

Central Unified School District



2018-19 Adopted Budget Draft

Board Meeting – June 12, 2018

Agenda

- ▶ Budget Schedule
- ▶ Revenue
- ▶ Expenditures
- ▶ Multi-Year Projection
- ▶ Other Funds
- ▶ Bottom Line
- ▶ Q&A
- ▶ Hold Required Public Hearing



Budget Calendar Summary

Phase 1 – California Basic Education Data System (CBEDS) Data available begin developing assumptions for next year.

Phase 2 – Governor’s January Budget released for the next year. Develop preliminary budget for next year and establish priorities.

Phase 3 – Governor’s May Revise released, revise preliminary, hold public hearing and adopt budget and Local Control Accountability Plan (LCAP) for new year.

Phase 4- Governor Adopts State budget, revise adopted budget.

Phase 5 – Prepare 1st Interim Report

Phase 6 – Prepare 2nd Interim Report

Phase 7 – Prepare Local Control Accountability Plan (LCAP)

Phase 8 – Close books and prepare unaudited actuals.

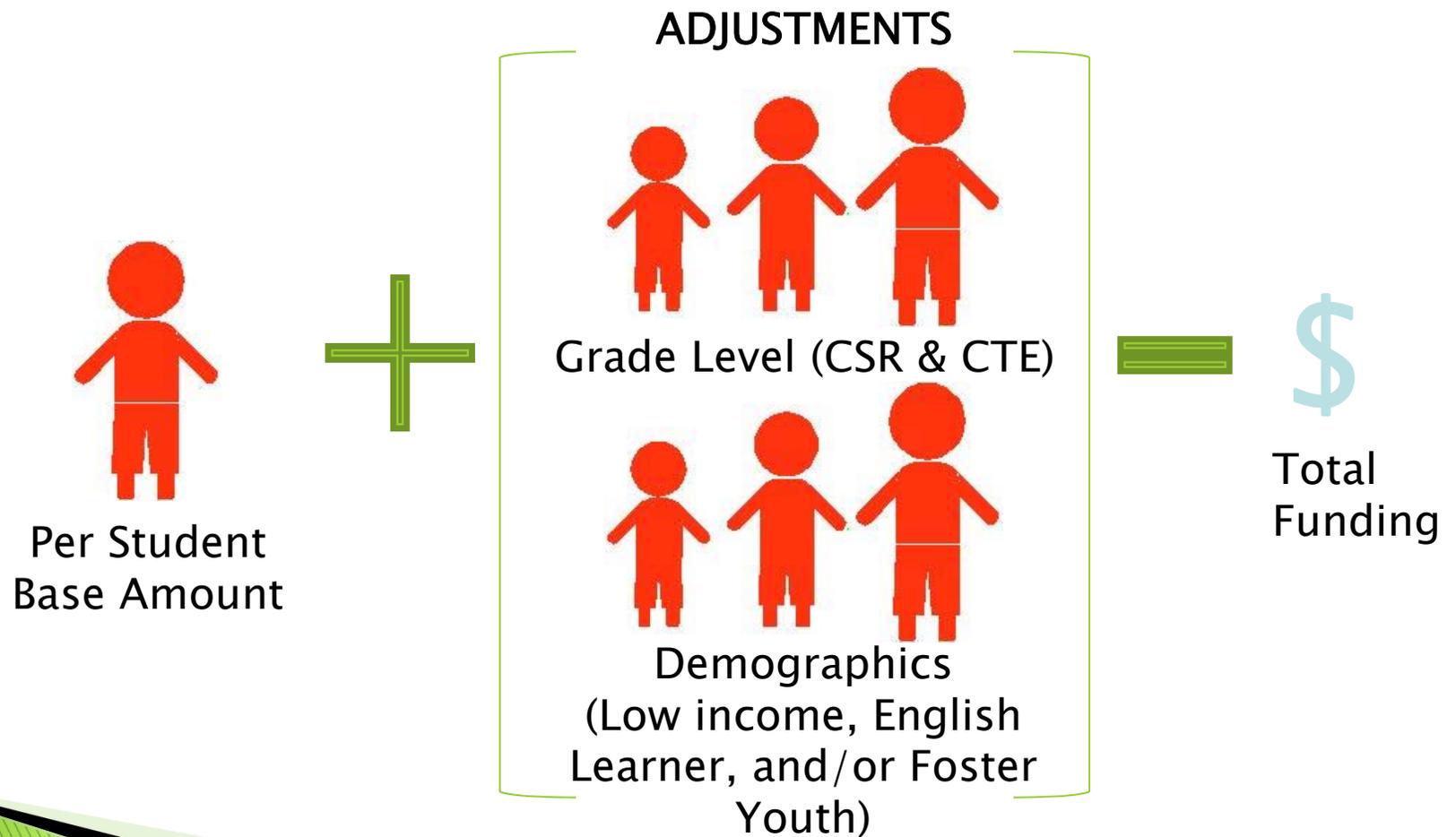
Phase 9 – Audit of financial reports performed by Independent auditor.

Phase 10 – Audited Financials are presented to Board.

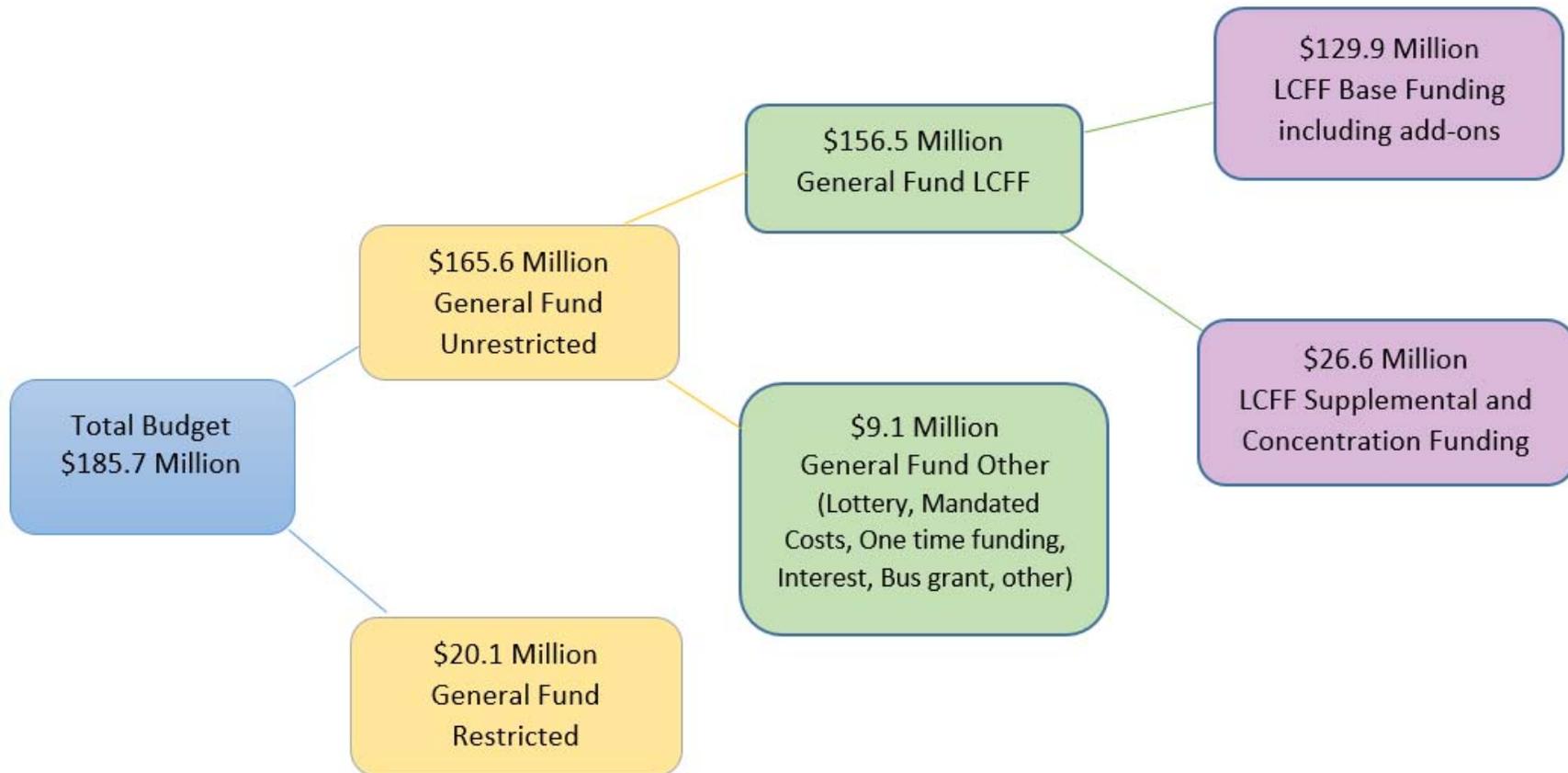
Fiscal Calendar	Prior Year Budget	Current Year Budget	Next Year Budget
July	Phase 8	Phase 4	
August	Phase 8	Phase 4	
September	Phase 8 Phase 9	Phase 4	
October	Phase 9	Phase 5	Phase 1
November	Phase 9	Phase 5	Phase 1
December		Phase 5	Phase 1
January	Phase 10	Phase 6	Phase 2
February		Phase 6	Phase 2
March		Phase 6 Phase 7	Phase 2
April		Phase 7 Phase 9	Phase 2
May		Phase 7 Phase 9	Phase 3
June		Phase 8	Phase 3

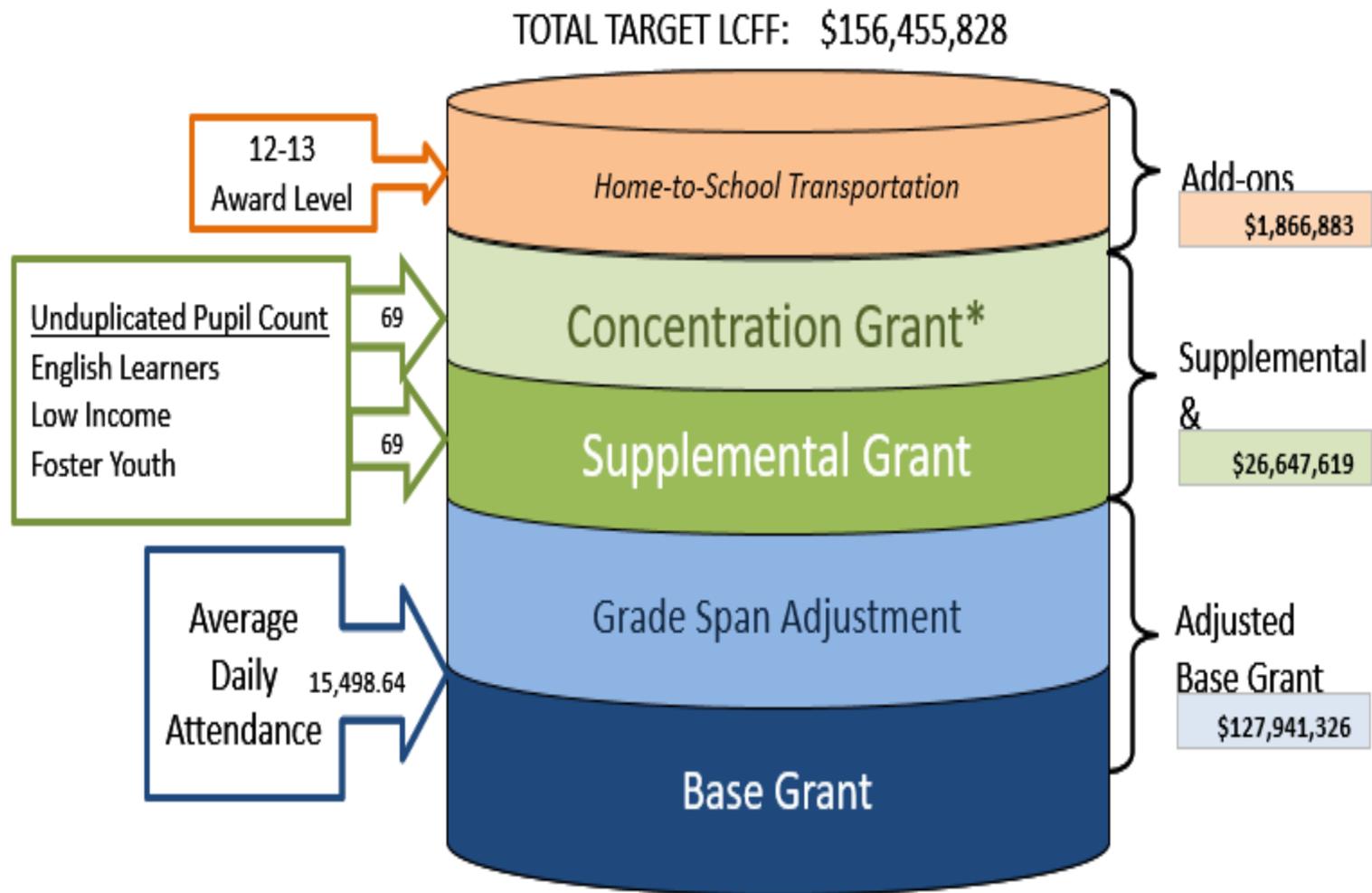
What is the Local Control Funding Formula (LCFF)?

Greatly simplifies state funding for local educational agencies (LEAs)

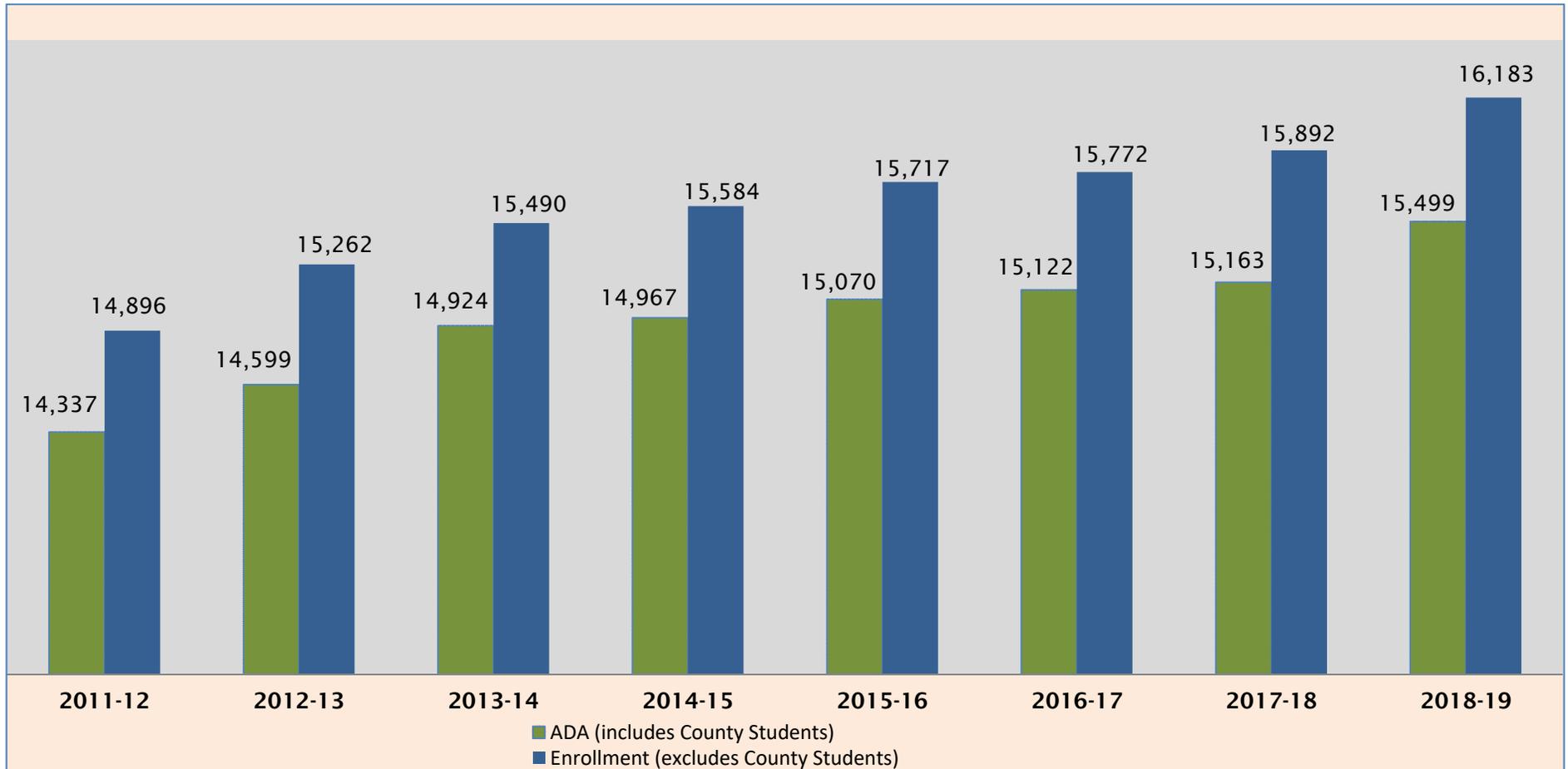


Restricted/Unrestricted General Fund Revenue





Enrollment/Average Daily Attendance(ADA) History



The 18-19 Projected ADA of 15,499 is based on 95% of District estimated CBEDS enrollment; an estimated increase of 336 ADA from prior year

*Projections are based on Demographic Study

Revenue Budget

➤ \$9.7M Increase from Fiscal Year 2017–18

○ Unrestricted– Increase of \$14.7M

- \$13.3M Increase Local Control Funding Formula (LCFF)
 - ADA projection increase by 336
 - Local Control Funding Formula is estimated to be 100% funded
- (\$409K) Decrease in Federal – MAA funds recognized when received
- \$3.1M Increase in Other State – One time discretionary \$3M; State Lottery (unrestricted) \$100K
- (\$1.3M) Decrease in Other Local – Bus grants (\$1.23M); Miscellaneous revenue – donations, grants, reimbursements (\$70K)

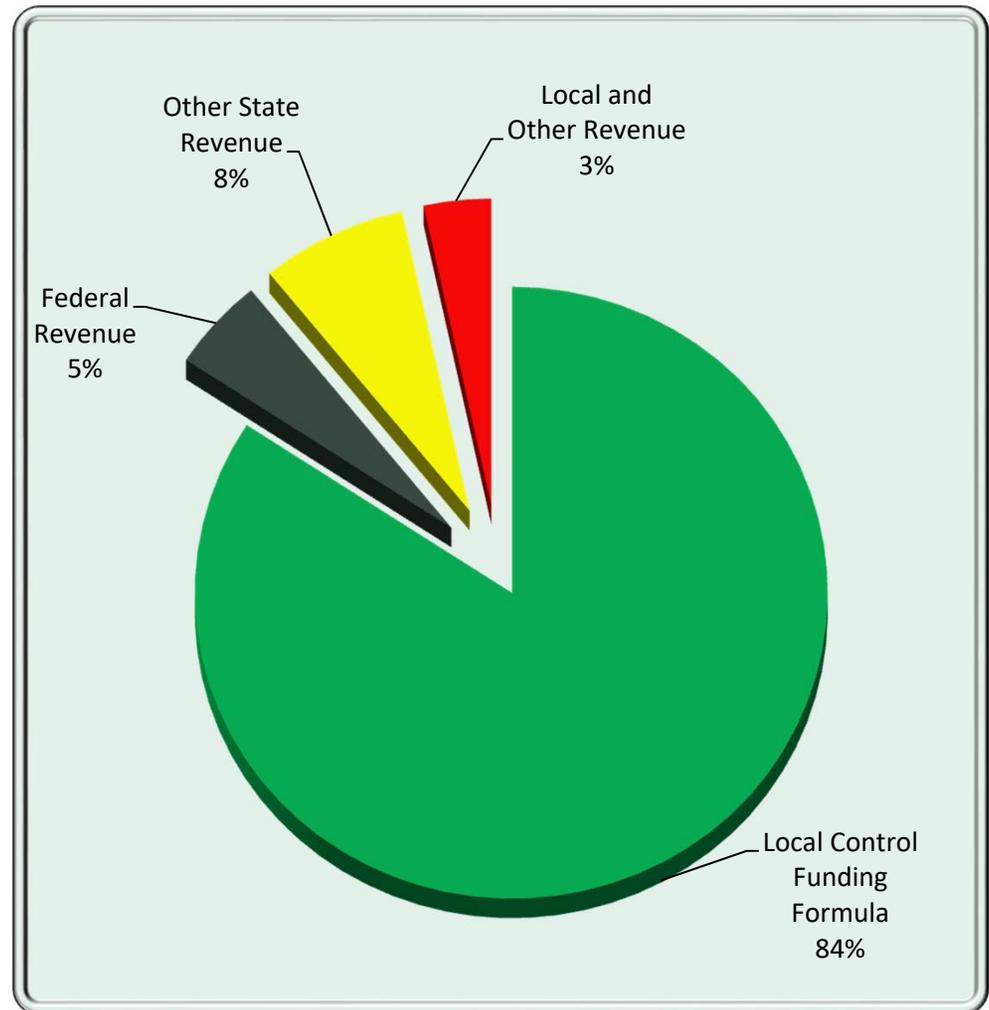
○ Restricted – Decrease of \$5.0M

- \$(1.0M) Decrease for Federal Carryover and Deferred Revenue
- \$(1.3M) Decrease Other State– Clean Energy Job Act (\$890k), Career and Technical (200K); Carryover/Deferred revenue (\$264K)
- \$(1.3M) PBIS, Afterschool program One time allocation, ROP, One time grants, State Water Resource – Well grant est., carryover and deferred revenue
- \$(1.4M) Decrease Other Sources – Chromebook Lease

2018-19 Adopted Budget General Fund Revenue

84% of the District's revenues are generated from the District's Local Control Funding Formula (LCFF)

General Fund Sources (In Millions)	
Local Control Funding Formula (LCFF)	\$156.5
Federal Revenue	\$9.1
Other State Revenue	\$13.8
Local and Other Revenue	\$6.3
Other Sources	\$0.0
Total Revenues	\$185.7
Beginning Balance	\$32.4
Total General Fund	\$218.1

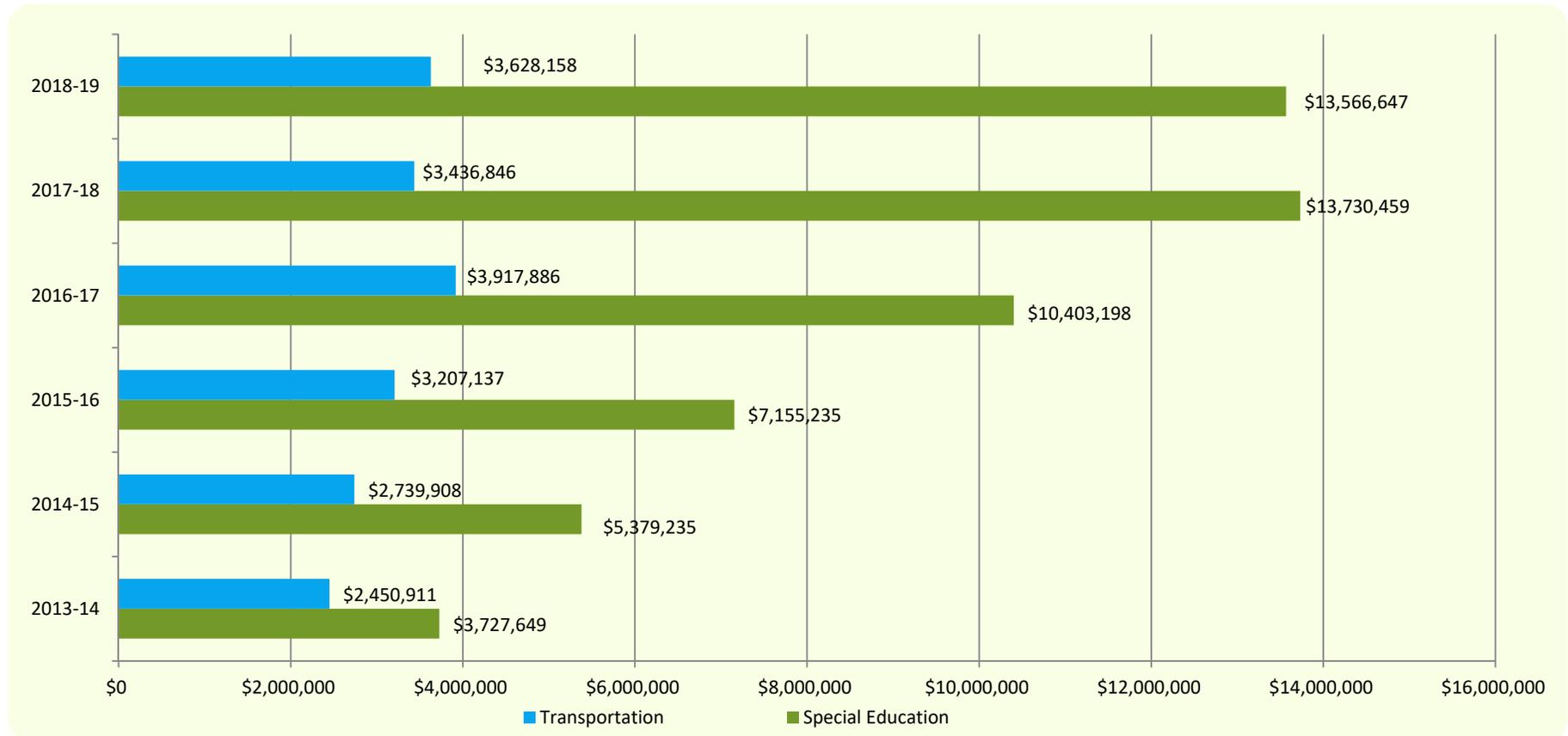


Expenditure Budget

➤ \$68 Thousand Expenditure Increase From Fiscal Year 2017-18

- **Unrestricted Increased \$7.41 M**
 - \$1.57M Increase in Certificated Salaries
 - Increase for Step and Column
 - Additional Positions
 - \$319K Increase in Classified Salaries
 - Increase for Step and Column
 - Additional Positions
 - \$3.44M Increase in Benefits
 - Increase in Health Insurance
 - Increase in STRS, PERS
 - (\$101K) Decrease for Books and Supplies/ Services:
 - Decrease for District Wide Data plans
 - Increase for Security – Police/Probation
 - Increase for Professional/Consulting Services
 - Increase for Utilities and Repairs
 - Increase in Materials
 - (\$1.78M) Decrease in Capital Outlay/Other Outgo
 - Decrease for Buses and Maintenance vehicles
 - Decrease for District Wide Technology Upgrades - switches
 - Decrease for Indirect Cost
 - \$3.96M Increase in Transfer Out
 - Increase in One-time Discretionary funds
 - Increase transfer to Deferred Maintenance
- **Restricted Decrease \$7.35 M**
 - \$(1.10M) Decrease in Certificated Salaries
 - Increase for Step and Column
 - Decrease for One Time grant expenditures
 - \$236K Increase in Classified Salaries
 - Increase for Step and Column
 - \$482K Increase in Benefits
 - Increase in Health and Welfare
 - Increase in STRS, PERS
 - \$(2.83M) Decrease in Books and Supplies/Services
 - Expenditures balance to revenue – No Carryover and Deferred revenue budgeted
 - Decrease for One Time Expenditures
 - \$(4.13M) Decrease Capital Outlay and Other Outgo
 - Decrease for Chromebook Lease
 - Decrease for Vehicles
 - Decrease for Capital Lease payments
 - Expenditures balance to revenue – No Carryover and Deferred revenue budgeted

2018-19 Adopted Budget General Fund – Contributions



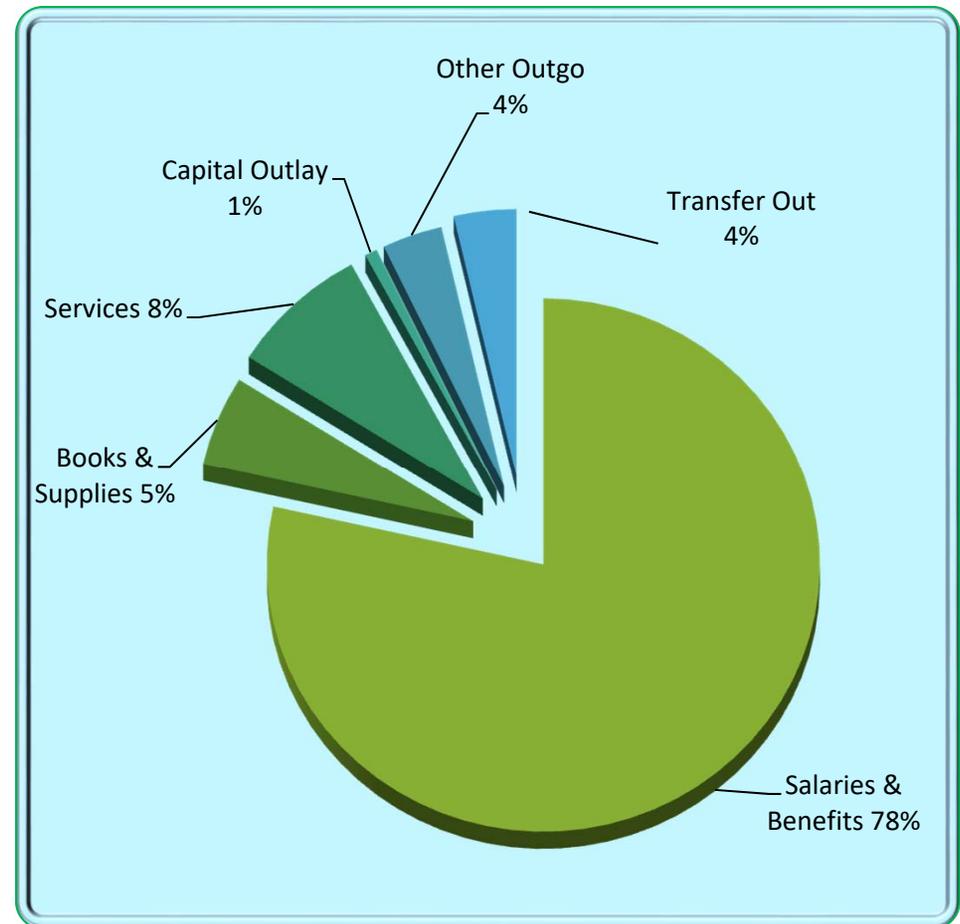
The General Funds estimated 2018-2019 contribution to:

- Special Education – \$13,566,647 decrease of \$163,812 over prior year
- Transportation – \$3,628,158 an increase of \$191,312 over prior year

2018-19 Adopted Budget Unrestricted/Restricted General Fund Expenditures

**78% of the District's
total expenditures is committed
to the
employees of the District**

General Fund Expenditures (In Millions)	
Salaries and Benefits	\$143.7
Books and Supplies	\$10.0
Services	\$15.0
Capital Outlay	\$1.3
Other Outgo/Transfer Out	\$13.1
Total Expenditures	\$183.1

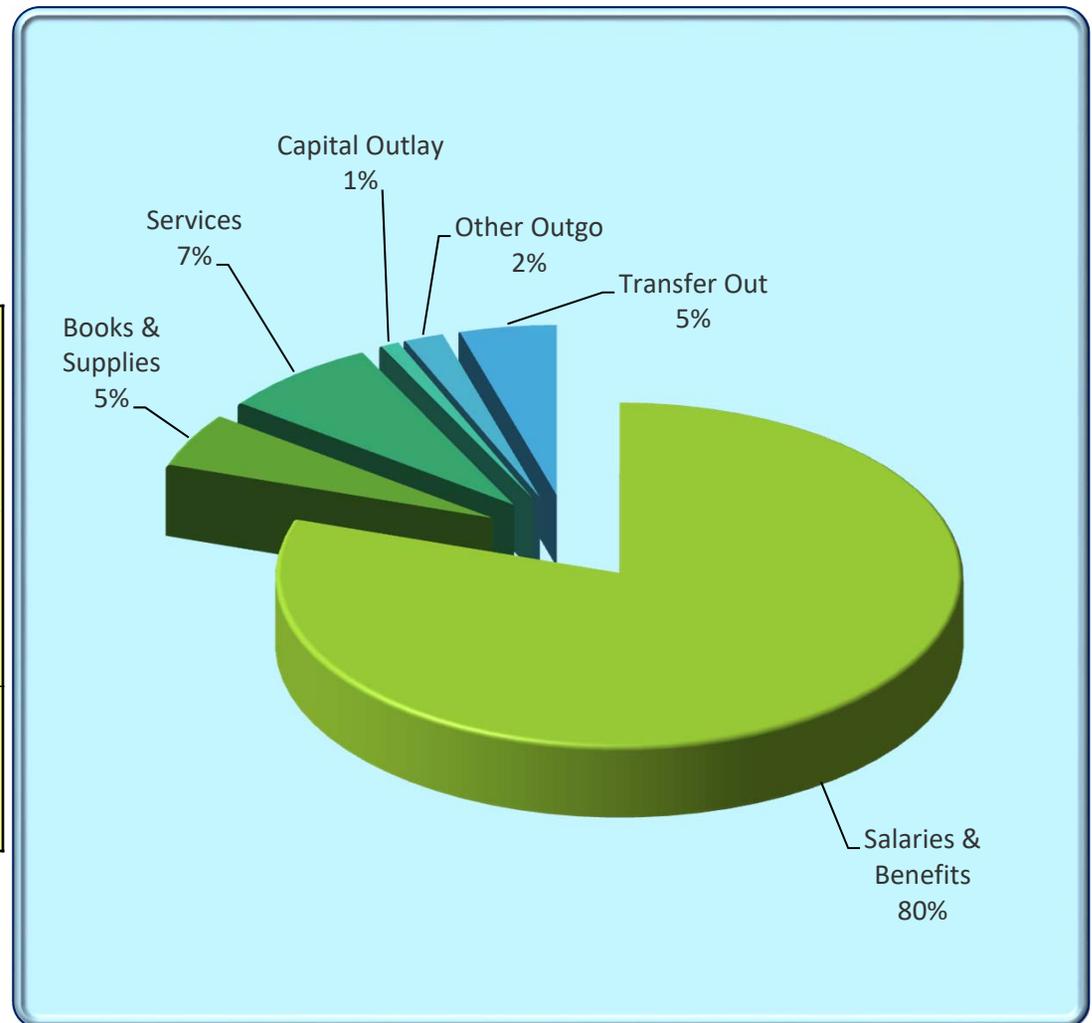


2018-19 Adopted Budget

Unrestricted General Fund Expenditures

**80% of the District's
unrestricted expenditures
is committed to the
employees of the District**

General Fund Unrestricted Expenditures (In Millions)	
Salaries and Benefits	\$115.9
Books and Supplies	\$7.4
Services	\$10.8
Capital Outlay	\$1.3
Other Outgo/Transfer Out	\$9.3
Total Expenditures	\$144.7



2018-19 Adopted Budget MYP Assumptions

	Assumptions:	2018-19 July 1 Adopted	2019-20 Projected Budget July1 Adopted	2020-21 Projected Budget July 1 Adopted
1	CBEDS Enrollment	16,183	16,470	16,625
2	ADA Projection (excludes County ADA)	15,373.85	15,646.50	15,793.75
3	Unduplicated Count	11,200	11,200	11,200
4	% CBEDS / ADA	95.00%	95%	95%
5	ADA Increase over Prior Year	336	273	147
6	Increase in enrollment	289	287	155
7	LCFF GAP Closed Percentage	100.00%	100.00%	100.00%
8	EPA %	24.00%	24.00%	24.00%
9	COLA (Cost of Living Adjustment)	2.710%	2.57%	2.67%
10	CPI %	3.58%	3.36%	3.23%
11	LCFF Per BASC Calculator	\$139,568,522	\$146,782,285	\$151,790,597
12	Local Revenue - Property Tax	\$16,887,306	\$16,887,306	\$16,887,306
13	Indirect Cost - restricted revenue	3.28%	3.28%	3.28%
14	Federal Revenue	0%	0%	0%
15	Technology Replacement & Leases	\$ 2,436,125	\$ 2,436,125	\$ 2,436,125
16	Instructional Materials - unrestricted	\$ 3,216,310	\$ 3,747,310	\$ 3,747,310
17	Transfer to Special Fund for Capital Outlay Projects	\$ 5,173,161	\$ -	\$ -
18	Transfer to Deferred Maintenance	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
19	Increase for step and Column	2.00%	2.00%	2.00%
20	Increase per year for Benefits *	12%	5%	5%
21	Bargaining Agreement Increase - CUTA	0.00%	0.00%	0.00%
22	Bargaining Agreement Increase - CSEA	0.00%	0.00%	0.00%
23	Inc. Certificated FTE for increase in enrollment		\$ 668,268	\$ 360,912
24	Inc. benefits for increase in FTE		\$ 177,308	\$ 99,350
25	Total estimated certificated FTE to increase		11.04	5.96
26	CalSTRS' increase	1.85%	1.85%	1.85%
27	CalPERS' increase	2.531%	2.738%	2.70%

Multi-Year Projections

Summary	2018-19	2019-20	2020-21
	July 1 Adopted	Projected as of July 1	Projected as of July 1
Beginning Balance	\$ 32,356,836	\$ 34,966,401	\$ 37,586,745
Revenue	\$ 185,736,904	\$ 187,307,923	\$ 192,383,300
Other Sources/Uses	\$ -	\$ -	\$ -
Transfer in/out	\$ (6,673,161)	\$ (1,500,000)	\$ (1,500,000)
Expenditures	\$ 176,454,178	\$ 183,187,579	\$ 189,303,746
Net Increase (Decrease)	\$ 2,609,564	\$ 2,620,344	\$ 1,579,554
Ending Balance	\$ 34,966,401	\$ 37,586,744	\$ 39,166,300
Restricted Assignment	\$ 3,347,410	\$ 1	\$ 1
5% Reserve	\$ 9,156,367	\$ 9,234,379	\$ 9,540,187
	\$ -		
	\$ -		
Total Reserve	\$ 31,618,990	\$ 37,586,743	\$ 39,166,299
% Reserve of Total Expenditures	17.27%	20.35%	20.53%

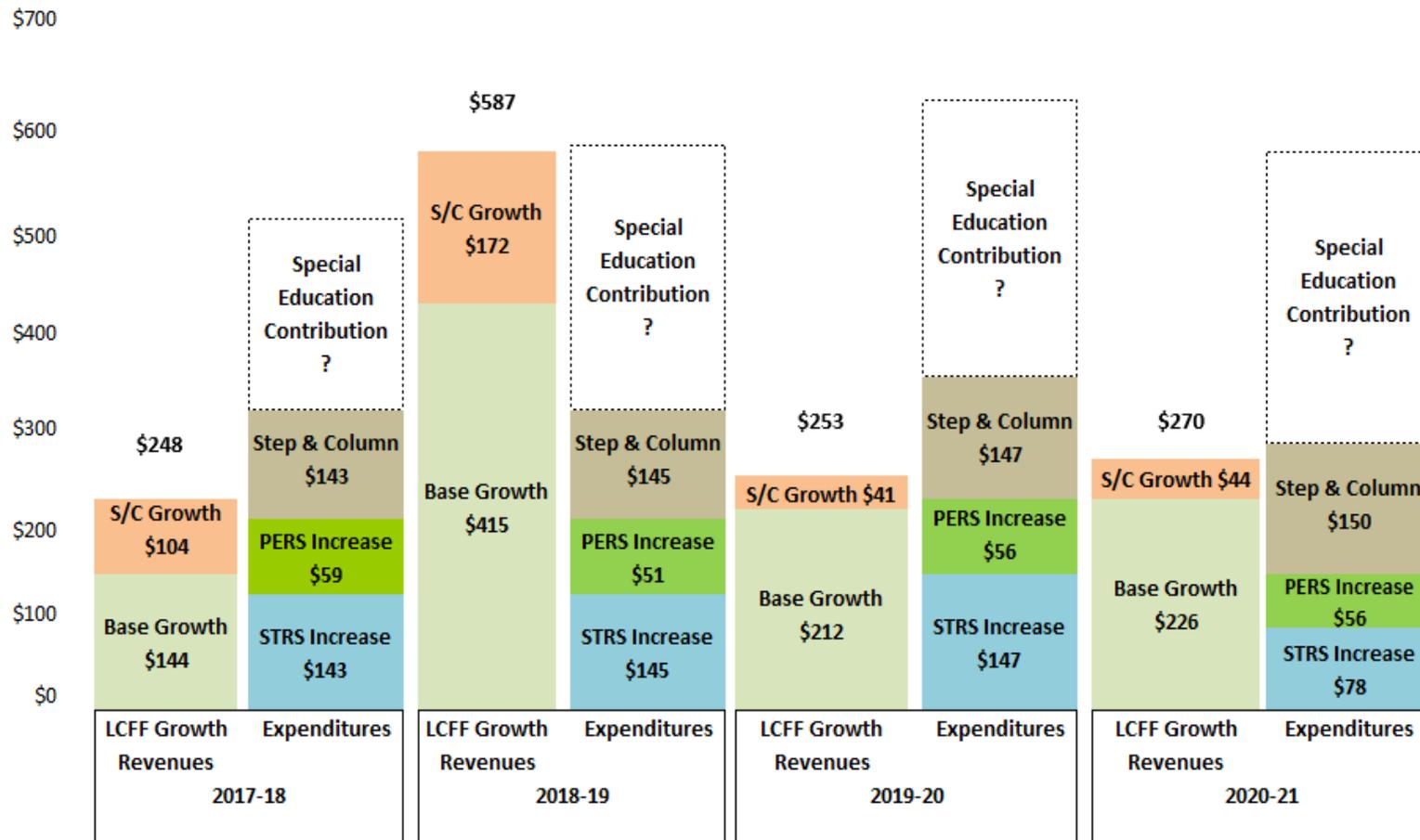
OTHER FUNDS

2018-19 Adopted Budget

Fund#	Description	2018-19 Est. Beginning Balance	2018-19 Estimated Revenue	2018-19 Estimated Expenditures	2018-19 Ending Balance
11	Adult Education	\$ 397,656	\$ 1,318,571	\$ 1,186,252	\$ 529,975
12	Child Development	\$ 146,943	\$ 907,105	\$ 906,305	\$ 147,743
13	Child Nutrition	\$ 1,859,966	\$ 8,991,413	\$ 9,741,832	\$ 1,109,548
14	Deferred Maintenance	\$ -	\$ 1,513,000	\$ 513,000	\$ 1,000,000
21	Building Fund	\$ 1,563,433	\$ 146,500	\$ 1,709,933	\$ -
25	Capital Facilities Fund	\$ 1,412,388	\$ 2,020,000	\$ 3,132,098	\$ 300,290
35	County School Facilities	\$ 80,510	\$ 500	\$ 81,010	\$ -
40	Special Reserve Fund for Capital Outlay Projects	\$ 2,209,124	\$ 5,173,161	\$ -	\$ 7,382,285
51	Bond Fund	\$ 6,236,861	\$ 6,957,000	\$ 8,714,014	\$ 4,479,848
63	Other Enterprise Fund	\$ 149,090	\$ 559,201	\$ 707,828	\$ 464
67	Self Insurance Fund	\$ 107,589	\$ 26,451,602	\$ 25,136,000	\$ 1,423,191
	TOTAL	\$ 14,163,560	\$ 54,038,054	\$ 51,828,270	\$ 16,373,344

State Average Trend

Per – ADA Revenue vs Expenditures



Bottom Line

- ▶ Based on the current projections, the district does not deficit spend in the next 3 fiscal years
 - Enrollment Projections with Growth
 - Increase Cost of STRS and PERS
 - Increase Cost of Health Benefits
 - Local Control Funding Formula funding at 100% of Target
 - Increase in One-time Discretionary Funds
 - Increase in Transfers Out - Deferred Maintenance and Special Reserve fund for Capital Outlay Projects
- ▶ The Board adopted a minimum reserve amount of 5% in March 2009
- ▶ The projected ending fund balance 17.27% of the general fund operating expenditures, exceeding the Board approved minimum by 12.27%. The state average based on School Services 2016-17 school year data is 16.64%.
- ▶ The First Interim Budget will provide any carryover to the 2018-19 budget, necessary adjustments to expenditures and starts the process for the 2019-20 budget.
- ▶ The district is committed to allocating statutorily required funds toward expenditures aligned with the Local Control Accountability Plan (LCAP).

Q&A

