

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: June 12, 2018

BOARD MEETING DATE: June 21, 2018

PREPARED BY: Delores Perley, Chief Financial Officer
Tina Douglas, Associate Superintendent,
Business Services

SUBMITTED BY: Eric R. Dill, Superintendent

SUBJECT: ADOPTION OF 2018-19 DISTRICT BUDGET/
GENERAL FUND & SPECIAL FUNDS

EXECUTIVE SUMMARY

The 2018-2019 Annual Budget is presented for adoption. As required, the budget was presented for review and a public hearing was held June 7, 2018. No changes have been made to the budget since that hearing.

As we informed the Board of Trustees, the budget was prepared using assumptions from the Governor's May Revised State Budget proposal. Any impacts from the final state budget act and associated trailer affecting the District budget will be incorporated in the Fall Revision.

General Fund

Revenue

The Board will notice an increase in revenue from 2017-18 to 2018-19. The primary reasons for this are:

- Estimated increase in Property Tax of 5%, and increase of state aid funding under the LCFF model due full implementation
- Estimated reduction for some Federal programs
- Reduction in CTE Incentive Grant per 3 year grant cycle
- Removal of any one-time revenue, and other prior year carryover amounts
- Gifts & Donations in Local Income are booked as revenue is received

Contributions

Contributions from the unrestricted general fund show an overall increase for the following reasons:

- Increase to ROP due to reduction of CTE Incentive Grant funding

- Decrease to Educator Effectiveness, which is used for the Beginning Teacher Support and Assessment (BTSA) program due to loss of one-time funding; program costs shift to the unrestricted general fund
- Increase to special education contribution due to increased staffing costs, and contracted services including room and board, non-public schools, and non-public agencies. The increases in contracted services are due to incoming students and additional student need. Staff will continue to assess cost saving measures.
- Other increases due to contributions for step, column, and labor related costs (benefits) to all programs.

Expenditures

Expenditures are up overall, due to increased staffing costs including annual step, column, longevity, CalSTRS/PERS rate increases, and additional positions discussed at the Budget Workshop on May 10, 2018 and the Budget Presentation on June 7, 2018. These costs were partially offset by the loss of expenses from one-time funding, and the removal of prior year carryover and local revenue amounts:

- Increases in salaries and benefits for additional Special Education positions; Speech Therapist, School Psychologist, Functional Life Skills (FLS) Teacher, Occupational Therapist
- Additional Classroom Teachers for enrollment growth
- Increases in benefits for CalSTRS/PERS increased employer contribution rates, and estimated health insurance cost increases
- Books and supplies savings derive from the removal of expenses funded by donations, and prior year carryover amounts until the 17-18 amounts are determined at year end
- Services and operating expenses show an overall increase for Special Education contracted services and Property and Liability Insurance Premiums
- Other Outgo includes an estimated contribution to the Nutrition Services program which is partially offset by the receipt of indirect costs
- Restricted programs with carry-over balances will have a commensurate increase in expenditures posted and included in the Fall Revision Budget Report

Fund Balance Reserves

The Proposed Budget meets and exceeds the 4.5% Board recommended minimum reserve. Detailed information regarding the fund balance was shared at the public hearing on June 7, 2018.

Multi-Year Projection

This summary of the unrestricted portion of the Multi Year Projection (MYP) is included for your review and consideration.

Unrestricted Only	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
Total Revenue	105,740,737	105,262,171	109,576,722
Total Expenditures	109,476,687	110,584,489	111,448,018
Difference + or (-)	(3,735,950)	(5,322,318)	(1,871,296)
Beginning Balance	12,913,131	9,177,181	3,854,863
Ending Balance	9,177,181	3,854,863	1,983,567
Reserve @ 3% General Fund Only	Met	Not Met	Not Met
Gen Fund & SpecResv	Met	Met	Met

Assumptions include:

2018-19

- District remains LCFF funded
- Full funding of LCFF targets
- Property tax growth, continuation of the Education Protection Act (EPA) funding from Prop 30/Prop 55 tax increases
- COLA's and deficits as projected by School Services of California
- Step, column costs and benefits costs increased
- Retirement savings

2019-20 & 2020-21

- District continues as LCFF
- Property tax increases as California Consumer Price Index and Assessed Values increase
- Average Daily Attendance increases for small enrollment growth
- COLA's and deficits as projected by School Services of California
- Site formula budgets to remain static from 2017-18 levels
- Retirement savings
- Increased costs for CalSTRS/PERS increased employer contribution rates

With the above assumptions, the District projects that it will be able to meet its financial obligations for the next 3 years in the general and special reserve funds.

Staff expects the adjusted beginning balance to improve as the expenditures are finalized for 2017-18 and savings are realized with existing budgets. Cost-containment and efficiency will continue to be a priority in order to maintain adequate reserves.

Special Funds

The proposed budgets for all 2018-19 special funds of the district are presented to the Board for approval. All special funds are unchanged from the tentative budgets presented to the Board on June 7, 2018.

Special funds for the district are as follows:

Cafeteria Fund.....	(13-00)
Deferred Maintenance	(14-00)
Pupil Transportation Equipment Fund	(15-00)
Special Reserve Fund Other than Capital Outlay	(17-42)
Other Building Fund.....	(21-09)
Building Fund-Prop 39 (Prop AA).....	(21-39)
Capital Facilities Funds	(25-18 & 25-19)
County School Facilities Fund	(35-00)
Special Reserve Fund for Capital Outlay Projects.....	(40-00)
Capital Project Fund (for Mello Roos Projects).....	(49-00)
Self-Insurance Funds	(67-16, 67-17 & 67-30)

Supporting Documentation

Documents included for this agenda item include:

- Budget Spreadsheet for “General Fund Revenue & Expenditures – 2018-19 Proposed Budget”
- Multi-Year Projection for General Fund Revenue and Expenditures
- Special Funds – Overview; a brief description of each fund
- Special Funds – Balance Summary; summary spreadsheet for the proposed Special Funds Budget
- 2018-19 Capital/Deferred Maintenance Projects
- Printouts from the Standardized Account Code Structure (SACS) state software for 2017-18 estimated actuals and 2018-19 proposed budget

State requirements dictate certain documents be included as backup to the budget adoption agenda item. Included in this backup is a certification page which includes a summary of Criteria and Standards Review. Each standard is determined to be “Met” or “Not Met” or answered “Yes/No”. Where standards are not met, explanations are provided for the discrepancies. Most of the standards which have not been met are due to revenue & expense variances related to the removal of carryover and one-time revenue sources and with district-wide expenditure reductions. Printouts from the Standardized Account Code Structure (SACS) software are included, as required.

RECOMMENDATION:

It is recommended that the Board adopt the proposed 2018-2019 Annual Budget / General Fund & Special Funds, as shown in the attached supplements.

FUNDING SOURCE:

Not applicable.

General Fund Revenue & Expenditures - 2018-2019 Proposed Budget

	2017-2018 2nd Interim			2018-2019 Proposed Budget			Change
	UNRESTRICTED	RESTRICTED	TOTAL	UNRESTRICTED	RESTRICTED	TOTAL	
PROJECTED INCOME							
LCFF/Revenue Limit / Property Tax	107,620,737	577,225	108,197,962	115,066,592	609,800	115,676,392	7,478,430
Federal Income	619,056	3,263,404	3,882,460	685,000	3,111,592	3,796,592	(85,868)
Other State Income	4,866,893	9,759,970	14,626,863	6,795,416	8,389,628	15,185,044	558,181
Local Income	1,909,631	5,229,421	7,139,052	943,500	5,320,147	6,263,647	(875,405)
Transfers	765,589	0	765,589	765,589	0	765,589	0
Encroachment	(17,152,182)	17,152,182	0	(18,515,360)	18,515,360	0	0
TOTAL PROJECTED INCOME	98,629,724	35,982,202	134,611,926	105,740,737	35,946,527	141,687,264	7,075,338
PROJECTED EXPENDITURES							
Certificated Salaries	57,666,194	11,600,884	69,267,078	59,593,811	11,244,599	70,838,410	1,571,332
Classified Salaries	15,416,229	5,152,055	20,568,284	15,308,106	5,341,691	20,649,797	81,513
Benefits	20,023,930	10,406,969	30,430,899	21,763,554	10,891,695	32,655,249	2,224,350
Books & Supplies	3,113,779	3,048,801	6,162,580	2,703,719	1,530,061	4,233,780	(1,928,800)
Services & Operating Expenses	8,185,898	5,957,733	14,143,631	8,275,800	6,133,884	14,409,684	266,053
Capital Outlay	70,000	7,500	77,500	50,000	15,000	65,000	(12,500)
Other Outgo	1,362,724	877,546	2,240,270	1,781,697	767,129	2,548,826	308,556
TOTAL PROJECTED EXPENDITURES	105,838,754	37,051,488	142,890,242	109,476,687	35,924,059	145,400,746	2,510,504
Estimated Unspent	0	0	0	0	0	0	0
Expenditures (over/under) Revenue	(7,209,030)	(1,069,286)	(8,278,316)	(3,735,950)	22,468	(3,713,482)	4,564,834
FUND BALANCE, RESERVES:							
Beginning Balance - July 1	20,111,863	2,694,713	22,806,576	12,902,833	1,625,427	14,528,260	(8,278,316)
Adjusted Beginning Balance	20,111,863	2,694,713	22,806,576	12,902,833	1,625,427	14,528,260	(8,278,316)
Projected Ending Balance - June 30	12,902,833	1,625,427	14,528,260	9,166,883	1,647,895	10,814,778	(3,713,482)
COMPONENTS OF THE ENDING BALANCE:							
<i>Nonspendable:</i>							
Revolving Cash Fund 9130	180,000		180,000	180,000		180,000	0
Stores Inventory 9320	1,000		1,000	1,000		1,000	0
<i>Restricted:</i>							
Reserve for restricted programs		1,625,427	1,625,427		1,647,895	1,647,895	22,468
<i>Assigned:</i>							
Basic Aid Reserve			0			0	0
			0			0	0
<i>Unassigned:</i>							
Recommended Min Reserve (4.5%)	6,430,061		6,430,061	6,543,034		6,543,034	112,973
Total Components	6,611,061	1,625,427	8,236,488	6,724,034	1,647,895	8,371,929	135,441
RESERVE FOR ECONOMIC UNCERTAINTIES	6,291,772	0	6,291,772	2,442,849	0	2,442,849	(3,848,923)
	4.40%	0.00%	4.40%	1.68%	0.00%	1.68%	-2.72%
SPECIAL RESERVE FUND	2,520,050	0	2,520,050	2,542,050	0	2,542,050	
Combined Reserve	10.79%	0.00%	11.93%	8.05%	0.00%	9.19%	

Object	Resource		2017-2018 2nd Interim			2018-2019 Proposed Budget			Change
			UNRESTRICTED	RESTRICTED	TOTAL	UNRESTRICTED	RESTRICTED	TOTAL	
8011		STATE AID	3,187,327	0	3,187,327	5,828,270	0	5,828,270	2,640,943
8012		EPA STATE AID CURRENT YEAR	2,520,800	0	2,520,800	2,526,000	0	2,526,000	5,200
8021		HOMEOWNERS' EXEMPTION	706,229	0	706,229	741,540	0	741,540	35,311
8041		SECURED TAXES	98,717,672		98,717,672	103,653,556		103,653,556	4,935,884
8042		UNSECURED TAXES	3,080,192		3,080,192	3,234,202		3,234,202	154,010
8043		PRIOR YEAR TAXES	(26,703)		(26,703)	(26,703)		(26,703)	0
8044		SUPPLEMENTAL TAXES	694,942		694,942	729,689		729,689	34,747
8045		ED REV AUGMENT FUNDS(ERAF)	(1,298,165)		(1,298,165)	(1,363,073)		(1,363,073)	(64,908)
8046		SUPPL ED REV AUGMENT FUNDS(SERAF)	0		0	0		0	0
8047		COMMUNITY REDEVELOPMENT FUNDS	38,193		38,193	38,193		38,193	0
8082		OTHER TAXES	500		500	500		500	0
8089		50% RECAPTURE, OTHER TAXES	(250)		(250)	(250)		(250)	0
8091		SPECIAL ED ADA	0	0	0	0	0	0	0
8092		PERS REDUCTION TRANSFER	0		0	0		0	0
8096		XFER TO CHT SCH INLIEU PROP TX	0		0	(295,332)		(295,332)	(295,332)
8097		SPECIAL ED EXCESS TAX		577,225	577,225		609,800	609,800	32,575
		TOTAL LCFF/REVENUE LIMIT SOURCES	107,620,737	577,225	108,197,962	115,066,592	609,800	115,676,392	7,478,430

Object	Resource		2017-2018 2nd Interim			2018-2019 Proposed Budget			Change	
			UNRESTRICTED	RESTRICTED	TOTAL	UNRESTRICTED	RESTRICTED	TOTAL		
8290 XXX	0000-000		OTHER FEDERAL REVENUE	14,056		14,056	10,000		10,000	(4,056)
8290 006	0000 012		DIRECT SUBSIDY ON QSCB	605,000		605,000	675,000		675,000	70,000
8290 000	3010 000		NCLB: TITLE I		736,193	736,193		677,937	677,937	(58,256)
8290 002	3010 000		NCLB: TITLE I		32,031	32,031			0	(32,031)
8290 000	3185-000		NCLB: TITLE I PROGRAM IMPROVEMENT			0			0	0
8181 000	3310 000		IDEA PL 94-142 SPEC. ED.		1,665,288	1,665,288		1,660,225	1,660,225	(5,063)
8181 002	3310 000		IDEA PL 94-142 SPEC. ED.			0			0	0
8181 000	3311 000		SP ED IDEA LOCAL ASST. PRIVATE SCH		79,073	79,073		92,235	92,235	13,162
8182 000	3327 000		SP ED: IDEA MENTAL HEALTH		143,433	143,433		143,433	143,433	0
8182 002	3327 000		SP ED: IDEA MENTAL HEALTH			0			0	0
8290 000	3410 000		DEPT OF REHAB: WORKABILITY II FDN		225,689	225,689		225,689	225,689	0
8290 000	3550 001		PERKINS VATEA SECONDARY 131		108,886	108,886		107,634	107,634	(1,252)
8290 000	3550 002		PERKINS VATEA ADULTS 132			0			0	0
8290 000	4035 000		NCLB: TITLE II		155,967	155,967		143,490	143,490	(12,477)
8290 001	4035 000	D	NCLB: TITLE II			0			0	0
8290 002	4035 000		NCLB: TITLE II		135	135			0	(135)
8290 000	4036 000		NCLB: TITLE II, PT A, TEACHER QUALITY			0			0	0
8290 001	4036 000	D	NCLB: TITLE II, PT A, TEACHER QUALITY			0			0	0
8290 002	4036 000		NCLB: TITLE II, PT A, TEACHER QUALITY			0			0	0
8290 000	4045 000		TITLE II ENHNC EDUCATION/TECH			0			0	0
8290 002	4045 000		TITLE II ENHNC			0			0	0
8290 000	4201 000		TITLE III IMMIGRANT EDUCATION		21,181	21,181		21,181	21,181	0
8290 001	4201 000	D	TITLE III IMMIGRANT EDUCATION		16,676	16,676			0	(16,676)
8290 002	4201 000		TITLE III IMMIGRANT EDUCATION		16,832	16,832			0	(16,832)
8290 000	4203 000		TITLE III LEP STUDENT		39,768	39,768		39,768	39,768	0
8290 001	4203 000	D	TITLE III LEP STUDENT		22,252	22,252			0	(22,252)
8290 002	4203 000		TITLE III LEP STUDENT			0			0	0
			TOTAL FEDERAL REVENUE	619,056	3,263,404	3,882,460	685,000	3,111,592	3,796,592	(85,868)

D DEFERRED

Object	Resource			2017-2018 2nd Interim			2018-2019 Proposed Budget			Change
				UNRESTRICTED	RESTRICTED	TOTAL	UNRESTRICTED	RESTRICTED	TOTAL	
8590 000	0000 000		OTHER STATE REVENUE			0			0	0
8590 002	0000 000		OTHER STATE REVENUE			0			0	0
8590 006	0000 012		CA SOLAR INITIATIVE REBATE			0			0	0
8590 000	0000 024		AP FEE REIMB PROG			0			0	0
8550 000	0000-000		MANDATED COST REIMBURSEMENT	3,049,037		3,049,037	4,951,436		4,951,436	1,902,399
8590 000	09XX 000		CATEGORICAL FLEXIBILITY			0			0	0
8560 000	1100 000		LOTTERY	1,817,856		1,817,856	1,843,980		1,843,980	26,124
8560-002	1100 000		LOTTERY			0			0	0
8590 000	6230 000		PROP 39 CA CLEAN ENERGY JOBS		609,526	609,526			0	(609,526)
8560 000	6264 000		EDUCATOR EFFECTIVENESS			0			0	0
8560 000	6300 000		LOTTERY INSTRUCTIONAL MATERIALS		562,500	562,500		606,240	606,240	43,740
8560 002	6300 000		LOTTERY INSTRUCTIONAL MATERIALS			0			0	0
8590 000	6387 000		CTE INCENTIVE GRANT PROGRAM		1,393,785	1,393,785		764,785	764,785	(629,000)
8590 001	6387 000	D	CTE INCENTIVE GRANT PROGRAM		228,225	228,225		101,947	101,947	(126,278)
8590 002	6387 000		CTE INCENTIVE GRANT PROGRAM			0			0	0
8590 000	6500 000		SPECIAL ED CAHSEE			0			0	0
8590 000	6500 000		SPECIAL EDUCATION			0			0	0
8590 000	6500 009		MENTAL HEALTH SERVICES			0			0	0
8590 000	6512 000		SPED MENTAL HEALTH SERVICES		758,123	758,123		758,123	758,123	0
8590 002	6512 000		SPED MENTAL HEALTH SERVICES		(7,181)	(7,181)			0	7,181
8590 000	6520 000		SPED PROJ WORKABILITY		307,059	307,059		307,059	307,059	0
8590 000	6530 000		SPED LOW INCIDENCE			0			0	0
8590 000	6535 000		SPED PERSONNEL STAFF DEV			0			0	0
8590 000	6690 016		TUPE GRADES 6-12 TIER 2		0	0		206,502	206,502	206,502
8590 001	6690 016	D	TUPE GRADES 6-12 TIER 2		449,022	449,022		199,381	199,381	(249,641)
8590 000	7338 000		COLLEGE READINESS BLOCK GRANT			0			0	0
8590 000	7405 000		COMMON CORE STANDARDS			0			0	0
8590 000	7690 000		STRS ON-BEHALF PENSION CONTRIBUTION		5,428,911	5,428,911		5,415,591	5,415,591	(13,320)
8590 000	7810 004		TRANSITION PRTNRSHP PROJ - WIT		30,000	30,000		30,000	30,000	0
			TOTAL OTHER STATE REVENUE	4,866,893	9,759,970	14,626,863	6,795,416	8,389,628	15,185,044	558,181

D DEFERRED

Object	Resource		2017-2018 2nd Interim			2018-2019 Proposed Budget			Change
			UNRESTRICTED	RESTRICTED	TOTAL	UNRESTRICTED	RESTRICTED	TOTAL	
1100 000		TEACHERS' SALARIES	47,642,588	9,866,019	57,508,607	48,687,203	9,838,116	58,525,319	1,016,712
1200 000		PUPIL SUPPORT: LIBRARIANS GUIDANCE, WELFARE & ATTEND. PHYSICAL & MENTAL HEALTH	4,558,125	21,538	4,579,663	4,738,902	24,615	4,763,517	183,854
1300 000		SUPERVISORS, ADMIN: SCHOOL ADMINISTRATORS SUPERINTENDENTS ADMINISTRATORS	4,651,229	1,148,429	5,799,658	4,916,966	1,040,244	5,957,210	157,552
1900 000		OTHER CERTIFICATED	814,252	564,898	1,379,150	1,250,740	341,624	1,592,364	213,214
		TOTAL-OBJECT CODE 1000	57,666,194	11,600,884	69,267,078	59,593,811	11,244,599	70,838,410	1,571,332

Object	Resource		2017-2018 2nd Interim			2018-2019 Proposed Budget			Change
			UNRESTRICTED	RESTRICTED	TOTAL	UNRESTRICTED	RESTRICTED	TOTAL	
2100 000		INSTRUCTIONAL AIDES	1,182,006	2,815,792	3,997,798	1,214,612	3,010,192	4,224,804	227,006
2200 000		CLASSIFIED SUPPORT: MAINTENANCE & OPERATIONS INSTR. MEDIA / LIBRARY TRANSPORTATION	6,354,254	1,748,018	8,102,272	6,220,563	1,762,661	7,983,224	(119,048)
2300 000		SUPERVISORS AND ADMINISTRATORS' SALARIES	1,431,553	264,821	1,696,374	1,465,750	238,352	1,704,102	7,728
2400 000		CLERICAL & OFFICE PERSONNEL	5,805,415	323,424	6,128,839	5,794,218	330,486	6,124,704	(4,135)
2900 000		OTHER CLASSIFIED	643,001	0	643,001	612,963	0	612,963	(30,038)
		TOTAL-OBJECT CODE 2000	15,416,229	5,152,055	20,568,284	15,308,106	5,341,691	20,649,797	81,513

Object	Resource		2017-2018 2nd Interim			2018-2019 Proposed Budget			Change
			UNRESTRICTED	RESTRICTED	TOTAL	UNRESTRICTED	RESTRICTED	TOTAL	
3100 000		STATE TEACHERS' RETIREMENT SYS	8,339,953	7,073,396	15,413,349	9,564,722	7,290,339	16,855,061	1,441,712
3200 000		PUBLIC EMPLOYEE RETIREMENT SYS	2,338,785	786,129	3,124,914	2,732,017	950,364	3,682,381	557,467
3310 000		SOCIAL SECURITY	975,678	333,536	1,309,214	996,195	351,853	1,348,048	38,834
3320 000		MEDICARE	1,067,347	241,871	1,309,218	1,096,954	248,945	1,345,899	36,681
3400 000		INC PROTCT+CERT DNTAL+LIFE	2,161,733	743,680	2,905,413	2,365,463	799,110	3,164,573	259,160
3500 000		UNEMPLOYMENT INSURANCE	36,806	8,369	45,175	38,171	8,579	46,750	1,575
3600 000		WORKERS' COMPENSATION	1,467,371	332,793	1,800,164	1,504,821	341,648	1,846,469	46,305
3700 000		RETIREE BENEFITS (H & W)	489,316	114,338	603,654	231,323	52,951	284,274	(319,380)
3900 000		FLEX ACCOUNTS	3,146,941	772,857	3,919,798	3,233,888	847,906	4,081,794	161,996
		TOTAL-OBJECT CODE 3000	20,023,930	10,406,969	30,430,899	21,763,554	10,891,695	32,655,249	2,224,350

Object	Resource		2017-2018 2nd Interim			2018-2019 Proposed Budget			Change
			UNRESTRICTED	RESTRICTED	TOTAL	UNRESTRICTED	RESTRICTED	TOTAL	
4100 000		TEXTBOOKS (7-8 + 9-12)	0	184,000	184,000	0	231,000	231,000	47,000
4200 000		BOOKS OTHER THAN TEXTBOOKS	2,711	6,431	9,142	2,450	45,000	47,450	38,308
4300 000		MATERIALS & SUPPLIES LOTTERY INSTRUCTIONAL MTRLS OTHER SUPPLIES PUPIL TRANSPORTATION SUPPLIES GIFTS & DONATIONS	2,487,623	2,327,968	4,815,591	1,946,297	1,045,421	2,991,718	(1,823,873)
4300 999		ESTIMATED UNSPENT	0	0	0	0	0	0	0
4400 000		NON-CAPITALIZED EQUIP (under \$5,000)	623,445	530,402	1,153,847	754,972	208,640	963,612	(190,235)
		TOTAL-OBJECT CODE 4000	3,113,779	3,048,801	6,162,580	2,703,719	1,530,061	4,233,780	(1,928,800)

Object	Resource		2017-2018 2nd Interim			2018-2019 Proposed Budget			Change
			UNRESTRICTED	RESTRICTED	TOTAL	UNRESTRICTED	RESTRICTED	TOTAL	
5100 000		SUBAGREEMENT FOR SERVICES	282,550	1,261,242	1,543,792	336,000	1,917,765	2,253,765	709,973
5200 000		TRAVEL/CONFERENCES/INSERVICE TRNG	171,243	84,657	255,900	220,954	148,278	369,232	113,332
5300 000		DISTRICT DUES & MEMBERSHIP	71,950	100	72,050	86,000	200	86,200	14,150
5400 000		INSURANCE	697,738	0	697,738	763,890	0	763,890	66,152
5500 000		UTILITIES	2,670,000	0	2,670,000	2,744,200	0	2,744,200	74,200
5600 000		RENTALS, LEASES & REPAIRS	805,821	555,159	1,360,980	738,029	532,840	1,270,869	(90,111)
5700 000		INTER-PROGRAM SERVICES	(111,498)	55,023	(56,475)	(84,049)	59,049	(25,000)	31,475
5800 000		PROF./CONSULTING & OTHER SERVICES & OPERATING EXPENSES, INSTRUCTIONAL CONSULT. & LECT.	3,266,173	3,996,241	7,262,414	3,238,301	3,469,772	6,708,073	(554,341)
5900 000		COMMUNICATIONS: VOICE, DATA & POSTAGE	331,921	5,311	337,232	237,475	980	238,455	(98,777)
		TOTAL-OBJECT CODE 5000	8,185,898	5,957,733	14,143,631	8,280,800	6,128,884	14,409,684	266,053

Object	Resource		2017-2018 2nd Interim			2018-2019 Proposed Budget			Change
			UNRESTRICTED	RESTRICTED	TOTAL	UNRESTRICTED	RESTRICTED	TOTAL	
6100 000		SITES & IMPROVEMENT OF SITE	0	0	0	0	0	0	0
6200 000		IMPROVEMENT	0	0	0	0	0	0	0
6400 000		EQUIPMENT	25,000	0	25,000	40,000	0	40,000	15,000
6500 000		EQUIPMENT REPLACEMENT	45,000	7,500	52,500	10,000	15,000	25,000	(27,500)
		TOTAL-OBJECT CODE 6000	70,000	7,500	77,500	50,000	15,000	65,000	(12,500)

Object	Resource		2017-2018 2nd Interim			2018-2019 Proposed Budget			Change
			UNRESTRICTED	RESTRICTED	TOTAL	UNRESTRICTED	RESTRICTED	TOTAL	
7130 000	XXXX XXX	STATE SPECIAL SCHOOLS	0	0	0	10,000	0	10,000	10,000
7141 000	65XX XXX	SPEED OTH TUIT- DEFIC PMTS-SCH	0	18,250	18,250		18,250	18,250	0
7142 000	6500 000	SPEED OTH TUIT-X COST	0	394,000	394,000		394,000	394,000	0
7142 000	6500 001	OTHER TUITION & SPEC. ED EXCESS COS	0	43,100	43,100		33,100	33,100	(10,000)
7142 000	6512 000	SPEED MENTAL HEALTH OTH TUIT-X COST	0	167,100	167,100		147,000	147,000	(20,100)
7142-002	6500-005	ADULT TRANSITION SH PROGRAM	0	0	0		0	0	0
7142 003	6500 001	SP. ED. NCCSE MOU	0	0	0		0	0	0
7142 004	6512 000	SPEED MENTAL HEALTH SERVICES	0	0	0		0	0	0
7310 001	XXXX XXX	DIRECT SUPPORT/INDIRECT COSTS	(255,096)	255,096	0	(174,779)	174,779	0	0
7350 013	XXXX XXX	NUTRITION SERVICES INDIRECT FD 1300	0	0	0	(155,000)	0	(155,000)	(155,000)
7438 000	XXXX XXX	SOLAR PROJ DEBT SERVICE INTEREST	822,231	0	822,231	822,231	0	822,231	0
7439 000	XXXX XXX	SOLAR PROJ OTH DEBT SERVICE PRINC.	765,589	0	765,589	765,589	0	765,589	0
7438 000	XXXX XXX	BUS PURCHASE DEBT SERVICE INTEREST	0	0	0	23,491	0	23,491	23,491
7439 000	XXXX XXX	BUS PURCHASE DEBT SERVICE PRINC.	0	0	0	134,483	0	134,483	134,483
7619 013	0000 800	I/F TRANSFER TO NUTRITION SERVICE FU	0	0	0	310,682	0	310,682	310,682
7619 015	0000 724	I/F TRANSFER TO TRANS EQUIP FUND	0	0	0	0	0	0	0
7619 030	0000 800	I/F TRANSFER TO INSURANCE DED. FUND	30,000	0	30,000	45,000	0	45,000	15,000
		TOTAL-OBJECT CODE 7000	1,362,724	877,546	2,240,270	1,781,697	767,129	2,548,826	308,556
		TOTAL-ALL EXPENDITURES	105,838,754	37,051,488	142,890,242	109,481,687	35,919,059	145,400,746	
		GRAND TOTAL-ALL EXPENDITURES	105,838,754	37,051,488	142,890,242	109,481,687	35,919,059	145,400,746	

General Fund Revenue & Expenditures - 2018-2019 Proposed Budget
 Business Services Division
 Finance Department
Summary of Changes

Income:

	<u>2nd Interim</u>	<u>Proposed Budget</u>	<u>Summary of Changes</u>	
LCFF/Revenue Limit	108,197,962	115,676,392	7,478,430	* \$4.8M Property Taxes * \$2.6M LCFF State Aid
Federal	3,882,460	3,796,592	(85,868)	* \$70K Federal Subsidy for Solar (QSCB) * <\$58K> Title I Federal Funding Reduction * <\$89K> Prior Year Federal Revenue
Other State	14,626,863	15,185,044	558,181	* \$1.9M Additional One-time State Revenue * \$207K Additional TUPE Revenue * <\$629K> CTE Incentive Grant * <\$610K> Prop 39 CA Clean Energy Jobs * <\$376K> Prior Year State Revenue
Local	7,139,052	6,263,647	(875,405)	* \$140K Interest * \$114K Special Education Revenue * <\$245K> Athletic Transportation * <\$1.1M> Donations, College Testing, etc.
Transfers	765,589	765,589	-	
Contributions	(17,152,182)	(18,515,360)	(1,363,178)	* \$730K ROP Contribution Increase due to decrease in CTE funding * \$521K Special Education Contribution Increase * \$218K Special Education Mental Health Services Contribution Increase * \$214K Routine Restricted Maintenance Increase * <\$301K> Educator Effectiveness Contribution Decrease (expenses shifted to Unrestricted)
Total	134,611,926	141,687,264	7,075,338	

General Fund Revenue & Expenditures - 2018-2019 Proposed Budget

Business Services Division

Finance Department

Summary of Changes

Expenditures:

	<u>2nd Interim</u>	<u>Proposed Budget</u>	<u>Summary of Changes</u>
Certificated Salaries	69,267,078	70,838,410	1,571,332 * 3.0 FTE Teachers * 1.0 FTE Speech Therapist * 1.0 FTE School Psychologist * 1.0 FTE FLS Teacher * Step & Column Increases
Classified Salaries	20,568,284	20,649,797	81,513 * 1.0 FTE Occupational Therapist * 1.0 FTE Theater Technician * Step & Column Increases
Employee Benefits	30,430,899	32,655,249	2,224,350 * Corresponding Labor Related Costs for Changes in Salary Costs
Books & Supplies	6,162,580	4,233,780	(1,928,800) * \$85K Textbooks/Other Books increase * <\$1.1M> Donations, College Testing, etc. (budgeted as revenue is received) * <\$959K> Prior Year Carryover Removed (18-19 Carryover added back to budget in the fall of 2018)
Services & Operating Expenses	14,143,631	14,409,684	266,053 * \$275K Special Ed Room and Board * \$66K Property and Liability Insurance Premiums * <\$92K> decrease in Telephone Costs
Capital Outlay	77,500	65,000	(12,500) * <\$27K> Equipment/Equipment Replacement decreases
Other Outgo	2,240,270	2,548,826	308,556 * \$310K Contribution to Nutrition Services (partially offset by \$155K in indirect costs)
Total	142,890,242	145,400,746	2,510,504

SPECIAL FUNDS - OVERVIEW

Information relative to special funds, other than the General Fund, gives a brief description of the activities of the fund.

Cafeteria Fund, 13-00

School lunch nutrition standards have caused increased expenses and decreased revenue for the last few years. As a result, menus, staffing and productivity are constantly evaluated to ensure the district is providing wholesome, nutritious meals that are attractive to its customers and can be sold at a reasonable price. Nutrition Services continues to hone its marketing efforts and will further enhance technology to provide faster meal service. Managing the challenges of open campuses and single lunch periods continues.

Deferred Maintenance Fund, 14-00

Contributions to this program were eliminated in 2009-10 under the Fair Share proposal. With the 2013-14 implementation of the Local Control Funding Formula (LCFF), districts are no longer required to match state deferred maintenance funds. Since 2009-10, the district has included the costs of many necessary projects in the General Fund within the Routine Restricted Maintenance Program. The maintenance and repair of the new and remodeled Prop AA facilities continues to be a priority for the district. The deferred maintenance fund will be used until funds are depleted.

Pupil Transportation Equipment Fund, 15-00

This fund was created to separately account for income and expenses related to the acquisition of pupil transportation equipment.

Special Reserve Other Than Capital Outlay, 17-42

The purpose of this fund is to provide for the accumulation of General Fund resources for general operating purposes. Previous one-time mandate revenue was deposited to contribute to GASB 45 (OPEB) obligations. The balance has been used as part of the district's reserve for economic uncertainties.

Building Fund, 21-09

This fund is used to account for income due from prior construction projects. This fund is used for various construction projects. The balance will diminish until funds are depleted.

Building Fund-Proposition 39, 21-39

In November 2012, voters of the San Dieguito Union High School District community passed Proposition AA, a proposition 39 general obligation bond measure to provide monies to finance the construction of school facilities. This fund was created to account for income from the sale of the bonds and is used for the various construction projects approved by Proposition AA.

Capital Facilities, 25-18

Used for developer fees generated by agreements before 1987, this is a dwindling resource fund. The use of these funds is restricted to the cost of construction/reconstruction of facilities as a result of student population growth.

Capital Facilities, 25-19

Used for "per square foot" developer fees that the state authorized beginning in January 1987 and before many of the currently established Mello-Roos districts were formed. The use of these funds is limited to capital expenditures related to enrollment growth.

County School Facilities Fund, 35-00

This fund is used exclusively to account for income from the state for construction and modernization of school facilities.

Special Reserve for Capital Projects, 40-00

This fund is used to account for donated funds associated with capital projects. This fund balance will decline until all funds are depleted, unless future donations are made for capital projects.

Self-Insurance Fund, 67-16

This fund is used as a trust account for amounts not spent on insurance premiums for certificated employees that declined health insurance. The balance in this fund grows until a distribution is agreed upon between the district and the San Dieguito Faculty Association.

Other Post Employment Benefits Fund, 67-17

This fund is used as an escrow account to fund the annual "pay-as-you-go" amount for Other Post Employment Benefits (OPEB). The General Fund makes contributions to this fund and then premiums are paid from this account. Assets do not count toward the unfunded OPEB liability as the funds are not held in a special trust. The negative ending fund balance reflects the accumulated unfunded liability for OPEB.

Deductible Insurance Loss Fund, 67-30

This fund is used for the purpose of claims, administrative costs, services, deductible insurance amounts, costs of excess insurance and other related costs.

Special Funds - Balance Summary

2017-18 Estimated / 2018-19 Proposed

	Cafeteria Fund 13-00 17-18 Est.	Cafeteria Fund 13-00 18-19 Prop.	Defer. Maint. Fund 14-00 17-18 Est.	Defer. Maint. Fund 14-00 18-19 Prop.	Bus Replacement Fund 15-00 17-18 Est.	Bus Replacement Fund 15-00 18-19 Prop.
INCOME	2,700,400	3,181,682	20	30	867,393	-
EXPENDITURES	2,740,043	3,181,682	-		866,396	-
Expenditures (over)/under Revenue	(39,643)	-	20	30	997	-
FUND BALANCE, RESERVES: Beginning Balance - July 1	39,643	-	3,211	3,231	22,752	23,749
Ending Balance - June 30 Reserve for economic uncertainties	-	-	3,231	3,261	23,749	23,749

	Sp. Res. w/o Cap. Out. Fund 17-42 17-18 Est.	Sp. Res. w/o Cap. Out. Fund 17-42 18-19 Prop.	Building Fund 21-09 17-18 Est.	Building Fund 21-09 18-19 Prop.	Prop AA Fund 21-39 17-18 Est.	Prop AA Fund 21-39 18-19 Prop.
INCOME	15,000	22,000	750	1,200	25,739,990	26,763,302
EXPENDITURES	-	-	27,738	-	91,930,364	36,282,300
Expenditures (over)/under Revenue	15,000	22,000	(26,988)	1,200	(66,190,374)	(9,518,998)
FUND BALANCE, RESERVES: Beginning Balance - July 1	2,505,050	2,520,050	71,911	44,923	100,710,442	34,520,068
Ending Balance - June 30 Reserve for economic uncertainties	2,520,050	2,542,050	44,923	46,123	34,520,068	25,001,070

Special Funds - Balance Summary

2017-18 Estimated / 2018-19 Proposed

	Cap. Fac. Fund 25-18 17-18 Est.	Cap. Fac. Fund 25-18 18-19 Prop.	Cap. Fac. Fund 25-19 17-18 Est.	Cap. Fac. Fund 25-19 18-19 Prop.
INCOME	522,200	651,825	305,000	508,000
EXPENDITURES	889,829	658,325	1,082,354	999,782
Expenditures (over)/under Revenue	(367,629)	(6,500)	(777,354)	(491,782)
FUND BALANCE, RESERVES: Beginning Balance - July 1	761,826	394,197	1,430,141	652,787
Ending Balance - June 30 Reserve for economic uncertainties	394,197	387,697	652,787	161,005

	School Facilities Fund Fund 35-00 17-18 Est.	School Facilities Fund Fund 35-00 18-19 Prop.	Spec Res Cap Proj Fund 40-00 17-18 Est.	Spec Res Cap Proj Fund 40-00 18-19 Prop.	Self Ins. Fund 67-16 17-18 Est.	Self Ins. Fund 67-16 18-19 Prop.
INCOME	2,000	200	150	250	178,000	180,000
EXPENDITURES	-	-	-	-	-	-
Expenditures (over)/under Revenue	2,000	200	150	250	178,000	180,000
FUND BALANCE, RESERVES: Beginning Balance - July 1	19,127	21,127	27,425	27,575	83,234	261,234
Ending Balance - June 30 Reserve for economic uncertainties	21,127	21,327	27,575	27,825	261,234	441,234

Special Funds - Balance Summary

2017-18 Estimated / 2018-19 Proposed

	OPEB Fund 67-17 17-18 Est.	OPEB Fund 67-17 18-19 Prop.	Deduct. Ins. Loss Fund 67-30 17-18 Est.	Deduct. Ins. Loss Fund 67-30 18-19 Prop.
INCOME	677,000	678,000	30,150	45,350
EXPENDITURES	675,000	675,000	30,000	45,000
Expenditures (over)/under Revenue	2,000	3,000	150	350
FUND BALANCE, RESERVES: Beginning Balance - July 1	(11,453,061)	(11,451,061)	36,214	36,364
Ending Balance - June 30 Reserve for economic uncertainties	(11,451,061)	(11,448,061)	36,364	36,714