

BUSD Budget Adoption

2017-18



June 15, 2017

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 2017-18

- Some of the components of the LCFF for the 2017-18 year:
 - Cost of Living Adjustment (COLA) is 1.56%.
 - Increases target per-pupil Base Grant by \$203 for Burbank Unified School District. The average for the State is \$249.
 - LCFF Places districts at 2007-08 funding levels by 2020-21
 - (includes a hold harmless provision) & ensures pre-recession funding levels
 - Includes no facility bond program from the State
 - Increases teaching staff by 4 in 17/18 and 1 in 18/19
 - ADA slightly increased (3) over prior year – projecting flat funding
 - Increases CalSTRS and CalPERS employer contributions:

	2016-17	2017-18	2018-19	2019-20
CalSTRS	12.58%	14.43%	16.28%	18.13%
CalPERS	13.888%	15.531%	18.1%	20.80%

- CalSTRS will get to 19.1% by 2020-21
- CalPERS will get to 23.8% by 2020-21

State Budget Proposal for 2017-18

- ❑ 2017-18 Provides \$1.4 Billion to move school districts towards full implementation of the LCFF
- ❑ 2017-18 Provides one time funds at \$170 per ADA or \$2.5M for Burbank USD however it is deferred until May 2019. LACOE requires this funding be set aside in case these funds fail to materialize.
- ❑ Districts will reach 97% of their targeted funding level in 2017-18.
- ❑ LCAP must be approved just before the budget: June 22, 2017
- ❑ COLA's and GAP funding are expected to be minimal over the next 3 years.

LCFF – Base Grant Entitlement Target

- Target entitlement calculation
 - Grade span per-pupil Base Grant Funding

Factors	K-3	4-6	7-8	9-12
2016-17 Base Grant per ADA	\$7,083	\$7,189	\$7,403	\$8,578
COLA @ 1.56%	\$110	\$112	\$115	\$134
Base grants – 2016-17	\$7,193	\$7,301	\$7,518	\$8,712

LCFF – K-3 CSR and CTE Adjustments

- Target entitlement calculation
 - TK,K-3 CSR (24 pupils maximum per-class target) and CTE adjustment

Factors	K-3	4-6	7-8	9-12
Base grants – 2016-17	\$7,193	\$7,301	\$7,518	\$8,712
Adjustment factors	10.4% CSR	–	–	2.6% CTE
CSR, CTE amounts	\$748	–	–	\$227
Adjusted Base grant per ADA	\$7,941	\$7,301	\$7,518	\$8,939

LCFF – Calculations –Maximum

□ Target entitlement calculation

- Supplemental and concentration grant add-ons are calculated based on the percentage of total enrollment that are English learners, Free and Reduced-Price Meal Program eligible students, and foster youth

Factors	K-3	4-6	7-8	9-12
Adjusted grant per ADA – 2015-16	\$7,941	\$7,301	\$7,518	\$8,939
% Enrollment Eligible (estimate)	100%	100%	100%	100%
20% Supplemental	\$1,588	\$1,460	\$1,504	\$1,788
50% Concentration (above 55% eligible)	\$ 0	\$ 0	\$ 0	\$ 0

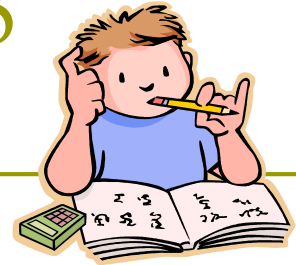
LCFF – Calculations BUSD

□ Target entitlement calculation

- Supplemental and concentration grant add-ons are calculated based on the percentage of total enrollment that are English learners, Free and Reduced-Price Meal Program eligible students, and foster youth

Factors	K-3	4-6	7-8	9-12
Adjusted grant per ADA – 2017-18	\$7,941	\$7,301	\$7,518	\$8,939
% Enrollment Eligible	37%	37%	37%	37%
20% Supplemental at 100% Eligible	\$1,588	\$1,460	\$1,504	\$1,788
BUSD Supplemental Enrollment Eligible	\$588	\$540	\$556	\$661
Adjusted Target	\$8,529	\$7,841	\$8,074	\$9,600
LCFF at 97%	\$8,273	\$7,606	\$7,832	\$9,312

Budget Assumptions 2017-18



□ Major assumptions - Revenues:

- Enrollment/ADA – stayed flat for 2016-17, and is projected to stay the same in 2017-18
- Local Control Funding Formula - BUSD
 - \$2.9 Million additional funding for GF
 - \$2.5M GF; \$477K Supplemental
- One time Unrestricted funds \$2.5M – deferred to May 2019
- Federal funded program reductions range from 10% to 25%
- CTE (formerly ROP) now fully funded by General Fund
- Assumes COLA revenue increases of 1.56% in 17-18, 2.15% in 2018-19, and 2.35% in 2019-20
- Assumes Mandate Block Grant Revenue of \$28 per ADA in grades K-8, and \$56 per ADA in grades 9-12
- Lottery is projected to be \$144 per ADA base and \$45 per ADA for Prop 20 portion

Budget Assumptions 2017-18



Expenditure Reductions - Ongoing	2016-17	2017-18	2018-19	2019-20
Measure S Savings Solar		\$200,000	\$200,000	\$200,000
Workers Compensation		\$300,000	\$200,000	\$200,000
Property & Liability Insurance New JPA		-\$80,000	-\$80,000	-\$80,000
Transfer FACTS program to Adult Education		\$500,000	\$500,000	\$500,000
Special Ed Program Aug		-\$252,000	-\$252,000	-\$252,000
VoIP telephone savings			\$348,000	\$348,000
Measure S Savings LED			\$100,000	\$100,000
Unspent GF Dollars: Copiers	\$135,000	\$135,000	\$135,000	\$135,000
Postage	\$65,000	\$65,000	\$65,000	\$65,000
Legal	\$180,000	-0-	-0-	-0 ^e

Budget Assumptions 2017-18



Temporary Expenditure Reduction- Adopted Budget	2016-17	2017-18	2018-19	2019-20
Routine Restricted Maint: 2.5%, and 2.5%		\$817,751	\$817,751	\$817,751
Reduce Def Maint Transfer		\$382,900	\$382,900	\$382,900
Reduce OPEB Trust Funding		\$240,000	\$240,000	\$240,000
Temp Remove Vacation Liability				\$393,360
One-time sweep PIP Bal				\$400,000

Remaining One-Time Money set aside for 2017-18



Textbooks & Collaboration	\$396,000
HS Stage Modifications	\$40,000
Safety Plans and Security Camera's	\$131,000
HP Database	\$130,000
Contingency	\$63,000
Total	\$760,000

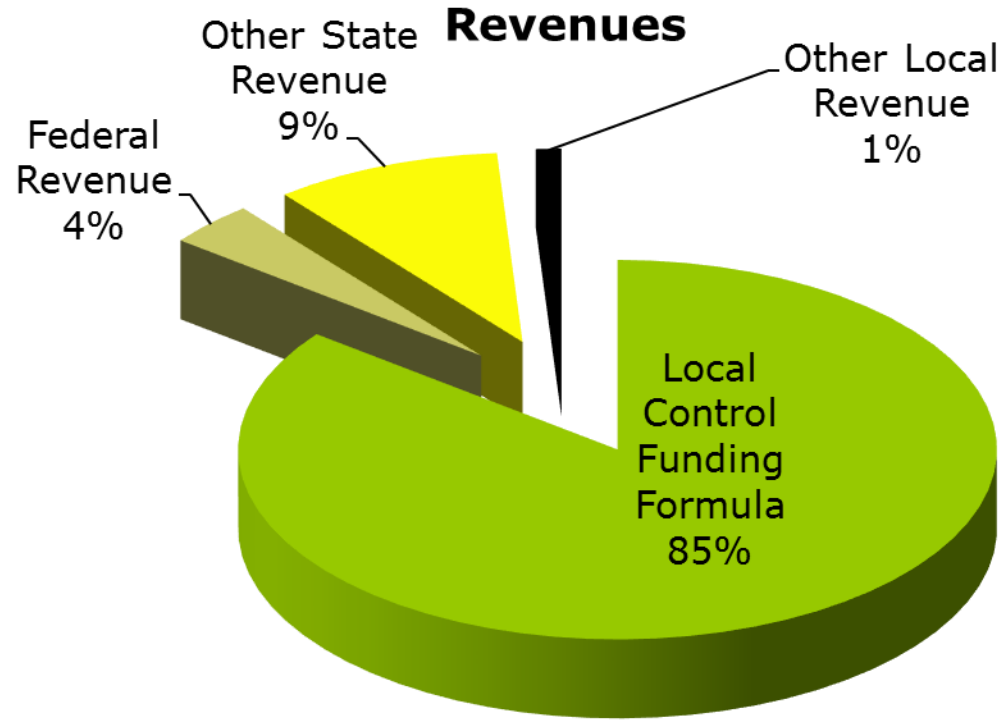
General Fund

2017-18 Adopted Budget

	Unrestricted	Restricted	Combined
Revenues	127,972,128	18,203,682	146,175,810
Expenditures	(112,245,711)	(37,428,419)	(149,674,130)
Transfers Out/Other Uses	(19,383,405)	19,224,737	(158,668)
Net Gain/(Loss)	(3,656,988)	0	(3,656,988)
Beginning Fund Balance	14,269,385	0	14,269,385
Ending Fund Balance	10,612,397	0	10,612,397

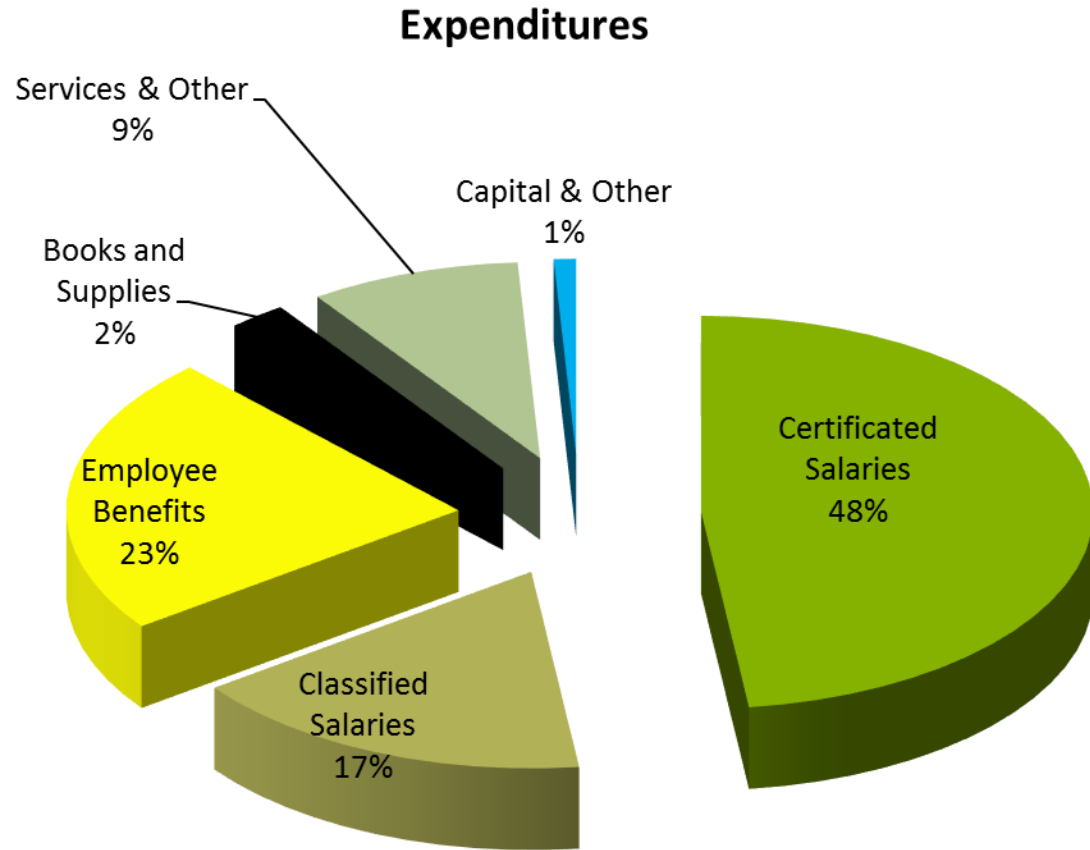
2017-18

Proposed
General
Fund
Revenue
Summary



2017-18

Proposed
General
Fund
Expenditure
Summary



88% is employee
compensation

General Fund Multi-Year Projection

Unrestricted/Restricted

	2017-18	2018-19	2019-20
Revenues/ Transfers In	146,175,810	153,634,663	154,790,389
Expenditures/ Transfers Out	149,674,130	153,430,343	156,605,279
Net Increase (Decrease)	(3,656,988)	(133,818)	(2,042,376)
Beginning Fund Balance	14,269,385	10,612,397	10,746,215
Ending Fund Balance	10,612,397	10,746,215	8,703,839

General Fund - Reserves

2017-18 Adopted Budget

Reserves in Excess of Minimum	2016-17	2017-18	2018-19	2019-20
Ending Fund Balance	14,269,385	10,612,397	10,746,215	8,703,839
Non Spendable	101,090	101,090	101,090	101,090
REU 3%	4,934,534	4,494,984	4,605,025	4,704,983
Board REU 3%	4,934,534	4,494,984	0	0
Assigned -One time unspent/deferred	760,000	0	2,505,290	2,505,290
Spec Ed Program Expansion	0	252,000	0	0
LCAP Suppl Cumulative	465,842	540,234	1,052,701	1,260,852
Vacation Liability	393,360	393,360	393,360	0
Unassigned Fund Balance	2,681,056	336,775	2,089,779	132,654

LCFF 2017-18 New Base Dollars and New GF Expenditures

	2016-17 Unrestricted	2017-18 Unrestricted	2018-19 Unrestricted	2019-20 Unrestricted
Total LCFF Funding	5,975,180	2,997,191	4,475,464	3,661,106
Less Cost for:				
STRS	1,406,561	1,330,657	1,351,237	1,370,658
PERS	521,743	415,439	659,970	704,541
Step/Column	1,396,948	1,455,130	1,455,130	1,455,130
Dual Immersion	150,000	150,000	75,000	-0-
CSR (GSA)	80,000	160,000	-0-	-0-
Contribution Chg:				
Restricted Maint	266,002	(748,857)	208,378	75,449
Special Ed	3,343,369	(118,472)	-0-	-0-
LCAP Supplemental	1,309,595	477,683	647,320	346,746
Total	(2,499,038)	(124,269)	71,844	(300,312)



Other Funds 2017-18

Fund	Beginning Balance	Revenues	Expenses	Ending FB
Adult Education – Fund 11	\$4,463,949	\$3,255,626	\$3,900,819	\$3,818,756
Child Development – Fund 12	\$0	\$6,040,001	\$6,040,001	\$0
Cafeteria Enterprise – Fund 13	\$286,175	\$3,812,211	\$3,840,773	\$257,613
Deferred Maintenance – Fund 14	\$4,207,345	\$655,646	\$473,346	\$4,389,645
Building Fund – Fund 21	\$33,086,977	\$477,882	\$13,399,474	\$20,165,385



Other Funds 2017-18

Fund	Beginning Balance	Revenues	Expenses	Ending FB
Capital Facilities – Fund 25	\$2,130,936	\$330,811	\$159,762	\$2,301,985
Special Reserve for Capital Outlay – Fund 40	\$2,978,427	\$271,021	\$87,869	\$3,161,579
Pay-as-you-go OPEB – Fund 67	\$404,088	\$1,052,584	\$1,135,493	\$321,179
OPEB Trust – Fund 71	\$7,037,852	\$1,173,505	\$7,494	\$8,203,863
Total Other Funds	\$54,595,749	\$17,069,287	\$29,045,031	\$42,620,005

BUSD Excess Reserves

2017-18

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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

2017-18 Adopted Budget

Reserves in Excess of Minimum	2016-17	2017-18	2018-19	2019-20
Ending Fund Balance	14,269,385	10,612,397	10,746,215	8,703,839
Non Spendable	100,060	100,060	100,060	100,060
REU 3%	4,934,532	4,494,984	4,605,025	4,704,983
Board REU 3%	4,934,532	4,494,984	-0-	-0-
Assigned 2017-18 One time funds Carryover and Deferred		760,000	2,505,290	2,505,290
Spec Ed Program Aug	-0-	252,000	-0-	-0-
LCAP Supplemental cumulative	465,842	540,234	1,052,701	1,260,852
Vacation Liability	393,360	393,360	393,360	-0-
Unassigned Fund Balance	2,681,056	336,776	2,089,779	132,654

Reasons for Fund balances in Excess of REU 2017-18



- Protection against volatility of State revenues
 - Currently strong due to Real Estate and Stock Market
 - GAP funding increasing to 97% in 2017/18. When fully funded 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 2017-18

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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 **\$19,848,495** approximately 24% 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 2017-18 Budget

□ ***Questions***

□ ***Comments***