



Paradise Unified School District

FY 2017-18 Original Budget

June 20, 2017

Declining Enrollment:

- Our enrollment has been declining over the past decade and continues to do so
- If a new charter high school opens in August 2018, it will have a serious financial impact on Paradise Unified
- While we don't know exactly how many students we could lose, we need to be prepared for up to a potential 100 enrollment decline per year (400 total over four years)

Declining Enrollment (cont.):

- Budgeted enrollment changes for the entire district (TK – 12th):

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Enrollment	3,437	3,402	3,302	3,202
Change		(35)	(100)	(100)

- A potential enrollment loss of this magnitude will necessitate reducing at least four certificated positions, plus an additional \$650,000 per year (or some other combination)
- Developing a budget committee to look at the allocation of our resources will be critical

STRS/PERS Projected Employer Cost Increases:

- STRS and PERS rates continue to increase
- These percentage increases force the General Fund to absorb roughly **\$431,000 each year** in new expenses over the prior year
- The Multi-Year Projection includes these increases
- These increases are a serious challenge for all districts in California

STRS/PERS Projected Employer Cost Increases:

- This chart shows the historical and projected increases

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
STRS	8.25%	8.88%	10.73%	12.58%	14.43%	16.28%	18.13%	19.10%
PERS	11.44%	11.77%	11.85%	13.89%	15.53%	18.10%	20.80%	23.80%

Local Control Funding Formula (LCFF) Gap Closure:

- The FCMAT LCFF Calculator (V18.1b) was used to calculate the Local Control Funding Formula revenue
- The following gap closure percentages were used to develop the PUSD Second Interim Budget:

FY 2017-18 (DOF/SSC)	FY 2018-19 (DOF)	FY 2019-20 (SSC)
43.97%	71.53%	41.51%

One-Time Funds:

- Based on the budget submitted to the governor, we are projected to receive \$467,494 in one-time funding during FY 2017-18. The following chart shows the proposed one-time use of these funds contained in the FY 2017-18 Original budget:

One-Time Funds:

Revenue (\$147/ADA X 3,180.23 ADA)	\$467,494
Less one-time expenses:	
Facility Master Plan (not to exceed \$157,000)	(157,000)
F350 4X4 Shop Truck (replaces current 1984 truck)	(55,000)
Van (Athletics, Rangers, & Pearson Center)	(35,000)
Remaining balance to reserves for cash needed in November	<u>\$220,494</u>

Fund Balance:

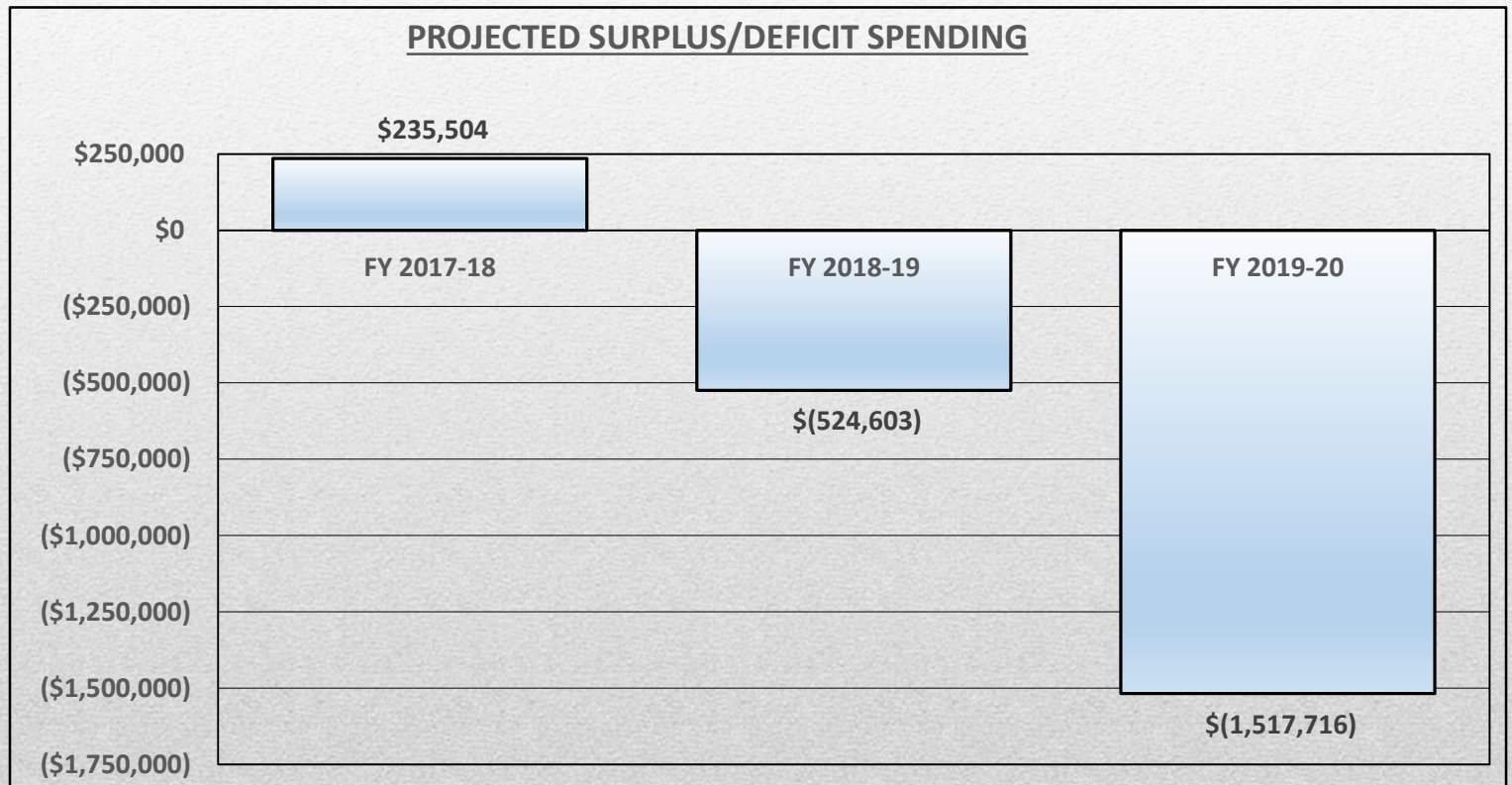
- This chart is from the Multi-Year Projection “Fund Balance” section (unrestricted side of the General Fund):

Gap Closure %	43.97% (DOF/SSC)	71.53% (DOF)	41.51% (SSC)
	2017-18 Projection	2018-19 Projection	2019-20 Projection
Beginning Fund Balance	4,058,937	4,294,441	3,769,838
Change in Fund Balance	235,504	(524,603)	(1,517,716)
Ending Fund Balance	4,294,441	3,769,838	2,252,122
Ending Fund Balance Distribution			
3% Required Economic Reserves	1,118,058	1,111,659	1,128,044
Other Fund Balance	3,176,383	2,658,179	1,124,078
	4,294,441	3,769,838	2,252,122
	11.5%	10.2%	6.0%

- Large reductions will need to be made each year to remain fiscally solvent

Fund Balance:

- This chart below shows our projected surplus/deficit spending:



Certification:

- For Original Budget Reports, the Board does not assign a Positive, Qualified, or Negative Certification
- The Butte County Office of Education (BCOE) will review our Original Budget and assign it an “Approved” designation or send it back for revisions
- At the end of the revision process, BCOE will assign our budget an “Approved” designation or a “Going Concern” designation

Looking Forward:

- Developing a budget committee to look at the allocation of our resources will be critical to remaining fiscally solvent

Board Questions?