



Evergreen
School District

Budget Update

Budget Advisory Committee
March 2, 2017

LCFF Assumptions

| Item | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|-----------------|-----------------|-----------------|-----------------|
| LCFF Gap Funding Percentage | 55.28% | 23.67% | 53.85% | 68.94% |
| COLA | 0% | 1.48% | 2.40% | 2.53% |
| District Enrollment | 11,820 | 11,367 | 10,928 | 10,498 |
| Average Daily Attendance (ADA) | 11,472 | 11,033 | 10,606 | 10,190 |
| LCFF Funded ADA Include County ADA | 12,077 | 11,587 | 11,148 | 10,721 |
| LCFF Per ADA (Average) | \$7,970 | \$8,090 | \$8,347 | \$8,639 |
| Supplemental grant funding | \$7.47 M | \$7.17 M | \$6.87 M | \$6.73 M |

Major Other Revenue Assumptions

- LCFF revenue based on Department of Finance (DOF) January 2017 projection
- One time discretionary funds \$214 per ADA in 2016-17 (\$2.56M); \$48 per ADA in 2017-18 (\$0.56M)
- Parcel Taxes (\$2.4M) expired June, 2019
- Revenue contribution to Routine Restricted Maintenance Account (RRMA) at 2014-15 contribution level (\$2.66M) in 2017-18; contribution at 2.4% of general fund expenditures in 2018-19 & 2019-20

Major Expenditure Assumptions

- Declined enrollment in future years based on demographer's December 2016 enrollment projection report
 - 2016-17 reduce 462 students; reduce 37.5 teachers (as 9/16/2016)
 - 2017-18 reduce 453 students; reduce 12 teachers
 - 2018-19 reduce 439 students; reduce 14 teachers
 - 2019-20 reduce 430 students; reduce 14 teachers
- \$0.86 M step/column salary increases in future years for all groups
- SERP savings included in future years
- Salary increase status quo (subject to negotiation)
- Health benefits 5% cost increase projected in future years
- Reduce programs and staffs (10.72 FTE) paid by Parcel taxes in 2019-20

Major Expenditure Assumptions

- Proportionality requirement met, spend supplemental grant for students in need. Expenditures budgeted under supplemental grant 1590, 1591, 1592, 1593, 1594, 1595, 1596 and 1597
 - 2016-17 \$7,786,328
 - 2017-18 \$7,978,661
 - 2018-19 \$8,127,538
 - 2019-20 \$8,279,349
- Increase retirement contributions for STRS and PERS

| Years | STRS Rate | \$ increase from prior year | PERS rate | \$ increase from prior year |
|---------|-----------|-----------------------------|-----------|-----------------------------|
| 2016-17 | 12.58% | \$1,620,016 | 13.89% | \$211,054 |
| 2017-18 | 14.43% | \$1,594,423 | 15.80% | \$202,370 |
| 2018-19 | 16.28% | \$1,579,736 | 18.70% | \$306,942 |
| 2019-20 | 18.13% | \$1,555,746 | 21.60% | \$301,263 |

Detail of 2016-17 Reserve

- 3% required minimum reserve is \$3,390,999
- The amount in excess of minimum reserve is \$15,481,551. Excess reserve is needed for the following:
 - PERS/STRS contribution rate increases
 - Projected future enrollment decline
 - Deficit spending in the future years

| | 2/1/2017 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|-------------------------------------|----------|-------------|-------------|-------------|-------------|-------------|--------------|
| | | ACTUAL | ACTUAL | BUDGET | BUDGET | BUDGET | BUDGET |
| SUMMARY | | | | | | | |
| TOTAL REVENUES | | 103,340,085 | 122,235,917 | 116,917,751 | 112,211,517 | 111,494,434 | 109,193,076 |
| TOTAL EXPENDITURES | | 105,007,151 | 114,149,446 | 113,033,285 | 115,484,758 | 118,150,331 | 119,619,102 |
| SURPLUS/(DEFICIT) | | (1,667,065) | 8,086,471 | 3,884,466 | (3,273,241) | (6,655,897) | (10,426,026) |
| BEGINNING BALANCE | | | | | | | |
| UNRESTRICTED | | 11,946,220 | 10,356,533 | 18,817,642 | 23,163,630 | 19,894,072 | 13,149,954 |
| RESTRICTED | | 3,672,420 | 3,595,042 | 3,220,404 | 2,758,882 | 2,755,200 | 2,843,421 |
| ENDING BALANCE | | 13,951,575 | 22,038,046 | 25,922,512 | 22,649,271 | 15,993,375 | 5,567,349 |
| COMPONENTS OF ENDING BALANCE | | | | | | | |
| A) NONSPENDABLE | | | | | | | |
| 1 REVOLVING CASH | | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| 2 STORES | | 49,504 | 39,664 | 39,664 | 39,664 | 39,664 | 39,664 |
| 3 PREPAID EXPENDITURES | | 1,360,418 | 1,236,417 | 1,236,417 | 1,236,417 | 1,236,417 | 1,236,417 |
| B) RESTRICTED | | | | | | | |
| MAIN. RESERVES | | 299,508 | 299,508 | 239,068 | 110,470 | 100,710 | 70,825 |
| RESTRICTED | | 3,295,534 | 2,920,896 | 2,519,814 | 2,644,730 | 2,742,711 | 2,827,965 |
| C) COMMITTED | | | | | | | |
| STABILIZATION ARRANGEMENTS | | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER COMMITMENTS | | 0 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 |
| D) ASSIGNED | | | | | | | |
| OTHER ASSIGNMENTS | | 24,746 | 34,350 | 0 | 0 | 0 | 0 |
| E) UNASSIGNED/UNAPPROPRIATED | | | | | | | |
| RESERVE FOR ECO. UNCERTAINTIES | | 3,150,215 | 3,424,483 | 3,390,998 | 3,464,542 | 3,544,510 | 3,588,573 |
| UNASSIGNED/UNAPPROPRIATED | | 5,756,651 | 11,067,728 | 15,481,551 | 12,138,448 | 5,314,363 | (5,211,096) |
| | | 13,951,575 | 22,038,046 | 25,922,512 | 22,649,271 | 15,993,375 | 5,567,348 |
| UNRESTRICTED (DEFICIT)/SURPLUS | | (1,589,687) | 8,461,109 | 4,345,988 | (3,269,559) | (6,744,118) | (10,481,396) |
| % of AVAILABLE RESERVE | | 8.48% | 12.70% | 16.70% | 13.51% | 7.50% | -1.36% |

February Operational Budget Compare with 1st Interim Budget

| FY 2016-17 | | | | | | | 2/9/2017 | | | | | |
|--------------------------------------|-----------------------------|--------------|-------------|---------------------|--------------|-------------|-------------------------|--------|-----------------------|--------|------------------|--|
| A | B 1st Interim Budget update | | | C Feb Budget update | | | D VARIANCE | | | | | |
| | E Unrestricted | F Restricted | G Total | H Unrestricted | I Restricted | J Total | K Unrestricted Variance | L Note | M Restricted Variance | N Note | O Total Variance | |
| 1 Revenue Detail | | | | | | | | | | | | |
| 2 LCFF | 96,188,085 | - | 96,188,085 | 96,248,186 | - | 96,248,186 | 60,101 | 1 | - | | 60,101 | |
| 3 Federal Revenue | - | 4,540,045 | 4,540,045 | - | 4,540,045 | 4,540,045 | - | | - | | - | |
| 4 Other State Revenue | 4,724,211 | 5,857,392 | 10,581,603 | 4,724,211 | 5,857,392 | 10,581,603 | - | | - | | - | |
| 5 Other Local Revenue | 3,349,382 | 2,198,535 | 5,547,917 | 3,349,382 | 2,198,535 | 5,547,917 | - | | - | | - | |
| 6 Total Revenue | 104,261,678 | 12,595,972 | 116,857,650 | 104,321,779 | 12,595,972 | 116,917,751 | 60,101 | | - | | 60,101 | |
| 7 Expenditure Detail | | | | | | | | | | | | |
| 8 Certificated | 49,967,150 | 6,829,023 | 56,796,173 | 49,835,450 | 6,705,787 | 56,541,237 | (131,700) | 2 | (123,236) | 2 | (254,936) | |
| 9 Classified | 7,857,470 | 2,947,152 | 10,804,622 | 7,793,470 | 2,946,652 | 10,740,122 | (64,000) | 2 | (500) | 2 | (64,500) | |
| 10 Employee Benefits | 22,942,304 | 7,963,572 | 30,905,876 | 22,848,704 | 7,921,572 | 30,770,276 | (93,600) | 2 | (42,000) | 2 | (135,600) | |
| 11 Books & Supplies | 2,537,530 | 2,541,125 | 5,078,655 | 2,398,977 | 2,432,269 | 4,831,246 | (138,553) | 3 | (108,856) | 3 | (247,409) | |
| 12 Services, Other Operating | 4,021,152 | 4,732,491 | 8,753,643 | 3,703,625 | 4,553,847 | 8,257,472 | (317,527) | 4 | (178,644) | 4 | (496,171) | |
| 13 Capital Outlay | - | - | - | - | - | - | - | | - | | - | |
| 14 Other Outgo | 707,088 | 1,390,000 | 2,097,088 | 707,088 | 1,290,000 | 1,997,088 | - | | (100,000) | 5 | (100,000) | |
| 15 Direct Support/Indirect | (298,543) | 194,387 | (104,156) | (298,543) | 194,387 | (104,156) | - | | (0) | | (0) | |
| 16 Total Expenditures | 87,734,151 | 26,597,750 | 114,331,900 | 86,988,771 | 26,044,514 | 113,033,285 | (745,380) | | (553,236) | | (1,298,616) | |
| 17 Excess/(Deficiency) | 16,527,527 | (14,001,778) | 2,525,749 | 17,333,008 | (13,448,542) | 3,884,466 | 805,481 | | 553,236 | | 1,358,717 | |
| 18 Other Financing Sources/Uses | | | | | | | | | | | | |
| 19 Transfers In | - | - | - | - | - | - | - | | - | | - | |
| 20 Transfers Out | - | - | - | - | - | - | - | | - | | - | |
| 21 Other Sources | - | - | - | - | - | - | - | | - | | - | |
| 22 Other Uses | - | - | - | - | - | - | - | | - | | - | |
| 23 Contributions | (13,440,256) | 13,440,256 | - | (12,987,020) | 12,987,020 | - | 453,236 | | (453,236) | | - | |
| 24 Total Other Sources/Uses | (13,440,256) | 13,440,256 | - | (12,987,020) | 12,987,020 | - | 453,236 | | (453,236) | | - | |
| 25 Net Inc/Dec to Fund Balance | 3,087,271 | (561,522) | 2,525,749 | 4,345,988 | (461,522) | 3,884,466 | 1,258,717 | | 100,000 | | 1,358,717 | |
| 26 Beginning Balance | 18,817,642 | 3,220,405 | 22,038,047 | 18,817,642 | 3,220,405 | 22,038,047 | - | | - | | - | |
| 27 Ending Balance | 21,904,913 | 2,658,883 | 24,563,796 | 23,163,630 | 2,758,883 | 25,922,513 | 1,258,717 | | 100,000 | | 1,358,717 | |
| 28 Components of Ending Fund Balance | | | | | | | | | | | | |
| 29 Revolving Cash | 15,000 | - | 15,000 | 15,000 | - | 15,000 | - | | - | | - | |
| 30 Stores | 39,664 | - | 39,664 | 39,664 | - | 39,664 | - | | - | | - | |
| 31 Prepaid Expenditures | 1,236,417 | - | 1,236,417 | 1,236,417 | - | 1,236,417 | - | | - | | - | |
| 32 Restricted | - | 2,658,883 | 2,658,883 | - | 2,758,883 | 2,758,883 | - | | 100,000 | | 100,000 | |
| 33 Committed | 3,000,000 | - | 3,000,000 | 3,000,000 | - | 3,000,000 | - | | - | | - | |
| 34 Other Assigned | - | - | - | - | - | - | - | | - | | - | |
| 35 Reserve for Economic Uncertain | 3,429,957 | - | 3,429,957 | 3,390,999 | - | 3,390,999 | (38,958) | | - | | (38,958) | |
| 36 Undesignated | 14,183,875 | - | 14,183,875 | 15,481,550 | - | 15,481,550 | 1,297,675 | | - | | 1,297,675 | |
| 37 Total | 21,904,913 | 2,658,883 | 24,563,796 | 23,163,630 | 2,758,883 | 25,922,513 | 1,258,717 | | 100,000 | | 1,358,717 | |
| 38 Percentage | 15.41% | | | 16.70% | | | | | | | | |

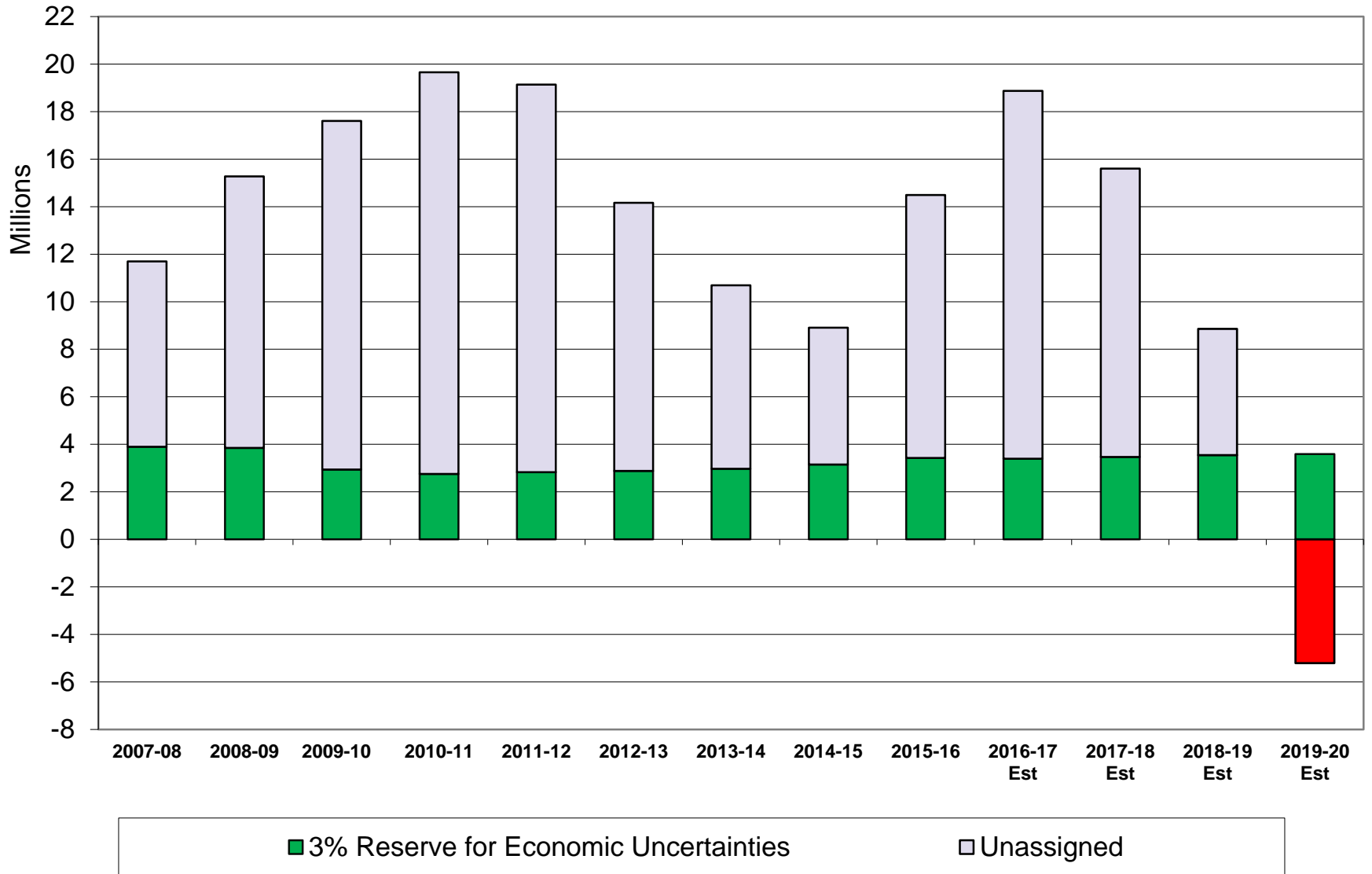
Note : Changes to October Projection Report

- Update LCFF revenue based on Governor's January proposals
- Reduce salary and benefits saving due to vacant positions and late hired
- Reduce book and supply budgets based on year-to-date expenditures & encumbered
 - Reduce workbook budget by \$100,000
 - Reduce Misc supplies budget by \$147,409
- Reduce contract service budgets based on year-to-date expenditures & encumbered
 - Reduce property liability insurance budgets by \$110,000
 - Reduce copier maintenance budgets by \$100,000
 - Reduce County election cost budgets by \$33,000
 - Reduce non-public school and no-public agency budgets by \$190,000
 - Reduce Misc contract services budgets by \$63,171
- Reduce County special education excess costs by \$100,000 due to prior year refund

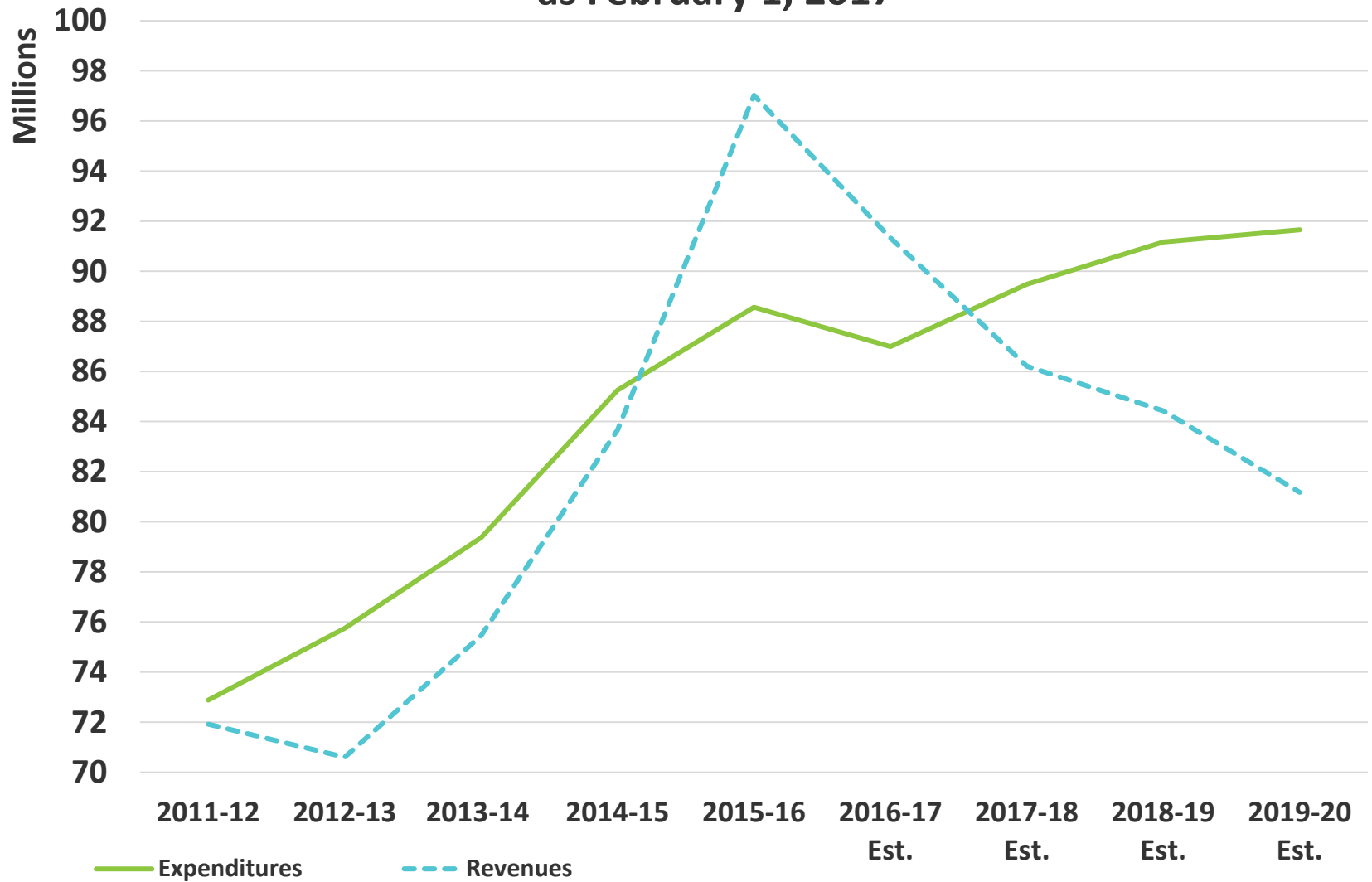
Restricted Fund Balance Detail:

| | |
|----------------------------------|--------------------|
| Medi-cal | 269,902 |
| California Clean Energy Job Act | 432,853 |
| Lottery: Instructional Materials | 100,000 |
| Special Ed: Mental Health Serve | 1,617,060 |
| RMA Maintenance Account | 239,068 |
| Local Donations | 100,000 |
| Total | \$2,758,883 |

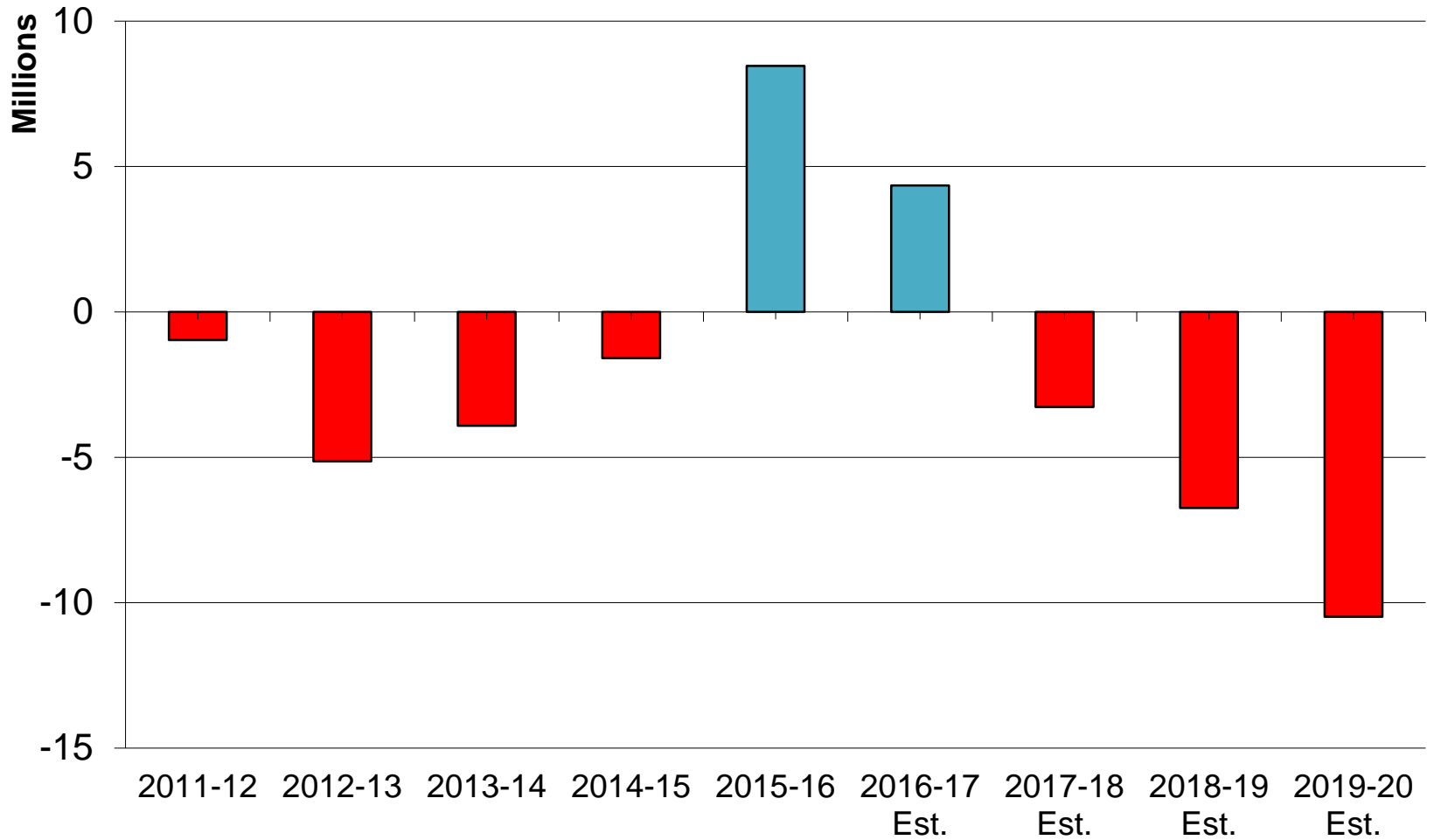
General Fund Unrestricted Reserves as February 1, 2017



General Fund Unrestricted Expenditure and Revenue as February 1, 2017



Unrestricted Operating Deficit and Surplus as February 1, 2017





Evergreen School District

From strong roots grow bright futures

Questions?