



# Budget Advisory Parcel Tax Oversight Joint Committee

## Desired Outcomes

Governor's Initial Budget Proposals FY2019/20  
Measure N - Parcel Tax  
1st Interim Financial Statements  
Impact of Measure on District's Budget  
Next Steps

Millbrae Elementary School District  
February 21, 2019

All meetings of the Committee are open to the public  
and are noticed and conducted in compliance with  
the Ralph M. Brown Act. (Government Code §  
54950 *et seq.*)

# Welcome and Introductions

## Committee Members

Parent Member-SV/TA

**Karen Chin**

Parent Member-TA

**Christina DuCote**

Parent Member-TA, ME

**Whitney Broussard**

Community Member

**Catherine Quigg**

Parent Member-GH

**Usha Ranji**

Parent Member-GH

**Katherine Statton**

Parent Member-SV/ME

**Jon Yan**

Superintendent

**Vahn Prayprasert**

Chief Business Official

**Rick Champion**

Supervisor of Business Services

**Denice LaCriox**

Technology Specialist

**Frank Lagomarsino**

Governing Board Members

**Frank Barbaro**

**Don Revelo**

## Administrators and Board





# Purpose

## Budget Advisory Committee

The goal of the committee is to inform stakeholders on how the District's budget works, budget assumptions, LCFF and LCAP process, and provide a forum to answer questions.

## Parcel Tax Oversight Committee

To aid the Board in fulfilling its fiduciary duties to review expenditures of Measure N revenue to ensure its use in accordance with the voter approved parcel tax ballot measure



# Your Role

- To ensure the district's spends the Measure N revenues in accordance with the language of voter approved ballot as Board adopted in the FY 2018-2019 budget
- Will report on an annual basis to the Board and community on use of funds in accordance with the ballot language.
- Gain an understanding of the District's budget, budget assumptions, LCFF and LCAP process, and provide a forum to answer questions, etc.
- Unique position to provide comments to aid the district in the preparation of the 2019-20 Budget





# Governor's Initial Budget Proposal

Fiscal Year 2019-2020





# Theme of Proposed Budget

*”It can't get much better for Gavin Newsom as California's next governor. But it's almost certain to get worse.”*

*– Los Angeles Times*



- Need to recognize potential of large budget surplus and the likelihood of an economic downturn
- Newsom’s first budget proposal attempts to balance fiscal prudence and progressive ambitions
  - Increase reserves (\$4.8B), pay down the state’s share of pension obligations (\$4.8B), and eliminate debt (\$4.0B)
- Major focus on budget resiliency, but also on expanding access to the “California Dream” through investments and high goals in early learning/child care, education, health care, housing, and social services will take priority
- Funding outside of Prop 98 for school employer CalSTRS contributions is a big win for schools
- LCFF funding formula COLA dependent
- Accountability remains priority

# Quick overview of Governor's Initial Budget proposal FY 2019-2020

- \$80.7 billion for Prop 98 (\$71.2 billion for K-12)

- \$3 billion (**one-time**, non-Prop 98) for school employer CalSTRS liabilities

- \$2 billion for the LCFF funding to provide 3.46% COLA (total LCFF \$63 billion)

- \$187 million to provide 3.46% COLA to some categorical programs outside of the LCFF (I.e. SPED, etc)

- \$750 million (**one-time**, non-Prop 98) for new or retrofitted full-day kindergarten facilities

- \$576 million (\$186 million **one-time**) for expanded special education services and support

- \$20.2 million additional for county offices to provide technical assistance to school districts

- \$10 million (**one-time**, non-Prop 98) to plan for and develop P-20 longitudinal education data system

- \$8.5 million for K-12 High-Speed Network

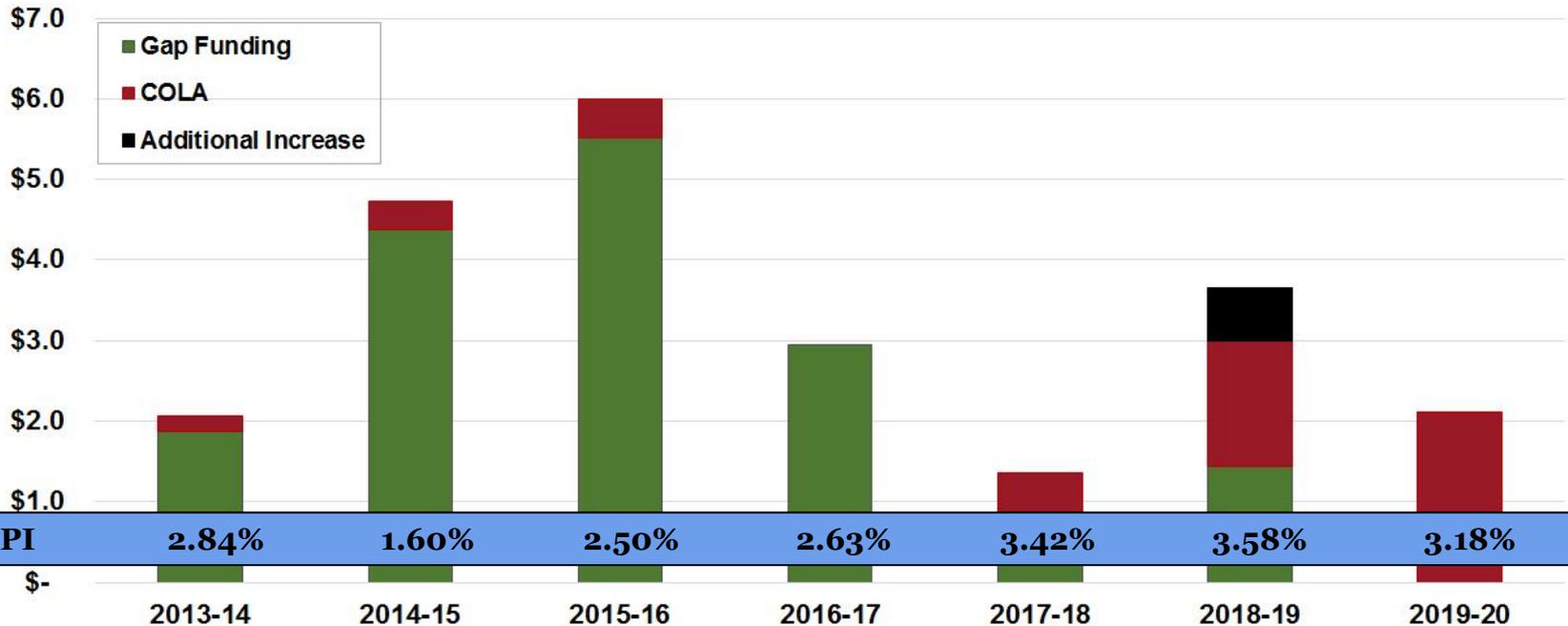
- Significant investment in early childhood

- No proposed one-time, fully discretionary funding



# The State Budget proposes \$2 billion towards LCFF

- Fund the 3.46% statutory COLA
- This brings LCFF funding to \$63 billion (up from \$61 billion in 2018-19)

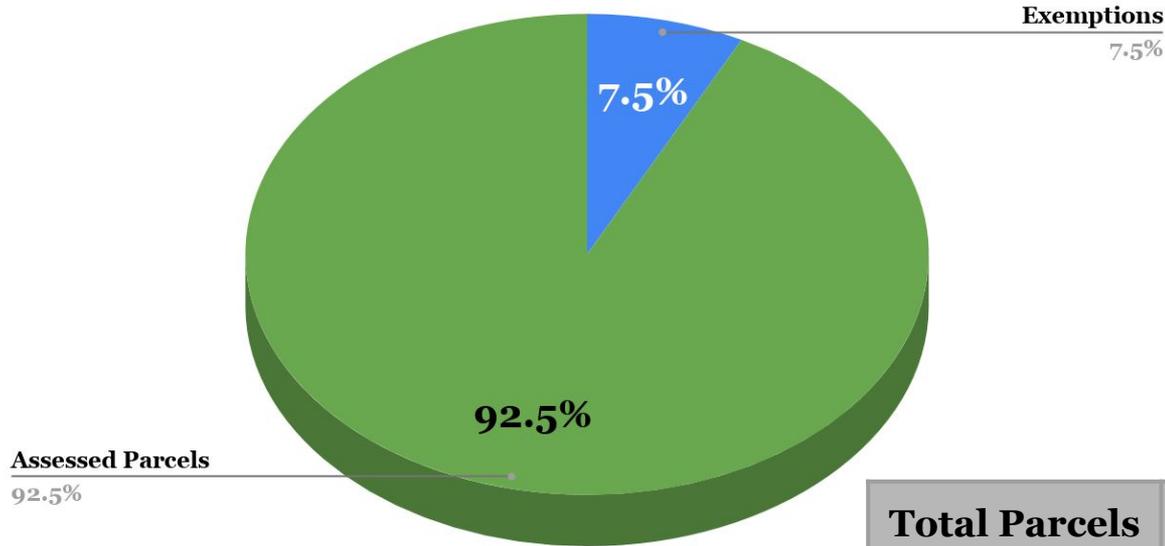




# Measure N



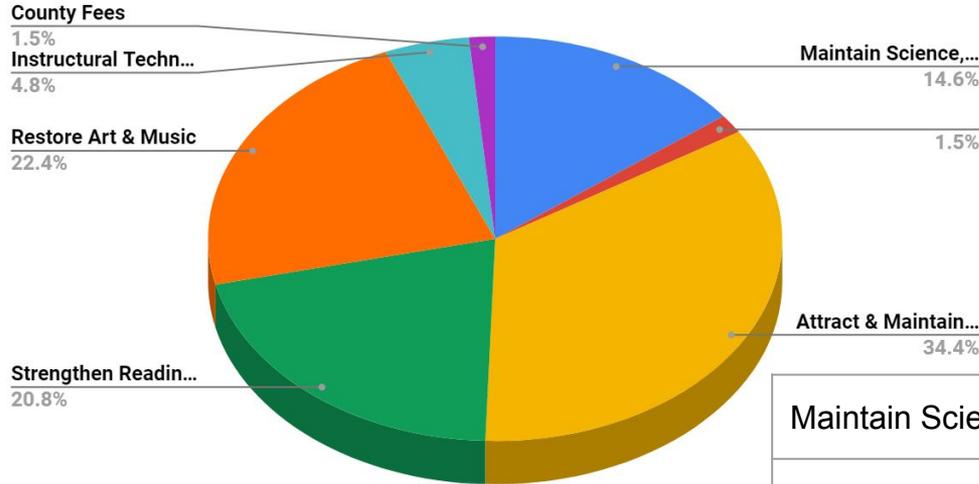
# Measure N Parcel Tax Revenue Report FY 18/19



Total Parcels	Exemptions	Assessments
7,393	552	6,841
Parcel Tax	Proj. Rev.	Fee/Parcel
\$97	\$663,577	\$1.42



# Measure N Parcel Tax Expenditure Budget Board Adopted FY 2018-2019



Maintain Science, Tech, Eng & Math Instruction	\$107,060	14.6%
Attract and Retain Qualified Teachers	\$228,371	34.4%
Strengthen Reading & Writing Programs	\$138,135	20.8%
Restore Art and Music Programs	\$148,643	22.4%
Classroom Computers & Instruction	\$31,654	4.8%
San Mateo County Assessor's Fee	\$9,714	1.5%



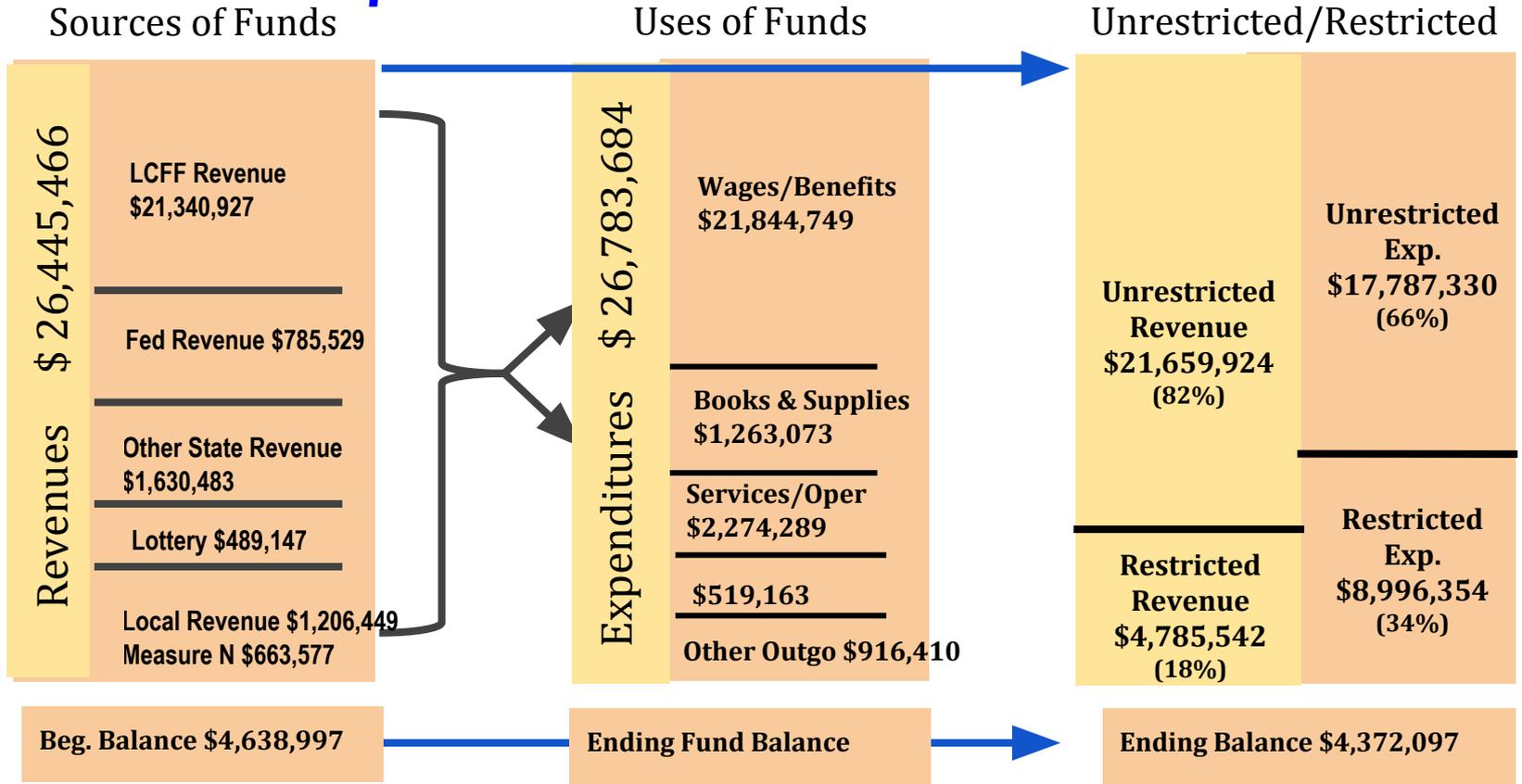


# District's 1st Interim 2018-2019

## Financial Statements



# How the Money Flows FY 2018-2019 1st Interim



# Impact of Measure N



## With

## With Out

			FY 2018-19 1st Interim	FY 2019-20 Projected	FY 2020-21 Projected	FY 2021-22 Projected	FY 2018-19 1st Interim	FY 2019-20 Projected	FY 2020-21 Projected	FY 2021-22 Projected
			Year 1 Mansure N	Year 2 Masure N	Year 3 Measure N	Year 4 Measure N	Year 1 Measure N	Year 2 Measure N	Year 3 Measure N	Year 4 Measure N
Rev - Exp. Net	Net Rev Less Exp.		-\$266,900	-\$427,010	-\$681,433	-\$700,000	-\$930,477	-\$1,052,010	-\$1,306,433	-\$1,325,000
	Beginning Fund Balance		\$4,638,997	\$4,372,097	\$3,945,087	\$3,263,654	\$4,638,997	\$3,708,520	\$2,656,510	\$1,350,077
Non Spendable	Non Spendable		\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Restricted	Restricted		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Assigned	Assigned		\$1,622,684	\$1,454,834	\$907,080	\$435,000	\$1,622,684	\$1,454,834	\$907,080	\$0
3% EU	3% EU		\$804,112	\$777,481	\$785,678	\$800,000	\$804,112	\$777,481	\$785,678	\$800,000
Add'l EU (BP)	Add'l EU (BP)		\$134,018	\$263,598	\$394,544	\$524,544	\$134,018	\$263,598	\$394,544	\$524,544
Committed	Committed		\$48,197	\$74,495	\$95,490	\$115,000	\$48,197	\$74,495	\$95,490	\$115,000
Unassigned	Unassigned		\$1,760,586	\$1,372,179	\$1,078,362	\$686,610	\$1,097,009	\$83,602	-\$835,215	-\$1,414,467
	Ending Fund Balance		\$4,372,097	\$3,945,087	\$3,263,654	\$2,563,654	\$3,708,520	\$2,656,510	\$1,350,077	\$25,077

- **Positive Certification**: The District **WILL MEET** their financial obligations for the current and two (2) subsequent fiscal years, OR
- **Qualified Certification**: The District **MAY NOT MEET** their financial obligations for the current or two (2) subsequent fiscal years, OR
- **Negative Certification**: The District **WILL BE UNABLE TO MEET** their financial obligations for the remainder of the current year or subsequent fiscal years based upon current projections (not meeting reserves in current year or negative fund balances in any year)

## RECOMMENDATION

It is recommended that the Board:

1. Forward a **POSITIVE CERTIFICATION** to the County Superintendent that the District can meet its financial obligations through the end of the fiscal year and for the subsequent two years, along with the budget revisions listed in the projected year totals.
2. Approve the budget revisions listed in the projected year totals.



# Next Steps



# Next Steps

- District will present 2nd Interim financial reports
- District will prepare period end 01/31/2019 Measure N financial report
- Notes from our meetings will be synthesized and provided to our Board of Trustees
- Next Meeting Thursday, April 18th @ District Office 5:30 pm - 7:00 pm

