



Budget  
Workshop  
Feb. 11<sup>th</sup>, 2019

# Overview

*Guiding Principles: A Budget Shows What an Organization VALUES \*Budget Reductions are an OPPORTUNITY to REASSES What is the Most Valuable \* INSIDE-OUT: STUDENTS AT THE CENTER*



- Review of General Budget Components
- Review of Current Budget
- Reasons Why our Budget is Negative
- Review of Governor's Proposal and How it Will Impact our Budget
- Review of Reduction Scenarios
- Review of Process for Budget Input
- Q & A



# BUDGET CYCLE

SCHOOL DISTRICT: JULY 1-JUNE 30  
DECEMBER: MID-YEAR; MARCH; JUNE BOARD  
ADOPTION FOR FOLLOWING YEAR  
3 YEAR BUDGETS REQUIRED

STATE CYCLE: JANUARY GOVERNOR'S  
BUDGET PROPOSAL; MAY REVISE; BUDGET  
ADOPTED BY THE STATE

# Budgets

## UNRESTRICTED GENERAL FUND

- Most goes to personnel
- Required 3% Reserve: State Law (3% for Districts with 1,001-30k ADA)
- Board Policy Reserve: best practice (range from 0%-20%; PUSD is 3%)
- Bargain on UGF: But any positions out of Restricted funds pay for those increases/benefits

## RESTRICTED

- Supplemental and Concentration (LCAP)
- Title 1, Title 2, Title 3
- Pre-School
- CTE
- Restricted Maintenance
- Bonds: Can only be used for our identified facilities projects
- Parcel tax: Arts, Music, Athletics
- Adult Ed
- Special Ed: NOT ADEQUATE!
  - General Fund Contribution



2018-2019 First Interim  
Unrestricted General Fund  
Multiyear Projection



	2018-2019	2019-2020	2020-2021
<b>REVENUES AND OTHER FINANCING SOURCES</b>			
<b>Total Revenue</b>	\$ 82,499,736.62	\$ 80,120,824.62	\$ 82,381,037.62
<b>EXPENDITURES AND OTHER FINANCING USES</b>			
<b>Total Expenditures</b>	\$ 86,876,814.89	\$ 84,775,107.55	\$ 86,699,374.55
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>			
	\$ (4,377,078.27)	\$ (4,654,282.93)	\$ (4,318,336.93)
<b>FUND BALANCE</b>			
Ending Fund Balance	\$ 9,070,188.56	\$ 4,415,905.63	\$ 97,568.70
Stabilization Arrangements- Board Policy 3%	\$ 4,363,041.01	\$ -	\$ -
Reserve for Economic Uncertainties 3%	\$ 4,707,147.55	\$ 4,470,056.84	\$ 4,530,413.72
Unassigned/Unappropriated	\$ 0	\$ (54,151.21)	\$ (4,432,845.02)

# Why is our Budget Negative?



- The State of California Does not Fund Education Adequately:
  - California is the 5<sup>th</sup> largest Economy and is 41<sup>st</sup> in the Nation in the amount it spends Per Pupil Funding (ADA)
  - <http://www.fullandfairfunding.org>
- Increase in Pension Contributions (CalSTRS, CalPERS)
- Inadequate funding from State and National; Increased Costs for Serving Students with Disabilities (Approx one-third of the costs; rest comes from general fund contribution)
- Lower District Enrollment for 2018-2019 than projected...lower enrollment projections for outgoing years

# What happens when your budget is in the “RED”



- Budgets must be submitted for 3 years
- Budgets are approved by the County Office Of Ed
- Interim Budgets receive certifications/ District meets its financial obligations:
  - Positive: current and two subsequent fiscal years
  - Qualified: may not meet financial obligations in one or more of the years
  - Negative: will not be able to meet financial obligations for current or subsequent fiscal year

Consequences: FCMAT will come in to a district with 3 consecutive qualified interims; a negative interim; a disapproved budget, “lack of on-going concern” by County

# What is not in this budget



We will receive this:

- Low Performing Student Grant
  - Approximately 744k
  - Received half
  - Must be spent by 2021
- Governor's *Proposal: we will not know this for certain until State budget is adopted*
- An increase to the COLA (3.46%)
- An approximate one percent decrease in CALSTRS pension contribution
- Some funds for Special Education: preventative; not yet identified



# Other Info from Governor's State Budget Proposal



- Early Education and Health Focus: Great!  
Does not include money for school districts  
(other than some facilities grant opportunities for full-day kinder)
- No additional money for CTE
  - PUSD applies for grant funds; COE has reduced by 130k
- No more one-time discretionary funds
  - Ex: 2018-19: \$184 per ADA  
2017-2018: \$147 per ADA  
2016-2017: \$214 per ADA  
2015-2016: \$530 per ADA

# Scenarios

- Review Different Time Frames and Reduction Amounts
- As you review, add any questions/thoughts to poster



# Process



- **Identify budget reductions in current year**
  - **Tighten up!**
- **LCAP Process Feedback, add budget piece**
- **Budget Meetings**
  - **Every Board Meeting has an Update**
  - **Budget Workshop: Monday, February 11<sup>th</sup> Scenarios**
- **Board Advisory Committee**
- **Timeline: Identify reductions for 2019 by March 15<sup>th</sup>**
- **2<sup>nd</sup> Interim due March 15<sup>th</sup>**



Q&A