

# **WESTERN PLACER UNIFIED SCHOOL DISTRICT**

**2016-17 First Interim Reporting  
Board of Trustees  
December 20, 2016**

# FIRST INTERIM UPDATE – 2016-17 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 2016-17 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 – 2016-17 BUDGET

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## Changes from District's Adopted Budget:

- 2015-16 Books closed – Actual Ending Fund Balance now known
- 2015-16 program categorical and co-curricular carryover funds added to District & site expenditure budgets
- Finalized 2016-17 staffing, position control, benefits and updates of new grants or final revenue allocations
- Updated programs that require General Fund contribution – Special Education program costs

# 2016-17 BUDGET

# FIRST INTERIM

	First Interim		
	Unrestricted	Restricted	Combined
Revenues			
LCFF Funding	53,164,699	931,046	54,095,745
Federal Revenue	2,624	2,415,572	2,418,196
State Revenue	2,549,160	7,247,682	9,796,842
Local Revenue	1,291,016	2,520,584	3,811,600
<b>Total Revenue</b>	<b>57,007,499</b>	<b>13,114,884</b>	<b>70,122,383</b>
Expenditures			
Certificated Salaries	25,981,127	5,143,502	31,124,629
Classified Salaries	5,722,222	3,078,188	8,800,410
Benefits	10,861,551	5,212,867	16,074,418
Books and Supplies	5,574,725	1,554,127	7,128,852
Other Services & Oper. Exp	4,593,733	3,089,735	7,683,468
Capital Outlay	361,100	3,351,202	3,712,302
Other Outgo 7xxx	250,075	1,794,938	2,045,013
Transfer of Indirect 73xx	(722,712)	648,073	(74,639)
<b>Total Expenditures</b>	<b>52,621,821</b>	<b>23,872,632</b>	<b>76,494,453</b>
Deficit/Surplus	4,385,678	(10,757,748)	(6,372,070)
Transfers In	-	-	-
Transfers out	(173,560)	-	(173,560)
Contributions to Restricted	(9,638,811)	9,638,811	-
<b>Net increase (decrease) in Fund Balance</b>	<b>(5,426,693)</b>	<b>(1,118,937)</b>	<b>(6,545,630)</b>
Beginning Balance	10,482,878	1,233,972	11,716,850
<b>Ending Fund Balance</b>	<b>5,056,185</b>	<b>115,035</b>	<b>5,171,220</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	-	115,035	115,035
<b><u>Unassigned/Unappropriated:</u></b>			
Reserve - Economic Uncertainty @ 3%	2,300,040		2,300,040
Reserve - Deferred Maintenance Reserve	445,355		445,355
Reserve - Charter Technical Assistance	93,812		93,812
Reserve - GAP Funding Contingency - Subsequent Budget Year	743,919		743,919
<b>Reserve - Unassigned Economic Uncertainty surplus/(deficit)</b>	<b>1,468,059</b>	<b>-</b>	<b>1,468,059</b>
<b>Total Ending Fund Balance</b>	<b>5,056,185</b>	<b>115,035</b>	<b>5,171,220</b>

# ADOPTED BUDGET

VS.

# FIRST INTERIM

	<b>Adopted Budget 2016-17 Combined</b>	<b>First Interim 2016-17 Combined</b>	<b>First Interim vs. Adopted \$ Variance</b>
Revenues			
LCFF Funding	54,067,853	54,095,745	27,892
Federal Revenue	2,281,509	2,418,196	136,687
State Revenue	6,945,830	9,796,842	2,851,012
Local Revenue	3,428,490	3,811,600	383,110
<b>Total Revenue</b>	<b>66,723,682</b>	<b>70,122,383</b>	<b>3,398,701</b>
Expenditures			
Certificated Salaries	30,623,668	31,124,629	500,961
Classified Salaries	8,759,404	8,800,410	41,006
Benefits	15,804,605	16,074,418	269,813
Books and Supplies	4,477,141	7,128,852	2,651,711
Other Services & Oper. Exp	5,304,932	7,683,468	2,378,536
Capital Outlay	990,325	3,712,302	2,721,977
Other Outgo 7xxx	1,917,681	2,045,013	127,332
Transfer of Indirect 73xx	(74,639)	(74,639)	-
<b>Total Expenditures</b>	<b>67,803,117</b>	<b>76,494,453</b>	<b>8,691,336</b>
Deficit/Surplus	(1,079,435)	(6,372,070)	(5,292,635)
Transfers In	-	-	-
Transfers out	(273,360)	(173,560)	99,800
<b>Net increase (decrease) in Fund Balance</b>	<b>(1,352,795)</b>	<b>(6,545,630)</b>	<b>(5,192,835)</b>
Beginning Balance	6,767,711	11,716,850	4,949,139
<b>Ending Fund Balance</b>	<b>5,414,916</b>	<b>5,171,220</b>	<b>(243,696)</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	115,035	3,910
<b><u>Unassigned/Unappropriated:</u></b>			
<b>Reserve - Economic Uncertainty @ 3%</b>	2,042,294	2,300,040	257,746
Reserve - Deferred Maintenance Reserve	432,562	445,355	12,793
Reserve - Charter Technical Assistance	163,443	93,812	(69,631)
Reserve - GAP Funding Contingency - Subsequent Budget Year	743,919	743,919	-
Reserve- New High School Start-Up Costs	100,000	0	(100,000)
<b>Reserve - Unassigned Economic Uncertainty surplus/(deficit)</b>	<b>1,816,573</b>	<b>1,468,059</b>	<b>(348,514)</b>
<b>Total Ending Fund Balance</b>	<b>5,414,916</b>	<b>5,171,220</b>	<b>(243,696)</b>

# MAJOR REVENUE CHANGES TO 2016-17 BUDGET SINCE ADOPTED BUDGET

Budgeted Fund Balance Decrease at Adopted Budget

(\$1,352,795)

## Revenues

### LCFF Sources

Increase in AB602 property tax revenue	30,000	
Total Changes in LCFF Sources		30,000

### Federal Revenue

Carryover of prior year unspent allocations	125,000	
Medi-Cal revenues (budgeted when received)	25,000	
Reduction in PL94-142 revenues	(15,000)	
Total Federal Revenue Changes		135,000

### State Revenue

Reduction in one-time Mandate funding	(150,000)	
College Readiness funds (one-time)	90,000	
Increase in CTEIG allocation	60,000	
CA Career Pathways Grant carryover	2,460,000	
Carryover of other prior year unspent allocations	620,000	
Total State Revenue changes		3,080,000

### Local Revenue

E-Rate revenues	95,000	
TRANS revenues	95,000	
CRANE allocation	45,000	
Increase in facility use, interest revenue budgets	40,000	
Increase in Wellness revenues	25,000	
Increase in AB602 property tax revenues	25,000	
Other revenues	20,000	
Carryover of prior year unspent allocations	40,000	
Total Local Revenue changes		385,000

## Total Change in Revenues

**\$3,630,000**

# MAJOR EXPENDITURE CHANGES TO 2016-17 BUDGET SINCE ADOPTED BUDGET

## **Expenditures**

### Certificated Salaries

Actual certificated staff hired to replace retirees over estimate	115,000	
Actual teacher column movement over estimate	65,000	
Increase in District Library Media Tech	10,000	
Teachers teaching additional sections (Lincoln High School)	60,000	
Transfers from other objects (generally for subs or extra time)	80,000	
Independent Study Teacher (one-time funds)	80,000	
Negotiated change to counselor column placement	15,000	
2016-17 position control adjustments (actual vs. estimate)	75,000	
Total Certificated Salaries changes		500,000

### Classified Salaries

**Add 2.1 FTE special education paraprofessionals** **50,000**

### Benefits

Statutory benefits consistent with salary increases	130,000	
Increase in disability insurance rate	15,000	
Health benefits change - final position control adjustments	120,000	
Total Benefits		265,000

### Books and Supplies

Reduction in one-time Mandate funding	(150,000)	
C/O of prior year unspent federal funds	50,000	
C/O of prior year unspent state funds	2,965,000	
C/O of prior year unspent local funds	15,000	
Transfers to other objects	(230,000)	
Total Books and Supplies		2,650,000

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# MAJOR EXPENDITURE CHANGES TO 2016-17 BUDGET SINCE ADOPTED BUDGET

## Services & Other Operating Expenditures

<b>Decrease in nonpublic schools budget</b>	<b>(70,000)</b>	
<b>Use of NPA for certificated staffing vacancies</b>	<b>275,000</b>	
Budget deferred maintenance expenditures	405,000	
C/O of prior year unspent federal funds	55,000	
C/O of prior year unspent state funds	560,000	
C/O of prior year unspent local funds	440,000	
TRANS expenditures	95,000	
E-Rate expenditures	95,000	
<b>Legal costs (Special Education)</b>	<b>50,000</b>	
<b>Legal settlements (Special Education)</b>	<b>55,000</b>	
College Readiness block grant	90,000	
Transfer from other objects	135,000	
Adjust utilities to prior year actual	80,000	
Wellness and CRANE grants	70,000	
Miscellaneous	40,000	
Total Services and Other Operating Costs		2,375,000
Capital Outlay		
C/O of prior year unspent state funds	2,890,000	
Transfers from other objects	65,000	
Total Capital Outlay		2,955,000
<b>Other outgo - Payment to Rocklin USD for WPUSD students</b>		<b>125,000</b>

## **Total Change in Expenditures**

8,920,000

## *Rounding*

(2,835)

## **Total Change in Budgeted FB**

(5,290,000)

## **Budgeted Deficit Spending at First Interim**

- **(\$6,645,630)**



# CONTRIBUTIONS TO RESTRICTED PROGRAMS

## ***Contributions to Restricted Programs 2016-17 First Interim and 2016-17 Budget***

<b><u>Program</u></b>	<b><u>Resource</u></b>		<b><u>First Interim</u></b>	<b><u>Adopted Budget</u></b>	<b><u>Change</u></b>	<b><u>Comments</u></b>
Special Ed-Basic Grant (PL94-142)	3310	*	\$1,324,058	\$1,342,900	(\$18,842)	Final position control adjustments
Spec Ed Pre-School	3315	*	\$51,802	\$48,974	\$2,828	
Special Education	6500	*	\$6,384,540	\$5,857,839	\$526,701	Increase in NPA budget, increase in legal fees, legal settlements, final position control adjustments
Maintenance	8150		<u>\$1,877,987</u>	<u>\$1,877,987</u>	<u>\$0</u>	
Total Contribution to Restricted Programs			<u>\$9,638,387</u>	<u>\$9,127,700</u>	<u>\$510,687</u>	
Total Special Ed Contribution			\$7,760,400	\$7,249,713	\$510,687	

# **MULTIPLE-YEAR BUDGET PROJECTIONS**

**2016-17 1<sup>ST</sup> INTERIM  
2017-18 PROJECTED  
2018-19 PROJECTED**

# MYP - BUDGET ASSUMPTIONS - REVENUES

	16/17 First Interim	17/18 Projection	18/19 Projection	
Enrollment	6,812	6,881	6,949	Based on 15/16 Actual Enrollment and Projections
ADA Yield	95.8%	95.8%	95.8%	Based on Historical Rates
ADA	6,546	6,612	6,678	Enrollment X ADA Yield
% Increase (Decrease) Enrollment	1.0%	1.0%	1.0%	Based on Historical Rates
# Increase (Decrease) Enrollment	67	68	69	
Statutory COLA %	0.00%	1.11%	2.42%	Per PCOE Common Message
LCFF Entitlement Factors:				
Base Grant - Grades K-3	\$7,083	\$7,162	\$7,335	Per LCFF Calculator
Base Grant - Grades 4-6	\$7,189	\$7,269	\$7,445	Per LCFF Calculator
Base Grant - Grades 7-8	\$7,403	\$7,485	\$7,666	Per LCFF Calculator
Base Grant - Grades 9-12	\$8,578	\$8,673	\$8,883	Per LCFF Calculator
Grade Span Funding (K-3 CSR & 9-12)	\$737	\$745	\$763	Per LCFF Calculator
Supplemental Grants (% Adj. Base)	20%	20%	20%	Per LCFF Calculator
Concentration Grants	50%	50%	50%	Per LCFF Calculator
Concentration Grant Threshold	55%	55%	55%	Per LCFF Calculator
LCFF Gap Closed Percentage	54.18%	72.99%	40.36%	Per LCFF Calculator
LCFF Entitlement per ADA	8,121	8,437	8,564	Per LCFF Calculator
LCFF Funding	53,164,699	55,779,659	57,183,836	Per LCFF Calculator
Property Tax change	3.00%	3.00%	3.00%	County Taxes Report/3-Yr Ave.
Est. Property Taxes	44,842,284	46,187,553	47,573,179	Actuals/3-Yr Average
State LCFF Supplemental Funds	3,233,828	3,669,256	3,716,842	Per LCFF Calculator
Federal Revenue	0%	0%	0%	Per PCOE Common Message
Categorical COLA	0.00%	1.11%	2.42%	Per PCOE Common Message
Lottery Unrestricted/ADA	\$144.00	\$144.00	\$144.00	Per PCOE Common Message
Lottery Restricted/ADA	\$45.00	\$45.00	\$45.00	Per PCOE Common Message

# MYP - BUDGET ASSUMPTIONS - EXPENDITURES

	16/17 First Interim	17/18 Projection	18/19 Projection	
EXPENDITURES				
Certificated New Positions - FTE	10.1	2.0	2.0	
Estimated Retirements - FTE	0.0	0.0	0.0	PARS in 2015/16
Reductions in Staffing - FTE	0.0	0.0	0.0	
Staffing Ratios:				
TK/Kindergarten	25:1	25:1	25:1	Per Contract - District-wide
1-3	25:1	25:1	25:1	Per Contract - District-wide
4-5	31:1	31:1	31:1	Per Contract
6-8	32:1	32:1	32:1	Per Contract
9-12	36:1	36:1	36:1	Per Contract
Certificated Step/Column	2.10%	2.10%	2.10%	
Classified New Positions - FTE	6.7	0.0	0.0	
Estimated Retirements - FTE	0.0	0.0	0.0	PARS in 2015/16
Reductions in Staffing - FTE	0.0	0.0	0.0	
Classified Step/Column	1.00%	1.00%	1.00%	
Health Benefits	0.0%	0.0%	0.0%	Contribution Capped
CalPERS Employer Rate	13.888%	15.50%	17.10%	Per SSC Dartboard (projected)
CalSTRS Employer Rate	12.58%	14.43%	16.28%	Per SSC Dartboard (projected)
Budget Reductions	-	-	-	
Transfers Out	173,560	173,560	223,560	To Fund 17
Designated for Economic Uncertainty	3%	3%	3%	
Deferred Maintenance Reserve	445,355	445,355	445,355	Reserved for Roofing Needs
New High School Start-Up Reserve	100,000	-	-	Reserved for New High School
Site Allocations:				
Elementary	47.00	47.00	47.00	Full Allocation - 15/16
Middle School	58.50	58.50	58.50	Full Allocation - 15/16
High School	83.75	83.75	83.75	Full Allocation - 15/16
Lottery per teacher	500.00	500.00	500.00	

# ENROLLMENT AND ADA

For the 2015-16 school year, the District enrollment increased by 87 students, less a 1.3% increase. Before our decline in 2014-15 of 54 students, the District experienced an average annual enrollment of 1.1% over those last five years. Average Daily Attendance rates (ADA) have ranged from a high of 96.22% in 2015-16 to a low of 95.47% in 2012-13.

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

	16/17 First Interim	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

Any potential reduction in enrollment for the projected opening of the John Adams Charter School in 2017-18 budget year has not been included in the budget at this time. We will periodically assess a possible enrollment reduction as we get closer to the opening of the charter.

# CALSTRS AND CALPERS EMPLOYER CONTRIBUTIONS

CalSTRS employer rates increased to 12.58% in 2016-17 in the amount of **\$516,000**. Board can change rates as needed.

The employer contribution to CalPERS increased to 13.888% in 2016-17 in the amount of **\$119,000**. No specific state funds are provided for this cost increase.

As a reminder, below are the projected increases in STRS and PERS employer rates.

	2015-16	2016-17	2017-18	2018-19	2019-20
<b>CalPERS Employer Rate (projected)</b>	<b>11.847%</b>	<b>13.888%</b>	<b>15.50%</b>	<b>17.10%</b>	<b>18.60%</b>
<b>CalSTRS Employer Rate (statutory)</b>	<b>10.73%</b>	<b>12.58%</b>	<b>14.43%</b>	<b>16.28%</b>	<b>18.13%</b>

The CalSTRS and CalPERS additional costs associated with the employer rates increase in 2017/18 are projected to be **\$526,000 and \$95,000** respectively.

# MULTIPLE YEAR PROJECTIONS

	<b>First Interim 2016-17 Combined</b>	<b>Projection 2017-18 Combined</b>	<b>Projection 2018-19 Combined</b>
Revenues			
LCFF Funding	54,095,745	56,710,705	58,114,882
Federal Revenue	2,418,196	2,293,058	2,293,058
State Revenue	9,796,842	4,563,829	4,375,493
Local Revenue	3,811,600	3,512,359	3,512,359
<b>Total Revenue</b>	<b>70,122,383</b>	<b>67,079,951</b>	<b>68,295,792</b>
Expenditures			
Certificated Salaries	31,124,629	31,717,083	32,231,052
Classified Salaries	8,800,410	8,907,038	8,980,310
Benefits	16,074,418	16,995,035	17,869,091
Books and Supplies	7,128,852	2,648,057	2,648,057
Other Services & Oper. Exp	7,683,468	5,580,457	5,580,457
Capital Outlay	3,712,302	81,200	81,200
Other Outgo 7xxx	2,045,013	2,045,013	2,045,013
Transfer of Indirect 73xx	(74,639)	(74,639)	(74,639)
<b>Total Expenditures</b>	<b>76,494,453</b>	<b>67,899,244</b>	<b>69,360,541</b>
Deficit/Surplus	(6,372,070)	(819,293)	(1,064,749)
Transfers In	-	-	-
Transfers out	(173,560)	(173,560)	(223,560)
<b>Net increase (decrease) in Fund Balance</b>	<b>(6,545,630)</b>	<b>(992,853)</b>	<b>(1,288,309)</b>
Beginning Balance	11,716,850	5,171,220	4,178,367
<b>Ending Fund Balance</b>	<b>5,171,220</b>	<b>4,178,367</b>	<b>2,890,058</b>

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

One time Federal & State funding removed from 17/18 and 18/19.

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

One time State funding removed from 17/18 and 18/19

Includes transfer of \$250,000 Wetlands Reserve back to Fund 17 -Special Reserve in each of three years. (Paid back in full by 18-19)

**Positive Certification – Adequate reserves and cash**

# COMPONENTS OF FUND BALANCE

**2016-17 Ending Fund Balance Components (\$5,171,220) :**

**Nonspendable:**

**\$5,000**

**Restricted:**

**\$115,035**

**Reserve for EU (3%):**

**\$2,300,040**

**Board designated:**

**\$539,167**

**GAP Funding Reserve:**

**\$743,919**

**Unassigned Surplus:**

**\$1,468,059**

	First Interim 2016-17 Combined	Projection 2017-18 Combined	Projection 2018-19 Combined
<b>Ending Fund Balance</b>	<b>5,171,220</b>	<b>4,178,367</b>	<b>2,890,058</b>
<b><u>Components of Ending Fund Balance Nonspendable:</u></b>			
Reserve - Revolving Fund	5,000	5,000	5,000
<b><u>Restricted:</u></b>			
Reserve - Designated Programs	115,035	115,035	115,035
<b><u>Unassigned/Unappropriated:</u></b>			
Reserve - Economic Uncertainty @ 3%	2,300,040	2,042,184	2,087,523
Reserve - Deferred Maintenance Reserve	445,355	445,355	445,355
Reserve - Additional LCFF Supplemental Required Increase Spending 17-18 & 18-19	0	439,841	47,586
Reserve - Charter Technical Assistance	93,812	93,812	93,812
Reserve - GAP Funding Contingency - Subsequent Budget Year	743,919	311,005	0
Reserve- New High School Start-Up Costs	0	0	0
Reserve - Unassigned Economic Uncertainty surplus/(deficit)	1,468,059	726,135	95,747
<b>Total Ending Fund Balance</b>	<b>5,171,220</b>	<b>4,178,367</b>	<b>2,890,058</b>



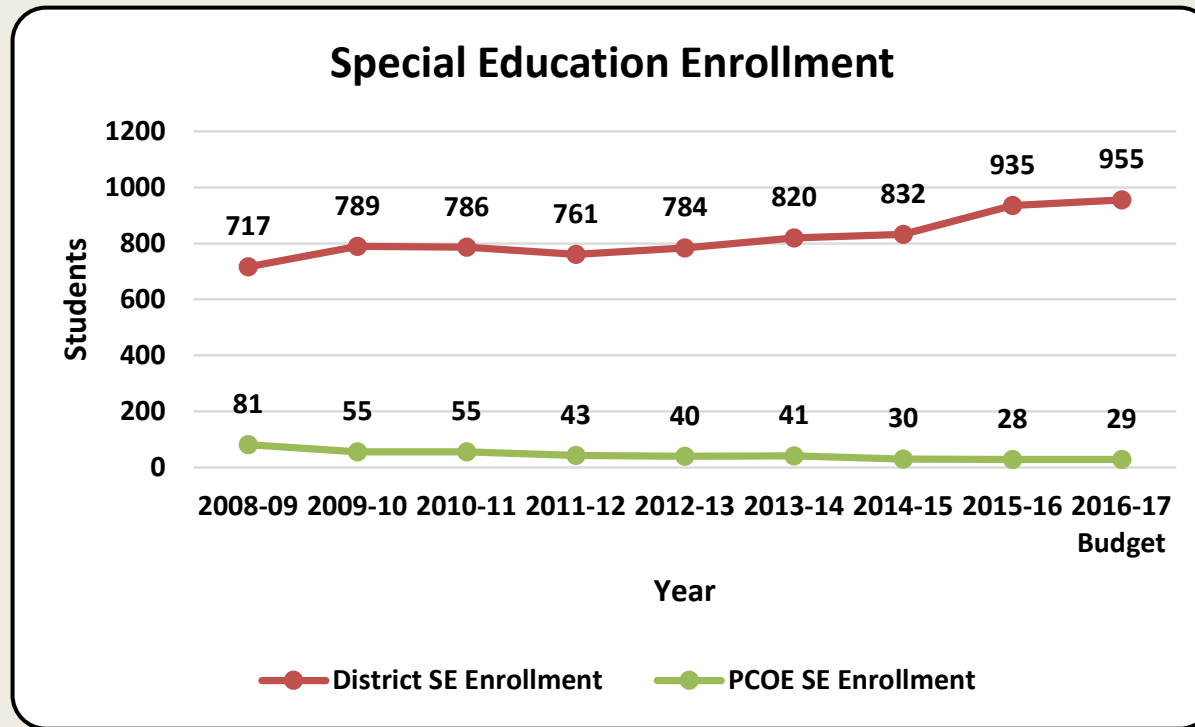
# SPECIAL EDUCATION PROGRAM

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- × Over the last few years the District has experienced a large increase in the number of special education students attending our schools and an increase in the services provided for those students.
- × This reporting period we are increasing the overall special education budget and district encroachment contribution by \$510,000. The change is primarily due to increases in the non-public agencies services due to vacancies and long-term leaves, legal fees and settlements out of district placement for fragile students and the hiring of 2.10 FTE paraprofessionals.
- × With the continued increase in special education student enrollment, related expenditures, and lack of increased annual State or Federal funding, a detailed and continual analysis is necessary to ensure that we are providing required and necessary services for those students while also monitoring staffing requirements, non-public school and agencies costs and other related expenditures.

# SPECIAL EDUCATION PROGRAM

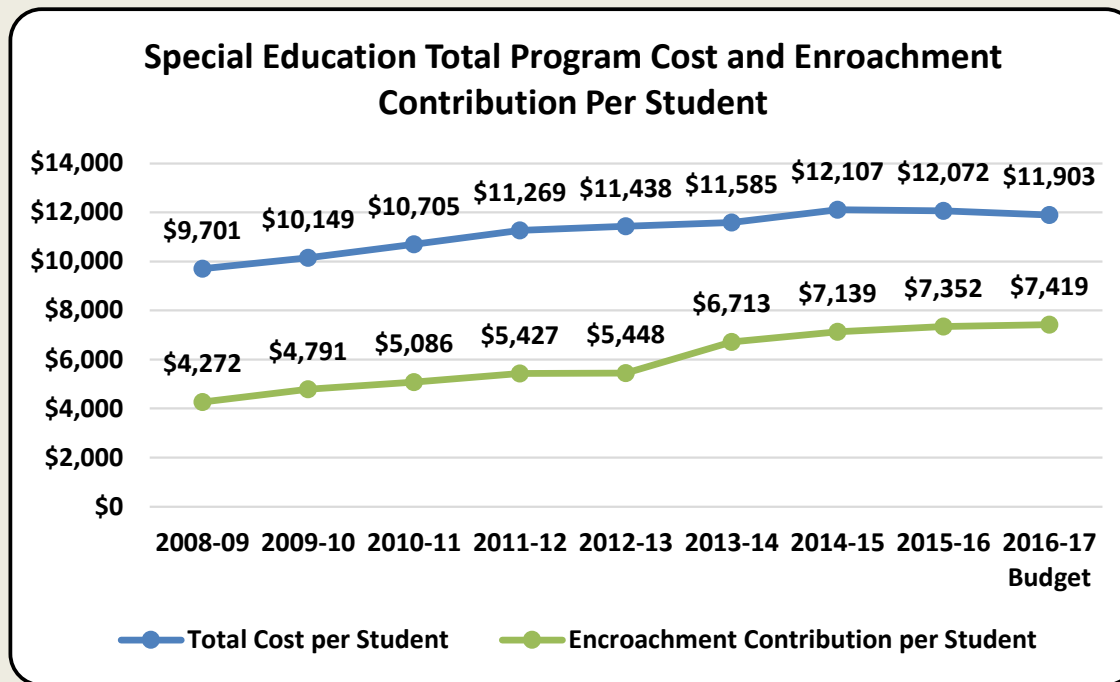
Below is a historical chart of the special education enrollment for the last nine years:



Over the last nine years the district has experienced an increase of 186 special education students (23% increase). The enrollment also includes preschool students. The current special education enrollment represents 14% of total district enrollment as compared to 12% in 2008-09. The State's target rate of school districts special education population is approximately 10% to total district enrollment.

# SPECIAL EDUCATION PROGRAM

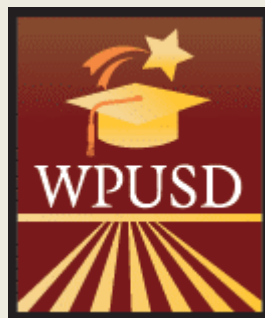
The chart below displays the total Special Education program cost and encroachment contribution per special education student for the last nine years:



Since 2008-09, the District has seen the total program cost increase of \$2,203 (23%) per student and encroachment contribution increase of \$3,147 (74%) per student. While total program costs have increased significantly by \$3.9 million (114%) from 2008-09, revenues have been flat with a minimal \$80,000 increase (2%) since 2008-09 and special education enrollment has increased. The flat special education funding, with a 0.00% COLA for 2016-17, has directly impacted the district's fiscal and multi-year outlook.

# NEXT STEPS

- Governor's 2017-18 State Budget Proposals – SSC Workshop - January 2017
- Presentation of Information from District LCAP Committee for 2017-18– January & February 2017
- Second Interim Report - March 2017
- District Attendance Reporting (P-2) – April 2017
  - P-2 ADA may drive change in 2017-18 Projected Funded ADA
- Governor's May Revision – May 2017
- 2016-17 Budget Adoption and LCAP Approval – June 30, 2017



# Recommend Approval of 2016-17 First Interim Budget



## QUESTIONS & COMMENTS