

2019-20

Adopted Budget

Board of Education



June 11, 2019



Unified School District

Presented by:
Shannon Hayes, Chief Financial Officer
Finance & School Support

Overview

- California School Funding
- Components of the *May Revision*
- State's Rainy Day Fund
- Local Control Funding Formula
- Local Control Funding Formula Overview for Parents
- 2018-19 Estimated Actuals
- 2019-20 Changes to Fund Balance
- 2019-20 Unrestricted General Fund Multi-Year Projections
- 2019-20 Restricted General Funds and Other Funds

Is California School Funding Fair?

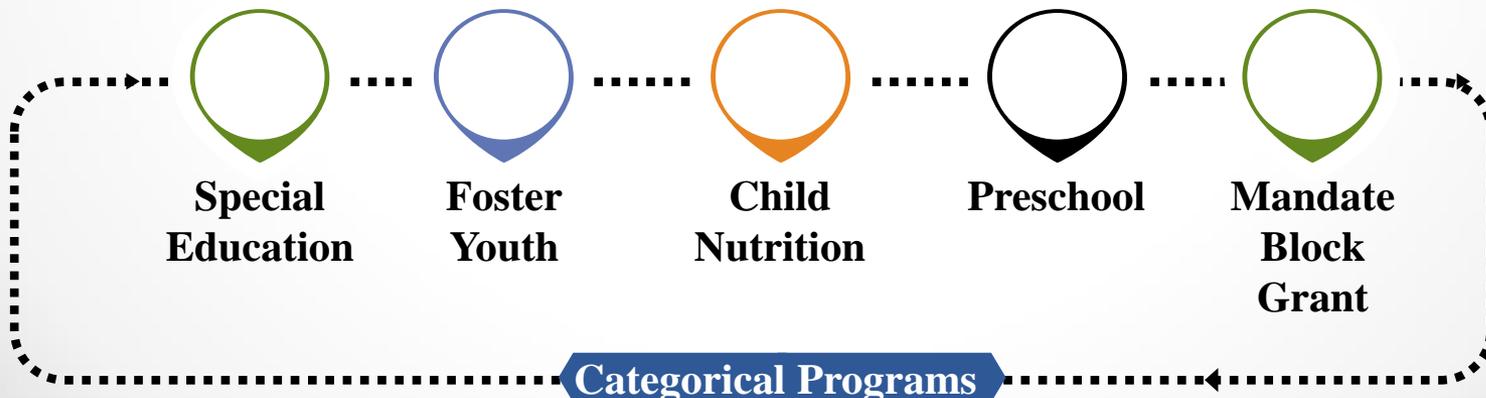
- A National Report Card, ranked California low on several measures of school funding fairness based on 2015 data from the U.S. Census
- Funding per pupil: 32nd at \$8,961 per student
 - California provided about 66% of 10th ranked Delaware (\$13,598 per student)
- In 2011, California was in 38th place, providing \$7,730 per student
 - The funding gap between California and then 10th ranked Maryland was 65%, essentially the same as in 2015

Ability to Fund Schools

- California's fiscal effort to fund schools: Grade F
- California's per capita personal income (\$44,173) is above the national average, but it provides only \$34 for each \$1,000 of personal income to support schools
 - By contrast, New York had a comparable per capita personal income (\$46,445), but provided \$55 for each \$1,000 of personal income, earning a grade A
 - New Mexico, with considerably lower per capita personal income (\$36,814) nevertheless provided \$48 for each \$1,000 of personal income, also earning a grade A

Components of the May Revision

- The May Revision proposes a 3.26% statutory cost-of-living adjustment (COLA) (down from the 3.46% estimated COLA in January)
- Categorical programs outside of the Local Control Funding Formula (LCFF) will receive the statutory COLA
 - As costs continue to rise, these programs will see adjustments for COLA only (and average daily attendance (ADA) for Special Education)



Rainy Day Fund

- The May Revision includes an additional \$1.2 billion deposit into the Rainy Day Fund, bringing the reserve to \$16.5 billion in 2019-20
- The Rainy Day Fund is now expected to reach its constitutional cap of 10% of General Fund revenues in 2020-21, two years earlier than predicted in January
- By the end of 2022-23, the Rainy Day Fund balance is projected to be \$18.7 billion

2019-20 LCFF Funding Factors

- The K-12 COLA is 3.26% for 2019-20 and is applied to the LCFF base grants for each grade span

Grade Span	2018-19 Base Grant Per ADA	3.26% COLA	2019-20 Base Grant Per ADA
K-3	\$7,459	\$243	\$7,702
4-6	\$7,571	\$247	\$7,818
7-8	\$7,796	\$254	\$8,050
9-12	\$9,034	\$295	\$9,329

2019-20 LCFF Funding Factors

- Two grade span adjustments (GSAs) are applied as percentage increases against the adjusted base grant, also receiving the benefit of a 3.26% COLA in 2019-20
 - Grades K-3 receive a 10.4% increase for smaller average class sizes
 - Grades 9-12 receive a 2.6% increase in recognition of the costs of Career Technical Education coursework

Grade Span	2019-20 Base Grant Per ADA	GSA	2019-20 Adjusted Base Grant
K-3	\$7,702	\$801	\$8,503
4-6	\$7,818	–	\$7,818
7-8	\$8,050	–	\$8,050
9-12	\$9,329	\$243	\$9,572

2019-20 LCFF Funding Factors

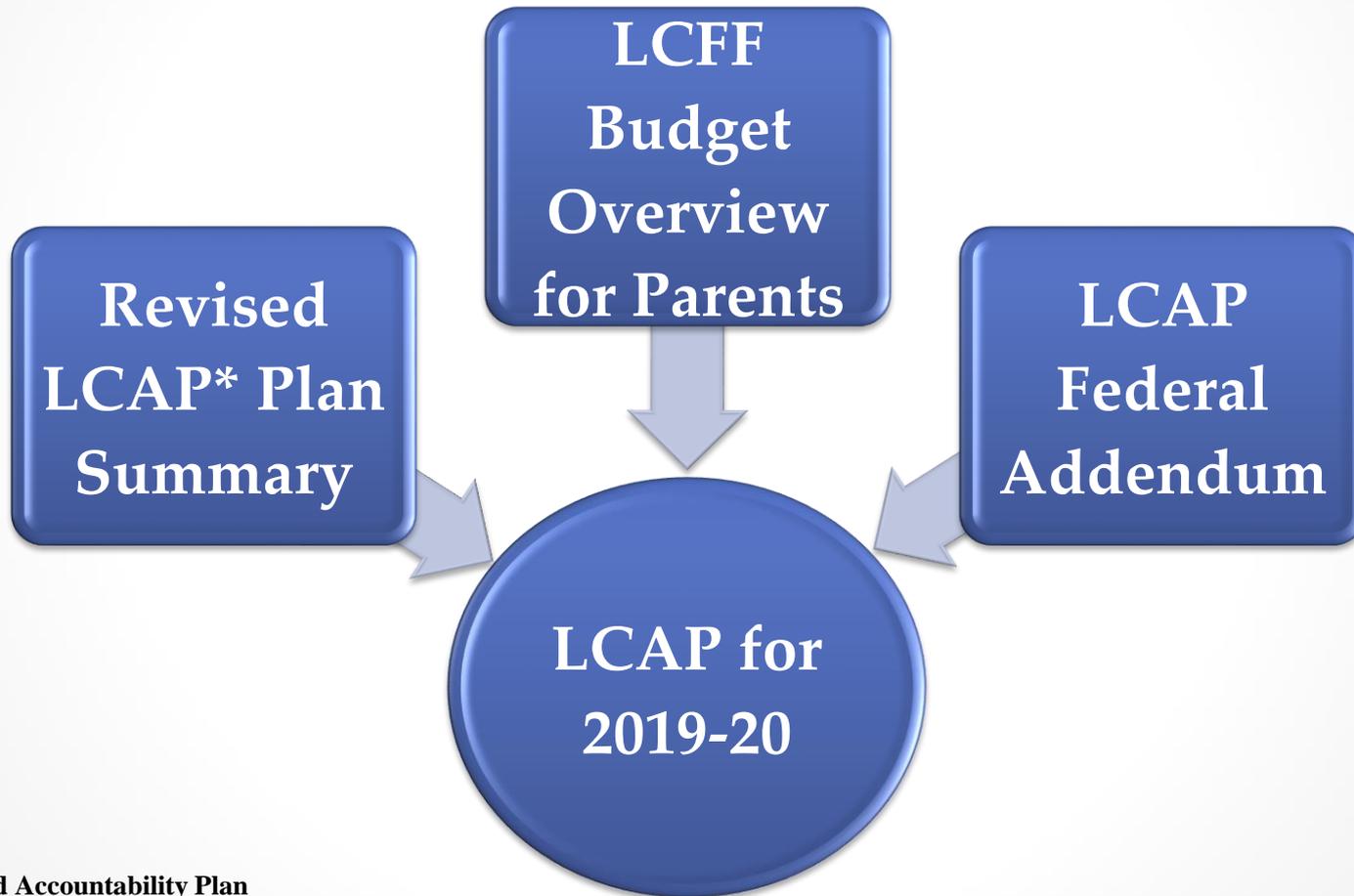
- Supplemental and concentration grants are calculated based on the percentage of a local educational agency's (LEA) enrolled students who are English learners, free and reduced-price meal program eligible, or foster youth

Grade Span	2019-20 Adjusted Grants Per ADA	20% Supplemental Grant – Total UPP	50% Concentration Grant – UPP Above 55%
K-3	\$8,503	\$1,701	\$4,252
4-6	\$7,818	\$1,564	\$3,909
7-8	\$8,050	\$1,610	\$4,025
9-12	\$9,572	\$1,914	\$4,786

What Does the LCFF Mean for Elk Grove?

Elk Grove Unified – 2019-20		
2019-20 LCFF Per-ADA Funding	Projected 2019-20 ADA	Projected 2019-20 LCFF Total Revenue
\$9,725	60,448.40	\$587,854,509

Changes to the LCAP



***Local Control and Accountability Plan**

LCFF Budget Overview for Parents – Data Requirements

Projected General Fund revenue for the budget year, with funds broken out as follows:

- LCFF revenue
- LCFF supplemental and concentration grants
- All other state funds
- All local funds
- All federal funds

Total expenditures for the budget year as follows:

- Projected General Fund expenditures
- Budgeted expenditures for all Planned Actions/Services
- Budgeted expenditures for Planned Actions/Services contributing to increasing or improving services for unduplicated students
- Brief description of the activities or programs supported by General Fund expenditures that are not included in the LCAP

Total expenditures for the current year as follows:

- Budgeted expenditures for Actions/Services indicated as contributing to services for unduplicated students
- Estimated Actual Expenditures for Actions/Services indicated as contributing to increasing or improving services for unduplicated students

LCFF Budget Overview for Parents – Narrative Responses

- For the budget year, if projected supplemental and concentration grant revenue is greater than budgeted expenditures for planned services for unduplicated students
 - Briefly describe how the Actions/Services in the LCAP to improve services for unduplicated students will meet the increased or improved services requirement
- For the current year, if the Total Budgeted Expenditures is greater than the Estimated Actual Expenditures
 - Briefly describe how the difference impacted the provision of the planned Actions/Services and the overall provision of services for unduplicated students

2018-19 Unrestricted General Fund Estimated Actuals

	PRELIMINARY ADOPTED	45 DAY REVISE	1ST INTERIM	2ND INTERIM	PROJECTED YEAR END
Revenue	\$ 597,928,533	\$ 592,440,336	\$ 592,681,803	\$ 591,949,594	\$ 595,278,980
Contributions/Transfers	(97,028,369)	(97,028,369)	(100,050,423)	(104,706,669)	(104,706,669)
Salary and Benefits	(463,089,655)	(465,157,610)	(470,405,235)	(463,744,116)	(463,781,996)
Supplies and Operating	(46,812,395)	(46,812,395)	(55,121,140)	(54,903,006)	(57,438,814)
Indirect and Transfers	8,997,320	8,997,320	10,041,335	10,453,964	11,874,090
<i>SURPLUS/(DEFICIT)</i>	\$ (4,566)	\$ (7,560,718)	\$ (22,853,660)	\$ (20,950,233)	\$ (18,774,409)
Estimated Beginning Fund Balance	84,286,528	90,207,961	90,207,961	90,207,963	90,207,963
Ending Fund Balance	84,281,962	82,647,243	67,354,301	69,257,730	71,433,554
Contingency 2% Reserve	14,851,509	14,951,509	15,472,116	15,472,116	15,472,116
Instructional Materials/Adoptions	6,467,703	6,467,703	6,467,703	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	-	-	-	-
Arbinger Training (8 hours)	2,000,000	2,000,000	2,000,000	1,947,568	1,947,568
Designated Carryover Reserves	-	11,612,574	-	-	-
Reserve for Funding Priorities	57,646,085	47,087,436	42,886,461	44,842,322	47,018,146
<i>UNDESIGNATED BALANCE</i>	\$ -	\$ -	\$ -	\$ -	\$ -

2018-19 Unrestricted General Fund

Changes to Estimated Actuals

2018-19 Fiscal Year

- Local Control Funding Formula (LCFF) adjustment from estimated P2 ADA to actuals
- Increase to contracted translation costs
- Increase to contracted services for health related student services
- Increase to contracted services legal fees

2019-20 Unrestricted General Fund Changes

2019-20 Fiscal Year

- Local Control Funding Formula (LCFF) COLA decrease from 3.46% to 3.26% from January proposal
- Savings in CalSTRS employer rate from 17.10% to 16.70%
- Board approved one-time and ongoing funding priorities
- Additional special education student growth needs

2019-20 Unrestricted General Fund Preliminary Adopted Budget

	PRELIMINARY ADOPTED	45 DAY REVISE	1ST INTERIM	2ND INTERIM	PROJECTED YEAR END
Revenue	\$ 602,988,550				
Contributions/Transfers	(115,264,590)				
Salary and Benefits	(458,161,766)				
Supplies and Operating	(51,055,903)				
Indirect and Transfers	8,870,296				
<i>SURPLUS/(DEFICIT)</i>	<i>\$ (12,623,413)</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
Estimated Beginning Fund Balance	71,379,554				
Ending Fund Balance	58,756,141	-	-	-	-
Contingency 2% Reserve	15,322,116				
Instructional Materials/Adoptions	6,177,295				
Arbinger Training (8 hours)	1,947,568				
Reserve for Funding Priorities	35,309,162				
<i>UNDESIGNATED BALANCE</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>

2019-20 General Fund Unrestricted

Multi-year Budget Projection

ITEM	2019-20 PRELIMINARY ADOPTED	2020-21	2021-22	
State Revenue	\$ 602,988,550	\$ 602,960,177	\$ 602,960,441	
Estimated 2020-21 (3.26%)		17,320,959	17,320,959	
Estimated 2021-22 (3.00%)			17,378,466	
Contributions/Transfers	(115,264,590)	(118,946,568)	(122,992,676)	
Salary and Benefits	(458,161,766)	(462,529,504)	(473,386,116)	
Supplies and Operating	(51,055,903)	(46,216,420)	(46,555,703)	
Indirect and Transfers	8,870,296	8,467,217	9,074,531	
<i>SURPLUS/(DEFICIT)</i>	\$ (12,623,413)	\$ 1,055,861	\$ 3,799,902	
Estimated Beginning Fund Balance	71,379,554	58,756,141	59,812,002	
Ending Fund Balance	58,756,141	59,812,002	63,611,904	8.47%
Contingency Mandated 2% Reserve	15,322,116	15,472,116	15,772,116	
Instructional Materials/Adoptions	6,177,295	6,177,295	6,177,295	
Arbinger (8 hours training)	1,947,568	1,947,568	1,947,568	
Reserve for Funding Priorities	35,309,162	36,215,023	39,714,925	5.29%
<i>UNDESIGNATED</i>	\$ -	\$ -	\$ -	

2019-20 Adopted Budget Restricted General Fund

ITEM	AMOUNT	DESCRIPTION
Federal Revenue	\$ 37,920,703	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	78,175,438	
Contributions/Transfers	114,640,558	
Salary and Benefits	(180,888,573)	
Supplies and Operating	(39,847,912)	
Indirect and Transfers	(8,454,588)	
<i>SURPLUS/(DEFICIT)</i>	<i>\$ 1,545,626</i>	
Estimated Beginning Fund Balance	29,473,253	
Ending Fund Balance	31,018,879	
Contingency Mandated 2% Reserve	-	
Restricted Reserves	31,018,879	
<i>UNDESIGNATED</i>	<i>\$ -</i>	

2019-20 Adopted Budget Charter Schools Fund (09)

ITEM	AMOUNT	DESCRIPTION
LCFF Revenue	\$ 2,388,154	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	231,321	
Contributions/Transfers	-	
Salary and Benefits	(2,104,189)	
Supplies and Operating	(194,308)	
Indirect and Transfers	(50,475)	
<i>SURPLUS/(DEFICIT)</i>	<i>\$ 270,503</i>	
Estimated Beginning Fund Balance	4,420,213	
Ending Fund Balance	4,690,716	
Contingency Mandated 2% Reserve	-	
Restricted Reserves	4,690,716	
<i>UNDESIGNATED</i>	<i>\$ -</i>	

2019-20 Adopted Budget

Adult Education Fund (11)

ITEM	AMOUNT	DESCRIPTION
LCFF Revenue	\$ 388,765	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.
Federal Revenue	1,039,837	
State/Other Local Revenue	3,368,306	
Contributions/Transfers	-	
Salary and Benefits	(3,806,508)	
Supplies and Operating	(854,553)	
Indirect and Transfers	(157,768)	
<i>SURPLUS/(DEFICIT)</i>	<i>\$ (21,921)</i>	
Estimated Beginning Fund Balance	2,657,498	
Ending Fund Balance	2,635,577	
Contingency Mandated 2% Reserve	-	
Restricted Reserves	2,635,577	
<i>UNDESIGNATED</i>	<i>\$ -</i>	

2019-20 Adopted Budget Child Development Fund (12)

ITEM	AMOUNT	DESCRIPTION
Federal Revenue	\$ 3,774,231	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	3,037,916	
Contributions/Transfers	224,032	
Salary and Benefits	(5,426,551)	
Supplies and Operating	(1,323,137)	
Indirect and Transfers	(286,491)	
<i>SURPLUS/(DEFICIT)</i>	<i>\$ -</i>	
Estimated Beginning Fund Balance	267,033	
Ending Fund Balance	267,033	
Contingency Mandated 2% Reserve	-	
Restricted Reserves	267,033	
<i>UNDESIGNATED</i>	<i>\$ -</i>	

2019-20 Adopted Budget

Cafeteria Special Revenue Fund (13)

ITEM	AMOUNT	DESCRIPTION
Federal Revenue	\$ 16,223,317	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 contribution from the General Fund to cover operations.
State/Other Local Revenue	9,374,791	
Contributions/Transfers	400,000	
Salary and Benefits	(13,396,546)	
Supplies and Operating	(11,832,726)	
Indirect and Transfers	(1,290,752)	
<i>SURPLUS/(DEFICIT)</i>	<i>\$ (521,916)</i>	
Estimated Beginning Fund Balance	5,727,979	
Ending Fund Balance	5,206,063	
Contingency Mandated 2% Reserve	-	
Restricted Reserves	5,206,063	
<i>UNDESIGNATED</i>	<i>\$ -</i>	

2019-20 Adopted Budget

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 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.
State/Other Local Revenue	-	
Contributions/Transfers	-	
Salary and Benefits	(3,322)	
Supplies and Operating	(253,343)	
Indirect and Transfers		
<i>SURPLUS/(DEFICIT)</i>	<i>\$ (256,665)</i>	
Estimated Beginning Fund Balance	256,665	
Ending Fund Balance	-	
Contingency Mandated 2% Reserve	-	
Restricted Reserves	-	
<i>UNDESIGNATED</i>	<i>\$ -</i>	

2019-20 Adopted Budget 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	(108,261,568)	
Indirect and Transfers	-	
<i>SURPLUS/(DEFICIT)</i>	<i>\$ (108,261,568)</i>	
Estimated Beginning Fund Balance	120,827,788	
Ending Fund Balance	12,566,220	
Contingency Mandated 2% Reserve	-	
Restricted Reserves	12,566,220	
<i>UNDESIGNATED</i>	<i>\$ -</i>	

2019-20 Adopted Budget 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	(503,649)	
Supplies and Operating	(233,841)	
Indirect and Transfers	-	
<i>SURPLUS/(DEFICIT)</i>	<i>\$ 8,262,510</i>	
Estimated Beginning Fund Balance	35,090,880	
Ending Fund Balance	43,353,390	
Contingency Mandated 2% Reserve	-	
Restricted Reserves	43,353,390	
<i>UNDESIGNATED</i>	<i>\$ -</i>	

2019-20 Adopted Budget

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. 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.
State/Other Local Revenue	-	
Contributions/Transfers	-	
Salary and Benefits	-	
Supplies and Operating	(34,745,107)	
Indirect and Transfers	-	
<i>SURPLUS/(DEFICIT)</i>	<i>\$ (34,745,107)</i>	
Estimated Beginning Fund Balance	36,524,025	
Ending Fund Balance	1,778,918	
Contingency Mandated 2% Reserve	-	
Restricted Reserves	1,778,918	
<i>UNDESIGNATED</i>	<i>\$ -</i>	

2019-20 Adopted Budget

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	(6,355,974)	
Indirect and Transfers	-	
<i>SURPLUS/(DEFICIT)</i>	<i>\$ (6,355,974)</i>	
Estimated Beginning Fund Balance	8,539,120	
Ending Fund Balance	2,183,146	
Contingency Mandated 2% Reserve	-	
Restricted Reserves	2,183,146	
<i>UNDESIGNATED</i>	<i>\$ -</i>	

2019-20 Adopted Budget 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	3,000	
Contributions/Transfers	1,345,538	
Salary and Benefits	(2,446,148)	
Supplies and Operating	(2,190,429)	
Indirect and Transfers	-	
<i>SURPLUS/(DEFICIT)</i>	<i>\$ (3,288,039)</i>	
Estimated Beginning Fund Balance	7,315,370	
Ending Fund Balance	4,027,331	
Contingency Mandated 2% Reserve	-	
Restricted Reserves	4,027,331	
<i>UNDESIGNATED</i>	<i>\$ -</i>	

2019-20 Adopted Budget

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	17,380,119	
Salary and Benefits	-	
Supplies and Operating	(17,380,119)	
Indirect and Transfers	-	
<i>SURPLUS/(DEFICIT)</i>	<i>\$ -</i>	
Estimated Beginning Fund Balance	1,049,524	
Ending Fund Balance	1,049,524	
Contingency Mandated 2% Reserve	-	
Restricted Reserves	1,049,524	
<i>UNDESIGNATED</i>	<i>\$ -</i>	

2019-20 Adopted Budget

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	16,633,213	
Contributions/Transfers	(1,345,538)	
Salary and Benefits	-	
Supplies and Operating	(13,994,587)	
Indirect and Transfers	-	
<i>SURPLUS/(DEFICIT)</i>	<i>\$ 1,293,088</i>	
Estimated Beginning Fund Balance	18,316,108	
Ending Fund Balance	19,609,196	
Contingency Mandated 2% Reserve	-	
Restricted Reserves	19,609,196	
<i>UNDESIGNATED</i>	<i>\$ -</i>	

2019-20 Adopted Budget 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 2.00%.
State/Other Local Revenue	10,885,012	
Contributions/Transfers	-	
Salary and Benefits	(535,958)	
Supplies and Operating	(7,371,234)	
Indirect and Transfers	-	
<i>SURPLUS/(DEFICIT)</i>	<i>\$ 2,977,820</i>	
Estimated Beginning Fund Balance	13,282,002	
Ending Fund Balance	16,259,822	
Contingency Mandated 2% Reserve	-	
Restricted Reserves	16,259,822	
<i>UNDESIGNATED</i>	<i>\$ -</i>	

Next Steps

- 2019-20 EGUSD Adopted Budget June 25, 2019
- 2019-20 Final State Budget ?
- 2019-20 EGUSD 45-day Revised Budget ?
- 2018-19 EGUSD Unaudited Actuals September, 2019