

Budget Workshop

March 6, 2018



BP 3050: Key Actions / Considerations

- The Board instructs the Superintendent to annually present a balanced budget.
- CUSD will operate at a positive certification (5% reserve in Fund 17) and increase reserves by 0.5% each year until two months of general fund expenditures is reached.
- Strive to attain and maintain a total compensation package that is at or above the average for comparable unified school districts in the region.
- Endeavor to limit class sizes, increase instructional days, and provide professional development opportunities to maximize student achievement.
- Commit annually to seek efficiencies in all areas of the budget.

❌ CUSD will operate at a positive certification (5% reserve in Fund 17) and increase reserves by 0.5% each year until two months of general fund expenditures is reached.



2016-17 Unaudited Actuals

Total General Fund Expenditures ~\$35 million

5% Reserve ~ \$1.75 million

0.5% ~ \$175,000

2 Months of Expenditures ~\$6.3 million

Current Balance of Fund 17: \$2.6 Million

✓ Positive Budget Certifications

X Strive to attain and maintain a **total compensation*** package that is at or above the average for comparable unified school districts in the region.

Source: Ed-Data (<https://www.ed-data.org/Comparisons?compType=districts>)

2015/16 Fiscal Year <u>District Name</u>	<u>Enrollment</u> (District)	<u>FRPM/EL/Foster</u> <u>Undupl %</u> (District)	Total Compensation @ Teacher Lowest Salary Offered (District)	Rank	Total Compensation @ Teacher BA60 Step-10 Offered (District)	Rank	Total Compensation @ Teacher Highest Salary Offered (District)	Rank	<u>Teacher Service</u> <u>Days (District)</u>
Carlsbad Unified	11,077	22.8%	60,561	3	90,841	5	117,622	3	184
Coronado Unified	3,150	9.4%	64,268	2	92,074	3	115,108	4	185
Oceanside Unified	21,024	66.4%	69,241	1	99,668	1	123,318	1	185
Poway Unified	35,771	23.4%	47,046	10	83,106	9	101,917	10	188
Ramona City Unified	5,593	44.0%	59,639	5	89,037	7	111,536	6	184
San Diego Unified	129,380	63.4%	44,337	11	67,371	11	91,571	11	184
San Dieguito Union High	12,726	9.4%	60,245	4	99,401	2	121,238	2	186
San Marcos Unified	20,813	45.0%	49,853	9	86,576	8	105,974	7	184
Sweetwater Union High	41,050	60.6%	59,050	6	91,138	4	114,942	5	184
Valley Center-Pauma Unified	4,087	54.4%	52,699	7	90,274	6	105,858	8	184
Vista Unified	25,244	63.7%	50,190	8	82,490	10	105,336	9	184
Mean (Average):			\$56,103		\$88,361		\$110,402		

*Includes Employer Health & Welfare Contributions (at maximum district contribution).

Note: CUSD ranks 36th out of 42 in San Diego County for LCFF funding per ADA. There are a number of factors that districts can use to compare themselves to other districts. The districts noted above have been identified as comparison districts with ACT.

❑ Endeavor to limit class sizes, increase instructional days, and provide professional development opportunities to maximize student achievement.

- ✓ Student to Teacher ratios are among the lowest in comparison districts
- ✓ Late start Thursdays, Job-a-likes, and a number of professional learning opportunities via release days and attendance at conferences.
- ✓ Student achievement data has been previously reported by the Director of Learning



❌ Commit annually to seek efficiencies in all areas of the budget.

Efficiencies Realized

- Reductions in contracts and services ~\$160K
- Reduced staffing in business & support functions ~\$180K
- Alignment of FTE with enrollment ~\$350K

Total savings ~ \$690K



□ The Board instructs the Superintendent to annually present a balanced budget.



	<u>2017-18</u> Funds 01, 17, & 40 Combined	<u>2018-19</u> Funds 01, 17, & 40 Combined	<u>2019-20</u> Funds 01, 17, & 40 Combined
Revenues	39,350,156	39,389,379	40,227,590
Expenditures	41,735,450	42,205,336	43,445,436
Surplus/(Deficit)	(2,385,294)	(2,815,957)	(3,217,846)

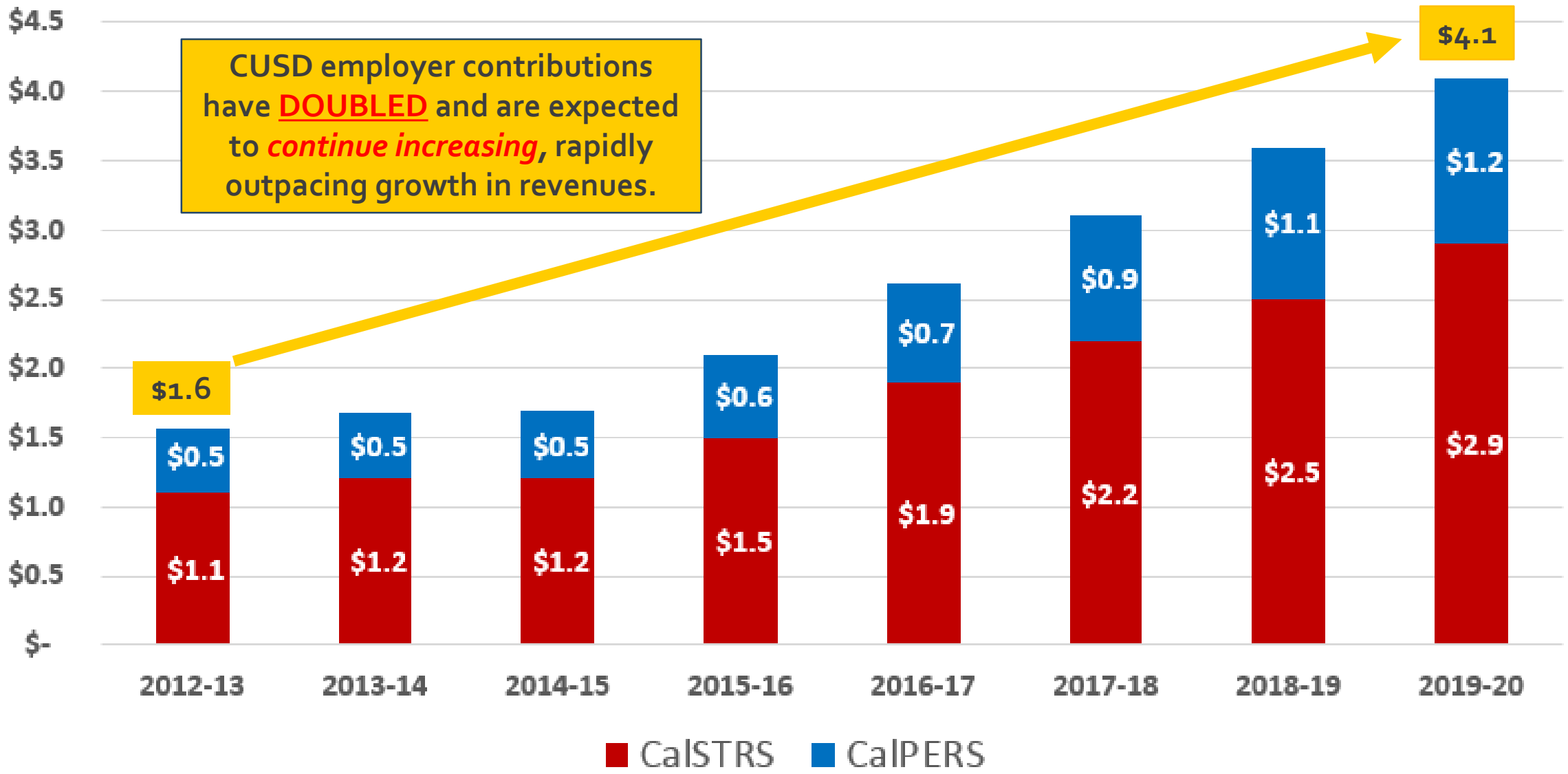
CHANGE IN FUND BALANCE			
Beginning Fund Balance	16,492,829	14,107,534	11,291,577
Increase/(Decrease) in Fund Balance	(2,385,294)	(2,815,957)	(3,217,846)
Ending Fund Balance	14,107,535	11,291,577	8,073,731

*Data as of 1st Interim (December 2017)

Rising Cost of **CalSTRS** & **CalPERS**

CUSD employer contributions have **DOUBLED** and are expected to *continue increasing*, rapidly outpacing growth in revenues.

(in Millions)



Health and Welfare Trends

CUSD contributes as much as \$25,250 towards health & welfare for employees.

ANNUAL PREMIUM	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
UHC NETWORK 1					
Employee Only (EE)	\$ 8,290	\$ 7,870	\$ 7,690	\$ 7,200	\$ 6,880
EE + Spouse	\$ 16,850	\$ 16,010	\$ 15,680	\$ 14,670	\$ 14,030
EE + Child	\$ 13,140	\$ 12,480	\$ 12,210	\$ 11,440	\$ 10,940
EE + Family	\$ 23,690	\$ 22,500	\$ 22,050	\$ 20,640	\$ 19,730
UHC NETWORK 2					
Employee Only (EE)	\$ 10,690	\$ 10,130	\$ 9,940	\$ 9,130	\$ 8,630
EE + Spouse	\$ 21,830	\$ 20,690	\$ 20,300	\$ 18,650	\$ 17,630
EE + Child	\$ 17,010	\$ 16,120	\$ 15,810	\$ 14,540	\$ 13,750
EE + Family	\$ 30,740	\$ 29,140	\$ 28,590	\$ 26,250	\$ 24,810
UHC NETWORK 3					
Employee Only (EE)	\$ 12,630	\$ 11,860	\$ 11,570	\$ 10,350	\$ 9,270
EE + Spouse	\$ 25,800	\$ 24,220	\$ 23,650	\$ 21,150	\$ 18,930
EE + Child	\$ 20,060	\$ 18,840	\$ 18,400	\$ 16,460	\$ 14,740
EE + Family	\$ 36,380	\$ 34,150	\$ 33,330	\$ 29,780	\$ 26,660
KAISER					
Employee Only (EE)	\$ 7,270	\$ 7,070	\$ 6,630	\$ 6,290	\$ 6,260
EE + Spouse	\$ 15,780	\$ 15,350	\$ 14,380	\$ 13,660	\$ 13,600
EE + Child	\$ 14,360	\$ 13,960	\$ 13,080	\$ 12,420	\$ 12,380
EE + Family	\$ 21,460	\$ 20,860	\$ 19,550	\$ 18,580	\$ 18,500

- CUSD contributes towards employee health insurance (up to 65% of the family rate).
- *Cumulative increase of 16-36%* over the last 5 years.
- Additionally, the CUSD contributes up to \$1,603 for dental and vision plans.

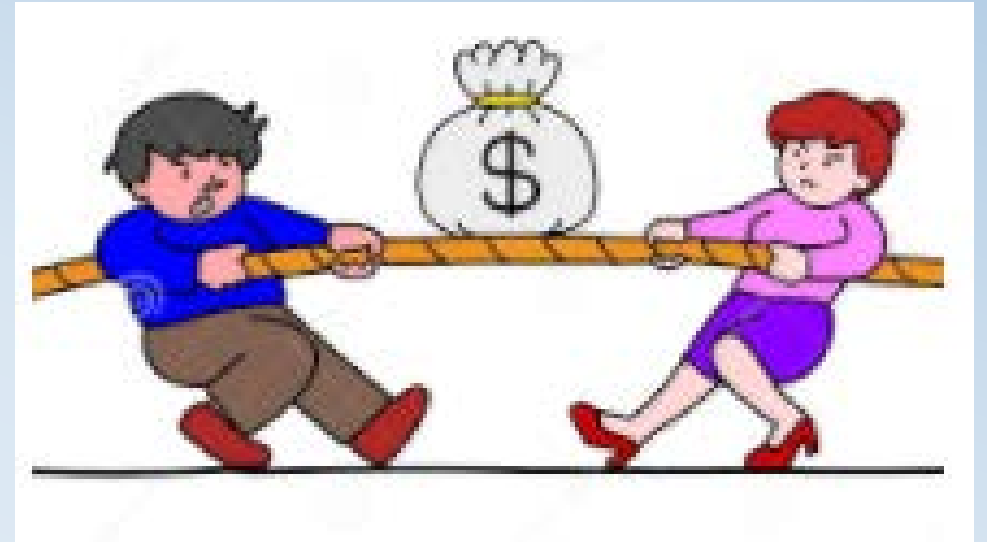
Special Education Spending

Expenditures are outpacing marginal increases in revenues from State & Federal sources.

	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>
Federal	\$ 583,895	\$ 569,642	\$ 564,513	\$ 551,590	\$ 640,204
State	\$ 3,168,413	\$ 3,188,453	\$ 3,125,131	\$ 2,195,307	\$ 2,285,965
Local (Contributions from General Fund)	\$ 3,957,352	\$ 3,712,263	\$ 2,540,566	\$ 3,443,317	\$ 3,143,387
Total Expenditure for Special Education	\$ 7,709,660	\$ 7,470,358	\$ 6,230,211	\$ 6,190,214	\$ 6,069,556
Unduplicated Pupil Count	380	360	351	341	358
Per Pupil Spending	\$ 20,289	\$ 20,751	\$ 17,750	\$ 18,153	\$ 16,954
% Change from Prior Year	-2.2%	16.9%	-2.2%	7.1%	

Expected Expenditures or Changes in Revenues

- Textbook Adoptions
- Facilities Needs
- Contributions to other Funds
- Shift of COP payment to General Fund
- Grants Ending (DoDEA, CTE?, NCLB?)
- Declining enrollment ==> declining revenues



Textbook Adoptions

Recent Adoptions:

- Math (TK-12)
- Science (TK-5)
- Spanish (9-12)

Costs:

\$200K (one-time) + \$33K annually for consumables
\$190K (one-time) + \$15K annually for consumables
\$91K

Upcoming Adoptions:

- English Language Arts (ELA)
- History/Social Science
- Science (6-12)
- Foreign Language
- Other Subjects

Potential Costs:

~\$150K
~\$200K+
~\$250K+
TBD
TBD

Note: These are preliminary estimates. Actual costs will vary depending on vendor pricing as well as the results of our current inventory analysis.

Facilities Needs

Long Range Facilities

Maintenance Management Plan:

*See handout for completed
Project Repair List

Considerations:

Safety, security, structural
integrity and longevity of facilities

Projects (not in priority order)

- Roofing projects
- Fire alarm system replacements
- Heating systems
- Shade structure replacements
- Boiler replacements
- Heating, Ventilation and A/C (HVAC)
- Aging plumbing and pipe failures
- Carpet and flooring
- Safety and security projects
- Field turf
- Energy efficiency projects
- Deferred maintenance projects
 - Painting/Sealing to extend life of fixtures and finishes
 - Water diversion (gutters and drains)

Other Funds

Nutrition Services (Fund 13)

General Fund contributed \$60,895 in 16/17

Considerations:

- Potential raises could increase contribution
- Catering & increased participation could decrease contribution
- PY rate increase could decrease contribution

ECDC & Crown Preschool (Funds 12 & 63)

General Fund contributed \$67,000 in 16/17

Considerations:

- Potential raises could increase contribution
- Rate increase could decrease contribution
- Increased participation could decrease contribution

Brian Bent Memorial Aquatics Center – BBMAC (Fund 19)

Option#1:

Increase Short-term (Outside Groups) Rental Rates

- **Pros:**
 - Closes deficit
 - Groups pay fair market value for usage
 - Youth program rates - unchanged
- **Cons:**
 - Would groups leave? Priced out?

Option#2:

Increase Long-term (Club Teams) Rental Rates

- **Pros:**
 - Closes deficit
 - Groups pay fair market value for usage
- **Cons:**
 - Would groups leave? Priced out?

Brian Bent Memorial Aquatics Center – BBMAC (Fund 19)

Option#3:

CUSD continues its contribution and considers sustainable upgrades

- **Pros:**
 - Closes deficit
 - District pays for its proportional share of usage
 - Maintains CIF aquatics program at CHS
 - One-time capital costs for ongoing savings
- **Cons:**
 - General Fund contribution

Option#4:

Close the pool

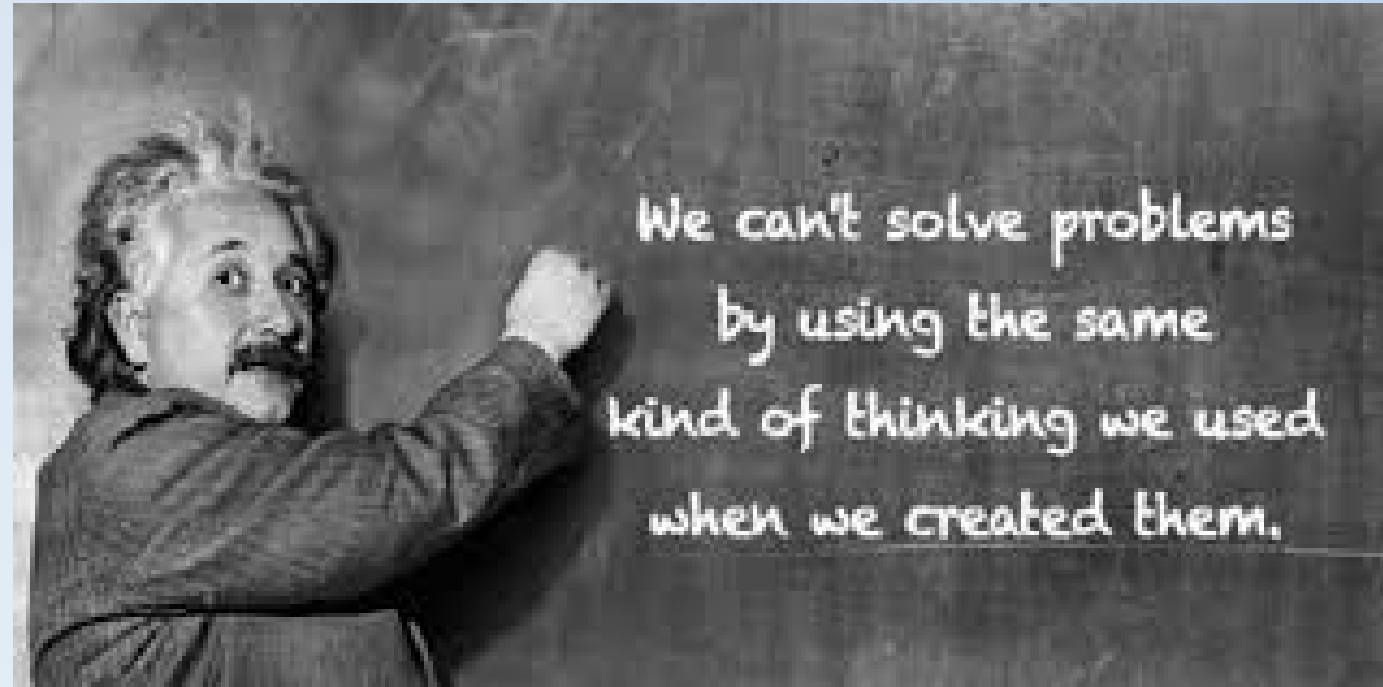
- **Pros:**
 - No ongoing General Fund draws
- **Cons:**
 - No more pool
 - What happens to aquatics program?
 - Loss of optimal pool time
 - High capital costs to close pool

Brian Bent Memorial Aquatics Center – BBMAC (Fund 19)

Option#5:

Combine Options#1-3

- **Pros:**
 - Shares the burden amongst pool users
 - Access to pool time unchanged
 - General Fund contribution maintained at current levels
- **Cons:**
 - General Fund contribution
 - Would groups leave? Priced out?



Survey Results Summary

Please send your ideas for identifying efficiencies.

- 27 Answered
- 3 Skipped this question

Please send your ideas for raising revenue.

- 21 Answered
- 9 Skipped this question

First and last name

- 30 Answered

School Site

- 27 Answered
- 3 Skipped this question

- Extend work-days & shorten work-week
- Eliminate/Reduce/Restructure Academic Support & Enrichment (ASE) programs
- Decrease technology purchases
- Review full inclusion program
- Decrease CHS admin FTE by 1
- Relocate Palm Academy to main campus
- Combine oversight of pools into one FTE
- Additional energy efficient projects (i.e LED lighting or photo-voltaic)
- Accept more inter-district transfers
- Pursue a General Obligation Bond measure
- Increase tuition for Crown Preschool programs
- Enforce attendance policies and hold parents accountable
- Expand CoSA (or other "magnet") K-12 to attract more inter-district transfers
- Ask staff for input!

Brainstorming – Deficit Reduction Plan

Revenue Generation

- Increase admittance of inter-district transfer students?
- _____
- _____
- _____

Expenditure Reductions/ (Efficiencies)

- _____
- _____
- _____



Comments, Questions, Concerns & Final Thoughts?

