



Vallecitos School District

5211 Fifth Street • Rainbow, CA 92028 • (760) 728-7092 • FAX (760) 728-7712

"A community school where we learn to achieve our dreams"

2018-19 BUDGET ADOPTION

LOCAL CONTROL FUNDING FORMULA (LCFF)

- ▶ This is the fourth year of the LCFF. The LCFF replaced revenue limits and over 40 State categorical programs, including the Class Size Reduction program for kindergarten through 3rd grade. The LCFF includes a Base Grant, grade level adjustments, supplemental, and concentration grants. The funding formula was designed to improve local flexibility, transparency and equity.
- ▶ The LCFF base grant is the same for every school district with adjustments based on grade levels. The formula also includes a supplemental grant and a concentration grant. The supplemental grants address the needs of English Learners, low income, and foster youth.

LOCAL CONTROL ACCOUNTABILITY PLAN (LCAP)

- ▶ The LCAP must describe annual goals that address state and local priorities for all students: including, low-income, youth English Learners, and foster youth. The plan must also describe the services and/or actions to achieve the goals and budget expenditures to support those services and/or actions. In addition, the plan must address eight state priorities through conditions of learning, pupil outcomes, and engagement.

BUDGET ASSUMPTIONS

	2017-18 ESTIMATED ACTUALS	2018-19 PROPOSED BUDGET	2019-20 PROJECTED BUDGET	2020-21 PROJECTED BUDGET
<u>REVENUE</u>				
1. ENROLLMENT ESTIMATES	209	216	216	216
2. AVERAGE DAILY ATTENDANCE	201.69	201.69	201.69	201.69
3. UNDUPLICATED COUNT	191	191	191	191
4. STATUTORY COLA	1.56%	3.00%	2.57%	2.67%
5. GAP FUNDING	45.17%	100.00%	100.00%	100.00%
5. LOTTERY				
Unrestricted	\$146.00	\$146.00	\$146.00	\$146.00
Restricted	\$48.00	\$48.00	\$48.00	\$48.00
6. MANDATED BLOCK GRANT				
K - 8th Grade	\$30.34	\$31.16	\$31.16	\$31.16
<u>EXPENDITURES</u>				
1. FRINGE BENEFIT RATES (EMPLOYER)				
STRS State Teachers Retirement System	14.430%	16.280%	18.130%	19.100%
PERS Public Employee Retirement System	15.531%	18.062%	20.800%	23.500%
Social Security	6.200%	6.200%	6.200%	6.200%
Medicare	1.450%	1.450%	1.450%	1.450%
SUI State Unemployment Insurance	0.050%	0.050%	0.050%	0.050%
Workers Compensation	1.840%	1.840%	1.840%	1.840%
2. EMPLOYEE SALARY STEP INCREASES				
Certificated	2.06%	2.06%	2.06%	2.06%
Classified	2.06%	2.06%	2.06%	2.06%

2018-19 PROPOSED BUDGET

UNRESTRICTED

Beginning Fund Balance	\$	1,014,346
Revenue		2,289,851
Expenditures		2,110,784
Net Increase/Decrease		15,757
Ending Fund Balance	\$	1,030,103

RESTRICTED

Beginning Fund Balance	\$	0
Revenue		521,075
Expenditures		609,385
Contributions		88,310
Ending Fund Balance	\$	0

2017-18 General Fund Balance

Beginning Fund Balance	\$	1,014,346
Revenue		2,810,926
Expenditures		2,795,169
Net Increase/Decrease		15,757
Ending Fund Balance	\$	1,030,103

Multi-Year Projection

	FY 2018-19	FY 2019-20	FY 2020-21
Beginning Fund Balance	\$ 1,014,346	\$ 1,030,103	\$ 1,022,866
Revenue	2,810,926	2,807,790	2,858,348
<u>Expenditures</u>	<u>2,795,169</u>	<u>2,740,027</u>	<u>2,812,914</u>
Net Increase/Decrease	15,757	(7,237)	(29,556)
Ending Fund Balance	\$ 1,030,103	\$ 1,022,866	\$ 993,310

Minimum Reserves Per Ed Code

Combined Assigned and Unassigned/unappropriated Fund Balances			
Form	Fund		2018-19 Budget
01	General Fund/County School Service Fund		\$1,030,103.77
17	Special Reserve Fund for Other Than Capital Outlay Projects		\$151,728.12
	Total Assigned and Unassigned Ending Fund Balances		\$1,181,831.89
	District Standard Reserve Level		5%
	Less District Minimum Reserve for Economic Uncertainties		\$139,758.00
	Remaining Balance to Substantiate Need		\$1,042,073.89

Reasons for Fund Balances in Excess of Minimum Reserve for Economic Uncertainties				
Form	Fund		2018-19 Budget	Description of Need
01	General Fund/County School Service Fund		\$125,000.00	New Playground Equipment
01	General Fund/County School Service Fund		\$455,345.77	Additional set-aside for EU Payroll
01	General Fund/County School Service Fund		\$150,000.00	Replace Telephone System, Tech Systems
01	General Fund/County School Service Fund		\$160,000.00	Facilities Upgrades and Campus Security Project
01	General Fund/County School Service Fund			Note: Board recommendation of Fund Balance available reserves of at least 10% of total general fund expenditures.
17	Special Reserve Fund for Other Than Capital Outlay Projects		\$151,728.12	Facilities Improvements
17	Special Reserve Fund for Other Than Capital Outlay Projects			
	Total of Substantiated Needs		\$1,042,073.89	

Retirement - Employer Rate Increases

YEAR	STRS	PERS
2014-15	8.80%	11.77%
2015-16	10.73%	11.85%
2016-17	12.58%	13.89%
2017-18	14.43%	15.53%
2018-19	16.28%	18.10%
2019-20	18.13%	20.80%
2020-21	19.10%	23.80%
Change	117.05%	102.21%

CHILD DEVELOPMENT

	2017-18	2018-19	2019-20	2020-21
	ESTIMATED	PROPOSED	PROJECTED	PROJECTED
	ACTUALS	BUDGET	BUDGET	BUDGET
A. REVENUES				
Other State Revenues	85,219	82,081	82,081	82,081
Other Local Revenues	50	110	110	110
TOTAL, REVENUES	85,269	82,191	82,191	82,191
B. EXPENDITURES				
Certificated Salaries	1,560	960	960	960
Classified Salaries	49,500	49,500	49,500	49,500
Employee Fringes	20,087	16,131	16,131	16,131
Materials & Supplies	1,339	500	500	500
Services & Other Operating Expenditures	12,783	15,100	15,100	15,100
TOTAL, EXPENDITURES	85,269	82,191	82,191	82,191
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	0	0	0	0
D. OTHER FINANCING SOURCES/USES	0	0	0	0
E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)	0	0	0	0
F. FUND BALANCE, RESERVES				
1) Beginning Balance as of July 1	3,930	3,930	3,930	3,930
2) Ending Balance, June 30 (E + F1)	3,930	3,930	3,930	3,930

SPECIAL RESERVE FUND

	2017-18	2018-19	2019-20	2020-21
	ESTIMATED	PROPOSED	PROJECTED	PROJECTED
	ACTUALS	BUDGET	BUDGET	BUDGET
A. REVENUES				
Other Local Revenues	75,430	75,500	75,500	75,500
TOTAL, REVENUES	75,430	75,500	75,500	75,500
B. EXPENDITURES				
Services & Other Operating Expenditures	0	0	0	0
TOTAL, EXPENDITURES	0	0	0	0
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	75,430	75,500	75,500	75,500
D. OTHER FINANCING SOURCES/USES	0	0	0	0
E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)	75,430	75,500	75,500	75,500
F. FUND BALANCE, RESERVES				
1) Beginning Balance as of July 1	75,798	151,228	226,728	302,228
2) Ending Balance, June 30 (E + F1)	151,228	226,728	302,228	377,728

Note: Special Reserve fund is budgeted to include projected facilities needs, in addition to potential emergency and

other unforeseen district needs. (i.e. Failed septic system in 2017 projected cost; +/- \$500k)

CAPITAL FACILITIES

	2017-18 ESTIMATED ACTUALS	2018-19 PROPOSED BUDGET	2019-20 PROJECTED BUDGET	2020-21 PROJECTED BUDGET
A. REVENUES				
Other Local Revenues	15,079	13,550	13,550	13,550
TOTAL, REVENUES	15,079	13,550	13,550	13,550
B. EXPENDITURES				
Services & Other Operating Expenditures	20,000	13,550	13,550	13,550
TOTAL, EXPENDITURES	20,000	13,550	13,550	13,550
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,921)	0	0	0
D. OTHER FINANCING SOURCES/USES	0	0	0	0
E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)	(4,921)	0	0	0
F. FUND BALANCE, RESERVES				
1) Beginning Balance as of July 1	22,733	22,733	22,733	22,733
2) Ending Balance, June 30 (E + F1)	17,812	22,733	22,733	22,733

WHAT'S AHEAD

- In 2017-18, Vallecitos School District submitted financial and facilities hardship applications to the state for the septic system replacement. The process is almost complete and we anticipate receiving funding within about a year.
- A combination of one-time funding and donation receipts are anticipated to fund a basic playground equipment purchase and installation.
- Title funding is anticipated to fund a much-needed social worker position for intervention and services for our most vulnerable students and families needing support.
- Expenditure reductions have been made in both 2019/20 and 2020/21 to mitigate deficit spending; even with some budget reductions, the 2020/21 year is anticipated to have deficit spending of about \$30k. Necessary budget adjustments will be made to reflect the final approved State budget.
- We will continue to monitor the economy in the state and the nation for potential impact on the District budget.
- Governor's May Revise Economic Outlook; "The main risks to the California economic outlook have intensified, including a stock market correction, an eventual U.S. recession, and geopolitical risks that affect U.S. growth."

Certification

- ▶ The ending fund balance summary shows that the District will have a positive fund balance for the current year; therefore the District is certifying as positive for the 2018/19 Budget Adoption. The 2020/21 fiscal year shows projected deficit spending and as a result, District will monitor outyear budgets in relation to State budget and economic climate during the upcoming fiscal year.

It is recommended the board
approve the Proposed 2018-2019
Fiscal Year Budget

Thank you!



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