



SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item 11.2

Meeting Date: July 16, 2015

Subject: Approve 2015-16 District Budget Update and Revision-State Budget Approval

- Information Item Only
- Approval on Consent Agenda
- Conference (for discussion only)
- Conference/First Reading (Action Anticipated: _____)
- Conference/Action
- Action
- Public Hearing

Division: Business Services

Recommendation: Approve the 2015-16 district budget update and revision displaying the changes of the final state budget approval.

Background/Rationale: Education Code Section 42127(i)(4) requires districts to revise their budget “not later than 45 days” after the Governor signs the Annual Budget Act. The 2015-16 Budget Act was signed by the Governor on June 24, 2015. As such, SCUSD has until Saturday, August 8th, 2015, to submit a revised budget to the Sacramento County Office of Education. This Budget Revision reflects the impact of the Budget Act upon the district’s budget.

Financial Considerations: The proposed revisions to the adopted budget for the general fund reflect the adjustments needed to bring the District’s budget into alignment with the changes based on the Budget Act signed by the Governor on June 24, 2015, and all other expenditure and revenue data available to the District at this time.

LCAP Goal(s): Family and Community Engagement

Documents Attached:

1. Executive Summary
2. Budget Revisions
3. California Department of Finance regarding the 2015-16 Budget Act for K-12

Estimated Time: 15 minutes

Submitted by: Gerardo Castillo, CPA, Chief Business Officer
Michael Smith, Director Fiscal Services

Approved by: José L. Banda, Superintendent

Board of Education Executive Summary

Business Services

Approve 2015-2016 District Budget Update and Revision- State Budget Approval

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Board of Education Executive Summary

Business Services

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In summary your District lost \$411,674 due to shifting funds in order to support the Educator Support Initiative. The breakdown is:

Add Educator Support	\$2,732,184
Reduced LCFF	\$(1,046,008)
Reduced One-Time Discretionary Funds	<u>\$(2,097,850)</u>
Total Net Lost	<u><u>\$(411,674)</u></u>

However, our District already allocated \$450,000 for Beginning Teacher Support and Assessment (BTSA). Since the state funding for the Educator Support program is very similar to BTSA, these funds became available to cover the net loss due to the final state budget. The District does not have to make any other reductions that were included in the adopted budget at June 18th to cover the loss of \$411,674. In addition, the shifting from unrestricted to restricted (Educator Support) funds in the final State Budget created a hole of \$3,143,858 (\$1,046,008 LCFF and \$2,097,850 one-time discretionary funds) because the District has already allocated those funds. In order to balance, the District took advantage of the flexibility created for the routine maintenance as explained below.

x Routine Restricted Maintenance Contribution

The 2015-16 adopted budget from June 18th Board meeting included an estimated 3% required contribution or an increase of \$4,981,950 compared to the 2014 budget. The governor's final state budget allows flexibility to phase in the contribution (no less than 2 percent by 2017 and 3 percent by 2021) to routine maintenance account. This provision includes an increase of \$1.1 million instead of \$4.98 million at the June 18th Board meeting. The Routine Restricted Maintenance Account is \$10,292,258 for 2015-16.

x Emergency Repair Funds

During the June 4 and June 18 Board meetings, staff mentioned that the state will continue funding the one-time Emergency Repair Funds as the governor objectives to pay the "the wall of debt"

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III. Budget:

At the time of the Adopted Budget, staff included additional Revenue based on the Governor's May
Revise. The final state budget changed the General (78 0 Td () TS-109T) 10() 10() 10() 10() 10() 10() TJ E

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IV. Goals, Objectives and Measures:

Continue to provide information to the Board and the public in a timely manner including the required 2016-17 budget calendar and reporting periods such as First, Second Interim reports. Continue improving budget development process to comply with Local Control Accountability Plan (LCAP). Continue with the monthly budget committees

V. Major Initiatives:

- x Reworking the District chart of accounts to track supplemental and concentration expenditures
- x Fiscal stability for 2015-16 and outlying years
- x Utilizing funds prudently and effectively
- x New financial software

VI. Results:

Continued review and updates given to the Board, meet with staff and community regularly through LCAP process to obtain the information needed to make knowledgeable fiscal decisions.

VII. Lessons Learned/Next Steps:

- x Continue to monitor the fiscal health of the district and the state
- x Work closely with the Sacramento County Office of Education and provide necessary information
- x Provide a budget calendar for the 2016-17 fiscal year

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

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Edmund G. Brown Jr. Governor, State of California

INTRODUCTION

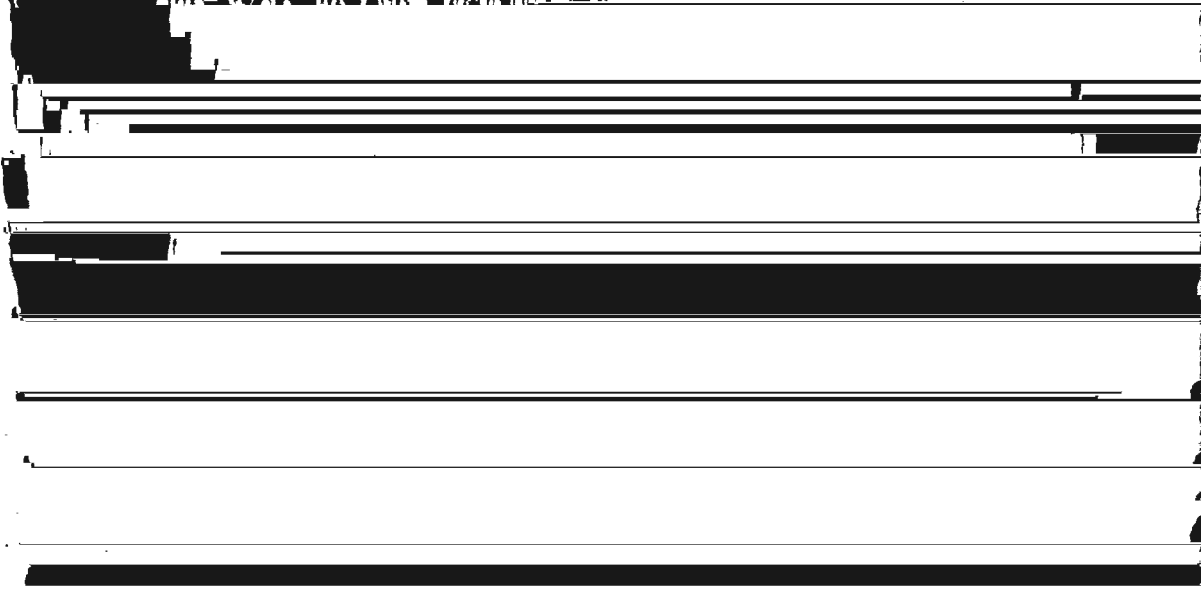
The 2015 Budget Act pays down debt and saves for a rainy day as it is the first year of Proposition 2. In addition, it increases spending on education. It also supports California's workforce development, drought assistance, and

[REDACTED]

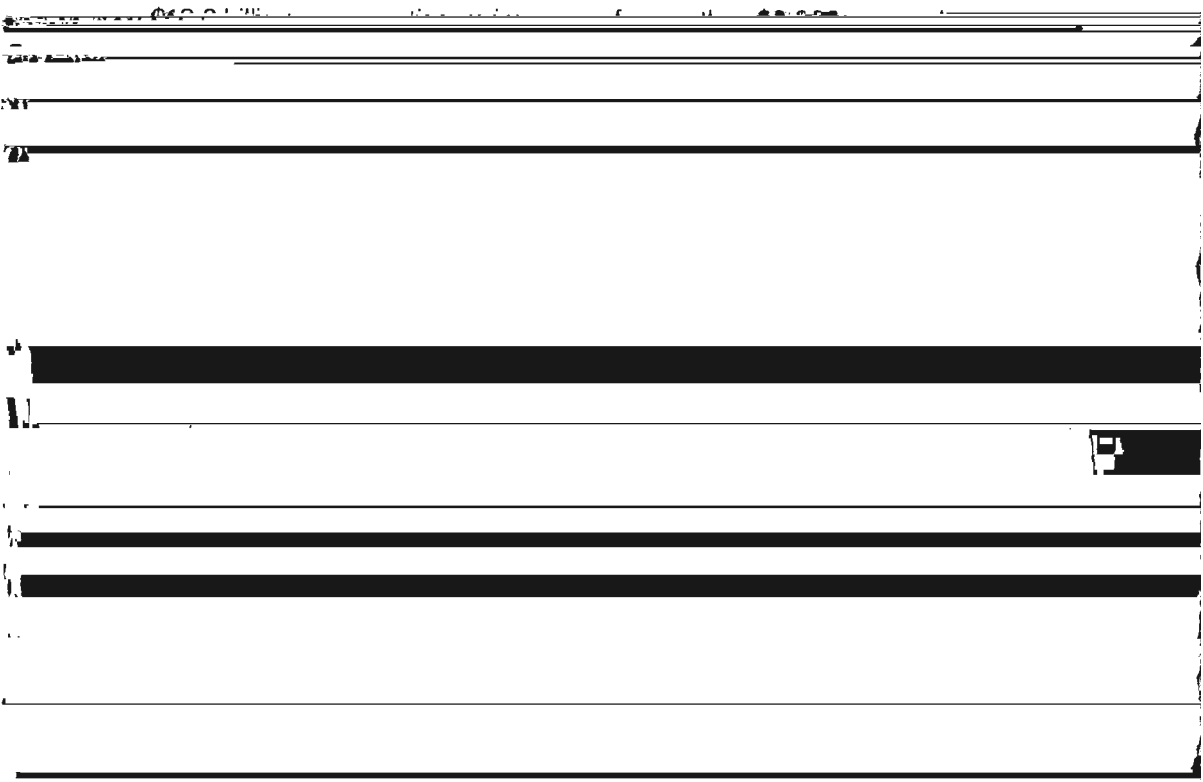
K THRU 12 EDUCATION

all provide instruction and support services to roughly six million students in 10,000 schools throughout the state. A system of 58 county offices of education, more than 1,000 local school districts, and 1,000 charter schools provide the majority of the state's K-12 education. The state's K-12 education system is the largest and most diverse in the nation.

\$6.1 billion in 2013-14 and 2014-15 as well as other one-time savings and adjustments in these years, the Budget provides a \$4.4 billion increased investment in K-12 education.

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Since 2011-12, Proposition 98 funding for K-12 education has grown by more than

A table with multiple rows and columns, almost entirely obscured by black redaction bars. Only a few faint lines of text are visible at the top of the table area.

ADULT EDUCATION

The Budget includes \$500 million Proposition 98 General Fund for the Adult Education

[REDACTED]

Block Grant program to provide funds for adult education administered by school districts, county offices of education, and community colleges districts.

[REDACTED]

This program will coordinate efforts of various entities—such as schools, community

[REDACTED]

CHILD CARE AND STATE PRESCHOOL

Subsidized Child Care includes a variety of programs designed to support low-income

[REDACTED]

[REDACTED]

[REDACTED]

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K THRU 12 EDUCATION

- Infant/Toddler Child Care Quality—A one-time grant of \$24.2 million General Fund to Quality Rating and Improvement System consortia to provide training, technical assistance, and resources to help infant and toddler child care providers meet a higher level of quality.