

DISTRICT REVENUE SOURCES & LIMITATIONS/RESTRICTIONS ON THE USE OF FUNDS

Governing Board Presentation

May 9th, 2019

Purpose

School funding issues can be complicated and difficult to understand.

It is our desire to make them understandable so that Campbell community members may have a deeper understanding of how the public's funds are used to support TK-8 education in the district.

What We Will Cover

- School district accounting structure
- Revenue sources of each fund & the limitations/restrictions of the funds
- District financial information

School District Accounting Structure

The accounting system is organized and operated on a fund-by-fund basis.

- A fund is defined as a fiscal and accounting entity
- A self-balancing set of accounts
- Segregated for the purpose of specific activities
- In accordance with special regulations, restrictions or limitations

District Funds

- General Fund
- Child Development Fund
- Cafeteria Fund
- Special Reserve Fund
- Building Fund
- Capital Facilities Fund
- Debt Services Fund
- Self Insurance Fund
- Retiree Benefit Fund

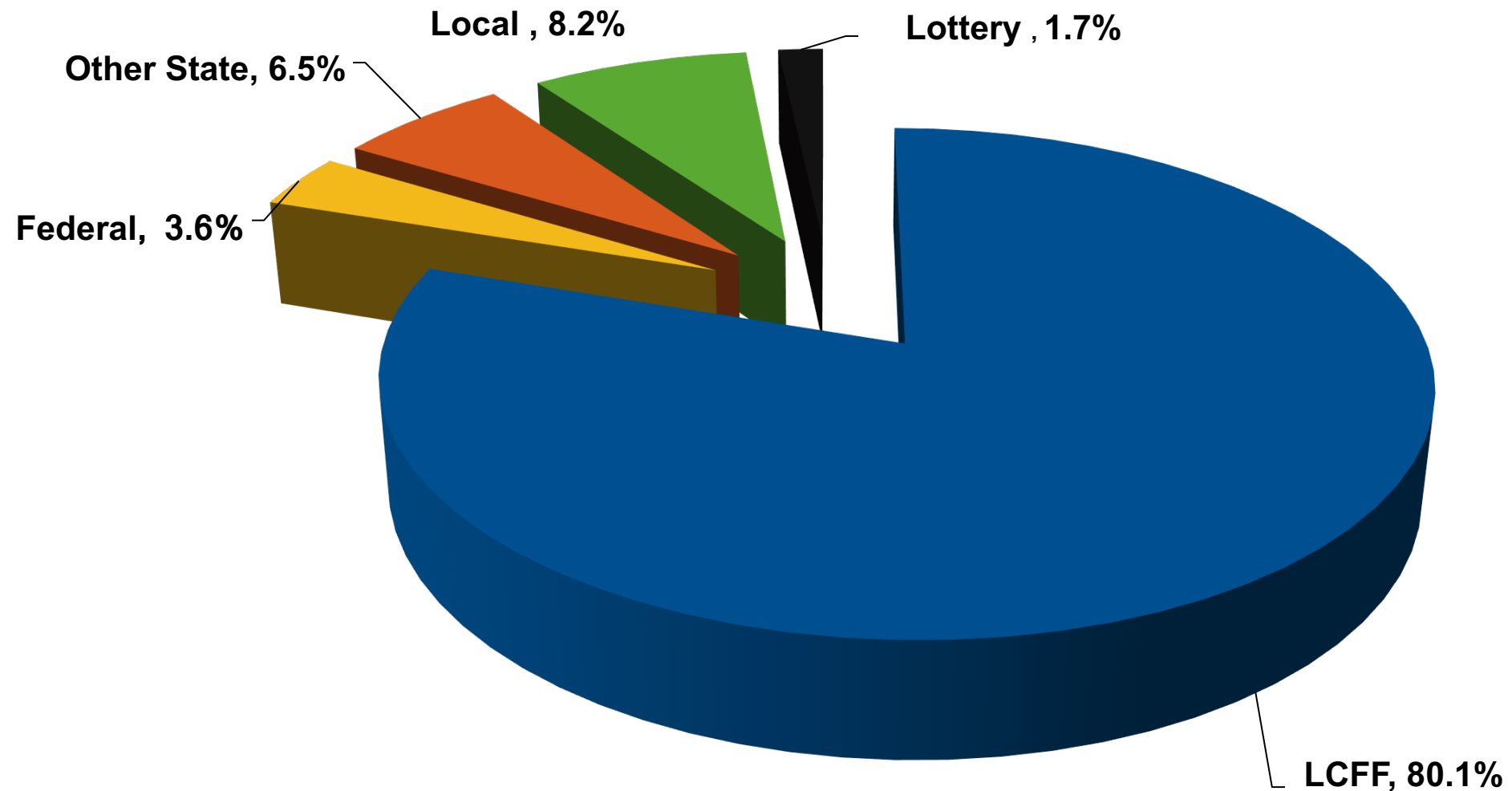
General Fund – The main operating fund

Two Basic Types of General Fund Revenue

- Restricted - Can only be used for specific purposes
 - Examples include: Title I, Title II, Special Education fund, Parcel Taxes, Proposition 20 Lottery fund and Local donation accounts
 - Restricted fund are sometimes called categorical fund
- Unrestricted – General Operating Funds
 - Mostly composed of state Local Control Funding Formula (LCFF)
 - One-time discretionary state grant
 - State mandated cost revenue
 - Lottery non-proposition 20
 - Facility lease revenue
 - Interest revenue

General Fund Revenue Sources

General Fund Revenue Sources 2018-19



General Fund Revenue Sources

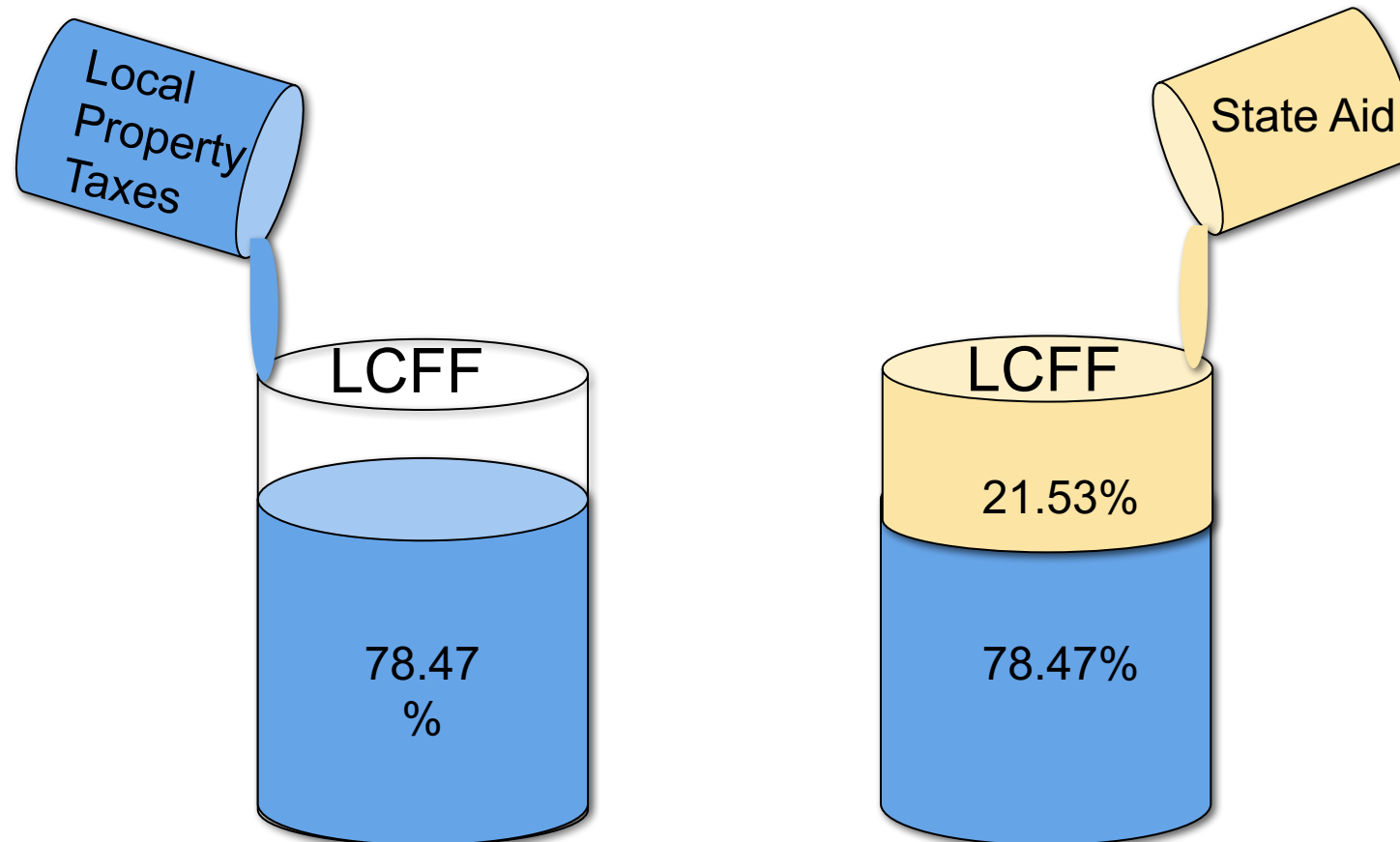
Major unrestricted revenue is from State Local Control Funding Formula (LCFF)

- Base Grant by grade spans per Average Daily Attendance (ADA)
- Added funding for TK-3 Class Size Reduction, 10.4% of TK-3 Base Grant
- Additional Supplemental Grant, 20% of Base Grant multiplied by ADA and the unduplicated percentage of targeted disadvantaged pupils (unduplicated count percentage). Targeted pupils are:
 - English Learner population
 - Pupils eligible for free and reduced-price meals
 - Foster students
- Additional Concentration Grant equal to 50% of Base Grant multiplied by ADA and the unduplicated count percentage exceeding 55% of total enrollment

General Fund Revenue Sources (cont.)

Campbell Union School District 2018-19 LCFF Funding

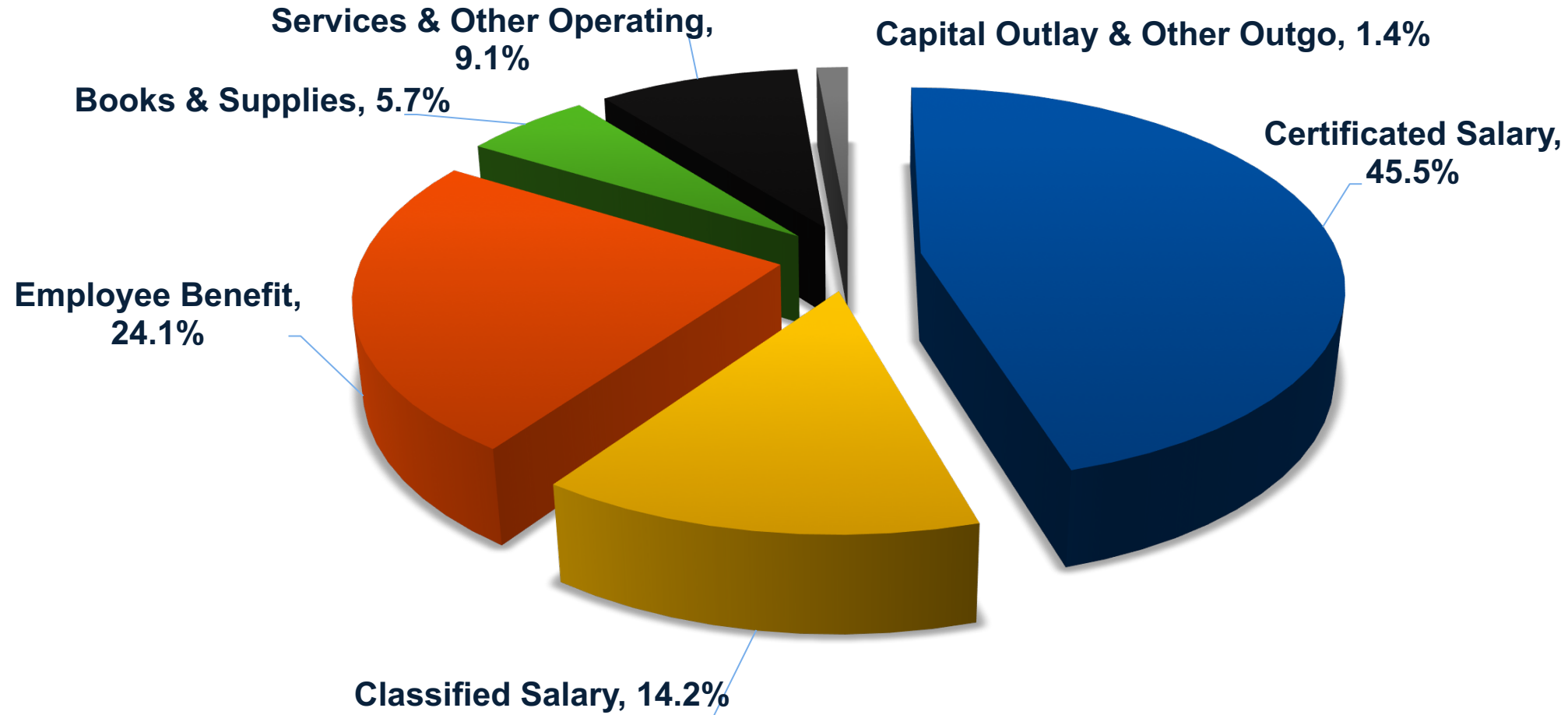
- Local property taxes don't reach LCFF level
- State provides State Aid to the District up to the LCFF funding level



General Fund Revenue Sources (cont.)

- Other State Revenues
 - Lottery
 - One-time discretionary grant
 - Mandated cost revenue
- Federal Revenues
 - Categorical for special purpose (Title I, Title II, Special Education)
 - Restricted Revenues
- Local Revenue
 - Parcel taxes – Voter-approved special taxes revenue, restricted to ballot measure language
 - Other Restricted - Local grants, donations, transportation fees
 - Unrestricted – Interest Income, facility lease income
 - Special Education Local Plan Area (SELPA) funds that are transferred to district. They are restricted to special education expenditures.
 - Transfer from Extension funds

General Fund Expenditures



* Salary and benefits make up about 84% of the expenditure

General Fund Fund Balances

Fund balances are classified as:

- Nonspendable: to reflect the value of nonexpendable asset account; revolving cash, stores, prepaid expenditures.
- Restricted: to reflect the amounts constrained to specific restricted programs, unspent balances of restricted state and federal grants
- Committed: to reflect the specific purposes determined by a formal board action
- Assigned: to reflect the intended to be used for specific purposes; site carryover, parcel tax carryover, Stimulus fund, textbook purchase fund
- Unassigned: It is available reserve
 - Reserve for Economic Uncertainties: minimum 3% required
 - Unappropriated amount: spendable amounts

Other District Funds

- Required by state guidelines
- Used to segregate revenues and expenditures
- Restricted for specific uses

Other District Funds (Cont.)

- **Child Development Fund** – federal, state and local resources to operate child development programs
 - Preschool
 - After school program
- **Cafeteria Fund** - federal, state and local resources to operate the food service programs
 - Breakfast
 - Lunch
 - After School Meal

Other District Funds (Cont.)

- **Special Reserve Fund**
 - Reserve for Economic Uncertainty for general operating purposes
- **Building Fund**
 - Voter approved bond measures
 - Proceeds from the sale of bond
 - Can only used for those projects on the ballot for bond measures
- **Capital Facilities Fund**
 - Monies received from fees levied on developers or other agencies
 - Expenditures are restricted to the purposes of providing adequate school facilities

Other District Funds (Cont.)

- **Debt Services Fund** - accumulation of resources for the payment of principal and interest on general long-term obligations
- **Self-Insurance Fund**
 - Monies received for Workers' Compensation self-insurance activities from other operating funds of the District
 - Expenditures are restricted to workers' compensation related expenses.
- **Retiree Benefit Fund**
 - Irrevocable contributions to California Employers' Retiree Benefit Trust (CERBT)
 - Required reserve for postemployment health benefits

District Financial Information

- District website for the latest budget information
<https://www.campbellusd.org/news/budget-cuts-for-2019-20>
- California Department of Education www.cde.ca.gov
 - Financial & grants information – Awarded amount and expenditure regulations
 - Data and statistics – Ed-DATA an outside sources <http://www.ed-data.org/>
 - Prior year district financial data
 - Create comparison reports with districts in California