

Western Placer Unified School District

**2018-19 First Interim Reporting
Board of Trustees
December 18, 2018**

First Interim Update –2018-19 Budget

- 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 forecasts, 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 2018-19 First Interim report as positive, the Board confirms its fiduciary responsibility to maintain fiscal solvency for the current and subsequent two fiscal years.

First Interim Update – 2018-19 Budget

Changes from District's Adopted Budget:

- 2017-18 Books closed – Actual Ending Fund Balance now known
- 2017-18 program categorical and co-curricular carryover funds added to District & site expenditure budgets
- Finalized 2018-19 staffing, position control, benefits and updates of new grants or final revenue allocations
- Updated programs that require General Fund contribution

2018-19 Budget

First Interim

	First Interim		
	Unrestricted	Restricted	Combined
Revenues			
LCFF Funding - Base	56,444,024	985,440	57,429,464
LCFF Funding - Supplemental	3,757,125	-	3,757,125
Federal Revenue	-	2,649,761	2,649,761
State Revenue	2,508,311	4,971,753	7,480,064
Local Revenue	1,587,624	2,753,767	4,341,391
Total Revenue	64,297,084	11,360,721	75,657,805
Expenditures			
Certificated Salaries	27,291,172	5,051,612	32,342,784
Classified Salaries	5,963,682	3,537,070	9,500,752
Benefits	12,441,117	6,341,845	18,782,962
Books and Supplies	6,361,872	2,454,774	8,816,646
Other Services & Oper. Exp	5,353,058	3,087,867	8,440,925
Capital Outlay	44,501	399,470	443,971
Other Outgo 7xxx	225,075	1,860,654	2,085,729
Transfer of Indirect 73xx	(941,162)	937,293	(3,869)
Total Expenditures	56,739,315	23,670,585	80,409,900
Deficit/Surplus	7,557,769	(12,309,864)	(4,752,095)
Transfers In	-	-	-
Transfers out	(23,360)	-	(23,360)
Contributions to Restricted	(11,392,267)	11,392,267	-
Net increase (decrease) in Fund Balance	(3,857,858)	(917,597)	(4,775,455)
Beginning Balance	7,094,185	1,254,587	8,348,772
Ending Fund Balance	3,236,327	336,990	3,573,317
Components of Ending Fund Balance			
<u>Nonspendable:</u>			
Reserve - Revolving Fund	5,000		5,000
<u>Restricted:</u>			
Reserve - Designated Programs	-	336,990	336,990
<u>Unassigned/Unappropriated:</u>			
Reserve - Economic Uncertainty @ 3%	2,412,998		2,412,998
Reserve - Charter Technical Assistance	237,296		237,296
Reserve - Unassigned Economic Uncertainty surplus/(deficit)	581,033	-	581,033
Total Ending Fund Balance	3,236,327	336,990	3,573,317

Adopted Budget

vs.

First Interim

	Adopted Budget 2018-19 Combined	First Interim 2018-19			Adopted vs 1st Int Variance	
		Unrestricted	Restricted	Combined		
Revenues						
LCFF Funding - Base	57,052,073	56,444,024	985,440	57,429,464	377,391	1
LCFF Funding - Supplemental	3,731,847	3,757,125	-	3,757,125	25,278	1
Federal Revenue	2,273,363	-	2,649,761	2,649,761	376,398	2
State Revenue	7,871,633	2,508,311	4,971,753	7,480,064	(391,569)	3
Local Revenue	4,105,989	1,587,624	2,753,767	4,341,391	235,402	4
Total Revenue	75,034,905	64,297,084	11,360,721	75,657,805	622,900	
Expenditures						
Certificated Salaries	32,322,975	27,291,172	5,051,612	32,342,784	19,809	5
Classified Salaries	9,331,776	5,963,682	3,537,070	9,500,752	168,976	6
Benefits	18,748,328	12,441,117	6,341,845	18,782,962	34,634	7
Books and Supplies	5,562,357	6,361,872	2,454,774	8,816,646	3,254,289	8
Other Services & Oper. Exp	6,802,807	5,353,058	3,087,867	8,440,925	1,638,118	9
Capital Outlay	330,000	44,501	399,470	443,971	113,971	10
Other Outgo 7xxx	2,143,183	225,075	1,860,654	2,085,729	(57,454)	11
Transfer of Indirect 73xx	(3,869)	(941,162)	937,293	(3,869)	-	
Total Expenditures	75,237,557	56,739,315	23,670,585	80,409,900	5,172,343	
Deficit/Surplus	(202,652)	7,557,769	(12,309,864)	(4,752,095)	(4,549,443)	
Transfers In	-	-	-	-	-	
Transfers out	(23,360)	(23,360)	-	(23,360)	-	
Contributions to Restricted	-	(11,392,267)	11,392,267	-	-	
Net increase (decrease) in Fund Balance	(226,012)	(3,857,858)	(917,597)	(4,775,455)	(4,549,443)	
Beginning Balance	3,676,299	7,094,185	1,254,587	8,348,772	4,672,473	
Ending Fund Balance	3,450,287	3,236,327	336,990	3,573,317	123,030	
Components of Ending Fund Balance						
<u>Nonspendable:</u>						
Reserve - Revolving Fund	5,000	5,000		5,000	-	
<u>Restricted:</u>						
Reserve - Designated Programs	495,964	-	336,990	336,990	(158,974)	
<u>Unassigned/Unappropriated:</u>						
Reserve - Economic Uncertainty @ 3%	2,257,828	2,412,998		2,412,998	155,170	
Reserve - Charter Technical Assistance	200,555	237,296		237,296	36,741	
Reserve - Unassigned Economic Uncertainty surplus/(deficit)	490,940	581,033	-	581,033	90,093	
Total Ending Fund Balance	3,450,287	3,236,327	336,990	3,573,317	123,030	

Major Changes to Fund Balance since Adopted Budget - 2018-19 First Interim Report

	Budgeted Fund Balance Decrease at Adopted Budget	(\$226,012)
Revenues		
LCFF Sources - Increase in Statutory and Augmentation to LCFF COLA	405,000	1
Federal Revenue		
Carryover of prior year unspent allocations	295,000	
Medi-Cal revenues (budgeted when received)	30,000	
Title IV Allocation	50,000	
Total Federal Revenue Changes	375,000	2
State Revenue		
Reduction in One-Time Mandate Funding (State Budget)	(1,065,000)	
Increase in Lottery Revenue	65,000	
Low-Performing Students Block Grant	560,000	
Carryover of prior year unspent allocations	50,000	
Total State Revenue changes		
Local Revenue	(390,000)	3
Increase in TRANs revenues	10,000	
Western Placer Education Foundation grants	15,000	
Local grazing agreement	10,000	
Refund from City of Lincoln for overcharge of water costs	115,000	
Other revenue changes	25,000	
Carryover of prior year unspent allocations	70,000	
Total Local Revenue changes		
Total Change in Revenues	235,000	4
Expenditures		
\$625,000		
Certificated Salaries		
Reduce 1.0 FTE TOSA	(75,000)	
Increase 1.0 Temp TK teacher at LCE	50,000	
Increase 1.0 FTE SDC teacher (filled by substitute)	30,000	
Transfer of coaching stipends to classified	(10,000)	
2018-19 position control adjustments (actual vs. estimate)	25,000	
Total Certificated Salaries changes	20,000	5
Classified Salaries		
Increase in Paras (.94 FTE plus multiple 30-day assignments)	60,000	
.50 FTE Marketing and Communications Coordinator (OneTime\$)	30,000	
.50 FTE increase in LHS Library Clerk	20,000	
1.0 FTE increase in LHS Custodial/Grounds	35,000	
Transfer of coaching stipends from certificated	10,000	
2018-19 position control adjustments (actual vs. estimate)	15,000	
Total Classified Salaries changes	170,000	6

Major Revenue & Expenditure Changes to 2018-19 Budget since Adopted Budget

Major Changes to Fund Balance since Adopted Budget - 2018-19 First Interim Report

Expenditures (Continued)

Benefits			
Statutory benefits consistent with salary increases	60,000		
Health benefits change - final position control adjustments	<u>(25,000)</u>		
Total Benefits changes		35,000	7
Books and Supplies			
Reduction in one-time Mandate funding	(1,065,000)		
C/O of prior year unspent federal funds	235,000		
C/O of prior year unspent state funds	2,895,000		
C/O of prior year unspent local funds	190,000		
C/O of prior-year co-curricular funds	285,000		
Lottery, ASES, CRANE revenue increases	65,000		
Low-Performing Students Block Grant	525,000		
Net transfers from other objects	70,000		
Miscellaneous	<u>55,000</u>		
Total Books and Supplies changes		3,255,000	8
Services & Other Operating Expenditures			
Net increase in nonpublic schools/agencies budgets	185,000		
Budget deferred maintenance expenditures	140,000		
C/O of prior year unspent federal funds	110,000		
C/O of prior year unspent state funds	560,000		
C/O of prior year unspent local funds	325,000		
TRANs expenditures	80,000		
Legal settlements (Special Education)	45,000		
C/O of prior-year co-curricular funds	75,000		
Adjust utilities budgets	(20,000)		
Title IV Allocation	40,000		
Grazing Agreement	10,000		
Net transfers from other objects	45,000		
Miscellaneous	<u>40,000</u>		
Total Services and Other Operating Costs		1,635,000	9
Capital Outlay			
C/O of prior year unspent state and local funds	165,000		
Net transfers to other objects	<u>(55,000)</u>		
Total Capital Outlay		110,000	10
Other Outgo			
Elimination of PCOE ROP billback		(55,000)	11
Total Change in Expenditures			5,170,000
<i>Rounding</i>			4,443
Total Change in Budgeted FB			<u>(4,549,443)</u>
Budgeted Deficit Spending at First Interim			<u>(4,775,455)</u>

Major Expenditure Changes to 2018-19 Budget since Adopted Budget

Contributions to Restricted Programs

Contributions to Restricted Programs 2018-19 First Interim and 2018-19 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	*	\$1,998,037	\$1,902,594	\$95,443	Add'l .94 FTE para, final position control adjustments
Spec Ed Pre-School	3315	*	\$0	\$141	(\$141)	
Special Ed Pre-School	3320		\$169,672	\$170,383	(\$711)	
Special Education	6500	*	\$7,346,571	\$7,136,420	\$210,151	\$185k increase in NPS/NPA budgets, long-term sub for new 1.0 FTE SDC teacher position, final position control
Maintenance	8150		\$1,877,987	\$1,877,987	\$0	
Total Contribution to Restricted Programs			<u>\$11,392,267</u>	<u>\$11,087,525</u>	<u>\$304,742</u>	
Total Special Ed Contribution			<u>\$ 9,514,280</u>	<u>\$9,209,538</u>	<u>\$304,742</u>	

Multiple-Year BUDGET Projections

2018-19 1st Interim

2019-20 Projected

2020-21 Projected

MYP - Budget Assumptions - Revenues

	18/19 Adopted	18/19 First Interim	19/20 Projection	20/21 Projection	
REVENUE					
Enrollment	7,030	7,030	7,100	7,171	Based on 17/18 Actual CALPADS Enrollment and Projections
ADA Yield	95.8%	95.8%	95.8%	95.8%	Based on Historical Rates
ADA	6,753	6,753	6,821	6,889	Enrollment X ADA Yield
% Increase (Decrease) Enrollment	1.0%	1.0%	1.0%	1.0%	Based on Historical Rates
# Increase (Decrease) Enrollment	70	70	70	71	
Statutory COLA %	2.71%	2.71%	2.57%	2.67%	Per PCOE Common Message
LCFF COLA %	3.00%	3.70%	2.57%	2.67%	Per SSC Dartboard
LCFF Entitlement Factors:					
Base Grant - Grades K-3	\$7,409	\$7,459	\$7,651	\$7,855	Per LCFF Calculator
Base Grant - Grades 4-6	\$7,520	\$7,571	\$7,766	\$7,973	Per LCFF Calculator
Base Grant - Grades 7-8	\$7,744	\$7,796	\$7,996	\$8,209	Per LCFF Calculator
Base Grant - Grades 9-12	\$8,973	\$9,034	\$9,266	\$9,513	Per LCFF Calculator
Grade Span Funding (K-3 CSR & 9-12)	\$771	\$776	\$796	\$817	Per LCFF Calculator
Supplemental Grants (% Adj. Base)	20%	20%	20%	20%	Per LCFF Calculator
Concentration Grants	50%	50%	50%	50%	Per LCFF Calculator
Concentration Grant Threshold	55%	55%	55%	55%	Per LCFF Calculator
LCFF Gap Closed Percentage	100.00%	100.00%	100.00%	100.00%	Per LCFF Calculator
LCFF Entitlement per ADA (Inc Supp)	8,795	8,915	9,143	9,379	Per LCFF Calculator
LCFF Funding - Base	56,066,633	56,444,024	58,511,746	60,657,834	Per LCFF Calculator
Property Tax change	3.00%	3.80%	3.00%	3.00%	County Taxes Report/3-Yr A
Est. Property Taxes	48,371,787	50,046,237	51,547,624	53,094,053	Actuals/3-Yr Average
LCFF Supplemental Funds	3,731,847	3,757,125	3,902,601	4,008,006	Per LCFF Calculator
Federal Revenue	0%	0%	0%	0%	Per PCOE Common Message
Categorical COLA	2.71%	2.71%	2.57%	2.67%	Per PCOE Common Message
Transfers In	-	-	-	150,000	\$150K From Fund 17 Wetlan
Lottery Unrestricted/ADA	\$146.00	\$151.00	\$151.00	\$151.00	Per SSC Dartboard
Lottery Restricted/ADA	\$48.00	\$53.00	\$53.00	\$53.00	Per SSC Dartboard
Mandate Block Grant (grades K-8)	\$31.16	\$31.16	\$31.96	\$32.81	Per SSC Dartboard
Mandate Block Grant (grades 9-12)	\$59.83	\$59.83	\$61.37	\$63.01	Per SSC Dartboard

MYP - Budget Assumptions - Expenditures

	18/19 Adopted	18/19 First Interim	19/20 Projection	20/21 Projection	
EXPENDITURES					
Certificated New Positions - FTE	2.1	3.1	2.0	2.0	Based on Enrollment & Program Projections
Estimated Retirements - FTE	8.0	8.0	0.0	0.0	Based on Notifications
Reductions in Staffing - FTE	0.0	0.0	0.0	0.0	
Staffing Ratios:					
TK/Kindergarten	25:1	25:1	25:1	25:1	Per Contract - District-wide
1-3	25:1	25:1	25:1	25:1	Per Contract - District-wide
4-5	31:1	31:1	31:1	31:1	Per Contract
6-8	32:1	32:1	32:1	32:1	Per Contract
9-12	36:1	36:1	36:1	36:1	Per Contract
Certificated Step/Column	1.70%	1.70%	1.70%	1.70%	
Classified New Positions - FTE	0.0	2.4	0.0	0.0	
Estimated Retirements - FTE	0.0	0.0	0.0	0.0	
Reductions in Staffing - FTE	0.0	0.0	0.0	0.0	
Classified Step/Column	1.40%	1.40%	1.40%	1.40%	
Health Benefits	0.0%	0.0%	0.0%	0.0%	Contribution Capped
CalPERS Employer Rate	18.062%	18.062%	20.70%	23.40%	Per PCOE Common Message
CalSTRS Employer Rate	16.28%	16.28%	18.13%	19.10%	Per PCOE Common Message
Budget Reductions	-	-	-	-	
Transfers Out	23,360	23,360	23,360	23,360	
Designated for Economic Uncertainty	3%	3%	3%	3%	
Site Allocations:					
Elementary	\$ 47.00	\$ 47.00	\$ 47.00	\$ 47.00	
Middle School	\$ 58.50	\$ 58.50	\$ 58.50	\$ 58.50	
High School	\$ 83.75	\$ 83.75	\$ 83.75	\$ 83.75	
Lottery per teacher	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	Per Contract

Enrollment and ADA

For the 2017-18 school year, the District enrollment increased by 82 students, a 1.2% 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 95.9% for the last five years.

Enrollment and attendance projections for the current 2018-19 budget year, Adopted and First Interim, and the next two budget years are listed below:

	18/19 Adopted	18/19 First Interim	19/20 Projection	20/21 Projection
Enrollment	7,030	7,030	7,100	7,171
ADA Yield	95.8%	95.8%	95.8%	95.8%
ADA	6,753	6,753	6,821	6,889
% Increase (Decrease) Enrollment	1.0%	1.0%	1.0%	1.0%
# Increase (Decrease) Enrollment	70	70	70	71

With the delay of the expansion of John Adams Charter School, we saw a minimal loss of approximately 30 students at 2017-18 P-2 reporting. We will continue to assess the impact on enrollment as the charter adds grades to their charter school in the future.

CALSTRS and CALPERS Employer Contributions

Adopted/projected CalPERS rates are as follows:

Fiscal Year	PERS Projected						
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Employer Rate	18.062%	20.7%	23.4%	24.5%	25.0%	25.5%	25.7%

Statutory CalSTRS rates are below:

Fiscal Year	2018-19	2019-20	2020-21	2021-22
STRS Employer Rate	16.28%	18.13%	19.1%	18.6%

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

	2018-19	2019-20	2020-2021
STRS Additional Costs Per Year	\$ 543,111	\$ 552,344	\$ 294,531
PERS Additional Costs Per Year	208,836	164,085	170,293
Total Per Year	\$ 751,947	\$ 716,429	\$ 464,823
STRS Additional Costs - Cumulative	\$ 5,182,166	\$ 5,734,510	\$ 6,029,041
PERS Additional Costs - Cumulative	\$ 459,602	623,687	793,979
Total Cumulative	\$ 5,641,768	\$ 6,358,197	\$ 6,823,020

Multiple Year Projections

	First Interim 2018-19 Combined	Projection 2019-20 Combined	Projection 2020-2021 Combined
Revenues			
LCFF Funding - Base	57,429,464	59,497,186	61,643,274
LCFF Funding - Supplemental	3,757,125	3,902,601	4,008,006
Federal Revenue	2,649,761	2,324,885	2,324,885
State Revenue	7,480,064	5,753,216	5,195,977
Local Revenue	4,341,391	3,845,948	3,845,948
Total Revenue	75,657,805	75,323,836	77,018,090
Expenditures			
Certificated Salaries	32,342,784	33,076,647	33,770,724
Classified Salaries	9,500,752	9,612,381	9,748,954
Benefits	18,782,962	19,853,463	20,661,331
Books and Supplies	8,816,646	3,620,260	3,093,120
Other Services & Oper. Exp	8,440,925	7,278,136	7,278,136
Capital Outlay	443,971	79,562	79,562
Other Outgo 7xxx	2,085,729	2,085,729	2,085,729
Transfer of Indirect 73xx	(3,869)	(3,869)	(33,968)
Total Expenditures	80,409,900	75,602,309	76,683,587
Deficit/Surplus	(4,752,095)	(278,473)	334,503
Transfers In	-	-	150,000
Transfers out	(23,360)	(23,360)	(23,360)
Contributions to Restricted	-	-	-
Net increase (decrease) in Fund Balance	(4,775,455)	(301,833)	461,143
Beginning Balance	8,348,772	3,573,317	3,271,484
Ending Fund Balance	3,573,317	3,271,484	3,732,627

LCFF Funding includes Projected GAP Funding per DOF and FCMAT LCFF Calculator

One time Federal & State funding removed from 19/20 and 20/21.

Salaries include step & column cost and increasing STRS & PERS employer contribution rates. No negotiated salary increase included.

One time State funding removed from 19/20 and 20/21

Transfers in total of \$150,000 Wetlands Reserve from Fund 17 to GF 20/21

Positive Certification – Adequate reserves and cash

Components of Fund Balance

2018-19 Ending Fund Balance Components
\$3,573,317 :

Nonspendable:
\$5,000

Restricted:
\$336,990

Reserve for EU (3%):
\$2,412,998

Board designated:
\$237,296

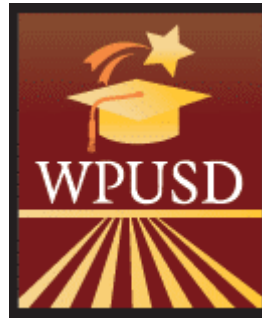
Unassigned Surplus:
\$581,033

	First Interim 2018-19 Combined	Projection 2019-20 Combined	Projection 2020-2021 Combined
<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	336,990	496,990	656,990
<u>Unassigned/Unappropriated:</u>			
Reserve - Economic Uncertainty @ 3%	2,412,998	2,268,770	2,301,208
Reserve - Additional LCFF			
Supplemental Required Increase Budget 19-20 & 20-21	-	67,468	109,481
Reserve - RRM Contribution Increased to 3% in 2020-21		-	366,882
Reserve - Charter Technical Assistance	237,296	215,564	193,832
Reserve - Unassigned Economic Uncertainty surplus/(deficit)	581,033	217,692	99,234
Total Ending Fund Balance	3,573,317	3,271,484	3,732,627

For the 2018-19 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 restricted programs funds, funds for additional required supplemental program spending increases in the appropriate years and a reserve for charter technical assistance. Amounts that are not specifically identified for designated uses as noted above are included in the Reserve – Unassigned Economic Uncertainty Surplus totaling \$581,033, \$217,692 and \$99,234 in the respective budget years.

Next Steps

- Governor's 2019-20 State Budget Proposals – SSC Workshop - January 2019
- Presentation of Information from District LCAP Committee for 2019-20– January & February 2019
- Second Interim Report - March 2019
- District Attendance Reporting (P-2) – April 2019
 - P-2 ADA may drive change in 2019-2020 Projected Funded ADA
- Governor's May Revision – May 2019
- 2019-20 Budget Adoption and LCAP Approval – June 30, 2019



Recommend Approval of 2018-19 First Interim Budget



QUESTIONS & COMMENTS