

# Operational Budget 2013-14

November 14, 2013

# Local Control vs. Base Revenue Limit

- Local Control Funding Formula (LCFF) is easier to understand than Base Revenue Limit
- Dollars allocated consistently across schools based on grade spans served and numbers of English learners, low-income, and foster youth

# What's Different Under LCFF?

- Most state categorical dollars go away
- Needs of unduplicated English learners (EL), low income students (LI), and foster youth addressed through supplemental and concentration funds
- Budget development is tied to the Local Control Accountability Plan (LCAP) that must address eight specific areas
  - Student achievement, Student engagement, Student outcomes, School climate, Parental involvement, Basic service, Implementation of Common Core and Course access
- LCAP required beginning 2014-15. Must include broad base input from parents, teachers, administrators, bargaining groups and pupils.

# LCFF Target Entitlement

- 2013-14 target entitlement calculation (fully funded in 2020-21)
  - K-3 CSR is addition to the base grant
  - CSR requires progress toward maximum site average of 24 students enrolled in each class or an alternate ratio is locally negotiated
  - Supplemental and concentration grant increases are calculated based on the percentage of total enrollment accounted for by English learners, free and reduced-price meal (FRPM) program eligible students, and foster youth

Factors	K-3	4-6	7-8
Base grants 2013-14	\$6,952	\$7,056	\$7,266
Adjustment percentage	10.4% CSR		
Adjustment amount	\$723		
<b>Adjusted grant per ADA</b>	<b>\$7,675</b>	<b>\$7,056</b>	<b>\$7,266</b>
20% Supplemental Grant	\$1,535	\$1,411	\$1,453
50% concentration grant (for eligible students exceeding 55% of enrollment)	\$3,838	\$3,528	\$3,633

# How Will LCFF Be Implemented?

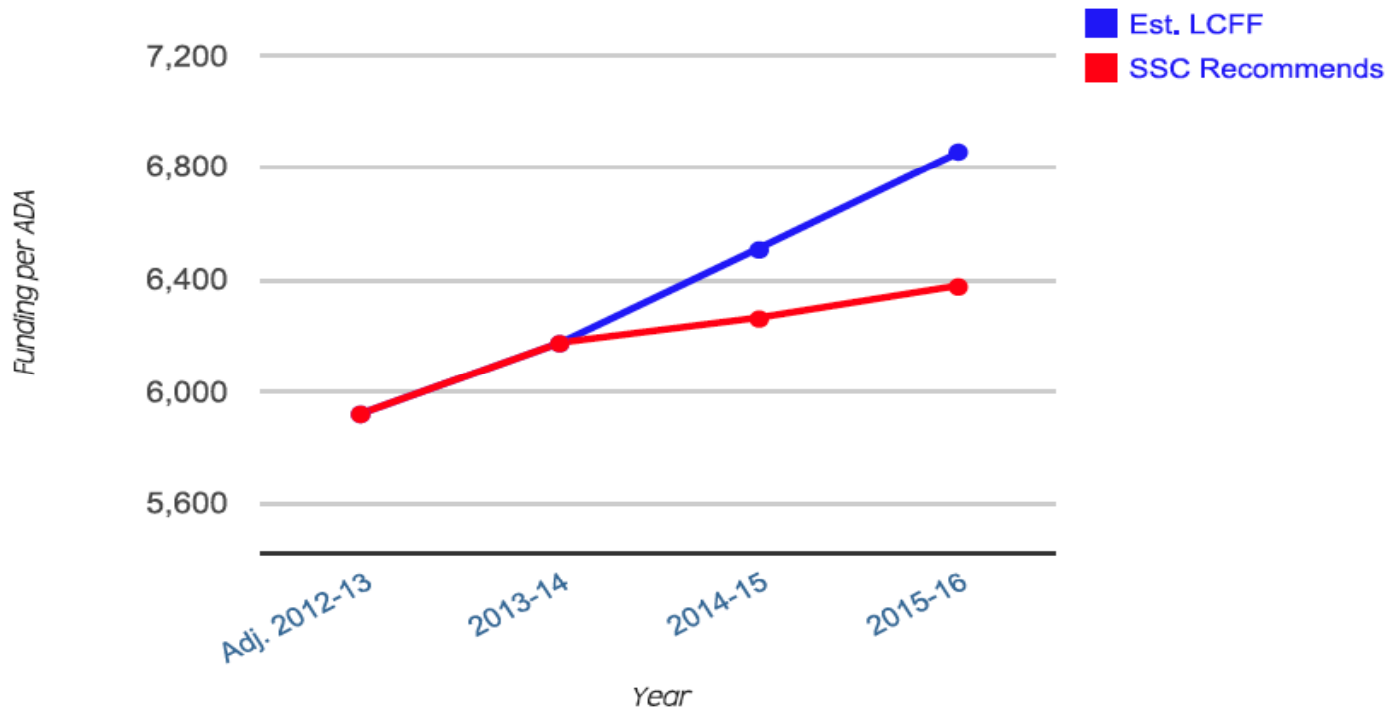
- Funding to gradually increase over next eight years. No articulated plan as to how increases will happen. Dependent on state revenues.
- Department of Finance vs. School Services
- District has built its budget using more optimistic Department of Finance (DOF) revenue projections

# LCFF Revenue Projections

## MULTIYEAR PROJECTION

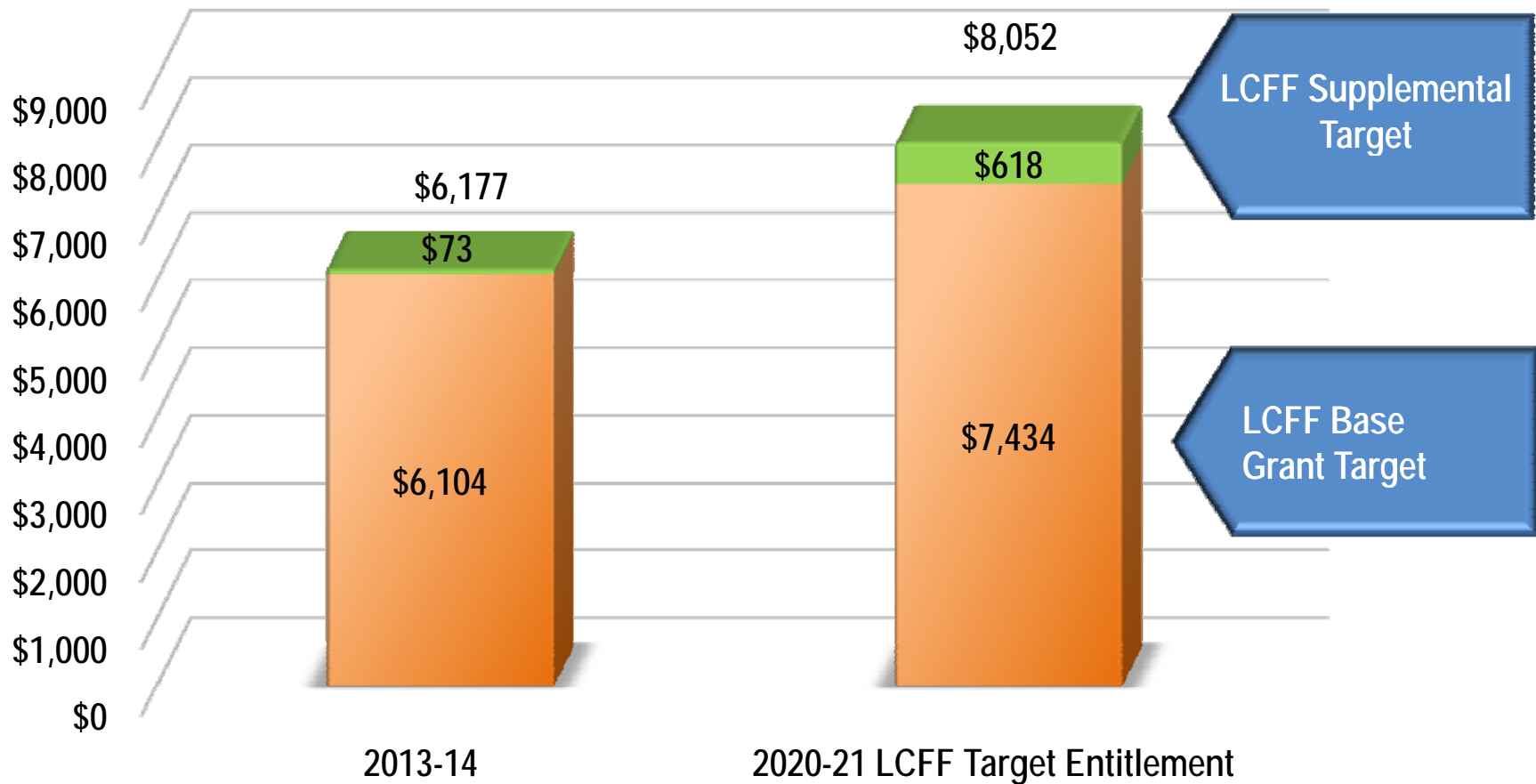
	Adj. 2012-13	2013-14	2014-15	2015-16
Estimated LCFF Funding	5,926	6,177	6,510	6,860
<b>SSC Recommends</b>	<b>5,926</b>	<b>6,177</b>	<b>6,266</b>	<b>6,382</b>
<i>Net Change per ADA</i>		250	89	116
<i>Net Percent Change</i>		4.23%	1.44%	1.86%

### Multiyear Projection Analysis



# 2013-14 LCFF Proportionate Share

- District has an average \$6,177 per ADA in 2013-14, with \$73 of that total from supplemental grants



# Major Revenue Assumptions

- Declining enrollment projection: 2013-14 reduce 220 ADA, 2014-15 reduce 254 ADA, 2015-16 reduce 249 ADA
- LCFF revenue projection based on optimistic DOF revenue projections
- 2013-14 one time Common Core \$200 per ADA
- Mandated cost \$28 per ADA
- No Parcel Tax revenue beginning 2014-15
- 2015-16 transfer \$1.2 million from GASB 45 fund



# Major Expenditure Assumptions

- Reduction of students
  - 2013-14 reduce 220 students; add 3.7 FTE teachers
  - 2014-15 reduce 254 students; reduce 10 FTE teachers
  - 2015-16 reduce 249 students; reduce 10 FTE teachers
- Retirement savings
  - 2013-14 \$677,347 savings from 15 retirements
  - 2014-15 \$451,565 savings from 10 retirements
  - 2015-16 \$225,782 savings from 5 retirements
- K-3 class size maintained at 1:24

## Major Expenditure Assumptions (cont.)

- ETA multiyear contract costs and savings included
- Salary increase for all other groups not included
- Health benefits 5.47% increase in each future year
- Home-school transportation add 2 routes
- Library 5-day service in 2013-14 only, beginning 2014-15 4-day service

11/7/2013

Financial Report  
 Evergreen Elementary School District  
 General Fund (10)

	<u>2010-11</u> <u>ACTUAL</u>	<u>2011-12</u> <u>ACTUAL</u>	<u>2012-13</u> <u>ACTUAL</u>	<u>2013-14</u> <u>BUDGET</u>	<u>2014-15</u> <u>BUDGET</u>	<u>2015-16</u> <u>BUDGET</u>
<b>SUMMARY</b>						
TOTAL REVENUES	\$92,889,665	\$94,303,833	\$91,135,796	\$96,422,634	\$94,102,641	\$98,058,982
TOTAL EXPENDITURES	91,671,064	94,223,585	96,040,889	100,564,330	99,027,250	100,002,183
SURPLUS/(DEFICIT)	\$1,218,601	\$80,248	(\$4,905,093)	(\$4,141,696)	(\$4,924,609)	(\$1,943,201)
BEGINNING BALANCE						
UNRESTRICTED	\$19,057,113	\$21,966,145	\$21,000,375	\$15,860,129	\$11,423,727	\$6,707,928
RESTRICTED	\$2,936,546	\$1,246,115	\$2,292,134	\$2,527,286	\$2,821,992	\$2,613,182
ENDING BALANCE	<b>\$23,212,260</b>	<b>\$23,292,508</b>	<b>\$18,387,415</b>	<b>\$14,245,719</b>	<b>\$9,321,110</b>	<b>\$7,377,909</b>
COMPONENTS OF ENDING BALANCE						
<b>A)NONSPENDABLE</b>						
1 REVOLVING CASH	\$15,000	\$15,000	\$15,000	\$15,000	15,000	15,000
2 STORES	54,696	70,160	57,888	70,160	\$70,160	\$70,160
3 PREPAID EXPENDITURES	1,099,413	1,110,290	1,191,521	1,110,290	1,110,290	1,110,290
<b>B)RESTRICTED</b>						
MAIN. RESERVES	507,715	303,546	58,121	0	23,861	46,186
RESTRICTED	738,399	1,988,587	2,469,165	2,821,992	2,589,321	3,015,129
<b>C)COMMITTED</b>						
STABILIZATION						
ARRANGEMENTS	0	0	0	0	0	0
OTHER COMMITMENTS	0	0	0	0	0	0
<b>D)ASSIGNED</b>						
OTHER ASSIGNMENTS	1,143,448	668,573	431,299	0	0	0
<b>E)UNASSIGNED/UNAPPROPRIATED</b>						
RESERVE FOR ECO.						
UNCERTAINTIES	2,750,132	2,826,708	2,881,226	3,016,930	2,970,818	3,000,065
UNASSIGNED/UNAPPROPRIATED	16,903,457	16,309,645	11,283,195	7,211,347	2,541,661	121,078
	<u>\$23,212,260</u>	<u>\$23,292,508</u>	<u>\$18,387,415</u>	<u>\$14,245,719</u>	<u>\$9,321,110</u>	<u>\$7,377,909</u>
UNRESTRICTED (DEFICIT)/SURPLUS	\$2,909,032	(\$965,771)	(\$5,140,245)	(\$4,436,402)	(\$4,715,799)	(\$2,391,334)
% of AVAILABLE RESERVE	21.44%	20.31%	14.75%	10.17%	5.57%	3.12%