

# UNDERSTANDING SCHOOL DISTRICT BUDGETS

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# Agenda

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



## Role of the County Offices of Education

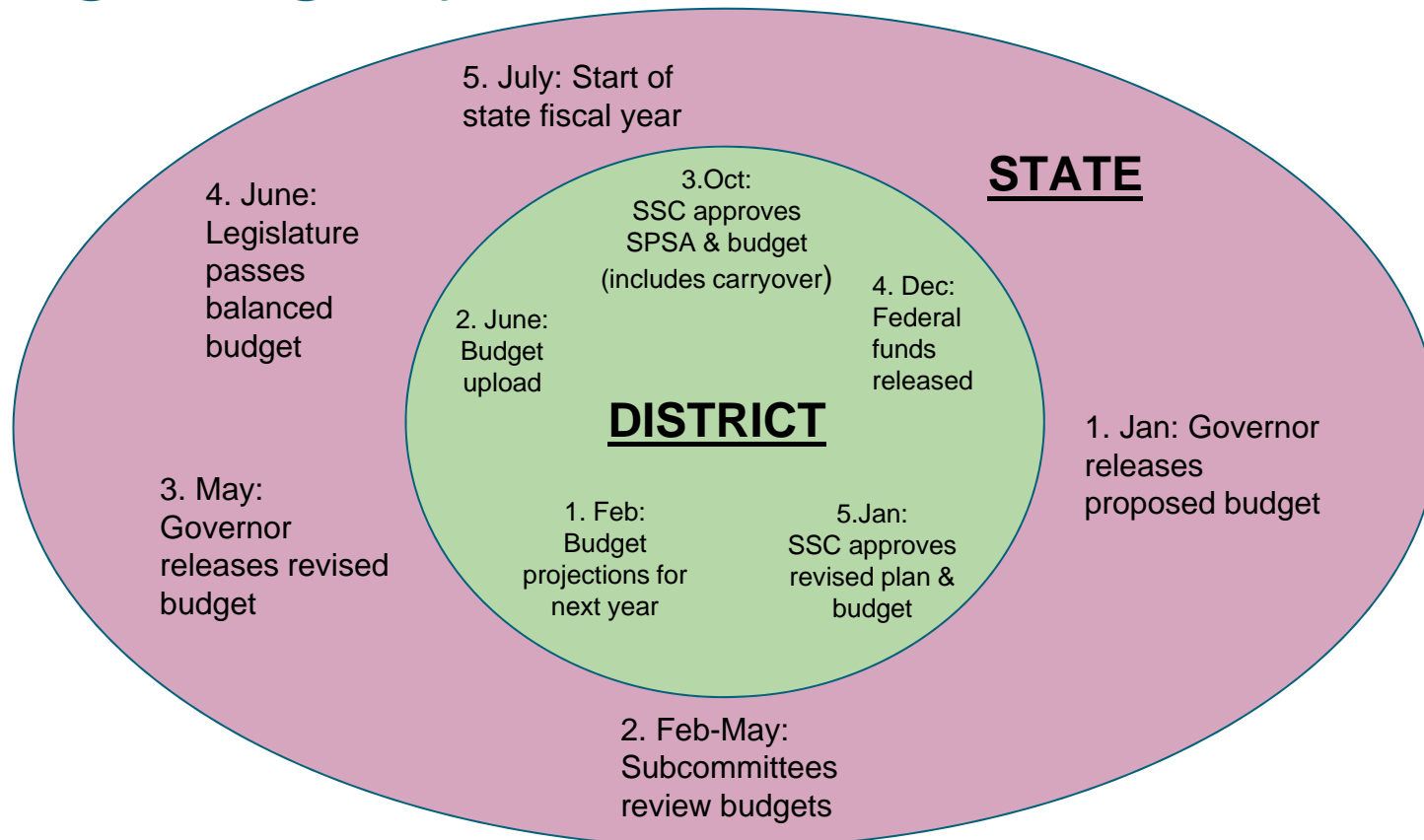
- Governing board, method of selection varies by county
- Play a bigger role for small districts
- Can include implementing mandated statewide programs
- Fiscal Oversight of school districts' budgets, interim financial reports, and collective bargaining agreements



# 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

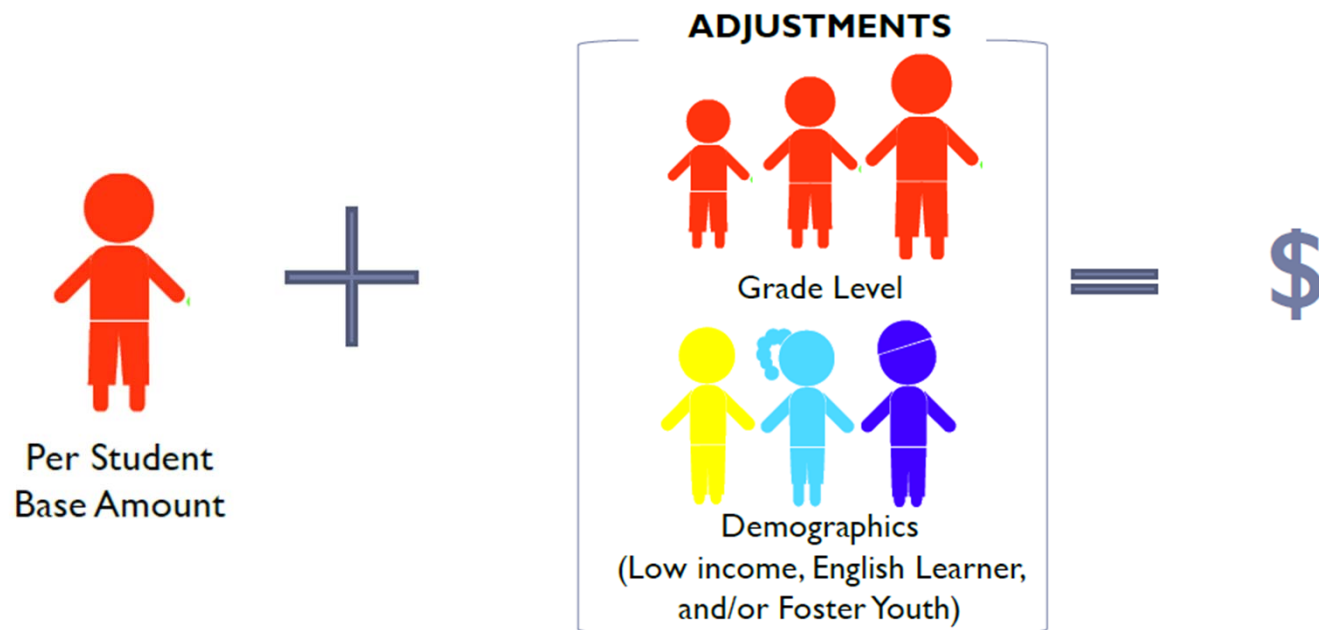
Adopted Budget	July 1
First Interim Report	Oct 31
Second Interim Report	Jan 31
Year End Projections (Third Interim)	Apr 30
<ul style="list-style-type: none"><li>• Reports above include a multi-year projection for the current year and two subsequent years</li></ul>	
Unaudited Actuals	Sept 15
Audited Actuals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

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