

WESTERN PLACER UNIFIED SCHOOL DISTRICT BOARD OF TRUSTEES MEETING FACT SHEET

MISSION STATEMENT: Empower Students with the skills, knowledge, and attitudes for Success in an Ever Changing World.

DISTRICT GLOBAL GOALS

1. Develop and continually upgrade a well articulated K-12 academic program that challenges all students to achieve their highest potential, with a special emphasis on students
2. Foster a safe, caring environment where individual differences are valued and respected.
3. Provide facilities for all district programs and functions that are suitable in terms of function, space, cleanliness and attractiveness.
4. Promote the involvement of the community, parents, local government, business, service organizations, etc. as partners in the education of the students.
5. Promote student health and nutrition in order to enhance readiness for learning.

SUBJECT:

2019-20 First Interim Report

AGENDA ITEM AREA:

Action

REQUESTED BY:

Audrey Kilpatrick, Asst. Supt. Business/Operations

ENCLOSURES:

Yes

DEPARTMENT:

Business Services

FINANCIAL INPUT/SOURCE:

Included in Back Up

MEETING DATE:

December 17, 2019

ROLL CALL REQUIRED:

No

BACKGROUND:

The district's Board of Trustees shall certify in writing whether or not the district is able to meet its financial obligations for the remainder of the fiscal year and, based on current projections, for the two subsequent fiscal years. The certification shall be classified as positive, qualified, or negative, pursuant to standards and criteria adopted by the State Board of Education (EC §33127).

In certifying the 2019-20 First Interim report as positive, the Board confirms its fiduciary responsibility to maintain fiscal solvency for the current and subsequent two fiscal years.

RECOMMENDATION:

Administration recommends the Board of Trustees certify the First Interim report as positive.

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
BOARD OF TRUSTEES
2019-20 First Interim Notes**

The First Interim budget report is a snapshot in time of the local educational agency's (LEA) revenue and expenditure forecasts for the current fiscal year as well as a projection of the two subsequent fiscal years. It is a time to adjust the budget based upon the enacted State Budget and subsequent trailer bills, the closing of the prior fiscal year, and other factors that impact revenue and expenditures. The First Interim report covers the period of time from July 1 through October 31 each fiscal year and must be submitted to the county office of education no later than December 15.

BUDGET ASSUMPTIONS

Planning Factors for First Interim and MYPs:

The 2019-20 budget assumptions are used to prepare the 2019-20 Budget and multi-year projections for 2020-21 and 2021-22 fiscal years. The multi-year projections provide a view of the current year (2019-20) budget and the next two years' budget plan (2020-21 and 2021-22). They are built with assumptions provided by PCOE Common Message, School Services of California, the State Dept. of Finance (DOF), FCMAT LCFF Calculator, federal funding projections and district trends and data. Property taxes, state allocations, LCFF Funding estimates, new legislature, federal funding and budget projections, and ballot measures can all have a significant impact on revenue assumptions.

Additionally, PCOE recommends the district incorporate projection information from FCMAT and School Services of California (SSC) Dartboard for specific budget circumstances for our individual district. Every district receives differing amounts of revenue through the LCFF funding model and has its own particular set of financial risk factors. It is important that all districts continue to assess their individual situation and plan accordingly to maintain fiscal solvency.

Key planning factors for LEAs to incorporate into the 2019-20 budget and multiyear projections are listed on the next page and based on the latest information available.

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
BOARD OF TRUSTEES
2019-20 First Interim Notes**

GENERAL FUND BUDGET ASSUMPTIONS FIRST INTERIM AND MYP - Revenues

District assumptions for the 2019-20 first interim and future multi-years are conservative with projected LCFF COLAs and a recognition for the potential of continuation of the Early Intervention Preschool Grant, while reserving the potential funds as a component of ending fund balance. First interim reflects an increase in 2019-20 projected enrollment growth of 121 students (up 50 students at adopted budget) based on CBEDS enrollment data. Enrollment is projected to increase by 1.0% in both 20-21 and 21-22. The budgeted ADA yield holds at 95.8%.

	18/19 Unaudited Actuals	19/20 Adopted Budget	19/20 First Interim	20/21 Projection	21/22 Projection	
REVENUES						
Enrollment	7,081	7,159	7,209	7,281	7,354	Based on PowerSchool enrollment
ADA Yield	96.0%	95.8%	95.8%	95.8%	95.8%	Based on Historical Rates
ADA	6,798	6,878	6,926	6,995	7,065	Enrollment X ADA Yield
% Increase (Decrease) Enrollment	1.7%	1.0%	1.7%	1.0%	1.0%	Based on 19/20 enrollment, historical rates
# Increase (Decrease) Enrollment	121	71	128	72	73	
Funded ADA	6,799	6,878		6,995	7,065	
Statutory COLA %	2.71%	3.26%	3.26%	3.00%	2.80%	Per PCOE Common Message
LCFF COLA %	3.70%	3.26%	3.26%	3.00%	2.80%	Per SSC Dartboard
Deficit %						
Deficit Applied						
Add'l RL adjustment						
LCFF Entitlement Factors:						
Base Grant - Grades K-3	\$7,459	\$7,702	\$7,702	\$7,933	\$8,155	Per LCFF Calculator
Base Grant - Grades 4-6	\$7,571	\$7,818	\$7,818	\$8,053	\$8,278	Per LCFF Calculator
Base Grant - Grades 7-8	\$7,796	\$8,060	\$8,050	\$8,302	\$8,534	Per LCFF Calculator
Base Grant - Grades 9-12	\$9,034	\$9,329	\$9,329	\$9,609	\$9,878	Per LCFF Calculator
Grade Span Funding (K-3 CSR & 9-12)	\$776	\$801	\$801	\$825	\$848	Per LCFF Calculator
Supplemental Grants (% Adj. Base)	20%	20%	20%	20%	20%	Per LCFF Calculator
Concentration Grants	50%	50%	50%	50%	50%	Per LCFF Calculator
Concentration Grant Threshold	55%	55%	55%	55%	55%	Per LCFF Calculator
LCFF Gap Closed Percentage	100.00%	100.00%	100.00%	100.00%	100.00%	Per LCFF Calculator
LCFF Entitlement per ADA (Inc Supp \$)	8,915	9,143	9,143	9,379	9,379	Per LCFF Calculator
LCFF Funding - Base	\$57,022,998	\$59,461,887	\$59,881,267	\$63,276,794	\$64,650,016	Per LCFF Calculator
Property Tax change	3.80%	3.00%	4.65%	3.00%	3.00%	County Taxes Report/3-Yr Ave.
Est. Property Taxes	\$51,545,855	\$52,044,804	\$52,880,367	\$53,606,148	\$55,214,333	Actuals/3-Yr Average
LCFF Supplemental Funds	\$3,799,505	\$3,966,354	\$3,981,386	\$4,098,535	\$4,216,743	Per LCFF Calculator
Federal Revenue	0%	0%	0%	0%	0%	Per PCOE Common Message
Categorical COLA	2.71%	3.26%	3.26%	3.00%	2.80%	Per PCOE Common Message
Transfers In	-	-	-	-	-	
Lottery Unrestricted/ADA	\$151.00	\$151.00	\$153.00	\$153.00	\$153.00	Per SSC Dartboard
Lottery Restricted/ADA	\$53.00	\$53.00	\$54.00	\$54.00	\$54.00	Per SSC Dartboard
Mandate Block Grant (grades K-8)	\$31.16	\$32.24	\$32.24	\$33.16	\$33.16	Per SSC Dartboard
Mandate Block Grant (grades 9-12)	\$59.83	\$61.90	\$61.90	\$63.67	\$63.67	Per SSC Dartboard

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
BOARD OF TRUSTEES
2019-20 First Interim Notes**

GENERAL FUND BUDGET ASSUMPTIONS FIRST INTERIM AND MYP - Expenditures

	18/19 Unaudited Actuals	19/20 Adopted Budget	19/20 First Interim	20/21 Projection	21/22 Projection	
EXPENDITURES						
Certificated New Positions - FTE	3.1	4.0	4.0	3.0	3.0	Based on Enrollment Projections
Cert. New Positions for New Schools	0.0	0.0	0.5	1.5	1.0	20/21 New Elementary, 21/22 New H.S.
Estimated Retirements/Resignations - FTE	21.8	0.0	0.0	0.0	0.0	Based on Notifications
Reductions in Staffing - FTE	0.0	0.0	0.0	0.0	0.0	
Staffing Ratios:						
TK/Kindergarten	25:1	25:1	25:1	25:1	25:1	Per Contract - District-wide
1-3	25:1	25:1	25:1	25:1	25:1	Per Contract - District-wide
4-5	31:1	31:1	31:1	31:1	31:1	Per Contract
6-8	32:1	32:1	32:1	32:1	32:1	Per Contract
9-12	36:1	36:1	36:1	36:1	36:1	Per Contract
Certificated Step/Column	1.70%	1.70%	1.70%	1.70%	1.70%	
Avg. teacher compensation	\$106,752	\$107,840	\$107,840	\$109,673	\$111,538	
Classified New Positions - FTE	2.4	0.0	0.0	0.0	0.0	
Classified New Positions for New Schools	0.0	0.0	0.0	4.7	10.5	20/21 New Elementary, 21/22 New H.S.
Estimated Retirements - FTE	3.0	0.0	0.0	0.0	0.0	
Reductions in Staffing - FTE	0.0	0.0	0.0	0.0	0.0	
Classified Step/Column	1.40%	1.40%	1.40%	1.40%	1.40%	
Health Benefits per FTE	\$14,424	\$14,424	\$14,424	\$14,424	\$14,424	Contribution Capped
CalPERS Employer Rate	18.062%	20.733%	19.721%	22.70%	24.60%	Per PCOE Common Message
Classified Total Statutory Benefits Rate	27.082%	29.773%	28.761%	31.74%	33.94%	
CalSTRS Employer Rate	16.28%	16.70%	17.10%	18.40%	18.10%	Per SSC Dartboard - May Revise
Certificated Total Statutory Benefits Rate	19.10%	19.54%	19.940%	21.24%	20.94%	
Transfers Out	\$81,200	\$350,755	\$350,755	\$214,572	\$337,117	Adult Ed, Cafeteria, Fund 17 Wetlands
Contribution to RRM	\$1,877,987	\$1,877,987	\$2,313,776	\$2,313,776	\$2,313,776	3% of GF 18-19 Expenditures - 2019-20
Designated for Economic Uncertainty	3%	3%	3%	3%	3%	
Site Allocations:						
Elementary	\$47.00	\$47.00	\$47.00	\$47.00	\$47.00	
Middle School	\$58.50	\$58.50	\$58.50	\$58.50	\$58.50	
High School	\$83.75	\$83.75	\$83.75	\$83.75	\$83.75	
Lottery per teacher	\$500	\$500	\$500	\$500	\$500	Per Contract

Local Control Funding Formula (LCFF)

In the past few years, the District has ended the year with actual P-2 enrollment greater than projected, and accordingly at First Interim we have adjusted our enrollment growth percentage to 1.7% vs. 1.0% at Adopted Budget. Based on the updated growth percentage we project an enrollment increase of 128 students (57 students and 48 ADA higher than at Adopted Budget). The 2019-20 statutory COLA remains at 3.26%, as do the projected 2020-21 and 2021-22 COLAs (3.0% and 2.8%, respectively). As full funding of LCFF was achieved last fiscal year, the statutory COLA represents the only annual increase in LCFF funding from the State. While the economy has improved quickly over the past several years, both the Governor and the Department of Finance continue to remind educational entities that an economic downturn is inevitable and would negatively affect school funding.

Early Intervention Preschool Grant

With his signing of the state budget in June, Governor Newsom approved the Special Education Early Intervention Preschool Grant. Providing \$9,010 in unrestricted funding per pre-TK student in each District's December 1, 2018 pupil count. The grant will provide approximately \$756,000 in additional on-going funds for the District in 2019-20. While the funds are unrestricted in nature, the District will use to revenue to offset a portion of the district's special education encroachment.

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
BOARD OF TRUSTEES
2019-20 First Interim Notes**

While this funding will continue to be allocated for special education in future years, the State is reviewing the allocation method and expenditure criteria in future years. Therefore, based on the PCOE Common Message recommended, the district has included the revenue as ongoing in nature but we have reserved the funds as a component of ending fund balance until we have a clear decision from the State.

PROPOSED BUDGET:

The 2019-20 First Interim budget, presented on the following page, is built from assumptions from the State-adopted budget, federal and local revenue projections, district historical data, SSC dashboard, FCMAT LCFF Calculator and PCOE Common Message. The District's 2019-20 First Interim General Fund Budget is presented below:

	First Interim		
	Unrestricted	Restricted	Combined
Revenues			
LCFF Funding - Base	59,881,267	995,884	60,877,151
LCFF Funding - Supplemental	3,981,386	-	3,981,386
Federal Revenue	-	2,767,929	2,767,929
State Revenue	2,066,546	4,460,137	6,526,683
Local Revenue	1,454,210	3,252,242	4,706,452
Total Revenue	67,383,409	11,476,192	78,859,601
Expenditures			
Certificated Salaries	28,177,063	5,138,955	33,316,018
Classified Salaries	6,133,424	3,733,502	9,866,926
Benefits	13,016,192	6,849,083	19,865,275
Books and Supplies	4,114,661	1,938,906	6,053,567
Other Services & Oper. Exp	4,876,613	3,398,968	8,275,581
Capital Outlay	70,210	733,875	804,085
Other Outgo 7xxx	220,075	2,032,228	2,252,303
Transfer of Indirect 73xx	(991,297)	987,515	(3,782)
Total Expenditures	55,616,941	24,813,032	80,429,973
Deficit/Surplus	11,766,468	(13,336,840)	(1,570,372)
Transfers In	15,180	-	15,180
Transfers out	(350,755)	(930)	(351,685)
Contributions to Restricted	(12,509,041)	12,509,041	-
Net increase (decrease) in Fund Balance	(1,078,148)	(828,729)	(1,906,877)
Beginning Balance	9,525,116	1,977,461	11,502,577
Ending Fund Balance	8,446,968	1,148,732	9,595,700
Components of Ending Fund Balance			
Nonspendable:			
Revolving Cash	5,000		5,000
Restricted - Federal/State/Local Programs			
Reserve - Designated Programs	-	1,148,732	1,148,732
Unassigned/Unappropriated:			
Reserve - Economic Uncertainty @ 3%	2,423,450		2,423,450
Reserve - Start Up - Elementary 20/21	510,000		510,000
Reserve - Start Up - High School 21/22	1,500,000		1,500,000
Reserve - One-Time Science Adoption 20/21	400,000		400,000
Reserve - Charter Technical Assistance	269,641		269,641
Reserve - Unassigned Economic Uncertainty surplus/(deficit)	3,338,877	-	3,338,877
Total Ending Fund Balance	8,446,968	1,148,732	9,595,700

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
BOARD OF TRUSTEES
2019-20 First Interim Notes**

State Adopted Budget vs. First Interim Budget:

Each year our budget is revised throughout the year as new information becomes available and assumptions are modified. At First Interim reporting we have closed the books for the prior year and the actual Ending Fund Balance is known as well as unspent program and site funds that carryover into the 2019-20 budget year. The differences between the district's Adopted Budget and First Interim Budget are reflected in the table below and summarized in the comments that follow:

	Adopted Budget 2019-20 Combined	First Interim 2019-20			1st Interim vs Adopted 19-20 \$Variance	
		Unrestricted	Restricted	Combined		
Revenues						
LCFF Funding - Base	60,457,771	59,881,267	995,884	60,877,151	419,380	1
LCFF Funding - Supplemental	3,966,354	3,981,386	-	3,981,386	15,032	1
Federal Revenue	2,326,564	-	2,767,929	2,767,929	441,365	2
State Revenue	5,715,545	2,066,546	4,460,137	6,526,683	811,138	3
Local Revenue	4,101,267	1,454,210	3,252,242	4,706,452	605,185	4
Total Revenue	76,567,501	67,383,409	11,476,192	78,859,601	2,292,100	
Expenditures						
Certificated Salaries	33,508,295	28,177,063	5,138,955	33,316,018	(192,277)	5
Classified Salaries	9,740,953	6,133,424	3,733,502	9,866,926	125,973	6
Benefits	19,822,996	13,016,192	6,849,083	19,865,275	42,279	7
Books and Supplies	3,775,216	4,114,661	1,938,906	6,053,567	2,278,351	8
Other Services & Oper. Exp	7,416,835	4,876,613	3,398,968	8,275,581	858,746	9
Capital Outlay	37,547	70,210	733,875	804,085	766,538	10
Other Outgo 7xxx	2,246,490	220,075	2,032,228	2,252,303	5,813	
Transfer of Indirect 73xx	(3,782)	(991,297)	987,515	(3,782)	-	
Total Expenditures	76,544,550	55,616,941	24,813,032	80,429,973	3,885,423	
Deficit/Surplus	22,951	11,766,468	(13,336,840)	(1,570,372)	(1,593,323)	
Transfers In	-	15,180	-	15,180	15,180	
Transfers out	(350,755)	(350,755)	(930)	(351,685)	(930)	
Contributions to Restricted	-	(12,509,041)	12,509,041	-	-	
Net increase (decrease) in Fund Balance	(327,804)	(1,078,148)	(828,729)	(1,906,877)	(1,579,073)	
Beginning Balance	6,680,645	9,525,116	1,977,461	11,502,577	4,821,932	
Ending Fund Balance	6,352,841	8,446,968	1,148,732	9,595,700	3,242,859	
Components of Ending Fund Balance						
Nonspendable:						
Revolving Cash	5,000	5,000		5,000	-	
Restricted - Federal/State/Local Programs						
Reserve - Designated Programs	392,378	-	1,148,732	1,148,732	756,354	
Unassigned/Unappropriated:						
Reserve - Economic Uncertainty @ 3%	2,306,859	2,423,450		2,423,450	116,591	
Reserve - 19/20 Early TK Staffing	107,810	-		-	(107,810)	
Reserve - Start Up - Elementary 20/21	580,000	510,000		510,000	(70,000)	
Reserve - Start Up - High School 21/22	1,100,000	1,500,000		1,500,000	400,000	
Reserve - One-Time Science Adoption 20/21	400,000	400,000		400,000	400,000	
Reserve - Charter Technical Assistance	236,083	269,641		269,641	33,558	
Reserve - Unassigned Economic Uncertainty surplus/(deficit)	1,208,528	3,338,877	-	3,338,877	2,130,349	
Total Ending Fund Balance	6,352,841	8,446,968	1,148,732	9,595,700	3,642,859	

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
BOARD OF TRUSTEES
2019-20 First Interim Notes**

Major Changes to Fund Balance since Adopted Budget - 2019-20 First Interim Report

	Budgeted Fund Balance Decrease at Adopted Budget	(\$327,804)
Revenues		
LCFF Sources - Increase in projected 48 additional ADA	435,000	1
Federal Revenue		
Carryover of prior year unspent allocations	420,000	
Medi-Cal revenues (budgeted when received)	35,000	
Eliminate AP test fee revenue (no longer received)	<u>(15,000)</u>	
Total Federal Revenue Changes	440,000	2
State Revenue		
Special Education Early Intervention Preschool grant	755,000	
Increase in Lottery revenue	20,000	
Increase in ASES grant	<u>35,000</u>	
Total State Revenue changes	810,000	3
Local Revenue		
Decrease in projected TRANS revenues (offset by decreased exp)	(195,000)	
Western Placer Education Foundation grants	15,000	
CARB clean air bus grant	575,000	
Increase interest revenue	100,000	
Increase in RDA facilities funds	40,000	
SIG grants (Safety and Wellness)	40,000	
Carryover of prior year unspent allocations	20,000	
Other local revenues	<u>10,000</u>	
Total Local Revenue changes	605,000	4
Total Change in Revenues		2,290,000
Expenditures		
Certificated Salaries		
Add'l ETK teacher	60,000	
Extra sections to accommodate increased enrollment at TBMS	65,000	
Dec 1.0 FTE for SDC class closed at TBMs (new class opened at TBE)	(60,000)	
2019-20 position control adjustments (actual vs. estimate)	<u>(265,000)</u>	
Miscellaneous	10,000	
Total Certificated Salaries changes	(190,000)	5
Classified Salaries		
Increase in Paras (net 1.60 FTE)	50,000	
.50 FTE delivery driver	10,000	
.50 FTE payroll technician	15,000	
Site Title I-funded Instructional Assisant	15,000	
2019-20 position control adjustments (actual vs. estimate)	<u>35,000</u>	
Total Classified Salaries changes	125,000	6
Benefits		
Decrease in PERS rate from adopted budget	(50,000)	
Increase in STRS rate from adopted budget	110,000	
Net decrease in benefits from salary savings	<u>(20,000)</u>	
Total Benefits	40,000	7

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
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2019-20 First Interim Notes**

Major Changes to Fund Balance since Adopted Budget - 2019-20 First Interim Report

Expenditures (Continued)

Books and Supplies			
C/O of prior year unspent federal funds	75,000		
C/O of prior year unspent state funds	1,790,000		
C/O of prior year unspent local funds	160,000		
C/O of prior-year co-curricular funds	295,000		
Lottery, ASES, Medi-Cal, Wellness, Ed foundation revenues	110,000		
Net transfers to other objects	(170,000)		
Miscellaneous	20,000		
Total Books and Supplies		2,280,000	8
Services & Other Operating Expenditures			
Net increase in nonpublic schools/agencies budgets	140,000		
C/O of prior year unspent federal funds	150,000		
C/O of prior year unspent state funds	500,000		
C/O of prior year unspent local funds	85,000		
Dec in TRANS interest exp (partly offset by dec interest revenue)	(300,000)		
Legal settlements (Special Education)	40,000		
C/O of prior-year co-curricular funds	75,000		
Net transfers from other objects	130,000		
Lottery, ASES, Medi-Cal, Wellness, Ed foundation revenues	30,000		
Miscellaneous	10,000		
Total Services and Other Operating Costs		860,000	9
Capital Outlay			
C/O of prior year unspent state and local funds	50,000		
Purchase of four new school busses paid mostly from CARB grant	670,000		
Net transfers from other objects	40,000		
Miscellaneous	5,000		
Total Capital Outlay		765,000	10
Other Outgo		5,000	
Total Change in Expenditures			3,885,000
Transfers In			15,000
<i>Rounding</i>			(927)
Total Change in Budgeted FB			(1,579,073)
Budgeted Deficit Spending at First Interim			<u>(1,906,877)</u>

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
BOARD OF TRUSTEES
2019-20 First Interim Notes**

Multi-Year Projections 2019-20, 2020-21 and 2021-22 Budget Years:

The multi-year projections provide a view of the current year (2019-20) budget and the subsequent two years' projected budgets.

	First Interim 2019-20 Combined	Projection 2020-2021 Combined	Projection 2021-2022 Combined
Revenues			
LCFF Funding - Base	60,877,151	63,276,794	65,645,900
LCFF Funding - Supplemental	3,981,386	4,098,535	4,216,743
Federal Revenue	2,767,929	2,309,839	2,309,839
State Revenue	6,526,683	6,372,216	6,372,216
Local Revenue	4,706,452	3,969,172	3,969,172
Total Revenue	78,859,601	80,026,556	82,513,870
Expenditures			
Certificated Salaries	33,316,018	34,419,672	35,309,326
Classified Salaries	9,866,926	10,187,696	10,777,909
Benefits	19,865,275	21,235,203	21,858,427
Books and Supplies	6,053,567	3,663,691	3,823,816
Other Services & Oper. Exp	8,275,581	7,584,875	7,778,419
Capital Outlay	804,085	81,792	81,792
Other Outgo 7xxx	2,252,303	2,252,303	2,047,228
Transfer of Indirect 73xx	(3,782)	(3,782)	(3,782)
Total Expenditures	80,429,973	79,421,450	81,673,135
Deficit/Surplus	(1,570,372)	605,106	840,735
Transfers In	15,180	-	-
Transfers out	(351,685)	(214,572)	(337,117)
Contributions to Restricted	-	-	-
Net increase (decrease) in Fund Balance	(1,906,877)	390,534	503,617
Beginning Balance	11,502,577	9,595,700	9,986,234
Ending Fund Balance	9,595,700	9,986,234	10,489,851
Components of Ending Fund Balance			
Nonspendable:			
Revolving Cash	5,000	5,000	5,000
Restricted - Federal/State/Local Programs			
Reserve - Designated Programs	1,148,732	1,817,421	2,551,294
Unassigned/Unappropriated:			
Reserve - Economic Uncertainty @ 3%	2,423,450	2,389,081	2,460,308
Reserve - Special Education Preschool Funds		756,840	1,513,680
Reserve - Additional LCFF Supplemental			
Required Increase Budget 20-21, 21-22 & 22-23	-	56,149	113,357
Reserve - Start Up - Elementary 20/21	510,000	-	-
Reserve - Start Up - High School 21/22	1,500,000	1,500,000	-
Reserve - One-Time Science Adoption 20/21	400,000	400,000	400,000
Reserve - Charter Technical Assistance	269,641	269,641	269,641
Reserve - Unassigned Economic Uncertainty surplus/(deficit)	3,338,877	2,792,102	3,176,572
Total Ending Fund Balance	9,595,700	9,986,234	10,489,851

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
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Multi-Year Projections 2019-20, 2020-21 and 2021-22 Budget Years:

The multi-year projections provide a view of the current year (2019-20) budget and the subsequent two years' projected budgets. The multi-year projections are built on assumptions provided by PCOE Common Message, School Services of California, the 2019-20 State adopted budget, the State Dept. of Finance (DOF), FCMAT LCFF Calculator, federal funding projections and district trends and data.

Local Control Funding Formula (LCFF)

In the past few years, the District has ended the year with actual P-2 enrollment greater than projected, and accordingly at First Interim we have adjusted our enrollment growth percentage to 1.7% vs. 1.0% at Adopted Budget. Based on the updated growth percentage we project an enrollment increase of 128 students (57 students and 48 ADA higher than at Adopted Budget). This increase carries forward into the 2020-21 and 2021-22 budget years but enrollment growth remains at 1% in future years.

The 2019-20 statutory COLA remains at 3.26%, as do the projected 2020-21 and 2021-22 COLAs (3.0% and 2.8%, respectively). As of First Interim Reporting the State Legislative Analyst Office has revised the estimated 2020-21 statutory COLA down to 1.79% (3.0% at State Budget adoption). This reduction would equate to approximately \$800,000 in on-going reduced LCFF funding for 2020-21. The LAO has suggested to the Legislature that they may want to consider funding a higher COLA than is statutorily required as significant changes in this key component of the multi-year budgeting can have a significant impact on local education institutions. In January, the Governor will propose his 2020-21 Governor's State Budget and we will assess what financial impact the proposed COLA will have in the District's 2020-21 budget.

CalSTRS and CalPERS Employer Contributions

The 2019-20 state budget included some pension relief for public education employers; specifically a \$3.15 billion non-Prop 98 general fund payment on behalf of employers to the CalSTRS and CalPERS Schools Pool.

The CalSTRS employer contributions rates are as follows: 17.1% in 2019-20, 18.4% in 2020-21 and 18.1% in 2021-22. CalPERS employer contributions rates are: 19.721% in 2019-20, 22.7% in 2020-21 and 24.6% in 2021-22.

The projected CalSTRS and CalPERS costs associated with the employer rates increase over the next three years are as follows:

	2019-20	2020-2021	2021-2022
STRS Additional Costs Per Year	\$ 139,927	\$ 447,456	\$ (108,315)
PERS Additional Costs Per Year	\$ 163,692	\$ 303,491	\$ 208,752
	\$ 303,620	\$ 750,947	\$ 100,437
STRS Additional Costs - Cumulative (since 16/17)	\$ 1,784,996	\$ 2,232,452	\$ 2,124,137
PERS Additional Costs - Cumulative (since 16/17)	\$ 655,357	\$ 958,849	\$ 1,167,601
	\$ 2,440,354	\$ 3,191,301	\$ 3,291,738

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Property Taxes

Property taxes revenues have grown moderately for each of the past 5 years. In 2018-19, property tax revenues increased about 5.8% over the prior year, and they are expected to increase another 5.6% in 2019-20. We will continue to budget a conservative 3% increase for the 2020-21 and 2021-22 fiscal years until we see continued reliable increases in property tax receipts.

Enrollment and ADA

For the 2018-19 school year, the District CALPADS enrollment increased by 121 students, an increase of 50 students over projection and an overall 1.7% increase. As mentioned previously, based on historical actual P-2 enrollment we have adjusted our First Interim enrollment growth percentage for 2019/20 to 1.7% from 1.0% at Adopted Budget. Based on the updated growth percentage we now project an annual enrollment increase of 128 students (57 students and 48 ADA higher than at Adopted Budget).

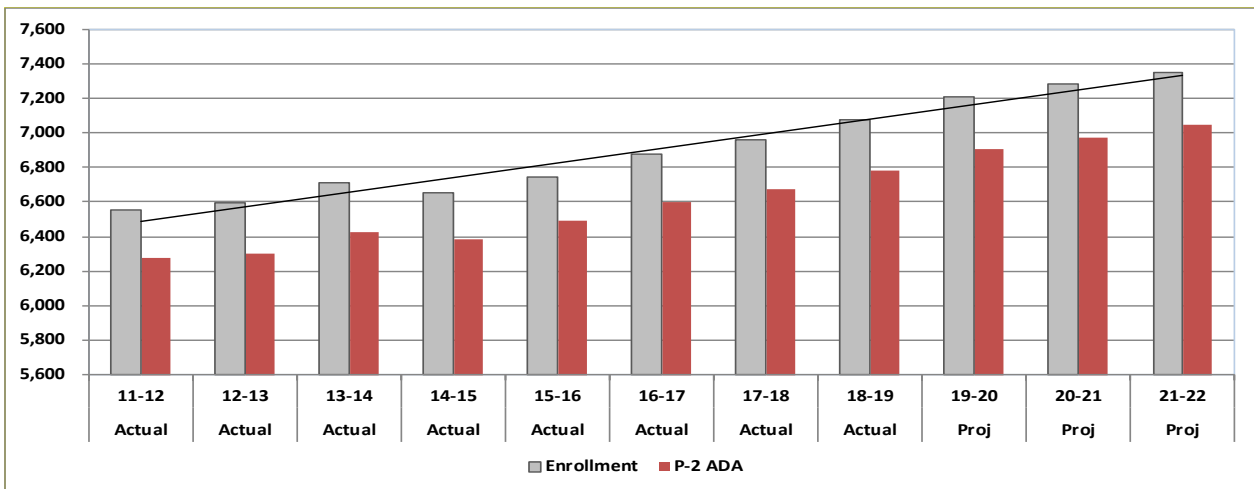
District average Daily Attendance rates (ADA) over the past five years have been consistent, ranging from a low of 95.8% in 2014-15 to a high of 96.2% in 2015-16. in the last five years.

Enrollment and attendance information for the 2018-19 Unaudited Actuals, the current 2019-20 budget year and the next two budget years are listed below:

	18/19 Unaudited Actuals	19/20 First Interim	20/21 Projection	21/22 Projection
<u>REVENUES</u>				
Enrollment	7,081	7,209	7,281	7,354
ADA Yield	96.0%	95.8%	95.8%	95.8%
ADA	6,798	6,926	6,995	7,065
% Increase (Decrease) Enrollment	1.7%	1.7%	1.0%	1.0%
# Increase (Decrease) Enrollment	121	128	72	73

In the 2020-21 budget year the District will be opening the new Scott M. Leaman Elementary School (LES) as well as John Adams Academy (JAA) charter will be building a new school site and expanding grades at their charter. Any enrollment increase from LES or decrease from JAA in the 2020-21 budget year has not been included in the budget at this time. As we move closer to these events we will assess any possible enrollment changes.

The following chart shows historical and projected enrollment data:



**WESTERN PLACER UNIFIED SCHOOL DISTRICT
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Categorical Revenue

The State Budget included a 3.26% COLA for state Special Education, Child Nutrition and Mandate Block Grant for 2019-20. Pupil transportation and Targeted Instructional Improvement Grants continue as separate add-ons to the LCFF allocations, which do not receive a COLA. Federal categorical programs will be adjusted to reflect federal funding levels once the amounts are known.

Some categorical programs require contributions from the district unrestricted funds as the funding received does not cover the expenditures for that specific program. A summary of the change in contributions from 2019-20 Adopted to First Interim Budget is summarized below.

Contributions to Restricted Programs 2019-20 First Interim and 2019-20 Adopted Budget						
<u>Program</u>	<u>Resource</u>		<u>First Interim</u>	<u>Adopted Budget</u>	<u>Change</u>	<u>Comments</u>
Special Ed-Basic Grant (PL94-142)	3310	*	\$1,993,659	\$1,912,760	\$80,899	Position control adjustments including cost of Column F, .7075 FTE RSP para @ LHS
Spec Ed Pre-School	3315	*	\$5,007	\$0	\$5,007	
Special Education	6500	*	\$8,101,230	\$8,039,163	\$62,067	NPA/NPS/Contract services increase, netted against savings from hiring interns
Maintenance	8150		\$2,313,776	\$1,877,987	\$435,789	Increase to 3% of 18-19 actual expenditures
CARB Clean Air Grant	9437		\$95,369	\$0	\$95,369	District portion of purchase of four clean-air busses
Total Contribution to Restricted Programs			<u>\$12,509,041</u>	<u>\$11,829,910</u>	<u>\$679,131</u>	
Total Special Ed Contribution			<u>\$ 10,099,896</u>	<u>\$ 9,951,923</u>	<u>\$147,973</u>	

Contribution to Routine Repair & Maintenance

At the time of the Adopted Budget the district had not received any Proposition 51 funds and was not required to increase the Routine Repair & Maintenance (RRM) contribution to 3% of total General Fund expenditures until 2020-21. However, by First Interim reporting, with the receipt of \$3 million in CTE grant facilities funding for Twelve Bridges High School, the district is now subject to the 3% contribution requirement to RRM in the current year. Based on PCOE's recommendation, the budgeted 3% RRM contribution is based on total 2018-19 expenditures. At year end the final 2019-20 RRM contribution will be recalculated using 3% of total 2019-20 Unaudited Actual expenditures out when the books are closed this next summer.

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Cash

As a significant portion of our State funding are from property taxes and those payments are apportioned only three times a year, the District must use short-term TRANS (Tax Revenue Anticipation Notes) borrowing to provide General Fund cash flow support during the remaining nine non-apportionment months.

In 2019-20, the District has used a \$16.4 million TRANS borrowing to provide cash flow support during the non-apportionment months. Next year the District will be participating in TRANS borrowing and will be assuming approximately \$12 million TRANS. Without a TRANS issuance, we would anticipate having negative cash for the two or three months preceding our property tax payments each year in December. This is typical of districts that rely on property taxes to backfill LCFF funding.

COMPONENTS OF ENDING FUNDS BALANCE

Details of Components of Ending Fund Balance for 2019-20, 2020-21 and 2021-22 are listed below:

	Adopted Budget 2019-20 Combined	First Interim 2019-20 Combined	Projection 2020-2021 Combined	Projection 2021-2022 Combined
Ending Fund Balance	6,352,841	9,595,700	9,986,234	10,489,851
Components of Ending Fund Balance				
Nonspendable:				
Revolving Cash	5,000	5,000	5,000	5,000
Prepaid Expenditures	16,183	-	-	-
Restricted - Federal/State/Local Programs				
Reserve - Designated Programs	392,378	1,148,732	1,817,421	2,551,294
Unassigned/Unappropriated:				
Reserve - Economic Uncertainty @ 3%	2,306,859	2,423,450	2,389,081	2,460,308
Reserve - Special Education Preschool Funds			756,840	1,513,680
Reserve - Additional LCFF Supplemental				
Required Increase Budget 20-21, 21-22 & 22-23	-	-	56,149	113,357
Reserve - 19/20 Early TK Staffing	107,810	-	-	-
Reserve - Start Up - Elementary 20/21	580,000	510,000	-	-
Reserve - Start Up - High School 21/22	1,100,000	1,500,000	1,500,000	-
Reserve - One-Time Science Adoption 20/21	400,000	400,000	400,000	400,000
Reserve - Charter Technical Assistance	236,083	269,641	269,641	269,641
Reserve - Unassigned Economic Uncertainty surplus/(deficit)	1,208,528	3,338,877	2,792,102	3,176,572
Total Ending Fund Balance	6,352,841	9,595,700	9,986,234	10,489,851

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
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When reviewing the components of Ending Fund balance it is important to distinguish those amounts that are *non-spendable, restricted and unassigned/unappropriated*. For the 2019-20 budget year and next two budget years the district is meeting the minimum 3% *Reserve for Economic Uncertainties*. Along with this reserve, the district is reserving funds for startup costs associated with new schools in 2020-21 and 2021-22, a one-time science textbook adoption, charter technical assistance, a reserve for budgeted special education preschool funds, and a reserve for additional required supplemental funds spending increases. Amounts that are not specifically identified for designated uses as noted above are included in the *Reserve – Unassigned Economic Uncertainty Surplus*.

Placer County Office of Education continues to reinforce the need for reserves over the minimum reserve requirements. In the projection years, funding growth is expected to be limited as target funding approaches; employer contributions to retirement benefits are scheduled to rise; and requirements to improve academic performance increase. Special attention must be made to out-year projections and the contributing factors both within and outside the control of district decision makers. To maximize success, districts will need to make deliberate use of resources and prudent fiscal decisions.

DISTRICT OTHER FUNDS

Included below are the other funds of the District. The budgets have been updated to reflect budget adjustments up to the First Interim reporting period. Also, the actual 2018-19 Ending Fund Balances have been carried forward and are reflected the 2019-20 First interim budget.

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
2019-20 FIRST INTERIM
OTHER FUNDS**

	2019-20 FIRST INTERIM			
	Beginning Fund Balance	Revenues	Expenditures	Ending Fund Balance
Fund 11 - Adult Education Fund	\$ 22,908	\$ 71,682	\$ 71,682	\$ 22,908
Fund 12 - Child Development Fund	\$ 10,854	\$ -	\$ -	\$ 10,854
Fund 13 - Cafeteria Fund	\$ 5,946	\$ 1,977,837	\$ 1,976,907	\$ 6,876
Fund 17 - Special Reserve for Other Than Capital Outlay	\$ 524,218	\$ 220,500	\$ -	\$ 744,718
Fund 21 - Building Fund	\$ 62,856,493	\$ 19,490,537	\$ 78,115,378	\$ 4,231,652
Fund 25 - Capital Facilities Fund	\$ 212,913	\$ 504,000	\$ 544,163	\$ 172,750
Fund 35 - County Schools Facilities Fund	\$ 83,384	\$ 3,006,000	\$ 11,740	\$ 3,077,644
Fund 40 - Special Reserve for Capital Outlay Projects	\$ 82,800	\$ 3,000	\$ 15,180	\$ 70,620
Fund 49 - Debt Service Fund for Blended Component Units	\$ 5,640,229	\$ 7,733,155	\$ 7,062,421	\$ 6,310,963
Fund 71 - Retiree Benefit Fund	\$ 7,143	\$ 125	\$ -	\$ 7,268
Fund 73 - Foundation Private-Purpose Trust Fund	\$ 164,033	\$ 2,500	\$ -	\$ 166,533