

2018-2019

Business Dept Budget Workshop

This is a working document that will be modified and updated as we prepare the 2018-2019 budget for the June adoption deadline.

April 24, 2018



Introduction

Reminder- all information included are our best estimates with the current information we have available. Revisions will be made as new information becomes available- including the May Revise of the Governor's Budget (which is not the official state budget- the deadline for the legislature to pass a budget is June 15). This information is based on the Governor's Jan budget of fully funding LCFF in 2018-2019 and the most current posted STRS/PERS rates.

This Annual Operating Budget only includes regular ongoing revenues and expenses. Short term grants (like Assets and CTE grants) and one-time money are not included in these figures. The final numbers used for the budget and state reports will be higher because it includes the figures for ongoing revenue (estimated here) and expenses but also includes one time money and grants.



Annual Operating Budget (no short term grants)

For the 2018-2019

- Expected revenue (not including Assets, CTE grants, or deferred revenues)- \$137,955,179
- Regular Personnel Expenses- \$103,078,106
- Estimated Step & Column increase- \$1,269,726
- Published STRS/PRS increase- \$1,841,747
- Operating budgets/facilities- \$28,810,202
- One-time expenses/reserves- \$2,955,398



Operating Expenses- HR

- Personnel costs for 18-19 are estimated at \$106,572,496 which is 77.3% of the annual operating budget. When you add in the grants (Assets, CTE grants) our total percentage of personnel costs compared to total revenue will be between 74% - 75% (before any raises).
- Comparing to the Hwy 99 corridor (districts south of Modesto and north of Fresno that have between 8,000 and 25,000 students and at least two high schools: Ceres, Turlock, Madera & Central)- on their 2016-2017 Unaudited Actuals, they averaged 75% on personnel expenses compared to total revenues.



Operating budgets (non personnel expenses):

- Utility, legal & Insurance- \$5,500,000
- Other dist expenses (warehouse, memberships, InnovatEd/Sum Inst, BTSA, Cornerstone)- \$1,500,000
- Site supports (officials, helmets/pads, band uniforms, desks)- \$728,674
- Site Allocations (principal budget, Title 1, Ag Incentive/Perkins)- \$3,541,434
- Ed Services (library services, Sum Schl, Instr Materials, LCAP meetings, CTE support)- \$1,394,894
- Child Welfare & Attendance (SROs)- \$840,000
- Student Support (SpEd)- \$1,422,700

Facilities



2018-2019 budgets	\$3,000,000 (Fund 43)
June/Summer 2018	<ul style="list-style-type: none">• GV Playfields• Finish LHS Shop Power• Finish AHS Welding Shop Electrical• EI Cap- defect/insurance claim• LHS Lunch Shade Structure• ECEC Lunch Shade Structure•
Fall 2018	<ul style="list-style-type: none">• HVAC ECEC Gym• LHS Bleacher Modernization-DSA Review• MHS Sewer Modernization Project-DSA Review• BCHS Custodial Cart path at F Academy
Spring 2019	<ul style="list-style-type: none">• AHS Irrigation to MID Project-Engineering Only• LHS Bleacher Modernization-Construction• MHS Sewer Modernization-Construction
Out years to be scheduled (not included in budget amount)	<ul style="list-style-type: none">• ECEC Renewable• ECHS energy save• GV modernization

Facilities



2018-2019 budgets	Special Funding Sources
Summer/Fall	<ul style="list-style-type: none">● LHS Pool Restroom Reconstruction● LHS CTE Construction Trades Shade Structure● Castle CTE Construction Trades Shade Structure● MHS Replace Concrete in front of 200 Building● ECHS Install Roof Access Ladder at Gym Roofs
Fall/Spring 2018-2019	<ul style="list-style-type: none">● MHS Football /Baseball Concession/Restrooms/Ticket Booth



\$10,000,000 in future year facility projects

Five Year Planned Projects	AHS Campus Fencing AHS Irrigation to MID GVHS Culinary Class Modernization LHS Campus Fencing LHS Sewer and Gas Main replacement AHS Stadium Visitor Bleachers MHS Culinary Class Modernization AHS Sewer and Gas Main replacement MHS Playfield Irrigation upgrades
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Maintenance & Operations

- Grounds and pools- \$875,000
- Routine maintenance- \$2,050,000
- Deferred Maintenance- \$1,125,000

Maintenance and Operations

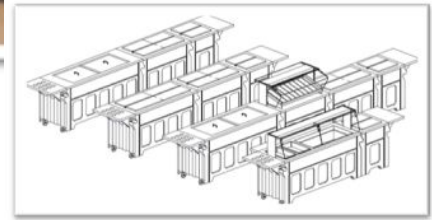
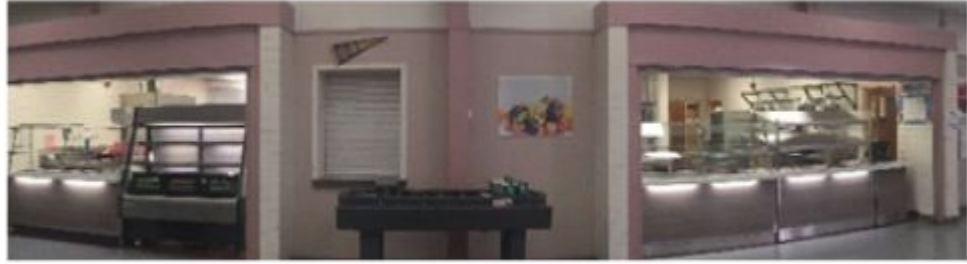
2018-2019 budgets	\$1,125,000 (Fund 14)
July/Summer 2018	<ul style="list-style-type: none"> • AHS Paint Boys Locker Room Floor • BCHS Replace Rubber Bark at Corner
Fall 2018	<ul style="list-style-type: none"> • AHS Replace Floor in Portable 501 • AHS Replace 3 HVAC/Reznors • BCHS Paint Metal Structure (back of campus) • GVHS Paint Weight Room in Tech Building • LHS Replace Roof at Concession Stand • MHS Paint Main Dining Area • MHS Remodel 300 Wing Restrooms • SHS Install new HVAC System (classrooms)
Spring 2019	<ul style="list-style-type: none"> • GVHS Paint Science 6 • MHS Replace Boiler (Fieldhouse) • MHS Replace Boiler (Girl's Locker Room) • MHS Replace Roof East 100 Wing
June/Summer 2019	<ul style="list-style-type: none"> • GVHS Replace 4 HVAC Controllers • LHS Replace Roof 900 Wing/Library • MHS Replace Faulty Sewer Pipes and Install Grease Interceptor at Cafeteria • MHS Repair Tennis Courts
Additional Projects to be scheduled (not included in budget amount)	<ul style="list-style-type: none"> • AHS Replace Pool Pump and Impeller • BCHS Paint Locker Room Building • DISC Install Security Fence • ECHS Relocate Irrigation Check Valves to Ground Level • MHS Replace Concrete Along Middle of 100 Wing • MHS Replace Boiler Room 1 Hot Water Heater

Nutrition Services

2018 - 2019 Budget	\$525,000 (in addition to General Fund support of operating costs- \$800,000)
Summer 2018	<ul style="list-style-type: none"> ●Replace work/prep tables, sink at MHS ●Replace convection ovens, double MHS, GVHS, LHS, AHS, BCHS ●Replace stove/range MHS, GVHS ●Refrigeration Unit at Warehouse ●Begin Replacement Food Service Lines MHS ●Begin Replacement Food Service Line AHS ●Outside Food Service Line (Galley Line), plus electrical AHS
Fall 2018	<ul style="list-style-type: none"> ●Food Service Line MHS (see above) ●Food Service Line AHS (see above) ●Cafeteria Seating AHS, BCHS ●Additional Food Services Line BCHS
Spring 2019	<ul style="list-style-type: none"> ●Additional Refrigeration, reach-in ECEC ●Update pantry shelving ECEC ●Outside Food Service Lines (Galley Lines), plus electrical – if funds allow
Summer 2019	<ul style="list-style-type: none"> ●Warehouse inventory tracking software
Out years to be scheduled (\$200,000)	<ul style="list-style-type: none"> ●Food Services vehicle to assist with off site feeding/summer feeding ●Continued service line upgrades to remaining schools, BCHS, GVHS, ECHS ●Continued equipment upgrades each school ●Continued upgrade to outside food service lines ●21-22 POS upgrade

Nutrition Services







Transportation

- Home to School (operating busses)- \$650,000
- White Fleet (operating other vehicles)- \$565,000
- Bus/fleet replacement- \$1,500,000

Transportation

2018-2019 budgets	\$1,873,600 (Fund 15- \$1,200,000 for 18-19 and carry over)
July/Summer 2018	<ul style="list-style-type: none"> • New buses • New White fleet • Bus lifts (LHS Yard) • Air Compressor (LHS Yard) • Tyler Drive tablet for all buses
Fall 2018	<ul style="list-style-type: none"> • New Active GPS Buses • New Active GPS White Fleet • Updated Video Camera System in buses • New utility flatbed trailer • Transportation yard security video camera system.
Spring 2019	<ul style="list-style-type: none"> • Updated digital fueling pumps (Diesel and Gasoline) for MHS yard, AHS and LHS yard • New shop truck. • D.E.F. Tanks (AHS and LHS) • California Association of School Bus Officials conference (10 Bus drivers)
June/Summer 2019	<ul style="list-style-type: none"> •
Out years to be scheduled (not included in budget amount)	<ul style="list-style-type: none"> • Same for 19-20 • Same for 20-21 • Same for 21-22 • New yard/modernize yard



The Truck and Bus Regulation initiated the Particulate Matter (PM) filter.

Installed in our 1999-2005 model buses in 2006. (PM or DPF) is a device designed to remove diesel **particulate matter** or **soot** from the exhaust gas of a diesel engine. Required by C.A.R.B.

A new Transit School Bus runs about \$195,000.

5 Buses will arrive this Summer (ordered in May)

Engine Model Year	Requirements for Heavier Trucks from January 1
Pre-1994	No requirements until 2015, then 2010 engine
1994-1995	No requirements until 2016, then 2010 engine
1996-1999	PM filter from 2012 to 2020, then 2010 engine
2000-2004	PM filter from 2013 to 2021, then 2010 engine
2005-2006	PM filter from 2014 to 2022, then 2010 engine
2007-2009*	No requirements until 2023, then 2010 engine
2010*	Meets final requirement

* Must have PM filter by January 1, 2014, if not originally equipped.

Bus Model	New			Amount Invested
	Purchase	AGE	Amount	
1999	2017	18	5	175K X 5 = 875K
1999	2017	18	1	
2000	2017	17	3	175K X 4 = 700K
2000	2018	18	3	175K X 3 = 525K
2005	2019	14	4	175K X 4 = 700K
2005	2020	15	4	175K X 4 = 700K
2007	2021	14	5	175K X 5 = 875K

<http://valleyair.org/grants/schoolbus.htm>

New Seat-Belt Designed Transit Buses will decrease the capacity of students from 84 to 65 passengers, meaning we will have to eventually end up with more than 25 School Buses in our Bus Fleet to compensate for the difference. The configuration may seat 54 comfortably.

White Fleet Vehicles needing to be replaced

unit #	year	OLD	make - model	Site	Odometer
46	1997	20	Chevy 2500 Suburban	ECEC	216,630
47	1997	20	Chevy 2500 Suburban	AHS	244,917
67	1991	26	Ford F 350 4 door Dually	Trans/loaner?	140,675
69	1991	26	Ford F 350 4 door Dually	Trans/loaner?	185,309
76	1995	22	GMC Safari	Trans/loaner	149,382
77	1998	19	Chevy Astro	Warehouse	122,047
79	1998	19	Ford F 800 Dump Truck	M & O	63,265
82	1997	20	Ford F 350 4 door Dually	GVHS	117,913
92	1999	18	Ford Expedition	LHS	182,863

Other Expenses for Improvements

Mechanic Training Courses	\$6,000
Travel Expenses	\$6,000
Save for New Yard / Modernization	\$50,000
Save for Large Equipment Purchases	\$30,000

I hope MUHSD continues to consider relocating the bus yard and shop to a larger, modernized and central facility to efficiently use our Mechanics, park more buses, and transport more eligible riders.



Information Technology

2018-2019 budgets	\$1,575,000 (Gen Fund plus Chromebook repair & network upkeep- \$485,000)
July/Summer 2018	<ul style="list-style-type: none">• Chromebox classroom pilot (early adopters) \$50,000
Fall 2018	<ul style="list-style-type: none">• Upgrade the server and some network infrastructure \$525,000
Spring 2019	<ul style="list-style-type: none">• Refresh ¼ Student Chromebooks \$900,000
June/Summer 2019	<ul style="list-style-type: none">•
Out years to be scheduled (not included in budget amount)	<ul style="list-style-type: none">• Annual student refresh• 19/20 Staff PC/Chromebox refresh• 20/21 Projectors & 2 computer labs per site• 21/22 Teacher Chromebooks• \$3.9M looming expense to refresh network infrastructure



Multi-Year Operating Projection (no grants)

ANNUAL INCOME & EXPENSES				
(Does Not Include Grants & One Time Money)				
	2017-2018	2018-2019	2019-2020	2020-2021
New LCFF/COLA		\$6,247,146	\$2,800,000	\$3,200,000
Total Ongoing Revenue	\$131,708,033	\$137,955,179	\$140,755,179	\$143,955,179
HR	\$101,578,106	\$103,078,106	\$106,189,579	\$109,372,496
new HR STRS/PRS (published rates)		\$1,841,747	\$1,894,440	\$1,528,771
new HR Step/Column (1.25%)		\$1,269,726	\$1,288,476	\$1,327,370
Operating Budgets	\$26,810,202	\$26,810,202	\$26,810,202	\$26,810,202
Facilities Transfer	\$1,200,000	\$2,000,000	\$2,000,000	\$2,000,000
Other One Time Exp and Reserves	\$4,308,220	\$2,955,398	\$2,572,481	\$2,916,341
BALANCE	-\$2,188,495	\$0	\$0	\$0



Between \$2,572,481 & \$2,955,398 to budget-

- Have not completed negotiations with either bargaining unit
- \$10,000,000 in year 2-5 of facility plan that could be moved forward
- Multiple M & O projects identified but unbudgeted
- Increase replacement of busses and white fleet, cover costs of opening Livingston yard
- \$3,900,000 in potential future expenses to replace/upgrade network infrastructure



General Fund Balance & Other Funds

- Estimated Ending Balances for 2017-2018
- General Fund
 - Restricted or assigned (grant money, categorical carry over, PARS)- \$9,873,133
 - Economic Uncertainties (and cash flow) of 10%- \$4,879,412
- Fund 17 Special Reserve
 - Economic Uncertainties (and cash flow) of 10%- \$9,000,000
 - CTE facility grant matching funds or projects- \$3,233,040
- Fund 20 OPEB- \$0