



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

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|--|----------------------|--------------|
| Supplemental/Concentration/Grant Funding | Partial Unrestricted | Unrestricted |
|--|----------------------|--------------|

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

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|--|----------------------|--------------|
| Supplemental/Concentration/Grant Funding | Partial Unrestricted | Unrestricted |
|--|----------------------|--------------|

Multi-Year Projection Assumptions

Revenues

- $\#CFEsC$

Projected Employer Pension Increases

CalSTRS Employer Rates

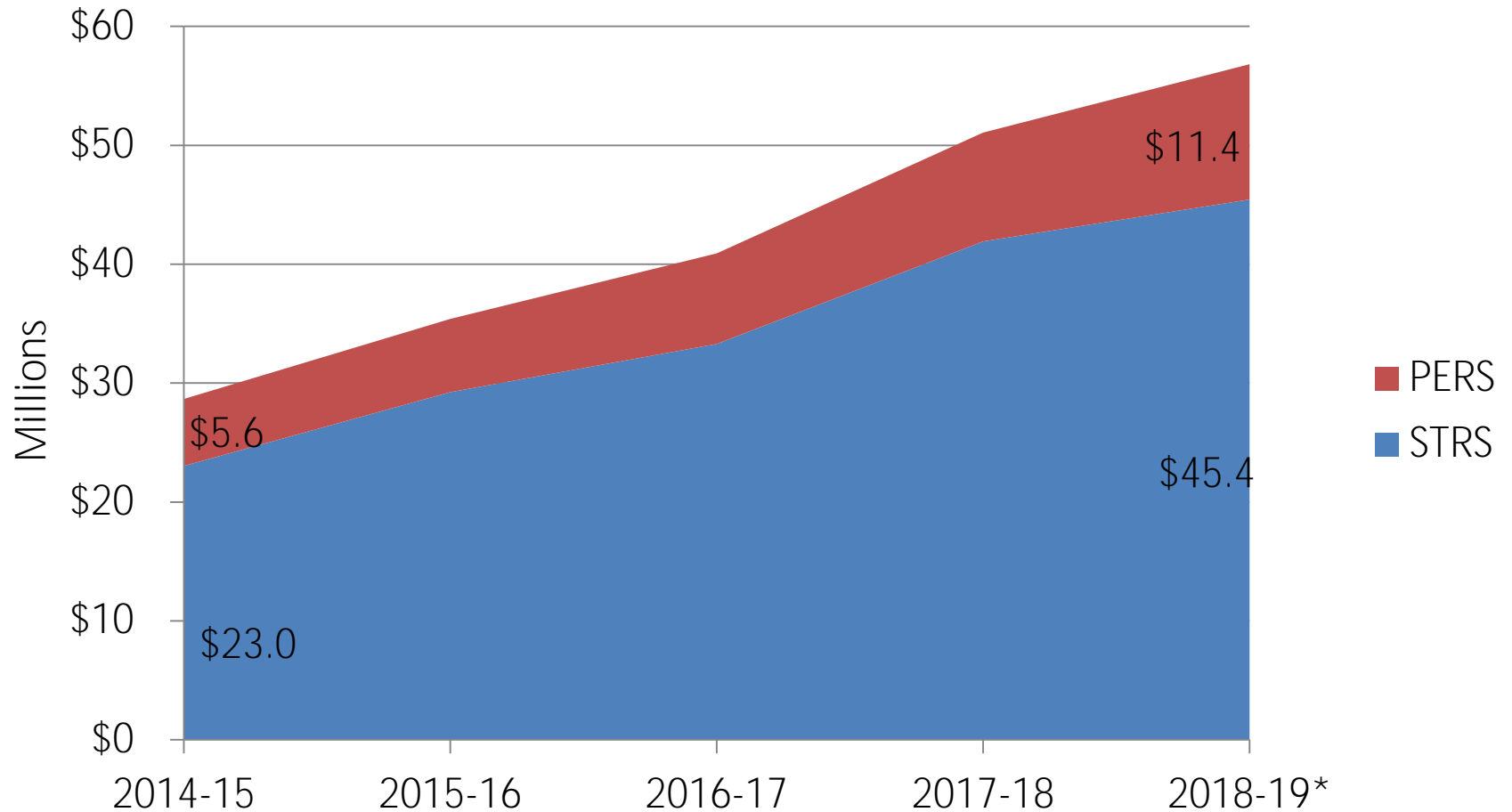
| | |
|---------|--------|
| 2013/14 | 8.25% |
| 2014/15 | 8.88% |
| 2015/16 | 10.73% |
| 2016/17 | 12.58% |
| 2017/18 | 14.43% |
| 2018/19 | 16.28% |
| 2019/20 | 16.70% |
| 2020/21 | 18.10% |
| 2021/22 | 18.10% |
| 2022/23 | 17.60% |

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

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