



2018/19 Third Interim

Board Meeting
May 16, 2019
Agenda Item No. 9.3

Outline



May Revise Update

- COLA FY 19/20 Change from 3.46% to 3.26%
 - \$800,000 loss of revenue
- STRS rate FY 19/20 Reduced from 17.1% to 16.7%
 - \$830,000 reduced expense
- Special Education Concentration Grant Proposal
 - Estimated \$15 million ongoing, \$4 million one-time
 - Different Special Education proposals by Legislature
 - Funds not in Third Interim

Financial Reporting Timelines

- State Financial Reports
 - Adopted Budget June 30
 - First Interim December 15
 - Second Interim March 15
 - Third Interim June 1
 - Unaudited Actuals September 15
 - Independent Audit December 15

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Board Approved Current Year Changes Prior to First Interim - \$21.1 million

Amount	Reduction Item
\$5.0 million	Position control true up
\$5.0 million	Debt service to facility funds
\$3.0 million	Lowering OPEB contribution
\$1.5 million	Supplies and Services lowered to 2017/18 level
\$1.4 million	Utilities budget reduction
\$1.0 million	Central office classified reductions
\$1.0 million *	Legal settlement
\$900,000 *	Special education transportation
\$900,000 *	VAPA
\$800,000 *	ELSP carryover
\$300,000	Student Services
\$100,000	Board office reductions


* One-Time

Board Approved Future Year Changes

- February/March Board Meetings -

Third Interim 2018/19 Current Year Revenues

-  Local Control Funding Formula (LCFF)
 - Decrease for projected 2018/19 ADA = \$485,000

-  Local Income - \$1.9 million
 - Interest
 - Charter School Fees/Oversight
 - Other Tuition
 - ROP (one-time)

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Third Interim 2018/19 Current Year Expenses

- Captured one-time savings where appropriate
 - Salaries and Benefits \$850,000
 - Supplies, Services, Capital Outlay \$1.7 million
- Move Expenses to Restricted Funds \$755,000
 - Teacher Trainers -Title II Professional Development
- Contributions /Transfers Out - \$5.6 million
 - Special Education decrease
 - Charter School decrease
 - Children Center Fund decrease
- Teacher Salary Restructure No increase in budget for current year

Update on Programs/Services from April Board Meeting

- Continuing to review/research items presented to Board
 - Program Impact
 - Program Funding Sources
- LCFF Funding
 - Base Funding

Other Student Supports

Elementary VAPA Programs and All City Band - \$67K
Gifted and Talented Education (GATE) - \$977K
Youth Development Programs - \$10.2 million
Parent Teacher Home Visit - \$540K
Student Support Centers - \$2.4 million
District-wide Athletics - \$2.1 million
Social Emotional Learning - \$890K
Family and Community Empowerment (FACE) - \$506K
Credit Recovery Program - \$1.4 million
Enrollment Center - \$1.8 million
Parent Participation Preschool - \$300K
New Teacher Induction - \$967K

Supplemental/Concentration/Grant Funding	Partial Unrestricted	Unrestricted
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Classroom Considerations

Career Technical Education Programs - \$2.9 million
International Baccalaureate (IB) Programs - \$973K
Middle/High School Music Programs - \$664K
Junior Reserves Officers Training Corps (JROTC) -
\$1.2 million

Supplemental/Concentration/Grant Funding	Partial Unrestricted	Unrestricted
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Multi-Year Projection Assumptions

Revenues

- $\#CFEsC$

Projected Employer Pension Increases

CalSTRS Employer Rates

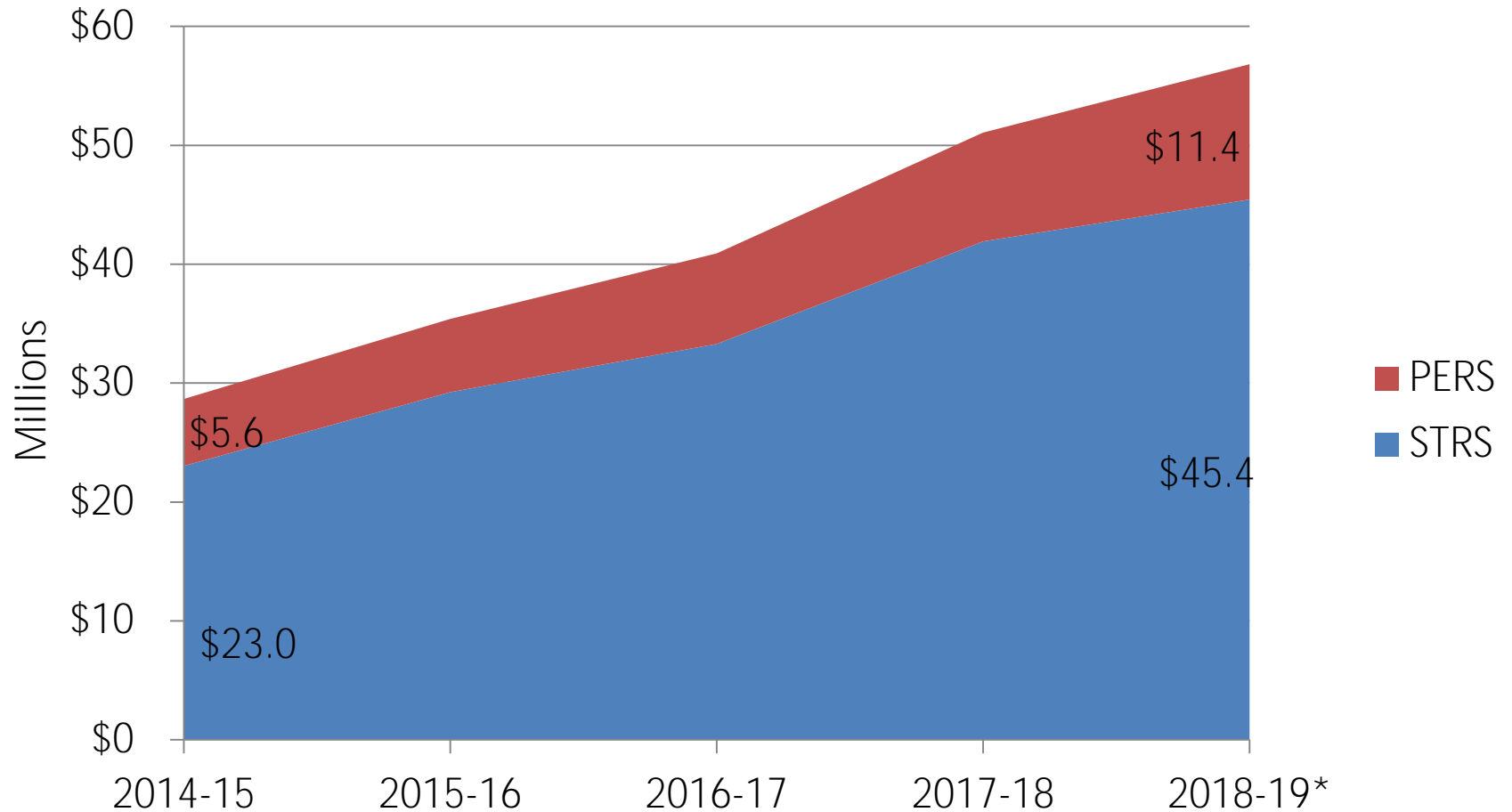
2013/14	8.25%
2014/15	8.88%
2015/16	10.73%
2016/17	12.58%
2017/18	14.43%
2018/19	16.28%
2019/20	16.70%
2020/21	18.10%
2021/22	18.10%
2022/23	17.60%

CalPERS Employer Rates

2013/14	11.442%
2014/15	11.771%
2015/16	11.847%
2016/17	13.888%
2017/18	15.531%
2018/19	18.062%
2019/20	20.733%*
2020/21	23.6%*
2021/22	24.9%*
2022/23	25.7%*
2023/24	26.4%*
2024/25	26.6%*

* CalPERS Board Approved Rates

General Fund PERS and STRS



* Escape Online5 report as of May 15, 2019

Multi-Year Projection Assumptions

Expense Changes Over Next Three Years

- Decrease Special Education increases from \$30 million to \$22.3 million = \$7.7 million
- Decrease Child Development contribution from original \$2.3 million to \$1.4 million = \$0.9 million
- Decrease teaching positions due to declining enrollment - \$1.5 million
- Capture more indirect costs from restricted programs - \$700,000

SACS Unrestricted General Fund Multi-Year Projections

Recommended Plan for Unrestricted General Fund Multi-Year Projections

<u>Projected</u> <u>2018/19</u>	<u>Projected</u> <u>2019/20</u>
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Third Interim Summary

- Captured current year additional income/expense savings
- Recognition of contribution changes for current/future years
- Recognition of additional cost for teacher salary schedule restructure in future years
- Cash flows shows positive cash through October 2020
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Upcoming Budget Discussions

- Board Presentations LCAP and Budget
 - June 6 and June 20, 2019
- Public Hearing - LCAP and Budget
 - June 6, 2019
- Adoption of LCAP and Budget
 - June 20, 2019