

Update on the 2015 -16 BUDGET

**Glendale Unified School District
Board Of Education Meeting – August 4, 2015
Information Report No. 1**

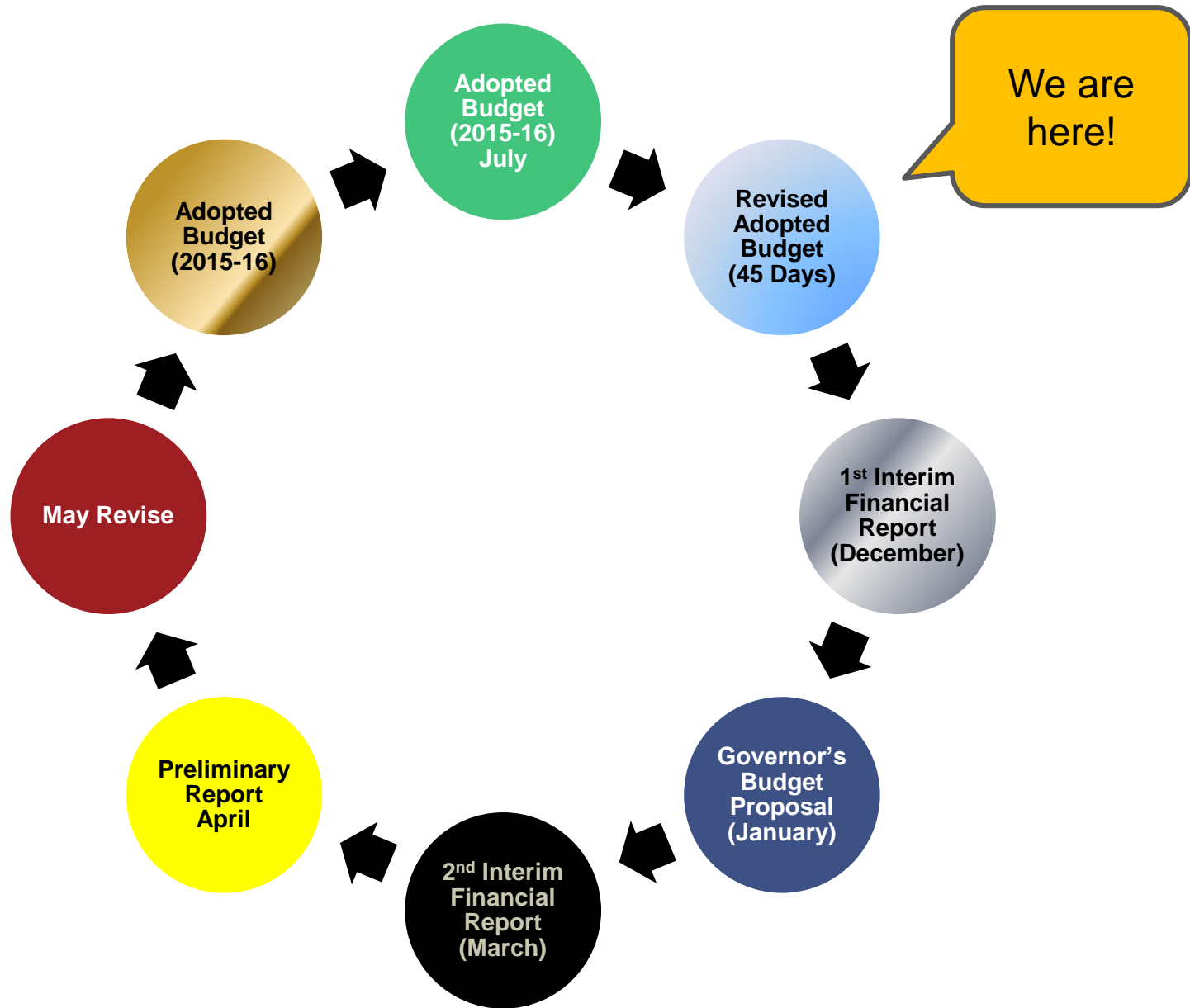
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Budget Report No. 1

Variables that Impact Budget Projection

- **GAP Funding Percentage**
- **Unduplicated Count Percentage**
- **Grade Level Average Daily Attendance (ADA)**
- **Changes in the One-Time Discretionary Funds**
- **Negotiated Savings to the Worker's Compensation Rate**
- **Common Core Supply Expenses**
- **Additional FTE for TK-3 CSR Compliance**
- **Loss of TK-3 CSR Revenue for 2014-15**

Annual Budget Cycle



CHANGES FROM MAY REVISION

Item	May Revision	2015-16 State Budget
LCFF Gap Funding	53.08% or \$6.176 billion	51.52% or \$5.994 billion
One-time Discretionary Funds for 2015-16	\$3.645 billion or \$601 per ADA	\$3.205 billion or \$530 per ADA
Educator Support	No specific proposal	\$490 million or \$1,450 (est.) per certificated staff
Career Technical Education	\$400 million competitive grant	Unchanged, but allocated in three ADA categories
Preschool	2,500 part-day slots	7,030 full-day slots, \$145 million Proposition 98

Shifting of GAP Funding Percentage

	Gov. May Revise Budget	July State Adopted Budget
<u>2015-16</u>		
GAP %	53.08%	51.52%
Dollars	\$ 22,927,212	\$ 22,231,824
<u>2016-17</u>		
GAP %	37.40%	35.55%
Dollars	\$ 7,621,177	\$ 7,397,695
<u>2017-18</u>		
GAP %	36.70%	35.11%
Dollars	\$ 0	\$ 0

Note: The 2017-18 May Revise Budget and July Adopted Budget are both Zero because we did not budget for any GAP.

Shift in Grade Level Average Daily Attendance (ADA)

Grade Span	2015-16 ADA (Prior Year)	2015-16 \$ Per ADA (Base Grant)
TK-3	7,598	\$ 7,820
4-6	5,631	\$ 7,189
7-8	3,668	\$ 7,403
9-12	8,202	\$ 8,801
TOTAL	25,099	

Gap Funding and Proportionality Calculation

Final 2015-16 State Budget

2015-16
Target
\$225.4 M

\$172.4 M Base

2014-15 LCFF
Funding
\$182.2 M

2014-15 LCFF Funding
\$9.8 M Supplemental &
Concentration Grants

GAP
\$43.2 M

+

2015-16
53.08% 51.52%

2015-16 Gap Funding
\$7.2M \$7.0 M
Supplemental &
Concentration Grants

=

\$15.7 M \$15.2 M Base

2015-16
GAP Funding
\$22.9 M \$22.2 M

Total LCAP \$17.0 M \$16.8 M

Budget Revision Update for 2015-16

State

- | | | |
|---|----|-------------|
| • Revised LCFF Funding Variable | \$ | (633,779) |
| • One-Time Mandated Cost Revenue Adjustment | \$ | (1,750,360) |

District

- | | | |
|---|----|-------------|
| • Negotiated Savings to Worker's Compensation Rate from 3.34% to 3.003% | \$ | 475,000 |
| • Common Core – Supply Allocation | \$ | (300,000) |
| • Chromebook Order – P.O. Carried Forward from 2014-15 | \$ | (630,000) |
| • Additional TK-3 Teachers – 18 FTE | \$ | (1,800,000) |
| • Loss of TK-3 CSR Funding for 2014-15 | \$ | (2,300,000) |

OUTLOOK FOR THE LCFF



Revenue Limits Were Shaped By the Courts – Will LCFF be as Well?

- We expect that the courts will also shape implementation of the LCFF and the LCAP model
 - The first lawsuit has already been filed by civil rights attorneys against the Los Angeles Unified School District
 - Lawsuits are likely to result in court decisions that define the range of options open to school districts
- The LCFF laws set out broad expectations for services to students
 - The courts will likely interpret and define responsibilities more precisely

Proposition 30 Temporary Taxes

- **Facts about the Proposition 30 (2012) temporary taxes:**
 - They generate about \$8 billion annually, deposited in the Education Protection Account (EPA)
 - By 2018, they expire completely
 - Governor Jerry Brown has made it clear that “he” does not support extending them
- **The key question is:**
 - Will the state treat this loss of revenue as a State Budget problem or a Proposition 98 problem?
- **This question will be answered at a time when education revenues are likely to be stagnant and could unravel the entire LCFF system**

LCFF Targets Represent a Low Bar – How Do We Move Toward the National Average?

- Restoration of the purchasing power school districts had in 2007-08 is the stated goal of the LCFF – a very modest goal
 - California is a high tax state with a lower-than-average commitment to education – even with the LCFF, the level of education funding will remain low
 - Increased costs for CalPERS and CalSTRS will consume about 25% of LCFF dollars
 - Growth in CalPERS and CalSTRS exceeds future year GAP Funding
- We believe progress toward any funding level above current LCFF goals will be the domain of the next Governor and future legislators

SSC Advice

- Document board decisions and priorities in the LCAP
- Use the LCAP template to clearly identify needs, expenditures, and expected results
- Demonstrate that supplemental and concentration grant funding principally benefits targeted students
- Use targeted funds only when there is a benefit to targeted students
- Be prepared to defend your decisions in court

SSC Advice

- **Maintain sufficient reserves to see you through what could be a very tough time when Proposition 30 expires**
- **Think long term when making program and funding decisions**
- **Where will you cut back if the state reduces funding in the future?**

Future Revisions

- **2014-15 Ending Fund Balance**
 - **Allocate Carry-Over Monies**
- **Finalize 2015-16 Staffing**