

2016-17 Unaudited Actuals

September 19, 2017

Information Report No. 3

Presented by: Stephen Dickinson

Chief Business and Financial Officer

Budget Report No.2





2016-17 UNAUDITED Actuals

2016-17 Unrestricted General Fund Balance

Unrestricted General Fund	Projected	Final
	June 6, 2017	
Designated for Economic Uncertainty	\$ 8,398,250	\$ 8,442,375
Revolving Cash, Warehouse & Prepaid Expense	1,020,286	1,036,129
Reserve for School Site, Program Carry Overs & Code to the Future	200,000	1,959,994
Reserve for Medical Administrative Activity (MAA)	1,389,566	1,730,911
Reserve for Future LACOE System Charges	1,400,000	1,400,000
Reserve for Unrestricted CTE Assigned	-	200,000
Reserve for Supplemental Program	680,000	1,158,973
Unassigned Reserve	31,199,289	31,284,226
Total Unrestricted General Fund Balance	\$ 44,287,391	\$ 47,212,608

\$84,937 Increase
Positive Impact in Multi-Year Projections

The “Great Squeeze”

➤ The CalSTRS employer rate increase:

○ 2016-17	12.58%	\$5,206,091
○ 2017-18	14.43%	\$7,315,618
○ 2018-19	16.28%	\$9,586,931
○ 2019-20	18.13%	\$11,896,733

➤ The CalPERS employer rate increase:

• 2016-17	13.888%	\$ 821,891
• 2017-18	15.531%	\$1,395,672
• 2018-19	18.100%	\$2,359,086
• 2019-20	20.800%	\$3,437,414



The “Great Squeeze” – Cont.

➤ Solvency Savings – Budgeted reductions in services and costs to assure that the District will be solvent in the next three years:

- 2017-18 - Projected at \$7.6 million and ongoing
- 2018-19 - Projected at \$6.1 million and ongoing
- 2019-20 - Projected at \$6.1 million and ongoing

Note: These savings Must be ongoing savings in order to reduce the need for additional savings



Concerns

Reserves Available in Other Funds May be More Restricted in Future Years

Reserves Utilized between 2011-12 to 2017-18 to Support the General Fund

In
Millions

Special Education Reserve	\$	1.1
Retiree Health Benefits - Fund 20.0		2.8
Early Retirement Benefits - Fund 67.2		4.0
Restricted Major Maintenance Reserve		1.7
Debt Service - Fund 56.0		2.9
		<hr/>
Total Reserves Utilized Between 2011-12 to 2017-18	\$	12.5



Concerns (cont.)

- Making sure that the Board approved fiscal stabilization plan for “Solvency Savings” in 2017-18 is fully implemented.
- To maintain sufficient reserves to see us through what could be a very tough time
- Need to think long term when making program, funding, and compensation decisions
- State has broken its promise to education many times in the last decade
- Growing Structural Deficit
- Sagebrush Transfer
- Impact of 2017-18 Negotiations



Budget Book 2017-18

Budget Composition (Pages 1-4)

Fund Name	Total Budget (in millions)
Combined General Fund # 01.0	\$ 326.8
Unrestricted General Fund \$278.3m	
Restricted General Fund \$48.5m	
Special Education Pass-Through Fund #10.0	-
Nutrition Service Fund - Fund #13.0	13.4
Deferred Maintenance Fund - Fund #14.0	5.2
Post-Employment Benefits Fund - Fund # 20.0	-
Measure K Building Fund - Fund #21.0	-
Measure S Building Fund - Fund #21.1	71.6
Clean Renewable Energy Bond - Fund #21.2	10.3



Budget Book 2017-18

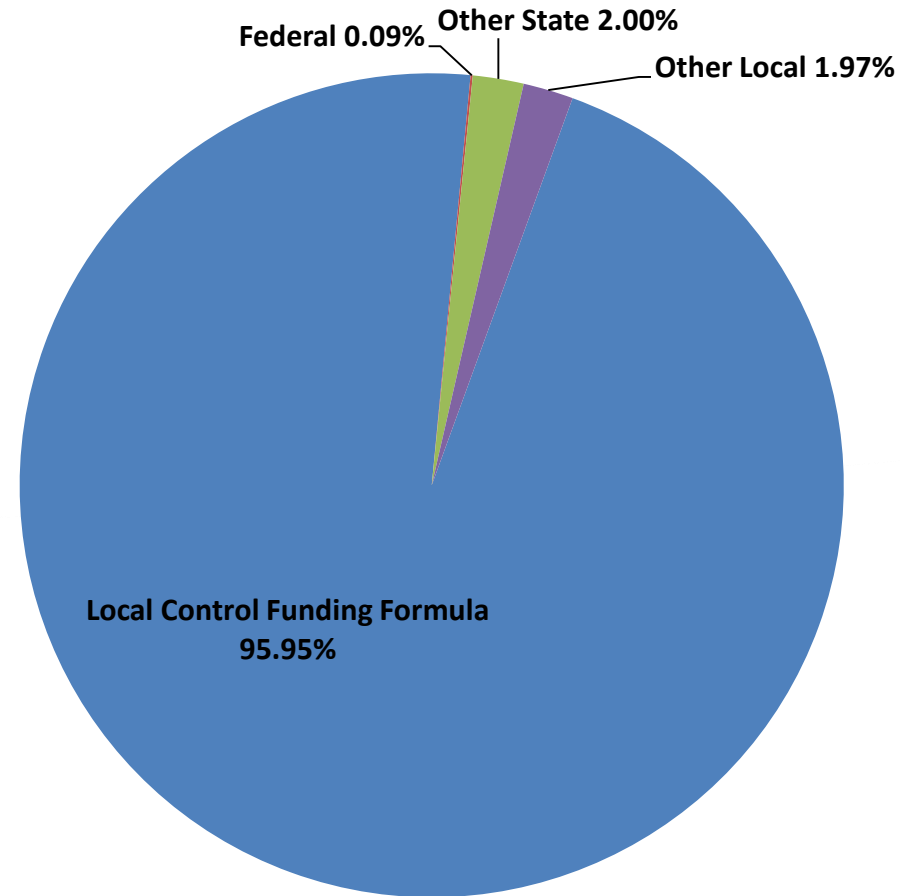
Budget Composition (Pages 1-4) - Continued

Fund Name	Total Budget (in millions)
Developer Fee Fund - Fund #25.0	11.3
Capital Projects Funds-County Schools Facilities Fund - Fund #35.0	0.002
Capital Projects Fund - Fund #40.1	24.2
Capital Projects Nutrition Services - Fund #40.2	1.2
Bond Interest & Redemption Fund (County Administered) - Fund #51.0	37.9
Debt Service Fund - Fund #56.0	12.8
Health & Welfare Fund - Fund #67.0	8.1
Workers Compensation Fund - Fund #67.1	6.3
Early Retirement Benefits Fund - Fund #67.2	2.9
McLennan & Other Scholarships Trust Fund - Fund #73.0	0.3
District's 2017-18 Budget - All Funds	\$ 536.1



2017-18 Adopted Budget

TOTAL REVENUE – UNRESTRICTED GENERAL FUND

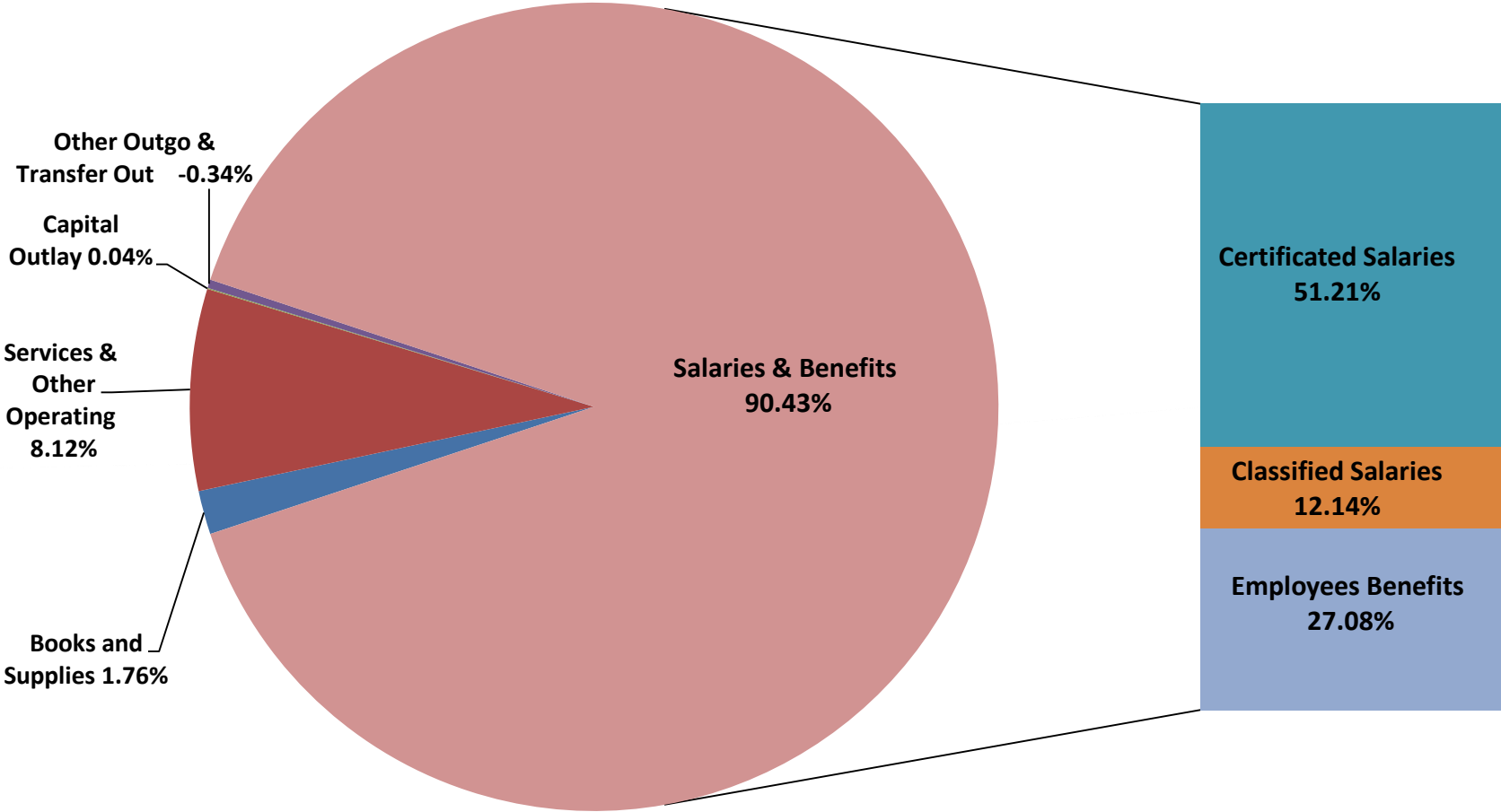


Total Revenues = \$231,069,397



2017-18 Adopted Budget

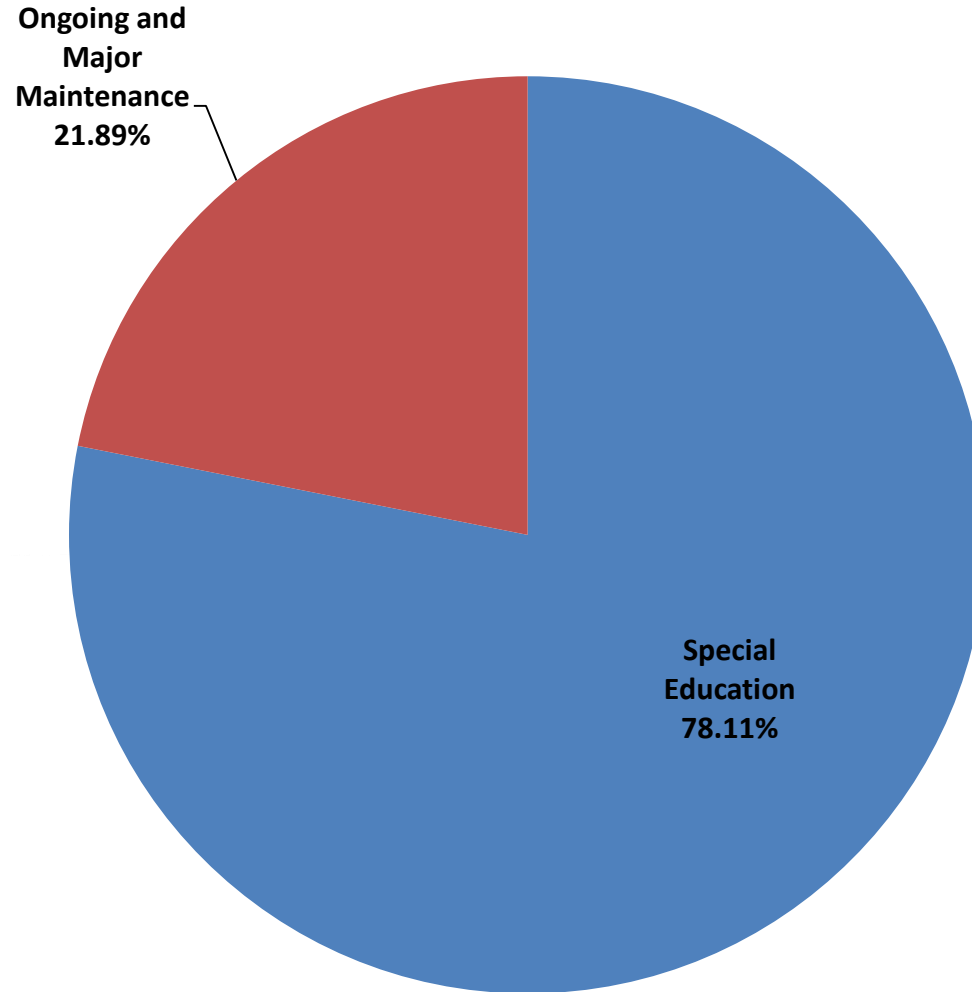
TOTAL EXPENDITURES – UNRESTRICTED GENERAL FUND



Total Expenditures = \$197,890,792

2017-18 Adopted Budget

TOTAL CONTRIBUTION FROM UNRESTRICTED GENERAL FUND

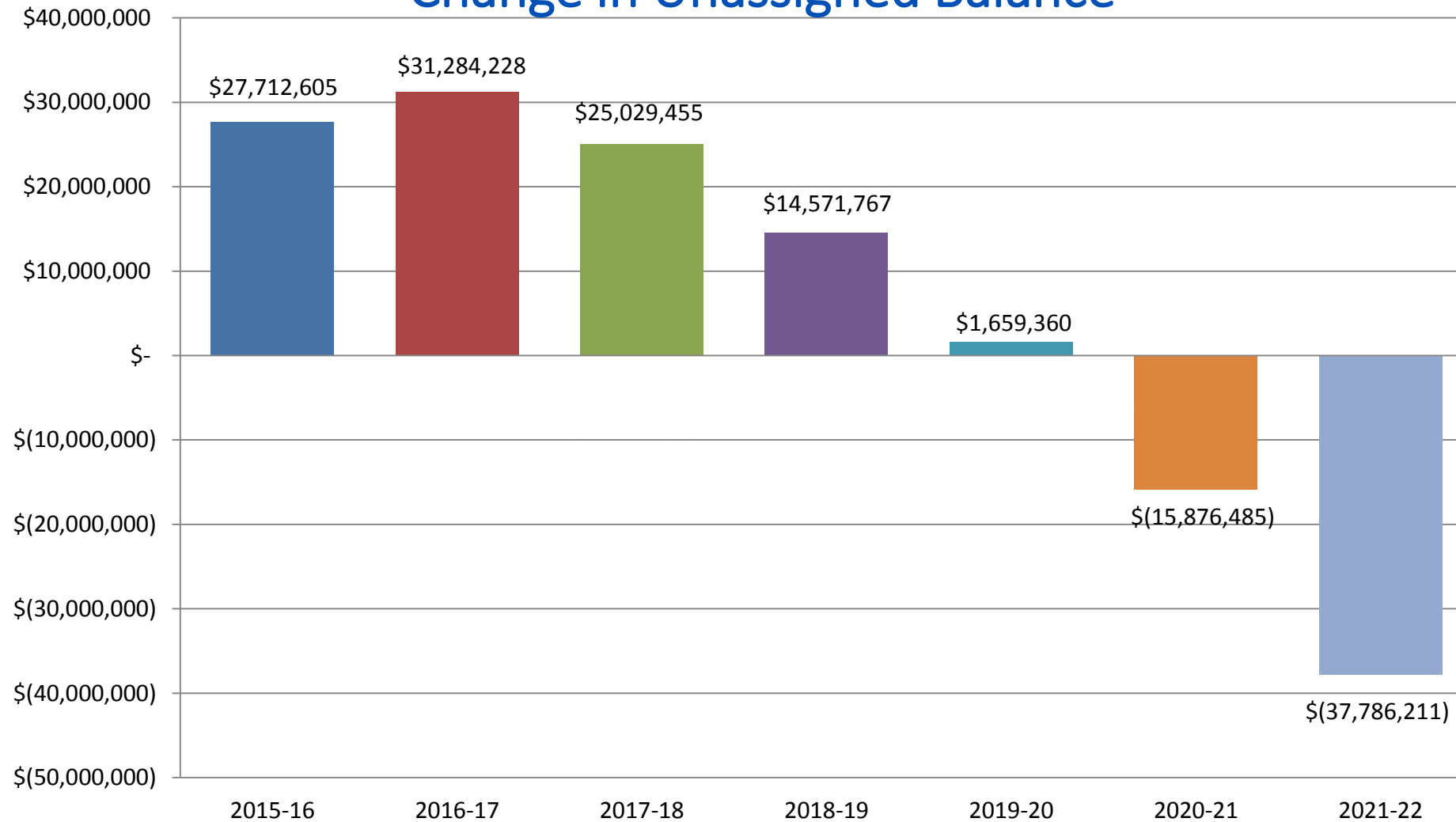


Equivalent to \$30.5 million. This is the amount that State and Federal Governments short fund Special Education. Special Education serves 2,739 students and this shortfall is equal to approximately \$11,129 per student including EEELP SPED Inclusion fee charges.

Total Contributions = \$39,023,663



Unrestricted General Fund Change in Unassigned Balance





Budget Book 2017-18

TABLE OF CONTENTS

PAGES

▪ Local Control Funding Formula(LCFF)	7-13
▪ Value of 1% Salary Change	21
▪ Fringe Benefits and Utility Costs	24-25
▪ Budget Assumptions	47-50
▪ Multi-Year Budget Assumptions	51
▪ Measure-S (Fund 21.1)	71-72
▪ Developer Fees (Fund 25.0)	77-79
▪ Historical Budget Reductions	112



Recalculated Structural Deficit Unrestricted General Fund

	2016-17 Unaudited Actuals	2017-18 Budget
Deficit Spending 6/30/2017 Adopted Budget	3.02	(6.86)
Solvency Transfers – Fund 56.0	(1.48)	
2016-17 Designated Carry Over (Tier III, Sites, etc.)	(6.50)	
2015-16 Designated Carry Over (Tier III, Sites, etc.)	6.80	
One Time Mandated Cost (2017-18 “Adopted” Budget=0)	(5.40)	
Net Adjustment	(6.58)	
Structural Deficit	(3.56)	(6.86)

Future Adjustments - Staffing Changes
 Negotiated Salary Changes
 LCFF Net Income Growth
 One Time Mandated Cost



DRAFT Possible Revenue Increases 2018-19

Proposed Action	Target Rev. Incr.	Estimated Actual Rev. Incr.
Increase ADA to 96.7% - starting 2017-18	Maintain	\$0
Increase enrollment of net +100 students – starting 2017-18	Maintain	\$0
Increase lease revenue – through possible building exchange transaction?	\$1,000,000	\$0
LCFF on-going funding improvement – January and May 2018 Gov. Budget info	\$0	\$0
Use of one-time revenue/reserves	\$1,000,000	\$0
Subtotals	\$2,000,000	\$0



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Possible Budget Reductions 2018-19 Expenditures – Salaries and Benefits

Proposed Action	Target Savings	Estimated Actual Savings
Reduce overtime for classified management position	\$10,000	\$0
Review administrative staffing level	\$400,000	\$0
Review classified staffing level	\$600,000	\$0
Identify areas for Special Education reductions	\$240,000	\$0
Reduce sub days for Professional Development	\$20,000	\$0
Teachers/Attrition/Reallocation/etc. (retirement savings already included in budget)	\$1,000,000	\$0
Various Principal Additional Assignment Savings	\$10,000	\$0
H&W rates higher/lower than budgeted – information in May 2018	\$0	\$0
Subtotals	\$2,280,000	\$0



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Possible Budget Reductions 2018-19 Expenditures – Supplies

Proposed Action	Target Savings	Estimated Actual Savings
Copier/printer equipment and service	\$125,000	\$0
Software subscriptions	\$50,000	\$0
District office supplies	\$25,000	\$0
Subtotals	\$200,000	\$0



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Possible Budget Reductions 2018-19 Expenditures – Services

Proposed Action	Target Savings	Estimated Actual Savings
Review use of outside services	50,000	\$0
Examine cost of 3 rd party contracts	\$150,000	\$0
Reduce cost of Clark Magnet transportation (and/or increase fee)	\$200,000	\$0
Reduce cost of SpEd transportation	\$100,000	\$0
Reduce cost of FASO vehicle fleet	\$20,000	\$0
Subtotals	\$520,000	\$0



Questions?