

EXHIBIT A

February 24, 2021



Governing Board Budget Reduction Plan

to Reduce/Eliminate Budget Structural Deficit

FEBRUARY 17, 2021

RECOMMENDATIONS PREPARED BY:

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BUDGET REDUCTION PLAN

RECOMMENDED REDUCTIONS FOR 2021-22 (SEE CHART)

- *GROUP A: Lack of services due to excess positions, which creates a fiscal structural deficit. Recommendation– Positions in group A should be eliminated (Layoff).*

Anticipated ongoing savings: \$1,645,000

- *GROUP B: Reduction in services needed due to shrinking district enrollment which contributes to the fiscal structural deficit. Recommendation– Positions in group B should be reduced, restructured or eliminated (Layoff)*

Anticipated ongoing savings: \$746,639

- *GROUP C: Positions are part of an unsustainable program due to shrinking funding and lack of services. Recommendation– Positions in group C should be eliminated (Layoff) and program re-evaluated using alternative funding structures.*

Anticipated ongoing savings: \$1,380,000

- *GROUP D: Other programs/services that are currently in base funding; but, could be funded with more restrictive funding sources. Recommendation– Remove group D expenditures from base funding and re-consider using alternative funding options or structure.*

Anticipated ongoing savings: \$480,000

TOTAL RECOMMENDED REDUCTIONS FOR 2021-22: <u>\$4,251,639</u>
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RECOMMENDED REDUCTIONS FOR 2022-23

- *Close a school or consolidate two schools.*

Anticipated savings: \$805,000+

TOTAL RECOMMENDED REDUCTIONS FOR 2022-23: <u>\$805,000+</u>

National School District Administrative Recommendations for Reducing Multi-Year Deficit Spending

Goal: *\$4.2 million in 2021-2022 and *\$805,000 in \$2022-23 expenditures eliminated from General or Base Funding

	Reduction Description	Group
GROUP A: Lack of services due to excess positions, which creates a fiscal structural deficit		
\$265,000	16 Student Transportation Attendant Positions (Layoff)	A
\$1,380,000	14 Regular Education Classroom Positions (Layoff)	A
Total: \$1,645,000	<i>Recommendation– Positions in group A should be eliminated (Layoff)</i>	
GROUP B: Reduction in services needed due to shrinking district enrollment which contributes to the fiscal structural deficit		
\$310,000	2 Assistant Principals (Layoff)	B
\$181,912	16 Campus Student Supervisors (Reduce)	B
\$70,457	1 Office Technician/District (Layoff)	B
\$22,386	1 Purchasing Supervisor Restructuring (Restructure)	B
\$26,105	2 Administrative Assistant-Office Manager (Restructure)	B
\$37,714	1 Technology Supervisor (Restructure)	B
\$32,259	1 Information Compliance Specialist Supervisor (Restructure)	B
\$65,806	2 Lead Language Assessment Center Instructional Assistants—(Reduce from 6 hrs. to 3 hrs. each)	B
Total: \$746,639	<i>Recommendation– Positions in group B should be reduced, restructured or eliminated (Layoff)</i>	
GROUP C: Positions are part of an unsustainable program due to shrinking funding and lack of services		
\$1,380,000	14 Enrichment program positions (Layoff)	C
Total: \$1,380,000	<i>Recommendation– Positions in group C should be eliminated (Layoff) and program re-evaluated using alternative funding structures</i>	
GROUP D: Other programs/services that are currently in base funding, but could be funded with more restrictive funding sources		
\$298,000	School site distribution reductions	D
\$30,000	Field Trips removed from base cost to Transportation back to schools	D
\$71,000	Mariachi (Does not include transportation costs)	D
\$21,000	Music (Does not include transportation costs)	D
\$60,000	Swim (Includes transportation costs)	D
Total: \$480,000	<i>Recommendation– Remove group D expenditures from base funding and re-consider using alternative funding options or structure</i>	
Grand Total Recommendations: \$4,251,639		

*Retirement reductions/savings of \$1.6 million per year over a three-year period have been already calculated into 2021-2022 and two out years.

GOVERNING BOARD RESOLUTION

National School District

Resolution

#20-21.29

RESOLUTION TO IDENTIFY THE AMOUNT OF BUDGET REDUCTIONS NEEDED IN 2021-22 AND 2022-23.

WHEREAS, the Board of Education has a fiduciary duty to meet its financial obligations in the current fiscal year and two subsequent fiscal years pursuant to Education Code 42127; and

WHEREAS, for 2021-22 and 2022-23, it is projected that the district will need to implement expenditure reductions of \$4,252,000.00 and \$805,000.00 respectively; and

WHEREAS, while these actions must be taken to maintain the fiscal stability of the district, the Board of Education will continue to make every effort to sustain a high quality education program for our students; and

NOW, THEREFORE, BE IT RESOLVED, if the fiscal condition does not improve, the district will implement at least \$4,252,000.00 in expenditure reductions in 2021-22 and \$805,000.00 in reductions in 2022-23. This resolution becomes supplemental to the district's 2020-21 First Interim Budget.

PASSED AND ADOPTED by the Governing Board on December 15, 2020 by the following vote:

AYES: Betancourt-Castañeda, Dalla, Gates, Lizarraga, Sarmiento

NOES:

ABSTAIN:

ABSENT:

STATE OF CALIFORNIA)
)ss
COUNTY OF SAN DIEGO)

I, Leighangela Brady, Ed.D., Secretary to the Governing Board of National School District of San Diego County, California, do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly adopted by said Board at a regular meeting thereof on the date and by the vote above stated, which resolution is on file and of record in the office of said Board.

Secretary to the Governing Board

BACKGROUND INFORMATION

FACTS ABOUT BUDGET STRUCTURAL DEFICITS

WHAT IS A STRUCTURAL BUDGET DEFICIT?

- *A structural budget deficit is the excess of public spending over revenues which would persist even if the economy were to grow steadily.*

HOW CAN A BUDGET DEFICIT BE OVERCOME?

- *There are only two ways to reduce a budget deficit. You must either increase (on-going) revenue or decrease spending.*

CAN ONE-TIME MONEY REVERSE A DISTRICT BUDGET FISCAL DEFICIT?

- *One-time money is usually restricted to specific expenditures and therefore may not affect the district base revenue in a positive manner.*
- *When one-time money is used to cover operating and personnel expenditures, the District may still have a higher on-going deficit, especially if declining student enrollment continues to exist.*

CAN THE DISTRICT'S RESERVES BE USED TO REMEDY A BUDGET STRUCTURAL DEFICIT?

- *Routine use of a District's reserves or savings is not recommended:*
 1. *Use of district reserves for on-going expenditures can lead to reducing reserves to below the 3% requirement.*

2. *Districts can use their reserves to (1) manage cash flow, (2) mitigate volatility in funding, (3) address unexpected costs, (4) save for large purchases, and (5) obtain higher credit ratings.*
3. *A recommendation from the California Legislative Analyst's Office is to maintain a district reserve of from 15% to 17%.*

WHAT IS THE BOARD'S OBLIGATION TO ADDRESS THE STRUCTURAL DEFICIT?

- *The Board committed to correct the structural deficit of the District in Resolutions approved on December 15, 2020. This commitment included a \$4.2 Million reduction of expenses in 2021-2022 and a \$805,000 reduction in 2022-2023.*

STATUTORY TIMELINES

January 15 – June 30

- **Governor's Budget Proposal, Revision, Adoption**



March 15

- **Statutory Layoff Certificated Notices**

“State law also allows districts to layoff teachers if they can show that they need to reduce a particular kind of service. Notices of layoffs must be issued by March 15th.” (Legislative Analyst Office). Certificated layoff notices may be rescinded, but not issued after March 15th.

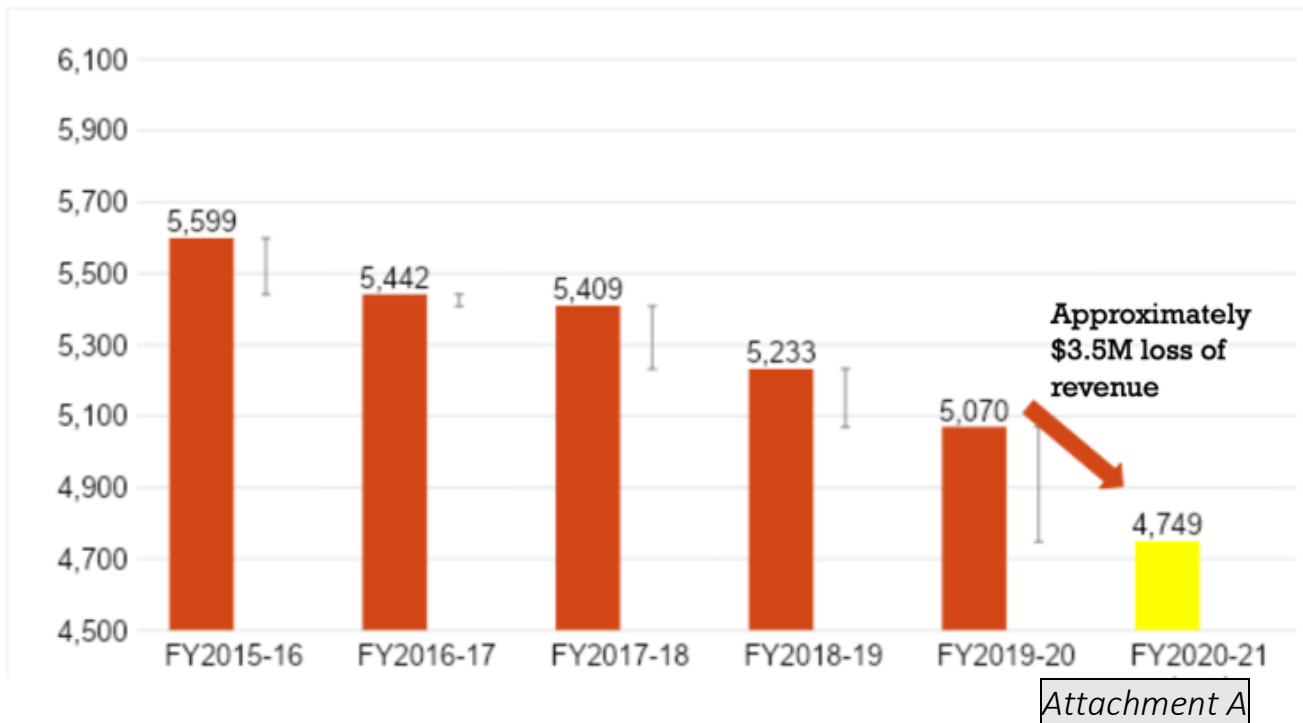
March 17, 2021

➤ *Second Interim Report and Multi-Year Plan Due*

“Local educational agencies (LEAs) are required to file two interim reports during a fiscal year on the status of the LEA's financial health. The interim reports must include a certification of whether or not the LEA is able to meet its financial obligations.” (California Department of Education)

RATIONALE FOR BUDGET REDUCTIONS

- *The District has experienced a trend of declining enrollment for over a decade; most recent years have been at an average of about 3%.*
- *COVID-19 enrollment decline is unprecedented in 2020-2021 at 5.6%.*



National School District has lost 529 students from 2015-16 through 2019-20. This is equivalent to approximately \$3.5 Million in lost revenue over a five-year period.

- While the State will base revenue allocations on the highest District ADA for the last 2 years (“hold-harmless”), the District will still receive less per pupil allocations in 2021-2022 because of the continued 5-year enrollment decline.
- Based on contract classroom loads, the District has 39 additional teachers.
- Declining enrollment has outpaced staffing reductions causing current “overstaffing”.

**2021-22 Projected Enrollment Including 2% Decline
National School District**

Data Summary (Does not include Special Day Teachers, Enrichment Teachers, District Resource Teachers, Language Arts Specialists, Pyschologists, and Counselors. ONLY CLASSROOM TEACHERS)

	TK	K-3	4th-6th	All Grade Levels Total
2020-2021 Current Enrollment	103	2409	2056	4568
2021-2022 Projected Enrollment w/ 2% Decline	100.94	2198.14	1986.46	4,285.54
Current Minus Projected Enrollment Decline	2.06	210.86	69.54	282.46
2020-2021 Current Teachers	7.00	116.00	73.00	196.00
2021-2022 Projected Teacher Need	5.05	91.59	60.20	156.84
Projected Teacher Overages (Current Minus Projected)	(1.95)	(24.41)	(12.80)	(39.16)

This summary shows a projected drop in enrollment of 282.46 total students for 2021-22, and a raw teacher overage count of 39.16. (This number may be reduced as it does not include the possibility of combination classes.)

Attachment B

- District continues to use one-time reserves, or savings, for ongoing salary expenditures.
- To ensure a continued annual positive budget certification, it is critical to maintain a 3% reserve in multi-year projections.
- Trustees have a fiduciary responsibility to ensure fiscal solvency.

COST OF LIVING ADJUSTMENT (COLA)

A cost of living adjustment (COLA) is an increase in income intended to keep up with rising costs or inflation.

- *The Governor proposed on January 15, 2021 a 3.84% COLA to be included in revenue for school districts for 2021-2022.*
- *Districts calculate next year's revenue in the First and Second Interims, as well as the Final Budget, based on the "common message" of the San Diego County Office of Education.*
- *The County takes their direction based upon fiscal calculations from the California Legislature's Analyst Office and what is called the "common message" from the Business Administration Steering Committee under the California County Superintendents Association.*
- *As of February 2021, San Diego County Office of Education is guiding Districts to use both COLA scenarios and calculate District revenue in a multi-year budget plan, using both 3.84% and 0% COLA.*
- *Administration provided the Governing Board with several budget plan scenarios for reductions using both a 3.84% and 0% COLA with cuts of \$4.2 Million and \$3.6 Million.*
- *The following chart includes projections adding scenarios for a 2.98% and 1.28% COLA in 2022-23 as well as cuts for \$3.1 Million.*
- *The minimum required reserve by law is 3%, which is \$2.1 Million for National School District.*
- *The Legislative Analyst Office recommends a minimum reserve of 15%.*

Variances in COLA Projections February 16, 2021

Reduction Plan	COLA 2021-2022	COLA 2022-2023	COLA 2023-2024	Deficit 2021-2022	Reserve 2021-2022	Reserve % 2021-2022	Deficit 2022-2023	Reserve 2022-2023	Reserve % 2022-2023	Deficit 2023-2024	Reserve 2023-2024	Reserve % 2023-2024
\$4.2 Million	3.84 %	2.98%	0%	\$3,988,426	\$13,986,729	20.49%	\$187,791	\$14,174,520	20.88%	(\$1,247,412)	\$12,927,108	18.91%
\$4.2 Million	3.84 %	1.28%	0%	\$3,988,426	\$13,986,729	20.49%	(\$673,226)	\$13,313,503	19.62%	(\$2,091,301)	\$11,222,202	16.41%
\$4.2 Million	3.84%	0%	0%	\$3,988,426	\$13,986,729	20.49%	(\$1,316,019)	\$12,670,710	18.67%	(\$2,721,307)	\$9,949,403	14.55%
\$3.6 Million	3.84 %	2.98%	0%	\$3,388,426	\$13,386,729	19.44%	(\$412,209)	\$12,974,520	18.95%	(\$1,847,412)	\$11,127,108	16.13%
\$3.6 Million	3.84 %	1.28%	0%	\$3,388,426	\$13,386,729	19.44%	(\$1,273,226)	\$12,113,503	17.69%	(\$2,691,301)	\$9,422,202	13.66%
\$3.6 Million	3.84%	0%	0%	\$3,388,426	\$13,386,729	19.44%	(\$1,916,019)	\$11,470,710	16.75%	(\$3,321,307)	\$8,149,403	11.81%
\$3.1 Million	3.84 %	2.98%	0%	\$2,888,426	\$12,886,729	18.58%	(\$912,209)	\$11,974,520	17.36%	(\$2,347,412)	\$9,627,108	13.86%
\$3.1 Million	3.84 %	1.28%	0%	\$2,888,426	\$12,886,729	18.58%	(\$1,773,226)	\$11,113,503	16.11%	(\$3,191,301)	\$7,922,202	11.40%
\$3.1 Million	3.84%	0%	0%	\$2,888,426	\$12,886,729	18.58%	(\$2,416,019)	\$10,470,710	15.18%	(\$3,821,307)	\$6,649,403	9.57%
\$0	3.84 %	2.98%	0%	(\$211,574)	\$9,786,729	13.51%	(\$4,012,209)	\$5,774,520	8.01%	(\$5,447,412)	\$327,108	0.45%
\$0	3.84 %	1.28%	0%	(\$211,574)	\$9,786,729	13.51%	(\$4,873,226)	\$4,913,503	6.82%	(\$6,291,301)	(\$1,377,798)	-1.90%
\$0	3.84%	0%	0%	(\$211,574)	\$9,786,729	13.51%	(\$5,516,019)	\$4,270,710	5.93%	(\$6,921,307)	(\$2,650,597)	-3.65%

- Department of Finance and School Services both recommend a 3.84% COLA in 2021-2022; however, School Services recommends a 1.28% COLA in 2022-2023 to the Department of Finance’s recommendation of a 2.98% COLA in that same year. Both are reputable organizations.
- 3 % Minimum Required Reserve for NSD is approximately \$2.1 million.
- Legislative Analyst Office’s recommended minimum reserve is 15%.

Attachment C

- *With reductions, deficits are minimized. With the recommended \$4.2 Million of reductions, reserves are at or slightly above the Legislative Analyst Office recommendation.*
- *Without reductions, deficits continue despite any COLAs. If COLAs received are less than projected, our reserve will be negative in 2023-24.*

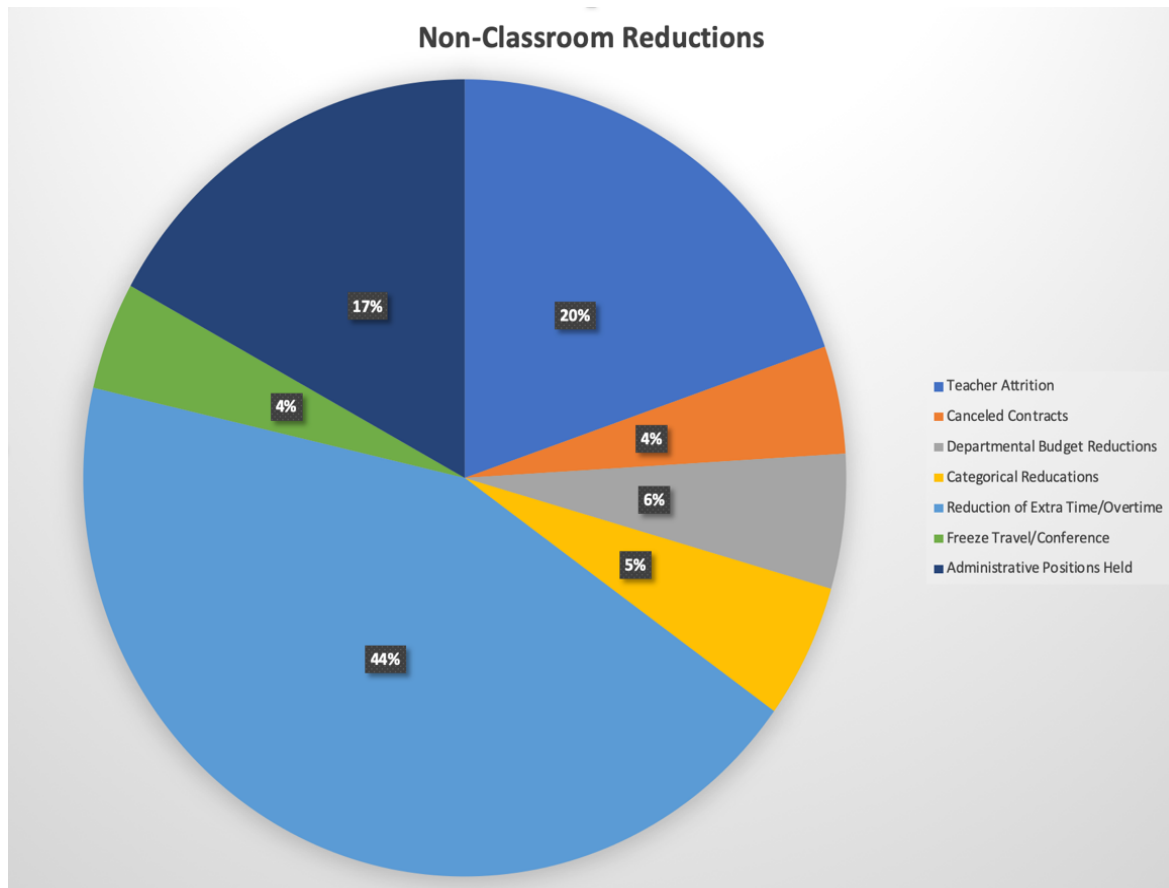
Even with a 3.84% COLA for 2021-22, and 2.98% COLA for 2022-23, reductions need to be made to reduce/eliminate the District’s budget structural deficit due to declining enrollment and teacher overages. Administration recommends cuts of \$4.2M.

NON-CLASSROOM REDUCTIONS

In an effort to keep budget reductions from impacting classroom positions or programs, the following non-classroom reductions were included in revenue savings for 2020-21:

- *Teacher Attrition– \$450,000*
- *Canceled Contracts– \$100,000*
- *Departmental Budget Reductions– \$125,000*
- *Categorical Reductions– \$125,000*

- Reduction of Extra Time & Overtime \$1,000,000
- Freeze Travel/Conference– \$100,000
- Administrative Positions Held:
- Principal– \$147,000
- Special Education Coordinator– \$140,000
- Assistant Superintendent of Business Services (portion of year)– \$102,000
- Total Non-Classroom Reductions for 2020-21– \$2,289,000



Attachment D

These cuts will continue through the multi-year with the exception of the Assistant Superintendent of Business Services position. Additional savings for the Principal position may be achieved through a Director taking on dual duties of Director and Principal in 2021-2022.

ADDITIONAL PROGRAMMATIC REDUCTIONS

Programmatic Expenditures

- *In its current funding model, National School District cannot continue to fund the following programs:*
 - a. *Mariachi (base funding)*
 - b. *Music (base funding)*
 - c. *Swim (LCAP funding)*
- *The total fiscal impact for these programs is \$152,000 (not including transportation costs that were not budgeted; yet impacted annual expenditures and would include additional savings to the base).*
- *These programs could continue if prioritized in the upcoming 2021 LCAP process, however may impact funding currently allocated to other existing programs or services.*

NEW CONSIDERATIONS

- *The following chart outlines new considerations for potential budget reductions discussed during the Governing Board Budget Reduction Workshop on January 21, 2021.*
- *Several of the ideas raised potential areas to explore; however, cannot be immediately implemented due to the need to negotiate impact.*
- *Timelines for lay-offs would be compromised in pursuing these options. In addition, only the last two considerations relate specifically to partially addressing the budget structural deficit.*
- *Analysis of administrative and supervisory staffing compared to similar size districts is explored below.*

Board Workshop Suggestions and Feedback

Suggestions	What is it?	Considerations	Estimate of savings
Furloughs	Reduced work days for employees.	Maximum amount possible is 5 days. Negotiated.	\$1.2 million
Percent salary decrease	Decrease cost of salaries for all employees by 12%.	Based on a percentage of all employees' salaries. Negotiated.	\$4.2 million
Freeze step and column	Pause automatic annual increases in pay based on salary schedules.	Eventually starts again. Negotiated.	\$600,000
Boundary expansion	Increase enrollment to include students currently attending other school districts, but living in National City.	Boundaries have been established at least 150 years ago. School district boundaries do not align with city boundaries. Impossible to implement.	\$-0
School closure	Close school to reduce operational costs based on data analysis.	Need Board workshop, committee. Timeframe- at least one year. Includes negotiated impacts and effects.	\$805,000 +
Additional considerations	Analysis of administrative and supervisory staffing to similar size school districts.	Reduce or restructure administrative/supervisory duties wherever possible. *See proposed restructure chart.	Proposed Restructuring Savings

Attachment E

DISTRICT OFFICE MANAGEMENT POSITION ANALYSIS

- *In comparing seven similar size districts to National School Districts, the total average number of core administrative district office positions for normal operating district functions is 15.*
- *National School District has comparatively fewer district office administrative positions compared to four of the seven similar size districts; and is higher than three similar size districts.*
- *Removing supervisory (management) duties from **Supervisory** positions (excluding custodial due to COVID-19) will reduce the overall number of management type positions by 5 in National School District.*
- *Existing directors will assume additional supervisory duties. Ongoing savings for adjusted salaries by reducing Supervisory position status is projected at \$118,464.*

Positions	National (E: 4767)	San Ysidro (E: 4474)	Del Mar (E: 4132)	South Bay (E: 7338)	Santee (E:6792)	Encinitas (E: 5342)	Lakeside (E: 5407)	Lemon Grove (E: 3,785)
Superintendent	1	1	1	1	1	1	1	1
Deputy Superintendent	0	0	0	1	0	0	0	0
Assistant Superintendent HR/Administrative Services	1	0	1	0	1	1	0	0
Assistant Superintendent Educational Services/Educational Leadership/Instructional Services	1	1	1	0	1	1	1	0
Assistant Superintendent of Business/CBO	0	1	1	1	1	1	1	1
CERTIFICATED								
Executive Director/Educational Services/ Human Resources/Capital Programs & Technology/Pupil Services/Special Education	0	1	1	1	0	1	2	3
Director of Educational Services/Special Education/Curriculum & Instruction/Literacies/Preschool/ Educational Technology/Learning & Innovation	4	2	4	4	5	2	1	0
Coordinator of Community/Teacher Induction/Enrichment Programs/Educational Technology/Educational Services/Special Education/HR/Assessment & Data/Curriculum & Assessment	0	2	2	4	2	4	2	1
Project/Program Specialist/ Special Education	0	0	3	0	0	2	0	1
CLASSIFIED								
Executive Director of Human Resources	0	1	0	0	0	0	0	0
Director of M&O/Facilities/CNS/Finance/ Network & Technology	4	2	2	4	7	5	3	3
Coordinator of Operations/Regional Coordinator	0	0	2	0	2	0	0	0
Subtotal: Position/Cost	11	11	18	16	20	18	11	10
Supervisor/Purchasing/Business Services/Personnel/ M&O / Technology	6		2	4			1	
Manager M&O Services/Technology/Student & Family Services		1					1	1
Total Positions	17	12	20	20	20	18	13	11

Attachment F

- *National School District has already moved several district office administrative salaries to alternative funding sources, limiting the impact of these salaries in base funding.*
 - Two directors are grant funded- Early Childhood and Child Nutrition Services
 - Two directors are LCAP Funded- Director of Educational Services and Director of Literacies Educational Technology and Innovation
 - One director is categorically funded- Special Education
 - Only three (3) directors are paid for out of the General Fund- Finance, Maintenance, Operations and Facilities, Transportation

- *National School District has historically limited contributions to Contracted Administrative positions.*
 - *No step and column for Executive Cabinet– 1.6% average annual increase provided to all other employees*
 - *No stipends for Executive Cabinet (3 doctorate, 1 bilingual)- \$3,500 annual savings*
 - *No salary increases 2020-21 for Executive Cabinet*

- *Proposed elimination of assistant principal positions*
 - *Vice Principals support the Special Education Department with the special education hub schools*
 - *Low student enrollment does not justify the need for additional vice principal support*
 - *Expand duties of one Director and assign to one of the schools*

EARLY RETIREMENT INCENTIVES

- *The Governing Board offered an early retirement incentive to classified employees in December 2020. Not enough classified employees accepted this offer to implement the savings.*
- *The Governing Board offered an early retirement incentive to certificated employees in July 2020. A total of 13 general education classroom teachers and two preschool teachers have accepted the incentive. This savings has already been applied to the multi-year projection calculations for 2021-22.*

ONE-TIME FUNDS

- *One-time money does not get added to the ongoing budget*
- *Will not affect the base and is typically restricted revenue*
- *Will not fix an over-staffing issue*

ENCROACHMENT

- *In 2015-2016 encroachment of employee retirement costs from base to LCAP was \$915,000. In 2020-21 is budgeted at \$ 5,493,119.*
- *In 2015-2016 encroachment of TK Class size reduction costs from base to LCAP was \$124,000. In 2020-21 is budgeted at \$ 325,000.*
- *In 2015-2016 additional contributions from base funding to special education and routine restricted maintenance account was \$6,026,882. In 2019-20 it was \$8,315,008.*

OVERALL STAFF REDUCTIONS

- *Percent of employees by category employed by National School District*

Employee Category	Number	Percent of Workforce by Employee Category
Classified	363	51.3%
Certificated	313	44.3%
Administrative/Supervisory	31	4.4%
Total Employed	707	100%

- *Plan recommendations of employee positions (reduction or elimination) by category:*

Employee Category	Number	Percent of Reduction by Employee Category
Classified	35	50%
Certificated	28	40%
Administrative/Supervisory	7	10%
Total Recommendations	70	100%

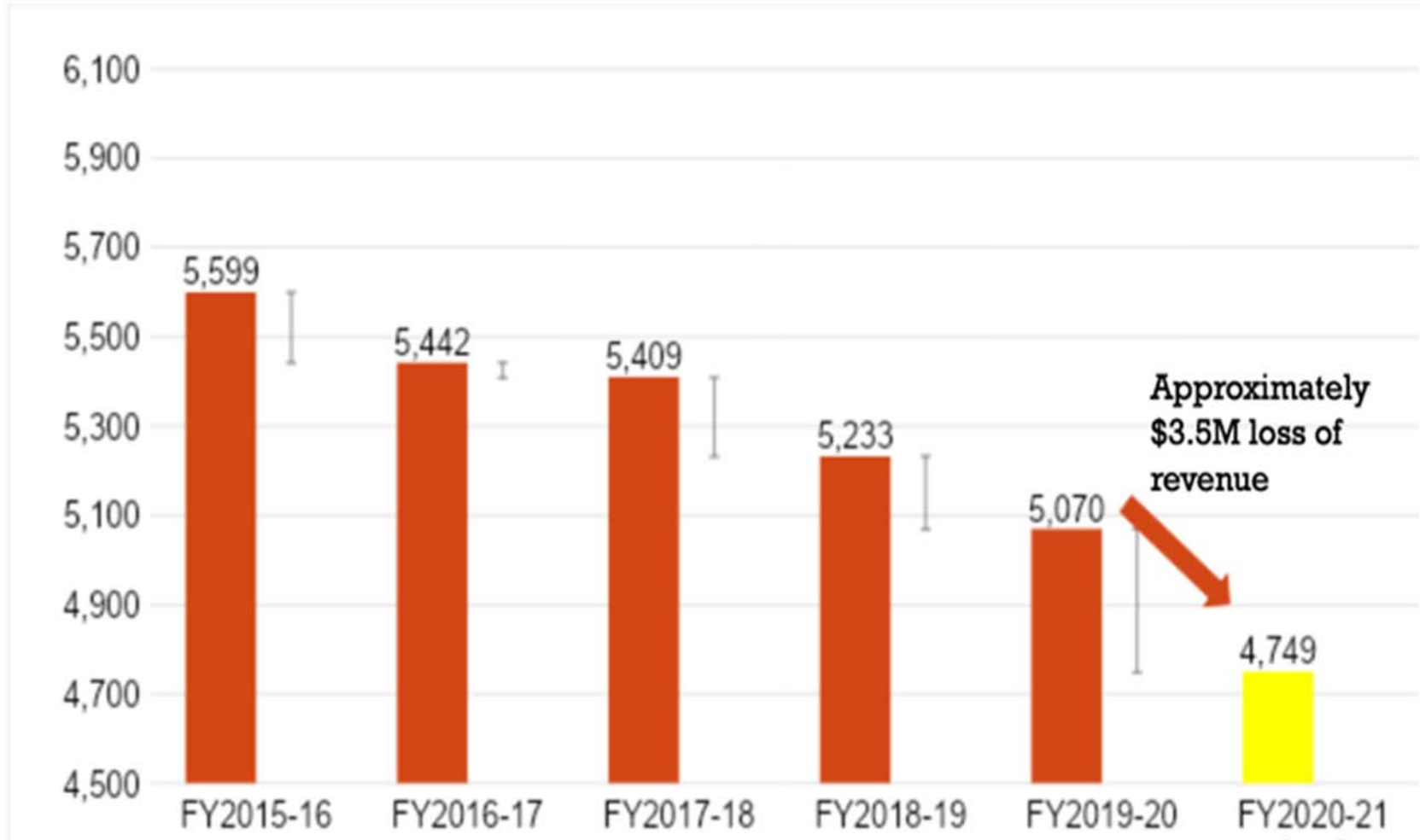
SUMMARY

The following are conclusions regarding budget reductions:

- *With layoffs, because of seniority and bumping rights/guidelines, while restructuring needs to occur, some personnel impacted by lay-offs will still have employment.*
- *If it is found that the District receives ongoing revenue (not one-time revenue) that the District can use to support the reopening of schools in supporting students after the pandemic, selected lay-offs to provide essential services can be rescinded.*
- *LCAP funding has been used to backfill many positions that could not be funded out of base funding due to reduced revenue; however, it will be helpful to convene a budget committee going forward to strategically recommend to the Board programs and positions that reinforce the essential support students will need when they return to school.*

APPENDIX

ATTACHMENT A



- District has lost 529 students from 2015-16 through 2019-20 (“hold harmless year”). This is equivalent to approximately \$3.5 Million lost revenue over a five-year period.

ATTACHMENT B

2021-22 Projected Enrollment including 2% Decline National School District

Data Summary (Does not include Special Day Teachers, Enrichment Teachers, District Resource Teachers, Language Arts Specialists, Pyschologist, and Counselors. ONLY CLASSROOM TEACHERS)

	TK	K-3	4th-6th	All Grade Levels Total
2020-2021 Current Enrollment	103	2409	2056	4568
2021-2022 Projected Enrollment w/ 2% Decline	100.94	2198.14	1986.46	4,285.54
Current Minus Projected Enrollment Decline	2.06 Equals 2 less students in TK	210.86 Equals 211 less students in grades K-3	69.54 Equals 70 less students in grades 4-6	282.46 Equals 283 less students in all grades
2020-2021 Current Teachers	7.00	116.00	73.00	196.00
2021-2022 Projected Teacher Need	5.05	91.59	60.20	156.84
Projected Teacher Overages (Current Minus Projected)	(1.95) Equals 2 less teachers	(24.41) Equals 24 less teachers	(12.80) Equals 13 less teachers	(39.16) Equals 39 total less teachers

This summary shows a projected drop in enrollment of 283 total students for 2021-22, and a raw teacher overage count of 39. (This number may be reduced as it does not include the possibility of combination classes.) *Please note these numbers include one Newcomer class, but do not include 3 teachers on leave.

ATTACHMENT C

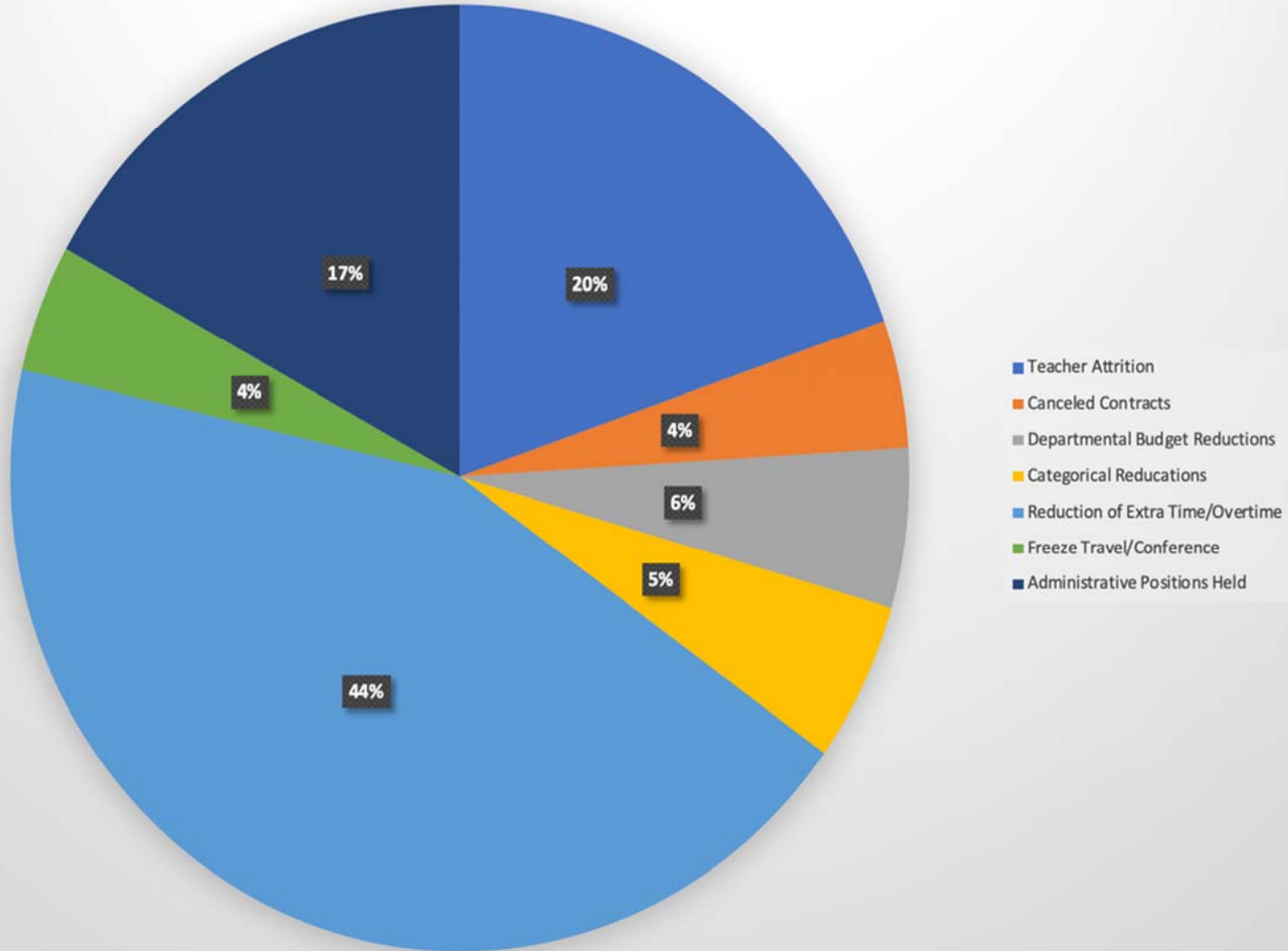
Variances in COLA Projections February 16, 2021

Reduction Plan	COLA 2021-2022	COLA 2022-2023	COLA 2023-2024	Deficit 2021-2022	Reserve 2021-2022	Reserve % 2021-2022	Deficit 2022-2023	Reserve 2022-2023	Reserve % 2022-2023	Deficit 2023-2024	Reserve 2023-2024	Reserve % 2023-2024
\$4.2 Million	3.84 %	2.98%	0%	\$3,988,426	\$13,986,729	20.49%	\$187,791	\$14,174,520	20.88%	(\$1,247,412)	\$12,927,108	18.91%
\$4.2 Million	3.84 %	1.28%	0%	\$3,988,426	\$13,986,729	20.49%	(\$673,226)	\$13,313,503	19.62%	(\$2,091,301)	\$11,222,202	16.41%
\$4.2 Million	3.84%	0%	0%	\$3,988,426	\$13,986,729	20.49%	(\$1,316,019)	\$12,670,710	18.67%	(\$2,721,307)	\$9,949,403	14.55%
\$3.6 Million	3.84 %	2.98%	0%	\$3,388,426	\$13,386,729	19.44%	(\$412,209)	\$12,974,520	18.95%	(\$1,847,412)	\$11,127,108	16.13%
\$3.6 Million	3.84 %	1.28%	0%	\$3,388,426	\$13,386,729	19.44%	(\$1,273,226)	\$12,113,503	17.69%	(\$2,691,301)	\$9,422,202	13.66%
\$3.6 Million	3.84%	0%	0%	\$3,388,426	\$13,386,729	19.44%	(\$1,916,019)	\$11,470,710	16.75%	(\$3,321,307)	\$8,149,403	11.81%
\$3.1 Million	3.84 %	2.98%	0%	\$2,888,426	\$12,886,729	18.58%	(\$912,209)	\$11,974,520	17.36%	(\$2,347,412)	\$9,627,108	13.86%
\$3.1 Million	3.84 %	1.28%	0%	\$2,888,426	\$12,886,729	18.58%	(\$1,773,226)	\$11,113,503	16.11%	(\$3,191,301)	\$7,922,202	11.40%
\$3.1 Million	3.84%	0%	0%	\$2,888,426	\$12,886,729	18.58%	(\$2,416,019)	\$10,470,710	15.18%	(\$3,821,307)	\$6,649,403	9.57%
\$0	3.84 %	2.98%	0%	(\$211,574)	\$9,786,729	13.51%	(\$4,012,209)	\$5,774,520	8.01%	(\$5,447,412)	\$327,108	0.45%
\$0	3.84 %	1.28%	0%	(\$211,574)	\$9,786,729	13.51%	(\$4,873,226)	\$4,913,503	6.82%	(\$6,291,301)	(\$1,377,798)	-1.90%
\$0	3.84%	0%	0%	(\$211,574)	\$9,786,729	13.51%	(\$5,516,019)	\$4,270,710	5.93%	(\$6,921,307)	(\$2,650,597)	-3.65%

- Department of Finance and School Services both recommend a 3.84% COLA in 2021-2022; however, School Services recommends a 1.28% COLA in 2022-2023 to the Department of Finance’s recommendation of a 2.98% COLA in that same year. Both are reputable organizations.
- 3 % Minimum Required Reserve for NSD is approximately \$2.1 million.
- Legislative Analyst Office’s recommended minimum reserve is 15%.

ATTACHMENT D

Non-Classroom Reductions



ATTACHMENT E

Board Workshop Suggestions and Feedback

Suggestions	What is it?	Considerations	Estimate of savings
Furloughs	Reduced work days for employees.	Maximum amount possible is 5 days. Negotiated.	\$1.2 million
Percent salary decrease	Decrease cost of salaries for all employees by 12%.	Based on a percentage of all employees' salaries. Negotiated.	\$4.2 million
Freeze step and column	Pause automatic annual increases in pay based on salary schedules.	Eventually starts again. Negotiated.	\$600,000
Boundary expansion	Increase enrollment to include students currently attending other school districts, but living in National City.	Boundaries have been established at least 150 years ago. School district boundaries do not align with city boundaries. Impossible to implement.	\$-0
School closure	Close school to reduce operational costs based on data analysis.	Need Board workshop, committee. Timeframe- at least one year. Includes negotiated impacts and effects.	\$805,000 +
Additional considerations	Analysis of administrative and supervisory staffing to similar size school districts.	Reduce or restructure administrative/supervisory duties wherever possible. *See proposed restructure chart.	<u>Proposed Restructuring Savings</u>

ATTACHMENT F

Positions	National (E: 4767)	San Ysidro (E: 4474)	Del Mar (E: 4132)	South Bay (E: 7338)	Santee (E:6792)	Encinitas (E: 5342)	Lakeside (E: 5407)	Lemon Grove (E: 3,785)
Superintendent	1	1	1	1	1	1	1	1
Deputy Superintendent	0	0	0	1	0	0	0	0
Assistant Superintendent HR/Administrative Services	1	0	1	0	1	1	0	0
Assistant Superintendent Educational Services/Educational Leadership/Instructional Services	1	1	1	0	1	1	1	0
Assistant Superintendent of Business/CBO	0	1	1	1	1	1	1	1
<u>CERTIFICATED</u>								
Executive Director/Educational Services/ Human Resources/Capital Programs Technology/Pupil Services/Special Education	0	1	1	1	0	1	2	3
Director of Educational Services/Special Education/Curriculum Instruction/Literacies/Preschool/ Educational Technology/Learning Innovation	4	2	4	4	5	2	1	0
Coordinator of Community/Teacher Induction/Enrichment Programs/Educational Technology/Educational Services/Special Education/HR/Assessment Data/Curriculum Assessment	0	2	2	4	2	4	2	1
Project/Program Specialist/ Special Education	0	0	3	0	0	2	0	1
<u>CLASSIFIED</u>								
Executive Director of Human Resources	0	1	0	0	0	0	0	0
Director of M&O/Facilities/CNS/Finance/ Network Technology	4	2	2	4	7	5	3	3
Coordinator of Operations/Regional Coordinator	0	0	2	0	2	0	0	0
Subtotal: Position/Cost	11	11	18	16	20	18	11	10
Supervisor/Purchasing/Business Services/Personnel/ M&O / Technology	6		2	4			1	
Manager M&O Services/Technology/Student Family Services		1					1	1
Total Positions	17	12	20	20	20	18	13	11