

2018-2019

SECOND INTERIM BUDGET

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The California Economy

- Slower growth than in previous years
- State economy will rely on three major factors:



Job
growth

Increasing
wages

Contained
inflation

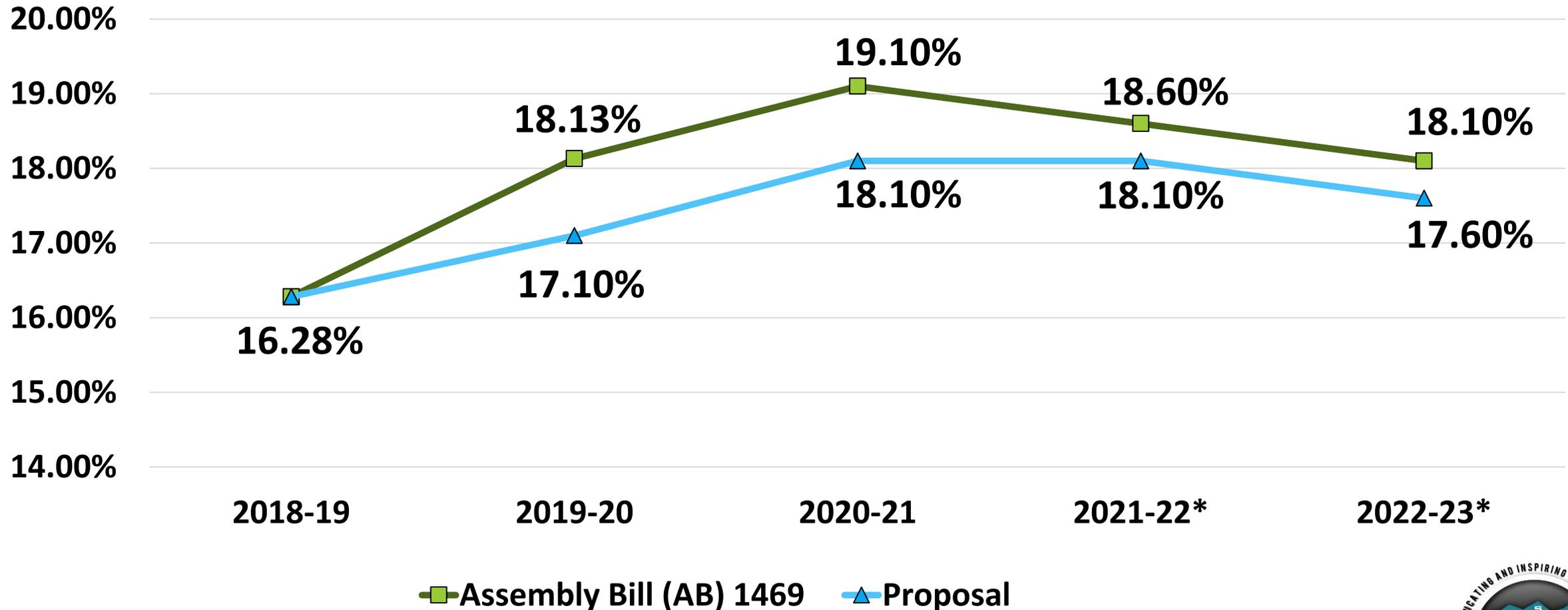
Themes from the Governor's Proposed Budget



- Despite growth, concern for downturn still exists
- Meager Prop 98 growth
- LCFF funding flattens and costs rise
- Early childhood education initiative
- Accountability remains a priority

CalSTRS—Employer Contributions

\$3 billion in one-time non-Prop 98 funds is proposed to reduce liabilities for employers.



Facilities Funding

The Governor's Budget also includes:



\$1.5 Billion Sale of Prop 51 Bonds for State Facility Program

For SJUSD this could close our
New Middle School
construction shortfall by 50%

Outlook at Second Interim



Second Interim Projection

- Represents the District's revised budget as of January 31, 2019
- Presents the Board and public with an updated current year operating budget and a new three-year, multi-year projection

Second Interim Budget 2018-2019

	Unrestricted	Restricted	Total
Beginning Balance	\$17,389,771	\$8,016,328	\$25,406,100
Total Revenues	\$108,255,207	\$22,546,638	\$130,801,845
Total Expenditures Including Other Outgo	\$92,043,736	\$43,767,850	\$135,811,586
Total Contributions	(\$17,160,497)	\$17,160,497	\$0
Change in Fund Balance	(\$949,026)	(\$4,060,714)	(\$5,009,741)
Projected Ending Fund Balance	\$16,440,744	\$3,955,614	\$20,396,359

Components of Unrestricted Ending Fund Balance

	2018-2019
3% Reserve for Economic Uncertainties	\$4,141,025
3% Additional Board Reserve Requirement	\$4,141,024
Revolving Cash	\$10,000
Assignment for Budget Contingencies	\$8,148,695
Projected Total	\$16,440,744

The Use of Multi-Year Projections

Projections are expected to change as various factors change

Required by
AB 1200 &
AB 2756

**Assumptions + Today's
Decisions = Projections**

Projections are not forecasts or predictions

Assumptions in Multi-Year Projections

2019-2020	2020-2021
3.46% COLA	2.86% COLA
Flat Enrollment Growth	Flat Enrollment Growth
FCMAT LCFF Calculator	FCMAT LCFF Calculator
81.03% of Enrollment Eligible for LCFF Targeted Funds	81.03% of Enrollment Eligible for LCFF Targeted Funds
Lottery Unrestricted = \$151 per ADA Restricted = \$53 per ADA	Lottery Unrestricted = \$151 per ADA Restricted = \$53 per ADA
Class Size Reduction Alternative Agreement Grades TK-3 = 28:1	Class Size Reduction Alternative Agreement Grades TK-3 = 28:1
Continued Funding for Local Control and Accountability Plan Priorities	Continued Funding for Local Control and Accountability Plan Priorities

Multi-Year Projections–Unrestricted General Fund

	2018-2019	2019-2020	2020-2021
Beginning Balance	\$17,389,771	\$16,440,744	\$15,553,698
Total Revenues	\$108,255,207	\$109,520,526	\$112,100,632
Total Expenditures Including Other Outgo	\$92,043,736	\$91,580,641	\$93,567,744
Total Contributions	(\$17,160,497)	(\$18,826,931)	(\$20,836,378)
Change in Fund Balance	(\$949,026)	(\$887,046)	(\$2,303,490)
Projected Ending Balance	\$16,440,744	\$15,553,698	\$13,250,208

Next Steps

State Level

- Budget committee hearings
- May Revision

SJUSD

- Development of The San Jacinto Difference (LCAP) and Budget with presentation and recommendation for Board approval in June



Board Commitment to Fiscal Solvency

- The Board of Trustees recognizes its responsibility to plan for and maintain the fiscal solvency of our District for the 2018-2019 budget year and two subsequent fiscal years.
- The multi-year projections indicate our District will be able to meet its financial obligations for the 2018-2019 budget year and two subsequent fiscal years.

Questions?

