



2013 – 14 Adopted Budget

June 25, 2013

Getting to the Core



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Today's Agenda

- Budget Assumptions
- Multi-Year Projection (MYP) and Ending Fund Balance
- Next Steps
- State Budget Update

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Budget Development Assumptions



- **1.565% COLA and deficit reduction to 18.997%** (School Services of California Dartboard).
 - *The Governor's LCFF Proposal is NOT included in the SAUSD proposed adoption budget for 2013-14*
- **Common Core Block grant** of approximately \$9 million
 - *Funds to implement Common Core, focused on technology and instructional materials. Will require a plan for expenditures and must be expended over two years*
- Loss of Special Education funding due to **Federal Sequestration** is backfilled by the State as identified in the Governor's proposal
- SIG and ROP Grant Funding are both expiring in 2013-14.
- 21st Century and ASES funding has been reduced

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School Services of California, Inc.'s Financial Dashboard – REVISED 5/20/13



Factor	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Statutory COLA (applies to K-12 and COE Revenue Limit)	3.24%	1.565%	1.80%	2.20%	2.50%	2.70%
K-12 Revenue Limit Deficit %	22.272%	18.997%	18.997%	18.997%	18.997%	18.997%
COE Revenue Limit Deficit %	22.549%	19.233%	19.233%	19.233%	19.233%	19.233%
COLA for Special Education, Child Nutrition, American Indian Education Centers/Early Childhood Education programs (on state and local share only)	0.00%	1.565%	1.80%	2.20%	2.50%	2.70%
Other state categorical program COLA (including Adult Education and ROC/P)						
Tier I	0.00%	1.565%	1.80%	2.20%	2.50%	2.70%
Tier II	0.00%	1.565%	1.80%	2.20%	2.50%	2.70%
Tier III	0.00%	1.565%	1.80%	2.20%	2.50%	2.70%

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2013-14 Budget Profile



- Assuming these budget factors:
 - The District maintains a structural deficit of over \$40 million going into the 2014-15 school year
 - The District will be adopting the 2013-14 budget with only a 2% statutory reserve

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Review of July 1 Budget MYP



MULTI-YEAR PROJECTIONS @ July 1 Budget	2013-14	2014-15	2015-16
REVENUE	\$335,241,296	\$329,477,835	\$335,492,955
EXPENDITURES	\$303,386,541	\$319,372,573	\$317,376,481
OTHER FINANCING SOURCES/USES	(\$52,102,599)	(\$54,610,249)	(\$55,822,724)
NET INCREASE/DECREASE (DEFICIT SPENDING)	(\$20,247,844)	(\$44,504,987)	(\$37,706,250)
BEGINNING BALANCE	\$39,769,987	\$19,522,143	(\$24,982,844)
DEFICIT SPENDING	(\$20,247,844)	(\$44,504,987)	(\$37,706,250)
ENDING BALANCE	\$19,522,143	(\$24,982,844)	(\$62,689,094)
COMPONENTS OF ENDING BALANCE:			
NON SPENDABLE	\$1,150,000	\$1,150,000	\$1,150,000
OTHER DESIGNATED	\$8,777,828	\$0	\$0
ECONOMIC UNCERTAINTIES	\$9,594,315	\$9,887,619	\$9,815,430
PROP 30	\$0	\$0	\$0
COLA PER SSC DARTBOARD	\$0	\$6,993,140	\$8,717,832
TOTAL	\$19,522,143	\$18,030,759	\$19,683,262
SHORTFALL	\$0	(\$43,013,603)	(\$82,372,356)

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Projected Ending Fund Balances (All Other Funds)



Fund (all \$s in 000's)	2012-13 Estimated Actuals	2013-14 Adopted	Difference
Fund 11 - Adult Education	\$0	\$0	\$0
Fund 12 - Child Development	\$65	\$69	\$4
Fund 13 - Cafeteria	\$17,545	\$27,326	\$9,781
Fund 14 - Deferred Maintenance	\$0	\$0	\$0
Fund 17 - Special Reserve	\$0	\$0	\$0
Fund 21 - Building	\$15,328	\$15,308	(\$20)
Fund 25 - Capital Facilities	\$0	\$0	\$0
Fund 35 - School Facilities	\$15,354	\$4,147	(\$11,207)
Fund 40 - Special Reserve/Capital Outlay	\$20,221	\$0	(\$20,221)
Fund 49 - Capital Projects (COP)	\$1,082	\$1,080	(\$2)
Fund 51 - Bond Interest & Redemption	\$15,473	\$16,459	\$986
Fund 56 - Debt Service	\$8,158	\$8,829	\$671
Fund 67 - Self-Insurance	\$7,857	\$7,566	(\$291)

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Summary-Next Steps



- June 25th - Public Hearing and Adoption of 2013-14 Budget
- **July 23rd - Revised Budget Adoption for Approval**
- September 2013 - Identification of Potential Budget reductions for 2014-15

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Local Control Funding Formula

- Elements of the proposed formula
 - A **base grant** target equal to the undeficitated statewide average base revenue limit per ADA – \$6,816 (includes the 1.565% statutory COLA)
 - Differential (weighted) adjustments for early primary, primary, middle, and high school grade spans; added funding for **K-3 Class-Size Reduction (CSR)** and **9-12 Career Technical Education (CTE)**
 - **20% Supplemental Grants** for Pupils eligible for free and reduced-price meals and Foster youth
 - **50% Concentration Grants** for qualified English Learner population
 - The **new accountability provisions** may make the LCFF more restrictive and limit the ability of LCFF funds to mitigate the structural deficit in SAUSD

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Two Different Funding Formulas

Where every dollar spent would go toward school funding

Base Funding

Supplemental Funding

Concentration Funding

Gov. Brown's May Revision Proposal



80% 16% 4%

Proposed Compromise



84% 10% 6%

Sources: California Department of Finance, California Department of Education
Infographic by John C. Osborn, EdSource: <http://www.edsource.org/today>

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Funding The Core

New SAUSD interactive budget website

- More information and resources concerning school funding

www.sausd.us/fundingthecore

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Questions?

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