SAN LEANDRO UNIFIED SCHOOL DISTRICT

2017-18 ORIGINAL BUDGET

SLUSD Finance Committee – Budget Hearing

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Assistant Superintendent

June 6, 2017

2017-18 Original Budget

Timeline:

- January 2017 – Governor's January Budget Proposal
- May 2017 – Governor's May Revise
- *June 6 – Budget & LCAP Hearing*
- June 20 – Budget & LCAP Adoption
- June 30 – State Adopts Budget
- August – 45 Day Budget Revision (if needed)

2017-18 State Budget

- Cash deferral from June to July is no longer being considered.
- Partial suspension of Prop 98 is being proposed - future impact could be in billions of dollars for K-12.
- Governor is proposing $178 per ADA in one-time funding, but would not be allocated until May 2019, and then only if Prop 98 not yet fully funded.
- State spending is getting close to Gann Limit (Prop 4 of 1979). Governor is proposing that $22 billion of education funding be excluded from Gann calculation. Legislative Analyst Office states this would be subject to legal challenge. State revenue in excess of Gann calculation is supposed to be returned to tax payers.

2017-18 SLUSD Budget

- 2017-18 district budget is balanced because of almost $5 million in cuts and adjustments this year, and increasing enrollment.
- District will need to uphold those cuts to maintain 3% reserves and positive certification.

$5 Million in Budget Reductions and Adjustments

- $1.5 million in cuts and adjustments during 2016-17
- Additional $3.5 million budgeted for 2017-18

- Includes $1 million in management salaries
- Total of 36 FTE's reduced or moved to categorical funding
- Includes large reductions to supplies and contract services

2017-18 Original Budget

- May Revise (May 2016):
  - Gap Funding: 73.96% COLA: 1.11%
  - ***LCFF Increase: $ 3,197,822***

- January Proposal (Jan 2017):
  - Gap Funding: 34.42% COLA: 1.48%
  - *LCFF Increase: $ 1,588,209*
  - *One-time funding: $395,472*
  - ***Total LCFF + One-time = $1,983,681***

- May Revise (May 2017):
  - Gap Funding: 43.97% COLA: 1.56%
  - ***LCFF Increase: $ 2,055,703***

LCFF Revenue based on current enrollment

Revenues – Combined General Fund 2016-17 vs 2017-18

Revenue Source	2016-17	2017-18	Change
LCFF *	$74,487,407	$77,066,265	3.5%
Federal	4,335,263	4,090,637	-5.6%
State	9,932,108	8,745,458	-11.9%
Local	5,734,068	5,722,973	-0.2%
Total	**$94,488,846**	**$95,625,333**	**1.2%**

*2016-17 LCFF revenue includes one-time reduction for prior year unduplicated audit finding

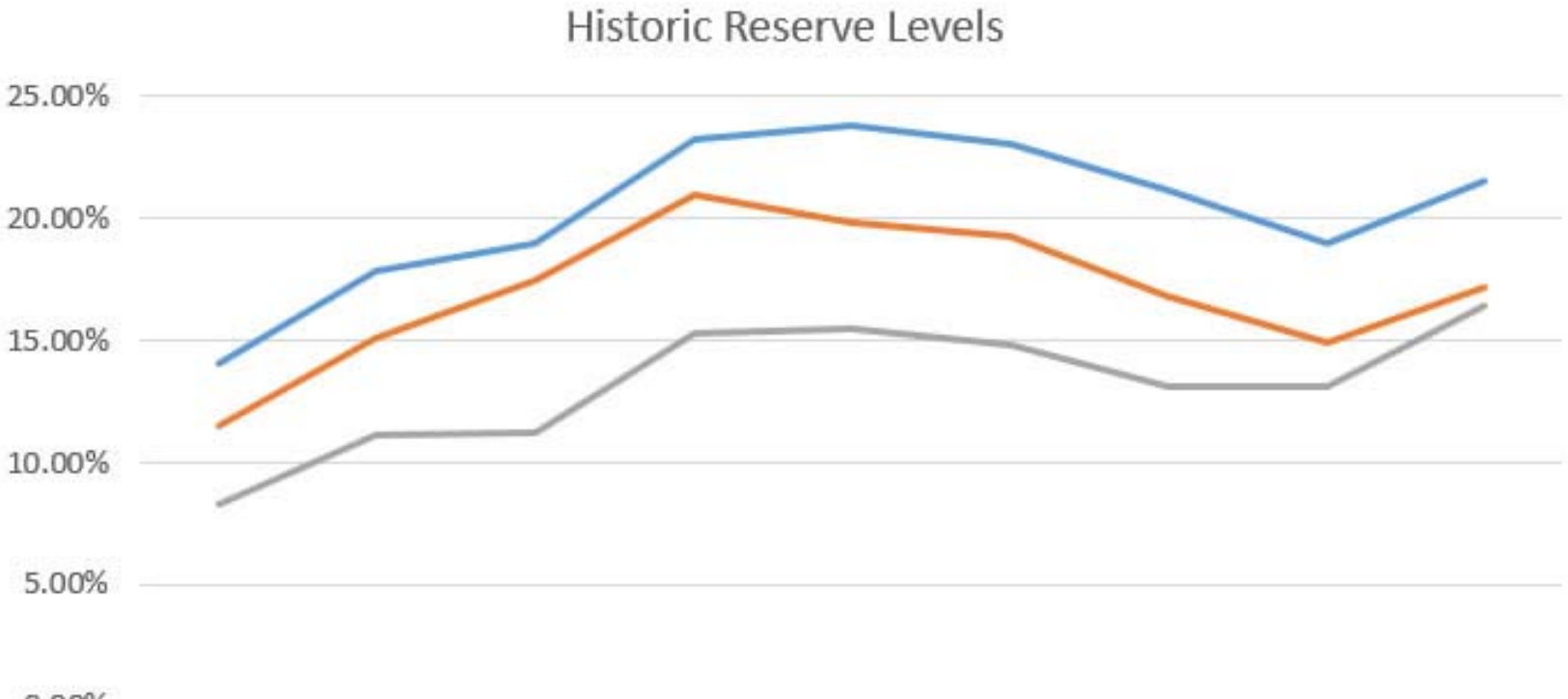
Expenditures – Combined General Fund 2016-17 vs 2017-18

Expense	2016-17	2017-18	Change
Certificated Salaries	$47,262,554	$47,356,948	0.2%
Classified Salaries	12,360,891	12,121,561	-1.9%
Employee Benefits	16,527,893	18,235,589	10.3%
Books and Supplies	3,190,893	2,830,070	-11.3%
Services	15,110,475	13,397,964	-11.3%
Capital Outlay	70,589	50,722	-28.1%
Other Outgo	1,783,614	1,175,150	-34.1%
Transfer of Indirect Costs	-267,564	-379,978	42%
Total Expenditures	**$96,039,345**	**$94,788,026**	**-1.3%**

Fund Balance – *Unrestricted* General Fund 2016-17 vs 2017-18

	2016-17	2017-18
Revenue	$73,979,192	$76,487,727
Expenditures	$66,585,887	$64,593,139
Other Transfers	$133,000	-$131,000
Ending Fund Balance – Net Increase (Decrease)	($1,293,039)	$3,888
Beginning Balance	$4,209,321	$2,916,282
Total Ending Balance	$2,916,282	$2,920,170
Required 3% Reserve	$2,889,820	$2,847,571
"Excess Reserves"	**$26,462**	**$72,599**

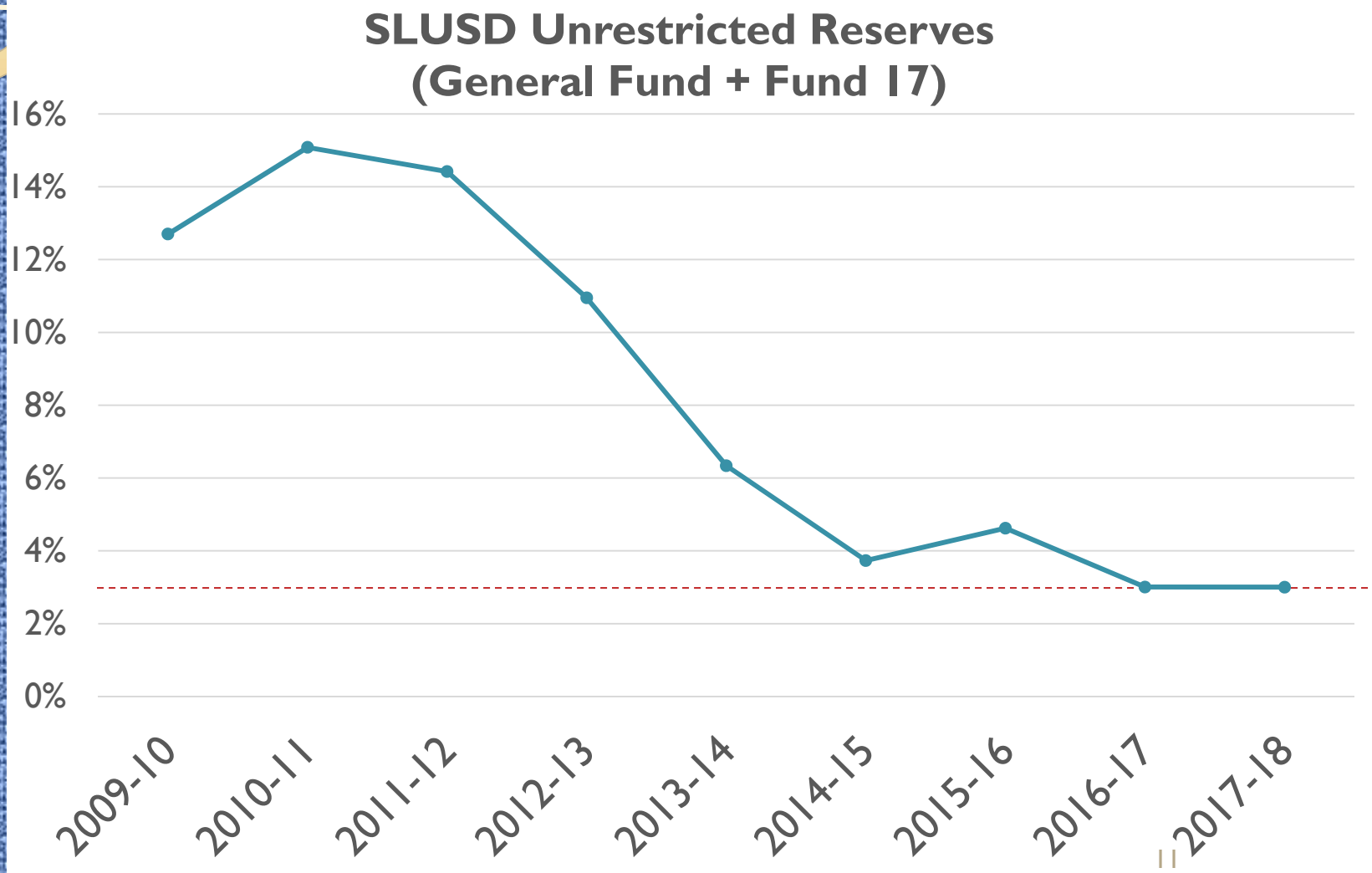
School Services of California - Average District Reserves



	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
E	14.05%	17.79%	18.95%	23.22%	23.75%	23.03%	21.13%	18.96%	21.54%
H	11.46%	15.10%	17.47%	20.96%	19.79%	19.27%	16.82%	14.86%	17.19%
U	8.32%	11.09%	11.23%	15.30%	15.44%	14.81%	13.13%	13.09%	16.45%

E= Elementary H = High School U = Unified

SLUSD Historical Unrestricted Reserves



Potential Budget Impacts

- Legislature is currently debating 2017-18 budget. One-time funding may be included in final adopted budget.
- We will know the results of the parcel tax election in late August.
- Unknown impact of federal education budget proposals or potential impact of ACA (Affordable Care Act) changes on state General Fund.

Next Steps

- District staff will make additional changes to budget based on Board input, as well as legislative and personnel changes
- Staff will incorporate new California Learning Communities for School Success Program (LCSSP Grant) into 2017-18 budget
- Final Budget will return on June 20 along with LCAP for adoption along with "Excess Reserves" public hearing

Questions or Comments?