2018-19 Unaudited Actuals and 2019-20 Adopted Budget

September 17, 2019

Information Report No. 1

Presented by: Stephen Dickinson

Chief Business and Financial Officer

Budget Report No. 2

SCHOALE UNITED

Excelling Together with Endless Pathways for Success!

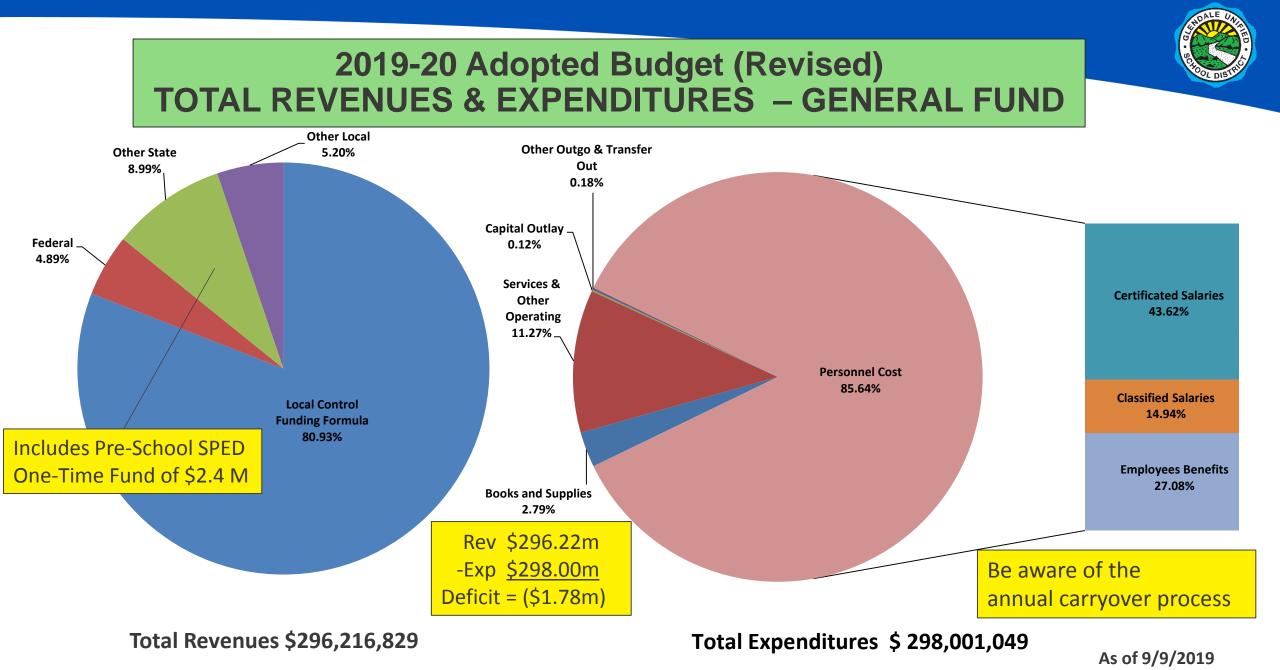


2018-19 UNAUDITED ACTUALS

2018-19 Unrestricted General Fund Balance

			-	
Unrestricted General Fund	Audited Actuals 2017-18		Unaudited Actuals 2018-19	
Designated for Economic Uncertainty	\$	9,063,316	\$	9,475,059
Revolving Cash, Warehouse & Prepaid Expense		603,174		126,773
Reserve for School Site, Program Carry Overs, MAA, LACOE System Charges, & FASO Wall Cost		7,380,970		9,576,900
Reserve for 2017-18 CSEA 1.5% Salary Increase		651,962		0
Reserve for One-Time 2017-18 Discretionary Funding		3,575,923		1,712,663
Unassigned Reserve		18,529,278		22,943,447
Total Unrestricted General Fund Balance	\$	39,804,623	\$	43,834,842

\$4,414,169 Increase



Note: The 2019-20 through 2022-23 projections include the initial July budget adjustments in the Unrestricted General Fund.



2018-19 Unaudited Actuals **Designated Reserves: Summary of General Fund Ending Fund Balances** LACOE charges= \$.84 Carry over/MAA/FASO Wall=\$8.74 70.00 **Actuals** One Time 17-18 Disc. Fund=\$1.7 \$62.16 Projection \$57.85 \$57.28 Assumes \$5m ongoing 60.00 expense reductions are \$53.53 13.68 \$53.14 made for 19-20 & 20-21 8.48 10.64 \$47.50 50.00 \$46.52 Includes \$2.4 PS SPED \$47.41 9.30 0.17 9.34 0.17 1.04 \$41.56 one time funding In Million Dollars 5.78 7.08 \$39.57 \$40.02 0.13 1.46 7.61 6.45 9.01 8.12 40.00 0.60 6.98 \$36.02 0.11 0.20 11.29 Restricted 8.73 7.08 8.79 6.80 Revolving Cash/Warehouse/Prepaid 11.61 9.79 0.11 8.44 2.22 0.17 Expenditure \$26.47 30.00 Site/Various Carry Over & 9.02 6.97 0.11 **Designated Reserves** Undesignated Reserve 35.93 34.88 31.28 13.25 8.74 8.15 27.71 22.94 Reserve for Economic Uncertainty 20.00 24.60 19.53 18.53 0.11 14.57 17.30 9.40 8.74 3% REU grows in 9.76 10.00 0.00 proportion to total 9.48 9.33 9.47 9.06 9.06 9.13 8.04 8.44 budget 7.26 6.63 6.67 6.80 6.79 0.00 As of 9/9/2019 2010-11 2011-12 2012-13 2013-14 2014-15 2015-16 2016-17 2017-18 2018-19 2019-20 2020-21 2021-22 2022-23

Note: The 2019-20 through 2022-23 projections include the initial July budget adjustments in the Unrestricted General Fund.

Concerns

Spent down almost \$14m in other District balances between 2011-2018 (Pros and Cons)

Future Funding – Unstable COLA%, UPP, and Enrollment

- Special Education Program Needs Increasing
- Projected Negative Unrestricted General Fund Adjusted Balances in future if budget reductions are not made
- Additional Funding to cover CalPERS and CalSTRS increases
- Financial Stability Plan for 2019-20 of \$5m, and for 2020-21 will likely be \$5m
- Impact of 2018-19 Negotiations Already committed the 2018-19 LCFF increase to fund the previous wage increases for 2016-17 and 2017-18
- Potential Territory Transfer



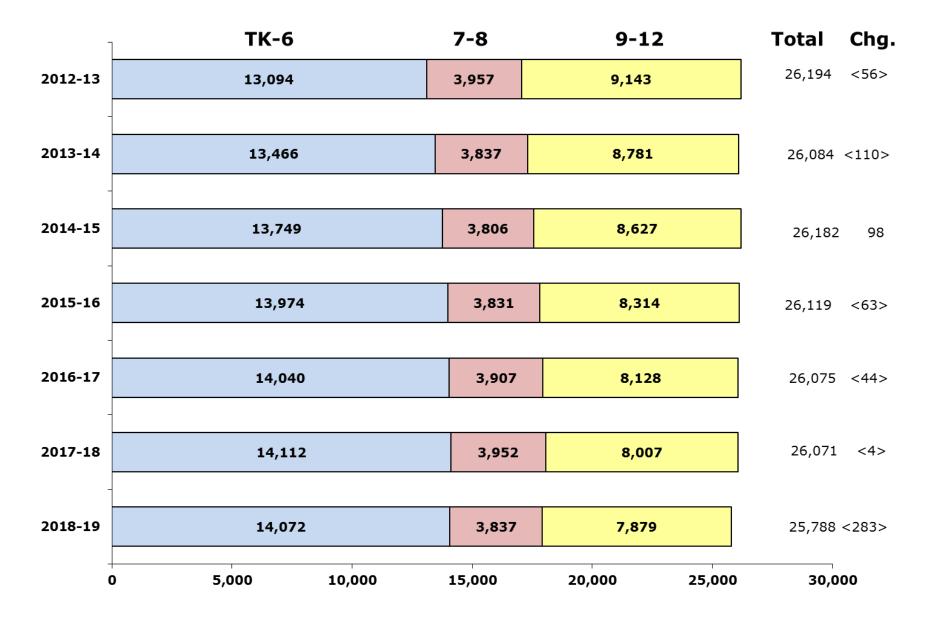


STRS & PERS Rates

The CalSTRS	employer rate increase:	
o 2019-20	17.100%	\$ 521,785
o 2020-21	18.400%	\$1,637,559
2021-22	18.100%	\$2,907,972
2022-23	18.100%	\$4,189,245
2023-24	18.100%	\$5,481,486
<u>o</u> 2024-25	18.100%	\$6,784,806
The CalPERS	employer rate increase:	
The CalPERS 2019-20 	employer rate increase: 19.721%	\$ 972,205
	• •	\$ 972,205 \$ 1,157,657
• 2019-20	19.721%	
2019-202020-21	19.721% 22.700%	\$ 1,157,657
2019-202020-212021-22	19.721% 22.700% 24.600%	\$ 1,157,657 \$ 3,117,093
 2019-20 2020-21 2021-22 2022-23 	19.721% 22.700% 24.600% 25.400%	\$ 1,157,657 \$ 3,117,093 \$ 5,471,641

Note: This is the Cumulative impact of rate increases compared to the 2019-20 rate

Historical Enrollment (CALPADS Data)



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GLENDALE UNIFIED SCHOOL DISTRICT

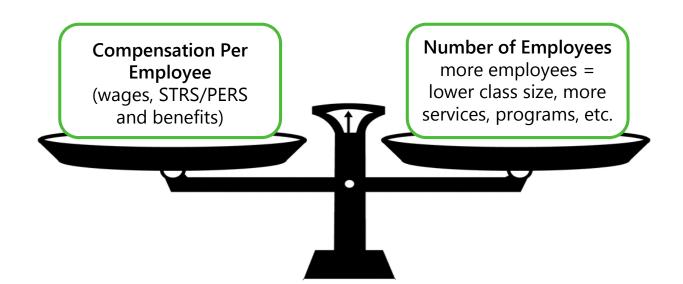
2019-20 Fiscal Stability Plan (Detail)

Dept	Program	Est.	Savings
T&L	Restructure funding source for professional development to LPS Block Grant	\$	500,000
DO	Eliminate (1) ETIS Sr. Info Analyst	\$	104,000
DO	Eliminate (1) Purchasing Agent	\$	122,000
DO	Eliminate (1) Accounts Payable Supervisor and Realign to Accounting Tech	\$	6,000
DO	Eliminate (1) TCIII in HR	\$	36,000
DO	Eliminate (2.5) TC in CTE/T&L/Student Services	\$	111,000
DO	4.5% reduction in all DO department budgets - supplies, services, conferences	\$	1,130,000
DO	Reduce copier/printer equipment and supply costs due to new contract (phase-in)	\$	150,000
DO	Reduce annual increase in projected H&W rates from +9%/yr to +8%/yr	\$	300,000
FASO	Move up to 9 Grounds positions to Routine Restricted Maint funding	\$	720,000
FASO	Eliminate (1) Asst. Operations Coordinator	\$	91,000
FASO	Eliminate (1) Grounds position	\$	85,000
Elem	Eliminate (1) Teacher Specialist	\$	154,000
Elem	Eliminate (2.5) Teaching positions	\$	265,000
Middle	Eliminate (7.2) Teaching positions due to declining enrollment	\$	617,000
HS	Eliminate (7.2) Teaching positions due to declining enrollment	\$	617,000
Total		\$	5,008,000



School Budgets: Finding the Right Balance

More than 80% of a school district's budget is spent on personnel costs, which have two competing components:



School districts must find the right balance of compensating employees fairly while also providing the best possible services to our students and families.



Budget Modes: Deficit – Balanced – Surplus

	8 7		
	6	Innovation	
Surplus/	5	Build reserves	
Additions	4	Increase employee compensation	
	3	Build/expand programs	
	2	Reduce class size	
	1	LCAP goals	
	Balanced Budget		
	1	LCFF revenue increases above projections	
2		Use of one-time funds and/or current reserves	
	3	Supplies & Equipment	
Deficit/	4	Contracted services	
Reductions 5		Administrative and management staffing	
	6 Classified staffing (reduce support and service)		
	7	Certificated staffing (reduce programs and	
	8	increase class size)	

Budget Book 2018-19	
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DRAFT 2020-21 Fiscal Stabilization Plan - \$5,000,000 Needed

Dept	Program	Est.	Savings
LCFF Funding	2020-21 LCFF above current COLA projection of 3% (Jan/May 2020 Gov proposals); 1% = \$2.4m	\$	0
T&L/Funding	Restructure funding source for professional development to LPS Block Grant (Yr2 of 2)	\$	500,000
LCFF Funding	ADA% increase of 0.25% (could begin in 2019-20) – need specific plans and actions; 1% = \$2.4m	\$	600,000
DO Cert Mgmt	Eliminate (1) Exec. Dir. Of Secondary Ed position – vacant	\$	200,000
DO Non-personnel	3% reduction in all DO department budgets – supplies, consulting services, conferences (Yr2)	\$	750,000
DO Benefits budget	Reduce annual increase in projected H&W rates from +8% (May 2020); 1% = \$300,000	\$	0
Elem – <mark>estimate</mark>	Adjust (2) Teaching positions due to declining enrollment from 2019-20	\$	175,000
Middle – <mark>estimate</mark>	Adjust (7) Teaching positions due to declining enrollment from 2019-20	\$	615,000
HS – <mark>estimate</mark>	Adjust (7) Teaching positions due to declining enrollment from 2019-20	\$	615,000
Classified	Adjust Classified staffing – due to ratios and declining enrollment from 2019-20	\$	0
Classified	Adjust Classified staffing – review of all vacancies for possible non-replacement	\$	0
		\$	0
		\$	0
		\$	0
		\$	0
		\$	0
	Total Needed = \$5,000,000 Current Total =	\$	3,455,000



Questions?