

Liberty School District

National Blue Ribbon Award School

California Distinguished School

California Honor Roll - Scholar School

Agenda for the special meeting of the Liberty School District Board of Trustees

Wednesday, June 14, 2017

6:00 p.m. Public Session Staff Room

I. Call to order

II. Roll Call and Flag Salute

III. Special Meeting

a. Agenda adjustment and approval

IV. Public/Community Input: During this period the Board will hear anyone desiring to address the Board on subjects not listed on the regular agenda. The Board will not make a decision on the subject unless it is of a routine nature that may be turned over to the staff for disposition.

V. Action Items: These items need to be considered and acted upon individually by the board.

a. **Public Hearing for 2017/2018 District and Charter Budget and Local Control Accountability Plans-6:05 p.m.**

The Board of Trustees will hear public input on the Liberty School District & Charter budget and Local Control Accountability Plan for 2017-2018 as submitted.

VI. Dates and Future Agenda Items

Regular Board Meeting Board Meeting-

June 15 at 5:15

VII. Adjournment

Liberty Elementary School District and Charter

To: Liberty Board of Trustees
From: Sarah Lampenfeld & Cindy Gordon
Date: June 8, 2017
Meeting Date: June 14, 2017

Item: PUBLIC HEARING OF THE 2017-18 PRELIMINARY BUDGET AND STATEMENT OF BALANCES IN EXCESS OF MINIMUM RESERVE REQUIREMENT

BACKGROUND INFORMATION:

Annually, a School Board is required to hold a Public Hearing for the public comment in regards to a district's proposed Local Control Accountability Plan (LCAP) and Preliminary 2017-18 Budget. At the public hearing the district must review and discuss the combined Assigned and Unassigned ending fund balance above the minimum recommended Reserve for Economic Uncertainties.

CURRENT CONSIDERATION:

The School Board will hold a Public Hearing at 6:00 p.m. regarding the Liberty Elementary School District's 2017-18 preliminary budget and reserve transparency disclosure. The financial documents were made available in the District Office on June 8, 2017.

RECOMMENDATION:

This is not an action item but an opportunity for the public to comment on the District's 2017-18 proposed budget and reserve levels. The final proposed 2017-18 budget will be presented to the Board for action on June 15, 2017. Any changes recommended by the Board or as an outcome of the public hearing on either the LCAP or the Preliminary Budget will be incorporated into the final proposed budget.

ATTACHMENTS:

- 2017-18 Preliminary Budget Narrative (pages 1-4)
- 2017-18 Reserve Transparency Disclosure (page 5)
- District Certification Forms (page 6-10)
- Multi-Year Projection (MYP) for approval and Assumptions used in the MYP (pages 11-12)
- Cash flow for 2017-18 (page 13)
- SACS Documents (pages 14-59)

Liberty Elementary School District & Charter
2017-18 Preliminary Budget
June 14, 2017

2017-18 Governor's' State Budget Proposal (SSC Reference) – May Revision 2017

Although the Governors' May Revision was certainly better than expected it was clear the Governor is being mindful of the future and preparing for slower economic growth. California is now in its eighth year of recovery, which is the third longest in history. For the 2016-17 fiscal year revenues have come in lower than expected, with the month of April, the state's biggest tax filing month, falling short of projections by \$1.05 billion. While May Revision raised revenue forecasts in 2017-18 since January's proposal the economic outlook appears uncertain. The Governor continues implementation of the Local Control Funding Formula (LCFF) with 2017-18 projected to reach 97% of the targeted funding level. The difference between a district's current funding and its target entitlement is called the LCFF gap. The proposed gap percentage decreased for 2017-18 to 43.97%. The gap percentage is offset by a 1.56% cost-of living adjustment (COLA). The Governor's budget includes delaying the disbursement of the one-time funds proposed in January 2017-18 Budget Proposal, which means these funds have been removed from the 2017-18 budget. Going forward LEAs continue to feel the squeeze as STRS and PERS rates rise along with minimum wage increasing each year.

Enrollment and ADA assumptions:

YEAR	CBEDS (include inc(dec) since PY)	P-2 ADA	CBEDS to P-2 % Ratio
2017-18 est.	Dist.= 40 Chtr. = 165 Combined=205	Dist.= 38.8 Chtr. = 160.05 Combined=198.85	97%
2018-19 est.	Dist.= 40 Chtr. = 168 Combined=208	Dist.= 38.8 Chtr. = 162.96 Combined=201.76	97%
2019-20 est.	Dist.= 40 Chtr. = 167 Combined=207	Dist.= 38.8 Chtr. = 161.99 Combined=200.79	97 %

Other Assumptions Used

The multi-year projection was developed using a variety of management approved assumptions. Details are attached on a separate spreadsheet following the multi-year projection.

Programs requiring contributions from the General Fund

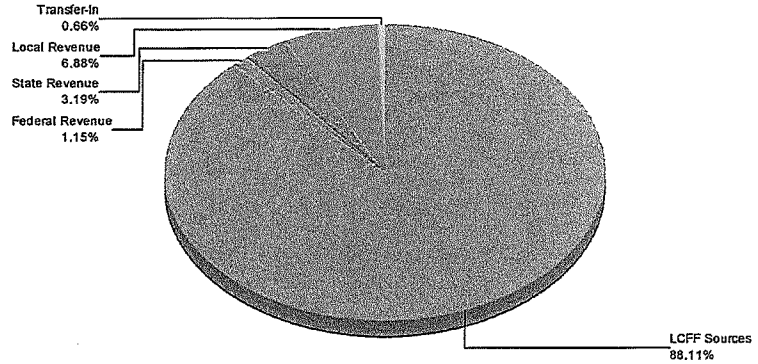
Title II - \$10,929

Routine Restricted Maintenance - \$15,262

Special Education - \$122,996

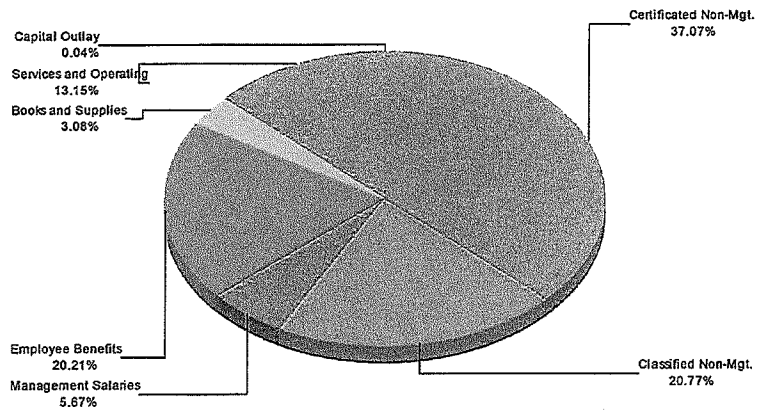
Total Revenue Summary (as % of Total Revenue)

Revenue by Object:	Dollars per ADA	Total Amount
LCFF Sources	13,598.94	2,719,787
Federal Revenue	176.82	35,364
Other State Revenue	492.82	98,563
Other Local Revenue	1,062.30	212,460
Total Revenue	\$15,330.87	\$3,066,174
Transfer In & Others	\$102.57	\$20,513
Total Resources	\$15,433.44	\$3,086,687



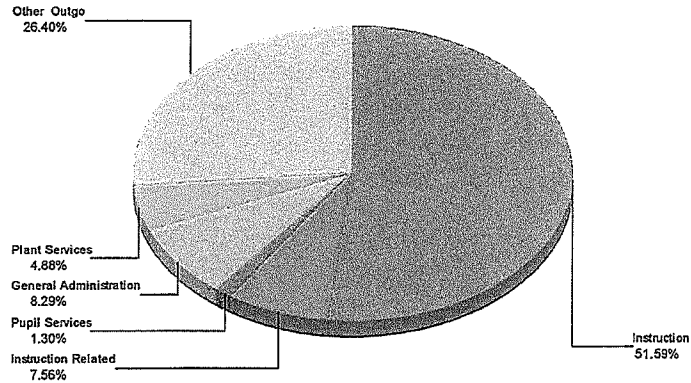
Total Expenditure Summary (as % of Total Expenditure)

Expenditure by Object:	Dollars per ADA	Total Amount
Cert. Non-Mgt. Salaries	4,239.76	847,952
Class. Non-Mgt. Salaries	2,375.10	475,019
Management Salaries	648.33	129,666
Employee Benefits	2,311.18	462,235
Books and Supplies	352.69	70,537
Services and Operating	1,504.35	300,870
Capital Outlay	4.54	908
Other Outgo	0.00	0
Total Expenditure	\$11,435.94	\$2,287,187
Transfer out and	\$4,101.02	\$820,203
Total Uses	\$15,536.95	\$3,107,390



Total Expenditure by Function Summary
(as % of Total Expenditure)

Expenditure by Function:	Dollars per ADA	Total Amount
Instruction	8,014.82	1,602,963
Instruction Related Services	1,174.56	234,912
Pupil Services	201.39	40,278
Ancillary Services	0.00	0
Community Services	0.00	0
Enterprise	0.00	0
General Administration*	1,287.51	257,501
Plant Services	757.67	151,533
Other Outgo	4,101.02	820,203
Total	\$15,536.95	\$3,107,390



*** General Administration Expenditure Breakdown:**

Board and Supt. Administration	324.08	64,815
Other General Administration	955.43	191,086
Centralized Data Processing	8.00	1,600

Reserves and Ending Balance

Components of Ending Balance:

	2017-18	2018-19	2019-20
Revolving Cash (non-spendable)	1,500	1,500	1,500
Stores (non-spendable)	-	-	-
Restricted	36,274	36,274	36,274
Assigned: Special Education	150,000	150,000	150,000
Assigned: Facility Needs	350,000	350,000	350,000
Assigned: Common core adoption	30,000	30,000	30,000
Assigned: Loss of CAVA oversight	150,000	150,000	150,000
Assigned: Cash Flow reserves	125,000	125,000	125,000
5% Reserve for Economic Uncertainty	155,370	156,716	158,439
Unassigned/Unappropriated Amount	18,570	13,342	1,510
Net Ending Balance	1,016,713	1,012,832	1,002,722

Cash Flow

The projected cash flow report presented as part of the 2017-18 Budget shows all months ending with positive cash balances and an estimated June 30, 2018 ending balance of \$1,953,612.

ADDITIONAL FUNDS Operated by the District:

Fund 13 Cafeteria Special Reserve Fund This fund is used to account separately for federal, state, and local resources to operate the food service program. The principal revenues in this fund are: Child Nutrition Programs (Federal), Child Nutrition Programs (State), Food Service Sales, Interest, and Local Revenue.

Current Year Projected Ending Fund Balance: \$420

Fund 14 Deferred Maintenance Fund

This fund is used to account separately for contributions for deferred maintenance purposes. Expenditures in this fund are intended for major repair to district facilities or replacements of building components. 2017-18 school year does not current include an expenditures for district.

Current Year Projected Ending Fund Balance: \$262

Fund 17 Special Reserve (other than capital projects)

This fund is used as an assigned reserve for Special Education and for the accumulation of General Fund moneys for general operating purposes. Costs of Special Education placements are paid for on a 50/50 basis, with 50% of the annual costs transferred to the general fund each year a placement occurs. In 2017-18 the District has one placement in the SCOE preschool program, with a cost of \$41,025 annually. 50% of that cost (\$20,513) will be transferred from Fund 17 to the General Fund. This annual transfer will continue in 2018-19 and 2019-20.

Current Year Projected Ending Fund Balance: \$249,270

Fund 25 Capital Facilities Fund

This fund is used primarily to account separately for moneys received from fees levied on developers or other agencies as a condition of approving a development. Expenditures are restricted to the purposes specified in *Government Code* sections 65970-65981 or for items specified in agreements with the developers.

Current Year Projected Ending Fund Balance: \$6,119

Fund 35 County School Facilities Fund

This fund is established to receive apportionments from the State facilities funds which are authorized by the State Allocation Board for new construction and modernization projects. The principal revenues for this fund are State School Facilities Apportionments, Interest, and transfers in from other funds.

Current Year Projected Ending Fund Balance: \$34

Fund 40 Special Reserve Fund for Capital Outlay Projects

This fund exists primarily to provide for the accumulation of general fund moneys for capital outlay purposes. Other authorized revenues which may be transferred to the Special Reserve Fund are (1) proceeds from the sale or lease of real property; (2) rentals and leases of real property specifically authorized for deposit to the fund by the governing board; and (3) excess amounts sufficient to pay all unpaid bond obligations. Rental proceeds are deposited to this fund when received. Basic aid supplemental (BAS) funding is transferred to this fund annually. 2017-18 transfers of BAS are \$942,163 for budget year estimate less funds needed in the general fund of \$38.7K to support specific classified positions, \$21,500 for summer curriculum professional development, \$41,760 to support programs formally funded with parcel tax revenue, \$5K for instructional materials, and \$15k or increased STRS and PERS rates. The total transfer to Fund 40 is \$820,203. A transfer is projected to continue in both 2018-19 and 2019-20.

Current Year Projected Ending Fund Balance: \$1,043,672