

# 2016/17 Budget Proposal

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## Modesto City Schools

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# Tonight's Overview

- Local Control Funding Formula (LCFF)
- Assumptions for Revenue and Expenditures
- Fund Balance
- Criteria and Standards
- Next Steps

# LCFF – Elementary

Grades	ADA	Base	Grade Span	Supp.	Conc.	TARGET
Unduplicated % of Enroll.				87.67%	87.67%	
K-3	6,616.74	\$7,083	\$737	\$1,371	\$1,277	\$69,267,712
4-6	5,104.83	\$7,189		\$1,261	\$1,174	\$49,128,079
7-8	3,024.69	\$7,403		\$1,298	\$1,209	\$29,975,652
<b>TOTAL</b>						<b>\$148,371,443</b>
TIIG Add-On						\$1,084,014
Transportation Add-On						\$474,814
<b>16/17 LCFF TARGET</b>						<b>\$149,930,271</b>

# LCFF – Elementary

LCFF Floor and Phase-In Entitlement Calculation	
Prior Year Funded ADA	14,746.26
Prior Year Revenue Limit Rate	\$5,063.10
TOTAL	\$74,661,789
Prior Year State Categoricals ( <i>Tier III, CSR, EIA and Transportation</i> )	\$17,400,660
Prior Year LCFF Funding	<u>\$40,600,288</u>
16/17 LCFF Floor	\$132,662,737
16/17 LCFF Target	\$149,930,271
16/17 GAP (difference)	\$17,267,534
<b>16/17 GAP Funded @ 54.84% before SCOE Transfer</b>	<b>\$9,469,516</b>
16/17 LCFF Entitlement before SCOE Transfer	\$142,132,253

# LCFF – High School

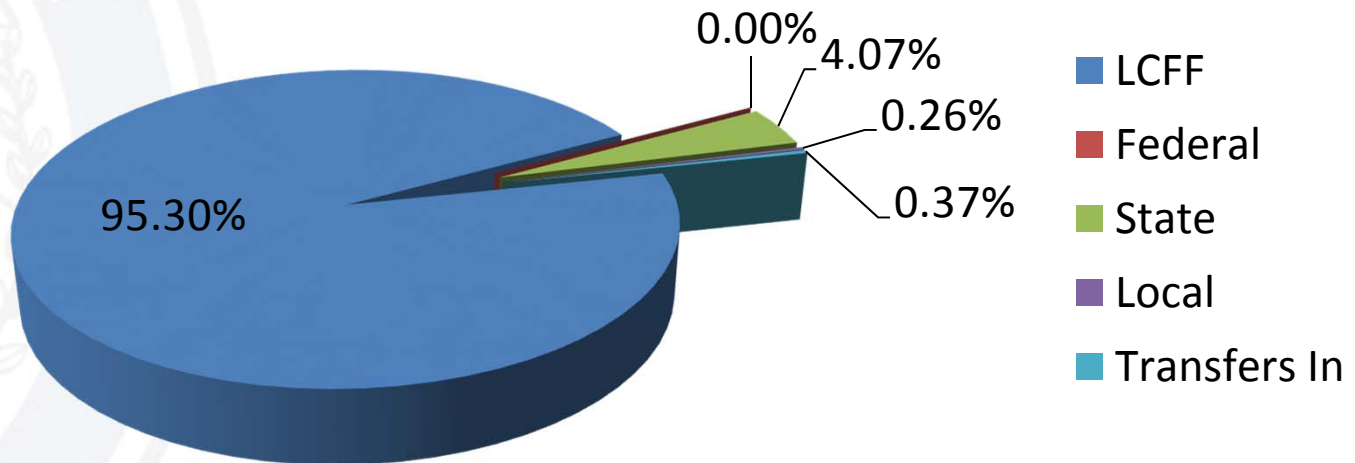
Grades	ADA	Base	Grade Span	Supp.	Conc.	TARGET
Unduplicated % of Enroll.				64.01%	64.01%	
9-12	14,523.01	\$8,578	\$223	\$1,127	\$396	\$149,938,301
<b>TOTAL</b>						<b>\$149,938,301</b>
TIIG Add-On						\$717,582
Transportation Add-On						\$458,416
<b>16/17 LCFF TARGET</b>						<b>\$151,114,299</b>

# LCFF – High School

LCFF Floor and Phase-In Entitlement Calculation	
Prior Year Funded ADA	14,523.01
Prior Year Revenue Limit Rate	\$6,087.90
TOTAL	\$88,414,633
Prior Year State Categoricals ( <i>Tier III, EIA and Transportation</i> )	\$10,812,150
Prior Year LCFF Funding	<u>\$36,078,497</u>
16/17 LCFF Floor	\$135,305,280
16/17 LCFF Target	\$151,114,299
16/17 GAP (difference)	\$15,809,019
<b>16/17 GAP Funded @ 54.84% before SCOE Transfer</b>	<b>\$8,669,666</b>
16/17 LCFF Entitlement before SCOE Transfer	\$143,974,946

# 2016/17 Working Budget Revenue

## Unrestricted General Fund



# Revenue Assumptions

- LCFF

YEAR	COLA	GAP
2016/17	0.00%	54.84%
2017/18	1.11%	73.96%
2018/19	2.42%	41.22%

- LCFF Supplemental and Concentration

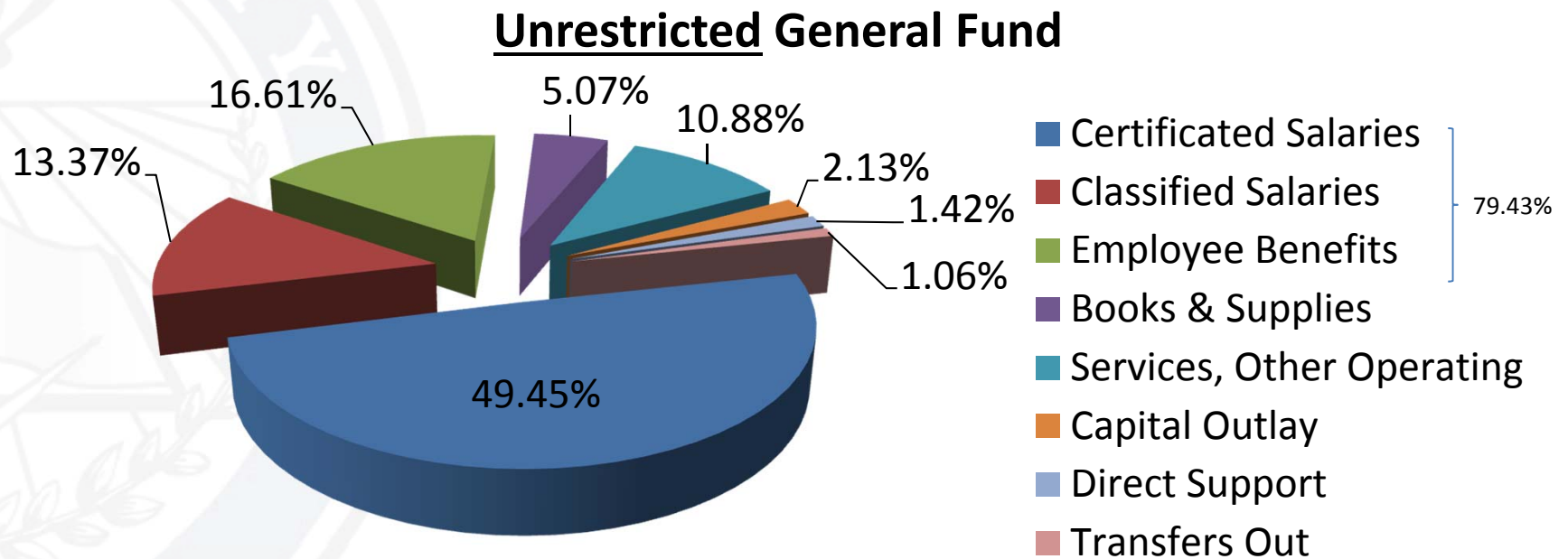
- Parents will continue to complete the Free and Reduced Meal Applications which drives the percentage (%) rate of eligibility for the above noted dollars.



# Revenue Assumptions

- Addition of 2016/17 One-Time Discretionary Mandate Reimbursement estimated at \$237 per ADA for a total of \$6.9M
- Proposition 30 quarter-cent tax increase expires end of 2016
  - The anticipated decline of funding is calculated in the future Gap funding percentage.

# 2016/17 Expenditures



# Expenditure Assumptions

- LCAP items for 2016/17 have been included in the proposed budget
- Supplemental and Concentration budget dollars allocated will be fully expended.
- Restricted categorical budget dollars allocated will be fully expended.
- Contract negotiations with all bargaining units are unsettled. Dollars have not been set aside for potential settlements.

# Expenditure Assumptions

- Pension reform factors:
  - 2016/17 STRS increase of 1.85%; PERS increase of 2.041%
  - 2017/18 STRS increase of 1.85%; PERS increase of 1.612%
  - 2018/19 STRS increase of 1.85%; PERS increase of 1.60%
- Worker's Compensation increase from 2.0% to 2.25%
- Transfers Out are maintained

# Fund Balance – Unrestricted

	2015/16	2016/17	2017/18	2018/19
Fund Balance	\$47,932,293	\$38,247,712	\$32,106,639	\$27,129,334
Nonspendable – Stores, Revolving Cash, Prepaid Expenses	\$938,009	\$425,000	\$425,000	\$425,000
Assigned				
Economic Uncertainties	\$10,688,477	\$10,549,775	\$10,542,345	\$10,659,494
County Cash FMV Adjustment	\$268,048	\$268,048	\$268,048	\$268,048
LCAP Funding	\$-0-	\$-0-	\$6,869,465	\$8,505,572
Carryover Obligation – Deferred Maintenance	\$528,000	\$-0-	\$-0-	\$-0-
Carryover Obligation – Misc.	\$3,006,700	\$3,006,700	\$3,006,700	\$3,006,700
One Time Expenditures	\$-0-	\$250,000	\$250,000	\$250,000
Unassigned Balance	\$32,503,060	\$23,748,189	\$10,745,082	\$4,014,519

# Criteria and Standards

- 5 items are shown as “unmet”
  - Criterion 3 – ADA to Enrollment
    - Due to continued historical growth, the District strives towards its growth target of 98%.
  - Criterion 4 – Local Control Funding Formula
    - Due to the continued historical enrollment growth, the projected increase to unduplicated pupil percentage triggers a variance in current and out years.

# Criteria and Standards

- 5 items are shown as “unmet” (continued)
  - Criterion 5 – Salary and Benefits
    - LCFF calculation changes now require the transfer of apportionment to the County Office of Education in lieu of the State paying directly via the Revenue Limit calculation.
  - Criterion 6a & 6b – Revenue and Expenditures
    - Onetime Educator Effectiveness, Mandate funding, and Insurance Claims have caused a variance in current and out years.

# Summary

- Continued LCFF Gap Funding is based on State economic growth.
- Local Control and Accountability Plan (LCAP) has been established for 2016/17.
  - Items included in the LCAP are reflected in the proposed 2016/17 budget.
- The long-term effects of Proposition 30 – Education Protection Account expiration is uncertain.
- Based on the factors and assumptions included and noted in the Proposed Budget document, the District is able to propose a Positive Certification.