

Poway Unified School District 2018-19 Budget Development Preview



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Preliminary Fiscal Assumptions

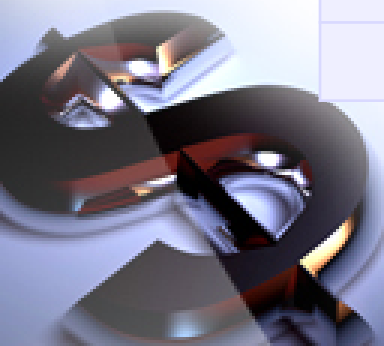
<u>PUSD General Fund - Combined</u>	<u>2018-19</u>	<u>2019-20</u>
Enrollment/ ADA	+0.5%	+0.5%
COLA	2.15%	2.35%
LCFF Funding Gap Rate - SSC	39.12%	41.6%
LCFF Funding Gap Rate - DOF	66.12%	64.92%
PERS employer contribution	\$8,864,173	\$10,186,453
STRS employer contribution	\$26,033,801	\$28,992,188
Step, Column & Longevity	\$3,497,318	\$3,251,733
Health, Welfare & Medical Costs	\$34,772,708	\$36,511,343

Our first glimpse of what state funding may look like, generally speaking, for K12 school districts in fiscal year 2018-19 will be with the Governor's January Budget Proposal.



10-Year History of COLAs

Fiscal Year	State Funded COLA
2007-08	4.53%
2008-09	-2.67%
2009-10	-7.64%
2010-11	0.00%
2011-12	0.00%
2012-13	0.00%
2013-14	1.57%
2014-15	0.85%
2015-16	1.02%
2016-17	0.00%
2017-18	1.56%



Multi Year Projections

Most Conservative Assumptions (ssc)

<u>PUSD General Fund- Combined</u>	<u>2018-19</u>	<u>2019-20</u>
<u>Revenues</u>		
LCFF	\$ 297,633,818	\$ 305,828,458
Federal	\$ 9,387,456	\$ 9,387,456
State	\$ 39,848,968	\$ 40,188,753
Local	\$ 11,567,124	\$ 11,567,124
Total Revenues	\$ 358,457,367	\$ 366,971,792
<u>Expenditures</u>		
Certificated Salaries	\$ 165,301,680	\$ 167,311,680
Classified Salaries	\$ 60,626,641	\$ 61,566,641
Employee Benefits	\$ 98,662,273	\$ 105,406,551
Books and Supplies	\$ 14,463,803	\$ 15,166,010
Services & Op Expenses	\$ 32,431,991	\$ 32,831,991
Capital Outlay	\$ 1,423,035	\$ 1,423,035
Other Outgo	\$ 4,958,645	\$ 4,958,645
Direct Support/Indirect	\$ (565,448)	\$ (565,448)
Total Expenditures	\$ 377,302,620	\$ 388,099,105
<u>Other Financing Sources/Uses</u>		
Net	\$ 2,363,643	\$ 2,363,643
<u>Net Activity</u>		
(revenues - expenditures)	\$ (16,501,611)	\$ (18,763,671)

Multi Year Projections

Least Conservative Assumptions (DoF)

<u>PUSD General Fund - Combined</u>	<u>2018-19</u>	<u>2019-20</u>
<u>Revenues</u>		
LCFF	\$ 301,719,911	\$ 311,099,125
Federal	\$ 9,387,456	\$ 9,387,456
State	\$ 39,848,968	\$ 40,188,754
Local	\$ 11,567,124	\$ 11,567,124
Total Revenues	\$ 362,523,460	\$ 372,242,459
<u>Expenditures</u>		
Certificated Salaries	\$ 165,301,680	\$ 167,311,680
Classified Salaries	\$ 60,626,641	\$ 61,566,641
Employee Benefits	\$ 98,662,273	\$ 105,406,551
Books and Supplies	\$ 14,747,015	\$ 15,193,250
Services & Op Expenses	\$ 32,431,991	\$ 32,831,991
Capital Outlay	\$ 1,423,035	\$ 1,423,035
Other Outgo	\$ 4,958,645	\$ 4,958,645
Direct Support/Indirect	\$ (565,448)	\$ (565,448)
Total Expenditures	\$ 377,585,832	\$ 388,126,345
<u>Other Financing Sources/Uses</u>		
Net	\$ 2,363,643	\$ 2,363,643
Net Activity		
(revenues - expenditures)	\$ (12,698,730)	\$ (13,520,244)

Multi Year Projections
Mid-Range Assumptions

<u>PUSD General Fund - Combined</u>	<u>2018-19</u>	<u>2019-20</u>
<u>Revenues</u>		
LCFF	\$ 299,442,634	\$ 307,784,557
Federal	\$ 9,387,457	\$ 9,387,457
State	\$ 39,848,968	\$ 40,188,753
Local	\$ 11,567,124	\$ 11,567,124
Total Revenues	\$ 360,246,183	\$ 368,927,891
<u>Expenditures</u>		
Certificated Salaries	\$ 165,301,680	\$ 167,311,680
Classified Salaries	\$ 60,626,641	\$ 61,566,641
Employee Benefits	\$ 98,662,273	\$ 105,406,551
Books and Supplies	\$ 14,595,778	\$ 15,251,176
Services & Op Expenses	\$ 32,431,991	\$ 32,831,991
Capital Outlay	\$ 1,423,035	\$ 1,423,035
Other Outgo	\$ 4,958,645	\$ 4,958,645
Direct Support/Indirect	\$ (565,448)	\$ (565,448)
Total Expenditures	\$ 377,434,595	\$ 388,184,271
<u>Other Financing Sources/Uses</u>		
Net	\$ 2,363,643	\$ 2,363,643
<u>Net Activity</u>		
(revenues - expenditures)	\$ (14,824,770)	\$ (16,892,738)

PUSD General Fund Structural Deficit Range

<u>PUSD General Fund - Combined</u>	<u>FY 2018-19</u>	<u>FY 2019-20</u>
Most Conservative Projections	\$16.5 million	\$18.8 million
Mid-Range Projections	\$14.8 million	\$16.9 million
Least Conservative Projections	\$12.7 million	\$13.5 million



General Fund Payroll

Average Month of PUSD Payroll for 2018-19

\$29 million (or 7.7% reserve level)



Fund Balance Most Conservative Projections (ssc)

<u>PUSD General Fund- Combined</u>	<u>2018-19</u>	<u>2019-20</u>
Beginning Fund Balance	\$ 48,249,130	\$ 31,747,518
Net Activity	<u>\$ (16,501,611)</u>	<u>\$ (18,763,671)</u>
Projected Ending Fund Balance	\$ 31,747,518	\$ 12,983,847
Restricted and/or Assigned Fund Balance	<u>\$ 6,227,186</u>	<u>\$ 6,227,186</u>
Available Projected Fund Balance	\$ 25,520,332	\$ 6,756,661

Reserve Level
4.5% / 2.3%



Fund Balance Least Conservative Projections (DoF)

<u>PUSD General Fund- Combined</u>	<u>2018-19</u>	<u>2019-20</u>
Beginning Available Fund Balance	\$ 48,249,130	\$ 35,550,399
Net Activity	<u>\$ (12,698,730)</u>	<u>\$ (13,520,244)</u>
Projected Ending Fund Balance	\$ 35,550,399	\$ 22,030,155
Restricted and/or Assigned Fund Balance	<u>\$ 6,227,186</u>	<u>\$ 6,227,186</u>
Available Projected Fund Balance	\$ 29,323,213	\$ 15,802,969

Reserve Level
7.6% / 5.5%



Fund Balance Mid-Range Projections

<u>PUSD General Fund- Combined</u>	<u>2018-19</u>	<u>2019-20</u>
Beginning Available Fund Balance	\$ 48,249,130	\$ 33,424,360
Net Activity	<u>\$ (14,824,770)</u>	<u>\$ (16,892,738)</u>
Projected Ending Fund Balance	\$ 33,424,360	\$ 16,531,622
Restricted and/or Assigned Fund Balance	<u>\$ 6,227,186</u>	<u>\$ 6,227,186</u>
Available Projected Fund Balance	\$ 27,197,174	\$ 10,304,436

Reserve Level
5.7% / 3.6%



Budget Resolution Approaches

Tactical

- Short-Term
- Targeted
- Deficit Reduction

Strategic

- Long-Term
- Broader
- Fiscal Solvency & Sustainability



Fund Balance - Mid-Range Projections with Deficit Mitigation

<u>PUSD General Fund- Combined</u>	<u>2018-19</u>	<u>2019-20</u>
Beginning Available Fund Balance	\$ 48,249,130	\$ 41,424,360
Net Activity	\$ (14,824,770)	\$(16,892,738)
<i>Budget Solutions 2018-19</i>	<u>\$ 8,000,000</u>	<u>\$ 8,000,000</u>
Projected Ending Fund Balance	\$ 41,424,360	\$ 2,531,622
Restricted and/or Assigned Fund Balance	<u>\$ 6,227,186</u>	<u>\$ 6,227,186</u>
Available Projected Fund Balance	\$ 35,197,174	\$ 26,304,436

Reserve Level
11.4% / 9.2%



Fund Balance - Mid-Range Projections with Deficit Mitigation

<u>PUSD General Fund- Combined</u>	<u>2018-19</u>	<u>2019-20</u>
Beginning Available Fund Balance	\$ 48,249,130	\$ 40,424,360
Net Activity	\$ (14,824,770)	\$(16,892,738)
<i>Budget Solutions 2018-19</i>	<u>\$ 7,000,000</u>	<u>\$ 7,000,000</u>
Projected Ending Fund Balance	\$ 40,424,360	\$ 30,531,622
Restricted and/or Assigned Fund Balance	<u>\$ 6,227,186</u>	<u>\$ 6,227,186</u>
Available Projected Fund Balance	\$ 34,197,174	\$ 24,304,436

Reserve Level
10.6% / 8.5%



Q & A

