

# 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:**

2018-19 Second 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:**

March 19, 2019

**ROLL CALL REQUIRED:**

No

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**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 2018-19 Second 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 Second Interim report as positive.

**WESTERN PLACER UNIFIED SCHOOL DISTRICT  
BOARD OF TRUSTEES  
2018-19 Second Interim Notes**

The Second 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 Second Interim report covers the period of time from July 1 through January 31 each fiscal year and must be submitted to the county office of education no later than March 15.

**BUDGET ASSUMPTIONS:**

**Planning Factors for Second Interim and MYPs:**

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. Placer County Office of Education (PCOE) provides districts with a Common Message letter outlining basic assumptions for the Second Interim Budget. PCOE has recommended that each district use State Dept. of Finance (DOF) gap funding percentages as estimated by DOF and provided in the Fiscal Crisis and Management Assistance Team (FCMAT) LCFF Calculator.

Additionally, PCOE is recommending 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 situations and plan accordingly to maintain fiscal solvency. Key planning factors for LEAs to incorporate into the 2018-19 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  
2018-19 Second Interim Notes**

**GENERAL FUND BUDGET ASSUMPTIONS SECOND INTERIM AND MYP - Revenues**

District assumptions for the 2018-19 Second Interim budget year and future multi-years are conservative with projected LCFF GAP funding estimates per State Dept. of Finance estimates, projected COLAs, and increase in projected enrollment growth based on historical information.

	<b>18/19 First Interim</b>	<b>18/19 Second Interim</b>	<b>19/20 Projection</b>	<b>20/21 Projection</b>	
<b>REVENUE</b>					
<b>Enrollment</b>	<b>7,030</b>	<b>7,060</b>	<b>7,100</b>	<b>7,171</b>	<b>Based on 17/18 Actual CALPADS Enrollment and Projections</b>
<b>ADA Yield</b>	<b>95.8%</b>	<b>95.4%</b>	<b>95.8%</b>	<b>95.8%</b>	<b>Based on Historical Rates</b>
<b>ADA</b>	<b>6,753</b>	<b>6,753</b>	<b>6,821</b>	<b>6,889</b>	<b>Enrollment X ADA Yield</b>
<b>% Increase (Decrease) Enrollment</b>	<b>1.0%</b>	<b>1.4%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>Based on Historical Rates</b>
<b># Increase (Decrease) Enrollment</b>	<b>70</b>	<b>100</b>	<b>40</b>	<b>71</b>	
<b>Funded ADA</b>	<b>6,753</b>	<b>6,753</b>	<b>6,821</b>	<b>6,889</b>	
<b>Statutory COLA %</b>	<b>2.71%</b>	<b>2.71%</b>	<b>3.46%</b>	<b>2.86%</b>	<b>Per PCOE Common Message</b>
<b>LCFF COLA %</b>	<b>3.70%</b>	<b>3.70%</b>	<b>3.46%</b>	<b>2.86%</b>	<b>Per SSC Dartboard</b>
<b>LCFF Entitlement Factors:</b>					
<b>Base Grant - Grades K-3</b>	<b>\$7,459</b>	<b>\$7,459</b>	<b>\$7,717</b>	<b>\$7,938</b>	<b>Per LCFF Calculator</b>
<b>Base Grant - Grades 4-6</b>	<b>\$7,571</b>	<b>\$7,571</b>	<b>\$7,833</b>	<b>\$8,057</b>	<b>Per LCFF Calculator</b>
<b>Base Grant - Grades 7-8</b>	<b>\$7,796</b>	<b>\$7,796</b>	<b>\$8,066</b>	<b>\$8,297</b>	<b>Per LCFF Calculator</b>
<b>Base Grant - Grades 9-12</b>	<b>\$9,034</b>	<b>\$9,034</b>	<b>\$9,347</b>	<b>\$9,614</b>	<b>Per LCFF Calculator</b>
<b>Grade Span Funding (K-3 CSR &amp; 9-12)</b>	<b>\$776</b>	<b>\$776</b>	<b>\$803</b>	<b>\$826</b>	<b>Per LCFF Calculator</b>
<b>Supplemental Grants (% Adj. Base)</b>	<b>20%</b>	<b>20%</b>	<b>20%</b>	<b>20%</b>	<b>Per LCFF Calculator</b>
<b>Concentration Grants</b>	<b>50%</b>	<b>50%</b>	<b>50%</b>	<b>50%</b>	<b>Per LCFF Calculator</b>
<b>Concentration Grant Threshold</b>	<b>55%</b>	<b>55%</b>	<b>55%</b>	<b>55%</b>	<b>Per LCFF Calculator</b>
<b>LCFF Gap Closed Percentage</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>Per LCFF Calculator</b>
<b>LCFF Entitlement per ADA (Inc Supp)</b>	<b>8,915</b>	<b>8,915</b>	<b>9,143</b>	<b>9,379</b>	<b>Per LCFF Calculator</b>
<b>LCFF Funding - Base</b>	<b>\$ 56,444,024</b>	<b>\$ 56,444,024</b>	<b>\$ 58,972,743</b>	<b>\$ 61,252,878</b>	<b>Per LCFF Calculator</b>
<b>Property Tax change</b>	<b>3.80%</b>	<b>3.80%</b>	<b>3.00%</b>	<b>3.00%</b>	<b>County Taxes Report/3-Yr Ave.</b>
<b>Est. Property Taxes</b>	<b>\$ 50,046,237</b>	<b>\$ 50,046,237</b>	<b>\$ 51,547,624</b>	<b>\$ 53,094,053</b>	<b>Actuals/3-Yr Average</b>
<b>LCFF Supplemental Funds</b>	<b>\$ 3,757,125</b>	<b>\$ 3,762,734</b>	<b>\$ 3,945,257</b>	<b>\$ 4,065,823</b>	<b>Per LCFF Calculator</b>
<b>Federal Revenue</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>Per PCOE Common Message</b>
<b>Categorical COLA</b>	<b>2.71%</b>	<b>2.71%</b>	<b>3.46%</b>	<b>2.86%</b>	<b>Per PCOE Common Message</b>
<b>Transfers In</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Lottery Unrestricted/ADA</b>	<b>\$151.00</b>	<b>\$151.00</b>	<b>\$151.00</b>	<b>\$151.00</b>	<b>Per SSC Dartboard</b>
<b>Lottery Restricted/ADA</b>	<b>\$53.00</b>	<b>\$53.00</b>	<b>\$53.00</b>	<b>\$53.00</b>	<b>Per SSC Dartboard</b>
<b>Mandate Block Grant (grades K-8)</b>	<b>\$31.16</b>	<b>\$31.16</b>	<b>\$32.24</b>	<b>\$33.16</b>	<b>Per SSC Dartboard</b>
<b>Mandate Block Grant (grades 9-12)</b>	<b>\$59.83</b>	<b>\$59.83</b>	<b>\$61.90</b>	<b>\$63.67</b>	<b>Per SSC Dartboard</b>

**WESTERN PLACER UNIFIED SCHOOL DISTRICT  
BOARD OF TRUSTEES  
2018-19 Second Interim Notes**

**GENERAL FUND BUDGET ASSUMPTIONS SECOND INTERIM AND MYP - EXPENDITURES**

	<b>18/19 First Interim</b>	<b>18/19 Second Interim</b>	<b>19/20 Projection</b>	<b>20/21 Projection</b>	
<b>EXPENDITURES</b>					
<b>Certificated New Positions - FTE</b>	<b>3.1</b>	<b>3.1</b>	<b>2.0</b>	<b>2.0</b>	<b>Based on Enrollment Projections</b>
<b>Estimated Retirements - FTE</b>	<b>8.0</b>	<b>8.0</b>	<b>0.0</b>	<b>0.0</b>	<b>Based on Notifications</b>
<b>Reductions in Staffing - FTE</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	
<b>Staffing Ratios:</b>					
<b>TK/Kindergarten</b>	<b>25:1</b>	<b>25:1</b>	<b>25:1</b>	<b>25:1</b>	<b>Per Contract - District-wide</b>
<b>1-3</b>	<b>25:1</b>	<b>25:1</b>	<b>25:1</b>	<b>25:1</b>	<b>Per Contract - District-wide</b>
<b>4-5</b>	<b>31:1</b>	<b>31:1</b>	<b>31:1</b>	<b>31:1</b>	<b>Per Contract</b>
<b>6-8</b>	<b>32:1</b>	<b>32:1</b>	<b>32:1</b>	<b>32:1</b>	<b>Per Contract</b>
<b>9-12</b>	<b>36:1</b>	<b>36:1</b>	<b>36:1</b>	<b>36:1</b>	<b>Per Contract</b>
<b>Certificated Step/Column</b>	<b>1.70%</b>	<b>1.70%</b>	<b>1.70%</b>	<b>1.70%</b>	
<b>Avg. teacher compensation</b>	<b>82,483</b>	<b>82,483</b>	<b>83,885</b>	<b>85,311</b>	
<b>Classified New Positions - FTE</b>	<b>2.4</b>	<b>2.4</b>	<b>0.0</b>	<b>0.0</b>	
<b>Estimated Retirements - FTE</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	
<b>Reductions in Staffing - FTE</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	
<b>Classified Step/Column</b>	<b>1.40%</b>	<b>1.40%</b>	<b>1.40%</b>	<b>1.40%</b>	
<b>Health Benefits</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>Contribution Capped</b>
<b>CalPERS Employer Rate</b>	<b>18.062%</b>	<b>18.062%</b>	<b>20.70%</b>	<b>23.40%</b>	<b>Per PCOE Common Message</b>
<b>CalSTRS Employer Rate</b>	<b>16.28%</b>	<b>16.28%</b>	<b>17.10%</b>	<b>18.10%</b>	<b>Per PCOE Common Message</b>
<b>Budget Reductions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Transfers Out</b>	<b>\$ 23,360</b>	<b>\$ 23,360</b>	<b>\$ 235,360</b>	<b>\$ 23,360</b>	
<b>Designated for Economic Uncertainty</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>	
<b>Site Allocations:</b>					
<b>Elementary</b>	<b>\$ 47.00</b>	<b>\$ 47.00</b>	<b>\$ 47.00</b>	<b>\$ 47.00</b>	
<b>Middle School</b>	<b>\$ 58.50</b>	<b>\$ 58.50</b>	<b>\$ 58.50</b>	<b>\$ 58.50</b>	
<b>High School</b>	<b>\$ 83.75</b>	<b>\$ 83.75</b>	<b>\$ 83.75</b>	<b>\$ 83.75</b>	
<b>Lottery per teacher</b>	<b>\$ 500.00</b>	<b>\$ 500.00</b>	<b>\$ 500.00</b>	<b>\$ 500.00</b>	<b>Per Contract</b>

The 2018-19 Proposed Budget also includes the LCFF Supplemental Funds budget that has been reviewed by the District LCAP Committee. Negotiations are not completed for the 2018-19 school year for all bargaining units.

**WESTERN PLACER UNIFIED SCHOOL DISTRICT  
BOARD OF TRUSTEES  
2018-19 Second Interim Notes**

**Local Control Funding Formula**

The Governor's 2018-19 State Budget implements full funding of the LCFF program in the budget year 2018-19 with a minimum guarantee of \$78.4 billion. The additional funding includes the increased COLA to 2.71% as well as provides a modest augmentation of .99% to the formula. While the economy has improved quickly over the last few 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. As the Governor has fully-funded the LCFF program in 2018-19, any future increases from the State would be in a COLA.

**One-Time Funding**

The Governor State Budget includes more than \$1 billion in one-time discretionary funds for school districts, which equates to approximately \$184/ADA. These funds are included in 2018-19 Second Interim revenues and expenditures.

**Other State Programs**

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

**PROPOSED BUDGET:**

The 2018-19 Second 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.

**WESTERN PLACER UNIFIED SCHOOL DISTRICT  
BOARD OF TRUSTEES  
2018-19 Second Interim Notes**

The District's 2018-19 Second Interim General Fund Budget is presented as follows:

	Second Interim 2018-19		
	Unrestricted	Restricted	Combined
Revenues			
LCFF Funding - Base	56,444,024	995,884	57,439,908
LCFF Funding - Supplemental	3,762,734	-	3,762,734
Federal Revenue	16,724	2,737,322	2,754,046
State Revenue	2,508,311	4,971,753	7,480,064
Local Revenue	1,615,902	2,866,079	4,481,981
<b>Total Revenue</b>	<b>64,347,695</b>	<b>11,571,038</b>	<b>75,918,733</b>
Expenditures			
Certificated Salaries	27,303,135	5,075,454	32,378,589
Classified Salaries	6,014,553	3,535,135	9,549,688
Benefits	12,407,990	6,305,918	18,713,908
Books and Supplies	6,461,591	2,421,350	8,882,941
Other Services & Oper. Exp	5,361,064	3,213,844	8,574,908
Capital Outlay	54,611	393,902	448,513
Other Outgo 7xxx	225,075	1,862,493	2,087,568
Transfer of Indirect 73xx	(943,381)	939,512	(3,869)
<b>Total Expenditures</b>	<b>56,884,638</b>	<b>23,747,608</b>	<b>80,632,246</b>
Deficit/Surplus	7,463,057	(12,176,570)	(4,713,513)
Transfers In	-	-	-
Transfers out	(23,360)	-	(23,360)
Contributions to Restricted	(11,163,551)	11,163,551	-
<b>Net increase (decrease) in Fund Balance</b>	<b>(3,723,854)</b>	<b>(1,013,019)</b>	<b>(4,736,873)</b>
Beginning Balance	7,094,185	1,254,587	8,348,772
<b>Ending Fund Balance</b>	<b>3,370,331</b>	<b>241,568</b>	<b>3,611,899</b>
<b>Components of Ending Fund Balance</b>			
<b><u>Nonspendable:</u></b>			
Reserve - Revolving Fund	5,000		5,000
<b><u>Restricted:</u></b>			
Reserve - Designated Programs	-	241,568	241,568
<b><u>Unassigned/Unappropriated:</u></b>			
Reserve - Economic Uncertainty @ 3%	2,419,668		2,419,668
Reserve - Charter Technical Assistance	237,296		237,296
<b>Reserve - Unassigned Economic Uncertainty surplus/(deficit)</b>	<b>708,367</b>	<b>-</b>	<b>708,367</b>
<b>Total Ending Fund Balance</b>	<b>3,370,331</b>	<b>241,568</b>	<b>3,611,899</b>

**WESTERN PLACER UNIFIED SCHOOL DISTRICT  
BOARD OF TRUSTEES  
2018-19 Second Interim Notes**

**First Interim Budget vs. Second Interim Budget:**

Each year our budget is revised as new information becomes available and assumptions are modified. The significant differences between the district's First Interim and Second Interim Budget are reflected in the table below and discussed with comments on the following pages.

	First Interim 2018-19 Combined	Second Interim			First Int vs Second Int Variance
		Unrestricted	2018-19 Restricted	Combined	
Revenues					
LCFF Funding - Base	57,429,464	56,444,024	995,884	57,439,908	10,444
LCFF Funding - Supplemental	3,757,125	3,762,734	-	3,762,734	5,609
Federal Revenue	2,649,761	16,724	2,737,322	2,754,046	104,285
State Revenue	7,480,064	2,508,311	4,971,753	7,480,064	-
Local Revenue	4,341,391	1,615,902	2,866,079	4,481,981	140,590
<b>Total Revenue</b>	<b>75,657,805</b>	<b>64,347,695</b>	<b>11,571,038</b>	<b>75,918,733</b>	<b>260,928</b>
Expenditures					
Certificated Salaries	32,342,784	27,303,135	5,075,454	32,378,589	35,805
Classified Salaries	9,500,752	6,014,553	3,535,135	9,549,688	48,936
Benefits	18,782,962	12,407,990	6,305,918	18,713,908	(69,054)
Books and Supplies	8,816,646	6,461,591	2,421,350	8,882,941	66,295
Other Services & Oper. Exp	8,440,925	5,361,064	3,213,844	8,574,908	133,983
Capital Outlay	443,971	54,611	393,902	448,513	4,542
Other Outgo 7xxx	2,085,729	225,075	1,862,493	2,087,568	1,839
Transfer of Indirect 73xx	(3,869)	(943,381)	939,512	(3,869)	-
<b>Total Expenditures</b>	<b>80,409,900</b>	<b>56,884,638</b>	<b>23,747,608</b>	<b>80,632,246</b>	<b>222,346</b>
Deficit/Surplus	(4,752,095)	7,463,057	(12,176,570)	(4,713,513)	38,582
Transfers In	-	-	-	-	-
Transfers out	(23,360)	(23,360)	-	(23,360)	-
Contributions to Restricted	-	(11,163,551)	11,163,551	-	-
<b>Net increase (decrease) in Fund Balance</b>	<b>(4,775,455)</b>	<b>(3,723,854)</b>	<b>(1,013,019)</b>	<b>(4,736,873)</b>	<b>38,582</b>
Beginning Balance	8,348,772	7,094,185	1,254,587	8,348,772	-
<b>Ending Fund Balance</b>	<b>3,573,317</b>	<b>3,370,331</b>	<b>241,568</b>	<b>3,611,899</b>	<b>38,582</b>
<b>Components of Ending Fund Balance</b>					
<b>Nonspendable:</b>					
Reserve - Revolving Fund	5,000	5,000		5,000	-
<b>Restricted:</b>					
Reserve - Designated Programs	336,990	-	241,568	241,568	(95,422)
<b>Unassigned/Unappropriated:</b>					
Reserve - Economic Uncertainty @ 3%	2,412,998	2,419,668		2,419,668	6,670
Reserve - Additional LCFF	-	-		-	-
Supplemental Required Increase Budget	-	-		-	-
Reserve - RRM Contribution Increased to 3% in 2020-21	-	-		-	-
Reserve - Charter Technical Assistance	237,296	237,296		237,296	-
<b>Reserve - Unassigned Economic Uncertainty surplus/(deficit)</b>	<b>581,033</b>	<b>708,367</b>	<b>-</b>	<b>708,367</b>	<b>127,334</b>
<b>Total Ending Fund Balance</b>	<b>3,573,317</b>	<b>3,370,331</b>	<b>241,568</b>	<b>3,611,899</b>	<b>38,582</b>

**WESTERN PLACER UNIFIED SCHOOL DISTRICT  
BOARD OF TRUSTEES  
2018-19 Second Interim Notes**



**WESTERN PLACER UNIFIED SCHOOL DISTRICT  
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2018-19 Second Interim Notes**

**Major Changes to Fund Balance since First Interim - 2018-19 Second Interim Report**  
**Budgeted Fund Balance Decrease at First Interim** **(\$4,775,455)**

**Revenues**

Local Control Funding Formula (LCFF)			
AB602 Local Property Taxes	10,000		
Supplemental - Unduplicated count in excess of budget	5,000		
Total LCFF Funding Changes		15,000	1
Federal Revenue			
Federal testing revenues	15,000		
Increase in AB602 Federal Revenues	105,000		
Medi-Cal revenues (budgeted when received)	40,000		
Reduction in final Title I allocation	(55,000)		
Total Federal Revenue Changes		105,000	2
Local Revenue			
AB602 Local Revenue Increase	80,000		
Reimbursements from county for transportation of homeless students	20,000		
Reimbursements to RRM	15,000		
CCSESA Math Grant	10,000		
Sierra College Grant	10,000		
Miscellaneous	5,000		
Total Local Revenue changes		140,000	3
<b>Total Change in Revenues</b>			<b>260,000</b>

**Expenditures**

Certificated Salaries			
Increase sub teacher budgets in site funds	30,000		
Increase in class size overage payments budget	40,000		
Increase teacher extra assignments for CCSESA and Sierra grants	10,000		
Transfer of coaching stipends from certificated to classified	(50,000)		
Miscellaneous	5,000		
Total Certificated Salaries changes		35,000	4
Classified Salaries			
Transfers to other objects	(15,000)		
Transfer of coaching stipends from certificated to classified	50,000		
Increases in classified sub needs over budget	15,000		
Total Classified Salaries changes		50,000	5

**WESTERN PLACER UNIFIED SCHOOL DISTRICT  
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**Major Changes to Fund Balance since First Interim - 2018-19 Second Interim Report**

***Expenditures (Continued)***

Benefits			
Update health benefits (vacancies, position changes)	(55,000)		
STRS savings for changing coaching stipends from certificated	(10,000)		
Decrease classified benefits in site accounts	<u>(5,000)</u>		
Total Benefits changes		(70,000)	6
Books and Supplies			
Net transfers from other objects	35,000		
Budget OLE costs	15,000		
Set up site facility use funds	10,000		
Budget increase in transfer to Supplemental funds	35,000		
Decrease in Title I budget	<u>(30,000)</u>		
Total Books and Supplies changes		65,000	7
Services & Other Operating Expenditures			
Net decrease in projected nonpublic schools/agencies budgets	(40,000)		
Adjust utilities budgets	(5,000)		
Payments for homeless student transportation (reimbursed by county)	20,000		
Medi-Cal expenditures (budgeted when spent)	20,000		
RPM expenditures (repairs to septic pumps, boilers, carpeting etc.)	40,000		
RDA expenditures (boiler leak repair, recarpeting, LHS scoreboard)	50,000		
Supplemental funds from fund balance	30,000		
Net transfers to other objects	(5,000)		
District portion of admin credential induction program	10,000		
Increase in supplemental revenues	5,000		
Miscellaneous	<u>10,000</u>		
Total Services and Other Operating Costs		135,000	8
Capital Outlay		5,000	
<b><i>Total Change in Expenditures</i></b>			220,000
<i>Rounding</i>			<u>1,418</u>
<b><i>Total Change in Budgeted FB</i></b>			<u>38,582</u>
<b>Budgeted Deficit Spending at Second Interim</b>			<u><u>(4,736,873)</u></u>

**WESTERN PLACER UNIFIED SCHOOL DISTRICT  
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**2018-19 Second Interim Notes**

**Multi-Year Projections 2018-19, 2019-20 and 2020-21 Budget Years:**

The multi-year projections provide a view of the current year and subsequent two years' budgets.

	<b>Second Interim 2018-19 Combined</b>	<b>Projection 2019-20 Combined</b>	<b>Projection 2020-2021 Combined</b>
Revenues			
LCFF Funding - Base	57,439,908	59,968,627	62,248,762
LCFF Funding - Supplemental	3,762,734	3,945,257	4,065,823
Federal Revenue	2,754,046	2,389,170	2,389,170
State Revenue	7,480,064	5,753,216	5,195,977
Local Revenue	4,481,981	3,951,538	3,951,538
<b>Total Revenue</b>	<b>75,918,733</b>	<b>76,007,808</b>	<b>77,851,270</b>
Expenditures			
Certificated Salaries	32,378,589	33,066,749	33,760,658
Classified Salaries	9,549,688	9,664,368	9,801,669
Benefits	18,713,908	19,436,317	20,251,681
Books and Supplies	8,882,941	3,676,555	3,149,415
Other Services & Oper. Exp	8,574,908	7,258,971	7,258,971
Capital Outlay	448,513	84,104	84,104
Other Outgo 7xxx	2,087,568	2,087,568	2,087,568
Transfer of Indirect 73xx	(3,869)	(3,869)	(33,968)
<b>Total Expenditures</b>	<b>80,632,246</b>	<b>75,270,762</b>	<b>76,360,098</b>
Deficit/Surplus	(4,713,513)	737,046	1,491,172
Transfers In	-	-	-
Transfers out	(23,360)	(235,360)	(23,360)
Contributions to Restricted	-	-	-
<b>Net increase (decrease) in Fund Balance</b>	<b>(4,736,873)</b>	<b>501,686</b>	<b>1,467,812</b>
Beginning Balance	8,348,772	3,611,899	4,113,585
<b>Ending Fund Balance</b>	<b>3,611,899</b>	<b>4,113,585</b>	<b>5,581,397</b>
<b><u>Components of Ending Fund Balance</u></b>			
<b><u>Nonspendable:</u></b>			
Reserve - Revolving Fund	5,000	5,000	5,000
<b><u>Restricted:</u></b>			
Reserve - Designated Programs	241,568	401,568	561,568
<b><u>Unassigned/Unappropriated:</u></b>			
Reserve - Economic Uncertainty @ 3%	2,419,668	2,265,184	2,291,504
Reserve - Additional LCFF			
Supplemental Required Increase Budget	-	127,067	169,080
Reserve - RRM Contribution Increased to 3% in 2020-21		-	357,177
Reserve - Charter Technical Assistance	237,296	215,564	193,832
<b>Reserve - Unassigned Economic Uncertainty surplus/(deficit)</b>	<b>708,367</b>	<b>1,099,202</b>	<b>2,003,236</b>
<b>Total Ending Fund Balance</b>	<b>3,611,899</b>	<b>4,113,585</b>	<b>5,581,397</b>

**WESTERN PLACER UNIFIED SCHOOL DISTRICT  
BOARD OF TRUSTEES  
2018-19 Second Interim Notes**

**Multi-Year Projections 2018-19, 2019-20 and 2020-21 Budget Years:**

The multi-year projections provide a view of the current year and subsequent two years' budgets. The multi-year projections are built on assumptions provided by PCOE Common Message, School Services of California, the 2018-19 State adopted budget, the State Dept. of Finance (DOF), FCMAT LCFF Calculator, federal funding projections and district trends and data.

Included in the multi-year budget is the transfer of \$212,000 to Fund 17 in the 2019-20 fiscal year. This represents the final payment of a total of \$712,000 in Wetlands Reserve funds borrowed from Fund 17 in previous years.

**Local Control Funding Formula**

The Governor's 2018-19 Proposed State budget includes full implementation of LCFF funding, two years earlier than the original program of implementation date. This increase provides approximately \$1 million of additional LCFF base funding for the district.

**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 18.062% in 2018-19 from 15.53% in 2017-18. No specific state funds are provided for these statutory pension cost increases. CalPERS is not subject to state law and the CalPERS Board can change rates as needed.

Adopted/projected CalPERS rates are as follows:

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

Under current law, once the legislated rates are achieved, CalSTRS will have the authority to marginally increase or decrease the employer contribution rate. Statutory CalSTRS rates through 2021-22 are below:

<b>Fiscal Year</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
<b>STRS Employer Rate</b>	<b>16.28%</b>	17.1%	18.1%	18.6%

**WESTERN PLACER UNIFIED SCHOOL DISTRICT  
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The CalSTRS and CalPERS additional costs associated with the employer rates increase over the next three years including the cumulative costs since the rates increased are as follows:

	2018-19	2019-20	2020-2021
<b>STRS Additional Costs Per Year</b>	\$ 543,111	\$ 244,823	\$ 303,640
<b>PERS Additional Costs Per Year</b>	208,836	220,712	229,062
<b>Total Per Year</b>	<b>\$ 751,947</b>	<b>\$ 465,535</b>	<b>\$ 532,702</b>
<b>STRS Additional Costs - Cumulative</b>	\$ 5,182,166	\$ 5,426,989	\$ 5,730,629
<b>PERS Additional Costs - Cumulative</b>	\$ 459,602	\$ 680,314	909,376
<b>Total Cumulative</b>	<b>\$ 5,641,768</b>	<b>\$ 6,107,303</b>	<b>\$ 6,640,005</b>

**Property Taxes**

Property taxes revenues continue to show stabilization and moderate growth since 2013-14. Property taxes in Placer County had fluctuated with a net decline for a number of years but we saw an increase of approximately 7.0% in 2016-17 and another 3.92% increase in 2017-18. Current projections indicate property taxes will increase by approximately 3.8% in 2018-19 based on current tax rolls, and a conservative 3% for the 2019-20 and 2020-21 fiscal years.

**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.

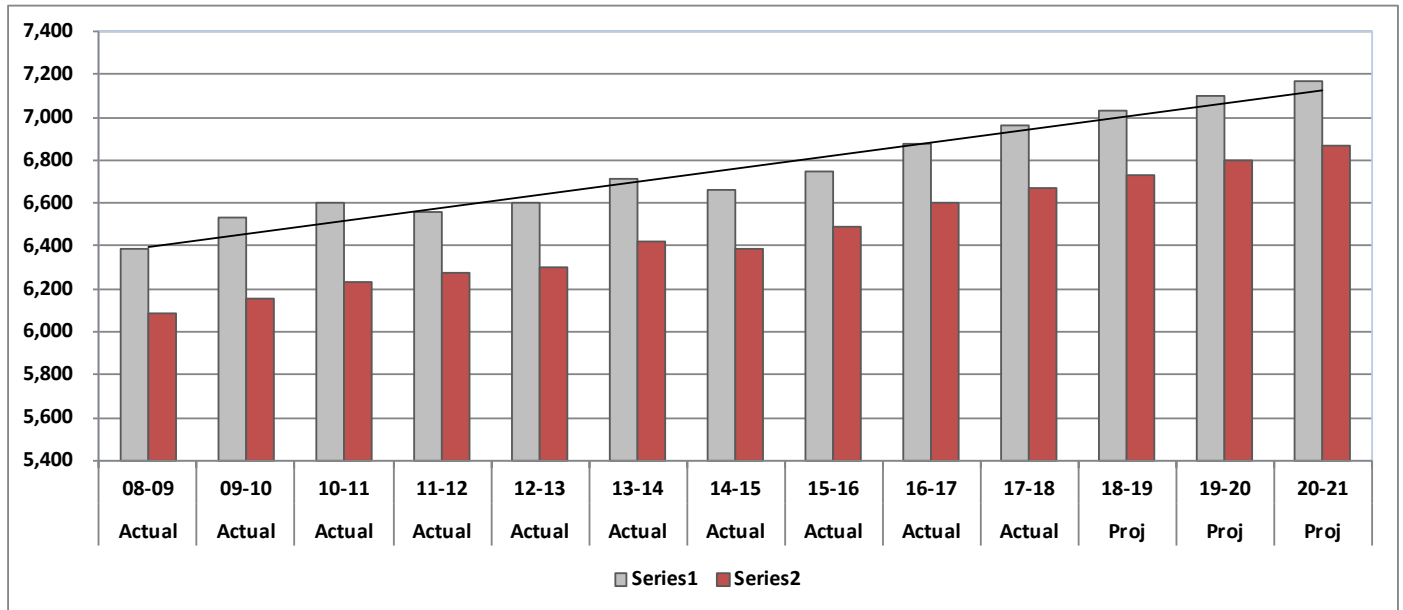
Enrollment and attendance projections for the current 2018-19 budget year, First Interim and Second Interim, and the next two budget years are listed below:

	<b>18/19 First Interim</b>	<b>18/19 Second Interim</b>	<b>19/20 Projection</b>	<b>20/21 Projection</b>
<b>Enrollment</b>	<b>7,030</b>	<b>7,060</b>	<b>7,100</b>	<b>7,171</b>
<b>ADA Yield</b>	<b>95.8%</b>	<b>95.4%</b>	<b>95.8%</b>	<b>95.8%</b>
<b>ADA</b>	<b>6,753</b>	<b>6,753</b>	<b>6,821</b>	<b>6,889</b>
<b>% Increase (Decrease) Enrollment</b>	<b>1.0%</b>	<b>1.4%</b>	<b>1.0%</b>	<b>1.0%</b>
<b># Increase (Decrease) Enrollment</b>	<b>70</b>	<b>100</b>	<b>40</b>	<b>71</b>

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.

**WESTERN PLACER UNIFIED SCHOOL DISTRICT  
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The following chart shows ten years of historical and three years of projected enrollment data:



**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 Second Interim Budget to 2018-19 Second Budget is presented below:

<b>Contributions to Restricted Programs 2018-19 Second Interim and 2018-19 First Interim</b>						
<u>Program</u>	<u>Resource</u>		<u>Second Interim</u>	<u>First Interim</u>	<u>Change</u>	<u>Comments</u>
Special Ed-Basic Grant (PL94-142)	3310	*	\$2,057,796	\$1,998,037	\$59,759	Transfer in of resource 3320 revenues and expenses, increase of \$100k in AB602 revenues
Spec Ed Pre-School	3315	*	\$0	\$0	\$0	
Special Ed Pre-School	3320		\$0	\$169,672	(\$169,672)	
Special Education	6500	*	\$7,227,768	\$7,346,571	(\$118,803)	\$80k increase in AB602 revenues, \$40k decrease in NPS/NPA budget
Maintenance	8150		\$1,877,987	\$1,877,987	\$0	
<b>Total Contribution to Restricted Programs</b>			<b>\$11,163,551</b>	<b>\$11,392,267</b>	<b>(\$228,716)</b>	
<b>Total Special Ed Contribution</b>			<b>\$ 9,285,564</b>	<b>\$9,514,280</b>	<b>(\$228,716)</b>	

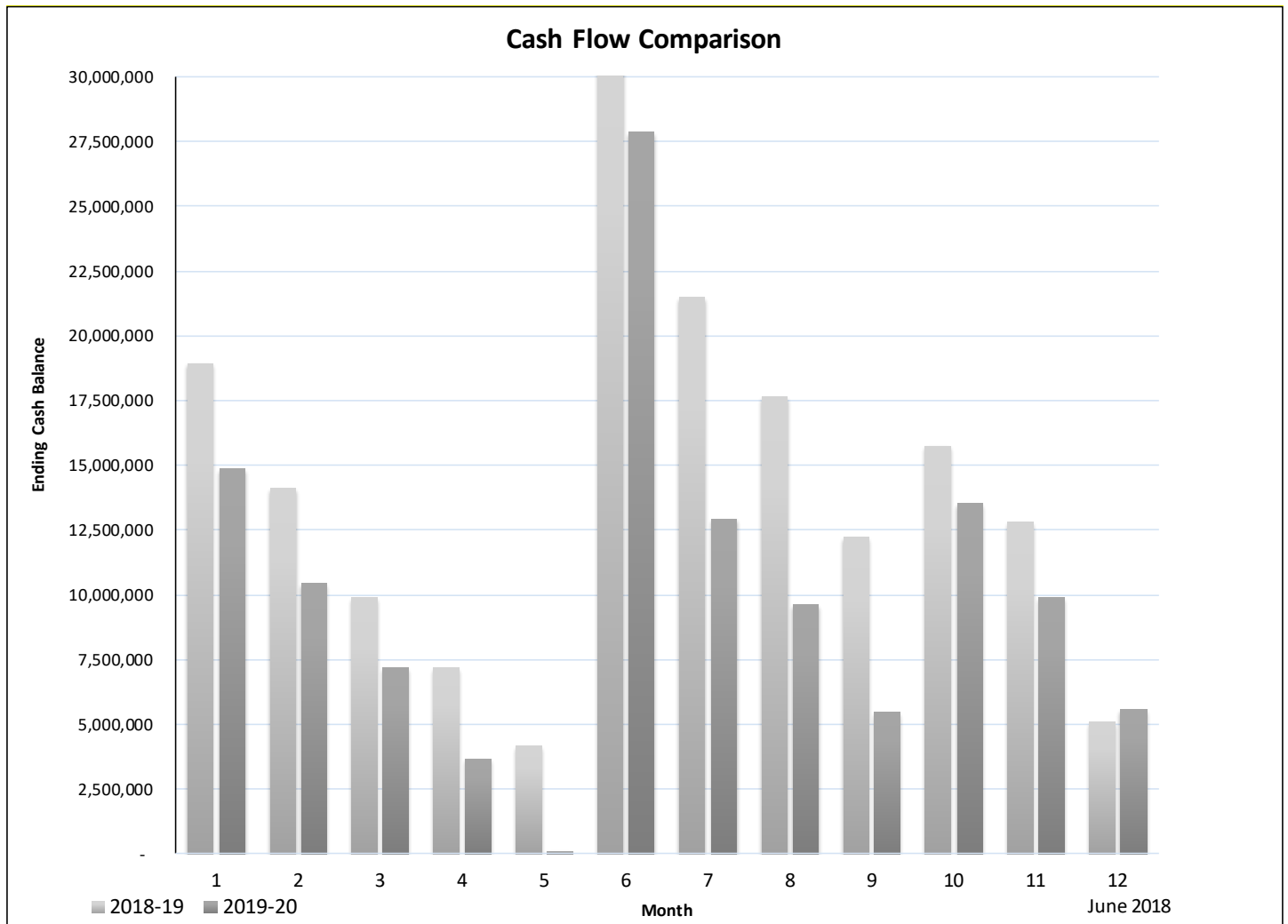
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**Cash**

As a significant portion of our State funding is from property taxes and those payments are apportioned by the State 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 2018-19, the District is using a \$14.5 million TRANS borrowing to provide cash flow support from October through June. Without a TRANS issuance, we historically experience a negative General Fund cash balance for the two to 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. The District plans to continue to participate in TRANS borrowing for any fiscal years where the District General Fund is dependent upon cash flow needs.

The chart below shows the actual and projected cashflow balance by month for the current 2018-19 fiscal year and projected 2019-20 fiscal years assuming a TRANS for both years.



**WESTERN PLACER UNIFIED SCHOOL DISTRICT  
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**COMPONENTS OF ENDING FUND BALANCE**

Details of the Components of Ending Fund Balance for 2018-19, 2019-20 and 2020-21 are listed below:

	<b>Second Interim 2018-19 Combined</b>	<b>Projection 2019-20 Combined</b>	<b>Projection 2020-2021 Combined</b>
<b><u>Components of Ending Fund Balance</u></b>			
<b><u>Nonspendable:</u></b>			
Reserve - Revolving Fund	5,000	5,000	5,000
<b><u>Restricted:</u></b>			
Reserve - Designated Programs	241,568	401,568	561,568
<b><u>Unassigned/Unappropriated:</u></b>			
<b>Reserve - Economic Uncertainty @ 3%</b>	<b>2,419,668</b>	<b>2,265,184</b>	<b>2,291,504</b>
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<b>Total Ending Fund Balance</b>	<b>3,611,899</b>	<b>4,113,585</b>	<b>5,581,397</b>

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 \$708,367, \$1,317,562 and \$2,215,236 in the respective budget years.