

Portola Valley School District

2018-19 Preliminary Budget
June 6, 2018



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AGENDA

- Timeline - Budget Calendar
- Estimated Actuals for 2017-18
- Proposed Budget for 2018-19
- Multi-year Projection assumptions
- Summary



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REPORTING/CALENDAR FOR THE 2018-19 & 2019-20 BUDGET



June 2018	Adoption of 2018-19 PVSD Budget
July 2018	Governor Signs the 2018-19 State Budget
September 2018	First Revision of 2018-19 PVSD Budget
November 2018	First Interim PVSD Financial Report
January 2019	Release of Governor's Recommended 2019-20 State Budget
February 2019	Second Interim PVSD Financial Report
May 2019	State Budget Update for 2019-20
June 2019	Adoption of 2019-20 PVSD Budget
July 2019	Governor Signs 2019-20 State Budget



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2017-18 ESTIMATED ACTUALS

- Basis for 2018-19 Budget
- Fund Balance increased by \$222,547
- Revenue Increased by \$60,142
 - Property Taxes, Interest Income & local donations
- Expenditures Decreased by \$162,405
 - Personnel costs, special education mental health services, supplies and materials



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2018-19 PROPOSED BUDGET

	2018-19 Proposed Budget
BEGINNING FUND BALANCE	\$1,187,351
Restricted/Reserved/Designated	\$430,920
Unrestricted/Undesignated	\$756,431
INCOME	\$15,260,383
EXPENDITURES	(\$15,321,001)
Excess of Revenues over Expenses	(\$60,618)
ENDING FUND BALANCE	\$1,126,733
Restricted/Reserved/Designated	\$434,933
Unrestricted/Undesignated	\$691,800

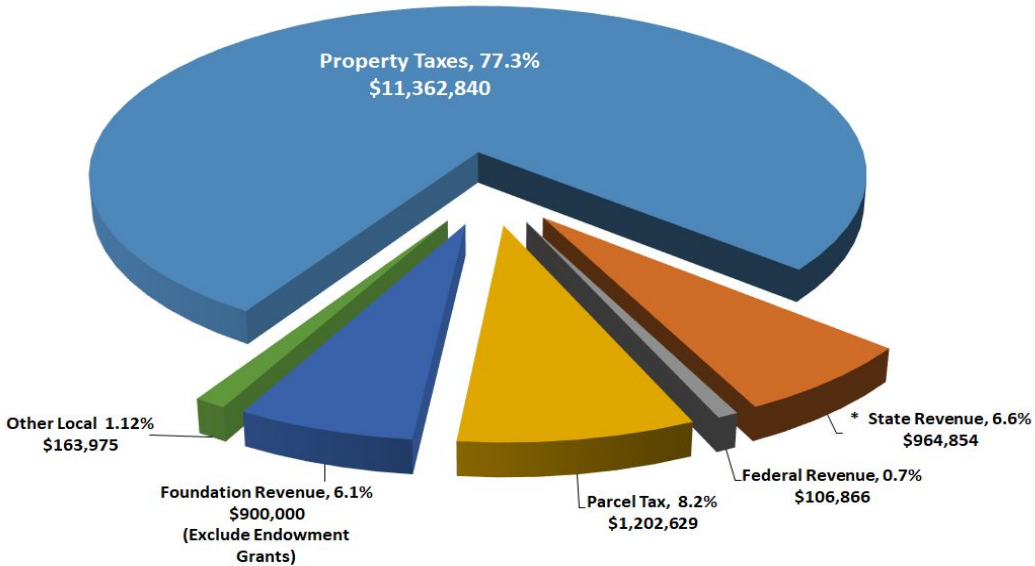


2018-19 Budget Revenue Assumptions

- Property Tax Increase of 4.25% over prior year
- Parcel Tax (Measure O) - \$581 per parcel (or \$1.2 M)
- PVSD Foundation Campaign Funds - \$900,000
- State Programs \$535,136: former Categorical Programs (flat), Tinsley Program 2.71% COLA, Education Protection Acct - \$200 per student
- Special Education Revenues: \$396,305



2018-19 PROJECTED REVENUES



*State Revenue excludes CalSTRS on behalf payments of \$559,219

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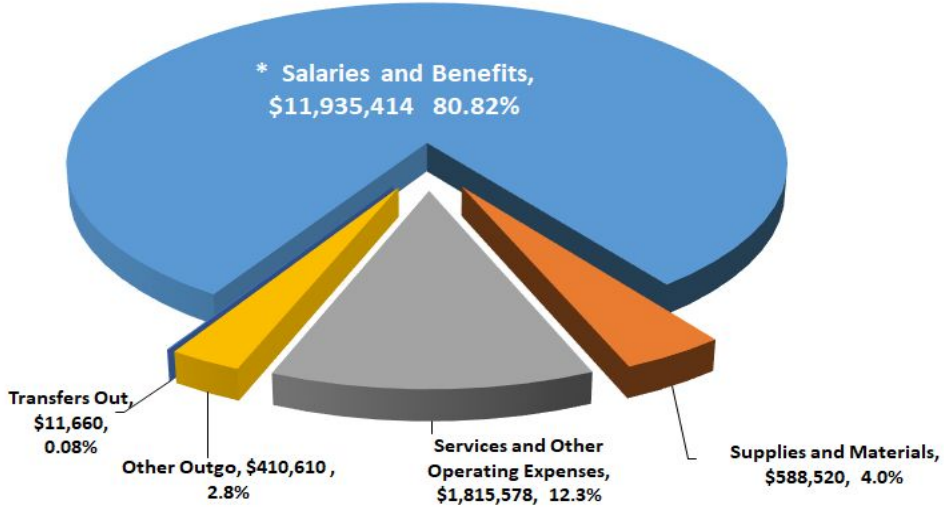
2018-19 Budget Expenditure Assumptions

- Personnel Budgets
 - 2.66 FTE certificated staff and 2 paraprofessionals reduction through attrition
 - Enhanced facilities maintenance budget
 - Step and column costs for all employees
 - Workers Compensation Insurance rate increase from 1.08% to 1.7%
 - STRS rate increase from 14.43% to 16.28%
 - PERS rate increase from 15.53% to 18.1%
- Non-Personnel Budgets
 - Textbook adoptions: English Language grades 6-8; History and Science grades K-8
 - Facilities Loan repayment: \$103,000 per year



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2018-19 PROJECTED EXPENDITURES



* Excludes \$559,219 CalSTRS on behalf payments

CalSTRS and CalPERS Pension Costs

CalSTRS					
	2017-18	2018-19	2019-20	2020-21	2021-22
CalSTRS rate (statutory)	14.43%	16.28%	18.13%	19.10%	19.10%
Increase over prior year %	1.85%	1.85%	1.85%	0.97%	0.00%
Increase in STRS \$		124,913	129,085	69,876	-
CalPERS					
	2017-18	2018-19	2019-20	2020-21	2021-22
CalPERS rate (Projected) *	15.53%	18.06%	20.80%	23.50%	24.60%
Increase over prior year %	1.6%	2.5%	2.7%	2.7%	1.1%
Increase in PERS \$		49,600	54,515	54,831	22,785
Total CalPERS & CalSTRS		174,513	183,600	124,707	22,785
* actual for 2018-19, projected for 2019-20 and after. Source: SSC					



2018-19 Governor's Proposals

State Budget:

- Healthy State budget: positive outlook in 2018-19
- Governor warns to be cautious as we are over-due for a recession
- 2018-19 Governor to fully fund LCFF entitlements; 2 years ahead of target date

Impact to PVSD:

- Discretionary one-time revenues of \$344 per student; approx. \$200,000 (Not included in budget)
- Court-ordered Voluntary Transfer Program revenue, COLA of 2.71% (Included in budget)



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Assumptions in 2019-20 to 2021-22

Revenues:

- Property tax growth: 4% for 2019-20; 3% for 2020-21 and 2021-22
- Parcel Tax (Measure O) expires June 30, 2021. Budget assumes parcel tax revenues to continue in 2021-22
- Special Education Revenues and Expenditures assume same level as 2018-19

Expenditures:

- Health Benefits - Increase district paid health benefits
- Pension rates continues to increase up to 19.1% for STRS in 2020-21 and 24.6% for PERS in 2021-22
- Enrollments - Flat and decrease



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Summary

- Positives
 - Economy continues to grow
 - Healthy growth in property tax revenue
 - Continue community support
- Budget pressures
 - Pension costs & health benefits continue to increase
 - Revenue growth slower than expenditure growth



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Next Steps

September 2018: Unaudited actuals 2017-18

September 2018: Revisions to the 2018-19 budget



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