

Solutions to Deficit Spending

AUGUST 24, 2017

PRESENTATION TO BOARD OF TRUSTEES



Presentation Overview

- Scope of the Deficit
- Review of Reductions and Revenue Enhancements made in 2017-18
- Discussion on Reductions and Revenue Enhancements to be considered for 2018-19 and 2019-20
- Parcel Tax as a Revenue Enhancement Option
- Board Direction

MYP - General Fund	Est. Actual	Budget	Projected	Projected
Budget Adoption	2016-17	2017-18	2018-19	2019-20
LCFF	\$ 97,219,274	\$ 98,454,027	\$ 102,003,734	\$ 104,365,352
Federal Revenues	\$ 4,344,340	\$ 3,897,881	\$ 3,897,881	\$ 3,897,881
State Income	\$ 10,334,796	\$ 8,167,840	\$ 8,172,325	\$ 8,176,899
Local Income	\$ 14,994,264	\$ 5,075,983	\$ 5,194,941	\$ 5,317,589
Total Income	\$ 126,892,674	\$ 115,595,731	\$ 119,268,881	\$ 122,507,721
Certificated	\$ 56,990,518	\$ 56,102,144	\$ 56,680,192	\$ 57,651,893
Classified	\$ 14,737,936	\$ 14,423,386	\$ 14,675,399	\$ 14,932,453
Benefits	\$ 27,141,903	\$ 27,741,896	\$ 29,419,624	\$ 31,182,929
<i>2016-17 Salary Increase 4%</i>		\$ 3,473,755		
<i>2017-18 Salary Increase 2%</i>		\$ 5,833,560	\$ 5,833,560	\$ 5,833,560
<i>Sub Teacher Rate Incr</i>		\$ 165,000	\$ 165,000	\$ 165,000
<i>Budget Reductions</i>			\$ (4,400,000)	\$ (9,000,000)
Books/Supplies	\$ 7,987,437	\$ 2,848,417	\$ 2,342,990	\$ 2,326,373
Services	\$ 26,081,213	\$ 18,053,264	\$ 17,839,243	\$ 17,805,376
Capital Outlay	\$ 7,012,376	\$ 10,000	\$ 10,000	\$ 10,000
Other Outgo	\$ 1,510,160	\$ 1,510,160	\$ 1,510,160	\$ 1,510,160
Indirect	\$ (229,207)	\$ (225,391)	\$ (239,507)	\$ (239,507)
Total Expenditures	\$ 141,232,336	\$ 129,936,191	\$ 123,836,661	\$ 122,178,237
Balance Before Transfers	\$ (14,339,662)	\$ (14,340,460)	\$ (4,567,780)	\$ 329,484
Interfund Transfers				
Transfers IN	\$ 250,000	\$ 750,000	\$ 750,000	\$ 750,000
Transfers Out	\$ 859,286	\$ 9,659,286	\$ 859,286	\$ 859,286
Contributions to Restricted Prog.	\$ -	\$ -		
Subtotal	\$ (609,286)	\$ (8,909,286)	\$ (109,286)	\$ (109,286)
Total Net Increase / (Decrease)	\$ (14,948,948)	\$ (23,249,746)	\$ (4,677,066)	\$ 220,198
Beg. Balance	\$ 62,972,526	\$ 48,023,578	\$ 24,773,832	\$ 20,096,766
Ending Fund Balance	\$ 48,023,578	\$ 24,773,832	\$ 20,096,766	\$ 20,316,964
Revolving Cash	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000
Restricted	\$ 13,523,258	\$ 4,767,840	\$ 4,767,840	\$ 4,767,840
Reserve-Econ Uncertainty 10% to 6%	\$ 14,209,162	\$ 8,375,729	\$ 7,481,757	\$ 7,382,251
Assigned	\$ 20,256,158	\$ 11,595,264	\$ 7,812,170	\$ 8,131,873
Undesignated Reserve	0	(0)	(0)	(0)
	10%	6%	6%	6%

Eliminating Deficit Spending

Budget Gap		
Budget Reductions Needed for 2018-19		4,400,000
Budget Reductions Needed for 2019-20		4,600,000
Total Reductions or New Revenue Needed		\$ 9,000,000

Budget Reductions & Enhancements made in 2017-18

	Goal	\$ 4,300,000
Description: Budget Reductions	FTE	Savings 2017-18
Reduced 1 POSA (Ed Svs)	1	182,251
Reduced 2 Coordinator Posns. (Ed Svs)	2	347,656
Tightened staffing - cert. classroom teachers	9.83	1,144,015
Reduced 4 Elem. APs to 3 APs	1	159,550
Bayside Principal Staffing	1	50,000
Reduced contracted mentoring/coaching		55,000
Reduced GASB 45 contribution		671,000
Eliminated Risk Mgmt and M&O consultant		24,000
Eliminated website consultant		65,000
Reduced attorney fees		187,000
Reduced School Resource Officer (SRO) services	1	81,500
Reduced 1 TOSA	1	107,271
Reduced Elem. Counselor	1	116,380
Reduced 1 program secretary	1	66,531
Reduced/tightened custodial and grounds schedule	3	240,000
Froze IT Tech position	1	86,726
Total Reductions	23	\$ 3,583,881
Description: Revenue Enhancements		Earnings 2017-18
Increased Annex Contribution		250,000
Initiated Fee Based PreK Contribution		250,000
Increased Bayside Theater Contribution		10,000
Total New Revenue		\$ 510,000
Total Reductions & Enhancements Implemented		\$ 4,093,881

Reductions & Enhancements to be considered for 2018-19 & 2019-20

	Goal	\$ 9,000,000
Description: Budget Reductions	FTE	Savings 2018-19
Eliminate Board Conferences		10,000
No color copying		10,000
Reduce supplies alloc. by \$2/student		24,000
Eliminate Board Stipend		26,400
Eliminate/Reduce Nurse for mandated screenings		30,000
Hapara digital tool - eliminate		40,000
Decrease Library hours (4 to 3) Elem.		48,704
Eliminate Receptionist	1	70,000
Reduce 1 program secretary	1	70,926
Reduce Data Analyst	1	77,261
Eliminate Vacation Payout		80,437
Reduce maintenance worker	1	83,200
Eliminate contribution to Fund 17 for flood insurance		85,691
Share 1 Principal between 2 schools	1	120,000
Reduce 2 Coordinators	2	337,956
Move to every other night custodial cleaning	3	240,000
Eliminate IB programs: Sunnybrae & Borel		245,528
Share 1 Principal between 2 schools	2	350,000
Reduce 4 TOSAs		437,844
Eliminate all Elementary APs	3	477,000
Reduce School Office Assistant hours		?
Review class sizes for all grades		?
Review Special Education program efficiencies		?
Review School Choice Enrollment program		?
Review of specialized programs		?
Do not include Management in 4% & 2% raise		534,586
<i>Do not include Cabinet in 4% & 2% raise</i>		<i>160,705</i>
<i>Do not include Ex. Cabinet in 4% & 2% raise</i>		<i>62,934</i>
Eliminate PE Teachers and Paras at Elem.	25.6	1,732,756
Eliminate PE Teachers at Elem.	10	939,024
Eliminate PE Paras at Elem.	15.6	793,732
Total (eliminates Elementary PE Teachers & Paras)	40.6	\$ 5,132,289
Total (eliminates Elementary PE Teachers)	25	\$ 4,338,557
Total (eliminates Elementary PE Paras)	30.6	\$ 4,193,264

Additional Reductions & Enhancements to consider for 2018-19 & 2019-20 ...

Description: Revenue Enhancements		Earnings 2018-19
Basic Aid 2016-17 Carryover (one time funds)		1,400,000
Education Foundation		?
Increase Student Attendance (ADA)		?
Total New Revenue		\$ 1,400,000
Total Reductions & New Revenue		\$ 6,532,289

Proposed Reductions Tabled by Board for 2018-19		
Eliminate 5th grade Music (Instrumental)		152,000
Eliminate TK - 4 music (Music for Minors)		385,000
Reduce Middle School Counselors	2	186,086
Reduce Psychologists, reduce 2	2	245,708
	4	\$ 968,794

Board Direction

Option 1: Increase Revenues

- Parcel Tax

Option 2: Continue Budget Reductions

- Reduce Programs
- Reduce Personnel

2015-16 General Fund Revenue Per Student*

Elementary Districts San Mateo County	Fund 1 Revenues Per Student	Above/(Below) State Average
Woodside Elementary	26,899	15,468
Portola Valley Elementary	23,956	12,525
Las Lomitas Elementary	18,799	7,368
Hillsborough City Elementary	18,017	6,586
Brisbane Elementary (LCFF)	17,019	5,588
Ravenswood City Elementary (LCFF)	15,924	4,493
Menlo Park City Elementary	15,638	4,207
Redwood City Elementary (LCFF)	12,627	1,196
Bayshore Elementary (LCFF)	11,962	531
Statewide Average	11,431	-
San Carlos Elementary (LCFF)	11,301	(130)
Jefferson Elementary (LCFF)	10,916	(515)
San Mateo-Foster City (LCFF)	10,740	(691)
Burlingame Elementary (LCFF)	10,618	(813)
Belmont-Redwood Shores Elementary (LCFF)	10,616	(815)
San Bruno Park Elementary (LCFF)	10,327	(1,104)
Pacifica (LCFF)	10,070	(1,361)
Millbrae Elementary (LCFF)	9,990	(1,441)
*Source: Ed Data		

2015-16 General Fund Revenue Per Student

High School Districts San Mateo County	Fund 1 Revenues Per Student	Above/(Below) State Average
San Mateo Union High	17,431	4,705
Sequoia Union High	17,363	4,637
Statewide Average	12,726	-
Jefferson Union High (LCFF)	12,235	(491)

Countywide Parcel Tax Rates by District 2016-17

Description	Total	Per Parcel
	Charges	
BAYSHORE ESD MEASURE Y	156,983.50	102.94
BELMONT RWD SHRS SCH COMB PTAX	2,100,354.00	174.00
BRISBANE SD MEAS W & Q PARCEL TAXES	936,768.00	287.00
BURLINGAME ESD MEAS B PARCEL TAX	2,114,560.00	256.00
CABRILLO USD MEAS B	1,667,400.00	150.00
HILLSBRO ESD TAX	2,234,541.68	651.28
JEFFERSON UHSD MEAS Y PARCEL TAX	2,130,660.00	60.00
LA HONDA PESC SCH MEAS N 2013	199,100.00	100.00
LAS LOMITAS ESD SP TAX	1,210,101.00	311.00
MENLO PARK ESD MEASURES	6,874,041.60	874.56
PACIFICA SCH DISTRICT MEASURE N	1,308,148.00	118.00
PVSD PARCEL TAX	1,195,116.96	581.00
RAVENSWOOD MEASURE B PARCEL TAX	579,278.00	98.00
RAVENSWOOD MEASURE M PTAX	579,278.00	98.00
RWC ESD MEASURE W PARCEL TAX	1,558,554.00	67.00
SCSD MEASURE A11 & B09 PARCEL TAX	2,242,580.40	246.60
SM FCSD MEASURE B 1991 PTAX	3,558,320.34	104.42
SMFCSD MEASURE A 2010 PTAX	7,153,443.84	209.92
WOODSIDE ESD SPCL TX	303,504.02	289.12
Average parcel tax rate		\$ 281.11

Discussion of Process for Parcel Tax Election

What	Who
Identify need	District
Determine election date, timeline	Election consultant, Polling consultant, District
Poll community for test public opinion/support	Polling consultant
Public outreach, "Tell our story"	District, Election consultant
Fund raising for campaign (donations)	Parent groups
Board calls for election 88 days prior to election	Board
Campaign moves from District to Parent & Volunteer groups: phone banks, canvas neighborhoods, fliers/mailers supporting measure, endorsements, file arguments in favor, rebutals to arguments	Campaign volunteers
Election	

Comments/Questions?

