



## 2018/19 Annual Budget Report

June 5, 2018 Public Hearing  
June 12, 2018 Adoption



## Business Office Memorandum

To: Board of Education

From: Ahmad Sheikholeslami, Chief Business and Operations Officer  
Jill Frederiksen, Director of Fiscal Services

Date: 6/2/2018

Re: 2018/19 Annual Budget Report

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### **Executive Summary**

The 2018/19 Annual Budget continues to provide the District with financial stability as defined in Board Policy through 2020/21. (See *Reserve Levels* section below for Board Policy reference.) The reserve for economic uncertainty for 2018/19 is projected to be 20.2% with about a \$300,000 operating deficit. If the Governor's May budget is enacted with its one-time fund allocations the District will end with a budget surplus of about \$350,000. Adjusted for one-time revenues and expenditures the net operating budget has a surplus of about \$88,000. The District's medium term financials have improved from the 2017/18 Adopted Budget due to stronger revenue growth and adjustments to staffing in the out-years. Staffing levels in the out-years are being held at current levels as new enrollment projections indicate a flattening of enrollment. The multi-year budget indicates a growing deficit, which will reduce the economic uncertainty slightly below 15% in 2021/22. Expenditure pressures from salaries and benefits continue to outpace revenues in the long term financials.

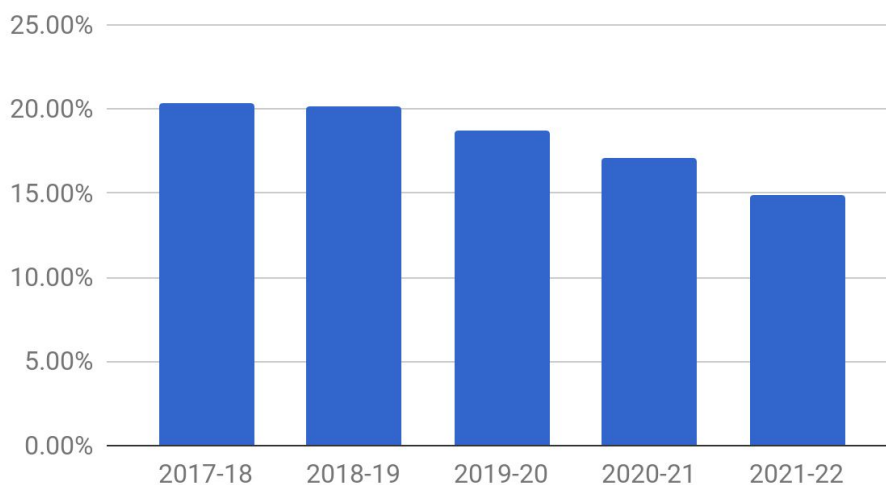
The 2018/19 Annual Budget maintains all current programs. Reductions that were originally planned in the 2017/18 Budget are reinstated and current class size levels are maintained. The 2018/19 Budget includes funding from one-time sources to continue effective initiatives, student support services, teacher coaches, and expand new efforts around innovation. While the District's core programs remain strong and part of the

ongoing expenditure plans, the District must be cautious that programs and initiatives funded by grants and one-time discretionary State funds will be adversely impacted with the loss of those funds and may not be sustainable in the future.

### Reserve Levels

The Board has adopted a policy, BP 3470(b), to target a reserve for economic uncertainties of 15% to 20% of total expenditures for the current year and not less than 10% of total expenditures in its multi-year projection for the two subsequent years. As part of the budget planning and structuring of 2017 Measure X parcel tax, the Board directed staff to develop a plan that would provide the District a period of financial stability (economic uncertainty reserve level not falling below 15%) through 2020/21. This budget continues to provide that financial stability over the next three years. The reserve rate is projected slightly below 15% in 2021/22.

Economic Uncertainty Reserve Level (% of total expenditures)

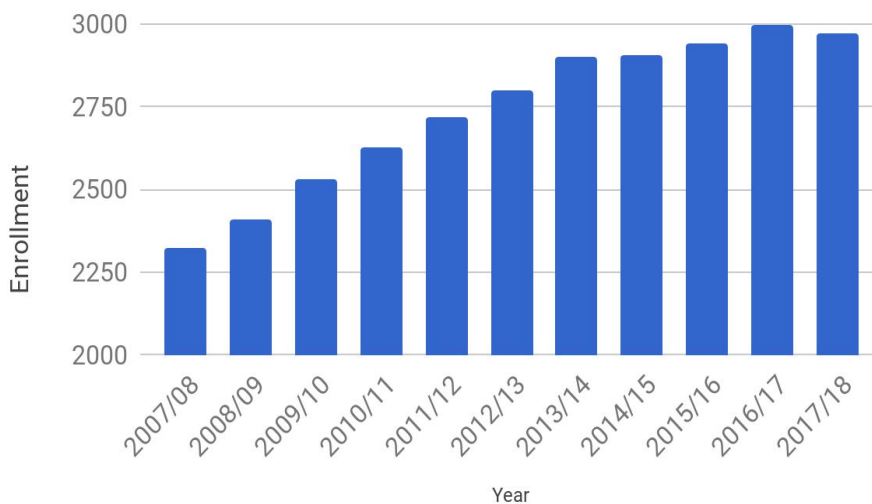


These multi-year projections are dependent on a steady growth in secured property tax and compensation increases that do not exceed the historical average. An economic downturn or other unforeseen circumstance could have a significant adverse impact. The economy is entering the longest recovery period in modern history with unprecedented growth in the local Bay Area economy. A potential downturn is probable in the coming years. Typical property tax cycles provide the District with about a one year lag time before economic downturns impact secured property tax revenues. However, other portions of the District's revenue such as community donations and State funding may be more sensitive to economic changes.

## Enrollments

District enrollment has grown by about 30% over the last decade. In 2017/18, the District observed enrollment numbers and kindergarten classes that were noticeably less than projected. A new enrollment study was commissioned and presented to the Board in January 2018. The report indicated a flattening of enrollment through 2021/22 with slight increases beyond. This is well below the previous study which projected a potential growth of another 150 students by 2020/21. As a result of the new report, future staffing levels were re-evaluated with the 2017/18 Second Interim Budget. Over a multi-year period, large savings will be realized if the enrollment remains flat. While the final enrollment numbers for 2018/19 will not be known until September 2018, the current kindergarten enrollment and re-enrollment trends indicate a larger kinder class than projected. Total enrollment might be around 3,000 students and not the projected 2,936 students. The District will need to closely monitor enrollment trends and analyze impacts to future staffing. Because MPCSD is a community-funded school district it does not receive its funding based on enrollment and must manage the additional growth within its existing revenue sources.

MPCSD Enrollment Growth 2007/08 to 2017/18



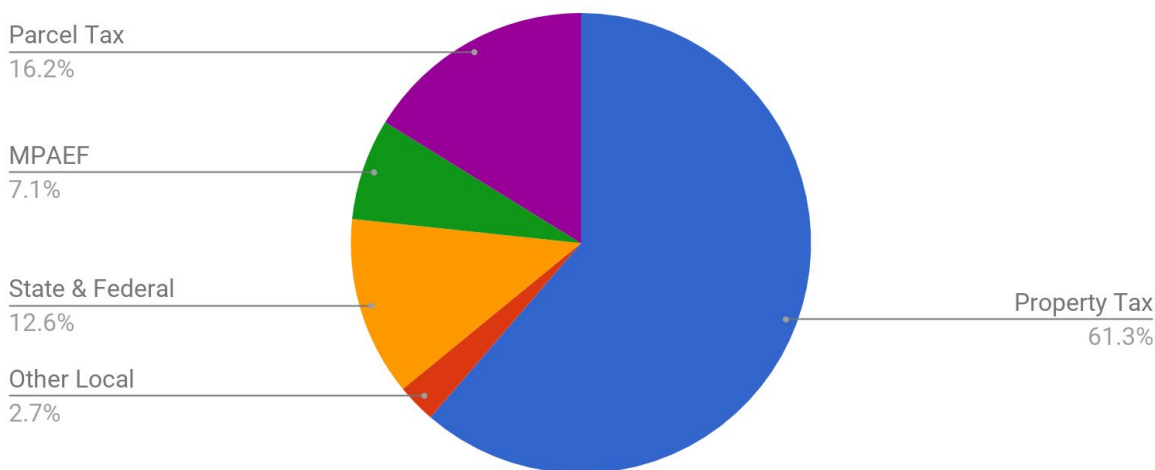
## Revenues

California school districts are funded by a combination of local property taxes and State aid up to the Local Control Funding Formula (LCFF) calculation. The LCFF funding calculation is largely based on average daily attendance. For the majority of districts, local property taxes are less than the funding obligation under LCFF and the State makes up the difference (State aid). These districts are referred to as “State-funded”

districts. Because MPCSD's local property tax allocation exceeds the LCFF formula by about \$7.9 million the District is considered a "community-funded" district. (MPCSD has been a "community-funded" or "basic aid" school district since 2000.) Under current law, community-funded districts are allowed to retain all the property tax revenue and State aid is very minimal.

Total projected general fund revenue for 2018/19 is \$51,232,991. The main sources of revenue for MPCSD are local property tax, parcel taxes, and community donations (Menlo Park Atherton Education Foundation). Together these sources of revenue account for about 86% of total revenues.

2018/19 Annual Budget Revenue Sources



### Ongoing Revenues

The District receives approximately 61.3% of total revenue from local property tax. About 58%, or \$29.7 million, is received from secured property tax, that portion of property tax generated from assessed values of land and structures. Based on analysis done in 2016 on historical changes in secured property tax over the last 20+ years, the District estimated the eight-year compound annual growth rate was 6.1%. This growth rate was used in previous budgets with discounts in the out years. Based on the current San Mateo County Assessor's Office projections for 2018/19, the current budget includes a secured property tax growth rate of 7.1%. However, assessed values do not exactly correlate to tax amounts received. The District's first estimate from the San Mateo County Controller's Office of the actual property tax revenue for 2018/19 will be received in October. Staff is confident that the secured property tax will grow at the estimated 7.1% or slightly higher based on current trends. For the multi-year projections the out-years are discounted by 1% each year and held at 4.1% in 2021/22.

Other major sources of revenue include parcel taxes, State and Federal funding, and contributions from the Menlo Park-Atherton Education Foundation (MPAEF). The District has four parcel taxes. Three of these parcel taxes are evergreen. In 2017, the voters approved Measure X, a seven year parcel tax at an initial rate of \$360 per parcel. The parcel tax rates for 2018/19 include a 3.2% Bay Area Consumer Price Index (CPI) rate increase for total revenue of approximately \$8.40 million, or 16.2% of total revenue. Total State and Federal funding is \$6.54 million (including AB602 SELPA property tax transfers), about 12.7% of total revenue. MPAEF funding is \$3.7 million, about 7.1% of total revenue.

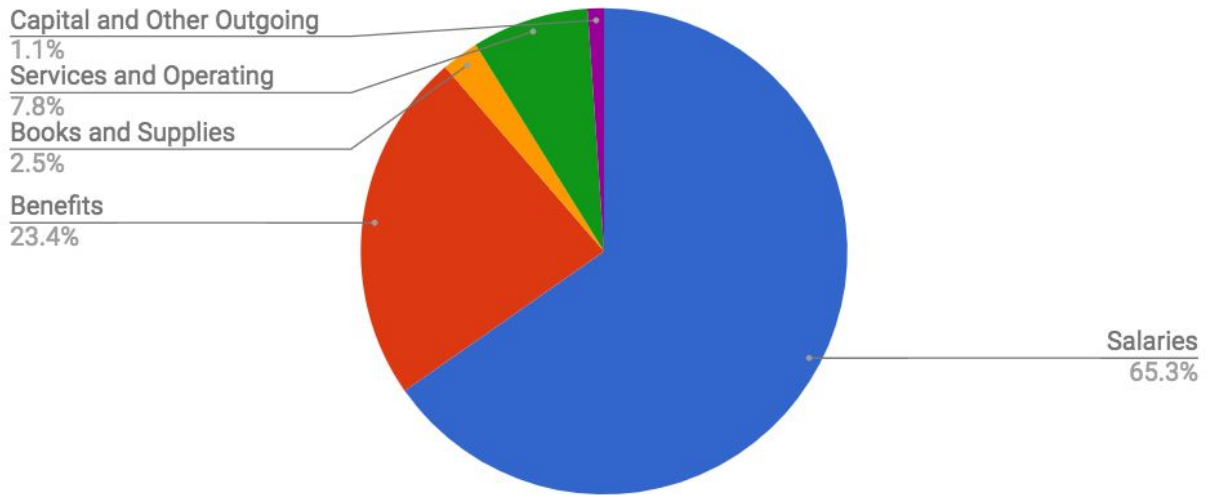
### *One-Time Revenues*

The 2018/19 Adopted Budget includes one-time revenues from the State (\$350,000), local grants (\$250,000), and sales (\$40,000). One-time revenues from the State are included in the budget at \$120 per Average Daily Attendance (ADA). This amount is below the governor's May Revise of the 2018/19 State Budget which proposes about \$344 per ADA in one-time funds. The District has used this more conservative amount because in previous State budgets adjustments made by the legislature have reduced the amount of discretionary funds and reallocated them into categorical programs. Once the final allocation is approved by the State, the District will make the adjustment in the First Interim Budget update (December 2018). The District's practice is to allocate one-time funds towards one-time expenditures or to specific programs with a defined timeline.

## Expenditures

The 2018/19 Annual Budget has a total expenditure of \$51,534,753. As a service organization, MPCSD invests a significant portion of its budget in personnel. Approximately 88.7% of total expenditures, or \$45.7 million, is spent on salaries and benefits.

### 2018/19 Annual Budget Expenditures



### Salaries and Benefits

The 2018/19 Adopted Budget includes a 3% increase of the salary schedules for classified, certificated, and non-represented groups that were negotiated as part of a two year agreement in June 2017. It also includes a 1.5% salary schedule increase for non-represented management. Salary expenditures also include movement of employees on the salary schedule and retirements/resignation savings.

A key component of increasing personnel costs is the rising cost of pensions. The District participates in two pensions: the State Teachers' Retirement System (STRS) for credentialed personnel and the Public Employees' Retirement System (PERS) for non-credentialed personnel. Certificated salaries, which are subject to STRS, make up more than half of total District expenditures and approximately 80% of total salaries. Increases in STRS rates have a more significant impact on the budget than PERS. For 2018/19, STRS increased its employer contribution rate by another 1.85% (to 16.28%) and PERS increased it by 2.532% (to 18.062%). This equates to approximately \$650,000 of additional, ongoing expenditures for 2018/19.

STRS employer contributions will increase to 19.1% by 2020/21, which is an additional 2.82% from 2018/19 rates over the next two years. PERS employer contributions will

increase to 23.5% by 2020/21, which is an additional 5.438% from 2018/19 rates. The goal of these rate increases is to ensure the solvency of the system and to fully fund the system in the next 30-40 years.

To accurately capture potential expenditures, a placeholder of 2.5% per year, the average Bay Area Consumer Price Index over the last 13 years, is added to salary expenditures in subsequent years (beginning fiscal year 2019/20). This is in addition to regular step and column movement on the salary schedule. *It is only a placeholder. Compensation is a mandatory subject of bargaining, and any compensation changes negotiated with the bargaining units require Board approval in order to become effective.*

Approved compensation adjustments generally reflect the District's consideration of the factors identified in Government Code Section 3548.2, including the interests and welfare of the public and the District's financial ability to pay, total compensation comparability with similar districts, and the Consumer Price Index. Beginning fall of 2018, compensation adjustments will also reflect the planned Compensation Philosophy to be presented to the Board as part of the District's 2018 Long-Term Financial Plan this month.

It is important to note that personnel costs exceed secured property tax, the District's largest revenue source, by about \$15.9 million. The ongoing increases in salaries and benefits exhaust any increases in property tax growth at a faster rate.

#### *Reinstatement of Planned Reductions*

The 2017/18 Second Interim Report multi-year budget projection had improved significantly because of the revised staffing plans based on the new enrollment projections. As a result, Staff presented five options to the Board regarding potential expenditure plans. The Board provided direction to staff to maintain the planned financial stability period through 2020/21, avoid planned reductions in 2018/19, and not increase class size averages beyond current levels. The 2018/19 Budget maintains the programs that were previously planned for reduction in the Second Interim Report and addresses the class size concerns while maintaining the financial stability period.

#### *Staffing Adjustments*

General Fund staffing is increased 2.78 FTE in the 2018/19 Budget since 2017/18 Second Interim.

The Second Interim Budget included reduction of two elementary teachers based on projected enrollments. The 2018/19 Budget maintains the current level of elementary teachers to handle the expected K-5 enrollment for next year. The average class size is projected to be 22.6 students per teacher for K-5. The budget includes increasing World



Language by 1.1 FTE for a total of 3.2 FTE to serve the K-5 world language program. Middle school staffing is increased by 0.33 FTE to handle the larger enrollment projected for Hillview.

2018/19 Staffing Changes	General Education	Educational Services	Special Education	MOT
Certificated:				
Teachers	0.93		0.40	
Coordinators/Program Specialist	0.60	1.0		
Special Assignment/Wellness Coordinator	(0.50)	(0.40)		
Classified:				
Instructional Aides/Para Educators			0.75	
Clerical, District Office		0.50		
Transportation				(0.75)
Custodian				0.25
<b>Total Staffing Changes</b>	<b>1.03</b>	<b>1.10</b>	<b>1.15</b>	<b>(0.50)</b>

*One time Expenditures*

The 2018/19 Budget includes a significant amount of one-time expenditures. These expenditures are considered one time because their funding sources are one-time allocations or limited term grants and not projected as ongoing revenues. The total one-time expenditures for 2018/19 is about \$1.03 million. These one-time funds are from local grants, prior year one-time RDA funds, projected 2018/19 one-time State funds, and other set aside funds. By budgeting in this manner the District can meet its short term needs for services and allow for innovation while not committing to long term expenditures where the funding may not be available. These expenditures include:

- Funding for the Innovation Cubed (i3) Program
- Innovation Coordinator
- Technology Teacher on Special Assignment
- Family Engagement Coordinator
- Eustace Kwan Initiatives
- Spanish Immersion Coach
- Special Education Coach
- Wellness Coordinator
- Business Office Support
- Prop 39 Clean Energy Grant
- ELC Contingency Assignment

## **Other Funds**

In addition to the General Fund which is used for all of the operating budget, the District has seven other funds that are used for specific reasons. These funds and expenditure details are included in the attachments to this report. In 2017/18, the District established the Enterprise Fund (Fund 63) for the operation of the Early Learning Center. The Cafeteria Fund (Fund 13) is used for the food service program. The Special Reserve Fund (Fund 17) includes the remaining parcel tax reserve monies which will be exhausted by the end of 2018/19 and set aside funds for the learning leaders which will be fully exhausted by 2022/23. The other funds (Funds 14, 21, 25, and 40) are related to facility maintenance, bond program, developer fees, and building improvement projects.

## **Conclusion**

The 2018/19 Annual Budget provides an operating budget that continues MPCSD's world class educational programs by maintaining the current level of resources, eliminating further increases in class size averages in K-5, and allowing for innovative programs and support services to continue with the allocation one-time funding. The District will maintain its financial stability period through 2020/21. The multi-year projections are based on continued strong property tax growth, maintaining current programs, and managing compensation increases. A severe economic downturn, large program increases, and/or higher increases in salary or benefit obligations would adversely impact those projections. The District must also be aware that greater reliance on one-time funding to support innovative program carries a level of risk once the funding ends.

The budgeting cycle is a continual process which starts with the Adopted Budget and is updated twice during the fiscal year. The process includes evaluation of the current budget plan, assessing student needs, monitoring and assessing revenue projections and expenditures, monitoring enrollment trends, and seeking community input to weigh decisions that will impact the future educational programs of MPCSD. Each decision along the way drives and molds the long term solution sought that balances financial stability with educational excellence.

## **Attachments**

- Summary of All Funds
- 2018/19 Personnel Allocation
- 2018/19 General Fund Projected Year Totals
- 2018/19 General Fund Variance Summary
- Multi-Year Projection
- Restatement of Reserves
- Budget Assumptions
- SACS Financial Report

MENLO PARK CITY SCHOOL DISTRICT  
ALL FUNDS  
2018/19 Adopted Budget

	General Fund 01	Cafeteria 13	Deferred Maintenance 14	Special Reserve Other 17	Building Fund 21	Capital Facilities (Dev Fees) 25	Special Reserve Capital Outlay 40	Enterprise Fund (ELC) 63
Beginning Fund Balance	\$ 13,193,402	\$ 30,694	\$ 1,599,899	\$ 1,197,164	\$ 259,400	\$ 61,814	\$ 362,743	\$ -
REVENUES:								
LCFF/Property Taxes	\$ 34,522,827	\$ -	\$ 676,500	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	673,565	115,000	-	-	-	-	-	-
Other State	2,509,719	6,200	-	-	-	-	-	-
Other Local	13,526,880	465,200	10,000	5,000	1,500	382,000	7,500	789,415
Total Revenues	\$ 51,232,991	\$ 586,400	\$ 686,500	\$ 5,000	\$ 1,500	\$ 382,000	\$ 7,500	\$ 789,415
EXPENDITURES:								
Certificated Salaries	\$ 26,329,313	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 386,457
Classified Salaries	7,308,854	-	-	-	-	-	-	118,090
Employee Benefits	12,060,568	-	-	-	-	-	-	186,393
Books and Supplies	1,274,481	521,500	40,000	-	-	15,000	10,000	25,000
Services & Other Expenses	4,001,428	8,000	225,000	-	-	125,000	40,000	15,000
Capital Outlay & Other Outgo	581,500	-	-	-	90,000	-	105,000	-
Indirect Costs	(21,391)	21,391	-	-	-	-	-	-
Total Expenditures	\$ 51,534,753	\$ 550,891	\$ 265,000	\$ -	\$ 90,000	\$ 140,000	\$ 155,000	\$ 730,940
OTHER FINANCING SOURCES:								
Interfund Transfers In	\$ 678,497	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund Transfers Out	-	-	-	634,641	-	-	-	43,856
TOTAL OTHER SOURCES	\$ 678,497	\$ -	\$ -	\$ (634,641)	\$ -	\$ -	\$ -	\$ (43,856)
Net Incr/(Decr) to Fund Balance	\$ 376,735	\$ 35,509	\$ 421,500	\$ (629,641)	\$ (88,500)	\$ 242,000	\$ (147,500)	\$ 14,619
NET ENDING BALANCE:	\$ 13,570,137	\$ 66,203	\$ 2,021,399	\$ 567,523	\$ 170,900	\$ 303,814	\$ 215,243	\$ 14,619

MENLO PARK CITY SCHOOL DISTRICT  
2018/19 ADOPTED BUDGET  
PERSONNEL ALLOCATION

**CERTIFICATED EMPLOYEES, GENERAL FUND**

SUPERINTENDENT & ASSISTANT SUPERINTENDENT	2.00 FTE
DIRECTORS	1.00 FTE
COORDINATOR/PROGRAM SPECIALIST	3.80 FTE
PRINCIPALS & ASSISTANT PRINCIPALS	9.00 FTE
TEACHERS - GENERAL EDUCATION	165.72 FTE
TEACHERS - SPECIAL EDUCATION	19.90 FTE
TEACHERS - SPECIAL ASSIGNMENT/WELLNESS COORDINATOR	3.20 FTE
NURSES	1.40 FTE
LIBRARIANS	4.00 FTE
PSYCHOLOGISTS	4.80 FTE
COUNSELORS	5.00 FTE

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<b>TOTAL CERTIFICATED EMPLOYEES, GENERAL FUND</b>	<b>219.82 FTE</b>
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**CLASSIFIED EMPLOYEES, GENERAL FUND**

CHIEF BUSINESS & OPERATIONS OFFICER	1.00 FTE
DIRECTORS	2.00 FTE
MANAGER/SUPERVISOR	3.00 FTE
COORDINATOR, SPECIAL EDUCATION	1.00 FTE
PARA EDUCATORS & ASSISTIVE TECH - SPECIAL EDUCATION	39.35 FTE
HEALTH SERVICE ASSISTANTS & LVN'S	4.06 FTE
INSTRUCTIONAL AIDES - GENERAL EDUCATION	15.13 FTE
OCCUPATIONAL THERAPISTS	2.00 FTE
PLAYGROUND SUPERVISORS	5.56 FTE
FAMILY ENGAGEMENT LIAISON	1.00 FTE
CLERICAL	16.88 FTE
TECHNOLOGY SUPPORT	5.00 FTE
MAINTENANCE & GROUNDS	4.00 FTE
CUSTODIANS	13.75 FTE
TRANSPORTATION	1.75 FTE

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<b>TOTAL CLASSIFIED EMPLOYEES, GENERAL FUND</b>	<b>115.47 FTE</b>
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**TOTAL EMPLOYEES, ENTERPRISE FUND**

PRESCHOOL DIRECTOR	1.00 FTE
LEAD PRESCHOOL TEACHER	2.00 FTE
ASSISTANT PRESCHOOL TEACHER	2.00 FTE
PRESCHOOL AIDES	2.00 FTE
OFFICE ASSISTANT	0.50 FTE

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<b>TOTAL EMPLOYEES, ENTERPRISE FUND</b>	<b>7.50 FTE</b>
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<b>TOTAL FULL TIME EQUIVALENCIES (FTE)</b>	<b>342.79 FTE</b>
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MENLO PARK CITY SCHOOL DISTRICT  
GENERAL FUND PROJECTED YEAR TOTALS  
2018/19 Adopted Budget

	Adopted Budget Summary	One-Time Sources/Uses	Adjusted Budget for Ongoing Operations
Beginning Fund Balance	\$ 13,193,402	\$ -	\$ 13,193,402
<b>GENERAL FUND REVENUES:</b>			
Local Control Funding Formula Sources			
Secured Property Tax	\$ 29,763,574	\$ -	\$ 29,763,574
Other Local Property Tax	2,078,517		2,078,517
State Aid (Minimum State Aid & Tinsley Revenue Transfer)	1,359,557		1,359,557
Education Protection Account (Prop. 30)	583,000		583,000
Special Education/SELPA Property Tax Transfer (Restricted)	1,414,679		1,414,679
Deferred Maintenance Transfer	<u>(676,500) <sup>1</sup></u>	<u>-</u>	<u>(676,500)</u>
Sub-Total Local Control Funding Formula Sources	\$ 34,522,827	\$ -	\$ 34,522,827
Federal Revenue	673,565		673,565
Other State Revenue (Mandated Costs, Lottery, Other One-Time)	2,509,719 <sup>2</sup>	(350,000) <sup>3</sup>	2,159,719
Local Revenue - Parcel Taxes	8,404,654 <sup>4</sup>		8,404,654
Local Revenue - Menlo Park Atherton Education Foundation	3,700,000		3,700,000
Local Revenue - Other (Local Grants, Interest, PTO, Transp., Etc.)	<u>1,422,226</u>	<u>(290,000) <sup>5</sup></u>	<u>1,132,226</u>
Total Revenue	<u>\$ 51,232,991</u>	<u>\$ (640,000)</u>	<u>\$ 50,592,991</u>
<b>GENERAL FUND EXPENDITURES:</b>			
Salaries & Benefits			
Certificated Salaries	\$ 26,329,313	\$ (367,627)	\$ 25,961,686
Classified Salaries	7,308,854	(170,502)	7,138,352
Employee Benefits	<u>12,060,568 <sup>6</sup></u>	<u>(124,329)</u>	<u>11,936,239</u>
Sub-Total Salaries & Benefits	\$ 45,698,735	\$ (662,458) <sup>7</sup>	\$ 45,036,277
Books & Supplies	1,274,481	(33,695) <sup>8</sup>	1,240,786
Services & Operating Expenditures	4,001,428	(278,796) <sup>8</sup>	3,722,632
Capital Outlay	55,000	(55,000) <sup>9</sup>	-
Other Outgo - OPEB Contribution	187,000		187,000
Other Outgo - Special Ed Tuition to Other Public Agencies	339,500		339,500
Indirect Costs - Transfer from Cafeteria Fund (Fund 13)	<u>(21,391)</u>	<u>-</u>	<u>(21,391)</u>
Total Expenditures	<u>\$ 51,534,753</u>	<u>\$ (1,029,949)</u>	<u>\$ 50,504,804</u>
<b>NET OPERATING SURPLUS/(DEFICIT) - Revenue Less Expenditures</b>	<u><b>\$ (301,762)</b></u>	<u><b>\$ 389,949</b></u>	<u><b>\$ 88,187</b></u>

One-Time Adjustments/Notes:

<sup>1</sup> Due to the classification of the Deferred Maintenance fund (Fund 14), the CDE recommends that the Deferred Maintenance transfer be reported as a reduction of LCFF revenue rather than an expenditure. This was implemented with the 2014/15 First Interim Budget Report.

<sup>2</sup> Includes \$1,489,259 State STRS On Behalf, an accounting change required per GASB 68 to recognize the State contribution paid directly to STRS on behalf of District employees. (Funds not received by the District.) It is recorded as an offsetting revenue and expenditure with no net effect on the ending fund balance. This change was implemented with the 2014/15 Unaudited Actuals.

<sup>3</sup> One-time Mandate/discretionary funding (\$350,000)

<sup>4</sup> Prior to the 2014/15 First Interim Budget Report, Parcel Tax revenue was reported in Fund 17.

<sup>5</sup> 3rd of 3 year Eustace-Kwan grant (\$250,000); Sell Bus (\$40,000)

<sup>6</sup> Includes \$1,489,259 State STRS On Behalf (see footnote #4 above)

<sup>7</sup> Innovation Cubed (\$80,000); Innovation Coordinator (\$151,610); Technology Teacher on Special Assignment (\$74,163); 3rd of 3 years Family Engagement Liaison (\$90,089); Other Kwan grant salaries & benefits (\$95,744); Spanish Immersion Coach (\$42,149); Special Education Coach/Teacher (\$61,924); Wellness Coordinator (\$11,669); Business Office Substitutes (\$55,110)

<sup>8</sup> Innovation Cubed (\$120,000); Business Office Substitutes/Temps (\$30,000); Prop. 39, Clean Energy, expense (\$98,235); Remaining Kwan expenditures (\$64,256)

<sup>9</sup> New Bus

MENLO PARK CITY SCHOOL DISTRICT  
GENERAL FUND VARIANCE SUMMARY  
2017/18 Estimated Actuals

	2017-18 Adopted	2017-18 First Interim	2017-18 Second Interim	2017-18 Est. Actuals	Incr/(Decr) Est. Actuals
Beginning General Fund Balance	\$ 11,811,379	\$ 11,983,475	\$ 11,983,475	\$ 11,983,475	\$ -
<b>REVENUES:</b>					
LCFF Sources (Property Tax & State Aid)	\$ 31,894,673	\$ 32,515,067	\$ 32,490,362	\$ 32,650,907	\$ 160,545 <sup>1</sup>
Federal Revenue	631,500	713,075	715,790	713,353	(2,437)
Other State Revenue	2,738,348	2,677,882	2,765,457	2,765,457	-
Menlo Park Atherton Education Foundation	3,700,000	3,700,000	3,700,000	3,700,000	-
Parcel Tax Revenue	8,172,055	8,144,045	8,144,045	8,144,045	-
Other Local Revenue	1,178,698	1,307,093	1,289,590	1,406,990	117,400 <sup>2</sup>
<b>Total Revenue</b>	<b>\$ 48,315,274</b>	<b>\$ 49,057,162</b>	<b>\$ 49,105,244</b>	<b>\$ 49,380,752</b>	<b>\$ 275,508</b>
<b>EXPENDITURES:</b>					
Certificated Salaries	\$ 24,790,904	\$ 25,230,207	\$ 25,221,564	\$ 25,159,529	\$ (62,035) <sup>3</sup>
Classified Salaries	6,742,693	6,911,258	6,897,471	6,883,656	(13,815) <sup>3</sup>
Employee Benefits	11,028,517	10,839,330	10,835,084	10,814,906	(20,178) <sup>3</sup>
Books and Supplies	1,348,788	1,381,966	1,329,490	1,287,400	(42,090) <sup>4</sup>
Services and Operating Expenditures	3,164,225	3,782,693	3,828,819	4,076,270	247,451 <sup>4</sup>
Capital Outlay	50,000	50,000	50,000	55,630	5,630
Other Outgo	337,000	431,500	516,500	516,500	-
Indirect Costs	-	(27,745)	(27,745)	(27,745)	-
<b>Total Expenditures</b>	<b>\$ 47,462,127</b>	<b>\$ 48,599,209</b>	<b>\$ 48,651,183</b>	<b>\$ 48,766,146</b>	<b>\$ 114,963</b>
<b>NET OPERATING SURPLUS/(DEFICIT)</b>	<b>\$ 853,147</b>	<b>\$ 457,953</b>	<b>\$ 454,061</b>	<b>\$ 614,606</b>	<b>\$ 160,545</b>
<b>OTHER FINANCING SOURCES/USES:</b>					
Transfers In	750,697	793,321	793,321	793,321	-
Transfers Out	-	198,000	198,000	198,000	-
<b>Increase/(Decrease) Fund Balance</b>	<b>\$ 1,603,844</b>	<b>\$ 1,053,274</b>	<b>\$ 1,445,382</b>	<b>\$ 1,605,927</b>	<b>\$ 160,545</b>
Projected Ending General Fund Balance	\$ 13,415,223	\$ 13,036,749	\$ 13,428,857	\$ 13,589,402	\$ 160,545

Estimated Actuals Footnotes:

<sup>1</sup> One-time Redevelopment Agency Funds \$120,090; All other property tax, primarily Secured Property Tax \$40,455

<sup>2</sup> Site Deposits/Donations \$117,400

<sup>3</sup> Reallocate excess Salaries & Benefits to non-personnel expenditures, primarily Swing Education guest teacher costs (\$96,028)

<sup>4</sup> Reallocate excess Salaries & Benefits to non-personnel expenditures \$96,028; Site Deposits/Donations \$117,400; Other (\$8,067)

MENLO PARK CITY SCHOOL DISTRICT  
MULTI-YEAR PROJECTION  
2018/19 Adopted Budget

	2018/19	%	2019/20	%	2020/21	%	2021/22	%	2022/23	%
	Unrestr/Restr	Change	Unrestr/Restr	Change	Unrestr/Restr	Change	Unrestr/Restr	Change	Unrestr/Restr	Change
Enrollment Projection	3,006	1.1%	2,925	-2.7%	2,939	0.5%	2,935	-0.1%	2,957	0.7%
<b>REVENUES:</b>										
LCFF(Property Tax)	\$ 34,522,827	5.7%	\$ 36,414,683	5.5%	\$ 38,123,627	4.7%	\$ 39,594,990	3.9%	\$ 41,130,921	3.9%
Federal Revenue	673,565	-5.6%	706,965	5.0%	741,165	4.8%	776,165	4.7%	812,065	4.6%
Other State Revenue	2,509,719	-9.2%	2,185,452	-12.9%	2,256,694	3.3%	2,275,772	0.8%	2,326,266	2.2%
Other Local Revenue	<u>13,526,880</u>	<u>2.1%</u>	<u>13,475,297</u>	<u>-0.4%</u>	<u>13,719,667</u>	<u>1.8%</u>	<u>13,970,120</u>	<u>1.8%</u>	<u>14,226,893</u>	<u>1.8%</u>
Total Revenues	<u>\$ 51,232,991</u>	<u>3.8%</u>	<u>\$ 52,782,397</u>	<u>3.0%</u>	<u>\$ 54,841,153</u>	<u>3.9%</u>	<u>\$ 56,617,047</u>	<u>3.2%</u>	<u>\$ 58,496,145</u>	<u>3.3%</u>
<b>EXPENDITURES:</b>										
Certificated Salaries	\$ 26,329,313	4.6%	\$ 26,614,453	1.1%	\$ 27,289,648	2.5%	\$ 28,101,433	3.0%	\$ 28,969,977	3.1%
Classified Salaries	7,308,854	6.2%	7,304,927	-0.1%	7,516,404	2.9%	7,777,527	3.5%	8,048,624	3.5%
Employee Benefits	12,060,568	11.5%	13,128,468	8.9%	14,192,038	8.1%	15,111,104	6.5%	15,899,752	5.2%
Books & Supplies	1,274,481	-1.0%	1,271,386	-0.2%	1,300,786	2.3%	1,330,886	2.3%	1,361,686	2.3%
Operating Expenses	4,001,428	-1.8%	4,385,967	9.6%	4,540,367	3.5%	4,702,167	3.6%	4,871,367	3.6%
Cap Outlay, Other Outgo & Indirect	<u>560,109</u>	<u>2.9%</u>	<u>574,111</u>	<u>2.5%</u>	<u>588,464</u>	<u>2.5%</u>	<u>603,176</u>	<u>2.5%</u>	<u>618,255</u>	<u>2.5%</u>
Total Expenditures	<u>\$ 51,534,753</u>	<u>5.7%</u>	<u>\$ 53,279,312</u>	<u>3.4%</u>	<u>\$ 55,427,706</u>	<u>4.0%</u>	<u>\$ 57,626,292</u>	<u>4.0%</u>	<u>\$ 59,769,661</u>	<u>3.7%</u>
<b>NET OPERATING SURPLUS/(DEFICIT)</b>	<b><u>\$ (301,762)</u></b>	<b><u>-149.1%</u></b>	<b><u>\$ (496,915)</u></b>	<b><u>64.7%</u></b>	<b><u>\$ (586,553)</u></b>	<b><u>18.0%</u></b>	<b><u>\$ (1,009,245)</u></b>	<b><u>72.1%</u></b>	<b><u>\$ (1,273,516)</u></b>	<b><u>26.2%</u></b>
<b>TRANSFERS &amp; CONTRIBUTIONS:</b>										
Transfers In	\$ 678,497	-14.5%	\$ 217,949	-67.9%	\$ 221,433	1.6%	\$ 225,317	1.8%	\$ 78,248	-65.3%
Transfers Out	-		-		-		-		-	
Contributions to Restricted	-		-		-		-		-	
Net Transfers & Contributions	<u>\$ 678,497</u>	<u>14.0%</u>	<u>\$ 217,949</u>	<u>-67.9%</u>	<u>\$ 221,433</u>	<u>1.6%</u>	<u>\$ 225,317</u>	<u>1.8%</u>	<u>\$ 78,248</u>	<u>-65.3%</u>
<b>Increase/(Decrease) Fund Balance</b>	<b><u>\$ 376,735</u></b>	<b><u>-68.9%</u></b>	<b><u>\$ (278,966)</u></b>	<b><u>-174.0%</u></b>	<b><u>\$ (365,120)</u></b>	<b><u>30.9%</u></b>	<b><u>\$ (783,928)</u></b>	<b><u>114.7%</u></b>	<b><u>\$ (1,195,268)</u></b>	<b><u>52.5%</u></b>
Beginning Fund Balance	<u>13,193,402</u>	<u>10.1%</u>	<u>13,570,137</u>	<u>2.9%</u>	<u>13,291,171</u>	<u>-2.1%</u>	<u>12,926,051</u>	<u>-2.7%</u>	<u>12,142,123</u>	<u>-6.1%</u>
<b>Ending Fund Balance</b>	<b><u>\$ 13,570,137</u></b>	<b><u>2.9%</u></b>	<b><u>\$ 13,291,171</u></b>	<b><u>-2.1%</u></b>	<b><u>\$ 12,926,051</u></b>	<b><u>-2.7%</u></b>	<b><u>\$ 12,142,123</u></b>	<b><u>-6.1%</u></b>	<b><u>\$ 10,946,854</u></b>	<b><u>-9.8%</u></b>
Restricted Ending Fund Balance	<u>\$ 1,639,294</u>	<u>-5.7%</u>	<u>\$ 1,639,294</u>	<u>0.0%</u>	<u>\$ 1,639,294</u>	<u>0.0%</u>	<u>\$ 1,639,294</u>	<u>0.0%</u>	<u>\$ 1,639,294</u>	<u>0.0%</u>
<b>Assigned Balances (from Unrestricted):</b>										
1.5% Secured Property Tax Reserve	\$ 446,000	7.0%	\$ 474,000	6.3%	\$ 498,000	5.1%	\$ 518,000	4.0%	\$ 540,000	4.2%
Instr Materials & Unrestr Lottery	925,000	12.1%	1,027,500	11.1%	1,132,600	10.2%	1,240,300	9.5%	1,350,700	8.9%
Foundation & Site Grants	24,773	0.0%	24,773	0.0%	24,773	0.0%	24,773	0.0%	24,773	0.0%
Extend Tech TOSA 1 Year	-	-100.0%	-		-		-		-	
ELC Start-Up/Contingency	84,200	52.3%	84,200	0.0%	84,200	0.0%	84,200	0.0%	84,200	
Partial Set-Aside for Fields	<u>59,323</u>	<u>0.0%</u>	<u>59,323</u>	<u>0.0%</u>	<u>59,323</u>	<u>0.0%</u>	<u>59,323</u>	<u>0.0%</u>	<u>59,323</u>	
Total Assigned Balances	<u>\$ 1,539,296</u>	<u>0.5%</u>	<u>\$ 1,669,796</u>	<u>8.5%</u>	<u>\$ 1,798,896</u>	<u>7.7%</u>	<u>\$ 1,926,596</u>	<u>7.1%</u>	<u>\$ 2,058,996</u>	<u>6.9%</u>
<b>Reserve for Economic Uncertainty</b>	<b><u>\$ 10,391,547</u></b>		<b><u>\$ 9,982,081</u></b>		<b><u>\$ 9,487,861</u></b>		<b><u>\$ 8,576,233</u></b>		<b><u>\$ 7,248,564</u></b>	
<b>Reserve as Percentage of Expenditures</b>	<b>20.2%</b>		<b>18.7%</b>		<b>17.1%</b>		<b>14.9%</b>		<b>12.1%</b>	
<b>Fund 17, Special Reserve, Ending Balance</b>	<b><u>\$ 567,523</u></b>		<b><u>\$ 393,430</u></b>		<b><u>\$ 215,853</u></b>		<b><u>\$ 34,392</u></b>		<b><u>\$ -</u></b>	
<b>Combinded Reserve Percentage</b>	<b>21.3%</b>		<b>19.5%</b>		<b>17.5%</b>		<b>14.9%</b>		<b>12.1%</b>	



Menlo Park City School District  
 Restatement of Reserves  
 2018/19 Adopted Budget

Senate Bill (SB) 858 requires districts to report reserves in excess of the state minimum requirement, including assigned fund balances in Fund 01, General Fund, and Fund 17, Special Reserve Fund. The minimum required reserve for Menlo Park City School District is 3% of total expenditures. This typically equates to less than 2 weeks of payroll. The MPCSD Board has adopted a policy, BP 3101, to target a reserve level that equates to not less than 2 months of payroll, or about 20% of total expenditures. The targeted reserve level does not include assigned fund balances. Board policy further states that reserves should not be permitted to drop below 15% in any budget year, or 10% in multi-year projections.

Below is a comparison of the reserves reported in the 2018/19 Budget, General Fund Reserve for Economic Uncertainties, with a restatement of the reserves to include assigned balances in the General Fund and Fund 17.

	2018-19	2019-20	2020-21
<b>Restatement of Reserves</b>			
Total Expenditures & Transfers Out	\$ 51,534,753	\$ 53,279,312	\$ 55,427,706
3% Minimum Reserve Level Required by the State	\$ 1,546,043	\$ 1,598,379	\$ 1,662,831
Fund 01, General Fund, Excess Reserve for Economic Uncertainties, Not Including Assigned Fund Balances	8,845,504	8,383,702	7,825,030
<b>Total Fund 01, General Fund, Reserve for Economic Uncertainties -- Reported in 2018/19 Budget</b>	<b>\$ 10,391,547</b>	<b>\$ 9,982,081</b>	<b>\$ 9,487,861</b>
Total Fund 01, General Fund, Reserve for Economic Uncertainties As a Percentage of Total Expenditures	20.2%	18.7%	17.1%
Fund 01, General Fund, Unrestricted Assigned Balances	\$ 1,539,296	\$ 1,669,796	\$ 1,798,896
Fund 17, Special Reserve Fund, Assigned Balances	567,523	393,430	215,853
<b>Total Restatement of Reserves to Include Assigned Balances in Fund 01 and Fund 17</b>	<b>\$ 12,498,366</b>	<b>\$ 12,045,307</b>	<b>\$ 11,502,610</b>
Total Restatement of Reserves As a Percentage of Total Expenditures	24.3%	22.6%	20.8%
Amount of Restated Reserves in Excess of 3% Minimum	\$ 10,952,323	\$ 10,446,928	\$ 9,839,779
<b>Reasons for Reserves in Excess of State Minimum</b>			
Fund 01, General Fund, Excess Reserve for Economic Uncertainties, per Board Policy 3470(b)	\$ 8,845,504	\$ 8,383,702	\$ 7,825,030
Fund 01, General Fund, Unrestricted Assigned Balances:			
1.5% Secured Property Tax Reserve	\$ 446,000	\$ 474,000	\$ 498,000
Book Adoptions - Instructional Materials & Unrestricted Lottery Balances	925,000	1,027,500	1,132,600
Carryover from Foundation & Site Grants	24,773	24,773	24,773
Early Learning Center Start-Up/Contingency	84,200	84,200	84,200
Partial Set-Aside for Fields	59,323	59,323	59,323
Total Fund 01, General Fund, Unrestricted Assigned Balances	\$ 1,539,296	\$ 1,669,796	\$ 1,798,896
Fund 17, Special Reserve Fund, Assigned Balances:			
Curriculum Coordinators (Previously Learning Leaders)	\$ 567,523	\$ 393,430	\$ 215,853
Combined Measure A & B Parcel Tax Balances (Restricted)	-	-	-
Total Fund 17, Special Reserve, Fund Assigned Balances	\$ 567,523	\$ 393,430	\$ 215,853
Combined Excess Reserve for Economic Uncertainties and Assigned Fund Balances	\$ 10,952,323	\$ 10,446,928	\$ 9,839,779

**GENERAL FUND REVENUES**

**LOCAL CONTROL FUNDING FORMULA (LCFF)**

Please provide details of the assumptions used in calculating the District's LCFF funding:			
FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Gap Funding Rate: 100%	Gap Funding Rate: 100%	Gap Funding Rate: 100%	Gap Funding Rate: 100%
COLA: 2.71%	COLA: 2.57%	COLA: 2.67%	COLA:
ADA: 2,915	ADA: 2,840	ADA: 2,850	ADA: 2,845
Enrollment: 3,006	Enrollment: 2,925	Enrollment: 2,939	Enrollment: 2,935
Unduplicated Pupil %:	Unduplicated Pupil %:	Unduplicated Pupil %:	Unduplicated Pupil %:
CSR Ratio: 23:1 <small>(If higher than 24:1, indicate if district has an alternatively bargained CSR ratio.)</small>	CSR Ratio: 23:1 <small>(If higher than 24:1, indicate if district has an alternatively bargained CSR ratio.)</small>	CSR Ratio: 23:1 <small>(If higher than 24:1, indicate if district has an alternatively bargained CSR ratio.)</small>	CSR Ratio: 23:1 <small>(If higher than 24:1, indicate if district has an alternatively bargained CSR ratio.)</small>
<b>Explain below any material changes in LCFF calculation factors between fiscal years:</b>	<b>Explain below any material changes in LCFF calculation factors between fiscal years:</b>	<b>Explain below any material changes in LCFF calculation factors between fiscal years:</b>	<b>Explain below any material changes in LCFF calculation factors between fiscal years:</b>

**BASIC AID DISTRICTS**

Indicate the projected growth in property taxes each year. Explain significant changes in property tax projections between fiscal years.			
FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Increase Secured Property Tax 7.1%; RDA funds @ \$500,000;	Increase Secured Property Tax 6.1%; RDA funds @ \$500,000;	Increase Secured Property Tax 5.1%; RDA funds @ \$500,000;	Increase Secured Property Tax 4.1%; RDA funds @ \$500,000;
Unsecured Roll Tax @ \$1,531,994 (3.3% annual growth from 2016-17 base); Overall increase in total property tax is 6.1%, or \$1.84M	Increase Unsecured Roll Tax 3.3%; Overall increase in total property tax is 5.9%, or \$1.84M	Increase Unsecured Roll Tax 3.3%; Overall increase in total property tax is 4.9%, or \$1.66M	Increase Unsecured Roll Tax 3.3%; Overall increase in total property tax is 4.0%, or \$1.41M

**FEDERAL REVENUES**

Indicate assumptions used in projecting Federal Revenues. Explain any significant changes between fiscal years.			
FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Increased 2.0%; no carryover budgeted	Increased 2.5%	Increased 2.5%	Increased 2.5%

**STATE REVENUES**

Indicate assumptions used in projecting State Revenues. Explain significant changes between fiscal years.			
FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
\$350,000 one-time Mandate/discretionary funds (\$120 per ADA); Prop 39, Clean Energy Act, funds removed	One-time funds removed		
Indicate total amount or per ADA funding rate used for any One-Time Mandate Discretionary Funding included in the multi-year projections.			
FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
\$120.00 per ADA	none	none	none

Indicate per ADA funding rate used for Unrestricted and Restricted lottery revenues each year.			
FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Total Lottery per ADA = \$194.00 (\$146 Unrestricted + \$48 Restricted)	no change in per ADA amount	no change in per ADA amount	no change in per ADA amount

**LOCAL REVENUES**

Indicate assumptions used in projecting Local Revenues. Explain significant changes between fiscal years.			
FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
\$3.7M Foundation contribution; \$8.4M parcel tax revenue; \$325,000 facilities rentals & transportation revenue;	Remove Kwan grant and one-time sale of bus;	Increase parcel tax revenue by 2.5% projected CPI	Increase parcel tax revenue by 2.5% projected CPI
\$407,226 Site Deposits/Donations; \$250,000 Kwan grant;	Increase parcel tax revenue by 2.5% projected CPI;	No change in Foundation contribution;	No change in Foundation contribution;
\$125,000 Special Education interagency services income;	No change in Foundation contribution or local grants;	No change in Special Education interagency services income	No change in Special Education interagency services income
\$85,000 Sequoia Healthcare District grant;	No change in Special Education interagency services income		
\$90,000 Interest; \$40,000 Sale; \$100,000 Other/Misc			
Are there parcel taxes or other local revenue sources that are due to expire in the current or subsequent two fiscal years? If so, please indicate district plans to address the loss in revenues.			
FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
n/a	n/a	n/a	n/a

**OTHER FINANCING SOURCES & USES**

Describe the nature and purpose of amounts shown in the following accounts:			
FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
a) Interfund Transfers In/Out	a) Interfund Transfers In/Out	a) Interfund Transfers In/Out	a) Interfund Transfers In/Out
\$634,641 transfer from Fund 17 to Fund 01, primarily from year parcel tax balances; \$43,856 transfer from Fund 63, Enterprise Fund, for Early Learning Center indirect	\$174,093 transfer from Fund 17 to Fund 01, from prior year set aside for "Learning Leaders;" \$43,856 transfer from Fund 63, Enterprise Fund, for Early Learning Center indirect	\$177,577 transfer from Fund 17 to Fund 01, from prior year set aside for "Learning Leaders;" \$43,856 transfer from Fund 63, Enterprise Fund, for Early Learning Center indirect	\$181,461 transfer from Fund 17 to Fund 01, from prior year set aside for "Learning Leaders;" \$43,856 transfer from Fund 63, Enterprise Fund, for Early Learning Center indirect
b) Other Sources/Uses	b) Other Sources/Uses	b) Other Sources/Uses	b) Other Sources/Uses
c) Contributions	c) Contributions	c) Contributions	c) Contributions
\$5.89M contribution to Special Ed	Increase contributions \$567,818, primarily for increases in Special Education, restoring RRM to 3% of expenditures, and replacing contributions previously from Fund 17 for parcel tax	Increase contributions \$457,110, primarily for increases in Special Education and RRM	Increase contributions \$184,887, primarily for increases in Special Education and RRM
\$1.25M contribution to Routine Restricted Maintenance			
\$106,097 contribution to Federal & Local (Sequoia)			
\$320,361 contribution to parcel tax programs			

**GENERAL FUND EXPENDITURES**

**CERTIFICATED & CLASSIFIED SALARIES**

Indicate assumptions used in projecting Certificated Salaries (1000-1999). Explain significant changes between fiscal years, such as staffing increases/reduction due to anticipated growth/decline in ADA, negotiation settlement, new positions added, salary and benefit increases, etc.
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FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
3.0% compensation increase, no change in Health & Welfare;	2.5% compensation increase included as placeholder only;	2.5% compensation increase included as placeholder only;	2.5% compensation increase included as placeholder only;
Step & column increases for salary schedule placements;	7% projected increase in Health & Welfare;	7% projected increase in Health & Welfare;	7% projected increase in Health & Welfare;
+2.03 FTE total increase in Certificated staffing as follows:	Step & column increases for salary schedule placements;	Step & column increases for salary schedule placements;	Step & column increases for salary schedule placements;
+1.60 FTE Coordinators (temporary positions)	-1.60 FTE Coordinators (temporary positions)	(no staffing increases for growth)	(no staffing increases for growth)
+1.33 FTE Teachers (Gen Ed + Spec Ed)	-0.30 FTE Teachers (Gen Ed + Spec Ed)		
-0.90 FTE Teachers on Special Assignment	-0.30 FTE Teachers on Special Assignment		

Indicate assumptions used in projecting Classified Salaries (2000-2999). Explain significant changes between fiscal years, such as staffing increases/reduction due to anticipated growth/decline in ADA, negotiation settlement, new positions added, salary and benefit increases, etc.

FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
3.0% compensation increase, no change in Health & Welfare;	2.5% compensation increase included as placeholder only;	2.5% compensation increase included as placeholder only;	2.5% compensation increase included as placeholder only;
Step increases for salary schedule placements;	7% projected increase in Health & Welfare;	4.5% projected increase in Health & Welfare;	4.5% projected increase in Health & Welfare;
+0.75 FTE total increase in Classified staffing as follows:	Step increases for salary schedule placements;	Step increases for salary schedule placements;	Step increases for salary schedule placements;
+0.50 FTE Clerical/HR Support	-1.00 FTE grant-funded position (Family Engagement Liaison)	No change in FTE	No change in FTE
+0.25 FTE Custodian			

Indicate the status of negotiations for each of the district's collective bargaining units. If settled, indicate if agreement contains a contingency language or a reopener provision.

FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Certificated: Settled (Board approved 06/20/2017)	Certificated: Not settled	Certificated: Not settled	Certificated: Not settled
Classified: Settled (Board approved 06/27/2017)	Classified: Not settled	Classified: Not settled	Classified: Not settled
Mgm't & Confidential: Settled (Board approved 06/27/2017)	Mgm't & Confidential: Not settled	Mgm't & Confidential: Not settled	Mgm't & Confidential: Not settled
Other bargaining units:	Other bargaining units:	Other bargaining units:	Other bargaining units:

If negotiations are **settled**, indicate the negotiated increase in compensation and benefits for each fiscal year.

FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
3.0% compensation increase, no change in Health & Welfare			

If negotiations are **unsettled**, indicate the total estimated costs of potential settlements that are included in the budget or set aside as reserves in the components of ending fund balance.

FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
	2.5% compensation increase included in expenditures as a placeholder only, subject to negotiations & Board approval	2.5% compensation increase included in expenditures as a placeholder only, subject to negotiations & Board approval	2.5% compensation increase included in expenditures as a placeholder only, subject to negotiations & Board approval

Indicate assumptions for any furlough days, percentage of step & column adjustments, and other major assumptions used in projecting salaries and benefits budget.

FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Step & column %: actual, per Position Control/Budget roll	Step & column %: actual, per Position Control/Budget roll	Step & column %: actual, per Position Control/Budget roll	Step & column %: actual, per Position Control/Budget roll
Furlough Days included in the budget: n/a	Furlough Days included in the budget: n/a	Furlough Days included in the budget: n/a	Furlough Days included in the budget: n/a
Others assumptions:	Others assumptions: assume savings from 5 teacher resignations and 3 teacher retirements (each year)	Others assumptions: assume savings from 5 teacher resignations and 3 teacher retirements (each year)	Others assumptions: assume savings from 5 teacher resignations and 3 teacher retirements (each year)

**EMPLOYEE BENEFITS**

Indicate assumptions used in projecting Employee Benefits (3000-3999) such as the rates used in projecting employer costs for STRS, PERS, Social Security, Medicare, Unemployment Insurance, and Workers' Compensation for the current and subsequent two fiscal years.. Explain significant changes between fiscal years.

FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
STRS - 16.28%	STRS - 18.13%	STRS - 19.1%	STRS - 20.1%
PERS - 18.062%	PERS - 20.8%	PERS - 23.5%	PERS - 24.6%
FICA - 6.2%	FICA - 6.2%	FICA - 6.2%	FICA - 6.2%
Medicare - 1.45%	Medicare - 1.45%	Medicare - 1.45%	Medicare - 1.45%
SUI - 0.05%	SUI - 0.05%	SUI - 0.05%	SUI - 0.05%
Workers Comp - 2.52%	Workers Comp - 2.78%	Workers Comp - 3.05%	Workers Comp - 3.36%

**RETIREMENT INCENTIVE**

Indicate the cost of any golden handshake or other retirement incentives included in the budget, the number of retirees covered, and the assumptions used to project costs.

FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
n/a	n/a	n/a	n/a

Indicate the object and fund in which the retirement benefits/costs are recorded in the multi-year projections.

FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Fund-Object 01-370X for pay-as-you-go costs	Fund-Object 01-370X for pay-as-you-go costs	Fund-Object 01-370X for pay-as-you-go costs	Fund-Object 01-370X for pay-as-you-go costs
Fund-Object 01-7299 for CalPERS CERBT contribution	Fund-Object 01-7299 for CalPERS CERBT contribution	Fund-Object 01-7299 for CalPERS CERBT contribution	Fund-Object 01-7299 for CalPERS CERBT contribution

**OTHER SIGNIFICANT EXPENDITURES (Object Codes 4000 through 7999)**

Indicate assumptions used in projecting expenditures in the following expenditure categories. Explain significant increases or decreases in the budget between fiscal years.

FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
a) 4000-Books & Supplies	a) 4000-Books & Supplies	a) 4000-Books & Supplies	a) 4000-Books & Supplies
Move \$110K Tech expenditures from 5000's to 4000's	2.5% CPI added to ongoing costs	2.5% CPI added to ongoing costs	2.5% CPI added to ongoing costs
b) 5000-Services & Other Operating Costs	b) 5000-Services & Other Operating Costs	b) 5000-Services & Other Operating Costs	b) 5000-Services & Other Operating Costs
Move \$110K Tech expenditures from 5000's to 4000's;	Costs associated with Kwan grant removed;	RRM maintained at 3% of expenditures;	RRM maintained at 3% of expenditures;
One-time costs associated with one-time funding:	Costs associated with Prop 39, Clean Energy, grant	2.5% CPI added to ongoing costs	2.5% CPI added to ongoing costs
\$180,000 Innovation Cubed	removed; Routine Restricted Maintenance (RRM)		
\$30,000 Business Office Support	costs increased with resotation of RRM at 3% of		
Other one-time costs from limited-term grants	expenditures; 2.5% CPI added to ongoing costs;		
	\$100,000 one-time placeholder for Special Ed growth		
c) 6000-Capital Outlay	c) 6000-Capital Outlay	c) 6000-Capital Outlay	c) 6000-Capital Outlay
One-time costs for new bus			
d) 7000-Other Outgo	d) 7000-Other Outgo	d) 7000-Other Outgo	d) 7000-Other Outgo

**COMPONENTS OF GENERAL FUND ENDING BALANCE**

Indicate purpose of any "Committed" and "Assigned amounts in the Components of General Fund Ending Balance.			
FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
No Committed Fund Balances	No Committed Fund Balances	No Committed Fund Balances	No Committed Fund Balances
Assigned Balances as Follows:	Assigned Balances as Follows:	Assigned Balances as Follows:	Assigned Balances as Follows:
1.5% Secured Property Tax Reserve - \$446,000	1.5% Secured Property Tax Reserve - \$474,000	1.5% Secured Property Tax Reserve - \$498,000	1.5% Secured Property Tax Reserve - \$518,000
Book Adoptions - \$925,000	Book Adoptions - \$1,027,500	Book Adoptions - \$1,132,600	Book Adoptions - \$1,240,300
Carryover from Foundation & Site Grants - \$24,773	Carryover from Foundation & Site Grants - \$24,773	Carryover from Foundation & Site Grants - \$24,773	Carryover from Foundation & Site Grants - \$24,773
Early Learning Center Start Up/Contingency - \$84,200	Early Learning Center Start Up/Contingency - \$84,200	Early Learning Center Start Up/Contingency - \$84,200	Early Learning Center Start Up/Contingency - \$84,200
Set-Aside for Fields - \$59,323	Set-Aside for Fields - \$59,323	Set-Aside for Fields - \$59,323	Set-Aside for Fields - \$59,323

**NET CHANGE IN FUND BALANCE - GENERAL FUND**

Explain any significant operating deficit in Unrestricted General Fund. Indicate whether the deficits are ongoing or one-time. If ongoing, provide information on district's plan to address or eliminate deficits in the future.			
FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
\$301,762 operating deficit - funded by prior year parcel tax balances held in Fund 17 and transferred to Fund 01	\$496,915 operating deficit - partially funded by Fund 17 "Learning Leaders" balance and partially from reserves	\$586,223 operating deficit - partially funded by Fund 17 "Learning Leaders" balance and partially from reserves	\$1,009,245 operating deficit - partially funded by Fund 17 "Learning Leaders" balance and partially from reserves

**SHORT & LONG TERM OBLIGATIONS**

**TAX AND REVENUE ANTICIPATION NOTES (TRANS) or TEMPORARY INTERFUND BORROWINGS**

For any anticipated TRANS, identify the estimated issue amount, costs, and other repayment terms. For interfund borrowings, indicate amount of loan and specific fund source.			
FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
1) TRANS Amount: n/a	1) TRANS Amount: n/a	1) TRANS Amount: n/a	1) TRANS Amount: n/a
Issuance Costs:	Issuance Costs:	Issuance Costs:	Issuance Costs:
2) Interfund Borrowing Amount: n/a	2) Interfund Borrowing Amount: n/a	2) Interfund Borrowing Amount: n/a	2) Interfund Borrowing Amount: n/a
Fund Source:	Fund Source:	Fund Source:	Fund Source:

**LONG-TERM DEBTS**

Indicate amounts of outstanding voter and non-voter approved debts or obligations of the district such as GO Bonds, BANs, COPs, lease-purchases, loans and/or other borrowings.			
FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
GO Bonds - see Form DEBT	GO Bonds	GO Bonds	GO Bonds
COPs: n/a	COPs	COPs	COPs
BANs: n/a	BANs	BANs	BANs
Capital Leases: n/a	Capital Leases	Capital Leases	Capital Leases
Other Borrowings:	Other Borrowings:	Other Borrowings:	Other Borrowings:

**OTHER FUNDS**

For each district fund, indicate assumptions used in projecting revenues, expenditures, interfund transfers, and other sources/uses. Provide explanation for significant changes between fiscal years. (Please add rows for additional fund not listed below.)

**Fund 13 – CAFETERIA**

FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
\$21,391 indirect costs, payable to Fund 01	no significant change	no significant change	no significant change

**Fund 14 – DEFERRED MAINTENANCE**

FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
\$676,500 contribution from Fund 01	increase contribution 2.5%	increase contribution 2.5%	increase contribution 2.5%

**Fund 17 – SPECIAL RESERVE OTHER THAN CAPITAL OUTLAY PROJECTS**

FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
\$634,641 contribution to Fund 01	\$174,093 contribution to Fund 01 (parcel tax balances fully expended)	\$177,577 contribution to Fund 01 (parcel tax balances fully expended)	\$181,461 contribution to Fund 01 (parcel tax balances fully expended)

**Fund 21 – BUILDING FUND**

FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
finalize costs of construction of new school	n/a	n/a	n/a

**Fund 25 – CAPITAL FACILITIES FUND**

FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
n/a	n/a	n/a	n/a

**Fund 40 – SPECIAL RESERVE FUND FOR CAPITAL OUTLAY PROJECTS**

FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
finalize costs of Early Learning Center renovation	n/a	n/a	n/a

**Fund 63 - ENTERPRISE FUND**

FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
\$43,856 contribution to Fund 01 (indirect) +6.5 FTE Preschool Staff (Teachers, Aides, Admin)	n/a	n/a	n/a