

# Budget Workshop

March 26, 2014

# Overview of Governor's Budget

- Local Control Funding Formula (LCFF)— new reality of funding distribution
  - Each district will produce a Local Control Accountability Plan (LCAP)
    - Sets annual goals and describes how the district will use available resources
    - Board required to adopt budget that aligns with district LCAP
  - LCFF combines all funding for schools: COLA, base restoration/deficit reduction, equalization, and weighted categorical funding combined in one calculation
    - LCFF first calculates the Target when fully implemented in 2020-21
    - Secondly calculates 'floor' or minimum level of funding by looking at prior year base per ADA – including former categoricals and PY Gap funding
    - Finally calculates difference between Target and Floor and applies a Gap percentage funded amount for the fiscal year

# Factors which will make MYP less certain than in past:

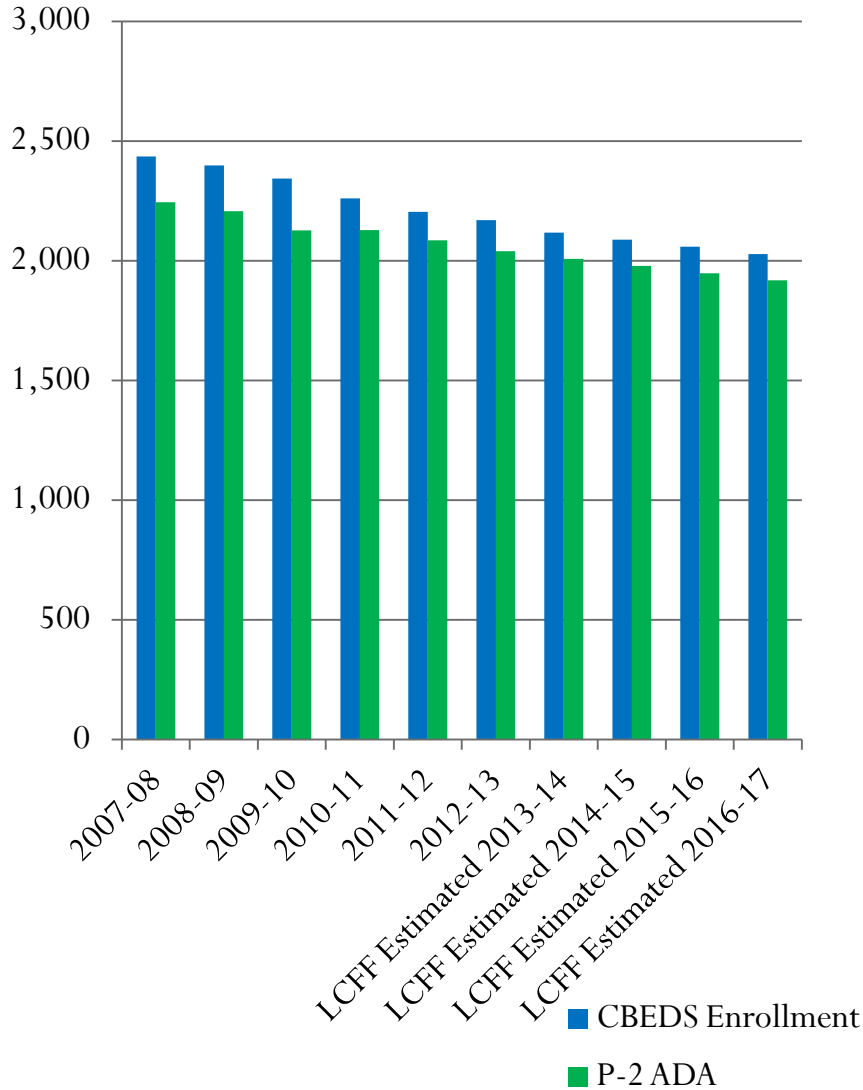
- Projected Gap Funding – how much will the state appropriate?
  - Department of Finance and School Services of California recommendations vary
- Projected COLA – applied to the Target, not the current year
- Projected Supplemental Grant funding – what will our student population look like in future?
- Potential cost increases in STRS and PERS
- Affordable Care Act – unintended costs to employers

# IMPACT of LCFF on WSCUHSD

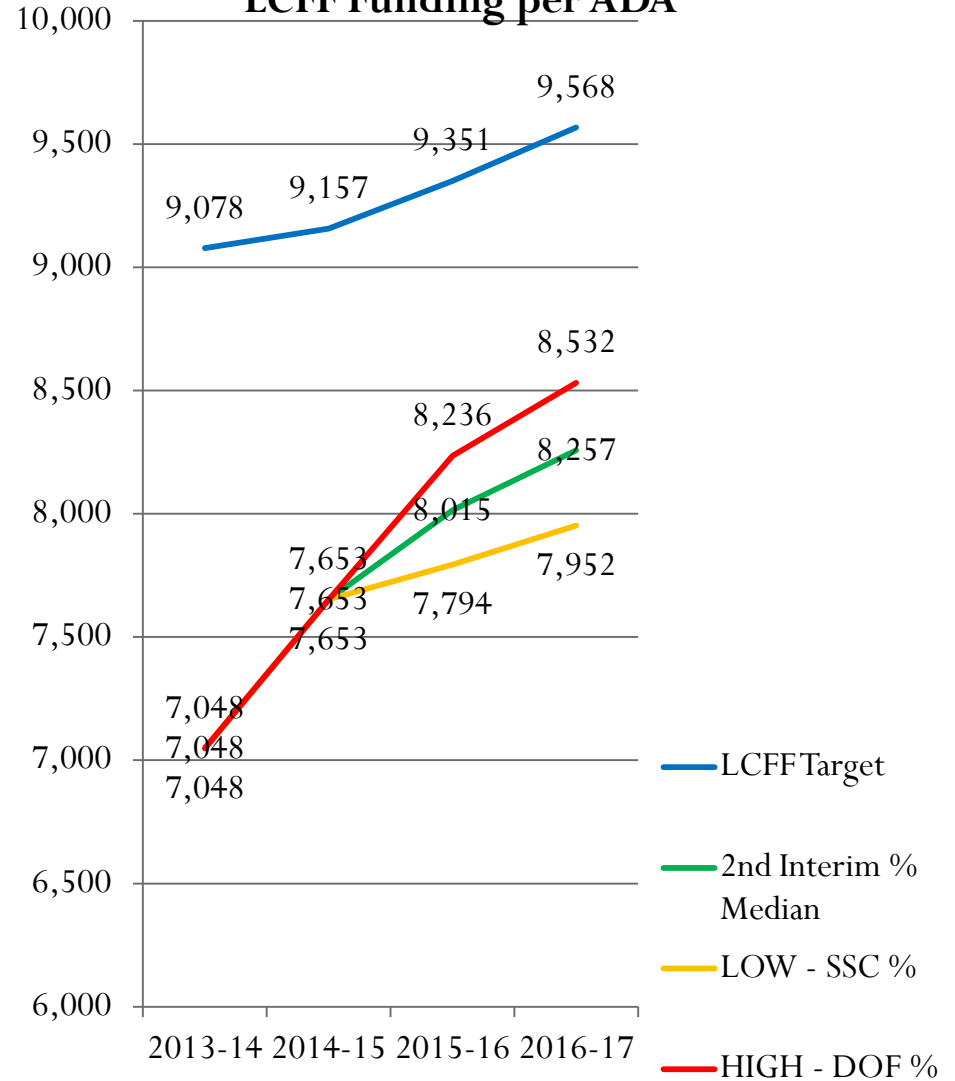
- LCFF based on new grade level funding bands
- Target to be reached in 2020-21 – an 8 year transition from 2013-14
- Target Funding of \$9,078 (increases with COLA)
  - Grade 9 – 12 Target Base: \$8,419
  - Adjustment of 2.6% for CTE: \$ 219
  - Supplemental Grant (25.45%): \$ 440
- Estimated 2013-14 funding at \$7,048 per ADA
- Estimated 2014-15 funding at \$7,653 per ADA
- Estimated 2015-16 funding at \$8,015 per ADA

# Enrollment, Attendance, LCFF Projections

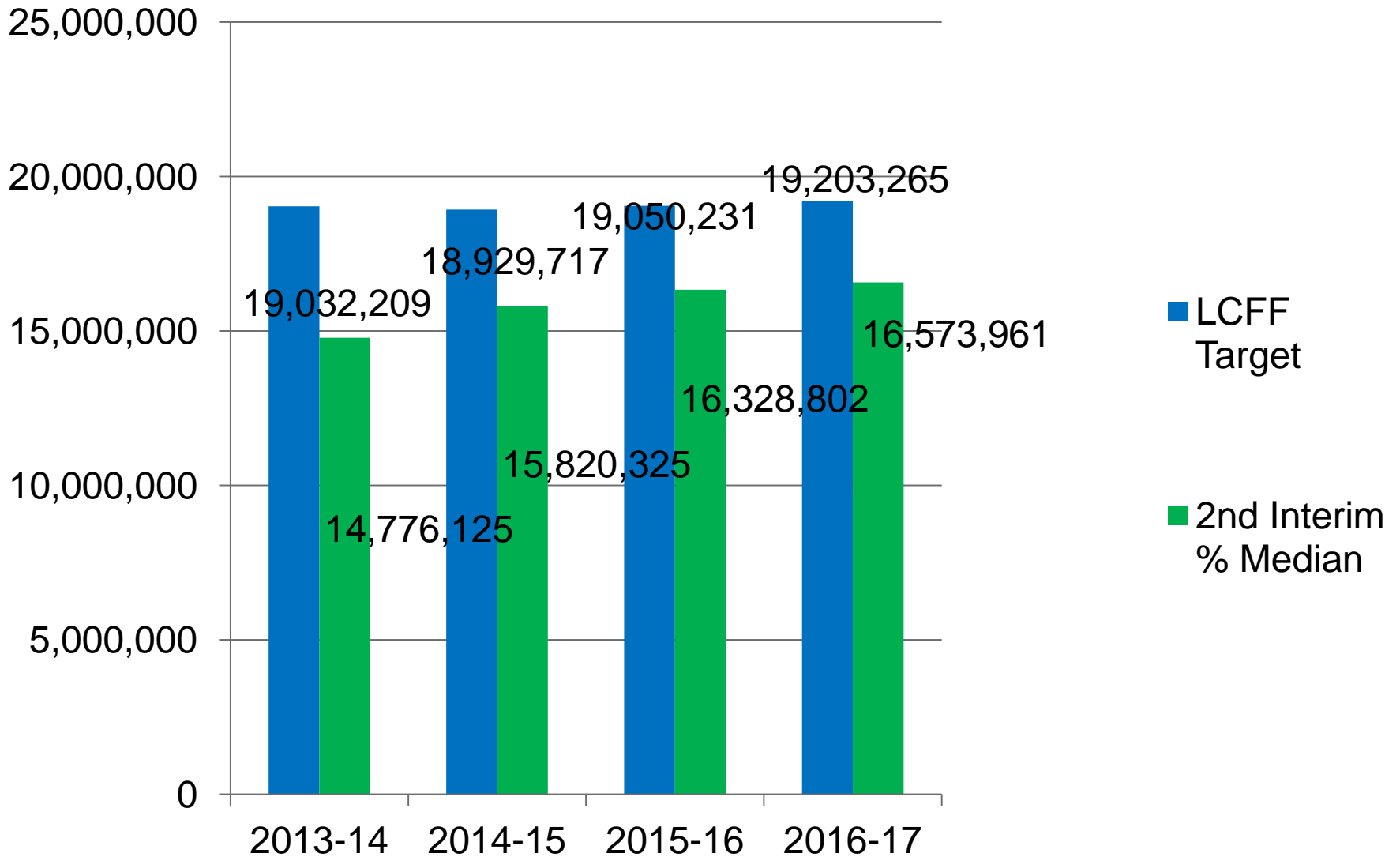
## Enrollment and Attendance



## LCFF Funding per ADA

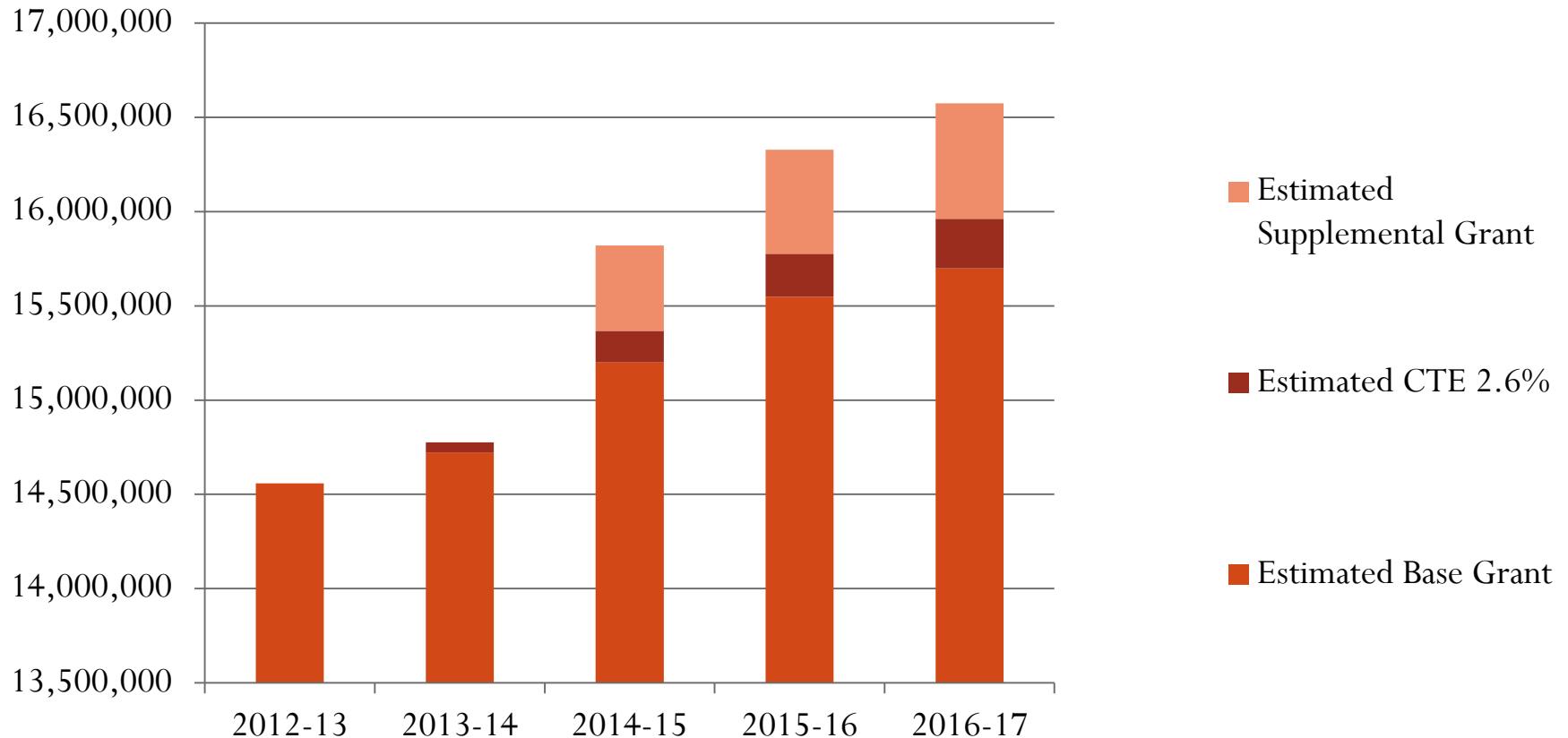


# LCFF and WSCUHSD



# Components of LCFF

	2012-13	2013-14	2014-15	2015-16	2016-17
Estimated Base Grant	14,558,119	14,722,039	15,199,920	15,548,682	15,698,652
Estimated CTE 2.6%		54,086	167,065	227,891	263,352
Estimated Supplemental Grant	NA	NA	453,340	552,229	611,957
Estimated minimum proportionality % (minimum increase or improvement in services to non-duplicated pupil count)	NA	NA	2.95%	3.50%	3.83%
Total LCFF Funding	14,558,119	14,776,125	15,820,325	16,328,802	16,573,961
Increase to Base Grant		163,920	477,882	348,762	149,969



2013-14 Second Interim  
recommended for Board approval

Object Codes	Budget Year – 2013-14			Year 2 – 2014-15			Year 3 – 2015-16		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
COLA (enter percentage)	enter in "Total" column		1.57%	enter in "Total" column		0.86%	enter in "Total" column		2.12%
GAP Funding Rate (enter percentage)	enter in "Total" column		11.78%	enter in "Total" column		28.05%	enter in "Total" column		20.88%
ADA for LCFF purposes (current or prior year)			2,096.52			2,067.24			2,037.24
<b>Revenue</b>									
1 LCFF/Revenue Limit Sources 8010-8099	14,269,663	755,349	15,025,012	15,297,890	771,322	16,069,212	15,781,960	795,729	16,577,689
2 Federal Revenues 8100-8299	121,461	1,050,232	1,171,693	121,461	1,050,232	1,171,693	121,461	1,050,232	1,171,693
3 State Revenues 8300-8599	383,141	748,314	1,131,455	378,731	290,429	669,160	374,321	289,344	663,665
4 Local Revenues 8600-8799	602,391	3,616,199	4,218,590	602,391	3,529,409	4,131,800	512,391	3,269,040	3,781,431
5									
6 <b>Total Revenue</b>	15,376,656	6,170,094	21,546,750	16,400,473	5,641,392	22,041,865	16,790,133	5,404,345	22,194,478
7									
<b>Expenditures</b>									
9 Certificated Salaries 1000-1999	6,284,501	2,697,703	8,982,204	6,450,800	2,788,916	9,239,716	7,039,308	2,443,805	9,483,113
10 Classified Salaries 2000-2999	1,437,827	878,793	2,316,620	1,553,461	901,170	2,454,631	1,568,995	910,182	2,479,177
11									
12 Employee Benefits – Statutory 3101-3399;3501-3699;3800	964,389	474,764	1,439,154	1,058,732	508,368	1,567,100	1,127,484	472,049	1,599,532
Employee & Retiree Benefits – Health & Welfare 3400-3499;3700-3799;3900-3998	2,747,525	1,295,545	4,043,070	3,041,924	1,321,541	4,363,466	3,180,501	1,455,407	4,635,908
14 Books and Supplies 4000-4999	588,671	369,487	958,158	644,063	410,277	1,054,340	725,503	161,482	886,985
15 Services, Other Operating Expenses 5000-5999	1,054,209	2,325,008	3,379,217	1,054,209	2,443,258	3,497,467	1,054,209	2,542,691	3,596,900
16 Capital Outlay 6000-6999	313,757	2,700	316,457	-	-	-	-	-	-
17 Other Outgo 7100-7499	259,918	135,093	395,011	302,253	135,093	437,346	302,253	135,093	437,346
18 <b>Total Expenditures</b>	13,650,796	8,179,094	21,829,890	14,105,441	8,508,624	22,614,065	14,998,252	8,120,709	23,118,961
19									
20 <b>Excess (Deficiency)</b>	1,725,860	(2,008,999)	(283,140)	2,295,031	(2,867,232)	(572,200)	1,791,881	(2,716,364)	(924,483)
21									
22 Transfers In 8910-8929		65,000	65,000		65,000	65,000		65,000	65,000
23 Transfers Out (enter as negative) 7610-7629	(90,000)		(90,000)	(86,000)		(86,000)	(80,000)		(80,000)
24 Other Sources 8930-8979			-			-			-
25 Other Uses (enter as negative) 7630-7699			-			-			-
26 Contribution to Restricted Program 8980-8999	(2,102,559)	2,102,559	-	(2,294,610)	2,294,610	-	(2,520,502)	2,520,502	-
27 <b>Total Transfers/Other Uses</b>	(2,192,559)	2,167,559	(25,000)	(2,380,610)	2,359,610	(21,000)	(2,600,502)	2,585,502	(15,000)
28									
29 <b>Net Increase (Decrease)</b>	(466,699)	158,560	(308,140)	(85,579)	(507,621)	(593,200)	(808,622)	(130,861)	(939,483)
30 <b>Fund Balance</b>									
31 Beginning Balance	2,925,013	587,891	3,512,904	2,458,314	746,451	3,204,765	2,372,735	238,829	2,611,565
32 Audit Adjustment(s)			-			-			-
33 <b>Net Ending Balance</b>	2,458,314	746,451	3,204,765	2,372,735	238,829	2,611,565	1,564,113	107,968	1,672,081
34 <b>Components of Ending Balance:</b>									
35 Reserves for Economic Uncertainties 9789	657,597		657,597	681,002		681,002	695,969		695,969
36 Revolving Cash 9711	7,450		7,450	7,450		7,450	7,450		7,450
Assigned for unspent carryover - school site 9780	150,000		150,000	150,000		150,000	150,000		150,000
Assigned for unspent carryover (CCSS) 9740		248,795	248,795			-			-
Assigned for tech. hardware replacement 9780	30,000		30,000	30,000		30,000	30,000		30,000
37 Unappropriated Ending Balance 9790	1,613,267	497,656	2,110,923	1,504,283	238,829	1,743,113	680,695	107,968	788,663
38 <b>Net Ending Balance</b>	2,458,314	746,451	3,204,765	2,372,735	238,829	2,611,565	1,564,113	107,968	1,672,081
<b>Economic Uncertainties required level</b>			<b>3%</b>			<b>3%</b>			<b>3%</b>



# Impact of LCFF

- Career Technical Education
  - ROP funded at County Office – rolled into SCOE’s LCFF base amount
  - SCOE funding 2013-14 same as 2012-13, decreases by 25% in 2014-15, and by 100% in 2015-16
  - 2.6% addition to WSCUHSD base
    - 2.6% does not fully fund our current number of sections offered students
  - In 2015-16 all costs associated with ROP/CTE have been included in the unrestricted column to cover potential cost shift from SCOE to District
- Transportation
  - Funds remain static and NO COLA added
  - Any increase in cost of transportation is funded by District

# Federal Revenue

- 2013-14      \$ 1,171,693
  - Special Education, Title II, Title III, Perkins
  - Title I – non-participation continued
- 2014-15      flat funding from 2013-14
  - Beginning in 2014-15 SELPA funding changes will affect revenue received by Consortium. Federal revenue will decrease and be covered by an increase in excess cost billed to partner districts and recorded in Local Income.
- 2015-16      flat funding from 2013-14

# Parcel Tax Revenue

- 2013-14      \$1,098,432
  - 2013 Measure K @\$48 per parcel beginning 7/01/13
- 2014-15      \$1,098,432
  - Continued funding same as 2013-14 (voter approved for 8 years)
- Funding to be used for:
  - Keeping school libraries open
  - Maintaining small class sizes
  - Improving or maintaining art, music, and drama programs
  - Improving or maintaining shop, culinary, technology, and other career education classes
  - Improving or maintaining college prep courses
  - Maintaining student counseling services

## Budget Adjustments since 2<sup>nd</sup> Interim

- Continued budget monitoring to reflect actual expenses and estimated expenses through 6/30/2014.
- Adjustments to reserves through March 25, 2014:
  - Overall increase of \$66,458
    - Increase in prior year revenue limit based in P-1 recertification
  - Unappropriated Ending Fund balance 2013-14      \$3,271,222
- More adjustments will occur as we approach the end of the year and use 2013-14 as a base for the 2014-15 budget development.

# Expenditure Projections

- 3 furlough days for all units in 2013-14
- All furlough days restored, plus 1 Certificated workday for 2014-15 and 2015-16
- Step and Column increased costs
- Current MYP included a 1.0 Certificated FTE reduction in 2014-15 and an additional 1.0 FTE reduction in 2015-16; to be reviewed and updated with May 2014 final layoffs
- Health Benefits increased costs – 10% annual (12% premium increase)
- Books and supplies reflect one-time expenses for Common Core implementation and current estimates for textbook purchases
- Contributions reflect needs of restricted programs

# Parcel Tax Support

- Parcel tax language was to “maintain and improve”
  - “Maintain” sections and services District was poised to eliminate
    - Sections of Arts, CTE, College Prep/AP
    - Guidance counseling
    - Library
  - “Improve” sections and services continued (examples from 2013-14)
    - AP Environmental Science (AHS)
    - Ecological Action (AHS)
    - French III/IV (EHS)
    - AP Chemistry (EHS)
    - Digital Media/Marketing (AHS, EHS)
    - Crisis Counselors – days and hours increased
    - Library hours – hours added

# Contributions from General Fund 2013-14

● District Testing	\$ 12,420
● Community Day School	\$ 141,018
● Career Technical Ed (ROP)	\$ 26,095
● Transition Partnership Program	\$ 2,473
● High School District Special Ed	\$1,278,896
● Consortium Nurse/Psych	\$ 88,604
● Consortium SH/SDC & Admin.	\$ 172,932
● Routine Restricted Maintenance	\$ 349,000
● Cafeteria Fund	<u>\$ 90,000</u>
● TOTAL	\$2,161,438

# Routine Restricted Maintenance

- Increase contribution to 3% by 2015-16
  - Flexibility to contribute less than 3% sunsets

Currently contributing \$414,000 = 2%

Increase of \$210,000 required by 2015-16 to full 3% = \$625,000

Restricted maintenance includes those activities that are required to repair, restore, or renovate school property, including grounds, buildings, site improvements, building fixtures, and service systems. It can include salaries of workers and/or the engagement of contractors.

The M&O department is currently being reviewed for appropriate staffing levels for maximum efficiency.



# Other Needs

- Technology equipment replacement fund (Common Core assessments) \$30,000 ongoing annual set aside/expense included – is it enough?
- Facilities and a deferred maintenance reserve for future projects such as field/turf replacements, tennis court resurfacing, roofing, painting, and flooring replacements (\$30,000 annually)
- Enrollment Strategies Committee
- Local Control Accountability Plan (LCAP)

# Enrollment Strategies Committee

- Allocate resources (e.g. staff time) to
  - Create integrated Science Technology Engineering Art and Mathematics (STREAM) curriculum
  - Create strengthened music program
  - Create Farm to Table curriculum (if possible, partner with SRJC Shone Farms)
  - Create public safety magnet program (if possible, partner with SRJC)
  - Create health care magnet program (if possible, partner with SRJC)
  - Create adult education school, including EL classes, parent skills, parent ambassadors, GED
  - Offer online courses and blended “computer” classrooms
  - Expand SRJC course offerings on District campuses and in West County before, during and after the regular school day
- Create new position or positions to
  - Coordinate and expand support for Hispanic families, including ELAC support
  - Develop and coordinate partnerships, including internships, with local business and community and develop stronger partnerships with higher education
  - Expand and coordinate marketing, including outreach to alumni, parents and community; and outreach to middle schools

# LCAP Stakeholder Input

8 state priority areas in 3 major groupings

- **CONDITIONS OF LEARNING**
  - Textbooks, technology and staff development to implement Common Core
  - Custodian, grounds and maintenance
  - Salaries and benefits
  - Beginning Teacher Support and Assessment (BTSA)
  - CTE courses
  - Internships and work-based learning opportunities

# LCAP Stakeholder Input

8 state priority areas in 3 major groupings (continued)

- PUPIL OUTCOMES

- Challenge and support students to be career & college ready
  - AVID / META classes to encourage college-going
  - Outreach to middle school students and parents
- Academic intervention and support classes
- Summer School / after school credit make-up
- Alternatives to suspension and expulsion

# LCAP Stakeholder Input

8 state priority areas in 3 major groupings (continued)

- PARENT INVOLVEMENT, STUDENT ENGAGEMENT, SCHOOL CLIMATE
  - Outreach to middle school students and parents
  - Distance learning opportunities
  - Library access
  - School-wide and classroom emergency supplies

# Transportation budget

	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
Home to School Excess Costs	201,624	252,920	281,907
Special Ed Fixed Costs	67,796	71,308	115,302
Special Ed Home to School **	279,874	270,462	270,000
<b>Total General Fund</b>	<b>549,294</b>	<b>594,690</b>	<b>667,208</b>
Facility Lease Home to School	16,034	15,404	14,831
Facility Lease - Spec Ed	8,589	8,074	7,473
<b>Total Developer Fee Fund</b>	<b>24,623</b>	<b>23,478</b>	<b>22,304</b>
<b>GRAND TOTAL</b>	<b>573,917</b>	<b>618,168</b>	<b>689,512</b>
excess cost refund 1 x	89,959	60,785	

\*\* \$30.25 per student per day transported - billed monthly based on usage

Shaded area = estimate

# Deficit Spending

## Deficit Spending Pattern - History

	Actuals	Ending Fund Balance	Ending Cash Balance	cash % of FB
2008/09	569,410	3,882,464	2,481,133	63.91%
2009/10	602,741	4,014,444	2,251,652	56.09%
2010/11	(94,876)	3,919,567	2,523,940	64.39%
2011/12	232,426	4,151,994	1,845,113	44.44%
2012/13	(639,089)	3,512,904	3,543,185	100.86%
2013/14*	(241,682)	3,271,223	2,460,482	75.22%
2014/15*	(593,200)	2,611,565	1,722,011	65.94%
2015-16*	(939,483)	1,672,081	1,102,535	65.94%

\*Projection

# Special Accounts in addition to General Fund

- NOT included in the MYP, separate sources of funding
- Budgets are developed individually by Fund
  - 13 - Cafeteria Fund – requires contribution from GF
  - 21 – Bond Fund – MEASURE I projects
    - ACTIVE PROJECTS CURRENTLY IN PROGRESS
      - Projected Beginning Balance for 2014-15 \$1,032,623
  - 25 – Developer Fee Fund - can be used in conjunction with other construction related projects
    - ACTIVE PROJECTS CURRENTLY IN PROGRESS WITH BOND FUND
      - Projected Beginning Balance for 2014-15 \$472,880
  - 35 – School Facilities Fund – state apportionments for construction
    - Close out of OLD projects with DSA in progress may free up use of money in fund and to prevent possible delay in future DSA approval of projects
      - Projected Beginning Balance for 2014-15 \$401,066



# LCFF Accountability

- Accountability
  - New accountability regulations are unfolding
  - Each district must adopt a Local Control Accountability Plan (LCAP) for 2014-15
  - The local school agency goals for the LCAP need to be based on eight state mandated priority areas

# LCAP and Budget Adoption Timeline

- Enrollment Strategies Committee and other stakeholder input being collected
- Board Goals Workshop (consider Enrollment Strategies Committee recommendations and LCFF stakeholder input) April 23
- Draft LCAP and public hearing at Board meeting (date TBA) prior to June 25 Board meeting
- Draft 2014-15 Budget Preview and public hearing at Board meeting (date TBA) prior to June 25 Board meeting
- LCAP and Budget Adoption June 25 Board meeting

Questions?