



2017-18 SAUSD SECOND INTERIM REPORT

MARCH 13, 2018

Manoj Roychowdhury, Assistant Superintendent, Business Services

Overview

How are we doing?

How do we compare?

What's in the future?



SANTA ANA UNIFIED SCHOOL DISTRICT - CLASSROOM . COMMUNITY . CONNECTEDNESS



Overview

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- × **Our Vision and Budget**
- × **Our Financial Positions**
- × **Comparability**
- × **Fiscal Outlook**
- × **Approval of Second Interim**

SANTA ANA UNIFIED SCHOOL DISTRICT - CLASSROOM . COMMUNITY . CONNECTEDNESS



Our Vision and Budget

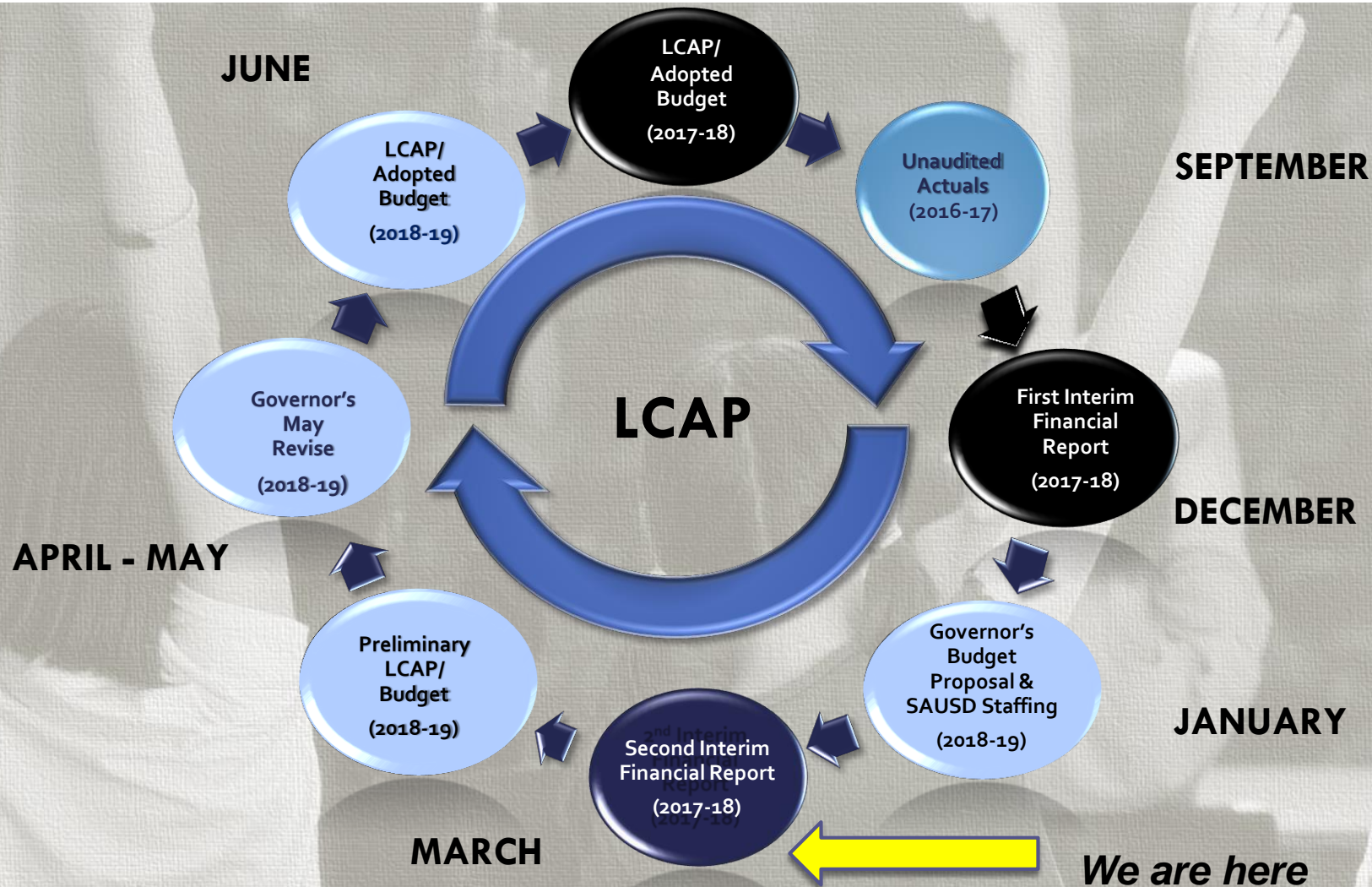
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- × **Work collaboratively and comprehensively with staff, parents, and the community to strengthen a learning environment focused on raising the achievement of all students and preparing them for success in college and career**
- × **Maintain District stability, solvency, and local control**

SANTA ANA UNIFIED SCHOOL DISTRICT - CLASSROOM . COMMUNITY . CONNECTEDNESS



Our Financial Positions - Budget Reporting Cycle



Our Financial Positions – Revenue Components GF



\$ in Millions

LCFF Sources	\$	515.54
Federal Revenue	\$	55.01
Other State Revenue	\$	92.42
Other Local Revenue	\$	6.75
Total Revenues	\$	669.72

LCFF Sources
76.98

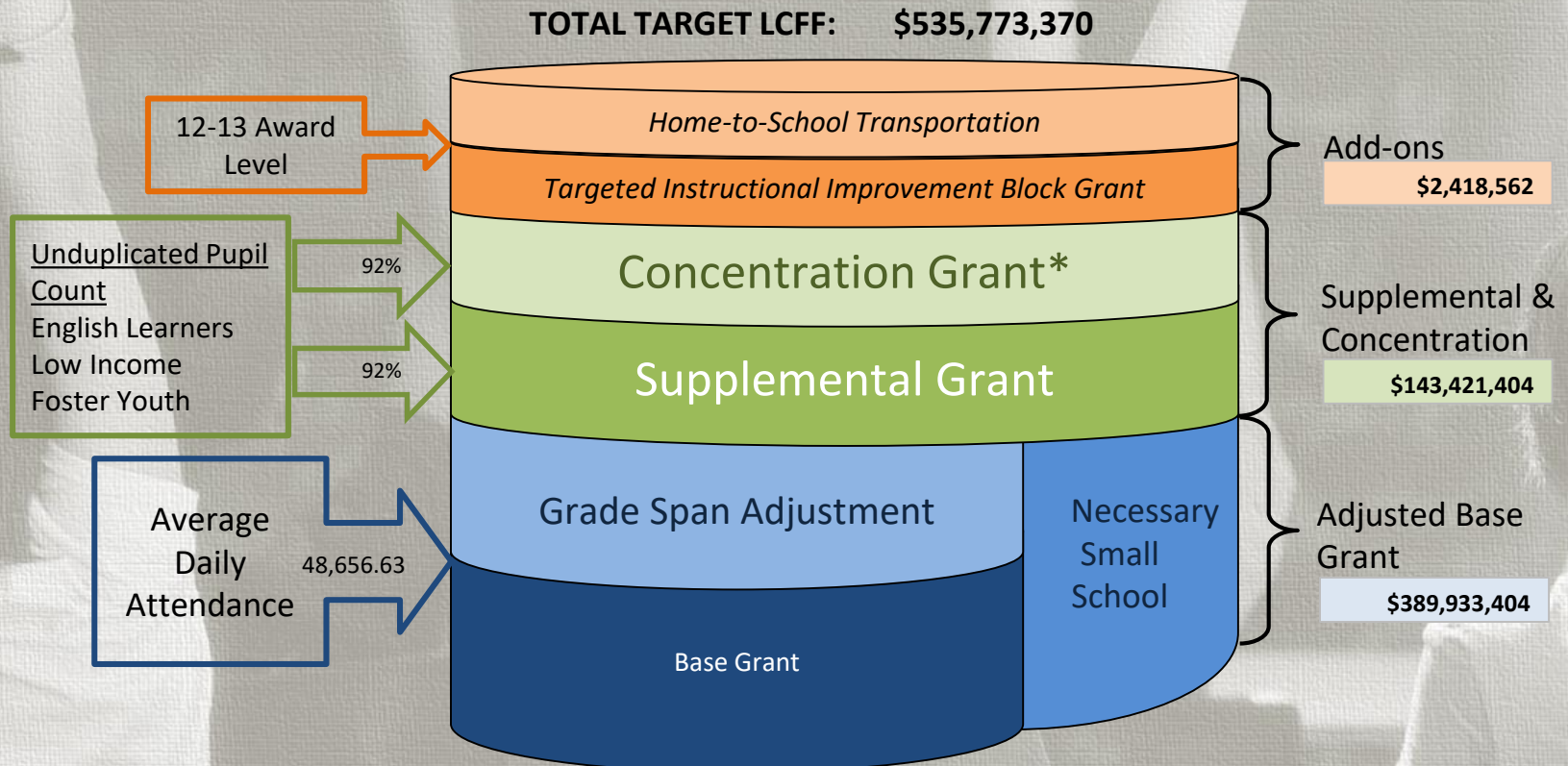
Federal Revenues
8.21%

Other Local Revenues
1.01%

Other State Revenue
13.80%

Our Financial Positions – LCFF Funding GF

- 5th Year on the LCFF Transition
- COLA – 1.56% ; GAP Funding – 44.97%



*Unduplicated Pupil Percentage must be above 55% to receive Concentration Grant funding

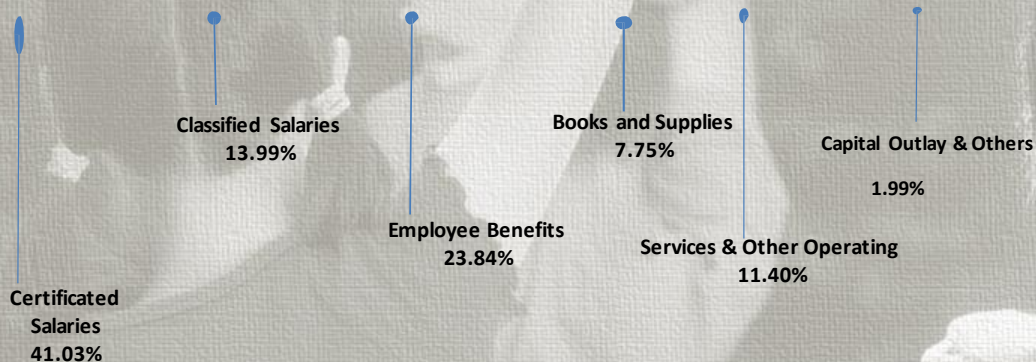
Our Financial Positions – Expenditure Components GF

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\$ in Millions

Certificated Salaries	\$	267.74
Classified Salaries	\$	91.28
Employee Benefits	\$	155.54
Books and Supplies	\$	50.60
Services and Other Operating	\$	74.35
Capital Outlay	\$	10.26
Other Outgo	\$	5.47
Direct Support/Indirect Cost	\$	(3.01)
Debt Service	\$	0.25
Expenditures	\$	652.48



Interfund Transfers Out

\$

22.07

Our Financial Positions – General Fund (GF) Changes

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General Fund <i>Combined</i>	First Interim	Second Interim	Variance
Total Revenue	\$663.58 M	\$669.72 M	\$6.13 M
Total Expenditures	\$654.40 M	\$652.48 M	\$1.93 M
Transfer In / Transfer Out	\$(22.33) M	\$(22.07) M	\$0.25 M
Net Increase / Decrease	\$(13.15) M	\$(4.84) M	\$8.31 M
Beginning Fund Balance*	\$106.63 M	\$101.58 M	\$(5.05) M
Ending Fund Balance	\$93.48 M	\$96.73 M	\$3.26 M

* Adjusted after 2016-17 Audit Adjustments

Our Financial Positions – General Fund Changes

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General Fund <i>Combined</i>	Revenue Increases /Expenditure Decreases	Revenue Decreases /Expenditure Increases
Total Revenue	LCFF Sources +2.29 M Federal Rev +0.77 M Other State +0.43 M Other Local +2.65 M	
Total Expenditures	Certificated Salaries +2.00 M Classified Salaries +0.85 M Employee Benefits +0.89 M Books & Supplies +6.95 M Capital Outlay +0.39 M	Services & Other -8.86 M
Fund Balance		Audit Adjustment -5.05 M

Our Financial Positions – Variances

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General Fund <i>Components</i>	Variance	Clarifications
LCFF Revenue	+2.29 M	Projected ADA Increase, LCFF Gap adjustment Unduplicated Pupil Percentage adjustment
Federal Revenue	+0.77 M	Title I, MAA
State Revenue	+0.43 M	California Clean Energy
Local Revenue	+2.65 M	Interest Income, CTE
Certificated Salaries. Classified Salaries and Benefits	+3.74 M	Salaries (Teachers, Aps, extra duty, vacant positions) and Benefits adjustments
Books & Supplies	+6.95 M	Math Textbook adoption reversal
Services	\$(8.86) M	Document scanning, Time & Attendance system, Graduation services, Circulos, Title 1 Consultants
Audit Adjustment	\$(5.05) M	Math Textbook Adoption reversal (offsets Books & Supplies)

Our Financial Positions – Multi Year Projections GF

(\$ in Millions)

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FUND 01 COMBINED	Second Interim 2017 - 18	Year 1 2018 - 19	Year 2 2019 - 20
LCFF Sources	\$ 515.54	\$ 517.09	\$ 505.67
Federal Revenue	\$ 55.01	\$ 47.39	\$ 47.92
Other State Revenue	\$ 92.42	\$ 94.30	\$ 78.39
Other Local Revenue	\$ 6.75	\$ 5.38	\$ 5.28
Total Revenues	\$ 669.72	\$ 664.16	\$ 637.26
Certificated Salaries	\$ 267.74	\$ 263.13	\$ 260.48
Classified Salaries	\$ 91.28	\$ 91.50	\$ 91.55
Employee Benefits	\$ 155.54	\$ 162.40	\$ 170.26
Books and Supplies	\$ 50.60	\$ 24.88	\$ 31.39
Services and Other Operating	\$ 74.35	\$ 73.65	\$ 72.18
Capital Outlay	\$ 10.26	\$ 13.46	\$ 5.27
Other Outgo	\$ 5.47	\$ 5.47	\$ 5.47
Direct Support/Indirect Cost	\$ (3.01)	\$ (3.01)	\$ (3.01)
Debt Service	\$ 0.25	\$ 0.25	\$ 0.15
Total Expenditures	\$ 652.48	\$ 631.73	\$ 633.73
Excess (Deficiency) of Revenues Over Expenditures	\$ 17.23	\$ 32.43	\$ 3.53
Other Financing Sources/Uses	\$ 22.07	\$ 5.37	\$ 6.14
Net Increase (Decrease) in Fund Balance	\$ (4.84)	\$ 27.06	\$ (2.61)
Beginning Fund Balance	\$ 106.63	\$ 96.73	\$ 123.80
Audit Adjustments	\$ (5.05)	\$ -	\$ -
Adjusted Beginning Fund Balance	\$ 101.58	\$ 96.73	\$ 123.80
Ending Fund Balance	\$ 96.73	\$ 123.80	\$ 121.18

Our Financial Positions – Ending Fund Balance Components

(\$ in Millions)

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Ending Fund Balance	\$	96,734,989
Components of Ending Fund Balance		
Nonspendable		
Nonspendable Revolving Cash	\$	190,000
Nonspendable Stores	\$	1,000,000
Restricted		
Committed		
Stabilization Arrangements	\$	47,218,862
Assigned		
Other Assignments	\$	10,729,903
- 010720 Furniture/equipment for ALA expansion	\$	304,050
- 010000 Walker/Roosevelt Joint Use	\$	50,000
- 010031 Enterprise Planning (ERP) system	\$	1,978,003
- 010031 Athletic equipment	\$	128,000
- 010031 Artificial Turf	\$	2,680,953
- 010031 Early Learning	\$	3,000,000
- 010031 Specialized Spaces/Parent Centers	\$	1,460,000
- 010031 Dual Immersion Programs	\$	1,000,000
- 010031 Mariachi/Folklorico	\$	128,897
Unassigned/Unappropriated		
Reserve for Economic Uncertainties	\$	13,491,104
Unassigned/Unappropriated Amount	\$	5,190,729

Our Financial Positions – Other Funds

(\$ in Millions)

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Fund	Fund Description	Beginning Fund Balance [^]	Revenues*	Expenditures**	Ending Fund Balance
9	Charter Schools Special Revenue Fund (ALA)	\$ 0.39	\$ 4.09	\$ 3.44	\$ 1.04
12	Child Development Fund	\$ 0.24	\$ 7.04	\$ 7.02	\$ 0.26
13	Cafeteria Fund	\$ 24.04	\$ 42.43	\$ 47.34	\$ 19.13
14	Deferred Maintenance Fund	\$ 2.32	\$ 3.77	\$ 4.44	\$ 1.65
20	Special Reserve for Postemployment Benefits	\$ 23.85	\$ 16.30	\$ -	\$ 40.15
21	Building Fund	\$ 4.09	\$ 0.04	\$ 1.48	\$ 2.65
25	Capital Facilities Fund	\$ 19.38	\$ 13.75	\$ 14.92	\$ 18.21
35	County School Facilities Fund	\$ 27.37	\$ 3.57	\$ 2.57	\$ 28.37
40	Special Reserve Fund for Capital Outlay	\$ 13.12	\$ 27.25	\$ 34.37	\$ 6.00
49	Capital Project Fund for Blended Component Units	\$ 0.04	\$ 0.61	\$ 0.03	\$ 0.62
51	Bond Interest & Redemption Fund	\$ 22.54	\$ 20.74	\$ 20.30	\$ 22.98
56	Debt Service Fund	\$ 4.00	\$ 8.31	\$ 8.18	\$ 4.13
67	Self-Insurance Fund	\$ 21.08	\$ 19.04	\$ 17.84	\$ 22.28
71	Retiree Benefit Fund	\$ 10.01	\$ -	\$ -	\$ 10.01

[^]includes Audit adjustments

*include Transfers In and Other Sources

**include Transfers Out and Other Uses

Our Financial Positions – LCAP Integration

Proposed LCAP Goals

The Second Interim Budget incorporates the action plans, services, and expenditures outlined in the proposed Local Control and Accountability Plan (LCAP) as shown in the charts below:

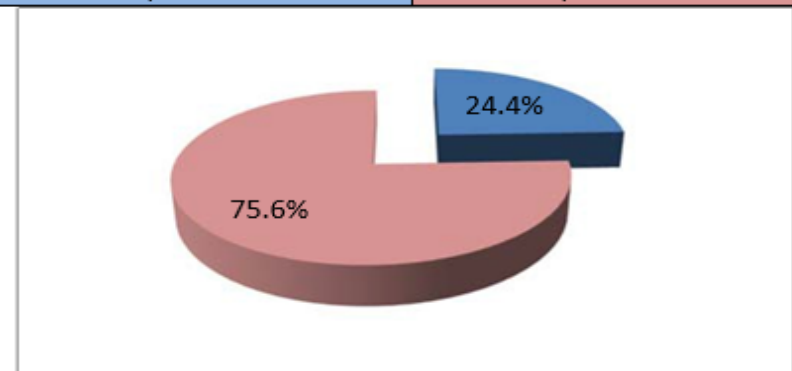
Goal 1: Teaching and Learning

\$104.6M

- Rigorous, standards-based instructional program, digital resources and Professional Development
- Course options (traditional & online)
- Progress monitoring
- Early literacy and numeracy
- AP, CTE and VAPA courses
- STEM and AVID programs
- Extended learning opportunities

CORE	SUPPLEMENTAL
Actions and expenditures to meet the goals described for ALL pupils.	Additional annual actions above what is provided for all students that will serve low-income, English learner, and foster youth pupils.

Goal 1	
\$25.5M	\$79.1M



Our Financial Positions – LCAP Integration

Proposed LCAP Goals

The Second Interim Budget incorporates the action plans, services, and expenditures outlined in the proposed Local Control and Accountability Plan (LCAP) as shown in the charts below:

Goal 2: Engagement

\$401.6M

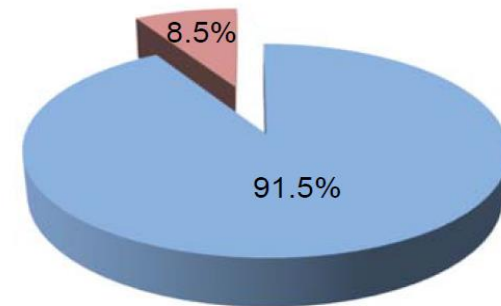
- Highly-qualified and well trained teachers and leaders
- Increased VAPA, Athletics and extracurricular opportunities
- Access to technology
- Project-based learning
- Parent training and workshops
- Increased library services and tutors
- Summer enrichment and bridge programs

CORE	SUPPLEMENTAL
Actions and expenditures to meet the goals described for ALL pupils.	Additional annual actions above what is provided for all students that will serve low-income, English learner, and foster youth pupils.

Goal 2

\$367.4M

\$34.2M



Our Financial Positions – LCAP Integration

Proposed LCAP Goals

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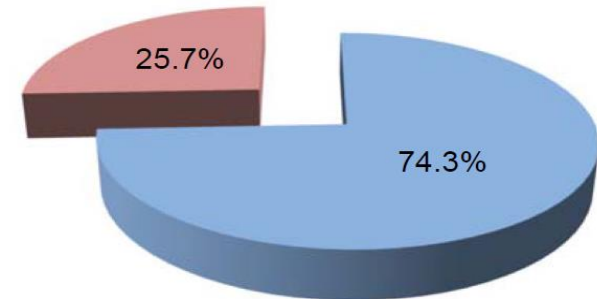
Goal 3: School Climate and Safety

\$271.9M

- Family events
- School safety and maintenance
- Welcoming school environments
- PBIS and dropout prevention efforts
- Mentoring and service learning
- Wellness programs and connections to community resources
- Parenting programs with childcare
- Translation services
- School climate & structured recess

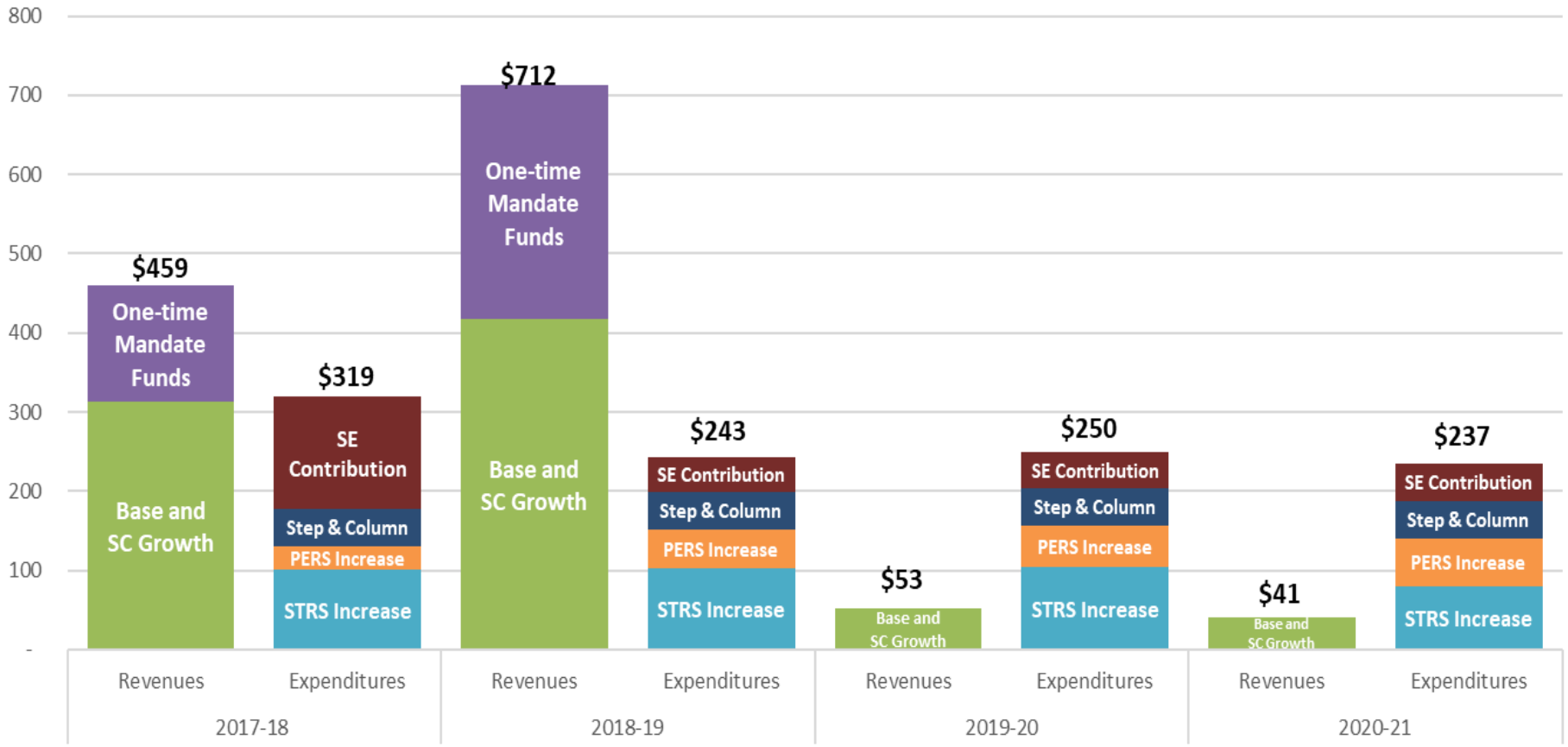
CORE	SUPPLEMENTAL
Actions and expenditures to meet the goals described for ALL pupils.	Additional annual actions above what is provided for all students that will serve low-income, English learner, and foster youth pupils.

Goal 3	
\$202.0M	\$69.9M



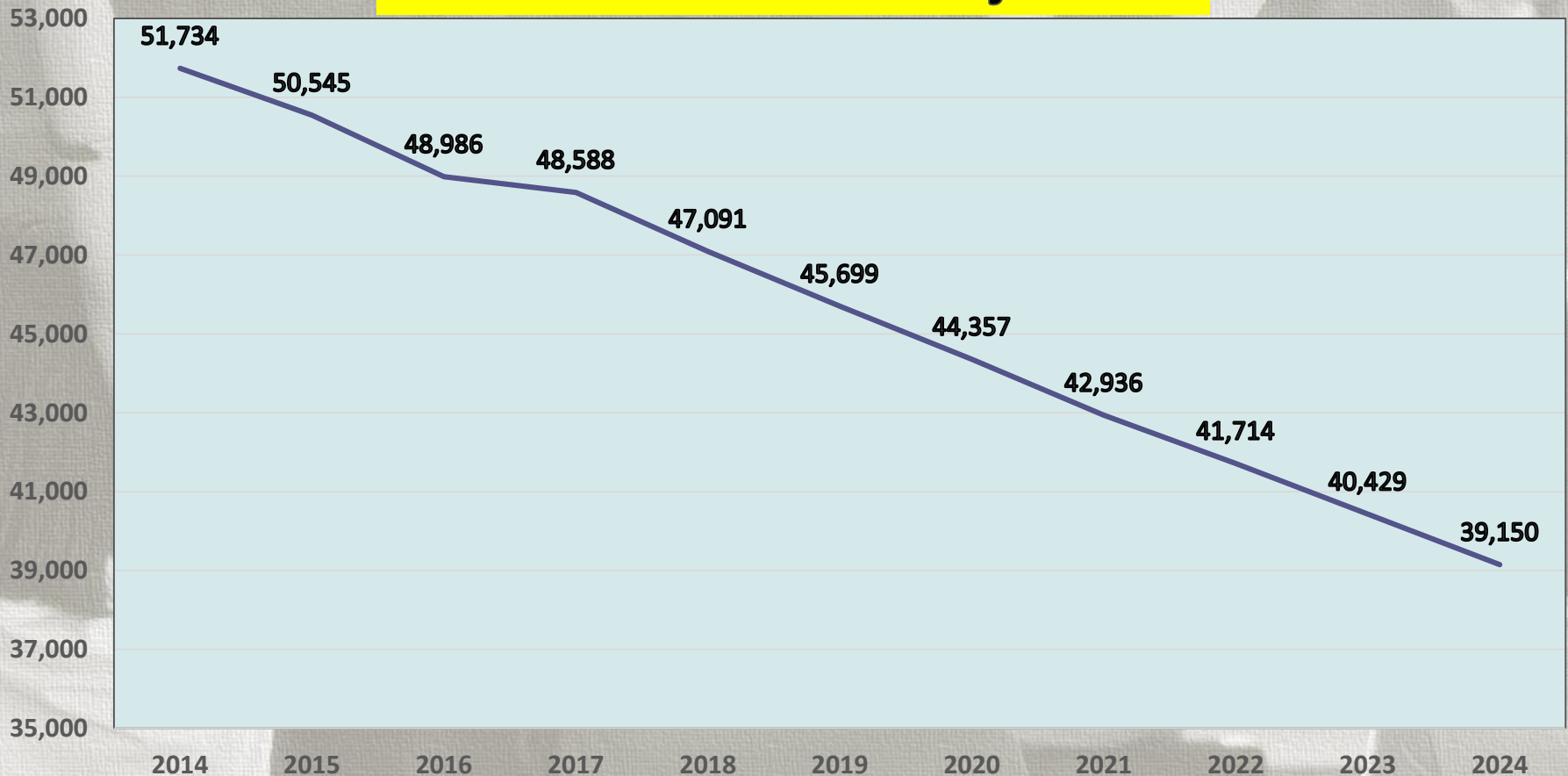
Fiscal Outlook

Growth in Revenues and Expenditures per ADA




Enrollment Projections (long term)

SAUSD Enrollment Projections



Fiscal Outlook - Assumptions

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Assumptions	2017-18	2018-19	2019-20	2020-21
Gap Funding	44.97%	100.00%		
Statutory COLA	1.56%	2.51%	2.41%	2.80%
California CPI	3.18%	3.22%	3.04%	2.94%
Enrollment	(1,465)	(1,300)	(1,300)	(1,300)
Unduplicated Pupil Percentage	91.83%	88.13%	84.51%	82.89%
Certificated Staffing Adjustment - FTE	(43)	(43)	(43)	(43)
Certificated Step & Column	0.75%	0.75%	0.75%	0.75%
Classified Step	0.25%	0.25%	0.25%	0.25%
Statutory Benefit Increases - STRS	1.85%	1.85%	1.85%	0.97%
Statutory Benefit Increases - PERS	1.64%	2.57%	2.70%	3.00%
Health Benefit Increase	3.00%	3.00%	3.00%	3.00%
Books and Supplies	0.25%	0.00%	0.00%	0.00%
Services (Utilities, Insurance)	1.71%	1.68%	1.51%	1.58%
Capital Outlay	0.25%	0.25%	0.25%	0.25%

Second Interim Action

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- × **Education Code 42131 requires the Interim Report and Certification of Financial Condition approved by the Governing Board of the School District**
- × **Staff recommends “Positive Certification” which certifies that based upon the current projections Santa Ana Unified School District will meet its financial obligations for the current fiscal year and subsequent two fiscal years**