



SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item 9.1

Meeting Date: May 2, 2019

Subject: Present and Discuss the 2019-20 Budget Development and 2018-19 Budget Update

- 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: Receive information on 2019-20 Budget Development and preliminary recommendations on school staffing and school allocations.

Background/Rationale: The 2019-20 Governor's Proposed Budget was released on January 10, 2019. The Board of Education discussed the Governor's proposal and the potential impacts on Sacramento City Unified, as well as the Fiscal Recovery Plan, at the following Board of Education meetings:

■February 2, 2019 ■March 7, 2019 ■March 21, 2019 ■April 4, 2019

On May 2, 2019, staff and the Board will continue budget development discussions on school staffing and school allocations. In addition, staff will provide an update on some of the April 4, 2019 proposed program and service reduction options.

Financial Considerations: Board review and preparation for the adoption of the 2019-20 budget.

LCAP Goal(s): Family and Community Empowerment; Operational Excellence

Documents Attached:

1. Executive Summary

Estimated Time of Presentation: 1P0 minutes

Submitted by: Jacquie Canfield, Fortson Consulting LLC

Gloria Chung, Fiscal Services Director

Approved by: Jorge A. Aguilar, Superintendent



Board of Education Executive Summary

Business Services

Present and Discuss the 2019-20 Budget Development and 2018-19 Budget Update
May 2, 2019

I. Overview/History:

On January 10, 2019, the Governor's Budget Proposal was released with a proposed state budget of \$209 billion, 29% of that budget going towards K-12 Education. Staff is preparing for the review and adoption of the 2019-20 Budget to meet the July 1st deadline.

On February 7th and March 21st, staff presented the Fiscal Recovery Plan Update which focused on three primary areas from which reductions are to be made: reductions in positions; reductions in expenditures; and negotiated agreements with labor partners. Staff identified \$35 million in on-going reductions for the 2019-20 and 2020-21 fiscal years.

At the April 4, 2019, Board Meeting, staff presented a budget update and additional program and service options to reduce the budget and address the District's structural deficit

Items that will be presented at upcoming Board Meetings include the 2018-19 Third Interim Financial Report, which will be presented to the Board at the May 16, 2019 Board Meeting as well as other program areas. The public hearing for the proposed 2019-20 Budget will be presented at the June 6, Board Meeting and the 2019-20 budget for adoption will be presented at the June 20 Board Meeting.

Tonight, staff will present and discuss the budget development process for the 2019-20 budget and preliminary recommendations for staffing of schools in preparation of the June Board Meetings.

II. Driving Governance:

- Education Code section 42127 requires the Governing Board of each school district to adopt a budget on or before July 1st. 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 will determine if the district will be able to meet its financial obligations during the fiscal year and ensure a financial plan that will enable the district to satisfy its multi-year financial commitments.

III. Budget:

Staff is currently preparing the budget based on the Governor's budget presented in January. Staff will attend the Governor's May Budget Revision Workshop scheduled on May 20th. Budget projections remain extremely fluid at this point and can change as the legislature meets and discusses changes to the Governor's Budget.

IV. Goals, Objectives, and Measures:

Continue to follow the budget development timeline in preparation of the 2019-20 Adopted budget.



Board of Education Executive Summary

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V. Major Initiatives:

- Work with Sacramento County Fiscal Advisor on mitigation measures for reserve deficiency.

VI. Results:

Budget development for FY 2019-20 will follow the calendar approved by the Board. Required Board actions will take place in a timely manner to ensure an Adopted Budget is in place on or before July 1, 2019.

VII. Lessons Learned/Next Steps:

- Follow the approved calendar with adjustments made as necessary.
- Continue to monitor the state budget and its impact on the district finances.
- Continue to engage stakeholders in the budget development process through community budget meetings.
- Meet and communicate with bargaining unit partners.
- Ensure compliance with all LCFF and LCAP requirements.