



FREMONT UNIFIED SCHOOL DISTRICT

PRELIMINARY BUDGET REPORT 2018-19

Division of Business Services

June 6, 2018



Overview

- **Education Code Section 42127 (a) states that:**

On or before July 1 of each year, the Governing Board of each school district shall accomplish the following:

- Hold a public hearing on the budget to be adopted for the subsequent fiscal year
- Adopt the budget
- File the budget with the County Superintendent of schools

2017-18 General Fund Budget (in millions)

	Adopted Budget [1]	First Interim Budget [1]	Second Interim Budget [1]	Estimated Actual [2]
	(a)	(b)	(c)	(d)
Revenues	\$342.0	\$349.1	\$350.4	\$352.7
Less: Expenditures	349.7	364.9	367.6	364.2
= Surplus/(Deficit)	(\$7.7)	(\$15.8)	(\$17.2)	(\$11.5)
Add: Beginning Fund Balance	26.0	36.4	36.4	36.4
=Ending Fund Balance	\$18.3	\$20.6	\$19.3	\$24.9
Less: Designations	7.8	9.7	8.2	14.0
=Reserve (\$)	\$10.5	\$10.9	\$11.0	\$10.9
=Reserve (%)	3.00%	3.00%	3.00%	3.00%

[1] Source: [2017-18 Second Interim Budget Report, pages 14-15](#) [2] Source: [2018-19 Preliminary Budget, pages 14-15](#)



2017-18 General Fund Budget (in millions)

	Unrestricted General Fund	Restricted General Fund	Total General Fund [1]
	(a)	(b)	(c=a + b)
Revenues	\$309.3	\$43.4	\$352.7
Add: Contributions*	(54.1)	54.1	0.0
Less: Expenditures	262.6	101.7	364.2
= Surplus/(Deficit)	(\$7.3)	(\$4.2)	(\$11.5)
Add: Beginning Fund Balance	24.6	11.8	36.4
=Ending Fund Balance	\$17.3	\$7.6	\$24.9
Less: Designations	6.4	7.6	14.0
=Reserve (\$)	\$10.9	\$0.0	\$10.9
=Reserve (%)	3.00%	0.00%	3.00%

*Contribution to Special Education program is \$44.0 million and Routine Restricted Maintenance is \$10.0 million

[1] Source: [2018-19 Preliminary Budget, pages 14-15](#)

Revenue Assumptions for 2018-19

- **Local Control Funding Formula (LCFF) Sources**
 - Enrollment is 35,720
 - Average Daily Attendance (ADA) is 34,651 or 97.01%
 - Cost of Living Adjustment (COLA) is 2.71%
 - Additional Base Grant is 0.29%
 - Local Control Funding Formula (LCFF) is fully implemented – no more gap
 - Unduplicated count of students eligible for Supplemental Grant is 27.91%
- **Federal revenues remain flat for now**
- **State Revenues**
 - Lottery fund is projected at \$194 per student
 - COLA for Special Education Program is 2.71%
 - Mandated Cost Block Grant is \$1.2 million
 - One-time Discretionary Fund is projected at \$344 per ADA or \$11.8 million
 - No new funding for transportation and pension contribution
- **Local Revenues**
 - Local donations are included based on historical trend and commitments from donors
 - Parcel Tax (Measure I) is projected at \$4.3 million

Expenditure Assumptions for 2018-19

- Classroom staffing is based on the following class sizes/ratio
 - Grades TK- 2 24:1
 - Grade 3 28:1
 - Grade 4-6 30:1
 - Grade 7-12 27:1 ratio
- No salary increases, except for step/column adjustments for eligible employees
- Cost of 1% for all employees is \$3.2 million (inclusive of statutory benefits)
- STRS / PERS Contribution
 - Contribution to STRS is 16.28%, 1.85% more than last year
 - Contribution to PERS is 18.062%, 2.531% more than last year
- Special Education expenditure is \$75.6 million, which represents 20.4% of the District's budget
 - Special Education budget deficit is \$46.9 million
- Supplemental grant is estimated at \$16.0 million

Preliminary Budget for 2018-19 (in millions)

	Estimated Actual 2017-18 ^[1]	Preliminary Budget 2018-19 ^[1]
Revenues	\$352.7	\$371.0
Less: Expenditures	364.2	370.9
= Surplus/(Deficit)	(\$11.5)	\$0.2
Add: Beginning Fund Balance	36.4	24.9
= Ending Fund Balance	\$24.9	\$25.1
Less: Designations	14.0	13.9
= Reserve (\$)	\$10.9	\$11.1
= Reserve (%)	3.00%	3.00%

[1] Source: [2018-19 Preliminary Budget, pages 14-15](#)

Preliminary Budget for 2018-19 (in millions)

	Unrestricted General Fund	Restricted General Fund	Total General Fund [1]
	(a)	(b)	(c = a + b)
Revenues	\$334.0	\$37.0	\$371.0
Less: Expenditures	268.7	102.2	370.9
Contribution*	(57.9)	57.9	0.0
= Surplus/(Deficit)	\$7.5	(\$7.3)	\$0.2
Add: Beginning Fund Balance	17.3	7.6	24.9
= Ending Fund Balance	\$24.7	\$0.3	\$25.1
Less: Designations	13.6	0.3	13.9
= Reserve (\$)	\$11.1	\$0.0	\$11.1
= Reserve (%)	3.00%	3.00%	3.00%

*Contribution to Special Education Program is \$46.9 million and Routine Restricted Maintenance is \$10.8 million

[1] Source: [2018-19 Preliminary Budget, pages 20-21](#)

Multi-Year Budget Projection (For 2019-20 and 2020-21)

- **LCFF Sources**
 - Enrollment is projected at 36,769 and 38,169
 - ADA is projected at 35,671 and 37,010
 - LCFF is fully implemented – no more gap
 - Unduplicated count of eligible students is projected at 27.80% and 27.11%
- **Federal revenues remain flat for now**
- **State Revenues**
 - COLA of 2.57% and 2.67%
 - No projection for one-time discretionary fund
- **Local Revenues**
 - Local donations are included based on historical trend and commitments from donors
 - Parcel Tax (Measure I) is projected at \$4.3 million

Multi-Year Budget Projection (For 2019-20 and 2020-21)

- Class sizes and ratio remain the same as in 2018-19
- No projections for any salary adjustments other than step and column movement for eligible employees
- Pension Contribution rate
 - STRS contribution rate increase by 1.85% and 0.97%
 - PERS contribution rate increase by 2.74% and 2.70%
- Transfer of funds to MVROP of \$4.4 million each year
- Supplemental grant \$16.8 million and \$17.5 million
- Support staff for Bringhurst Elementary School and Spanish Dual Immersion is included
- Additional support staff for Horner and Walters Middle Schools is included

Multi-Year Budget Projection (in millions)

	Estimated Actual 2017-18 ^[1]	Preliminary Budget 2018-19 ^[1]	Projected Budget 2019-20 ^[1]	Projected Budget 2020-21 ^[1]
Revenues	\$352.7	\$371.0	\$376.2	\$397.4
Less: Expenditures	364.2	370.9	377.9	392.7
Surplus/(Deficit)	(\$11.5)	\$0.2	(\$1.7)	\$4.7
Beginning Fund Balance	36.4	24.9	25.1	23.3
Ending Fund Balance	\$24.9	\$25.1	\$23.3	\$28.0
Less: Designations	14.0	13.9	17.3	17.2
Reserve (\$)	\$10.9	\$11.1	\$6.0	\$10.8
Reserve (%)	3.00%	3.00%	1.60%	2.75%

For 2019-20, the District needs to enhance its revenues and/or reduce its expenditures by \$5.5 million in order maintain a 3% reserve

[1] Source: [2018-19 Preliminary Budget, pages 70-71](#)



Other Funds (in millions)

	Beginning Balance	Revenues	Expenditures	Ending Balance
Special Education Pass-Through (10)	\$0	\$12.2	\$12.2	\$0
Adult Education (11)	2.4	4.3	5.0	1.7
Child Development (12)	0.1	1.6	1.5	0.2
Cafeteria (13)	0	6.9	6.9	0.0
Building Fund-Measure E (21)	88.8	129.0	149.0	69.0
Capital Facilities Fund-Developer Fee (25)	47.9	3.7	8.1	43.5
Special Reserve for Capital Outlay-Sale of Site (40)	24.5	0.6	2.1	22.9
Bond Interest & Redemption (51)	32.1	38.5	38.5	32.1

Source: [2018-19 Preliminary Budget, pages 116-119](#)

Questions or Comments

