

# 2018-2019 FIRST INTERIM BUDGET

Presented By:

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# The Jerry Brown Legacy

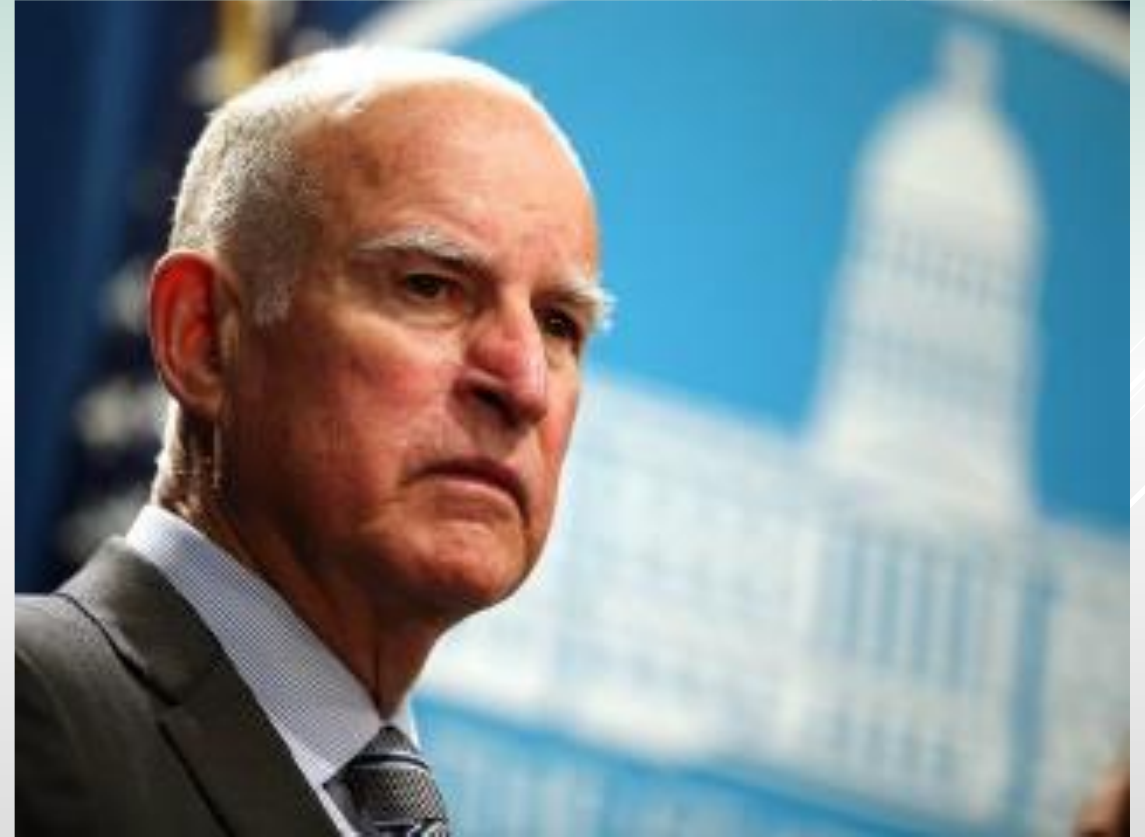
17,851 bills signed over four terms  
as Governor

1,829 bills vetoed

Historic legislation impacting public  
schools, separated by nearly four  
decades:

Rodda Act (1975)

Local Control Funding  
Formula (LCFF) 2013



# New Governor, New Priorities?

Early childhood education  
College savings accounts  
Community schools  
STEM education  
High quality teachers  
Access to higher education  
“Training-to-job” pipeline  
Improving educational data systems



# The Big Picture

- State revenues exceed forecasts, but don't get excited.
- Prop 98 minimum guarantee estimates show modest growth only allowing about \$500 million for new or planned educational spending.
- Pension (PERS/STRS) costs continue to climb.
- Oh and by the way, at some point there will be a recession...



# First Interim Projection

- Represents the District's revised budget as of October 31, 2018
- Presents the Board and public with an updated current year operating budget and a new three-year, multi-year projection



# Adopted Budget vs. First Interim

Adopted Budget	First Interim
LCFF ADA = 9,458	LCFF ADA = 9,618
COLA = 3.00%	COLA = 3.7%
LCFF Gap Progress = 100%	LCFF Gap Progress = 100%
Unduplicated Pupil Count = 83.10%	Unduplicated Pupil Count = 80.11%
Class Size Reduction Alternative Agreement Grades TK-3 = Desired 28:1	Class Size Reduction Alternative Agreement Grades TK-3 = Desired 28:1
Mandate Block Grant <i>plus one-time discretionary funds for Outstanding Mandates</i>	Mandate Block Grant <i>plus reduced one-time discretionary funds for Outstanding Mandates</i>
	Additional one-time grants: <ul style="list-style-type: none"> <li>Classified School Employees Professional Development Block Grant = \$60,000</li> <li>Low-performing Students Block Grant = \$454,000</li> </ul>

# First Interim Budget 2018-2019

	Unrestricted	Restricted	Total
Beginning Balance	\$17,389,772	\$8,016,328	\$25,406,100
Total Revenues	\$108,578,201	\$22,175,120	\$130,753,321
Total Expenditures Including Other Outgo	\$92,340,463	\$43,581,734	\$135,922,197
Total Contributions	(\$17,377,613)	\$17,377,613	\$0
Change in Fund Balance	(\$1,139,875)	(\$4,029,001)	(\$5,168,876)
Projected Ending Fund Balance	\$16,249,897	\$3,987,327	\$20,237,224



# Components of Unrestricted Ending Fund Balance

	2018-2019
3% Reserve for Economic Uncertainties	\$4,077,666
3% Additional Board Reserve Requirement	\$4,077,667
Revolving Cash	\$10,000
Assignment for Budget Contingencies	\$8,084,564
Projected Total	\$16,249,897

# The Use of Multi-Year Projections

- Multi-year projections are required by AB 1200/AB 2756.
- Recognize they 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.

# Assumptions in Multi-Year Projections

2019-2020	2020-2021
2.57% COLA	2.67% COLA
100% LCFF Gap Closure	100% LCFF Gap Closure
Flat Enrollment Growth	Flat Enrollment Growth
FCMAT LCFF Calculator	FCMAT LCFF Calculator
80.11% of Enrollment Eligible for LCFF Targeted Funds	80.11% of Enrollment Eligible for LCFF Targeted Funds
Lottery Unrestricted = \$151 per ADA Restricted = \$53 per ADA	Lottery Unrestricted = \$151 per ADA Restricted = \$53 per ADA
Class Size Reduction Alternative Agreement Grades TK-3 = Desired 28:1	Class Size Reduction Alternative Agreement Grades TK-3 = Desired 28:1
Continued Funding for Local Control and Accountability Plan Priorities	Continued Funding for Local Control and Accountability Plan Priorities

# Multi-Year Projections – Unrestricted General Fund

	2018-2019	2019-2020	2020-2021
Beginning Balance	\$17,389,772	\$16,249,897	\$13,904,623
Total Revenues	\$108,578,201	\$108,741,141	\$110,897,283
Total Expenditures Including Other Outgo	\$92,340,463	\$92,042,368	\$94,029,471
Total Contributions	(\$17,377,613)	(\$19,044,047)	(\$21,053,494)
Change in Fund Balance	(\$1,139,875)	(\$2,345,274)	(\$4,185,682)
Projected Ending Balance	\$16,249,897	\$13,904,623	\$9,718,941

# **Board Commitment to Fiscal Solvency**

- The Board of Trustees recognizes its responsibility to plan for and maintain the fiscal solvency of our District for the 2018-2019 budget year and two subsequent fiscal years.
- The multi-year projections indicate our District will be able to meet its financial obligations for the 2018-2019 budget year and two subsequent fiscal years.

# Questions?

