

# Budget Update

February 13, 2014

# Governor's Proposed 2014-15 Budget

- Continue implementation of Local Control Funding Formula (LCFF)
- Pay down “Wall of Debt”, eliminate the cash deferrals
  - Neither NEW nor ONE-TIME revenue to District
  - State will make cash payment on time
- 0.86% Cost of Living Adjustment (COLA)
  - LCFF target base grant per pupil
  - Special Education
  - Child Nutrition

# LCFF Target Entitlement

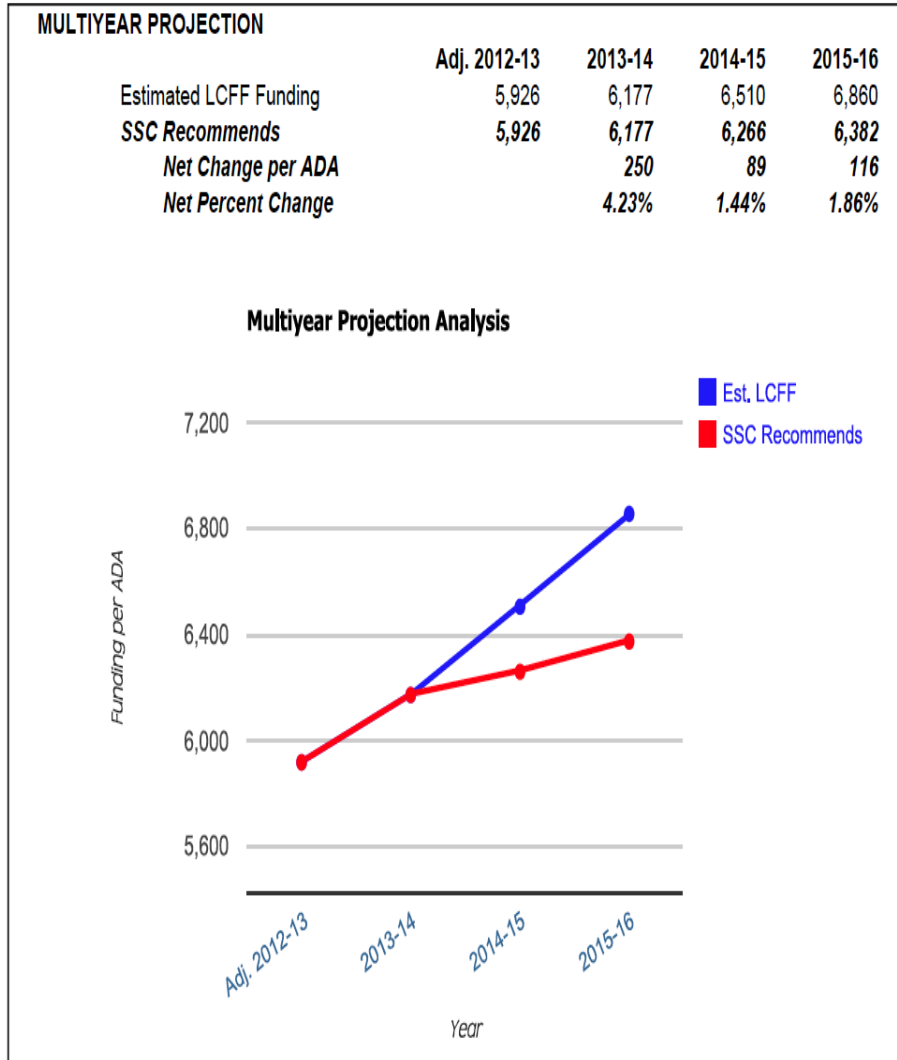
- 2014-15 target entitlement calculation (fully funded in 2020-21)
  - K-3 CSR is addition to the base grant
  - CSR requires progress toward maximum site average of 24 students enrolled in each class or an alternate ratio locally negotiated
  - Supplemental and concentration grant increases are calculated based on the percentage of total enrollment accounted for by English learners, free and reduced-price meal (FRPM) program eligible students, and foster youth
  - Evergreen will receive 42.3% (Unduplicated Count) of Supplemental Grant

Factors	K-3	4-6	7-8
Base grants 2014-15	\$7,012	\$7,117	\$7,328
Adjustment percentage	10.4% CSR		
Adjustment amount	\$729		
<b>Adjusted grant per ADA</b>	<b>\$7,741</b>	<b>\$7,117</b>	<b>\$7,328</b>
20% Supplemental Grant	\$1,548	\$1,423	\$1,466

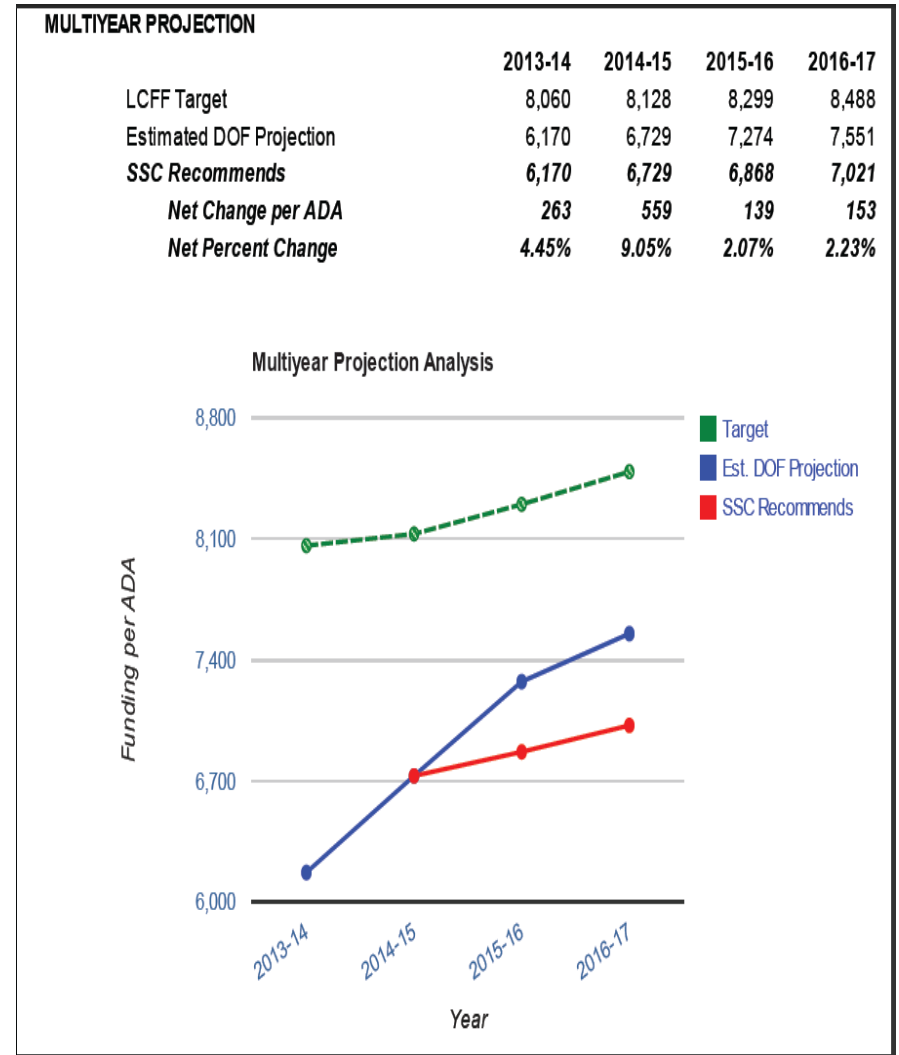
# How Will LCFF Be Implemented?

- 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
- Department of Finance estimated gap funding rate
  - FY 13-14 11.78%
  - FY 14-15 28.05%
  - FY 15-16 33.95%
- District has built its budget using more optimistic Department of Finance (DOF) revenue projections

## November LCFF Revenue Projections



## January LCFF Revenue Projections



# Estimated LCFF Funding Per Student

	November 2013 Projection Per Student	January 2014 Projection Per Student	Difference Per Student
FY 13-14	6,177	6,170	-7
FY 14-15	6,510	6,729	219
FY 15-16	6,860	7,274	414

- Positive Certification on March 2014 2<sup>nd</sup> Interim Report
  - Revenues based on January estimated LCFF funding
  - Major Expenditures based on November's assumption
- LCFF requires three years Local Control Accountability Plan ( LCAP )
- Adopt the LCAP
- Subsequent meeting for Budget Adoption

# Major Assumptions

- K-3 class size maintained at 1:24
  - ETA multiyear contract costs and savings included
  - Salary increase for CSEA & EAA not included
  - Home-school transportation at 2013-14 level
  - Library 5-day service in 2013-14 only; beginning 2014-15 4-day service
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- 2013-14 Special Education County costs increased by \$300,000 from November's projection
  - No transfer of GASB 45 \$1.2M into General Fund as projected in November

2/3/2014	2010-11 <u>ACTUAL</u>	2011-12 <u>ACTUAL</u>	2012-13 <u>ACTUAL</u>	2013-14 <u>BUDGET</u>	2014-15 <u>BUDGET</u>	2015-16 <u>BUDGET</u>
<b>SUMMARY</b>						
TOTAL REVENUES	\$92,889,665	\$94,303,833	\$91,135,796	\$96,049,170	\$96,704,832	\$101,871,030
TOTAL EXPENDITURES	91,671,064	94,223,585	96,040,889	100,400,671	100,192,445	101,105,707
SURPLUS/(DEFICIT)	\$1,218,601	\$80,248	(\$4,905,093)	(\$4,351,501)	(\$3,487,613)	\$765,323
BEGINNING BALANCE						
UNRESTRICTED	\$19,057,113	\$21,966,145	\$21,000,375	\$15,860,129	\$11,213,922	\$7,764,958
RESTRICTED	\$2,936,546	\$1,246,115	\$2,292,134	\$2,527,286	\$2,821,992	\$2,783,343
ENDING BALANCE	<b>\$23,212,260</b>	<b>\$23,292,508</b>	<b>\$18,387,415</b>	<b>\$14,035,914</b>	<b>\$10,548,301</b>	<b>\$11,313,624</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	178,686	357,425
RESTRICTED	738,399	1,988,587	2,469,165	2,821,992	2,604,657	3,057,966
<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	3,012,020	3,005,773	3,033,171
UNASSIGNED/UNAPPROPRIATED	16,903,457	16,309,645	11,283,195	7,006,452	3,563,735	3,669,611
	<b>\$23,212,260</b>	<b>\$23,292,508</b>	<b>\$18,387,415</b>	<b>\$14,035,914</b>	<b>\$10,548,301</b>	<b>\$11,313,624</b>
UNRESTRICTED (DEFICIT)/SURPLUS	<b>\$2,909,032</b>	<b>(\$965,771)</b>	<b>(\$5,140,245)</b>	<b>(\$4,646,207)</b>	<b>(\$3,448,964)</b>	<b>\$133,275</b>
% of AVAILABLE RESERVE	21.44%	20.31%	14.75%	9.98%	6.56%	6.63%