



NAPA VALLEY
UNIFIED SCHOOL DISTRICT

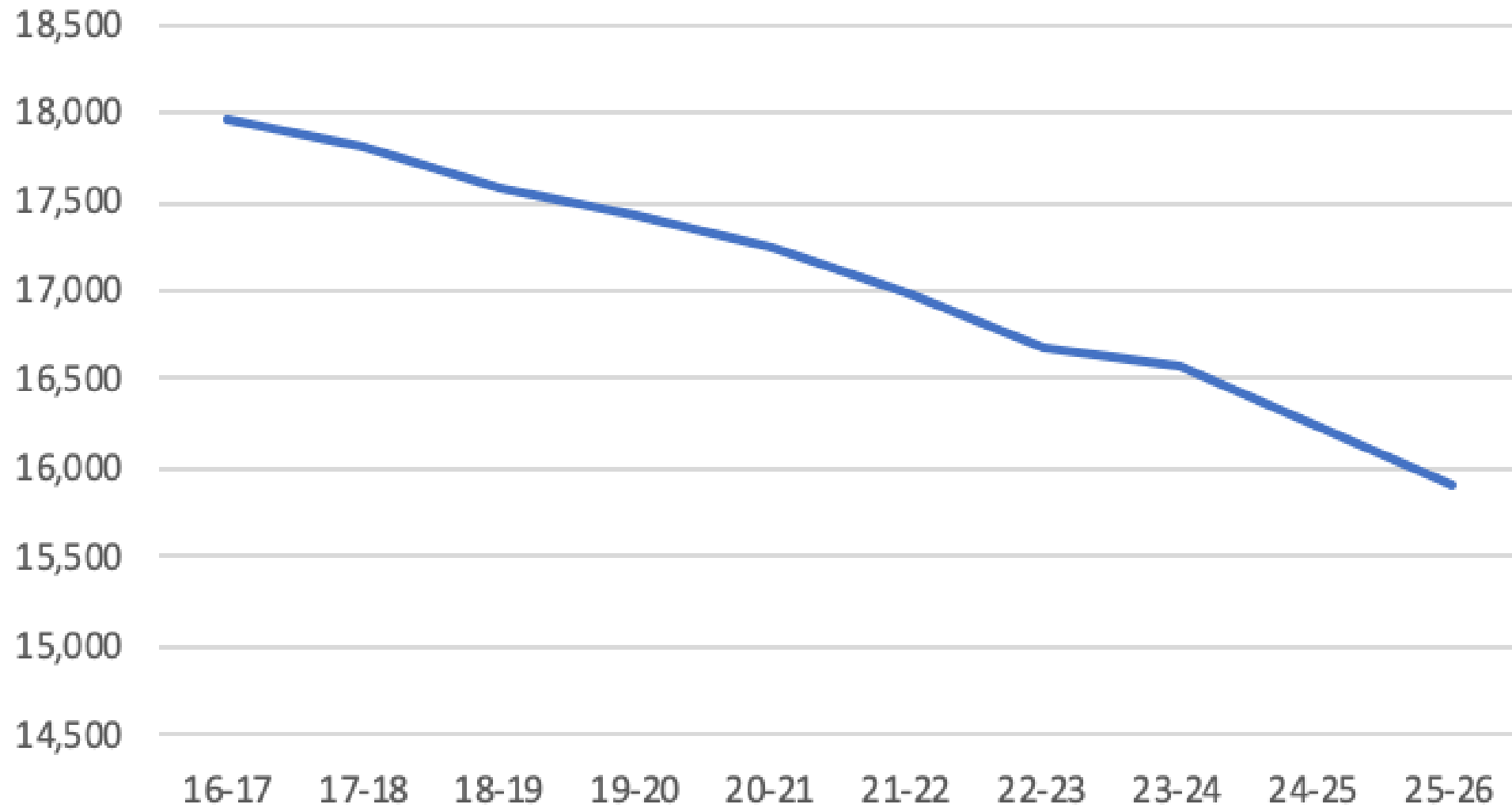
2019 -2020 Budget

Napa Valley USD
Board of Education Meeting
June 13, 2019

Summary of Key Points

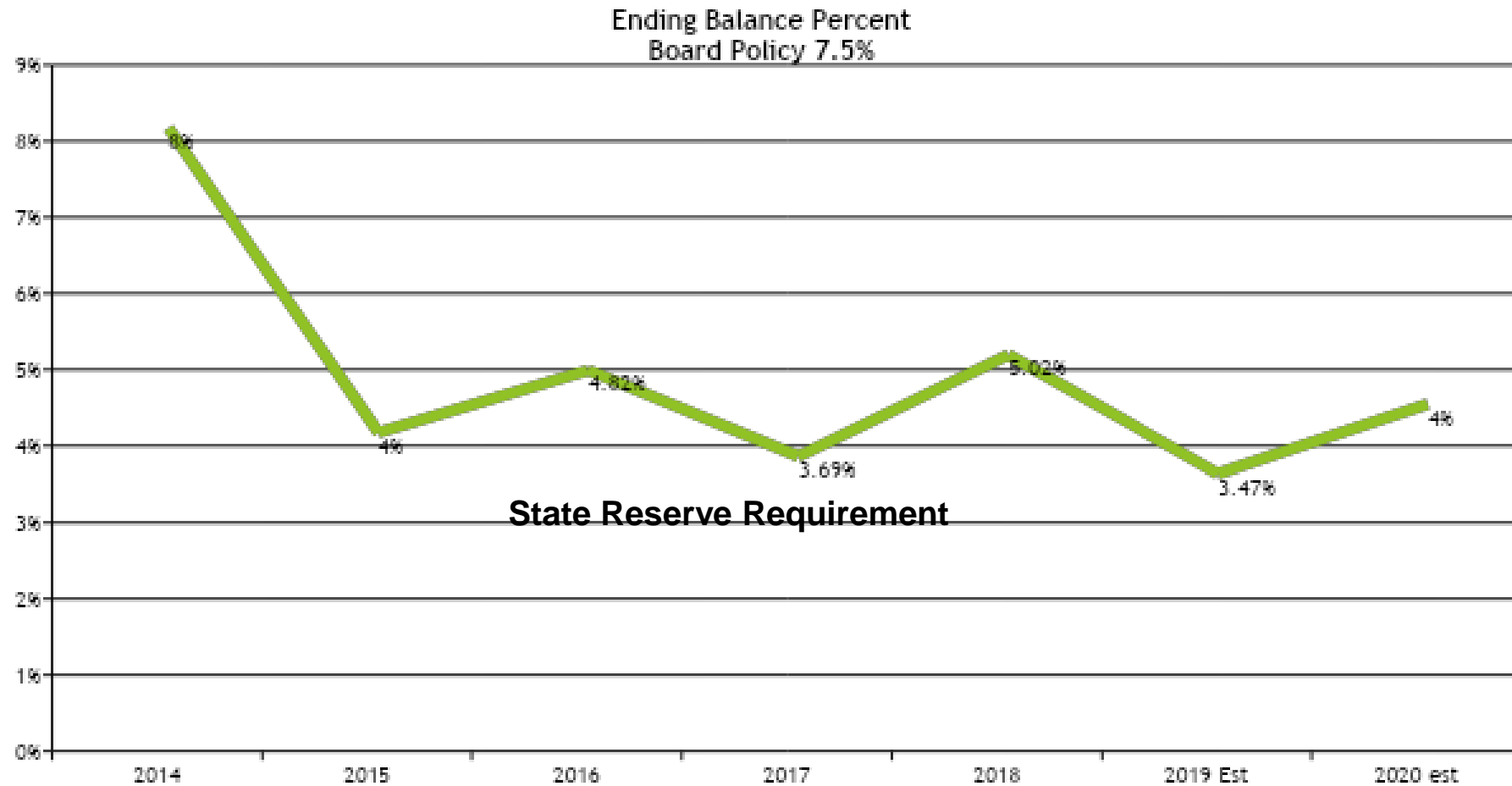
- ▶ Budget is balanced.
- ▶ Reserve levels are low but improving.
- ▶ Future cuts are required:
 - ▶ To deal with declining enrollment
 - ▶ Low state funding
 - ▶ Rising Pension Costs
 - ▶ Rising Special Education Costs

Enrollment



NOTE:
Enrollment numbers do not include the additional students generated from River School becoming a traditional public school effective July 1, 2019

Reserve Level



Budget Assumptions

► Expense

- Elimination of middle schools' 7th period
- Elimination of ½ of staffing for 7th period at American Canyon HS
- Reduction of Teachers on Special Assignment
- Food service labor efficiencies
- More efficient transportation schedule
- \$600,000 increase in liability insurance (33%) because of wildfires
- Added staff for Special Education

► Revenue

- ADA decline
- State COLA (3.26%)
- One-time reduction in STRS costs (\$1.3 million)
- Return of River Charter School as a traditional public school

Out Year Assumptions

- ▶ Certificated reductions of 20 teachers each year to deal with enrollment decline
- ▶ Administrative reductions
- ▶ Other cuts to reduce staffing and operational expenditures in alignment with enrollment decline: “right size” the district based on enrollment
- ▶ Additional cuts will be required to improve compensation

Financial Projections *

	<u>Base Year</u>	<u>2019-2020 Budget</u>	<u>2020-21 Projection</u>	<u>2021-22 Projection</u>
Revenue	160,341,093	161,465,318	164,366,512	164,430,134
Expense	163,529,908	160,050,876	164,518,677	165,063,287
Rev - Expense	-3,188,815	1,414,442	-152,165	-633,153
Beginning Balance	10,126,745	6,937,930	8,352,372	8,200,207
Reserve Requirement	5,922,445	5,745,475	5,857,587	5,897,150
Non Spendable	305,222	202,461	202,461	202,461
Remaining	710,263	2,404,436	2,140,159	1,467,443
Designation		2,000,000	2,000,000	2,000,000
Remaining		404,436	140,156	⁷ (532,557)

District's Future Financial Issues

- Declining enrollment
- Rising pension costs mandated by the state
- Small schools
- Encroachment by Special Education
- Maintaining Competitive Compensation
- Credit Rating downgraded three times
- Low ending balance
- Low reserves

Recommended Future Budget Actions

- ▶ Consider closing small schools
- ▶ Ensure ADA growth will occur before opening new schools
- ▶ Reduce central office to correspond with enrollment decline
- ▶ Reduce teaching positions to correspond with enrollment decline
- ▶ Reduce number of teachers on special assignment and return them to classroom
- ▶ Ensure charter schools are fully self sufficient
- ▶ Consider a 2020 bond for facilities needs and/or parcel tax for programmatic needs to generate additional local revenue

Next steps

- ▶ Close the books
- ▶ Adjust for state budget
- ▶ Monitor and adjust according to fall enrollment