



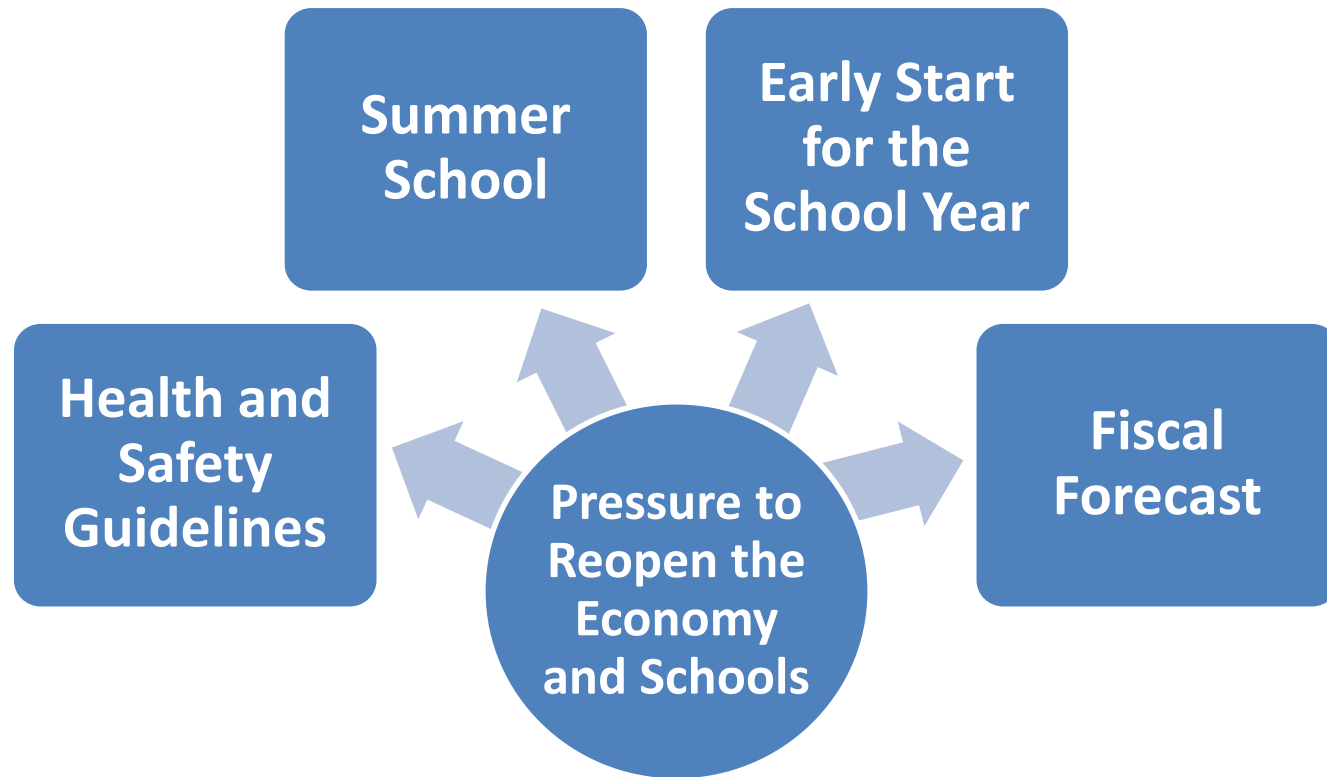
# State Budget for K12 Education Three LCFF COLA Scenarios Impact on SCUSD's Budget

Board Meeting  
May 7, 2020  
Agenda Item No. 10.1

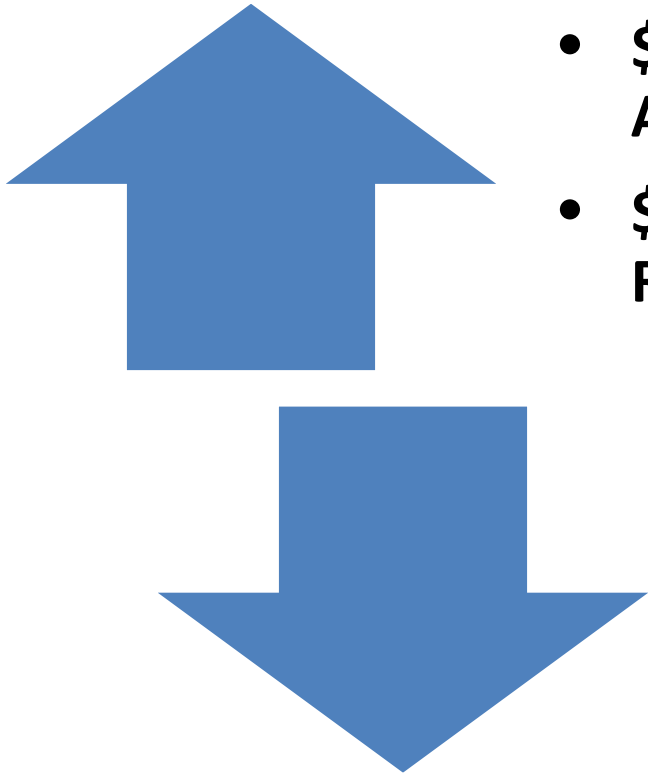
# Budget Presentation Agenda

- School Services of California State Budget Update
- Three LCFF COLA Scenarios:
  1. 0% Best case
  2. -2% Possible Case
  3. -10% Worst Case
- Impact on SCUSD's Projected LCFF Revenue and Cash in 2020-21 and 2021-2022

# More Questions than Answers



# State Budget Reserves



- **\$16.5 billion in Budget Stabilization Account**
- **\$377 million in State-Level School Reserve**
- **LAO estimates that for every \$2.5 billion in lost state revenue, the Proposition 98 minimum guarantee will decline by \$1 billion**

\* Legislative Analyst's Office (LAO)

# Federal CARES Act Funds

California expected to receive \$1.65 billion in the Elementary and Secondary School Emergency Relief (ESSER) Fund

SSC estimates Sacramento City USD will receive at least \$15.9 million

Governor and the Legislature to decide how to use \$165 million of ESSER funds

California expected to receive \$355 million in the Governor's Emergency Education Relief Fund

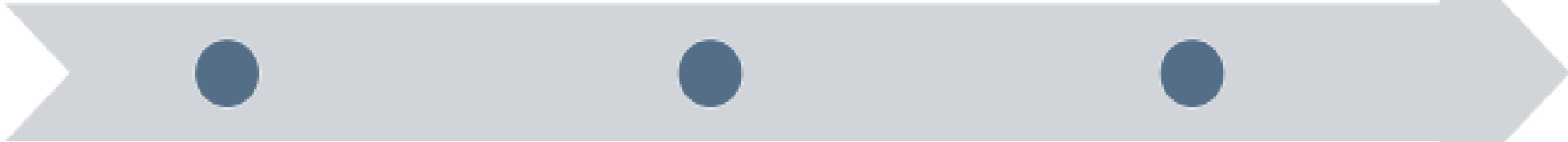
Governor and the Legislature decide how these funds are used

# State Budget Process

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**May Revision to the  
state budget  
required no later  
than May 14**

**Potential state  
budget revision in  
the fall after income  
tax filing deadline**



**Legislature must  
pass the Budget Bill  
no later than June 15**

# LCFF COLA Scenarios: 0%, -2% and -10%

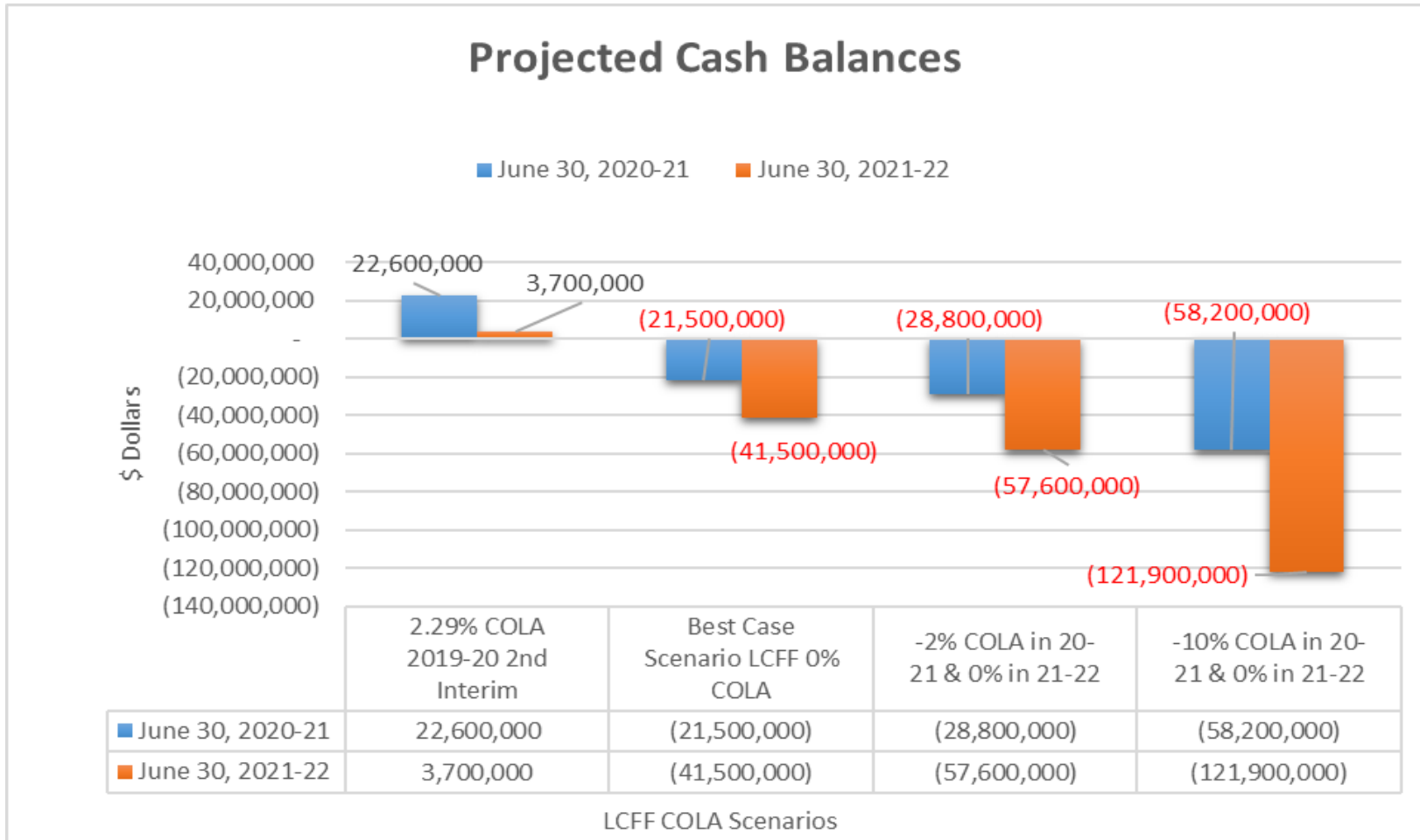
## Impact on SCUSD's Budget

LCFF Revenue Changes from 2019-20 2nd Interim	2020-2021	2021-2022
Best Case Scenario LCFF 0% COLA	(9,200,000)	(20,300,000)
-2% COLA in 20-21 & 0% in 21-22	(17,300,000)	(28,300,000)
-10% COLA in 20-21 & 0% in 21-22	(49,600,000)	(60,300,000)
Projected Cash Balances as of	June 30, 2020-21	June 30, 2021-22
2.29% COLA 2019-20 2nd Interim	22,600,000	3,700,000
Best Case Scenario LCFF 0% COLA	(21,500,000)	(41,500,000)
-2% COLA in 20-21 & 0% in 21-22	(28,800,000)	(57,600,000)
-10% COLA in 20-21 & 0% in 21-22	(58,200,000)	(121,900,000)

***Scenarios applied to recent Financial Report 2019-20 2<sup>nd</sup> Interim Financial Report***



# LCFF COLA Scenarios: 0%, -2% and -10% Impact on Projected Cash Balances





# 2020-21 State Budget for K12: Impact on SCUSD's Budget

## Additional Considerations To Date

- Revenue deferrals and reductions
  - Deferral of the June 2020 apportionment \$27M
  - Proposed Special Education funding increases for AB 602 and the preschool will not be funded \$6M revenue loss
  - 15% reduction in the 2020-21 Lottery \$1.2M revenue loss
- Expenditures
  - 12% increase in Health Benefit costs approximately \$5M effective July 1, 2020, the District projections included \$2M increase
  - One-time savings in utilities and supplies March - June 30, 2020

# District's Next Budget Dates

- May 21, 2020 – Third Interim Financial Report for Fiscal Year 2019-2020
- June 4, 2020 – Proposed District Budget for Fiscal Year 2020-2021
- June 18, 2020 – Adopted District Budget for Fiscal Year 2021-2020

# Questions?