

Central Unified School District

2018–19 First Interim Report



Board Meeting – December 11, 2018

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)

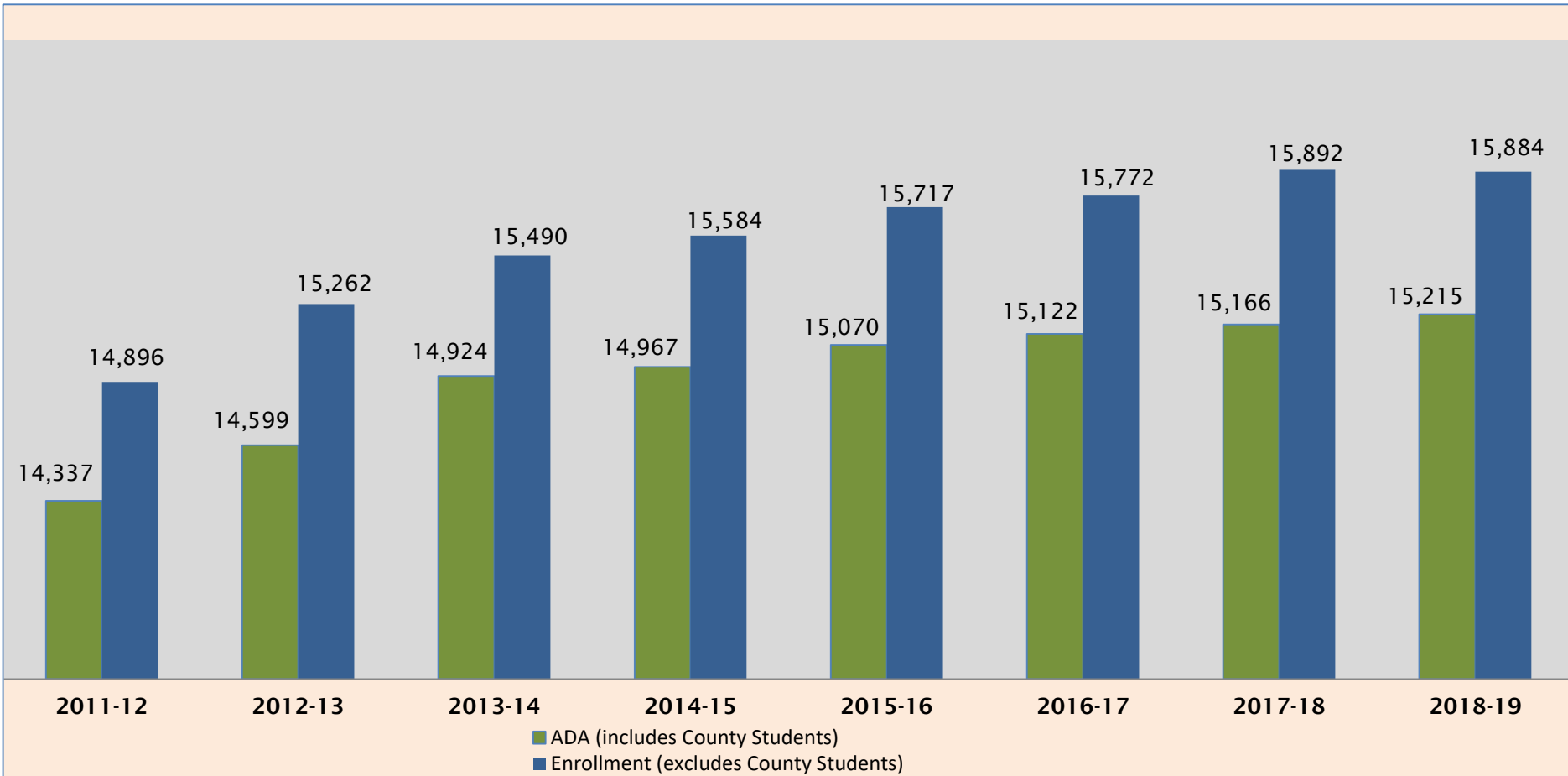
Phase 8 – Close books and prepare unaudited actuals.

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

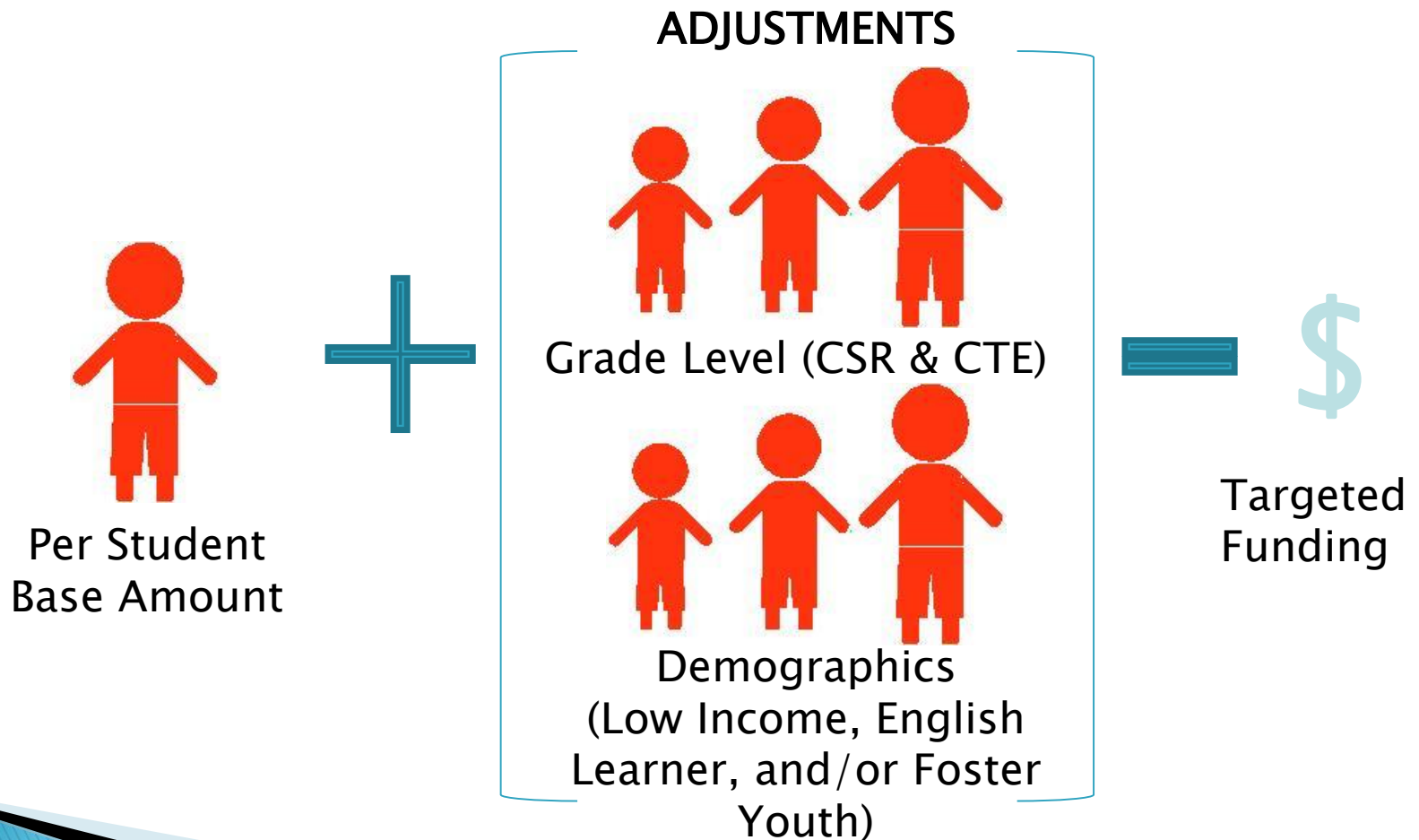
Enrollment/Average Daily Attendance(ADA) History



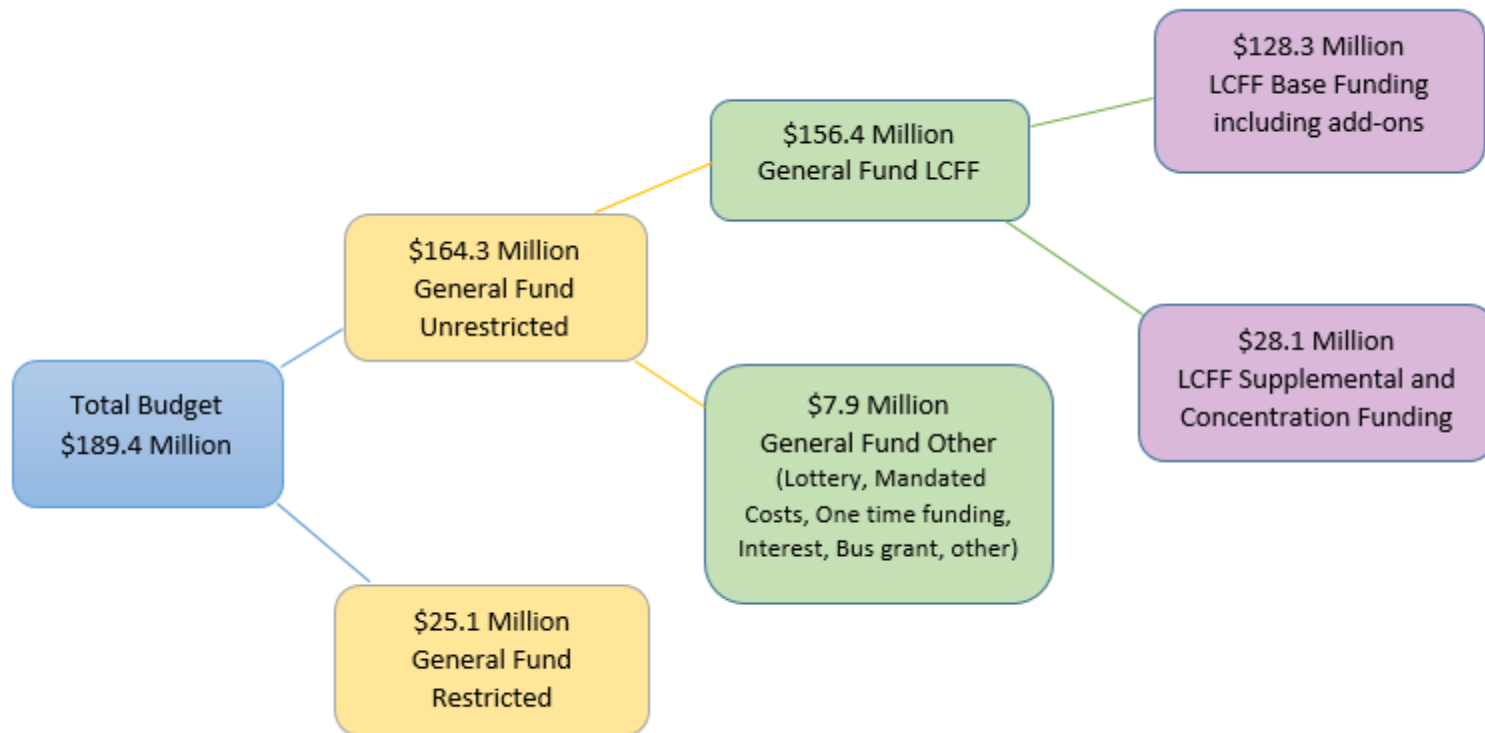
2018–19 ADA Projections reflect an increase of 49, based on 95% of District CBEDS Enrollment

What is the Local Control Funding Formula (LCFF)?

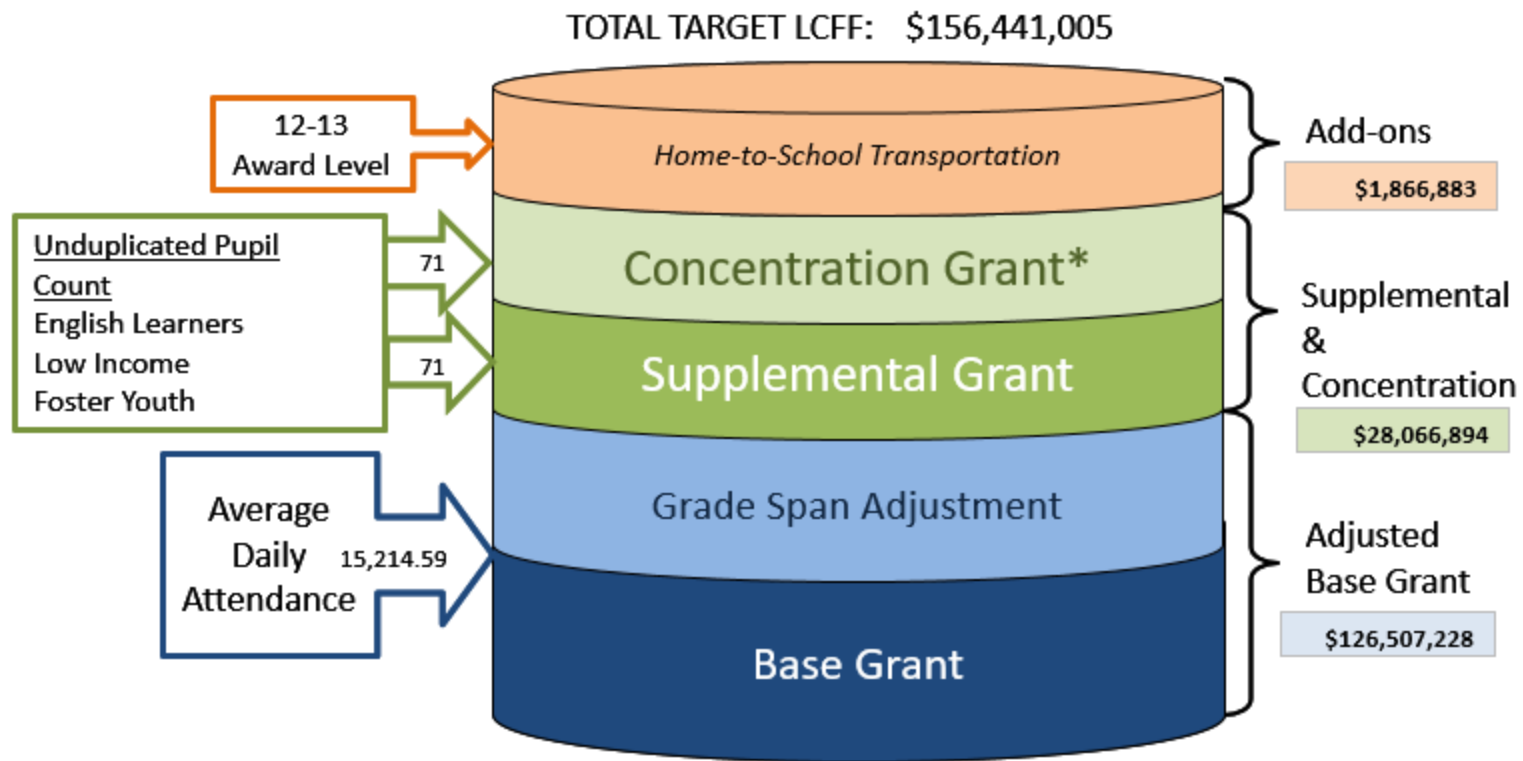
Greatly simplifies state funding for local educational agencies (LEAs)



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 1st Interim

▶ \$3.7 Million Increase since Adopted Budget

◦ Unrestricted– Decrease –(\$1.3M)

- (\$14K) LCFF Revenue: Decrease in enrollment with an increase in unduplicated
- \$114K Federal Revenue: Increase for Medi-Cal Administrative Activities(MAA) for funds received
- (\$2.4M) State Revenue: Decrease in onetime allotment per Average Daily Attendance (ADA)
- \$961K Other Revenue: Increase in bus grants, donations, miscellaneous deposits

◦ Restricted – Increase \$5.0M

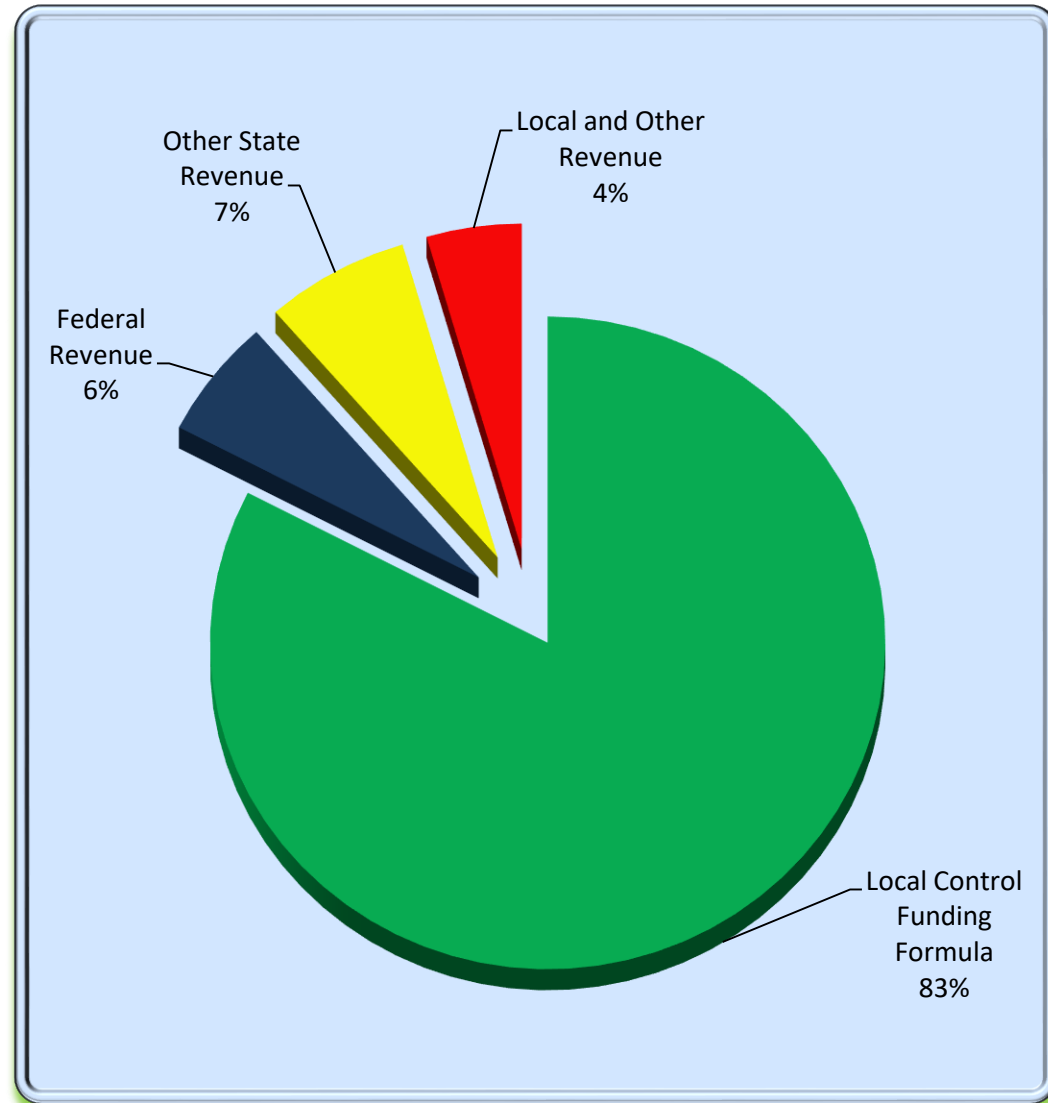
- \$2.1M Federal Revenue: Increase for the addition of carryover and deferred revenues, update estimated revenue to award and/or new estimated award
- \$1.6M State Revenue: Increase for the addition of carryover and deferred revenues, added Low Performing Grant of \$1.2M
- \$1.3M Other Revenue: Increase for grants – Well Grant, After School Program, and donations for sites

2018-19 First Interim General Fund Revenue

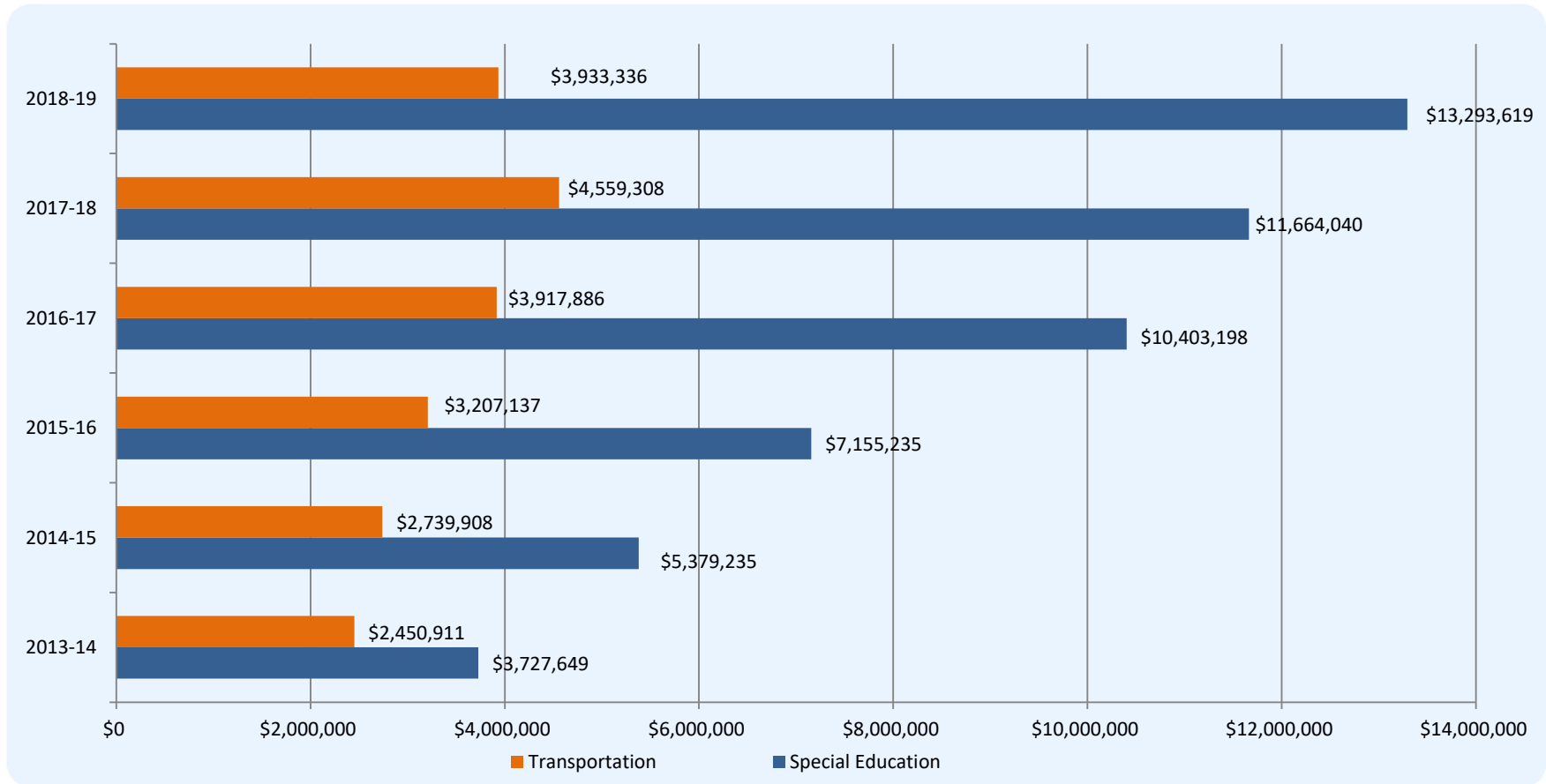
83% of the District's revenues
are generated from the
District's Local Control
Funding Formula (LCFF)

General Fund Sources (In Millions)

Local Control Funding Formula (LCFF)	\$156.5
Federal Revenue	\$11.3
Other State Revenue	\$13.0
Local and Other Revenue	\$8.6
Other Sources	\$0.0
<hr/>	
Total Revenues	\$189.4
Beginning Balance	\$37.2
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Total General Fund	\$226.6



2018-19 First Interim General Fund Revenue – Contributions



The General Fund estimated 2018–2019 contribution to Special Education is \$13,293,619 an increase of \$1,629,579 over prior year and the contribution to Transportation is \$3,933,336 a decrease of \$625,972 over prior year.

Expenditure Budget 1st Interim

► \$12.3 Million Expenditure increase since Adopted Budget

◦ Unrestricted increased \$6.3M

- 43K Increase in Salaries and Benefits

Increase for additional positions, 3% increase for all classified, added long term assignments, adjustment for vacant positions, additional work agreements, decrease in health and welfare district cost

- \$1.5M Increase in Materials, Supplies, Services and Other

Budget revision to reallocate budget to align with site spending

- \$674K Increase Capital Outlay and Other Outgo

Increase to transportation to purchase buses, bus mapping and tracking software and reallocation of budget based on sites/department needs

- \$4.0M Increase Transfer Out

Increase transfer out to Fund 40 for new construction of High School

◦ Restricted Increase \$6.03M

- \$952K Increase in Salaries and Benefits

Increase for additional positions, for 3% increase for all classified, added long term assignments, adjustment for vacant positions, additional work agreements, decrease in health and welfare district cost

- \$3.88M Increase in Materials, Supplies, Services and Other

Budget revision to reallocate budget to align with site spending - includes changes to allocation

- \$1.2M Increase Capital Outlay and Other Outgo

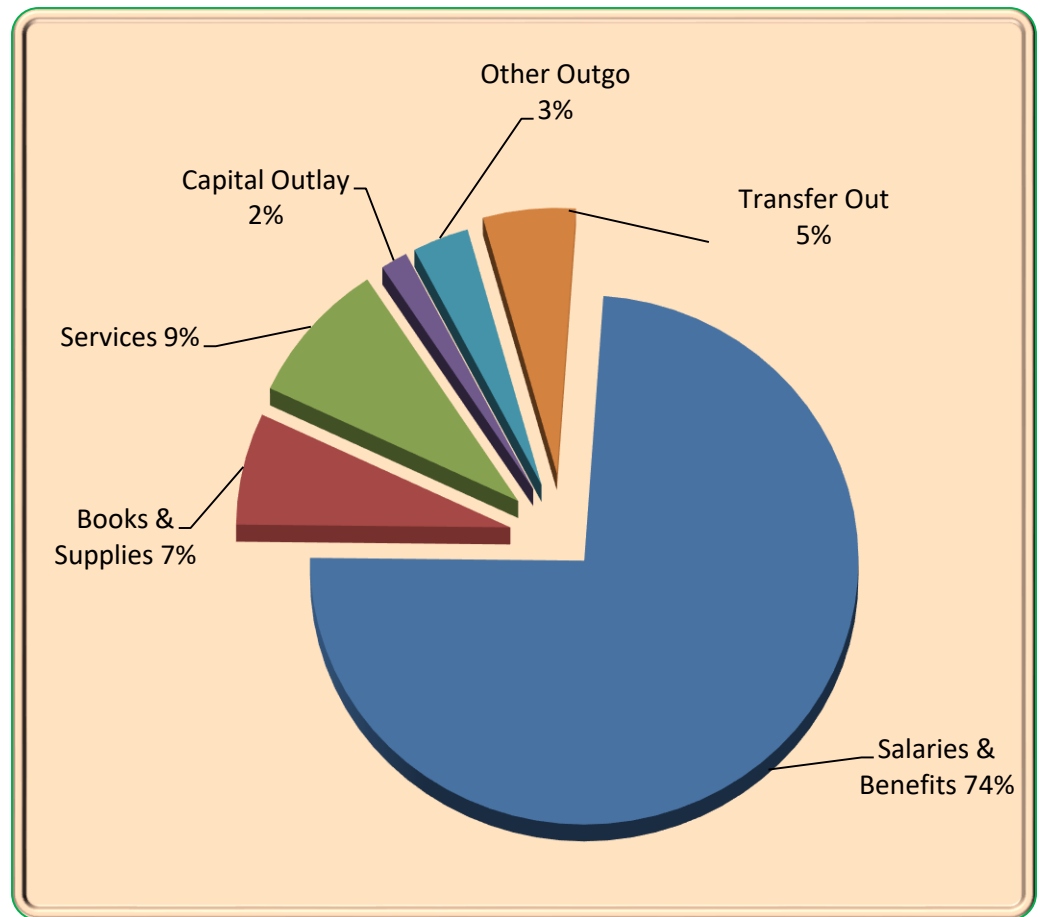
Increase in capitalized improvements for West Well project, purchase of maintenance vehicle and replacement of vehicles, alignment of budgets to include carryover/deferred revenue

2018-19 First Interim Unrestricted/Restricted General Fund Expenditures

**74% of the District's
total expenditures
is committed to the
employees of the District**

General Fund Expenditures (In Millions)

Salaries and Benefits	\$144.7
Books and Supplies	\$13.3
Services	\$17.1
Capital Outlay	\$3.1
Other Outgo/Transfer Out	\$17.2
Total Expenditures	\$195.4



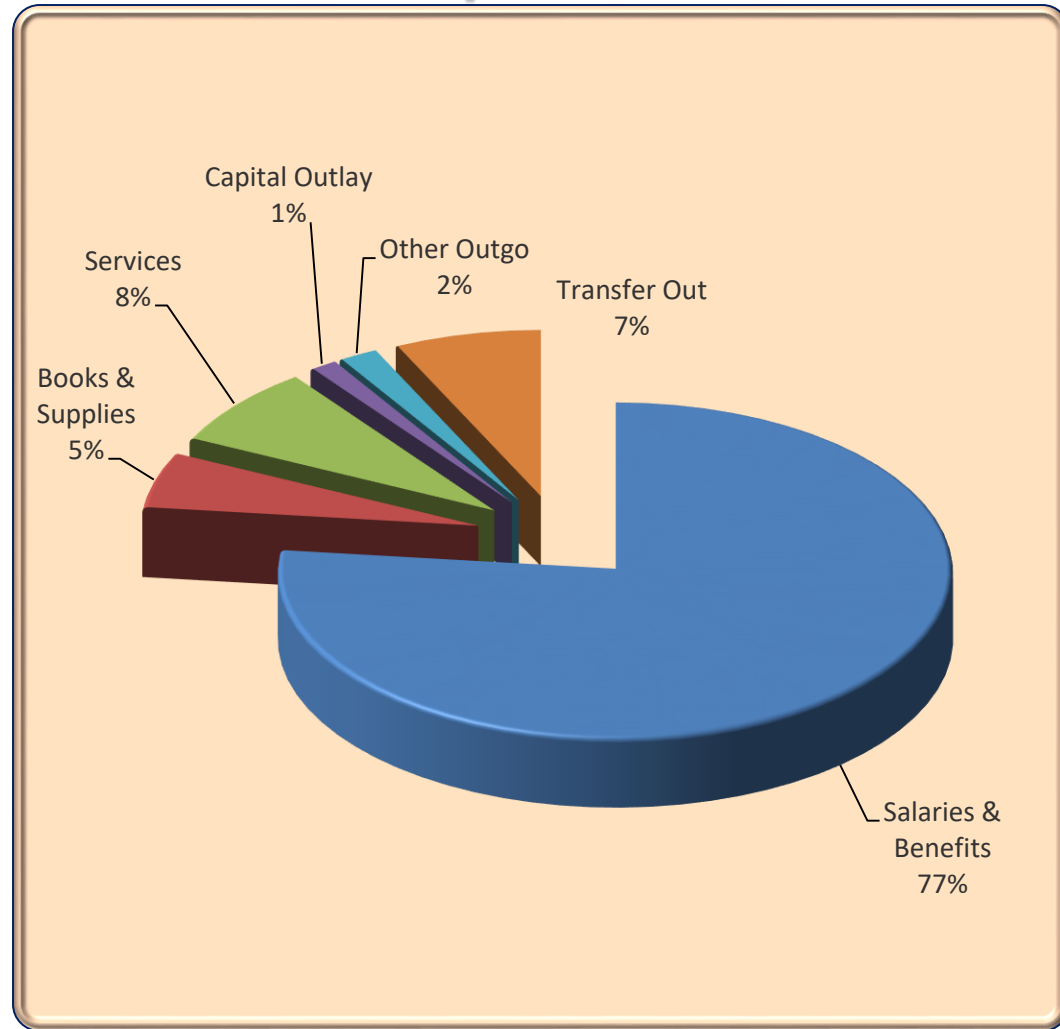
2018-19 First Interim

Unrestricted General Fund Expenditures

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

General Fund Unrestricted Expenditures (In Millions)

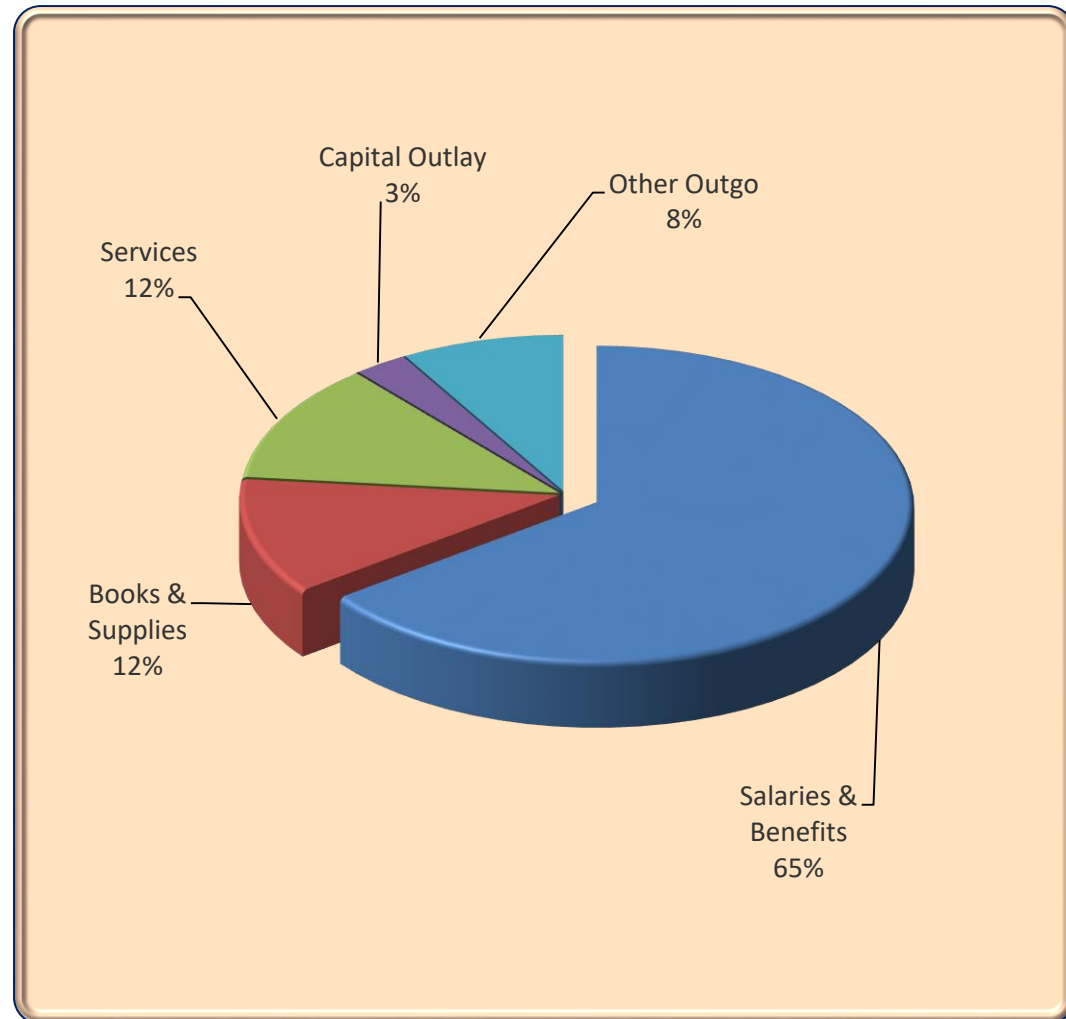
Salaries and Benefits	\$115.9
Books and Supplies	\$8.1
Services	\$11.7
Capital Outlay	\$1.9
Other Outgo/Transfer Out	\$13.5
Total Expenditures	\$151.0



2018-19 First Interim Restricted General Fund Expenditures

**65% of the District's
restricted expenditures
is committed to the
employees of the District**

General Fund Restricted Expenditures (In Millions)	
Salaries and Benefits	\$28.8
Books and Supplies	\$5.3
Services	\$5.4
Capital Outlay	\$1.2
Other Outgo	\$3.7
Total Expenditures	\$44.4



2018-19 First Interim MYP Assumptions

		2018-19 1st Interim	2019-20 Projected Budget 1st interim	2020-21 Projected Budget 1st interim
	Assumptions:			
1	CBEDS Enrollment	15,884	16,016	15,943
2	ADA Projection (excludes County ADA)	15,089.80	15,215.20	15,145.85
3	Unduplicated Count	11,923	11,923	11,923
4	% CBEDS / ADA	95%	95%	95%
5	ADA Increase/Decrease over Prior Year @ P2	52	125	-69
6	Increase/Decrease in enrollment	-10	132	-73
7	EPA %	25.89%	25.89%	25.89%
8	COLA (Cost of Living Adjustment)	3.70%	2.57%	2.67%
9	CPI %	3.66%	3.50%	3.23%
10	LCFF Per BASC Calculator	\$126,371,667	\$134,276,891	\$141,536,361
11	Local Revenue - Property Tax	\$16,581,743	\$16,581,743	\$16,581,743
12	Indirect Cost - restricted revenue	3.28%	3.28%	3.28%
13	Federal Revenue	0%	0%	0%
14	Technology Replacement & Leases	\$ 2,436,125	\$ 2,230,125	\$ 2,303,125
15	Instructional Materials - unrestricted	\$ 3,216,310	\$ 3,747,310	\$ 3,747,310
16	Transfer to Special Fund for Capital Outlay Projects	\$ 9,173,161	\$ -	\$ -
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 *	12%	5%	5%
21	Bargaining Agreement Increase - CUTA	0.00%	0.00%	0.00%
22	Bargaining Agreement Increase - CSEA	3.00%	0.00%	0.00%
23	Inc. Certificated FTE for increase in enrollment	\$ -	\$ 304,615	\$ -
24	Inc. benefits for increase in FTE	\$ -	\$ 81,549	\$ -
25	Staffing ratio K -3	26 to 1	26 to 1	26 to 1
26	Total estimated certificated FTE to increase		5.08	-
27	CalSTRS' increase	1.85%	1.85%	1.85%
28	CalPERS' increase	2.531%	2.74%	2.70%

Multi-Year Projection

1st Interim

		2018-19	2019-20	2020-21
Summary		1st Interim	Projected as of 1st Interim	Projected as of 1st Interim
Beginning Balance	\$	37,165,604	\$ 31,143,381	\$ 31,159,417
Revenue	\$	189,391,271	\$ 191,139,160	\$ 196,883,784
Other Sources/Uses	\$	-	\$ -	\$ -
Transfer in/out	\$	(10,673,161)	\$ (1,500,000)	\$ (1,500,000)
Expenditures	\$	184,740,332	\$ 189,623,122	\$ 194,751,875
Net Increase (Decrease)	\$	(6,022,223)	\$ 16,037	\$ 631,908
Ending Balance	\$	31,143,381	\$ 31,159,417	\$ 31,791,325
Restricted Assignment	\$	2,878,140	\$ 1	\$ 1
5% Reserve	\$	9,770,675	\$ 9,556,156	\$ 9,812,594
	\$	-		
	\$	-		
Total Reserve	\$	28,265,241	\$ 31,159,416	\$ 31,791,324
% Reserve of Total Expenditures		14.46%	16.30%	16.20%

OTHER FUNDS

2018-19 First Interim

Fund#	Description	2018-19 Beginning Balance	2018-19 Revenue	2018-19 Expenditures	2018-19 Ending Balance
11	Adult Education	\$ 817,569	\$ 1,165,933	\$ 1,584,024	\$ 399,478
12	Child Development	\$ 216,332	\$ 955,605	\$ 1,024,176	\$ 147,762
13	Child Nutrition	\$ 2,595,965	\$ 8,991,613	\$ 10,140,463	\$ 1,447,116
14	Deferred Maintenance	\$ 894,460	\$ 2,407,461	\$ 14,346	\$ 3,287,575
21	Building Fund	\$ 14,843,448	\$ 144,370	\$ 14,987,819	\$ -
25	Capital Facilities Fund	\$ 2,061,409	\$ 2,020,000	\$ 3,505,626	\$ 575,783
35	County School Facilities	\$ 1,020,093	\$ 2,148,164	\$ 1,949,030	\$ 1,219,226
40	Special Reserve Fund for Capital Outlay Projects	\$ 2,178,425	\$ 9,180,161	\$ -	\$ 11,358,586
51	Bond Fund	\$ 6,398,191	\$ 7,013,949	\$ 8,615,386	\$ 4,796,754
63	Other Enterprise Fund	\$ 162,414	\$ 561,201	\$ 650,597	\$ 73,018
67	Self Insurance Fund	\$ 357,450	\$ 25,872,502	\$ 25,142,000	\$ 1,087,952
	TOTAL	\$ 31,545,758	\$ 60,460,960	\$ 67,613,467	\$ 24,393,251

Bottom Line

- ▶ Based on the current assumptions, the district is projected to deficit spend in 2018–19 with the next two years showing a slight net increase
 - Enrollment projections with a slight decline
 - Increase in unduplicated count
 - Increase in Special Education
 - Increase cost of STRS and PERS
 - 3% increase for classified staff
- ▶ 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 2018–19 and the 2019–20 year and will be incorporated into the 2018–19 Second Interim Report
- ▶ The district is committed to allocating available funds toward expenditures aligned with the overall Local Control Accountability Plan (LCAP)

Q&A