

Governor's January Budget Proposal for 2016/17



2016/17 Budget Development
Presentation #1

Board of Trustees Meeting
February 9, 2016

Discussion Topics

- LCFF Funding
- Trends
- 2016/17 Budget Development
 - Budget Guidelines
 - Budget Assumptions
 - Budget Calendar

LCFF Funding





LCFF Overview

- Local Control Funding Formula (LCFF)
- 2020/21 Full Implementation Target
 - Base Grant
 - Supplemental Grant Funding
 - Concentration Grant Funding
 - Provided for unduplicated free and reduced meal qualified students above 55%
 - District does not qualify at 48.68%
- Local Control Accountability Plan (LCAP)
- Pupil Outcomes



LCFF Pictogram

Per Student
Base Amount



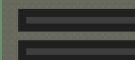
Based on Grade
Level



Supplemental and
Concentration
Grant Funding



Based on Demographics
(Low Income, English
Learner, and/or Foster Youth)



LCFF Target
Funding





LCFF Funding for Grades 9-12

Base Grant (2020/21 Target)

Base Grant Entitlement per ADA	\$8,578
2016/17 COLA (0.47%)	\$ 40
CTE Augmentation Grant (2.6%)	\$ <u>224</u>
Adjusted Base Grant per ADA, 13,758*	\$8,842

Supplemental Grant (20% of Base)

ELL, FRPM, Foster Youth (District = 48.68%, 6,700*)	\$1,768
--	---------

Concentration Grant (50% of Base)

ELL, FRPM, Foster Youth in excess of 55% (District = 0.0%, N/A)	\$4,421
--	---------

*Includes District students in county programs





2016/17 LCFF Funding

Estimated Gap Funding

Base Grant Funding	\$ 3,483,579
Supplemental Grant Funding	<u>\$ 1,752,534</u>
LCFF Gap Funding	\$ 5,236,113

One-Time Prop 98 Funding \$ 2,944,212

Notes:

- One time funding of \$214 per ADA in 2016/17 only
- Funding estimates based on “Funded ADA” of 13,758 which includes District students in county programs, District ADA is estimated at 13,650

Trends



Trends - Enrollment

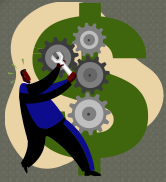
Year	CBEDS	Change	Running	FTEs
2012-13	14,782	56		599.0
2013-14	14,608	(174.0)	(174.0)	594.6
2014-15	14,501	(107.0)	(281.0)	593.8
2015-16	14,239	(262.0)	(543.0)	593.8
2016-17	14,236	(3.4)	(546.4)	594.0
2017-18	14,240	4.6	(541.8)	594.0
2018-19	14,043	(197.4)	(739.2)	594.0
2019-20	14,036	(6.4)	(745.6)	594.0

Trends – STRS/PERS

STRS/PERS + Step and Column	2014/15	2015/16	2016/17	2017/18
<u>STRS/PERS Information</u>				
Cal STRS Rate	8.88%	10.73%	12.58%	14.43%
Cal PERS Rate	11.77%	11.87%	13.05%	16.60%
Cal STRS Increase Over Prior Year		\$1,355,234	\$1,218,423	\$1,218,423
Cal PERS Increase Over Prior Year		\$358,885	\$245,845	\$725,477
Combined Increase Over Prior Year		\$1,714,119	\$1,464,268	\$1,943,900

Budget Development

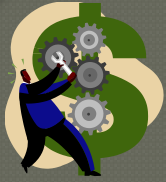




Guidelines & Assumptions

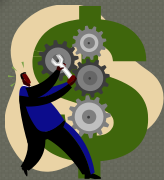
- **Budget Guidelines*** – General overarching budget philosophical statements, principles, parameters, targets, and goals
 - Vary slightly from year-to-year
 - Dependent on local culture and practices
 - Internally influenced
- **Budget Assumptions*** – Specific revenue and expenditure projections used to compile the budget
 - Vary considerably from year-to-year
 - Dependent on economy and State budget
 - Internally and externally influenced

*Attached separately



Budget Guidelines

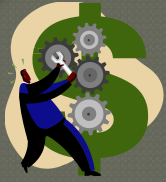
- 2 Expenditures \leq revenue + carryover
- 5 Budget will reflect District/Board goals, objectives, and priorities
- 8 3% reserve + MYP requirements
- 12 2015/16 Board Priorities
 - a. Preserve core programs
 - b. Eliminate structural deficit
- 16 January proposal and School Services
- 17 One-time money not used for ongoing expenditures



Budget Assumptions

1	Enrollment*	14,236	
2	ADA *	13,650	
3	Gap Funding Rate	49.08%	
	Unduplicated Rate	48.68%	
	Base Grant Funding	\$3.5 m	} \$5.2 m
	Supplemental	\$1.7 m	
4	One-time funds (discretionary Prop 98 funding)	\$2.9 m	

*Does not included District students in county programs



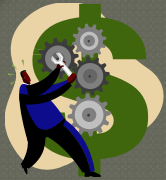
Budget Assumptions

18 Deferred Maintenance Contribution

<u>Year</u>	<u>Minimum</u>	<u>Proposed</u>
2015/16	\$0.8 m	\$0.8 m
2016/17	\$0.8 m	\$1.0 m
2017/18	\$0.8 m	\$1.2 m
2018/19	\$0.8 m	\$1.4 m
2019/20	\$0.8 m	\$1.6 m

19 Routine Restricted Maintenance

General Fund Expenditures x 3.0% \approx \$4.4 m



Budget Assumptions

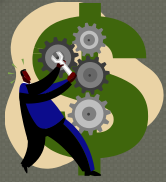
20 Capital Outlay

Reserve Amounts (One-time set-aside)

Instructional materials	\$1,500,000
Technology safety net	\$350,000
Transportation equipment	\$250,000

Ongoing Expenditure Amounts

Technology refresh plan	\$500,000
Vehicle replacement	\$150,000
Furniture replacement	\$100,000



Budget Assumptions

22 Other Post Employee Benefits (OPEBs) Pay-as-you-go Amounts

<u>Year</u>	<u>Cost</u>
2016	\$1.5 m
2017	\$1.7 m
2018	\$2.0 m
2019	\$2.1 m
2020	\$2.3 m

Consider reducing OPEB obligation by transferring additional money to Fund 20 (GASB 45 Set-aside) as a means of reducing this obligation.



Budget Assumptions

28 COP Debt Service

<u>Year</u>	<u>Payment</u>	<u>RDA \$</u>	<u>Dev. Fees</u>
2016	\$1.5 m	\$1.0 m	\$0.50 m
2017	\$1.5 m	\$1.1 m	\$0.40 m
2018	\$1.5 m	\$1.2 m	\$0.30 m
2019	\$1.5 m	\$1.3 m	\$0.20 m
2020	\$1.5 m	\$1.4 m	\$0.10 m
2021	\$1.5 m	\$1.5 m	N/A

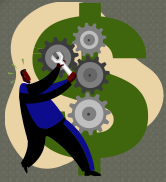


Budget Assumptions

30 Instructional Materials

Annual/Ongoing Amounts

Restricted Lottery	\$500,000
Unrestricted Gen. Fund	<u>\$900,000</u>
Total	\$1,400,000



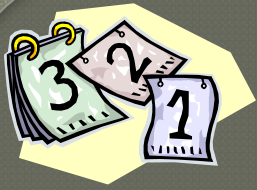
Budget Assumptions

33 Use of Reserves

Although it is not anticipated in 2016/17, mid-term (2-5 years) revenue and expenditure projections indicate the District has not yet fully resolved its deficit spending imbalance. In order to balance the budget and meet multiple-year projection solvency requirements, the Board of Trustees will drawdown unallocated reserves if deemed necessary. Shortfalls, if any, over the next several years will be addressed through a combination of budget reductions and reserves draw-down.

34 Fiscal Solvency

In submitting the 2016/17 Budget, the Board of Trustees understands its fiduciary responsibility to maintain fiscal solvency for the current and subsequent two fiscal years.



Budget Calendar*

February	LCAP Consultation/Development
March	LCAP Consultation/Development
March 8	2nd Interim Report
March 10	Community Budget Presentation
March	Commence 2016/17 Budget
April	Continue work on LCAP/Budget
May 3	Draft LCAP Available
May (mid)	Governor Releases May Revise
June 7	Present LCAP
	Public Hearings - LCAP & Budget
June 21	Adopt LCAP
	Adopt Budget

*For additional detail, see the 2016/17 Budget and Financial Planning Calendar, attached separately, dates subject to change