

# SANTA CRUZ CITY SCHOOLS

BUDGET ADVISORY COMMITTEE  
APRIL 27<sup>TH</sup>, 2016

# BAC/Board Joint Budget Review Session

- Review Projected Revenue Changes
- Review Projected New Expenditures
- Review Multi-Year Projections (MYP)
- LCAP Development
  - Surveys
  - Community Meetings
  - Student Focus Groups
  - District Advisory Committee
- Review info in Small Groups
- Next Steps

# Changes in Revenue

## 2015/16 2<sup>ND</sup> Interim vs 2016/17 1<sup>ST</sup> Draft Budget

	<u>2nd Interim</u>	<u>1st Draft Budget</u>	<u>Change</u>
LCFF Sources	<u>\$56,374,551</u>	<u>\$58,383,010</u>	<u>\$2,008,459</u>
State Aid	\$11,490,318	\$12,862,438	\$1,372,120
Educ Protection (Prop 30)	\$3,479,681	\$3,113,057	(\$366,624)
Property Tax	\$44,406,940	\$45,461,390	\$1,054,450
In-Lieu of Prop Tax	(\$3,002,388)	(\$3,053,875)	(\$51,487)
Supplemental	\$2,972,149	\$3,779,231	\$807,082

# Projected Property Taxes

Local Tax	2015/16 P-2 Taxes			2016/17 Projected		
	Elementary	Secondary	Total	Elementary	Secondary	Total
Secured	18,168,617	21,174,251	39,342,868	18,531,989	21,597,736	40,129,725
Unsecured	360,869	463,927	824,796	368,086	473,206	841,292
Hoptr	131,538	146,391	277,929	134,169	149,319	283,488
In lieu	4,600	5,545	10,145	4,692	5,656	10,348
Timber Yield			-	-	-	-
Prior Year	60,963		60,963	62,182	-	62,182
Supplemental		284,383	284,383	-	290,071	290,071
ERAF		551,996	551,996	-	563,036	563,036
Community RDA	64,902	169,488	234,390	66,200	172,878	239,078
RDA Residual	1,255,085	1,727,436	2,982,521	1,280,187	1,761,985	3,042,171
<b>Total Local Taxes</b>	<b>20,046,574</b>	<b>24,523,417</b>	<b>44,569,991</b>	<b>20,447,505</b>	<b>25,013,885</b>	<b>45,461,391</b>

# Changes in Revenue

## 2015/16 2<sup>ND</sup> Interim vs 2016/17 1<sup>ST</sup> Draft Budget

	2nd Interim	1st Draft Budget	Change
Federal Programs	\$3,209,755	\$3,493,995	\$284,240
Title I	\$856,664	\$1,240,474	\$383,810
Migrant Ed	\$401,870	\$401,870	\$0
Special Ed	\$1,090,584	\$1,090,584	\$0
Dept of Rehab/TPP	\$129,819	\$129,819	\$0
Perkins	\$76,193	\$76,193	\$0
Title II-Teacher Quality	\$296,248	\$296,248	\$0
Title III-Immigrant / LEP	\$98,598	\$98,598	\$0
Medi-Cal Billing	\$249,570	\$150,000	(\$99,570)
Medical Admin Activities (MAA)	\$10,209	\$10,209	\$0

Title I is an increase to the Secondary allocation. Medi-Cal Billing is a reduction in projected receipts.

# Changes in Revenue

## 2015/16 2<sup>ND</sup> Interim vs 2016/17 1<sup>ST</sup> Draft Budget

	<u>2nd Interim</u>	<u>1st Draft Budget</u>	<u>Change</u>
State Programs	\$6,438,944	\$4,074,710	(\$2,364,234)
Mandated Cost Block Grant	\$273,479	\$273,479	\$0
*Mandated Cost One-Time	\$3,469,480	\$1,287,928	(\$2,181,552)
CalWorks (AE)	\$14,224	\$14,224	\$0
Lottery-Unrestricted	\$975,200	\$975,200	\$0
After School Educ & Safety	\$224,700	\$224,700	\$0
Lottery Restricted	\$256,172	\$256,172	\$0
Educator Effectiveness Grant	\$572,826	\$0	(\$572,826)
Special Ed-Mental Health	\$295,966	\$295,966	\$0
Special Ed-Workability	\$218,435	\$218,435	\$0
Special Ed	\$2,442	\$2,442	\$0
CTEIG (Career Pathways Grant)	\$0	\$390,144	\$390,144
AG Incentive	\$15,576	\$15,576	\$0
CA Partnership Acad-GMEC	\$118,786	\$118,786	\$0
CA Sch Inform Serv	\$1,720	\$1,658	\$0

\* Projected \$200 per ADA

# Changes in Revenue

## 2015/16 2<sup>ND</sup> Interim vs 2016/17 1<sup>ST</sup> Draft Budget

	<u>2nd Interim</u>	<u>1st Draft Budget</u>	<u>Change</u>
Local Programs	<u>\$5,340,089</u>	<u>\$6,950,051</u>	<u>\$1,609,963</u>
Parcel Tax – Measure I	\$1,298,358	\$1,291,866	(\$6,492)
Parcel Tax – Measure J	\$1,355,145	\$1,348,369	(\$6,776)
Parcel Tax – Measure P	\$1,652,272	\$1,644,011	(\$8,261)
Parcel Tax – Measure O	\$0	\$2,400,000	\$2,400,000
Rents/Leases	\$236,036	\$236,036	\$0
Interest	\$27,238	\$27,238	\$0
Donations/Other	\$768,509	\$0	(\$768,509)

# 2016/17 Measure 0 Budget

Activity	Budget
CTE/ROP Positions	\$ 750,000
Athletic Directors	\$ 299,500
Stipends (Athletics, Music, Theatre, and Co Curricular)	\$ 620,000
League and Official Fees	\$ 128,000
Labs and Coding Pathway	\$ 235,500
Tech Support Position	\$ 80,000
One-Time - Theatre Equipment/Supplies / Prof Dev	\$ 82,000
One-Time - Athletic Equipment/Supplies	\$ 105,000
One-Time – Music Equipment/Supplies	\$ 100,000
<b>Total</b>	<b>\$ 2,400,000</b>



# STRS Retirement Contribution Rate Changes

<u>Employer Rates</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
CalSTRS Rates	8.880%	10.730%	12.580%	14.430%	16.280%	18.130%	19.100%
Rate Increase Over Prior Year	0.000%	1.850%	1.850%	1.850%	1.850%	1.850%	0.970%

<u>Increase in District Costs</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
Salaries Subject to STRS	\$26,660,895	\$32,971,994	\$32,790,054	\$33,281,905	\$33,781,133	\$34,287,850	\$34,802,168
STRS Cost	\$2,367,488	\$3,537,895	\$4,124,989	\$4,802,579	\$5,499,569	\$6,216,387	\$6,647,214
Additional Cost Over Prior Year	\$0	\$1,170,408	\$587,094	\$677,590	\$696,990	\$716,819	\$430,827

Total Increase in STRS Between 2014-15 and 2020-21	\$4,279,727
Total Increase in STRS based on Rate Growth Only	\$3,556,782

# PERS Retirement Contribution Rate Changes

<b>Employer Rates</b>	<b><u>2014-15</u></b>	<b><u>2015-16</u></b>	<b><u>2016-17</u></b>	<b><u>2017-18</u></b>	<b><u>2018-19</u></b>	<b><u>2019-20</u></b>	<b><u>2020-21</u></b>
<b>CalPERS Rates</b>	11.771%	11.847%	13.888%	15.500%	17.100%	18.600%	19.800%
<b>Rate Increase Over Prior Year</b>	0.000%	0.076%	2.041%	1.612%	1.600%	1.500%	1.200%

<b>Increase in District Costs</b>	<b><u>2014-15</u></b>	<b><u>2015-16</u></b>	<b><u>2016-17</u></b>	<b><u>2017-18</u></b>	<b><u>2018-19</u></b>	<b><u>2019-20</u></b>	<b><u>2020-21</u></b>
<b>Salaries Subject to PERS</b>	\$9,492,736	\$10,531,519	\$10,742,149	\$10,956,992	\$11,176,132	\$11,399,654	\$11,627,647
<b>PERS Cost</b>	\$1,117,390	\$1,247,669	\$1,357,657	\$1,546,167	\$1,740,570	\$1,931,861	\$2,098,419
<b>Additional Cost Over Prior Year</b>	\$0	\$130,279	\$109,988	\$188,510	\$194,404	\$191,291	\$166,558

Total Increase in PERS Between 2014-15 and 2020-21	<b>\$981,029</b>
Total Increase in PERS based on Rate Growth Only	<b>\$933,584</b>

# 2016-17 Projected Local Control Funding Formula

2016-17	Elementary Projected Attendance 2,490.40	Secondary Projected Attendance 3,957.56	Combined Total	Projected \$ per Elementary/Seco ndary Student
<b>Revenues:</b>				
<b>New Base</b>	<b>\$21,866,475</b>	<b>\$36,306,804</b>	<b>\$58,173,279</b>	<b>\$8,780 / \$9,174</b>
<b>LCFF Supplemental</b>	<b>\$1,540,384</b>	<b>\$2,238,847</b>	<b>\$3,779,231</b>	
<b>Supplemental Increase</b>	<b>\$306,419</b>	<b>\$500,663</b>	<b>\$807,082</b>	
<b><u>Base Increase</u></b>	<b><u>\$82,598</u></b>	<b><u>\$909,048</u></b>	<b><u>\$991,646</u></b>	
<b>Expenses:</b>				
Projected Increases				
<b>Step / Column</b>				
<b>1.5% Certificated Projected</b>			<b>\$484,859</b>	
<b>2.0% Classified Projected</b>			<b>\$199,631</b>	
<b>STRS Increase 1.85%</b>			<b>\$608,831</b>	
<b>PERS Increase 2.041% (recent increase)</b>			<b>\$207,797</b>	
<b>Total Projected Increase</b>			<b>\$1,501,118</b>	

# Expense Projection Changes Since 2<sup>nd</sup> Interim

- 3% Classified Salary Schedule Increase
- 2.5% Classified One-time Stipend for 2016/17
- Tech Replacement Program
- Math Adoption 3-year Cycle
- Step & Column
- Statutory Cost Increases
- Projected PERS/STRS Increases
- Measure O Budget
- CTEIG/ Career Pathway Grant

# MYP- 1<sup>ST</sup> Draft Budget

	2016/17 1st Draft Budget			2017/18 Projected Budget			2018/19 Projected Budget		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
Revenue	67,647,857	5,144,916	72,792,773	67,229,722	4,775,557	72,005,279	68,515,241	4,783,069	73,298,310
Expense	54,150,867	17,927,090	72,077,957	55,790,474	17,755,524	73,545,998	57,054,974	18,079,259	75,134,233
Excess/Deficiency	13,496,990	(12,782,174)	714,816	11,439,248	(12,979,967)	(1,540,720)	11,460,267	(13,296,190)	(1,835,923)
Transfers Out	200,000	0	200,000	200,000	0	200,000	200,000	0	200,000
Contributions To Restr.	(13,049,683)	13,049,683	0	(13,105,025)	13,105,025	0	(13,105,025)	13,105,025	0
Other Financing Sources	(13,249,683)	13,049,683	(200,000)	(13,305,025)	13,105,025	(200,000)	(13,305,025)	13,105,025	(200,000)
Net Increase (Decrease)	247,307	267,509	514,816	(1,865,777)	125,058	(1,740,720)	(1,844,758)	(191,165)	(2,035,923)
Beg Fund Balance	6,879,727	(25,704)	6,644,023	7,127,034	241,805	7,158,839	5,261,257	366,863	5,628,120
Ending Fund Balance	7,127,034	241,805	7,158,839	5,261,257	366,863	5,418,120	3,416,499	175,697	3,592,197
<b>Components of End Balance</b>									
Restricted/Designated									
Revolving Cash	20,000		20,000	20,000		20,000	20,000		20,000
Stores	61,352		61,352	61,352		61,352	61,352		61,352
Prepaid Expenditures	0		0	0		0	0		0
Increase LCFF Funding	807,082		807,082	1,032,981		1,032,981	1,258,585		1,258,585
Legally Restricted		241,805	241,805		366,863	366,863		175,697	175,697
	888,434	241,805	1,130,239	1,114,333	366,863	1,481,196	1,339,937	175,697	1,515,634
Unrestricted Reserve:									
Reserve 3% Econ. Uncert.	2,168,339		2,168,339	2,212,380		2,212,380	2,260,027		2,260,027
			0			0			0
Undesignated	4,070,261		4,070,261	1,934,544		1,934,544	(183,465)		(183,465)
	6,238,600		6,238,600	4,146,924		4,146,924	2,076,562		2,076,562
% Unrestricted Reserve			8.63%			5.62%			2.76%

# The Life Cycle of the LCAP

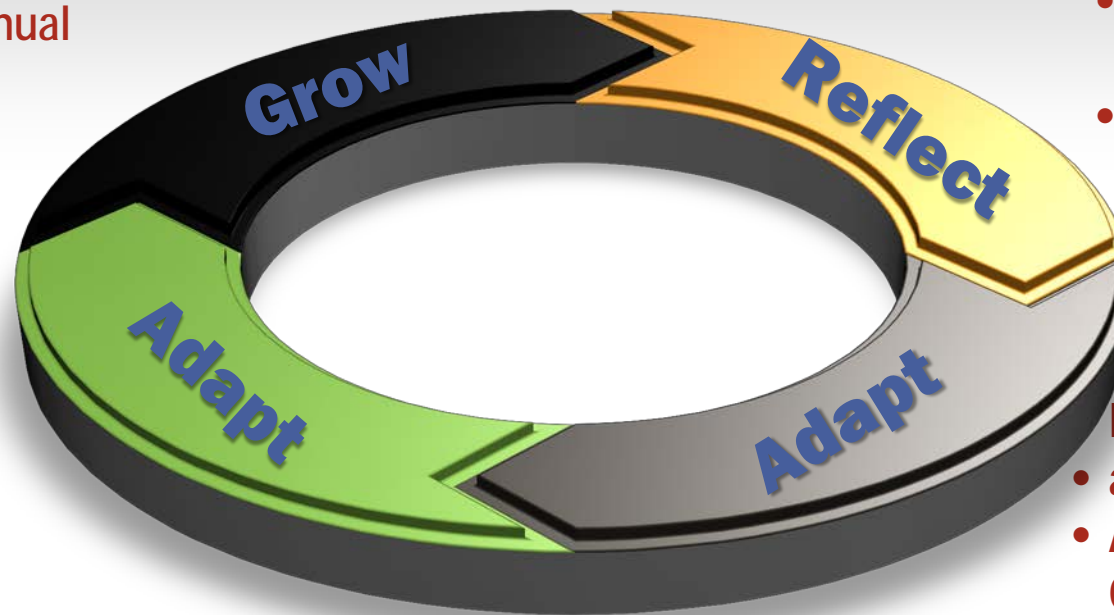
- The life cycle of the LCAP is one of continuous reflection, adaptation, and growth

## *April – June*

- Review progress and consult with stakeholders in completing annual update and making needed revisions
- Finalize following May Revision
- Hold public hearing
- Adopt and implement

## *February – March*

- Draft Plan
- Present to advisory groups
- Respond to comments
- Adjust to reflect input



## *July – October*

- Evaluate progress
- Conduct needs assessment
- Consult with stakeholders

## *November – January*

- Review goals, actions, and services
- Align resources with the Governor's State Budget Proposal
- Consult with stakeholders

# Elementary: 2016/17 Additions to the LCAP

If fully funded at May Revise

- Release time for math professional development (staff, leadership, parents, students)
- Materials and software for Math Intervention (staff, leadership, parents, students)
- Positive Behavior Intervention Support (staff, leadership, parents)
- Additional curriculum, assessment and intervention to support English Learners, Re-designated, Migrant and Low-Income Students (staff, parents, leadership)
- Resources to increase parent engagement in district meetings and events (staff, leadership, parents)

# Secondary: 2016/17 Additions to the LCAP

If fully funded at May Revise

- .2 Common Core English Language Arts coach at both middle schools (staff, leadership, parents)
- Increase AVID class at Harbor by one additional section (staff, leadership, parents)
- Increase Chromebooks and carts at each high school (staff, leadership, parents, students)
- Increase Chromebooks and carts for middle school math RTI programs (staff, leadership, parents, students)
- Add Math Plus section at each high school (staff, parents, students)
- Resources to increase parent engagement in district meetings and events (staff, leadership, parents)
- .5 School Community Coordinator at each secondary school (staff, leadership, parents)



# Other Considerations and Future Planning

- District Revenue increases have been funded in large part from gap funding
  - 85% of the gap was closed in the first four years
  - Projected to be at 95% of the Target Funding Level
  - Future gap funding will be significantly less than experienced in the first four years
- PERS and STRS Rates are projected to increase substantially through 2020-21
- District continues to pay OPEB (retirement) costs on a pay as you go basis
  - New GASB legislation will require disclosure of entire liability which could affect the district's ability to pursue lending opportunities to meet cash flow needs

# 1-2-4-ALL

- What ideas do you have to increase revenue or reduce cost?
- 1) Spend 3 minutes jotting ideas quietly
- 2) Partner up – discuss ideas for 2 minutes
- 3) Join a group of 2 = 4 – discuss ideas for 3 minutes
- 4) Share one idea that stood out in your conversation
- Repeat Cycle

# Thank you!

- “Start where you are. Use what you have. Do what you can.”

- Arthur Ashe