

**BERKELEY UNIFIED
SCHOOL DISTRICT**

*FY 2018-19
SECOND INTERIM REPORT*

PRESENTATION OVERVIEW



**2018-19
Second Interim Budget**



**Multi-Year Projections
Looking Forward**



Next Steps

AGENDA

1) Framework and Budget Highlights

2) Changes Since First Interim

3) FY 2018-19 Revenues & Expenditures

4) Multi-Year Assumptions & Projections

5) Reserves/Designations

6) Next Steps & Other Considerations





2018-19
Second Interim
Budget

Framework – Unrestricted General Fund

**BERKELEY UNIFIED SCHOOL DISTRICT
GENERAL FUND - FUNDS 01 - 04
SECOND INTERIM FY 2018-19**

	Fund 01 Unrestricted General Fund	Fund 01 Restricted General Fund	Fund 02 Unrestricted H Fund	Fund 02 Restricted H Fund	Fund 04 BSEP Fund	Total Unrestricted	Total Restricted	Total Fund
REVENUES:								
Base LCFF Funding	84,331,340					84,331,340	0	84,331,340
Supplemental LCFF Funding	5,490,534					5,490,534	0	5,490,534
Total LCFF Funding	89,821,874					89,821,874	0	89,821,874
Special Property Tax Transfers	0	589,294				0	589,294	589,294
Funding After Transfers	89,821,874	589,294				89,821,874	589,294	90,411,168
Federal Revenues	0	4,501,933				0	4,501,933	4,501,933
Other State Revenues	3,599,384	9,388,528				3,599,384	9,388,528	12,987,912
Local Revenues	2,140,729	10,320,194	6,218,664	0	31,197,814	39,557,207	10,320,194	49,877,401
TOTAL REVENUES:	95,561,987	24,799,949	6,218,664	0	31,197,814	132,978,465	24,799,949	157,778,414

Framework – Unrestricted General Fund

	Fund 01 Unrestricted General Fund	Fund 01 Restricted General Fund	Fund 02 Unrestricted H Fund	Fund 02 Restricted H Fund	Fund 04 BSEP Fund	Total Unrestricted	Total Restricted	Total Fund
EXPENDITURES:								
Certificated Salaries	47,972,537	9,936,432	0	0	6,235,743	54,208,280	9,936,432	64,144,712
Classified Salaries	14,102,047	7,569,248	708,377	2,188,363	2,298,796	17,109,220	9,757,611	26,866,831
Employee Benefits	20,285,822	10,993,746	325,470	890,360	2,818,923	23,430,215	11,884,106	35,314,321
Books and Supplies	2,059,773	2,959,560	65,500	439,000	1,453,151	3,578,424	3,398,560	6,976,984
Services & Operating Expenses	9,464,364	12,880,260	271,814	1,455,827	1,442,314	11,178,492	14,336,087	25,514,579
Capital Outlay	39,450	1,717,841	31,884	82,723	0	71,334	1,800,564	1,871,898
Other Outgo	0	11,682	0	0	0	0	11,682	11,682
Direct Support/Indirect Cost	(3,291,501)	594,661	384,312	0	1,623,900	(1,283,289)	594,661	(688,628)
TOTAL EXPENDITURES	90,632,492	46,663,430	1,787,357	5,056,273	15,872,827	108,292,676	51,719,703	160,012,379
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,929,495	(21,863,481)	4,431,307	(5,056,273)	15,324,987	24,685,789	(26,919,754)	(2,233,965)

Framework – Unrestricted General Fund

	Fund 01 Unrestricted General Fund	Fund 01 Restricted General Fund	Fund 02 Unrestricted H Fund	Fund 02 Restricted H Fund	Fund 04 BSEP Fund	Total Unrestricted	Total Restricted	Total Fund
OTHER FINANCING SOURCES AND USES:								
Inter-fund Transfers Out								
Transfer to Older Adults	(60,000)					(60,000)	0	(60,000)
Transfer to Child Development Fund	(30,000)					(30,000)	0	(30,000)
Transfer to Preschool Program	0					0	0	0
LCFF Transfer to Cafeteria Fund	(732,542)					(732,542)	0	(732,542)
Transfer to Cafeteria Fund						0		0
Transfer to Self Insurance Fund	(243,496)					(243,496)	0	(243,496)
Transfer to Reserve Fund (17)						0	0	0
Retiree Benefit Transfer to Reserve Fund (20)						0	0	0
Total Transfers Out	(1,066,038)	0	0	0	0	(1,066,038)	0	(1,066,038)

Framework – Unrestricted General Fund

	Fund 01 Unrestricted General Fund	Fund 01 Restricted General Fund	Fund 02 Unrestricted H Fund	Fund 02 Restricted H Fund	Fund 04 BSEP Fund	Total Unrestricted	Total Restricted	Total Fund
Contributions In and Other Financing Sources								
BSEP Contribution	13,784,700	0	0	0	(13,784,700)	0	0	0
BSEP Direct Support	383,000	0	0	0	(383,000)	0	0	0
BSEP Substitute Compensation	250,700	0	0	0	(250,700)	0	0	0
Retiree Benefit Transfer	0	0	0	0	0	0	0	0
Total Contributions In and Other Financing Sources	14,418,400	0	0	0	(14,418,400)	0	0	0
Contributions Out								
Special Education - State	(18,530,617)	18,530,617	0	0	0	(18,530,617)	18,530,617	0
Special Education Mental Health	(454,784)	454,784	0	0	0	(454,784)	454,784	0
California Nutrition Network	0	0	0	0	0	0	0	0
Inter-fund Transfer	0	0	(5,056,273)	5,056,273		(5,056,273)	5,056,273	0
Total Contributions Out	(18,985,401)	18,985,401	(5,056,273)	5,056,273	0	(24,041,674)	24,041,674	0

Framework – Unrestricted General Fund

	Fund 01 Unrestricted General Fund	Fund 01 Restricted General Fund	Fund 02 Unrestricted H Fund	Fund 02 Restricted H Fund	Fund 04 BSEP Fund	Total Unrestricted	Total Restricted	Total Fund
Net Contributions	(4,567,001)	18,985,401	(5,056,273)	5,056,273	(14,418,400)	(24,041,674)	24,041,674	0
TOTAL OTHER FINANCING SOURCES/USES	(5,633,039)	18,985,401	(5,056,273)	5,056,273	(14,418,400)	(25,107,712)	24,041,674	(1,066,038)
NET INCREASE (DECREASE) IN FUND BALANCE	(703,544)	(2,878,080)	(624,966)	0	906,587	(421,923)	(2,878,080)	(3,300,003)
BEGINNING FUND BALANCE	3,892,417	5,279,716	1,510,935	0	6,679,788	12,083,139	5,279,716	17,362,855
ENDING FUND BALANCE	3,188,873	2,401,636	885,969	0	7,586,375	11,661,216	2,401,636	14,062,852

SECOND INTERIM BUDGET HIGHLIGHTS

- Met 3% reserve required by the State
- Increased contribution to Special Education program in the amount of \$.8 million for Non-Public Schools and Non-Public Agencies services
- Ending Fund Balance increased by \$0.5 million since First Interim
- Undesignated Fund Balance of \$2.0 million after designations of \$1.2 million, for an Ending Fund Balance of \$3.2 million

CHANGES SINCE FIRST INTERIM



Other Local Revenues

- Increase of \$75,000 due to one time funds received from ACOE for Differentiated Assistance



Salaries & Benefits

- One time “net” savings of \$0.7 million related to vacant positions
- Health & welfare adjustments from change in healthcare rates
- Savings offset by .23% salary increase for BCCE and converting Noon Supervisors from hourly to salaried employees



Other Expenditures

- One time savings of \$0.5 million related to supplies, services and capital outlay

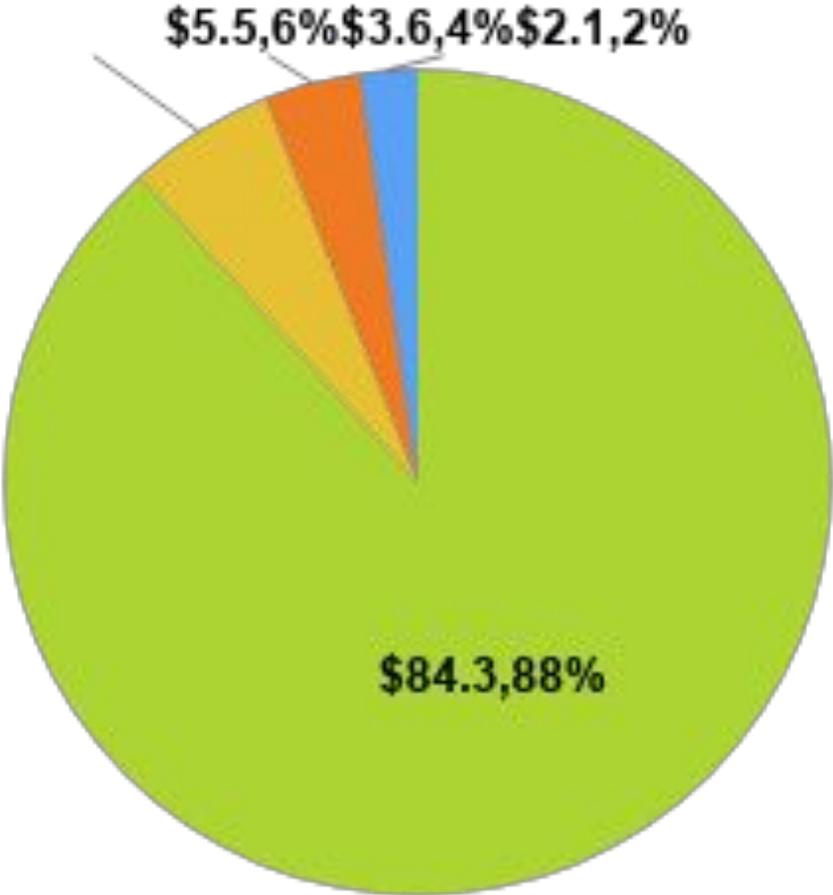


Contributions

- Special Education contribution increase for Non-Public Schools and Non-Public Agencies services in the amount of \$.8 million

GENERAL FUND 01 UNRESTRICTED REVENUES

(dollars in millions)



■ LCFF Base

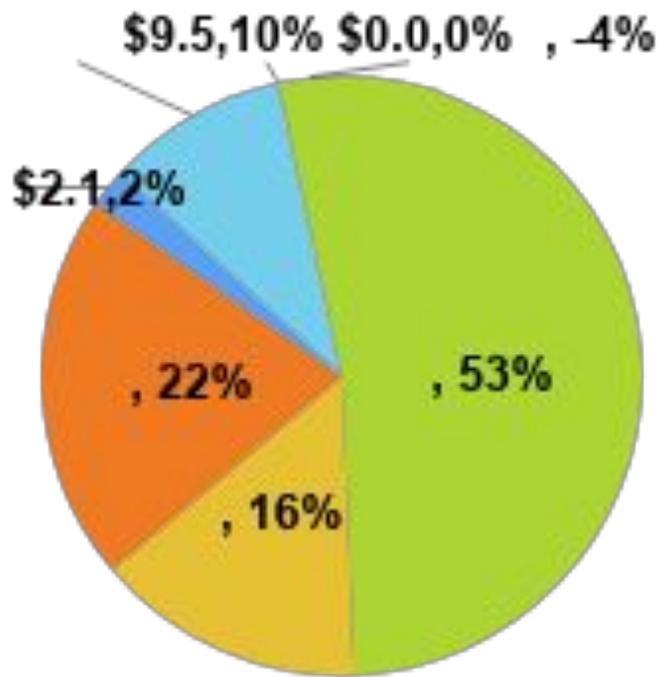
■ LCFF Supplemental

■ Other State

■ Other Local

GENERAL FUND 01 UNRESTRICTED EXPENDITURES

(dollars in millions)



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



Multi-Year Assumptions & Projections

Multi-Year Projections

Unrestricted General Fund (in millions)	2018-19	2019-20	2020-21
REVENUE			
Total COLA	3.70%	3.46%	2.86%
Gap %	100.00%	100.00%	100.00%
LCFF Funding			
<i>Base Funding</i>	84.3	87.3	89.6
<i>Supplemental Funding</i>	5.5	5.5	5.6
Total LCFF Funding	89.8	92.8	95.2
Other State Funding	3.6	2.1	2.1
Local Funding	2.1	2.0	2.0
TOTAL REVENUE	95.5	96.9	99.3
Sub-Total Expenditures	-90.6	-91.7	-94.0
<i>Board Approved Budget Reductions FY 19-20</i>		2.0	2.0
TOTAL EXPENDITURES	-90.6	-89.7	-92.0

Multi-Year Projections

Unrestricted General Fund (in millions)	2018-19	2019-20	2020-21
TOTAL SOURCES AND USES	-5.6	-5.2	-5.2
Change in Fund Balance	-0.7	2.0	2.1
Beginning Fund Balance	3.9	3.2	5.2
Ending Fund Balance	3.2	5.2	7.3
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	2.0	4.1	6.2

MULTI-YEAR ASSUMPTIONS

2019-20 UNRESTRICTED REVENUES

- COLA of 3.46% 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 \$62/ 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 less one time revenues of \$75K

MULTI-YEAR ASSUMPTIONS

2019-20 UNRESTRICTED EXPENDITURES

- Step & column cost increase of 1% for certificated and 2.66% for classified staff
- STRS increases by an additional 0.82% and PERS by 2.64%
- 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*
- *Add back of \$1.2 million in expenditures related to budget savings in 18-19*
- Books, Supplies and Operating Expenditures increased by the Consumer Price Index of 3.18% per Schools Services of California dashboard
- *Contributions decrease of \$0.4 million*

MULTI-YEAR ASSUMPTIONS

2020-21 UNRESTRICTED REVENUES

- COLA of 2.86% 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 \$64/ 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 1.0% and PERS by 2.7%
- Books, Supplies and Operating Expenditures increased by the Consumer Price Index of 3.05% per Schools Services of California dashboard
- Contributions continue at same level as FY 2019-20



Next Steps

**RISING PENSION COSTS
FOR STRS AND PERS**

**INCREASING
SPECIAL EDUCATION COSTS**

ENROLLMENT

FUTURE NEGOTIATIONS

**UNDUPLICATED STUDENT
COUNT**

FACILITIES



NAVIGATING THE BUDGET CYCLE PROCESS

