



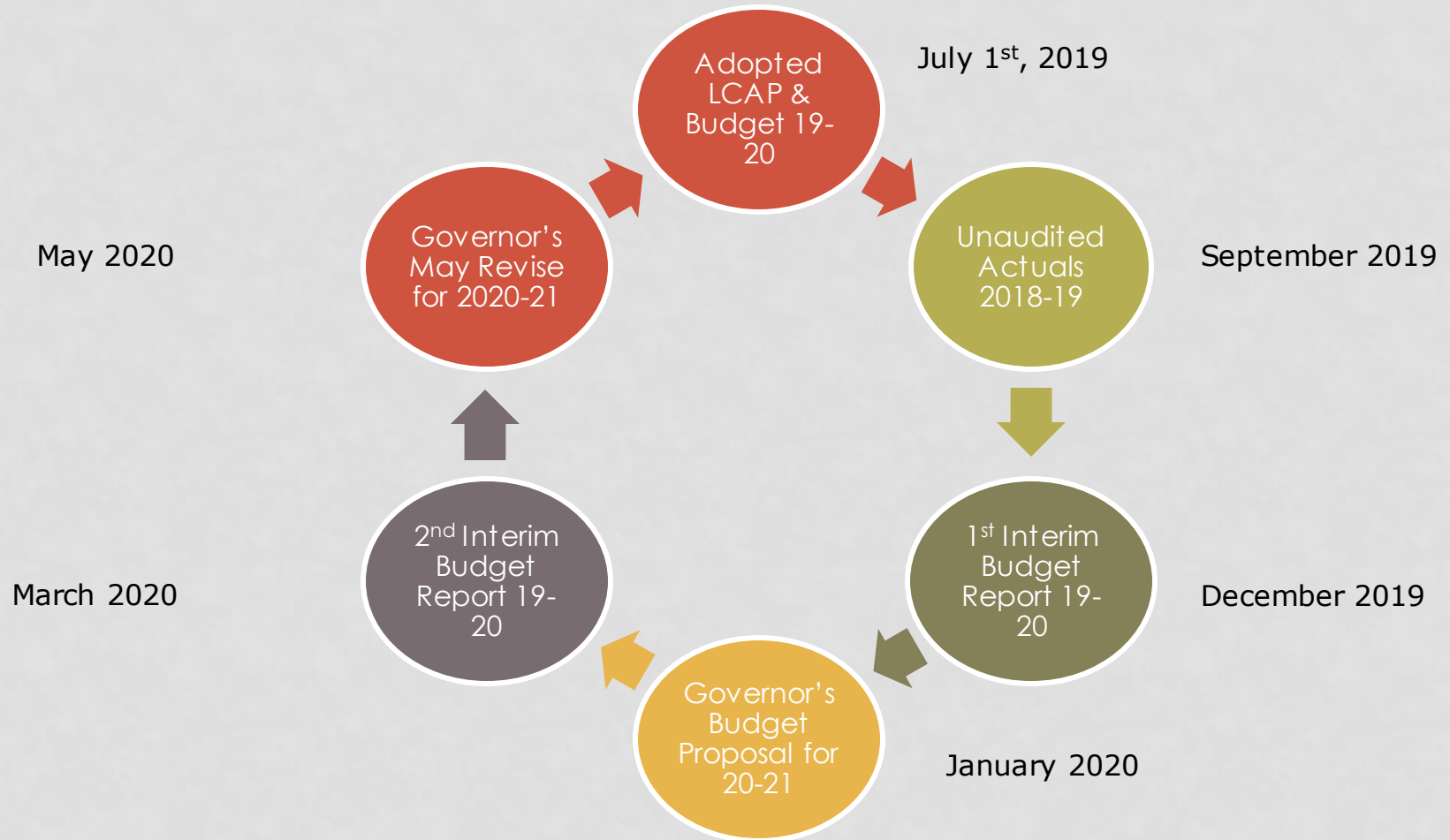
HEATLAND UNION HIGH SCHOOL DISTRICT

2019-20 BUDGET
DEVELOPMENT
& 2018-19
ESTIMATED
ACTUALS

Presented to the Board
of Education on
June 19th, 2019



FINANCIAL REPORTING CYCLE



MAY REVISE

- Governor's May Revise
 - Decrease in COLA from 3.46% to 3.26%.
 - GAP funding at 100%
 - \$0 in one-time discretionary fund dollars
 - SSC's recommendations:
 - Accurate position control and staffing
 - Avoidance of excessive bargaining settlements
 - Commitments to maintain existing programs before adding new ones
 - Use of capital expenditures to reduce ongoing costs
 - Be cautious – there has been a rise in deficit spending by districts due to lower revenues and increasing expenditures

WHAT'S IN THE BUDGET?

- Technology Plan Implementation – [Goal 1.16](#)
 - \$50K budgeted for ongoing tech upgrades
 - \$58K Technology consulting and operating expenditures
 - \$9,241 of Title IV funds for technology improvements
 - \$100K CTEIG technology and device purchases
- Maintenance and Operations – [Goal 2.12, 2.14, 2.15](#)
 - \$25K budgeted for reel mower required for athletic fields
 - \$385K budgeted for 4% Restricted Maintenance Contribution
 - \$30K budgeted for ongoing classroom furniture replacement
 - \$63K budgeted for additional bus driver/operations

WHAT'S IN THE BUDGET?

- Curriculum and Instruction
 - 23K budgeted for Edmentum for use in Independent Study, Summer School, EPD, Community Day and credit recovery – [Goal 1.14](#)
 - 25K budgeted for Get Focused, Stay Focused initiative for incoming 9th graders – [Goal 1.6](#)
 - 30K budgeted to restore campus greenhouse for new dual enrollment Plant Science course and horticulture – [Goal 1.17](#)
- Staff Development – [Goal 1.1, 1.7, 1.9 & 1.10](#)
 - Training for AVID, Title II, GFSF, writing strategies, NGSS, and other instructional practices - \$43K
- Athletics – [Goal 2.4](#)
 - Approximately \$222K budgeted for athletics including \$15K increase in materials and supplies

CHALLENGES

- Significant increase in county operated special education costs
 - Partially mitigated by absorbing 7 previously county served students into the district's programs
- Continued increase in STRS and PERS costs
 - 20/21: \$51.7K STRS Increase and \$37.5K PERS Increase
 - 21/22: (\$11.2K) STRS Decrease and \$17K PERS Increase
- Step and Column Costs
 - 20/21: \$44K increase in Certificated salaries and \$18K increase in Classified salaries
 - 21/22: \$58K Increase in Certificated salaries and \$17K increase in classified salaries
- Decrease in grant funding – CRANE, STEM, STREAM, ROP, CRBG no longer funded

PLANNING FACTORS



	2018-19 Second Interim	2018-19 Estimated Actuals	2019-20 Budget Development
Statutory COLA	2.71%	2.71%	3.26%
GAP funding	100%	100%	100%
Enrollment - (includes county)	798 – Projected 788 – District 10 – County	798 – Projected 788 – District 10 – County	851 – Projected 845 – District 6 – County
Unduplicated count	359	359	375
ADA (inc. county)	744.49	761.13	792.71
Funded ADA	744.49	761.13	792.71
Lottery	\$151	\$151	\$151
Prop 20	\$53	\$53	\$53
STRS	16.28%	16.28%	16.70%
PERS	18.062%	18.062%	20.733%
Mandated Claims / Discretionary Funds	\$134,415 \$184 x 730	\$134,415 \$184 x 730	\$0

REVENUE SOURCES – GENERAL FUND

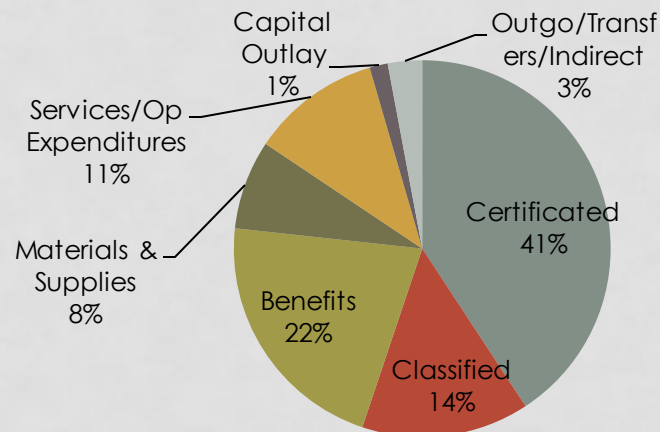


Revenue Source	2018-19 Second Interim	2018-19 Estimated Actuals	2019-20 Budget Development	Notes
Rev. Limit Sources	\$7,654,943	\$7,819,324	\$8,452,588	Significant Increase in ADA, COLA, and LCFF funding
Federal Revenue	\$404,211	\$404,211	\$339,891	Decrease in impact aid
Other State Revenue	\$743,891	\$743,891	\$648,064	Decrease in one-time discretionary funds
Other Local Revenue	\$317,922	\$317,922	\$313,866	Slight decrease in local miscellaneous revenue
Total Revenue	\$9,120,967	\$9,285,348	\$9,754,409	

EXPENDITURES – GENERAL FUND



	2018-19 Second Interim	2018-19 Estimated Actuals	2019-20 Budget Development	Notes – 2019-20 Budget Development
Certificated Staff Salaries	\$3,746,643	\$3,754,593	\$3,951,666	Staffing changes, step & column costs
Classified Salaries	\$1,319,996	\$1,328,246	\$1,394,659	Staffing changes, step & column costs
Employee Benefits	\$1,866,991	\$1,867,354	\$2,091,297	Increase in STRS, PERS, Health & Welfare



EXPENDITURES – GENERAL FUND



	2018-19 Second Interim	2018-19 Estimated Actuals	2019-20 Budget Development	Notes – 2019-20 Budget Development
Books and Supplies	\$816,961	\$813,225	\$742,460	CRBG, STREAM grants removed. Ongoing furniture and tech. replacement budget added
Services/Op Expenditures	\$1,186,230	\$1,202,860	\$1,077,743	Prop 39 removed, SPED consulting decreased, one time PD removed
Capital Outlay	\$109,580	\$102,045	\$150,602	CTEIG Grant, Reel Mower
Other Outgoing	\$340,399	\$340,399	\$240,670	Decrease in county SPED costs, part of program absorbed by district
Indirect Costs	(\$7,811)	(\$7,811)	(\$7,811)	Cafeteria Indirect Transfer
Interfund Transfers Out	\$52,576	\$52,576	\$52,576	Qualified Zone Academy Bond Payment
Total Expenditures	\$9,431,565	\$9,453,487	\$9,693,862	

GENERAL FUND ACTIVITY AND RESERVES



Category	2018-19 Second Interim	2018-19 Estimated Actuals	2019-20 Budget Development
Beginning Balance	\$1,109,358	\$1,109,358	\$941,219
Revenue	\$9,120,967	\$9,285,348	\$9,754,409
Expenditures	\$9,431,565	\$9,453,487	\$9,693,862
Net Increase/Decrease	(\$310,598)	(\$168,139)	\$60,547
Total Assigned & Unassigned Ending Fund Balance	\$798,760	\$941,219	\$1,001,766
Reserved for Economic Uncertainty-Standard 4%	\$377,267	\$378,155	\$387,755
Revolving Cash	\$500	\$500	\$500
Restricted Funds	\$168,567	\$167,928	\$112,400
Assignments – ROP Contributions, One-time funds accrual, set aside for equip & Stabilization Fund	\$69,934	\$56,989	\$165,432
Total Assigned and Unassigned Above Minimum Reserve Requirements	\$421,493	\$563,064	\$614,011
Fund Balance as percentage of expenditures*	8.47%	9.96%	10.33%

*For 2019-20 Budget, 2 months of salaries and benefits only is \$1,239,603 or 12.8% of expenditures. The District's external auditor and YCOE recommend maintaining 2 months of all expenditures in the fund balance, which is equivalent to 16.65% for the budget year.

NEW RESERVE REQUIREMENTS

- Per *California Education Code Section 42127 (a)(2)(B)* commencing with budgets adopted for the 2017-18 fiscal year, the governing Board of a school district that proposes to adopt a budget that includes a combined assigned and unassigned ending fund balance in excess of the minimum recommended reserve for economic uncertainties shall, at a public hearing provide:
 - The minimum recommended reserves for economic uncertainties for each fiscal year identified in the budget
 - The combined assigned and unassigned ending fund balance in excess of the minimum reserve for economic uncertainties for each fiscal year identified in the budget; and
 - A statement of reasons that substantiate the need for assigned and unassigned ending fund balance in excess of the minimum recommend reserve for economic uncertainties
- District's standard reserve level is four percent
- District has set aside one time purchases including technology upgrades and maintenance campus vehicle replacement
- District has established a stabilization fund:
 - Auditor and County Office recommend that the District keep in reserves at least two months worth of operating expenditures, or about 17%
 - LCFF Increases based only on COLA
 - State continues to warn of an upcoming recession, advises caution
 - 4% Minimum Reserve not enough to cover one month's payroll (\$558,404)

MULTI-YEAR PROJECTIONS

	2019-20 Budget Development	2020-21 Projections	2021-22 Projections
Statutory COLA	3.26%	3.00%	2.80%
GAP funding	-	-	-
Enrollment (includes county)	851 – Projected 845 – District 6 – County	851 – Projected 845 – District 6 – County	851 – Projected 845 – District 6 – County
Unduplicated count	375	375	375
ADA (includes county)	792.71	792.71	792.71
Lottery	\$151 \$53	\$151 \$53	\$151 \$53
STRS	16.70%	18.10%	17.80%
PERS	20.733%	23.60%	24.90%

MULTI-YEAR PROJECTIONS

Category	2019-20 Budget Development	2020-21 Projection	2021-22 Projection
Beginning Fund Balance	\$941,219*	\$1,001,766	\$1,076,103
Revenue	\$9,754,409	\$9,589,051	\$9,831,027
Expenditures	\$9,693,862	\$9,514,714	\$9,675,669
Net Increase (Decrease) in Fund Balance	\$60,547	\$74,337	\$155,358
Ending Fund Balance	\$1,001,766	\$1,076,103	\$1,231,461
Reserved for Economic Uncertainty- 4%	\$387,755	\$380,589	\$387,027
Revolving Fund	\$500	\$500	\$500
Restricted	\$112,400	\$101,277	\$81,797
Assignments	\$165,432	\$179,587	\$179,587
Total Assigned and Unassigned Ending Fund Balance Above the Minimum Reserve	\$614,011	\$695,514	\$844,434
Fund Balance as Percentage of Expenditures**	10.33%	11.31%	12.73%

*2019-20 Beginning Fund Balance based off of estimated actuals – could be higher or lower once unaudited actuals are completed

**For 2019-20 Budget, 2 months of salaries and benefits only is \$1,239,603 or 12.8% of expenditures. The District's external auditor and YCOE recommend maintaining 2 months of all expenditures in the fund balance, which is equivalent to 16.65% for the budget year.

FUND 13 - CAFETERIA FUND

Category	2018-19 Second Interim	2018-19 Estimated Actuals	2019-20 Budget Development
Beginning Balance	\$62,563	\$62,563	\$50,139
Revenue	\$262,300	\$259,800	\$270,700
Expenditures	\$281,438	\$272,224	\$308,086
Net Increase (Decrease) in Fund Balance	(\$19,188)	(\$12,424)	(\$37,386)
Transfer In (From General Fund)	\$0	\$0	\$0
Ending Balance	\$43,425	\$50,139	\$12,753

FUND 21 - GO BOND FUND FUND 22 - BRIDGE FINANCING

Category	2018-19 Second Interim	2018-19 Estimated Actuals	2019-20 Budget Development	Notes
Beginning Balance	\$2,975,983	\$2,975,983	\$2,904,643	
Revenue	\$5,000	\$1,805,000	\$5,000	
Financing Sources	\$0	\$0	\$0	
Expenditures	\$2,415,840	\$1,876,340	\$2,904,643	Includes classroom renovation, architect/consultant fees, stadium bleachers, athletic fields
Other Uses	\$0	\$0	\$0	
Net Increase (Decrease) in Fund Balance	(\$2,410,840)	(\$71,340)	(\$2,904,643)	
Ending Fund Balance	\$565,143	\$2,904,643	\$0	

OTHER FUNDS - BUDGETED

Description	Fund 14 Deferred Maintenance Fund	Fund 25 Developer Fee Fund	Fund 40 Reserve Fund for Capital Outlay	Fund 51 Bond Interest & Redemption	Fund 56 Debt Service Fund	Fund 73 Scholarship Fund
Beginning Balance	\$16,479	\$843,849	\$815,929	\$530,047	\$234,169	\$101,390
Revenue	\$0	\$283,500	\$3,000	\$411,900	\$0	\$4,500
Expenditures	\$16,479	\$420,485	\$0	\$411,900	\$81,642	\$5,000
Inter-fund Transfers In	\$0	\$0	\$52,576	\$0	\$0	\$0
Net Increase (Decrease)	\$0	(\$136,985)	\$55,276	\$0	(\$81,642)	(\$500)
Ending Fund Balance	\$0	\$706,864	\$871,505	\$530,047	\$234,169	\$100,890

SCHOOL DISTRICT CERTIFICATION

- The budget was developed using the state-adopted Criteria & Standards
 - It includes expenditures necessary to implement the Local Control and Accountability Plan (LCAP) that will be effective for the budget year
 - The public hearing for the budget scheduled for June 19th, 2019
 - The budget will be filed and adopted on June 26th, 2019
- The budget includes a combined assigned and unassigned ending fund balance above the minimum recommended reserve for economic uncertainties; the school district at a public hearing, June 19, 2019, complied with the requirements of subparagraph (B) and (C) of paragraph (2) of subdivision (a) of Education Code Section 42127