

The background of the slide is a golden-yellow color with a dense, repeating pattern of various currency symbols (dollar, euro, yen, pound) in a 3D, embossed style. The symbols are arranged in a way that they appear to be floating or overlapping, creating a textured, metallic effect.

2018-19 Budget Assumptions *Draft*

Presented to Board of Trustees
April 19, 2018



Introduction

- General Assumptions
- Fund Balance
- Revenues
- Expenditures
 - LCAP Goals
 - District Operations
 - One-time Expenditures



General Assumptions

3. When the 2018-2019 State Budget May Revise is announced, the assumptions will be adjusted accordingly.
4. The 2018-2019 budget public hearing will be held at the June 7, 2018 Board meeting, and the budget will be adopted at the June 22, 2018 Board meeting.

Fund Balance

Budget Summary - 2017-2018 General Fund Unrestricted Fund Balance:

	<u>First Interim</u> <u>Dec. 7, 2017</u>	<u>Second Interim</u> <u>Mar. 22, 2018</u>
Projected Unrestricted Ending Balance	\$ 42,797,102	\$ 33,208,250
Economic Uncertainties (6%)	8,544,500	9,212,460
Revolving Cash	35,000	35,000
Prepaid Expenditures	45,288	45,288
Other Designations	26,715,967	19,087,354
Projected Undesignated Ending Balance	\$ 7,456,347	\$ 4,828,148

Revenues

9. 2018-2019 represents the sixth year of LCFF implementation. Unrestricted General Fund revenue is per the LCFF Calculator from FCMAT (Fiscal Crisis and Management Assistance Team).
 - 2018-2019 COLA is estimated at 2.51%, applied to LCFF target.
 - The Governor's budget proposes the LCFF to be fully funded in 2018-2019.
10. Property Tax revenue is budgeted with a 5% increase (will be updated when County Assessor projection is issued in August).
11. As the LCFF will be fully funded and revenue increases to the LCFF will be based upon COLA only, the District may be funded as either LCFF or Basic Aid. Basic Aid funding could occur when the percent increase to property taxes (assessed valuation) exceeds the percent increase in state funded COLA, enrollment changes, or state funding rates change. At this time, the District is projected to be Basic Aid for 2018-2019 and the two out years.

Revenues – Enrollment & Other Fund Contributions

	2017-18	2018-19	2019-20	2020-21
	Projected	Projected	Projected	Projected
Budgeted Enrollment	11,835	11,765	11,739	11,727
Change from prior year	-134	-70	-26	-12
Percentage change	-1.12%	-0.59%	-0.22%	-0.10%
Average Daily Attendance (ADA)	11,428	11,358	11,315	11,364

21. The Annex Program will contribute \$500,000 and Fee-based preschool will contribute \$250,000 per year to the General Fund.



Expenditures – LCAP Goals

- **Goal 1:** Students will attend class in a well-maintained facility, with standards-aligned instructional materials and taught by credentialed teachers.
- **Goal 2:** All students will make progress toward meeting or exceeding grade level California Standards.
- **Goal 3:** Students will engage in ongoing healthy lifestyles, supporting social, emotional, and physical aspects.
- **Goal 4:** Families will participate in their child’s education.

Expenditures – Employee Benefits

<u>Employer Tax</u>	2017-18	2018-19	2019-20	2020-21
STRS (State retirement-Cert)	14.43%	16.28%	18.13%	19.10%
PERS (State retirement-Class)	15.53%	18.06%	20.00%	22.70%
Employee PERS	0.00%	0.00%	0.00%	0.00%
OASDI (Federal retirement)	6.20%	6.20%	6.20%	6.20%
Medicare	1.45%	1.45%	1.45%	1.45%
Unemployment Insurance	0.05%	0.05%	0.05%	0.05%
Workers Comp	2.44%	2.56%	2.69%	2.82%
Retiree Benefits (OPEB)	2.50%	2.50%	2.50%	2.50%
Certificated P/R Tax & Benefits	20.87%	22.84%	24.82%	25.92%
Classified P/R Tax & Benefits	28.17%	30.82%	32.89%	35.72%

Expenditures – District Operations

37. San Mateo County Schools Insurance Group (SMCSIG) will approve rates in May 2018. The 2018-2019 Tentative Budget will use the following assumptions:
- Dental Premium (Joint Power Agency): 0%
 - Vision Premium (Joint Power Agency): 2%
 - Property Liability Insurance, including flood insurance and cyber security insurance (Joint Power Agency): 12%
 - Worker Compensation Insurance Premium: 5%

Expenditures – One-Time

39. The Governor's Proposed State Budget includes an estimated \$295/ADA in one-time funding for 2018-2019 to count towards the mandated claims backlog.
40. One-time funds (Supplemental property taxes) received in 2017-2018 are projected to support the general fund deficit spending in 2018-2019.

Questions & Comments
