SAN LEANDRO UNIFIED SCHOOL DISTRICT

2019-20 SECOND INTERIM

Kevin Collins, Ed.D.
Assistant Superintendent

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2019-20 Second Interim

Overview:

- 2019-20 Budget and Reserve Update
- Pension and Special Education Expenditures
- SLUSD Multi-Year Projection and Assumptions
- Next Steps

2019-20 Revenues – General Fund
First Interim vs Second Interim

Revenue Source	First Interim	Second Interim	Difference
LCFF	$90,115,935	$90,134,697	$18,762
Federal	$4,836,796	$4,804,565	($32,231)
State	$10,287,505	$10,423,842	$136,337
Local	$6,335,036	$6,362,754	$27,717
Total	**$111,575,272**	**$111,725,858**	**$150,586**

2019-20 Expenditures – General Fund
First Interim vs Second Interim

Expense	First Interim	Second Interim	Difference
Certificated Salaries	$55,689,695	$55,483,047	($206,648)
Classified Salaries	$13,763,482	$13,946,197	$182,715
Employee Benefits	$22,374,401	$22,476,070	$101,669
Books and Supplies	$3,065,254	$3,053,099	($12,155)
Services	$16,387,564	$16,656,748	$269,184
Capital Outlay	$502,421	$536,713	$34,292
Other Outgo and Transfers	$954,564	$1,116,779	$162,215
Total Expenditures	**$112,737,381**	**$113,268,653**	**$531,272**

2019-20 Fund Balance (Restricted and Unrestricted)

	First Interim	Second Interim	Difference
Revenue	$111,575,272	$111,725,858	$150,000
Expenditures	$112,737,381	$113,268,934	$531,553
Other Financing	$110,000	$110,000	$0
Net Increase (Decrease) in Fund Balance	($1,272,109)	($1,653,076)	($380,967)
Beginning Balance	$10,687,339	$10,687,339	$0
Audit Adjustments			
Ending Balance	**$9,415,230**	**$9,034,263**	**($380,967)**

2019-20 Estimated Ending Fund Balance and Reserves

- Estimated Unrestricted General Fund: $ 4,986,637
- Estimated Restricted General Fund: $ 4,007,627

Estimated GF Expenditures $ 113,268,934

Unrestricted GF Reserves: 4.4%

"Excess Reserves" above 3% $ 1,585,269

STRS and PERS Expenditures

PLANNING FACTORS					
Factors	2019–20	2020–21	2021–22	2022–23	2023–24
CalSTRS Employer Rate	17.10%	18.40%	18.10%	18.10%	18.10%
CalPERS Employer Rate	19.721%	22.80%	24.90%	25.90%	26.60%

Year	Cost per District ADA	Increase per District ADA
2015-16	$761	$143
2016-17	$925	$164
2017-18	$1,046	$121
2018-19	$1,248	$202
2019-20	$1,407	$159

LCFF increase per ADA for 2020-21: $330

Special Education Expenditures

- Total Special Education spending this year estimated to be $24.4 million, with revenue of $6.7 million
- Estimate that contribution will be $17.4 million this year, or 71% of total
- SLUSD Special Education costs have been increasing at average annual rate of 13.8% over past five years.

Special Education Expenditures

Year	Cost per District ADA	Increase per District ADA
2015-16	$2,012	$230
2016-17	$2,380	$368
2017-18	$2,416	$36
2018-19	$2,607	$191
2019-20	$2,863	$256

LCFF increase per ADA for 2020-21: $330

Multi-Year Projection (MYP) Overview

- MYP is a mathematical model that show the consequences of today's actions in light of a reasonable set of assumptions for the future.
- MYP requirement for schools is current year + two additional years
- This Second Interim MYP includes 2019-20, 2020-21, and 2021-22
- For next year's budget (to presented this June), MYP will include 2020-21, 2021-22, and 2022-23

Multi-Year Projection (MYP) Overview

- Increase of 50 students assumed for 2020-21
- COLA of 2.29% applied to LCFF revenue, and some categorical programs in 2020-21
- This year's one-time preschool funding of $612,000 reduced to $352,000 next year and ongoing (tentative)
- New SPED funding model brings in additional $850,000 through SELPA (Other Local Revenue)
- Does not include any negotiated salary increases, new positions, or additional programs

Multi-Year Projection (MYP) Overview

- Current MYP does not include any cuts but projects ending fund balance at absolute minimum of 3% in three years
- But next year's 2020-21 budget will require cuts to be included 3% minimum reserves and to retain positive certification
- Staff is working to produce expense reduction plan totaling $1.5 million for 2020-21
- With successful implementation of expense reduction plan, we will look to additional relief from May Revise to provide funding for negotiated salary increases
- We will then look to November election with "Full and Fair Funding" ballot initiative which could bring significant new revenue to the district in 2021-22

General Fund Multi-Year Projection (*Restricted and Unrestricted*)

	2019-20	2020-21	2021-22
Revenue	$111,725,858	$113,979,972	$116,322,454
Expenditures	$113,378,934	$115,453,402	$117,194,409
Restricted Ending Balance	$4,007,627	$3,466,622	$3,133,045
Unrestricted Ending Balance	$4,986,637	$4,054,211	$3,515,833
% Unrestricted Reserves	4.4%	3.5%	3.0%

- Does not include future negotiated salary increases
- Assumes increase of 50 students in 2020-21 and 95% attendance
- Assumes 2020-21 COLA of 2.29%
- Restricted reserves are primarily facilities accounts for future use

Next Steps

- We are watching attendance rates this spring. Increased absences would impact ADA and revenue estimates.
- The Governor will release his 2020-21 May Revise in two months, which will be followed by the School Services of California conference in Sacramento.
- 2020-21 Budget and LCAP will be presented for review and adoption in June.

Questions or Comments?