West Contra Costa Unified School District

June 10, 2015

2015-16

Budget Public Hearing

Guiding Budget Development

- Education Code and State Regulations
  - Education Codes 33000-64100
  - State Board Regulations Including the LCAP
- Board Priorities
  - 2015 Retreat Priorities
  - Five Major Goals
  - Local Control Accountability Plan
  - Study Sessions

Guiding Budget Development

- Local Contracts with employee unions
  - United Teachers of Richmond
  - Local 1
  - School Supervisors Association ()SSA
  - West Contra Costa Administrators (WCCAA)
- Availability of Special Resources
  - Parcel Tax Funds $9.8 million
  - Maintenance Recreation and Assessment District (MRAD) Funds $5.5 million

Budget Development Factors

- Student Enrollment Generates…
  – Staffing Plans
  – Revenues
  – Per Pupil Allocations
- Subset of Student Enrollment
  – Unduplicated Student Count
  – Special Education Population

2015-16 Budget

- Executive Summary
- State Forms
  - Includes all funds of the district
  - Documentation of revenue calculations
  - Criteria and Standards
- Multi-Year Projection

- Closing out 2014-15

- Ending Fund Balance Estimates
  - Unrestricted $17.8 million
  - Restricted $9.3 million

Revenues

- Local Control Funding Formula
  - Based upon average daily attendance (ADA) 26,21
  - Unduplicated Student Count – 74.95%
- Lottery $128 per pupil
- Locally Restricted
  - Parcel Tax $9.8 Million
  - MRAD $5.5 Million
- Federal Revenue decrease of 10%

Expenditures 2015-16

- Staffing Matrix & Calculations
  - Appendix B of the Executive Summary
- Maintains….
  - All regular and special program funding levels plus…
- Local Control Accountability Plan Programs/Staffing and Services are included in the budget

Local Control Funding Formula

- 2015-16 **<u>target</u>** vs Phase in entitlement calculation

Summary of Funding	**2015-16**	**2016-17**	**2017-18**
Target	$ 267,777,752	$ 263,664,033	$ 263,014,249
Total Phase-In Entitlement	$ 240,540,336	$ 245,102,990	$ 248,091,610
Base/TIIG/Transportation	$ 204,203,270	$ 207,561,147	$ 210,145,756
Supplemental/Concentration	$ 36,337,066	$ 37,541,843	$ 37,945,854
Total Funding	$ 240,540,336	$ 245,102,990	$ 248,091,610
Estimated Percent toward Target	**90%**	**93%**	

Future Funding Estimates

- There is a higher level of volatility and risk in this funding model as years progress
  - Student Demographic Changes
  - Legislative Support must continue over time
  - Economic Stability and Growth
- A 6% decline in unduplicated count in a given year has greater impact as our funding model improves for example:
  - 15-16 $1 million reduction in revenues

Multi Year Projection

2016-17 Assumptions

Funded ADA: 25,888

LCFF Gap Funding Rate: 37.40%

District Unduplicated Count: 74.94%

Estimated Supplies Increase: California CPI 2.5%

Step and Column: 1.0%

CalPERS Rate: 13.05%

Cal STRS Rate: 12.58%

Active Health Benefits: Mid-Year implement 80/20 split (Bay Area Kaiser) Capped subject to negotiation

Retiree Health Benefits: 5%

Reserve for economic uncertainty 6%

Multi Year Projection

2017-18 Assumptions

Funded ADA: 25,200

LCFF Gap Funding Rate: 36.74%

District Unduplicated Count: 74.92%

Estimated Supplies Increase: California CPI 2.9%

Step and Column: 1.0%

CalPERS Rate: 16.60%

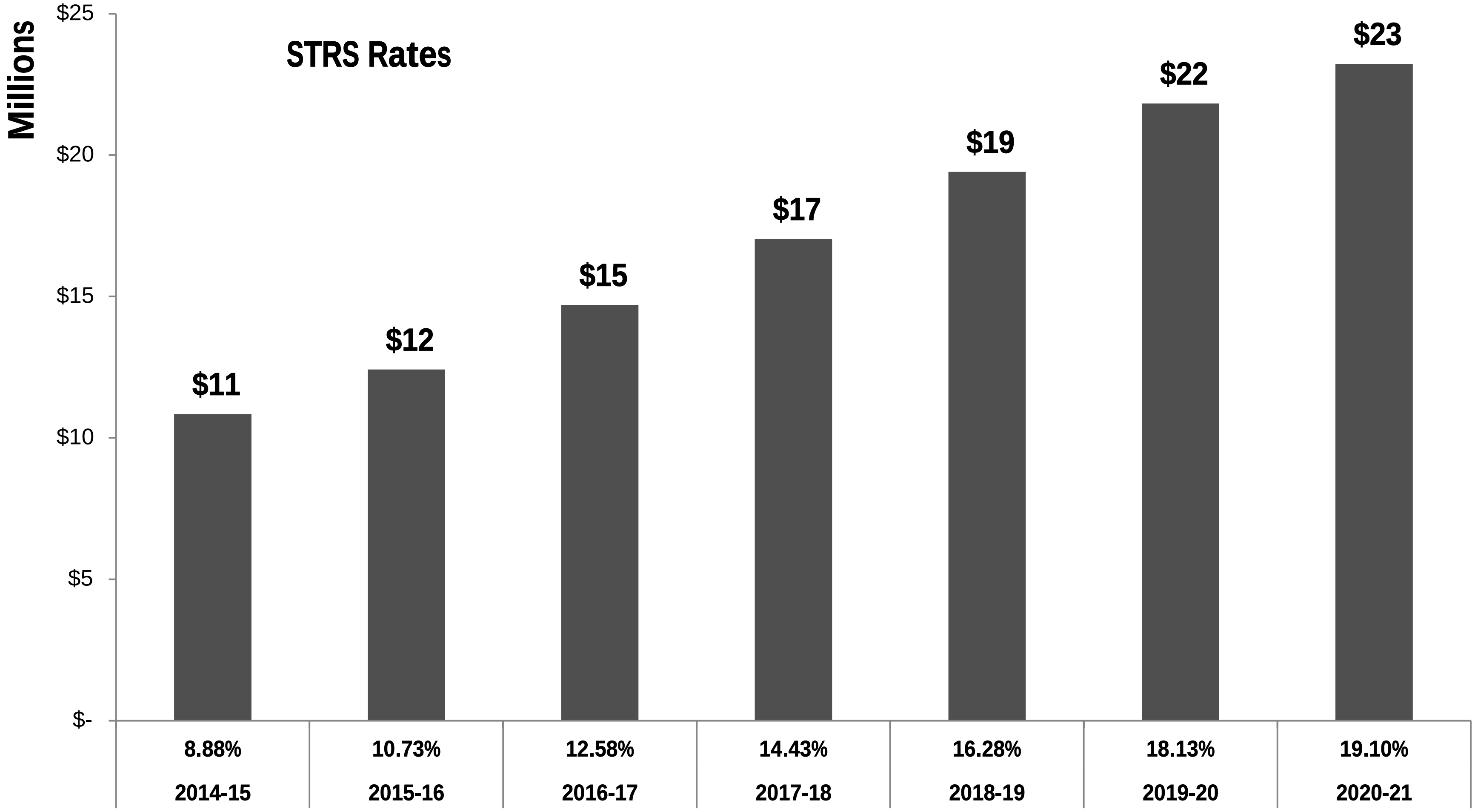
Cal STRS Rate: 14.43%

Active Health Benefits: 0% - Capped subject to negotiation

Retiree Health Benefits: 5%

Reserve for economic uncertainty 6%

STRS Multi Year Rates



Multi Year Projection
Unrestricted General Fund

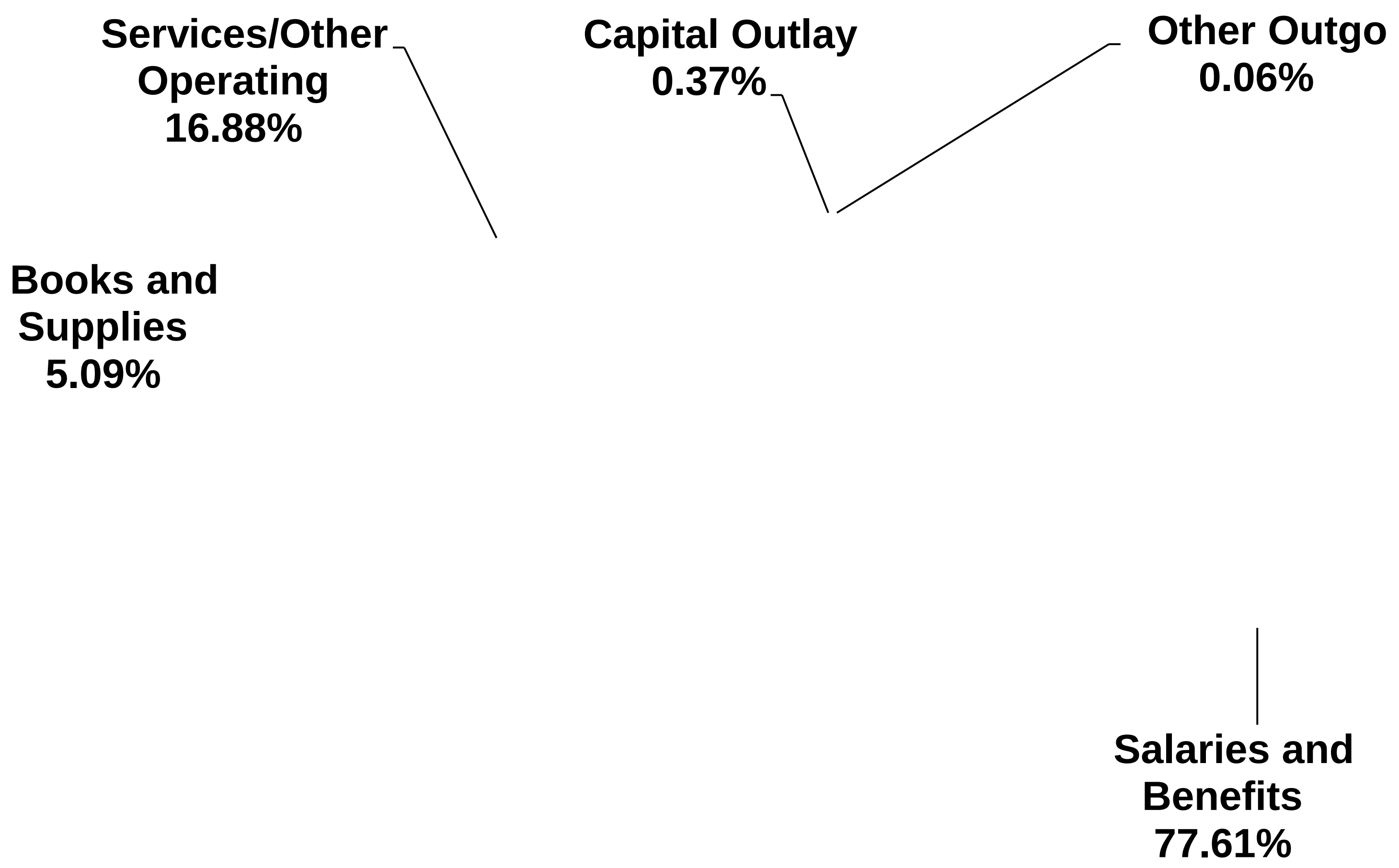
	2015-16	2016-17	2017-18
Revenues			
Expenses			
Deficit Spending			
Beginning Fund Balance			
Use/Increase of Fund Balance			
Ending Fund Balance			
Required Reserve			
Assigned Reserve			
Stores & Revolving Cash			
Balance			

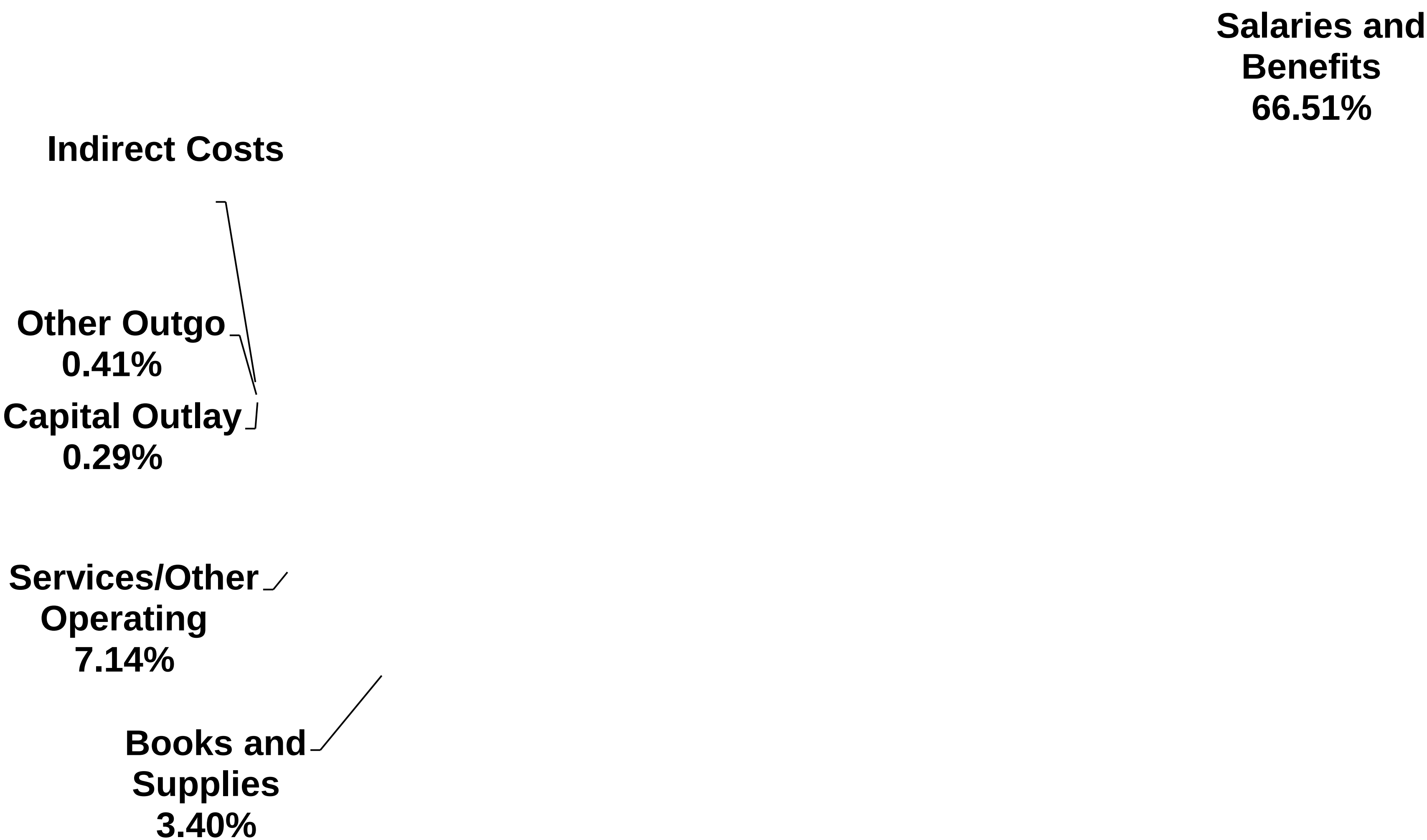
Chart in Thousands

Budget Areas by Object

- Grouping Budget
  - Classifies expenses by type
  - Salaries
  - Benefits
  - Supplies

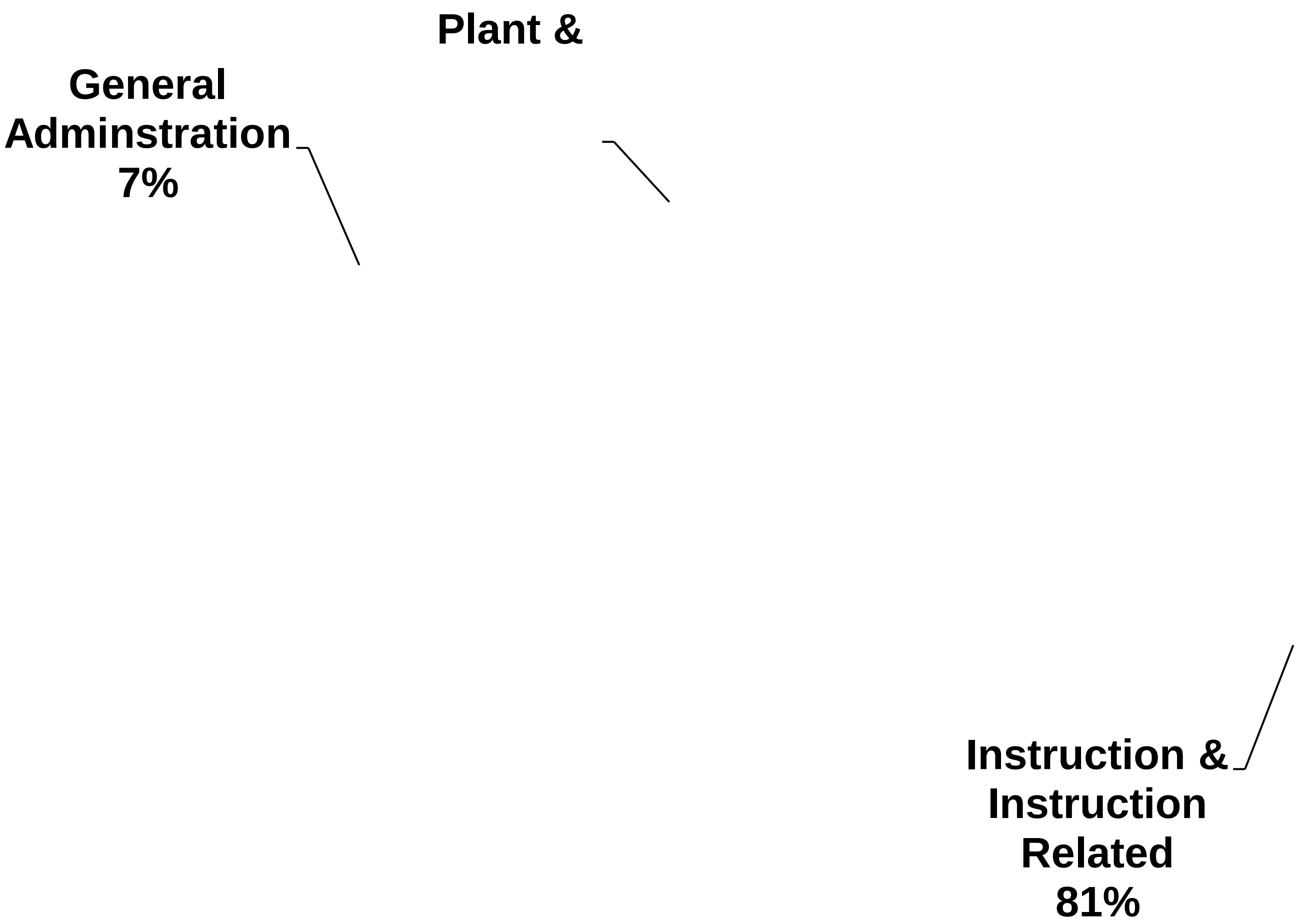
2015-16 TOTAL GENERAL FUND EXPENDITURES by OBJECT $307,622,490




Salaries and Benefits 66.51%
Indirect Costs
Other Outgo 0.41%
Capital Outlay 0.29%
Services/Other Operating 7.14%
Books and Supplies 3.40%

Budget by Function

- Grouping Budget Areas
  - Activity Based Function
    - Instruction & Instruction Related
    - General
    - Plant Maintenance & Operations


Plant &
General
Adminstration
7%
Instruction &
Instruction
Related
81%

Structural Deficit

- Defined as having ongoing programs and financial commitments for a given year that exceed that particular year’s revenue
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Structural Deficit

- The Board needs to be aware of the use of one-time funds and prepare plans for reducing commitments as one-time funds are depleted
- 2014-15 the District is projecting a structural deficit which will utilize $4 million of fund balance
- 2015-16 The District will have revenue growth due to LCFF that will close the deficit using the current assumptions and expense levels
- 2016-17 and 2017-18 The District will have revenue growth due to LCFF that will close the deficit using the current assumptions and expense levels

Fund Review

- Review of Budget Fund Schedules
  - Schedule 2
    - Adult Ed, Child Development, Deferred Maintenance, Special Reserve
  - Schedule 3
    - Building, Capital Facility, County School Facility, Specia Reserve for Capital Outlay
  - All funds are estimated to have positive ending fund and cash balances for 14-15, moving in to the 2015-16 budget year

Next Steps

- June 24 — Adopt 2015-16 LCFF Budget and LCAP
- July 22 — 45 Day Budget Revision Report
- September 16 — 2014-15 Unaudited Actuals Report to the Board