

**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION**

Agenda Item# 8.5

Meeting Date: August 15, 2019

Subject: Approve 2019 -2020 District Budget Update and Revision – State Budget Approval

- 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: Approve the 2019-20 District budget revision reflecting the budget changes with the final state budget.

Background/Rationale: Education Code Section 42127(h) states that no later than 45 days after the Governor signs the annual Budget Act, the school district shall make available for public review any revisions in revenues and expenditures that it has made to its budget to reflect the funding made available by that Budget Act. While there is no requirement to prepare a 45-day budget revision, it is important to make the revisions publicly available when revisions are done.

Financial Considerations: The proposed revisions to the adopted budget for the general fund reflect the adjustments needed to bring the District's budget into alignment with the changes based on the Budget Act signed by the Governor on June 27, 2019, and all other expenditure and revenue data available to the District at this time.

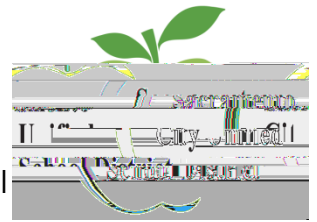
LCAP Goal(s): Family and Community Empowerment; Operational Excellence

Documents Attached:

1. Executive Summary

Estimated Time: 10 Minutes

Submitted by : Jacquie Canfield, Consultant



I. OVERVIEW/HISTORY:

The District adopted the 2019-20 Proposed Budget at the June 20, 2019 Board Meeting. The adopted budget information presented to the Board was based on information known as of the May Revise. Per Education Code Section 42127(h), the District shall make available for public review any revisions in revenues and expenditures that it has made to its budget to reflect the funding made available by that Budget Act.

istrict’s budget. The total amount for K-12 education signed by the Governor includes \$81.1 billion and \$3.15 billion one-time non-Proposition 98 funds for temporary relief for employer pension costs. Areas impacted include the following:

Prop 98:

Special Education

The Budget includes funding for special education equalization and funds for LEAs serving children ages 3-5 with individualized education programs not included in kindergarten or transition kindergarten. While these funds will increase the state maintenance of effort for special education, the allocation method could change. Therefore, districts are required to consider them one-time funds.

CalSTRS and CalPERS

The 2019-20 state budget includes pension relief for public education employers, a \$3.15 billion non-Proposition 98 General Fund payment on behalf of employers to CalSTRS and CalPERS Schools Pool. Of this amount, an estimated \$850 million will buy down the employer contributions in 2019-20 and 2020-21.

The CalSTRS employer rate will increase from 16.7% to 17.1% in 19-20.

The CalPERS employer rate will decrease for 19-20 from 20.733% to 19.721%.

Budget

On June 20th – Staff adopted the Proposed Fiscal Year 2019-20 Budget.

Ongoing Weekly Meetings between the District, SCOE, and the SCOE Fiscal Advisor to collaborate and discuss the expectations of the budget for 2019-20 and beyond.



Additional IEP team for one year to assist with the infant to preschool IEP reporting totaling \$551,000
Support Community Advisory Committee totaling \$7,500.

Budget Revision No. 1 includes a one-time allocation for the creation of student interim assessments totaling \$25,000.

Budget Revision No. 1 increases the allocation to Restricted Routine Maintenance by \$192,000 to adhere to the three percent requirement of the General Fund expenditures and other financing uses as required by the State.

In addition, Budget Revision No. 1 includes \$4.1 million for a possible increase in the final classroom teacher positions due to possible enrollment increase at schools or possible higher costs for the teacher salary restructure. When actual amounts are determined, staff will update the Board and recommend budget adjustments in a future budget revision.

IV. Goals

Continue to provide information to the Board and the public on a monthly basis starting August 2019, including required reporting periods such as First, Second and Third Interim reports. Develop significantly improved budget development process to comply with Local Control Accountability Plan (LCAP).

V. Metrics

- { Budget Revision within 45 days from signing of State Budget, if needed.
- { Continued analysis of information from the State and its impact on District finances.

VI. Risks

As a result, the Unrestricted General Fund Reserve for Economic Uncertainties is estimated at \$35.2 million at June 30, 2020.

VII. Lessons Learned

Continue to monitor the State budget and its impact on District finances.
Continue to obtain stakeholders' input, follow the LCAP process and meet with bargaining units to seek cost reductions and long-term budget savings.

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