

# Budget Update

November 13, 2014

# 2014-15 Operational Budget

- Continue implementation of Local Control Funding Formula (LCFF) – 2<sup>nd</sup> year
- LCFF funding will gradually increase over next 6 years. No articulated plan as to how increases will happen. Dependent on state revenues.
- Department of Finance vs. School Services
- District has built its budget using Department of Finance (DOF) revenue projections
- Fully implemented by 2020-21

# Department of Finance Projection

## Cost of Living Adjustment (COLA)

	Adopted Budget Projection	Current Update Projection	Difference
FY 14-15	0.85%	0.85%	0.00%
FY 15-16	2.19%	2.19%	0.00%
FY 16-17	2.14%	2.14%	0.00%

## Gap Funding Percentage

	Adopted Budget Projection	Current Update Projection	Difference	School Service Recommend
FY 14-15	28.06%	29.56%	1.50%	29.56%
FY 15-16	30.39%	20.68%	-9.71%	7.90%
FY 16-17	19.50%	25.48%	5.98%	8.20%

# District Average Daily Attendance

	Adopted Budget Projection	Current Update Projection	Difference
FY 14-15	12,597	12,564	-33
FY 15-16	12,348	12,321	-27
FY 16-17	12,120	12,099	-21

- FY 14-15 projection based on student enrollment as of Oct. 2014
- Future years based on November 2012 Demographer's report
- Demographer will update the projection in December 2014

# LCFF Target Entitlement

- 2014-15 target entitlement calculation (fully funded in 2020-21)
  - K-3 CSR is addition to the base grant
  - CSR requires progression toward a maximum site average of 24 students enrolled in each class or an alternate ratio locally negotiated
  - Supplemental and concentration grant increases are calculated based on the percentage of total enrollment accounted for by English learners, Free and Reduced-Price Meal (FRPM) Program eligible students, and foster youth
  - Evergreen will receive 42.64% (Unduplicated Count) of Supplemental Grant

Factors	K-3	4-6	7-8
Base grants 2014-15	\$7,012	\$7,117	\$7,328
Adjustment percentage	10.4% CSR		
Adjustment amount	\$729		
<b>Adjusted grant per ADA</b>	<b>\$7,741</b>	<b>\$7,117</b>	<b>\$7,328</b>
20% Supplemental Grant	\$1,548	\$1,423	\$1,466

# Evergreen Average LCFF Funding Per Student

## Targeted Local Control Funding per ADA in 2020-2021

	Adopted Budget Projection Per Student	Current Update Projection Per Student	Difference Per Student
FY 14-15	\$8,130	\$8,130	\$0
FY 15-16	\$8,305	\$8,305	\$0
FY 16-17	\$8,476	\$8,476	\$0

## Estimated Local Control Funding Entitlement per ADA

	Adopted Budget Projection Per Student	Current Update Projection Per Student	Difference Per Student
FY 14-15	\$6,725	\$6,757	\$32
FY 15-16	\$7,217	\$7,093	(\$124)
FY 16-17	\$7,476	\$7,459	(\$17)

# Other Major Assumptions

- One time Mandated Revenue - \$66 per pupil
- Health cost increase in 2015-16 & 2016-17 = 5.12%
- 5 retirements in each future year
- Salary increase not included
- Met supplemental dollar spending requirements
- Transfer from GASB 45 fund - 2016-17 = \$500,000; \$1.2M remainder
- STRS rate increases in future years
  - 2014-15 = 8.88%; 2015-16 = 10.73%; 2016-17 = 12.58%
- PERS rate increase in future years
  - 2014-15 = 11.771%; 2015-16 = 12.6%; 2016-17 = 15%

10/30/2014	<u>2011-12</u> <u>ACTUAL</u>	<u>2012-13</u> <u>ACTUAL</u>	<u>2013-14</u> <u>ACTUAL</u>	<u>2014-15</u> <u>BUDGET</u>	<u>2015-16</u> <u>BUDGET</u>	<u>2016-17</u> <u>BUDGET</u>
<b>SUMMARY</b>						
TOTAL REVENUES	\$94,303,833	\$91,135,796	\$96,293,209	\$101,145,460	\$101,887,700	\$105,127,707
TOTAL EXPENDITURES	94,223,585	96,040,889	99,061,983	103,032,107	104,371,221	107,404,753
SURPLUS/(DEFICIT)	\$80,248	(\$4,905,093)	(\$2,768,775)	(\$1,886,647)	(\$2,483,521)	(\$2,277,046)
<b>BEGINNING BALANCE</b>						
UNRESTRICTED	\$21,966,145	\$21,000,375	\$15,860,129	\$11,946,220	\$10,596,462	\$7,476,841
RESTRICTED	\$1,246,115	\$2,292,134	\$2,527,287	\$3,672,421	\$3,135,532	\$3,771,632
ENDING BALANCE	<u>\$23,292,509</u>	<u>\$18,387,416</u>	<u>\$15,618,642</u>	<u>\$13,731,994</u>	<u>\$11,248,473</u>	<u>\$8,971,427</u>
<b>COMPONENTS OF ENDING BALANCE</b>						
<b>A) NONSPENDABLE</b>						
REVOLVING CASH	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
STORES	70,160	57,888	46,767	46,767	46,767	46,767
PREPAID EXPENDITURES	1,110,290	1,191,521	1,192,232	1,192,232	1,192,232	1,192,232
<b>B) RESTRICTED</b>						
MAIN. RESERVES	303,546	58,121	58,121	58,121	266,474	505,609
RESTRICTED	1,988,588	2,469,166	3,614,301	3,077,412	3,505,159	3,924,461
<b>C) COMMITTED</b>						
STABILIZATION ARRANGEMENTS	0	0	0	0	0	0
OTHER COMMITMENTS	0	0	0	0	0	0
<b>D) ASSIGNED</b>						
OTHER ASSIGNMENTS	668,573	431,299	0	0	0	0
<b>E) UNASSIGNED/UNAPPROPRIATED</b>						
RESERVE FOR ECO. UNCERTAINTIES	2,826,708	2,881,226	2,971,860	3,090,963	3,131,137	3,222,143
UNASSIGNED/UNAPPROPRIATED	16,309,645	11,283,195	7,720,362	6,251,500	3,091,706	65,216
	<u>\$23,292,509</u>	<u>\$18,387,416</u>	<u>\$15,618,641</u>	<u>\$13,731,994</u>	<u>\$11,248,473</u>	<u>\$8,971,427</u>
UNRESTRICTED (DEFICIT)/SURPLUS	(\$965,771)	(\$5,140,245)	(\$3,913,909)	(\$1,349,758)	(\$3,119,621)	(\$2,935,484)
% of AVAILABLE RESERVE	20.31%	14.75%	10.79%	9.07%	5.96%	3.06%