

# 2015/16 First Interim

December 7, 2015

Presenter – Julie A. Betschart



## **Modesto City Schools**

COMMUNICATE • COLLABORATE • CELEBRATE



# Tonight's Overview

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

# LCFF – Elementary

Grades	ADA	Base	Grade Span	Supp.	Conc.	TARGET
Unduplicated % of Enroll.				87.94%	87.94%	
K-3	6,732.15	\$7,083	\$737	\$1,375	\$1,288	\$70,575,388
4-6	4,885.05	\$7,189		\$1,264	\$1,184	\$47,079,326
7-8	2,993.49	\$7,403		\$1,302	\$1,219	\$29,708,333
<b>TOTAL</b>						<b>\$147,363,047</b>
TIIG Add-On						\$1,084,014
Transportation Add-On						\$474,814
<b>15/16 LCFF TARGET</b>						<b>\$148,921,875</b>

# LCFF – Elementary

LCFF Floor and Phase-In Entitlement Calculation	
Prior Year Funded ADA	14,610.69
Prior Year Revenue Limit Rate	\$5,063.10
TOTAL	\$73,975,384
Prior Year State Categoricals ( <i>Tier III, CSR, EIA and Transportation</i> )	\$17,400,660
Prior Year LCFF Funding	<u>\$21,571,369</u>
15/16 LCFF Floor	\$112,947,413
15/16 LCFF Target	\$148,921,875
15/16 Gap (difference)	\$35,974,462
<b>15/16 Gap Funded @ 51.52% before SCOE Transfer</b>	<b>\$18,534,043</b>
15/16 LCFF Entitlement before SCOE Transfer	\$131,481,456

# LCFF – High School

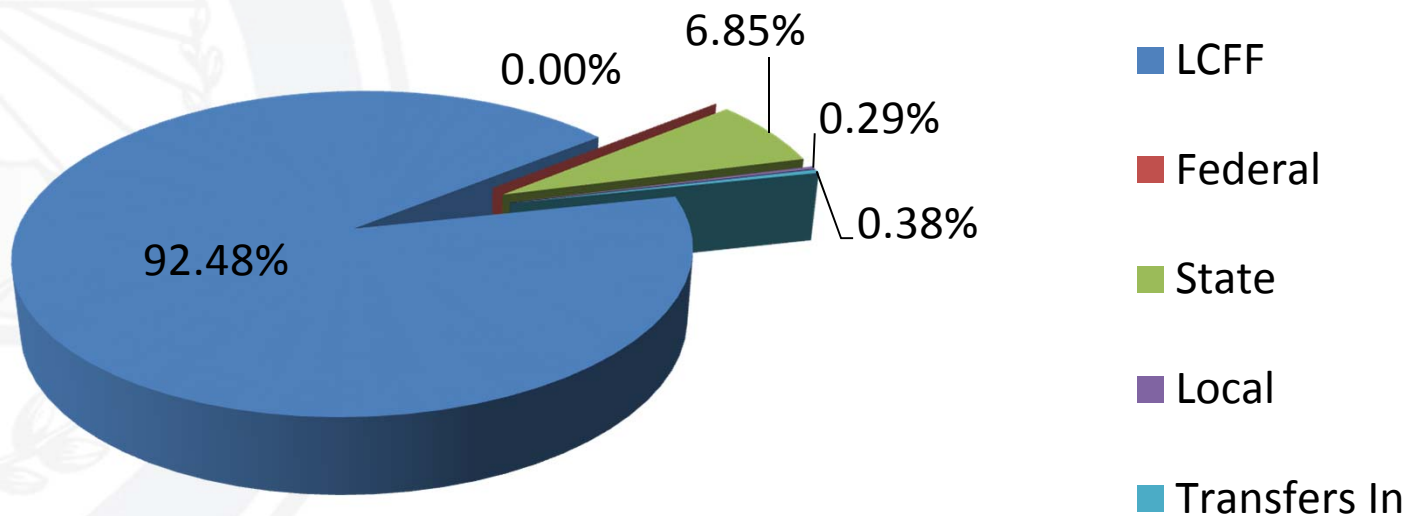
Grades	ADA	Base	Grade Span	Supp.	Conc.	TARGET
Unduplicated % of Enroll.				63.86%	63.86%	
9-12	14,496.56	\$8,578	\$223	\$1,124	\$390	\$149,531,263
<b>TOTAL</b>						<b>\$149,531,263</b>
TIIG Add-On						\$717,582
Transportation Add-On						\$458,416
<b>15/16 LCFF TARGET</b>						<b>\$150,707,261</b>

# LCFF – High School

LCFF Floor and Phase-In Entitlement Calculation	
Prior Year Funded ADA	14,496.56
Prior Year Revenue Limit Rate	\$6,087.90
TOTAL	\$88,253,608
Prior Year State Categoricals ( <i>Tier III, EIA and Transportation</i> )	\$10,812,150
Prior Year LCFF Funding	<u>\$18,971,503</u>
15/16 LCFF Floor	\$118,037,261
15/16 LCFF Target	\$150,707,261
15/16 Gap (difference)	\$32,670,000
<b>15/16 Gap Funded @ 51.52% before SCOE Transfer</b>	<b>\$16,831,584</b>
15/16 LCFF Entitlement before SCOE Transfer	\$134,868,845

# 2015/16 Working Budget Revenue

## Unrestricted Revenue - General Fund



# Revenue Assumptions

- LCFF

YEAR	COLA	Gap
2015/16	1.02%	51.52%
2016/17	1.60%	35.55%
2017/18	2.48%	35.11%

- LCFF Supplemental and Concentration

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

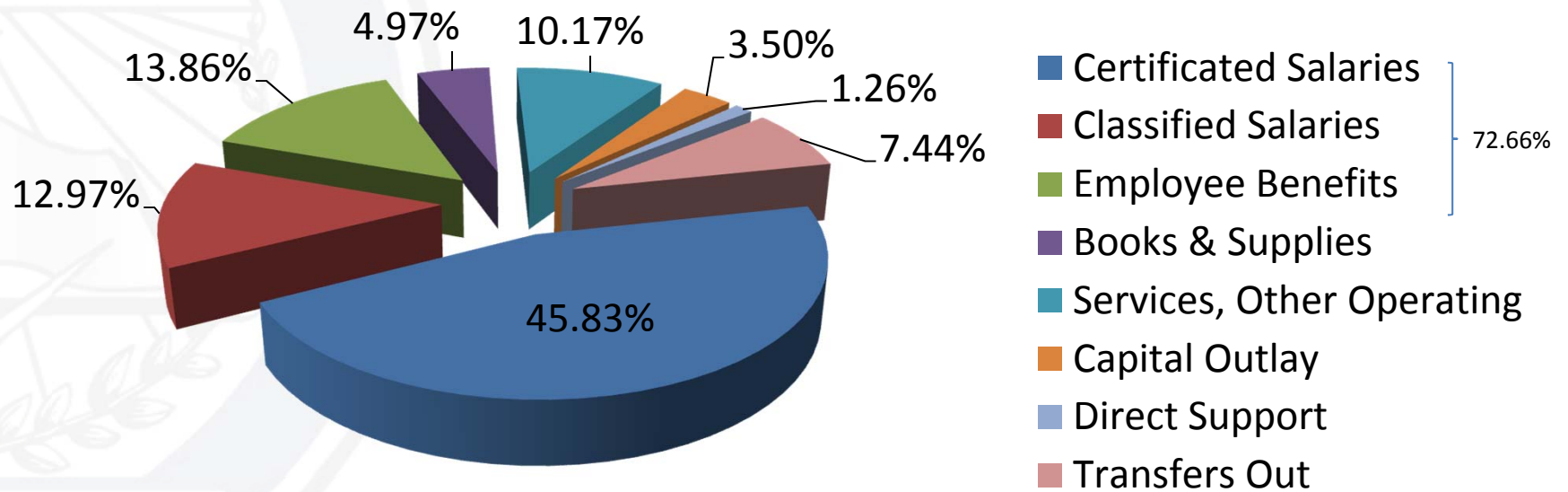


# Revenue Assumptions

- Increase in 2015/16 Title I Entitlement \$0.8M
- Posting of Deferred Revenue \$5.4M
- One-time Educator Effectiveness \$2.2M
- Johansen First Insurance Claim \$4.5M
- Proposition 30 quarter-cent tax increase expires end of 2016
  - The anticipated decline of funding is calculated in the future Gap funding percentage.

# 2015/16 Expenditures

## Unrestricted Expenditures - General Fund



# Expenditure Assumptions

- CSEA and Manager's Group salary settlements reflected
- MTA proposed salary settlement is not included
  - 4% Total Compensation or \$6,220,080
- Worker's Compensation increase from 2.0% to 2.25% in 2016/17 and beyond
- Projected increases for STRS and PERS are included in current and out-years

	2015/16	2016/17	2017/18
STRS	10.73%	12.58%	14.43%
PERS	11.847%	13.05%	16.60%



# Expenditure Assumptions

- Revisions for first month staffing adjustments
- Revisions for first month site allocation adjustments
- One-time technology increases since adoption \$2.6M
- Posting of 2014/15 carryover

# Fund Balance – Unrestricted

	2014/15	2015/16	2016/17	2017/18
Fund Balance	\$56,880,629	\$41,079,497	\$41,838,302	\$49,314,410
Nonspendable – Stores, Revolving Cash, Prepaid Expenses	\$591,836	\$425,000	\$425,000	\$425,000
Assigned				
Economic Uncertainties	\$9,085,698	\$10,868,848	\$9,958,882	\$10,098,855
County Case FMV Adjustments	\$268,048	\$268,048	\$268,048	\$268,048
LCAP Supplemental & Concentration	\$-0-	\$-0-	\$7,092,529	\$12,131,711
Mandate Block Grant Technology Reserve	\$-0-	\$14,994,206	\$14,994,206	\$14,994,206
Carryover Obligation – Deferred Maintenance	\$1,353,273	\$153,273	\$153,273	\$153,273
Carryover Obligation – Misc.	\$3,889,604	\$1,167,344	\$1,167,344	\$1,167,344
One Time Expenditures	\$-0-	\$250,000	\$250,000	\$250,000
Unassigned Balance	\$41,692,170	\$12,952,479	\$7,529,021	\$9,825,974

# 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 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 6 – Revenue and Expenditures
    - Due to the recording of the Johansen fire and the District does not reflect deferrals or carryover at adoption.

# Criteria and Standards

- 5 items are shown as “unmet” (continued)
  - Criterion 8 – Deficit Spending
    - Planned deficit spending due to the spending down of one-time carryover funds.
  - Criterion S5A – Contributions, Transfers and Capital Projects
    - The addition of the Board approved one-time transfer of \$2M Emergency Maintenance needs during the 2015/16 budget adoption report.

# Summary

- Continued LCFF Gap Funding is based on State economic growth.
  - Gap Funding increases are included in 2015/16, 2016/17 and 2017/18 revenue.
  - There are no statutory predetermined planning factors for the LCFF Gap funding scale. Due to the uncertainty, it is highly recommended that districts plan conservatively.
- The 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.