West Contra Costa Unified School District
December 9, 2015

2015-16
First Interim Report

Guiding Budget Development

- Local Contracts with employee unions
  - United Teachers of Richmond
  - Local 1
  - School Supervisors Association (SSA)
  - West Contra Costa Administrators (WCCAA)
- Availability of Special Resources
  - Parcel Tax Funds $9.7 million
  - Maintenance Recreation and Assessment District (MRAD) Funds $5.5 million

Budget Development Factors

- Student Enrollment Generates…
  - Staffing Plans
  - Revenues
  - Per Pupil Allocations
- Subset of Student Enrollment
  - Unduplicated Student Count
  - Special Education Population

2015-16 1st Interim

- Executive Summary

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

- Multi-Year Projection

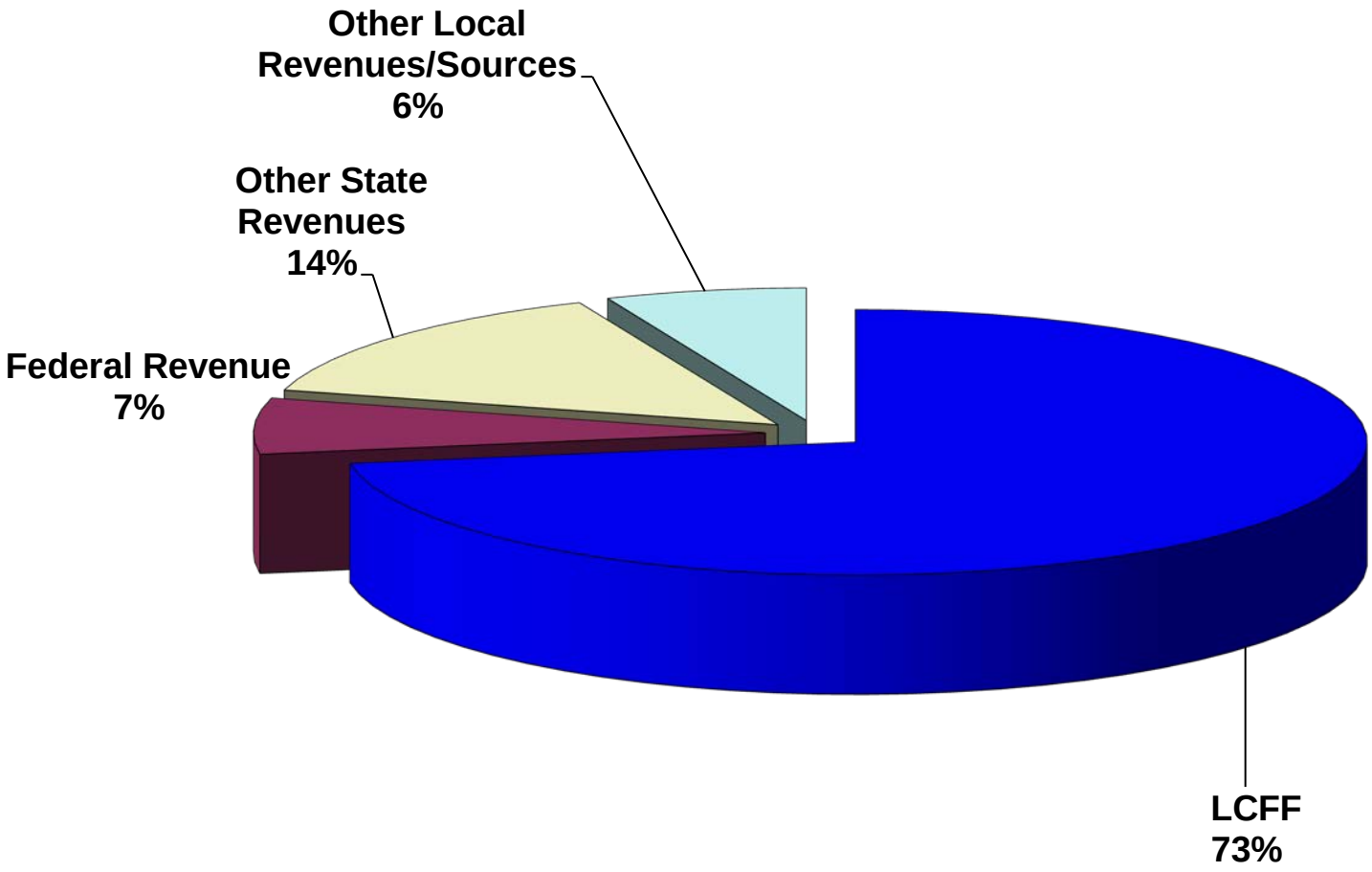
Revenues

- Local Control Funding Formula
  - Based upon average daily attendance (ADA) 27,325
  - Unduplicated Student Count – 74.77%
- Lottery $181 per pupil
- Locally Restricted
  - Parcel Tax $9.7 Million
  - MRAD $5.5 Million

Revenues

- New Funding
  - One-time Mandated Discretionary Funds
    - $529 per ADA
    - $14.6 million
  - Educator Effectiveness: $2.3 million
  - CPT Grant: $864k

2015-16 First Interim
TOTAL GENERAL FUND
REVENUES & OTHER SOURCES by OBJECT
$338,006,376



Local Control Funding Formula

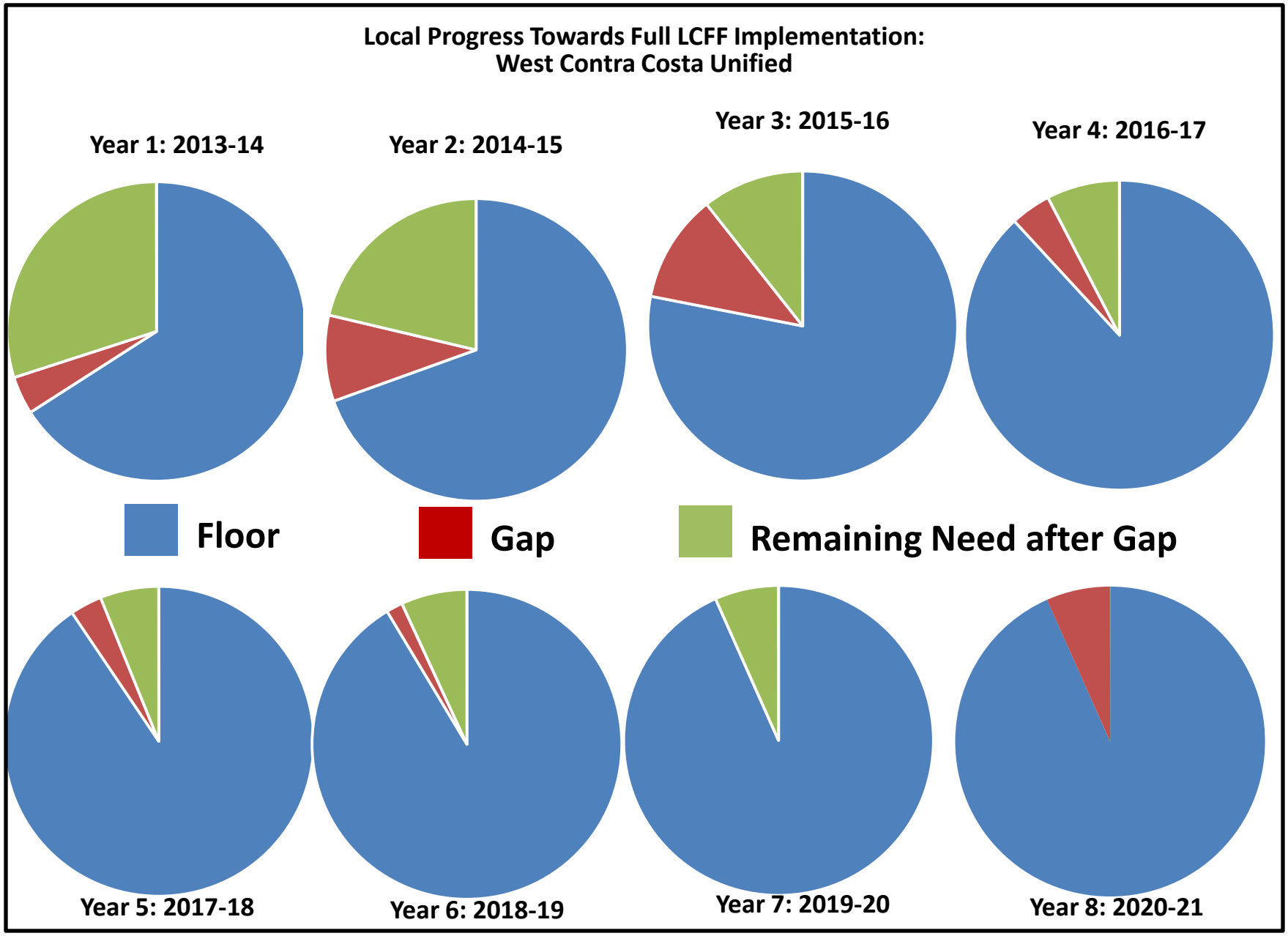
- 2015-16 **target** vs Phase in entitlement calculation

Summary of Funding	**2015-16**	**2016-17**	**2017-18**
Target	$ 273,922,348	$ 274,839,516	$ 273,766,902
Total Phase-In Entitlement	$ 244,807,771	$ 253,842,379	$ 256,975,856
Base/TIIG/Transportation	$ 207,484,601	$ 213,119,975	$ 214,469,568
Supplemental/Concentration	$ 37,323,170	$ 40,722,404	$ 42,506,288
Total Funding	$ 244,807,771	$ 253,842,379	$ 256,975,856
Estimated Percent toward Target	**89%**	**92%**	**94%**

This funding level assumes the State will fund the target "gap"
2015-16 51.52% - 2016-17 35.55% - 2017-18 35.11%

How far away is our target?

- The LCFF has an 8 year implementation plan
- The 2015-16 Funding Target as of 1st Interim is $273.9 million
- The 2015-16 Estimated Funding $244.8 million
  - **The Funding "Gap" is $29 million**
- Each year the LCFF base grants are adjusted, but not necessarily funded. That will be a decision of the State Legislature based upon funds available.
- LCFF is tied to the annual unduplicated pupil count, which will vary.


Local Progress Towards Full LCFF Implementation:
West Contra Costa Unified
Year 1: 2013-14
Year 2: 2014-15
Year 3: 2015-16
Year 4: 2016-17
Floor
Gap
Remaining Need after Gap
Year 5: 2017-18
Year 6: 2018-19
Year 7: 2019-20
Year 8: 2020-21

Multi Year Projection

- 2016-17 Assumptions
- Funded ADA: 26,998
- LCFF Gap Funding Rate: 35.55%
- District Unduplicated Count: 74.69%
- Estimated Supplies Increase: California CPI 2.7%
- Step and Column: 1.0%
- CalPERS Rate: 13.05%
- Cal STRS Rate: 12.58%
- Active Health Benefits: Mid-Year implement 80/20 split (Bay Area Kaiser) Capped subject to negotiation
- Retiree Health Benefits: 5%
- Reserve for economic uncertainty 6%

Multi Year Projection

- 2017-18 Assumptions
- Funded ADA: 26,275
- LCFF Gap Funding Rate: 35.11%
- District Unduplicated Count: 74.60%
- Estimated Supplies Increase: California CPI 2.8%
- Step and Column: 1.0%
- CalPERS Rate: 16.60%
- Cal STRS Rate: 14.43%
- Active Health Benefits: 0% - Capped subject to negotiation
- Retiree Health Benefits: 5%
- Reserve for economic uncertainty 6%

Multi Year Projection
Unrestricted General Fund

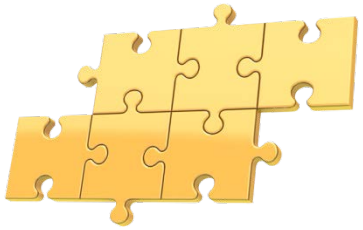
	2015-16	2016-17	2017-18
Revenues	$210,239	$204,339	$206,288
Expenses	191,841	202,422	209,277
Excess/(Deficit) Spending	$18,398	$1,917	($2,989)
Beginning Fund Balance	22,803	41,201	43,118
Use/Increase of Fund Balance	18,398	1,917	(2,989)
Ending Fund Balance	41,201	43,118	40,129
Required Reserve	9,790	10,121	10,382
Assigned Reserve	5,474	586	586
Stores & Revolving Cash	300	300	300
Balance	$25,637	$32,111	$28,861

Chart in Thousands

Structural Deficit

- Defined as having ongoing programs and financial commitments for a given year that exceed that particular year's revenue
- Ending Fund Balance or Special Reserve Funds can be used to address the deficit

Structural Deficit



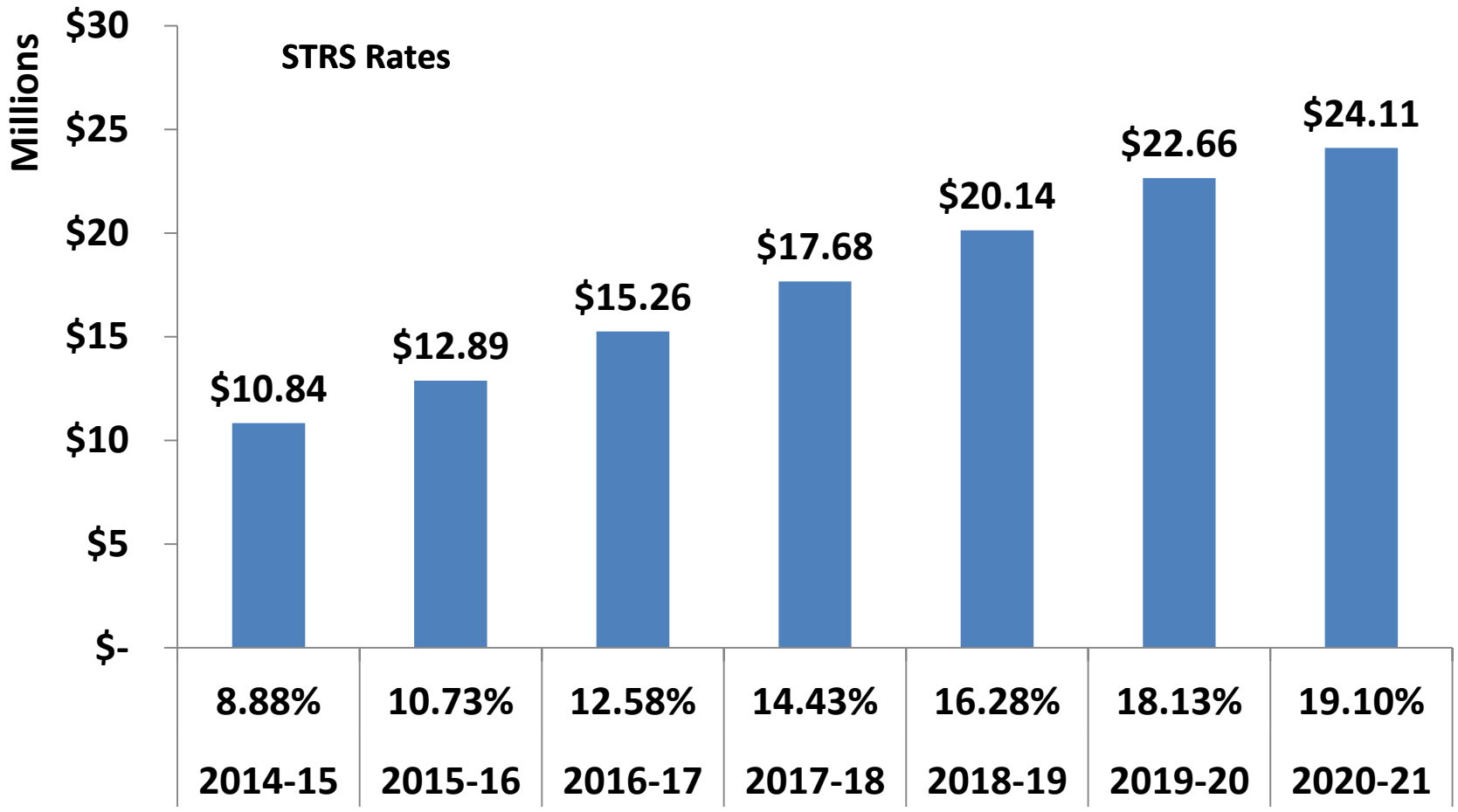
- The Board needs to be aware of the use of one-time funds and prepare plans for reducing commitments as one-time funds are depleted

- 2015-16 through 2017-18, the District shows revenue growth due to LCFF and one-time funding that will close the deficit using the current assumptions and expense levels

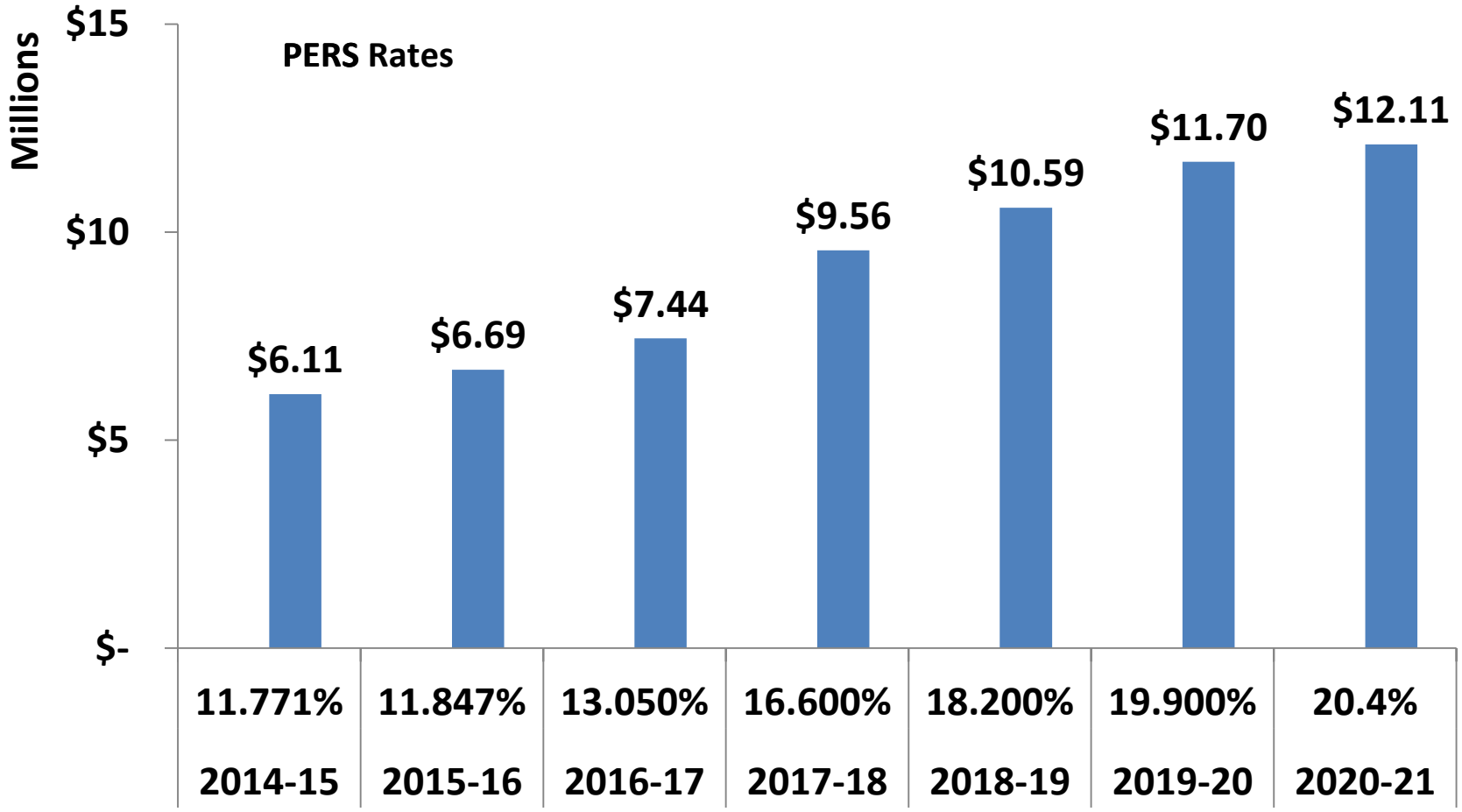
Future Funding Estimates

- There is a higher level of volatility and risk in this funding model as years progress
  - Student Demographic Changes
  - Legislative Support must continue over time
  - Economic Stability and Growth
- A decline in unduplicated count in a given year has greater impact as our funding model improves for example:
  - 6% decline = 15-16 $1 million reduction in revenues

STRS Multi Year Rates



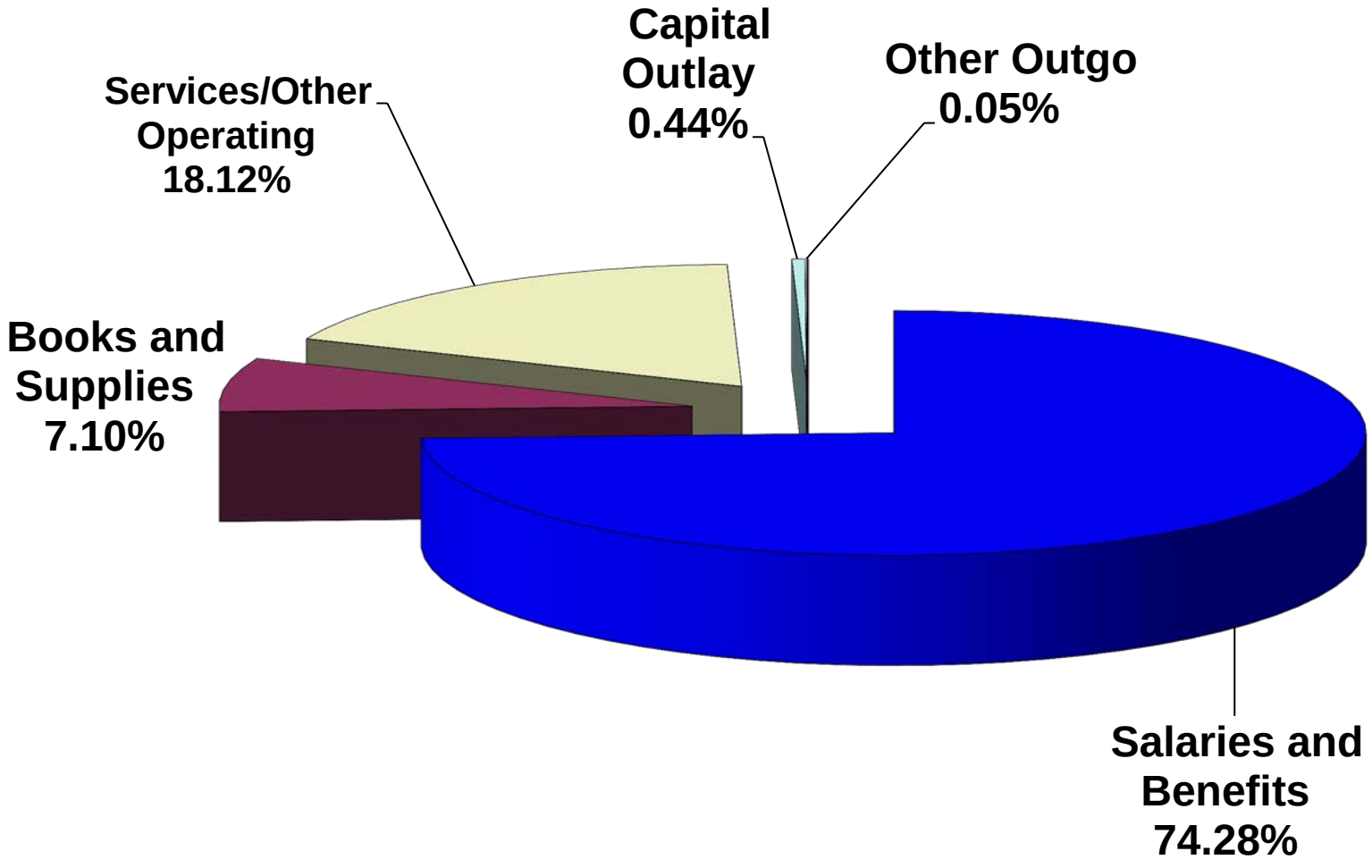
PERS Multi Year Rates



Budget Areas by Object

- Grouping Budget
  - Classifies expenses by type
    - Salaries
    - Benefits
    - Supplies
    - Contracted Services
    - Capital Outlay

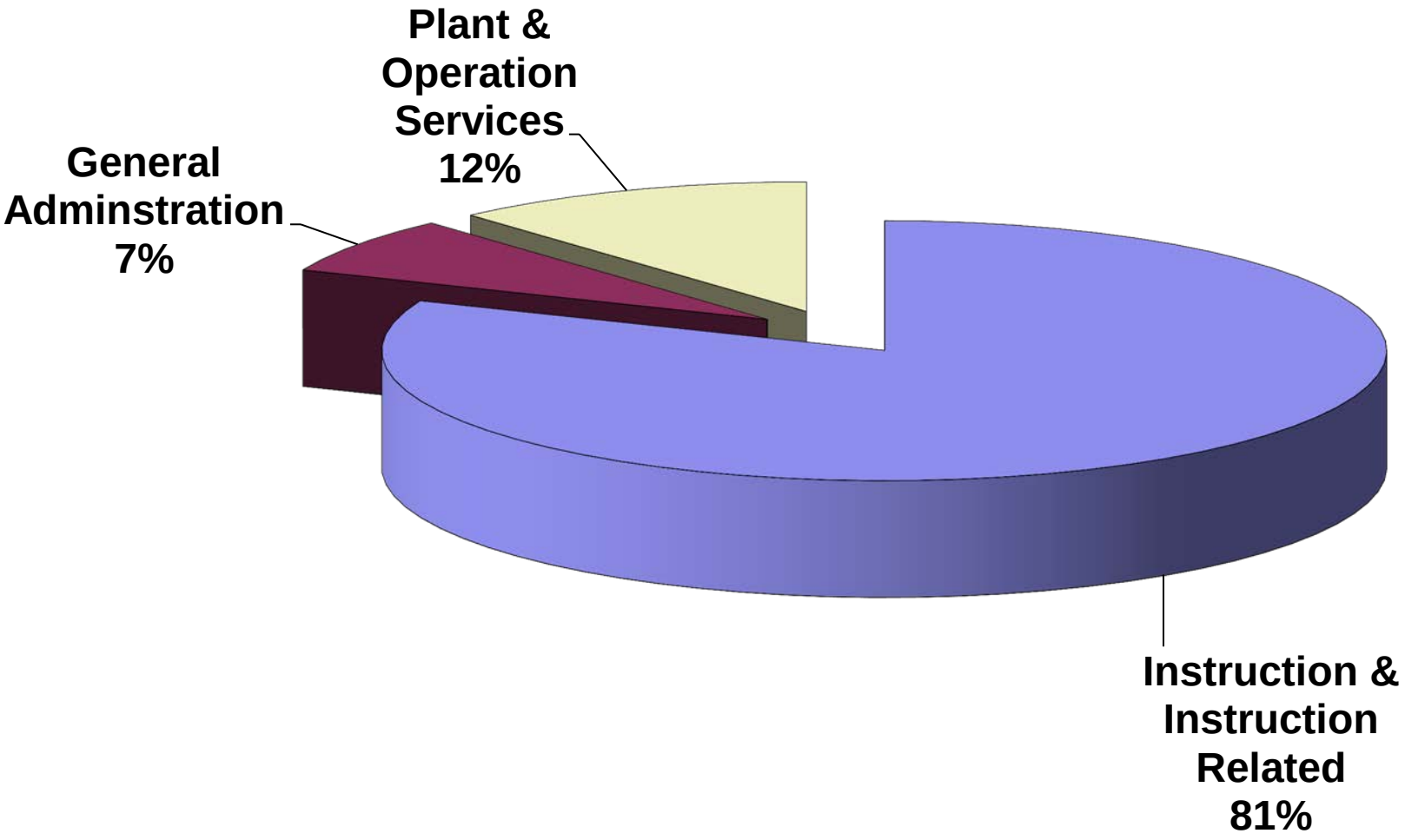
2015-16 FIRST INTERIM
TOTAL GENERAL FUND
EXPENDITURES & OTHER USES by OBJECT
$326,320,247



Budget by Function

- Grouping Budget Areas
  - Activity Based - Function
    - Instruction & Instruction Related
    - General
    - Plant Maintenance & Operations

2015-16 1st INTERIM TOTAL GENERAL FUND
EXPENDITURES BY FUNCTION
$326,320,247



Special Reserve Summary

Special Reserve Fund – 17	2015-16 First Interim
Balance June 30, 2015	**$11,745,904**
3% Reserve	**$9,245,904**
Technology Replacement	**$2,275,000**
Technology Replacement Transfer for Program Expense	**($225,000)**
Unassigned Special Reserve Fund Balance Projection June 2016	$ -0-

The 2015-16 budget includes 6% as a designated reserve using both general and special reserve funds.

Fund Review

- Review of Budget Fund Schedules
  - Schedule 2
    - Adult Ed, Child Development, Cafeteria, Deferred Maintenance, Special Reserve
  - Schedule 3
    - Building, Capital Facility, County School Facility, Special Reserve for Capital Outlay
  - All funds are estimated to have positive ending fund and cash balances for 15-16, moving into the 2016-17 budget year

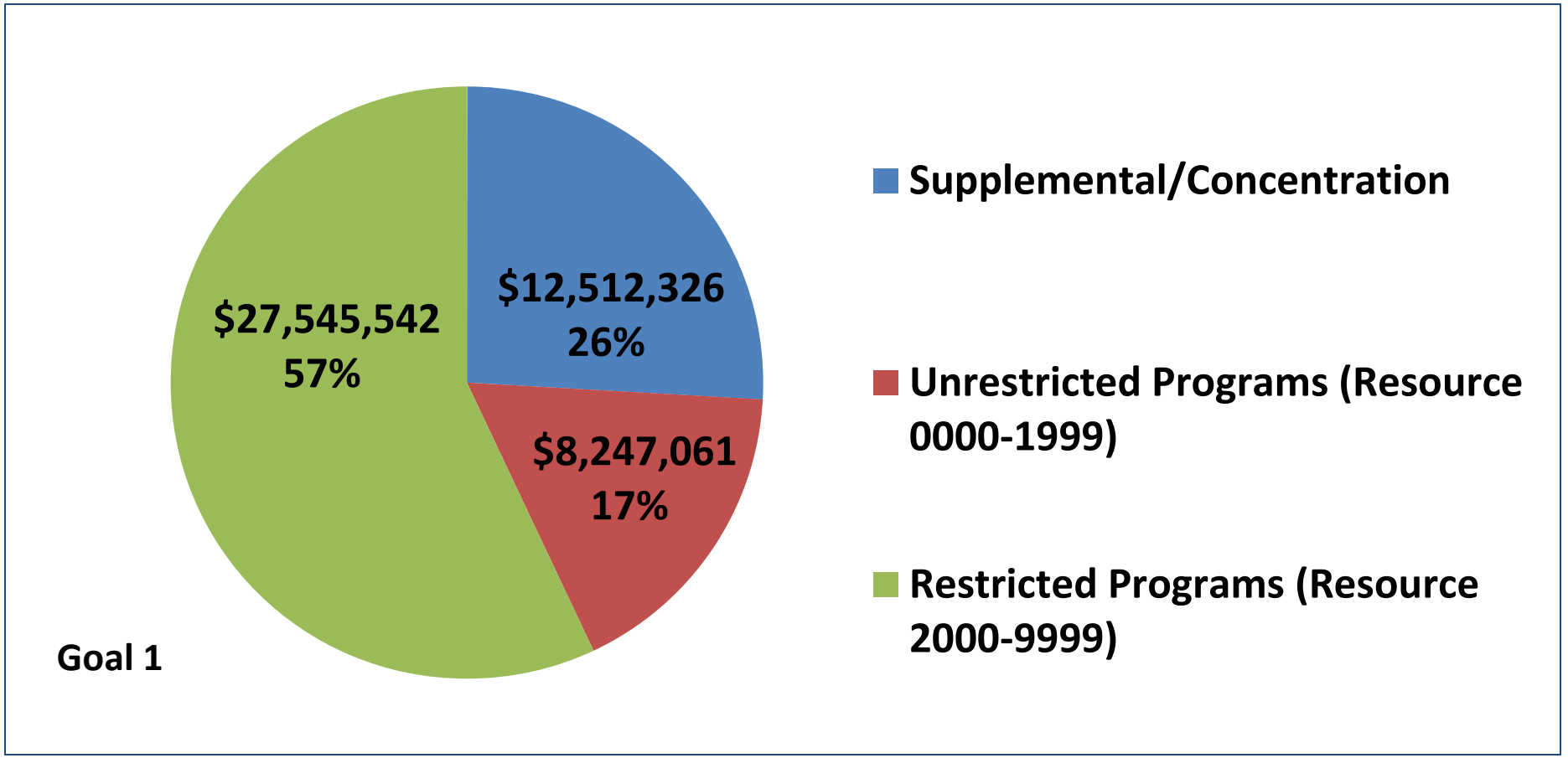
General Fund Budget by District Goal Concept

- All Unrestricted Expenditures by the State Account Code (SACS) definition of function has been reviewed and assigned to one of the District's five goals

- All Restricted Expenditures by the State, Federal or Local Account Code definition of resource has been reviewed and assigned to one of the District's five goals based upon the intent of the funding source

Goal 1

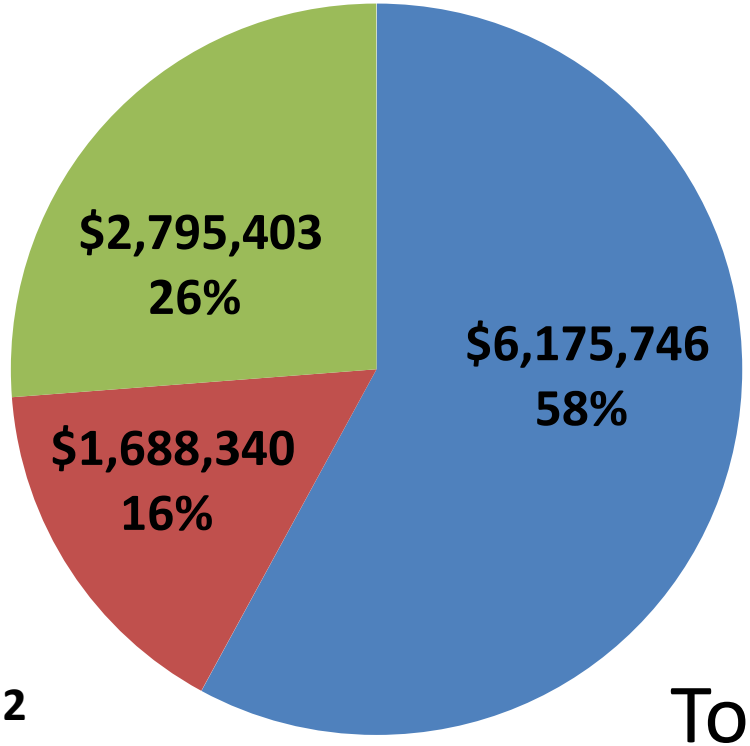
Improve student achievement for all students and accelerate student learning increases for ELL and low income students.



Total: $48,304,929

Goal 2

Improve instructional practice through professional development and professional learning communities at schools and recruiting and retaining high quality teachers



Supplemental/Concentration

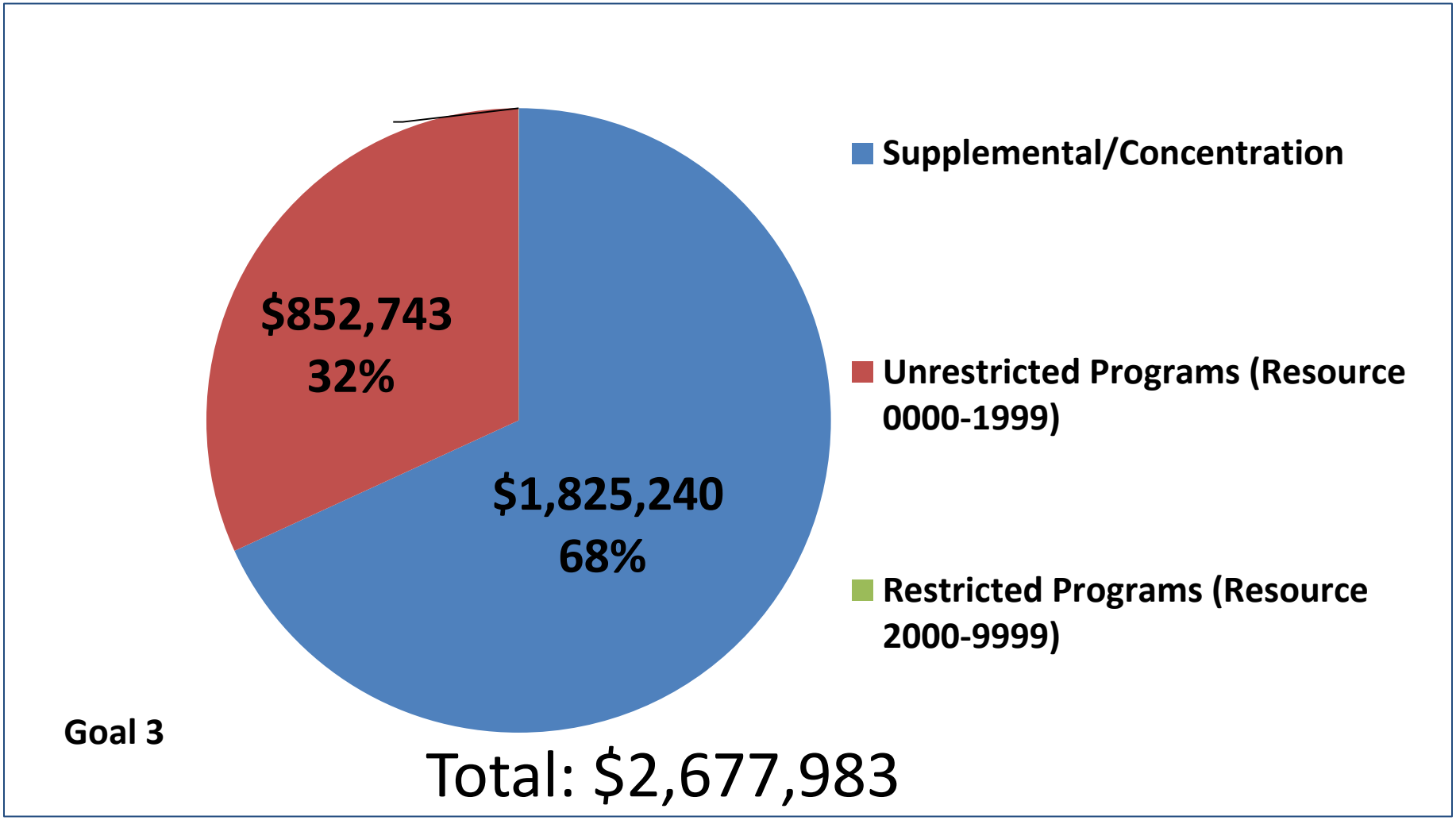
Unrestricted Programs (Resource 0000-1999)

Restricted Programs (Resource 2000-9999)

Total: $ 10,659,489

Goal 3

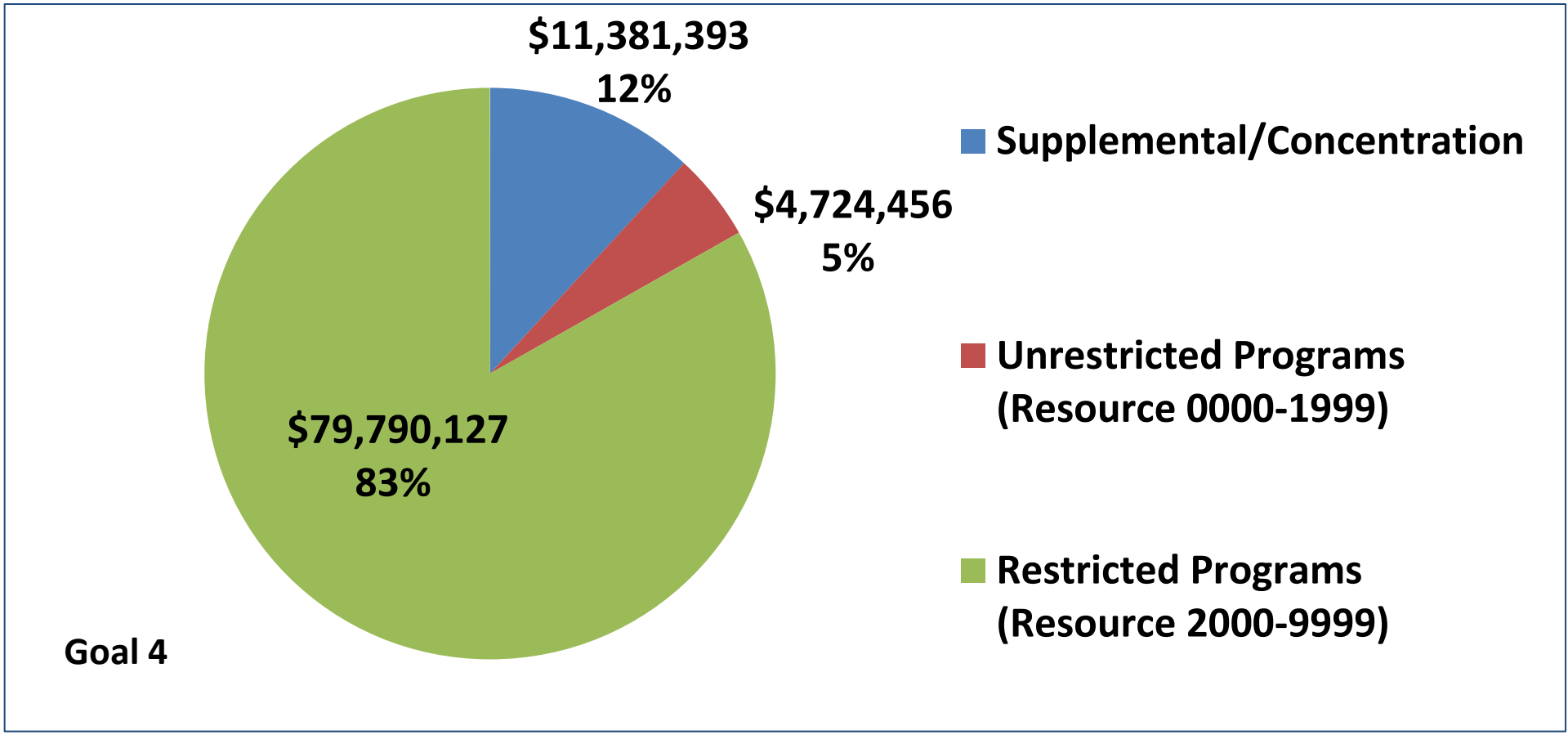
Increase parent and community engagement, involvement, and satisfaction.



Total: $2,677,983

Goal 4

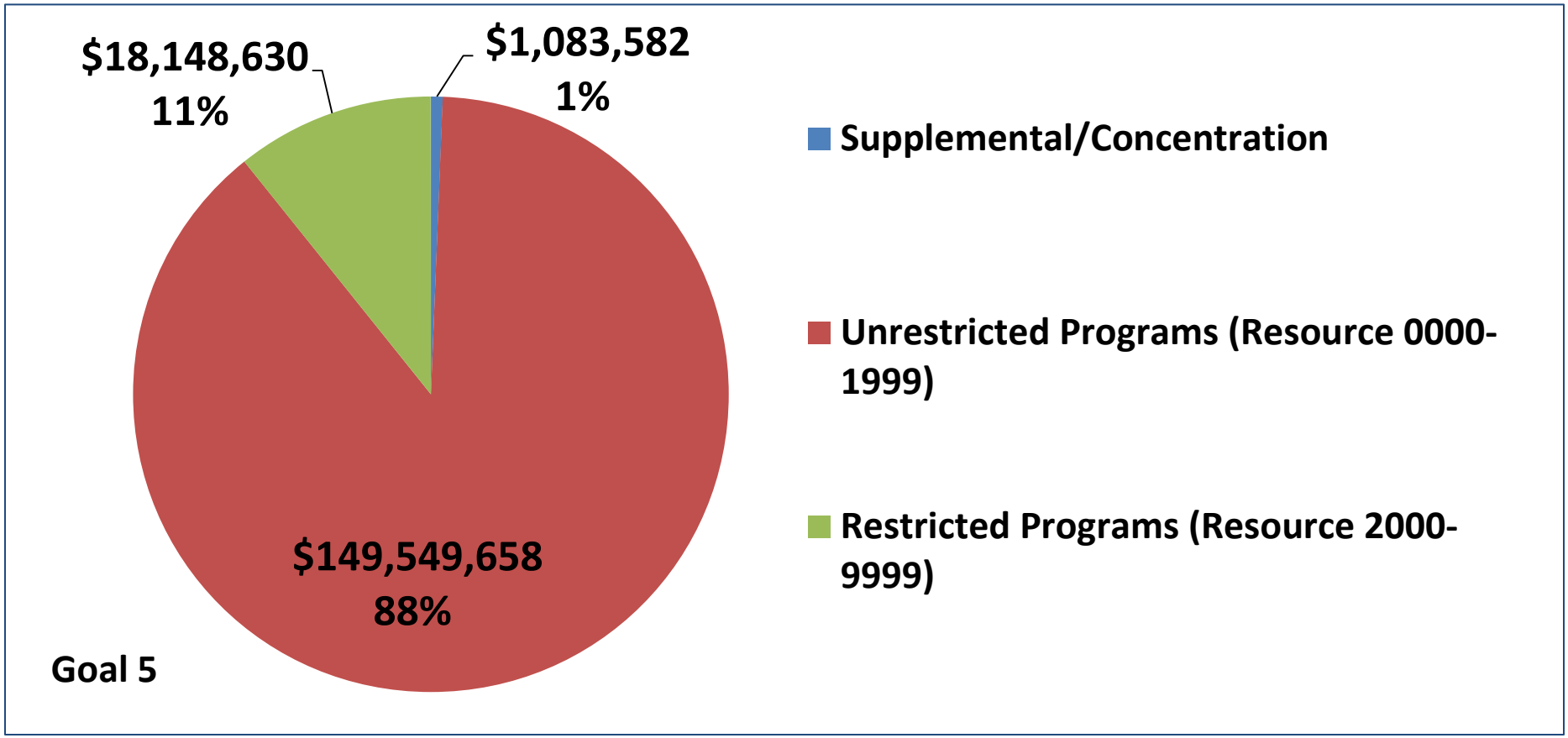
Improve student engagement and climate outcomes, and allocate services to ELL and LI students.



Total: $95,895,976

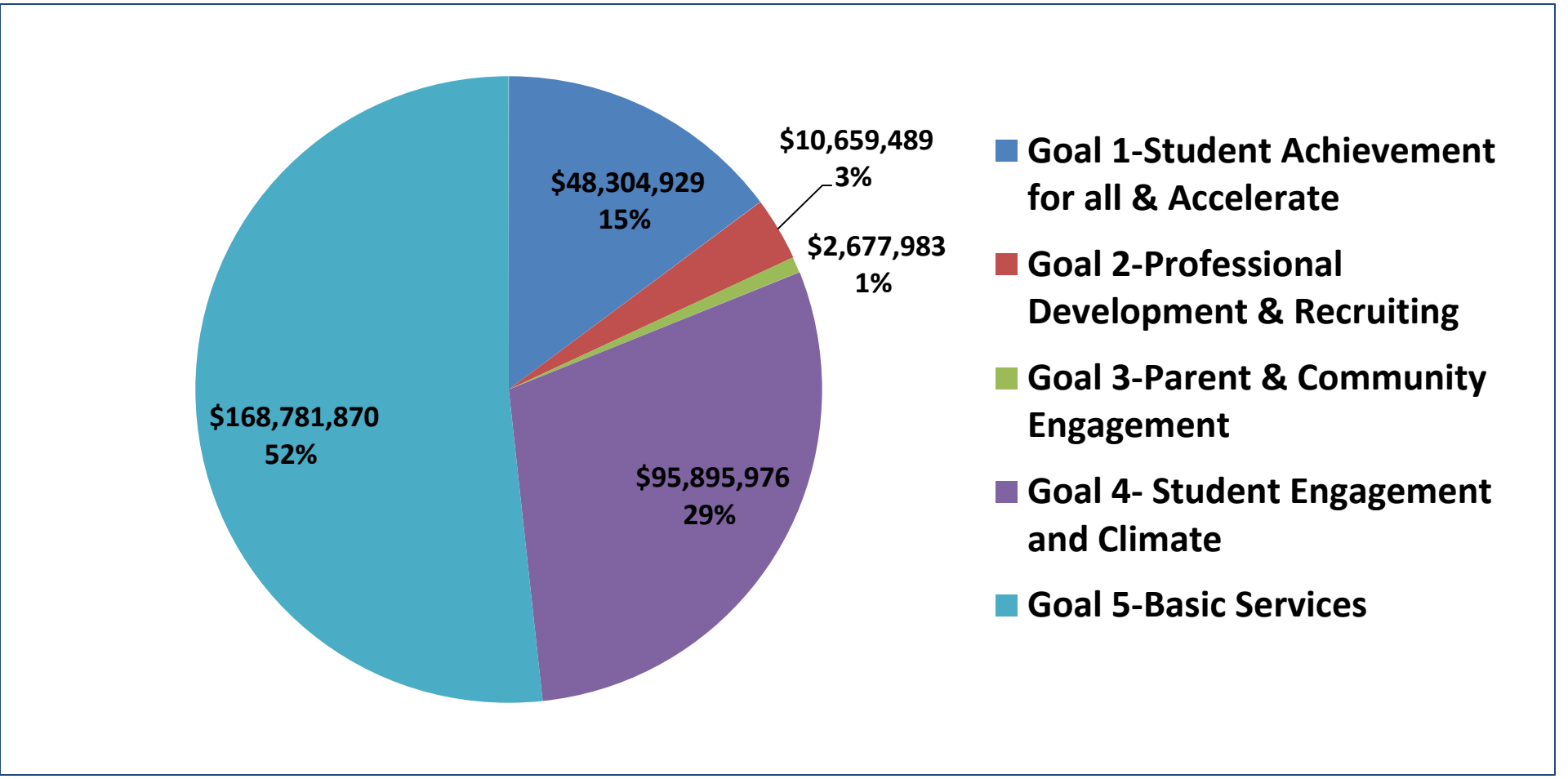
Goal 5

Provide basic services to all students, including facilities, access to materials and technology.



Total: $168,781,870

Total General Fund by Goal



Total: $326,320,247

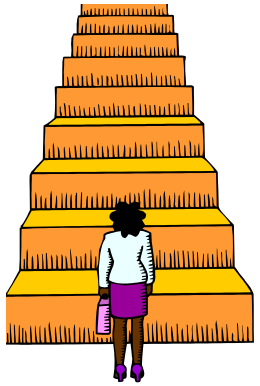
All Inclusive Budget

- The concept of providing the community with a budget overview that includes all general fund resources has been a board interest
- The information provided in the previous pie graphs can be developed to be interactive using the same web tools that we are using for the LCAP
- When the budget is adopted comprehensive and interactive information can be shared on our website

Work in Progress

- This concept is a work in progress
- The coding concepts behind the graphs should be able to provide “drill down” information as we perfect the work
  - For instance providing FTE or how much spent on supplies

Next Steps

- January 6 – Board will receive Audit of 2014-15 Financials
- Late January – Date to be determined – Board Budget Study Session
- February – Date to be determined – Board Budget Study Session
- March 23 – Second Interim Report 2015-16
- June 11 – Public Hearing for 2016-17 Budget
- June 29 – Adoption of 2016-17 Budget

Financial reports available on the web
http://www.wccusd.net/