

Rocklin Academy Family of Schools

2017-18 Multi-Year Budget Proposal



Overview

Required to adopt a budget prior to July 1 of each year

- Budget Report submitted to County by July 1st
- Submitted to Authorizers, County, Bondholders

Last month we presented the preliminary, this presentation will focus on changes from that report.

As we continue to develop our budget we will work to ensure we are able to meet our financial obligations and covenants for the current and two subsequent years.

New Items

Within this Budget Report we added a couple more items:

- Combined MYP
 - Designed to provide an organization wide combined three year picture
- Site at a Glance
 - Designed to provide a site specific three year picture including Enrollment, ADA, profit/loss, staffing/FTE
- Alternative Forms
 - These are site specific detailed reports which are signed and go to our authorizers

We are working on one more form which will be similar to the Site at a Glance form but on the FASB (non-profit) accounting model.

Unrestricted / Restricted Revenues

Majority is Unrestricted (91%)

Local Control Funding Formula

– Based on LCFF Calculator

- State Aid
- Education Protection Account
- Property Tax Revenue
- Supplemental Funds

Overall net change of ~\$180,000

Note – 1% change in ADA ~\$200,000

Increase to LCFF funding rates

State revenue – Mandated Block Grant

Lower Dollars but higher restrictions

Special Education

– Federal

– \$125 / prior year CBEDS

– State

– \$514 per ADA

Restricted Lottery \$45 per ADA

NOTE: Governors Budget proposed \$170 per ADA for One-Time CCSS Costs if revenue projections are met.

Not included based on guidance – funding won't be known until May 2019

Average Daily Attendance

ADA is the most significant factor in determining our funding.

For Budgets we estimate the ADA that we expect to have at the end of March (2018)

- Determines LCFF, Lottery, Special Education, etc.
- Main change was in elementary adjusted to 97% ADA projection for all sites

School	Projected ADA (initial)	Projected ADA	Change	LCFF	LCFF / ADA
Gateway	1,253.90	1,248.98	(4.92) / 0.4%	\$ 9,656,412	\$ 7,731
Meyers	180.42	180.42	-	\$ 1,377,441	\$ 7,634
Turnstone	362.70	360.84	(1.86) / 0.5%	\$ 2,739,574	\$ 7,592
Western Sierra	748.60	748.60	-	\$ 6,350,683	\$ 8,094
Total	2,545.62	2,538.84	(6.78) / 0.3%	\$ 20,124,110	\$ 7,926

Expenses

Most significant revisions to expenses were to:

- Salaries and Benefits and Increase to Special Education program:
 - Revisions based on board approval of salary schedules
- Increase in contributions to Special Education
- Increase to Restricted:
 - Revisions to bring on estimated fund balance and spend down of remaining restricted fund balances (Educator Effectiveness)
- PERS 2017-18 and outyears rates went down slightly
 - 2017-18 went from 15.80% to 15.53%
 - Outyears decrease ~0.6%

No change to Budgeted Allocation of Support Services:

Meyers	Turnstone	Western Sierra	Gateway
10%	20%	30%	40%

Contributions to Restricted Program

We are very proud of the services that we provide to all of our students.

Unfortunately the Federal and State government have not provided the funding that was envisioned when the laws mandating programs for Special Ed students were adopted.

	Initial Proposal	Current Proposal
Special Education Expenses	2,020,361	2,137,441
Less: Funded Special Education	1,568,836	1,568,836
Special Education Contribution	457,525	568,605

Budgeted Net Income/Loss by site

Evaluation below is over Unrestricted Accounts

School	Initial	Current	Reserve %
Meyers	6,667	10,760	0.8%
Western Sierra	(180,164)	(150,553)	(2.3%)*
Turnstone	136,407	131,664	5.0%
Gateway	163,742	103,504	1.0%

*For Western Sierra there is \$186,000 budgeted within capital outlay which would account for current deficit.

Fund Balance - MYP

Note that projections include current salary schedule rolled forward.

Net Income (Loss)	Meyers	Western Sierra	Turnstone	Gateway *
2018-19	38,181	118,664	190,280	(109,503)
2019-20	25,673	109,792	173,667	(244,568)

* The cause for this deficit is:

- Bubble of 180 6th grade students (120 in 5th grade)
- Opened additional class K-3 in 2017-18 (144 vs 120)
- Gap in enrollment (1287 and 1274 outyears) and capacity as we walk forward the students in 3rd grade each year

We will continue to work with administration regarding outyears for all sites.

MYP – Items for Consideration

The most difficult items to project are those that move or are based on another factor. The most significant unknown items for our organization are:

Special Education

- unknown until children are enrolled in our schools
- Currently contribution to this program is ~25%

Retirement

- based on salaries which rise according to salary schedules
- Both STRS/PERS have significant unfunded liabilities, schedule continues to increase

Growth Funds

- To meet compliance covenants the Director of Growth and Engagement position is not included in the 3rd multi-year projection. We will continue to update the outyears as more information becomes available.

Questions

