

PETALUMA CITY SCHOOLS



First Interim Report
2016-17 Fiscal Year

First Interim Report

- Required by the State in accordance with AB1200
- 1st of 2 Interim Reports
 - (2nd Interim as of January 31st - due March 15th)
- Reporting on Fiscal Position of the District as of October 31, 2016
 - Due to Sonoma County Office of Education (SCOE) by Dec. 15th

Petaluma City Schools

- Petaluma City Elementary School District
 - Penngrove Charter School
 - 6th Grade Academy
 - Live Oak Independent Charter School
(Not included in District Financials)
- Petaluma Joint High School District
 - Mary Collins @ Cherry Valley Charter School
 - Petaluma Accelerated Charter School
 - Gateway to College
- South County Consortium (SOCC)

Enrollment Update

Total PCS Tk-12 including Charters, SDC & SOCC
(not including Live Oak)

	Adopted Budget Projection	Month 3 as of Nov. 4th	
TK-3	1,295	1,105	
4-6	1,154	939	
7-8	1,676	2,039	
9-12	<u>3,252</u>	<u>3,232</u>	
Total(s)	7,377	7,315	
(Includes HH, NPS & SDC)		13	Home/Hospital
		29	NPS
		<u>75</u>	<u>SDC</u>
		Total: 7,459	

Note: October 2015 Enrollment 7,500 Variance from Adopted = 82

Revenues

Total General Fund Unrestricted/Restricted

Adopted Budget 2016-17

REVENUES

Other Transfers In \$0

Budget Revision #1 (2016-17 ~ 1st Interim Report)

REVENUES

Other Transfers In \$0

Expenditures

Total General Fund Unrestricted/Restricted

Adopted Budget 2016-17

Expenditures:

Budget Revision #1 (2016-17 ~ 1st Interim Report)

Expenditures:

“Snapshot” - Revenues & Expenditures

Total General Fund Unrestricted/Restricted

Adopted Budget 2016-17

Total Revenues: \$76,760,237
Total Expenditures: \$77,356,212
Net Revenues/Exp: <\$ 595,975>

Beginning Fund Bal \$12,132,930
Net Incr/(Decr) < \$ 595,975>
Ending Fund Balance \$11,536,955

Budget Revision #1 (2016-17 ~ 1st Interim Report)

Total Revenues: \$81,849,578
Total Expenditures: <\$84,997,961>
Net Revenues/Exp: <\$ 3,148,383>

Beginning Fund Bal \$ 12,132,933
Net Incr./ (Decr.) < \$ 3,148,383>
Ending Fund Balance \$ 8,984,550

Components of Ending Fund Balance

Total General Fund Unrestricted/Restricted

Adopted Budget 2016-17

Beginning Fund Balance:	\$ 12,132,930
Revolving Cash	\$ 85,922
Stores	\$ 0
Prepaid Expenditures	\$ 0
Restricted	\$ 2,537,269
Assigned	
2% Additional REU	\$ 1,544,000
One-Time Revenues	\$ 1,633,000
SOCC EFB	\$ 447,560
Local Site Carryover	\$ 408,451
Curriculum Adoptions	\$ 1,500,000
Sch Transp/Technology	\$ 500,000
3% Reserve for EU	\$ 2,320,700
Available over reserves	<u>\$ 560,052</u>
Ending Fund Balance	\$ 11,536,955

Budget Revision #1 (2016-17 ~ 1st Interim Report)

Beginning Fund Balance:	\$12,132,933
Revolving Cash	\$ 81,000
Stores	\$ 0
Prepaid Expenditures	\$ 0
Restricted	\$ 201,676
Assigned	
2% Additional REU	\$ 1,696,416
SOCC EFB	\$ 463,982
Local Site Carryover	\$ 0
Curriculum Adoptions	\$ 1,500,000
3% Reserve for EU	\$ 2,549,939
Available over reserves	<u>\$ 963,934</u>
Ending Fund Balance	\$ 8,984,550

One-time State Funds

- Adopted Budget @ \$237 per ADA
 - \$1,673,568
- Revised Budget @ \$214 per ADA
 - \$1,527,603
- Variance <\$145,965>
- Need to identify one-time costs
- Must be eliminated in Multi-year

Budget Program Highlights

Cafeteria Fund 13

- Revenues (no change from Adopted)
 - \$2,157,259
- Total Expenditures
 - \$2,149,127
- Indirect @ 2.91%
 - estimated \$44,000
- Contribution from GF
 - \$177,000
- Projected Ending Fund Balance
 - \$13,148

Budget Program Highlights

Cafeteria Fund 13 (Continued)

Next Steps

- Implement “Supper” Program for After School Program
 - McDowell Elementary
 - McKinley Elementary
 - Will create an increase net revenues for Cafeteria Fund
- Evaluate Staffing for each school site based on needs and meals served
 - Staffing reductions through attrition effective January 1
 - No employees lose jobs (Open positions and retirements)
 - Some Administrative Transfers
- Reevaluate revenues and expenditures at 2nd Interim based on new program and staffing
- Further staffing recommendations for 2017-18
- Continue to work to improve participation

Budget Program Highlights

Transportation

- **Pupil Transportation**

- Transfer Revenue for fuel/vehicle maintenance from the City to restricted budget \$350,000
- Transfer fuel/oil, mechanics and other costs to restricted \$709,000
- Charge-back to Pupil Transportation \$359,000
- Home-to-School & Special Ed Transportation
 - Revenue Transfer from LCFF \$813,028
 - District billback/revenues estimated @ \$210,500
 - Total expenditures \$2,495,000
 - Total estimated General Fund contribution \$1,471,000

Budget Program Highlights

Special Education

- Special Education (not including SOCC)
 - Beginning Fund Balance \$145,000
 - Total Revenues: \$5,631,000
 - Federal IDEA funds \$1,522,000
 - State (AB602) \$2,905,000
 - Mental Health funds \$425,000
 - Local Billback \$139,000
 - Property Tax Transfer \$640,000
 - Total Expenditures \$13,806,000
 - GF Contribution \$8,030,000

State Teachers Retirement System (STRS) Rates and Employer Contributions

Historical 8.25% Employer Contribution

- 2010-11 \$2,334,119
- 2011-12 \$2,377,011
- 2012-13 \$2,332,242
- 2013-14 \$2,435,345
- 2014-15 \$2,832,000
- 2015-16* \$3,450,000
- 2016-17* \$4,556,000
- 2017-18* \$5,156,000
- 2018-19* \$5,756,000
- 2019-20* \$6,356,000
- 2020-21* \$6,696,000

Increases to 19.1% Employer Contribution

- 2013-14 8.25%
- 2014-15 8.88%
- 2015-16 10.73%
- 2016-17 12.58%
- 2017-18 14.43%
- 2018-19 16.28%
- 2019-20 18.13%
- 2020-21 19.1%

Note: *Adjusted for SOCC costs in 2015-16 thru 2020-21

STRS costs adjusted for STRS on behalf payments 2014-15 through 2020-21

STRS Ongoing Rate/Employer Contribution Increases

• 2013-14	\$ 185,000
• 2014-15	\$ 590,000
• 2015-16	\$ 595,000
• 2016-17	\$ 670,000
• 2017-18	\$ 600,000
• 2018-19	\$ 600,000
• 2019-20	\$ 600,000
• 2020-21	<u>\$ 340,000</u>
Cumulative Total Increase	\$4,180,000

STRS 2013-14 compared to Projected STRS 2020-21 = approximately \$4 million annually.

Note: Equivalent to approximately an 8% increase across all PCS staff

Multi-Year Projections (Unrestricted)

2017-18 Assumptions

- Flat enrollment and ADA
- Incr. interest earnings \$30K
- Incr. Lease fees \$26K
- Eliminate one-time State fds
- Incr. Spec Ed Cont. \$152K
- Step & Column (PFT/CSEA)
- STRS Increases \$600,000
- \$500,000 in reductions (staffing)
- One-time costs –Site carryover
- One-time IT contracts \$130K
- Eliminate WiFis \$150K
- Other one-time \$55K
- Reduce I/C for carryover
- 2% CPI

2018-19 Assumptions

- Flat enrollment and ADA
- Incr. interest earnings \$2K
- Incr. Lease fees \$0
- Incr. Spec Ed Cont. \$315K
- Step & Column (PFT/CSEA)
- STRS Increases \$600,000
- Additional \$500,000 in reductions (staffing)
- 2% CPI
- No change in I/C rates

Multi-Year Projections (Unrestricted)

2017-18 Summary

Revenues	\$52,791,343
Expenditures	\$54,245,450
Excess of Expenditures over Revenues:	<\$1,454,107>
BFB	\$8,782,875
EFB	\$7,328,768
5% Reserves	\$4,114,773

2018-19 Summary

Revenues	\$53,664,031
Expenditures	\$54,758,950
Excess of Expenditures over Revenues:	<\$1,114,919>
BFB	\$7,328,768
EFB	\$6,213,849
5% Reserves	\$4,156,198

Deficit Spending Trends (Unrestricted)

<i>Fiscal Year</i>	<i>Change in EFB</i>	<i>One-time Revenue</i>	<i>Change in EFB w/out One-time \$</i>
• 2010-11	\$ 497,712		
• 2011-12	\$ 558,402		
• 2012-13	<\$ 956,542>		
• 2013-14	<\$ 1,461,134>		
• 2014-15	<\$ 1,121,001>		
• 2015-16	\$2,687,085	Less \$3,709,041	= <\$1,021,956>
• 2016-17	<\$ 554,934>	Less \$1,527,603 & Less \$408,451	= <\$1,674,086>
• 2017-18	<\$1,454,107>	(See Multi Year Projections)	
• 2018-19	<\$1,114,919>	(See Multi Year Projections)	

Note: Audit Finding regarding deficit spending for past several years

Next Steps

- Meet with Bargaining Units
- Convene BAC and LCAP (DLT) Committees
- Continue to evaluate Revenues and Expenditures
- Recalculate excess cost billback for SOCC based on December 1st Pupil Counts to adjust PCS contribution
- Recalculate excess cost billback for Special Ed Transportation based on December 1st Pupil Counts to adjust PCS contribution
- Conduct Loss-Benefit analysis for various programs
- Review impact of Solar PV (new installation at 9 sites)
- Recommend Board Study Session
 - Weeks of January 23rd or January 30th 2017