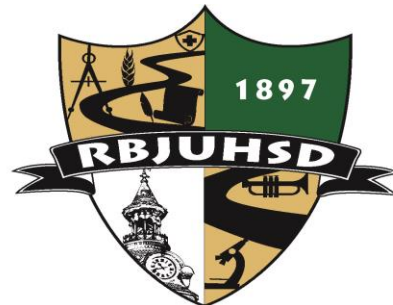


Red Bluff Joint Union High School District's First Interim Report 2017-18



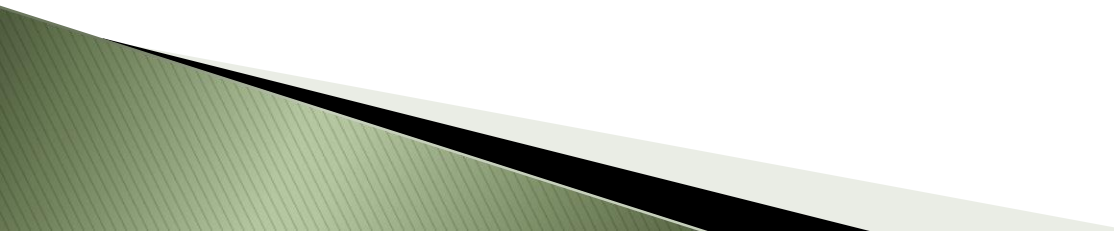
**RED BLUFF JOINT UNION
HIGH SCHOOL DISTRICT**

Based on most current budget data
and actual expenditures through
October 31, 2017

Introduction

- ▶ Financial Reporting Periods
 - ▶ Enrollment
 - ▶ Average Daily Attendance
 - ▶ LCFF
 - ▶ Expenditures
 - ▶ Multi-Year Projections
 - ▶ Minimum Wage
 - ▶ Upcoming Events
- 

Financial Reporting Period

- ▶ First Interim Report– data as of October 31st
 - ▶ The first updated financial report for 2017–18 since budget adoption in June
 - ▶ Since June the financials have been closed for 2016–17
 - ▶ Carryovers have been finalized
 - ▶ Ending Fund Balances have been finalized
 - ▶ All new data updated in 2017–18
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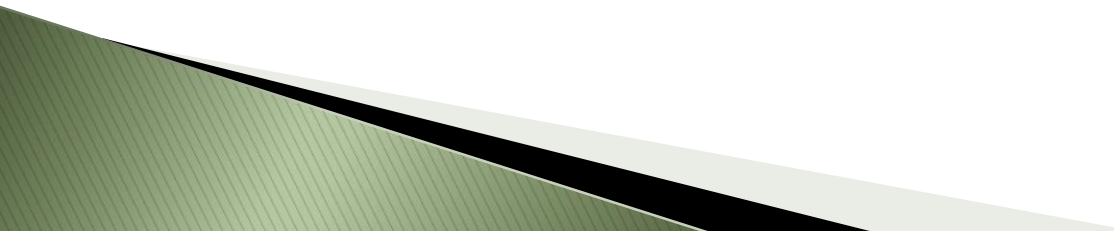
Ending Fund Balance 2016-17

- ▶ Ending Fund Balance for 2016-17 was higher than projected by \$1,074,876
- ▶ 2016-17 did not deficit spend and ended with a positive difference between revenues and expenses of \$371,093 instead of a negative difference of (\$703,783)
- ▶ This is due to the list of carryovers presented in Sept at the closing of the books for 2016-17

Restricted Carryover Funds: All will be expensed in 2017-18 except CTEIG goes thru 2018-19

Medi-Cal Billing	23,610		
Prop 39 - Energy Efficiency	403,272		
Educator Effectiveness	65,821		
Lottery Instructional Materials	15,019		
Career Pathway Funds (CTE)	183,228		
Career Technical Education Incentive Grant (CTEIG)	253,817		
Adult Ed	24,440		
College Readiness	125,345		
Total	1,094,551		


Ending Fund Balance 2016–17 (con't)

- ▶ Because the expenditures did not happen in 2016–17 the revenue and the expenses are both moved to the 2017–18 fiscal year
 - ▶ Therefore the deficit spending for 2017–18 will increase due to the related carryover expenses on the previous slide
- 

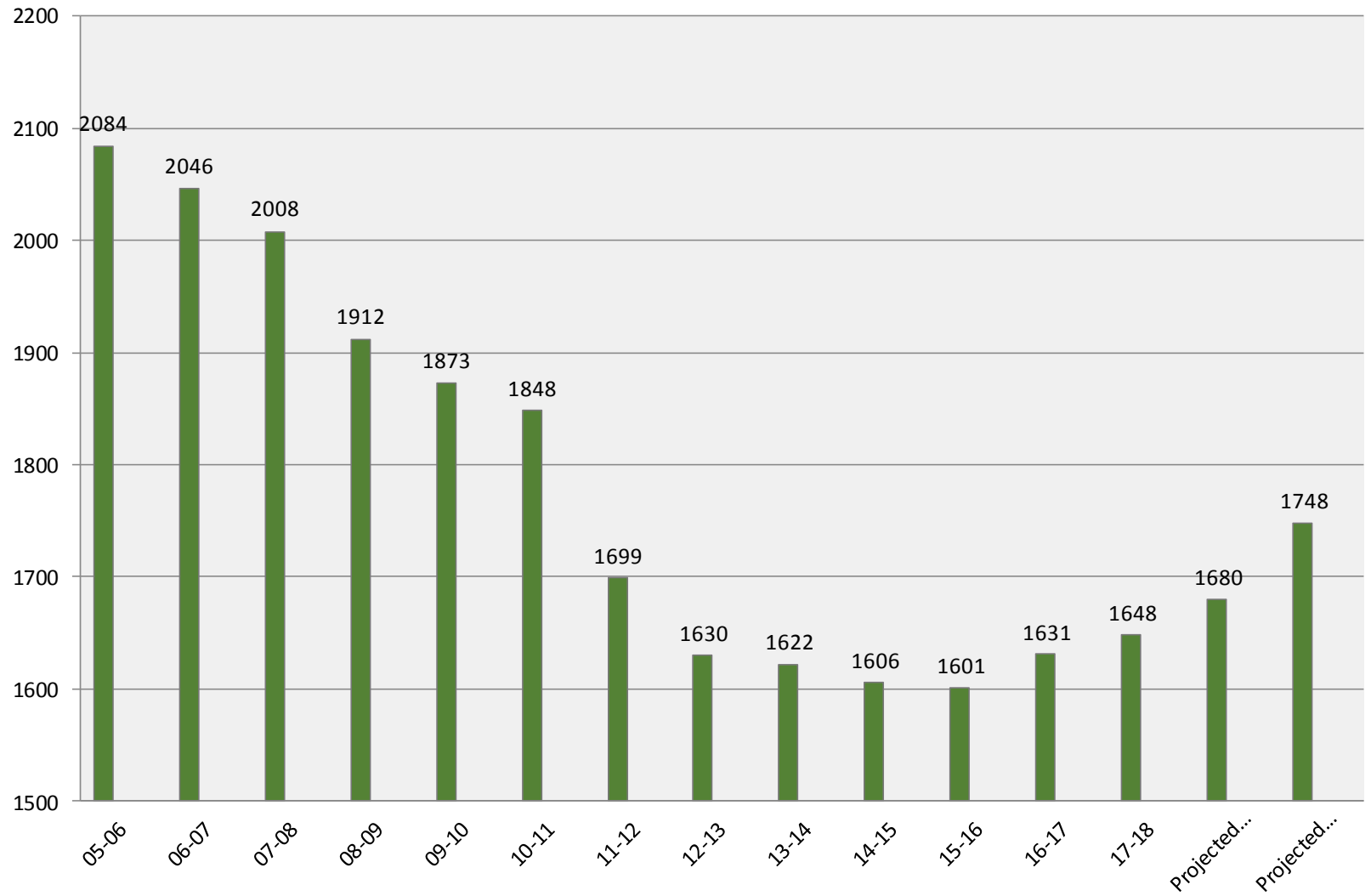
California Basic Education Data System (CBEDS)

- ▶ The count of students enrolled
 - Counted every year on first Wed in Oct
 - Same date for all districts
- ▶ Used to calculate revenue
 - Some restricted programs
 - Estimates Average Daily Attendance

Enrollment

- ▶ CBEDS enrollment number as of October 4, 2017 was 1,648 students district wide
 - ▶ This is an increase of 18 over the prior year but 10 fewer than what was projected
 - ▶ Enrollment projections for October 2018 are projected to be 1,680, an increase of 32 students
 - ▶ Enrollment projections for October 2019 are projected to be 1,748, an increase of 68 students
- 

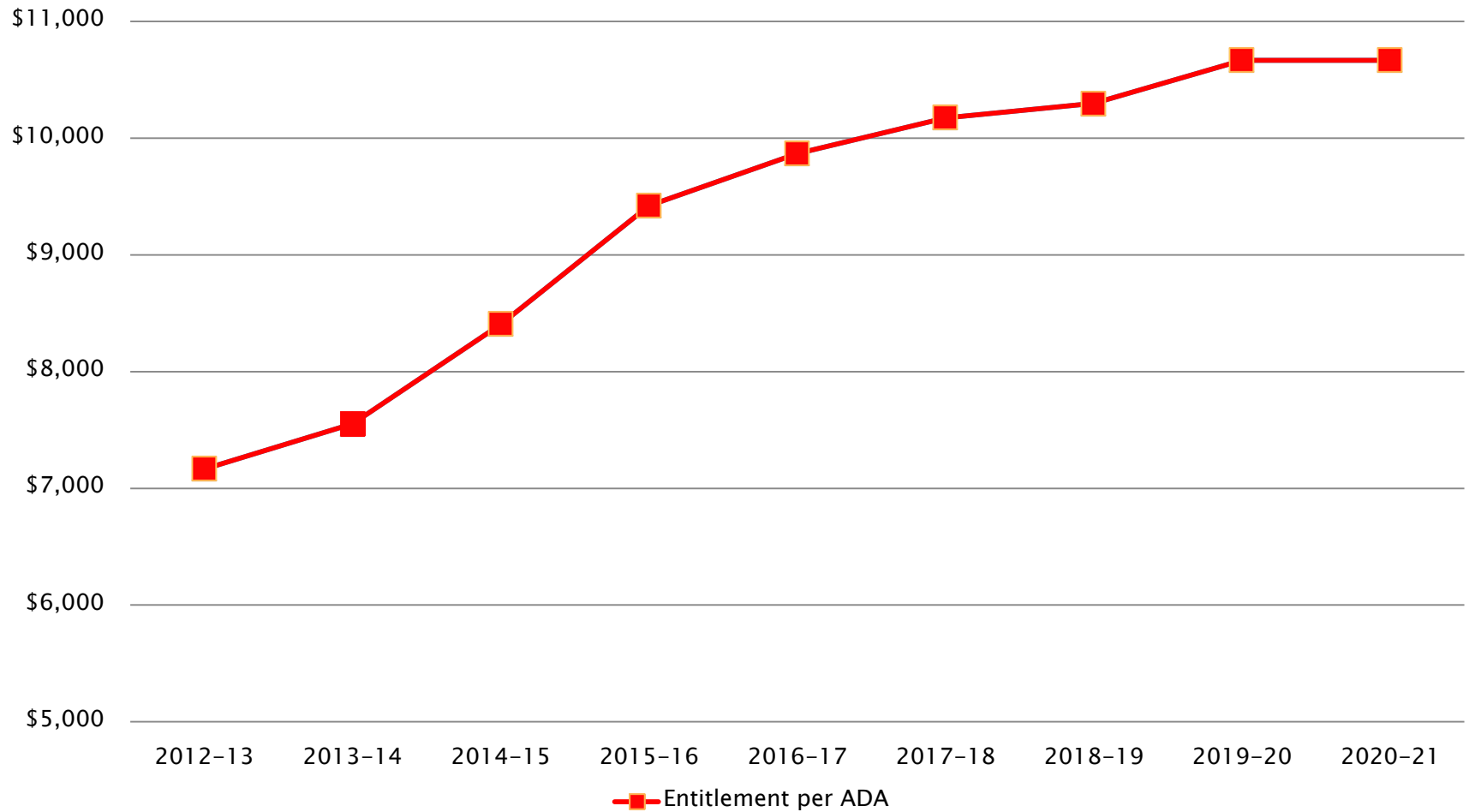
Enrollment



Average Daily Attendance

- ▶ Our funding is not based on enrollment, but rather on the number of days that students come to school (average daily attendance – ADA). We can always be funded on current or prior year ADA, whichever is greater
- ▶ The First Interim Report is based on 1,516 ADA, which is the P2 ADA projected for 2017–18

LCFF Entitlement per ADA



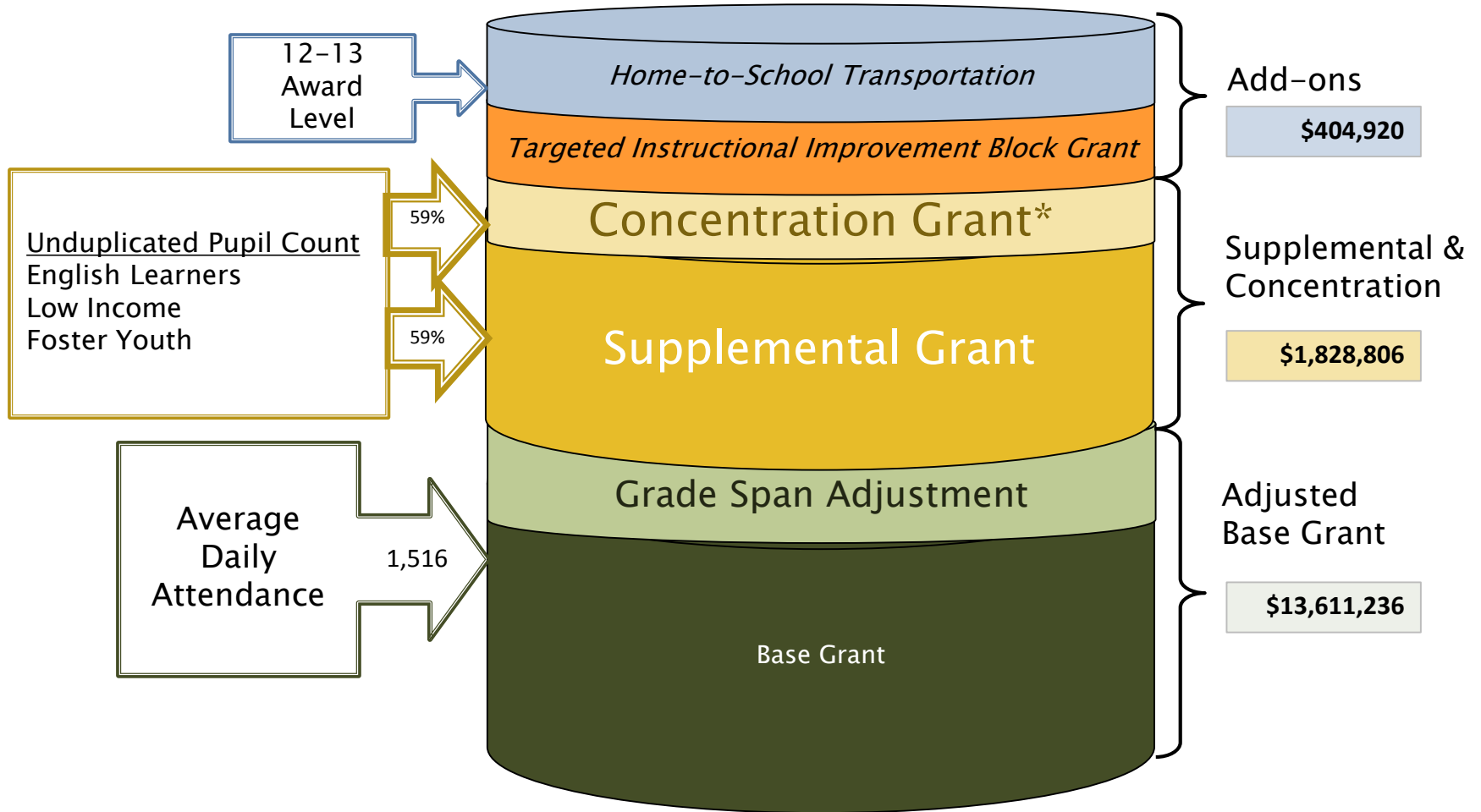
LCFF GAP Changes

- ▶ LCFF Gap funding percentage changes compared to January budget proposal

Year	Budget Adoption	1 st Interim
2017-18	43.97%	43.19%
2018-19	71.53%	66.12%
2019-20	73.51%	64.92%

- ▶ Amounts to approximately \$134k in less revenue over the next three years

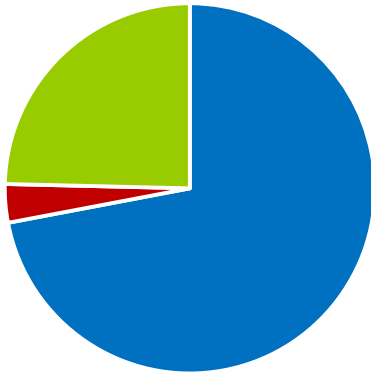
TOTAL *TARGET* LCFF
\$15,844,962



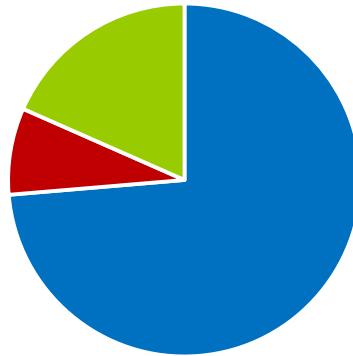
*Unduplicated Pupil Percentage must be above 55% to receive Concentration Grant funding

Local Progress Towards Full LCFF Implementation:

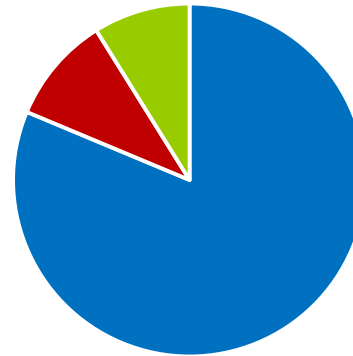
Year 1: 2013-14



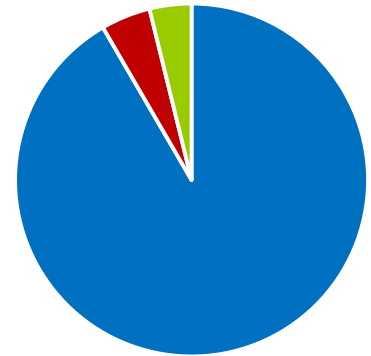
Year 2: 2014-15



Year 3: 2015-16



Year 4: 2016-17

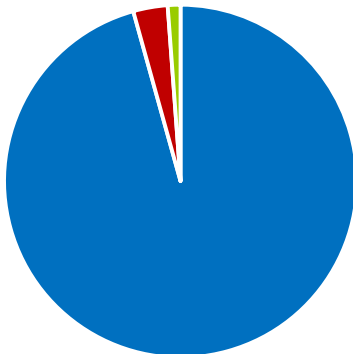


 Floor

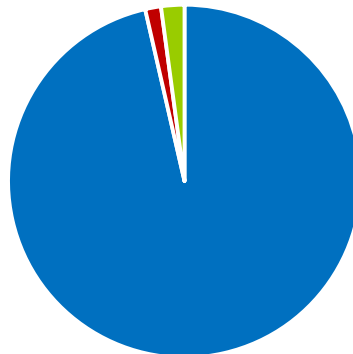
 Gap

 Remaining Need after Gap

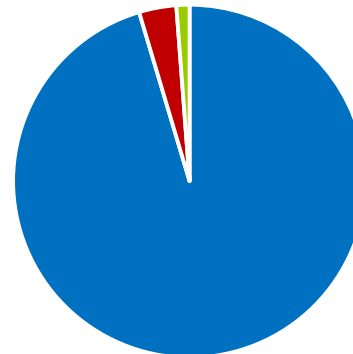
Year 5: 2017-18



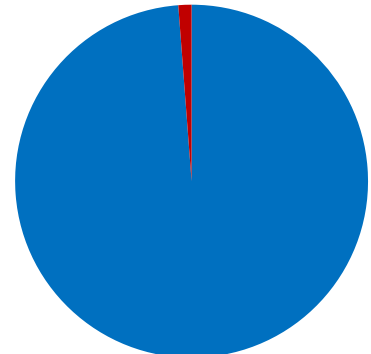
Year 6: 2018-19



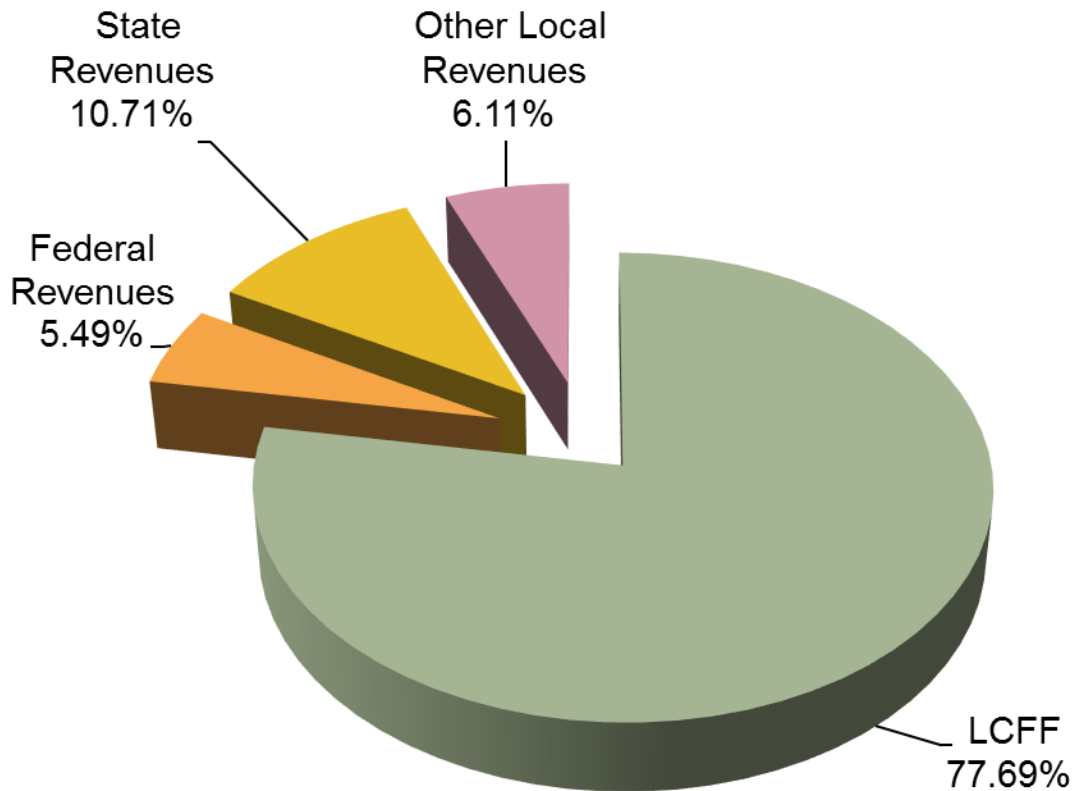
Year 7: 2019-20



Year 8: 2020-21



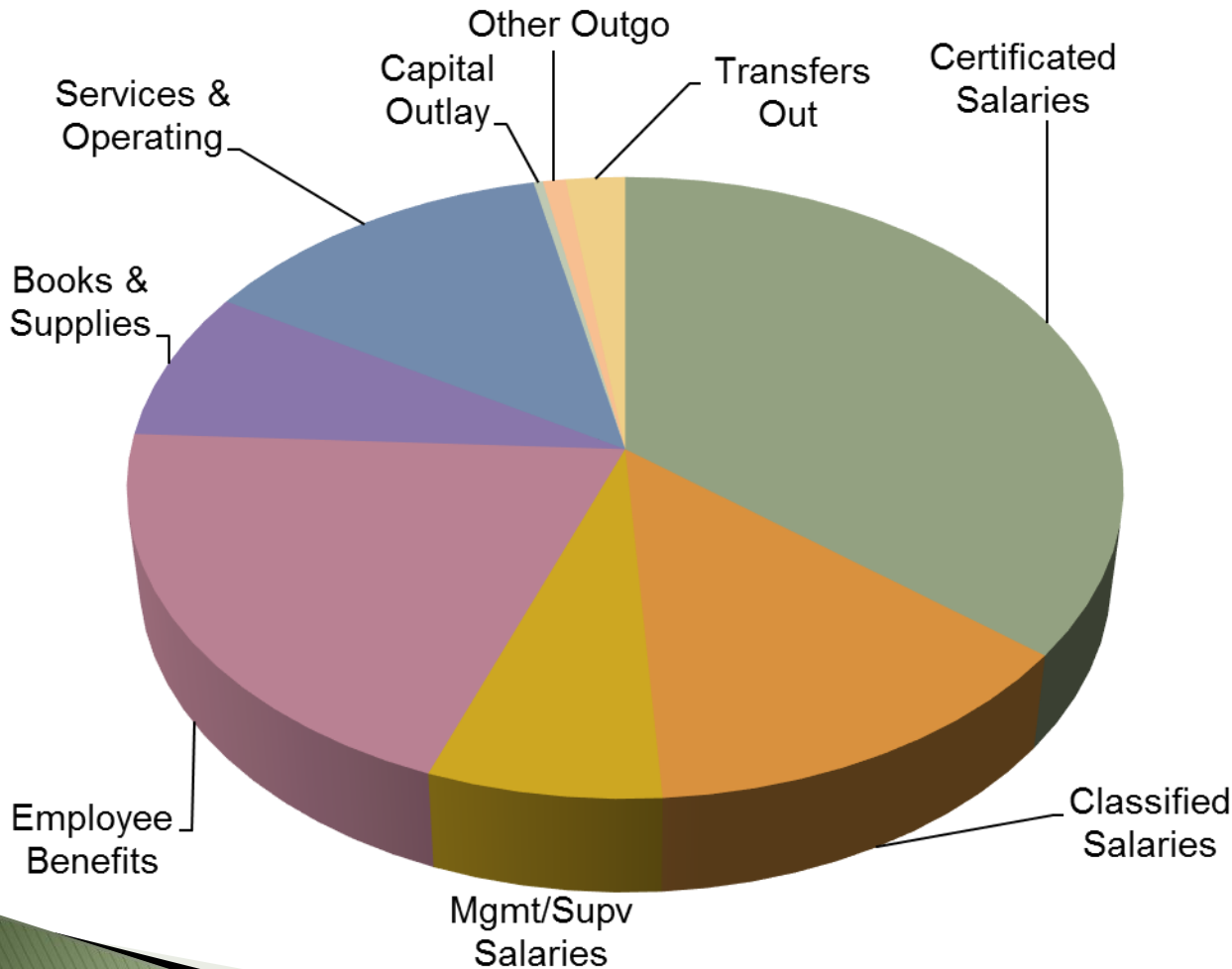
Total Revenue Summary



Revenue Categories

LCFF	\$15,292,531
Federal Revenues	\$1,080,242
State Revenues	\$2,108,131
Other Local Rev	<u>\$1,203,952</u>
Total Revenues	\$19,684,856

Total Expenditure Summary




Expense Categories

Certificated Salaries	\$7,397,235
Classified Salaries	\$2,747,146
Mgmt/Supv Salaries	\$1,405,024
Employee Benefits	\$4,161,651
Books/Supplies	\$1,614,058
Services/Operating	\$2,711,177
Capital Outlay	\$ 70,000
Other Outgo	\$ 171,740
Transfers Out	\$ 450,000
Total Expenses	\$20,728,031

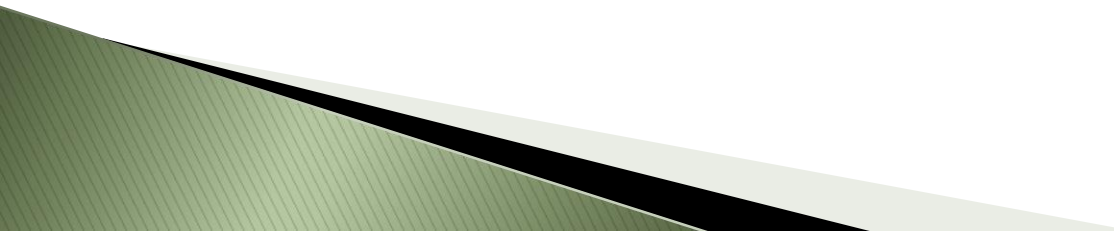
Multi-Year Projection

- ▶ Summarizes Revenues and Expenditures
 - Current budget
 - Projects next two years of budgets
- ▶ Requirement per AB 1200 & AB 2756
- ▶ Gives the District a look at what the future holds if all variables remained status quo

Multi-Year Projections (cont'd)

- ▶ LCFF Revenues have decreased \$156,552 since budget adoption due to CBEDS enrollment being less than projected and the change in the GAP %
 - ▶ LCFF Revenues increase in the out years due to projected enrollment increases
 - ▶ Federal Revenues have increased in 2017–18 due to additional Title I funds and remain constant in out year projections
 - ▶ State Revenues have increased in 2017–18 due to the allocation of one-time mandate settlement funds at \$147 per ADA, or \$221,533
 - ▶ State Revenues also increased due to additional Prop 39 funds being allocated and the large CTE carryover funds
- 

Multi-Year Projections (cont'd)

- ▶ State Revenues then decrease drastically in the out years due to the loss of the one-time discretionary funds, CTE funds, Educator Effectiveness funds, and College Readiness funds
 - ▶ Other Local Revenues stay fairly consistent with budget adoption but then decrease in the out years due to the loss of the Shasta College CTE funding
- 

Multi-Year Projections (cont'd)

- ▶ Step and Column costs have been added to all salaries
- ▶ STRS and PERS rate increases have been included amounting to \$166,568 for 2017–18, \$216,658 for 2018–19, and \$279,908 for 2019–20, a total of \$663,134 over the three year period
- ▶ STRS and PERS costs for the current year are \$2,310,917 or 11.7% of the district's budget
- ▶ Books/Supplies and Services/Operating budgets have increased in the budget year due to additional funding and carryovers from 2016–17
- ▶ Services/Operating budgets have also increased drastically due to the Title IX litigation settlement and projected implementation and monitoring expenses
- ▶ Capital Outlay budgets have increased due to the projected purchase of a new bus lift for the transportation dept – this expense is shared with the Red Bluff Elementary District

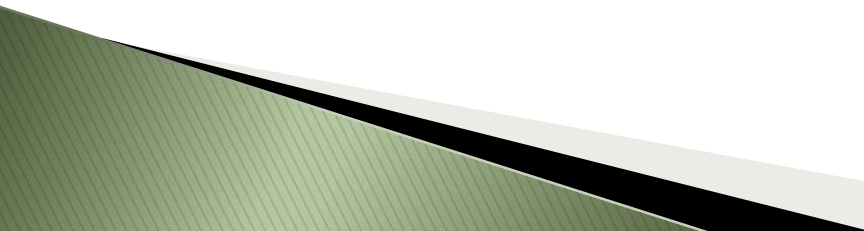
Multi-Year Projection

	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
Beginning Fund Balance	3,294,568	2,251,393	1,906,536
Revenues	19,684,856	19,444,675	20,535,547
Expenses	20,728,031	19,789,532	20,098,153
Net Increase/(Decrease)	(1,043,175)	(344,857)	437,394
Projected Ending Fund Balance	2,251,393	1,906,536	2,343,930
Less – Restricted or Assigned	(1,327,161)	(1,189,720)	(1,205,157)
(i.e. – CTE, MAA, add'l 5% DEU			
Designated for Economic Uncertainties (3%)	(621,830)	(593,832)	(603,077)
Undesignated	302,402	122,984	535,696

Multi-Year Projections (cont'd)

- ▶ The Multi-Year Projection shows the District can issue a “Positive” certification for the 2017–18 First Interim report
- ▶ This means the District predicts it will be able to meet its financial obligations for the current and next two fiscal years based on the current assumptions

Minimum Wage Increases

- ▶ On January 1, 2018 minimum wage will increase from \$10.50 per hour to \$11.00 per hour
 - ▶ Each January thereafter it will increase by \$1.00 each year until January 1, 2022 when it will reach \$15 per hour
 - ▶ District currently has no employees making less than the required minimum wage
 - ▶ Lowest classified job classification range is range 9
 - ▶ First step of range 9 starts at \$12.86 per hour
 - ▶ District is currently in compliance until January 2020
- 

Upcoming Budget Events

- ▶ On January 16th, School Services of CA will be presenting the Governor's 2018–19 Budget Proposal to provide insight as to the remainder of this school year and what the future year holds
- ▶ All indications lean toward the Governor wanting to complete the LCFF phase in process prior to his leaving office
- ▶ This would fulfill the LCFF target obligation in six years instead of taking eight years
- ▶ Second Interim report will be based on the District's financial status as of January 31, 2018 and any updates from the workshop
- ▶ The report will be brought to the Board at the March 2018 meeting

Questions?