



2019/20 Proposed Budget

Board Meeting
June 6, 2019
Agenda Item No. 8.2

Outline

- Review Budget Changes Through Third Interim
- Current Year Projections
- Proposed 2019/20 Budget
 - Education Protection Account
 - Student Support Initiatives
- Multi-Year Projections
 - SACS Multi-Year Report – ***Official State Report***
 - Recommended Plan Multi-Year Report
- Summary
- Public Hearing on Education Protection Account and Proposed Budget

Board Approved Current Year Changes Prior to First Interim - \$21.1 million



Amount	Reduction Item
\$5.0 million	Position control true up
\$5.0 million	Debt service to facility funds
\$3.0 million	Lowering OPEB contribution
\$1.5 million	Supplies and Services lowered to 2017/18 level
\$1.4 million	Utilities budget reduction
\$1.0 million	Central office classified reductions
\$1.0 million *	Legal settlement
\$900,000 *	Special education transportation
\$900,000 *	VAPA
\$800,000 *	ELSP carryover
\$300,000	Student Services
\$100,000	Board office reductions

* One-Time


Board Approved Future Year Changes


- February/March Board Meetings - \$7.8 million
 - One-Stop Staffing
 - Lower contribution to Child Development Fund
 - Other positions
- Total of First Interim (\$21.1M) and February/March Board Meetings (\$7.8M) = \$28.9M


Third Interim 2018/19 Current Year Revenues

-  Local Control Funding Formula (LCFF)
 - Decrease for projected 2018/19 ADA = \$485,000
-  Local Income - \$1.9 million
 - Interest
 - Charter School Fees/Oversight
 - Other Tuition
 - ROP (one-time)

Third Interim 2018/19 Current Year Expenses


-  Captured one-time savings where appropriate
 - Salaries and Benefits – \$850,000
 - Supplies, Services, Capital Outlay – \$1.7 million

-  Move Expenses to Restricted Funds \$755,000
 - Teacher Trainers -Title II Professional Development

-  Contributions /Transfers Out - \$5.6 million
 - Special Education decrease
 - Charter School decrease
 - Child Development Fund decrease

- Teacher Salary Restructure – No increase in budget for current year

Estimated Actuals 2018/19

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- Changes since Third Interim – Increase \$2.9 million
 - Increase Local Income - \$1.7 million
 - \$1.5 million from charters for services
 - i.e. utilities, custodial support
 - Increase Special Education revenue - \$1.2 million projected

2019/20 Difference from Third Interim

- Expenditures - \$5.3 million lower

Personnel Cost Lower - \$2.2 million

- Certificated Salaries - \$1.5 million higher
- Classified Salaries - \$1.3 million
- Benefits - \$2.4 million

Lower Cost - \$4 million

- Supplies - \$3.0 million
- Services - \$900,000
- Capital Outlay - \$100,000

Higher Cost – \$900,000

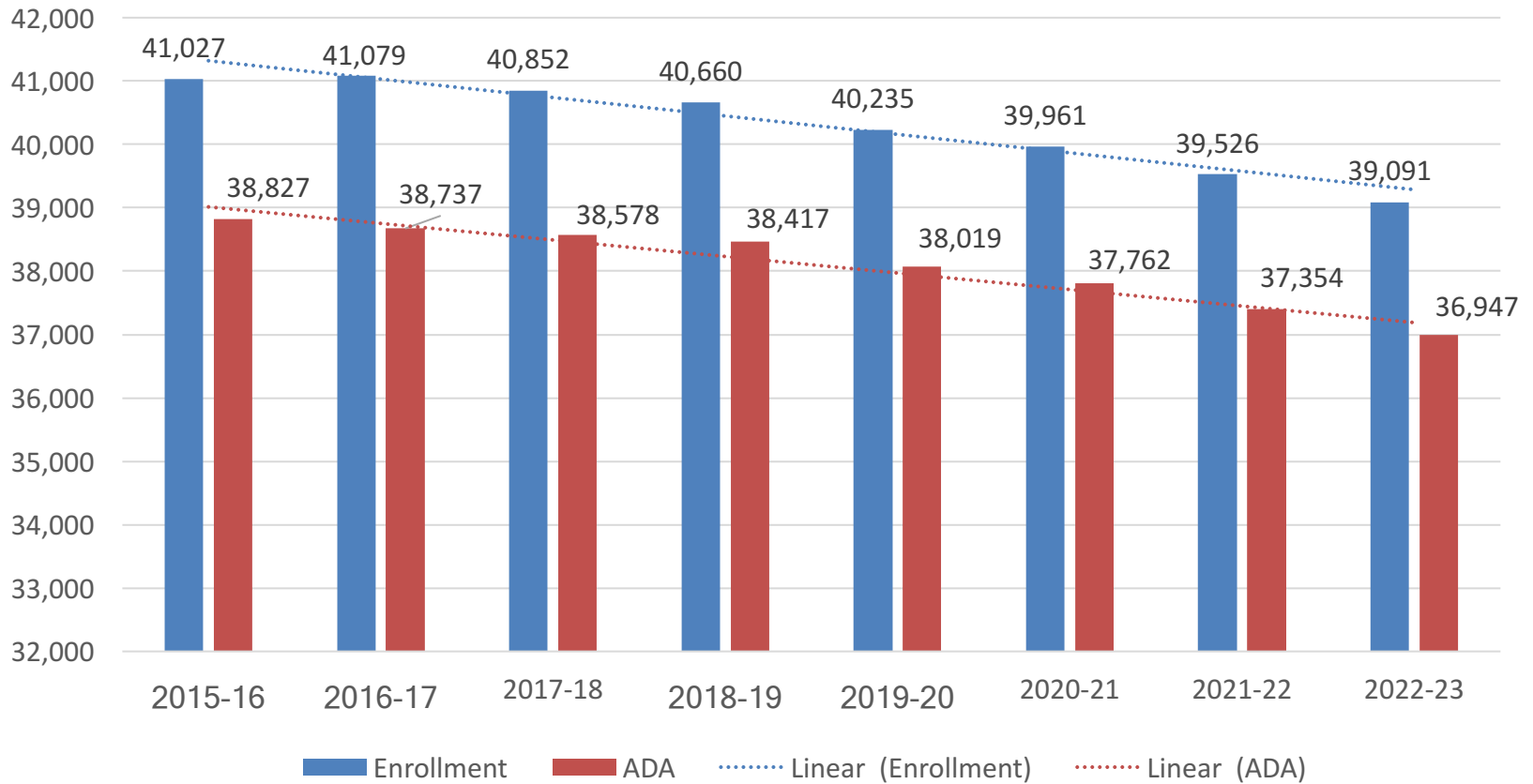
- Indirect Cost

- Contributions - \$0.6 million higher

RRM increase is \$4.1 million versus \$3.5 million

Enrollment Trend

Enrollment & ADA



2019/20 LCFF Revenue

Estimated Total \$411.7 million*

– New Revenue

- Base - \$9.6 million
- Supplemental - \$3.4 million

*Same information as Third Interim

Education Protection Act

- Proposition 30 temporary tax increase
 - Sales tax increase for 2013-2016
 - Personal income tax increase for 2012-2018
- Proposition 55 extends personal income tax through 2030
- Tax revenues received are placed into the Education Protection Account
- Proposition 30 and Proposition 55 include several accountability measures:
 - Governing board at a public hearing approves a spending plan
 - Funds cannot be used on administrative costs
 - Website publishing required
 - Annual financial audit
- Revenue – \$58,437,867
- Usage: All funds will be used for teacher salary/benefit costs

Certificated Positions Approved Above Staffing Parameters at One-Stop

Positions	Supp/Con LCAP #1.1	Restricted	Total
Elementary Teachers	29.7		29.7
Middle School Teachers	18.2		18.2
High School Teachers	20	21	41.0
Total Teacher Positions	67.9	21	88.9

The above positions reduced the number of teachers impacted by layoffs

Maintain Positions

LCAP	Position	Fee	Base	Supp/Con	Restricted
	Charter School Director	1.00			
	Gate Coordinator		0.50		0.50
	Induction Coordinator		0.85		0.15
1.7	Linked Learning Coordinator			0.50	0.50
1.6	Master Scheduler			1.00	
1.11	Research Data Coordinator II			1.00	
	Science Coordinator		0.50		0.50
2.5	SEL Director			1.00	
2.16	VAPA Coordinator			0.75	0.25
	Total Maintain Positions	1.00	1.85	4.25	1.90

Student Support Initiatives

LCAP Action Item	Student Initiative	Base	Sup/Con	Title I	Total
2.4	Academic Stipends for Department Chairs		\$ 0.21		\$ 0.21
1.11	Offering PSAT, SAT to students		\$ 0.19		\$ 0.19
1.11	AP Tests		\$ 0.50		\$ 0.50
2.15	College/Career Visits		\$ 0.25		\$ 0.25
1.18	Grade Level Readiness Programs		\$ 0.60	\$ 0.90	\$ 1.50
3.1	African American Achievement Task Force		\$ 0.15		\$ 0.15
2.15	Needs-based Scholarships for Experiential Learning		\$ 0.10		\$ 0.10
2.15	Student Clubs/Organizations		\$ 0.05		\$ 0.05
3.1	Fingerprinting Support for Parents		\$ 0.03		\$ 0.03
2.15	Music Instruction Technology		\$ 0.50		\$ 0.50
	Sub-Total of Student Initiatives In <u>Supp/Con</u> Title I		\$ 2.58	\$ 0.90	\$ 3.48
2.15	Athletics	\$ 1.64	\$ 0.36		\$ 2.00

Amounts in millions

Bold Items are continuing initiatives

Other Funds

- Contributions to Other Funds
 - Adult Education Fund – \$360,000
 - Child Development Fund – \$847,000
 - Charter School Fund – \$627,000
 - New Tech \$55,000
 - George Washington Carver \$369,000
 - New Joseph Bonnheim \$203,000*

*New since Third Interim Report

Multi-Year Projection Assumptions

Revenues – LCFF May Revise COLA

- 20/21 - 3.0% - \$8.4 million - Third Interim Change Increase - \$0.6 million
- 21/22 - 2.8% - \$8.6 million - Third Interim Change Decrease - \$0.5 million

Expense Changes Over 2020/21 and 2021/22

- Increase contribution for STRS and PERS per statute - \$3.9 million
- Increase in Health 4% est. for future years - \$3.6 million
- Increase charter school contribution - \$0.7 million
- Increase utilities estimates per various authorities - \$1.1 million
- Increases in Special Education - \$14.6 million (\$7.3 million each year)
- Decrease teaching positions due to declining enrollment - \$1.5 million

SACS Unrestricted General Fund – OFFICIAL REPORT

Multi-Year Projections

	Projected 2018/19	Proposed 2019/20	Projected 2020/21	Projected 2021/22
Ongoing Funds				
Revenues	\$415.75	\$427.99	\$436.28	\$445.01
-Contributions	\$82.30	\$98.14	\$105.46	\$112.77
- Expenses, Sources/Uses	\$346.71	\$342.20	\$349.81	\$356.21
- Supplemental/Concentration Expanded Program	\$0.00		\$2.06	\$1.59
Ongoing Net Change in Fund Balance	(\$13.26)	(\$12.35)	(\$21.05)	(\$25.56)
One-Time Funds				
Revenues	\$7.10	\$0.00	\$0.00	\$0.00
- One-Time Expenses	\$0.00	\$0.00	\$6.00	\$4.00
One Time Net Change in Fund Balance	\$7.10	\$0.00	-\$6.00	-\$4.00
Total Unrestricted General Fund:				
Beginning Balance	\$60.28	\$54.11	\$41.76	\$14.71
Ending Balance	\$54.11	\$41.76	\$14.71	-\$14.85
Component of the Ending Balance				
Cash, Inventory, Prepaid Assets	\$0.55	\$0.55	\$0.55	\$0.55
Designated Funds	\$6.00	\$6.00	\$0.00	\$0.00
Reserve for One-Time Expenses and Carryover	\$0.00	\$0.00	\$0.00	\$0.00
Net Unrestricted General Fund Balance	\$47.57	\$35.22	\$14.17	-\$15.40
Required Ongoing Reductions				
Change in Reserve	(\$12.36)	(\$12.35)	(\$21.05)	(\$29.56)
Reserve level	8.54%	6.44%	2.48%	-2.63%

Recommended Plan for Unrestricted General Fund Multi-Year Projections

	Projected 2018/19	Proposed 2019/20	Projected 2020/21	Projected 2021/22
Ongoing Funds				
Revenues	\$415.75	\$427.99	\$436.28	\$445.01
-Contributions	\$82.30	\$98.14	\$105.46	\$112.77
- Expenses, Sources/Uses	\$346.71	\$342.20	\$333.81	\$330.21
- Supplemental/Concentration Expanded Programs			\$2.06	\$1.59
Ongoing Net Change in Fund Balance	(\$13.26)	(\$12.35)	(\$5.05)	\$0.44
One-Time Funds				
Revenues	\$7.10	\$0.00	\$0.00	\$0.00
- One-Time Expenses	\$0.00	\$0.00	\$6.00	\$4.00
One Time Net Change in Fund Balance	\$7.10	\$0.00	-\$6.00	-\$4.00
Total Unrestricted General Fund:				
Beginning Balance	\$60.28	\$54.11	\$41.76	\$30.71
Ending Balance	\$54.11	\$41.76	\$30.71	\$27.15
Component of the Ending Balance				
Cash, Inventory, Prepaid Assets	\$0.55	\$0.55	\$0.55	\$0.55
Designated Funds	\$6.00	\$6.00	\$0.00	\$0.00
Reserve for One-Time Expenses and Carryover	\$0.00	\$0.00	\$0.00	\$0.00
Net Unrestricted General Fund Balance	\$47.57	\$35.22	\$30.17	\$26.60
Required Ongoing Reductions			\$16.00	\$10.00
Change in Reserve	(\$12.36)	(\$12.35)	(\$5.05)	(\$3.56)
Reserve level	8.54%	6.44%	5.43%	4.63%

Major State Education Proposals

Item	Governor	Assembly	Senate
Special Education	Concentration Grant	Equalization 90%, Preschool ADA in AB602	Equalization 90%, \$4,000 for each SWD
STRS rate	Rates lower in 19/20, 20/21 and small amount future years	Same	Rates even lower 19/20, 20/21
PERS rate	No	Rates lower 19/20, 20/21 and future years	Rates lower 19/20, 20/21
College Readiness Grant	No	No	\$110 million (One-Time)
Low Performing Block Grant	No	\$50 million (One-Time)	No
After School	No additional	\$100 million	\$80.5 million

Summary

- Captured current year additional income
- Recognition of proposed personnel expenses based on historical filled rates and non-personnel expense adjustments
- Recognition of additional cost for restructuring the teacher salary schedule
- Cash flows shows positive cash through October 2020 and major cash challenges starting October 2021
- Need a negotiated solution to achieve \$26 million
- Keep a close eye on State Budget for potential changes in revenue and new expenditure obligations

Conduct Public Hearing