



# SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item# \_\_\_\_\_

**Meeting Date:** February 20, 2014

**Subject:** 2014-2015 Budget Update

- Information Item Only
- Approval on Consent Agenda
-

# Board of Education Executive Summary

Business Services

2014-2015 Budget Update

February 20, 2014



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Sacramento City Unified School District has been in a budget reduction mode since the 2002-2003 school year. In addition, the District has been spending more than the revenue it has received to the point that we no longer have sufficient reserves above the State mandated 2%. Our projected reserve level at the end of the 2013-2014 fiscal year is only 0.23% above the State minimum.

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- x In addition to the spending proposals, the Governor makes several other policy proposals, including:
  - o Legislation to create a continuous appropriation for LCFF funding, to ensure that it is "implemented on schedule"
  - o Legislation to streamline and expand instructional opportunities available through non classroom based independent study.
- x Absent from the proposal is any mention of expanding Transitional Kindergarten, as has been introduced by legislative Democrats.
  - o Should Transitional Kindergarten (TK) be funded by the Legislature, it is probable that the LCFF per pupil increase will be reduced to fund TK.
- x The Governor also does not propose additional funding for the implementation of the Common

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- x Education Code section 42131 requires the Board of Education to certify, in writing, whether the district is able to meet its financial obligations for the remainder of the fiscal year and, based on current forecasts, for the future fiscal year. Certifications shall be based on the district budget. Certifications shall be classified as positive, qualified or negative. This education code section also outlines the role of the County Office of Education.
- x Education Code Sections 44919, 44951 and 44955 require school districts to provide notice on or before March 15<sup>th</sup> to certificated employees who are designated for layoff for the subsequent year. The final decision for layoff must occur before May 15<sup>th</sup>.
- x Education Code Sections 45114, 45115, 45117, 45298 and 45308 require school districts to provide not less than 45 days notice to classified employees of a layoff.
- x Education Code section 42127 requires the Governing Board of each school district to adopt a budget on or before July 1. 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 determines 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 multiyear financial commitments.

### III. BUDGET:

Budget projections remain extremely fluid at this point in time of the budget process.

Provided on the next page is our initial projected budget for 2014-2015 fiscal year along with an estimate for 2015-2016. This projection is our best estimate at this time but we wish to remind the reader that this is only the very initial phase of the budget process and most of these numbers will change based on the final legislative outcome.

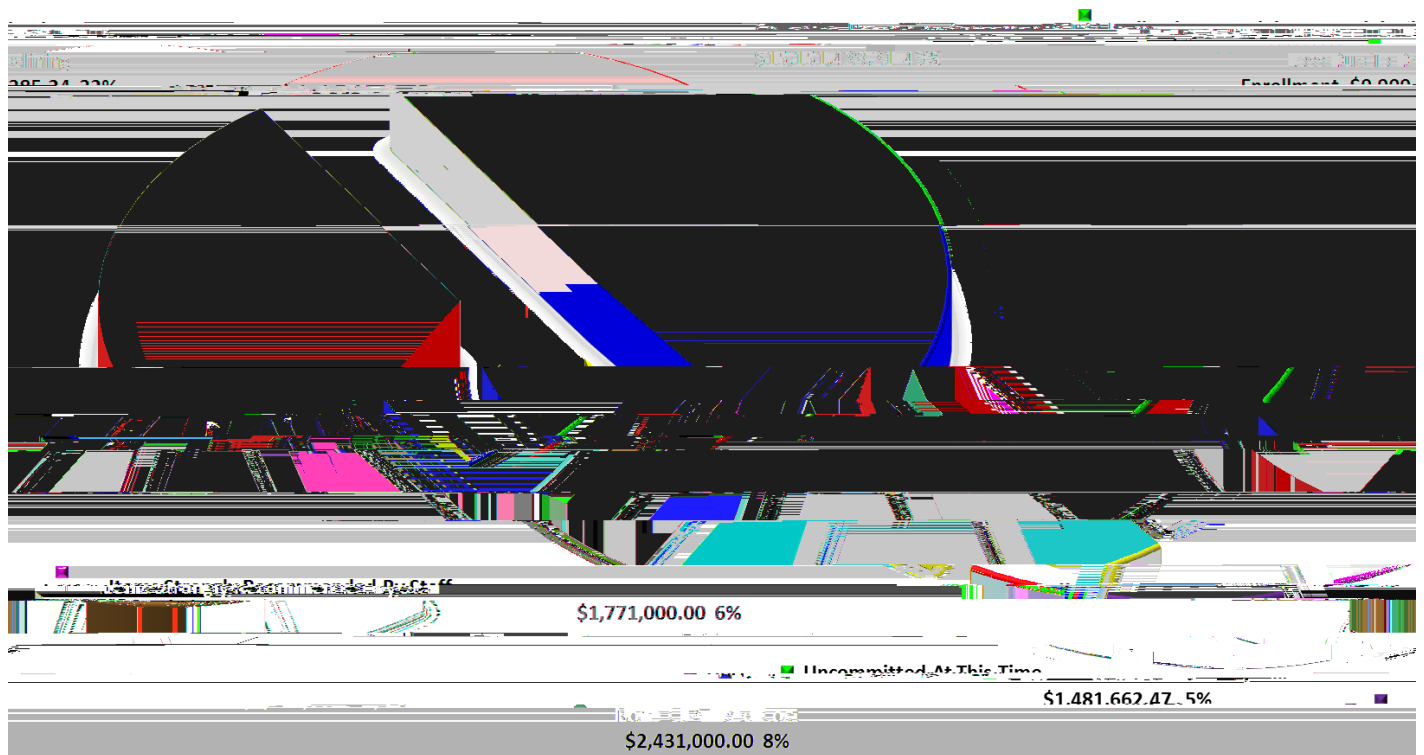


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## PROJECTED DISTRIBUTION OF NEW FUNDING



The next page provides a detailed reconciliation of projected expenditures and shows how the \$8.3 million currently available may be used.

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## IV. Goals, Objectives and Measures:

Maintain a balanced budget for 2013-2014 and continue to follow the timeline to ensure a balanced 2014-2015 budget.

## V. Major Initiatives:

- x Support implementation of LCFF and the LCAP process
- x Fiscal stability for 2014-15, 2015-2016

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## VI. Results:

Required Board actions will take place in order to ensure a balanced Adopted Budget is in place on or before July 1, 2014.

## VII. Lessons Learned/Next Steps:

- x Follow the approved calendar with adjustments made as necessary.
- ensure a balanced budget