

# 2019-2020 Budget Adoption *Draft*

*San Mateo-Foster City School District*

---

BOARD OF TRUSTEES

JUNE 6, 2019



# Budget Development Overview

---

- Board Approved Budget Assumptions on April 18, 2019
- Budget is guided by the LCAP and LCAP Stakeholder engagement
- Based on the Governor's May Revise information
- Staffing is based on current and projected enrollment data
- Budget Adoption at June 20, 2019 Board Meeting
- Fiscal impacts of state budget adoption addressed at First Interim (December 2019)

# May Revise Overview

---

- The cap on district reserves will not be triggered in 2019-20 or 2020-21
- Cost-of-Living Adjustments (COLA): 3.26% for LCFF and Special Education Funding, down from 3.46% in January
- Pension rate proposals: STRS from 18.10% to 16.7%, PERS from 20.70% to 20.733%
- Special Education School Readiness Grant – will likely change in the legislature, in present form less than 7% of SWD receive benefit and 0% of SMFCSD SWD would receive benefit
- Lottery: \$151/ADA for Unrestricted, \$53/ADA for Restricted Prop. 20, unchanged from 2018-19
- Mandated Block Grant: \$32.18/ADA
- Restricted Routine Maintenance Account: 3% of GF expenditures
- Removal of One-Time Discretionary Funds per ADA: \$184 in 2018-19 to \$0 in 2019-20

# Proposed Adjustments 2018-2019 Estimated Actuals

---

- Property tax increase of approximately \$2,417,000 in one time supplemental taxes from 2016-2017, budgeted as a transfer out to support bid award for construction of the new school in Foster City later in tonight's agenda
- Low Performing Student Block Grant funds of approximately \$741,000 will be deferred for use in 2019-2020 and 2020-21
- Title IV funds of approximately \$68,000 will be deferred for use in 2019-2020

# Budget Updates for 2019-2020

## Budget Adoption

---

- Property tax growth estimated at 5% for 2019-2020
- Negotiated salary schedule increases of 2.5% included for SMETA, CSEA, and SMEAA
- Step and Column salary increases included
- Special Education positions filled by outside agencies in CY, budgeted as district positions in 2019-2020
- Professional development utilizing internal resources
- Utilities: projected rate increase 5%
- Transfer to Deferred Maintenance: 1% of GF unrestricted revenue
- Interest income estimated at 2.5%
- Reserve for Economic Uncertainty temporarily reduced from 10% to 6%
  - Scenarios for 6%, 7% and 10% to follow

# Additional Positions

---

Position	FTE	Budgeted Salaries	Funding Source
Math TOSA Coaches	3.0	\$262,577	LPSBG – 2 years only
Language and Literacy TOSAs	3.1	\$302,720	Supplemental, Title I
Spanish, elementary	0.5	\$44,246	Intl. Baccalaureate (IB)
Program Specialists	1.0	\$122,712	Title II, Local Solutions Grant, Induction
Counselors, elementary	2.0	\$349,977	Supplemental
Special Education RSP teacher	1.0	\$90,266	Special Ed.
Staffing for Enrollment, elementary	1.29	\$112,865	General Fund
Reading Specialists	<u>4.5</u>	<u>\$415,351</u>	Supplemental
<b>Total</b>	<b>16.39</b>	<b>\$1,700,714</b>	

General Fund Budget Adoption	Unrestricted 2019-20	Restricted 2019-20	Total 2019-20
LCFF	\$ 107,414,067	\$ 5,780,523	\$ 113,194,590
Federal Revenues	\$ -	\$ 4,164,197	\$ 4,164,197
State Income	\$ 2,231,576	\$ 7,605,331	\$ 9,836,907
Local Income	\$ 4,844,068	\$ 11,112,052	\$ 15,956,120
<b>Total Income</b>	<b>\$ 114,489,711</b>	<b>\$ 28,662,103</b>	<b>\$ 143,151,814</b>
Certificated	\$ 54,398,015	\$ 11,659,382	\$ 66,057,397
Classified	\$ 9,688,672	\$ 6,625,875	\$ 16,314,547
Benefits	\$ 21,135,323	\$ 12,593,921	\$ 33,729,244
Books/Supplies	\$ 3,948,951	\$ 942,780	\$ 4,891,731
Services	\$ 9,191,211	\$ 15,510,170	\$ 24,701,381
Capital Outlay	\$ -	\$ 10,000	\$ 10,000
Other Outgo	\$ -	\$ 1,181,673	\$ 1,181,673
Indirect	\$ (360,979)	\$ 105,455	\$ (255,524)
<b>Total Expenditures</b>	<b>\$ 98,001,193</b>	<b>\$ 48,629,256</b>	<b>\$ 146,630,449</b>
<b>Balance Before Transfers</b>	<b>\$ 16,488,518</b>	<b>\$ (19,967,153)</b>	<b>\$ (3,478,635)</b>
<b>Interfund Transfers</b>			
Transfers IN	\$ 750,000	\$ -	\$ 750,000
Transfers Out	\$ 1,038,708	\$ 32,450	\$ 1,071,158
Contributions to Restricted Prog.	\$ (20,861,300)	\$ 20,861,300	\$ -
<b>Subtotal</b>	<b>\$ (21,150,008)</b>	<b>\$ 20,828,850</b>	<b>\$ (321,158)</b>
<b>Total Net Increase / (Decrease)</b>	<b>\$ (4,661,490)</b>	<b>\$ 861,697</b>	<b>\$ (3,799,793)</b>
Beg. Balance	\$ 27,601,306	\$ 6,802,222	\$ 34,403,529
<b>Ending Fund Balance</b>	<b>\$ 22,939,816</b>	<b>\$ 7,663,919</b>	<b>\$ 30,603,736</b>
Revolving Cash	\$ 35,000	\$ -	\$ 35,000
Prepaid Items	\$ 45,288	\$ -	\$ 45,288
Restricted	\$ -	\$ 7,663,919	\$ 7,663,919
<b>Reserve- Economic Uncertainty 6%</b>	<b>\$ 8,862,096</b>	<b>\$ -</b>	<b>\$ 8,862,096</b>
<b>Assigned</b>	<b>\$ 13,997,432</b>	<b>\$ -</b>	<b>\$ 13,997,432</b>
<b>Undesignated Reserve</b>	<b>\$ (0)</b>	<b>\$ -</b>	<b>\$ (0)</b>

# Components of the Ending Fund Balance

---

- **Nonspendable: \$80,288**
  - Revolving Fund & Prepaid Expenditures
- **Reserve for Economic Uncertainties: \$8,282,660**
  - Temporarily reduced to 6%, optional scenarios for 7% and 10%
- **Assigned Ending Fund Balance: \$13,997,432**
  - Vacation accrual
  - One month of payroll
  - One time set aside to partially fund 2020-21 deficit
  - LCFF Supplemental carryover
  - Textbook Adoption for History and Social Studies – partial funding
  - Emergency infrastructure repairs
- **Restricted Ending Fund Balance: \$7,663,919**
  - State restricted and locally restricted funds carried over for use in the following fiscal year



# Ending Fund Balance: EU 6%

General Fund Budget Adoption	Unrestricted 2019-20	Restricted 2019-20	Total 2019-20
Beg. Balance	\$ 27,601,306	\$ 6,802,222	\$ 34,403,529
<b>Ending Fund Balance</b>	<b>\$ 22,939,816</b>	<b>\$ 7,663,919</b>	<b>\$ 30,603,736</b>
Revolving Cash	\$ 35,000	\$ -	\$ 35,000
Prepaid Items	\$ 45,288	\$ -	\$ 45,288
Restricted	\$ -	\$ 7,663,919	\$ 7,663,919
<b>Reserve- Economic Uncertainty 6%</b>	<b>\$ 8,862,096</b>	<b>\$ -</b>	<b>\$ 8,862,096</b>
<b>Assigned</b>	<b>\$ 13,997,432</b>	<b>\$ -</b>	<b>\$ 13,997,432</b>
<b>Undesignated Reserve</b>	<b>\$ (0)</b>	<b>\$ -</b>	<b>\$ (0)</b>
<b>Assigned</b>			
Vacation	\$ 500,000	\$ -	\$ 500,000
One Month Payroll	\$ 9,675,099	\$ -	\$ 9,675,099
LCFF Supplemental Carryover	\$ 1,667,258	\$ -	\$ 1,667,258
Textbook Adoption History/Soc. Studies	\$ 1,400,000	\$ -	\$ 1,400,000
Set aside for projected 2020-21 deficit	\$ 250,000	\$ -	\$ 250,000
Emergency Infrastructure Repairs	\$ 505,075	\$ -	\$ 505,075
	<b>\$ 13,997,432</b>	<b>\$ -</b>	<b>\$ 13,997,432</b>

# Ending Fund Balance: EU 7%

General Fund Budget Adoption	Unrestricted 2019-20	Restricted 2019-20	Total 2019-20
Beg. Balance	\$ 27,601,306	\$ 6,802,222	\$ 34,403,529
<b>Ending Fund Balance</b>	<b>\$ 22,939,816</b>	<b>\$ 7,663,919</b>	<b>\$ 30,603,736</b>
Revolving Cash	\$ 35,000	\$ -	\$ 35,000
Prepaid Items	\$ 45,288	\$ -	\$ 45,288
Restricted	\$ -	\$ 7,663,919	\$ 7,663,919
<b>Reserve- Economic Uncertainty 7%</b>	<b>\$ 10,339,113</b>	<b>\$ -</b>	<b>\$ 10,339,113</b>
<b>Assigned</b>	<b>\$ 12,520,416</b>	<b>\$ -</b>	<b>\$ 12,520,416</b>
<b>Undesignated Reserve</b>	<b>\$ (0)</b>	<b>\$ -</b>	<b>\$ (0)</b>
<b>Assigned</b>			
Vacation	\$ 500,000	\$ -	\$ 500,000
One Month Payroll	\$ 9,675,099	\$ -	\$ 9,675,099
LCFF Supplemental Carryover	\$ 1,667,258	\$ -	\$ 1,667,258
Textbook Adoption History/Soc. Studies	\$ 172,984	\$ -	\$ 172,984
Set aside for projected 2020-21 deficit	\$ -	\$ -	\$ -
Emergency Infrastructure Repairs	\$ 505,075	\$ -	\$ 505,075
	\$ 12,520,416	\$ -	\$ 12,520,416

# Ending Fund Balance: EU 10%

---

General Fund Budget Adoption	Unrestricted 2019-20	Restricted 2019-20	Total 2019-20
Beg. Balance	\$ 27,601,306	\$ 6,802,222	\$ 34,403,529
<b>Ending Fund Balance</b>	<b>\$ 22,939,816</b>	<b>\$ 7,663,919</b>	<b>\$ 30,603,736</b>
Revolving Cash	\$ 35,000	\$ -	\$ 35,000
Prepaid Items	\$ 45,288		\$ 45,288
Restricted	\$ -	\$ 7,663,919	\$ 7,663,919
<b>Reserve- Economic Uncertainty 10%</b>	<b>\$ 14,770,161</b>	<b>\$ -</b>	<b>\$ 14,770,161</b>
<b>Assigned</b>	<b>\$ 11,342,357</b>	<b>\$ -</b>	<b>\$ 11,342,357</b>
<b>Undesignated Reserve</b>	<b>\$ (3,252,989)</b>	<b>\$ -</b>	<b>\$ (3,252,989)</b>
<b>Assigned</b>			
Vacation	\$ -	\$ -	\$ -
One Month Payroll	\$ 9,675,099	\$ -	\$ 9,675,099
LCFF Supplemental Carryover	\$ 1,667,258	\$ -	\$ 1,667,258
Textbook Adoption History/Soc. Studies	\$ -	\$ -	\$ -
Set aside for projected 2020-21 deficit	\$ -	\$ -	\$ -
Emergency Infrastructure Repairs	\$ -	\$ -	\$ -
	\$ 11,342,357	\$ -	\$ 11,342,357

# Statewide Average Reserve Levels

---

2017-18 Average Unrestricted General Fund, Plus Fund 17; Net Ending Balance as a Percentage of Total General Fund Expenditures, Transfers, and Other Uses		Change from Prior Year
Unified School Districts	16.98%	-0.27%
Elementary School Districts	20.20%	-0.88%
High School Districts	15.63%	-1.01%

**The Government Finance Officers Association recommends a minimum of two months' expenditures in reserve – equates to a minimum of 17%**

# Multi Year Projection (MYP)

MYP - General Fund Budget Adoption	Budget 2019-20	Projected 2020-21	Projected 2021-22
LCFF	\$ 113,194,590	\$ 117,832,339	\$ 122,715,477
Federal Revenues	\$ 4,164,197	\$ 4,095,303	\$ 4,095,303
State Income	\$ 9,836,907	\$ 9,852,403	\$ 9,494,473
Local Income	\$ 15,956,120	\$ 16,408,980	\$ 16,871,628
<b>Total Income</b>	<b>\$ 143,151,814</b>	<b>\$ 148,189,025</b>	<b>\$ 153,176,881</b>
Certificated	\$ 66,057,397	\$ 66,549,205	\$ 67,421,236
Classified	\$ 16,314,547	\$ 16,504,241	\$ 16,788,835
Benefits	\$ 33,729,244	\$ 35,602,974	\$ 35,986,572
Books/Supplies	\$ 4,891,731	\$ 4,526,419	\$ 4,918,389
Services	\$ 24,701,381	\$ 23,960,646	\$ 23,708,766
Capital Outlay	\$ 10,000	\$ 10,000	\$ 10,000
Other Outgo	\$ 1,181,673	\$ 1,181,673	\$ 1,181,673
Indirect	\$ (255,524)	\$ (255,524)	\$ (255,524)
<b>Total Expenditures</b>	<b>\$ 146,630,449</b>	<b>\$ 148,079,634</b>	<b>\$ 149,759,947</b>
<b>Balance Before Transfers</b>	<b>\$ (3,478,635)</b>	<b>\$ 109,391</b>	<b>\$ 3,416,934</b>
<b>Interfund Transfers</b>			
Transfers IN	\$ 750,000	\$ 750,000	\$ 750,000
Transfers Out	\$ 1,071,158	\$ 1,071,158	\$ 1,071,158
Contributions to Restricted Prog.	\$ -	\$ -	
<b>Subtotal</b>	<b>\$ (321,158)</b>	<b>\$ (321,158)</b>	<b>\$ (321,158)</b>
<b>Total Net Increase / (Decrease)</b>	<b>\$ (3,799,793)</b>	<b>\$ (211,767)</b>	<b>\$ 3,095,776</b>

# MYP – Ending Fund Balance

MYP - General Fund Budget Adoption	Budget 2019-20	Projected 2020-21	Projected 2021-22
Beg. Balance	\$ 34,403,529	\$ 30,603,736	\$ 30,391,969
<b>Ending Fund Balance</b>	<b>\$ 30,603,736</b>	<b>\$ 30,391,969</b>	<b>\$ 33,487,745</b>
Revolving Cash	\$ 35,000	\$ 35,000	\$ 35,000
Prepaid Items	\$ 45,288	\$ 45,288	\$ 45,288
Restricted	\$ 7,663,919	\$ 8,547,444	\$ 9,536,804
<b>Reserve Economic Uncertainty: 6%</b>	<b>\$ 8,862,096</b>	<b>\$ 8,949,048</b>	<b>\$ 9,049,866</b>
<b>Assigned</b>	<b>\$ 13,997,432</b>	<b>\$ 12,815,189</b>	<b>\$ 14,820,786</b>
<b>Undesignated Reserve</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>\$ (0)</b>
<b>Assigned</b>			
Vacation	\$ 500,000	\$ 500,000	\$ 500,000
One Month Payroll	\$ 9,675,099	\$ 9,888,035	\$ 10,016,387
LCFF Supplemental Carryover	\$ 1,667,258	\$ 1,667,258	\$ 1,667,258
Affordable Care Act	\$ -	\$ 150,000	\$ 150,000
Textbook Adoption History/Soc. Studies	\$ 1,400,000	\$ -	\$ -
Set aside for projected 2020-21 deficit	\$ 250,000	\$ -	\$ -
Special Education Program Increases	\$ -	\$ 500,000	\$ 500,000
Emergency Infrastructure Repairs	\$ 505,075	\$ 109,896	\$ 187,141
Reserves Econ. Uncertainty addl. 1%	\$ -	\$ -	\$ 1,400,000
Open new school	\$ -	\$ -	\$ 400,000
<b>Total Assigned</b>	<b>\$ 13,997,432</b>	<b>\$ 12,815,189</b>	<b>\$ 14,820,786</b>

# The Cycle Continues

---

- School Finance Workshop in July 12, 2019
- 2018-19 Unaudited Actuals in September
- 2019-20 First Interim Report in December
- 2020-21 Governor's Proposed Budget in January
- 2019-20 Second Interim Report in March

# Comments / Questions?

