

BUDGET UPDATE

(BASED UPON GOVERNOR'S 2014 BUDGET PROPOSAL)

JANUARY 28, 2014

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TONIGHT'S GOAL

- 1. Governor's 2014-15 Budget Proposal**
- 2. Local Control Accountability Plan (LCAP) and Next Steps**

STATE BUDGET PROCESS

- Governor's Budget Released (January 2014)
 - 1st glimpse of what is being proposed
- Both Houses of Legislature review proposal in sub-committee
- Governor May Revision Release (early May 2014)
 - 2nd swipe at the Budget based upon
 - Updated Revenue
 - Compromises
 - Pending Legislation
- Both Houses revise their versions of the Budget
 - Big Five (Governor, Majority and Minority Leaders)
- Budget compromise is reached
 - Final appropriation (by June 30, 2014)

GOVERNOR'S JANUARY BUDGET PROPOSAL

- The Governor increases the Local Control Funding Formula (LCFF) implementation gap funding to 28.05%
- Remaining deferrals are eliminated in the current proposal
 - Positive impact on cash flow but does not increase spending authority
- Funds the Emergency Repair Program (ERP) as part of the goal to eliminate the “Wall of Debt”
 - Could allow reimbursement to SAUSD for approved construction projects
- Proposes funding a “rainy day” stabilization fund to stabilize budget allocations year-to-year making the 3% Constitutional transfer (Prop. 58) for the first time since 2007

IMPACT OF LCFF

FOCUS ON INCREASING STUDENT LEARNING

- SAUSD will adopt a budget based upon Board and community priorities aligned to the LCAP process
- Allows SAUSD to go through the LCAP Process
 - Prioritize through the eight State priorities
 - Review data on student needs
- Structural deficit of \$43 million can be addressed
- Engage in substantive conversation around collective bargaining

SECOND INTERIM BUDGET CONSIDERATIONS

- SAUSD is adjusting our revenue projection of 12.75% at First Interim to 21% of the total gap funding.
 - Total increase in ongoing revenue of \$15.6 million in 2014-15
- Enrollment and staffing projections for 2014-15
- Special Education Program Growth
 - Continued growth of low-incident caseloads
- ROP and Career Technical Education
- Adjustments for in-lieu of property tax transfer to Charter schools

SAUSD LCAP PROCESS

- **Stakeholder Surveys** being sent out to collect data
- **Input Sessions to collect data on community priorities**
 - Stakeholder group meetings
 - Focus groups
 - DAC/DELAC, Continuous Improvement Team (CIT); PTA
 - Posting on Website
- **District charged with taking input and incorporating into the LCAP template**
 - School, central office staff and parents are working on the eight components
- **The draft LCAP presented in public hearing prior to approval by the Board of Education**