



2019-20 SAUSD FIRST INTERIM REPORT DECEMBER 17, 2019

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Overview

How are we doing?

What's in the future?

How do we compare?



SANTA ANA UNIFIED SCHOOL DISTRICT - CLASSROOM . COMMUNITY . CONNECTEDNESS



Overview

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Overview

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- × Approval of First Interim
- × Our Vision and Budget
- × Our Financial Position
- × Comparability
- × Fiscal Outlook

SANTA ANA UNIFIED SCHOOL DISTRICT - CLASSROOM . COMMUNITY . CONNECTEDNESS



First 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 (*with out-year adjustments*)**

Our Vision and Budget

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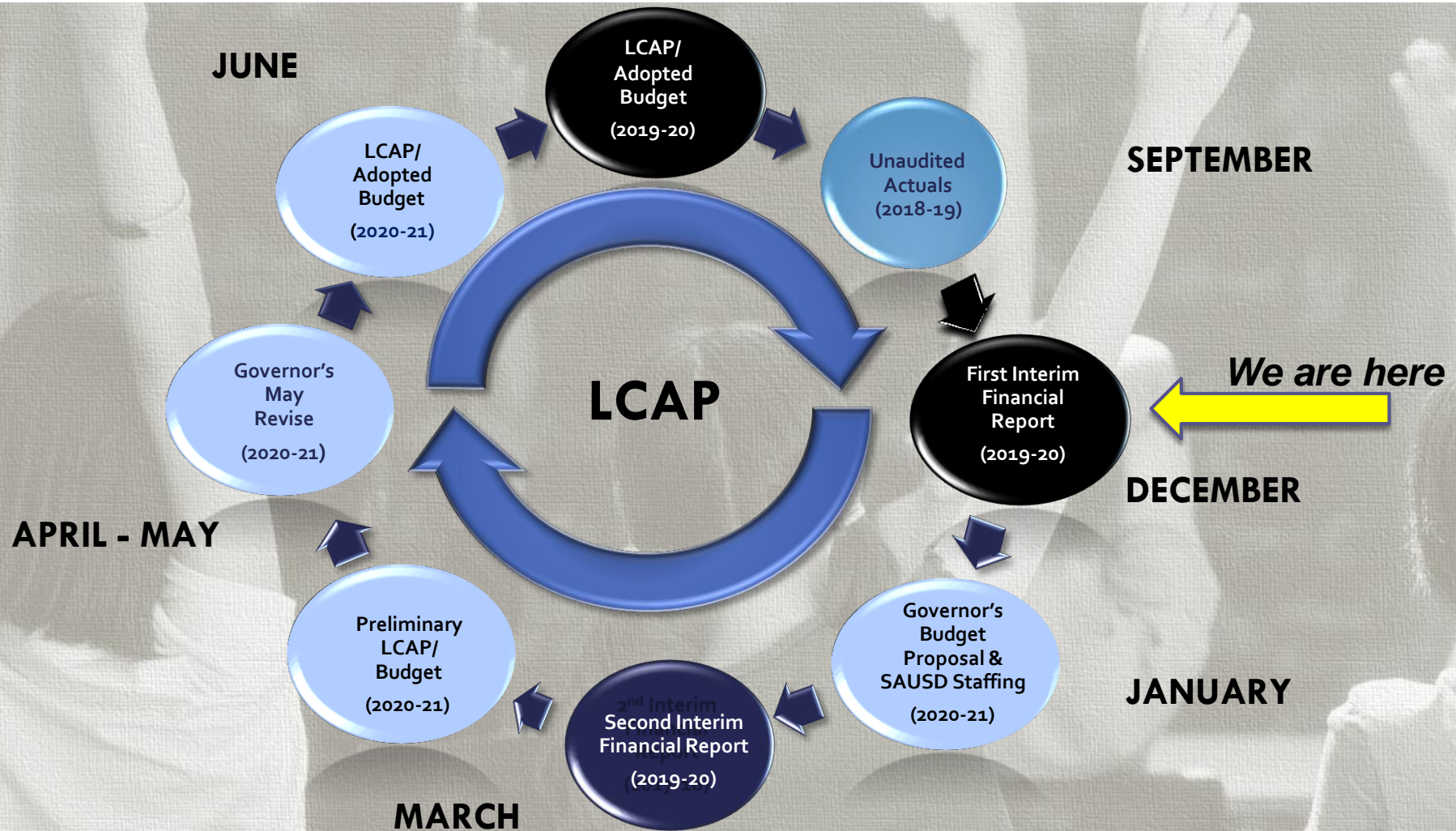
- × **Work collaboratively and comprehensively with staff, parents, and the community to strengthen a learning environment focused on raising the achievement of all students and preparing them for success in college and career**
- × **Maintain District stability, solvency, and local control**



SANTA ANA UNIFIED SCHOOL DISTRICT - CLASSROOM . COMMUNITY . CONNECTEDNESS



Our Financial Position - Budget Reporting Cycle



Our Financial Position – Timeline

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JUNE 25, 2019



BOARD APPROVED BUDGET

2019-20 School Year Started – August 12, 2019

2018-19 Unaudited Actuals – September 10, 2019

CBEDS – October 2, 2019

Staff movements, additions, funding changes

Great ShakeOut - Oct. 17, 2019

December 10, 2019

BOARD APPROVAL REQUESTED –
FIRST INTERIM

01:00
01:00

Our Financial Position – Revenue Components

General Fund (GF)

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\$ in Millions

LCFF Sources	\$566.21
Federal Revenue	\$57.60
Other State Revenue	\$86.14
Other Local Revenue	\$16.38
Total Revenues	\$676.33

LCFF Sources
76.33%

Federal Revenues
8.52%

Other State Revenue
12.74%

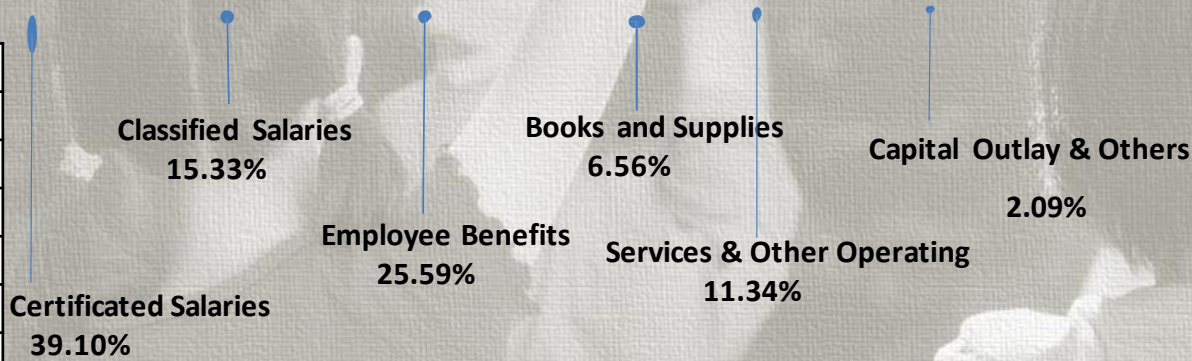
Other Local Revenues
2.42%

Our Financial Position – Expenditure Components GF



\$ in Millions

Certificated Salaries	\$283.37
Classified Salaries	\$111.13
Employee Benefits	\$185.44
Books and Supplies	\$47.53
Services and Other Operating	\$82.18
Capital Outlay	\$10.22
Other Outgo	\$6.16
Direct Support/Indirect Cost	\$(1.27)
Expenditures	\$724.76



Interfund Transfers Out

\$6.46

Comparability

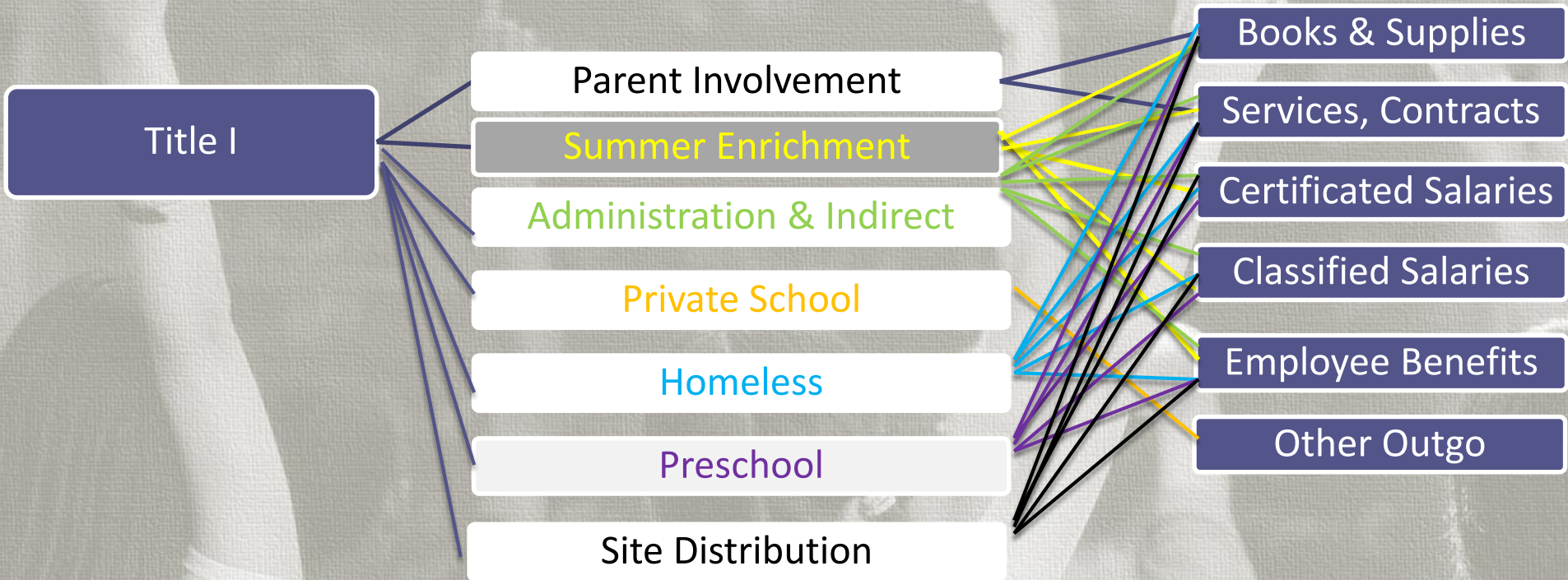
10

General Fund <i>Combined</i>	Adopted Budget	First Interim	Difference
Total Revenue	\$645.87 M	\$676.33 M	\$30.46 M
Total Expenditures & Transfers	\$697.40 M	\$731.22 M	\$33.82 M
Net Increase / Decrease	\$(51.53) M	\$(54.89) M	\$3.36 M
Beginning Fund Balance	\$119.91 M	\$135.01 M	\$15.11 M
Ending Fund Balance	\$68.38 M	\$80.13 M	\$11.74 M

New Slide

Budget Changes, Transfers - Process

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Comparability – \$ Differences

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General Fund	Difference	Reasons
LCFF Revenue	\$3.14 M	<ol style="list-style-type: none"> 1. Increase in Unduplicated Pupil Percentage from 86.13% to 87.02% 2. Increase in prior year P2 ADA by 72.09
Federal Revenue	\$14.48 M	<ol style="list-style-type: none"> 1. MAA Revenue (2017-18 Q2 and Q3) - \$1 M 2. Increase in Title Allocations - \$13.56 M 3. Positive School Climate carryover - \$1 M 4. 21st Century Community Learning Centers - \$1 M 5. Elimination of IDEA PreK - \$(1.24) M
Other State Revenue	\$1.04 M	<ol style="list-style-type: none"> 1. SPED Early Intervention Preschool Grant - \$4.01 M 2. Prop 47 Grant - \$0.86 M 3. Teacher Residency carryover - \$0.76 M 4. Restricted Revenue decrease by \$(4.99) M – Reversal of SPED funding on the adopted budget
Other Local Revenue	\$11.81 M	<ol style="list-style-type: none"> 1. SPED Equitable contribution by SELPA Charter Schools -\$ 7.00 M 2. Increase in Interest Income - \$1.00 M 3. K12 Strong Workforce Program Pathway Improvement -\$1.4 M

Comparability – \$ Differences

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General Fund	Difference	Reasons
Certificated Salaries	\$2.19 M	<ol style="list-style-type: none"> 1. 10.2 Teachers - \$1.26 M 2. 1 AP - \$0.18 M 3. 4 Behavior Intervention Specialist - \$0.62 M 4. Targeted Intervention - \$3.3 M 5. SPED conversion Program Specialist to Coordinator - \$0.38M
Classified Salaries	\$5.71 M	<ol style="list-style-type: none"> 1. Early Learning Plan - \$0.20 M 2. Segerstrom ASSET program allocation - \$0.12 M 3. Coordinator of Community Relations - \$0.10 M 4. Additional 142 After School Instructional Providers - \$2.33 M 5. 21st Century Community Learning Centers – Site Coordinators and Instructional Providers - \$0.54 M 6. SPED – 8.25 Autism Paraprofessionals & SSPs 7. Carpenter -2 FTE - \$0.23 M 8. Construction Supervisor - \$0.07 M 9. Custodian – conversion from 11.5 months to 12 months
Employee Benefits	\$0.65 M	<ol style="list-style-type: none"> 1. Increase due to above position changes

Comparability – \$ Differences

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General Fund	Difference	Reasons
Books & Supplies	\$9.79 M	<ol style="list-style-type: none"> 1. Lockers for Classified Staff (\$0.35 M) <i>Negotiated item</i> 2. TK/K Supplies Increase (\$0.33 M) 3. Wellness Center Carryovers (\$0.31 M) 4. Increase in Title I, III, IV (\$4.4 M) from increase allocation 5. Increase in Routine Restricted Maintenance (\$0.65 M) 6. Increase in CCLC (\$0.18 M) from increase allocation 7. Prop 39 Projects (\$1.67 M) – HVAC etc.
Services & Other Operating Exp	\$9.60 M	<ol style="list-style-type: none"> 1. Prop 47 Grant Consultants (\$0.65 M) 2. NAC & College Spring contracts increases (\$0.57 M) 3. FCMAT Study (\$0.05 M) 4. Saddleback Electrical & Irrigation upgrades (\$0.77 M) 5. Increase in Title I, III, IV (\$1.19 M) from increase allocation 6. Increase in Non Public Schools Contracts (\$0.50 M)
Capital Outlay	\$3.65 M	<ol style="list-style-type: none"> 1. Wellness Centers (\$0.23 M) 2. Air Systems Duct Collector, CTE Truck (\$0.38 M) 3. Garfield Wellness Center, ALA II increases

Our Financial Position – Other Funds

(\$ in Millions)

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		2019-20 First Interim			
Fund	Fund Description	Beginning Fund Balance	Revenues + Transfers in + other sources	Expenditures + Transfers out + other uses	Ending Fund Balance
09	Charter Schools Special Revenue Fund (ALA)	\$1.40	\$4.58	\$4.95	\$1.03
12	Child Development Fund	\$0.39	\$9.24	\$9.20	\$0.43
13	Cafeteria Fund	\$22.04	\$39.24	\$45.93	\$15.35
14	Deferred Maintenance Fund	\$7.37	\$4.04	\$5.73	\$5.68
17	Special Reserve for Other Than Capital Outlay Projects	\$0.00	\$1.20	\$0.00	\$1.20
20	Special Reserve for Postemployment Benefits	\$0.32	\$0.01	\$0.00	\$0.33
21	Building Fund	\$59.45	\$0.60	\$20.13	\$39.92
25	Capital Facilities Fund	\$17.34	\$6.72	\$9.09	\$14.97
30	State School Building lease-Purchase Fund	\$0.00	\$0.00	\$0.00	\$0.00
35	County School Facilities Fund	\$24.86	\$0.42	\$24.78	\$0.50
40	Special Reserve Fund for Capital Outlay	\$12.20	\$7.74	\$11.39	\$8.55
49	Capital Project Fund for Blended Component Units	\$0.55	\$0.31	\$0.32	\$0.54
51	Bond Interest & Redemption Fund	\$29.38	\$20.77	\$20.58	\$29.57
56	Debt Service Fund	\$4.33	\$7.66	\$7.52	\$4.47
67	Self-Insurance Fund	\$29.52	\$26.04	\$25.31	\$30.25
71	Retiree Benefit Fund	\$50.01	\$0.00	\$0.00	\$50.01

Fiscal Outlook - Assumptions

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Assumptions	2019-20	2020-21	2021-22
Gap Funding	100.00%	100.00%	100.00%
Statutory COLA	3.26%	3.00%	2.80%
California CPI	3.33%	3.14%	3.02%
Enrollment		-1,606	-1,645
Unduplicated Pupil Percentage	87.02%	85.49%	83.89%
Certificated Step & Column		0.75%	0.75%
Classified Step		0.25%	0.25%
Statutory Benefit Increases - STRS		1.30%	-0.30%
Statutory Benefit Increases - PERS		2.98%	1.90%
Health Benefit Increase		5.13%	4.87%
Books and Supplies		-18.11%	-31.09%
Services (Utilities, Insurance)		-7.77%	-0.09%
Capital Outlay		-68.19%	1.03%

Fiscal Outlook - Assumptions

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What \$\$ are not included in the First Interim??

1. MTSS Coordinator of Behavior (added 11/19)
2. MTSS Full Implementation Budget (pending)
3. Teacher – Valley HS (added 11/06)
4. Custodial Supervisor (added 11/08)
5. ED Options Plan Implementation (pending finalization)
6. District Office Renaming Costs (pending finalization)
7. Valley HS – 2 Classroom furniture addition (pending finalization)
8. SPED – Pre-school transportation addition (pending finalization; estimated \$0.03 M)
9. CalOptima Grant revenues and expenditures

FlashAlert

LAO November Fiscal Outlook Report decreases the 2020-21 COLA from 3.00% to 1.79%

Fiscal Outlook – Multi Year Projections GF

(\$ in Millions)

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	2019-20 FIRST INTERIM	2019-20*	2020-21*	2021-22*
1	LCFF Sources/State Aid	\$ 516.21	\$ 513.51	\$ 504.76
2	Federal Revenues	\$ 57.60	\$ 41.74	\$ 41.74
3	Other State Revenues	\$ 86.14	\$ 76.28	\$ 75.56
4	Other Local Revenues	\$ 16.38	\$ 6.21	\$ 6.05
5	Total Revenues	\$ 676.33	\$ 637.75	\$ 628.11

Fiscal Outlook – Multi Year Projections GF

(\$ in Millions)





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	2019-20 FIRST INTERIM	2019-20*	2020-21*	2021-22*
6	Certificated Salaries	\$ 283.37	\$ 281.20	\$ 283.07
7	Classified Salaries	\$ 111.13	\$ 112.16	\$ 112.35
8	Employee Benefits	\$ 185.44	\$ 195.67	\$ 200.68
9	Books and Supplies	\$ 47.53	\$ 38.92	\$ 26.82
10	Services and Other Operating	\$ 82.18	\$ 75.79	\$ 75.86
11	Capital Outlay	\$ 10.22	\$ 3.25	\$ 3.29
12	Other Outgo	\$ 6.16	\$ 6.01	\$ 6.01
13	Direct Support/Indirect Cost	\$ (1.27)	\$ (1.28)	\$ (1.27)
17	Interfund Transfers Out	\$ 6.46	\$ 5.38	\$ 5.50
22	Total Expenditures (including Transfers)	\$ 731.22	\$ 717.11	\$ 712.30

Fiscal Outlook – MYP Adjustments GF

(\$ in Millions)

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	2019-20 FIRST INTERIM	2019-20*	2020-21*	2021-22*
5	Total Revenues	\$ 676.33	\$ 637.75	\$ 628.11
22	Total Expenditures (including Transfers)	\$ 731.22	\$ 717.11	\$ 712.30
23	Net Increase (Decrease) in Fund Balance	\$ (54.89)	\$ (79.36)	\$ (84.19)
24	Beginning Fund Balance	\$ 135.01	\$ 80.13	\$ 8.10
28	Ending Fund Balance	\$ 80.13	\$ 0.77	\$ (83.42)
 				
Adjustments		2019-20*	2020-21*	2021-22*
A1	Revenue Increase / Expenditure Decrease	\$ -	\$ (52.00)	\$ (52.00)
24A	Beginning Fund Balance	\$ 135.01	\$ 80.13	\$ 54.10
28A	Ending Fund Balance	\$ 80.13	\$ 52.77	\$ 20.58
 				

Fiscal Outlook – Historical Tracking

2018 – 19 Budget Second Interim
March 12, 2019

General Fund \$ in Million	2018-19	2019-20	2020-21
Adjustments	-	-	-
Ending Fund Balance	\$104.38	\$80.30	\$64.77

2019 – 20 Budget Adoption
June 25, 2019

General Fund \$ in Million	2019-20	2020-21	2021-22
Adjustments	-	\$(43.00)	\$(43.00)
Ending Fund Balance	\$68.38	\$47.44	\$29.73

2019 – 20 Budget First Interim
Dec 10, 2019



General Fund \$ in Million	2019-20	2020-21	2021-22
Adjustments	-	\$(52.00)	\$(52.00)
Ending Fund Balance	\$80.13	\$52.77	\$20.58

Fiscal Outlook – Multi Year Projections GF

(\$ in Millions)

FlashAlert

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	2019-20 FIRST INTERIM	2019-20*	2020-21*	2021-22*
5	Total Revenues	\$ 676.33	\$ 637.75 \$ 631.68	\$ 628.11 \$ 615.84
22	Total Expenditures (including Transfers)	\$ 731.22	\$ 717.11	\$ 712.30
23	Net Increase (Decrease) in Fund Balance	\$ (54.89)	\$ (79.36) -\$ (85.43)	\$ (84.19) \$ (96.46)
24	Beginning Fund Balance	\$ 135.01	\$ 80.13	\$ 8.10 \$ (5.30)
28	Ending Fund Balance	\$ 80.13	\$ 0.77 \$ (5.30)	\$ (83.42) \$ (101.76)
				
Adjustments		2019-20*	2020-21*	2021-22*
A1	Revenue Increase / Expenditure Decrease	\$ -	\$ (52.00) \$ (58.00)	\$ (52.00) \$ (58.00)
24A	Beginning Fund Balance	\$ 135.01	\$ 80.13	\$ 52.70
28A	Ending Fund Balance	\$ 80.13	\$ 52.70	\$ 14.24
				

Questions

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Questions?