

Portola Valley School District

2018-19 2nd Interim Budget Update
March 6, 2019



1


AGENDA

- Timeline - Budget Calendar
- 2018-19 Second Interim Budget Changes
- Multi-year Projection assumptions
- 2019-20 Governor's Proposals
- Next Steps



2

REPORTING/CALENDAR FOR THE 2018-19 & 2019-20 BUDGET

June 2018	Adoption of 2018-19 PVSD Budget
July 2018	Governor Signs the 2018-19 State Budget
Sept 2018	First Revision of 2018-19 PVSD Budget
Dec 2018	First Interim PVSD Financial Report
Jan 2019	Release of Governor's 2019-20 State Budget
 March 2019	Second Interim PVSD Financial Report
May 2019	State Budget Update for 2019-20
June 2019	Adoption of 2019-20 PVSD Budget
July 2019	Governor Signs 2019-20 State Budget



3

Update on District's Financials

Major Changes from the First Interim Budget:

Revenues:

- Solar VCAP Interest Rebates: \$494,121 (\$307,808 income and \$86,313 offset to interest expense)
- Endowment grants \$48,674
- State Revenues
 - Classified employee professional development grant \$4,975
 - Low Performing Students Block Grant \$15,808



4

Update on District's Financials

Major Changes from the First Interim Budget

Expenditures:

- Salaries and Benefits Decrease (\$110,333)
 - Hourly and substitute payments
 - Health benefit costs
- Materials and Supplies Decrease (\$38,270)
- Services & Operating Expenses Increase \$27,571
- Capital Outlay Increase of \$57,698
- Solar Rebate Interest Expense Decrease (\$86,313)



5

Projected Financial Outlook - General Fund

	2018-19	2019-20	2020-21	2021-22
Income	16,319,289	15,929,845	16,233,883	16,592,370
Expenditures	(15,307,921)	(15,586,527)	(15,825,942)	(16,238,215)
Excess	1,011,368	343,318	407,941	354,155
Transfers to Other Funds	(485,000)	(22,000)	(23,000)	(24,000)
Net Inc/(Dec) to Fund Balance	526,368	321,318	384,941	330,155
Beginning Fund Balance	1,567,521	2,093,889	2,415,207	2,800,148
Ending Fund Balance	2,093,889	2,415,207	2,800,148	3,130,303
Available Reserves %	15.6%	17.1%	18.7%	19.8%



6

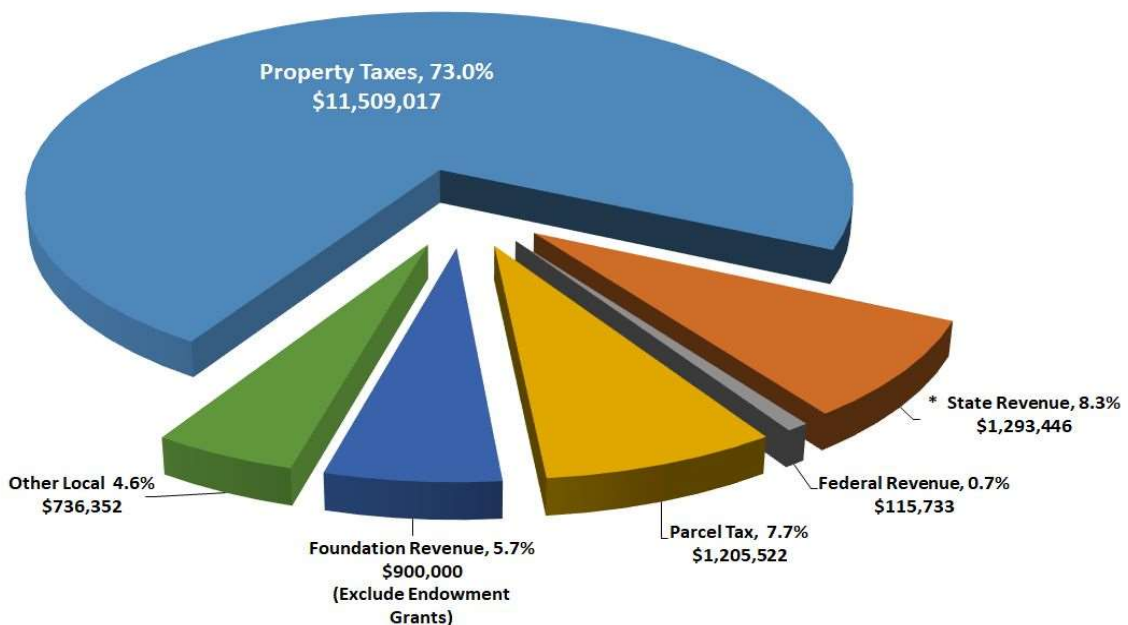
2018-19 Budget Revenue Assumptions

- Property Tax Increase of 5.25% over prior year
- Parcel Tax (Measure O) - \$581 per parcel (or \$1.2 M)
- PVSD Foundation Campaign Funds - \$900,000
- State Programs \$535,424: State Aid, Education Protection Acct - \$200 per student
- Special Education Revenues \$396,305: Same amount as 2017-18
- Solar interest rebates \$494,121



7

2018-19 Proposed Revenues



* Excludes \$559,219 CalSTRS on behalf payments

8

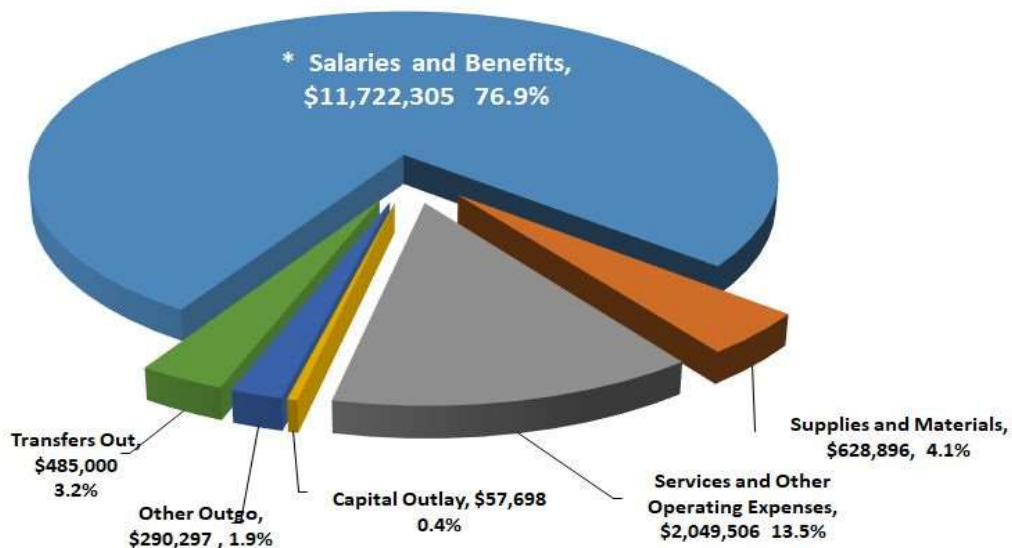
2018-19 Budget Expenditure Assumptions

- Personnel Budgets
 - 3.66 FTE certificated staff, 1 FTE administrator and 3 paraprofessionals reduction through attrition
 - Paying off the teacher's retirement incentive obligation
 - Negotiations not settled with employees groups with the exception of Teachers
 - Increase in CalSTRS and CalPERS Pension Costs
- Non-Personnel Budgets
 - Textbook adoptions: Science grades 6-7; History grades K-8;
 - Curriculum materials: English Language grades 6-8
 - Superintendent Search, Election Costs



9

2018-19 Proposed Expenditures



* Excludes \$559,219 CalSTRS on behalf payments

10

Assumptions in 2019-20 to 2021-22

Revenues:

- Property tax growth: 4% for 2019-20; 3% for 2020-21 and 2021-22
- Parcel Tax (Measure O) expires June 30, 2021. Budget assumes parcel tax revenues to continue in 2021-22
- Special Education Revenues and Expenditures assume slight escalation

Expenditures:

- Health Benefits - Increase by 8% per year
- Pension rates continues to increase up to 19.1% for STRS in 2020-21 and 24.6% for PERS in 2021-22
- Restore Director of Curriculum/Innovation position
- Wifi Accesspoint upgrade \$145,000 expenses with Erate Rebates of \$38,000, net cost to the District of approximately \$107,000

Reserves: Set aside \$100,000 each year for new classroom furniture.



11

2019-20 Governor's Proposals

Partial Listing of Governor's K-12 Proposals:

- Statutory Cost of Living Adjustment 3.46% - \$2 Billion
- Pension payments - \$7 Billion
- School Facilities - \$1.5 billion in Prop 51 bonds
- Discretionary Funds - None proposed

Impact to PVSD:

- Statutory COLA: \$9,600 due to Tinsley Program
- Pension payments: Approximately \$70,000 each year
- Discretionary Funds - Received approx \$100K in past



years

12

Next Steps

May 2019: 2019-20 Governor's May Revise Budget

June 5, 2019: 2018-19 Budget Update

2019-20 Adopted Budget - Discussion

June 26, 2019: 2019-20 Adopted Budget - Approval

