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## **Sonora Union High School District** **Fiscal Recovery Plan For the 2016-2019 Fiscal Years**

### **Background**

The Tuolumne County Superintendent of Schools (TCSOS) office requires a Fiscal Recovery Plan from Sonora Union High School District in accordance with the provisions of EC 42127. TCSOS will be unable to provide a conditional approval for the SUHSD 2016/2017 Original Budget unless the board approves a Fiscal Recovery Plan to address the districts structural deficit spending.

It is imperative that the district carefully monitor and evaluate its revenues and expenditures to attain full recovery; and that it is likewise crucial for the Governing Board to follow through on the District's plans and commitments to achieve fiscal solvency.

In FCMAT's Fiscal Health Risk Analysis, twenty different components of key fiscal indicators are used to measure a district's potential risk. Some of the components of concern are Deficit Spending, Fund Balance, Reserve for Economic Uncertainty, Enrollment, Bargaining Agreements, and Encroachment. The District has taken a preliminary look at all of these components to best find where adjustments can be made. We are working with FCMAT to finalize specific actions and timelines.

- ✓ Deficit Spending is when expenditures exceed revenues. In the multiyear projections, the District anticipates deficit spending an average \$600,000 per year in the red. Expenditures must be reduced to balance the budget.
- ✓ Fund balance is the dollars unspent in prior years where expenditures did not exceed revenues. The state requires a reserve of 4% of the General Fund expenditures. The District maintains approximately a \$1,097,898 reserve in Fund 17 for economic uncertainties.
- ✓ The District has seen an average of 66 students per year decline in enrollment for the past ten years. Fortunately, it appears that the enrollment has stabilized this year. The 2016/2017 Original Budget was based on a slight increase of 35 students for an estimated enrollment of 1071 students.
- ✓ Bargaining agreements for both the Certificated and Classified Units received a 3% increase in 2015/16. Two additional days were added to the teacher's calendars for professional development, and paid for out of Supplemental Funds.
- ✓ Encroachment is often an issue with Special Education, Transportation and the Cafeteria programs. Rising salaries and food costs in combination with declining enrollment has enlarged the encroachment for the Cafeteria.

## **SUHSD Fiscal Recovery Plan**

### 2016/17

- Elimination of facility projects of non-immediate nature
- Continuance of no substitutes in non-essential positions
- Non replacement of retirees in non-essential positions
- Examine bus routes for consolidation possibilities
- Examine all other possibilities

### 2017/18

- Elimination of facility projects of non-immediate nature
- Evaluate reducing teacher work days back to 15/16 levels of 183 day
- Reduction of certificated FTE positions (determined by enrollment and signups)
- Reduction of classified positions
- Non replacement of retirees in non-essential positions
- Review instructional, classified, administrative and management staffing
- Continuance of no substitutes in non-essential positions
- Examine bus routes consolidation possibilities
- Examine all other possibilities

### 2018/19

- Elimination of facility projects of non-immediate nature
- Review instructional, classified, Administrative and management staffing
- Continuance of no substitutes in non-essential positions
- Examine bus routes consolidation possibilities
- Examine all other possibilities

Adopted by the Board of Trustees at a regularly scheduled meeting October 4, 2016.