



2014-2015 District Budget

June 2014

May Revision and LCFF

- May Revision does not change the January proposal
 - \$4.5 billion for continued implementation of the LCFF
 - Funding is estimated to close the gap between 2013-14 funding levels and LCFF full implementation targets by about 28%
- Combined with elimination of 11.78% of the gap in 2013-14, the new formula would be over one-third of the way toward full implementation after the first two years
- 2014-15 LCFF growth provides an estimated average increase in per-pupil funding at May Revision of 10.7%, or \$737 per average daily attendance (ADA) – varies by individual LEA experiences will vary

LCFF Base Grant Entitlement Calculation

- 2014-15 target entitlement calculation
 - Grade span per-pupil grants are increased for the 0.85% cost-of-living (COLA)

Factors	K-3	4-6	7-8	9-12
Base Grant per ADA	\$6,952	\$7,056	\$7,266	\$8,419
COLA @ 0.85%	\$59	\$60	\$62	\$72
Base grants – 2014-15	\$7,011	\$7,116	\$7,328	\$8,491

LCFF Adjustments

- 2014-15 target entitlement calculation
 - K-3 CSR and 9-12 Career-Technical Education (CTE) adjustments are additions to the base grant

Factors	K-3	4-6	7-8	9-12
Base grants – 2014-15	\$7,011	\$7,116	\$7,328	\$8,491
Adjustment percentage	10.4% CSR	-	-	2.6% CTE
Adjustment amount	\$729	-	-	\$221
Adjusted grant per ADA	\$7,740	\$7,116	\$7,328	\$8,712

LCFF Supplemental and Concentration

- 2014-15 target entitlement calculation
 - Supplemental and concentration grant increases are calculated based on the percentage of total enrollment accounted for by English learners (EL), free and reduced-price meal (FRPM) program eligible students, and foster youth

Factors	K-3	4-6	7-8	9-12
Adjusted grant per ADA	\$7,740	\$7,116	\$7,328	\$8,712
Supplemental*	\$1,112	\$1,022	\$1,052	\$1,251
Concentration*	\$651	\$598	\$616	\$732
Total LCFF Target per ADA	\$9,503	\$8,736	\$8,996	\$10,695

*District specific calculation based on 71.81% unduplicated pupil count

2014-2015 LCFF Target

	7-8	9-12	Total
ADA	1,095.63	7,741.83	8,837.46
Target per ADA	\$8,996	\$10,695	
Net Base	\$9,856,287	\$82,798,872	\$92,655,159
Targeted Instructional Improvement Block Grant (TIIG)			\$203,227
Transportation			\$711,623
Total LCFF Target			\$93,570,009

**Includes County ADA*

LCFF Phase-In

- LCFF gap closure percentage projections provided by the Department of Finance (DOF) and School Services of California (SSC)

	2013-14	2014-15	2015-16	2016-17
Department of Finance (DOF)	11.78%	28.06%	30.39%	19.50%
School Services of California (SSC)	11.78%	28.05%	7.8%	8.4%

LCFF Funding Calculation

	2013-14	2014-15	2015-16	2016-17
LCFF Target	\$93,793,778	\$93,570,009	\$95,512,349	\$97,693,372
- Funding Floor	\$61,837,516	\$64,997,253	\$73,011,911	\$74,766,945
= Difference (Gap)	\$31,956,262	\$28,572,756	\$22,500,438	\$22,926,427
x Gap Funding Rate	11.78%	28.05%	7.80%	8.40%
= Gap Funding	\$3,764,448	\$8,014,658	\$1,755,034	\$1,925,820
LCFF Entitlement (Floor + Gap Funding)	\$65,601,964	\$73,011,911	\$74,766,945	\$76,692,765
Per ADA Amount (funded)	\$7,342	\$8,262	\$8,460	\$8,678

LCFF Gap Funding Breakdown

	2014-15	2015-16	2016-17
Base Grant	\$3,606,724	\$844,679	\$987,845
Supplemental	\$2,528,832	\$522,271	\$538,116
Concentration	\$1,479,743	\$305,606	\$314,878
Grade Span (CTE)	\$399,359	\$82,478	\$84,981
Total Gap Funding (new funding allocations)	\$8,014,658	\$1,755,034	\$1,925,820

**Approximate Breakdown of Gap Funding*

Governor's Proposal for Funding CalSTRS

- In January, the Governor acknowledged the \$80.4 billion shortfall within CalSTRS, but did not provide a proposal to address the shortfall
 - CalSTRS is projected to run out of money in 2046
- Would cost more than \$4.5 billion per year to resolve right now
 - Bad news does not get better with age – the shortfall grows by approximately \$22 million a day
- Three ways to fix it
 - Reduce benefits – difficult given legal protections for existing members
 - Already in place for new hires starting January 1, 2013
 - Increase earnings – means taking more risk with investment portfolio
 - Increase contributions – most likely solution

Governor's Proposal for Funding CalSTRS

- The Governor's May Revision proposes to fully fund CalSTRS by 2045-46
- Plan kicks in immediately, beginning July 1, 2014
- Contribution rate increases proposed for all three parties:
 - State contribution rate to increase from the current rate of 3.041% to 6.3% over three years
 - In addition, the state will continue to pay 2.5% of payroll annually for a supplemental inflation protection program
 - Employer contribution rate to increase from 8.25% to 19.1% over seven years
 - Employee contribution rate to increase from 8% to 10.25% over three years

CalSTRS and CalPERS Increases

Combined General Fund

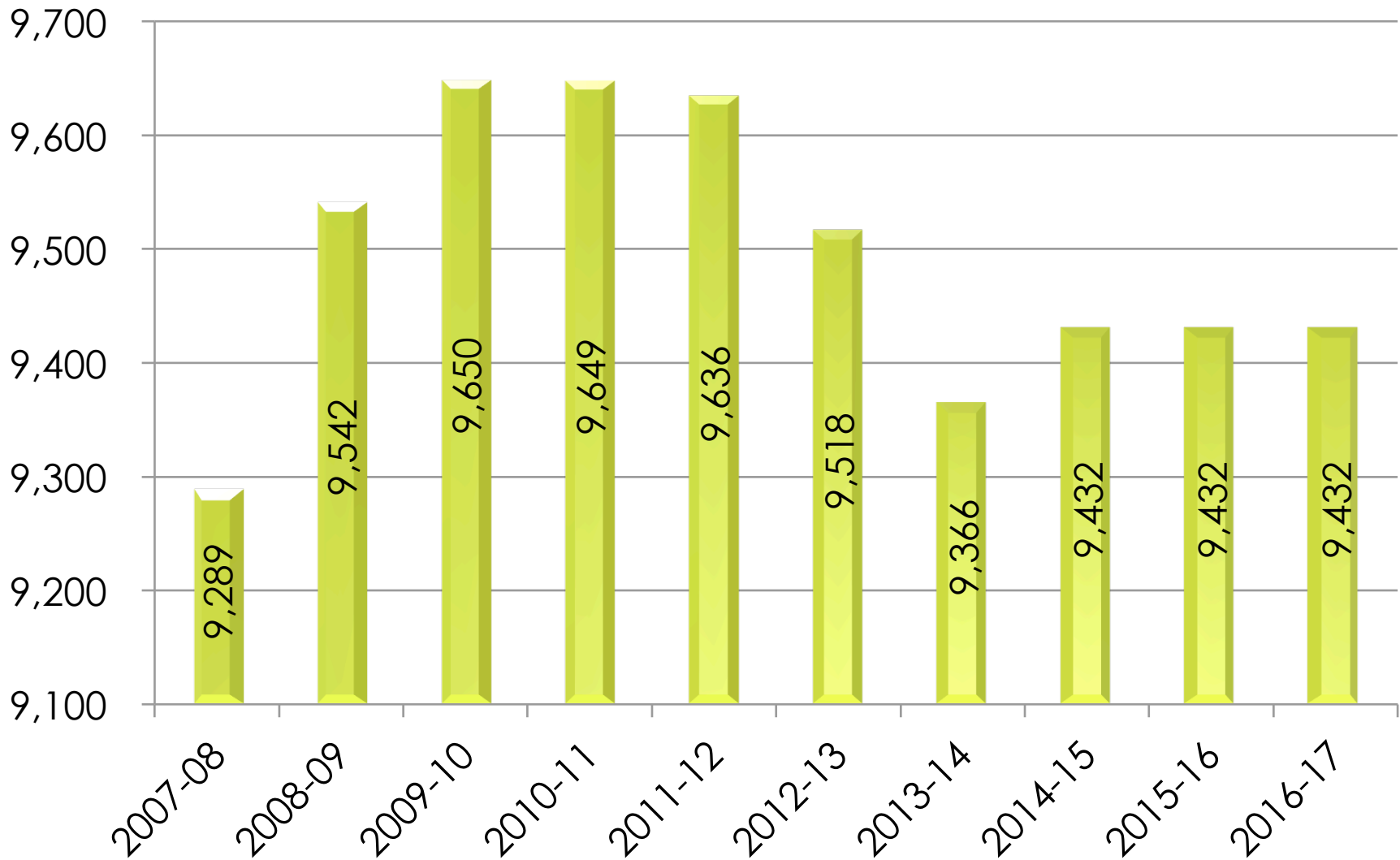
	CalSTRS		CalPERS	
	Rate	Additional Budget Impact	Rate	Additional Budget Impact
2013-14	8.25%		11.442%	
2014-15	9.5%	\$467,804	11.771%	\$42,132
2015-16	11.1%	\$596,417	12.6%	\$113,625
2016-17	12.7%	\$605,759	15%	\$330,677
3-year Total		\$1,669,980		\$486,434

Additional Budget Impact is the amount associated with the increased employer contribution rate.

Unrestricted General Fund Summary

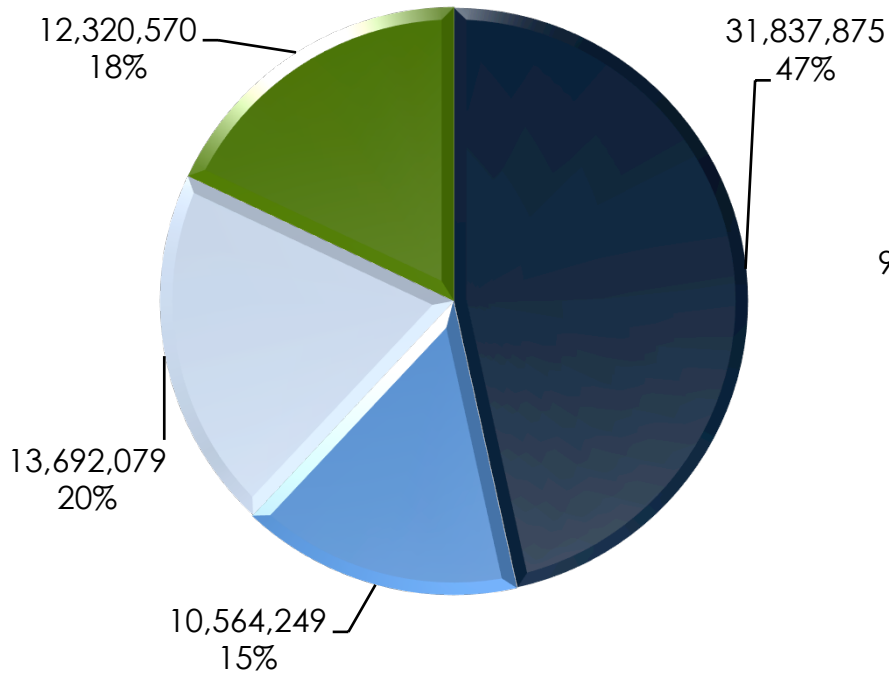
	2013-2014 Estimated Actuals	2014-2015 Proposed Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget
Beginning Balance	9,124,605	5,642,412	5,494,028	5,108,252
LCFF Revenue	65,844,382	73,254,329	74,774,961	76,715,513
Other Revenue	2,956,437	2,858,895	2,858,895	2,858,895
Contributions	<u>-7,785,432</u>	<u>-7,846,835</u>	<u>-7,570,030</u>	<u>-8,121,260</u>
Total Revenues	61,015,387	68,266,389	70,063,826	71,453,148
Expenditures	64,497,580	68,414,773	70,449,602	72,464,342
Net Increase/ (Decrease) to Ending Balance	(3,482,193)	(148,384)	(385,776)	(1,011,194)
Ending Balance	5,642,412	5,494,027	5,108,252	4,097,058
3% Reserve Non Spendable Balances	2,579,487	2,686,966	2,683,618	2,760,598
Other Reserves	3,062,925	2,807,062	2,424,634	1,396,835

District Enrollment History & Projections

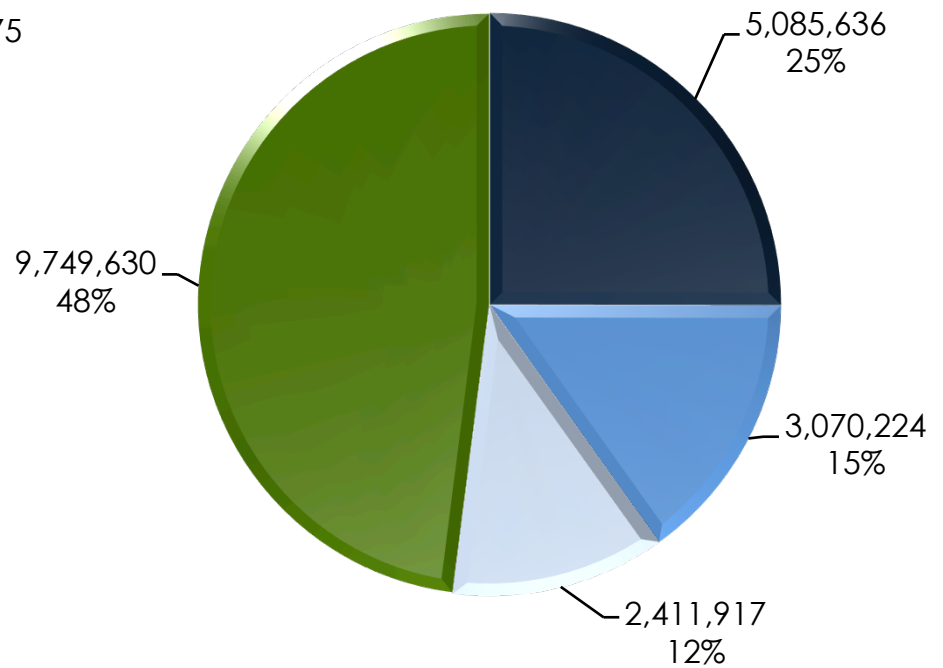


2014-2015 Budgeted Expenditures

Unrestricted Expenditures



Restricted Expenditures



- Certificated Salaries
- Classified Salaries
- Employee Benefits
- Other Expenditures

Summary of Other District Funds

Fund	2014-2015 Estimated Beginning Fund Balance	Total Revenues/ Contributions/ Other Sources	Total Expenditures/ Transfers Out	2014-2015 Ending Fund Balance
Unrestricted General Fund	\$5,642,411	\$68,266,389	\$68,414,773	\$5,494,027
Restricted General Fund	\$3,392,432	\$18,241,733	\$20,317,407	\$1,316,757
Charter School Fund	\$2,150,554	\$8,187,709	\$8,806,555	\$1,531,708
Adult Education Fund	\$24,048	\$87,023	\$111,071	\$0
Cafeteria Fund	\$1,764,471	\$3,979,435	\$4,050,427	\$1,693,479
Building Fund	\$26,865,678	\$50,000	\$12,608,707	\$14,306,971
Capital Facilities Fund	\$3,425,992	\$2,162,533	\$2,253,407	\$3,335,118
County School Facilities Fund	\$3,877,974	\$7,505	\$0	\$3,885,479
Debt Service Fund	\$611,044	\$4,800	\$614,494	\$57,063

District Budget – Next Steps

- The Board will open a public hearing to receive input on the District's budget
- A final budget will be presented to the Board for approval on June 18, 2014
- The District's Adopted Budget, along with the District's Local Control Accountability Plan (LCAP) will be reviewed and approved by the County Office of Education
- After the California State Budget is adopted, the District's budget will be revised and presented to the Board for approval, if necessary