



**San Ysidro**  
School District **EST - 1887**  
QUALITY EDUCATION AND OPPORTUNITY FOR ALL STUDENTS TO SUCCEED

Budget Update  
December 11, 2017  
Special Board Meeting



# 2017-18 State Budget

	2017-18
<b>LCFF Gap Funding</b>	43.19%
<b>Statutory COLA</b>	1.56%
<b>One-time Discretionary Funding</b>	\$147 per ADA
<b>Unrestricted Lottery per ADA</b>	\$146
<b>Restricted Lottery per ADA</b>	\$48
<b>Mandated Block Grant per ADA</b>	\$30.34
<b>CalPERS Employer Rate</b>	15.531%
<b>CalSTRS Employer Rate</b>	14.43%



# 2017-18 Adopted Budget

Unrestricted General Fund				
		2016-17 Unaudited Actuals	2017-18 Adopted Budget	Difference
<b>Revenues:</b>				
	LCFF	47,782,485	46,779,883	(1,002,602) -2.10%
	Federal Revenues	39,679	-	(39,679) -100.00%
	Other State Revenues	1,884,421	1,897,322	12,901 0.68%
	Other Local Revenues	343,876	127,986	(215,890) -62.78%
	<b>Total Revenues</b>	<b>50,050,461</b>	<b>48,805,191</b>	<b>(1,245,270) -2.49%</b>
<b>Expenditures:</b>				
	Certificated Salaries	19,211,360	19,670,094	458,734 2.39%
	Classified Salaries	6,455,590	5,983,989	(471,601) -7.31%
	Employee Benefits	7,697,936	7,562,838	(135,098) -1.75%
	Books & Supplies	1,584,127	3,128,820	1,544,693 97.51%
	Services and Other Oper. Expenses	5,690,757	7,055,134	1,364,377 23.98%
	Capital Outlay	38,477	107,062	68,585 178.25%
	Other Outgo	5,059,503	413,442	(4,646,061) -91.83%
	Contributions to Restricted Gen. Fund	6,587,815	5,809,178	(778,637) -11.82%
	<b>Total Expenditures</b>	<b>52,325,565</b>	<b>49,730,557</b>	<b>(2,595,008) -4.96%</b>
	Operating Surplus/(Deficit)	(2,275,104)	(925,366)	1,349,738
	Beginning Fund Balance	13,116,099	10,840,995	
	Ending Fund Balance	10,840,995	9,915,629	



# Variances Analysis

- Revenues:
  - The District overstated approximately 260 ADA in 2015-16 for LCFF revenue calculation purpose
  - Law permits school districts to use either prior year or current year ADA, whichever is higher, for LCFF revenue calculation
  - Under regular circumstance, it would be appropriate to use the 2015-16 ADA in calculating the 2016-17 LCFF revenue
  - In this instance, the law would not apply because the prior year ADA was inflated
  - \$2.5 million was set aside for unknown liabilities and budget shortfall
  - Amount owed is most likely greater



# Variances Analysis

- Revenues:
  - 2017-18 budgeted similar amount to 2016-17
  - But one-time discretionary funding was \$67 higher in 2016-17
  - Budget is \$300,000 over-stated



# Variances Analysis

- Expenditures

- Certificated salaries is understated by the salary of the 12 new teachers hired, approx. \$1 million under-budgeted
- Classified salaries is under-budgeted approx. \$600,000
- Employee benefits is under-budgeted approx. \$500,000
- Books and supplies has \$500,000 uncommitted budget
- Services and other operating expenses has a \$700,000 uncommitted budget plus an estimated electricity saving of \$300,000 to \$400,000 assuming the completion of solar panels installation in January





# Variances Analysis

- Expenditures

- Other Outgo, the large discrepancy between 2016-17 and 2017-18 is the result of the \$5.1 million payable set aside (\$2.6 million for 2015-16 audit finding and \$2.5 million for unknown liabilities)
- Contributions is under-budgeted by approx. \$600,000 - \$700,000



# Short Term Budget Outlook

- Deficit spending will grow without intervention
- Will remain solvent





# Long Term Budget Outlook

- LCFF revenue growth will be minimal under the current law
  - Gap funding is 97% completed, little room for revenue growth other than COLA
  - Revenue growth continues to lag behind expenditures growth



# Long Term Budget Outlook

- CalSTRS and CalPERS
  - Both pension plans are still underfunded despite the rate increases in the last few years
  - CalSTRS rate is determined by statute and is set at 19.10% in 2020-21. The current rate is 14.43%
  - CalPERS board sets its rate and is estimated to go up to 23.80% in 2020-21. The current rate is 15.531%
- Other expenditures
  - Contributions to Special Education
  - Step & column salary increase



# Potential Mediation Measures

- Internal
  - Revenue enhancement e.g. larger student population
  - Improve productivity, less contractor services
- External
  - Legislative intervention, raise LCFF base grant or other ongoing revenues



Questions?

