

# 2017-2018 Proposed Budget

Board of Directors  
August 14, 2017



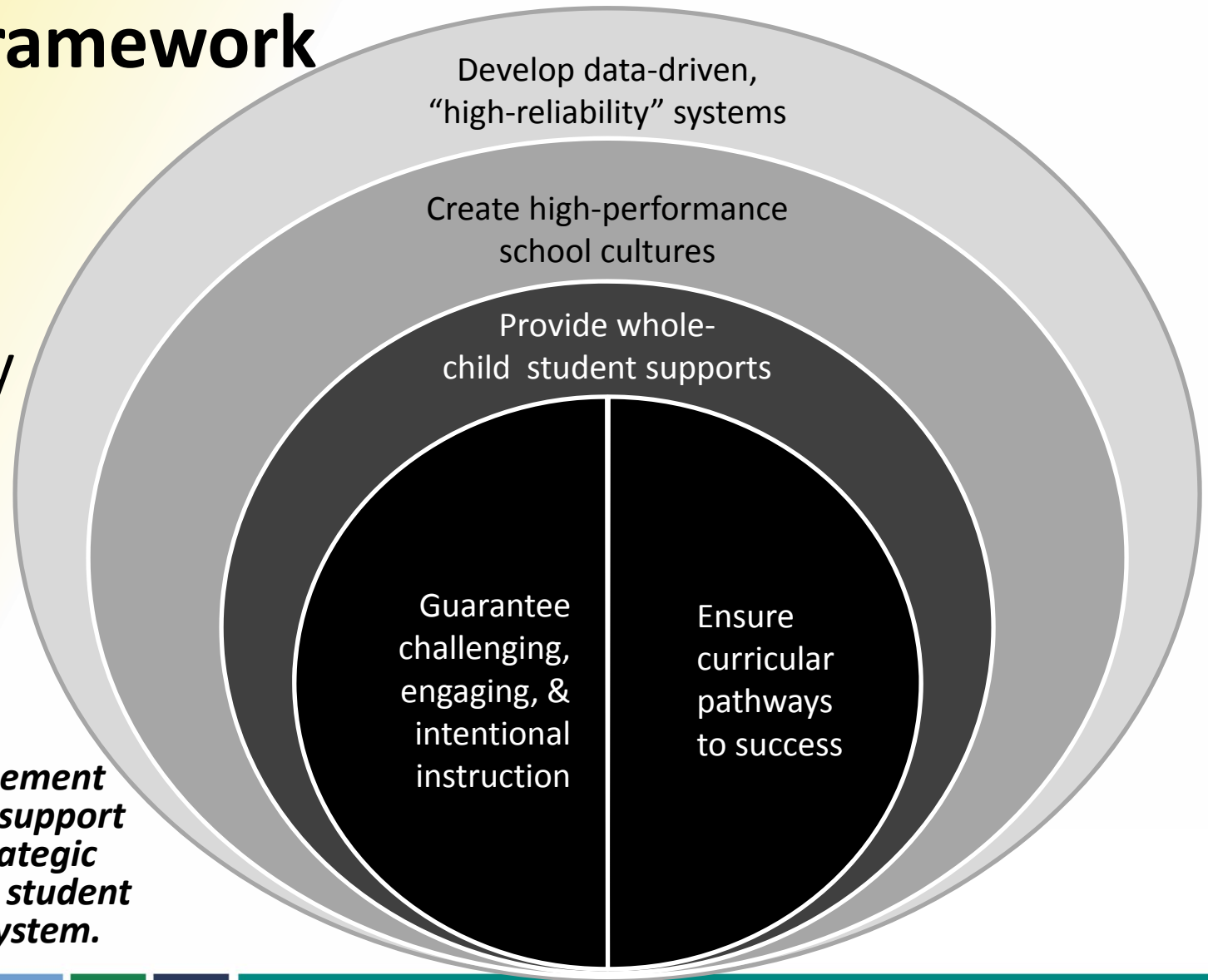
# Mission Statement

*Inspiring and empowering learners to be contributing citizens in our changing world.*



# What Matters Most Framework

High  
Reliability  
District  
Systems



*Resource management is an underlying support for the entire strategic plan, supporting student learning in our system.*



# Strategic Plan

- Goal Four: High Reliability District Systems
  - B. Strategic and Appropriate Allocation of Resources
    1. Begin implementation of the CVSD Resource Study recommendations on the district's use and allocation of resources in support of the strategic plan, mission, goals, and student achievement. Evaluate future spending and the effectiveness of current programs.
    4. Develop and expand flexible programs that support student learning outside of the school day, including extra-curricular programs and extended school hours.



# Steps in Budget Process

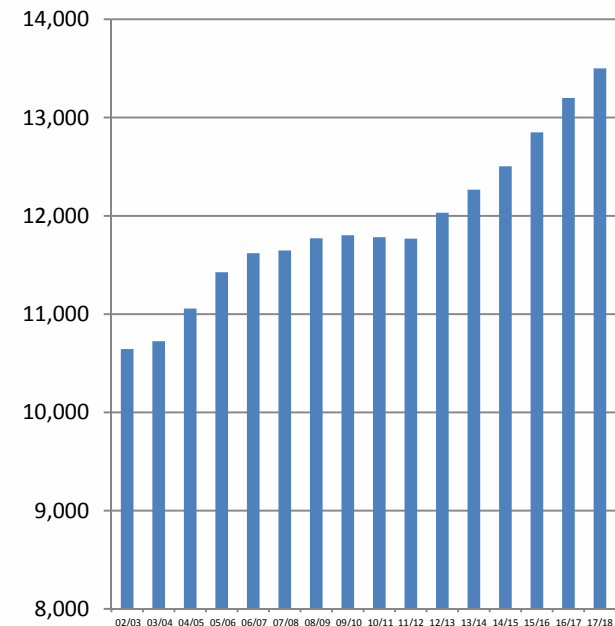
- Enrollment projections – January/February
- Legislative action
- Labor contracts
- Board decisions
- Board updates / work sessions
- Public Hearing / Board adoption – August



# Enrollment

- Growth in enrollment

– 2002/2003	10,644	<i>High schools opened</i>
– 2003/2004	10,725	
– 2004/2005	11,055	
– 2005/2006	11,426	
– 2006/2007	11,629	
– 2007/2008	11,640	
– 2008/2009	11,770	
– 2009/2010	11,803	
– 2010/2011	11,782	
– 2011/2012	11,767	
– 2012/2013	12,054	←
– 2013/2014	12,280	
– 2014/2015	12,518	
– 2015/2016	12,879	
– 2016/2017	13,199	<i>Projected</i>
– <b>2017/2018</b>	<b>13,500</b>	<b><i>Budgeted</i></b>



# Legislative Action

- Convened January 9, 2017
  - Long session – 105 days
  - Sine die April 23, 2017
- Three special sessions
- General Fund Budget approved and signed June 30, 2017



# 2017-19 Budget Bill – SSB 5883

- Keeps current structure of funding in place for 2017-18
- 2.3% COLA for staff
- Increase in monthly health benefit allocation
- Increase in pension rates
- K-3 class size reduction funded
- Inflationary increase to Maintenance Supplies & Operating Costs (MSOCs)
  - 1.7%
- *Enhanced Learning Assistance Program (LAP) funding for low poverty schools*
- *Increased eligibility percentage for highly capable*
- *Lowered Career and Technical Education (CTE) and Skills Center class size*
- *Special Education funded percentage raised from 12.7% to 13.5%*
- Shifts 2.5% of State apportionment to July, the next State fiscal year





# The McCleary Solution – HB 2242

- Dramatically changes structure of K-12 funding beginning in 2018-19
  - Compensation
  - Levy and Local Effort Assistance (LEA)
  - Greater accountability/Audit requirements
  - New accounting structure
  - 4 year budget plan and 4 year enrollment projections
- Phases funding in over four year period
- Maintains the prototypical school funding model for number of staff positions



# Bargaining

- Budget must incorporate the costs committed to in bargaining with associations
- Contracts in place
  - CVEA – bargaining reopeners 2016/2019
  - PSE – currently bargaining 2017/\_\_\_\_
  - CVPA – currently bargaining 2017/\_\_\_\_
  - CVCCAA 2017/2020



# Budget is the Culmination of Board Decisions

- Bargaining commitments
- Implementation of State programs and funding
- Implementation of approved budget recommendations
- Implementation of other board decisions

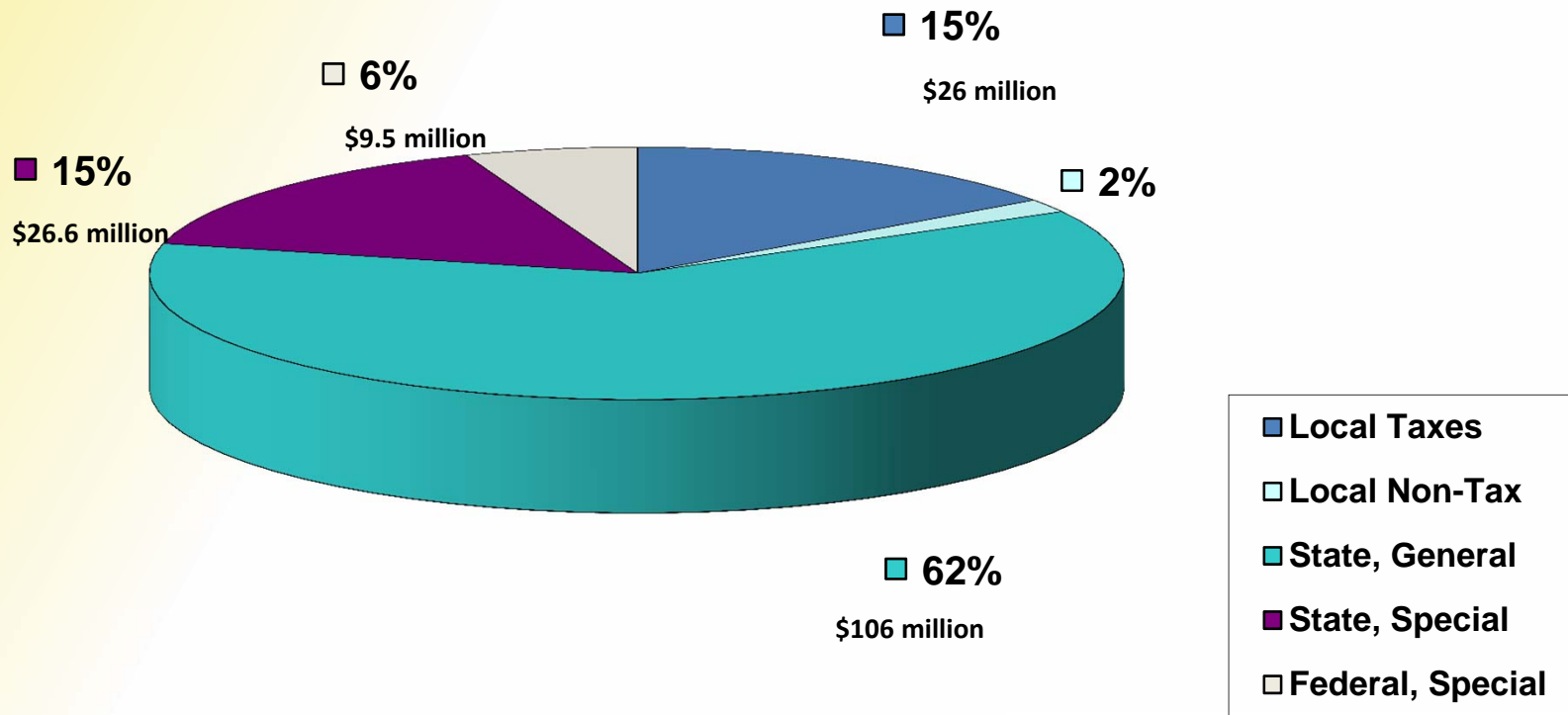


# The Budget Story

- Increase in enrollment – 301 FTE
- Increase in budget – revenues and expenditures
  - Class Size Reduction – 17:1 grades K-3
  - Enrollment growth
  - 2.3% COLA for all staff
  - Increase in health benefit allocation
  - Increase in employer pension rates
  - Increase in LAP supports for high poverty schools
  - Increase in Highly Capable students served
  - Continuation of approved budget recommendations



# General Fund Revenues \$171,404,295

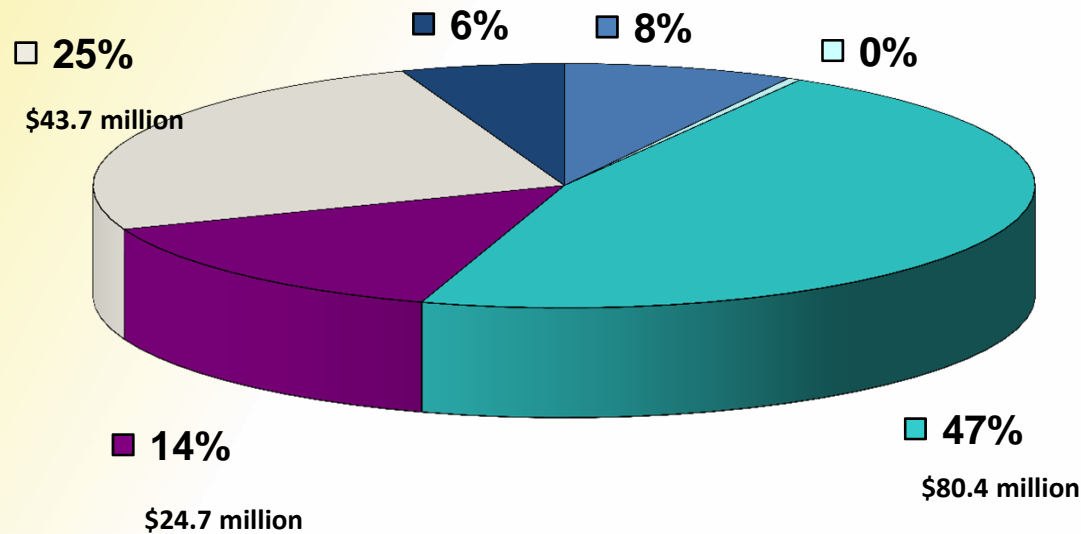


**77% State Funds**



# General Fund Expenditures by Object

## \$172,832,165



- Purchased Services/Travel
- Capital Outlay
- Certificated Salary
- Classified Salary
- Benefits
- Supplies/Materials

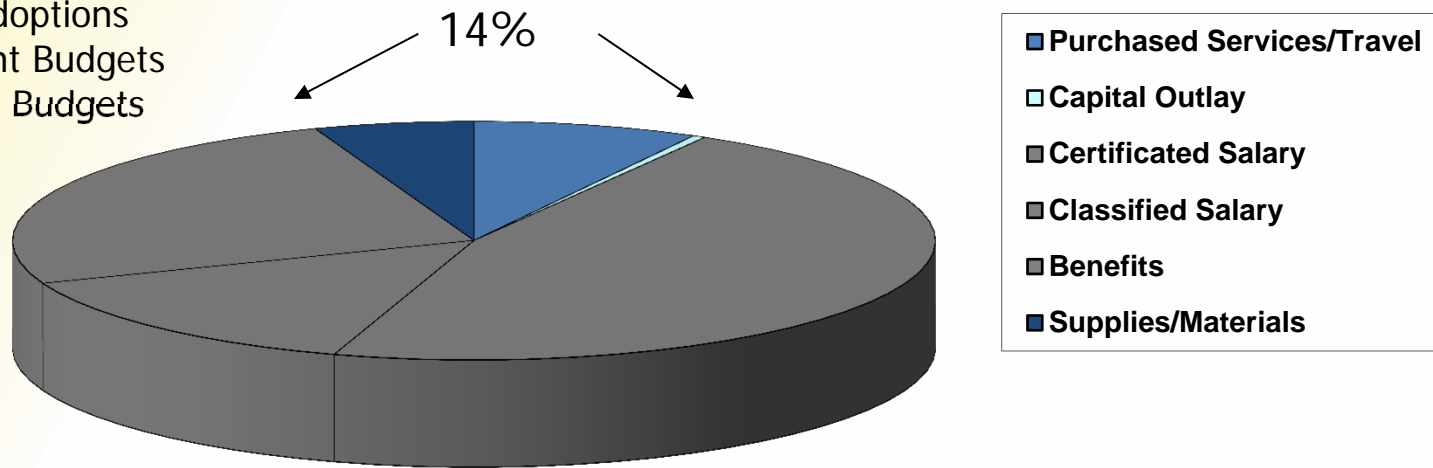
**86% Salary/Benefits**



# General Fund Expenditures by Object

## \$172,832,165

Technology DTAC	\$1.1 M
Utilities	\$3.2 M
Insurance	\$1.3 M
Fuel	\$ .7 M
Food/Supplies	\$2.5 M
Building Budgets	
Curriculum Adoptions	
Program/Grant Budgets	
Departmental Budgets	



# MSOCs Funded vs Budgeted

- State requirement
- Budget presentation must disclose State funded Basic Education Maintenance Supplies & Operating Costs (MSOCs) vs budgeted Basic Education MSOCs

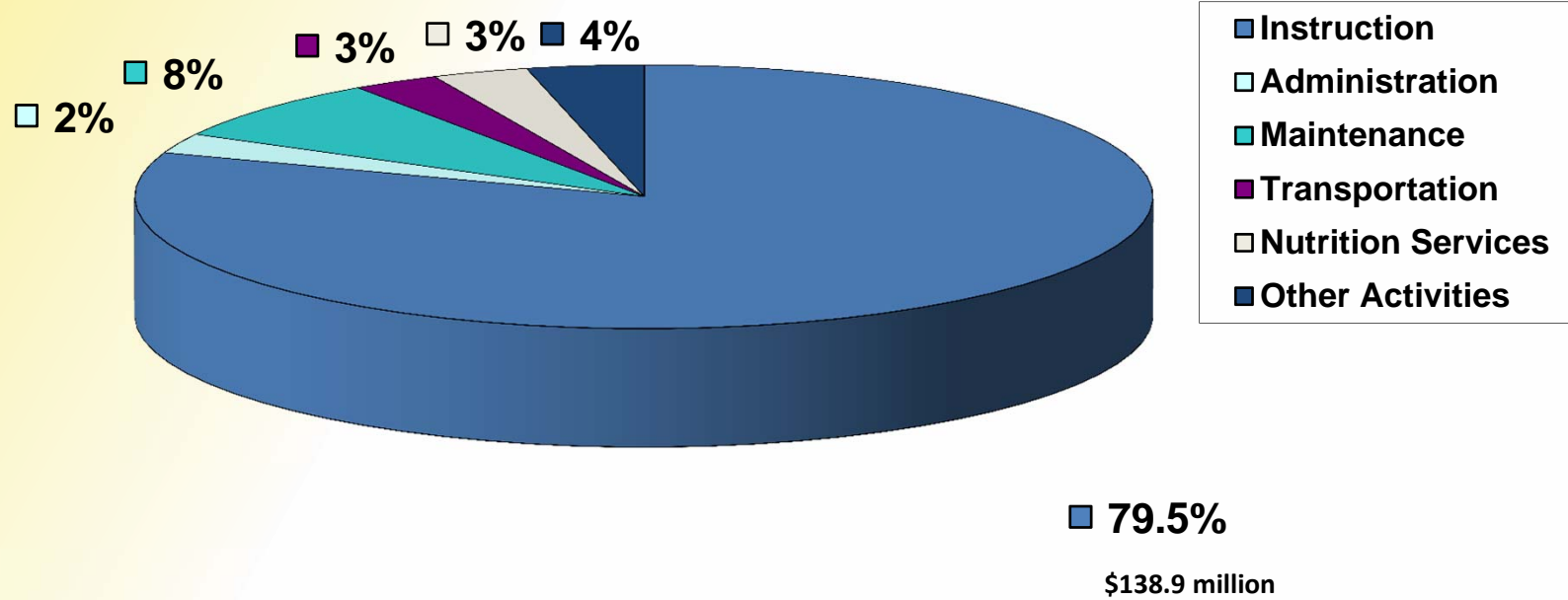
State Funded MSOCs	Budgeted MSOCs	Balance
\$16,548,832	\$16,959,124	(\$410,292)





# General Fund Expenditures by Activity

## \$172,832,165



# Fund Balance

What should the District Fund Balance be?

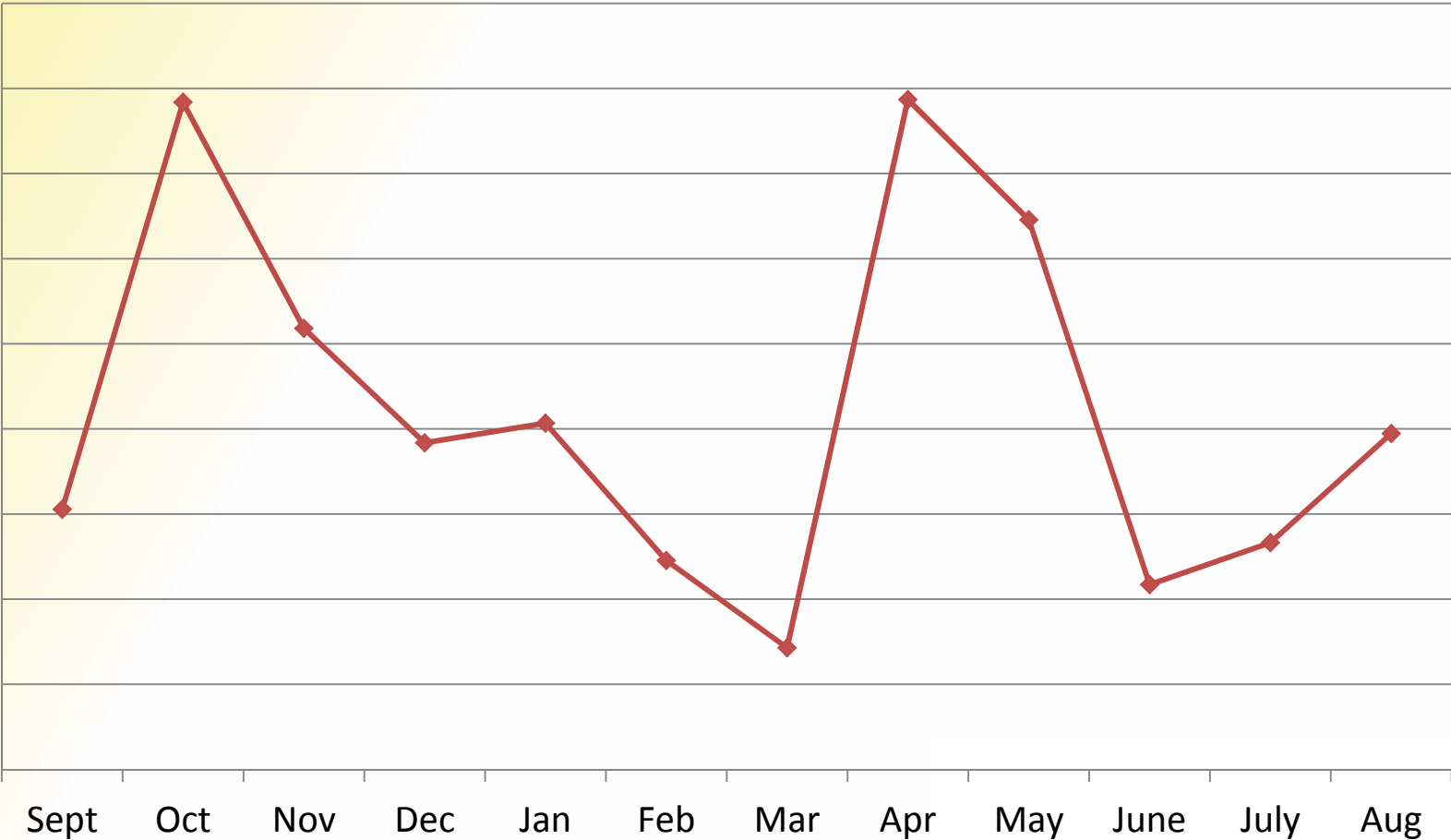
- Balance – financial stability and educational program
- State average (14/15) 10.77%

Board committed to a minimum fund balance of 4%

- Maintain 4% fund balance
  - Financial stability
  - Reserves for emergencies
  - Bond rating
  - Cash flow



# Cash Flow



# Fund Balance

## General Fund Ending Fund Balance

- Budgeted - \$12,782,278
- 7.46% of Revenues
  - Three year plan



# Three Year Budget Plan

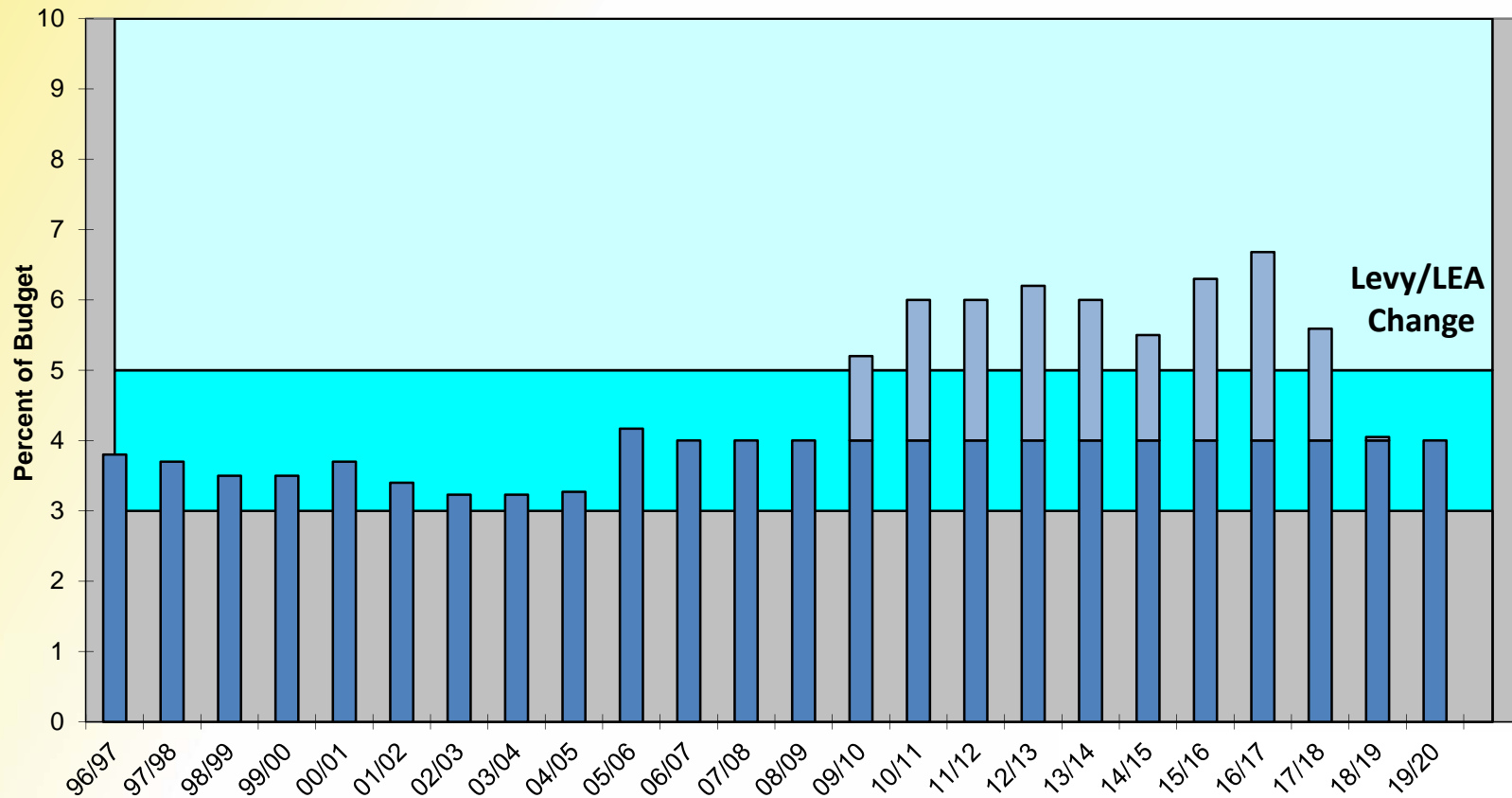


<b>CVSD Budget</b>	<b><u>2016/2017</u></b>	<b><u>2017/2018</u></b>	<b><u>2018/2019</u></b>	<b><u>2019/2020</u></b>
<b><i>Reserves brought forward</i></b>	<b>5,687,835</b>	<b>7,637,223</b>	<b>4,617,427</b>	<b>77,912</b>
Insurance/property valuation	(120,000)	(250,000)	(300,000)	(300,000)
Bargaining	(750,000)	(3,750,000)	(3,750,000)	(3,750,000)
Affordable Care Act (part of net operations)				
Pension rate increases		(750,000)	(800,000)	(850,000)
Net Operations (2015/2016)	2,192,756	2,192,756	2,192,756	2,192,756
Levy	1,392,632	3,738,559		
McCleary - 2242			3,148,840	8,247,431
K-3 Class Size @ 17		(1,000,000)	(1,000,000)	(1,000,000)
Core funding-enrollment increase		150,000	200,000	300,000
Add'l custodial		(290,000)	(290,000)	(290,000)
Health Services model		(395,000)	(395,000)	(395,000)
Add'l admin - 4 asst princ		(561,111)	(561,111)	(561,111)
Riverbend Planning Principal		(170,000)		
Riverbend Elem			(900,000)	(900,000)
2016/2017 COLA - 1.8% (CPI)	(466,000)	(530,000)	(541,000)	(552,000)
2017/2018 COLA - 2.3% (CPI)		(680,000)	(694,000)	(708,000)
2018/2019 COLA - 2.7% (CPI)			(700,000)	(715,000)
2019/2020 COLA - 1.8% (IPD)				(480,000)
Fund Balance Growth to Maintain 4%	(300,000)	(725,000)	(150,000)	(300,000)
<b>Reserves to carry forward</b>	<b>7,637,223</b>	<b>4,617,427</b>	<b>77,912</b>	<b>16,988</b>



# Fund Balance Historical Look

14/15  
State Average  
10.77%



# Program Highlights

- Curriculum Adoptions
  - Implementation - English Language Arts (K-5)
  - English Language Arts (6-12)
  - K-5 Special Education ELA
  - K-5 Music
  - Harassment, Intimidation, & Bullying (HIB)
  - Science A-Z
  - Financial Education
- Project Lead the Way
  - Central Valley, Mica Peak, University, SVT
  - Bowdish, Greenacres, Horizon, North Pines, Summit
- Multi Tiered System of Supports
  - Continuation of Student Intervention Team
  - Positive Behavior Intervention Supports (PBIS)
  - Truancy Board
- Full Day Kindergarten
  - All elementary schools
- K-3 Class Size - 17





# Statistical Highlights

- Enrollment

13,460

285 Running Start

40 Dropout Reengagement

13,785

- General Fund Budget – \$172,832,165

- 14% increase in budget

- K-3 class size reduction
- Increase in enrollment
- COLA
- Health benefit allocation
- Pension rates
- Bargaining commitments
- Costs related to expanded building capacity

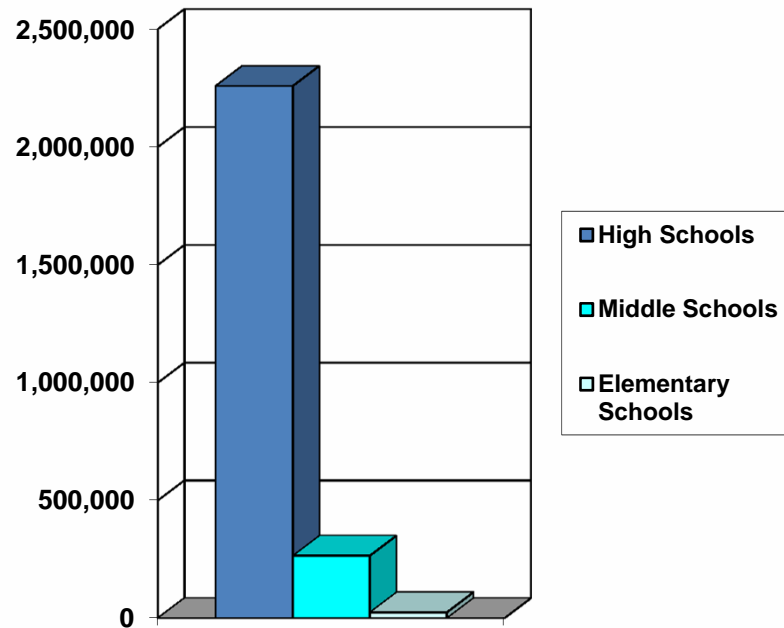


# ASB Fund - \$2,547,565

High Schools  
\$2,258,575

Middle Schools  
\$264,720

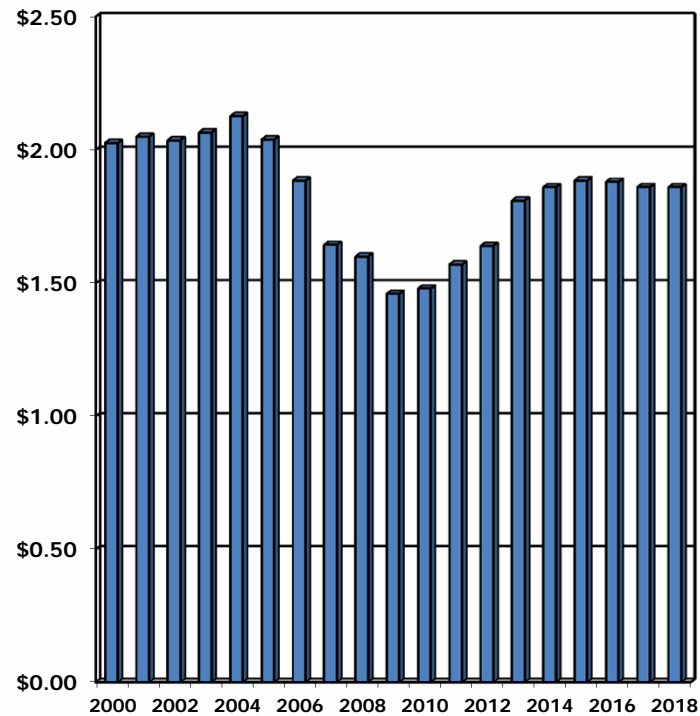
Elementary Schools  
\$24,260



# Debt Service Fund - \$19,444,115

2018 Tax Rolls  
\$14,579,000

Estimated Tax Rate  
\$1.86/1,000



# Capital Projects Fund - \$79,779,632

- Projects to open 2017/18
  - Chester Elem Renovation
  - Evergreen MS Renovation
  - Greenacres Elem Renovation
  - Liberty Creek Elem Construction
  - Opportunity Elem Renovation
  - Ponderosa Elem – New in Lieu
  - Sunrise Elem Renovation
- Projects to open 2018/19
  - Riverbend Elementary
  - North Pines MS – New in Lieu



# Transportation Vehicle Fund - \$1,010,000

- Continued updating of fleet
- Purchase of 8-9 school buses
- State payment shifted to August
  - Delays bus purchase by one year



# 2017-2018 Proposed District Budget

General Fund	\$172,832,165
ASB Fund	\$ 2,547,555
Debt Service Fund	\$ 19,444,115
Capital Projects Fund	\$ 79,779,632
Transportation Vehicle Fund	<u>\$ 1,010,000</u>
Total Budgets	\$275,613,467



# Communication and Transparency with our Stakeholders

- [OSPI](#)
- [Central Valley School District](#) website
- Printed budget document



# Questions?

