



Wednesday, May 3, 2017
Board Workshop - 5:00 PM -
Board Room, 1130 Fifth Avenue, Chula Vista, CA
Administration Center

A. Opening Procedures

1. Call to Order (Meeting Notice)
2. Roll Call
3. Moment of Silence
4. Pledge of Allegiance

B. Public Communication on Posted Items

1. Public Communication on Items Posted for the Special Board Workshop

C. Board Workshop

1. Summary of Governor's Budget
2. Update on Sweetwater Union High School District's 2017-2018 Budget

D. Adjournment



May 3, 2017

Board Item - A.-1.

ATTACHMENTS:

Description

Meeting Notice

Type

Backup Material

SWEETWATER UNION HIGH SCHOOL DISTRICT

NOTICE OF SPECIAL MEETING

Written notice is hereby given in accordance with Education Code Section 35144 and Government Code Section 54956 that the following special meeting of the Governing Board of the Sweetwater Union High School District will be held and in accordance with Government Code Section 54954.3(a), the board will provide an opportunity for members of the public to directly address the legislative body concerning any item that has been described in the notice for the meeting before or during consideration of that item.

DATE: Wednesday, May 3, 2017

TIME: 5:00 p.m.

PLACE: Administration Center
Board Room
1130 Fifth Avenue
Chula Vista, CA 91911

This will be a board workshop.

Items to be considered are noted on the reverse side of this page.

Board of Trustees

Paula Hall

Kevin J. Pike

Nicholas Segura

Arturo Solis

Frank A. Tarantino

Superintendent

Karen Janney, Ed.D.

COMPLIANCE WITH AMERICANS WITH DISABILITIES ACT

Sweetwater Union High School District, in complying with the Americans With Disabilities Act (ADA), and California Government Code Section 54953.2, provides special accommodations to individuals who may need assistance with access, attendance and/or participation in board meetings, including alternative formats for agendas, documents constituting agenda packets, and materials distributed during public meetings. Upon written request to the district, disability-related modifications or accommodations, including auxiliary aids or services, will be provided. Contact Deanne Vicedo, clerk of the board, at (619) 585-4405 for specific information on existing resources or programs that may be available for such accommodations. Please call at least 48 hours in advance of meetings and five days in advance of scheduled services and activities. Translation and Hearing-Impaired services are also available.

Board Workshop

May 3, 2017

1. Summary of Governor's Budget
2. Update on Sweetwater Union High School District's 2017-2018 Budget



May 3, 2017

Board Item - C.-2.

ATTACHMENTS:

Description

📎 Budget Workshop - 05 03 17

Type

Backup Material

BUDGET WORKSHOP

MAY 3, 2017

SWEETWATER UNION HIGH SCHOOL DISTRICT

2017-2018

BUDGET DEVELOPMENT PROCESS

Agenda

► Governor's 2017-18 Budget Proposals

1. Proposition 98
2. Governor's Budget Proposals
3. Local Control Funding Formula
4. One-Time Discretionary Funds
5. CALPERS and CALSTRS Rates

● Budget Development Process

1. General Fund
 - a. Staff Allocations
 - b. Discretionary Allocations
 - c. Department Allocations
 - d. Restricted Programs
 - e. Special Education
 - f. Routine Restricted Maintenance
2. Adult Education
3. Nutrition Services
4. Facilities Funds
5. LCFF-What Does This Mean for Sweetwater

Proposition 98 Growth, Now and Later

- ▶ All year long, the Governor has been warning of slower economic growth
 - ▶ Lower than expected state revenues
 - ▶ Continued forecasts for low growth in Proposition 98
- ▶ Passage of Proposition 55, effective in FY 2018/19, maintains but does not increase, education funding above the Proposition 30 level
 - ▶ Proposition 55 is a replacement for Proposition 30, not an addition to it
 - ▶ Proposition 55 extends the temporary personal income tax increase first enacted by Proposition 30
 - ▶ While the higher tax rates for high-income earners will be extended for an additional 12 years (through 2030), the sales tax increase expired at the end of 2016
 - ▶ Any revenue boost will be realized in the second half of the year
- ▶ However, variability in education funding from lowered economic forecast and tax revenues more than offset the benefit of Proposition 55
- ▶ The state continues to meet the minimum Proposition 98 guarantee - and nothing more

Proposition 98 and the Major K-12 Proposals

- ▶ The Governor's Budget proposal includes:
 - ▶ \$744 million for LCFF gap closure
 - ▶ \$422.9 million for the K-12 portion of Proposition 39 (2012) - Clean Energy Jobs Act
 - ▶ \$287 million for discretionary one-time uses
 - ▶ \$200 million for the Career Technical Education Incentive Grant (CTEIG) Program
 - ▶ \$58.1 million for categorical programs' COLA (1.56%)
 - ▶ \$8.5 million for the Mandate Block Grant (MBG) to reflect the addition of the Training for School Employee Mandated Reporters program - additional \$1.40 per ADA
- ▶ Not in the Budget:
 - ▶ No funding for CalSTRS and CalPERS Increases
 - ▶ No COLA for Adult Education
 - ▶ No Additional Funding for Home-to-School Transportation

2017-18 Local Control Funding Formula

- ▶ The Budget proposes \$744 million for continued implementation of the LCFF
- ▶ Gap Closure Rate decreased since the 1st interim from 72.99% down to 23.67%
- ▶ 96% of the gap closed in the first five years, but...
 - ▶ New LCFF allocation only sufficient to pay cost of the COLA increase of 1.56% to Base Target Grants
- ▶ LAO initially projected revenue to be higher than the Governor's projections. However, April's tax revenues were weak, thus the LAO is revising current projections in line with the Governor's projections.

One-Time Discretionary Funds

- ▶ The Governor's Budget proposes \$287 million in one-time funds for school districts, COEs, and charter schools in 2017-18
 - ▶ This equates to approximately \$48 per ADA
 - ▶ Expenditure of these funds is determined by the local governing board and can be used for any one-time purpose
- ▶ Like prior years, these funds will offset LEAs' outstanding mandate reimbursement claims on a dollar-for-dollar basis
 - ▶ According to the LAO, \$1.9 billion in claims will remain outstanding at the end of the current year

CalPERS Rate Increases

- ▶ The employer contribution to CalPERS is proposed to increase to 15.53% in 2017-18, up from 13.888% in 2016-17
- ▶ PERS will increase by \$1.8 million in 2017-18
- ▶ Estimates of the resulting future contribution rate increases for school employers are as follows:

Actual	Projected				
2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
13.888%	15.53%*	18.1%*	20.8%*	23.8%*	25.2%*

*CalPERS rates provided as of April 2017

CalSTRS Rate Increases

- ▶ Employer rates are increasing to 14.43% in 2017-18, up from 12.58% in 2016-17
- ▶ Under current law, once the statutory rates are achieved, CalSTRS will have the authority to marginally increase or decrease the employer contribution rate
- ▶ STRS will increase by \$5.5 million in 2017-18

CalSTRS Rates

Year	Employer	Pre-PEPRA Employees	Post-PEPRA Employees
2016-17	12.58%	10.25%	9.205%
2017-18	14.43%	10.25%	9.205%
2018-19	16.28%	10.25%	9.205%
2019-20	18.13%	10.25%	9.205%
2020-21	19.10%	10.25%	9.205%

General Fund

Budget Development

General Fund Staffing Allocation – Certificated

2017-2018 School Year

Site: Sample High School
Dr. Jay Sample

		Sem I Proj 2/8/17	
In-Ratio Teacher Calculation:		(Enrollment number based on Planning's projection using	
Enrollment		1651 the Cohort Survival Method)	
Mod/Severe (incl. in SPED Alloc.)		31 (Special Services Moderate/Severe projections)	
Adjusted Enrollment		1620 (=1651-31)	
Spec Educ. Adjustment:			
RSP	109	0.16	17
SDC	69	0.66	46
Adjusted Enrollment		1557 (=1620-17-46)	
Attrition Factor		0.960 (= (3 yr avg enrollment)/(3 yr avg maximum enrollment))	
Enrollment to Attrition		1495 (=0.96*1557)	
FTE Factor 28:1 ratio		53.40 (=1495 / 28 : FTE factor represents 28 students per teacher)	
In-Ratio Allocation		53.40	
Total In-Ratio		53.40 (Number of full-time equivalent workers. 1 FTE = 1 Teacher)	
Special Education Allocations:			
RSP	3.80	Special Services' FTE projections of the number of Special Education Teachers required to meet the educational needs of a specific group of students.	
Mild/Moderate	3.80		
Moderate/Severe	3.00		
Social Communication	0.20		
Moderate	3.00		
PVA	1.00		
APE	1.40		
Total Special Education Allocations	16.20		
Learning Center Allocations:			
Teachers	2.40	Learning Centers at High School only	
Counselors	1.00		
SPED Teachers	1.20		
Total Learning Center Allocations	4.60		
Other Teacher Allocations:			
Orchestra	0.20	Visual and Performing Arts FTE projection	
C.I.S.	1.00		
IB/AP	1.20	FTE projections need to be aligned with the Local Control Accountability Plan (LCAP)	
Site Curriculum/PD Specialist	0.80		
Blended Learning Specialist	0.40		
CTE (formerly ROP)	1.50		
Athletic Director	1.00		
ELD/ALD/Bilingual	2.30		
Other Allocations			
Principals	1.00	Other FTEs to provide administrative and student support	
Assistant Principals	3.00		
Assistant Principal - ASB Activities	1.00		
Librarian	1.00		
Nurse	1.00		
Counselors (enroll/360)	4.60 (=1651/360)		

Moderate/Severe Enrollment :

29

Staffing: Items required for computation

- ▶ Enrollment Projections-Planning Department provides initial regular education enrollment data.
- ▶ Enrollment Projections, Special Education-RSP and SDC students
- ▶ Attrition Factor-measures the gradual reduction in enrollment throughout the school year. Based on a 3 year average.
- ▶ Additional FTE allocations provided by Special Education, Visual and Performing Arts and State & Federal Supplemental/Concentration.
- ▶ Other Allocations-(1) Principal, (3) Assistant Principals, (1) Assistant Principal-ASB, (1) Librarian, (1) Nurse, Counselors based on the enrollment and the ratio of students to counselors-currently at 360:1

General Fund Staffing Allocation – Classified

Classified Allocations 2017-18

Clerical						
Site	2017-18 Projections	2017-18 Base	2017-18 Enrollment Factor	2017-18 Allocation Projection	2015-16 Current Usage	Proj-Usage Under/(Over) Variance
Sample High School	1,620	6.25	2.50	8.75	9.00	(0.25)
Total HS Clerical						

Classified Allocations 2017-18

Custodial							
Site	2017-18 Projections	Footage	Allocation Due To Enrollment 450:1	Allocation Due To Sq Footage 70000:1	Formula Total Allocation	2017-18 Allocation Projection (round to nearest .25)	2016-17 Current Usage
Sample High	1,620	166,552.81	3.60	2.38	5.98	6.00	6.25
							(0.25)

Enrollment Factor

0	800	=	0.25
801	900	=	0.50
901	1000	=	0.75
1001	1100	=	1.00
1101	1200	=	1.25
1201	1300	=	1.50
1301	1400	=	1.75
1401	1500	=	2.00
1501	1600	=	2.25
1601	1700	=	2.50
1701	1800	=	2.75
1801	1900	=	3.00
1901	2000	=	3.25
2001	2100	=	3.50
2101	2200	=	3.75
2201	2300	=	4.00
2301	2400	=	4.25
2401	2500	=	4.50
2501	2600	=	4.75
2601	2700	=	5.00
2701	2800	=	5.25
2801	2900	=	5.50
2901	3000	=	5.75
3001	3100	=	6.00

Clerical Staff

Site receives a base allocation of 6.25 FTEs

- Administrative Assistant
- Senior Office Assistant
- Office Assistant
- Library Technician
- Register
- Attendance Technician
- Additional Office Assistant(s) depending on enrollment-this school receives 2.50 because the enrollment is between 1601 – 1700 (see Enrollment Factor to the left)

Custodial Staff

- ❖ The custodial FTE allocation is based on square footage and enrollment. The site receives 1 fulltime custodian per 70,000 square feet and 1 custodian per 450 students.

For Sample High School, the Custodian FTE allocation is 6.

Sq. footage: $166,552/70,000 = 2.38$

Enrollment: $1,620/450 = 3.60$

Total FTE allocation: $= 5.98$

Round to then nearest .25 $= 6.00$

Salary Computations

Site/account	FTE	HeadCt	Vacancies as of 3/2017	FTE To Add	New FTE	Posit	Current Salaries	Avg Sal	New Salaries with (step/column)	New fte avg	FTE to Add add'l cost	New Salary	Position Description
01-0000-X-0000-8100-2211-001-131	5.00	6			5.00	5.00	264,239	52,848	267,674	53,535	0	267,674	Custodians/Gardeners - Contracted
01-0000-X-1110-1000-1101-001-131	18.50	22		1.20	19.70	20.00	1,229,493	66,459	1,254,083	67,788	81,346	1,335,429	Teachers - Contracted
01-0000-X-1110-2100-2401-001-379	1.00	1			1.00	1.00	52,680	52,680	53,365	53,365	0	53,365	Office Technicians - Contracted
01-0000-X-1110-2420-1231-001-131	1.00	1			1.00	1.00	82,258	82,258	83,903	83,903	0	83,903	Librarians - Contracted
01-0000-X-1110-2420-2401-001-131	0.85	1			0.85	1.00	36,412	42,828	36,886	43,385	0	36,886	Office Technicians - Contracted
01-0000-X-1110-2490-1901-001-131	0.40	1			0.40	1.00	23,381	58,453	23,849	59,622	0	23,849	Resource Teachers - Contracted
01-0000-X-1110-2490-1911-001-131	0.60	1			0.60	1.00	35,072	58,453	35,773	59,622	0	35,773	ASB Advisors
01-0000-X-1110-2700-0011-001-131	1.00	1			1.00	1.00	147,075	147,075	150,017	150,017	0	150,017	Principals
01-0000-X-1110-2700-1311-001-131	2.00	2			2.00	2.00	233,221	116,611	237,885	118,943	0	237,885	Assistant Principals
01-0000-X-1110-2700-2401-001-131	4.00	5		0.40	4.40	5.00	250,934	62,734	254,197	63,549	25,420	279,616	Office Technicians - Contracted
01-0000-X-1110-2700-2901-001-131	1.44	2			1.44	2.00	64,031	44,578	64,864	45,157	0	64,864	Other Classified Salaries - Contracted
01-0000-X-1110-3110-1211-001-131	2.40	3			2.40	3.00	236,075	98,365	240,797	100,332	0	240,797	Counselors - Contracted
01-0000-X-1110-3140-1221-001-131	1.00	1			1.00	1.00	96,378	96,378	98,306	98,306	0	98,306	Nurses - Contracted
01-0900-X-1110-1000-1101-001-419	0.30	1			0.30	1.00	28,913	96,378	29,492	98,306	0	29,492	Teachers - Contracted
01-1400-X-1110-1000-1101-001-131	13.60	15			13.60	14.00	1,047,038	76,988	1,067,979	78,528	0	1,067,979	Teachers - Contracted

Current Staff In-Ratio	32.8
New Staffing In-Ratio	34.00
FTE to Add/(Subtract)	1.20

Current Clerical Staffing	5.85
New Clerical Staffing	6.25
FTE to Add/(Subtract)	0.40

Current Custodial Staffing	5.00
New Custodial Staffing	5.00
FTE to Add/(Subtract)	0.00

Step/Column Increase %
 Certificated = 2%
 Classified = 1.3%

Steps to compute projected salaries

1. Collect current FTEs and salaries-this site March data
2. Compute the addition or subtraction of FTEs based on the staffing allocations for Certificated and Classified. Include vacancies, new position and Board approved positions not included in March data, and the changes discussed with sites and departments.
3. Apply changes to the current salaries to arrive at New Salaries with step/column.
4. Divide the 'New Salaries with step/column' by the current FTEs compute the 'New fte avg' salary.
5. Use the 'New fte avg' to compute the salaries of the additional fte, 'FTE to Add' column.
6. The sum of the New Salaries of the current employees and the additional FTEs equal the New Salary amounts to use as projections for 2017-18.

Site Allocations - Discretionary Budgets

2017-2018 SITE ALLOCATIONS

Rate incr based on cola of 1.48%

111 Discretionary Site Allocation CalPads x (Jr/Middle Schls \$ 53.74 High Schls \$ 72.91) + 6,617.51

101 Custodial Supplies Allocation CalPads x (Jr/Middle Schls \$ 9.66 High Schls \$ 13.14)

112/119 Athletic Allocation 9,813.12 plus a percentage of 294,679.65 and multiplied by 2.5

113 Substitute Allocation CalPads x 112.12

114 Desk Replacement CalPads x 2.405076

Site	2016-17 CalPads	Cost Cntr 111	Custodial Supplies Cost Cntr 101	Maintenance Work Orders (5711 object) Cost Ctr 101	Discretionary Cost Ctr 111			CIF Participants Cost Cntr 112	Helmet Recond Cost Cntr 119			Cost Cntr 113	Cost Cntr 114	BPP16 Lib Res 325	Total Site Allocation
Sample High School	1,607	123,789	21,119	1,000	101,671		66,648	61,148	5,500			180,169	3,865	19,961	374,471
		= Calpads enrollment * 72.91 + 6617.51	= Calpads enrollment * 13.14				= (9813.12 + (294679.65 * 0.0572)) * 2.5					= Calpads enrollment * 112.12	= Calpads enrollment * 2.41		

2 Year Comparison		FY 2016 - 2017		FY 2017 - 2018	FY 2015 - 2016
		WrkBdgt	Proj Exps	New Yr Bdgt	Exps
Fund 01					
0000					
Unrestricted					
Cost Ctr: 111					
Discretionary					
Site: Junior Sample					
01-0000-X-1110-1000-4310-001-111		31,130.00	29,713.57	35,671.00	30,063.81
01-0000-X-1110-1000-4320-001-111		2,500.00	2,443.66	2,500.00	2,154.76
01-0000-X-1110-1000-4330-001-111		10,300.00	8,263.20	11,000.00	9,675.40
01-0000-X-1110-1000-4410-001-111		3,697.00	3,696.31	-	2,833.25
01-0000-X-1110-1000-4411-001-111		2,500.00	1,394.43	-	1,904.61
01-0000-X-1110-1000-5713-001-111		1,500.00	1,214.50	1,500.00	1,328.44
01-0000-X-1110-2420-4310-001-111		3,700.00	3,572.16	4,500.00	3,274.60
01-0000-X-1110-2700-4317-001-111		2,500.00	1,760.52	2,500.00	1,172.18
01-0000-X-1110-2700-5620-001-111		17,000.00	16,753.14	18,000.00	16,251.32
01-0000-X-1110-2700-5712-001-111		3,000.00	1,784.13	3,000.00	2,995.70
01-0000-X-1110-2700-5714-001-111		4,700.00	4,371.90	5,200.00	4,609.40
01-0000-X-1110-3140-4310-001-111		6,000.00	5,516.59	6,000.00	5,489.24
		112,727.00	92,165.08	101,671.00	90,809.15

- Site Allocation discretionary budgets based on CalPads' current year enrollments and the District's specific rates.
- Custodial Supplies Allocation rates based on square footage and enrollment.
- The projected amounts for the new year are distributed based on current and prior year expenditure patterns and discussions with the sites.

Department Budgets

Site/account	FTE	HeadCt	Vacancies as of 3/2016	FTE To Add	New FTE	Posit	Current Salaries	Avg Sal	Current Salaries no cola	FTE avg	New Salaries with (step/column)	New fte avg	FTE to Add add'l cost	New Salary	des
01-0000-X-0000-7300-2311-000-564	1.00	1			1.00	1.00	123,601	123,601	123,601	123,601	125,208	125,208	0	125,208	Classified Directors/Coordinators/Managers
01-0000-X-0000-7300-2401-000-564	12.19	15		1.00	13.19	14.00	817,904	67,096	817,904	67,096	828,537	67,969	67,969	896,505	Office Technicians - Contracted

2 Year Comparison		FY 2016 - 2017		FY 2017 - 2018	FY 2015 - 2016
		Wrk Bdgt	Proj Exps	New Yr Bdgt	Exps
01					
0000	Unrestricted				
Cost Ctr:	564				
01-0000-X-0000-7300-2311-000-564		122,467.00	122,466.81	125,208.00	115,331.04
01-0000-X-0000-7300-2401-000-564		705,747.00	633,953.08	896,490.00	548,172.15
01-0000-X-0000-7300-2403-000-564		19,253.00	14,200.03	17,262.00	14,729.73
01-0000-X-0000-7300-2945-000-564		1,807.00	774.00		3,467.25
01-0000-X-0000-7300-3212-000-564		94,725.00	89,607.38	144,415.00	77,934.61
01-0000-X-0000-7300-3312-000-564		50,342.00	47,242.26	64,415.00	41,353.64
01-0000-X-0000-7300-3322-000-564		14,192.00	11,048.65	15,065.00	9,401.99
01-0000-X-0000-7300-3402-000-564		106,791.00	102,100.45	151,435.00	90,520.33
01-0000-X-0000-7300-3502-000-564		424.00	386.19	519.00	338.04
01-0000-X-0000-7300-3602-000-564		17,747.00	17,528.64	23,583.00	14,874.22
01-0000-X-0000-7300-4310-000-564		9,330.00	8,203.13	10,000.00	7,433.16
01-0000-X-0000-7300-4317-000-564		250.00	87.94	100.00	297.74
01-0000-X-0000-7300-4410-000-564		2,227.00	1,177.69		13,650.87
01-0000-X-0000-7300-4411-000-564		2,950.00	2,806.75		0.00
01-0000-X-0000-7300-5210-000-564		800.00	751.64	800.00	637.29
01-0000-X-0000-7300-5220-000-564		3,000.00	2,780.00	3,000.00	2,765.11
01-0000-X-0000-7300-5620-000-564		1,200.00	1,171.00	1,200.00	1,170.12
01-0000-X-0000-7300-5714-000-564		376.00	215.40	376.00	301.70
01-0000-X-0000-7300-5820-000-564		0.00	0.00		7,738.80
01-0000-X-0000-7300-5890-000-564		550.00	85.00	250.00	738.80
		1,154,178.00	1,056,586.04	1,454,118.00	950,856.59

Department Budgets

- Salaries are computed in the same manner as sites. Current salaries from the March payroll data are used to project next years salaries and any increase or decrease to the FTEs based on discussions with departments, new positions added after the March data and Board approved additions.
- Department discretionary budgets are not based upon enrollments, but on spending patterns from the current and prior year (The bold section of the budget to the left of this page).

Restricted Programs

- ▶ Title I, Part A, Basic Grants, Low-Income and Neglected
 - The District is proposing to budget at a level of 83.7% of current year's award, this amount was provided by the CDE (California Department of Education) as "worst case scenario". Once preliminary allocations are released by CDE, the District will adjust the budget accordingly.
 - Starting in FY 2017-18 as a new federal requirement, districts must determine the proportionate share of Title I funds available for equitable services based on the total amount of Title I funds received by the District prior to any allowable expenditures or transfer of funds.

Restricted Programs

Title I Award	8,097,889	A	
Proportionate Share for Private Schools	128,737	B	(A*(N/O))
Title I Available for Public Schools	7,969,152	C	(A-B)
Administration	755,591	D	(A*15%-E)
indirect cost	459,092	E	(A/1.0601*6.01%)
Balance after Administration & indirect cost	6,754,469	F	(C-D-E)
Required Reservations:			
Parent involvement	79,692	G	(A*(M/O)*1%)
Services in local inst. for neglected children	100,000	H	
Services for Homeless children	132,000	I	
Other allowable reservations:			
Support/School choice transportation	1,619,577	J	(A*20%)
Professional Development	809,788	K	(A*10%)
Remaining Title 1 to be allocated to sites	4,013,412	L	(F-G-H-I-J-K)
Total Participating students (public schools)	16,528	M	
Total Participating students (private schools)	267	N	
Total Participating students	16,795	O	(M+N)
Title I to be allocated to sites (amount per student public schools)	242.82	P	(L/M)
Title I Parental inv. amount per student(public school)	4.58	Q	

Continue:

Sample Middle School Enrollment	807	R	CALPADS Fall 2016	
Sample Middle School number of low income students	606	S	CALPADS Fall 2016	
% total of students in need	75%	T	(S/R)	
Sample Middle School Title I Allocation	147,152	U	(S*P)	
Sample Middle School Title I Parent Involvement	2,776	V	(S*Q)	

Notes:

1.- In addition to the District's professional development reservation, schools set aside a 10% of their site allocation for professional development activities.

2.- Indirect cost rate approved by CDE for FY 2017-18 6.01%

3.- State and Federal department provides amounts to be entered for Homeless, Neglected and other allowable reservations.

Restricted Programs

▶ Title II, Part A, Improving Teacher Quality

- District is proposing to budget at a level of 75% of current year award, the allocation has been posted in the corresponding resource and place holder accounts (salary, benefits, services and indirect cost) with access ONLY to Finance. Once more information is released by CDE, adjustments will be made accordingly.

▶ Title III, Part A, English Learners and Immigrant Program

- As a conservative measure, the District is proposing to budget at a level of 83% of current year award, once CDE releases preliminary allocations, adjustments will be made accordingly.

Restricted Programs

▶ 21st Century Community Learning Centers-ASSETs

- The District receives this funding pass thru from the County Office of Education. There is no plan to include this program in the proposed Adopted Budget unless there is assurance or more information indicating that the District will receive funding for next year.

▶ After School Education and Safety (ASES)

- The District received preliminary award amounts for next year from the County office of Education. Due to attendance, the CDE reduced the District's After School Base grant awards for next fiscal year for the amount of \$136,294.00. Additionally the CDE has made an administrative decision to implement a minimum funding level of \$8,100.00 per site for the After School Supplemental grants, this is a reduction of \$126,512.00. Overall the impact of these reductions is 14%.

Restricted Programs

► Career Technical Education (CTE)

- The District has included in its multiyear projections a contribution of \$2, 267,344 to support the Career Technical Education Program. This funding is to pay for Administrator, contracted clerical staff and some of its contracted Teachers.
- The District is anticipating to fund the Career Technical Education Program for next year with the contribution from general fund and \$3,333,333 Career Technical Education Incentive Grant (round 2).
- In order to receive the grant, the District committed to the match requirement from other sources 1.5:1 (5M Expenditures) .
- The components of the match are: General fund contribution, Perkins Secondary, County supplemental funds per MOU, California Partnership Academies, other funding with goal 3800 e.g. Steam, College and Career activities, etc.

► Carl D. Perkins Career and Technical Education: Secondary (Vocational Education)

- The District is proposing to budget at a level of 83% of the FY 2017/18 estimated award provided by CDE, once CDE releases preliminary allocations, adjustments will be made accordingly.

Special Education Funding Sources

▶ Special Education AB602 Apportionment

- ▶ Resource: 6500
- ▶ Main Funding Source
- ▶ AB602

▶ IDEA Basic Local Assistance Entitlement

- ▶ Resource: 3310
- ▶ Federal Funding

▶ IDEA Mental Health

- ▶ Resource: 3327
- ▶ Federal Mental Health Funding

● Special Ed: Mental Health Services

- Resource: 6512
- State Mental Health Funding

● Transitional Partnership Program

- Resource: 3410
- Dept. of Rehabilitation Contract

● Workability Grant

- Resource: 6520
- Project Workability (CDE Grant)

Special Education AB602 Apportionment

Resource: 6500

Revenue

- ▶ Estimated funding allocation provided by South County SELPA
 - ▶ \$22,253,979
 - ▶ Based on 17/18 P-2 ADA
 - ▶ ADA projection provided to SELPA from LCFF calculator

Expenditures

- ▶ Contracted Salaries
 - ▶ Teachers, instructional assistants, office staff, director and program managers
- ▶ Extra-duty/Substitutes
 - ▶ Projected from prior year expenditures
- ▶ Contracted Services
 - ▶ Based on contracts submitted to Board
- ▶ Supplies/Equipment
 - ▶ Reduced 16/17 funding level by 10%

IDEA Basic Local Assistance Entitlement - Resource: 3310

IDEA Mental Health - Resource: 3327

Special Ed: Mental Health Services - Resource: 6512

Revenue

- ▶ IDEA - 3310
 - ▶ \$5,388,376
 - ▶ 83% of 16/17 entitlement amount
 - ▶ Based on 16/17 P-2 ADA
- ▶ Mental Health - 3327
 - ▶ \$375,060
 - ▶ 83% of estimated 17/18 allocation amount provided by SELPA
 - ▶ Based on 16/17 P-2 ADA
- ▶ Mental Health - 6512
 - ▶ \$2,221,955
 - ▶ 95% of estimated allocation amount provided by SELPA
 - ▶ Based on 17/18 P-2 ADA

Expenditures

- ▶ IDEA - 3310
 - ▶ Contracted instructional assistants salaries
 - ▶ Deaf interpreting services
- ▶ Mental Health - 3327
 - ▶ Room & Board costs for students requiring RTC placement
- ▶ Mental Health - 6512
 - ▶ Contracted Salaries
 - ▶ Psychologists
 - ▶ Licensed Mental Health Clinicians
 - ▶ Life School contract with San Diego Center for Children
 - ▶ Room & Board costs for students requiring Residential Treatment Center placement

Transitional Partnership Program - Resource 3410

Workability Grant - Resource 6520

Revenue

- ▶ TPP - 3410
 - ▶ \$211,952
 - ▶ Actual 2017 - 2018 contract amount
 - ▶ 3 year Contract
- ▶ Workability Grant - 6520
 - ▶ \$111,695
 - ▶ 95% of 2016 - 2017 grant amount
 - ▶ Annual award

Expenditure

- ▶ TPP - 3410
 - ▶ Provide vocational rehabilitation services to students with disabilities
- ▶ Workability - 6520
 - ▶ Goal is for students to become lifelong learners, productive workers and contributing members of the community.

Routine Maintenance Account (RMA)

▶ Purpose

- ▶ To fund ongoing and major maintenance of school buildings
 - ▶ Fund 01, Resource 8150

▶ Revenues

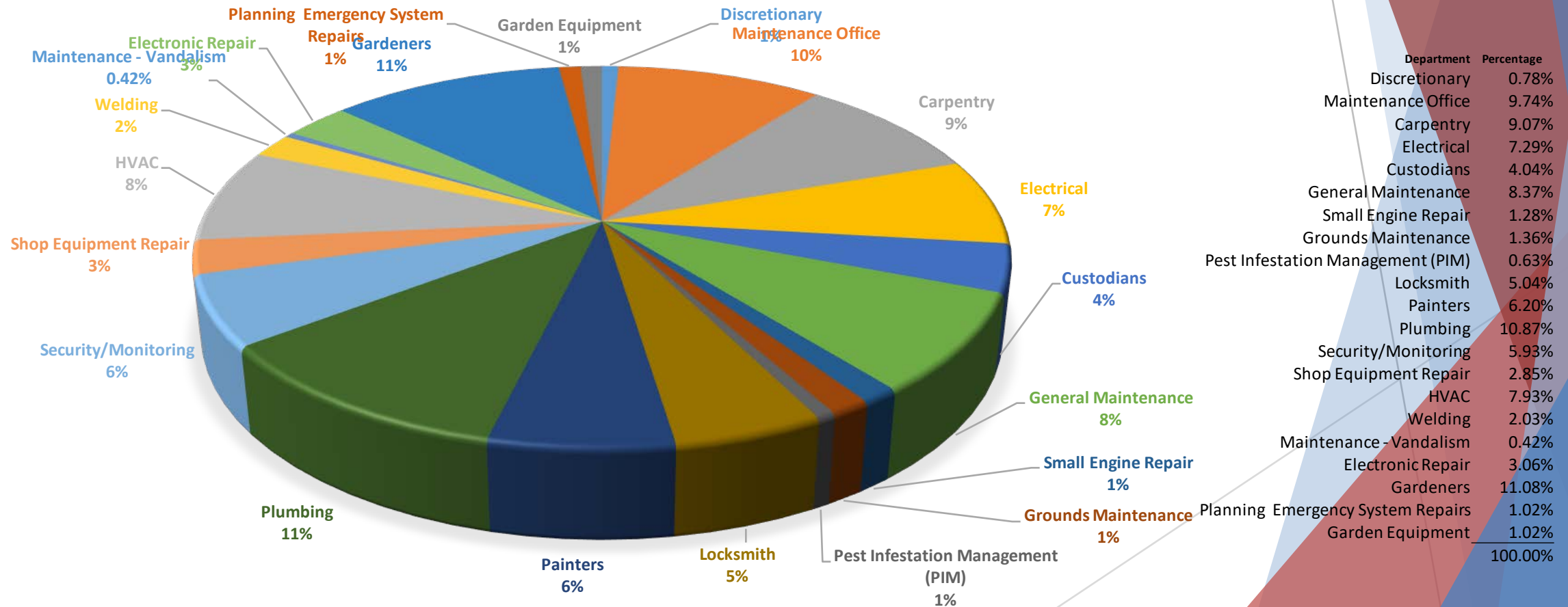
- ▶ District must annually make a deposit into the RMA account that is equal to or greater than 3 percent of their total General Fund budgeted expenditures
- ▶ However for 2017-18 there is a flexibility clause for the RMA contribution which requires a minimum deposit-the computation is a four step process
 - ▶ Step One: compare 3% of the Current Year General Fund Expenditures ($\$448,809,449 * 3\% = \$13,464,283$) to the 14-15 contribution ($\$9,406,979$)
 - ▶ Step Two: choose the larger of the two in step one- $\$13,464,283$
 - ▶ Step Three: compute 2% of the Current Year General Fund Expenditures ($\$448,809,449 * 2\% = \$8,976,188$)
 - ▶ Step Four: choose the smaller of the amounts computed in step two and step three- $\$8,976,188$
- ▶ For 17-18 the RMA account will get a contribution from the General Fund that is equal to the 14-15 contribution of \$9.4 million

Routine Maintenance Account (RMA)

Expenditures

Salaries - over 70% of budgeted RMA expenditures

- 72 employees - \$7,244,929
- 20 + Shop/Department budgets



Adult Education

Budget Development

Adult Education Funding Sources

- ▶ Adult Education Block Grant – Resource 6391
 - ▶ AB104
- ▶ Workforce Innovation and Opportunity Act
 - ▶ WIOA
 - ▶ Resources 3905/3913/3926
 - ▶ Federal Funding
- ▶ Carl D. Perkins Career and Technical Education
 - ▶ Resource 3555
 - ▶ Federal Funding

Adult Education Block Grant – Resource 6391

Revenue

- ▶ 17/18 CDE Preliminary Allocation Schedule
 - ▶ SUHSD - \$12,661,194
 - ▶ Based on prior year amount
 - ▶ No COLA increase

Expenditures

- ▶ Contracted Salaries
 - ▶ Teachers, principals, director, classified staff
- ▶ Hourly Teachers/Extra-Duty/Substitutes
 - ▶ Projected from prior year expenditures
- ▶ Site Discretionary Budgets
 - ▶ Supplies/contracted services
 - ▶ Reduced by 20%

Workforce Innovation and Opportunity Act (WIOA) - Resources 3905/3913/3926

Carl D. Perkins Career and Technical Education - Resources 3555

Revenue

- ▶ 3905/3913/3926
 - ▶ \$1,203,080
 - ▶ 83% of 16/17 award amount
 - ▶ Based on performance system from student testing and diplomas earned.
- ▶ 3555
 - ▶ \$346,103
 - ▶ Actual 17/18 award amount
 - ▶ Based on unduplicated count of economically disadvantaged adults enrolled in CTE programs that have completed 20 hours or more in duration.

Expenditure

- ▶ 3905 (Adult Basic Education & ESL) - Provision of ESL and other instruction designed to achieve basic life skills and enhance employment opportunities.
- ▶ 3913 (Adult Secondary Education) - For the provision of instruction leading to a general equivalency or high school diploma.
- ▶ 3926 (English Literacy & Civics Education) - For integrated English literacy and civics education, including citizenship preparation.
- ▶ 3555 (Perkins)
 - ▶ For the improvement of postsecondary career and technical education programs.

Adult Fund Multi-Year Projection

Description	Object Codes	16/17 Estimated Actuals	17/18 Proposed Budget	18/19 Projection
A. Beginning Fund Balance	9791	\$ 649,707	\$ (417,333)	\$ (2,540,735)
B. Revenues				
1) LCFF Sources	8010 - 8099	\$ -	\$ -	\$ -
2) Federal Revenue	8100 - 8299	\$ 1,902,880	\$ 1,549,183	\$ 1,572,111
3) Other State Revenue	8300 - 8599	\$ 14,523,810	\$ 14,256,400	\$ 14,256,400
4) Other Local Revenue	8600 - 8799	\$ 380,244	\$ 264,938	\$ 268,859
5) Transfers In/Contribution	8900 - 8999	\$ 578,320	\$ 585,930	\$ 590,289
6) Total Revenue		\$ 17,385,255	\$ 16,656,451	\$ 16,687,659
C. Expenditures				
1) Certificated Salaries	1000 - 1999	\$ 7,624,598	\$ 7,977,221	\$ 8,136,765
2) Classified Salaries	2000 - 2999	\$ 3,144,605	\$ 3,183,365	\$ 3,224,749
3) Employee Benefits	3000 - 3999	\$ 3,930,654	\$ 4,109,618	\$ 4,358,755
4) Books and Supplies	4000 - 4999	\$ 1,612,829	\$ 1,167,037	\$ 1,190,378
5) Services/Other Operating Expenditures	5000 - 5999	\$ 942,391	\$ 788,555	\$ 804,326
6) Capital Outlay	6000 - 6999	\$ -	\$ -	\$ -
7) Other Outgo/Indirect Costs/ Transfers Out	7100 - 7699	\$ 1,197,218	\$ 1,554,057	\$ 1,570,963
8) Total Expenditures		\$ 18,452,295	\$ 18,779,853	\$ 19,285,937
D. Excess (Deficiency) (B6 - C8)		\$ (1,067,041)	\$ (2,123,402)	\$ (2,598,277)
E. Ending Fund Balance (A + D)	9791	\$ (417,333)	\$ (2,540,735)	\$ (5,139,012)
F. Reserves/Restrictions				
1) Categorical Restricted Reserve		\$ -	\$ -	\$ -
2) AB86 Planning Reserve		\$ -	\$ -	\$ -
3) AB104 Consortium Implementation Funding		\$ -	\$ -	\$ -
4) South Bay Adult Education Consortium Funding		\$ -	\$ -	\$ -
3) Total Restricted Reserve		\$ -	\$ -	\$ -
G. Unrestricted Reserve (E - F3)		\$ (417,333)	\$ (2,540,735)	\$ (5,139,012)

B.5 Interfund Transfers In	16/17	17/18	18/19
Parenting Class Contribution	\$ 210,389	\$ 217,999	\$ 222,358
15/16 Wage Enhancement Contribution	\$ 367,931	\$ 367,931	\$ 367,931
Total	\$ 578,320	\$ 585,930	\$ 590,289
C.1 Certificated Salaries	16/17	17/18	18/19
3.75 % Wage Enhancement Effective 1/1/2017	\$ 128,422	\$ 264,071	\$ -
C.2 Classified Salaries	16/17	17/18	18/19
3.75 % Wage Enhancement Effective 1/1/2017	\$ 49,775	\$ 99,551	\$ 100,845
C.7 Other Outgo/Indirect Costs/Transfer Out	16/17	17/18	18/19
Indirect Costs	\$ 538,192	\$ 894,751	\$ 911,657
Temporary Loan Interest	\$ 2,720	\$ 3,000	\$ 3,000
Southbay Adult Ed Consortium Pass-Through Rev	\$ 656,306	\$ 656,306	\$ 656,306
Total	\$ 1,197,218	\$ 1,554,057	\$ 1,570,963
Assumptions	16/17	17/18	18/19
STRS Rate	12.58%	14.43%	16.28%
PERS Rate	13.90%	15.80%	18.70%
Certificated Step/Column Increase	2.00%	2.00%	2.00%
Classified Step/Column Increase	1.30%	1.30%	1.30%
Indirect Cost Rate	3.91%	6.01%	6.01%

Nutrition Services

Budget Development

Nutrition Funding Sources

Our plan for the 2017-18 school year is to increase meals served to students by adding more stations. Additionally, we intend to reduce food cost by finding new recipes that contain commodity products that we receive.

Fund 13 has three resources of revenue:

- Federal & State Reimbursement.
- Local Revenue.
- Intra fund Transfer.

Federal & State Reimbursement:

Factors to consider when budgeting for Federal & State revenue :

- **Student enrollment**

Student enrollment has a big impact on the total meals served. The high school 2017-18 enrollment projections are 237 less than the current year. However, middle school projections will increase by 36 students.

Schools	2017-2018 Projection	2016 CALPADS	Difference
High Schools Total	36,779	37,016	(237)
Middle Schools Total	11,267	11,231	36

Table (1) demonstrate the total enrollment projections

Federal & State Reimbursement:

- Reimbursement rates

Every year the reimbursement rates increase by 0.03-0.05 cents per meal.

Reimbursement Rates (Total (Combined) Reimbursement)			
Type Of Meal	2016-2017	2017-2018	Difference
Breakfast	2.0925	2.145	0.0525
Lunch & Supper	3.685	3.77	0.085
Supplement	0.865	0.8875	0.0225
State Rate	0.2271	0.2271	0

Table (2) showing CNP reimbursement Rates for 2017-2018 from California Department of Education .

Federal & State Reimbursement:

- Meal Counts

Meal counts depend on student participation in each program. The current participation rate for breakfast is 21.71%, while the lunch participation rate is 30.42%.

Student Eligibility	2014-2015		2015-2016		Estimated Year End 2016-2017		Projected 2017-2018	
	Breakfast	Lunch	Breakfast	Lunch	Breakfast	Lunch	Breakfast	Lunch
Free	1,192,284	1,684,968	1,095,773	1,573,144	1,004,545	1,383,938	944,273	1,300,901
Reduced	306,161	441,889	282,795	422,122	284,693	399,806	267,611	375,817
Paid	92,191	268,144	95,308	261,044	127,199	294,802	119,567	277,114
Supper		280,869		284,280		254,340		246,709

Table (3) Shows the comparison between three years

Local Revenue & Intra Fund Transfer

-Local Revenue

Local Revenue Projections			
Local Revenue	2015-2016	Estimated 2016-2017	Projected 2017-2018
Vending & Claiming	\$ 197,270.00	\$ 60,000.00	\$ 22,659.00
Catering	38,691.00	65,950.00	75,000.00
Adult Sales	47,609.00	30,000.00	38,804.50
Ala Carte sales	292,240.00	90,963.44	191,601.72
Total	\$ 575,810.00	\$ 246,913.44	\$ 328,065.22

-Intra-Fund Transfer

At the beginning of a fiscal year, we serve free courtesy meals to students due to the delay of application submission. In 2017-18 we are planning to send out notification earlier to the parents to lessen the effect on general fund. The total intra-fund transfer from general fund for 16-17 courtesy meals was \$193,000.

Expenditures

	2015-2016	2016-2017	2017-2018
Expenditures Account	Actuals	Estimated year ending	Proposed Budget
Food Service Salaries	\$ 6,982,266	\$ 7,151,727	\$ 8,117,968
Net Food Costs	\$ 5,611,594	\$ 6,423,328	\$ 6,611,239
All Other Expenses	\$ 364,261	\$ 376,130	\$ 384,340
Total	\$ 12,958,121	\$ 13,951,186	\$ 15,113,547

Salaries and Benefits:

- Classified salaries' data gathered from the March payroll file, plus the salaries for substitutes, extra duty, vacancies and new position. Apply COLA (1.48%) & step - column increase (1.3%) to these salaries.
- Statutory benefits for classified in 16-17 were 23.46% of salaries, but for 17-18 the rate will be 25.09%.

Food and supply Cost:

- Based on multi-year projections by comparing the spending rate on food / supply against the pervious years.
- Other factors such as price increases, opening new stations , menu changes, shipping and storage costs.
- The total projected increase is (3%).

All Other Expenditures :

- consultants, mileage, business travel, maintenances work orders, telephones, misc. administrative fees, laundry, lease /repair equipment, and postage.

Loan Repayment \$ 2,940,000

- ▶ In November , 2016 the Food Service Fund started paying 50K per month loan repayment . The estimated amount will be paid at the end of FY 2016-17 is 350K . Payments will continue at this level in 2017-18.

Loan Payment Date	Temporary Loan Amount	Description
B.B	\$ 2,940,000	Total Loan Amount
11/01	(\$ 50,000)	First Payment
12/01	(\$ 50,000)	Repayment of Temp Loan
02/01	(\$ 50,000)	Repayment of Temp Loan
03/01	(\$ 50,000)	Repayment of Temp Loan
04/01	(\$ 50,000)	Repayment of Temp Loan Due April ,30
05/01	(\$ 50,000)	Repayment of Temp Loan Due May , 31
06/01	(\$ 50,000)	Repayment of Temp Loan Due June , 30
Total Payments	(\$ 350,000)	
Loan New Balance	\$ 2,590,000	Ending Balance

Facilities Funds

Budget Development

Deferred Maintenance – Fund 14

- ▶ Purpose – To fund major repairs or replacement to buildings, systems, and equipment
 - ▶ Flooring and paving
 - ▶ Painting
 - ▶ Electrical
 - ▶ HVAC
 - ▶ Roofing
 - ▶ Plumbing
 - ▶ Hazard Abatement

- ▶ Revenues
 - ▶ District plans to keep the same funding level as set by the State in FY 2011-12 - \$1,603,800
 - ▶ From LCFF funding sources now after DM program was discontinued and folded into the LCFF
 - ▶ In addition to the LCFF revenues, no other funding source for 17-18 is anticipated except interest earned

Deferred Maintenance – Fund 14

▶ Expenditures

- ▶ The District's Maintenance Department annually prepares a project list and provides this list to the Finance Department at the beginning of the Budget process
 - ▶ The list is then funded to the extent that the DM fund balances allows
 - ▶ FY 14-15 was the last year the district funded the list at 100%
 - ▶ FY 15-16 & 16-17 was funded at 75%
 - ▶ FY 17-18 is expected to not have enough funds to fund the anticipated list at 100%
 - ▶ Prioritizing project list

▶ Other Considerations

- ▶ District-wide HVAC project
 - ▶ 280 new HVAC units installed in FY 17-18
 - ▶ Future maintenance and replacement costs need to be evaluated for life of the HVAC units

Facilities Funds – Fund 21, 22, & 23

- ▶ Purpose – To account for the proceeds of the General Obligation (GO) bonds issued by the District
 - ▶ Expenditures within this fund are costs associated with the modernization and construction of district schools, as permitted by bond language
- ▶ Revenues
 - ▶ Interest – The only expected revenue during the FY 2017-18 is interest
- ▶ Expenditures
 - ▶ Salaries and Benefits – Projected district personnel costs of administration and construction oversight for Proposition O construction projects
 - ▶ Capped by ‘Planning and Operations’ multi-year budgets established and approved through the Capital Project Monthly Status Reports
 - ▶ Current year salaries are estimated until timecards are filled out and adjusted to actuals
 - ▶ Other Proposition O Administrative Expenditures – Performance Audit, Financial Audit, Legal Fees, Postage, Office Supplies, etc.
 - ▶ Capped by ‘Planning and Operations’ multi-year budgets established and approved through the Capital Project Monthly Status Reports
 - ▶ Current year expenditures are estimated based on historical information and on an as needed basis

Facilities Funds – Fund 21, 22, & 23

- ▶ Expenditures – (continued)
 - ▶ Construction Expenditures are approved by the Board of Trustees through the monthly Capital Projects Monthly Status Report
 - ▶ Analysis of on-going construction projects to be carried over into next fiscal year
- ▶ Other Considerations
 - ▶ Prop O Bond Sale 1 – Majority of Projects are completed and remaining projects are in the final phases or closeout phase
 - ▶ Prop O Bond Sale 2 – HVAC Project completion is anticipated before the end of FY 2017-18

Capital Facilities Fund – Fund 25

- ▶ Also known as the Developers Fee Fund
- ▶ Purpose - To account for funds our district receives from Developer Fees. District can impose developer fees against “construction” occurring within its boundaries. Expenditures within this fund are restricted by Ed Code governing these funds
- ▶ Revenues
 - ▶ Developers Fees - will be based on prior year budget plus a 2% increase
 - ▶ Interest
- ▶ Expenditures
 - ▶ Administrative Expenditures
 - ▶ Legal and administrative services (Fee Justification Report, Annual & Five Year Report, Developer Fee Issues, etc.)
 - ▶ Construction Expenditures - Approved by the Board of Trustees through the Capital Projects Monthly Status Report
 - ▶ Analysis of on-going construction projects to be carried over into next fiscal year
 - ▶ Three on-going Relocatables projects at CVH, SOH, OLH
 - ▶ Transfer out to General Fund - 3% of fees collected per fiscal year for reimbursement of administrative costs incurred for collecting the fees

County School Facilities Fund (CSFF) – Fund 35

- ▶ Purpose - The State requires districts to receive revenue from the State School Construction program in our County School Facilities Fund
- ▶ Revenues - The only expected revenues during the FY 2017-18 is interest. No additional State School Construction funds are expected at this time
- ▶ Expenditures
 - ▶ Construction Expenditures - Approved by the Board of Trustees through the Capital Projects Monthly Status Report
 - ▶ Analysis of on-going construction projects to be carried over into next fiscal year
- ▶ Other Considerations
 - ▶ Bond Issuance by the State

Special Reserve Fund – Fund 40

- ▶ Purpose - To accumulate monies previously earmarked for specific board approved purposes. All expenditures associated with the District's Asset Utilization Project and the Construction Settlement proceeds are accounted for within this fund.
- ▶ Revenues
 - ▶ Redevelopment Agency Funds (RDA) – Annual revenues from Redevelopment Agency
 - ▶ Projecting 17-18 funding levels to remain same as 16-17
 - ▶ L Street Tenant Revenues
 - ▶ Projecting no increase in revenues from this source
 - ▶ Interest Earned

Special Reserve Fund – Fund 40

▶ Expenditures

- ▶ Administrative Expenditures – Legal Services, Debt Administration, Trustee Fees etc.
 - ▶ Construction Legal Services – Approved by the Board of Trustees through the Capital Projects Monthly Status Report
- ▶ Lease and Equipment Expenditures
 - ▶ IT Department Student Education Support System Center Project (ScaleMatrix)
 - ▶ IT is currently attempting to purchase all equipment before 16-17 closes so 17-18 may only reflect lease expenditures
- ▶ Construction Expenditures – Approved by the Board of Trustees through the Capital Projects Monthly Status Report
 - ▶ L Street Construction projects
 - ▶ Analysis of on-going construction projects to be carried over into the next fiscal year
- ▶ Debt Service Expenditures – 2016 Lease Revenue Bonds (Federally Taxable)
 - ▶ Also known as our L Street Bonds

Community Facilities District (Mello Roos) – Fund 49

- ▶ Purpose – To account for all revenue and expenditures relating to the District's Community Facilities Districts (CFDs).
- ▶ Revenues
 - ▶ Special Taxes – Based on information from the District's Special Tax Consultant (SDFA)
 - ▶ Initial projections ~ \$24 Million in 17-18
 - ▶ Interest – Based on projected monthly balances and prior years' historical data (i.e. interest rates)
- ▶ Expenditures
 - ▶ Salaries and Benefits – Projected district personnel costs of administration and construction oversight for CFDs and CFD funded construction projects
 - ▶ Current year salaries are estimated until timecards are filled out and adjusted to actuals
 - ▶ Other CFD Administrative Expenditures – Audit, Special Tax Consultant, Legal Services, Debt Administration, Trustee Fees, School Facility Consultants, Postage, Supplies etc.
 - ▶ Current year expenditures are estimated based on historical information and on an as needed basis

Community Facilities District (Mello Roos) – Fund 49

- ▶ Expenditures – (continued)
 - ▶ Construction Expenditures are approved by the Board of Trustees through the monthly Capital Projects Monthly Status Report
 - ▶ Analysis of on-going construction projects to be carried over into next fiscal year
- ▶ Debt Service Expenditure for outstanding CFD Debt (67%)
 - ▶ Outstanding Debt:
 - ▶ 2017 Refunding Certificates of Participation (COPs)
 - ▶ 2013 Refunding Revenue Bonds

LCFF-What Does This Mean for Sweetwater

2017-18 LCFF Target Funding Factors

- ▶ The K-12 COLA is 1.56% for 2017-18, and is applied to the LCFF base grants for each grade span
- ▶ Two grade span adjustments (GSAs) are applied as percentage increases against the adjusted base grant, also receiving the benefit of a 1.56% COLA in **2017-18**

Grade Span	2016-17 Base Grant per ADA	1.56% COLA	GSA	2017-18 Adjusted Base Grant
Sweetwater Base Grant at 95.97% of State's Base Target Rates				
7-8	\$7,104	\$111		\$7,215
9-12	\$8,232	\$128	\$218	\$8,578
State's Base Grant Target Rates				
7-8	\$7,403	\$115	-	\$7,518
9-12	\$8,578	\$134	\$227	\$8,939

What Does the Gap Closure Rate Mean For Sweetwater

	State Adopted Budget, June 2016		2017-18 State Proposed Budget		
LOCAL CONTROL FUNDING FORMULA ENTITLEMENT	359,879,123		359,879,123		
Current Year Gap Funding	72.99%	<u>13,707,417</u>	23.67%	<u>4,698,600</u>	
LCFF ENTITLEMENT	<u>373,264,557</u>		<u>364,577,723</u>		
Components of the LCFF Entitlement					
Base Grant		326,600,509			322,466,476
Supplement/Concentration		46,664,048			42,111,247
Note: Local Control Funding Formula Entitlement does not include the Special Education Property Transfer and the Deferred Maintenance Transfer					

The Gap Closure Rate-The Change in Revenues less Expenditures

2017-18 Budget Items	2017-18 2nd Interim Projections	2017-18 Proposed Budget
Revenues		
LCFF Funds	\$364,637,090	\$364,637,090
Federal Funds	\$21,895,212	\$17,180,365
State/Local Funds	\$59,292,377	\$63,016,421
Total Revenues	\$445,824,679	\$444,833,875
Expenditures		
Salaries	\$285,727,612	\$293,059,180
Benefits	\$105,052,936	\$107,202,479
Supplies	\$20,175,299	\$11,480,731
Operating Costs	\$30,756,948	\$28,939,437
Capital Outlay	\$1,503,028	\$3,992,044
Other Outgo	\$5,119,816	\$7,526,279
Other Finance Uses	\$476,811	\$431,946
Total Expenditures	\$448,809,449	\$452,632,095
Revenues less Expenditures	(\$2,984,770)	\$(7,798,220)
Note: LCFF Funds include the Special Education Property Tax Transfer and the Deferred Maintenance Transfer, a net increase of \$59,367		

2017-18 Projection Changes and Reduction Suggestions

2017-18 Budget Items	Deficit	2017-18 Key Suggestions for Reductions	
2 nd Interim Deficit	\$2.9 million		
Revenue Changes			
Federal Revenue	(4.7 million)	Reduce Travel	\$.93 million
Local Revenue	\$1.2 million	10% Discretionary Reduction	\$2.6 million
Proceeds from Lease	\$2.5 million	Delay Lenovo 12 th grade rollout	\$1.0 million
Total Revenue Change	(\$1) million		
Expenditure Changes		Delay Textbook Adoption	\$1.5 million
Certificated 3.75% Salary Incr	\$7.3 million	Delay Deferred Maintenance Transfer	\$1.6 million
Benefits-due to Salary Incr	\$1.1 million		
Benefits-Health Incr	\$1.0 million		
Supplies	(\$8.6) million		
Operating Costs	(\$1.8) million		
Capital Outlay-Offset to Proceeds	\$2.5 million		
Other Outgo-Annual Lease Costs	\$2.4 million		
Total Expenditure Change	\$3.9 million		
Ending Deficit	\$7.8 million		
Remaining Reserve for Salary Increase	\$2 million		
Deficit Required for Reduction	\$5.8 million	Total Suggestions	\$7.6 million

QUESTIONS

