

# Western Placer USD 2016-17 Adopted Budget

## Board of Trustees Meeting

June 30, 2016

Presented by:

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Asst. Supt. Business & Operations



# 2016-17 State Budget Update

## June 30, 2016 Deadline

- Meeting their constitutional deadline, the Legislature approved Senate Bill (SB) 826, the main 2016-17 State Budget bill. The bill was approved on party lines, with Democrats voting aye and Republicans objecting to the high spending levels and insufficient levels of reserves included in the plan.
- On June 27, 2016, Governor Jerry Brown signed the State Budget and a dozen accompanying trailer bills. Overall, the enacted State Budget focuses on investing more in education, boosting programs in fighting poverty and homelessness, and stays on the course of increasing reserves and paying down debt by contributing to California's Rainy Day Fund. The Governor did not employ his authority to line-item veto any spending items, reflecting a solid agreement between the Administration and the Legislature.

# WPUSD 2016-17 Budget Assumptions

- The 2016-17 budget assumptions are used to prepare the 2016-17 Budget and multi-year projections for 2017-18 and 2018-19 fiscal years. The 2016-17 budget assumptions were presented with the Proposed Budget at the June 7, 2016 board meeting.
- Placer County Office of Education (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.
- 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 all districts continue to assess their individual situations and plan accordingly to maintain fiscal solvency.
- The budget also reflects the most recent State's 2016-17 May Revise proposals and recent 2015-16 salary negotiation settlements.

# WPUSD 2016-17 General Fund Budget

	Adopted Budget		
	Unrestricted	2016-17 Restricted	Combined
Revenues			
LCFF Funding	53,164,699	903,154 <span style="color: green;">▲</span>	54,067,853
Federal Revenue	2,624	2,278,885	2,281,509
State Revenue	2,703,153	4,242,677 <span style="color: green;">▲</span>	6,945,830
Local Revenue	1,024,197	2,404,293 <span style="color: green;">▲</span>	3,428,490
<b>Total Revenue</b>	<b>56,894,673</b>	<b>9,829,009</b>	<b>66,723,682</b>
Expenditures			
Certificated Salaries	25,749,867	4,873,801 <span style="color: green;">▲</span>	30,623,668
Classified Salaries	5,617,300	3,142,104 <span style="color: green;">▲</span>	8,759,404
Benefits	10,667,282	5,137,323 <span style="color: green;">▲</span>	15,804,605
Books and Supplies	3,382,018	1,095,123 <span style="color: green;">▲</span>	4,477,141
Other Services & Oper. Exp	3,574,904	1,730,028 <span style="color: green;">▲</span>	5,304,932
Capital Outlay	276,100	714,225	990,325
Other Outgo 7xxx	1,898,681	19,000 <span style="color: green;">▲</span>	1,917,681
Transfer of Indirect 73xx	(671,243)	596,604	(74,639)
<b>Total Expenditures</b>	<b>50,494,909</b>	<b>17,308,208</b>	<b>67,803,117</b>
Deficit/Surplus	6,399,764	(7,479,199)	(1,079,435)
Transfers In	-	-	-
Transfers out	(273,360)	-	(273,360)
Contributions to Restricted	(7,479,199)	7,479,199	-
<b>Net increase (decrease) in Fund Balance</b>	<b>(1,352,795)</b>	<b>-</b>	<b>(1,352,795)</b>
Beginning Balance	6,656,586	111,125	6,767,711
<b>Ending Fund Balance</b>	<b>5,303,791</b>	<b>111,125</b>	<b>5,414,916</b>
<b><u>Components of Ending Fund Balance</u></b>			
<b><u>Nonspendable:</u></b>			
Reserve - Revolving Fund	5,000		5,000
<b><u>Restricted:</u></b>			
Reserve - Designated Programs	-	111,125	111,125
<b><u>Unassigned/Unappropriated:</u></b>			
Reserve - Economic Uncertainty @ 3%	2,042,294		2,042,294
Reserve - Deferred Maintenance Reserve	432,562 <span style="color: red;">▼</span>		432,562
Reserve - Charter Technical Assistance	163,443		163,443
Reserve - Special Education Support Program	0 <span style="color: red;">▼</span>		0
Reserve - GAP Funding Contingency - Subsequent Budget Year	743,919		743,919
Reserve- New High School Start-Up Costs	100,000		100,000
<b>Reserve - Unassigned Economic Uncertainty surplus/(deficit)</b>	<b>1,816,573</b>	<b>-</b>	<b>1,816,573</b>
<b>Total Ending Fund Balance</b>	<b>5,303,791</b>	<b>111,125</b>	<b>5,414,916</b>

# 2015-16 2<sup>nd</sup> Interim vs. 2015-16 Estimated Actuals

	Second Interim 2015-16 Combined	Estimated Actuals 2015-16			2nd Int vs Est. Actuals \$ Variance
		Unrestricted	Restricted	Combined	
Revenues					
LCFF Funding	51,426,409	51,130,014	833,230	51,963,244	536,835
Federal Revenue	2,498,088	2,624	2,526,787	2,529,411	31,323
State Revenue	11,144,542	4,578,488	7,000,931	11,579,419	434,877
Local Revenue	3,975,558	1,431,179	2,656,149	4,087,328	111,770
<b>Total Revenue</b>	<b>69,044,597</b>	<b>57,142,305</b>	<b>13,017,097</b>	<b>70,159,402</b>	<b>1,114,805</b>
Expenditures					
Certificated Salaries	28,391,608	24,158,553	4,841,431	28,999,984	608,376
Classified Salaries	8,133,045	5,323,622	2,982,246	8,305,868	172,823
Benefits	14,281,645	9,713,229	4,604,554	14,317,783	36,138
Books and Supplies	7,182,386	4,675,244	1,769,679	6,444,923	(737,463)
Other Services & Oper. Exp	7,250,155	4,826,502	3,041,795	7,868,297	618,142
Capital Outlay	3,257,406	515,616	2,735,191	3,250,807	(6,599)
Other Outgo 7xxx	2,050,740	2,073,612	18,431	2,092,043	41,303
Transfer of Indirect 73xx	(76,288)	(715,738)	637,889	(77,849)	(1,561)
<b>Total Expenditures</b>	<b>70,470,697</b>	<b>50,570,640</b>	<b>20,631,216</b>	<b>71,201,856</b>	<b>731,159</b>
Deficit/Surplus	(1,426,100)	6,571,665	(7,614,119)	(1,042,454)	383,646
Transfers In					-
Transfers out	(248,360)	(248,360)		(248,360)	-
Contributions to Restricted	-	(6,755,944)	6,755,944	-	-
<b>Net increase (decrease) in Fund Balance</b>	<b>(1,674,460)</b>	<b>(432,639)</b>	<b>(858,175)</b>	<b>(1,290,814)</b>	<b>383,646</b>
Beginning Balance	8,058,525	7,089,225	969,300	8,058,525	-
<b>Ending Fund Balance</b>	<b>6,384,065</b>	<b>6,656,586</b>	<b>111,125</b>	<b>6,767,711</b>	<b>383,646</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	115,600		111,125	111,125	(4,475)
<b>Unassigned/Unappropriated:</b>					
Reserve - Economic Uncertainty @ 3%	2,121,572	2,143,506		2,143,506	21,935
Reserve - Deferred Maintenance Reserve	847,001	432,562		432,562	(414,439)
Reserve - Charter Technical Assistance	154,700	145,231		145,231	(9,469)
Reserve - Special Education Support Program	30,000	0		0	(30,000)
Reserve - GAP Funding Contingency - Subsequent Budget Year	944,258	944,258		944,258	-
<b>Reserve - Unassigned Economic Uncertainty surplus/(deficit)</b>	<b>2,165,934</b>	<b>2,986,029</b>		<b>2,986,029</b>	<b>820,094</b>
<b>Total Ending Fund Balance</b>	<b>6,384,065</b>	<b>6,656,586</b>	<b>111,125</b>	<b>6,767,711</b>	<b>383,646</b>

## Major Changes in 2015-16 Budget

### Revenues:

LCFF Funding Increase.

- P-2 ADA	\$536,000
Federal Revenues	31,000
State Revenues	435,000
Local Revenues	<u>113,000</u>
Change in Revenues	\$1,115,000

### Expenditures:

Salaries & Benefits	\$815,000
Services, Operating & Other	651,000
Books, Supplies	<u>(735,000)</u>
Change in Expenditures	\$731,000

Total Net Decrease in Projected 15/16 Ending Fund Balance

**\$(384,000)**

**Estimated Ending Fund Balance June 30, 2016 - \$6,767,711**

# Enrollment and ADA Projections

Enrollment and attendance projections for the current 2016-17 budget year and the next two budget years are listed below:

	16/17 Proposed Budget	17/18 Projection	18/19 Projection
Enrollment	6,812	6,881	6,949
ADA Yield	95.8%	95.8%	95.8%
ADA	6,546	6,612	6,678
% Increase (Decrease) Enrollment	1.0%	1.0%	1.0%
# Increase (Decrease) Enrollment	67	68	69

For the 2015-16 school year, the District enrollment increased by 41 students, less than a 1% increase. Before our decline in 2014-15 of 54 students, the District experienced an average annual enrollment averaging of 1% over those last five years. Average Daily Attendance rate (ADA) have ranges from a high of 95.9 in 2014-15 to a low of 95.47% in 2012-13.

# Local Control Funding Formula (LCFF)

The May Revision Proposed Budget proposed \$2.9 billion of additional Proposition 98 revenues of continued implementation of the Local Control Funding Formula (LCFF) flowing to schools. New funding is estimated to close the gap between 2015-16 funding levels and LCFF full implementation targets by 54.84% in 2016-17. The May Revision projects that the Local Control Funding Formula (LCFF) will be 95.7% implemented in 2016-17. The Governor continues to keep his commitment to local control, the Control Funding Formula, and the Local Control and Accountability Plan (LCAP).

Below are the projected COLA and Gap Funding rates from the Dept. of Finance (May Revise):

	2015-16	2016-17	2017-18	2018-19	2019-20
COLA	1.02%	0.00%	1.11%	2.42%	2.67%
GAP Funding rate	52.20%	54.84%	73.96%	41.22%	75.16%

# 2016/17 Budget Staffing Restorations and Enhancements – Unrestricted General Fund

Expenditures assumptions also include changes to the budget to restore and enhance specific classified and certificated management positions into the 2016-17 budget totaling approximately \$378,000. Unrestricted general funds were used for these budget items.

## **2016-17 Budget Staffing Restorations/Enhancements – Unrestricted General Fund** **(Approximate Cost)**

Library Clerk Additional Hours at School Sites (9.5 hours total)	\$ 60,000
Health Clerk staffing at all School Sites (22 hours total)	88,000
Vice Principal (1.0 FTE Lincoln High School)	120,000
Additional Tech Support Technician (1 FTE)	64,000
Increased Hours – Special Education Clerk and Account Technician I (total 5 hours)	46,000
Total Additional Staffing Enhancements / Restorations 2016-17	\$ 378,000



# Categorical Revenues and Contributions (Encroachment)

## Categorical Revenue

The May Revision State budget State proposes a 0.00% COLA for all categorical programs for 2016-17. Pupil transportation, Targeted Instructional Improvement Grant, Child Nutrition and Special Education are projected to not receive a COLA Federal categorical programs have been adjusted to reflect projected federal funding levels.

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 2015-16 to 2016-17 is summarized below:

### ***Contributions to Restricted Programs 2015-16 Estimated Actuals and 2016-17 Budget***

<u>Program</u>	<u>Resource</u>		<u>2015-16 Estimate</u>	<u>Adopted Budget</u>	<u>Change</u>	<u>Comments</u>
Special Ed-Basic Grant (PL94-142)	3310	*	\$1,207,453	\$1,342,900	\$135,447	Step and column movement, salary settlement, new LHS Resource class, add'l necessary Para time
Spec Ed Pre-School	3315	*	\$57,190	\$48,974	(\$8,216)	Increase in revenue
Spec Ed Pre-School	3320	*	\$6,375	\$0	(\$6,375)	Increase in revenue
Special Education	6500	*	\$3,586,383	\$4,209,338	\$622,955	Increase in NPS/NPA charges, new LHS SDC class, new LHS RSP class, step and column movement, salary settlement
Maintenance	8150		\$1,877,987	\$1,877,987	\$0	
	9010		\$20,556	\$0	(\$20,556)	Carryover removed
Total Contribution to Restricted Programs			<u>\$6,755,944</u>	<u>\$7,479,199</u>	<u>\$723,255</u>	
PCOE Special Education						
Program Billback	0000	*	\$1,666,932	\$1,667,501	\$569	
Total Special Ed Contribution			<u>\$6,524,333</u>	<u>\$7,268,713</u>	<u>\$744,380</u>	
			<u>\$8,191,265</u>	<u>\$8,936,214</u>		

# Multi-Year Projections

	Adopted Budget	Projection	Projection
	2016-17 Combined	2017-18 Combined	2018-19 Combined
Revenues			
LCFF Funding	54,067,853	56,682,894	58,087,073
Federal Revenue	2,281,509	2,281,509	2,281,509
State Revenue	6,945,830	4,472,050	4,472,050
Local Revenue	3,428,490	3,428,490	3,428,490
<b>Total Revenue</b>	<b>66,723,682</b>	<b>66,864,943</b>	<b>68,269,122</b>
Expenditures			
Certificated Salaries	30,623,668	31,252,325	31,993,115
Classified Salaries	8,759,404	8,823,750	8,939,259
Benefits	15,804,605	16,679,022	17,578,144
Books and Supplies	4,477,141	2,897,310	2,897,310
Other Services & Oper. Exp	5,304,932	5,279,932	5,279,932
Capital Outlay	990,325	326,986	326,986
Other Outgo 7xxx	1,917,681	1,917,681	1,917,681
Transfer of Indirect 73xx	(74,639)	(74,639)	(74,639)
<b>Total Expenditures</b>	<b>67,803,117</b>	<b>67,102,367</b>	<b>68,857,789</b>
Deficit/Surplus	(1,079,435)	(237,424)	(588,667)
Transfers In	-	-	-
Transfers out	(273,360)	(273,360)	(23,360)
Contributions to Restricted	-	-	-
<b>Net increase (decrease) in Fund Balance</b>	<b>(1,352,795)</b>	<b>(510,784)</b>	<b>(612,027)</b>
Beginning Balance	6,767,711	5,414,916	4,904,132
<b>Ending Fund Balance</b>	<b>5,414,916</b>	<b>4,904,132</b>	<b>4,292,105</b>

# Details of Components of Ending Fund Balance

	Adopted Budget	Projection	Projection
	2016-17 Combined	2017-18 Combined	2018-19 Combined
<u>2016-17 Ending Fund Balance</u>			
<u>Components (\$5,414,916) :</u>			
	<b>Net increase (decrease) in Fund Balance</b>	<b>(1,352,795)</b>	<b>(612,027)</b>
	Beginning Balance	6,767,711	4,904,132
	<b>Ending Fund Balance</b>	<b>5,414,916</b>	<b>4,292,105</b>
	<b>Components of Ending Fund Balance</b>		
	<b><u>Nonspendable:</u></b>		
Nonspendable: \$5,000	Reserve - Revolving Fund	5,000	5,000
	<b><u>Restricted:</u></b>		
Restricted: \$111,125	Reserve - Designated Programs	111,125	111,125
	<b><u>Unassigned/Unappropriated:</u></b>		
Reserve for EU (3%): \$2,042,294	<b>Reserve - Economic Uncertainty @ 3%</b>	2,042,294	2,021,272
	Reserve - Deferred Maintenance Reserve	432,562	582,562
Board designated: \$596,005 (\$150,000 Deferred Maintenance Contribution starts 2017-18)	Reserve - Additional LCFF Supplemental Required Increase Spending 17-18 & 18-19	0	439,841
	Reserve - Charter Technical Assistance	163,443	240,793
GAP Funding Reserve: \$743,919	Reserve - Special Education Support Program	0	0
	Reserve - GAP Funding Contingency - Subsequent Budget Year	743,919	311,005
New High School Start-up Cost Reserve: \$100,000 Starts 2016-17	Reserve- New High School Start-Up Costs	100,000	200,000
	<b>Reserve - Unassigned Economic Uncertainty surplus/(deficit)</b>	<b>1,816,573</b>	<b>992,534</b>
Unassigned Surplus: \$1,816,573			<b>583,442</b>
	<b>Total Ending Fund Balance</b>	<b>5,414,916</b>	<b>4,292,105</b>

# 2016-17 Adopted Budget - Other Funds

## 2016-17 ADOPTED BUDGET

	Beginning		Ending	
	Fund Balance	Revenues	Expenditures	Fund Balance
<b>Fund 11 - Adult Education Fund</b>	<b>21,700</b>	<b>71,682</b>	<b>71,682</b>	<b>21,700</b>
<b>Fund 12 - Child Development Fund</b>	<b>9,631</b>	<b>-</b>	<b>-</b>	<b>9,631</b>
<b>Fund 13 - Cafeteria Fund</b>	<b>119,812</b>	<b>1,713,000</b>	<b>1,819,076</b>	<b>13,736</b>
<b>Fund 17 - Special Reserve for Other Than Capital Outlay</b>	<b>212,000</b>	<b>250,000</b>	<b>-</b>	<b>462,000</b>
<b>Fund 21 - Building Fund</b>	<b>10,803,846</b>	<b>200,000</b>	<b>9,511,530</b>	<b>1,492,316</b>
<b>Fund 25 - Capital Facilities Fund</b>	<b>1,607,700</b>	<b>1,330,000</b>	<b>1,741,721</b>	<b>1,195,979</b>
<b>Fund 35 - County Schools Facilities Fund</b>	<b>1,047,895</b>	<b>10,000</b>	<b>-</b>	<b>1,057,895</b>
<b>Fund 40 - Special Reserve for Capital Outlay Projects</b>	<b>215,671</b>	<b>2,000</b>	<b>-</b>	<b>217,671</b>
<b>Fund 49 - Debt Service Fund for Blended Component Units</b>	<b>10,379,847</b>	<b>6,690,000</b>	<b>8,211,690</b>	<b>8,858,157</b>
<b>Fund 71 - Retiree Benefit Fund</b>	<b>6,791</b>	<b>70</b>	<b>-</b>	<b>6,861</b>
<b>Fund 73 - Foundation Private-Purpose Trust Fund</b>	<b>160,955</b>	<b>1,500</b>	<b>1,000</b>	<b>161,455</b>

# The Future

- This is only the beginning ...
  - Governors signed 2016-17 Budget on June 27<sup>th</sup> - Plan on a 45 day report of the effect of the State Budget approval – August 2016
  - 2015-16 Unaudited Actuals will be presented in September 2016
  - Closely monitor DOF's projected LCFF GAP funding percentages for future years

Recommend  
approval of  
2016-17 Adopted  
Budget – All Funds



Questions or Comments