

2018-2019 FIRST INTERIM BUDGET

Presented By:

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The Jerry Brown Legacy

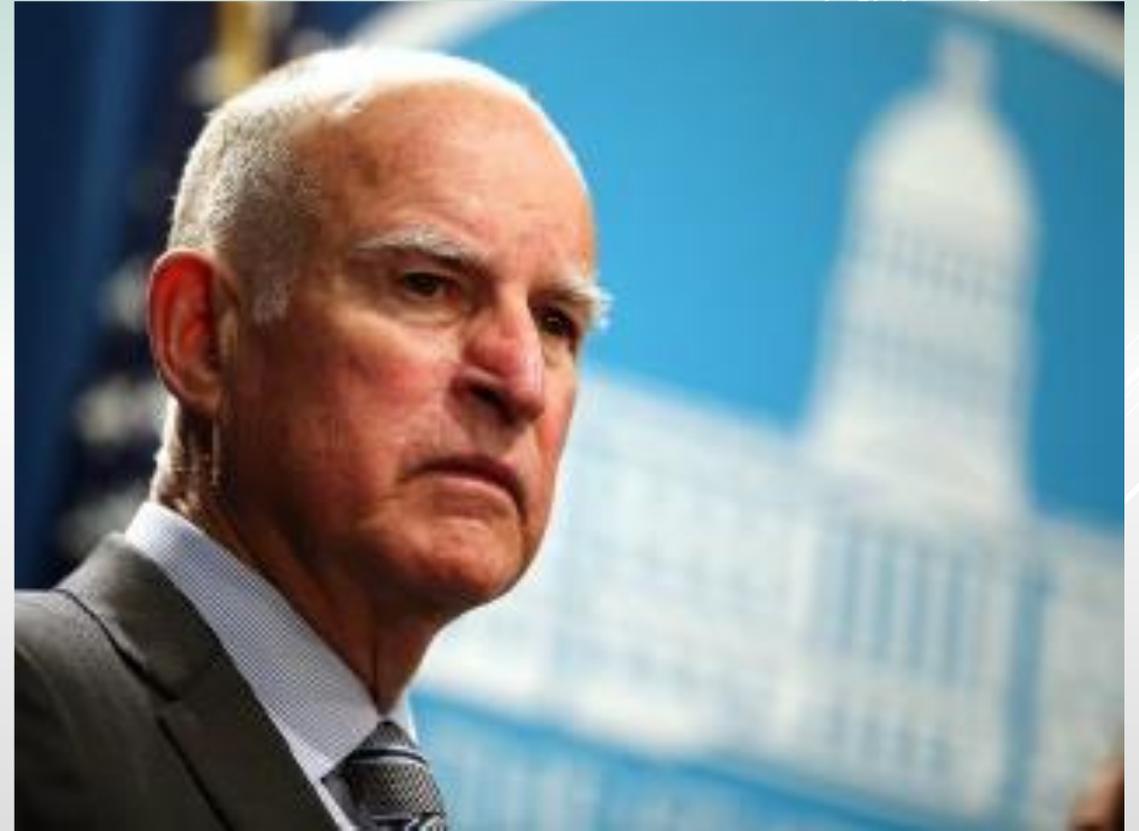
17,851 bills signed over four terms
as Governor

1,829 bills vetoed

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

Rodda Act (1975)

Local Control Funding
Formula (LCFF) 2013



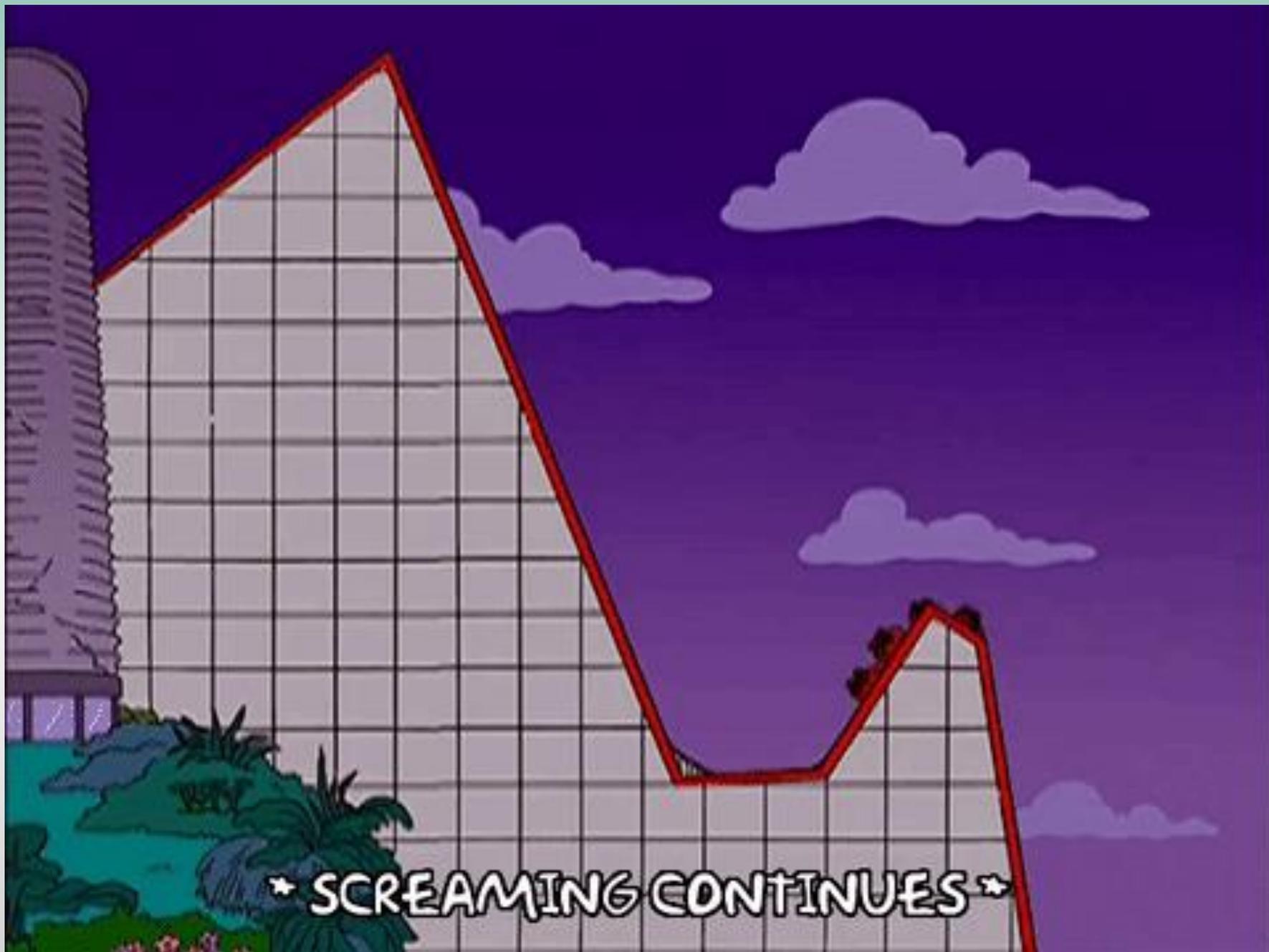
New Governor, New Priorities?

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...



* SCREAMING CONTINUES *

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"> Classified School Employees Professional Development Block Grant = \$60,000 Low-performing Students Block Grant = \$454,000

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?

