



Alvord Unified School District

Our Promise: All students will realize their unlimited potential.

Solvency & Fiscal Stabilization Plan Fiscal Year 2018-19

Board of Education Presentation
January 17, 2019

Presented by Susana Lopez
Assistant Superintendent, Business Services



Agenda

- 2019-20 Governor's Budget Proposal
- Enrollment/Attendance
- Current Year Budget Changes
- Assumptions
- Budget Reductions
- Multiyear Projections
- Stabilization Plan – Pending Items
- Next Steps

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2019-20 Governor's Budget Proposal

Highlights:

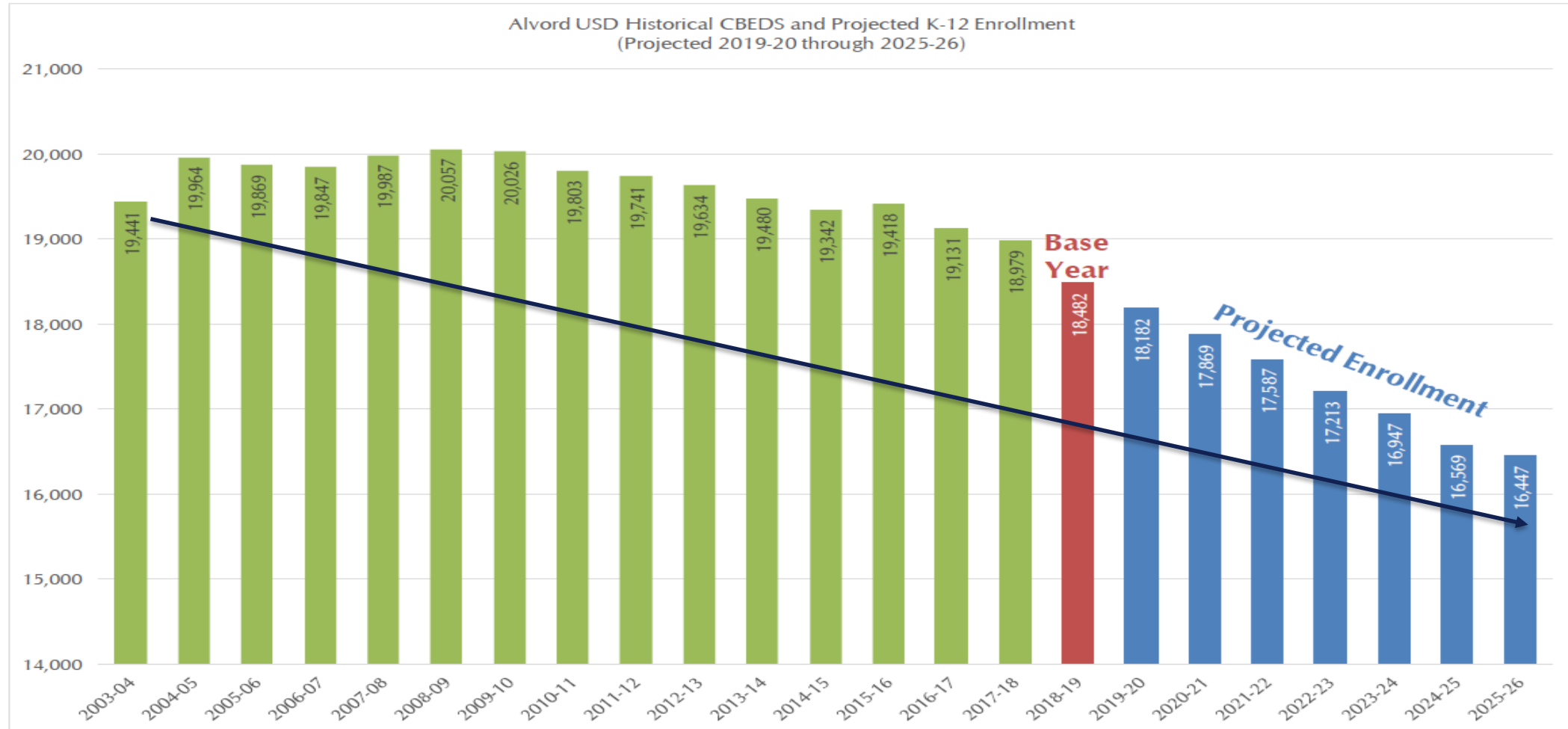
- Proposition 98 increase of \$2 billion statewide
- 3.46% COLA for 2019-20
- Reducing CalSTRS employer contributions in 2019-20 from 18.13% to 17.1% and in 2020-21 from 19.1% to 18.1%. (The current CalSTRS employer contribution rate is 16.28% for 2018-19.)
- Early Childhood Education – Universal Preschool, Full-Day Kindergarten, Child Care

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Enrollment History

Historical and Projected K-12 Enrollment

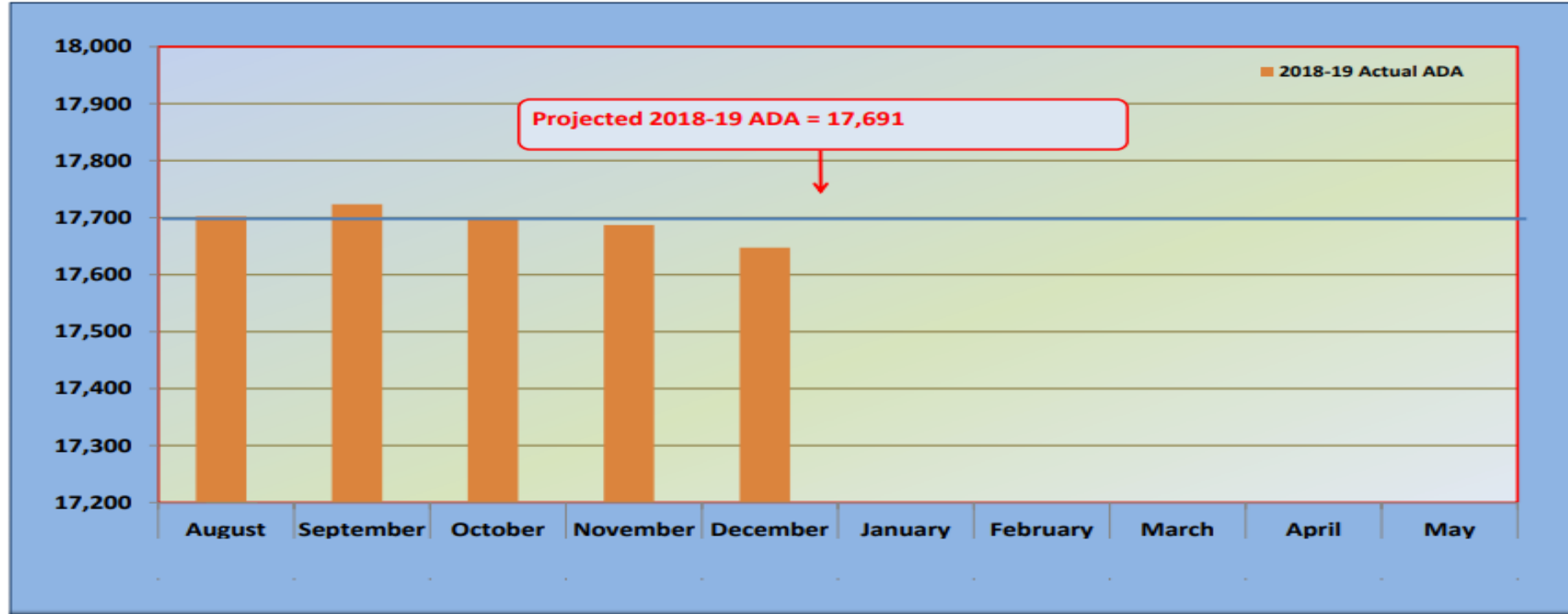


Sources: Alvord USD and California Department of Education
Prepared by Davis Demographics and Planning, Inc.

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Average Daily Attendance (ADA) – Comparison of Actual to Projected 2018-19



Attendance Month ==>

	1	2	3	4	5	6	7	8	9	10
	August	September	October	November	December	January	February	March	April	May
2018-19 Actual ADA	17,702	17,723	17,699	17,687	17,647					
2017-18 Actual ADA	18,068	18,151	18,149	18,138	18,113	18,079	18,050	18,019	18,004	17,992

2018-19 ADA through 12/14/18 = 17,647
 2018-19 Projected P-2 Average Daily Attendance (ADA) Adopted Budget = 17,691
 ADA Amount Difference = (44)

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Current Year Budget Changes

Unrestricted General Fund

Description	2018-19 1 st Interim - Projected	2018-19 January 17th - Projected	Variance
Total Revenues	\$205,449,166	\$205,301,891	(\$147,275)
Total Expenditures	\$174,121,528	\$174,319,454	(\$197,926)
Excess (Deficiency)	\$31,327,638	\$30,982,437	(\$345,201)
Contributions	(\$34,848,727)	(\$34,763,182)	\$85,545
Net Increase/(Decrease)	(\$3,521,089)	(\$3,780,745)	(\$259,656)
Beginning Balance, July 1	\$11,092,974	\$11,092,974	\$0
Ending Balance, June 30	\$7,571,885	\$7,312,229	(\$259,656)

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2018-19 Revenue Assumptions – *UPDATED*

	2018-19 Projected	2019-20 Projected	2020-21 Projected
Enrollment	18,503	18,182	17,869
Funded ADA (prior year)	18,122	17,741	17,491
LCFF Funding Gap (DOF)	100%	-----	-----
COLA	3.70%	3.46%	2.86%
One-Time Mandate Funds	\$184 per prior yr ADA	\$0	Unknown
Mandated Block Grant (MBG)	<i>\$31.16 per K-8 ADA \$59.83 per 9-12 ADA</i>	<i>\$32.24 per K-8 ADA \$61.90 per 9-12 ADA</i>	<i>\$33.16 per K-8 ADA \$63.67 per 9-12 ADA</i>
Lottery	\$151 per prior yr ADA	\$151 per prior yr ADA	\$151 per prior yr ADA

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2018-19 Expenditure Assumptions – **UPDATED**

	2018-19 Projected	2019-20 Projected	2020-21 Projected
Certificated Step & Column	1.35%	1.35%	1.35%
Classified Step & Column	2.13%	2.13%	2.13%
STRS	16.28%	18.13%	19.1%
PERS	18.062%	20.80%	23.50%
Utility Increases	2%	2%	2%
Contributions	<i>Special Educ - \$27.8 m Routine Maint - \$7.0 m</i>	<i>Special Educ - \$29.0 m Routine Maint - \$7.1 m</i>	<i>Special Educ - \$29.8 m Routine Maint - \$7.2 m</i>
Minimum State Required District Reserve Level	3%	3%	3%

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2017-18 Board Approved Budget Reductions (Incorporated into 2018-19 Adopted Budget MYP)

	2017-18	2018-19	2019-20	2020-21
Reduction to Department Budgets of 10%	\$300,000	\$300,000	\$300,000	\$300,000
Additional Reduction to Department Budgets of 10%		\$300,000	\$300,000	\$300,000
Reduction of Management Positions		\$500,000	\$500,000	\$500,000
Reduce Contribution to Expanded Learning Programs		\$500,000	\$500,000	\$500,000
Reduction of Vacation Payouts		\$300,000	\$300,000	\$300,000
Reduction to School Site Budgets of 5%		\$150,000	\$150,000	\$150,000
Total Board Approved Budget Reductions	\$300,000	\$2,050,000	\$2,050,000	\$2,050,000

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Board Approved Budget Reductions (Incorporated into 2018-19 First Interim Multiyear Projections)

	2018-19	2019-20	2020-21
Position Savings (Includes not filling non-site based positions for the remainder of the year)	\$1,491,080		
Reduce Materials/Supplies Expenses	\$1,130,000		
Reduce Deferred Maintenance Allocation	\$500,000		
Reduction in Contracts/Services (including legal)	\$470,000		
Delay Facilities Purchase	\$328,000		
Reduction in Substitute & Overtime Costs	\$410,000		
Do not fill mid-year SERP positions	\$300,000		

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Board Approved Budget Reductions (Incorporated into 2018-19 First Interim Multiyear Projections)

	2018-19	2019-20	2020-21
Reduction in Extra Duty Costs	\$275,000		
Reduction in Travel & Conference Expenses	\$500,000		
Reduction in Workers Comp Expenses	\$175,000		
Reduce Certificated positions – 17 FTE’s		\$2,660,887	\$2,660,887
Reduce Classified Positions – 13.5 FTE’s		\$1,040,000	\$1,040,000
Total Board Approved Budget Reductions	\$5,579,080	\$3,700,887	\$3,700,887

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2018-19 Budget & Multiyear Projections

Unrestricted General Fund

Unrestricted	2018-19 January 17th - Projected	2019-20 Projected	2020-21 Projected
Total Revenues	\$205,301,891	\$204,906,254	\$207,450,946
Total Expenditures	\$174,319,454	\$173,676,008	\$175,993,083
Excess (Deficiency)	\$30,982,437	\$31,230,246	\$31,457,863
Contributions	(\$34,763,182)	(\$36,120,794)	(\$37,048,258)
Net Increase/(Decrease)	(\$3,780,745)	(\$4,890,548)	(\$5,590,395)
Beginning Balance, July 1	\$11,092,974	\$7,312,229	\$2,421,681
Ending Balance, June 30	\$7,312,229	\$2,421,681	(\$3,168,714)

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2018-19 Budget & Multiyear Projections

Components of Ending Fund Balance

Unrestricted	2018-19 January 17th - Projected	2019-20 Projected	2020-21 Projected
Ending Fund Balance, June 30	<u>\$7,312,229</u>	<u>\$2,421,681</u>	<u>(\$3,168,714)</u>
Revolving Cash	\$15,000	\$15,000	\$15,000
Minimum State Required District Reserve Level of 3%	\$7,293,245	\$7,140,635	\$7,239,955
Total Required Reserve	<u>\$7,308,245</u>	<u>\$7,155,635</u>	<u>\$7,254,955</u>
Reserve (Shortfall) / Surplus	\$3,984	<u>(\$4,733,954)</u>	<u>(\$10,423,669)</u>

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Stabilization Plan - Pending Items

- Organizational/Management Studies for Business, Human Resources, Nutrition Services and Technology Departments have all been completed (FCMAT). Special Education, Student Services, Custodial also completed – awaiting reports
- District Office Reorganization
- Compliance Model and Capacity Building
- Budget Advisory Committee – April Board Presentation
- SERP Deadline – January 29th – Certificated and Management
- Multiyear Projections – Other Funds
 - Nutrition Services – will require action
 - Self-Insurance/Workers Comp Fund – No action required

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Next Steps

- **Feb 2019** Budget Update
- **Mar 2019** Board Action on 2018-19 Second Interim
- **April 2019** Budget Advisory Committee Presentation
- **May 2019** Release of 2019-20 Governor's Budget May Revision
- **June 2019** Public Hearing 2019-20 LCAP and Adopted Budget
- **June 2019** Board Action on 2019-20 LCAP and Adopted Budget

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Questions?

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