

# Portola Valley School District


2018-19 1st Interim Budget Update  
December 5, 2018



# AGENDA

- Timeline - Budget Calendar
- 2018-19 First Interim Budget Changes
- Multi-year Projection assumptions
- Summary
- Next Steps

# 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
September 2018	First Revision of 2018-19 PVSD Budget
 <b>December 2018</b>	<b>First Interim PVSD Financial Report</b>
January 2019	Release of Governor's Recommended 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



# Update on District's Financials

Major Changes from the 2018-19 Adopted Budget:

## Revenues:

- Property Taxes Increase of \$147,847
- State Revenues Increase:
  - One-time discretionary funds \$102,848
  - Prop 39 Energy Savings Grant \$202,853

# Update on District's Financials

## Expenditures:

- Salaries and Benefits Decrease \$102,776:
  - Positions not filled, savings of \$317,000
  - Payoff teachers pension obligation by an additional (\$290,881).
  - Other adjustments \$76,000 to reflect est. actuals
- Prop 39 Energy Savings Expenditures \$253,471

# Update on District's Financials

Transfers Out \$485,000:

- Cafeteria Fund: \$20,000
- Deferred Maintenance Fund: \$265,000
- Basic Aid Reserve Policy Fund: \$200,000

# Projected Financial Outlook - General Fund

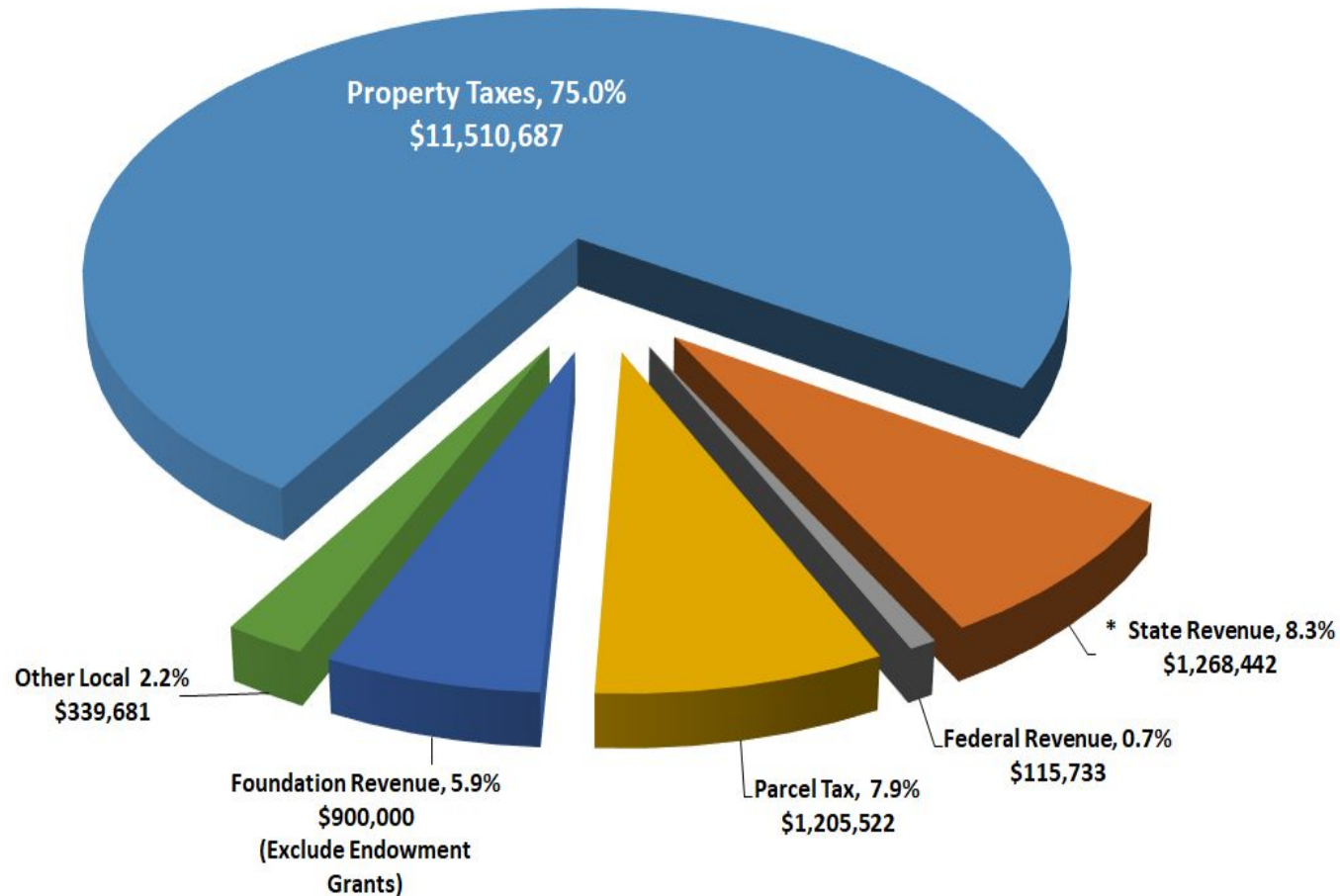
	2018-19	2019-20	2020-21	2021-22
Income	15,899,284	15,891,845	16,233,883	16,592,370
Expenditures	(15,457,568)	(15,429,361)	(15,887,698)	(16,291,051)
Excess	441,716	462,484	346,185	301,319
Transfers to Other Funds	(485,000)	(22,000)	(23,000)	(24,000)
Net Inc/(Dec) to Fund Balance	(43,284)	440,484	323,185	277,319
Beginning Fund Balance	1,567,521	1,524,237	1,964,721	2,287,906
Ending Fund Balance	1,524,237	1,964,721	2,287,906	2,565,225
Available Reserves %	10.0%	12.5%	13.6%	14.5%

# 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 Rebate is not included in the projections.



# 2018-19 Proposed Revenues

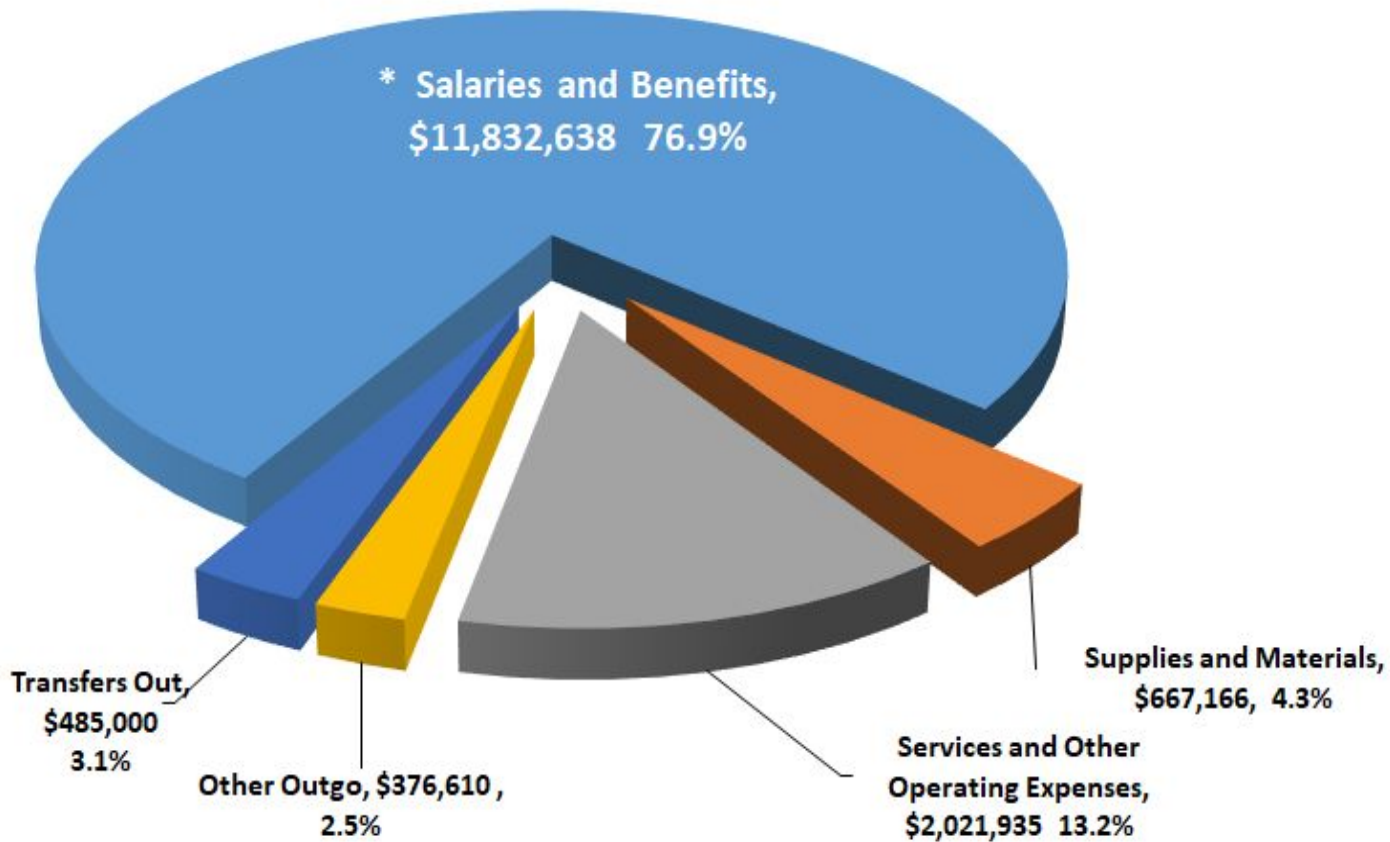


\* Excludes \$559,219 CalSTRS on behalf payments

# 2018-19 Budget Expenditure Assumptions

- Personnel Budgets
  - 3.66 FTE certificated staff, 1 FTE administrator and 3 paraprofessionals reduction through attrition
  - Increase 1.0 FTE Maintenance Technician
  - Paying off the teacher's retirement incentive obligation
  - Negotiations not settled with employees groups with the exception of Teachers
  - Increase in 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

# 2018-19 Proposed Expenditures



\* Excludes \$559,219 CalSTRS on behalf payments

# 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

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

# Summary

- Positives
  - Passage of Measure Z
  - Healthy growth in property tax revenue
  - Continue community support
- Budget pressures
  - Pension costs & health benefits continue to increase
  - Without constant budget adjustments, revenue growth is slower than expenditure growth

# Next Steps

February 2019: Governor's Proposals 2019-20

March 2019: 2nd Interim Budget Update