

2017-18 Unaudited Actuals and 2018-19 Adopted Budget

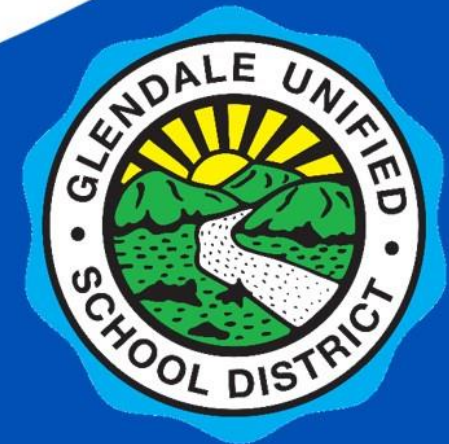
September 17, 2018

Information Report No. 6

Presented by: Stephen Dickinson

Chief Business and Financial Officer

Budget Report No. 2





2017-18 UNAUDITED Actuals

2017-18 Unrestricted General Fund Balance

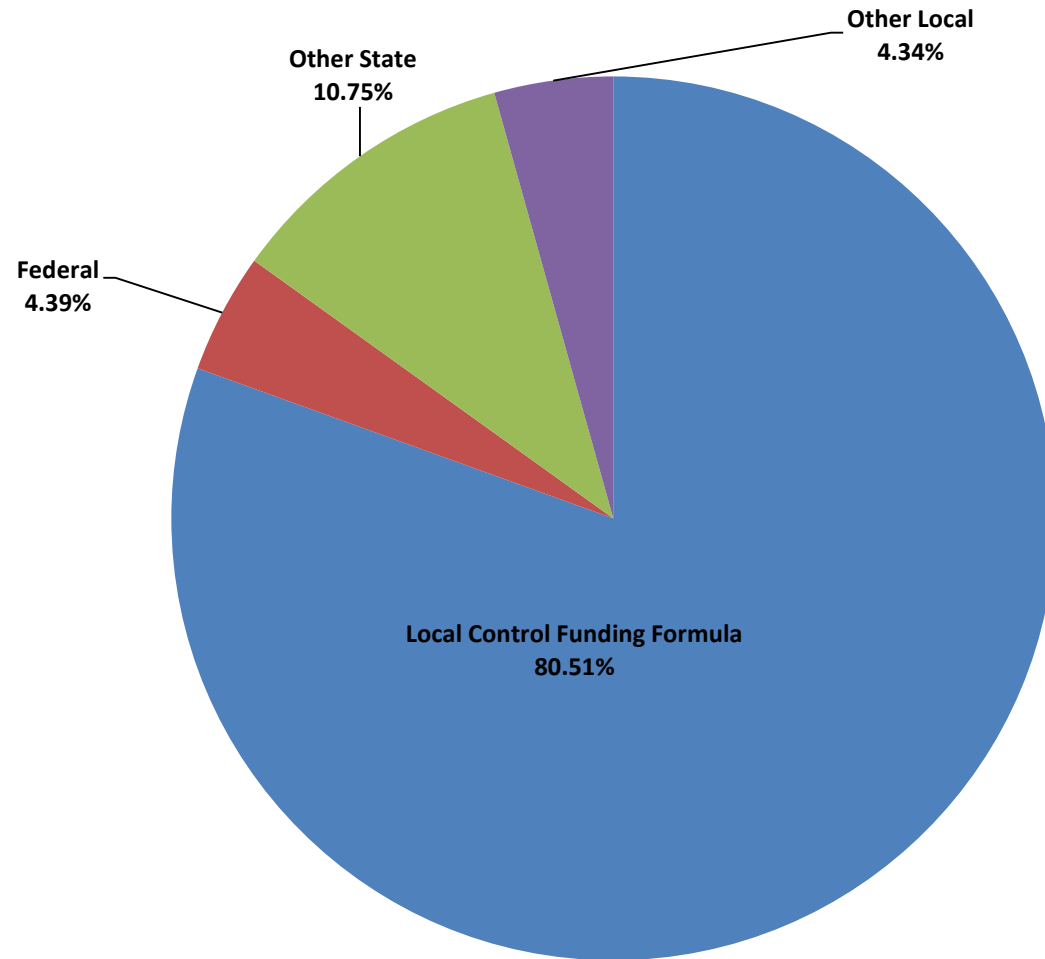
Unrestricted General Fund	Audited Actuals 2016-17	Unaudited Actuals 2017-18
Designated for Economic Uncertainty	\$ 8,442,375	\$ 9,063,316
Revolving Cash, Warehouse & Prepaid Expense	1,036,129	603,174
Reserve for School Site, Program Carry Overs, MAA, LACOE System Charges, & FASO Wall Cost	6,449,878	7,380,970
Reserve for 2017-18 CSEA 1.5% Salary Increase	0	651,962
Reserve for One-Time 2017-18 Discretionary Funding	0	3,575,923
Unassigned Reserve	31,284,227	18,529,278
Total Unrestricted General Fund Balance	\$ 47,212,609	\$ 39,804,623

\$12,754,949 Decrease



2018-19 Adopted Budget

TOTAL REVENUE – GENERAL FUND



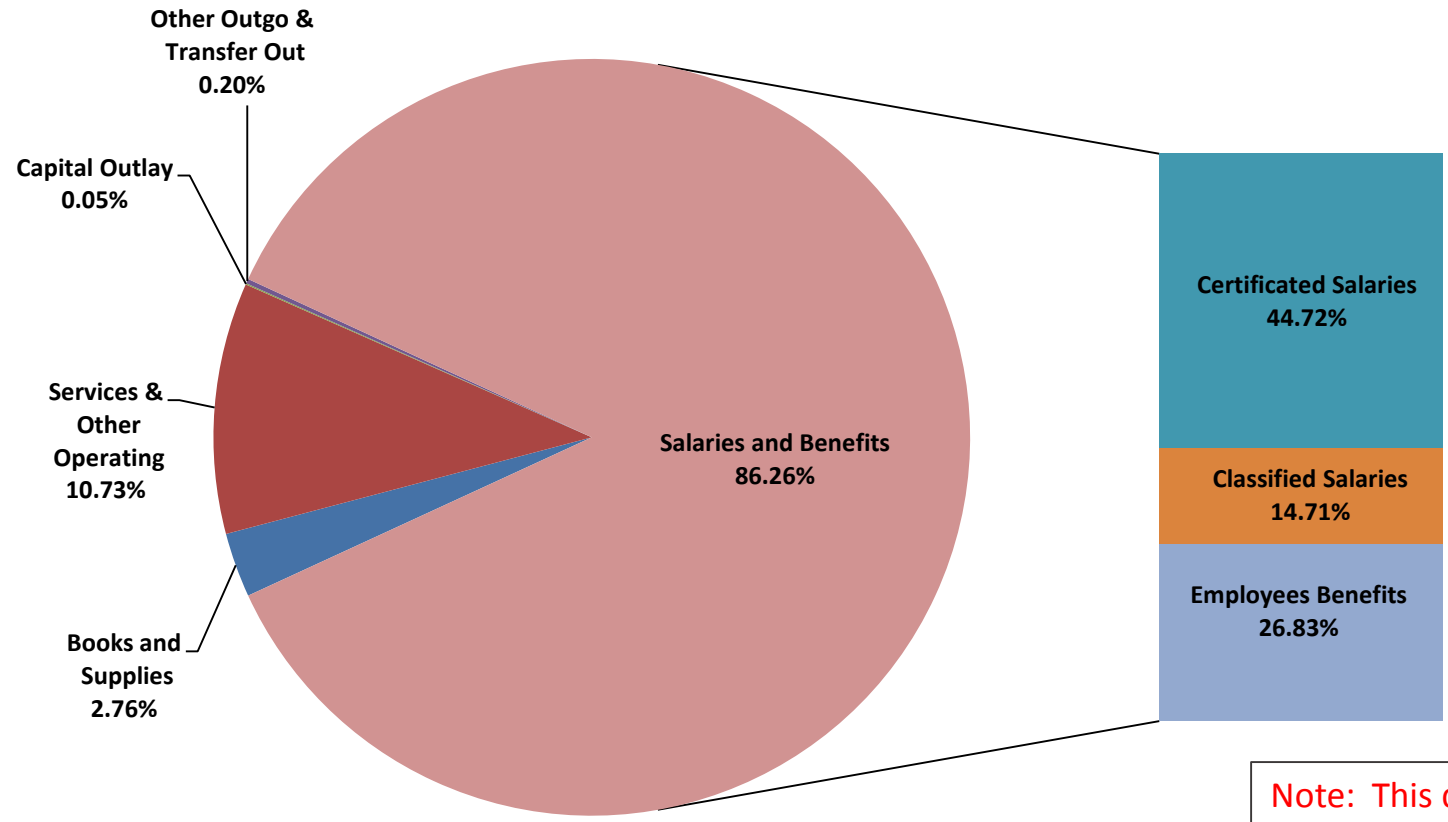
Note: This includes \$4.4m of one-time revenue

Total Revenues = \$292,806,385



2018-19 Adopted Budget

TOTAL EXPENDITURES – GENERAL FUND

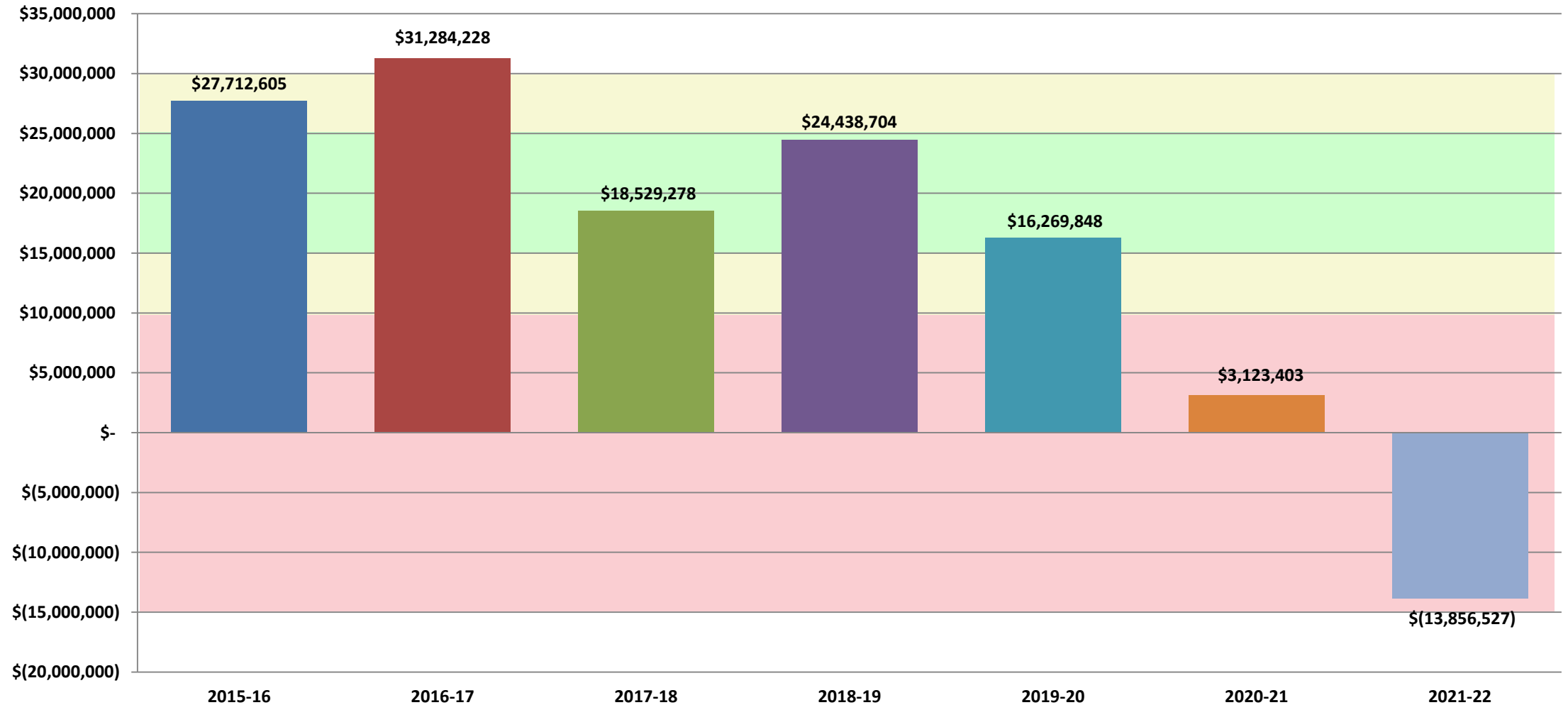


Note: This does not include approximately \$5.7m in carry-over budgets that will be added at 1st Interim.

Total Expenditures = \$287,344,109



Unrestricted General Fund Change in Unassigned Balance





Concerns

- Spent down almost \$14m in other District balances between 2011-2017 (Pros and Cons)
- Future year revenue projections are COLA-only
- Future built-in expense increases will exceed the COLA revenue increases
- Used 2018-19 revenue increase to pay the ongoing cost increase of 2016-17 and 2017-18 settlements



Concerns (cont.)

- 2018-19 Budget (at 1st Interim) will show true structural deficit spending of about \$5.7m
- Sagebrush Territory transfer would add \$2.7m to the District's ongoing deficit issue.
- Preliminary 2018-19 enrollment is down
- Must continue to revise and implement Solvency Plans per LACOE

STRS & PERS Rates

➤ The CalSTRS employer rate increase:

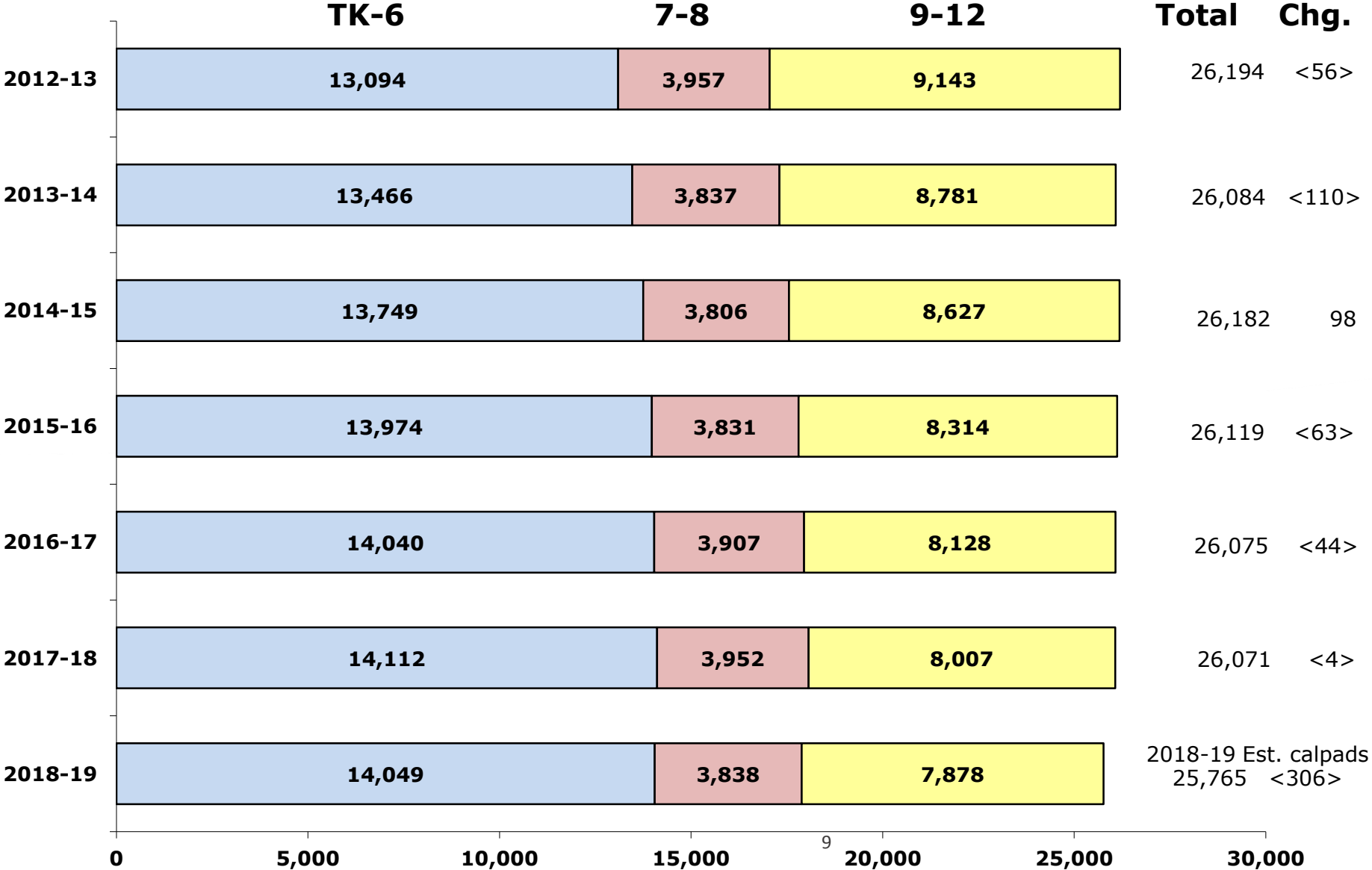
○ 2016-17	12.58%	\$5,206,091
○ 2017-18	14.43%	\$7,354,304
○ 2018-19	16.28%	\$9,890,575
○ 2019-20	18.13%	\$12,290,918
○ 2020-21	19.10%	\$13,632,594

➤ The CalPERS employer rate increase:

• 2016-17	13.888%	\$ 821,891
• 2017-18	15.531%	\$1,395,672
• 2018-19	18.062%	\$2,323,522
• 2019-20	20.800%	\$3,406,174
• 2020-21	23.500%	\$4,545,688



Historical Enrollment (CALPADS Data)



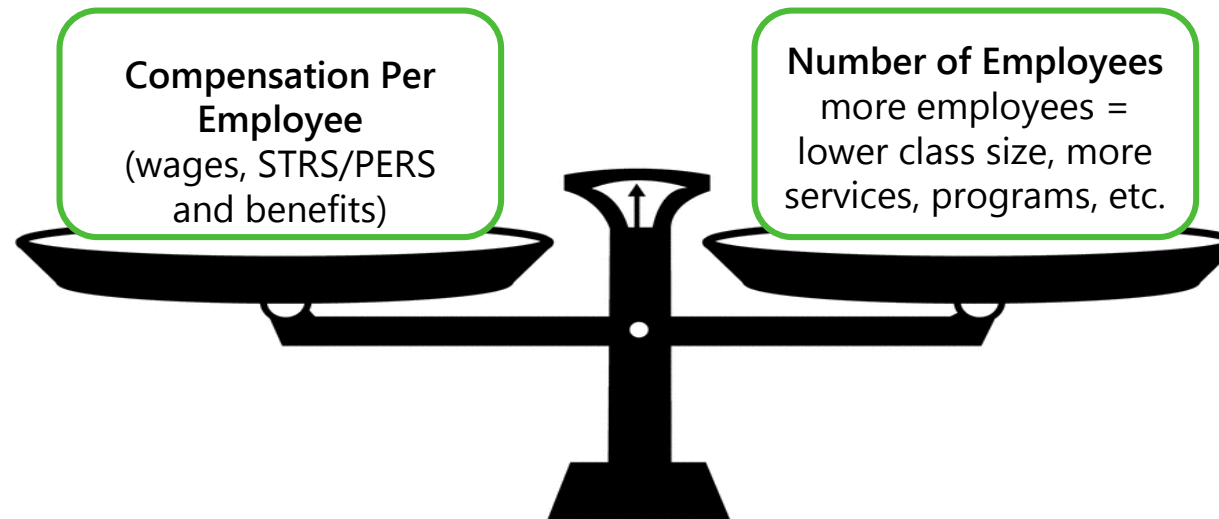


Actions for 2018-19 Solvency Plan

SUMMARY PAGE - Proposed Actions	Target Savings	Estimated Actual Savings
Revenue – Enrollment, ADA%, lease rev, LCFF improvement, 1x funds, reserves	\$5,635,000	\$10,000,000
Supplies and Services – Software, contracted services, transportation contract	\$645,000	\$500,000
Ongoing Salary Settlements – For 2016/17 & 2017/18 (but still unsettled for 2018/19)	<\$6,000,000>	<\$6,000,000>
Certificated – teaching positions	\$1,000,000	\$900,000
Classified – support positions	\$600,000	\$300,000
Admin/Mgmt – district and site, classified and certificated	\$400,000	\$400,000
Other – SpEd, subs, assignments, etc.	\$270,000	\$50,000
Other	\$0	\$0
Original Target Total = \$5,000,000	\$2,550,000	\$6,150,000

School Budgets: Finding the Right Balance

More than 80% of a school district's budget is spent on personnel costs, which have two competing components:



School districts must find the right balance of compensating employees fairly while also providing the best possible services to our students and families.



Budget Modes: Deficit – Balanced – Surplus

Surplus/ Additions	8	
	7	
	6	Innovation
	5	Build reserves
	4	Increase employee compensation
	3	Build/expand programs
	2	Reduce class size
	1	LCAP goals
Balanced Budget		
Deficit/ Reductions	1	LCFF revenue increases above projections
	2	Use of one-time funds and/or current reserves
	3	Supplies & Equipment
	4	Contracted services
	5	Administrative and management staffing
	6	Classified staffing (reduce support and service)
	7	Certificated staffing (reduce programs and
	8	increase class size)



Budget Book 2018-19

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Questions?