

Budget Study Session



CHINO VALLEY
UNIFIED SCHOOL DISTRICT

Student Achievement • Safe Schools • Positive School Climate
Humility • Civility • Service

August 8, 2013

Budget Study Session #1

- **Governor's Enacted State Budget**
- **CVUSD Revised 2013/2014 Budget**
- **LCFF**
- **Superintendent's Recommendations**
- **Next Steps**





Enacted 2013/2014 State Budget

- **Balanced budget for the first time since 2002**
- **Passage of Prop 30 (temporary taxes) avoided further cuts to education**
- **Economy is moving in the right direction**
- **Education gets its first slice of restoration of cuts that began in 2008/09**
- **Governor Brown reformed the Education Finance System**
- **More funding for districts with higher number of English learners, students eligible for free and reduced meals, and/or foster youths**
- **Not all districts will benefit equally; No two districts are alike**

Enacted 2013/2014 State Budget

- Brand new education funding system dependent on how much State revenues are received each year and how much funding Governor is allocating towards education
- No more Revenue Limit per ADA; Statutory COLA no longer determines out-year funding increases/decreases
- % of eligible students could change year to year
- Details of what funds can be spent on are still emerging



- State Board of Education tasked with the preparation of LCFF accountability rules
- Districts should prepare for a larger reserve in light of new funding mechanism

One-time Common Core Funds

- The State budget provides \$1.25 billion in one-time restricted funds
- Estimated \$200 per student
- Must be spent in 2013/14 and 2014/15
- In order to receive funds, districts must develop and adopt an expenditure plan on how funds will be spent

Est. \$5.7 M

- Funds can only be used for:

- **Professional Development**
- **Instructional materials, supplemental instructional materials aligned to the Common Core State Standards**
- **Technology**



Local Control Funding Formula (LCFF)

- Consolidates Revenue Limit + more than 40 state categorical programs into ONE REVENUE STREAM on a permanent basis
- Implemented over 8 year period (by 2020/21) to reach **target funding level**
- Grade span per pupil base grants plus adjustments, supplemental and concentration grants

Formula Component	K-3	4-6	7-8	9-12
1. Target Base Rates (per ADA)	\$6,952	\$7,056	\$7,266	\$8,419
Adjustment Factors	10.4% CSR	--	--	2.6% CTE
2. CSR, CTE Amounts	\$723	--	--	\$219
Add the following amounts to the base rate and adjustments above:				
3.	<ul style="list-style-type: none"> Supplemental Grant: 20% of the grade span base grant multiplied by the districtwide % eligible students (English Learner, eligible for free/reduced meals, foster youth) 			
4.	<ul style="list-style-type: none"> Concentration Grant: 50% of the grade span base grant multiplied by the districtwide % eligible students that exceed 55% of total enrollment 			

How LCFF Works

The Formula

2013/14 Base Grant

(\$6,952 x K-3 ADA)

(\$7,056 x 4-6 ADA)

(\$7,266 x 7-8 ADA)

+ (\$8,419 x 9-12 ADA)

K-3 CSR Adjustment – 10.4% of base grant

+ (\$723 x K-3 ADA)

CTE Adjustment – 2.6% of base grant

+ (\$219 x 9-12 ADA)

Supplemental Grant – 20% of base grant + adjustment

(\$1,535 x 49% x K-3 ADA)

(\$1,411 x 49% x 4-6 ADA)

(\$1,453 x 49% x 7-8 ADA)

+ (\$1,728 x 49% x 9-12 ADA)

Targeted Improvement Instruction Grant

+

Transportation Grant

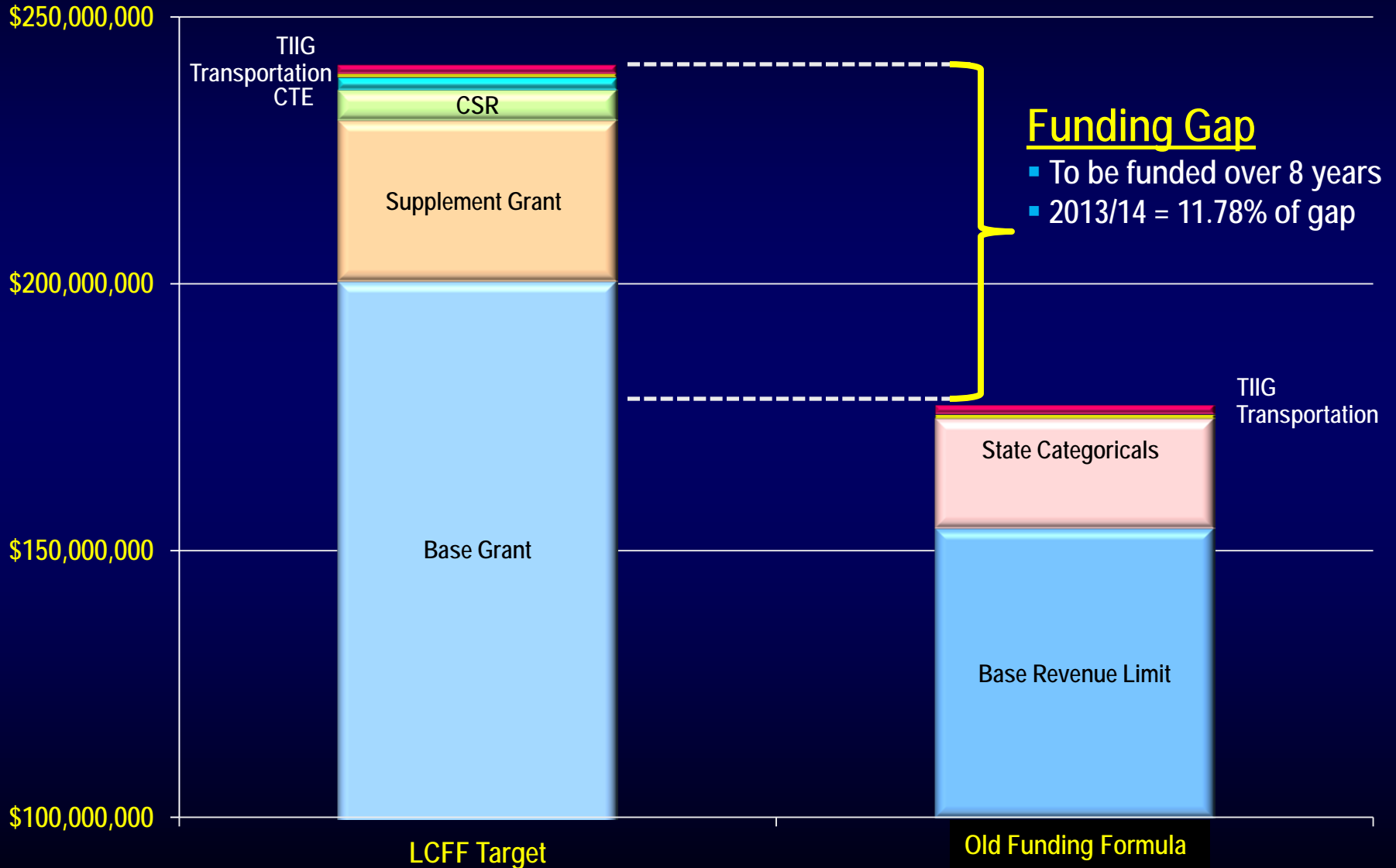
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LCFF 8 Year Target Amount

Compare to

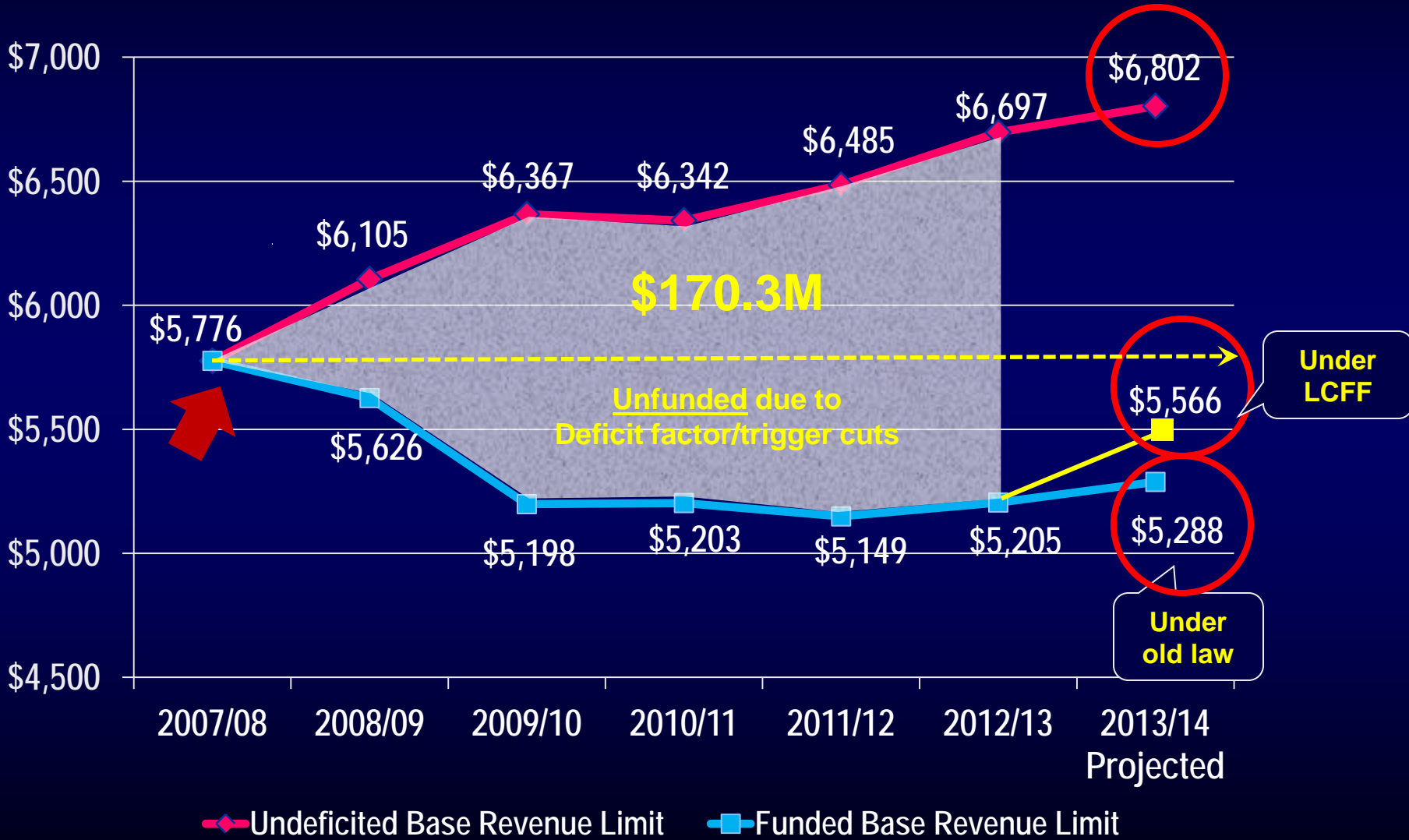
Old Revenue Limit Funding

How LCFF Works



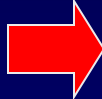
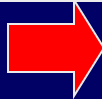
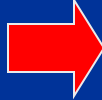
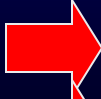

CVUSD Historical Funded Revenue Limit

Per Average Daily Attendance



Revised 2013/14 Budget

General Fund

	2013/14 Budget
BEGINNING BALANCE (Est. Actuals)	\$51,766,658
Revenue	 \$217,772,301
Expenditure & Other Sources/Uses	\$224,201,645
Net Inc./ (Dec.) in Fund Balance	 (\$6,429,344)
ENDING BALANCE	 \$45,337,314
Components of Ending Balance:	
-Revolving Cash	\$100,000
-Reserve for Economic Uncertainty 3%	\$6,726,049
-Equity Distribution	\$49,889
-Est. LCFF Restricted portion subject to LCAP	 \$1,060,789
-UNAPPROPRIATED ENDING BALANCE	 \$37,400,587

Note: Numbers may not add up due to rounding; Common Core funds not reflected in the above budget yet.



LCFF & Accountability

Local Control and Accountability Plan (LCAP)

- On or before July 1, 2014, the school board is required to adopt a Local Control and Accountability Plan (LCAP) using a template adopted by the State Board of Education
- Plan shall be effective for a period of three years and shall be updated each year

Timetable for Implementation	
January 31, 2014	State Board Education (SBE) must adopt regulations for use of supplemental and concentration grant funds
March 31, 2014	SBE must adopt the LCAP template
July 1, 2014	CVUSD must adopt our LCAP for 2014/15
October 8, 2014	COE must approve/disapprove district LCAP
July 1, 2015	CVUSD must adopt our LCAP annual update
October 1, 2015	SBE must adopt an evaluation rubric for LCAP
July 1, 2016	CVUSD must adopt our LCAP annual update

LCFF & Class Size Reduction

- At full implementation of LCFF (2020/21), districts receiving K-3 CSR adjustment grant will be required to maintain an average enrollment of **24 students per class in K-3**
- Beginning **2013/14**, districts will need to **make progress** from our starting average class size to the 24 student enrollment target, or **an alternative** specified in their **bargaining agreement**
- CVUSD collective bargaining agreement for K-3 class size is as follows:
K/2/3 = 31:1 1st Grade = 30:1
- As confirmed by auditor, CVUSD is not required to lower K-3 class size in 2013/14



Board Approved Restorations for 2013/14

SUPERINTENDENT'S RECOMMENDED RESTORATIONS		2013-2014
1	Grade Level/Department Chair Stipend	(\$351,111)
2	ES Assistant Principal (20 FTE)	(\$2,172,244)
3	JHS Assistant Principal (2 FTE)	(\$235,705)
4	School Nurse (15 FTE)	(\$1,561,073)
5	Elementary Music Program (9 FTE)	(\$829,525)
6	HS Counselor (22 FTE)	(\$2,237,692)
7	Intervention Counselor at JHS (5.4 FTE/7 positions)	(\$485,336)
8	Adult School Education	(\$300,000)
9	Home-to-School Transportation 7-8	(\$121,966)
10	Home-to-School Transportation 9-12	(\$119,494)
11	Athletic Transportation and Band Competition Transportation	(\$382,500)
12	ES Library/Media Center Assistant (20 positions)	(\$219,867)
13	Increase Attendance Clerk at HS (3.75 FTE)	(\$184,428)
14	Increase work year for A.P. Secretaries at HS by 15 days (175 to 190)	(\$23,170)
15	Sub-Use Budget at All School Sites	(\$120,000)
TOTAL		(\$9,344,111)

Superintendent's Recommendations

Additional Restorations for 2013/14

SUPERINTENDENT'S RECOMMENDED RESTORATIONS		2013-2014
16	Increase Typist Clerk II at HS (4 FTE)	(\$167,319)
17	Increase Custodian I at HS (4 FTE)	(\$207,037)
18	Increase Student Personnel Specialist (1 FTE)	(\$53,962)
19	Increase Maintenance II/Painter (2 FTE)	(\$119,824)
20	Increase Maintenance III/Locksmith (1 FTE)	(\$65,254)
21	Restore Maintenance II/Carpenter (1 FTE)	(\$63,862)
22	Increase Maintenance III/HVAC (1 FTE)	(\$74,293)
TOTAL		(\$751,551)

Superintendent's Recommendations

Additional Restorations for 2013/14

SUPERINTENDENT'S RECOMMENDED RESTORATIONS		2013-2014
23	Increase work year for A.P. Secretaries at HS by 10 days (190 to 200)	(\$15,466)
24	Increase work year for Receptionists at HS by 12 days (185 to 197)	(\$7,951)
25	Increase work year for Counseling Assistants at HS by 2 days (208 to 210)	(\$3,436)
26	Increase work year for Counseling Assistants at JHS by 2 days (208 to 210)	(\$2,594)
27	Increase work year for Secretaries at JHS by 1 day (210 to 211)	(\$2,257)
28	Increase work year for Secretaries at ES by 1 day (210 to 211)	(\$4,318)
29	Increase work year for 19 Psychologists by 10 days (185 to 195)	(\$95,154)
TOTAL		(\$131,176)

Ongoing Budget Concerns

- Declining enrollment
- Rising special education and transportation costs
- Potential New charter(s)



New Budget Concerns

- **Common Core** (Technology Infrastructure and textbooks)
- **Linked Learning**
- **Summer School**
- **Deferred Maintenance**
- **New funding system, uncertainty of funding year to year**
- **Statutorily required reserve is too low**

Don't Try to Reattach Dead Branches to a Growing Tree

- Don't restore a program just because it was there yesterday
- Recovery gives you the opportunity to design a better education plan
- Use today's knowledge for tomorrow's delivery
- It is a once-in-a-career opportunity to redesign the delivery model needed for tomorrow



Next Steps

- **August 2013**
 - ✓ *Board to consider and take action on budget restorations for 2013/14*
- **December 2013** –
 - ✓ *Board to consider and adopt First Interim Financial Report*
- **January 2014** –
 - ✓ *Board to consider and take action on budget restorations for 2014/15*



Discussions & Questions



The Future

