



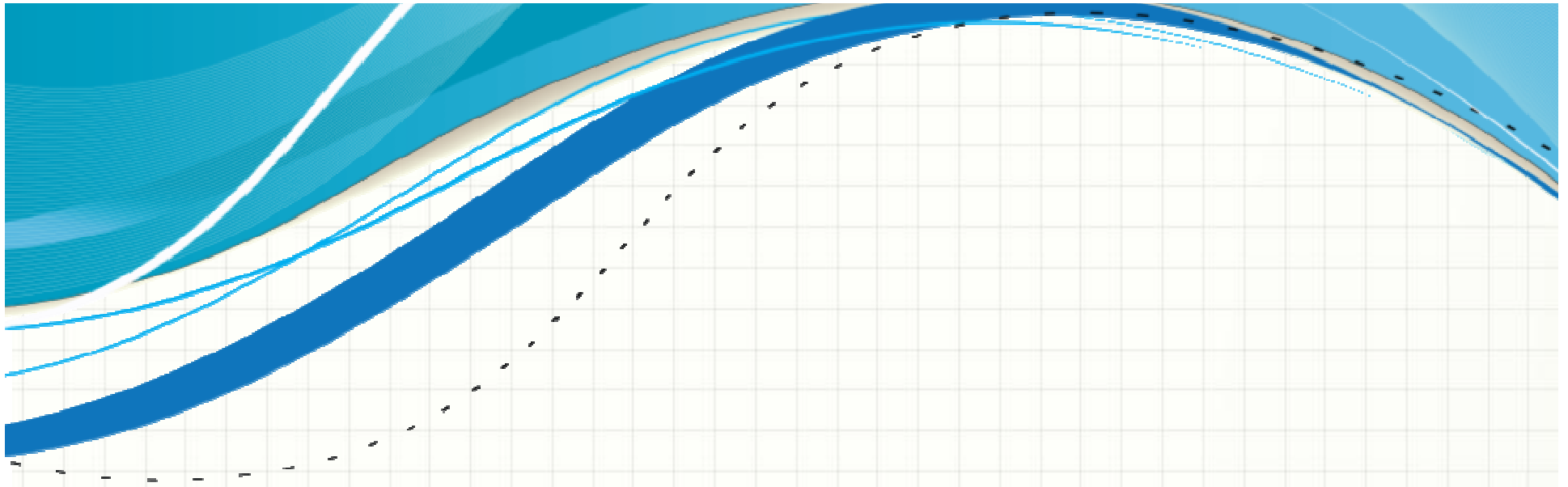
# **Hillsborough City School District**

## **2016-17 Proposed Budget**

6/6/2016

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# Revenue Assumptions

# Assumptions-Revenues

## Property Tax Increases:

2016-17:	6.0%
2017-18:	4.5%
2018-19:	4.0%

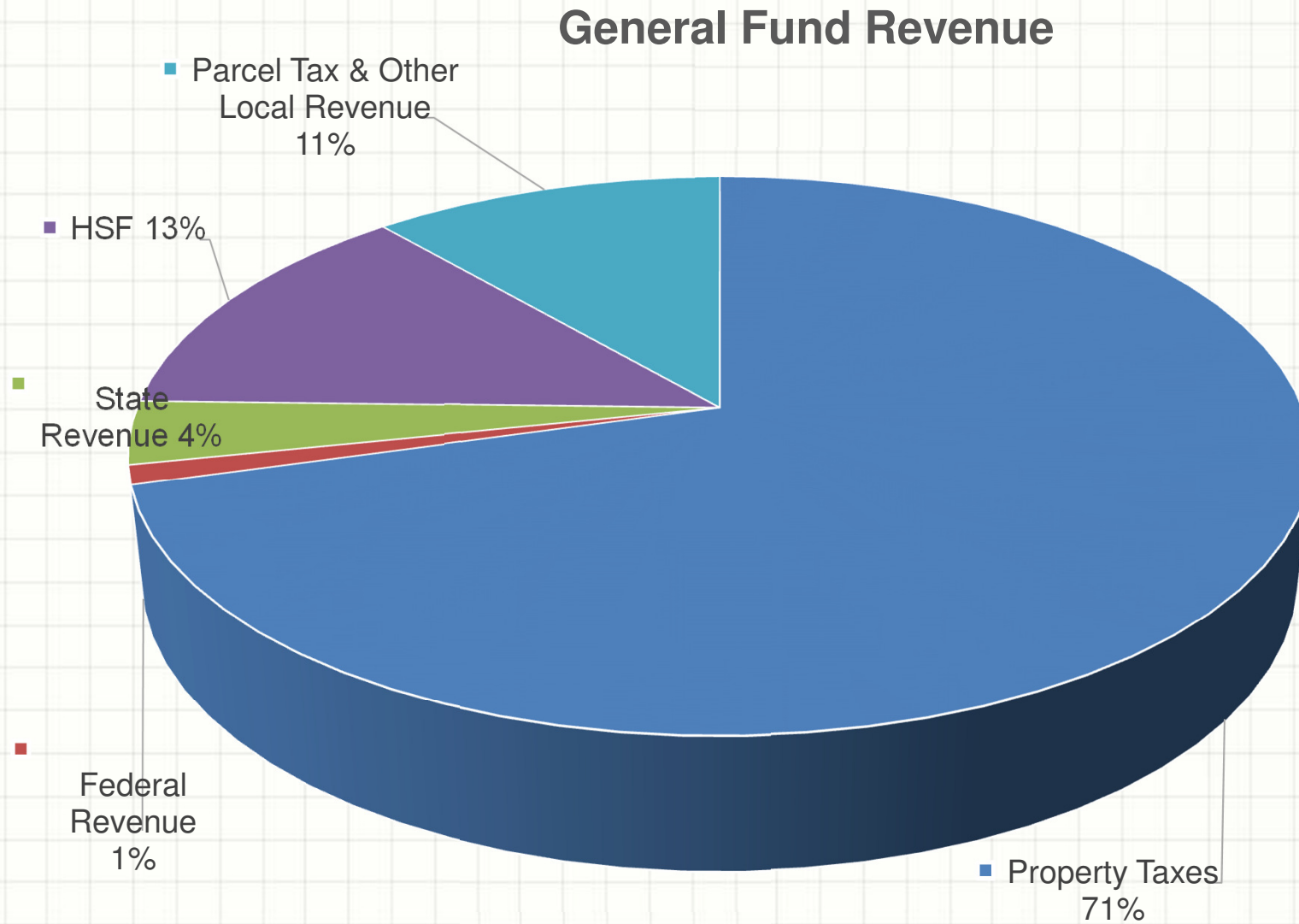
# Assumptions-Revenues

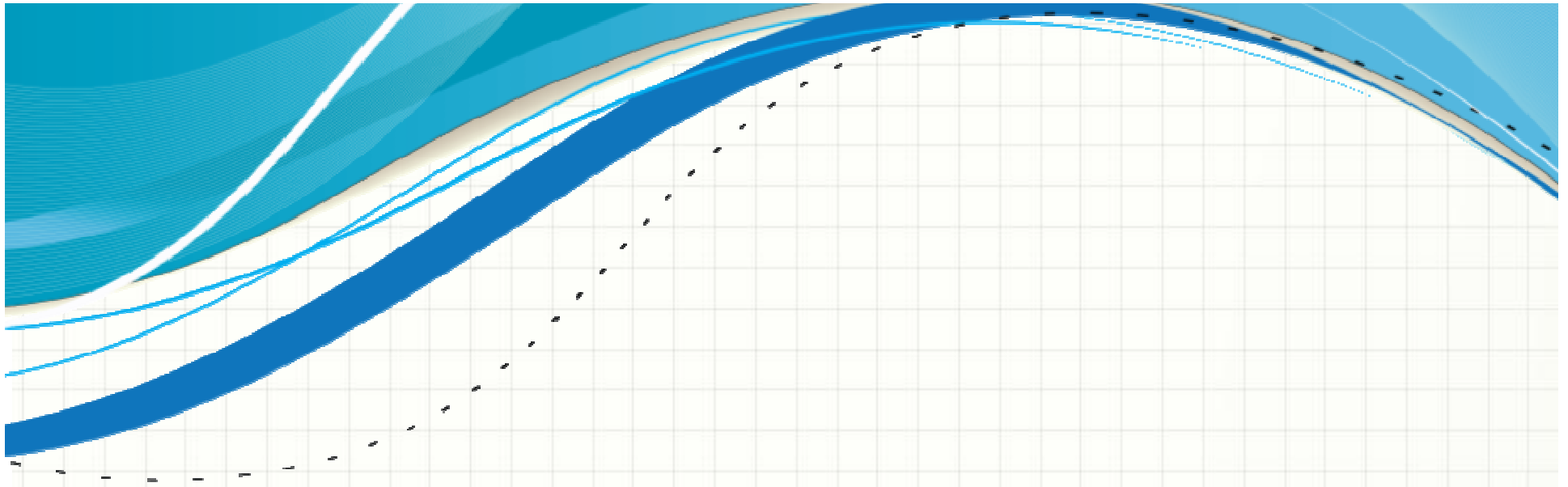
Property Taxes	\$17,398,849
Minimum State Aid	\$172,044
Parcel Tax	\$2,156,544
Education Protection Account	\$291,164
Mandated Cost	\$42,769
One-Time Discretionary Funds	\$346,328

# Assumptions-Revenues

One-Time Educator Effectiveness Funding 15-16	\$185,589
Mental Health	\$33,044
Hillsborough Schools Foundation	\$3,450,000
Prop 39 Clean Energy Jobs Act	\$100,000
Lottery	\$264,495

# Assumptions-Revenues





# Expenditure Assumptions



# Assumptions-Expenditures

## CalSTRS & CalPERS

### Employer Contribution Rates

	CalSTRS	CalPERS
2015-16	10.73%	11.847%
2016-17	12.58%	13.888%
2017-18	14.43%	16.600%
2018-19	16.28%	18.200%
2019-20	18.13%	19.900%
2020-21	19.10%	20.400%

# STRS Employer Rate Increase Cost 2015-16 through 2020-21

Year	STRS Rate	Rate Increase per Year	14-15 STRS Creditable Earnings	STRS Cost Increase per Year
2015-16	10.73%			
2016-17	12.58%	1.85%	13,003,883.83	240,571.85
2017-18	14.43%	1.85%	13,003,883.83	481,143.70
2018-19	16.28%	1.85%	13,003,883.83	721,715.55
2019-20	18.13%	1.85%	13,003,883.83	962,287.40
2020-21	19.10%	0.97%	13,003,883.83	<u>1,088,425.08</u>
			<b>Total</b>	<b>3,494,143.59</b>

# PERS Employer Rate Increase Cost 2015-16 through 2020-21

Year	PERS Rate	Rate Incr per Year	14-15 PERS Creditable Earnings	PERS Cost Increase per Year
2015-16	11.847%			
2016-17	13.888%	2.041%	2,809,325.40	57,338.33
2017-18	16.600%	2.712%	2,809,325.40	133,527.24
2018-19	18.200%	1.600%	2,809,325.40	178,476.44
2019-20	19.900%	1.700%	2,809,325.40	226,234.97
2020-21	20.400%	0.500%	2,809,325.40	<u>240,281.60</u>
			<b>Total</b>	<b>835,858.59</b>

# STRS & PERS Employer Rate Increase Combined Cost 2015- 16 through 2020-21

Year	Combined Cost Increase per Year
2016-17	297,910.18
2017-18	614,670.94
2018-19	900,192.00
2019-20	1,188,522.38
2020-21	<u>1,328,706.68</u>
15.35% of GF Budget	<b>4,330,002.17</b>

# Assumptions-Expenditures

Certificated	13,772,054
Classified	2,959,028
Benefits	5,270,385
Books & Supplies	2,037,723
Services	3,601,469
Other Outgo	159,783
Total	27,800,442

# Assumptions-Expenditures

## Routine Restricted Maintenance (RRM)

16-17	669,470
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## Multi-Year Maintenance Plan Cost (built in MYP)

16-17	22,784
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17-18	115,660
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18-19	155,614
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# Assumptions-Expenditures

Prop 39 Energy Efficiency Projects (interior and exterior light sensors, CPM consulting)	100,000
2016-17 Certificated FTE Reduction and Staffing Changes	(248,260)

# Assumptions-Interfund Transfers

Transfer in from Fund 40	44,500
Transfer out to Fund 20 (OPEB)	(213,753)



# Assumptions-General Fund Contributions to Restricted Programs

	Amount	% of General Fund Expenditures
Special Education	\$3,809,225	14.16%
Routine Restricted Maintenance	\$669,470	2.49%
Total	\$4,478,695	16.65%

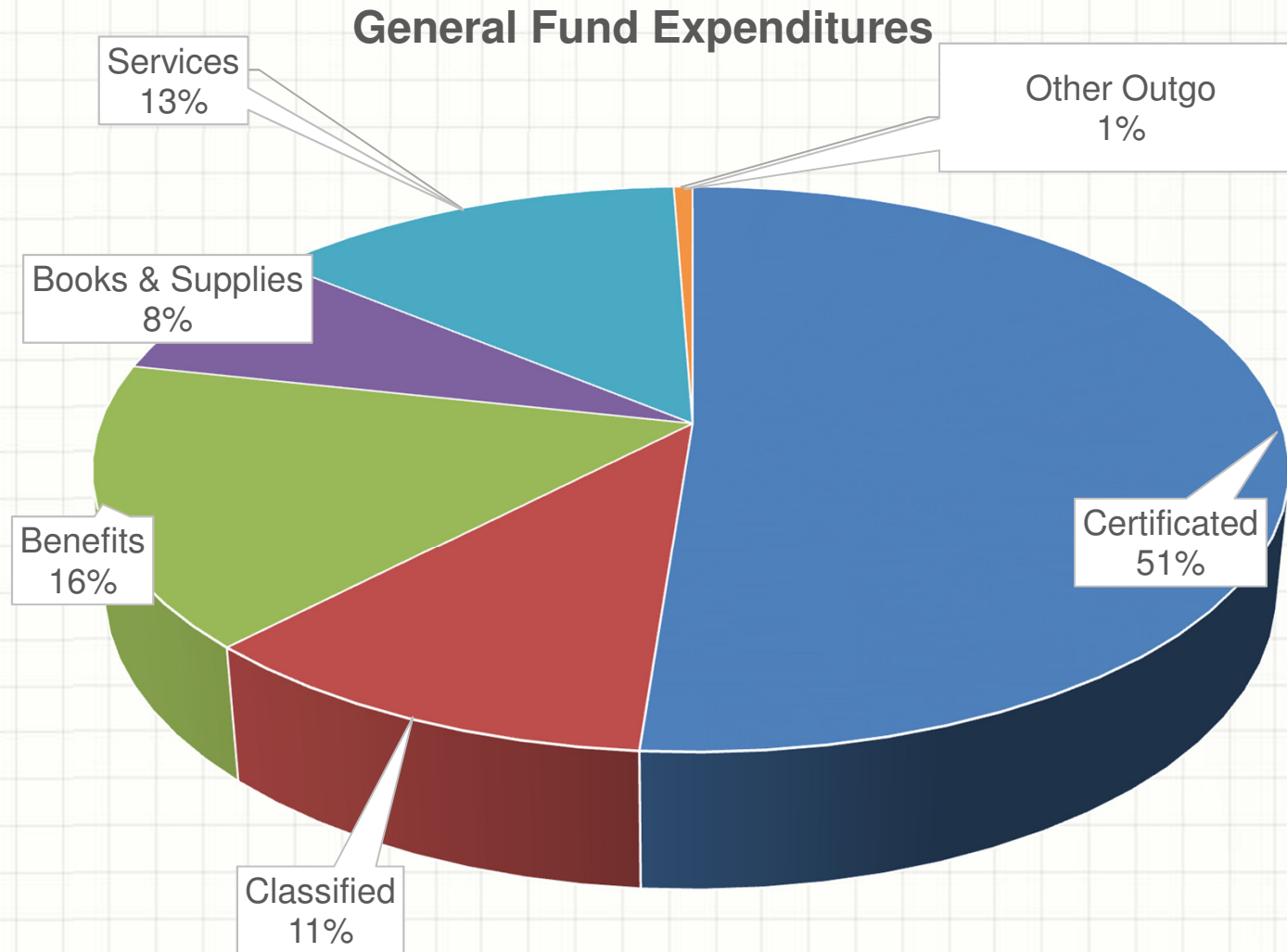
# Assumptions-Contributions to Routine Restricted Maintenance

- AB 104 requires 3% by 2020-21
- For 2016-17, contribute the lesser of
  - 3% of the 2016-17 total General Fund Expenditures (\$840,425.85)
  - 2014-15 contribution (\$481,286.17)

# Assumptions-Contributions to Routine Restricted Maintenance

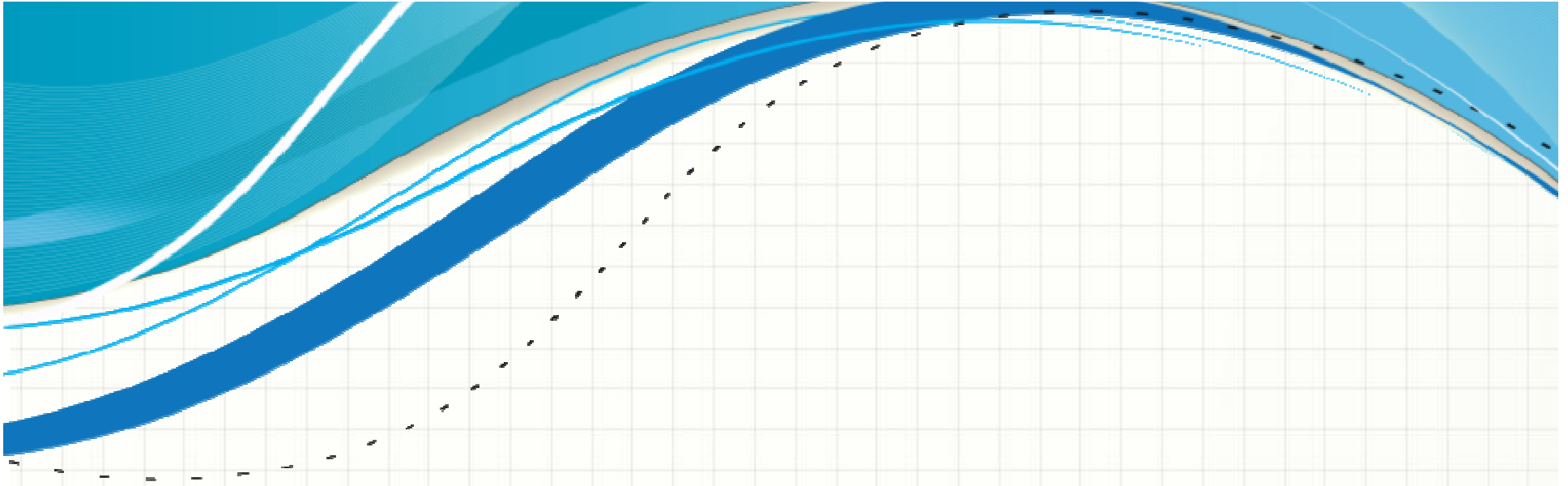
- For 2017-18 & 2019-20, the greater of
  - The lesser of 3% of total GF expenditures for that fiscal year or 2014-15 deposit
  - 2% of total GF expenditures for that fiscal year
- For 2020-21 and beyond, 3% of GF expenditures

# Assumptions-Expenditures



# Prior Year Actuals vs 2016-17 Budget

	2012-13	2013-14	2014-15	15-16 Est Actuals	2016-17 Budget
<b>Revenues</b>	21,416,811	23,125,706	24,938,805	26,821,894	27,199,024
<b>Expenditures</b>	20,909,748	22,301,159	24,955,306	27,314,616	27,800,442
<b>Surplus (Deficit)</b>	507,063	824,547	(16,501)	<b>(492,721)</b>	<b>(601,417)</b>
<b>Total Transfers</b>	44,500	(285,500)	(285,500)	(5,500)	(169,253)
<b>End Bal Gain (Loss)</b>	551,563	539,047	(302,001)	(498,221)	(770,670)
<b>Beginning Balance</b>	3,253,371	3,804,934	4,343,980	4,041,979	3,543,758
<b>Ending Balance</b>	3,804,934	4,343,981	4,041,979	3,543,758	2,773,087



# Multi-Year Projection & Reserves

# STRS On-Behalf

<b>Budget</b>	<b>Actuals</b>	<b>STRS Creditable Earnings</b>	<b>Rate</b>	<b>Budget Amount</b>
15-16	13-14	12,133,816	7.12589%	864,643
16-17	14-15	13,003,884	8.578248%	1,115,504

# Multi-Year Projections

	15-16 Est Actuals	2016-17 Budget	17-18 Projected Budget	18-19 Projected Budget
Revenues	26,821,894	27,199,024	27,389,120	27,981,184
Expenditures	27,314,616	27,800,442	27,894,663	28,427,263
Surplus (Deficit)	<b>(492,721)</b>	<b>(601,417)</b>	<b>(505,543)</b>	<b>(446,079)</b>
Net Transfers	(5,500)	(169,253)	(169,253)	(169,253)
End Bal Gain (Loss)	(498,221)	(770,670)	(674,796)	(615,332)
Beginning Balance	4,041,979	3,543,758	2,773,087	2,098,291
Ending Balance	3,543,758	2,773,087	2,098,291	1,482,960



# Projected General Fund Reserves

Fund		2016-17	2017-18	2018-19
01	6% for Economic Uncertainty	1,680,852	1,686,505	1,718,461
01	Unappropriated Ending Balance	654,729	219,228	187,169
01	Total Expenditures+ Transfers Out	28,014,195	28,108,416	28,641,016
	<b>GF Reserve</b>	<b>8.34%</b>	<b>6.26%</b>	<b>4.94%</b>
17	Ending Balance	543,662	543,662	543,662
	<b>Reserve with Fund 17</b>	<b>10.28%</b>	<b>8.71%</b>	<b>8.55%</b>

# Projected General Fund Reserves

- The Government Finance Officers Association recommends reserves equal to two months of average General Fund Operating expenditures, or about 17%, equal \$4,762,413.
- Rating agencies like Fitch or Moody's compares district reserves with statewide averages, which are around 15%.

# Enrollment

	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
NORTH	356	325	321
SOUTH	257	241	239
WEST	390	380	381
CROCKER	546	541	541
<b>TOTAL</b>	<b>1544</b>	<b>1487</b>	<b>1489</b>

# Average Daily Attendance (ADA)

- 2014-15 P-Annual: 1,503.75
- 2015-16 P-2: 1,461.30
- 2016-17 Projected: 1,461.30
- Decline from 14-15 P-Annual: 42.45

# Projections vs. Predictions

- Multiyear projections are required by AB 1200 and AB 2756
- MYPs are projections, not forecasts
  - Projections are the mathematical result of today's assumptions
  - Forecasts are predictions of the future—there is a higher implied reliability factor than projections

**\*\*Source: School Services of California**

# Projections vs. Predictions

- A future recession is predicted – the timing is unknown
- Proposition 30 temporary taxes may expire in 2018 and a tax extension is not guaranteed, nor one-time revenues
- 0% COLA on programs that require contributions
- Increased retirement obligations

\*\*Source: School Services of California

Questions

