Outline

- Overarching Budget Principles
- Fresno Unified Strategic Budget Development
  - Collaborative Approach and Results
  - Exploratory Multi-year Scenarios
- Focus on Solutions
- Next Steps
Overarching Budget Principles

1. Provide Stability to School Sites
   - No Layoffs – Reassignments Possible

2. Protect the Teaching and Learning Environment
   - Reductions far away from the classroom

3. Supports for Students
   - Maintain/increase where possible

4. Balanced and Phased in Approach to Budget Reductions

2020/21 Exploring Budget Solutions

06/04/20
Collaborative Approach to Ongoing Impacts

**BOARD OF EDUCATION**
Extensive discussions outlining evolving budget challenges and scenarios

**SUPERINTENDENT’S INSTRUCTIONAL ADVISORY BUDGET COMMITTEE**
Consisting of Principals and other Instructional Leaders

**COMMUNITY / PARENTS**
Townhall Meetings
Board Outreach
School Leadership Outreach

**LABOR PARTNERS**
Continued collaboration with all labor groups

**EXECUTIVE CABINET**
District Leaders representing school sites and departments

**GATHERING INFORMATION**
- Understand budget challenges
- Seek budget solutions
  - Overarching budget principles
- Evaluate potential solutions

Fresno Unified School District
### Fresno Unified Approach to Revenue Impacts

#### Multi-year – With Supplemental Appropriations

All estimates are preliminary and subject to change

<table>
<thead>
<tr>
<th>Exploratory Multi-year Scenario #1</th>
<th>2020/21</th>
<th>2021/22</th>
<th>2022/23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Estimated Revenue Loss</td>
<td>$(79.3) million</td>
<td>$(111.8) million</td>
<td>$(142.9) million</td>
</tr>
<tr>
<td>Multi-year Supplemental Appropriations</td>
<td>--</td>
<td>$18.7 million</td>
<td>$43.3 million</td>
</tr>
<tr>
<td>Additional Investments – New Instructional Delivery, Health &amp; Safety</td>
<td>$(13.1) million</td>
<td>$(10.0) million</td>
<td>$(10.0) million</td>
</tr>
<tr>
<td><strong>Total Impact – Losses and Investments</strong></td>
<td>$(92.4) million</td>
<td>$(103.1) million</td>
<td>$(109.6) million</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>One-time Stimulus Funds – Estimated Available</th>
<th>2020/21</th>
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<th>2022/23</th>
</tr>
</thead>
<tbody>
<tr>
<td>$110 million ($44m CARES/ $1m SB 117/ $65m State CARES)</td>
<td>$65.0 million</td>
<td>$45.0 million</td>
<td>--</td>
</tr>
<tr>
<td>One-time Savings – Captured in 2019/20</td>
<td>--</td>
<td>--</td>
<td>$17.5 million</td>
</tr>
<tr>
<td>One-time Ending Balances – Estimated Available $18.4 million</td>
<td>--</td>
<td>$7.2 million</td>
<td>$11.2 million</td>
</tr>
<tr>
<td>Reserve for Economic Uncertainty</td>
<td>$5.0 million</td>
<td>$20.0 million</td>
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</tr>
<tr>
<td>Potential Ongoing Reductions</td>
<td>$27.4 million</td>
<td>$27.4 million</td>
<td>$27.4 million</td>
</tr>
<tr>
<td>Additional Ongoing Reductions – 2021/22</td>
<td>--</td>
<td>$18.5 million</td>
<td>$18.5 million</td>
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<tr>
<td>Additional Ongoing Reductions – 2022/23</td>
<td>--</td>
<td>--</td>
<td>$15.0 million</td>
</tr>
<tr>
<td><strong>Total Budget Solutions</strong></td>
<td>$92.4 million</td>
<td>$103.1 million</td>
<td>$109.6 million</td>
</tr>
</tbody>
</table>
# Fresno Unified Approach to Revenue Impacts

## Multi-year – No Supplemental Appropriations

All estimates are preliminary and subject to change

### Exploratory Multi-year Scenario #2

<table>
<thead>
<tr>
<th></th>
<th>2020/21</th>
<th>2021/22</th>
<th>2022/23</th>
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<td>$(10.0) million</td>
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<tr>
<td><strong>Total Impact – Losses and Investments</strong></td>
<td>$(92.4) million</td>
<td>$(121.8) million</td>
<td>$(152.9) million</td>
</tr>
</tbody>
</table>

### One-time Stimulus Funds – Estimated Available

- $110 million ($44m CARES/$1m SB 117/ $65m State CARES)
  - **2020/21:** $65.0 million
  - **2021/22:** $45.0 million
  - **2022/23:** --

### One-time Savings – Captured in 2019/20

- **2020/21:** --
- **2021/22:** $17.5 million
- **2022/23:** --

### One-time Ending Balances – Estimated Available $18.4 million

- **2020/21:** --
- **2021/22:** $7.2 million
- **2022/23:** $11.2 million

### Reserve for Economic Uncertainty

- **2020/21:** --
- **2021/22:** --
- **2022/23:** $45.0 million

### Potential Ongoing Reductions

- **2020/21:** $27.4 million
- **2021/22:** $27.4 million
- **2022/23:** $27.4 million

### Additional Ongoing Reductions – 2021/22

- **2020/21:** --
- **2021/22:** $24.7 million
- **2022/23:** --

### Additional Ongoing Reductions – 2022/23

- **2020/21:** --
- **2021/22:** --
- **2022/23:** $44.6 million

### Total Budget Solutions

- **2020/21:** $92.4 million
- **2021/22:** $121.8 million
- **2022/23:** $152.9 million
Focus on Solutions: One-time

$110.1 million Federal and State Stimulus Funds

- CARES Act
  - State allocation to schools $65.0 million
    - 2020/21
  - Federal funding to schools $44.0 million
    - 2021/22
- SB 117 $1.1 million
- Additional Federal stimulus unknown
$17.5 million  Mitigating Actions – One-time Savings

- 2019/20 Identified savings captured in the current year
  - Supplies $8.4 million
  - Contracts and Services $4.3 million
  - Transportation $2.4 million
  - Utilities $2.0 million
  - Travel and Conferences $400,000
Focus on Solutions: One-time

$18.4 million

Other One-time Sources and/or Ending Balances

- 2019/20 Ending balances potentially available
  - Reduce Workers’ Compensation Reserve $3.1 million
    - Current level approx. 76%; revised level (after reduction) approx. 66%
  - Adult Education Building Fund $2.1 million
  - Delay OPEB Contribution (one-year) $1.5 million
  - Delay New Textbook Adoption (planned in 2021/22) $11.2 million

$98 million

Reserve for Economic Uncertainties

- Reserve Policy 2.0% to 4.0% in difficult economic times
  - Consider planned utilization for deficit spending prior to COVID-19
  - Plan utilization of $45 million of reserve for economic uncertainties
Focus on Solutions: Ongoing

$27.4 million

Potential Ongoing Reductions – Year One

- Low impact recommendations – $11.1 million
  - Utilities savings $1.0 million
  - Delay implementation of 4 new Designated Schools $1.8 million
  - Maintain contribution to Routine Restricted Maintenance $600,000
  - Maintain current year contribution to the Health Fund $2.5 million
  - Set New Equipment Classroom budget based on actual spending $250,000
  - Repurpose Unspent Lottery Funds $1.2 million
    - Previously directed toward Textbook Adoption Reserve
  - Unused After-school Personalized Learning stipends $1.1 million
  - Flexible Community Redevelopment funding $1.5 million
  - Set non-public school residential placements $1.2 million
    - Based on actual enrollment/need

- Central Office Administration and Other Programmatic Reductions – $16.3 million
  - See Option #1 or Option #2
Focus on Solutions: Ongoing Reductions Year One

- **Option #1** – Total $27.4 million
  - Low Impact Recommendations - $11.1 million
  - Central Office Administration - $7.0 million
    - Target 2.5% – may include current vacancies, unspent budgets, and travel
  - Program Reductions - $9.3 million

- **Option #2** – Total $27.4 million
  - Low Impact Recommendations - $11.1 million
  - Central Office Administration - $11.5 million
    - Target 4.0% – may include current vacancies, unspent budgets, travel, and deeper reductions for departments that historically spend allocations
  - Program Reductions - $4.8 million
## Collaborative Approach

<table>
<thead>
<tr>
<th>Program / Investment</th>
</tr>
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<tbody>
<tr>
<td>Extra/Co-Curricular Teacher on Special Assignment</td>
</tr>
<tr>
<td>Eliminating additional certificated FTE at each Designated School ★</td>
</tr>
<tr>
<td>Climate and Culture Specialists</td>
</tr>
<tr>
<td>Consideration of change to compensation: Furloughs, Step/Career, 1% ★</td>
</tr>
<tr>
<td>Reduce professional learning days at Designated Schools from 10 to 5 ★</td>
</tr>
<tr>
<td>Curriculum and Instruction/PL Instructional Coaches</td>
</tr>
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★ Bargaining required with Labor partners
## Collaborative Approach

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<th>Program / Investment</th>
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<th>Estimated Cost (millions)</th>
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<tr>
<td>Extra/Co-Curricular Teacher on Special Assignment</td>
<td>1.0</td>
<td>$0.11</td>
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<tr>
<td>Eliminating additional certificated FTE at each Designated School</td>
<td>47.0</td>
<td>$6.00</td>
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<tr>
<td>Climate and Culture Specialists</td>
<td>21.0</td>
<td>$2.70</td>
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<td>All</td>
<td>$6.00 each</td>
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<td>1,545</td>
<td>$4.30</td>
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<td>$2.50</td>
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<td>$3.80</td>
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<td>$1.50</td>
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<td>1.5</td>
<td>$0.20</td>
</tr>
<tr>
<td><strong>20% Reduction Scenario (Excludes ★ items)</strong></td>
<td>23.1</td>
<td>$3.2</td>
</tr>
<tr>
<td><strong>30% Reduction Scenario (Excludes ★ items)</strong></td>
<td>34.7</td>
<td>$4.8</td>
</tr>
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★ Bargaining required with Labor partners
Ongoing Reductions – Option #1
Total $27.4 million

$11.1 million Low Impact Recommendations
- Utilities savings
- Implement only 6 of 10 New Designated Schools
- Routine Restricted Maintenance
- Maintain contribution to the Health Fund
- Repurpose unexpended and flexible funding
- Residential Placements based on actuals

$7.0 million Central Office Administration Reductions
- Target 2.5% for each Central Office department
- May include:
  - Positions not filled all year
  - Budget allocations historically unspent
  - Travel and conferences

$9.3 million Programmatic Reductions
- Based on evaluation, rating and ranking
- Board of Education public discussion
- Principal’s Advisory Budget Committee
- Executive Cabinet
- Collaboration with Labor Partners

Not included in above options:
- Delay implementation of 6 New Designated Schools - $2.7 million

2020/21 Exploring Budget Solutions 06/04/20
Ongoing Reductions – Option #2
Total $27.4 million

$11.1 million Low Impact Recommendations
- Utilities savings
- Implement only 6 of 10 New Designated Schools
- Routine Restricted Maintenance
- Maintain contribution to the Health Fund
- Repurpose unexpended and flexible funding
- Residential Placements based on actuals

$11.5 million Central Office Administration Reductions
- Target 4.0% for each Central Office department
- May include:
  - Positions not filled all year
  - Budget allocations historically unspent
  - Travel and conferences
  - Deeper reductions for departments who historically expend budget allocations

$4.8 million Programmatic Reductions
- 30% across non-bargained TSAs and Instructional Coaches – or as directed by the Board
- Board of Education public discussion
- Principal’s Advisory Budget Committee
- Executive Cabinet
- Maintain collaboration; bargaining not required

Not included in above options:
- Delay implementation of 6 New Designated Schools - $2.7 million
Ongoing Reductions – Option #2b
Total $27.4 million

$11.1 million
Low Impact Recommendations
• Utilities savings
• Implement only 6 of 10 New Designated Schools
• Routine Restricted Maintenance
• Maintain contribution to the Health Fund
• Repurpose unexpended and flexible funding
• Residential Placements based on actuals

$10.4 million
Central Office Administration Reductions
• Target 3.5% for each Central Office department
• May include:
  o Positions not filled all year
  o Budget allocations historically unspent
  o Travel and conferences
  o Deeper reductions for departments who historically expend budget allocations

$5.9 million
Programmatic Reductions
• Delay implementation of 6 New Designated Schools
• 20% across non-bargained TSAs and Instructional Coaches – or as directed by the Board
• Board of Education public discussion
• Principal’s Advisory Budget Committee
• Executive Cabinet
• Maintain collaboration, but bargaining not required

Included in above options:
• Delay implementation of 6 New Designated Schools - $2.7 million
• Decrease impacts to TSAs and Instructional Coaches from 30% to 20%
• Decrease to Central Office impacts from 4.0% to 3.5%
Upcoming Budget Discussions

- June 10, 2020
  - SPSA Approvals
  - Public Hearing – Budget
  - Adoption – Budget
  - Approval – COVID 19 Operations Written Report