

# San Jacinto Unified School District 2019-2020 Proposed Budget

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# California Economic Outlook

- **Current forecasts show continued but slowing growth for California's economy**
- **CA economy ranks 5<sup>th</sup> in the world**
- **GDP almost \$3 trillion**
- **Maintaining historically low unemployment**



## Personal Income

- **Forecast to grow at an average rate of 4.15%**



## Unemployment

- **Remains low at 4.3% through 2022-2023**



## Jobs

- **Steady employment with a modest decline in the government sector**





# Risks to the State Budget



- **Governor Newsom's May Revision assumes that the economic growth will slow but not go into a recession, but there are risks**
  - **Investments in state reserves and reduced debt can be undone by a modest recession**
  - **California is susceptible to changes in the global economy**
  - **Global trade tension (China, European Union, Mexico) can create more economic volatility**



# The Outlook for Education Funding

- District budgets statewide will continue to be tight
- “COLA only” environment
- Meager Proposition 98 growth
- State needs economic boost or new sources of revenue
- Big impact budget proposals still being negotiated





We will know soon...



# SJUSD 2019-2020 Proposed Budget





# SJUSD 2019-2020 Budget Assumptions

**3.26% COLA**

**Governor's CalSTRS reduction proposal**

**Flat enrollment growth**

**81.03% of Enrollment Eligible for LCFF Targeted Funds**

**Lottery**

**Unrestricted = \$151 per ADA**

**Restricted = \$53 per ADA**

**Class Size Reduction Alternative Agreement**

**Grades TK-3 = 28:1**

**Continued Funding for Local Control and Accountability Plan Priorities**



# SJUSD 2019-2020 Budget Summary

	Unrestricted	Restricted	Total
<b>Beginning Balance</b>	\$19,967,793	\$4,394,685	\$24,362,478
<b>Total Revenues</b>	\$110,244,459	\$22,867,405	\$133,111,864
<b>Total Expenditures Including Other Outgo</b>	\$91,479,828	\$41,957,119	\$133,436,947
<b>Total Contributions</b>	(\$18,573,768)	\$18,573,768	\$0
<b>Change in Fund Balance</b>	\$190,863	(\$515,946)	(\$325,083)
<b>Projected Ending Fund Balance</b>	\$20,158,656	\$3,878,739	\$24,037,395

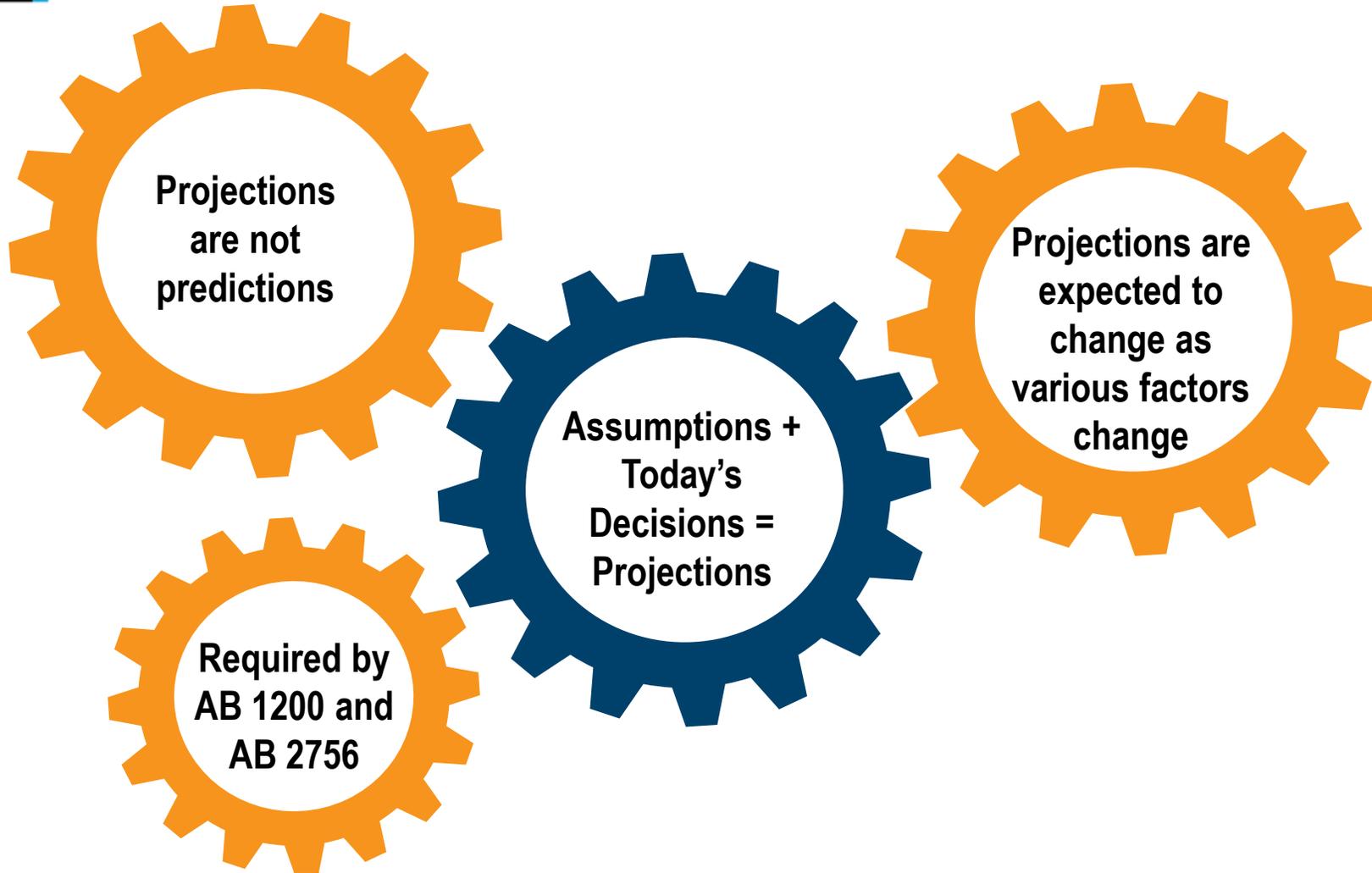


# Components of Unrestricted Fund Balance

	2019-2020
<b>3% Reserve for Economic Uncertainties</b>	<b>\$4,003,108</b>
<b>3% Additional Board Reserve Requirement</b>	<b>\$4,003,108</b>
<b>Revolving Cash</b>	<b>\$10,000</b>
<b>Assignment for Budget Contingencies</b>	<b>\$12,142,438</b>
<b>Projected Total</b>	<b>\$20,158,656</b>
<b>District Reserve %</b>	<b>15.11%</b>
<b>Average Unified District Reserves %</b> (FY2018; source: School Services)	<b>16.98%</b>



# The Use of Multi-Year Projections



- A slowing economy and rising costs pose challenges in the multi-year projection



# Assumptions in Multi-Year Projections

2020-2021	2021-2022
3.00% COLA	2.80% COLA
<b>Flat Enrollment Growth</b>	<b>Flat Enrollment Growth</b>
Governor's CalSTRS reduction proposal	Governor's CalSTRS reduction proposal
<b>81.03% of Enrollment Eligible for LCFF Targeted Funds</b>	<b>81.03% of Enrollment Eligible for LCFF Targeted Funds</b>
Lottery Unrestricted = \$151 per ADA Restricted = \$53 per ADA	Lottery Unrestricted = \$151 per ADA Restricted = \$53 per ADA
<b>Class Size Reduction Alternative Agreement Grades TK-3 = 28:1</b>	<b>Class Size Reduction Alternative Agreement Grades TK-3 = 28:1</b>
Continued Funding for Local Control and Accountability Plan Priorities	Continued Funding for Local Control and Accountability Plan Priorities



# Multi-Year Projections: Unrestricted General Fund

	2019-2020	2020-2021	2021-2022
<b>Beginning Balance</b>	\$19,967,793	\$20,158,656	\$17,829,832
<b>Total Revenues</b>	\$110,244,459	\$112,992,975	\$116,083,361
<b>Total Expenditures Including Other Outgo</b>	\$91,479,828	\$95,006,877	\$96,257,046
<b>Total Contributions</b>	(\$18,573,768)	(\$20,314,922)	(\$22,420,358)
<b>Change in Fund Balance</b>	\$190,863	(\$2,328,824)	(\$2,594,043)
<b>Projected Ending Balance</b>	\$20,158,656	\$17,829,832	\$15,235,789



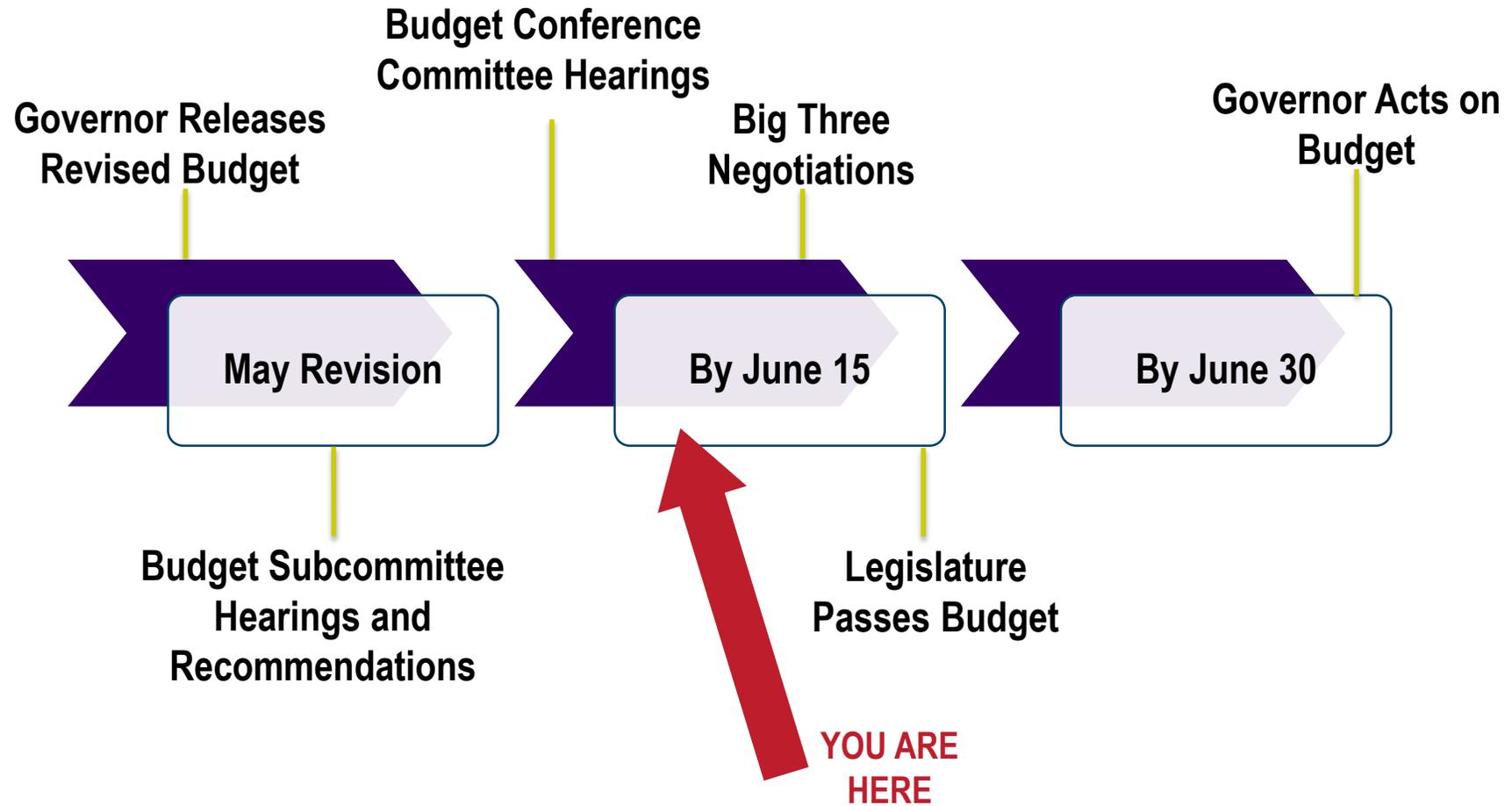
# Board Commitment to Fiscal Solvency

***It is the responsibility of the Board of Trustees to plan for and maintain the fiscal solvency of the District for the budget year and two subsequent fiscal years.***

***Based on our multi-year projections and by adopting this proposed budget the District will be able to meet its financial obligations for the 2019-2020 budget year and two subsequent fiscal years.***



# Next Steps





# Questions?