

Attachment B

Second Interim Report & LCAP Update

March 12, 2019



Making
HOPE
Happen



Discussion for This Evening

- State Financial Outlook
- Changes since First Interim
- Second Interim Budget Assumptions
- Multi-Year Projections
- Positive Certification
- Budget and LCAP Timeline

State Financial Outlook

- State revenues fall short by \$2.3 billion for December and January combined
 - Proposed increase in COLA may not fully materialize - \$2.0M (new calculation includes adjustment for P1 attendance) for SBCUSD
 - Contribution to STRS may be reduced – \$3.0M for SBCUSD
- Legislative Analysts Office warns that downward funding adjustments may occur at May Revision
- May Revision will highlight changes in potential funding
- Actual funding rates adopted by June 30

Summary of Changes to Projected Revenues and Expenditures



(In Millions)

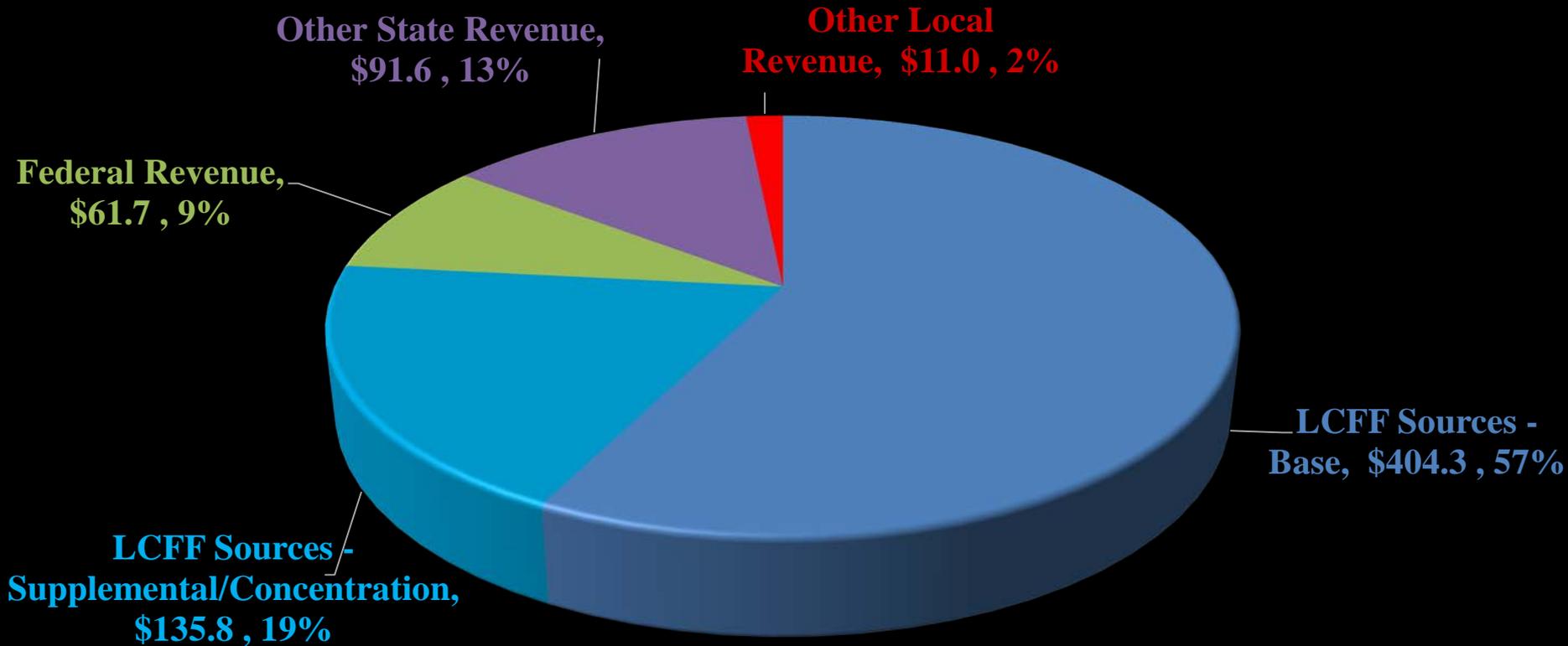
	Combined General Fund	2018-19 Adopted Budget	2018-19 1st Interim Projections	2018-19 2nd Interim Projections	Variance 2nd Interim to 1st Interim
1.	Total Revenues	\$685.0	\$701.4	\$704.4	\$ 3.0
2.	Expenditures, Transfers, and Interfund Transfers	718.5	747.8	743.2	(4.6)
3.	Excess (Deficit) Revenues less Expenditures	(33.5)	(46.4)	(38.8)	7.6
4.	Beginning Fund Balance	96.9	106.0	106.0	-0-
5.	Ending Fund Balance	63.4	59.6	67.2	7.6
6.	Components of Ending Fund Balance				
7.	Reserves for Stores, Revolving Cash and Prepaid Expense	0.3	0.3	0.4	0.1
8.	Reserve for Economic Uncertainties	14.4	15.0	14.9	(0.1)
9.	Reserve for Restricted Ending Balances	6.0	22.9	27.9	5.0
10.	Assigned – Targeted Support for School Progress	3.8	3.8	3.8	-0-
11.	Assigned Textbooks	5.0	5.0	5.0	-0-
12.	Reserve for Deficit Spending	7.8	11.3	3.5	(7.8)
13.	Reserve for Governor’s Budget Proposal	-0-	-0-	5.0	5.0
14.	Unappropriated Ending Fund Balance	\$ -0-	\$ 1.3	\$ 6.7	\$ 5.4

Changes Since First Interim Report

(In Millions)

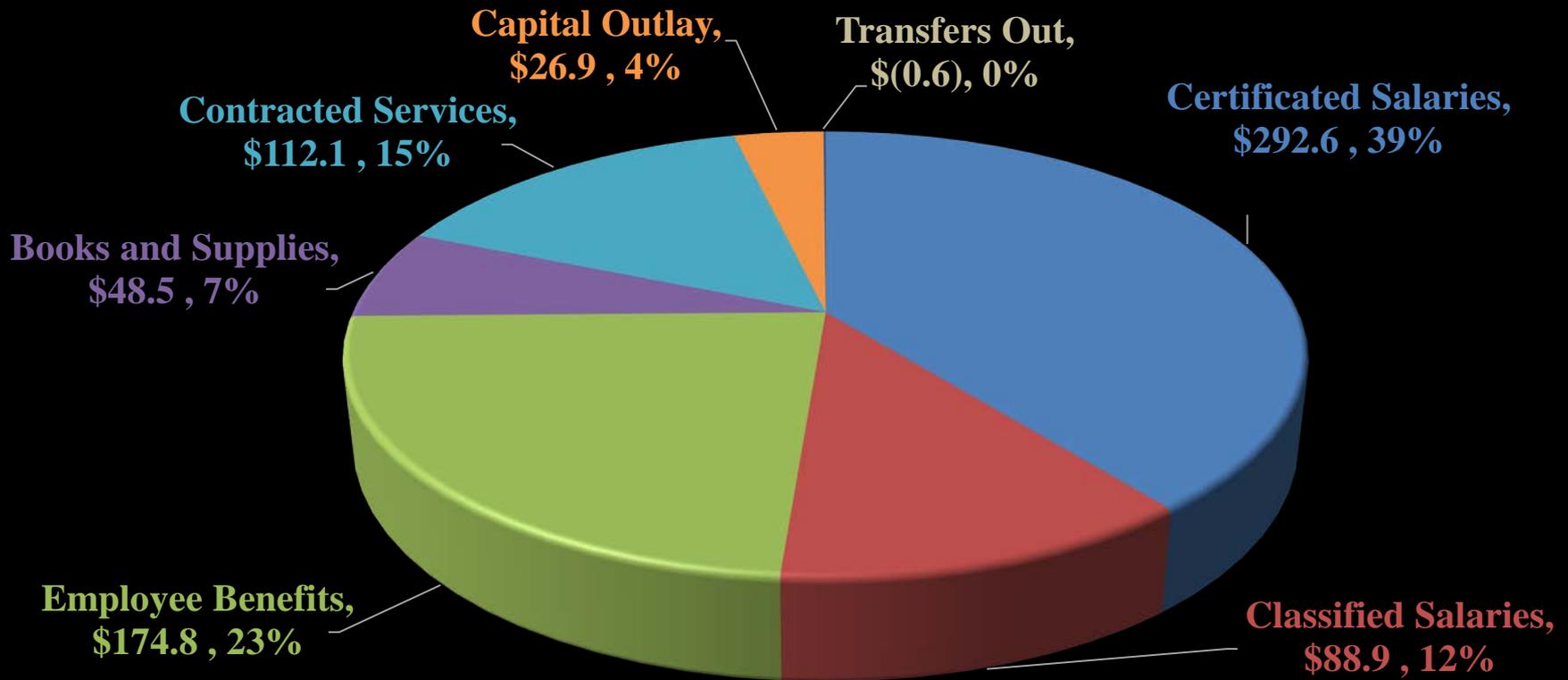
	Unrestricted	Restricted	Combined
Revenues			
Decrease in Unrestricted Revenue	(\$1.4)		(\$1.4)
New or Increasing Categorical Programs		\$4.4	\$4.4
Total Changes in Revenues	(\$1.4)	\$4.4	\$3.0
<i>As a percentage of total revenues</i>			0.4%
Expenditures			
Projected Increases in Savings	\$4.0	\$0.6	\$4.6
Net Change since First Interim	\$2.6	\$5.0	\$7.6
<i>As a percentage of total expenditures</i>			0.6%

SBCUSD 2018-19 Projected Total General Fund Revenues



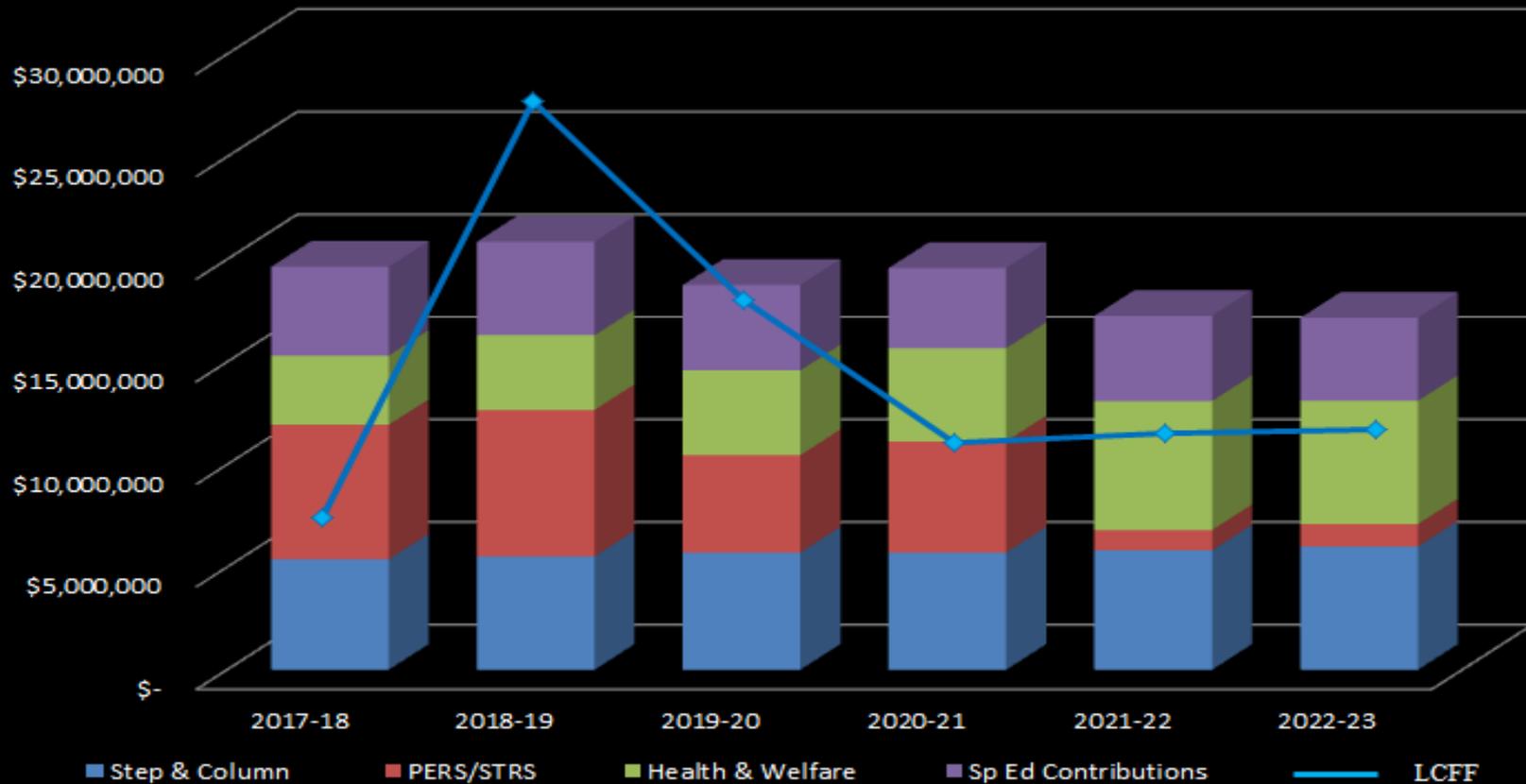
Total General Fund Revenues - \$704.4 Million

SBCUSD 2018-19 Projected Total General Fund Expenditures



Total General Fund Expenditures \$743.2 Million

Major Revenue Versus Cost Increases Through 2022-23



2018-19 Multi-Year Projections Combined General Fund

(In Millions)



		2017-18 Unaudited Actuals	2018-19 Projected	2019-20 Projected	2020-21 Projected	2021-22 Projected
1.	Total Revenues	\$669.7	\$704.4	\$693.8	\$706.2	\$718.2
2.	Expenditures, Transfers and Interfund Transfers	668.4	743.2	705.1	720.9	734.0
3.	Excess/(Deficit) Revenues less Expenditures	1.3	(38.8)	(11.3)	(14.7)	(15.8)
4.	Beginning Fund Balance	102.0	106.0	67.2	55.9	41.2
5.	Audit Adjustment/Restatement	2.7	-0-	-0-	-0-	-0-
6.	Ending Fund Balance	106.0	67.2	55.9	41.2	25.4
7.	Components of Ending Fund Balance					
8.	Reserves for Stores/Revolving Cash and Prepaid Expenditures	0.5	0.4	0.3	0.3	0.3
9.	Restricted Ending Balances	44.4	27.9	22.1	12.3	-0-
10.	Reserve for Economic Uncertainties	13.4	14.9	14.2	14.5	14.7
11.	Assigned – Targeted Support for School Progress (TSSP)	7.6	3.8	3.8	3.8	-0-
12.	Assigned - Textbooks	14.0	5.0	-0-	-0-	-0-
13.	Reserve for One-Time Expenditures (One-Time Board Priorities)	3.6	-0-	-0-	-0-	-0-
14.	Reserve Pending Approval of Governor’s Budget Proposal	-0-	5.0	5.0	5.0	5.0
15.	Reserve for Deficit Spending	20.9	3.5	3.5	3.5	3.5
16.	Unappropriated Ending Fund Balance	\$ 1.5	\$6.7	\$7.0	\$1.8	\$1.9

2018-19 Multi Year Projections

Unrestricted General Fund



		2017-18 Unaudited Actuals	2018-19 Projected	2019-20 Projected	2020-21 Projected	2021-22 Projected
1.	Total Revenues	\$474.3	\$496.7	\$499.5	\$510.3	\$522.4
2.	Expenditures, Transfers and Interfund Transfers	481.7	518.9	505.0	515.2	525.9
3.	Excess/(Deficit) Revenues Less Expenditures	(7.4)	(22.2)	(5.5)	(4.9)	(3.5)
4.	Beginning Fund Balance	66.1	61.5	39.3	33.8	28.9
5.	Audit Adjustment/Restatement	2.8	-0-	-0-	-0-	-0-
6.	Ending Fund Balance	61.5	39.3	33.8	28.9	25.4
7.	Components of Ending Fund Balance					
8.	Reserves for Stores/Revolving Cash and Prepaid Expenditures	0.5	0.4	0.3	0.3	0.3
9.	Reserve for Economic Uncertainties	13.4	14.9	14.2	14.5	14.7
10.	Assigned – Targeted Support for School Progress (TSSP)	7.6	3.8	3.8	3.8	-0-
11.	Assigned - Textbooks	14.0	5.0	-0-	-0-	-0-
12.	Reserve for One-Time Expenditures (One-Time Board Priorities)	3.6	-0-	-0-	-0-	-0-
13.	Reserve Pending Approval of Governor’s Budget Proposal		5.0	5.0	5.0	5.0
14.	Reserve for Deficit Spending	20.9	3.5	3.5	3.5	3.5
15.	Unappropriated Ending Fund Balance	\$ 1.5	\$ 6.7	\$ 7.0	\$ 1.8	\$ 1.9

2018-19 Multi-Year Projections

Unrestricted General Fund



(In Millions)

		2017-18 Unaudited Actuals	2018-19 Projected	2019-20 Projected	2020-21 Projected	2021-22 Projected
1.	Total Revenues	\$474.3	\$496.7	\$499.5	\$510.3	\$522.4
2.	Expenditures, Transfers and Interfund Transfers	481.7	518.9	513.5	523.7	534.4
3.	Excess/(Deficit) Revenues Less Expenditures	(7.4)	(22.2)	(14.0)	(13.4)	(12.0)
4.	Beginning Fund Balance	66.1	61.5	39.3	25.3	11.9
5.	Audit Adjustment/Restatement	2.8	-0-	-0-	-0-	-0-
6.	Ending Fund Balance	61.5	39.3	25.3	11.9	(0.1)
7.	Components of Ending Fund Balance					
8.	Reserves for Stores/Revolving Cash and Prepaid Expenditures	0.5	0.4	0.3	0.3	0.3
9.	Reserve for Economic Uncertainties	13.4	14.9	14.4	14.7	14.9
10.	Assigned – Targeted Support for School Progress (TSSP)	7.6	3.8	3.8	3.8	-0-
11.	Assigned - Textbooks	14.0	5.0	-0-	-0-	-0-
12.	Reserve for One-Time Expenditures (One-Time Board Priorities)	3.6	-0-	-0-	-0-	-0-
13.	Reserve Pending Approval of Governor’s Budget Proposal		5.0	-0-	-0-	-0-
14.	Reserve for Deficit Spending	20.9	3.5	-0-	-0-	-0-
15.	Unappropriated Ending Fund Balance	\$ 1.5	\$ 6.7	\$ 6.8	\$ (6.9)	(\$15.3)

Positive Certification

- Board action is required to certify the financial condition of the District in accordance with State adopted criteria and standards.
- Positive Certification – Based on current projections, the Board President and Superintendent certifies that the District will be able to meet its financial obligations for the current and two subsequent fiscal years.

Next Steps



August
Governor's
Final
Budget
45 Day
Revision

September
Unaudited
Actuals
2017-18
by
September
15

December
Interim
Report
by
December
15

January
Governor's
January
Budget
Proposal

March
Second
Interim
Report
by
March 15

April 30
Board
LCAP and
Budget
Discussion

May 15
Governor's
May Revise

Public
Hearing
LCAP and
Budget
June 4
LCAP and
Adopt
Budget
June 18

**San Bernardino City Unified School District
Local Control and Accountability Plan
(LCAP) Progress Update**

**2018-19 Board Report
March 12, 2019**

Presented by: Dr. Kennon Mitchell

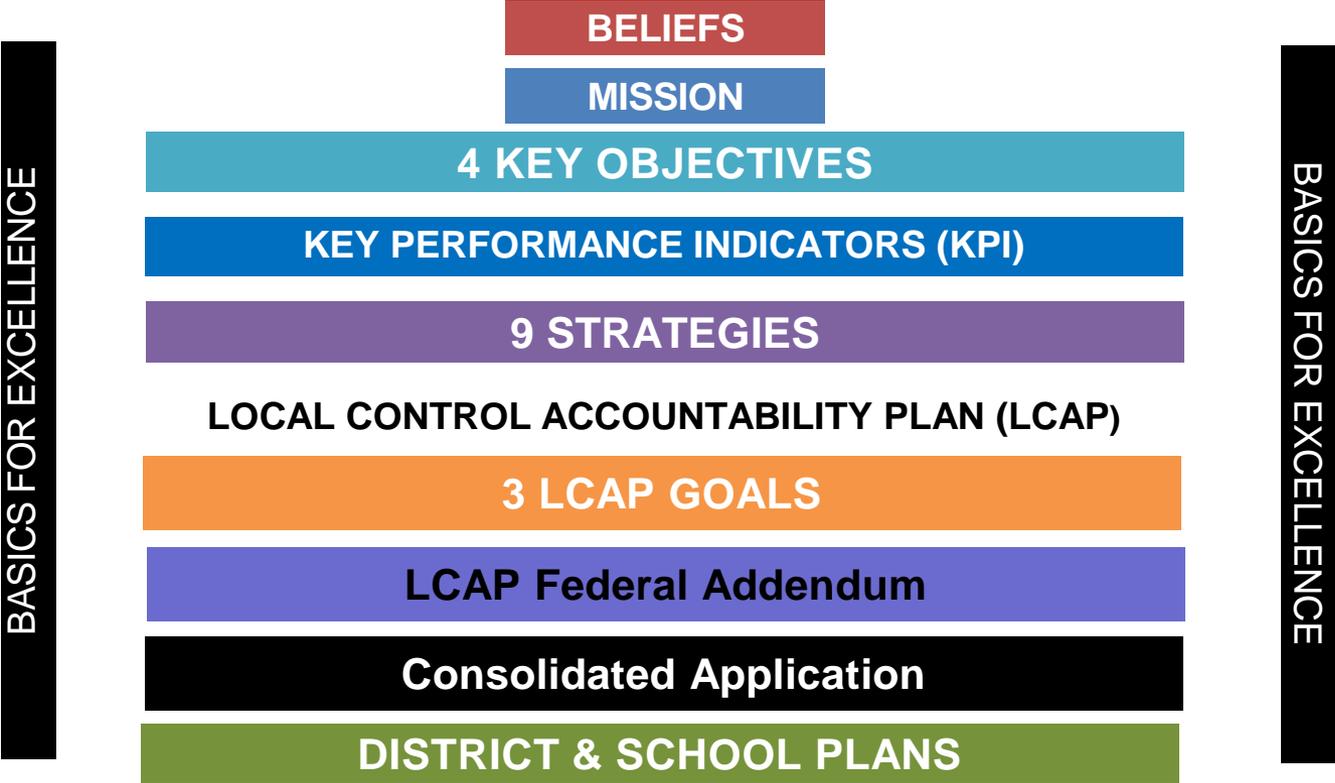


Making
Hope
Happen

Objectives for Tonight's Meeting

1. Provide an update for the 2018-2019 Local Control and Accountability Plan (LCAP)
2. Provide an opportunity for input/comments

The Community Engagement Plan and the Local Control Accountability Plan of the San Bernardino City Unified School District



2017-2018 through 2019-2020 LCAP Goals

**GOAL
1**

Academics

Academic Achievement – Student academic performance, including English proficiency, will be at a “standards met or greater” level based on rigorous core content standards, resulting in a high school diploma. Emphasis will be placed on A-G coursework and college and career pathways.

**GOAL
2**

**School Climate
and Campus
Environment**

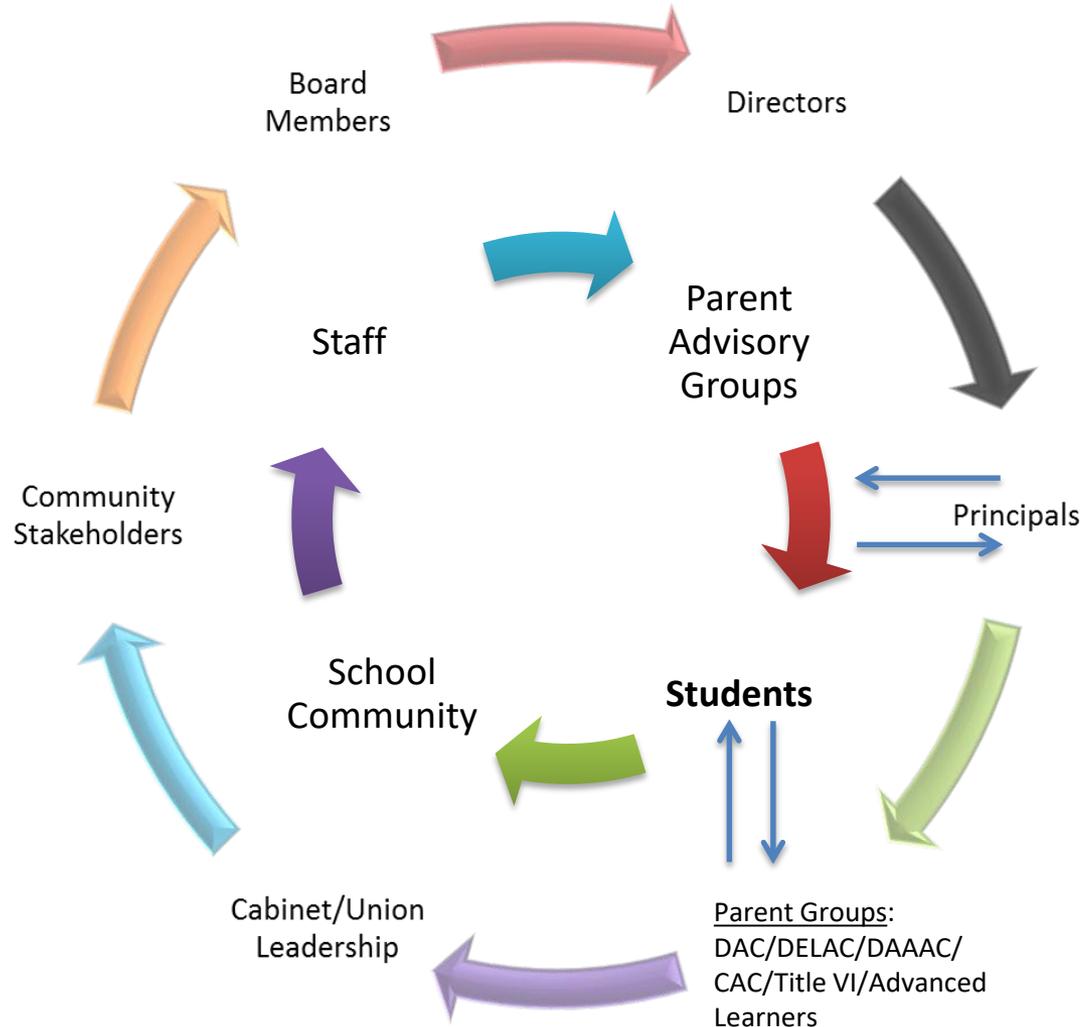
School Climate/Campus Environment: In order to support student academic achievement and engagement, all students will be educated in learning environments that are clean, safe, well maintained, drug free, and conducive to learning, with a focus on reducing suspension, expulsion, citation, and chronic absenteeism rates.

**GOAL
3**

**Student, Parent,
Community
Involvement and
Support**

Student, Parent and Community Involvement and Support: SBCUSD will engage, educate, and involve students, parents, and the community as partners with a focus on academic achievement, careers, and social services through a network of resources, allies, and alliances.

Engaging All Stakeholders



LCAP Community Stakeholder Update Meeting February 26, 2019

- 83 participants, including: Board members, Cabinet, community, parent advisory groups, teachers, classified, certificated, contributed in carousel rotations of 12 LCAP priority presentations
- Input / feedback was encouraged and obtained at each of the carousel rotations
- 173 pieces of input was received

Next Steps

1. Continue to provide technical assistance/support and program monitoring to sites
2. Continue to align LCAP with each site's School Plan for Student Achievement in content and process
3. Provide updates to Parent Advisory Groups and Board

Questions/Comments/Feedback



Thank you!