SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION

Agenda Item# 11.1

Meeting Date: **June 20, 2013**

Subject: **Adoption of Proposed Fiscal Year 2013-2014 Budget for All Funds**

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

Division: Administrative Services

Recommendation: Adopt the proposed 2013-14 Budget for all funds as presented at the June 13, 2013 Board Meeting.

Background/Rationale: At the June 13, 2013 Board meeting, a public hearing was conducted on the 2013-14 Budget with Board action on June 20th. By June 30th of each year, the school district must adopt a budget for all funds for the ensuing fiscal year. Prior to adoption of the budget, the Board must conduct a public hearing. This is in accordance with state prescribed procedures for single budget adoption, which require that the budget be adopted and submitted to the County Office of Education on state required forms by June 30th. The 2013-14 Budget establishes expenditure authority for the district to conduct business in the coming year.

The proposed 2013-14 budget is based on the May Revised Budget that was presented by the Governor on May 14, 2013, but incorporates recommendations from the Sacramento County Office of Education. While the Governor's May Revised Budget is a very significant event in the process, the final impact to the district will not be known until the State budget is signed. School districts have 45 days after the final State budget is signed to amend and resubmit their budget. The Governor has proposed a new funding model to allocate state aid – the Local Control Funding Formula (LCFF) – that replaces the revenue limits and most categorical programs. A surprising development in the May's Revision is new the LCFF accountability requirements that include annual financial/compliance audits and maintenance of effort spending provisions. These new developments are a critical piece of the 2013-14 Adopted Budget that significantly adds to the uncertainty surrounding our funding for next year.

The complete set of state required forms is quite voluminous and is available on the district's website at: **http://www.scusd.edu/board-meetings**.

Financial Considerations: The proposed budget establishes expenditure authority for all funds.

Documents Attached:

1. Executive Summary
2. Adopted Budget Summary -- All Funds
3. Adopted Budget documents are available for viewing in the Board of Education Office and on the web at **http://www.scusd.edu/board-meetings**

Estimated Time of Presentation:	10 Minutes
Submitted by:	Ken A. Forrest, Chief Business Officer
	Gerardo Castillo, CPA, Director III, Budget Services
Approved by:	Jonathan P. Raymond, Superintendent

Board of Education Executive Summary

Administrative Services

Adoption of Proposed Fiscal Year 2013-14 Budget for All Funds

June 20, 2013

I. OVERVIEW/HISTORY:

Based upon the information received to date, we are requesting the Board to adopt the budget as proposed at the June 13, 2013 Board meeting. As stated at the June 13, 2013 Board meeting, the district intends to review the impact of the signed finance bill and will recommend a budget revision at the July 18th Board meeting.

II. DRIVING GOVERNANCE:

- Education Code section 42127 requires the governing board of each school district to adopt a budget on or before July 1. The budget to be adopted shall be prepared in accordance with Education Code section 42126. The adopted budget shall be submitted to the County Office of Education. The County Office of Education determines if the district will be able to meet its financial obligations during the fiscal year and ensures a financial plan that will enable the district to satisfy its multi-year financial commitments.

III. BUDGET:

The following information details program/staffing reductions implemented to balance the fiscal year 2013-14 budget:

	GENERAL FUND			
		RESTRICTED	RESTRICTED	
	UNRESTRICTED	Partially Funded	Fully Funded	TOTAL
REVENUES				
REVENUE LIMIT SOURCES	$212,680,015	$10,677,725	$0	$223,357,740
FEDERAL REVENUE	$0	$8,092,235	$35,321,601	$43,413,836
OTHER STATE REVENUES	$51,662,932	$26,754,094	$34,455,952	$112,872,978
OTHER LOCAL REVENUES	$1,359,613	$0	$117,047	$1,476,660
TOTAL REVENUES	$265,702,560	$45,524,054	$69,894,600	$381,121,214
EXPENDITURES				
CERTIFICATED SALARIES	$115,313,152	$24,014,954	$25,416,150	$164,744,256
CLASSIFIED SALARIES	$23,120,671	$18,950,210	$6,427,351	$48,498,232
EMPLOYEE BENEFITS	$66,970,770	$29,031,250	$11,846,036	$107,848,056
BOOKS AND SUPPLIES	$3,925,450	$1,964,544	$8,606,794	$14,496,788
SERVICES/OTHER OP. EXP.	$19,994,292	$12,577,229	$16,130,212	$48,701,733
CAPITAL OUTLAY	$112,619	$46,549	$90,709	$249,877
OTHER OUTGO	$2,125,000	$0	$0	$2,125,000
INDIRECT/DIRECT SUPPORT	-$3,738,624	$318,507	$1,777,353	-$1,642,764
TOTAL EXPENDITURES	$227,823,330	$86,903,243	$70,294,605	$385,021,178
OTHER FINANCING SOURCES/USES				
INTERFUND TRANSFERS IN	$1,617,168	$0	$0	$1,617,168
INTERFUND TRANSFERS OUT	$0	$0	$0	$0
OTHER SOURCES				
OTHER USES	-$41,379,189	$41,379,189	$0	$0
TOTAL OTHER SOURCES/USES	-$39,762,021	$41,379,189	$0	$1,617,168
NET CHANGE IN FUND BALANCE	-$1,882,791	$0	-$400,005	-$2,282,796
BEGINNING BALANCE, JULY 1	$11,407,613	$0	$400,005	$11,807,618
Audit Adjustments				
ENDING BALANCE	$9,524,822	$0	$0	$9,524,822
Reserved Fund Balance	$545,000			$545,000
Designated Fund Balance:				
Economic Uncertainties	$8,979,822		$0	$8,979,822
Other				
Unappropriated Fund Balance	$0	$0	$0	$0

Continued from previous page	Charter School Fund	Adult Education Fund	Cafeteria Fund	Child Development Fund
REVENUES				
REVENUE LIMIT SOURCES	$9,349,591			
FEDERAL REVENUE	$165,262	$1,017,752	$18,284,413	$10,353,508
OTHER STATE REVENUES	$1,554,212	$111,000	$1,198,250	$4,858,136
OTHER LOCAL REVENUES		$4,405,000	$1,253,775	$2,379,890
TOTAL REVENUES	$11,069,065	$5,533,752	$20,736,438	$17,591,534
EXPENDITURES				
CERTIFICATED SALARIES	$5,191,939	$2,072,615		$5,865,037
CLASSIFIED SALARIES	$634,485	$1,309,878	$6,016,127	$3,976,441
EMPLOYEE BENEFITS	$3,073,113	$1,939,612	$3,618,484	$6,270,580
BOOKS AND SUPPLIES	$136,604	$257,776	$9,580,577	$495,257
SERVICES/OTHER OP. EXP.	$1,032,295	$431,028	$257,250	$395,798
CAPITAL OUTLAY			$225,000	$7,500
OTHER OUTGO				
INDIRECT/DIRECT SUPPORT		$22,843	$1,039,000	$580,921
TOTAL EXPENDITURES	$10,068,436	$6,033,752	$20,736,438	$17,591,534
OTHER FINANCING SOURCES/USES				
INTERFUND TRANSFERS IN				
INTERFUND TRANSFERS OUT	-$776,168	-$841,000		
OTHER SOURCES				
OTHER USES				
TOTAL OTHER SOURCES/USES	-$776,168	-$841,000	$0	$0
NET CHANGE IN FUND BALANCE	$224,461	-$1,341,000	$0	$0
BEGINNING BALANCE, JULY 1	$811,035	$1,591,365	$4,447,917	$1,126,277
Audit Adjustments				
ENDING BALANCE	$1,035,496	$250,365	$4,447,917	$1,126,277
Reserved Fund Balance	$131,528		$4,223,421	$69,031
Designated Fund Balance:				
Economic Uncertainties				
Other	$903,968	$250,365	$224,496	$1,057,246
Unappropriated Fund Balance	$0	$0	$0	$0

Continued from previous page	Deferred Maintenance Fund	General Obligation Bonds Fund	Building Fund	Capital Facilities Funds Funds 25, 49, 52
REVENUES				
REVENUE LIMIT SOURCES				
FEDERAL REVENUE				
OTHER STATE REVENUES				
OTHER LOCAL REVENUES				$2,405,000
TOTAL REVENUES	$0	$0	$0	$2,405,000
EXPENDITURES				
CERTIFICATED SALARIES				
CLASSIFIED SALARIES			$333,979	
EMPLOYEE BENEFITS			$127,769	
BOOKS AND SUPPLIES			$2,050,000	
SERVICES/OTHER OP. EXP.			$3,334,000	
CAPITAL OUTLAY			$26,272,863	$3,100,000
OTHER OUTGO				$3,088,215
INDIRECT/DIRECT SUPPORT				
TOTAL EXPENDITURES	$0	$0	$32,118,611	$6,188,215
OTHER FINANCING SOURCES/USES				
INTERFUND TRANSFERS IN				
INTERFUND TRANSFERS OUT				
OTHER SOURCES			$22,119,091	
OTHER USES				
TOTAL OTHER SOURCES/USES	$0	$0	$22,119,091	$0
NET CHANGE IN FUND BALANCE	$0	$0	-$9,999,520	-$3,783,215
BEGINNING BALANCE, JULY 1	$31,000		$14,126,090	$17,925,970
Audit Adjustments				
ENDING BALANCE	$31,000	$0	$4,126,570	$14,142,755
Reserved Fund Balance				
Designated Fund Balance:				
Economic Uncertainties				
Other	$31,000		$4,126,570	$14,142,755
Unappropriated Fund Balance	$0	$0	$0	$0

Continued from previous page	Dental Vision Fund	Retiree Benefit Fund	Self Insurance Fund	**Grand Total All Funds**
REVENUES				
REVENUE LIMIT SOURCES				$232,707,331
FEDERAL REVENUE				$73,234,771
OTHER STATE REVENUES				$120,594,576
OTHER LOCAL REVENUES	$7,300,000	$22,001,231	$4,999,996	$46,221,552
TOTAL REVENUES	$7,300,000	$22,001,231	$4,999,996	$472,758,230
EXPENDITURES				
CERTIFICATED SALARIES				$177,873,847
CLASSIFIED SALARIES	$83,451		$166,179	$61,018,772
EMPLOYEE BENEFITS	$58,586		$84,919	$123,021,119
BOOKS AND SUPPLIES			$118,000	$27,135,002
SERVICES/OTHER OP. EXP.	$7,157,963	$25,096,804	$4,630,898	$91,037,769
CAPITAL OUTLAY				$29,855,240
OTHER OUTGO				$5,213,215
INDIRECT/DIRECT SUPPORT				$0
TOTAL EXPENDITURES	$7,300,000	$25,096,804	$4,999,996	$515,154,964
OTHER FINANCING SOURCES/USES				
INTERFUND TRANSFERS IN				$1,617,168
INTERFUND TRANSFERS OUT				-$1,617,168
OTHER SOURCES				$22,119,091
OTHER USES				$0
TOTAL OTHER SOURCES/USES	$0	$0	$0	$22,119,091
NET CHANGE IN FUND BALANCE	$0	-$3,095,573	$0	-$20,277,643
BEGINNING BALANCE, JULY 1	$220,146	$12,171,992	$2,961,207	$67,220,617
Audit Adjustments				$0
ENDING BALANCE	$220,146	$9,076,419	$2,961,207	$46,942,974
Reserved Fund Balance	$220,146	$9,076,419	$2,961,207	$17,226,752
Designated Fund Balance:				$0
Economic Uncertainties				$8,979,822
Other				$20,736,400
Unappropriated Fund Balance	$0	$0	$0	$0

IV. GOALS, OBJECTIVES AND MEASURES:

Present revisions to this budget for a balanced 2013-14 Adopted Budget for Board approval within 45 days within the bill becoming law.

V. MAJOR INITIATIVES:

- Continued analysis of information from the state

VI. RESULTS:

With the approval of the 2013-14 Adopted Budget, expenditure authority for 2013-14 will be in place and the June 30, 2013 State required deadline will be met.

VII. LESSONS LEARNED/NEXT STEPS:

- Continue to monitor the State budget and its impact on the district finances.
- Implement a budget development process that begins to address the significant ongoing budget reductions that will be necessary.
- Develop a fund balance policy.
- Provide financial updates to the Board and then the public by posting updates to the District website.

Sacramento City Unified School District • 2013-2014
Adopted Budget Summary--All Funds

	GENERAL FUND				Charter	Adult		Child	Deferred	General		Capital	Dental	Retiree	Self	Grand
	UNRESTRICTED	RESTRICTED Partially Funded	RESTRICTED Fully Funded	TOTAL	School Fund	Education Fund	Cafeteria Fund	Development Fund	Maintenance Fund	Obligation Bonds Fund	Building Fund	Facilities Funds Funds 25, 49, 52	Vision Fund	Benefit Fund	Insurance Fund	Total All Funds
REVENUES																
REVENUE LIMIT SOURCES	$212,680,015	$10,677,725	$0	$223,357,740	$9,349,591											$232,707,331
FEDERAL REVENUE	$0	$8,092,235	$35,321,601	$43,413,836	$165,262	$1,017,752	$18,284,413	$10,353,508								$73,234,771
OTHER STATE REVENUES	$51,662,932	$26,754,094	$34,455,952	$112,872,978	$1,554,212	$111,000	$1,198,250	$4,858,136								$120,594,576
OTHER LOCAL REVENUES	$1,359,613	$0	$117,047	$1,476,660		$4,405,000	$1,253,775	$2,379,890				$2,405,000	$7,300,000	$22,001,231	$4,999,996	$46,221,552
TOTAL REVENUES	$265,702,560	$45,524,054	$69,894,600	$381,121,214	$11,069,065	$5,533,752	$20,736,438	$17,591,534	$0	$0	$0	$2,405,000	$7,300,000	$22,001,231	$4,999,996	$472,758,230
EXPENDITURES																
CERTIFICATED SALARIES	$115,313,152	$24,014,954	$25,416,150	$164,744,256	$5,191,939	$2,072,615		$5,865,037								$177,873,847
CLASSIFIED SALARIES	$23,120,671	$18,950,210	$6,427,351	$48,498,232	$634,485	$1,309,878	$6,016,127	$3,976,441			$333,979		$83,451		$166,179	$61,018,772
EMPLOYEE BENEFITS	$66,970,770	$29,031,250	$11,846,036	$107,848,056	$3,073,113	$1,939,612	$3,618,484	$6,270,580			$127,769		$58,586		$84,919	$123,021,119
BOOKS AND SUPPLIES	$3,925,450	$1,964,544	$8,606,794	$14,496,788	$136,604	$257,776	$9,580,577	$495,257			$2,050,000				$118,000	$27,135,002
SERVICES/OTHER OP. EXP.	$19,994,292	$12,577,229	$16,130,212	$48,701,733	$1,032,295	$431,028	$257,250	$395,798			$3,334,000		$7,157,963	$25,096,804	$4,630,898	$91,037,769
CAPITAL OUTLAY	$112,619	$46,549	$90,709	$249,877			$225,000	$7,500			$26,272,863	$3,100,000				$29,855,240
OTHER OUTGO	$2,125,000	$0	$0	$2,125,000								$3,088,215				$5,213,215
INDIRECT/DIRECT SUPPORT	-$3,738,624	$318,507	$1,777,353	-$1,642,764		$22,843	$1,039,000	$580,921								$0
TOTAL EXPENDITURES	$227,823,330	$86,903,243	$70,294,605	$385,021,178	$10,068,436	$6,033,752	$20,736,438	$17,591,534	$0	$0	$32,118,611	$6,188,215	$7,300,000	$25,096,804	$4,999,996	$515,154,964
OTHER FINANCING SOURCES/USES																
INTERFUND TRANSFERS IN	$1,617,168	$0	$0	$1,617,168												$1,617,168
INTERFUND TRANSFERS OUT	$0	$0	$0	$0	-$776,168	-$841,000										-$1,617,168
OTHER SOURCES											$22,119,091					$22,119,091
OTHER USES	-$41,379,189	$41,379,189	$0	$0												$0
TOTAL OTHER SOURCES/USES	-$39,762,021	$41,379,189	$0	$1,617,168	-$776,168	-$841,000	$0	$0	$0	$0	$22,119,091	$0	$0	$0	$0	$22,119,091
NET CHANGE IN FUND BALANCE	-$1,882,791	$0	-$400,005	-$2,282,796	$224,461	-$1,341,000	$0	$0	$0	$0	-$9,999,520	-$3,783,215	$0	-$3,095,573	$0	-$20,277,643
BEGINNING BALANCE, JULY 1	$11,407,613	$0	$400,005	$11,807,618	$811,035	$1,591,365	$4,447,917	$1,126,277	$31,000		$14,126,090	$17,925,970	$220,146	$12,171,992	$2,961,207	$67,220,617
Audit Adjustments																$0
ENDING BALANCE	$9,524,822	$0	$0	$9,524,822	$1,035,496	$250,365	$4,447,917	$1,126,277	$31,000	$0	$4,126,570	$14,142,755	$220,146	$9,076,419	$2,961,207	$46,942,974
Reserved Fund Balance	$545,000			$545,000	$131,528		$4,223,421	$69,031					$220,146	$9,076,419	$2,961,207	$17,226,752
Designated Fund Balance:																$0
Economic Uncertainties	$8,979,822		$0	$8,979,822												$8,979,822
Other					$903,968	$250,365	$224,496	$1,057,246	$31,000		$4,126,570	$14,142,755				$20,736,400
Unappropriated Fund Balance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0