

2018-19 Adopted Budget

Board of Education



June 12, 2018



*Presented by:
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Finance & School Support*

Components of May Revision

- Prop 98 funding is up \$68 million from January Proposal
- Local Control Funding Formula receives a cost of living adjustment of 3%
- Additional \$286 million for a total of \$2 billion of one-time funding reducing outstanding mandate debt to \$972 million

2018-19 LCFF Target Funding Factors

- The proposed K-12 increase of 3.00% for 2018-19 is the combined statutory COLA of 2.71% and additional LCFF funding, which is applied to the LCFF base grants for each grade span

Grade Span	2017-18 Base Grant Per ADA	3.00% Increase	2018-19 Base Grant Per ADA
K-3	\$7,193	\$216	\$7,409
4-6	\$7,301	\$219	\$7,520
7-8	\$7,518	\$226	\$7,744
9-12	\$8,712	\$261	\$8,973

2018-19 LCFF Target Funding Factors

- Two grade span adjustments (GSAs) are applied as percentage increases against the adjusted base grant, also receiving the benefit of a 3.00% augmented COLA in 2018-19
 - Grade K-3 – 10.4% increase for average class enrollment of 24
 - Grades 9-12 – 2.6% increase in recognition of the costs of Career Technical Education coursework

Grade Span	2018-19 Base Grant Per ADA	GSA	2018-19 Adjusted Grant
K-3 (10.4%)	\$7,409	\$771	\$8,180
4-6	\$7,520	-	\$7,520
7-8	\$7,744	-	\$7,744
9-12 (2.6%)	\$8,973	\$233	\$9,206

2018-19 LCFF Target Funding Factors

- Supplemental/concentration (S/C) grants, based on the unduplicated pupil percentage (UPP), are also increased from 2017-18 because a 3.00% augmented COLA is applied to the LCFF base grants

Grade Span	2018-19 Adjusted Grants Per ADA	20% Supplemental Grant – Total UPP	50% Concentration Grant – UPP Above 55%
K-3	\$8,180	\$1,636	\$4,090
4-6	\$7,520	\$1,504	\$3,760
7-8	\$7,744	\$1,549	\$3,872
9-12	\$9,206	\$1,841	\$4,603

What Does the LCFF Mean for Elk Grove Unified?

Elk Grove Unified– 2018-19		
2018-19 LCFF Per ADA Funding	Projected 2018-19 ADA	Projected 2018-19 LCFF Total Revenue
\$ 9,361	60,129.66	\$562,874,505

Estimated new ongoing revenue of \$30,797,584

Discretionary Funds – ONE-TIME	Total
\$344 (one-time) X 2017-18 P2* ADA =	\$ 20,628,493

*Second Principal Apportionment (P2)

Cap on District Reserves

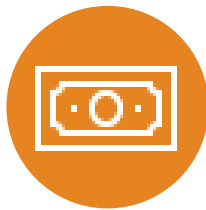
- Proposition 2 (2014) established the Rainy Day Budget Stabilization Fund Act that included a state education rainy day fund and imposed a cap on what school districts could maintain in their local reserves if certain conditions are met
 - The conditions will not be met in fiscal year 2018-19



Maintenance

Factor

Met: Proposition 98 Maintenance Factor prior to 2014-15 is fully paid



Test 1

Not Met:

Minimum Guarantee is determined by Test 1 (2018-19 is projected to be Test 2)



ADA* and

COLA

Met: Proposition 98 Minimum Guarantee is sufficient to fund ADA and COLA



Capital

Gains

Met: Capital gains exceed 8% of General Fund revenues



2017-18 Unrestricted General Fund Estimated Actuals

	ADOPTED	45 DAY REVISE	1ST INTERIM	2ND INTERIM	PROJECTED YEAR END
Revenue	\$ 542,713,123	\$ 551,708,110	\$ 553,838,587	\$ 555,523,184	\$ 556,185,629
Contributions/Transfers	(90,583,907)	(90,583,907)	(91,200,880)	(89,480,450)	(90,368,262)
Salary and Benefits	(423,561,554)	(423,561,554)	(425,681,766)	(421,986,447)	(428,555,946)
Supplies and Operating	(46,451,216)	(46,451,216)	(54,307,988)	(54,991,454)	(55,682,357)
Indirect and Transfers	6,894,437	6,894,437	7,973,630	8,196,987	9,649,446
<i>SURPLUS/(DEFICIT)</i>	<i>\$ (10,989,117)</i>	<i>\$ (1,994,130)</i>	<i>\$ (9,378,417)</i>	<i>\$ (2,738,180)</i>	<i>\$ (8,771,490)</i>
Estimated Beginning Fund Balance	74,704,946	93,058,018	93,058,018	93,058,018	93,058,018
Ending Fund Balance	63,715,829	91,063,888	83,679,601	90,319,838	84,286,528
Contingency 2% Reserve	13,663,418	13,813,174	14,713,174	14,713,174	14,751,509
Instructional Materials/Adoptions	6,467,703	16,943,321	6,567,703	6,467,703	6,467,703
ROP/CTE Reserve	528,021	528,021	528,021	528,021	528,021
One-time Employee Compensation					2,788,644
Reserve for Funding Priorities	43,056,687	59,779,372	61,870,703	68,610,940	59,750,651
<i>UNDESIGNATED BALANCE</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>

2017-18 Unrestricted General Fund

Changes to Estimated Actuals

2017-18 Fiscal Year

- Local Control Funding Formula (LCFF) adjustment from estimated P2 ADA to actuals
- Implementation of EGEA's Tentative Agreement

2018-19 Unrestricted General Fund Changes

2018-19 Fiscal Year

- Local Control Funding Formula (LCFF) COLA increase to 3.0% (approx. \$30.8m) additional \$2.6M from January proposal
- Increase of One-time Discretionary Block Grant \$344/ADA (approx. \$20m) additional \$2.3m from January proposal
- Board approved one-time funding priorities
- One-time and Ongoing Employee Compensation (Pending Unit and Board Ratification)

2018-19 Unrestricted General Fund

Preliminary Adopted Budget

	PRELIMINARY ADOPTED	45 DAY REVISE	1ST INTERIM	2ND INTERIM	PROJECTED YEAR END
Revenue	\$ 597,928,533				
Contributions/Transfers	(97,028,369)				
Salary and Benefits	(463,089,655)				
Supplies and Operating	(46,812,395)				
Indirect and Transfers	8,997,320				
SURPLUS/(DEFICIT)	\$ (4,566)				
Estimated Beginning Fund Balance	84,286,528				
Ending Fund Balance	84,281,962				
Contingency 2% Reserve	14,851,509				
Instructional Materials/Adoptions	6,467,703				
ROP/CTE Reserve	528,021				
One-time Employee Compensation	2,788,644				
Arbinger Training (8 hours)	2,000,000				
Reserve for Funding Priorities	57,646,085				
UNDESIGNATED BALANCE	\$ -				

2018-19 General Fund Unrestricted

Multi-year Budget Projection

ITEM	PROPOSED 2018-19 ADOPTED BUDGET	2019-20	2020-21
State Revenue	\$ 597,928,533	\$ 577,300,109	\$ 577,300,182
Estimated 2019-20 OG		15,915,585	15,915,585
Estimated 2020-21 OG			16,173,512
Contributions/Transfers	(97,028,369)	(100,084,527)	(103,709,354)
Salary and Benefits	(463,089,655)	(453,786,110)	(466,979,736)
Supplies and Operating	(46,812,395)	(41,244,895)	(41,775,652)
Indirect and Transfers	8,997,320	8,052,232	8,237,167
<i>SURPLUS/(DEFICIT)</i>	\$ (4,566)	\$ 6,152,394	\$ 5,161,704
Estimated Beginning Fund Balance	84,286,528	84,281,962	90,434,356
Ending Fund Balance	84,281,962	90,434,356	95,596,060
Contingency Mandated 2% Reserve	14,851,509	14,951,509	15,051,509
Instructional Materials/Adoptions	6,467,703	6,467,703	6,467,703
ROP/CTE Reserve	528,021	528,021	528,021
Arbinger (8 hours training)	2,000,000	2,000,000	2,000,000
One-time Employee Compensation	2,788,644	2,788,644	2,788,644
Reserve for Funding Priorities	57,646,085	63,698,479	68,760,183
<i>UNDESIGNATED</i>	\$ -	\$ -	\$ -

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Restricted General Fund

ITEM	AMOUNT	DESCRIPTION
Federal Revenue	\$ 35,453,132	The Restricted General Fund (Fund 01) is an aggregate of several funding sources distributed by the federal, state, and local governments. These programs include Title I, II, III, etc., after school programs (Prop 49 - ASES), Lottery (Prop 20) , Special Education, and RRM. Contributions are made from the unrestricted general fund to support Special Education and Routine Restricted Maintenance (RRM).
State/Other Local Revenue	72,788,710	
Contributions/Transfers	96,421,689	
Salary and Benefits	(154,217,712)	
Supplies and Operating	(37,371,717)	
Indirect and Transfers	(8,491,916)	
<i>SURPLUS/(DEFICIT)</i>	<i>\$ 4,582,186</i>	
Estimated Beginning Fund Balance	18,844,897	
Ending Fund Balance	23,427,083	
Contingency Mandated 2% Reserve	-	
Restricted Reserves	23,427,083	
<i>UNDESIGNATED</i>	<i>\$ -</i>	

2018-19 Adopted Budget Charter Schools Fund (09)

ITEM	AMOUNT	DESCRIPTION
LCFF Revenue	\$ 2,431,162	The Charter Schools Fund (09) provides classroom and independent study instructional services to students at the district-sponsored Elk Grove Charter School.
State/Other Local Revenue	255,692	
Contributions/Transfers	-	
Salary and Benefits	(2,077,231)	
Supplies and Operating	(195,022)	
Indirect and Transfers	(52,786)	
<i>SURPLUS/(DEFICIT)</i>	<i>\$ 361,815</i>	
Estimated Beginning Fund Balance	4,503,066	
Ending Fund Balance	4,864,881	
Contingency Mandated 2% Reserve	-	
Restricted Reserves	4,864,881	
<i>UNDESIGNATED</i>	<i>\$ -</i>	

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Adult Education Fund (11)

ITEM	AMOUNT	DESCRIPTION
Federal Revenue	\$ 1,435,435	Adult Education Fund (11) is a public education program for all adults returning to complete their high school education. Through Federal grant funds, the new State Block Grant funds, and fee-based programs, Adult schools offer free to low-cost classes for adults 18 and older. Students can earn a high school diploma, general education diploma (GED), learn about jobs, learn to speak English, and learn how to become a U.S. citizen. The department also provides services to Sacramento County jail inmates in coordination with the Sacramento County Sheriff's Department.
State/Other Local Revenue	3,594,415	
Contributions/Transfers	-	
Salary and Benefits	(3,877,470)	
Supplies and Operating	(799,881)	
Indirect and Transfers	(301,145)	
<i>SURPLUS/(DEFICIT)</i>	<i>\$ 51,354</i>	
Estimated Beginning Fund Balance	2,112,836	
Ending Fund Balance	2,164,190	
Contingency Mandated 2% Reserve	-	
Restricted Reserves	2,164,190	
<i>UNDESIGNATED</i>	<i>\$ -</i>	

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Child Development Fund (12)

ITEM	AMOUNT	DESCRIPTION
Federal Revenue	\$ 3,624,858	The Child Development Fund (12) records revenue and expenses for our general education preschool and child care programs. Sources include Federal Head Start contract from SETA, State General Child Care, State Preschool and First 5 preschool support contract.
State/Other Local	2,882,385	
Contributions/Transfers	206,680	
Salary and Benefits	(5,010,665)	
Supplies and Operating	(1,381,562)	
Indirect and Transfers	(321,696)	
<i>SURPLUS/(DEFICIT)</i>	\$ -	
Estimated Beginning Fund Balance	143,924	
Ending Fund Balance	143,924	
Contingency Mandated 2% Reserve	-	
Restricted Reserves	143,924	
<i>UNDESIGNATED</i>	\$ -	

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Cafeteria Special Revenue Fund (13)

ITEM	AMOUNT	DESCRIPTION
Federal Revenue	\$ 15,713,458	The Cafeteria Special Revenue Fund (13) provides for approximately \$8 million school breakfasts and lunches, served to students and staff. The department also provides ala carte food and beverages at secondary schools, and nutritious snacks for several district programs. This program has been awarded the contract to provide summer lunches and snacks for the U.S. Department of Agriculture, Summer Feeding Program. Includes one-time contrubtion from the General Fund to cover operations.
State/Other Local Revenue	9,374,791	
Contributions/Transfers	400,000	
Salary and Benefits	(12,974,996)	
Supplies and Operating	(11,804,349)	
Indirect and Transfers	(1,340,562)	
<i>SURPLUS/(DEFICIT)</i>	<i>\$ (631,658)</i>	
Estimated Beginning Fund Balance	5,705,983	
Ending Fund Balance	5,074,325	
Contingency Mandated 2% Reserve	-	
Restricted Reserves	5,074,325	
<i>UNDESIGNATED</i>	<i>\$ -</i>	

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Deferred Maintenance Fund (14)

ITEM	AMOUNT	DESCRIPTION
Federal Revenue	\$ -	The Deferred Maintenance Fund (14) became unfunded and part of the unrestricted general fund in fiscal year 2008/09. The balance remaining in the fund is residual from the State Deferred
State/Other Local Revenue	-	
Contributions/Transfers	-	
Salary and Benefits	(3,345)	
Supplies and Operating Indirect and Transfers	(133,000)	
<i>SURPLUS/(DEFICIT)</i>	<i>\$ (136,345)</i>	Maintenance Program. These funds continue to be utilized to repair district facilities as prioritized by the Facilities/Planning Department. Deferred maintenance is now one of the 8 state priorities (priority 1 basic services) as part of the LCAP for districts to keep facilities maintained and in good repair.
Estimated Beginning Fund Balance	307,057	
Ending Fund Balance	170,712	
Contingency Mandated 2% Reserve	-	
Restricted Reserves	170,712	
<i>UNDESIGNATED</i>	<i>\$ -</i>	

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Building Fund (21)

ITEM	AMOUNT	DESCRIPTION
Federal Revenue	\$ -	The Building Fund (21) is established to account for Measure M bond transactions. Specifically Fund 21 is the fund where proceeds from the sale of Measure M bonds are deposited.
State/Other Local Revenue	-	
Contributions/Transfers	-	
Salary and Benefits	-	
Supplies and Operating	(22,581,684)	
Indirect and Transfers	-	
<i>SURPLUS/(DEFICIT)</i>	<i>\$ (22,581,684)</i>	
Estimated Beginning Fund Balance	35,392,395	
Ending Fund Balance	12,810,711	
Contingency Mandated 2% Reserve	-	
Restricted Reserves	12,810,711	
<i>UNDESIGNATED</i>	<i>\$ -</i>	

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Capital Facilities Fund (25)

ITEM	AMOUNT	DESCRIPTION
Federal Revenue	\$ -	The Capital Facilities Fund (25) is used primarily for revenue received from fees levied as a condition of approving development.
State/Other Local Revenue	9,000,000	
Contributions/Transfers	-	
Salary and Benefits	(453,603)	
Supplies and Operating	(233,106)	
Indirect and Transfers	-	
<i>SURPLUS/(DEFICIT)</i>	<i>\$ 8,313,291</i>	
Estimated Beginning Fund Balance	30,449,779	
Ending Fund Balance	38,763,070	
Contingency Mandated 2% Reserve	-	
Restricted Reserves	38,763,070	
<i>UNDESIGNATED</i>	<i>\$ -</i>	

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County School Facilities Construction Fund (35)

ITEM	AMOUNT	DESCRIPTION
Federal Revenue	\$ -	The County School Facilities Construction Fund (35) is established for apportionments from the State School Facilities Fund authorized by the State Allocation Board (SAB) for new school facility construction, modernization projects, facility hardship grants, and district match.
State/Other Local Revenue	-	
Contributions/Transfers	-	
Salary and Benefits	-	
Supplies and Operating	(2,655,943)	
Indirect and Transfers	-	Typical expenditures in this fund are payments for the costs of sites, site improvements, buildings, building improvements, and furniture and fixtures capitalized as a part of the construction project.
<i>SURPLUS/(DEFICIT)</i>	<i>\$ (2,655,943)</i>	
Estimated Beginning Fund Balance	3,215,655	
Ending Fund Balance	559,712	
Contingency Mandated 2% Reserve	-	
Restricted Reserves	-	
<i>UNDESIGNATED</i>	<i>\$ 559,712</i>	

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Special Reserve for Capital Outlay

Projects Fund (40)

ITEM	AMOUNT	DESCRIPTION
Federal Revenue	\$ -	The Special Reserve for Capital Outlay Projects Fund (40) exists for capital outlay purposes. Currently this fund accounts for revenue and expenditures related to Proposition 39.
State/Other Local Revenue	-	
Contributions/Transfers	-	
Salary and Benefits	-	
Supplies and Operating	(8,964,493)	
Indirect and Transfers	-	
<i>SURPLUS/(DEFICIT)</i>	<i>\$ (8,964,493)</i>	
Estimated Beginning Fund Balance	9,483,603	
Ending Fund Balance	519,110	
Contingency Mandated 2% Reserve	-	
Restricted Reserves	519,110	
<i>UNDESIGNATED</i>	<i>\$ -</i>	

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Capital Projects Fund (49)

ITEM	AMOUNT	DESCRIPTION
Federal Revenue	\$ -	The Capital Projects Fund (49) is used to account for capital projects financed by our Mello-Roos Community Facilities District.
State/Other Local Revenue	2,935	
Contributions/Transfers	1,943,093	
Salary and Benefits	(2,226,183)	
Supplies and Operating	(5,164,465)	
Indirect and Transfers	-	
<i>SURPLUS/(DEFICIT)</i>	<i>\$ (5,444,620)</i>	
Estimated Beginning Fund Balance	10,777,563	
Ending Fund Balance	5,332,943	
Contingency Mandated 2% Reserve	-	
Restricted Reserves	5,332,943	
<i>UNDESIGNATED</i>	<i>\$ -</i>	

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Bond Interest & Redemption Fund (51)

ITEM	AMOUNT	DESCRIPTION
Federal Revenue	\$ -	The Bond Interest & Redemption (51) is established to account for Measure M bond transactions. Specifically Fund 51 is the fund where any premiums or accrued interest received from the sale of Measure M bonds are deposited.
State/Other Local Revenue	-	
Contributions/Transfers	-	
Salary and Benefits	-	
Supplies and Operating	-	
Indirect and Transfers	-	
<i>SURPLUS/(DEFICIT)</i>	\$ -	
Estimated Beginning Fund Balance	1,653,692	
Ending Fund Balance	1,653,692	
Contingency Mandated 2% Reserve	-	
Restricted Reserves	1,653,692	
<i>UNDESIGNATED</i>	\$ -	

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Debt Service Fund (52)

ITEM	AMOUNT	DESCRIPTION
Federal Revenue	\$ -	The Debt Service Fund (52) is used to account for the accumulation of resources for the payment of principal and interest on bonds issued by Mello-Roos Community Facilities District.
State/Other Local Revenue	15,021,181	
Contributions/Transfers	(1,943,093)	
Salary and Benefits	-	
Supplies and Operating	(13,191,082)	
Indirect and Transfers	-	
<i>SURPLUS/(DEFICIT)</i>	<i>\$ (112,994)</i>	
Estimated Beginning Fund Balance	19,450,149	
Ending Fund Balance	19,337,155	
Contingency Mandated 2% Reserve	-	
Restricted Reserves	19,337,155	
<i>UNDESIGNATED</i>	<i>\$ -</i>	

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Self Insurance (67)

ITEM	AMOUNT	DESCRIPTION
Federal Revenue	\$ -	The Self-Insurance Fund (67) contains all of the current year activity and reserves for our self-insured worker's compensation program. The 2018-19 rate applied to all salaries is budgeted at 2.75%.
State/Other Local Revenue	10,885,012	
Contributions/Transfers	-	
Salary and Benefits	(518,047)	
Supplies and Operating	(7,364,521)	
Indirect and Transfers	-	
<i>SURPLUS/(DEFICIT)</i>	<i>\$ 3,002,444</i>	
Estimated Beginning Fund Balance	9,129,218	
Ending Fund Balance	12,131,662	
Contingency Mandated 2% Reserve	-	
Restricted Reserves	12,131,662	
<i>UNDESIGNATED</i>	<i>\$ -</i>	

Next Steps

- 2018-19 EGUSD Adopted Budget June 26, 2018
- 2018-19 Final State Budget ?
- 2018-19 EGUSD 45-day Revised Budget ?
- 2017-18 EGUSD Unaudited Actuals September, 2018