



Western Placer USD 2018-19 Adopted Budget

Board of Trustees Meeting

June 19, 2018

Presented by:

Audrey Kilpatrick

Asst. Supt. Business & Operations

WPUSD 2018-19 Budget Assumptions

- The 2018-19 budget assumptions are used to prepare the 2018-19 Budget and multi-year projections for 2019-20 and 2020-21 fiscal years.
- 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.
- The budget also reflects the State's 2018-19 May Revise proposals.
- Detailed 2018-19 budget and enrollment assumptions for all funds were presented at a public hearing and board meeting on June 5, 2018.
- Budget does not include any changes from the recently adopted State Budget approval as it is awaiting Governor's approval.

WPUSD 2018-19 General Fund Budget

	Adopted Budget		
	Unrestricted	Restricted	Combined
Revenues			
LCFF Funding - Base	56,066,633	985,440	57,052,073
LCFF Funding - Supplemental	3,731,847	-	3,731,847
Federal Revenue	-	2,273,363	2,273,363
State Revenue	3,541,537	4,330,096	7,871,633
Local Revenue	1,446,000	2,659,989	4,105,989
Total Revenue	64,786,017	10,248,888	75,034,905
Expenditures			
Certificated Salaries	27,259,170	5,063,805	32,322,975
Classified Salaries	5,874,197	3,457,579	9,331,776
Benefits	12,408,611	6,339,717	18,748,328
Books and Supplies	4,374,312	1,188,045	5,562,357
Other Services & Oper. Exp	4,662,803	2,140,004	6,802,807
Capital Outlay	110,000	220,000	330,000
Other Outgo 7xxx	225,075	1,918,108	2,143,183
Transfer of Indirect 73xx	(853,024)	849,155	(3,869)
Total Expenditures	54,061,144	21,176,413	75,237,557
Deficit/Surplus	10,724,873	(10,927,525)	(202,652)
Transfers out	(23,360)	-	(23,360)
Contributions to Restricted	(11,087,525)	11,087,525	-
Net increase (decrease) in Fund Balance	(386,012)	160,000	(226,012)
Beginning Balance	3,340,335	335,964	3,676,299
Ending Fund Balance	2,954,323	495,964	3,450,287
Components of Ending Fund Balance			
<u>Nonspendable:</u>			
Reserve - Revolving Fund	5,000		5,000
<u>Restricted:</u>			
Reserve - Designated Programs	-	495,964	495,964
<u>Unassigned/Unappropriated:</u>			
Reserve - Economic Uncertainty @ 3%	2,257,828		2,257,828
Reserve - RRM Contribution Increase to 3%			
Reserve - Charter Technical Assistance	200,555		200,555
Reserve - Unassigned Economic Uncertainty surplus/(deficit)	490,940	-	490,940
Total Ending Fund Balance	2,954,323	495,964	3,450,287

2017-18 2nd Interim vs. 2017-18 Estimated Actuals

	Second Interim	Estimated Actuals			2nd Interim vs	
	2017-18 Combined	Unrestricted	Restricted	Combined	Est. Actuals Variance	
Revenues						
LCFF Funding - Base	53,341,674	52,486,989	924,605	53,411,594	69,920	1
LCFF Funding - Supplemental	3,275,264	3,279,771	-	3,279,771	4,507	1
Federal Revenue	2,456,639	2,394	2,456,725	2,459,119	2,480	
State Revenue	6,334,642	2,201,708	4,159,647	6,361,355	26,713	
Local Revenue	4,339,821	1,808,830	3,039,747	4,848,577	508,756	2
Total Revenue	69,748,040	59,779,692	10,580,724	70,360,416	612,376	
Expenditures						
Certificated Salaries	31,938,073	26,741,516	5,210,799	31,952,315	14,242	3
Classified Salaries	9,228,886	5,980,212	3,315,995	9,296,207	67,321	4
Benefits	17,231,953	11,589,288	5,611,425	17,200,713	(31,240)	5
Books and Supplies	7,049,327	5,570,323	1,591,799	7,162,122	112,795	6
Other Services & Oper. Exp	7,958,119	5,490,574	3,062,632	8,553,206	595,087	7
Capital Outlay	611,841	108,500	542,645	651,145	39,304	8
Other Outgo 7xxx	2,161,173	297,406	1,742,220	2,039,626	(121,547)	
Transfer of Indirect 73xx	(3,229)	(896,858)	893,629	(3,229)	-	
Total Expenditures	76,176,143	54,880,961	21,971,144	76,852,105	675,962	
Deficit/Surplus	(6,428,103)	4,898,731	(11,390,420)	(6,491,689)	(63,586)	
Transfers out	(173,360)	(173,360)		(173,360)	-	
Contributions to Restricted	-	(10,551,193)	10,551,193	-	-	
Net increase (decrease) in Fund Balance	(6,601,463)	(5,825,822)	(839,227)	(6,665,049)	(63,586)	
Beginning Balance	10,341,348	9,166,157	1,175,191	10,341,348	-	
Ending Fund Balance	3,739,885	3,340,335	335,964	3,676,299	(63,586)	
Components of Ending Fund Balance						
<u>Nonspendable:</u>						
Reserve - Revolving Fund	5,000	5,000		5,000	-	
Reserve - Prepaid Expenditures	-	16,516		16,516	16,516	
<u>Restricted:</u>						
Reserve - Designated Programs	244,422		319,464	319,464	75,042	
Reserve - Prepaid Expenditures			16,500	16,500	16,500	
<u>Unassigned/Unappropriated:</u>						
Reserve - Economic Uncertainty @ 3%	2,290,485	2,310,764		2,310,764	20,279	
Reserve - Deferred Maintenance Reserve	140,936	-		-	(140,936)	
Reserve - Charter Technical Assistance	93,812	262,287		262,287	168,475	
Reserve - Unassigned Economic Uncertainty surplus/(deficit)	965,230	745,768		745,768	(219,462)	
Total Ending Fund Balance	3,739,885	3,340,335	335,964	3,676,299	(63,586)	

Major Changes in 2017-18 Budget

Revenues:	
LCFF Funding Increase	
- P-2 7 ADA	\$75,000
State Revenues	25,000
Local Revenues	<u>510,000</u>
Change in Revenues	\$610,000
Expenditures:	
Salaries & Benefits	\$50,000
Services, Operating & Other	
Books, Supplies	<u>625,000</u>
Change in Expenditures	\$673,000
Total Net decrease in Projected 17/18 Ending Fund Balance	<u>\$63,000</u>

Estimated Ending Fund Balance June 30, 2018 - \$3,676,299

Enrollment and ADA Projections

For the 2017-18 school year, the District enrollment increased by 82 students, a 1.3% increase. With the exception of a one-year decline of 54 students in 2014-15, the District has experienced an average annual enrollment increase of approximately 1.0% over the past seven years.

Average Daily Attendance rates (ADA) have ranged from a high of 96.2% in 2015-16 to a low of 95.5% in 2012-13 with an average ADA rate of 95.8% for the last five years.

Enrollment and attendance projections for the current 2017-18 budget year and the next three budget years are listed below:

	17/18 Estimated Actuals	18/19 Adopted	19/20 Projection	20/21 Projection
Enrollment	6,960	7,030	7,100	7,171
ADA Yield	95.8%	95.8%	95.8%	95.8%
ADA	6,686	6,753	6,821	6,889
% Increase (Decrease) Enrollment	1.3%	0.0%	1.0%	1.0%
# Increase (Decrease) Enrollment	82	70	70	71

Categorical Revenues and Contributions (Encroachment)

Other State Programs

Programs outside the LCFF, including Special Education and Child Nutrition will receive the statutory COLA of 2.71%.

One-Time Funding

The Governor has proposed more than \$2 billion in one-time discretionary funds for school districts, which equates to approximately \$344/ADA. Equates to \$ \$2.3 million for WPUSD. (Recent State budget approval lowered funding to \$168/ADA or \$1.1 million for WPUSD)

Contributions to Restricted Programs

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 2018-19 Adopted to 2017-18 Estimated Actuals Budget is presented below:

Contributions to Restricted Programs					
2017-18 Estimated Actuals and 2018-19 Adopted Budget					
<u>Program</u>	<u>Resource</u>	<u>2017-18 Estimate</u>	<u>2018-19 Budget</u>	<u>Change</u>	<u>Comments</u>
Special Ed-Basic Grant (PL94-142)	3310	\$1,733,576	\$1,902,594	\$169,018	PERS and H&W increases (\$77k); step movement (\$35k); positions added/increased during 17/18: \$43k
Spec Ed Pre-School	3315	\$21,030	\$141	(\$20,889)	Transfer of .2 FTE to Resource 3320
Spec Ed Pre-School	3320	\$2,276	\$170,383	\$168,107	Transfer of 1.5 FTE from Resources 3315 and 6500
Special Education	6500	\$6,916,324	\$7,136,420	\$220,096	Inc. in Special Ed revenues \$40k, inc. in Billback/Interdistrict Services \$90k; transfer of Billback cost from unrestricted to restricted \$77k; step & column/ STRS/H&W costs \$140k; dec. in indirect rate \$25k; elimination of legal settlements \$82k; inc in projected NPA/NPS costs \$60k
Maintenance	8150	\$1,877,987	\$1,877,987	\$0	
Total Contribution to Restricted Programs		\$10,551,193	\$11,087,525	\$536,332	
Total Special Ed Contribution		\$8,673,206	\$9,209,538	\$536,332	

CalSTRS and CalPERS Employer Contributions

STRS employer rates increased to 16.28% in 2018-19, up from 14.43% in 2017-18, while CalPERS increased to 17.7% in 2018-19 from 15.53% in 2017-18. CalPERS is not subject to state law and the CalPERS Board can change rates as needed.

	PERS Adopted	PERS Projected						
Fiscal Year	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Employer Rate	15.53%	17.7%	20.0%	22.7%	23.7%	26.10%	26.80%	27.30%

STRS Rates Per Legislation				
Fiscal Year	2017-18	2018-19	2019-20	2020-21
STRS Employer Rate	14.43%	16.28%	18.13%	19.10%

For WPUSD the CalSTRS and CalPERS costs associated with the employer rates increase over the next three years area are as follows:

	2018-19	2019-20	2020-2021
STRS Additional Costs Per Year	\$ 567,700	\$ 579,054	\$ 306,960
PERS Additional Costs Per Year	156,187	165,793	169,448
Total Per Year	\$ 723,887	\$ 744,847	\$ 476,408
STRS Additional Costs - Cumulative	\$ 1,640,130	\$ 2,219,184	\$ 2,526,144
PERS Additional Costs - Cumulative	374,203	539,996	709,444
Total Cumulative	\$ 2,014,333	\$ 2,759,180	\$ 3,235,588

Multi-Year Projections

	Adopted Budget 2018-19 Combined	Projection 2019-20 Combined	Projection 2020-2021 Combined
Revenues			
LCFF Funding - Base	57,052,073	59,053,164	61,188,564
LCFF Funding - Supplemental	3,731,847	3,872,807	3,977,785
Federal Revenue	2,273,363	2,273,363	2,273,363
State Revenue	7,871,633	5,127,421	5,127,421
Local Revenue	4,105,989	3,805,108	3,805,108
Total Revenue	75,034,905	74,131,863	76,372,241
Expenditures			
Certificated Salaries	32,322,975	32,999,240	33,692,001
Classified Salaries	9,331,776	9,464,421	9,598,923
Benefits	18,748,328	19,804,314	20,608,233
Books and Supplies	5,562,357	3,031,423	3,031,423
Other Services & Oper. Exp	6,802,807	6,716,384	6,716,384
Capital Outlay	330,000	150,000	150,000
Other Outgo 7xxx	2,143,183	2,143,183	2,143,183
Transfer of Indirect 73xx	(3,869)	(3,869)	(3,869)
Total Expenditures	75,237,557	74,305,096	75,936,277
Deficit/Surplus	(202,652)	(173,233)	435,964
Transfers In (\$150,000 From Fund 17 in 20-21)	-	-	150,000
Transfers out	(23,360)	(23,360)	(23,360)
Contributions to Restricted	-	-	-
Net increase (decrease) in Fund Balance	(226,012)	(196,593)	562,604
Beginning Balance	3,676,299	3,450,287	3,253,694
Ending Fund Balance	3,450,287	3,253,694	3,816,298
<u>Components of Ending Fund Balance</u>			
<u>Nonspendable:</u>			
Reserve - Revolving Fund	5,000	5,000	5,000
<u>Restricted:</u>			
Reserve - Designated Programs	495,964	655,964	815,964
<u>Unassigned/Unappropriated:</u>			
Reserve - Economic Uncertainty @ 3%	2,257,828	2,229,854	2,278,789
Reserve - Additional LCFF Supplemental Required Increase Budget 19-20 & 20-21	-	140,960	245,938
Reserve - RRM Contribution Increased to 3% in 2020-21	-	-	344,463
Reserve - Charter Technical Assistance	200,555	138,823	77,091
Reserve - Unassigned Economic Uncertainty surplus/(deficit)	490,940	83,094	49,053
Total Ending Fund Balance	3,450,287	3,253,694	3,816,298

Details of Components of Ending Fund Balance

2018-19 Ending Fund Balance Components (\$3,450,287) :

Nonspendable:
\$5,000

Restricted:
\$495,964

Reserve for EU (3%):
\$2,257,828

Board designated:
\$200,555

Unassigned Surplus:
\$490,940

	Adopted Budget 2018-19 Combined	Projection 2019-20 Combined	Projection 2020-2021 Combined
Ending Fund Balance	3,450,287	3,253,694	3,816,298
<u>Components of Ending Fund Balance</u>			
<u>Nonspendable:</u>			
Reserve - Revolving Fund	5,000	5,000	5,000
<u>Restricted:</u>			
Reserve - Designated Programs	495,964	655,964	815,964
<u>Unassigned/Unappropriated:</u>			
Reserve - Economic Uncertainty @ 3%	2,257,828	2,229,854	2,278,789
Reserve - Additional LCFF Supplemental Required Increase Budget 19-20 & 20-21	-	140,960	245,938
Reserve - RRM Contribution Increase to 3%	-	-	344,463
Reserve - Charter Technical Assistance	200,555	138,823	77,091
Reserve - Unassigned Economic Uncertainty surplus/(deficit)	490,940	83,094	49,053
Total Ending Fund Balance	3,450,287	3,253,694	3,816,298

2018-19 Adopted Budget - Other Funds

	2018-19 ADOPTED BUDGET			
	Beginning			Ending
	Fund Balance	Revenues	Expenditures	Fund Balance
Fund 11 - Adult Education Fund	\$ 22,908	\$ 71,682	\$ 71,682	\$ 22,908
Fund 12 - Child Development Fund	\$ 9,917	\$ -	\$ -	\$ 9,917
Fund 13 - Cafeteria Fund	\$ 16,385	\$ 1,852,000	\$ 1,852,000	\$ 16,385
Fund 17 - Special Reserve for Other Than Capital Outlay	\$ 519,370	\$ 5,000	\$ 150,000	\$ 374,370
Fund 21 - Building Fund	\$ 29,431,217	\$ 45,140,000	\$ 44,762,090	\$ 29,809,127
Fund 25 - Capital Facilities Fund	\$ 570,867	\$ 512,000	\$ 922,137	\$ 160,730
Fund 35 - County Schools Facilities Fund	\$ 409,434	\$ 8,000	\$ -	\$ 417,434
Fund 40 - Special Reserve for Capital Outlay Projects	\$ 84,559	\$ 7,000	\$ -	\$ 91,559
Fund 49 - Debt Service Fund for Blended Component Units	\$ 6,016,798	\$ 6,367,167	\$ 7,612,038	\$ 4,771,927
Fund 71 - Retiree Benefit Fund	\$ 6,883	\$ -	\$ -	\$ 6,883
Fund 73 - Foundation Private-Purpose Trust Fund	161,708	2,000	2,000	161,708

• The Future

- ❖ Finishing the Budget Cycle:

- ❖ State budget has to be signed by the Governor with 45 day report of effect of State Budget approval (August 2018)

- ❖ 2017-18 Unaudited Actuals will be presented in September 2018

• Board Approval

- ❖ Recommend approval of 2018-19 Adopted Budget

• Questions or Comments