

WEST CONTRA COSTA **UNIFIED**

School District – 2019-2020 Budget Adoption Presentation

2019-20

Budget Public Hearing June 12, 2019

Board Adoption June 26, 2019



Outcomes for this Presentation

- Understand the budget adoption process including recent work with the County CBO
- Understand current district revenue
- Understand current expenditures
- Understand necessary budget reductions for the FY19-20 and FY20-21 school years



County Support

This year, due to fluctuations in our budget, Superintendent Duffy asked the County CBO to support the budget development process for FY19-20 and beyond.



Revenue Drivers

1. Enrollment

- Currently budgeting flat enrollment for next year while working on 45-day revise to make any enrollment adjustments

2. ADA

- Stable ADA (our attendance this year is similar to last year for the purpose of funding)

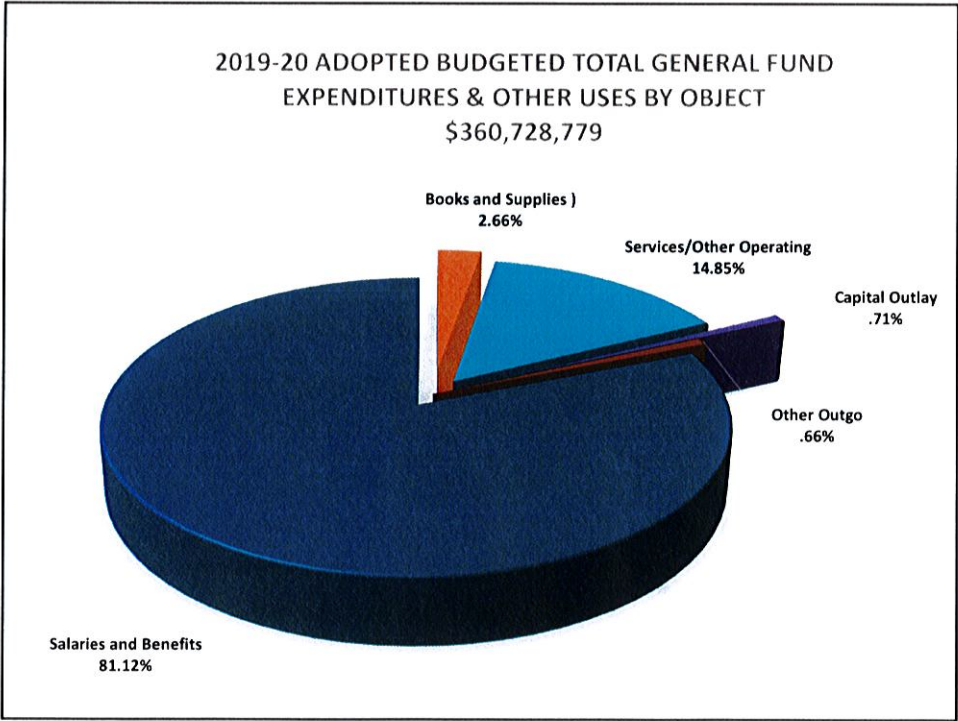
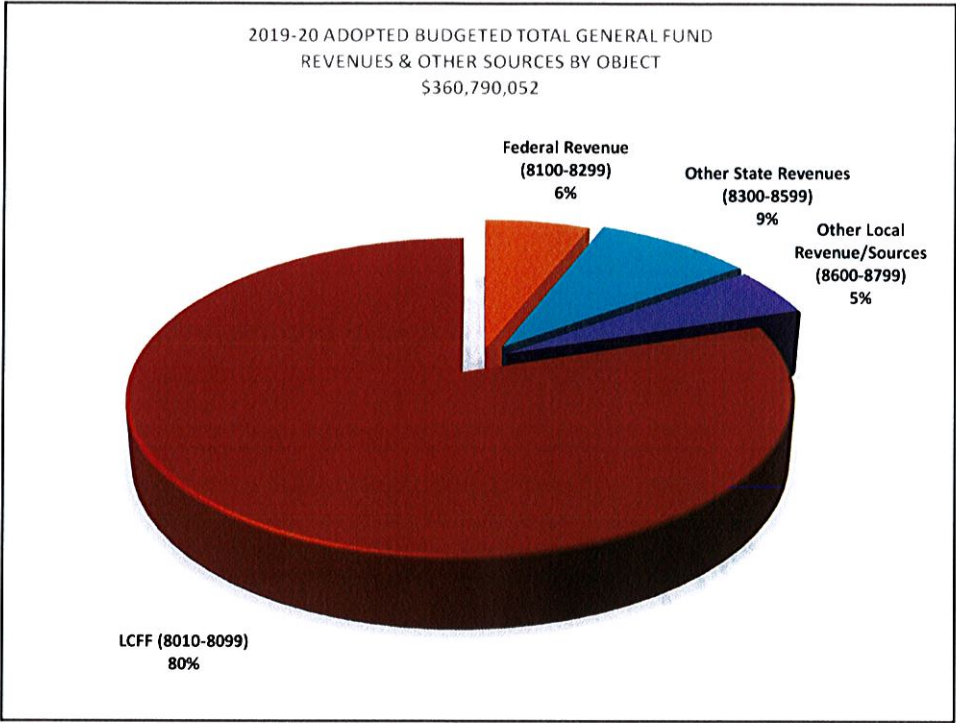
3. LCFF

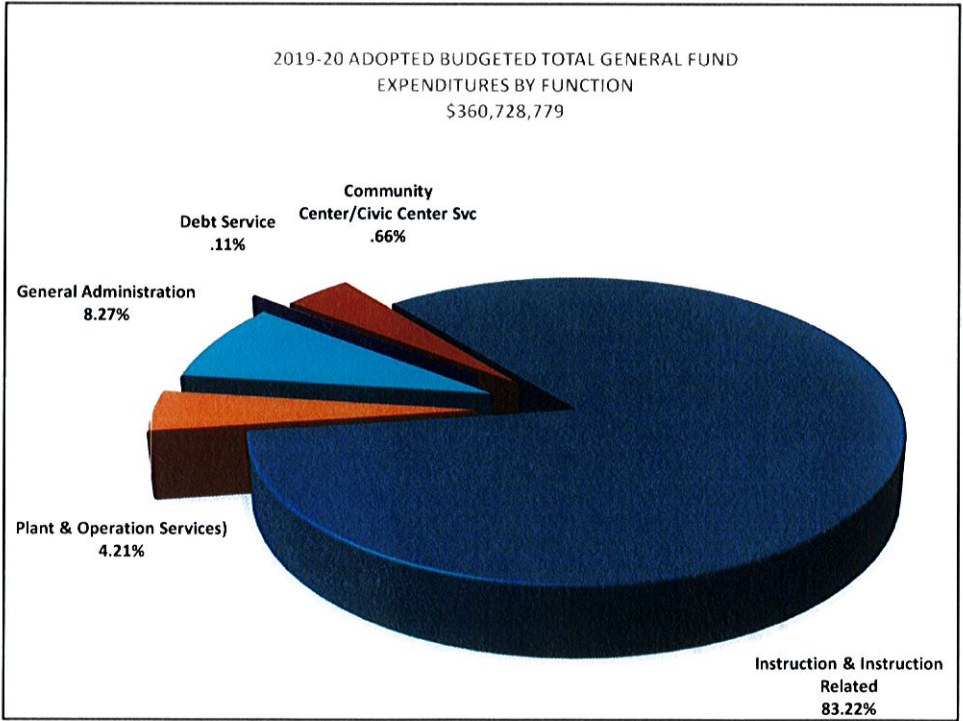
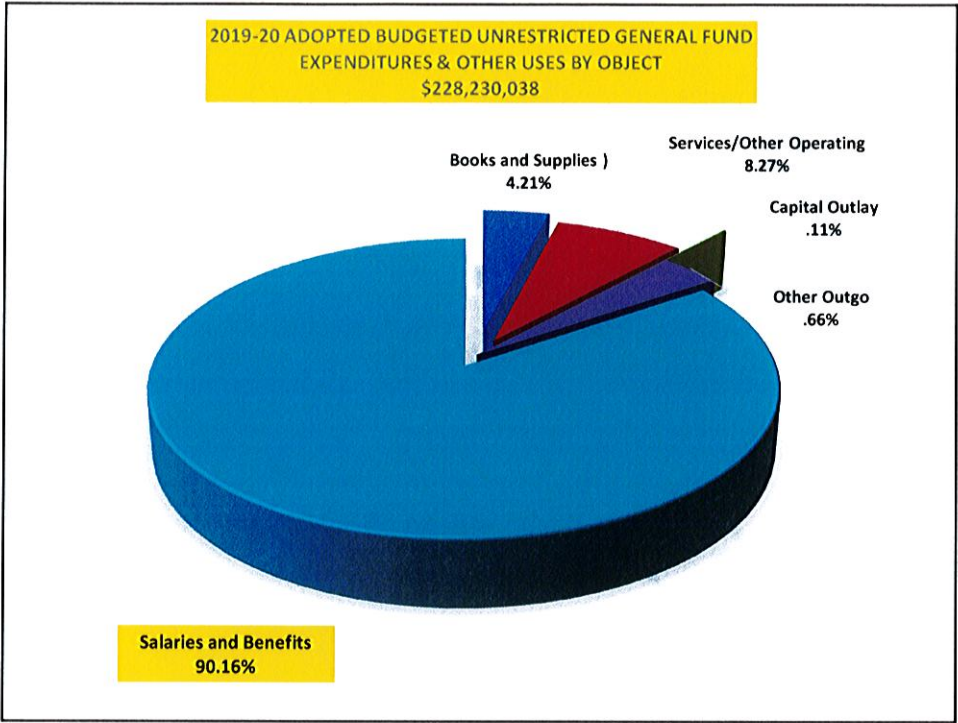
- LCFF fully implemented with a 3% COLA and Unduplicated pupil count still over 55%

4. Restricted Revenues

- Reduction due to loss of one-time funding







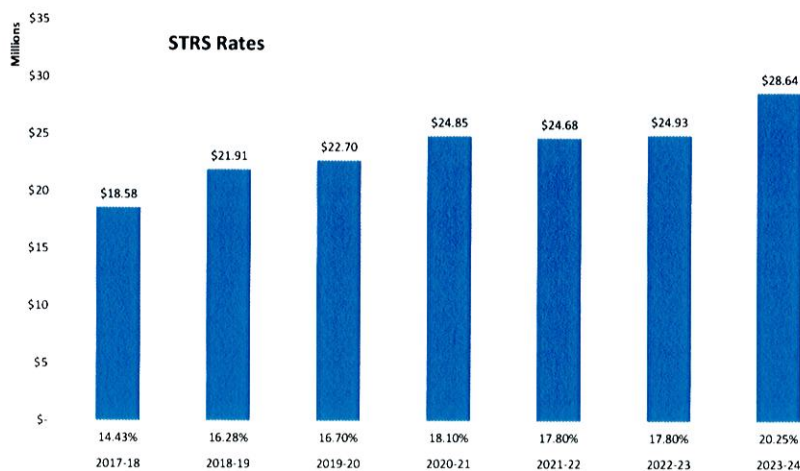
Most Significant Factors in Budget Development for FY2019-2020

Expenses:

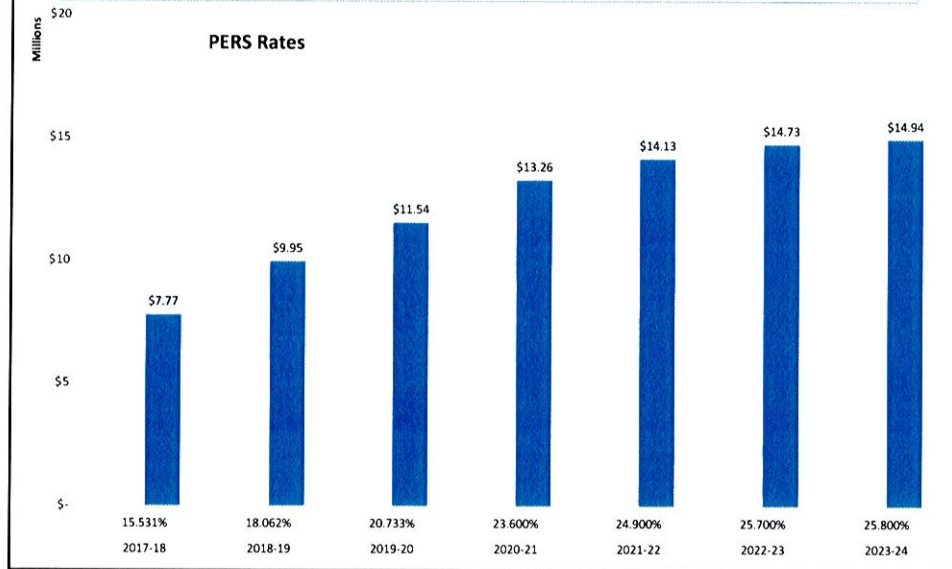
- Staffing Levels & Distribution (e.g. Class size reduction)
- Negotiations with all Labor Organizations (step & column plus raises)
- Special Education Service Delivery (10-15% annual increase)
- Other increases (insurance, CPI)
- Continued Increases in Driven Costs (STRS, PERS, healthcare, OPEB costs, and Payroll taxes.



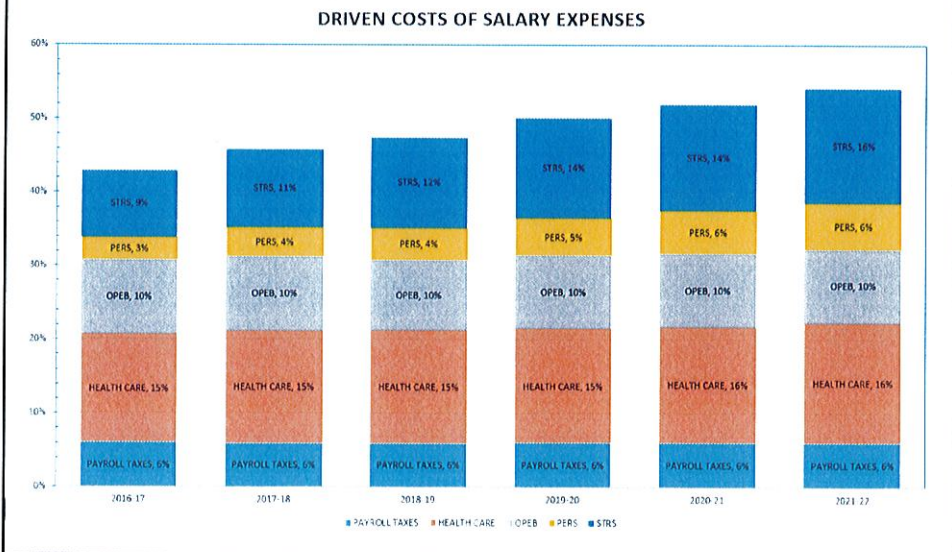
STRS Multi Year Rates



PERS Multi Year Rates



Cost of “driven costs” over time as portion of budget



Multi Year Projection Unrestricted General Fund (calculated with future cuts included)

	2018-2019	2019-2020	2020-2021	2021-2022
Total LCFF Funding	281,246,968	289,677,155	294,988,423	303,125,807
Mandated Cost Reim (1X\$)	4,932,784	-	-	-
Other State & Local Rev	8,822,734	7,632,063	7,785,533	7,933,068
SubTtl Unres Rev	295,002,486	297,309,218	302,773,956	311,058,875
Expenses (includes future negotiated costs)	304,117,304	297,309,182	302,890,344	311,058,875
Excess / Deficit Spending	(9,114,818)	36	(116,388)	-
Beginning Uncommitted Fund Balance	9,231,171	116,353	116,389	1
Use / Increase of Fund Balance	(9,114,818)	36	(116,388)	-
Uncommitted Fund Balance (before stores & cash)	116,353	116,389	1	1
Statutory Reserve - 3% (Fund 17)	11,888,005	10,817,256	11,019,600	11,093,117
Reserve for Fiscal Uncertainty - 6% (Fund 17)	21,495,356	21,634,512	23,730,801	24,009,788
Reserve for Tech Replacement (Fund 17)	500,000	500,000	500,000	500,000
Stores and Revolving Cash	116,000	-	-	-
Ending Uncommitted Fund Balance	353	116,389	1	1



FY19-20 Budget Assumptions

1. Significant reductions in 4000/5000 Object code series
2. Significant reductions in over time/extra time
3. A number of essential vacant positions have not been budgeted
4. No Fund Balance
5. 9% Reserves intact



FY19-20 Budget Assumptions

- Strict fiscal controls must be in place
- Staff & County will work toward a 45-day Budget Revision in order to give more time to solidify position control for FY19-20
- Significant staffing reductions must be made for FY20-21 (current salaries/benefits are 90% of budget)



Future Funding Concerns



- Significant reductions still needed over next two years
- Higher volatility and risk in the funding model as years progress
 - Student Demographic Changes
 - Legislative Support must continue over time
- Revenue will only grow by COLA while expenses continue to grow at higher rates.
- Continued class size reduction equals increased costs
- Aggressive Special Ed cost increases

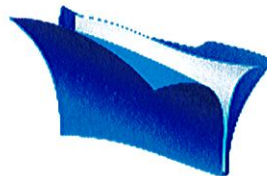
BOTTOM LINE

- We are at a critical moment with our budget
- With significant cost controls & staffing reductions, we will likely preserve our reserves and maintain financial solvency
- We must focus deeply on cost control



2019-20 – What's in Your Packet

- Executive Summary / PowerPoint
- State Forms
 - Includes all funds of the district
 - Documentation of revenue calculations
 - Criteria and Standards
- Multi-Year Projection
 - We are presenting a 3 year projection as anything over are unpredictable and the accuracy of the projection can be seriously called into question



2019-20 Adopted Budget

- Closing Out 2018-19
- Projected Ending Fund Balance
 - Uncommitted Unrestricted Fund Balance \$0
 - Fund 17 Reserves \$34 million
 - 3% statutory
 - 6% fiscal uncertainty
 - \$500K technology
- Fund balances are subject to change based upon the closing of the books which will be final in September



Next Steps

2019-2020 Budget:

- September – 2018-19 Unaudited Actuals
- January 2020 – 2018-19 Audit and Final Financial Statements

2020-2021 Budget:

- June 26 – Adoption of 2019-20 Budget
- August 23 – 45 Day Revision Report 2019-20 Budget
- December – 2019-20 First Interim Report
- March 2020 – 2019-20 Second Interim Report

Financial reports available on the web

<http://www.wccusd.net/>

