



**2016-17  
SAUSD BUDGET PRESENTATION  
JUNE 28, 2016**



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# 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 96% implemented in 2016-17

**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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- **2016-17 Gap Funding Revenue at 54.84%: \$28.3M**
- **COLA 0% - Down from 0.47%: (\$1.4M)**
- **LIFI Expansion: \$350,000**
- **Elementary Music: \$410,000**
- **K-8 Counseling: \$176,000**
- **Mental Health Services: \$500,000**
- **STRS/PERS: \$9.8M**
- **SAEA Tentative Agreement: \$5.6M**
- **NAC: \$600,000**
- **Technology Coaches: \$0 (reallocation of 12 teachers)**
- **Restorative Justice Expansion: \$161,000**

# REVIEW OF JULY 1 BUDGET MYP UNRESTRICTED FUNDS

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<b>MULTI-YEAR PROJECTIONS @ July 1 Budget</b>	<b>Base Year 2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
REVENUE	\$528,259,332	\$525,563,543	\$529,175,839
EXPENDITURES	\$428,638,786	\$422,875,812	\$429,974,268
OTHER FINANCING SOURCES/USES	(\$88,648,766)	(\$90,287,457)	(\$92,688,971)
<b>NET INCREASE/DECREASE (DEFICIT SPENDING)</b>	<b>\$10,971,780</b>	<b>\$12,400,274</b>	<b>\$6,512,600</b>
BEGINNING BALANCE	\$55,104,038	\$66,075,818	\$78,476,092
(DEFICIT SPENDING) / SURPLUS	\$10,971,780	\$12,400,274	\$6,512,600
<b>ENDING BALANCE</b>	<b>\$66,075,818</b>	<b>\$78,476,092</b>	<b>\$84,988,692</b>
<b>COMPONENTS OF ENDING BALANCE:</b>			
NON SPENDABLE	\$1,170,000	\$1,170,000	\$1,170,000
COMMITTED BALANCE	\$7,547,582	\$7,547,582	\$7,547,581
OTHER ASSIGNMENTS	\$44,700,437	\$57,225,474	\$63,560,309
ECONOMIC UNCERTAINTIES	\$12,657,799	\$12,533,036	\$12,710,802

# RESERVE AMOUNTS ABOVE THE STATUTORY REQUIREMENT

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<b>Total Assigned/Unassigned Fund Balance</b>	<b>\$57,358,236</b>
<b>Allowed With No Explanation: 2% Operational Reserve</b>	<b>\$12,657,799</b>
<b>Fund Balance that Requires a Statement of Reasons</b>	<b>\$44,700,437</b>

- **Reasons for Reserve**
  - **LCAP Priorities**
  - **SAEA Tentative Agreement**
  - **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)	2015-16 Estimated Actuals	2016-17 July 1 Budget
Fund 09 – Charter School	\$35	\$356
Fund 12 – Child Development	\$102	\$104
Fund 13 – Cafeteria	\$22,780	\$20,345
Fund 14 – Deferred Maintenance	\$137	\$0
Fund 20 – Special Reserve Postemployment Benefits	\$15,037	\$15,037
Fund 21 – Building	\$2,889	\$2,380
Fund 25 – Capital Facilities	\$9,699	\$10,184
Fund 35 – School Facilities	\$25,226	\$25,338
Fund 40 – Special Reserve/Capital Outlay	\$3,314	\$758
Fund 49 – Capital Projects (COP)	\$828	\$825
Fund 51 – Bond Interest & Redemption	\$19,708	\$22,875
Fund 56 – Debt Service	\$10,237	\$10,845
Fund 67 – Self-Insurance	\$15,541	\$17,156

# NEXT STEPS

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

# THANK YOU

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