

Proposed 2018-2019 Budget for Adoption



MARYSVILLE JOINT UNIFIED SCHOOL DISTRICT
June 19, 2018



2018-19 Budget Topics

- MJUSD remains financially sound in current and future years although there are issues to be addressed
- Proposed budget (May revision) already outdated by Conference Committee, but ultimate changes will be confined to ending fund balance(s)
 - *Generally, we expect less one-time funding but slightly more ongoing LCFF funding*
 - *Prop 98 “certified” for first time since ’08-09; creates a new baseline for future years*



LCFF Fully Implemented

- Years of “catching up” are over
- Future funding increases only for COLA and Enrollment

Description	2017-18	2018-19	2019-20	2020-21
LCFF Gap Funding % – Enacted (June 2017)	43.19%	66.12%	64.92%	100%
LCFF Gap Funding % – Proposed (January 2018)	44.97%	100% (Target)	N/A (Target)	N/A (Target)
LCFF Gap Funding % – Revised (May 2018)	45.17%	100% (Target)	N/A (Target)	N/A (Target)
Annual COLA – Enacted (June 2017)	1.56%	2.15%	2.35%	2.57%
Annual COLA – Proposed (January 2018)	1.56%	2.51%	2.41%	2.80%
Annual COLA – Revised (May 2018)	1.56%	2.71%*	2.57%	2.67%



Future Revenues & Expenses

Planning Factor	Fiscal Year			
	2017-18	2018-19	2019-20	2020-21
COLA (DOF)	1.56%	2.71%*	2.57%	2.67%
LCFF Gap Funding Percentage (DOF)	45.17%	100%	100%	100%
STRS Employer Rates	14.43%	16.28%	18.13%	19.10%
PERS Employer Rates (PERS Board / Actuary)	15.531%	18.062%	20.80%	23.50%
Lottery – unrestricted per ADA	\$146	\$146	\$146	\$146
Lottery – Prop. 20 per ADA	\$48	\$48	\$48	\$48
Mandated Cost per ADA / One Time Allocations (DOF)	\$147	\$344	\$0	\$0
Mandate Block Grant for Districts: K-8 per ADA	\$30.34	\$31.16	\$31.16	\$31.16
Mandate Block Grant for Districts: 9-12 per ADA	\$58.25	\$59.83	\$59.83	\$59.83
Mandate Block Grant for Charters: K-8 per ADA	\$15.90	\$16.33	\$16.33	\$16.33
Mandate Block Grant for Charters: 9-12 per ADA	\$44.04	\$45.23	\$45.23	\$45.23
Routine Restricted Maintenance Account <i>GF = Percentage of total general fund expenditures & financing uses</i> <i>(Note: LEAs receiving School Facility Program (SFP) Prop. 51 funding, the RRMA requirement reverts to 3% of total General Fund expenditures and financing uses after the receipt of the SFP funds.)</i>	Lesser of: 3%GF or 2014-15 Amount	Greater of: Lesser of 3%GF, 2014-15 Amount or 2%GF	Greater of: Lesser of 3%GF, 2014-15 Amount or 2%GF	3% of Total General Fund Expenditures & Uses

*Statutory COLA is 2.71%; however, LCFF base grants and grade span adjustments have increased 3.0% due to the Governor's .29% proposed augmentation.



Future Revenues & Expenses

Planning Factor	Fiscal Year			
	2017-18	2018-19	2019-20	2020-21
COLA (DOF)	1.56%	2.71%*	2.57%	2.67%
LCFF Gap Funding Percentage (DOF)	45.17%	100%	100%	CA CPI 3.36%
STRS Employer Rates	STRS: 1.85%	14.43%	16.28%	18.13%
PERS Employer Rates (PERS Board)	PERS: 2.74%	15.531%	18.062%	20.80%
Lottery – unrestricted per ADA	\$146	\$146	\$146	\$146
Lottery – Prop. 20 per ADA	\$48	\$48	\$48	\$48
Mandated Cost per ADA / One Time Allocations (DOF)	\$147	\$344	\$0	\$0
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Budget Summary

Description	2017-18 Estimated Actuals			2018-19 Proposed Budget		
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined
REVENUES						
General Purpose Revenue	92,053,234	0	92,053,234	99,849,118	0	99,849,118
Federal Revenue	3,139	8,592,637	8,595,776	1,000	6,979,949	6,980,949
State Revenue	3,088,120	6,788,518	9,876,638	4,794,500	5,563,893	10,358,393
Local Revenue	1,107,596	3,644,154	4,751,750	477,491	3,439,655	3,917,146
Total Revenues	96,252,090	19,025,308	115,277,398	105,122,109	15,983,497	121,105,606
EXPENDITURES						
Certificated Salaries	36,914,599	7,351,474	44,266,073	39,685,463	6,823,474	46,508,937
Classified Salaries	13,151,821	5,476,857	18,628,678	12,572,906	5,240,823	17,813,729
Benefits	18,034,279	7,690,304	25,724,583	19,189,343	7,686,904	26,876,247
Books and Supplies	6,586,969	4,098,298	10,685,267	4,963,002	2,531,853	7,494,855
Other Services & Oper. Expenses	8,185,411	4,522,323	12,707,734	7,758,870	3,211,152	10,970,022
Capital Outlay	2,563,123	413,651	2,976,774	1,149,672	1,194,700	2,344,372
Other Outgo 7xxx	1,922,751	2,646,261	4,569,012	1,844,112	3,313,300	5,157,412
Transfer of Indirect 73xx	(1,783,396)	684,150	(1,099,246)	(1,738,122)	586,239	(1,151,883)
Total Expenditures	85,575,557	32,883,317	118,458,875	85,425,246	30,588,445	116,013,691
Excess / (Deficiency)	10,676,532	(13,858,009)	(3,181,477)	19,696,863	(14,604,948)	5,091,915
OTHER SOURCES/USES						
Transfers In	0	0	0	0	0	0
Transfers Out	(4,480)	0	(4,480)	(1,000,000)	0	(1,000,000)
Net Other Sources (Uses)	0	0	0	0	0	0
Contributions to Restricted	(12,795,125)	12,795,125	0	(14,556,870)	14,556,870	0
Total Financing Sources/Uses	(12,799,605)	12,795,125	(4,480)	(15,556,870)	14,556,870	(1,000,000)
Net Increase (Decrease)	(2,123,073)	(1,062,884)	(3,185,957)	4,139,993	(48,078)	4,091,915



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REVENUES						
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Federal Revenue	3,139	8,592,637	8,595,776	1,000	6,979,949	6,980,949
State Revenue	3,088,120	6,788,518	9,876,638	4,794,500	5,563,893	10,358,393
Local Revenue	1,107,596	3,644,154	4,751,750	477,491	3,439,655	3,917,146
Total Revenues	96,252,090	19,025,308	115,277,398	105,122,109	15,983,497	121,105,606
EXPENDITURES						
Certificated Salaries	36,914,599	7,351,474	44,266,073	39,685,463	6,823,474	46,508,937
Classified Salaries	13,151,821	5,476,857	18,628,678	12,572,906	5,240,823	17,813,729
Benefits	18,034,279	7,690,304	25,724,583	19,189,343	7,686,904	26,876,247
Books and Supplies	6,586,969	4,098,298	10,685,267	4,963,002	2,531,853	7,494,855
Other Services & Oper. Expenses	8,185,411	4,522,323	12,707,734	7,758,870	3,211,152	10,970,022
Capital Outlay	2,563,123	413,651	2,976,774	1,149,672	1,194,700	2,344,372
Other Outgo 7xxx	1,922,751	2,646,261	4,569,012	1,844,112	3,313,300	5,157,412
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Excess / (Deficiency)	10,676,532	(13,858,009)	(3,181,477)	19,696,863	(14,604,948)	5,091,915
OTHER SOURCES/USES						
Transfers In	0	0	0	0	0	0
Transfers Out	(4,480)	0	(4,480)	(1,000,000)	0	(1,000,000)
Net Other Sources (Uses)			0	0	0	0
Contributions to Restricted	(12,795,125)	12,795,125	0	(14,556,870)	14,556,870	0
Total Financing Sources/Uses	(12,799,605)	12,795,125	(4,480)	(15,556,870)	14,556,870	(1,000,000)
Net Increase (Decrease)	(2,123,073)	(1,062,884)	(3,185,957)	4,139,993	(48,078)	4,091,915

Prefunding COPs

Increased RRMA



Multi-Year Projection

- District remains financially strong under current projections, however:
 - *Does not account for potential salary increases*
 - 2% in each of next two years = \$3 million
 - *Assumes >4% increased tax revenue in 18-19*
- Enrollment / ADA assumed level, but might increase (or decrease)

Multi-Year Projection

Description	2018-19 Projected Budget			2019-20 Projected Budget			2020-21 Projected Budget		
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined
REVENUES									
General Purpose Revenue (A)	99,849,118	0	99,849,118	102,036,895	0	102,036,895	104,651,158	0	104,651,158
Federal Revenue (B)	1,000	6,979,949	6,980,949	1,000	6,979,949	6,980,949	1,000	6,979,949	6,980,949
State Revenue (C)	4,794,500	5,563,893	10,358,393	1,671,400	5,563,893	7,235,293	1,671,400	5,563,893	7,235,293
Local Revenue (D)	477,491	3,439,655	3,917,146	477,491	3,439,655	3,917,146	477,491	3,439,655	3,917,146
Total Revenues	105,122,109	15,983,497	121,105,606	104,186,786	15,983,497	120,170,283	106,801,049	15,983,497	122,784,546
EXPENDITURES									
Certificated Salaries (E)	39,685,463	6,823,474	46,508,937	40,479,163	6,959,974	47,439,137	41,288,763	7,099,174	48,387,937
Classified Salaries (E)	12,572,906	5,240,823	17,813,729	12,761,506	5,319,423	18,080,929	12,952,906	5,399,223	18,352,129
Benefits (F)	19,189,343	7,686,904	26,876,247	20,512,443	8,800,904	29,313,347	21,834,943	9,131,004	30,965,947
Books and Supplies (G)	4,963,002	2,531,853	7,494,855	5,129,759	1,981,853	7,111,612	5,295,450	1,981,853	7,277,303
Other Services & Oper. Exp (G)	7,758,870	3,211,152	10,970,022	8,019,568	2,661,152	10,680,720	8,278,600	2,661,152	10,939,752
Capital Outlay	1,149,672	1,194,700	2,344,372	351,590	2,161,300	2,512,890	351,590	2,161,300	2,512,890
Other Outgo 7xxx (G)	1,844,112	3,313,300	5,157,412	1,844,112	3,313,300	5,157,412	1,844,112	3,313,300	5,157,412
Transfer of Indirect 73xx (H)	(1,738,122)	586,239	(1,151,883)	(1,738,122)	586,239	(1,151,883)	(1,738,122)	586,239	(1,151,883)
Total Expenditures	85,425,246	30,588,445	116,013,691	87,360,019	31,784,145	119,144,164	90,108,242	32,333,245	122,441,487
Excess / (Deficiency)	19,696,863	(14,604,948)	5,091,915	16,826,767	(15,800,648)	1,026,119	16,692,807	(16,349,748)	343,059
OTHER SOURCES/USES									
Transfers In	0	0	0	0	0	0	0	0	0
Transfers Out (I)	(1,000,000)	0	(1,000,000)	(1,000,000)	0	(1,000,000)	(1,000,000)	0	(1,000,000)
Net Other Sources (Uses)	0	0	0	0	0	0	0	0	0
Contributions to Restricted (J)	(14,556,870)	14,556,870	0	(15,800,648)	15,800,648	0	(16,349,748)	16,349,748	0
Total Financing Sources/Uses	(15,556,870)	14,556,870	(1,000,000)	(16,800,648)	15,800,648	(1,000,000)	(17,349,748)	16,349,748	(1,000,000)
Net Increase (Decrease)	4,139,993	(48,078)	4,091,915	26,119	0	26,119	(656,941)	0	(656,941)
FUND BALANCE, RESERVES									
Beginning Balance	22,410,126	3,422,925	25,833,051	26,550,119	3,374,847	29,924,966	26,576,238	3,374,847	29,951,085
Ending Balance	26,550,119	3,374,847	29,924,966	26,576,238	3,374,847	29,951,085	25,919,297	3,374,847	29,294,144
Nonspendable	209,112	0	209,112	209,112		209,112	209,112		209,112
Restricted	0		0	0	3,374,847	3,374,847	0	3,374,847	3,374,847
Assigned	5,338,211	0	5,338,211	5,338,211		5,338,211	5,338,211		5,338,211
Unassigned - REU @ 3%	3,800,000	0	3,800,000	3,866,000		3,866,000	3,965,000		3,965,000
Unassigned - Other	17,202,796	3,374,847	20,577,643	17,162,916	0	17,162,916	16,406,974	0	16,406,974
Total - Fund Balance*	26,550,119	3,374,847	29,924,966	26,576,238	3,374,847	29,951,085	25,919,297	3,374,847	29,294,144



Reason for caution

First Interim Budget Certifications 2017-18

Negative Certification

County	District
Butte	Feather Falls Union Elementary
Los Angeles	Inglewood Unified
Los Angeles	Pasadena Unified
Madera	Yosemite Unified

Qualified Certification

County	District
Alameda	Oakland Unified
Butte	Bangor Union Elementary
Calaveras	Calaveras Unified
Contra Costa	Byron Union
Contra Costa	Martinez Unified
El Dorado	Black Oak Mine Unified
El Dorado	Gold Trail Union Elementary
Fresno	Coalinga-Huron Joint Unified
Glenn	Capay Joint Union Elementary
Humboldt	Klamath-Trinity Joint Unified
Imperial	Calexico Unified
Kern	Southern Kern Unified
Los Angeles	Bassett Unified
Los Angeles	Burbank Unified
Los Angeles	Los Angeles Unified
Marin	Sausalito Marin City Elementary
Mendocino	Anderson Valley Unified
Mendocino	Fort Bragg Unified
Placer	Placer Hills Union Elementary
Riverside	Banning Unified
Riverside	Coachella Valley Unified

Qualified Certification

Riverside	Temecula Valley Unified
San Bernardino	Silver Valley Unified
San Bernardino	Upland Unified
San Bernardino	Victor Valley Union High
San Diego	Oceanside Unified
San Diego	San Marcos Unified
San Luis Obispo	Coast Unified
San Luis Obispo	San Miguel Joint Union Elementary
San Mateo	Portola Valley Elementary
Santa Clara	Alum Rock Union Elementary
Santa Clara	Evergreen Elementary
Shasta	Cascade Union Elementary
Shasta	Gateway Unified
Solano	Vallejo City Unified
Sonoma	Bellevue Union Elementary
Sonoma	Piner-Olivet Union Elementary
Sonoma	Santa Rosa Elementary
Sonoma	Santa Rosa High
Sonoma	Sonoma Valley Unified
Sonoma	West Sonoma County Union High
Ventura	Rio Elementary



Fund Summaries

FUND	2017-18	Est. Net Change	2018-19
GENERAL (UNRESTRICTED & RESTRICTED)	\$25,833,051	\$4,091,915	\$29,924,966
CHARTER SCHOOLS	\$691,692	\$63,400	\$755,092
CHILD DEVELOPMENT	\$227,685	\$5,500	\$233,185
CAFETERIA FUND	\$1,236,476	(\$23,451)	\$1,213,025
DEFERRED MAINTENANCE	\$974,812	\$797,800	\$1,772,612
SPECIAL RESERVES	\$0	\$1,000,000	\$1,000,000
BUILDING FUND	\$15,911	\$0	\$15,911
CAPITAL FACILITIES	\$2,910,585	\$814,955	\$3,725,540
COUNTY SCHOOL FACILITIES	\$146,932	\$1,200	\$148,132
BOND INTEREST & REDEMPTION	\$3,196,334	\$0	\$3,196,334
BLENDED COMPONENT DEBT SERVICE	\$3,535,342	\$0	\$3,535,342
SCHOLARSHIP TRUST FUND	\$409,041	\$0	\$409,041
TOTAL	\$39,177,861	\$6,751,319	\$45,929,180



Certificates of Participation

- \$32m in COPs callable June 1, 2022, or begin repayment on June 1, 2023 @ \$2.8m /yr
- Current actions:
 - *\$1m has been proposed in annual transfer to Fund 17*
 - Still subject to reserve requirements
 - *Staff considering options to establish a trust*
 - PARS fees too high
 - CalPERS only offers OPEB currently



Summary

- MJUSD is well positioned for 2018-19 and beyond
- Potential risks include volatile state revenues and COP payments
- Budget will continue to evolve with legislative action, as well as through unaudited actuals, 1st & 2nd Interim reports

Questions?

