



**2015-16
SAUSD BUDGET PRESENTATION
JUNE 23, 2015**



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AGENDA

2

- ❑ **LCFF Summary**
- ❑ **Governor's May Revision Highlights**
- ❑ **SAUSD Budget Development Assumptions**
- ❑ **Multi-Year Projection (MYP) and Ending Fund Balance**
- ❑ **Next Steps**

STATE FUNDING: LOCAL CONTROL FUNDING FORMULA

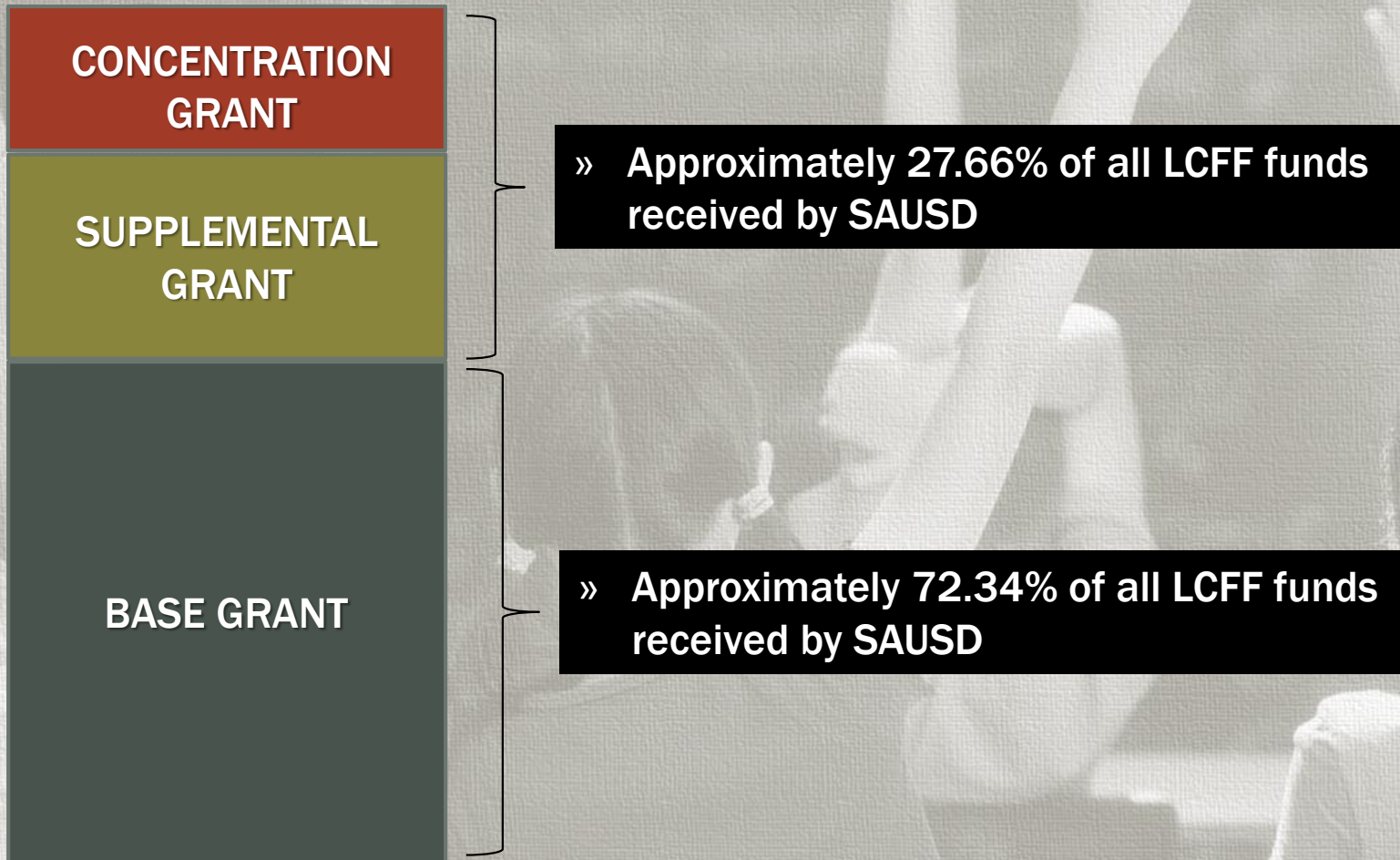
3

- The implementation of the Local Control Funding Formula (LCFF) is over an 8-year timeframe
 - ▣ The 2020-21 LCFF target is recalculated each year
 - The difference between prior year funding and the 2020-21 target is defined as the “gap”
 - A percentage of the “gap” is then funded through the State budget process

There is no guarantee that any, or all, of the gap will be funded each year, creating potential budget volatility

STATE FUNDING: LCFF REVIEW

4



GOVERNOR'S MAY REVISION

5

- **Ongoing adjustments that were proposed include:**
 - Increased the projected Gap Funding of 32.19% to 53.08%
 - **Base Grant funds –funds that serve all students**
 - Decrease of COLA from 1.58% to 1.02% (before Gap Funding adjustment)
 - Includes add-on funding for specific purposes
 - K-3 CSR (implementation based upon current collective bargaining contract)
 - CTE add-on 9-12
- **Additional one-time dollars are proposed (\$601/ADA)**
 - Suggested to fund technology for SBAC, New State Standards Implementation, professional development, and reimbursement for past year mandates (“Wall of Debt”)
- **The Budget process has not concluded**

SAUSD BUDGET DEVELOPMENT ASSUMPTIONS

6

- ❑ **2015-16 Gap Funding Revenue increased from 32.19% to 53.08% since 2nd Interim (\$32.2M)**
- ❑ **Increased costs for STRS/PERS, Health and Welfare, Sick Leave Benefits and the Affordable Care Act (\$7.9M)**
- ❑ **Increased Special Education costs (\$3.5M)**
- ❑ **Increased CTE Expense 2015-16 (\$2.9M)**

MAJOR CHANGES SINCE 2014 ADOPTED BUDGET: REVENUE

7

REVENUE ADJUSTMENTS – 2014-15	\$ (in millions)
Current year LCFF on-going funding adjustment	(\$1.4 million)

REVENUE ADJUSTMENTS – 2015-16	\$ (in millions)
Gap funding at 53.08% in LCFF funding projection	\$71.55 million
One-time funds will be included after State Budget enacted	-

MAJOR CHANGES SINCE SECOND INTERIM BUDGET REPORT: ESTIMATED EXPENDITURES

8

EXPENDITURE ADJUSTMENTS – 2015-16	\$ (in millions)
LCAP Priorities	\$12.4 million
Special Education staffing increase	\$3.5 million
STRS/PERS Increase	\$4.2 million
Health & Welfare	\$2.2 million
Affordable Care/Sick Leave	\$1.5 million
CTE Expense (ROP pass through)	\$2.9 million
Routine Restricted Maintenance	\$3.5 million
Lower Class Size	\$9.6 million

REVIEW OF JULY 1 BUDGET MYP UNRESTRICTED FUNDS

9

MULTI-YEAR PROJECTIONS @ July 1 Budget	Base Year 2015-16	2016-17	2017-18
REVENUE	\$510,649,896	\$516,444,850	\$533,428,294
EXPENDITURES	\$412,137,496	\$412,162,113	\$425,897,850
OTHER FINANCING SOURCES/USES	(\$79,787,186)	(\$86,864,093)	(\$90,622,448)
NET INCREASE/DECREASE (DEFICIT SPENDING)	\$18,725,214	\$17,418,644	\$16,907,996
BEGINNING BALANCE	\$23,489,973	\$42,215,187	\$59,633,831
(DEFICIT SPENDING) / SURPLUS	\$18,725,214	\$17,418,644	\$16,907,997
ENDING BALANCE	\$42,215,187	\$59,633,831	\$76,541,827
COMPONENTS OF ENDING BALANCE:			
NON SPENDABLE	\$1,170,000	\$1,170,000	\$1,170,000
COMMITTED BALANCE	\$7,547,582	\$6,689,913	\$6,012,633
OTHER ASSIGNMENTS	\$21,834,951	\$39,968,932	\$57,231,489
ECONOMIC UNCERTAINTIES	\$11,662,654	\$11,804,986	\$12,127,706

RESERVE AMOUNTS ABOVE THE STATUTORY REQUIREMENT

10

Total Assigned/Unassigned Fund Balance	\$33,497,605
Allowed With No Explanation: 2% Operational Reserve	\$11,662,654
Fund Balance that Requires a Statement of Reasons	\$21,834,951

- **Reasons for Reserve**
 - **LCAP Priorities**
 - **Mitigating volatility in funding or expenditures**
 - **Instructional Materials/Adoptions**
 - **Addressing unexpected costs**

PROJECTED ENDING FUND BALANCES (ALL OTHER FUNDS)

11

Fund (all \$s in 000's)	2014-15 Estimated Actuals	2015-16 July 1 Budget
Fund 11 - Adult Education	\$0	\$0
Fund 12 - Child Development	\$71	\$71
Fund 13 - Cafeteria	\$16,279	\$12,787
Fund 14 - Deferred Maintenance	\$126	\$126
Fund 17 - Special Reserve	\$0	\$0
Fund 21 - Building	\$13,727	\$5,384
Fund 25 - Capital Facilities	\$7,355	\$5,574
Fund 35 - School Facilities	\$30,187	\$4,870
Fund 40 - Special Reserve/Capital Outlay	\$14,242	\$766
Fund 49 - Capital Projects (COP)	\$951	\$1,092
Fund 51 - Bond Interest & Redemption	\$16,589	\$15,998
Fund 56 - Debt Service	\$8,830	\$9,503
Fund 67 - Self-Insurance	\$9,722	\$9,539

NEXT STEPS

12

- **June 23, 2015 Board Meeting**
 - Adoption of LCAP
 - Adoption of 2015-16 Budget
- **October 2015**
 - OCDE will approve the LCAP by the October 2015 statutory deadline

THANK YOU

13

