

Budget Workshop

March 25, 2015

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Overview of Governor's Budget

- Local Control Funding Formula (LCFF) – new reality of funding distribution
 - Each district produces a Local Control Accountability Plan (LCAP)
 - Sets 3-year goals and describes how the district will use available resources
 - Board required to adopt budget that aligns with district LCAP
 - LCFF funding is based on the demographic profile of students served and will be phased in over a multiple year period
 - 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:

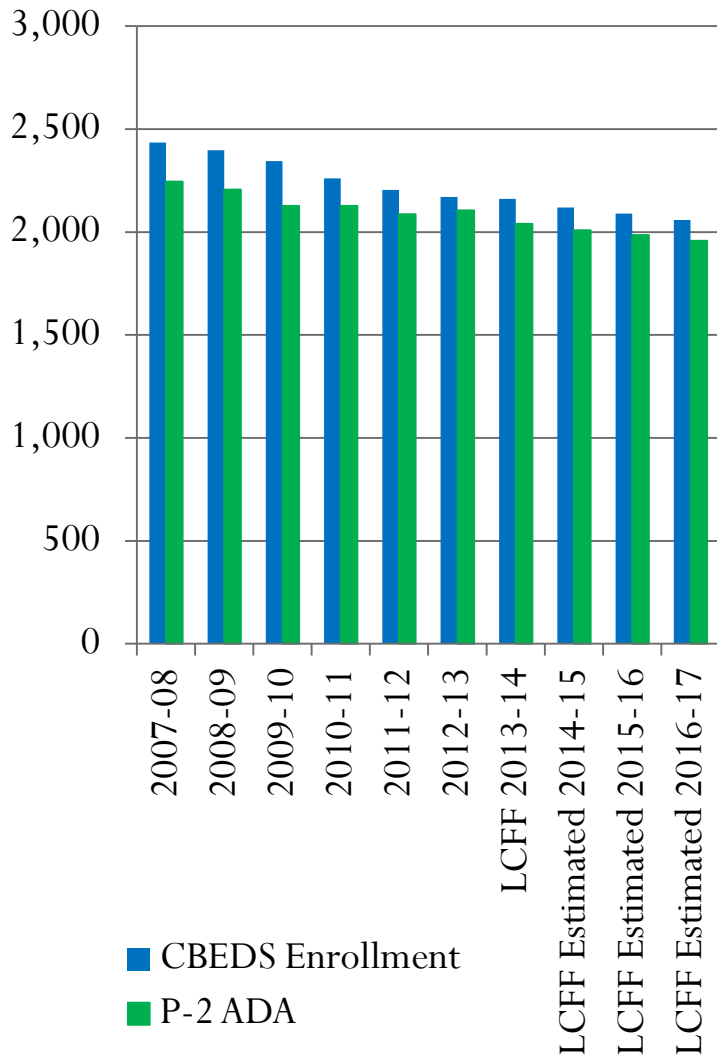
- Projected Gap Funding – how much will the state appropriate?
 - Department of Finance and School Services of California estimations vary - and districts will use estimations on risk tolerance
 - Current WSCUHSD – use DOF but assign a reserve of difference between DOF and SSC until recommendations match
- Projected COLA – applied to the Target, not the current year
- Projected Supplemental Grant funding – what will our student population look like in future?
- Cost increases in STRS and PERS
- Affordable Care Act – unintended costs to employers
- Funding for Transportation

IMPACT of LCFF on WSCUHSD

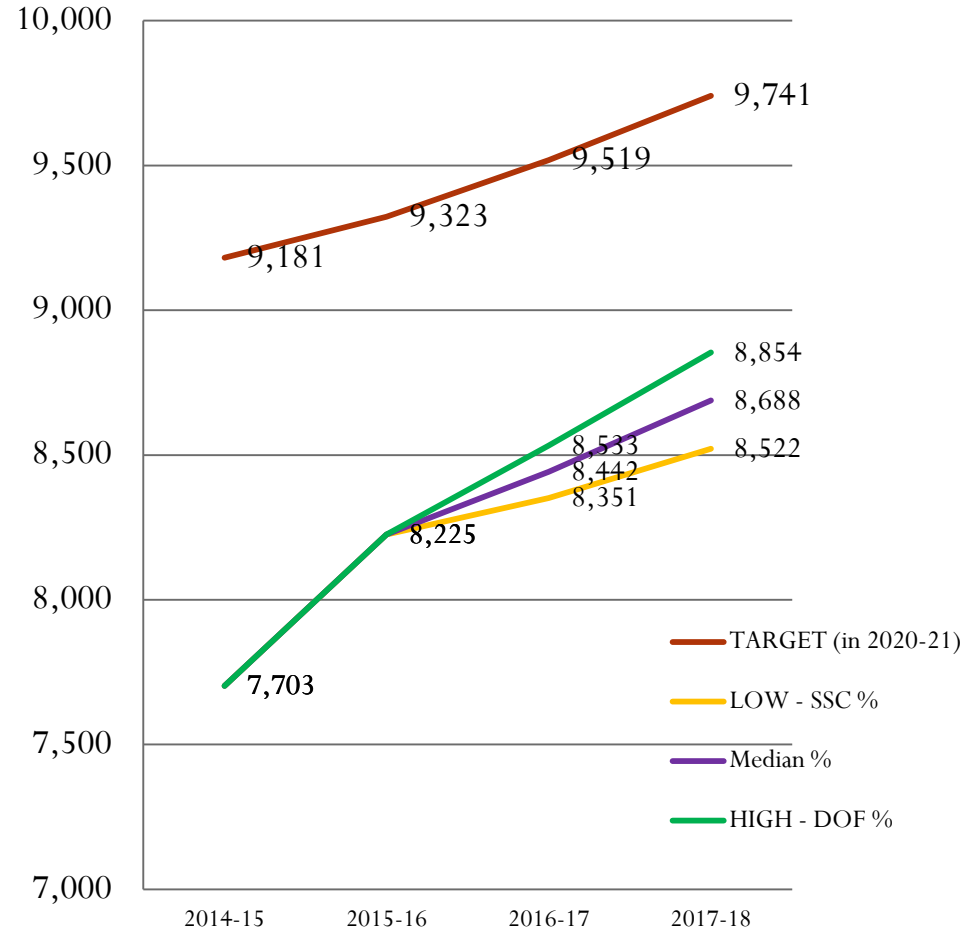
- LCFF based on grade level funding bands
- Target to be reached in 2020-21 – 2015-16 is year 3 of 8 year transition
- Target for 2015-16 of \$9,323 (increases with COLA)
 - Grade 9 – 12 Target Base: \$8,625
 - Adjustment of 2.6% for CTE: \$ 224
 - Supplemental Grant (26.76%): \$ 474
- Estimated 2014-15 funding at \$7,703 per ADA
- Estimated 2015-16 funding at \$8,225 per ADA
- Estimated 2016-17 funding at \$8,533 per ADA
- Estimated 2017-18 funding at \$8,854 per ADA

Enrollment, Attendance, LCFF Projections

Enrollment and Attendance

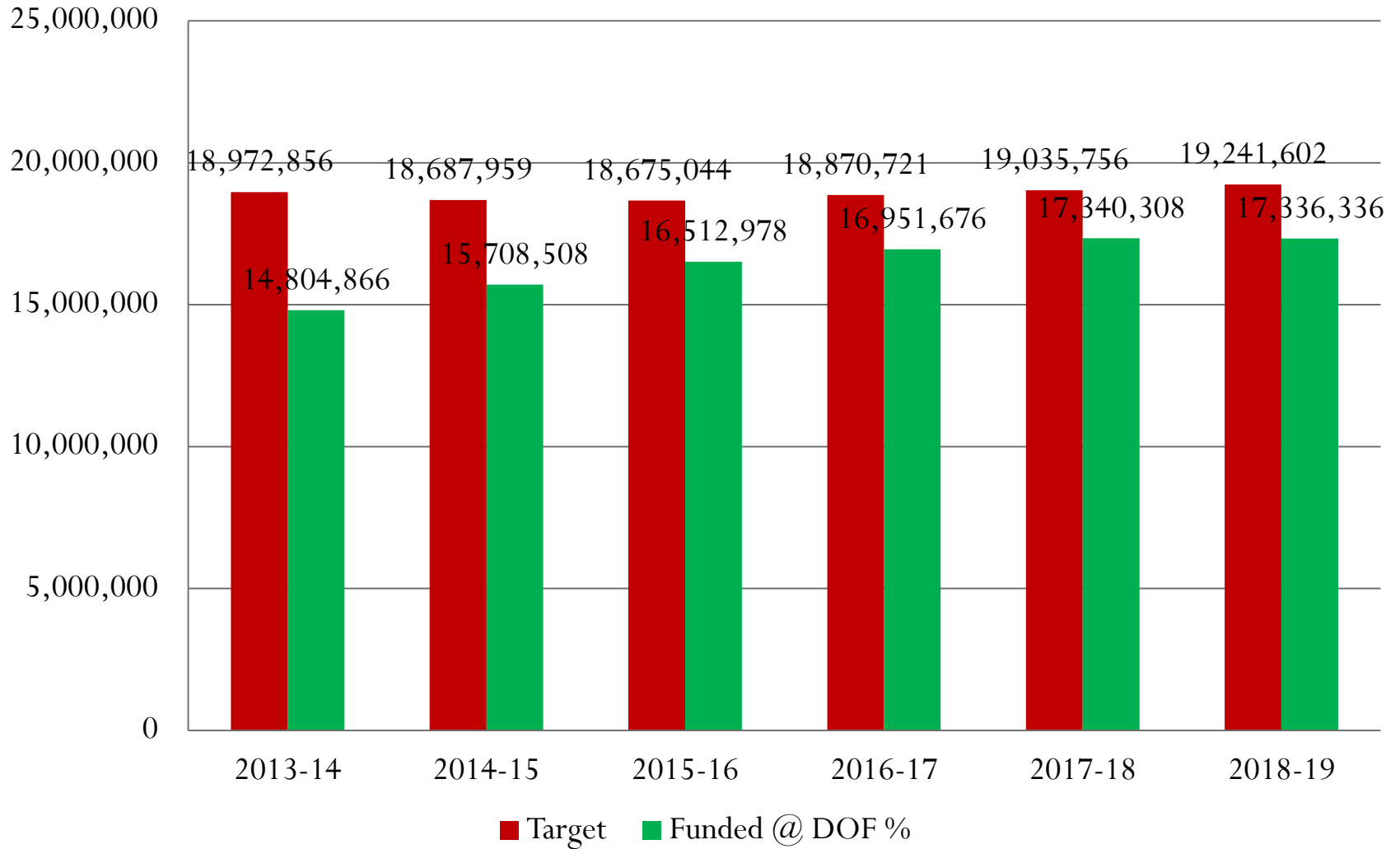


LCFF Funding per ADA



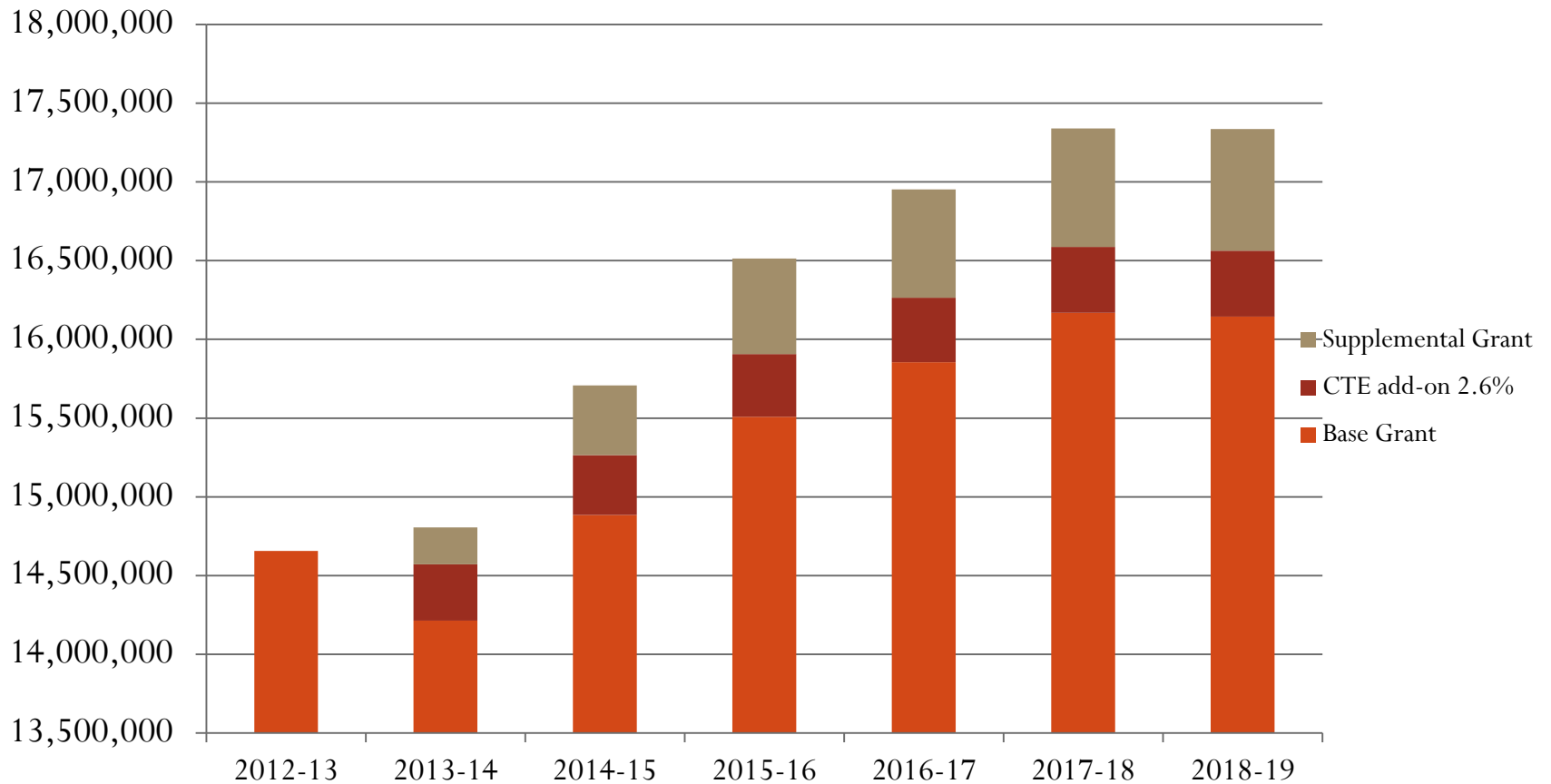
LCFF and WSCUHSD

LCFF Revenue



Components of LCFF

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Base Grant	14,657,067	14,214,065	14,885,969	15,509,073	15,855,932	16,167,907	16,144,973
CTE add-on 2.6%		357,081	378,819	397,631	408,663	419,229	418,639
Supplemental Grant		233,740	443,720	606,274	687,080	753,172	772,723
Minimum Proportionality Percentage			2.91%	3.81%	4.22%	4.54%	4.67%
Total LCFF Funding	14,657,037	14,804,886	15,708,508	16,512,978	16,951,676	17,340,308	17,336,336
Annual Increase to Base Grant			671,905	623,104	346,859	311,974	-22,933



2014-15 Supplemental Grant Budget

• Increase library services	\$ 12,000
• Teaching Sections (5 EL and 8 intervention)	\$240,000
• After school tutoring	\$ 35,000
• Transportation to support student engagement	\$ 42,000
• Activities to support parent and student engagement	\$ 10,500
• Restorative justice services	\$ 15,000
• Employment development services	\$ 35,000
• Bilingual Paraeducators	\$ 90,000
• English Learner Coordinators to provide outreach	\$ 6,500
• Home Language Translations	<u>\$ 8,000</u>
• TOTAL	\$494,000

- Additional possibilities: Summer School, after school credit make-up, CAHSEE tutoring, SAT prep, additional support classes, on-line curriculum

Multi-Year Projection – working draft

2015-16 Budget Workshop		2nd Interim -- 2014-15			2015-16 Using Jan. Gov Gap 32.19%			2016-17 Using DOF Gap 23.71%			2017-18 Using DOF Gap 26.43%		
Object Codes		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
COLA (enter percentage)				0.85%				2.17%			2.43%		
GAP Funding Rate (enter percentage)				29.15%				23.71%			26.43%		
ADA for LCFF purposes (current or prior year)				2,039.23				1,986.58			1,958.38		
Revenue													
1LCFF/Revenue Limit Sources	8010-8099	15,708,495	179,125	15,887,620	16,512,978	179,125	16,692,103	16,951,676	179,125	17,130,801	17,340,308	179,125	17,519,433
2Add on to LCFF for Transportation					300,000		300,000	350,000		350,000	400,000		400,000
3Federal Revenues	8100-8299	13,955	1,025,029	1,038,984	-	1,025,029	1,025,029	-	1,025,029	1,025,029	-	1,025,029	1,025,029
4Other State Revenues	8300-8599	501,911	250,915	752,826	727,789	249,830	977,619	373,379	248,745	622,124	368,969	247,660	616,629
5Local Revenues	8600-8799	670,430	3,843,490	4,513,920	580,430	3,754,359	4,334,789	490,430	3,675,415	4,165,845	490,430	3,675,415	4,165,845
6Total Revenue		16,894,791	5,298,559	22,193,350	18,121,197	5,208,343	23,329,540	18,165,485	5,128,314	23,293,799	18,599,707	5,127,229	23,726,936
7													
Expenditures													
9Certificated Salaries	1000-1999	6,590,054	2,480,307	9,070,361	6,323,254	2,777,810	9,101,064	6,577,921	2,554,153	9,132,075	6,583,701	2,579,695	9,163,396
10Classified Salaries	2000-2999	1,543,929	916,596	2,460,525	1,559,369	925,762	2,485,130	1,574,962	935,020	2,509,982	1,590,712	944,370	2,535,082
11Employee Benefits - STRS contribution	3101-3102	580,061	199,681	779,742	678,485	298,059	976,544	827,503	321,313	1,148,815	950,028	372,250	1,322,278
12Employee Benefits - PERS contribution	3201-3202	166,310	125,970	292,280	196,480	116,646	313,126	236,244	140,253	376,497	264,058	156,765	420,824
Employee Benefits - Social Security, Medicare,	3301-3399;3501-												
13Unemployment, Work Comp	3699;3800	353,942	180,866	534,808	365,478	183,689	549,167	375,661	176,952	552,613	377,372	178,722	556,093
14Employee & Retiree Benefits -- Health & Welfare	3400-3499;3700-3799;3900-3998	3,021,280	1,304,747	4,326,027	3,059,727	1,382,398	4,442,124	3,226,455	1,462,001	4,688,456	3,404,854	1,547,176	4,952,030
15Books and Supplies	4000-4999	366,588	461,479	828,067	230,253	186,335	416,588	202,556	186,335	388,891	204,581	186,335	390,917
16Services, Other Operating Expenses	5000-5999	1,145,076	2,791,933	3,937,010	1,065,076	2,649,750	3,714,826	1,065,076	2,676,247	3,741,323	1,065,076	2,703,010	3,768,086
17Capital Outlay	6000-6999	11,864	-	11,864	-	-	-	-	-	-	-	-	-
18Other Outgo - Transportation to JPA	7143	365,197	-	365,197	877,197	-	877,197	877,197	-	877,197	877,197	-	877,197
19Other Outgo	7100-7499	130,665	112,817	243,482	130,665	112,817	243,482	130,665	112,817	243,482	130,665	112,817	243,482
20Total Expenditures		14,274,965	8,574,396	22,849,361	14,485,985	8,633,265	23,119,250	15,094,240	8,565,091	23,659,331	15,448,244	8,781,140	24,229,383
21													
22Excess (Deficiency)		2,619,825	(3,275,837)	(656,012)	3,635,211	(3,424,922)	210,289	3,071,244	(3,436,777)	(365,532)	3,151,463	(3,653,911)	(502,448)
23													
24Transfers In	8910-8929		65,000	65,000		65,000	65,000		65,000	65,000		65,000	65,000
25Transfers Out (enter as negative)	7610-7629	(80,000)		(80,000)	(75,000)		(75,000)	(70,000)		(70,000)	(65,000)		(65,000)
26Other Sources	8930-8979												
27Other Uses (enter as negative)	7630-7699												
28Contribution to Restricted Program	8980-8999	(2,938,125)	2,938,125	-	(3,012,277)	3,012,277	-	(3,292,400)	3,292,400	-	(3,325,324)	3,325,324	-
29Total Transfers/Other Uses		(3,018,125)	3,003,125	(15,000)	(3,087,277)	3,077,277	(10,000)	(3,362,400)	3,357,400	(5,000)	(3,390,324)	3,390,324	-
30													
31Net Increase (Decrease)		(398,300)	(272,712)	(671,012)	547,934	(347,645)	200,289	(291,156)	(79,377)	(370,532)	(238,861)	(263,587)	(502,448)
32Fund Balance													
33Beginning Balance		2,617,650	993,884	3,611,534	2,219,350	721,172	2,940,522	2,767,284	373,527	3,140,811	2,476,128	294,151	2,770,279
34Audit Adjustment(s)													
35Net Ending Balance		2,219,350	721,172	2,940,522	2,767,284	373,527	3,140,811	2,476,128	294,151	2,770,279	2,237,267	30,564	2,267,831
Components of Ending Balance:													
37Reserves for Economic Uncertainties	9789	687,881		687,881	695,828		695,828	711,880		711,880	728,831		728,831
38Revolving Cash	9711	6,850		6,850	6,850		6,850	6,850		6,850	6,850		6,850
39Prepaid Expenses	9713												
40Assigned for 1 x discretionary(mandate reimb)	9750	119,712		119,712	469,712		469,712	469,712		469,712	469,712		469,712
41 Assigned for Special Education expenses	9780		85,000	85,000									
42 Assigned for unspent carryover - school site	9780	200,000		200,000	200,000		200,000	200,000		200,000	200,000		200,000
43 Assigned for difference in midGap to DOF Gap	9780							160,000		160,000	140,000		140,000
44 Assigned for deferred maintenance	9780	50,000		50,000	100,000		100,000	150,000		150,000	200,000		200,000
45 Assigned for tech. hardware replacement	9780	30,000		30,000	60,000		60,000	90,000		90,000	120,000		120,000
46Unappropriated Ending Balance	9790	1,124,907	636,172	1,761,080	1,234,895	373,527	1,608,422	687,687	294,151	981,837	371,874	30,564	402,438
47Net Ending Balance		2,219,350	721,172	2,940,522	2,767,284	373,527	3,140,811	2,476,128	294,151	2,770,279	2,237,267	30,564	2,267,831
Economic Uncertainties required level		3%			3%			3%			3%		

Does not include any proposed settlements

Impact of LCFF

- Career Technical Education
 - ROP funded at County Office – rolled into SCOE’s LCFF base amount
 - SCOE funding phased out incrementally 2013-14 through 2016-17
 - 2.6% addition to WSCUHSD base
 - 2.6% does not fully fund our current number of sections offered students
 - In 2016-17 all costs associated with ROP/CTE have been included in the unrestricted column to cover cost shift from SCOE to District
- Community Day School
 - No additional fund for 5th & 6th hours, small district waiver eliminated and rolled into LCFF, no longer any restricted funding source
- Transportation
 - Funding to JPA eliminated in 2015-16
 - Added to LCFF as an add-on – estimate included in MYP
 - 100 % of cost added in 2015-16 expense budgets
 - All increase in cost of transportation is funded by District

Other Revenue in 2015-16

- Federal Revenue \$1,025,029
 - Includes Medical Administrative Activities (MAA)
 - Title II and Title III
 - Special Education Mental Health reimbursements for Residential placements
- Local Revenue \$4,334,789
 - Includes Donations and Grants, Excess Cost payments to Special Education Consortium from Partner Elementary Districts, Facility use fees, interest, miscellaneous reimbursements and Parcel Tax
 - Parcel Tax \$1,108,000
 - 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

Expenditure Projections - major changes

- Staffing
 - 1.0 FTE certificated reduction (5 teaching sections) 2015-16 and an additional 1.0 FTE (5 sections) 2016-17 built into 2nd Interim
 - Community Day School
 - Laguna
 - Special Education
- Transportation
- Utilities
 - Solar generates 85% of electricity needs currently – new construction or additions may add to budget costs
 - Water – increased costs with drought?
 - Sewer – anticipating lower cost, rate structure change with Forestville Water Agency, approximately \$35,000 savings
- One-Time mandated cost reimbursement for CCSS or Textbooks?

Contributions from General Fund 2014-15

● Career Technical Ed (ROP)	\$ 90,808
● Transition Partnership Program	\$ 26,954
● Workability	\$ 9,294
● High School District Special Ed	\$1,407,466
● High School District RTC placements	\$ 200,332
● Consortium Nurse/Psych	\$ 87,614
● Consortium SH/SDC & Admin.	\$ 364,372
● Routine Restricted Maintenance	\$ 616,000
● Cafeteria Fund	<u>\$ 80,000</u>
● TOTAL	\$2,882,840

Routine Restricted Maintenance

- Contribution to 3% mandatory for 2015-16 and beyond
3% = \$695,828 for 2015-16

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 operating at the minimum appropriate staffing levels for maximum efficiency.

There is no Deferred Maintenance funding currently and none expected in future years. All deferred maintenance, routine maintenance and facility improvements must be funded out of LCFF or locally with other sources of revenue (eg. Bonds or Developer Fees).

Other Needs

- Textbooks and Instructional Materials
- Technology equipment replacement fund \$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 \$50,000 annually – is it enough?
 - Cost of Fall Sports away games – during stadium construction
- Special Education cost control
- Local Control Accountability Plan (LCAP)
- Enrollment Strategies

Deficit Spending

WSCUHSD Deficit Spending Pattern - History

	Actuals	Ending Fund Balance
2008/09	569,410	3,411,703
2009/10	602,741	4,014,444
2010/11	(94,876)	3,919,567
2011/12	232,426	4,151,994
2012/13	(639,089)	3,512,904
2013/14	98,630	3,611,534
2014/15*	(671,012)	2,940,522
2015/16*	285,263	3,225,785
2016/17*	(284,664)	2,941,121

*Projected – does not include any settlement proposals

Reserves – as of 2nd Interim

- 2014-15
 - Required 3% \$687,881
 - Assigned Reserves – detailed in MYP \$ 406,562
 - Unappropriated Unrestricted Fund Balance \$1,124,907
 - Required 3% plus Unappropriated Unrestricted equals \$1,812,788 or 7.91%
- 2015-16
 - Required 3% \$693,278
 - Assigned Reserves – detailed in MYP \$ 829,712
 - Unappropriated Unrestricted Fund Balance \$1,237,419
 - Required 3% plus Unappropriated Unrestricted equals \$1,930,697 or 8.35%
- 2016-17
 - Required 3% \$709,304
 - Assigned Reserves – detailed in MYP \$ 1,069,454
 - Unappropriated Unrestricted Fund Balance \$1,030,284
 - Required 3% plus unappropriated Unrestricted equals \$1,739,588 or 7.36%

Reserves

- California School Boards Association recommends a reserve level of approximately 17% or 3 months of salary/benefits
- For 2014-15 the 3% minimum reserve would be depleted in
 - 11 days of salary and benefit payments
- For 2014-15 the 7.91% of minimum plus unappropriated/unassigned reserves would be depleted in
 - 29 days of salary and benefit payments
- For 2014-15 100% of our net ending balance (adding in assigned reserves) would be depleted in
 - 35 days of salary and benefit payments

Special Accounts in addition to General Fund

- NOT included in the MYP, separate sources of funding
- Budgets are developed according to each separate Fund
 - 13 - Cafeteria Fund – requires contribution from GF
 - 21 – Bond Fund – MEASURE I projects
 - ACTIVE PROJECTS CURRENTLY IN PROGRESS, New Bond Sale in June
 - Projected Beginning Balance for 2015-16 \$8,782,250
 - 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 2015-16 \$529,441
 - 35 – School Facilities Fund – state apportionments for construction
 - 100% OLD projects (pre 2005) are closed, fund balance may now be used for future deferred maintenance or bond fund projects and there will be no possible delays in future DSA approval of projects
 - Projected Beginning Balance for 2015-16 \$405,194

LCFF Accountability

- Accountability
 - New accountability regulations are unfolding, supplemental grant dollars will be included in annual audit procedures
 - Each district must update the Local Control and Accountability Plan (LCAP) for 2015-18
 - 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 and other stakeholder input being collected
- Board Goals Workshop (consider LCFF stakeholder input) April 29
- Draft LCAP and public hearing at Board meeting on June 10
- Draft 2015-16 Budget Preview and public hearing at Board meeting on June 10
- LCAP and Budget Adoption at Board meeting on June 24

Questions?