

SCS DRAFT BUDGET FOR PUBLIC INSPECTION

2020-21 Projected Actuals, 2021-22 Budget, and Multi-Year Projections

2020-21 Projected Actuals

Net revenues for the year ending June 30, 2021 are forecast at around \$100,000; a significant improvement from the \$242,000 deficit projected in the budget revised in October 2020.

As a result, the school's financial reserves will increase from \$505,000 (June 2020) to \$610,000 (June 2021).

2020-21	Projected Year Totals	Revised Budget	Variance
REVENUES			
LCFF State Aid	158,377	158,377	0
Education Protection Account	37,834	37,834	0
In Lieu Property Taxes	1,547,855	1,547,855	0
All Other Federal Revenues	225,739	210,164	7,650
Mandated Cost Reimbursements	3,189	3,189	0
State Lottery Revenue	37,645	38,732	(1,087)
All Other State Revenues	102,678	14,573	88,105
Interest	8,200	8,200	0
All Other Local Revenues	237,950	272,490	(34,540)
TOTAL REVENUES	2,359,467	2,291,414	60,128
EXPENSES			
Certificated Salaries	638,174	683,760	(45,586)
Classified Salaries	238,318	265,012	(26,694)
Employee Benefits	246,005	285,263	(39,258)
Textbooks, Supplies, and Equipment	164,454	216,416	(51,962)
Operational Expenses and Professional Services	399,448	462,167	(62,719)
Fees Charged by SVUSD and SCOE	64,638	64,638	0
Depreciation Expense	6,200	6,200	0
Special Education Services provided by SVUSD	498,000	550,000	(52,000)
TOTAL EXPENDITURES	2,255,236	2,533,456	(278,219)
NET REVENUES	104,231	(242,042)	338,348
FINANCIAL RESERVES AT BEGINNING OF FISCAL YEAR	505,886		
ENDING FINANCIAL RESERVES	610,117		
RECOMMENDED RESERVES (2 months-worth of expenses)	375,873		

2021-22 Budget

Key factors determining the projected financial outcome for the upcoming (2021-22) school year are:

1. Change in the school's special education delivery model

For years, services for special needs students had been provided by the Sonoma Valley Unified School District (SVUSD). In exchange, SVUSD retained the school's federal and state funding specific to special education and charged SCS the excess cost. Over the past three years, this excess cost mushroomed at an annual rate of 24% - from \$ 285,432, in 2017-18, to a projected \$ 498,000 in 2020-21. Remaining under that model threatened SCS' existence.

In late 2020, SCS applied and was approved as member of [El Dorado Special Education Local Plan](#), a consortium of over 300 charter schools organized to give each school direct control over special education funding and the delivery and quality of services to its special needs students. As a result of this crucial change, SCS expects to save over \$200,000 per year.

	2021-22	2022-23	2023-24
Revenues	158,357	172,852	179,006
Expenses	431,917	466,497	476,119
Net Cost	273,560	293,645	297,113
Previous model ⁽¹⁾	498,000	498,000	498,000
Savings	224,440	204,355	200,887

(1) Based on projected costs for 2020-21

2. Enrollment growth

Enrollment determines funding for public schools. One (1) student generates approx. \$10,000 in annual revenues.

From 2016-17 to June 2020, total enrollment at SCS had dropped from 220 to 199; a net loss of 21 students = \$ 210,000 in lost revenues per year. Most of this loss was concentrated in middle school.

In late 2020, Director Marc Elin formed a strategic planning task force to develop a schoolwide improvement plan including strategies to stop attrition in middle school and increase overall enrollment.

By early March, key members of SCS' Strategic Planning Committee and middle school teachers proposed several enhancements to make the middle school experience without equal in Sonoma Valley, chiefly:

- The return of SCS' cherished overnight field trips.
- A rich and exciting offering of Electives.
- A comprehensive Athletics Program.
- A specially-designated, upgraded area on campus for middle school students (NE corner of SCS' campus).

Parallel to these efforts, in early 2021, the school launched a broad marketing campaign to attract young families to its TK/K program. On the date of the school's enrollment lottery (March 12), over 30 families had applied and the school ended with a full (26) TK/K class for 2021-22.

Lastly, SCS' bold and decisive action to reopen its campus on March 1st for in-person instruction (the first school in the County to do so) garnered the attention of the press and public and generated enrollment interest across the lower grades (1-5) resulting in 10 new students for 2021-22.

As a result of the aforementioned plans and actions, total enrollment for 2021-22 is projected at 215 students, a net gain of 10, bumping annual revenues by \$100,000.

3. Attendance

While enrollment determines funding, it is only *attending* students who generate it. Projected revenues for 2021-22 are based on a 95% attendance rate (equal to no more than 9 absences per student per year) vs 92.8% (13 absences) in 2019-20. Reaching this higher metric will depend on the commitment of parents and students and consistent attention by teachers and staff. Should attendance remain at the low level of 92.8%, however, projected revenue will decrease by \$50,000 per year.

4. The Return of Enrichment Programs

Since its founding in 1994, SCS was unique – and coveted - among Valley schools for its rich visual and performing arts program and the integration of the arts with core academic subjects.

In the last few years, stagnant revenues and increasing special education costs - coupled with the need to increase focus and support for student academic achievement in core subjects - forced the school to suspend most of its enrichment programs.

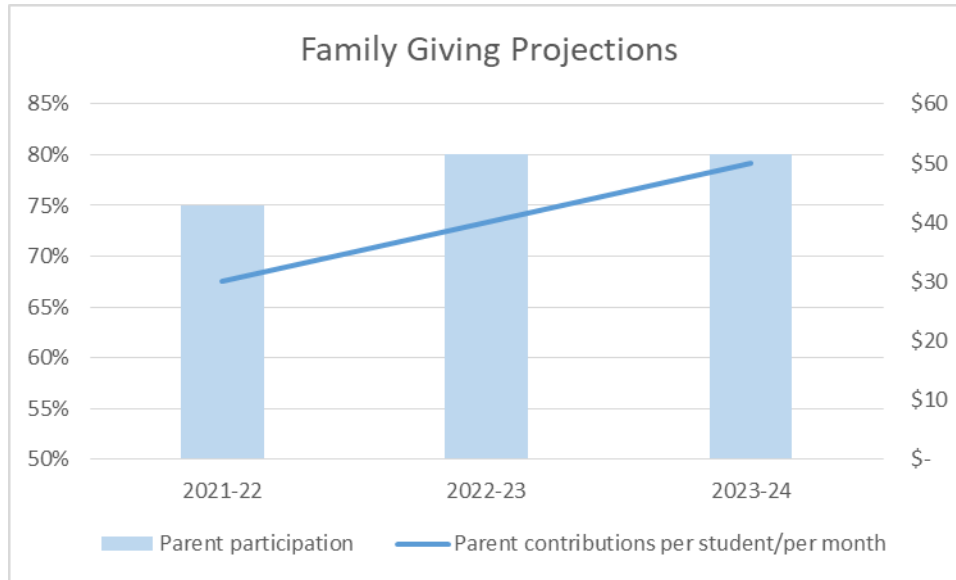
Surveyed in January 2021, teachers and parents called for the return of a rich arts program and greater attention to whole-child and experiential learning. In response, SCS students will once more benefit from enrichment programs, starting with Music and Performing Arts, in 2021-22.

5. Family Giving Fund

To protect the planned improvements and additions to the school's programs from the all-too-common boom/bust cycles in public school finance, starting August 2021, SCS families will have the opportunity to contribute to an annual school fund whose ultimate objective is to receive monthly, ongoing contributions of \$150 per student from a broad (95%) number of SCS parents.

Achieving this goal will not only strengthen SCS' financial self-reliance and independence but ensure that its unique programs never again face cuts due to a negative turn in California's overall financial condition.

Projected revenues for 2021-22 through 2023-23 are based on the contribution and participation rates shown below.



6. COVID-related One-time Funding

To mitigate student learning loss as a result of the pandemic, and in support of the reopening of schools and students' socio-emotional health, SCS is expected to receive the following one-time funds from the federal and state governments:

FUND	2021-22	2022-23	Total
GEER II	16,000	0	16,000
ESSER II	109,941	0	109,941
ESSER III	202,664	70,932	273,598
Expanded Learning Opportunity Grant	59,120	0	118,241 ⁽¹⁾
In-Person Instruction Grant	28,068	0	56,136 ⁽²⁾
TOTAL			573,916

(1) 59,120 received in 2020-21

(2) 28,068 received in 2020-21

Planned investments for one-time COVID funds are shown in the table below (salaries include benefits):

	2021-22	2022-23	TOTAL
Professional Development	19,000	19,000	38,000
Student Counselor	33,500	34,570	68,070
Intervention Reading Teacher	38,356	39,506	77,862
Targeted tutorial support	8,630	0.00	8,630
Hispanic Liaison ⁽¹⁾	33,562	34,232	67,794
Student Support Coordinator ⁽¹⁾	36,918	37,657	74,575
Instructional Aides ⁽¹⁾	127,526	130,087	257,613
Laptops and Internet Hotspots	15,000	0.00	15,000
TOTALS	312,492	295,052	607,544

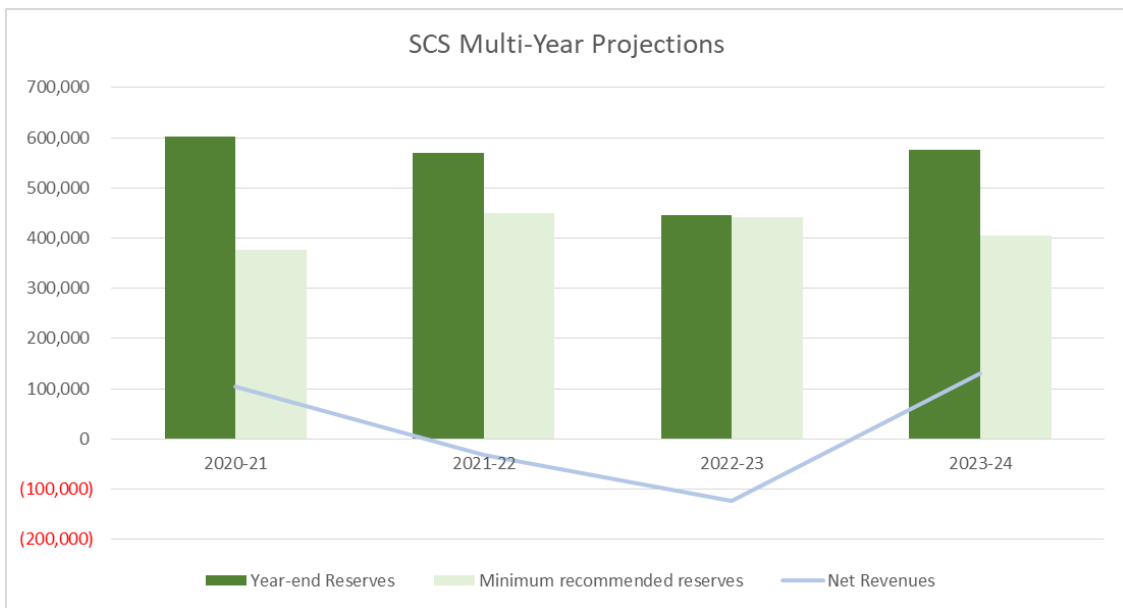
(1) These positions will continue being funded, beyond 2022-23, using SCS' general fund.

2021-22 DRAFT BUDGET

	2020-21 Projected	2021-22
ENROLLMENT	204	215
REVENUES		
LCFF Revenue Sources	1,744,066	1,930,691
Federal Revenue	225,739	408,931
State Revenue	143,512	264,175
Local Revenue	246,150	63,050
TOTAL REVENUES	2,359,467	2,666,846
EXPENSES		
1000 Certificated Personnel - Special Education	-	112,500
1100 Teacher Salaries, substitutes, professional development	518,174	631,599
1200 - Certificated Support Personnel	-	120,780
1300 Director's Salary	120,000	126,000
2100 Instructional Aides	156,894	343,970
2120 Classified Stipends/Extra Hours	-	1,500
2201 Maintenance	16,076	32,794
2400 Office Salaries	65,348	124,220
3000 Employee Benefits	246,005	483,039
4100 Textbooks	9,590	5,000
4300 Instructional Materials, Software, and Supplies	93,000	86,104
4400 Equipment, Hardware, Computers	61,864	39,000
5200 Teacher Coaches, SpEd training, Overnight Trips	115,838	66,050
5300 Dues and Memberships	5,628	7,021
5450 Insurance	22,150	22,150
5500 Utilities	19,563	21,600
5600 Leases and Repairs	20,219	20,000
5800 Professional Services (Admin)	127,173	165,120
5800 Special Education Outside Placements and Services	-	83,710
5800 Math/Science Mentor/Consultant	-	25,000
5800 Enrichment Programs: Music and Performing Arts	-	30,000
5805 Custodial Contractor	46,100	42,000
5806 SVUSD Oversight Fees	54,638	57,921
5814 Security Services	1,883	2,000
5816 SCOE Consortium Fees	7,500	2,500
5817 SCOE Data Processing fees	1,800	-
5818 SCOE Instructional Resources AV	700	595
5821 Audit Fees	9,800	11,500
5823 Legal Counsel	6,223	6,000
5840 Computer Support Services	18,236	15,000
5862 Fingerprinting Costs	-	900
5865 Employment Related Advertisement	1,700	1,700
5911 Telephone	3,235	3,000
5950 Postage and Printing	1,701	3,200
6900 Depreciation	6,200	6,200
7000 Special Education Encroachment	498,000	-
TOTAL EXPENSES	2,255,236	2,699,673
NET REVENUES	104,231	(32,826)
PROJECTED YEAR-END RESERVES	602,192	569,366
RECOMMENDED RESERVES (2mos of expenses)	375,873	449,945

MULTI-YEAR PROJECTIONS

	2020-21	2021-22	2022-23	2023-24
Revenues	2,359,467	2,666,846	2,530,946	2,562,566
Expenses	2,255,236	2,699,673	2,654,995	2,432,496
Net Revenues	104,231	(32,826)	(124,049)	130,070
Year-end Reserves	602,192	569,366	445,317	575,387
Minimum recommended reserves	375,873	449,945	442,499	405,416



Financial Reserves

SCS' financial counsel recommends safeguarding a greater amount of financial reserves than the minimum recommended to protect the school and its programs from adverse changes in California's financial condition.