SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION

Agenda Item# 10.3

Meeting Date: June 18, 2015

Subject: Adopt Proposed Fiscal Year 2015-2016 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: Business Services

Recommendation: Adopt the proposed 2015-16 Budget for all funds as presented at the Public Hearing on June 4, 2015 Board Meeting.

Background/Rationale: At the June 4, 2015 Board meeting, a public hearing was conducted on the proposed 2015-16 Budget for all funds. Administration is now requesting action to adopt the proposed Budget. As indicated at the prior Board meeting, 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 2015-16 Budget establishes expenditure authority for the district to conduct business for the next fiscal year.

The proposed 2015-16 budget is based on the May Revise Budget that was presented by the Governor on May 14, 2015, but incorporates recommendations from the Sacramento County Office of Education. While the Governor's May Revise 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 complete set of state required forms is quite voluminous and it is available on the district's website as presented at the June 4, 2015 Board Meeting.

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

LCAP Goal(s): Family and Community Engagement

Documents Attached:

1. All the documents presented on First Reading on June 4, 2015 Board Meeting, Agenda 9.3 applies, http://www.scusd.edu/sites/main/files/file-attachments/9.3_-_mon_copy.pdf
2. Adopted Budget Summary All Funds
3. Power Point Presentation

Estimated Time of Presentation:	15 Minutes
Submitted by:	Gerardo Castillo, CPA, Chief Business Officer
Approved by:	José L. Banda, Superintendent

Sacramento City Unified School District • 2015-2016
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	County Schools Facilities Fund	Vision Fund	Benefit Fund	Insurance Fund	Total All Funds
REVENUES																	
LCFF SOURCES	$342,665,973	$0	$0	$342,665,973	$16,208,817												$358,874,790
FEDERAL REVENUE	$0	$8,437,152	$37,612,008	$46,049,160	$332,517	$2,504,838	$18,995,500	$11,162,567									$79,044,582
OTHER STATE REVENUES	$27,950,045	$22,121,679	$22,551,562	$72,623,286	$304,456	$350,000	$1,255,000	$5,601,270									$80,134,012
OTHER LOCAL REVENUES	$1,328,155	$0	$3,643,128	$4,971,283		$4,520,000	$952,000	$2,080,000				$2,777,108		$8,967,265	$20,602,000	$5,047,742	$49,917,398
TOTAL REVENUES	$371,944,173	$30,558,831	$63,806,698	$466,309,702	$16,845,790	$7,374,838	$21,202,500	$18,843,837	$0	$0	$0	$2,777,108	$0	$8,967,265	$20,602,000	$5,047,742	$567,970,782
EXPENDITURES																	
CERTIFICATED SALARIES	$138,030,300	$27,341,165	$14,885,531	$180,256,996	$6,759,977	$1,934,141		$6,282,492									$195,233,606
CLASSIFIED SALARIES	$35,892,108	$14,277,399	$6,194,981	$56,364,488	$962,907	$1,433,918	$6,192,697	$4,085,287			$966,426			$131,234		$122,926	$70,259,883
EMPLOYEE BENEFITS	$98,735,899	$28,195,106	$9,422,235	$136,353,240	$4,868,430	$1,980,815	$3,742,320	$7,312,630			$407,786			$63,454		$63,036	$154,791,711
BOOKS AND SUPPLIES	$7,949,949	$1,501,799	$11,301,682	$20,753,430	$518,324	$221,958	$10,618,688	$650,022			$0					$118,000	$32,880,422
SERVICES/OTHER OP. EXP.	$25,969,975	$17,274,547	$14,641,123	$57,885,645	$1,811,061	$2,070,934	$368,795	$524,337			$0	$15,000		$8,772,577	$20,602,000	$4,610,500	$96,660,849
CAPITAL OUTLAY	$2,063,489	$3,368,000	$9,737,490	$15,168,979	$2,992		$100,000	$0	$0		$60,597,551	$2,401,749					$78,271,271
OTHER OUTGO	$3,545,018	$0	$0	$3,545,018	$0							$2,405,000					$5,950,018
INDIRECT/DIRECT SUPPORT	-$3,632,050	$538,851	$1,566,058	-$1,527,141	$0	$38,072	$780,000	$709,069									$0
TOTAL EXPENDITURES	$308,554,688	$92,496,867	$67,749,100	$468,800,655	$14,923,691	$7,679,838	$21,802,500	$19,563,837	$0	$0	$61,971,763	$4,821,749	$0	$8,967,265	$20,602,000	$4,914,462	$634,047,760
OTHER FINANCING SOURCES/USES																	
INTERFUND TRANSFERS IN	$1,386,880	$0	$0	$1,386,880		$230,000		$1,500,000									$3,116,880
INTERFUND TRANSFERS OUT	-$1,730,000	$0	$0	-$1,730,000	-$1,386,880	$0											-$3,116,880
OTHER SOURCES											$0						$0
OTHER USES	-$61,938,036	$61,938,036	$0	$0													$0
TOTAL OTHER SOURCES/USES	-$62,281,156	$61,938,036	$0	-$343,120	-$1,386,880	$230,000	$0	$1,500,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
NET CHANGE IN FUND BALANCE	$1,108,329	$0	-$3,942,402	-$2,834,073	$535,219	-$75,000	-$600,000	$780,000	$0	$0	-$61,971,763	-$2,044,641		$0	$0	$133,280	-$66,076,978
BEGINNING BALANCE, JULY 1	$26,345,804	$0	$3,942,402	$30,288,206	$884,070	$118,451	$8,921,552	$10,800	$0		$83,480,971	$9,552,626		$0	$23,525,221	$4,047,588	$160,829,484
Audit Adjustments																	$0
ENDING BALANCE	$27,454,133	$0	$0	$27,454,133	$1,419,289	$43,451	$8,321,552	$790,800	$0	$0	$21,509,208	$7,507,985		$0	$23,525,221	$4,180,868	$94,752,506
Reserved Fund Balance	$545,000		$0	$545,000	$129,623	$42,378	$8,098,600							$0	$23,525,221	$4,180,868	$36,521,690
Designated Fund Balance:																	$0
Economic Uncertainties	$18,763,133		$0	$18,763,133													$18,763,133
Other	$8,146,000			$8,146,000	$1,289,666	$1,073	$222,952	$790,800			$21,509,208	$7,507,985					$39,467,683
Unappropriated Fund Balance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

Adopt Proposed 2015-16 Budget for All Funds

June 18, 2015
Agenda Item No. 10.6

Presented By
Gerardo Castillo, CPA, Chief Business Officer
Michael Smith, Director of Fiscal Services

OVERVIEW

- Summary of Budget Process
- Community Priority Coalition Recommendations
- Additional General Fund Revenues and Expenses
- Summary of General Fund
- General Fund Balance
- Summary of Other Funds
- Local Control Funding Formula (LCFF) Calculation
- Fiscal Condition
- Next Steps

Summary of 2015-16 Budget Process

- December 4 — 2014-15 First Interim Financial Report – Positive Status – Action
- December 18 — Budget Timeline and Process for 2015-16 – Action
- January 8 — Appointment of LCAP Advisory Committee
- January 22 — Summary of the Governor's January Proposal - Information

Summary of 2015-16 Budget Process Cont'd

- February 5 2016-17 Budget Reductions -Conference
- February 19 2016-17 Budget Reductions - Action
- Feb/May LCAP Engagement
- March 19 2014-15 Second Interim Financial Report – Positive Status – Action
- April 23 LCAP Update - Information
- May 21/27 May Revise Update/Budget Workshop
- June 4/18 Public Hearing/Action on 2015–16 Adopted Budget for All Funds - Action

Community Priority Coalition (CPC)

CPC Priorities	Recommendation
Class size reductions 24:1.	$4 Million for class size reduction.
Restorative Justice/Culturally competent professional development.	$3.3 Million ($2.8 Million for professional development and $500,000 for materials)
After school and early intervention programs.	No additional funding, but better planning and improved monitoring is needed to meet students' needs.

General Fund New Rev./Exp. Summary

Summary	
Estimated Revenues	**Amount**
Governor's January Budget - New 2015-16 Revenue	$17,225,883.00
May Revise - Additional 2015-16 Revenue ($12M ongoing/$16M one-time)	$28,000,000.00
Total Additional Increase Revenue	$45,225,883.00
Estimated Expenditures	
Total Fixed Costs	**$15,401,546.99**
Total Recommendations	**$29,824,336.01**
Total Additional Expenditures	$45,225,883.00
Net Remaining Unallocated Revenue	$0.00

General Fund Additional Expenditures

Fixed Costs (Including Collective Bargaining Agreements)	Amount
Increase in utilities, electric and water cost	$450,000.00
Salary Increase by 1% for all bargaining units	$2,218,331.00
K-3 CSR for sites above 75% F/R (decrease by 2 students)	$3,407,056.00
Increase in Step and Column - Certificated	$2,402,690.94
Increase in Step and Column - Classified	$215,737.28
Increase in Health Benefit costs - 7% projected	$3,956,807.77
Increase in STRS contribution (Unrestricted only)	$2,462,016.00
Increase in CalPERS contribution (Unrestricted only)	$288,908.00
Total Fixed Costs	**$15,401,546.99**

General Fund Additional Expend Cont'd

Superintendent Recommendations- College and Career Ready Students	Amount
Assistant Principals @ Middle Schools and American Legion	$663,000.00
Linked Learning (Replace expiring grant)	$300,000.00
Adult Ed (Parent Participation Preschool)	$230,000.00
TOSAs (2 FTE) Infinite Campus - Support for Schools	$220,000.00
Stipends for HS Dept. Leads	$65,000.00
High School Athletic Stipend, $10,000 per High School	$50,000.00
Visions 2000 Summer Program	$230,000.00
UCAN - College Fair	$78,000.00

General Fund Additional Expend Cont'd

Superintendent Recommendations- College and Career Ready Students	Amount
CSR for schools below 75% FR; 16FTE	$1,600,000.00
5 FTE Counselors	$650,000.00
School Climate/Restorative Practices	$450,000.00
Social Emotional Learning and Discipline	$200,000.00
PE Equipment and Curriculum	$74,000.00
VAPA Music Instruments	$20,000.00
Fund Balance - To prepare for FY 2016-17 and beyond	$3,576,000.00
Transfer to Child Development Fund to sustain programs	$1,500,000.00
Assistant Principals (per enrollment needs at high schools - CKM, JFK, SES)	$399,000.00

General Fund Additional Expend Cont'd

Superintendent Recommendations- College and Career Ready Students	Amount
Multilingual Literacy	$100,000.00
Collaborative Time - 2 days	$2,000,000.00
Purchase Computers for Instruction	$500,000.00
Technology Implementation Upgrades	$450,000.00
Library Textbook Services System	$25,000.00
VAPA Music Instruments/PE Items	$68,750.00
Update Computers in Training Lab	$50,000.00
Infinite Campus Coach Stipends	$50,000.00

General Fund Additional Expend Cont'd

Superintendent Recommendations- College and Career Ready Students	Amount
Purchase Computers for Support Staff	$20,000.00
Social Workers/Mental Health Services 2 FTE *	$230,000.00
Early Kinder Expansion*	$60,000.00
2 Training Specialists Science*	$240,000.00
2 Special Ed Psychologists*	$266,000.00
Infinite Campus Support	$60,000.00
Publications/Marketing	$30,000.00
Total College and Career Ready Students - LCAP Goal #1	**$14,454,750.00**

* Based in part on Board recommendations discussed at the May 27 Board meeting

General Fund Additional Expend Cont'd

Superintendent Recommendations - Safe, Healthy and Clean Schools	
Restore Custodial Support Staff - Clean Schools	$2,000,000.00
2 Bus Service Attendants	$100,000.00
Immunization Clinic Staffing	$15,384.00
2 Fire Alarm Techs	$140,000.00
Nurses - 6.38 FTE to maintain cuts from MAA	$735,000.00
Nurses- (Additional 3 FTE)	$345,000.00
1 School Resource Officer (SRO)	$150,000.00
Replace Outdated transportation equipment	$2,000,000.00
Desk/Chairs High Schools	$150,000.00
504 Accommodations	$125,000.00
ADA/OCR Compliance	$100,000.00
1 Security Staff*	$70,000.00
Staff Development for Classified Staff	$75,000.00
Total Safe, Healthy and Clean Schools - LCAP Goal #2	**$6,005,384.00**

*Based in part on Board recommendations discussed at the May 27 Board meeting

General Fund Additional Expend Cont'd

Superintendent Recommendations - Family and Community Engagement	
Washington Proposal (Staff/Marketing)	$180,000.00
Home Visit Project /Additional Admin Support *	$35,000.00
Ombudsman- increase from 6 hours to 8 hours	$45,000.00
Clerical Support for Charter Oversight/Security/Legal -1 FTE	$70,000.00
Board Staff –Personnel*	$80,000.00
$10,000 Budget for each Board Member*	$70,000.00
Additional Translators (1 Spanish, 1 Hmong) for Matriculation and Orientation Center*	$120,000.00
Web Portal Contract for Data Dashboard	$99,202.01
Total Family and Community Engagement - LCAP Goal #3	**$699,202.01**

* Based in part on Board recommendations discussed at the May 27 Board meeting

General Fund Additional Expend Cont'd

Other Postemployment Benefits (OPEB)	$6,095,000.00
Increase our Fund Balance	$2,000,000.00
Buy Down Vacation Liability (3 Days)	$570,000.00
All Goals	**$8,665,000.00**

General Fund Summary Rev./Exp.

Estimated Revenues	Amount
Governor's January Budget - New 2015-16 Revenue	$17,225,883.00
May Revise - Additional 2015-16 Revenue ($12M ongoing/$16M one-time)	$28,000,000.00
Total Additional Increase Revenue	$45,225,883.00
Expenditures	
Fixed Costs	**$15,401,546.99**
Total College and Career Ready Students - LCAP Goal #1	**$ 14,454,750.00**
Total Safe, Healthy and Clean Schools - LCAP Goal #2	**$ 6,005,384.00**
Total Family and Community Engagement - LCAP Goal #3	**$ 699,202.01**
All Goals	**$ 8,665,000.00**
Total Additional Expenditures	**$45,225,883.00**
Net Remaining Unallocated Revenue	$0.00

General Fund Revenue Summary

• Beginning Fund Balance	$ 30.288 M
• Revenues	$ 466.309 M
• Transfers In	
Charter School Fees	$ 1.386 M
Total Revenues	**$ 497.983 M**

General Fund Summary

• Total Revenues	$ 497.984 M
• Less Expenditures	$ 470.530 M
Ending Fund Balance	**$ 27.454 M**

General Fund Summary Cont'd

- Ending Fund Balance
  - Reserves:
    - Revolving Cash and Stores $ .545 M
    - Reserve for Economic Uncertainties $ 18.763 M
    - Increase Retirement Costs/ Prop 30 Expiration starting in 2016 $ 5.576 M
    - District wide Technology Upgrades $ 2.000 M
    - Buy Down 3 days of Vacation Liability $ .570 M
    - **Total Reserves** $ 27.454 M

Expenditures Included in 2015-16 Budget

•Certificated Salaries	$180.257 M
•Classified Salaries	$ 56.364 M
•Employee Benefits	$136.353 M
Sub-Total	**$372.974 M**

–79.55% of Total Expenditures

•Unrestricted Funding – 88.40%

Expenditures Included in 2015-16 Budget Cont'd

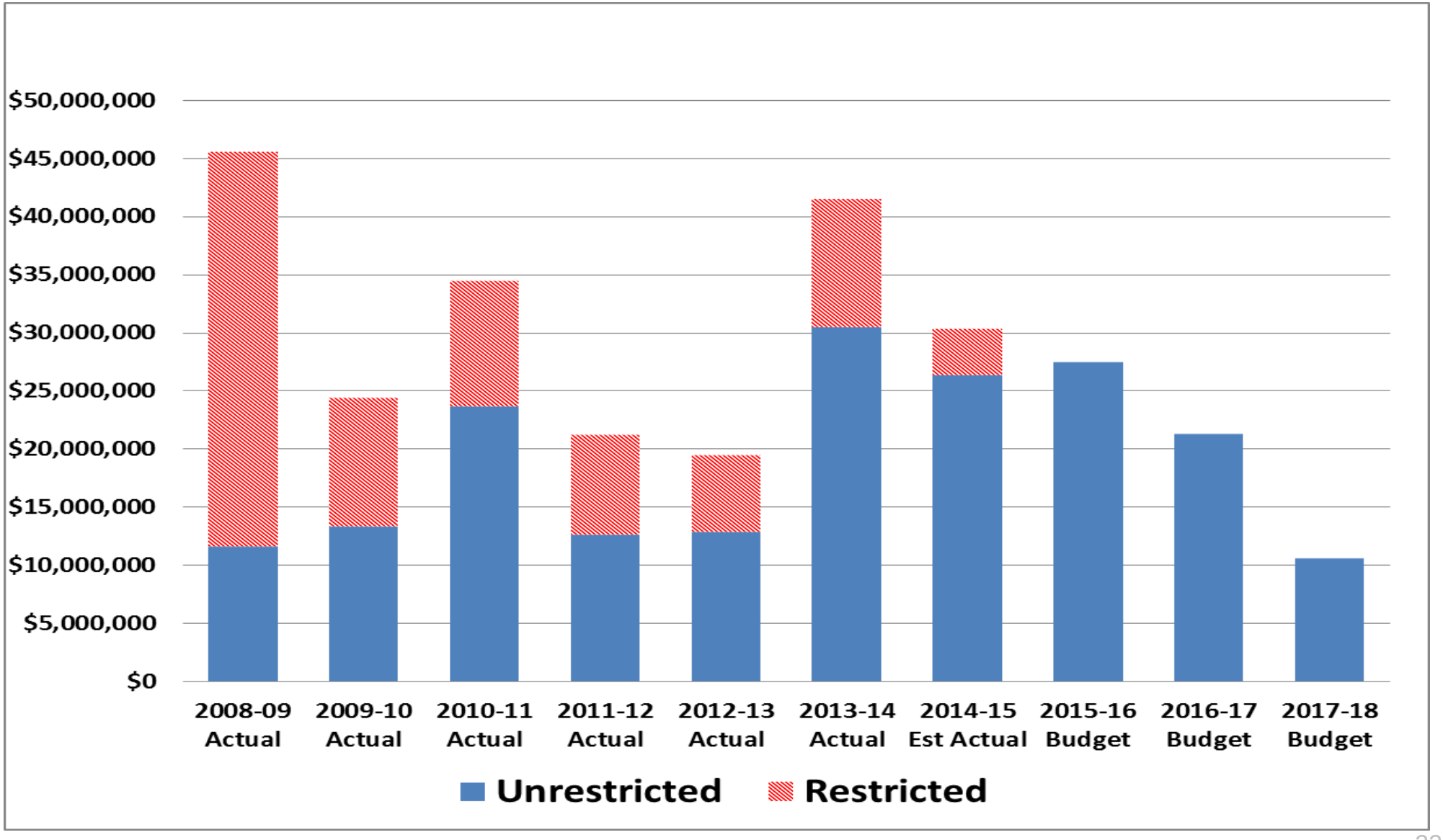
–Salaries/Benefits	$ 372.974	M
–Books and Supplies	$ 20.753	M
–Services/Other Operating Expenditures	$ 57.886	M
–Capital Outlay	$ 15.169	M
–Other Outgo	$ 3.545	M
•Debt Service Payment		
– Transfer Out	$ 1.730	M
– Indirect Costs	($ 1.527)	M
Total Expenditures	**$ 470.530**	**M**

CONTRIBUTIONS FROM GENERAL FUND

Transfer From Unrestricted to Restricted Accounts		
Special Education Programs	$	47,293,781
Ongoing Maintenance Transfer to Restricted*	$	14,274,208
Energy Education Project	$	370,047
Subtotal from Unrestricted to Restricted	**$**	**61,938,036**
Special Education Transportation	$	6,601,186
Home to School Transportation	$	891,546
Subtotal to Transportation	**$**	**7,492,732**
Total Transfer From General Fund	**$**	**69,430,768**

* Meets the 3% required. An increase of over $4 million compared to FY 2014-15

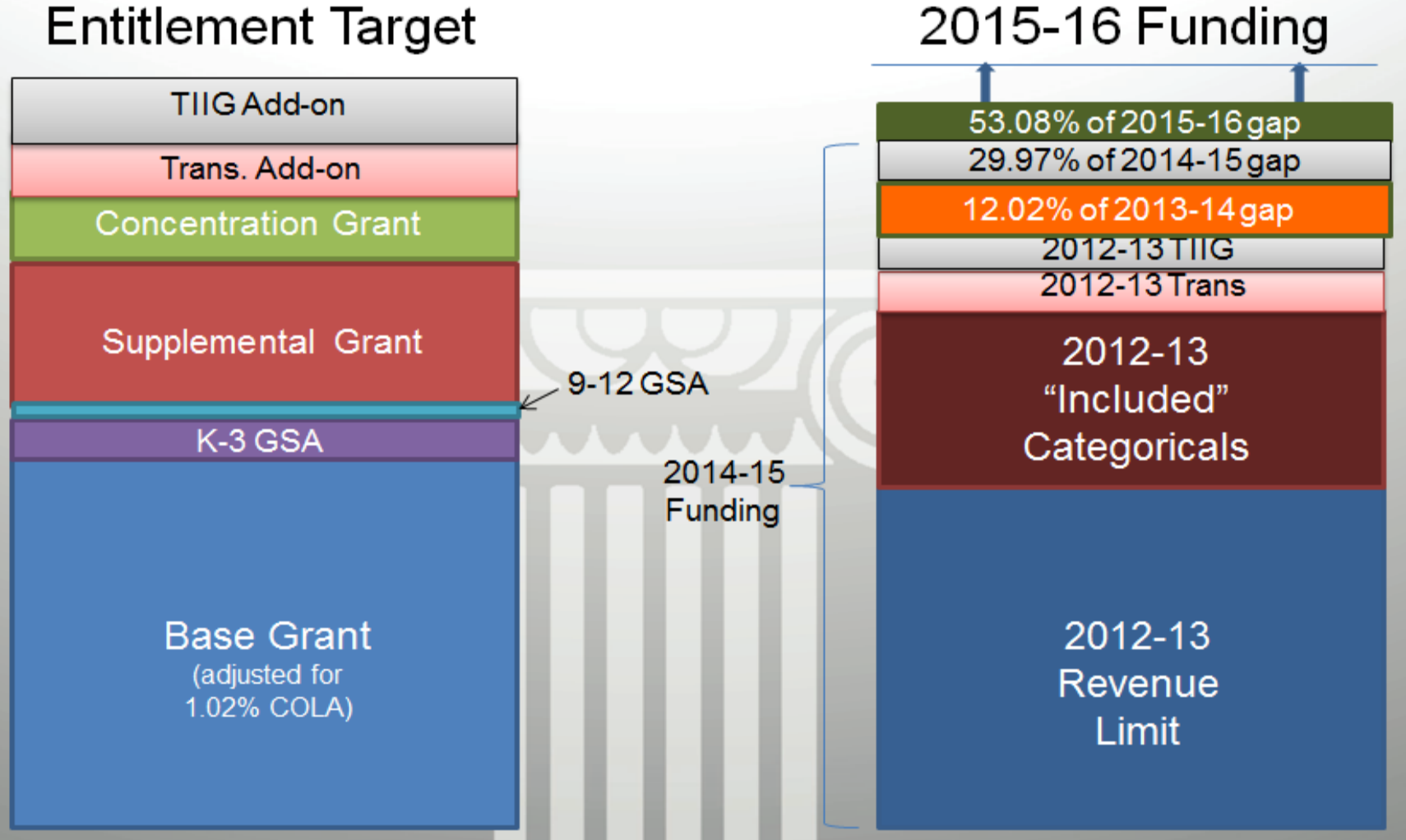
Fund Balance



Summary Other Funds

FUND	BEGINNING BALANCE	REVENUE	TRANSFERS IN / (OUT)	EXPENSES	*NET CHANGE IN FUND BALANCE*	*ENDING BALANCE*
Charter School	$884,070	$16,845,790	($1,386,880)	$14,923,691	*$535,219*	$1,419,289
Adult Edcuation	$118,451	$7,374,838	$230,000	$7,679,838	*($75,000)*	$43,451
Cafeteria	$8,921,552	$21,202,500		$21,802,500	*($600,000)*	$8,321,552
Child Development	$10,800	$18,843,837	$1,500,000	$19,563,837	*$780,000*	$790,800
Building	$83,480,971	$0		$61,971,763	*($61,971,763)*	$21,509,208
Capital Facilities	$9,552,626	$2,777,108		$4,821,749	*($2,044,641)*	$7,507,985
Dental & Vision	$0	$8,967,265		$8,967,265	*$0*	$0
Retiree Benefit	$23,525,221	$20,602,000		$20,602,000	*$0*	$23,525,221
Self Insurance	$4,047,588	$5,047,742		$4,914,462	*$133,280*	$4,180,868
TOTALS:	**$130,541,279**	**$101,661,080**	**$343,120**	**$165,247,105**	***($63,242,905)***	**$67,298,374**

LCFF in One Chart

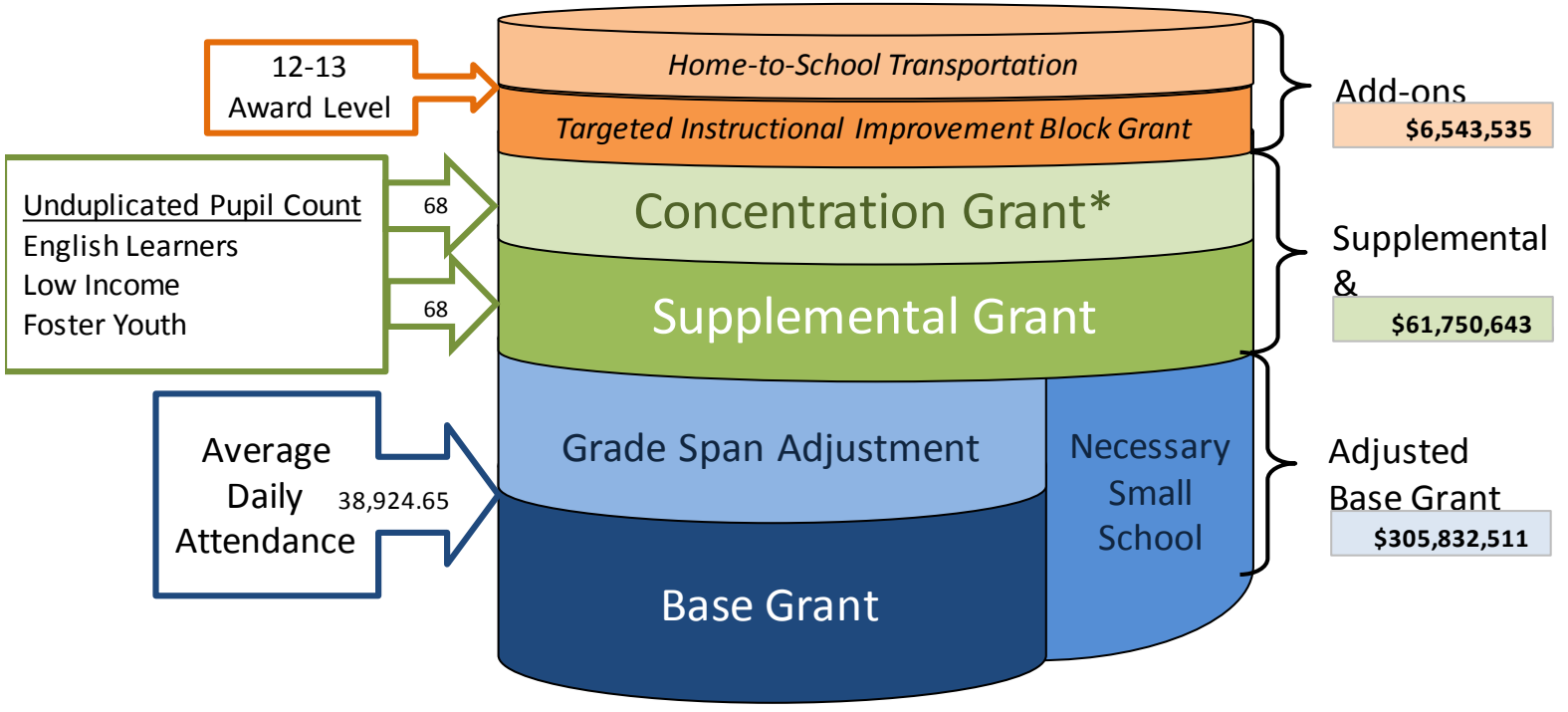


LCFF in General Fund

Components of LCFF Target Entitlement

		2015-16		
Base Grant / Necessary Small School	$	294,128,825		38,924.65 ADA
Grade Span Adjustment	$	11,703,686		
Supplemental Grant	$	41,672,738	68%	
Concentration Grant	$	20,077,905	68%	
Add-ons (TIIBG & Transportation)	$	6,543,535		
Total	$	374,126,689		

TOTAL TARGET LCFF: $374,126,689

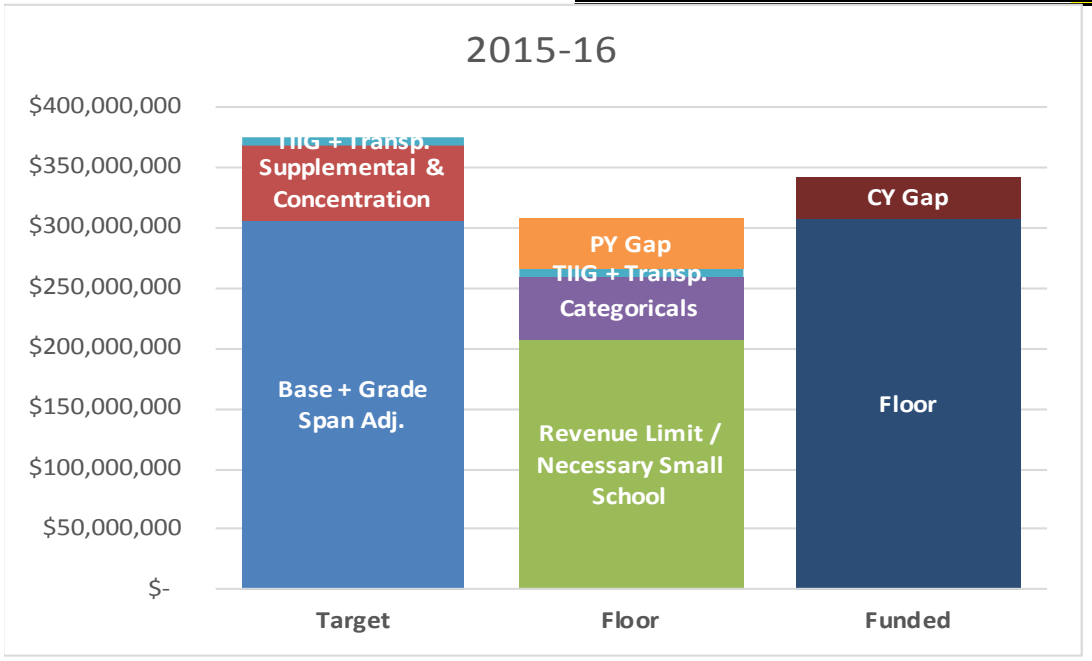


*Unduplicated Pupil Percentage must be above

LCFF in General Fund Cont'd

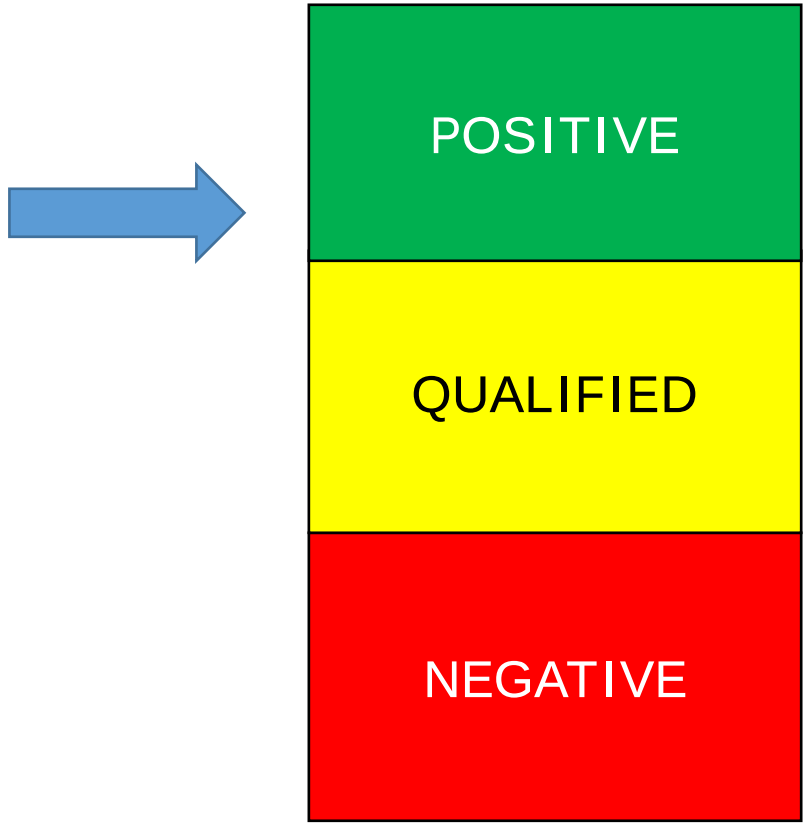
2015-16 Funding Components

Component	Target	Floor	Funded
Base + Grade Span Adj.	$ 305,832,511		
Supplemental & Concentration	$ 61,750,643		
Revenue Limit / Necessary Small School		$ 206,909,037	
Categoricals		$ 51,683,318	
TIIG + Transp.	$ 6,543,535	$ 6,543,535	
PY Gap		$ 41,938,975	
Floor			$ 307,074,865
CY Gap			$ 35,591,108
	$ 374,126,689	**$ 307,074,865**	**$ 342,665,973**



Fiscal Condition

SCUSD is **Positive**, with the understanding of the fiduciary responsibility to maintain fiscal solvency for the budget year and two subsequent years.



Next Steps

- Complete and post budget document
- Continue to monitor State Budget
- Revise budget within 45 days of signed State Budget
- First Interim Financial Report as of October 31, 2015
- Second Interim Financial Report as of January 31, 2016

Thank You

Questions?