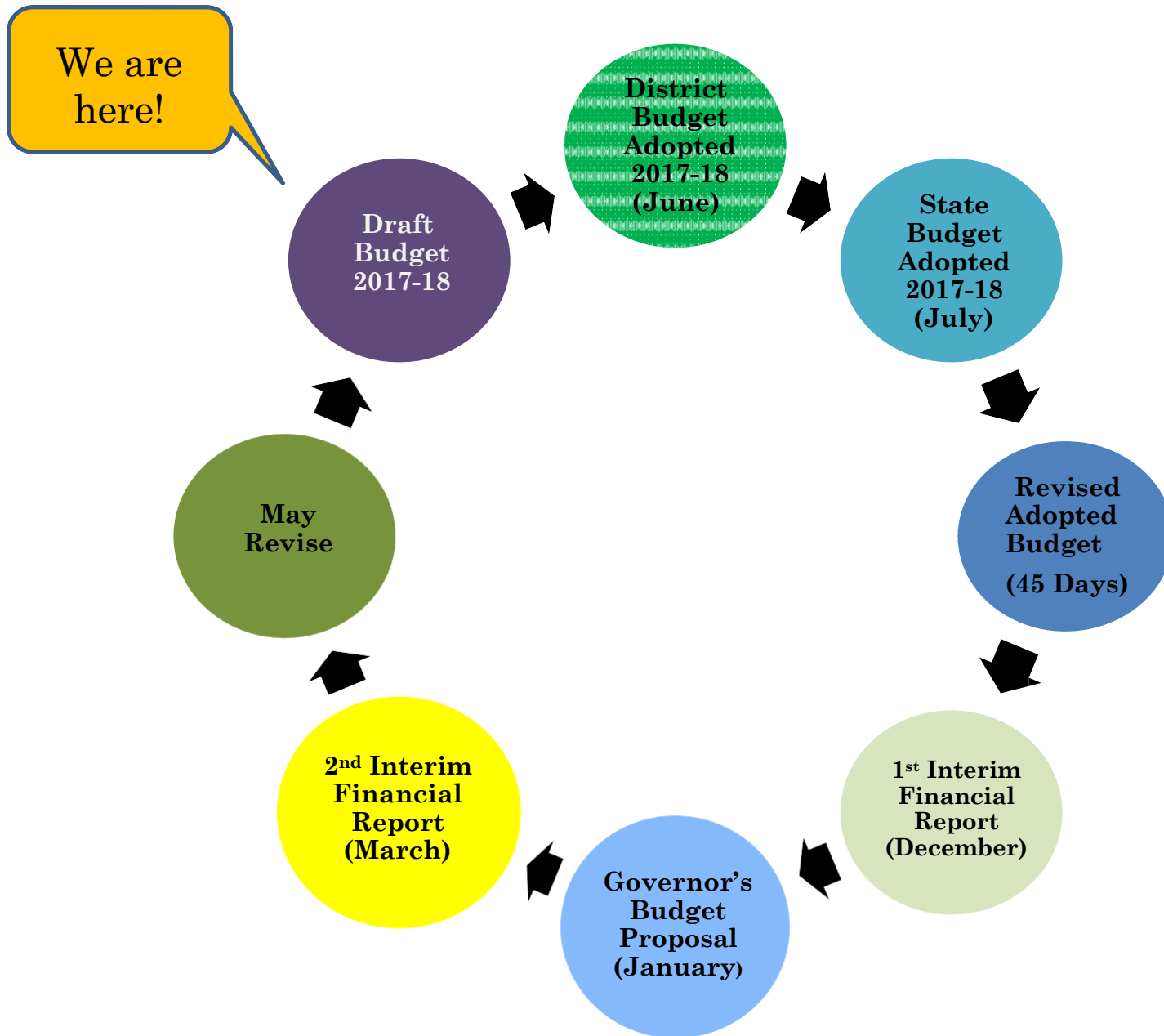


# Draft Budget 2017-18

June 13, 2017



# Annual Budget Cycle



# 2017-18 Draft Budget

## Components

Budget Information

Budget Assumptions

General Fund Revenue

General Fund Expenses

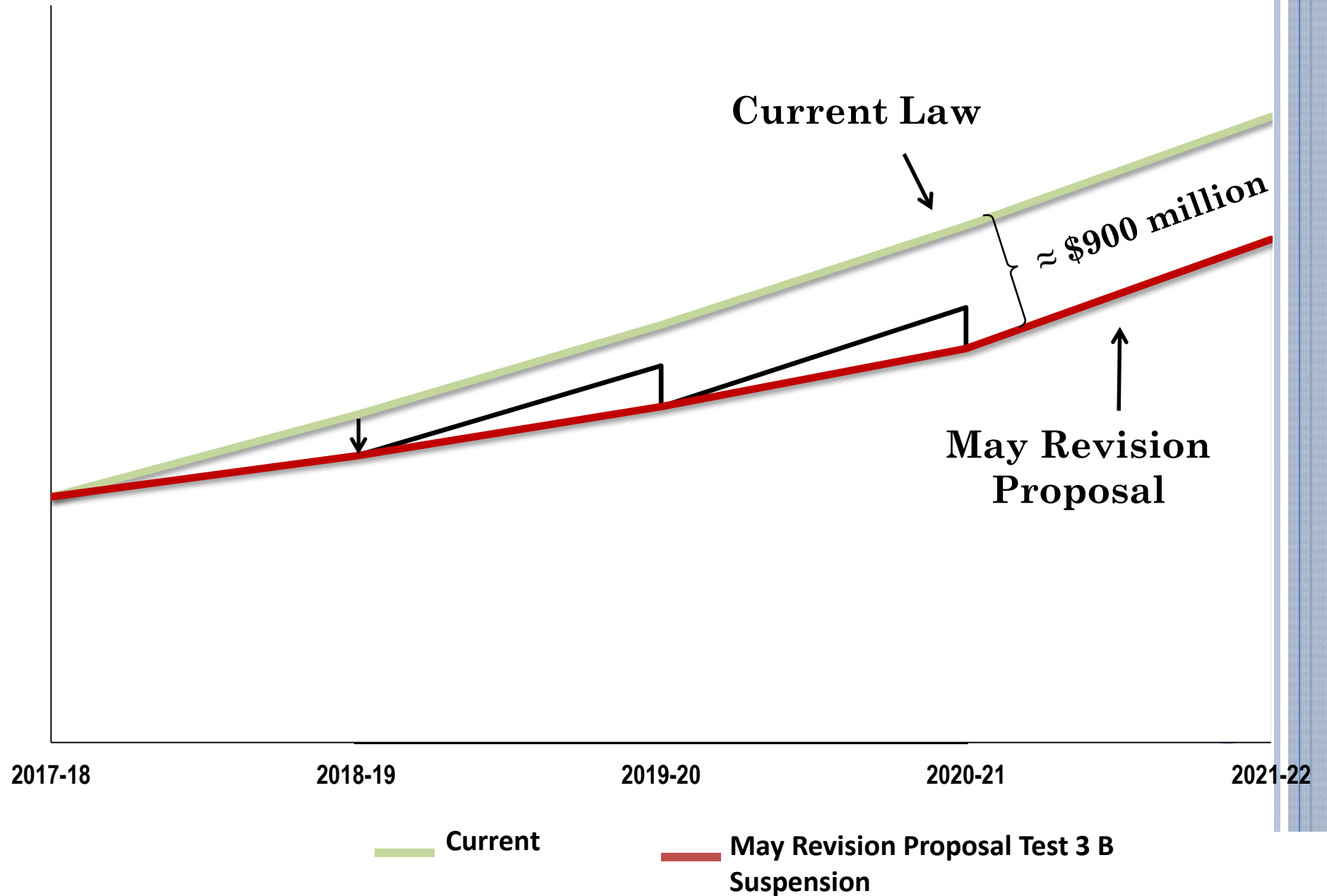
General Fund Balance Summary

Encroachment

# 2017-18 LOCAL CONTROL FUNDING FORMULA

- The January Budget proposed \$744 million for continued implementation of the LCFF
- May Revision proposes more than \$1.4 billion for continued implementation of the LCFF, \$661 million above the January level
- New funding is estimated to close the gap between 2016-17 funding levels and LCFF full implementation targets by 43.97%

# Proposition 98 Funding Loss



# Ocean View School District

## 2017-18 GENERAL FUND BUDGET ASSUMPTIONS

- Local Control Funding Formula
  - COLA updated to 1.56%
  - Updated GAP funding to 43.97%
  - Unduplicated pupil count at 46.75%
  - LCFF as a percentage of Target - 97%
  
- Enrollment decline
  - 2015/16 -- 2017/18
    - 438
  
- Federal, State, and Local revenues
  - Reduction of Federal Fund approx. 16%
  - One-time monies not budgeted (18-19)
  - Health and Welfare increases

## 2<sup>nd</sup> Interim Key Rate Assumptions

	2017-18 DRAFT	2018-19 Projected	2019-20 Projected
<b>COLA (Statutory)</b>	1.56%	2.15%	2.35%
<b>LCFF Gap Funding (DOF)</b>	43.97%	71.53%	73.51%
<b>California CPI</b>	3.11%	3.19%	2.86%
<b>STRS Employer Rates</b>	14.43%	16.28%	18.13%
<b>PERS Employer Rates</b>	15.531%	18.10%	20.80%
<b>One-time Discretionary Funding</b>	\$170*	\$0	\$0
<b>Educator Effectiveness Funding</b>	\$0	\$0	\$0

# District “Cost of Opening the Doors” Annual Increases

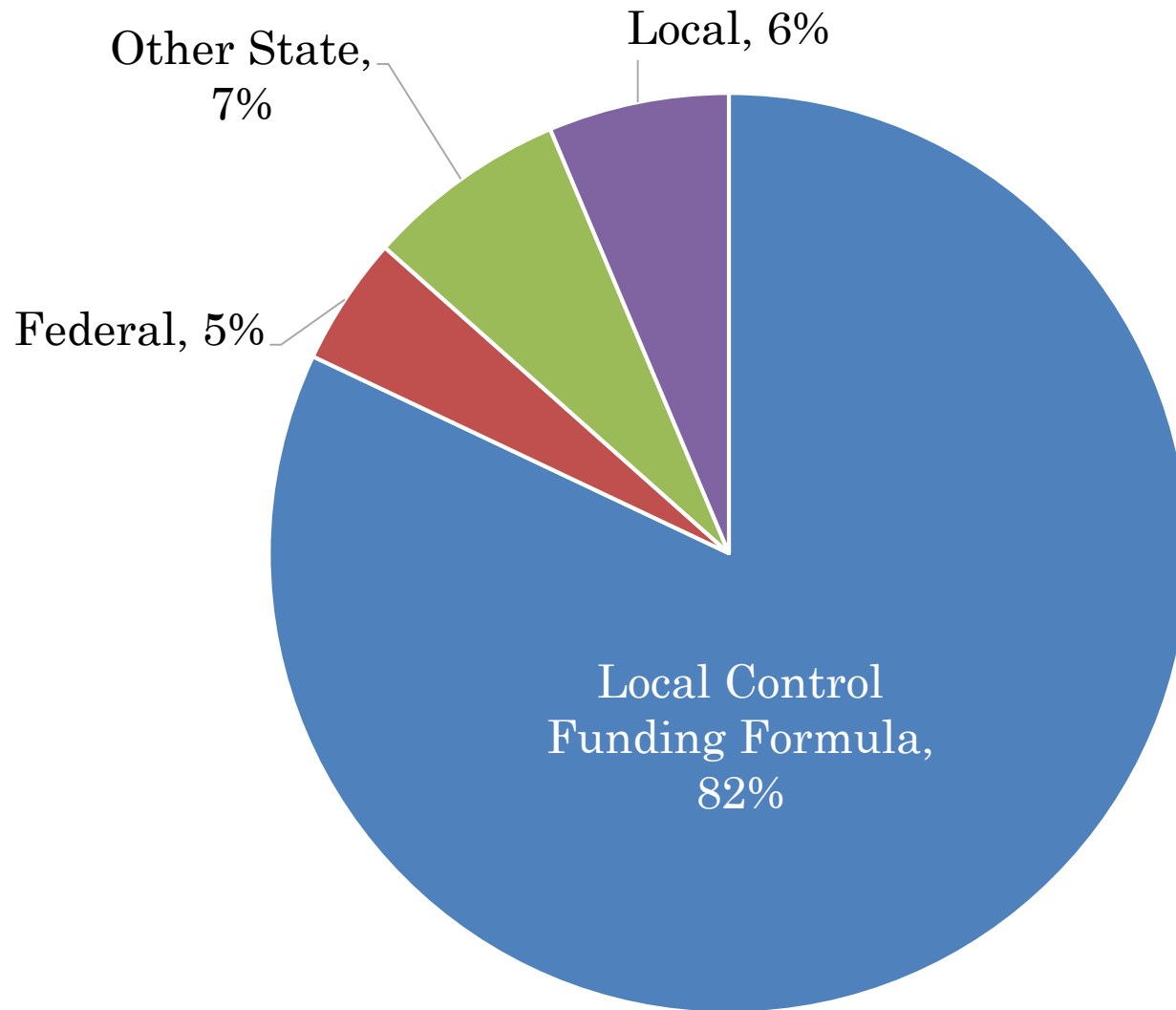
Increased Costs	2017-18 DRAFT	2018-19 Projected	2019-20 Projected
<b>Step &amp; Column</b> <i>(includes PERS, STRS, WC, OSDI, Medi, SUI)</i>		\$983,636	\$980,515
<b>CalPERS</b>	\$317,757	\$412,496	\$438,299
<b>CalSTRS</b>	\$741,601	\$758,826	\$750,590
<b>Total Cost Increases</b>	\$1,059,358	\$2,154,958	\$2,169,404
<b>+ / - LCFF Revenue</b> <i>DOF Gap Funding Projections</i>	-\$511,635	\$1,510,657	\$2,336,471
<b>Net Impact</b>	-\$1,570,993	-\$644,301	-\$167,067



# Combined General Fund Revenue Summary

<b>GF Combined</b>	<b>2016-17 Estimated Actuals</b>	<b>2017-18 DRAFT</b>	<b>2018-19 Projected</b>	<b>2019-20 Projected</b>
LCFF Revenues	\$68,317,044	\$68,114,294	\$69,249,301	\$69,014,734
Federal Revenues	\$4,471,518	\$3,762,397	\$3,779,916	\$3,779,916
Other State Revenues	\$7,050,758	\$5,886,047	\$7,302,981	\$7,302,981
Other Local Revenues	\$6,874,215	\$5,272,346	\$6,486,140	\$6,584,207
<b>TOTAL Revenues</b>	<b>\$86,713,535</b>	<b>\$83,035,084</b>	<b>\$86,818,338</b>	<b>\$86,681,838</b>

# 2017-18 DRAFT BUDGET GENERAL FUND REVENUES

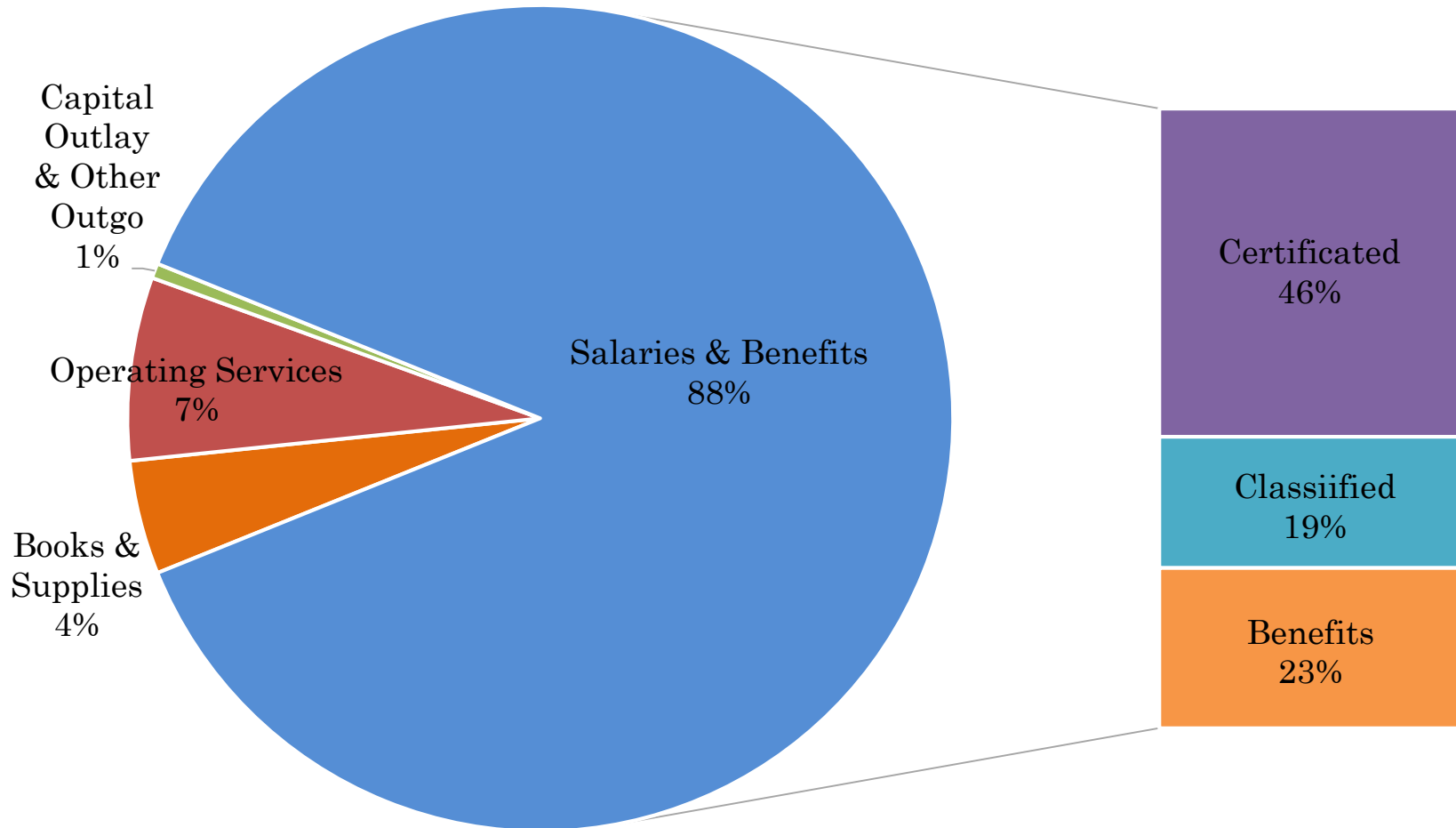


**Total Revenue \$83,035,084**

# General Fund Expenditures

<b>GF Combined</b>	<b>2016-17 Estimated Actuals</b>	<b>2017-18 DRAFT</b>	<b>2018-19 Projected</b>	<b>2019-20 Projected</b>
Certificated Salaries	\$42,251,090	\$41,080,137	\$41,319,605	\$42,006,638
Classified Salaries	\$16,428,906	\$16,419,318	\$16,056,662	\$16,233,285
Employee Benefits	\$19,067,439	\$20,055,521	\$19,982,784	\$21,250,563
Books & Supplies	\$3,048,126	\$3,944,073	\$1,210,341	\$1,203,709
Operating Expenses	\$7,458,258	\$6,334,034	\$6,766,308	\$6,749,165
Capital Outlay	\$200,161	\$79,020	\$177,000	\$177,000
Other Outgo	\$533,228	\$436,044	\$445,945	\$429,313
Support (Indirect) Costs	(\$368,628)	(\$0)	(\$358,800)	(\$358,800)
<b>TOTAL Expenditures</b>	<b>\$88,618,580</b>	<b>\$88,348,147</b>	<b>\$85,599,844</b>	<b>\$87,690,873</b>

# 2017-18 DRAFT BUDGET GENERAL FUND EXPENDITURES



**Total Expenditures = \$88,348,147**

**Unrestricted Labor Cost = 90%**

# General Fund Balance Summary and MYP

<b>GF Combined</b>	<b>2017-18 DRAFT</b>	<b>2018-19 Projected</b>	<b>2019-20 Projected</b>
Beginning Balance	\$9,497,488	\$3,934,425	\$4,902,919
Revenues	\$83,035,084	\$86,818,338	\$86,681,838
Expenditures (including Transfers In/Out)	\$88,598,147	\$85,849,844	\$87,940,873
Net Inc/(Dec) in Fund Balance	(\$5,563,063)	\$968,494	(\$1,259,035)
Ending Balance	\$3,934,425	\$4,902,919	\$3,643,884
Ending Balance as % of Expenditures	4.44%	5.71%	4.14%

# Contributions to Restricted Programs

	<b>2016-17 Estimated Actuals</b>	<b>2017-18 DRAFT</b>
Special Education	\$10,849,871	\$10,442,754
Routine Maintenance	\$2,370,956	\$2,730,608
Home-to-School Transportation	\$972,036	\$1,086,664
Special Education Transportation	\$283,552	\$281,932

# CHALLENGES

- Structural Deficit - Working Toward Resolution. There is no such thing as a good budget without an adequate reserve
- Projected slight positive General Fund Balance above required 3% REU in 2019-20, requires expenditure reductions in last two years of MYP
- Future Funding – Declining Enrollment and Unstable LCFF Gap%
- Continued encroachment to the Unrestricted General Fund
- No revenue funding source for STRS and PERS increases
- Health and welfare ongoing increases

# Questions...

