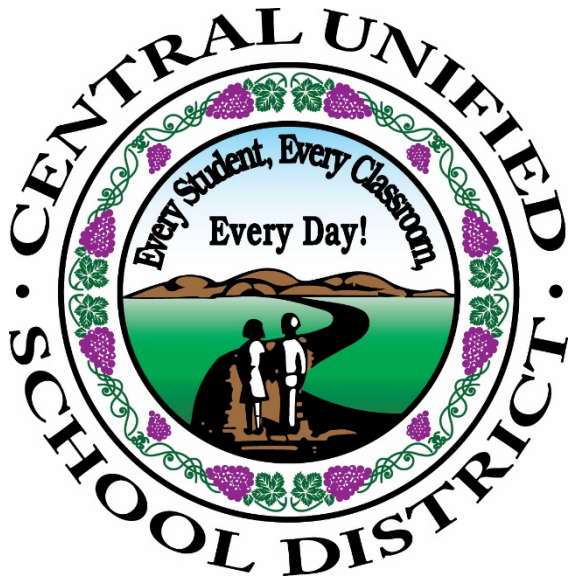


Central Unified School District

2017–18 First Interim Report



Board Meeting – December 12, 2017

Presented by: Kelly Porterfield, CBO

Agenda

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



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)

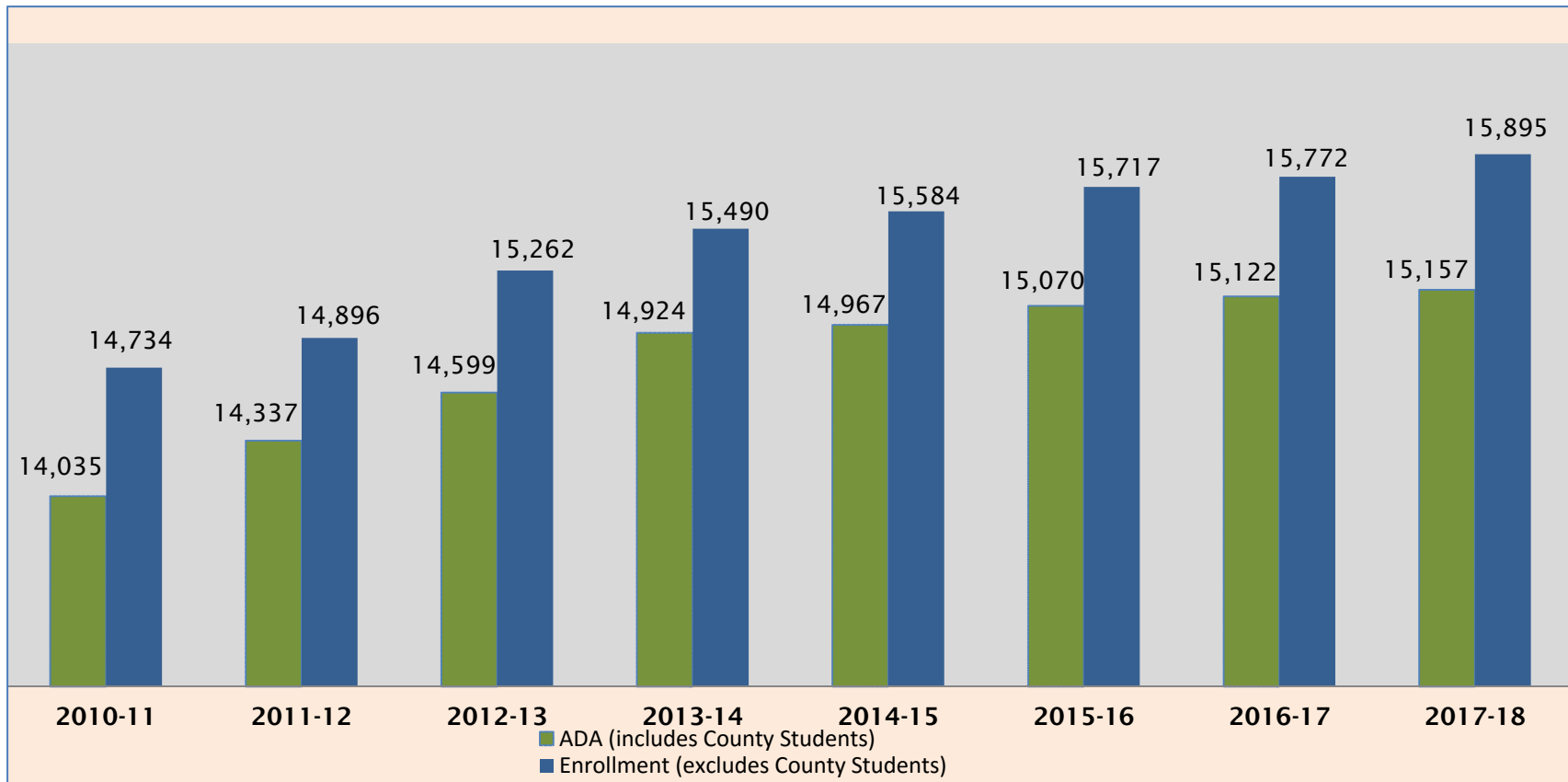
Phase 8 – Close books and prepare unaudited actuals.

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 9	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 9	Phase 2
April		Phase 7	Phase 2
May		Phase 7 Phase 9	Phase 3
June		Phase 8	Phase 3

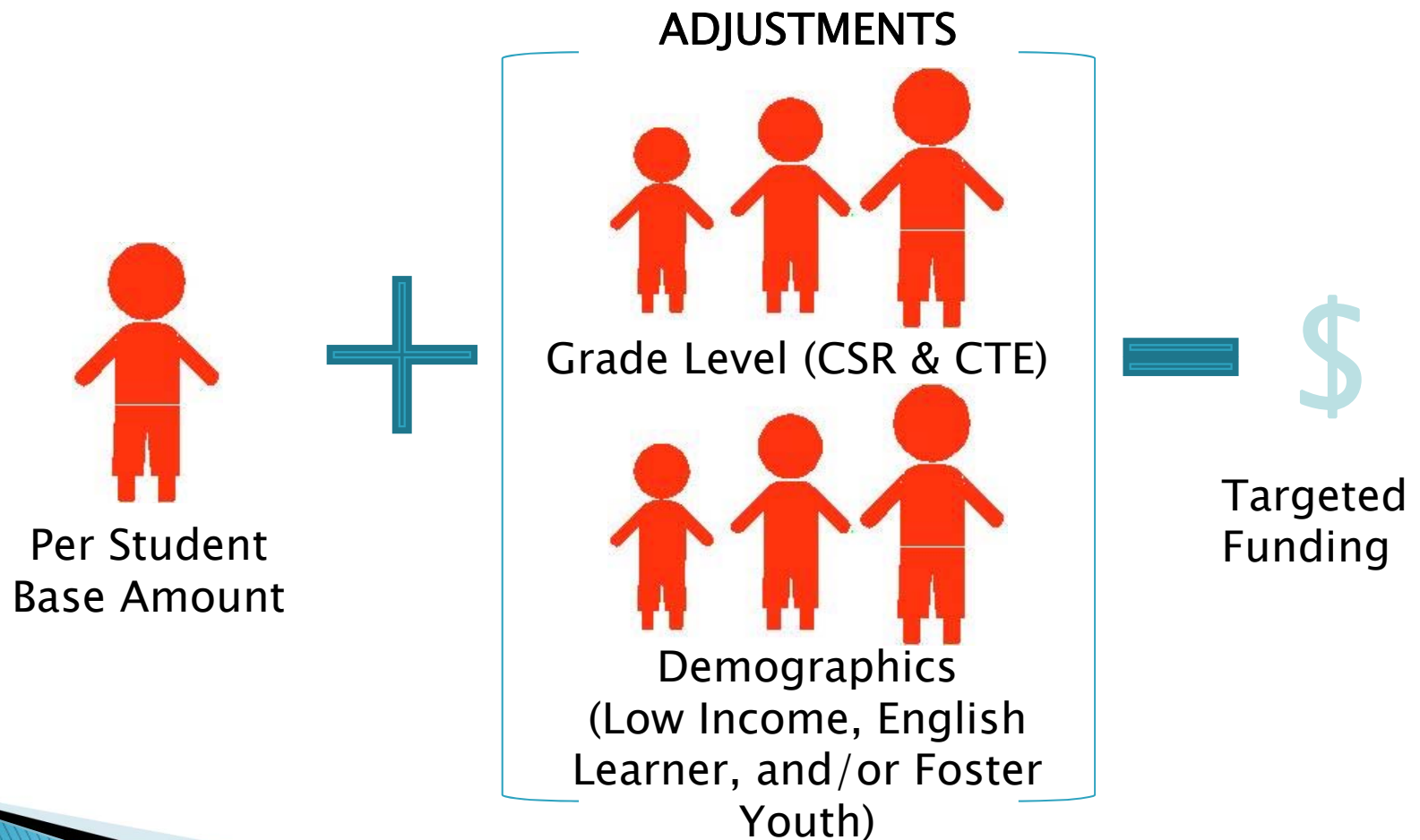
Enrollment/Average Daily Attendance(ADA) History



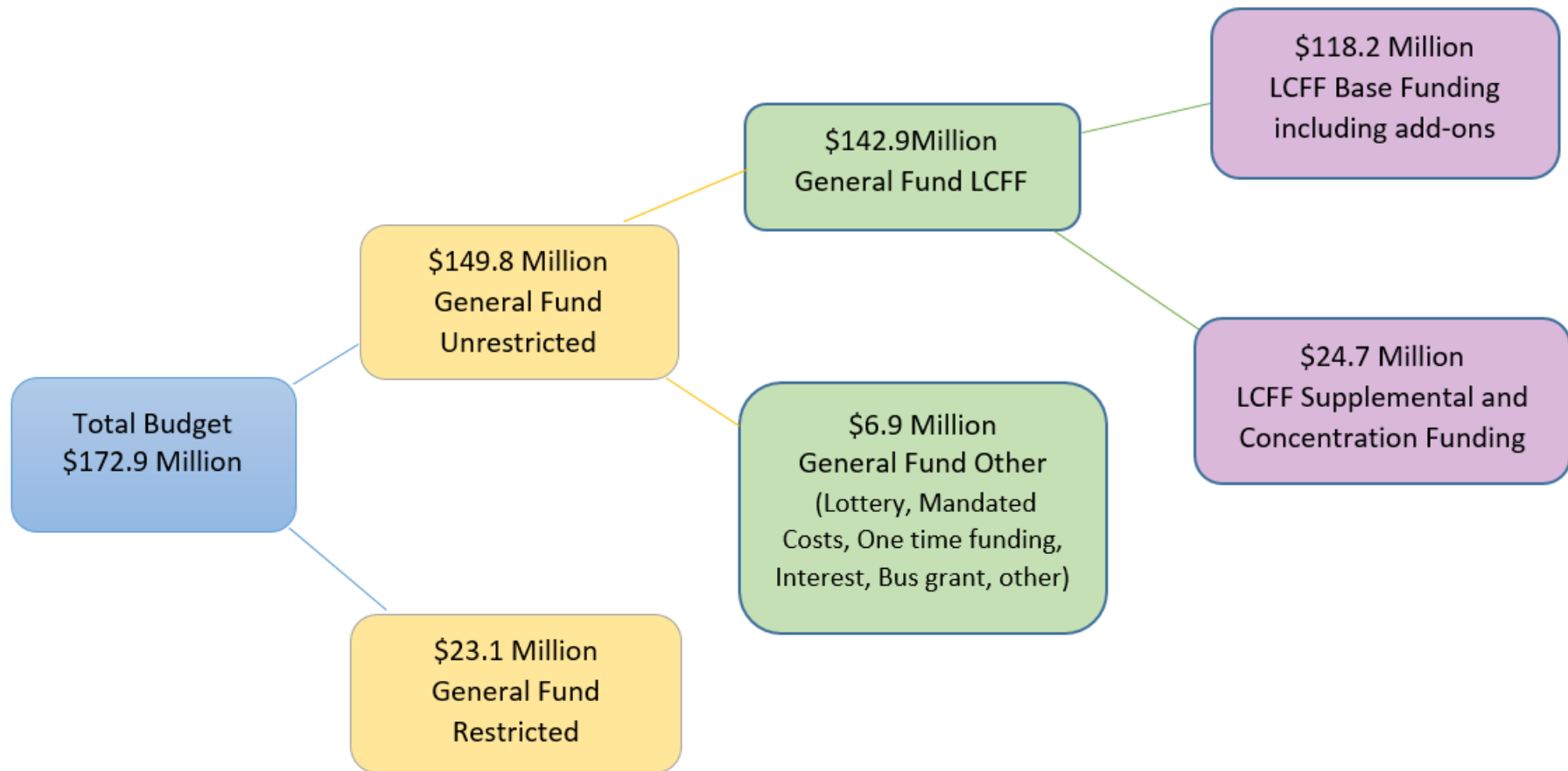
2017-18 ADA Projections reflect an increase of 35, based on 95% of District CBEDS Enrollment

What is the Local Control Funding Formula (LCFF)?

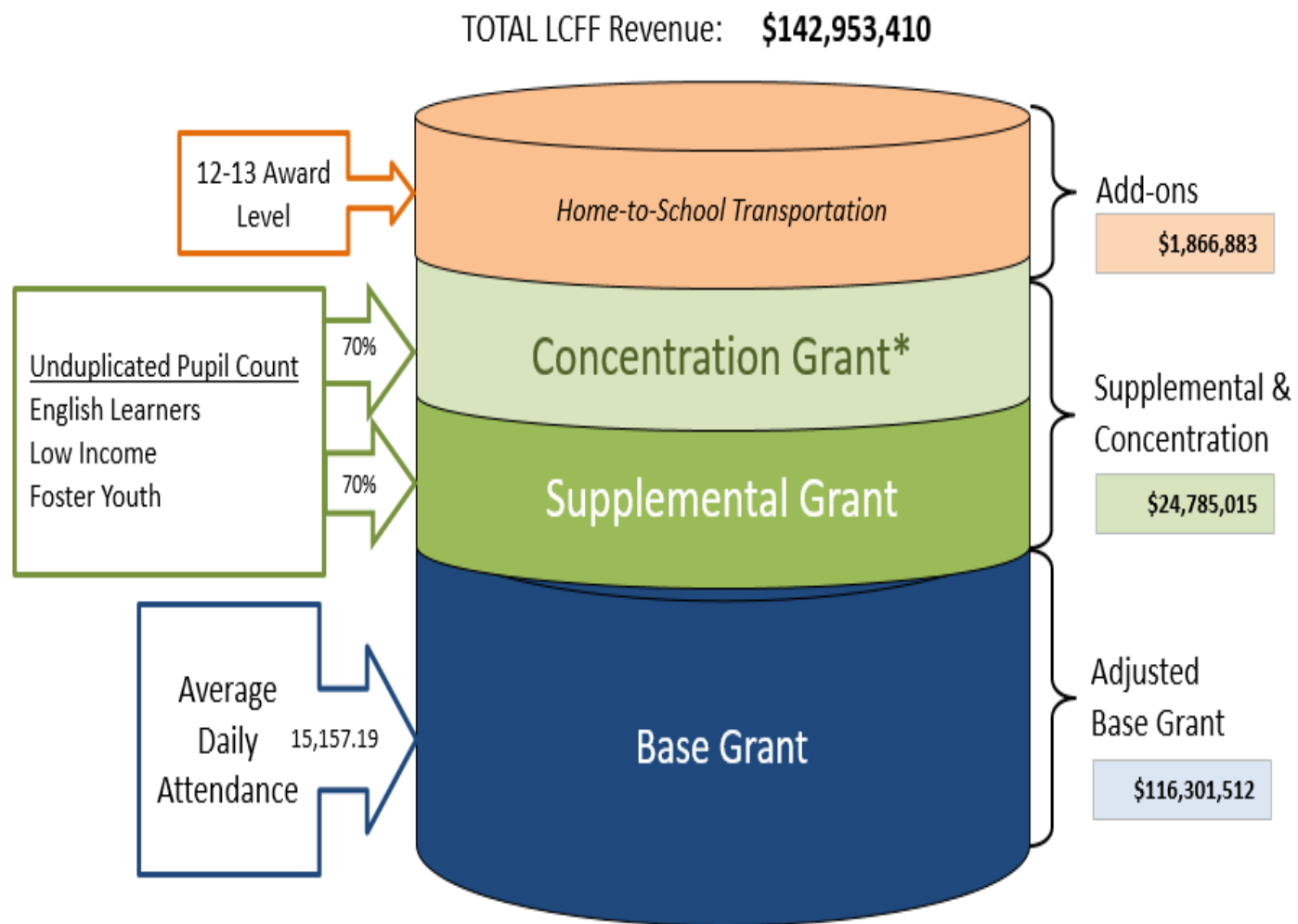
Greatly simplifies state funding for local educational agencies (LEAs)



Restricted/Unrestricted General Fund Revenue Overview



The district receives revenue from several sources. The sources are broken down between restricted and unrestricted. The single largest source of revenue is LCFF.



*Unduplicated Pupil Percentage must be above 55% to receive Concentration Grant funding

Revenue Budget

▶ \$7.04 Million Increase since Adopted Budget

◦ Unrestricted– Increase \$3.43M

- \$255K Local Control Funding Formula (LCFF):

LCFF calculation based on estimated CALPADs data for enrollment and unduplicated count. FCMAT calculator was used for the current projection

- \$107K Federal Revenue:

MAA reimbursement

- \$2.25M State Revenue:

Onetime funds of \$2.2M added, increased the estimated Mandated block grant

- \$816K Other Revenue:

Increase for bus grant of \$787K, adjustment made for Facilities use agreements, and miscellaneous deposits

◦ Restricted – Increase \$3.61M

- \$1.80M Federal Revenue:

Added carryover and deferred revenues from prior year \$1.04M, increase in Title I funds \$405K, increases in the estimated Special Education entitlement \$84K, increase to Title II \$293K decrease in Migrant (\$3K), decrease in Perkins (\$19K)

- \$1.53M State Revenue:

Added carryover and deferred revenues from prior year \$253K, increase Prop. 39 Clean Energy act \$889K, increase in to the estimated Special Education mental health allocation and to include added Non public schools contracts \$385K

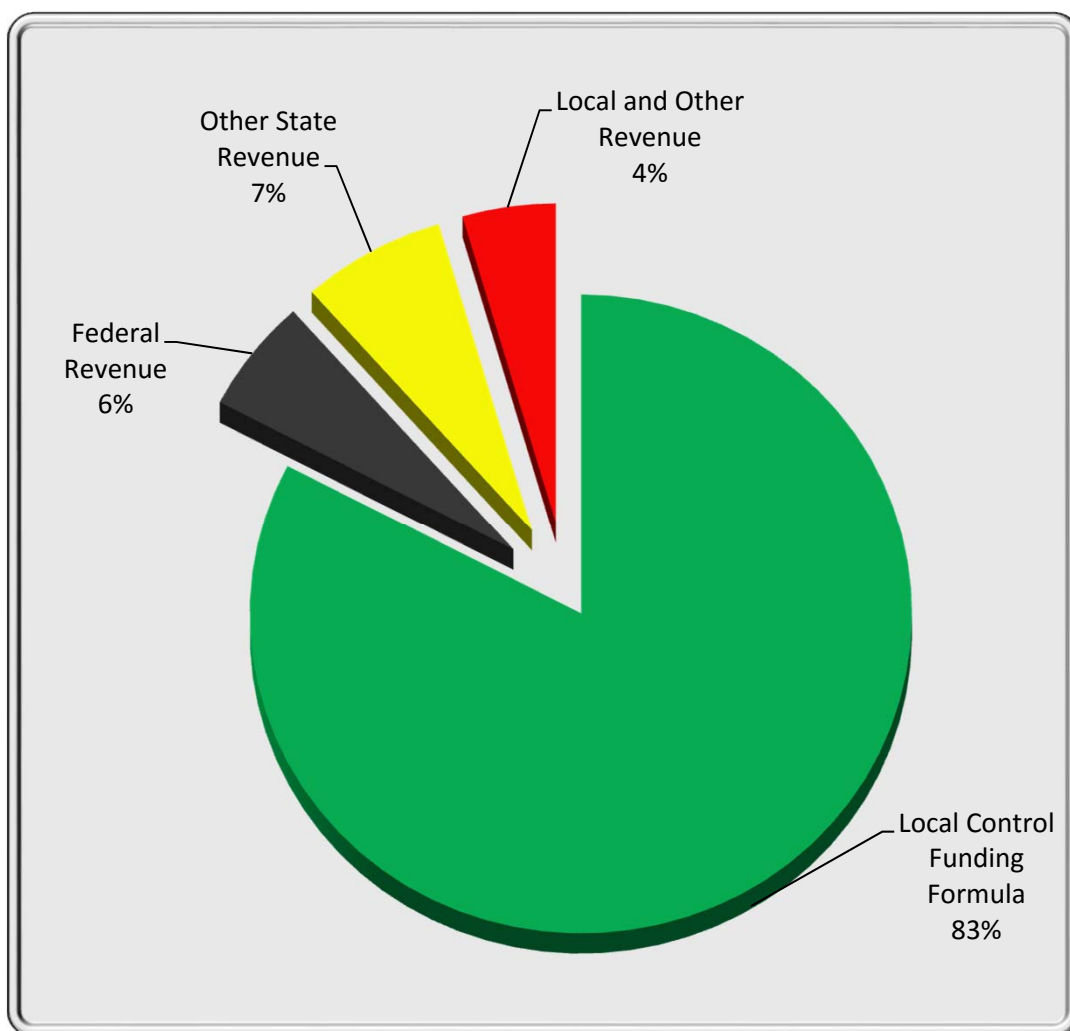
- \$286K Other Revenue:

Added California Scale Up Multi-Tiered System (SUMS) initiative grant \$25K, increase to GATE \$4K, and an increase for donations, reimbursements, damage loss, co-curricular athletics, Microsoft settlement grant and added carryover/deferred revenues from prior year \$257K

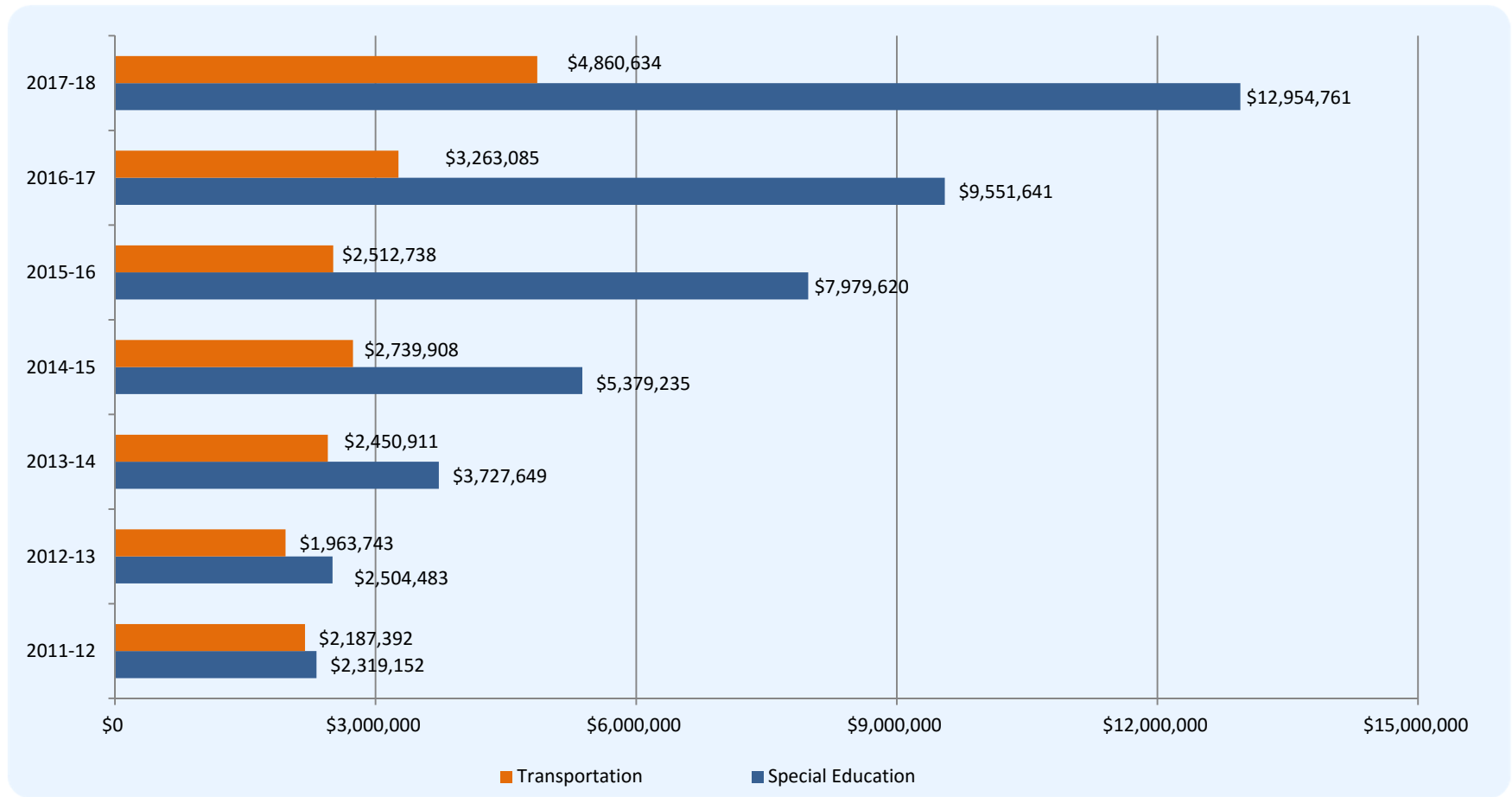
2017-18 First Interim General Fund Revenue

83% 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)	\$143.0
Federal Revenue	\$10.0
Other State Revenue	\$12.1
Local and Other Revenue	\$7.9
Other Sources	\$0.0
Total Revenues	\$173.0
Beginning Balance	\$39.4
Total General Fund	\$212.4



2017-18 First Interim General Fund Revenue – Contributions



The General Fund estimated 2017–2018 contribution to Special Education is \$12,954,761 an increase of \$3,403,120 over prior year and to Transportation is \$4,860,634 an increase of \$1,597,549 over prior year.

Expenditure Budget

▶ **\$9.86 Million Expenditure increase since Adopted Budget**

◦ **Unrestricted increased \$4.68M**

- 653K Increase in Salaries and Benefits

Increase for additional positions, added long term assignments, adjustment for vacant positions, adding additional work agreements

- (\$189K) Decrease in Materials, Supplies, Services and Other

Budget revision to reallocate budget to align with site spending

- \$2.01M Increase Capital Outlay and Other Outgo

Increase to transportation to purchase buses \$2.3M, reallocation of budget (\$290K) based on sites/department needs

- \$2.20M Increase Transfer Out

Transfer one time funds to Fund 40 (Special Reserve Fund for Capital Outlay Projects)

◦ **Restricted Increase \$5.17M**

- \$1.82M Increase in Salaries and Benefits

Increase for additional substitutes, extra work agreements for Title II and Education Effectiveness and alignment of budgets

- \$2.77M Increase in Materials, Supplies, Services and Other

Increase to instructional material \$834K, materials and non capitalized equipment to align with site spending \$609K, outside contracts \$1.05M, repairs \$100K, travel and conference \$121K, transfer of direct cost \$58K

- \$589K Increase Capital Outlay and Other Outgo

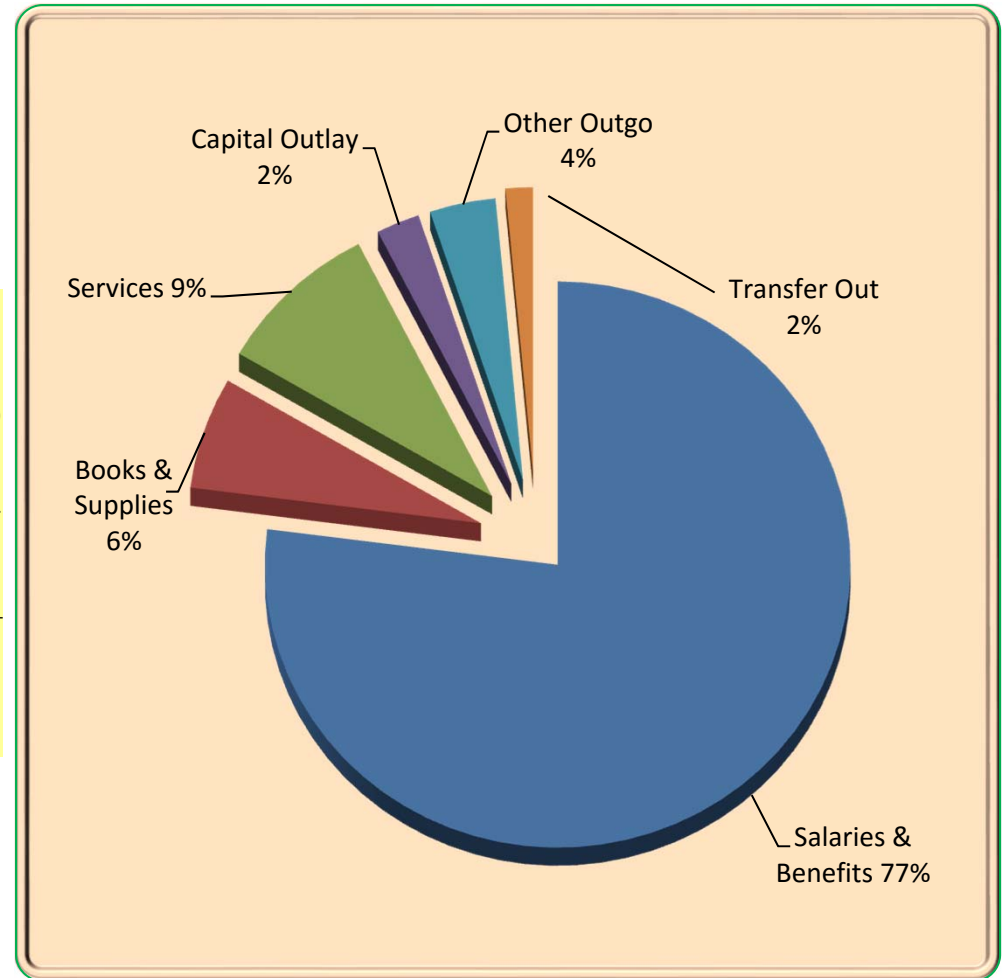
Increase in capitalized equipment \$213K, FCSS special education transportation \$177K and indirect cost \$199K

2017-18 First Interim Unrestricted/Restricted General Fund Expenditures

**77% of the District's
total expenditures
is committed to the
employees of the District**

General Fund Expenditures (In Millions)

Salaries and Benefits	\$139.0
Books and Supplies	\$11.5
Services	\$16.4
Capital Outlay	\$4.3
Other Outgo/Transfer Out	\$9.3
Total Expenditures	\$180.5

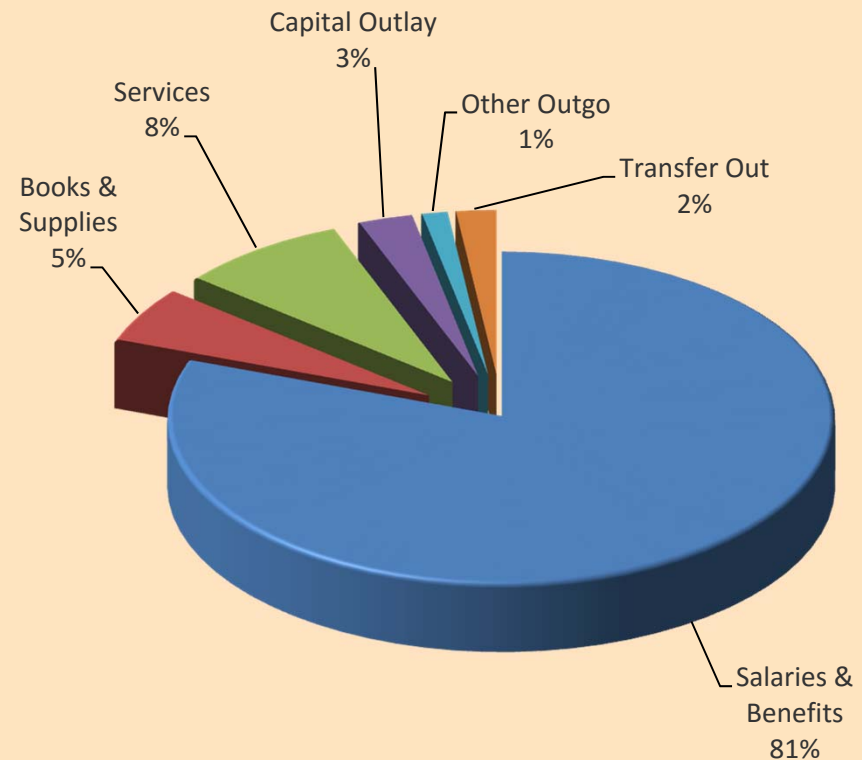


2017-18 First Interim Unrestricted General Fund Expenditures

**81% of the District's
unrestricted expenditures
is committed to the
employees of the District**

General Fund Unrestricted Expenditures (In Millions)

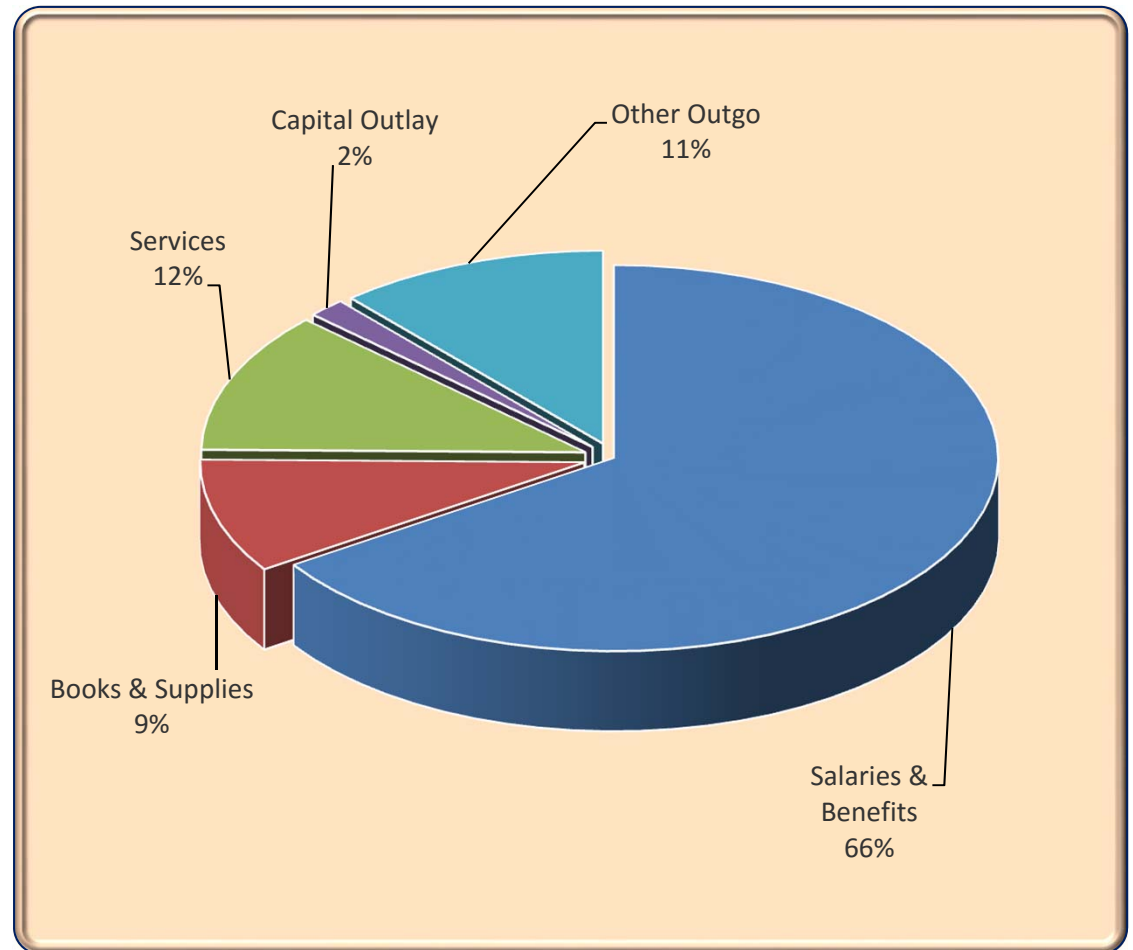
Salaries and Benefits	\$111.0
Books and Supplies	\$7.5
Services	\$11.3
Capital Outlay	\$3.7
Other Outgo/Transfer Out	\$4.4
Total Expenditures	\$137.9



2017-18 First Interim Restricted General Fund Expenditures

**66% of the District's
restricted expenditures
is committed to the
employees of the District**

General Fund Restricted Expenditures (In Millions)	
Salaries and Benefits	\$28.0
Books and Supplies	\$4.0
Services	\$5.0
Capital Outlay	\$0.7
Other Outgo	\$4.9
Total Expenditures	\$42.6



2017-18 First Interim MYP Assumptions

		2017-18 1st Interim	2018-19 Projected Budget 1st interim	2019-20 Projected Budget 1st interim
	Assumptions:			
1	CBEDS Enrollment	15,895	16,057	16,343
2	ADA Projection (excludes County ADA)	15,033.25	15,254.15	15,525.85
3	Unduplicated Count	11,191	11,191	11,191
4	% CBEDS / ADA	95%	95%	95%
5	ADA Increase over Prior Year	38	221	272
6	Increase in enrollment	123	162	286
7	LCFF GAP Closed Percentage	43.19%	66.12%	64.92%
8	EPA %	23.50%	22.50%	22.50%
9	COLA (Cost of Living Adjustment)	0.00%	0.00%	0.00%
10	CPI %	0.00%	0.00%	0.00%
11	LCFF Per BASIC Calculator	\$126,371,667	\$134,276,891	\$141,536,361
12	Local Revenue - Property Tax	\$16,581,743	\$16,581,743	\$16,581,743
13	Indirect Cost - restricted revenue	6.17%	6.17%	6.17%
14	Federal Revenue	0%	0%	0%
15	Technology Replacement & Leases	\$ 3,710,125	\$ 3,710,125	\$ 3,710,125
16	Instructional Materials - unrestricted	\$ 3,225,510	\$ 1,233,445	\$ 1,808,445
17	Transfer to Special Fund for Capital Outlay Projects	\$ 2,209,124	\$ -	\$ -
18	Transfer to Deferred Maintenance	\$ 500,000	\$ 500,000	\$ 500,000
19	Increase for step and Column	2.00%	2.00%	2.00%
20	Increase per year for Benefits *	8%	5%	5%
21	Bargaining Agreement Increase - CUTA	3.00%	0.00%	0.00%
22	Bargaining Agreement Increase - CSEA	3.00%	0.00%	0.00%
23	Inc. Certificated FTE for increase in enrollment	\$ -	\$ 373,846	\$ 660,000
24	Inc. benefits for increase in FTE	\$ -	\$ 93,539	\$ 173,555
25	Total estimated certificated FTE to increase		6.23	11.00
26	CalSTRS' increase	1.85%	1.85%	1.85%
27	CalPERS' increase	1.643%	2.57%	2.70%

Multi-Year Projection

		2017-18	2018-19	2019-20
Summary		1st Interim	Projected as of 1st Interim	Projected as of 1st Interim
Beginning Balance	\$	39,382,160	\$ 31,818,962	\$ 30,169,403
Revenue	\$	172,938,973	\$ 176,959,809	\$ 184,300,337
Other Sources/Uses	\$	-	\$ -	\$ -
Transfer in/out	\$	(2,709,124)	\$ (500,000)	\$ (500,000)
Expenditures	\$	177,793,047	\$ 178,109,368	\$ 184,457,275
Net Increase (Decrease)	\$	(7,563,198)	\$ (1,649,559)	\$ (656,938)
Ending Balance	\$	31,818,962	\$ 30,169,403	\$ 29,512,465
Restricted Assignment	\$	3,093,015	\$ 1	\$ 1
5% Reserve	\$	9,025,109	\$ 8,930,468	\$ 9,247,864
	\$	-		
	\$	-		
Total Reserve	\$	28,725,947	\$ 30,169,402	\$ 29,512,464
% Reserve of Total Expenditures		15.91%	16.89%	15.96%

OTHER FUNDS

2017-18 First Interim

Fund#	Description	2017-18 Beginning Balance	2017-18 Estimated Revenue	2017-18 Estimated Expenditures	2017-18 Ending Balance
11	Adult Education	\$ 982,323	\$ 1,308,364	\$ 1,882,321	\$ 408,365
12	Child Development	\$ 221,177	\$ 907,305	\$ 981,983	\$ 146,499
13	Child Nutrition	\$ 3,234,429	\$ 8,996,455	\$ 9,710,689	\$ 2,520,195
14	Deferred Maintenance	\$ 3,552,289	\$ 3,890	\$ 1,837,438	\$ 1,718,742
21	Building Fund	\$ 30,054,081	\$ 25,500	\$ 28,945,384	\$ 1,134,197
25	Capital Facilities Fund	\$ 3,594,136	\$ 1,715,001	\$ 3,330,793	\$ 1,978,344
35	County School Facilities	\$ 55,996	\$ 200	\$ -	\$ 56,196
40	Special Reserve Fund for Capital Outlay Projects	\$ -	\$ 2,209,124	\$ -	\$ 2,209,124
51	Bond Fund	\$ 4,784,092	\$ 6,083,106	\$ 8,216,723	\$ 2,650,476
63	Other Enterprise Fund	\$ 301,794	\$ 548,601	\$ 651,903	\$ 198,491
67	Self Insurance Fund	\$ 273,735	\$ 26,526,602	\$ 23,136,000	\$ 3,664,337
	TOTAL	\$ 47,054,051	\$ 48,324,149	\$ 78,693,236	\$ 16,684,965

Bottom Line

- ▶ Based on the current assumptions, the district is projected to deficit spend in 2017–18 and the next two years
 - Enrollment projections with growth
 - Increase in Special Education
 - Increase cost of STRS and PERS
 - Increase cost in Health Benefits
- ▶ The Board adopted a minimum reserve amount of 5% in March 2009
- ▶ The projected ending fund balance in three years is 15.96% of the general fund operating expenditures, exceeding the Board approved minimum by 9.85%. The state average based on School Services data is 16.45%
- ▶ The Governor's January Budget will provide further clarification for both the 2017–18 and the 2018–19 year and will be incorporated into our 2017–18 Second Interim Report
- ▶ The district is committed to allocating available funds toward expenditures aligned with the overall Local Control Accountability Plan (LCAP)

Q&A

