



State Budget for K12 Education Three LCFF COLA Scenarios Impact on SCUSD's Budget

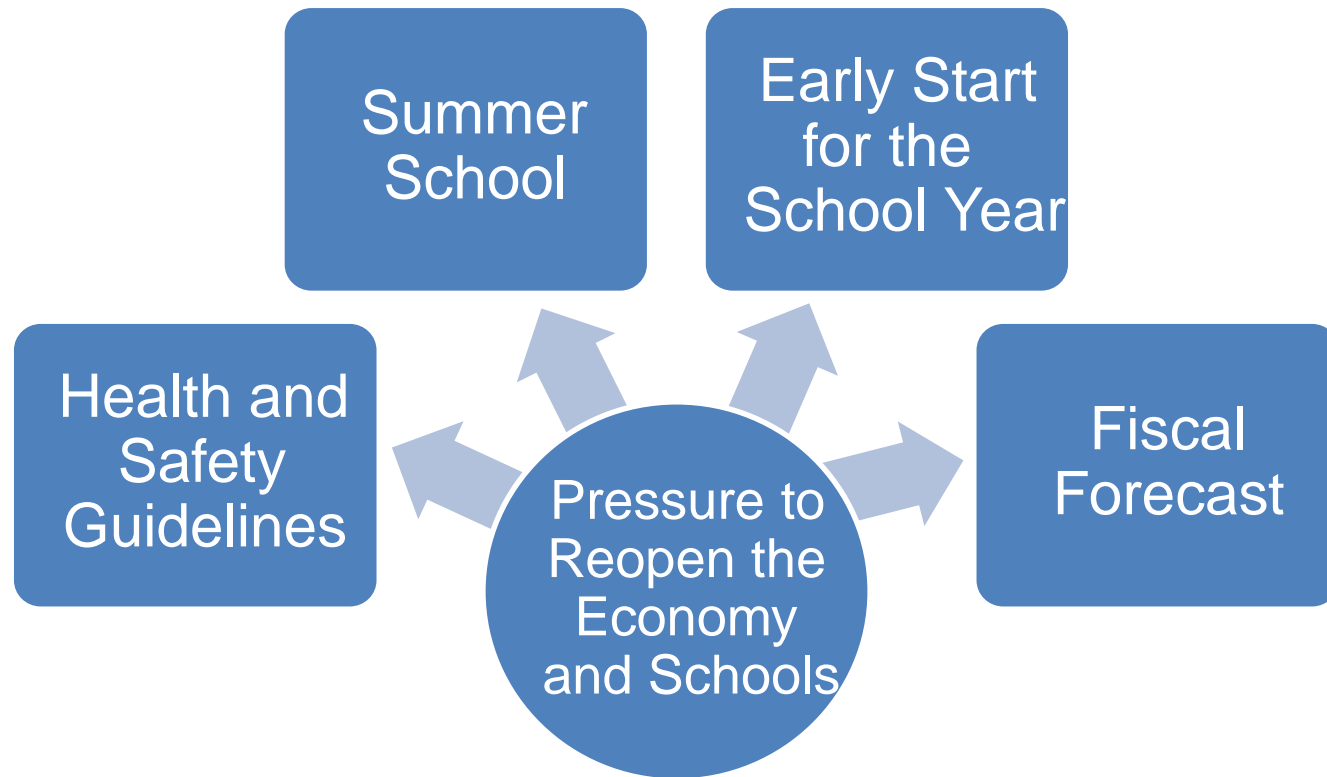
Board Meeting
May 7, 2020
Agenda Item No. 10.1



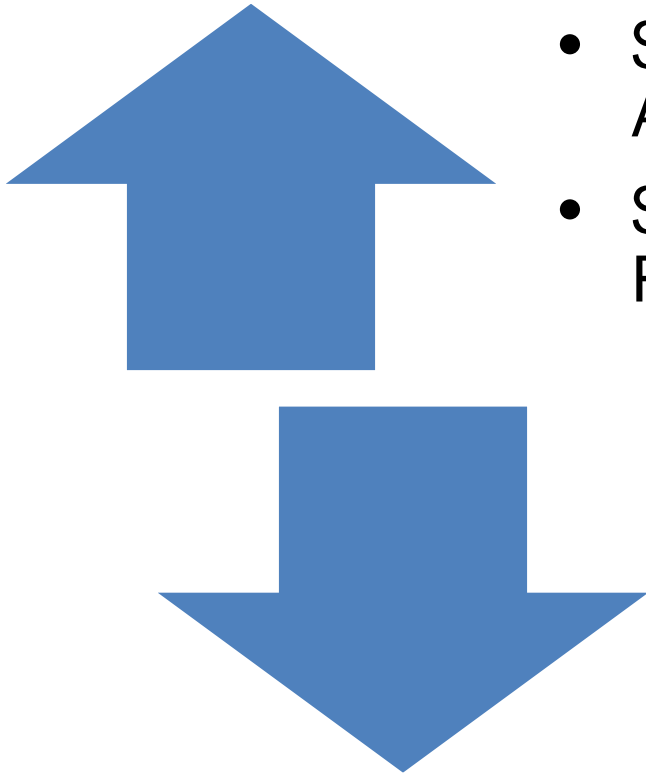
Budget Presentation Agenda

- School Services of California State Budget Update
- Three LCFF COLA Scenarios:
 1. 0% Best case
 2. -2% Possible Case
 3. -10% Worst Case
- Impact on SCUSD's Projected LCFF Revenue and Cash in 2020-21 and 2021-2022

More Questions than Answers



State Budget Reserves



- \$16.5 billion in Budget Stabilization Account
- \$377 million in State Level School Reserve
- LAO estimates that for every \$2.5 billion in lost state revenue, the Proposition 98 minimum guarantee will decline by \$1 billion

* Legislative Analyst's Office (LAO)

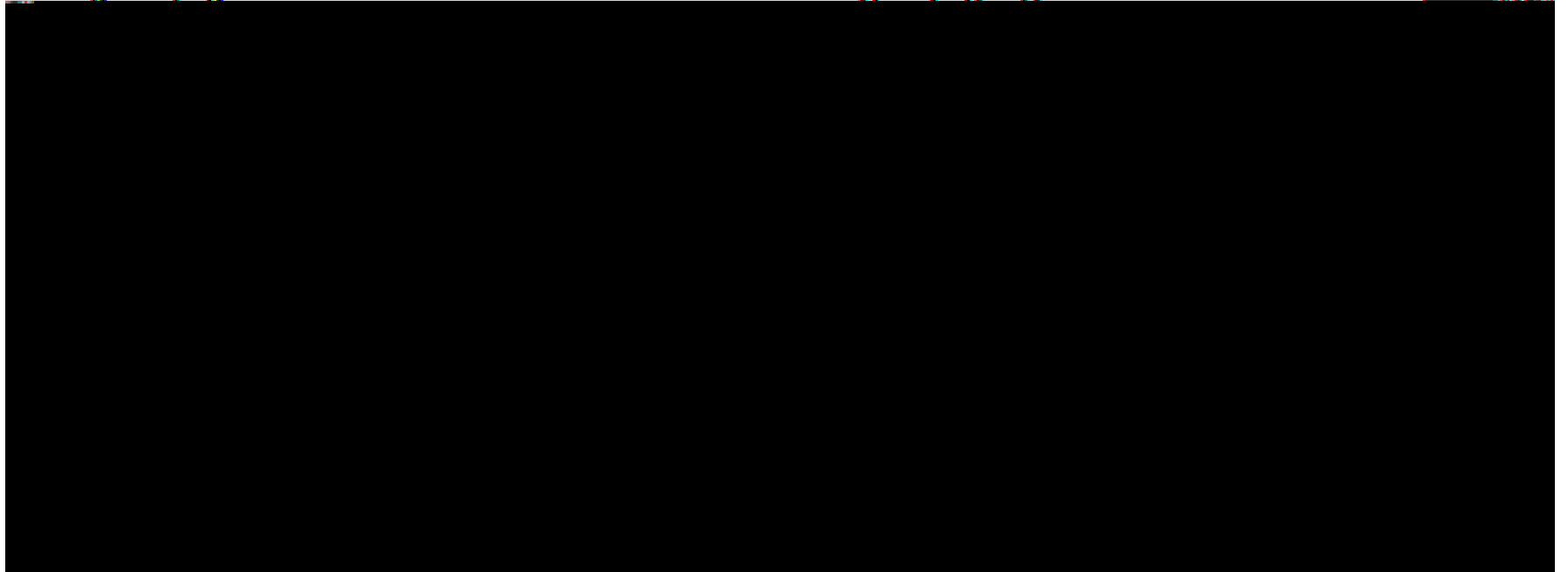
Federal CARES Act Funds

California expected to receive \$1.65 billion in the

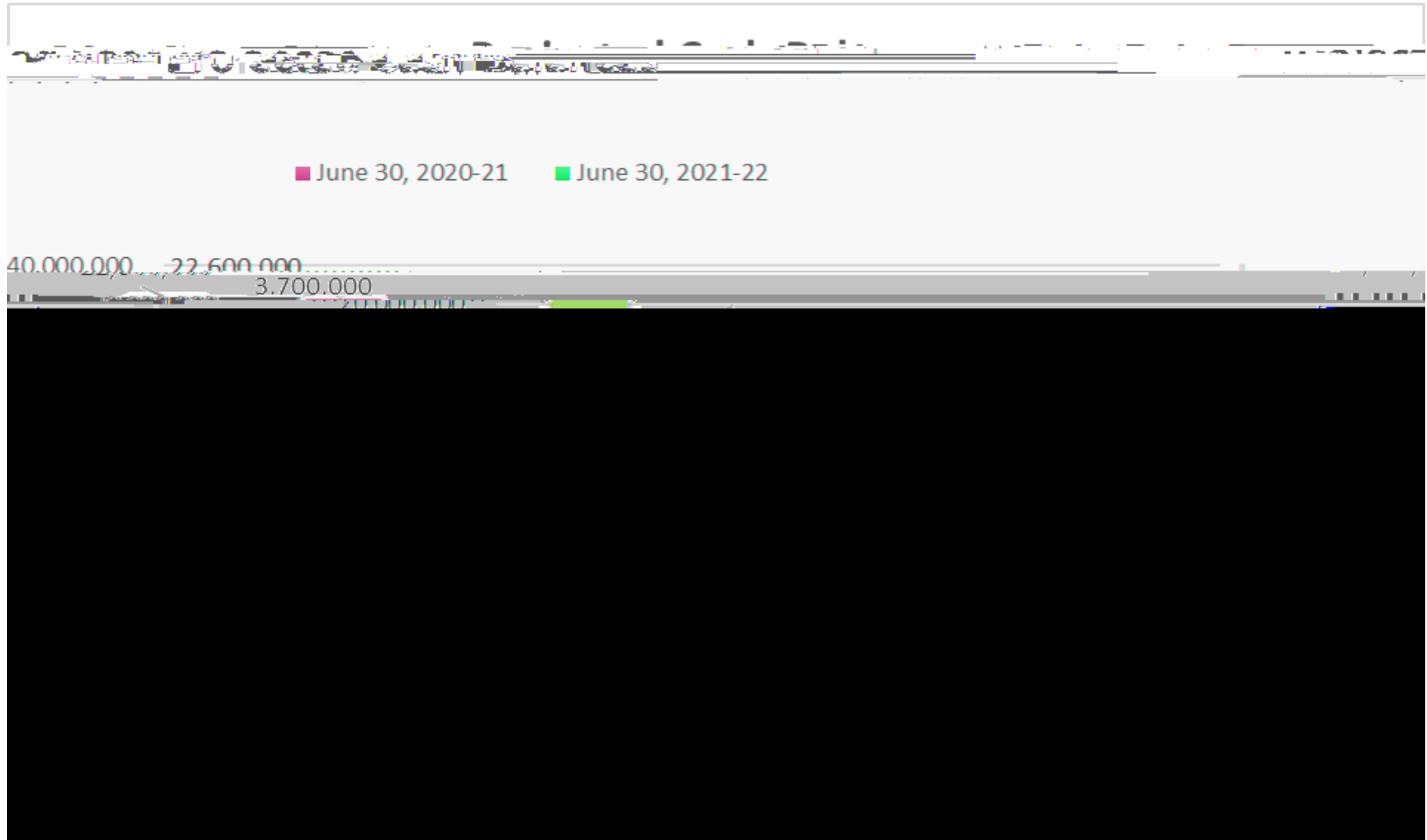




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LCFF COLA Scenarios: 0%, -2% and -10% Impact on Projected Cash Balances



2020-21 State Budget for K12: Impact on SCUSD's Budget

Additional Considerations To Date

- Revenue deferrals and reductions
 - Deferral of the June 2020 apportionment \$27M
 - Proposed Special Education funding increases for AB 602 and the preschool will not be funded \$6M revenue loss
 - 15% reduction in the 2020-21 Lottery \$1.2M revenue loss
- Expenditures
 - 12% increase in Health Benefit costs approximately \$5M effective July 1, 2020, the District projections included \$2M increase
 - One-time savings in utilities and supplies March - June 30, 2020



District's Next Budget Dates

- May 21, 2020 – Third Interim Financial Report for Fiscal Year 2019-2020
- June 4, 2020 – Proposed District Budget for Fiscal Year 2020-2021
- June 18, 2020 – Adopted District Budget for Fiscal Year 2021-2020

Questions?