



Evergreen School District

From strong roots grow bright futures

DATE: June 18, 2015

TO: Katherine Gomez, Superintendent and
The Board of Trustees

Enclosure No. 14

Agenda Item 10.3

Date 6-18-15

FROM: Nelly Yang- Chief Business Officer

SUBJECT: Approval of the 2015-16 Budget

The FY 2015-16 Budget is presented with the Governor's May revision proposal for the 2015-16 State Budget for California schools.

Major assumptions included in the Budget are as follows:

Revenue Assumptions

- The Local Control Funding Formula is based the Fiscal Crisis & Management Assistance Team (FCMAT) LCFF calculator and with Department of Finance projected funding GAP:
 - 2015-16 at 53.08%
 - 2016-17 at 37.4%
 - 2017-18 at 36.7%
- LCFF per ADA for Evergreen School District:
 - 2015-16 at \$7,553
 - 2016-17 at \$7,866
 - 2017-18 at \$8,136
 - Estimated target for LCFF per ADA in 2020-21 at \$8,234.78
- One-time mandated cost revenue \$601 per ADA ((\$7.25 million) in 2015-16 only
- Federal, State and Local estimated carryovers not included in future years

Expenditure Assumptions

- Reduction of Students:
 - 2015-16 reduce 321 students; reduce 291 ADA; reduce 13 teachers
 - 2016-17 reduce 345 students, reduce 337 ADA; reduce 14 teachers
 - 2017-18 reduce 290 students, reduce 283 ADA; reduce 12 teachers
- 1.25 million for step and column salary increase for all groups
- Saving \$345,145 from 9 teacher retirements in 2015-16; saving \$191,748 from 5 teacher retirements annually in future years
- \$211,008 savings from leaves and resignations
- Salary level status quo (subject to negotiations)
- Health benefits at 0% increase in 2015-16; 5.12% increase in future years
- 3% required contribution for Maintenance program starting 2015-16
- Add 1.625 FTE for custodial staff
- 12% cost increase for substitute teachers' daily rate
- Add 3 FTE for middle school counselors
- Add 0.4 FTE for Prep teacher
- Increase SEAT hours from 100 hours to 125 hours per site

- STRS rate increase proposed in Governor's May revise, 8.88% in 2014-15
 - 2015-16 at 10.73%
 - 2016-17 at 12.58%
 - 2017-18 at 14.43%
- PERS rate increase in future years, 11.771% in 2014-15
 - 2015-16 at 11.847%
 - 2016-17 at 15%
 - 2017-18 at 16.6%
- Proportionality requirement met, spend supplemental grant for student in needs
 - 2015-16 \$7,120,068
 - 2016-17 \$7,523,977
 - 2017-18 \$7,732,097

The 2014-15 beginning balance had an available unrestricted reserve of \$11.95 million. Based on the current projections, the District will use \$2.42 million in FY 2014-15; in 2015-16 due to one-time mandated cost revenue of \$7.25 million, the reserve will increase by \$7.25 million. Despite LCFF revenue increases, the district will still be deficit spending. The District will use \$0.85 million in 2016-17; \$2.75 million in 2017-18. The District will continue to work closely with all stakeholders to address the issue.

RECOMMENDATION:

It is recommended that the Board of Trustees approve the 2015-16 Budget.