

Governor's Budget Proposals Impact on the District Budget



**Ocean View School District
February 6, 2018**

**Presented by:
Carol Hansen, Ed.D., Superintendent
Michael Conroy, Ed.D., Deputy Superintendent**



Governor's Budget Proposal Impact on 1st Interim Budget

ONLY change is to LCFF Revenue Sources

No changes in Expenses

No budget reductions included

Key Changes to Budget Assumptions

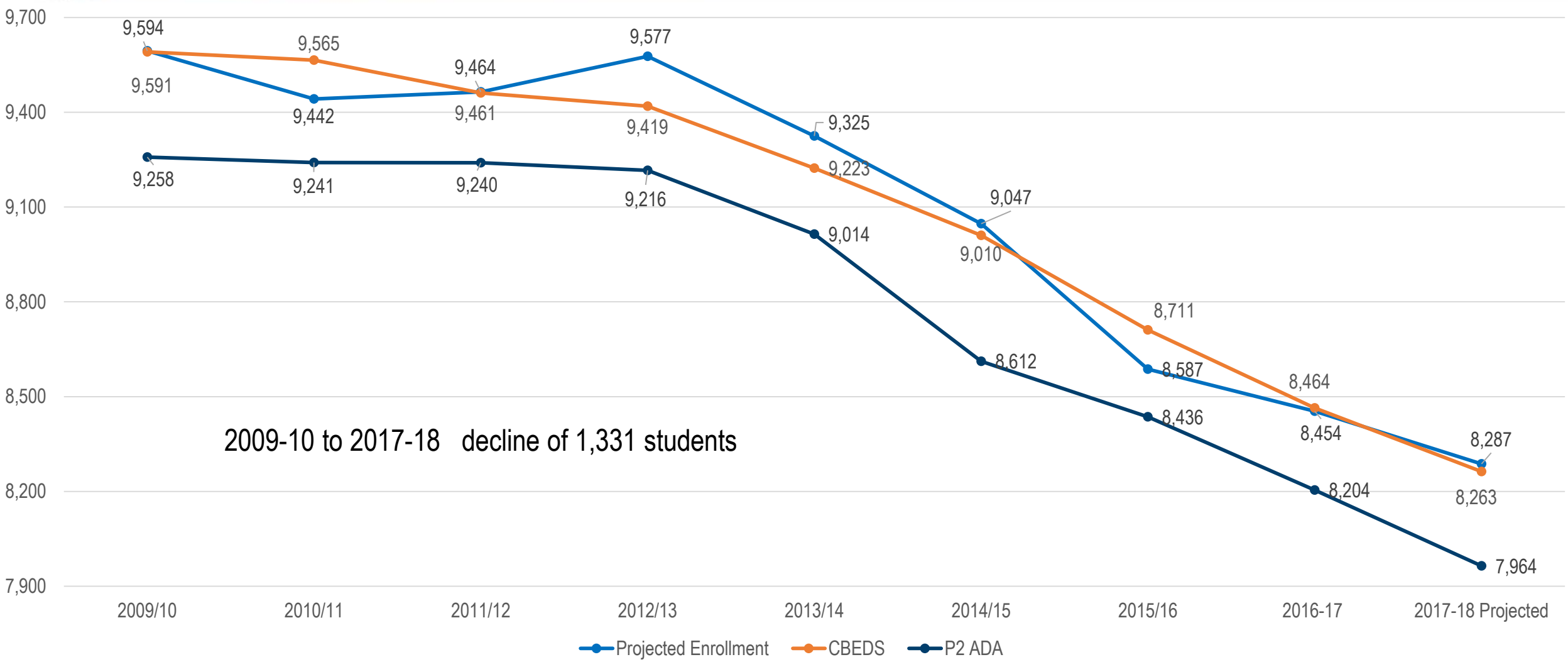
General Fund Revenue Impact

General Fund Ending Balance Impact



Enrollment to ADA Trends Comparisons

Projected Enrollment to CBEDS to P2 ADA





1st Interim General Fund Revenue Summary

GF Combined	2017-18 1st Interim	2018-19 Projected	2019-20 Projected
LCFF Revenues	\$68,217,331	\$69,190,474	\$70,100,206
Federal Revenues	\$4,652,783	\$4,315,834	\$4,315,834
Other State Revenues	\$7,165,839	\$5,957,224	\$5,957,224
Other Local Revenues	\$5,852,556	\$5,852,556	\$5,852,556
TOTAL Revenues	\$85,888,509	\$85,316,088	\$86,225,820

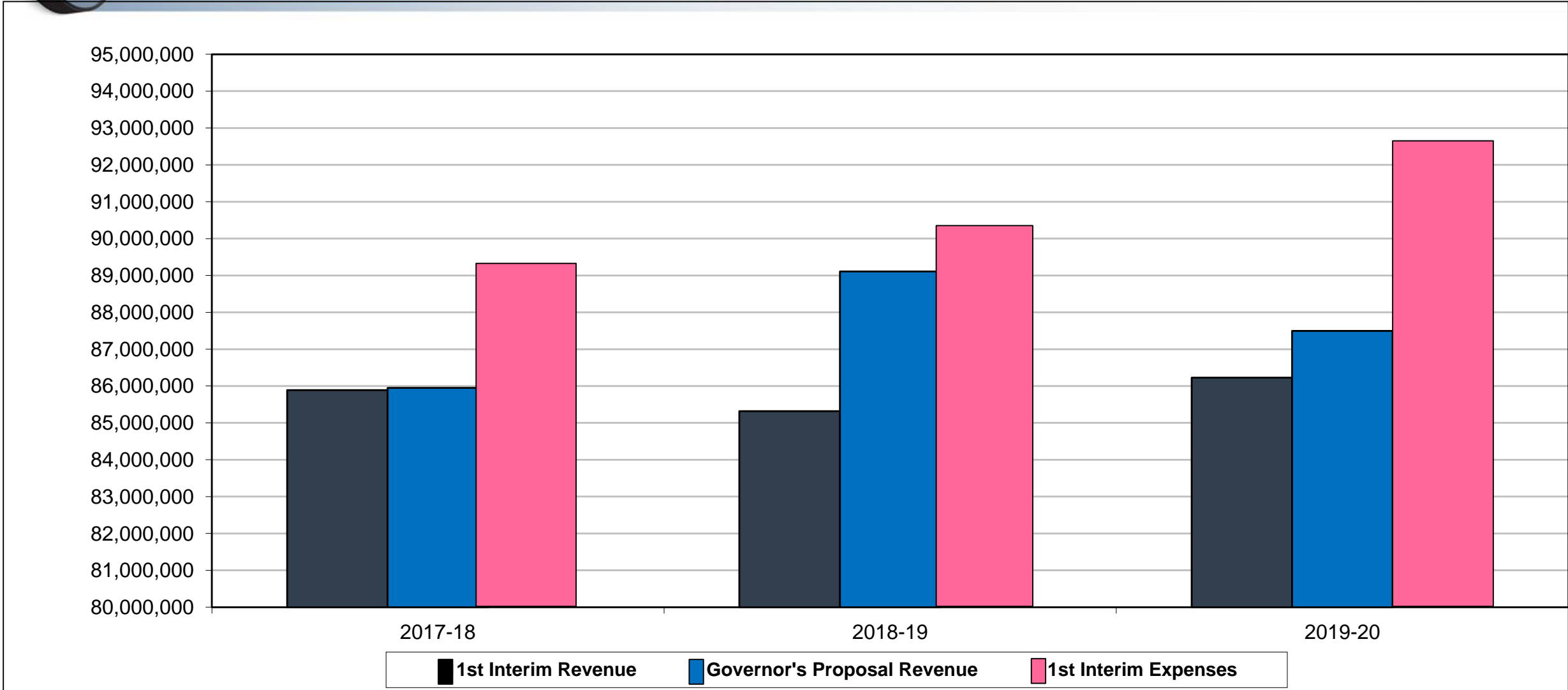


1st Interim General Fund Revenue Summary w/ Governor's Budget Proposal

GF Combined	2017-18 1st Interim	2018-19 Projected	2019-20 Projected
LCFF Revenues	\$68,280,431	\$70,616,920	\$71,369,909
Federal Revenues	\$4,652,783	\$4,315,834	\$4,315,834
Other State Revenues	\$7,165,839	\$8,323,419	\$5,957,224
Other Local Revenues	\$5,852,556	\$5,852,556	\$5,852,556
TOTAL Revenues	\$85,951,609	\$89,108,729	\$87,495,523
+ / -	\$63,100	\$3,792,641	\$1,269,703



1st Interim General Fund Revenue + Expense Summary (w/o Budget Reduction Plan) w/ Governor's Budget Proposal





District “Cost of Opening the Doors” Projected Annual Increases w/ Governor’s Budget Proposal

Increased Costs	2018-19 (Projected)	2019-20 (Projected)	2020-21 (Projected)	3-Yr Cumulative (Projected) Total
Step & Column	\$981,264	\$995,427	\$1,013,720	\$2,990,411
CalPERS	\$415,068	\$440,595	\$494,446	\$1,350,109
CalSTRS	\$771,320	\$786,746	\$420,761	\$1,978,827
Total Cost Increases	\$2,167,652	\$2,222,768	\$1,928,927	\$6,319,347
+ / - Revenue <i>Funding Projections Over Prior Year</i>	\$2,336,488	\$752,989	\$803,358	\$3,892,835
Net Impact	\$168,836	-\$1,469,779	-\$1,125,569	-\$2,426,512



Comparison to Total Expenditures

	2013-14 Unaudited Actuals	2014-15 Unaudited Actuals	2015-16 Unaudited Actuals	2016-17 Unaudited Actuals	2017-18 1st Interim
Unrestricted Personnel Costs % of Total Expenditures	\$47,835,571 90.2%	\$50,464,804 85.6%	\$54,648,988 88.9%	\$54,950,359 90.4%	\$54,126,398 87.8%
Object 4xxx's % of Total Expenditures	\$1,293,639 2.4%	\$1,294,177 2.2%	\$2,220,863 3.6%	\$1,484,924 2.44%	\$3,146,172 5.1%
Object 5xxx's % of Total Expenditures	\$4,047,211 7.6%	\$7,492,847 12.7%	\$4,841,403 7.9%	\$4,879,346 8.0%	\$4,824,694 7.8%
Object 6xxx's % of Total Expenditures	\$260,348 0.5%	\$144,867 0.2%	\$28,475 0.0%	\$176,835 0.3%	\$123,531 0.2%



Comparison to Total Expenditures

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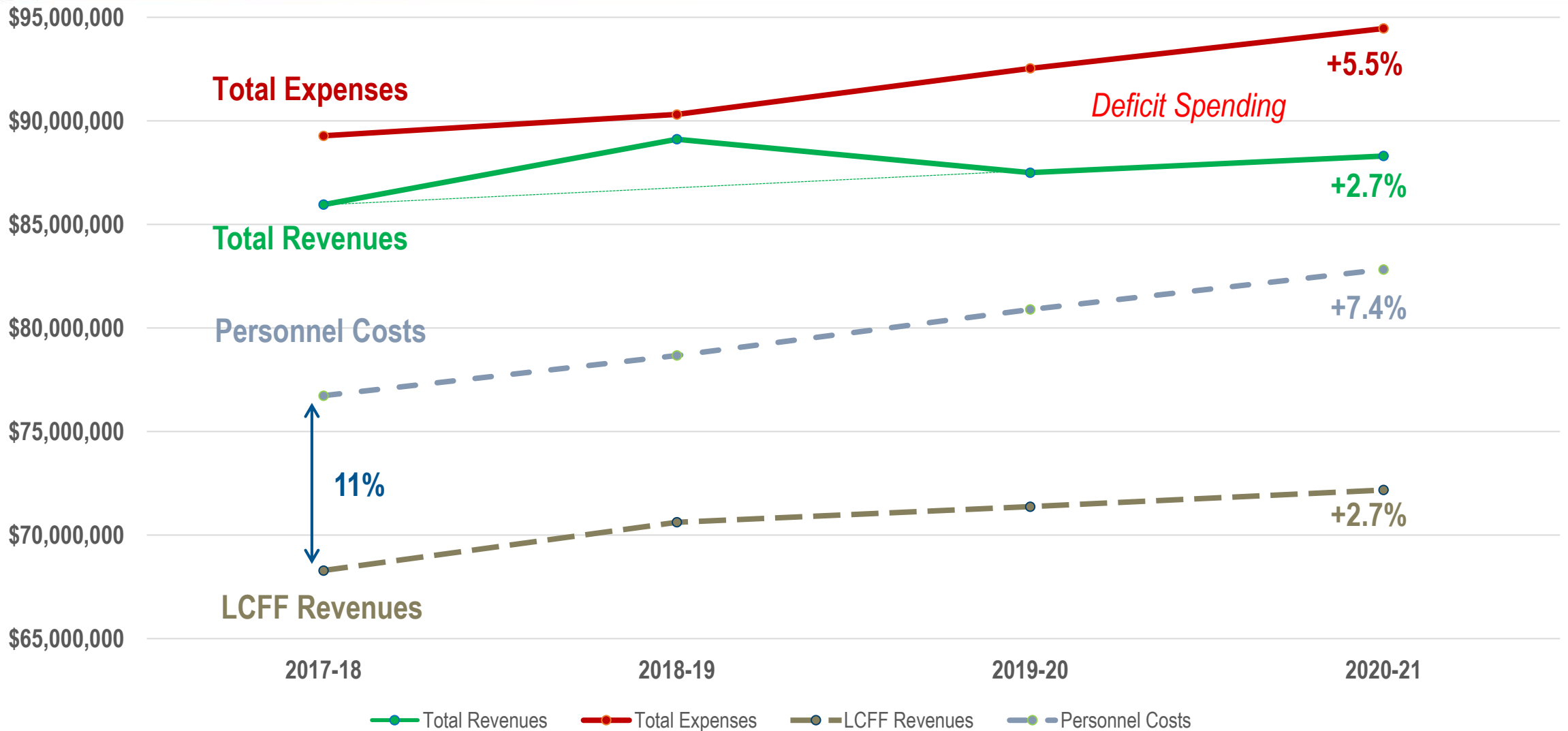


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Combined MYP Budget--Revenue/Expenses Comparisons Governor's Proposal w/o Budget Reduction Plan





1st Interim Fund Balance MYP Actuals with Budget Reduction

GF Combined	2017-18 1 st Interim	2018-19 Projected	2019-20 Projected
Beginning Balance	\$13,043,306	\$10,133,644	\$8,152,432
Net Inc/(Dec) in Fund Balance	(\$2,909,662)	(\$1,981,212)	(\$3,039,766)
Ending Balance	\$10,133,644	\$8,152,432	\$5,112,666
Ending Balance as % of Expenditures	11.44%	10.68%	5.74%



1st Interim Fund Balance MYP w/o Budget Reduction

GF Combined	2017-18 1 st Interim	2018-19 Projected	2019-20 Projected	2020-21 Projected
Beginning Balance	\$12,727,335	\$9,090,297	\$3,848,482	(\$2,706,369)
Net Inc/(Dec) in Fund Balance	(\$3,637,038)	(\$5,241,815)	(\$6,554,851)	(\$6,858,541)
Ending Balance	\$9,090,297	\$3,848,482	(\$2,706,369)	(\$9,564,910)
Ending Balance as % of Expenditures	10.18%	4.26%	(2.92%)	(10.13%)

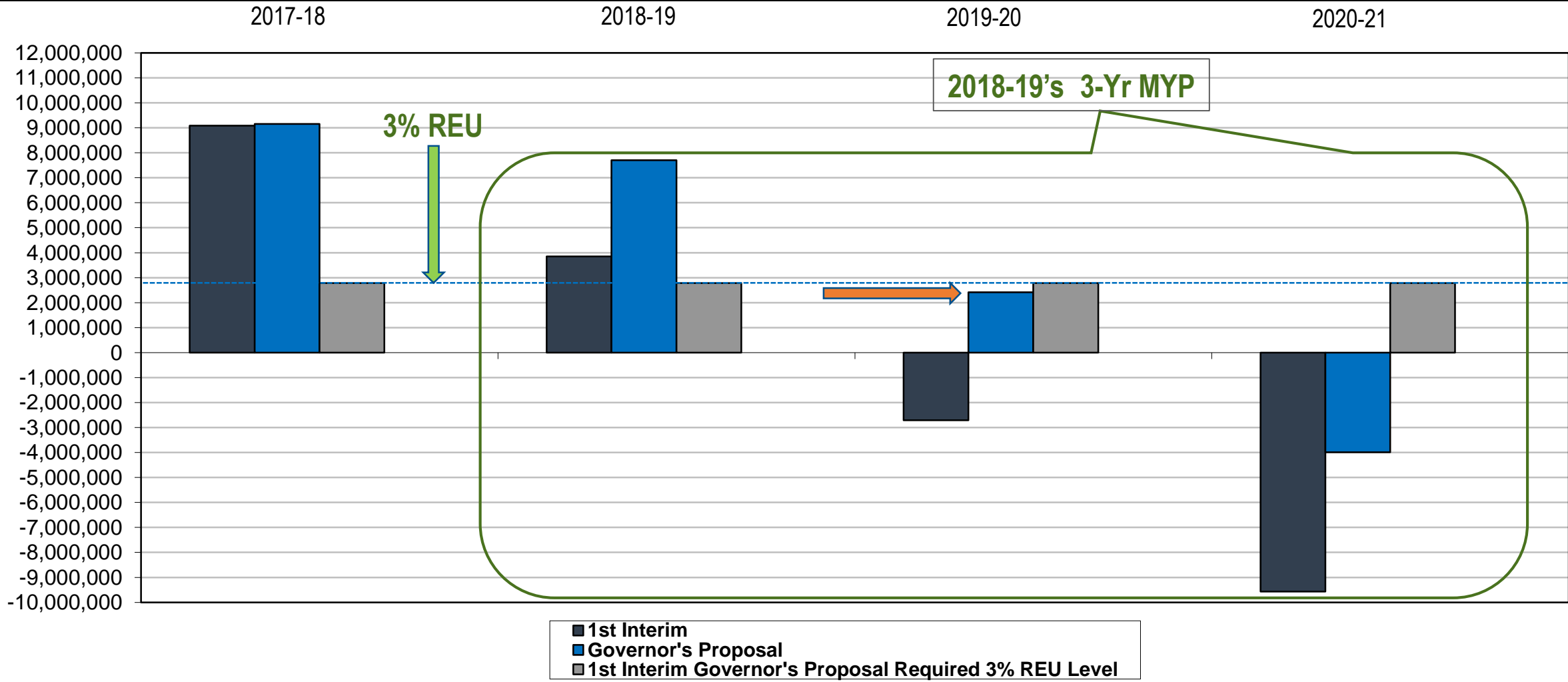


1st Interim Fund Balance MYP with Governor's Proposal w/o Budget Reduction Plan

GF Combined	2017-18 1 st Interim	2018-19 Projected	2019-20 Projected	2020-21 Projected
Beginning Balance	\$12,727,335	\$9,153,398	\$7,704,224	\$2,419,074
Net Inc/(Dec) in Fund Balance	(\$3,573,937)	(\$1,449,174)	(\$5,285,150)	(\$6,410,717)
Ending Balance	\$9,153,398	\$7,704,224	\$2,419,074	(\$3,991,643)
Ending Balance as % of Expenditures	10.25%	8.53%	2.61%	(4.23%)



1st Interim Ending Fund Balance MYP with Governor's Proposal w/o Budget Reduction Plan





Key Messages for Ocean View School District

- 1. Step and column, CalSTRS and CalPERS employer contributions, and contributions to restricted programs continue to increase, and no additional ongoing funding streams proposed.**
- 2. Notwithstanding state revenue increases, declining enrollment has had a negative impact on District funding.**
- 3. There is a need for substantial reserves.**
- 4. Bottom line, the District will have difficulty sustaining a balanced budget even with projections of higher state revenue in the next fiscal year without a budget reduction plan.**



Questions?