

UNDERSTANDING SCHOOL DISTRICT BUDGETS

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Nance Juner
Director of Fiscal Services
Mt. Diablo Unified School District





Agenda

- Welcome & Introductions
- Roles and Responsibilities
- Budgeting Cycle
- Reporting Requirements
- State & Federal Overview
- District Budgeting
- Questions & Answers



Role of the County Offices of Education

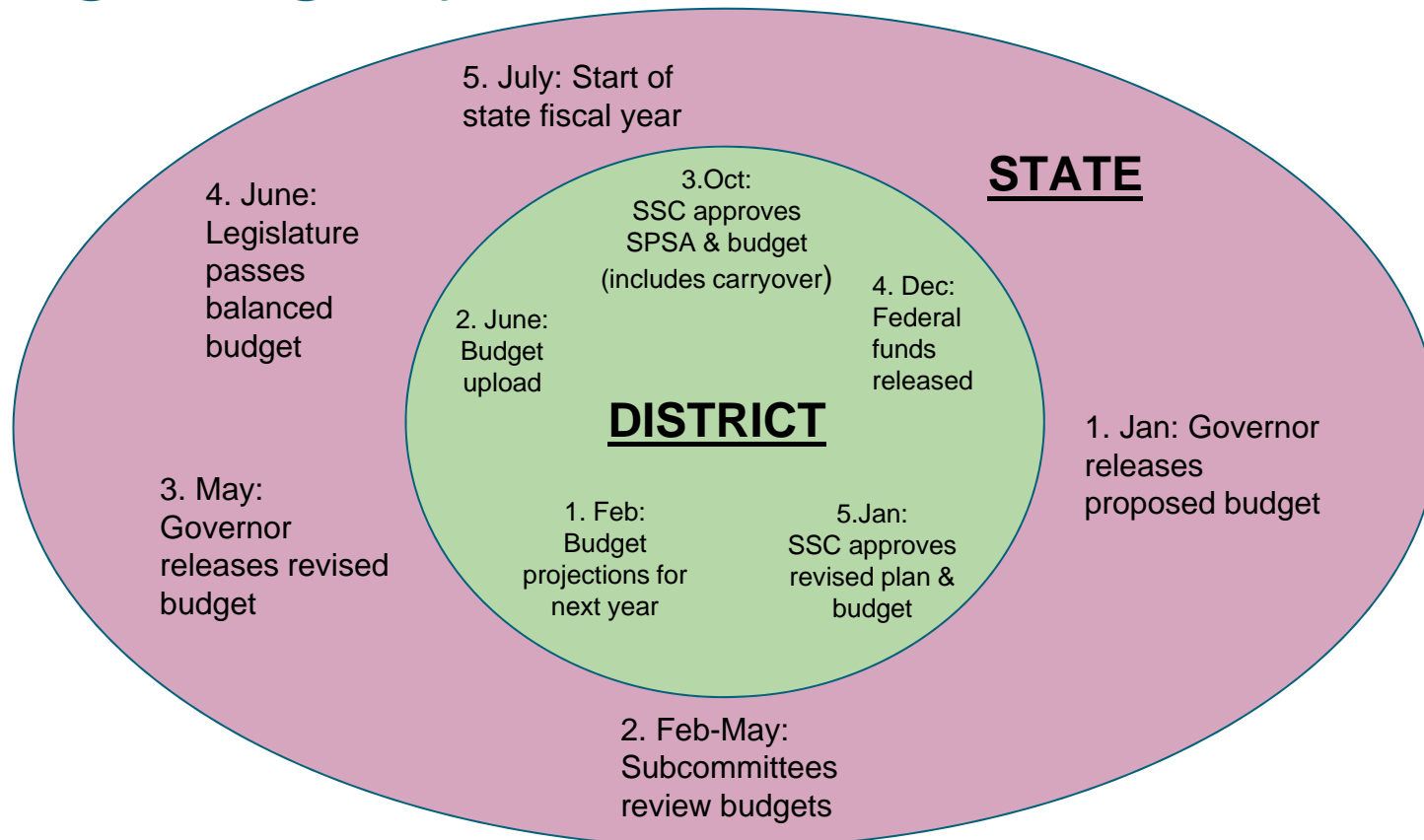
- Governing board, method of selection varies by county
- Play a bigger role for small districts
- Can include implementing mandated statewide programs
- Fiscal Oversight of school districts' budgets, interim financial reports, and collective bargaining agreements



Role of the Board of Education

- Publicly elected governing board (School Board) responsible for the budget and financial health of the district
- Allocate funds for the district based on the constraints of federal, state, categorical laws, and collective bargaining agreements

Budgeting Cycle





District Financial Reporting Periods

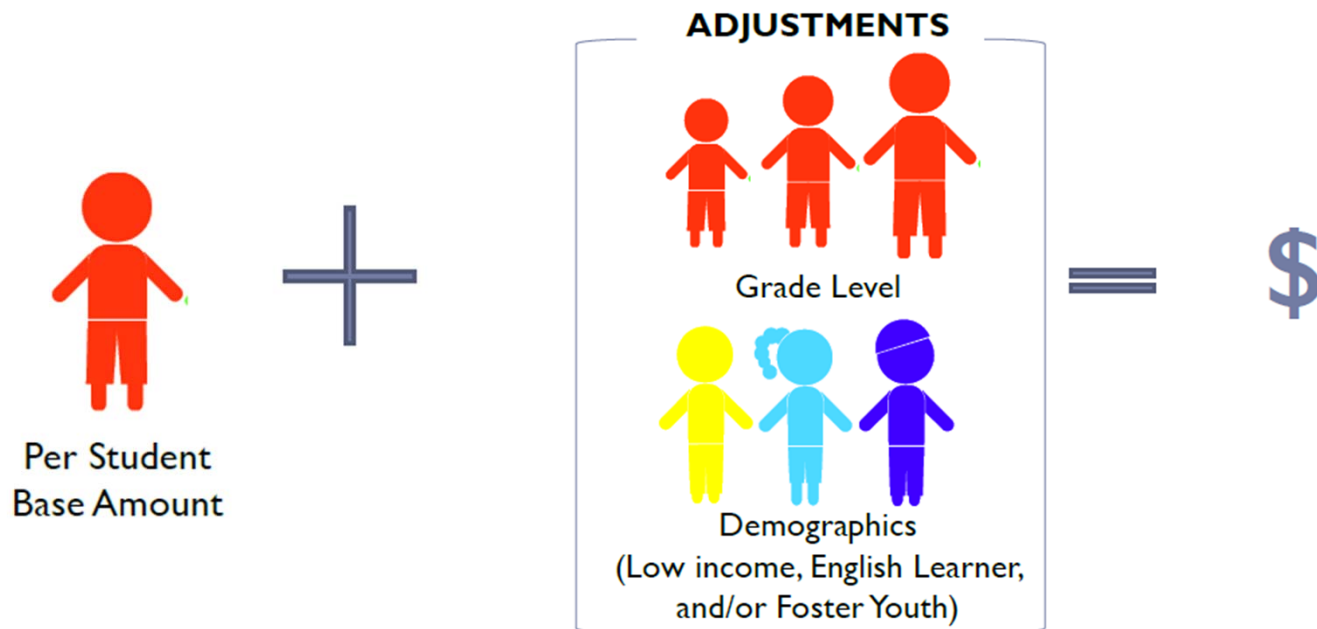
Adopted Budget	July 1
First Interim Report	Oct 31
Second Interim Report	Jan 31
Year End Projections (Third Interim)	Apr 30
<ul style="list-style-type: none">• Reports above include a multi-year projection for the current year and two subsequent years	
Unaudited Actuals	Sept 15
Audited Actuals (External Auditors)	Dec 15



State & Federal Overview

- Past (Pre-1973)—School Board raised revenues through property taxes and gave it to schools.
- Today—the Governor and Legislature raise revenues through general taxes and property taxes. They, along with the U.S. Department of Education and the State Department of Education, disburse funds to districts.
- 2013- State funding restructured to Local Control Funding Formula (LCFF) model eliminating over 42 categorical funds.

LCFF Funding Formula





State Base Funding

Average Daily Attendance

- Average number of students present each day of the school year
- Taken daily, cumulative total ADA through P2 (A four week period ending on or before April 15th)
- Is a different number than enrollment, usually lower

Number of unduplicated students

- Supplemental funds for all Unduplicated Pupil Counts (UCP) students provides an additional 20% of base

Percentage of unduplicated count districtwide

- Concentration funds provides additional 50% of base for the number of UPC students over 55%

Receipt of Funds

- Allocations
 - LCFF, Lottery, Educator Effectiveness, Afterschool Program
 - Some we receive all at once and have no timeframe to spend
 - Some are three-year grants we receive all in first year and have three years to spend
 - Some are three-year grants and we receive one year at time and have three years to spend
- Entitlements
 - Federal Funds, State California Partnership Academies
 - We may receive a portion such as 25% of our entitlement then we need to report that we are spending the funds to receive more
 - These funds are adjusted based on specific criteria of the grants and can be adjusted in the middle of the fiscal year



Distribution of District Funds

Position Control for all employees across the district

- Certificated employees such as teachers, principals, and some administrators are on an annual contract and must receive notice of employment for upcoming year by March 15 (per Ed. Code)
- Classified employees need a 60 day notice for release of employment

Departments and school sites each receive an operating budget

- Unrestricted funds from base funding

Some departments and school sites have additional budgets for restricted programs such as Special Education, Instructional Material Lottery, Federal Title I, II, and III



Which Funds to Use

- Funds can be restricted to a specific purpose, timeline or use
- An expense can fit into more than one of these restrictions
- Should use most restricted funds first
- Allows the unrestricted to be available for everything else and gives greatest flexibility
- Unspent funds will be both restricted and unrestricted

School Budgets at a Glance

Supplemental funds: To be used primarily to support English learners, Foster Youth, & Low Income students.

Base funds



Restricted: Title I, II, III, Career Partnership Academy (CPA), ASES

Discretionary funds: Educator Effectiveness, Governors One-Time, QEIA, local donations



Revenues, Expenditures and Fund Balances

The district financial reports include

- Revenues anticipated to be received in the current year
- Projected expenditures for the current year
- Estimated fund balance
 - Made up of what was in the fund balance or “savings” account plus the difference of current year revenues minus current year expenditures
 - If the expenditures in the current year are more than the current year revenues, need to use fund balance (deficient spending)
 - Required to have a minimum fund balance of 3% of total expenditures if ADA is under 30,000 or 2% if over



Questions & Answers

Contact Information:

Nance Juner
Director of Fiscal Services
Mt. Diablo Unified School

junern@mdusd.org

Thank you for inviting me and enjoy the rest of you evening.