

BUSD Budget Adoption

2018-19

June 21, 2018

Matt Hill, Superintendent

David Jaynes, Assistant Superintendent, Administrative Services

Lina Sola, Director, Fiscal Services

Carin Wantland, Assistant Supervisor of Budget and Finance

The Budget Cycle

Report	Description	Due
Adopted Budget	Details spending plan of district and includes estimated actual ending balances for prior fiscal year	On or before July 1
First Interim	Actual revenues & expense July 1 to October 31 with projections for remainder of current and 2 future fiscal years	On or before December 15
Second Interim	Same as above but for period July 1 to January 31	On or before March 15
Year End Projection	Self Certification – End of Year Financial Projection for period July 1 to April 30	On or before June 1
Unaudited Actuals	Details actual ending balances, all revenues and expenditures for year ended June 30	On or before September 15

State Budget Proposal for 2018-19

- Some of the components of the LCFF for the 2018-19 year:
 - Cost of Living Adjustment (COLA) is 2.71% (3% for LCFF).
 - Increases target per-pupil Base Grant by \$559 for Burbank Unified School District. The average for the State is \$587.
 - 2018-19 Provides \$3.2 Billion to fund full implementation of the LCFF – two years in advance
 - 2018-19 Provides one time funds at \$344 per ADA or \$5M for Burbank USD. LACOE requires this funding be set aside in case these funds fail to materialize.
 - Increases CalSTRS and CalPERS employer contributions:

	2017-18	2018-19	2019-20	2020-21
CalSTRS	14.43%	16.28%	18.13%	19.10%
CalPERS	15.531%	18.062%	20.80%	23.50%

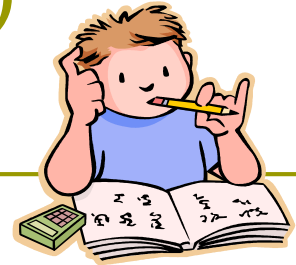
- CalSTRS will stay at 19.1% by 2021-22
- CalPERS will increase to 26% by 2024-25

LCFF – Calculations BUSD

□ LCFF Funding Factors

Factors	K-3	4-6	7-8	9-12
Base Grant	\$7,193	\$7,301	\$7,518	\$8,712
COLA - 3%	\$216	\$219	\$226	\$261
CSR (10.4%), CTE (2.6%)	\$771	-0-	-0-	\$223
<u>BUSD Supplemental Enrollment Eligible (38%)</u>	\$621	\$571	\$588	\$698
LCFF at 100%	\$8,801	\$8,091	\$8,332	\$9,894

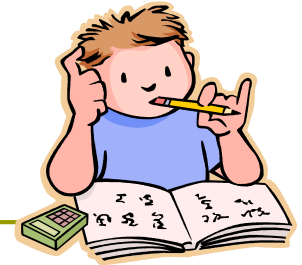
Budget Assumptions 2018-19



□ Major assumptions - Revenues:

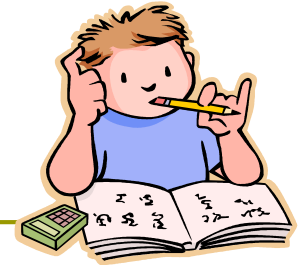
- Enrollment/ADA – decreased in 2017-18, which has one hold harmless year therefore 2018-19 is reduced by 71 ADA.
- Local Control Funding Formula - BUSD
 - \$8.1 Million additional funding for GF
 - \$6.7M GF; \$1.3M Supplemental
- One time Unrestricted funds \$5M
- Federal funded program stay flat
- CTE (formerly ROP) fully funded by General Fund
- Assumes COLA revenue increases of 3.00% (LCFF only) in 2018-19, 2.57% in 2019-20, and 2.67% in 2020-21
- Assumes Mandate Block Grant Revenue of \$31.16 per ADA in grades K-8, and \$59.83 per ADA in grades 9-12
- Lottery is projected to be \$146 per ADA base and \$48 per ADA for Prop 20 portion

Budget Assumptions 2018-19



Expenditure Reductions - Ongoing	2017-18	2018-19	2019-20	2020-21
Workers Compensation	\$500,000	\$300,000	\$200,000	\$100,000
Transfer FACTS program to Adult Education		\$500,000	\$500,000	\$500,000
VoIP Telephone		\$330,000	\$330,000	\$330,000
Energy Savings			\$200,000	\$200,000
Transfer eligible costs to LCAP Supplemental				
39% Dual Immersion	\$322,222	\$382,352	\$467,265	\$467,265
State Preschool costs	\$213,717	\$296,281		

Budget Assumptions 2018-19



Temporary Expenditure Reduction- Adopted Budget	2017-2018	2018-2019	2019-2020	2020-21
Routine Restricted Maint: 2.5%, 2.5%, 2.5% and 3.0%	\$817,751	\$817,751	\$817,751	\$-0-
Reduce Deferred Maint Transfer	\$382,900	\$382,900	\$382,900	\$382,900
Suspend OPEB Trust Funding –all funds (Gen Fund only- \$660K)		\$900,000	\$900,000	\$900,000
One-time sweep PIP Bal			\$400,000	

Remaining One-Time Money set aside for 2018-19



Textbooks & Collaboration	\$268,435
HS Stage Modifications	\$35,554
PD for Classified	\$42,172
Safety Plans and Security Camera's	\$45,860
HR Database	\$106,565
Contingency	\$2,005
Total	\$500,591

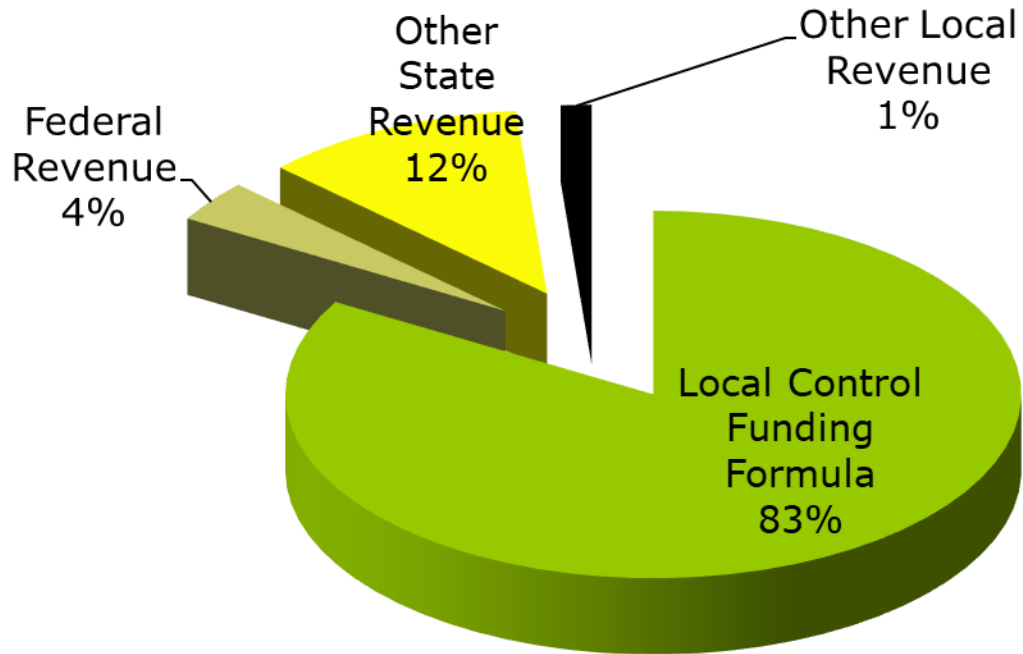
General Fund

2018-19 Adopted Budget

	Unrestricted	Restricted	Combined
Revenues	140,368,405	17,832,248	158,200,653
Expenditures	(119,620,466)	(37,786,406)	(157,406,872)
Transfers Out/Other Uses	(20,250,439)	19,954,158	(296,281)
Net Gain/(Loss)	497,500	0	497,500
Beginning Fund Balance	9,342,239	0	9,342,239
Ending Fund Balance	9,839,739	0	9,839,739

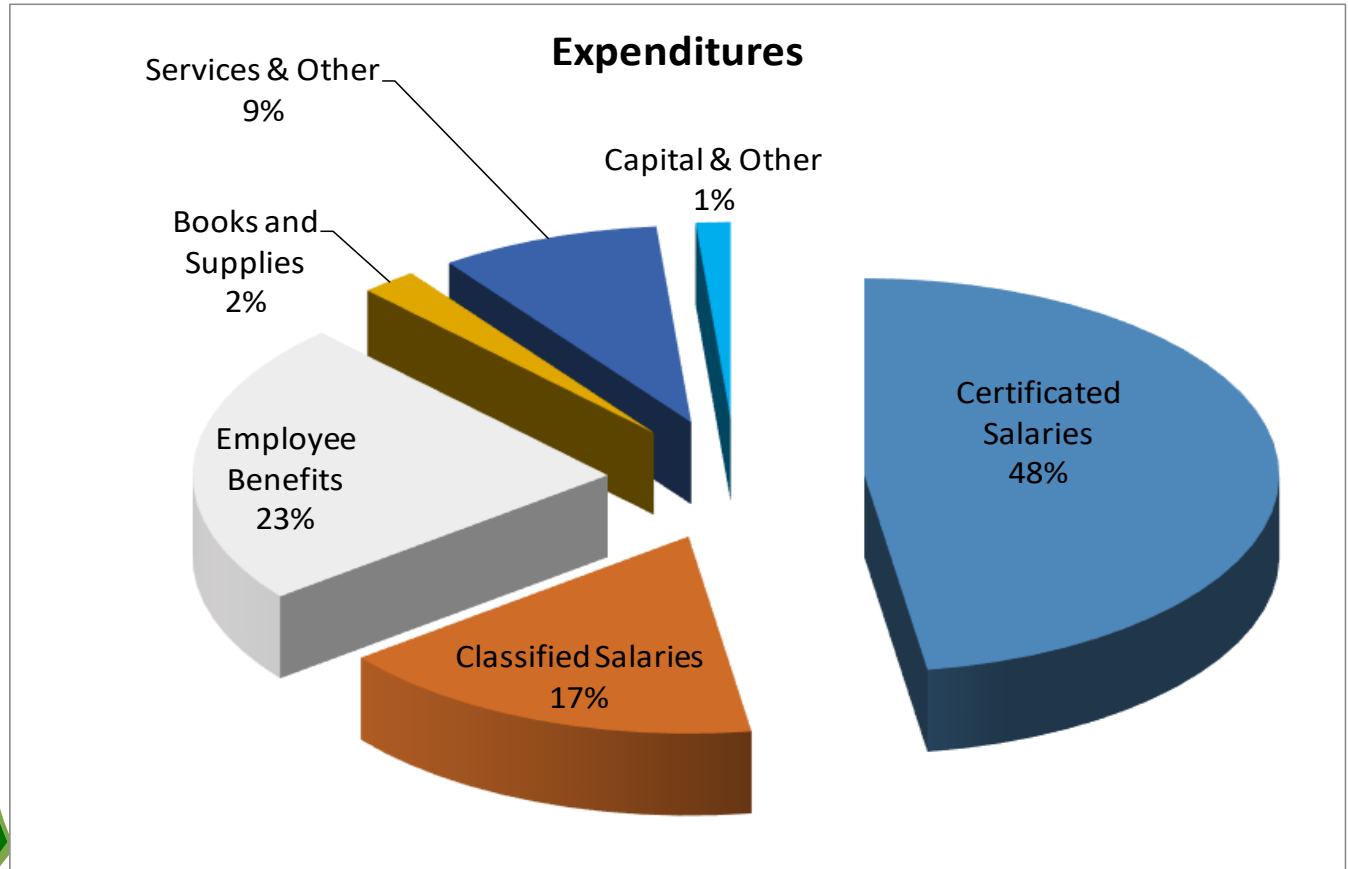
2018-19

Proposed
General
Fund
Revenue
Summary



2018-19

Proposed
General
Fund
Expenditure
Summary



88% is employee
compensation

General Fund Multi-Year Projection

Unrestricted/Restricted

	2017-18	2018-19	2019-20	2020-2021
Revenues/ Transfers In	152,888,680	158,200,653	156,939,572	160,560,193
Expenditures/ Transfers Out	162,469,537	157,703,153	158,635,820	162,971,629
Net Increase (Decrease)	(9,580,857)	497,500	(1,696,248)	(2,411,436)
Beginning Fund Balance	18,923,096	9,342,239	9,839,739	8,143,491
Ending Fund Balance	9,342,239	9,839,739	8,143,491	5,732,055

General Fund - Reserves

2018-19 Adopted Budget

Reserves in Excess of Minimum	2017-18	2018-19	2019-20	2020-21
Ending Fund Balance	9,342,239	9,839,738	8,143,491	5,732,055
Non Spendable	101,090	101,090	101,090	101,090
1% One-time set aside	1,127,000	0	0	0
LCAP Supl Cumulative	146,682	83,673	518,149	904,584
CSEA Job Study	390,000	390,000	0	0
Vacation Liability	249,223	249,223	249,223	249,223
REU 3%	4,874,086	4,731,095	4,759,075	4,872,093
Board REU up to 3%	2,455,188	4,285,688	2,516,985	0
Unassigned Fund Balance	0	0	0	(393,905)*

*Revenue changes from May Revise will be updated at First Interim, after the Governor's final signed budget and trailer bills detail all the changes to ongoing and one time funding. The negative balance in fiscal year 2020-21 will be covered first.

LCFF 2018-19 New Base Dollars and New GF Expenditures

.....	2017-18 Unrestricted	2018-19 Unrestricted	2019-20 Unrestricted	2020-21 Unrestricted
Total LCFF Funding	2,886,839	8,123,261	4,169,231	3,620,621
Less Cost for:				
STRS	1,359,778	1,387,937	1,384,537	735,679
PERS	423,202	673,979	740,676	743,848
Step/Column	1,454,130	1,501,538	1,501,538	1,501,538
CSR/Dual Imm	160,000	80,000	-0-	-0-
Contribution Chg: Restricted Maint & Special Ed	-0- (\$971,707)	258,044 203,679	82,191 390,000	923,245 -0-
LCAP Supplemental	553,967	1,391,325	592,948	264,615
LCFF Balance	(101,531)	2,626,759	(522,659)	(548,304)

General Fund - 2018-19 Reallocation of Ongoing and One-time Revenue ¹⁵

	2018-19	2019-20	2020-21
One-Time at May Revision	5,030,312	-0-	-0-
One-Time at Adopted Budget	<u>2,456,664</u>	<u>-0-</u>	<u>-0-</u>
Net Reduction in One-Time	(2,573,648)	-0-	-0-
New Revenue due to higher COLA	859,473	859,473	859,473
Less Supplemental	<u>63,267</u>	<u>63,267</u>	<u>63,267</u>
Net Unrestricted GF Base increase	<u>796,206</u>	<u>796,206</u>	<u>796,206</u>
Net Change in 2018-19 Budget	(1,777,442)	\$796,206	\$796,206

*Adopted Budget Revenue compromise for 2018-19: One-Time money reduces from \$344/ADA to \$167/ADA and COLA increases from 3% to 3.7%. Ongoing money designates \$64K to supplemental dollars reducing GF unrestricted base.

BUSD Excess Reserves

2018-19

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Ending Fund Balance in Excess of Reserve for Economic Uncertainties (REU)

Per Ed Code Section 42127(a)(2)(B) Districts must provide information at a public hearing prior to budget adoption on all balances assigned and unassigned in excess of the minimum recommended reserve for economic uncertainties (REU)

General Fund - Reserves

2018-19 Adopted Budget

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Reasons for Fund balances in Excess of REU 2018-19



- Protection against volatility of State revenues
 - Currently strong due to Real Estate and Stock Market
 - GAP funding now fully funded all future increases will revert to COLA only.
 - Monthly expenditures average \$14.5M, a 6% reserve covers 64% of one month's expenditures
- Protection against unanticipated expenditures or loss of revenue depleting educational programs
- Protection against declining enrollment
- Protection against exposure to significant one-time outlays such as disasters, lawsuits or material audit findings



BUSD EPA Spending

Plan 2018-19

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Educational Protection Account (EPA) Spending Plan

- Educational Protection Account is an accumulation of new revenues generated by Proposition 30
- The District must have the Board of Education approve a Resolution for LA County of Education outlining our spending plan.
- The EPA funds are part of the LCFF funding formula which is estimated to be **\$18,831,108** approximately 14% of state funding.
- The District plans to spend 100% on Certificated teacher salaries and related benefits.
- Revenue and Expenditures must be posted on the District website.
- The EPA must be audited by our external auditors

BUSD 2018-19 Budget

□ ***Questions***

□ ***Comments***