

GORMAN SCHOOL DISTRICT

2019-2020 Adopted Multi-Year Budget Projections
2018-2019 Estimated Actuals

PUBLIC HEARING PRESENTATION – JUNE 11, 2019

Summary – General Fund

For the past several years since the 2017-2018 school year, the ADA has **continued to drop**. For this reason, the hope and drive to talk about increasing the enrollment and ADA is waning and the proposed 2019-2020 Multi Year Adopted Budget ADA has been prepared to maintain a constant 74-75 ADA for the coming three years. As the revenues have been projected based on the Local Control Funding Formula (LCFF) for the last six years, one of the provisions in the LCFF calculations is that the District is funded on the better of the current year ADA or the prior year. This current 2018-19 has seen the impact of lost revenues and it we will continue to see the impact of lower revenues and deficit spending.

The state aid unrestricted funds have been adjusted with the Prop 30 - Education Protection Account (EPA) which is the vehicle to collect and disburse funds generated by the tax increases which was approved November 2016 by the voters for the additional increase in the income tax rate for CA's wealthiest taxpayers. This too has continued to decline slightly, not just because of the District's ADA, but because of the revenues generated into the Prop 30 with the revenues declining from the higher income tax payers who are leaving California.

The restricted revenues are not expected to increase for the categorical Federal and Special Education for these three years. The District has projected the one-time funds for the Forest Reserve as it was approved in 2017-2018. Without this one-time funding source, the District would have to decrease overall expenditures by \$70,000. These revenues have been projected in the subsequent two years also reflecting the decrease in the student enrollment.

The current administration is working to provide the best services and materials for the students for much needed instructional materials and programs with the use of the Supplemental and Concentration Grants within the LCFF. These services and supplies for the student programs are outlined for this closing year and the three budget years in the Local Control Accountability Plan (LCAP) which is presented in conjunction with the proposed Adopted Budget.

HIGHLIGHTS OF THE ADOPTED BUDGET PUBLIC HEARING PRESENTATION

ADA

- 2017-18 P2 ADA was 74.54 with enrollment at 83
- 2018-19 P2 ADA is at 74.27 with enrollment at 83
- 2019-20 Projected ADA is at 75 with enrollment at 85
- 2020-21 Projected ADA is at 75 with enrollment at 85

STATE AID - LOCAL CONTROL FUNDING FORMULA

The statutory COLA for 2018-19 is projected at 2.71%, 2.57% for 2019-20 and 2.67% for 2020-21 and has been incorporated into the LCFF projections.

Reporting Period	Projected LCFF Revenue	EPA Funds
2018-19 Adopted Budget	\$676,112	\$130,082
2018-19 Estimate Actuals	653,862	137,795
2019-20 Adopted Budget	668,861	130,082
2020-21 Projected Budget	688,535	130,082
2021-22 Projected Budget	710,321	130,282

LCFF revenues are in a flat funding position from this year moving forward. The only way the revenues will increase will be from the ADA increase.

FEDERAL REVENUES

Title II
Forest Reserve
Special Ed – IDEA

These revenues are restricted and are minimal to the overall budget and needs of the district.

OTHER STATE REVENUES AND OTHER LOCAL REVENUES

Lottery Restricted - \$53 per ADA
Lottery Unrestricted - \$151 per ADA
Mandated Block Grant - \$32.18 per ADA
Special Education – program restricted
Charter Oversight – Allowable up to 1% of Charter LCFF revenues based on District actual costs
Rental Income – locally restricted

LOCAL CONTROL AND ACCOUNTABILITY PLAN (LCAP)

The LCAP report has a comprehensive review of the District’s actions and plan for implementing the recommendations and comments from the stakeholders. In addition, the LCAP reflects the programs that will be funded by the Supplemental and Concentration Grants from the LCFF of approximately \$140,000 which is included in the **Projected LCFF Revenues listed above.**

Separate presentation on LCAP

STAFF SALARIES

Step and Column increases

Four teachers – Small Schools calculation allows for only three teachers

Superintendent contract

Minimum wage increases mandated by law

- \$13.25 in July 2019,
- \$14.25 in July 2020
- \$15.00 in July 2021

EMPLOYEE BENEFITS

Health Coverage – continued increases. Projected costs approximately \$114,000 a year based on current qualified employees enrolled in the program.

California State Teachers' Retirement System (CalSTRS) – approximately \$70,000 - \$73,000 a year.

Year	Employer	Employee
2017-18	14.43%	10.25%
2018-19	16.28%	10.25%
2019-20	18.10%	10.25%
2020-21	17.80%	10.25%
2021-22	17.80%	10.25%

California Public Employees Retirement System (CalPERS) – approximately \$20,000 a year

2017-18	2018-19	2019-20	2020-21	2021-22
15.531%	18.062%	20.733%	23.60%	24.90%

Social Security

Medicare

Workers Compensation

Unemployment Insurance

BOOKS, MATERIALS AND SUPPLIES

Supplies and materials

Custodial supplies

Maintenance supplies

Fuel

Must meet Supplemental & Concentration funding requirements

SERVICES AND OPERATING EXPENSES

Mileage and conferences
Insurance
Utilities
Contract Services
Legal & Audit

CAPITAL OUTLAY

Facility in serious need of repair upgrades
Funds limited to use from the General Funds

DIRECT SUPPORT/INDIRECT COSTS-TRANSFERS

Oversight allowance from the one charter and has decreased over \$100,000 due to charter law and the Gorman Learning Center meeting the requirements.

Transfers are projected for Cafeteria Fund to cover the minimum costs.
Transfer from Deferred Maintenance planned for 2018-19 and 2019-20 to cover the facility operations and repairs.

DEFICIT SPENDING

It is anticipated that the District will have deficit spending for the three years of (\$100,000)
Although there is sufficient fund balance for deficit spending, a plan must be implemented to work through these years by increasing enrollment and cutting unnecessary expenditures. ***The District could be at risk in the near future with continued deficit spending, increasing costs and continued low enrollments.***

OTHER FUNDS

Cafeteria fund
Deferred Maintenance
Capital Projects
Capital Facilities
State School Building
County School Facilities