

# BUDGET REPORT



BOARD OF TRUSTEES  
STUDY SESSION

MARCH 10, 2020

# SECOND INTERIM



# SUMMARY OF CHANGES SINCE 1<sup>st</sup> INTERIM



Since 1<sup>st</sup> Interim, the following changes are reflected in our 2<sup>nd</sup> Interim Budget.

## Revenue:

- Secured Property Tax: increase of \$607K
- Due to Charter Schools: increase of \$125K
- Transfer ins from Building Fund: decreased by \$480K
- Contribution to Restricted Funds: decreased by \$185K

## Expenditures:

- FEA Health Insurance decrease



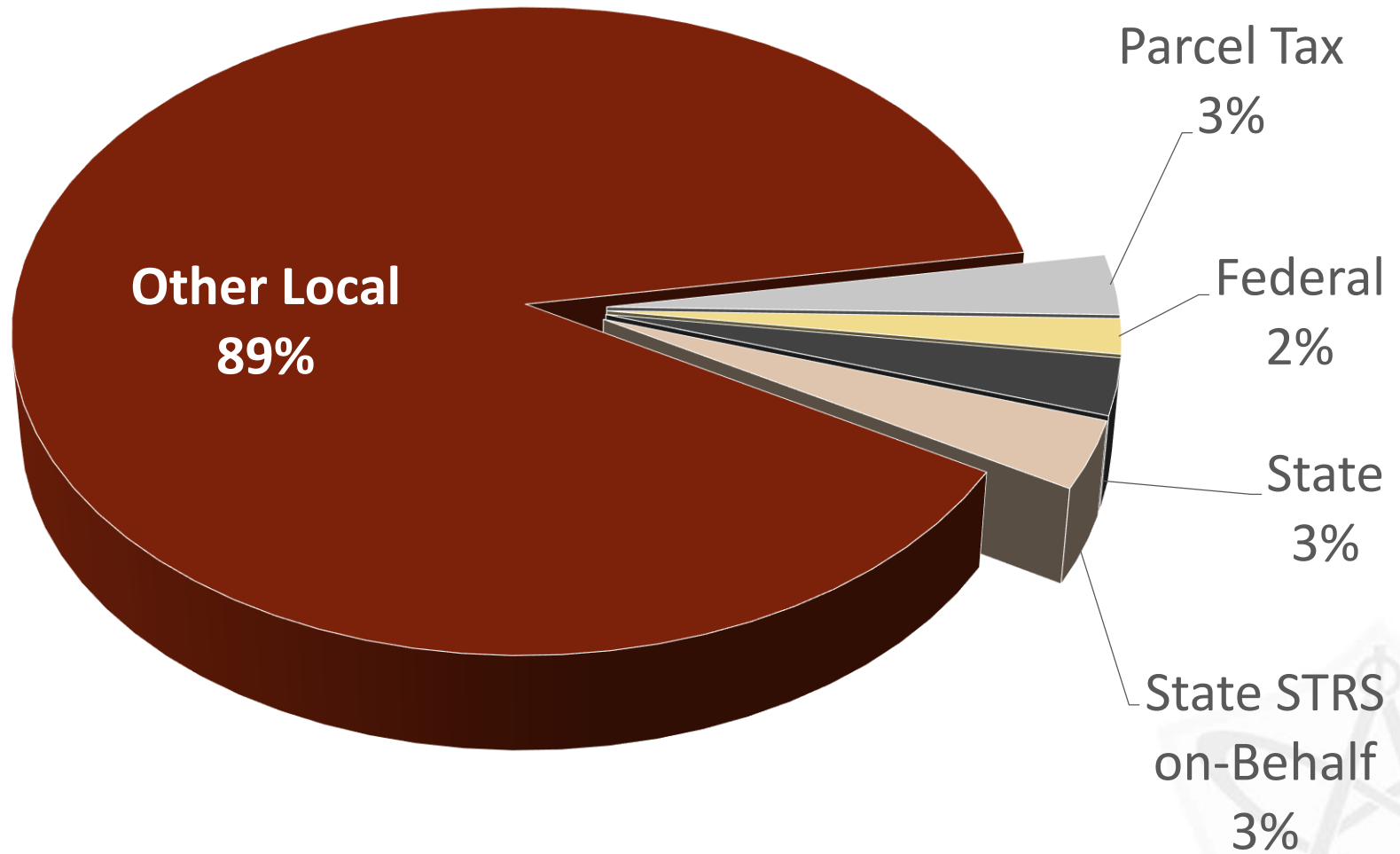
# GENERAL FUND REVENUE ASSUMPTIONS



- Secured Local Property Tax Growth = 6.29%
- Parcel Tax = \$5.2M
- Guaranteed State Aid = \$1.45M
- Mandated Block Grant Ongoing = \$660K
- Prop. 55 = \$2.15M (ends 2030)
- Lottery Unrestricted = \$1.85M
- Due to Charter Schools in Lieu of Property tax = \$1.33M



# GENERAL FUND REVENUE



## First to Second Interim

Description	2019-20 1 <sup>st</sup> Int.	2019-20 2 <sup>nd</sup> Interim	Change
Secured	132,937,000	133,219,000	282,000
Unsecured	8,129,000	8,466,000	337,000
RDA	2,808,796	2,796,796	-12,000
<b>Total</b>	<b>143,874,796</b>	<b>144,481,796</b>	<b>607,000</b>



# LOCAL PROPERTY TAXES



## 3-Year Summary: 17-18 to 19-20

In Millions	2017-18 Actual	2018-19 Actual	2019-20 2 <sup>nd</sup> Interim
Secured	114,913,054	125,327,438	133,219,000
Unsecured	7,612,560	8,730,172	8,466,000
RDA	2,427,292	2,551,450	2,796,796
<b>Total</b>	<b>124,952,906</b>	<b>136,609,060</b>	<b>144,481,796</b>
Growth	7.08%	9.33%	5.76%

# OTHER UNRESTRICTED STATE REVENUE



ITEM DESCRIPTION	AMOUNT
Prop. 55 Edu. Protection Act (EPA)	2,152,060
Mandated Costs Block Grant (MCBG)*	663,050
Guaranteed State Aid (GSA)	1,455,766
Lottery Unrestricted	1,855,608
<b>TOTAL</b>	<b>\$6,126,484</b>



# GENERAL FUND EXPENDITURE ASSUMPTIONS



1. No Salary changes for CSEA, FEA and FMA
2. No CSEA and FMA Health insurance changes
3. FEA Health insurance increase 4%
4. 3.6 teaching FTE increase (due to CTE)
5. Step and Col. = 1.5% for all three groups
6. Statutory Benefits: Certificated 20.14% & Classified Classic 36.47%, Classified PEPRA 28.96%
7. One Time Distribution: FEA: \$525,191; CSEA: \$151,191; FMA: \$119,362
8. STRS on-behalf decrease (SB 90)





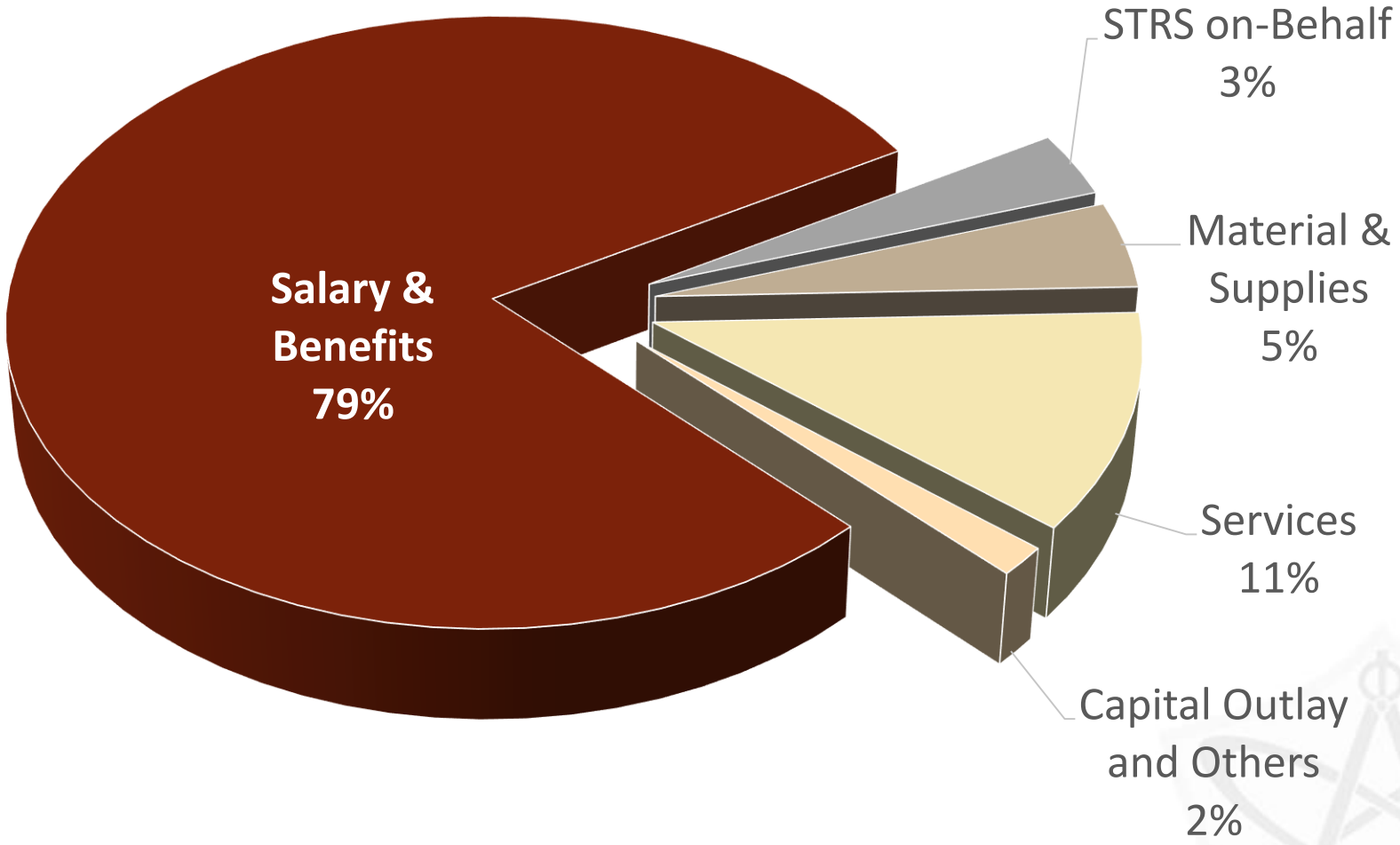
# STATUTORY BENEFIT RATES (%)



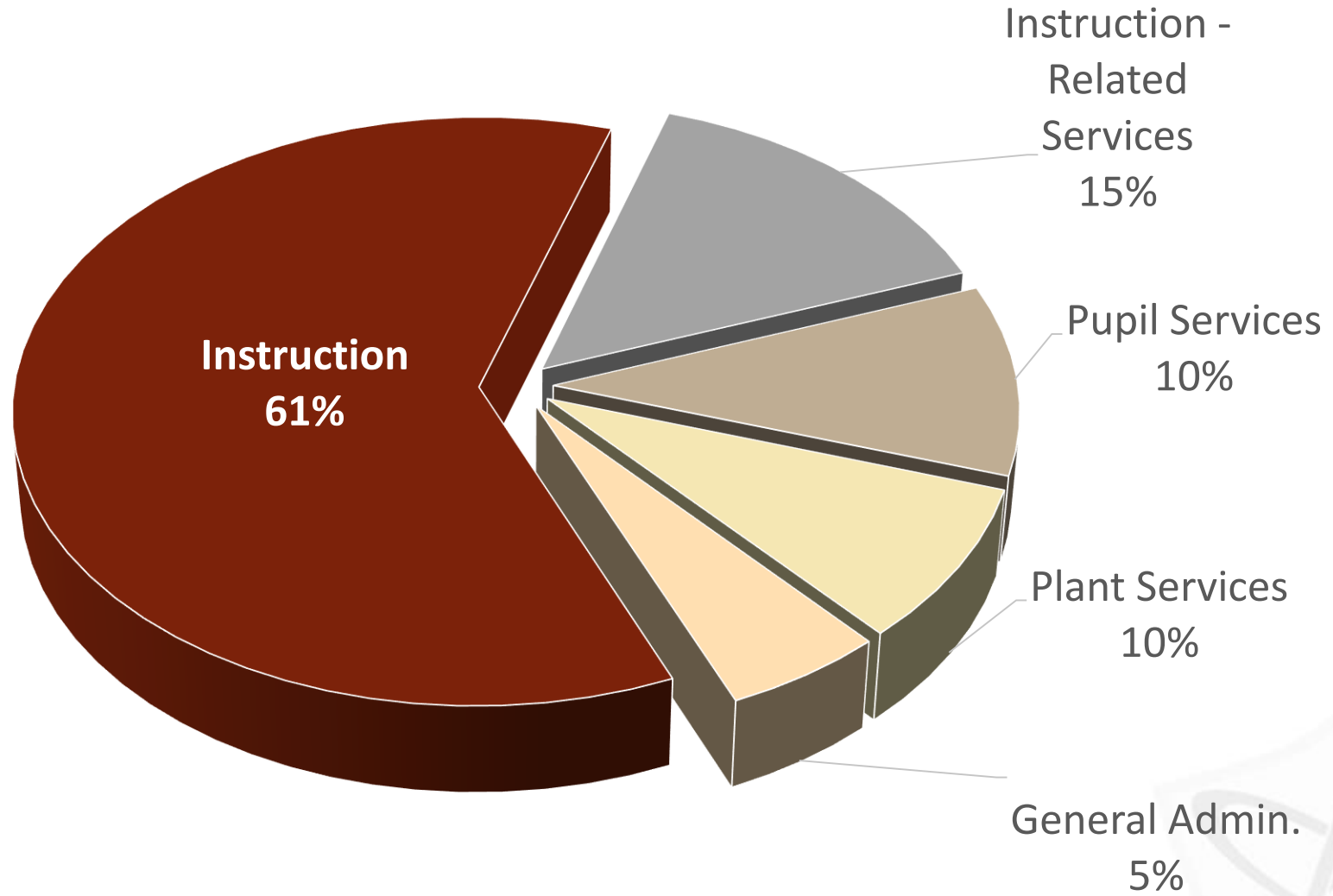
Benefit	Cert.	Classic	PEPRA
STRS – Employer*	17.100		
Unemployment Ins.	0.050	0.050	0.050
Workers Compensation	1.199	1.199	1.199
Medicare Insurance	1.450	1.450	1.450
Income Protection	0.340	0.360	0.360
OASDI – Disability		6.200	6.200
PERS – Employer*		19.721	19.721
PERS – Employee		7.490	
<b>Total Statutory Rate</b>	<b>20.14%</b>	<b>36.47%</b>	<b>28.98%</b>

\*Decreased due to State 1-time contribution to buy down rates.

# GENERAL FUND EXPENDITURE



# GENERAL FUND EXPENDITURES BY FUNCTION



# EXPENDITURES BY FUNCTION



## Instruction

Total Cost of instructional staff
Supplies, materials, & all other costs

## Pupil Services

Guidance and Counseling Services
Psychological Services
Attendance and Social Work Services
Health Services
Speech Pathology Services
Pupil Testing Services
Pupil Transportation

## Instructional Related Services

Instructional Supervision & Admin.
Curriculum Development
Instructional Staff Development
Library, Media & Technology

## General Administration

Board and Superintendent
Public Information
Fiscal Services
Personnel/Human Resources
Purchasing
Printing, Publishing and Duplicating
Data Processing Services

# UTILITIES EXPENDITURES



## First to Second Interim

Description	2019-20 1 <sup>st</sup> Interim	2019-20 2 <sup>nd</sup> Interim	Change
Electricity	1,810,055	1,835,000	24,945
Gas	812,000	755,000	-57,000
Water/Sewage	782,734	739,995	-42,739
All Other*	419,406	421,129	1,723
<b>Total</b>	<b>3,824,195</b>	<b>3,751,124</b>	<b>-73,071</b>

\*All other includes Waste Disposal and Security

# UTILITIES EXPENDITURES



## 3-Year Summary: 17-18 to 19-20

In Millions	2017-18 Actual	2018-19 Actual	2019-20 2 <sup>nd</sup> Interim
Electricity	1,453,783	1,538,228	1,835,000
Gas	560,898	615,602	755,000
Water/Sewage	581,221	689,837	739,995
All Other*	381,474	397,102	421,129
<b>Total</b>	<b>2,977,376</b>	<b>3,240,769</b>	<b>3,751,124</b>

\*All other includes Waste Disposal and Security

# SPECIAL EDUCATION CONTRIBUTION



## First to Second Interim

Description	2019-20 1 <sup>st</sup> Interim	2019-20 2 <sup>nd</sup> Interim	Change
Local/State Rev.	4,482,774	4,522,159	39,385
Federal Rev.	2,457,956	2,457,956	0
<b>Total Revenue</b>	<b>6,940,730</b>	<b>6,980,115</b>	<b>39,385</b>
Salaries	18,816,388	18,853,188	36,800
Benefits	8,112,934	8,038,991	-73,943
All Other*	10,627,996	10,643,847	15,851
<b>Total Expenses</b>	<b>37,557,318</b>	<b>37,536,026</b>	<b>-21,292</b>
GF Contribution	30,371,588	30,310,911	-60,677
Prop 55 Contribution	245,000	245,000	0

\* Includes Special Ed Transportation and Non Public Schools

# SPECIAL EDUCATION CONTRIBUTION



## 3-Year Summary: 17-18 to 19-20

Description	2017-18	2018-19	2019-20
	Actual	Actual	2 <sup>nd</sup> Interim
Local/State Rev.	3,902,477	4,409,170	4,522,159
Federal Rev.	2,362,956	2,483,222	2,457,956
<b>Total Revenue</b>	<b>6,265,433</b>	<b>6,892,392</b>	<b>6,980,115</b>
Salaries	17,779,631	18,495,306	18,853,188
Benefits	6,770,604	7,616,583	8,038,991
All Other*	9,399,710	10,297,685	10,643,847
<b>Total Expenses</b>	<b>33,949,945</b>	<b>36,409,574</b>	<b>37,536,026</b>
GF Contribution	26,934,360	29,267,182	30,310,911
Prop 55 Contribution	750,152	250,000	245,000

\*Includes Special Ed Transportation and Non Public School Students



## Revenue Assumptions

- No change from 1<sup>st</sup> Interim
- Revenue increase = 5%
- Contribution decrease of \$250,000

## Expenditure Assumptions

- CSEA and FMA
  - Step and Column increase = 1.5%
  - Health insurance unchanged
- Increase in Equipment Repairs



# CAFETERIA (Fund 13)



Description	2019-20 1 <sup>st</sup> Interim	2019-20 2 <sup>nd</sup> Interim	Change
Beginning Balance	25,000	25,000	0
Federal Revenue	640,728	640,728	0
State Revenue	46,450	46,450	0
Other Local Revenue	1,499,936	1,499,936	0
<b>Total Revenue</b>	<b>2,212,114</b>	<b>2,212,114</b>	<b>0</b>
Salaries	1,600,137	1,593,082	-7,055
Benefits	715,515	702,970	-12,545
All Other Expenses	1,273,227	1,295,238	22,011
<b>Total Expenses</b>	<b>3,588,879</b>	<b>3,591,290</b>	<b>2,411</b>
Inter-fund Transfer In	1,401,765	1,401,765	0
<b>Ending Balance</b>	<b>25,000</b>	<b>22,589</b>	<b>-2,411</b>

# CAFETERIA CONTRIBUTION



## 3-Year Summary: 17-18 to 19-20

<b>Description</b>	<b>2017-18 Actual</b>	<b>2018-19 Actual</b>	<b>2019-20 2<sup>nd</sup> Interim</b>
Federal Revenue	701,240	532,936	640,728
State Revenue	47,321	141,439	46,450
Local Revenue	1,596,497	1,406,846	1,499,936
<b>Total Revenue</b>	<b>2,345,058</b>	<b>2,081,221</b>	<b>2,187,114</b>
Salaries	1,592,944	1,677,663	1,593,082
Benefits	620,874	804,183	702,970
All Other Expenses	1,259,441	1,244,287	1,295,238
<b>Total Expenses</b>	<b>3,473,259</b>	<b>3,726,133</b>	<b>3,591,290</b>
GF Contribution	1,123,399	1,651,394	1,401,765

## Revenue Assumptions

- Federal Grants increase = \$27K
- State Revenue = Cola @ 3.26%
- Local Revenues (Fee Based & Interest) = Decrease \$140K due to decreases in enrollment & reduction in classes

## Expenditure Assumptions

- AFT
  - Salaries increase = 4% on-going & 4% one-time
  - Staff development cost increase
- CSEA and FMA
  - Step and Column increase = 1.5%
  - Eliminated 1.0 FTE CSEA position effective 12/30/2018 and 0.5 FTE CSEA position effective 9/30/2019
  - STRS on-behalf rate decrease; no PERS on-behalf (SB 90)
- Utilities increase = \$76K

# ADULT EDUCATION (Fund 11)



## First Interim to Second Interim

Description	2019-20 1 <sup>st</sup> Interim	2019-20 2 <sup>nd</sup> Interim	Change
Other State Revenue	3,009,816	3,011,176	1,360
STRS/PERS on-Behalf	136,444	136,444	0
Other Local (Fee Based)	1,099,500	970,521	-128,979
Federal/Grants	426,770	426,770	0
<b>Total Revenue</b>	<b>4,672,530</b>	<b>4,544,911</b>	<b>-127,619</b>
Salaries	3,000,656	2,969,096	-31,560
Benefits	952,631	919,484	-33,147
STRS/PERS on-Behalf	136,444	136,444	0
All Other Expenses	793,098	793,067	-31
<b>Total Expenses</b>	<b>4,882,829</b>	<b>4,818,091</b>	<b>-64,738</b>

# ADULT EDUCATION (Fund 11)



## 3-Year Summary: 17-18 to 19-20

Description	2017-18 Actual	2018-19 Actual	2019-20 2nd Int.
<b>Beginning Balance</b>	<b>1,548,171</b>	<b>1,349,611</b>	<b>1,354,010</b>
Other State Revenue	2,794,298	2,915,240	3,011,176
STRS/PERS on-Behalf	115,469	288,603	136,444
Other Local (Fee Based)	1,117,937	1,110,713	970,521
Federal Revenue	326,518	399,443	426,770
<b>Total Revenue</b>	<b>4,354,222</b>	<b>4,713,999</b>	<b>4,544,911</b>
Salaries	2,975,191	2,905,458	2,969,096
Benefits	833,569	859,099	919,484
STRS/PERS on-Behalf	115,469	288,603	136,444
All Other Expenses	628,553	656,441	793,067
<b>Total Expenses</b>	<b>4,552,782</b>	<b>4,709,601</b>	<b>4,818,091</b>
<b>Ending Balance</b>	<b>1,349,611</b>	<b>1,354,009</b>	<b>1,080,830</b>

**MULTI-YEAR**



2018-2019

to

2020-2021

**PROJECTIONS**



# MULTI-YEAR REVENUE ASSUMPTIONS



- Property Taxes
  - 19-20 = 5.76% growth
  - 20-21 & 21-22 = 4.0% growth
- Parcel Tax = \$5.2M annual
- Guaranteed State Aid = \$1.45M annual
- Mandated Block Grant = \$660K annual
- Prop. 55 = \$2.15M annual
- Lottery Unrestricted = \$1.85M annual







**Salary Schedules:** no change for all groups

**Step & Column:** 1.5% per year for all groups

## **Staffing Changes for FEA**

- 2019-20 = increase 3.6 FTE
- 2020-21; 2021-22 = no change

## **Health & Welfare:**

- 2019-20 = increase 4%
- 2020-21= increase 6%
- 2021-22 = increase 8%
- CAP @\$830 monthly for CSEA and FMA

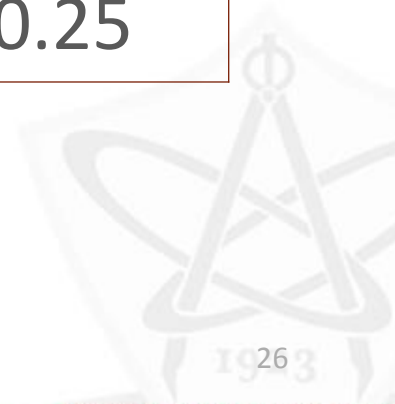


# CalSTRS CONTRIBUTION RATES



Year	Employer %	Employee PEPRA %	Employee Classic %
2018-19	16.28	10.205	10.25
2019-20	17.10	10.205	10.25
2020-21	18.40	10.205	10.25
2021-22	18.10	10.205	10.25
2023-23	18.10	10.205	10.25

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



# CaIPERS CONTRIBUTION RATES



Year	Employer %	Employee PEPRA %	Employee Classic %
2018-19	18.062	7.0	7.0
2019-20	19.721	7.0	7.0
2020-21	22.800	7.0	7.0
2021-22	24.900	7.0	7.0
2022-23	25.900	7.0	7.0

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



# MULTI-YEAR REVENUE



<b>Unrestricted GF</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
LCFF Revenue*	145.67	151.50	157.56
State Revenue**	2.55	2.55	2.55
Parcel Tax	5.2	5.2	5.2
Other Local***	2.33	2.33	2.33
Other Fin. Sources	0.03	0.03	0.03
Contribution	-33.70	-35.39	-37.16
<b>Total</b>	<b>122.08</b>	<b>126.22</b>	<b>130.51</b>

\* Included: Property Taxes, EPA, GSA

\*\* Included: MCB, Lottery;

\*\*\* Included: Interest, Fees, Leases

# MULTI-YEAR EXPENDITURES



<b>Unrestricted GF*</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
Salary + Benefits	105.88	109.47	113.42
Supplies & Other	14.38	14.35	15.01
Other Financing Uses	2.25	2.25	2.25
<b>Total</b>	<b>122.51</b>	<b>126.07</b>	<b>130.68</b>

\*In millions



# MULTI-YEAR PROJECTIONS



<b>Unrestricted GF*</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
Beginning Fund Balance	23.01	22.59	22.74
Plus Total Revenue & Other Financing Sources	122.08	126.22	130.51
Less Total Expenditures & Other Financing Uses	122.51	126.07	130.68
Less Reserve for Economic Uncertainties	17.3	17.85	18.52
Less Committed/Assigned	1.97	1.58	0.74
<b>Net Shortfall/Surplus</b>	<b>3.31</b>	<b>3.31</b>	<b>3.31</b>

# KEY BUDGET DEADLINES 2019-20



BUDGET ITEM	DATE
Budget/LCAP Public Hearing	June 04, 2019
Adopted Budget	June 11, 2019
First Interim	December 15, 2019
Calculation of RSP	February of 2020
Enrollment Projections	February of 2020
<b>Second Interim</b>	<b>March 15, 2020</b>
Site Budget Allocations	May of 2020
Unaudited Actuals	September 15, 2020
Final Audit Report	December 15, 2020

## Positive Certification:

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

