

2018-19 Second Interim Budget Report

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Business Services

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Presentation Overview

Second Interim Budget Update

- ADA Assumptions
- Revenue Assumptions
- Expenditure Assumptions
- MYP Summary
- Next Steps
- Questions

ADA Assumptions

ADA Factors:

- Change to projected funded ADA since 1st Interim

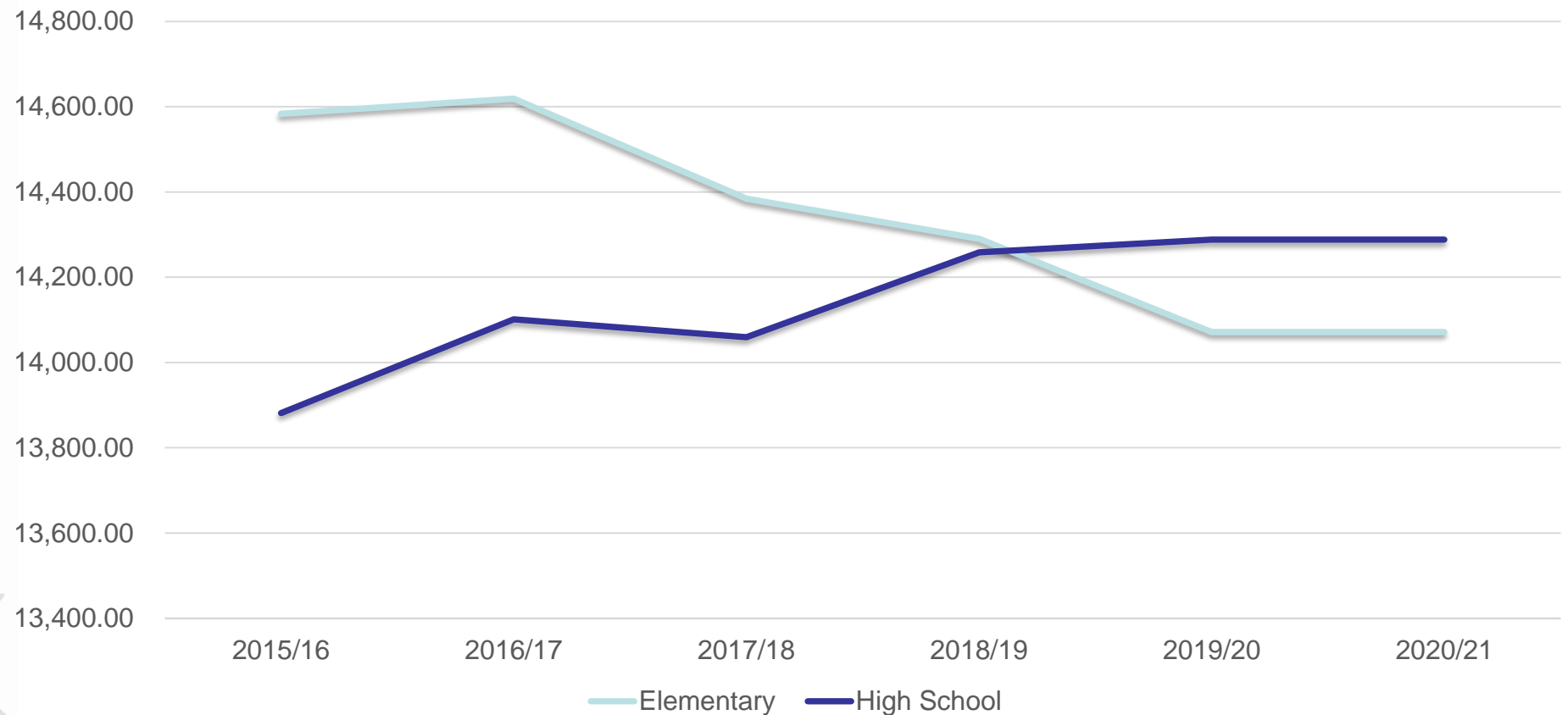
Elementary	+9.57
High School	+0.03
Total	9.60

- Projected enrollment change

	2019-20	2020-21
Elementary	<232>	Flat
High School	+32	Flat

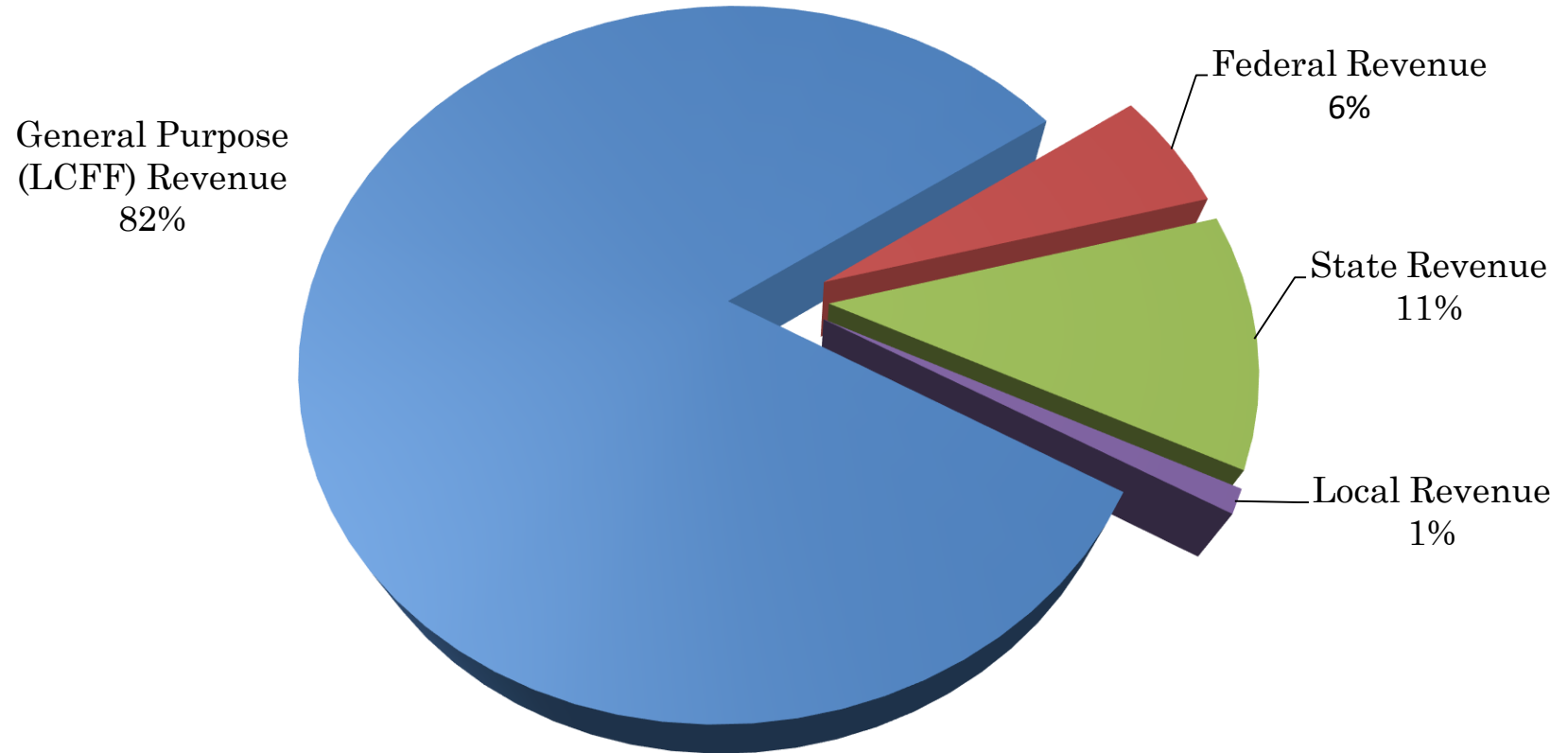
ADA Assumptions

ADA Trend by District



Revenue Assumptions

Total General Fund Revenues Second Interim Budget 2018-19



Revenue Assumptions

Local Control Funding Formula (LCFF)

At Full Implementation:

- Annual growth in LCFF funding will be determined by (1) change in ADA, and (2) the statutory COLA
- Supplemental and Concentration grant funding is determined by the UPP

YEAR	COLA	Gap	Base Increase	Supplemental/Concentration Increase Year Over Year
2018/19	3.70%	100%	\$12.6M	\$8.6M
2019/20	3.46%	100%	\$5.7M	\$2.3M
2020/21	2.86%	100%	\$5.5M	\$0.8M



Revenue Assumptions

LCFF - Elementary

Grades	ADA	Base	Grade Span	Supp.	Conc.	TARGET
Unduplicated Pupil %				87.77%	87.77%	
K-3	6,221.01	\$7,459	\$776	\$1,446	\$1,349	\$68,616,973
4-6	5,100.04	\$7,571		\$1,329	\$1,241	\$51,717,065
7-8	3,151.38	\$7,796		\$1,369	\$1,277	\$32,906,345
TOTAL						\$153,240,383
TIIG Add-On						\$1,084,014
Transportation Add-On						\$474,814
18/19 LCFF FUNDING						\$154,799,211

Revenue Assumptions

LCFF – High School

Grades	ADA	Base	Grade Span	Supp.	Conc.	TARGET
Unduplicated Pupil %				65.78%	65.78%	
9-12	14,434.80	\$9,034	\$235	\$1,219	\$500	\$158,609,997
TOTAL						\$158,609,997
TIIG Add-On						\$717,582
Transportation Add-On						\$458,416
18/19 LCFF FUNDING						\$159,785,995

Revenue Assumptions

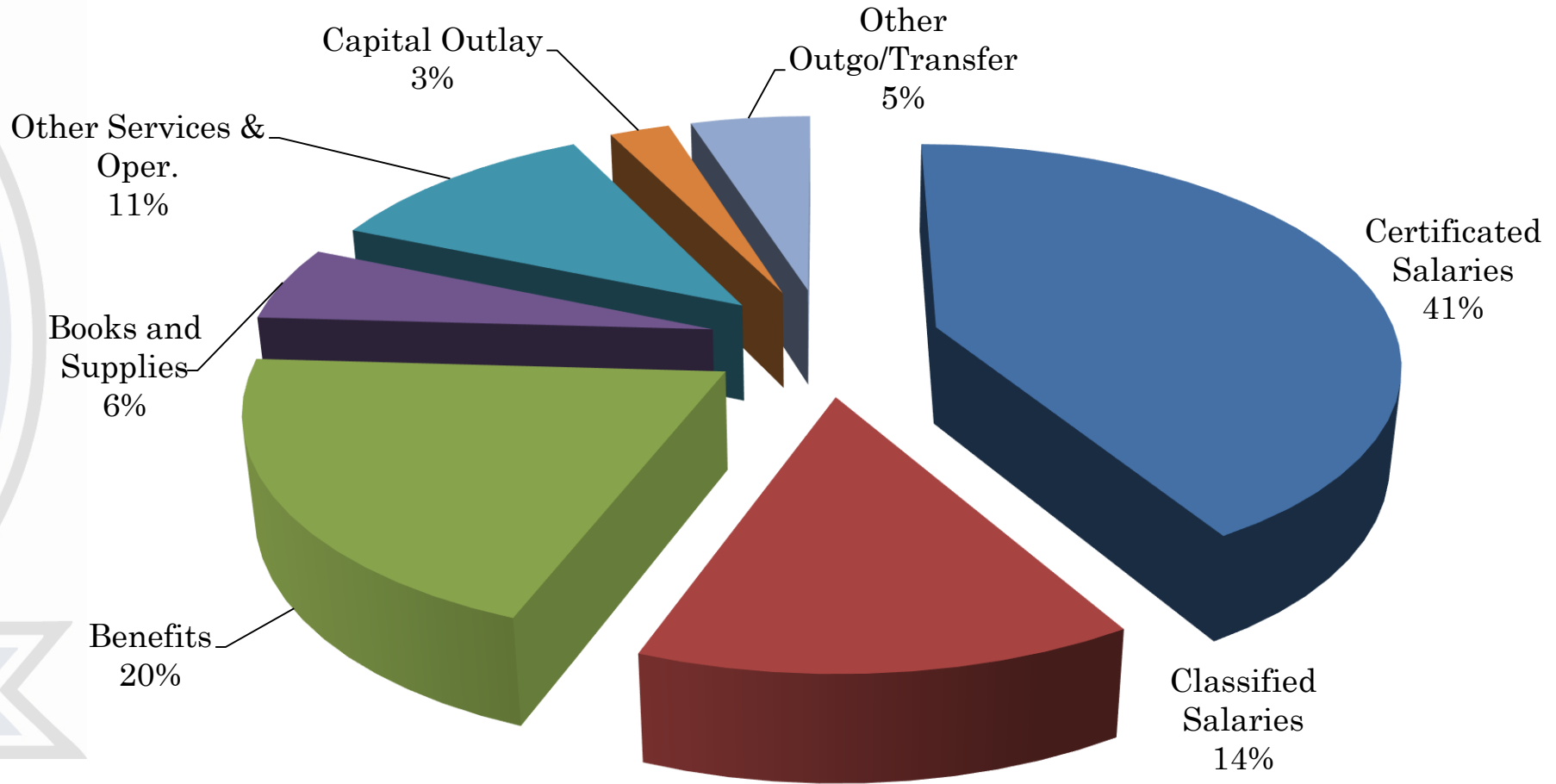
Other Revenue Factors:

- Title I, Part A - \$2M
- Carl D. Perkins, Career & Technical Education - \$48K
- Title III, English Learner Student Program - \$116K
- Agriculture Incentive Grant - \$35K
- Bret Harte Fire Insurance Claim - \$1.2M
- Mark Twain Fire Insurance Claim - \$110K
- Career & Technical Education Consortia - \$131K



Expenditure Assumptions

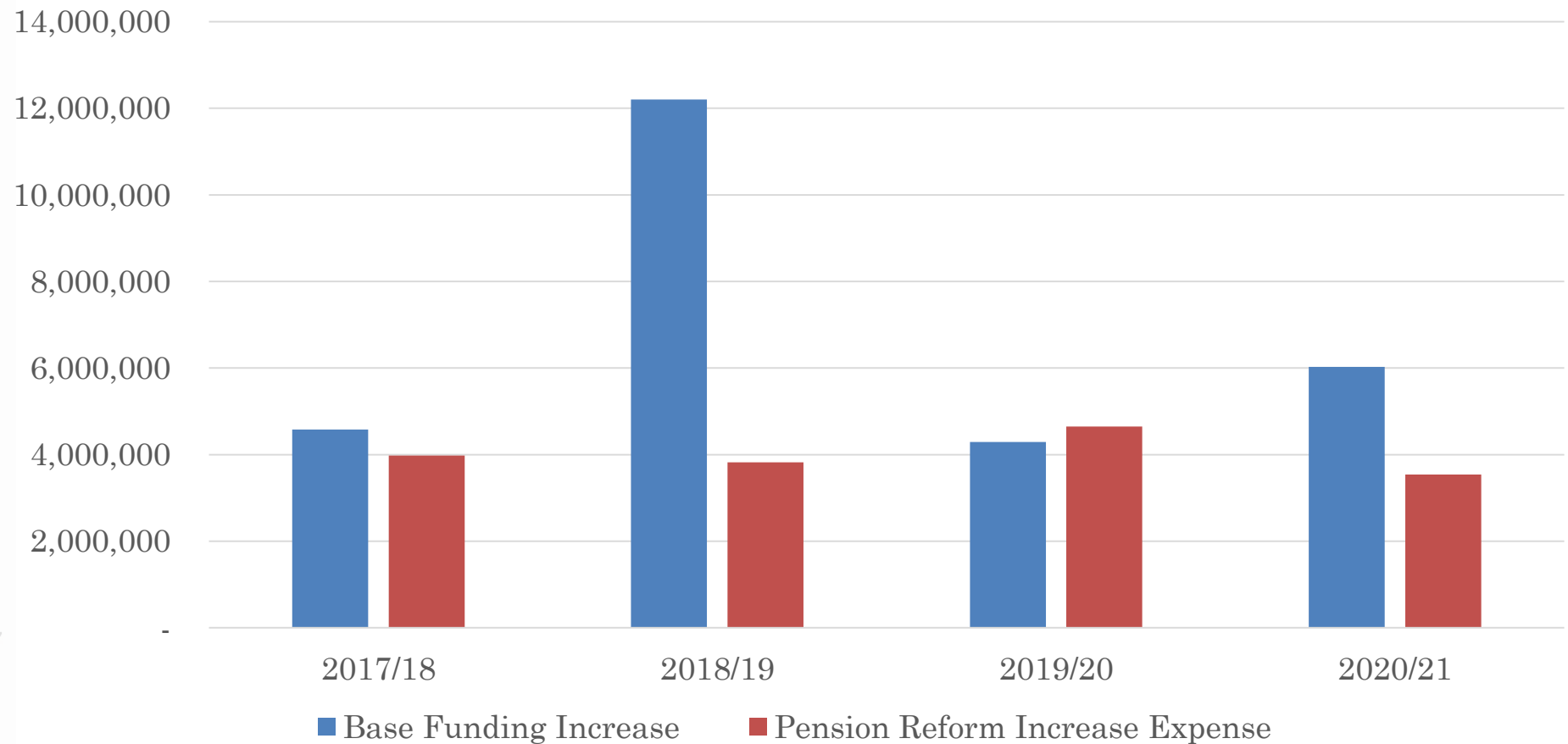
Combined General Fund Expenditures Second Interim Budget 2018-19



Modesto City Schools

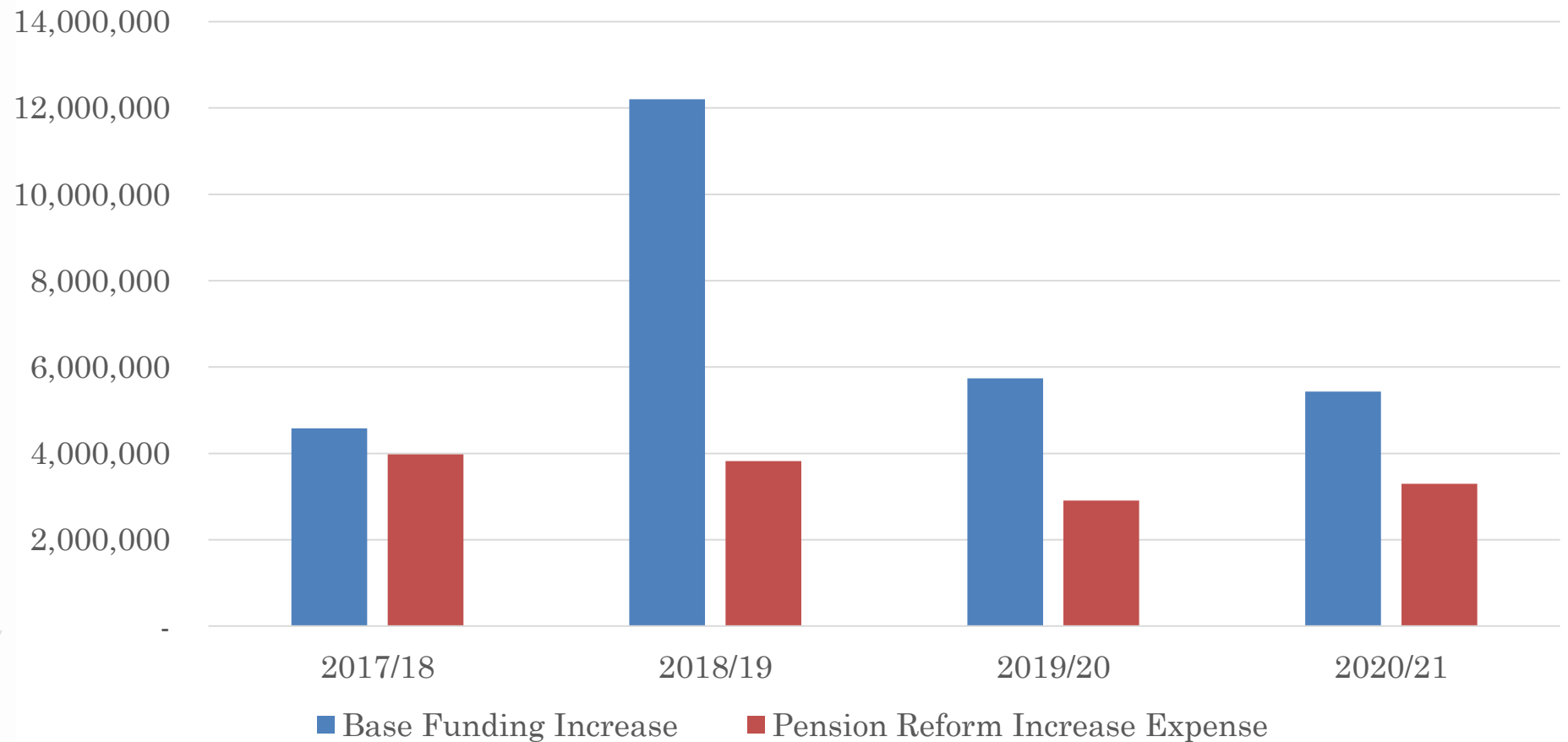
Expenditure Assumptions (First Interim)

Unrestricted Pension Reform Expenses vs New Base Funding



Expenditure Assumptions (Second Interim)

Unrestricted Pension Reform Expenses vs New Base Funding



Modesto City Schools

Pension Assumptions (First Interim)

PENSION REFORM	2017/18	2018/19	2019/20	2020/21
STRS	14.43%	16.28%	18.13%	19.1%
Increase Over Prior Year		\$3.0M	\$3.1m	\$2.0M
PERS	15.531%	18.062%	20.7%	23.4%
Increase Over Prior Year		\$800K	\$1.5M	\$1.6M
Increase over 2017/18		\$3.8M	\$8.5M	\$12.0M

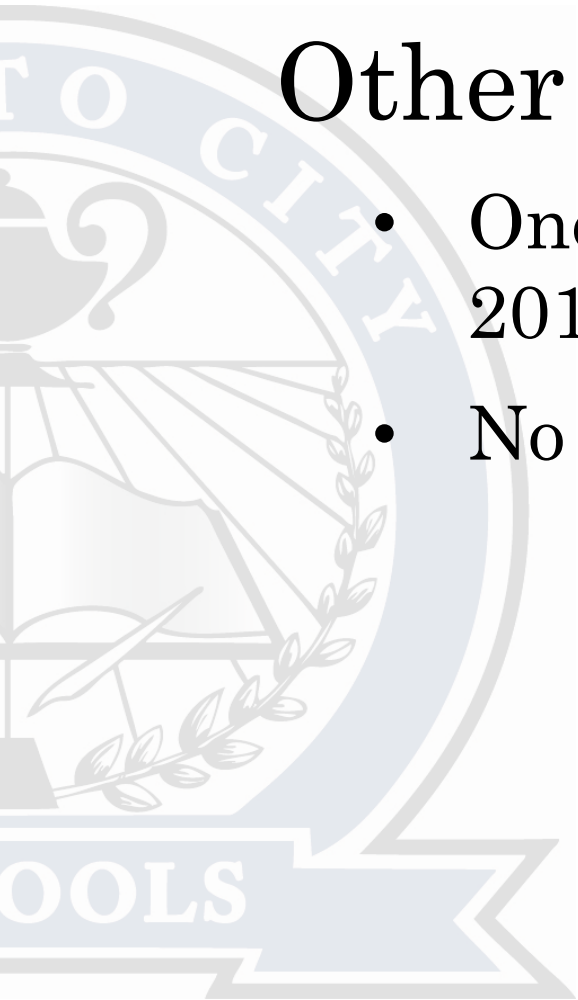
Pension Assumptions (Second Interim)

PENSION REFORM	2017/18	2018/19	2019/20	2020/21
STRS	14.43%	16.28%	17.10%	18.10%
Increase Over Prior Year		\$3.0M	\$1.4M	\$1.7M
PERS	15.531%	18.062%	20.70%	23.40%
Increase Over Prior Year		\$800K	\$1.5M	\$1.6M
Increase over 2017/18		\$3.8M	\$6.7M	\$10.0M

Expenditure Assumptions

Other Expenditure Factors:

- One-time approved expenditures are reflected in 2018-19 but removed from subsequent years
- No increases reflected for pending negotiations



MYP Summary

Assumptions reflected in subsequent years:

- \$12M Estimated budget savings annually
- Step/Column costs of 1.5% year over year
- Pension increase year over year
- Removal of 2018/19 onetime expenditures
- Removal of deferred and carryover funds

MYP Summary

Unrestricted Fund Balance	2017/18	2018/19	2019/20	2020/21
Fund Balance	\$68,784,593	\$66,167,415	\$57,597,851	\$47,977,985
Nonspendable – Stores, Revolving Cash, Prepaid Expenses	\$1,927,026	\$1,500,000	\$1,500,000	\$1,500,000
Assigned				
Economic Uncertainties	\$11,563,364	\$11,989,784	\$11,781,059	\$12,007,178
County Cash FMV Adjustments	<\$344,721>	<\$344,721>	<\$344,721>	<\$344,721>
LCAP Supplemental & Concentration	\$8,471,571	\$11,379,794	\$13,720,698	\$14,548,260
Carryover Obligation – Misc.	\$1,395,676	\$1,738	\$1,738	\$1,738
One Time Expenditures	\$-0-	\$-0-	\$250,000	\$250,000
Unassigned Balance	\$45,771,677	\$41,640,819	\$30,689,077	\$20,015,529
Unassigned Reserve Percentage	17.06%	14.86%	10.89%	6.96%

MYP Summary

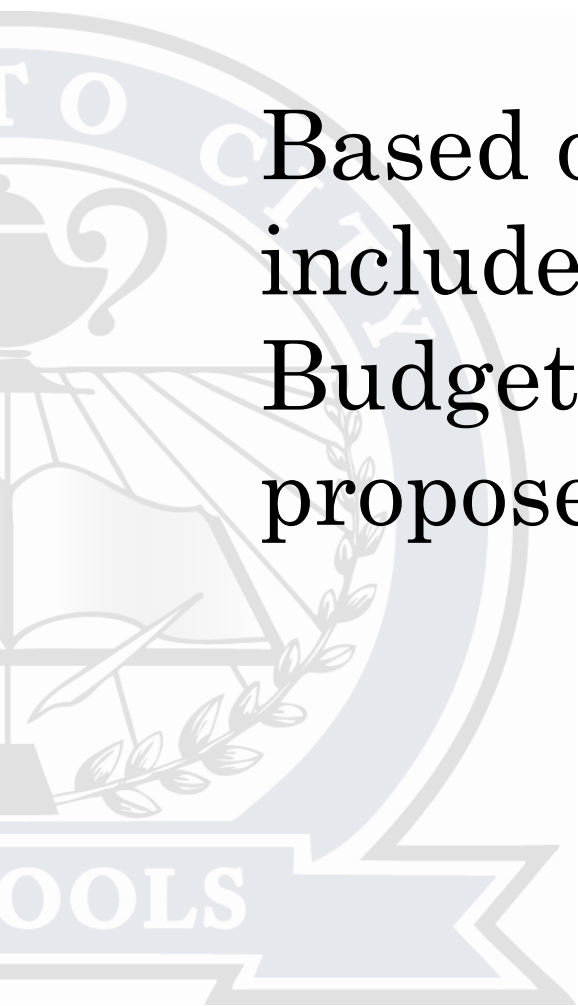
Items NOT included in projections:

- Future impacts from Collective Bargaining Agreements



Next Steps

Based on the factors and assumptions included and noted in the Second Interim Budget document, the District is able to propose a **Positive Certification**



Questions



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