



# **2018-19 1ST INTERIM FINANCIAL STATUS REPORT**



**PRESENTED TO THE BOARD OF EDUCATION  
DECEMBER 11, 2018**

*Presented by:  
Shannon Hayes, Chief Financial Officer*

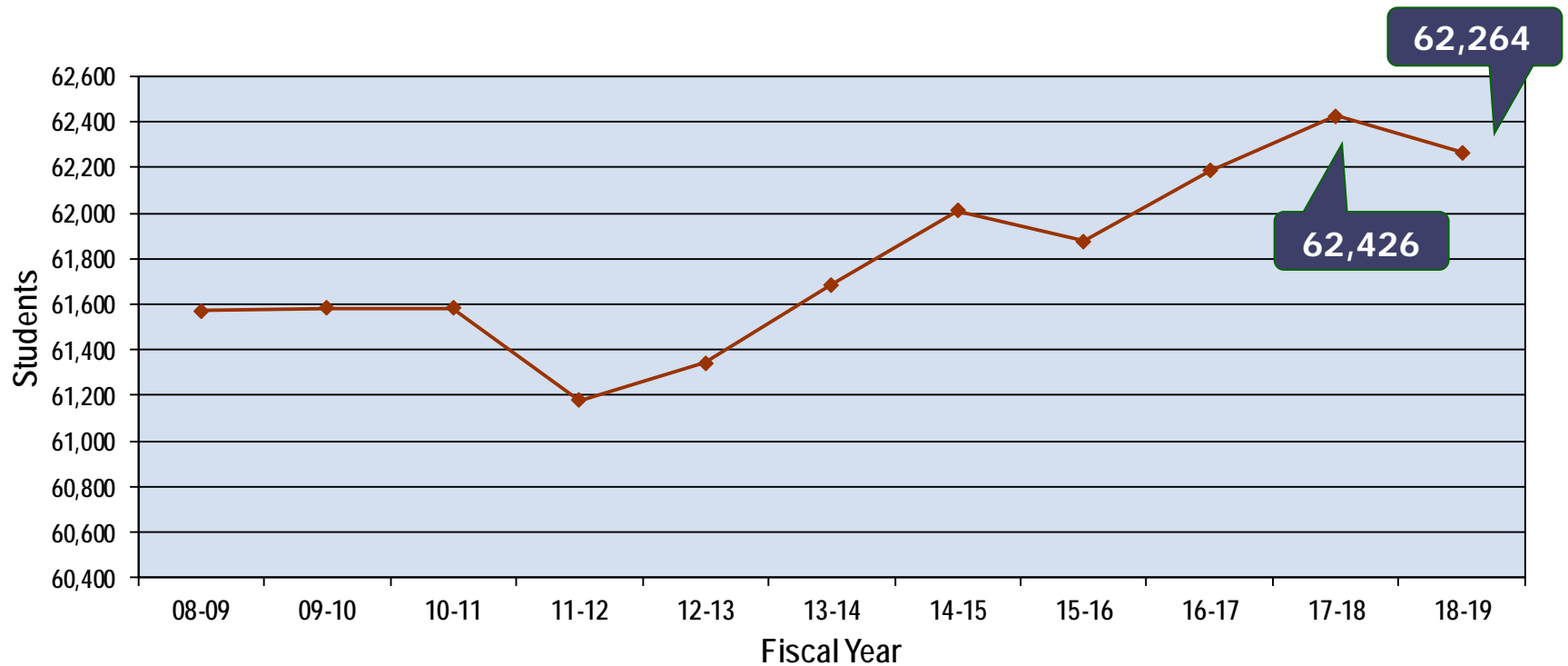
# OVERVIEW

- ▶ Annual Budget Development Cycle
- ▶ 2018-19 Student Enrollment
- ▶ 1<sup>st</sup> Interim Unrestricted General Fund Budget Changes
- ▶ 2018-19 1<sup>st</sup> Interim Budget
- ▶ Components of Multi-Year Projections
- ▶ Multi-Year Projections
- ▶ Next Steps

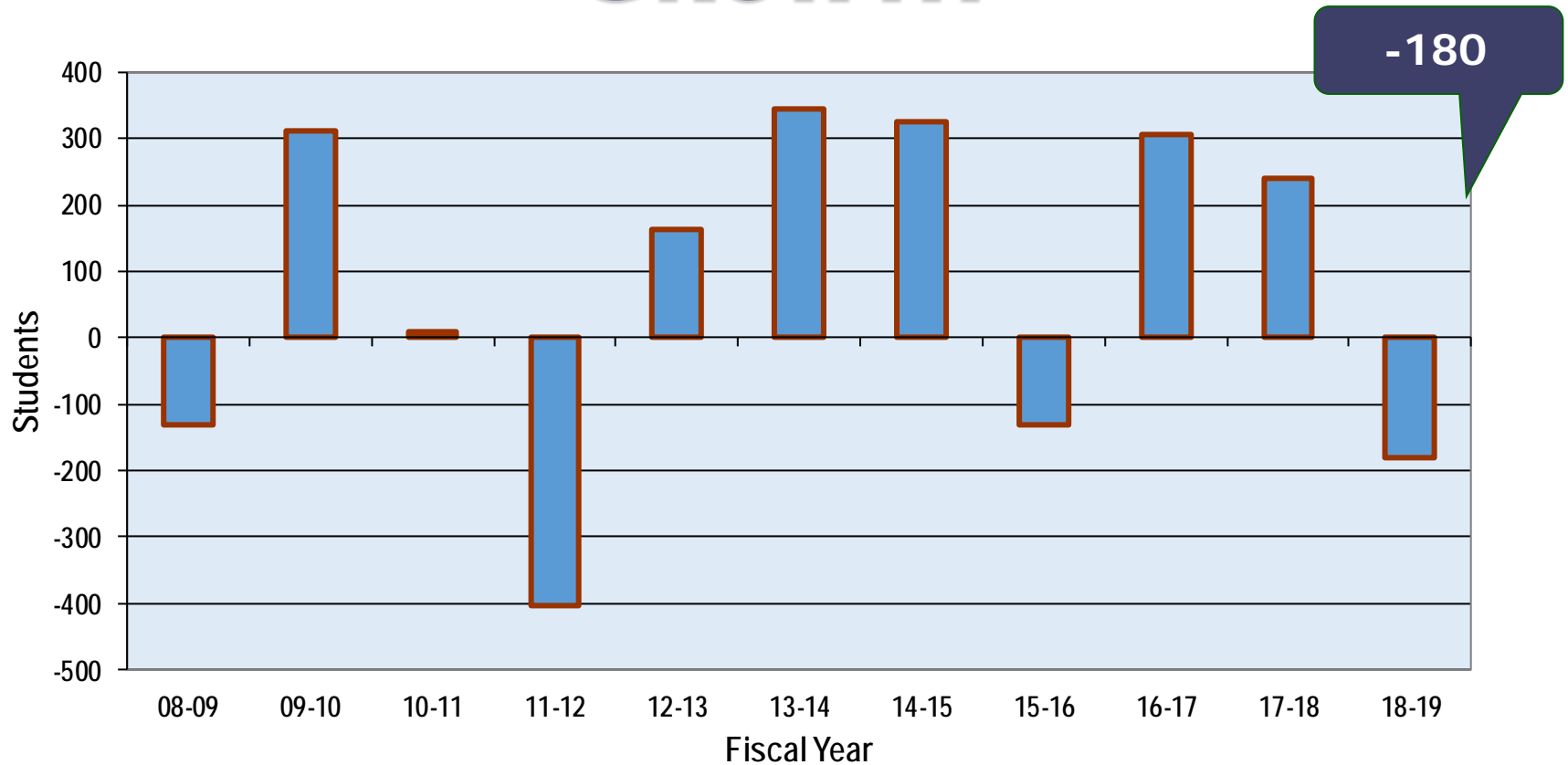
# ANNUAL BUDGET DEVELOPMENT CYCLE

- ▶ June 30: District – Adopts 2018/19 budget
- ▶ June 30: State – Approves 2018/19 final budget
- ▶ August 15: District – Publishes 2018/19 45 day revision (based on final state budget)
- ▶ September 15: District – Prepares 2017/18 Unaudited Actuals (as of June 30th)
- ▶ December 15: District – Prepares 2018/19 1st Interim (as of October 31st)
- ▶ March 15: District – Prepares 2018/19 2nd Interim (as of January 31st)
- ▶ January 10: State – Governor's 2019/20 budget proposal announced
- ▶ May 15: State – Governor's 2019/20 revised budget proposal announced

# 2018-19 CBEDS ENROLLMENT



# 2018-19 CBEDS ENROLLMENT GROWTH



# **2018-19 UNRESTRICTED GENERAL FUND CHANGES FROM ADOPTED TO 1<sup>ST</sup> INTERIM**

- ▶ Budget carryover balances as expenditures as described at Unaudited Actuals
- ▶ 2018-19 Board approved funding priorities (August 8, 2018 Workshop)
- ▶ Establish budget for additional special education classes due to growth enrollment PreK-6
- ▶ Changes to CBEDS generated site staffing
- ▶ Additional Transportation Attendant FTE for special education preschool routes
- ▶ Reconciliation of bargained one-time funds

# 2018-19 UNRESTRICTED GENERAL FUND

## CHANGES ADOPTED TO 1ST INTERIM

2018-19 Unrestricted General Fund Surplus/(Deficit) Amount  
\$(7.56)M

### •Expenditures Changes

•Transportation Van Pool Reserve	\$0.09 m
•Summer School/Expanded Learning/Intersession	2.31 m
•2017-18 Board Priorities	1.82 m
•Instructional Materials Adoptions	1.52 m
•Technology Utility	3.69 m
•Purchase Order Carryover Expenditures	0.87 m
•Bus Attendants for New Special Education Routes	0.32 m
•New PALSS Special Education Classes (PreK-6)	4.47 m
•Board Approved August 8, 2018 Priorities	1.52 m
•Budget Adjustment Based on CBEDS	0.74 m
•Reconciliation of Bargained One-Time Funds	(1.42)m
•Bargaining Unit Relcass. and Indirect	(0.64)m
•Total Expenditures Changes	<u>\$(15.29)m</u>

• Total 2018-19 Adjusted Unrestricted Fund Surplus/(Deficit) \$ (22.85)

# 2018-19 UNRESTRICTED GENERAL FUND 1<sup>ST</sup> INTERIM

	PRELIMINARY ADOPTED	45 DAY REVISE	1ST INTERIM	2ND INTERIM	PROJECTED YEAR END
Revenue	\$ 597,928,533	\$ 592,440,336	\$ 592,681,803		
Contributions/Transfers	(97,028,369)	(97,028,369)	(100,050,423)		
Salary and Benefits	(463,089,655)	(465,157,610)	(470,405,235)		
Supplies and Operating	(46,812,395)	(46,812,395)	(55,121,140)		
Indirect and Transfers	8,997,320	8,997,320	10,041,335		
<b>SURPLUS/(DEFICIT)</b>	<b>\$ (4,566)</b>	<b>\$ (7,560,718)</b>	<b>\$ (22,853,660)</b>		
Estimated Beginning Fund Balance	84,286,528	90,207,961	90,207,961		
<b>Ending Fund Balance</b>	<b>84,281,962</b>	<b>82,647,243</b>	<b>67,354,301</b>		
Contingency 2% Reserve	14,851,509	14,951,509	15,472,116		
Instructional Materials/Adoptions	6,467,703	6,467,703	6,467,703		
ROP/CTE Reserve	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		
Designated Carryover Reserves		11,612,574	-		
Reserve for Funding Priorities	57,646,085	47,087,436	42,886,461		
<b>UNDESIGNATED BALANCE</b>	<b>\$ -</b>				



# COMPONENTS OF MULTI YEAR PROJECTION

- ▶ Revenues Include:
  - LCFF projected Cost of Living Adjustment for 2019-20 and 2020-21 fiscal years estimated to be \$16.0 million and \$16.2 million respectively
  - Student enrollment based on 2017-18 CBEDS
- ▶ Expenditures Include:
  - Continues 2018-19 staffing levels
  - Special Education growth
  - District Health Care reflects rates recommended by the JHCC and approved by the Board
  - Estimated cost of health benefits under Affordable Care Act (ACA)
  - Increases in both Cal-STRS and Cal-PERS
  - Technology Utility reduced by \$1.5 million
  - Instructional Materials/Textbooks reduced by \$1.85 million

# GENERAL FUND UNRESTRICTED MULTI-YEAR BUDGET PROJECTIONS

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		<b>16,048,739</b>	16,048,739
Estimated 2020-21 OG			<b>16,225,384</b>
Contributions/Transfers	(97,028,369)	(100,084,527)	(103,709,354)
Salary and Benefits	(463,089,655)	(453,786,110)	(466,979,736)
<b>Contingency (Board)</b>		<b>(4,691,407)</b>	<b>(4,691,407)</b>
<b>Contingency (Employees)</b>	<b>(2,067,955)</b>	<b>(2,067,955)</b>	<b>(2,067,955)</b>
Supplies and Operating	(46,812,395)	(41,244,895)	(41,775,652)
Indirect and Transfers	8,997,320	8,052,232	8,237,167
<b>SURPLUS/(DEFICIT)</b>	<b>\$ (7,560,718)</b>	<b>\$ 3,632,637</b>	<b>\$ 2,693,819</b>
Estimated Beginning Fund Balance	90,207,961	82,647,243	86,279,880
<b>Ending Fund Balance</b>	<b>82,647,243</b>	<b>86,279,880</b>	<b>88,973,699</b>
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
<b>UNDESIGNATED</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

12.42%

7.43%

# GENERAL FUND UNRESTRICTED MULTI-YEAR BUDGET PROJECTIONS

ITEM	2018-19 1ST INTERIM	2019-20	2020-21
State Revenue	\$ 592,681,803	\$ 581,467,826	\$ 581,467,899
Estimated 2019-20 OG		<b>16,048,739</b>	16,048,739
Estimated 2020-21 OG			<b>16,225,384</b>
Contributions/Transfers	(100,050,423)	(105,692,880)	(109,391,084)
Salary and Benefits	(470,405,235)	(463,969,386)	(474,827,065)
Supplies and Operating	(55,121,140)	(36,682,327)	(36,912,501)
Indirect and Transfers	10,041,335	9,158,564	9,350,716
<b><i>SURPLUS/(DEFICIT)</i></b>	<b><i>\$ (22,853,660)</i></b>	<b><i>\$ 330,536</i></b>	<b><i>\$ 1,962,088</i></b>
Estimated Beginning Fund Balance	90,207,961	67,354,301	67,684,837
<b>Ending Fund Balance</b>	<b>67,354,301</b>	<b>67,684,837</b>	<b>69,646,925</b>
Contingency Mandated 2% Reserve	15,472,116	14,672,116	15,372,116
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
Reserve for Funding Priorities	42,886,461	44,016,997	45,279,085
<b><i>UNDESIGNATED</i></b>	<b><i>\$ -</i></b>	<b><i>\$ -</i></b>	<b><i>\$ -</i></b>

9.48%

6.16%

# NEXT STEPS

2019–20 Governor’s Budget Proposal	January 2019
2018–19 Second Interim Financial Report	March 2019
2019–20 Governor May Revision	May 2019
2019–20 District Adopted Budget	June 2019