

A Backgrounder on Our Progress & Financial Outlook

Our Progress Before COVID-19

For the past five years, SDP has made major investments in its schools, leading to better schools and better student outcomes for four years in a row. The district:

- Increased the number of teachers, counselors and nurses in our schools
- Added more social-emotional services and supports for students
- Improved basic infrastructure and environmental safety in our school buildings
- Built new computer labs in every school and expanded classroom modernizations

Our Financial Outlook Before COVID-19

Before the COVID-19 pandemic, SDP had regained a strong financial foundation with:

- An investment grade credit rating for the first time since 1977
- A positive year-end fund balance (our emergency fund) for five years in a row
- A five-year budget outlook that remained strong, even with continued investments in our schools

Our Financial Outlook Now After COVID-19

- The financial impact of COVID-19 on our School District has been catastrophic.
- By April 2020, we shifted from a financial outlook that had balanced budgets every year for the next five years to one with major funding gaps each year, leading to a \$1 billion shortfall over five years.
- Thanks to a successful Phase I advocacy effort and the use of our "emergency fund," we have closed the initial SY2020-2021 funding gap and reduced the five-year financial cliff from \$1 billion to a still devastating **\$700 million**.
- We are now projecting that new costs to support a safe and successful 2020-2021 school year for all students and staff could reach \$64 million.*
- To protect the progress we've made to support our schools and students, we must continue our Fund Our Schools advocacy campaign.

* Based on the School Superintendents Association's estimated \$490 per-student cost for COVID-19 supports, including cleaning protocols, building accommodations, technology, PPE, etc.

