West Contra Costa Unified School District
Budget Adoption
Board Meeting
June 26,2013

2013-14

- Big Transition Year

- This budget is framed by the programs and revenues that were in place PRIOR to passage of the State Budget on June 14th

- The District must take this approach because the trailer bills and rule making, forms and procedures, are not yet available

- A budget revision will be provided on July 24

2013-14 Budget

- Executive Summary

- State Forms
  - Includes all funds of the district
  - Documentation of revenue calculations
  - Criteria and Standards

- Multi-Year Projection

Unrestricted Revenues

- Revenue Limit
  - Based upon average daily attendance (ADA)
  - School Services "Dartboard" 2013-14
    - $5,529 per ADA (after deficit factor)
- Statutory COLA 1.565%
- Deficit Factor 18.997%
- This is an increase in revenue over previous projections

Budget Assumptions 2013-14

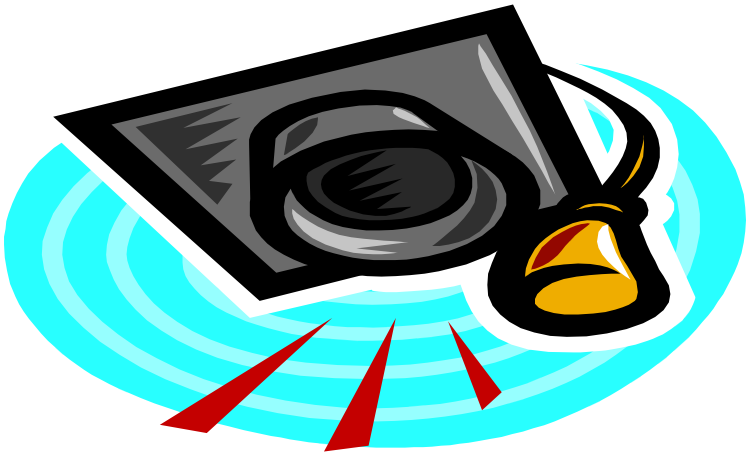
- Tier III Flexibility Funding $14.5 Million
- Parcel Tax $9.8 Million
- MRAD $5.5 Million

- Staffing
  - Transitional K – 28:1
  - Grades K-3 – 28:1
  - Grades 4-6 – 33:1
  - Grades 7-12 – 32:1 (average class size of 38)

Expenditures

- Staffing Matrix & Calculations
  - Appendix A of the Executive Summary
- Departmental staffing placed in the 2013-14 budget
- No program cuts
- Adult Education Funded at 2012-13 levels

Expenditures



- Special Projects
  - Ivy League Connection
  - Mock Trial
  - Scholar in Residence
  - Full Service Community Schools
- Elementary Music
- Large Elementary schools
- Safety/School Resource Officers

Federal Sequestration

- Federal Programs are Reduced
- Categorical Funding
  - Title I
  - Title II
- Special Education
- Cafeteria Fund
- Bond Subsidy

Budget 2013-14

- Closing out 2012-13

- Ending Fund Balance Estimates
  - Unrestricted $23.2 million
  - Restricted $13.9 million

  Fund balances are subject to change based upon the closing of the books

K-3 Class Size Reduction

- 2012-13 Parcel Tax funding $2.3 million
  - Supporting 28:1 Grades K-3
- 2013-14 Parcel Tax funding $2.8
  - Supporting 28:1 Grades K-3

- With the adoption of LCFF a new implementation strategy will need to be adopted in order to be in compliance

K-3 Class Size Reduction

- LCFF requires that all classes in grades K-3 be at 24:1 in eight years

EXAMPLE	Kindergarten	1st Grade	2nd	3rd	Teachers Added	Estimated Cost Increase Per year
2013-14	27	28	28	28	5	$ 450,000
2014-15	26	27	28	28	7	$ 630,000
2015-16	25	26	27	28	8	$ 720,000
2016-17	24	25	26	27	9	$ 810,000
2017-18	24	24	25	26	10	$ 900,000
2018-19	24	24	24	25	10	$ 900,000
2019-20	24	24	24	24	11	$ 990,000
			Total Teachers Added		**60**	**$ 5,400,000**

Multi Year Projection Budget Adoption
Unrestricted General Fund

(In thousands)

	2013-14	2014-15	2015-16
Revenues	$175,229	$180,800	$188,326
Expenses	180,949	186,675	191,804
Deficit Spending	($5,720)	($5,875)	($3,478)
Special Reserve Transfer	3,800	–	–
Beginning Fund Balance	23,189	21,268	15,393
Use of Fund Balance	(1,921)	(5,875)	(3,478)
Ending Fund Balance	21,268	15,393	11,915
Required Reserve	8,091	8,136	8,338
Commitment- UTR	1,370		
Stores & Revolving Cash	300	300	300
Balance	$11,507	$6,957	$3,277

Special Reserve Summary

Special Reserve Fund - 17	Adopted Budget & Multi Year Projection	LCFF Implementation
Balance June 30, 2012	$ 13,500,000	$ 13,500,000
2012-13	$ (2,800,000)	$ (2,800,000)
2013-14	$ (3,800,000)	
Special Reserve Fund Balance Projection June 2014:	$ 6,900,000	$ 10,700,000

Cash Flow

- The 2013-14 State cash deferrals have improved with the adoption of the State budget

- Inter-fund cash borrowing should not be required

Local Control Funding Formula (LCFF)

- Previously restricted dollars become unrestricted – expenses follow unless the District cuts the program

- Landmark change in funding for California Schools

LCFF

- State Categorical Programs are rolled in and the separate revenue is eliminated
  - EIA
  - Career and Technical Grants for Secondary
    - Partnership Academies
  - All Tier III Programs
    - There is still a question on how Adult Ed is dealt with
- Some are not
  - Special Education
  - After School Programs

LCFF

- Since the revenue component is not the only major change…
- California Department of Education must
  - Create the new allocation model
  - Verify the underlying data
    - English Language Learners
    - Free and Reduced Lunch
- Provide the new resource tracking for each component – new account codes

LCFF

- Is not included in June budget adoption
- A budget revision within 45 days
  - July 24, 2013 Board Meeting

- Funding is supposed to increase over 8 years toward full implementation

How Much will LCFF help?

- District Unrestricted Operational Deficit 2013-14
  - $5.7 million
- This is under the current "OLD" Revenue Limit Funding Model
- Under that model the District is using Special Reserve funding and Fund Balance to pay for that deficit
- The amount the District will receive in additional funding is not yet known

How Much will LCFF help?

- How will the LCFF be split?
  - Supplemental and Concentration Grant dollars will be restricted
- Previously restricted programs such as EIA, Partnership Academies will need to be supported with the new dollars
- K-3 Class Size Reduction will need to be re-implemented to 24:1 by 2021-2022

Local Control Accountability Program

- "LCAP"
- The accountability component
  - Outline how the supplemental and concentration grant revenues would benefit the targeted population – This will be a written plan submitted with the budget
  - Site level accountability for budget and outcomes
  - Improvement in those target populations will be expected
  - Intervention system for those school districts that are not showing improvement
  - Options available for the Superintendent of Public Instruction and the State Board of Education to intervene

Multi Year Planning Concerns

- Retiree Benefits continue to take a large portion of the budget, and the District is absorbing the increased cost of health plans for the majority of retirees
  - The District is operating on a “Pay as you go” basis $19 million per year and growing
- Health Care Reform
  - Study is underway to determine district’s position

Multi Year Planning Concerns

- Common Core Standards
  - New Texts and Technology
  - Implementation and Professional Development
- Summer School
  - Staff is working on how grants can provide funding – how do we sustain this long-term?
- Class Sizes at Secondary and Elementary Levels
- Support and Staffing
  - Sophisticated and improved buildings, technology and security systems are provided
  - Support staff remains at low levels, making it difficult to maintain these assets

Budget Adoption

- Based upon current assumptions we have maintained a 3% reserve
- A Revision will be provided at the July 24 meeting to account for the passage of new State Budget with LCFF

Information Available at…

West Contra Costa Unified School District Website

www.wccusd.net