

**BERKELEY UNIFIED
SCHOOL DISTRICT**

FY 2018-19

FIRST INTERIM REPORT

PRESENTATION OVERVIEW



**2018-19
First Interim Budget**



**Multi-Year Projections
Looking Forward**



Next Steps

AGENDA

1) Budget Highlights

2) Changes Since Adoption

3) FY 2018-19 Revenues & Expenditures

4) Multi-Year Assumptions & Projections

5) Reserves/Designations

6) Next Steps & Other Considerations





© 2018-2019

2018-19
First Interim Budget

FIRST INTERIM BUDGET HIGHLIGHTS

- Met 3% reserve required by the State
- Increased contribution to Special Education program in the amount of \$.5 million for NPS and NPA
- Ending Fund Balance decreased by \$1.9 million since Budget Adoption mainly due to funding decisions in the State's Enacted Budget
- Undesignated Fund Balance of \$1.5 million after designations of \$1.2 million, for an Ending Fund Balance of \$2.7 million

CHANGES SINCE ADOPTION



- Overall increase in Local Control Funding Formula (LCFF) in the amount of \$.4 million
 - *Base funding increased by \$.5 million and Supplemental grant funding decreased by \$.1 million*



- Decrease in State Revenues of \$1.4 million due to one time discretionary funding for mandated cost reimbursements per Average Daily Attendance amount being lowered from \$344/ADA to \$184/ADA



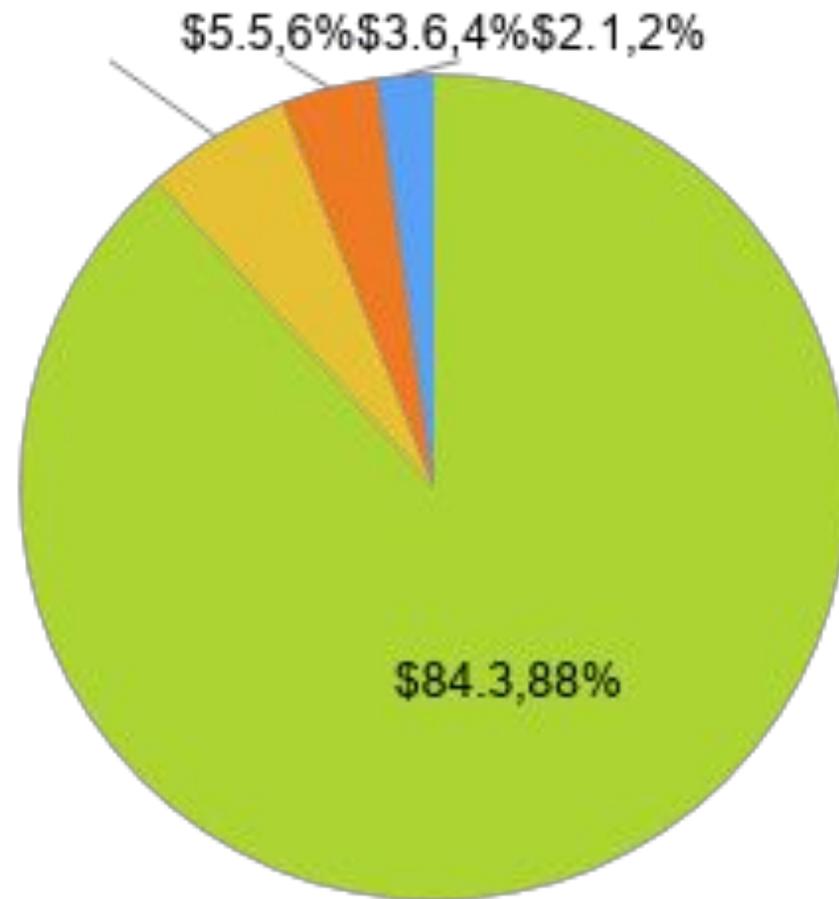
- Increase in expenditure budgets by \$380K due to budgeting \$325K in prior year LCAP funds and \$55K in Instructional Assistant hourly and other one time professional services budgets.



- Special Education contribution increase for Non-Public Schools and Non-Public Agencies services in the amount of \$.5 million

GENERAL FUND UNRESTRICTED REVENUES

(dollars in millions)



■ LCFF Base

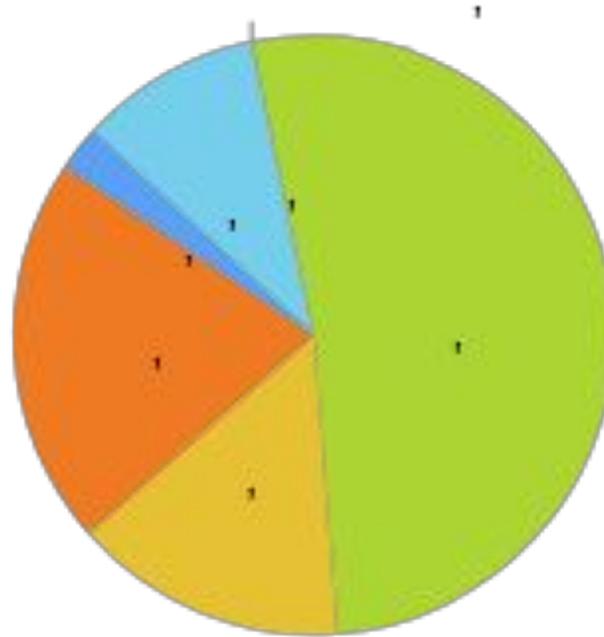
■ LCFF Supplemental

■ Other State

■ Other Local

GENERAL FUND UNRESTRICTED EXPENDITURES \$

(dollars in millions)



- Certificated Salaries
- Classified Salaries
- Benefits
- Books & Supplies
- Services & Other Operating Exp.



Multi-Year Assumptions & Projections

MULTI-YEAR ASSUMPTIONS

2019-20 UNRESTRICTED REVENUES

- COLA of 2.57% and 100% Gap Funding
- Enrollment and Average Daily Attendance (ADA) based on FY 18-19 projections
- Maintain FY 18-19 funding levels for Unrestricted State Lottery revenues
- Mandated Block Grant funding projected at \$32/TK-8 ADA and \$61/ 9-12 ADA
- Removal of one time discretionary funding related to mandated cost reimbursements at \$184/ADA
- Local revenues projected at FY 18-19 funding levels

MULTI-YEAR ASSUMPTIONS

2019-20 UNRESTRICTED EXPENDITURES

- Includes \$2 million in board approved budget reductions
- Step & column cost increase of 1% for certificated and 2.66% for classified staff
- STRS increases by an additional 1.85% and PERS by 2.74%
- Removal of one time expenditures related to:
 - *1.5% off salary schedule bonus*
 - *2018-19 Board Priorities*
 - *Common Core and site support costs*
 - *LCAP carryover funds*
 - *Contribution to the Adult Education Program*

MULTI-YEAR ASSUMPTIONS

2019-20 UNRESTRICTED EXPENDITURES

- Books, Supplies and Operating Expenditures increased by the Consumer Price Index of 3.50% per Schools Services of California dashboard

MULTI-YEAR ASSUMPTIONS

2020-21 UNRESTRICTED REVENUES

- COLA of 2.67% and 100% Gap Funding
- Enrollment and Average Daily Attendance (ADA) based on FY 18-19 projections
- Maintain FY 18-19 funding levels for Unrestricted State Lottery revenues
- Mandated Block Grant funding projected at \$33/TK-8 ADA and \$63/ 9-12 ADA
- Local revenues projected at FY 18-19 funding levels

MULTI-YEAR ASSUMPTIONS

2020-21 UNRESTRICTED EXPENDITURES

- Step & column cost increase of 1% for certificated and 2.66% for classified staff
- STRS increases by an additional 0.97% and PERS by 2.7%
- Books, Supplies and Operating Expenditures increased by the Consumer Price Index of 3.23% per Schools Services of California dashboard
- Contributions continue at same level as FY 2019-20

Multi-Year Projections 2018-19 First Interim Budget

Unrestricted General Fund

Unrestricted General Fund (in millions)	2018-19	2019-20	2020-21
REVENUE			
Total COLA	3.70%	2.57%	2.67%
Gap %	100.00%	100.00%	100.00%
LCFF Funding			
<i>Base Funding</i>	84.3	86.6	88.7
<i>Supplemental Funding</i>	5.5	5.5	5.5
Total LCFF Funding	89.8	92.1	94.2
Other State Funding	3.6	2.1	2.1
Local Funding	2.1	2.0	2.0
TOTAL REVENUE	95.5	96.2	98.3
Sub-Total Expenditures	-91.8	-92.0	-94.2
<i>Board Approved Budget Reductions FY 19-20</i>		2.0	2.0
TOTAL EXPENDITURES	-91.8	-90.0	-92.2
TOTAL SOURCES AND USES	-4.8	-4.8	-4.8

Unrestricted General Fund (in millions)	2018-19	2019-20	2020-21
Change in Fund Balance	-1.2	1.4	1.3
Beginning Fund Balance	3.9	2.7	4.1
Ending Fund Balance	2.7	4.1	5.4
Revolving Cash	-0.1	-0.1	-0.1
Assignment for Supplemental Grant LCAP	-1.0	-1.0	-1.0
Fund 01 share of 3% reserve	-0.1	0.0	0.0
Ending Fund Balance - Undesignated	1.5	3.0	4.3



Next Steps

2019-20 BUDGET REDUCTIONS - \$2 MILLION

- ▶ Superintendent's Budget Advisory Committee (SBAC)
 - ▶ Three Meetings
 - ▶ January 8 SBAC Recommendations
 - ▶ January 22 Discussion
 - ▶ January 29 Committee Vote
- ▶ Board Meetings
 - ▶ February (first meeting) Board Discussion
 - ▶ February (second meeting) Board Vote

**RISING PENSION COSTS
FOR STRS AND PERS**

**INCREASING
SPECIAL EDUCATION COSTS**

ENROLLMENT



FUTURE NEGOTIATIONS

**UNDUPLICATED STUDENT
COUNT**

FACILITIES

NAVIGATING THE BUDGET CYCLE PROCESS

