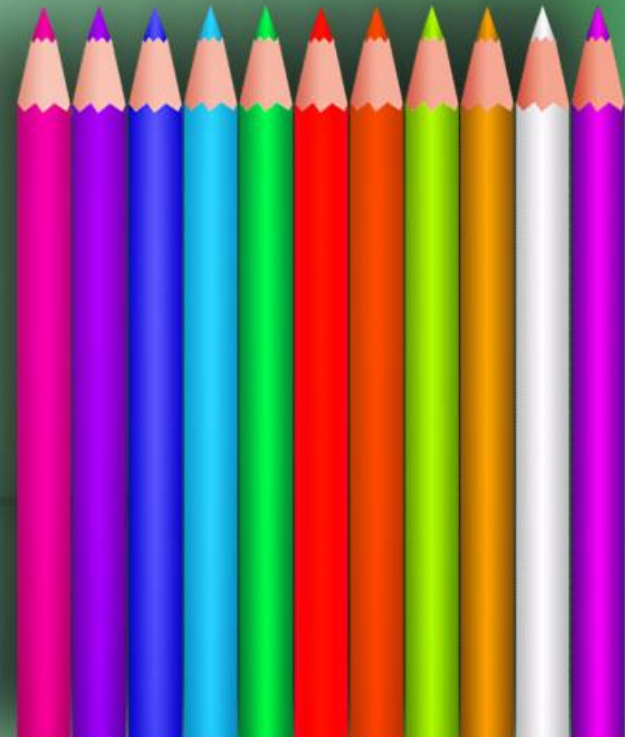


SAN PASQUAL UNION SCHOOL DISTRICT

2019-2020 PROPOSED
BUDGET



BUDGET CYCLE

- **LCAP & Budget Public Hearing and Adoptions – June 2019**
 - June 2019, 1st Board Meeting
 - LCAP, LCAP Federal Addendum, Budget Overview for Parents & Proposed Budget Public Hearing
 - June 2019, 2nd Board Meeting
 - LCAP, LCAP Federal Addendum, Budget Overview for Parents & Proposed Budget Public Adoption
- **Unaudited Actuals – September 2019**
 - Close out Fiscal Year as of June 30th
 - Board reviews and approves report
- **First Interim – December 2019**
 - First Revision of Adopted Budget
- **Annual Audit – December 2019**
 - Independent audit firm submits report on district's fiscal & programs review/findings
- **Board Review of final Audit Report – January 2020**
- **Second Interim – March 2020**
 - Second Revision of Adopted Budget



June 2019 Budget Report

Governor's Proposal for 2019-20 State Budget

- While Governor Newsom does not forecast an impending recession, his state spending plan is based on conservative economic and revenue assumptions and continues to plan for a rainy day – LEAs would be wise to do the same
- We see a commitment to former Governor Brown's LCFF with the inclusion of the statutory COLA, but LEAs will continue to face budget challenges as LCFF funding fattens and cost rise
 - COLA of 3.26%
 - Maintains full LCFF funding



SSC Dartboard

Factor	K-3	4-6	7-8	9-12
2019-20 Base Grants	\$7,702	\$7,818	\$8,050	\$9,329
Grade Span Adjustments	\$801	-	-	\$243
2019-20 Adjusted Base Grants	\$8,503	\$7,818	\$8,050	\$9,572

Factor	2018-19	2019-20	2020-21	2021-22
Statutory COLA	3.70%	3.26%	3.00%	2.80%
DOF Gap Funding Percentage	100.00%	--	--	--



Assumptions for Proposed Budget

• Enrollment	583
• ADA	562.60
• ADA %	96.5%
• Unduplicated Pupil Percentage	26.24%
• Step/Column Increase (<i>Average</i>)	
– Certificated	2.15%
– Classified	2.17%
• Health Benefit Increase	Cap Increasing by \$500
	<i>Effective 01/01/2020</i>



Assumptions for Proposed Budget

➤ Assumptions were based on Governor's May Revise

– Cost of Living Adjustment (COLA)	3.26%
– Mandate Block Grant – K-8	\$32.18/ PY P2 ADA
– Unrestricted Lottery	\$151.00/Annual ADA
– Restricted Lottery	\$53.00/Annual ADA
– STRS Employer Rate (<i>Proposed Buydown</i>)	16.7%
– PERS Employer Rate	20.733%
– Social Security Employer Rate	6.2%
– Med Employer Rate	1.45%
– SUI Employer Rate	0.05%
– Workers Comp Rate	1.86%



CalSTRS Rate Increases

- In January, Governor Newsom proposed a \$3 billion one-time non-Proposition 98 General Fund payment to CalSTRS to reduce long-term liabilities for employers.
- At the May Revision, Governor Newsom increased this proposal by \$150 million (non-Proposition 98) to reduce the 2019-20 employer contribution rate from 18.13% to 16.7% in 2019-20
- The proposal retains the 2020-21 decrease of 19.10% to 18.10%

CalSTRS Rates			
Year	Employer	Pre-PEPRA Employees	Post-PEPRA Employees
2017-18	14.43%	10.25%	9.205%
2018-19	16.28%	10.25%	10.205%
2019-20	16.70%**	10.25%	10.205%
2020-21	18.10%**	10.25%	10.205%
2021-22	17.80%**	10.25%	10.205%
2022-23	17.80%**	10.25%	10.205%

**Rates are subsidized based on Governor's May Revision proposal



CalPers Rate Increases

- The CalPERS Board adopted an employer contribution rate of 20.733% for 2019-20

2.671% higher than the current-year rate of 18.062%

- CalPERS Board also adopted a continuation of the new member (post-PEPRA) contribution rate of 7.0% into 2019-20

Year	Previously Released Employer Contribution Rates	Employer Contribution Rate*
2018-19	18.062%	18.062%
2019-20	20.70%	20.733%
2020-21	23.40%	23.60%
2021-22	24.50%	24.90%
2022-23	25.00%	25.70%
2023-24	25.50%	26.40%
2024-25	25.70%	26.60%
2025-26	25.50%	26.50%

*Actual for 2019-20



Multiyear Projections

- Multiyear projections (MYPs) are required by AB 1200 (Chapter 1213/1991) and AB 2756 (Chapter 52/2004)
- Recognize that MYPs are projections, not forecasts
 - Projections are expected to change as various factors change – they are not predictions
 - Projections are the mathematical result of today's decisions based on a given set of assumptions
 - Forecasts are predictions of the future – there is a higher implied reliability factor than for projections
- Projections will change any time the underlying factors change – therefore, plan to adjust as conditions change



Multi-Year Projections

San Pasqual Union Elementary
Multi-Year Projections Summary Report
2019-20 Adopted Budget

DESCRIPTION	OBJECT CODE	FY 2019-20			FY 2020-21			FY 2021-22			
		Current (Base Year)			First Projected Year			Second Projected Year			
		Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	
A	Beginning Balance as of July 1	\$964,325	\$109,179	\$1,073,504	\$973,335	\$109,179	\$1,082,514	\$884,314	\$58,464	\$942,778	
B	Revenues										
1	Revenue Limit Sources	8010-8099	4,836,363	29,974	4,866,337	4,924,676	29,974	4,954,650	5,064,170	29,974	5,094,144
2	Federal Revenues	8100-8299	0	231,598	231,598	0	231,598	231,598	0	231,598	231,598
3	Other State Revenues	8300-8599	109,647	294,553	404,200	104,805	294,780	399,585	104,848	296,647	401,495
4	Other Local Revenues	8600-8799	110,550	510,354	620,904	110,550	510,354	620,904	110,550	510,354	620,904
5	Total Revenues		5,056,560	1,066,479	6,123,039	5,140,031	1,066,706	6,206,737	5,279,568	1,068,573	6,348,141
Beginning Balance & Revenue (A+B5)			\$6,020,885	\$1,175,658	\$7,196,543	\$6,113,366	\$1,175,885	\$7,289,251	\$6,163,882	\$1,127,038	\$7,290,920
C	Expenditures										
1	Certificated Salaries	1000-1999	2,491,780	346,714	2,838,494	2,551,418	353,687	2,905,106	2,612,644	360,892	2,973,536
2	Classified Salaries	2000-2999	669,661	263,630	933,291	689,420	267,029	956,449	703,909	270,475	974,384
3	Employee Benefits	3000-3999	983,284	378,169	1,361,453	1,060,769	393,072	1,453,841	1,085,901	398,735	1,484,636
4	Books & Supplies	4000-4999	230,306	107,995	338,301	237,584	111,408	348,991	244,830	114,806	359,636
5	Services, Other Operating Exp	5000-5999	511,141	60,897	572,038	528,482	62,821	591,303	545,748	64,737	610,485
6	Capital Outlay	6000-6999	0	0	0	0	0	0	0	0	0
7	Other Outgo - exclude Direct Sup.	7100-7299	0	70,452	70,452	0	90,782	90,782	0	93,551	93,551
8	Debt Service	7400-7499	0	0	0	0	0	0	0	0	0
9	Direct Support/Indirect Costs	7300-7399	0	0	0	0	0	0	0	0	0
10	CSR Reduction (for info only)	1000-7999	0	0	0	0	0	0	0	0	0
11	Projected Budget Reduction		0	0	0	0	0	0	0	0	0
12	Total Expenditures:		\$4,886,172	\$1,227,857	\$6,114,029	\$5,067,673	\$1,278,799	\$6,346,472	\$5,193,033	\$1,303,196	\$6,496,228
D	Interfund Xfers/Other Sources										
1	Transfers In	8910-8929	0	0	0	0	0	0	0	0	0
2	Transfers Out	7610-7629	0	0	0	0	0	0	0	0	0
3	Sources	8930-8979	0	0	0	0	0	0	0	0	0
4	Uses	7630-7699	0	0	0	0	0	0	0	0	0
5	Contributions	8980-8999	(161,378)	161,378	0	(161,378)	161,378	0	(176,158)	176,158	0
E	Net Increase (Decrease) In Fund Balance		\$9,010	\$0	\$9,010	(\$89,021)	(\$50,715)	(\$139,736)	(\$89,623)	(\$58,464)	(\$148,087)
F	Ending Balance		\$973,335	\$109,179	\$1,082,514	\$884,314	\$58,464	\$942,778	\$794,691	\$0	\$794,692
1	Revolving Cash	9711	1,000	0	1,000	1,000	0	1,000	1,000	0	1,000
2	Other Reserves	97xx	0	0	0	0	0	0	0	0	0
3	Restricted	9740	0	109,179	109,179	0	58,464	58,464	0	0	0
4	Stabilization Arrangements	9750	0	0	0	0	0	0	0	0	0
5	Other Commitments	9760	0	0	0	0	0	0	0	0	0
6	Assigned - Other Assignments	9780	560,000	0	560,000	500,000	0	500,000	425,000	0	425,000
7	Reserve for Economic Uncertainties	9789	244,561	0	244,561	253,859	0	253,859	259,849	0	259,849
8	Unassigned/unappropriated Amount	9790	167,774	0	167,774	129,455	0	129,455	108,842	0	108,842
G	Components of Ending Fund Balance Total		\$973,335	\$109,179	\$1,082,514	\$884,314	\$58,464	\$942,778	\$794,691	\$0	\$794,692

4% Calculated Reserve, or \$50,000 (greater of the two)

Reserve Percentage Level for this district:	4.00%	Total Reserves	4% Calculated	Difference*	
FY 2019-20 ADA Input Sheet (District):	562.60	FY 2019-20 Bud	\$244,561	\$244,561	\$0
		FY 2020-21 Proj	\$253,859	\$253,859	\$0
		FY 2021-22 Proj	\$259,849	\$259,849	\$0

FY 2020-21 Unappropriated Amount is: **Positive**
 FY 2021-22 Unappropriated Amount is: **Positive**

Balance of Excess Minimum Reserve

District: San Pasqual Union School
CDS #: 37-68353

Adopted Budget
2019-20 Budget Attachment
Balances in Excess of Minimum Reserve Requirements

Reasons for Assigned and Unassigned Ending Fund Balances in Excess of Minimum Recommended Reserves

Education Code Section 42127(a)(2)(B) requires a statement of the reasons that substantiates the need for assigned and unassigned ending fund balances in excess of the minimum reserve standard for economic uncertainties for each fiscal year identified in the budget.

Combined Assigned and Unassigned/unappropriated Fund Balances		
Form	Fund	2019-20 Budget
		Objects 9780/9789/9790
01	General Fund/County School Service Fund	\$1,082,514.00
17	Special Reserve Fund for Other Than Capital Outlay Projects	\$231,439.00
	Total Assigned and Unassigned Ending Fund Balances	\$1,313,953.00
	District Standard Reserve Level	4%
	Less District Minimum Reserve for Economic Uncertainties	\$244,561.00
	Remaining Balance to Substantiate Need	\$1,069,392.00

Form 01
Form 17
Form 01CS Line 10B-4
Form 01CS Line 10B-7

Reasons for Fund Balances in Excess of Minimum Reserve for Economic Uncertainties

Form	Fund	2019-20 Budget	Description of Need
01	General Fund/County School Service Fund	\$240,000.00	One-Time Funds (Mandated Costs)
01	General Fund/County School Service Fund	\$100,000.00	Declining Enrollment
01	General Fund/County School Service Fund	\$125,000.00	Campus Safety Projects (Sound System, Alarm System)
01	General Fund/County School Service Fund	\$65,000.00	Technology Equipment
01	General Fund/County School Service Fund	\$30,000.00	Curriculum/Textbook Adoption (Common Core)
01	General Fund/County School Service Fund	\$200,000.00	Portable Replacement
01	General Fund/County School Service Fund	\$77,953.00	Legal Fees
17	Special Reserve Fund for Other Than Capital Outlay Projects	\$70,000.00	Legal Fees and/or Special Education IDT
17	Special Reserve Fund for Other Than Capital Outlay Projects	\$100,000.00	Unanticipated Expenditures (STRS, PESR, hourly rate increase)
17	Special Reserve Fund for Other Than Capital Outlay Projects	\$61,439.00	Technology Infrastructure
	Total of Substantiated Needs	\$1,069,392.00	

Remaining Unsubstantiated Balance \$0.00 Balance should be Zero

Education Code Section 42127 (d)(1) requires a county superintendent to either conditionally approve or disapprove a school district budget if the district does not provide for EC 42127 (a)(2)(B) public review and discussion at its public budget hearing.



Final Thoughts

- If COLA only is our near-term LCFF future, increasing demands on our base funding (STRS & PERS contributions, step and column costs, and increase in health benefits) will exceed the COLA funding
- Given the automatic cost increases LEAs are facing, it's a significant task to merely maintain current programs
- Collective bargaining will continue to be a challenge
- Need to continue to evaluate budget to address deficit spending

