

FIRST INTERIM BUDGET REPORT



Board Study Session: **December 12, 2017**



GENERAL FUND REVENUE ASSUMPTIONS

- Local Property Tax Growth = 7.35%
- Parcel Tax = \$5.2M
- Guaranteed State Aid = \$1.45M
- Mandated Block Grant
 - Ongoing = \$610K
 - One-Time = \$1.54M
- Prop. 55 = \$2.06M (From 1/1/2018 to 12/31/2030)
- Lottery Unrestricted = \$1.51M



SUMMARY OF CHANGES SINCE ADOPTION

Since adoption, the following changes are reflected in our 1st Interim Budget.

Revenue:

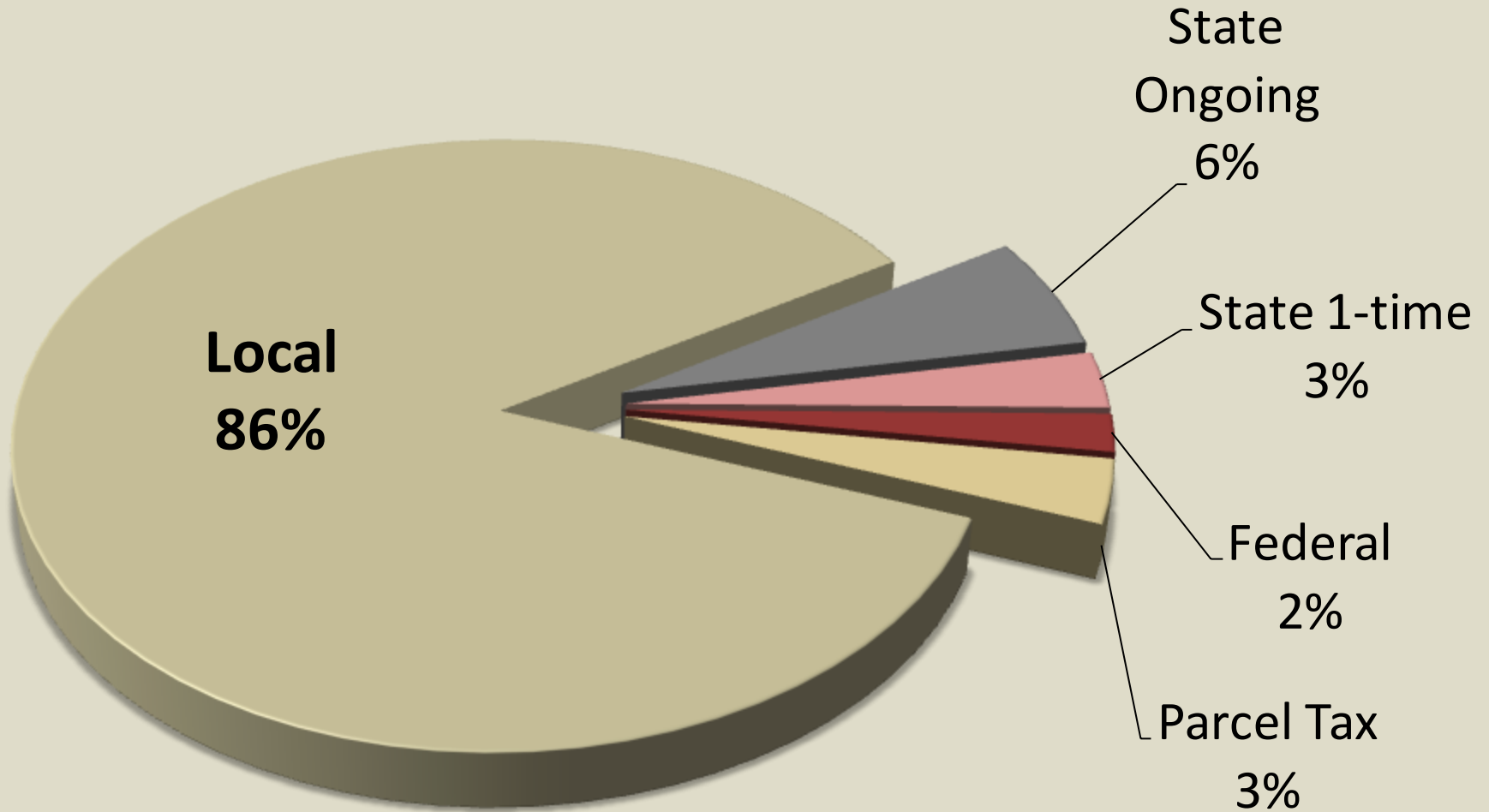
- Projected Property Tax: increased by 2.10% (5.27% to 7.35%)
- One-time Mandated Costs: increased to \$1.54M
- Local Revenue (Interest & Testing): increased by \$200K

Expenditures:

- Carryover for supply budgets: increased to \$1.9M
- Contribution to Restricted Funds: increased by \$3.5M



GENERAL FUND REVENUE





LOCAL PROPERTY TAXES

Adopted to First Interim

<i>Description</i>	2017-18 Adoption	2017-18 1st Int.	<i>Change</i>
Secured	113,416,203	114,867,000	1,450,797
Unsecured	7,176,134	7,996,000	819,866
RDA	2,262,465	2,262,745	280
Total	122,854,802	125,125,745	2,270,943



LOCAL PROPERTY TAXES

3-Year Summary: 15-16 to 17-18

<i>In Millions</i>	2015-16 Actual	2016-17 Actual	2017-18 1 st Int.
Secured	99,521,193	107,183,273	114,867,000
Unsecured	7,378,554	7,176,134	7,996,000
RDA	1,774,902	2,196,736	2,262,745
Total	108,674,649	116,556,143	125,125,745
Growth	10.34%	7.25%	7.35%



OTHER UNRESTRICTED STATE REVENUE

ITEM DESCRIPTION	AMOUNT
Prop. 55 Edu. Protection Act (EPA)	2,061,456
Mandated Costs Block Grant (MCBG)*	2,156,284
Guaranteed State Aid (GSA)	1,451,295
Lottery Unrestricted	1,510,452
TOTAL	\$7,179,487

*Reminder: \$1.54M was 1-time revenue. Ongoing MCBG is \$610K.



GENERAL FUND EXPENDITURE ASSUMPTIONS

1. No Salary changes for CSEA, FEA and FMA
2. No additional CSEA and FMA Health insurance changes – cap remains unchanged
3. FEA Health insurance projected increase of 8%
4. Increase of 7.0 teaching FTE
5. Step and Col. = 1.2% for all three groups
6. Statutory Benefits: Certificated 17.52% & Classified Classic 32.33%, Classified PEPRA 24.84%
7. Contribution to Restricted Funds increased by \$3.5M

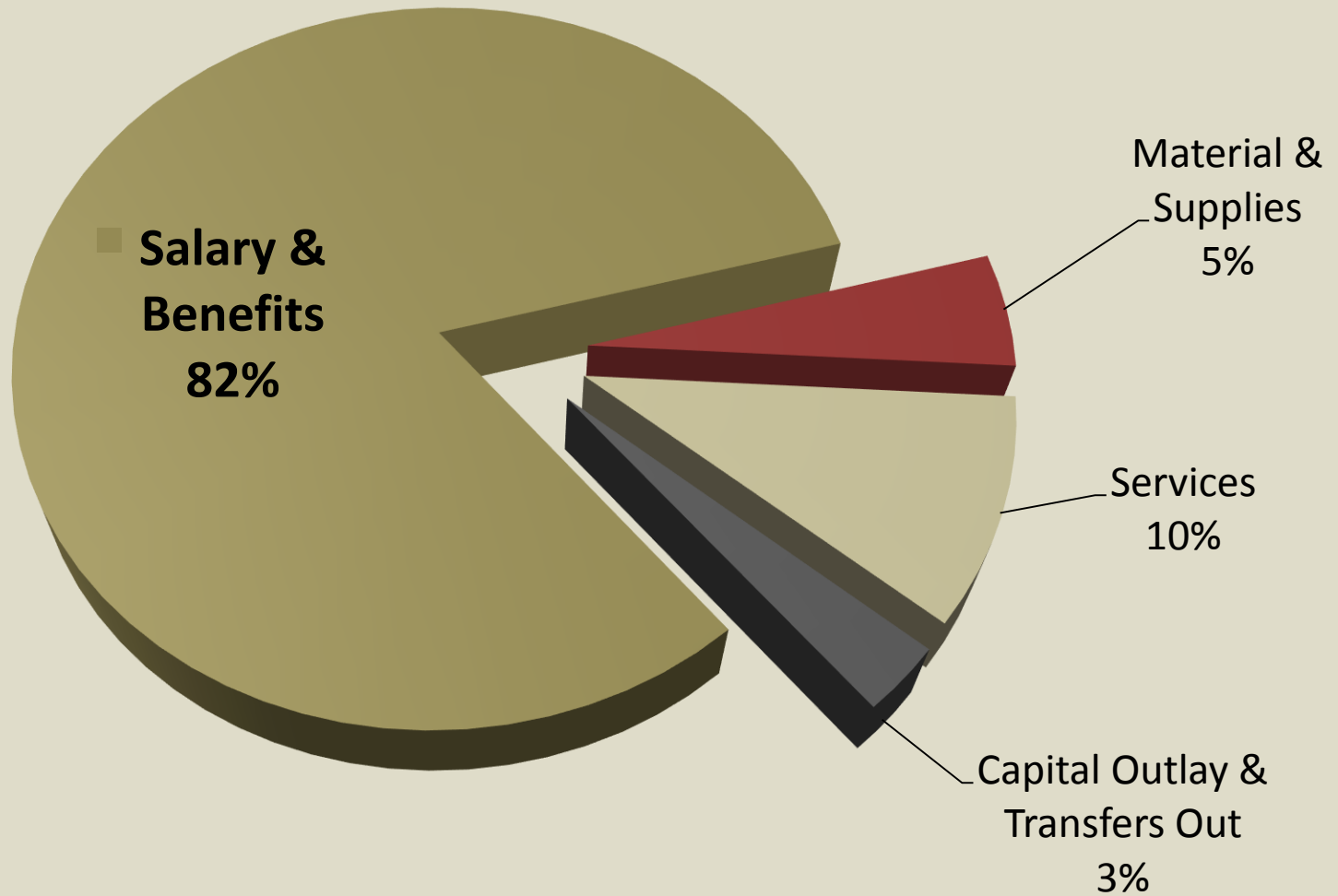


STATUTORY BENEFIT RATES (%)

Benefit	Cert.	Classic	PEPRA
STRS - Employer	14.43		
Unemployment Insurance	0.05	0.05	0.05
Workers Compensation	1.25	1.25	1.25
Medicare Insurance	1.45	1.45	1.45
Income Protection	0.34	0.36	0.36
OASDI – Disability		6.20	6.20
PERS – Employer		15.53	15.53
PERS – Employee		7.49	0.0
Total Statutory Rate	17.52%	32.33%	24.84%

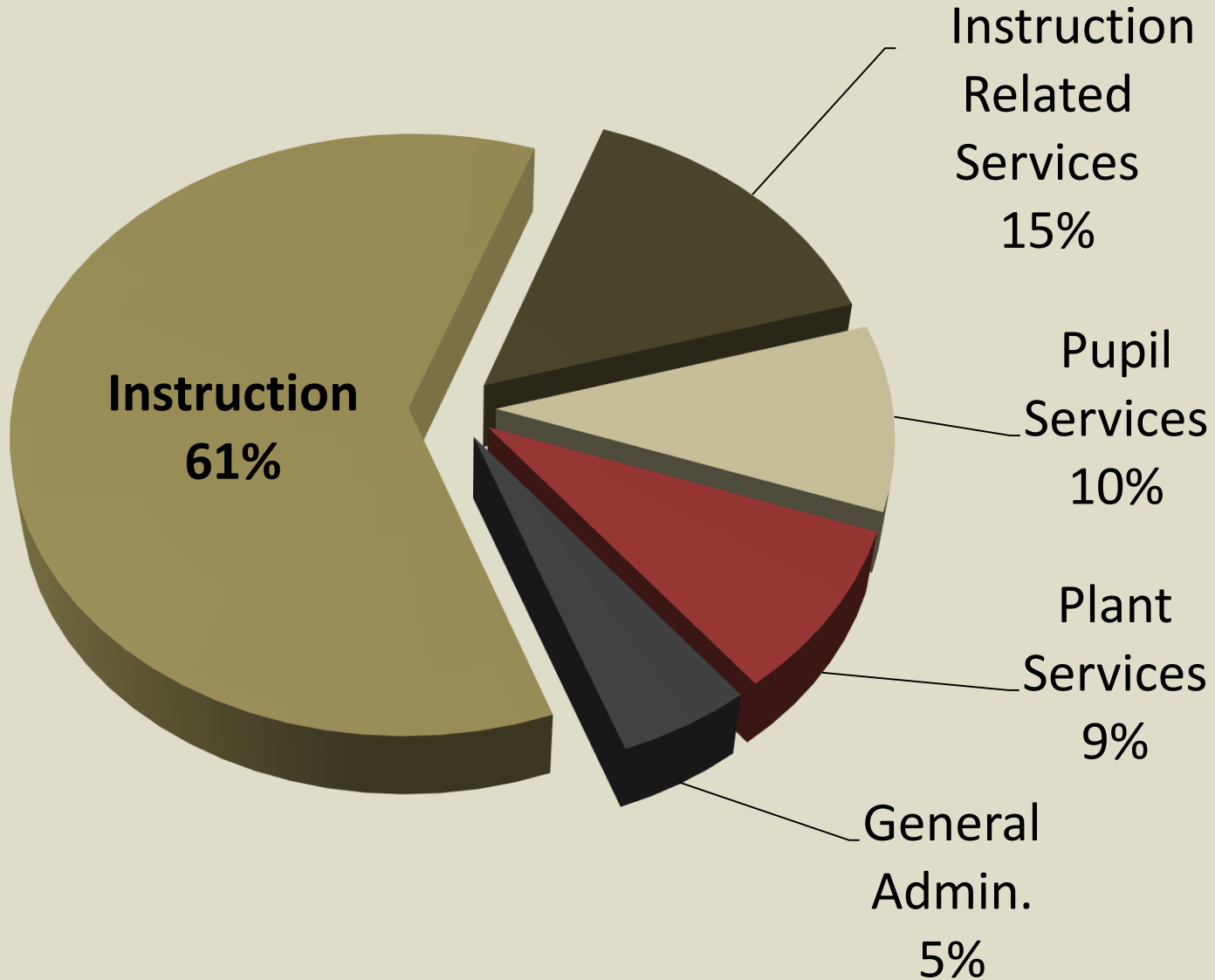


GENERAL FUND EXPENDITURE





GF EXPENDITURE BY FUNCTION





UTILITIES

Adopted to First Interim

<i>Description</i>	2017-18 Adoption	2017-18 1st Int.	<i>Change</i>
Electricity	1,664,118	1,755,500	91,382
Gas	385,250	425,000	39,750
Water/Sewage	658,260	664,760	6,500
All Other*	393,750	393,750	0
Total	3,101,378	3,239,010	137,632

*All other includes Waste Disposal and Security



UTILITIES

3-Year Summary: 15-16 to 17-18

Description	2015-16 Actual	2016-17 Actual	2017-18 1 st Int.
Electricity	1,502,795	1,350,971	1,755,500
Gas	297,584	353,753	425,000
Water/Sewage	532,795	545,338	664,760
All Other	360,391	370,274	393,750
Total	2,693,565	2,620,336	3,239,010



CLEAN ENERGY JOBS ACT - PROP. 39

Total Revenue Received: \$1.7M

Revenue Yet to be Received: \$400,000

Total 4-Year Expected Revenue: \$2.1M

Projects:

- LED Lighting upgrades
- HVAC Upgrades
- Boiler Upgrades and Replacement
- Pool Equipment Replacement
- Energy Efficient Bathroom Appliances
- Lighting Controls



SITE BUDGETS

SITE GENERAL "B"

TOTAL SITE ALLOCATION = \$1,917,531

These include School Resource & Security, Capital Outlay, Health & Safety, Athletics, School Abatement and Athletic Supplies.

SITE GENERAL "PO"

TOTAL SITE ALLOCATION = \$126,360

These include Athletic Officials, Recertification of Athletic Equipment and Wrestler Body Fat Testing.

INTERVENTION & PEER TUTORIAL

TOTAL SITE ALLOCATION = \$161,200

These budgets are used to further support each school's Peer Tutorial program and other interventions determined by the site.

ENGLISH LEARNERS & SED

TOTAL SITE ALLOCATION = \$965,000

These budgets are used to support a wide range of programs for our English Learner populations and Socioeconomically Disadvantaged students.



SITE BUDGETS

SCHOOL IMPROVEMENT

TOTAL SITE ALLOCATION = \$350,000

This was previously SIP, GATE, VAPA and Athletic Supplies. Used for a wide variety of school needs.

INSTRUCTIONAL MATERIALS

TOTAL SITE ALLOCATION = \$540,700

Used for sites to purchase textbooks and other instructional materials, such as novels, workbooks, lab manuals, and other materials needed for lessons.

TECHNOLOGY MATCHING FUND

TOTAL SITE ALLOCATION = \$700,000

Used by sites to purchase technology. The district technology fund matches any amount spent from this budget.

FOUNDATION SUPPORT

TOTAL SITE ALLOCATION = \$62,400

This portion of our Foundation budget is provided to the sites to spend on agreed upon programs (STEM, Robotics, Drama, etc.).



PARCEL TAX DETAIL

Purpose as stated on the November 2014 ballot:

1. Protect Math, Science, English, Language, Music and Art
2. Maintain class sizes
3. Retain high quality teachers and staff

ESTIMATED REVENUE FOR 2016-17

Description	Amount
Potential Parcel Taxes	5,257,210
Senior Refunds	(36,554)
Assessor's 1% Fee	(52,572)
Total Parcel Tax Revenue	5,168,084



PARCEL TAX DETAIL

ESTIMATED EXPENDITURES FOR 2016-17

Description	Amount
Restoration of Staff Salary Rollback	3,765,306
Sustaining 2004-205 Staffing Levels	1,260,000
Maintain Reduced Class Size in Eng. & Alg. I	640,000
Miscellaneous Classified	331,444
School Resource Budget Restoration	424,154
Athletic Officials	29,025
On-Going & Major Maintenance (3%)	453,932
Additional Coaching Stipends - 5 per site	113,379
Total Parcel Tax Expenses	\$7,017,240



PARCEL TAX DETAIL

ESTIMATED BALANCE FOR 2016-17

Description	Amount
Total Revenue	\$5,168,084
Total Expenses	\$7,017,240
Transfer needed from other funds:	\$1,849,156

Due to the increased costs of Districts parcel tax expenditures, current Parcel Tax revenue must be supplemented from the General Fund.



DEVELOPER IMPACT FEE 3 YEAR SUMMARY

Description	2014-15	2015-16	2016-17
Beginning Balance	4,688,338	3,579,093	5,618,442
REVENUE:			
Fees Collected	1,898,427	2,032,851	1,061,195
Interest	15,916	35,124	59,573
Total Revenue	1,914,343	2,067,975	1,120,768
EXPENDITURES:			
New Construction	1,500,000	0	0
Building Improvements	1,500,000	0	0
Consultants/Legal	23,588	28,625	34,250
Total Expenditures	3,023,588	28,625	34,250
ENDING BALANCE	3,579,093	5,618,443	6,704,960



SPECIAL EDUCATION CONTRIBUTION

Adopted to First Interim

<i>Description</i>	2017-18 Adoption	2017-18 1st Int.	<i>Change</i>
Local/State Rev.	3,708,934	3,569,679	-139,255
Federal Rev.	2,281,110	2,362,854	81,744
Total Revenue	5,990,044	5,932,533	-57,511
Salaries	15,835,986	17,119,090	1,283,104
Benefits	6,017,558	6,510,669	493,111
All Other*	7,741,225	9,172,445	1,431,220
Total Expenses	29,594,769	32,802,204	3,207,435
GF Contribution	23,604,725	26,869,671	3,264,946

* Includes Special Ed Transportation and Non Public Schools



SPECIAL EDUCATION CONTRIBUTION

3-Year Summary: 15-16 to 16-17

Description	2015-16	2016-17	2017-18
	Actual	Actual	1 st Int.
Local/State Rev.	3,883,503	3,753,682	3,569,679
Federal Rev.	2,269,718	2,348,579	2,362,854
Total Revenue	6,153,221	6,102,261	5,932,533
Salaries	14,663,258	15,783,977	17,119,090
Benefits	5,307,527	5,773,658	6,510,669
All Other*	7,082,970	8,226,474	9,172,445
Total Expenses	27,053,755	29,784,109	32,802,204
GF Contribution	20,900,534	23,681,848	26,869,671

*Includes Special Ed Transportation and Non Public School Students



ADULT EDUCATION (Fund 11)

Revenue Assumptions

- State Revenue = \$2.92M
- Local Revenues (Fee Based & Interest) = \$1.24M
- Federal/Grants = \$323K

Expenditure Assumptions

- Salary schedules for CSEA, AFT and FMA remain unchanged
- Step and Column = 1.2%
- Health and Welfare unchanged for all groups



ADULT EDUCATION (Fund 110)

Description	2017-18 Adoption	2017-18 1 st Interim	Change
Beginning Balance	1,548,171	1,368,148	(180,023)
Other State Revenue	2,919,201	2,924,434	5,233
Other Local (Fee Based)	1,283,800	1,246,800	(37,000)
Federal/Grants	310,624	322,990	12,366
Total Revenue	4,513,625	4,494,224	(19,401)
Salaries	2,935,980	2,948,017	12,037
Benefits	1,046,667	970,790	(75,877)
All Other Expenses	790,034	771,542	(18,492)
Total Expenses	4,772,681	4,690,349	(82,332)
Ending Balance	1,289,115	1,172,023	(117,092)

MULTI-YEAR PROJECTIONS



2017-18 TO 2019-20



MULTI-YEAR REVENUE ASSUMPTIONS

- Property Taxes
 - 17-18 = 7.35% growth
 - 18-19 & 19-20 = 4.0% growth
- Parcel Tax: 18-19 to 19-20 = \$5.2M each year
Expires in June of 2022
- Guaranteed State Aid = \$1.45M annual
- Mandated Block Grant
 - \$610,000 annual
 - \$1.54 M one-time in 17-18
- Prop. 55 = \$2.06M annual (Until 12/31/30)
- Lottery Unrestricted = \$1.51M annual



MULTI-YEAR EXPENDITURE ASSUMPTIONS

Salary Schedules: remain flat for all groups

Step & Column: 1.2% per year for all groups

Health & Welfare: 8% Increase Annually for FEA

Staffing Changes for FEA

- 2017-18= Increase 7.0 FTE
- 2018-19 = unchanged
- 2019-20 = unchanged



CalSTRS CONTRIBUTION RATES

Year	Employer %	Employee PEPRA %	Employee Classic %
Current	14.43	9.205	10.25
2018-19	16.28	9.205	10.25
2019-20	18.13	9.205	10.25
2020-21	19.10	9.205	10.25

Note: PEPRA employees enrolled in STRS/PERS after Jan. 1, 2013



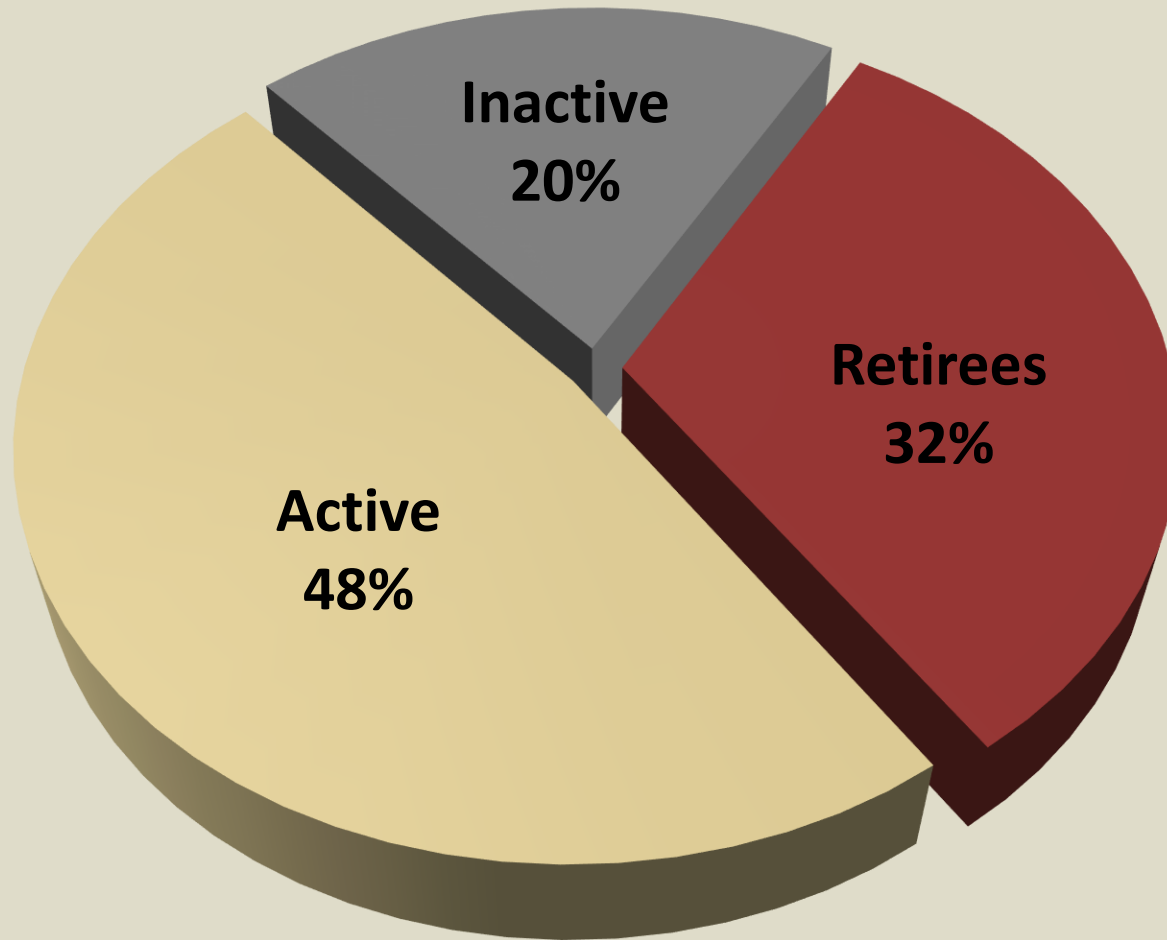
CalPERS CONTRIBUTION RATES

Year	Employer %	Employee PEPRA %	Employee Classic %
Current	15.53	6.5	7.0
2018-19	18.10	6.5	7.0
2019-20	20.80	6.5	7.0
2020-21	23.80	6.5	7.0

Note: PEPRA rates will vary each year based upon PEPRA requirement to pay half the normal cost rate

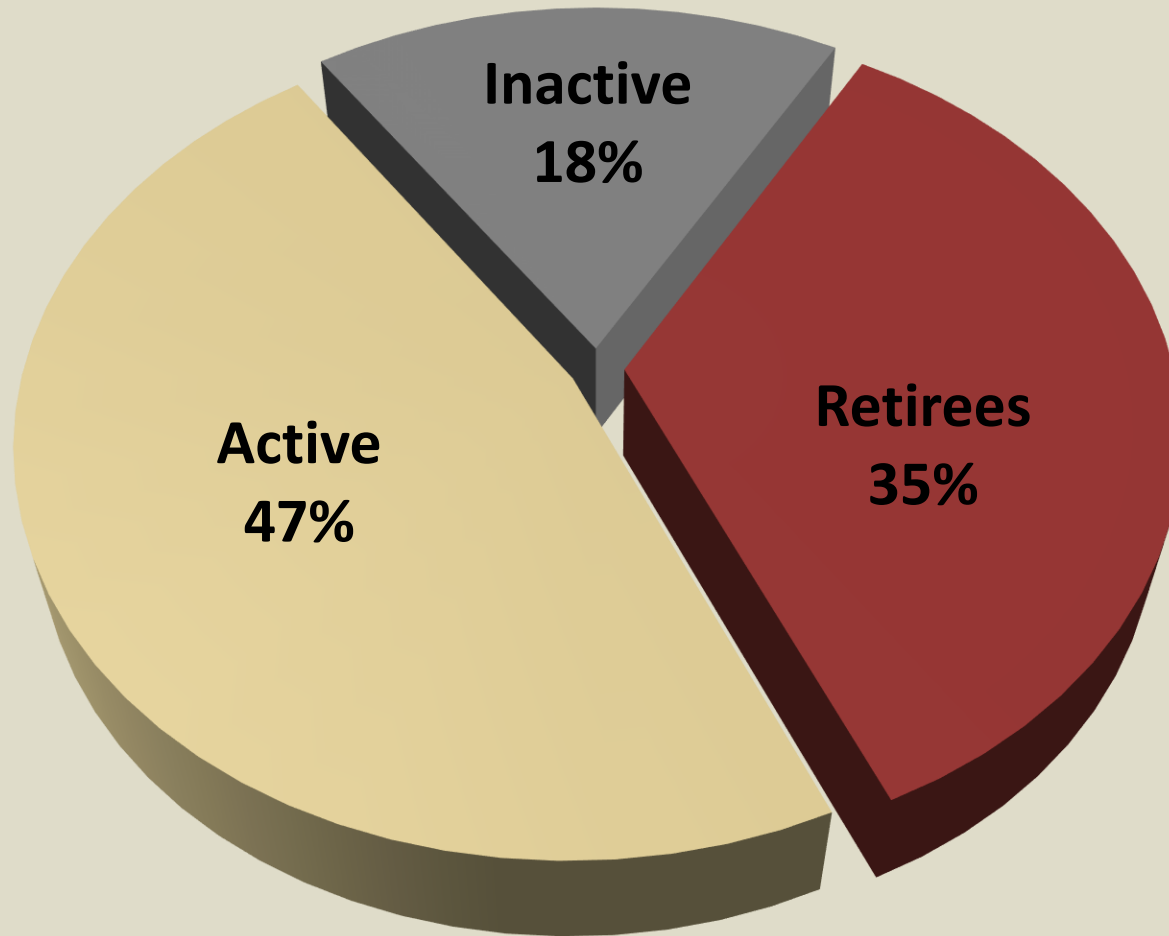


STRS MEMBERSHIP





PERS MEMBERSHIP





MULTI-YEAR REVENUE

Unrestricted GF	2017-18	2018-19	2019-20
Property Taxes	125.12	130.13	135.33
State Revenue*	3.69	2.15	2.15
Parcel Tax	5.20	5.20	5.20
Other Local	4.86	4.94	5.05
Contribution	-29.77	-30.77	-31.77
Total Revenue	109.10	111.65	115.96

* Included: EPA, GSA, MCB, Lottery, Transfers Out.



MULTI-YEAR EXPENDITURES

Unrestricted GF	2017-18	2018-19	2019-20
Salary + Benefits	91.81	94.97	98.38
Supplies & Other	15.00	14.79	15.39
Transfers out *	3.22	1.67	1.67
Total	110.03	111.43	115.44

* 17-18 Transfers out included \$1.5M to Technology Fund.



MULTI-YEAR PROJECTIONS

Unrestricted GF	2017-18	2018-19	2019-20
Beginning Fund Balance	25.49	24.56	24.78
Plus Total Revenue	109.1	111.65	115.96
Less Total Expenditures	110.03	111.43	115.44
Less Committed/Assigned	18.71	18.76	19.17
Less Reserve	4.68	4.70	4.87
Net Shortfall/Surplus	1.17	1.32	1.26



KEY BUDGET DEADLINES FOR 2017-18

BUDGET ITEM	DATE
Budget/LCAP Public Hearing	June 06, 2017
Adopted Budget	June 20, 2017
First Interim	December 15, 2017
Calculation of RSP	February of 2018
Enrollment Projections	February of 2018
Second Interim	March 15, 2018
Site Budget Allocations	May of 2018
Unaudited Actuals	September 15, 2018
Final Audit Report	December 15, 2018



BUDGET CERTIFICATION

Positive Certification:

The District *will* meet its financial obligations for the current year, and the two subsequent fiscal years.