



**2017-18
SAUSD BUDGET PRESENTATION
JUNE 27, 2017**



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Deputy Superintendent, Administrative Services

AGENDA

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- ❑ **LCFF Summary**
- ❑ **SAUSD Budget Development Assumptions**
- ❑ **Multi-Year Projection (MYP) and Ending Fund Balance**
- ❑ **Next Steps**

STATE FUNDING: LOCAL CONTROL FUNDING FORMULA

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- 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
 - ▣ The May Revise projects that the LCFF will be almost 97% implemented in 2017-18

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

SAUSD BUDGET DEVELOPMENT ASSUMPTIONS

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Projected Budget Assumptions	2017-18	2018-19	2019-20
Projected Enrollment Decline	(1,300)	(1,300)	(1,300)
Staffing Reduction due to Decline	(\$5,200,000)	(\$5,300,000)	(\$5,400,000)
Statutory COLA - % Increase	1.56%	2.15%	2.35%
Statutory COLA – Dollar Increase	\$3,600,000	\$1,200,000	\$400,000
Unduplicated Pupil Percent	93.80%	93.61%	93.61%
LCFF GAP Funding Rate	43.97%	39.03%	41.51%
STRS Increase	\$4,800,000	\$4,800,000	\$4,800,000
PERS Increase	\$1,500,000	\$2,300,000	\$2,400,000
Health & Welfare Increase	\$2,100,000	\$2,500,000	\$2,900,000

REVIEW OF JULY 1 BUDGET MYP GENERAL FUND

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MULTI-YEAR PROJECTIONS @ July 1 Budget	Base Year 2017-18	2018-19	2019-20
REVENUE	\$645,282,127	\$636,419,783	\$634,517,891
EXPENDITURES	\$629,039,942	\$621,626,012	\$625,569,319
OTHER FINANCING SOURCES/USES	(\$11,027,665)	(\$8,423,379)	(\$8,543,295)
NET INCREASE/DECREASE (DEFICIT SPENDING)	\$5,214,520	\$6,370,392	\$405,277
BEGINNING BALANCE	\$90,327,282	\$95,541,802	\$101,912,194
(DEFICIT SPENDING) / SURPLUS	\$5,214,520	\$6,370,392	\$405,277
ENDING BALANCE	\$95,541,802	\$101,912,194	\$102,317,471
COMPONENTS OF ENDING BALANCE:			
NON SPENDABLE	\$1,190,000	\$1,190,000	\$1,190,000
RESTRICTED BALANCE	\$15,790,120	\$13,242,573	\$11,497,542
COMMITTED BALANCE	\$14,359,321	\$8,717,432	\$2,509,526
OTHER ASSIGNMENTS	\$51,401,009	\$66,161,201	\$74,438,151
ECONOMIC UNCERTAINTIES	12,801,352	\$12,600,988	\$12,682,252

RESERVE AMOUNTS ABOVE THE STATUTORY REQUIREMENT

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Total Assigned/Unassigned Fund Balance	\$64,202,361
Allowed With No Explanation: 2% Operational Reserve	\$12,801,352
Fund Balance that Requires a Statement of Reasons	\$51,401,009

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

PROJECTED ENDING FUND BALANCES (ALL OTHER FUNDS)

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Fund (all \$s in 000's)	2016-17 Estimated Actuals	2017-18 July 1 Budget
Fund 09 – Charter School	\$283	\$1,580
Fund 12 – Child Development	\$106	\$113
Fund 13 – Cafeteria	\$21,074	\$18,342
Fund 14 – Deferred Maintenance	\$909	\$915
Fund 20 – Special Reserve Postemployment Benefits	\$23,874	\$28,934
Fund 21 – Building	\$3,568	\$3,071
Fund 25 – Capital Facilities	\$16,620	\$9,043
Fund 35 – School Facilities	\$26,877	\$26,994
Fund 40 – Special Reserve/Capital Outlay	\$8,976	\$4,673
Fund 49 – Capital Projects (COP)	\$826	\$803
Fund 51 – Bond Interest & Redemption	\$21,124	\$21,426
Fund 56 – Debt Service	\$10,908	\$11,033
Fund 67 – Self-Insurance	\$20,149	\$22,011
Fund 71 – Retiree Benefit Fund	\$10,022	\$10,047

NEXT STEPS

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- **September 2017**
 - ▣ **Unaudited Actuals (Data as of June 30)**
- **October 2017**
 - ▣ **OCDE will approve the LCAP by the October 2017 statutory deadline**
- **December 2017**
 - ▣ **Annual Financial Audit Report for 2016-17**
 - ▣ **1st Interim Budget (Data as of October 31)**
- **March 2018**
 - ▣ **2nd Interim Budget (Data as of January 31)**

THANK YOU

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