

Draft Budget 2018-19

June 12, 2018

Presented by:

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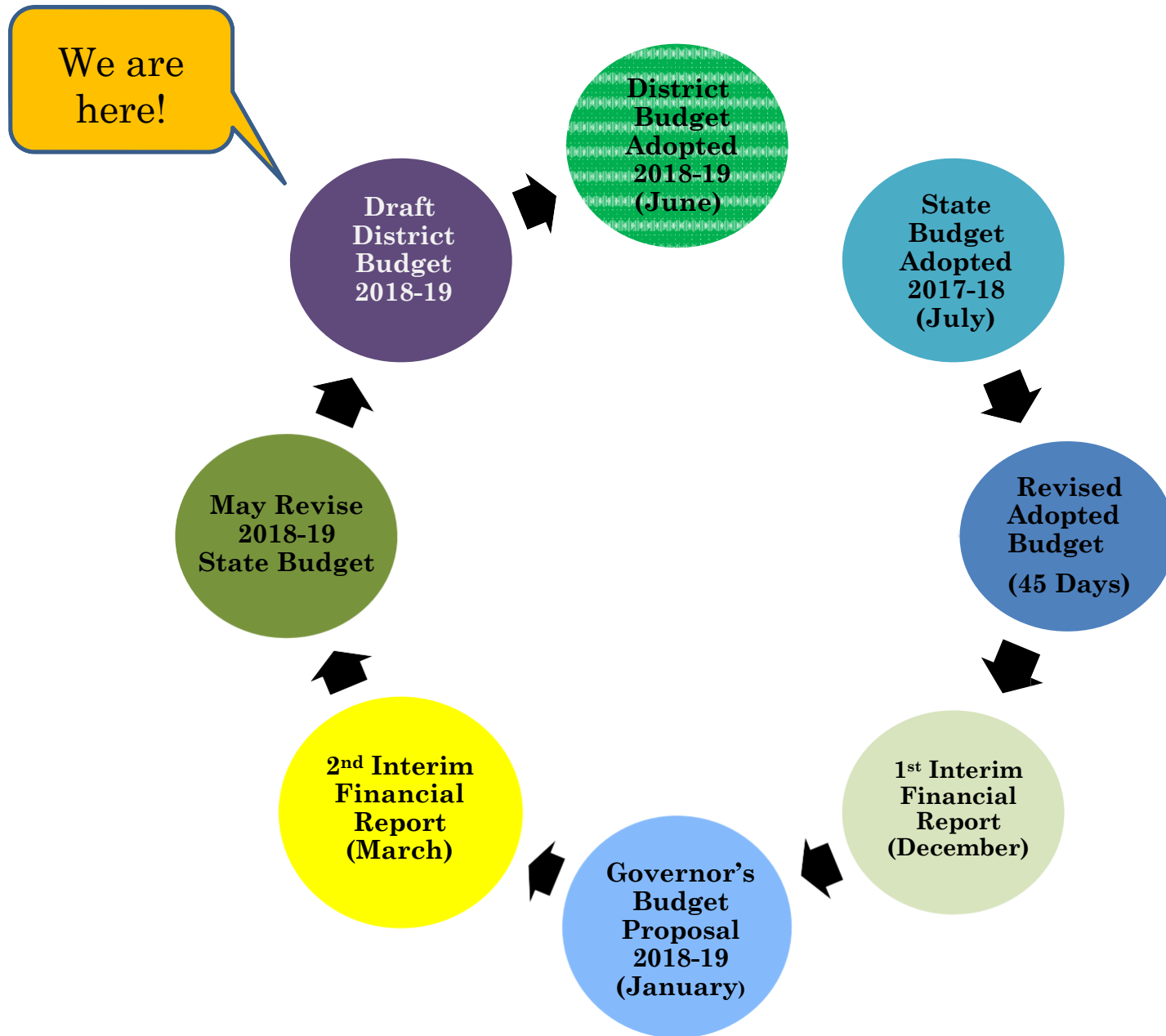
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OCEAN VIEW SCHOOL DISTRICT
EDUCATION CENTER



Annual Budget Cycle



2018-19 Draft Budget

Components

Budget Information

Budget Assumptions

General Fund Revenue

General Fund Expenses

General Fund Balance Summary

Encroachment

2018-19 LOCAL CONTROL FUNDING FORMULA

- The January Budget proposed \$2.9 billion for continued implementation of the LCFF
- May Revision proposes more than \$3.2 billion for continued implementation of the LCFF, \$300 million above the January level
- Additional LCFF funding to increase the 2.71% COLA to 3.00% on LCFF base grant targets

Ocean View School District

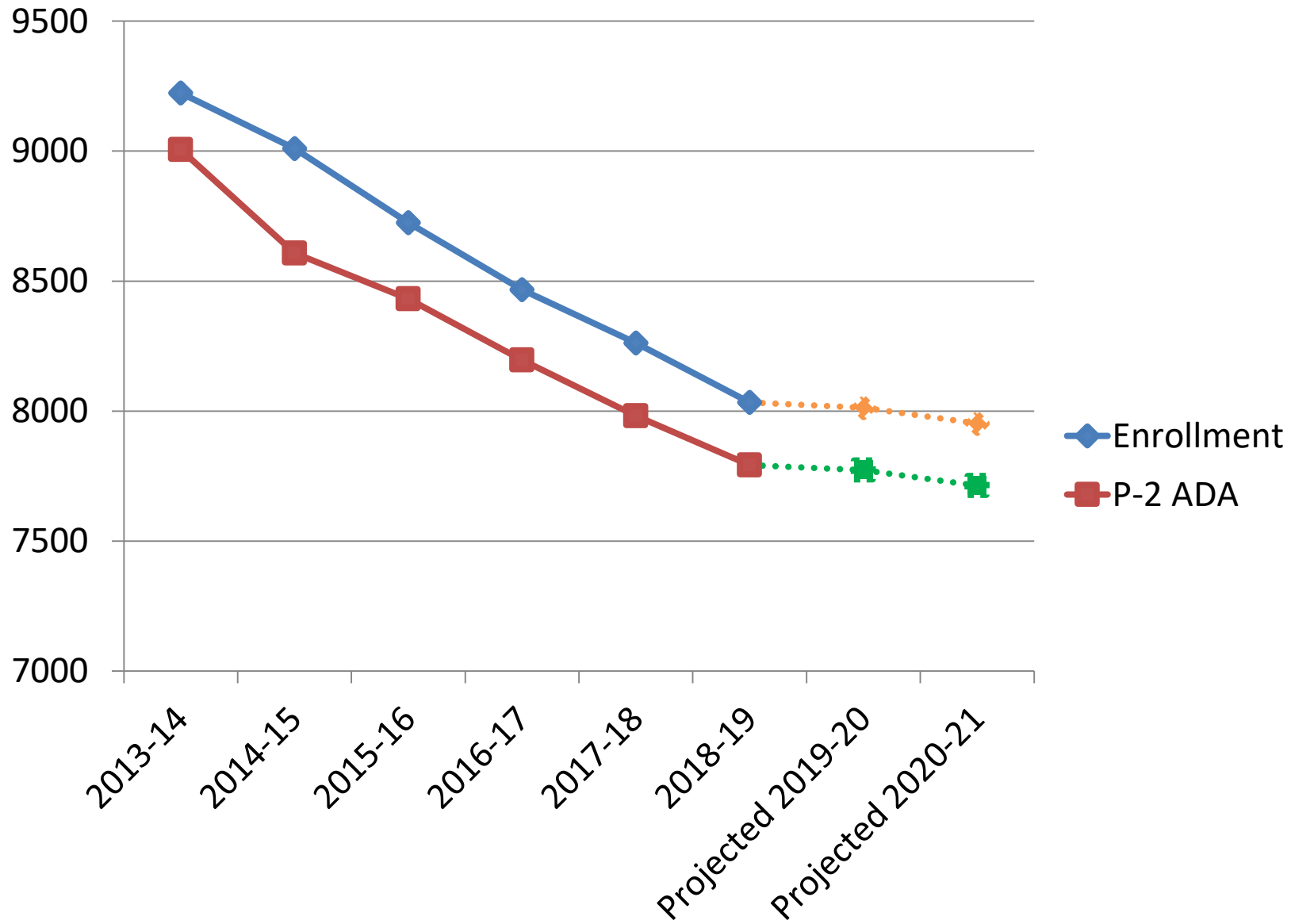
2018-19 GENERAL FUND BUDGET ASSUMPTIONS

- Local Control Funding Formula
 - COLA updated to 3.00%
 - LCFF as a percentage of Target - 100%
 - Unduplicated pupil count at 49.03%

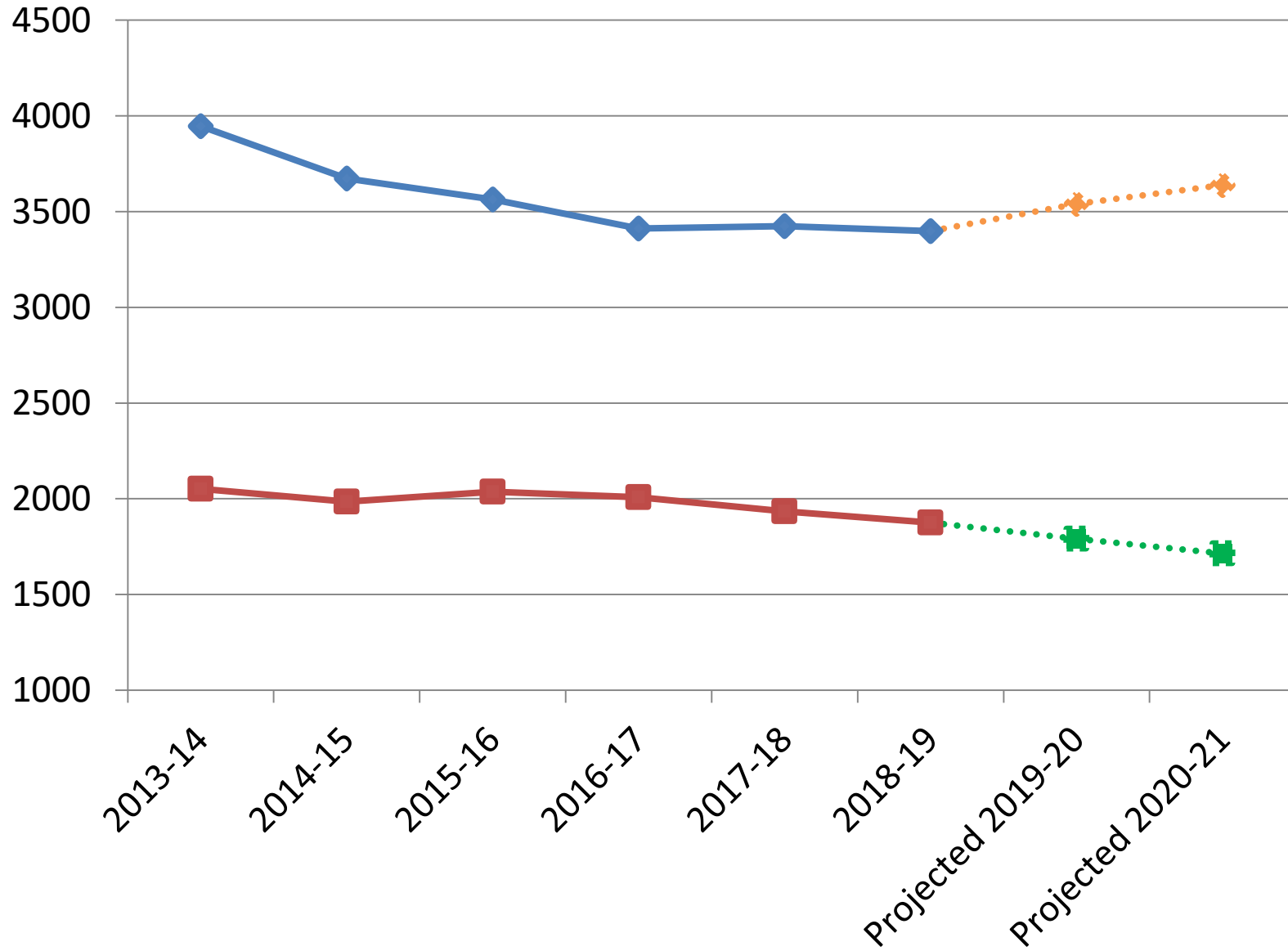
- ADA decline
 - 2013/14 -- 2017/18
 - (1,228)
 - Projected ADA 2018/19
 - (189)

- Other
 - STRS & PERS additional retirement contributions
 - Step & Column increases Certificated and Classified
 - One-time Discretionary monies not budgeted (18-19)
 - Health and Welfare increases

Enrollment ADA Comparison



K-3 to 7-8 Enrollment Comparison



2nd Interim Key Rate Assumptions

	2018-19 DRAFT	2019-20 Projected	2020-21 Projected
COLA (Statutory)	3.00% #	2.57%	2.67%
LCFF Gap Funding	100%	100%	100%
STRS Employer Rates <i>Increase over prior year</i>	16.28% +1.85%	18.13% +1.85%	19.10% 0.97%
PERS Employer Rates <i>Increase over prior year</i>	18.062% +2.531%	20.80% +2.738%	23.5% +2.70%
One-time Discretionary Funding	\$150*	\$0	\$0

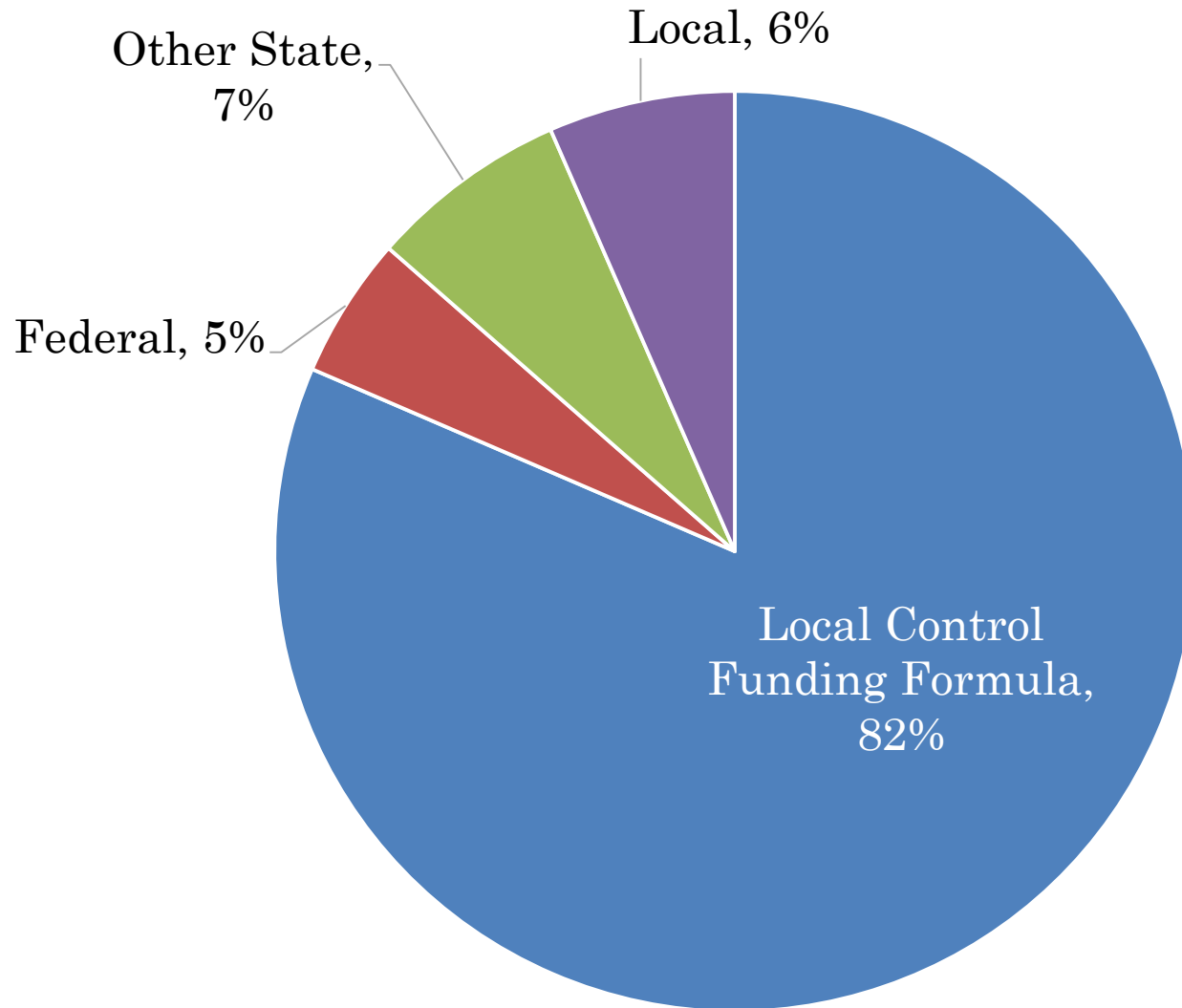
District “Cost of Opening the Doors” Annual Increases Assumptions

Increased Costs	2018-19 DRAFT	2019-20 Projected	2020-21 Projected
Step & Column <i>(includes PERS, STRS, WC, OSDI, Medi, SUI)</i>	\$699,791	\$705,525	\$712,137
CalPERS	\$398,203	\$431,263	\$425,767
	\$1,122,820	\$1,163,889	\$ 814,142
CalSTRS	\$724,617	\$732,606	\$388,375
Total Cost Increases	\$1,822,611	\$1,869,414	\$1,526,279
LCFF Revenue	\$70,663,852	\$70,953,541	\$72,724,418
+ / - LCFF Revenue	\$2,400,616	\$289,689	\$1,770,877
Net Impact	\$578,005	-\$1,579,725	\$244,598

Combined General Fund Revenue Summary

GF Combined	2017-18 Estimated Actuals	2018-19 DRAFT	2019-20 Projected	2020-21 Projected
LCFF Revenues	\$68,263,236	\$70,663,852	\$70,953,541	\$72,724,418
Federal Revenues	\$4,542,800	\$4,309,363	\$4,309,363	\$4,309,363
Other State Revenues	\$7,134,040	\$6,068,021	\$6,068,021	\$6,068,021
Other Local Revenues	\$6,240,412	\$5,686,883	\$5,686,883	\$5,686,883
TOTAL Revenues	\$86,180,489	\$86,728,119	\$87,017,808	\$88,788,685

2018-19 DRAFT BUDGET GENERAL FUND REVENUES

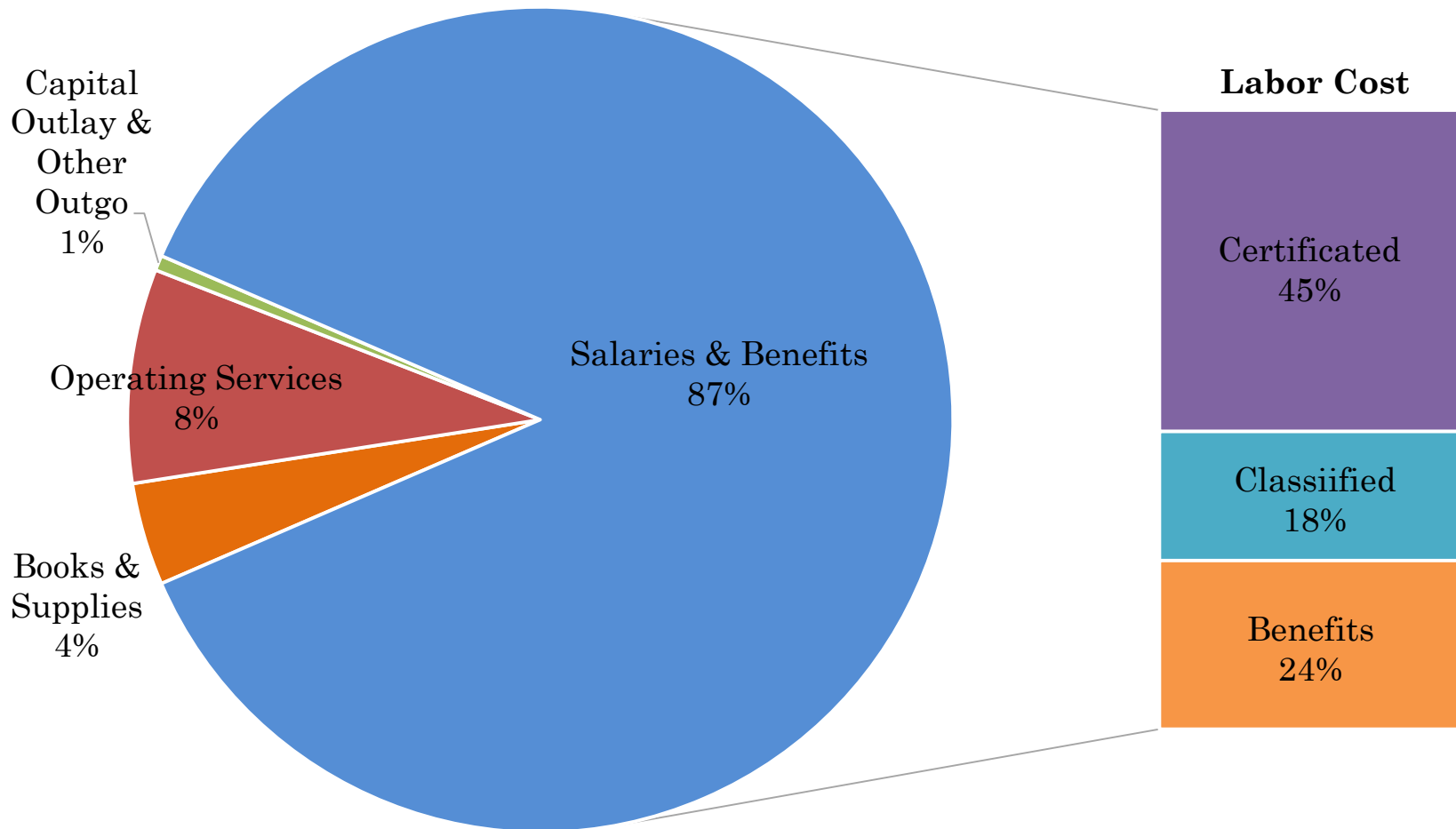


Total Revenue \$86,728,119

General Fund Expenditures

GF Combined	2017-18 Estimated Actuals	2018-19 DRAFT	2019-20 DRAFT	2020-21 DRAFT
Certificated Salaries	\$41,132,907	\$39,168,478	\$39,600,305	\$40,038,610
Classified Salaries	\$15,697,262	\$15,733,024	\$15,751,022	\$15,769,154
Employee Benefits	\$20,042,074	\$20,565,638	\$21,729,507	\$22,543,648
Books & Supplies	\$5,486,547	\$3,492,342	\$3,402,351	\$3,402,351
Operating Expenses	\$8,039,382	\$7,274,434	\$7,274,434	\$7,524,434
Capital Outlay	\$131,544	\$74,373	\$74,373	\$74,373
Other Outgo	\$438,806	\$438,806	\$438,806	\$438,806
Support (Indirect) Costs	(\$375,058)	(\$340,504)	(\$340,504)	(\$340,504)
TOTAL Expenditures	\$90,593,465	\$86,406,591	\$87,930,294	\$89,450,873

2018-19 DRAFT BUDGET GENERAL FUND EXPENDITURES



Total Expenditures = \$86,747,096

Unrestricted Labor Cost = 89%

General Fund Balance Summary and MYP

GF Combined	2018-19 DRAFT	2019-20 Projected	2020-21 Projected
Revenues	\$86,728,119	\$87,017,808	\$88,788,685
Expenditures <i>(including Transfers In/Out)</i>	\$86,656,591	\$88,180,294	\$89,450,873
Net Inc / (Dec) in Fund Balance	\$71,528	(\$1,162,486)	(\$662,188)
Beginning Balance	\$8,064,359	\$8,135,886	\$6,973,401
Ending Balance	\$8,135,886	\$6,973,401	\$6,311,213
Ending Balance as % of Expenditures	9.4%	7.9%	7.1%

Contributions to District Programs

Encroachment to the General Fund	2017-19 Estimated Actuals	2018-19 DRAFT
Special Education	\$10,827,195	\$10,787,769
Routine Maintenance	\$2,719,260	\$2,609,101
Home-to-School Transportation	\$1,764,000	\$1,947,008
Special Education Transportation	\$434,138	\$431,300

Challenges

- Structural Deficit - There is no such thing as a good budget without an adequate reserve. Working toward resolution.
- Future Funding –annual growth in LCFF funding will be determined by (1) change in ADA, and (2) statutory COLA.
- State Budget projections do not provide any increase over the 2020-21 projections, which already anticipated full LCFF funding.
- Continued encroachment to the Unrestricted General Fund.
- No revenue funding source for district required STRS and PERS increases.
- Since full funding of the LCFF has not been adjusted for the STRS and PERS required increases, purchasing power **is not** fully restored.

Questions...

