

KINGSBURG JOINT UNION HIGH SCHOOL DISTRICT

March 11, 2019

TO: The Governing Board

FROM: Don Shoemaker, Superintendent
Rufino Ucelo Jr., Chief Business Official

RE: 2018-2019 2nd Interim Report/Revised Budget
(Reflects activity through January 31, 2019)

BUDGET COMMENTS

At this point, the six-year old Local Control Funding Formula (LCFF) and Local Control and Accountability Plan (LCAP) model is fully implemented. No formal changes have been made to the basic laws and concepts governing the model. However, districts and the state are now seasoned in the use of the model and taking full advantage of the local decision-making process. The statutory cost of living adjustment (COLA) is 2.71% and the Augmentation is .99% for a total of 3.70%. The district budgeted one time discretionary funds of \$203,086.00, which was an offset to any applicable mandate reimbursement claims. We are now funded with base grants per pupil, plus supplemental funding which is based on Unduplicated Pupil Count. (English Learners, Low Income (eligible for free & reduced meal program), and foster youth.). The LCFF is as much about equity and justice for our neediest students making it possible for them to achieve effective social growth. Some districts will benefit over other districts due to pupil statistics. The district will be required to annually adopt a "District Plan or Local Control and Accountability Plan (LCAP)" for student achievement to address how it will use state funding received under the Local Control Funding Formula.

Using data reported on the 2018-19 First Period Attendance Report (P-1) from February 2019, the State Superintendent of Public Instruction calculates the percentage of unduplicated pupils which gives funding for supplemental and concentration dollars. The district's single year Unduplicated Pupil Percentage (UPP) is 61.51% based on an Unduplicated Pupil Count (UPC) of 719. This brings the 3 year rolling average percentage to 48.75%. Historically, Kingsburg High School experiences a higher P-1 than Second Period Attendance Report (P-2), we will need to wait for P-2 from April 2019 to see the impact on our UPP and UPC.

The district offers 180-day school year. The budget is based on 1103.47 ADA (Average Daily Attendance) plus 17.31 ADA County Operated Community Day School for a total of 1120.78 ADA. The district is in its third year of declining enrollment.

2015-16: 1186	2018-19: 1146: Enrollment as of 02/28/2019
2016-17: 1160	
2017-18: 1158	

A review of the current year budget has determined the following changes and updates the overall condition of the district.

Please refer to the attached General Fund Summary, which shows the changes outlined below:

	BUDGET	1st INTERIM	2nd INTERIM	DIFFERENCE
Revenue				
LCFF Sources	\$ 11,381,236.99	\$ 11,305,731.99	\$ 11,523,494.00	↑\$ 217,762.01
Federal	\$ 836,959.00	\$ 814,818.17	\$ 827,055.17	↑\$ 12,237.00
State	\$ 1,375,326.09	\$ 1,152,407.35	\$ 1,211,690.59	↑\$ 59,283.24
Local	\$ 780,509.56	\$ 796,102.24	\$ 804,593.67	↑\$ 8,491.43
Total Income	\$ 14,374,031.64	\$ 14,069,059.75	\$ 14,366,833.43	↑\$ 297,773.68
Expenditures				
Certificated	\$ 6,026,184.66	\$ 6,108,984.54	\$ 6,127,837.54	↑\$ 18,853.00
Classified	\$ 1,817,121.33	\$ 1,802,169.45	\$ 1,799,779.01	↓\$ (2,390.44)
Benefits	\$ 3,706,225.87	\$ 3,677,266.89	\$ 3,687,070.87	↑\$ 9,803.98
Books & Supplies	\$ 704,331.52	\$ 660,321.59	\$ 689,758.36	↑\$ 29,436.77
Services	\$ 1,269,539.28	\$ 1,280,529.98	\$ 1,437,854.49	↑\$ 157,324.51
Capital Outlay	\$ 107,519.65	\$ 10,122.89	\$ 10,122.89	\$ -
Other Outgo	\$ 476,372.00	\$ 476,372.00	\$ 463,955.63	↓\$ (12,416.37)
Direct Sup/Indirect	\$ -	\$ 7,519.65	\$ 7,519.65	\$ -
Total Expenditures	\$ 14,107,294.31	\$ 14,023,286.99	\$ 14,223,898.44	↑\$ 200,611.45
Other Sources/Uses	\$ (211,296.00)	\$ (13,655.00)	\$ (88,649.41)	\$ (74,994.41)
Net Increase/Decrease	\$ 55,441.33	\$ 32,117.76	\$ 54,285.58	\$ (22,167.82)
Beginning Balance	\$ 1,937,242.78	\$ 1,928,948.64	\$ 1,928,948.64	\$ -
Audit Adjustments	\$ -	\$ -	\$ -	\$ -
Projected Ending Balance	\$ 1,992,684.11	\$ 1,961,066.40	\$ 1,983,234.22	↑\$ 22,167.82

EXPENDITURE CHANGES

Certificated Salaries: Increased a total of \$18,853.00

Classified Salaries: Decreased by \$2,390.44

Employee Benefits: Increased by \$9,803.98

Materials and Supplies: Increased by \$29,436.77

Services & Other Operating Expenses: Increased by \$157,324.51

Capital Outlay: No Change

Other Out-go: Increased by \$12,416.37

Transfers In: Increased by \$2,691.59

Transfers Out: Increased by \$91,341.00

Lottery Revenue: No Change

Total Revenues Increased by \$297,773.68

Total Expenditures have Increased by \$200,611.45

Mandated One-Time Funding: Was used for teachers one-day buy back day and the purchase of text books.

Retirement Package: consists of health benefits to the age of sixty- five with 20 years of service to the district. The district currently has one (1) retirees. The cost to the district is \$15,500. This will expire in April 2019.

There is no window period for a Golden Handshake at this time.

Restricted Balances: There are no restricted balances.

All Restricted Programs: Have been balanced by budgeting a zero balance.

Inter-program Charges (transportation charges for Ag miles are balanced).

Negotiations

Negotiations for 2018-19 are not settled at this time and no increases have been added to the budget. The district's health package remains capped at the 2011-12 level at \$15,500 per person.

Cash Positions

A cash flow analysis projected through this fiscal year-end has been completed. We anticipate that the district will have a positive cash position at that time.

Summary

The fund balance at this time in the fiscal year indicates that there will be a positive balance and that **the recommended reserve level of 3% has been met.** The district's 3% is \$342,299.00 for Economic Uncertainties. The district created Fund 40 to establish a reserve for facility projects but has not projected any transfer of funds at this time.

The district originally had indicated transferring funding to the Deferred Maintenance Fund. At this time the district has decided to transfer funding to the Deferred Maintenance Fund. The Deferred Maintenance Fund is there for emergency repairs.

All Other Funds

The fund balance and cash positions are positive for all other funds.

Deficit Spending

The general fund at this time in the fiscal year is not deficit spending.

The district used the LCFF calculator v19.2c universal assumptions to compute the budget target (documents enclosed).