

2019-2020 Budget Adoption *Draft*

San Mateo-Foster City School District

BOARD OF TRUSTEES

JUNE 6, 2019



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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
Total	16.39	\$1,700,714	

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
Total Income	\$ 114,489,711	\$ 28,662,103	\$ 143,151,814
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)
Total Expenditures	\$ 98,001,193	\$ 48,629,256	\$ 146,630,449
Balance Before Transfers	\$ 16,488,518	\$ (19,967,153)	\$ (3,478,635)
Interfund Transfers			
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	\$ -
Subtotal	\$ (21,150,008)	\$ 20,828,850	\$ (321,158)
Total Net Increase / (Decrease)	\$ (4,661,490)	\$ 861,697	\$ (3,799,793)
Beg. Balance	\$ 27,601,306	\$ 6,802,222	\$ 34,403,529
Ending Fund Balance	\$ 22,939,816	\$ 7,663,919	\$ 30,603,736
Revolving Cash	\$ 35,000	\$ -	\$ 35,000
Prepaid Items	\$ 45,288	\$ -	\$ 45,288
Restricted	\$ -	\$ 7,663,919	\$ 7,663,919
Reserve- Economic Uncertainty 6%	\$ 8,862,096	\$ -	\$ 8,862,096
Assigned	\$ 13,997,432	\$ -	\$ 13,997,432
Undesignated Reserve	\$ (0)	\$ -	\$ (0)

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
Ending Fund Balance	\$ 22,939,816	\$ 7,663,919	\$ 30,603,736
Revolving Cash	\$ 35,000	\$ -	\$ 35,000
Prepaid Items	\$ 45,288	\$ -	\$ 45,288
Restricted	\$ -	\$ 7,663,919	\$ 7,663,919
Reserve- Economic Uncertainty 6%	\$ 8,862,096	\$ -	\$ 8,862,096
Assigned	\$ 13,997,432	\$ -	\$ 13,997,432
Undesignated Reserve	\$ (0)	\$ -	\$ (0)
Assigned			
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
	\$ 13,997,432	\$ -	\$ 13,997,432

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
Ending Fund Balance	\$ 22,939,816	\$ 7,663,919	\$ 30,603,736
Revolving Cash	\$ 35,000	\$ -	\$ 35,000
Prepaid Items	\$ 45,288	\$ -	\$ 45,288
Restricted	\$ -	\$ 7,663,919	\$ 7,663,919
Reserve- Economic Uncertainty 7%	\$ 10,339,113	\$ -	\$ 10,339,113
Assigned	\$ 12,520,416	\$ -	\$ 12,520,416
Undesignated Reserve	\$ (0)	\$ -	\$ (0)
Assigned			
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
Ending Fund Balance	\$ 22,939,816	\$ 7,663,919	\$ 30,603,736
Revolving Cash	\$ 35,000	\$ -	\$ 35,000
Prepaid Items	\$ 45,288		\$ 45,288
Restricted	\$ -	\$ 7,663,919	\$ 7,663,919
Reserve- Economic Uncertainty 10%	\$ 14,770,161	\$ -	\$ 14,770,161
Assigned	\$ 11,342,357	\$ -	\$ 11,342,357
Undesignated Reserve	\$ (3,252,989)	\$ -	\$ (3,252,989)
Assigned			
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
Total Income	\$ 143,151,814	\$ 148,189,025	\$ 153,176,881
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)
Total Expenditures	\$ 146,630,449	\$ 148,079,634	\$ 149,759,947
Balance Before Transfers	\$ (3,478,635)	\$ 109,391	\$ 3,416,934
Interfund Transfers			
Transfers IN	\$ 750,000	\$ 750,000	\$ 750,000
Transfers Out	\$ 1,071,158	\$ 1,071,158	\$ 1,071,158
Contributions to Restricted Prog.	\$ -	\$ -	
Subtotal	\$ (321,158)	\$ (321,158)	\$ (321,158)
Total Net Increase / (Decrease)	\$ (3,799,793)	\$ (211,767)	\$ 3,095,776

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
Ending Fund Balance	\$ 30,603,736	\$ 30,391,969	\$ 33,487,745
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
Reserve Economic Uncertainty: 6%	\$ 8,862,096	\$ 8,949,048	\$ 9,049,866
Assigned	\$ 13,997,432	\$ 12,815,189	\$ 14,820,786
Undesignated Reserve	\$ (0)	\$ (0)	\$ (0)
Assigned			
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
Total Assigned	\$ 13,997,432	\$ 12,815,189	\$ 14,820,786

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?



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