



ELK GROVE UNIFIED SCHOOL DISTRICT
Finance & School Support

2017-18 UNAUDITED ACTUALS & 2018-19 BUDGET UPDATE

Board of Education Meeting
September 18, 2018

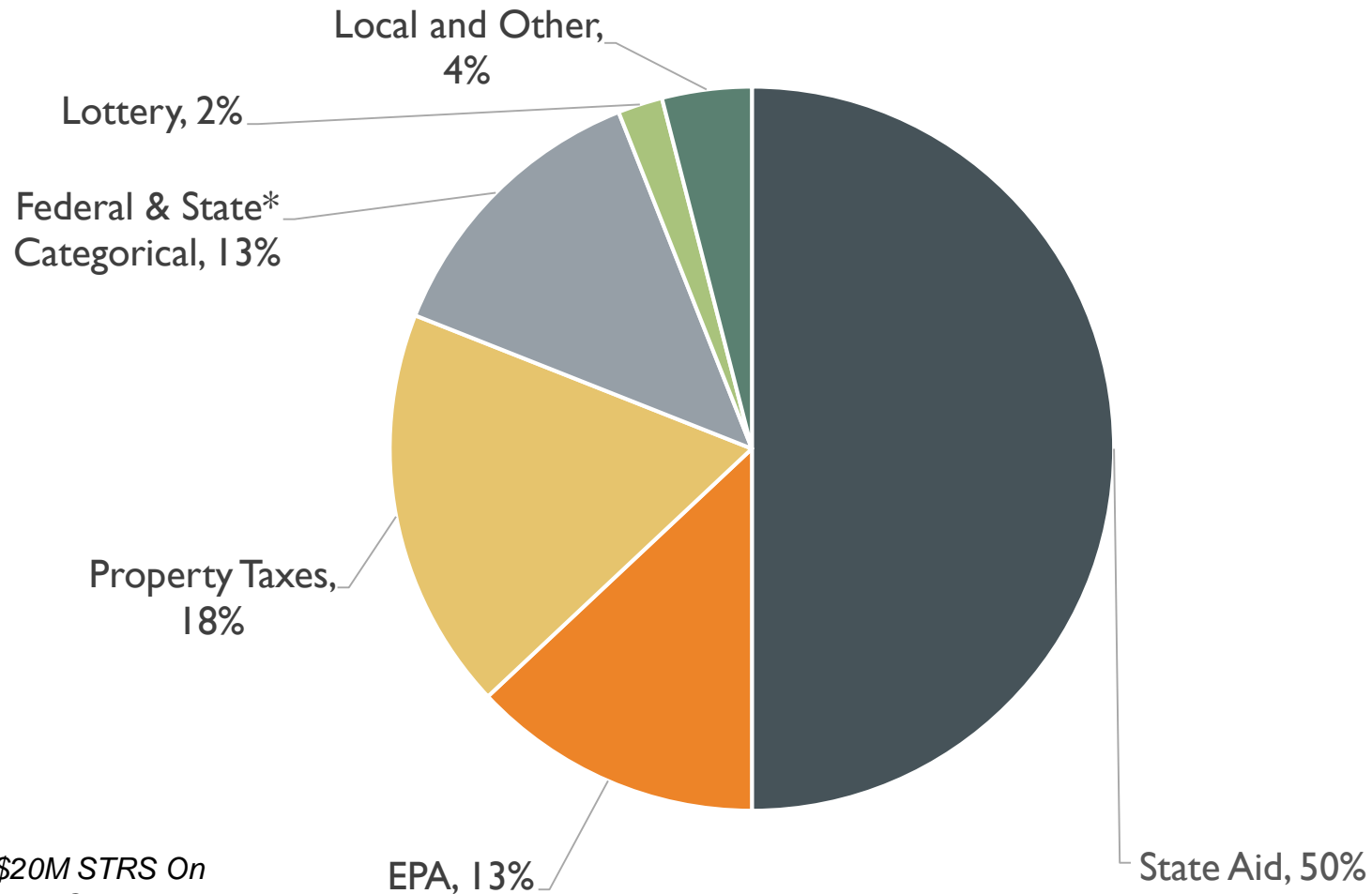
PRESENTED BY:
SHANNON HAYES, CHIEF FINANCIAL OFFICER

PRESENTATION OVERVIEW

- 2017-18 Unaudited Actuals Revenue & Expenditure Charts
- 2017-18 Education Protection Account Expenditures
- 2017-18 Changes from Estimated Actuals
- 2018-19 Budget Update
- Next Steps

FINANCIAL REVENUE DATA

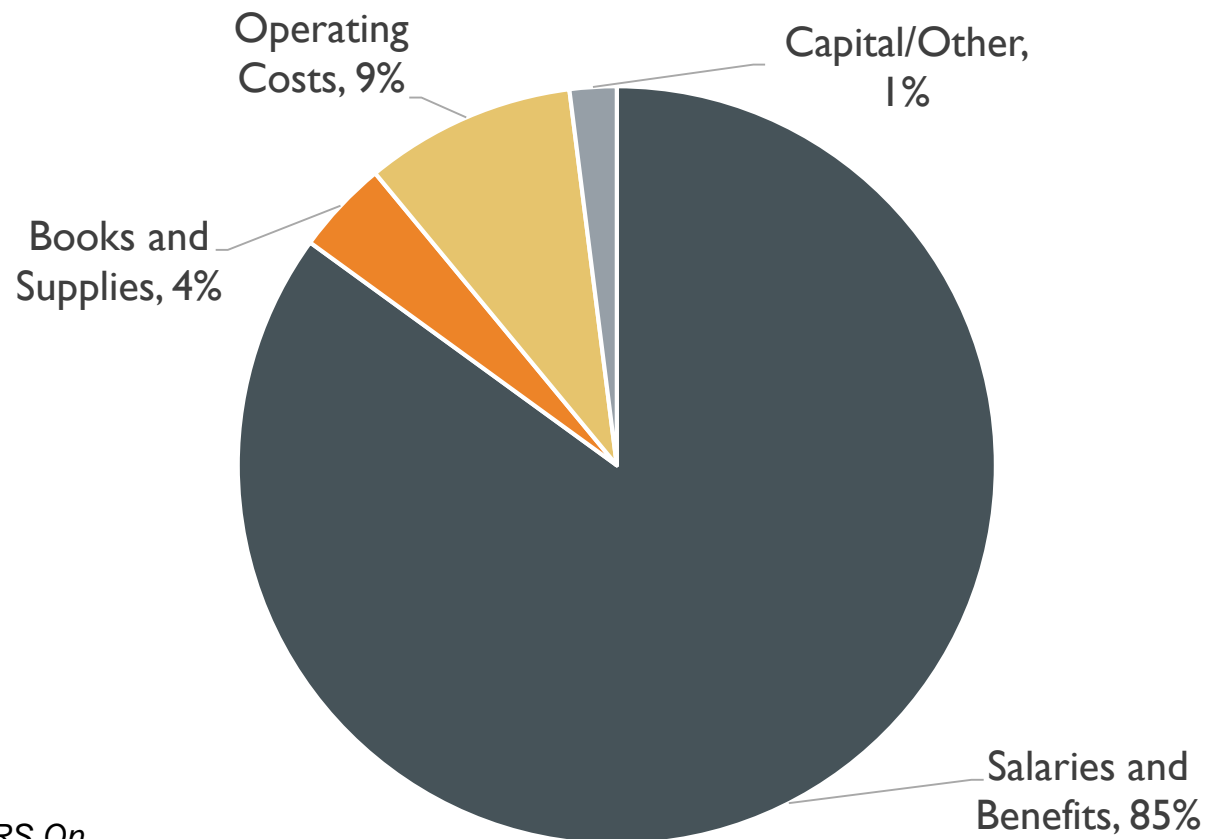
TOTAL GENERAL FUND (Unrestricted & Restricted) 2017-18 Revenue Resources



**Excludes \$20M STRS On
Behalf Pension Contribution.*

FINANCIAL EXPENDITURE DATA

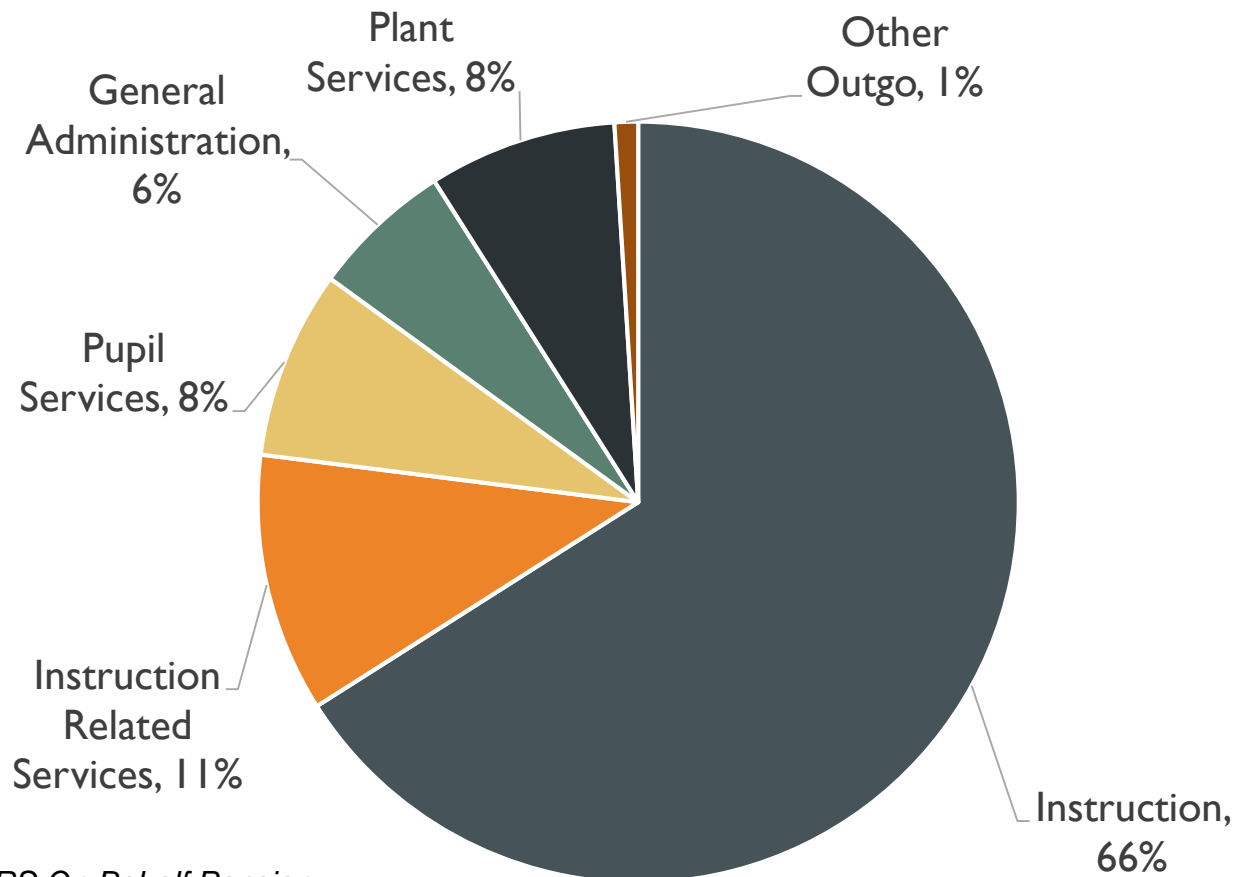
TOTAL GENERAL FUND (Unrestricted & Restricted) 2017-18 Expenditures



**Excludes \$20M STRS On
Behalf Pension Contribution.*

FINANCIAL EXPENDITURE DATA

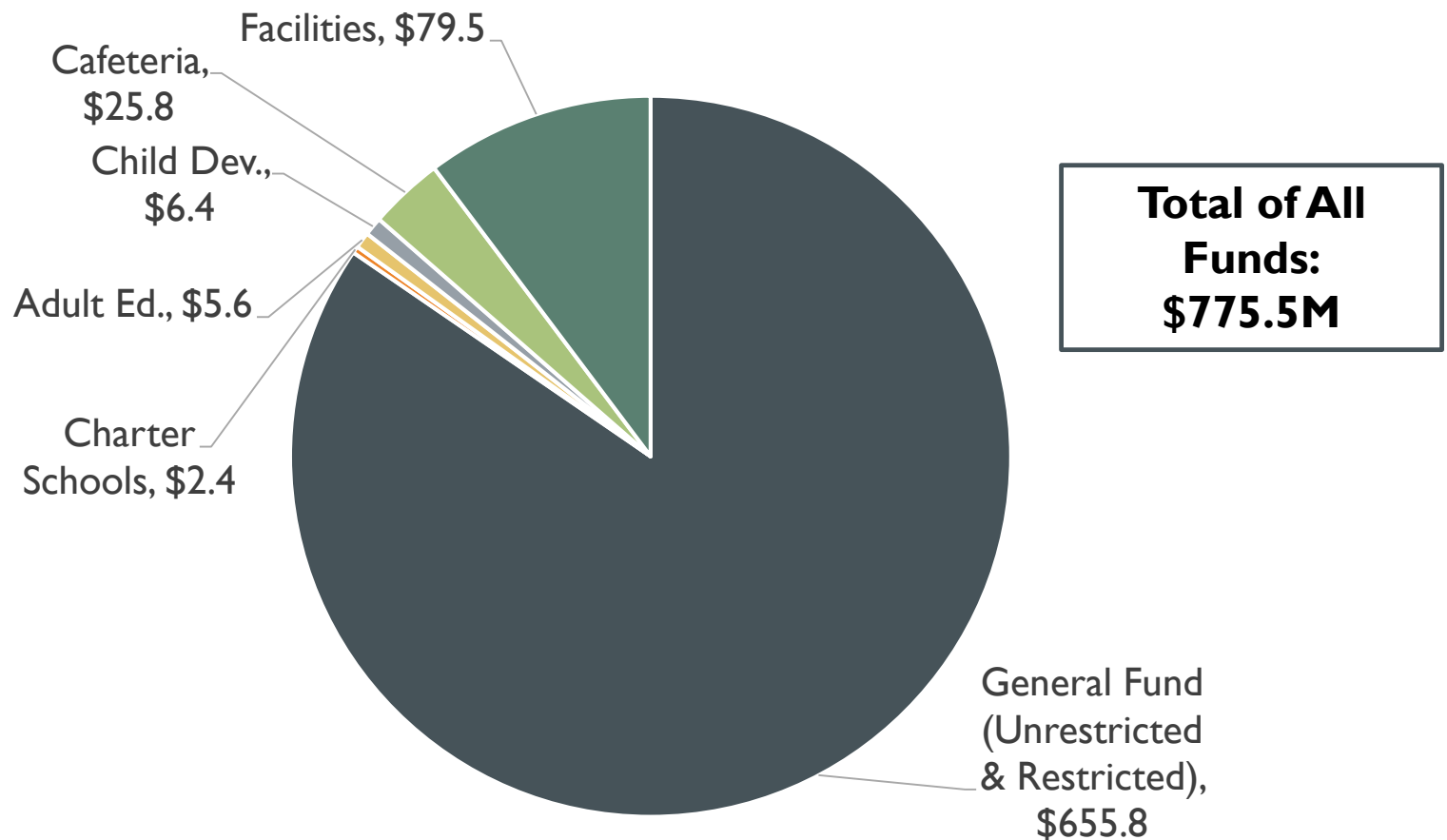
TOTAL GENERAL FUND (Unrestricted & Restricted) 2017-18 Expenditures by Function



**Excludes \$20M STRS On Behalf Pension Contribution.*

FINANCIAL EXPENDITURE DATA

2017-18 EXPENDITURES BY FUND (\$million)



**Excludes \$20M STRS On Behalf Pension Contribution for all funds.*

EDUCATION PROTECTION ACCOUNT (EPA) 2017-18 EXPENDITURES

- In accordance with the implementation of Proposition 55 Districts are required to expend Education Protection Account (EPA) funds on instructional and instruction related expenditures
- Elk Grove has allocated a portion of classroom teacher salaries and benefits for grades TK through 3 to satisfy this requirement as approved by the Board as a part of the Adopted Budget Process
- Detailed revenue and expenditure information will be uploaded to the District's website upon approval of the 2017-18 Unaudited Actuals as required by Ed. Code
- For fiscal year 2017-18 the amount of EPA was \$85.7M

2017-18 UNAUDITED ACTUALS

UNRESTRICTED GENERAL FUND

	ADOPTED	45 DAY REVISE	1ST INTERIM	2ND INTERIM	PROJECTED YEAR END	UNAUDITED ACTUALS
Revenue	\$ 542,713,123	\$ 551,708,110	\$ 553,838,587	\$ 555,523,184	\$ 556,185,629	\$ 555,147,604
Contributions/Transfers	(90,583,907)	(90,583,907)	(91,200,880)	(89,480,450)	(90,368,262)	(92,853,283)
Salary and Benefits	(423,561,554)	(423,561,554)	(425,681,766)	(421,986,447)	(428,555,946)	(430,772,636)
Supplies and Operating	(46,451,216)	(46,451,216)	(54,307,988)	(54,991,454)	(55,682,357)	(43,550,007)
Indirect and Transfers	6,894,437	6,894,437	7,973,630	8,196,987	9,649,446	9,178,265
<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>	<i>\$ (2,850,057)</i>
Estimated Beginning Fund Balance	74,704,946	93,058,018	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	90,207,961
Contingency 2% Reserve	13,663,418	13,813,174	14,713,174	14,713,174	14,751,509	14,751,509
Instructional Materials/Adoptions	6,467,703	16,943,321	6,567,703	6,467,703	6,467,703	6,467,703
ROP/CTE Reserve	528,021	528,021	528,021	528,021	528,021	528,021
One-time Employee Compensation					2,788,644	2,788,644
Reserve for Funding Priorities	43,056,687	59,779,372	61,870,703	68,610,940	59,750,651	59,750,651
<i>UNDESIGNATED BALANCE</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ 5,921,433</i>

CHANGE IN 2017-18 UNRESTRICTED GENERAL FUND OPERATIONS

2017-18 Revenue Variances

Reduction in Gap Percentage State Revenue (LCFF)	(\$1.5m)
Additional Non-LCFF State Revenue	\$0.5m
Special Education Contribution	<u>(\$2.5m)</u>
Total	(\$3.5m)

2017-18 Expenditure Variances

Balance of Salaries and Benefits	\$2.9m
Balance from Summer School/Extended Day/ Intercession (6/1/18 – 5/31/19)	\$2.3m
One-time Employee Compensation	(\$4.2m)
Balance from Approved Board Priorities	\$3.5m
Balance from Textbooks, Technology Utility, Supplies	\$6.6m
Utilities Costs, Services and Indirect	<u>(\$1.7m)</u>
Total	\$9.4m

<u>Net Change</u>	<u>\$5.9m</u>	0.88%
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DESIGNATED RESERVE DETAILS

2017-18 UNRESTRICTED GENERAL FUND

BALANCE

Change in Unrestricted General Fund Operations		\$5.9m
<i><u>Designated Carryover Reserves:</u></i>		
Transportation Van Pool Reserve	(\$0.3m)	
Site Shared Energy Savings	(\$0.1m)	
Summer School/Extended Day/Intersession	(\$2.3m)	
2017-18 Approved Board Priorities	(\$3.5m)	
Instructional Materials/Textbook Adoptions	(\$1.2m)	
Technology Utility	(\$3.7m)	
Purchase Order Carryover	<u>(\$0.5m)</u>	
Adjusted Change to Unrestricted General Fund Balance		<u>(\$11.6m)</u>
Adjusted Reserve for Funding Priorities		<u>(\$ 5.7m)</u> -.84%

2018-19 UNRESTRICTED GENERAL FUND MULTI-YEAR BUDGET PROJECTION

ITEM	2018-19 45 DAY REVISE	2019-20	2020-21
State Revenue	\$ 592,440,336	\$ 581,406,560	\$ 581,406,633
Estimated 2019-20 OG		16,048,739	16,048,739
Estimated 2020-21 OG			16,225,384
Contributions/Transfers	(97,028,369)	(100,084,527)	(103,709,354)
Salary and Benefits	(463,089,655)	(453,786,110)	(466,979,736)
Contingency (Board)		(4,691,407)	(4,691,407)
Contingency (Employees)	(2,067,955)	(2,067,955)	(2,067,955)
Supplies and Operating	(46,812,395)	(41,244,895)	(41,775,652)
Indirect and Transfers	8,997,320	8,052,232	8,237,167
SURPLUS/(DEFICIT)	\$ (7,560,718)	\$ 3,632,637	\$ 2,693,819
Estimated Beginning Fund Balance	84,286,528	76,725,810	80,358,447
Ending Fund Balance	76,725,810	80,358,447	83,052,266
Contingency Mandated 2% Reserve	14,951,509	14,951,509	15,151,509
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	49,989,933	53,622,570	56,116,389
UNDESIGNATED	\$ -	\$ -	\$ -

7.83%

2018-19 UNRESTRICTED GENERAL FUND MULTI-YEAR BUDGET PROJECTION

ITEM	2018-19 45 DAY REVISE with UNAUDITED ACTUALS	2019-20	2020-21
State Revenue	\$ 592,440,336	\$ 581,406,560	\$ 581,406,633
Estimated 2019-20 OG		16,048,739	16,048,739
Estimated 2020-21 OG			16,225,384
Contributions/Transfers	(97,028,369)	(100,084,527)	(103,709,354)
Salary and Benefits	(463,089,655)	(453,786,110)	(466,979,736)
Contingency (Board)		(4,691,407)	(4,691,407)
Contingency (Employees)	(2,067,955)	(2,067,955)	(2,067,955)
Supplies and Operating	(46,812,395)	(41,244,895)	(41,775,652)
Indirect and Transfers	8,997,320	8,052,232	8,237,167
SURPLUS/(DEFICIT)	\$ (7,560,718)	\$ 3,632,637	\$ 2,693,819
Estimated Beginning Fund Balance	90,207,961	82,647,243	86,279,880
Ending Fund Balance	82,647,243	86,279,880	88,973,699
Contingency Mandated 2% Reserve	14,951,509	14,951,509	15,151,509
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
Designated Carryover Reserves	11,612,574	11,612,574	11,612,574
One-time Employee Compensation	-	-	-
Reserve for Funding Priorities	47,087,436	50,720,073	53,213,892
UNDESIGNATED	\$ -	\$ -	\$ -

7.43%

2018-19 ONE-TIME APPROVED FUNDING PRIORITIES

	<u>SUPP. / CONC.</u>	<u>F.T.E.</u>	<u>ONE-TIME</u>
I. BOARD APPROVED ONE-TIME FUNDING PRIORITIES (8/8/18)			
A. Visual & Performing Arts Category 1 & 2*		1.0000	\$ 402,580
B. School Attendance Improvement Program*		3.0000	247,715
C. Transportation FLHS		3.1300	250,000
D. Custodian I (9 day shift 14 night shift) bal in 2019-20*		14.0000	850,794
E. TK-3 Class Size Agreement/Overload			2,000,000
F. AVID Materials & Supplies	Y		59,400
G. GATE/Honors/AP/IB	Y		172,500
H. High School Athletic Trainers (\$25,000/HS)*			270,000
I. Food & Nutrition Services Support			400,000
J. Marketing*			150,000
K. Improve Your Tomorrow Program*	Y		546,000
L. Parent Engagement	Y		190,703
M. Professional Development*	Y		1,800,000
N. Summer School/Extended Learning	Y		1,000,000
O. Site Supplies (reinstate prior year cuts)			191,002
P. CTE Site Supplies/Equipment			127,000
Q. Middle School Athletics (7th Grade)			108,000
R. Middle School Athletics (8th Grade)			108,000
S. Augmentation Equity			100,000
T. SHAPE Tours			25,000
TOTAL APPROVED ONE-TIME FUNDING PRIORITIES (8/8/18)		21.1300	\$ 8,998,694

(*) Expansion of current program.

NEXT STEPS

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| ■ 2017-18 1 st Interim Report | December 2018 |
| ■ 2016-17 Independent Auditor's Report | December 2018 |
| ■ 2018-19 Governor's Budget Proposal | January 2019 |
| ■ 2017-18 2 nd Interim Report | March 2019 |