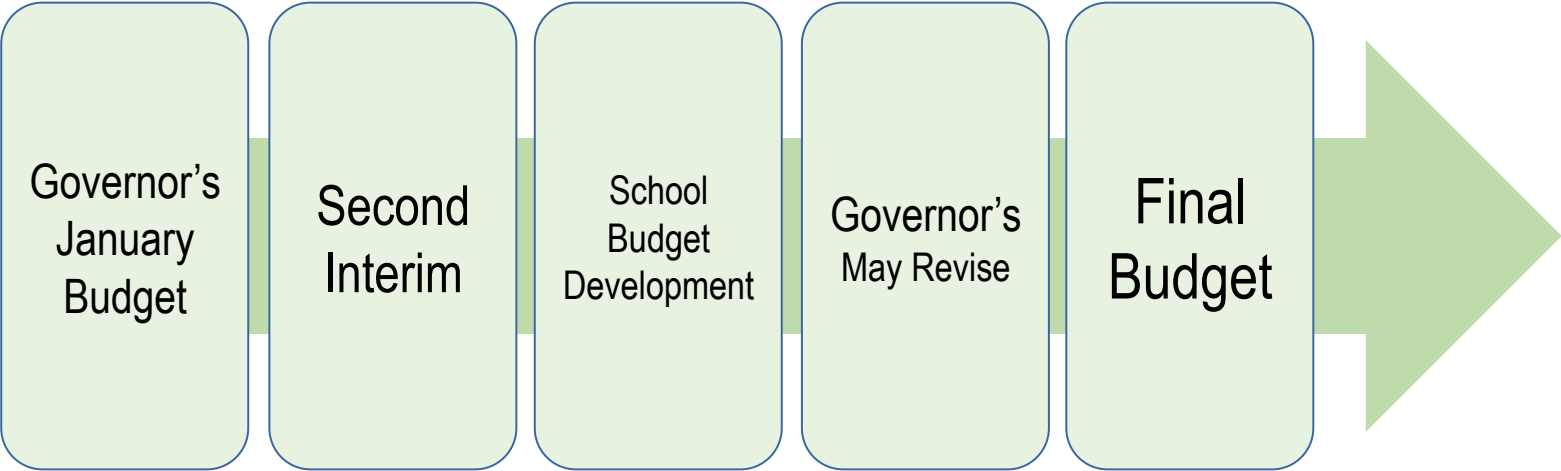


2019-20 2ND Interim Presentation

March 10, 2020

Presented By: Assistant Superintendent of Business Services, Arik Avanesyans

Budget Calendar



2019-20 2nd Interim Budget

Purpose of Presentation to review budget components:

Budget Assumptions

Multi-year Projections & ADA

General Fund Revenue

General Fund Expenses

Contribution to Restricted Programs

Ending Fund Balance

2020–21 LCFF Funding Factors

The K–12 COLA is 2.29% for 2020–21 and is applied to the LCFF base grants for each grade span

Grade Span	2019–20 Base Grant per ADA	2.29% COLA	2020–21 Base Grant per ADA
K–3	\$7,702	\$176	\$7,878
4–6	\$7,818	\$179	\$7,997
7–8	\$8,050	\$184	\$8,234
9–12	\$9,329	\$214	\$9,543

LCFF = Local Control Funding Formula

COLA = Cost of Living Adjustment

2020–21 LCFF Funding Factors

- ❑ Two grade span adjustments are applied as percentage increases against the adjusted base grant, also receiving the benefit of a 2.29% COLA in 2020–21
 - ❑ Grades K–3 receive a 10.4% increase for smaller average class sizes
 - ❑ Grades 9–12 receive a 2.6% increase in recognition of the costs of career technical education coursework

Grade Span	2020–21 Base Grant per ADA	GSA	2020–21 Adjusted Base Grant
K–3	\$7,878	\$819	\$8,697
4–6	\$7,997	–	\$7,997
7–8	\$8,234	–	\$8,234
9–12	\$9,543	\$248	\$9,791

GSA = Grade Span Adjustment
 ADA = Average Daily Attendance

2020–21 LCFF Funding Factors

- Supplemental and concentration grants are calculated based on the percentage of a local educational agency’s enrolled students who are English learners, free or reduced-price meal program eligible, or foster youth—the unduplicated pupil percentage (UPP)

Grade Span	2020–21 Adjusted Grants Per ADA	20% Supplemental Grant—Total UPP	50% Concentration Grant—UPP Above 55%
K–3	\$8,697	\$1,739	\$4,349
4–6	\$7,997	\$1,599	\$3,999
7–8	\$8,234	\$1,647	\$4,117
9–12	\$9,791	\$1,958	\$4,896

ADA = Average Daily Attendance

UPP = Unduplicated Pupil Percentage

What Does the LCFF Mean for Upland Unified?

Upland Unified—2020–21		
2020–21 LCFF Per-ADA Funding	Projected 2020–21 ADA	Projected 2020–21 LCFF Total Revenue
\$9,902	10,203.39	\$ 101,040,874

Change to LCFF Funding in Governor's Proposal

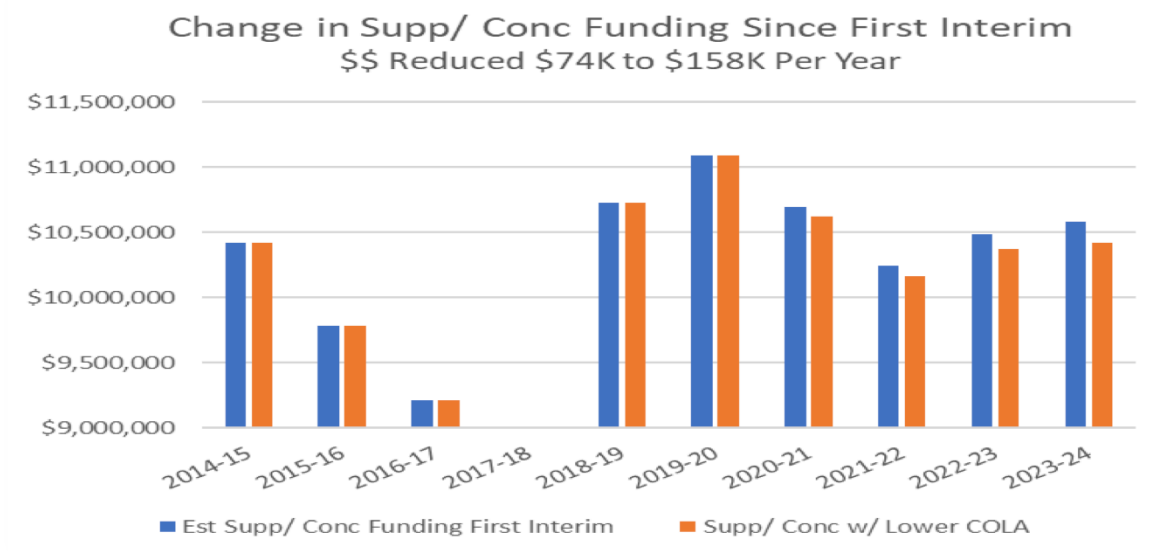
	2019-20	2020-21	2021-22	2022-23	2023-24
Change in COLA in Governor's Budget	0.00%	-0.71%	-0.09%	-0.34%	-0.40%
Change in Funding - Total	\$ -	\$ (703,516)	\$ (791,957)	\$ (1,155,683)	\$ (1,573,469)
Change in Funding – Supp/Conc	\$ -	\$ (74,240)	\$ (79,740)	\$ (116,167)	\$ (157,802)
COLA 1 st Interim	3.26 %	3.00 %	2.80 %	3.16 %	3.20 %
COLA Governor's Budget	3.26 %	2.29 %	2.71 %	2.82 %	2.80 %

COLA = Cost of Living Adjustment

Supp/Conc = Supplemental and Concentration Funding

Changing Supp/Conc Funding Impacts Budget

- ❑ It isn't necessarily intuitive, but funding designated for the neediest students doesn't necessarily increase each year
- ❑ In fact, as students learn English and LCAP goals are realized, the number of students identified in the UPC may decline, driving the UPC % and needed budget dollars downward



2nd Interim Budget

2019-20	Unrestricted	Restricted	Total
Beginning Balance	\$9,757,405	\$4,425,113	\$14,182,518
Total Revenues	\$85,397,422	\$39,183,205	\$124,580,627
Total Expenditures including Other Outgo	\$85,257,609	\$39,359,801	\$124,617,411
Total Contributions	(\$20,998,028)	\$20,998,028	-
Change in Fund Balance	139,810	\$(176,596)	(\$36,786)
Projected Ending Balance	\$9,672,217	\$4,248,516	\$14,145,733

\$9,672,217 is the amount counted towards reserve calculation.

\$3,738,600 = 3% Required Reserve

\$9,672,215 = 7.7% Actual Reserve

Contributions to Restricted Programs

- All categorical programs should be self-balancing with the exception of Special Education and Routine Restricted Maintenance Account – both of which are designed to have a contribution
- Special Education contribution has increased over \$2M in the last two years
 - A projected increase should be part of budget assumptions and multi-year planning

Program Req Contribution	Resc	2017-18 Actual	2018-19 Actual	2019-20 Working Budget	Increase/ (Decrease) Over 2 Years	Percent Change
Federal Special Ed	33xx	0	(163,953)	0	0	
Medi-Cal	5640	243,479	0	414,778	171,299	70%
State Special Ed	65xx	14,166,962	15,642,218	16,320,585	2,153,623	15%
RRM	8150	2,808,320	2,942,717	3,600,000	791,680	28%
Total Contrib from Unrestricted		17,218,761	18,420,983	20,335,363	3,116,602	18%

Multi-Year Projections (MYP)

The MYP projections are total general fund revenues and expenditures for the budget year and the two subsequent fiscal years. The projections are only estimates and actual outcomes could vary substantially.

The MYP forecasts are based on certain criteria, information available at the time, and assumptions rather than on exact calculations.

To evaluate the MYP, attention is focused on the bottom line, which demonstrates the district's undesignated, unappropriated balance.

Multi-Year Projection Ending Fund Balance

	2019-20	2020-21	2021-22
Beginning Fund Balance	14,182,519	14,145,733	12,894,409
Net Increase/Decrease Fund Balance	(36,786)	(1,251,324)	(2,340,305)
Ending Fund Balance Combined	14,145,733	12,894,409	10,554,104
Restricted Fund Balance	4,473,516	5,447,297	6,657,297
Ending Fund Balance Unrestricted	9,672,217	7,447,112	3,896,807
Unrestricted Reserve %	7.76%	5.97%	3.08%

* Only unrestricted funds can be counted towards reserve levels.

Questions?

Action Item Administration requests approval of the 2019-20 Second Interim Budget Report with a Positive Certification