

LOWELL JOINT SCHOOL DISTRICT
BUDGET UPDATE

April 2016



WELCOME





**15/16
CURRENT LCFF
BUDGET**

**15/16
SUPPLEMENTAL
FUNDS BUDGET**

**SALARIES AND
BENEFITS
RECAP**

**16/17 &
MULTI-YEAR
PROJECTIONS**



**15/16
CURRENT LCFF
BUDGET**

CURRENT LCFF BUDGET 2015-2016

| Revenue | With One-Time Money Included | With One-time Money Excluded |
|--------------------------------|-------------------------------------|-------------------------------------|
| Base | \$21,878,373 | \$21,878,373 |
| Supplemental | \$1,274,396 | \$1,274,396 |
| Other (S.E., Title I, II, III) | \$6,014,966 | \$4,382,966 |
| Total | \$29,167,735 | \$27,535,735 |
| Annual Expenditures | | |
| Salaries and Benefits | \$23,485,792 | \$23,485,792 |
| Instructional Supplies | \$1,638,810 | \$1,254,810 |
| Utilities and Insurance | \$858,992 | \$858,992 |
| Other | \$2,069,099 | \$2,069,099 |
| Total | \$28,052,693 | \$27,668,693 |
| Surplus/(Shortfall) | \$1,115,042 | (\$132,598) |

CURRENT LCFF BUDGET 2015-2016

■ One Time Funds

- Revenue - \$1,632,000

- Expenses

- 1:1 Chromebook Cart Initiative Year 1 – 21 carts of 35 devices each
 - \$294,000 actual cost (estimated \$222,000)
- 1:1 Chromebook Cart Initiative Years 2-4
 - \$940,000
- School Site Technology Allocation
 - \$90,000
- Unrestricted Reserves
 - \$308,000



**15/16
SUPPLEMENTAL
FUNDS BUDGET**

SUPPLEMENTAL FUNDS BUDGET 2015-2016

Revenue - \$1,274,396

Expenditures per Local Control Accountability Plan (LCAP)

- **Teacher on Special Assignment (TOSA) to assist with CCS/Technology transition**
- **Additional CCS professional development**
- **3 additional night custodians to provide daily cleaning of classrooms**
- **Four non-student professional development work days**
- **School libraries open additional hours for homework and tutoring help**

SUPPLEMENTAL FUNDS BUDGET 2015-2016

- **Bilingual educational support to students and parents (3 bilingual aides)**
- **Two additional math sections at Rancho Starbuck**
- **ELD Block at Rancho Starbuck**
- **Math Training**
- **Multi-Tiered Systems of Support**
- **Before/After School Interventions**
- **Parent Education**
- **Counseling (Rancho Starbuck)**
- **School Resource Officer (Rancho Starbuck)**
- **Early Mental Health Services**

SUPPLEMENTAL FUNDS BUDGET 2015-2016

- **Support for Reclassified Students**
- **Technology program to assist teachers monitoring student progress (Illuminate)**
- **Data coaches to support Illuminate data analysis**
- **Intervention Coaches**
- **Administration of Supplemental Programs**
- **Data systems analyst (50%) UP data reporting, student and curriculum database management**

8 STATE PRIORITY AREAS

**Student
Achievement**

**Course
Access**

Other

**Student
Engagement**

**Basic
Services**

**Parental
Involvement**

**Implementation of
Content Standards**

**School
Climate**

LCAP SURVEY

- Conducted during February and March 2016
 - Certificated and Classified Staff
 - Parents
- Results being reviewed to determine adjustments to areas of priority
- It's a three year plan
- Reviewed and revised each year based upon input and progress toward goals
- Board will approve the plan at June 27, 2016 Board meeting



**SALARIES AND
BENEFITS
RECAP**

SALARIES AND BENEFITS RECAP

- From 13/14 to 15/16 all salary schedules have increased 17% - restored furlough days (approximately 4%), salary raises of 5%, 3%, 4%
- Step, column and longevity increases as employees advance on these schedules year after year are in addition to the above salary increases (approximately \$1,500,000)
- During this same period of time, Health and Welfare benefit contributions have risen 9% to \$18,682 per employee

SALARIES AND BENEFITS RECAP

- The Board of Trustees approved these raises based upon estimated future revenues
- In doing so, they funded raises from reserves until revenues “caught up” with expenses
- The Board of Trustees has spent down 9% of reserves totaling \$1,400,000
- Continued deficit spending is projected again this year when one-time funds are excluded

SALARIES AND BENEFITS RECAP

- Employer contributions for STRS have increased 2.5%
 - Between 16/17 and 2020/21 they will increase an additional 8.4%
- Employer contributions for PERS have increased 0.4%
 - Between 16/17 and 2020/21 they will increase an additional 8.6%



**MULTI-YEAR
PROJECTIONS
(MYP)**

2016-2017 STATE BUDGET

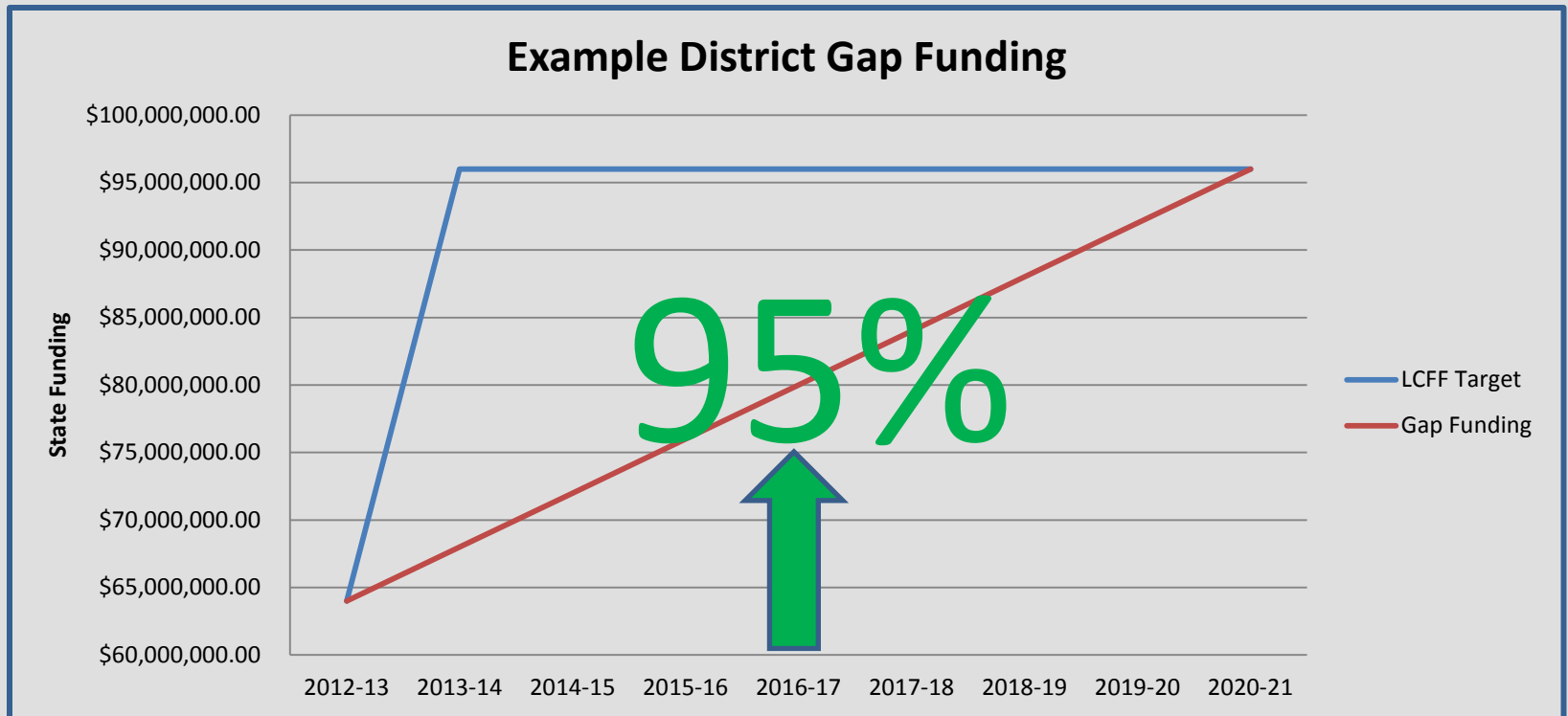
- **The 16/17 State Budget proposed by the Governor:**
 - The improving economy continues to boost Proposition 98 funding guarantee (which is how education is funded)
 - Revenue growth for 16/17 is projected at 5.4% (this includes Supplemental Funds)
 - Governor Brown warns of caution for future funding years due to next recession, expiring temporary taxes (December 2016–sales tax, December 2018–income tax)

GOVERNOR'S BUDGET PROPOSALS FOR K-8 SCHOOLS 2016-2017

- **\$2.8 billion for LCFF gap closure**
(\$1,260,000)
 - **Includes \$311,000 for Supplemental Funds budget**
- **\$1.2 billion for discretionary one-time use**
(\$650,000)
- **\$Prop 39 Clean Energy Jobs Act continues**
(\$130,000)

GAP FUNDING

Phased in gradually over an 8 year period



8 Years to Close Funding Gap

MULTI-YEAR PROJECTIONS - UPDATED APRIL 2016 (INCLUDING ONE-TIME FUNDS)

| | 13-14 | 14-15 | 15-16 | 16-17 | 17-18 |
|--------------------------------|---------|--------|--------|--------|--------|
| Income | 23,133 | 25,441 | 29,168 | 29,178 | 29,361 |
| Expenditures | 24,221 | 25,876 | 28,052 | 28,588 | 29,618 |
| Difference (operating loss) | (1,088) | (435) | 1,115 | 590 | (257) |

MULTI-YEAR PROJECTIONS – UPDATED APRIL 2016

(EXCLUDING ONE-TIME FUNDS)

| | <u>13-14</u> | <u>14-15</u> | <u>15-16</u> | <u>16-17</u> | <u>17-18</u> |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|
| Income | 23,133 | 24,909 | 27,530 | 28,536 | 29,361 |
| Expenditures | 24,221 | 25,876 | 27,669 | 28,588 | 29,618 |
| Difference (operating loss) | (1,088) | (967) | (139) | (52) | (257) |

THE SMALL GAP YEAR 2018-2019

- In 18/19, the Department of Finance projects GAP funding at 6% (only **\$103,000** for LJSD)
- Step/Column, Health/Welfare, SPED, Consumer Price Index, STRS/PERS = approx. **\$935,000** annually
- This matters now because the District must certify that it can afford its expenses over a 3 year period
- When the Board approves the 16/17 Budget, 18/19 is the third year (**dilemma = \$103 vs \$935**)

WHEN FULLY FUNDED . . .

2020-2021

| Certificated | |
|--|--------------|
| COLA Only | 2.65%* |
| Step and Column | -1.50% |
| CalSTRS | -1.85% |
| Health and Welfare Benefit Increases** | -1.1% |
| C.P.I. | <u>-0.6%</u> |
| | -2.4% |

| Classified | |
|--|--------------|
| COLA Only | 2.65%* |
| Step and Column | -1.50% |
| CalPERS | -1.60% |
| Health and Welfare Benefit Increases** | -1.1% |
| C.P.I. | <u>-0.6%</u> |
| | -2.15 |

*DOF Projected 2018-19

**All Employees

