

THIRD INTERIM REPORT 2018-19

NEWARK UNIFIED SCHOOL DISTRICT



Patrick Sanchez, Superintendent
Khai Nguyen, Chief Business Official

GENERAL FUND

Beginning Fund Balance

Plus: Surplus/(Deficit) *this is the difference between Revenues and Expenditures*

= Ending Fund Balance

Minus: Designations

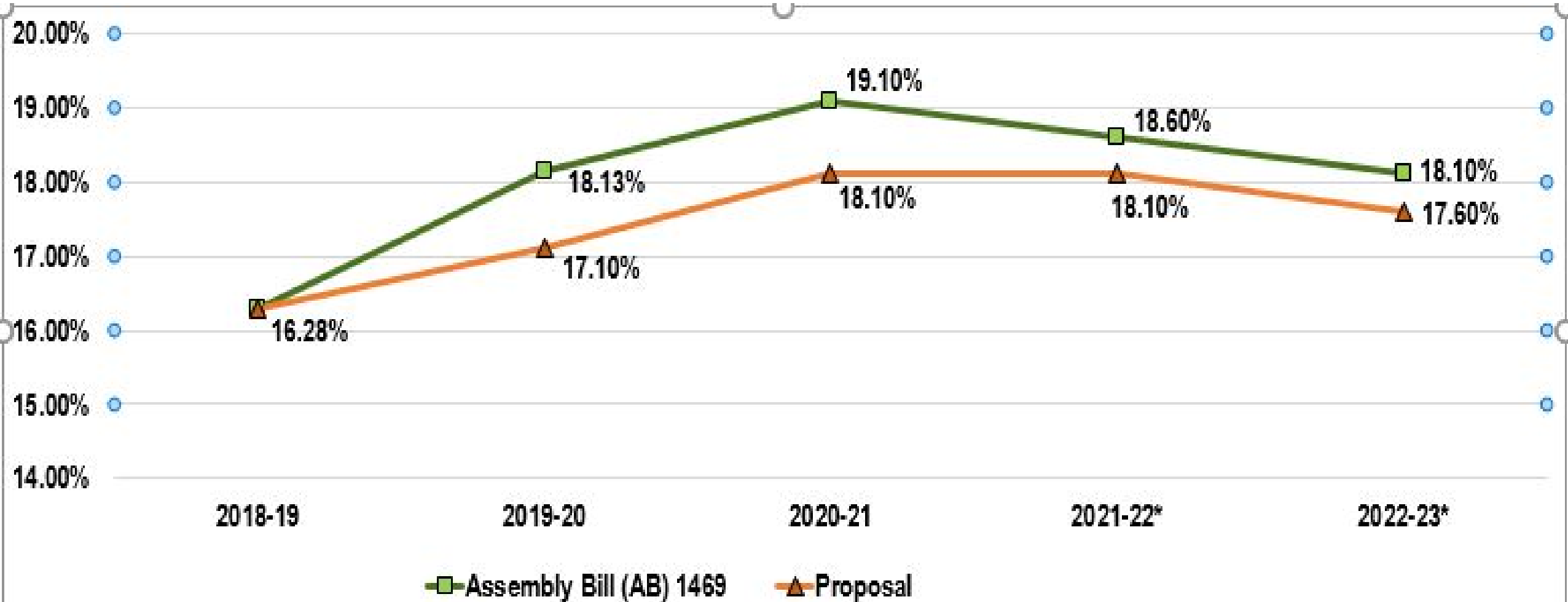
= Reserve

- General Fund is made up of the following categories:
 - Unrestricted General Purpose
 - Supplemental Grant-LCAP
 - Special Education
 - Routine Restricted Maintenance
 - Categorical Programs

REVENUES

- Local Control Funding Formula (LCFF)
 - Enrollment & Average Daily Attendance (ADA)
 - Base Funding and Supplemental Grant
 - Unduplicated Pupil Percentage
 - Property Tax
- Federal Revenues
 - Title I, II, III
 - Special Education
 - Other Categorical Grants
- State Revenues
 - Lottery
 - One-time Discretionary Fund
 - California Clean Energy Jobs Act (Prop 39)
- Local Revenues
 - Donations from Parent Organizations, Newark Educational Foundation,
 - Leases & Rentals
 - Interest Income
- Interfund Transfer In
 - Special Reserve
- Contribution to/from other Programs
 - To Special Education Deficit
 - To Routine Restricted Maintenance
 - To Categorical Program

ASSUMPTIONS



ASSUMPTIONS

- Lottery is estimated to be funded at \$151 per ADA for unrestricted purposes, and \$53 for restricted purposes
- CalSTRS Rate (Projected)
 - 2018-19: 16.28%
 - 2019-20: 17.10%
 - 2020-21: 18.10%
- CalPERS Rate (Projected)
 - 2018-19: 18.062%
 - 2019-20: 20.70%
 - 2020-21: 23.4%
- Step and Column
 - Certificated: 1.67%
 - Classified: .72%
- Reduction of \$2,200,000

ASSUMPTIONS ONLINE REGISTRATION

- First year of online registration at the elementary schools
- Registered: 3,623
- Not Registered: 2,108
- Not Returning: 80
- Total: 5,811

REVENUE SUMMARY

| Fund Name | Object | Adopted Budget 2018-19 | 3rd Interim 2018-19 | Variance |
|----------------------|-----------|------------------------|---------------------|----------------|
| LCFF Sources | 8010-8099 | 54,469,530 | 54,246,100 | (223,430) |
| Federal Revenues | 8100-8299 | 2,110,041 | 2,553,621 | 443,580 |
| Other State Revenues | 8300-8599 | 6,700,783 | 6,488,264 | (212,519) |
| Other Local Revenues | 8600-8799 | <u>3,430,893</u> | <u>3,907,400</u> | <u>476,507</u> |
| Total | | 66,711,247 | 67,195,385 | 484,138 |

Variance Explanation

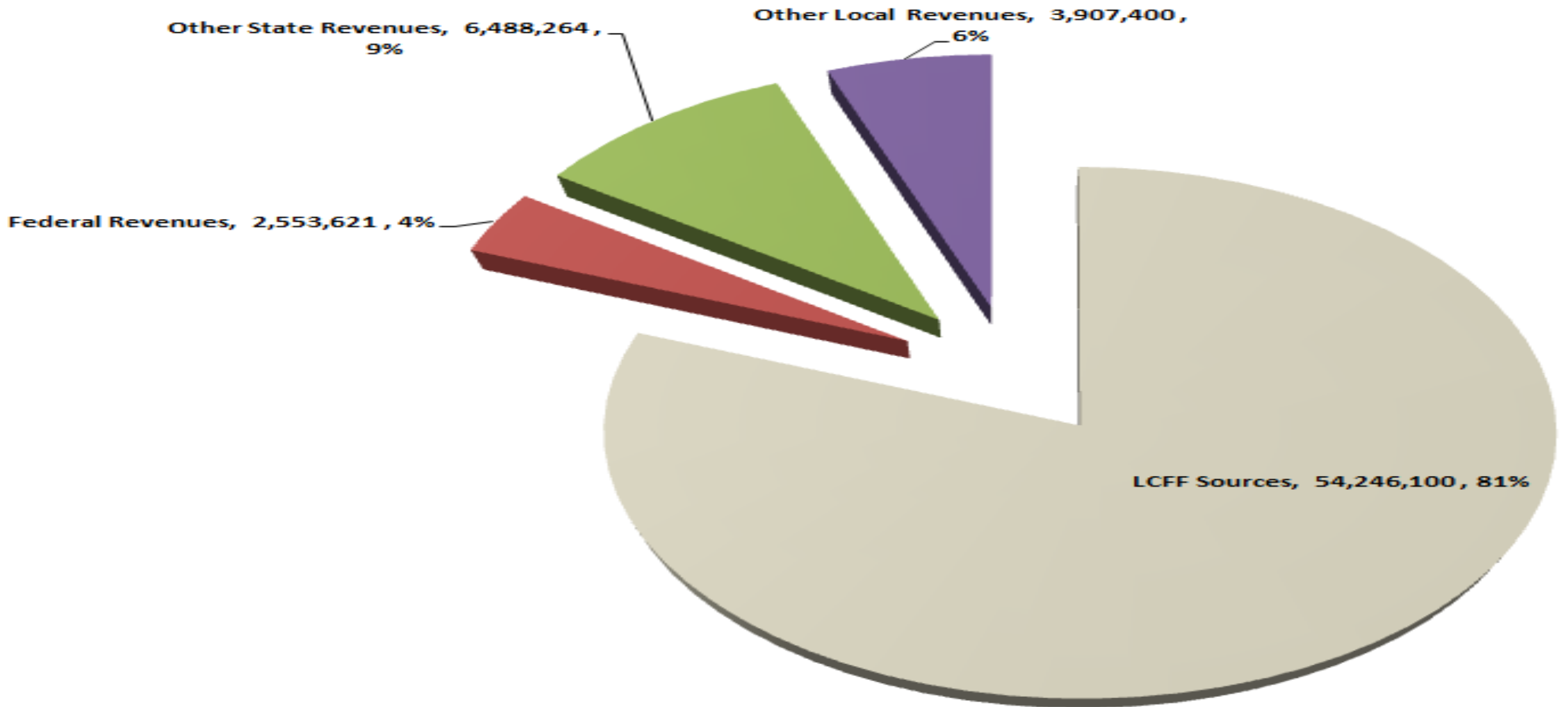
LCFF Sources: COLA increase from 2.51% to 3.70%. Former Governor Brown added more funds to the Base of LCFF

Federal Revenues: Carryovers from prior year

Other State Revenues: One time discretionary fund went from \$344 to \$184 per ADA. Received funding for low performing students, Professional Development

Other Local Revenues: New grants and donations CCEE

REVENUES



EXPENDITURES SUMMARY

- Certificated Salaries
 - Teacher, Nurse, Speech Therapist, Psychologist,
 - Superintendent, Associate Superintendent
 - Principals, Asst. Principal
- Classified Salaries
 - Para-educator, Clerical
 - Custodian, Maintenance Staff
 - Confidential, Office staff
- Employee Benefits
 - State Teachers Retirement System (STRS), Public Employee Retirement System (PERS), Old Age, Survivors and Disability Insurance (OASDI), Medicare, Workers Compensation, Unemployment Insurance, Retiree Benefits, Medical Benefits (Classified only)
- Books & Supplies
 - Textbook Adoption, Reference Books, Instructional Materials, Office Supplies
- Services & Operating Expenses
 - Contracts, Special Education Contracts, Insurance, Utilities, Conference
- Capital Outlay
 - Furniture & Equipment
- Other Outgo
 - Mission Valley Regional Occupational Program (MVROP)
- Interfund Transfer Out
 - Transfer to Cafeteria Fund and Child Development Fund

EXPENDITURE SUMMARY

| Fund Name | Object | Adopted Budget 2018-19 | 3rd Interim 2018-19 | Variance |
|---------------------------------------|-----------|------------------------|---------------------|----------------|
| Certificated Salaries | 1000-1999 | 32,395,038 | 31,547,901 | (847,137) |
| Classified Salaries | 2000-2999 | 8,683,264 | 8,780,897 | 97,633 |
| Employee Benefits | 3000-3999 | 13,942,810 | 13,923,810 | (19,000) |
| Books and Supplies | 4000-4999 | 2,760,047 | 3,100,848 | 340,801 |
| Services and Other Operating Expenses | 5000-5999 | 7,894,235 | 10,687,459 | 2,793,224 |
| Capital Outlay | 6000-6999 | 95,176 | 324,529 | 229,353 |
| Other Outgo | 7100-7499 | <u>774,211</u> | <u>969,359</u> | <u>195,148</u> |
| Total | | 66,544,781 | 69,334,803 | 2,790,022 |

Variance Explanation

Certificated Salaries: Unable to fill certificated positions

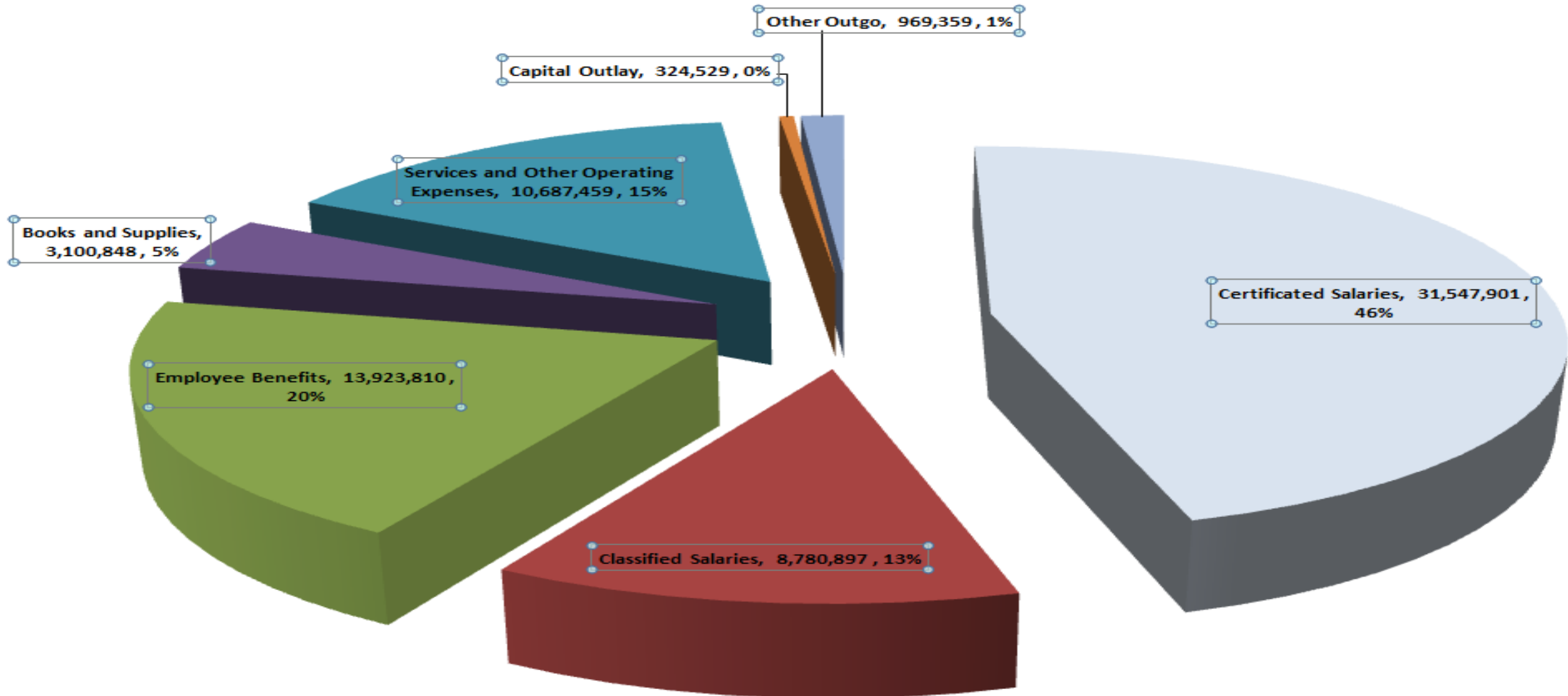
Services and Other Operating Expenses: Outsource special education services; utility, water, liability insurance, equipment repairs, Carryover from prior years such as Title I, II, III, Prop 39; New grants

Capital Outlay: Clean Energy project

HOUSEKEEPING

| Housekeeping | 2017-18 | 2018-19 |
|----------------|------------------|------------------|
| Gas | 147,405 | 159,832 |
| Utility | 1,117,430 | 1,286,495 |
| Water | 240,403 | 351,633 |
| Sewage | 54,914 | 55,287 |
| Waste Disposal | 2,655 | 4,232 |
| Total | 1,562,807 | 1,857,479 |

EXPENDITURES



MULTI-YEAR PROJECTION 2018-2021

| | 2018-19 | 2019-20 | 2020-21 |
|------------------------------------|-------------------|--------------------|--------------------|
| Beg. Balance | 6,079,765 | 4,153,532 | 2,291,903 |
| Revenues | <u>67,195,385</u> | <u>65,185,790</u> | <u>65,928,238</u> |
| Total | 73,275,150 | 69,339,322 | 68,220,141 |
| Expenditures | 69,121,618 | 68,725,419 | 67,248,090 |
| Budget Reduction | <u>-</u> | <u>(1,678,000)</u> | <u>(1,320,000)</u> |
| Deficit | (1,926,233) | (1,861,629) | 148 |
| Ending Balance | 4,153,532 | 2,291,903 | 2,292,051 |
| Reserve for Economic Uncertainties | 2,073,649 | 2,024,246 | 1,991,008 |
| Total Reserve Percentage | 3% | 3% | 3% |

OTHER FUNDS

| FUNDS | Beginning Balance | Ending Balance |
|---|-------------------|----------------|
| 11 Adult Education | 29,468 | 26,993 |
| 12 Child Development | 179,213 | 157,179 |
| 13 Cafeteria Funds | 696,793 | 389,593 |
| 17 Special Reserve Other Than Capital Outlay Projects | 2,224,793 | 2,246,793 |
| 21 Building Fund - General Obligation Bond | 12,417,733 | 9,632,480 |
| 25 Capital Facilities Fund | 10,762,853 | 13,889,302 |
| 40 Capital Outlay Projects - Ruschin | 11,129,589 | 10,761,334 |
| 51 Bond Interest and Redemption | 8,711,771 | 7,787,439 |
| 67 Self Insurance | 2,999,816 | 2,535,937 |

BUDGET CERTIFICATION

- No Budget Certification is required for Third Interim
- Submit Third Interim
 - Alameda County Office of Education
 - California Department of Education (CDE)
 - State Controller's Office

NEXT STEPS

State Level

- May Revision

District Level

- May 20, 2019 – Governor's May Revise
- June 06, 2019 – 2019/20 Budget Public Hearing
- June 19, 2019 – 2019/20 LCAP and Budget Adoption

ITEMS TO CONSIDER

- Continue to monitor online registration
 - Best indicator for enrollment
 - Enrollment may begin to flatten or increase marginally beginning 2022-23 or sooner
- May Revision
- Revenue Enhancement Findings

QUESTIONS?