

2015/16 Second Interim

February 29, 2016

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Modesto City Schools

COMMUNICATE • COLLABORATE • CELEBRATE

Tonight's Overview

- Local Control Funding Formula (LCFF) calculation
- Assumptions for Revenue and Expenditures
- Multi-Year Projection Review (MYP)
- Fund Balance
- Criteria and Standards

LCFF – Elementary

Grades	ADA	Base	Grade Span	Supp.	Conc.	TARGET
Unduplicated % of Enroll.				87.79%	87.79%	
K-3	6,570.54	\$7,083	\$737	\$1,373	\$1,282	\$68,827,226
4-6	5,073.44	\$7,189		\$1,262	\$1,179	\$48,856,624
7-8	2,997.67	\$7,403		\$1,300	\$1,219	\$29,726,516
TOTAL						\$147,410,366
TIIG Add-On						\$1,084,014
Transportation Add-On						\$474,814
15/16 LCFF TARGET						\$148,969,194

LCFF – Elementary

LCFF Floor and Phase-In Entitlement Calculation	
Prior Year Funded ADA	14,641.65
Prior Year Revenue Limit Rate	\$5,063.10
TOTAL	\$74,132,138
Prior Year State Categoricals (<i>Tier III, CSR, EIA and Transportation</i>)	\$17,400,660
Prior Year LCFF Funding	<u>\$21,617,957</u>
15/16 LCFF Floor	\$113,150,755
15/16 LCFF Target	\$148,969,194
15/16 Gap (difference)	\$35,818,439
15/16 Gap Funded @ 51.97% before SCOE Transfer	\$18,614,843
15/16 LCFF Entitlement before SCOE Transfer (88% funded)	\$131,765,598

LCFF – High School

Grades	ADA	Base	Grade Span	Supp.	Conc.	TARGET
Unduplicated % of Enroll.				63.89%	63.89%	
9-12	14,422.41	\$8,578	\$223	\$1,125	\$391	\$148,793,065
TOTAL						\$148,793,065
TIIG Add-On						\$717,582
Transportation Add-On						\$458,416
15/16 LCFF TARGET						\$149,969,063

LCFF – High School

LCFF Floor and Phase-In Entitlement Calculation	
Prior Year Funded ADA	14,422.41
Prior Year Revenue Limit Rate	\$6,087.90
TOTAL	\$87,802,190
Prior Year State Categoricals (<i>Tier III, EIA and Transportation</i>)	\$10,812,150
Prior Year LCFF Funding	<u>\$18,862,205</u>
15/16 LCFF Floor	\$117,476,545
15/16 LCFF Target	\$149,969,063
15/16 Gap (difference)	\$32,492,518
15/16 Gap Funded @ 51.97% before SCOE Transfer	\$16,886,362
15/16 LCFF Entitlement before SCOE Transfer (89.5% funded)	\$134,362,907

Revenue Assumptions

- LCFF

YEAR	COLA	Gap
2015/16	1.02%	51.97%
2016/17	0.47%	49.08%
2017/18	2.13%	45.34%

- LCFF Supplemental and Concentration

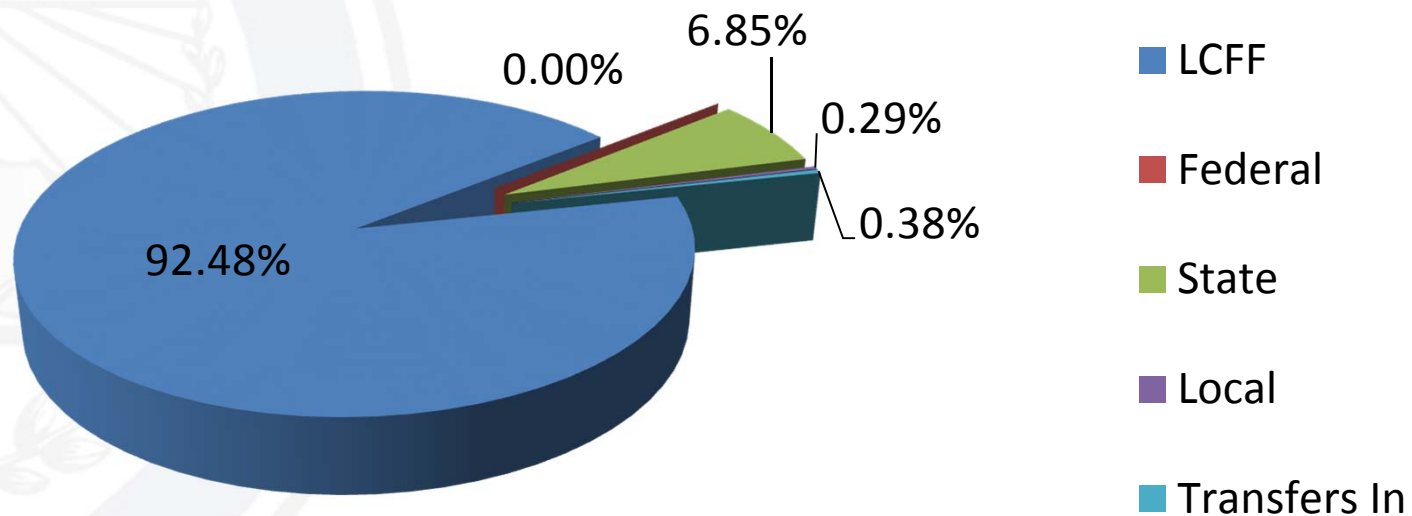
- Parents will continue to complete the Free and Reduced Meal Applications which drives the percentage (%) rate of eligibility for the Supplemental and Concentration dollars.

- Proposition 30 quarter-cent tax increase expires end of 2016

- 2016/17 proposed one-time Mandate allocation of \$214/ADA

2015/16 Working Budget - Revenue

Unrestricted Revenue - General Fund



TOTAL \$287,002,812

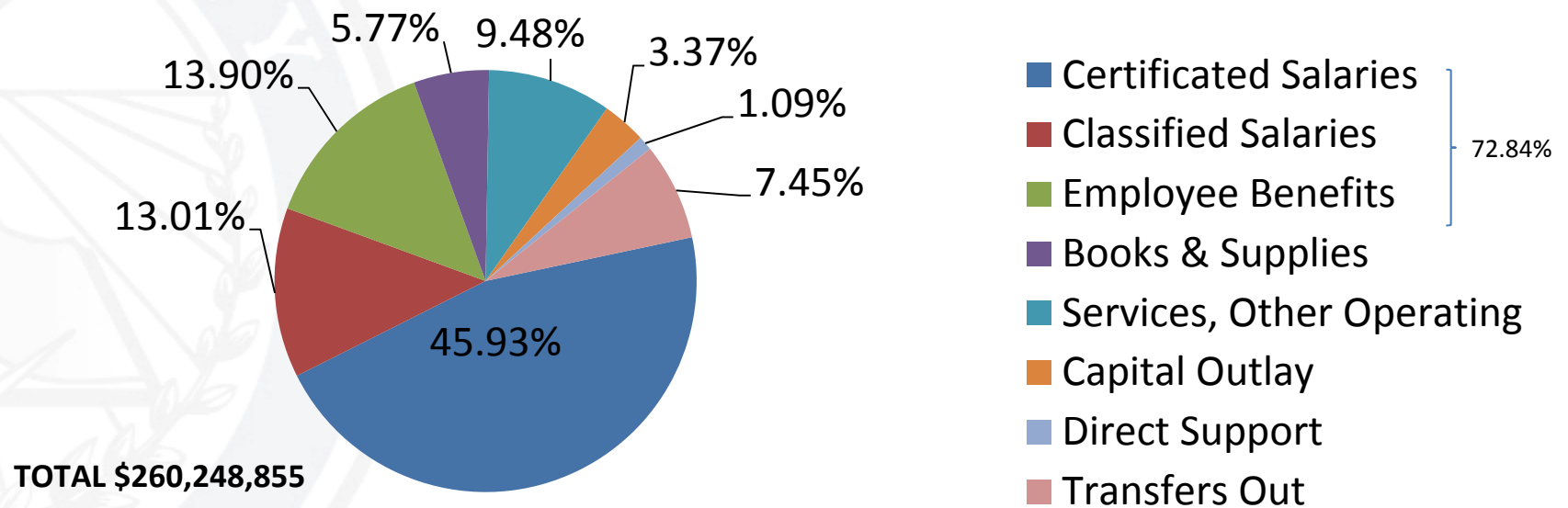
Expenditure Assumptions

- Projected savings are reflected in current and out-years
- MTA proposed salary settlement is not included
- 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%

2015/16 Working Budget - Expenditures

Unrestricted Expenditures - General Fund



Fund Balance – Unrestricted

	2014/15	2015/16	2016/17	2017/18
Fund Balance	\$56,880,629	\$41,391,873	\$58,390,840	\$75,649,925
Nonspendable – Stores, Revolving Cash, Prepaid Expenses	\$591,836	\$425,000	\$425,000	\$425,000
Assigned				
Economic Uncertainties	\$9,085,698	\$10,858,677	\$9,815,072	\$9,954,582
County Case FMV Adjustments	\$268,048	\$268,048	\$268,048	\$268,048
LCAP Supplemental & Concentration	\$-0-	\$-0-	\$9,529,930	\$14,554,762
Mandate Block Grant Technology Reserve	\$-0-	\$-0-	\$-0-	\$-0-
Carryover Obligation – Deferred Maintenance	\$1,353,273	\$153,273	\$153,273	\$153,273
Carryover Obligation – Misc.	\$3,889,604	\$56,700	\$56,700	\$56,700
One Time Expenditures	\$-0-	\$-0-	\$250,000	\$250,000
Unassigned Balance *rounded to whole dollar	\$41,692,170	\$29,630,176	\$37,892,818	\$49,987,561

Criteria and Standards

- 4 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. Current negotiations agreements not included.
 - 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

- 4 items are shown as “unmet” (continued)
 - Criterion 8 – Deficit Spending
 - Planned deficit spending due to the spending down of one-time carryover funds.

Additional budgetary considerations that are not included in MYP

- MTA Tentative Agreement (TA)
- Possible impact to other units as a result of MTA's TA
- Future year negotiations
- Estimated facility needs for Kindergarten growth projected in 2017
- Sick Leave benefit for part-time employees
- Potential impact of Affordable Care Act
- The approved District Office building that was placed on hold
- Future facility needs outside of potential bond capacity
- Curriculum Adoption – Math and English
- Technology needs

Summary

- Based on the factors and assumptions included and noted in the Proposed Budget document, the District is able to propose a Positive Certification.