid & AED training per AB 1719 , EC 51225.6 , and SUHSD AR 6143 for SUHSD students in a more engaging manner with hands-on practice, live demonstration, use of mannequins, and personal support. This program also promotes equitable access to learning a life-saving skill as all students take the safety training course in Physical Education. This is a Tier-1 education program in MTSS to support students' positive behavioral and socio-emotional decisions in a stressful situation and have the ability to help someone in need of life-saving assistance. This program is available for our small schools and alternative programs. As a required educational component, if still experiencing modified learning plan, this will pivot to online instruction.
Kognito	\$12,000	1, 2, 3, 4	Provides the mandatory suicide prevention education program to SUHSD students in Life Skills, per AB 2246 , SUHSD AR 5141.52 , and SUHSD BP 5141.52 . Kognito provides this education and practice in an online, engaging manner with students able to practice through virtual simulations where outcomes change based on the actual virtual conversations. This program also promotes equitable access to learning a life-saving skill as all students should experience this in Life Skills. This is a Tier-1 education program in MTSS to support students' positive behavioral and socio-emotional decisions in a stressful situation and have the ability to help themselves or someone in need of life-saving assistance. This program is available for our small schools and alternative programs.

Action Item	Budget	Board Goals	Rationale During Modified Learning Program
Premier Healthcare	\$4,000		Additional Nurse or Health Aide support, particularly for our small schools and alternative programs would help achieve all goals by helping to keep students in school and classes longer as health, behavioral, and socio-emotional needs are able to be attended to.
MTSS: PBIS/Behaviorist Services	\$87,000	1, 2, 3, 4	Development of PBIS roll out plan (adjusted for distance learning model) in coordination with Discipline Task Force Data. Development will include components of staff professional development in behavioral support strategies for engagement, monitoring, executive functioning, organization, and understanding root cause analysis when determining functions of student behaviors. 2020-2021 will include planning the development of PBIS for implementation in Fall 2021.
Acknowledge Alliance	\$70,000	3,4	Acknowledge Alliance counselor will provide support to identified district at-risk youth. Counselors will provide continued one on one counseling in person or remotely depending on how the pandemic continues to evolve. Counselors are able to “travel” with students to new school placement (if necessary) and provide continued support to students. With the collaboration of school staff, alliance counselor’s work on identified areas of needs (readmission plan from stipulated expulsions, stay order agreements, behavioral plans, attendance improvement plans, etc.)
Attention 2 Attendance	\$50,000	1, 3, 4	With the development and implementation of the District’s Attendance Handbook, attendance will continue to be on the forefront of department goals and action items. With considerations of a modified learning program, it will be even more important not only to assess the new definition of attendance and engagement, but to have proper monitoring and an ability to communicate with students and families in writing. The department is analyzing the implementation of SARB (adjusted for distance learning model) in coordination with the A2A system, and will include professional development on attendance assessment tools, expanding understanding of root cause analysis of attendance inhibitors, risk-factors, and systems contributing to the cycle of disengagement in attendance.
MTSS: Intervention Data System	\$10,000	1, 2, 3, 4	See item description below.

Action Item	Budget	Board Goals	Rationale During Modified Learning Program
MTSS: Intervention Data System, Interventions (Level II/III), Support/Services to carry out Tier 2/3 needs	\$70,000 \$135,000	1, 2, 3, 4	<p>Adopting a data system allows for prevention and proactive measures that provide the structure for our providers to prioritize students in need of support, developing intervention practices connected to student needs, using data progress monitoring practice, and determining quantifiable measures of progress using data interoperability between multiple data sources. These intersections of multi-system data points can tell us exactly where students are in their learning and what supports they need to reach their destination. Teams will take this data and adopt and adjust intervention plans to be delivered in virtual platform to adhere to distance learning model.</p> <p>Expansion of an intervention menu with trusted, research-based and alternative strategies that directly connect with student needs as identified. Clearly define decision rules to enter and exit an intervention support, training for staff for expectations of service delivery model for each intervention, and identify targeted measures for these supports. Expand Tier 2 options for targeted intervention groups and small group delivery of Behavior, SEL, and Academic supports. Expand strategies and resources to deliver intensive Tier 3 support for students struggling with Tier 1 and 2 lower levels of support, such as student engagement support services, mentoring whole-child wrap-like supports, community resource connections and partnerships, and parental counseling intervention, intensive individual parent training, and supporting family units with connecting a community support network.</p> <p>Discipline Matrix that incorporates Restorative Justice Practices, Conflict Mediation tools and supports, and a system of graded leveled behavioral interventions to support root causes for behavioral incidences. Additionally interventions will be explored and expanded for all root causes identified as interfering access and engagement in the learning environment, both within district and in partnership with community partners. Alternative educational pathways will be developed to provide further intensified interventions that meet the needs of students with externalizing presentations of behavior that do not respond to the graded hierarchy of the behavioral intervention matrix.</p>

Action Item	Budget	Board Goals	Rationale During Modified Learning Program
Naviance	\$45,000		Online system as a comprehensive college, career and life readiness solution that helps schools align student strengths and interests to postsecondary goals, improving student outcomes and connecting learning to life.

Multi-year Projections (MYP)

Description	2020-21 Operational Budget			21-22			22-23		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
LCFF/Basic Aid	153,280,369	4,959,943	158,240,312	157,815,767	4,959,943	162,775,710	165,601,533	4,959,943	170,561,476
Federal Revenues	-	2,783,276	2,783,276	-	2,613,153	2,613,153	-	2,613,153	2,613,153
State Revenues	1,805,714	8,945,690	10,751,404	1,805,714	8,945,690	10,751,404	1,805,714	8,701,768	10,507,482
Other Local	2,072,339	11,283,492	13,355,831	2,032,339	9,876,013	11,908,352	2,032,339	9,486,013	11,518,352
Contributions	(27,945,703)	27,945,703	-	(28,975,243)	28,975,243	-	(30,146,713)	30,146,713	-
TOTAL REVENUES	129,212,719	55,918,104	185,130,823	132,678,577	55,370,042	188,048,619	139,292,873	55,907,590	195,200,463
Certificated Salaries	58,707,554	14,757,207	73,464,761	59,522,557	14,131,821	73,654,378	60,421,645	13,946,672	74,368,317
Classified Salaries	17,835,669	9,700,747	27,536,416	17,451,135	10,171,094	27,622,229	17,625,646	10,272,805	27,898,451
Employee Benefits	32,925,255	17,759,936	50,685,191	33,659,813	17,868,898	51,528,711	36,108,262	18,521,197	54,629,459
Supplies	3,391,410	3,213,123	6,604,533	3,009,178	2,202,705	5,211,883	3,077,973	2,170,443	5,248,416
Services	11,925,789	10,080,992	22,006,781	12,021,319	9,520,272	21,541,591	12,290,724	9,440,272	21,730,996
Capital Outlay	19,948	75,000	94,948	19,948	56,500	76,448	19,948	56,500	76,448
Other Outgo	743,850	728,359	1,472,209	743,850	728,359	1,472,209	743,850	728,359	1,472,209
Indirect Costs	(53,495)	47,679	(5,816)	(53,495)	47,679	(5,816)	(53,495)	47,679	(5,816)
Transfers Out	1,858,801	800,000	2,658,801	1,073,458	800,000	1,873,458	1,073,458	800,000	1,873,458
TOTAL EXPENDITURES	127,354,781	57,163,043	184,517,824	127,447,763	55,527,328	182,975,091	131,308,011	55,983,927	187,291,938
Surplus / (Deficit)	1,857,938	(1,244,939)	612,999	5,230,814	(157,286)	5,073,528	7,984,862	(76,337)	7,908,525
Beginning Fund Balance	12,359,736	1,995,636	14,355,372	14,217,674	750,697	14,968,371	19,448,488	593,411	20,041,899
Ending Fund Balance (EFB)	14,217,674	750,697	14,968,371	19,448,488	593,411	20,041,899	27,433,350	517,074	27,950,424

The multi-year projection is one of the most important tools in determining the District's financial positions. In order to create multi-year projections, we rely on a variety of assumptions a sources of information available at the time of preparation.

The MYP incorporates the following key assumptions:

- An estimated 5% increase in property taxes for 2020-21, with a 3% increase for year 21-22, and 5% increase for year 22-23.
- Federal revenues are projected to decline in current year as programs have wither been cut or reduced. Subsequent two years are projected to be flat funded.

- State revenues are projected to be flat funded.
- Local revenues are projected lower than 2019/20 Estimated Actuals due to revenues from donation, foundation, and facilities leases and rentals being budgeted when received.

Reserves

Calculating the Reserve for Economic Uncertainties. Minimum State requirement is General Fund total expenditures multiplied by 3%.

The Board recognizes the unique status of the District as a Community Funded or Basic Aid District and intends to maintain a reserve for economic uncertainty at or above eight (8) percent.

As we enter the 2020-21 budget year we are concerned about the state of the economy. Economic growth has halted during the pandemic and it is unknown what the recovery will look like. The 2020-21 Operational Budget is projecting approximately \$13.7M or 7.46%.

Available reserves is shown as calculated below.

Calculating Reserves	
Net Beginning Fund Balance	14,355,372.00
Revenues (+)	185,130,823.00
Expenses(-)	184,517,824.00
Ending Fund Balance (=)	14,968,371.00
Nonspendable	450,132.00
Restricted	750,697.00
Total Available Reserves	<u>\$ 13,767,542.00</u>