SAN LEANDRO UNIFIED SCHOOL DISTRICT

2016-17 SECOND INTERIM

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2016-17 Second Interim

Overview:

- 2016-17 Budget and Reserve Update
- CalSTRS and CalPERS
- Multi-Year Projection
- Next Steps

Budget Updates Since First Interim

- Major Revenue updates include:
  - Decreases:
    - 2015-16 Audit Finding $372,643
    - Decrease to ADA projection $583,274
    - MAA Revenue Reduction $ 62,000
  - Increases:
    - ROP One Time Grant $242,000
    - Redevelopment Agency $600,000
      (transferred from Fund 25 – restricted facilities funds)

Budget Updates Since First Interim

- Major Expenditure updates include:
  - Decreases:
    - Materials and Supplies $266,256
    - Certificated Salaries $846,029
      (reduced substitute budgets, position control updates, unfilled positions that have been contracted, other budget adjustments)
  - Increases:
    - Benefits (Retiree Health adjustment) $267,355
    - Special Ed Transportation $300,000
    - County Mental Health Services $250,000

2016-17 Revenues – General Fund First Interim vs Second Interim

Revenue Source	Original Budget	First Interim	Second Interim	Change I1 to I2
LCFF	$73,153,015	$75,443,327	$74,487,407	($955,920)
Federal	$4,122,087	$4,302,714	$4,271,531	($31,183)
State	$7,830,098	$9,952,126	$9,932,108	($20,018)
Local	$4,934,777	$4,858,180	$3,481,451	$738,878
Total	**$90,039,977**	**$94,556,347**	**$94,288,204**	**($268,143)**

2016-17 Expenditures – General Fund First Interim vs. Second Interim

Expense	Original budget	First Interim	Second Interim	Difference I1 to I2
Certificated Salaries	$46,463,756	$48,239,215	$47,393,186	$846,029
Classified Salaries	$12,164,209	$12,364,885	$12,346,404	$18,481
Employee Benefits	$15,037,441	$16,693,248	$16,844,164	($150,916)
Books and Supplies	$3,237,782	$3,591,976	$3,325,720	$266,256
Services	$11,611,790	$13,738,669	$14,238,454	($499,785)
Capital Outlay	$15,896	$85,581	$60,822	$24,759
Other Outgo	**$1,691,707**	**$1,783,614**	**$1,783,614**	**$0**
Indirect Costs	**($267,564)**	**($267,564)**	**($267,564)**	**$0**
Total Expenditures	**$89,955,017**	**$96,229,624**	**$95,724,800**	**$504,824**

Negative change = increased expenditure

2016-17 Fund Balance (Restricted and Unrestricted) First Interim vs Second Interim

	Original Budget	First Interim	Second Interim	Difference I1 to I2
Revenue	$90,039,977	$94,556,347	$94,288,204	**($268,143)**
Expenditures	$89,955,017	$96,229,624	$95,724,800	**$504,824**
Other Transfers	($675,505)	$157,000	$157,000	$0
Beginning Balance	$5,879,520	$5,879,520	$5,879,520	$0
Audit Adjustments	$0	$0	$0	$0
Total Ending Balance	**$5,288,975**	**$4,363,243**	**$4,599,924**	**$236,681**

2016-17 Estimated Ending Fund Balance and Reserves

Estimated Total Ending Fund balance $ 4,599,924

Components:
- Estimated Unrestricted General Fund: $ 3,003,619
- Estimated Restricted General Fund: $ 1,596,305

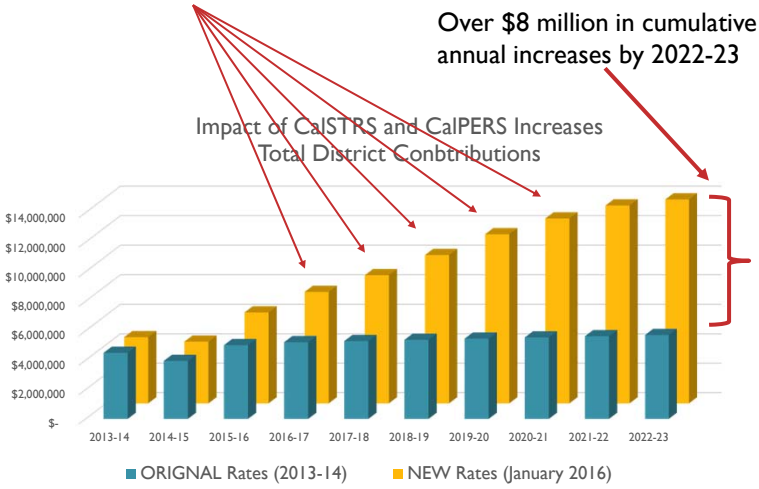
- Estimated GF Expenditures $95,855,800

Unrestricted GF Reserves: 3.13%
"Excess Reserves" above 3% $124,613

CalSTRS and CalPERS Increases

$1 million + in annual increases

Over $8 million in cumulative annual increases by 2022-23



General Fund Multi-Year Projection (Unrestricted and Restricted)

	2016-17	2017-18	2018-19
Revenue	$94,576,204	$94,798,055	$96,413,885
Expenditures	$95,855,800	$97,873,989	$97,323,657
General Fund Reductions		**$3,500,000**	**$3,500,000**
Combined Surplus/(Deficit)	($1,279,596)	$424,066	($911,772)
Unrestricted Reserves	$3,003,619	$3,099,766	$3,143,198
Unrestricted Reserves %	3.13%	3.17%	3.23%
"Excess Reserves"	$127,945	$163,546	$223,488

- Assumes $3,500,000 in ongoing reductions beginning in 2017-18
- Does not include any negotiated salary increases
- Assumes enrollment decline of 20 students in 2018-19
- Includes STRS and PERS increases
- Assumes that parcel tax ($750,000) expires after 2017-18

Multi-Year Projection

- 2017-18 General Fund Budget
  - Legislative Analyst's Office has said that it believes current year state revenues are on track and implies Governor's budget proposal is too low
  - Tax revenues through January are very close to original projections
  - If Governor does provide additional revenue in May Revise, that will help – but we will still have to make significant reductions and adjustments

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Next Steps

- The Governor will release his 2017-18 May Revise in two months
- It is not clear if Governor will accept higher revenue results and projections
- 2017-18 Original Budget will be presented along with LCAP for public hearing on June 6
- Budget and LCAP will be presented for adoption on June 20

Questions or Comments?