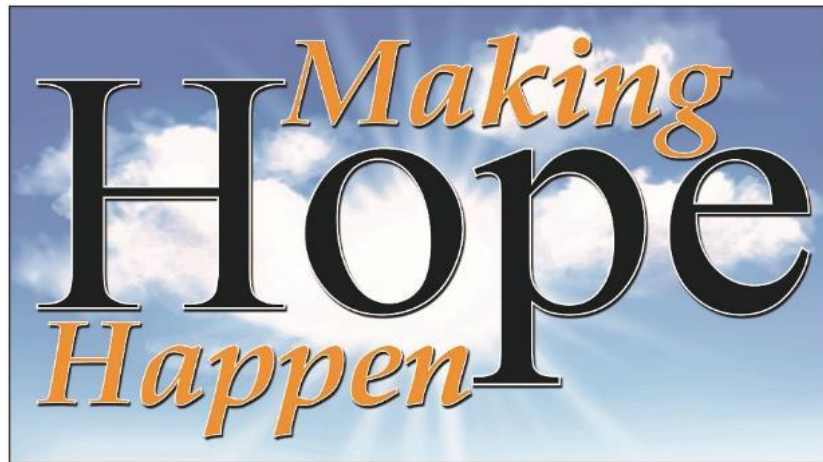


2016-17
Preliminary Budget Report
May 26, 2016



**San Bernardino City
Unified School District**

Discussion for this Evening

- 2016-17 Governor's May Budget
- 2016-17 SBCUSD's Preliminary Budget
 - Budget Assumptions
 - Multi-Year Projections
- Budget Considerations
- Board Approval
- Next Steps

2016-17 Governor's Budget

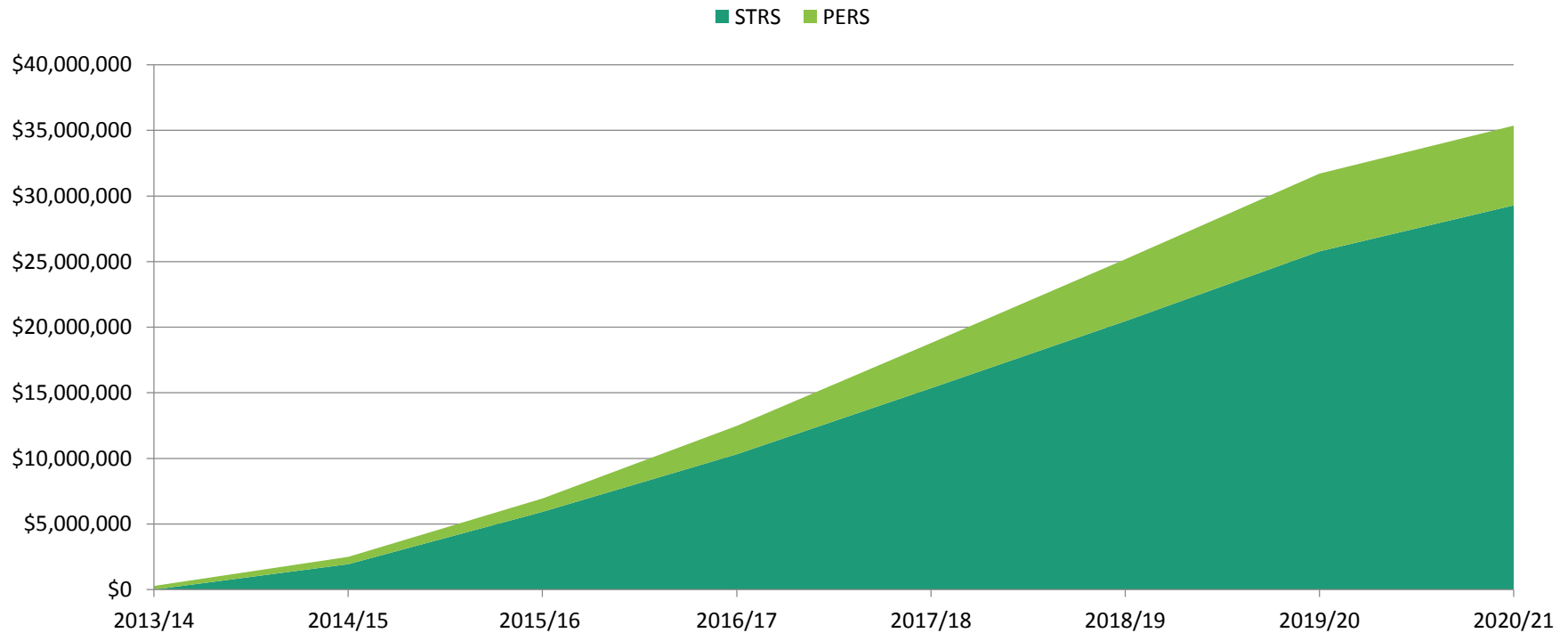
- The Governor's message continues to emphasize the need for fiscal constraint and planning for the next recession
 - State revenues in April \$1.9B less than projected
 - Emphasized the need to reserve funds at the State level
 - Silent on district reserves
- Provides additional funding for LCFF by eliminating 54.84% of the remaining funding gap = 96% of full funding
 - \$31.7M in additional LCFF allocation (\$2.3M more than 2nd Interim projections to SBCUSD)
- \$11.2 M in mandate reimbursement funding to be used at local discretion (\$1M more than 2nd Interim projections to SBCUSD)
- Proposes an Early Education Block Grant 2017-2018

Multi-Year Projection Assumptions



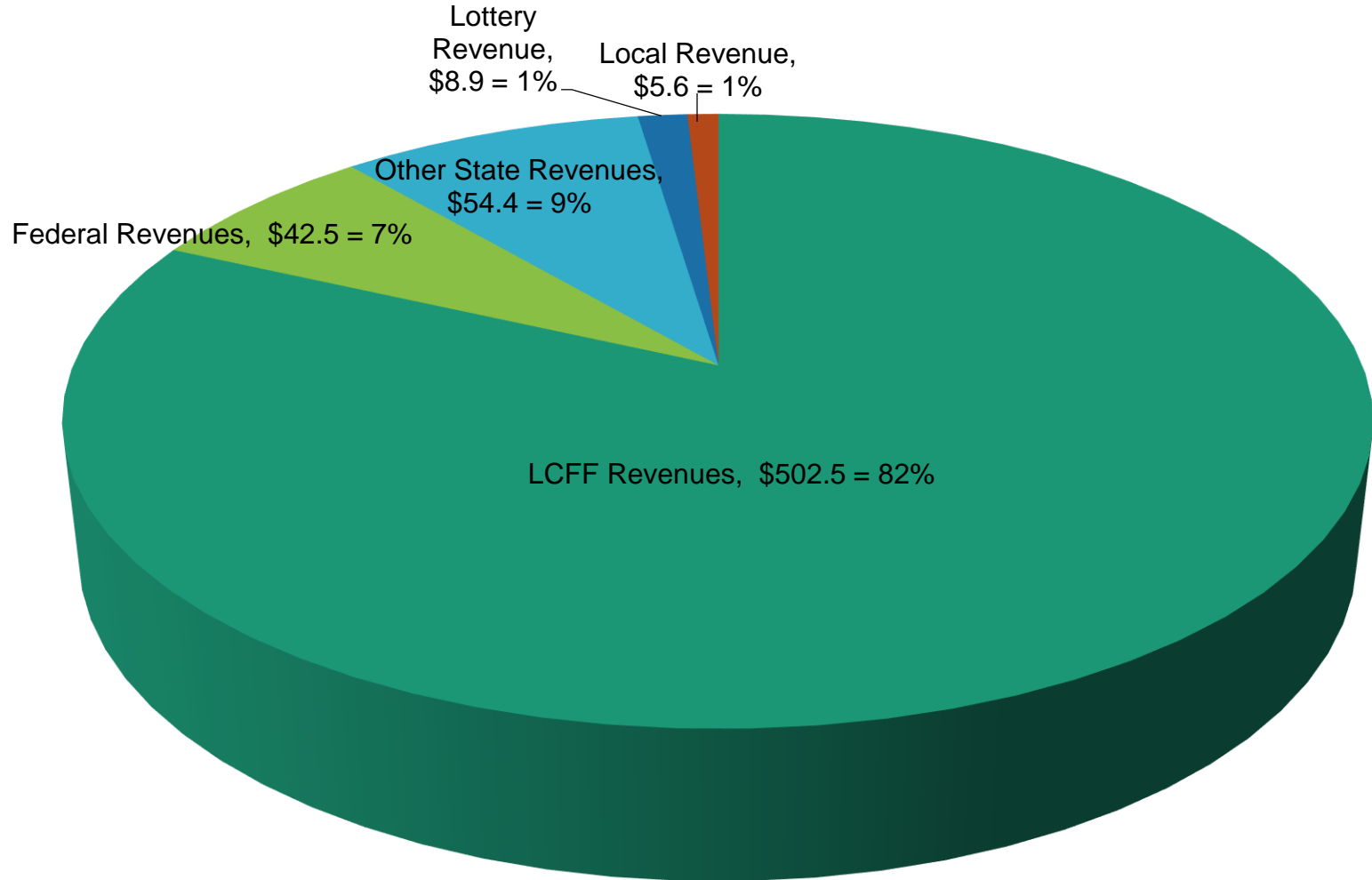
	Actuals 2014-15	2015-16	2016-17	2017-18	2018-19
1. COLA	0.85%	1.02%	0.0%	1.11%	2.42%
2. Enrollment	50,242	50,211	50,211	50,211	50,211
3. ADA	47,531	47,511	47,392	47,392	47,392
4. ADA to Enrollment Percentage	94.60%	94.62%	94.38%	94.38%	94.38%
5. Projected Gap Funding Percentage (DOF) through 2017-18	30.16%	51.97%	54.84%	73.96%	0.0%
6. Projected Gap Funding Amount Above Prior Year	\$ 54,406,331	\$ 67,118,506	\$ 31,702,276	\$ 23,143,588	\$ 0
7. Unduplicated Percentage	93.15%	92.40%	91.06%	90.89%	90.89%
8. LCFF Base	\$287,194,099	\$341,386,981	\$351,515,236	\$370,160,642	\$373,576,072
9. LCFF (Including TIIG and Transportation) Supplemental/Concentration	\$117,180,561	\$130,447,481	\$151,019,146	\$155,517,204	\$152,101,755
10. Total LCFF Revenue Projections	\$404,374,660	\$471,834,462	\$502,534,382	\$525,677,846	\$525,677,827
11. Health and Welfare Increase	14.58% / \$5.5M	9.9% / \$4.1M	5.0% / \$2.5M	9% / \$5.3M	9% / \$5.8M
12. K-3 Grade Span Adjustment	30:1	26:1	25:1	25:1	25:1

STRS and PERS Increases



	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Cumulative Increase
STRS Rate	8.25%	8.88%	10.73%	12.58%	14.43%	16.28%	18.13%	19.10%	
Increase in STRS Cost	\$ 0	\$1,932,000	\$3,991,100	\$4,389,768	\$5,035,322	\$5,110,852	\$5,321,499	\$3,508,707	\$29,289,248
PERS Rate	11.44%	11.77%	11.85%	13.89%	15.50%	17.10%	18.60%	20.40%	
Increase in PERS Cost	\$275,528	\$283,500	\$ 460,100	\$1,144,486	\$1,277,144	\$1,277,778	\$1,207,500	\$146,592	\$6,072,628
Annual Increase	\$275,528	\$2,215,500	\$4,451,200	\$5,534,254	\$6,312,466	\$6,388,630	\$6,528,999	\$3,655,299	\$35,361,876

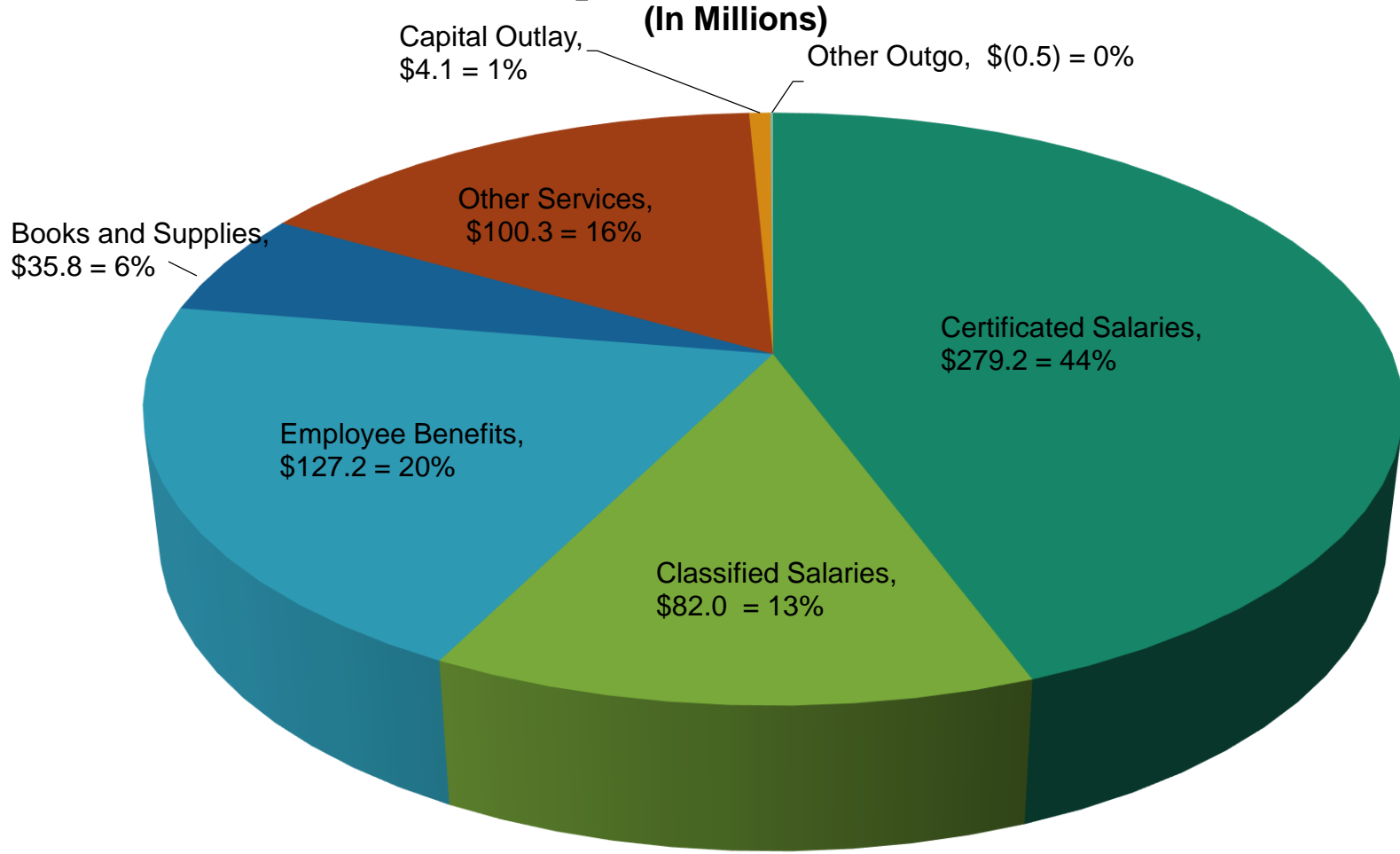
SBCUSD 2016-17 Projected Total General Fund Revenues



Total General Fund Revenues = \$613.9 Million

2016-17 General Fund Expenditures

(In Millions)



Total General Fund Expenditures = \$628.1 Million

Items included in the 2016-17 Preliminary Budget

(In Millions)

Placeholder for Salary Increase is Included in Budget

Total Statutory PERS/STRS, Health & Welfare and Step & Column (Unrestricted General Fund)	\$10.2
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Special Education Required Increases	3.5
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Increase in Transportation Costs	3.2
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Additional K-3 Class Size Reduction, 19 FTE	1.5
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Following Items are Included in Budget for Board Consideration:

Competitive/Comparable Salaries	\$ 0.7
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Class Size Reduction - Grade 8, 12 FTE	0.9
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Class Size Reduction Grade 9, 12 FTE	0.95	}	\$2.5
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Class Size Reduction in CORE Classes Grade 10-12	1.5
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Professional Development - Classified	1.0
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Child Development Contribution - Loss of "First Five Funding"	1.0
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Caps Waiting List	2.0
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Expand Chromebook Initiative to 15K devices	3.5
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Chromebook Wi-Fi Connections	.65
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Sub-Total	\$30.60	8
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Items included in the 2016-17 Preliminary Budget

(In Millions)

Targeted School Support Plan (TSSP) (One-Time \$3.8M)	\$ 6.2
Sports and Band Uniforms (One-Time)	1.5
Teachers - Itinerant, IB and ROP	0.9
Gaggle Software - Student Email	0.2
Total Board priorities Included in 2016-17 Budget	\$ 39.4
Balance Available	One-Time \$ 11.05
Reserve for TSSP 2017-18 and 2018-19	7.60
Reserve – One-Time for PERS/STRS, and Future Deficits	3.45
Salary Increase - Value of 1% all Bargaining Units = \$3.8M	
TK-3 Early Literacy and Numeracy Proficiency Model - total cost to be determined	
New Small High Schools Initiatives - total cost to be determined	

Multi-Year Projections Unrestricted

General Fund

(In Millions)

	Actuals 2014-15	Projected 2015-16	Projected 2016-17	Projected 2017-18	Projected 2018-19
1. Revenues Before Contributions	\$424.0	\$510.3	\$526.7	\$538.7	\$538.7
2. Contributions to Restricted Programs	(\$ 28.0)	(\$ 47.0)	(\$ 54.4)	(\$ 54.7)	(\$ 54.7)
3. Total Revenues (Net of Contributions)	\$396.0	\$463.3	\$472.3	\$484.0	\$484.0
4. Expenditures, Transfers, and Interfund Transfers	\$398.0	\$454.9	\$480.1	\$486.7	\$499.4
5. Excess/(Deficit) Revenues Minus Expenditures	(\$ 2.0)	\$ 8.4	(\$ 7.8)	(\$ 2.7)	(\$ 15.4)
6. Beginning Balance	\$ 33.0	\$ 32.2	\$ 40.6	\$ 32.8	\$ 30.1
7. Ending Balance	\$ 31.0	\$ 40.6	\$ 32.8	\$ 30.1	\$ 14.7
8. Reserves for Stores/Revolving Cash and Prepaid Expense	\$ 4.5	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.7
9. Assigned for Carryover		\$ 10.4	\$ 9.5		
10. Additional Reserve for Deficit Spending	\$ 3.8		\$ 7.6	\$ 3.8	
11. Reserve for Economic Uncertainties	\$ 11.7	\$ 12.2	\$ 12.8	\$ 12.3	\$ 12.6
12. Undesignated Ending Fund Balance	\$ 3.7	\$ 17.3	\$ 2.2	\$ 13.3	\$ 1.4

Carryover

Career Pathways \$5.4M Competitive/Comparable \$685K
 Strategic Athletic Plan \$1.3M ROP \$892K
 15% School Site LCAP \$2.1M

Multi-Year Projections

Restricted General Fund

(In Millions)

	Actuals 2014-15	Projected 2015-16	Projected 2016-17	Projected 2017-18	Projected 2018-19
1. Total Revenues	\$152.4	\$145.1	\$141.6	\$141.8	\$141.8
2. Expenditures, Transfers, and Interfund Transfers	\$152.8	\$148.9	\$148.0	\$145.4	\$149.3
3. Excess/(Deficit) Revenues Minus Expenditures	(\$ 0.4)	(\$ 3.8)	(\$ 6.4)	(\$ 3.6)	(\$ 7.5)
4. Beginning Balance	\$ 23.0	\$ 21.5	\$ 17.7	\$ 11.3	\$ 7.7
5. Ending Balance	\$ 22.6	\$ 17.7	\$ 11.3	\$ 7.7	\$ 0.2

Multi-Year Projections Combined

General Fund

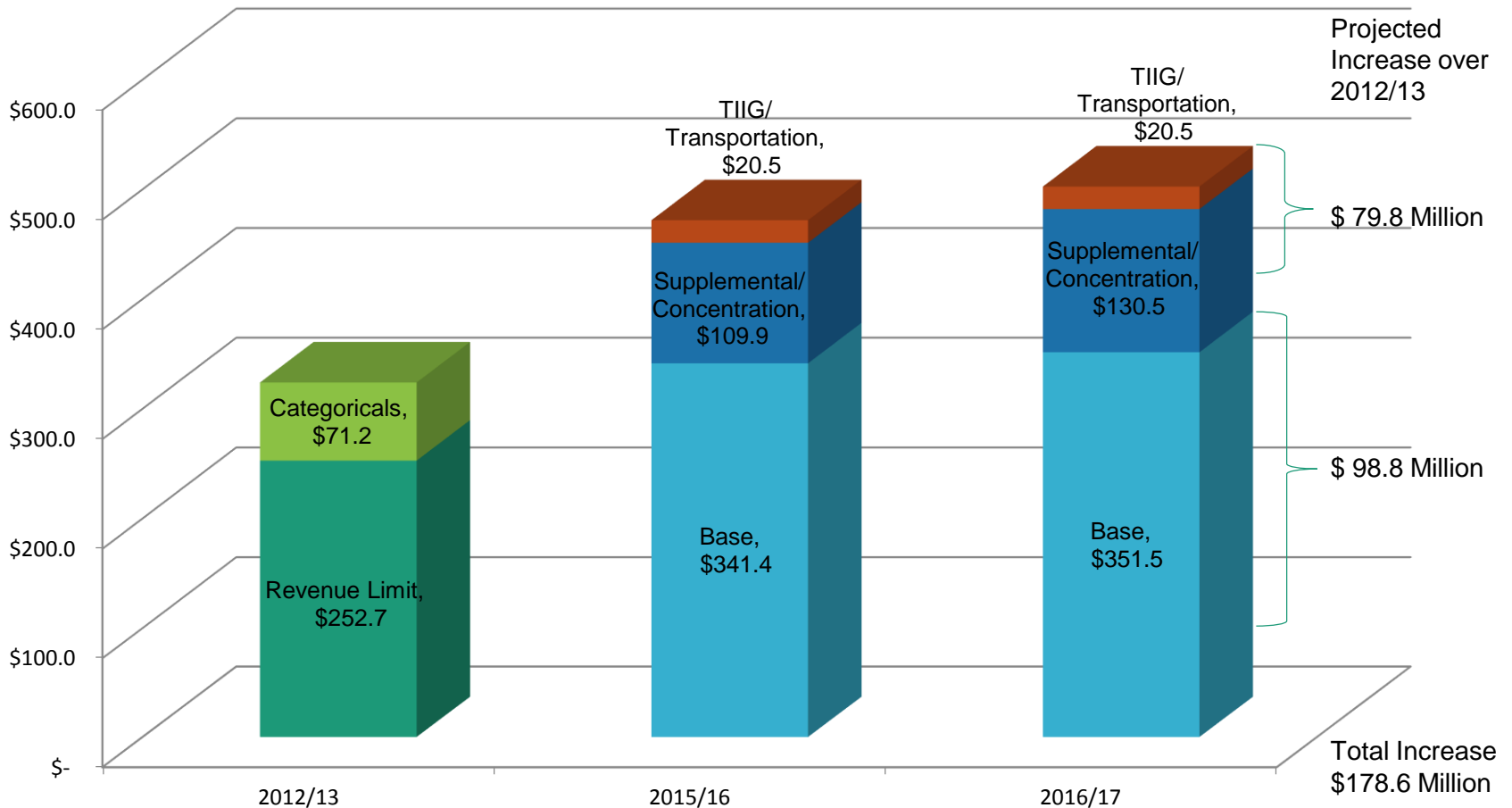
(In Millions)

	Actuals 2014-15	Projected 2015-16	Projected 2016-17	Projected 2017-18	Projected 2018-19
1. Total Revenues	\$548.4	\$608.4	\$613.9	\$625.8	\$625.8
2. Expenditures, Transfers, and Interfund Transfers	\$550.8	\$603.8	\$628.1	\$632.1	\$648.7
3. Excess/(Deficit) Revenues Minus Expenditures	(\$ 2.4)	\$ 4.6	(\$ 14.2)	(\$ 6.3)	(\$ 22.9)
4. Beginning Balance	\$ 56.1	\$ 53.7	\$ 58.3	\$ 44.1	\$ 37.8
5. Ending Balance	\$ 53.7	\$ 58.3	\$ 44.1	\$ 37.8	\$ 14.9
6. Reserves for Stores/Revolving Cash and Prepaid Expense	\$ 4.5	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.7
7. Reserves for Economic Uncertainties and Restricted Programs	\$ 33.8	\$ 29.9	\$ 24.11	\$ 20.0	\$ 12.8
8. Assigned for Carryover	\$ 11.7	\$ 10.4	\$ 9.5	\$ 7.6	\$ 3.8
9. Additional Reserve for Deficit Spending					
10. Undesignated Ending Balance	\$ 3.7	\$ 17.3	\$ 2.2	\$ 13.3	\$ 1.4

Carryover
 Career Pathways \$5.4M
 Strategic Athletic Plan \$1.3M
 15% School Site LCAP \$2.1M
 Competitive/Comparable \$685K
 ROP \$892K

Projected Increases in Base and Supplemental/Concentration Funding

(In Millions)



Some of Our Accomplishments to Date:

	Amount Budget in Millions
Absorption of QEIA Positions - 101 FTE (One-Time)	\$ 9.0
Restored Instructional Days and Eliminated Furloughs 2012-13	5.8
Reduced Class Sizes - 159 FTE Includes 187 ABE/DUAL and K-3 average from 33:1 to 27:1 9th grade learning communities -12 FTE	13.7 .9
Added Counselors - 13 FTE	1.3
Established Excellence in Teaching - 24.65 FTE Plus Program Costs	2.4
Added Maintenance, Custodial, and Grounds Workers - 19 FTE	1.2
Increased Routine Restricted Maintenance Budget	8.0
Allocations for Career Pathways	10.9
Increased CAPS Program Services	2.0
Increased 2013-14 Salaries	5.1
Increased 2014-15 and 2015-16 Salary 5% and 2%	24.1
Funded LCAP Priorities include: 11 Counselors, 16 Classified, 5.9 Other - FTE	25.2
Expanded Technology Support	3.5
Purchase Textbooks	11.4
Increased Transitional Kindergarten - 33 FTE	3.5
New School Operational Costs	.7
Increased Special Education Services: 26 Certificated, 18 Classified - FTE	6.0
Expand Chromebooks - 2 years	7.0
Chromebook Wi-Fi Connections	.65
Maintained Former Categorical Programs	71.2
Total	\$213.55

Next Steps.....

- SBCUSD's LCAP/Budget Public Hearing - June 7, 2016
- SBCUSD's Adopted 2016-17 LCAP/Budget - June 21, 2016
- Governor Adopts Final State Budget by June 30, 2016
- Unaudited Actuals by September 15, 2016

THANK YOU

