

School district facing \$4 million hit as result of pandemic

May 10, 2020



Superintendent Jeff Harris told the board of trustees Thursday preliminary estimates show the Del Norte Unified School District faces losing \$4 million in state funding next year due to the economic downturn caused by the COVID-19 pandemic.

After receiving a fiscal update from the California Department of Finance May 7, Harris said, by his rough math, the DNUSD may lose up to \$1,700 in state funding per student. That equates to about a \$4 million hit to the 2020-21 budget with the district's approximately 3,700 enrolled students, Harris said, adding that figure does not include funding for Uncharted Shares Academy or the Del Norte County Office of Education.

"Don't get me wrong, we're not the only one in this boat. It hasn't been carved in stone, but that's what they said this morning," Harris told the board members at their regular meeting Thursday. "Next week we'll be hearing the governor's May revise. The week after that various financial groups will be taking that information and shredding it and putting it back together, discussing what it means."

He added the his administration will also discuss its financial outlook with the board members, bargaining units, staff and community.

According to the CDF letter, the state was financially healthy when 2020 dawned, pointing to a 3.9% unemployment rate, a \$5.6 billion surplus in the governor's 2020-21 budget and another \$21 billion in reserves, including a projected \$18 billion in the state's rainy-day fund. Revenues through March were \$1.35 billion above January's projections as well, the letter said.

That pandemic changed everything, including:

- About 478,000 unemployment claims were filed in California in the last one-week reporting period.

- 4.2 million claims have been filed, as of mid-March, with job losses occurring disproportionately in the economy's lower-wage sectors.
- A projected 18 percent unemployment rate for 2020.
- A decline in the state's general fund revenues by \$41.2 billion below January projections, resulting in an \$18.3 billion loss in state education funding projections.

Anticipating hard funding decisions the school board may be faced to make in the upcoming months, Transportation Director Derrick Campbell gave a presentation on what reductions to his department could look like.

Campbell said districts are only required to provide transportation if it's written into a student's individualized education program, if they're homeless or if they're a foster youth.

Campbell reminded the board members that during the last recession in 2007-08, the district considered three courses of action - eliminating general education bus service, charging for it or consolidating routes and limiting service.

"I'm not advocating for changing any of our services," Campbell said. "I am very proud of our services. We put a lot into making sure our kids are safe and providing the best services to the community as we can."

Campbell noted buses would have to make a total of 205 stops districtwide if DNUSD eliminated transportation for every student, minus the three required categories.

Campbell said many school districts charge parents between \$325-\$575 annually for a pay-to-ride system. Having additional students in households can reduce the amount charged. He warned that some school districts had to take on an additional cost of having to pay debt collection agencies which could lead to denying a student transportation if their parents don't pay their bill.

Campbell added students who qualify for free and reduced lunch can also qualify for free and reduced bus transportation. He estimated 80 percent of DNUSD's student population could ride the bus at a reduced cost or for free.

Eliminating or consolidating routes is another consideration, Campbell said, pointing to the route serving Smith River Elementary School that was consolidated into one last year. He said although it has worked well, it results in some students being on the bus for up to an hour.

Another minor savings could be had by eliminating bus transportation to Mountain School in Gasquet, Campbell said.

Finally, he said the district could look into adjusting its rules for walking distance between schools and a student's home. The district currently allows students to walk to school if they live within 1 mile of an elementary school, 1.5 miles of a middle school and 2 miles from Del Norte and Sunset high schools. He

added some districts have adjusted those distances to be up to 1 mile for elementary school students 2 miles for middle schoolers and 3 miles for high school students.

“We also need to look at safe routes. At areas like Redwood School, are there shoulders for students to walk on? The same thing in Smith River and some of our outlying areas. Is there street lighting? A safe place to walk? Those are all things to consider,” Campbell said.

Harris said the district is still crafting a Local Control Accountability Plan (LCAP), even as district administrators and staff look to the next year and possible reopening. He added Gov. Gavin Newsom has pushed the process back until fall 2020 to be approved in December.

“We don’t want to wait that long,” Harris said. “So next week, Tom (Kissinger) is going to hold two community-wide Zoom meetings with breakout rooms for the different regional groups.”

The meetings will be at 9 a.m. and 5 p.m. May 14. The district will also be reaching out to school site councils, teachers, English language and parent committees, Harris said.

Harris explained the LCAP is a plan for how the district will spend extra funding it receives for English language learners, foster youth, homeless and low-income students and it accounts for \$5.6 million of the district’s budget. He added that the potential \$4 million cut in state funding that DNUSD is projected to take next year is most of what it typically budgets in LCAP expenditures.