

NOVATO UNIFIED SCHOOL DISTRICT 2019-2020 Proposed Budget June 18, 2019



***"Anything is Possible"
Marin Oaks High School***

The Mural was Designed and Created by the Marin Oaks Art Students & Team Works Art Mentoring Program

Novato Unified School District

Mission and Values

Mission: *Engage, inspire and empower all students, in a rapidly changing world, to realize their life goals.*

Values:

- ❖ Innovation
- ❖ Equity
- ❖ Caring
- ❖ Inclusion
- ❖ Collaboration



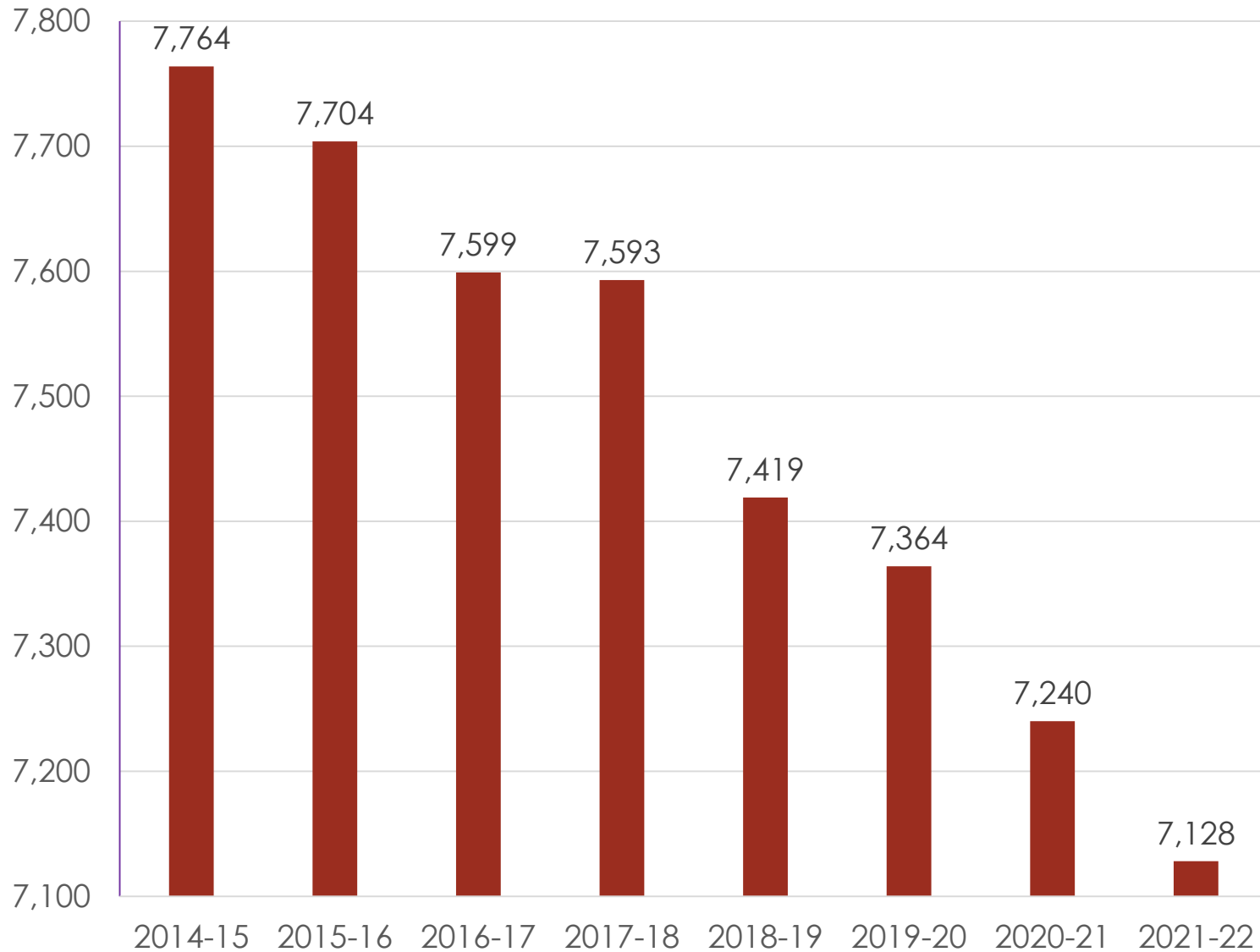
Budget Development Process & Timeline

❖ Enrollment Projections	Fall 2018
❖ Governor's 2019-2020 Budget Release	January 2019
❖ LCFF Funding Estimates	January 2019
❖ Enrollment Projections Updated	January 2019
❖ Intent to Resign (Certificated)	February 2019
❖ Intent to Return (Classified & MGMNT)	February 2019
❖ 2019-2020 Budget Balancing Process	Fall 2018-March 2019
❖ 2019-2020 Budget Solutions (Approved)	March 2019
❖ 2019-2020 Staffing Needs Determined	Jan-April 2019
❖ Position Control Roll	April 2019
❖ SSCAL Special Education Efficiency Study	April 2019
❖ LCAP Development/Stakeholder Engagement	Jan-April 2019

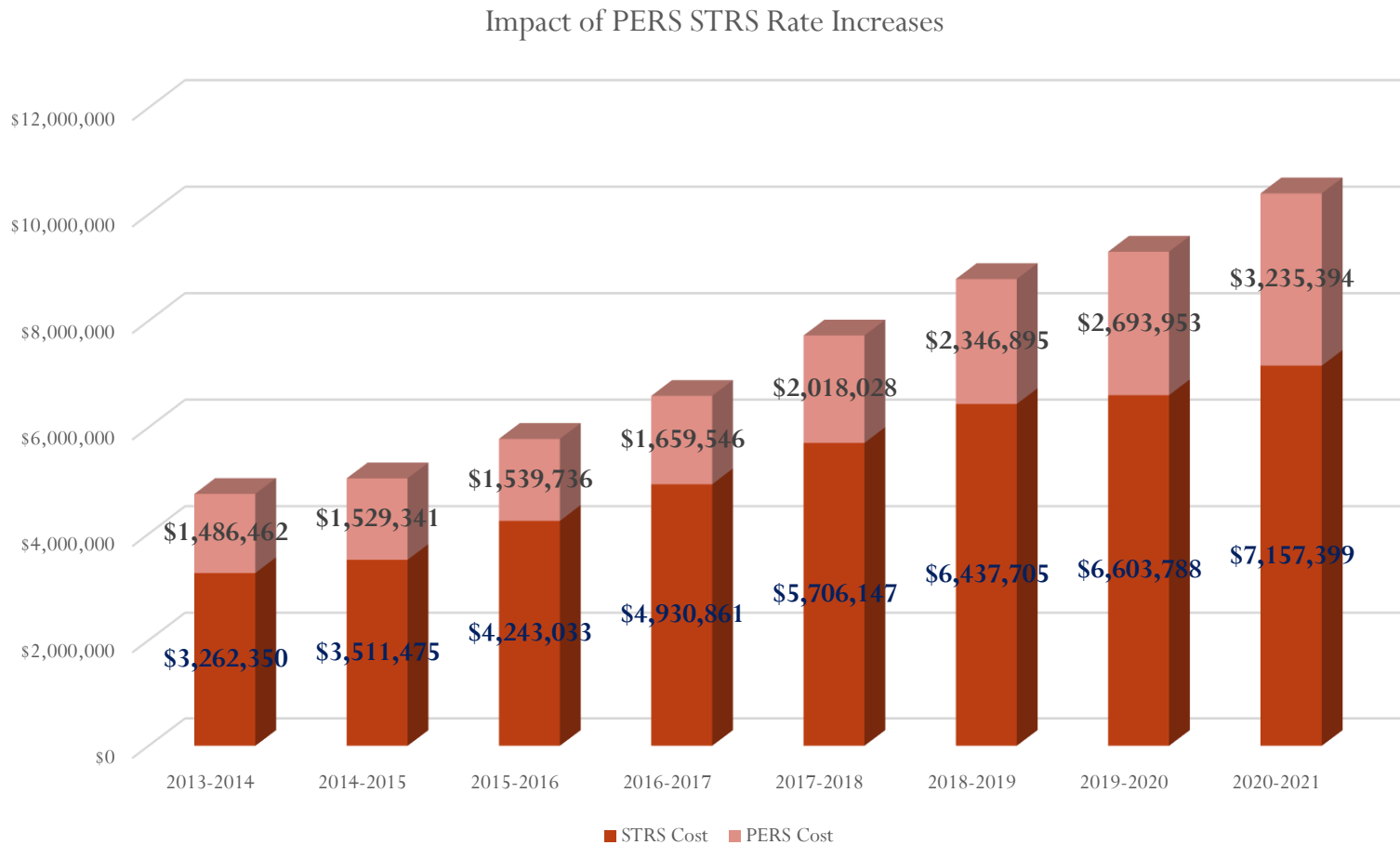
Budget Development Process & Timeline

- | | |
|--|----------------|
| ❖ Budget Workshop/Budget Assumptions | April 2019 |
| ❖ SPED Study Recommendations/Implementation Plan | April/May 2019 |
| ❖ 2019-2020 Governor's May Revise | May 2019 |
| ❖ 2019-2020 Draft LCAP to Board | May 2019 |
| ❖ 2019-2020 Preliminary LCAP | June 2019 |
| ❖ 2019-2020 Preliminary Budget | June 2019 |
| ❖ 2019-2020 LCAP Board Adoption | June 2019 |
| ❖ 2019-2020 Budget Board Adoption | June 2019 |
| ❖ 2019-2020 45-Day Budget Revision | Aug 2019 |
| ❖ 2018-2019 Unaudited Actuals | Sept 2019 |
| ❖ 2017-2018 Financial Audit | Jan 2020 |
| ❖ Planning for the 2020-2021 Budget | |

Actual and Projected Enrollment



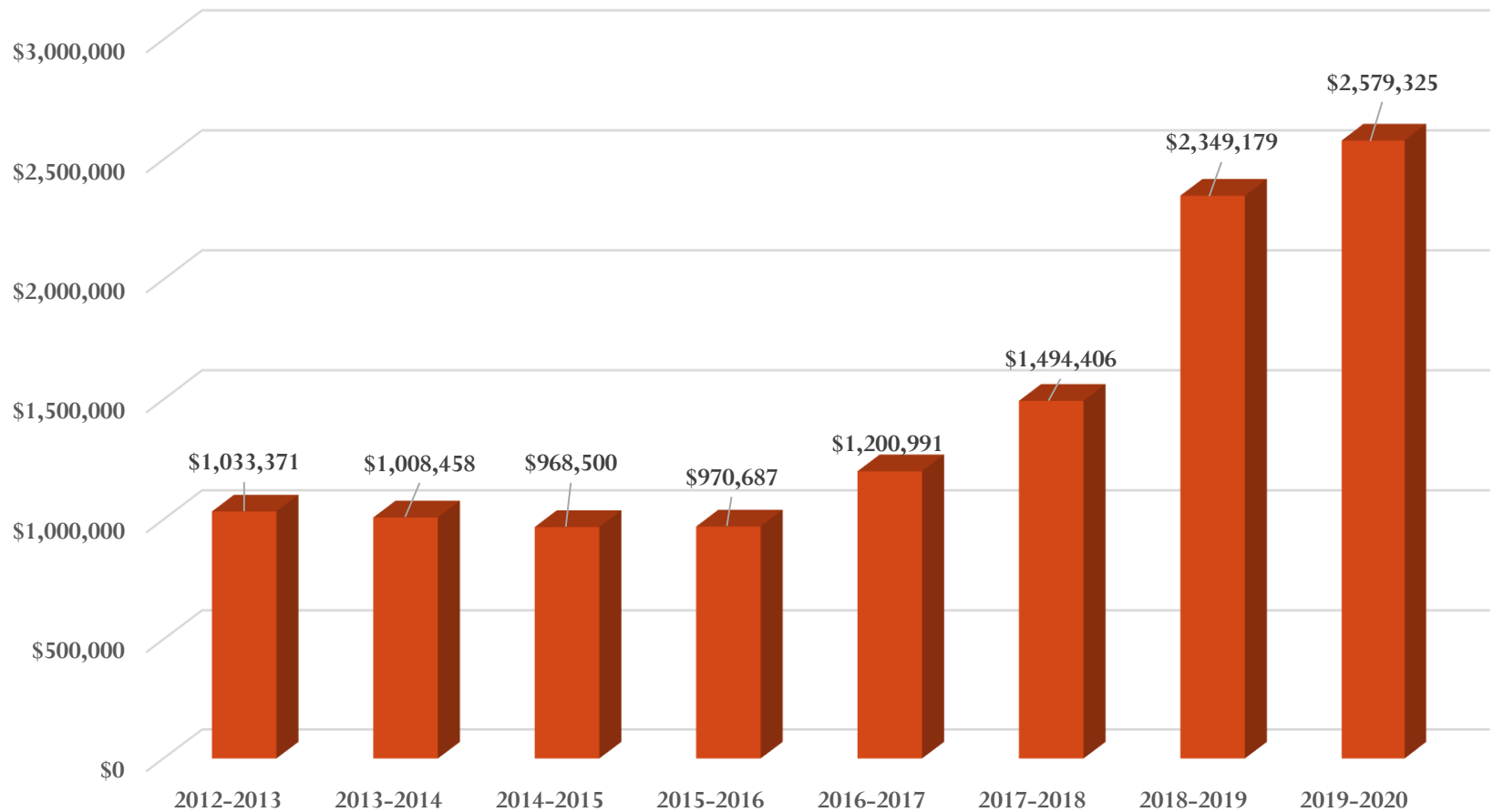
Impact of State Mandated Pension Contribution Increases



*Based Upon 2019-2020 Proposed Staffing for all years. Includes Fund 13 and Excludes State on behalf payments.

Special Education - Excess Cost

Marin County Office of Education - Excess Costs



2019-2020 and MYP Budget Assumptions

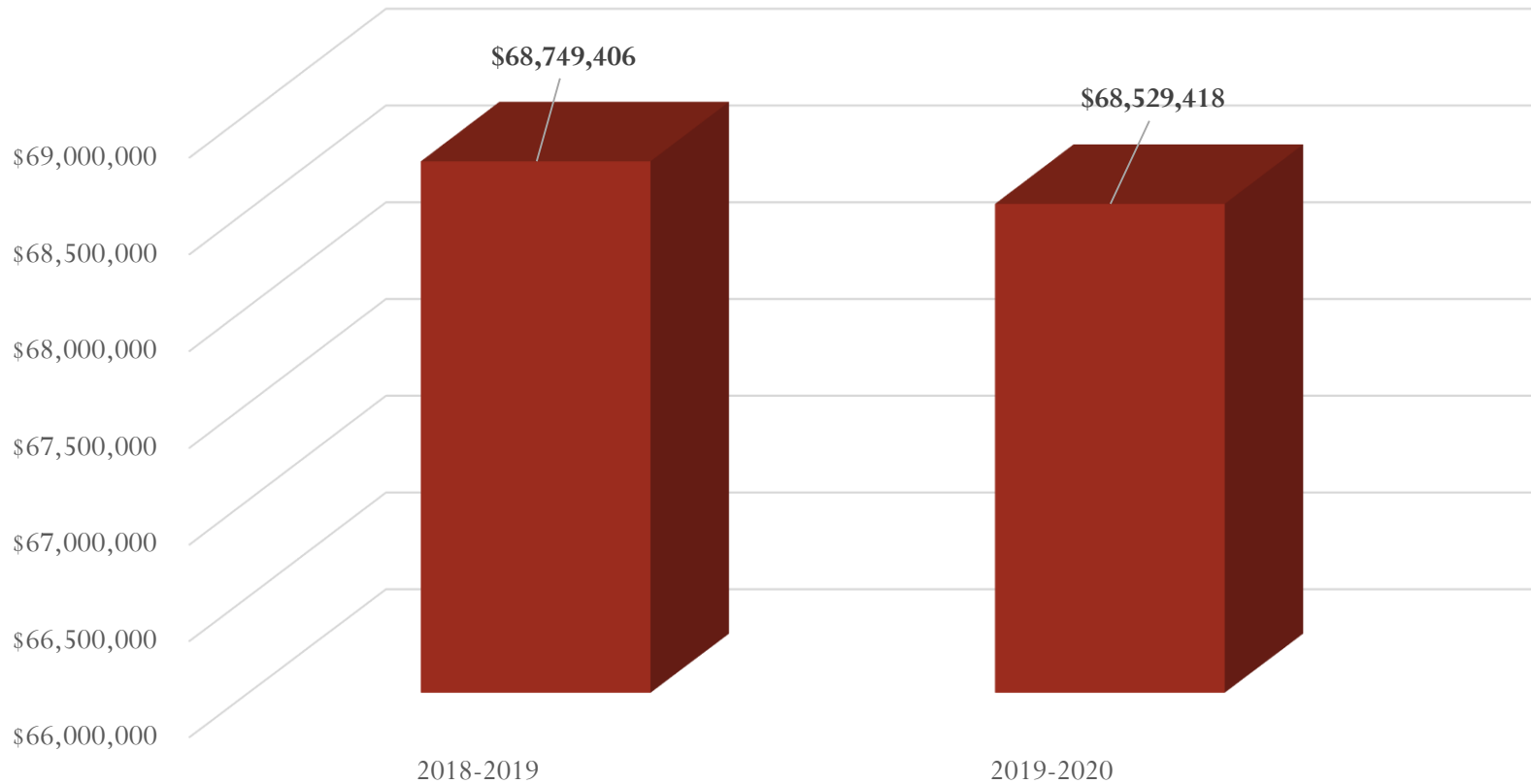
Budget Assumptions (Multi-Year Projection)	2019-2020	2020-2021	2021-2022
Changes in Teacher Staffing/Declining Enrollment	(6.4 FTE)	(3 FTE)	(3 FTE)
Certificated Step/Column Increase	1.50%	1.50%	1.50%
Classified Step Increase	2%	2%	2%
PERS Rates	20.733%	23.60%	24.90%
STRS Rates (statute until 2020-2021)	18.13%	19.10%	18.60%
STRS Rates (proposed buy down) * Used for MYP	16.70%	18.10%	17.80%
2019-2020 Approved Budget Solutions (included) 2020-2022 Budget Balancing Solutions (TBD)	(\$1,809,945)	TBD	TBD
Health/Welfare	2018-2019 Rates/Employer Cap		
Workers Compensation	1.50%	1.50%	1.50%
Books/Supplies, Operating Expenses & Capital Outlay	Removed Carryover/One-time Costs		
Contribution to Restricted Programs	9.20%	5%	5%
Routine Repair Maintenance Account	3%	3%	3%
Reserve Level Unrestricted General Fund	5.47%	3.21%	3.51%
•Required Reserve for Economic Uncertainty – 3%			
Reserve Level Unrestricted General Fund & Fund 17	9.00%	6.68%	3.68%

2019-2020 and MYP Budget Assumptions

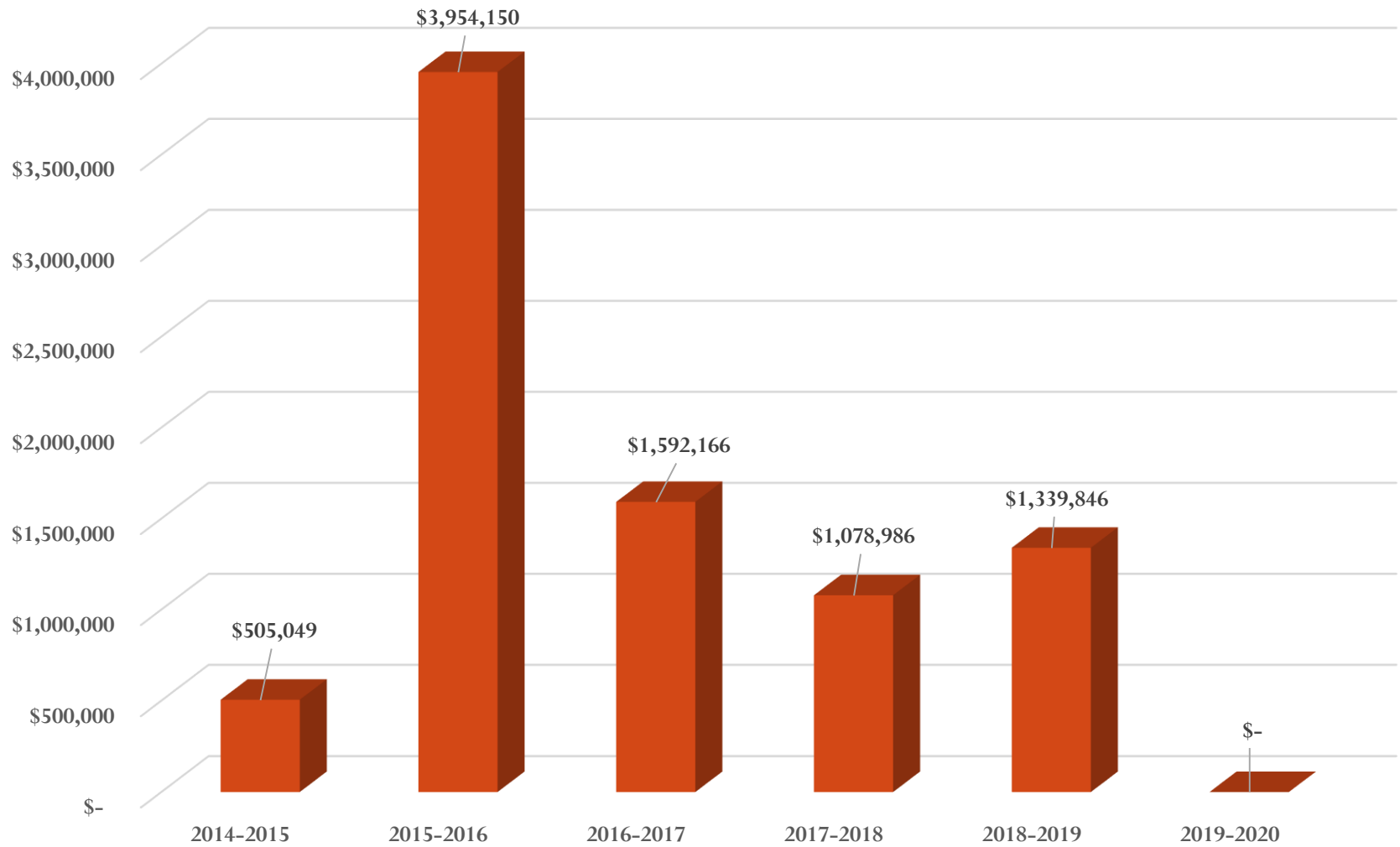
Budget Assumptions (Multi-Year Projection)	2019-2020	2020-2021	2021-2022
COLA (Department of Finance)	3.26%	3.00%	2.80%
Supplemental Grant portion of LCFF Funds (LCAP identified)	\$4.8 million	\$4.9 million	\$5.1 million
Projected Enrollment	7,364	7,240	7,128
Prior Year CALPADs Enrollment	7,419	7,364	7,240
Change in Enrollment (NUSD)	(55)	(124)	(112)
Funded P2 ADA (Projected/NUSD/MCOE)	7,196.64	7,149.51	7,030.52
Change from Prior Year	(163.36)	(47.13)	(118.99)
Projected LCFF Entitlement Per ADA	\$9,522	\$9,798	\$10,089
Prior Year LCFF Entitlement Per ADA	\$9,190	\$9,522	\$9,798
Increase in LCFF Entitlement Per ADA from Prior Year	\$332/3.61%	\$276/2.9%	\$291/2.97%
Net Increase in LCFF Funding-due to decline in ADA	1.35%	2.22%	1.26%
State, Federal and Other Local	Removed One-time Funding		
One-Time State Unrestricted Mandate Funding	Removed (\$1.3 million)	\$0	\$0
Lottery Funding Unrestricted/Restricted Prop 20	\$151/\$53ADA	\$151/\$53ADA	\$151/\$53ADA
Mandate Block Grant	\$32.18/K-8 ADA	\$33.15/K-8 ADA	\$34.08/K-8 ADA
	\$61.94/9-12 ADA	\$63.80/9-12 ADA	\$65.59/9-12 ADA

Unrestricted State Funding Comparison

State Funding - LCFF & One Time Unrestricted



State Funding – One Time Unrestricted



2019-2020 Approved Budget Solutions

Proposed Budget Solutions	Amount	FTE	%
Administrative/District Office			
Reduce Business Office Staffing	\$55,000	0.6	
Reduce District Office Departmental Budgets	\$80,000		
Reduce Board of Trustees Budget	\$12,500		
Close Print Shop	\$60,000	0.8	
Districtwide Food Service Positon	\$45,000	1.0	
MTSS Coordinator Funded By Grant	\$50,000	0.4	
Reduce/Eliminate Professional Development Contracts (Buck Institute, National Equity Project, and Kevin Clark Consulting)	\$295,000		
	\$597,500		33%
Declining Enrollment (No Change in Staffing Formula)			
Reduce Certificated Staffing (Through Attrition)	\$659,200	6.4	
Reduce Custodial Staffing (Through Attrition)	\$112,836	2.0	
Reduce Instructional Aid Position (Outside Staffing Ratio)	\$17,008	0.5	
	\$789,044		44%
Revenue & Other Allocations			
Charge Rent to NCTV	\$12,000		
Charge Indirect Cost of Developer Fees	\$3,000		
Reduce OPEB Benefits Transfer (No Change to Benefits)	\$25,000		
Reduce Transfer to Insurance Fund (67)	\$25,000		
Reduction to Worker's Compensation Rate (No Change to Benefits)	\$70,000		
	\$135,000		7%
Site/Districtwide Support Staffing			
Eliminate One IT Support Position	\$75,149	1.0	
Eliminate Food Services Substitute Floater Position	\$20,000	0.47	
Reduce North Bay Security Contract	\$67,500		
Discontinue Payment of MCOE Fees for BTSA	\$50,000		
	\$212,649		12%
Programmatic			
Reduce Site Discretionary Allocation by 15%	\$75,752		
	\$75,752		4%
Total	\$1,809,945		

Multi-Year Projection

Unrestricted General Fund

	2018-2019 Estimated Actuals	2019-2020 Preliminary Budget	2020-2021 MYP	2021-2022 MYP
LCFF Sources	\$67,147,076	\$68,529,418	\$70,053,172	\$70,933,095
Federal Revenue				
State Revenue	\$2,773,782	\$1,428,926	\$1,428,926	\$1,428,926
Local Revenue	\$552,720	\$571,764	\$571,764	\$571,764
Total Revenues	\$70,473,578	\$70,530,108	\$72,053,862	\$72,933,785
Salaries & Benefits	\$54,858,742	\$54,494,504	\$55,954,743	\$56,751,486
Supplies & Services	\$6,686,218	\$5,600,096	\$5,681,498	\$5,841,941
Indirect Costs	(\$1,161,198)	(\$887,585)	(\$887,585)	(\$887,585)
Total Expenditures	\$60,383,762	\$59,207,015	\$60,748,656	\$61,705,842
Excess (Deficiency) of Revenues over Expenses	\$10,089,816	\$11,323,093	\$11,305,206	\$11,227,943
Transfers in/Out	(\$1,336,320)	(\$372,714)	(\$372,714)	\$2,627,286
Contributions	(\$11,244,556)	(\$12,279,871)	(\$12,893,865)	(\$13,538,558)
Total Sources/Uses	(\$12,580,876)	(\$12,652,585)	(\$13,266,579)	(\$10,911,272)
Net Increase/Decrease Fund Balance	(\$2,491,060)	(\$1,329,492)	(\$1,961,373)	\$316,671
Beginning Fund Balance	\$8,709,770	\$6,218,710	\$4,889,218	\$2,927,845
Ending Fund Balance	\$6,218,710	\$4,889,218	\$2,927,845	\$3,244,516

Multi-Year Projection

Restricted General Fund

	2018-2019 Estimated Actuals	2019-2020 Preliminary Budget	2020-2021 MYP	2021-2022 MYP
LCFF Sources	\$0	\$0	\$0	\$0
Federal Revenue	\$3,509,689	\$2,854,353	\$2,854,353	\$2,854,353
State Revenue	\$6,211,577	\$4,272,598	\$4,272,598	\$4,272,598
Local Revenue	\$11,272,082	\$9,670,788	\$9,670,788	\$9,670,788
Total Revenues	\$20,993,348	\$16,797,739	\$16,797,739	\$16,797,739
Salaries & Benefits	\$19,195,779	\$20,178,362	\$21,155,535	\$21,594,812
Supplies & Services	\$14,207,867	\$8,840,620	\$7,836,714	\$7,836,714
Indirect Costs	\$1,041,593	\$770,452	\$770,452	\$770,452
Total Expenditures	\$34,445,239	\$29,789,434	\$29,762,701	\$30,201,978
Excess (Deficiency) of Revenues over Expenses	(\$13,451,891)	(\$12,991,695)	(\$12,964,962)	(\$13,404,239)
Transfers In/Out	\$0	(\$262,484)	(\$262,484)	(\$262,484)
Contributions	\$11,244,556	\$12,279,871	\$12,893,365	\$13,538,558
Total Sources/Uses	\$11,244,556	\$12,017,387	\$12,630,881	\$13,276,074
Net Increase/Decrease in Fund Balance	(\$2,207,335)	(\$974,308)	(\$334,081)	(\$128,165)
Beginning Fund Balance	\$3,868,092	\$1,660,757	\$686,449	\$352,368
Ending Fund Balance	\$1,660,757	\$686,449	\$352,368	\$224,203

Multi-Year Projection

Combined General Fund

	2018-2019 Estimated Actuals	2019-2020 Preliminary Budget	2020-2021 MYP	2021-2022 MYP
LCFF Sources	\$67,147,076	\$68,529,418	\$70,053,172	\$70,933,095
Federal Revenue	\$3,509,689	\$2,854,353	\$2,854,353	\$2,854,353
State Revenue	\$8,985,359	\$5,701,524	\$5,701,524	\$5,701,524
Local Revenue	\$11,824,802	\$10,242,552	\$10,242,552	\$10,242,552
Total Revenues	\$91,466,926	\$87,327,847	\$88,851,601	\$89,731,524
Salaries & Benefits	\$74,054,521	\$74,672,866	\$77,110,278	\$78,346,298
Supplies & Services	\$20,894,085	\$14,440,716	\$13,518,212	\$13,678,655
Indirect Costs	(\$119,605)	(\$117,133)	(\$117,133)	(\$117,133)
Total Expenditures	\$94,829,001	\$88,996,449	\$90,511,357	\$91,907,820
Excess (Deficiency) of Revenues over Expenses	(\$3,362,075)	(\$1,668,602)	(\$1,659,756)	(\$2,176,296)
Transfers In/Out	(\$1,336,320)	(\$635,198)	(\$635,198)	\$2,364,802
Total Sources/Uses	(\$1,336,320)	(\$635,198)	(\$635,198)	\$2,364,802
Net Increase/Decrease in Fund Balance	(\$4,698,395)	(\$2,303,800)	(\$2,294,954)	\$188,506
Beginning Fund Balance	\$12,577,862	\$7,879,467	\$5,575,667	\$3,280,213
Ending Fund Balance	\$7,879,467	\$5,575,667	\$3,280,713	\$3,468,719

2019-2020 Proposed General Fund Budget

Projected Ending Fund Balance

Reserves and Designations

Components of the Ending Balance are as follows:

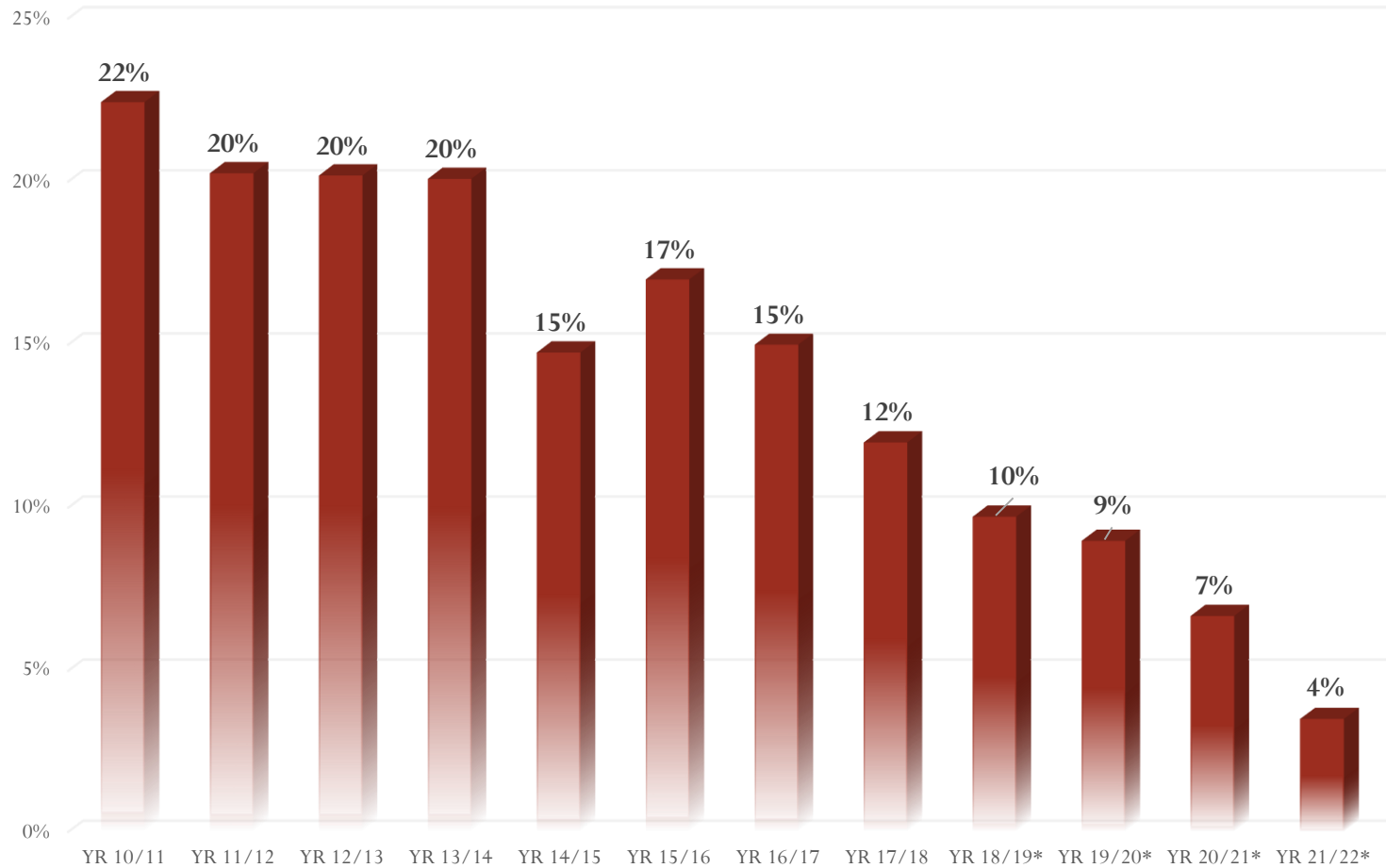
Legally Restricted General Fund	\$ 686,449
Revolving Cash	\$ 26,300
Stores Inventory	\$ 51,562
Prepaid Expenses	\$ 100,652
Economic Uncertainties – 3%	\$ 2,688,950

Designations:

Reserve for Declining Enrollment	<u>\$ 2,021,754</u>
Total Designations	\$ 2,021,754

Total Fund Balance, June 30, 2020	\$ 5,575,667
--	---------------------

Unrestricted Fund Balance History*



* Includes Fund 17

Identified Challenges

- ❖ Structural Deficit of approximately \$2+ million
- ❖ On-going Increases in STRS/PERS Rates/Costs
- ❖ Slowing State LCFF funding (Flat)
- ❖ Declining Enrollment/Lower Projected Birth Rates

Budgetary Needs

- ❖ Negotiations
- ❖ Funding STRS/PERS Increases
- ❖ Mental Health Services
- ❖ Instructional Materials (Adoptions)
- ❖ LCAP Recommendations
- ❖ Maintaining Lower Class Size
- ❖ Equity Imperative
- ❖ 1:World Technology Program
- ❖ Dual Immersion Program
- ❖ Student Data Management System
- ❖ Implementation of Measure G Projects (Bond Fund)

Questions?

