The background of the slide features a close-up, slightly blurred view of a desk. A wooden ruler is positioned vertically on the right side, with markings for inches and centimeters. A yellow pencil lies horizontally across the top right. A blue pencil sharpener is visible in the lower center. The overall scene is brightly lit, creating a professional and organized atmosphere.

Update on Budget Assumptions and May Revise 2019-2020

**Presented by Chris Jew - Associate Superintendent -
Business Services
and Silvia Pelayo- Director of Finance**

May 22, 2019

2018-19 Budget Calendar

- 2018-19 Budget and LCAP Adoption – June 21, 2018**
- 2018-19 First Interim - December 13, 2018**
- 2018-19 Second Interim – March 7, 2019**
- 2019-20 Preliminary Budget Development – May 2019**
- 2019-20 Budget and LCAP adoption – June 11, 2019**
- 2018-19 Annual Financial Report (Unaudited) - September 2019**



The background of the slide features a close-up, top-down view of school supplies. A wooden ruler with black markings is positioned diagonally across the frame. A yellow pencil with a silver and black mechanical eraser is also visible, along with a light blue pencil sharpener. The items are resting on a white notebook with blue horizontal lines. A semi-transparent blue gradient is overlaid on the image, creating a dark blue area where the text is placed.

Budget Assumptions Changes Based on Governor's 2019-20 May Revise Budget

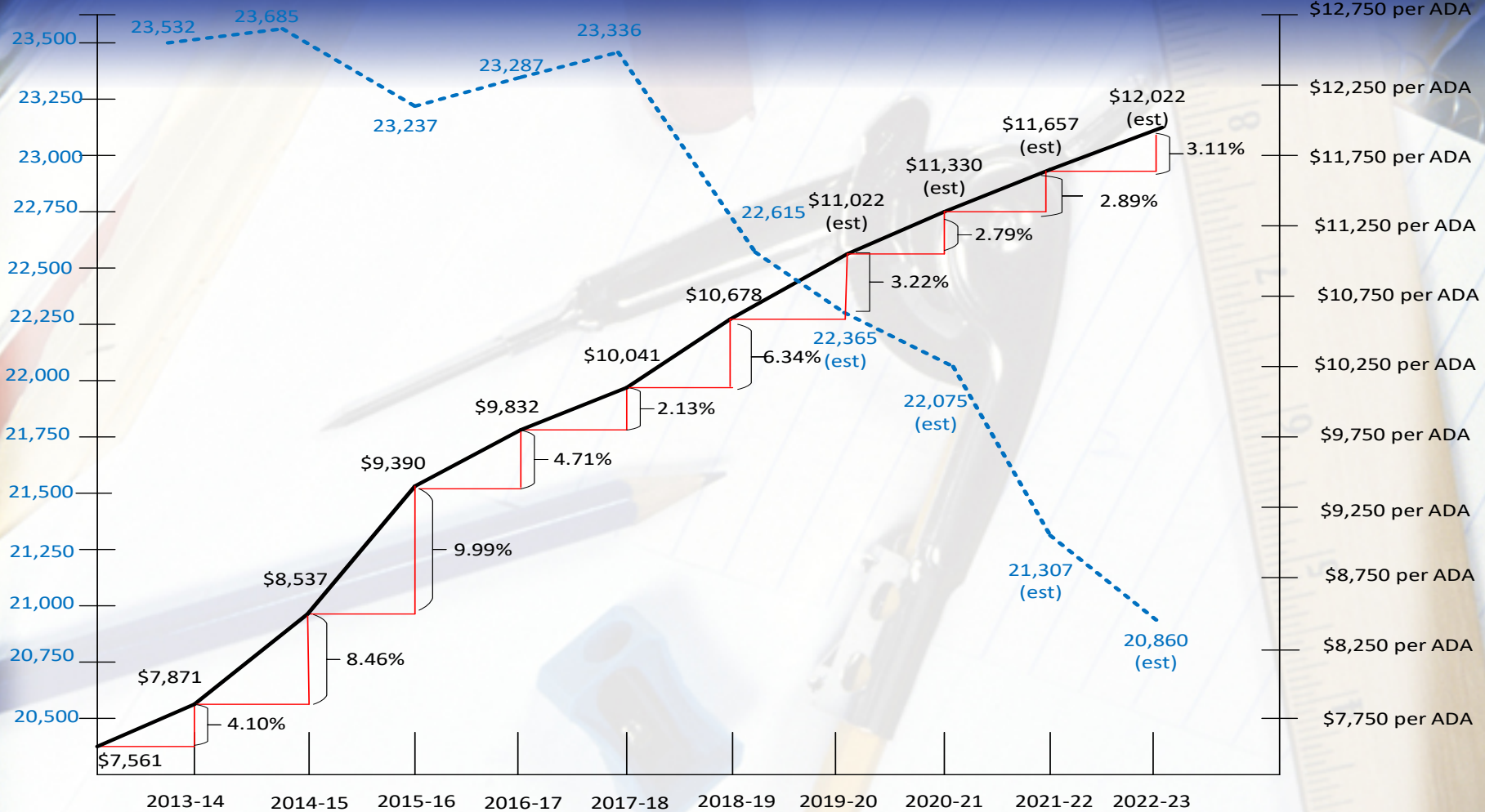
Relevant Budget Assumptions Changes

2018-19 Adopted Budget	2018-19	2019-20	2020-21	2021-22	2022-23
COLA	3.7%	2.57%	2.67%	3.42%	3.26%
Increase/ (Decrease) LCFF Funding	6.28%	(0.44%)	1.29%	2.19%	(0.07%)
	\$14,099,627	(\$1,052,385)	\$3,065,023	\$5,275,355	(\$167,803)
STRS	16.28%	18.13%	19.10%	18.60%	18.60%
PERS	18.062%	20.8%	23.50%	24.60%	24.60%
2019-20 Governor's Proposed Budget	2018-19	2019-20	2020-21	2021-22	2022-23
COLA	3.7%	3.46%	2.86%	2.92%	2.90%
Increase/ (Decrease) LCFF Funding	6.34%	0.16%	1.79%	1.72%	(0.40%)
	\$14,097,514	\$374,407	\$4,275,476	\$4,174,430	(\$1,356,749)
STRS	16.28%	17.10%	18.10%	18.10%	17.60%
PERS	18.062%	20.70%	23.40%	24.50%	25.00%
2019-20 Governor's May Revise Budget	2018-19	2019-20	2020-21	2021-22	2022-23
COLA	3.7%	3.26%	3.00%	2.80%	3.16%
Increase/ (Decrease) LCFF Funding	6.34%	0.26%	1.79%	1.72%	(0.43%)
	\$14,185,892	\$575,083	\$2,221,310	\$5,609,582	(\$1,384,614)
STRS	16.28%	16.70%	18.10%	17.80%	17.80%
PERS	18.062%	20.73%	23.60%	24.90%	25.70%

District Enrollment and Funding per Average Daily Attendance (ADA)

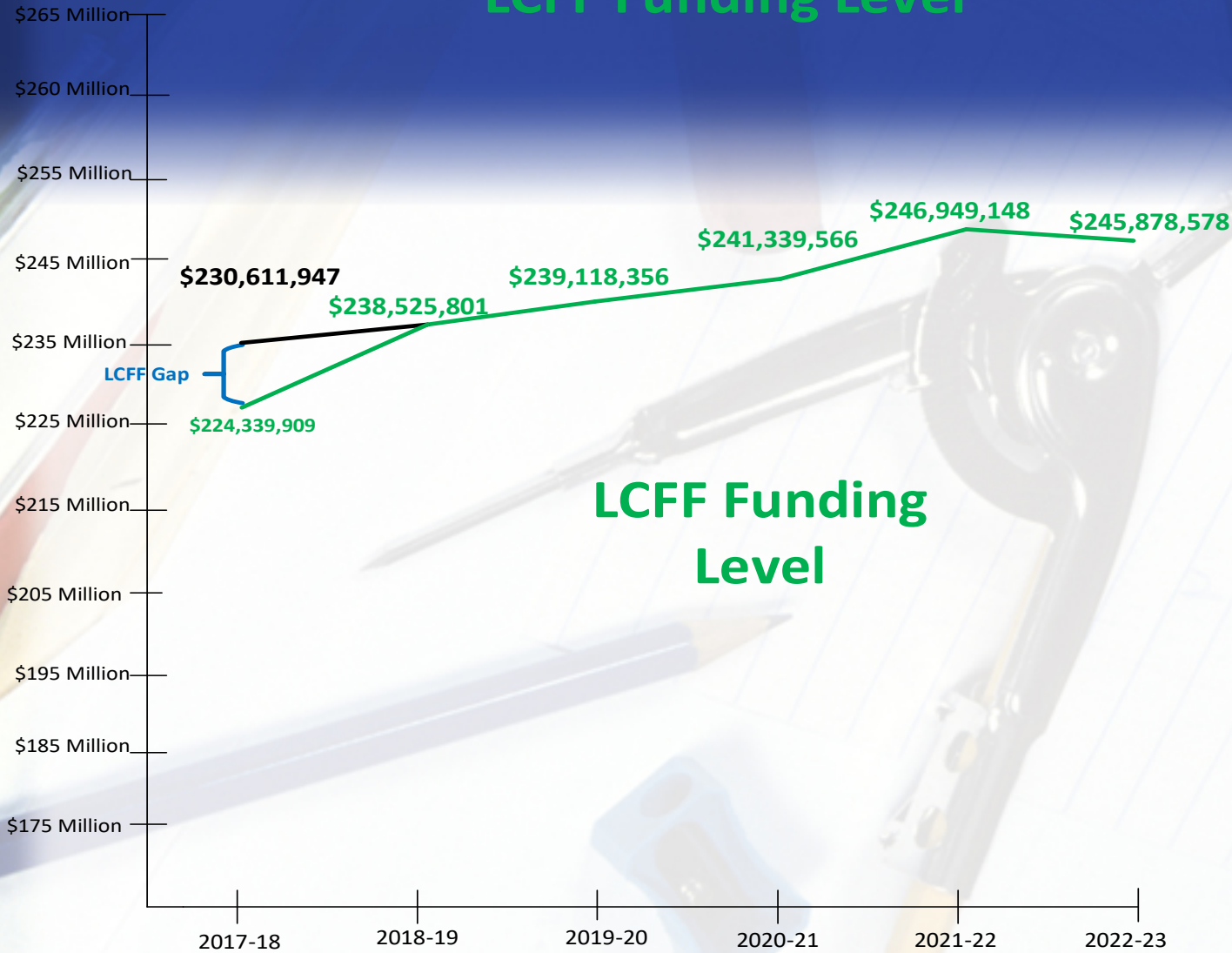
Enrollment

LCFF Funding per ADA



As of 2019-20 Adopted Budget

LCFF Funding Level



COLA

2017-18 COLA at 1.56%
 2018-19 COLA at 3.70%
 2019-20 COLA at 3.26%
 2020-21 COLA at 3.00%
 2021-22 COLA at 2.80%
 2022-23 COLA at 3.16%

GAP Closure Rate

2017-18 at 42.97%
 2018-19 at 100%

LCFF Additional Funding

2017-18 LCFF = \$4,965,745
 Base = \$4,197,117
 Supplemental = \$768,628
 2.26%

2018-19 LCFF = \$14,185,892
 Base = \$13,610,809
 Supplemental = \$575,083
 6.32%

2019-20 LCFF = \$592,555
 Base = \$607,046
 Supplemental = <\$14,491>
 0.25%

2020-21 LCFF = \$2,221,210
 Base = \$2,354,472
 Supplemental = <\$133,262>
 0.93%

2021-22 LCFF = \$5,609,582
 Base = \$4,684,758
 Supplemental = \$924,824
 2.32%

2022-23 LCFF = <\$1,070,570>
 Base = <\$1,384,614>
 Supplemental = \$314,044
 <0.43%>

LCFF Funding Level

As of 2019-20 Adopted Budget



Other Budget Proposals Based on Governor's 2019-20 May Revise Budget

Other Proposals in May Revision

- **CalSTRS Proposal**
 - \$3.15B one-time non-Proposition 98 to buy down the employer rate
 - Reduce 2019-20 rate from 18.13% and 2020-21 rate from 19.1% to 18.1%
 - \$1M savings (approx.) to ESUHSD
- **Special Ed School Readiness Grant**
- **Career Technical Education**

Other Proposals in May Revision

- Special Ed School Readiness Grant

Proposed new categorical program based on Special Education pupil counts for concentration grant districts – Focus on early interventions

ESUHSD may not benefit – Need Unduplicated Pupil Count greater than 55%

Legislative Alternatives – AB 428 (Medina) proposes to provide funding through existing funding formulas towards equalizing Sped Funding rates to the 95th percentile

The background of the slide features a collection of school supplies. A wooden ruler is positioned vertically on the right side, with markings for inches and centimeters. A yellow pencil with a silver eraser and a blue pencil sharpener are also visible. The supplies are set against a light-colored, possibly white, surface with faint grid lines. A blue gradient overlay covers the entire slide, with the text centered in the middle.

Multi-Year Projection as of 2018-19 Second Interim Report

Multi-Year Projection Years - 2018-19 Thru 2020-21

Total General Fund (incl. Fund 17) 2018-2019 2nd Interim Report

Description	2018-19	2019-20	2020-21
Beginning Fund Balance (incl. Fund 17)	\$ 43,435,288	\$ 35,679,681	\$ 19,208,596
Plus: Revenues/Other Sources	\$ 288,885,605	\$ 279,590,231	\$ 284,556,898
Total Available	\$ 332,320,893	\$ 315,269,912	\$ 303,765,494
Less: Expenditures/Other Uses	\$ 296,641,212	\$ 296,061,316	\$ 284,648,294
Ending Fund Balance (incl. Fund 17)	\$ 35,679,681	\$ 19,208,596	\$ 19,117,200
Projected Revenue Greater(Less) than Expenditure	\$ (7,755,607)	\$ (16,471,085)	\$ (91,396)
Restricted "RESERVE" or Legally Restricted Balance	\$ 4,008,599	\$ 2,950,586	\$ 1,491,599
"RESERVE" Required (3%)	\$ 8,913,947	\$ 8,881,839	\$ 8,539,449
Note: Fund Balance Reserves - Inventories/Prepays	\$ 2,289,846	\$ 778,498	\$ 686,827
Undesignated/Unappropriated	\$ 20,467,289	\$ 6,597,673	\$ 8,399,325
Reserve Percentage	10.68%	5.49%	6.19%

Note: Projections do NOT include projected impacts of 18-19 or subsequent collective bargaining agreements.



Multi-Year Projection Without Reductions in Force (RIF)

Multi-Year Projection Years - 2018-19 Thru 2020-21

Total General Fund (incl. Fund 17) 2018-2019 2nd Interim Report – Without RIFs

Description	2018-19	2019-20	2020-21
Beginning Fund Balance (incl. Fund 17)	\$ 43,435,288	\$ 35,679,681	\$ 19,208,596
Plus: Revenues/Other Sources	\$ 288,885,605	\$ 279,590,231	\$ 284,556,898
Total Available	\$ 332,320,893	\$ 315,269,912	\$ 303,765,494
Less: Expenditures/Other Uses	\$ 296,641,212	\$ 296,061,316	\$ 308,207,265
Ending Fund Balance (incl. Fund 17)	\$ 35,679,681	\$ 19,208,596	\$ (4,441,771)
Projected Revenue Greater(Less) than Expenditure	\$ (7,755,607)	\$ (16,471,085)	\$ (23,650,367)
Restricted "RESERVE" or Legally Restricted Balance	\$ 4,008,599	\$ 2,950,586	\$ 1,491,599
"RESERVE" Required (3%)	\$ 8,913,947	\$ 8,881,839	\$ 9,246,218
Note: Fund Balance Reserves - Inventories/Prepays	\$ 2,289,846	\$ 778,498	\$ 686,827
Undesignated/Unappropriated	\$ 20,467,289	\$ 6,597,673	\$ (15,866,415)
Reserve Percentage	10.68%	5.49%	-1.93%

Note: Projections do NOT include projected impacts of 18-19 or subsequent collective bargaining agreements.

Preliminary Budget Assumptions 2019-2020

- Next Steps.....

Final State Budget Adoption

Will there be any new changes???

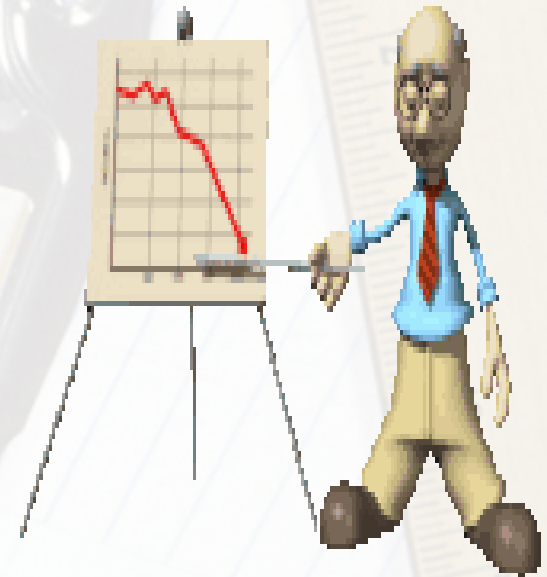
Continue monitoring State and Federal Revenue Projections

Will there be additional funding???

Monitoring enrollment decline and staffing

Staff will continue working on preparing the Preliminary 2019-20 Budget and updating the Multi-Year Budget Projections

Review any impacts from Negotiations



Final Thoughts...

Questions & Answers