



# San Leandro Unified School District

2015-16 May Revise Update

Board Meeting

May 19, 2015

## Presentation Items

- Key Changes/Discoveries Since January
- Proposed State Governor's Report
- Multi-Year LCFF Gap Projection Update
- Next Steps

## Board of Trustees

Diana J. Prola

Ron Carey

Vince J. Rosato

Lance James

Leo Sheridan

Evelyn Gonzalez

Monique Tate

# Key Changes/Discoveries From Governor's January Proposals

- State General Fund Revenue - \$5.6 billion over January – covering next 3 years
- Rainy Day Fund - \$1.9 billion plus \$1.9 billion to pay down existing debt
- Prop. 98 - \$3.1 billion increase in 2014-15 and \$2.7 billion increase from January proposal



# Key Changes/Discoveries From Governor's January Proposals

- 1-Time Discretionary State Funding in 2015-16 is increased by \$2.4 billion to a total of \$3.5 billion
- Inter-Year Deferral To Be Paid in 2014-15
- LCFF increase by \$2.1 billion for gap closure
- State will Fully Payoff Deferrals

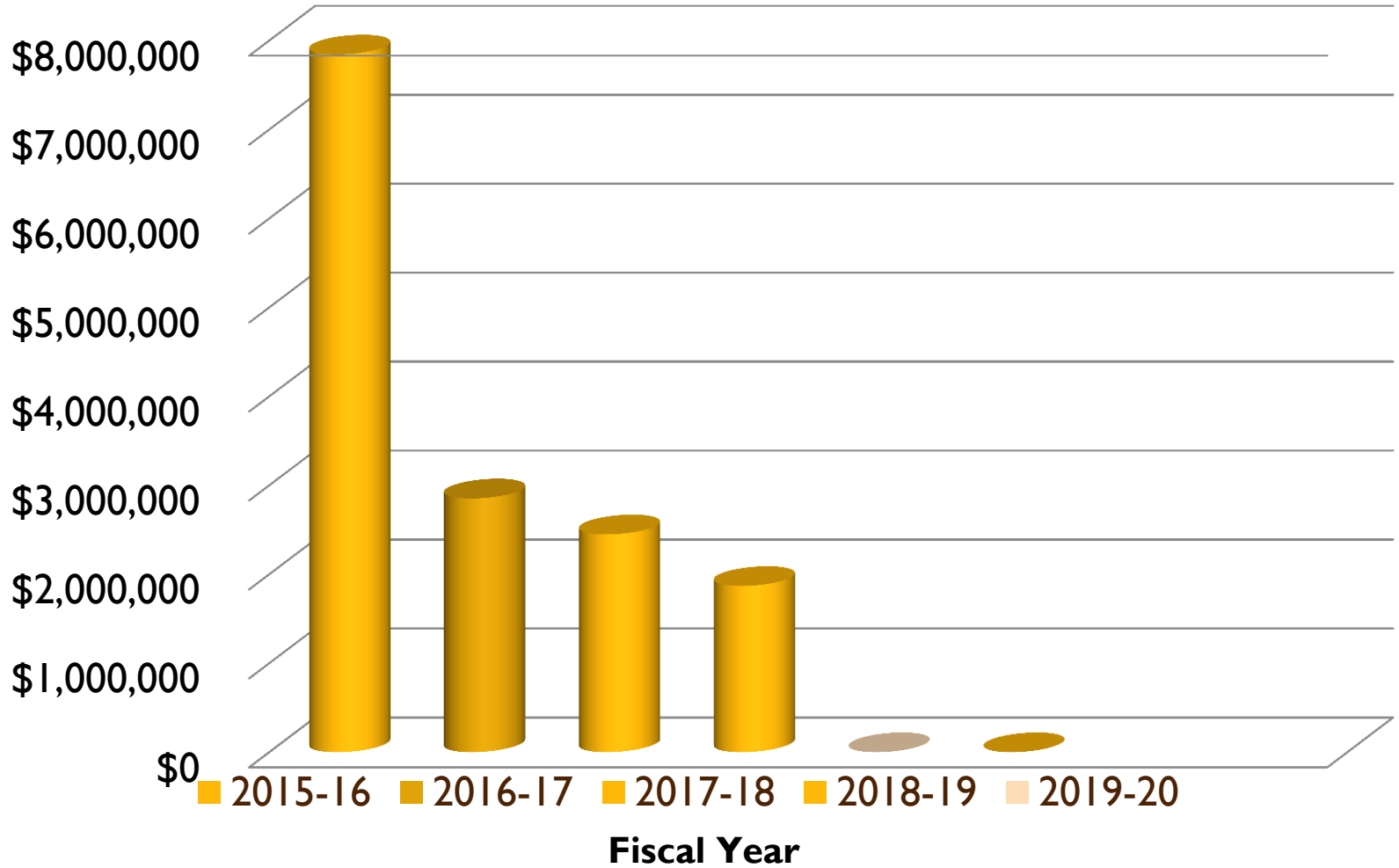




# 2015-16 May Revised Changes

- **LCFF Funding Gap Increases**
  - From 32.19% up to 53.08% in 2015-16
    - \$1,500,000 Increase in January
    - \$2,500,000 increase over January Proposal
  - 37.4%, 36.7%, and 21% for the following years
    - Less incremental funding per year as gap closes however!
  - Funding gap may be completed before 2020-21
- **1-Time Discretionary State Funding**
  - \$421/ADA increase from \$180/ADA in January
    - \$1,500,000 Increase for SLUSD (\$180 per ADA)
    - \$4,800,000 Increase for SLUSD (\$601 per ADA)
  - Covers Common Core, Prior Year Mandates, etc.

# LCFF Funding Gap Increase per Year





## May Revise Cautions

- Current LCFF Transitional Funding does not fully fund district at 2007-08 funding levels
  - Estimated fully funded LCFF not until 2020-21
- Word of Caution:
  - Fully funded 2007-08 rates does equal 2014-15 Expenditure Rates
  - District is operating at current 2014-15 consumption rates that have been inflated thru the great recession
  - District funding sources have not been inflated during this time; in fact they were cut to funding levels below 2007-08



## May Revise Concerns

- Still no new State funding for STRS Employer % Rate Increases - 0.63%, 1.85%, 1.85%, etc. per year increases
  - 25% of planned LCFF growth consumed by STRS increases at full implementation
- Prop. 2 Limitation on district reserve balances
- No Facilities State Construction Funding
- Return to 40% of New Revenues once Maintenance Factor Repaid
  - 90% now – back to 40% before 2020-21
- Next Recession? When?

# Next Steps

- 2015-16 State May Revise to the Board
  - May 19, 2015
- 2015-16 LCAP/Proposed Budget to the Board
  - June 2, 2015
- 2015-16 State Budget Adoption Deadline
  - June 15, 2015
- 2015-16 LCAP & Adopted Budget to the Board
  - June 23, 2015

