

# Central Unified School District

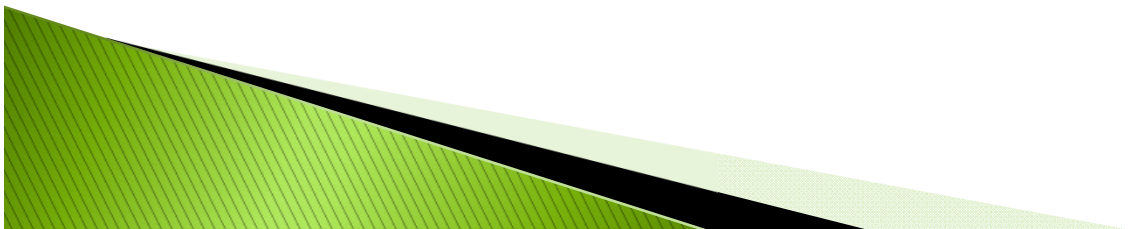


## 2019–20 Adopted Budget

Board Meeting – June 11, 2019

# Agenda

- ▶ Budget Schedule
- ▶ Revenue
- ▶ Expenditures
- ▶ Multi-Year Projection
- ▶ Other Funds
- ▶ Risks to The Budget
- ▶ 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 2<sup>nd</sup> Interim Report

**Phase 7** – Prepare Local Control Accountability Plan (LCAP)

**Phase 8** – Close books and prepare unaudited actuals.

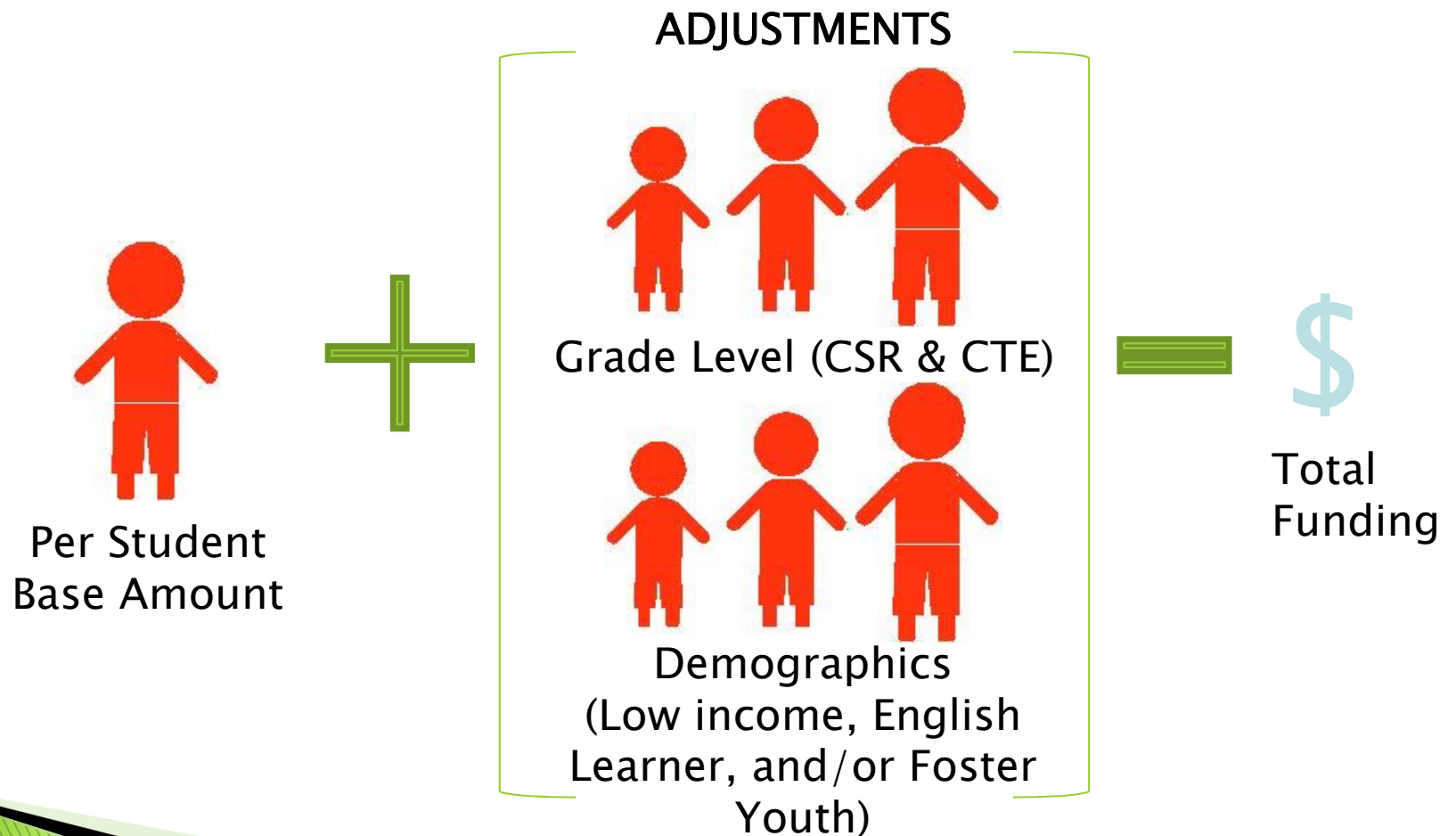
**Phase 9** – Audit of financial reports performed by Independent auditor.

**Phase 10** – Audited Financials are presented to Board.

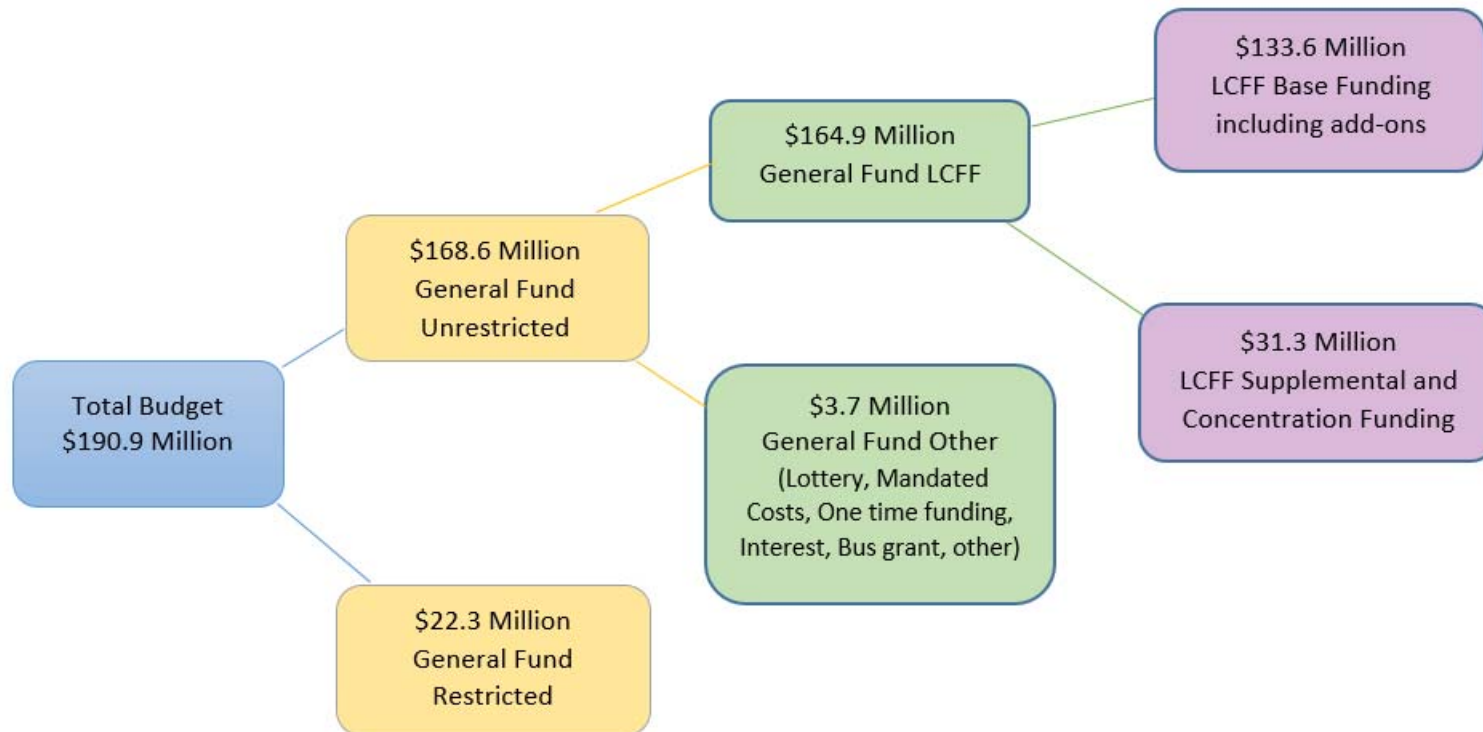
Fiscal Calendar	Prior Year Budget	Current Year Budget	Next Year Budget
July	Phase 8	Phase 4	
August	Phase 8	Phase 4	
September	Phase 8 Phase 9	Phase 4	
October	Phase 9	Phase 5	Phase 1
November	Phase 9	Phase 5	Phase 1
December		Phase 5	Phase 1
January	Phase 10	Phase 6	Phase 2
February		Phase 6	Phase 2
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)?

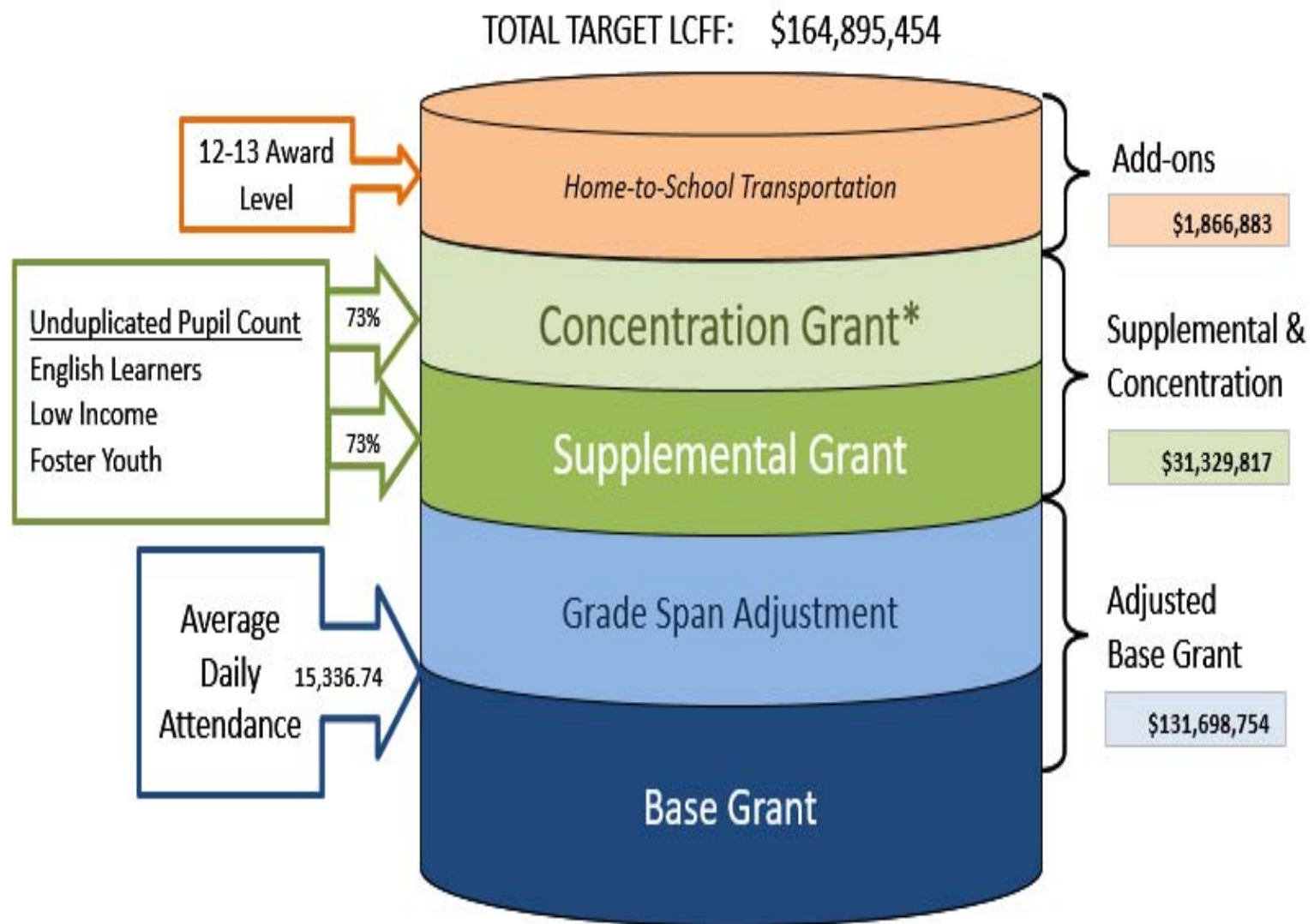
Greatly simplifies state funding for local educational agencies (LEAs)



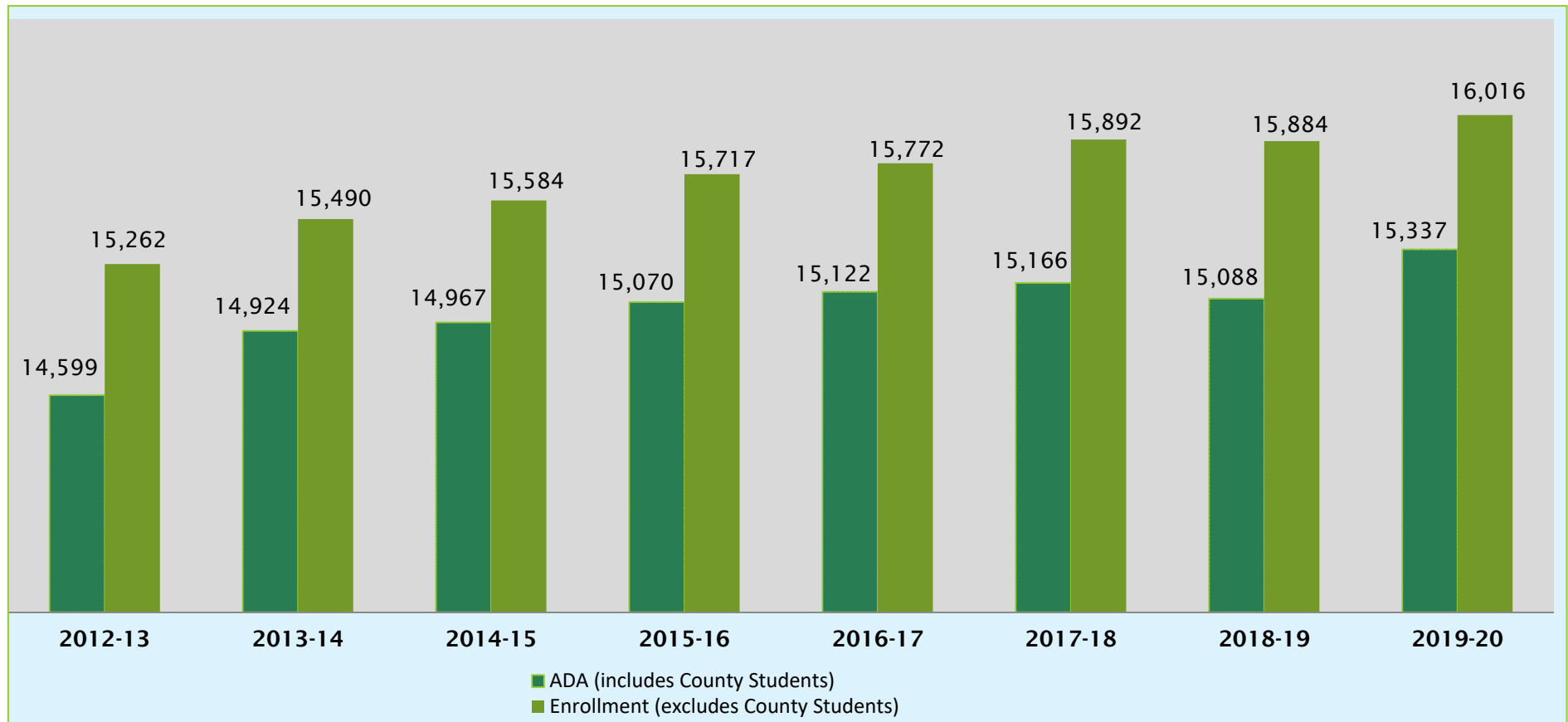
# Restricted/Unrestricted General Fund Revenue







# Enrollment/Average Daily Attendance(ADA) History



The 19–20 Projected enrollment of 16,016 represents anticipated growth of 132 more students from prior year actual enrollment of 15,884.

\*Projections are based on Demographic Study

# Revenue Budget

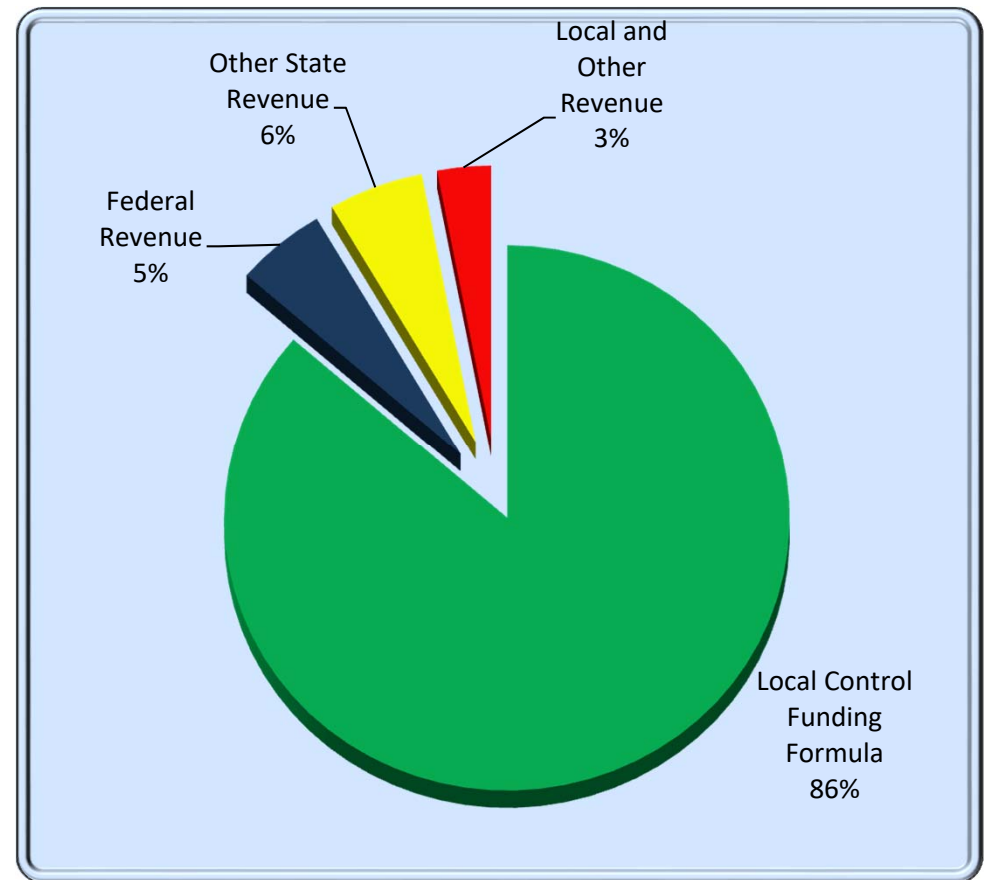
- **\$200k Increase from Fiscal Year 2018–2019**
  - **Unrestricted– Increase of \$4.2M**
    - \$9.3M Increase Local Control Funding Formula (LCFF)
      - ADA projection increase by 249
      - Local Control Funding Formula is 100% funded
    - (\$340K) Decrease in Federal – MAA funds recognized when received
    - (\$2.8M) Decrease Mandated Cost reimbursement
    - (\$2M) Decrease in Other Local –Miscellaneous revenue – donations, grants, reimbursements, Bus grant (\$500k)
  - **Restricted – Decrease of \$4.0M**
    - \$(1.3 M) Decrease for Federal Carryover and Deferred Revenue
    - \$(670K) Decrease Essa School Improvement
    - \$(2M) Decrease Other State– Low Performing Students (\$1.2M); Career and Technical (\$230K); SpEd Mental Health (\$400k); Classified Employee (\$110k); Lottery (\$75k)
    - \$(2m) One time allocations SpEd, One time grants, State Water Resource – Well grant, Residency Grant est., carryover and deferred revenue
    - \$1.9M Increase– STRS On-Behalf



# 2019-20 Adopted Budget General Fund Revenue

86% 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)	\$164.9
Federal Revenue	\$9.8
Other State Revenue	\$10.4
Local and Other Revenue	\$5.8
Other Sources	\$0.0
<hr/>	
Total Revenues	\$190.9
Beginning Balance	\$30.9
<hr/>	
Total General Fund	\$221.8



# Expenditure Budget

## ➤ \$4.8M Expenditure Decrease From Fiscal Year 2018-2019

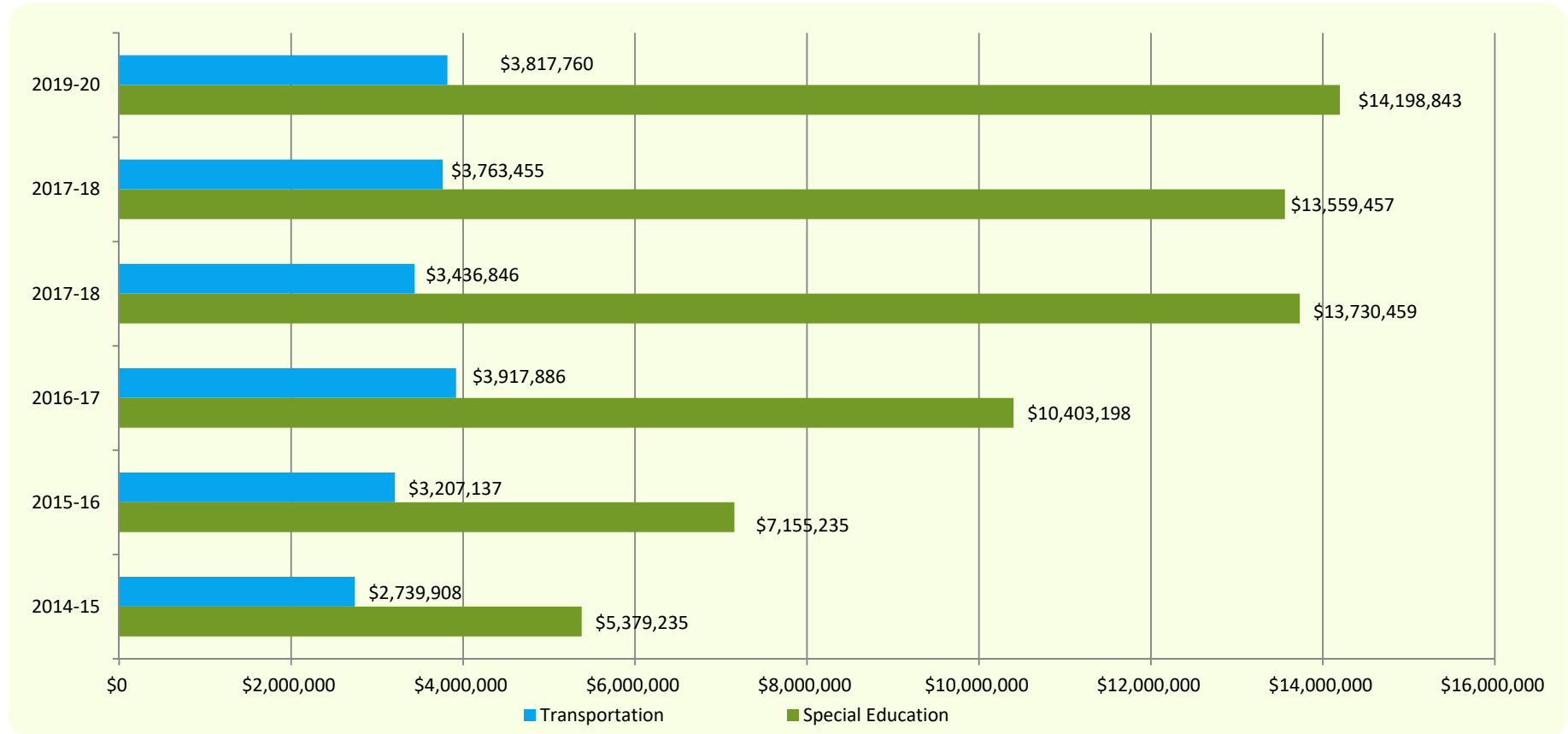
### ◦ Unrestricted Increased \$1.6 M

- \$510K Increase in Certificated Salaries
  - Increase for Step and Column
  - Additional Positions
- \$340K Increase in Classified Salaries
  - Increase for Step and Column
  - Additional Positions
- \$1.3M Increase in Benefits
  - Increase in Health Insurance
  - Increase in STRS, PERS
- \$850k Increase for Books and Supplies/ Services:
  - Decrease for District Wide Data plans
  - Increase for Legal Costs
  - Increase for Professional/Consulting Services
  - Decrease for Utilities
  - Increase in Materials
- (\$1.4M) Decrease in Capital Outlay/Other Outgo
  - Decrease for Buses and Maintenance vehicles
  - Decrease in One-Time costs Tilley
  - Decrease for Indirect Cost

### ◦ Restricted Decrease \$6.4 M

- \$(20k) Decrease in Certificated Salaries
  - Increase for Step and Column
  - Decrease for One Time grant expenditures
- \$(70K) Decrease in Classified Salaries
  - Change in funding source
- \$2.25M Increase in Benefits
  - Increase in Health and Welfare
  - Increase in STRS, PERS
- \$(6.2M) Decrease in Books and Supplies/Services
  - Expenditures balance to revenue – No Carryover and Deferred revenue budgeted
  - Decrease for One Time Expenditures
- \$(2.4M) Decrease Capital Outlay and Other Outgo
  - Decrease for Capital Lease payments
  - Expenditures balance to revenue – No Carryover and Deferred revenue budgeted

# 2018-19 Adopted Budget General Fund – Contributions



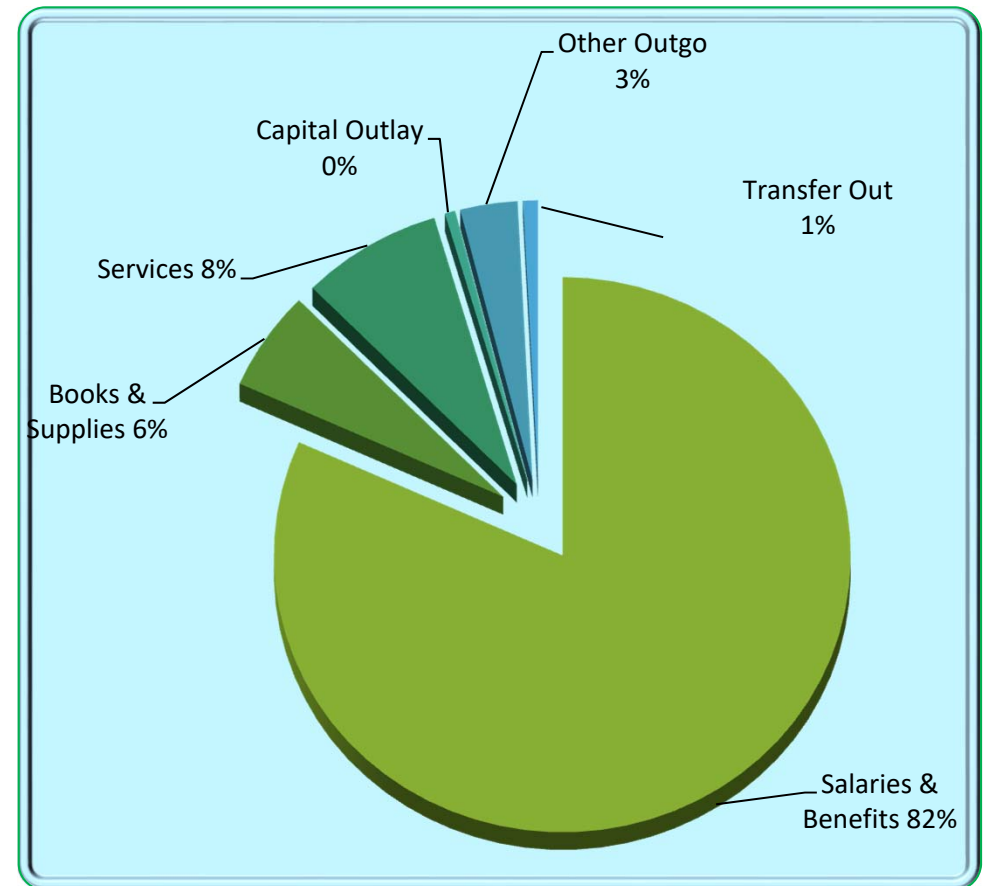
The General Fund estimated 2019–2020 contribution to:

- Special Education – \$14,198,843 increase of \$639,386 over prior year
- Transportation – \$3,817,760 an increase of \$54,305 over prior year

# 2019-20 Adopted Budget Unrestricted/Restricted General Fund Expenditures

**82% of the District's  
total expenditures is committed  
to the  
employees of the District**

General Fund Expenditures (In Millions)	
Salaries and Benefits	\$149.4
Books and Supplies	\$10.6
Services	\$14.4
Capital Outlay	\$1.1
Other Outgo/Transfer Out	\$7.4
Total Expenditures	\$182.9



## 2019-20 Adopted Budget MYP Assumptions

	<b>Assumptions:</b>	<b>2019-20 July 1 Adopted</b>	<b>2020-21 Projected Budget July 1 Adopted</b>	<b>2021-22 Projected Budget July 1 Adopted</b>
1	CBEDS Enrollment	16,016	15,943	15,949
2	ADA Projection (excludes County ADA)	15,215.20	15,145.85	15,151.55
3	Unduplicated Count	11,923	11,923	11,923
4	% CBEDS / ADA	95%	95%	95%
5	ADA Increase/Decrease over Prior Year @ P2	249	-69	6
6	Increase/Decrease in enrollment	132	-73	6
7	EPA %	28.56%	28.56%	28.56%
8	COLA (Cost of Living Adjustment)	3.26%	3.00%	2.80%
9	CPI %	3.38%	3.16%	3.05%
10	LCFF Per BASC Calculator	\$147,164,047	\$153,357,851	\$157,255,079
11	Local Revenue - Property Tax	\$17,731,407	\$17,731,407	\$17,731,407
12	Indirect Cost - restricted revenue	3.72%	3.72%	3.72%
13	Federal Revenue	0%	0%	0%
14	Technology Replacement & Leases	\$ 1,256,927	\$ 2,230,125	\$ 2,230,125
15	Instructional Materials - unrestricted	\$ 2,262,532	\$ 1,157,742	\$ 161,581
16	Transfer to Special Fund for Capital Outlay Project	\$ -	\$ -	\$ -
17	Transfer to Deferred Maintenance	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
18	Certificate of Participation (COP)	\$ 20,000,000	\$ -	\$ -
19	Increase for step and Column	2.00%	2.00%	2.00%
20	Increase per year for Benefits *	5%	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	\$ 302,700	\$ -	\$ 13,971
24	Inc. benefits for increase in FTE		\$ -	\$ 3,586
25	Staffing ratio K -3	26 to 1	26 to 1	26 to 1
26	Total estimated certificated FTE to increase	5.00	-	0.23
27	CalSTRS' increase	0.42%	1.40%	0.00%
28	CalPERS' increase	2.671%	2.87%	1.30%

# Multi-Year Projections

Summary				2019-20 July 1 Adopted	2020-21 Projected as of July 1	2021-22 Projected as of July 1
<b>Beginning Balance</b>				\$ 30,970,766	\$ 39,013,364	\$ 44,715,188
Revenue				\$ 190,923,029	\$ 197,220,337	\$ 201,101,161
Other Sources/Uses				\$ -	\$ -	\$ -
Transfer in/out				\$ (1,500,000)	\$ (1,500,000)	\$ (1,500,000)
Expenditures				\$ 181,380,431	\$ 190,018,514	\$ 197,753,195
Net Increase (Decrease)				\$ 8,042,599	\$ 5,701,824	\$ 1,847,966
<b>Ending Balance</b>				\$ 39,013,364	\$ 44,715,188	\$ 46,563,153
Restricted				\$ 1,778,260	\$ 1,332,580	\$ 931,109
Assignment						
5% Reserve				\$ 9,144,022	\$ 9,575,926	\$ 9,962,660
				\$ -		
				\$ -		
Total Reserve				\$ 37,235,104	\$ 43,382,607	\$ 45,632,044
% Reserve of Total Expenditures				20.36%	22.65%	22.90%

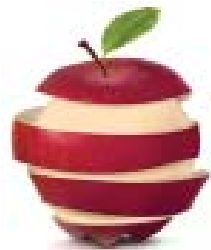


# OTHER FUNDS

## 2019-20 Adopted Budget

Fund#	Description	2019-20 Est. Beginning Balance	2019-20 Estimated Revenue	2019-20 Estimated Expenditures	2019-20 Ending Balance
11	Adult Education	\$ 421,855	\$ 1,126,933	\$ 1,252,544	\$ 296,244
12	Child Development	\$ 149,702	\$ 1,078,052	\$ 1,075,552	\$ 152,202
13	Child Nutrition	\$ 1,313,478	\$ 8,946,413	\$ 9,766,181	\$ 493,711
14	Deferred Maintenance	\$ 100,000	\$ 1,506,000	\$ 1,581,332	\$ 24,668
21	Building Fund	\$ 39,881,840	\$ 8,200	\$ 39,890,040	\$ -
25	Capital Facilities Fund	\$ 942,443	\$ 1,820,000	\$ 1,246,779	\$ 1,515,664
35	County School Facilities	\$ 1,129,280	\$ 15,000	\$ 354,122	\$ 790,158
40	Special Reserve Fund for Capital Outlay Projects	\$ 11,375,586	\$ 24,000	\$ -	\$ 11,399,586
51	Bond Fund	\$ 7,996,579	\$ 6,699,134	\$ 11,077,469	\$ 3,618,244
63	Other Enterprise Fund	\$ 58,491	\$ 551,745	\$ 610,236	\$ -
67	Self Insurance Fund	\$ 1,132,430	\$ 25,914,106	\$ 25,183,202	\$ 1,863,334
	<b>TOTAL</b>	\$ 64,501,683	\$ 47,689,585	\$ 92,037,457	\$ 20,153,811

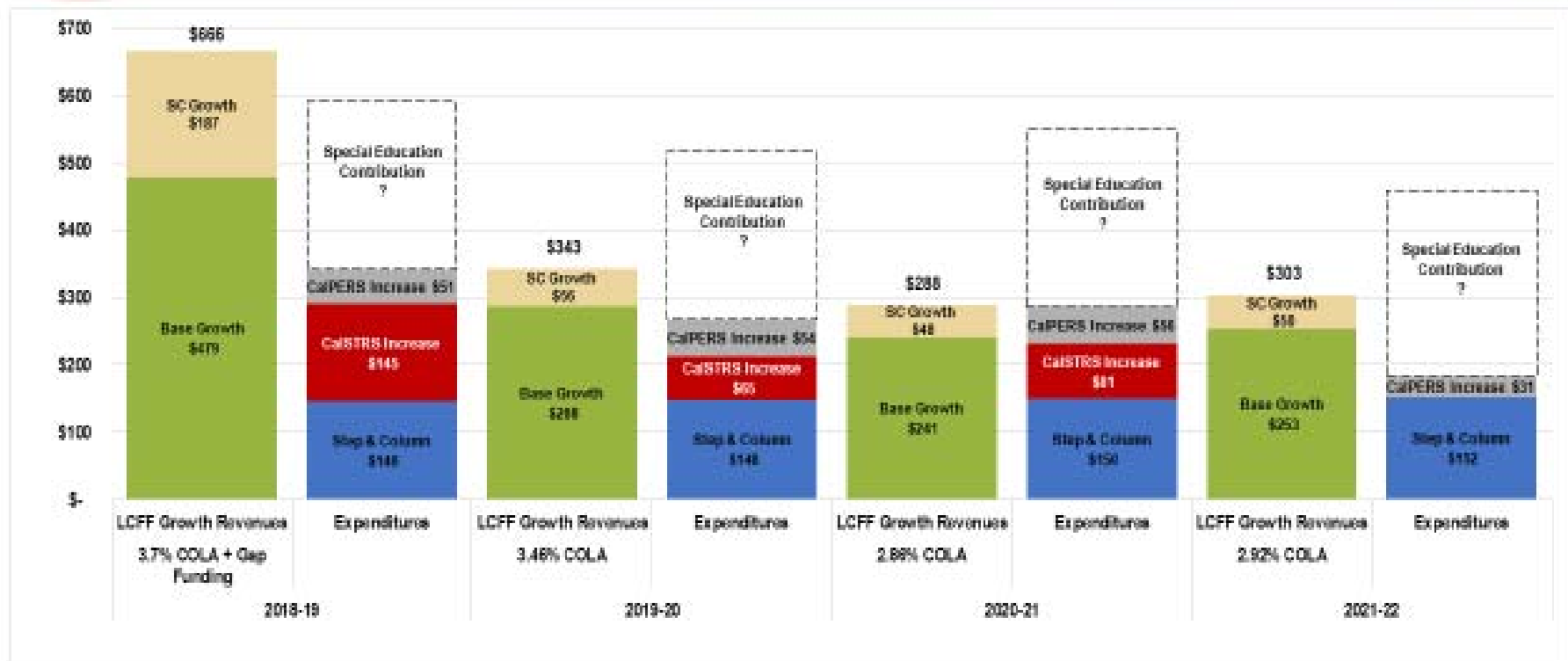
# Risks To The Budget



## Per-ADA Growth in Revenues and Expenditures

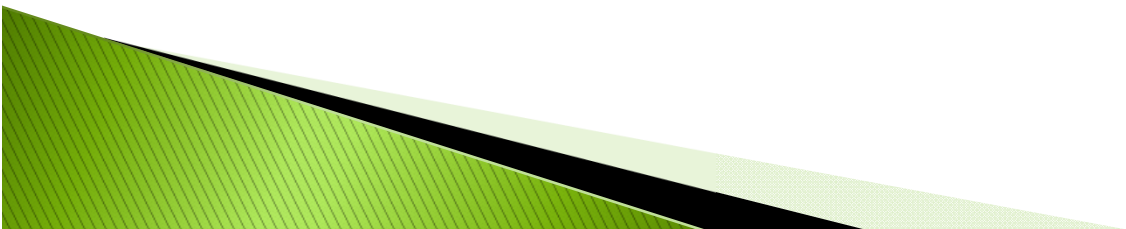
44

© 2019 School Services of California, Inc.



# Bottom Line

- ▶ Proposed Budget does not include final outcome of the collective bargaining process.
- ▶ Based on the current projections, the district does not deficit spend in the next 3 fiscal years
  - Enrollment Projections with Growth
  - Increase in cost of STRS and PERS
  - Cost of Health Benefits unchanged to prior year
  - Local Control Funding Formula funding at 100% of Target
- ▶ The Board adopted a minimum reserve amount of 5% in March 2009.
- ▶ The projected ending fund balance 20.36% of the general fund operating expenditures, exceeding the Board approved minimum by 15.36%. 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 2019–20 budget, necessary adjustments to expenditures and starts the process for the 2020–21 budget.
- ▶ The district is committed to allocating statutorily required funds toward expenditures aligned with the Local Control Accountability Plan (LCAP).



# Q&A

