

Minutes of a Special Meeting of the Board of Education

Community Room  
Board of Education Building  
777 North F Street  
San Bernardino, California

**MINUTES  
ADOPTED  
7/19/16**

May 26, 2016

Present: President Margaret Hill, Vice President Abigail Medina (arrived 2:06 pm) Board Members Barbara Flores, Mike Gallo, Gwen Rodgers, and Danny Tillman (left at 3:52 pm); Superintendent Dale Marsden; Deputy Superintendent Harold Vollkommer, Chief Business Officer, Jayne Christakos; Assistant Superintendents Kennon Mitchell, John Peukert, Perry Wiseman, and Matty Zamora; School Police Chief Joe Paulino; and Superintendent's Assistant Carla Cross. Minutes recorded by Administrative Assistant Karen Cunningham.

SESSION ONE

1.0 *Opening*

1.1 Call to Order

President Hill called the meeting to order at 2:02 pm.

1.2 Pledge of Allegiance to the Flag

Mr. Imbriani led the Pledge of Allegiance.

1.3 Adoption of Agenda

Upon motion by Member Flores, seconded by Member Gallo, and approved by the affirmative vote of Flores, Gallo, Hill, Rodgers, and Tillman (Absent: Medina, Wyatt) (Noes: None), the agenda was adopted.

SESSION TWO

2.0 *Public Comments*

Mr. Imbriani, Athletic Director, thanked the Board for funds for athletics – uniforms, LCAP. He said that this Board was changing things more than ever before. The Board spoke about the Athletic Strategic Plan and how the goal was to have families be able to have their students participate even if they couldn't afford it and thanked Mr. Imbriani for bringing this issue forward. Dr. Marsden thanked Dr. Vollkommer for his work on the Athletic Strategic Plan.

Board adjourned to Closed Session at 2:12 pm

SESSION THREE

3.0 *Closed Session*

Conference with Labor Negotiator

District Negotiator: Perry Wiseman

Employee Organization: California School Employees Association  
Communications Workers of America  
San Bernardino School Police Officers Association  
San Bernardino Teachers Association

## SESSION FOUR

### 4.0 *Administrative Presentation(s)*

#### 4.1 General Obligation Bond

John Peukert, Assistant Superintendent, Facilities/Operations, and a representative from Fieldman, Rolapp & Associates, Inc, and Adam Bower with Piper Jaffray provided the Board with PowerPoint overview of exploring the proposed bond (Attach. A).

Board discussion centered around additional taxes to the community. Mr. Tillman felt there was already a tax burden on homeowners and this bond would only increase that burden. He also said that we might need another bond in the future for more schools. Dr. Flores agreed that this might be a tax burden to the community and feels the District needs to collect more data. Mrs. Medina asked if the property tax was limited just to homeowners and was told it would include rentals and commercial use.

Dr. Hill remarked that polling is important as it will give the citizens' a chance to give their input, but Mr. Tillman believes that a poll is not a true input. It is important to have the average person come in and have a real conversation with them.

Mr. Gallo said this is all about the expenditure, the purpose, the return on the investment and what we are going to yield as a city. We need to look at investment strategies that will move people from poverty to prosperity. It will take investment in infrastructure, people, capacity, education, and workforce to attract business and jobs. We need to focus on specific expenditures to see they are targeting our demand areas.

Mr. Tillman asked when was the discussion when the Board picked \$27 million for career pathways and this was the first he was hearing about the Board spending money on community centers. Dr. Flores concurred with Mr. Tillman and said that we haven't had this discussion yet and she does understand that it would be a hardship for the community.

Dr. Hill asked if it was the consensus of the Board to have it agendaized. Mr. Gallo said that was going to be his proposal that we discuss the specific allocations and proposed activities and what we're going to fund so we can ensure it fits within our Board strategy. He agrees with his colleagues that we need to understand clearly those details. Dr. Marsden said the timeline would allow us to do that. He also thinks it important to have a sub-committee to help him think about the best way to get true input versus just polling. If he has consensus of the Board, he will go ahead with the polling simultaneously while talking about how to get the community input so the Board has a good sense of what the pulse of our community is. Mr. Gallo wanted to clarify that he didn't just want a list of items with a total. There should be the purpose, objective, measurable outcomes, and alignment with the strategic plan. Dr. Marsden asked if the Budget subcommittee - Mike, Abigail, and Barbara - would like to meet to discuss. Dr. Flores said she would give up her spot to Mr. Tillman, the alternate. Mr. Tillman declined saying he loses confidence when they have these plans and committees because he feels it's just a game. This is not an open process where we're asking what needs to be done and how best we can use additional money to build things. Dr. Marsden is going to meet with whoever he met with to get this list and that's what's going to happen; Mr. Tillman said he would not be a part of it.

Dr. Flores said that we were going through with the polling when we haven't said if we're for the bond or not. Is today's meeting to say yes or no to the bond? Dr. Marsden said it was for a consensus of the Board for him to go forward with the polling portion while we do the rest of the work looking at the average household income, looking at a structure to insure a true input, whether they would support a bond and what items should be on the bond. We would wait until the polling was done, then present the survey results, and then the Board would make a determination on whether to go through with the bond.

Dr. Flores said we haven't gotten input from the community, our parents, students, and teachers as to what they need. She would prefer to do that because there are a lot of needs. We were elected by the community to meet their needs.

Mrs. Medina asked how we would do the poll if we are not going to give them specifics such as the community centers. Mr. Bower responded that they would do a priority of importance issues and ask the community how they would feel about different items from new construction to the items listed, to other things. You would have a range showing how each of those items were supported. If done correctly the poll will get a stratified sample of your community to target your community as a whole.

If given the thumbs up to go ahead with the polling Dr. Marsden said a date could be set for Dr. Flores, Mr. Gallo, and Mrs. Medina to get together and give input on how they want to gather true input, what are their priorities if the Board was to consider a bond. Staff's job is to bring recommendations to the Board on what we believe is important for the community based on our work. You can accept, reject, or modify our recommendations. All we are really asking for at this point is do we have your consensus to move forward with the polling given how I just described it.?

Mrs. Medina asked if it was \$35 a year and Mr. Tillman clarified that homeowners are already paying \$128, this would add \$35 to that and it would be a hardship for families who can't even afford necessities.

Mr. Gallo said he has been here since 1980 and he has seen what the lack of investment and strategic planning has cost the city and yet he has seen what has happened over the last 4.5 years with specific investments, specific targeted objectives that the school district has invested in through its strategic planning process and he has seen the yield in student achievement results that have been historic and the increase in graduation rates, A-G compliance increase. We're not where we want to be but we are headed in the right direction and it is because of these targeted, strategic objectives and investments in infrastructure, in building not only student achievement objectives but organizations of excellence, investing in professional development so we can deliver quality instruction and programs to our students. When you look at the financial impact we are making through these investments and the huge economic benefit that is to our community in building taxpayers that can ultimately support investments like this, it is a no brainer from a return on investment. He has seen the decline in the city from their lack of any strategic planning.

Dr. Hill suggested doing roadshows so that you could move to different areas of the community, from the north end to the west side and hear from the people. She feels confident on going to the

people and getting feedback from those who own homes, whether it's a \$100,000 house or a \$300,000 house. The superintendent is asking for permission for us to okay to begin with the polling.

Mr. Tillman said if you really wanted to be genuine to the process you would go out to the people and see what they want before you start the process of passing the bond. When you do the poll, you are starting the process. If you want to be sincere and tell the people we haven't quite decided yet but here are some things we want and you let them make that decision. We built schools prior to the strategic plan with very little debt; test scores were going up; the District was doing some good things; we found ways to get money, so we've been doing good things all along, we have been financially sound all along, but we should never lose sight of the regular people and the burden you're going to put on them. Right now we have the faith and confidence of the public and you don't ever want to lose that.

Mrs. Rodgers said that she wanted to go out and get the community's input.

Mr. Tillman, Mrs. Medina, Mrs. Rodgers, and Dr. Flores said to wait on polling until after community input. Mr. Gallo wanted concurrent activity – details on proposals, community input, polling, etc.

The consensus was to move forward with getting community input before beginning the polling.

#### 4.2 2016-17 Budget Workshop

Jayne Christakos, Chief Business Officer and Janet King, Director of Fiscal Services, provided the Board with a preliminary 2016-17 budget and an overview of the Governor's May Revision (Attach. B).

Dr. Flores wanted to pull \$1 million from classified professional development and redirect it to school operating costs: \$819,000 for costs; the rest to Youth Court and Restorative Justice which is currently not funded. Dr. Mitchell responded that they are funded.

Dr. Marsden explained that the Board can, at any time, allocate certain items for certain things. What he would recommend is to task him and the Cabinet with the Board's direction, such as what is the best approach to expand Youth Court. He could then bring back a recommendation and then make happen what you want around Youth Court, Restorative Justice. What are your greatest priorities and then we will try to push the Board's agenda to get it done. What he is hearing is that you have a strong desire around Youth Court, Restorative Justice efforts and if you give him that direction then he would go to staff and ask what our current state is, what is the strategic plan. Once he gets all the information then he can provide the Board with a recommendation we can afford. Rather than just cutting the funding for professional development maybe there would be a way to cut in other areas. With the Board's direction he can look into other avenues and bring back a recommendation. Dr. Flores' stated it was her recommendation that we focus on our kids and reallocate those professional development funds to the athletic program.

Mrs. Medina was pleased class size reduction funds were added to Core classes in 10<sup>th</sup>, 11<sup>th</sup>, and

12<sup>th</sup> grades. She asked if the reserves for economic uncertainties could be used. Mrs. Christakos said no; it is state-mandated to have a 2% reserve. If we had to use that reserve it would be because we are in the negative and the state would then come in and provide oversight.

Mrs. Rodgers asked if there was \$1.3 million left. Dr. Vollkommer said yes and that it has already been distributed to schools, just not all spent. He said that the \$1.5 million would be additional and on-going for the new year.

Mrs. Rodgers asked about the professional development for classified and what would that entail. Dr. Marsden shared that if the District wanted to do an all-employees training, they would not be able to include classified as there would be no funds unless we allocate. Are our The idea was since we had the funds from the state for certificated, a mechanism in place for classified helps to train every person in the organization, so that we aren't training one group exclusively over another. The \$1 million is proportional to the certificated dollars.

Mrs. Rodgers asked about the CAPS waiting list and with the \$2 million allocated how many students would be moved off that list. Dr. Mitchell said the \$2 million would increase the number of students by about 1500. He explained that unless we provided programs for all 50,000 students the waiting list will always exist at some sites. There were some sites that were able to eliminate their waiting lists entirely. We currently serve 10,000 students a day in the afternoon. We serve about 2,000 students in morning CAPS and an additional 2000 in the summer. Elementary schools have about 125 students; middle schools about 225. Mrs. Christakos said that these dollars were allocated earlier in the year, we are just continuing them. Mrs. Rodgers also asked for clarification on Special Education required increase means. Dr. Mitchell shared that our Special Ed class sizes are contractual to a limited number of students. If capacity goes over we are required to hire additional teachers. Also if a student requires a non-public school or 24-hr residential housing that's all paid for as well. When you create another class they might also require instructional aides; impact on psychologists, speech therapists, etc., transportation. When a student is qualified for special education that has a ripple effect across the whole system.

Mrs. Medina said that the Board should be able to add line items because she has been asking for a line item for class size reduction and until she sees it there she feels it doesn't get addressed. Could the professional development be less than the \$1 million and still provide good training. Using the money directly for conferences that the teachers need is more effective than having a conference with everyone attending. Maybe ask classified what they feel they need and then calculate the cost that way.

Mr. Gallo remarked that line items are about 7% of budget. We need to make sure we put our priorities to where the bulk of the money is going. I would be asking what the expenditures are and what the particular objectives are. What the dollar expenditures are in the other 93% versus trying to plow everything here into \$39 million. I think what we are looking for is how can we implement some of the athletic strategic plan items if they are not currently reflected in this budget; policy implementation for our Restorative Justice/Youth Court/PBiS and think about an implementation schedule and budget. One of the questions he has is expanding the Chromebook initiative to 15,000 devices and this is in 16/17. How many have we deployed already? About 4,000 will be distributed at the beginning of school; this will allow us additional purchases next

year. Mr. Gallo also mentioned the \$25.2 million LCAP allocation. He hopes that it was for a lot more than just personnel; you just chose to identify the number of personnel associated with that. Mrs. Christakos said they had a number of items that are supplemental concentration that we have in the district, that's part of the categorical dollars, part of things we do above and beyond the base programs. This is just highlighting where \$25.2 million was specifically allocated for these line items.

Mrs. Medina asked if this was separate from LCAP. Mrs. Christakos said many of these items were supplemental concentration; our budget is integrated in the LCAP and the LCAP will be going into the third year of the plan. It will go to public hearing at the next board meeting and then for adoption at the second board meeting in June. Mrs. Medina asked if we had been given that plan. Mrs. Christakos said it was the same plan that has been in place for two years, going into the third year.

Dr. Flores said she would like to see the LCAP plan again and also know the carryover; what we spend and what we are carrying over. Mrs. Christakos shared that the plan would be given to the Board at the next meeting, it will be included in the annual update.

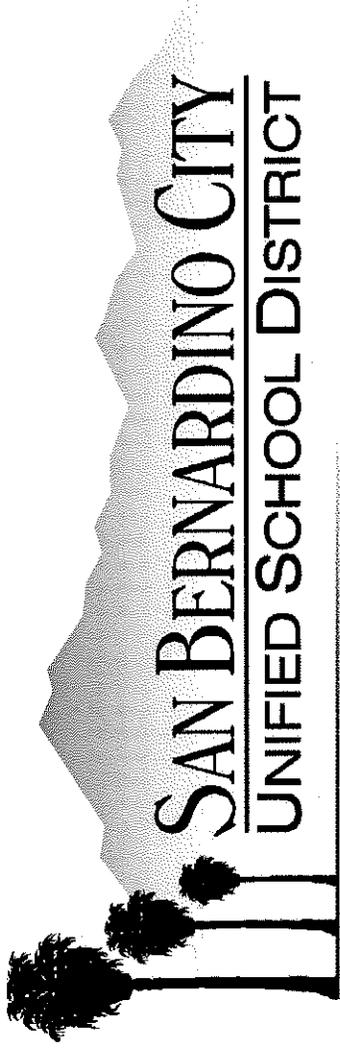
Dr. Hill stated she was glad the CAPS waiting list was addressed and she is glad there is always a waiting list as it means we are doing something right in the program. The wifi connection for the Chromebooks, hopefully we can work with the City on getting city-wide wifi. Under professional development for classified, does that included classified managers as well? Dr. Marsden said it would be where ever the certificated dollars couldn't cover; the goal being to have a comprehensive training as part of our community engagement plan to develop every person in the organization. As a First Five commissioner, Dr. Hill said they too have gone through some strategic planning. With the loss of \$1 million dollars First Five is still providing services for our 0-5 population in all 33 counties in San Bernardino.

## SESSION FIVE

### *5.0 Adjournment*

By the affirmative vote of the members, the meeting was adjourned at 4:53 pm.

The next regular meeting of the Board of Education of the San Bernardino City Unified School District will be held on Tuesday, June 7, at 5:30 p.m. in the Community Room of the Board of Education Building, 777 North F Street, San Bernardino.



# Consideration of Potential 2016 General Obligation Bond Election

May 26, 2016

## Need for 2016 Bond Measure

- New 2016 GO Bond Measure would be used as a bridge to provide funds while Measure N bonds used to pay off 2011 COPs
  - Would fund approximately \$75 million for new construction and modernization

# Sample Tax Bill Comparison

## RIVERSIDE USD SAMPLE TAX BILL

### ASSESSED VALUATION AND PROPERTY TAXES

Median Assessed Value: \$225,331  
 Less Homeowner's Exemption: \$7,000  
**Taxable Assessed Value: \$218,331**

	Percent of AV	Projected Amount
<b>AD VALOREM PROPERTY TAXES</b>		
General Purposes	1.00000%	\$2,183.31
Metropolitan Water District GO Bonds	0.00350%	7.64
City of Riverside GO Bonds	0.00626%	13.67
Riverside Unified School District GO Bonds	0.05307%	115.87
Riverside City Community College GO Bonds	0.01791%	39.10
	<b>1.08074%</b>	<b>2,359.59</b>

### DIRECT ASSESSMENTS

Flood Control Stormwater/Cleanwater	\$1.59
City of Riverside Lighting District	31.44
Metropolitan Water District Standby Charge	9.22
CSA 152 - Riverside Stormwater	6.80
City of Riverside Library Services	19.00
NW Mosquito & Vector - Riverside	9.70
<b>Riverside Unified School District CFD No. 22</b>	<b>2,103.94</b>
	<b>\$2,181.69</b>

**Total Property Taxes** \$4,541.28  
**Total Effective Tax Rate** 2.08%

## HESPERIA USD SAMPLE TAX BILL

### ASSESSED VALUATION AND PROPERTY TAXES

Median Assessed Value: \$148,019  
 Less Homeowner's Exemption: \$7,000  
**Taxable Assessed Value: \$141,019**

### AD VALOREM PROPERTY TAXES

	Percent of AV	Projected Amount
General Purposes	1.00000%	\$1,410.19
Victor Valley Community College District	0.01970%	27.78
Mojave Water Agency Nos. 1 & 2	0.08078%	113.92
	<b>1.10048%</b>	<b>\$1,551.89</b>

### DIRECT ASSESSMENTS

City of Victorville Water Standby Charge	\$16.20
City of Victorville Street Lighting Assessment District	15.18
<b>CFD No. 2006-5 of the Hesperia Unified School District</b>	<b>1,885.80</b>
	<b>\$1,917.18</b>

**Total Property Taxes** \$3,469.07  
**Total Effective Tax Rate** 2.46%

## Measure N Summary

- Voters approved a not to exceed amount of \$250,000,000
- 3 series of bonds have been issued leaving \$175 million (\$119 million for projects available beginning in 2024 and beyond) in authorization
- Next three series of bonds will be used to repay 2011 Qualified School Construction Bonds
- Legal maximum tax rate is \$60 per \$100,000 of Assessed Value
- Projected maximum tax rate is \$34 per \$100,000 of Assessed Value
- Current tax rate is \$31 per \$100,000 of Assessed Value

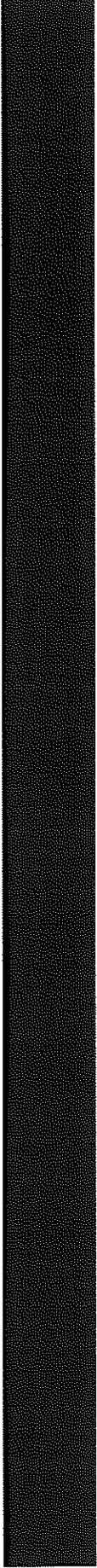
# Next Steps – Potential Timeline

## PRELIMINARY SCHEDULE FOR NOVEMBER 2016 ELECTION\*

Week of	Monday, May 23, 2016	Kick-off meeting with FM3 to begin development of survey questionnaire	I, FA, U, P, EC
Week of	Monday, May 30, 2016	Begin drafting poll	I, FA, U, P, EC
By	Friday, June 03, 2016	Review and approve poll	I, FA, U, P, EC
	Monday, June 06, 2016	Begin polling period	P
	Friday, June 10, 2016	End of polling period	P
	Tuesday, June 21, 2016	Present survey results and recommendations to Board of Education	I, FA, U, P, EC
	Tuesday, July 12, 2016	Board of Education Meeting - First Reading of Legal Documents	I
	Tuesday, July 19, 2016	Board of Education Meeting to adopt two resolutions:	
	or	1. Resolution Ordering Election	I
	Tuesday, August 2, 2016	2. Resolution requesting consolidation with other elections, authorizing Tax Rate Statement, and authorizing Board Members to sponsor ballot arguments	
By	Friday, August 12, 2016	Deadline for Board of Education to amend or withdraw Bond Measure	I
	Tuesday, November 08, 2016	Election Day	I

**I = ISSUER, FA= FINANCIAL ADVISOR, U = UNDERWRITER, P = POLLSTER, EC = ELECTION CONSULTANT**

\*Dates are preliminary, subject to change.



*Appendix*

*Additional Information*

# Assessed Valuation and Parcels by Land Use

Type	FY 2015-16 Assessed Valuation <sup>(1)</sup>	% of Total	No. of Parcels	% of Total
<b>Non-Residential</b>				
Agricultural/Rural	\$2,120,593	0.02%	15	0.02%
Commercial	1,217,253,386	10.29	1,975	3.06
Professional Office	341,001,941	2.88	504	0.78
Industrial	1,281,363,154	10.83	751	1.16
Recreational	55,870,912	0.47	94	0.15
Government/Social/Institutional	80,073,126	0.68	327	0.51
Miscellaneous	44,014,863	0.37	229	0.36
<b>Subtotal Non-Residential</b>	<b>\$3,021,697,975</b>	<b>25.53%</b>	<b>3,895</b>	<b>6.04%</b>
<b>Residential:</b>				
Single Family Residence	\$6,396,107,836	54.05%	45,601	70.71%
Condominium/Townhouse	194,388,451	1.64	2784	4.32
Mobile Home	57,834,460	0.49	1,344	2.08
Mobile Home Park	54,965,896	0.46	52	0.08
2-4 Residential Units	829,686,855	7.01	2,264	3.51
5+ Residential Units/Apartments	953,860,986	8.06	1436	2.23
Miscellaneous Residential	5,284,795	0.04	118	0.18
<b>Subtotal Residential</b>	<b>\$8,492,129,279</b>	<b>71.76%</b>	<b>53,599</b>	<b>83.11%</b>
<b>Vacant Parcels</b>	<b>\$320,381,444</b>	<b>2.71%</b>	<b>6,996</b>	<b>10.85%</b>
<b>Total</b>	<b>\$11,834,208,698</b>	<b>100.00%</b>	<b>64,490</b>	<b>100.00%</b>

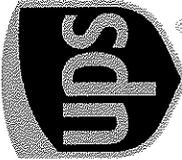
<sup>(1)</sup> Local Secured Assessed Valuation; excluding tax-exempt property.

Source: California Municipal Statistics, Inc.



# Major Regional Employers

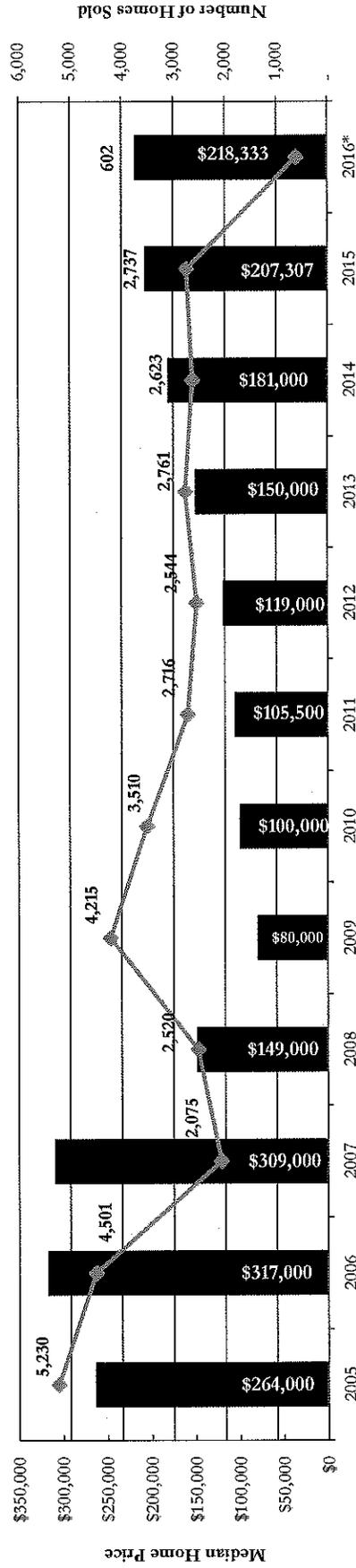
Employer Name	Description	Number of Employees
County of San Bernardino	Government	19,000
Stater Brothers Market	Grocery-Retail	18,221
U.S. Army, Fort Irwin & National Training Center	Military	13,805
Loma Linda University	Education	13,805
U.S. Marine Corps Air Ground Combat Center	Military	12,486
United Parcel Service	Shippers	8,600
San Bernardino City Unified School District	Education	8,574
Ontario Internation Airport	Airport	7,695
Loma Linda University Medical Center	Education/Healthcare	6,147
Kaiser Permanente (Fontana Only)	Healthcare	6,000
Amazon	Retail	1,900
Kohl's	Retail	1,800



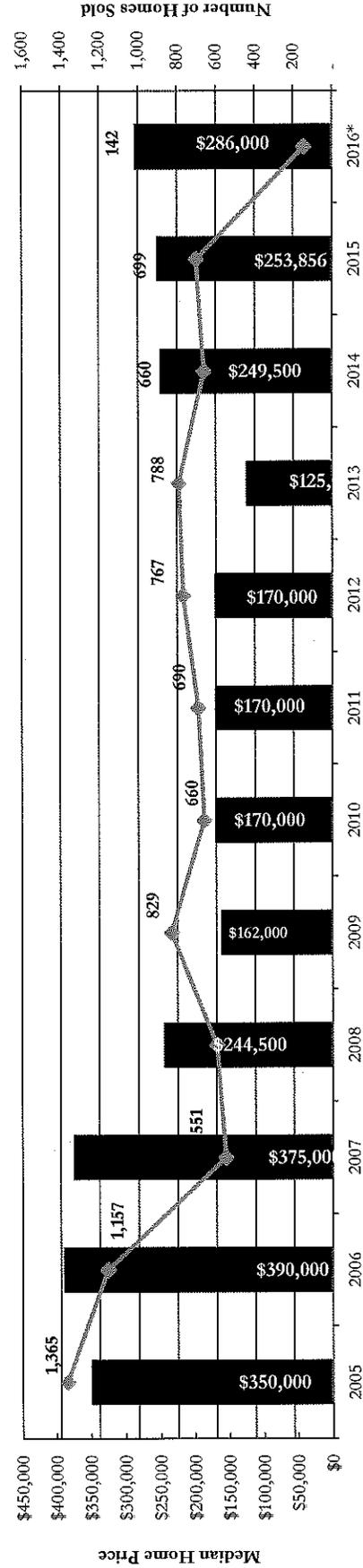
**Ontario**  
Los Angeles  
World Airports

# Average Single Family Home Sale Prices for New & Existing Homes

## City of San Bernardino



## City of Highland



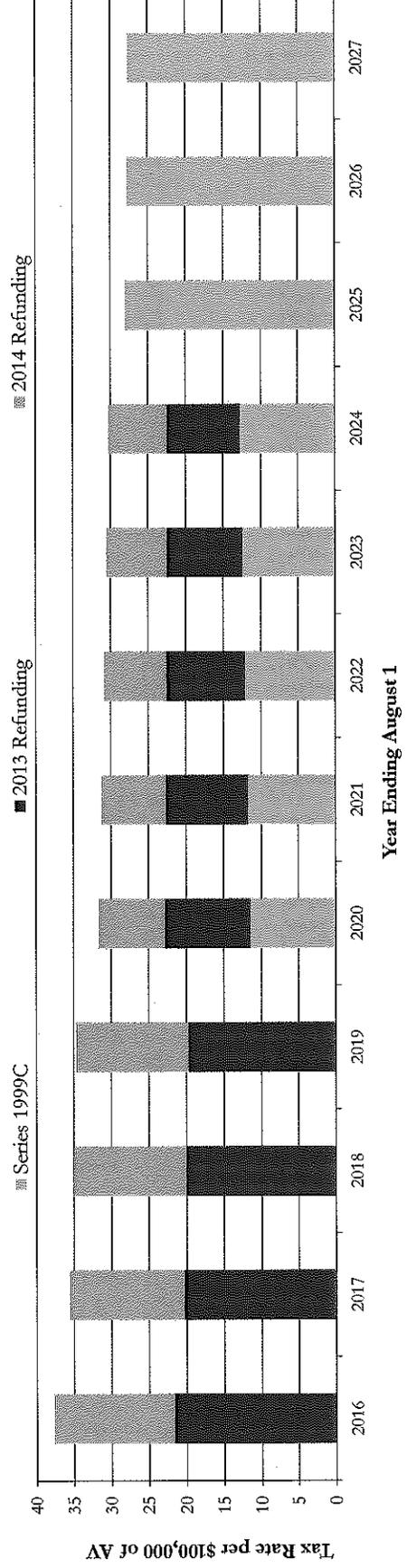
(1) Through March 2016  
Source: DataQuick



# Election of 1999 Debt Outstanding

- The District has 3 series of GO Bonds outstanding under the April 24, 1999 Election
  - Not-to-exceed authorization of \$50,000,000
  - 3 series (Series A-C) have been issued and no authorization remains
    - 2004 GO Refunding Bonds advance refunded portions of the Series A and C Bonds
    - 2013 GO Refunding Bonds refunded portion of the 2004 Refunding Bonds
    - 2014 GO Refunding refunded remaining portion of the 2004 Refunding Bonds

**Tax Rates Under Election of 1999<sup>(1)</sup>**

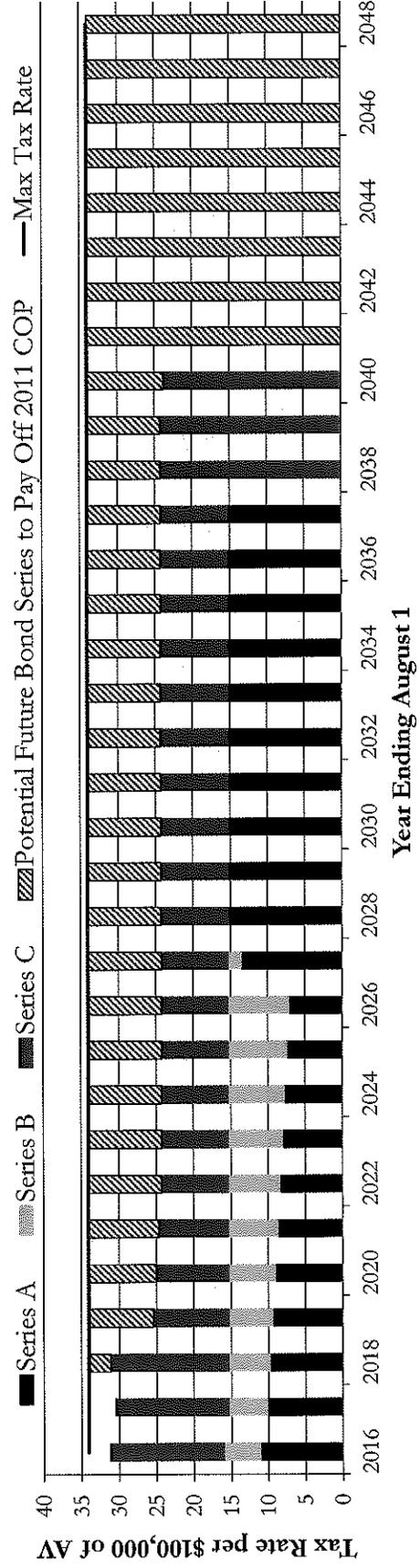


<sup>(1)</sup> Assumes 4% growth in A.V. for FY 16-17 and for every year thereafter.

# Election of 2012 Measure N Debt Outstanding

- The District has 3 series of GO Bonds outstanding under the November 6, 2012 Election
  - Not-to-exceed authorization of \$250,000,000
  - Projected tax rate of \$34 per \$100,000 of Assessed Value
  - 3 series (Series A-C) have been issued and \$174,840,000 in authorization remains
  - Remaining tax capacity allows for the full repayment of the 2011 Qualified School Construction Bond, but no additional project funds
    - COPs outstanding in the amount of \$53,080,000

## Tax Rates Under Election of 2012<sup>(1)</sup>



<sup>(1)</sup> Assumes 4% growth in A.V. for FY 16-17 and for every year thereafter.

## 2016 Bond Measure Parameters

- Base Assumptions:
  - Initial FY 15-16 Assessed Valuation: \$12,789,067,982
  - 4.00% annual Assessed Value growth (30-year average: 5.27%)
  - 10-year MMD average 'A' rated scale plus 15 basis points
  - Maximum tax rate: \$30 per \$100,000 of Assessed Value
    - *Added onto the current SBCUSD GO Bond tax rate of \$108 per \$100,000 of Assessed Value*
  - 25-year maximum term
  - Current Interest Bonds Only (No CABs)

**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 2<sup>nd</sup> Interim projections to SBCUSD)
- \$11.2 M in mandate reimbursement funding to be used at local discretion (\$1M more than 2<sup>nd</sup> Interim projections to SBCUSD)
- Proposes an Early Education Block Grant 2017-2018

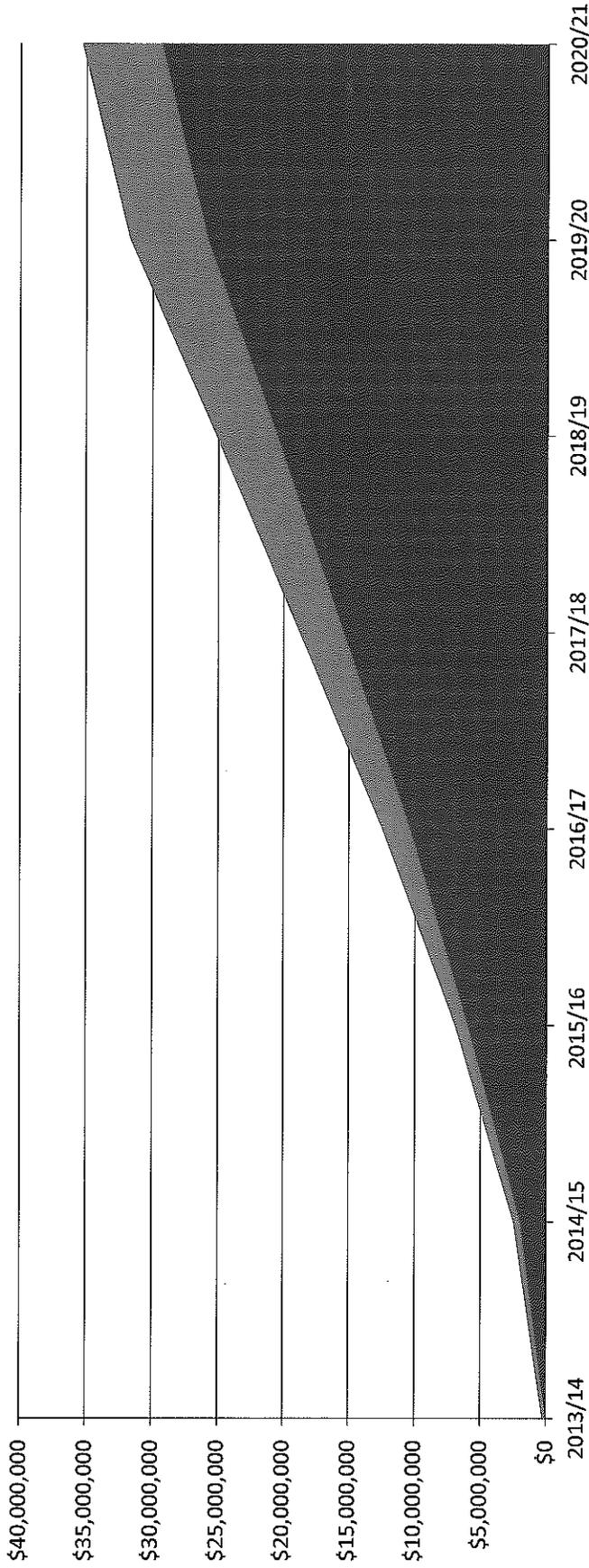
# Multi-Year Projection Assumptions

Making  
Hope  
Happen

	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

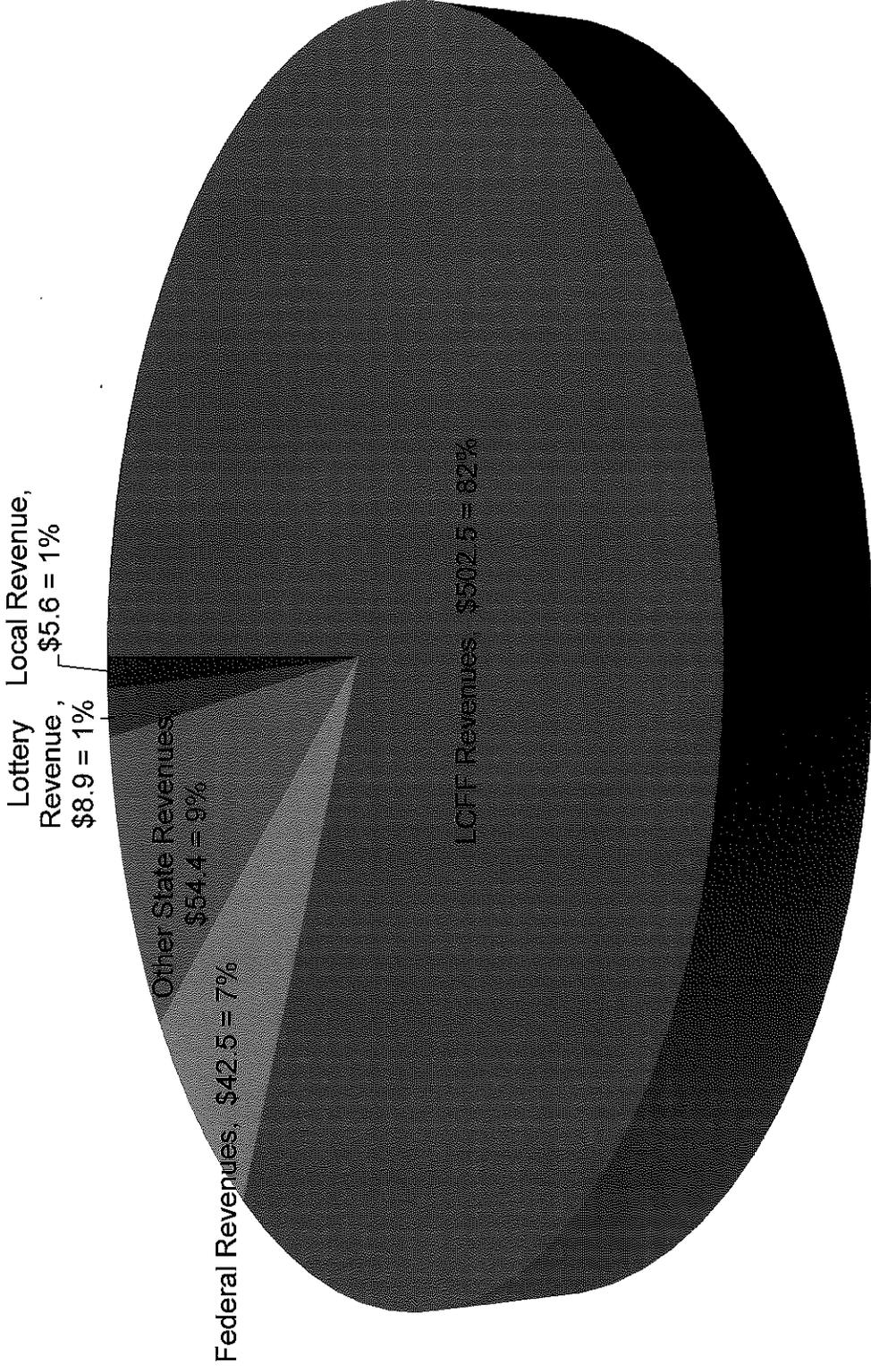
# STRS and PERS Increases

■ STRS ■ PERS



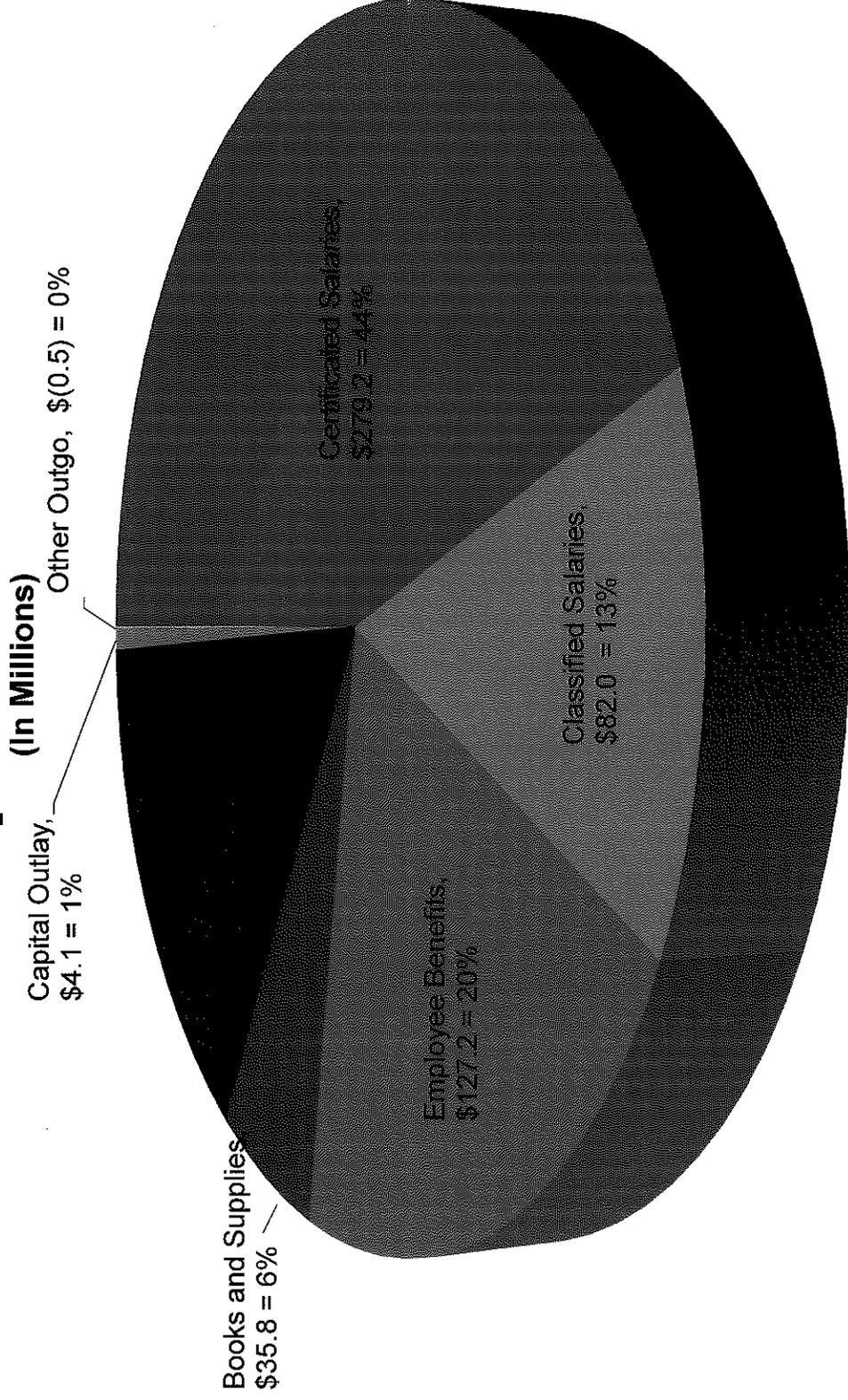
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Cumulative Increase
<b>STRS Rate</b>	8.25%	8.88%	10.73%	12.58%	14.43%	16.28%	18.13%	19.10%	
<b>Increase in STRS Cost</b>	\$ 0	\$1,932,000	\$3,991,100	\$4,389,768	\$5,035,322	\$5,110,852	\$5,321,499	\$3,508,707	\$29,289,248
<b>PERS Rate</b>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



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

Special Education Required Increases 3.5

Increase in Transportation Costs 3.2

Additional K-3 Class Size Reduction, 19 FTE 1.5

Following Items are Included in Budget for Board Consideration:

Competitive/Comparable Salaries \$ 0.7

Class Size Reduction - Grade 8, 12 FTE 0.9

Class Size Reduction Grade 9, 12 FTE 0.95

\$2.5

Class Size Reduction in CORE Classes Grade 10-12 1.5

Professional Development - Classified 1.0

Child Development Contribution - Loss of "First Five Funding" 1.0

Caps Waiting List 2.0

Expand Chromebook Initiative to 15K devices 3.5

Chromebook Wi-Fi Connections .65

Sub-Total

\$30.60

8

# 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	\$7.6	\$3.8	\$0.7
10. Additional Reserve for Deficit Spending	\$3.8	\$12.2	\$12.8	\$12.3	\$12.6
11. Reserve for Economic Uncertainties	\$11.7	\$17.3	\$2.2	\$13.3	\$1.4
<b>12. Undesignated Ending Fund Balance</b>	<b>\$3.7</b>				

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



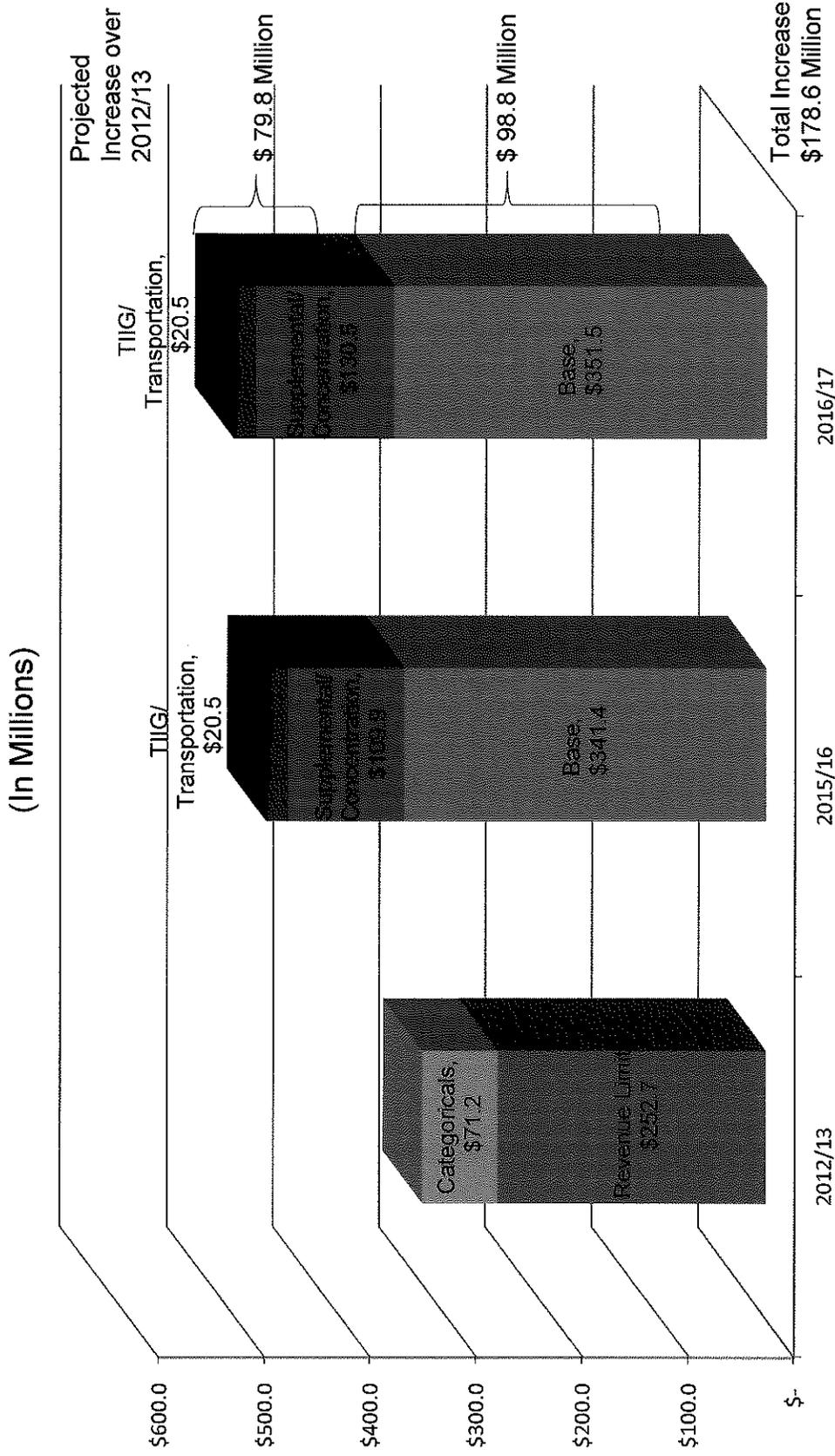
## General Fund

(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	\$ 3.8	\$ 1.4
9. Additional Reserve for Deficit Spending			\$ 7.6	\$ 13.3	\$ 1.4
<b>10. Undesignated Ending Balance</b>	<b>\$ 3.7</b>	<b>\$ 17.3</b>	<b>\$ 2.2</b>	<b>\$ 13.3</b>	<b>\$ 1.4</b>

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

# Projected Increases in Base and Supplemental/Concentration Funding



# Some of Our Accomplishments to Date: <sup>Making</sup> Hope

	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	13.7
9th grade learning communities -12 FTE	.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
<b>Total</b>	<b>\$213.55</b>

## **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

