

PETALUMA CITY SCHOOLS



Second Interim Report
2016-17 Fiscal Year

Second Interim Report

- Required by the State in accordance with AB1200
- 2nd of 2 Interim Reports
- Reporting on Fiscal Position of the District as of January 31, 2017
 - Due to Sonoma County Office of Education (SCOE) by March 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 Union 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	Month 7 (2/24/17)
TK-3	1,295	1,100
4-6	1,154	950
7-8	1,676	2,037
9-12	<u>3,252</u>	<u>3,201</u>
Total(s)	7,377	7,288
(Includes HH, NPS & SDC)	13	Home/Hospital 22
	29	NPS 43
	<u>75</u>	<u>SDC 94</u>
	Total: 7,459	7,447

Note: October 2015 Enrollment 7,500 Variance from Adopted = 70

Budget Highlights

- See detailed Spreadsheet on General Fund



The Budget Summary

Revenues

Total General Fund Unrestricted/Restricted

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

REVENUES

Other Transfers In \$0

Budget Revision #2 (2016-17 ~ 2nd Interim Report)

REVENUES

Other Transfers In \$0

Expenditures

Total General Fund Unrestricted/Restricted

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

Expenditures:

Budget Revision #2 (2016-17 ~ 2nd Interim Report)

Expenditures:

“Snapshot” - Revenues & Expenditures

Total General Fund Unrestricted/Restricted

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

Budget Revision #2 (2016-17 ~ 2nd Interim Report)

Total Revenues: \$82,825,286
Total Expenditures: < \$85,131,512 >
Net Revenues/Exp: < \$ 2,306,226 >

Beginning Fund Bal \$ 12,132,933
Net Incr./ (Decr.) < \$ 2,306,226 >
Ending Fund Balance \$ 9,826,708

Note \$1 variance due to rounding

Components of Ending Fund Balance

Total General Fund Unrestricted/Restricted

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
One-time Mandated Costs	\$ 1,527,603
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	<u>\$ 8,984,550</u>

Budget Revision #2 (2016-17 ~ 2nd Interim Report)

Beginning Fund Balance:	\$12,132,934
Revolving Cash	\$ 81,000
Stores	\$ 0
Prepaid Expenditures	\$ 0
Restricted	\$ 2
Assigned	
2% Additional REU	\$ 1,702,630
One-time Mandated Costs	\$ 1,527,603
SOCC EFB	\$ 463,982
Local Site Carryover	\$ 0
Curriculum Adoptions	\$ 1,500,000
3% Reserve for EU	\$ 2,553,945
Available over reserves	<u>\$ 1,997,546</u>
Ending Fund Balance	<u>\$ 9,826,708</u>

One-time State Funds

- Revised Budget @ \$214 per ADA
 - \$1,527,603
- Projected 2017-18 one-time @ \$48 per ADA estimated \$300,000
 - Variance <\$1,227,603>
- Need to identify one-time costs
- Must be eliminated in 2018-19

Budget Program Highlights

Cafeteria Fund 13

- Revenues
 - \$1,987,771
- Total Expenditures
 - \$2,107,136
- Indirect @ 2.91%
 - estimated \$44,000
- Contribution from GF
 - \$132,159 (Reduced from \$177,000)
- Projected Ending Fund Balance
 - \$19,310

Budget Program Highlights

South County Consortium

- Revenues

▫ Federal Preschool Grants	\$190,094
▫ Mandated Costs Reimbursements (One-time)	\$ 18,288
▫ State Preschool Grant	\$ 10,992
▫ LCFF (ADA) Transfers	\$ 706,317
▫ Interest Earnings	\$ 2,000
▫ Other Fees	\$ 10,000
▫ Other Local Revenues	\$ 8,195
▫ Billback to Other Districts	\$1,591,651
▫ <u>Billback to PCS</u>	<u>\$1,890,463</u>
Total Revenues:	\$4,428,000

Budget Program Highlights

South County Consortium

- Expenditures

▫ Salaries	\$2,139,720
▫ Employee Benefits	\$ 860,007
▫ Material & Supplies	\$ 59,365
▫ Non-Capital Equipment	\$ 18,288
▫ Other Operating	\$ 857,053
▫ Other (Facilities Fees)	\$ 70,000
▫ <u>Indirect Charges (6%)</u>	<u>\$ 199,766</u>
Total Expenditures:	\$4,204,199

Budget Program Highlights

South County Consortium

Billback Information:

Total SOCC Number of Pupils 120

(December Pupil Count)

SOCC Moderate to Severe Program Cost per Pupil

\$29,122

SCOE Moderate to Severe Program Cost per Pupil

\$41,025

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

PERS Ongoing Rate/Employer Contribution Increases

Historical Rate 13.02% (max) ~ fluctuated year-to-year

• 2015-16	11.847%		
• 2016-17	13.888%	\$ 235,000	2.041% Incr.
• 2017-18	15.80% (Projected)	\$ 250,000	1.912% Incr.
• 2018-19	17.70% (Projected)	\$ 260,000	1.9% Incr.
• 2019-20	19.70% (Projected)	\$ 275,000	2.0% Incr.
• 2020-21	21.10% (Projected)	<u>\$ 230,000</u>	<u>1.4% Incr.</u>
Cumulative Total Increase		\$1,250,000	

PERS 2015-16 compared to Projected PERS 2020-21 = approximately \$1.2 million annually.

Multi-Year Projections (Unrestricted)

2017-18 Assumptions

- Decline of 100 and 96 ADA
- LCFF Calcs based on Dartboard (Reduce \$300K)
- Incr. interest earnings \$25K
- Incr. Lease fees \$25K
- Eliminate one-time State Fds
- Add one-time \$48/ADA \$300K
- Incr. Spec Ed Cont. \$200K
- Step & Column (PFT/CSEA)
- STRS/PERS Increases \$800,000 Eliminate
- Debt Service \$345,000
- Solar Savings \$115,000

2018-19 Assumptions

- Flat enrollment and ADA
- LCFF Calcs based on Dartboard
- Incr. interest earnings \$0
- Incr. Lease fees \$0
- Eliminate one-time State Fds \$300K
- Incr. Spec Ed Cont. \$300K
- Step & Column (PFT/CSEA)
- STRS Increases \$800,000
- 2% CPI
- No change in I/C rates

Multi-Year Projections (Unrestricted)

2017-18 Assumptions

- Various Reductions
 - 1.0 FTE District Office Admin.
 - 2.0 FTE Accountant & DO Secretary
 - Reduce 3.0 FTE Teachers (Declining enrollment)
 - 2.0 FTE TOSAs/2.0 Alt Ed
 - .50 FTE Site Classified staff
 - One-time costs –Site carryover
 - One-time IT contracts \$130K
 - Eliminate MiFis \$150K
 - Election Costs \$39,300
 - Other one-time \$30K
- Additional \$400,000 TBD

2018-19 Assumptions

- Ongoing Listed 2017-18 Reductions
- Ongoing \$400,000 (TBD in 2017-18)
- Additional \$600,000 (TBD in 2018-19)

Multi-Year Projections (Unrestricted)

2017-18 Summary

Revenues \$52,817,308

Expenditures \$52,801,479

Excess of Expenditures over
Revenues: \$ **15,829**

BFB \$9,826,706

EFB \$9,842,535

5% Reserves \$4,042,140

2018-19 Summary

Revenues \$53,594,933

Expenditures \$53,553,479

Excess of Expenditures over
Revenues: \$ **41,454**

BFB \$9,842,535

EFB \$9,883,989

5% Reserves \$4,095,424

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	\$ 488,897	Less \$1,527,603 & Add \$408,451	= <\$630,255>
• 2017-18	\$ 15,829	* Assumes reductions of \$1.5 million in ongoing cuts	
• 2018-19	\$ 41,454	* Assumes reductions of \$2.1 million in ongoing cuts	

Note: Audit Finding regarding deficit spending for past several years

* See Multi Year Projections



Questions?